HIAG

HIAG Immobilien Holding AG

(a joint stock corporation incorporated in Switzerland under Swiss law)

CHF 160,000,000 0.750 percent Bonds due 2028

This prospectus (the **Prospectus**) relates to (i) the offering of CHF 160,000,000 in aggregate principal amount of 0.750 percent Bonds due 2028 (the **Bonds**, and each a **Bond**) to be issued by HIAG Immobilien Holding AG (the **Issuer**) and (ii) the admission to trading and listing of the Bonds on the SIX Swiss Exchange Ltd (**SIX Swiss Exchange**). For the purpose of this Prospectus, **Issuer** or **Company** refer to HIAG Immobilien Holding AG and **HIAG Immobilien** or the **Group** refer to HIAG Immobilien Holding AG together with its consolidated subsidiaries. Capitalized terms used but not defined below have the meanings assigned to such terms in the "*Terms of the Bonds*" beginning on page 25 (the **Terms of the Bonds**) or elsewhere in this Prospectus. The Bonds will not be rated.

Issuer:	HIAG Immobilien Holding AG, Aeschenplatz 7, 4052 Basel, Switzerland Legal Entity Identifier (LEI): 549300TU2XXQ3TU4KJ11
Issue Date:	1 July 2021 (the **Issue Date**)
Interest Rate and Interest Payment Dates:	0.750 percent per annum, payable annually in arrear on 30 June of each year (each, an **Interest Payment Date**), commencing on 30 June 2022. There will be a short first interest period from (but excluding) the Issue Date to (and including) the first Interest Payment Date.
Issue Price:	Subject to certain conditions, the Managers have agreed to purchase the Bonds from the Issuer at the price of 100.222 percent (before commissions and expenses) of the aggregate principal amount of the Bonds.
Placement Price:	According to demand.
Maturity Date:	30 June 2028 (the **Maturity Date**)
Final Redemption Amount:	100 percent of the aggregate principal amount of the Bonds.
Reopening:	The Issuer reserves the right to reopen this issue of Bonds at any time before the maturity of the Bonds in accordance with the Terms of the Bonds.
Key Covenants:	Change of control clause, *pari passu* clause, negative pledge clause and cross default clause, each as further described in the Terms of the Bonds.
Status:	The Bonds will constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* amongst themselves and with all other unsecured and unsubordinated obligations of the Issuer, as further described in the Terms of the Bonds.
Swiss Withholding Tax:	All payments of interest on the Bonds by the Issuer will be subject to Swiss withholding tax, which as of the date hereof is levied at a rate of 35 percent.
Form of the Bonds:	The Bonds will be issued as uncertificated securities (*Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations. No physical delivery of individually certificated Bonds shall be made, as further described in the Terms of the Bonds.
Denomination:	CHF 5,000 and integral multiples of CHF 5,000 in excess thereof.
Admission to Trading and Listing:	It is expected that the Bonds will be provisionally admitted to trading on the SIX Swiss Exchange as of 29 June 2021. Application will be made for definitive admission to trading and listing of the Bonds on the SIX Swiss Exchange as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last trading day for the Bonds on the SIX Swiss Exchange is expected to be the day falling two SIX Swiss Exchange trading days prior to the Maturity Date.
Selling Restrictions:	For restrictions on the offering, sale and delivery of the Bonds, see "*Subscription and Sale—Selling Restrictions*" beginning on page 33 of this Prospectus.
Governing Law and Place of Jurisdiction:	The Bonds will be exclusively governed by, and construed in accordance with, the substantive laws of Switzerland, i.e. without regard to the principles of conflict of laws. The exclusive place of jurisdiction for any dispute, claim or controversy arising under, out of or in connection with or related to the Bonds will be the City of Zurich.

Credit Suisse **Raiffeisen Schweiz**

(the **Joint Lead Managers**)

Basellandschaftliche Kantonalbank
(the **Co-Manager**)

Swiss Security Number: 111201158 ISIN: CH1112011585 Common Code: 234970593

Prospectus dated 29 June 2021

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act (the **Review Body**) on ________________.

Important Information

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Bonds is correct as of any time subsequent the date indicated in the document containing the same.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Bonds and for the admission to trading and listing of the Bonds on the SIX Swiss Exchange and the Issuer has not authorized the use of this Prospectus for any other purpose.

This Prospectus is to be read in conjunction with all documents incorporated by reference herein. This Prospectus shall be read and construed on the basis that such documents are incorporated into and form part of this Prospectus. See "*About this Prospectus—Documents Incorporated by Reference*" on page 10 of this Prospectus.

An investment in the Bonds will involve certain risks, including the risk that Holders will lose their entire investment in the Bonds. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Bonds, see "*Material Risks*" beginning on page 12 of this Prospectus.

No person is or has been authorized by the Issuer or the Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or the Managers.

Neither this Prospectus nor any other information supplied in connection with the Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the Bonds should purchase any Bonds. Each potential investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, or the Managers to any person to subscribe for or to purchase any Bonds.

The Managers

The Managers have not verified the information contained herein. Additionally, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference herein or any other information provided by the Issuer in connection with the Bonds.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer or the issuance, offering and admission to trading or listing of the Bonds. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) that they might otherwise have in respect of this Prospectus or any such statement.

The Managers and certain of their respective affiliates have provided, and/or may provide in the future, investment banking, commercial banking, advisory and other financial services for the Issuer and its affiliates in the ordinary course of business for which they have received and will receive customary fees and reimbursement of expenses. Furthermore, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may, at any time, hold long or short positions in such investments and securities. Such investment and securities activities may involve the securities and/or instruments of the Issuer. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold (for their own account or for the account of their customers), or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Investors

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Bonds may be restricted by law in certain jurisdictions. Neither the Issuer nor the Managers represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers that is intended to permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required other than Switzerland. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the offer, sale and delivery of the Bonds and the distribution of this Prospectus in the United States of America (the **United States** or the **U.S.**) and to United States persons, the European Economic Area (the **EEA**), the United Kingdom (the **UK**) and the Republic of Italy. See "*Subscription and Sale—Selling Restrictions*" beginning on page 33 of this Prospectus.

United States

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the Securities Act (**Regulation S**)).

Notice to Potential Investors in the EEA

This Prospectus is an advertisement and not a prospectus for the purposes of Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**).

Notice to Potential Investors in the UK

This Prospectus is an advertisement and not a prospectus for the purposes of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Switzerland – No Basic Information Document (*Basisinformationsblatt*)

In accordance with article 59(1) of the Swiss Financial Services Act of 15 June 2018 (the **FinSA**) and article 86(3) of the Swiss Financial Services Ordinance of 6 November 2019, no Basic Information Document is required for, and no Basic Information Document has been or will be prepared for, the offering of the Bonds.

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Summary

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole and not only this summary, including any documents incorporated by reference into this Prospectus. Potential investors in the Bonds should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Prospectus.

A. Information on the Issuer

Issuer:	HIAG Immobilien Holding AG. The Issuer is a company limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland, with its registered office at Aeschenplatz 7, 4052 Basel, Switzerland. For more information on the Issuer and its business, see "*The Issuer*" beginning on page 35 of this Prospectus.
Issuer's Legal Entity Identifier (LEI):	549300TU2XXQ3TU4KJ11
Issuer's auditor:	Ernst & Young AG, Aeschengraben 7, 4051 Basel, Switzerland.

B. Information on the Terms of the Bonds

Bonds:	CHF 160,000,000 0.750 percent Bonds due 2028.
Issue Date:	1 July 2021
Maturity Date:	30 June 2028
Final Redemption Amount:	100 percent of the aggregate principal amount of the Bonds.
Interest Rate and Interest Payment Dates:	0.750 percent per annum, payable annually in arrear on 30 June of each year, commencing on 30 June 2022. There will be a short first interest period from (but excluding) the Issue Date to (and including) the first Interest Payment Date.
Denomination:	CHF 5,000 and integral multiples of CHF 5,000 in excess thereof.
Status:	The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* amongst themselves and with all other unsecured and unsubordinated obligations of the Issuer, as further described in the Terms of the Bonds.
Form of the Bonds:	The Bonds will be issued as uncertificated securities (*Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations. No physical delivery of individually certificated Bonds shall be made, as further described in the Terms of the Bonds.
Reopening:	The Issuer reserves the right to reopen this issue of Bonds at any time before the maturity of the Bonds in accordance with the Terms of the Bonds.
Key Covenants:	Change of control clause, *pari passu* clause, negative pledge clause and cross default clause, each as further described in the Terms of the Bonds.

Swiss Withholding Tax:	All payments of interest on the Bonds by the Issuer will be subject to Swiss withholding tax, which as of the date hereof is levied at a rate of 35 percent.
Paying Agent:	Credit Suisse AG
Governing Law and Jurisdiction:	The Bonds will be exclusively governed by, and construed in accordance with, the substantive laws of Switzerland, i.e. without regard to the principles of conflict of laws. The exclusive place of jurisdiction for any dispute, claim or controversy arising under, out of or in connection with or related to the Bonds will be the City of Zurich.

C. Information on the Offering

Offering:	The offering described herein consists of a public offering of Bonds in Switzerland in each case in compliance with applicable laws and regulations.	
Issue Price:	Subject to certain conditions, the Managers have agreed to purchase the Bonds from the Issuer at the price of 100.222 percent (before commissions and expenses) of the aggregate principal amount of the Bonds.	
Placement Price:	According to demand.	
Delivery:	Delivery *versus* payment (DVP).	
Clearing and Settlement:	SIX SIS	
Ratings:	The Bonds will not be rated.	
Material Risks:	An investment in Bonds involves certain risks. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Bonds, see "*Material Risks*" beginning on page 12 of this Prospectus.	
Net Proceeds / Use of Proceeds:	The net proceeds of the offering of the Bonds, amounting to CHF 159,814,000, will be used to refinance the expiring bond, financing of projects under construction or planned new projects, refurbishment of existing properties, reduction of debt financing and opportunistic acquisition of further properties.	
Security Numbers:	Swiss Security Number:	111201158
	ISIN (International Securities Identification Number):	CH1112011585
	Common Code:	234970593
Selling Restrictions:	The Bonds are subject to restrictions on their offering, sale and delivery both generally and specifically in the United States and to U.S. persons, the EEA, the UK and the Republic of Italy, in each case as described under "*Subscription and Sale—Selling Restrictions*" beginning on page 33 of this Prospectus.	
Basic Information Document (*Basisinformationsblatt*):	In accordance with article 59(1) of the FinSA and article 86(3) of the Swiss Financial Services Ordinance of 6 November 2019, no Basic Information Document is required for, and no Basic Information Document has been or will be prepared for, the offering of the Bonds.	
The Managers:	Credit Suisse AG / Raiffeisen Schweiz Genossenschaft / Basellandschaftliche Kantonalbank	

D. Information on the Admission to Trading and Listing

Swiss Trading Venue:	SIX Swiss Exchange.
Admission to Trading and Listing:	It is expected that the Bonds will be provisionally admitted to trading on the SIX Swiss Exchange as of 29 June 2021. Application will be made for definitive admission to trading and listing of the Bonds on the SIX Swiss Exchange as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last trading day for the Bonds on the SIX Swiss Exchange is expected to be the day falling two SIX Swiss Exchange trading days prior to the Maturity Date.

E. Information on Prospectus Approval

Review Body:	SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland
Prospectus Date and Approval:	This Prospectus is dated 29 June 2021, and has been approved by the Review Body on the date specified on the cover page of this Prospectus. This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body.

General Information

Authorisation

Pursuant to a resolution of the Board of Directors of the Issuer dated 26 May 2021, and a Bond Purchase Agreement dated 29 June 2021, between the Issuer, on the one hand, and the Joint Lead Managers and the Co-Manager (together, the **Managers**) on the other hand, the Issuer has decided to issue, and the Managers have agreed to subscribe for, the Bonds at an issue price of 100.222% of their aggregate principal amount (before commissions and expenses).

Representative

In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed Credit Suisse AG to file the application with SIX Exchange Regulation Ltd in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Bonds on the SIX Swiss Exchange.

Clearing Systems and Security Numbers

The Bonds have been accepted for clearance through SIX SIS, with further clearing and settlement through Euroclear and Clearstream, Luxembourg.

