

HIAG

Annual Report



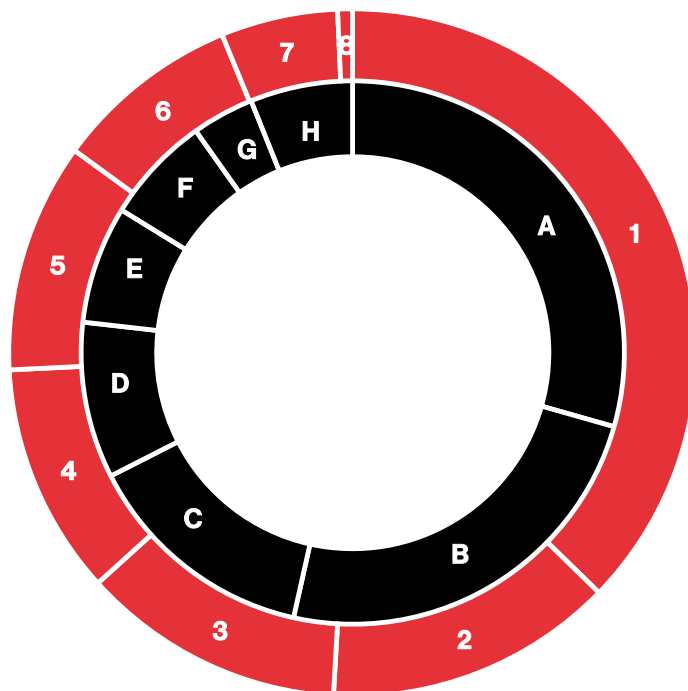
2022 Annual Report

HIAG designs destinations that offer living space for people and space for the long-term development for companies.

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In a Nutshell Key Figures



according to use •
according to canton •

Market value of investment properties by type of use¹ as at 31/12/2022

| | | |
|---|-------------------------|-------|
| 1 | Industry, Commercial | 37.3% |
| 2 | Building land | 13.6% |
| 3 | Residential | 12.4% |
| 4 | Retail | 10.9% |
| 5 | Distribution, Logistics | 10.8% |
| 6 | Office | 8.8% |
| 7 | Residential, Commercial | 5.5% |
| 8 | Miscellaneous | 0.7% |

Market value of investment properties by canton as at 31/12/2022

| | | |
|---|------------------|-------|
| A | Zurich | 29.4% |
| B | Aargau | 24.1% |
| C | Geneva | 14.0% |
| D | Zug | 9.3% |
| E | Solothurn | 7.0% |
| F | Basel-Landschaft | 6.4% |
| G | St. Gallen | 3.7% |
| H | Miscellaneous | 6.1% |

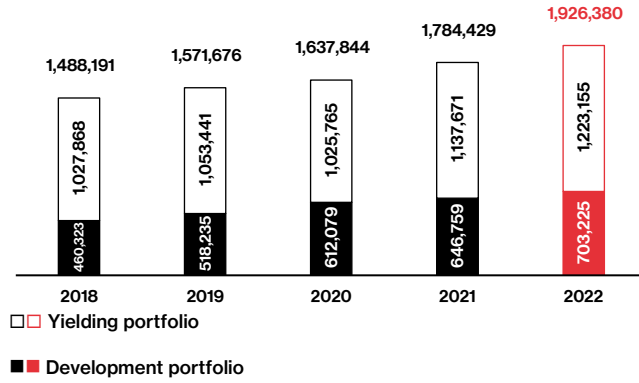
¹ The calculations of the types of use are based on the main use of the properties.

90%

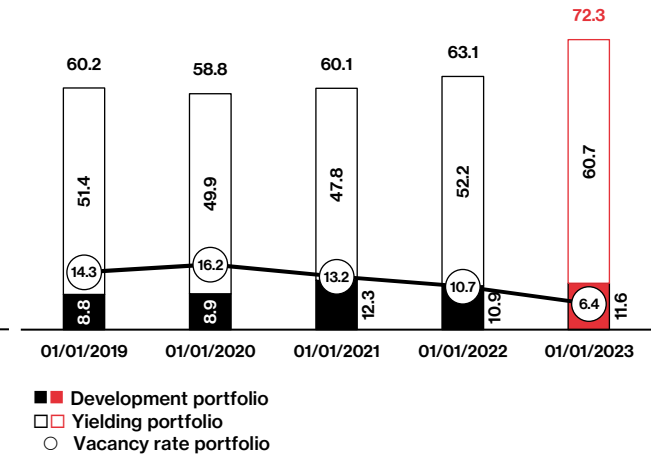
of HIAG's real estate portfolio is situated in the Zurich, Aargau, Geneva, Zug, Solothurn and Basel regions.

In a Nutshell Key Figures

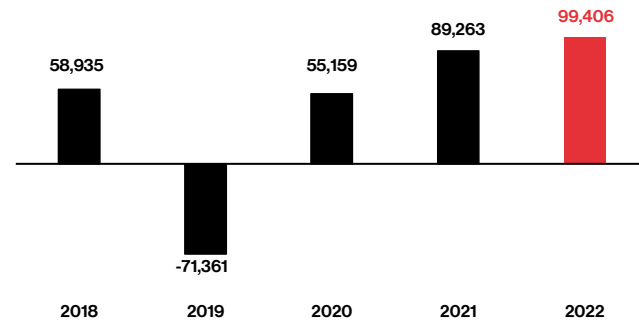
Real Estate Portfolio
in TCHF



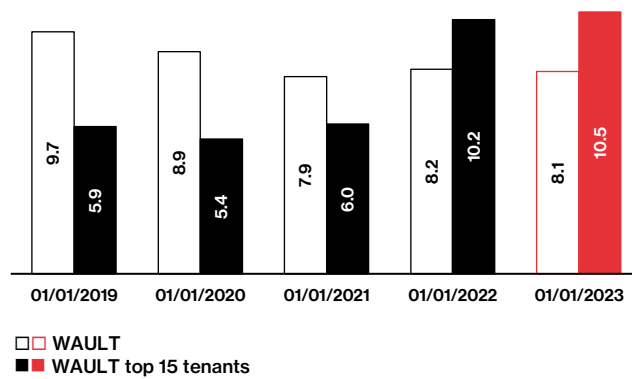
Annualised property income and vacancy rate
in CHFm and %



Net income / loss
in TCHF



Weighted Average (Unexpired) Lease Terms - WAULT
in years



In a Nutshell

Key Figures

| Key financial figures | Unit | 31/12/2022 | 31/12/2021 |
|---|--------|------------|------------|
| Property income | TCHF | 67,671 | 63,142 |
| Revaluation of properties | TCHF | 64,306 | 60,523 |
| – thereof yielding portfolio | TCHF | 15,741 | 33,450 |
| – thereof development portfolio | TCHF | 46,672 | 16,444 |
| – thereof transactions | TCHF | 1,893 | 10,628 |
| EBITDA | TCHF | 115,742 | 115,627 |
| Net income | TCHF | 99,406 | 89,263 |
| Net income excl. Revaluation of properties and deferred tax | TCHF | 38,339 | 36,995 |
| Cash flow from operating activities | TCHF | 23,576 | 20,094 |
| Cash flow from investment activities | TCHF | -79,168 | -39,705 |
| Cash flow from financing activities | TCHF | 1,230 | 87,326 |
| Cash and cash equivalents | TCHF | 32,924 | 87,350 |
| Shareholders' equity | TCHF | 1,062,282 | 988,999 |
| Equity ratio | % | 53.1 | 52.0 |
| Return on equity | % | 10.4 | 11.1 |
| Average interest rate for financial liabilities | % | 1.0 | 0.8 |
| LTV-Ratio gross | % | 42.6 | 44.5 |
| LTV-Ratio net | % | 40.9 | 39.6 |
| Balance sheet total | TCHF | 1,999,363 | 1,903,643 |
| Employee headcount | Number | 78 | 77 |
| – thereof real estate | Number | 67 | 63 |
| – thereof Pratteln site | Number | – | 3 |
| – thereof Jaeger et Bosshard SA | Number | 11 | 11 |
| Key portfolio figures | Unit | 31/12/2022 | 31/12/2021 |
| Investment property portfolio | TCHF | 1,926,380 | 1,784,429 |
| – thereof yielding portfolio | TCHF | 1,223,155 | 1,137,671 |
| – thereof development portfolio | TCHF | 703,225 | 646,759 |
| Gross yield yielding portfolio | % | 5.0 | 4.6 |
| Net yield yielding portfolio | % | 3.9 | 3.6 |
| Market value of investment properties | TCHF | 1,895,997 | 1,752,318 |
| Number of investment properties | Number | 112 | 114 |
| – thereof yielding properties | Number | 66 | 70 |
| – thereof development properties | Number | 46 | 44 |
| Number of sites (yielding and development) | Number | 44 | 44 |
| Investments in investment property portfolio | TCHF | 88,862 | 94,620 |
| – thereof yielding portfolio | TCHF | 6,429 | 25,956 |
| – thereof development portfolio | TCHF | 38,932 | 28,931 |
| – thereof acquisitions (Asset Deal) | TCHF | 43,500 | 39,733 |

In a Nutshell

Key Figures

| Alternative performance measures ¹ | Unit | 31/12/2022 | 31/12/2021 |
|---|------|------------|------------|
| Company specific earnings | TCHF | 28,175 | 23,207 |
| Company specific earnings per share | CHF | 2.79 | 2.70 |
| Adjusted NAV | TCHF | 1,173,876 | 1,083,632 |
| Adjusted NAV per share | CHF | 116.27 | 107.44 |
| Funds from operations | TCHF | 34,967 | 20,097 |
| Funds from operations per share | CHF | 3.46 | 2.34 |

¹ Please refer to "Definition of Alternative Performance Measures" on page 165 ff.

| Key figures per share | Unit | 31/12/2022 | 31/12/2021 |
|---|--------|------------|------------|
| Outstanding registered shares | Number | 10,096,019 | 10,085,833 |
| Weighted outstanding registered shares | Number | 10,092,004 | 8,592,296 |
| Earnings per share (EPS) | CHF | 9.85 | 10.39 |
| EPS excl. Revaluation of properties and deferred tax | CHF | 3.80 | 4.31 |
| Dividend per share ¹ | CHF | 2.90 | 2.70 |
| Payout ratio ² | % | 76.5 | 73.9 |
| Cash yield | % | 3.5 | 2.8 |
| Shareholders' equity (NAV) per outstanding registered share, excl. deferred taxes | CHF | 113.67 | 106.10 |
| Shareholders' equity (NAV) per outstanding registered share, incl. deferred taxes | CHF | 105.22 | 98.06 |

¹ Proposal to the Annual General Meeting on 27 April 2023 for the financial year 2022: 77% distribution from reserves from capital contributions.

² Payout per share in relation to group profit less change in value from revaluation of properties and deferred taxes from the reporting year.

| ESG key figures | Unit | 31/12/2022 | 31/12/2021 |
|--|----------------------|------------|------------|
| Average training hours per FTE | Hours | 14.9 | 17.1 |
| Work-related accidents | Number | 1 | 0 |
| Share of certified properties or properties with an official building energy certificate in the yielding portfolio | % | 14 | 13 |
| Energy demand per m ² _{EBF} in the yielding portfolio | kWh | 58.1 | 70.9 |
| Greenhouse gas emissions (Scope 1+2) per m ² _{EBF} in the yielding portfolio | kg CO ₂ e | 6.1 | 8.5 |
| Valuable biodiversity areas | Hectares | 23 | 32 |
| Energy produced by HIAG's hydroelectric and solar power plants and HIAG Solar | GWh | 8.1 | 3.2 |

Letter to Shareholders



Dear Shareholders,

Thanks to its site development activities, HIAG achieved its best result in financial year 2022 since the IPO in 2014. Substantial progress on development projects enabled significant revaluation gains to be achieved in the year under review. Marked improvements were also made at all levels of portfolio and asset management. Property income increased again, and there was another significant reduction in the vacancy rate.

Letter to Shareholders

Strong company performance

HIAG's business model, with its three business segments of Site Development, Portfolio and Asset Management, and Transactions, once again proved its efficiency in the challenging market environment of financial year 2022. In the year under review, property income increased by 7.2% to CHF 67.6 million (2021: CHF 63.1 million). Net profit increased by 11.4% to CHF 99.4 million (2021: CHF 89.3 million) or, excluding revaluation gains and deferred taxes, to CHF 38.3 million (2021: CHF 37.0 million). HIAG recorded significant revaluation gains in financial year 2022 totalling CHF 64.3 million (2021: CHF 60.5 million), the majority of which (around 73%) were generated in the core business of site development. The weighted average remaining lease term (WAULT) remained stable in the period under review at 8.1 years (2021: 8.2 years). Against the backdrop of this convincing performance by the company, the Board of Directors intends to propose to the Annual General Meeting on 27 April 2023 a CHF 0.20 increase in the dividend to CHF 2.90 (2022: CHF 2.70) per outstanding share, mainly as a distribution from capital reserves.

Successful site development enables significant revaluation gains

In financial year 2022, HIAG worked diligently on the realisation of ongoing projects and once again achieved several milestones. The investment potential in the development pipeline, which is well filled with 58 projects, amounted to CHF 3.1 billion at the end of 2022 (2021: CHF 3.0 billion). Investments of CHF 88.7 million were slightly lower in the year under review than originally budgeted (2021: CHF 94.6 million). After significant revaluation gains were also realised in the yielding portfolio in the first half of the year under review, site development in particular made a key contribution to the positive revaluation effects in the second half of the year. With its large reserves of building land, HIAG is still in a very good position for long-term, positive revaluation gains. The outstanding development pipeline also supports entrepreneurial flexibility in site development.

Among the numerous milestones that HIAG achieved in financial year 2022, progress was made on the "Campus Reichhold" site in Hausen and Lupfig (AG), where the design plan gained legal force and a development agreement was signed with the technology company Oerlikon for a first construction site with 14,500 m² of usable floor space. The large-scale "CHAMA" project on the river Lorze in Cham (ZG) is proceeding according to plan. The first stage consists of around 140 rental and condominiums as well as flexible office, service and commercial space. 52 condominiums and 62 rental apartments are currently being marketed. The receipt of the legally binding building permit for the project relating to an 80-metre-high residential tower in Zurich Altstetten is another milestone. HIAG is planning 149 apartments on 25 floors, as well as retail and service areas with hospitality on the ground floor. Other projects that made great progress in the reporting year are presented in the "Strategy & Business Model" section of this report, starting on page 13.

Vacancy rate significantly reduced

Through its successful letting activities and the completion of fully let construction projects, HIAG once again significantly reduced its vacancy rate in financial year 2022 to 6.4% (2021: 10.7%). Long-term new and follow-up leases with good rent levels were concluded at several locations. By the end of 2022, most of HIAG's logistics and warehouse space was let. HIAG's residential properties are also almost fully let. Due to the low level of construction activity in the last two years and the continuation of high net immigration, as well as the steadily increasing demand for space as a result of the trend towards small households, demand for condominiums is expected to remain stable at a good price level. Demand for rental apartments is also likely to exceed supply for some time to come. HIAG plans to increase the residential share in the portfolio with its existing CHAMA 1 and CHAMA 2 projects, the "kessel haus" in Windisch and the high-rise residential building in Zurich Altstetten.

Letter to Shareholders

The milestones achieved in the year under review include the handover of the new building for the global headquarters of the Swiss electrical components manufacturer LEM on the campus of “The HIVE” in Meyrin (GE) and the opening of the striking furniture store of the well-known furniture retailer XXXLutz in Dietikon (ZH). Further information on portfolio and asset management can be found in the “Strategy & Business Model” section of this report, starting on page 13.

Consistent portfolio optimisation

The purchase of two residential properties with 27 apartments in Niederwil (AG) and 25 apartments in Zurich Altstetten strengthened the quality of HIAG’s real estate portfolio, and offers potential for medium-term tax optimisation. Furthermore, a preliminary purchase agreement for the site in Meyrin Grand-Puits (GE) was concluded with a renowned Swiss company in the reporting year that, if implemented, will allow the targeted development performance to be achieved sooner. Then, in Wetzikon (ZH), the “Schönau” site was consolidated with a small plot of land. As part of the divestment programme for non-strategic properties, six properties were sold during the reporting period with gross proceeds (before taxes) of approximately CHF 16 million, representing an average increase of 45% over the estimated fair value.

In the future, HIAG will continue to optimise its investment property portfolio as part of its capital recycling strategy by selling non-strategic properties and properties with no significant cash flow or value enhancement potential and by acquiring suitable properties. The specifications of the investment strategy apply as a matter of principle: only properties in urban locations and agglomerations as well as along the main transport routes that have the potential to improve the quality of the investment property portfolio, generate higher property income and have positive revaluation effects are eligible.

Solid financing structure

HIAG has a solid financing structure. The equity ratio of 53.1% (31 December 2021: 52.0%) is above the defined target range of 50%. The ratio of financial liabilities to the total value of the investment properties (LTV) of 42.6% gross (31 December 2021: 44.5%) and 40.9% net (31 December 2021: 39.6%) is also on target of 45% (LTV gross). HIAG also strengthened its fundamental financing in the reporting year with the placement of a CHF 150 million bond (maturing on 30 October 2026) and the agreement of an as-yet undrawn and freely available CHF 125 million credit line HIAG redeemed a CHF 125 million bond maturing in October 2022 from existing credit lines and its own funds. Then, at the beginning of financial year 2023, a further fixed-interest bond of CHF 100 million (maturing in six years) was successfully placed on the Swiss capital market. Further information can also be found in the “Business Performance” section starting on page 106, as well as the consolidated financial statements on page 113 and the annual financial statements starting on page 169 of this report.

Changes in leadership

After the former CFO Rico Müller left HIAG at the end of October 2022 for personal reasons, the Chairman of the Finance Committee and member of the Board of Directors, Dr Christian Wiesendanger, assumed responsibility for financial matters on an interim basis until a successor fills the position. The Board of Directors and Executive Board would like to thank Mr Müller for his work and Dr Wiesendanger for standing in. With the appointment of Stefan Hilber as CFO, HIAG’s Executive Board will be complete again as of 1 March 2023. It has had five members since the beginning of 2023, when the Board of Directors strengthened the Executive Board with the two functions of Portfolio/Transactions with Béatrice Gollong and Development/Realisation with Michele Muccioli. Both were already working for HIAG. Patrick Japhet also took over from Yves Perrin, who retired as Head of HIAG Western Switzerland in May 2022. Additional information on HIAG’s corporate bodies and their members can be found in the Corporate Governance Report starting on page 64 and in the Compensation Report starting on page 90 of this Annual Report.

Letter to Shareholders

Determined implementation of the sustainability strategy

HIAG made great progress in implementing its sustainability strategy in financial year 2022. A sustainability report based on the GRI standards was published for the first time in March 2022. HIAG shares have been included in the Sustainability Index of the SIX Swiss Exchange (SPI ESG Index) since September 2022. HIAG also successfully participated in theGRESB Real Estate Assessment 2022 in the year under review and introduced a clearly defined reduction path for greenhouse gas emissions in the yielding portfolio with the goal of achieving net zero by 2050. The Sustainable Building Manifesto was then developed, which summarises the central cornerstones of HIAG's concept of sustainability for new buildings and total renovations. HIAG is also working on a concept for sustainable property management and wants to voluntarily converge with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Detailed information on HIAG's sustainability strategy can be found in the Sustainability Report, starting on page 21 of this Annual Report.

Outlook

Assuming a stable Swiss economy and that the real estate market remains resilient, HIAG currently expects a good financial year 2023 overall despite higher financing costs. Management expects a slight increase in income thanks to existing long-term leases that are linked to inflation, as well as further successful lets. Further progress on major development projects should in turn facilitate revaluation gains and have a stabilising effect on the value of the portfolio in the event of rising discount rates. HIAG will also achieve positive earnings contributions with the sale of condominiums in the Columbus residential building on the CHAMA site as well as selected properties as part of its ongoing capital recycling activities, which will support the financing of the development projects.



Dr. Felix Grisard
President of the Board of Directors



Marco Feusi
CEO

Our Strengths



Long-term business model supported by the sustainable vision of the anchor shareholder



Successful growth course with a focus on the profitable core business of real estate



Integrated business model with three profitable business segments



Broad real estate portfolio in terms of market segments, tenant structure and locations



Focused sustainability strategy and sustainable energy production from own solar and hydropower plants



Continuous value increases and long-term development potential in growth segments



Solid financial structure, stable cash flows and sustainable dividend policy



Long-term, flexible investment policy supported by cash flow from capital recycling

Strategy & Business Model

Strategy

HIAG focuses on sustainable development and the active management of its properties over their entire life cycle. With its core expertise of site development and operational excellence along the entire value chain, HIAG strives to continuously increase the property income base of the yielding portfolio as well as stable cash flow returns and sustainable increases in value based on the cross-generational project pipeline.

HIAG uses its strong position in the real estate market of German-speaking and French-speaking Switzerland to continuously optimise its investment property portfolio and periodically renew its project pipeline. In doing so, HIAG relies on its clout as a listed real estate company with a strong entrepreneurial anchor shareholder, as well as its open corporate culture with short decision-making processes and a strong focus on clients, in order to take advantage of favourable market developments in a forward-looking and innovative manner.

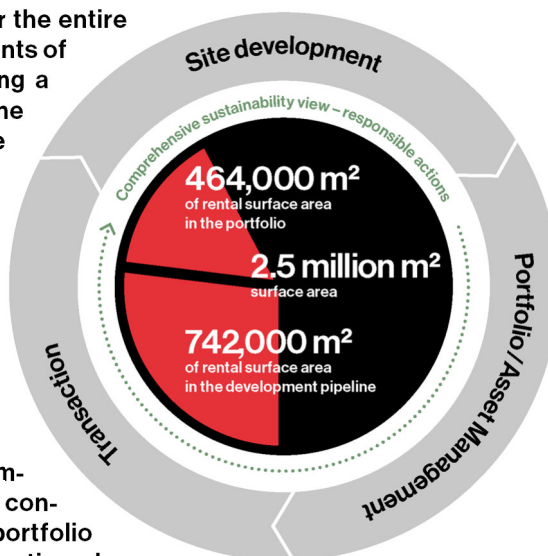
HIAG's market territory essentially covers the whole of Switzerland, but its focus is on the core economic regions of German-speaking and French-speaking Switzerland. There are no plans to expand the market into other countries.

Business model

HIAG's integrated business model covers the value chain over the entire life cycle of a property. It is based on the three business segments of Site Development, Portfolio and Asset Management (including a majority of own property management), and Transactions. The sustainability strategy and responsible action at all levels are more elementary elements of the business model.

HIAG's investment property portfolio is based on its development portfolio, which offers potential for sustainable value increases over generations with a focus on former industrial sites, and also on its yielding portfolio, which provides stable property income from commercial, office and logistics properties as well as selected residential properties with long-term leases.

