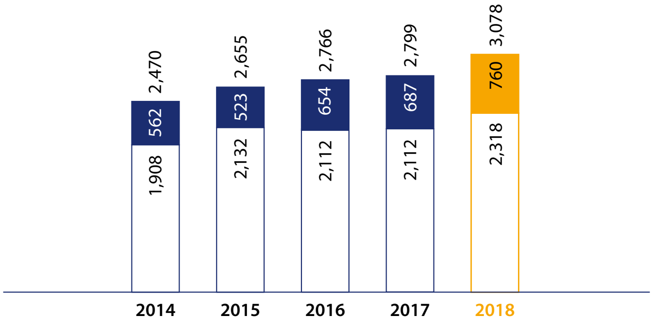
MOBIMO

Annual Report 2018

Selected key figures 2018

Mobimo recorded strong results in 2018 thanks to stable rental income, net income from revaluation of which more than half can be attributed to operations, and successful sales of investment properties. The portfolio vacancy rate stands at a low 2.9%.

Total portfolio value
CHF million

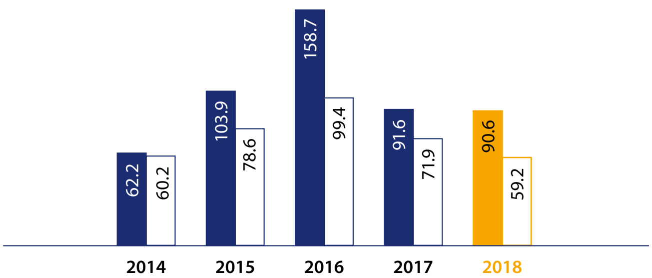


Development properties
Investment properties

Profit
CHF million
2017: 91.5

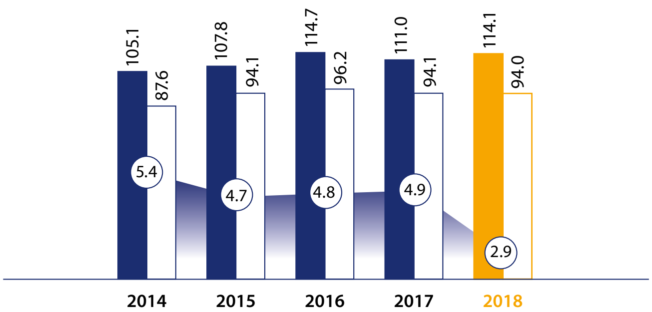
90.3

Profit attributable to the shareholders of MOH including and excluding revaluation
CHF million



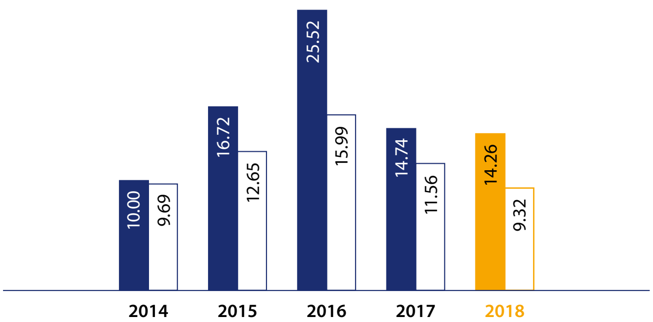
Profit attributable to the shareholders of MOH
Profit attributable to the shareholders of MOH excl. revaluation

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



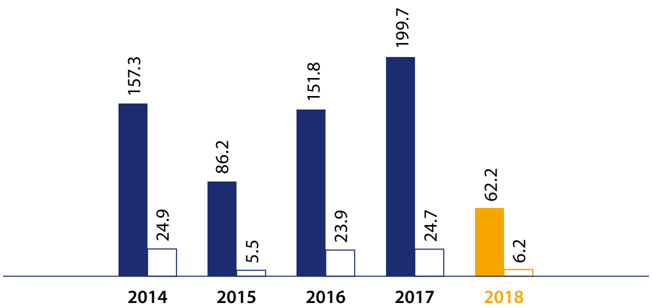
Rental income
Net rental income
Vacancy rate

Earnings per share including and excluding revaluation
CHF



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

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



Income
Profit

Result	Unit	2018	2017	Change in %
Net rental income	CHF million	94.0	94.1	–0.2
Profit on development projects and sale of trading properties	CHF million	6.2	24.7	–74.9
Profit on disposal of investment properties	CHF million	29.0	27.5	5.7
Net income from revaluation	CHF million	42.0	27.3	53.8
Operating result (EBIT)	CHF million	133.6	142.3	–6.1
Operating result (EBIT) excluding revaluation	CHF million	91.7	115.0	–20.3
Profit	CHF million	90.3	91.5	–1.3
Profit attributable to the shareholders of MOH	CHF million	90.6	91.6	–1.1
Profit attributable to the shareholders of MOH excluding revaluation	CHF million	59.2	71.9	–17.6

Balance sheet	Unit	2018	2017	Change in %
Assets	CHF million	3,365.2	3,195.7	5.3
Equity	CHF million	1,513.5	1,399.1	8.2
Equity ratio	%	45.0	43.8	2.7
Return on equity	%	6.6	7.0	–5.7
Return on equity excluding revaluation	%	4.3	5.5	–21.8
Interest-bearing liabilities	CHF million	1,540.7	1,512.8	1.8
Ø Rate of interest on financial liabilities (for the period)	%	2.01	2.17	–7.4
Ø Residual maturity of financial liabilities	years	6.1	6.5	–6.2
Net gearing	%	91.7	91.2	0.5

Portfolio	Unit	2018	2017	Change in %
Overall portfolio	CHF million	3,078	2,799	10.0
Investment properties[1]	CHF million	2,318	2,112	9.8
Development properties	CHF million	760	687	10.5
Gross yield from investment properties	%	4.6	5.1	–9.8
Net yield from investment properties	%	3.7	4.0	–7.5
Investment property vacancy rate	%	2.9	4.9	–40.8
Ø Discount rate for revaluation (nominal)	%	3.9	4.1	–4.9
Ø Capitalisation rate (real)	%	3.4	3.6	–5.6

EPRA	Unit	2018	2017	Change in %
EPRA profit	CHF million	49.4	50.0	–1.2
EPRA NAV per share	CHF	267.70	259.94	3.0
EPRA rental increase like for like	%	0.6	–0.4	nmf
EPRA vacancy rate	%	2.9	4.9	–40.8

Headcount	Unit	2018	2017	Change in %
Ø Headcount (full-time basis for the period)	Number	149.0	137.3	8.5
Headcount (full-time basis)	Number	157.3	141.4	11.2

Share	Unit	2018	2017	Change in %
Shares outstanding[2]	Number	6,596,614	6,217,669	6.1
Nominal value per share	CHF	23.40	29.00	–19.3
NAV per share (diluted)	CHF	228.48	222.58	2.7
Earnings per share	CHF	14.26	14.74	–3.3
Earnings per share excluding revaluation	CHF	9.32	11.56	–19.4
Distribution per share[3]	CHF	10.00	10.00	0.0
Share price as at 31.12.	CHF	234.00	261.50	–10.5

1 Incl. owner-occupied properties and excl. tenant improvements (see Note 24 in the financial report).
2 No. of shares issued 6,601,547 less treasury shares 4,933 = no. of outstanding shares 6,596,614.
3 Distribution of capital contribution reserves for the 2018 financial year of CHF 10.00 per share in accordance with the proposal to the General Meeting of 2 April 2019. As at 31 December 2018, around CHF 84.8 million was still available for the distribution of capital contribution reserves, CHF 84.6 million of which was created through the capital increase for the acquisition of Immobiliengesellschaft Fadmatt AG in the 2018 financial year.

Details on the long-term trends in Mobimo’s key figures can be found on page 144 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 3.0 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 its own portfolio and investment opportunities 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.

"Mobimo achieves good annual results on a healthy revenue base."

Profit attributable to shareholders including revaluation
CHF million
2017: 91.6
90.6

Earnings per share
CHF
2017: 14.74
14.26

Rental income
CHF million
2017: 111.0
114.1

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

Dear shareholders

Mobimo recorded solid results in 2018. For the first time in its history, the value of the company's portfolio grew to over CHF 3.0 billion (actually just under CHF 3.1 billion) thanks to the successful integration of the portfolio of Immobiliengesellschaft Fadmatt AG and the completion of major construction projects such as the Labitzke site in Zurich and the Aeschbachquartier in Aarau. The profit attributable to the shareholders of Mobimo Holding AG was CHF 90.6 million including revaluation – with more than half of that revaluation generated through operations – and CHF 59.2 million excluding revaluation (prior year: CHF 91.6 million and CHF 71.9 million respectively). The Board of Directors will once again propose a distribution of CHF 10.00 per share to the Annual General Meeting.

Attractive transaction market permits further portfolio optimisation

With demand for investment properties remaining high in the transaction market, Mobimo continued to exploit targeted opportunities for portfolio optimisation in 2018 in line with its business model. The company sold 15 properties, generating a profit of CHF 29.0 million (prior year: CHF 27.5 million).

Low vacancy rate

The extensive new additions to the portfolio offset the successful sales, with rental income rising year-on-year from CHF 111.0 million to CHF 114.1 million. There was a further improvement in the overall quality of the existing portfolio. Thanks to an excellent performance by the marketing team, the vacancy rate was a low 2.9% (prior year: 4.9%). The direct cost/income ratio for rented properties was 18% (prior year: 15%). The temporary increase was due in particular to preparatory work relating to developments in the existing portfolio.

Lower income from development projects and sale of trading properties

Profit from development projects and sale of trading properties was CHF 6.2 million in the year under review, significantly lower than the prior-year figure (CHF 24.7 million). This result mainly reflects the project-related volatility of income from development activities for third parties and the lower output of condominiums. Given the well-stocked pipeline, the contribution of developments and sales of trading properties to income will become greater again over the next few years.

Full pipeline and diversification

The full pipeline will also have a positive impact on the rental income base: following the completion of various construction projects such as the Mattenhof site development in Kriens and the Moxy Hotel in the Flon district, Mobimo expects target rental income to increase by around 10% by the end of 2019 compared with the end of 2018. The portfolio will also be continuously strengthened in the medium and long term through the addition of properties developed by the company. These include major urban developments such as Rasude in Lausanne and the conversion of a large property in a good residential location in the district of Zurich Wiedikon. Mobimo diversified its portfolio in the year under review by securing land for a promising use: city logistics.

New CEO and changes in the Board of Directors

As announced, there will be a new figure at the operational helm of Mobimo Holding AG. Daniel Ducrey is to take over as the company's CEO with effect from April 2019. The architect has many years of management experience and an impressive track record in the real estate industry.

As communicated previously, the Chairman of the Board of Directors of Mobimo Holding AG, Georges Theiler, will not be standing for re-election to the Board of Directors. Peter Schaub, the current Vice Chairman, is to be proposed as his successor. Peter Barandun is stepping down from the Board of Directors after four years due to other professional priorities. In view of the decision of his fellow board member, Wilhelm Hansen has changed his original intention and will now be standing for a further term of office. The Board of Directors would like to thank Wilhelm Hansen for his willingness to assume responsibility for the company again and the departing members for their valuable efforts on behalf of Mobimo. Bernadette Koch, auditor and until mid-2018 partner at Ernst & Young AG, and the outgoing CEO, Dr. Christoph Caviezel, will stand for election as new members of the Board of Directors. The Board of Directors is confident that these appointments will maintain a good balance between continuity and renewal in the board.

Outlook

Mobimo continues to operate in a market with attractive long-term prospects. The economic outlook is positive, and interest rates remain at a persistently low level. For all market participants, from apartment and office tenants to buyers of residential properties and institutional investors, two factors are critical for demand: a good location and a reasonable price. The Board of Directors and Executive Board are confident that Mobimo will continue to operate successfully on a healthy revenue base in the future thanks to its high-quality portfolio, hugely promising pipeline and many years of experience.

Thank you for the trust you have placed in our company.

Georges Theiler
Chairman of the Board of Directors

Dr. Christoph Caviezel
CEO

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 buys, plans, builds, maintains and sells valuable and high-yield real estate. 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 is solidly financed. In addition to 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, the 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.

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 the company's own real estate holdings,
› development for third parties,
› development, construction and sale of owner-occupied 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 its living, leisure and working spaces. In addition to economic considerations, Mobimo also incorporates environmental and socio-cultural factors into its activities. This results in added value for both shareholders and the users of Mobimo properties.

Solid financing

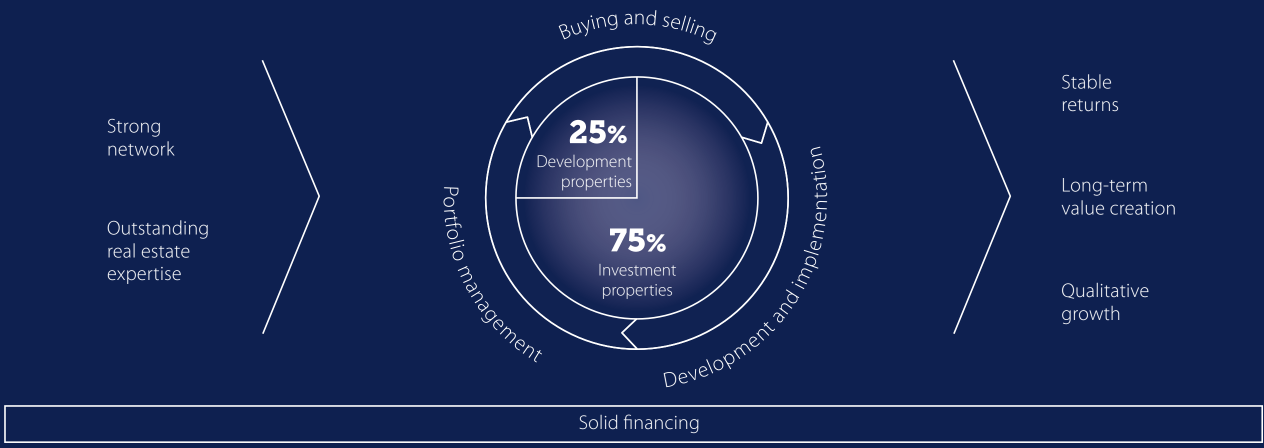
Mobimo can borrow on both a short and long-term basis. Equity should represent at least 40% of total assets.

Profitable investment

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

Business model

Mobimo pursues its long-term objectives based on a clear strategy and an established, stable business model.



Buying and selling

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 can also be achieved through company takeovers.

Development and implementation

Real estate development focuses on:

- the 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 for third parties,
- development, construction and sale of owner-occupied properties.

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.

Solid financing

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

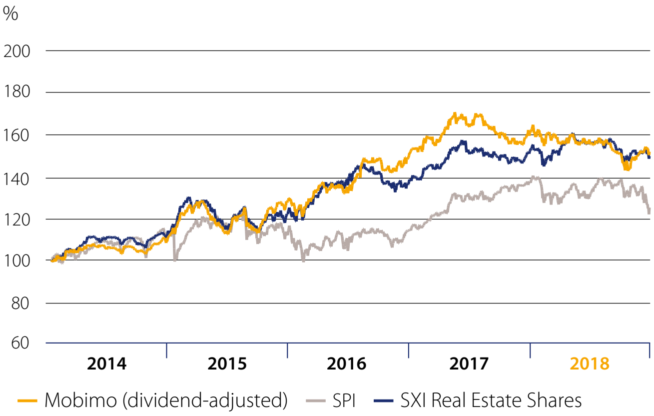
Mobimo on the capital market

Mobimo's capital market activities in 2018 focused on the offer to acquire Immobiliengesellschaft Fadmatt AG, the resulting issue of 383,377 registered shares and the placement of a CHF 155 million bond.

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.

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

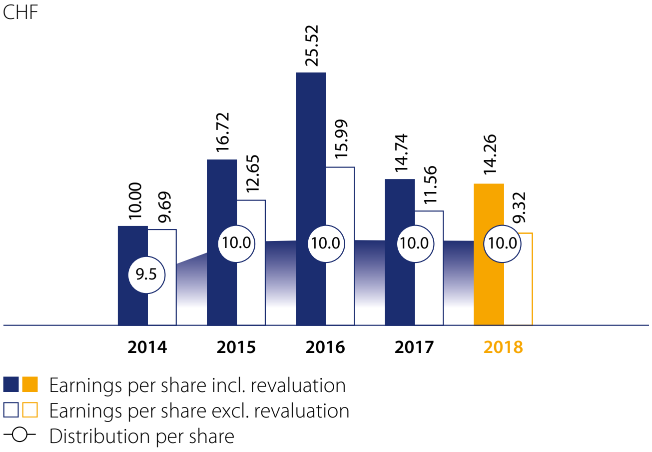
Share performance (indexed) compared with SPI and SXI



Source: SIX Swiss Exchange

- Dividend-adjusted share price increased by some 52% over a five-year period. Swiss Performance Index (SPI) and SXI Real Estate Shares Index rose by 25% and 50% respectively over the same period.
- Average annual performance (total return) of 5.5% since the initial public offering in June 2005.
- Share price fell by 10.5% from CHF 261.50 at the start of the year to CHF 234.00 at the end of the year.
- Total return per share (incl. price changes) totalled –6.7% in 2018.

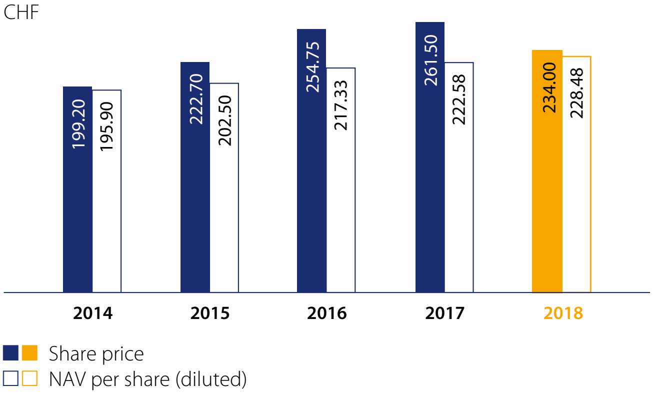
Earnings per share and distribution per share



- Earnings per share excluding revaluation CHF 9.32 (prior year: CHF 11.56). Earnings per share including revaluation CHF 14.26 (prior year: CHF 14.74).
- Distribution per share for the 2018 financial year should be CHF 10.00 (prior year: CHF 10.00) subject to the approval of the Annual General Meeting.
- Based on the 2018 year-end price, the distribution yield stands at 4.3%.
- Average annual distribution yield of around 4.3%, calculated on the basis of the respective year-end share price over the last five years.
- Continued long-term and shareholder-friendly distribution policy. Attractive distribution per share in the form of a withholding-tax-exempt and tax-free nominal value repayment or capital repayment for private individuals since the Group was listed in 2005.

Share price compared with NAV/share

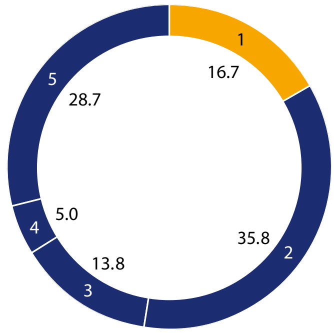
CHF



Composition of shareholders

%

1 Individuals
2 Pension funds, insurers, banks
3 Foundations, funds
4 Other companies
5 Shares pending registration



- Net asset value (NAV) per share stood at CHF 228.48 as at 31 December 2018 (prior year: CHF 222.58). Diluted NAV per share was CHF 228.48 (prior year: CHF 222.58). Difference compared with the prior year 2.7%.
- Share price as at 31 December 2018 of CHF 234.00 was 2.4% above the diluted NAV of CHF 228.48.
- Trading of an average of 7,439 shares daily (prior year: 7,516 shares). Average daily turnover of around CHF 1.8 million (prior year: CHF 2.0 million).
- Total trading volume in 2018 of CHF 451.0 million (prior year: CHF 497.3 million).

As at 31 December 2018, the following shareholders held 3% or more of the share capital:

- BlackRock, Inc., 4.99%,
- Zuger Pensionskasse, 3.18%,
- Credit Suisse Funds AG, 3.10%,
- UBS Fund Management (Switzerland) AG, 3.08%,
- Dimensional Holdings Inc., 3.00%.

According to the SIX Swiss Exchange definition, the free float stood at 100% as at 31 December 2018.

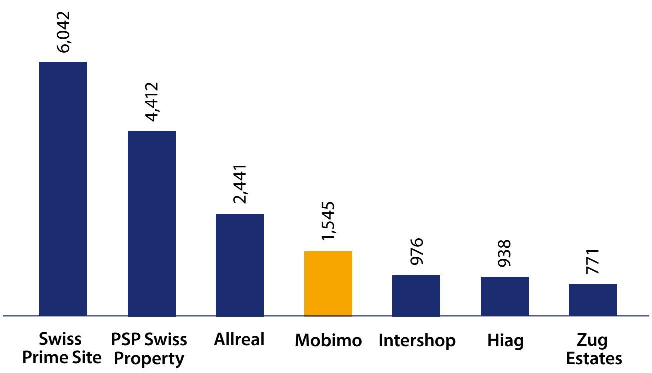
Mobimo share data

	Unit	2014	2015	2016	2017	2018
Ratios as at 31.12.						
Share capital	CHF million	180.3	180.3	180.3	180.3	154.5
No. of registered shares issued	Number	6,216,606	6,218,170	6,218,170	6,218,170	6,601,547
Of which treasury shares	Number	1,623	1,247	2,044	501	4,933
No. of registered shares outstanding	Number	6,214,983	6,216,923	6,216,126	6,217,669	6,596,614
Nominal value per registered share	CHF	29.00	29.00	29.00	29.00	23.40
Share data as at 31.12.						
Earnings per share	CHF	10.00	16.72	25.52	14.74	14.26
Earnings per share excluding revaluation	CHF	9.69	12.65	15.99	11.56	9.32
NAV per share (diluted)	CHF	195.93	202.45	217.33	222.58	228.48
Distribution per share[1]	CHF	9.50	10.00	10.00	10.00	10.00
Distribution yield	%	4.8	4.5	3.9	3.8	4.3
Payout ratio	%	95.0	59.8	39.2	67.8	70.1
Share price						
Share price – High	CHF	200.70	229.40	254.75	279.25	268.00
Share price – Low	CHF	182.00	190.50	206.10	250.25	217.00
Share price as at 31.12.	CHF	199.20	222.70	254.75	261.50	234.00
Average no. of shares traded per day	Number	8,672	11,638	10,035	7,516	7,439
Market capitalisation as at 31.12.	CHF million	1,238.3	1,384.8	1,584.1	1,626.1	1,544.8

[1] Distribution of capital contribution reserves for the 2018 financial year of CHF 10.00 per share in accordance with the proposal to the General Meeting of 2 April 2019. As at 31 December 2018, around CHF 84.8 million was still available for the distribution of capital contribution reserves, CHF 84.6 million of which was created through the capital increase for the acquisition of Immobiliengesellschaft Fadmatt AG in the 2018 financial year.

Market capitalisation in a sector comparison as at 31.12.2018

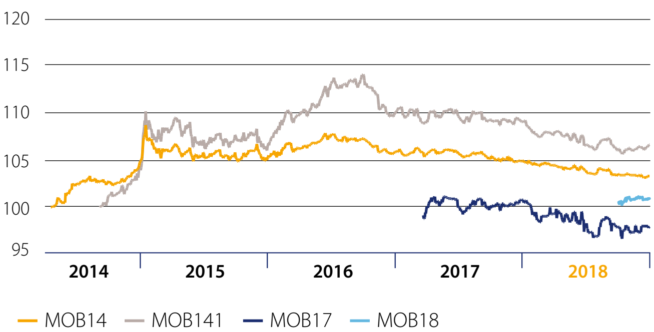
CHF million



- Fourth-largest Swiss real estate company measured in terms of its portfolio size and market capitalisation as at 31 December 2018.
- Market capitalisation increased from CHF 490 million to CHF 1,545 million during the period from December 2005 to December 2018.
- Market capitalisation decreased by 5% over the course of the year.
- Market capitalisation stood at CHF 1,545 million at year-end (prior year: CHF 1,626 million).

Performance of bonds

CHF



- Long-term financing of the real estate portfolio and diversification of financial instruments by issuing bonds.
- Use of the attractive interest rate level.
- Issue of a CHF 155 million bond with a coupon of 0.875% and a term of five years in October 2018. Repayment of the existing CHF 165 million bond expiring on 29 October 2018 with a coupon of 1.5%.
- A total of four bonds are traded on the SIX Swiss Exchange.
- The total bond volume amounts to CHF 730 million.

Key Mobimo bond data

Issue date	19.5.2014	16.9.2014	20.3.2017	2.10.2018
Ticker symbol	MOB14	MOB141	MOB17	MOB18
Swiss security no.	24298406	25237980	35483611	39863345
ISIN code	CH0242984067	CH0252379802	CH0354836113	CH0398633450
Issue volume	CHF 200 million	CHF 150 million	CHF 225 million	CHF 155 million
Bloomberg	MOBN SW	MOBN SW	MOBN SW	MOBN SW
Interest rate	1.625%	1.875%	0.750%	0.875%
Term	7 years	10 years	9 years	5 years
Maturity	19.5.2021	16.9.2024	20.3.2026	2.10.2023
Price as at 31.12.2018	CHF 103.20	CHF 106.55	CHF 97.80	CHF 100.80
Yield to maturity	0.277%	0.701%	1.068%	0.703%

Major capital market transactions and acquisitions

2018
Bond with a volume of CHF 155 million is issued

Acquisition of Immobiliengesellschaft Fadmatt AG; capital increase of approximately CHF 94 million, new registered shares are issued

2017
Bond with a volume of CHF 225 million is issued

2016
Complete integration of Mobimo FM Service AG (formerly FM Service & Dienstleistungs AG)

Majority shareholding in BSS&M Real Estate AG is acquired

2015
Majority shareholding in Dual Real Estate Investment SA is acquired

2014
Bond with a volume of CHF 150 million is issued in September

Bond with a volume of CHF 200 million is issued in May

2013
Bond with a volume of CHF 165 million is issued

2011
Capital increase of approximately CHF 193 million, new registered shares are issued

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

Acquisition of O4Real SA

2009
Acquisition of LO Holding Lausanne-Ouchy SA; 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; the issue volume is CHF 112 million

2000
Private placement, the share capital is CHF 181 million

1999
Mobimo Holding AG is established with share capital of CHF 73 million

REAL ESTATE PORTFOLIO

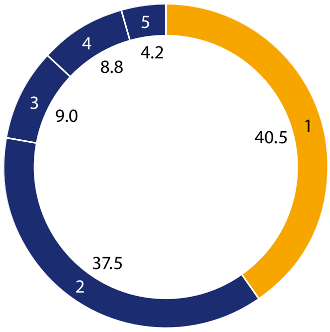
Overview of the portfolio

The total value of Mobimo's real estate portfolio grew to CHF 3.1 billion in the year under review. The seven properties of Immobiliengesellschaft Fadmatt AG were integrated into the investment portfolio as at the end of 2018. The addition of the Fadmatt portfolio and new properties developed by Mobimo led to an increase in rental income despite targeted sales.

As at 31 December 2018, Mobimo's real estate portfolio comprised 137 properties. It can be broken down into investment properties with a value of CHF 2,318 million and development properties with a value of CHF 760 million.

Breakdown of portfolio by economic area[1]
%

1 Zurich
2 French-speaking Switzerland
3 Central Switzerland
4 North-western Switzerland
5 Eastern Switzerland



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

Total portfolio value
CHF million
2017: 2,799

3,078

Properties
Number
2017: 142

137

Proportion of investment properties in real estate portfolio
%
2017: 75

75

Portfolio figures

CHF million	2018	%	2017	%
Total portfolio value	**3,078**	**100**	**2,799**	**100**
Investment properties	**2,318**	**75**	**2,112**	**75**
Commercial investment properties[1]	1,221	40	1,381	49
Residential investment properties	1,097	35	731	26
Development properties	**760**	**25**	**687**	**25**
Commercial properties (investment)	433	14	268	10
Residential properties (investment)	132	4	217	8
Commercial properties (trading)	58	2	55	2
Residential properties (trading)	137	5	147	5

[1] Incl. owner-occupied properties and excl. tenant improvements (see Note 24 in the financial report).

Investment properties

75% of the real estate portfolio comprises investment properties. These are broadly diversified in terms of both their location in Switzerland's major economic areas and type of use. The annual potential rental income of the investment properties (excluding development properties and properties in current assets) generated by the rentable area of approximately 423,000 m² as at 31 December 2018 was CHF 107 million, producing stable and predictable income.

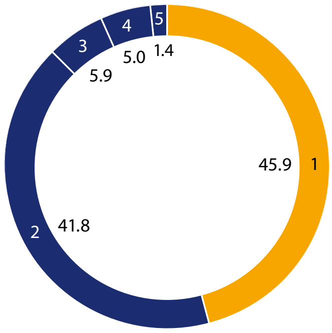
Details of the investment properties

	31.12.2018
French-speaking Switzerland	
Fair value TCHF	969,313
Target rental income TCHF	44,119
Vacancy rate	3.3%
Rentable area in m²	159,490
Zurich area	
Fair value TCHF	1,062,869
Target rental income TCHF	46,859
Vacancy rate	2.5%
Rentable area in m²	172,188
Eastern Switzerland	
Fair value TCHF	116,230
Target rental income TCHF	7,280
Vacancy rate	2.8%
Rentable area in m²	34,439
North-western Switzerland	
Fair value TCHF	137,160
Target rental income TCHF	7,143
Vacancy rate	2.6%
Rentable area in m²	46,004
Central Switzerland	
Fair value TCHF	32,560
Target rental income TCHF	1,922
Vacancy rate	4.1%
Rentable area in m²	11,245
Total	
Fair value TCHF	2,318,132
Target rental income TCHF	107,323
Vacancy rate	2.9%
Rentable area in m²	423,366

Breakdown of investment properties by economic area[1]

%

1 Zurich
2 French-speaking Switzerland
3 North-western Switzerland
4 Eastern Switzerland
5 Central Switzerland



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

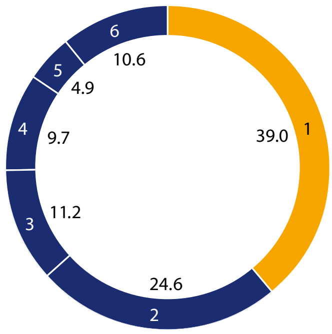
In-house portfolio management

Mobimo manages the portfolio through its own in-house management team, which gives it proximity to the market and to its tenants. Close attention is paid to cultivating relationships with tenants. Mobimo ensures a high level of occupancy, imposes lean cost management and implements appropriate marketing strategies. The portfolio management team also helps preserve and enhance value through the portfolio strategy.

Rental income by type of use[1]

%

1 Residential
2 Office
3 Retail
4 Hotels/catering
5 Industry
6 Other use[2]



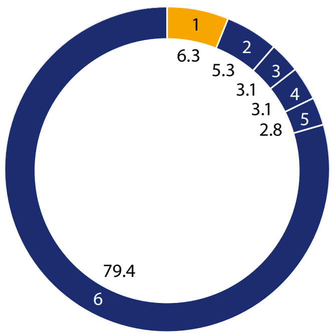
[1] Breakdown of target rental income by type of use (investment properties).
[2] Other use mainly comprises car parks and ancillary uses.

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 7.0 years.

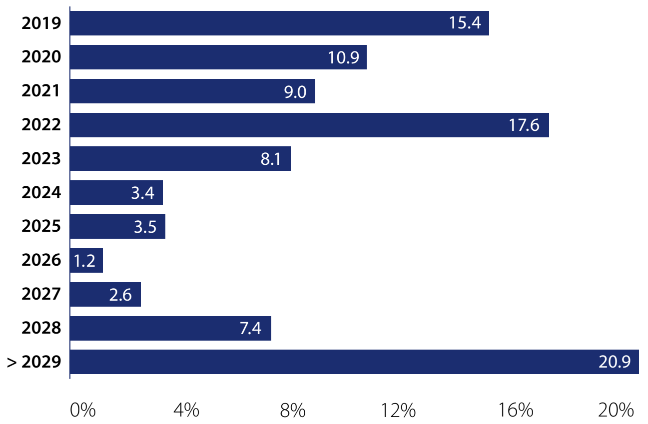
Shares of the five biggest tenants

%

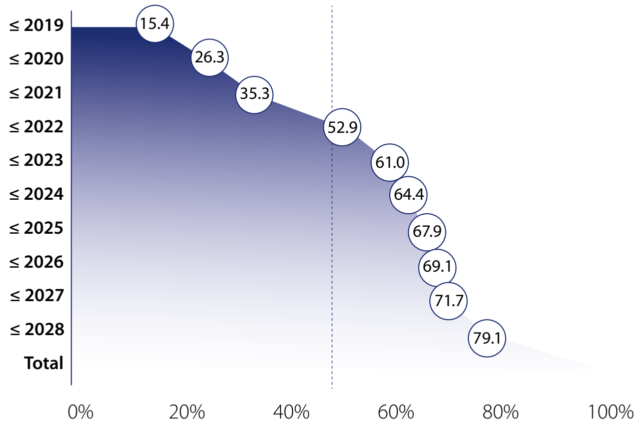
1 SV (Schweiz) AG
2 Swisscom Group
3 Senevita AG
4 Coop
5 Rockwell Automation Switzerland
6 Other tenants



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



Length of existing fixed rental agreements
As at each year-end (cumulative)



Development properties

The investment portfolio is fed on an ongoing basis through the development of residential and commercial properties for Mobimo's own portfolio. The newly constructed properties further enhance the portfolio's quality.

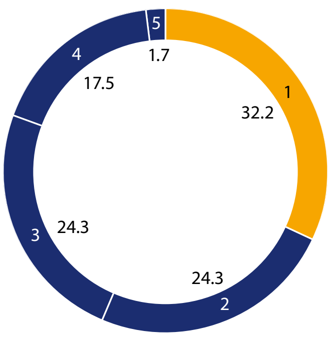
Mobimo is currently planning and realising properties with a total investment volume of around CHF 1,050 million from its own developments, broken down into CHF 880 million for investment properties for its own portfolio and CHF 170 million for condominiums to be sold.

Development for Third Parties

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. The volume of investment properties under construction or planned for third parties is CHF 870 million.

Breakdown of development properties by economic area[1]
%

1 Central Switzerland
2 Zurich
3 French-speaking Switzerland
4 North-western Switzerland
5 Eastern Switzerland



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

Details of the development pipeline[1]

	31.12.2018
French-speaking Switzerland	
Own-portfolio development	35%
Development of condominiums for sale	0%
Planned investment volume	CHF 370 million
Zurich area	
Own-portfolio development	16%
Development of condominiums for sale	3%
Planned investment volume	CHF 200 million
North-western Switzerland	
Own-portfolio development	12%
Development of condominiums for sale	0%
Planned investment volume	CHF 125 million
Central Switzerland	
Own-portfolio development	21%
Development of condominiums for sale	13%
Planned investment volume	CHF 355 million
Total	
Own-portfolio development	84%
Development of condominiums for sale	16%
Planned investment volume	CHF 1,050 million

[1] Share of total investment volume of CHF 1,050 million (under construction and in planning).