Court, Arbitral and Administrative Proceedings

As of the date of this Prospectus, the Group is not involved in any material litigation, arbitration or administrative proceedings, the impact and result of which could, individually or in the aggregate, materially affect its financial condition, results of operations or business.

No Material Change

Other than disclosed in this Prospectus, there have been no material changes in the assets and liabilities, financial position and profits and losses of the Group since 31 December 2020, being the date of the latest audited consolidated financial statements of the Group.

Net Proceeds and Use of Proceeds

The net proceeds of the offering of the Bonds, amounting to CHF 159,814,000, will be used to refinance the expiring bond, financing of projects under construction or planned new projects, refurbishment of existing properties, reduction of debt financing and opportunistic acquisition of further properties.

Responsibility Statement

The Issuer accepts responsibility for the completeness and accuracy of this Prospectus and confirms that, to the best of its knowledge, the information contained in this Prospectus is correct and that no material facts or circumstances have been omitted.

HIAG Immobilien Holding AG

Documents Incorporated by Reference

The following documents are incorporated by reference into, and are an important part of, this Prospectus:

(1) the Issuer's annual report for the year ended 31 December 2020 (**Annual Report 2020**), containing the annual financial statements of the Issuer and the consolidated financial statements of the Group (including the audit reports issued in respect thereof); and

(2) the Articles of Association of the Issuer.

Any statement in a document incorporated by reference into this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequent document incorporated by reference herein modifies or supersedes that statement.

Availability of Documents

Copies of this Prospectus (including the documents incorporated by reference herein) can be obtained in electronic or printed form, free of charge, during normal business hours from the offices of Credit Suisse AG at Uetlibergstrasse 231, CH-8048 Zurich, Switzerland, or by telephone (+41 44 333 28 86) or e-mail to newissues.fixedincome@credit-suisse.com.

Forward-looking Statements

This Prospectus contains forward-looking statements regarding future financial performance and results and other statements that are not historical facts. Words such as “believes”, “aims”, “estimates”, “may”, “anticipates”, “projects”, “expects”, “intends”, “plans”, “should”, “continue”, “targets” and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Important factors that could cause the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include among others: the ability of the Group to implement its business strategies, financial condition and liquidity of the Group, changes in markets, currency fluctuations and other factors referred to in this Prospectus.

Given these uncertainties, prospective investors are cautioned not to rely on such forward-looking statements. The Company cannot assure that opinions and forecasts contained in this Prospectus will prove to be correct. These forward-looking statements speak only as of the date of this Prospectus. The Company expressly disclaims any obligation or undertaking to publicly release any updates of or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Except as required by the FinSA or other applicable securities laws, neither the Issuer, nor the Managers undertake an obligation to update any prospects or other forward-looking statements contained or incorporated by reference herein after the date hereof, even if new information, future events or other circumstances have made such statements incorrect or misleading.

Material Risks

An investment in the Bonds involves risks, including the risk of loss of a Holder's entire investment in the Bonds. Investors should reach their own investment decision with regard to the Bonds and only after consultation with their own financial and legal advisers about risks associated with an investment in the Bonds, and the suitability of investing in the Bonds in light of their particular circumstances.

The Issuer believes that the factors described below represent material risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds or otherwise fulfil its obligations in connection with the Bonds may occur for other reasons that may not be considered material risks by the Issuer based on information currently available to the Issuer or that the Issuer may not currently anticipate. In addition, certain factors that are material for the purpose of assessing the market risks associated with the Bonds are described below. Prospective investors should give careful consideration to the following risks in evaluating the merits and suitability of an investment of the Bonds. The information is not intended to be an exhaustive list of all potential risks associated with an investment in the Bonds. Prospectus investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making an investment decision.

The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences.

Risks relating to the Issuer and its Business

Risks relating to the real estate industry

The Group may be adversely affected by economic and other developments in the Swiss real estate market

Real estate markets tend to fluctuate, with real estate prices and rents reflecting actual or expected economic and other developments affecting the economy in general and/or the particular markets in which the properties of the Group (the **Group's Property Portfolio**) are located. Factors such as changes in industrial activity and taxation policies, levels of economic growth, unemployment, consumer confidence and other factors, including the willingness and ability of investors to invest or stay invested in the real estate sector, all directly or indirectly affect the local levels of supply and demand for properties.

Changes in supply and demand may cause fluctuations in the market prices of the Properties, in rent levels and in occupancy rate levels. In particular, an oversupply of real estate in national or regional markets in Switzerland can result in declining rental revenues and market prices for properties. Such fluctuations can have a significant influence on the revenue or profit generated from such properties and on the value of the underlying property in general.

The Group's Property Portfolio comprises currently mainly commercial and residential properties located in the German and French speaking areas of Switzerland. General economic or other developments may affect commercial and residential properties in different ways, to a different extent and not necessarily at the same time. Many of the factors that could result in an adverse development are beyond the Group's control.

Declining revenues or profit, declining revenue or profit potential or a decline in the fair value of properties resulting from a fall in demand, an anticipated fall in demand or any of the other factors mentioned above in the markets in which the Group operates could have material adverse effects on the valuation of the Group's Property Portfolio and on the Group's business, assets and liabilities, financial condition and results of operations.

The Group may be adversely affected by changes in interest rates or inflation

The value of the Group's Properties may be materially adversely affected by actual or expected changes in interest rates, in particular mortgage interest rates, and/or inflation. Interest rate and inflation levels in Switzerland are currently at historically low levels. It is possible that interest rates for real estate financing in Switzerland and elsewhere will increase significantly in the future. Any such development could negatively affect the capacity of investors to finance investments in real estate. This could in turn depress demand for and market prices of properties generally. This could have material adverse effects on the valuation of the Group's Property Portfolio. Moreover, inflation may erode the real value of rental income, in particular from long-term rental agreements that are not fully or effectively indexed to inflation, and, to the extent the costs of the Group are exposed to inflationary pressure, the profit generated from such properties, which all may have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group utilises debt financing secured by its properties. The Group engages in fixed rate mortgage loans as well as variable interest rate loans depending on its assessment of the then prevailing or expected interest rate environment and the strategy of the property. To the extent variable interest rates were not hedged in the future or fixed interest rate mortgages cannot be renewed at similar terms upon maturity, the Group's interest expenses could increase if interest rate levels were to rise. For this or other reasons, the Group's financing costs could be higher than anticipated.

The Group's Property Portfolio may be adversely affected by regional economic and other factors

The Group's Properties are concentrated in the greater areas of Baden/Brugg, Zurich/Zug and Geneva. As part of its strategy, the Group intends to continue to focus its Property Portfolio on commercial and residential properties in Switzerland in the said regions. Accordingly, the Group is not only dependent on economic market trends in Switzerland in general, but, in particular, also on local economic and other developments in those regional markets, which may include cross-border capital and human flows. The general conditions in and development of the Swiss national and regional markets are important to the Group's success. The main factors affecting performance and valuation of the Group's Properties also flow from the economic environment of these national and regional real estate markets. Performance and valuation of properties are dependent on various factors, including demand, tenant creditworthiness, purchasing power of the population, attractiveness of the particular location, the labour market situation, infrastructure, as well as the supply and demand for properties in the respective locations and markets, which may differ from general macroeconomic trends.

Because the national and regional markets do not develop uniformly, the Group's dependence on only a limited number of regional markets can put the Group at a disadvantage as compared with competitors that have a more internationally diversified property portfolio. A downturn or decline in the attractiveness of one or several of the markets in which the Group's Properties are located can have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.

The Group is exposed to significant competition in the markets in which it operates, both with respect to the acquisition, sale and the letting of properties, which may intensify in the future

The Group's business model depends on its continuing ability both to acquire and redevelop properties (including property portfolios) and to let them to tenants or to sell them to buyers under conditions that are beneficial for the Group. With respect to both the acquisition/redevelopment and sale as well as the letting of properties, the Group is exposed to competition from other listed and non-listed real estate companies, domestic and international institutional investors, such as pension funds, private equity companies and insurance companies, and from wealthy private investors and individual owners of properties in the Swiss real estate market. The strategy of industrial and financial groups as well as public entities to divest their real estate holdings and to focus on their core business operations has increased the availability of Swiss real estate thus attracting new investors to the market. Entry barriers for competitors are generally low in real estate markets, which means the Group may be exposed to intense competition. There are not only regional investors with in-depth knowledge of the local markets in Switzerland, but also national and international institutional investors, such as listed and unlisted real estate and construction companies, open- and closed-end real estate funds, insurance companies, pension funds, private equity companies and other investors competing in the market. Compared to the Group, institutional investors and international investors in particular often have considerably greater resources to finance their acquisitions and may be willing to pay higher prices for strategic investments, due to fewer constraints resulting from their investment regulations or on the basis of an advantageous asset-liability structure. The high demand for properties in Switzerland, in particular at central locations, may result in excessive purchase prices for properties, and thus in declining returns on investments.

In addition, as a result of strong competition, the Group may not be willing or able to place the highest bid to acquire properties, or the competitive bidding environment may force the Group to place bids for properties that are higher than the Group had originally planned to pay. The Group competes with other real estate companies, developers and individual owners of commercial properties to attract and retain suitable tenants at favourable conditions for the Group. In a competitive environment with respect to the supply of lettable space, the Group may be forced to accept rents or sale prices that are lower than originally planned in order to attract potential tenants, to retain its current tenants or to attract buyers. If, in the future, the Group is no longer able to purchase properties, to redevelop and sell properties or to let space on terms and conditions that are economically beneficial for the Group, this inability could have a material adverse effect on the Group's strategy, business, assets and liabilities, financial condition and results of operations.

Changes in general economic and business conditions could have a material adverse effect on the Group's business; in particular, the unavailability of debt financing or refinancing on reasonable terms could impair the Group's ability to implement its business plan

The Group utilises debt financing in particular for the acquisition and redevelopment of its properties. The Investment Regulations of the Issuer generally allow that interest-bearing debts may account for up to 50% of the total Group Property Portfolio's market value. The Group intends to finance future purchases and developments of properties to a certain extent with bank loans and other debt instruments. As a result, the Group depends on the ability and willingness of financial institutions to extend loans to the Group on reasonable terms, including terms regarding collateral requirements. A deterioration of the financial markets could result in the Group temporarily lacking the financial resources to make planned real estate investments or adversely impact the credit of its tenants.

This could adversely impact the Group's ability to borrow from banks or in the capital markets and/or may significantly increase the costs of such borrowings. The attractiveness of different financing options depends on a variety of variable factors, many of which are outside the Group's control. Such factors include interest rates, the amount of financing required, general tax conditions, the assessment by financial institutions of the value and the recoverability of the properties to be used as collateral for loans, or their evaluation of the general economic environment. In particular, a significant increase in interest rates could result in a shortage of credit available to finance property purchases and development projects. If the Group were to become unable to secure new debt financing, or to secure such debt financing on favourable terms, it may not be able to make new investments. In addition, if the Group were unable to maintain or replace existing financing on equally favourable terms, it may be forced to sell properties on unfavourable terms in order to meet its payment obligations, even though the Group's strategy were to keep such properties or even though the reported fair value of such properties were above the market price at which a sale could be concluded at the time. This could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.

COVID-19 pandemic leads to valuation and transaction uncertainty and increases market and collection risk

In connection with the fight against the COVID 19 pandemic, drastic measures have been implemented in many countries, including Switzerland. The consequences of the COVID 19 pandemic and the measures to fight it for the economy as a whole and the real estate market are still are not yet foreseeable. The consequences for the market for properties are difficult to quantify as of the date of this Prospectus. The future development of the COVID-19 Pandemic is still uncertain and the medium and long-term consequences cannot yet be assessed. Accordingly, the valuation and transaction uncertainty in the real estate market is currently heightened.

The COVID-19 pandemic has a significant negative impact on global economic performance and dynamics. It is expected that economic development will also be negatively impacted in the medium and possibly long term due to the COVID 19 pandemic. The effects of reduced economic performance may include, among others, the inability of commercial tenants to pay, thereby increasing the Issuer's collection risk. Limited tenant defaults to date are no assurance that significant defaults will not occur in the future, in particular as soon as the state support measures are discontinued. Furthermore, a decrease in business activity also means a reduced demand for retail space and a reduced workforce leads to a reduction in demand for industrial, commercial and office space. In addition, the COVID-19 pandemic may lead to temporary price increases and delivery delays of construction materials. This could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.

