MOBIMO

ANNUAL REPORT 2016

INSIGHT

The world of real estate is characterised by a sense of coming and going, i.e. the ebb and flow of life.

Our professional and private lives are played out in buildings – places in which we live and work, or to put it simply, places where our lives take place. In our annual report, we not only want to give you an insight into our business performance, we also want to provide you with a profile of four properties selected from our broadly diversified portfolio. To do this, we are giving a voice to the people who have a special connection with the real estate.

Condominiums in the Lucerne suburbs: Am Meggerwald.
Further information on page 13.

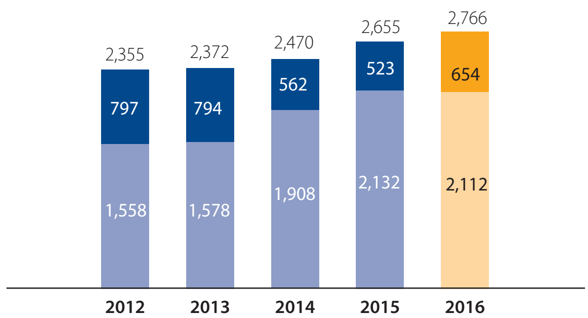
SELECTED KEY FIGURES 2016

Mobimo continued to increase rental income in 2016. Profit from trading property and development services business was markedly up year-on-year. It also reported an extraordinarily high gain on revaluation and on the disposal of individual investment properties.

Profit attributable to the shareholders of MOH
CHF million
2015: 103.9

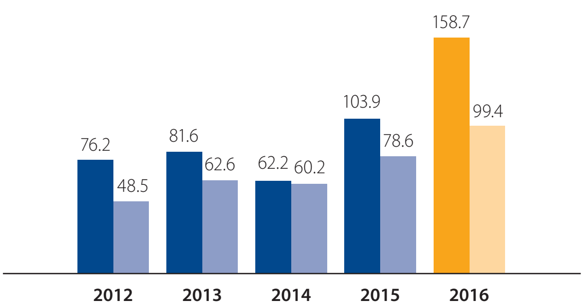
158.7

Total portfolio value
CHF million



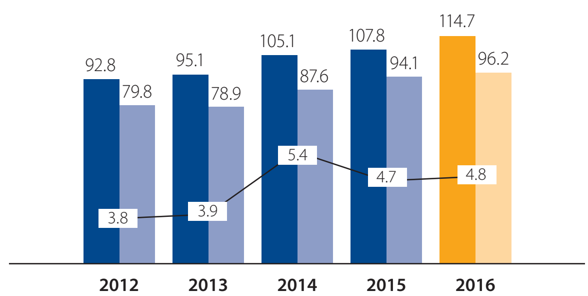
Development properties
Investment properties

Profit including and excluding revaluation
CHF million



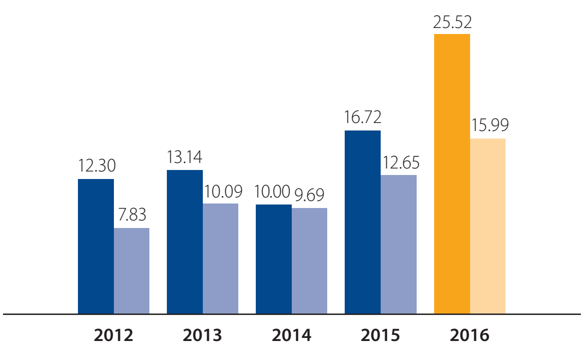
Profit attributable to the shareholders of MOH
Profit attributable to the shareholders of MOH excl. revaluation

Rental and net rental income and vacancy rate
CHF million/%



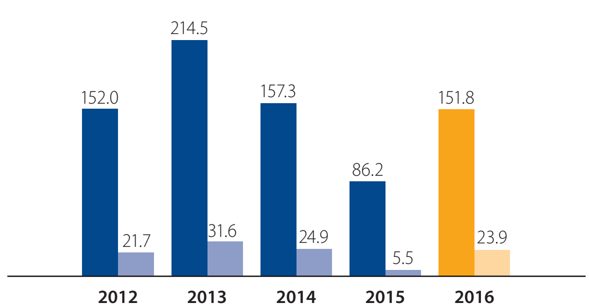
Rental income
Net rental income
Vacancy rate

Earnings per share including and excluding revaluation
CHF



Earnings per share incl. revaluation
Earnings per share excl. revaluation

Income and profit on sale of trading properties and development services
CHF million



Income on sale and services
Profit

Result	Unit	2016	2015	Change in %
Net rental income	CHF million	96.2	94.1	2.3
Profit on sale of trading properties and development services	CHF million	23.9	5.5	330.5
Profit on disposal of investment properties	CHF million	34.9	63.8	–45.2
Net income from revaluation	CHF million	80.7	34.7	132.3
Operating result (EBIT)	CHF million	200.3	170.4	17.5
Operating result (EBIT) excluding revaluation	CHF million	119.6	135.7	–11.9
Profit	CHF million	159.4	105.0	51.9
Profit attributable to the shareholders of MOH	CHF million	158.7	103.9	52.7
Profit attributable to the shareholders of MOH excluding revaluation	CHF million	99.4	78.6	26.5

Balance sheet	Unit	2016	2015	Change in %
Assets	CHF million	3,031.7	2,952.9	2.7
Equity	CHF million	1,366.3	1,264.7	8.0
Equity ratio	%	45.1	42.8	5.4
Return on equity	%	13.1	8.9	47.2
Return on equity excluding revaluation	%	8.2	6.7	22.4
Interest-bearing liabilities	CHF million	1,349.4	1,366.7	–1.3
Ø Rate of interest on financial liabilities	%	2.38	2.46	–3.3
Ø Residual maturity of financial liabilities	years	6.9	7.7	–10.4
Net Gearing	%	86.0	90.4	–4.9

Portfolio	Unit	2016	2015	Change in %
Overall portfolio	CHF million	2,766	2,655	4.2
Investment properties	CHF million	2,112	2,132	–1.0
Development properties	CHF million	654	523	25.3
Gross yield from investment properties	%	5.3	5.4	–1.9
Net yield from investment properties	%	4.1	4.3	–4.7
Investment property vacancy rate	%	4.8	4.7	2.1
Ø Discount rate for revaluation	%	3.75	4.08	–8.1

EPRA	Unit	2016	2015	Change in %
EPRA profit	CHF million	51.4	50.8	1.1
EPRA NAV per share	CHF	258.53	244.06	5.9
EPRA rental increase like for like	%	0.4	0.8	–50.0
EPRA vacany rate	%	4.8	4.7	2.1

Headcount	Unit	2016	2015	Change in %
Ø Headcount (full-time basis for the period)	Number	126.2	107.4	17.5
Headcount (full-time basis)	Number	135.7	107.8	25.9

Share	Unit	2016	2015	Change in %
Shares outstanding[1]	Number	6,216,126	6,216,923	–0.1
Nominal value per share	CHF	29.00	29.00	0.0
NAV per share	CHF	217.33	202.45	7.3
Earnings per share	CHF	25.52	16.72	52.6
Earnings per share excluding revaluation	CHF	15.99	12.65	26.4
Distribution per share[2]	CHF	10.00	10.00	0.0
Dividend yield	%	3.9	4.5	–13.3
Share price as at 31.12.	CHF	254.75	222.70	14.4

[1] No. of shares issued 6,218,170 less treasury shares 2,044 = no. of outstanding shares 6,216,126.
[2] Distribution of paid-in capital for the 2016 financial year of CHF 10.00 per share in accordance with the proposal to the General Meeting of 28 March 2017. Some CHF 89 million was available for distribution of paid-in capital as at 31 December 2016.

Details on the long-term trends of Mobimo's key figures can be found on page 146 of the Annual Report (five-year overview).

CONTENTS

OUR PROFILE

Mobimo Holding AG was established in Lucerne in 1999 and has been listed on the SIX Swiss Exchange since 2005. With a real estate portfolio with a total value of more than CHF 2.7 billion, the Group is one of the leading real estate companies in Switzerland. The Mobimo portfolio comprises residential and commercial properties in first-class locations in German-speaking and French-speaking Switzerland.

The investment properties are characterised by a balanced portfolio mix and diligent management, thus guaranteeing stable revenues. The company uses its development projects to create potential for capital appreciation and gains for the entire portfolio and for third parties. The development and expansion of entire sites into lively, mixed-use districts is one of Mobimo's core competences.

The ongoing development of the market position creates added value for shareholders, customers and partners over the long term. Mobimo pursues a sustainable strategy, has a stable business model and employs highly qualified and motivated people.

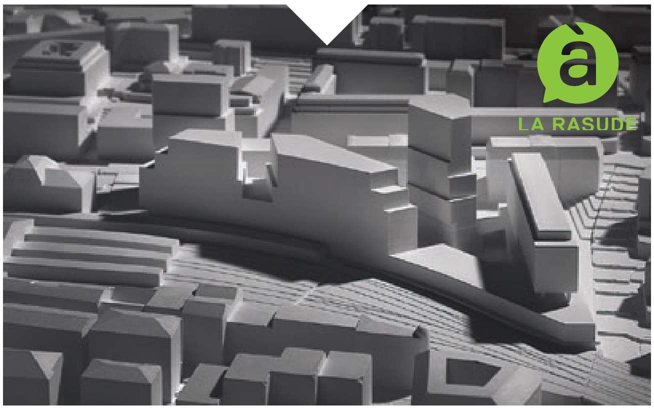
HIGHLIGHTS 2016

FOUNDATION STONE LAID FOR THE LABITZKE DEVELOPMENT

In accordance with the plans of renowned Zurich-based architecture firm Gigon/Guyer, the principal, Mobimo, and total contractor, Implenia, are building 277 rental apartments – with property sizes ranging from 1.5 rooms to 4.5 rooms – as well as commercial spaces, offices and a crèche on the site that previously housed the Labitzke Farben AG factory. The Z-shaped plot measures 10,000 m^2 and will feature seven publicly accessible squares. The foundation stone laying ceremony was held in September 2016 with city councillor and Head of Civil Engineering Department for Zurich City André Odermatt and some 100 guests in attendance. The development close to the Zurich-Altstetten train station is scheduled to be completed in mid-2018. Grabbing the spades at the ceremony (from left to right): Ralph Gmür (Implenia), Mike Guyer, (Gigon/Guyer), Christoph Caviezel (Mobimo), Julia Denfeld (Mobimo), André Odermatt (Zurich City Council), Jens Vollmar (Implenia), Urs Meyer (Gigon/Guyer).

IMPRESSIVE STUDY CONTRACT FOR RASUDE

In Lausanne, Project Rasude is starting to take form. The landowners SBB Immobilien and Mobimo initiated a study contract for the further development of the area between Lausanne train station and Avenue d'Ouchy, with eight architecture firms taking part. Ultimately, the team of experts, headed up by EPFL (Ecole polytechnique fédérale de Lausanne) architecture professor Bruno Marchand, unanimously recommended the Echappées project from Geneva-based architect Eric Maria for further development. Echappées stood out from the rest of the entries because of its subtle approach to harmoniously integrate the new district into the surrounding area. The project features transport connections to the city and attractive public spaces. Rasude is part of the plan for the urban development of the train station area. This also includes the redevelopment of the Lausanne train station as well as the housing together of various museums in the former train depot.



MAIN TENANT FOR THE AESCHBACHHALLE

Mobimo is developing a modern urban district in central Aarau in the form of the Aeschbach district. Aeschbachhalle, a former industrial building with an impressive interior, will be at the heart of the new urban area. Following a careful renovation, this old and venerable building will be used for a range of events, including jazz concerts, general meetings, exhibitions and a lot more besides. The rental contract was signed with the main tenant in June. As the building's actual administrator, they will play a major role in making the hall the centre of the bustling district.


Visualisation

VERY SUCCESSFUL BUSINESS PERFORMANCE IN 2016

Profit attributable to the shareholders of MOH excluding revaluation
CHF million
2015: 78.6

99.4

Return on equity
%
2015: 8.9

13.1

Rental income
CHF million
2015: 107.8

114.7

Georges Theiler, Chairman of the Board of Directors, and **Dr. Christoph Caviezel,** CEO.

Dear shareholders

We take pleasure in reporting on what emerged to be an extraordinarily successful financial year in a more challenging economic environment. Our solid business model allows us to once again report record results.

Mobimo's profit for the year 2016 totalled CHF 159.4 million (prior year: CHF 105.0 million). This included an extraordinarily high gain totalling CHF 34.9 million, generated on the disposal of three investment properties (prior year: two investment properties, CHF 63.8 million). Mobimo posted profit excluding revaluation, driven mainly by the market in 2016, of CHF 99.4 million (prior year: CHF 78.6 million). The company's operating performance allows us to propose once again to the General Meeting the distribution of a dividend of CHF 10.00 per share.

Reinvestment of the proceeds from selected disposals

Institutional investor demand for residential property remains high in light of ultra-low interest rates. Attractive office and commercial property is also in increasingly high demand. Mobimo made no additions to its portfolio in this transaction environment, instead selling individual investment properties. The company can use the sales proceeds to reinvest in its own development pipeline at substantially higher returns. Investment volume of projects under construction totalled CHF 560 million, and that of projects being planned CHF 470 million.

Vacancy rate remains low

Despite portfolio disposals, rental income increased once again by 6.3% to CHF 114.7 million. The reporting period and that of the prior year are only partially comparable, as the portfolio underwent major changes in 2015 and 2016: these involved the disposals of the investment properties already mentioned and the acquisition of the portfolio of Dual Real Estate Investment SA in Geneva at the end of 2015. This acquisition increased the number of rental apartments by some 700 units, to which 266 residential units from Mobimo's own project development were added in 2015 and 2016. As at 31 December 2016, the vacancy rate was 4.8% (31 December 2015: 4.7%), thus remaining at a low level. One of the measures aimed at maintaining a high level of tenant satisfaction and a low vacancy rate in the long term is the complete integration of the FM Service & Dienstleistungs AG joint venture, launched in 2014, into the Mobimo Group. The headcount rose to 135.7 full-time equivalents in response to the company's integration.

Lots of activity under way in Lausanne's Flon district

In Lausanne, Mobimo started work on the construction of Les Garages, a project which is to feature attractive commercial space in the southern part of the Flon district. Construction work on a new hotel will start in 2018: hotel operator SV Hotel is opening the first Moxy Hotel in Switzerland with 110 beds in 2019. Moxy is a successful brand of US hotel group Marriott.

Construction is currently in progress on behalf of Mobimo in Zurich, Kriens and Aarau: eight buildings are being constructed on the Labitzke site in Zurich featuring a total of 277 rental apartments and commercial and retail space. Mobimo is realising a mixed-use urban district at Mattenhof in Kriens, which marks the first step in the further development of the region Lucerne South. 56 of the 92 condominiums have already been sold in Aarau's Aeschbach district. The buyers are moving into their new homes from the beginning of 2017. Construction work is also in progress on the 167 rental apartments that are earmarked for completion in 2018.

Strong demand for services of Development for Third Parties

Under Development for Third Parties, a project was sold on the Mattenhof site in Kriens in 2016 and the 3M EMEA office building in Langenthal was handed over ready for occupancy in July 2016. With its acquisition of a two-thirds holding in BSS&M Real Estate AG in Zurich, Mobimo further expanded its development activities for third parties, which were very much in high demand. The largest number of condominium ownership transfers recognised in net income in 2016 related to the development Am Meggerwald in Lucerne.

Outlook

The real estate market remains attractive given constantly low interest rates, but also thanks to Switzerland's attractiveness in an international context. Demand remains high for residential and working space in urban centres and in high-value properties. With its broadly diversified portfolio, well-filled development pipeline and its nearly twenty years of experience, Mobimo is well prepared for the future. Its flexible business model enables it to seize targeted opportunities and react early to market changes. The Board of Directors and the Executive Board therefore expect to continue to post good operating results in future that will enable the company to make attractive dividend distributions to shareholders.

Thank you for the trust you have placed in our company and its staff.

Georges Theiler
Chairman of the Board of Directors

Dr. Christoph Caviezel
CEO

MOBIMO ON THE CAPITAL MARKET

The capital market acknowledged the successful business performance reported by Mobimo. The share price gained ground of 14.4%. The Board of Directors will propose once again to the Annual General Meeting a distribution of CHF 10.00 per share for the 2016 financial year.

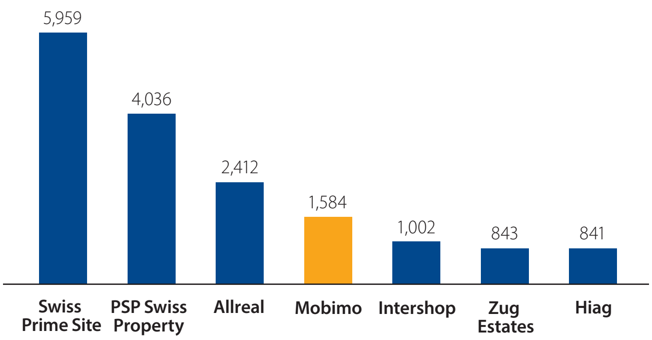
The registered shares of Mobimo Holding AG are traded on the SIX Swiss Exchange in Zurich and are listed in accordance with the Standard for Real Estate Companies.

Code	MOBN
Swiss security no.	1110887
ISIN code	CH0011108872
Bloomberg	MOBN SW Equity
Reuters	MOBN.S

Outstanding performance of the Mobimo share

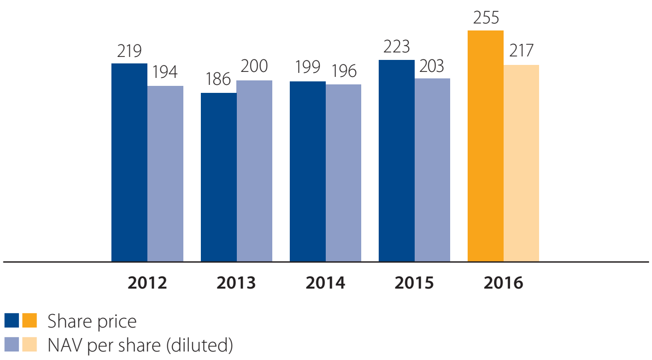
Since its initial public offering in June 2005, the Mobimo share – with an average annual performance (total return) of 6.5% – has been characterised by steady value growth and a regular, attractive dividend distribution. Due to this active growth, Mobimo's market capitalisation has increased from CHF 490 million (31 December 2005) to CHF 1,584 million (31 December 2016) during the same period.

Market capitalisation in a sector comparison as at 31 December 2016
CHF million



Measured in terms of its market capitalisation as at 31 December 2016 and the total value of its portfolio, Mobimo is the fourth largest real estate company listed on the SIX Swiss Exchange. The market capitalisation of Mobimo Holding AG increased by some 14.4% during 2016 and stood at CHF 1,584 million at the end of the year (prior year: CHF 1,385 million).

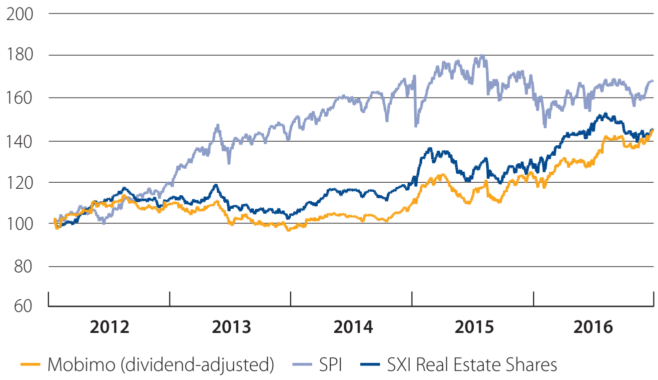
Share price compared to NAV/share
CHF



As at 31 December 2016, net asset value (NAV) per share amounted to CHF 217.33 (prior year: CHF 202.45), while diluted NAV per share stood at CHF 217.33 (prior year: CHF 202.45). The difference compared to the prior year can be mainly attributed to the capital repayment, the profit for the year and the changes recognised in other comprehensive income (pension liabilities under IAS 19 and financial instruments qualifying as cash flow hedges).

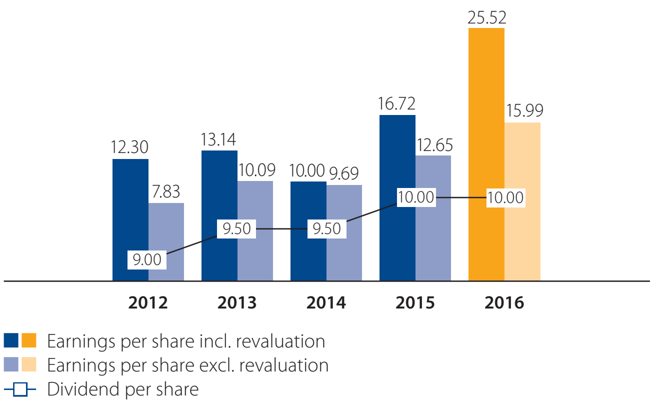
As at 31 December 2016, Mobimo's share price of CHF 254.75 was 17.2% above the diluted NAV of CHF 217.33. The liquidity of the Mobimo share and its trading volume were both lower than in the prior year. An average of 10,035 (prior year: 11,638) shares were traded each day, generating an average turnover of around CHF 2.2 million (prior year: CHF 2.4 million) per day. Overall, the trading volume of the Mobimo share in 2016 stood at CHF 581.2 million (prior year: CHF 613.8 million).

Share performance (indexed) compared with SPI and SXI
%



Source: SIX Swiss Exchange

Earnings per share and dividend per share
CHF



Mobimo's outstanding business performance was also reflected in that of its share price. Starting the year with a share price of CHF 222.70, the price of the Mobimo share increased to CHF 254.75, thus rising by 14.4%. Viewed over a five-year period, the dividend-adjusted share price has risen by around 45%. During the same period, the SPI Swiss Performance Index and the SXI Real Estate Index increased by 68% and 45%, respectively.

Attractive dividend policy continued

Since its initial public offering, Mobimo has consistently paid out high dividends and will in future also pursue a long-term and shareholder-friendly dividend distribution policy. A minimum of CHF 9.00 per share has been paid out to Mobimo shareholders each year in the form of a withholding tax-exempt and tax-free nominal value repayment or capital repayment since the Group was listed in 2005. Over the past five years, around CHF 292 million has been repaid to shareholders in the form of dividend distributions. During this period, the average annual dividend yield (nominal value repayment or capital repayment) has been around 4.5%, calculated on the basis of the respective year-end share price. The total return per share (incl. price changes) totalled 18.9% in 2016. The attractive dividend distribution policy is also being continued for the 2016 financial year: subject to the approval of the Annual General Meeting, the dividend per share for the 2016 financial year should amount to CHF 10.00 (prior year: CHF 10.00). Based on the 2016 year-end price, the dividend yield of the Mobimo share thus stands at an attractive 3.9%.

In 2016, earnings per share excluding revaluation amounted to a solid CHF 15.99 (prior year: CHF 12.65); the amount including revaluation was CHF 25.52 (prior year: CHF 16.72).

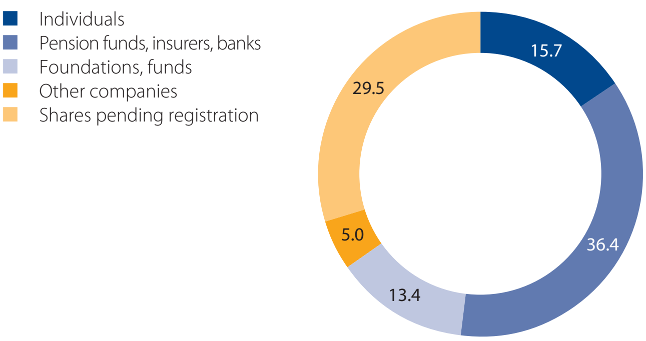
Shareholder structure

As at 31 December 2016, the following shareholders held 3% or more of the share capital:

- BlackRock, Inc., 4.97%
- Zuger Pensionskasse, 3.38%

According to the SIX Swiss Exchange definition, the free float stood at 100% as at 31 December 2016.

Composition of shareholders
%



Mobimo share data

	Unit	2012	2013	2014	2015	2016
Ratios as at 31.12.						
Share capital	CHF million	180.1	180.2	180.3	180.3	180.3
No. of registered shares issued	Number	6,208,913	6,214,478	6,216,606	6,218,170	6,218,170
Of which treasury shares	Number	8,744	2,148	1,623	1,247	2,044
No. of registered shares outstanding	Number	6,200,169	6,212,330	6,214,983	6,216,923	6,216,126
Nominal value per registered share	CHF	29.00	29.00	29.00	29.00	29.00
Share data as at 31.12.						
Earnings per share	CHF	12.30	13.14	10.00	16.72	25.52
Earnings per share excluding revaluation	CHF	7.83	10.09	9.69	12.65	15.99
NAV after options and convertible bond	CHF	193.99	200.01	195.93	202.45	217.33
Gross dividend[1]	CHF	9.00	9.50	9.50	10.00	10.00
Dividend yield (distribution yield)	%	4.1	5.1	4.8	4.5	3.9
Payout ratio	%	73.2	72.3	95.0	59.8	39.2
Share price						
Share price – High	CHF	228.00	221.10	200.70	229.40	254.75
Share price – Low	CHF	202.60	182.80	182.00	190.50	206.10
Share price at 31.12.	CHF	218.90	186.10	199.20	222.70	254.75
Average no. of shares traded per day	Number	9,309	11,132	8,672	11,638	10,035
Market capitalisation at year-end	CHF million	1,359.1	1,156.5	1,238.3	1,384.8	1,584.1

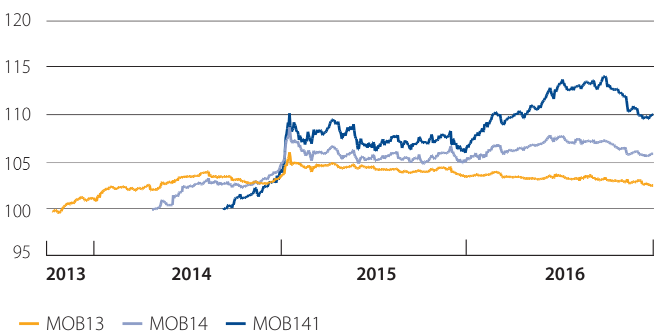
[1] Intended distribution of paid-in capital for 2016 financial year of CHF 10.00 per share in accordance with the proposal to General Meeting of 28 March 2017.

Mobimo bonds

For the long-term funding of the real estate portfolio, Mobimo has issued three bonds, with which it aims to capitalise on the attractive interest rate environment and further diversify its financing instruments. The three bonds are traded on the SIX Swiss Exchange in Zurich. The total financing volume amounts to CHF 515 million.

Performance of bonds

CHF



Key Mobimo bond data

Issue date	29.10.2013	19.05.2014	16.09.2014
Code	MOB13	MOB14	MOB141
Swiss security no.	22,492,349	24,298,406	25,237,980
ISIN code	CH0224923497	CH0242984067	CH0252379802
Issue volume	CHF 165 million	CHF 200 million	CHF 150 million
Bloomberg	MOBN SW	MOBN SW	MOBN SW
Reuters	785VD6	792ZMZ	797G6K
Interest rate	1.5%	1.625%	1.875%
Term	5 years	7 years	10 years
Maturity	29.10.2018	19.05.2021	16.09.2024
Price as at 31.12.2016	CHF 102.45	CHF 105.80	CHF 110.00
Yield to maturity	0.160%	0.294%	0.551%

Major capital market transactions and acquisitions

2016
- Complete integration of FM Service & Dienstleistungs AG
- Majority stake in BSS&M Real Estate AG

2015
- Majority shareholding in Dual Real Estate Investment SA is acquired

2014
- Bond issued in May: CHF 200 million
- Bond issued in September: CHF 150 million

2013
- Bond with a volume of CHF 165 million is issued

2011
- Capital increase of around CHF 193 million, New registered shares are issued

2010
- Convertible bond with a volume of CHF 175 million is placed

2009
- LO Holding Lausanne-Ouchy SA is acquired, Share capital is increased by CHF 27 million

2007
- Capital increase of CHF 149 million

2006
- Capital increase of CHF 143 million

2005
- Mobimo Holding AG is floated on the stock exchange, Issue volume: CHF 112 million

2000
- Private placement, Share capital of CHF 181 million

1999
- Mobimo Holding AG is established, Share capital of CHF 73 million

Satisfaction in finding their own home: the Steiner-Hug family.

A PERFECT MATCH

The Am Meggerwald development in Lucerne is the new home of the Steiner-Hug family. It is a perfect match for what the Steiner-Hugs were looking for – with plenty of space, a patio and the feeling of living in a family home.

"Our home is situated in an unbelievably beautiful location. When we take a look out the window, we can see cows grazing on green hills, Pilatus on the horizon and the edge of the Meggerwald right next to the building. What makes the property even better is that it is in the sixth-largest city in Switzerland and it takes a bus journey of less than 15 minutes to reach the centre of Lucerne.

We have lived in this district before and had walked past the property frequently with the pushchair. So, once we found out that the City of Lucerne had sold the property to Mobimo, we kept our ear to the ground and followed the development of the project with great attention. We consider it a happy stroke of fate that Mobimo ultimately designed and built almost exactly the type of property we were looking for – a large apartment with a patio and the feel of a family home.

The first days after the move were particularly exciting for our children. There was just so much to discover – from the switchboard in the cellar with numerous buttons to the intercom system with a video screen and the remote control for the blinds. What they particularly like now is the fact that they have their own room where they can spend time alone. My partner and I have tried our hands at gardening in the plant bed next to the patio. Every now and then, all four of us go to the Vita-Parcours fitness trail in the nearby woods or ride the bikes down to the Swiss Museum of Transportation in Lucerne. Yes, we found what we were looking for."

Modern building in idyllic surroundings: Am Meggerwald.
Further information on page 13.

REAL ESTATE PORTFOLIO

SELECTED PROPERTIES

The Mobimo real estate portfolio is broadly diversified in terms of location and use. The newly constructed investment properties continually enhance the portfolio's quality.

WORK

HORIZON
Lausanne

The building was home to the sorting centre for the post office for more than 50 years. It became part of the Mobimo portfolio in 2010 and underwent renovations between 2011 and 2013. Horizon is located next to the Lausanne train station and houses attractive office space.

Fair value: TCHF 67,100
Usable area: 8,072 m²
Completion: 1962/2013

MINERGIE®

OBSTGARTEN
Affoltern am Albis

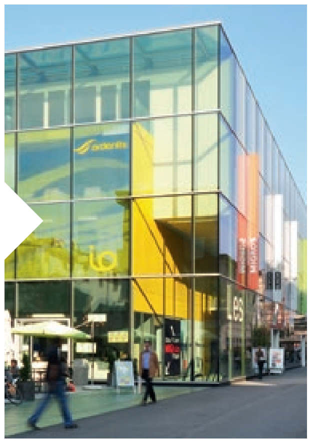
The development comprises two blocks of residential apartments for senior citizens, featuring 48 apartments and a care home, and is built on the site of a fruit-pressing plant. The residents in the apartments for senior citizens can decide individually for themselves the extent of the support they would like to get in their daily routine.

Fair value: TCHF 76,730
Usable area: 10,625 m²
Completion: 2014

LES MERCIER
Lausanne

The name of the building complex, which features office space, commercial space and residential properties, is a homage to the Mercier family, who were the founders of a company that owned the Flon district in the 19th century.

Fair value: TCHF 66,270
Usable area: 10,399 m²
Completion: 2008

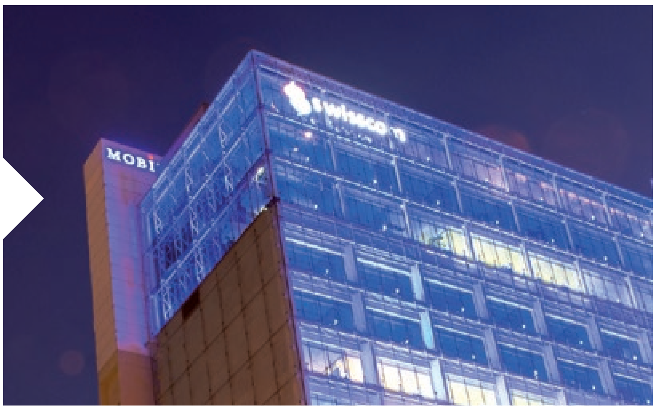


MOBIMO SKYSCRAPER
Zurich

The 16-storey tower is a steel-frame construction with a façade that is almost entirely glazed. The building was completely renovated in 2001 and three further floors were added. The representative office building will be used entirely by one tenant. The night lighting will match the company's colour scheme.

Fair value: TCHF 62,290
Usable area: 8,226 m²
Completion: 1974/2001

MINERGIE®



RESIDENTIAL

SONNENHOF

Regensdorf

In addition to the three properties containing condominiums, Mobimo has built six further buildings featuring rental apartments in Regensdorf. The layout of the development has been designed as such that there is a shared courtyard in the middle of each trio of buildings. The buildings have a timeless and minimalistic design.

Fair value: TCHF 60,000
Usable area: 8,716 m²
Completion: 2015
MINERGIE®

AM MEGGERWALD

Lucerne

The elegant and uncomplicated Am Meggerwald residential area nestles up to the adjacent hillside. The 24 condominiums that make up the two buildings each have a large outdoor area in the form of a balcony or a garden. The renaturalised Büttenenbach flows through the grounds of the development.

Sales volume: TCHF 30,083
Usable area: 3,032 m²
Completion: 2016
MINERGIE®

LETZIHOF

Zurich

The property with 72 apartments is reminiscent of the commercial and industrial buildings that characterise the district. The four-storey building is bordered by a garden and patio area on all four sides. The Letzihof development boasts three interlinked courtyards which can be used by residents, for example as a recreational area.

Fair value: TCHF 65,290
Usable area: 6,977 m²
Completion: 2016
MINERGIE®

AESCHBACH DISTRICT

Aarau

Townhouse, maisonette and loft apartments: there is a varied selection of condominiums available in the Aeschbach district. The 92 residential units are housed in a wide range of building types.

Sales volume: TCHF 84,610
Usable area: 10,827 m²
Completion: 2017
MINERGIE®

Miniature shot

OVERVIEW OF THE PORTFOLIO

As at 31 December 2016, Mobimo's real estate portfolio comprised 148 properties. It can be broken down into investment properties with a value of CHF 2,112 million and development properties with a value of CHF 654 million.

Total portfolio value
CHF million
2015: 2,655

2,766

Properties
Number
2015: 139

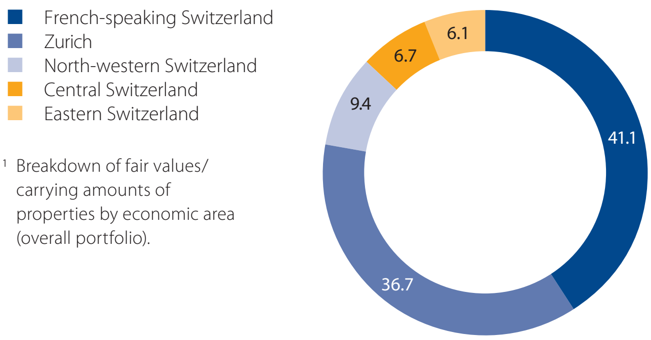
148

Investment properties
%
2015: 80

76

Breakdown of portfolio by economic area[1]

%



[1] Breakdown of fair values/ carrying amounts of properties by economic area (overall portfolio).

Portfolio figures

CHF million	2016	%	2015	%
Total portfolio value	**2,766**	**100**	**2,655**	**100**
Investment properties	**2,112**	**76**	**2,132**	**80**
Commercial investment properties	1,388	50	1,372	52
Residential investment properties	724	26	760	28
Development properties	**654**	**24**	**523**	**20**
Commercial properties (investment)	209	8	171	6
Residential properties (investment)	140	5	125	5
Commercial properties (trading)	59	2	29	1
Residential properties (trading)	246	9	198	8

Portfolio with a focus on the economic areas of Zurich and Lausanne/Geneva.

Investment properties

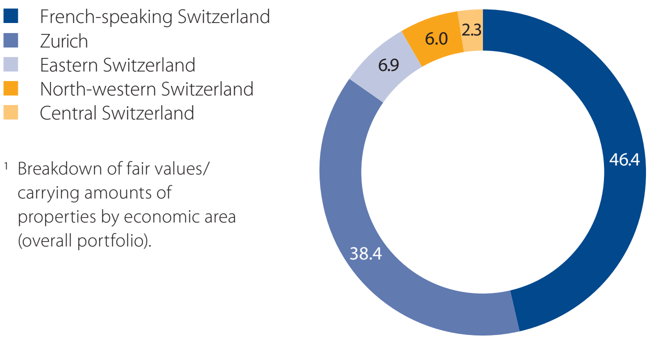
76% of the real estate portfolio comprises investment properties. These are widely diversified in terms of both their location – in Switzerland's major economic areas – and type of use. The annual potential rental income generated by the rentable area of 462,000 m² as at 31 December 2016 was CHF 112 million, producing stable and predictable income.

Details of the investment properties

	31.12.2016
French-speaking Switzerland	
Fair value TCHF	979,319
Target rental income TCHF	48,775
Vacancy rate	3.6%
Rentable area in m²	175,657
Zurich area	
Fair value TCHF	810,766
Target rental income TCHF	43,357
Vacancy rate	5.1%
Rentable area in m²	164,276
Eastern Switzerland	
Fair value TCHF	146,842
Target rental income TCHF	8,719
Vacancy rate	2.4%
Rentable area in m²	41,059
North-western Switzerland	
Fair value TCHF	126,882
Target rental income TCHF	7,778
Vacancy rate	13.9%
Rentable area in m²	53,695
Central Switzerland	
Fair value TCHF	47,738
Target rental income TCHF	3,694
Vacancy rate	4.9%
Rentable area in m²	27,309

Breakdown of investment properties by economic area[1]

%



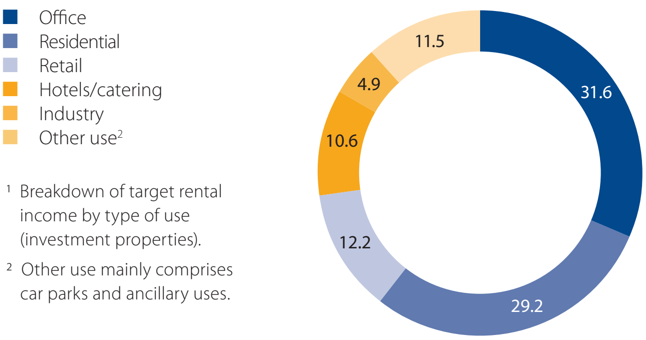
[1] Breakdown of fair values/ carrying amounts of properties by economic area (overall portfolio).

Own portfolio management team

Mobimo manages the portfolio through its own portfolio management team, which gives it proximity to the market and to its tenants. Value is maintained and increased by cultivating relationships with tenants, ensuring a high level of occupancy, imposing lean cost management and implementing appropriate marketing strategies.

Rental income by type of use[1]

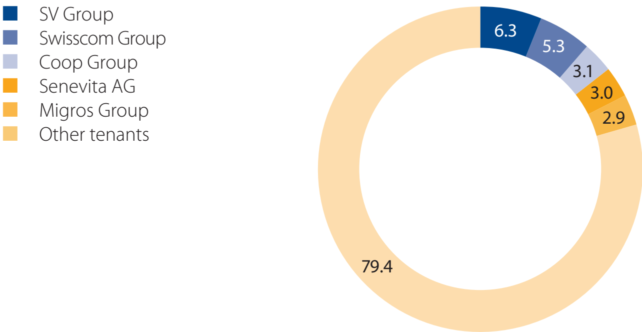
%



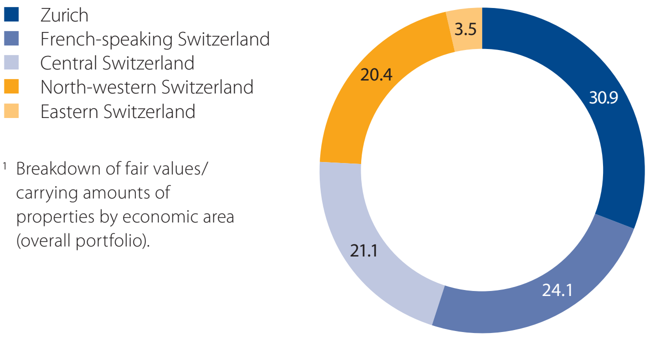
[1] Breakdown of target rental income by type of use (investment properties).
[2] Other use mainly comprises car parks and ancillary uses.

The five biggest tenants generate 20.6% of rental income. The existing fixed-term rental agreements primarily have a medium to long-term maturity profile. The average residual term is 6.0 years.

Shares of the five biggest tenants
%

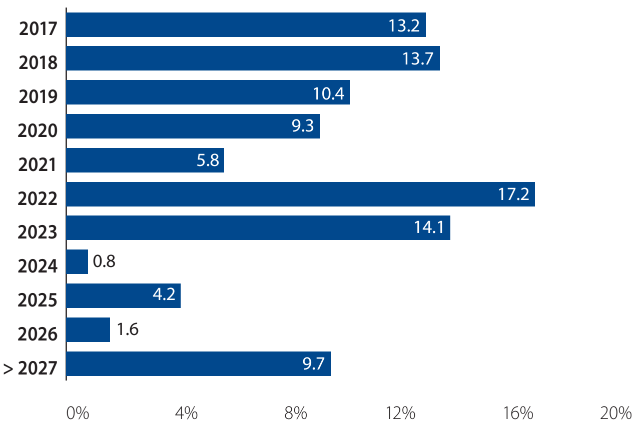


Breakdown of development properties by economic area[1]
%



[1] Breakdown of fair values/carrying amounts of properties by economic area (overall portfolio).

Length of existing fixed rental agreements
as at each year-end



Development properties
Mobimo feeds its own investment portfolio by means of targeted ongoing development of residential and commercial properties. The newly constructed investment properties further enhance the portfolio's quality.