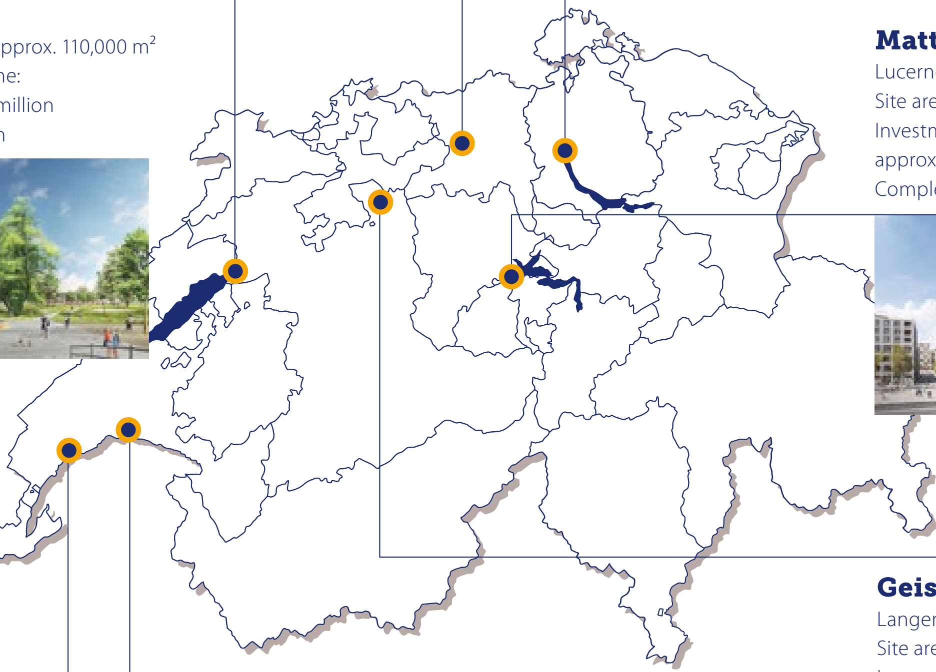
Selected site developments

Mobimo has many years of experience in site development. It is the owner of the Flon district in Lausanne, which is known throughout Switzerland and attracts more than 20,000 visitors each day. With the Aeschbachquartier development in Aarau, the company has recently transformed an industrial wasteland into a mixed-use district offering more than 1,000 jobs. The Mattenhof development in Kriens is also at a very advanced stage. Mobimo is creating an urban centre comprising rental apartments, office, commercial and gastronomy space and a hotel. In all its site developments, Mobimo places huge emphasis on urban planning and architectural quality, taking relevant sustainability criteria into account, on ensuring that offerings are appropriate to their location and on providing excellent public transport links.

Aeschbachquartier
Aarau
Site area: approx. 55,000 m²
Investment volume:
approx. CHF 170 million
Completion: 2019

RAD
Zurich Oerlikon
Site area: approx. 53,000 m²
Investment volume:
approx. CHF 500 million
Completion: open

Agglolac
Biel/Bienne
Gross floor area: approx. 110,000 m²
Investment volume:
approx. CHF 350 million
Completion: open



Mattenhof
Lucerne South (Kriens)
Site area: approx. 15,800 m²
Investment volume:
approx. CHF 170 million
Completion: 2019

Geiser district
Langenthal
Site area: approx.13,100 m²
Investment volume:
approx. CHF 140 million
Completion: open

Flon district
Lausanne
Site area: approx. 55,000 m²
Investment volume:
approx. CHF 90 million
Completion: 2025

Allaman
Site area: approx. 23,000 m²

Rasude
Lausanne
Site area: approx. 19,000 m²
(Mobimo approx. 12,000 m²)
Investment volume: approx. CHF 270 million
Completion: 2027

Fadmatt

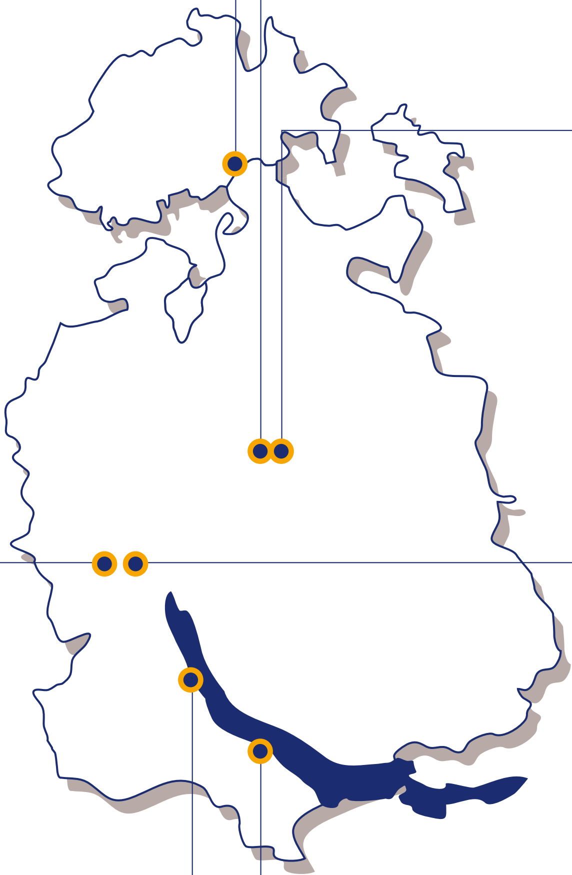
The real estate portfolio of the newly acquired Immobiliengesellschaft Fadmatt AG is spread across seven good locations in the cantons of Zurich and Schaffhausen.

Winterthur

40 semi-detached homes
4 single-family homes
Rentable area: 6,015 m^2
Target rental income p.a.:
CHF 1.0 million

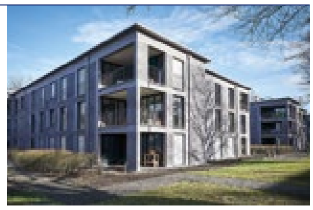
Schaffhausen

48 apartments
Rentable area: 3,313 m^2
Target rental income p.a.:
CHF 0.6 million



Winterthur

53 apartments
Rentable area: 5,501 m^2
Target rental income p.a.:
CHF 1.5 million



Oberengstringen

25 apartments
Rentable area: 2,069 m^2
Target rental income p.a.:
CHF 0.5 million

Urdorf

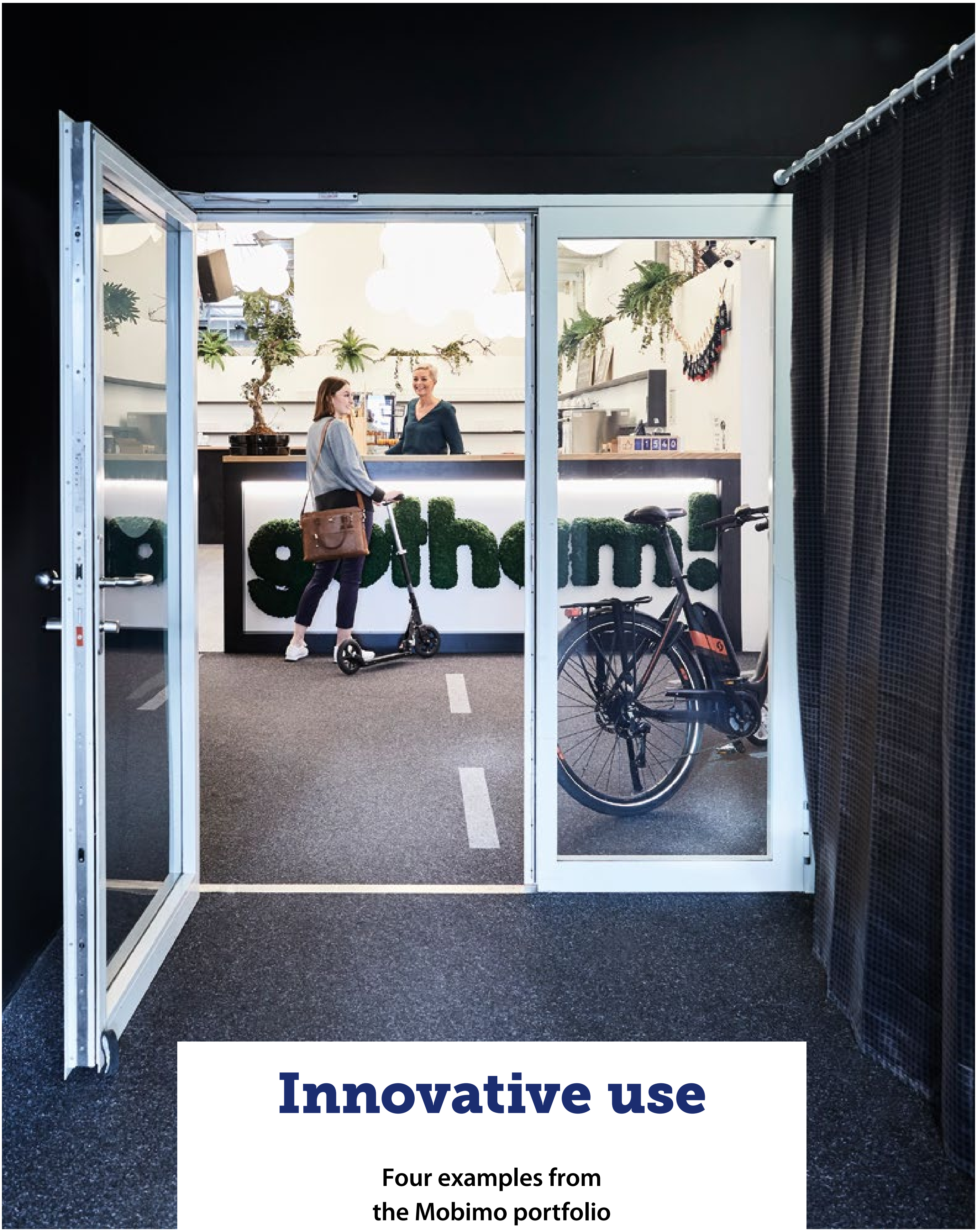
176 apartments
15 terraced homes
Rentable area: 13,839 m^2
Target rental income p.a.:
CHF 3.9 million

Thalwil

53 apartments
Rentable area: 3,470 m^2
Target rental income p.a.:
CHF 1.0 million

Au-Wädenswil

89 apartments
Rentable area: 6,615 m^2
Target rental income p.a.:
CHF 1.9 million



Innovative use

Four examples from the Mobimo portfolio

Editorial

Major social trends such as digitalisation are also influencing how people use our real estate. For example, thanks to the internet, more and more people can work wherever they want, which is a major reason behind the growing popularity of coworking spaces. New approaches are needed to deal with vacancy rates as large malls struggle to compete with online shopping. As a real estate company, it is our job to anticipate new trends. For each project, we analyse how demand for our space may change – and how we need to react. Over the next pages, we present four properties that are being used in an innovative way.

Kind regards

Dr. Christoph Caviezel
CEO

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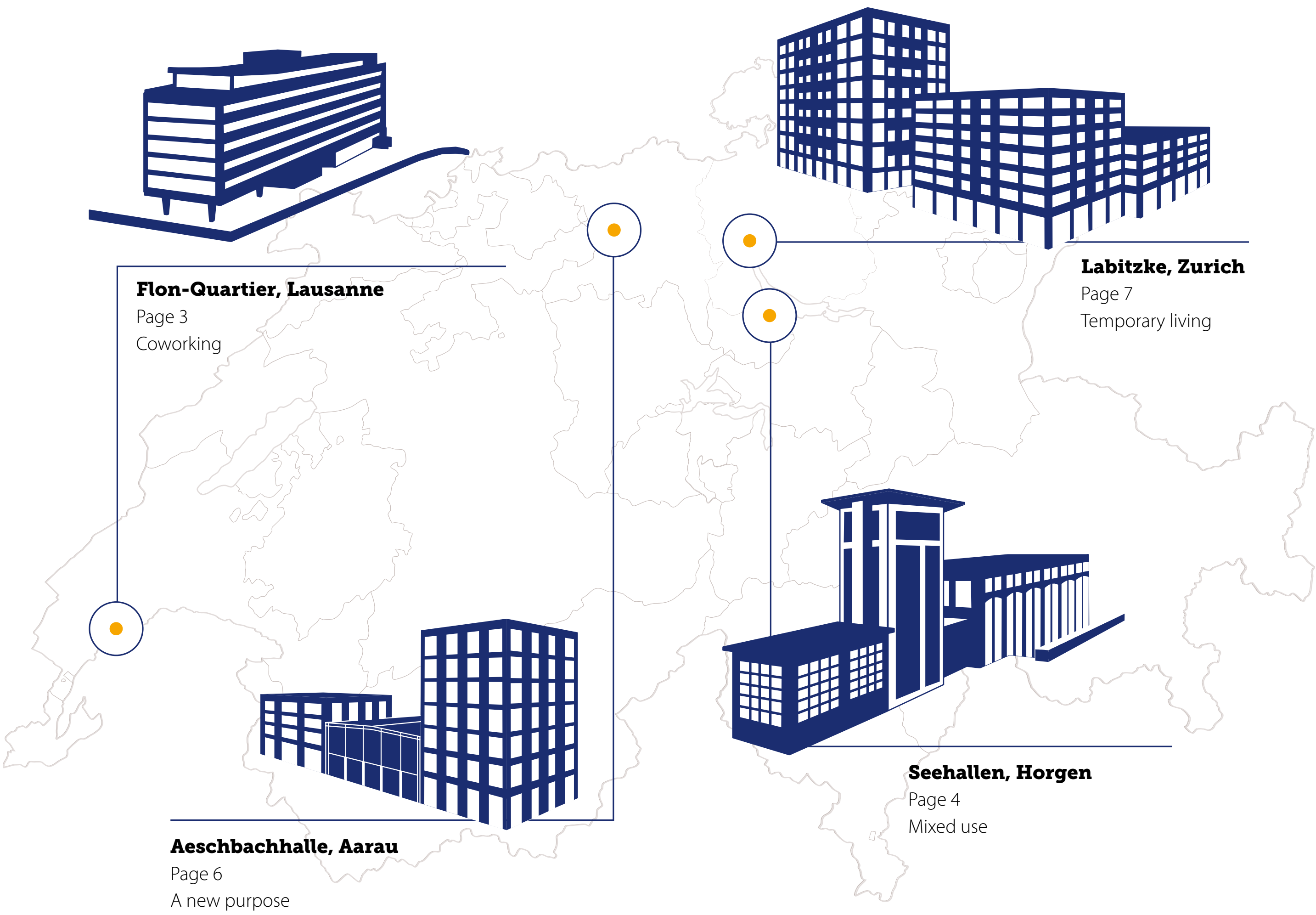


Focus and inspiration

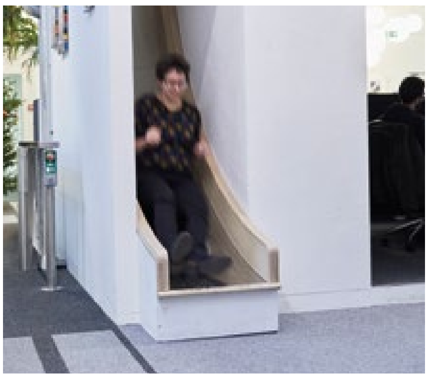
In the space of a few years, coworking spaces have become a permanent feature in the office rental market.

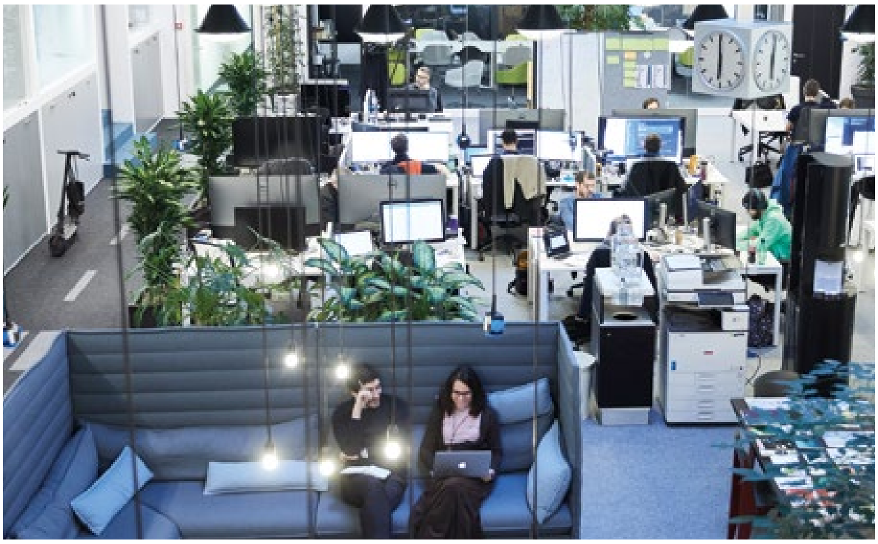
Coworking: from a generally unknown phenomenon just a few years ago to a widespread trend, temporary workspaces and shared infrastructure such as coffee machines, printers and internet have become an established part of working life in Switzerland. There are now more than 100 of these coworking spaces according to Coworking Switzerland. The main reason behind the boom in demand is that a lot of work can now be carried out from anywhere thanks to digitalisation. There are also many other reasons for this growing popularity: coworking allows small companies and start-ups to significantly reduce the fixed costs of renting office space. Self-employed people can also take advantage of the shared infrastructure and discuss topics with other users. Coworking can be an attractive option for large companies, too: for example, if they need extra workspaces but have limited capacity in their offices.

Coworking in Lausanne

Although coworking space is still a niche product in the office rental market, letting office space to coworking providers can still be an interesting option for real estate owners given the competitive market environment. In Lausanne, Mobimo works in partnership with Gotham. Gotham operates two well-attended coworking spaces in the Horizon building, close to the train station, and in the Flon district, offering a modern, inspirational working environment to more than 300 users every day.

www.gothamco.com





Mixed use

The magic's in the mix

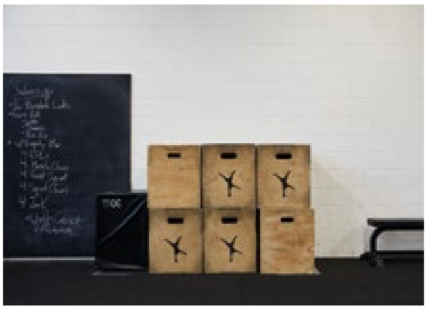
Following unostentatious conversion work, Seehallen in Horgen is home to a diverse range of tenants.

Seehallen in Horgen is immediately visible as you exit the train at Horgen station. A striking former factory 210 metres in length, located just a stone's throw from Lake Zurich. From the outside, the building has hardly changed over the last few decades. What about the inside? As you enter the building, you can clearly see that it has been carefully renovated. The special charm of the former factory floor, with its high ceilings and large windows, has been maintained. The relics of a bygone industrial era – including overhead cranes, unplastered walls and floor signage – were also kept. The biggest change after the renovation is the way in which the building can be used: it is multi-functional.

New location of Philips Switzerland

What exactly that means becomes apparent as soon as you enter the foyer of Seehallen Horgen, which is now open to the public: a coffee roaster with its own café sits beside a shoe shop, a showroom for a cashmere clothing company and a cosmetics studio on the ground floor. Other tenants in the multi-storey building include the Mobiliar General Agency Horgen, two gyms, a nursery and the technology group Philips (see interview).

www.seehallen.ch
www.philips.ch



Three questions

for Diana Risola, Head of HR at Philips Switzerland

Ms Risola, in November 2018, Philips moved 130 employees to Seehallen in Horgen. As part of the move, you also partly transformed the way in which people work at Philips. What's new at Philips following the move?

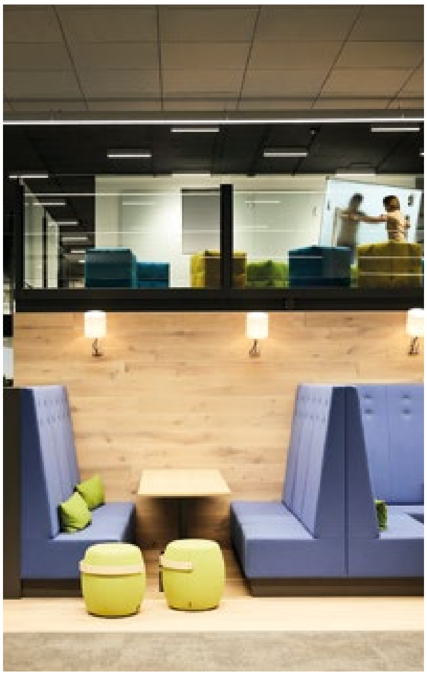
With the move from Zurich-Manegg to Seehallen in Horgen, we also said goodbye to fixed working spaces and individual offices. Our new, modern office concept is based on open spaces and desk sharing. Our employees no longer have permanent desks; instead, they choose a working area that is best suited to their task. If work involves a high level of concentration or confidential discussions, for example, employees can use a focus room. If an employee is about to leave for the day but wants to quickly respond to an e-mail, they can use their computer in a touchdown space. Even the CEO doesn't have a fixed working space.

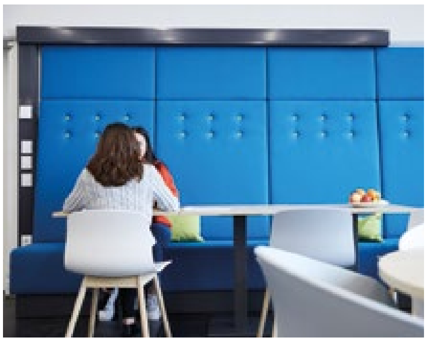
What was the motivation behind switching to this modern office concept?

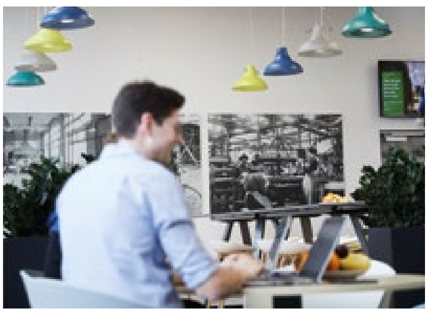
We want our employees to work in spaces where they feel comfortable. This not only increases motivation and creativity, but also has a positive impact on the health of our employees. Our new offices are spacious and welcoming. The open design fosters communication among employees, strengthening their sense of belonging – which is important for us as a company.

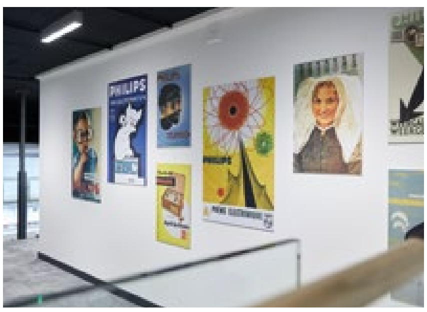
What do your employees think of the new office?

We just moved to the new location a few months ago, but the response from employees has been very positive. Employees were involved early on in the planning stage, and we incorporated their ideas on what makes an office a pleasant place to work. We also provided regular and transparent communication when planning the move, which was vital to gaining acceptance among employees. Changing location was a team effort, with everyone playing a part.









Konzepthalle 6, Thun.

A new purpose

Specialists in historical locations

Two factory buildings steeped in history with an exciting future.

Konzepthalle 6, Thun.

As experts in listed factory buildings, Ueli and Marc Biesenkamp are the reason why the town of Thun is now considered an event hub with national appeal. But what does "event hub" actually mean? Konzepthalle 6 in the Selve district, on the former site of Metallwerke Selve AG, is more than just a place for holding events: it hosts a restaurant, coworking space, concert hall, bar and cultural forum and is of course a popular meeting point for locals.

www.konzepthalle6.ch

Aeschbachhalle under new management

The father and son have now moved from the Bernese Oberland to the Mittelland region. Here, the creative duo face the perfect challenge in the form of the old Aeschbachhalle. The situation in Aarau is similar to that in 2009, when Ueli Biesenkamp and his company daskonzept ag won the tender by the town of Thun for the use of Halle 6. After a period of temporary use, the industrial site was transformed into the mixed-use Aeschbachquartier as part of a multi-year project, with an industrial warehouse at the centre. Now the Biesenkamps and their team are turning their creative attention to Aeschbachhalle. What do they plan to do? "Like Konzepthalle 6 in Thun, we want to transform Aeschbachhalle into a modern meeting place with a restaurant, coworking space and plenty of room for various events," explains Ueli Biesenkamp.

www.aeschbachhalle6.ch

Aeschbachhalle, Aarau.

Aeschbachhalle, Aarau.

Temporary living

A nest far away from home

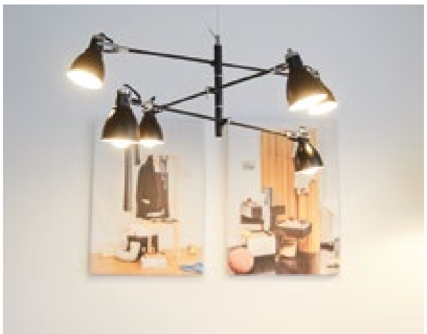
Expats prefer furnished apartments to hotel rooms.

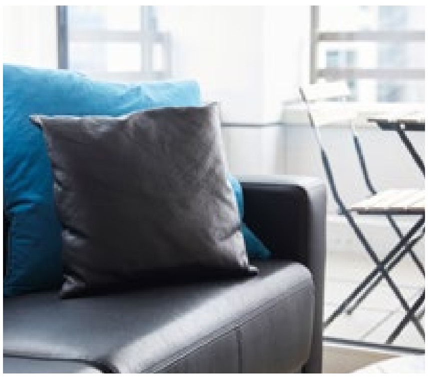
A hotel isn't always the immediate or best choice when staying in a new city. Individuals staying in Switzerland for a longer period, either for business or pleasure, desire more comfort and privacy and appreciate having an apartment with a kitchen or multiple rooms. And for stays of less than a few months, it is not worth looking for a home in Switzerland's tight rental market. This is where companies like Nest in Lucerne come into play. Nest specialises in offering attractive, fully furnished apartments with additional services, and currently has over 380 apartments in the business hubs of Zurich, Zug, Basel and Lucerne. In Zurich, Nest rents an entire building on the Labitzke site. The 28 apartments are mainly home to expats working in banking, insurance, IT and consulting.

Good location is a must

The newly completed development on the Labitzke site has everything that Nest would want for its location: good public transport links, a city centre location and shops and restaurants close by. The two to three room apartments all come with a balcony and ample storage space and have a simple and elegant design. The apartments are cleaned every fortnight. Nest believes that homes should feel inviting and regularly replaces the furniture in its apartments.

www.mynest.ch






B7
SEEHALLEN
B6

GROUP MANAGEMENT REPORT

Group business performance

Mobimo's results for the 2018 financial year were on a par with 2017. This good performance was primarily attributable to the continued expansion of Mobimo's portfolio, thanks to the progress made on own developments and the successful acquisition of residential properties. Active portfolio management led to a profit of CHF 29.0 million on disposal of investment properties. The vacancy rate as at the end of the year was a low 2.9%.

Financial performance

› Mobimo posted profit of CHF 90.3 million, which is on a par with 2017 (CHF 91.5 million).
› At CHF 114.1 million, rental income was up year-on-year (prior year: CHF 111.0 million). The vacancy rate as at 31 December 2018 was a low 2.9% (prior year: 4.9%).
› At CHF 42.0 million, net income from revaluation significantly exceeded the prior year's figure (CHF 27.3 million). The largest share of the net income from revaluation came once again from the construction progress of investment properties for the company's own portfolio.
› Mobimo took advantage of the good transaction market through active portfolio management and sold selected investment properties, resulting in profit of CHF 29.0 million (prior year: CHF 27.5 million).

The profit attributable to the shareholders of Mobimo in the 2018 financial year was CHF 90.6 million (prior year: CHF 91.6 million). Excluding revaluation, the profit attributable to the shareholders of Mobimo was CHF 59.2 million (prior year: CHF 71.9 million). This includes a one-off effect in personnel expenses of CHF 2.3 million from the valuation of the new pension plans according to IAS 19. EBIT came to CHF 133.6 million (prior year: CHF 142.3 million), or CHF 91.7 million excluding revaluation (prior year: CHF 115.0 million). This operating result meant earnings per share of CHF 14.26 (prior year: CHF 14.74) and earnings per share excluding revaluation of CHF 9.32 (prior year: CHF 11.56). The Board of Directors will once again propose a distribution of CHF 10.00 per share at the forthcoming Annual General Meeting.

Rental business and transaction market

The rental business posted solid income of CHF 114.1 million, up on the prior year (CHF 111.0 million). The vacancy rate as at 31 December 2018 was a low 2.9% (prior year: 4.9%). This was mainly attributable to successful marketing, efficient and customer-oriented management and active portfolio management. Like-for-like growth of 0.6% (prior year: –0.4%) was recorded in rental income in the 2018 financial year.

The direct cost/income ratio for rented properties was higher year-on-year, at 18% (prior year: 15%), mainly due to expenses for first-time letting in connection with developments for the company's own portfolio. Net rental income was CHF 94.0 million (prior year: CHF 94.1 million). Based on the fair values as at 31 December 2018, a net yield of 3.7% (prior year: 4.0%) was achieved with investment properties in the 2018 financial year.

Ten smaller residential properties (target rental revenue of CHF 4.6 million) and five commercial properties (target rental revenue of CHF 4.7 million) were sold in 2018 as part of active portfolio management and portfolio optimisation measures. Corresponding sales in 2017 involved properties with combined target rental revenue of CHF 6.3 million. The 2018 sales generated proceeds of CHF 200.0 million (prior year: CHF 128.0 million), resulting in net income of CHF 29.0 million (prior year: CHF 27.5 million). Mobimo will reinvest the cash inflow from these sales in the realisation of projects in the pipeline.

Key financial performance figures

	Unit	2018	2017	Change in %
Net rental income	CHF million	94.0	94.1	–0.2
Profit on development projects and sale of trading properties	CHF million	6.2	24.7	–74.9
Net income from revaluation	CHF million	42.0	27.3	53.8
Profit on sale of investment properties	CHF million	29.0	27.5	5.7
Operating result (EBIT) including revaluation	CHF million	133.6	142.3	–6.1
Financial result	CHF million	–27.0	–28.6	–5.4
Tax expense	CHF million	–19.4	–24.4	–20.6
Profit	CHF million	90.3	91.5	–1.3
Profit attributable to the shareholders of MOH	CHF million	90.6	91.6	–1.1
Profit attributable to the shareholders of MOH excluding revaluation	CHF million	59.2	71.9	–17.6

The following investment properties were completed and transferred to the portfolio or acquired in the year under review:

› Au, Alte Landstrasse 93 – 99,
› Oberengstringen, Zürcherstrasse 1a, 1b, 3, 5,
› Schaffhausen, Hochstrasse 59, 69 – 75,
› Thalwil, Freiestrasse 23 – 37,
› Urdorf, In der Fadmatt 1 – 63; Uitikonerstrasse 22, 24,
› Winterthur, Stockenerstrasse 54 – 84, Landvogt-Waser-Strasse 95 – 109,
› Winterthur, Wartstrasse 158 – 162; Blumenaustrasse 20, 22,
› Zurich, Hohlstrasse 481 – 485b.

The target rental revenue from these additions was CHF 15.4 million (prior year: CHF 4.9 million), further strengthening the rental income base. These additions increased the share of rental income from residential usage as at 31 December 2018 to 39% (prior year: 30%).

The pipeline as at 31 December 2018 comprises further investment properties under construction for the company's own portfolio with a total investment volume of around CHF 410 million. The potential target rental revenue of these projects is more than CHF 23.0 million.

Revaluation

The revaluation of investment properties and of investment properties under construction resulted in net income from revaluation of CHF 42.0 million (prior year: CHF 27.3 million). CHF 23.2 million (prior year CHF 36.3 million) is attributable to operating performance, i.e. progress in the realisation of investment properties under construction for the company's own portfolio. The value of the other investment properties increased by CHF 18.8 million (prior year: CHF –9.0 million). For residential properties in particular, lower discount rates led to higher valuations due to market-related factors. The average (nominal) discount rate applied by the independent property appraiser in the valuations was 3.9% (prior year: 4.1%). The average (real) capitalisation rate was 3.4% (prior year: 3.6%).

Development projects and sale of trading properties

Income of CHF 62.2 million (prior year: CHF 199.7 million) was generated from development projects and the sale of trading properties, resulting in profit on development projects and sale of trading properties of CHF 6.2 million (prior year: CHF 24.7 million). This result includes an expense of CHF 2.3 million due to the lower valuations of the Cham, Brunnmatt and St. Moritz, Via Maistra trading properties.

In total, 18 condominiums and a property used as a nursery were transferred to new owners. The Aarau, Site 4 (Torfeld Süd) project transferred the largest number of condominiums, with 12 handed over to their new owners.

As at 31 December 2018, the pipeline comprised planned condominium projects with a total investment volume of some CHF 170 million and developments of investment properties for third parties with a total investment volume of around CHF 870 million.

Personnel, operating and administrative expenses

The average number of FTEs rose to 149.0 in 2018 (prior year: 137.3) due to the further expansion of the services provided by the facility management unit Mobimo FM Service AG in the greater Zurich area and now also in Lausanne. As at the reporting date of 31 December 2018, there were 157.3 FTEs (prior year: 141.4).

In 2018, the Board of Directors decided to focus on sustainable, more forward-looking employee development and adjust the pension plans at Mobimo Management AG to provide employees with greater flexibility in their pension planning. Personnel expenses rose to CHF 30.4 million (prior year: CHF 25.4 million). In addition to the slightly higher annual expense in the future, a one-off effect of CHF 2.3 million from the valuation of pension obligations in accordance with IAS 19 is included in the reporting year. The prior-year figure included a one-off effect of CHF –1.7 million from the valuation of pension obligations due to the decision of the Board of Trustees to reduce the conversion rates.

Operating and administrative expenses remained virtually unchanged year-on-year at CHF 14.2 million (prior year: CHF 13.8 million).

Financial position

› As at 31 December 2018, total assets were CHF 3,365.2 million, above the prior-year figure of CHF 3,195.7 million.
› The equity ratio was a solid 45.0% (prior year: 43.8%), forming the basis for further qualitative growth.

As at the end of the 2018 financial year, total assets had increased by a further 5.3% (prior year: 5.4%) to CHF 3,365.2 million. This was mainly attributable to the 10% year-on-year growth in the real estate portfolio to CHF 3,077.9 million (prior year: CHF 2,799.1 million). The growth in the real estate portfolio was due in particular to investments in the construction of investment properties for the company's own portfolio and the successful acquisition of the residential real estate portfolio of Immobiliengesellschaft Fadmatt AG. As a result, the share of non-current assets in total assets as at the end of the financial year also increased to 87.1% (prior year: 82.7%).

With an equity ratio of 45.0% as at 31 December 2018 (prior year: 43.8%), Mobimo continues to have a solid capital base. As part of the acquisition of the Fadmatt portfolio, 383,377 new shares were created from Mobimo's authorised capital and the number of issued shares increased by 6.2% to 6,601,547. This further strengthened the company's capital base. Mobimo's corporate strategy specifies an equity ratio of at least 40%.

The gross loan to value (LTV) was 50.0% as at 31 December 2018 (prior year: 54.0%) and the net LTV was 45.1% (prior year: 45.6%). At 3.2, the interest coverage ratio was well above the minimum target of 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 2018, Mobimo recorded net gearing of 91.7% (prior year: 91.2%).

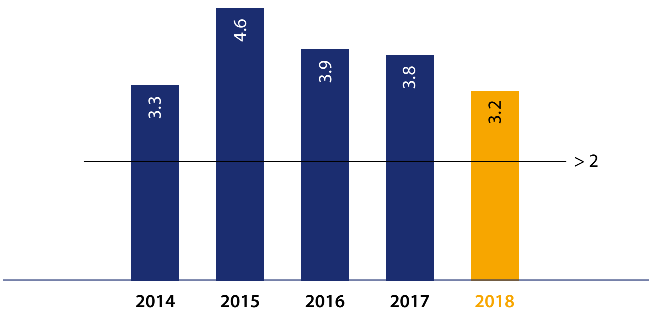
Financial liabilities

Financial liabilities currently consist of listed bonds and mortgage-secured bank loans. The CHF 165 million bond with a coupon of 1.5% that matured in October 2018 was refinanced through the issue of a new CHF 155 million bond with a coupon of 0.875% and a five-year term at excellent conditions. The average interest rate for financial liabilities fell significantly year-on-year in 2018 to 2.01% (prior year: 2.17%). As at the reporting date of 31 December 2018, the average interest rate had again fallen considerably and stood at 1.90% (prior year: 2.06%). Mobimo will continue to use the attractive interest rate environment to keep interest rates low. The average residual maturity of financial liabilities as at the reporting date was still within the target range at 6.1 years (prior year: 6.5 years). The long-term financing and solid capital base form an excellent foundation for the company's further qualitative growth and for investment in the projects in the pipeline.

