Annual Report 2016

Interogo Holding AG consolidated

Photo cover:
Construction site Rivierstaete in Amsterdam
Nalka Invest AB
Business Garden Wroclaw

www.interogoholding.com

Interogo Holding AG
Registered as a Aktiengesellschaft (corporation limited by share ownership)
Under Swiss law with a capital of CHF 330‘000‘000
Registered office: Bahnhofstrasse 15
8808 Pfäffikon SZ
Switzerland

Commercial registry of Canton Schwyz CH-130.3.023.072-6

Consolidated Financial Statements as at 31 December 2016 and independent auditor's report

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Management report

Message from Chairman and CEO

2016 was a year of structural changes. From the former Inter IKEA Holding SA group, based in Luxembourg, activities have been divided into two groups: the IKEA business and the Investment business. The purpose of this reorganization is to enhance business focus and efficiency. Each group now has its own board and management. Both groups are ultimately owned by Interogo Foundation.

The newly formed Interogo Holding AG group, based in Switzerland, is fully dedicated to investments in real estate, listed and non-listed equities, bonds, fund management and treasury management. The overall investment strategy to create financial stability and long term value, continues to be the guiding principle. This is to support our sole shareholder, Interogo Foundation, in its purpose to secure continuous improvement and a long life of the IKEA Concept.

The 2016 Interogo Holding AG consolidated financial statements are presented for the newly formed group, starting on January 1, 2016. This is made necessary due to the significant change in the consolidation scope with prior year. The closing balance sheet compares with the opening balance sheet as at January 1, 2016, and the income statement is presented for 2016 only.

The overall net capital expenditure during 2016 amounted to EUR 451m. This mainly relates to investment in land and construction around Europe. The property portfolio now exceeds 410 Tm^2 of rentable space and a further 375 Tm^2 is under development.

The Interogo Holding AG group is also performing fund and treasury management on behalf of other related parties operating under the ownership of Interogo Foundation. At closing, the net related party loans receivable amounted to EUR 1.075m and the assets under management amounted to EUR 3.480m.

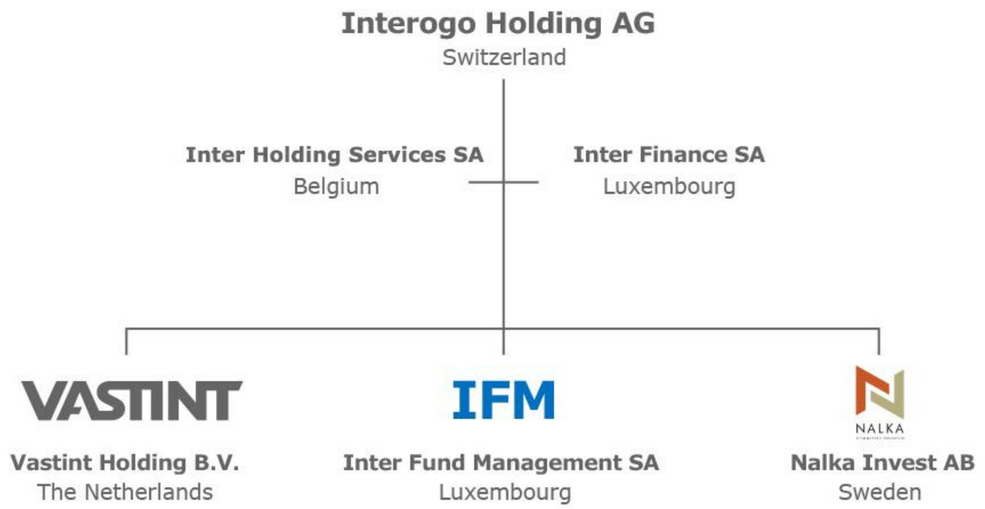
The Interogo Holding AG group invested EUR 1.000m in its sister company, Inter IKEA Holding BV, the Netherlands, to support the acquisition of the IKEA Range, Supply and Industry activities during 2016. This capital is invested as non-voting shares that will give right to receive dividends in the future.