Risks relating to the business operations of the Group

The valuations of the Group's properties are subjective and may prove to be inaccurate

Properties are inherently difficult to value. Valuations are subjective and made on the basis of assumptions about the future which may not necessarily materialise. In addition, in Switzerland, the amount of available data on current real estate sales prices and the development of real estate prices is rather limited in comparison to other European countries which can make the valuation of Properties more difficult. Additionally, the inspections of the Group's Properties and other work undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. In particular, decontamination costs are not quantified in the valuation of specific properties. A valuation carries the risk that in case of a sale the determined value of a property cannot be realized. When valuing real estate in connection with a sale, such valuation always assumes an appropriate time span to market the property in question. In case of a forced sale of the property within a very short time, it is possible that the estimated value may not be achieved, resulting in corresponding negative consequences for the Group. There can be no assurance that the Group's investment in its properties will be realized at the property values recorded in its financial statements.

The Group applies fair value accounting for its properties. The Group's external appraiser, Wüest Partner, values the properties of the Group using the discounted cash flow method for the yielding properties and in addition the residual value method for the development properties on 31 December and 30 June each year. It cannot be excluded that a valuation by another valuation expert or a subsequent valuation of these properties at a different point in time would lead to a higher or lower valuation due to different or changing assumptions and/or changes in the prevailing market conditions. The Group assesses the valuation of its properties to ensure that the carrying amount of each property reflects the market conditions at the relevant financial reporting date. The value of the properties in the Group's Property Portfolio may fluctuate from time to time due to changes in market and other conditions, resulting in an adjustment to the carrying amount in the Group's financial statements. A lower valuation could lead to revaluation losses, which could have an adverse effect on the Group's net asset value and profitability. It may also affect the Group's ability to obtain more borrowings, or result in the Group having to reduce debt, if the financial covenants in the Group's financing and other agreements require the Group to maintain a level of debt relative to asset value, and such covenants are triggered as a result of adjustments made to the fair value of the Group's Properties. Any of the foregoing could have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.

The Group may incur risks in connection with new redevelopment, construction and renovation projects

Pursuant to its Investment Regulations, the Group can realize on its own property redevelopment projects, including renovations of existing buildings. Such redevelopment projects entail significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, adverse meteorological conditions and unforeseen increases in cost, any of which could give rise to delays or cost overruns. Difficulties in obtaining any requisite licenses, permits, allocations or authorizations from authorities could also increase the cost, or delay or prevent the construction, renovation, or opening of, such redevelopment properties. The realization of redevelopment projects is connected to all risks inherent to construction planning and building processes. For example, due to an incorrect estimate regarding the duration and scope of a project, the costs of a project may be higher than originally determined. Using the wrong construction method or technology can lead to considerable delays, increased material costs and accidents on the construction site which in turn may have an adverse effect on the reputation of the Group. All of these factors may have a material adverse impact on the business, assets and liabilities, financial condition and results of operations of the Group.

Until completion of the projects, the properties may require considerable funds and it may be some time before these property projects realize any profit. Even if it is assumed that the ongoing projects will be completed within the set timeframe, delays cannot be excluded. Any such delays could have an adverse effect on the reputation and business, assets and liabilities, financial condition and results of operations of the Group.

No guarantee can be given that the occupancy rate will be sufficient to realize the budgeted rental income, and there is a possibility that after completion there will be a large number of vacancies. In particular, a change in the attractiveness of a location during the time lapsing from the initiation of a project to its completion can result in the planned profit not being generated. Such events can have a material adverse effect on the business, financial condition and operating results of the Group.

After completion of the redevelopment projects, there is no assurance of maintenance and operating costs of the redeveloped, rebuilt or renovated properties corresponding to the budgeted costs, thereby resulting in corresponding adverse impact on the business, assets and liabilities, financial condition and results of operations of the Group.

The Group is dependent upon contractors and third party service providers for the provision of various construction services

The Group engages contractors to provide construction services in respect of its property redevelopment business. There is no assurance that the services rendered by the contractors or third party service providers engaged by the Group will be satisfactory or match the level of quality required by the Group. Moreover, the Group's contractors or service providers may experience financial difficulties, which in the worst case may lead to the insolvency of the said contractors or service providers. Further, other difficulties may arise such as procuring labour that may affect their ability to carry out the work for which they were contracted. Such financial and other difficulties are likely to delay the completion of the Group's property development projects. Any interruption or termination in the services or deterioration in the performance of the Group's contractors or third party service providers may cause serious disruptions to the business, service levels and reputation of the Group, and may also result in litigation and damages claims made by the Group and against the Group. In addition, the Group as owner of the properties is subject to the risk that the contractors or service providers have, under certain legal requirements, the right to establish a statutory charge on a property for their claims based on supplied labour, materials, construction or other works, demolition or scaffolding work, securing the construction pit or similar provided in connection with the said property (Bauhandwerkerpfandrecht). All these factors may have a material adverse effect on the business, assets and liabilities, financial condition and operating results of the Group.

If the Group's arrangements with any of its contractors or third party service providers are terminated, the Group may have to source for alternative contractors and/or service providers and there is no assurance that these engagements will be on terms no less favourable to the Group as compared to the Group's existing arrangements.

The Group may err in its assessment of a Property's appeal to suitable tenants or buyers of condominiums and may not realize planned rental/sales revenues as a result

The Group estimates the expected rental income respectively sales revenues from the yielding and development properties that it acquires to a large extent based on their location and actual or intended use. If the Group misjudges the current or future attractiveness of a property or its location, or the demand for it, it may be difficult to find suitable tenants (including anchor tenants) that are willing to rent at the rent levels, respectively buyers that are willing to buy at the sale prices, as anticipated by the Group. This risk is particularly marked with regard to redevelopment projects to the extent the Group does not succeed in pre-letting or pre-selling the projects prior to completion or is forced to reduce the price of condominiums to be sold. If the Group is required to reduce the rent respectively sales price of a property to attract suitable tenants or buyers, or if the property remains wholly or partially vacant for an extended period of time, the fair value of the property could significantly decline and the Group's revenues and results of operations could be adversely affected. If rental income or sales revenues failed to materialize as planned, due to, for example, changes in the tenant structure, lack of demand or oversupply in the market for properties in a particular location or of a particular use, this could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to risks arising from the illiquidity of its Property Portfolio

The Swiss real estate market for larger properties is characterized by limited liquidity both in the acquisition and the sale of properties. Such illiquidity may affect the Group's ability to vary the size and mix of its Property Portfolio or its ability to liquidate part of its properties in response to changes in economic, real estate market or other conditions. If the Group were required to liquidate parts of its Property Portfolio on short notice for any reason, including raising cash to support its operations, there is no guarantee that it would be able to sell any portion of its Property Portfolio on favorable terms or at all. In the case of an accelerated sale, it is likely that there would be a significant shortfall between the fair value of a property and the price that the Group would be able to achieve upon the sale of such property. Any of the foregoing could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to rental risks and may not be able to find and retain suitable and solvent tenants on beneficial terms or at all; the Group is also exposed to credit risks with respect to its tenants

The Group's business depends to a large extent on its ability to generate sufficient rental income, which can be influenced by several factors, including the ability to renew existing rental agreements at similar terms, the solvency of current tenants and the attractiveness of the properties to tenants that are willing to enter into rental agreements on terms favorable to the Group.

The Group's rental income would be adversely affected if one or more of its tenants terminated or did not renew their existing rental agreements. There is no certainty that expiring agreements can be renewed at the same conditions or at all. Furthermore, the Group, on the basis of statutory or contractual provisions, may be forced to compensate the tenant for rebuilding costs upon termination of the rental agreement. The Issuer may experience difficulties in letting larger properties that become vacant. In particular, possible interior features required by potential tenants may make a letting contract even more difficult to reach or subject to investments at the expense of the Group. If tenants cannot be replaced, the Group cannot rule out that parts of its properties remain temporarily or permanently vacant. In case of vacancy, the Group, in addition to the rent loss, must also bear those costs that it, if the property were rented, would normally charge to the tenant in the form of ancillary costs. This could have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.

The Group is also exposed to credit risks with respect to its tenants. The creditworthiness of a tenant may decline for various reasons, including a decline in the tenant's business, entailing a risk that the tenant will become insolvent or otherwise unable to meet its obligations under the rental agreement. If the Group's tenants temporarily or permanently failed to meet their obligations under their existing rental agreements with the Group, the rental income generated from letting the property could be significantly lower than originally estimated, while the Group's operating costs would remain largely fixed or could even increase as a result of other factors. This could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group may incur unexpected or higher-than-expected maintenance costs for Properties or unexpected operating expenses

Rental premises must be maintained in an appropriate condition in order to keep facilities serviceable, to meet the conditions set out in the relevant rental agreements or under applicable planning laws and regulations as well as to generate a continuous long-term revenue stream. The costs of maintaining properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The Group is unable to recover maintenance expenses from its tenants to a great extent, as such expenses are typically borne primarily by the property owner, not the tenant. If the actual costs of maintenance exceed the Group's estimates or if the Group is not able to raise its rents due to legal or market constraints, the Group's profit generated from the related property could be adversely affected. Furthermore, any failure by the Group to undertake necessary maintenance work could entitle tenants to withhold or reduce rental payments or even to terminate an existing rental agreement and could adversely affect the rental income and value of affected properties. In addition, physical damage to the properties resulting from fire or other causes related to design, construction or other latent defects in the properties may lead to additional capital expenditure, special repair or maintenance expenditure requirements, business interruption, or payment of damages or other obligations to third parties. All of these factors could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

Most operating expenses of a property are customarily borne by the tenants. However, a tenant is only obligated to bear the operating expenses that have been allocated to the tenant under the applicable rental agreement as ancillary costs. If certain operating expenses either have inadvertently not been allocated to the tenant in the Group's rental agreements or arise only after the execution of a rental agreement, such as new public dues that are imposed on property owners, the tenant will not be obligated to bear or reimburse such expenses. In addition, the Group may incur unexpected expenses if a court were to hold invalid certain provisions in the Group's rental agreements, such as provisions regarding letting end obligations, the allocation of renovation costs at letting end, the allocation of ancillary costs or the allocation of ancillary costs for common areas. Furthermore, the operating expenses corresponding to lettable space which are not rented cannot usually be allocated to other tenants in the same property or site and consequently are to be borne by the Group. As a consequence, the Group may incur expenses that are higher than expected, which could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group may incur unexpected or higher-than-expected costs or unplanned vacancies due to necessary refurbishment of Properties

Due to the ageing of buildings, technological change, changed market expectations, changes in the legal requirements governing the use of the properties (including labour law) or specific tenant requirements that differ from the requirements of a previous tenant, certain properties of the Group could require refurbishment in the future. After the expiration of the pertinent rental agreements, such premises may require refurbishment in order to meet then-current standards and market expectations. Any refurbishments may require the Group to incur significant expenses and may result in extended vacancies in properties under refurbishment. If the actual costs of, or the time period needed for, refurbishments exceed the Group's estimates, the Group's revenues and profit generated from an affected property could be adversely affected, which could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

Furthermore, the Group may not be able to fully or partially translate refurbishments into higher rental income. If tenants were not willing to pay additional rent following the refurbishment, the expected upside potential in rental income would not materialise, which would have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to risks related to acquisitions of large commercial sites and properties

The Group has acquired, either by share deals or asset deals, a number of large commercial sites and properties (including industrial, post-industrial and mixed-use sites and properties) with potential for redevelopment, and intends, in line with its strategy, to acquire more of such commercial sites and properties.

There can be no guarantee that the due diligence carried out by the Group in connection with the large commercial sites and properties that it has acquired or that it considers acquiring have revealed or will reveal all of the risks associated with such investments or the full extent of those risks. Although the Group has sought or seeks to obtain warranties from the sellers with respect to certain legal and factual issues, these warranties, if at all granted, may not cover all of the risks that may arise following these purchases or may not fully compensate the Group for a diminution in the value of the site or property or other loss. In addition, it may be difficult or impossible to enforce warranties against a seller for various reasons, including the insolvency of the seller or the expiration of such warranties.