HIAG's outstanding project pipeline forms the basis for the company's lasting growth. HIAG uses its strong market position to continuously improve the quality of its investment property portfolio through acquisitions and sales. Proceeds from the sale of properties whose value enhancement potential for HIAG has been exhausted, as well as from reference properties, are consistently used for value-enhancing investments in the sense of "capital recycling". In this way, HIAG creates environmental, economic and social added value in the interest of all stakeholders, combined with an investor-friendly payout policy.



Strategy & Business Model

Site Development

HIAG specialises in the development and operational management of sites throughout their entire life cycle. The focus is on the long-term development of large former industrial sites, usually in several stages and throughout the entire value chain of a property. A significant part of the revaluation gains is achieved through higher-value uses and, as a rule, larger scales. Additional potential for value increases is offered by identifying the optimal use of a property, customised product design for tenants and active marketing, as well as streamlined process and cost management.

In financial year 2022, HIAG once again achieved important milestones in site development:

- The design plan for “Campus Reichhold” in the municipalities of Hausen and Lupfig (AG) became *res judicata*. With a total area of around 75,000 m² and ideal road and rail connections, it offers good, user-specific location quality for both commercial and logistics tenants. At the end of 2022, a development agreement was signed with the technology company Oerlikon for a first construction site with 14,500 m² of floor space. HIAG will build a production and distribution centre and office building for Oerlikon that the technology company will use under a long-term lease agreement. The lease will enter into force once the legally binding building permit is available and will put Oerlikon among HIAG’s top five tenants at present. Due to the scale of the total construction volume, HIAG plans to realise the potential of Campus Reichhold step by step. As part of a building lease agreement, a data centre will be realised on a second construction site, and the third large construction site is intended to be leased to a logistics company.
- HIAG is currently realising the large-scale CHAMA project in Cham (ZG). The first stage comprises around 140 rental and condominiums as well as flexible office, service and commercial space. A first tranche of 52 condominiums and 62 rental apartments is currently being marketed. A preliminary rental agreement for a large part of the 3,500 m² of commercial space is in place with a serviced apartment operator. Completion of the first stage of CHAMA is scheduled for early 2024. HIAG plans to submit the building application for the second stage, with a further 140 apartments and around 1,500 m² of office and commercial space, in late summer 2023.
- HIAG received the legally binding building permit for the high-rise residential building project in Zurich Altstetten from the City of Zurich in January 2023. HIAG is planning an 80-metre high residential tower with 25 storeys. On 10,800 m² of space, 149 apartments will be built, as well as 2,100 m² of retail and service space and a restaurant on the ground floor. Construction of the high-rise project in Zurich Altstetten is scheduled to begin in late summer 2023.
- The construction of the “kessel haus” property with 24 rental apartments and around 300 m² of office and studio space, which was started in the year under review, marks the completion of several years of development of the Kunzareal in Windisch (AG). Occupation of the space is planned for spring 2024.
- In Winterthur (ZH), HIAG received the legally binding go-ahead for construction from the city for its innovative Fahrwerk project, a commercial building that is accessible to vehicles with around 10,500 m² of usable space in a convenient location in Winterthur.
- On the Papierei site in Biberist (SO), HIAG is building the first Swiss high-tech recycling centre for high-performance electromobility batteries for the start-up “Librec”. Completion and handover of the new building is planned by the end of 2023.



25-floor high-rise residential building in Zurich Altstetten (artist's impression: Studio Maleta)

Strategy & Business Model

- In Niederhasli (ZH), HIAG is implementing the “In Farn“ project in partnership with the municipality and SBB Immobilien. In a central location near Niederhasli railway station, around 190 rental and owner-occupied apartments are being built, along with around 1,000 m² of attractive commercial space and generous green and pedestrian zones.
- The neighbourhood plan for the HIAG site in Pratteln (BL) was submitted to the canton at the end of 2022. There, in the immediate vicinity of Pratteln railway station, HIAG is realising a mixed-use centre with up to 350 apartments, commercial and office space for around 500 workplaces, and publicly accessible green and open spaces.

Further examples from the Site Development business line are presented on HIAG’s website. The project pipeline can be viewed in HIAG’s current online report:

<https://www.hiag.com/en/expertise/site-development/>

<https://www.annualreport.hiag.com/en/project-pipeline>

Portfolio and Asset Management

HIAG places great value on personal contact with tenants, authorities and other stakeholders through its active and mostly in-house management and property maintenance function. This, combined with an attractive tenant mix, strengthens HIAG’s property income base and supports continuous value creation in the investment property portfolio. Transitional uses continue to be an important element of site management. Through the gradual opening and revitalisation of the areas, they allow for continuous development and successive increases in the value of the investment property portfolio.

In financial year 2022, the vacancy rate was once again significantly reduced thanks to successful letting activities and the completion of fully let construction projects.

- At the beginning of 2022, the Swiss electrical components manufacturer LEM moved into the new building of its global headquarters in Meyrin (GE).
- In August 2022, a new furniture store with floor space of around 17,000 m² was handed over to the well-known Austrian furniture retailer XXXLutz in the immediate vicinity of the motorway access road in Dietikon (ZH).
- At the same location, long-term leases were concluded with a large food retailer and a retailer of toys and baby articles for a vacant retail space of 5,500 m². The shops are scheduled to open at the end of 2023 once the conversion and tenant fit-out work has been completed.
- The occupation of around 6,000 m² of floor space by the well-known online wine retailer “Flaschenpost” significantly improved the occupancy rate at the Klingnau (AG) business park.
- In Aathal (ZH), the Migros Cooperative Zurich opened another outlet on the site of the former Streiff spinning mill in the year under review.
- Additional space was let in several existing properties, and rental agreements were concluded for attractive transitional uses on several sites.



XXXLutz, the new landmark of the retail estate on the A1 in Dietikon

Strategy & Business Model

Further examples of portfolio and asset management are presented on HIAG's website.

<https://www.hiag.com/en/expertise/portfolio-and-asset-management/>

Transactions

HIAG continuously optimises the quality and earning power of its investment property portfolio through targeted transactions. Acquisitions and sales complement organic growth and contribute to long-term value creation. The focus is on former industrial sites that offer a high quality of location for specific uses, building land and residential properties with attractive utilisation reserves in urban locations and conurbations, and high-quality commercial and logistics properties with long-term leases along the main transport routes. Proceeds from the sale of properties whose cash flow and value enhancement potential for HIAG has been exhausted, as well as the sale of reference properties, are used for value-enhancing investments in the sense of "capital recycling".

As part of the divestment programme for non-strategic real estate, five properties in Allschwil, Biberist, Diesbach and Gempen were sold in financial year 2022.

Further information on the Transactions and Commercial Property Marketing business line and HIAG's investment profile can be found on HIAG's website.

<https://www.hiag.com/en/expertise/transactions/>

Brand & Purpose

Land is precious – HIAG stands for the sustainable and long-term development of former industrial sites.

Purpose

HIAG develops sites with potential into destinations with a strong identity so that people and companies can develop there in the long term. In doing so, HIAG makes sure that it makes careful use of the environment and resources. This creates added value over generations.

The HIAG brand

The HIAG brand stands for living space that offers people and companies room for long-term development.

- HIAG invests in properties, real estate projects and sites whose potential for development is not always obvious at first glance. These include unused brown-field sites with long-term investment horizons and complex planning law frameworks, or properties contaminated with pollutants and other holdovers from their industrial past.
- HIAG develops its properties in close partnership with the relevant stakeholders. This includes actively involving the people living in the communities where a new project is being built.
- HIAG creates sites with a new identity. The aim is to maintain a site's distinctive historic character in order to preserve the heritage and uniqueness of the destination for the future.
- HIAG acts and develops for the long term and strives for solutions that are sustainable from an environmental, holistic perspective.

Sites as ambassadors of the HIAG brand

HIAG's brand is reflected in its own sites, which are managed as sub-brands. Most of HIAG's sites have their own image as well as their own branding and design. However, the HIAG umbrella brand is always recognisable. HIAG's corporate values are carefully integrated into the concepts for the sites. The following three examples show how the HIAG brand is incorporated into the sites.

Long-term planning using the example of Wydeneck, Dornach (SO)

On the Wydeneck former industrial site in Dornach, HIAG is planning a mixed-use, urban neighbourhood with a publicly accessible riverside park along the river Birs. In addition to mixed residential and service uses, the future Wydeneck quarter will also offer opportunities for large-scale commercial enterprises. The planned development period of 20 to 25 years and a specific mobility plan with its own S-Bahn stop and bus lines as well as a feeder road to the nearby A18 for private transport show how HIAG is planning the entire site holistically. As a first step, transitional use was initiated with the aim of opening up the site, which had previously been closed due to its industrial use, and gradually making it accessible to the population. This created space for various transitional uses and breathed new life into the area.



Wydeneck: a new neighbourhood in Dornach (SO) with a local recreation area, directly on the river Birs. (Artist's impression: Nightnurse Images AG)

Marke & Purpose

Proximity and involvement of stakeholders using the example of Campus Reichhold, Hausen/Lupfig (AG)

Campus Reichhold is one of the most important development sites in the canton of Aargau. The site's land is split evenly between the municipalities of Hausen and Lupfig. The relevant stakeholders are regularly involved in the development process for the future site. There was a public participation process during the development of the master plan and the design plan, for example. The project was presented at a public event, and the corresponding documents were made available to the public for 30 days. Interested citizens or organisations were invited to contribute. Subsequently, specialist planning teams and the municipality assessed the submissions. However, participation goes beyond formal involvement. HIAG attaches great value to actively involving the relevant stakeholders in the development process. This ranges from transparent communication via events and the media to direct contact with interested persons and workshops.



Campus Reichhold: an appealing location for business and logistics on the A1. (Artist's impression: GRUNER&FRIENDS)

Sustainable development using the example of The Hive, Meyrin (GE)

The technology campus "The Hive" is located in Meyrin, not far from the city centre of Geneva. The area boasts ideal transport connections, with a direct link to Geneva Airport and an innovative bike-sharing system. There is also a private shuttle to the nearby Cornavin train station. With the innovative gastronomy concept of the Luigia Academy, the campus combines a public restaurant, a training centre for Luigia employees and a culinary research laboratory based on the principles of a circular economy. The greening of the outdoor spaces was integrated into the architectural concept from the very beginning. As a result, the area offers numerous green spaces with native plant species that provide a pleasant microclimate. They also serve as valuable communal spaces for people working on the site and the local community. On the campus of The Hive, true to its name, honey is even produced by several bee colonies. The roof areas on the campus are extensively greened and feature rooftop biotopes and solar systems. The materials used throughout the site were carefully selected and meet the highest sustainability requirements. The office and commercial buildings were certified in accordance with defined sustainability criteria, and the modern heating and cooling systems use the waste heat from a nearby data centre.



The Hive: a sustainable technology campus for innovative companies. (Artist's impression: CCHE)

Share Information

The HIAG Immobilien Holding AG shares

1 Dividend policy

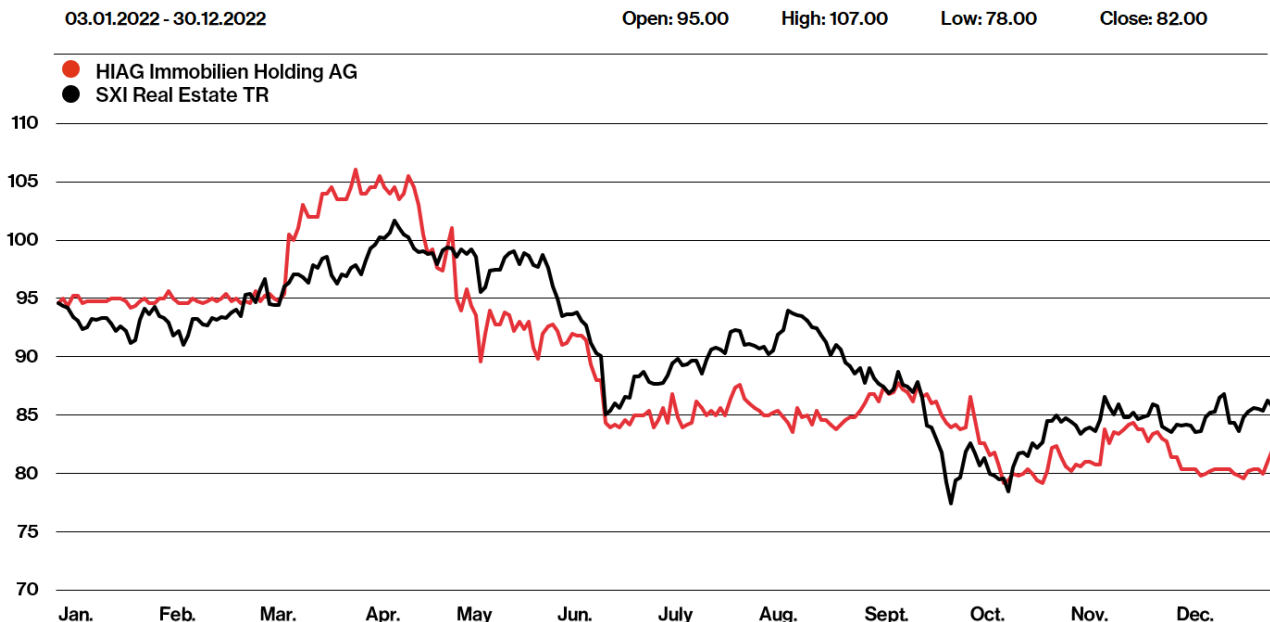
HIAG strives to pay out an attractive dividend each year. The distribution is based on the net operating profit, excluding revaluation effects (incl. the resulting deferred taxes) and before significant non-cash flow entries. The maximum payout ratio is 100%.

For financial year 2022, the Board of Directors proposes to the General Meeting on 27 April 2023 the distribution of a dividend of CHF 2.90 gross per share for a maximum of 10,119,600 outstanding shares.

2 Repayment of capital contributions

At the end of 2022, reserves from capital contributions amounted to TCHF 171,166. Due to the dividend payment in 2022, the legal reserves from capital contributions have decreased by TCHF 13,616. The reported statutory reserves from capital contributions in the amount of TCHF 171,166 as of 31 December 2022 were recognised by the FTA in the amount of TCHF 163,534. These reserves can be repaid to shareholders on a tax-privileged basis.

3 Share price performance



Share Information

The share price of HIAG Immobilien Holding decreased by since 3 January 2022 by 15.9%, from CHF 95.00 to CHF 82.00. As at 31 December 2022, the net asset value per share (NAV) was CHF 105.22; as a result, shares of HIAG Immobilien Holding were trading with a discount of –22.1% at the end of the year. In 2022, an average of 4,056 shares were traded daily.

A detailed overview of the share price performance can be found under the following link:

<https://www.hiag.com/en/investors/shares/share-information/>

4 Key figures

SIX Swiss Exchange: Symbol HIAG, Valor 23951877, ISIN CH0239518779

| Share performance (in CHF) | 31/12/2022 | 31/12/2021 |
|----------------------------|------------|------------|
| High | 107.00 | 118.00 |
| Low | 78.00 | 91.40 |
| End of period | 82.00 | 95.00 |

| Market capitalisation (in CHFm) | 31/12/2022 | 31/12/2021 |
|---------------------------------|------------|------------|
| High | 1,082.80 | 1,194.11 |
| Low | 789.33 | 924.93 |
| End of period | 829.81 | 961.36 |

| Number of shares | 31/12/2022 | 31/12/2021 |
|----------------------------|------------|------------|
| Issued shares | 10,119,600 | 10,119,600 |
| Treasury shares | 23,581 | 33,767 |
| Outstanding shares | 10,096,019 | 10,085,833 |
| Average outstanding shares | 10,092,004 | 8,592,296 |

| Key figures per share (in CHF) | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Earnings per share (EPS) | 9.85 | 10.39 |
| Dividends payout ¹ | 2.90 | 2.70 |
| Payout ratio ² | 76.55% | 73.86% |
| Cash yield | 3.54% | 2.84% |
| Net asset value per share (NAV) | 105.22 | 98.06 |
| Premium (discount) to NAV | -22.07% | -3.12% |
| NAV per share without deduction of deferred taxes | 113.67 | 106.10 |
| Premium / discount to NAV without deduction of deferred taxes | -27.86% | -10.46% |

¹ Proposal to the Annual General Meeting on 27 April 2023 for the financial year 2022: Distribution of 77% from reserves from capital contributions.

² Distribution per share in proportion to the net profit, less the change in value from properties and deferred taxes during the reporting year.

Sustainability Report 2022

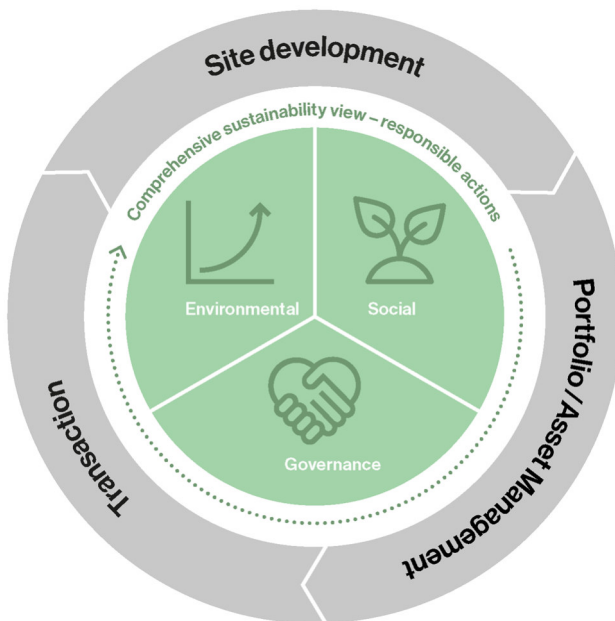
Highlights of the Sustainability Report 2022:

Reduction pathway for greenhouse gas emissions in the yielding portfolio, page 41
Sustainable Building Manifesto, page 57
Sustainability in action, page 29

As a reliable and conscientious company, HIAG pursues economic, environmental and social value creation throughout a property's entire value chain. The concept of sustainability is taken into account in all HIAG's business processes and the entire organisation is held accountable in this respect.

HIAG is committed to the United Nations Sustainable Development Goals (SDGs). The SDGs shape HIAG's sustainability strategy and reporting with their comprehensive view of sustainability.

Sustainability is part of HIAG's business model:



This Sustainability Report forms an integral part of HIAG Immobilien Holding AG's Annual Report. It focuses on social and environmental information. More detailed information on responsible management and HIAG's economic performance can be found in the Corporate Governance Report on page 64 and in the Financial Report on page 113 of this Annual Report.

Sustainability Report 2022

GRI 2-1

HIAG Immobilien Holding AG, which has its registered office in Basel (Switzerland), is a real estate company listed on SIX Swiss Exchange. HIAG Immobilien Holding AG operates exclusively in Switzerland.

GRI 2-2

Sustainability reporting covers all of HIAG's strategic business units (see page 121), with the exception of the recycling business of Jaeger et Bosshard SA due to the different fields of activity, its marginal contribution to HIAG's business results and the fact that its operational management is outsourced to Thommen AG.

As at 31 December 2022, one associated company existed (HIAG Solar AG, share: 49%). Unless expressly stated, HIAG Solar AG is not included in this report.

GRI 2-5

This report has been prepared in accordance with GRI Standards, which means that it is based on systematically collated sustainability indicators. An independent external audit of selected sustainability data was not performed during this reporting period. However, this is our goal in the medium term. The Audit Committee of HIAG Immobilien Holding AG is responsible for conducting external audits (see 78).

GRI 2-4

Internal quality controls conducted during the preparation of this report revealed minor errors in the collection of consumption data relating to individual properties for the 2021 reporting period. However, their influence on the consolidated figures in the 2021 Sustainability Report is marginal, and therefore negligible. The only exception is electricity. Due to a reporting error in financial year 2021, the amount of general electricity required in the year under review is lower than the electricity requirement reported for 2021. The source of this error was remedied internally. However, this has no influence on the reported greenhouse gas emissions. The remaining errors are almost exclusively due to confusion of the units used (m³ instead of kWh). The responsible managers were made aware of this potential source of error.

Significant changes in the current report compared to the 2021 report concern the new presentation of the topic of occupational safety, as well as a clearer separation between sustainability goals and guidelines. For example, the sustainability principles listed in the Sustainability Report 2021 were integrated into a group-wide sustainability policy. The policy was ratified by the Executive Board.

The current version of the Sustainability Policy is available online via the following link:

https://www.hiag.com/media/t5xiexuv/20221216_sustainability-policyhiag.pdf

Sustainability Report 2022

GRI 2-3

Based on the principles of the GRI Standards, the information in this report is limited to topics that are material to HIAG. Unless otherwise stated, the data in this Sustainability Report refer to financial year 2022 (1 January to 31 December 2022). Sustainability reporting is carried out annually together with the financial reporting as part of the Annual Report (Management Report, Sustainability Report, Corporate Governance Report, Compensation Report, Consolidated Financial Statements and Annual Financial Statements).

5 Internal organisation

GRI 2-12; GRI 2-13; GRI 2-14

HIAG's sustainability activities are based on the sustainability strategy adopted by the Board of Directors in 2021. This is part of HIAG's Strategy 2025. The Board of Directors bears overall responsibility for all economic, ecological and social matters, including this Sustainability Report. It has commissioned the Executive Board with the implementation of the sustainability strategy. The Executive Board is assisted in this respect by an internal Sustainability Project Manager who works closely with the cross-divisional sustainability team. The involvement of the different departments ensures the relevance of the various sustainability activities in practice.

Necessary adjustments to the sustainability strategy and its implementation are systematically reviewed each year based on internal and external feedback. In financial year 2022, the sustainability strategy was expanded to include a comprehensive ESG risk analysis (see page 59). The Board of Directors is informed about the status of the implementation of the sustainability strategy by the Executive Board at the quarterly board meetings.