The sectors and geography in which we invest and operate were favorable during 2016. We recorded an overall operating income growth of 13.5%, which is the result of expanding our activities. Newly acquired subsidiaries in the Nordic countries are responsible for the strong sales increase, from EUR 226m in 2015 to EUR 434m in 2016. Rental income grew by 12.7% from new deliveries of offices and hotels. As to the investment income, it landed 9% below the good level achieved during 2015. The operating result for the year landed at EUR 45m, representing 8.3% of the operating income.

The 2016 financial result contains a dividend of EUR 242m received from Inter IKEA Holding BV. The net profit for the year amounts to EUR 305m.

The important structural changes were concluded with success and our businesses lived-up to their growth ambitions. None of this would have been possible without a highly dedicated workforce. It’s a great achievement. Thank you to all co-workers!

Our business in brief



The Interogo Holding AG group (“Group”) is composed of various business units active in real estate and financial investments:

The **Vastint Group**, owned by Vastint Holding BV in the Netherlands, manages a portfolio of properties and develops commercial real estate around Europe. (see also vastint.eu)

Inter Fund Management SA is a Luxembourg AIFMD regulated fund manager. It manages a variety of specialized investment funds of listed and non-listed equities and bonds.

Nalka Invest AB is a Swedish investment firm focusing on acquiring and developing Nordic businesses. (see also www.nalka.com)

The group also has a dedicated **treasury management** team. The main purpose is to centralise treasury management activities for the Group and other related parties owned by Interogo Foundation.

Each asset class is managed by separate teams, with special skill sets and organizations of their own.

Corporate governance

Interogo Holding AG is overseen by a board of four directors:

- Hans Gydell (Chairman)
- Søren Hansen (CEO)
- Lennart Sten
- Jean-Louis Ouellette (CFO)

Directors are elected at the general shareholder meeting and normally appointed for a period of three years. Board meetings are held three times per year.

The board of directors has assigned an audit committee to oversee financial reporting, regulatory compliance and corporate governance. The audit committee meets two times per year.

Each business unit has a board of directors meeting three times per year. The boards are generally composed of the Group CEO, the managing director of each business unit and a selected panel of Group executives and external members. The boards are supported by advisory and investment committees where appropriate.

Pfäffikon, Switzerland, April 21, 2017

Hans Gydell Chairman	Søren Hansen CEO

Consolidated financial statements 2016

Consolidated Balance Sheet as of December 31, 2016

Assets in EUR 1,000	Notes	31.12.2016	01.01.2016
Non-current Assets			
Intangible assets	3	302,335	222,317
Leased land and tangible assets	2	1,769,624	1,402,652
Non-current financial assets	5	11,149,781	7,074,883
Other non-current assets		6,749	2,545
Total non-current Assets		**13,228,489**	**8,702,397**
Current Assets			
Inventories	6	86,132	44,651
Trade receivables		67,075	55,466
Other receivables and prepayments		91,770	83,752
Current financial assets	5	2,439,832	145,367
Securities	7	853,941	2,966,232
Cash and cash equivalent	8	162,197	93,402
Total current Assets		**3,700,947**	**3,388,870**
Total Assets		**16,929,436**	**12,091,267**

Liabilities and Shareholder's Equity in EUR 1,000	Notes	31.12.2016	01.01.2016
Shareholder's equity			
Share capital		300,000	300,000
Share premium		900,000	900,000
Legal reserve		30,000	30,000
Retained earnings		5,071,653	4,768,962
Non-controlling interests		41,087	40,291
Total shareholder's equity		**6,342,740**	**6,039,253**
Non-current liabilities			
Non-current provisions	9	36,814	34,047
Non-current financial liabilities	10	8,365,921	5,538,096
Other non-current liabilities		792	6,244
Total non-current liabilities		**8,403,527**	**5,578,387**
Current liabilities			
Current financial liabilities	10	2,006,712	335,002
Trade payables		66,360	57,278
Other current liabilities		32,265	27,517
Accrued liabilities		77,832	53,830
Total current liabilities		**2,183,169**	**473,627**
Total liabilities		**10,586,696**	**6,052,014**
Total liabilities and shareholder's equity		**16,929,436**	**12,091,267**

