

FRIDAY
13 APRIL 2018
9:30 A.M.

*Invitation
to the Annual General Meeting
of Valora Holding AG*

MESSE BASEL
CONGRESS CENTER, ROOM SAN FRANCISCO
MESSEPLATZ, BASEL
Doors open at 8:30 a.m.

Dear shareholders,

Following the sale of the Naville building in February, we have fully completed our transformation process during 2017 and, with the acquisitions of BackWerk and Pretzel Baron, concentrated on strengthening our positioning as a focused food and convenience provider. At the same time, we have announced a further important step with the planned investments in the expansion of our production capacities, which will allow us to continue with our growth strategy. We also generated a good financial result and in doing so confirmed the communicated expectations.

The acquisition of BackWerk made Valora one of the leading vertically integrated food service providers in Germany. In addition to our already strong presence at transport hubs, we are now also considerably better represented in city centres with BackWerk. At the same time, the established franchise business has allowed us to enter the Dutch and to expand in the Austrian market. In the B2B business, we have also taken important steps with the takeover of the ambitious pretzel producer Pretzel Baron in the US as well as with the replacement of a production line at Ditsch in Germany. Furthermore, thanks to the high level of demand, we have initiated the planning of the further expansion of our production capacities in the US and Germany.

All of this would not have been possible without you, our valued shareholders, and the trust you place in us. Over the past years, you have always believed in our strategy. We are doing everything in our power to continually live up to this trust. This is also expressed by the fact that, in addition to our various growth and investment activities, we have demonstrated with our operating business that our business model is successful.

Among other things, this is reflected in the increased EBIT. Excluding the acquisition costs and EBIT contribution from BackWerk, we succeeded in already reaching the medium-term goal for

2018 with an increase of the EBIT margin to 4.0%. We are also one year ahead of schedule with the achievement of the gross profit margin of 42.0%. External sales remained stable during 2017. Net revenues, excluding the sold Naville Distribution, slightly increased.

Valora is also making further progress in the area of digitalisation. In addition to new digital services, including pick-up/drop-off services, digitalisation is allowing us to increase overall customer loyalty. The new kiosk app, which we introduced in Switzerland in March 2017, is geared towards this goal. Last year, we also simplified our distribution processes with sales staff by building an easily scalable and well-structured communication and collaboration platform on Google Cloud. This has already allowed us to replace seven existing applications and will enable us to make new offers available at our points of sale more quickly.

We are also on course with the implementation of our long-term financing strategy: following the capital increase of CHF 166 million, which was successfully concluded in autumn 2017, a Schuldschein issue for EUR 170 million was placed on the market at attractive conditions in January 2018 and met great investor interest. From the generated funds, Valora can, among other things, refinance the credit instruments falling due in 2018 at significantly better conditions.

As we look back on the past financial year, we would like to express our thanks to our customers, who make purchases at our points of sale on a daily basis. We would also like to thank all of our business partners and suppliers for their cooperation and the trust-based relationship we enjoy with them. And, in particular, we extend our thanks to the approximately 15 000 employees within our network, who brighten up our customers' journey with their hard work and great commitment embodying our new values: nearby, quick, convenient and fresh.

You, our valued shareholders, also deserve great thanks for the trust that you have placed in us. We are thus delighted to propose an unchanged dividend of CHF 12.50 at the upcoming General Meeting on 13 April 2018. The dividend will be distributed fully from capital reserves.

We would like to take this opportunity to also inform you about an upcoming change in the Valora Board of Directors. After eight years as a member of the Board of Directors of Valora, Bernhard Heusler has decided not to stand for re-election at the General Meeting. We would like to cordially thank him for his commitment and his contribution to the transformation of Valora.

Best regards,



Franz Julien
Chairman of the Board of Directors



Michael Mueller
CEO





*“We are now one of
the leading vertically
integrated food service
providers in Germany.”*

*Michael Mueller
CEO Valora*



Michael Mueller, would you agree that 2017 was a good year for Valora?

Yes. We have completed our transformation into a focused convenience and food service provider, while at the same time setting the course for future growth with the acquisition of BackWerk and Pretzel Baron as well as the decision to expand our pretzel production capacity. In addition, we have made significant progress in the area of efficiency and process optimisation. And we finally completed the Naville integration with the sale of the La Praille building. All in all, it was a successful year.

What do you think were some of the highlights?

The acquisition of BackWerk is a landmark in our growth strategy we have communicated. We are thus now one of the leading vertically integrated food service providers in Germany. Another important highlight to note here is the trust shown by our shareholders, which was demonstrated by their approval of the capital increase. Furthermore, with the increase in the gross profit margin to 42.0%, we have already achieved our medium-term goal for 2018. Excluding the acquisition costs and EBIT contribution from BackWerk, the EBIT margin stands at 4.0%, meaning that we have also achieved this target one year ahead of schedule.