Key financial position figures

	Unit	2018	2017	Change in %
Assets	CHF million	3,365.2	3,195.7	5.3
Non-current assets	CHF million	2,931.4	2,642.8	10.9
Current assets	CHF million	433.7	552.9	–21.6
Equity	CHF million	1,513.5	1,399.1	8.2
Return on equity including revaluation	%	6.6	7.0	–5.7
Return on equity excluding revaluation	%	4.3	5.5	–21.8
Liabilities	CHF million	1,851.7	1,796.6	3.1
Current liabilities	CHF million	165.9	288.5	–42.5
Non-current liabilities	CHF million	1,685.7	1,508.1	11.8
Equity ratio	%	45.0	43.8	2.7

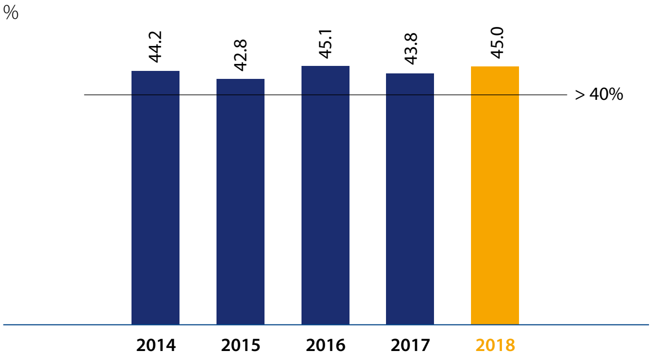
Interest coverage ratio



— Minimum target value

Equity ratio

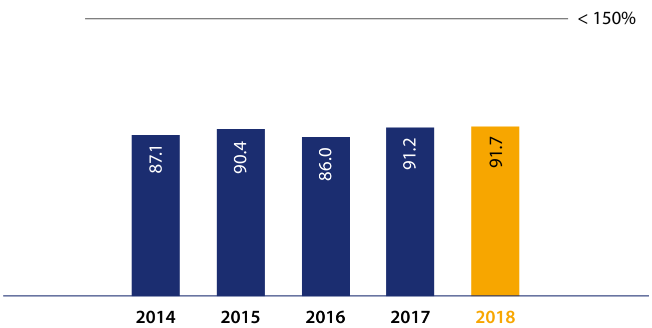
%



— Minimum target value

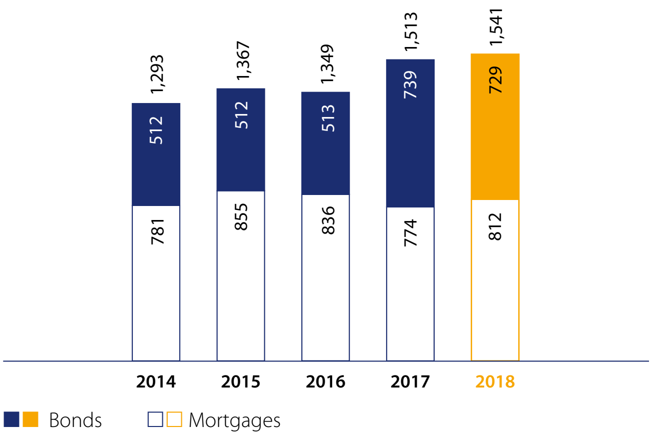
Net gearing

%

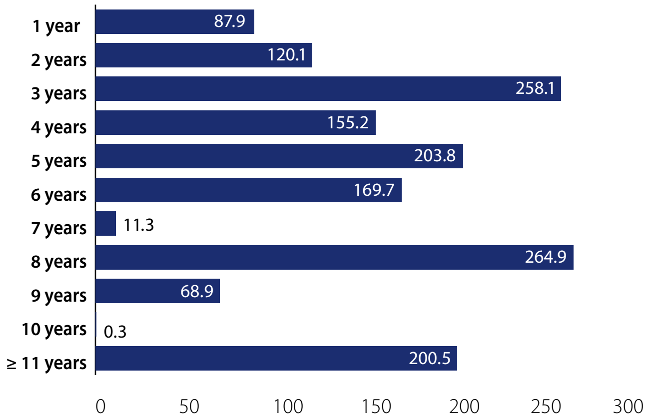


— Limit value

Financial liabilities
CHF million



Residual maturity of financial liabilities
CHF million



Investments

Investment activities at Mobimo focus on the realisation of the project pipeline. As at 31 December 2018, the pipeline contained projects for the company's own portfolio with a total investment volume (incl. building plots) of some CHF 880 million, which included:

- investment properties for the company's own portfolio – under construction: CHF 410 million,
- investment properties for the company's own portfolio – in planning: CHF 470 million.

The pipeline for Development for Third Parties and condominium projects, with a combined investment volume of around CHF 1,040 million, breaks down as follows:

- Trading properties: condominiums – under construction: no projects under construction,
- Trading properties: condominiums – in planning: CHF 170 million,
- Development of investment properties for third parties – under construction and in planning: CHF 870 million.

There is further medium-term investment potential from current site developments of some CHF 1 billion.

Focus in 2019

Like 2018, 2019 will be shaped by the completion of some important major projects. Mobimo will focus on successfully completing these projects and bringing them seamlessly into the portfolio. Mobimo expects the cost/income ratio to rise slightly again during the transitional period in 2019 due to first-time letting costs and the occupancy rate to fall somewhat, depending on the occupancy rate at the time of transfer to the portfolio. The new additions will further strengthen the solid rental income base. However, the company's significant new additions and growth also call for efficient marketing and strict cost management.

The focus of Mobimo's portfolio activities will be on continuously increasing rental income via focused optimisation measures and customer satisfaction. As usual, Mobimo will avail itself of opportunities in the Development for Third Parties business area after carrying out diligent risk assessments. The same is true for the production of condominiums, which will take place selectively and in segments and locations where demand is high. Mobimo intends to remain an investment that pays out an attractive distribution.

Manuel Itten
CFO

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.

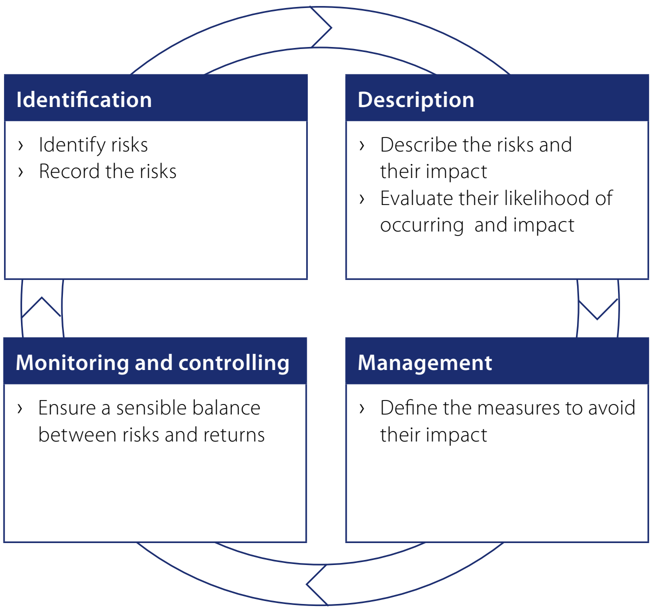
The overarching risks are based on the corporate strategy. Mobimo defines risk as any event that could negatively impact the achievement of its objectives and existing business.

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 of various risk types.

Mobimo's risk management process



Further information on the risks to which Mobimo is exposed can be found in the notes to the consolidated financial statements.

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.

Sustainability and corporate responsibility

Mobimo has for many years incorporated sustainability targets into its corporate and project strategy, its property strategies and its corporate governance. With its progressive sustainability strategy, Mobimo regularly achieves gratifying results for recognised standards and ratings and lives up to its role as one of Switzerland's leading real estate companies.

Internationally recognised standards and ratings allow an objective assessment to be made of its sustainability performance, both quantitatively and qualitatively, and comparisons to be drawn against benchmarks. GRI (Global Reporting Initiative), GRESB (Global Real Estate Sustainability Benchmark), CDP (Carbon Disclosure Project) and EPRA (European Public Real Estate) are of particular importance within Mobimo's sustainability strategy. In 2018, the company once again achieved good results with the established ratings.

Standards and ratings

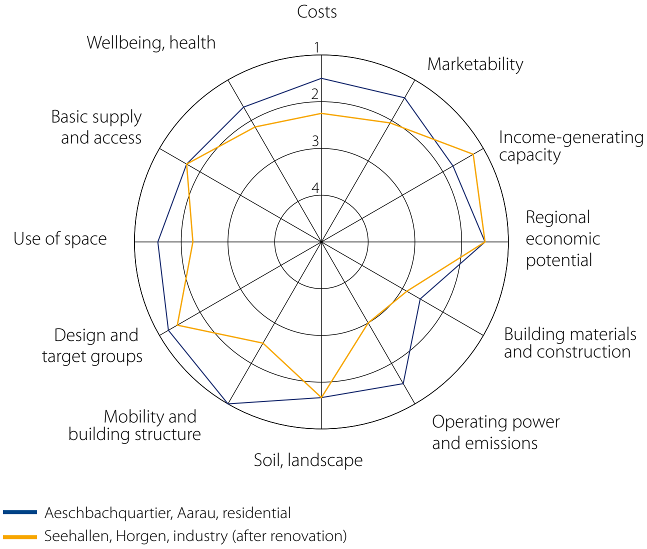
GRI Standard: Comprehensive option
Mobimo produces its sustainability report in line with the GRI Standard, Comprehensive guidelines. The report is available at www.mobimo.ch.

GRESB GREEN STAR
Based on the 2018 results, the Mobimo portfolio has once again been awarded Green Star certification (best quadrant) (2018: 72 points, 2017: 68 points). As such, it is outperforming the average GRESB participant.

CDP score B: Sector Leader
With a score of B (on a scale from A to F), Mobimo achieved a top result within the real estate industry in the Germany/Austria/Switzerland region – the same result as in the previous year. This places Mobimo among the best companies in the industry.

EPRA sBPR Gold Award and Most Improved Award
Mobimo submitted the EPRA Best Practice Recommendations Report for the first time in 2018 and was rewarded with the highest accolade, the EPRA sBPR Gold Award. Its sustainability report also won the Most Improved Award.

Internal sustainability rating of selected projects
Scale from 5 to 1 (best)



- › Enables comparison of property and project quality within the portfolio.
- › Enables comparison of individual properties against the portfolio average.
- › Identifies the need for action within the portfolio.
- › Helps to specify the details of the high sustainability demands.

Selected project: Aeschbachquartier, Aarau

Concept	A new mixed-use district bringing approximately 1,000 jobs is being developed on one of the largest brownfield sites in the Canton of Aargau
Offering	Residential properties, workplaces, restaurants, commercial and industrial properties, and services alongside a 5,000 m² public park, playgrounds and pedestrian walkways
District development	Initial, participatory process with the city of Aarau and all relevant stakeholders
Materials	Sustainable building materials in accordance with KBOB/IPB regulations. Mixed brick and rendered façade
Residential	92 condominiums and 167 rental apartments of varying size, for a wide range of target groups
Work	Around 1,000 jobs in various sectors within a 4,600 m² area
Mobility	Car-free district, 10 minutes' walk to Aarau station, bus stops within the district, Mobility offering, underground car parking, electric cars, cycle parking facilities throughout the district and e-bike charging stations
On-site art	"Calix" fountain by Kris Martin
Sustainability	Gold certification for the district from the German Sustainable Building Council (DGNB)

MINERGIE®

Development properties
Certified
2017: 100%

100%

Investment properties
Certified
2017: 25%
Reduction by 2 percentage points due to specific disposals from the portfolio.

23%

There are three dimensions to Mobimo's sustainability strategy: the economy, the environment and society. The Real Estate Committee of the Board of Directors is the top body responsible for carrying out reviews. The Sustainability team is responsible for operational implementation. Ernst & Young AG monitors and reviews the energy and emissions data.

Economy

› The basic principle behind the strategy is to strike a balance between generating profits and safeguarding the future of the company.
› Further information on the share price, shareholder structure and distribution can be found on pages 8 to 10, with details of business performance on pages 19 to 22.

Society

› The realisation of high-quality living and working spaces is the company's core competence.
› The major projects carried out by Mobimo represent an important contribution to society.
› The company plans and implements such projects with a commensurate degree of diligence and thoroughness.

Customers

Ongoing digitalisation at all levels of the company. Implementation example – Aeschbachquartier: completely digital customer service comprising a tenant portal, service desk and site information system. This facilitates interaction with Mobimo at any time, provides digital access to contract documents and to information on the district, buildings, apartments and devices, and also serves as a platform for networking within the district.

Proprietary mobility concept – the only one of its kind in Switzerland. Implementation example – Aeschbachquartier: Mobility parking space for the exclusive use of tenants and a free private annual Mobility subscription for the whole of Switzerland (tenants pay only journey costs), two charging stations for electric vehicles in the underground garage and charging stations at individual parking spaces in the underground garage (upon request).

Employees

› Attractive maternity leave: maternity package up to the fourth year of service: 112 days' maternity pay at full salary; maternity package from the fifth year of service: 180 days' maternity pay at full salary.

Environment

› The top priority of the environment strategy is to cut the portfolio's energy consumption and emissions.
› The energy consumption for electricity and heating corresponds to the value billed for each investment project.
› The calculation of CO_2 emissions is based on heating systems, types of energy used and consumption including electricity.
› From 2018 onwards, the calculation of energy-consuming space is carried out in accordance with SIA 380 (previously in accordance with SIA 416/1) (resulting in a reduction on paper).
› Emissions factors were adjusted in 2018. These are higher for gas (scope 1) and for electricity (scope 2). They are lower for district heating and heat pumps (scope 1).
› Following changes to the energy sources used, the emissions intensity was further reduced.

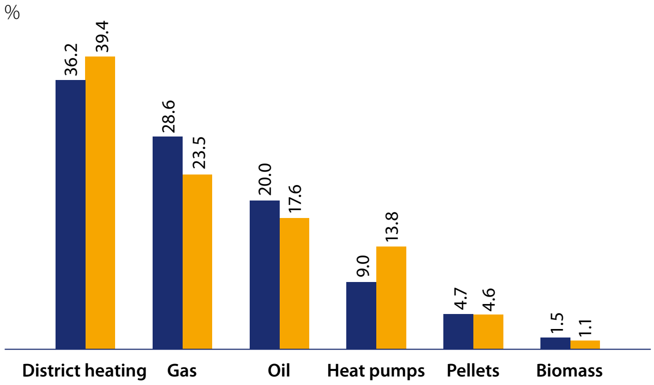
☑ Portfolio data for energy and emissions

	2011 (baseline year)	2016	Change in %[1]	2017	2018 (actual)	Change in %[2]
Energy-consuming space (m^2)	401,392	597,732	49	530,879	494,079	–7
Energy consumption for electricity and heating (MWh)	85,947	89,887	5	80,389	67,845	–16
Energy intensity (kWh/m^2)	214	150	–30	151	137	–9
Emissions (tCO_2eq)	13,931	14,390	3	12,413	10,962	–12
Emissions intensity ($kgCO_2eq/m^2$)	35	24	–31	23	22	–4

☑ Verification: Independent Assurance Report, available at www.mobimo.ch.
1 Between 2011 (baseline year) and 2016 (end of the first five-year stage).
2 Between 2017 and 2018 (actual).

Energy sources used in heating across the portfolio (shares)

%



2017 Energy source (share)
2018 Energy source (share)

› Continuous reduction in energy consumption and CO_2 emissions since 2011 as a result of adjustments to the portfolio.

CORPORATE GOVERNANCE

Corporate governance report

For Mobimo, good corporate governance is a key element of business management. The company sees good corporate governance as being the responsible management and control of the company with a focus on sustainable value creation.

The Corporate Governance report contains the information required under the SIX Swiss Exchange Directive Corporate Governance (DCG) and is largely based on the structure of the Annex to this directive. Cross-references are made to other sections of the Annual Report in order to avoid repetitions.

Group structure and shareholders

Group structure

Company	Mobimo Holding AG
Registered office	Lucerne
Place of listing	SIX Swiss Exchange
Market capitalisation as at 31.12.18	CHF 1,545 million
Swiss security no.	1110887
ISIN code	CH0011108872

Mobimo Holding AG is the parent company of the Mobimo Group and is listed on the SIX Swiss Exchange. An overview of all Group companies and shareholdings can be found in Note 33 to the consolidated annual financial statements on page 106.

The Board of Directors of Mobimo Holding AG has delegated the management of current business to the Executive Board. The Executive Board consists of the CEO, the CFO, the heads of the three divisions, Real Estate, Development and Realisation, and the Head of Mobimo Suisse romande. Since 1 January 2018, the three operating divisions have been structured as follows:

Real Estate: The Real Estate division comprises the tasks and services of portfolio management, site management, management and facility management as well as the first and second letting of investment properties in its own portfolio and the marketing of condominiums for sale.

Development: Development activities include the development and realisation of construction projects on sites and building land for third-party investors, the development of investment properties for our own portfolio and the acquisition of sites and building land for development.

Realisation: Realisation of construction projects for the company's own portfolio as well as the development and realisation of condominiums for sale, monitoring of construction activity and quality assurance during the construction phase. For segment reporting purposes, with its clear market and investor focus, the Development and Realisation divisions will continue to be combined in a single Development segment. A breakdown of project success into a development and realisation component would often not be meaningful and is also not intended for internal purposes. The segment statement, including further information on the segments, can be found in Note 3 to the consolidated financial statements on page 63 of this Annual Report.

Significant shareholders

An overview of significant shareholders and other shareholder details can be found in the section Mobimo on the capital market on page 8 of this Annual Report.

The disclosure reports drawn up in the reporting year within the meaning of Article 120 of the Swiss Federal Act on Stock Exchanges and Securities Trading (SESTA) and the provisions of the Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIO) can be found on the SIX Exchange Regulation website (www.six-exchange-regulation.com) under Publications > Significant shareholders.

Cross-shareholdings

There are no cross-shareholdings.

Capital structure

Capital

Capital as at 31 December 2018	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital	154,476	6,601,547	23.40
Authorised capital	max. 19,109	816,623	23.40
Conditional capital	max. 759	32,446	23.40

Authorised and conditional capital in particular

The authorised and conditional capital are defined in Articles 3a and 3b of the Articles of Association. The exact wording of the provisions of the Articles of Association of Mobimo Holding AG regarding authorised and conditional capital can be found under Investors > Corporate Governance > Articles of Association at www.mobimo.ch.

Authorised capital

The Board of Directors is authorised until 27 March 2020 to increase the company's share capital by issuing a maximum of 816,623 fully paid-up registered shares. 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 are 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 restrictions on transfer. Shareholders' subscription rights may be excluded by the Board of Directors for the purpose of an acquisition or (e.g. in the case of a share placement) the financing of the acquisition of land by the company or a subsidiary or for the purpose of taking over or financing 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 by the company.

Conditional capital

The share 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 following statutory restrictions on transfer.

As at the reporting date, there were no options to create registered shares from conditional capital.

Shares and participation certificates

Share capital stood at CHF 154,476,200 as at 31 December 2018 and comprised 6,601,547 fully paid-up registered shares with a nominal value of CHF 23.40. With the exception of the treasury shares held by Mobimo, every share entered with voting rights in the company's share register has one vote and every share (regardless of whether it is entered in the share register) is entitled to dividends. 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 exact wording of Article 6 of the Articles of Association can be found under Investors > Corporate Governance > Articles of Association at www.mobimo.ch.

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 Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (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 Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA) 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 ANRA. 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 2018, 12.3% (of which 10.45 percentage points have voting rights and 1.85 percentage points do not) of the shares were held by shareholders who are classified in the share register as non-Swiss or restricted persons (entered but without voting rights) according to the above definition.

The Articles of Association do not contain any provisions pertaining to the registration of nominees. The Board of Directors has laid down the following nominee registration principles in the regulations governing the administration of the share register and the recognition and registration of shareholders of Mobimo Holding AG:

- 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 in total not 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 5.81% of registered shares (5.81% with voting rights). The restrictions mentioned above 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 2018, Mobimo had no outstanding convertible bonds or options.

Changes in capital

Changes	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
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
Share capital as at 31.12.2017	180,327	6,218,170	29.00
Share capital as at 31.12.2018	154,476	6,601,547	23.40
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
Authorised capital as at 31.12.2017	34,800	1,200,000	29.00
Authorised capital as at 31.12.2018	19,109	816,623	23.40
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
Conditional capital as at 31.12.2017	941	32,446	29.00
Conditional capital as at 31.12.2018	759	32,446	23.40

In 2018, a distribution of CHF 10.00 per share was paid out from capital contribution reserves and through a reduction in share capital. Further information on changes in capital can be found in Note 14 to the consolidated annual financial statements (see page 84 of this Annual Report).

Board of Directors

Members of the Board of Directors

The Board of Directors of Mobimo Holding AG consists of seven members as at the reporting date. All members are non-executive members of the Board of Directors pursuant to the Swiss Code of Best Practice for Corporate Governance. None of the members of the Board of Directors have any significant business relationships with Mobimo Holding AG or with a Mobimo Group company. There will be changes in the Board of Directors at the 2019 Annual General Meeting: Georges Theiler will not be standing for re-election to the Board of Directors. Peter Schaub, the current Vice Chairman, is to be proposed as his successor. Peter Barandun is stepping down from the Board of Directors after four years. Bernadette Koch, auditor and until mid-2018 partner at Ernst & Young AG, and the outgoing CEO, Dr. Christoph Caviezel, will stand for election as new members of the Board of Directors.

Georges Theiler (CH)
Chairman (until April 2019)

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 consulting and directorship mandates), Lucerne
1978 – 1997	Chairman of the Executive Board and member of the Board of Directors of construction company and general contractor Theiler und Kalbermatter T + K Bau AG (building construction, tunnel construction, general contracting, real estate development and real estate management), Lucerne

Education

1976	Certified operating engineer, Swiss Federal Institute of Technology

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 and Vice Chairman since 2015.

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
› Chairman of the Board of Directors of Scobag Privatbank AG, Basel
› Chairman of the Foundation Board of the Swiss Foundation for the Deafblind (Schweizerische Stiftung für Taubblinde), Langnau am Albis
› Chairman of the Board of Directors of Zindel Immo Holding AG, Chur
› Vice Chairman of the Board of Directors of UBV Holding AG, Uetikon am See
› Vice Chairman of the Board of Directors of Uetikon Industrieholding 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 Cheminée Holding AG, Hinwil

Peter Barandun (CH)
(until April 2019)

Executive MBA HSG
Born in: 1964

Peter Barandun has been a member of the Board of Directors of Mobimo Holding AG since 26 March 2015.

Professional background

Since 2002	CEO and Chairman of the Board of Directors, Electrolux AG, Zurich
1996 – 2002	Head of the divisions of 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, University of St. Gallen (HSG)

Other activities and interests

› Chairman of the Board of Directors of Peter Barandun AG, Einsiedeln
› Member of the Board of Directors and Vice Chairman of the Nomination and Compensation Committee of Arbonia AG, Arbon
› Vice Chairman of Swiss-Ski, Muri bei Bern
› Vice Chairman of the Swiss Association for Household and Business Appliances (FEA), Zurich

Daniel Crausaz (CH)

Engineer EPFL, 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 and since 2016 owner of daniel crausaz conseils Sàrl, Lausanne
1997 – 2003	Managing Director, Banque Cantonale Vaudoise (BCV), Lausanne
1990 – 1997	BCV, Lausanne
1985 – 1989	Engineer, Bonnard & Gardel Ingénieurs Conseils Lausanne SA, Lausanne
1983 – 1985	Engineer, Felix Constructions SA, Bussigny

Education

1990	MBA, Faculty of Business and Economics at the University of Lausanne (HEC)
1982	Engineer, Swiss Federal Institute of Technology Lausanne (EPFL)

Other activities and interests

› Chairman of the Board of Directors of CIEL Electricité SA, 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 Vertiqal AG, Zug
› Member of the Board of Directors of BG Bonnard & Gardel Holding SA, Lausanne
› Delegate of Agrifert SA, Lausanne

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 in an independent capacity since 2008.

Professional background

Since 2001	Head of External Asset Managers division, Bank Vontobel AG, Zurich
1997 – 2000	Tax and legal advisor, PricewaterhouseCoopers AG, Zurich

Education

2000	Swiss-certified tax expert, Zurich
1996	Licence to practise law in the Canton of Berne

Other activities and interests

› No other activities
› No other interests

Bernard Guillelmon (CH/F)

Engineer EPFL, 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
1999 – 2000	Independent consultant, Les Giettes
1990 – 1998	Engineer, Department Head, BKW AG, Berne

Education

1999	MBA, INSEAD, Fontainebleau
1992	Masters in energy, Lausanne
1990	Engineer, Swiss Federal Institute of Technology Lausanne (EPFL)

Other activities and interests

› 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 Executive Board and Committee of the Swiss Association of Public Transport (Verband öffentlicher Verkehr, VöV), Berne
› Member of the Board of Directors of Ralpin AG, Olten
› Member of the Supervisory Board of Ermewa Holding, Paris
› Vice Chairman of the Steering Committee of Direct Transport, Berne

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 strategy development and corporate governance, Basel
1995 – 2002	Co-owner of private bank Baumann & Cie., Basel
1982 – 1994	Head of Securities and Group Life Insurance, Baloise Versicherungen, Basel
1977 – 1982	Investment advisor, SBG, Basel

Education

1977	Political sciences degree (lic. rer. pol.), University of St. Gallen (HSG)/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 Investment Committee of the Transparenta multi-employer plan, Aesch

Members departing in the year under review
No members departed in the 2018 financial year.

Honorary Chairmen
Dr. 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 Lausanne-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:
› not to take up any office 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,
› not to acquire any shares of real estate, except for shares traded on the stock exchange and acquisitions of real estate through share purchases.
Besides those listed above, 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. They also do not perform any other official functions or hold any other political offices.

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 Board of Directors currently has seven members. 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 Articles of Association do not contain any rules that differ from the statutory legal provisions with regard to the appointment of the independent shareholder representative.

Internal organisation

In 2018, 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.

In general, three meetings of the Board of Directors are held in the first quarter of each year, two in the third quarter and three in the fourth quarter. The ordinary meetings usually last half a day. In addition to a two-day strategy meeting, the Board of Directors' trip and an innovation day, a total of four meetings and four telephone conferences were held in 2018. With one exception, the Board of Directors was present in full at every meeting.

The CEO, CFO and other members of the Executive Board occasionally take part in the meetings of the Board of Directors, although the Board of Directors always meets first without these persons present. 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 (IC), the Audit and Risk Committee (AC) and the Nomination and Compensation Committee (NCC). The purpose, tasks, duties and competences of the committees are summarised below.

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 summarised under the definition of competence regulation on page 35. 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 Real Estate Committee normally meets six to eight times a year. The Chairman of the Real Estate Committee may convene additional meetings at any time. A total of eight meetings were held in 2018. The meetings lasted an average of three hours. Minutes are taken at every meeting and subsequently distributed to all members of the Board of Directors and the Executive Board.

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.

The Audit and Risk Committee meets on a quarterly basis and before the publication of the semi-annual and annual results. The Chairman of the Audit and Risk Committee may convene additional meetings at any time. A total of five meetings were held in 2018. The meetings lasted an average of three hours. 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. Minutes are taken at every meeting and subsequently distributed to all members of the Board of Directors.

Nomination and Compensation Committee

The Nomination and Compensation Committee is a preparatory committee for the Board of Directors and 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 Board of Directors has also transferred responsibility for succession planning, performance appraisals, training and further development, and the handling of general questions on staff policy, to the Nomination and Compensation Committee in its capacity as an advisory and preparatory committee for human resources matters relating to the members of the Board of Directors and the Executive Board.

The Nomination and Compensation Committee comprises at least three members, who are elected individually by the Annual General Meeting. Only members of the Board of Directors may be elected to the committee. The Chairman of the Nomination and Compensation Committee is proposed by the Board of Directors. 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 may also request the assistance of independent third parties in performing its tasks and compensate them accordingly.

The Nomination and Compensation Committee meets at least twice per year in connection with the tasks, duties and responsibilities incumbent on it under the Ordinance Against Excessive Compensation in Listed Companies (OaEC) and the Articles of Association. These meetings usually take place in the first and last quarter of the year. The Chairman of the Nomination and Compensation Committee may convene additional meetings at any time. A total of eleven meetings and four telephone conferences were held in 2018. The meetings lasted an average of two hours. Minutes are taken at every meeting and subsequently distributed to all members of the Board of Directors.

Competence regulation

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 the 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),
- making decisions regarding company or Group company investments and disposals over CHF 10 million,
- 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.

In accordance with the delegation norm of Article 20 of the Articles of Association (see Investors > Corporate Governance > Articles of Association at www.mobimo.ch) and to the extent permitted by law and the Articles of Association, the Board of Directors has transferred the operational management of the Mobimo Group to the Executive Board under the direction of the CEO. The Executive Board implements the Group and business policies in line with the guidelines set by the Board of Directors.
The Executive Board has the following main duties and competences:

- managing the company within the framework of corporate policy, medium-term planning and annual budgets,
- executing the resolutions of the Board of Directors,
- preparing the annual budget,
- managing the Group companies at the level of the Board of Directors and/or the Executive Board, in compliance with the respective responsibilities and local organisational regulations,
- undertaking tasks and public relations work associated with the public listing.

The competences of the Board of Directors, Real Estate Committee and Executive Board for the purchase and sale of properties are regulated as follows at Mobimo Holding AG: The Board of Directors has delegated operational decisions on property transactions up to an investment volume of CHF 10 million to the Executive Board. The Board of Directors of Mobimo Holding AG makes decisions on real estate transactions with a total value of over CHF 30 million, while the Real Estate Committee is responsible for decisions on real estate transactions between CHF 10 million and CHF 30 million.

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 CEO also usually takes part in the committee meetings. The CFO also usually takes part in the Audit and Risk Committee meetings.

The entire Board of Directors receives a monthly report on current business performance and a quarterly report from the Executive Board 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 attends the meetings of the Board of Directors and reports on items on the agenda and/or is available for 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.

Executive Board

Members of the Executive Board

CEO Christoph Caviezel will hand over responsibility for the operational management of Mobimo Holding AG to Daniel Ducrey in spring 2019. Daniel Ducrey will join the company on 1 March 2019 and assume the role of CEO on the day after the Annual General Meeting on 2 April 2019. Christoph Caviezel, who has served as CEO for many years, will be proposed to the shareholders of Mobimo Holding AG at the Annual General Meeting for election to the Board of Directors.

Dr. Christoph Caviezel (CH)
CEO (until April 2019)

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 Purchase and Divestment business areas.

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, Mobimo Zürich Nord AG, Immobiliengesellschaft Fadmatt AG

Professional background

2001 – 2008	CEO, Intershop Holding AG, Zurich (member of the Board of Directors from 2003)
1995 – 2001	Intershop Holding AG, Zurich (member of the Executive Board from 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	Licence to practise law 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 für Immobilienanlagen im Ausland, AFIAA), Zurich, until June 2018
- Bank Council of Graubündner Kantonalbank, Chur
- Member of the Board of Directors of Crypto Real Estate AG, Zug

Daniel Ducrey (CH)
CEO (from April 2019)

Architect FH
Born in: 1964

Daniel Ducrey will become CEO of the Mobimo Group from the start of April 2019. In addition to serving as CEO, he will also directly manage the Corporate Center and Purchase and Divestment business areas.

Chairman of Boards of Directors within the Mobimo Group (from April 2019)

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, Mobimo Zürich Nord AG, Immobiliengesellschaft Fadmatt AG

Professional background

2015 – 2018	CEO, Steiner Group, Zurich
2012 – 2015	CEO, Steiner India Ltd., Mumbai
2009 – 2012	Business Unit Head, Steiner Group, Western Switzerland region, Lausanne (Member of the Executive Board from 2009)
1999 – 2009	Losinger Construction AG, Berne (Member of the Executive Board from 2008)
1992 – 1999	Architect and construction manager, SAPCO AG, Givisiez
1987 – 1988	Draughtsman, Grobéty architectural practice, Andrey, Sottas, Fribourg
1986 – 1987	Draughtsman, Claude Bielmann architectural practice, Marly

Education

2004	Postgraduate studies in business administration and management, FH Berne
1992	Architecture degree (cert. architect), FH Biel/Bienne
1983	Training as a structural draughtsman, Fribourg

Thomas Stauber (CH)
Head of Real Estate, Deputy CEO (until summer 2019)

Certified civil engineer ETH/SIA, NDS BWI
Born in: 1964

Thomas Stauber joined Mobimo in November 2011 as a member of the Executive Board 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, Mobimo FM Service AG (formerly FM Service & Dienstleistungen AG)

Professional background

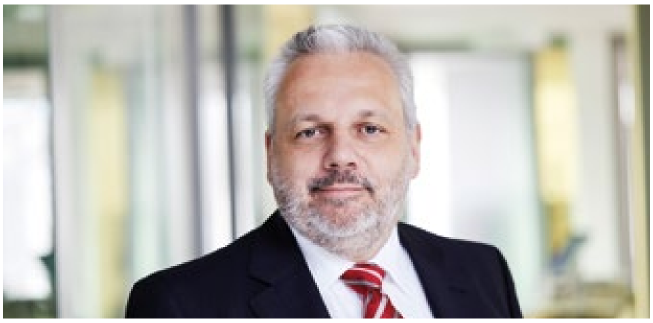
2011 – 2014	Head of Development for Third Parties, Mobimo, Küsnacht
2004 – 2011	Head of Acquisitions and Project Development, Allreal Generalunternehmung AG, Zurich (as a member of the Executive Board)
2002 – 2004	Managing Director, Bauengineering AG, Zurich
2000 – 2002	Head of Project Development, tk3 AG, Basel (as a member of the Executive Board)
1995 – 2000	Head of Technical Planning and Realisation of the Sony Center on Potsdamer Platz, Sony Berlin GmbH, Berlin
1989 – 1994	Project managing civil engineer

Education

1994	Postgraduate studies in industrial management and manufacturing, ETH Zurich
1989	Cert. civil engineer, ETH Zurich

Manuel Itten (CH)
CFO

Business administration FH
Born in: 1965



Manuel Itten joined Mobimo in 2004, serving 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, Mobimo FM Service AG (formerly FM Service & Dienstleistungen 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, Mobimo Zürich Nord AG, Petit Mond-Riond SA, Immobiliengesellschaft Fadmatt AG

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

1999	Business administration degree (Business Economist HWV), FH Winterthur
1988	Completion of basic commercial and design studies

Vinzenz Manser (CH)
Head of Realisation

Certified architect HTL; MAS in Real Estate Management HWZ
Born in: 1967

Vinzenz Manser joined Mobimo in March 2002 and has been Head of Realisation since 2008. He has been a member of the Executive Board of Mobimo since January 2018.

Professional background

2008 – 2017	Head of Project Management, Mobimo, Küsnacht
2002 – 2008	Project Manager, Mobimo, Küsnacht
1999 – 2002	Overall Project Head, Mobag AG, Zurich
1994 – 1999	Construction manager, project lead, overall project head for various major construction projects, Caretta und Weidmann AG, Zurich
1993 – 1994	Planning manager and construction manager, Conarenco AG, Zurich
1990 – 1992	Construction manager and construction cost controller, Emch und Berger Zürich AG, Zurich

Education

2008	Master of Advanced Studies in Real Estate Management HWZ, Zurich
1997	Certified architect HTL, Zurich
1990	Training as an underground engineering draughtsman, St. Gallen
1987	Training as a bricklayer, St. Gallen

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, University of St. Gallen (HSG)
2001	Architecture degree (cert. architect), ETH Zurich

Marco Tondel (CH)
Head of Acquisition and Development

Certified architect ETH, Executive MBA ZHAW
Born in: 1974

Marco Tondel joined Mobimo in January 2012, working as Head of Development for Third Parties from 2014. He has been a member of the Executive Board since January 2018 and heads up all of Mobimo's development activities.

Professional background

2014 – 2017	Head of Development for Third Parties, Mobimo, Küsnacht
2012 – 2014	Project Manager, Development for Third Parties, Mobimo, Küsnacht
2005 – 2011	Vice Director for Project Development for the Allreal portfolio and for third parties, Zurich
2002 – 2005	Project Manager, Project Development and Design, BSS Architekten, Schwyz/Zurich
2000 – 2002	Project Manager, Design and Implementation, Alioth Langlotz Stalder Buol architectural practice, Zurich

Education

2008	Degree in Real Estate Investment Banking, European Business School, Wiesbaden
2005	Executive MBA, Zurich University of Applied Sciences, Winterthur
2000	Architecture degree (cert. architect), 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:

› up to one mandate 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 five mandates for companies that are not considered 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. However, the prior approval of the Board of Directors is required for such mandates and appointments.