Consolidated income statement
for the year ending December 31, 2016

Income statement in EUR 1,000	**Notes**	**2016**
Net sales		433,669
Cost of goods sold		-273,518
Gross profit		160,151
Other operating revenues	13	380,375
Operating income		**540,526**
Personnel expenses	14	-199,440
Depreciation on tangible assets		-54,555
Impairment on tangible assets		-1,423
Amortization of intangible assets		-39,688
Other operating expenses	16	-200,423
Operating result (EBIT)		**44,997**
Financial result	17	278,402
Profit before tax (EBT)		**323,399**
Income Taxes	18	-15,050
Net profit		**308,349**
Attributable to shareholders of the parent company		305,113
Attributable to non-controlling interests		3,236

Consolidated Statement of Cash-Flows for the year ending December 31, 2016

In EUR 1,000	2016
Net profit	308,348
Depreciation and amortization	94,242
Impairment on tangible and financial assets	1,423
Change in provisions	2,766
Deferred income taxes	480
Other non-cash items	-104,162
Change in net working capital	-28,250
Cash-flow from operating activities	**274,847**
Investments in tangible assets	-450,939
Disposals of tangible assets	67,469
Investments in intangible assets	-3,679
Investments in financial assets	-1,273,097
Cash-flow from investment activities	**-1,660,246**
Change in current financial liabilities	-622,755
Change in non-current financial liabilities	-26,190
Dividend payments to minority shareholders of subsidiaries	-9,152
Cash-flow from financing activities	**-658,097**
Change in cash and cash equivalents	**-2,043,496**
Opening value of cash accounts	3,059,634
Closing value of cash accounts	**1,016,138**

Changes in Shareholders' Equity as of December 31, 2016

In EUR 1,000	Balance 01.01.2016	Result of the year	Dividends distributed	Change of scope	Currency translation	Balance 31.12.2016
Share capital	300,000					300,000
Share premium	900,000					900,000
Legal reserve	30,000					30,000
Retained earnings	4,768,081					4,768,081
Result of the year		305,113				305,113
Currency adjustment	881				-2,422	-1,541
Non-controlling interests	40,291	3,236	-9,152	8,015	-1,303	41,087
Total Equity	**6,039,253**	**308,349**	**-9,152**	**8,015**	**-3,725**	**6,342,740**

The share capital of the Group is composed as follows:

	Share premium	Equity	
	1,000 EUR	Number	In EUR
At January 1, 2016	900'000	10'000	30'000
At December 31, 2016	900'000	330'000	909

On May 10, 2016, the share capital was converted to CHF at a value of 1'000 CHF per share. All issued registered shares are fully paid in and have equal rights in respect to dividend distributions and capital repayment.

Basis for the Consolidated Financial Statements

General

Interogo Holding AG (hereafter “Holding”) is a company incorporated in Luxembourg on January 9, 1992 (formerly Inter IKEA Holding SA, Luxembourg trade register B38952), that migrated to Switzerland on May 10, 2016, for an unlimited period of time (Canton Schwyz trade register CHE-416.814.967). The consolidated financial statements for the year ending December 31, 2016, comprise the Holding, its subsidiaries and its participating interests (hereafter “Group”).

Up to December 31, 2015, the Group owned and controlled Inter IKEA Holding BV, a Dutch company owning Inter IKEA Systems BV, the worldwide franchisor of the IKEA Concept, plus other IKEA Concept related businesses. From January 1, 2016, the Group ceased to have controlling ownership of Inter IKEA Holding BV as the Holding holds only non-voting shares of Inter IKEA Holding BV.

As from January 1, 2016, the Group is entirely focussed on performing investments in real estate, listed and non-listed equities, bonds, fund management and treasury management.

The Board of Directors released the consolidated financial statements for publication on April 21, 2017.

Fundamental accounting and assessment methods

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Swiss accounting and reporting recommendations of Swiss GAAP FER according to the principle of “true and fair view”. They are based on the financial statements of the Group prepared for the same reporting period using consistent accounting policies.