HIAG's sustainability organisation:



Sustainability Report 2022

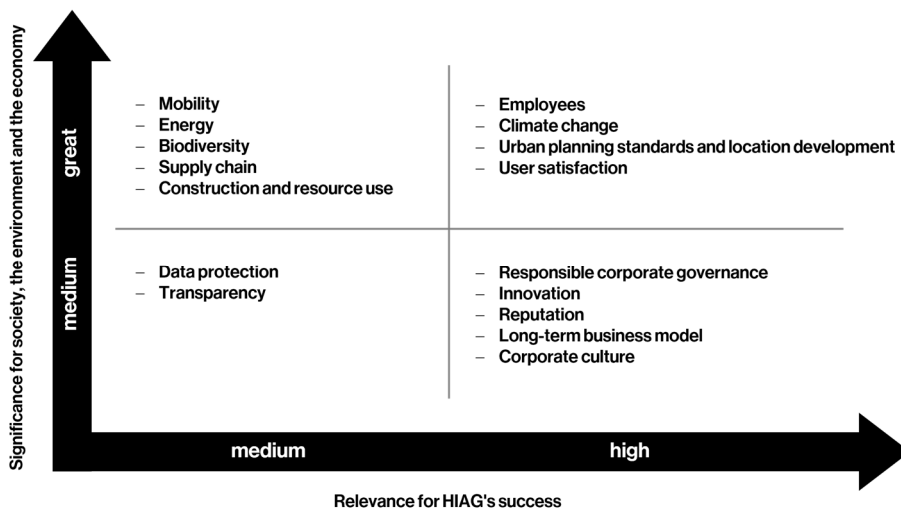
6 Material topics

GRI 3-1; GRI 3-2; GRI 2-25

This report is based on the list of material topics. The topics were further refined on the basis of the new GRI Standards 2021 and findings from the Sustainability Report 2021. Specifically, the topics of “Construction” and “Resource use” were combined due to significant overlap. The same applies to “Urban development standards” and “Location development”. Other changes concern the use of more specific terminology. The relevance or importance of individual topics were also reassessed.

The list is based on the principle of indirect stakeholder involvement. It was drawn up for the first time in 2020 in partnership with external sustainability experts. HIAG drew on its wealth of internal experience gained from personal tenant interviews, discussions in trade media and other publications. Internal and external feedback has contributed to further refinements in past years.

Presentation of material topics from the 2022 materiality assessment (double materiality):



GRI 2-29

HIAG’s stakeholders include all individuals and organisations that are directly or indirectly affected by HIAG’s business activities. Naturally, the perspectives and requirements differ depending on the stakeholders. This is illustrated in the following figure. HIAG maintains an intensive and personal dialogue with all the stakeholders listed here. The purpose of this is to boost the company’s efficiency, productivity and management capability in the long term. Further information on cooperation with stakeholders can be found in the sections “Sustainability in action” (page 29), “Urban planning standards and location development” (page 38), and “Transparency and fair competition” (page 60).

Sustainability Report 2022

Key stakeholders and their concerns in 2022:

| Stakeholders: | Material topics: |
|--|---|
| Residents and tenants | User satisfaction, data protection, mobility, construction and resource use, urban planning and location development, energy |
| Employees | Corporate culture (including opportunities for progression), reputation |
| Business partners | Responsible management, transparency, reputation, innovation |
| Shareholders and investors | Long-term business model (including economic performance), responsible management, transparency, innovation |
| Authorities | Urban planning and location development standards, energy, mobility, climate change, construction methods and use of resources, transparency |
| Organisations and associations <ul style="list-style-type: none"> — Business promotion offices — Social partners — Nature and heritage protection organisations | Urban planning and location development standards supply chain, employees Climate change, biodiversity, construction methods and use of resources, urban planning and location development standards |

Sustainability Report 2022

7 Sustainability goals

GRI 2-25

Concrete added value is created using sustainability goals developed in accordance with the SMART¹ concept. HIAG regularly assesses the level of achievement for the various different goals and communicates it as part of its Sustainability Report. New goals are evaluated annually. Three goals were met in financial year 2022 (see page 28). These were replaced by five new goals (see page 26).

The implementation of the sustainability agenda and achieving its goals are fundamental to the compensation paid to the Executive Board (CEO, CFO) and the Sustainability Project Manager (see page 90). For financial year 2023, this performance-related salary component was extended to the new members of the Executive Board (Head of Portfolio/Transactions and Head of Development/Realisation), the Head of HR and the Communication Manager. There are also non-monetary incentives such as regular internal interim reports and reduction paths specifically broken down for the individual asset managers for the competitive reduction of greenhouse gases. As part of the annual employee appraisal (see page 32), each employee was asked to set themselves a personal sustainability goal for 2023 that is aligned with HIAG's strategy.

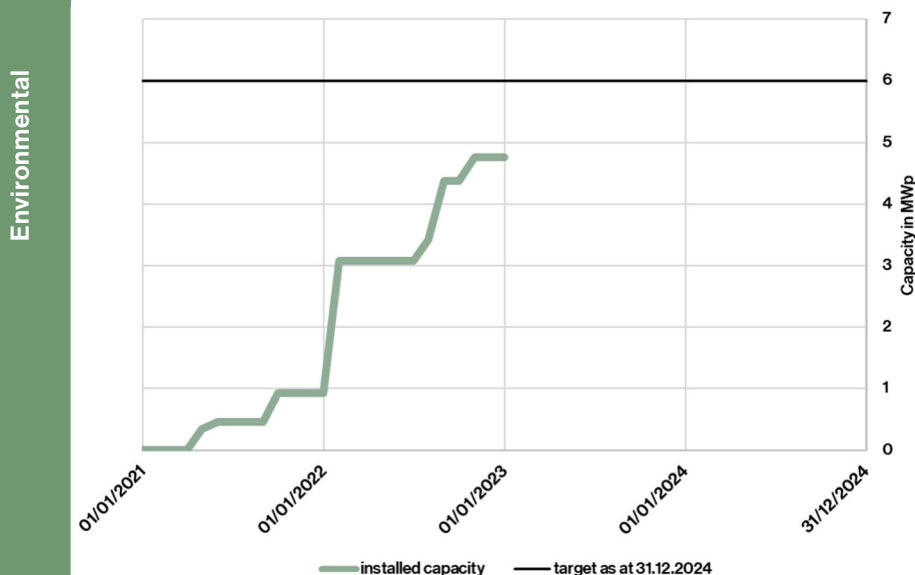
7.1 Current goals

Goal 2021.4

Six-fold increase in the plant capacity of HIAG Solar, the joint venture with our technology partner aventron, from 1 MWp in 2021 to 6 MWp in 2024

Degree of target achievement: As at 31 December 2022, the installed capacity was 4.7 MWp. The announced target of 6 MWp in 2024 still applies (see page 49).

HIAG Solar's expansion status as of 31 December 2022:



¹ Specific Measurable Achievable Reasonable Time-Bound

Sustainability Report 2022

Environmental

NEW: Goal 2022.1

Reduction of greenhouse gas emissions in the yielding portfolio:

- a) The Scope 1 emissions of the yielding portfolio are reduced by 85% per m²_{ERA} by 2035, based on the 2021 values.
- b) The Scope 1 and 2 emissions of the yielding portfolio are reduced by 65% per m²_{ERA} by 2035, based on the 2021 values.
- c) By 2050, the Scope 1 and 2 emissions of the existing portfolio are net 0 kg/m²_{ERA}.

The targets are based on the reduction path for the yielding portfolio. HIAG currently expects that compensation measures will be necessary in order to achieve the net zero target by 2050. Further information can be found on page 41.

Social

NEW: Goal 2022.2

Conduct periodic, quantitative employee satisfaction surveys from 2023 onwards.

NEW: Goal 2022.3

Conduct periodic, quantitative customer satisfaction surveys from 2023 onwards.

Governance

NEW: Goal 2022.4

Development of a concept for sustainable property management by 2024.

NEW: Goal 2022.5

Voluntary convergence with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) by 2024.

The Ordinance on Climate-Related Reporting provides for the mandatory implementation of the internationally recognised recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for large Swiss companies. Due to its comparatively low employee headcount, HIAG is voluntarily working towards achieving compliance with the requirements of this Ordinance.

Sustainability Report 2022

7.2 Achieved goals

Goal 2021.1: Development of a plan to reduce greenhouse gas emissions in the yielding portfolio by 2023

The announced reduction path has already been achieved ahead of schedule in financial year 2022. Further details can be found under “Reduction path for the yielding portfolio” on page 41.

Goal 2021.2: Development of guidelines for building certification and the handling of recyclable products by 2023

The guidelines have already been achieved ahead of schedule in financial year 2022. Further details can be found in the “Sustainable Building Manifesto” section on page 57.

Goal 2021.3: Participation in the GRESB Real Estate Assessment 2022 (Standing Investments and Development)

In 2022, HIAG participated in the GRESB Real Estate Assessments (Standing Investments and Development) for the first time. The assessment was carried out during the grace period and is therefore not publicly available. For the GRESB Public Disclosure Level, HIAG received a rating of 83 points in 2022 (rating: A).

Sustainability Report 2022

8 Sustainability in action

Sustainability is put into practice holistically at HIAG and understood as a driver of innovation. With numerous projects, HIAG creates environmental, economic and social added value every day.

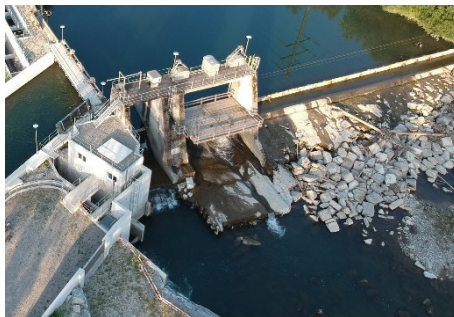
Selected examples:



CO₂ mineralisation in Biberist

CO₂ storage in concrete

As part of the dismantling process in Biberist, large quantities of mineral deconstruction material are being produced. The demolition material is processed on site into recycled products, infused with CO₂ from biogas plants, and reused on site. As the recycled concrete stores the CO₂ permanently, this results in negative emissions. HIAG is working on this with the Swiss scaleup neustark.



Hydropower plant in Biberist

Green electricity from our own hydropower

HIAG operates five historic hydroelectric power plants at the Biberist, Diesbach and Aathal/Wetzikon sites. In 2022, this generated green electricity for around 1,300 households.



HIAG Solar plant in Brunegg

HIAG Solar

In 2021, HIAG launched the HIAG Solar joint venture in partnership with aventron. As of 31 December 2022, the installed capacity was 4.7 MWp. The green electricity produced by HIAG Solar, which was made available to tenants in 2022 and fed into the grid, is equivalent to the electricity requirements of 850 households.



Roof biotope in Meyrin

Space for nature

The close to nature maintenance of HIAG's large sites not only makes them appealing places to work and live, it also provides valuable niches for flora and fauna, and positively influences the microclimate.

Sustainability Report 2022



Work playground in Dornach

HIAG as part of society

Cultural events such as summer festivals or children's activities are regularly held at HIAG's sites. By opening up the sites, HIAG strengthens its relationship with the local population and engages with them in an informal environment.



Participatory workshop in Dornach

Involvement of all stakeholders

When preparing development concepts, HIAG attaches great importance to maintaining a dialogue with the public and the relevant stakeholders. The company therefore conducts numerous information events and participatory workshops on its development projects.



Smart lighting in Meyrin

Greater efficiency through innovation

The solar-powered LED car park lighting in Meyrin operates self-sufficiently and makes efficient use of resources. The integrated sensors regulate the light as needed. This is not only efficient, but also effectively reduces light pollution.



Former Windisch spinning mill

Transitioning identity into the future

HIAG is creating new economic power by reoccupying historic industrial sites. In doing so, it endeavours to preserve the existing structures. This saves resources and thus grey energy, but also keeps the regional industrial history alive. The result is appealing locations with a fascinating history that are pleasant places to spend time in.



Management dialogue with tenants

Treating our customers as equals

HIAG attaches great importance to close contact with tenants. Thanks to the predominantly in-house management and regular, in-person meetings with tenants, HIAG is well aware of its tenants' needs.

9 UN Sustainable Development Goals (SDGs)

Through its activities, HIAG actively contributes to the achievement of ten SDGs. Its contribution to the various goals is described in detail in the Sustainability Report. The following overview serves as a guide.

| UN SDGs | HIAG's approach to the UN SDGs: |
|---------|--|
| | <ul style="list-style-type: none"> — Social responsibility: employees, page 32 |
| | <ul style="list-style-type: none"> — Environment: energy, page 44 |
| | <ul style="list-style-type: none"> — Social responsibility: employees, page 32 — Social responsibility: urban planning quality and location development, page 38 — Financial report, page 113 |
| | <ul style="list-style-type: none"> — Sustainability goals, page 26 — Social responsibility: innovation, page 39 |
| | <ul style="list-style-type: none"> — Social responsibility: employees, page 32 |
| | <ul style="list-style-type: none"> — Social responsibility, page 32 — Environment, page 41 |
| | <ul style="list-style-type: none"> — Environment: construction and resource use, page 56 |
| | <ul style="list-style-type: none"> — Environment: reduction path for the yielding portfolio, page 41 — Environment: climate change, page 51 |
| | <ul style="list-style-type: none"> — Environment: biodiversity, page 59 |
| | <ul style="list-style-type: none"> — Material topics, page 24 — Social responsibility: social commitment, page 39 — Environment: energy, page 44 |

Sustainability Report 2022

10 Social responsibility

10.1 Employees

GRI 2-7

With a motivating corporate culture, HIAG creates the conditions for attracting qualified employees and retaining them in the long term. At the same time, HIAG promotes attractive working conditions. These are set out in the employment regulations. The employment regulations are reviewed regularly and amended as necessary.

In the year under review, HIAG aims to reduce the above-average staff turnover (see page 33) and stabilise it at an industry-standard level in the medium term. The reasons for the situation in the year under review are manifold, and mainly of a personal nature, affecting all departments equally. The extraordinary pace of change in the reporting year is due, among other things, to the rapid development of the company, which requires the introduction of new structures and processes. This is exacerbated by ordinary retirements and departures for family-related reasons. Measures that have already been implemented include the build-up of personnel, particularly in the HR function and in selected business units with high workloads. Internal communication was also expanded. Employees are also to be offered additional opportunities to provide feedback (see sustainability goals, page 26).

HIAG as an employer

GRI 2-8; GRI 401-2

As at 31 December 2022, HIAG employed 67 people (2021: 66) in German-speaking and French-speaking Switzerland, who together filled 63 (2021: 60.6) full-time positions (Jaeger et Bosshard SA not included). With a few exceptions, all HIAG's activities are carried out by its own staff. The only exceptions are selected professionals who are hired on a temporary basis. There are no structural, seasonal fluctuations in staffing levels.

HIAG grants the same standard employee benefits to all employees regardless of their contractual relationship (full-time, part-time, permanent, temporary). The only exception is the employee stock option programme (see "Fair and performance-related remuneration", page 36). Employees with temporary contracts are excluded.

Performance commitments and employee development

GRI 404-3

HIAG fosters a corporate culture based on partnership and offers interesting work with a great deal of creative freedom. All employees are offered attractive development opportunities.

HIAG addresses the needs of all its employees in depth through performance reviews that take place at least once a year. Individual performance targets are set in agreement with the employees as part of a performance assessment. The content of these reviews is recorded in a memo, and provides HR and management with a representative overview of employee satisfaction and employee perceptions of the company's culture.

Sustainability Report 2022

Diversity and workers' rights

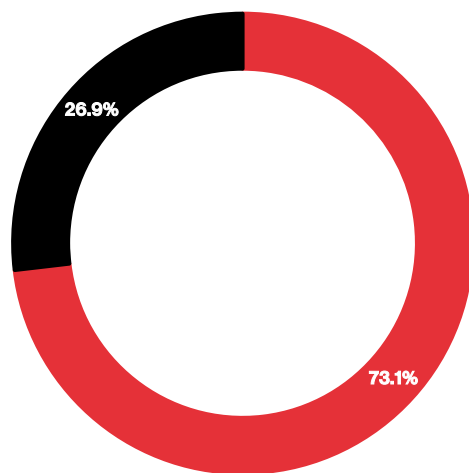
HIAG sees diversity as a driver of opportunity and innovation. Employees' individual values are respected, and workers' rights such as freedom of association are supported. Detailed figures on the composition of the workforce are based on data from the personnel database.

Employee figures as at 31 December 2022

GRI 401-1; GRI 405-1

The composition of HIAG's workforce (excluding Jaeger et Bosshard) by nationality reflects the national average (Swiss 74.3%, nationals of other countries 25.7%)². Nationals of other countries mainly consist of Germans (16.5% of the workforce) and French (4.5% of the workforce).

Nationalities in HIAG's workforce as at 31 December 2022:

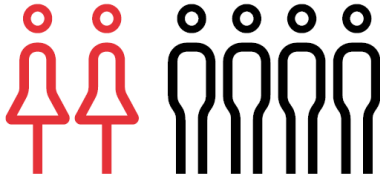


■ Swiss nationals
■ Nationals of other countries

² FSO, Population, status and development (2021)

Sustainability Report 2022

Members of the Board of Directors

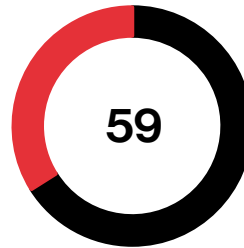


2 Women
33%

4 Men
67%

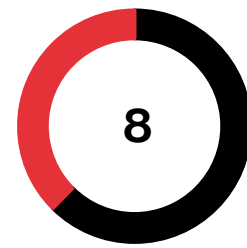
Real estate employees by region

German-speaking Switzerland



20 Women (34%)
39 Men (66%)

French-speaking Switzerland



3 Women (37%)
5 Men (63%)

Employees per function

| Function | Women | Men | Women | Men |
|--------------------------------|----------|--------|---------|-------|
| Executive Board and management | 2 women | 10 men | 0 women | 3 men |
| Non-managerial employees | 18 women | 29 men | 3 women | 2 men |

Employees in full/part-time positions

| Percentage | Women | Men | Women | Men |
|------------|----------|--------|---------|-------|
| > 90% | 14 women | 31 men | 1 woman | 5 men |
| 50 – 90% | 4 women | 8 men | 2 women | 0 men |
| < 50% | 2 women | 0 men | 0 women | 0 men |

Employee per age group

| Age Group | Women | Men | Women | Men |
|---------------|----------|--------|---------|-------|
| < 30 years | 2 women | 1 man | 1 woman | 0 men |
| 30 – 50 years | 11 women | 28 men | 1 woman | 4 men |
| > 50 years | 7 women | 10 men | 1 woman | 1 man |

Contract

| Contract Type | Women | Men | Women | Men |
|-------------------|----------|--------|---------|-------|
| Indefinite | 17 women | 38 men | 3 women | 5 men |
| Temporary | 2 women | 1 man | 0 women | 0 men |
| Hourly wage basis | 1 woman | 0 men | 0 women | 0 men |

Employee turnover in financial year 2022

| Turnover Type | 2022 | 2021 |
|---------------|-------|-------|
| Entry rate | 30.5% | 25.0% |
| Exit rate | 23.7% | 37.5% |

Entries per age

| Age Group | Women | Men | Women | Men |
|---------------|---------|-------|---------|-------|
| < 30 years | 1 woman | 0 men | 1 woman | 0 men |
| 30 – 50 years | 6 women | 9 men | 0 women | 1 man |
| > 50 years | 1 woman | 1 man | 0 women | 0 men |

Exits per age

| Age Group | Women | Men | Women | Men |
|---------------|---------|-------|---------|-------|
| < 30 years | 2 women | 0 men | 0 women | 0 men |
| 30 – 50 years | 3 women | 3 men | 2 women | 0 men |
| > 50 years | 2 women | 4 men | 0 women | 1 man |

Sustainability Report 2022

Employee communication

GRI 402-1

Employees are informed promptly and transparently about important events and kept up to date on HIAG's development through monthly newsletters. The manageable size of the company allows direct, personal contact and knowledge transfer at all times. The stock exchange listing also guarantees a high degree of transparency and timely information. As part of the annual two-day company excursion "HIAG on Tour", selected properties are visited by HIAG and third parties. Presentations provide insight on specific skills that help employees with their work.

Development

GRI 404-1; GRI 2-17

HIAG expects its employees to take responsibility. The company supports them with specific training and further education. An open culture of constructive criticism improves the quality of work and promotes team spirit. In 2022, HIAG supported 15 employees with their further education. These were all administrative employees. Furthermore, digital training courses on the topics of IT security (participation rate: 100%) and sustainability (participation rate: 98%) were held for the first time in 2022. This results in a total of 940 hours of training. The individual further training courses were be credited as time spent working in accordance with the provisions of the employment regulations.

The individual members of the Board of Directors are fundamentally responsible for their own further development. The close connection to the operational business ensures that the members of the Board of Directors have the necessary operational knowledge.

Hours of continuing education by gender and employee category:

| Gender | Executive Board and management | Non-managerial employees |
|--------|--------------------------------|--------------------------|
| Women | 22.9 hours per FTE | 7.8 hours per FTE |
| Men | 11.9 hours per FTE | 19.5 hours per FTE |
| Total | 14.9 hours per FTE | |

Attractive work environment

GRI 2-30

HIAG attaches great importance to attractive working conditions and promotes digital processes. The focus is particularly on increasing efficiency and process quality, as well as creating ways to increase flexibility of working hours and location. Depending on their job, today's technical requirements allow most employees to work from home, other HIAG locations or on the go. None of HIAG's employment contracts are subject to a collective labour agreement. This is not uncommon in Switzerland. The employment contracts are subject to Swiss law and standards.

Sustainability Report 2022

Work-life balance

GRI 401-3

In order to promote a greater work-life balance, HIAG offers flexible working hours and part-time positions as standard practice. In addition, specific working models are created for employees returning from parental leave, if desired and possible.

In 2022, three employees (two women and one man) were entitled to parental leave. All eligible employees took leave. While the man returned to his job within the period under review, the two women are no longer employed by HIAG (return rate according to GRI 401-3; women: 0%, men: 100%). As no one was eligible to take parental leave in the reporting year 2021, the retention rate (number of employees who returned to work after completing parental leave and were still employed twelve months after returning to work) cannot be calculated.

HIAG complies with the working hours and rest periods defined in the Labour Code. Normal working hours are 42 hours per week on a yearly average. The maximum weekly working hours are 45 hours per week. In addition, a good balance between work and personal life is a fixed topic in the annual performance reviews.

Fair and performance-oriented remuneration

GRI 2-21

HIAG values fair compensation that recognises skills and achievements and allows a decent standard of living. Women and men receive the same salary for the same position and performance. The employment contracts comply with Swiss law. In addition to attractive compensation in line with local and industry standards, the compensation model provides additional performance-related target bonuses in certain cases. HIAG also has an employee stock option programme. This is designed to enable all employees (full-time and part-time) to be shareholders in the company. At the end of 2022, about 31% (2021: 41%) of all employees took advantage of this option.

The annual total remuneration ratio according to GRI 2-21 is 1:14. The median pay increased by 5.5% compared to 2021, while that of the CEO fell by 1.6%. All salary data was extrapolated to full-time positions for comparability. Variable salary components such as individual target bonuses or LTIP are taken into account. All data is based on gross pay levels.