Let us talk about BackWerk for a moment. What potential does this format offer?

BackWerk, with its 345 points of sale, perfectly complements our other food service formats, such as Ditsch, Brezelkönig and Caffè Spettacolo, ideally supplementing these formats thanks to its “feel good food” concept. BackWerk’s city centre locations also complement our existing sites at transport hubs and shopping centres. Finally, BackWerk is an excellent steppingstone for the further inter-

nationalisation of Valora, as it gives us access to the Netherlands, which is a new market for us.

How many new BackWerk locations do you plan to open in the coming year?

It is our goal to open 80 to 100 new BackWerk locations, gross, over the next five years. In doing so, our focus will be on the countries where we currently operate, i.e. Germany, Austria and the Netherlands. We also plan to open several new locations in Switzerland.

As part of the acquisition, you carried out a capital increase. Overall, how do things stand in terms of Valora's capital strength?

We have a very balanced financing structure and we have the resources to continue our growth. With our long-term financing strategy, we want to secure our future strategic and financial flexibility. The capital increase must be viewed in connection with the overall refinancing strategy. For example, in 2018 we also placed a new Schuldschein issue for EUR 170 million at highly attractive market conditions. These elements are used to refinance the BackWerk acquisition, to further finance the planned expansion of pretzel production capacities and to refinance the capital market instruments that will fall due in 2018.

In addition to BackWerk, you also acquired US pretzel producer Pretzel Baron.

Yes. Although it is a fairly small company, we see great potential. This acquisition will enable us to increase our footprint in the US – a market that, in terms of pretzel consumption, is already almost as large as Germany. Previously, we supplied the US from Germany, but our production capacity has become tight there. For this reason, we will invest a total of around EUR 50 million in the ex-

pansion of production in Germany and in the US in 2018/2019.

Last year was characterised by acquisitions. How was the operational business?

We are pleased that we were able to confirm the communicated expectations. The EBIT climbed by +9.3% to CHF 79.0 million. The EBIT margin increased by +0.4 percentage points to 3.8%. As mentioned, the gross profit margin improved to 42.0% (+0.5 percentage points). Without Naville Distribution, which was sold in 2016, net revenues would have increased by +0.9% on a year-on-year basis.

EBIT in CHF million

2016
72
2017
79

Can you give us details on how things went on the revenue side?

Retail Germany/Luxembourg recorded an increase in sales of +7.0%, while the Food Service division realised an increase of +10.5%. This growth is driven by a higher number of outlets operated by Valora itself and by positive same-store sales development, especially in the case of the Food Service formats (B2C). We also generated more sales in the B2B area – despite the replacement of a production line during ongoing

“We have a very balanced financing structure and we have the resources to continue our growth.”

operations in Oranienbaum. The growth at Retail Germany/Luxembourg and at Food Service more than offset the lower revenues generated at Retail Switzerland/Austria (–3.4%). The decline here was primarily due to a lower number of sales outlets and a lower same-store index.

And on the cost side?

Our ongoing cost discipline, optimisations in our range and processes as well as adjustments in our network have led to an overall improvement in the EBIT margin. Particularly in Switzerland, we greatly increased profitability. In contrast, the profitability of Retail Germany/Luxembourg and in the Food Service division temporarily remained under pressure. However, we not only made savings, but the minimum wages for our employees in Germany and Switzerland have also been increased.

You also concluded a new collective labour agreement in Switzerland.

Yes. Following constructive discussions with our new social partner, the Kaufmännischer Verband, we concluded a new collective labour agreement (CLA) for all employees in Switzerland who are not already covered by another collective labour agreement. As part of this agreement, we increased gross minimum wages across the board and awarded professional qualification higher. Education should also be financially worthwhile, and we want to be a fair, attractive employer where employees can develop.

However, there has been criticism that the pay increases are too small and, in particular, that employees at kiosk agencies have not benefited from them.

It is important to look at the context when you talk about wages. Our situation, with small-scale points of sale at highly frequented locations, is different from that of large retailers. Nor is the criticism justified regarding our agency partners. They are free to join the collective labour agreement. Also, whenever there is a new contract with us, they are required to abide by the minimum wage defined in the current CLA. Previously, they were required to pay the minimum wage based on the CLA that was in force when the agency opened.

Let us first take a quick look back and talk about the Food Service division. Did it meet your expectations last year?