Management agreements

No management agreements have been concluded with third parties. There are service agreements between the Group companies and Mobimo Management AG and between the Group companies and Mobimo FM Service AG (formerly FM Service & Dienstleistungs 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 from page 43 of this Annual Report.

Shareholders' rights of participation

In connection with the shareholders' rights of participation, the relevant statutory provisions of Mobimo Holding AG are referred to below. The company's current Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

Restrictions on voting rights and proxies

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 Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents, ANRA). 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).

Executive Board					
CEO	**CFO**	**Head of Real Estate**	**Head of Mobimo Suisse romande**	**Head of Acquisition and Development**	**Head of Realisation**
Dr. Christoph Caviezel (until April 2019) Daniel Ducrey (from April 2019)	Manuel Itten	Thomas Stauber	Marc Pointet	Marco Tondel	Vinzenz Manser

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 electronically via the Sherpany online shareholder platform.

The independent proxy is elected by the General Meeting. 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.

Quorum prescribed by 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 5% 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. The invitation to the General Meeting is 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 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

The shareholders' right to add items to the agenda is governed by Article 9 of the Articles of Association. Shareholders representing at least 0.5% of the share capital may request that an item be included on the agenda. Requests to add items to the agenda must be submitted in writing at least 45 days prior to the General Meeting.

Entries in the share register

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 transferred this approval authority to the Audit and Risk Committee. The Audit and 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 held in Lucerne on 2 April 2019, the share register will be closed for entries from 25 March 2019 onwards.

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. The compensation report can be found on pages 43 to 47 of this Annual Report.

Change of control and defensive measures

Obligation to make an offer

In view of the Swiss Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA), 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 135 of the Swiss Stock Exchange Act (SESTA) governing the obligation to make a purchase offer therefore apply. 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.

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 auditor has been KPMG AG, Lucerne. The statutory auditor is appointed annually by the Annual General Meeting. Kurt Stocker has been lead auditor since 2013. His maximum term of office is seven years. The frequency of rotation corresponds to the legal regulation.

Audit fee and additional fees

The fees charged by KPMG AG for auditing the 2018 financial year were CHF 0.4 million (prior year: CHF 0.4 million). This figure includes the fees for auditing the consolidated financial statements, the statutory individual financial statements of all subsidiaries and the compensation report, and for reviewing the semi-annual results.
In the year under review, KPMG AG invoiced an additional fee of CHF 0.3 million (prior year: CHF 0.1 million). The additional fees relate to tax consulting and due diligence services.

The fee paid to the independent property valuer Jones Lang LaSalle AG for the 2018 financial year was CHF 0.3 million (prior year: CHF 0.5 million).

Information instruments of the external auditors

The Audit and Risk Committee usually holds two meetings with the auditors every year, at the time of the semi-annual results and the annual results. The Chairman of the Board of Directors, the Chairman of the Audit and Risk Committee and the auditors meet once a year. The Audit and Risk Committee receives the results of the audit in a comprehensive report.

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 publication used by the company to make official announcements is the Swiss Official Gazette of Commerce (SOGC).

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 SIX Swiss Exchange.

The company is also subject to the obligation in respect of ad hoc publicity pursuant to Article 53 f. of the listing rules. Ad hoc news is available at www.mobimo.ch under Investors > Ad hoc news, and the form to sign up for the newsletter and ad hoc news can be found at www.mobimo.ch under Investors > Investor Services.

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

Contact

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Compensation report

Mobimo's compensation plans are designed to ensure that qualified managers can be recruited, motivated and retained by the company.

The compensation report is drawn up in line with the Ordinance Against Excessive Compensation in Listed Companies (OaEC) of 20 November 2013, the SIX Swiss Exchange Directive Corporate Governance (DCG) and the principles of the economiesuisse Swiss Code of Best Practice for Corporate Governance.

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 provides a comparison of the compensation approved by the General Meeting and the compensation actually paid.

Compensation of the Board of Directors

Principles

Article 22 of the Articles of Association governs the compensation of the Board of Directors. The Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > 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. All members of the Board of Directors are compensated on the basis of the same principles. The compensation model for members of the Board of Directors is modular in structure and takes account of the activities actually undertaken and functions occupied by each member of the Board of Directors. Compensation is paid to the members of the Board of Directors plus the employer's share of social security contributions. The Board of Directors does not receive any variable compensation based on short-term performance. Rather it is linked to the long-term success of the company by receiving part of its remuneration in blocked shares.

New rules for compensation with effect from the 2019 Annual General Meeting

With effect from the 2019 Annual General Meeting, the Board of Directors has decided that 25% of compensation will in future be paid in the form of shares. The number of shares allocated and the dates of allocation and transfer of ownership are approved 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. With effect from the 2019 Annual General Meeting, the Board of Directors sets a vesting period of three years (previously voluntary purchase with a five-year vesting period). From the date of allocation, the shares have both voting and dividend rights.

Approval of compensation 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.

Compensation of the Board of Directors, effective from AGM 2019

Member of the Board: TCHF 70 (until 2019 AGM: TCHF 70)		
Chairman of the Board: + TCHF 130 (until 2019 AGM: + TCHF 200)		
Real Estate Committee	**Audit and Risk Committee**	**Nomination and Compensation Committee**
Member: + TCHF 55 (until 2019 AGM: + TCHF 70)	Member: + TCHF 35 (until 2019 AGM: + TCHF 50)	Member: + TCHF 15 (until 2019 AGM: + TCHF 20)
Chairman: + TCHF 20 (until 2019 AGM: + TCHF 30)	Chairman: + TCHF 20 (until 2019 AGM: + TCHF 30)	Chairman: + TCHF 20 (until 2019 AGM: + TCHF 30)

Modular fixed compensation of the Board of Directors

The compensation of members of the Board of Directors consists of various modules depending on the relevant member's activities. It comprises a fixed basic compensation amount, plus fixed supplements for additional activities carried out and functions occupied. The basic compensation is CHF 70,000 per year for each member of the Board of Directors. The Board of Directors has decided to significantly reduce the fixed surcharges with effect from the 2019 Annual General Meeting and to pay the following amounts for further activities:

For activities exercised on a Board Committee:
- as a member of the Real Estate Committee (IC) CHF 55,000 (previously CHF 70,000),
- as a member of the Audit Committee (AC) CHF 35,000 (previously CHF 50,000),
- as a member of the Nomination and Compensation Committee (NCC) CHF 15,000 (previously CHF 20,000).

For acting as Chairman:
- Chairman of the Board of Directors CHF 130,000 (previously CHF 200,000),
- Chairman of a Board Committee CHF 20,000 (previously 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

Principles

Articles 28 and 29 of the Articles of Association govern the compensation of the Executive Board. The Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.
The compensation system must ensure the members of the Executive Board receive 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 qualitative (35%) and quantitative (65%) criteria
- The compensation system is linked to the implementation of the corporate strategy

Competitive, in line with the market and transparent
- Attracts and retains highly qualified management
- Compensation is fair and reasonable in both an internal and external comparison with major listed Swiss real estate companies

Aligned with the interests of the shareholders
- Promotes outstanding performance and the generation of added value in the interests of the shareholders
- Variable compensation of which at least 50% in the form of vested shares as a long-term incentive

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 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 and Compensation Committee in line with market conditions, with a particular focus on salary levels in the Swiss real estate market, and reviewed annually. Salaries are compared against the major Swiss real estate companies listed on the SIX Swiss Exchange: Swiss Prime Site AG, PSP Swiss Property AG, Allreal Holding AG, Intershop Holding AG, Zug Estates Holding AG and Warteck Invest AG. This competitive compensation system should enable Mobimo to recruit the senior managers it wants from the relatively small pool of suitable executives and retain them for 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.

The maximum total amount of non-performance-related compensation payable to the Executive Board must be approved annually by the General Meeting for the financial year following the General Meeting in question.

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 monthly instalments.

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. In accordance with currently applicable employment contracts, 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, despite the Articles of Association allowing an upper limit of 150%. At least 50% of the variable compensation is paid as a long-term incentive, i.e. in shares in the company. The shares issued are subject to a vesting period of five years.

Profit-sharing model
In accordance with the compensation regulations in force since 1 January 2015, the payment of the performance-related element of Executive Board members' compensation is conditional on certain quantitative targets being met by the company (65%) and on individual performance targets (qualitative targets) being met (35%). Under the compensation regulations, variable compensation is capped at 100% of the fixed gross salary.

Based on the corporate strategy, the Board of Directors has defined the key performance figure for calculating the extent to which quantitative targets have been met as the return on equity before revaluation income.

However, entitlement to compensation as a result of quantitative targets being met 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.

The Board of Directors may reduce this portion of the variable compensation in line with the regulations if shareholders do not receive a dividend/capital repayment at least equivalent to that of the prior year.

Qualitative targets comprise individual performance targets such as company, segment or function-specific targets or personal targets, as well as economic and/or market-relevant key figures. Every year, the Nomination and Compensation Committee sets objectives based on Mobimo's corporate strategy, which are then used to determine individual performance targets. The Chairman of the Executive Board then submits a concrete proposal for individual performance targets to the Nomination and Compensation Committee. The targets are then approved by the Nomination and Compensation Committee.

The extent to which qualitative targets have been met is assessed once a year, after the end of the financial year. The assessment is carried out in a first phase by the Chairman of the Executive Board for his fellow members of the Executive Board and by the Chairman of the Board of Directors for the Chairman of the Executive Board. The Nomination and Compensation Committee then carries out a second assessment. Whether or not a member of the Executive Board has met their target determines their individual entitlement to the portion of performance-related contribution based on the qualitative objectives.

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 least 50% of the variable compensation is paid as a long-term incentive, i.e. in shares in the company. The shares are subject to a vesting period of five years. At the request of the Nomination and Compensation Committee, the Board of Directors determines the dates of allocation and transfer of ownership, and the vesting periods. The share value equals the share price 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
Article 29 of the Articles of Association governs the additional amount for compensation payable to members appointed after the General Meeting. The Articles of Association are available at www.mobimo.ch under Investors > Corporate Governance > Articles of Association.

For each member of the Executive Board appointed after the General Meeting that voted on the total amount of compensation, there is an additional amount of 30% of the total compensation for the Executive Board already approved in advance for the relevant periods. This amount also covers the period between the member in question's appointment and the start of the already approved period. 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 compensation actually paid and 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 2018. 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 2018.

Board of Directors

TCHF	Approved 27.3.2018 – 2.4.2019	Approved 27.3.2018 – 31.12.2018 (9 months/pro rata)	Paid 27.3.2018 – 31.12.2018	Approved 28.3.2017 – 27.3.2018	Paid 28.3.2017 – 27.3.2018
Fixed compensation incl. shares	1,300	975	946	1,300	943
Compensation for related parties	n/a	n/a	n/a	n/a	n/a

Executive Board

TCHF	Approved 1.1.2018 – 31.12.2018	Paid 1.1.2018 – 31.12.2018	Approved 1.1.2017 – 31.12.2017	Paid 1.1.2017 – 31.12.2017
Fixed compensation	3,100	2,988	2,850	2,722
Performance-related compensation	3,100	910	2,850	1,537

Compensation report for the 2018 financial year in accordance with the OaEC

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 insurance contributions	2018 Total	Fees, salary	Shares	Social insurance contributions	2017 Total
Georges Theiler, Chairman BoD	340	0	21	361	340	0	21	361
Brian Fischer, BoD	170	0	12	182	170	0	12	182
Wilhelm Hansen, BoD	140	0	9	149	109	31	9	149
Peter Schaub, BoD	170	0	0	170	170	0	0	170
Daniel Crausaz, BoD	120	0	0	120	120	0	2	122
Bernard Guillelmon, BoD	120	0	9	129	120	0	9	129
Peter Barandun, BoD	110	30	10	150	90	50	3	143
Total	**1,170**	**30**	**61**	**1,261**	**1,119**	**81**	**56**	**1,256**

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

No request was submitted to the 2018 Annual General Meeting for a sum for additional compensation of members of the Board of Directors and related parties or companies.

Compensation payable to the Executive Board

TCHF	2018 Total	2017 Total	2018 Christoph Caviezel, CEO	2017 Christoph Caviezel, CEO
Fees, salary	2,410	2,198	703	703
Profit-sharing in cash	418	715	123	229
Profit-sharing in shares	420	717	123	229
Other contributions[1]	650	629	196	212
Total	**3,898**	**4,259**	**1,145**	**1,373**

[1] Other contributions include pension contributions, any service anniversary gifts, private use of vehicles and employer's social insurance contributions.

Amounts for the 2018 financial year reflect the expense reported in the consolidated financial statements for the year under review (accrual accounting).

The General Meeting of 27 March 2018 approved fixed compensation of CHF 3.1 million for the Executive Board for the 2018 financial year.
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 2018 financial year, and there were no such receivables outstanding as at 31 December 2018.

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 2018 of Mobimo Holding AG for the year ended 31 December 2018. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections “Compensation report for the 2018 financial year in accordance with the Ordinance Against Excessive Compensation in Listed Companies” on pages 46 to 47 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 2018 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 2019

FINANCIAL REPORT

Consolidated income statement

TCHF	Note	2018	2017
Income from rental of properties	4	114,124	111,014
Income from development projects and sale of trading properties	7	62,162	199,650
Other income		4,208	3,702
Revenue		**180,494**	**314,366**
Gains from revaluation of investment properties	5	61,737	64,159
Losses on revaluation of investment properties	5	–19,772	–36,878
Net income from revaluation		**41,965**	**27,281**
Profit on disposal of investment properties	6	**29,026**	**27,470**
Direct expenses for rented properties	4	–20,153	–16,875
Direct expenses from development projects and sale of trading properties	7	–55,956	–174,956
Direct operating expenses		**–76,109**	**–191,831**
Capitalised own-account services		6,640	6,887
Personnel expenses	16	–30,366	–25,351
Operating expenses	20	–10,814	–10,871
Administrative expenses	21	–3,430	–2,962
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**137,405**	**144,988**
Depreciation	24	–1,738	–1,685
Amortisation and impairment losses	25	–2,038	–1,006
Earnings before interest and tax (EBIT)		**133,629**	**142,298**
Share of profit of equity-accounted investees		3,069	2,192
Financial income		2,162	2,974
Financial expense		–29,168	–31,536
Financial result	10	**–27,007**	**–28,562**
Earnings before tax (EBT)		**109,692**	**115,927**
Tax expense	19	–19,400	–24,436
Profit		**90,291**	**91,492**
Of which attributable to the shareholders of Mobimo Holding AG		90,623	91,650
Of which attributable to non-controlling interests		–332	–158
EBITDA not including revaluation		95,440	117,708
Operating result (EBIT) not including revaluation		91,664	115,017
Earnings before tax (EBT) not including revaluation		67,727	88,646
Earnings per share in CHF	32	14.26	14.74
Diluted earnings per share in CHF	32	14.26	14.74

Consolidated statement of comprehensive income

TCHF	Note	2018	2017
Profit		**90,291**	**91,492**
Items that may be reclassified subsequently to income statement		**1,599**	**3,440**
Profit on financial instruments for hedge accounting	11	3,504	4,258
Reclassification adjustments for amounts recognised in income statement	11	152	155
Tax effects	11/19	–2,057	–973
Items that will not be reclassified to income statement		**274**	**29**
Remeasurement in staff pension schemes	17	338	36
Tax effects	19	–64	–7
Total other comprehensive income		**1,873**	**3,470**
Of which attributable to the shareholders of Mobimo Holding AG		1,873	3,470
Of which attributable to non-controlling interests		0	0
Total comprehensive income		**92,164**	**94,961**
Of which attributable to the shareholders of Mobimo Holding AG		92,496	95,119
Of which attributable to non-controlling interests		–332	–158

Consolidated balance sheet

TCHF	Note	31.12.2018	31.12.2017
Assets			
Current assets			
Cash	13	153,556	87,103
Trade receivables	22	34,842	73,749
Financial assets	27	0	150,000
Current tax assets		13,025	13,089
Other receivables	23	15,339	24,546
Contract assets	8	17,450	0
Trading properties	9	194,861	201,845
Accrued income and prepaid expenses		4,663	2,565
Total current assets		**433,737**	**552,897**
Non-current assets			
Investment properties			
› Commercial properties	5	1,208,030	1,367,490
› Residential properties	5	1,097,140	730,650
› Development properties	5	144,140	118,960
› Investment properties under construction	5	420,760	366,660
Property, plant and equipment			
› Owner-occupied properties	24	13,738	13,454
› Other property, plant and equipment	24	6,227	5,889
Intangible assets	25	7,749	8,069
Investments in associates and joint ventures	26	29,287	27,968
Financial assets	27	2,701	1,849
Deferred tax assets	19	1,664	1,811
Total non-current assets		**2,931,437**	**2,642,799**
Total assets		**3,365,174**	**3,195,695**

TCHF	Note	31.12.2018	31.12.2017
Equity and liabilities			
Liabilities			
Current liabilities			
Current financial liabilities	11	87,848	204,421
Trade payables		17,531	29,604
Current tax liabilities		9,678	10,433
Derivative financial instruments	11/15	162	22
Other payables	28	4,376	5,055
Contract liabilities	8	5,126	0
Advance payments from buyers		505	1,923
Accrued expenses and deferred income	29	40,716	37,034
Total current liabilities		**165,943**	**288,492**
Non-current liabilities			
Non-current financial liabilities	11	1,452,840	1,308,407
Employee benefit obligation	17	8,477	6,053
Derivative financial instruments	11/15	27,192	32,758
Deferred tax liabilities	19	197,213	160,878
Total non-current liabilities		**1,685,722**	**1,508,095**
Total liabilities		**1,851,664**	**1,796,588**
Equity	14		
Share capital		154,476	180,327
Treasury shares		–1,216	–133
Capital reserves		202,611	145,390
Retained earnings		1,151,315	1,058,352
Total equity attributable to the shareholders of Mobimo Holding AG		**1,507,185**	**1,383,935**
Attributable to non-controlling interests		**6,324**	**15,172**
Total equity		**1,513,509**	**1,399,108**
Total equity and liabilities		**3,365,174**	**3,195,695**

Consolidated cash flow statement

TCHF	Note	2018	2017
Earnings before tax		109,692	115,927
Net gains from revaluation of investment properties	5	–41,965	–27,281
Share-based payments	18	450	799
Depreciation on property, plant and equipment and amortisation of lease incentives		2,449	2,314
Amortisation of intangible assets	25	2,038	1,006
Profit on disposal of investment properties	6	–29,026	–27,470
Profit on disposal/derecognition of property, plant and equipment		0	–20
Loss on disposal/derecognition of intangible assets		0	1
Share of profit of associates and joint ventures		–3,069	–2,192
Financial result	10	27,007	28,562
Changes			
› Trade receivables		23,975	–60,223
› Contract assets		22,388	0
› Trading properties		3,569	103,630
› Other receivables and accrued income and prepaid expenses		10,292	1,106
› Employee benefit obligation		2,762	–1,074
› Trade payables		–1,841	–3,727
› Contract liabilities		565	0
› Advance payments from buyers		610	–9,275
› Other liabilities and accrued expenses and deferred income		1,349	–4,649
Income tax paid		–26,880	–38,842
Net cash from operating activities		**104,364**	**78,593**
Investments in financial assets	27	–400	–150,000
Acquisition of investment properties	5	–216,028	–183,428
Acquisition of property, plant and equipment	24	–2,360	–3,475
Acquisition of intangible assets	25	–1,717	–2,802
Disposal of financial assets	27	150,000	117
Disposal of property, plant and equipment		0	20
Disposal of investment properties less selling costs	5	176,743	123,842
Disposal of associates		200	100
Dividends received		1,893	1,690
Interest received		25	41
Net cash used in investing activities		**108,354**	**–213,895**
Proceeds from financial liabilities	11	173,274	278,591
Repayment of financial liabilities	11	–212,615	–133,836
Net cash from capital increases		–19	0
Nominal value repayment	14	–34,812	0
Distribution of capital contribution reserves	14	–27,352	–62,174
Acquisition of non-controlling interests	33	–8,200	0
Purchase of treasury shares	14	–1,856	–745
Interest paid		–34,685	–33,300
Net cash used in financing activities		**–146,265**	**48,536**
Change in cash		**66,453**	**–86,766**
Cash at beginning of reporting period		87,103	173,869
Cash at end of reporting period		**153,556**	**87,103**

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 HoldingAG	Non-con-trolling interests	Total equity
At 1 January 2017		**180,327**	**–446**	**207,466**	**–24,500**	**988,090**	**963,589**	**1,350,936**	**15,331**	**1,366,267**
Profit						91,650	91,650	91,650	–158	91,492
Cash flow hedges:	11									
› Change in fair value					4,258		4,258	4,258		4,258
› Transfer to income statement					155		155	155		155
› Tax effects					–973		–973	–973		–973
Staff pension schemes:	17									
› Remeasurement						36	36	36		36
› Tax effects						–7	–7	–7		–7
Other comprehensive income		**0**	**0**	**0**	**3,440**	**29**	**3,470**	**3,470**	**0**	**3,470**
Total comprehensive income		**0**	**0**	**0**	**3,440**	**91,679**	**95,119**	**95,119**	**–158**	**94,961**
Distribution of capital contribution reserves	14			–62,174				–62,174		–62,174
Share-based payments:	18									
› Board of Directors and management			1,057	98		–357	–357	799		799
Purchase of treasury shares			–745					–745		–745
At 31 December 2017		**180,327**	**–133**	**145,390**	**–21,060**	**1,079,412**	**1,058,352**	**1,383,935**	**15,172**	**1,399,108**
Impact of changes in accounting policies						1,067	1,067	1,067	0	1,067
At 1 January 2018		**180,327**	**–133**	**145,390**	**–21,060**	**1,080,478**	**1,059,418**	**1,385,002**	**15,172**	**1,400,174**
Profit						90,623	90,623	90,623	–332	90,291
Cash flow hedges:	11									
› Change in fair value					3,504		3,504	3,504		3,504
› Transfer to income statement					152		152	152		152
› Tax effects					–2,057		–2,057	–2,057		–2,057
Staff pension schemes:	17									
› Remeasurement						338	338	338		338
› Tax effects						–64	–64	–64		–64
Other comprehensive income		**0**	**0**	**0**	**1,599**	**274**	**1,873**	**1,873**	**0**	**1,873**
Total comprehensive income		**0**	**0**	**0**	**1,599**	**90,897**	**92,496**	**92,496**	**–332**	**92,164**
Nominal value repayment		–34,822	10					–34,812		–34,812
Distribution of capital contribution reserves	14			–27,352				–27,352		–27,352
Share-based payments:	14/18									
› Capital increase	14	8,971		84,570				93,541		93,541
› Board of Directors and management	18		764	3		–316	–316	450		450
Purchase of treasury shares			–1,856					–1,856		–1,856
Acquisition of non-controlling interests	33					–284	–284	–284	–8,516	–8,800
At 31 December 2018		**154,476**	**–1,216**	**202,611**	**–19,461**	**1,170,776**	**1,151,315**	**1,507,185**	**6,324**	**1,513,509**

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.

The consolidated financial statements of Mobimo Holding AG give a true and fair view of the financial position of the Mobimo Group and of its earnings and cash flows. In drawing up the consolidated financial statements, all IFRS standards were followed, with the exception of IAS 12.15(b), application of which was waived in accordance with IAS 1.19. IAS 12.15(b) provides that, upon the initial recognition of an asset or a liability on a taxable temporary difference, no deferred tax liability may be recognised in a transaction which is not a business combination and affects neither accounting profit nor taxable profit.

Mobimo acquired all the shares in Immobiliengesellschaft Fadmatt AG in August 2018. The purchase price including transaction costs was CHF 181.2 million. Upon acquisition of the company, properties valued at CHF 288.4 million, other assets/liabilities of CHF 2.1 million and mortgages totalling CHF 67.8 million were taken over. The sale of the company does not entail any taxation of the sellers on the basis of the sale of properties. The presumed tax effect of CHF 41.5 million is deferred, i.e. tax will only be payable when Mobimo disposes of the properties held by Immobiliengesellschaft Fadmatt AG. This deferred tax liability was taken into account when the purchase price was agreed.

Immobiliengesellschaft Fadmatt AG does not fulfil the criteria for a business pursuant to IFRS 3, and as such the acquisition of the company is not a business combination within the meaning of IFRS 3. Rather, it is an acquisition of a group of assets and liabilities. Under IFRS 3.2(b), Mobimo must upon initial recognition identify and recognise the individual identifiable assets acquired and liabilities assumed and allocate the purchase price to these assets and liabilities. Goodwill may not be applied.

Based on IAS 12.15(b), no deferred tax liability may be recognised for this transaction. IFRIC confirmed in March 2017 that this provision also applies to cases where a company holding properties is acquired, rather than such properties being acquired directly. As a consequence, Mobimo would not be permitted to recognise the above-mentioned deferred tax liabilities upon the initial consolidation of Immobiliengesellschaft Fadmatt AG. The portion of the purchase price relating to the tax liability would be spread across the other assets and liabilities. As they are classified as investment properties, the properties are measured at fair value; assuming that the CHF 41.5 million is primarily allocated to the properties, this would result in a revaluation gain in the corresponding amount immediately upon initial consolidation which would be recorded through profit or loss and on which a corresponding deferred tax liability of around CHF 8.8 million would be created. No liability would be recorded at any point for the remainder of the deferred taxes (estimated at around CHF 32.7 million). Consequently, these taxes would be recognised pro rata as an expense at the time of the disposal of one of these properties. Mobimo takes the view that the above-mentioned revaluation gain would not have any real economic substance and would give readers of the balance sheet a false impression. Furthermore, the deferred tax liabilities would not be recognised in full, meaning reported equity would be too high. Measures such as NAV that are closely watched in the real estate sector would also be misrepresented. Based on IFRIC's comments, it can also be concluded that the IASB did not intend for this to be the impact of the application of IAS 12.15(b) on this transaction, but that revising the standard is not a priority right now.

Under the IFRS Conceptual Framework, the fundamental objective of financial reporting is to provide financial information that is useful to existing and potential investors, lenders and other creditors in making decisions relating to the entity. Mobimo has concluded that this objective can no longer be met if IAS 12.15(b) is applied, with the consequences described above. The consolidated financial statements would not give a true and fair view of the financial position, earnings and cash flows. Mobimo has therefore decided, with reference to IAS 1.19, not to apply IAS 12.15(b). The deferred tax liability of CHF 41.5 million was recorded at the time of acquisition, and the properties acquired were valued at CHF 288.4 million. The deferred tax liabilities as at 31 December 2018 are therefore CHF 32.7 million higher than they would have been under application of IAS 12.15(b). There is also no CHF 41.5 million revaluation gain and no expense of CHF 8.8 million for deferred taxes. The previous year's figures are unaffected.

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 contained 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 including investment properties under construction, derivatives and financial assets in the category "measured at fair value through profit or loss", which are all 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 earnings and financial position. Similarly, for the purpose of aiding comprehension, the accounting principles applied and material uncertainties regarding estimations 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 accordingly in the applicable reporting period.

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 68 onwards
- Estimation of the proceeds of sale, project progress and project costs of development services and the proceeds of sale and total cost of trading properties, page 76
- Income tax, page 95

New standards/interpretations applied

Mobimo started to apply the following newly applicable or amended standards and interpretations with effect from 1 January 2018:

- IFRS 9 – Financial Instruments
- IFRS 15 – Revenue from Contracts with Customers and related Clarifications
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions
- Amendments to IAS 40 – Transfer to and from Investment Property
- Amendments to IFRS – Annual Improvements to IFRSs 2014 – 2016 Cycle
- IFRIC 22 – Foreign Currency Transactions and Advance Considerations

With the exception of the first-time application of IFRS 9 and IFRS 15, the amendments had no effect on the financial statements.

First-time application of IFRS 9

Mobimo has applied IFRS 9 "Financial Instruments" since 1 January 2018. The standard includes new regulations on the classification and measurement of financial assets and liabilities, the recognition of write-downs and the accounting of hedging relationships.

Classification of financial assets and financial liabilities

IFRS 9 includes three categories for classifying financial assets: "measured at amortised cost", "measured at fair value through profit or loss" and "measured at fair value through other comprehensive income". IFRS 9 therefore replaced the previously applied categories of "held to maturity", "loans and receivables" and "available for sale" under IAS 39. The classification of financial assets under IFRS 9 is based on the company's business model for managing financial assets and on the characteristics of the assets' contractual cash flows. In addition, under IFRS 9 non-consolidated investments previously recognised at cost must now be measured at fair value. The provisions of IFRS 9 on the classification and measurement of financial liabilities deviate only slightly from the previous provisions of IAS 39.

The new provisions have the following effect on Mobimo's reporting:

- Financial assets classified as "loans and receivables" under IAS 39 are now listed in the category "measured at amortised cost" under IFRS 9.
- Financial assets classified as "financial assets held for trading" under IAS 39 are now listed in the category "financial assets measured at fair value through profit or loss" under IFRS 9.
- Non-consolidated investments classified as "assets held for sale" under IAS 39 are now listed in the category "financial assets measured at fair value through profit or loss". Due to the reclassification, the difference between the previous carrying amount and the fair value of CHF 0.4 million was recognised in retained earnings as at 1 January 2018. The prior-year figures were not adjusted.
- Financial liabilities classified as "financial liabilities held for trading" under IAS 39 are now listed in the category "financial liabilities designated at fair value through profit or loss" under IFRS 9.

Impairment of financial assets
IFRS 9 replaces the "incurred loss" model in IAS 39 with the "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and to contract assets, but not to investments in equity instruments. Credit losses tend to be recognised earlier under IFRS 9 than under IAS 39. Due to the nature of the financial assets held by Mobimo, this amendment had no material effect on the allowances required when the standard was applied for the first time.

Hedge accounting
Mobimo has decided to switch to the new IFRS 9 hedge accounting model. As a result, Mobimo must ensure that hedging relationships are in line with risk management objectives and strategies, and going forward will in particular have to carry out a qualitative and forward-looking assessment of hedge effectiveness. All hedging relationships designated under IAS 39 as at 31 December 2017 met the requirements for the application of hedge accounting under IFRS 9 as at 1 January 2018 and were therefore considered ongoing hedging relationships. There was thus no impact from the first-time application of IFRS 9.

First-time application of IFRS 15
IFRS 15 introduced a new approach to revenue recognition according to which revenue is recognised when control of a product or service passes to the customer (rather than the previous approach based on the transfer of risks and rewards). IFRS 15 makes a distinction between revenue recognition at a point in time and revenue recognition over time. With a view to the adoption of IFRS 15, Mobimo analysed its contracts with customers with regard to type, amount, timing and uncertainty as well as revenues and cash flows and identified the categories described below. Revenue from contracts with customers in each category is usually recognised as set out in the following sections and reported accordingly in the notes. IFRS 15 makes a distinction with regard to the type of revenue recognition as described below, especially in relation to the sale of condominiums. Mobimo has opted to use the "cumulative effect method" for the first-time application of IFRS 15, whereby only contracts that had not yet been fulfilled before the standard was applied will be recognised in the balance sheet in accordance with IFRS 15. Mobimo is thus refraining from fully applying the provisions of IFRS 15 to the comparison periods presented, and is recognising the cumulative adjustment amounts resulting from the first-time application of the standard in retained earnings as of 1 January 2018.

Amendments to disclosure/new revenue categories
Mobimo previously reported "income from sale of trading properties and development services" in the income statement. The corresponding item is now called "income from development projects and sale of trading properties". In the notes, this item was broken down into income from deliveries of a property, shown in "income from sale of trading properties", and pure development services, shown in "income from development services". This meant that the income from a development for an investor was shown either in one of the two items or split across both depending on the service and structure of the contracts concerned. All income from Development for Third Parties is now shown as "income from developments (properties)", while "income from sale of trading properties" now mainly comprises the sale of condominiums. The related costs are reported accordingly. Mobimo believes that this new breakdown offers a better picture from a business management perspective than the previous breakdown under IAS 18, which made a distinction between income from development services and income from sales of trading properties. The prior-year figures were restated in line with the new definitions of revenue categories.

The details of the different revenue categories are therefore as follows:

Income from developments (properties)
Type of service
Income from developments (properties) relates to the provision by Mobimo of services based on a third-party contract, ranging from pure development services to turn-key real estate. This corresponds to the revenue of the Development for Third Parties business area. Depending on the structure of the engagement, either Mobimo initially owns the plot to be built on then sells it to the client or the plot is already owned by the third party.

Timing of service provision/material payment conditions
The revenue of Development for Third Parties is recognised on the basis of contractually agreed services and conditions. For such engagements the various service components need to be analysed and evaluated to determine whether the individual components (e.g. land sale and building management/project implementation) each constitute an individual service for the buyer or need to be combined. If the service components are combined, revenue is recognised over time based on the percentage of completion (PoC). The percentage of completion is normally calculated on the basis of the construction progress. This in turn is based on an assessment by the project manager and the management, which is plausibility-tested and checked by comparing costs already incurred and yet to be incurred, taking into account accruals for services already received but not yet invoiced. If the service components are broken down into land sale and separate services, the revenue from the land sale is recognised at a point in time. Revenue from the separate services is recognised over time based on the percentage of completion (PoC). Payments are made based on the contractual terms.

Impact of amendment to accounting principles
The application of IFRS 15 has resulted in no material changes to the recognition of revenue from services compared with the provisions of IAS 18 in conjunction with IAS 11.

Income from sale of trading properties

Type of service

Sales of residential property (primarily apartments, but also other facilities such as parking spaces) are reported under sale of trading properties (generally to individuals, rarely to legal entities). Sales of properties held for resale, i.e. building plots and completed properties, are also shown under sale of trading properties.

Timing of service provision/material payment conditions

In the case of income from the sale of condominiums, the revenue for each unit is recognised from the time the condominium unit is notarised. Once the contract has been notarised, Mobimo is no longer able to make an alternative apartment available to the buyer without breaching the current contract. The notarised purchase contract also fulfils the criterion of an enforceable right to payment for work already performed to date. Revenue for condominiums under a notarised purchase contract must therefore be recognised based on the progress of construction if the company has reasonable knowledge that the contract is very likely to be fulfilled by both parties as part of the agreement with the buyer. 20% of the purchase price is generally due from the buyer upon notarisation. At the time when ownership is transferred, the progress of construction is usually 100% and the outstanding purchase price becomes due.

Impact of amendment to accounting principles/effect of first-time application

Following the application of IFRS 15, revenue is now recognised from the date of notarisation, whereas under IAS 18 it was not recognised until ownership was transferred. Up to the date of notarisation, accrued costs are capitalised under trading properties in accordance with IAS 2. After notarisation these accrued costs are recognised as expenses based on the progress of construction. A contract liability (customer down payment higher than progress of construction), contract asset (progress of construction higher than customer down payment) or trade receivable (Mobimo claim based solely on timeframe and progress of construction higher than customer down payment) is recognised depending on the progress of construction/financing for the sale and whether or not an invoice has been issued. Prior to the adoption of IFRS 15, accrued costs were capitalised until the transfer of ownership and then recognised in full as expenses. As such, revenue from the sale of condominiums is generally recognised earlier under IFRS 15. As at 1 January 2018, the effect of the first-time application of this standard on equity due to the different treatment of these contracts (sale of condominiums) totalled CHF 0.7 million (five apartments had been notarised as at 1 January 2018 but their ownership had not yet been transferred).

Other income

Type of service

Other income shows all revenue that cannot be reported under the above items. This includes revenue from services provided to tenants that are not directly related to the rental of properties (e.g. facility management).

Timing of service provision/material payment conditions

Revenue is recognised over time or at a point in time depending on the structure of the contract. Payments are made based on the contractual terms (payment due dates usually within 90 days).

Impact of amendment to accounting principles

IFRS 15 has no material effect on the recognition of other income.

Income from rental of properties

The recognition of income from rental of properties is covered by the provisions of IAS 17 rather than the provisions of IFRS 15. IFRS 15 therefore has no effect on the recognition of income from rental of properties.