Mobimo is currently planning and realising properties with a total investment volume of around CHF 1,030 million, which breaks down into CHF 850 million for investment properties for its own portfolio and CHF 180 million for condominiums to be sold. In addition to developments for its own portfolio and for the sale of condominiums, Mobimo is also active in the area of development services for third parties. Its offering ranges from area, site and project developments to turn-key real estate investments for institutional and private investors. The form taken by each cooperation with a partner depends on the specific requirements and on the project phase reached.

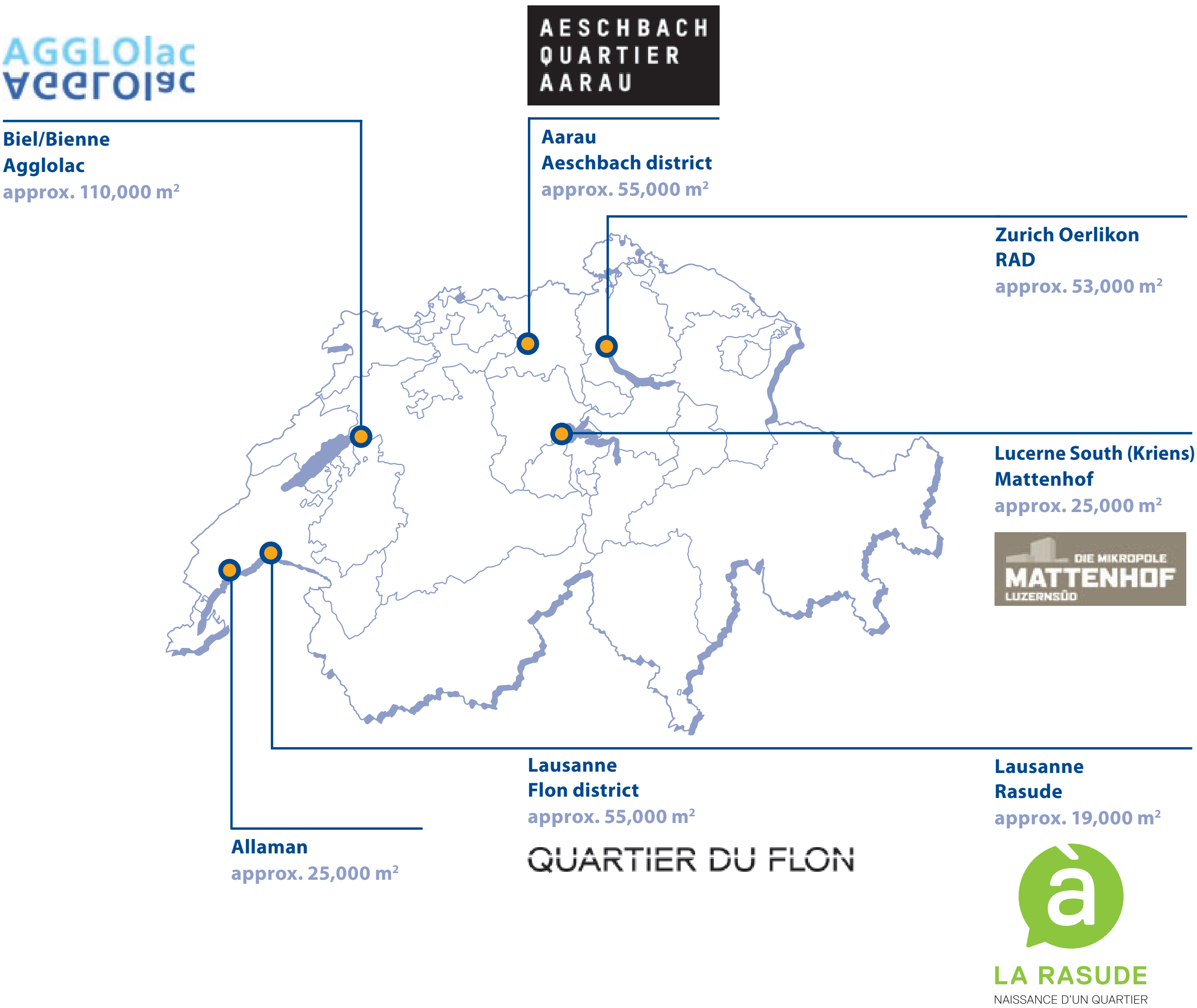
Details of the development pipeline[1]

	31.12.2016
French-speaking Switzerland	
Own-portfolio development	35%
Development of condominiums for sale	0%
Planned investment volume	CHF 365 million
Zurich area	
Own-portfolio development	16%
Development of condominiums for sale	0%
Planned investment volume	CHF 165 million
North-western Switzerland	
Own-portfolio development	14%
Development of condominiums for sale	8%
Planned investment volume	CHF 230 million
Central Switzerland	
Own-portfolio development	17%
Development of condominiums for sale	10%
Planned investment volume	CHF 270 million

[1] Share of total investment volume of CHF 1,030 million.

Selected site developments

Mobimo develops sites in first-class locations in Switzerland into modern, mixed districts with high-quality architecture and urban design. The map below shows the most important sites and their surrounding areas.



URBAN VIBE

Music is also being made in the Flon district, as the cantonal conservatory is a tenant in the Pépinières building complex. Director Hervé Klopfenstein chose Flon as the location for the academy with good reason.

Frequently in Flon as the Director of the conservatory: Hervé Klopfenstein.

The names of the three buildings that make up the Pépinières complex are simply A, B and C. The reserved yet functional buildings A and B act as an elegant frame around the star of the trio: building C with its eye-catching façade – a filigree concrete web – and the leafy, public roof terrace, from where you can watch life go by around you in the Flon district. It's more than likely that you will see one or two passers-by carrying instrument cases. This is because Les Pépinières is not just home to restaurants, a bar, offices and a bowling lane, it also houses two departments of the intercantonal conservatory. Buildings A and B feature teaching and practice rooms for the jazz and contemporary music departments, as well as the BCV Concert Hall, which is multi-functional and can seat around 250 guests.

The conservatory's move to the lively Flon district in 2014 can largely be attributed to its Director, the renowned conductor Hervé Klopfenstein. Housing the conservatory in an ivory tower would be something that was inconceivable for the charismatic musician. "As art and culture belong on the streets, among the people, a conservatory must also try to ensure that it plays a role in society." Klopfenstein wants to do away with any feelings of adversity or reservation and hopes to communicate the spirit and joy of music. This credo is also reflected in his educational concept: "Performing on stage is a key tenet of our teaching from the very start." This is attested to by the numerous concerts held in the BCV Concert Hall and the diverse district every year, which add another facet to the area.

Simple name, striking appearance: Building C.

GROUP MANAGEMENT REPORT

STRATEGY AND BUSINESS MODEL

Mobimo's long-term strategy is geared towards qualitative growth based on a balanced portfolio mix and active portfolio management. The company ensures that its activities are solidly financed and sustainable.

Mobimo plans, builds and maintains high-yield investment properties. The investment portfolio comprises commercial, industrial and residential properties with broad-based rental income and correspondingly steady returns. Through its development properties, Mobimo generates considerable upside potential and capital gains. This area of activity includes the sale of condominiums. Development for Third Parties offers planning and implementation services for institutional and private investors. This covers all areas of planning, including the handover of turn-key properties.

Mobimo has solid financing and a high equity ratio of at least 40%. In addition to this long-term guaranteed financing, the expansion of the company is based on Mobimo's core competences: buying/selling, development and portfolio management.

The company uses the Mobimo brand in its communication with investors, media, analysts and tenants. The Group brand is sometimes linked with targeted sponsorship and marketing measures. Communication and marketing at project level are generally tied to an image developed by Mobimo and are given project names that correspond to the objective, location and target audience. Although creative freedom is ensured, the Mobimo brand is positioned in all project marketing so that the sender and the responsibilities are always clear.

Long-term strategy

Qualitative growth

Mobimo strives to gradually grow its real estate portfolio. This growth takes place primarily through the construction of investment properties for the company's own portfolio as well as through the acquisition of individual properties and portfolios. Growth may also be achieved via company takeovers.
The decision to grow is taken when the elements of price, location and future prospects come together in such a way as to create value for shareholders. Mobimo invests in promising locations in Switzerland. It sees these primarily as the economic areas of Zurich and Lausanne/Geneva, together with those of Basel, Lucerne/Zug, Aarau and St. Gallen. Investments are only made in sustainably good locations.

Balanced portfolio mix

Generally, the strategic investment portfolio comprises approximately one-third residential usage, one-third office usage and one-third other commercial usage.

Active portfolio management

The real estate portfolio is optimised on an ongoing basis. Value is rigorously maintained and increased by cultivating relationships with tenants, ensuring a high level of occupancy, optimising costs and implementing effective marketing strategies.

Added value through development

Real estate development focuses on the following areas:
- development and construction of new investment properties for the company's own portfolio,
- site development,
- the continued development and optimisation of our own real estate holdings,
- development and investments for third parties,
- development, construction, and sale of owner-occupied properties.

Added value for both shareholders and the users of Mobimo properties.

Sustainability

For Mobimo, sustainability means striking a balance between generating profits today and preserving and enhancing value over the long term. Quality of life is reflected in the design of living, leisure and working spaces. In addition to economic aspects, Mobimo also incorporates environmental and socio-cultural factors in its activities. This results in added value for both shareholders and the users of Mobimo properties.

Solid financing

Mobimo can borrow on both a short and long-term basis. Equity should represent at least 40% of total assets.

Profitable investment

Mobimo shares are characterised by steady value growth and regular, attractive payouts.

Business model and value creation process

Capital gains	Appreciation in value	Rental income
• Profit on trading properties and development services • Profit on sale of investment properties	• Increasing total value of the portfolio • Quality optimisation of the portfolio • High level of customer satisfaction • Net income from revaluation	• Stable and growing rental income • Net rental income • Return on equity including/ excluding remeasurement • Gross yield from investment properties • Net yield from investment properties • Vacancy rate

Development for Third Parties	Development properties	Investment properties

Buying/selling	Development	Portfolio management	Solid financing
• Successful acquisitions • Good regional and user-specific diversification	• Many aspects to site • Planning and realising residential and commercial properties • Planning and realising condominiums for third parties • Considering the needs of the environment	• Strategic development • Portfolio optimisation • Considering environmental, economic and social aspects • Reacting quickly and flexibly to changes in the market	• Appropriate equity ratio for further qualitative growth • Long-term guaranteed financing at excellent conditions

GROUP BUSINESS PERFORMANCE

Mobimo's successful business performance in 2016 exceeded the record results it achieved in the previous year. The main contributors to this pleasing result were the net income from revaluation, the further growth in rental income as well as the successful disposals of development services and condominiums. We also sold a number of individual investment properties.

Financial performance

- Substantial year-on-year rise in profit from CHF 105.0 million to CHF 159.4 million.
- Considerable increase in profit on the sale of trading properties and development services to CHF 23.9 million (prior year: CHF 5.5 million).
- Rental income also grew to CHF 114.7 million (prior year: CHF 107.8 million).

Key financial performance figures

	Unit	2016	2015	Change in %
Net rental income	CHF million	96.2	94.1	2.3
Profit on sale of trading properties and development services	CHF million	23.9	5.5	330.5
Net income from revaluation	CHF million	80.7	34.7	132.3
Profit on sale of investment properties	CHF million	34.9	63.8	–45.2
Operating result (EBIT) including revaluation	CHF million	200.3	170.4	17.5
Financial result	CHF million	-28.5	–33.6	–15.4
Tax expense	CHF million	-15.1	–34.1	–55.6
Profit	CHF million	159.4	105.0	51.9
Profit attributable to the shareholders of MOH	CHF million	158.7	103.9	52.7
Profit attributable to the shareholders of MOH excluding revaluation	CHF million	99.4	78.6	26.5

Mobimo achieved new record results thanks to a profit of CHF 159.4 million (prior year: CHF 105.0 million), which represents a 51.9% increase on the previous year. Profit attributable to shareholders including revaluation grew by 52.7% to CHF 158.7 million (prior year: CHF 103.9 million) and excluding revaluation by 26.5% to CHF 99.4 million (prior year: CHF 78.6 million). Earnings per share also increased significantly, amounting to CHF 25.52 (prior year: CHF 16.72), whereas earnings per share excluding revaluation grew to CHF 15.99 (prior year: CHF 12.65). This ensured that Mobimo recorded the highest figures in these two areas in the history of the company.

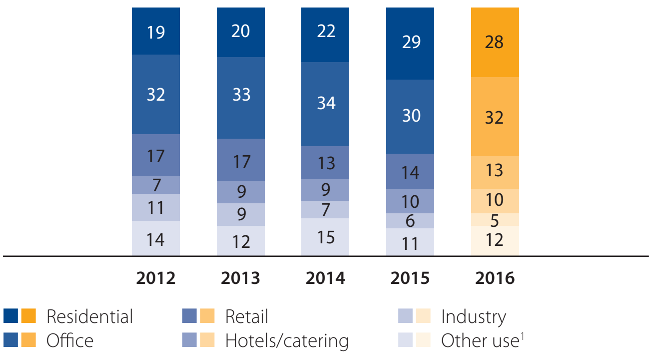
Income from rentals increased by 6.3% to CHF 114.7 million in the 2016 financial year (prior year: CHF 107.8 million). The cost/income ratio arising from direct expenses for rented properties was slightly up on last year, coming in at 16% (prior year: 13%). This resulted in net rental income amounting to CHF 96.2 million (prior year: CHF 94.1 million), which corresponds to an increase of 2.3% on the previous year. Over the course of the year, the investment property in Zurich, Letzigraben 134–136 was transferred to the portfolio. The property harbours potential rental income (target rental revenues) of over CHF 2 million per year. The sale of three investment properties, in contrast, resulted in a CHF 5 million reduction in potential rental income. The share of rental income from residential usage fell slightly as at 31 December 2016 to 28% (prior year: 29%). Thanks to targeted portfolio diversification, Mobimo also continued to maintain a balanced usage mix. Residential usage, office usage and other commercial usage are each set to account for approximately 30% of the investment portfolio.

Future potential rental income is set to gradually increase with the realisation of the projects in the current pipeline. The current total investment volume of the projects that will be realised for the company's own portfolio stands at some CHF 480 million. These properties are:

- Aarau, Site 2 (Torfeld Süd),
- Horgen, Seestrasse 93 (Seehallen),
- Kriens, am Mattenhof 4, 6, 8, 12/14 and 16,
- Lausanne, Rue des Côtes-de-Montbenon 1/3/5,
- Rheinfelden, Rutteliweg 8 and Spitalhalde 40,
- Zurich, Hohlstrasse 485.

The projects account for potential rental income in excess of CHF 25 million per year.

Rental income by type of use (portfolio without trading properties)
%



[1] Other use mainly comprises car parks and ancillary uses.

The investment properties generated a net yield of 4.1% in the 2016 financial year (prior year: 4.3%). The lower net yield in comparison to the previous year was mainly the result of the increase in the valuation of the investment properties, which was driven by the market. As at 31 December 2016, the vacancy rate was 4.8%, thus remaining at practically the same low level as the prior year (prior year: 4.7%). The low vacancy rate was attributed to good rental income and active portfolio management.

Income from the sale of trading properties and development services amounted to CHF 151.8 million (prior year: CHF 86.2 million), which resulted in a profit from trading properties and development services of CHF 23.9 million (prior year: CHF 5.5 million). This result includes valuation allowances totalling CHF 7,6 million, which are mainly due to the valuation of the St. Moritz, Vai Maistra and St. Erhard, Längmatt projects. In total, 47 condominiums, three plots of land and the completed property Langenthal, Kühlhausstrasse were transferred to new owners. The transferred condominiums are mainly related to the Lucerne, Büttenenhalde project and the transferred plots of land are:

- Kriens, Mattenhof II,
- Bad Zurzach, Weissensteinweg (Salzturm),
- Unterengstringen, Langwisenstrasse.

The high demand in the transaction market was used to sell three investment properties, realising attractive gains. The sales generated proceeds of CHF 158.5 million (prior year: CHF 236.8 million) and net income of CHF 34.9 million (prior year: CHF 63.8 million). Mobimo reinvests the cash inflow from sales in the realisation of projects from the pipeline.

Driven mainly by the market, the average discount rate for revaluations fell to 3.75% as at 31 December 2016 (prior year: 4.08%). This has had a positive impact in particular on the valuations of residential properties and construction projects. The revaluation of investment properties and of investment properties under construction resulted in a net income from revaluation of CHF 80.7 million (prior year: CHF 34.7 million).

The full acquisition of FM Service & Dienstleistungs AG and the purchase of a majority interest in BSS&M Real Estate AG in the 2016 financial year has seen Mobimo further expand its service offering for customers as well as its range of services in Development for Third Parties. The income generated from the services provided by the two companies is also offset by expenditure in HR, Operations and Administration. As a result of the full acquisition, the average number of FTEs rose to 126.2 in 2016 (prior year: 107.4). As at the reporting date of 31 December 2016, there were 135.7 FTEs (prior year: 107.8). The tax rate applicable in one canton from 2019 was reduced in a referendum held in the first half of 2016. This resulted in a positive non-recurring item in the calculation of deferred tax, which considerably reduced tax expense in 2016.

Financial position

- At CHF 3,031.7 million, total assets are above the prior-year level (prior year: CHF 2,952.9 million).
- The equity ratio was a solid 45.1% (prior year: 42.8%) and formed the basis for further qualitative growth.
- The return on equity achieved a record high of 13.1% (prior year: 8.9%).

As at the end of the 2016 financial year, total assets increased by 2.7% over the prior year period to CHF 3,031.7 million (prior year: 6.7%). This was due mainly to the growth of the real estate portfolio to CHF 2,765.6 million (prior year: CHF 2,654.6 million). The share of non-current assets in total assets was down slightly as at the end of the financial year to 82.6 % (prior year: 83.6%).

Key financial position figures

	Unit	2016	2015	Change in %
Non-current assets	CHF million	2,502.7	2,467.7	1.4
Current assets	CHF million	529.0	485.2	9.0
Equity	CHF million	1,366.3	1,264.7	8.0
Return on equity including revaluation	%	13.1	8.9	47.2
Return on equity excluding revaluation	%	8.2	6.7	22.4
Liabilities	CHF million	1,665.4	1,688.2	–1.4
• Current liabilities	CHF million	203.2	138.3	46.9
• Non-current liabilities	CHF million	1,462.2	1,549.9	–5.7
Equity ratio	%	45.1	42.8	5.4

With an equity ratio of 45.1% as at 31 December 2016 (prior year: 42.8%), Mobimo continues to have a very solid capital base. According to the corporate strategy, the equity ratio should not fall below 40%. At 3.9, the interest coverage factor is clearly above the targeted 2.0. This means that Mobimo is readily able to finance its financial obligations from its operating activities. With regard to its capital structure, Mobimo aims to achieve long-term Net Gearing of a maximum of 150%. On 31 December 2016, Mobimo recorded Net Gearing of 86.0% (prior year: 90.4%).

Financial liabilities currently consist of listed bonds and mortgage-secured bank loans. The average interest rate for financial liabilities was 2.38% during the 2016 financial year, compared with 2.46% in the previous year. As at the reporting date of 31 December 2016, the average interest rate had fallen slightly and stood at 2.32% (prior year: 2.33%). Mobimo will continue to use the attractive interest rate environment to keep interest rates low in the long term. The average residual maturity of financial liabilities as at the reporting date was 6.9 years (prior year: 7.7 years), and therefore still in the targeted range. The long-term financing and the solid capital base form an excellent foundation for the company's further qualitative growth and for investment in the planned projects in the pipeline.

Investments

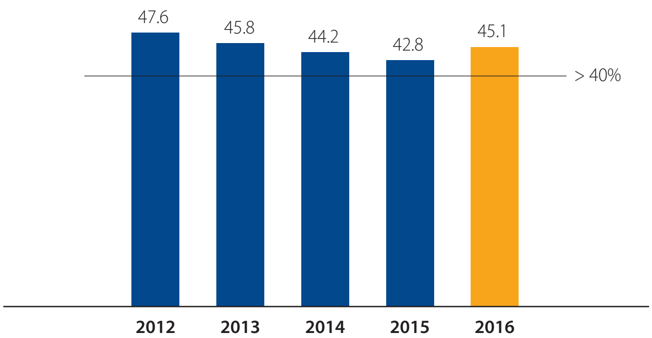
Investment activities at Mobimo focus on the realisation of projects. As at 31 December 2016, the pipeline contained a total investment volume (including land) of some CHF 1,030 million. The volume can be broken down as follows:

- investment properties for the company's own portfolio – under construction: CHF 480 million,
- investment properties for the company's own portfolio – currently being planned: CHF 370 million,
- Trading properties: condominiums – under construction: CHF 80 million,
- Trading properties: condominiums – currently being planned: CHF 100 million.

In addition to the volume in the pipeline, there is also a medium-term total investment potential in excess of CHF 1 billion from ongoing site developments.

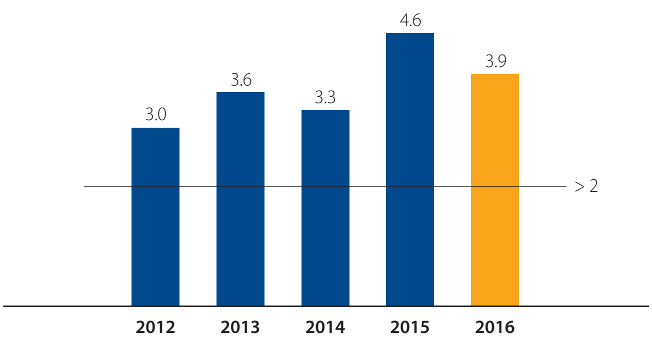
Equity ratio

%



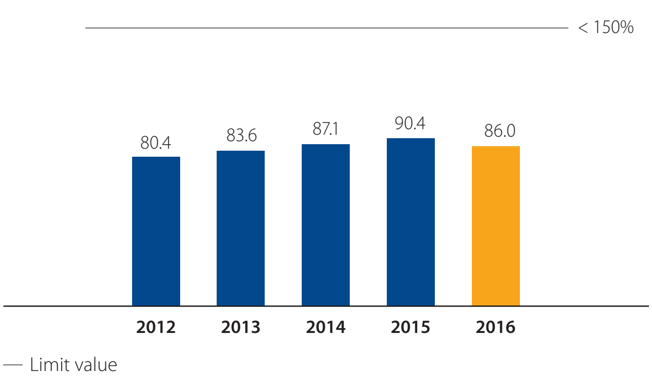
— Target value

Interest coverage factor

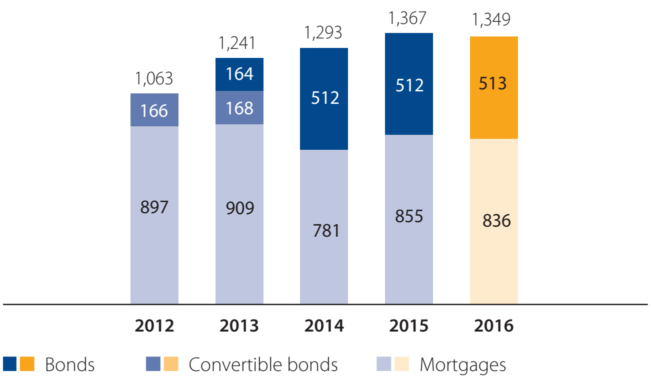


— Target value

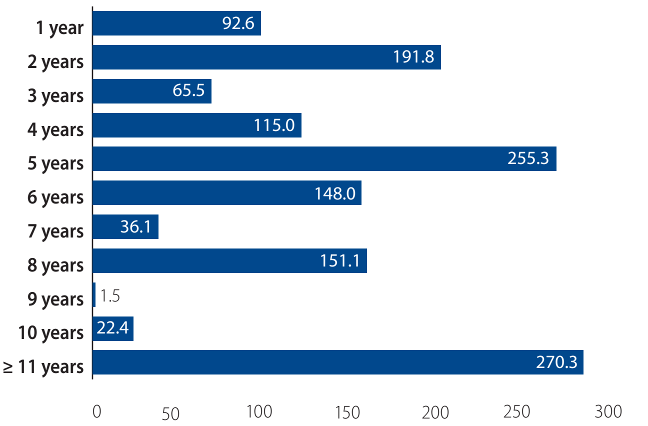
Net Gearing
%



Financial liabilities
CHF million



Residual maturity of financial liabilities
CHF million



Focus in 2017

A proven business model and the renowned expertise within the company permit Mobimo to continue to look to the future with confidence, despite operating in an environment that is becoming increasingly challenging. The company intends to continue with its attractive dividend policy and will focus on the secure realisation of construction projects in the 2017 financial year. The own-portfolio developments will continue to further improve the quality of the portfolio. The Development for Third Parties business area will be expanded to meet demand. Condominiums will only be constructed on selective basis. The focus within portfolio management will be placed on increasing rental income and customer satisfaction. Mobimo will continue to maintain a strict cost management system and a low vacancy rate.

Manuel Itten
CFO

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

In 2016, Mobimo once again achieved outstanding results in the world-leading sustainability ratings. This was attributable in particular to Mobimo implementing its strategy and meeting environmental goals.

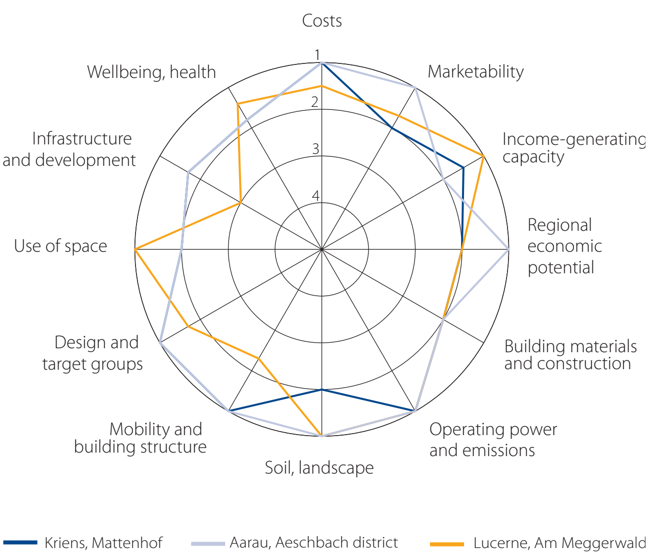
For more than five years, Mobimo has incorporated sustainability targets into its strategy, issued reports in accordance with GRI G4 and invited external assessors to review its sustainability performance. There are three dimensions to Mobimo's strategy: the economy, the environment and society. The Real Estate Committee of the Board of Directors is the top body responsible for reviewing sustainability targets and results. The sustainability team is responsible for operational implementation.

Internal sustainability rating

In 2015, Mobimo developed an internal sustainability rating. This makes it possible to compare the quality of projects and real estate as well as the average value of residential and commercial properties. In the case of investment properties, the internal rating allows the company to identify areas where action is needed and draw up improvement measures. In the case of development properties, it also helps specify the high sustainability demands.

Sustainability analysis of selected projects

Scale from 5 to 1 (best)



Selected project

Residential development Am Meggerwald, Lucerne

Concept	Combination of contemporary architecture with idyllic rural surroundings, each unit has an optimal location, and there is a wide range of room concepts for every target group.
Biodiversity	Restoration of the precursor to the Büttenenbach development, and native plants planted on roof (Lucerne mixture 1).
Building services	Heat pump and comfort ventilation.
Local public infrastructure	Bus stop next to property, tunnel under the development, and direct access to vehicle storage facilities.
Special structural features	Wheel chair access, and increased noise reduction measures.
Certificate	MINERGIE®

Economy

The basic principle behind the sustainability strategy is the balance between generating profits and safeguarding the future of the company. More information in this regard can be found on pages 6 (Share price), 7 (Shareholders and Dividends) and 22 (Business performance).

Society

In performing its core competence – the planning and realisation of high-quality living and working spaces – Mobimo makes an important contribution to society as a whole. Since major projects have a marked effect on townscapes, social interaction and demographic structures, Mobimo conducts thorough analyses into the environment, development and requirements.

Employees

Mobimo's workforce of 147 is composed of 51% women (2015: 57%) and 49% men (2015: 43%). Highly qualified employees make Mobimo's business success possible, which is why Mobimo promotes their training and further development. In 2016, 24% of employees took advantage of this training and development opportunity. The number of employees grew by 27.8% last year. This was chiefly attributable to the integration of FM Service & Dienstleistungs AG. The employee turnover rate is 8.16%.

Customers

Mobimo regularly assesses the satisfaction of its customers. The criteria of real estate quality, service quality and customer care are incorporated into the survey.

Recommendation rate
%

[1] Buyers. [2] Tenants, residential properties.

Environment

Portfolio energy consumption and emissions

The top priority in relation to the environment is to cut the portfolio's energy consumption and emissions. The energy-consuming space for each property is calculated on the basis of the plans in accordance with SIA guidelines. Energy consumption for heating corresponds to the value measured and billed for each investment property. Projections are currently only necessary for electricity consumption. The basis used for the calculation of CO_2 emissions is the heating system, type of energy and consumption, including electricity, in kilowatt hours (kWh).

Key portfolio figures for energy and emissions

	2011 (baseline year)	2015 (actual)	2016 (actual)	Change in %[1]	Change in %[2]
Energy-consuming space (m^2)	401,392	574,329	597,732	4	49
Energy consumption – electricity, heating (MWh)	85,947	89,737	89,887	0	5
Energy intensity (kWh/m^2)	214	156	150	–4	–30
Emissions (tCO_2eq)	13,931	14,984	14,390	–4	3
Emissions intensity ($kgCO_2eq/m^2$)	35	26	24	–8	–31

Verification: Independent Assurance Report, available at www.mobimo.ch
[1] Between 2015 (actual) and 2016 (actual).
[2] Between 2011 (baseline year) and 2016 (actual).

The energy-consuming space per 2016 has significantly increased by 49% since 2011 and by 4% since 2015. With an energy intensity of 150 kWh/m^2, the objective set for 2016 (181 kWh/m^2) was outperformed by 17%. With an emissions intensity of 24 $kgCO_2eq/m^2$, the reduction target for 2016 (28 $kgCO_2eq/m^2$) was also topped by 14%.

Certifications

DGNB **Silver**

With the Aeschbach district in Aarau, Mobimo is developing the first district in Switzerland to be awarded the German Sustainable Building Council (DGNB, Silver) certification. This comprehensive sustainability label takes into account not only environmental but also social and economic factors.

MINERGIE®

The minimum standard for new buildings is the Minergie standard. Another objective is to constantly improve energy efficiency in the portfolio.

Development properties
Certified (in %)
2015: 100

100

Investment properties
Certified (in %)
2015: 23.6

20

Standards and ratings

Mobimo achieved outstanding results for world-leading standards and ratings in 2016. EY compiles the assurance report for energy and emissions data.

GRI

GRI G4: Comprehensive option
Mobimo produces its sustainability report in line with GRI G4 Comprehensive guidelines. The report is available at www.mobimo.ch.

GRESB

GRESB GREEN STAR
Mobimo improved by 15 points year on year (total 72/100 points), and its portfolio is once again located in the GREEN STAR field (best quadrant). As such, it is outperforming both its peer group and GRESB participants on average.

CDP SUPPORTER 2016

CDP score B – status as sector leader
With a score of B, (on a scale from A to F), Mobimo gained the status of Sector Leader Real Estate in the DACH region. This places Mobimo in the top 11% of companies in the industry.

EPRA
EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

Application of Best Practices
Mobimo reports its key performance and cost metrics in accordance with the Best Practices of the EPRA Reporting and Accounting Committee. More information on page 142.

RISK REPORT

Mobimo's risk management must identify risks as soon as possible, evaluate them and achieve a sensible balance between risks and returns using appropriate measures.

The overarching risks are based on the corporate strategy. Mobimo defines risk as any event that could negatively impact the achievement of its objectives and existing business.

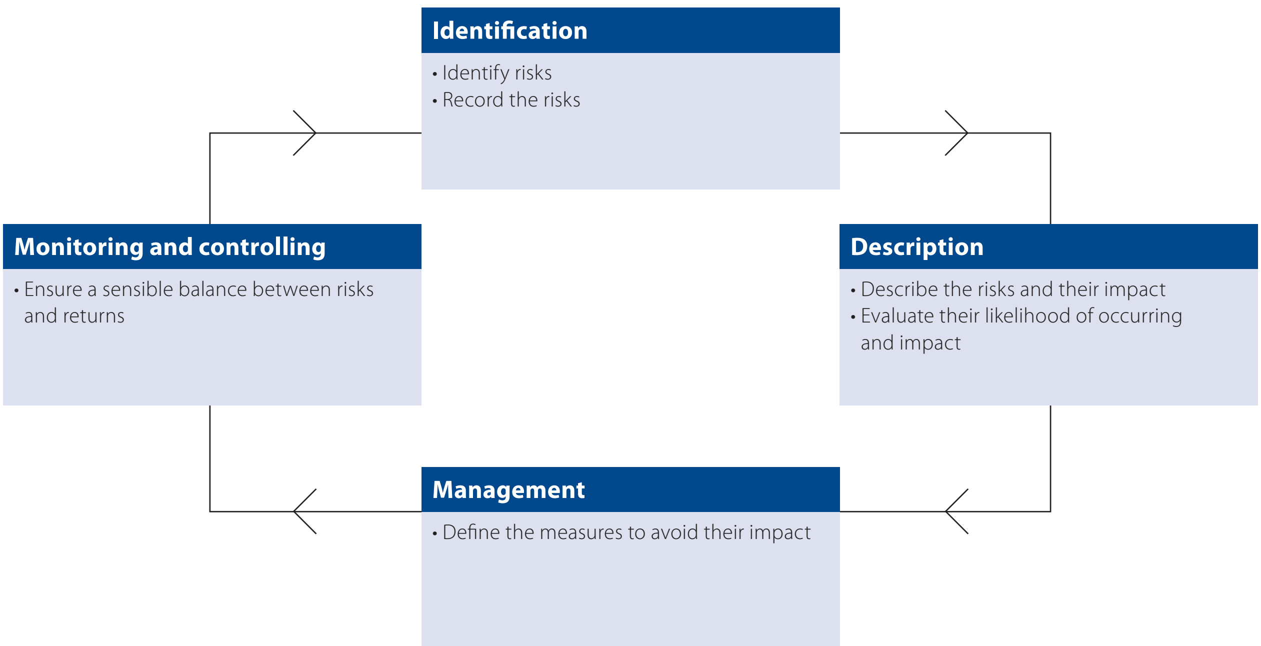
The processes applied are subject to regular review based on risk management principles in order to take account of changes in market conditions and in the activities of the Group. The aim is to use existing training and management guidelines and optimal management processes to maintain a disciplined and constructive control environment in which all staff can fulfil their function and exercise their duties in the best way possible. Risk management is part of the processes of the integral management system.

Risk management process

The risk management process covers all activities for handling risks in the company on an ongoing and systematic basis. The following graphic illustrates the key steps of this process: identification, description, management, monitoring and controlling various risk types.

Further information on the risks to which Mobimo is exposed can be found in the Notes to the Consolidated Financial Statements.

Mobimo's risk management process



Organisation

Internal control and risk management are performed by Finance. As the most senior management body, the Board of Directors is responsible for risk management. The Audit and Risk Committee (AC) supports the Board of Directors by means of preparatory work, audits and clarification in respect of risk assessment.

The AC also monitors Internal Controlling, which operates in accordance with the principles of Mobimo's risk management concept. The Executive Board is responsible for implementing risk management, particularly the transparent, timely and active management of risks. A formal internal audit is not appropriate due to the size of the company.

Management prepares an annual risk inventory for the AC, setting out significant risks by risk category. A risk owner is assigned to each risk. The impact and measures implemented are analysed and then evaluated on the basis of their likelihood of occurring and impact (financial and reputational damage). Where necessary, measures are defined for the ongoing management of the identified risks. Further information on responsibilities and the organisation of risk management can be found in the Corporate Governance report.

Person responsible for the building at Mobimo: Marco Tondel.

PRELUDE TO MORE

At the beginning of December, 3M EMEA GmbH cut the ribbon on its new head office in Langenthal. Marco Tondel, Head of Development for Third Parties, was responsible for developing and implementing the project.

Marco Tondel, what are the distinguishing characteristics of the new 3M building?

When drafting the plan, the Zurich architecture firm Marazzi and Paul applied the guiding principles of transparency and communication. This is evident in the bright atrium used for meetings and exhibitions or in the open-plan design of the actual working areas. I am also very impressed by the high-quality ceramic façade and the colouring, which is inspired by the rusty patina of the railway station and its surroundings.

How sustainable is the property?

The issue of sustainability was important to everyone involved in the project. 3M pursues sustainability goals that are ambitious by global standards and was careful to ensure that the new location fulfilled its own specific requirements. The building is Minergie-certified and is supplied by groundwater heat pumps. Its ideal location right next to Langenthal railway station also means that many employees can come to work by public transport.

What impact has the 3M building had on the area north of the railway station?

The completion of the building marks the first step in the long-term regeneration and development of the industrial zone north of Langenthal railway station. The area is one of the canton's development priorities and will be transformed over the coming years. Mobimo will also play a major role in this transformation.

Impressive atrium: 3M EMEA's new head office.

CORPORATE GOVERNANCE AND COMPENSATION REPORT

CORPORATE GOVERNANCE REPORT

Mobimo values corporate governance as a key component of corporate management. For the company, it means managing and monitoring the company in a responsible way while creating long-term added value.

The Corporate Governance report is based on the structure of the SIX guideline concerning corporate governance information (RLCG). Cross-references are made to other sections of the Annual Report in order to avoid repetitions.

Group structure and shareholders

Group structure

An overview of all Group companies and shareholdings can be found in Note 34 to the consolidated annual financial statements.

The Group's operational structure comprises the two business areas Real Estate and Development. The Real Estate segment is broken down into Portfolio Management, Management, Facility Management and the letting of commercial and residential properties from Mobimo's own portfolio. These tasks are carried out in accordance with the strategy applicable to the portfolio and individual property. The Development segment is responsible for planning and realising residential and commercial properties for Mobimo's own portfolio and for planning and realising real estate developments and condominiums for third parties. The first-time letting of completed apartments and the sale of condominiums also fall under this segment's responsibility. The strategy of carrying out developments for Mobimo's own portfolio and that of carrying out developments for third parties serve as the framework for these tasks. Further detailed information on segment reporting can be found in Note 3 to the consolidated annual financial statements.

Significant shareholders

An overview of significant shareholders and other shareholder details can be found in the Mobimo on the capital market section on page 6.

One report based on Article 20 SESTA was received during the year under review:

- BlackRock, Inc. reported on 19 April 2016 that the group had exceeded the 3% threshold, with a total holding of 309,524 shares (4.97%).

Cross-shareholdings

There are no cross-shareholdings.

Capital structure

Capital

Capital as at 31 December 2016	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital	180,327	6,218,170	29.00
Authorised capital	max. 34,800	1,200,000	29.00
Conditional capital	max. 941	32,446	29.00

Authorised and conditional capital

Authorised and conditional capital are defined in Articles 3a and 3b of the Articles of Association.

Authorised capital

In the case of authorised capital, the Board of Directors is entitled, pursuant to Article 3a of the Articles of Association, to increase the share capital through the issue of up to a maximum of 1,200,000 fully paid-up registered shares within a period of no more than two years. Increases may take place all in one go or in stages. The issue price, type of contributions, conditions governing the exercise of subscription rights, allocation of the excluded subscription rights and timing of the dividend entitlement shall be determined by the Board of Directors. The Board of Directors decides on unexercised subscription rights in the best interests of the company. Once acquired, the new registered shares are subject to the restrictions on transfer set out in Article 6 of the Articles of Association. Shareholders' subscription rights may be excluded by the Board of Directors for the purpose of an acquisition (e.g. in the case of a share placement) or the financing of the acquisition of land by the company or a subsidiary or the takeover or financing of the takeover of companies, parts of companies or participations by the company or a subsidiary. Acquisitions or takeovers are permitted only in keeping with the purpose stipulated in Article 2 of these Articles of Association.

Conditional capital

Pursuant to Article 3b of the Articles of Association, conditional capital may be increased through the issue of up to 32,446 fully paid-up registered shares, subject to the exclusion of subscription rights. Use thereof is restricted as follows:

- up to 32,446 fully paid-up registered shares can be issued through the exercise of subscription rights in connection with subscription rights for employees created after 5 May 2010.

The acquisition of registered shares through the exercise of option rights and the subsequent transfer of these registered shares are subject to the restrictions on transfer set out in Article 6 of the Articles of Association.

As at the reporting date, there were no options to create registered shares from conditional capital in accordance with Article 3b (a) of the Articles of Association.

Shares and participation certificates

Share capital stood at CHF 180,326,930 as at 31 December 2016 and comprised 6,218,170 fully paid-up registered shares with a nominal value of CHF 29.00, all of which are entitled to dividends and confer the right to vote. There are no preference shares or voting shares. Mobimo Holding AG has not issued any participation certificates.

Dividend-right certificates

Mobimo Holding AG has not issued any dividend-right certificates.

Restrictions on transferability and registration of nominees

Article 6 of the Articles of Association defines the restrictions on transferability. The Board of Directors may deny authorisation to transfer shares for the following reasons:

- Insofar as recognising a transferee as a shareholder may, according to the information available to it, hinder the company from providing proof of Swiss control as stipulated by federal laws; specifically, in accordance with the Swiss federal law pertaining to the purchase of property by persons resident abroad (ANRA) of 16 December 1983, including the amendments of 30 April 1997 and the Federal Council decision on measures against improper use of federal double taxation agreements of 14 December 1962.
- If, despite requests from the company, the transferee fails to expressly declare that they have acquired and intend to hold the shares in their own name and for their own account.
- If – following the acquisition of the shares – the number of shares held by the transferee exceeds 5% of the total number of shares recorded in the Commercial Register. Legal entities and partnerships vested with legal capacity which are grouped together in terms of capital or voting rights, by joint management or in a similar way, as well as natural persons or legal entities and partnerships which act together in a coordinated manner with a view to circumventing the restrictions on registration, shall be deemed as one transferee for the purposes of these conditions.
- As soon as and insofar as the acquisition of shares takes the total number of shares held by persons abroad as defined by the Swiss federal law pertaining to the purchase of property by persons resident abroad to over one-third of the shares recorded in the Commercial Register. This restriction shall apply subject to Article 653c paragraph 3 of the Swiss Code of Obligations, including in the case of registered shares acquired through the exercise of subscription, option or conversion rights.