Yes, absolutely. We realised a good performance in all formats. In Switzerland, our same-store sales at Brezelkönig and Caffè Spettacolo grew by +2.9%, while in Germany we recorded growth of +1.5% with Ditsch. In the B2B business, we grew +3.7%. Increases in revenue were roughly on balance with higher costs, especially with respect to dairy prices. The division's overall revenues increased considerably despite the conversion work in Oranienbaum, which is a very good basis for further growth.

What are the next steps in the international expansion of Valora's Food Service division?

In the B2B area, demand for our products is outpacing production capacity, which is why the planned capacity expansions are urgently needed. On the one hand, this demand is coming from our current sales markets in Europe, but we also see high growth potential in the US, where we are represented by Pretzel Baron, and in our current export markets.

In the B2C area, on the other hand, our focus is on our current markets in Switzerland, Germany and Austria, and, since the acquisition of BackWerk, also in the Netherlands. For Brezelkönig International, we have just won the food travel group SSP as our first franchise partner in Austria and opened a joint store at Vienna Schwechat Airport.

So the focus in future will be on the franchise model?

Yes, Valora has had good experiences with this model as well as with the agency partner model. We already operate 69% of our sales outlets under these models. The franchisees act as entrepreneurs and thus participate in the shared success. BackWerk, a very well-known and established franchise concept, is now part of the Group and on the whole we will benefit from its experiences.

How did the retail business do last year?

Consumer behaviour is changing substantially, which has also an impact on print media and tobacco sales. Print media products recorded another decline in Switzerland and Germany. In Switzerland, tobacco product sales fell, while in Germany this product category benefited from market consolidation and even grew. Our strong ok.- brand also saw very positive growth, and the more than 700 modules with coffee from Caffè Spettacolo and Starbucks that we installed in our Swiss points of sale proved to be very popular among customers. We also see high potential in the convenience business, which is especially relevant for our avec format.

What is next then for avec?

We have developed the concept over the past year and already tested it at two locations in Switzerland. This concept will receive even more attention this year. We are confident that the new

fresh product concept will help avec grow further as well.

You also introduced CBD hemp products in Switzerland last year. How is this product range doing?

Demand is high. These products seem to meet a real customer need. However, they remain interesting niche products. We see especially significant demand in alternative nicotine and e-smoke products, which we introduced in 2017. In Germany, in particular, we have pushed ahead with the e-smoking rollout. Tobacco – including corresponding alternative and replacement products – remains a strong driver of customer footfall.

One growth initiative in the retail area involves the business as a service partner for third parties. How are things going here?

















We are pleased that we continue to be able to sell public transport tickets in Switzerland. The customer response to the announcement by the SBB that it would suspend this service was in some cases very strong. We have also further expanded our cooperation with Swiss Post and are increasingly offering pick-up/drop-off services, including with Swisscom easy point. Customers can also increasingly pay in cash for their online orders at our points of sale. Our offering of other financial services has also developed further. This includes our consumer credit products from bob Finance.

How do things stand financially with the latter?

We are satisfied with the number of customers and have further strengthened our market position. The lifetime value of our consumer credit business has been positive for some time now and the key figures are developing satisfactorily.

OUTLET NETWORK

31.12.2017

Format	 Switzerland	 Germany	 Luxembourg	  Austria / Slovenia	 Netherlands	 France	TOTAL
RETAIL  k kiosk	924	238	66				1'228
 cigo & subformats/ partners		439					439
 Press & Books	31	167	5	10			213
 avec	136	4					140
 ServiceStore DB / U-Store		118					118
FOOD SERVICE  BackWerk	2	304		24	15		345
 Ditsch		220					220
 Brezelkönig	56			5		2	63
 Caffè Spettacolo	33		2				35
TOTAL	1,182	1,490	73	39	15	2	2,801

“Innovation is required, which along with digitalisation, is a driver in the retail business.”

And what are the plans for Valora's retail business this year?

The retail business is an important pillar of our strategy. However, we need to further expand the existing business with updated concepts, adjustments to our product range, new service offerings and measures aimed at increasing efficiency. This requires innovation,

which along with digitalisation, is a driver in the retail business.

You repeatedly emphasise the great opportunities that digitalisation offers for Valora. How does this impact business specifically?

It allows for new services such as those mentioned above, which we bring to market either on our own or together with partners. Our digital strategy also supports our promotional and loyalty activities, such as the k kiosk app, which was recognised with an award by NACS, a convenience industry organisation. Digitalisation also has a substantial impact on our efficiency and our processes.

Can you give an example of this?

Last year, we built an easily scalable and well-structured communication platform for our sales staff on Google Cloud and rolled it out to all Swiss retail points of sale in record time. In doing so, we have replaced seven applications. The simplified sales communication with VAPOS.info will also allow us to make new offerings available more quickly in our points of sale. We will now connect our other formats to it in stages.