Each acquisition project entails uncertainties and risks, including the risk that the acquisition may not be completed after the Group has invested significant amounts of time and money. Only a relatively small percentage of the properties that the Group considers for investment are ultimately purchased by the Group. Consequently, projects that the Group is currently considering as suitable properties for acquisition and redevelopment in accordance with its Investment Regulations may not be executed at all or may not be executed in the scope or for the consideration currently contemplated by the Group.

In the course of an acquisition, a variety of factors must be considered in valuing potential investment opportunities, and there can be no guarantee that any valuation method is reliable. In addition, some of the criteria used in the valuations are subjective in nature and may be assessed differently by different persons. The Group may have relied on a valuation method or valuation criteria that result in an erroneous assessment of the value of the property. In addition, the expert opinions on which any investment decision made by the Group were based may be flawed. Flawed assessments of valuation factors could have led to an inaccurate analysis by the Group in respect of an investment decision. All of the factors described above could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group could fail to carry out real estate transactions on reasonable terms or at all

The success of the Group's business will depend upon its continued ability to make ongoing investments in the yielding and redevelopment properties and to acquire additional large commercial sites and properties (including industrial, post-industrial and mixed-use sites and properties) with a potential for redevelopment on reasonable terms and to realize the value potential of such sites and properties. This will depend on various factors such as the availability of suitable sites and properties, favourable purchase terms, reasonable financing options, demand for rental space, the competitive situation and market timing, but also certain public legal matters such as the issuance of required building permits.

A lack of investment and redevelopment opportunities on reasonable terms could have a material adverse effect on the business, assets and liabilities, financial condition and results of operations of the Group.

The Group is exposed to risks arising from environmental liabilities

The Group's properties as well as large commercial sites and properties (including industrial, post-industrial and mixed-use sites and properties) the Group may contemplate acquiring in the future may contain hazardous materials (e.g. asbestos) or may be contaminated or otherwise affected by environmental risks or liabilities, such as pre-existing pollution and soil contamination. The remediation and disposal of such hazardous substances, other soil and/or groundwater contamination or other environmental liabilities could entail significant costs and expenses. Furthermore, even if the Group may have claims for compensation against the seller of the affected site or property or against the party responsible for pollution or contamination, such compensation may be unrecoverable for reasons such as the insolvency of the seller or third party or the expiration of the applicable statute of limitations.

Moreover, tenants may refuse to pay part or all of the agreed rent until any contamination has been remediated or may extraordinarily terminate their rental agreements or assert damage claims, including in connection with an interruption of their business. More generally, environmental factors can have a direct influence on the value of the property and its profit situation. Environmental factors may have an external or internal source (noise pollution from the outside, pollution through operational activities, non-ionizing radiation, flooding etc.). As owner of the land, the Group can be held liable by third parties for pollution originating from the operation of the properties.

The incurrence of unforeseen costs to remove or dispose of substances or hazardous materials or to remediate environmental contamination or other environmental liabilities associated with the Group's Property Portfolio could materially adversely affect the Group's business, assets and liabilities, financial condition and results of operations.

The Group is subject to reputational risks

The reputation of the Group can be damaged by a number of factors, some of which may be outside its control, for example, locational factors, property defects, the conduct of tenants, contractors, sub-contractors, press speculation, negative press coverage, threatened or actual litigation. There is no assurance that the Group will manage to respond adequately and in time to such threats to its reputation. Damage to its reputation could have a material adverse effect on the business, financial condition and operating results of the Group.

The Group may be insufficiently insured against losses and damage, including cases of force majeure

Insurance policies taken out by the Group, including such against natural disasters, terrorist attacks, operational interruptions and third-party liability, are subject to exclusions and limitations of liability both in amount and with respect to the insured events. The Group's insurance coverage may, therefore, turn out not to be sufficient. Floods, fires, storms and similar natural disasters as well as certain acts of terrorism or other events may cause damages which are not or only partly covered by insurance and may thus lead to significant losses and costs in connection with remediation and repair work that must be borne by the Group. In addition, significant costs could result if tenants terminate their rental agreements or withhold part or all of the agreed rent payments as a consequence of any of the foregoing events. Also, the insured value of real property may be significantly below its fair value. If the Group suffers a loss or incurs a liability against which it is uninsured or insufficiently insured, this could have material adverse effects on its business, assets and liabilities, financial condition and results of operations.

Force majeure events (e.g., natural disaster such as earthquakes or storms, war or terrorist attacks, sabotage, epidemics, pandemics or unforeseeable geological events that cannot be influenced by the Group) can have a negative influence on the business, asset and liabilities, financial condition or results of operations of the Group. As a result of their quality as a landmark or their high affluence, certain properties of the Group may constitute targets for terrorist attacks. In addition, it cannot be excluded that the Group must pay at least in part for the consequences of events involving force majeure for which there may not exist adequate insurance coverage or for which such insurance coverage may only be obtained at unreasonably high costs to the Group.

The Group bears risks in connection with possible acquisitions and investments such as greater indebtedness, higher interest expenses, challenges in the integration of the business and in achieving the anticipated synergies

Business acquisitions and investments could involve considerable risk. In addition to the risks from the investments themselves, economically successful acquisitions tie up management resources that then cannot be deployed elsewhere in the Group. Business acquisitions and investments can lead to greater indebtedness and higher interest expenses. Additionally, the integration of management and employees from the newly acquired company could fail. Anticipated synergies, economies of scale and cost savings might not be realized in whole or in part or might occur only later. This could result in higher administrative and management costs.

The Issuer owns Properties through its subsidiaries and does not directly own any properties

The Issuer owns Properties through its subsidiaries and does not directly own any properties. The yielding and redevelopment properties of the Issuer's subsidiaries are often charged in favor of lenders to such subsidiaries. Accordingly, any proceeds in case of a winding up or liquidation of a Group subsidiary must first be used to cover claims of creditors of such subsidiaries.

The Group is exposed to a number of operational risks

The Group is exposed to various operational risks, such as agreements containing unfavorable or unenforceable terms for the Group or fraudulent behavior of management or employees. Such operational risks may have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the legal and regulatory environment

The Group is dependent on governmental and political developments

The value of the Group's properties, and therefore of the Issuer and its subsidiaries, may be materially adversely affected by political events and/or changes in laws and regulations. In the event that regulations change in respect of the condition or operation of its properties, the Group may be required to incur capital expenditure to comply with new regulations. The Group may be unable to finance required alterations on reasonable terms, which could result in its properties being unsuitable for their current purposes. Changes in law and regulations could also adversely affect the profitability of the tenants of the Group's properties by substantially increasing their operational costs. Increased operational costs may affect the tenants' ability to make rental payments, which, in turn, may have material adverse effects on the Group's business, assets and liabilities, financial conditions and results of operations.

The Group is exposed to restrictions under existing private and public laws, potential claims resulting from encroachment under existing civil law and the risk of changes in applicable laws or regulations

The Group is subject to various restrictions under existing public law, including, but not limited to, public planning regulations and public building restrictions affecting, among other things, the use of the Group's properties and buildings. Changes in construction laws and regulations applicable to new developments, rebuilding and renovations can lead to additional costs (approval procedures, time delays) or influence the value of the property. The amendment of regional planning orders may lead to a change in the qualification of the zone in which the property was originally located (*Nichteinzonung, Um-/ Ab-/ Auszonung*), in turn resulting in a loss in fair value of the properties located in the affected zones. The non-compliance with any of these restrictions or the invalidity of any permit, certificate of protection or any other required consent that the Group obtained as well as the assertion of claims against the Group due to the violation of public planning and building regulations or encroachments could have a material adverse effect on the Group's business, assets and liabilities, financial conditions and results of operations.

In addition, the Group's long-term business planning assumes that the laws and regulations concerning the development, use, letting and taxation of properties will remain generally unchanged. However, changes in economic or political conditions may lead to changes in landlord-tenant legislation, building and construction laws and regulations, environmental laws and regulations, tax laws and other laws affecting the real estate industry or the Group's business. The enactment of stricter laws and regulations governing, for example, the presence of asbestos and other hazardous construction materials in existing structures or the remediation of existing environmental contamination, access for disabled people or other matters could increase the Group's costs of maintaining, refurbishing, owning and letting Properties, which could have a material adverse effect on its business, assets and liabilities, financial condition and results of operations.

The Group is subject to the corporate law of the jurisdiction in which the Issuer and its subsidiaries have their registered offices or in which their main administration is located. Changes in the law may have negative consequences on the Group, the rights of the Issuer as shareholder in its subsidiaries and on the rights of the Issuer's shareholders.

The Group may be affected by restriction on laws and regulations, in particular the Swiss legislation restricting property investments by non-Swiss residents (Lex Koller)

The Federal Act on the Acquisition of Real Estate by Non-Residents dated 16 December 1983, as amended (also referred to as "**Lex Koller**") restricts the acquisition of residential real estate by non-residents of Switzerland. Under the current legislation, the acquisition of commercial real estate is not subject to an official authorization since 1997. Moreover, the acquisition of shares in a listed real estate company is not subject to authorization pursuant to this legislation since 2005. However, should the Issuer become controlled by non-Swiss nationals, the Group may be restricted in acquiring new properties that are subject to the legislation, although it would not be required to divest any existing properties. To ensure compliance with requirements of Swiss federal laws regarding the shareholders, such as the requirements of Lex Koller regarding Swiss control, the Articles of Association empower the Board of Directors to decline the registration of (non-Swiss) persons as shareholders of the Issuer with full voting rights, if and to the extent their registration by the Issuer may prevent it from satisfying the requirements under Swiss federal law regarding the shareholders of the Issuer.

These and other restrictions or other changes in laws, other regulations or administrative practice may hinder or prohibit foreign investors from investing in real estate in Switzerland (especially commercial real estate) or in real estate companies. The implementation or reintroduction of such restrictions may have adverse implications on the demand in the real estate market and, accordingly, may lead to a loss in value of current real estate investments.

The Group is exposed to risks in connection with implementation and application of Art. 5 Federal Act on Spatial Planning (*Mehrwertabgabe*)

According to Art. 5 of the Federal Act on Spatial Planning (*Raumplanungsgesetz*), the cantons are obliged to provide appropriate compensation for significant advantages and disadvantages resulting from planning measures under the Raumplanungsgesetz. This value-added levy is intended to skim off part of the value added to a property as a result of a planning measure and without any action on the part of the property owner, such as in the case of zoning. The implementation and application of value-added compensation (Art. 5 of the RPG) in the cantons and municipalities is still fraught with uncertainty. The interpretation of Art. 5 RPG by the cantons and municipalities can have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to liability risks resulting from damages of third persons due to deficiencies of its properties

Possible defects of the Group's properties may result in damage to life, health or moveable or immoveable assets of third persons. This applies particularly with regard to publicly accessible properties. The Group could be held liable for such damage, against which it may be insufficiently insured. In addition, the reputation of the Group in the real estate market could be adversely affected even if such occurrences were not due to any fault on the part of the Group. Any such event could have a material adverse effect on the Group's business, assets and liabilities, financial condition and results of operations.

The Group is exposed to tax risks

Unfavorable interpretations or changes in tax laws, judicial practice or of any rules established in the tax practice could materially adversely affect the Group's business, assets and liabilities, financial condition and results of operations. Such changes could e.g. relate to the deductibility of interest expenses or depreciation for tax purposes, to the refusal of tax deductible losses or to currently applicable tax exemptions for certain types of income. The changes could relate to the current fiscal year or two prior years if they have not yet been finally assessed for tax purposes. Moreover, such changes can have adverse effects not only on the Group and its properties but also a general negative impact on local business and consequently the real estate market in general.

The Issuer and some of its subsidiaries benefit from rulings with the tax authorities. In case the conditions for such favorable tax rulings are no longer met, this could have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations with respect to the current and/or prior business years and/or future business years.