Ethical standards

GRI 2-23; GRI 2-24

To ensure ethically correct behaviour and integrity, HIAG requires all employees to comply with and enforce the Codes of Conduct for Employees and Business Partners. The Code of Conduct for Employees is an integral part of employment contracts and defines the framework of business activities for the workforce. No violations of the Codes of Conduct were identified in financial year 2022. The Code of Conduct for Employees is revised on a regular basis and must be approved by the Executive Board. The current version is available online via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

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Occupational safety

HIAG attaches great importance to offering attractive, accident- and injury-proof workplaces at all times. This applies to the employees under HIAG's control, but also to the work on our construction sites. HR constantly reviews existing processes to further improve occupational safety.

The tables below provide a comprehensive overview of internal sick days and accident events.

Internal sick days and accident events in 2022:

| Event | Absolute | per 100,000 hours worked |
|---|----------|--------------------------|
| Sick days | 197 | 87 |
| Work-related accidents and injuries requiring medical treatment | 1 | 0.4 |
| Work-related accidents and injuries without medical treatment | 0 | 0 |
| Days lost due to work-related accidents | 2 | 0.9 |
| Work-related fatalities | 0 | 0 |

10.2 Supply chain

GRI 2-6; GRI 2-23; GRI 2-24; GRI 204-1

HIAG consistently fulfils its responsibility as a listed real estate company throughout the entire supply chain.

As a company operating exclusively in Switzerland, HIAG's activities are governed by Swiss law and standards. In 2021, a Code of Conduct for Business Partners was put into effect, setting out HIAG's aspirations in terms of social responsibility, environmental management, governance, health, safety, gender equality, diversity and inclusion. It requires all business partners and their subcontractors to comply with the relevant guidelines. HIAG expects violations or suspected violations to be reported, and investigates suspected cases. HIAG's Code of Conduct for Business Partners offers an instrument to ensure compliance throughout the value chain. The Code of Conduct for Business Partners is revised regularly and must be approved by the Executive Board. The current version is available online via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

Where possible, HIAG supports the regional economy and awards contracts to local businesses. In 2022, 99% of the order volume was awarded to companies based in Switzerland. Most are based in HIAG's core regions of Zurich, north-western Switzerland and French-speaking Switzerland. This approach helps to ensure that working conditions along the supply chain meet high standards and that basic human rights are guaranteed. There were no significant changes in the supply chain in the financial year compared to the previous year.

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Overview of HIAG's main external business partners:



10.3 User satisfaction and cost structures

Tenant satisfaction is reflected directly in HIAG's business performance. HIAG therefore maintains close contact with the users of its properties. The majority of properties are man-aged in-house, and HIAG's specific tenant structure, with mostly large commercial tenants, supports an open dialogue. Several times a year, the needs and wishes of the tenants are elicited in personal talks.

In the 2022 talks, rent adjustments due to inflation and the installation of charging stations for electric cars were among the most relevant topics. The general tenant satisfaction is rated as very high.

This efficient way of measuring tenant satisfaction strengthens mutual trust, helps to identify problems quickly and allows tailor-made solutions to be implemented. In order to further strengthen the mutual dialogue, especially with smaller tenants, HIAG will conduct anonymous client satisfaction surveys for the first time in 2023 (see "Sustainability goals", page 6). These surveys are intended to complement the existing conversations and identify further opportunities for improvement.

HIAG rents out its properties at fair market conditions. An analysis of the price structures across HIAG's housing supply shows that the supply is representative of the national cost structure in the housing market.

10.4 Urban planning standards and location development

GRI 413-1

Site development is one of HIAG's core competencies. Regular interaction with the various stakeholders is crucial for the success of the projects. Right at the beginning of the many different projects, the relevant stakeholders are identified and included in the project. For example, the needs of politics, heritage conservation, existing users, the local public and, where appropriate, interest groups and associations are taken into account. Special emphasis is placed on mobility and biodiversity, and often also on preserving the historical identity of a site. Furthermore, the analysis and mitigation of potential impacts on the local population during the construction process play an important role.

Communication between HIAG and its stakeholders is a basic prerequisite for good cooperation. It is set out in communication concepts that include interactive workshops or regular information events, for example. It is important to HIAG that stakeholders can approach the project management at any time.

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On larger sites, HIAG works with its own teams. This strengthens proximity with the local stakeholders and promotes the development of high-quality projects that take the various interests into account.

In order to integrate interests and framework conditions that can often be complex, study commissions and competitions are carried out regularly for urban development issues and master plan procedures. HIAG can thus reconcile its entrepreneurial vision for a site with the parties involved and at the same time integrate proposals into its processes.

Due to their size and history, HIAG sites often have great local significance that extends far beyond the site. With the arrival of new tenants and jobs, HIAG brings new life and creates significant impetus. In financial year 2022, the XXXLutz furniture store in Dietikon and the LEM headquarters in Meyrin, among others, were put into operation. These new properties will provide jobs for about 230 people.

10.5 Innovation

Real estate development offers room for innovation and the development of user-friendly solutions and efficient processes, from acquisition to site development and management.

At the project level, HIAG collaboratively designs and implements new solutions. The focus is on the needs of shareholders and customers, as well as the motivation to create sustainable real estate. This type of cooperation between employees from different departments enables efficient and innovative processes.

With the multi-storey, vehicle-accessible “Fahrwerk” building in Winterthur, HIAG did pioneering work in the field of internal densification of commercial space in 2022. Other measures in the year under review include the further optimisation of the IT organisation and the implementation of a new ERP system. In the field of mobility, innovative access concepts via mobility concepts and the roll-out of additional charging stations for electric vehicles were pushed forward.

10.6 Social commitment

GRI 413-1; GRI 415-1

HIAG sites undergoing transformation are often lively regional meeting places and are made available to local associations and groups on attractive terms. Start-ups also find attractive and exciting locations with HIAG. HIAG organises regular cultural events at its sites, such as the open-air theatre productions for children by FAHR.WERK.ö! at the Schönau site in Wetzikon and the wide range of cultural events held at the Wydenneck site in Dornach.

HIAG’s corporate social responsibility activities focus on culture, education and the promotion of local societies. HIAG maintains a close dialogue with educational and research institutions. In recent years, these have especially included the cooperation with HEPIA, Geneva’s School of Landscape, Engineering and Architecture, ETH Zurich in the field of architecture, Lucerne University of Applied Sciences and Arts in the field of interior design and the University of Applied Sciences and Arts Northwestern Switzerland (FHNW) in the field of energy and environmental technology. HIAG supports employees who are invited to be guest lecturers at universities on certain specialist topics.

During the reporting year, selected organisations were again supported with patronage contributions. The list below is exhaustive. There were no financial or non-cash benefits

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of any kind to political parties. However, indirect contributions through memberships in associations and stakeholder groups (see page 62) cannot be ruled out.

Patronage contributions and sponsorship in 2022:

≥ CHF 10,000

- Stiftung Baukultur Schweiz
- Stiftung Kunstmuseum Basel
- Theatergenossenschaft Basel

< CHF 10,000

- Biberist active! Gymnastics and Sports Club
- Municipality of Brunegg, 750 years of Brunegg
- Municipality of Derendingen, federal celebration
- Event village of the municipality of Pratteln at the ESAF 2022
- FC Subingen
- Location promotion espace Solothurn, General Assembly
- Statistisch-Volkswirtschaftliche Gesellschaft Basel
- Gymnastics Club Aathal-Seegräben
- Gymnastics Club Dornach
- Verein Winzerfest Döttingen

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11 Environment

The construction and real estate industry contributes significantly to environmental pollution. With its energy requirements, the Swiss building stock accounts for about 30% of national CO₂ emissions and, with 15 million tonnes of construction waste annually, for more than 65% of nationwide waste. Through the transformation of the landscape, it also interferes significantly with nature and human habitats. The construction and real estate industry has significant potential to limit its environmental impact. It thus also plays an important role in achieving climate goals. HIAG wants to be a role model in this field and demonstrate responsible use of natural resources. Various measures have been taken to achieve this. These include the new “Sustainable Building Manifesto” (see page 37) as well as the reduction pathway for reducing greenhouse gases in the yielding portfolio that was also developed in 2022 (see page 21). As a further measure, HIAG is continuously expanding its capacities for the production of renewable energy (see page 29).

The new sustainability goal 2022.4 (see page 6) is intended to create the conditions for further resource savings in the operation of the properties. Active cooperation with the tenants is crucial for this.

The success of implemented measures is continuously monitored. This applies particularly to measures to reduce energy intensity and greenhouse gas emissions, and to a lesser extent to water-conserving measures. The measured consumption values are collated and analysed as part of the annual reporting (see page 23). The analyses form the basis for further initiatives and improvements.

Important terms:

CO₂e: CO₂ equivalent is a measurement unit aimed at standardising the climate impact of the different greenhouse gases.

Scope 1 emissions: Direct emissions from fuel combustion on site (such as gas or heating oil).

Scope 2 emissions: Indirect emissions from the generation of purchased energy (e.g. district heat, electricity).

Scope 3 emissions: Indirect emissions that occur in the value chain (e.g. through mobility services).

ERA: Energy reference area according to SIA.

11.1 Reduction path for the yielding portfolio

The reduction path developed in financial year 2022 represents a milestone in the further reduction of greenhouse gas emissions in HIAG’s yielding portfolio. It was developed over the past months as part of an intensive cooperation between the various departments. With the present result, the sustainability goal 2021.1 has been successfully implemented. In the interest of the ongoing refinement of the model, the reduction path is reviewed and updated on an annual basis. This ensures that new knowledge and changing circumstances are taken into account and communicated in a timely manner.

What does the reduction path represent?

The reduction path is a target path for reducing greenhouse gas emissions. It is based on a large number of assumptions and models. The path shows the Scope 1 and Scope 2 emissions under HIAG’s control. It forms the basis of the new greenhouse gas reduction targets (see sustainability goal 2022.1) and is consistently taken into account for the planning of upcoming maintenance and renovation work. The reduction path takes the heated or cooled properties of the yielding portfolio into account in accordance with the operational control approach of the GHG Protocol. This means that triple-net and comparable contractual relationships are not taken into account. HIAG currently expects that compensation measures will be necessary in order to achieve the net zero target by 2050. These could include the purchase of certificates, for example. The remaining emissions are largely attributable to district heating products purchased from contractual partners. Reducing these emissions is currently proving to be

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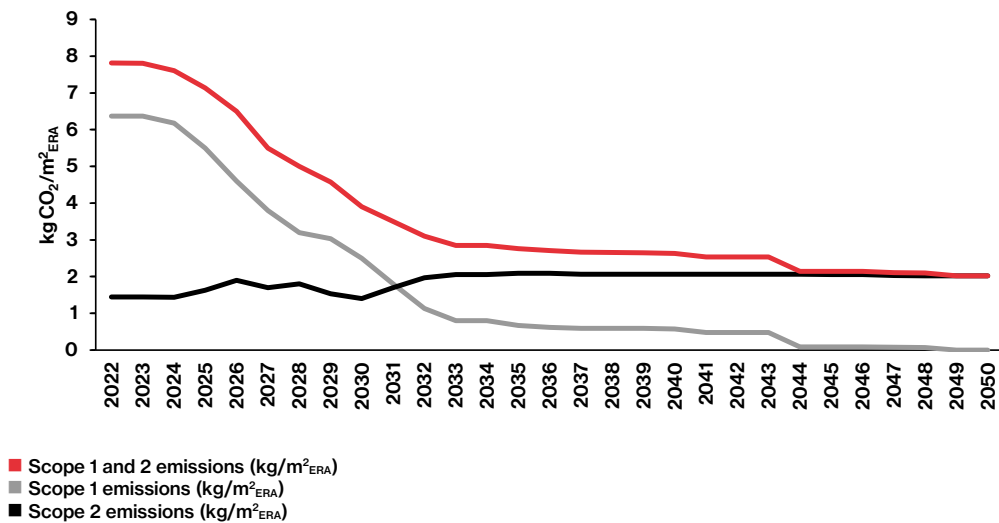
extremely challenging. HIAG assumes that district heating producers will also take measures to reduce greenhouse gas emissions. These are not included in the current presentation.

Assumptions made and existing uncertainties

The reduction path was developed using the CO2mpass software solution. The emission factors applied take fossil and biogenic emissions into account. Organic growth from the development business is integrated into the model. Forecasts, especially regarding the development of Scope 2 emissions, are naturally associated with uncertainties. They can only be influenced by HIAG to a limited extent. The model is based on the Scope 2 emission rates from the first survey year (2021). It is assumed that district heating (50%) or heat pumps (50%) will be installed in new development projects. HIAG does not use fossil fuel-based heating systems in new projects.

The modelled and measured consumption values may differ. There are many reasons for this. In addition to limitations of the model or the delayed development of the effects of implemented measures, these can include vacancy corrections, biogas shares that are not taken into account or climate corrections. Development projects that are brought forward or delayed, as well as the effective choice of heating systems in future development projects, may lead to adjustments to the model.

Reduction path for the yielding portfolio, including growth through completed development projects until 2050 (as at 31 December 2022):



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11.2 Consumption data

GRI 302-1; GRI 302-3; GRI 302-4; GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-4; GRI 305-5

HIAG has systematically recorded its own energy requirements and the corresponding greenhouse gas emissions since 2021. A distinction is made between the following four categories:

1. Yielding portfolio operations (electricity and heating/cooling)
2. Production of energy for sale (including HIAG Solar)
3. Electricity requirements for the operation of the main offices (Basel, Geneva, Zurich)
4. Business trips

Based on this data, HIAG consistently implements the measures set out in the sustainability goals. No consumption information is available for the development portfolio.

For the yielding portfolio, consumption data was collected based on billing in accordance with the GHG Protocol's operational control approach and used to calculate the energy requirements. Depending on the billing period, the analysis periods may lie outside the reporting period. The energy conversion was based on data from the Federal Office for the Environment³. The mobility data is based on information from mobility providers and expense reports. The consumption data for personal motorised vehicles is based on German sources⁴. For air traffic, the CO₂ footprint calculator of Swiss Climate⁵ and the 2020 Climate Protection Report published by the German Air Transport Association (BDL)⁶ were used.

The consumption data for properties that were purchased in financial year 2022 and for which no statements are available are based on estimates. The estimates were arrived at using the information from the CO2mpass (see page 41).

Greenhouse gas emissions were determined based on energy data and the energy mix declared by energy suppliers in accordance with the market-based approach. The emissions factors are based on the above-mentioned sources and a publication by treeze Ltd.⁷ that take the relevant greenhouse gases into account.

As Scope 3 emissions could not be split into fossil and biogenic emissions due to large uncertainties, no distinction was made. The information on Scope 3 emissions also takes the production of renewable sources, such as biogas or wood, into account.

As at 31 December 2022, the weighted energy reference area according to the operational control approach of the GHG Protocol in the yielding portfolio was 321,193.7 m². The energy reference areas were determined on the basis of available building plans or estimated using the CO2mpass.

³ https://www.bafu.admin.ch/dam/bafu/de/dokumente/klima/fachinfo-daten/CO2_Emissionsfaktoren_THG_Inventar.pdf.download.pdf/CO2_Emissionsfaktoren.pdf

⁴ <https://www.umweltbundesamt.de/bild/vergleich-der-durchschnittlichen-emissionen-0>

⁵ <https://www.co2-footprint.ch/>

⁶ <https://www.bdl.aero/de/publikation/klimaschutzreport/>

⁷ https://treeze.ch/fileadmin/user_upload/downloads/Publications/Case_Studies/Energy/619-GHG_Strom_Fernw%C3%A4rme_v3.0.pdf

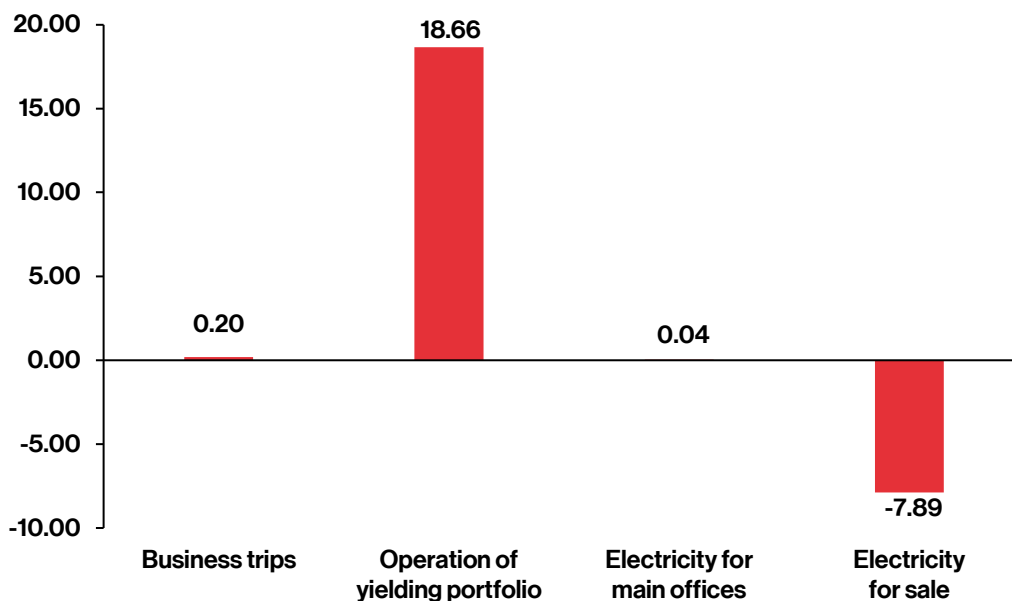
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11.3 Energy

HIAG wants to further improve its energy efficiency. This can reduce operating costs and make an important contribution to achieving the reduction path (see page 21). Energy efficiency always plays an important role in the context of new construction projects. The topic is always examined on an integrated basis at the outset of the planning process together with other questions such as the intended use (see “Sustainable Building Manifesto”, page 37).

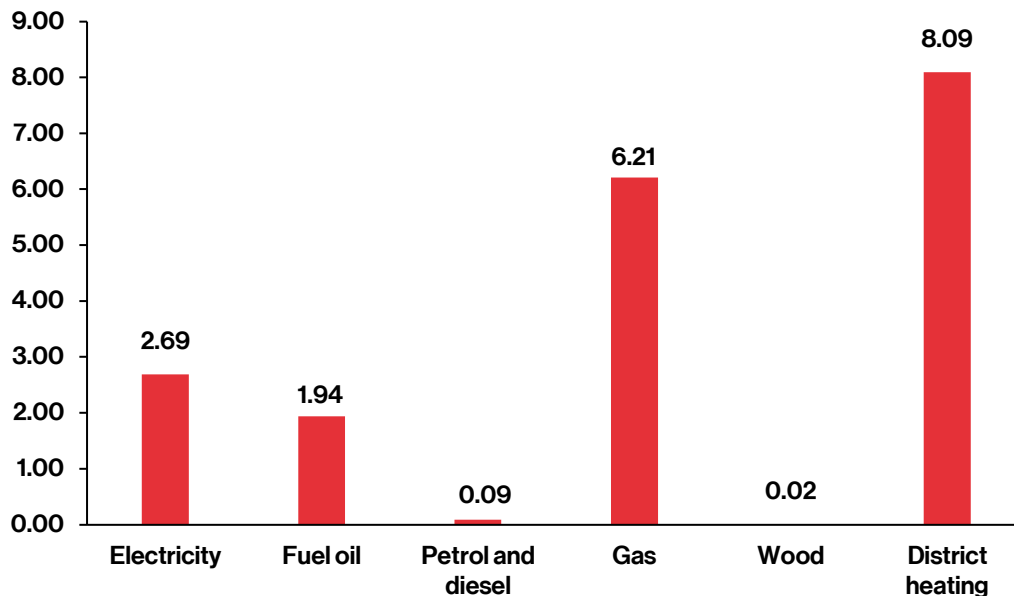
Alongside district heating, gas and heating oil, electricity is currently one of the most important energy sources. Compared to the energy consumption of yielding properties, the energy consumption for operating the main offices and for business travel is negligible.

HIAG’s energy requirements in 2022 in GWh (business trips, yielding portfolio operations, electricity requirements for the operation of the main offices, production of energy for sale):



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Energy sources in 2022 for the operation of the yielding portfolio, business trips and electricity at the main offices, in GWh:

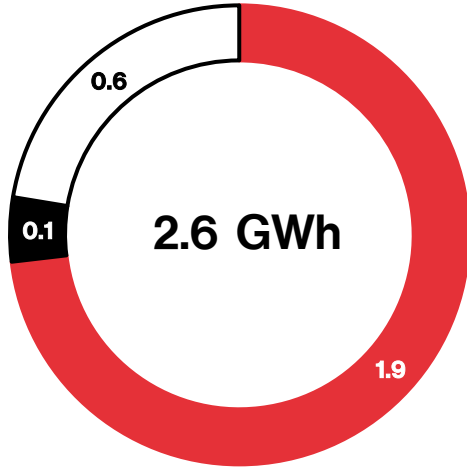


The share of renewable energy in the energy mix was 26% in 2022. The non-renewable share of district heating was 72%. This mainly consists of waste heat from nuclear power plants (100% non-renewable) and MSWIs (50% renewable). District heating from heat pumps was classified as 100% renewable. Electricity for sale includes 100% of the electricity from the joint venture HIAG Solar AG (HIAG share: 49%).

The following graphs show the electricity mix used for the operation of the yielding portfolio and the purchased district heating mix. These can only be influenced by HIAG to a limited extent (in particular the district heating mix).

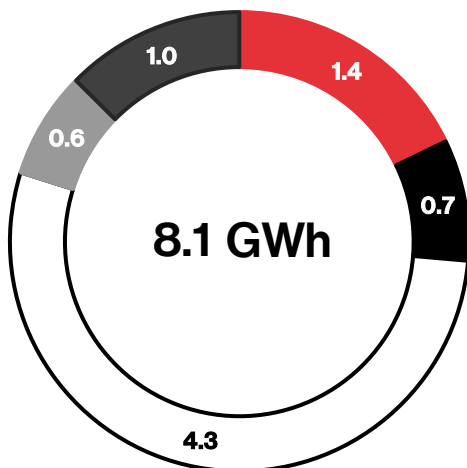
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Purchased general electricity mix of the yielding portfolio in 2022, in GWh:



- Hydropower
- Solar power, wind power, waste incineration, subsidised energy
- Nuclear energy

Purchased district heating mix of the yielding portfolio in 2022, in GWh:



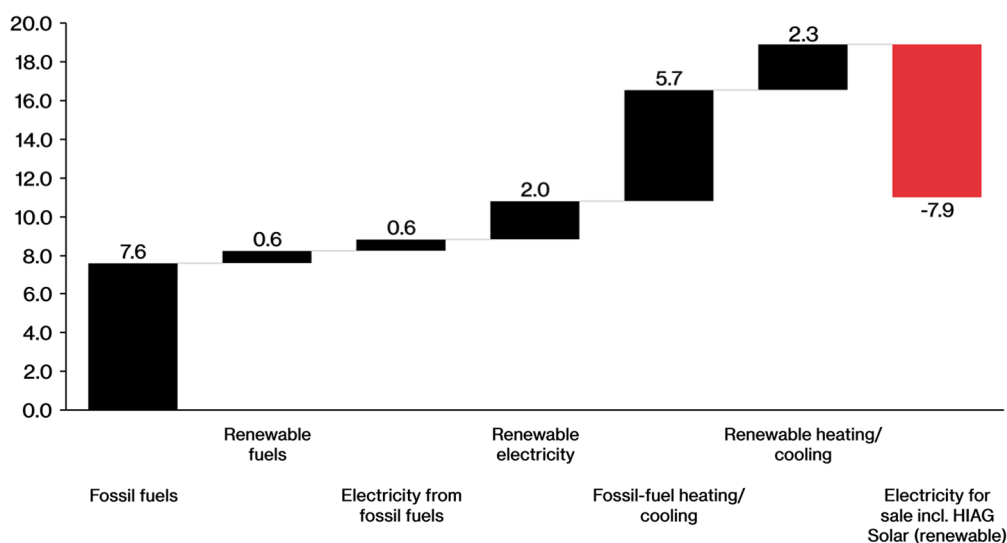
- Waste heat from waste incineration
- Oil and natural gas
- Waste heat from nuclear power plants
- Wood
- Heat pumps

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GRI 302-1

Fossil fuels and fossil heating and cooling energy (incl. nuclear energy) are currently the most important energy sources. These are primarily natural gas, heating oil and fossil fuels in district heating products. This includes, for example, district heating from the waste heat of nuclear power plants or fossil fuels, which are used to break peak loads.