In 2016, the Group applied Swiss GAAP FER for the first time. For this first publication, the 2016 consolidated financial statements are limited to present the opening balance as at January 1, 2016, with the corresponding closing balance as at December 31, 2016. The consolidated income and cash-flow statements present the 2016 results only.

The Group reporting currency is the Euro (“EUR”). The period comprises twelve months and ends 31 December.

All figures included in these financial statements and notes to the financial statements are rounded to the nearest EUR 1,000, except where otherwise indicated.

Consolidation policies

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Group, directly or indirectly, owns more than half of the voting rights of an entity. The existence and effect of potential voting rights that are currently exercisable or tradable can also determine whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is obtained. They are de-consolidated from the date that control ceases. Subsidiaries are recognised using the purchase method. The consideration encompasses the compensation transferred in exchange for obtaining control over the identifiable assets, liabilities and contingent liabilities of the company acquired. The compensation encompasses cash payments as well as the fair market value of both the transferred assets, the incurred or assumed liabilities and, in addition, the equity instruments as of the trade date that have been issued by the Group. The net assets acquired comprising identifiable assets, liabilities and contingent liabilities, are recognised at their fair value. Goodwill is recognised as of the acquisition date and is measured as the excess of the consideration transferred as described over and above the fair value of the identified net assets. If the Group does not acquire 100% of the shares of a company, the non-controlling interests in equity is to be disclosed separately in equity.

Transactions, balances and gains on transactions between subsidiaries are eliminated. Losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Associates

Associates are companies that are significantly influenced, but not controlled by the Group. This is generally evidenced when the Group owns between 20% and 50% of a company. Investments in associates are accounted for using the equity method. The Group's investment in associates may include goodwill identified on acquisition.

Foreign currency transactions

Transactions in foreign currencies other than the reporting currency are translated at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate effective at that date. Foreign exchange differences, arising from the settlement of foreign currency transactions or on translation of monetary assets and liabilities, are recognized in the income statement.

Foreign subsidiaries

The financial statements of foreign subsidiaries are translated into EUR at year-end exchange rates for Balance Sheet and average exchange rates for Profit & Loss Accounts. The Equity accounts are kept at historical cost. Resulting differences are recorded under currency translation adjustment in equity.

Derivative financial instruments

Derivative financial instruments are accounted for at fair value. Changes in the fair value are recognized immediately in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and time deposits with a residual term to maturity from the balance sheet date of 90 days at the most. They form the basis of the consolidated statement of cash flows.

Securities

Listed securities, portfolios or hedge funds managed by third parties are recorded at stock market prices at the balance sheet date. Unlisted securities are shown in the balance sheet at acquisition cost less any impairment.

Trade receivables / other receivables

Trade receivables and other receivables are valued at par value less impairment, if any. An allowance is set aside if objective indications show that receivables cannot be collected. Allowances are based on individual valuations.

Prepayments

Prepayments are costs relating to a subsequent accounting period that are capitalized as assets until they are actually used (e.g. insurance premiums, rent, interest charges and sundry costs paid in advance, non-consumed costs, maintenance contract fees).

Inventories

Inventories are measured at cost. Discounts are recognised as a reduction in the purchase price. If the book value exceeds the net market value, an impairment loss is recorded on the income statement in the current period (lower of cost or market principle). Net market value is equivalent to the current market price less the usual sales deductions, marketing costs and administrative costs yet to be incurred. Inventories that cannot be sold are written off in full. The costs of inventories are determined by using the first in first out ("FIFO") method.

Inventories include costs incurred in relation to the construction of buildings that are destined to be sold.

Leased land

A leased land is a long term lease agreement in which the tenant rents and uses the land to erect buildings and infrastructures. The tenant owns the temporary or permanent buildings and infrastructures built upon it.

Leased land is depreciated over the lease period, which expires between the years 2017 and 2110.

Tangible assets

Tangible assets are carried at acquisition or manufacturing costs, with depreciation calculated using the straight-line method based on the following estimated useful lives:

	Years
Buildings – Retail	25
Buildings – Other	33
Building installations	15
Leasehold improvements and leased equipment	**Lease period**
IT equipment	5
Furniture, fixtures and fittings	10

Investment property

Investment properties are carried at historical or manufacturing cost less accumulated depreciation and any impairment. The period of depreciation is calculated according to the category of asset.