The Group companies have not been finally assessed for all fiscal years up to the date hereof. The tax authorities may add additional items to the taxable income of the Group companies or disallow tax deductions and allowances with respect to any open assessment so that the tax liabilities of the Group companies may be increased. Tax issues related to the Group cannot always be negotiated with the tax authorities and resolved. A different assessment of the Group companies' tax situation by tax authorities could have material adverse effects on the results of the Group. With respect to real estate located in certain Cantons such as Vaud and Valais, there is the risk that the tax authorities of these Cantons already consider the sale of one Share of the Issuer as an economic transfer of ownership for the properties located in the two Cantons. For natural persons this would mean that a possibly realized tax-free capital gain would be qualified at least in part as a taxable real property gain.

Real estate is valued at fair value in the consolidated financial statements and taxes have been deferred. For the calculation of deferred taxes the Group applies a specific estimated holding period for each real Property. The actual tax rate may be higher if properties were sold at an earlier point in time.

The Group may be involved in legal and other proceedings arising from its operations from time to time

The Group may be involved from time to time in disputes with various parties involved in the development and letting of its properties such as contractors, sub-contractors, suppliers, construction companies, purchasers and tenants. These disputes may lead to legal or other proceedings, and may cause the Group to incur additional costs and experience delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavorable orders, directives or decrees that result in financial losses and delay the construction or completion of its projects and therefore have material adverse effects on the Group's business, assets and liabilities, financial condition and results of operations.

Risks relating to the Bonds

The Issuer is a holding company and will depend on the business of its subsidiaries to satisfy its obligations under the Bonds

The Issuer is a holding company and has no significant assets other than its ownership interests in its subsidiaries. Consequently, the ability of the Issuer under the Bonds is dependent upon the availability of cash flows from its subsidiaries and affiliated companies through dividends, intercompany advances and other payments. The Issuer's direct and indirect subsidiaries are separate and distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit the ability of these subsidiaries to provide the Issuer with funds for the Issuer's payment of its obligations under the Bonds, whether by dividends, distributions, loans or other payments.

The Issuer cannot assure potential investors that the operating results of its subsidiaries at any given time will be sufficient to make dividends, distributions or other payments to it or that any such dividends, distributions or other payments will be adequate to pay its obligations under the Bonds and its other indebtedness when due.

In the event of a bankruptcy, liquidation, reorganization or similar proceeding relating to a subsidiary of the Issuer, the right of Holders to participate in a distribution of the assets of such subsidiary will rank behind such subsidiary's creditors (including trade creditors), except to the extent that the Issuer has direct claims against such subsidiary. In the case of any of the foregoing events, there can be no assurance that there will be sufficient assets to pay amounts due under the Bonds.

An investment in the Bonds involves risks relating to changes in the interest rate environment

The Bonds bear interest at a fixed rate, which means that an investment in the Bonds involves the risk that if market interest rates subsequently increase above such fixed rate of interest, the real return on (and value of) the Bonds will be adversely affected.

The Issuer may, without consent of the Holders, substitute for itself a wholly-owned subsidiary as issuer under the Bonds

Under the Terms of the Bonds, the Issuer may, without the consent of the Holders and subject to certain conditions, substitute for itself any of its direct or indirect wholly-owned subsidiaries as issuer of the Bonds. So long as the conditions described in the terms of the Bonds are satisfied, such subsidiary may be an entity having a different form from the Issuer. In such a case, the rights of Holders may differ from the rights of Holders against the Issuer. As a result, Holders may be required to comply with legal procedures for making a claim or enforcing an action against such subsidiary that differ from the legal procedures required for making a claim or enforcing an action against the Issuer.

In certain instances, Holders may be bound by certain amendments to the Bonds to which they did not consent

The Bonds are subject to statutory provisions of Swiss law allowing for the calling of meetings of Holders to consider matters affecting their interests. These provisions permit defined majorities to bind all Holders of the Bonds, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Pursuant to the relevant statutory provisions of Swiss law as in effect as of the date hereof, (i) the Issuer will be required to provide Holders with at least ten days' notice of any meeting of Holders, (ii) the Issuer will be required to call a meeting of Holders within 20 days if it is requested to do so by Holders holding an aggregate principal amount of Bonds that represents at least one-twentieth of the outstanding aggregate principal amount of the Bonds, and (iii) only Holders or their proxies will be entitled to attend or vote at a meeting of Holders.

In addition, the Holder approval requirements under the relevant statutory provisions of Swiss law as in effect as of the date hereof for amendments to the terms of the Bonds will depend on the type of amendment. Pursuant to article 1170 of the Swiss Code of Obligations, the consent of Holders holding at least two-thirds of the outstanding aggregate principal amount of the Bonds is required for any resolution limiting Holders' rights under the Bonds (such as a moratorium on interest or capital and certain amendments to the interest provisions). In addition, in order to become effective and binding on the non-consenting Holders, any such resolution must be approved by the competent superior cantonal composition court. In the case of resolutions that do not limit Holders' rights under the Bonds, pursuant to article 1181 of the Swiss Code of Obligations, an absolute majority of the votes represented at a meeting of Holders is sufficient to approve any such resolution, unless article 1170 of the Swiss Code of Obligations or the terms of the Bonds provide for more stringent requirements.

An active trading market for the Bonds may not develop

The Bonds will be new securities, which may not be widely distributed, and for which there is currently no active trading market. An active trading market for the Bonds may never develop, or if one does develop, it may not be sustained or it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Although application will be made for the admission to trading and listing of the Bonds on the SIX Swiss Exchange, there can be no assurance that such application will be accepted or that an active trading market in the Bonds will develop. Accordingly, there can be no assurance as to the development or liquidity of any trading market for the Bonds. Illiquidity may have a severely adverse effect on the market value of the Bonds.

The market value of the Bonds may be influenced by unpredictable factors

Many factors, most of which will be beyond the control of the Issuer, will influence the value of the Bonds and the price, if any, at which securities dealers may be willing to purchase or sell the Bonds in the secondary market, including:

(i) the creditworthiness of the Issuer and the Group and, in particular respective results of operations, financial condition and liquidity profile;

(ii) supply and demand for the Bonds, including inventory with any securities dealer; and

(iii) economic, financial, political or regulatory events or judicial decisions that affect the Issuer or the Group or the financial markets generally.

Accordingly, if a Holder sells its Bonds in the secondary market, it may not be able to obtain a price equal to the principal amount of such Bonds or a price equal to the price that it paid for such Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Swiss francs. This presents certain risks relating to currency conversions if the financial activities of an investor in the Bonds are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Swiss francs. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Swiss franc or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify ex-change controls. An appreciation in the value of the Investor's Currency relative to the Swiss franc would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds, and (iii) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors in the Bonds may receive less interest or principal than expected, or no interest or principal.

Terms of the Bonds

The terms and conditions (each a **Condition**, and together the **Terms of the Bonds**) of the CHF 160,000,000 0.750 percent bonds due 2028 issued by the Issuer (each a **Bond** and collectively the **Bonds**), are as follows:

1 Amount, Form, Denomination, Custodianship and Transfer of the Bonds

(a) The initial aggregate principal amount of the Bonds of Swiss francs (**CHF**) 160,000,000 (the **Aggregate Principal Amount**) is issued in denominations of CHF 5,000 and integral multiples thereof.

The Issuer reserves the right to reopen and increase the Aggregate Principal Amount at any time and without prior consultation of or permission of the Holders (as defined below) through the issuance of further bonds which will be fungible with the Bonds (i.e. other than the Issue Date identical in respect of the Terms of the Bonds).

(b) The Bonds are issued as uncertificated securities (*Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations. Such uncertificated securities (*Wertrechte*) will be entered by the Principal Paying Agent into the main register (*Hauptregister*) of SIX SIS as recognized intermediary for such purposes by SIX Swiss Exchange for the entire duration of the Bonds and until their complete redemption.

So long as the Bonds are intermediated securities (*Bucheffekten*), in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.

(c) The records of SIX SIS will determine the number of Bonds held through each participant in SIX SIS. In respect of Bonds held in the form of intermediated securities (*Bucheffekten*), the holders of such Bonds (the **Holders** and, individually, a **Holder**) will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their name.

(d) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated bonds (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated securities (*Wertpapiere*).

2 Interest

The Bonds bear interest from (but excluding) 1 July 2021 (the **Issue Date**) at the rate of 0.750 percent of their Aggregate Principal Amount per annum, payable annually in arrears on 30 June of each year (the **Interest Payment Date**), for the first time on 30 June 2022. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months.

3 Redemption, Purchase and Cancellation

(a) Redemption at Maturity

Unless previously redeemed, the Issuer undertakes to repay all outstanding Bonds at par, without further notice on 30 June 2028 (the **Maturity Date**).

(b) Redemption at the Option of the Issuer

Subject to a period of not less than thirty (30) nor more than sixty (60) days' prior notice to the Principal Paying Agent, the Issuer may redeem the Bonds at any time after the Issue Date and prior to the Maturity Date, in whole, but not in part only, at par plus accrued interest, if any, on the date determined by the Issuer for early redemption, if eighty-five (85) percent or more of the Aggregate Principal Amount have been redeemed or purchased and cancelled at the time of such notice.

(c) Redemption at the Option of the Holders upon **Change of Control**

A A Change of Control occurs when:

(a) an offer to acquire Shares, whether expressed as a public takeover offer, a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where (i) such offer is available to (aa) all holders of Shares, (bb) all holders of Shares other than the offeror and any persons acting in concert with such offeror or (cc) all holders of Shares other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions, and (ii) such offer having become or been declared unconditional in all respects, the Issuer becomes aware that the right to cast more than 50% of all the voting rights (whether exercisable or not) of the Issuer has become unconditionally vested in the offeror and any persons acting in concert with the offeror; or

(b) the Issuer consolidates with or merges into any other company; or

(c) the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, either directly or indirectly, are acquired by one or more other persons.

B Upon a Change of Control:

the Issuer shall forthwith, or, if it is not clear at that point in time whether the Holders are entitled to exercise their redemption rights pursuant to Condition 3 C because the Issuer's "BBB" rating is not yet available, immediately following the receipt of the rating decision of the relevant rating agency or after two months, whatever is earlier, give notice of that fact to the Holders (the **Change of Control Notice**) in accordance with Condition 10. The Change of Control Notice shall:

(a) inform the Holders that a Change of Control has occurred and that each Holder has the right to require redemption of the Bonds pursuant to Condition 3 C;

(b) specify the date (the **Change of Control Redemption Date**), being not more than sixty (60) and not less than thirty (30) days after giving such notice, on which the Bonds may be redeemed pursuant to Condition 3 C; and

(c) provide details concerning the Change of Control.

C Early Redemption at the Option of Holders upon Change of Control

Upon the occurrence of a Change of Control, the Issuer will at the option of a Holder, redeem such Bond at par, together with interest accrued up to, on the Change of Control Redemption Date unless,

(a) in the event of a merger or consolidation of the Issuer, the surviving entity has or receives a rating of at least BBB by Standard & Poor's or the equivalent by Moody's for its senior unsecured long-term debt on a consolidated basis and assumes or keeps, as the case may be, the Issuer's obligations under the Bonds pari passu with its own senior obligations, or

(b) in the event of an offer to acquire Shares, or in the event of a transfer of the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, the acquirer has a rating of at least BBB by Standard & Poor's or the equivalent by Moody's for its senior unsecured long-term debt or receives such a rating on a consolidated basis after giving effect to the acquisition and assumes or guarantees the Issuer's obligations under the Bonds pari passu with its own senior obligations.

It is understood that where no rating exists for the senior unsecured long term debt of the surviving entity, the acquiring entity or the Issuer, as the case may be, or a rating is not received within a period of two months since the occurrence of a Change of Control, respectively, then the Holders shall have a redemption right as described in the first sentence of this Condition 3 C.

To exercise such option, a Holder must present a duly completed redemption notice to the Principal Paying Agent (a **Change of Control Redemption Notice**), together with clearing instructions in a form and with a content satisfactory to the Principal Paying Agent allowing for the transfer of the relevant Bonds to the Principal Paying Agent by not later than fourteen (14) days prior to the Change of Control Redemption Date. No Bond or Change of Control Redemption Notice so deposited may be withdrawn without the consent of the Issuer.

(d) Purchases

The Issuer or any Subsidiary may, either directly or indirectly, at any time purchase Bonds at any price, in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out below.