Fossil fuel and renewable energy consumption in 2022 for the yielding portfolio, business mobility and electricity at the main offices, in GWh:



GRI 302-3

The tables below provide information on the energy requirements for (I) yielding portfolio operations, (II) business trips, and (III) the electricity requirements of the rented main offices. Further information on the collection of data can be found on page 43. The resulting greenhouse gas emissions are presented in the “Climate change” section (page 51).

Detailed energy requirements for the yielding portfolio in 2022:

| | Heating/cooling | | | Electricity | | |
|--------------------|-----------------|-------------|-------------------------------------|-------------|-------------|-------------------------------------|
| | GWh | % renewable | kWh / m ² _{ERA} | GWh | % renewable | kWh / m ² _{ERA} |
| Yielding portfolio | 16.2 | 18% | 50.6 | 2.4 | 76% | 7.5 |

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Detailed energy requirements for business trips in 2022:

| Means of transport | Energy used (MWh) | % renewable | Consumption (kWh/km) |
|--------------------------|-------------------|----------------|----------------------|
| Plane | 8 | 0 ¹ | 1.0 |
| Car-sharing (Mobility) | 9 | 0 ¹ | 0.8 |
| Employee private vehicle | 55 | 0 ¹ | 0.8 |
| HIAG vehicles | 18 | 0 ¹ | 0.8 |
| Public transport | 113 | 90% | 0.2 |
| Total | 203 | 50% | 0.3 |

¹ Based on the assumption that no bioethanol has been blended into the paraffin, petrol or diesel

Further information on business travel can be found in the “Mobility” section (page 35).

Energy requirements from the electricity consumption of the main offices in 2022:

| Locations | Electricity | | |
|-----------------------------------|-------------|-------------|-----------|
| | MWh | % renewable | MWh / FTE |
| Basel, Geneva, Zurich (45.15 FTE) | 37.0 | 100% | 0.8 |

GRI 302-4

Change in energy consumption compared to the base year 2021:

| Category | Unit | 2022 | 2021 | Δ as % | Δ LfL as % |
|--|---------------------------------------|------|------|--------|------------|
| Operation of yielding properties (heating, cooling, electricity) | kWh pro m ² _{ERA} | 58.1 | 70.9 | -18% | 1% |
| | % renewable | 25.8 | 29.2 | -11% | -4% |

The changes in gross consumption are shown. Sales from the company’s own energy production are not taken into account. The base year 2021 is the first survey date. The energy requirements for business trips and the electricity purchased for the main offices are not shown. Low relevance (see page 44) and small samples are decisive for this.

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Energy production

With the objective of reducing the consumption of non-renewable energy in the yielding portfolio and greenhouse gas emissions, HIAG concentrates on its own production of renewable energy in addition to energy-focused renovation projects and the installation of energy-efficient equipment.

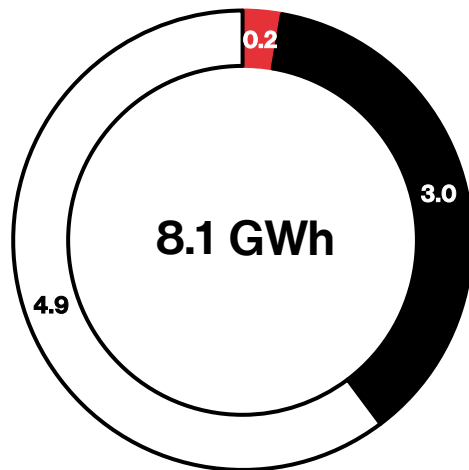
In order to leverage the enormous potential for the generation of solar power on the roofs of its own properties, HIAG set up the joint venture HIAG Solar in 2021 with aventron, an established Swiss producer of renewable electricity, in which HIAG holds a 49% stake. HIAG's goal is to become a significant solar power producer in Switzerland in the medium term.

As at 31 December 2022, 13 facilities with an output of 4.76 MWp were in the grid. The target output is about 6 MWp by 2024 (see page 26).

In order to use the solar power produced by HIAG Solar efficiently, purchase agreements in the form of green lease contracts were concluded with tenants on HIAG sites.

In addition to HIAG Solar's large solar panels, individual, smaller photovoltaic facilities and historic hydroelectric power plants are also in operation. A total of just under 8.1 GWh of renewable electricity was produced in 2022 (HIAG Immobilien Holding AG and HIAG Solar AG together). This corresponds to the annual use of more than 2,300 average Swiss households.

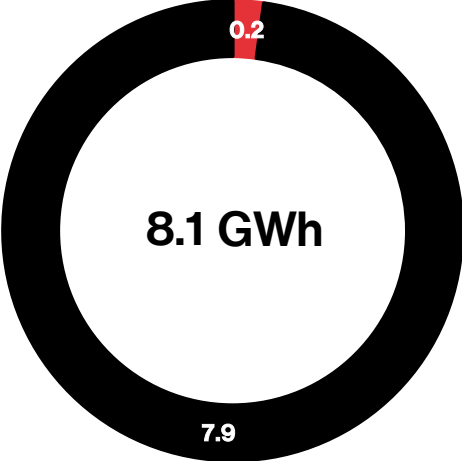
Production of renewable electricity 2022, in GWh:



- Solar power HIAG Immobilien Holding AG
- Solar power HIAG Solar AG
- Hydropower HIAG Immobilien Holding AG

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Share of energy sold from HIAG and HIAG Solar production in 2022, in GWh:



- Energy production for own use
- Energy production for sale

Sustainability Report 2022

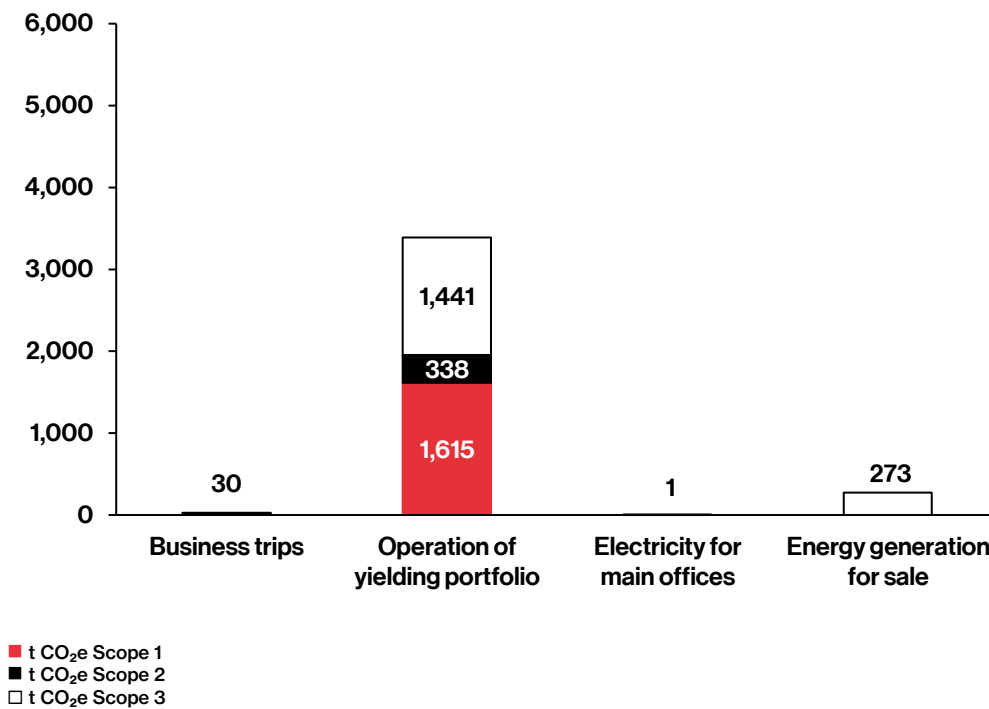
11.4 Climate change

GRI 305-1; GRI 305-2; GRI 305-3

HIAG wants to help protect the climate. To this end, various sustainable construction and management measures have been introduced (see pages 6, 21, 29 and 37). Extensive information on greenhouse gas emissions has also been published since 2021. The information is disclosed according to the categories defined on page 23. The corresponding energy requirements are shown on page 24.

In addition to various sources of emissions, HIAG also has carbon sinks of its own in the form of extensive, sustainably managed forests and farmland. The roughly 12 ha of forest areas absorb about 72 tons of CO₂ annually, based on the assumption⁸ that six tons of CO₂ are absorbed per hectare per year.

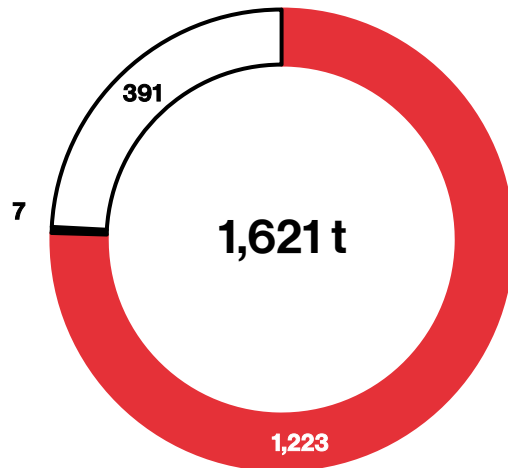
Greenhouse gas emissions by energy source in 2022 (business trips, yielding portfolio operations, electricity requirements for operation of the main offices, production of energy for sale) in t CO₂e:



⁸ <https://www.wald.de/waldwissen/wie-viel-kohlendioxid-co2-speichert-der-wald-bzw-ein-baum/>

Sustainability Report 2022

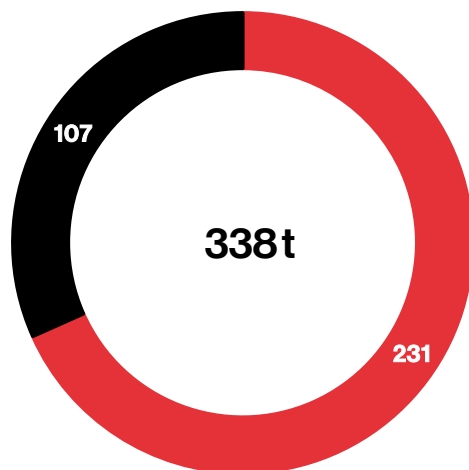
Scope 1 emissions 2022 from yielding portfolio operations, electricity for main offices, business trips, production of energy for sale in t CO₂e:



- Fossil Scope 1 emissions
- Biogenic Scope 1 emissions
- Fossil Scope 1 emissions compensated

The compensated fossil Scope 1 emissions include compensation measures for natural gas, which were taken over by the supplier.

Scope 2 emissions 2022 from yielding portfolio operations, electricity for main offices, business trips, production of energy for sale in t CO₂e:



- Fossil Scope 2 emissions
- Biogenic Scope 2 emissions

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Biogenic Scope 2 emissions are mainly emissions from the combustion of non-fossil organic raw materials (such as wood) or from the operation of hydropower plants. They are the consequence of released putrefactive gases, which are typically produced when watercourses are dammed.

The calculated key figures are based on the suppliers' energy mix (market-based). HIAG's purchased energy consumption has significantly lower CO₂ emissions compared with the national average (location-based) (see page 46).

Comparison of market-based approach and location-based approach for calculating Scope 2 emissions in 2022:

| | Energy source | CO ₂ e emissions/kWh sourced from HIAG | CO ₂ e emissions/kWh national average |
|---------|------------------|---|--|
| | | (market-based, 2022) | (location-based) |
| Scope 2 | District heating | 45.1g | 115.3g |
| | Electricity | 0.7g | 149.7g |

GRI 305-3; GRI 305-4

Detailed greenhouse gas emissions linked to electricity requirements of the yielding portfolio in 2022:

| Type of emissions | Scope 1: kg CO ₂ e | Scope 2: kg CO ₂ e | Scope 1+2: kg CO ₂ e | Scope 1+2: g CO ₂ e/kWh | Scope 3: kg CO ₂ e | Scope 3: g CO ₂ e/kWh |
|-------------------|----------------------------------|----------------------------------|------------------------------------|---------------------------------------|----------------------------------|-------------------------------------|
| Fossil | 0 | 611 | 611 | 1.90 | 76,582 | 238 |
| Biogenic | 50 | 1,182 | 1232 | 3.83 | | |
| Total | 50 | 1,793 | 1843 | 5.74 | 76,582 | 238 |

The tables below provide information on the greenhouse gas emissions for (I) yielding portfolio operations, (II) the electricity requirements for operation of the main offices, and (III) business trips. The corresponding energy requirements are shown on page 44.

Detailed greenhouse gas emissions linked to heating/cooling requirements of the yielding portfolio in 2022:

| Type of emissions | Scope 1: t CO ₂ e | Scope 2: t CO ₂ e | Scope 1+2: t CO ₂ e | Scope 1+2: kg CO ₂ e/m ² _{ERA} | Scope 3: t CO ₂ e | Scope 3: kg CO ₂ e/m ² _{ERA} |
|-------------------|---------------------------------|---------------------------------|-----------------------------------|--|---------------------------------|--|
| Fossil | 1,608 | 231 | 1838 | 5.72 | 1,364 | 4.25 |
| Biogenic | 7 | 106 | 113 | 0.35 | | |
| Total | 1,615 | 337 | 1,952 | 6.07 | 1,364 | 4.25 |

Greenhouse gas emissions from electricity requirements for main offices in 2022:

| Location | Scope 2: kg CO ₂ e | Scope 2: kg CO ₂ e/FTE | Scope 3: kg CO ₂ e |
|------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| Basel, Geneva, Zurich (45.15 FTEs) | 22.2 | 0.5 | 1,011.6 |

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Detailed greenhouse gas emissions linked to business trips in 2022:

| Means of transport | Scope 1: t CO ₂ e | Scope 3: t CO ₂ e | Scope 1+3 kg CO ₂ e/km |
|--------------------------|---------------------------------|---------------------------------|--------------------------------------|
| Plane ¹ | - | 2.2 | 0.277 |
| Car-sharing (Mobility) | - | 2.7 | 0.253 |
| Employee private vehicle | - | 17.4 | 0.253 |
| HIAG vehicles | 4.7 | 0.9 | 0.253 |
| Public transport | - | 2.5 | 0.005 |
| Total | 4.7 | 25.7 | 0.05 |

¹ CO₂e emissions from air travel were offset for 79% of the distance travelled. This fact was not reflected in the table. After offsetting, CO₂e emissions from business air travel would still amount to 319 kg.

GRI 305-5

Change in greenhouse gas emissions compared to the base year 2021:

| Category | Unit | 2022 | 2021 | Δ as % | Δ LfL as % |
|--|--|------|------|--------|------------|
| Operation of yielding properties (heating, cooling, electricity) | Scope 1 kg CO ₂ e per m ² _{ERA} | 5.0 | 6.7 | -25% | -6% |
| | Scope 2 kg CO ₂ e per m ² _{ERA} | 1.1 | 1.7 | -35% | -33% |

The changes in gross emissions are shown. Sales from the company's own energy production are not taken into account. The base year 2021 is the first survey date. The emissions for business trips and the electricity purchased for the main offices are not shown. Low relevance (see page 51) and small samples are decisive for this.

The emission intensity in the yielding portfolio is now 6.1 kg CO₂e per m²_{ERA} (2021: 8.5 kg CO₂e per m²_{ERA}). This reduction is due to various causes.

Reduction of Scope 1 emissions to 5.0 kg CO₂e per m²_{ERA} (2021: 6.7 kg CO₂e per m²_{ERA}):

- In financial years 2021 and 2022, numerous properties heated using fossil fuels were sold, for example at the Aathal/Wetzikon, Biberist and Diesbach sites, new triple-net contracts were entered into and a district heating connection was realised in Dietikon. These measures (including acquisitions) resulted in reductions of almost 450 tonnes of CO₂e in the reporting. Converted, this corresponds to roughly 1.4 kg CO₂e per m²_{ERA}. In a like-for-like comparison, this results in a reduction of 6%.

Reduction of Scope 2 emissions to 1.1 kg CO₂e per m²_{ERA} (2021: 1.7 kg CO₂e per m²_{ERA}):

- The emission rate of Scope 2 emissions has decreased significantly. It is now 45.1g CO₂e per kWh (2021: 71.1g CO₂e per kWh). Without this reduction, the Scope 2 emission intensity would still be 1.8 kg CO₂e per m²_{ERA}. The reduction can therefore be attributed to external factors. The reason for the lower emission rate is the lower proportion of fossil fuels in the district heating products purchased. As HIAG is only able to control and forecast Scope 2 emissions to a very limited extent, the assumptions used in the reduction path (see page 41) are still based on the rather conservative values from 2021.

Sustainability Report 2022

11.5 Mobility

The development of mobility increases the attractiveness of HIAG's sites and ensures the success of its development projects. With holistic mobility concepts, negative effects such as poor accessibility or noise emissions can be reduced or prevented. This can increase the quality of time spent at the sites. The needs of the different stakeholders are taken into account in the development of the mobility concepts.

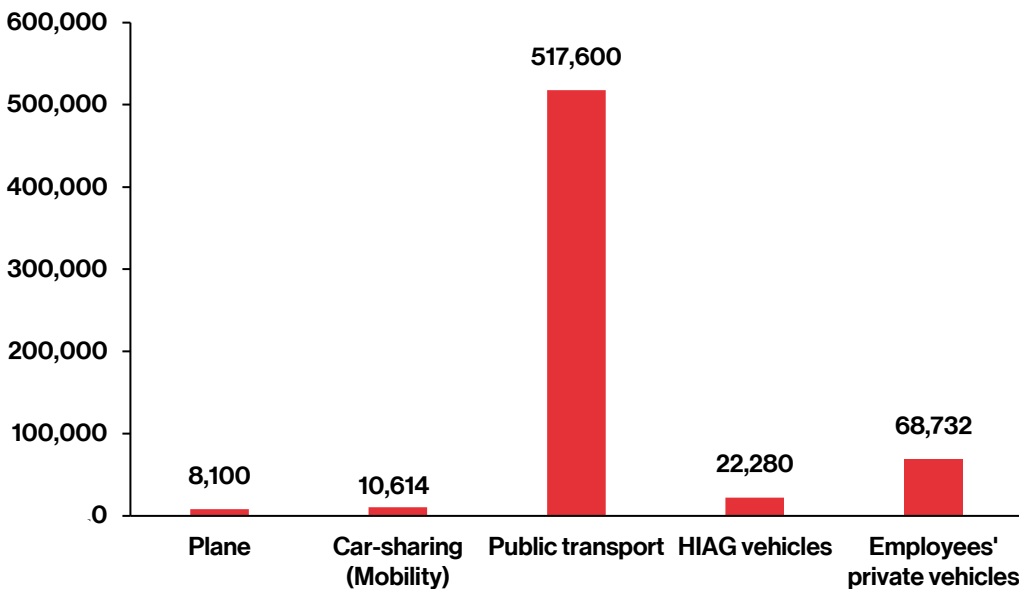
Creation of a sufficient number of parking spaces for bicycles and provision of efficient charging stations for electric vehicles are a consistent part of the planning process for development projects and carried out wherever possible. Where necessary, HIAG optimises site accessibility with innovative solutions from third-party providers, such as car-sharing services.

HIAG regularly analyses the accessibility of its sites using independent data. The results are continuously incorporated into the planning and optimisation of mobility concepts.

HIAG has a structured mobility management system and promotes the use of public transport. Employees who need to travel frequently receive general or half-fare travelcards. In addition, all employees have access to the Mobility car-sharing system.

Most business trips are made using public transport. In addition to cost savings and efficiency gains, this also reduces negative environmental impacts.

Business trips in 2022 by means of transport, in km:



Sustainability Report 2022

11.6 Construction and resource use

When developing its sites, HIAG ensures that existing buildings are incorporated. Thus, the sites' character and historical identity are preserved, and large amounts of waste and grey energy can be avoided.

With its Codes of Conduct for Employees and Business Partners, HIAG is attentive to the careful management of natural resources.

One example of the circular economy in action is the sale and planned dismantling of an industrial production plant and building on HIAG's Pratteln site in 2021. The plant and its building will be rebuilt and commissioned by the new owner at a location in the UK.

In order to conserve resources in terms of property maintenance, the properties are periodically checked and upgraded if necessary.

In the past financial year, as in 2021, the water consumption of yielding properties was once again evaluated using the operational control approach. Drinking water is readily available in Switzerland thanks to the country's ample water resources. The absolute consumption values are therefore of lesser importance in an international comparison. Nevertheless, water conservation and appropriate systems should relieve the burden on the water treatment infrastructure. The sustainability policy (see page 2) obliges us to plan and implement water-conserving solutions. This also includes water-conserving outdoor space design. All of HI-AG's properties are connected to the sewage system so that waste water can be properly purified. In order to preserve the water treatment infrastructure, most properties have dual waste water pipes for meteoric and brown water. In addition, water percolation and retention areas feed meteoric water into the groundwater and help to reduce power peaks and relieve the local infrastructure during intense precipitation.