In order to ensure compliance with the thresholds indicated, prior to being entered in the share register new shareholders are scrutinised as regards their status as Swiss citizens pursuant to the BewG. If they cannot be verified as Swiss citizens, then provided all other conditions are met they are entered in the category of restricted persons without voting rights, as long as the threshold of one-third of all shareholders is not exceeded and provided there is no other risk, such as tighter practices on the part of the licensing authority, that the entry of the non-Swiss shareholder will result in the company no longer being able to furnish evidence of Swiss control.

As at 31 December 2016, 13.2% of the shares were held by shareholders who are classified in the share register as Non-Swiss according to the above definition (of which 9.3% have voting rights).
The Articles of Association do not contain any provisions pertaining to the registration of nominees. The Board of Directors has laid down the following principles in the regulations governing the administration of the share register and the recognition and registration of shareholders of Mobimo AG: Nominees are registered subject to the following conditions:

- without disclosure of the name, head office/address and shareholding of those shareholders for whose account the nominee holds the shares, the nominee shall be entered in the share register as a shareholder with voting rights up to a maximum recognition threshold of 2% of the registered shares entered in the Commercial Register;
- without disclosure of the name, head office/address and shareholding, no more than 0.25% of the share capital which is entered in the Commercial Register may be registered by the relevant nominee in the share register as shares with voting rights for one and the same purchaser;
- the nominee must conclude an agreement with the company which precisely defines the applicable rights and obligations. Nominee registrations may not in total exceed 10% of the shares entered in the Commercial Register. Once this 10% threshold is reached, the company may not register any further nominees. As at the reporting date, nominee registrations accounted for 4.48% of registered shares (4.48% with voting rights). The restrictions mentioned also apply (5% clause and maximum proportion of non-Swiss shares without voting right restrictions). No registrations were rejected during the year under review. The Articles of Association do not contain any provisions pertaining to the revocation of statutory privileges (and none have been granted) or the revocation of restrictions on transferability. As a result, the provisions of the Swiss Code of Obligations apply.

Convertible bonds and options

As at 31 December 2016, Mobimo had no outstanding convertible bonds or options.

Changes in capital

Change	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital as at 31.12.2007	243,232	4,343,425	56.00
Share capital as at 31.12.2008	204,230	4,345,323	47.00
Share capital as at 31.12.2009	192,035	5,053,552	38.00
Share capital as at 31.12.2010	148,804	5,131,170	29.00
Share capital as at 31.12.2011	178,933	6,170,098	29.00
Share capital as at 31.12.2012	180,058	6,208,913	29.00
Share capital as at 31.12.2013	180,220	6,214,478	29.00
Share capital as at 31.12.2014	180,282	6,216,606	29.00
Share capital as at 31.12.2015	180,327	6,218,170	29.00
Share capital as at 31.12.2016	180,327	6,218,170	29.00
Authorised capital as at 31.12.2007	20,160	360,000	56.00
Authorised capital as at 31.12.2008	16,920	360,000	47.00
Authorised capital as at 31.12.2009	18,687	491,771	38.00
Authorised capital as at 31.12.2010	34,800	1,200,000	29.00
Authorised capital as at 31.12.2011	33,978	1,171,650	29.00
Authorised capital as at 31.12.2012	33,093	1,141,150	29.00
Authorised capital as at 31.12.2013	33,093	1,141,150	29.00
Authorised capital as at 31.12.2014	33,093	1,141,150	29.00
Authorised capital as at 31.12.2015	33,093	1,141,150	29.00
Authorised capital as at 31.12.2016	34,800	1,200,000	29.00
Conditional capital as at 31.12.2007	7,848	140,150	56.00
Conditional capital as at 31.12.2008	6,498	138,252	47.00
Conditional capital as at 31.12.2009	5,254	138,252	38.00
Conditional capital as at 31.12.2010	36,558	1,260,634	29.00
Conditional capital as at 31.12.2011	36,252	1,250,056	29.00
Conditional capital as at 31.12.2012	34,304	1,182,891	29.00
Conditional capital as at 31.12.2013	34,142	1,177,326	29.00
Conditional capital as at 31.12.2014	34,081	1,175,198	29.00
Conditional capital as at 31.12.2015	34,035	1,173,634	29.00
Conditional capital as at 31.12.2016	941	32,446	29.00

A distribution from the capital contribution reserves of CHF 10.00 per share was made in 2016. Further information on changes in capital can be found in Note 15 to the consolidated annual financial statements.

Board of Directors
Members of the Board of Directors

Georges Theiler (CH)
Chairman
Certified Operating Engineer ETH, Entrepreneur
Born in: 1949

Georges Theiler has been a member of the Board of Directors since 2000 and Chairman of the Board of Directors of Mobimo Holding AG since September 2013.

Professional background

Since 1997	Owner of GT-Consulting (specialised in advisory and Board of Directors mandates), Lucerne
1978 – 1997	Chairman of the Executive Board and member of the Board of Directors of construction company and general contractor Theiler and Kalbermatter T + K Bau AG, (building construction, tunnel construction, general contracting, real estate development and real estate management), Lucerne

Education

1976	Certified Operating Engineer, Federal Institute of Technology Zurich

Other activities and interests

- Chairman of the Board of Directors of Auto AG Holding, Rothenburg
- Member of the Board of Directors of Riva AG, Buochs
- Member of the Board of Directors of Wascosa Holding AG, Lucerne
- 1995 – 2011 Member of the National Council
- 2011 – 2015 Member of the Swiss Council of States

Peter Schaub (CH)
Vice Chairman
Attorney at law
Born in: 1960

Peter Schaub has been a member of the Board of Directors of Mobimo Holding AG since 2008.

Professional background

Since 1994	Partner in tax and law firm Weber Schaub & Partner, Zurich
1990 – 1993	Tax commissioner, Canton of Zurich
1987 – 1988	Legal advisor in law firm Schellenberg Wittmer, Zurich

Education

1990	Licence to practise law in the canton of Zurich
1987	Law degree (lic. iur.), University of Zurich

Other activities and interests

- Chairman of the Board of Directors of CPH Chemie + Papier Holding AG, Perlen
- Vice Chairman of the Board of Directors of UBV Holding AG, Uetikon am See
- Member of the Foundation Board of the staff pension fund of UBV Uetikon Betriebs- und Verwaltungs AG (UBV-Personalfürsorgefonds)
- Member of the Board of Directors of Rüegg Cheminee Holding AG, Hinwil
- Chairman of the Foundation Board of the Swiss Foundation for the Deafblind (Schweizerische Stiftung fur Taubblinde), Langnau am Albis
- Chairman of the Board of Directors of Zindel Immo Holding AG, Chur

Peter Barandun (CH)
Executive MBA HSG
Born in: 1964

Peter Barandun was elected to the Board of Directors of Mobimo Holding AG on 26 March 2015.

Professional background

Since 2002	CEO and Chairman of the Board of Directors Electrolux Schweiz, Zurich
1996 – 2002	Head of the divisions Electrolux and Zanussi, Electrolux AG, Zurich
1990 – 1995	Head of Sales, Bauknecht AG, Lenzburg
1985 – 1990	Deputy Head of Sales, Grossenbacher, St. Gallen

Education

2008	Executive MBA, HSG St. Gallen

Other activities and interests

- Member of the Board of Directors and Vice Chairman of the Nomination and Compensation Committee of Arbonia AG
- Vice President of Swiss-Ski
- Vice Chairman of the Swiss Association for Household and Business Appliances (FEA)

Daniel Crausaz (CH)
Engineer, MBA
Born in: 1957

Daniel Crausaz was a member of the Board of Directors of LO Holding Lausanne-Ouchy SA from 1999 to 2014 and has been a member of the Board of Directors of Mobimo Holding AG since 17 December 2009.

Professional background

Since 2003	Independent consultant on a number of mandates in French-speaking Switzerland
1997 – 2003	Managing Director, Banque Cantonale Vaudoise (BCV), Lausanne
1990 – 1997	BCV, Lausanne
1985 – 1989	Engineer, Bonnard & Gardel Ingenieurs Conseils Lausanne SA, Lausanne
1983 – 1985	Engineer, Felix Constructions SA, Bussigny

Education

1989 – 1990	MBA, HEC Lausanne
1976 – 1982	Engineering degree, EPFL Lausanne

Other activities and interests

- Chairman of the Board of Directors of Cadar SA, Fleurier
- Chairman of the Board of Directors of C.I.E.L. société coopérative, Lausanne
- Member of the Board of Directors of Zimal SA, Sion
- Member of the Board of Directors of BIFF Bureau d’Ingénieur Fenêtres et Façades SA, Lausanne
- Member of the Board of Directors of Plexus Cotton Ltd., UK
- Delegate of Agrifert SA, Pully

Brian Fischer (CH)
Attorney at law Swiss-certified tax expert
Born in: 1971

Brian Fischer has been a member of the Board of Directors of Mobimo Holding AG since 2008 in an independent capacity.

Professional background

Since 2001	Head of External Asset Managers, Bank Vontobel AG, Zurich
1997 – 2000	Tax and legal advisor, Pricewaterhouse-Coopers AG, Zurich

Education

1991 – 1996	Student, University of Bern

Other activities and interests

- No other activities
- No other interests

Bernard Guillelmon (CH/F)
Engineer, Masters in Energy, MBA
Born in: 1966

Bernard Guillelmon was a member of the Board of Directors of LO Holding Lausanne-Ouchy SA from 2005 to 2009 and has been a member of the Board of Directors of Mobimo Holding AG since 17 December 2009.

Professional background

Since 2008	CEO, BLS AG, Berne
2001 – 2008	Key positions (Energy, Infrastructure, Business Management) at SBB, Berne
1998 – 2000	Independent consultant, Les Giettes
1990 – 1998	Engineer, department head, BKW AG, Berne

Education

1998 – 1999	MBA INSEAD, Fontainebleau
1990 – 1992	Masters in Energy
1985 – 1990	Engineering degree, EPFL Lausanne

Other activities and interests

- Member of the Executive Board and Committee of the Swiss Association of Public Transport (Verband öffentlicher Verkehr, VoV), serving as Chairman of its Finance Commission
- Chairman of the Board of Directors of BLS Cargo AG, Berne
- Vice Chairman of the Board of Directors of JJM Holding, Lausanne
- Member of the Board of Directors of Ralpin AG, Olten
- Member of the Supervisory Board of Ermewa Holding, Paris

Wilhelm Hansen (CH)
lic. rer. pol., Management Consultant
Born in: 1953

Wilhelm Hansen has been a member of the Board of Directors of Mobimo Holding AG since 2008.

Professional background

Since 2002	Independent management consultant for organisational and strategic development and corporate governance, Basel
1995 – 2002	Co-owner, Privatbank Baumann & Cie., Basel
1982 – 1994	Head of Securities and Group Life Insurance, Baloîse Versicherungen, Basel
1977 – 1982	Investment advisor, SBG, Basel

Education

1977	Political Sciences degree (lic. rer. pol.), HSG St. Gallen/University of Basel

Other activities and interests

- Vice Chairman of the Board of Directors of Scobag Privatbank AG, Basel
- Member of the Board of Directors of Psychiatrie Baselland, Liestal
- Member of the Board of Directors of SUGRO Holding AG, Reinach
- Member of the Investment Committee of group administration plan Transparenta, Aesch

Members departing in the year under review

No members stepped down in the 2016 financial year. Paul Rambert stepped down from the Board of Directors in 2015 after reaching an internal age limit.

Honorary Chairmen

Alfred Meili is the Honorary Chairman of Mobimo Holding AG. He was the driving force behind the creation of the Mobimo Group and was Chairman of the Board of Directors until 2008.
Laurent Rivier is the Honorary Chairman of LO Holding Lauanne-Ouchy SA, having previously served as Chairman of the Board of Directors from 2000 to 2009.

Dr. Alfred Meili and Laurent Rivier were appointed Honorary Chairmen in recognition of their services to their respective companies. This office confers neither the right to sit on the Board of Directors, nor any other rights and obligations of a member of the Board of Directors, nor any entitlement to directors' compensation or other compensation.

Other activities and interests

Mobimo Holding AG has concluded special agreements with all members of the Board of Directors and Executive Board in order to avoid conflicts of interest. In these agreements, the members of the Board of Directors and Executive Board undertake, inter alia:

- not to take up any directorship mandates with other real estate companies without the approval of the Board of Directors of Mobimo Holding AG;
- to keep the company informed about any offers to acquire land and property and grant the company a priority claim, provided such offers are not confidential;
- not to accept any additional compensation such as arrangement commissions.

The members of the Board of Directors of Mobimo Holding AG do not occupy any further positions in the management and supervisory bodies of major Swiss and foreign entities or in institutions and foundations under public or private law, and also do not carry out any further long-term management or advisory functions for key Swiss or foreign interest groups.

Number of authorised activities in accordance with Article 12 paragraph 1 item 1 OaEC

The members of the Board of Directors may exercise the following additional activities in senior executive or administrative bodies of legal entities that are required to be entered in the Commercial Register or a corresponding foreign register and are neither controlled by the company nor in control of the company:

- up to three mandates for companies (in Switzerland or abroad) that meet the conditions for a public limited company in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations; and
- up to 15 mandates for companies that are not considered as public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations.

There are no restrictions on mandates for legal entities that are not required to be entered in the Commercial Register or a corresponding foreign register, or on honorary directorships at organisations recognised for tax purposes as not-for-profit.

Election and term of office

The Board of Directors of Mobimo Holding AG consists of at least three members and is elected for a period of one year at the General Meeting. The term of office of the members ends at the end of the next Annual General Meeting. The members of the Board of Directors may be immediately re-elected upon expiry of their term of office. The General Meeting elects the Chairman of the Board of Directors. Re-election is permitted. The term of office of the Chairman ends at the end of the next Annual General Meeting. If the office of Chairman becomes vacant, the Board of Directors appoints a Chairman for the remaining term of office.
The Board of Directors currently has seven members.
The General Meeting also elects the independent proxy. Natural persons and legal entities or partnerships are eligible for election. The term of office of the independent proxy ends at the end of the next Annual General Meeting. Re-election is permitted. If Mobimo does not have an independent proxy or the independent proxy is withdrawn due to a lack of independence or for any other reasons, an independent proxy is appointed by the Board of Directors for the current General Meeting or the next. Authorisations and instructions that have already been issued will remain valid for the new independent proxy, unless other authorisations and instructions have been explicitly issued by shareholders.

Internal organisation

In 2016, the General Meeting confirmed Georges Theiler as the Chairman of the Board of Directors. The Board of Directors appointed Peter Schaub as Vice Chairman of the Board of Directors.

The Board of Directors is quorate if the majority of its members are present and passes resolutions by a majority of the votes cast.

A total of eight meetings were held in 2016. The ordinary meetings lasted one day. The Board of Directors was present in full at every meeting apart from two. A strategy conference, a project inspection day and a training excursion also took place.

The CEO, CFO and the other members of the Executive Board occasionally take part in the meetings of the Board of Directors, although the Board of Directors always meets without these persons first. The Chairman decides whether employees or other external advisors are to be included in the meeting in order to deal with specific issues.

The Board of Directors has three committees: the Real Estate Committee, the Audit and Risk Committee and the Nomination and Compensation Committee. The purpose, tasks, duties and competences of the committees are set out in a supplement to the organisation regulations.

Board of Directors

Chairman: Georges Theiler
Vice Chairman: Peter Schaub

Peter Barandun, Daniel Crausaz, Brian Fischer, Bernard Guillelmon, Wilhelm Hansen

Real Estate Committee	Audit and Risk Committee	Nomination and Compensation Committee
Brian Fischer (Chairman) Peter Barandun Georges Theiler	Peter Schaub (Chairman) Daniel Crausaz Wilhelm Hansen	Bernard Guillelmon (Chairman) Wilhelm Hansen Peter Schaub

Real Estate Committee

The Real Estate Committee ensures that the strategic investment and divestment targets it sets each year are implemented successfully. It is also the body with primary responsibility for the sustainability strategy. The competences of the Board of Directors, Real Estate Committee and Executive Board with respect to purchases and sales are laid down in the organisation regulations of Mobimo Holding AG and summarised below. The Real Estate Committee aims to provide the Board of Directors with real estate expertise that is as comprehensive as possible by:

- conducting ongoing market observations;
- developing the network for real estate investors, etc.;
- cooperating closely with management;
- providing regular information to the Board of Directors.

The Real Estate Committee fulfils three functions, namely:

- deciding on property purchases and divestments for property transactions between CHF 10 million and CHF 30 million;
- submitting requests to the Board of Directors for property transactions which have a volume of over CHF 30 million and therefore lie within its competence;
- supervising investment and development business as well as the external property appraisals to be carried out periodically.

The obligations and competences assigned to the Board of Directors in accordance with the organisation regulations and the law remain with the Board of Directors as the overriding body.

Audit and Risk Committee

The Audit and Risk Committee fulfils a supervisory function. It may request any measures it deems necessary in order to perform its duties and has direct access to all documentation, employees and the auditors. The main duty of this committee is to support the Board of Directors by means of preparatory work, audits and clarification.

The four areas in which the Audit and Risk Committee is active are as follows:
- budgeting, preparation of financial statements, external audit and external appraisal,
- risk management and internal control system (ICS), including adherence to legislation, directives and internal guidelines (compliance),
- financing,
- taxes.

The Board of Directors addresses its risk management responsibilities via the Audit and Risk Committee. Management prepares an annual risk inventory for the Audit and Risk Committee setting out significant risks by risk category. For each risk, the risk owner, impact and measures implemented are analysed and then evaluated on the basis of likelihood, financial impact and damage to reputation and image. Where necessary, further measures are defined for the ongoing management of the assessed risks.

Nomination and Compensation Committee

The Nomination and Compensation Committee is a preparatory committee for the Board of Directors and, unless explicitly stipulated otherwise in the Articles of Association or in other regulations, has no decision-making powers. It has the following duties and responsibilities with regard to compensation:
- drawing up and reviewing the compensation policy, monitoring the implementation of the compensation policy and submitting proposals and recommendations on the compensation policy to the Board of Directors;
- drawing up and reviewing specific compensation models, monitoring the implementation of compensation models and submitting proposals and recommendations on specific compensation models to the Board of Directors;
- preparing all relevant decisions of the Board of Directors with regard to the compensation of the members of the Board of Directors and Executive Board and submitting proposals to the Board of Directors regarding the type and amount of the annual compensation of the members of the Board of Directors and Executive Board, including preparing the proposal for the maximum total amount to be submitted to the General Meeting for approval;
- reviewing the company's annual salary budget and the principles governing the payment of variable compensation to employees outside of the Executive Board;
- submitting proposals to the Board of Directors for approval of the awarding of mandates by the company or its subsidiaries to members of the Board of Directors or the Executive Board and to related legal entities and natural persons.

The General Meeting elects the members of the Nomination and Compensation Committee on an individual basis. The Nomination and Compensation Committee comprises at least three members. Only members of the Board of Directors may be elected to the committee. The term of office of members of the Nomination and Compensation Committee ends at the end of the next Annual General Meeting. Re-election is permitted. If the Nomination and Compensation Committee is no longer complete or falls below the minimum number of three members, the Board of Directors appoints the necessary members for the remaining term of office. The Nomination and Compensation Committee currently has three members.

The Board of Directors may assign additional tasks to the Nomination and Compensation Committee with regard to compensation, human resources and related areas. The Board of Directors issues regulations governing the organisation, working methods and reporting of the Nomination and Compensation Committee. The Chairman of the Nomination and Compensation Committee is proposed by the Board of Directors.

The Nomination and Compensation Committee may also request the assistance of independent third parties in performing its tasks and compensate them accordingly.

Approval authority regulations

The principles of top-tier management, including the allocation of authority, are defined in the company's organisation regulations. The Board of Directors is responsible for managing the company and supervising the Executive Board. It represents the company externally and makes decisions on all matters that do not fall under the remit of another body within the company by law or pursuant to the Articles of Association or other regulations. In addition to its non-transferable duties in accordance with Article 716a of the Swiss Code of Obligations, the Board of Directors also has the following duties and competences:
- defining the Group policy and business policy of the Group companies (such as defining the guidelines governing the strategic focus of the Group and of the Group companies/ portfolio approach);
- defining and reviewing the sustainability strategy;
- defining and monitoring the financial and investment budgets of the Group companies;
- making fundamental decisions with regard to electing and dismissing members of the Board of Directors, Group company auditors and valuation experts;
- passing resolutions on founding, acquiring and disposing of Group and affiliated companies;
- initiating business relations between the Mobimo Group and important third parties;
- overseeing the measures that need to be undertaken with regard to stock exchange listings;
- defining the corporate identity;
- defining the accounting principles, including the consolidation of all financial statements;
- approving participation and option plans.

The Executive Board manages the Group companies as BoD and/or Executive Board members in line with the approval authority regulations and local organisation regulations.

The Board of Directors of Mobimo Holding AG makes decisions on all property transactions exceeding CHF 30 million; transactions of between CHF 10 million and 30 million fall under the remit of the Real

Estate Committee. Operating decisions pertaining to property transactions up to an investment volume of CHF 10 million are delegated to the Executive Board.

Information and control instruments with regard to the Executive Board

The Chairman of the Board of Directors holds regular coordination and information meetings with the CEO.

The Real Estate Committee met seven times in the past financial year. The Chairman may convene additional meetings at any time. The CEO normally takes part in the meetings. Minutes must be taken at every meeting and subsequently distributed to all members of the Board of Directors. The Board of Directors is also kept up to date with the latest business developments by means of monthly reports.
The Nomination & Compensation Committee met four times in 2016. The Chairman may convene additional meetings at any time. The CEO normally takes part in the meetings. Minutes are taken at every meeting and subsequently distributed to all members of the Board of Directors.
The Audit and Risk Committee met six times in the last financial year. Topics discussed at Audit & Risk Committee meetings include the annual and semi-annual results, the reports of the statutory auditors and external appraisers, important technical accounting, legal, tax and regulatory issues, the financing and management of liabilities, other necessary reports and risk management/ICS. The Chairman of the Audit and Risk Committee may convene additional meetings at any time. If necessary, the Audit and Risk Committee may invite members of the Executive Board, other employees, external advisors or auditors to its meetings, or request that they meet with members of or advisors to the Audit and Risk Committee. The CFO normally takes part in the meetings. Minutes are taken at every meeting and subsequently distributed to all members of the Board of Directors.

The entire Board of Directors receives a monthly report on current business performance and a quarterly report informing them about the following areas: financial situation/budget achievement, risk situation, progress and planned activities of the operating and administrative areas, and personnel situation. The information relates to developments and events since the last management report, together with expected developments and planned activities. The Executive Board is present during the meetings of the Board of Directors and reports on items on the agenda and/or is available for general questions and information.

A formal internal audit is not appropriate due to the size of the company. Internal control and risk management are performed by Finance. The implementation of regulatory and accounting changes is worked out at an early stage in cooperation with the statutory auditors. The statutory auditors and property values are also consulted on a regular basis to help assess larger-scale transactions.

Executive Board

Members of the Executive Board

Dr. Christoph Caviezel (CH)
CEO
Dr. iur., attorney at law
Born in: 1957

Christoph Caviezel has been CEO of the Mobimo Group since 1 October 2008 and directly manages the Corporate Center and the Purchase and Divestment divisions.

Chairman of Boards of Directors within the Mobimo Group

Mobimo AG, Mobimo Management AG, O4Real SA, Immobilien Invest Holding AG, Petit Mont-Riond SA, LO Holding Lausanne-Ouchy SA, LO Immeubles SA, Flonplex SA, Parking du Centre SA, Promisa SA, CC Management SA

Professional background

2001 – 2008	CEO, Intershop Holding AG, Zurich (member of the Board of Directors since 2003)
1995 – 2001	Intershop Holding AG, Zurich (member of the Executive Board since 1999)
1986 – 1995	Head of Real Estate, SBB, Lucerne
1980 – 1986	Attorney at law

Education

1988	Doctor of law (Dr. iur.), University of Fribourg
1983	Admitted to the bar in the canton of Grisons
1980	Law degree (lic. iur.), University of Fribourg

Other activities and interests

- Member of the Investment Committee of the Investment Foundation for Overseas Real Estate (Anlagestiftung fur Immobilienanlagen im Ausland, AFIAA), Zurich
- Sits on the Bank Council of Graubündner Kantonalbank

Manuel Itten (CH)
CFO
Business Administration FH
Born in: 1965

Manuel Itten joined Mobimo in 2004, working as Head of Controlling until February 2009 and CFO since March 2009.

Chairman of Boards of Directors within the Mobimo Group

BSS&M Real Estate AG, FM Service & Dienstleistungs AG

Member of Boards of Directors within the Mobimo Group

Mobimo AG, Mobimo Management AG, LO Holding Lausanne-Ouchy SA, LO Immeubles SA, O4Real SA, Parking du Centre SA, Flonplex SA, Promisa SA, CC Management SA

Professional background

2004 – 2009	Head of Controlling, Mobimo, Küsnacht
2000 – 2004	Head of Controlling, Livit AG, Zurich
1999 – 2000	Auditor and consultant, Zurich
1988 – 1996	Various management positions in sales promotion (marketing)

Education

1996 – 1999	Business Administration degree (Business Economist HWV), FH Winterthur
1981 – 1988	Basic commercial and design studies

Andreas Hämmerli (CH)
Head of Development
Certified architect HTL
Born in: 1957

Andreas Hämmerli has been Head of Development since October 2008, with responsibility for all aspects of real estate development, construction and sales.

Professional background

2003 – 2008	Managing Director, D4 Business Center Lucerne, Suva Asset Management (from 2007 member of the Executive Board, Suva Immobilien)
2000 – 2002	Head of Real Estate Consulting Switzerland (development/real estate trading/real estate trusts and first-time letting), Livit AG, Zurich (as member of the Executive Board)
1997 – 1999	Head of Real Estate Trading, Göhner Merkur AG, Zurich
1982 – 1997	Various roles in the architecture sector (development/project management/marketing/ head of an architecture firm)

Education

1983	Certified architect HTL, Burgdorf
1982	School of engineering, Burgdorf

Marc Pointet (CH)
Head of Mobimo Suisse romande
Certified architect ETH, Executive MBA HSG
Born in: 1974

Marc Pointet joined Mobimo in November 2006 and has been Head of Mobimo Suisse romande since March 2013. He has been a member of the Executive Board since April 2015.

Professional background

2006 – 2013	Head of Project Management Team, Mobimo, Küsnacht
2004 – 2006	Branch Head, Karl Steiner AG, St. Moritz
2003 – 2004	Assistant to the CEO, Karl Steiner AG, Zurich
2002 – 2003	Project team member, Credit Suisse, Zurich

Education

2012	Executive MBA, HSG St. Gallen
2001	Architecture degree (Cert. Architect), ETH Zurich

Thomas Stauber (CH)
Head of Real Estate
Certified civil engineer ETH/SIA, NDS BWI
Born in: 1964

Thomas Stauber joined Mobimo in November 2011 and set up the Development for Third Parties business area. He has headed the Real Estate division since July 2014.

Member of Boards of Directors within the Mobimo Group

BSS&M Real Estate AG, FM Service & Dienstleistungs AG

Professional background

2004 – 2011	Head of Acquisitions and Project Development, Allreal Generalunternehmung AG, Zurich (as member of the Executive Board)
2002 – 2004	Managing Director, Bauengineering AG, Zurich
2000 – 2002	Head of Project Development, tk3 AG, Basel (as member of the Executive Board)
1995 – 2000	Head of Technical Planning and Realisation for the Sony Center on Berlin's Potsdamer Platz
1989 – 1994	Project Managing Civil Engineer

Education

1992 – 1994	Postgraduate studies in industrial management and manufacturing, ETH Zurich
1989	Cert. Civil Engineer, ETH Zurich

Other activities and interests

The members of the Executive Board perform no long-term management or advisory functions for key Swiss or foreign interest groups, nor do they perform any official functions or hold any political offices.

In accordance with Article 12 paragraph 1 item 1 OaEC, the members of the Executive Board may exercise the following additional activities in senior executive or administrative bodies of legal entities that are required to be entered in the Commercial Register or a corresponding foreign register and are neither controlled by the company nor in control of the company:

- a maximum of one mandate for companies (in Switzerland or abroad) that meet the conditions for public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations;
- up to five mandates for companies that are not considered as public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations.

There are no restrictions on mandates for legal entities that are not required to be entered in the Commercial Register or a corresponding foreign register, or on honorary directorships at organisations recognised for tax purposes as not-for-profit. The prior approval of the Board of Directors is required for such mandates and appointments.

Management agreements

There are no management agreements with third parties. There are service agreements between the Group companies and Mobimo Management AG.

Remuneration and profit-sharing

All information on the compensation of Mobimo's Board of Directors and Executive Board is provided in the separate compensation report.

Shareholders' rights of participation

Restrictions on voting rights and proxies (Articles 6, 12 and 15 of the Articles of Association)

Only those persons entered in the share register are entitled to exercise their voting rights at General Meetings.

The Board of Directors may refuse to approve the transfer of registered shares, insofar as recognising a transferee as a shareholder may, according to the information available to it, hinder the company from providing proof of Swiss control as stipulated under federal law (in particular the Swiss federal law pertaining to the purchase of property by persons resident abroad, BewG). The Board of Directors did not reject any entries in the share register in the year under review, insofar as shareholders provided the information required for entry (see above). In accordance with Article 12 of the Articles of Association, any shareholder may be represented at the General Meeting by their legal representative, by a third party who has been granted written authorisation (and who does not need to be a shareholder), or by the independent proxy. The Board of Directors specifies the process and conditions for issuing authorisations and instructions to the independent proxy. Shareholders may issue general instructions both for proposals relating to agenda items set out in the invitation to the General Meeting and for undisclosed or new proposals. In particular, general instructions to vote in favour of the Board of Directors on proposals that are set out in the invitation or have not yet been disclosed are considered to be valid instructions on the exercise of voting rights. Shareholders have the option to receive their documents for the General Meeting or issue proxies and instructions to the independent proxy representative electronically via the "Sherpany" online shareholder platform.

Quorum prescribed by the Articles of Association (Articles 13 and 14 of the Articles of Association)

There is no quorum prescribed by the Articles of Association that goes beyond the statutory provisions on passing resolutions (Articles 703 and 704 of the Swiss Code of Obligations).

Convocation of General Meetings

The convocation of General Meetings, the form of convocation and the right of shareholders to convene a General Meeting are governed by Articles 9 and 10 of the Articles of Association.

The Annual General Meeting is convened by the Board of Directors or, if necessary, by the external auditor and is held once a year within six months of the end of the financial year. The Board of Directors may convene Extraordinary General Meetings at any time. Extraordinary General Meetings are to be convened by the Board of Directors on the basis of a resolution of the General Meeting, at the request of the auditor or if one or more shareholders who together represent at least one-tenth of the share capital request one in writing and submit the items for the agenda.

The liquidators also have the right to convene a General Meeting. Invitations to the General Meeting are issued at least 20 days prior to the date of the meeting via publication of a single notice in the Swiss Official Gazette of Commerce. Personal invitations are also sent to the shareholders entered in the share register giving the same amount of notice. The invitation must set out all the items on the agenda together with the proposals of the Board of Directors and any shareholders who have requested that a General Meeting be convened. The annual report and auditor's report must be made available for inspection by shareholders at the company's registered office no later than 20 days prior to the Annual General Meeting. The availability of these reports and the right of shareholders to request that copies be sent to them must be indicated in the notice of convocation of the Annual General Meeting.

Agenda (Article 9 of the Articles of Association)

The statutory provisions set out in Article 699 of the Swiss Code of Obligations apply to the right of shareholders to propose agenda items referred to in Article 10 of the Articles of Association. Shareholders who together represent at least 5% of the company's share capital may request that the Board of Directors convene a General Meeting. Shareholders who together represent shares with a nominal value of at least CHF 1 million may request that an item be placed on the agenda.

Entries in the share register (Article 6 of the Articles of Association)

Under Article 6 of the Articles of Association, anyone entered in the share register is recognised as a shareholder or usufructuary. Entry is conditional on the provision of evidence that the transfer meets formal requirements and is subject to the approval of the Board of Directors. The Board of Directors has defined this approval authority in regulations governing the administration of the share register and transferred responsibility for recognising and entering shareholders of Mobimo Holding AG to the Audit & Risk Committee. The Audit & Risk Committee has subsequently delegated all decisions that have no impact on stock exchange reporting thresholds or concern members of the Board of Directors or Executive Board to the CFO. No entries shall be made in the share register during a period ranging from a maximum of 20 days before the General Meeting up to the day after the General Meeting. Prior to the Annual General Meeting on 28 March 2017, the share register will be closed for entries from 20 March 2017 onwards. The 2017 General Meeting takes place in Lucerne on 28 March 2017.

Compensation report

The Board of Directors has decided to provide the shareholders with a compensation report each year and hold an annual consultative vote on it irrespective of whether or not there have been significant changes compared with the previous year.

Contributions to social and political organisations

Following a consultative vote, the 2016 General Meeting approved the contributions made to social and political organisations in 2015 and authorised a budget of up to CHF 50,000 for contributions to social and political organisations in 2016.

Change of control and defensive measures

Obligation to make an offer

Anyone who acquires shares directly, indirectly or by mutual agreement with third parties, with the result that their total holding, including the securities they already own, exceeds the threshold of 33% of the voting rights of a listed company, whether exercisable or not, must make an offer to acquire all listed shares of said company (Article 32 of the Swiss Federal Act on Stock Exchanges and Securities Trading (SESTA)).

In view of the Swiss federal law pertaining to the purchase of property by persons resident abroad (BewG), the company has chosen not to make use of the opportunity to include an opting-out or opting-up clause in its Articles of Association. The legal provisions under Article 32 of SESTA governing the obligation to make a purchase offer therefore apply.

Change of control clauses

There are no change of control clauses.

Auditor

Duration of mandate and term of office of lead auditor

Since Mobimo Holding AG was established in December 1999, the company's statutory and Group auditor has been KPMG AG, Lucerne. The statutory and Group auditors are appointed annually by the Annual General Meeting.

Audit fee and additional fees

The following compensation was paid for services relating to the audit of the interim financial statements and 2016 annual financial statements, in addition to fees to the auditor for tax consulting and to the real estate valuers.

CHF million	2016	2015
Audit fees KPMG	**0.4**	**0.4**
Tax advice KPMG	0.1	0.2
Property valuation WP	0.4	0.4
Property valuation JLL	0.1	0.1
Additional Fees	**0.6**	**0.7**
Total fees	**1.0**	**1.1**

Information policy

Mobimo Holding AG provides its shareholders and the capital market with information that is forthright, up to date and as transparent as possible. The Media and Analysts' Conference on the 2016 financial results takes place on 10 February 2017.

Financial reporting takes the form of semi-annual and annual reports. The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the consolidated interim financial statements in accordance with International Accounting Standard 34 (IAS 34) on interim financial reporting. They comply with both Swiss law and the provisions of the listing rules and additional rules for the listing of real estate companies issued by the SIX Swiss Exchange.

The company is also subject to the obligation in respect of ad hoc publicity pursuant to Article 72 of the listing rules.

Further information about the company can be found on the website www.mobimo.ch.

Contact

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CEO
Tel. +41 44 397 11 86

COMPENSATION REPORT

The aim of Mobimo's compensation plan is to recruit, motivate and retain the loyalty of qualified management.

This compensation report sets out the mechanisms used to determine the compensation and profit-sharing plans of the Board of Directors and Executive Board, along with the key provisions of the Articles of Association. It also compares the compensation approved by the General Meeting with the actual compensation paid.
The compensation report meets the provisions of the Ordinance Against Excessive Compensation in Listed Companies and is put to a consultative vote at the General Meeting.
Article 22 of the Articles of Association governs the compensation of the Board of Directors, while Articles 28 and 29 govern the compensation of the Executive Board.

Compensation of the Board of Directors

In accordance with Article 22 of the Articles of Association, the members of the Board of Directors are entitled to compensation commensurate with their activities and to reimbursement of their expenses incurred in performing their duties in the interest of the company or one of its subsidiaries. The compensation payable to members of the Board of Directors consists of an annual basic amount and other non-performance-related elements (such as supplements for involvement in committees or boards of directors of subsidiaries or the assumption of special functions or mandates), plus social insurance contributions and pension contributions. To place the emphasis on the governance and supervisory function and focus the Board of Director's attention on long-term corporate governance, the members of the Board of Directors do not receive performance-related compensation. Compensation may be paid by the company or one of its subsidiaries, provided it is covered by the approved total compensation.

Part of the compensation may be paid in shares in order to harmonise the interests of the shareholders with those of the Board of Directors. The number of shares allocated and the dates of allocation and transfer of ownership are determined by the Board of Directors at the request of the Nomination and Compensation Committee. The value of the shares is calculated based on the share price applicable on the date of allocation. The Board of Directors sets a vesting period, which is usually five years. From the date of allocation, the shares have both voting and dividend rights.

Approval by the General Meeting

The maximum total amount of compensation payable to the Board of Directors must be approved annually in advance by the General Meeting for the period until the end of the next Annual General Meeting.

If the total amount of compensation payable to the Board of Directors is not approved, the Board of Directors may either submit a new proposal to the same General Meeting or convene an Extraordinary General Meeting at which it will submit a new proposal for the total amount.

Fixed compensation of the Board of Directors

In accordance with the current compensation regulations of Mobimo Holding AG, the compensation payable to the Board of Directors consists of a fixed amount structured on a modular basis depending on the specific activities of each member. It is made up of basic compensation of CHF 70,000 per year plus the following fixed supplements for involvement in a Board Committee:
- Real Estate Committee CHF 70,000,
- Audit and Risk Committee CHF 50,000,
- Nomination and Compensation Committee CHF 20,000.

The following fixed supplements are also paid:
- Chairman of the Board of Directors CHF 200,000,
- Chairman of a Board Committee CHF 30,000.

This ensures that the compensation paid to the Board of Directors is in line with the time required for their activities and the level of responsibility involved.

Compensation of the Executive Board

Basic principles

The compensation system must ensure the members of the Executive Board receives compensation in line with their success in implementing the strategy and their contribution to corporate performance. It is based on the three principles described below:

Performance-related

- Variable compensation is calculated using quantitative and qualitative criteria
- The compensation system is linked to the implementation of the corporate strategy

Competitive, in line with the market and transparent

- Takes account of salary levels in the Swiss real estate market
- Attracts and retains highly qualified management
- Compensation is fair and reasonable in both an internal and external comparison

Aligned with the interests of the shareholders

- Part of the compensation is paid in the form of restricted shares
- Promotes outstanding performance and the generation of added value in the interests of the shareholders

In accordance with Article 28f. of the Articles of Association, the members of the Executive Board receive compensation for their activities for the company and its subsidiaries. This may be paid by the company or one of its subsidiaries, provided it is covered by the approved total compensation.
The total compensation payable to each member of the Executive Board consists of a basic salary (incl. expenses allowance), any other non-performance-related elements (such as supplements for involvement in committees or the boards of directors of subsidiaries or the assumption of special functions or mandates) and a performance-related element, plus social insurance contributions, ancillary pay and pension contributions. Total compensation takes into account the level of responsibility, area of responsibility, expertise and function of the Executive Board member in question, their achievement of objectives and market conditions.

It is set by the entire Board of Directors at the request of the Nomination & Compensation Committee in line with market conditions, with a particular focus on salary levels in the real estate market. This competitive compensation system should enable Mobimo to recruit the senior managers it wants from the relatively small pool of suitable executives and tie them to the company for the long term.

Approval by the General Meeting

The maximum total amount of performance-related compensation payable to the Executive Board must be approved annually by the General Meeting for the financial year in which the General Meeting in question takes place. No performance-related compensation may be paid for the period in question before approval is given.

If the total amount of compensation payable to the Executive Board is not approved, the Board of Directors may either submit a new proposal to the same General Meeting or convene an Extraordinary General Meeting at which it will submit a new proposal for the total amount of non-performance-related/performance-related compensation.

Fixed compensation of the Executive Board

Like total compensation, the fixed salary is geared to the actual area of responsibility, professional requirements and expertise of each member of the Executive Board and the amount of work involved, and is paid in cash.

Performance-related compensation of the Executive Board

The performance-related compensation payable to members of the Executive Board is based on the quantitative and qualitative objectives and parameters set by the Board of Directors. The Board of Directors issues regulations governing the details of performance-related compensation. The maximum performance-related compensation payable to each individual member of the Executive Board is limited to 100% of their non-performance-related gross salary, however. Total compensation takes into account the level of responsibility, area of responsibility, expertise and function of the Executive Board member in question, their achievement of objectives and market conditions.

Profit-sharing model

Under the new compensation regulations (valid from 1 January 2015), 65% of variable compensation will be based on quantitative criteria and 35% on qualitative criteria that are themselves based on Mobimo's strategy. The Board of Directors has defined the key performance figure for calculating the quantitative target as the return on equity before accumulated revaluation income. However, entitlement to compensation on this basis is conditional on the company achieving a minimum return on equity before revaluation income of 4.5%. Once this minimum return on equity has been achieved, the entitlement of the Executive Board members rises on a straight line basis within a range defined by the Board of Directors.

Variable compensation is capped at 100% of the fixed salary. The regulations then allow the Board of Directors to reduce variable compensation if a dividend/capital repayment at least equivalent to that of the prior year cannot be distributed to shareholders.

At least 50% of the variable compensation is paid in shares in the company. The shares issued are subject to a vesting period, generally five years.

The compensation regulations include a clause stating that variable compensation can be clawed back if it was paid on the basis of annual financial statements that were manipulated.