Not all of Valora's experiences with digitalisation have been good. There was much criticism of the customer flow analysis pilot at the Zurich Main Station.

Valora takes the issue of data protection

very seriously and works intensively to examine corresponding projects in advance, from both a technical and legal perspective. However, we definitely did not provide enough information at that time. All we wanted to do was take advantage of the WiFi signals of smartphones to measure customer flows. We would use this information, for example, to optimise staffing. The aggregate data that Valora received in connection with the project could not be attributed to a specific person at any time due to the data's anonymity. Generally speaking, we are interested in approaches and solutions that can provide us with valuable information, but naturally always ensuring that they comply with the relevant data protection legislation and offer customer benefits.

“We aim to brighten up our customers’ journey – nearby, quick, convenient and always full of fresh ideas.”

Where will Valora focus in 2018?

Valora will focus on the further expansion of the food and drink offering as well as the implementation of our new fresh product concept in the entire kiosk and convenience business. We will also focus on the consolidation of the BackWerk acquisition, our ongoing international expansion and the implementation of the planned expansion of our production capacity. In addition, we will invest in our innovation capacity as well as new digital offerings and the digitalisation of our processes. So we have a lot of work ahead of us, but we are well positioned in terms of management and organisation. And the two

new members of the expanded Group Executive Management – Roger Vogt as CEO of Retail Switzerland & Austria and Philipp Angehrn as Head of Transformation & Project Management Office – will help us in these efforts.

Given the pace and amount of change, will employees be able to keep up?

I am sure they will. We have excellent employees on all levels and in all formats. I would like to take this opportunity to thank all employees for their commitment and their motivation. Valora wants to provide employees with prospects and allow them to make a real difference themselves. We aim to brighten up our customers’ journey – nearby, quick, convenient and always full of fresh ideas. A positive corporate culture is important for our success.

What concerns you when you look ahead to the coming months?

The accelerated decline of print media, historically high prices for raw materials for dairy products, declining footfall in shopping centres and greater competitive pressure in highly frequented locations remain challenging factors. But I am convinced that we at Valora have all reason to be optimistic. We are optimally positioned to take advantage of the ongoing trend towards high-margin “foodvenience”, the increasing number of visitors at highly frequented locations, more customised products and the merging of digital and physical offerings. However, we cannot afford to stand still and must instead be innovative and agile.

Are further acquisitions being considered?

Yes, because we generally follow a growth strategy and the acquisition of BackWerk was certainly not the last one. Our long-term financing strategy allows us to review such opportunities at all

times. At the same time, however, we also want to invest in organic growth, the current business and innovative offerings.

“We are optimally positioned to take advantage of the ongoing trend towards high-margin ‘foodvenience’.”

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VALORA 2018 ANNUAL GENERAL MEETING
INVITATION TO THE ANNUAL GENERAL MEETING
OF VALORA HOLDING AG

AGENDA ITEM 1

Approval of the Annual Report, the 2017 Financial Statements of Valora Holding AG and the 2017 Consolidated Financial Statements of the Valora Group

The Board of Directors proposes the approval of the Annual Report, the 2017 Financial Statements of Valora Holding AG and the 2017 Consolidated Financial Statements of the Valora Group.

AGENDA ITEM 2

Consultative vote on the 2017 Remuneration Report

The Board of Directors proposes the approval of the Remuneration Report contained in the Annual Report in a consultative vote.

AGENDA ITEM 3

Resolution on the appropriation of available earnings and the reserve from capital contributions

The Board of Directors proposes the following appropriation of available earnings as well as the distribution of a dividend of CHF 12.50 per registered share from the reserve from capital contributions:

3.1 Appropriation of available earnings

Allocation to the legal reserves and balance carried forward:

	2017
in CHF thousand	
2017 net profit	49 499
+ balance carried forward from the previous year	111 596
Earnings available for disposal by the Annual General Meeting	161 095
Allocation to the legal reserves	- 111
Balance to be carried forward	160 984

3.2 Withholding tax-exempt distribution from the reserve from capital contributions

Distribution of a dividend of CHF 12.50 per share from the reserve from capital contributions (following the reclassification of the necessary amount to free reserves):

	2017
in CHF thousand	
Reserve from capital contributions (before distribution)	165 734
Distribution	- 49 875
Reserve from capital contributions (after distribution)	115 859

If the proposal is approved, the dividend will amount to CHF 12.50, gross per dividend-bearing registered share with a par value of CHF 1 and will be paid on 19 April 2018.