Intangible assets

Goodwill

Net assets taken over in an acquisition are to be valued at actual values and any surplus of acquisition cost over the newly valued net assets is to be designated as goodwill (purchase price allocation). Goodwill is amortized over the expected useful life period not exceeding 10 years.

Other intangible assets

Other intangible assets include licenses, patents or other rights. Other intangible assets are amortized over the expected useful life period not exceeding 10 years.

Financial assets

Financial assets include associates, related parties, non-listed investments in funds, co-investments and direct investments, held for the long-term and valued at historical cost less impairment.

Impairment of assets

All assets are reviewed as of each balance sheet date for indications of impairment. If there are indications that an asset may be impaired, the recoverable amount of the asset is determined and the impairment loss is estimated. Should the estimated recoverable amount of the asset, which is equivalent to the higher of net market value and the useful value of the asset, be lower than the asset's book value, an adjustment is made to the income statement to reduce the book value of the asset to the estimated recoverable amount in the same period in which the impairment was discovered. Net market value is the price obtainable between independent third parties less the associated selling expenses. Useful value is based on the estimated future cash flows resulting from the use of the asset, including any possible cash flow at the end of the useful life, discounted using an appropriate long-term interest rate.

Operating Leases

Operating lease payments are recognized as expenses in the income statement on a straight-line basis over the lease term.

Financial liabilities

Financial liabilities are measured at amortized costs.

Trade and other payables

Trade and other payables are stated at its nominal amount.

Provisions

Provisions are established when a legal or constructive obligation arising from past events exists that will likely result in a cash outflow and this cash outflow can be reliably estimated. The provisions established represent the best possible estimate of the final obligation. Long-term provisions are discounted to their present values, provided that the impact is material. The subdivision into short-term and long-term provisions is based on whether utilisation is assumed to be probable within one year or at a later time.

Possible obligations whose existence requires confirmation by future events, or obligations whose amount cannot be reliably estimated, are disclosed in the notes to the financial statements as contingent liabilities.

Contingent liabilities

Contingent liabilities are assessed according to the probability and scope of future unilateral contributions and costs, and are disclosed in the Notes.

Pension benefit obligations

The pension benefit obligations of the Group companies in respect of old age, death and disability comply with the statutory provisions and regulations in the respective countries.

An economic benefit is capitalised provided it will be available to reduce the company's future pension expenses. An economic obligation is recognized as a liability if the conditions for establishing a provision are met. Any unconditionally available employer contribution reserves are recognized as assets. The economic impacts of surpluses or deficits in the pension funds on the Group, as well as a change in any employer contribution reserves, are recognized as profit or loss and reported as personnel expenses in addition to the contributions deferred to the reporting period.

Taxes

Income taxes

Current income taxes are calculated at the prevailing tax rates on the basis of the expected fiscal result for the period as per commercial law and according to the respective tax assessment rules. They are disclosed under other current liabilities.

Deferred taxes

Deferred taxes are taken into account on temporary differences between tax bases and the carrying amounts in the consolidated financial statements and are calculated using the liability method based on effective or expected effective local tax rates. Deferred tax assets are recognized for loss carry-forwards where it is highly probable that they can be offset against future taxable income. The changes in deferred tax assets and liabilities are recognized in the consolidated income statement. Taxes on transactions that are reported in equity are also recognized in equity.

Revenue recognition

Net sales

Sales consists of all sales proceeds attained from the delivery of goods to third parties after deducting discounts, rebates, cash discounts and value-added taxes. Sales proceeds are always included in the income statement as soon as the delivery of the goods has taken place and benefit and risk have been transferred to the buyer.

Rental income

Rental income from the tenants is recognized in the income statement on a straight-line basis over the term of the lease.

Service income

Service income consists of services to third parties after deduction of discounts, rebates and value-added tax. Service proceeds are included in the income statement as soon as the service has been rendered.

Gain or loss on disposal of tangible and financial assets

The gain or loss on disposal of tangible and financial assets is recognised when assets are effectively sold. It consists of the sales proceed, net of any selling expenses, minus the net book value including any impairment previously taken on such assets.