Effects from the first-time application of IFRS 9 and IFRS 15

The following table shows the effects from the first-time application of IFRS 9 and IFRS 15, which were recognised in the balance sheet as of 1 January 2018:

TCHF	31.12.2017	Application of IFRS 9	Application of IFRS 15	1.1.2018
Trade receivables	73,749	0	–63,127	10,622
Contract assets	0	0	67,172	67,172
Trading properties	201,845	0	–3,502	198,343
Accrued income and prepaid expenses	2,565	0	1,236	3,801
Total current assets	**552,897**	**0**	**1,779**	**554,675**
Financial assets	1,849	385	0	2,233
Total non-current assets	**2,642,799**	**385**	**0**	**2,643,183**
Total assets	**3,195,695**	**385**	**1,779**	**3,197,859**
Trade payables	29,604	0	–2,934	26,670
Contract liabilities	0	0	4,561	4,561
Advance payments from buyers	1,923	0	–686	1,237
Total current liabilities	**288,492**	**0**	**941**	**289,433**
Deferred tax liabilities	160,878	0	156	161,033
Total non-current liabilities	**1,508,095**	**0**	**156**	**1,508,251**
Total liabilities	**1,796,588**	**0**	**1,097**	**1,797,685**
Retained earnings	1,058,352	385	682	1,059,418
Total equity attributable to the shareholders of Mobimo Holding AG	**1,383,935**	**385**	**682**	**1,385,002**
Total equity	**1,399,108**	**385**	**682**	**1,400,174**
Total equity and liabilities	**3,195,695**	**385**	**1,779**	**3,197,859**

The following tables show the impact of the application of IFRS 15 on the consolidated financial statements and how these would look without the application of IFRS 15 (i.e. applying IAS 11 and IAS 18).

Impact on the income statement and the statement of comprehensive income

TCHF	2018	Adjustments	2018 without adoption of IFRS 15
Income from development projects and sale of trading properties	62,162	2,360	64,522
Revenue	**180,494**	**2,360**	**182,854**
Direct expenses from development projects and sale of trading properties	–55,956	–1,956	–57,912
Direct operating expenses	**–76,109**	**–1,956**	**–78,065**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**137,405**	**404**	**137,809**
Earnings before interest and tax (EBIT)	**133,629**	**404**	**134,034**
Earnings before tax (EBT)	**109,692**	**404**	**110,096**
Tax expense	–19,400	–75	–19,476
Profit	**90,291**	**329**	**90,620**
Of which attributable to the shareholders of Mobimo Holding AG	**90,623**	**329**	**90,952**
Total comprehensive income	**92,164**	**329**	**92,494**
Of which attributable to the shareholders of Mobimo Holding AG	**92,496**	**329**	**92,826**

For all five apartments that had been notarised as at the end of the previous year but whose ownership had not yet been transferred, meaning the income from them was recognised in equity as at 1 January 2018 due to the first-time application of IFRS 15, the transfer of ownership took place in 2018. Without IFRS 15, the revenue from these apartments would therefore have been recognised in 2018. The revenue from two further apartments and four parking spaces that were notarised in 2018 and whose revenue has already been recognised in accordance with IFRS 15 would not yet have been recognised if IFRS 15 did not apply.

Impact on the balance sheet

TCHF	31.12.2018	Adjustments	31.12.2018 without adoption of IFRS 15
Trade receivables	34,842	12,994	47,836
Contract assets	17,450	–17,450	0
Trading properties	194,861	1,547	196,408
Total current assets	**433,737**	**–2,909**	**430,828**
Total assets	**3,365,174**	**–2,909**	**3,362,264**
Trade payables	17,531	2,254	19,786
Contract liabilities	5,126	–5,126	0
Advance payments from buyers	505	396	901
Total current liabilities	**165,943**	**–2,476**	**163,467**
Deferred tax liabilities	197,213	–81	197,133
Total non-current liabilities	**1,685,722**	**–81**	**1,685,641**
Total liabilities	**1,851,664**	**–2,557**	**1,849,108**
Retained earnings	1,151,315	–353	1,150,962
Total equity attributable to the shareholders of Mobimo Holding AG	**1,507,185**	**–353**	**1,506,832**
Total equity	**1,513,509**	**–353**	**1,513,157**
Total equity and liabilities	**3,365,174**	**–2,909**	**3,362,264**

Impact on the cash flow statement

Mobimo's cash flow has not changed as a result of the introduction of IFRS 15. However, the cash flow statement shows a shift between earnings before tax (CHF 0.4 million) and the change in various items in net current assets (CHF 0.4 million).

Standards/interpretations published but not yet applied

The following new and amended standards and interpretations were approved, but will not take effect until a later date. They have not been adopted in advance in these consolidated annual financial statements.

Standard/Interpretation			Entry into force	Planned application by Mobimo (financial year)
IFRS 16	Leases	*	1.1.2019	2019 financial year
IFRIC 23	Uncertainty over Income Tax Treatments	**	1.1.2019	2019 financial year
Amendments to IFRS 9	Prepayment Features with Negative Compensation	**	1.1.2019	2019 financial year
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	**	1.1.2019	2019 financial year
Amendments to IAS 19	Plan Amendments, Curtailment or Settlement	**	1.1.2019	2019 financial year
Amendments to IFRSs 2015–2017	Annual Improvements to IFRSs 2015–2017 Cycle	**	1.1.2019	2019 financial year
Amendments to IFRS Standards	Amendments to References to Conceptual Framework in IFRS Standards	**	1.1.2020	2020 financial year
Amendments to IFRS 3	Definition of a Business	**	1.1.2020	2020 financial year
Amendments to IAS 1 and IAS 8	Definition of Material	**	1.1.2020	2020 financial year

* Mobimo has analysed their impact. See the notes below for the individual standards.
** No impact or no significant impact on Mobimo's consolidated annual financial statements is expected.

IFRS 16 – Leases

IFRS 16 replaces the previous IAS 17 (Leases) standard. This changes how leases are recognised. Henceforth, 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.

In accordance with its business model, Mobimo acts primarily as a lessor. In the case of transactions in which Mobimo acts as the lessee, Mobimo has analysed the existing rental/leasing agreements and possesses agreements in the following areas that are considered leasing agreements under IFRS 16 and must be recognised in the balance sheet in the future: building rights agreements as the grantee of building rights and long-term rental of premises, vehicles and office equipment. The future rental/leasing payments arising from such agreements are presented in Note 31.

Mobimo will apply IFRS 16 for the first time with effect from 1 January 2019 using the "modified retrospective approach". Accordingly, the comparison periods will not undergo a complete restatement and the amounts adjusted as a result of the new standard will be recognised when IFRS 16 is applied for the first time.
As at 1 January 2019, Mobimo will recognise assets of around CHF 4 million in the balance sheet as right-of-use assets and lease liabilities. The right-of-use assets will subsequently be written down according to their type of use (trading properties, owner-occupied properties and other property, plant and equipment) or remeasured (investment properties). The lease payments previously recognised in property or operating expense will now be broken down into a depreciation and an interest expense component. These depreciation charges reduce the lease liabilities. Adjustments to lease payments (e.g. because of indexation in the lease agreement) will in future be recognised prospectively, as a result of which the asset deriving from a right of use or lease liability is adjusted.

Segment reporting

3. Segment reporting

Internal reporting to Mobimo's key decision-makers is based on the company's two business segments. The business activities of these two segments 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 relating to commercial and residential investment properties. The investment portfolio is constantly optimised by the company's portfolio management team. 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 broad 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 retail space. The segment also includes facility management and related services provided for properties in the company's own portfolio and their tenants as well as for selected third-party customers.

Development

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

The Board of Directors, which has been identified as the key decision-maker, monitors the results of the individual segments 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. 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 reported as reconciliation items.

Segment assets comprise trading properties (real estate), contract assets (prior year: receivables from current projects), investment properties, owner-occupied properties and investment properties under construction. 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.

With the exception of the transfer of segment assets, there were no transactions between the individual segments. It was therefore not necessary 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 from rental of properties by property type (commercial, residential and trading properties) can be found in Note 4.

Segment information 2018

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Segment income statement					
Income from rental of properties	99,282	14,842	114,124		114,124
Net income from revaluation	21,560	20,405	41,965		41,965
Income from development projects and sale of trading properties	0	62,162	62,162		62,162
Profit on disposal of investment properties	29,026	0	29,026		29,026
Other income	4,208	0	4,208		4,208
Total segment income	**154,076**	**97,409**	**251,485**		**251,485**
Segment result EBIT[1]	**115,392**	**19,536**	**134,928**	**–1,299**	**133,629**
Share of profit of equity-accounted investees					3,069
Financial result					–27,007
Earnings before tax (EBT)					**109,692**
Tax					–19,400
Profit					**90,291**
Segment assets					
Trading properties	0	194,861	194,861		194,861
Contract assets[2]	0	17,450	17,450		17,450
Investment properties	2,305,170	144,140	2,449,310		2,449,310
Owner-occupied properties	13,738	0	13,738		13,738
Investment properties under construction	0	420,760	420,760		420,760
Total segment assets	**2,318,908**	**777,212**	**3,096,120**		**3,096,120**
Non-attributed assets				269,054	269,054
Total assets					**3,365,174**
Depreciation and amortisation	–1,315	–2,460	–3,775		–3,775
Investments in non-current assets	304,280	110,493	414,773	4,078	418,851

1 The reconciliation EBIT comprises compensation for the Board of Directors.
2 The balance sheet contains corresponding contract liabilities in the amount of TCHF 5,126.

Segment information 2017

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Segment income statement					
Income from rental of properties	101,476	9,538	111,014		111,014
Net income from revaluation	–2,114	29,395	27,281		27,281
Income from development projects and sale of trading properties	0	199,650	199,650		199,650
Profit on disposal of investment properties	27,470	0	27,470		27,470
Other income	3,702	0	3,702		3,702
Total segment income	**130,533**	**238,584**	**369,117**		**369,117**
Segment result EBIT[1]	**100,462**	**43,132**	**143,594**	**–1,296**	**142,298**
Share of profit of equity-accounted investees					2,192
Financial result					–28,562
Earnings before tax (EBT)					**115,927**
Tax					–24,436
Profit					**91,492**
Segment assets					
Trading properties	0	201,845	201,845		201,845
Receivables from current projects[2]	0	65,182	65,182		65,182
Investment properties	2,098,140	118,960	2,217,100		2,217,100
Owner-occupied properties	13,454	0	13,454		13,454
Investment properties under construction	0	366,660	366,660		366,660
Total segment assets	**2,111,594**	**752,647**	**2,864,240**		**2,864,240**
Non-attributed assets				331,455	331,455
Total assets					**3,195,695**
Depreciation and amortisation	–1,245	–1,446	–2,690		–2,690
Investments in non-current assets	88,951	120,301	209,251	6,277	215,528

1 The reconciliation EBIT comprises compensation for the Board of Directors.
2 The balance sheet contains a corresponding net liability from advance payments from customers of TCHF 2,934.

Investment portfolio

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. A qualitative analysis of the sensitivity of the fair values of investment properties to a change in inputs and a quantitative analysis of the sensitivity of fair values to a change in the discount and capitalisation rates are also shown.

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 vacancies. 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. Significant costs incurred in obtaining a rental agreement are capitalised and recognised as an expense over the term of the contract.

Rental income can be broken down as follows:

TCHF	2018	2017
Commercial properties	75,126	76,409
Residential properties	34,510	30,344
Income from rental of investment properties	**109,637**	**106,753**
Trading properties[1]	4,488	4,261
Total income from rental of properties	**114,124**	**111,014**
Commercial properties	–13,192	–11,192
Losses on receivables commercial properties	–446	169
Residential properties	–5,757	–5,224
Losses on receivables residential properties	–90	–111
Investment property expense	**–19,485**	**–16,359**
Rented trading properties[1]	–593	–467
Losses on receivables from trading properties[1]	–75	–48
Total direct expenses for rented properties	**–20,153**	**–16,875**
Net rental income	**93,971**	**94,140**

[1] Rental income or expenses from development properties or properties acquired for resale, see Note 9.

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	2018 Total
Rental income within 1 year	58,044	6,174	64,218
Rental income within 2 to 5 years	165,295	8,239	173,534
Rental income in over 5 years	263,489	4,296	267,785
Total future rental income from non-cancellable rental agreements	**486,828**	**18,709**	**505,537**

TCHF	Commercial properties	Residential properties	2017 Total
Rental income within 1 year	61,313	3,665	64,979
Rental income within 2 to 5 years	169,337	6,635	175,972
Rental income in over 5 years	266,402	2,955	269,357
Total future rental income from non-cancellable rental agreements	**497,052**	**13,255**	**510,307**

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 2018, 58.4% or CHF 63.5 million (prior year: 65.1% or CHF 69.8 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:

%	31.12.2018	31.12.2017
SV (Schweiz) AG	6.3	6.4
Swisscom Group	5.3	5.4
Senevita AG	3.1	3.2
Coop	3.1	3.1
Rockwell Automation Switzerland	2.8	2.9
Total	**20.6**	**21.0**

5. Investment properties

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 are 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 where more than 50% of rental income is generated from the rental of apartments are reported as residential properties and properties where 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.

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, they are reclassified as either residential or commercial properties.

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 "Valuation details" section).

Investment properties changed as follows:

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2018 Total
Market value at 1 January	**1,367,490**	**730,650**	**118,960**	**366,660**	**2,583,760**
Cumulative acquisition costs					
At 1 January	1,219,963	562,039	147,460	317,359	2,246,821
Increases from purchases[1]	0	288,376	0	0	288,376
Increases from investments[2]	9,958	3,672	4,985	95,685	114,300
Capitalisation of borrowing costs	0	0	0	2,986	2,986
Capitalisation/amortisation of lease incentives	1,671	0	0	6,729	8,400
Disposals	–67,897	–81,004	0	0	–148,900
Transfers between categories	–105,462	92,729	27,939	–15,205	0
Balance at 31 December	**1,058,233**	**865,811**	**180,384**	**407,555**	**2,511,983**
Cumulative revaluation					
Balance at 1 January	147,527	168,611	–28,500	49,301	336,939
Gains on valuations[3]	10,047	25,084	367	26,240	61,737
Losses on valuations[3]	–10,518	–3,052	–3,142	–3,060	–19,772
Disposals[4]	–9,252	–11,565	0	0	–20,817
Transfers between categories	11,992	52,251	–4,969	–59,275	0
Cumulative revaluation at 31 December	**149,797**	**231,329**	**–36,244**	**13,205**	**358,087**
Market value at 31 December	**1,208,030**	**1,097,140**	**144,140**	**420,760**	**2,870,070**

1 Increases from purchases include non-cash transactions, in particular from the acquisition of the properties of Immobiliengesellschaft Fadmatt AG (see Note 33).
2 Increases from investments include non-cash transactions from the accrual for construction costs and trade payables.
3 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.
4 Included as a realised gain in "Profit on disposal of investment properties" in the income statement.

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2017 Total
Market value at 1 January	**1,373,488**	**724,076**	**121,104**	**228,130**	**2,446,798**
Cumulative acquisition costs					
At 1 January	1,199,237	572,878	142,746	210,699	2,125,561
Increases from purchases[1]	71,873	0	0	0	71,873
Increases from investments[2]	14,004	3,023	4,714	112,235	133,976
Capitalisation of borrowing costs	0	0	0	2,707	2,707
Capitalisation/amortisation of lease incentives	–579	0	0	645	65
Disposals	–67,333	–20,028	0	0	–87,362
Transfers between categories	2,761	6,165	0	–8,926	0
Balance at 31 December	**1,219,963**	**562,039**	**147,460**	**317,359**	**2,246,821**
Cumulative revaluation					
Balance at 1 January	174,251	151,198	–21,642	17,431	321,237
Gains on valuations[3]	9,829	15,493	0	38,837	64,159
Losses on valuations[3]	–25,544	–1,892	–6,858	–2,584	–36,878
Disposals[4]	–11,297	–282	0	0	–11,579
Transfers between categories	289	4,095	0	–4,384	0
Cumulative revaluation at 31 December	**147,527**	**168,611**	**–28,500**	**49,301**	**336,939**
Market value at 31 December	**1,367,490**	**730,650**	**118,960**	**366,660**	**2,583,760**

1 Increases from purchases include non-cash transactions, especially due to the takeover of financial liabilities from the purchase of the property Lausanne, Place de la Gare 10.

2 Increases from investments include non-cash transactions from the accrual for construction costs and trade payables.

3 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.

4 Included as a realised gain in "Profit on disposal of investment properties" in the income statement.

Movements in the year under review

The acquisition of Immobiliengesellschaft Fadmatt AG was completed in the second half of 2018 (see Note 33). The company's portfolio comprises seven properties (503 apartments, terraced, semi-detached and single-family homes), which are listed below:

Investment property	Category of investment property
Au, Alte Landstrasse 93 – 99	Residential property
Oberengstringen, Zürcherstrasse 1a, 1b, 3, 5	Residential property
Schaffhausen, Hochstrasse 59, 69 – 75	Residential property
Thalwil, Freiestrasse 23 – 37	Residential property
Urdorf, In der Fadmatt 1 – 63, Uitikonerstrasse 22, 24	Residential property
Winterthur, Stockenerstrasse 54 – 84, Landvogt-Waser-Strasse 95 – 109	Residential property
Winterthur, Wartstrasse 158 – 162, Blumenaustrasse 20, 22	Residential property

Details of the properties sold can be found in Note 6.

The following properties are shown under transfers:

from	to
Lausanne, Rue de la Vigie 3	
Commercial properties	Investment properties under construction
Zurich Hohlstrasse 481 – 485b; Albulastrasse 34 – 40	
Investment properties under construction	Residential properties
Zurich, Friesenberg 75 (at 31 December 2017 part of Zurich, Friesenbergstrasse 75; Im Tiergarten 7)	
Commercial properties	Investment properties under construction
Zurich, Im Tiergarten 7 (at 31 December 2017 part of Zurich, Friesenbergstrasse 75; Im Tiergarten 7)	
Commercial properties	Development properties

The existing Zurich, Friesenbergstrasse 75; Im Tiergarten 7 property was divided into two properties. The Zurich, Friesenbergstrasse 75 part is to undergo extensive redevelopment and is therefore now recognised as an investment property under construction. A change-of-use project is being developed for the Zurich, Im Tiergarten 7 part, which is why it was reclassified as a development property.

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 valuation 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 inputs.

- Level 1: valuations based on unadjusted, quoted prices.
- Level 2: valuations based on 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: valuations based on inputs not derived from observable market data.

As at 31 December 2018, all commercial, residential and development properties and investment properties under construction were valued by the real estate appraiser Jones Lang LaSalle AG (JLL).

The valuation of investment properties (commercial, residential, development properties) and certain investment properties under construction is carried out using the discounted cash flow method (DCF), according to which a property's fair value is determined by calculating the net income (rental income less operating and maintenance costs), discounted to the reporting date, that is expected to be generated in the future. The residual value method may also be used to value investment properties under construction. Under this method, the total construction costs of a planned building are subtracted from its future fair value after completion. After subtracting these costs from the fair value after completion, taking into account the risk and time effect, a residual remains which represents the economically justifiable amount to acquire the project. The discount rates vary according to the macro and micro situation and property segment.

JLL's valuations are based on a two-phase DCF model. This replicates the payment flows over a detailed ten-year observation period and a capitalised exit cash flow. A nominal discount rate is applied to the detailed observation period that takes account of the effect of inflation on the cash flows during that period. Conversely, the exit cash flow in the two-phase model is capitalised using a real capitalisation rate.

As the non-observable inputs with a material impact on valuations – such as discount and capitalisation rates, market rents and structural vacancy rates – generally have to be derived from information from less active markets, the properties are valued according to a Level 3 model-based approach incorporating adjusted Level 2 input parameters. Further details of the valuation methodology can be found in the "Report of the independent valuation experts" on pages 124 to 128.

Rental income and vacancy rate

The annual target rental income is estimated using the rental income at the measurement date, taking account of the indexation of rents deriving from contractual agreement or law. Rents for office and commercial spaces are normally linked to the national consumer price index, while residential leases are linked to the change in the reference interest rate calculated quarterly by the Swiss National Bank, but also include an inflation element.

Market rents that appear sustainable from the current standpoint are applied to expiring commercial leases. The time required to realise market rents is determined with reference to local laws and the risk of new tenants objecting to changes in rents, but without replicating these in detail. The corresponding market rents are based on the rental price databases and JLL's real estate research services. The lower of market rent and contract rent is generally used where tenants have the option to extend leases.

For expiring commercial leases, a property and segment-specific vacancy is applied. The absorption time (vacancy in months after contract-end) is determined individually for each property and is usually between three and nine months. However, longer or shorter absorption times may be applied in special cases. Residential leases are usually open-ended, so specific vacancies are not modelled. Normal tenant fluctuation is taken into account using structural vacancy rates, which are applied specifically to the property.

Operating, maintenance and repair costs
Historical property accounts and the appraiser's benchmarks are used to calculate the management costs built into valuations. The costs used consist of operating and upkeep costs that cannot be passed on to the tenant due to the contractual conditions or that must be borne by the owner due to vacancy.

The repair costs for the ten-year detailed observation period used in the valuations are based on detailed analysis of the building by the portfolio management team and the ensuing investment planning. These are plausibility-tested by JLL, adjusted if necessary and incorporated into the valuations. JLL also considers its own estimates of required investment during the ten-year period. The assumptions regarding the repair and renovation measures that will be required in the long term (capex), which are reflected in the exit value, are modelled specifically for each property by the appraiser under the assumption that certain elements of the substance of each individual building will need to be periodically renewed.

Development and construction costs
To determine future implementation costs, for each individual project Mobimo provides capital budgets, project status information (execution and letting progress, scheduled completion dates, etc.) and investment costs incurred by the valuation date, all as at the valuation date. The documents are plausibility-tested by the appraiser and taken into account in its valuations.

Discount and capitalisation rate
The nominal discount and real capitalisation rates are property-specific and vary according to the macro and micro situation and property segment. The rates are based on the interest rate on long-term, risk-free investments (e.g. a ten-year federal government bond), adjusted for a specific risk premium that takes into consideration the current situation in the transaction market in addition to the usage, location and size of the property. The risk premium thus reflects market risks and the higher illiquidity associated with properties compared with risk-free investments.

Non-observable input factors

Non-observable input factors with a material impact have been identified as market rents, vacancy rates and discount and capitalisation rates. The applied input values are summarised in the table below.

Asset class/level/ valuation method	Fair value in CHF million	Input factors	Ranges (weighted average) 2018	Ranges (weighted average) 2017
Commercial investment properties Level 3 DCF	2018: 1,208 2017: 1,367	Discount rates (nominal)	3.80% to 6.30% (4.21%)	3.40% to 6.30% (4.31%)
		Capitalisation rates (real)	3.30% to 5.80% (3.71%)	2.90% to 5.80% (3.81)
		Achievable market rents	CHF 37 to CHF 467 (CHF 300)	CHF 30 to CHF 1,080 (CHF 303)
		Structural vacancy rates	2.00% to 20.00% (5.32%)	0.0% to 20.0% (5.8%)
Residential investment properties Level 3 DCF	2018: 1,097 2017: 731	Discount rates (nominal)	3.20% to 3.80% (3.43%)	3.40% to 4.20% (3.68%)
		Capitalisation rates (real)	2.70% to 3.30% (2.93%)	2.90% to 3.70% (3.18%)
		Achievable market rents	CHF 174 to CHF 386 (CHF 300)	CHF 170 to CHF 412 (CHF 310)
		Structural vacancy rates	0.50% to 4.05% (1.79%)	0.5% to 4.1% (1.7%)
Commercial development properties Level 3 DCF	2018: 144 2017: 119	Discount rates (nominal)	3.50% to 5.00% (4.28%)	4.30% to 5.00% (4.47%)
		Capitalisation rates (real)	3.00% to 4.50% (3.78%)	3.80% to 4.50% (3.97%)
		Achievable market rents	CHF 152 to CHF 401 (CHF 260)	CHF 152 to CHF 370 (CHF 240)
		Structural vacancy rates	3.24% to 22.83% (6.79%)	4.4% to 22.5% (7.1%)
Commercial investment properties under construction Level 3 DCF	2018: 421 2017: 367	Discount rates (nominal)	3.50% to 4.90% (4.25%)	3.50% to 4.90% (4.02%)
		Capitalisation rates (real)	3.00% to 4.40% (3.75%)	3.00% to 4.40% (3.52%)
		Achievable market rents	CHF 48 to CHF 260 (CHF 230)	CHF 179 to CHF 311 (CHF 260)
		Structural vacancy rates	1.44% to 12.72% (7.83%)	1.4% to 11.5% (6.1%)

An average capital-weighted nominal discount rate of 3.92% (prior year: 4.10%), within a range of 3.20% to 6.30% (prior year: 3.40% to 6.30%), was applied to all DCF valuations across all investment categories as at 31 December 2018. The average capital-weighted capitalisation rate as at 31 December 2018 was 3.42% (prior year: 3.60%), within a range of 2.70% to 5.80% (prior year: 2.90% to 5.80%).

As at the reporting date, no properties were valued on the basis of their being sold as condominiums in accordance with the assumption of the highest and best use.

Sensitivity of inputs

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 inputs, with the factors outlined above influenced to varying degrees by market developments. If negative market sentiment results in higher vacancy rates, market rents tend to come under pressure. At the same time, however, such market circumstances are usually associated with low interest rates, which have a positive impact on discount rates. To an extent, therefore, changes in inputs 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 in good locations offering very low yields, their hands forced by the dearth of other investment options. This unpredictable investor behaviour could result in some properties fetching higher selling prices than their most recent estimates of fair value.

A sensitivity analysis tested the impact of an increase or decrease in the discount and capitalisation rates used in the DCF valuation. A general reduction of 0.25 percentage points in the discount and capitalisation rates would increase the current fair value of the investment properties as at 31 December 2018 by 8.5% or CHF 243 million. A general increase of 0.25 percentage points in the discount and capitalisation rates would reduce the current fair value of the investment properties as at 31 December 2018 by 7.3% or CHF 209 million. Further sensitivity analysis findings can be found in the table below:

Change in discount/capitalisation rate in basis points	Change in fair value in % at 31.12.2018	Change in fair value in CHF million at 31.12.2018	Change in fair value in % at 31.12.2017	Change in fair value in CHF million at 31.12.2017
–0.40	14.3%	410	13.9%	360
–0.30	10.3%	297	10.1%	261
–0.25	**8.5%**	**243**	**8.3%**	**215**
–0.20	6.7%	191	6.5%	169
–0.10	3.2%	93	3.2%	82
+0.10	–3.0%	–87	–3.0%	–77
+0.20	–5.9%	–170	–5.8%	–151
+0.25	**–7.3%**	**–209**	**–7.2%**	**–186**
+0.30	–8.6%	–247	–8.5%	–220
+0.40	–11.2%	–321	–11.1%	–286

Capital commitments

As at 31 December 2018, capital commitments resulting from concluded contracts for future development and construction investments in investment properties totalled CHF 46.7 million (prior year: CHF 99.9 million). There are also notarised purchase contracts for investment properties representing a value of more than CHF 100.0 million.

6. Profit on disposal of investment properties

Accounting principles
Profit on disposal of investment properties corresponds to the difference between the net proceeds and the fair value recognised and 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.

Profit on disposal can be broken down as follows:

TCHF	2018	2017
Sales proceeds investment properties	200,000	127,950
Carrying amount	–169,717	–98,941
Sales costs	–1,257	–1,540
Profit on disposal of investment properties	**29,026**	**27,470**

As at the reporting date, CHF 22.0 million of the sales proceeds are still included in receivables and therefore have no cash effect.

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

Investment property	Category of investment property
Binz, Zürichstrasse 244/246	Residential property
Carouge, Place d'Armes 8	Residential property
Geneva, Boulevard Carl-Vogt 6	Residential property
Geneva, Rue Daubin 35	Residential property
Geneva, Rue des Peupliers 13	Residential property
Geneva, Rue du Village Suisse 4	Residential property
Lausanne, Avenue d'Ouchy 72/74	Residential property
Lausanne, Place de la Navigation 4 – 6	Commercial property
Lucerne, Alpenstrasse 9	Commercial property
Meyrin, Rue de Livron 17 – 19	Residential property
Münchwilen, Buchenacker 22/24/26/28; Unterer Buchenacker 7	Residential property
Neuhausen, Victor-von-Bruns-Strasse 19	Commercial property
Regensdorf, Althardstrasse 10	Commercial property
Wängi, Brühlwiesenstrasse 11a/11b/15a/15b/19a/19b	Residential property
Zurich, Bahnhofplatz 4	Commercial property

Development projects and trading properties

Critical estimates and assumptions

For projects where an enforceable contract has been concluded with a customer, there is a project cost estimate that takes into account total costs and sales proceeds. Sales proceeds are specified in or ascertainable from the enforceable contract, while the total costs are based on quotes or concluded contracts with suppliers, past experience, project specifications for the properties, benchmark values for construction costs and other relevant factors such as the planned construction period. Decisions are also made as to whether sales are recorded over time or at a specific point in time and how construction progress is to be measured. Assumptions and estimates must be made for values that are not contractually agreed or where multiple variants could materialise. In the event of differences between assumptions/estimates and actual values, adjustments to the consolidated financial statements may be necessary.

The projects are regularly reviewed with regard to considerations including construction progress, amendments to contracts, compliance with budgets, margin achievement, delays and legal risks. Changes to certain conditions are taken into account in the corresponding balance sheet or income statement items (e.g. receivables, contract assets or contract liabilities in the balance sheet or revenues or expenses in the income statement).

Expected losses are recognised immediately in full.

For projects where an enforceable contract has not yet been concluded with a customer, a project cost estimate is prepared, taking into account total costs and sales proceeds. Budgeted overall costs and planned sale 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 project cost estimate necessary, carrying amounts may need to be adjusted, i.e. by creating or adjusting valuation allowances for loss-making projects.

7. Profit on development projects and sale of trading properties

Accounting principles
In the year under review, income was recognised in accordance with IFRS 15 for the first time. Under the new standard, the type of revenue recognition differs in particular in relation to condominium sales, where the proceeds are considered income from the sale of trading properties. For this reason, Mobimo also adjusted the composition of the income categories below. A detailed description of the effects of the first-time application of IFRS 15, the composition of the income categories and the principles of revenue recognition can be found in Note 2 under "New standards/ interpretations applied".

Profit on development projects and sale of trading properties is made up of the following:

TCHF	2018	2017
Income from development projects	37,672	112,919
Income from sale of trading properties	24,490	86,732
Total income from development projects and sale of trading properties	**62,162**	**199,650**
Direct expenses development projects	–31,851	–97,450
Construction costs of trading properties sold	–23,008	–71,606
Changes in valuation allowances	–1,097	–5,900
Total direct expenses from development projects and sale of trading properties	**–55,956**	**–174,956**
Profit on development projects and sale of trading properties	**6,206**	**24,694**

Income from developments comprises income from projects for third-party investors.
Income from sale of trading properties includes 18 completed apartments that were notarised in the year under review; see Note 9.

8. Contract assets and liabilities

Accounting principles
Rights resulting from the recognition of sales over time based on the percentage of completion (PoC) are recognised in the balance sheet in accordance with the net principle. For each project, the corresponding rights are offset against the down payments already due (order balances). Positive net positions are included in the balance sheet item "Contract assets" and negative net positions in the balance sheet item "Contract liabilities".

The contract assets and liabilities changed as follows in the year under review:

	2018 Contract asset	2018 Contract liability
At 31 December 2017	**0**	**0**
Impact of changes in accounting policies	67,172	4,561
At 1 January 2018	**67,172**	**4,561**
Revenue recognised that was included in the contract liability balance at the beginning of the period		–3,685
Revenue recognised that was not included in the contract liability balance at the beginning of the period	42,174	–12,745
Changes due to cash received	–64,562	16,994
Transfers to trade receivables	–25,992	
Other changes	–1,342	0
At 31 December 2018	**17,450**	**5,126**

The following table shows the year in which sales are expected from performance obligations that had not yet been fulfilled or had only been partially fulfilled as at the reporting date:

TCHF	Expected income from development projects	Total
2019	42,197	42,197
2020	42,244	42,244
Total	**84,441**	**84,441**

9. Trading properties

Accounting principles

Trading properties are development properties and new builds where Mobimo assumes the realisation of residential property and subsequently sells it. Trading properties also include properties that Mobimo has acquired under projects for Development for Third Parties and that it intends to sell to third-party investors in the future and other properties acquired for resale. Trading properties are valued at the lower of cost or fair value. With loss-making properties, the final loss is recognised immediately.

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.
Properties under construction are those for which construction has not yet been completed and for which no sales (notarisations) of condominiums have yet taken place.
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 recognised 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 that are still being let as at the reporting date. A property is reclassified if it is demolished or converted.

The portfolio of properties as recognised in the balance sheet comprises the following:

TCHF	31.12.2018	31.12.2017
Land/development projects	70,623	62,864
Completed real estate and development properties	124,238	138,981
Total trading properties	**194,861**	**201,845**

The portfolio of building plots/development projects changed as follows in the reporting year:
In November 2018, a purchase contract was notarised for the Herrenschwanden, Mettlenwaldweg 19 property. The acquisition was not completed until January 2019, which is why only development costs are recognised as at the reporting date. Furthermore, a purchase agreement for the acquisition of the Köniz, Hallmattpark property was concluded and a first instalment was paid. Further instalments and the final payment upon transfer of ownership will be made in the future. Construction projects are being developed for each of these two sites.

Due to the first-time application of IFRS 15 as of 1 January 2018, five completed condominiums at Aarau Torfeld 4 that had already been notarised in the previous year were recognised in equity (see Note 2 under "New standards/interpretations applied"), while 12 completed apartments at the same site were recognised in income in the period under review. Five apartments in the Salenstein, Hauptstrasse property and one apartment in the Zurich, Turbinenstrasse property (Mobimo Tower) were notarised and their ownership transferred. The Aarau, Buchserstrasse 27 property was transferred to the city of Aarau as planned, to form the nursery for the Aeschbachquartier. The Horgen, Allmendgütlistrasse 35/39 property was acquired as a development property for condominiums.

Valuation allowances for trading properties totalled CHF 17.3 million (prior year: CHF 15.9 million). The carrying amount of these properties/condominium units is CHF 55.3 million (prior year: CHF 26.9 million).

Financing and risk management

10. 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 not classified as a cash flow hedge are reported in income from or cost of financial instruments (derivatives). Any ineffective portions of interest rate swaps classified as a cash flow hedge are reported under cost of financial instruments (derivatives).

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

TCHF	2018	2017
Financial income		
Interest on bank and other deposits	23	39
Interest on loans and debt instruments	1	0
Interest on loans to associates	0	3
Dividend income from financial assets	147	137
Market value adjustment of financial assets	68	0
Income from financial instruments (derivatives)	1,923	2,795
Total financial income	**2,162**	**2,974**
Financial expense		
Interest expense	–30,156	–31,190
Cost of financial instruments (derivatives)	–194	–196
Other financial charges	1,183	–151
Total financial expense	**–29,168**	**–31,536**
Total financial result	**–27,007**	**–28,562**

During the year under review, no ineffective portions were recorded under cost of financial instruments (derivatives), as was also the case in the previous year.

In the 2018 financial year, a total of CHF 3.2 million (prior year: CHF 3.4 million) in interest on building loans was capitalised under trading properties, development properties and investment properties under construction. The average rate of interest for the capitalised interest was 2.01% (prior year: 2.17%).

11. 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 immediately recognised in the income statement. As soon as the hedged transactions (interest payments) take place, cumulative unrealised gains and losses are transferred to the income statement and recognised in the financial result.
Changes in the fair values of all other derivatives are recognised in profit or loss in the financial result.