VALORA 2018 ANNUAL GENERAL MEETING
INVITATION TO THE ANNUAL GENERAL MEETING
OF VALORA HOLDING AG

AGENDA ITEM 4

Discharge of the members of the Board of Directors and Group Executive Management

The Board of Directors proposes to grant discharge to the members of the Board of Directors and Group Executive Management for the 2017 financial year.

AGENDA ITEM 5

Authorised capital increase

The Board of Directors proposes that the Annual General Meeting authorises the Board through an amendment of Art. 3b paragraph 1 of the Articles of Incorporation to increase the share capital by up to CHF 400 000 at any time until 13 April 2020 by issuing a maximum of 400 000 registered shares with a par value of CHF 1 each (authorised capital increase). The authorised capital will enable the company to quickly take advantage of investment and acquisition opportunities or to make capital increases to further optimise its capital structure.

The text of the proposed amendment of the Articles of Incorporation is as follows:

Art. 3b paragraph 1: Authorised share capital (new)

¹ The Board of Directors is authorised to increase the share capital by up to CHF 400 000 at any time until 13 April 2020 by issuing a maximum of 400 000 fully paid up registered shares with a par value of CHF 1 each. Increases in partial amounts are permitted. The subscription and acquisition of new shares as well as their subsequent transfer are subject to the restrictions set out in Art. 4 of these Articles of Incorporation.

The rest of Art. 3b of the Articles of Incorporation remains unchanged.

AGENDA ITEM 6

Approval of the remuneration of the members of the Board of Directors and Group Executive Management

Based on Art. 27 of the Articles of Incorporation, the Board of Directors proposes the approval of the remuneration of the Board of Directors and Group Executive Management as follows:

6.1 Approval of the maximum total remuneration of the members of the Board of Directors from the 2018 Annual General Meeting until the 2019 Annual General Meeting

The Board of Directors requests the approval of the total amount of fixed remuneration of the Board of Directors of a maximum of CHF 1 400 000 until the 2019 Annual General Meeting (including all social security contributions). Further details about the remuneration of the members of the Board of Directors can be found in the Remuneration Report in section 7.2 on page 52 et seq. as well as in the annex to the AGM invitation.

6.2 Approval of the maximum total remuneration of the members of Group Executive Management for the 2019 financial year

The Board of Directors requests the approval of the total amount of the fixed and variable remuneration of Group Executive Management of a maximum of CHF 6 900 000 (including all social security contributions) for the 2019 financial year. Further details about the specific remuneration paid to the members of Group Executive Management can be found in section 5.3 on page 49 et seq. as well as in the annex to the AGM invitation.

VALORA 2018 ANNUAL GENERAL MEETING
INVITATION TO THE ANNUAL GENERAL MEETING
OF VALORA HOLDING AG

AGENDA ITEM 7

Elections

7.1 Re-election of current members of the Board of Directors

The Board of Directors requests the re-election of the following members of the Board of Directors, each for a term of one year, until the end of the 2019 Annual General Meeting:

7.1.1 Franz Julen

7.1.2 Markus Fiechter

7.1.3 Peter Ditsch

7.1.4 Michael Kliger

7.1.5 Cornelia Ritz Bossicard

All elections are conducted individually.

After eight years in office, Bernhard Heusler has decided not to stand for re-election as a member of the Board of Directors.

7.2 Re-election of Franz Julen as Chairman of the Board of Directors

The Board of Directors proposes the re-election of Franz Julen as Chairman of the Board of Directors, for a term of one year, until the end of the 2019 Annual General Meeting.

7.3 Re-election of the members of the Nomination and Compensation Committee

The Board of Directors proposes the re-election of the following members of the Board of Directors as members of the Nomination and Compensation Committee, each for a term of one year, until the end of the 2019 Annual General Meeting:

7.3.1 Markus Fiechter

7.3.2 Peter Ditsch

7.3.3 Michael Kliger

All elections are conducted individually.

7.4 Re-election of the Independent Proxy

The Board of Directors proposes the re-election of Dr. Oscar Olano, staehelin olano Advokatur und Notariat, as the Independent Proxy for a term of one year, until the end of the 2019 Annual General Meeting.

7.5 Re-election of the Auditor

The Board of Directors proposes the re-election of Ernst & Young AG as the auditor for the 2018 financial year.

ORGANISATIONAL INFORMATION

Requests to add items to the agenda

No requests were received from shareholders to add items to the agenda before the deadline of 21 February 2018.

Annual Report

The 2017 Annual Report, including the Valora Holding AG Annual Report, the 2017 Valora Holding AG Financial Statements, the 2017 Valora Group Consolidated Financial Statements, the Remuneration Report and the Auditor's reports is available for inspection beginning 28 February 2018, at the registered office of the company, Hofackerstrasse 40, 4132 MuttENZ, Switzerland. The Annual Report may also be accessed via the Internet, beginning 7:00 a.m., 28 February 2018, at www.valora.com.