Financial result

Financial income

Financial income comprises dividends, interest income, fair value adjustment gains on current liquid assets, realized foreign currency gains and gains on hedging instruments that are recognized in the income statement.

Interest income is recognized in the income statement as it accrues. Dividend income is recognized when declared by the Board of Directors or at the Annual General Meeting of the shareholders.

Financial expenses

Financial expenses comprise interest expenses, fair value adjustment losses on current liquid assets, realized foreign currency losses and losses on hedging instruments that are recognized in the income statement.

All borrowing costs are recognized in the income statement as it accrues.

Value adjustments result from the compliance of the fair market value principle applied to financial instruments, such as bonds, shares, warrants and options.

Notes to the Consolidated Financial Statements

Subsequent events

From the balance sheet date until the consolidated financial statements were approved by the Board of Directors on April 21, 2017, no major events occurred which could adversely affect the validity of the annual financial statements for 2016 or which would have to be disclosed.

Note 1 Consolidation scope

The most significant companies contributing to the Group consolidation as at December 31, 2016:

Entities	Country	Interest held in capital / votes	Currency	Share capital	Equity contribution
Interogo Holding AG	CH	Parent	TCHF	330'000	996,390
Inter Holding Services SA	BE	100%	TEUR	63	-
Vastint Holding BV *	NL	100%	TEUR	45,378	526,067
Vastint Netherlands BV *	NL	100%	TEUR	40,505	3
Vastint Belgium SA *	BE	100%	TEUR	16,065	837
Vastint Lithuania UAB *	LT	100%	TEUR	28,965	-
Vastint Latvia SIA *	LV	100%	TEUR	20,630	-
Vastint Romania SRL	RO	100%	TRON	196,060	21
Vastint UK BV *	NL	100%	TEUR	1,000	83,524
Vastint Leeds BV	NL	100%	TEUR	-	15,000
Vastint Hospitality BV *	NL	100%	TEUR	1,000	78,000
Vastint Poland Spzoo	PL	100%	TPLN	161,621	572,072
Inter Fund Mgmt SA	LU	100%	TEUR	1,500	-
Inter Finance SA	LU	100%	TEUR	25,000	-
International Sif / Sicav SA *	LU	92%	TEUR	1,250	638
Nalka Invest AB *	SE	100%	TSEK	60,000	858,418
Nordisk Markservice AB	SE	77%	TSEK	50	62,500
Hööks Hästaport AB	SE	81%	TSEK	233,550	4,950
Play in Motion AB	SE	91%	TSEK	50	103,600
Nordic Modular AB	SE	98%	TSEK	4,899	288,250
Office Management AB	SE	91%	TSEK	704,195	4,950
Eson Pac AB	SE	61%	TSEK	73,329	124,688
Forsbergs Fritidscenter AB	SE	52%	TSEK	12,893	93,590
Ryds Bilglas AB	SE	61%	TSEK	100	200,000

* Companies having subsidiaries in following countries:
AN, NL, BE, CY, LT, LV, UK, DE, IT, ES, MT, MU, SE, US, UK.

Note 2 Leased land and tangible assets

In EUR 1,000	Leased Land	Land & building	Machinery	Other assets & equipment	Assets under construction	Total
At cost						
As at January 1, 2016	**28,235**	**1,400,055**	**78,870**	**183,760**	**206,377**	**1,897,297**
Additions	10,030	245,491	11,175	22,559	161,684	450,939
Disposals	-	-96,303	-2,483	-6,535	-400	-105,721
Transfers	-	95,570	-	-	-95,570	-
Scope change	858	24,907	709	733	-	27,207
Translation adjustment	-	-3,819	-220	-7,583	-1	-11,623
As at December 31, 2016	**39,123**	**1,665,901**	**88,051**	**192,934**	**272,090**	**2,258,099**
Accumulated depreciation						
As at January 1, 2016	**4,373**	**321,300**	**32,122**	**136,851**	**-**	**494,646**
Additions	815	34,769	7,720	11,250	-	54,554
Disposals	-	-40,623	-1,567	-4,818	-	-47,008
Impairment	-	-5,577	-	-	-	-5,577
Scope change	-	-759	-	-31	-	-790
Translation adjustment	-	-2,043	334	-5,641	-	-7,350
As at December 31, 2016	**5,188**	**307,067**	**38,609**	**137,611**	**-**	**488,475**
Net book value						
- beginning of year	**23,862**	**1,078,755**	**46,748**	**46,909**	**206,377**	**1,402,651**
- end of year	**33,935**	**1,358,834**	**49,442**	**55,323**	**272,090**	**1,769,624**