It goes without saying that the rules of the Ordinance Against Excessive Compensation in Listed Companies (OaEC) must also be complied with, meaning that no variable compensation may be paid unless it has been approved by the shareholders.

Payment of performance-related compensation

Performance-related compensation is always paid in the following year, at the latest prior to the date of the General Meeting.

At the request of the Nomination & Compensation Committee, the Board of Directors determines the dates of allocation and transfer of ownership, and the vesting periods. The value of the shares is calculated based on the share price applicable on the date of allocation. From the date of allocation, the shares have both voting and dividend rights. The Board of Directors may decide to shorten or waive vesting periods, make compensation conditional on the achievement of objectives or not pay compensation at all due to the occurrence of predefined events such as a change of control or termination of an employment relationship.

In particular, members of the Executive Board who are released from their contracts generally still receive a pro rata portion of the contractually agreed compensation until the end of their employment contract unless the employer terminated the employment relationship for good cause attributable to the employee. Performance-related compensation is generally also paid unless the member in question provided good cause for termination. In each individual case, the Board of Directors decides whether or not the compensation is to be paid and whether vesting periods are to be waived on the basis of the employment contract and the specific circumstances.

The company is entitled to the repayment of all variable compensation paid out on the basis of annual financial statements that do not reflect the company's actual results due to criminal activities or other forms of manipulation. The amount of the repayment entitlement corresponds to the extent of the falsification.

Additional amount for compensation payable to members appointed after the General Meeting

In accordance with Article 29 of the Articles of Association, an additional amount of 30% of the total amount of compensation payable to the Executive Board that was approved in advance for the relevant periods is available for each member of the Executive Board that was appointed after the General Meeting that voted on the total amount of compensation. This amount also covers the period between appointment and the start of the period approved in advance. The additional amount that is actually used does not need to be approved by the General Meeting.
Within the limits of the total amount or additional amount already approved, the company may pay a new member of the Executive Board a joining bonus to offset any losses incurred due to the change of position.

Comparison of the compensation paid with the compensation approved by the General Meeting

The table below shows the approved compensation elements payable to the Board of Directors and Executive Board and compares the figures with the actual amounts recorded in 2016. In accordance with the Articles of Association, compensation payable to the Board of Directors is approved in advance for the period until the next Annual General Meeting. As a result, the approved compensation amount is reduced to the nine-month figure on a straight-line basis and compared with the payments recognised in the income statement for the period from April to December 2016.

BoD TCHF	Approved 29.3.2016 – 28.3.2017	Approved 29.3.2016 – 31.12.2016 (9 Monate/pro rata)	Paid 29.3.2016 – 31.12.2016	Approved 27.3.2015 – 29.3.2016	Paid 27.3.2015 – 29.3.2016
Fixed compensation incl. shares	1,300	975	944	1,300	1,258
Compensation for related parties	100	75	55	200	122

Executive Board TCHF	Approved 1.1.2016 – 31.12.2016	Paid 1.1.2016 – 31.12.2016	Approved 1.1.2015 – 31.12.2015	Paid 1.1.2015 – 31.12.2015
Fixed compensation	2,800	2,734	2,800	2,667
Performance-related compensation	2,800	2,345	2,800	2,387

Compensation report for the 2016 financial year in accordance with the Ordinance Against Excessive Compensation in Listed Companies

Compensation payable to the Board of Directors and Executive Board and related parties

In the year under review, the members of the Board of Directors, related parties and the Executive Board received compensation as set out below.

Compensation payable to the Board of Directors

Name, function (TCHF)	Fees, salary	Shares	Social security contributions	2016 Total	Fees, salary	Shares	Social security contributions	2015 Total
BoD	**910**	**290**	**58**	**1,258**	**959**	**239**	**60**	**1,258**
Georges Theiler, Chairman BoD	340	0	21	361	340	0	21	361
Brian Fischer, BoD	55	115	10	180	48	115	10	173
Wilhelm Hansen, BoD	15	125	8	148	47	93	8	148
Peter Schaub, BoD	170	0	0	170	170	0	0	170
Daniel Crausaz, BoD	120	0	8	128	120	0	8	128
Bernard Guillelmon, BoD	120	0	8	128	118	0	8	126
Peter Barandun, VR[1]	90	50	3	143	74	31	3	108
Paul Rambert, BoD[2]	n/a	n/a	n/a	n/a	42	0	2	44

[1] Since the General Meeting of 26 March 2015.
[2] Up to the General Meeting of 26 March 2015.

Additional compensation payable to members of the Board of Directors and related parties or companies

Name, function (TCHF)	2016 Total	2015 Total
Peter Schaub, BoD	78	117
Paul Rambert, BoD (period until AGM 2015)	n/a	51

In the case of Peter Schaub, the payments listed for additional work are payments to the consulting firm weber schaub & partner ag, which is co-owned by Peter Schaub. The expenses invoiced relate to tax consulting services provided by employees of the firm weber schaub & partner. Consulting services provided directly by Peter Schaub are covered by his director's compensation.
In the case of Paul Rambert, the payments listed for the previous year for additional work are payments to Immopoly Sàrl, which is owned by Paul Rambert. The expenses invoiced relate to construction advisory services.

Amounts for the 2016 financial year reflect the expense reported in the consolidated financial statements for the year under review (accrual accounting).

The General Meeting of 29 March 2016 approved fixed compensation of CHF 2.8 million for the Executive Board for the 2016 financial year.

Compensation payable to the Executive Board

Name, function (TCHF)	2016 Total	2015 Total	2016 Christoph Caviezel, CEO	2015 Christoph Caviezel, CEO
Fees, salary	2,198	2,157	703	743
Profit-sharing in cash	1,092	1,112	350	370
Profit-sharing in shares	1,093	1,113	350	370
Other contributions[1]	696	672	230	240
Total	**5,079**	**5,054**	**1,633**	**1,723**

[1] The other payments relate to pension contributions, any service anniversary gifts, private usage of vehicles and employer's social security contributions.

Share-based compensation for the Executive Board was based on the assumption that a ratio of 50% (prior year: 50%) as stipulated in the compensation regulations applies.

Loans and credit facilities granted to the Board of Directors, Executive Board and related parties

No loans or credit facilities were granted to members of the Board of Directors, Executive Board or related parties in the 2016 financial year, and there were no such receivables outstanding as at 31 December 2016.

KPMG

Report of the Statutory Auditor

To the General Meeting of Shareholders of Mobimo Holding AG, Lucerne

We have audited the remuneration report dated 31 December 2016 of Mobimo Holding AG for the year ended 31 December 2016. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections “Compensation report for the 2015 financial year in accordance with the Ordinance Against Excessive Compensation in Listed Companies” on pages 49 to 50 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration 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 remuneration 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 for the year ended 31 December 2016 of Mobimo Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker Licensed Audit Expert Auditor in Charge	Reto Kaufmann Licensed Audit Expert

Lucerne, 7 February 2017

KPMG AG, Pilatusstrasse 41, PO Box, CH-6003 Lucerne

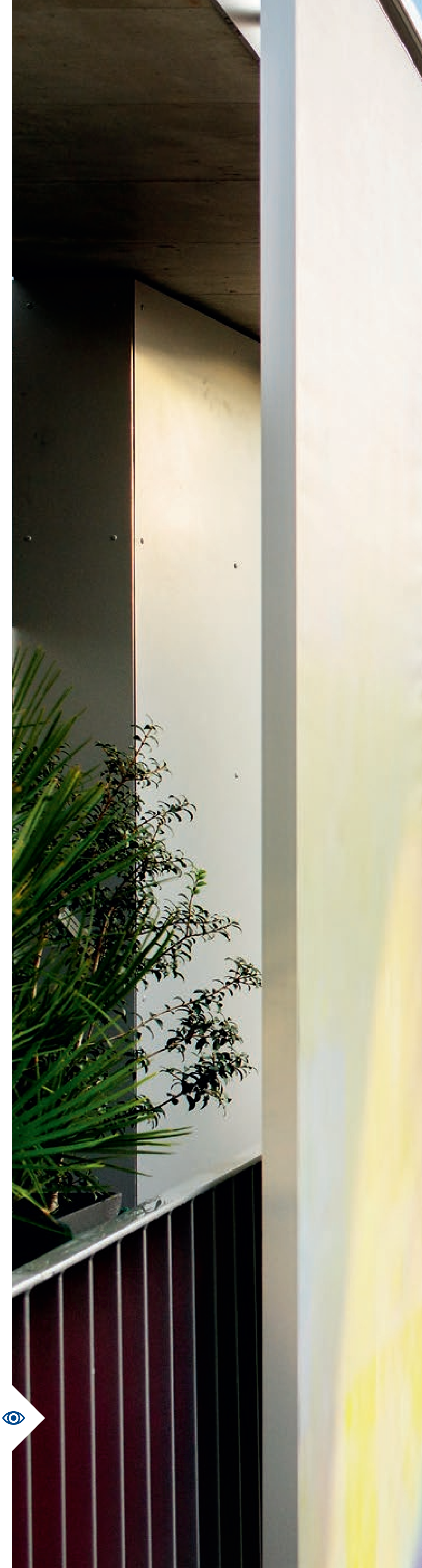
POETRY IN THE COURTYARD

The three courtyards of the Letzihof residential property are decorated with six photographic images from well-known artist Annelies Štrba. They form a playful interface between private and public life, with uncomplicated and modern architecture meeting colourful and playful art.

This interaction takes place day after day in the Letzihof residential property. The simple building provides a sheltered environment for six extraordinary photos shot by Richterswil-based artist Annelies Štrba. Female figures, children's dreams, flowering meadows and frescoes of lights are displayed above the three courtyards and add a poetic element to the functional relationship between the building and its inhabitants – self-sufficient but not without purpose. The residents can move the huge images printed on weatherproof sliding panels to open up a view to the outside world.

"The switch from public to private takes place in the courtyards. The photos are a central part of this – they're calm yet mysteriously stimulating, while giving you the feeling of being part of something and setting you free at the same time. Just as residents get to know each other over time, but do not reveal everything", said Annelies Štrba when describing the art on display within the property. Leading architects EPR Architekten were responsible for the design and development, and the implementation was carried out as part of the Mobimo & Art commitment.

A master of wonderful imagery: Annelies Štrba.



The interface between private and public life: sliding panels.
Further information on page 13.

FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

TCHF	Note	2016	2015
Income from rental of properties	4	114,654	107,841
Income from sale of trading properties and development services	7	151,792	86,204
Other income		3,161	1,212
Revenue		**269,607**	**195,257**
Gains from revaluation of investment properties	5	114,652	91,184
Losses on revaluation of investment properties	5	–33,948	–56,442
Net income from revaluation		**80,704**	**34,742**
Profit on disposal of investment properties	6	**34,945**	**63,751**
Direct expenses for rented properties	4	–18,426	–13,761
Direct expenses from sale of trading properties and development services	7	–127,932	–80,661
Direct operating expenses		**–146,358**	**–94,422**
Capitalised own account services		5,416	6,214
Personnel expenses	17	–27,302	–23,418
Operating expenses	21	–8,989	–7,162
Administrative expenses	22	–2,990	–2,395
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**205,034**	**172,567**
Depreciation	25	–1,714	–1,599
Amortisation and impairment losses	26	–3,008	–541
Earnings before interest and tax (EBIT)		**200,312**	**170,427**
Share of profit of equity accounted investees		2,715	2,293
Financial income		2,595	559
Financial expense		–31,075	–34,203
Financial result	11	**–28,479**	**–33,644**
Earnings before tax (EBT)		**174,548**	**139,076**
Tax expense	20	–15,130	–34,095
Profit		**159,418**	**104,981**
Of which attributable to the shareholders of Mobimo Holding AG		158,656	103,937
Of which attributable to non-controlling interests		762	1,044
EBITDA not including revaluation		124,330	137,825
Operating result (EBIT) not including revaluation		119,609	135,685
Earnings before tax (EBT) not including revaluation		93,844	104,334
Earnings per share in CHF	33	25.52	16.72
Diluted earnings per share in CHF	33	25.52	16.72

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TCHF	Note	2016	2015
Profit		**159,418**	**104,981**
Items that may be reclassified subsequently to income statement		**–3,314**	**–4,750**
• Loss on financial instruments for hedge accounting	12	–4,409	–6,035
• Reclassification adjustments for amounts recognised in income statement		157	–59
• Tax effects	20	939	1,343
Items that will not be reclassified to income statement		**–691**	**–575**
• Remeasurement in staff pension schemes	18	–817	–714
• Tax effects	20	126	139
Total other comprehensive income		**–4,005**	**–5,325**
Of which attributable to the shareholders of Mobimo Holding AG		–4,005	–5,325
Of which attributable to non-controlling interests		0	0
Total comprehensive income		**155,413**	**99,656**
Of which attributable to the shareholders of Mobimo Holding AG		154,651	98,611
Of which attributable to non-controlling interests		762	1,044

CONSOLIDATED BALANCE SHEET

TCHF	Note	31.12.2016	31.12.2015
Assets			
Current assets			
Cash	14	173,869	222,897
Trade receivables	23	13,479	3,839
Income tax receivables		2,948	4,005
Other receivables	24	31,430	24,391
Trading properties	8	304,844	226,564
Accrued income and prepaid expenses		2,431	3,523
Total current assets		**529,002**	**485,218**
Non-current assets			
Investment properties			
• Commercial properties	5	1,373,488	1,357,011
• Residential properties	5	724,076	760,117
• Development properties	5	121,104	142,470
• Investment properties under construction	5	228,130	153,170
Property, plant and equipment			
• Owner-occupied properties	25	13,982	15,269
• Other property, plant and equipment	25	3,570	3,117
Intangible assets	26	6,274	6,892
Investments in associates and joint ventures	27	27,609	25,639
Financial assets	28	1,966	1,849
Deferred tax assets	20	2,488	2,126
Total non-current assets		**2,502,686**	**2,467,660**
Total assets		**3,031,688**	**2,952,878**

TCHF	Note	31.12.2016	31.12.2015
Equity and liabilities			
Liabilities			
Current liabilities			
Current financial liabilities	12	92,597	24,403
Trade payables		31,384	16,963
Current tax liabilities		25,397	57,798
Other payables	29	10,133	5,425
Advance payments from buyers	10	11,197	12,354
Accrued expenses and deferred income	30	32,471	21,363
Total current liabilities		**203,181**	**138,306**
Non-current liabilities			
Non-current financial liabilities	12	1,256,804	1,342,254
Employee benefit obligation	18	7,163	5,840
Derivative financial instruments	12/16	39,834	38,998
Deferred tax liabilities	20	158,440	162,789
Total non-current liabilities		**1,462,241**	**1,549,880**
Total liabilities		**1,665,421**	**1,688,187**
Equity	15		
Share capital		180,327	180,327
Treasury shares		–446	–262
Capital reserves		207,466	269,577
Retained earnings		963,589	808,975
Total equity attributable to the shareholders of Mobimo Holding AG		**1,350,936**	**1,258,617**
Attributable to non-controlling interests		**15,331**	**6,074**
Total equity		**1,366,267**	**1,264,691**
Total equity and liabilities		**3,031,688**	**2,952,878**

CONSOLIDATED CASH FLOW STATEMENT

TCHF	Note	2016	2015
Earnings before tax		174,548	139,076
Net gains from revaluation of investment properties	5	–80,704	–34,742
Share-based payments	19	1,350	1,354
Depreciation on property, plant and equipment and amortisation of lease incentives		2,590	2,572
Amortisation of intangible assets	26	3,008	541
Profit on disposal of investment properties	6	–34,945	–63,751
Loss on disposal/derecognition of property, plant and equipment		–2	0
Share of profit of associates and joint ventures		–2,715	–2,293
Financial result	11	28,479	33,644
Changes			
• Trade receivables		–7,053	111
• Trading properties		52,252	–1,187
• Other receivables and accrued income and prepaid expenses		–20,498	1,163
• Employee benefit obligation		506	–340
• Trade payables		3,161	–3,381
• Advance payments from buyers		–1,820	2,382
• Other liabilities and accrued expenses and deferred income		1,656	1,068
Income tax paid		–38,230	–16,208
Net cash from operating activities		**81,582**	**60,008**
Investments in financial assets		–117	0
Acquisition of subsidiaries, net of cash acquired	34	–10,851	0
Acquisition of investment properties		–85,795	–139,264
Acquisition of property, plant and equipment		–1,488	–1,165
Acquisition of intangible assets		–2,297	–1,846
Disposal of financial assets		0	3
Disposal of property, plant and equipment		2	0
Disposal of investment properties less selling costs		157,702	236,596
Dividends received		1,245	1,150
Interest received		183	67
Net cash from investing activities		**58,584**	**95,540**
Proceeds from financial liabilities		0	7,560
Repayment of financial liabilities		–89,894	–74,124
Net cash from capital increases	15	0	45
Distribution of capital contribution reserves	15	–62,153	–59,061
Acquisition of non-controlling interests		–208	–841
Purchase of treasury shares	15	–1,511	–253
Interest paid		–35,427	–33,358
Net cash used in financing activities		**–189,193**	**–160,032**
Decrease in cash		**–49,028**	**–4,484**
Cash at beginning of reporting period		222,897	227,380
Cash at end of reporting period		**173,869**	**222,897**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TCHF	Note	Share capital	Treasury shares	Capital reserves	Hedging reserve	Other retained earnings	Total retained earnings	Equity attributable to the shareholders of Mobimo Holding AG	Non-controlling interests	Total equity
At 1 January 2015		**180,282**	**–315**	**328,615**	**–16,436**	**725,793**	**709,357**	**1,217,938**	**4,582**	**1,222,520**
Profit 2015						103,937	103,937	103,937	1,044	104,981
Cash flow hedges:	12									
• Change in fair value					–6,035		–6,035	–6,035		–6,035
• Transfer to income statement					–59		–59	–59		–59
• Tax effects					1,343		1,343	1,343		1,343
Staff pension schemes:	18									
• Remeasurement						–714	–714	–714		–714
• Tax effects						139	139	139		139
Other comprehensive income		**0**	**0**	**0**	**–4,750**	**–575**	**–5,325**	**–5,325**	**0**	**–5,325**
Total comprehensive income		**0**	**0**	**0**	**–4,750**	**103,362**	**98,611**	**98,611**	**1,044**	**99,656**
Distribution of capital contribution reserves	15			–59,061				–59,061		–59,061
Capital increase	15	45						45		45
Share-based payments:	19									
• Board of Directors and management			306	23		1,024	1,024	1,354		1,354
Purchase of treasury shares			–253					–253		–253
Non-controlling interests arising from acquisition									1,271	1,271
Acquisition of non-controlling interests						–18	–18	–18	–823	–841
At 31 December 2015/ 1 January 2016		**180,327**	**–262**	**269,577**	**–21,187**	**830,162**	**808,975**	**1,258,617**	**6,074**	**1,264,691**
Profit 2016						158,656	158,656	158,656	762	159,418
Cash flow hedges:	12									
• Change in fair value					–4,409		–4,409	–4,409		–4,409
• Transfer to income statement					157		157	157		157
• Tax effects					939		939	939		939
Staff pension schemes:	18									
• Remeasurement						–817	–817	–817		–817
• Tax effects						126	126	126		126
Other comprehensive income		**0**	**0**	**0**	**–3,314**	**–691**	**–4,005**	**–4,005**	**0**	**–4,005**
Total comprehensive income		**0**	**0**	**0**	**–3,314**	**157,965**	**154,651**	**154,651**	**762**	**155,413**
Distribution of capital contribution reserves	15			–62,153				–62,153		–62,153
Share-based payments:	19									
• Board of Directors and management			1,327	42		–19	–19	1,350		1,350
Purchase of treasury shares			–1,511					–1,511		–1,511
Non-controlling interests arising from acquisition	34								8,928	8,928
Acquisition of non-controlling interests						–17	–17	–17	–433	–450
At 31 December 2016		**180,327**	**–446**	**207,466**	**–24,500**	**988,090**	**963,589**	**1,350,936**	**15,331**	**1,366,267**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

1. Business activities

Mobimo Holding AG is the parent company of the Mobimo Group, which operates exclusively in Switzerland.
Its business activities consist of the long-term holding and management of commercial, industrial and residential properties, the construction and selling of owner-occupied residential properties and the development of commercial and residential properties for its own portfolio and third-party investors.

Mobimo Holding AG is a public limited company under Swiss law, headquartered in Lucerne and listed on the SIX Swiss Exchange.

2. Group accounting policies

General information

The consolidated annual financial statements of Mobimo Holding AG are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with legislation in Switzerland as well as with Article 17 of the Directive on Financial Reporting issued by the SIX Swiss Exchange.

Consolidation takes place on the basis of the individual financial statements from the Group companies. These statements are audited and drawn up in accordance with standardised guidelines. The reporting date is 31 December.

All amounts in the consolidated annual financial statements are shown in thousands of Swiss francs (TCHF), unless stated otherwise. The sums and totals of the individual positions may be larger or smaller than 100% due to rounding.

The consolidated annual financial statements have been prepared in accordance with the cost principle, with the exception of investment properties, investment properties under construction and derivatives, which are recognised at fair value, and investments in associates and joint ventures, which are initially valued at cost and subsequently according to Mobimo's share of equity.

The Notes to the Consolidated Financial Statements are divided into what Mobimo considers relevant sections to facilitate an understanding of the company's income and financial situation. Similarly, for the purpose of facilitating comprehension, the accounting principles applied and material uncertainties regarding estimates are expounded at the beginning of each relevant note.

Use of estimates and assumptions and the application of judgement

In preparing the consolidated annual financial statements in accordance with IFRS, management is required to make estimates and assumptions and apply its judgement in its application of the accounting policies. This can influence reported income, expenses, assets, liabilities and contingent assets and liabilities at the time the statements are drawn up. The estimates and assumptions used are based on past experience as well as on other factors which appear plausible at that specific point in time. If actual results in the future differ from such estimates and assumptions, the initial estimates and assumptions will be adjusted in the applicable reporting period accordingly.

The main estimates and assumptions used in the valuation of assets and liabilities are described in the following Notes:
- Fair value of investment properties, page 67
- Estimate of costs for trading properties and development services, page 75
- Income tax, page 91

Changes in accounting policies

With effect from 1 January 2016, Mobimo uses the following newly applicable or amended standards and interpretations:
- Amendments to IFRS – Annual Improvements to IFRS 2012 – 2014,
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations,
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation.

The amendments had no effect on the 2016 consolidated annual financial statements

Standards/interpretations published but not yet applied

The following new and amended standards and interpretations were approved, but did not or will not take effect until a later date. They have not been adopted in advance in these consolidated annual financial statements. The impact on Mobimo's consolidated annual financial statements has not yet been systematically analysed. Consequently, their anticipated impact as disclosed in the footnotes to the table represents merely an initial estimate by the Executive Board.

Standard/Interpretation			Entry into force	Planned application by Mobimo (financial year)
Amendments to IAS 7	Disclosure Initiative	*	1.1.2017	2017 financial year
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	*	1.1.2017	2017 financial year
Amendments to IFRSs 2014 – 2016	Annual Improvements to IFRSs 2014 – 2016 Cycle	*	1.1.2017/ 1.1.2018	2017 financial year/ 2018 financial year
IFRS 9	Financial Instruments	*	1.1.2018	2018 financial year
IFRS 15	Revenue from Contracts with Customers and related Clarifications	**	1.1.2018	2018 financial year
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	*	1.1.2018	2018 financial year
IFRIC 22	Foreign Currency Transactions and Advance Considerations	*	1.1.2018	2018 financial year
IFRS 16	Leases	**	1.1.2019	2018 financial year
Amendments to IAS 40	Transfer to and from Investment Property	*	1.1.2018	2018 financial year

* No impact or no significant impact expected on Mobimo's consolidated annual financial statements.
** Mobimo is currently analysing the impact. See explanations below for an initial estimate.

IFRS 15 – Revenue Recognition

IFRS 15 introduces a new approach to revenue recognition according to which revenue is recognised when control of a product or service passes to the customer (instead of the previous approach based on the time of the transfer of the risks and rewards of ownership).
This consequently also redefines the scope for the application of the percentage of completion (POC) method. Instead of the previous practice under IAS 11, the application of the POC method under IFRS 15 no longer depends on whether the contract in question is a specific construction contract negotiated with the customer but instead on whether the control has already been transferred. IFRS 15 makes a distinction between revenue recognition on a specific date and over time, with the latter corresponding to the POC method. While the provisions of IAS 17 (Leases) continue to apply to the rental of investment properties, which are consequently excluded from the new standard, IFRS 15 is to be applied to the sale of residential property and to development services for third-party investors.
Although Mobimo expects the changes to have no material impact on its development services for third-party investors, they affect revenue recognition on the sale of condominiums. The current guidelines under IFRIC 15 specify that revenue is to be recognised on the transfer of material risks and rewards when ownership is transferred and therefore generally at the handover of the keys. According to IFRS 15, revenue is recognised when control of a product or service passes to the customer. Period-based revenue recognition is to be applied in accordance with IFRS 15.35c when performance creates an asset without an alternative use to the entity and the entity has an enforceable right to payment for performance completed. Following notarisation of a purchase contract with the buyer, Mobimo is no longer able to place an alternative apartment at the buyer's disposal without breaching the contract. The notarised purchase contract also fulfils the criterion of an enforceable right to payment for work already performed to date. In future, Mobimo will therefore recognise revenue and estimated share of profit for condominiums under a notarised purchase contract during the progress of construction if it has reasonable knowledge that the contract will very likely be fulfilled by both parties as part of the agreement with the buyer.

IFRS 16 – Leases

The previous IAS 17 (Leases) standard will be replaced by IFRS 16. This changes how leases are recognised. Now, the lessee recognises leases under assets and liabilities in the balance sheet, provided it does not involve short-term contracts of less than 12 months or low-value leased assets.
For the lessor, the requirements under IFRS 16 are similar to those under IAS 17, so leases continue to be recognised as finance or operating leases.
Mobimo is currently conducting a thorough review of the impact.

SEGMENT REPORTING

3. Segment reporting

Internal reporting to key decision-makers is based on the company's two divisions. In the second half of 2016, the Board of Directors decided to restructure the segments. The Investments for Third Parties business area was renamed Development for Third Parties and moved from the Real Estate segment to the Development segment. The Board of Directors believes that measuring performance with the restructured segments better reflects the two main pillars of the business model – generating stable income from investment properties and creating added value from developments. With this restructuring, Mobimo is communicating its consistent strategic focus to the market: Each development project is thoroughly reviewed as to whether it can generate the optimum added-value for the company's own portfolio or for sale to third parties. The grouping of development activities into one segment reflects this process.

The business activities of these two divisions can be described as follows:

Real Estate

The Real Estate segment shows the profit from investment properties held on a long-term basis to generate rental income. This profit comprises the income and associated expenses of investment properties, including commercial and residential properties. The investment portfolio is constantly optimised by the company's Portfolio Management. An individual strategy is determined for each investment property based on the corporate strategy. The portfolio and tenant mix is constantly reviewed. Mobimo aims for significant diversification to generate stable and sustainable returns. The company's management and marketing teams are responsible for tenant support, operation and maintenance of properties and marketing residential, commercial and sales space. Following the integration of FM Service & Dienstleistungs AG in April 2016, the Real Estate segment now provides facility management and related services for the company's own selected investment properties as well as for third-party customers.

Development

The Development segment shows the profit from investment properties under construction for the company's own portfolio, comprising development for institutional and private investors (Development for Third Parties) as well as the construction and sale of condominium apartments. The services provided by the Development for Third Parties business area range from purely development services to turn-key real estate. The business area's activities include developing and realising construction projects on sites and building plots, monitoring construction activity during the construction phase and supporting buyers with condominium projects as well as selling condominiums. Developments for sales (third parties and condominiums) are recognised under Trading Properties as well as under receivables and payables from current projects (see Notes 8 and 9). Developments for the company's own portfolio are listed under Investment properties under construction (see Note 5).

For a comparable presentation of results, segment figures for 2015 have been adjusted to reflect the new structure.

The Board of Directors, which has been identified as the key decision-maker, monitors the results of the individual divisions on the basis of EBIT. These figures are determined using the same accounting principles as in the consolidated annual financial statements prepared in accordance with IFRS. Income tax and interest are not included in the segment results and are recognised under Reconciliation. The costs of central functions such as Finance and IT, Marketing and Communication, Legal Services and Central Services, such as the expenses for the Executive Board, are attributed to the segments on the basis of usage. Expenses in connection with the Board of Directors are not attributed to the segments, but are reported under Reconciliation.

Segment assets include trading properties, investment properties and owner-occupied properties. No other assets are attributed to the segments. Segment assets are measured in the same way as in the consolidated annual financial statements prepared in accordance with IFRS.

There were no transactions between the individual segments. Accordingly, there was no need to eliminate intersegment transactions.
Since Mobimo operates exclusively in Switzerland, revenues and non-current assets do not need to be broken down on a geographical basis.
A further breakdown of income by property type (commercial, residential and trading properties) can be found in Note 4.

Segment information 2016

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Income from rental of properties	104,450	10,204	114,654		114,654
Net income from revaluation	45,149	35,555	80,704		80,704
Income from sale of trading properties and development services	0	151,792	151,792		151,792
Profit on disposal of investment properties	34,945	0	34,945		34,945
Other income	3,161	0	3,161		3,161
Total segment income	**187,705**	**197,551**	**385,256**		**385,256**
Segment result EBIT[1]	**155,299**	**46,299**	**201,598**	**–1,286**	**200,312**
Share of profit of equity accounted investees					2,715
Financial result					–28,479
Earnings before tax (EBT)					**174,548**
Tax					–15,130
Profit					**159,418**
Trading properties		304,844	304,844		304,844
Investment properties	2,097,564	121,104	2,218,668		2,218,668
Owner occupied properties	13,982		13,982		13,982
Investment properties under construction		228,130	228,130		228,130
Total segment assets	**2,111,546**	**654,078**	**2,765,625**		**2,765,625**
Non-attributed assets				266,064	266,064
Total assets					**3,031,688**
Depreciation, amortisation and impairment losses[2]	–1,138	–3,583	–4,721		–4,721
Investments in non-current assets	11,380	84,329	95,709	3,815	99,524

[1] The reconciliation EBIT comprises compensation for the Board of Directors.
[2] Depreciation, amortisation and impairment losses include impairment losses of CHF –2.2 million on a purchase option in the Development segment, see Note 26.

Segment information 2015

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Income from rental of properties	98,203	9,638	107,841		107,841
Net income from revaluation	24,989	9,753	34,742		34,742
Income from sale of trading properties and development services	0	86,204	86,204		86,204
Profit on disposal of investment properties	63,751	0	63,751		63,751
Other income	1,212	0	1,212		1,212
Total segment income	**188,154**	**105,596**	**293,750**		**293,750**
Segment result EBIT[1]	**166,533**	**5,148**	**171,680**	**–1,253**	**170,427**
Share of profit of equity accounted investees					2,293
Financial result					–33,644
Earnings before tax (EBT)					**139,076**
Tax					–34,095
Profit					**104,981**
Trading properties		226,564	226,564		226,564
Investment properties	2,117,128	142,470	2,259,598		2,259,598
Owner occupied properties	15,269		15,269		15,269
Investment properties under construction		153,170	153,170		153,170
Total segment assets	**2,132,397**	**522,204**	**2,654,601**		**2,654,601**
Non-attributed assets				298,277	298,277
Total assets					**2,952,878**
Depreciation and amortisation	–923	–1,217	–2,140		–2,140
Investments in non-current assets	257,648	52,066	309,714	3,011	312,725

[1] The reconciliation EBIT comprises compensation for the Board of Directors.

INVESTMENT PORTFOLIO

4. Net rental income

Accounting principles

Income from the rental of properties includes net rental income, i.e. target rental income less rents lost due to vacancy rates. In the case of rental agreements classed as operating leases, rents are recognised on an accrual basis over the term of the lease. If the tenants are provided with significant incentives (e.g. tenant-specific finishings or rent-free periods), the cost of such incentives is recognised over the lease term on a straight-line basis as an adjustment of the rental income.

At present, Mobimo has no rental agreements classed as finance leases.

Direct expenses contains all costs relating to maintenance and administration (including building superintendent remuneration, marketing and property taxes) that cannot be passed on to tenants.

Rental income can be broken down as follows:

TCHF	2016	2015
Commercial properties	79,642	80,667
Residential properties	32,178	26,217
Income from rental of investment properties	**111,820**	**106,884**
Trading properties[1]	2,834	957
Total income from rental of properties	**114,654**	**107,841**
Commercial properties	–11,801	–10,716
Losses on receivables commercial properties	–203	–45
Residential properties	–6,049	–2,840
Losses on receivables residential properties	–20	18
Investment property expense	**–18,073**	**–13,582**
Rented trading properties[1]	–399	–175
Losses on receivables from trading properties[1]	46	–3
Total expense for rental of properties	**–18,426**	**–13,761**
Net rental income	**96,229**	**94,081**

[1] Rental income or expenses from development properties

The year-on-year increase in income/expenses from rented properties is mainly attributable to rental income included over the course of an entire year for the first time (prior year, one month), properties acquired as a result of the acquisition of Dual Real Estate Investment SA as well as the first-time letting of Zurich, Letzigraben 134 – 136.

Mobimo as landlord

The future rental income set out below will be generated from non-cancellable rental agreements for investment properties:

TCHF	Commercial properties	Residential properties	2016 Total
Rental income within 1 year	68,879	2,998	71,878
Rental income within 2 to 5 years	189,191	7,306	196,497
Rental income in over 5 years	177,559	4,498	182,057
Total future rental income from non-cancellable rental agreements	**435,630**	**14,802**	**450,431**

TCHF	Commercial properties	Residential properties	2015 Total
Rental income within 1 year	72,402	2,483	74,884
Rental income within 2 to 5 years	184,121	5,734	189,855
Rental income in over 5 years	175,990	3,741	179,731
Total future rental income from non-cancellable rental agreements	**432,512**	**11,958**	**444,470**

Rental agreements for commercial properties generally contain an index clause stating that rents may be increased on the basis of the consumer price index. Rent increases for residential properties are generally linked to factors including the mortgage interest rate (reference interest rate). As at 31 December 2016, 70.7% (CHF 78.5 million) of rental income came from rental agreements with index clauses. The vast majority of these agreements contain a 100% adjustment in line with the index.

The five biggest tenants generate the following shares of rental income:

%	31.12.2016	31.12.2015
SV (Schweiz) AG	6.3	6.1
Swisscom Group	5.3	5.1
Coop	3.1	3.1
Senevita AG	3.0	n/a
MIGROS	2.9	2.8
Total	**20.6**	**17.1**

[1] As at 31 December 2016, Senevita AG now numbered as one of the five biggest tenants, which is why Rockwell Automation AG (as at 31 December 2015: 2.7%, therefore 19.8% in total) is no longer in the list.

5. Investment properties

Critical estimates and assumptions

The properties are measured at fair value, determined in accordance with the provisions of IFRS 13. The valuations are based on various estimates and assumptions, which are explained in the Valuation details section of this Note. The sensitivity of the fair values of investment properties to a change in input factors and a quantitative analysis of the sensitivity of fair values to a change in the discount rate are also shown.

Accounting principles

The investment properties are classified as investment properties under IAS 40. Mobimo differentiates between the following categories of investment property:

Commercial properties

These are properties that have been either acquired or built by the company and that are held and managed over a substantial period of time and are not rented out by Mobimo to private individuals as living space. Rental agreements for commercial properties generally contain an index clause stating that rents may be increased on the basis of the consumer price index.

Residential properties

These are properties that have been either acquired or built by the company and that will be held and managed over a substantial period of time and rented out to private individuals as living space. Rent increases for residential properties are generally linked to factors including the mortgage interest rate (reference interest rate).

In the case of mixed use, properties in the case of which more than 50% of rental income is generated from the rental of apartments are reported as residential properties and properties in the case of which more than 50% of rental income results from the rental of commercial premises are recognised as commercial properties.

Development properties

These include properties with construction shortcomings or substantial vacancy rates, where vacancy is unlikely to be brought below 10% on a long-term basis without significant refurbishment measures. Renovation or conversion plans are developed for these properties. On the basis of these plans, the properties are either reclassified as investment properties under construction or as trading properties or revert to commercial or residential properties. Land held for undetermined future use is likewise classified as development property.

Investment properties under construction

Properties are classified as investment properties under construction as soon as building permission has been granted and construction is to start in the near future. Following completion, the property is reclassified as either residential or commercial property.

Investment properties are initially valued at cost at the time of initial recognition including directly attributable transaction costs. After initial recognition, they are recognised at fair value and the changes in value are recognised in the income statement. To this end, an independent property expert conducts a valuation as at the reporting date. Fair value is determined on the basis of IFRS 13 (see section Valuation details).

Investment properties developed as follows:

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2016 Total
Market value at 1 January	**1,357,011**	**760,117**	**142,470**	**153,170**	**2,412,768**
Cumulative acquisition costs					
Balance at 1 January	1,189,840	632,180	161,599	153,867	2,137,486
Increases from investments	10,274	1,107	15,732	66,698	93,811
Capitalisation of borrowing costs	0	0	309	1,589	1,898
Capitalisation/amortisation of lease incentives	–876	0	0	0	–876
Disposals	0	–86,453	0	0	–86,453
Transfers to trading properties	0	0	0	–20,306	–20,306
Transfers between categories	0	26,045	–34,895	8,850	0
Balance at 31 December	**1,199,237**	**572,878**	**142,746**	**210,699**	**2,125,561**
Cumulative Revaluation					
Balance at 1 January	167,171	127,937	–19,129	–697	275,282
Gains on valuations[1]	35,151	39,013	9,628	30,861	114,652
Losses on valuations[1]	–28,071	–944	–2,680	–2,254	–33,948
Disposals[2]	0	–36,304	0	0	–36,304
Transfers to trading properties	0	0	0	1,556	1,556
Transfers between categories	0	21,495	–9,461	–12,034	0
Balance at 31 December	**174,251**	**151,198**	**–21,642**	**17,431**	**321,237**
Market value at 31 December	**1,373,488**	**724,076**	**121,104**	**228,130**	**2,446,798**

1 Corresponds to the sum of "Gains from revaluation of investment properties" and "Losses on revaluation of investment properties" in the income statement and represents the unrealised gains on properties that were in the investment portfolio as at the end of the year under review.
2 Included as a realised gain in "Profit on sale of investment properties" in the income statement.

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2015 Total
Market value at 1 January	**1,364,484**	**526,891**	**214,799**	**142,260**	**2,248,434**
Cumulative acquisition costs					
Balance at 1 January	1,197,116	436,451	226,883	137,163	1,997,612
Increases from purchases	12,140	234,022	0	0	246,162
Increases from investments	9,081	1,656	18,039	32,019	60,795
Capitalisation of borrowing costs	0	0	1,110	898	2,008
Capitalisation/amortisation of lease incentives	–107	–117	0	0	–224
Disposals	–28,845	–132,601	0	0	–161,446
Transfers to trading properties	0	0	–6,953	0	–6,953
Transfers to property, plant and equipment	0	0	–467	0	–467
Transfers between categories	455	92,768	–77,012	–16,212	0
Balance at 31 December	**1,189,840**	**632,180**	**161,599**	**153,867**	**2,137,486**
Cumulative revaluation					
Balance at 1 January	167,368	90,440	–12,084	5,097	250,822
Gains on valuations[1]	33,245	33,300	393	24,246	91,184
Losses on valuations[1]	–36,218	–5,338	–7,737	–7,150	–56,442
Disposals[2]	3,242	–12,527	0	0	–9,285
Transfers to trading properties	0	0	–997	0	–997
Transfers between categories	–466	22,062	1,295	–22,891	0
Balance at 31 December	**167,171**	**127,937**	**–19,129**	**–697**	**275,282**
Market value at 31 December	**1,357,011**	**760,117**	**142,470**	**153,170**	**2,412,768**

[1] Total corresponds to “Gains from revaluation of investment properties” or “Losses on revaluation of investment properties” in the income statement and represents the unrealised gains on properties that were in the investment portfolio as at the end of the year under review.
[2] Included as a realised gain in “Profit on sale of investment properties” in the income statement.

Changes in the year under review

No investment properties were acquired in the year under review.

Further details of the properties sold can be found in Note 6.

The following properties are shown under transfers:

from	to
Kriens, Am Mattenhof 4 **Kriens, Am Mattenhof 6** **Kriens, Am Mattenhof 8** **Kriens, Am Mattenhof 12/14** **Kriens, Am Mattenhof 16**	
Development properties	Investment properties under construction
Lausanne, Rue des Côtes-de-Montbenon 1/3/5	
Development properties	Investment properties under construction
Rheinfelden, Rütteliweg 8; Spitalhalde 40	
Residential properties	Investment properties under construction
Zurich, Albulastrasse 42 (at 31 December 2015 part of Zurich, Albula-/Hohlstrasse)	
Investment properties under construction	Trading properties
Zurich, Letzigraben 134 – 136	
Investment properties under construction	Residential properties

After obtaining the building permit, the Kriens, Mattenhof I property was allocated to the above five "Am Mattenhof" properties and transferred to investment properties under construction as at the reporting date.

Valuation details

The valuation of investment properties is carried out in accordance with the provisions of IFRS 13, under which fair value is defined as the price that would be received when selling an asset or that would be paid when transferring a liability in an orderly transaction between market participants on the measurement date. For non-financial assets, management has to assume the "highest and best use" by a market participant, which may differ from its current use. Under IFRS 13, valuation techniques are categorised into three levels in a fair value hierarchy depending on the extent to which fair value is based on observable input factors.

Level 1: inputs that result from unadjusted, quoted prices
Level 2: inputs other than quoted prices in active markets that are observable either directly (i.e. prices) or indirectly (i.e. derived from prices)
Level 3: inputs not based on observable market data.