Registration/admission card

Shareholders recorded in the shareholder register as holding voting rights as of 4 April 2018 are entitled to attend the Annual General Meeting. The "Registration/Proxy Appointment" form must be used to register for the Annual General Meeting. Instead of using the form, you can also provide your details directly online (electronically).

Please submit your registration to the company by no later than 5 April 2018. Admission cards will be sent to shareholders after they register starting on 5 April 2018.

Due to time constraints, we will no longer be able to send admission cards by post after 12 April 2018. If you should not receive your admission card, please register with information (GM Desk) before the start of the Annual General Meeting. After you present your ID, we will give you your admission card and voting documents in person.

Voting

Voting will be conducted electronically via voting machines (tele-voting).

Proxy appointment

Please use the "Registration/Proxy Appointment" form to grant proxy authorisation and issue instructions to the Independent Proxy. The Independent Proxy is Dr. Oscar Olano, staehelin olano Advokatur und Notariat, Malzgasse 15, CH-4052 Basel, +41 61 206 60 60.

Shareholders can also grant authorisation and issue instructions to the Independent Proxy electronically at <https://valora.shapp.ch>.

If you do not already have access, the initial registration requires access to the internet, an e-mail address and a mobile phone to receive the SMS code. Go to <https://valora.shapp.ch> and follow the prompts on the screen. Your personal access details (identification and password) for the initial registration can be found in section 3.2 of the "Registration/Proxy Appointment" form. As with the form that was sent to you, you can also issue instructions electronically. You can issue instructions electronically and make changes to instructions that have been issued electronically until 11 April 2018, 11:50 p.m. CET.

Speakers

Any shareholder wishing to contribute to the discussion is requested to submit his or her remarks by e-mail to annette.martin@valora.com, by 12 April 2018, with full name and address, or to submit such remarks in writing at the speakers' lectern immediately prior to commencement of the Annual General Meeting.

MuttENZ, 21 March 2018
For the Board of Directors of Valora Holding AG



Franz Julen, Chairman

Enclosures – Registration/Proxy Appointment form
– Postage paid envelope

NOTES TO THE REMUNERATION VOTING

In accordance with the Ordinance against Excessive Compensation in Stock Exchange Listed Companies), this year, as it did last year, the Board of Directors will submit the maximum total remuneration of the Board of Directors and Group Executive Management for a vote.

Approval of the maximum total amount of remuneration of the Board of Directors is for the remuneration period from the 2018 Annual General Meeting to the 2019 Annual General Meeting (see agenda item 6.1). Approval of the maximum total amount of remuneration of Group Executive Management is for the 2019 financial year and comprises both fixed and variable remuneration elements (see agenda item 6.2).

Following are supplemental notes to the requested maximum total amounts of remuneration for the Board of Directors and Group Executive Management.

Further information about the remuneration system and the specific remuneration for the 2017 financial year can be found in the 2017 Remuneration Report. Shareholders can also express their opinion about the Remuneration Report in a consultative vote at the Annual General Meeting.

The structure of the maximum remuneration for the Board of Directors is unchanged from 2017.

The maximum total remuneration of the Board of Directors includes cash compensation, the market value of the blocked shares upon allocation and social security contributions.

In 2017, the remuneration packages of the members of Group Executive Management were reviewed on the basis of an executive study carried out in cooperation with the external partner

Mercer. The study shows that the total target remuneration is competitive and that Group Executive Management receives remuneration that is in line with the market median if business performance meets the targets that were set. Based on the findings of such study the structure of the total remuneration package of Group Executive Management for 2019 will be amended. In the context of such amendments the variable component will be increased considerably to the debit of the fixed component, in particular by adding a stronger performance component to the Long Term Incentive Plan (LTI), which will replace the existing Share Participation Program (SPP).