GRI 303-5

Water consumption of the yielding portfolio in 2022:

| Portfolio | total Water consumption in m ³ | Water consumption in m ³ per m ² _{ERA} |
|--------------------|---|---|
| Yielding portfolio | 66,898 | 0.220 |

One indicator of resource efficiency is the share of certified properties in the portfolio. As at 31 December 2022, there were five certified buildings in HIAG's yielding portfolio. An official building energy certificate is available for a sixth building. These six properties account for 14% of the total value of the yielding portfolio. Based on the existing development pipeline, this number will continue to rise in the years ahead. Provisional Minergie certification (ZG-763) is available for the projects at Lorzenparkstrasse 17-21 in Cham, for example. In addition, SNBS certification is being sought for further building projects in Cham and Zurich-Altstetten. Minergie-Eco certification is planned for the Fahrwerk project in Winterthur.

Sustainability Report 2022

Certified buildings in the existing portfolio as at 31 December 2022:

| Property | Type of use | Certificate / Building certificate |
|--|-------------|---|
| Spinnereistrasse 10A–10E, 5210 Windisch | Residential | Minergie-Neubau (AG-4388) |
| Spinnereistrasse 12A, 12B, 5210 Windisch | Residential | Minergie-Neubau (AG-4390) |
| Spinnereistrasse 14A, 14B, 5210 Windisch | Residential | Minergie-Neubau (AG-4389) |
| Route du Nant-d'Avril 150, 1217 Meyrin | Office | Minergie-Sanierung (GE-1755) |
| Route du Nant-d'Avril 154, 1217 Meyrin | Office | Minergie-Neubau (GE-1417) |
| Industriestrasse 24, 8155 Niederhasli | Office | GEAK building energy certificate Building envelope efficiency: B Total energy efficiency: A |

Sustainable Building Manifesto

With the “Sustainable Building Manifesto” that was developed in financial year 2022, HIAG has laid down the central cornerstones of its concept of sustainability for new buildings and total refurbishments. This means that sustainability goal 2021.2 (development of a guideline for the certification of buildings and the use of recyclable products by 2023) has been successfully implemented ahead of schedule.

The content of the manifesto was developed in a number of workshops with the involvement of the responsible site developers and external experts. The document’s comprehensibility allows HIAG to communicate its sustainability requirements for construction projects. The manifesto describes the aspects of sustainable construction that are relevant to HIAG in the form of six principles.

These are:

1. Resilience to the impacts of climate change
2. Optimal accessibility and strengthening of sustainable mobility
3. High quality of stay and safety
4. Energy-efficient and low-emission infrastructure
5. High flexibility of use
6. Taking social needs into account

Within the framework of these six principles and the other provisions of the manifesto, a wide range of sustainability issues are considered. These include topics such as certification, biodiversity, energy efficiency, greenhouse gas emissions, pollution, safety, the expansion of renewable energy, resilience to natural hazards and sustainable material procurement. Further explanations regarding these six principles and the embedding of the topics of certifications as well as the use of recyclable products can be found in the publicly available manifesto:

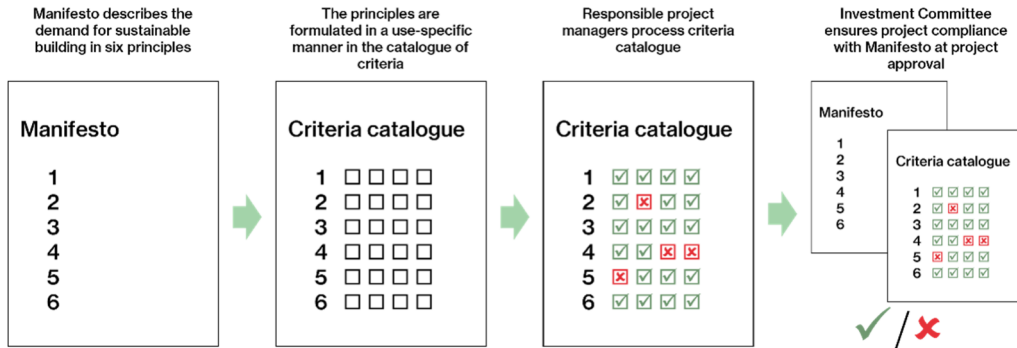
<https://www.hiag.com/en/company/manifesto-sustainable-building/>

The manifesto is based on a comprehensive catalogue of criteria. This translates the six principles into concrete criteria for the different types of use (industry, logistics, retail, office and residential). The criteria are based on the DGNB sustainability standard of the Swiss Sustainable Building Council (SGNI). Unlike other standards, such as the Swiss Sustainable Building Standard (SNBS) or Minergie, this covers all relevant types of use and topics.

Procedurally, the manifesto has been integrated into the existing project approval process. This ensures that all relevant bodies deal intensively with the issue. This ensures that the manifesto is put into practice and contributes to the development of appealing and innovative solutions.

Sustainability Report 2022

Application of the Sustainable Building Manifesto:



The project leaders process the catalogue of criteria together with the project application. Any deviations from the set criteria must be justified. The Investment Committee must confirm the compliance of the construction project with the content of the manifesto at the time of the project approval. If this is not the case, the building project cannot be approved.

Sustainability Report 2022

11.7 Biodiversity

GRI 304-2

HIAG wishes to seize opportunities to reverse the loss of biodiversity. With the redevelopment and redesign of sites that have already been developed, HIAG bolsters the densification of residential areas in Switzerland as intended by the federal government and helps preserve undeveloped, natural habitats. During project development and as part of its regular construction procedures, HIAG checks the feasibility of projects and maintains a close dialogue with the relevant stakeholders.

Some important biodiversity measures undertaken include the creation of roof biotopes at “The Hive” campus in Meyrin in 2020, and the optimisation of the rebuilt fish pass in Biberist in 2021 with a length of more than 300 metres. At the Kleindöttigen site, HIAG has provided “BirdLife” with a land parcel of just under 0.5 ha intended for ecological enhancement and environmental education for a symbolic CHF 1 per year since 2017. In addition, the forests and agricultural land included in the portfolio are naturally sustained and provide valuable habitats for people and animals.

HIAG’s portfolio contains numerous, extensive biodiversity hotspots totalling about 23 ha⁹. Most of them are outside the construction zone and provide attractive recreational areas for tenants with a positive impact on the character of the sites. Due to the sale of the Gempen site (SO), this area has decreased significantly compared to financial year 2021 (32 ha).

This proactive approach to documentation integrates usage restrictions into the development plans from the very beginning. This saves time and contributes to the appropriate management of these areas.

12 ESG risk management

The existing ESG risk management activities were significantly expanded in financial year 2022. The purpose of these activities is to ensure that the relevant risks are known and controlled using appropriate measures. ESG risk management is embedded in the sustainability strategy. This ensures that the strategic direction addresses known ESG risks. The list of risks is reviewed each year by the Sustainability Project Manager.

Risk management is based on various legal, social and scientific analyses. These include, for example, analyses of stakeholder needs, regulatory requirements and the exposure of properties to natural hazards.

⁹ refers to areas in federal inventories, protected areas, connectivity corridors, floodplain areas and parks

Sustainability Report 2022

13 Transparency and fair competition

GRI 2-24; GRI 2-25; GRI 2-26; GRI 2-27; GRI 205-3; GRI 206-1; GRI 417-2; GRI 417-3; GRI 418-1

As a reliable company that works in the interest of its shareholders and other stakeholders, HIAG focuses on responsible management, effective data protection, transparency, reputation, and a business model with a long-term focus.

To ensure this, HIAG complies with legal requirements and has also taken additional, voluntary measures. Through transparent, proactive communication and regular dialogue with stakeholders, HIAG helps to develop a better understanding of its business model and builds trust in the company and its representatives. HIAG's standards of professionalism and honesty, as well as fair competition, are set out in the Codes of Conduct, compliance with which is monitored by HIAG's General Counsel. He is available to answer questions regarding practical application from the responsible persons.

In November 2022, an anonymous whistleblowing form was integrated to the company's website. No reports were received via the form in financial year 2022. The General Counsel periodically informs the Board of Directors about the number of reports received.

In terms of compliance with laws and regulations, it can be stated that in financial year 2022:

- There were no confirmed cases of corruption in connection with HIAG's work,
- No legal proceedings under public law in connection with corruption were initiated against HIAG or HIAG employees during the reporting period,
- No pending legal proceedings were initiated in the reporting period due to anti-competitive behaviour or violations of anti-trust and monopoly law involving HIAG,
- There were no breaches of regulations or voluntary codes of conduct in connection with product and service information or labelling,
- There were no breaches of regulations or voluntary codes of conduct in connection with marketing or communication, including advertising, sales promotion and sponsorship,
- There was no evidence of data loss or theft, and no complaints were received in relation to breaches of client data protection,
- No fines or non-monetary sanctions were imposed on HIAG for non-compliance with laws or regulations in the social or economic sphere.

As the current processes for ensuring responsible management and transparency, data protection, reputation and the long-term business model are proving effective and there are no known complaints, HIAG sees no need to significantly change its methods. However, minor adjustments and optimisations are continuously reviewed and implemented as part of daily business.

Sustainability Report 2022

Due diligence, transparency and reporting on climate issues pursuant to Art. 964 OR
HIAG is not subject to the new legal provisions pursuant to Art. 964 OR (laws on transparency regarding non-financial matters, and due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labour):

- The number of employees is well below 500 full-time equivalents.
- Neither HIAG nor its subsidiary Jaeger et Bosshard SA exceed the stipulated import and processing quantities of the relevant minerals and metals in accordance with the VSoTr.
- HIAG's business territory is limited exclusively to Switzerland. The direct business partners are almost exclusively companies based in Switzerland (see page 37). There is therefore no reasonable suspicion of child labour.

Furthermore:

- HIAG already practises comprehensive sustainability reporting.
- The company has set itself the goal of voluntary convergence with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) by 2024.

Sustainability Report 2022

14 Membership of associations and stakeholder groups

GRI 2-28

During financial year 2022, HIAG was a member of the following associations and special interest groups:

- Chamber of Commerce & Industry, Aargau
- Association des professionnels de la Zone Intercommunale Meyrin, Satigny, Vernier (A.Z.I.)
- Association Praille-Grosselin
- Basel Art Association
- Club de Bâle
- Coworking Switzerland
- Creditreform
- Diesbachkorporation
- Entwicklung Schweiz
- Geschäftsberichte-Symposium AG
- Gewerbe Region Biberist
- Geerbeverein Wetzikon
- Global Real Estate Sustainability Benchmark (GRESB)
- Handel Schweiz
- Chamber of Commerce, Basel-Stadt and Basel-Landschaft
- HEV Hauseigentümerversand Dietikon-Urdorf
- HEV Wetzikon and surrounding area
- IG Kleinwasserkraft Glarnerland
- IG Silber Dietikon
- IR Club Schweiz
- Royal Institution of Chartered Surveyors (RICS)
- Runsenkorporation Betschwanden
- St. Gallen Symposium
- Standortförderung Zürioberland
- Statistisch-Volkswirtschaftliche Gesellschaft Basel
- SVIT Basel-Stadt and Basel-Land
- SVIT KUB
- Swiss Circle AG
- Swiss Lean Construction Institute
- Swiss Small Hydro
- The Branch
- umnutzer.ch
- Verpächtervereinigung Nordwestschweiz
- Verein Geothermische Kraftwerke Aargau
- Verein Wirtschaftsregion ZUGWEST
- Association for the promotion of the business studies centre (WWZ), University of Basel
- VIS (Swiss real estate association)

Sustainability Report 2022

15 Sustainability assessments

HIAG's sustainability work is evaluated by various organisations. The results reflect the extent of the sustainability work done and indicate further potential for improvement. HIAG strives for the continuous improvement of the ratings it achieves. HIAG focuses primarily on the Swiss sustainability rating from Inrate and the ratings of the Global Real Estate Sustainability Benchmark (GRESB). The possibility of expanding the list of ratings that are relevant to HIAG and its stakeholders is reviewed each year.

Inrate Sustainability Assessment 2022

Rating: B (scale: A+ to D-)

Inrate is an independent Swiss sustainability rating agency. With its Sustainability Assessment, Inrate generates an industry-specific benchmark. Based on the above-average result in 2022 (rating: B), HIAG qualifies for the SIX SPI ESG Index for the first time. The results of the Inrate Sustainability Assessment are decisive for inclusion in the index.

GRESB Global Real Estate Sustainability Benchmark 2022

Rating: Grace Period 2022

Public Disclosure Level: 83 points (rating: A, scale: A to E)

GRESB is the leading sustainability rating for the real estate industry. In 2022, HIAG participated in the GRESB Real Estate Assessments (Standing Investments and Development) for the first time.

Corporate Governance

1 Principles

HIAG is committed to the responsible and value-centric management and supervision of the company. Corporate governance is a key prerequisite for achieving strategic corporate goals and creating sustainable value for shareholders and all other stakeholders. The most important elements of HIAG's corporate governance are a clearly defined division of responsibilities between the Board of Directors and the Executive Board, the protection of shareholders' interests and the provision of transparent information to the public.

This Corporate Governance Report contains the information as per the SIX Swiss Exchange Directive on Information relating to Corporate Governance (RLCG), and essentially follows the same structure. Unless indicated otherwise, the information in this report is valid as at 31 December 2022. The principles and rules of corporate governance are set out in the Articles of Incorporation and the Organisational Rules. It is planned that amendments to the Articles of Incorporation due to the new provisions of company law that will enter into force on 1 January 2023 will be included in the agenda for the 2024 Ordinary General Meeting.

Special emphasis is placed on the Codes of Conduct, in which HIAG expressly commits to comprehensive integrity and compliance with the law and all other external and internal regulations. All employees, business partners and their subcontractors are expected to take responsibility for their actions, to treat people, society and the environment with respect, to follow the applicable rules and to act with integrity.

The documents can be downloaded at the following link:

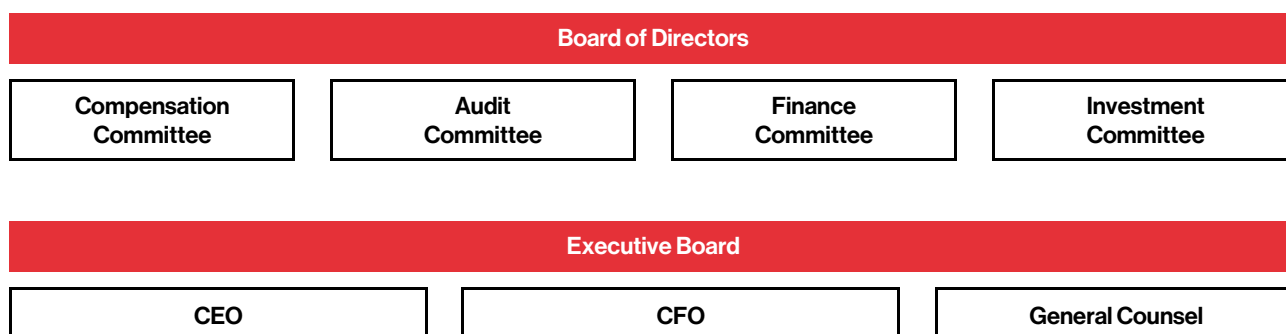
<https://www.hiag.com/en/investors/corporate-governance/further-information/>

2 Group structure and shareholders

2.1 Group structure

2.1.1 Operational group structure (internal management structure)

The following organisational chart shows the operational group structure as at 31 December 2022.



Corporate Governance

The HIAG Group is supervised by the Board of Directors and managed on an operational basis by the Executive Board. The CEO is responsible for the management of the HIAG Group. Under the CEO's leadership, the Executive Board deals with all issues of relevance to the Group, makes decisions within the scope of its competencies and submits proposals to the Board of Directors. In the reporting period, the Executive Board consisted of the CEO, the CFO (vacant since 31 October 2022) and the General Counsel. The CEO is responsible for site/project development (including construction management), portfolio/asset management and transactions, human resources, investor relations, communications, IT, sustainability and risk management. The CFO is responsible for financial matters. The General Counsel is in charge of the legal and regulatory affairs of the HIAG Group. Additional information on the three areas of the business model (site development, portfolio/asset management (yielding) and transactions) can be found in the segment reporting section of the Notes to the Consolidated Financial Statements on page 113 of this Annual Report.

Changes in the Group's structure

In September 2022, HIAG announced that Rico Müller, CFO and member of the Executive Board, will retire from his position as CFO and member of the Executive Board at the end of October 2022. Until the position is filled again, Dr Christian Wiesendanger, in his function as a member of the Board of Directors and Chairman of the Finance Committee, has assumed responsibility for financial matters.

HIAG also announced in September 2022 that new members would be appointed to the Executive Board as of 1 January 2023. Béatrice Gollong was appointed Head of Portfolio and Asset Management and Transactions, while Michele Muccioli was made Head of Site development. The two new Executive Board members are both already working for HIAG.

In February 2023, HIAG announced the appointment of Stefan Hilber as CFO and member of the Executive Board as of 1 March 2023. Mr Hilber (1981) has worked for listed companies in the real estate sector since 2010, most recently as CFO and member of the Executive Board of Mobimo. Prior to that, he held management positions at Wardeck Invest between 2013 and 2020, serving as CFO and member of the Executive Board from 2015. Between 2010 and 2013, he was a Senior Financial Advisor in the Investment Management division of Peach Property Group. Stefan Hilber is a Swiss Certified Accountant and holds a lic. oec. publ. degree with a focus on finance from the University of Zurich.

2.1.2 Listed companies

HIAG Immobilien Holding AG is the parent company of the HIAG Immobilien Group

| Company | HIAG Immobilien Holding AG |
|--|----------------------------|
| Registered office | Basel, Switzerland |
| Listing | SIX Swiss Exchange, Zurich |
| Stock market capitalisation 31 December 2022 | CHF 829.8 million |
| Symbol | HIAG |
| Valor | 23,951,877 |
| ISIN | CH0239518779 |

The key figures concerning HIAG Immobilien Holding AG shares can be found under "Share information" in this Annual Report on page 19.

Corporate Governance

2.1.3 Non-listed companies

With the exception of HIAG Immobilien Holding AG, the scope of consolidation includes only non-listed companies. The subsidiaries that fall under the Group's scope of consolidation are listed in the Notes to Consolidated Financial Statements on page 121 with their headquarters, share capital and extent of interest.

2.2 Shareholders

As at 31 December 2022, 1,026 shareholders (previous year: 998) with voting rights were registered in the HIAG Immobilien Holding AG shareholder register. Of the total number of shares issued, 0.23% (previous year: 0.33%) were treasury shares held by HIAG Immobilien Holding AG.

The distribution of shares as at 31 December 2022 was as follows:

| Number of registered shares | Registered shareholders | | Registered shares | | Non-registered shares | | Total number of shares issued |
|---|-------------------------|---------------|-------------------|--------------------|-----------------------|--------------------|-------------------------------|
| | Number | % | Number | % of issued shares | Number | % of issued shares | |
| 1 to 100 | 314 | 30.6% | 15,212 | 0.2% | - | - | - |
| 101 to 1,000 | 481 | 46.9% | 182,713 | 1.8% | - | - | - |
| 1,001 to 10,000 | 169 | 16.5% | 580,220 | 5.7% | - | - | - |
| 10,001 to 100,000 | 50 | 4.9% | 1,457,455 | 14.4% | - | - | - |
| 100,001 to 1,000,000 | 9 | 0.9% | 1,615,960 | 16.0% | - | - | - |
| 1,000,001 and over | 3 | 0.3% | 5,521,882 | 54.6% | - | - | - |
| Total number of registered shareholders/shares | 1,026 | 100.0% | 9,373,442 | 92.6% | - | - | - |
| Total number of non-registered shares | - | - | - | - | 746,158 | 7.4% | - |
| Total | - | - | 9,373,442 | - | 746,158 | - | 10,119,600 |

| Number of registered shares | Registered shareholders | | Registered shares | |
|--------------------------------|-------------------------|---------------|-------------------|---------------|
| | Number | % | Number | % |
| Natural persons | 787 | 76.7% | 662,161 | 7.1% |
| Legal persons | 74 | 7.2% | 6,052,793 | 64.6% |
| Pensions funds | 68 | 6.6% | 1,336,867 | 14.3% |
| Insurance companies | 9 | 0.9% | 92,436 | 1.0% |
| Funds | 40 | 3.9% | 808,667 | 8.6% |
| Other foundations | 16 | 1.6% | 149,476 | 1.6% |
| Banks | 14 | 1.4% | 51,374 | 0.5% |
| Public corporations | 18 | 1.8% | 219,668 | 2.3% |
| Total | 1,026 | 100.0% | 9,373,442 | 100.0% |
| Switzerland | 915 | 89.2% | 9,093,072 | 97.0% |
| Europe (excluding Switzerland) | 102 | 9.9% | 245,312 | 2.6% |
| North America | 6 | 0.6% | 31,421 | 0.3% |
| Other countries | 3 | 0.3% | 3,637 | 0.0% |
| Total | 1,026 | 100.0% | 9,373,442 | 100.0% |

Source: SIX Exchange Regulation/Significant shareholders

Corporate Governance

2.2.1 Significant shareholders

The following table reflects the situation regarding significant shareholders holding 3% or more of the share capital of HIAG Immobilien Holding AG in accordance with the “Overview of significant shareholders” of SIX Exchange Regulation. The shareholdings according to the share register of HIAG Immobilien Holding AG as of 31 December 2022 are disclosed in the consolidated financial statements on page 148 and in the financial statements of HIAG Immobilien Holding AG on page 177.

| Shareholder | Number of shares | Voting rights | Source |
|--|------------------|---------------|--------------------------|
| Shareholder groups ¹ composed of: | 5,521,882 | 54.6% | Communication 24/12/2022 |
| SFAG Holding AG ² | | | |
| Grisgros Beteiligungs AG ³ | | | |
| BraCHe Beteiligungs AG ⁴ | | | |

Between 1 January 2022 and 31 December 2022, the following changes were disclosed and published on the SIX Exchange Regulation website:

| Incurrence of the obligation to notify | Shareholders | Triggering event | Participation |
|--|--|-----------------------------|---------------|
| 21/12/2022 | Shareholder groups ¹ composed of: | Change in group composition | 54.6% |
| | SFAG Holding AG | | |
| | BraCHe Beteiligungs AG | | |
| | Grisgros Beteiligungs AG | | |

¹ Pursuant to the shareholders' agreement of 14 April 2014, the members of this group of shareholders constitute a group within the meaning of Art. 121 of the Swiss Financial Market Infrastructure Act (FinfraG).

² SFAG Holding AG is controlled by Dr Felix Grisard.

³ Grisgros Beteiligungs AG is controlled by Andrea Grisard.

⁴ BraCHe Beteiligungs AG is controlled by Salome Grisard.

The disclosure notifications made to HIAG Immobilien Holding AG and SIX Swiss Exchange AG concerning shareholder participations in HIAG Immobilien Holding AG are published on the electronic SIX Swiss Exchange AG publication platform and can be retrieved using the search screen via the following link:

<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

2.3 Shares of unregistered owners

At 31 December 2022, shares of unregistered owners amounted to 7.37% (previous year: 8.52%) of total issued shares.