The valuation of investment properties is carried out using the discounted cash flow method (DCF), according to which a property's fair value is determined by calculating the sum of income (rental income less operating and maintenance costs), discounted to the reporting date, that is expected to be generated in the future. In the case of development properties and properties under construction, the construction costs still to be incurred until completion must be taken into account. The discount rate applied to each property is market-derived and risk-adjusted and is dependent on individual opportunities and risks. The fair value estimates as at 31 December 2016, excluding the properties acquired in the prior year through the acquisition of Dual Real Estate Investment SA, were produced by Wüest Partner (WP). The fair value estimates as at 31 December 2016 as regards the properties acquired in the prior year through the acquisition of Dual Real Estate Investment SA were produced by Jones Lang LaSalle AG (JLL). Both valuers are external, independent and certified real estate appraisers. Based on the real estate values as at 31 December 2016, 90% of the value was calculated by Wüest Partner AG (WP) (prior year: 90%) and 10% by Jones Lang LaSalle AG (prior year: 10%).

As input factors with a material impact, such as discount rates, market rents/net sale proceeds and structural vacancy rates, generally have to be derived from information from less active markets, the valuations of all properties were categorised as Level 3.

The following information on rental income, operating and maintenance costs, construction costs and discounting relate to the valuations by Wüest Partner AG, which are very similar to those applied by Jones Lang LaSalle AG. Further details on the valuation methods can be found in the reports of the real estate valuers on pages 122 to 126 for Wüest Partner AG and pages 127 to 130 for Jones Lang LaSalle AG.

Rental income

Rents are factored into valuations on the basis of contractually agreed conditions. For rental agreements of limited duration, the potential rental income attainable over the long term, from the current perspective, is applied in the valuation on expiry of the contractually agreed rental period. Potential rental income that is in line with the market is determined on the basis of the most recent rental agreements concluded either for the property concerned or for comparable properties in its immediate vicinity, and of the comprehensive real estate market research carried out by Wüest Partner AG. The plausibility of potential rental income from retail space is checked using calculations of market-standard turnover figures. For those existing leases, which include several different uses, the potential rents are calculated separately for each individual use. Genuine tenants' options to extend a lease are taken into account when actual rents are less than the market rents determined. Non-genuine options where provisions are in place for rents to be adjusted in line with market rents prevailing at a specific time are incorporated into the valuations as fixed-term rental agreements, as described above. For rental agreements of unlimited duration, as is common with residential use, adjustments in line with the potential rental income calculated take account of general conditions under rental law and property-specific fluctuations.

Operating and maintenance costs

In the case of operating costs, it was assumed that separate ancillary cost statements are issued and that the ancillary costs are consequently passed on in full to tenants.
Maintenance costs (servicing and repairs) were calculated using a building analysis tool that determines the residual life of the individual construction components on the basis of an analysis of the building's current condition, models periodic renovations and calculates the associated annuities. The values arrived at are plausibility-tested using the cost benchmarks compiled by Wüest Partner AG.

Construction costs (development properties and investment properties under construction)

The construction cost estimates are based on the financial forecasts for the individual projects (where available) and are independently evaluated. Where the construction costs are already secured by means of service contracts with general and full-service contractors, these are used in the measurement.

Discount rate

Discounting is undertaken for each property in accordance with location and property-specific criteria. These reflect both the location-relevant features of the macro and micro situation and the fundamental parameters of the current management situation. The discount rates applied are measured and verified empirically on the basis of known changes of ownership and transaction data.

Non-observable input factors

Non-observable input factors with a material impact have been identified as market rents, vacancy rates and discount rates. In the case of properties valued on the basis of their being sold as condominiums in accordance with the assumption of the highest and best use, condominium sale prices and not market rents are the most important input factor. The applied input factor values are summarised in the table below. The applied discount rates are shown separately for both valuers.

Asset class/level/ valuation method	Fair value in CHF million	Non observable input factors	Ranges (weighted average) 2016	Ranges (weighted average) 2015
Commercial investment properties Level 3 DCF		Discount rates WP	2.80% to 4.90% (3.96%)	3.50% to 5.40% (4.32%)
		Discount rates JLL	3.70% to 5.80% (3.80%)	4.00% to 5.80% (4.13%)
	2016: 1,373	Achievable long-term market rents	CHF 87 to CHF 1,112 (CHF 236)	CHF 110 to CHF 1,145 (CHF 245)
	2015: 1,357	Structural vacancy rates	2.6% to 11.0% (5.0%)	0.0% to 11.0% (4.4%)
Residential investment properties Level 3 DCF		Discount rates WP	2.60% to 3.80% (3.10%)	2.90% to 4.30% (3.48%)
		Discount rates JLL	3.40% to 3.80% (3.55%)	3.70% to 4.10% (3.85%)
	2016: 724	Achievable long-term market rents	CHF 160 to CHF 412 (CHF 315)	CHF 166 to CHF 412 (CHF 310)
	2015: 760	Structural vacancy rates	0.4% to 8.0% (1.8%)	0.3% to 5.9% (2.1%)
Commercial development properties Level 3 DCF		Discount rates WP	4.10% to 5.60% (4.58%)	4.30% to 5.60% (4.80%)
	2016: 121	Achievable long-term market rents	CHF 138 to CHF 268 (CHF 222)	CHF 138 to CHF 757 (CHF 231)
	2015: 142	Structural vacancy rates	3.3% to 12.3% (5.7%)	3.3% to 12.3% (5.6%)
Commercial investment properties under construction Level 3 DCF		Discount rates WP	3.20% to 4.40% (3.71%)	3.30% to 5.00% (3.78%)
	2016: 228	Achievable long-term market rents	CHF 193 to CHF 322 (CHF 265)	CHF 180 to CHF 323 (CHF 283)
	2015: 153	Structural vacancy rates	2.2% to 10.0% (3.8%)	2.0% to 10.0% (3.1%)

In the case of properties valued on the basis of their being sold as condominiums in accordance with the assumption of the highest and best use (two residential properties), sale proceeds of CHF 6,600 to CHF 7,810 per m^2 of living space (prior year: CHF 6,600 to CHF 7,800) were used, after taking corresponding investments into account. An average discount rate of 3.75% (prior year: 4.08%) within a range of 2.60% to 5.80% (prior year: 2.90% to 5.80%) was applied to all DCF valuations across all investment categories as at 31 December 2016.

The current use of two (prior year: two) commercial properties as rental properties does not correspond to highest and best use. Their valuation was based on their development into owner-occupied residential property. This results in a gain of CHF 2.6 million (prior year: CHF 4.4 million) based on a fair value for these properties of CHF 54.4 million (prior year: CHF 53.9 million). Mobimo's strategy includes holding residential properties to generate stable, sustainable income from rent. However, Mobimo constantly reviews the current use of these and all other properties in the portfolio and develops strategies for their optimum use.

Sensitivity of input factors

Fair value increases with lower discount rates and structural vacancy rates and with higher market rents and sale prices. The economic environment can be considered as exerting the greatest influence on input factors, with the factors outlined above influenced to varying degrees by market developments. Any intensification of pressure on market rents by negative economic sentiment is usually accompanied by a rise in property vacancy rates. At the same time, low interest rates usually prevail in such market circumstances, which have a positive impact on discount rates. To an extent, therefore, changes to input factors offset each other.
Ongoing optimisation measures made to Mobimo's property portfolio (e.g. conclusion/extension of long-term rental agreements, investments to expand rental space, etc.) provide a cushion against such short-term market shocks, which impact mainly on market rents and vacancy rates. The individual risk-adjusted discount rate of each property is, as already mentioned, in line with the return expectations of the investors or market participants in question and can only be influenced by Mobimo to a limited extent.

On the real estate market at present it can be observed that, owing to the current negative interest rate environment, institutional investors are in some cases buying properties at good locations offering very low yields, their hands forced by the dearth of other investment options. This unforeseeable investor behaviour could result in some properties fetching higher sales prices than their most recent estimates of market value.

A sensitivity analysis checked the impact of an increase or decrease in the discount rates used in the DCF valuation. A general reduction of 0.25 percentage points in the discount rate would reduce the current fair value of the investment properties as at 31 December 2016 by 7.3% or CHF 181 million. A general increase of 0.25 percentage points in the discount rate would reduce the current fair value of the investment properties as at 31 December 2016 by 6.5% or CHF 161 million.

Further sensitivity analysis results can be found in the table below.

Change in discount rate in basis points	Change in fair value in % at 31.12.2016	Change in fair value in CHF million at 31.12.2016	Change in fair value in % at 31.12.2015	Change in fair value in CHF million at 31.12.2015
–0.40	12.0%	300	11.2%	270
–0.30	8.8%	220	8.2%	198
–0.25	**7.3%**	**181**	**6.7%**	**163**
–0.20	5.7%	143	5.3%	129
–0.10	2.8%	70	2.6%	63
Average discount rate at 31 December	**0.0%**	**–**	**0.0%**	**–**
0.10	–2.7%	–67	–2.5%	–60
0.20	–5.2%	–131	–4.9%	–118
0.25	**–6.5%**	**–161**	**–6.1%**	**–146**
0.30	–7.7%	–192	–7.2%	–174
0.40	–10.1%	–250	–9.4%	–227

Capital commitments

As at 31 December 2016, capital commitments for future construction investments in investment properties totalled CHF 179.9 million (prior year: CHF 116.1 million). These commitments relate to the agreements concluded in relation to the construction and development of investment properties under construction in Aarau, Site 2 (Torfeld Süd); Kriens, Sternmatt 6 – Block C (multi-storey parking); Kriens, Am Mattenhof 4 – 16; Lausanne, Rue des Côtes-de-Montbenon 1/3/5; Zurich, Albulastrasse; Hohlstrasse.

6. Profit on sale of investment properties

Accounting principles
Profit on sale of investment properties corresponds to the difference between the net proceeds and the carrying amount recognised as well as attributable sales costs (e.g. notary and land registry fees). Disposals are recognised on the date when control and risks are transferred, which usually corresponds to the date of entry in the land register.

Income from disposals can be broken down as follows:

TCHF	2016	2015
Sales proceeds investment properties	158,492	236,750
Carrying amount	–122,757	–170,731
Sales costs	–790	–2,268
Profit on disposal of investment properties	**34,945**	**63,751**

In the year under review, the following properties were sold:

Investment property	Category of investment property
St. Gallen, Teufenerstrasse 15	Residential property
Zurich, Katzenbachstrasse 221 – 231	Residential property
Zurich, Manessestrasse 190/192; Staffelstrasse 1/3/5	Residential property

TRADING PROPERTIES AND DEVELOPMENT SERVICES

7. Profit on sale of trading properties and development services

Accounting principles

In accordance with the provisions of IFRIC 15, sales proceeds from the sale of condominiums are recognised at the point when control and the significant risks and rewards of ownership are transferred. This is usually consistent with the date on which construction is completed. In the case of projects of BSS&M Real Estate AG, acquired during the year under review, ownership of some apartments is being transferred before construction has been completed. For these, sales proceeds are first recognised during the progress of construction at the point when ownership is transferred to the buyer, as use and risks associated with the apartments in question have been transferred to the seller. The recognition of the revenue generated in Development for Third Parties is dependent on the contractually agreed services and conditions, whereby revenue from pure service contracts is recognised pursuant to the percentage of completion on the reporting date.
The stage of completion is usually determined on the basis of the progress of construction.
Income from the sale of trading properties includes sales proceeds from the sale of condominiums as well as property and land of the business area Development for Third Parties.
Income from development services includes sales proceeds from development and service contracts under which Mobimo is not or no longer the owner of the land in question.

Profit on the sale of trading properties and development services comprises the following:

TCHF	2016	2015
Income from sale of trading properties	128,968	86,204
Income from development services	22,824	0
Total income from sale of trading properties and development services	**151,792**	**86,204**
Construction costs of trading properties sold	–106,705	–79,081
Changes in valuation allowances	–7,594	–1,580
Direct expense development services	–13,633	0
Total expenses from sale of trading properties and development services	**–127,932**	**–80,661**
Profit on sale of trading properties and development services	**23,860**	**5,543**

Aside from the sale of properties that were recognised as trading properties in previous year and are listed in Note 8, income from the sale of trading properties also comprises the transfer of the plots of land in Bad Zurzach, Weissensteinweg (partial area) and Unterengstringen, Langwisenstrasse to two different investors. These plots were acquired through the acquisition of BSS&M Real Estate AG.

The change in valuation allowance is primarily attributable to the projects St. Moritz, Via Maistra 29 and St. Erhard, Längmatt, together totalling CHF 7.5 million.

8. Trading properties

Critical estimates and assumptions

A financial forecast is drawn up for each construction project, in which overall costs and sales proceeds are budgeted for. Budgeted overall costs and planned sales prices are determined on the basis of various factors and assumptions. These include past experience, project specifications for the properties, benchmark values for construction costs and other relevant factors such as the planned construction period. Financial forecasts are reviewed on an ongoing basis and adjusted where necessary.

If actual construction costs and sales proceeds differ from the planned figures or if new findings during the construction period make an adjustment of the financial forecasts necessary, an adjustment of carrying amounts, i.e. creation or adjustment of valuation allowances for loss-making projects, may become necessary.

Accounting principles

Trading properties are development properties and new-builds where Mobimo assumes the realisation of residential property and subsequently sells them. Trading properties also include properties that Mobimo has acquired as part of projects for Development for Third Parties and that it intends to sell to third-party investors in the future or other properties held for resale.

Trading properties are valued at the lower of cost or market. With loss-making properties, provisions are created immediately for the final loss.

Plots that are already owned by Mobimo and advance payments for notarised land purchases, as well as the development costs incurred, are classified as land/development projects if the project is expected to be realised but construction work has not yet begun.

Projects that are currently under way and the construction of which is not yet complete are recognised as properties under construction.

Properties that are structurally complete or completed properties that have been acquired for immediate resale are classified as completed real estate. Condominiums for sale are classified as completed real estate at the latest upon their first transfer of ownership, with any costs still outstanding being accrued at this point in time. Development properties are properties that have been acquired with the intention of developing them and selling them on to third parties but are still being let at the reporting date. A property is reclassified if it is demolished or converted.

The carrying amount comprises the following:

TCHF	31.12.2016	31.12.2015
Land/development projects	82,560	42,181
Properties under construction	97,480	88,101
Completed real estate and development properties	124,804	96,281
Total trading properties	**304,844**	**226,564**

The increase in land/development projects is attributable to the projects taken over as a result of the acquisition of BSS&M Real Estate AG in the year under review. The land at Kriens, Mattenhof II was sold to an investor.

From investment property (prior year, part of the property at Zurich, Albulastrasse/Hohlstrasse), Zurich, Albulastrasse 42 was reclassified during the year under review to property under construction within trading properties, as the plan is to sell it to a third party investor once construction is completed. The BSS&M Real Estate AG property Bad Zurzach, Weissensteinweg is classified as property under construction, although only those apartments whose ownership has not yet been transferred are recognised in the trading properties. For transferred apartments, receivables from construction services may be recognised under receivables (see Note 9). The Lucerne, Büttenenhalde project was completed during the course of the year. This involved the construction of 24 apartments for sale, of which 20 had been transferred as at 31 December 2016. The Langenthal, Kühlhausstrasse office building was also completed and sold to a new owner during the year under review.

From projects completed in previous years, four apartments were transferred from the Meilen, Feldgüetliweg 143/145 project and three apartments from the Zurich, Turbinenstrasse (Mobimo Tower) project, as well as the remaining five apartments from the Regensdorf, Im Pfand 2 project and the remaining four apartments from the Zurich, Badenerstrasse 595. From the Salenstein, Hauptstrasse 8 project of BSS&M Real Estate AG, six apartments have been transferred since the acquisition. Further, the property Aarau, Buchserstrasse 8 was sold during the year under review, while the fully let commercial property Cham, Brunnmatt 4 – 6, which is intended for sale, was acquired as part of the acquisition of BSS&M Real Estate AG.

On trading properties, valuation allowances totalled CHF 10.2 million (prior year: CHF 2.6 million). The carrying amount for these properties/condominiums measured at their estimated net realisable value is CHF 19.5 million (prior year: CHF 8.4 million).

9. Receivables and payables from current projects

Accounting principles

Receivables from projects for which income is recognised in accordance with their stage of completion are reported according to the net principle, i.e. advance payments received are offset against receivables due in accordance with the stage of completion (order balance).

Positive net items are recognised on the balance sheet in trade receivables, and negative net items in trade payables.

Receivables and payables from current projects comprise the following:

TCHF	2016	2015
Project costs incurred	19,082	0
Realised gains and losses projects	737	0
Current projects gross	**19,819**	**0**
Less advance payments projects received	–19,554	0
Current projects net	**265**	**0**
Receivables current projects	**6,081**	**0**
Payables current projects	**5,816**	**0**

10. Advance payments from buyers

Accounting principles

Advance payments made by buyers in relation to projects for which income is not recognised in accordance with the stage of completion are reported at nominal value and reclassified when ownership is transferred as income from the sale of trading properties and development services.

Advance payments from buyers of CHF 11.2 million (prior year: CHF 12.4 million) include CHF 11.2 million (prior year: CHF 9.8 million) of reservation payments from purchasers of condominiums and CHF 0 (prior year: CHF 2.6 million) of advance payments from third-party investors in Development for Third Parties prior to transfer of ownership.

FINANCING AND RISK MANAGEMENT

11. Financial result

Accounting principles

Interest on loans taken out to finance construction projects (trading properties and investment properties under construction) is capitalised over the construction period.

All other borrowing interest is recognised as an expense in the income statement using the effective interest method.

Current interest payments in relation to concluded interest rate swaps are recognised in interest expense. Changes in the fair value of interest rate swaps that are not classified as cash flow hedges are reported in income/expenses from financial instruments (derivatives). Any ineffectiveness relating to interest rate swaps that are classified as cash flow hedges is reported as an expense from financial instruments (derivatives).

The financial result in the year under review can be broken down as follows:

TCHF	2016	2015
Financial income		
Interest on bank and other deposits	191	77
Dividend income from financial assets	130	107
Income from financial instruments (derivatives)	2,274	374
Gains from sale of financial assets	0	1
Total financial income	**2,595**	**559**
Financial expense		
Interest expense	–31,579	–29,904
Cost of financial instruments (derivatives)	1,103	–952
Other financial charges	–599	–3,347
Total financial expense	**–31,075**	**–34,203**
Total financial result	**–28,479**	**–33,644**

Expenses from financial instruments (derivatives) include ineffectiveness totalling CHF 1.3 million (prior year: CHF –0.9 million).

In the 2016 financial year, a total of CHF 3.2 million (prior year: CHF 3.4 million) in borrowing costs was capitalised under trading properties, development properties and investment properties under construction. The average rate of interest for the capitalised interest was 2.38% (prior year: 2.47%).

12. Financial liabilities and derivative financial instruments

Accounting principles

Financial liabilities

Financial liabilities consist of outstanding bonds and mortgage-secured bank loans. A long-term financial liability is one on which the agreed residual maturity is longer than 12 months. All other agreements are classified as short term, including amortisation payments that are due within 12 months of the reporting date.
At initial recognition, financial liabilities are recognised at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost, with the difference between the amount to be repaid and the carrying amount being amortised over the term using the effective interest method.

Derivative financial instruments

Mobimo uses derivative financial instruments (e. g. interest rate swaps and forward rate agreements) to hedge the interest rate risks of financial liabilities.

Derivative financial instruments are measured at fair value at initial recognition and thereafter. Gains and losses from adjustments to fair values are treated as follows:
The hedging of interest rate risk on financial liabilities is classified as a cash flow hedge under certain circumstances. The effective portion of the change in the fair values of derivatives is recognised in other comprehensive income (equity) and not recognised in profit or loss. The ineffective portion is recognised directly in the income statement. As soon as the hedged transactions (interest payments) take place, accumulated unrealised gains and losses are transferred to the income statement and recognised in the financial result.
Changes in fair values of all other derivatives are recognised in profit or loss in the financial result.

The financial liabilities can be broken down as follows:

TCHF	31.12.2016	31.12.2015
Fixed-rate mortgage amortisation due within 12 months	5,287	10,313
Mortgages due for extension or repayment within 12 months	87,310	14,090
Total current financial liabilities	**92,597**	**24,403**
Mortgages	743,844	829,801
Bonds	512,960	512,453
Total non-current financial liabilities	**1,256,804**	**1,342,254**
Total financial liabilities	**1,349,401**	**1,366,657**
Interest rate swaps applying hedge accounting	30,773	29,000
Interest rate swaps through profit and loss	9,061	9,997
Total non-current derivative financial instruments	**39,834**	**38,998**

The following bonds are included under non-current financial liabilities:

TCHF	1.5% bond (2013 – 2018)	1.625% bond (2014 – 2021)	1.875% bond (2014 – 2024)	Total
Net proceeds from issuance	164,158	197,967	149,452	511,577
Cumulative amortisations of issuance costs	357	452	67	876
Carrying amount 01.01.2016	164,515	198,419	149,519	512,453
Amortisations of issuance costs	169	286	53	508
Carrying amount 31. 12. 2016	164,684	198,705	149,572	512,960

Features	1.5% bond (2013 - 2018)	1.625% bond (2014 - 2021)	1.875% bond (2014 - 2024)
Volume:	CHF 165 million	CHF 200 million	CHF 150 million
Term:	5 years (29 October 2013 – 29 October 2018)	7 years (19 May 2014 – 19 May 2021)	10 years (16 September 2014 – 16 September 2024)
Interest rate:	1.5% p.a., payable annually on 29 October, with the first payment on 29 October 2014	1.625% p.a., payable annually on 19 May, with the first payment on 19 May 2015	1.875% p.a., payable annually on 16 September, with the first payment on 16 September 2015
Effective rate of interest:	1.6070%	1.7921%	1.9264%
Listing:	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Swiss security no.:	22492349	24298406	25237980

Mobimo has also concluded separate interest rate hedges (interest rate swaps) totalling CHF 195.0 million (prior year: CHF 195.2 million). These are used to hedge loans in the form of fixed advances (terms of three to six months) against rising interest rates. Of these, CHF 118.7 million (prior year: CHF 128.9 million) are classified as cash flow hedges. The fair value of these instruments with a negative replacement value was CHF 30.8 million (prior year: CHF 29.0 million). In financial year 2016, the hedge using an interest rate swap of CHF 10 million was no longer effective and is therefore now being managed as an interest rate swap without the application of hedge accounting. Accumulated changes in valuation recognised in other comprehensive income until the point of ineffectiveness are rebooked to the income statement for the residual term of the interest rate swap. In the year under review, these amounted to CHF 0.2 million. The change in value of the interest rate swap that continues to be classified as a cash flow hedge is divided into an effective and an ineffective portion. The effective portion of the fair value adjustments of CHF 3.1 million (prior year: CHF 6.0 million) was recognised under other comprehensive income in equity. Ineffectiveness totalling CHF –1.3 million (prior year: CHF 0.9 million) was credited to financial expense in the income statement. There are also a further CHF 76.3 million (prior year: CHF 66.3 million) of interest rate hedges not classified as cash flow hedges. The fair value of interest rate swaps with a negative replacement value not held for hedge accounting purposes is CHF 9.1 million (prior year: CHF 10.0 million). Consequently, fair valuation adjustments of CHF 2.3 million (net) as well as the above ineffectiveness of CHF 1.3 million were recognised in the income statement. As at 31 December 2016, the fair value of all derivatives totalled CHF 39.8 million (prior year: CHF 39.0 million).

Financial liabilities as at the reporting date comprised the following maturities, taking into account interest rate hedging, i.e. the maturities of designated swaps are taken into account instead of the maturities of fixed advances:

TCHF	31.12.2016	31.12.2015
Due within 1st year	92,597	24,403
Due within 2nd year	191,788	75,064
Due within 3rd year	65,453	191,600
Due within 4th year	115,042	65,317
Due within 5th year	255,252	115,278
Due within 6th year	147,960	261,869
Due within 7th year	36,047	150,799
Due within 8th year	151,074	37,117
Due within 9th year	1,502	151,021
Due within 10th year	22,440	1,502
Due within 11th year and longer	270,248	292,687
Total financial liabilities	**1,349,401**	**1,366,657**

The average residual term of overall financial liabilities is 6.9 years (prior year: 7.7 years).

Interest rate periods are as follows (composition until next interest rate adjustment/taking into account interest rate hedging):

TCHF	31.12.2016	31.12.2015
Up to 1 year	92,597	24,403
Up to 2 years	191,788	75,064
Up to 3 years	65,453	191,600
Up to 4 years	115,042	65,317
Up to 5 years	255,252	115,278
Over 5 years	629,269	894,995
Total financial liabilities	**1,349,401**	**1,366,657**

Certain mortgage interest rates were formerly partially hedged in advance by means of forward rate agreements. Such forward rate agreements generally qualify as derivatives embedded in credit agreements and have to be measured at fair value in accordance with IAS 39. Some of these forward rate agreements were classified as cash flow hedges pursuant to IAS 39, and fair value adjustments relating to the effective portion of the hedge were recognised directly in equity via a separate item (hedging reserve). When the hedged interest cash flows occur, accumulated unrealised gains or losses are transferred to the income statement. This applies until 2022. TCHF 40 was reposted to the income statement in the year under review (prior year: TCHF 59). As at 31 December 2016 and 2015, no new refinancing agreements of this kind were used for cash flow hedges, or the term of the hedged financial liabilities had already started.

As at 31 December 2016, taking current interest rate swaps into account, CHF 1, 336.1 million were subject to fixed interest rates, with CHF 13.3 million bearing variable rates. In addition to variable-rate mortgages and rollover mortgages, loans with a total maturity of less than one year (fixed advances) count as variable.

The average interest rate for the period, taking interest rate swaps into account, was 2.38% (prior year: 2.46%).

13. Pledged assets/assets not freely disposable

The carrying amount of pledged assets is as follows:

TCHF	2016	2015
Trade receivables	231	170
Other receivables	22,673	0
Trading properties	22,404	0
Investment properties and investment properties under construction	2,224,990	2,076,910
Owner-occupied properties	13,982	15,269
Carrying amount of pledged assets	**2,284,279**	**2,092,350**

This is the carrying amount of those assets that are pledged either in full or in part for the purpose of securing bank mortgage loans and free limits. These assets were encumbered with mortgages totalling CHF 836.4 million (prior year: CHF 854.2 million) (see Note 12).

14. Cash

Accounting principles

Cash comprises cash in hand and call deposits with banks as well as fixed-term deposits with banks and short-term money market investments with a term of up to 90 days from the time of acquisition. These are recognised at nominal value.

Cash comprises cash holdings and current account deposits of CHF 63.9 million (prior year: CHF 172.9 million) and money market account deposits of CHF 110 million (prior year: CHF 50 million) held at Swiss banks. The maximum notice period for withdrawals from money market accounts is 35 days. The average rate of interest applicable to cash was 0.00% (prior year: 0.00%).

15. Equity

Accounting principles

Share capital

Share capital is reported as equity since there is no repayment obligation and no dividend guarantee. Transaction costs incurred during a capital increase that can be attributable directly to the issuing of new shares are deducted from the amount of the capital increase less associated income tax.
Dividends are reported as liabilities as soon as they are approved by the General Meeting and are thus due.

Treasury shares

The costs for the acquisition (purchase price and directly attributable transaction costs) of treasury shares are offset against equity. Shares that have been bought back are classified as treasury shares and deducted from equity as a negative item.

Equity holding

Changes in the equity holding can be summarised as follows:

No. of shares	Shares issued	Treasury shares	Shares outstanding
At 1.1.2015	**6,216,606**	**–1,623**	**6,214,983**
Issue of shares from conditional capital for options exercised	1,564		1,564
Share-based payments to Board of Directors and management		1,576	1,576
Acquisition of treasury shares		–1,200	–1,200
At 31.12.2015/1.1.2016	**6,218,170**	**–1,247**	**6,216,923**
Share-based payments to Board of Directors and management		6,203	6,203
Acquisition of treasury shares		–7,000	–7,000
At 31.12.2016	**6,218,170**	**–2,044**	**6,216,126**

Capital structure

Capital as at 31 December 2016	TCHF	Number of registered shares	Nominal value per share (CHF)
Share capital	180,327	6,218,170	29.00
Authorised capital (until 29 March 2018)	max. 34,800	1,200,000	29.00
Conditional capital	max. 941	32,446	29.00

Capital as at 31 December 2016	TCHF	Number of registered shares	Nominal value per share (CHF)
Share capital	180,327	6,218,170	29.00
Authorised capital (until 26 March 2017)	max. 33,093	1,141,150	29.00
Conditional capital	max. 34,035	1,173,634	29.00

No changes were made to the capital structure in the year under review. 1,564 option rights were exercised in 2015, leading to a CHF 0.05 million increase in share capital.

In addition, authorised share capital is available, allowing the Board of Directors to increase the share capital of the company by a maximum of CHF 34.8 million within two years (up to March 2018) at most via the issue of up to 1,200,000 registered shares, to be fully paid up, with a nominal value of CHF 29 per share.

There is also conditional share capital of a maximum of CHF 0.9 million for the issue of up to 32,446 fully paid up registered shares with a nominal value of CHF 29.00 for the subscription rights created after 5 May 2010 under an employee share option programme. Shareholders' subscription rights are excluded.

Dividend

The Annual General Meeting of 29 March 2016 approved a distribution from the capital contribution reserves of CHF 10 per share for the 2015 financial year, which was paid on 5 April 2016. The nominal value of Mobimo shares remains at CHF 29.00.

The Board of Directors will propose to the upcoming General Meeting of 28 March 2017 a distribution of CHF 62.2 million in the form of a distribution of paid-in capital of CHF 10.00 per share.

Over the past five years, the dividend yield (capital contribution or nominal value repayment), taking account of the planned distribution for the financial year, has averaged about 4.5% (prior year: 4.6%)

16. Financial risk management

Through its activities, Mobimo is exposed to various financial risks. These can be summarised as credit risks, liquidity risks and market risks. Of the various market risks, interest rate risk is particularly significant.

Risk management is assured by Internal Controlling. Internal Controlling operates in accordance with the principles of Mobimo's risk management concept, which are monitored by the Audit and Risk Committee.

The risk management principles and the processes applied are subject to regular review in order to take account of changes in market conditions and in the activities of the Group. The aim is to use existing training and management guidelines and processes to maintain a disciplined and constructive control environment in which all employees can fulfil their function and exercise their duties. Risk management is part of the processes that make up the integrated management system.

The following paragraphs provide an overview of the exposure to each of the individual financial risks together with information on the objectives, policies and processes for measuring, monitoring and hedging risks as well as on capital management within the Group. Further information on financial risks can be found elsewhere in the Notes.

Credit risk

Credit risk is the risk that Mobimo could suffer financial losses if clients or counterparties to a financial instrument fail to fulfil their contractual obligations. Credit risk arises primarily in connection with trade receivables and cash.

In order to minimise credit risk in connection with cash, short-term bank deposits are held with first-rate institutions. Trade receivables are receivables from property sales, rental agreements and current projects. Property sales are exposed to only limited credit risk, since these sales are based on a publicly certified purchase agreement that is regularly secured via an irrevocable promise to pay. With rental agreements, credit risk is reduced via creditworthiness checks and by monitoring the age structure of amounts outstanding. Deposits or bank guarantees of three to six times the monthly rent are also demanded. Trade receivables from current projects are covered by a promise to pay or are due from institutional investors with good credit quality. Furthermore, contracts concluded with institutional investors include a payment plan drawn up in advance. For this reason, trade receivables from current projects have a low credit risk.

The maximum credit risk exposure corresponds to the carrying amounts of the individual financial assets. There are no guarantees or similar obligations that could lead to an increase in risk in excess of the carrying amounts.

As at the reporting date, the maximum credit risk exposure was as follows:

TCHF	Carrying amounts 2016	Carrying amounts 2015
Cash (bank deposits)	173,869	222,897
Trade receivables	13,479	3,839
Other receivables[1]	24,364	1,068
Accrued income and prepaid expenses[2]	2,024	3,116
Financial assets (loans)	117	0
Total	**213,854**	**230,919**

[1] Not including tax receivables and receivables in connection with social security and advance payments.
[2] Not including costs paid in advance.

Liquidity risk

Liquidity risk is the risk that Mobimo will not be able to meet its financial obligations when they become due. Investment properties are refinanced where necessary via medium to long-term loans, and residential development properties via short-term loans. If required, Mobimo can also obtain financing by issuing bonds. Liquidity is managed via a liquidity planning tool, in combination with a mortgage database.

The table below sets out the contractual maturities (including interest) of the financial liabilities held by Mobimo. Future variable rates of interest have been estimated using the yield curve as at the reporting date.

TCHF	Carrying amount 2016	Contractual cash flows	1 month or less	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables[1]	16,184	16,184		16,184			
Other payables[2]	9,181	9,181		9,181			
Accrued expenses and deferred income[3]	28,881	28,881		28,881			
Financial liabilities	1,349,401	1,574,669	5,835	17,042	97,870	721,703	732,218
Derivative financial liabilities							
Interest rate swaps	39,834	40,152	188	1,267	4,498	17,920	16,278
Total	**1,443,481**	**1,669,066**	**6,022**	**72,555**	**102,369**	**739,624**	**748,496**

TCHF	Carrying amount 2015	Contractual cash flows	1 month or less	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables[1]	6,724	6,724		6,724			
Other payables[2]	4,887	4,887		4,887			
Accrued expenses and deferred income[3]	17,772	17,772		17,772			
Financial liabilities	1,366,657	1,616,612	178	13,211	43,056	552,985	1,007,182
Derivative financial liabilities							
Interest rate swaps	38,998	39,811	181	1,283	4,527	19,671	14,148
Total	**1,435,038**	**1,685,805**	**359**	**43,877**	**47,583**	**572,656**	**1,021,330**

1 Not including rents and ancillary costs paid in advance.
2 Not including tax payables and payables in relation to social security.
3 Not including deferred income taxes and unused annual leave.

Market risks

Market risk is the risk that changes in market prices such as exchange rates, interest rates and the fair value of financial instruments could have an impact on the profit from and market value of financial instruments held by Mobimo.

Market risks are managed in order to monitor and control such risks and to ensure that they do not exceed certain levels.

Currency risk

The Group is only active in Switzerland, and almost all business is transacted in Swiss francs.

Interest rate risk

Interest rate risk can be broken down into the interest-related risk of a change in market value, i.e. the risk that the market value of a financial instrument will change as a result of fluctuations in market interest rates, and an interest-related cash flow risk, i.e. the risk that future interest payments will change as a result of fluctuations in market interest rates.

A description of the interest-bearing financial instruments and sensitivity analyses of the two components of interest rate risk are provided below.
The Group's cash is used to reduce variable-rate mortgages or is invested on a short-term basis.

The interest on financial liabilities relates to bonds, loans for the financing of investment properties and trading properties. With investment properties, interest rate risk is generally addressed via the conclusion of long-term fixed-rate mortgage agreements. Where

necessary, derivative financial instruments are also used to hedge interest rates.
As at the reporting date, there was no construction financing for investment properties (also none in the prior year).
Based on its market assessment, Mobimo has set itself the goal of maintaining the average residual term to maturity of financial liabilities over the long term via long-term bonds, mortgages with long terms or derivative financial instruments.
Further information on the interest rate profile of financial liabilities, bonds, forward rate agreements and interest rate swaps can be found in Note 12.

Fair value sensitivity analysis for fixed-rate financial instruments

Mobimo has no fixed-rate financial assets or liabilities that are classified at fair value in the income statement. Fixed-rate financial instruments are measured at amortised cost. With these positions, therefore, a change in market interest rates would have no impact on the profit for the year.

Mobimo may hold forward rate agreements and interest rate swaps measured at fair value. Changes in the fair value of interest rate swaps not held for hedge accounting purposes are recognised in the financial result and therefore have no direct impact on the profit for the year. Changes in the fair value of financial instruments used for hedge accounting purposes are recognised directly under other comprehensive income.

An increase of 100 basis points in the interest rate would have increased the Group result by CHF 2.7 million (prior year: CHF 3.0 million) as a result of changes in fair value for swaps not held for hedge accounting purposes. Changes in the fair value of swaps held for hedge accounting purposes would have increased other comprehensive income (equity) by CHF 20.8 million (prior year: CHF 23.0 million). An equivalent reduction in the interest rate would have reduced the Group result and other comprehensive income by a similar amount. This analysis is based on the assumption that all other variables remain unchanged.

Cash flow sensitivity analysis for variable-rate financial instruments

Mobimo's variable-rate financial liabilities are exposed to interest-rate-related cash flow risk. These liabilities generally bear interest at three-month Libor plus a margin. Of the variable-rate financial liabilities outstanding as at the reporting date, CHF 118.7 million was hedged by interest rate swaps. A change in the interest rate therefore results in a change in the fair value of the interest rate swaps (see Note 12). For the remaining CHF 13.3 million of variable-rate financial liabilities as well as cash, an increase in the interest rate of 100 basis points would have only had an immaterial effect on the Group result due to the negative-interest-rate environment. This analysis is based on the assumption that all other variables remain unchanged.

Fair values

The carrying amounts in the annual financial statements for cash, trade receivables, other current receivables and current liabilities are very close to the fair values given the short terms involved. Interest rate swaps and forward rate agreements are recognised at fair value in the balance sheet as at the reporting date. Fair value corresponds to the present value of the forward contract.

For fixed-rate financial liabilities, fair value corresponds to the time value of the future cash flows to be discounted as at the reporting date using the market interest rate. Rates of interest for discounting future cash flows are based on money and capital market rates as at the time of valuation plus an adequate interest spread of 0.80% (prior year: 0.80%). The discount rates used as at 31 December 2016 were between 0.14% and 1.49% (prior year: between 0.10% and 1.70%). The fair value of the bond corresponds to the closing price on the stock exchange as at the reporting date.

	Carrying amount 31.12.2016	Fair value 31.12.2016	Carrying amount 31.12.2015	Fair value 31.12.2015
Mortgages (Level 2)	836,441	908,941	854,204	932,321
Bonds (Level 1)	512,960	545,643	512,453	540,313
Total	**1,349,401**	**1,454,583**	**1,366,657**	**1,472,633**

The table below analyses financial instruments carried at fair value by valuation method as at 31 December 2016. For an explanation of the individual levels, see Note 5 "Investment properties".

31 December 2016	Level 1	Level 2	Level 3
Derivative financial instruments	0	39,834	0

31 December 2015	Level 1	Level 2	Level 3
Derivative financial instruments	0	38,998	0

Mobimo does not hold any financial instruments carried at fair value that would be classified as Level 1 or 3.

Categories of financial instruments

The table below shows the carrying amounts of all financial instruments by category:

TCHF	Carrying amount 2016	Carrying amount 2015
Loans and receivables		
Cash	173,869	222,897
Trade receivables	13,479	3,839
Other receivables[1]	24,364	1,068
Accrued income and prepaid expenses[2]	2,024	3,116
Financial assets (loans)	117	0
Total loans and receivables	**213,854**	**230,919**
Financial assets available for sale		
Financial assets	1,849	1,849
Financial liabilities measured at amortised cost		
Trade payables[3]	16,184	6,724
Other payables[4]	9,181	4,887
Accrued expenses and deferred income[5]	28,881	17,772
Financial liabilities	1,349,401	1,366,657
Total liabilities measured at amortised cost	**1,403,647**	**1,396,040**
Financial liabilities held for trading purposes		
Derivative financial instruments	9,061	9,997
Financial liabilities held for hedging purposes		
Derivative financial instruments	30,773	29,000

1 Not including tax receivables and receivables in connection with social security and advance payments.
2 Not including costs paid in advance.
3 Not including rents and ancillary costs paid in advance.
4 Not including tax payables and payables in relation to social security.
5 Not including deferred income taxes and unused annual leave.

Impairments totalling CHF –2.5 million were recognised in the prior year.

Capital management

The Board of Directors seeks to ensure a solid capital base. In accordance with the investment guidelines, the equity ratio must be greater than 40%. With regard to its capital structure, Mobimo aims to achieve long-term Net Gearing (ratio of net debt to shareholders' equity) of a maximum of 150%.

Some of the contracts concluded with lenders contain clauses concerning minimum capitalisation (financial covenants). The key figures used are equity ratio, Net Gearing and interest coverage factor. They were complied with without exception during the reporting period.

The key figures as at the reporting date are as follows:

TCHF	31.12.2016	31.12.2015
Equity	1,366,267	1,264,691
Equity and liabilities	3,031,688	2,952,878
Equity ratio	**45.1%**	**42.8%**
Current financial liabilities	92,597	24,403
Non-current financial liabilities	1,256,804	1,342,254
Cash	–173,869	–222,897
Net financial debt	**1,175,532**	**1,143,760**
Equity	1,366,267	1,264,691
Net Gearing	**86.0%**	**90.4%**

PERSONNEL

17. Personnel expense

Personnel expense can be broken down as follows:

TCHF	2016	2015
Salaries	–16,442	–14,667
Profit-sharing (management/employees)	–4,076	–3,529
Social security contributions	–1,731	–1,496
Defined contribution plans	–213	–206
Defined benefit plans	–1,532	–565
Compensation for Board of Directors	–1,180	–1,166
External training and education costs	–165	–232
Other personnel expenses	–1,963	–1,557
Total personnel expenses	**–27,302**	**–23,418**
Headcount at 31 December (full-time basis)	135,7	107,8
Average headcount (full-time basis)	126,2	107,4

The growth in the headcount is due mainly to the first-time inclusion of FM Service und Dienstleistungs AG in the consolidation of the Mobimo Group and to the growth of this company.

In the year under review, the Board of Directors and Executive Board were paid the following compensation, reported in personnel expense:

TCHF	2016	2015
Members of the Board of Directors/ Executive Board	**–6,337**	**–6,312**
Broken down as follows		
• salaries	–4,295	–4,228
• share-based payments	–1,383	–1,424
• social security contributions	–659	–660

Further details of Board of Directors and Executive Board remuneration can be found in Note 19.

18. Employee benefit obligation

Accounting principles

Liabilities from defined benefit plans are determined annually for each plan by setting the present value of the defined benefit obligation using the projected unit credit method. The discount rate used for the calculation is based on the interest rate of first-class industrial bonds with very similar maturities to the liabilities. The fair value of the plan assets is subsequently deducted. Pension costs, which are recognised in the income statement, comprise current service cost, past service cost, gains and losses on settlement and net interest expense. Gains and losses on plan curtailments are a component of past service cost. Net interest expense corresponds to the discount rate multiplied by the net benefit obligation as at the beginning of the financial year. Any revaluations, comprising actuarial gains and losses resulting from changes in assumptions and experience adjustments as well as investment income less contributions that are included in net interest expense, are recognised in other comprehensive income.