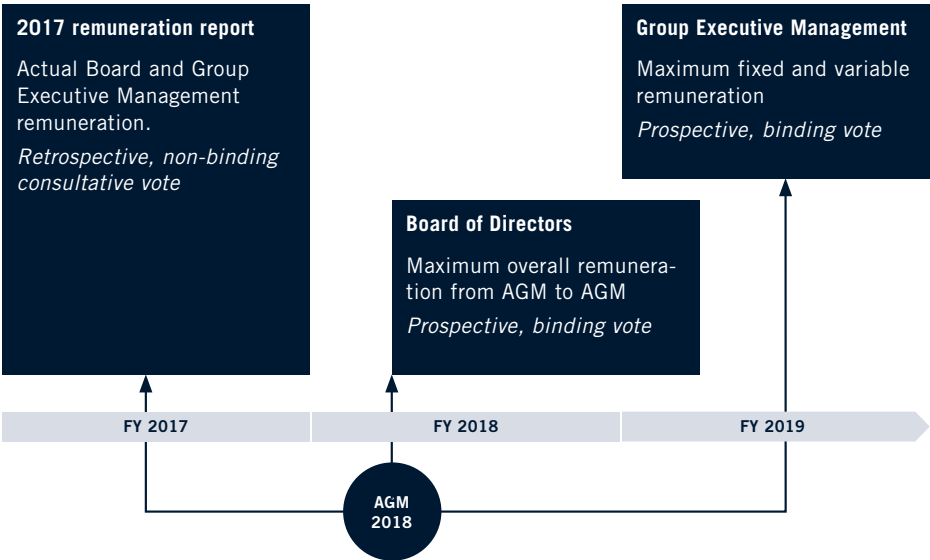
The maximum total remuneration for Group Executive Management includes the following components:

- Fixed remuneration: base salary, value of additional benefits, employer contributions to pension plans and social security contributions
- Maximum possible payout under the variable Short Term Bonus (STB), if profit targets are reached and the contractually agreed amount is drawn in the form of shares
- Market value of the shares under the Long Term Incentive Plan (LTI) upon allocation

Accordingly, the maximum total remuneration that will be presented for a vote to the Annual General Meeting may, in some circumstances, be much higher than the remuneration that the members of Group Executive Management actually receive based on their performance.

The amount actually paid will be disclosed in the Remuneration Report for the relevant financial year, which will be put to a consultative vote by shareholders at the following Annual General Meeting.

The following graph shows the structure of the remuneration-related votes at the 2018 Annual General Meeting:



VALORA 2018 ANNUAL GENERAL MEETING ANNEX TO THE AGM INVITATION

The prospective binding vote on the total remuneration in combination with a retrospective consultative vote on the Remuneration Report give shareholders a substantial say in setting the remuneration amounts.

Agenda item 6.1 Approval of the maximum total remuneration of members of the Board of Directors from the 2018 Annual General Meeting until the 2019 Annual General Meeting

The Board of Directors requests the approval of the total amount of fixed remuneration of the Board of Directors of a maximum of CHF 1 400 000 until the 2019 Annual General Meeting (including all social security contributions).

Explanation: The Board of Directors is comprised of five members for the remuneration period. The members of the Board

of Directors receive a fixed fee for their activities. In general, 80 % of this fee is paid in cash and 20 % in the form of blocked registered shares of Valora Holding AG. In justified cases, the Board of Directors may decide to pay a higher or lower percentage of the total remuneration in shares. The share portion of the fees paid is calculated on the basis of an average price for the Valora registered share with a discount to take account of the blocking period.

The proposed maximum total amount of remuneration of CHF 1 400 000 includes a cash amount of CHF 860 000, the above-mentioned amount for the blocked shares of CHF 270 000, estimated social security contributions of CHF 150 000 and a reserve in the amount of 10 % of the total amount in order to cover any special tasks and unforeseen developments, such as share price fluctuations.

For the period from the 2018 Annual General Meeting to the 2019 Annual General Meeting the annual remuneration paid to Board members remains unchanged:

Annual remuneration	In CHF	Form of payment
Chairman	500 000	80 % in cash and 20 % in blocked shares
Vice-Chairman	200 000	
Board member	140 000	
Chair of NCC / Audit Committee	30 000	
Member of NCC / Audit Committee	15 000	

VALORA 2018 ANNUAL GENERAL MEETING

ANNEX TO THE AGM INVITATION

Agenda item 6.2 Approval of the maximum total remuneration of the members of Group Executive Management for the 2019 financial year

The Board of Directors requests the approval of the total amount of fixed and variable remuneration of Group Executive Management of a maximum of CHF 6 900 000 (including all social security contributions) for the 2019 financial year. The proposed maximum amount is CHF 500 000 higher than the maximum amount for the 2018 financial year that was approved at the 2017 AGM.

Explanation: Group Executive Management is currently comprised of three members. The remuneration for the members of Group Executive Management for the 2019 financial year is comprised of the annual fixed salary, a Short Term Bonus (STB) and a Long Term Incentive Plan (LTI).

The fixed salary will comprise a cash payment and depending on the function account for between a maximum of 40% (CEO) and a maximum of 50% (members of Group Executive Management) of the total remuneration of each member.