2.4 Cross-shareholdings

As at 31 December 2022, there were no cross-shareholdings.

Corporate Governance

3 Capital structure as at 31 December 2022

3.1 Capital

| In CHF | 31/12/2022 | 31/12/2021 | 31/12/2020 |
|-------------------------------------|------------|------------|------------|
| Ordinary share capital (nominal) | 10,119,600 | 10,119,600 | 8,433,000 |
| Authorised share capital (nominal) | 13,400 | 1,230,400 | 1,217,000 |
| Conditional share capital (nominal) | 350,000 | 350,000 | 350,000 |
| Own Treasury shares | 23,581 | 33,767 | 42,942 |

3.2 Approved share capital

The rules governing approved share capital are laid out in Art. 3c of the Articles of Incorporation.

Art. 3c The Board of Directors is entitled to increase the share capital by a maximum of CHF 13,400 by issuing a maximum of 13,400 fully paid up registered shares with a nominal value of CHF 1.00 each at any time until 29 September 2023. The increase can be made by firm underwriting and/or instalments. The issuing price, date of dividend entitlement and type of contribution are determined by the Board of Directors. The Board of Directors may allow subscription rights that have not been exercised to expire, or it may place shares on the market for which subscription rights have been granted but not exercised. The new registered shares are subject to registration restrictions as per Art. 5 of the Articles of Incorporation after acquisition.

The exact wording of the provisions of the Articles of Incorporation on approved share capital can be found in the Articles of Incorporation of HIAG Immobilien Holding AG and downloaded from the HIAG website via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

Information on conditional share capital can be found in the Notes to the Financial Statements in the section on "Shareholders' Equity", starting on page 118 of this Annual Report.

3.3 Conditional share capital

The rules governing conditional share capital are laid out in Art. 3b of the Articles of Incorporation:

Art. 3b As per Art. 3b of the Articles of Incorporation, the share capital of the company shall be increased by a maximum of CHF 350,000 by issuing a maximum of 350,000 fully paid up registered shares with a nominal value of CHF 1.00 resulting from the exercising of option rights or similar rights, to which employees, members of the Board of Directors and the Executive Board of the company and its subsidiaries are entitled within the framework of employee stock option plans. The Board of Directors draws up the corresponding employee stock option plans in coordination with the Compensation Committee.

The exact wording of the provisions of the Articles of Incorporation on conditional share capital can be found in the Articles of Incorporation of HIAG Immobilien Holding AG and downloaded from the HIAG website via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

Corporate Governance

3.4 Changes in capital

No changes in capital were made in the financial year 2022. HIAG Immobilien Holding AG's share capital has changed as follows over the last three years:

| | Number of registered shares | Nominal value per share in CHF | Nominal value in CHF |
|--|-----------------------------|--------------------------------|----------------------|
| Share capital, issued and fully paid, as at 31 December 2020 | 8,433,000 | 1.00 | 8,433,000 |
| Share capital, issued and fully paid, as at 31 December 2021 | 10,119,600 | 1.00 | 10,119,600 |
| Share capital, issued and fully paid, as at 31 December 2022 | 10,119,600 | 1.00 | 10,119,600 |

| Statutory reserves (general reserves) | in TCHF |
|---------------------------------------|---------|
| 31 December 2020 | 1,610 |
| 31 December 2021 | 1,610 |
| 31 December 2022 | 1,610 |

| Statutory reserves (reserves from capital contributions) | in TCHF |
|--|---------|
| 31 December 2020 | 35,890 |
| 31 December 2021 | 184,782 |
| 31 December 2022 | 171,166 |

| Freely distributable reserves | in TCHF |
|-------------------------------|---------|
| 31 December 2020 | 108,000 |
| 31 December 2021 | - |
| 31 December 2022 | - |

| Accumulated loss / profit | in TCHF |
|---------------------------|---------|
| 31 December 2020 | -74,061 |
| 31 December 2021 | 18,703 |
| 31 December 2022 | 6,748 |

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3.5 Shares, participations and dividend rights certificates

HIAG Immobilien Holding AG's share capital is fully paid up and amounts to CHF 10,119,600. It comprises 10,119,600 registered shares with a nominal value of CHF 1.00 each. Each registered share entitles its bearer to a vote and to dividends. Paragraph 7 on page 85 contains information about voting rights. There are no preferential rights or similar rights.

As at 31 December 2022, no participation certificates or dividend rights certificates had been issued.

3.6 Transferability restrictions and nominee registrations

The Board of Directors maintains a shareholder register in which the name, address, nationality and, for legal entities, the headquarters of owners, beneficiaries and nominees are entered. Only shareholders, beneficiaries or nominees that are entered in the shareholder registry are recognised in relation to the company. Share purchasers are entered into the shareholder register on request as shareholders with voting rights if they expressly declare that these shares were purchased in their own name and on their own behalf. Art. 685d para. 3 of the Swiss Code of Obligations (OR) remains reserved. Persons who do not expressly declare in the registration request that they hold the shares on their own behalf (hereafter referred to as "Nominees") are entered in the shareholders register with voting rights up to a maximum of 2% of the share capital entered in the commercial register. Beyond this limit, shares of nominees are registered with voting rights only if the nominee in question discloses the name, address, nationality and number of shares of the persons on whose account they hold 0.5% or more of the equity capital entered in the commercial register. Nominees who are affiliated by capital or votes, through common management or otherwise, or who are acting together with a view to circumvention of the regulations concerning nominees are considered to be one nominee. The Board of Directors can refuse the registration of a shareholder, beneficiary or nominee if registration would lead to the impossibility of obtaining the legally required proof of the composition of the group of shareholders as per the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (BewG) due to recognition of the buyer. The company may strike entries from the shareholder register after hearing from the party concerned if the entries were made on the basis of false declarations. The purchaser must be informed immediately should any entries be struck.

3.7 Convertible bonds and options

HIAG has no convertible bonds or options outstanding.

4 Board of Directors

The functions of HIAG Immobilien Holding AG's Board of Directors comply with the Swiss Code of Obligations (OR), the Articles of Incorporation and the Organisational Rules of the company, which can be accessed by clicking on the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

4.1 Members of the Board of Directors

As per Art. 15 of the Articles of Incorporation, HIAG Immobilien Holding AG's Board of Directors is composed of a minimum of three and a maximum of nine members. As at 31 December 2022, the Board of Directors consisted of six members, the majority of whom are independent. For the purposes of the *Swiss Code of Best Practice for Corporate Governance*, non-executive members of the Board of Directors are deemed to be independent if they have never belonged to the Executive Board, or

Corporate Governance

belonged to the Executive Board more than three years ago, and have no or only relatively minor business relations with the company. With the exception of Dr Jvo Grundler, General Counsel, and Dr Christian Wiesendanger, Head of Finance ad interim, no member of the Board of Directors held an executive position with HIAG during the reporting year. There are no cross-involvements.

The following table offers an overview of the composition of HIAG Immobilien Holding AG Board of Directors as at 31 December 2022. All members are elected until the end of the next Ordinary General Meeting.

| Name | Nationality | Year of birth | Function | Assumption | | |
|----------------------------|-------------|---------------|--|------------|-----------|------------------|
| | | | | of office | Executive | Independent |
| Dr. Felix Grisard | Swiss | 1968 | President Audit Committee (President) Investment and Finance Committee | 2009 | no | yes ¹ |
| Balz Halter | Swiss | 1961 | Vice President Investment Committee (President) Compensation Committee | 2019 | no | yes |
| Salome Grisard Varnholt | Swiss | 1966 | Member Compensation Committee (President) | 2009 | no | yes |
| Dr. Jvo Grundler | Swiss | 1966 | Member | 2017 | yes | no |
| Dr. Christian Wiesendanger | Swiss | 1964 | Member Finance Committee (President), Audit Committee | 2021 | yes | no ² |
| Anja Meyer | Swiss | 1967 | Member Investment Committee | 2021 | no | yes |

¹ Interim CEO from 29 April to 31 December 2019

² Head of Finance ad interim from 1 October 2022

Corporate Governance

Education and professional activities

The following table discloses important information about the education, professional experience, mandates outside the HIAG Group and other important activities of members of the Board of Directors.



Dr. Felix Grisard
President of the Board of Directors

Education

Dr. oec. University of St. Gallen, OPM Harvard Business School

Professional background

| | |
|--------------|-------------------------|
| 2002 to 2010 | HIAG Group CEO |
| 1998 to 2001 | HIAG Group COO |
| 1996 to 1996 | Boston Consulting Group |

Previous activities for the HIAG Holding Group

| | |
|--------------|---|
| 2019 | Interim CEO from 29 April to 31 December 2019 |
| 2002 to 2010 | HIAG Group CEO |
| 1998 to 2001 | HIAG Group COO |

Key competencies

- Leadership in the management/board of directors of a listed company
 - Real estate development (development, management)
 - Innovation/digitalisation
 - Finance/risk management
 - M&A/law
 - Experience of the Swiss real estate market (marketing)
 - Sustainability
-

Corporate Governance



Balz Halter
Vice President of the
Board of Directors

Education

Dipl. Bau-Ing. ETH Zurich, lic. iur. University of Zurich, Stanford Executive Program, USA

Professional background

1986 to 2009 President of the Board of Directors and CEO of Halter AG, Zurich

Key competencies

- Real estate development (development, management)
 - Innovation/digitalisation
 - Finance/risk management
 - M&A/law
 - Experience of the Swiss real estate market (marketing)
 - Sustainability
-



Dipl. Arch. ETH
Salome Grisard Varnholt
Member of the Board of Directors

Education

Dipl. Architect ETH/SIA, Zurich

Professional background

1999 to today grisard'architektur architectural firm, Zurich
1999 to 2011 Assistant to Prof. Dominique Perrault, ETH Zurich
1995 to 1998 Burkhard Meyer, Baden
1991 to 1994 Herzog & de Meuron, Basel, Richter & Dahl Rocha, Lausanne

Key competencies

- Real estate development (development, management)
 - Experience of the Swiss real estate market (marketing)
 - Sustainability
-

Corporate Governance



Dr. Jvo Grundler
Executive member of the Board of Directors, General Counsel

Education

Dr. iur., University of St. Gallen, Attorney at Law, LL. University of Cambridge, UK

Professional background

| | |
|---------------|--|
| 2017 to today | General Counsel at HIAG Immobilien Holding AG |
| 2017 to today | Of Counsel at a Zurich-based corporate law firm |
| 2002 to 2017 | Legal Counsel and Partner at Ernst & Young, inter alia, Head of Legal Consulting and General Counsel |
| 2000 to 2002 | Legal Counsel at Andersen Legal |
| 1993 to 2000 | Zurich-based corporate law firm |

Key competencies

- Leadership in the management/board of directors of a listed company
 - Finance/risk management
 - M&A/law
 - Experience of the Swiss real estate market
-



Dr. Christian Wiesendanger
Executive member of the Board of Directors, Head of Finance a. i.

Education

PhD in Theoretical Physics, University of Zurich; MBA INSEAD Fontainebleau, (F)

Professional background

| | |
|--------------|---|
| 2017 to 2020 | Head of Investment Products and Services Global Wealth Management at UBS AG |
| 2010 to 2017 | Head of Wealth Management Switzerland at UBS AG |
| 2006 to 2010 | Head of Private Banking Latin America at Credit Suisse AG |
| 2002 to 2006 | Head of Private Banking Central Plateau Region at Credit Suisse AG |
| 1997 to 2002 | McKinsey & Company |

Key competencies

- Leadership in the management/board of directors of a listed company
 - Innovation/digitalisation
 - Finance/risk management
 - Sustainability
-

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Anja Meyer

Member of the Board of Directors

Education

SME intensive studies, University of St. Gallen, Commercial diploma, Kantonsschule Luzern

Professional background

2014 to today Owner and delegate of the Board of Directors of smeyers Holding AG, Lucerne

2001 to today Various management positions in the real estate sector

Key competencies

- Innovation/digitalisation
 - Finance/risk management
 - Experience of the Swiss real estate market (marketing)
 - Sustainability
-

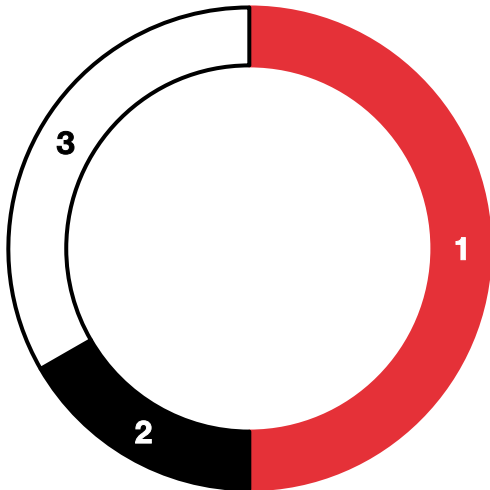
Board of Directors composition and areas of competence at a glance

The following graphs show the composition of the Board of Directors in terms of competencies, length in office and gender.

When selecting members of the Board of Directors, the focus is on experience in leadership and management functions as well as listed companies, real estate development and management, innovation and digitalisation, finance and risk management, M&A and law, as well as experience in the Swiss real estate market and sustainability (please also refer to the “key competencies” in the brief portraits of the Board members).

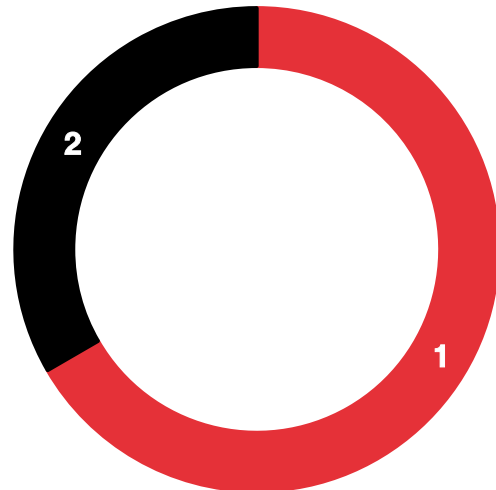
Corporate Governance

Tenure



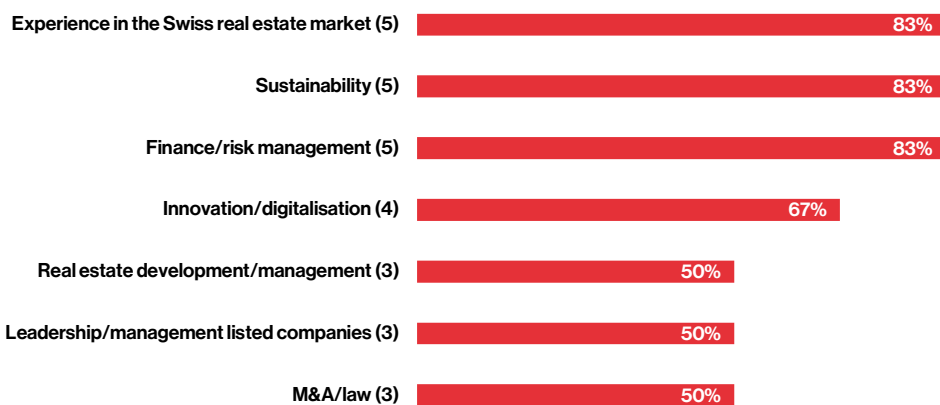
- 1 Under 4 years (3; 50%)
- 2 Between 4 and 8 years (1; 17%)
- 3 Over 8 years (2; 33%)

Gender



- 1 Male (4; 67%)
- 2 Female (2; 33%)

Expertise / experience



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4.2 Other activities and vested interests

Information on the activities and vested interests of the members of the Board of Directors in the highest management or administrative bodies of other companies (Art. 626 para. 2 item 1 OR and Art. 25 Articles of Incorporation) can be found in the Compensation Report under the heading “Activities with other companies”, starting on page 101 of this Annual Report.

4.3 Statutory rules on other activities and interests

The members of the Board of Directors may not exercise more than four additional mandates in the executive or supervisory bodies of listed companies and no more than ten additional mandates in the executive or supervisory bodies of non-listed legal entities, which must be entered in the commercial register or any comparable register in another country, and which do not control and are not controlled by the company. They may not hold a total of more than ten additional mandates. Not subject to these restrictions are mandates held in group subsidiaries or those exercised by a member of the Board of Directors or the Executive Board on behalf of the company (joint ventures, pension schemes of this legal entity, companies in which this legal entity holds a significant equity share, etc.). In addition to being on the HIAG Immobilien Holding AG Board of Directors, Dr. Felix Grisard and Dr. Jvo Grundler are also members of the Board of Directors of all HIAG Group companies. Mandates held in legal entities that are not obliged to be entered into a commercial register or comparable register in another country, as well as honorary offices at charitable organisations as recognised under tax law, are also not subject to restriction. The details of the rules concerning external mandates, in particular the definition of the term “mandate”, are stipulated in Art. 25 of the Articles of Incorporation. No members of the Board of Directors have exceeded the established thresholds for mandates. The Board of Directors is made aware of the way in which interests should be handled during an annual in-house training session on stock exchange law.

4.4 Election and term of office

The President and Vice President of the Board of Directors and members of the Board of Directors and the Compensation Committee, who must be members of the Board of Directors, are generally elected individually at the Ordinary General Meeting until the conclusion of the next Ordinary General Meeting. Members of the Board of Directors may resign or be removed before the end of their term in office. New members join the Board of Directors for the remainder of the term in office of the member they are replacing. Re-election is permitted.

4.5 Internal organisation

Aside from the President and Vice President of the Board of Directors, who are elected by the General Meeting, the Board of Directors constitutes itself. It appoints the Secretary, who does not have to be a member of the Board of Directors.

The Board of Directors can also order committees from among its members to carry out non-transferable and inalienable tasks and entrust them with the preparation and implementation of its decision, the monitoring of operations and related special tasks. The framework for action is provided by the Articles of Incorporation and Organisational Rules.

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

Corporate Governance

4.6 Composition, tasks and limits of competence of the committees of the Board of Directors

The Compensation Committee, Audit Committee, Investment Committee and Finance Committee are standing committees with the following composition as at 31 December 2022:

| Compensation Committee | Audit Committee | Investment Committee | Finance Committee |
|---------------------------------|----------------------------|-------------------------|------------------------------------|
| Salome Grisard Varnholt (Chair) | Dr. Felix Grisard (Chair) | Balz Halter (Chair) | Dr. Christian Wiesendanger (Chair) |
| Balz Halter | Dr. Christian Wiesendanger | Dr. Felix Grisard | Dr. Felix Grisard |
| | | Salome Grisard Varnholt | |
| | | Anja Meyer | |

The Compensation Committee, Audit Committee and Finance Committee are each composed of at least two members of the Board of Directors, one of whom must be an independent non-executive. The Investment Committee consists of at least three members of the Board of Directors. The committees report regularly to the Board of Directors at every Board of Directors meeting and, in urgent cases, directly with regard to their activities concerning the company and the Group companies, and in particular about the current course of business and important business events. The committees of the Board of Directors submit necessary proposals to the Board of Directors.

4.7 Compensation Committee

The Compensation Committee is composed of at least two members of the Board of Directors who are elected individually at the General Meeting. The principles concerning the tasks and responsibilities of the Compensation Committee with regard to compensation are set forth in paragraph C (Arts. 27 and 28) of the Articles of Incorporation and are described in greater detail in the Compensation Report of this Annual Report on page 92.

4.8 Audit Committee

The Audit Committee supports the Board of Directors in fulfilling its tasks, particularly in the areas of finance control (supervision of external audits, monitoring of financial reporting), reviewing and approving non-financial reporting (Sustainability Report), and the supervision of the persons entrusted with the management of the company (internal control system).

The Audit Committee has the following tasks and responsibilities:

Supervision of external audits

- Determination of the multi-year review plan and the review scope of external audits;
- Discussion of the audit reports with the external auditors and Executive Board and monitoring of their implementation;
- Evaluation of the performance of the external auditors and their cooperation;
- Support of the Board of Directors with the nomination of the external auditor at the General Meeting;
- Evaluation of the fees of the external auditor and its independence, monitoring of the compatibility of the audit activity with any consulting mandates.

Supervision of financial reporting

- Evaluation of the company's consolidated financial statements, financial statements and any status reports;

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- Decision on whether any status report, consolidated financial statements and annual financial statements can be recommended to the Board of Directors for submission to the General Assembly.

Evaluation and further development of the internal control system

- Evaluation of the functionality of the internal control system, including risk management;
- Verification of compliance with the valid standards and guidelines, and further development of the internal control system.

Evaluation and further development of non-financial reporting (Sustainability Report)

- Discussion of upcoming regulations relating to non-financial disclosure and the governance of HIAG's non-financial disclosure and the governance of HIAG's non-financial reporting (ESG);
- Reviewing the non-financial data included in the Group's annual reporting;
- Reviewing and discussing the company's approach to non-financial reporting.

Members of the Executive Board generally participate in the meetings of the Audit Committee. Other members of the Board of Directors or other internal or external experts may also be invited to participate in these meetings. Any granting of paid contracts to third parties requires the prior approval of the Board of Directors.

4.9 Investment Committee

The Investment Committee assists the Board of Directors in fulfilling its missions, particularly in terms of planning and evaluation of investments in the existing property and real estate portfolios, as well as buying and selling properties and real estate.

The Investment Committee has the following tasks and responsibilities:

Proposal of real estate investments

- Evaluation of investment proposals concerning real estate that fall within the decisional competence of the Board of Directors with suitable recommendations to the Board of Directors;
- Evaluation of investment proposals concerning real estate that fall within the decisional competence of the Investment Committee;
- Development of the medium and long-term real estate strategy for the attention of the Board of Directors;
- Performance of other tasks assigned to the Investment Committee by the Board of Directors.

The CEO and CFO always participate in Investment Committee meetings. Site developers whose projects are the subject of the meetings also participate. Other internal or external specialists can also be called to the sessions. Any granting of paid contracts to third parties requires the prior approval of the Board of Directors.

4.10 Finance Committee

The Finance Committee supports the Board of Directors and the Executive Board in ensuring the sustainable financing of the Group in accordance with its long-term business strategy.

The Finance Committee has the following tasks and responsibilities:

Translation of the strategy into a rolling business and finance plan from which results the long-term financial cornerstones.

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Financing of the net finance requirement through equity and debt capital, taking into account:

- A sustainable balance sheet structure;
- A suitable free float;
- A reasonable staggering of new capital increases with regard to refinancing.

Support of all large financial transactions that involve equity or debt.

Performance of other tasks assigned to the Finance Committee by the Board of Directors.

As a rule, the CEO and CFO always participate in Finance Committee meetings. Other members of the Board of Directors or other internal or external experts may also be invited to participate in these meetings. Any granting of paid contracts to third parties requires the prior approval of the Board of Directors.