All Mobimo employees work in Switzerland. Pension plans in Switzerland are regulated by the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). For the purposes of mandatory (legal minimum) and non-mandatory employee benefit insurance, Mobimo is thus affiliated with group administration plans ("Sammelstiftungen") that are organised as independent legal entities in accordance with the BVG. Participants in the plan are insured against the economic consequences of old age, disability and death. The various benefits are stipulated in regulations; the BVG lays down minimum benefits. Contributions to the pension plan are paid by the employer and employees. In the case of a deficit, various measures (such as adjusting pension benefits by changing the conversion rates or by raising the amount of current contributions) may be approved.

The BVG regulates how any deficit reduction measures are to be borne jointly by the employees and the employer. As Mobimo may be consequently obliged to finance deficit reduction measures, mandatory employee benefit insurance and the savings process involved in non-mandatory employee benefit insurance qualify as defined benefit plans under IAS 19.
The risks of death and disability under non-mandatory employee benefit insurance are fully reinsured. Risk insurance for non-mandatory employee benefit insurance qualifies as a defined contribution plan under IAS 19. Employer contributions are charged to the income statement.

Benefit obligations developed as follows in the year under review:

TCHF	2016	2015
Present value of benefit obligations at the beginning of the period	30,537	28,970
Employer's current service cost	1,587	1,394
Interest expense	270	359
Employee contributions	908	802
Amounts paid	330	–621
Actuarial (gains) losses		
• Effect of changes in demographic assumptions	–646	0
• Effect of changes in financial assumptions	845	1,201
• Effect of experience adjustments	2,509	–680
Past service cost	–101	–887
Additions from business combinations	3,979	0
Present value of benefit obligations at the end of the period	**40,218**	**30,537**

The effect of changes in financial assumptions (increase of CHF 0.8 million) in the 2016 financial year is mainly attributable to the reduction in the discount rate from 0.9% to 0.6%. The prior year's increase of CHF 1.2 million was mainly based on the reduction of the discount rate that year from 1.3% to 0.9%.

Plan assets developed as follows in the year under review:

TCHF	2016	2015
Plan assets at market values at the beginning of the period	24,697	23,504
Interest income	223	301
Employer contributions	1,026	905
Employee contributions	908	802
Amounts paid	330	–621
Return on plan assets (excluding interest income)	3,280	–194
Additions from business combinations	2,589	0
Plan assets at market values at the end of the period	**33,055**	**24,697**

The amounts recognised in the balance sheet for the defined benefit plans are made up as follows:

TCHF	2016	2015
Present value of benefit obligations	40,218	30,537
Market value of plan assets	–33,055	–24,697
Net liability	**7,163**	**5,840**

The expense recognised for these plans in the income statement is made up as follows:

TCHF	2016	2015
Current service cost	–1,587	–1,394
Interest expense	–270	–359
Interest income on plan assets	223	301
Recognition of past service cost	101	887
Net benefit expense	**–1,532**	**–565**

As in the prior year, the positive amount recognised in past service cost is attributable to the reduction in the conversion rate decided by the foundation board.

The expected employer contributions for the 2017 financial year are CHF 1.1 million.

The following amounts are recognised in other comprehensive income under total comprehensive income:

TCHF	2016	2015
Actuarial gains (losses)		
• Effect of changes in demographic assumptions	646	0
• Effect of changes in financial assumptions	–845	–1,201
• Effect of experience adjustments	–2,509	680
Return on plan assets (excluding interest income)	3,280	–194
Other effects	–1,390	0
Total remeasurements included in other comprehensive income	**–817**	**–714**

The net obligation recognised in the balance sheet changed as follows:

TCHF	2016	2015
At 1 January	5,840	5,466
Company's net benefit expense	1,532	565
Employer contributions	–1,026	–905
Remeasurements included in other comprehensive income	817	714
At 31 December	**7,163**	**5,840**

Plan assets can be broken down into the following categories:

Asset classes	Plan assets 2016 in %	Market Values 2016 in TCHF	Plan assets 2015 in %	Market Values 2015 in TCHF
Cash and cash equivalents	3%	996	6%	1,451
Shares (listed)	29%	9,475	30%	7,313
Bonds and notes (listed)	46%	15,351	44%	10,766
Real estate	17%	5,556	16%	3,855
Alternative investments	5%	1,677	5%	1,313
Total	**100%**	**33,055**	**100%**	**24,697**

As at 31 December 2016, plan assets did not include treasury shares or real estate being subject to the company's own use.

The following assumptions were applied to the expense reported in the income statement and pension liability reported in the balance sheet:

	2016	2015
Assumptions for the expenses in the income statement:		
Discount rate	0.9%	1.3%
Expected future salary increases	1.3%	1.3%
Expected future pension benefit increases	0.1%	0.1%
Longevity at age 65 for current members aged 45		
• Males	24.3	23.3
• Females	26.3	25.7
Longevity at age 65		
• Males	22.4	21.6
• Females	24.4	24.1
Assumptions for the pension liability in the balance sheet		
Discount rate	0.6%	0.9%
Expected future salary increases	1.3%	1.3%
Expected future pension benefit increases	0.1%	0.1%

A change in the assumptions of +/- 25 basis points would have the following percentage impact on the present value of the benefit obligations:

	Discount rate 2016	Salary increases 2016	Pension increases 2016
Impact on present value of benefit obligations due to the following changes:			
Increase of 25 basis points	–3.5%	0.3%	1.1%
Decrease of 25 basis points	3.8%	–0.3%	–1.1%

	Discount rate 2015	Salary increases 2015	Pension increases 2015
Impact on present value of benefit obligations due to the following changes:			
Increase of 25 basis points	–3.1%	0.2%	1.0%
Decrease of 25 basis points	3.4%	–0.2%	–1.0%

The following future benefit payments of the pension plan are expected for benefit obligations:

TCHF	2016	2015
Up to 1 year	491	413
Up to 5 years	2,963	2,504
Over 5 years	36,764	27,620
Total	**40,218**	**30,537**

Based on a DBO cash-flow calculation, the duration of benefit obligations as at the reporting date was 19.0 years (prior year: 18.6 years).

19. Share-based payments

Accounting principles

Share-based payments are transactions whereby the Mobimo Group receives goods or services in return for equity instruments such as shares or options. The Board of Directors and the Executive Board are currently subject to compensation rules under which compensation is paid partly in the form of shares. Both schemes are classified as share-based payments. The costs of share-based payments are recognised in the income statement in personnel expense, spread over the vesting period. The corresponding counter-posting is recorded in equity. The vesting period is the period during which unlimited entitlement to the shares or options granted is earned. The valuation is based on the fair value of the equity instruments as at the grant date. The grant date is the date on which both parties agree to the plan for the share-based payment and reach a joint agreement on the terms and conditions of the plan.

Board of Directors

In accordance with the regulations that came into effect in the 2009 financial year, the Board of Directors receives fixed compensation structured on a modular basis. The modules used reflect members' individual activities on the Board of Directors, thus ensuring that compensation is commensurate with the level of responsibility and time involved. Each member of the Board of Directors may receive the compensation in cash or partly or fully in shares in accordance with the allocation resolution. In total, compensation of CHF 0.9 million was paid in cash (prior year: CHF 1.0 million) and CHF 0.3 million in the form of shares (1,239 shares) in 2016 (prior year: CHF 0.2 million, 1,170 shares).

Executive Board

Under the current compensation regulations (valid from 1 January 2015), 65% of variable compensation will be based on quantitative criteria and 35% on qualitative criteria that are themselves based on Mobimo's strategy. The Board of Directors has defined the key performance figure for calculating the quantitative target as the return on equity before accumulated revaluation income. However, entitlement to compensation is conditional on the company achieving a minimum return on equity before revaluation income of 4.5%. Once this minimum return on equity has been achieved, the entitlement of the Executive Board members rises on a straight line basis within a range defined by the Board of Directors.

Variable compensation is capped at 100% of the fixed salary. The regulations then allow the Board of Directors to reduce variable compensation if a dividend/capital repayment at least equivalent to that of the prior year cannot be distributed to shareholders.
At least 50% of the variable compensation is paid in shares in the company. The shares issued are subject to a vesting period, generally five years.

For the 2016 financial year, a total of 4,291 shares (prior year: 4,996) were granted to the Executive Board as a share of profits. The cost of the approved share allocation was recognised as CHF 1.1 million (prior year: CHF 1.1 million), measured at the share price as at 31 December 2016 of CHF 254.75 per share (prior year: CHF 222.70). Share-based compensation for the Executive Board was based on the assumption that 50% would be taken in the form of shares (prior year: 50%).

Option plan

The final 1,564 outstanding options were exercised in the prior year. No more outstanding options exist.

INCOME TAXES

20. Income taxes

Critical estimates and assumptions

Mobimo has deferred tax liabilities of CHF 158.4 million. Deferred taxes are almost exclusively attributable to valuation differences in respect of investment properties and investment properties under construction.

The taxation of gains on the disposal of properties is subject to a special property gains tax in various cantons. The tax rates applied depend on the length of time the property is held and can vary significantly.

In the calculation of deferred taxes on investment properties, a residual holding period is estimated for each property that reflects Mobimo's strategy. The tax payable on these properties is calculated on the basis of a holding period of up to 20 years. Should the actual holding period for a property deviate from the estimated holding period, the amount of tax applicable at the time the property is sold may vary considerably from the deferred tax estimated.

Applying the property gains tax rates that would be payable in the event of a theoretical sale of all properties on 1 January 2017, the deferred tax liabilities would be CHF 36.6 million higher than the reported deferred tax liabilities.

Various property gains tax amounts due on property sales in the current and previous periods are not yet definitive as at the reporting date. If the definitive amounts involved are not the same as the initial calculations, this may have a material effect on the tax expense for future periods.

Accounting principles

Income taxes include current and deferred income taxes. They are recognised in the income statement, with the exception of income tax on transactions recognised in other comprehensive income or directly in equity. In these cases, income tax is similarly charged to other comprehensive income or directly to equity.

Current income taxes include the expected taxes payable on the relevant taxable result, calculated using the tax rates applying or announced at the reporting date, capital gains taxes on property sales effected and any adjustments to tax liabilities or assets from previous years.

Deferred taxes are recognised for temporary differences between the respective tax bases in the tax balance sheet and the consolidated balance sheet, in accordance with the balance sheet liability method. Measurement of deferred taxes takes account of the point in time when and the manner in which the assets/liabilities in question are expected to be realised/settled. The tax rates used are those that are applicable or announced as at the reporting date.

Deferred tax assets can only be recognised to the extent that it is probable that future profits will be available against which the temporary differences can be offset.

Tax expense

Tax expense can be broken down as follows:

TCHF	2016	2015
Total current tax expense	**–24,466**	**–26,239**
Deferred tax		
Change in deferred tax	–10,638	–9,674
Recognition of tax effects on tax loss carryforwards	0	1,500
Changes in tax rate on deferred tax items recognised	19,974	317
Total deferred tax income/expense	**9,336**	**–7,856**
Total income tax expense	**–15,130**	**–34,095**

On 20 March 2016, the electorate in the Canton of Vaud voted in a referendum in favour of the canton's new tax law, whose provisions include a substantial reduction in the canton's corporate tax rate. Consequently, the new lower tax rates are to already be applied for the calculation of deferred taxes for temporary differences realised only after 1 January 2019. This gives rise to a non-recurring positive effect of CHF 21.5 million in deferred tax liabilities, in particular on the differences in values of investment properties. The new law provides for the canton's governing council to propose measures to the canton's executive body should expected amendments be delayed at federal level.

Current tax expense contains an expense reduction of CHF 0.3 million (prior year expenses: CHF 0.6 million) in tax on profits from prior periods.
Property gains tax is also contained in current tax expense and is incurred in those cantons that tax property gains on the disposal of properties and is thus cyclical in nature.
Unresolved questions with regard to the ruling issued by the Swiss Federal Supreme Court on 4 April 2011 and its implementation, which put an end to a legal dispute between Mobimo and the City of Zurich with respect to property gains tax, were clarified in 2014. This allowed for the conclusion in the 2014 and 2015 financial years of property gains tax cases that had long been pending.

Current tax expense and other income (equity) include current tax expenses of CHF 0.9 million (prior year: CHF 1.3 million) from recognising the losses on financial instruments classified as cash flow hedges (interest rate swaps).

Tax expense can be analysed as follows:

	Unit	2016	2015
Group profit before tax	TCHF	174,548	139,076
Applicable tax rate	%	25	25
Tax expense at applicable tax rate	TCHF	–43,637	–34,769
Non-deductible expenses	TCHF	–44	–32
Reversal for prior-year current tax	TCHF	841	1,843
Utilisation of previously unrecognised tax losses	TCHF	–1,131	0
Recognition of tax effects on tax loss carryforwards	TCHF	0	1,500
Expense/income which is taxed at a lower/higher tax rate	TCHF	8,443	–2,359
Impact of changes in tax rate on deferred tax items recognised	TCHF	19,974	–317
Other effects	TCHF	424	40
Total taxes	TCHF	**–15,130**	**–34,095**

The applicable tax rate in the year under review is a mixed rate. It takes account of the fact that gains subject to cantonal and municipal taxes are currently taxed at an average rate of 22% (including direct federal tax), while property gains subject to property gains tax are taxed at rates of up to 35%.

Deferred tax

Deferred tax liabilities and assets are allocated to the following balance sheet items:

TCHF	2016 Assets	2016 Liabilities	2015 Assets	2015 Liabilities
Investment properties		156,089		166,483
Employee benefit obligation	1,354		1,139	
Other items	2,162	7,645	2,184	2,181
Deferred taxes on temporary differences	**3,516**	**163,734**	**3,322**	**168,664**
Tax benefit of offsettable loss carryforwards	4,266		4,678	
Total deferred taxes	**7,782**	**163,734**	**8,000**	**168,664**
Offset of deferred tax assets and liabilities	–5,295	–5,295	–5,875	–5,875
Deferred tax assets/liabilities	**2,488**	**158,440**	**2,126**	**162,789**

Deferred tax assets for loss carryforwards are recognised to the extent that it is probable that future taxable profits will be available against which the loss carryforwards can be utilised.
According to the current practice of the Zurich Cantonal Tax Office, cantonal losses for the purposes of income tax cannot be completely offset against gains in the same year. However, these losses are carried forward and may be offset against future gains. The tax benefit that Mobimo recognised in the income statement on these prior period losses in the year under review decreased by CHF 0.7 million to CHF 3.7 million (prior year: increase recognised in the income statement of the tax benefit from CHF 1.5 million to CHF 4.4 million).

Other assets of CHF 0.6 million in the year under review (prior year: CHF 0.3 million) relate to offsettable loss carryforwards for direct federal, cantonal and communal taxes of CHF 2.5 million (prior year: CHF 1.0 million). There were otherwise no unrecognised loss carryforwards, as in the prior year.

No deferred taxes were recognised for undistributed earnings of subsidiaries, since no taxes are expected if a distribution were to take place.

Of the net decrease in deferred tax liabilities of CHF 4.7 million (from CHF 160.7 million to CHF 156.0 million), CHF 4.8 million resulted from the acquisition of BSS&M Real Estate AG. In addition, CHF –9.3 million was recognised in the income statement; CHF –0.1 million was recognised in small part in financial instruments and in large part directly in other comprehensive income under the employee benefit obligation (prior year: net increase of CHF 40.4 million from CHF 120.3 million to CHF 160.7 million, of which CHF 31.5 million from the acquisition of Dual Real Estate Investment SA and CHF 1.2 million from the acquisition of ProviHold SA, with CHF 7.9 million recognised in the income statement and CHF –0.2 million directly in other comprehensive income).

OTHER NOTES

21. Operating expense

Operating expense includes expenditure on IT, communication, general marketing, general office expenses and non-reclaimable input tax.

Also included in operating expense are capital taxes of CHF 0.6 million (prior year: CHF 0.5 million) and planning costs of CHF 1.4 million (prior year: CHF 1.1 million). Planning costs relate to expenditure on the development and compilation of feasibility studies for projects subject to external influences that Mobimo cannot influence and for which there is uncertainty as to whether they can be at all realised. For this reason, these costs have been charged to operating expense until there is certainty about the realisation of the projects in question. Once this is the case, these costs will be capitalised.

22. Administrative expenses

Administrative expenses can be broken down as follows:

TCHF	2016	2015
Consulting expense	–2,140	–1,989
Consulting expense in respect of related parties	–78	–120
Other administrative expenses	–773	–287
Total administrative expenses	**–2,990**	**–2,395**

For further details of expense in respect of related parties, see Note 31. Other administrative expenses in the year under review include CHF 0.3 million in external administration costs of the acquired BSS&M Real Estate AG.

23. Trade receivables

Trade receivables can be broken down as follows:

TCHF	2016	2015
Outstanding purchase prices real estate due from third parties	2,417	57
Outstanding rents and ancillary costs due from third parties	5,603	4,685
Outstanding rents and ancillary costs due from associates and joint ventures	229	256
Less doubtful debt allowance for outstanding rent and ancillary costs	–851	–1,159
Receivables current projects	6,081	0
Total trade receivables	**13,479**	**3,839**

The age structure of receivables that are not impaired is as follows:

TCHF	2016	2015
Not past due	7,319	3,609
Up to 30 days	30	98
Up to 90 days	29	108
Over 90 days	21	24
Total	**7,398**	**3,839**

Doubtful debt allowances for outstanding rent and ancillary costs changed as follows in the year under review:

TCHF	2016	2015
Specific valuation allowance		
At 1 January	1,159	883
Change in valuation allowance	–309	277
At 31 December	**851**	**1,159**

There were no general valuation allowances as at the reporting date. Based on past experience, Mobimo does not expect any additional defaults.

24. Other receivables

Other receivables can be broken down as follows:

TCHF	2016	2015
Tax receivables (withholding tax and VAT)	404	47
Receivables WIR	1,235	323
Advance payments for land purchases	773	224
Receivables from related parties	80	0
Escrow property tax payments	5,825	22,989
Other receivables from third parties	23,113	808
Total other receivables	**31,430**	**24,391**

The item other receivables from third parties includes CHF 22.7 million of cash pledged to banks as collateral

25. Property, plant and equipment

Accounting principles

Property, plant and equipment, including owner-occupied properties, is measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment is depreciated using the straight-line method over its estimated useful life.

Useful life is as follows:

Buildings	50 years
Interior fixtures and fittings	15 years
Building services	15 years
Office furnishings	8 years
Office equipment	5 years
Telephone installations	5 years
Vehicles	5 years
Hardware	3 – 4 years

The carrying amount of property, plant and equipment is assessed at least once a year. If there are indications that an asset may be impaired, an impairment test is carried out.

TCHF	Owner occupied properties	Other P,P&E in use	Other P,P&E under construction	2016 Total
Cumulative acquisition values				
Balance at 1 January	21,649	5,113	964	27,726
Additions	239	973	306	1,517
Disposals	0	–101	0	–101
Transfers to trading properties	–934	0	0	–934
Additions from business combinations	0	44	0	44
Balance at 31 December	**20,954**	**6,029**	**1,269**	**28,253**
Cumulative depreciation				
Balance at 1 January	–6,380	–2,960	0	–9,340
Depreciation	–874	–839	0	–1,714
Disposals	0	71	0	71
Transfers to trading properties	283	0	0	283
Balance at 31 December	**–6,972**	**–3,728**	**0**	**–10,700**
Net carrying amount at 31 December	**13,982**	**2,301**	**1,269**	**17,553**
Total other P,P&E at 31 December		3,570		

TCHF	Owner occupied properties	Other P, P&E in use	Other P, P&E under construction	2015 Total
Cumulative acquisition values				
At 1 January	21,534	4,560	0	26,094
Additions	115	554	496	1,165
Transfers from commercial property	0	0	467	467
Balance at 31 December	**21,649**	**5,113**	**964**	**27,726**
Cumulative depreciation				
At 1 January	–5,468	–2,273	0	–7,741
Depreciation	–912	–687	0	–1,599
Balance at 31 December	**–6,380**	**–2,960**	**0**	**–9,340**
Net carrying amount at 31 December	**15,269**	**2,153**	**964**	**18,386**
Total other P,P&E at 31 December		3,117		

Owner-occupied properties include the property at Kusnacht, Seestrasse 59, and part of the property at Lausanne, Rue de Genève 7, which are used by Mobimo Management AG as its administrative premises. Also included is a room for cultural activities at the property in Lausanne, Rue des Cotes-de-Montbenon 16. The usage of the property in Aarau, Buchsertrasse 27, as a project office and showroom for the "AQA" construction projects in Aarau was discontinued in the year under review and the property reclassified as a trading property.
Other property, plant and equipment comprises computer hardware, movables and vehicles. Property, plant and equipment does not include any items under financial leasing arrangements.
Other property, plant and equipment currently under construction comprises a power plant in Kriens. Once completed, the plant will provide residents and third parties in the Kriens, Mattenhof district with heating and cooling supplies.

26. Intangible assets

Accounting principles

Mobimo classifies the purchase rights/construction projects and software categories as intangible assets. Mobimo acquires purchase rights when it makes payments for the right to purchase a plot of land. Development services carried out for third parties and own work carried out on projects using non-current assets where a contractual basis for the acquisition of land exists but the title to the land has not yet been transferred are reported under construction projects. The software category comprises software that has been purchased for operational purposes. Intangible assets are measured at cost. Software is amortised individually over an estimated useful life of generally three to five years.

The carrying amount of intangible assets is assessed at least once a year. If there are indications that an asset may be impaired, an impairment test is carried out.

Recoverable amounts are calculated annually for other intangible assets with an indefinite useful life and intangible assets not yet available for use, even if there are no indications of impairment.

TCHF	Purchase options/construction projects	Software	2016 Total
Cumulative acquisition values			
Balance at 1 January	4,079	4,395	8,475
Additions	246	2,051	2,297
Transfers to investment properties under construction	0	92	92
Balance at 31 December	**4,325**	**6,539**	**10,864**
Cumulative amortisation and impairment losses			
At 1 January	0	–1,582	–1,582
Amortisation	0	–843	–843
Impairment losses	–2,165	0	–2,165
Balance at 31 December	**–2,165**	**–2,425**	**–4,590**
Net carrying amount at 31 December	**2,160**	**4,114**	**6,274**

Purchase options/construction projects consist of a notarised purchase option for a plot in Merlischachen, Canton of Schwyz, and capitalised development costs for a construction project in Zurich Oerlikon in which Mobimo is not yet the owner of the property in question but has concluded a purchase contract. During the year under review it emerged that the notarised purchase option in Merlischachen was recognised in the balance sheet above its recoverable amount and an impairment was duly recognised.

TCHF	Purchase options/construction projects	Software	2015 Total
Cumulative acquisition values			
Balance at 1 January	3,706	2,923	6,629
Additions	373	1,473	1,846
Balance at 31 December	**4,079**	**4,395**	**8,475**
Cumulative amortisation and impairment losses			
Balance at 1 January	0	–1,041	–1,041
Amortisation	0	–541	–541
Balance at 31 December	**0**	**–1,582**	**–1,582**
Net carrying amount at 31 December	**4,079**	**2,813**	**6,892**

27. Investments in associates and joint ventures

Accounting principles

Ownership interests of between 20% and 50% in companies over which Mobimo exerts a significant influence but does not control, as well as shares in joint ventures, are accounted for using the equity method and recognised separately in the balance sheet. The market value of the pro rata net assets is determined at the time of acquisition and recognised in the balance sheet together with any goodwill under investments in associates. In subsequent reporting periods, this figure will be adjusted to reflect Mobimo's share of the additional capital and the profits generated, as well as any dividends.

TCHF	2016	2015
FM Service & Dienstleistungs AG, Küsnacht (50% stake)	n/a	161
Parking du Centre SA, Lausanne (50% stake)	18,961	17,628
Flonplex SA, Lausanne (40% stake)	8,607	7,850
Zentrum Oberhof AG, Inwil (26,4% stake, 40% voting rights)	40	n/a
Total	**27,609**	**25,639**

Investments in joint ventures

FM Service & Dienstleistungs AG

On 5 April 2016, Mobimo Holding AG acquired the remaining 50% of the capital and voting rights of FM Service & Dienstleistungs AG, which is the reason why this company is no longer included in the portfolio (see Note 34) as at 31 December 2016.

The following is a summary of the key financial data of the joint venture, which has been adjusted to the principles of the consolidated annual financial statements of Mobimo until its full acquisition.

	Unit	2016	2015
Current assets	TCHF	n/a	944
Non-current assets	TCHF	n/a	29
Current liabilities	TCHF	n/a	651
The assets and liabilities above include the following details:			
Cash and cash equivalents	TCHF	n/a	709
Revenue	TCHF	625	2,865
Depreciation and amortisation	TCHF	–1	–5
Tax expense	TCHF	10	–28
Profit	TCHF	–42	111
Net assets	TCHF	n/a	322
Proportion of the ownership interest	%	n/a	50
Carrying amount of the interest	**TCHF**	**n/a**	**161**

Parking du Centre SA

Mobimo has a 50% investment in Parking du Centre SA, a car park operator in Lausanne held as a joint venture with Indigo Infra S.A. (formerly Vinci Park SA), a company active in the areas of urban mobility and parking solutions in Lausanne. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of the company's net assets. Mobimo accounts for its investment in Parking du Centre SA using the equity method.
The following is a summary of the key financial data of the joint venture that has been adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2016	2015
Current assets	TCHF	3,292	2,832
Non-current assets	TCHF	52,600	53,575
Current liabilities	TCHF	3,822	4,625
Non-current liabilities	TCHF	14,147	16,525
The assets and liabilities above include the following details:			
Cash and cash equivalents	TCHF	3,118	2,431
Financial liabilities	TCHF	10,680	11,080
Revenue	TCHF	7,360	6,925
Depreciation and amortisation	TCHF	–975	–975
Financial expense	TCHF	–344	–473
Tax expense	TCHF	1,298	–373
Profit	TCHF	3,866	2,387
Net assets	TCHF	37,923	35,257
Proportion of the ownership interest	%	50	50
Carrying amount of the interest	**TCHF**	**18,961**	**17,628**
Dividends received from joint venure	TCHF	600	600

The reduction of the deferred tax rate had a positive effect on the result in the year under review. Without this effect, the result would have been in line with that of the prior year.

Investments in associates

Flonplex SA

Flonplex SA is a cinema operator in Lausanne whose majority shareholder is fellow cinema operator Pathé Schweiz AG; Mobimo holds an investment of 40%. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of the company's net assets. Mobimo accounts for its investment in Flonplex SA using the equity method. The following is a summary of the key financial data of Flonplex SA, adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2016	2015
Current assets	TCHF	2,556	2,575
Non-current assets	TCHF	23,956	23,875
Current liabilities	TCHF	3,468	2,545
Non-current liabilities	TCHF	1,527	4,281
Revenue	TCHF	11,721	12,077
Profit	TCHF	3,294	2,611
Net assets	TCHF	21,518	19,624
Proportion of the ownership interest	%	40	40
Carrying amount of the interest	**TCHF**	**8,607**	**7,850**
Dividends received from the associate	TCHF	560	480

The reduction of the deferred tax rate had a positive effect on the result in the year under review. Without this effect, the result would have been in line with that of the prior year.

Zentrum Oberhof AG

Zentrum Oberhof AG is a project company in Inwil in which BSS&M Real Estate AG holds an investment of 40%. Mobimo, for its part, holds 66% of the voting and capital rights of BSS&M Real Estate AG. This means that Mobimo has 40% of the voting rights and 26.4% of the capital rights. Zentrum Oberhof AG is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of the company's net assets. Mobimo accounts for its investment in Zentrum Oberhof AG using the equity method. The project company was established for the purpose of developing the construction project. As at the reporting date, there was uncertainty surrounding the realisation of the originally planned project, which is why the value of the investment has been adjusted to its recoverable amount.

28. Financial assets

Accounting principles

Financial assets comprise long-term loans to third parties and non-consolidated equity investments. Non-consolidated equity investments are those investments that give Mobimo less than 20% of the voting rights. Loans are recognised at amortised cost less any valuation allowance. Non-consolidated equity investments are classified as “available for sale” and measured at fair value; with the exception of impairments, changes in fair value are recognised in equity, not through the income statement. If a fair value cannot be reliably defined, the non-consolidated equity investment is measured at cost.

Financial assets can be broken down as follows:

TCHF	2016	2015
Loans to associates	117	0
Non-consolidated equity investments (available for sale)	1,849	1,849
Total	**1,966**	**1,849**

Non-consolidated equity investments primarily comprise the investment in Parking Saint-François SA.

Financial assets changed as follows:

TCHF	2016	2015
Cumulative acquisition values		
Balance at 1 January	1,849	1,850
Additions	117	0
Additions from business combinations	836	0
Disposals	–836	–1
Balance at 31 December	**1,966**	**1,849**
Net carrying amount at 31 December	**1,966**	**1,849**

29. Other payables

Accounting principles

Trade and other short-term payables are measured at amortised cost, which generally corresponds to the nominal value of the payables.

Other payables totalling CHF 10.1 million (prior year: CHF 5.4 million) in the year under review and the prior year are for the most part deferred purchase price payments for acquisitions of companies that have already been completed. The residual amount comprises payables in connection with social security contributions, payables in connection with value added tax and other payables.

30. Accrued expenses and deferred income

TCHF	2016	2015
Accruals for construction work	9,224	3,917
Accruals from property accounts	6,699	3,308
Accruals for interest	3,651	3,649
Accruals for services for related parties	1,092	1,112
Other items	11,805	9,377
Total accrued expenses and deferred income	**32,471**	**21,363**

OTHER FINANCIAL INFORMATION

31. Related parties

Accounting principles
Related parties include shareholders who could exert a significant influence over Mobimo, the Board of Directors and management, associates controlled by members of the Board of Directors of the Mobimo Group and the Mobimo pension plan.

Note 17 gives details of the compensation paid to the members of the Board of Directors and Executive Board for their activities.

Among the companies controlled by members of the Boards of Directors are the consultancy firm weber schaub & partner ag, which is co-owned by Peter Schaub. The income statement includes expenses of TCHF 78 (prior year: TCHF 117) for tax consulting by weber schaub & partner ag. The expenses invoiced relate to tax consulting services provided by employees of the firm. Consulting services provided directly by Peter Schaub are covered by his director's compensation.

The Mobimo income statement contains the following items with joint ventures Parking du Centre S.A. and until its full acquisition FM Service & Dienstleistungs AG (see Note 27):
income from rental of properties of TCHF 516 (prior year: TCHF 529), other income of TCHF 90 (prior year: TCHF 388) for services rendered, direct expenses for rented properties of TCHF -29 (prior year: TCHF -131) and operating expense (rental expense) of TCHF -21 (prior year: TCHF -21). TCHF 40 (prior year: TCHF 64) was recognised as refurbishment costs in property acquisition costs.
In addition, services in the amount of TCHF 81 (prior year: TCHF 355) that come under property ancillary costs were performed through joint ventures. These can be passed on to tenants via ancillary cost charging.

The Mobimo income statement contains the following items with associates (see Note 27):
income from rental of properties of TCHF 210 (prior year: TCHF 210), other income of TCHF 22 (prior year: TCHF 22) for services rendered.

Transactions between Mobimo and the pension plans are listed in Note 18.

32. Operating leases (lessee)

Accounting principles
Mobimo does not possess any leasing agreements classified as finance leases. Payments for operating leases are recognised in the income statement over the term of the lease.

Obligations from non-cancellable rental and leasing agreements are as follows:

TCHF	2016	2015
Rental and leasing obligations up to 1 year	154	156
Rental and leasing obligations 1 to 5 years	1,060	554
Rental and leasing obligations over 5 years	8,214	8,344
Total future rental and leasing obligations	**9,428**	**9,054**

The obligations relate primarily to building right interest for the properties St. Erhard, Langmatt and Basel, Lyonstrasse 40. The remaining obligations relate to third-party leases for premises and car park facilities. The rental and leasing expenses charged to the income statement were CHF 0.3 million (prior year: CHF 0.1 million).

33. Earnings per share

Accounting principles

Earnings per share are calculated from the Group result attributable to the shareholders of Mobimo Holding AG, divided by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share additionally take account of any shares arising from the exercise of option or conversion rights.

	2016	2015
Calculation of earnings per share		
Number of outstanding shares at 1 January	6,216,923	6,214,983
+ Effect of capital increase (average)	0	1,304
+ Effect of change in holdings of treasury shares	–1,184	–8
= Average number of outstanding shares	6,215,739	6,216,279
Effect of outstanding options:		
+ Average number of potential shares	0	298
./. Average number of shares which would be issued at average market value	0	–41
= Effective number of shares as basis for calculation of diluted earnings per share	6,215,739	6,216,536
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	158,656	103,937
./. Net income from revaluation in TCHF (attributable to the shareholders of Mobimo Holding AG)	–78,989	–33,772
+ Attributable deferred tax in TCHF	19,747	8,443
= Profit not including revaluation (and attributable deferred tax) in TCHF	99,415	78,608
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	158,656	103,937
Profit not including revaluation in TCHF	99,415	78,608
Earnings per share in CHF	25.52	16.72
Diluted earnings per share in CHF	25.52	16.72
Earnings per share not including revaluation (and attributable deferred tax) in CHF	15.99	12.65
Diluted earnings per share not including revaluation (and attributable deferred tax) in CHF	15.99	12.64
Calculation of net asset value (NAV) per share		
Number of outstanding shares at 31 December	6,216,126	6,216,923
Number of shares as basis for calculation of diluted NAV	6,216,126	6,216,923
Equity at 31 December in TCHF (attributable to the shareholders of Mobimo Holding AG)	1,350,936	1,258,617
= Shareholders' equity after option exercise in TCHF (attributable to the shareholders of Mobimo Holding AG)	1,350,936	1,258,617
NAV per share in CHF	217.33	202.45
NAV per share, diluted, in CHF	217.33	202.45

34. Changes in the scope of consolidation (Group companies)

Accounting principles

The consolidated annual financial statements encompass all companies over which Mobimo Holding AG has either direct or indirect control. Control is deemed to exist where Mobimo is exposed to fluctuating income as a result of its holdings in a company and has rights over such income. Mobimo must also have the ability to influence this income through its power of disposal over the company. Group companies acquired or divested during the course of a year are consolidated from the date on which control is acquired or deconsolidated from the date on which control ceases. For fully consolidated companies, assets, liabilities, expenses and income are taken over on a 100% basis using the full consolidation method. All intragroup transactions and relationships and profit on intragroup transactions and balances are eliminated.

Ownership interests of between 20% and 50% in companies over which Mobimo exerts a significant influence, as well as shares in joint ventures, are accounted for using the equity method. See Note 27. Other interests are managed as financial investments. See Note 28.

Capital is consolidated at the time of acquisition using the purchase method. Companies holding real estate frequently do not, however, meet the definition of a business under IFRS 3. Upon such an acquisition, Mobimo allocates the costs of acquisition to the individually identifiable assets and liabilities at the time of acquisition on the basis of fair value. The acquisition of such a company does not result in goodwill. Non-controlling interests are shown separately from the Group's equity. Changes in the amount of proportionate interest that do not lead to loss of control are treated as transactions with equity owners. Any difference between the purchase price paid or the consideration received and the amount by which the non-controlling interests are being adjusted is recognised directly in equity.

The following companies fall under the scope of consolidation:

Company	Domicile	Share capital in TCHF	Ownership interest in %	Consolidation method
Mobimo Holding AG	Lucerne	180,327		F
BSS&M Real Estate AG	Küsnacht	500	66.00	F
CC Management SA	Geneva	4,700	100.00	F
Immobilien Invest Holding AG	Glarus	150	75.33	F
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.00	F
LO Immeubles SA	Lausanne	2,000	100.00	F
Mobimo AG	Küsnacht	72,000	100.00	F
Mobimo Management AG	Küsnacht	100	100.00	F
O4Real AG	Lausanne	1,000	100.00	F
Petit Mont-Riond SA	Lausanne	50	75.33	F
Promisa SA	Lausanne	100	100.00	F
Flonplex SA	Lausanne	2,000	40.00	E
FM Service & Dienstleistungs AG	Küsnacht	100	50.00	E
Parking du Centre SA	Lausanne	6,000	50.00	E
Zentrum Oberhof AG	Inwil	100	26,4[1]	E
Parking Saint-François SA	Lausanne	1,150	26,52[2]	not cons.

[1] The share of voting rights is 40%.
[2] The share of voting rights is 5%.

F = fully consolidated.
E = equity valuation. For more information, see Note 27.
not cons. = not consolidated. For more information, see Note 28.

Acquired companies

BSS&M Real Estate AG

In July 2016, 66% of the shares of BSS&M Real Estate AG (BSS&M) were acquired, a company operating in the fields of development, planning and realisation of real estate projects. However, as BSS&M meets the requirements of a business under IFRS 3, the acquisition is listed as a business combination. The company has no employees, but has a core team linked by mandate agreements. The purchase price was allocated fully to net assets.
The acquisition had the following effects on Mobimo's assets and liabilities:

TCHF	Fair value
Cash	1,579
Trade receivables	1,958
Other receivables	1,720
Trading properties	116,278
Accrued income and prepaid expenses	1,284
Property, plant and equipment	
• Other property, plant and equipment	26
Investments in associates and joint ventures	554
Financial assets	836
Deferred tax assets	1,040
Current financial liabilities	–69,896
Trade payables	–3,938
Current tax liabilities	–1,088
Other payables	–1
Advance payments from buyers	–163
Accrued expenses and deferred income	–8,623
Non-current financial liabilities	–9,500
Deferred tax liabilities	–5,809
Identifiable net assets	**26,258**
Non-controlling interests	–8,928
Purchase price	**17,330**
Unpaid conditional purchase price	–4,505
Cash acquired	–1,579
Net cash outflow	**11,246**

During the period since the acquisition, BSS&M has contributed CHF 27.3 million to Group revenue or CHF –2.2 million to the Group result. If the acquisition had taken place on 1 January 2016, consolidated revenue would have totalled CHF 301.5 million and the Group result CHF 156.6 million. Transaction costs in connection with the acquisition totalling CHF –0.2 million were recognised under administrative expenses.

FM Service & Dienstleistungs AG

On 5 April 2016, Mobimo Holding AG acquired the remaining 50% of the capital and voting rights in FM Service & Dienstleistungs AG (FM), which had been established as a joint venture with a partner in 2014. This acquisition was carried out at the value of the pro-rata share of equity on the date of the takeover (CHF 0.28 million); in other words, CHF 0.14 million. Cash totalling CHF 0.5 million was acquired, which resulted in net cash flow of CHF 0.4 million. The company is fully consolidated and is included in the real estate segment. The purpose of the company is to provide services in the real estate area, in particular in facility management. The company has to date provided facility management and central services for the tenants of the property at Im Tiergarten 7, Friesenbergstrasse, Zurich. Based on its intention to extend these services to other Mobimo properties, Mobimo consequently decided to acquire the remaining shares of the joint venture partner.
During the period since the acquisition, FM has contributed CHF 2.6 million to Group revenue or CHF 0.1 million to the Group result. If the acquisition had taken place on 1 January 2016, consolidated revenue would have totalled CHF 270.2 million and the Group result CHF 159.4 million. The acquisition gave rise to no transaction costs.

Changes in the scope of consolidation

In the first half of 2016, Mobimo acquired additional shares in Dual Real Estate Investment SA, the parent company of the Dual Group after having acquired the majority of the shares in November 2015 and two further small share packages in December 2015. The Dual Group comprises Dual Real Estate Investment SA and its subsidiary CC Management SA. The acquisition of these shares increases the proportionate interest to 99.7% (31 December 2015: 99.5%) and was recognised as a purchase of non-controlling interest in equity. As a consequence of the delisting of the Dual Real Estate Investment SA share, its last trading day on the Berne eXchange was 11 March 2016. The restructuring involved the merger of Dual Real Estate Investment SA, Freiburg via a squeeze-out-merger into LO Holding Lausanne-Ouchy SA, Lausanne with a journal entry of 5 December 2016. The remaining outstanding shares were also acquired in the process. Mobimo thus now holds 100% of the shares of CC Management SA, Geneva.

As part of a streamlining in the Group structure, the company ProviHold SA, Lausanne, which had been acquired on 4 September 2015, was merged into LO Immeubles SA, Lausanne, with a journal entry of 3 May 2016.

In the prior year, to simplify the Group structure, the company JJM Participations SA, Lausanne, was merged into Mobimo Holding AG, Lucerne.

35. Significant shareholders

As at the reporting date, the following shareholders held 3% or more of the shares and options in Mobimo Holding AG:

%	2016	2015
BlackRock, Inc.	4.97	5.02
Pensionskasse des Kantons Zug	3.38	3.38

36. Events after the reporting date

The Board of Directors approved the consolidated annual financial statements for publication on 3 February 2017. These statements are also subject to approval by the General Meeting of Mobimo Holding AG on 28 March 2017.

No other events took place between 31 December 2016 and the approval date of these consolidated financial statements that would require adjustments to the carrying amounts of assets and liabilities of the Group as at 31 December 2016 or would require disclosure in this section.