Additions to tangibles assets mainly relates to the Vastint Group (real estate). The geographical split for real estate development expenditures (residential, hotels, offices) is summarised as follows: UK 30%, RO 16%, PL 16%, DE 7%, NL 8%, IT 7%, AT 4%, BE 4%, LV/LT 4% and others 4%.

Note 3 Intangible assets

In EUR 1,000	Goodwill	Licenses	Total
At cost			
As at January 1, 2016	**270,563**	**352**	**270,915**
Additions	400	3,279	3,679
Disposals	-686	-496	-1,182
Scope change	130,725	2,715	133,440
Translation adjustment	-16,855	-79	-16,934
As at December 31, 2016	**384,147**	**5,771**	**389,918**
Accumulated depreciation			
As at January 1, 2016	**48,598**	**-**	**48,598**
Additions	38,445	-	38,445
Scope change	46	-	46
Translation adjustment	494	-	494
As at December 31, 2016	**87,583**	**-**	**87,583**
Net book value			
- beginning of year	**221,965**	**352**	**222,317**
- end of year	**296,564**	**5,771**	**302,335**

Intangible assets are mainly composed of goodwill on subsidiaries belonging to the Nalka Invest AB group.

Note 4 Foreign currencies

	Balance sheet year-end rates		Income statement average rates
	31.12.2016	01.01.2016	2016
Swiss Franc (CHF)	0.9326	0.9195	0.9182
US Dollar (USD)	0.9473	0.9206	0.9063
British Pound (GBP)	1.1694	1.3578	1.2190
Polish Zloty (PLN)	0.2269	0.2331	0.2293
Swedish Krona (SEK)	0.1044	0.1091	0.1056

Note 5 Current and non-current financial assets

In EUR 1,000	31.12.2016	01.01.2016
Non-listed investments	2,863,102	1,642,219
Non-current loans receivable	8,286,679	5,432,664
Current loans receivables	2,439,832	145,367
Total	**13,589,613**	**7,220,250**

Non-listed investments are mainly composed of investment funds and minority stake in non-listed companies. In addition, non-listed investments includes a participation in a related entity (see Note 11) in the amount of EUR 1,296m (01.01.2016: EUR 296m).

Note 6 Inventories

In EUR 1,000	31.12.2016	01.01.2016
Raw material and consumables	8,363	5,111
Inventory in progress	796	683
Finished goods and goods for resale	66,756	32,271
Assets held for sale	10,217	6,586
Total	**86,132**	**44,651**

Assets held for sale are related to real estate. Other inventories are highly diversified as industrial, wholesale and retail goods.

Note 7 Securities

Securities are composed of publicly traded bonds and other debt instruments.

Note 8 Cash and cash equivalents

In EUR 1,000	31.12.2016	01.01.2016
Cash at bank and in hand	112,071	72,995
Short-term deposits	50,126	20,407
Total	**162,197**	**93,402**

Note 9 Provisions

In EUR 1,000	31.12.2016	01.01.2016
Provisions for employment commitment	12,541	17,201
Deferred taxation	21,329	14,576
Other provisions	2,944	2,270
Total	**36,814**	**34,047**

The provision for employment commitment is a potential liability related to past pension obligations, for pension programs no longer in force within the Group.

Note 10 Current and non-current financial liabilities

The current and non-current financial liabilities comprise loans owed to credit institutions and related parties with the following maturity:

In EUR 1,000	31.12.2016	01.01.2016
More than one year	8,365,921	5,538,096
Less than one year	2,006,713	335,002
Total	**10,372,634**	**5,873,098**

The majority of the non-current loans are granted by related parties (see Note 11). The bank loans are secured by mortgages on properties.