The financial liabilities and derivative financial instruments are broken down as follows:

TCHF	31.12.2018	31.12.2017
Fixed-rate mortgage amortisation due within 12 months	4,212	5,059
Mortgages due for extension or repayment within 12 months	83,637	34,506
Bond	0	164,856
Total current financial liabilities	**87,848**	**204,421**
Mortgages	724,253	734,675
Bonds	728,586	573,732
Total non-current financial liabilities	**1,452,840**	**1,308,407**
Total financial liabilities	**1,540,688**	**1,512,828**
Interest rate swaps through profit and loss	162	22
Total current derivative financial instruments	**162**	**22**
Interest rate swaps applying hedge accounting	23,011	26,515
Interest rate swaps through profit and loss	4,181	6,244
Total non-current derivative financial instruments	**27,192**	**32,758**
Total derivative financial instruments	**27,353**	**32,780**

The financial liabilities and the derivative financial instruments changed as follows in the year under review:

TCHF	31.12.2017	Changes with cash effect		Changes with no cash effect					31.12.2018
		Inflow	Repayment	Inflow	Repayment	Amortisation	Fair-value adjustments	Reclassification	
Current financial liabilities	204,421	0	–192,260	9,029	0	34	0	66,625	87,848
Non-current financial liabilities	1,308,407	173,274	–20,355	59,124	–433	–552	0	–66,625	1,452,840
Current derivative financial instruments	22	0	0	0	0	0	–140	280	162
Non-current derivative financial instruments	32,758	0	0	0	0	0	–5,287	–280	27,192
Total	**1,545,608**	**173,274**	**–212,615**	**68,153**	**–433**	**–519**	**–5,427**	**0**	**1,568,041**

The increase in changes with no cash effect resulted primarily from the acquisition of Immobiliengesellschaft Fadmatt AG.

The following changes occured in the previous year:

TCHF	31.12.2016	Changes with cash effect		Changes with no cash effect					31.12.2017
		Inflow	Repayment	Inflow	Repayment	Amortisation	Fair-value adjustments	Reclassification	
Current financial liabilities	92,597	40,850	–120,376	0	0	4	0	191,347	204,421
Non-current financial liabilities	1,256,804	237,741	–13,459	18,884	0	–217	0	–191,347	1,308,407
Current derivative financial instruments	0	0	0	0	0	0	–359	381	22
Non-current derivative financial instruments	39,834	0	0	0	0	0	–6,694	–381	32,758
Total	**1,389,235**	**278,591**	**–133,836**	**18,884**	**0**	**–214**	**–7,054**	**0**	**1,545,608**

The assumption of debt upon purchasing the Lausanne, Place de la Gare 10 property is shown as an increase within changes with no cash effect.

The following bonds are included under financial liabilities:

TCHF	1.5% bond (2013 – 2018)	1.625% bond (2014 – 2021)	0.875% bond (2018 – 2023)	1.875% bond (2014 – 2024)	0.75% bond (2017 – 2026)	Total
Net proceeds from issuance	164,158	197,967		149,452	225,119	736,696
Cumulative amortisation of issuance costs	698	1,029		174	–8	1,892
Position as at 1.1.2018	164,856	198,996		149,625	225,111	738,587
Net proceeds from issuance			154,474			154,474
Amortisation of issuance costs	144	305	28	52	–4	525
Repayment	–165,000					–165,000
Carrying amount as at 31.12.2018	0	199,300	154,502	149,677	225,107	728,586

Features	1.625% bond (2014 – 2021)	0.875% bond (2018 – 2023)	1.875% bond (2014 – 2024)	0.75% bond (2017 – 2026)
Volume	CHF 200 million	CHF 155 million	CHF 150 million	CHF 225 million
Term	7 years (19.5.2014 – 19.5.2021)	5 years (2.10.2018 – 2.10.2023)	10 years (16.9.2014 – 16.9.2024)	9 years (20.3.2017 – 20.3.2026)
Interest rate	1.625% p.a., payable annually on 19 May, with the first payment on 19 May 2015	0.875% p.a., payable annually on 2 October, with the first payment on 2 October 2019	1.875% p.a., payable annually on 16 September, with the first payment on 16 September 2015	0.75% p.a., payable annually on 20 March, with the first payment on 20 March 2018
Effective rate of interest	1.7921%	0.9562%	1.9264%	0.7550%
Listing	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Swiss security no.	24298406	39863345	25237980	35483611

As at the reporting date, Mobimo held the following interest rate swaps to hedge interest rates:

TCHF	Nominal value	Carrying amount 2018	Fair-value adjustments 2018	Of which recognised in other comprehensive income	Recognised in profit or loss (financial income)
Interest rate swaps through profit and loss	10,500	162	140	0	140
Total current derivative financial instruments	**10,500**	**162**	**140**	**0**	**140**
Interest rate swaps applying hedge accounting	118,145	23,011	3,504	3,504	0
Interest rate swaps through profit and loss	54,800	4,181	1,783	0	1,783
Total non-current derivative financial instruments	**172,945**	**27,192**	**5,287**	**3,504**	**1,783**
Total derivative financial instruments	**183,445**	**27,353**	**5,427**	**3,504**	**1,923**

TCHF	Nominal value	Carrying amount 2017	Fair-value adjustments 2017	Of which recognised in other comprehensive income	Recognised in profit or loss (financial income)
Interest rate swaps through profit and loss	11,000	22	359	0	359
Total current derivative financial instruments	**11,000**	**22**	**359**	**0**	**359**
Interest rate swaps applying hedge accounting	118,410	26,515	4,258	4,258	0
Interest rate swaps through profit and loss	65,300	6,244	2,436	0	2,436
Total non-current derivative financial instruments	**183,710**	**32,758**	**6,694**	**4,258**	**2,436**
Total derivative financial instruments	**194,710**	**32,780**	**7,054**	**4,258**	**2,795**

In the year under review, no ineffective portions were recognised in the income statement under financial expense, as was also the case in the previous year.

The cash flow hedge reserve changed as follows in the year under review:

TCHF	Hedging reserve 2018	Of which cash flow hedge reserve from ongoing interest hedges	Of which cash flow hedge reserve from interest hedges for which hedge accounting is no longer applied	Hedging reserve 2017	Of which cash flow hedge reserve from ongoing interest hedges	Of which cash flow hedge reserve from interest hedges for which hedge accounting is no longer applied
At 1 January	**21,060**	**20,669**	**391**	**24,500**	**23,988**	**512**
Profit on financial instruments for hedge accounting	–3,504	–3,504		–4,258	–4,258	
Reclassification adjustments for amounts recognised in income statement	–152		–152	–155		–155
Tax effects	2,057	2,025	32	973	939	34
Total derivative financial instruments	**19,461**	**19,189**	**272**	**21,060**	**20,669**	**391**

The "cash flow hedge reserve from interest rate hedges for which hedge accounting is no longer used" arose from hedging using a CHF 10 million interest rate swap on which hedge accounting was discontinued during 2016 due to its ineffectiveness which was too high. Accumulated changes in valuation that are recognised in other comprehensive income until hedge accounting is discontinued are rebooked to the income statement for the residual term of the interest rate swap. In the year under review, this effect was CHF –0.2 million (prior year: CHF –0.2 million). As at the reporting date, the cash flow reserve still contained CHF 0.3 million (prior year: CHF 0.4 million) of the originally recognised ineffective portions.

The interest rate swaps with hedge accounting comprised the following maturities as at the reporting date:

	Nominal amount in TCHF 2018	Average fixed interest rate in % 2018	Nominal amount in TCHF 2017	Average fixed interest rate in % 2017
Due within 1 – 5 years	1,325	1.8%	1,325	1.8%
Due within 6 – 10 years	1,325	1.8%	1,325	1.8%
Due within 11 – 15 years	65,495	1.8%	65,760	1.8%
Due within 16 – 20 years	50,000	1.8%	50,000	1.8%
Interest rate swaps applying hedge accounting	**118,145**	**1.8%**	**118,410**	**1.8%**

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

TCHF	31.12.2018	31.12.2017
Due within 1st year	87,848	204,421
Due within 2nd year	120,132	65,187
Due within 3rd year	258,138	114,918
Due within 4th year	155,230	252,676
Due within 5th year	203,839	152,803
Due within 6th year	169,686	43,005
Due within 7th year	11,249	160,518
Due within 8th year	264,865	1,502
Due within 9th year	68,942	247,550
Due within 10th year	265	69,488
Due within 11th year and longer	200,495	200,760
Total financial liabilities	**1,540,688**	**1,512,828**

The average residual term of total financial liabilities is 6.1 years (prior year: 6.5 years).

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

TCHF	31.12.2018	31.12.2017
Up to 1 year	87,848	204,421
Up to 2 years	120,132	65,187
Up to 3 years	258,138	114,918
Up to 4 years	155,230	252,676
Up to 5 years	203,839	152,803
Over 5 years	715,501	722,823
Total financial liabilities	**1,540,688**	**1,512,828**

As at 31 December 2018, taking current interest rate swaps into account, CHF 1,528.5 million was subject to fixed interest rates, with CHF 12.2 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 rate of interest for the period, taking interest rate swaps into account, was 2.01% (prior year: 2.17%).

12. Pledged assets/assets not freely disposable

The carrying amount of pledged assets is as follows:

TCHF	2018	2017
Trade receivables	178	200
Other receivables	13,919	22,645
Trading properties	7,987	11,222
Investment properties and investment properties under construction	2,448,820	2,238,900
Owner-occupied properties	12,962	13,454
Carrying amount of pledged assets	**2,483,866**	**2,286,420**

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 812.1 million (prior year: CHF 774.2 million) (see Note 11).

13. Cash and cash equivalents

Accounting principles

Cash comprises cash in hand, call deposits with banks, fixed-term deposits 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 is covered by the provisions for recognising valuation allowances under IFRS 9. Mobimo did not identify any material need for valuation allowances, and hence none were recognised.

Cash comprises cash holdings and current account deposits of CHF 143.6 million (prior year: CHF 73.7 million) and money market account deposits of CHF 10.0 million (prior year: CHF 13.4 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%).

14. 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 attributed 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 of 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 1.1.2017	**6,218,170**	**–2,044**	**6,216,126**
Share-based payments to Board of Directors and management		4,348	4,348
Acquisition of treasury shares		–2,805	–2,805
At 31.12.2017/1.1.2018	**6,218,170**	**–501**	**6,217,669**
Share-based payments to Board of Directors and management		2,953	2,953
Issue of shares from authorised capital for acquisition of Immobiliengesellschaft Fadmatt AG	383,377		383,377
Acquisition of treasury shares		–7,385	–7,385
At 31.12.2018	**6,601,547**	**–4,933**	**6,596,614**

Capital structure

	TCHF	Number of registered shares	Nominal value per share (CHF)
Share capital	154,476	6,601,547	23.40
Authorised capital (until 27 March 2020)	max. 19,109	816,623	23.40
Conditional capital	max. 759	32,446	23.40

	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

In the year under review, a nominal value reduction of CHF 34.8 million (CHF 5.60 per share, 6,218,170 shares, see below) was carried out. In connection with the purchase of Immobiliengesellschaft Fadmatt AG (see Note 33), 383,377 new shares were issued in August 2018 by means of an authorised capital increase. This increased the share capital by CHF 9.0 million and the capital contribution reserves by CHF 84.6 million. These newly issued shares were used to settle part of the purchase price, which is why this constitutes a share-based payment within the meaning of IFRS 2.

There was no change in share capital in the previous year.

Authorised share capital is available permitting the Board of Directors to increase the company's share capital by a maximum of CHF 19.1 million within two years (up to March 2020) at most via the issue of up to 816,623 registered shares, to be fully paid up, with a nominal value of CHF 23.40 per share.

There is also conditional share capital of a maximum of CHF 0.8 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.

Dividends/distribution

The Annual General Meeting of 27 March 2018 approved a distribution from the capital contribution reserves of CHF 4.40 per share and a share capital reduction of CHF 5.60 per share for the 2017 financial year. A distribution of CHF 10.00 per share was paid out on 22 June 2018. The nominal value of Mobimo shares after the nominal value reduction is therefore CHF 23.40 (before capital reduction: CHF 29.00).
The Board of Directors will propose to the upcoming General Meeting of 2 April 2019 a distribution of CHF 66.0 million in the form of a distribution of capital contribution reserves of CHF 10.00 per share. The final amount of the distributable capital contribution reserves is subject to formal approval by the Swiss Federal Tax Administration during the annual declaration. If the full amount cannot be distributed from the capital contribution reserves, a nominal value reduction will be considered.

Over the past five years, the distribution yield (capital contribution or nominal value repayment), taking account of the planned distribution for the financial year, has averaged about 4.3% (prior year: 4.4%).

15. 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 and 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 a client or a counterparty to a financial instrument fails to fulfil their contractual obligations. Credit risk arises primarily in connection with trade receivables, contract assets 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, from rental agreements and from developments (properties). Property sales are exposed to only limited credit risk, since these sales are based on a publicly notarised purchase contract 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 or insurance guarantees of three to six times the monthly rent are also demanded. This collateral totalled CHF 20.5 million as at the end of the year. Receivables from developments (properties) and the contract assets are either covered by promises to pay or relate to institutional investors with good credit quality. The credit risk associated with receivables from developments (properties) and contract assets is therefore considered to be low. Given that losses are expected to be immaterial, Mobimo has not recognised a valuation allowance.

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 2018	Carrying amounts 2017
Cash (bank deposits)	153,556	87,103
Trade receivables	34,842	73,749
Other receivables[1]	14,309	23,876
Contract assets	17,450	n/a
Accrued income and prepaid expenses[2]	2,303	1,667
Financial assets (receivables and loans)	400	150,000
Total	**222,860**	**336,395**

1 Not including tax receivables, 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 2018	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]	7,292	7,292		7,292			
Other payables[2]	4,115	4,115		4,115			
Accrued expenses and deferred income[3]	29,677	29,677		29,677			
Financial liabilities	1,540,688	1,684,514	2,652	37,773	69,412	806,077	768,601
Derivative financial liabilities							
Interest rate swaps	27,353	28,829	0	1,228	4,177	11,996	11,427
Total	**1,609,126**	**1,754,428**	**2,652**	**80,086**	**73,590**	**818,073**	**780,028**

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

TCHF	Carrying amount 2017	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]	16,128	16,128		16,128			
Other payables[2]	4,503	4,503		4,503			
Accrued expenses and deferred income[3]	27,439	27,439		27,439			
Financial liabilities	1,512,828	1,673,599	2,723	13,465	213,179	660,632	783,599
Derivative financial liabilities							
Interest rate swaps	32,780	33,443	182	1,247	4,243	13,917	13,853
Total	**1,593,678**	**1,755,112**	**2,906**	**62,782**	**217,422**	**674,549**	**797,452**

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

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

The aim behind the management of market risk is to monitor and control it to ensure that it does 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 fair value, i.e. the risk that the fair 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 and to 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. When applying cash flow hedge accounting Mobimo determines the existence of an economic relationship between the derivative financial instruments and the hedged item based on the underlying conditions (reference interest rate, term, maturity, interest rate adjustment dates and nominal value). Mobimo applies a hedging ratio of 1:1 in all cases.

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 as long-term, via long-dated 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 11.

Fair value sensitivity analysis for fixed-rate financial instruments
Mobimo has no fixed-rate financial assets or liabilities that are classified at fair value through profit or loss. 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 annual results.

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 a direct impact on the annual results. Changes in the fair value of financial instruments used for hedge accounting purposes are recognised directly in other comprehensive income.

An increase of 100 basis points in the interest rate would have increased the Group result by CHF 1.1 million (prior year: CHF 1.8 million) as a result of changes in fair value for swaps not held for hedge accounting purposes. These changes in the fair value of swaps held for hedge accounting purposes would have increased other comprehensive income (equity) by CHF 18.0 million (prior year: CHF 20.2 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 118.1 million were hedged using 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 11). For the remaining CHF 12.2 million of variable-rate financial liabilities and for cash, an increase of 100 basis points in the interest rate would have had only a minor impact on the Group result given the negative interest rate situation. 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, current financial assets (time deposits) 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 is the present value of the forward contract.

The table below shows financial instruments carried at fair value, by measurement method, as at the reporting date. For an explanation of the individual levels, see Note 5 "Investment properties".

31 December 2018	Level 1	Level 2	Level 3
Financial assets (measured at fair value through profit or loss)	0	0	2,301
Derivative financial instruments	0	27,353	0

31 December 2017	Level 1	Level 2	Level 3
Derivative financial instruments	0	32,780	0

Mobimo does not hold any financial instruments carried at fair value that would be classified as Level 1.
Level 2 fair values for derivative financial instruments are based on valuations by the counterparty (banks). The plausibility of these counterparty valuations is checked by comparing them with calculations in which the expected future cash flows are discounted using the market interest rate.
Level 3 fair values of financial assets (measured at fair value through profit or loss) are based on a DCF valuation.
For fixed-rate financial liabilities, fair value is the time value of the future cash flows, discounted to 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 measurement plus an adequate interest rate spread of 0.80% (prior year: 0.80%). The discount rates applied as at 31 December 2018 were between 0.15% and 1.58% (prior year: between 0.22% and 1.61%). The fair value of bonds is the closing price on the stock exchange as at the reporting date. The following table shows a comparison between the carrying amounts and the fair values of the interest-bearing financial liabilities as at the reporting date.

TCHF	Carrying amount 31.12.2018	Fair value 31.12.2018	Carrying amount 31.12.2017	Fair value 31.12.2017
Mortgages (Level 2)	812,102	859,990	774,240	830,310
Bonds (Level 1)	728,586	742,515	738,587	766,997
Total	**1,540,688**	**1,602,505**	**1,512,828**	**1,597,307**

Categories of financial instruments

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

TCHF	Carrying amount 2018
Financial asset measured at amortised cost[1]	
Cash	153,556
Trade receivables	34,842
Other receivables[4]	14,309
Accrued income and prepaid expenses[5]	2,303
Financial assets (term deposits and loans)	400
Total financial assets measured at amortised cost	**205,409**
Financial assets measured at fair value through profit or loss	
Financial assets (non-consolidated equity investments)[2]	2,301
Financial liabilities measured at amortised cost	
Trade payables[6]	7,292
Other payables[7]	4,115
Accrued expenses and deferred income[8]	29,677
Financial liabilities	1,540,688
Total financial liabilities measured at amortised cost	**1,581,773**
Financial liablities measured at fair value through profit or loss[3]	
Derivative financial instruments	4,343
Financial liabilities held for hedging purposes	
Derivative financial instruments	23,011

1 Financial assets classified under IAS 39 as "loans and receivables" are now listed in the category "financial assets measured at amortised cost" under IFRS 9.
2 The non-consolidated investment in Parking Saint-François SA classified under IAS 39 as "assets held for sale" is now listed in the category "financial assets measured at fair value through profit or loss". Due to the reclassification, the difference between the previous carrying amount and the fair value of TCHF 381 as at 1 January 2018 was recognised in retained earnings (see Note 2).
3 Financial instruments classified as "financial liabilities held for trading" under IAS 39 are now listed in the category "financial liabilities designated at fair value through profit or loss" under IFRS 9.
4 Not including tax receivables and receivables in connection with social security and advance payments.
5 Not including costs paid in advance.
6 Not including rents and ancillary costs paid in advance.
7 Not including tax payables and payables in connection with social security.
8 Not including deferred income taxes and unused annual leave.

The following carrying amounts were reported in each category under IAS 39 as at 31 December 2017:

TCHF	Carrying amount 2017
Loans and receivables	
Cash	87,103
Trade receivables	73,749
Other receivables[1]	23,876
Accrued income and prepaid expenses[2]	1,667
Financial assets (term deposits)	150,000
Total loans and receivables	**336,395**
Financial assets available for sale	
Financial assets (non-consolidated equity investments)	1,849
Financial liabilities measured at amortised cost	
Trade payables[3]	16,128
Other payables[4]	4,503
Accrued expenses and deferred income[5]	27,439
Financial liabilities	1,512,828
Total liabilities measured at amortised cost	**1,560,898**
Financial liabilities held for trading purposes	
Derivative financial instruments	6,266
Financial liabilities held for hedging purposes	
Derivative financial instruments	26,515

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 connection with social security.
5 Not including deferred income taxes and unused annual leave.

Capital management

The Board of Directors seeks to ensure a solid capital base. Under the investment guidelines, the equity ratio must be above 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 the equity ratio, net gearing and interest coverage ratio. These were complied with without exception during the reporting period.

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

TCHF	31.12.2018	31.12.2017
Equity	1,513,509	1,399,108
Equity and liabilities	3,365,174	3,195,695
Equity ratio	**45.0%**	**43.8%**
Current financial liabilities	87,848	204,421
Non-current financial liabilities	1,452,840	1,308,407
Cash	–153,556	–87,103
Current financial assets (time deposits)	0	–150,000
Net financial debt	**1,387,132**	**1,275,725**
Equity	1,513,509	1,399,108
Net gearing	**91.7%**	**91.2%**

Personnel

16. Personnel expenses

Personnel expenses can be broken down as follows:

TCHF	2018	2017
Salaries	–18,643	–17,440
Profit-sharing (management/employees)	–1,911	–2,601
Social security contributions	–1,889	–1,783
Defined contribution plans	–31	–214
Defined benefit plans	–4,066	–56
Compensation for Board of Directors	–1,200	–1,198
External training and education costs	–254	–274
Other personnel expenses	–2,372	–1,786
Total personnel expenses	**–30,366**	**–25,351**
Headcount at 31 December (full-time basis)	157.3	141.4
Average headcount (full-time basis)	149.0	137.3

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

TCHF	2018	2017
Members of the Board of Directors/ Executive Board	**–5,159**	**–5,515**
Broken down as follows:		
› Salaries	–4,020	–4,116
› Share-based payments	–450	–798
› Social security contributions	–689	–601

Further details of Board of Directors and Executive Board remuneration can be found in Note 18.

17. 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. Plan participants are insured against the economic consequences of old age, disability and death. The risks of death and disability under non-mandatory employee benefit insurance are fully reinsured. 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 event 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 governs 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, employee benefit plans qualify as defined benefit plans under IAS 19.

The following table shows the development of net obligations in the year under review (liabilities are shown with a negative sign, contrary to the conventional presentation in the financial report):

TCHF	Plan assets at market values 2018	Present value of benefit obligations 2018	Net liability 2018	Plan assets at market values 2017	Present value of benefit obligations 2017	Net liability 2017
Balance at 1 January	**37,104**	**–43,157**	**–6,053**	**33,055**	**–40,218**	**–7,163**
Employer's current service cost		–1,723	–1,723		–1,701	–1,701
Past service cost		–2,311	–2,311		1,673	1,673
Interest income/interest expense	245	–277	–32	203	–230	–27
Total net benefit expense in the income statement	**245**	**–4,311**	**–4,066**	**203**	**–259**	**–56**
Return on plan assets (excluding interest income)	–1,859		–1,859	1,031		1,031
Actuarial (gains) losses						
› Effect of changes in financial assumptions		1,896	1,896		301	301
› Effect of experience adjustments		301	301		–1,296	–1,296
Total remeasurements of staff pension schemes included in other comprehensive income	**–1,859**	**2,197**	**338**	**1,031**	**–995**	**36**
Employer contributions	1,304		1,304	1,130		1,130
Employee contributions	1,044	–1,044	0	994	–994	0
Amounts paid	–531	531	0	692	–692	0
Balance at 31 December	**37,307**	**–45,784**	**–8,477**	**37,104**	**–43,157**	**–6,053**

The effect of changes in financial assumptions (decrease of CHF 1.9 million) in the 2018 financial year is mainly attributable to the increase in the discount rate from 0.65% to 0.85%. The prior year's decrease of CHF 0.3 million was mainly due to the increase in the discount rate that year from 0.60% to 0.65%.

The past service cost of CHF –2.3 million was mainly the result of the increase in retirement credits and the maximum insured salary as of 1 January 2019. In the previous year, a positive figure of CHF 1.7 million resulted from the foundation board's decision to reduce the conversion rate.

The expected employer contributions for the 2019 financial year are CHF 1.7 million.

Plan assets can be broken down into the following categories:

Asset classes	Plan assets 2018 in %	Market values 2018 in TCHF	Plan assets 2017 in %	Market values 2017 in TCHF
Cash and cash equivalents	1%	424	4%	1,511
Shares (listed)	25%	9,301	29%	10,937
Bonds and notes (listed)	50%	18,515	44%	16,225
Real estate	19%	7,073	15%	5,522
Alternative investments	5%	1,995	8%	2,909
Total	**100%**	**37,307**	**100%**	**37,104**

As at 31 December 2018, the plan assets did not include treasury shares or real estate in the companies' own use.

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

	2018	2017
Assumptions for the expenses in the income statement:		
Discount rate	0.65%	0.60%
Expected future salary increases	1.25%	1.25%
Expected future pension benefit increases	0.10%	0.10%
Longevity at age 65 for current members aged 45		
› Males	24.4	24.3
› Females	26.4	26.4
Longevity at age 65		
› Males	22.6	22.5
› Females	24.7	24.5
Assumptions for the pension liability in the balance sheet		
Discount rate	0.85%	0.65%
Expected future salary increases	1.25%	1.25%
Expected future pension benefit increases	0.00%	0.10%

A change in the assumptions of +/– 25 basis points for the discount rate and salary increases and +/– 10 basis points for pension benefit increases would have the following percentage impact on the present value of the benefit obligations:

	2018	2018	2018
Impact on present value of benefit obligations due to the above-mentioned changes in basis points:	Discount rate	Salary increases	Pension increases
Increase	–3.4%	0.6%	1.0%
Decrease	3.7%	–0.7%	–1.0%

	2017	2017	2017
Impact on present value of benefit obligations due to the above-mentioned changes in basis points:	Discount rate	Salary increases	Pension increases
Increase	–3.4%	0.2%	1.1%
Decrease	3.6%	–0.2%	–1.1%

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

TCHF	2018	2017
Up to 1 year	542	960
Up to 5 years	2,797	5,787
Over 5 years	42,445	36,410
Total	**45,784**	**43,157**

Based on a DBO cash flow calculation, the duration of benefit obligations as at the reporting date was 18.3 years (prior year: 18.8 years).

18. Share-based payments to the Board of Directors and Executive Board

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 expenses, spread over the vesting period. The corresponding counter-posting takes place 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, 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 1.1 million was paid in cash in 2018 (prior year: CHF 1.1 million) and CHF 0.03 million in the form of shares (121 shares) (prior year: CHF 0.1 million; 242 shares granted, of which 73 were deferred – ultimately 75 shares were actually granted in 2018 due to price changes).

Executive Board

Under the current compensation regulations (valid from 1 January 2015), 65% of variable compensation is 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 measure for calculating the quantitative target as the return on equity before 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 of generally five years.

For the 2018 financial year, a total of 1,794 shares (prior year: 2,742) were granted to the Executive Board as a share of profits. The cost of the approved share allocation was recognised as CHF 0.4 million (prior year: CHF 0.7 million), measured at the share price on 31 December 2018 of CHF 234.00 per share (prior year: CHF 261.50). 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

No outstanding options exist.

Income taxes

Critical estimates and assumptions

The taxation of gains on the disposal of properties is subject to a special property gains tax in various cantons where they are not subject to ordinary tax on profits. 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 2019, the deferred tax liabilities would be CHF 11.1 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.

19. Income taxes

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 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 enacted or substantially enacted 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. 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 realised or settled. The tax rates used are those that are enacted or substantially enacted 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	2018	2017
Total current tax expense	**–23,143**	**–21,318**
Deferred tax		
Change in deferred tax	2,527	–2,898
Changes in tax rate on deferred tax items recognised	1,216	–219
Total deferred tax income/expense	**3,743**	**–3,117**
Total income tax expense	**–19,400**	**–24,436**

Current tax expense contains an expense reduction of CHF 1.4 million (prior-year expense reduction: CHF 0.0 million) in tax on profits from prior periods. This mainly relates to adjustments and reassessments of tax provisions for outstanding property gains tax cases. Property gains tax is also contained in current tax and is incurred in those cantons that impose a tax on property gains.

Current tax expense and other comprehensive income (equity) include current tax income of CHF 2.2 million (prior-year tax income: CHF 1.0 million) from recognising the gains (prior year: gains) on financial instruments classified as cash flow hedges (interest rate swaps).

Tax expense can be analysed as follows:

	Unit	2018	2017
Group profit before tax	TCHF	109,692	115,927
Applicable tax rate	%	25	25
Tax expense at applicable tax rate	TCHF	–27,423	–28,982
Non-deductible expenses	TCHF	340	–651
Creation/reversal for prior-year current tax	TCHF	–1,418	–1
Non-recognition of tax loss carry-forwards	TCHF	–10	0
Utilisation of previously unrecognised tax losses	TCHF	–1,758	–707
Expense/income which is taxed at a lower/higher tax rate	TCHF	9,428	5,818
Impact of changes in tax rate on deferred tax items recognised	TCHF	1,216	–219
Other effects	TCHF	224	306
Total taxes	TCHF	**–19,400**	**–24,436**

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%.
The effects that arise from the difference between the applicable tax rate and the tax rate that is actually valid for offsetting tax loss carryforwards during the offsetting of tax loss carryforwards for which there was a deferred tax asset at the end of the prior year are recognised under utilisation of previously unrecognised tax losses.

Deferred tax

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

TCHF	2018 Assets	2018 Liabilities	2017 Assets	2017 Liabilities
Investment properties		194,892		159,398
Employee benefit obligation	1,602		1,144	
Other items	1,593	6,473	1,462	5,450
Deferred taxes on temporary differences	**3,196**	**201,365**	**2,606**	**164,848**
Tax benefit of offsettable loss carryforwards	2,621		3,175	
Total deferred taxes	**5,817**	**201,365**	**5,781**	**164,848**
Offset of deferred tax assets and liabilities	–4,152	–4,152	–3,971	–3,971
Deferred tax assets/ liabilities	**1,664**	**197,213**	**1,811**	**160,878**

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, applicable until the end of 2018, 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 1.7 million to CHF 1.3 million (prior year: reduction of the tax benefit recognised in the income statement by CHF 0.7 million to CHF 3.0 million).
Other assets of CHF 1.3 million in the year under review (prior year: CHF 0.2 million) relate to offsettable loss carryforwards for direct federal, cantonal and municipal taxes of CHF 7.0 million (prior year: CHF 0.8 million). There are loss carryforwards of CHF 0.1 million for which deferred taxes of CHF 0.02 million were not recognised because it is currently unclear whether these loss carryforwards can be offset against future profits within the legally prescribed period of seven years (there were no unrecognised loss carryforwards 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 increase in deferred tax liabilities of CHF 36.5 million (from CHF 159.1 million to CHF 195.5 million), CHF 40.0 million net resulted from the acquisition of Immobiliengesellschaft Fadmatt AG and CHF 0.2 million from the first-time application of IFRS 15. The recognition of CHF 3.7 million in the income statement as a reduction in expenses led to a reduction in the net position, while the CHF 0.1 million recognised for financial instruments and under the employee benefit obligation in other comprehensive income led to an increase (prior year: net increase of CHF 3.1 million from CHF 156.0 million to CHF 159.1 million, of which CHF 3.1 million was recognised in the income statement and CHF –0.0 million for financial instruments and under the employee benefit obligation directly in other comprehensive income).

Other notes

20. Operating expenses

Operating expenses include expenditure on IT, communications, marketing, general office expenses and non-reclaimable input tax. Also included in operating expenses are capital taxes of CHF 0.6 million (prior year: CHF 0.6 million) and planning costs of CHF 1.0 million (prior year: CHF 2.0 million). Planning costs relate to expenditure on the development and compilation of feasibility studies for projects subject to external influences beyond Mobimo's control and where there is uncertainty over whether they can be realised at all. These costs have therefore been charged to operating expenses until there is certainty that these projects will proceed. Once this is the case, the costs will be capitalised.

21. Administrative expenses

Administrative expenses can be broken down as follows:

TCHF	2018	2017
Consulting expense	–2,071	–2,115
Consulting expense in respect of related parties	–76	–57
Other administrative expenses	–1,283	–791
Total administrative expenses	**–3,430**	**–2,962**

For further details of expenses in respect of related parties, see Note 30.

22. Trade receivables

Trade receivables can be broken down as follows:

TCHF	2018	2017
Outstanding purchase prices real estate due from third parties	22,026	846
Receivables from development projects	2,872	0
Outstanding rents and ancillary costs due from third parties	10,804	8,272
Outstanding rents and ancillary costs due from associates and joint ventures	137	50
Outstanding trade receivables from related parties	1	0
Less doubtful debt allowance for outstanding rent and ancillary costs	–999	–601
Receivables current projects	n/a	65,182
Total trade receivables	**34,842**	**73,749**

The age structure of trade receivables after valuation allowances is as follows:

TCHF	2018	2017
Not past due	31,368	8,025
Up to 30 days	2,585	398
Up to 90 days	203	77
Over 90 days	684	67
Total	**34,842**	**8,568**

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

TCHF	2018	2017
Valuation allowance		
At 1 January	601	851
Change in valuation allowance	397	–249
At 31 December	**999**	**601**

23. Other receivables

Other receivables total CHF 15.3 million (prior year: CHF 24.5 million) and include CHF 13.9 million (prior year: 22.6 million) of cash pledged to banks as collateral.

24. 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	2018 Total
Cumulative acquisition values				
Balance at 1 January	21,254	5,920	3,530	30,704
Additions	1,137	1,086	137	2,360
Disposals	0	–137	0	–137
Balance at 31 December	**22,391**	**6,869**	**3,667**	**32,927**
Cumulative depreciation				
Balance at 1 January	–7,800	–3,561	0	–11,361
Depreciation	–853	–885	0	–1,738
Disposals	0	137	0	137
Balance at 31 December	**–8,653**	**–4,309**	**0**	**–12,962**
Net carrying amount at 31 December	**13,738**	**2,560**	**3,667**	**19,965**
Total other P, P&E at 31 December		6,227		

Owner-occupied properties include the property at Küsnacht, 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 Côtes-de-Montbenon 16 and tenant improvements for own use in a rented property in Küsnacht.

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 in the year under review 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.

TCHF	Owner-occupied properties	Other P, P&E in use	Other P, P&E under construction	2017 Total
Cumulative acquisition values				
Balance at 1 January	20,954	6,029	1,269	28,253
Additions	300	915	2,260	3,475
Disposals	0	–1,024	0	–1,024
Balance at 31 December	**21,254**	**5,920**	**3,530**	**30,704**
Cumulative depreciation				
Balance at 1 January	–6,972	–3,728	0	–10,700
Depreciation	–829	–856	0	–1,685
Disposals	0	1,024	0	1,024
Balance at 31 December	**–7,800**	**–3,561**	**0**	**–11,361**
Net carrying amount at 31 December	**13,454**	**2,359**	**3,530**	**19,343**
Total other P, P&E at 31 December		5,889		

25. 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 belonging to 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	2018 Total
Cumulative acquisition values			
Balance at 1 January	5,349	7,860	13,209
Additions	238	1,479	1,717
Balance at 31 December	**5,587**	**9,339**	**14,926**
Cumulative amortisation and impairment losses			
At 1 January	–2,165	–2,974	–5,139
Amortisation	0	–1,538	–1,538
Impairment losses	–500	0	–500
Balance at 31 December	**–2,665**	**–4,512**	**–7,177**
Net carrying amount at 31 December	**2,923**	**4,826**	**7,749**

Purchase options/construction projects consist of a notarised purchase option for a plot in Merlischachen in the Canton of Schwyz, and capitalised development costs for a construction project in Zurich Oerlikon, where 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 charge was duly recognised.

TCHF	Purchase options/ construction projects	Software	2017 Total
Cumulative acquisition values			
Balance at 1 January	4,325	6,539	10,864
Additions	1,024	1,778	2,802
Disposals	0	–457	–457
Balance at 31 December	**5,349**	**7,860**	**13,209**
Cumulative amortisation and impairment losses			
At 1 January	–2,165	–2,425	–4,590
Amortisation	0	–1,006	–1,006
Disposals	0	456	456
Balance at 31 December	**–2,165**	**–2,974**	**–5,139**
Net carrying amount at 31 December	**3,184**	**4,885**	**8,069**

26. Long-term interests in associates and joint ventures

Accounting principles
Ownership interests of between 20% and 50% in companies that Mobimo exerts a significant influence over 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 fair 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	2018	2017
Parking du Centre SA, Lausanne (50% stake)	19,925	19,076
Flonplex SA, Lausanne (40% stake)	9,363	8,891
Total	**29,287**	**27,968**

Investments in joint ventures

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 Group S.A.S., a company active in the areas of urban mobility and parking. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of its 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, adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2018	2017
Current assets	TCHF	745	4,523
Non-current assets	TCHF	50,813	51,625
Current liabilities	TCHF	1,552	9,302
Non-current liabilities	TCHF	10,157	8,693
The assets and liabilities above include the following details:			
Cash and cash equivalents	TCHF	534	4,190
Financial liabilities	TCHF	6,600	5,300
Revenue	TCHF	7,539	7,451
Depreciation and amortisation	TCHF	–959	–975
Financial expense	TCHF	–319	–336
Tax expense	TCHF	–1,068	–598
Profit	TCHF	4,577	2,210
Net assets	TCHF	39,850	38,153
Proportion of the ownership interest	%	50	50
Carrying amount of the interest	**TCHF**	**19,925**	**19,076**
Dividends received from joint venture	TCHF	1,440	990

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 its 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	2018	2017
Current assets	TCHF	3,603	2,427
Non-current assets	TCHF	23,716	24,654
Current liabilities	TCHF	2,263	3,254
Non-current liabilities	TCHF	1,650	1,599
Revenue	TCHF	10,197	10,912
Profit	TCHF	1,951	2,110
Net assets	TCHF	23,406	22,228
Proportion of the ownership interest	%	40	40
Carrying amount of the interest	**TCHF**	**9,363**	**8,891**
Dividends received from the associate	TCHF	309	560

27. Financial assets

Accounting principles
Financial assets comprise time deposits, 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. Time deposits and loans are recognised at amortised cost less any valuation allowance. The non-consolidated investments are classified as at fair value through profit or loss and measured at fair value with fair value adjustments recognised in profit or loss.