If purchases are made by public tender, such tender must be available to all Holders alike.

(e) Cancellation

All Bonds which are redeemed or surrendered to the Principal Paying Agent shall immediately be cancelled. All Bonds so cancelled cannot be reissued or resold.

(f) Notice

Where the provisions of this Condition 3 provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Holders as soon as practicable pursuant to Condition 10. Such notices shall be irrevocable.

4 Payments

The amounts required for payments under these Terms of the Bonds will be made available in good time in freely disposable CHF which will be placed at the free disposal of the Principal Paying Agent. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sum in relation thereto. All payments with respect to the Bonds will be made to the Holders in CHF without collection costs.

The receipt by the Principal Paying Agent of the due and punctual payment of the funds in CHF as provided above shall release the Issuer from its payment obligations under the Bonds to the extent of such payments. Upon receipt of funds as provided above, the Principal Paying Agent shall arrange for payment to the Holders through SIX SIS in accordance with standard Swiss market practice.

If the Bonds are not redeemed when due, interest shall continue to accrue until (and including) the day when the Bonds are redeemed.

If, at any time during the life of the Bonds, the Principal Paying Agent shall resign or become incapable of acting as Principal Paying Agent as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Principal Paying Agent may be substituted by a duly licensed major Swiss bank or branch of a major foreign bank in Switzerland chosen by the Issuer. In the event of such replacement of the Principal Paying Agent, all references to the Principal Paying Agent shall be deemed to refer to such replacement.

Notice of such a replacement shall be published in accordance with Condition 10.

5 Statute of Limitations

In accordance with Swiss law, claims for interest under the Bonds shall become time-barred after a period of five (5) years and claims for the repayment or redemption of Bonds after a period of ten (10) years, calculated from their respective due dates.

6 Taxation

All payments in respect of the Bonds are subject to all applicable taxes and deductions, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteue*r) on interest payments, currently levied at a rate of thirty-five (35) percent

7 Status of the Bonds and Negative Pledge

(a) Status

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, rank *pari passu* among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.

(b) Negative Pledge

So long as any of the Bonds remain outstanding, the Issuer will not create any guarantee, mortgage, lien, pledge, charge or other form of encumbrance or security interest, other than a Permitted Security upon the whole or any part of its present or future assets or revenues, to secure any Relevant Debt or to secure any guarantee or indemnity in respect of any Relevant Debt, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds

(i) are secured equally and ratably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or

(ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the Holders' Representative.

8 Events of Default

If any of the following events (each event an **Event of Default**) shall occur, Credit Suisse in its capacity as Holders' representative (the **Holders' Representative**) has the right but not the obligation, on behalf of the Holders, to declare all outstanding Bonds immediately due and repayable at par plus accrued interest:

(a) there is a failure by the Issuer to pay principal or interest on any of the Bonds, if and when due and such failure continues for a period of ten (10) calendar days; or

(b) a failure is made in the performance or observance of any material covenant, condition or provision which is to be performed by the Issuer under the Terms of the Bonds and (except where the Holders' Representative certifies in writing that, in its opinion, such failure is not capable of remedy, when no such notice or continuation as is mentioned below shall be required) such failure continues for a period of twenty (20) calendar days following the service by the Holders' Representative on the Issuer of a notice requiring such failure to be remedied; or

(c) any other present or future indebtedness of the Issuer or a Material Subsidiary for or in respect of monies borrowed (i) is not paid when due (otherwise than, where permitted under the terms of the relevant indenture or agreement, at the option of the relevant debtor) or, as the case may be, within any applicable grace period, or (ii) becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or (iii) any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of such indebtedness given by the Issuer or a Material Subsidiary is not honored when due and called or, as the case may be, within any applicable grace period, provided that no such event shall be taken into account for the purposes of this para. (c) unless such indebtedness, either alone or when aggregated with other indebtedness shall at any time equal or exceed the amount of at least CHF 40,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this para. operates); or

(d) any guarantee, mortgage, lien or other encumbrance, present or future, created or assumed by the Issuer or a Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person but not the serving of a payment order (*Zahlungsbefehl*) provided that the aggregate amount of the relevant indebtedness in respect of which such guarantee, mortgage, lien or other encumbrance was created or permitted to subsist equals or exceeds CHF 40,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this para. operates), and any such steps taken are not abandoned or discontinued within twenty (20) calendar days of being taken; or

(e) The LTV of the Issuer and its Subsidiaries exceeds seventy (70) percent; or

(f) the Issuer or a Material Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of (or a particular type of) the debts of the Issuer or a Material Subsidiary or a liquidator is appointed with respect to the Issuer or a Material Subsidiary; or

(g) the Issuer or a Material Subsidiary alters its legal or commercial structure through bankruptcy, liquidation, disposal of a substantial part of its assets outside the ordinary course of business of the Issuer or the Material Subsidiary (for the purpose of this provision, "substantial" means assets that represent more than ten (10) percent of the consolidated balance sheet total and shall not include the segment Infrastructure as a Service (which includes all the Group subsidiaries directly related to this segment)), change in the objects of the legal entity and/or commercial activities, merger or reorganization (other than internal Group restructurings and reorganizations, provided that such restructurings and reorganizations shall not result in a substantial reduction of the assets of the Issuer, for example by distributions to the ultimate shareholders), in so far as the relevant action, in the Holders' Representative's opinion, has or will have a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, unless the Holders' Representative considers the situation of the Holders as adequately protected based on securities created or other steps taken by the Issuer; or

(h) a dissolution, winding-up, liquidation or merger involving the Issuer as result of which the Issuer is not the surviving legal entity, unless the successor legal entity assumes all the Issuer's liabilities of the Bonds.

The Issuer undertakes to inform the Holders' Representative without delay if any event mentioned under para. (b) through (h) has occurred and to provide the Holders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Holders' Representative has the right but not the obligation to serve a written notice of default (**Default Notice**), such notice having the effect that the Bonds shall become immediately due and payable at par plus accrued interest, if any, on the day the Default Notice is given.

Upon the occurrence of an Event of Default, the Holders' Representative may invite the Holders in accordance with art. 1157 seq. of the Swiss Code of Obligations to a Holders' meeting for the taking of a resolution on the serving of a Default Notice, provided the Holders' Representative has not served such Default Notice itself. The legally valid resolution of the Holders' meeting to serve a Default Notice, shall replace the right reserved by the Holders' Representative according to these Terms of the Bonds to serve a Default Notice on behalf of the Holders. If the Holders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Holders' Representative whereby the Holders' Representative shall not be bound by the resolution of the Holders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

9 Substitution of the Issuer

The Issuer may without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the **New Issuer**), provided that:

(a) in the opinion of the Holders' Representative, (i) the New Issuer is in a position to fulfil all payment obligations arising from or in connection with the Bonds and (ii) the interest of the Holders are adequately protected;

(b) the Issuer and the New Issuer have entered into such documents as are necessary to give effect to such substitution and provided copies of these documents to the Holders' Representative;

(c) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Holders' Representative.

Any substitution shall be published in accordance with Condition 10.

In the event of such substitution, any reference to the Issuer shall be deemed to refer to the New Issuer.

10 Notices

All notices regarding the Bonds shall be given through the Principal Paying Agent on behalf and at the expense of the Issuer (i) for so long as the Bonds are listed on SIX Swiss Exchange on the internet site of SIX Swiss Exchange (where notices are currently published under the address https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/) or (ii) in case the Bonds were no longer listed on SIX Swiss Exchange in a daily newspaper with general circulation in Switzerland (which is expected to be the *Neue Zürcher Zeitung*).

11 Listing

Application will be made for the admission to trading and listing of the Bonds on SIX Swiss Exchange.

The Issuer will use reasonable endeavours to have the Bonds listed on SIX Swiss Exchange and to maintain such listing as long as any Bonds are outstanding.

12 Governing Law and Jurisdiction

The Bonds shall be exclusively governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to the principles of conflict of laws).

The exclusive place of jurisdiction for any dispute, claim or controversy arising under, out of or in connection with or related to the Bonds shall be the city of Zurich.

The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of Bonds.

13 Amendment to the Terms of the Bonds

The Terms of the Bonds may be amended by agreement between the Issuer and the Holders' Representative on behalf of the Holders, provided that such amendment is of a formal, minor or technical nature, is made to correct a manifest error or is not materially prejudicial to the interests of the Holders. Notice of any such amendment shall be published in accordance with Condition 10.

14 Role of Credit Suisse

Credit Suisse has been appointed by the Issuer as the Principal Paying Agent and as the Listing Agent with respect to the Bonds and it will or may also act on behalf of or for the benefit of the Holders as Holders' Representative, but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, the Holders' Representative is not obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

15 Definitions

Business Day means any day (other than Saturday or Sunday) on which banks are open the whole day for business in Zurich.

Credit Suisse means Credit Suisse AG, Paradeplatz 8, 8001 Zurich (P.O. Box, 8070 Zurich).

Group means the Issuer together with its consolidated subsidiaries.

Issuer means HIAG Immobilien Holding AG, Aeschenplatz 7, 4052 Basel.

Listing Agent means Credit Suisse, appointed as recognized representative pursuant to art. 58a of the listing rules of SIX Swiss Exchange to file the listing application (including the application for provisional admission to trading) for the Bonds with SIX Swiss Exchange.

LTV means the sum of interest bearing liabilities net of cash and cash equivalents divided by the gross asset value.

Material Subsidiary means, so long as any of the Bonds are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, any operating Subsidiary of the Issuer whose assets, net revenues, operating profit or profit after tax at any time, represent five (5) percent or more of the consolidated assets, the consolidated net revenues, the consolidated operating profit or profit after tax, as the case may be, of the Issuer and its Subsidiaries at any time (as the case may be), and for this purpose:

(a) the assets, net revenues, operating profit and profit after tax of any such Subsidiary shall be ascertained by reference to:

  (i) the financial statements of such Subsidiary as of the date in respect of which the last audited consolidated financial statements of the Issuer and its Subsidiaries have been prepared;

  (ii) if such body corporate becomes a Subsidiary of the Issuer after that date, the latest financial statements of such Subsidiary adjusted to take into account subsequent acquisitions and disposals or other changes in circumstances;

(b) the consolidated assets, consolidated net revenues, consolidated operating profit and profit after tax of the Issuer shall be ascertained by reference to the last audited consolidated financial statements of the Issuer and its Subsidiaries; and

(c) once an entity has become a Material Subsidiary, it shall be considered one until it has been demonstrated to the satisfaction of the Holders' Representative that it has ceased to be a Material Subsidiary, a written report from the Issuer's auditors to this effect being sufficient for this purpose.

Permitted Security means a security (and any security created in substitution for any such security) in the form of any guarantee, mortgage, charge, pledge, lien or other form of encumbrance or security interest relating to the financing, refinancing or the acquisition of any specified asset or assets, but only to the extent that such security secures obligations arising from the financing, refinancing or acquisition of such specified assets, provided, however, that the consolidated amount of the Relevant Debt secured by such Permitted Security may not exceed sixty-five (65) percent of the Portfolio Value.

Portfolio Value means the market value of the real estate portfolio/investment properties as set out in the most recently published financial report (annual, semi-annual or quarterly) of the Issuer.

Principal Paying Agent means Credit Suisse in its function as principal paying agent.

Relevant Debt means any present or future indebtedness of the Issuer or a Material Subsidiary represented or evidenced by, notes, bonds, debentures, loan stock or other securities which for the time being or are capable of being, quoted, listed or ordinarily dealt with on any stock exchange, over-the-counter market or other securities market.

Shares means the issued and fully paid registered shares of the Issuer (and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of such shares).

SIX SIS means SIX SIS Ltd, the Swiss clearing and settlement organization, Baslerstrasse 100, 4600 Olten, or any successor organization accepted by SIX Swiss Exchange.

SIX Swiss Exchange means SIX Swiss Exchange Ltd, Hardturmstrasse 201, 8005 Zurich (P.O. Box, 8021 Zurich) or any successor exchange.

Subsidiary means a legal entity of the Issuer the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, consolidated with those of the Issuer.