PROPERTY DETAILS

Trading property details

Location, Address	Description[1]	Built	Realisation period	Acquired	Carrying amount 31.12.2016 in TCHF
Brugg, Hauptstrasse[3]	open		open	Jul 2016	3,688
Châtel-St. Denis, Chemin de la Chaux[3]	open		open	Jul 2016	7,039
Glattbrugg, Schaffhauserstrasse 91[3]	open		open	Jul 2016	8,212
Lachen, Zürcherstrasse 19[3]	open		open	Jul 2016	2,838
Langenthal, Kühlhausstrasse 8	open		open	Sep 2015	486
Martigny, Rue du Léman 24[3]	open		open	Jul 2016	12,781
Merlischachen, Chappelmatt-Strasse (Burgmatt)	78 con		open	2014/2015	16,242
Regensdorf, Watterstrasse[3]	open		open	Jul 2016	5,733
Schaffhausen, Fischerhäuserstrasse 61[3]	open		open	Jul 2016	2,091
Uster, Berchtoldstrasse[3]	open		open	Jul 2016	8,905
Weggis, Hertensteinstrasse 105	open		open	May 2010	10,463
Zurich, Allmendstrasse 92 – 96 (Manegg)	open		open	Mar 2015	4,082
12 Land entities and development projects					**82,560**
Aarau, Site 4 (Torfeld Süd)	92 con		2014/2017	Jun 2001	61,009
Bad Zurzach, Weissensteinweg (Salzturm)[3]	21 con		2015/2017	Jul 2016	2,449
Zurich, Albulastrasse 42	res		2016/2018	Apr 2010	34,022
3 Properties under construction					**97,480**
Aarau, Buchserstrasse 27	com	1885	2017/2018	Oct 2006	695
Allaman, Chemin des Grangettes 2[2]	open	1991	open	Sep 2015	24,554
Cham, Brunnmatt 4 – 6[3]	com		2010/2012	Jul 2016	41,029
Lucerne, Büttenenhalde	24 con		2014/2016	Dec 2011	4,637
Meilen, Feldgüetliweg 143/145	14 con		2013/2015	Nov 2011	7,300
Regensdorf, Im Pfand 2 (Sonnenhof)	45 con		2013/2015	Jun 2007	398
Salenstein, Hauptstrasse[3]	22 con		2012/2015	Jul 2016	10,810
St. Erhard, Längmatt	com	1979	open	Oct 2012	4,814
St. Moritz, Via Maistra 29[2]	open	1930	open	Jul 2010	11,814
Zurich, Turbinenstrasse (Mobimo Tower)	53 con		2008/2011	May 2008	18,753
10 Completed real estate and development properties					**124,804**
25 Trading Properties					**304,844**

1 Com: commercial; con: condominium; res: residential.
2 Development properties.
3 Acquisition BSS&M.

Project status 31.12.2016	Sales volumes in TCHF	Sales status 31.12.2016 (certified purchase agreement)	Site area in m²	Register of polluted sites
in planning	open	open	4,228	no
in planning	open	open	21,231	yes (insignificant)
in planning	open	open	2,391	no
in planning	open	open	969	no
in planning	open	open	13,080	yes (insignificant)
in planning	open	open	6,838	no
in planning	open	open	15,522	no
in planning	open	open	12,897	no
in planning	open	open	916	no
in planning	open	open	4,069	no
in planning	open	0/1	3,043	no
in planning	open	open	11,247	yes (insignificant)
			96,431	
construction project	84,610	56/92	11,105	no
construction project	11,819	16/21	2,538	no
construction project	open	0/1	1,938	no
	96,429		**15,581**	
in planning	open	0/1	1,155	no
in planning	open	open	23,213	no
for sale	open	0/1	8,346	no
for sale	30,083	20/24	7,115	no
for sale	27,620	11/14	2,687	no
for sale	34,259	45/45	6,106	no
for sale	22,379	12/22	6,970	no
for sale	open	0/1	5,801	no
in planning	open	open	557	no
for sale	168,858	50/53	1,936	no
	283,199		**63,886**	
	379,628		**175,898**	

Commercial property details

Location, Address	Property description[1]	Built	Year renovated	Acquired	Fair value in TCHF	Gross yield in %[2]	Target rental revenues in TCHF[3]	Vacancy rate in %[4]
Aarau, Bahnhofstrasse 102 (Mediapark)	com	1975	1998	Mar 2004	22,760	9.2	2,090	45.8
Aarau, Industriestrasse 28; Torfeldstrasse Parkhaus	com	1905/1916/ 1929/1943/ 1954/1974		Jun 2001/ Oct 2006	27,135	6.8	1,857	0.0
Aarau, Industriestrasse 20 (Polygon)	com	2012		Jun 2001	25,200	5.0	1,263	0.0
Affoltern am Albis, Obstgartenstrasse 9, Alte Oberfelderstrasse 27/29	com/res	2014		Aug 2011	76,730	4.3	3,302	0.0
Basle, Lyon-Strasse 40	com	1940		Nov 2015	550	12.3	68	0.0
Brugg, Bahnhofstrasse 11	com	2005		Jun 2006	27,250	5.6	1,516	5.1
Dierikon, Pilatusstrasse 2	com	1990	2007	May 2009	9,828	7.7	756	11.5
Dübendorf, Sonnentalstrasse 5	com	1975	2000	Mar/Dec 1999	25,100	6.9	1,732	17.6
Dübendorf, Zürichstrasse 98	com	1965	1983	Jan 2000	20,570	7.0	1,438	4.1
Geneva, Rue des Etuves 16 – 18	com/res	1910		Nov 2015	11,600	5.2	607	48.1
Horgen, Seestrasse 80	com	1960	2000/2008	Nov 2005	7,500	6.9	517	0.2
Horgen, Seestrasse 82	cp	2010/2011		Nov 2005	5,888	4.6	268	7.9
Kreuzlingen, Lengwilerstrasse 2	com	2007		Apr 2007	6,318	5.1	322	0.0
Kreuzlingen, Leubernstrasse 3; Bottighoferstrasse 1	com	1983/2003	2003	Nov 2006	57,552	6.3	3,622	0.9
Kreuzlingen, Romanshornerstrasse 126	br	n/a		Nov 2006	1,886	4.2	80	0.0
Kriens, Sternmatt 6	com	1986	2008	Feb 2004	24,790	9.6	2,372	3.9
Lausanne, Avenue d'Ouchy 4 – 6 (Horizon)	com	1962	2013	May 2010	67,100	4.6	3,106	0.0
Lausanne, Flonplex	br	n/a		Nov 2009	4,754	4.4	210	0.0
Lausanne, Parking du Centre	br	n/a		Nov 2009	8,620	5.3	457	0.0
Lausanne, Place de la Gare 4	com	1961	2000	Nov 2009	29,630	5.1	1,502	0.0
Lausanne, Place de la Navigation 4 – 6	com/h	1895	2002	Nov 2009	13,510	5.0	676	0.0
Lausanne, Place de l'Europe 6	com/h	1905	2012	Nov 2009	6,093	5.0	303	0.0
Lausanne, Place de l'Europe 7	com	1905	2001	Nov 2009	8,645	5.3	460	25.2
Lausanne, Place de l'Europe 8	com	1911	1989	Nov 2009	8,644	5.0	428	39.3
Lausanne, Place de l'Europe 9	com	1900	2002	Nov 2009	24,270	5.1	1,250	0.0
Lausanne, Rue de Genève 2/4/6/8	com	1904	2002	Nov 2009	23,270	5.6	1,308	0.0
Lausanne, Rue de Genève 7	com[5]	1932	1992/2011	Nov 2009	33,170	4.9	1,639	2.1
Lausanne, Rue de Genève 17	com	1884	2002	Nov 2009	22,410	6.5	1,459	8.1
Lausanne, Rue de Genève 23	com	1915	2005	Nov 2009	3,443	5.3	182	0.0
Lausanne, Rue de la Vigie 3	com	1964		Nov 2009	6,878	8.7	597	74.2
Lausanne, Rue de la Vigie 5	com	1963	1988	Nov 2009	14,510	5.9	860	0.0
Lausanne, Rue des Côtes-de-Montbenon 6	com	1921	2009	Nov 2009	8,279	4.9	404	14.8
Lausanne, Rue des Côtes-de-Montbenon 8/10	com	1946	1998	Nov 2009	9,308	5.5	516	0.0
Lausanne, Rue des Côtes-de-Montbenon 12	com	1918	2004	Nov 2009	3,829	8.2	314	16.9
Lausanne, Rue des Côtes-de-Montbenon 16	com[5]	1912	2007	Nov 2009	5,943	5.1	304	0.0
Lausanne, Rue des Côtes-de-Montbenon 20-24	con	2013		Nov 2009	43,690	5.0	2,177	0.0
Lausanne, Rue des Côtes-de-Montbenon 26	br	n/a		Nov 2009	1,897	4.2	79	0.0
Lausanne, Rue des Côtes-de-Montbenon 28/30	br	n/a		Nov 2009	2,175	3.4	74	0.0
Lausanne, Rue du Port-Franc 9	com	1927	2009	Nov 2009	7,303	4.7	342	0.0
Lausanne, Rue du Port-Franc 11	com	2008		Nov 2009	12,730	5.8	733	19.7
Lausanne, Rue du Port-Franc 17	com	2002		Nov 2009	12,950	5.6	730	0.0
Lausanne, Rue du Port-Franc 22; Rue de la Vigie 1	com	2007		Nov 2009	18,650	6.4	1,187	0.2

1 br: building right; com: commercial; cp: car park; h: hotel; res: residential.
2 Target rental income as at reporting date 31.12.2016 as % of market value.
3 Including building right interest.
4 Vacancy rate as at reporting date 31.12.2016 as % of target rental income.
5 Share investment property.

Total rentable area in m²	Office space in %[6]	Sales space in %[6]	Commercial space in %[6]	Residential space in %[6]	Other in %[6]	Vacant area in %[6]	Ownership[7]	Site area in m²	Register of polluted sites
13,484	64.8	0.0	8.6	1.4	25.2	42.5	so	5,675	no
24,267	0.0	0.0	100.0	0.0	0.0	0.0	so	13,727	yes (insignificant)
4,465	91.4	0.0	0.0	0.0	8.6	0.0	so	3,840	yes (to review)
10,625	0.0	0.0	0.0	93.0	7.0	0.0	so	6,455	no
2,230	0.0	0.0	59.2	0.0	40.8	0.0	so	1,910	no
4,023	33.4	33.8	21.1	0.0	11.7	3.2	con (773/1000)	2,726	no
4,389	60.4	15.9	15.1	0.0	8.6	11.7	so	4,397	no
8,719	29.9	0.0	59.8	0.0	10.3	16.3	con (930/1000)	4,368	yes (to review)
9,847	29.7	17.4	26.1	1.1	25.7	3.5	so	9,809	yes (petrol station)
1,925	15.9	18.0	0.0	66.1	0.0	32.1	so	484	no
2,151	76.2	0.0	19.0	0.0	4.8	0.0	so	3,483	no
64	0.0	0.0	0.0	0.0	100.0	0.0	so	0	no
1,348	0.0	66.5	0.0	0.0	33.5	0.0	so	6,993	no
17,819	8.7	89.5	0.0	0.0	1.8	1.2	so	25,530	no
0	0.0	0.0	0.0	0.0	0.0	0.0	so	2,214	no
20,934	32.1	4.7	42.4	1.2	19.6	4.2	so	14,323	no
8,072	96.6	0.0	0.0	0.0	3.4	0.0	so	12,609	yes (to review)
1,953	0.0	0.0	0.0	0.0	100.0	0.0	so	1,953	yes (insignificant)
6,526	0.0	0.0	0.0	0.0	100.0	0.0	so	5,065	yes (insignificant)
4,769	68.5	0.0	0.0	0.0	31.5	0.3	so	630	no
3,437	0.0	0.0	0.0	0.0	100.0	0.0	so	2,037	yes (insignificant)
902	0.0	0.0	0.0	0.0	100.0	0.0	so	369	yes (insignificant)
1,440	66.8	7.9	0.0	0.0	25.3	23.0	so	391	yes (insignificant)
1,679	78.1	21.9	0.0	0.0	0.0	28.8	so	1,035	yes (insignificant)
3,512	49.5	36.2	0.0	0.0	14.3	0.0	so	975	yes (insignificant)
4,679	8.6	87.4	0.0	0.0	4.0	0.0	so	2,260	yes (insignificant)
5,296	12.3	26.3	0.0	20.8	40.6	1.7	so	3,343	yes (insignificant)
6,981	46.2	21.9	3.1	0.0	28.8	6.5	so	2,312	yes (insignificant)
2,322	0.0	100.0	0.0	0.0	0.0	0.0	so	2,524	yes (insignificant)
3,172	60.7	0.0	2.0	0.0	37.3	59.9	so	972	yes (to review)
3,368	64.3	0.0	5.6	0.0	30.1	0.0	so	852	yes (to review)
2,193	62.5	19.7	0.0	0.0	17.8	9.1	so	533	yes (insignificant)
2,126	76.3	0.0	0.0	0.0	23.7	0.0	so	587	yes (insignificant)
935	44.4	0.0	0.0	0.0	55.6	16.3	so	499	yes (to review)
943	61.8	0.0	0.0	29.8	8.4	0.0	so	850	yes (insignificant)
7,370	0.8	2.8	0.0	0.0	96.4	0.0	so	2,602	yes
867	0.0	0.0	0.0	0.0	100.0	0.0	so	867	yes (insignificant)
1,068	0.0	0.0	0.0	0.0	100.0	0.0	so	1,068	yes (to review)
1,728	20.9	21.7	0.0	0.0	57.4	0.0	so	2,733	yes (insignificant)
2,001	41.2	8.2	0.0	0.0	50.6	22.3	so	612	yes (insignificant)
2,132	57.8	0.0	0.0	25.0	17.2	0.0	so	776	yes (insignificant)
3,806	68.4	10.3	0.0	0.0	21.3	5.5	so	1,999	yes (insignificant)

[6] Details as at 31.12.2016 as % of total rentable area.
[7] con: condominium; so: sole ownership.

Commercial property details

Location, Address	Property description[1]	Built	Year renovated	Acquired	Fair value in TCHF	Gross yield in %[2]	Target rental revenues in TCHF	Vacancy rate in %[4]
Lausanne, Voie du Chariot 3	com	2008		Nov 2009	15,670	5.4	845	1.1
Lausanne, Voie du Chariot 4/6	com	2008		Nov 2009	31,140	5.9	1,850	0.0
Lausanne, Voie du Chariot 5/7	com	2008		Nov 2009	35,130	4.7	1,658	0.0
Lucerne, Alpenstrasse 9	com/res	1890	2001/2010	Jun 2007	13,120	4.3	566	0.0
Neuhausen, Victor-von-Bruns-Strasse 19	com	2007		Mar 2007	9,773	7.0	688	33.4
Regensdorf, Althardstrasse 10	com	1982		Dec 2001	20,180	9.2	1,866	23.8
Renens, Chemin de la Rueyre 116/118	com	1989		Mar 2007	11,860	7.3	865	0.2
St. Gallen, Schochengasse 6	com	1974	2000	Feb 2004	17,850	6.2	1,110	0.4
St. Gallen, St. Leonhardstrasse 22	com	1900	2002/2006	Dec 2004	5,857	4.6	271	0.0
St. Gallen, Wassergasse 42/44	com	1966	2000	Feb 2004	15,520	6.4	987	8.4
St. Gallen, Wassergasse 50/52	com	1998		Feb 2004	13,160	6.3	829	0.0
Winterthur, Industriestrasse 26	com	1994	2002	Oct 1999	20,140	7.5	1,506	8.0
Zurich, Bahnhofplatz 4	com	1881	2002/2005	Jul 2006	23,070	4.0	918	0.0
Zurich, Friedaustrasse 17	com	1968	2013	Oct 1998	14,800	4.6	678	0.8
Zurich, Friesenbergstrasse 75; Im Tiergarten 7	com	1976/1992	1999	Feb 2014	89,120	6.6	5,892	9.5
Zurich, Hardturmstrasse 3/3a/3b (Mobimo-Hochhaus)	com	1974	2001/2008	Nov 1999	62,290	5.2	3,225	0.0
Zurich, Rautistrasse 12	com	1972	2011	Nov 1999	21,070	6.7	1,414	7.3
Zurich, Stauffacherstrasse 41	com	1990	2011	Jun 2000	49,500	4.8	2,395	0.0
Zurich, Thurgauerstrasse 23; Siewerdtstrasse 25	com	1963/1968/ 1985	1998	Mar 2002	14,360	6.5	932	0.7
Zurich, Treichlerstrasse 10; Dolderstrasse 16	com	1963	2007	May 2014	15,160	5.9	890	3.4
Zurich, Turbinenstrasse 18 (Mobimo Tower Hotel)	com/h	2011		May 2008	122,360	5.7	6,951	0.0
63 Commercial investment properties					**1,373,488**	**5.8**	**79,444**	**5.9**
Lausanne, Avenue d'Ouchy 4 – 6	com	1962		May 2010	60,370	5.4	3,242	19.1
Lausanne, Rue de Genève 19	com	1893	2002	Nov 2009	3,541	10.9	387	43.9
Lausanne, Rue de Genève 21	com	1902		Nov 2009	3,420	10.1	344	54.4
Lausanne, Rue des Côtes-de-Montbenon 14	com	1963		Nov 2009	1,393	2.6	36	0.0
Lausanne, Rue du Port-Franc 20; Rue de Genève 33	com	2007		Nov 2009	38,680	7.0	2,711	27.7
Regensdorf, Althardstrasse 30	com	1976		Dec 2001	13,700	12.4	1,698	83.1
6 Development Properties (Commercial properties)					**121,104**	**7.0**	**8,418**	**37.3**

The acquisition costs related to the commercial investment properties amount to **TCHF 1,199,237**. The acquisition costs related to the development properties (commercial properties) amount to **TCHF 142,746**.

[1] Com: commercial; h: hotel; res: residential.
[2] Target rental income as at reporting date 31.12.2016 as % of market value.
[4] Vacancy rate as % of target rental income.

Total rentable area in m²	Office space in %[6]	Sales space in %[6]	Commercial space in %[6]	Residential space in %[6]	Other in %[6]	Vacant area in %[6]	Ownership[7]	Site area in m²	Register of polluted sites
2,278	73.4	17.3	0.0	0.0	9.3	3.4	so	500	yes (insignificant)
5,452	32.3	64.9	0.0	0.0	2.8	0.0	so	2,614	yes (insignificant)
4,947	54.9	15.5	0.0	15.6	14.0	0.0	so	1,042	yes (insignificant)
1,986	12.6	13.1	0.0	64.6	9.7	0.0	so	569	no
2,806	93.8	0.0	0.0	0.0	6.2	43.4	so	1,596	no
13,531	39.2	28.6	7.5	0.0	24.7	17.4	so	7,714	no
4,341	68.8	0.0	0.0	0.0	31.2	0.0	so	4,503	no
4,460	95.4	0.0	0.0	0.0	4.6	1.7	so	1,316	no
1,092	79.1	12.7	0.0	0.0	8.2	0.0	so	219	no
3,980	80.1	0.0	0.0	9.3	10.6	9.2	con (867/1000)	1,714	no
3,554	72.3	0.0	0.0	0.0	27.7	0.0	so	1,373	no
11,326	64.6	0.8	20.4	0.0	14.2	6.0	so	3,635	yes (to review)
758	63.5	27.8	0.0	0.0	8.7	0.0	so	189	yes
2,572	57.2	0.0	12.1	10.1	20.6	2.1	so	869	no
22,823	75.2	0.0	0.0	0.0	24.8	11.0	so	11,532	no
8,226	94.4	0.0	0.0	0.0	5.6	0.0	so	1,975	yes
6,012	74.3	9.4	6.6	1.3	8.4	6.4	so	1,894	yes (petrol station)
6,755	60.6	1.0	0.0	0.0	38.4	0.0	so	1,405	no
3,901	59.1	6.8	6.9	0.0	27.2	0.0	so	2,657	no
2,682	34.1	0.0	33.3	7.1	25.5	11.4	so	1,139	no
21,255	0.0	0.0	0.0	0.0	100.0	0.0	so	5,808	no
344,304	**40.4**	**13.0**	**14.8**	**4.8**	**27.0**	**6.4**		**210,650**	
19,114	25.5	20.5	41.1	0.0	12.9	16.7	so	0	yes (to review)
3,548	39.4	17.2	0.0	0.0	43.4	30.0	so	2,733	yes (insignificant)
3,575	40.0	16.9	0.0	0.0	43.1	30.4	so	2,524	yes (insignificant)
640	0.0	100.0	0.0	0.0	0.0	0.0	so	647	yes (to review)
9,964	34.1	62.2	0.0	0.0	3.7	35.9	so	2,000	yes (insignificant)
12,537	53.6	0.0	14.7	2.3	29.4	89.2	so	9,355	no
49,378	**36.1**	**24.2**	**19.6**	**0.6**	**19.5**	**40.7**		**17,259**	

[6] Details as at reporting date 31.12.2016 as % of total rentable area.
[7] con: condominium; so: sole ownership.

Residential property details

Location, Address	Property description[1]	Built	Year renovated	Acquired	Fair value in TCHF	Gross yield in %[2]	Target rental revenues in TCHF	Vacancy rate in %[3]
Affoltern am Albis, Alte Obfelderstrasse 31 – 35	res	2013		Aug 2011	30,420	4.0	1,217	3.0
Bergdietikon, Baltenschwilerstrasse 3/5/7/9/11/13/15/17	res	1973/1980	1992/2007	Oct 2007	23,987	4.1	984	4.8
Binz, Zürichstrasse 244/246	res	1966	1997/2001	Nov 2005	12,650	4.0	503	9.5
Carouge, Place d'Armes 8	res	1932	2014	Nov 2015	9,080	5.3	478	3.8
Carouge, Rue de la Fontenette 13	res	1973	2014	Nov 2015	6,940	5.1	356	0.3
Geneva, Boulevard Carl-Vogt 6	res	1948		Nov 2015	8,650	4.6	400	0.0
Geneva, Boulevard de la Cluse 18	res	1951		Nov 2015	6,090	4.7	285	0.0
Geneva, Rue Chandieu 5	res	1976	2005	Nov 2015	12,140	4.5	550	1.8
Geneva, Rue Daubin 35	res	1952	2012	Nov 2015	7,460	4.8	358	0.5
Geneva, Rue de la Cannonière 11	res	1951	2005/2010/ 2011/2013	Nov 2015	8,190	5.0	413	0.0
Geneva, Rue de la Ferme 6	res	1900	2008/2010/ 2012/2014	Nov 2015	6,750	4.8	326	0.0
Geneva, Rue de la Poterie 34	res	1895	2012	Nov 2015	3,530	5.1	181	0.0
Geneva, Rue de l'Ecole-de-Médecine 3	res	1900	2014	Nov 2015	4,110	5.0	204	0.0
Geneva, Rue de Malatrex 30	res	1951	2012	Nov 2015	8,640	5.6	482	3.7
Geneva, Rue de Vermont 9	res	1969	2014	Nov 2015	7,860	5.3	416	2.0
Geneva, Rue des Confessions 9	res	1923	2013	Nov 2015	7,610	3.9	300	0.0
Geneva, Rue des Cordiers 5	res	1965	2008	Nov 2015	18,130	4.6	832	0.0
Geneva, Rue des Peupliers 13	res	1920	2010	Nov 2015	2,940	5.6	166	0.0
Geneva, Rue des Photographes 12	res	1905	2013	Nov 2015	4,350	4.9	214	0.0
Geneva, Rue Dr-Alfred-Vincent 23	res	1950	2010	Nov 2015	4,060	4.7	190	0.0
Geneva, Rue du 31 Décembre 35	res	1956	2014	Nov 2015	7,830	4.7	372	0.0
Geneva, Rue du Village Suisse 4	res	1900	2005	Nov 2015	3,080	5.4	166	0.0
Geneva, Rue Henri-Blanvalet 14	res	1915	2012	Nov 2015	6,060	4.6	280	0.8
Geneva, Rue Schaub 3	res	1960	2010	Nov 2015	9,570	4.6	438	0.0
Geneva, Rue Zurlinden 6	res	1985	2012	Nov 2015	11,260	5.0	561	13.8
Lausanne, Avenue d'Ouchy 70	res/com	1906	2004	Nov 2009	5,578	5.0	281	0.0
Lausanne, Avenue d'Ouchy 72/74	res	1907		Nov 2009	3,119	4.7	146	0.0
Lausanne, Avenue d'Ouchy 76	res/com	1907	2004	Nov 2009	16,330	4.2	686	5.8
Lausanne, Avenue Edouard Dapples 9/13/15/15a	res	1925/1926		Apr 2013	20,470	4.7	965	3.2
Lausanne, Place de la Navigation 2	res/com	1895	2004	Nov 2009	6,813	4.4	297	0.0
Lausanne, Rue Beau-Séjour 8	res	2011		Nov 2009	100,750	4.1	4,152	0.1
Lausanne, Rue des Fontenailles 1	res	1910/1963	1993	Nov 2009/ Apr 2013	4,354	4.4	192	9.6
Lausanne, Rue Voltaire 2 – 12	res	2015		Oct 2012	70,910	4.0	2,854	0.9
Meyrin, Rue de Livron 17 – 19	res	1967	2010	Nov 2015	17,260	5.2	898	1.2
Münchwilen, Buchenacker 22/24/26/28; Unterer Buchenacker 7	res	1994/1995		Jun 2007	15,277	5.0	770	5.5
Onex, Avenue des Grandes-Communes 21 – 23 – 25	res	1964	2012/2014	Nov 2015	38,100	4.8	1,844	1.9
Opfikon-Glattbrugg, Farmanstrasse 47/49	res	2009		Dec 2010	28,200	3.8	1,069	4.3
Regensdorf, Schulstrasse 95/97/99/101/103/105	res	2015		Jun 2007	60,000	3.9	2,360	3.9
Versoix, Chemin de l'Ancien Péage 2 – 4	res	1963	2014	Nov 2015	20,310	5.6	1,145	0.0
Wängi, Brühlwiesenstrasse 11a/11b/15a/15b/19a/19b	res	1984/1988		Jun 2007	13,422	5.4	728	6.4
Zurich, Katzenbachstrasse 239	res	1969		Mar 2008	6,506	4.5	295	3.7
Zurich, Letzigraben 134 – 136	res	2016		Sep 2006	65,290	3.5	2,280	1.1
42 Residential investment properties					**724,076**	**4.4**	**31,633**	**2.2**

The acquisition costs related to the residential investment properties amount to **TCHF 572,878**.

[1] Com: commercial; res: residential.
[2] Target rental income as at reporting date 31.12.2016 as % of market value.
[3] Vacancy rate as at reporting date 31.12.2016 as % of target rental income.

Total rentable area in m²	1–1½-room apartments	2–2½-room apartments	3–3½-room apartments	4–4½-room apartments	5 or more room apartments	Total apartments	Other forms of use in %[4]	Vacant area in %	Ownership[5]	Site area in m²	Register of polluted sites
4,706	0	1	15	26	0	42	0.8%	2.5	so	5,174	no
5,226	0	8	18	28	0	54	6.0%	5.1	so	11,330	no
2,580	0	6	12	12	0	30	4.5%	6.7	so	4,025	no
1,308	0	19	8	0	0	27	8.4%	2.4	so	250	no
1,188	1	6	7	3	6	23	0.0%	0.0	so	230	no
2,080	0	0	6	6	6	18	46.6%	0.0	so	436	no
855	0	14	5	2	0	21	0.0%	0.0	so	228	no
2,010	0	0	12	12	2	26	11.7%	0.0	so	315	no
1,043	1	20	0	7	0	28	0.0%	0.0	so	624	no
1,145	1	14	12	1	0	28	0.0%	0.0	so	248	no
857	21	4	0	0	0	25	3.2%	0.0	so	272	no
701	2	7	4	2	0	15	0.0%	0.0	so	242	no
800	0	0	6	4	0	10	31.3%	0.0	so	492	no
1,289	20	10	0	0	0	30	32.1%	3.1	so	241	no
1,153	9	0	0	5	4	18	28.6%	0.0	so	426	no
1,316	0	3	15	5	0	23	3.0%	0.0	so	351	no
2,786	0	0	2	22	3	27	35.7%	7.1	so	1157	no
513	0	2	3	4	1	10	0.0%	0.0	so	147	no
685	0	3	4	1	1	9	21.1%	0.0	so	188	no
707	0	0	8	6	1	15	0.0%	0.0	so	234	no
1,395	0	18	0	6	0	24	14.3%	0.0	so	290	no
511	0	3	5	2	1	11	0.0%	0.0	so	145	no
841	0	0	6	4	4	14	23.9%	3.1	so	260	no
1,857	0	0	14	12	1	27	11.7%	0.0	so	439	no
1,609	0	3	4	8	0	15	43.6%	12.9	so	437	no
1,122	0	0	5	1	4	10	0.0%	0.0	so	478	yes (insignificant)
995	0	6	3	3	0	12	0.0%	0.0	es	n/a	yes (insignificant)
2,538	0	0	0	1	9	10	16.6%	6.1	so	738	yes (insignificant)
4,959	0	1	2	28	17	48	2.0%	2.2	so	5,246	no
1,313	0	2	0	2	4	8	0.0%	0.0	so	1,911	yes (insignificant)
10,288	0	19	55	16	11	101	3.3%	1.6	so	3,827	yes (insignificant)
1,071	1	0	0	4	4	9	0.0%	9.6	so	853	no
8,663	1	21	41	21	8	92	0.6%	0.0	so	4,743	no
3,972	0	0	12	24	12	48	11.7%	0.0	so	670	no
4,367	0	4	20	20	0	44	4.9%	5.5	so	5,740	no
6,570	0	0	54	53	0	107	1.0%	0.8	so	930	no
3,609	1	13	16	9	0	39	0.4%	3.2	so	3,840	no
8,716	0	16	50	30	0	96	0.0%	2.3	so	16,656	no
4,495	0	20	0	34	16	70	11.7%	0.0	so	722	no
4,439	0	6	21	21	0	48	2.1%	4.1	so	7,413	no
1,589	0	5	8	5	0	18	0.0%	0.0	so	1,987	no
6,977	0	33	34	5	0	72	2.2%	0.3	so	5,003	no
114,844	**58**	**287**	**487**	**455**	**115**	**1,402**	**6.7%**	**2.1**		**88,938**	

4 Details as at reporting date 31.12.2016 as % of total rentable area.
5 ea: easement; so: sole ownership.

Details of investment properties under construction

Location, Address	Description of property[1]	Built	Realisation period	Acquired	Fair value in TCHF
Aarau, site 2 (Torfeld Süd)	res/com	1905/1916/ 1929/1943/ 1954	2016/2018	Oct 2006	47,700
Horgen, Seestrasse 93 (Seehallen)	com	1956	2017/2018	Nov 2005	25,800
Kriens, Am Mattenhof 4	com/res		2016/2019	Mar 2005/ Feb 2013	8,750
Kriens, Am Mattenhof 6	res/com		2016/2019	Mar 2005/ Feb 2013	1,730
Kriens, Am Mattenhof 8	com/res		2016/2019	Mar 2005/ Feb 2013	4,550
Kriens, Am Mattenhof 12/14	com/res		2016/2019	Mar 2005/ Feb 2013	19,300
Kriens, Am Mattenhof 16	com/h		2016/2019	Mar 2005/ Feb 2013	9,050
Kriens, Sternmatt 6 - Block C (multi-storey parking)	cp	1986	2015/2016	Feb 2004	14,400
Lausanne, Rue des Côtes-de-Montbenon 1/3/5	com	1930	2016/2017	Nov 2009	6,000
Rheinfelden, Rütteliweg 8; Spitalhalde 40	res	1972	2017	Sep 2006	17,750
Zürich, Hohlstrasse 485	res/com	1896/1928	2016/2018	Apr 2010	73,100
11 Properties under construction					**228,130**

Owner-occupied property details

Location, Address	Description of property[1]	Built	Year renovated	Acquired	Carrying amount in TCHF
Küsnacht, Seestrasse 59	com	2006		Sep 2002	10,089
Lausanne, Rue de Genève 7	com[2]	1932	1992/2011	Nov 2009	3,350
Lausanne, Rue des Côtes-de-Montbenon 16	com[2]	1912	2007	Nov 2009	543
3 Properties					**13,982**

Details of material co-ownerships

Location, Address	Description of property[1]	Built	Year renovated	Acquired	Fair value in TCHF
Lausanne, Flonplex	multiplex cinema	2003		Nov 2009	9,344
Lausanne, Parking du Centre	cp	2002		Nov 2009	31,350
2 Co-ownership properties					**40,694**

[1] com: commercial; cp: car park; h: hotel; res: residential.
[2] Share own-use.

Total rentable area in m²	Ownership[3]	Site area in m²	Register of polluted sites
19,205	so	18,526	yes (insignificant)
14,485	so	10,542	yes
7,324	so	3,130	no
2,687	so	1,840	no
4,654	so	2,080	no
13,284	so	5,189	no
8,761	so	3,554	no
215	so	5,028	no
2,042	so	1,830	yes (to review)
5,588	so	14,817	no
15,590	so	8,328	no
93,835		**74,863**	

Total rentable area in m²	Ownership[3]	Site area in m²	Register of polluted sites
2,046	so	2,125	no
632	so	3,343	yes (insignificant)
170	so	850	yes (insignificant)
2,848		**6,318**	

Total rentable area in m²	Ownership	Site area in m²	Register of polluted sites
5,256	co-ownership 40%	0	yes (insignificant)
0	co-ownership 50%	0	yes (insignificant)
5,256			

[3] so: sole ownership.

Statutory Auditor's Report

To the General Meeting of Mobimo Holding AG, Lucerne

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mobimo Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2016 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity 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 54 to 115) give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange and with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under these 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, as well as the IESBA Code of Ethics for Professional Accountants, 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.

Key Audit Matters

Valuation of investment properties

Valuation of trading properties

Completeness and accuracy of deferred tax liabilities

Key audit matters are those matters that, in our professional judgment, 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

Key Audit Matter

Investment properties in the amount of TCHF 2‘446‘798 constitute a material component of the balance sheet. As at 31 December 2016, these had the following fair values (in TCHF):

– Commercial properties	1‘373‘488
– Residential properties	724‘076
– Development properties	121‘104
– Investment properties under construction	228‘130

Investment properties are measured at fair value as of reporting date.

The annual valuation of investment properties is carried out by external valuation experts. The fair value estimated using a discounted cash flow model is materially influenced by management assumptions and estimates regarding expected future cash flows and the discount rate applied to each property based on its specific opportunities and risks.

Furthermore, due to the current negative interest rate environment, it can be observed that institutional investors are in some cases buying residential properties at good locations offering very low yields because little else is available. This unforeseeable investor behavior could result in some properties realizing sales prices that deviate from the most recent estimates of fair value

Our response

Our audit included an assessment of the competence and independence of the external valuation experts. We attended the valuation meetings with the external valuation experts to discuss the valuation methodology and selected parameters relevant to the valuation. We used our own real estate valuation specialists to support our procedures.

Based on a sample selected according to qualitative and quantitative factors, our audit procedures included the following:

- Evaluation of the methodological accuracy of the model used to determine fair value;
- Challenging the key value-relevant parameters (in particular discount/capitalization rate, market rents, vacancy levels and management, maintenance, construction and refurbishment costs) based on past figures, benchmarks, publicly available information and our market estimates;
- Critical assessment of the disclosed sensitivities of the fair values of investment properties to a change in the input factors (in particular the discount/capitalization rate).

For further information on the valuation of investment properties, refer to note 5 to the consolidated financial statements on pages 67 to 72 and the reports of the independent valuation experts Wüest Partner AG and Jones Lang Lasalle AG on pages 122 to 124 and pages 127 to 128.

Valuation of trading properties

Key Audit Matter

Trading properties in the amount of TCHF 304‘844 constitute a material component of the balance sheet and as at 31 December 2016 had the following carrying amounts (in TCHF):

– Land/development projects	82‘560
– Properties under construction	97‘480
– Completed real estate and development properties	124‘804

Trading properties include development properties and newly built properties where Mobimo assumes the realization of residential property with subsequent sale. Trading properties are valued at the lower of cost or market value. With regard to loss-making properties, provisions are created immediately for the final loss.

Trading properties also include projects that Mobimo has acquired for the business area Development for Third Parties and that it intends or has agreed to sell to third-party investors in the future or other properties held for resale.

The valuation of trading properties is influenced by assumptions and estimates regarding construction costs to be incurred, and future market developments

Our response

Based on a sample selected according to qualitative and quantitative factors, our audit procedures included the following:

- Evaluation of recognized costs for selected projects in terms of eligibility for capitalization and allocation on the basis of the respective financial forecast;
- Identification of deviations between financial forecasts and the respective project accounts together with a critical assessment of these deviations through discussions with project managers, and reconciliation of actual costs with construction cost statements;
- Analysis of realizable values by inspecting the most recent sales contracts and comparing expected future costs, costs already capitalized and expected sales proceeds from remaining properties.

For further information on the valuation of trading properties, refer to note 8 to the consolidated financial statements on page 75.

KPMG

Completeness and accuracy of deferred tax liabilities

Key Audit Matter

As at 31 December 2016, deferred tax liabilities amounted to TCHF 158‘440.

Deferred taxes are recognized for temporary differences between the respective tax bases and the carrying amounts in the consolidated balance sheet. The measurement of deferred taxes takes account of the point in time when, and the manner in which, the asset or liability is expected to be realized or settled. The tax rates used are those that are enacted or substantially enacted at the reporting date. Deferred taxes result primarily from measurement differences between the fair values of investment properties and their values for tax purposes.

When calculating deferred tax liabilities, assumptions and estimates must be made regarding the investment costs relevant for tax purposes and the fair values of the properties, and the tax rates applicable at the time the difference is realized. If properties are held for long periods, the investment costs relevant for tax purposes may be determined using an alternative measure instead of the actual investment costs, depending on the respective cantonal rules (e.g. fair value 20 years ago for Zurich properties). Moreover, in cantons with a separate property gains tax, the residual holding period of the properties has to be estimated based on Mobimo’s strategy.

Our response

In the course of our audit, we critically assessed the calculation of deferred taxes on investment properties with the support of our tax specialists.

Based on the overall portfolio, our audit procedures included the following:

- Evaluation of the methodology for calculating deferred tax liabilities;
- Critical assessment of the tax rates used in the calculation and estimated to be applicable in each canton at the time the temporary tax difference will be realized.

Based on a sample selected according to qualitative and quantitative factors, our procedures also included the following:

- Reconciliation of fair values with the valuation documentation and reconciliation of investment costs relevant for tax purposes with the fixed assets register or management’s detailed records;
- Testing the mathematical accuracy of the deferred tax calculation;
- Critical assessment of the residual holding periods estimated for individual properties with regard to their conforming to the strategy by reading the minutes of the Real Estate Committee.

For further information on deferred tax liabilities, refer to note 20 to the consolidated financial statements on pages 91 to 93.

KPMG

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility 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 IFRS, Article 17 of the Directive on Financial Reporting (Directive 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, ISAs 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.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 para. 1 item 3 CO and the 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.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 7 February 2017

KPMG AG, Pilatusstrasse 41, PO Box, CH-6003 Lucerne

REPORT OF THE INDEPENDENT VALUATION EXPERTS WÜEST PARTNER AG

Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Executive Board of Mobimo Holding AG (Mobimo) to perform a valuation, for accounting purposes, of the properties and property units held by Mobimo as at 31 December 2016 (reporting date). The valuation encompasses all investment properties (including development properties and investment properties under construction) except the properties held by CC Management SA and the trading properties (development and sale of condominium ownership).

Valuation standards

Wüest Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines in particular with the International Valuation Standards (IVS and RICS/Red Book) and the Swiss Valuation Standards (SVS) and as well as in accordance with the requirements of the SIX Swiss Exchange.

Accounting standards

The market values determined for the investment properties conform to the concept of the fair value as defined in the International Financial Reporting Stand-ards (IFRS) on the basis of revised IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Definition of fair value

Fair value is the price that independent market operators would receive as at the date of valuation if an asset were sold under normal market conditions or the price that such operators would pay if a liability (debt) were transferred under normal market conditions (exit price).

An exit price is the selling price postulated in the purchase contract upon which the parties have jointly agreed. Transaction costs, which normally consist of estate agents' commission, transaction taxes and land registry and notary fees, are not taken into account when determining fair value. This means that in line with paragraph 25 IFRS 13, fair value is not adjusted by the amount of the transaction costs incurred by the purchaser in the event of a sale (gross fair value). This is in line with Swiss valuation practice.

Valuation at fair value assumes that the hypothetical transaction involving the asset to be valued takes place on the market with the largest volume and the most business activity (main market) and that the frequency and volume of transactions are adequate for there to be sufficient price information available for the market (active market). If no such market can be identified, it will be assumed that the asset is being sold on the main market, which would maximise the assets selling price on disposal.

Implementation of fair value

Fair value is calculated on the basis of the best possible use of a property (highest and best use). The best possible use of a property is that which maximises its value. This assumption presupposes a use, which is technically and physically possible, legally permitted and financially realisable. As fair value is calculated on the basis of maximisation of use, the best possible use may differ from the actual or planned use. In the assessment of fair value, future investment spending for the purpose of improving a property or increasing its value will be taken into account accordingly.

The use of the highest and best use approach is based on the principle of the materiality of the possible difference in value in terms of the ratio of the value of the specific property to the total real estate assets and in terms of the possible absolute difference in value. A property's potential added value within the usual estimating tolerance of a specific valuation is regarded as immaterial in this context and is therefore disregarded.

Fair value is determined according to the quality and reliability of the valuation parameters, in order of diminishing quality/reliability: Level 1 market price, Level 2 modified market price and Level 3 model-based valuation. At the same time, when a property is valued on the basis of fair value, different parameters may be applied to different hierarchies. In this context, the total valuation is classed according to the lowest level of the fair value hierarchy in which the material valuation parameters are found.

The value of the properties of Mobimo is determined using a model-based valuation according to Level 3 on the basis of input parameters, which cannot be directly observed on the market. Here too, adjusted Level 2 input parameters are used (e.g. market rents, operating/maintenance costs, discounting/capitalisation rates, proceeds of sales of residential property). Non-observable input factors are only used where relevant observable input factors are not available.

The valuation approaches used are those that are appropriate under the given circumstances and for which sufficient data are available to determine fair value. At the same time, the use of relevant observable input factors is maximised, while the use of non-observable input factors is minimised. In the case of the present valuation procedure, an income-based approach is applied, using discounted cash flow valuations, which are widespread in Switzerland.