Financial assets can be broken down as follows:

TCHF	2018	2017
Fixed-time deposits	0	150,000
Current financial assets	**0**	**150,000**
Loans to third parties	400	0
Non-consolidated equity investments	2,301	1,849
Non-current financial assets	**2,701**	**1,849**
Total	**2,701**	**151,849**

Non-consolidated equity investments primarily comprise the investment in Parking Saint-François SA.
The time deposits in the amount of CHF 150 million reported as short-term financial assets in the previous year expired in the year under review.

Financial assets changed as follows in the year under review:

TCHF	2018
At 31 December 2017	**151,849**
Impact of changes in accounting policies	385
At 1 January 2018	**152,233**
Additions	400
Disposals	–150,000
Market value adjustment	68
Balance at 31 December	**2,701**

In the previous year, financial assets had changed as follows:

TCHF	2017
At 1 January 2018	**1,966**
Additions	150,000
Disposals	–117
Balance at 31 December	**151,849**

28. Other payables

Other payables totalling CHF 4.4 million (prior year: CHF 5.1 million) in the year under review and in the prior year are for the most part deferred purchase price payments for already completed acquisitions of companies. The residual amount comprises payables in connection with social security contributions, payables in connection with value added tax and other payables.

29. Accrued expenses and deferred income

TCHF	2018	2017
Accruals for construction work	16,206	11,783
Accruals from property accounts	9,308	7,922
Accruals for interest	4,657	4,992
Accruals for services for related parties	418	717
Other items	10,126	11,620
Total accrued expenses and deferred income	**40,716**	**37,034**

Other financial information

30. 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 16 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 Board of Directors are the consultancy firm weber schaub & partner ag, which is co-owned by Peter Schaub. The income statement includes expenses of TCHF 76 (prior year: TCHF 57) 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 positions with joint venture Parking du Centre SA:
Income from rental of properties of TCHF 543 (prior year: TCHF 505) and operating expense (rental expense) of TCHF –25 (prior year: TCHF –28).

The Mobimo income statement contains the following items with associates (see Note 26):
Income from rental of properties of TCHF 210 (prior year: TCHF 210) and other income of TCHF 22 (prior year: TCHF 22) for services rendered.

Transactions between Mobimo and the pension plans are listed in Note 17.

31. Operating leases (lessee)

Accounting principles
Mobimo does not have any leasing agreements classed 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	2018	2017
Rental and leasing obligations up to 1 year	544	393
Rental and leasing obligations 1 to 5 years	1,956	588
Rental and leasing obligations over 5 years	9,332	8,083
Total future rental and leasing obligations	**11,831**	**9,064**

The obligations relate primarily to building right interest for the properties St. Erhard, Längmatt, and Basel, Lyonstrasse 40, and to the rent for office premises in Küsnacht. 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 0.5 million (prior year: CHF 0.5 million).

32. Earnings per share

Accounting principles
Earnings per share are calculated by dividing the Group result attributable to the shareholders of Mobimo Holding AG by the weighted average of the 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.

	2018	2017
Calculation of earnings per share		
Number of outstanding shares at 1 January	6,217,669	6,216,126
+ Effect of capital increase (average)	138,646	0
+ Effect of change in holdings of treasury shares	–2,355	1,257
= Average number of outstanding shares	6,353,960	6,217,383
= Effective number of shares as basis for calculation of diluted earnings per share	6,353,960	6,217,383
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	90,623	91,650
./. Net income from revaluation in TCHF (attributable to the shareholders of Mobimo Holding AG)	–41,852	–26,389
+ Attributable deferred tax in TCHF	10,463	6,597
= Profit not including revaluation (and attributable deferred tax) in TCHF	59,235	71,858
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	90,623	91,650
Profit not including revaluation in TCHF	59,235	71,858
Earnings per share in CHF	14.26	14.74
Diluted earnings per share in CHF	14.26	14.74
Earnings per share not including revaluation (and attributable deferred tax) in CHF	9.32	11.56
Diluted earnings per share not including revaluation (and attributable deferred tax) in CHF	9.32	11.56
Calculation of net asset value (NAV) per share		
Number of outstanding shares at 31 December	6,596,614	6,217,669
= Number of shares as basis for calculation of diluted NAV	6,596,614	6,217,669
Equity at 31 December in TCHF (attributable to the shareholders of Mobimo Holding AG)	1,507,185	1,383,935
NAV per share in CHF	228.48	222.58
NAV per share, diluted, in CHF	228.48	222.58

33. 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 26). Other interests are managed as financial investments (see Note 27).

Capital is consolidated at the time of acquisition using the purchase method. Companies holding real estate often do not meet the definition of a business under IFRS 3, however. 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	154,476		F
BSS&M Real Estate AG	Küsnacht	500	66.00	F
CC Management SA	Geneva	4,700	100.00	F
Mobimo FM Service AG[1]	Küsnacht	100	100.00	F
Immobilien Invest Holding AG	Glarus	150	100.00	F
Immobiliengesellschaft Fadmatt AG	Küsnacht	3,260	100.00	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
Mobimo Zürich Nord AG	Küsnacht	100	100.00	F
O4Real AG	Lausanne	1,000	100.00	F
Petit Mont-Riond SA	Lausanne	50	100.00	F
Promisa SA	Lausanne	100	100.00	F
Flonplex SA	Lausanne	2,000	40.00	E
Parking du Centre SA	Lausanne	6,000	50.00	E
Parking Saint-François SA	Lausanne	1,150	26,52[2]	not cons.

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

1 Formerly FM Service & Dienstleistungs AG.
2 The share of voting rights amounts 5% which is why Parking Saint-François SA is reported under financial assets (non-consolidated equity investment)..

Companies acquired and sold

Immobiliengesellschaft Fadmatt AG was acquired in the year under review. The associate Zentrum Oberhof AG was sold in the prior year.

Immobiliengesellschaft Fadmatt AG

On 22 August 2018, all 6,520 issued and publicly held shares of Immobiliengesellschaft Fadmatt AG were acquired at a price of CHF 28,000 per share. Just under half of the acquisition price of CHF 181.2 million was paid in cash, and the remainder in the form of 383,377 new shares created from Mobimo's authorised capital. The company's real estate portfolio comprises 503 units (apartments, terraced, semidetached and single-family homes) spread over seven locations in the cantons of Zurich and Schaffhausen. As the properties were previously managed externally and management responsibilities were assumed by the five members of the Board of Directors, the acquired company has no employees. As the acquired company does not meet the criteria of a business under IFRS 3, the acquisition is not a business combination but a purchase of assets. The acquisition costs were subsequently allocated to the following items (see also Note 2).

Changes in the scope of consolidation

On 19 July 2018 Mobimo acquired the remaining 24.7% of the shares in Immobilien Invest Holding AG in Glarus at the takeover price of CHF 8.8 million and therefore now owns 100% of the shares. As at the reporting date an agreed deferred acquisition price of CHF 0.6 million is included in other payables. Due to the acquisition, non-controlling interests in equity decreased by CHF 8.5 million. Immobilien Holding AG holds 100% of the shares in Petit Mont-Riond SA.

In the prior year, Mobimo Zürich Nord AG was founded on 9 March 2017 as a project company with share capital of CHF 0.1 million.

34. Significant shareholders

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

%	2018	2017
BlackRock, Inc.	4.99	4.41
Pensionskasse des Kantons Zug	3.18	3.38
Credit Suisse Funds AG	3.10	3.10
UBS Fund Management (Switzerland) AG	3.08	n/a
Dimensional Holding Inc.	3.00	3.00
Norges Bank (the central bank of Norway)	n/a	3.14

35. Events after the reporting date

The Board of Directors approved the consolidated annual financial statements for publication on 1 February 2019. These statements are also subject to approval by the General Meeting of Mobimo Holding AG on 2 April 2019.

Ownership of the properties at Châtel-St. Denis, Chemin de la Chaux, and Herrenschwanden, Mettlenwaldweg 19, for which notarised purchase contracts were concluded as at the reporting date, was transferred in January 2019. The two properties are therefore now owned by BSS&M.

No other events took place between 31 December 2018 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 2018 or that would require disclosure in this section.

Property details

Details of trading properties

Location, address	Description[1]	Built	Realisation period	Acquired	Carrying amount in TCHF[2]
Brugg, Hauptstrasse	open		open	Jul 2016	2,653
Châtel-St-Denis, Chemin de la Chaux	open		open	Jul 2016	8,151
Güttingen, Hauptstrasse	open		open	Dec 2017	383
Herrenschwanden, Mettlenwaldweg 19	open		open	Nov 2018	232
Köniz, Hallmatt, Unders Juuch	open		open	Dec 2018	5,593
Lachen, Zürcherstrasse 19	open		open	Jul 2016	3,024
Langenthal, Kühlhausstrasse 8	open		open	Sep 2015	1,134
Merlischachen, Chappelmatt-Strasse (Burgmatt)	78 con		open	2014/2015	16,464
Regensdorf, Watterstrasse	open		open	Jul 2016	3,623
Schaffhausen, Fischerhäuserstrasse 61[4]	11 con		open	Jul 2016	2,415
Uster, Berchtoldstrasse	open		open	Jul 2016	7,987
Weggis, Hertensteinstrasse 105	open		open	May 2010	10,673
Zurich, Allmendstrasse 92 – 96 (Manegg)	open		open	Mar 2015	8,289
13 Land entities and development projects					**70,623**
Aarau, Site 4 (Torfeld Süd)	92 con		2014/2017	Jun 2001	7,139
Allaman, Chemin des Grangettes 2[3]	open	1991	open	Sep 2015	25,063
Cham, Brunnmatt 4 – 6	com		2010/2012	Jul 2016	39,110
Horgen, Allmendgütlistrasse 35/39[3]	open	1955	open	Feb 2018	10,721
Meggen, Gottliebenrain 5/7[3]	open	1960	open	Jul 2017	16,236
Regensdorf, Im Pfand 2 (Sonnenhof)	45 con		2013/2015	Jun 2007	200
Salenstein, Hauptstrasse	22 con		2012/2015	Jul 2016	4,628
St. Erhard, Längmatt	com	1979	open	Oct 2012	4,814
St. Moritz, Via Maistra 29[3]	open	1930	open	Jul 2010	8,000
Zurich, Turbinenstrasse (Mobimo Tower)	53 con		2008/2011	May 2008	8,326
10 Completed real estate and development properties					**124,238**
23 Trading properties					**194,861**

1 Com: commercial property; con: condominiums.
2 Data as at 31.12.2018.
3 Development properties.
4 Sale as project.

Project status[2]	Sales volumes in TCHF	Sales status (certified purchase agreement)[2]	Site area in m[2]	Register of polluted sites
in planning	open	open	4,228	no
in planning	open	open	21,231	yes (insignificant)
in planning	open	open	6,549	no
in planning	open	open	10,273	yes (insignificant)
in planning	open	open	21,407	no
in planning	open	open	969	no
in planning	open	open	13,080	yes (insignificant)
in planning	open	open	15,522	no
in planning	open	open	12,897	no
in planning	open	1/1	916	no
in planning	open	open	4,069	no
in planning	open	0/1	3,454	no
in planning	open	open	11,247	yes (insignificant)
			125,842	
for sale	84,385	83/92	11,105	no
in planning	open	open	23,213	no
for sale	open	0/1	8,346	no
in planning	open	open	3,722	no
in planning	open	open	5,207	no
for sale	34,254	45/45	6,106	no
for sale	21,614	18/22	6,970	no
for sale	open	0/1	5,801	no
in planning	open	open	557	no
for sale	168,008	51/53	1,936	no
	308,261		**72,963**	
	308,261		**198,805**	

Details of commercial properties

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, Industriestrasse 20 (Polygon)	com	2012		Jun 2001	25,330	5.0	1,263	0.0
Aarau, Industriestrasse 28; Torfeldstrasse Parkhaus	com	1905/1916/ 1929/1943/ 1954/1974		Jun 2001/ Oct 2006	26,760	7.1	1,896	0.0
Affoltern am Albis, Obstgartenstrasse 9; Alte Obfelderstrasse 27/29	com/res	2014		Aug 2011	79,020	4.4	3,442	0.0
Basel, Lyon-Strasse 40	com	1940		Nov 2015	490	12.3	60	0.0
Brugg, Bahnhofstrasse 11	com	2005		Jun 2006	24,720	6.4	1,573	2.2
Dierikon, Pilatusstrasse 2	com	1990	2007	May 2009	9,730	7.9	766	1.0
Dübendorf, Sonnentalstrasse 5	com	1975	2000	Mar/Dec 1999	27,270	6.7	1,835	5.5
Dübendorf, Zürichstrasse 98	com	1965	1983	Jan 2000	20,830	6.7	1,403	5.7
Geneva, Rue des Etuves 16 – 18	com/res	1910		Nov 2015	11,220	4.8	542	40.5
Horgen, Seestrasse 80	com	1960	2000/2008	Nov 2005	7,640	6.8	518	0.0
Horgen, Seestrasse 82	CP	2010/2011		Nov 2005	6,010	5.2	312	0.2
Kreuzlingen, Lengwilerstrasse 2	com	2007		Apr 2007	6,220	5.1	318	0.0
Kreuzlingen, Leubernstrasse 3; Bottighoferstrasse 1	com	1983/2003	2003	Nov 2006	54,790	6.6	3,633	1.3
Kreuzlingen, Romanshornerstrasse 126	BR	n/a		Nov 2006	1,860	4.3	80	0.0
Kriens, Am Mattenhof 10, Parking	CP	1986	2016	Feb 2004	15,330	3.8	583	0.0
Kriens, Sternmatt 6	com	1986	2008	Feb 2004	7,500	7.6	573	12.3
Lausanne, Avenue d'Ouchy 4 – 6 (Horizon)	com	1962	2013	May 2010	67,940	4.6	3,132	0.0
Lausanne, Flonplex	BR	n/a		Nov 2009	4,740	4.4	210	0.0
Lausanne, Parking du Centre	BR	n/a		Nov 2009	8,790	5.5	485	0.0
Lausanne, Place de la Gare 4	com	1961	2000	Nov 2009	31,120	4.8	1,501	0.0
Lausanne, Place de la Gare 10; Rue du Petit-Chêne 38	com	1957		Dec 2017	66,320	3.4	2,269	0.0
Lausanne, Place de l'Europe 6	com/h	1905	2012	Nov 2009	6,300	4.8	303	0.0
Lausanne, Place de l'Europe 7	com	1905	2001	Nov 2009	8,740	4.9	430	0.0
Lausanne, Place de l'Europe 8	com	1911	1989	Nov 2009	9,270	7.5	694	0.0
Lausanne, Place de l'Europe 9	com	1900	2002	Nov 2009	25,410	5.2	1,312	0.0
Lausanne, Rue de Genève 2/4/6/8	com	1904	2002	Nov 2009	23,680	5.5	1,313	11.5
Lausanne, Rue de Genève 7	com[5]	1932	1992/2011	Nov 2009	33,120	5.0	1,661	13.0
Lausanne, Rue de Genève 17	com	1884	2002	Nov 2009	22,140	6.5	1,448	24.0
Lausanne, Rue de Genève 23	com	1915	2005	Nov 2009	4,020	7.6	304	0.0
Lausanne, Rue de la Vigie 5	com	1963	1988	Nov 2009	14,420	6.0	860	0.0
Lausanne, Rue des Côtes-de-Montbenon 1/3/5	com	2017		Nov 2009	9,950	4.9	483	0.0
Lausanne, Rue des Côtes-de-Montbenon 6	com	1921	2009	Nov 2009	8,110	4.5	362	0.0
Lausanne, Rue des Côtes-de-Montbenon 8/10	com	1946	1998	Nov 2009	9,320	5.5	516	1.2
Lausanne, Rue des Côtes-de-Montbenon 12	com	1918	2004	Nov 2009	3,180	8.8	281	0.0
Lausanne, Rue des Côtes-de-Montbenon 16	com[5]	1912	2007	Nov 2009	5,740	5.4	311	0.0
Lausanne, Rue des Côtes-de-Montbenon 20 – 24	com	2013		Nov 2009	44,840	5.0	2,224	0.0
Lausanne, Rue des Côtes-de-Montbenon 26	BR	n/a		Nov 2009	1,830	4.3	79	0.0
Lausanne, Rue des Côtes-de-Montbenon 28/30	BR	n/a		Nov 2009	2,000	3.7	74	0.0
Lausanne, Rue du Port-Franc 9	com	1927	2009	Nov 2009	7,250	4.7	342	0.0
Lausanne, Rue du Port-Franc 11	com	2008		Nov 2009	13,410	5.5	735	0.0

1 BR: building right; com: commercial property; h: hotel; CP: multi-storey car park; res: residential property.
2 Target rental income as at 31.12.2018 as a % of market value.
3 Incl. building right interest.
4 Vacancy rate as at 31.12.2018 as a % of target rental income.
5 Share in investment property.

Total rentable area in m^2	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 m^2	Register of polluted sites
4,465	91.4	0.0	0.0	0.0	8.6	0.0	SO	2,379	yes (to review)
24,267	0.0	0.0	100.0	0.0	0.0	0.0	SO	15,161	yes (insignificant)
10,625	0.0	0.0	0.0	93.0	7.0	0.0	SO	6,455	no
2,505	0.0	0.0	100.0	0.0	0.0	0.0	SO	1,910	no
4,022	33.4	33.8	21.1	0.0	11.7	1.4	con (773/1000)	2,726	no
4,375	60.0	15.9	15.1	0.0	9.0	0.4	SO	4,396	no
9,373	27.8	0.0	62.6	0.0	9.6	5.1	SO	4,269	yes (to review)
9,845	29.7	17.4	29.8	1.1	22.0	5.4	SO	9,809	yes (petrol station)
2,120	14.4	16.7	0.0	68.6	0.3	25.6	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
17,796	10.5	75.7	0.0	0.0	13.8	1.9	SO	25,529	no
2,214	0.0	0.0	0.0	0.0	100.0	0.0	SO	2,214	no
129	0.0	0.0	0.0	0.0	100.0	0.0	SO	5,028	no
6,741	0.5	0.0	52.5	0.0	47.0	12.6	SO	5,625	no
8,072	96.6	0.0	0.0	0.0	3.4	0.0	SO	12,612	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	6,526	yes (insignificant)
4,769	63.3	0.0	5.2	0.0	31.5	0.3	SO	630	no
10,184	57.1	37.7	0.0	1.1	4.1	0.0	SO	2,105	no
903	0.0	0.0	0.0	0.0	100.0	0.0	SO	369	yes (insignificant)
1,423	65.1	8.1	0.0	0.0	26.8	2.2	SO	391	yes (insignificant)
1,688	26.2	73.8	0.0	0.0	0.0	0.0	SO	1,035	yes (insignificant)
3,512	49.5	26.7	0.0	0.0	23.8	0.0	SO	975	yes (insignificant)
4,679	8.6	87.4	0.0	0.0	4.0	11.5	SO	2,260	yes (insignificant)
5,413	12.1	51.3	0.0	20.3	16.3	13.0	SO	3,343	yes (insignificant)
7,218	47.3	30.5	3.0	0.0	19.2	16.2	SO	2,312	yes (insignificant)
2,214	0.0	0.0	0.0	0.0	100.0	0.0	SO	994	yes (insignificant)
3,368	64.3	0.0	5.6	0.0	30.1	0.0	SO	852	yes (to review)
2,086	20.7	37.3	0.0	0.0	42.0	0.0	SO	1,691	yes (to review)
2,181	62.2	19.8	0.0	0.0	18.0	0.0	SO	533	yes (insignificant)
2,126	76.3	0.0	0.0	0.0	23.7	1.7	SO	587	yes (insignificant)
888	47.5	0.0	0.0	0.0	52.5	0.0	SO	773	yes (to review)
943	31.8	0.0	30.0	29.8	8.4	0.0	SO	779	yes (insignificant)
7,784	19.4	0.0	0.0	0.0	80.6	0.0	SO	2,653	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	1,067	yes (to review)
1,727	62.9	21.7	0.0	0.0	15.4	0.0	SO	895	yes (insignificant)
2,173	38.0	7.6	0.0	0.0	54.4	0.0	SO	612	yes (insignificant)

6 Data as at 31.12.2018 as a % of the total rentable area.
7 SO: sole ownership; con: condominiums.

Details of commercial properties

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, Rue du Port-Franc 17	com	2002		Nov 2009	16,950	5.9	996	0.0
Lausanne, Rue du Port-Franc 22; Rue de la Vigie 1	com	2007		Nov 2009	20,960	4.8	1,009	0.4
Lausanne, Voie du Chariot 3	com	2008		Nov 2009	16,210	5.2	848	0.0
Lausanne, Voie du Chariot 4/6	com	2008		Nov 2009	32,630	2.6	853	0.0
Lausanne, Voie du Chariot 5/7	com	2008		Nov 2009	36,210	4.7	1,711	0.0
St. Gallen, Schochengasse 6	com	1974	2000	Feb 2004	17,720	6.3	1,114	0.5
St. Gallen, St. Leonhardstrasse 22	com	1900	2002/2006	Dec 2004	5,820	4.7	271	0.0
St. Gallen, Wassergasse 42/44	com	1966	2000	Feb 2004	16,350	6.3	1,027	15.0
St. Gallen, Wassergasse 50/52	com	1998		Feb 2004	13,470	6.2	836	0.0
Winterthur, Industriestrasse 26	com	1994	2002	Oct 1999	19,670	7.8	1,533	27.4
Zurich, Friedaustrasse 17	com	1968	2013	Oct 1998	14,880	4.6	686	5.7
Zurich, Hardturmstrasse 3/3a/3b (Mobimo-Hochhaus)	com	1974	2001/2008	Nov 1999	64,810	4.9	3,163	0.0
Zurich, Rautistrasse 12	com	1972	2011	Nov 1999	21,810	5.8	1,271	3.3
Zurich, Thurgauerstrasse 23; Siewerdtstrasse 25	com	1963/1968/ 1985	1998	Mar 2002	14,520	6.4	926	7.8
Zurich, Treichlerstrasse 10; Dolderstrasse 16	com	1963	2007	May 2014	15,380	5.7	875	0.8
Zurich, Turbinenstrasse 20 (Mobimo Tower Hotel)	com/h	2011		May 2008	124,280	6.0	7,395	0.0
56 Commercial investment properties					**1,208,030**	**5.4**	**64,642**	**3.1**
Lausanne, Avenue d'Ouchy 4 – 6	com	1962		May 2010	60,560	4.6	2,784	5.5
Lausanne, Rue de Genève 19	com	1893	2002	Nov 2009	3,480	17.1	594	74.3
Lausanne, Rue de Genève 21	com	1902		Nov 2009	3,340	14.1	471	88.8
Lausanne, Rue des Côtes-de-Montbenon 14	com	1963		Nov 2009	1,230	2.4	30	0.0
Lausanne, Rue du Port-Franc 20; Rue de Genève 33	com	2007		Nov 2009	38,680	6.7	2,605	3.6
Regensdorf, Althardstrasse 30	com	1976		Dec 2001	13,880	12.6	1,747	89.7
Zurich, Im Tiergarten 7	com	1992	1,999	Feb 2014	22,970	8.8	2,017	92.4
7 Commercial development properties					**144,140**	**7.1**	**10,247**	**44.3**

The acquisition costs for the commercial investment properties total **TCHF 1,058,233.**
The acquisition costs for the commercial development properties total **TCHF 180,384.**

1 Com: commercial property; h: hotel; res: residential property.
2 Target rental income as at 31.12.2018 as a % of market value.
4 Vacancy rate as at 31.12.2018 as a % of target rental income.

Total rentable area in m^2	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 m^2	Register of polluted sites
2,555	48.2	9.4	0.0	20.9	21.5	0.0	SO	766	yes (insignificant)
3,380	88.8	10.4	0.0	0.0	0.8	0.9	SO	1,161	yes (insignificant)
2,278	73.4	17.3	0.0	0.0	9.3	0.0	SO	747	yes (insignificant)
5,544	25.6	7.4	63.6	0.0	3.4	0.0	SO	1,788	yes (insignificant)
5,022	54.1	16.2	0.0	15.4	14.3	0.0	SO	1,622	yes (insignificant)
4,458	95.4	0.0	0.0	0.0	4.6	1.7	SO	1,315	no
1,092	79.1	12.7	0.0	0.0	8.2	0.0	SO	219	no
3,977	86.3	0.0	0.0	9.3	4.4	18.6	con (867/1,000)	1,713	no
3,554	72.3	0.0	0.0	0.0	27.7	0.0	SO	1,372	no
11,327	64.6	0.8	20.4	0.0	14.2	28.7	SO	3,583	yes (to review)
2,572	57.2	0.0	12.1	10.1	20.6	12.6	SO	869	no
8,226	94.4	0.0	0.0	0.0	5.6	0.0	SO	1,975	yes
6,017	76.7	9.5	4.7	1.3	7.8	3.8	SO	1,894	yes (petrol station)
3,902	59.1	6.8	6.9	0.0	27.2	6.5	SO	2,651	no
2,684	48.3	0.0	13.4	7.1	31.2	0.0	SO	1,299	no
21,254	0.0	0.0	0.0	0.0	100.0	0.0	SO	5,808	no
273,647	**35.5**	**14.1**	**17.9**	**5.5**	**27.0**	**3.7**		**172,057**	
26,086	67.2	11.2	0.4	0.0	21.2	6.6	SO	12,612	yes (to review)
3,548	25.5	16.9	1.2	0.0	56.4	62.9	SO	1,838	yes (insignificant)
3,575	42.0	1.3	0.0	0.0	56.7	71.1	SO	1,530	yes (insignificant)
1,262	0.0	0.0	100.0	0.0	0.0	0.0	SO	529	yes (to review)
9,734	43.3	31.1	10.7	0.0	14.9	10.7	SO	2,816	yes (insignificant)
12,537	53.6	0.0	14.7	2.3	29.4	89.2	SO	9,355	no
6,357	0.0	0.0	0.0	72.7	27.3	84.3	SO	6,380	no
63,099	**48.9**	**10.4**	**6.8**	**7.8**	**26.1**	**38.2**		**35,060**	

[6] Data as at 31.12.2018 as a % of the total rentable area.
[7] SO: sole ownership; con: condominiums.

Details of residential properties

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	31,160	3.9	1,201	5.4
Au, Alte Landstrasse 93 – 99[4]	res	1974/1975	2016/2017	Aug 2012	55,350	3.4	1,856	0.4
Bergdietikon, Baltenschwilerstrasse 3/5/7/9/11/13/15/17	res	1973/1980	1992/2007	Oct 2007	24,730	3.9	972	6.6
Carouge, Rue de la Fontenette 13	res	1973	2014	Nov 2015	7,380	4.8	355	9.8
Geneva, Boulevard de la Cluse 18	res	1951		Nov 2015	6,070	4.4	266	0.0
Geneva, Rue Chandieu 5	res	1976	2005	Nov 2015	12,710	4.3	552	1.2
Geneva, Rue de la Canonnière 11	res	1951	2005/2010/ 2011/2013	Nov 2015	8,440	4.8	409	7.0
Geneva, Rue de la Ferme 6	res	1900	2008/2010/ 2012/2014	Nov 2015	7,040	4.5	319	0.0
Geneva, Rue de la Poterie 34	res	1895	2012	Nov 2015	3,530	5.1	181	15.9
Geneva, Rue de l'Ecole-de-Médecine 3	res	1900	2014	Nov 2015	4,370	4.6	203	8.6
Geneva, Rue de Malatrex 30	res	1951	2012	Nov 2015	9,310	5.2	481	11.8
Geneva, Rue de Vermont 9	res	1969	2014	Nov 2015	7,090	5.8	414	14.1
Geneva, Rue des Confessions 9	res	1923	2013	Nov 2015	7,850	3.8	301	6.4
Geneva, Rue des Cordiers 5	res	1965	2008	Nov 2015	18,970	4.4	825	2.6
Geneva, Rue des Photographes 12	res	1905	2013	Nov 2015	4,570	4.6	209	0.0
Geneva, Rue Dr-Alfred-Vincent 23	res	1950	2010	Nov 2015	4,070	4.5	184	0.0
Geneva, Rue du 31 Décembre 35	res	1956	2014	Nov 2015	8,130	4.6	372	4.5
Geneva, Rue Henri-Blanvalet 14	res	1915	2012	Nov 2015	6,220	4.5	278	5.4
Geneva, Rue Schaub 3	res	1960	2010	Nov 2015	9,910	4.4	436	0.0
Geneva, Rue Zurlinden 6	res	1985	2012	Nov 2015	11,680	4.6	538	9.5
Lausanne, Avenue d'Ouchy 70	res/com	1906	2004	Nov 2009	5,900	4.6	270	0.0
Lausanne, Avenue d'Ouchy 76	res/com	1907	2004	Nov 2009	16,680	4.2	697	1.2
Lausanne, Place de la Navigation 2	res/com	1895	2004	Nov 2009	7,070	4.1	290	0.0
Lausanne, Rue Beau-Séjour 8	res	2011		Nov 2009	110,520	3.8	4,162	0.4
Lausanne, Rue des Fontenailles 1	res	1910/1963	1993	Nov 2009/Apr 2013	4,880	4.0	196	0.0
Lausanne, Rue Voltaire 2 – 12	res	2015		Oct 2012	79,940	3.5	2,837	1.3
Oberengstringen, Zürcherstrasse 1a, 1b, 3, 5[4]	res	1963		Aug 2012	13,730	3.4	466	1.4
Onex, Avenue des Grandes Communes 21/23/25	res	1964	2012/2014	Nov 2015	37,760	4.8	1,829	5.0
Opfikon-Glattbrugg, Farmanstrasse 47/49	res	2008		Dec 2010	30,840	3.5	1,085	7.0
Regensdorf, Schulstrasse 95/97/99/101/103/105	res	2015		Jun 2007	63,570	3.6	2,282	1.9
Rheinfelden, Rütteliweg 8; Spitalhalde 40	res	1972	2017	Sep 2006	35,130	3.9	1,379	6.1
Schaffhausen, Hochstrasse 59, 69 – 75[4]	res	1961	2000	Aug 2012	13,390	4.3	581	12.0
Thalwil, Freiestrasse 23 – 37[4]	res	1950/1972/ 1973	1990	Aug 2012	31,210	3.1	967	0.3
Urdorf, In der Fadmatt 1 – 63; Uitikonerstrasse 22, 24[4]	res[5]	1964 – 68/ 1991/1997	2017	Aug 2012	100,870	3.8	3,863	1.7
Winterthur, Stockenerstrasse 54 – 84; Landvogt-Waser-Strasse 95 – 109[4]	res[6]	1983/1984	2008	Aug 2012	30,140	3.4	1,029	0.6
Winterthur, Wartstrasse 158 – 162; Blumenaustrasse 20, 22[4]	res	2015/2016		Aug 2012	45,160	3.3	1,497	0.1
Zurich, Hohlstrasse 481 – 485b; Albulastrasse 34 – 40	res/com	2018		Apr 2010	144,980	3.5	5,118	0.4
Zurich, Katzenbachstrasse 239	res	1969		Mar 2008	6,580	4.4	291	4.1
Zurich, Letzigraben 134 – 136	res	2016		Sep 2006	70,210	3.2	2,247	0.5
39 Residential investment properties					**1,097,140**	**3.8**	**41,436**	**2.5**

The acquisition costs for the residential investment properties total **TCHF 865,811**.

1 Com: commercial property; res: residential property.
2 Target rental income as at 31.12.2018 as a % of market value.
3 Vacancy rate as at 31.12.2018 as a % of target rental income.
4 Fadmatt portfolio acquisition.
5 Apartments and terraced homes.
6 Semi-detached homes and single-family homes.

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 %[7]	Vacant area in %[7]	Ownership[8]	Site area in m²	Register of polluted sites
4,706	0	1	15	26	0	42	0.8	5.1	SO	5,174	no
6,615	0	21	47	21	0	89	0.3	0.0	SO	17,342	no
5,226	0	8	18	28	0	54	6.0	5.5	SO	11,131	no
1,279	1	6	7	3	6	23	0.0	10.4	SO	230	no
1,013	0	14	5	2	0	21	0.0	0.0	SO	228	no
1,948	0	0	12	12	2	26	0.0	0.0	SO	315	no
1,306	1	14	12	1	0	28	0.0	7.7	SO	248	no
929	5	16	4	0	0	25	2.9	0.0	SO	272	no
707	2	7	4	2	0	15	0.0	10.7	SO	242	no
1,064	0	0	6	4	0	10	0.0	7.9	SO	492	no
1,314	20	10	0	0	0	30	0.0	10.4	SO	241	no
1,177	9	0	0	5	4	18	0.0	10.2	SO	426	no
1,409	0	3	15	5	0	23	4.1	9.9	SO	351	no
2,800	0	0	2	22	3	27	13.9	9.1	SO	1157	no
743	1	2	4	1	1	9	6.5	0.0	SO	188	no
696	0	8	6	1	0	15	0.0	0.0	SO	234	no
1,644	0	18	0	6	0	24	19.8	2.8	SO	290	no
859	0	6	4	4	0	14	4.3	8.6	SO	260	no
1,938	0	0	14	12	1	27	4.1	0.0	SO	439	no
1,803	0	3	4	8	0	15	18.1	12.3	SO	437	no
1,122	0	0	5	1	4	10	0.0	0.0	SO	340	yes (insignificant)
2,567	0	0	0	2	8	10	17.6	0.0	SO	778	yes (insignificant)
1,313	0	2	0	2	4	8	0.0	0.0	SO	398	yes (insignificant)
10,288	0	19	55	16	11	101	2.3	1.6	SO	3,758	yes (insignificant)
1,071	1	0	0	4	4	9	0.0	0.0	SO	853	no
8,663	7	21	41	21	8	98	0.6	0.1	SO	4,743	no
2,069	2	9	3	5	6	25	0.0	0.0	SO	2,469	no
6,372	0	0	54	53	0	107	0.0	3.5	SO	930	no
3,609	1	13	16	9	0	39	0.4	6.0	SO	3,840	no
8,716	0	16	50	30	0	96	0.0	1.0	SO	10,551	no
5,520	8	30	0	46	0	84	0.5	4.3	SO	14,817	no
3,313	6	12	16	11	3	48	1.8	11.6	SO	5,248	no
3,470	0	20	18	15	0	53	0.0	0.0	SO	4,466	no
13,839	21	46	48	61	15	191	0.4	0.6	SO	32,851	no
6,015	0	0	0	17	27	44	0.6	0.0	SO	9,521	no
5,501	0	8	24	15	6	53	3.5	0.0	SO	6,831	no
15,683	28	85	75	13	0	201	0.0	0.4	SO	8,304	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	2.0	0.0	SO	5,003	no
146,873	**113**	**456**	**626**	**494**	**113**	**1,802**	**2.0**	**2.3**		**157,385**	

[7] Data as at 31.12.2018 as a % of the total rentable area.
[8] SO: sole ownership.