The Short Term Bonus (STB) will correspond to a maximum of 40% of the total remuneration for each member of Group Executive Management and will be paid upon achievement of quantitative targets. Remuneration depends on at least two predefined profit targets (e.g. EBIT, ROCE). The profit target is only granted if the key figures meet a defined threshold (e.g. 80% of the defined profit target). Effective target achievement can lie between 0% and a maximum of 150%. At least 20% of the STB is paid out in the form of blocked shares.

The Long Term Incentive Plan (LTI) envisages assigning Group Executive Management an annual target value (as a percent-

age of EBIT), which is fixed for three years based on three-year medium-term planning. The target value is confirmed by the Board of Directors annually, subject to extraordinary circumstances such as the purchase or sale of company assets or changes to the number of members of Group Executive Management. The target value accounts for around 25% of the CEO's total remuneration and 20–25% of that of the members of Group Executive Management. Payment takes the form of shares with a blocking period of three years. The settlement price of the shares is based on the average price of the Valora registered share with a discount to take account of the blocking period. Participants have voting and dividend rights during the blocking period.

The requested maximum amount was calculated on the basis of the following assumptions:

- The fixed salary has been reduced by 30% compared to the previous year.
- The maximum target achievement level for the STB is 150%.
- The target achievement for Group EBIT will be exceeded by a maximum of 20%.

The target compensation is not increased under the new remuneration structure. Instead, the variable components have been adjusted considerably at the expense of the fixed remuneration; in particular, a more substantial performance component has been introduced for the LTI. The increase in the variable remuneration elements results in greater volatility and correspondingly a higher maximum amount of total remuneration is proposed. The maximum amount can only be achieved if the profit targets defined by the Board of Directors are achieved.

The following table shows the development of the remuneration of Group Executive Management:

Financial year	2016 Actual	2017 Maximum approved	2017 Actual	2018 Maximum approved	2019 Maximum requested
in CHF thousand					
Fixed salary (incl. all additional benefits and social security contributions)	4 096	–	3 182	3 400	2 500
Variable remuneration (STB)	758	–	646	500	1 700
Share Participation Programme (SPP)	1 868	–	1 577	1 600	
Long Term Incentive Plan (LTI)					1 300
Target compensation				5 500	5 500
Reserve ¹⁾	–	–	–	900	1 400
Total	6 722	6 600	5 405	6 400	6 900
Total remuneration requested (including reserve)					6 900

¹⁾ The reserve in the year 2018 assumes a target achievement level of 150% of the STB and for the year 2019 a target achievement level of 150% of the STB and of 120% of the Group EBIT.

VALORA 2018 ANNUAL GENERAL MEETING
KEY FINANCIAL DATA

		31.12.2017	31.12.2016	Change
External sales ¹⁾	CHF million	2 561.6	2 573.6	-0.5 %
Net revenues ¹⁾	CHF million	2 075.3	2 095.0	-0.9 %
EBITDA ¹⁾	CHF million	133.7	127.6	+4.8 %
in % of net revenues	%	6.4	6.1	
Operating profit (EBIT) ¹⁾	CHF million	79.0	72.3	+9.3 %
in % of net revenues	%	3.8	3.4	
Net profit Group ¹⁾	CHF million	57.1	62.5	-8.6 %
in % of net revenues	%	2.8	3.0	
in % of equity	%	7.7	11.8	
Net cash provided by (used in) ¹⁾				
Operating activities	CHF million	114.2	113.0	+1.1 %
Ordinary investment activities	CHF million	-32.1	-40.4	-20.4 %
Free cash flow ¹⁾	CHF million	82.0	72.6	+13.0 %
Earnings per share ¹⁾	CHF	15.26	17.27	-11.6 %
Free cash flow per share ¹⁾	CHF	23.93	21.74	+10.1 %
Number of outlets operated by Valora		1 882	1 872	+0.5 %
of which agencies		1 031	1 014	+1.7 %
Number of franchise outlets		880	543	+62.1 %
Net revenues per outlet	CHF 000	1 103	1 119	-1.5 %
Share price	CHF	325.00	289.25	+12.4 %
Market capitalisation	CHF million	1 277	972	+31.4 %
Cash and cash equivalents	CHF million	152.5	159.4	-4.3 %
Interest-bearing debt	CHF million	398.6	361.9	+10.2 %
Equity	CHF million	737.9	530.9	+39.0 %
Total liabilities and equity	CHF million	1 408.9	1 167.2	+20.7 %
Number of employees ¹⁾	FTE	4 265	4 228	+0.9 %
Net revenues per employee ¹⁾	CHF 000	487	495	-1.8 %

All totals and percentages are based on unrounded figures from the consolidated financial statements.

¹⁾ From continuing operations

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