Subscription and Sale

The offering described herein consists of a public offering of Bonds in Switzerland, and of private placements of Bonds to prospective investors outside of Switzerland and the United States of America (the **United States** or the **U.S.**) in reliance on Regulation S under the U.S. Securities Act of 1933 (the **Regulation S** and the **Securities Act**), as amended, in each case in compliance with applicable laws and regulations.

The Managers have, pursuant to a bond purchase agreement dated as of the date of this Prospectus (the **Bond Purchase Agreement**), severally and not jointly agreed with the Issuer, subject to certain conditions, to subscribe their respective quotas of Bonds as set forth and agreed therein. The Issuer has agreed to pay certain commissions to the Managers and to reimburse the Managers for certain of their expenses in connection with the issue of the Bonds. The Bond Purchase Agreement entitles the Managers to terminate it in certain circumstances prior to the payment of the purchase price for the Bonds being made to the Issuer.

Selling Restrictions

United States and U.S. Persons

(A) The Bonds have not been and will not be registered under the Securities Act, and the Bonds may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Issuer and the Managers have not offered or sold, and will not offer or sell, any Bonds constituting part of their allotment within the United States or to or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S.

Accordingly, none of the Issuer, the Managers and their affiliates or any persons acting on their behalf have engaged or will engage in any selling efforts directed to the United States with respect to the Bonds.

Terms used in this paragraph have the meanings given to them by Regulation S.

(B) The Managers have not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds in the United States, except with their affiliates or with the prior written consent of the Issuer.

EEA and UK

In relation to each Member State of the EEA and UK (each, a **Relevant State**), each Manager has represented and agreed that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant State other than:

(i) to any legal entity that is a qualified investor as defined in the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, in case of UK as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

United Kingdom

Each Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the **FMSA**)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FMSA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FMSA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

Republic of Italy

The offering of the Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Bonds may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Bonds be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Italian Financial Services Act**) and Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Bonds or distribution of copies of this Prospectus or any other document relating to the Bonds in the Republic of Italy under clause (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the **Consolidated Banking Act**), and CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time); and

(ii) in compliance with any other applicable laws and regulations, as well as with any regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

n accordance with Article 100-bis of the Italian Financial Services Act where no exemption from the rules on offerings of securities to the public applies under clauses (a) and (b) above, the subsequent distribution of the Bonds on the secondary market in Italy must be made in compliance with the Prospectus Regulation and the applicable Italian laws and regulations. Failure to comply with such rules may result in the sale of such Bonds being declared null and void and the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

General

Persons who receive this Prospectus are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Bonds or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of the Bonds under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Manager shall have responsibility therefor. In accordance with the above, the Bonds purchased by any person that it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances that would result in the Issuer being obliged to register any further information materials or corresponding document to the Bonds in such jurisdiction.

The Issuer

General Information

Risks relating to the Issuer

An investment in the Bonds will involve certain risks, including the risk that Holders will lose their entire investment in the Bonds. For a discussion of certain risks relating to the Issuer that potential investors should carefully consider before deciding to invest in any Bonds, see "*Material Risks—Risks relating to the Issuer and its Business*" beginning on page 12 of this Prospectus.

Legal Form, Incorporation, Legislation, Duration, Register and Company Number, Registered and Principal Office

The Company is a company limited by shares (*Aktiengesellschaft*), incorporated under the laws of Switzerland for an unlimited duration and first registered on 6 May 1969 in the Commercial Register of the Canton of Basel City, Switzerland (formerly named "G.R.T. Verwaltungs AG" and "GRT Verwaltungs AG").

The Company is currently registered with the Commercial Register of the Canton of Basel City, Switzerland, under the number CHE-102.997.860.

Its registered office is Basel, Canton of Basel City, Switzerland, and its principal corporate office is located at Aeschenplatz 7, 4052 Basel, Switzerland.

Purpose

Art. 2 of the Articles of Association provides as follows (unofficial translation of the original German text):

"The purpose of the company is the investment, management and realisation of assets, real estate and construction projects, the real estate project development, supply of IT infrastructure as well as the participation in enterprises.

The company may provide its services and financial contributions to group companies without consideration in return.

The company may establish branches and subsidiaries in Switzerland and abroad and participate in other enterprises in Switzerland and abroad.

The company may exercise all commercial, financial and other activities, which are directly or indirectly related to its purpose."

Art. 30 of the Articles of Association provides that the Company's financial year is determined by the Board of Directors. Currently, the Company's financial year commences on 1 January and ends on 31 December of each calendar year.

Articles of Association

The Articles of Association in their current version are dated as of 23 April 2020 and are incorporated by reference into this Prospectus.

Group structure

The Company is a holding company and does not conduct any business operations. It owns the shares of its subsidiaries directly or indirectly.

The real estate assets of the Group are predominantly held by HIAG Immobilien Schweiz AG.

For detailed information on the Group's structure, see pages 37 to 38 of the Annual Report 2020, which is incorporated by reference into this Prospectus.

Board of Directors, Management and Auditors

Board of Directors

The Board of Directors of the Issuer, comprising at least three members, currently consists of five members:

Name	Position
Dr. Felix Grisard	President of the Board of Directors
Balz Halter	Vice President of the Board of Directors
Salome Grisard Varnholt	Member
Dr. Christian Wiesendanger	Member
Dr. Jvo Grundler	Executive Member (General Counsel)

The Board of Directors of HIAG Immobilien Holding AG has nominated Dr. Christian Wiesendanger as a new member of the Board of Directors at the Ordinary General Meeting on 22 April 2021 and the nomination has been approved. He replaces Dr. Walter Jakob, who has been a member of the Board of Directors of HIAG Immobilien Holding AG since 2010 and steps down from the Board on having reached the prescribed age limit.

The business address of all members of the Board of Directors listed above is Aeschenplatz 7, 4052 Basel, Switzerland.

Management Board

The Issuer's Management Board consists of the Executive Board.

Executive Board

The Executive Board currently consists of the following three members:

Name	Position
Marco Feusi	CEO
Laurent Spindler	CFO
Dr. Jvo Grundler	General Counsel

The business address of all members of the Management Board listed above is Aeschenplatz 7, 4052 Basel, Switzerland.

Auditors

The Company's independent statutory auditors are Ernst & Young AG, Aeschengraben 9, 4051 Basel, Switzerland (**EY**), since 1996. EY has been re-elected for an additional term of one year at the Company's ordinary shareholders' meeting held on 22 April 2021. The principle of rotation applies to the auditor in charge. For the business year 2021, the auditor in charge is Fabian Meier.

E&Y's audit oversight body is the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*) and its registration number with the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*) is 500646.

Business

Overview

HIAG is a leading player in the reuse and redevelopment of commercial sites and properties in Switzerland. The Group focuses on large, well-positioned sites with significant redevelopment potential in densely populated regions. HIAG is a long-term owner of its sites and properties and landlord to a diversified tenant base. HIAG's business model is based on designing destinations that offer people living space and companies room to flourish in the long term. The extensive real estate portfolio with several generations' worth of development potential, an active portfolio management and the management, administration and rental of real estate are at the heart of HIAG's business model. The real estate portfolio is continuously optimised with a focus on generating value over several generations through acquisitions and sales within the value chain.

Strategy and Business Model

Real estate with a total land area of 2.7 million m² in German-speaking and western Switzerland

Around 40 sites with an average surface area with an average surface area of 42,000 m²

Development reserves with about 727,000 m² of usable area without additional acquisitions

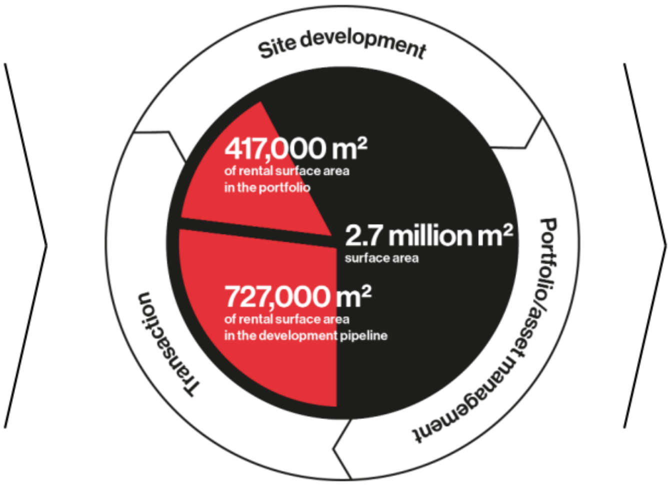
Proven real estate know-how

Successful track record in the conduct of complex transactions

Excellent reputation as a reliable business partner

Family company with over 140 years history

Company culture based on its industrial origins and the power of listed company from a single source



Geographically diverse real estate portfolio with a focus on commercial, office and logistics buildings as well as selected residential portfolio

Above average returns

Generations' worth of sustainable value creation

Attractive project pipeline

HIAG's expertise in the redevelopment of large commercial sites and properties including industrial, post-industrial and mixed-use sites allows it to initiate redevelopment of a property at a stage in the property's lifecycle at which there is significant value creation potential, be it upon the acquisition of a commercial site or property or with regard to existing properties in the Group's property portfolio. HIAG believes that its business model creates value and in addition contributes to the sustainable development of land and property use in Switzerland. Through the redevelopment of commercial sites and properties, pre-zoned land typically becomes more densely populated, the utilisation of the existing traffic infrastructure is increased and the features as well as uses of properties are adapted to meet current requirements.

As of 31 December 2020, HIAG's property portfolio comprised 116 properties on 41 sites and was valued at CHFm 1,637.8. The Group's property portfolio included a lettable area of approximately 557,000 sqm with an annualised property income of CHFm 60.0 and an annualised full occupancy property income of CHFm 69.1. The Group's Property Portfolio is diversified with significant exposure to industrial, logistics, residential, retail and office use. The Group's net asset value amounted to CHFm 761.1. The loan to value-ratio was 48.7% as of 31 December 2020.

HIAG Group's business is summarized in two main segments Yielding Portfolio and Development Portfolio. The Yielding Portfolio comprises properties for which currently no Development is planned and which are intended to generate a stable and predictable income, while the Development Portfolio is including properties for which Development is planned in the short-, mid-, or long-term.

As of 31 December 2020, the Yielding Portfolio consisted of 71 properties across 29 sites with a lettable area of approximately 417'000 sqm, a full occupancy rental income of CHFm 47.8 and a fair value of CHFm 1'025.8. The occupancy rate in the Yielding Portfolio amounted to 87.0%. The top five sites and their respective fair values in the Yielding Portfolio were Dietikon (CHFm 133.2), Meyrin (CHFm 107.7), Kleindöttingen (CHFm 95.8), Goldach (CHFm 67.9), and Windisch (CHFm 67.1). In total, these top five sites accounted for 46% of the Yielding Portfolio's fair value.

As of 31 December 2020, the Development Portfolio consisted of 45 properties located across 24 sites with a lettable area of approximately 139,000 sqm, a full occupancy rental income of CHFm 12.3 and a fair value of CHFm 612.1. The occupancy rate in the Development Portfolio amounted to 86.3%. The top five sites and their respective fair values in the Development Portfolio were Niederhasli (CHFm 99.8), Cham (CHFm 84.2), Meyrin (CHFm 63.4), Lancy (CHFm 49.3) and Dornach (CHFm 44.4). In total, these top five sites accounted for 56% of the Development Portfolio's fair value. The Group currently pursues 58 short-, mid- and long-term redevelopment projects. The completion of its current development plans is expected to create an additional lettable area of approximately 727,000 sqm. Furthermore, the Group is monitoring the market for potential on- and off-market acquisitions, which would add additional properties to its portfolio.

As of 31 December 2020, the headcount of the Group's core real estate team amounted to 58 professionals covering the primary business activities as well as corporate functions such as accounting, human resources and marketing.

The management function of the Group is divided between the Executive Board, consisting of the CEO, the CFO and the General Counsel, and the Management staff, which further comprises the Head of Portfolio Management and the site developers and the Head of transactions. The Management has a broad background of expertise combining technical, legal, real estate and finance experience.

Strategy

HIAG aims to be the leading player in long-term reuse and development of commercial sites and properties in Switzerland.

HIAG also aims to achieve high and above-average returns by using its strong position in German-speaking and French-speaking Switzerland, and continually expanding its multifaceted, geographically diversified real estate portfolio.