Details of investment properties under construction

Location, address	Description of property[1]	Built	Realisation period	Acquired	Fair value in TCHF
Aarau, Bahnhofstrasse 102 (Relais 102)	com	1975	2018	Mar 2004	29,430
Aarau, site 2 (Torfeld Süd)	res/com	2018	2016/2018	Oct 2006	92,330
Horgen, Seestrasse 93 (Seehallen)	com	1956	2017/2018	Nov 2005	42,400
Kriens, Am Mattenhof 4, 4a	com/res	2019	2016/2019	Mar 2005/ Feb 2013	28,760
Kriens, Am Mattenhof 6	res/com	2019	2016/2019	Mar 2005/ Feb 2013	11,650
Kriens, Am Mattenhof 8	com/res	2019	2016/2019	Mar 2005/ Feb 2013	17,250
Kriens, Am Mattenhof 12/14	com/res	2019	2016/2019	Mar 2005/ Feb 2013	61,440
Kriens, Am Mattenhof 16, 16a	com/h	2019	2016/2019	Mar 2005/ Feb 2013	35,020
Lausanne, Avenue Edouard Dapples 9/13/15/15a	res	1925/1926	2018/2020	Apr 2013	27,710
Lausanne, Rue de la Vigie 3	com		2018/2019	Nov 2009	10,890
Zurich, Friesenbergstrasse 75	com	1976	2019/2020	Feb 2014	63,880
11 Properties under construction					**420,760**

Details of owner-occupied properties

Location, address	Description of property[1]	Built	Year renovated	Acquired	Carrying amount in TCHF
Küsnacht, Seestrasse 59	com	2006		Sep 2002	9,559
Lausanne, Rue de Genève 7	com[2]	1932	1992/2011	Nov 2009	2,906
Lausanne, Rue des Côtes-de-Montbenon 16	com[2]	1912	2007	Nov 2009	497
3 Properties[3]					**12,962**

Details of major shareholdings

Location, address	Description of property[1]	Built	Year renovated	Acquired	Fair value in TCHF
Lausanne, Flonplex	multiplex cinema	2003		Nov 2009	9,136
Lausanne, Parking du Centre	CP	2002		Nov 2009	33,760
2 Co-ownership properties					**42,896**

1 Com: commercial property; h: hotel; CP: multi-storey car park; res: residential property.
2 Share in own use.
3 Excl. tenant improvements in a rented property in Küsnacht reported under owner-occupied properties (see Note 24).

Total rentable area in m²	Ownership[4]	Site area in m²	Register of polluted sites
13,633	SO	5,675	no
19,752	SO	18,526	yes (insignificant)
16,268	SO	10,542	yes
7,728	SO	3,130	no
2,677	SO	1,840	no
4,838	SO	2,080	no
13,526	SO	5,189	no
9,452	SO	3,554	no
7,345	SO	5,246	no
4,803	SO	972	yes (to review)
16,833	SO	5,152	no
116,855		**61,906**	

Total rentable area in m²	Ownership[4]	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
5,519	co-ownership 40%	0	yes (insignificant)
25,808	co-ownership 50%	0	yes (insignificant)
31,327			

[4] 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 2018 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 50 to 117) give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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 development projects and 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‘870‘070 constitute a material component of the balance sheet. As at 31 December 2018, these had the following fair values (in TCHF):

– Commercial properties	1‘208‘030
– Residential properties	1‘097‘140
– Development properties	144‘140
– Investment properties under construction	420‘760

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 68 to 74 and the reports of the independent valuation experts Jones Lang Lasalle AG on pages 124 to 126.

KPMG

Valuation of development projects and trading properties

Key Audit Matter

The balance sheet item Trading properties amounting to TCHF 194,861 and contract assets and liabilities in the amount of TCHF 17,450 and TCHF 5,126, respectively, are material balance sheet components and will be explained under the heading “Development projects and trading properties” in the Notes to the consolidated financial statements as of page 76.

Trading properties

This balance sheet item contains new building projects and development properties that are intended to be sold to third parties. No contracts with clients exist to date. Trading properties are valued at the lower of cost or fair value. With loss-making properties, the expected loss is recognised immediately.

Contract assets and liabilities

Receivables arising from notarised and thus enforceable contracts due to the sale of land, development properties and new buildings, as well as development services for third parties resulting from the revenue recognition over the time period in accordance with the project’s or service’s progress under IFRS 15 are recognized as contractual assets and liabilities according to the net principle. On a project basis, the respective receivables are off-set with advance payments due.

Critical estimates and assumptions

The valuation of the trading properties is influenced by estimates and assumptions regarding the construction costs incurred and the future market developments.

In the case of contractual assets and liabilities, the full construction costs for each project as well as the project’s or the service’s progress need to assessed.

Decisions are also made as to whether sales are recorded over time or at a point in time.

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 projects where revenue was recognized over time, the following additional audit procedures were performed:

- Assessing whether the IFRS 15 criteria for revenue recognition over time are given;
- Tracing and reviewing the reasonableness of the project’s or service’s progress based on the actual construction costs and future costs to be incurred by interviewing the project manager and management;
- Reviewing whether the sales price matches the project’s statements and the payment receipts;
- Re-calculating of the project calculation.

For further information on the Valuation of development projects and trading properties, please consult the following sections of the Notes: no. 7 to 9 on pages 76-78.

KPMG

Completeness and accuracy of deferred tax liabilities

Key Audit Matter

As at 31 December 2018, deferred tax liabilities amounted to TCHF 197'213.

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 on a long-term basis, 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.

We would also like to refer to explanation no. 2 on pages 56 and 57, which describes the acquisition of the real estate company Immobiliengesellschaft Fadmatt AG. Mobimo concludes that it will use an exception provided by IFRS for the recognition of deferred tax liabilities on part of the acquired properties. These provisions are only used in rare circumstances and require the fulfillment of certain conditions.

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.

We critically reviewed explanation no. 2 on pages 56 and 57, which discloses the recognition of deferred tax liabilities on the properties acquired through the acquisition of Immobiliengesellschaft Fadmatt AG, consulting our experts. In particular, we assessed whether the required conditions to apply the exception were met. Furthermore, we also assessed the required disclosures for this topic.

Further information on the deferred tax liabilities may be seen in the Notes to the consolidated financial statements, explanations no. 2 on pages 56 and 57, as well as no. 19 on pages 95 to 97.

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.

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- 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 2019

Report of the independent valuation experts Jones Lang Lasalle AG

Mandate

Jones Lang LaSalle AG (JLL) was commissioned by Mobimo Holding AG to perform the valuation (market value) for accounting purposes of the investment properties owned by the companies of the Mobimo Group (Mobimo) as at 31 December 2018. The valuation concerns all investment properties (including development properties and investment properties under construction) except trading properties (development and sale of condominiums).

Valuation standard

JLL 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). Furthermore, the valuations were realised according to the SIX Swiss Exchange requirements.

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 the 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 of IFRS 13, not corrected for the transaction costs incurred by the purchaser 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 that would 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 maximisation of utility is assumed in the determination of fair value, the highest and best use may differ from the actual or planned use. Future capital expenditure that will improve or increase the value of a property is 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 are disregarded 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 prices, Level 2 modified market prices and Level 3 model-based valuation. For a fair value appraisal of a property, different levels for different application parameters can be applied simultaneously. In such cases, the entire valuation is classified according to the lowest level of the fair value hierarchy that contains the major valuation parameters.

The investment properties of Mobimo are valued with a model-based valuation in accordance with Level 3, on the basis of input parameters not directly observable on the market. Adjusted Level 2 inputs (e.g. market rents, operational and maintenance costs, discount/capitalisation rates) are overlaid onto this. 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 use of non-observable inputs is minimised.

Valuation method

JLL values the investment properties of Mobimo Holding AG using the discounted cash flow (DCF) method. This determines the yield potential of a property on the basis of future income and expenditure. The resulting cash flows correspond to the current and 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, plus a specific risk premium. This takes into account market risks and the higher illiquidity of properties compared with federal bonds. The discount rates vary according to the macro and micro situation and property segment.

In valuing the investment properties under construction, the residual valuation method can be applied. Under this method, the total construction costs of the project are subtracted from the future market value after completion. The underlying costs are related to preliminary works (e.g. demolition and infrastructural requirements), building and ancillary costs, and financing costs. After subtracting these costs from the market value after completion, taking into account the risk and time effect, a residual remains which represents the economically justifiable amount to acquire the project.

Basis of the valuations

All properties are known to JLL through to the inspections carried out and the documents provided. JLL conducted an analysis in terms of quality and risks (attractiveness and lettability of the rented premises, construction and condition, micro and macro location).

As a part of the revaluation services, JLL intends to inspect all investment properties every three years on a rolling basis. Furthermore, properties affected by major changes (e.g. completion of large renovation projects) compared with the former reporting period will also be visited, after consultation with Mobimo.

JLL confirms that all properties have been inspected in the last three years.

Valuation result

Taking into account the above statements, as at 31 December 2018 JLL assessed the market value of the 113 investment properties (including development properties and investment properties under construction) owned by Mobimo as follows:

Asset class	No.	Fair value
Commercial investment properties	56	CHF 1,208,030,000
Commercial development properties	7	CHF 144,140,000
Residential investment properties	39	CHF 1,097,140,000
Investment properties under construction	11	CHF 420,760,000
Total investment properties	**113**	**CHF 2,870,070,000**

The valuation result in words:
Two billion eight hundred and seventy million seventy thousand Swiss francs.

Changes during the reporting period

Within the reporting period from 1 January 2018 to 31 December 2018, the following commercial investment properties were sold:

› Place de la Navigation 4 – 6, Lausanne,
› Alpenstrasse 9, Lucerne,
› Victor-von-Bruns-Strasse 19, Neuhausen,
› Althardstrasse 10, Regensdorf,
› Bahnhofplatz 4, Zurich.

Over the same period, the following residential investment properties were sold:

› Zürichstrasse 244/246, Binz,
› Place d'Armes 8, Carouge,
› Boulevard Carl-Vogt 6, Geneva,
› Rue Daubin 35, Geneva,
› Rue des Peupliers 13, Geneva,
› Rue du Village-Suisse 4, Geneva,
› Avenue d'Ouchy 72/74, Lausanne,
› Rue de Livron 17 – 19, Meyrin,
› Buchenacker 22/24/26/28, Unterer Buchenacker 7, Münchwilen,
› Brühlwiesenstrasse 11a/11b, 15a/15b, 19a/19b, Wängi.

Within the reporting period from 1 January 2018 to 31 December 2018, the following residential investment properties were bought:

› Alte Landstrasse 93 – 99, Au, Zurich,
› Zürcherstrasse 1a, 1b, 3, 5, Oberengstringen,
› Hochstrasse 59, 69 – 75, Schaffhausen,
› Freiestrasse 23 – 37, Thalwil,
› In der Fadmatt 1 – 63, Uitikonerstrasse 22, 24, Urdorf,
› Stockenerstrasse 54 – 84, Landvogt-Waser-Strasse 95 – 109, Winterthur,
› Wartstrasse 158 – 162, Blumenaustrasse 20, 22, Winterthur.

Over the same period the commercial investment property Friesenbergstrasse 75, Im Tiergarten 7, Zurich was split into two properties. The Rue de la Vigie 3, Lausanne and Friesenbergstrasse, Zurich properties were reclassified from commercial investment properties to investment properties under construction. The Im Tiergarten 7, Zurich property was reclassified from commercial investment properties to commercial development properties. The Hohlstrasse 481 – 485b; Albulastrasse 34 – 40, Zurich property was reclassified from investment properties under construction to residential investment properties.

Independence and purpose

In accordance with the business policy of JLL, the valuation of the properties held by subsidiaries of Mobimo Holding AG has been conducted independently and neutrally. It serves only the purpose previously mentioned. JLL 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
1 February 2019

Jan P. Eckert, MRICS
CEO Switzerland

Daniel Macht, MRICS
Senior Vice President

Appendix: valuation model and assumptions

Valuation model

JLL's DCF model is a two-phase model that determines the market value of the properties based on future cash flows. Based on a forecast of future income and expenditure over a detailed analysis period of ten years, the potential annual target rental income is identified and reduced by costs that cannot be passed on to tenants. The resulting cash flows thus correspond to the projected net cash flows after deduction of all costs not recoverable from tenants, but 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 to the valuation date over the detailed analysis period and the discounted residual value.

Discount and capitalisation rate

The discount rate used for the valuation is based on the interest rate on long-term, risk-free investments, such as a 10-year federal bond, plus a specific risk premium that 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 higher illiquidity associated with properties compared with federal bonds. The yield difference (spread) between a federal bond and a property investment is regularly verified by JLL 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:

Asset class	Input factors	Minimum	Weighted average	Maximum
	Discount rate (nominal)	3.8%	4.2%	6.3%
Commercial investment properties	Capitalisation rate (real)	3.3%	3.7%	5.8%
	Discount rate (nominal)	3.5%	4.3%	5.0%
Commercial development properties	Capitalisation rate (real)	3.0%	3.8%	4.5%
	Discount rate (nominal)	3.2%	3.4%	3.8%
Residential investment properties	Capitalisation rate (real)	2.7%	2.9%	3.3%
	Discount rate (nominal)	3.5%	4.2%	4.9%
Investment properties under construction	Capitalisation rate (real)	3.0%	3.7%	4.4%
	Discount rate (nominal)	**3.2%**	**3.9%**	**6.3%**
Total investment properties	**Capitalisation rate (real)**	**2.7%**	**3.4%**	**5.8%**

Rental income

The valuations are based on the rental income at the valuation date of 31 December 2018. Starting from the current contractual rent, the annual target rental income and the time for its realisation are estimated. This assumption takes into consideration possible temporary rental controls due to the cantonal Residential Property Demolition, Conversion and Renovation Acts (LDTR, LPPPL) as well as the risk of new tenants contesting higher rents, without modelling these in detail. 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 JLL. 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 rents for apartments are linked to the change in the reference interest rate calculated quarterly by the Swiss National Bank, but also include an inflation factor. Based on the forecasts of the relevant economic research agencies (KOF, BAK, SECO) for the trends in the CPI and mortgage interest rates, estimates are regularly made by JLL for the future indexing of the contractual rent, whereby the same assumptions are used for all valuations that are made on the same valuation date.

For the valuations on the valuation date, JLL assumed an annual increase of 0.50% in the first ten years in both commercial and residential 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 change in 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 longer or shorter re-letting scenarios can also be applied. The general vacancy risk is taken into consideration with a structural vacancy rate, which is also applied specifically to the property.

The market value determination of properties that are completely or partially vacant takes place on the assumption that re-letting will take a certain amount of time. Rent losses, rent-free periods and other incentives for new tenants that correspond to market standards at the date of valuation are taken into account in the assessment.

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 that cannot be passed on to tenants due to contractual conditions or running costs that the owner must bear due to vacancy. JLL models all future running costs on the basis of the analysis of the historical figures and benchmarks.

Repair costs

As well as rental income, future repair costs are also very important. The investments considered during the ten-year DCF analysis period are based in part on the projections of the landlord or the property management company, plausibility-tested in advance by JLL.

The capital expenditure that will be needed on a long-term basis is calculated specifically for the property for the determination of the exit value on the assumption that, depending on the building method and use of the property, various parts of the building have limited life spans and therefore must be renewed cyclically. The amount converted into a capital expenditure fund in the exit year considers only the cost of the ongoing renovation of the property, which secures on a long-term basis the contractual and market rents on which the valuation is based.

Basis of valuation of investment properties under construction

As a basis for the valuation of the investment properties under construction, Mobimo provides capital budgets and further project documentation, which give detailed information about the project status (construction status, letting status), project development and construction costs already incurred or estimated and deadlines (expected completion date). JLL conducts plausibility checks on the documentation provided, and these feed into the valuations.

Balance sheet

TCHF	Note	2018	2017
Assets			
Current assets			
Cash		9,569	14,335
Other current receivables – third parties		829	885
Other current receivables – participations		10,670	11,051
Accrued income and prepaid expenses – third parties		104	69
Total current assets		**21,172**	**26,341**
Non-current assets			
Financial assets			
› Loans – participations		953,200	1,052,269
Participations	2	543,436	354,402
Total non-current assets		**1,496,635**	**1,406,670**
Total assets		**1,517,808**	**1,433,012**

TCHF	Note	2018	2017
Equity and liabilities			
Liabilities			
Current liabilities			
Trade payables – third parties		342	363
Current interest-bearing liabilities – bond	3	0	165,000
Other current liabilities – third parties		382	296
Other current liabilities – participations		415	14
Accrued expenses and deferred income – third parties		5,429	5,927
Accrued expenses and deferred income – governing bodies		85	77
Total current liabilities		**6,653**	**171,677**
Non-current liabilities			
Non-current interest-bearing liabilities – bonds	3	730,000	575,000
Total non-current liabilities		**730,000**	**575,000**
Total liabilities		**736,653**	**746,677**
Equity	4		
Share capital		154,476	180,327
Statutory capital reserves			
› Capital contribution reserve		84,747	27,516
Statutory retained earnings			
› General legal reserves		45,799	45,795
Voluntary retained earnings			
Retained earnings			
› Profit carried forward		432,831	368,028
› Profit for the year		64,518	64,803
Treasury shares		–1,216	–133
Total equity		**781,155**	**686,335**
Total equity and liabilities		**1,517,808**	**1,433,012**

Income statement

TCHF	Note	2018	2017
Income from participations		60,600	60,500
Income from cost charges – participations		2,639	2,206
Financial income – participations		16,498	15,857
Financial income – third parties		41	110
Total income		**79,778**	**78,674**
Personnel expenses	5	–1,301	–1,298
Administrative expenses – third parties		–2,722	–2,158
Interest expense for bonds		–10,668	–9,892
Other financial expense – third parties		–110	–32
Direct taxes		–460	–490
Total expenses		**–15,261**	**–13,871**
Profit for the year		**64,518**	**64,803**

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 2018 in TCHF	Equity interest in %	Share capital 2017 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
Mobimo FM Service AG[1]	Küsnacht	100	100.0	100	100.0
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.0	12,000	100.0
Immobilien Invest Holding AG[2]	Glarus	150	100.0	150	75.3
Immobiliengesellschaft Fadmatt AG[3]	Küsnacht	3,260	100.0	n/a	n/a
BSS&M Real Estate AG	Küsnacht	500	66.0	500	66.0
Indirectly held participations					
Mobimo Zürich Nord AG	Küsnacht	100	100.0	100	100.0
LO Immeubles SA	Lausanne	2,000	100.0	2,000	100.0
Promisa SA	Lausanne	100	100.0	100	100.0
CC Management SA	Geneva	4,700	100.0	4,700	100.0
O4Real SA	Lausanne	1,000	100.0	1,000	100.0
Petit Mont-Riond SA[2]	Lausanne	50	100.0	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

1 Formerly FM Service & Dienstleistungs AG.
2 The remaining 24.7% of the shares in Immobilien Invest Holding AG were acquired on 19 July 2018. Immobilien Invest Holding AG holds 100% of the shares in Petit Mont-Riond SA.
3 Immobiliengesellschaft Fadmatt AG was acquired on 22 August 2018.

Further information on the Group companies can be found in Note 33 to the consolidated annual financial statements.

3. Bonds

Accounting principles
Bonds are recognised in the balance sheet at nominal value. Issuance costs upon issue are offset against any premiums. Any resulting surplus is recognised in the balance sheet as accrued expenses and deferred income, whereas a negative figure is recognised in the income statement. The surplus carried in the balance sheet is depreciated over the remaining term of the bond.

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%.
A CHF 225 million bond maturing on 20 March 2026 was issued on 20 March 2017. The coupon is 0.75%.
A CHF 155 million bond maturing on 2 October 2023 was issued on 2 October 2018. The coupon is 0.875%.
A CHF 165 million bond, which as at 31 December 2017 was reported under Current interest-bearing liabilities – bond, was repaid on 29 October 2018.

4. Equity

Accounting principles
Treasury shares
Treasury shares are recognised in the balance sheet at the time of acquisition and at cost as a minus item in equity. The FIFO (first-in, first-out) principle is applied to determine the carrying amount in the event of a later resale.

Share capital
As at 31 December 2018, share capital stood at CHF 154.5 million and was composed of 6,601,547 registered shares with a nominal value of CHF 23.40 each. All outstanding shares – i.e. all shares in issue less treasury shares – are entitled to dividends and confer the right to one vote per share at the company's general meetings.

In the year under review, a nominal value reduction of CHF 34.8 million (CHF 5.60 per share, 6,218,170 shares) was carried out. In connection with the purchase of Immobiliengesellschaft Fadmatt AG, 383,377 new shares were issued in August 2018 by means of an authorised capital increase. This increased the share capital by CHF 9.0 million and the capital contribution reserves by CHF 84.6 million. These newly issued shares were used to settle part of the purchase price. There was no change in share capital in the prior year.

Treasury shares
As at 31 December 2018, the company held 4,933 treasury shares. Over the course of the financial year, the initial holding as at 1 January of 501 shares was increased through the purchase of a total of 7,385 shares at an average price of CHF 250.02. 2,953 shares were granted to the Board of Directors and management as part of their remuneration arrangements.

Capital contribution reserves
The Annual General Meeting of 27 March 2018 approved a distribution from the capital contribution reserves of CHF 4.40 per share for the 2017 financial year. A distribution of CHF 10.00 per share (CHF 5.60 in the form of a nominal value reduction, see above, and CHF 4.40 in the form of a distribution from the capital contribution reserves) was paid out on 22 June 2018.

5. Participation rights for members of the Board of Directors

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, 121 shares with a value of TCHF 30 were allocated to the Board of Directors as compensation. In addition, 75 shares with a value of TCHF 19 were granted for which an accrual had been formed as at 31 December 2017 (73 shares with a value of TCHF 19, change in the number of shares granted due to price changes).

6. Shareholdings of members of the Board of Directors and Executive Board or related parties

As at 31 December 2018, 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 2018	Total 2017
BoD	**21,467**	**0**	**21,467**	**23,001**
Georges Theiler, BoD Chairman	5,845	0	5,845	5,845
Brian Fischer, BoD	1,915	0	1,915	3,245
Wilhelm Hansen, BoD	5,121	0	5,121	5,121
Peter Schaub, BoD	120	0	120	120
Daniel Crausaz, BoD	2,087	0	2,087	2,487
Bernard Guillelmon, BoD	5,711	0	5,711	5,711
Peter Barandun, BoD	668	0	668	472
Executive Board	**22,681**	**1,794**	**24,475**	**29,927**
Christoph Caviezel, CEO	10,000	524	10,524	13,462
Manuel Itten, CFO	7,200	311	7,511	7,813
Thomas Stauber, Head of Real Estate	3,318	311	3,629	3,715
Marc Pointet, Head of Mobimo Suisse romande	1,363	244	1,607	1,361
Marco Tondel, Head of Acquisition & Development	0	202	202	n/a
Vinzenz Manser, Head of Realisation	800	202	1,002	n/a
Andreas Hämmerli, Head of Development	n/a	n/a	n/a	3,576

Andreas Hämmerli left the Executive Board on 31 December 2017, while Marco Tondel and Vinzenz Manser joined the Executive Board on 1 January 2018.

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:

%	31.12.2018	31.12.2017
BlackRock, Inc.	4.99	4.41
Pensionskasse des Kantons Zug	3.18	3.38
Credit Suisse Funds AG	3.10	3.10
UBS Fund Management (Switzerland) AG	3.08	n/a
Dimensional Holding Inc.	3.00	3.00
Norges Bank (the central bank of Norway)	n/a	3.14

8. Headcount

As a holding company, Mobimo Holding AG has no employees.

9. Contingent liabilities

Mobimo Holding AG forms a VAT group together with CC Management SA, Mobimo FM Service AG (formerly FM Service & Dienstleistungs AG), Immobilien Invest Holding AG, LO Holding Lausanne-Ouchy SA, LO Immeubles SA, Mobimo AG, Mobimo Management AG, Mobimo Zürich Nord AG, O4Real AG, Petit Mont-Riond SA and Promisa SA. Immobiliengesellschaft Fadmatt AG will be part of the VAT group of Mobimo Holding AG from 1 January 2019. Mobimo Holding AG is jointly and severally liable for the liabilities arising from the VAT group.

As part of an 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.

Mobimo Holding AG is liable as joint and several debtor for all obligations of Mobimo Zürich Nord AG existing or arising in connection with a project of the latter.

As part of the purchase of the Dual Group, Mobimo Holding AG issued a guarantee for the subsidiary LO Holding Lausanne-Ouchy SA. This guarantee covers all future claims arising from this purchase up to a maximum of CHF 1.7 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	2018	2017
Balance brought forward	432,831	368,028
Profit for the year	64,518	64,803
Reversal of capital contribution reserves	66,015	27,352
Retained earnings	**563,364**	**460,183**
Treasury shares	–1,216	–133
Total available to the General Meeting	**562,148**	**460,049**
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 capital contribution reserves of	66,015	27,352
Carried forward to new account	497,349	432,831
Total appropriation of profit proposed	**563,364**	**460,183**
Treasury shares	–1,216	–133
Appropriation of profit proposed less treasury shares	**562,148**	**460,049**
Total dividend	66,015	27,352
Less share from capital contribution reserves	–66,015	–27,352

The Board of Directors is proposing the distribution of CHF 10.00 per share (total volume: CHF 66.0 million) from the capital contribution reserves. The final amount of the distributable capital contribution reserves is subject to formal approval by the Swiss Federal Tax Administration during the annual declaration. If the full amount cannot be distributed from the capital contribution reserves, a nominal value reduction will be considered.

Treasury shares are not entitled to a dividend.

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/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 2018, 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 130 to 136) for the year ended 31 December 2018 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2019

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**	**2018**	**2017**
Earnings per IFRS income statement		**TCHF**	**90,623**	**91,650**
(i)	Changes in value of investment properties, development properties held for investment and other interests	TCHF	–41,965	–27,281
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	TCHF	–29,026	–27,470
(iii)	Profits or losses on sales of trading properties and development services adjusted	TCHF	21,867	371
(iv)	Tax on profits or losses on disposals	TCHF	1,753	7,610
(v)	Negative goodwill/goodwill impairment	TCHF	n/a	n/a
(vi)	Changes in fair value of financial instruments and associated close-out costs	TCHF	–3,257	–2,599
(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	9,435	7,067
(ix)	Adjustments (i) to (viii) above in respect of joint ventures	TCHF	0	0
(x)	Non-controlling interests in respect of the above	TCHF	0	696
EPRA Earnings		**TCHF**	**49,430**	**50,044**
Average number of shares outstanding			6,353,960	6,217,383
EPRA Earnings per share		**CHF**	**7.78**	**8.05**

The definitions of the above key performance measures can be found at www.epra.com.

B EPRA Net Asset Value		Unit	31.12.2018	31.12.2017
NAV per consolidated financial statements		**TCHF**	**1,507,185**	**1,383,935**
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**	**1,507,185**	**1,383,935**
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	24,597	24,175
(ii)	Revaluation of tenant leases held as finance leases	TCHF	n/a	n/a
(iii)	Revaluation of trading properties	TCHF	4,547	9,608
Exclude				
(iv)	Fair value of financial instruments	TCHF	27,353	32,780
(v.a)	Deferred tax	TCHF	199,772	163,386
(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	2,438	2,336
EPRA NAV		**TCHF**	**1,765,892**	**1,616,220**
Diluted no. of shares outstanding			6,596,614	6,217,669
EPRA NAV per share		**CHF**	**267.70**	**259.94**

C Triple Net Asset Value (NNNAV)		Unit	31.12.2018	31.12.2017
EPRA NAV		**TCHF**	**1,765,892**	**1,616,220**
(i)	Fair value of derivative financial instruments	TCHF	–27,353	–32,780
(ii)	Fair value of financial liabilities	TCHF	–61,902	–84,479
(iii)	Deferred tax	TCHF	–201,365	–159,398
EPRA NNNAV		**TCHF**	**1,475,271**	**1,339,562**
Diluted no. of shares outstanding			6,596,614	6,217,669
EPRA NNNAV per share		**CHF**	**223.64**	**215.44**

The definitions of the above key performance measures can be found at www.epra.com.

D EPRA Net Initial Yield	Unit	31.12.2018	31.12.2017
Investment properties – wholly owned	TCHF	2,870,070	2,583,760
Investment properties – share of joint ventures/funds	TCHF	42,896	41,666
Trading property	TCHF	194,861	201,845
Less developments	TCHF	–348,037	–445,445
Completed property portfolio	**TCHF**	**2,759,790**	**2,381,826**
Allowance for estimated purchasers' costs	TCHF	0	0
Gross up completed property portfolio valuation	**TCHF**	**2,759,790**	**2,381,826**
Annualised cash passing rental income	TCHF	125,404	118,258
Direct cost of investment properties	TCHF	–20,336	–17,023
Annualised net rents	**TCHF**	**105,067**	**101,236**
Add: additional notional rent expiration of rent-free periods or other lease incentives	TCHF	0	0
Topped-up net annualised rent	**TCHF**	**105,067**	**101,236**
EPRA net initial yield	**%**	**3.8**	**4.3**
EPRA "topped-up" net initial yield	**%**	**3.8**	**4.3**

E EPRA Vacancy Rate	Unit	31.12.2018	31.12.2017
Estimated rental income potential from vacant space	TCHF	3,069	5,252
Estimated rental income from overall portfolio	TCHF	106,078	107,341
EPRA Vacancy Rate	**%**	**2.9**	**4.9**

The definitions of the above key performance measures can be found at www.epra.com.

F EPRA Cost Ratios	Unit	2018	2017
EPRA Costs			
Administrative/operating expense lines per IFRS income statement			
Direct expenses for rented properties	TCHF	15,484	13,940
Personnel expenses	TCHF	8,599	7,779
Operating and administrative expenses	TCHF	2,369	1,996
EPRA Costs (including direct vacancy costs)	**TCHF**	**26,452**	**23,716**
Direct vacancy costs	TCHF	3,749	2,371
EPRA Costs (excluding direct vacancy costs)	**TCHF**	**22,703**	**21,345**
EPRA Rental Income			
Gross Rental Income less ground rent costs	TCHF	98,292	100,527
Gross Rental Income	**TCHF**	**98,292**	**100,527**
EPRA Cost Ratio (including direct vacancy costs)	**%**	**26.9**	**23.6**
EPRA Cost Ratio (excluding direct vacancy costs)	**%**	**23.1**	**21.2**

The definitions of the above key performance measures can be found at www.epra.com.

Five-year overview

	Unit	2014	2015	2016	2017	2018	Change in %
Results of operations							
Net rental income	CHF million	87.6	94.1	96.2	94.1	94.0	–0.2
Profit on development projects and sale of trading properties	CHF million	24.9	5.5	23.9	24.7	6.2	–74.9
Profit on disposal of investment properties	CHF million	4.9	63.8	34.9	27.5	29.0	5.7
EBIT including revaluation	CHF million	97.6	170.4	200.3	142.3	133.6	–6.1
EBIT excluding revaluation	CHF million	93.8	135.7	119.6	115.0	91.7	–20.3
Tax expense	CHF million	–4.8	–34.1	–15.1	–24.4	–19.4	–20.6
Profit	CHF million	63.2	105.0	159.4	91.5	90.3	–1.3
Profit including revaluation[1]	CHF million	62.2	103.9	158.7	91.6	90.6	–1.1
Profit excluding revaluation[1]	CHF million	60.2	78.6	99.4	71.9	59.2	–17.6
Financial position							
Non-current assets	CHF million	2,301.3	2,467.7	2,502.7	2,642.8	2,931.4	10.9
Current assets	CHF million	466.4	485.2	529.0	552.9	433.7	–21.6
Equity as at 31.12.	CHF million	1,222.5	1,264.7	1,366.3	1,399.1	1,513.5	8.2
Equity ratio	%	44.2	42.8	45.1	43.8	45.0	2.7
Liabilities	CHF million	1,545.2	1,688.2	1,665.4	1,796.6	1,851.6	3.1
› current	CHF million	114.2	138.3	203.2	288.5	165.9	–42.5
› non-current	CHF million	1,431.1	1,549.9	1,462.2	1,508.1	1,685.7	11.8
Share figures							
Earnings per share	CHF	10.00	16.72	25.52	14.74	14.26	–3.3
Earnings per share excluding revaluation	CHF	9.69	12.65	15.99	11.56	9.32	–19.4
NAV per share (diluted)	CHF	195.93	202.45	217.33	222.58	228.48	2.7
Distribution yield	%	4.8	4.5	3.9	3.8	4.3	13.2
Payout ratio	%	95.0	59.8	39.2	67.8	70.1	3.4
Year-end price	CHF	199.20	222.70	254.75	261.50	234.00	–10.5
Average number of shares traded per day	Number	8,672	11,638	10,035	7,516	7,439	–1.0
Market capitalisation	CHF million	1,238.3	1,384.8	1,584.1	1,626.1	1,544.8	–5.0
Share price – High	CHF	200.70	229.40	254.75	279.25	268.00	–4.0
Share price – Low	CHF	182.00	190.50	206.10	250.25	217.00	–13.3
Portfolio figures							
Overall portfolio	CHF million	2,469.7	2,654.6	2,765.6	2,799.1	3,077.9	10.0
› Investment properties[2]	CHF million	1,907.4	2,132.4	2,111.5	2,111.6	2,318.1	9.8
› Development properties	CHF million	562.3	522.2	654.1	687.5	759.8	10.5
Gross yield from investment properties	%	5.6	5.4	5.3	5.1	4.6	–9.8
Net yield from investment properties	%	4.5	4.3	4.1	4.0	3.7	–7.5
Investment property vacancy rate	%	5.4	4.7	4.8	4.9	2.9	–40.8

1 Attributable to the shareholders of Mobimo Holding AG.
2 Incl. owner-occupied properties and excl. tenant improvements (see Note 24 in the financial report).

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.

DCG
Directive Corporate Governance issued by the Swiss stock exchange (SIX Swiss Exchange).

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 to the reporting date using a discount rate.

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 by dividing the Group result attributable to the shareholders of Mobimo Holding AG 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.

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.

FMIA
Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading.

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.

Gross loan to value (LTV) ratio
Total financial liabilities relative to total portfolio value.

Income from rental of investment properties
Income from the rental of investment properties includes net rental income, i.e. target rental income less rents lost due to vacancies.

Interest coverage ratio
The interest coverage ratio is calculated from earnings before interest, tax, depreciation and amortisation (EBITDA) excl. revaluation, divided by interest expense.

IPB
Interessengemeinschaft privater, professioneller Bauherren (Association of Professional Corporate Building Owners).

KBOB
Coordination of the Federal Construction and Properties Services.

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 relative to equity.

Net loan to value (LTV) ratio
Total financial liabilities less cash and short-term financial assets relative to total portfolio value.

Nmf
Non-meaningful figure.

Number of shares outstanding
The number of shares issued minus the number of treasury shares.

OaEC
Ordinance of 20 November 2013 against Excessive Compensation in Listed Companies Limited by 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.

Per annum (p.a.)
Per year.

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) relative to average equity (attributable to the shareholders of Mobimo Holding AG; equity at 1 January plus capital increase/reduction).

Swiss Performance Index (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 bring together the five largest and most liquid real estate shares and the ten largest and most liquid real estate funds listed on the SIX Swiss Exchange.

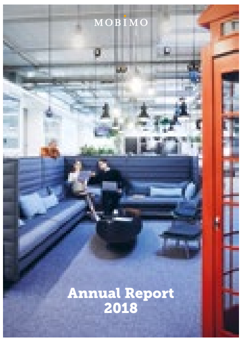
The Swiss Society of Engineers and Architects (SIA)
The Swiss Society of Engineers and Architects is the main professional association for qualified experts from the fields of construction, technology and the environment.

Vacancy rate
This rate is calculated as the sum of all rent lost due to vacancy, divided by target rental income.

Additional information

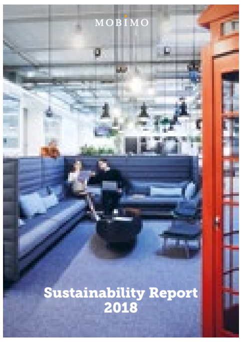
Publication overview

Annual report



Half-year report

Sustainability report



Mobimo publishes information on its business performance every six months. The annual report is available in German, English and French, with the French report being an abridged version. The half-year report is published in German and English. The sustainability report is released once a year in both German and English. The original German version is always binding.

All of the publications and further information are available at www.mobimo.ch.

Publishing details
Overall responsibility:
Mobimo Holding AG

Development of content and design concept, consulting and production:
PETRANIX Corporate and Financial Communications AG, Adliswil-Zurich

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Climate neutral Print product ClimatePartner.com/53232-1902-1015

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