Note 11 Transactions with related parties

Balance sheet In EUR 1,000	31.12.2016	01.01.2016
Non-current financial assets	9,545,036	5,695,589
Other receivables and prepayments	263	1,321
Current financial assets	2,439,556	143,445
Assets	**11,984,855**	**5,840,355**
Non-current financial liabilities	8,200,000	5,400,000
Current financial liabilities	1,413,615	155,240
Liabilities	**9,613,615**	**5,555,240**

Income statement In EUR 1,000	2016
Other operating revenues	13,027
Dividend income	242,033
Interest income	354,383
Interest expense	-349,324

Related parties are defined as subsidiaries of Interogo Foundation, the ultimate owner, who are not part of the Interogo Holding AG consolidation scope.

Any rendering of services and lending to and from related parties are entered market conditions.

Note 12 Sales

Sales are composed of diversified activities such as industrial, wholesale and retail goods.

Note 13 Other operating revenues

In EUR 1,000	2016
Rental income	108,840
Service income	100,189
Investment income	160,035
Gain on sales of tangible assets	8,756
Other	2,555
Total	**380,375**

Rental income is defined as leased properties and modular constructions; Service income relates to fund management and maintenance activities; Investment income relates to realised gains and dividends on actively managed non-listed investments.

Note 14 Personnel expenses

In EUR 1,000	2016
Wages and salaries	136,141
Social security expenses	37,943
Pension expenses	18,081
Other	7,275
Total	**199,440**

Note 15 Employee pensions

The Group provides post-employment benefits to its employees, in the form of defined contribution pension plans, in most countries where it operates and in line with country legislation.

Note 16 Other operating expenses

In EUR 1,000	2016
Consultancy, advisory and investment fees	61,893
Impairment on non-current financial assets	52,214
Maintenance, repairs and utilities	34,345
Marketing and communication	9,808
Loss on disposal of tangible assets	1,015
Other operating expenses	41,145
Total	**200,420**

Note 17 Financial result

In EUR 1,000	2016
Dividend income	242,033
Net foreign exchange gains or losses	23,542
Fair value adjustments on securities	4,195
Interest income and expenses	3,748
Other financial income and expenses	4,884
Total	**278,402**

Note 18 Income taxes

In EUR 1,000	2016
Current income taxes	13,785
Deferred income taxes	1,265
Total	**15,050**

EUR 22m of the tax losses carried forward have been recognised as deferred tax asset amounting to EUR 4.9m. The tax losses carried forward not recognised amount to EUR 56m.

Note 19 Contingent liabilities

Group companies have issued guarantees towards third parties for a total amount of EUR 18.5 million. The Company has foreign exchange contracts outstanding as of December 31, 2016. These contracts were entered into in order to hedge the intercompany loans. The Company has unrealised gains on spots, swaps and forwards on foreign exchange transactions for a total amount of EUR 11.3 million and unrealised losses amounting to EUR 15.8 million. The nominal value of transactions amounts to EUR 1,988 million. As at December 31, 2016, the Company has no interest payables and receivables related to Interest Rate Swaps. The Group also has commitments into conditional land purchase agreements for EUR 30.0 million.

Note 20 Contractual obligations

Future leasing obligations amount to EUR 164.2m from land leases and other rental arrangements.

Independent Auditor's Report

To the General Meeting of
Interogo Holding AG, Freienbach

Zurich, 21 April 2017

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Interogo Holding AG, which comprise the consolidated balance sheet, consolidated income statement, consolidated statement of cash-flows, changes in shareholders' equity and notes to the consolidated financial statements, for the year ended 31 December 2016.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER, and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2016 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

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

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

Ernst & Young Ltd

Willy Hofstetter	Pascal Solèr
Licensed audit expert (Auditor in charge)	Licensed audit expert

Enclosure

- Consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of cash-flows, changes in shareholders' equity and notes to the consolidated financial statements)

Interogo Holding AG

For further information, please
visit the Interogo Holding AG website,
www.interogoholding.com