By making HIAG's strengths available to clients from a single source, the client base and market share are further developed.

HIAG's business is focused on office, commercial and logistics properties, and selected residential properties at well-connected sites in future-oriented growth regions along the main traffic axes. HIAG concentrates on sustainable development and the active management of its real estate over the entire cycle from interim use to creation and until after completion.

The Group's objective is to continue creating above average returns for its shareholders by building on its strengths, its focused business model and its strong pipeline. HIAG has several value drivers that work together to generate attractive overall returns for shareholders. Thanks to a diversified and high-quality group of tenants, the property portfolio provides stable and projectable income and therefore ensures the distribution of attractive dividends.

HIAG invests in infrastructure wherever its integration at the site provides an economic or environmental benefit. For that reason, HIAG has several hydroelectric plants in its portfolio and invests in power plant infrastructure only in its portfolio with its new joint venture HIAG Solar.

Further enhancing the performance of the Yielding Portfolio

HIAG strives to create urban spaces as well as to maintain and continuously enhance these areas. With each step of improvement, the Group strives to achieve the most meaningful and thus highest possible added value for tenants' use.

Within its Yielding Portfolio the Company intends to further increase occupancy rate in order to maximise the potential of its property portfolio. Furthermore, it aims to increase the current potential of its built-up property portfolio: each development step of the Group's major tenants enables the Group to simultaneously further improve the quality of the site, increase the rent to current market level and engage in new long-term letting contracts.

Continuing value creation in existing Development Portfolio

By focussing on the transition into a new property life cycle HIAG aims to progressively unleash the large potential of its existing Development Portfolio. The Group currently plans to create an additional effective area of approximately 727,000 sqm in the short-, medium- and long-term. One of the main drivers in value creation through this development is securing optimal tenants; thus, the Group focuses on the long-term enhancement of site-specific strengths and the marketing of these strengths to potential tenants. In order to identify the potential and improve the acceptance of a future development, the Group actively involves important local stakeholders in its Group-led urban design and architectural competitions. Given the large number of development projects and the diversification in development stage among the Group's sites and properties, the Group expects a continuous transformation of the property portfolio's potentials into additional property income and revaluation gains over the coming years.

Resilience and independence to stress in financial markets

Similar to its approach in the development of sites and properties, the Company applies a time horizon that exceeds the current real estate cycle. The Group attaches great importance to the optimisation of intermediaries and meticulously prepares its development and communication strategy. In doing so, the Group aims to avoid pressure to develop in short periods of time, which might compromise the Group's value creation target.

With a diversified financing structure (bank financing 22%, existing bonds 78%), the group has a solid financing structure. This financing structure provides to the Group a level of independence from stress in the finance industry, which might arise through market turmoil.

The stable tenant profile, together with a conservative acquisition strategy, will enable the Group, even in market downturns, to preserve the achieved values of its portfolio and be best positioned to take advantages of attractive opportunities that may arise.

Key strengths

The Group believes that the following strengths will contribute to future growth, generation of resilient cash-flows and long-term value creation:

Significant value creation in the property lifecycle

HIAG's expertise allows the Group to engage in the development of a site or property at a stage in the property lifecycle at which there is significant value creation potential.

The value of a site or property at a late stage of its initial lifecycle typically reflects uses that have limited value added activities. Generally, the initiation of a new life cycle facilitates the development of the full potential of a site, whose value might have also increased significantly over time due to the evolution of the surrounding community.

The potential significant value uplift is mainly based upon (i) the identification of uses that create the highest possible added value to its potential tenants from a long-term perspective, (ii) the marketing of these uses and the steering of the permission and planning process and (iii) construction cost management during the development process.

HIAG has a specialised business model focused on realising this potentially significant value of sites in a post-industrial context.

Leadership in a market with attractive growth drivers

HIAG's positioning in the market is characterised by several distinct features. Firstly, the Group's development activities are complex – all of its current development projects are executed on sites with an industrial history and significant development potential. Most of the non-residential sites have a diversified multi-type tenant profile. The Group operates on large scale projects based on an average effective area per Development Property of approximately 22,000 sqm and a total site area of 2.7 million sqm, of which 1.7 million sqm are zoned and built with a lettable area of approximately 557,000 sqm. Furthermore, the Group has proprietary access to land via its own Development Portfolio which comprises approximately 727,000 sqm to be developed on a net site area of approximately 973,000 sqm. HIAG's track record, in particular with respect to the development of sites with an industrial past, strengthens the Group's positioning in the market. The Group leverages its relationships and market access. The Group also benefits from an experienced management team and staff which have a diversified career and educational backgrounds. Expertise across technical, real estate and financial areas enable the Group to create value through industrial development, the latter being a strong distinguishing feature as compared to many other companies active in redevelopment. In addition, its large existing land bank gives the Group a significant competitive advantage and raises certain barriers to entry for competitors seeking to build a comparable development portfolio and track record.

The properties of the Group are well positioned in the market with 88% of the portfolio being located in Switzerland's main economic regions around Baden/Brugg, Zurich/Zug, north west Switzerland and Geneva. The scarcity of land in these regions along with recent regulation limiting the possibility to (re)zone agricultural land, supports the need to densify and redevelop certain post-industrial areas. The Group's leading position is further supported by the Swiss market's comparatively robust long-term macroeconomic variables and supportive demographics. The dynamics in Switzerland's industrial sector and these industries' ability to invest in the optimisation of their processes create ongoing redevelopment opportunities based on the shift from low growth industrial sectors (e.g. wood and paper, textile, chemicals) to high growth industrial subsectors (e.g. food and beverage, pharmaceuticals, electronic equipment) in terms of demand for Commercial Sites and Properties.

Track record of strong portfolio growth

HIAG has a proven track record of delivering growth and at the same time strong returns for its shareholders. The Group's property portfolio has grown by 110% from CHFm 707 as of 31 December 2010 to CHFm 1,638 as of 31 December 2020, thereby demonstrating the Group's ability to successfully source and acquire new sites, execute significant investment plans as well as achieve revaluation gains mainly driven by redevelopment activity rather than market price movements.

Strategic focus and differentiated real estate investment proposition

HIAG has a strategic focus on what it regards as the most profitable activities in the real estate value chain. Key processes, e.g. the acquisition of sites, the steering of permission processes, development planning, letting and sales activities are primarily completed in-house. Facility management is also completed in-house onsite in certain cases where the Group considers it is important to be "close to the asset", e.g. development activities on sites with an industrial context. Areas which are subject to potentially higher market competition, have comparatively lower margins or are more resource intensive are outsourced, e.g. architectural and technical planning, construction work or facility management for Yielding Properties.

HIAG combines the holding of Yielding Properties with other sites having specialised development potential. The Group believes that this, together with its sizeable land bank and proven ability to conduct development on sites with industrial context, are the main differentiating factors setting it apart from other listed companies in the Swiss real estate sector.

Multiple performance drivers

HIAG has multiple growth drivers to generate attractive returns. The Yielding Portfolio is intended to generate a relatively stable and predictable income based on its diversified and high quality tenant base. As of 31 December 2020, the fair value amounted to CHFm 1,025.8 generating a gross yield of 4.7%. The development Portfolio is expected to be a key driver of future net asset value growth. As of the same date, the fair value amounted to CHFm 612.1 generating a gross yield of 2.0% during the intermediary use. Based on the current plans of the Group, approximately 727,000 sqm effective area are planned for development. The current projects under construction and the upcoming projects over the three next years could generate after completion and at full letting an annual property income of approximately CHFm 14 and expected sales revenue from promotion projects of CHFm 72.

The Issuer

History

HIAG was founded on the basis of an industrial group active in production and trade of wood products. Founded in 1876 in St. Margrethen in the Canton of St. Gallen, the group became a market leading player of timber materials in Europe by the mid-1980s. At the beginning of the new millennium, driven by technological and structural changes, the group initiated a transition process. After the successful spin-off of its production facilities in flooring, door, fibreboard and wood trading industries, the Group now focuses on its long-term real estate strategy.

Initially concentrating on reviving its former wood industry sites with growing high-tech companies, the Group progressively entered into the conversion of former industrial sites to retail and residential use. In 2009, the first step was taken towards growth beyond its existing property portfolio through the acquisition of a former textile mill in Windisch. In the past five years the Group strengthened its competences in site redevelopment and accomplished numerous further acquisitions. Furthermore, the Group grew its asset base significantly trough investments as well as value creation on its Redevelopment Portfolio.

Since 16 May 2014 HIAG's registered shares are listed and traded on the SIX Swiss Exchange.

Prospects

For information on the Group's future prospects, see page 12 of the Annual Report 2020, which is incorporated by reference into this Prospectus. Such information includes statements that constitute "forward-looking statements". By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that prospects, predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. See "*Forward-Looking Statements*" on page 11 of this Prospectus.

Capital Structure and Bonds

Capital Structure

For information on the Group's shares and capital structure, see pages 37 to 42 of the Annual Report 2020, which is incorporated by reference into this Prospectus.

Outstanding Bonds

HIAG issued a first CHFm 100 fixed rate bond as of June 2015 which expires as at 1 July 2021, a second CHFm 115 fixed rate bond as of July 2016 which expires as at 4 July 4 2023, a third CHFm 150 fixed rate bond as of May 2017 which expires as at 30 May 2022, a fourth CHFm 125 fixed rate bond as of October 2018 which expires as at 26 October 2022 and a fifth CHFm 150 fixed rate bond as of May 2019 which expires as at 8 May 2024.

Own Equity Securities

As of 31 December 2020, the Issuer held 42,942 of its own shares.

Financial Statements

The Annual Report 2020, containing the annual financial statements of the Issuer and the consolidated financial statements of the Group (including the audit reports issued in respect thereof) is incorporated in this Prospectus by reference.

Recent Developments

As of March 26, 2021 HIAG acquired four commercial properties at the three locations Winterthur (ZH), Solothurn (SO) and Reinach (BL) from BR Bauhandel AG in a sale-and-lease-back transaction. For the Reinach location a pre-emptive right within 6 months can be activated from a third party. BR Bauhandel AG will remain a long-term tenant at all three locations with its Richner and Baubedarf brands. With the acquisition, HIAG increased its development pipeline by around 40,000 m^2 of floor space. The asset deal includes two properties in Winterthur with around 10,000 m^2 and 6,000 m^2 of surface area. It also includes a property in Solothurn with around 29,000 m^2 and currently 13,000 m^2 of floor space and a property in Reinach with about 4,500 m^2 of floor space on a building lease area of about 6,500 m^2. There is a pre-emptive right for this property that can be exercised within 6 months. The considerable potential for use of the commercial and residential space in Winterthur and Solothurn will enable a sustainable increase in rental income in the HIAG portfolio. The site development of the newly acquired properties will begin immediately after the acquisition.

As of April 27, 2021, HIAG acquired a fully let logistics property in Buchs (AG) as part of a share deal. The solvent tenant from the European apparel industry joins HIAG's top three tenants. The property, which was built in 2007 and can be used for a wide variety of warehouse and logistics concepts, is located in the "Wynenfeld" area in Buchs (AG), which has good transport connections and a site area of around 39,000 m^2. The property expands HIAG's portfolio by around 21,000 m^2 of usable space. The long-term double net rental agreement with a current contract term of 6.8 years is expected to positively impact on HIAG's cash flow and dividend potential in the long term.

As of April 28, 2021, the Board of Directors of HIAG Immobilien Holding AG has appointed financial specialist Rico Müller as Chief Financial Officer (CFO) and member of HIAG's Executive Board. Rico Müller will take over his new role on 1 September 2021 from Laurent Spindler, who will leave the company after his successor has been inducted.

As of May 25, 2021 HIAG communicated the closing of a ten-year lease for its logistics site in Brunegg with a Swiss company in the delivery wholesale business. The site, which has a usable area space of around 11,000 m^2, is optimally connected to the A1 and A3 motorways. The seamless follow-on lease to the previous tenant Lekkerland (Switzerland) will take place at the beginning of November 2021. Until the new tenant moves in, which is active in the logistics business for the out-of-home market, the catering sector and the healthcare sector, HIAG will implement planned renovation measures.

HIAG