Market rents, vacancy levels and discount rates are defined as significant input factors. For properties that are valued based on sales in condominium ownership (according to the highest and best use approach), sales prices are defined as a significant input factor.
The above mentioned factors are influenced to a varying degree by market developments. If the input factors change, the property's fair value also changes. For each input factor, these changes are simulated on the basis of static sensitivity analyses. Owing to interdependence between the input factors, their effects on fair value may either offset or potentiate each other. For example, the effect of reduced market rents combined with higher vacancies and higher discount rates will have a cumulative negative impact on fair value. However, as the portfolio is diversified geographically and by properties, changes to input factors seldom exert a cumulative effect in the short term.

The economic environment may be regarded as the most relevant factor influencing the input factors. When negative economic sentiment exerts downward pressure on market rents, real estate vacancies usually increase. But at the same time, such market situations are usually associated with favourable (i.e. low) interest rates, which have a positive effect on discount rates. To an extent, therefore, changes to input factors offset each other. Ongoing measures to optimise the Mobimo portfolio (e.g. the conclusion or renewal of long-term rental contracts, investments in the fit-out of rental areas etc.) counter such short-term market shocks, which primarily impact on market rents and vacancy levels. As already mentioned, the individual, risk-adjusted discount rate for a property reflects the yield expectations of the respective investors/market actors; the property owner can exert only a limited influence.

Valuation method

In valuing Mobimo's real estate holdings, 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 (100 years) net earnings discounted to the date of valuation. 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.

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 lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with allowance made for a reasonable marketing period.
Wüest Partner inspects the properties at least once every three years as well as following purchase and upon completion of larger refurbishment and investment projects.
Within the review period from 1 January 2016 to 31 December 2016, Wüest Partner visited 34 properties belonging to Mobimo.

Results

A total of 95 investment properties (including development properties and investment properties under construction) were valued as at 31 December 2016 by Wüest Partner. The fair value of all 95 investment properties is estimated as at 31 December 2016 at CHF 2,194.6 million.

Changes during reporting period

Within the review period from 1 January 2016 to 31 December 2016, the properties "Manessestrasse 190/192; Staffelstrasse 1/3/5, Zürich", "Katzenbachstrasse 221 – 231, Zürich" and "Teufenerstrasse 15, St. Gallen" were sold.

In the same period, the property "Letzigraben 134 – 136, Zürich" was reclassified from the investment properties under construction to the residential investment properties.
In addition, house number 10 was hived off the property "Hohlstrasse 485, Zürich" and reclassified from the investment properties under construction to the trading properties.
The properties "Rue des Côtes-de-Montbenon 1/3/5, Lausanne" and "Am Mattenhof 4, 6, 8, 12/14, 16, Kriens" (former "Mattenhof I, Kriens") were reclassified from the development properties to the investment properties under construction. Additionally, the residential investment property "Rütteliweg 8; Spitalhalde 40, Rheinfelden" was transferred to the investment properties under construction.

Independence and confidentiality

Wüest Partner performed the valuation of Mobimo's real estate holdings 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.

Valuation fee

The fee of the valuer's services is independent of the valuation results. The rate is based upon the numbers of the valuations performed and the lettable area of the property.

Wüest Partner AG
Zurich, 1 February 2017

Patrik Schmid MRICS	Fabio Guerra MRICS
Partner	Director

Annex: valuation assumptions

With regard to the significant input factors, the following ranges for the discount rates, achievable long-term market rents and structural vacancy rates were applied to the property valuations:

Asset class/Valuation method	Fair value	Input factors	Unit	Minimum	Weighted average	Maximum
Commercial investment properties						
Level 3	1,361,338,000	Discount rates (real)	%	2.80	3.96	4.90
DCF		Achievable long-term market rents	CHF/m² p.a.	87	235	1,112
		Structural vacancy rates	%	2.6	5.0	11.0
Development properties						
Level 3	121,104,000	Discount rates (real)	%	4.10	4.58	5.60
DCF		Achievable long-term market rents	CHF/m² p.a.	138	222	268
		Structural vacancy rates	%	3.3	5.7	12.3
Residential investment properties						
Level 3	484,076,000	Discount rates (real)	%	2.60	3.10	3.80
DCF		Achievable long-term market rents	CHF/m² p.a.	160	296	404
		Structural vacancy rates	%	0.6	2.1	8.0
Investment properties under construction						
Level 3	228,130,000	Discount rates (real)	%	3.20	3.71	4.40
DCF		Achievable long-term market rents	CHF/m² p.a.	193	265	322
		Structural vacancy rates	%	2.2	3.8	10.0

For the two properties that are valued based on sales in condominium ownership (according to the highest and best use approach), sales prices ranging between CHF 6,600 and CHF 7,810 per square meter were applied.

The valuations were based on the following general assumptions:

- The rent rolls from Mobimo used in the valuation are dated 31 December 2016.
- A one-phase DCF model was adopted. The valuation period extends for 100 years from the valuation date, with an implicit residual value in the 11th period.
- 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 + property risk (immobility of capital) + 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 2.60% and 5.60% depending on the property, use and location (please see table above).
- Unless otherwise stated, the valuations assume 0.5% annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexation of existing rental agreements is accounted for on an individual basis. After expiry of the contracts, an indexation factor of 80% (Swiss average) and an average contract term of 5 years are assumed.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease. Following lease expiry, cash flows for commercial premises are taken to be quarterly in advance, for housing monthly in advance.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- 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 annuity. The calculated values are checked for feasibility using cost benchmarks derived from Wüest Partner surveys.

The following additional assumptions were applied to the valuations of the development properties and the investment properties under construction:

- The background data provided by Mobimo has been verified and, where appropriate, adjusted (e.g. plot ratio, lettable areas, deadlines/development process, letting/absorption).
- The valuations undergo independent earnings and cost assessment and yield analysis.
- It is assumed that construction cost certainty has been achieved through the agreement of general contracts and design-and-build contracts.
- Allowance is made in the construction costs for enabling works where these are known (e.g. remediation of contaminated sites, demolitions, infrastructure).
- The construction costs include the usual incidental costs, excl. construction financing. This is implied in the DCF model.
- Allowance is made for value-relevant services previously provided by third parties or Mobimo, insofar as these are known.
- The posted construction costs of development properties and investment properties under construction are generally calculated inclusive of value-added tax (mainly residential use).
- The Mobimo strategy regarding project development/promotion (e.g. sale vs. renting), where deemed plausible by Wüest Partner, is adopted in the valuation.
- The valuations do not contain latent taxes.

REPORT OF THE INDEPENDENT VALUATION EXPERTS JONES LANG LASALLE AG

Mandate

The investment properties of CC Management SA have been valued on behalf of the owner for the purpose of its financial statement by Jones Lang LaSalle AG as at the market value on 31 December 2016. This concerns a total of 27 investment properties.

Valuation standard

Jones Lang LaSalle AG confirms that the valuations were carried out within the framework of common national and international standards and guidelines, in particular in accordance with the International Valuation Standards (IVS, RICS / Red Book), and the Swiss Valuation Standards (SVS).

Accounting standard

The market values determined for the investment properties represent the "Fair Value" as defined in the "International Financial Reporting Standards" (IFRS) on the basis of revised IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Definition of "Fair Value"

The "Fair Value" is the price that would be received to sell an asset or paid to transfer a liability (debt) in an orderly transaction between market participants at the measurement date.

An exit price is the selling price as stated in the purchase contract on which the parties have agreed.

Transaction costs, typically consisting of brokerage commissions, transaction taxes and land registration and notary fees, are not taken into account in the Fair Value. The Fair Value is therefore in accordance with clause 25 IFRS 13 not corrected by the purchaser transaction costs incurred in a sale (Gross Fair Value). This corresponds to the Swiss valuation practice.

The Fair Value valuation assumes that the hypothetical transaction for the asset being valued takes place on the market with the greatest volume and the largest business activity (principal market), as well as that transactions of sufficient frequency and volume occur so that sufficient pricing information is available for the market (active market). If such a market cannot be identified, a market for the asset is assumed to maximise the selling price.

Realisation of "Fair Value"

The Fair Value is determined on the basis of the best possible use of a property (highest and best use). The best use is the use that maximises the property's value. This assumption of use must be technically/physically possible, legally permissible and financially feasible. As a maximisation of utility is assumed in the determination of Fair Value, the best use may differ from the actual or planned use. Future capital expenditures that will improve or increase the value of a property are taken into account appropriately in the Fair Value Measurement.

The application of the highest and best use approach is based on the principle of materiality of the potential difference in value in relation to the value of the individual property and of the total real estate assets, as well as in relation to the possible absolute value difference. Potential increased real estate values that lie within the usual valuation tolerance of a single valuation are considered to be insignificant and neglected as a result.

The determination of Fair Value is dependent on the quality and reliability of measurement parameters, with decreasing quality and reliability: Level 1 market price, level 2 modified market price and level 3 model-based valuation. For a Fair Value appraisal of a property, different levels for different application parameters can be applied simultaneously. The entire valuation is classified according to the lowest level of the Fair Value hierarchy, which contains the main valuation parameters.

The investment properties of the CC Management SA are valued with a model-based valuation in accordance with level 3, on the basis of input parameters not directly observable on the market. Based on this level, adapted level 2 input parameters are used (e.g. market rents, operational and maintenance costs, discount/capitalisation rates). Non-observable inputs are only used when relevant observable inputs are not available.

The methodologies applied are appropriate in every circumstance and chosen in function of data availability, whereby the use of relevant observable inputs is maximised and the use of the unobservable inputs is minimised. In the present valuations, an income-based approach with the Discounted Cash Flow method that is common in Switzerland is applied.

Valuation method

Jones Lang LaSalle AG valued the investment properties of CC Management SA with the Discounted Cash Flow method (DCF method). It determines the yield potential of a property on the basis of future revenues and expenditures. The resulting cash flows correspond to the current as well as the projected net cash flows after deduction of all costs not recoverable from the tenant (before taxes and borrowing costs). The annual cash flows are discounted to the valuation date. The discount rate used is based on the interest rate on long-term, risk-free investments, such as a 10-year federal bond and a specific risk premium. This takes into account market risks and the associated higher illiquidity of a property compared to a federal bond. The discount rates vary according to the macro and micro situation and property segment.
The market value determination of properties that are completely or partially vacant takes place on the assumption that their reletting will take a certain amount of time. Rent losses, rent-free periods and other incentives for new tenants, which correspond to market standards at the date of valuation, are taken into account in the assessment.

Basis of the valuations

All properties are known to Jones Lang LaSalle AG due to the inspections carried out and the documents provided. Jones Lang LaSalle AG conducted an analysis in terms of quality and risks (attractiveness and lettability of the rented premises, construction and condition, micro and macro location).

All properties were visited by Jones Lang LaSalle AG in January 2015.

Valuation result

Taking into account the above statements, as at 31 December 2016 Jones Lang LaSalle AG assessed the market value of the 27 appraised investment properties, which are owned by CC Management SA, as follows:

Total investment properties	**CHF 252,150,000**

The valuation result in words:
Two hundred fifty-two million hundred fifty thousand Swiss francs.

Independence and purpose

In accordance with the business policy of Jones Lang LaSalle AG, the valuation of the properties of CC Management SA was conducted independently and neutrally. It serves only the purpose previously mentioned. Jones Lang LaSalle AG assumes no liability to third parties.

The remuneration for the valuation services is independent of the valuation result and is based on consistent fee rates per property.

Jones Lang LaSalle AG
Zurich, 1 February 2017

Jan P. Eckert	Brigitte Luginbühl
CEO Switzerland	Senior Associate
dipl. Auditor	M.A. UZH,
Property economist (ebs)	Business Administration &
MRICS	Economics

Appendix: Valuation model and assumptions

Valuation model

Jones Lang LaSalle AG's DCF model is two-phased model and determines the market value of the properties based on future cash flows. Based on a forecast of future revenue and expenditure over a detailed analysis period of ten years, the potential annual target rental income is identified and reduced by costs not communicable to the tenant. The resulting cash flows thus correspond to the projected net cash flows after deduction of all costs not recoverable from the tenants, however before financing and taxes. At the end of the detailed analysis period, a residual value (exit value) is determined on the basis of a perpetual annuity from the exit cash flow, as well as taking into account the future repair works incumbent on the owner. The market value is the sum of the net cash flows discounted at the valuation date over the detailed analysis period and the discounted residual value.

Discount and capitalisation rates

The discount rate used for the valuation is based on the interest rate on long-term, risk-free investments, such as of a 10-year federal bond increased by a specific risk premium, which takes into consideration the current situation in the transaction market in addition to usage, location and size of the property. This risk premium thus takes into account market risks and the associated higher illiquidity of a property compared to a federal bond. The yield difference (spread) between a federal bond and a property investment is regularly verified by Jones Lang LaSalle AG on the basis of property transactions.

The nominal discount and real capitalisation rates are differentiated according to property with regard to macro and micro situation as well as property segments. The average capital weighted nominal discount rate as at 31 December 2016 for the residential properties is 4.05%, for the commercial properties 4.30% and for all properties 4.06%. The average capital weighted real capitalisation rate as at 31 December 2016 is for the residential properties 3.55%, for the commercial properties 3.80% and for all properties 3.56%.

Rental income

The valuations are based on the rental income at the valuation date of 31 December 2016. Starting from the current contractual rent, the annual target rental income as well as the time for its realisation is estimated. This assumption takes into consideration possible temporary rental controls due to the "LTDR" as well as the risk of contestation of higher rental levels by new tenants, without specifically modelling these. In the case of expiring commercial leases, sustainable market rents as assessed from today's point of view are applied. The market rents are based on the rental price databases and the property research of Jones Lang LaSalle AG. Usually the lower of market rent and contract rent is used for tenant-side lease renewal options.

Indexing

Rents for office and commercial spaces are normally linked to the national consumer price index (CPI), while leases for apartments are linked to the change in the reference interest rate calculated quarterly by the National Bank, which still includes an inflation factor. Based on the forecasts of the relevant economic research agencies (KOF, BAK, SECO) for the development of the CPI and mortgage interest rates, estimates are regularly made by Jones Lang LaSalle AG for the future indexing of the contractual rent, whereby for all valuations that are made on the same valuation date, the same assumptions are used respectively.

For the valuations on the valuation date, Jones Lang LaSalle AG assumed an annual increase of 0.50% in the first 10 years both in the business as well as the apartment rents. The contractually agreed percentage rates are taken into account in the valuations for each rental unit. The future rental income is linked 100% to the estimated inflation rate in cases of lack of information. The same growth rates are generally used for the future development of the market rents assessed from today's point of view as sustainable.

Vacancy

For expiring leases of retail and office spaces, a property and segment specific vacancy is applied. This absorption time (vacancy in months after contract end) is specifically determined for each property and usually lies between three and nine months. In special cases also longer or shorter re-letting scenarios are applied. The general vacancy risk is taken into consideration with a structural vacancy rate, which is likewise applied specifically to the property.
In the case of residential properties, no specific vacancies are usually applied, since the leases are usually open-ended. The normal tenant fluctuation is taken into account with the help of structural vacancies, which are applied specifically to the property.

Operating costs

The property operating costs are based in principle on the respective property accounts. The non-recoverable costs concern operating and maintenance costs, which cannot be passed on to the tenant due to the contractual conditions or running costs, which are to be borne by the owner due to vacancy. All the future running costs are modelled on the basis of the analysis of the historical figures and benchmarks by Jones Lang LaSalle.

Repair costs

In addition to the rental income, the future repair costs are assessed. The investments considered during the DCF analysis period of 10 years are based in part on the projections of the landlord or the property management.
The capital expenditures necessary on a long-term basis for the determination of the exit value are calculated specifically to the property on the assumption that, depending upon building method and use of the property, various parts of the building exhibit limited life spans and therefore must be renewed cyclically. In the exit year, the amount converted into a capital expenditure fund considers the costs for the ongoing renovations of the property, which secure on a long-term basis the contractual and market rents on which the valuation is based.

BALANCE SHEET

TCHF	Note	2016	2015
Assets			
Current assets			
Cash		41,781	51,005
Other current receivables – third parties		13	25
Other current receivables – participations		9,082	16,043
Accrued income and prepaid expenses – third parties		70	62
Total current assets		**50,946**	**67,135**
Non-current assets			
Financial assets			
• Loan – participations		801,044	798,280
Participations	2	357,469	339,757
Total non-current assets		**1,158,513**	**1,138,037**
Total assets		**1,209,459**	**1,205,171**

TCHF	Note	2016	2015
Equity and liabilities			
Liabilities			
Current liabilities			
Trade payables – third parties		205	60
Other current liabilities – third parties		1,182	1,465
Other current liabilities – participations		55	105
Accrued expenses and deferred income – third parties		9,556	4,838
Accrued expenses and deferred income – governing bodies		68	83
Total current liabilities		**11,066**	**6,550**
Non-current liabilities			
Bonds	3	515,000	515,000
Total non-current liabilities		**515,000**	**515,000**
Total liabilities		**526,066**	**521,550**
Equity	4		
Share capital		180,327	180,327
Statutory capital reserves			
• Capital contribution reserve		89,690	151,843
Statutory retained earnings			
• General legal reserves		45,795	45,795
Voluntary retained earnings			
Retained earnings			
• Profit carried forward		305,919	264,830
• Profit for the year		62,109	41,089
Treasury shares		–446	–262
Total equity		**683,393**	**683,622**
Total equity and liabilities		**1,209,459**	**1,205,171**

INCOME STATEMENT

TCHF	Note	2016	2015
Income from participations		58,000	31,513
Income from cost charges – participations		2,157	1,934
Financial income – participations		14,296	20,348
Financial income – third parties		53	37
Total income		**74,506**	**53,832**
Personnel expenses	5	–1,302	–1,305
Administrative expenses – third parties		–2,058	–1,691
Interest expense for bonds		–8,573	–8,573
Other financial expense – third parties		–34	–25
Direct taxes		–431	–1,150
Total expenses		**–12,397**	**–12,743**
Profit for the year		**62,109**	**41,089**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. General information

The annual financial statements of Mobimo Holding AG, with its registered office in Lucerne, were prepared in accordance with the provisions of Swiss accounting and financial reporting law (title 32 of the Swiss Code of Obligations). The main valuation principles used that are not prescribed by law are listed at the beginning of the relevant note.

The consolidated annual financial statements of Mobimo Holding AG are prepared in accordance with International Financial Reporting Standards (IFRS). These annual financial statements therefore do not contain any additional disclosures, a cash flow statement or management commentary.

All amounts are shown in thousands of Swiss francs (TCHF), unless stated otherwise. The sums and totals of the individual positions may be larger or smaller than 100% due to rounding.

2. Equity investments

Name	Registered office	Share capital 2016 in TCHF	Equity interest in %	Share capital 2015 in TCHF	Equity interest in %
Directly held participations					
Mobimo AG	Küsnacht	72,000	100.0	72,000	100.0
Mobimo Management AG	Küsnacht	100	100.0	100	100.0
FM Service & Dienstleistungs AG[1]	Küsnacht	100	100.0	100	50.0
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.0	12,000	100.0
Immobilien Invest Holding AG	Glarus	150	75.3	150	75.3
BSS&M Real Estate AG[2]	Küsnacht	500	66.0	n/a	n/a
Indirectly held participations					
LO Immeubles SA	Lausanne	2,000	100.0	2,000	100.0
ProviHold SA[3]	Lausanne	n/a	n/a	100	100.0
Promisa SA	Lausanne	100	100.0	100	100.0
Dual Real Estate Investment SA[4]	Fribourg	n/a	n/a	36,660	99.5
CC Management SA[4]	Geneva	4,700	100.0	4,700	99.5
O4Real SA	Lausanne	1,000	100.0	1,000	100.0
Petit Mont-Riond SA	Lausanne	50	75.3	50	75.3
Parking du Centre SA	Lausanne	6,000	50.0	6,000	50.0
Flonplex SA	Lausanne	2,000	40.0	2,000	40.0
Zentrum Oberhof AG[2]	Inwil	100	26.4	n/a	n/a
Parking Saint-François SA[5]	Lausanne	1,150	26.5	1,150	26.5

1 In the year under review, the remaining 50% shares in FM Service & Dienstleistungs AG, Küsnacht were acquired.
2 In the year under review, 66% of the shares in BSS&M Real Estate AG, Küsnacht were acquired. BSS&M Real Estate AG, Küsnacht holds 40% of Zentrum Oberhof AG, Inwil. The indirect investment in Zentrum Oberhof AG, Inwil thus totals 26.4%, and the share of voting rights 40%.
3 As part of restructuring of the companies covered under the scope of consolidation, the company ProviHold SA, Lausanne was merged into LO Immeubles SA, Lausanne in the year under review.
4 Additional investments were acquired in Dual Real Estate Investment SA, Fribourg by LO Holding Lausanne-Ouchy SA, Lausanne in the year under review. As a consequence, as part of restructuring of the companies covered under the scope of consolidation, the company Dual Real Estate Investment SA, Fribourg was merged via a squeeze-out into LO Holding Lausanne-Ouchy SA, Lausanne. The remaining outstanding shares were also acquired in the process, with the indirect investment in CC Management SA, Geneva a wholly owned subsidiary of Dual Real Estate Investment SA, Fribourg also being increased to 100%.
5 The share of voting rights is 5%.

Further information on the Group companies can be found in Note 34 to the consolidated annual statements.

3. Bonds

Accounting principles
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.

A CHF 165 million bond maturing on 29 October 2018 was issued on 29 October 2013. The coupon is 1.5%.
A CHF 200 million bond maturing on 19 May 2021 was issued on 19 May 2014. The coupon is 1.625%.
A CHF 150 million bond maturing on 16 September 2024 was issued on 16 September 2014. The coupon is 1.875%.

4. Equity

Accounting principles
Treasury shares
Treasury shares are recognised in the balance sheet at the date of acquisition and at cost as a minus item in equity. The FIFO (first-in, first-out) principle is applied for determining the carrying amount in the event of a later resale.

Share capital
As at 31 December 2016, share capital amounted to CHF 180.3 million and was composed of 6,218,170 registered shares with a nominal value of CHF 29.00 each. All outstanding shares are entitled to dividends and confer the right to one vote per share at the company's general meetings.
There was no change in share capital in the year under review. In the prior year, share capital increased by CHF 0.05 million and the general reserves by CHF 0.3 million due to the exercise of options.

Treasury shares
As at 31 December 2016, the company held 2,044 treasury shares. Over the course of the financial year, the initial holding as at 1 January of 1,247 shares was increased through the purchase of a total of 7,000 shares at an average price of CHF 215.90. 6,203 shares were granted to the Board of Directors and management as part of their remuneration arrangements.

Capital contribution reserves
The Annual General Meeting of 29 March 2016 approved a distribution from the capital contribution reserves of CHF 10.00 per share for the 2015 financial year, which was paid on 5 April 2016.

5. Compensation for the Board of Directors in shares

Accounting principles

Compensation for the Board of Directors may be partly drawn in the form of shares. The number of shares to which a Board member is entitled is calculated based on the share price applicable on the date of allocation. The value of the allocated shares is charged as a personnel expense to the income statement, while the difference between the share price and the carrying amount is reported in the financial result in accordance with the FIFO principle.

In the year under review, 1,239 shares with a value of TCHF 291 were allocated to the Board of Directors as compensation

6. Shareholdings of members of the Board of Directors and Executive Board or related parties

As at 31 December 2016, the shareholdings of the members of the Board of Directors and the Executive Board or related parties were as set out below:

Name, function	No. of shares issued	No. of shares approved	Total 2016	Total 2015
BoD	**22,882**	**0**	**22,882**	**23,302**
Georges Theiler, BoD Chairman	5,845	0	5,845	5,845
Brian Fischer, BoD	3,245	0	3,245	3,705
Wilhelm Hansen, BoD	5,123	0	5,123	5,293
Peter Schaub, BoD	120	0	120	120
Daniel Crausaz, BoD	2,487	0	2,487	2,487
Bernard Guillelmon, BoD	5,711	0	5,711	5,711
Peter Barandun, BoD	351	0	351	141
Executive Board	**25,673**	**4,291**	**29,964**	**28,488**
Christoph Caviezel, CEO	12,873	1,374	14,247	13,781
Manuel Itten, CFO	6,512	815	7,327	7,489
Andreas Hämmerli, Head of Development	3,400	737	4,137	4,210
Thomas Stauber, Head of Real Estate	2,404	815	3,219	2,380
Marc Pointet, Head of Mobimo Suisse romande	484	550	1,034	628

The approved number of shares from the profit-sharing entitlement of the Executive Board was based on the assumption that a ratio of 50% as stipulated in the compensation regulations applies.

7. Significant shareholders

As at the reporting date, the following shareholders held 3% or more of the shares and options in Mobimo Holding AG:

%	31.12.2016	31.12.2015
BlackRock, Inc.	4,97	5,02
Pensionskasse des Kantons Zug	3,38	3,38

8. Headcount

As a holding company, Mobimo Holding AG has no employees.

9. Contingent liabilities

Mobimo Holding AG forms a group for value added tax purposes (VAT group) together with CC Management SA, FM Service & Dienstleistungs AG, Immobilien Invest Holding AG, LO Holding Lausanne-Ouchy SA, LO Immeubles SA, Mobimo AG, Mobimo Management AG, O4Real AG, Petit Mont-Riond SA and Promisa SA. CC Management SA was added to the VAT group on 1 January 2016 and FM Service & Dienstleistungs AG on 1 May 2016. Mobimo is jointly and severally liable for the liabilities arising from the VAT group.
As part of an external financing arrangement with a bank, Mobimo Holding AG provided a joint and several guarantee of CHF 20 million for a Group company. As part of another external financing arrangement, Mobimo Holding AG gave an undertaking in a letter of comfort to ensure that Mobimo AG maintains equity of at least CHF 100 million.

10. Events after the reporting date

No significant events took place after the reporting date that would require adjustments to the carrying amounts of assets and liabilities or would require disclosure in this section.

PROPOSED APPROPRIATION OF PROFIT

TCHF	2016	2015
Balance brought forward	305,919	264,830
Profit for the year	62,109	41,089
Reversal of capital contribution reserves	62,182	62,153
Retained earnings	**430,209**	**368,072**
Treasury shares	–446	–262
Total available to the General Meeting	**429,763**	**367,810**
The Board of Directors proposes the following appropriation of profit to the General Meeting:		
Payment of a dividend in the form of a distribution of paid-in capital of	62,182	62,153
Carried forward to new account	368,028	305,919
Total appropriation of profit proposed	**430,209**	**368,072**
Treasury shares	–446	–262
Appropriation of profit proposed less treasury shares	**429,763**	**367,810**
Total distribution	62,182	62,153
Less share from capital contribution reserves	–62,182	–62,153

The Board of Directors will propose to the General Meeting the payment of a dividend of CHF 10.00 per share from the capital contribution reserves.

Shares that were held as treasury shares at the time of the dividend resolution by the General Meeting are not eligible for the dividend payment.

The final figure for the reversal/distribution of capital contribution reserves depends on the number of treasury shares and the consequent number of shares with dividend entitlement issued by the date of the dividend distribution. If Mobimo Holding AG holds treasury shares on the date of the dividend distribution, the reversal or distribution from the capital contribution reserves will be correspondingly lower.

Statutory Auditor's Report

To the General Meeting of Mobimo Holding AG, Lucerne

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mobimo Holding AG, which comprise the balance sheet as at 31 December 2016, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 132 to 138) for the year ended 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.

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.

Responsibility 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 skepticism 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 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 para. 1 item 3 CO and the 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.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 7 February 2017

KPMG AG, Pilatusstrasse 41, PO Box, CH-6003 Lucerne

EPRA KEY PERFORMANCE MEASURES

The Mobimo Group reports its key performance and cost ratio measures in accordance with the Best Practices Recommendations of the EPRA Reporting and Accounting Committee. The European Public Real Estate Association is an association of leading European property companies and is a partner of the FTSE EPRA/NAREIT index family, which added the Mobimo Holding AG share as one of its components on 20 June 2011. The figures published elsewhere by Mobimo on NAV, net initial yield and vacancy rates may deviate from the EPRA measures set out below, as Mobimo does not, for example, include the market value of trading properties, which are recognised at cost, and bases its calculations on effective rents. However, when calculating earnings per share Mobimo does take account of gains on the sale of trading and investment properties.

A EPRA Earnings and EPRA Earnings Per Share		Unit	2016	2015
Earnings as per IFRS income statement		**TCHF**	**158,656**	**103,937**
(i)	Changes in value of investment properties, development properties held for investment and other interests	TCHF	–80,704	–34,742
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	TCHF	–34,945	–63,752
(iii)	Profit on sale of trading properties and development services adjusted	TCHF	2,257	11,340
(iv)	Tax on profits or losses on disposals	TCHF	9,638	23,238
(v)	Negative goodwill/goodwill impairment	TCHF	n/a	n/a
(vi)	Changes in fair value of financial instruments and asscociated close-out costs	TCHF	–3,387	3,043
(vii)	Acquisition costs on share deals and non-controlling joint venture interests	TCHF	n/a	n/a
(viii)	Deferred tax in respect of EPRA adjustments	TCHF	–1,474	6,974
(ix)	Adjustments to positions (i) to (viii) in respect of joint ventures	TCHF	0	0
(x)	Non-controlling interests in respect of the above	TCHF	1,338	774
EPRA Earnings		**TCHF**	**51,378**	**50,811**
Average number of shares outstanding			6,215,739	6,216,279
EPRA Earnings Per Share		**CHF**	**8.27**	**8.17**

The definitions of the above key performance measures can be found at www.epra.com.

B EPRA Net Asset Value		Unit	31.12.2016	31.12.2015
NAV as per consolidated financial statements		**TCHF**	**1,350,936**	**1,258,617**
Effect of exercise of options, convertibles and other equity instruments		TCHF	0	0
Diluted NAV after the exercise of options, convertibles and other equity instruments		**TCHF**	**1,350,936**	**1,258,617**
Include				
(i.a)	Revaluation of investment properties (if IAS 40 cost model is used)	TCHF	n/a	n/a
(i.b)	Revaluation of investment property under construction (IPUC) (if IAS 40 cost model is used)	TCHF	n/a	n/a
(i.c)	Revaluation of other non-current investments (owner-occupied properties and joint ventures)	TCHF	26,207	23,372
(ii)	Revaluation of tenant leases held as finance leases	TCHF	n/a	n/a
(iii)	Revaluation of trading properties	TCHF	26,172	26,244
Exclude				
(iv)	Fair value of financial instruments	TCHF	39,834	38,998
(v.a)	Deferred tax	TCHF	161,572	166,480
(v.b)	Goodwill as a result of deferred tax	TCHF	n/a	n/a
Adjustments to (i) to (v) in respect of joint ventures		TCHF	2,344	3,615
EPRA NAV		**TCHF**	**1,607,065**	**1,517,325**
Diluted no. of shares outstanding			6,216,126	6,216,923
EPRA NAV per share		**CHF**	**258.53**	**244.06**

C Triple Net Asset Value (NNNAV)		Unit	31.12.2016	31.12.2015
EPRA NAV		**TCHF**	**1,607,065**	**1,517,325**
(i)	Fair value of derivative financial instruments	TCHF	–39,834	–38,998
(ii)	Fair value of financial liabilities	TCHF	–105,182	–105,976
(iii)	Deferred tax	TCHF	–156,089	–166,483
EPRA NNNAV		**TCHF**	**1,305,960**	**1,205,869**
Diluted no. of shares outstanding			6,216,126	6,216,923
EPRA NNNAV per share		**CHF**	**210.09**	**193.97**

The definitions of the above key performance measures can be found at www.epra.com.

D EPRA Net Initial Yield	Unit	31.12.2016	31.12.2015
Investment properties – wholly owned	TCHF	2,446,798	2,412,768
Investment properties – share of joint ventures/funds	TCHF	43,115	38,154
Trading property	TCHF	304,844	226,564
Less developments	TCHF	–518,574	–399,884
Completed property portfolio	**TCHF**	**2,276,183**	**2,277,602**
Allowance for estimated purchasers' costs	TCHF	0	0
Gross up completed property portfolio valuation	**TCHF**	**2,276,183**	**2,277,602**
Annualised cash passing rental income	TCHF	119,968	120,208
Direct cost of investment properties	TCHF	–17,324	–17,811
Annualised net rents	**TCHF**	**102,644**	**102,397**
Add: additional notional rent expiration of rent free periods or other lease incentives	TCHF	0	0
Topped-up net annualised rent	**TCHF**	**102,644**	**102,397**
EPRA net initial yield	**%**	**4.5**	**4.5**
EPRA "topped-up" net initial yield	**%**	**4.5**	**4.5**

E EPRA Vacancy Rate	Unit	31.12.2016	31.12.2015
Estimated rental income potential from vacant space	TCHF	5,363	5,376
Estimated rental income from overall portfolio	TCHF	111,077	114,301
EPRA vacancy rate	**%**	**4.8**	**4.7**

The definitions of the above key performance measures can be found at www.epra.com.

F EPRA Cost Ratios	Unit	2016	2015
EPRA Costs			
Administrative operating expense lines per IFRS income statement			
Direct expenses for rented properties	TCHF	15,603	10,733
Personnel expenses	TCHF	7,574	7,260
Operating and administrative expenses	TCHF	1,768	1,749
EPRA Costs (including direct vacancy costs)	**TCHF**	**24,945**	**19,741**
Direct vacancy costs	TCHF	1,915	537
EPRA Costs (excluding direct vacancy costs)	**TCHF**	**23,030**	**19,204**
EPRA Rental income			
Gross Rental Income less ground rent costs	TCHF	103,507	97,282
Gross Rental Income	**TCHF**	**103,507**	**97,282**
EPRA Cost Ratio (including direct vacancy costs)	**%**	**24.1**	**20.3**
EPRA Cost Ratio (excluding direct vacancy costs)	**%**	**22.2**	**19.7**

The definitions of the above key performance measures can be found at www.epra.com.

FIVE-YEAR OVERVIEW

	Unit	2012[2]	2013	2014	2015	2016	Change in %
Results of operations							
Net rental income	CHF million	79.8	78.9	87.6	94.1	96.2	2.3
Profit on sale of trading properties and development services	CHF million	21.7	31.6	24.9	5.5	23.9	330.5
Profit on sale of investment properties	CHF million	–0.1	7.1	4.9	63.8	34.9	–45.2
EBIT including revaluation	CHF million	117.2	119.4	97.6	170.4	200.3	17.5
EBIT excluding revaluation	CHF million	80.3	94.1	93.8	135.7	119.6	–11.9
Tax expense	CHF million	–17.6	–16.7	–4.8	–34.1	–15.1	–55.6
Profit	CHF million	75.9	81.6	63.2	105.0	159.4	51.9
Profit including revaluation[1]	CHF million	76.2	81.6	62.2	103.9	158.7	52.7
Profit excluding revaluation[1]	CHF million	48.5	62.6	60.2	78.6	99.4	26.5
Financial position							
Non-current assets	CHF million	2,043.9	2,156.7	2,301.3	2,467.7	2,502.7	1.4
Current assets	CHF million	475.6	551.7	466.4	485.2	529.0	9.0
Equity as at 31.12.	CHF million	1,199.2	1,241.1	1,222.5	1,264.7	1,366.3	8.0
Equity ratio	%	47.6	45.8	44.2	42.8	45.1	5.4
Liabilities	CHF million	1,320.3	1,467.4	1,545.2	1,688.2	1,665.4	–1.4
• current	CHF million	173.2	373.7	114.2	138.3	203.2	46.9
• non-current	CHF million	1,147.1	1,093.7	1,431.1	1,549.9	1,462.2	–5.7
Share figures							
Earnings per share	CHF	12.30	13.14	10.00	16.72	25.52	52.6
Earnings per share excluding revaluation	CHF	7.83	10.09	9.69	12.65	15.99	26.4
NAV per share, after options and convertible bond	CHF	193.99	200.01	195.93	202.45	217.33	7.3
Dividend yield	%	4.1	5.1	4.8	4.5	3.9	–13.3
Payout ratio	%	73.2	72.3	95.0	59.8	39.2	–34.4
Year-end price	CHF	218.90	186.10	199.20	222.70	254.75	14.4
Average number of shares traded per day	Number	9,308	11,132	8,672	11,638	10,035	–13.8
Market capitalisation	CHF million	1,359.1	1,156.5	1,238.3	1,384.8	1,584.1	14.4
Share price – High	CHF	228.00	221.10	200.70	229.40	254.75	11.0
Share price – Low	CHF	202.60	182.80	182.00	190.50	206.10	8.2
Portfolio figures							
Overall portfolio	CHF million	2,355.0	2,371.9	2,469.7	2,654.6	2,765.6	4.2
• Investment properties	CHF million	1,557.6	1,577.7	1,907.4	2,132.4	2,111.5	–1.0
• Development properties	CHF million	797.4	794.2	562.3	522.2	654.1	25.3
Gross yield from investment properties	%	5.8	5.7	5.6	5.4	5.3	–1.9
Net yield from investment properties	%	4.8	4.6	4.5	4.3	4.1	–4.7
Investment property vacancy rate	%	3.8	3.9	5.4	4.7	4.8	2.1

1 Attributable to the shareholders of Mobimo Holding AG.
2 Restated, due to the changes in IAS 19.

GLOSSARY

ANRA
Federal Act of 16 December 1983 on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents.

Carbon Disclosure Project (CDP)
The CDP possesses the world's most comprehensive collection of environmental data from companies, organisations and governments and evaluates this systematically for investors.

CO
Federal Act of 30 March 1911 on the Amendment of the Swiss Civil Code (Part Five: Code of Obligations).

Con
Condominium.

Discounted cash flow method (DCF)
The method used for calculating the fair value of real estate. The fair value of a property is calculated from the present values of net cash flows expected in the future (valuation period of 100 years). The net cash flows are discounted at a discount rate on the reporting date.

Dividend yield
The annual dividend income of a share as a percentage of the current share price.

Earnings per share
Earnings per share are calculated from the Group result attributable to the shareholders of Mobimo Holding AG, divided by the weighted average of the number of shares outstanding during the reporting period.

EBIT
Earnings before interest and tax.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

ERCO
Ordinance of 20 November 2013 against Excessive Remuneration in Listed Companies Limited by Shares.

European Public Real Estate Association (EPRA)
EPRA is an association of leading European property companies and is a partner of the FTSE EPRA/NAREIT index family.

German Sustainable Building Council (DGNB)
DGNB is an internationally recognised and comprehensive certification system used to objectively describe and assess the sustainability of buildings and districts. It comprises the six key aspects of sustainable building, namely environmental, economical, sociocultural and functional aspects, technology, processes and site.

Global Real Estate Sustainability Benchmark (GRESB)
GRESB is the leading industry-oriented organisation for the assessment of the sustainability performance of real estate portfolios worldwide.

Global Reporting Initiative (GRI)
GRI develops the guidelines for the creation of sustainability reports of major companies, small and medium-sized businesses, governments and NGOs.

Income from rental of investment properties
Revenues from the rental of investment properties include net rental revenues, i.e. target rental revenues less rents lost due to vacancy rates.

Interest coverage factor
The interest coverage factor is calculated from the earnings before interest, tax, depreciation and amortisation (EBITDA) excl. revaluation, divided by the interest expense.

Market capitalisation
Share price on the reporting date multiplied by the number of shares issued.

Minergie
A building standard for new and modernised buildings. The focus of this standard is ensuring the comfort of the people working and living in the respective building.

MOH
Mobimo Holding AG

Net Asset Value (NAV)
The value of equity as per the consolidated annual financial statements.

Net Gearing
Net financial liabilities in relation to equity.

Number of shares outstanding
The number of shares issued minus the number of treasury shares.

Payout ratio
The payout ratio refers to the ratio of dividend payments (in accordance with the proposal to the General Meeting) to the profit earned by the company.

Return on equity
Profit (attributable to the shareholders of Mobimo Holding AG) in relation to average equity (attributable to the shareholders of Mobimo Holding AG; equity at 1 January plus capital increase/reduction).

Return on equity not including revaluation
Profit (attributable to the shareholders of Mobimo Holding AG) not including revaluation (and attributable deferred tax) in relation to average equity (attributable to the shareholders of Mobimo Holding AG; equity at 1 January plus capital increase/reduction).

SESTA
Federal Act of 24 March 1995 on Stock Exchanges and Securities Trading.

SPI
The Swiss Performance Index (SPI) comprises practically all of the SIX Swiss Exchange-traded equity securities of companies that are domiciled in Switzerland or the Principality of Liechtenstein. It is therefore considered Switzerland's overall stock market index.

SXI Swiss Real Estate Index
The SXI Swiss Real Estate Indices brings together the five largest and most liquid real estate shares as well as the ten largest and most liquid real estate funds listed on the SIX Swiss Exchange.

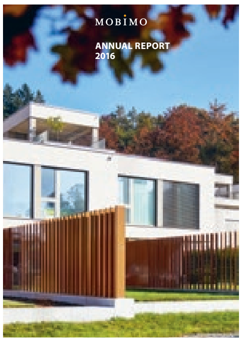
The Swiss Society of Engineers and Architects (SIA)
The Swiss Society of Engineers and Architects is the main professional association for qualified experts from the fields of construction, technology and the environment.

Vacancy rate
This rate is calculated as the sum of all rent lost due to vacancy, divided by the target rental revenues.

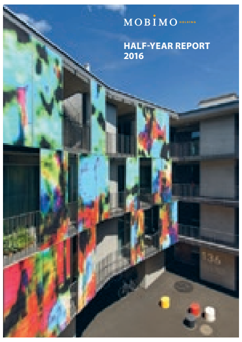
ADDITIONAL INFORMATION

Publication overview

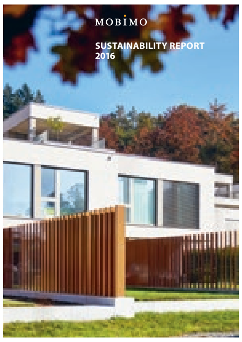
Annual report



Half-year report



Sustainability report



Mobimo publishes information about its financial results every six months. The sustainability report is released once a year in both German and English, while the annual report and half-year report are also available in German and French. The financial statements are only provided in summary form in French. The original German version is, however, binding.

All of the publications and further information are available at www.mobimo.ch.

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Passion for real estate

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