Due to the shareholder structure, the size of the company and the specific circumstances of HIAG Immobilien Holding AG, the Board of Directors does not have a Nomination Committee. Any such responsibilities are carried out by the Board of Directors as a whole.

Further information about the tasks of the Committees can be found in para. V of the Organisational Rules.

<https://www.hiag.com/media/utclm4p1/organisationsreglement.pdf>

4.11 Allocation of tasks and functioning of the Board of Directors

The Board of Directors exercises its authority pursuant to Arts. 16 and 17 of the Articles of Incorporation as an overall body. The Articles of Incorporation do not provide for a division of responsibilities within the Board of Directors. The procedural rules for meetings of the Board of Directors are set forth in HIAG Immobilien Holding AG's Organisational Rules (para. II, letter b).

The tasks and competencies of the President and Vice President of the Board of Directors are defined in the Organisational Rules (paras. III and IV). If the President of the Board of Directors is unavailable – or if there is a possible conflict of interests – the Vice President takes over the tasks and competencies of the President.

The Board of Directors is convened by the President, the Vice President, or if they are unavailable, by another member. Any member of the Board of Directors can request that a meeting be convened immediately by giving the reasons in writing.

The Board of Directors has a quorum if the majority of the members participate, whereby connection by telephone and/or video conference meet the attendance requirement. No minimum presence is required for decisions that require public certification. The decisions of the Board of Directors must be made by the majority of its members in order to be valid. If there is a tie, the vote of the President is decisive. Decisions of the Board of Directors can also be made by circular letter, unless a member requests oral deliberation.

Four ordinary meetings of the Board of Directors generally take place every year (one per quarter). In the interim, extraordinary meetings of the Board of Directors may be called and circular resolutions may be taken as needed. The meetings of the Board of Directors are minuted, and circular resolutions are included in the minutes of the subsequent meeting. Four meetings of the Board of Directors took place during the reporting period, all in person, none by video conference and none by conference call.

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The following table provides an overview of the meetings of the Board of Directors and the committees in 2022.

| | Board of Directors | Compensation Committee | Audit Committee | Investment Committee | Finance Committee |
|---|--------------------|------------------------|-----------------|----------------------|-------------------|
| Dr. Felix Grisard, President ¹ | 4 | | 2 | 9 | 10 |
| Balz Halter, Vice-President | 4 | 2 | 1 ¹ | 9 | |
| Salome Grisard Varnholt | 4 | 2 | | 9 | |
| Dr. Jvo Grundler | 4 | | | | |
| Dr. Christian Wiesendanger | 4 | | 1 ² | | 10 |
| Anja Meyer | 4 | | | 9 | |
| Ø Session duration | 3 hours | 1.5 hours | 1.5 hours | 2 hours | 1 hour |

¹ Committee member until the 2022 AGM

² Committee member since the 2022 AGM

The CEO and CFO are invited to meetings of the Board of Directors. For discussion of specific subjects, the Board of Directors may call on other executives or external consultants as needed. During the period under review, no external consultants were called on to any significant extent.

4.12 Self-evaluation of the Board of Directors

HIAG follows the constant and rolling improvement approach. Potential for optimisation and insights from reflections are regularly discussed at Board of Directors' meetings and suitable measures initiated. In addition, the Board of Directors evaluates, analyses and discusses its working methods, quality (effectiveness) and composition annually, as part of a recurring self-evaluation. The personal performance evaluation and the performance of the committees and the Board of Directors as a whole are discussed.

The Board of Directors' tasks, responsibilities and working methods are set forth in Arts. 17 and 18 of the Articles of Incorporation and in the Organisational Rules.

4.13 Division of competencies between the Board of Directors and Executive Board

As per Art. 716a of the Swiss Code of Obligations and Arts. 17 and 18 of the Articles of Incorporation, the Board of Directors is responsible for the company's business and affairs. All Executive Board tasks that are not legally or expressly assigned to the Board of Directors or another body by law or by the Articles of Incorporation are carried out by the Executive Board. The CEO is the President of the Executive Board and has decisional authority over the other members. The members of the Executive Board manage the day-to-day business independently within the framework of the corporate strategy, the budget and company objectives decided by the Board of Directors. In addition to the business reserved to it by law, the Board of Directors decides on the acquisition or sale of companies with a transaction value of more than CHF 0.25 million, or investments that require finance in excess of CHF 0.5 million.

The tasks and limits of responsibilities of the Board of Directors and Executive Board are stipulated in HIAG Immobilien Holding AG's Organisational Rules.

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

Corporate Governance

4.14 Information and supervisory mechanisms concerning the Executive Board

The President of the Board of Directors is in regular contact with the CEO regarding all important company policy questions and the members of the Executive Board are generally present at every ordinary meeting to ensure direct contact between the Board of Directors and the Executive Board and thus suitable control. The Board of Directors is informed on a quarterly basis of the operating and financial developments and important key figures of the group. The Executive Board also presents a comprehensive report on the development of business activities at the meetings of the Board of Directors.

The more comprehensive Half-Year Report also contains the expectations of the operational management concerning the development of results until the end of the financial year and information on personnel development, liquidity, investments made, the composition of the shareholder base and market expectations in terms of the company's development.

4.15 Risk management

The Board of Directors re-evaluates risks at least once a year and receives a report on the functionality and effectiveness of the internal control system from the Executive Board. HIAG Immobilien Holding AG has a standard risk management system. The Board of Directors assesses the identified risks according to their probability of occurrence and their scope. When assessing the scope, financial impacts and both operational and reputational consequences are taken into account. When necessary, the Board of Directors decides on measures intended to prevent or reduce identified risks or their consequences. Where this is not possible, these risks are shifted to third parties, e.g. insurance companies, as much as possible. There is currently no internal auditing department. Internal control is carried out by the Finance Division and risk management by the CEO. The Board of Directors and its Audit Committee are in direct contact with the external auditor and can request that special audit activities be carried out as needed.

HIAG seeks to set ethical and professional standards as a sustainable real estate company. A corporate culture that promotes the careful handling of risks should support this objective. HIAG has implemented and communicated a Code of Conduct for employees and business partners and their subcontractors.

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

HIAG has also implemented data protection regulations and notified all employees.

5 Members of the Executive Board

The Executive Board is responsible for the operational management of the HIAG Group. The tasks and competencies of the Executive Board are determined in HIAG Immobilien Holding AG's Organisational Rules (paragraph VI), which can be accessed by clicking on the following link:

<https://www.hiag.com/media/xkmd1fpw/organisationsreglement.pdf>

5.1 Members of the Executive Board

The Executive Board consisted of the CEO, CFO and General Counsel in the reporting year. The CFO, Rico Müller, resigned from his position in the fourth quarter of 2022. As of 1 October 2022, Dr Christian Wiesendanger, in his function as a member of the Board of Directors and Chairman of the Finance Committee, has assumed interim responsibility

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for financial matters (Head of Finance ad interim). The CEO is responsible for the management of the HIAG Group. The CEO may delegate their powers to subordinate bodies, in particular to members of the Executive Board. Members of the Executive Board are appointed by the Board of Directors. The following table shows the composition of the Executive Board as at 31 December 2022.

| Name | Nationality | Born | Position | Appointed |
|------------------|-------------|------|-----------------|--------------|
| Marco Feusi | Switzerland | 1972 | CEO | January 2020 |
| Dr. Jvo Grundler | Switzerland | 1966 | General Counsel | May 2017 |

Education, professional activity and interests

The following table discloses important information about the education, professional experience, mandates outside the HIAG Group and other important activities of members of the Executive Board.



Marco Feusi
CEO

Education

Dipl. Architekt HTL, Brugg-Windisch, Master of Advanced Studies in Management, Technology and Economics

Professional background

2003 to 2019 Partner and co-owner Wüest Partner AG, including as a member of the Board of Directors 2003 to 2006 and 2013 to 2017 and as President of the Executive Board 2017 to 2019
 2000 to 2003 Scientific Associate/Senior Consultant at Wüest & Partner AG
 1999 to 2000 Escrow agent and broker at ITERA Immobilien AG
 1998 to 1999 Independent architect

Previous activities for the HIAG Holding Group

2007 to 2008 Member of the HIAG Immobilien Schweiz AG Board of Directors



Dr. Jvo Grundler
Executive Member of the Board of Directors, General Counsel

Education

Dr. iur. HSG, University of St. Gallen, LL.M. University of Cambridge, UK

Professional background

2017 to today General Counsel at HIAG Immobilien Holding AG
 2017 to today Of Counsel at a Zurich-based corporate law firm
 2002 to 2017 Legal Counsel and Partner at Ernst & Young, inter alia, Head of Legal Consulting and General Counsel
 2000 to 2002 Legal Counsel at Andersen Legal
 1993 to 2000 Zurich-based corporate law firm

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Rico Müller
CFO (until 31 October 2022)

Education

Swiss Certified Accountant, The Swiss Institute of Accountants, Master in Business Administration, University of Zurich

Professional background

| | |
|--------------|---|
| 2019 to 2021 | Head of Corporate Services and Member of the Executive Board of Aebi Schmidt Group North America, Cleveland (USA) |
| 2017 to 2019 | Head of Corporate Controlling and Deputy CFO at Aebi Schmidt Holding AG, Frauenfeld |
| 2008 to 2017 | Management functions at BDO, Zurich, Horváth & Partners, Zurich and Deloitte, Zurich |

5.2 Other activities and vested interests

Information on activities and vested interests of the members of the Executive Board in the highest management or administrative bodies of other companies (Art. 626 para. 2 item 1 OR and Art. 25 Articles of Incorporation) can be found in the Compensation Report under the heading “Activities with other companies”, starting on page 101 of this Annual Report.

5.3 Statutory rules on other activities and interests

The members of the Executive Board may not exercise more than two additional mandates in the executive or supervisory bodies of listed companies and no more than ten additional mandates in the executive or supervisory bodies of non-listed legal entities, which must be entered in the commercial register or any comparable register in another country, and which do not control and are not controlled by the company. They may not hold a total of more than ten additional mandates. Not subject to these restrictions are mandates held in group subsidiaries or those exercised by a member of the Board of Directors or the Executive Board on behalf of the company (joint ventures, pension schemes of this legal entity, companies in which this legal entity holds a significant equity share, etc.). Mandates held in legal entities that are not obliged to be entered into a commercial register or comparable register in another country, as well as honorary offices at charitable organisations as recognised under tax law, are also not subject to restriction. The details of the rules concerning external mandates, in particular the definition of the term “mandate”, are stipulated in Art. 25 of the Articles of Incorporation. No members of the Executive Board have exceeded the established thresholds for mandates. The Executive Board is made aware of the way in which interests should be handled during an annual in-house training session on stock exchange law.

5.4 Management agreements

As at 31 December 2022, there were no management agreements with companies outside the HIAG Group.

6 Compensation, participations and loans

All information on the compensation of the Board of Directors and the Executive Board of HIAG Immobilien Holding AG is given in the Compensation Report of this Annual Report on page 98.

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7 Shareholders' participation rights

7.1 Restrictions on voting rights and proxies

Each registered share entitles the holder to a vote at the General Meeting. (Art 10 Articles of Incorporation). However, voting rights can be exercised only by shareholders registered in the shareholder register (Art. 5 Articles of Incorporation). Information on the registration of registered shares can be found on page 70 of this Annual Report in section "Transferability of registered shares and nominee registrations" (Art. 5 Articles of Incorporation).

Any shareholder entitled to vote may have their shares represented by the independent proxy or by a person authorised by them, who need not be a shareholder. Shareholders may be represented by proxy provided that a written power of attorney is submitted, the recognition of which shall be decided on by the Chairman of the General Meeting (Art. 11 Articles of Incorporation). Furthermore, shareholders may also issue powers of attorney and instructions to the independent proxy electronically. Shareholders who have given their proxy can issue instructions on any item to be discussed and any unannounced agenda items and proposals and state whether they are voting for or against a proposal or whether they are abstaining from voting. The independent proxy holder is required to exercise the voting rights assigned to them by the shareholders as per their instructions. If they do not receive any instructions, they abstain from voting (Art. 14 Articles of Incorporation). In the invitation to the General Meeting, the Board of Directors shall announce the details of the powers of attorney and instructions issued in writing and electronically.

The General Meeting elects an independent proxy and their deputy. Natural persons, legal entities and partnerships are eligible for election. The term of office of the independent proxy and their deputy shall expire at the end of the next Ordinary General Meeting. Re-election is permitted. The General Meeting may dismiss the independent proxy at the end of the General Meeting. Mr Oscar Battegay and his deputy Mr Andreas Dürr (Battegay Dürr AG, Basel) have been elected as independent proxy holders until the end of the Ordinary General Meeting 2023.

7.2 Statutory quora

The General Meeting takes decisions and carries out its elections with the absolute majority of votes cast by shareholders. Deviating provisions of the Articles of Incorporation or mandatory legal regulations remain reserved. If the election is not conclusive with the first ballot, a second ballot will be cast in which the relative majority decides. The Articles of Incorporation of HIAG Immobilien Holding AG do not provide for any quora that go beyond the stipulations of legal provisions relating to shares (Art. 13 Articles of Incorporation).

7.3 Calling the General Meeting and shareholders' right to request the inclusion of items on the agenda

The General Meeting is called by the Board of Directors at least 20 calendar days before the date of the meeting by announcement in the Swiss Official Gazette of Commerce (SHAB) (Art. 34 Articles of Incorporation). The convocation can also be sent by letter to all shareholders registered in the share register. The invitation must contain the agenda items and the proposals of the Board of Directors and shareholders who requested the convocation or the placement of specific items on the agenda.

Shareholders representing at least 0.5% of the share capital may request that items be included on the agenda (Art. 699b para. 1 item 1 OR). This must be done in writing at least 45 days before the General Meeting, and the agenda items and the proposals must be specified (Art. 8 Articles of Incorporation).

Corporate Governance

Furthermore, one or more shareholders who represent at least 5% of the share capital can request in writing that an Extraordinary General Meeting be called, stating the subject to be discussed and the proposal (Art. 699 para. 3 item 1 OR).

7.4 Registration in the share register

All shareholders who are entered in the share register as shareholders with voting rights by the date of the Ordinary General Meeting are entitled to participate in the General Meeting (see also section “Transferability restrictions and nominee registrations” on page 70 of this Annual Report). The shareholder register is closed for about 14 days before the date of the General Meeting until payment of the dividend approximately one week after the date of the General Meeting. During this period, no entries in the shareholder register are made. The exact dates and deadlines are announced in the invitation to the General Meeting.

8 Change of control and defensive measures

8.1 Obligation to make an offer

The Articles of Incorporation of HIAG Immobilien Holding AG contain neither an opting-up nor an opting-out clause. Anyone who purchases one third (33.33%) of the voting rights of HIAG Immobilien Holding AG is required to submit a public bid for all the remaining shares as per the Swiss Financial Market Infrastructure Act (Art. 135 para. 1 FinfraG).

8.2 Change of control clause

There are no change of control clauses.

9 Statutory auditor

9.1 Duration of the auditing mandate and term in office of the lead auditor

The auditor is chosen annually at the General Meeting at the request of the Board of Directors. Re-election is permitted. Ernst & Young AG, Basel, has been mandated since financial year 2001.

Fabian Meier, the lead engagement partner responsible for the auditing mandate, has been in office since financial year 2018; the term of this office is limited by law to seven years.

9.2 Auditing fee

The fees paid to Ernst & Young AG as auditor for financial year 2022 amount to TCHF 212 (previous year: TCHF 244.5).

9.3 Additional fees

Ernst & Young AG's fees for additional audit-related services in the reporting year were TCHF 16.4 (previous year: TCHF 33); fees for other services were TCHF 3.8 (previous year: TCHF 110). Other services include consulting services in the field of sustainability.

9.4 Supervisory and control mechanisms pertaining to the audit

The Audit Committee assesses the performance, fees and independence of the auditor on a yearly basis and reports to the Board of Directors. The Board of Directors submits a motion for the election of the auditor to the General Meeting and ensures compliance with the rotation of the lead auditor. The external auditor submits a comprehensive

Corporate Governance

report to the Board of Directors that is prepared after the Financial Statements and the Auditor's Report.

The Audit Committee, together with the Executive Board, reviews the extent of the external audit, and the terms and conditions of any additional contracts, and discusses the audit results with the external auditor on an annual basis.

Two meetings between the Audit Committee and the external auditors took place in financial year 2022.

10 Blackout periods

General blackout periods

As a rule, the general blackout period begins 35 to 40 days before and ends one business day after publication of the corresponding ad hoc announcement (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules) in connection with the Annual Report or the Half-Year Report.

The general blackout period applies to the following individuals:

- Members of the HIAG Immobilien Holding AG Board of Directors;
- Members of the HIAG Group Executive Board;
- Members of all management levels;
- Employees in the finance and control departments;
- Employees in the company communication department;
- HIAG employees involved in projects that contain price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules);
- External consultants involved in projects that contain price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules).

The General Counsel keeps an email list of all individuals concerned.

Special blackout periods

Additional blackout periods can be determined at any time, during which the trading of shares by persons who are subject to this type of blackout is forbidden, regardless of whether said person is in possession of price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules).

Decisions on the beginning and end of special blackouts are taken by the Executive Board. Blackouts can be decided at any time if the circumstances require this type of decision. Persons subject to a special blackout are informed by the Executive Board of this decision immediately. The General Counsel manages a list of individuals to whom a special blackout applies.

Effects of blackouts

During a general blackout period, affected persons, and during a special blackout period, all persons subject to the respective special blackout period, may not trade HIAG shares for the account of an investment fund or similar investment vehicle in which they have a personal financial interest or of which they are a director or manager, on their own account or on the account of a person associated with them (e.g. spouse, people living in the same household, relatives, etc.). This applies regardless of whether they are in the possession of price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules). Furthermore, affected persons and all other persons who are subject to a special blackout or who are in possession of price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules) may not exercise any options to purchase HIAG shares during the blackout. Affected individuals and persons subject to a special blackout period must treat price-sensitive information as strictly

Corporate Governance

confidential (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules) and may not pass it on to third parties. In particular, during the blackout periods, they may not have any discussions with financial circles, the media or analysts in order to avoid passing on price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules), until this information is published by the company in accordance with the applicable laws and provisions, and particularly the SIX Swiss Exchange Listing Rules (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules).

11 Information policy

HIAG pursues an open and active information policy with regard to shareholders, the public and the capital markets. Announcements and notifications to shareholders are made in the Swiss Official Gazette of Commerce (SHAB) as per Art. 34 of the Articles of Incorporation. Financial reporting is done via the Half-Year Report and Annual Report with a Status Report, a Corporate Governance Report and a Compensation Report, as well as the Consolidated Annual Financial Statements and the Annual Financial Statements of HIAG Immobilien Holding AG. These are drawn up in accordance with Swiss GAAP FER and comply with Swiss law and the listing rules of SIX Swiss Exchange. Furthermore, HIAG publishes an annual Sustainability Report in accordance with the GRI Standards. The Half-Year Report and the Annual Report with the Annual Financial Statements and Sustainability Report can be downloaded on HIAG's website via the following link:

<https://www.hiag.com/en/investors/reporting-centre/>

Over the course of the year, HIAG meets regularly with investors (taking the ad hoc regulations of SIX Swiss Exchange into consideration), presents its financial results at analyst meetings and roadshows, participates in specific conferences for financial analysts and investors, and informs its shareholders and other interested parties about the course of business with ad hoc announcements pursuant to Art. 53 SIX Swiss Exchange Listing Rules (KR). These are available on HIAG's website at the following link:

<https://www.hiag.com/en/investors/ad-hoc-announcements/ad-hoc-announcements/>

Shareholders have the option of subscribing to an email distribution list to receive ad hoc announcements pursuant to Art. 53 KR and/or media releases from HIAG Immobilien Holding AG free of charge. This service is offered on HIAG's website at the following link:

<https://www.hiag.com/en/investors/subscription-service/>

Shareholders and interested parties can also access a media centre with offering additional services on HIAG's website. The media centre can be accessed via the following link:

<https://www.hiag.com/en/company/media/media-information/>

Corporate Governance

The CEO, Marco Feusi, is in charge of communication with shareholders, the capital markets and the public.

Contact can be made via the following link: investor.relations@hiag.com.

Company calendar

| | |
|-------------------|--|
| 27 April 2023 | Annual General Meeting Fiscal 2022 |
| 28 August 2023 | Publication Half-Year Financial Statement 2023 |
| 26 September 2023 | HIAG Capital Market Day |
| 4 March 2024 | Publication Annual Report 2023 |
| 18 April 2024 | Annual General Meeting Fiscal 2023 |

The detailed company schedule is published on HIAG's website at the following link and is updated regularly.

<https://www.hiag.com/en/investors/company-calendar/>

Contact for investors

HIAG Immobilien Holding AG,
Aeschenplatz 7, 4052 Basel
investor.relations@hiag.com

Current information and all publications are available on the HIAG website:

<https://www.hiag.com>

The publications can also be sent by mail; simply send a request to the above Investor Relations address.

Compensation Report

1 Introductory remarks

The Compensation Report of HIAG Immobilien Holding AG offers an overview of the HIAG Group's compensation principles and system for financial year 2022. It describes how the compensation of the members of the Board of Directors and the Executive Board is determined and provides information about the compensation granted. The Compensation Report fulfils the requirements of the Ordinance Against Excessive Compensation at Listed Companies (VegüV), which entered into force in January 2014 and was implemented into law when the revision of the Swiss Stock Corporation Act came into force on 1 January 2023 (Art. 732 et seq. OR), and thus the provisions of the Swiss Code of Obligations. It is based on the Directive on Information Relating to Corporate Governance (Corporate Governance Directive) issued by SIX Swiss Exchange and HIAG Immobilien Holding AG's Articles of Incorporation.

The complete statutory rules governing voting on compensation by the General Meeting (Art. 22), the applicable additional amount of compensation for additional members of the Executive Board if an approved total amount is insufficient (Art. 23), the performance-based compensation and the distribution of shares, conversion rights and option privileges (Art. 21), loans and credits (Art. 24) and HIAG Immobilien Holding AG's Organisational Rules can be consulted on the company website using the following link:

<https://www.hiag.com/media/zzjh1fji/statuten-hiag.pdf>

Paid compensation is disclosed according to the accrual principle of the accounting standards (independent of cash flows), meaning all compensation is listed in the period (in this case the financial year) in which it is included in the financial statements.

2 Compensation policy

HIAG's compensation policy is consistent with the HIAG Group's corporate strategy, goals and values, and is based on the following principles:

2.1 Risk adjustment and sustainability

Compensation practices must contribute to long-term operational development. They must support risk management and the objective of sustainable increases in the company's values, as well as long-term client and employee retention. The compensation policy has to set incentives that guarantee appropriate risk behaviour from individuals in order to counteract conflicts of interest.

Anchoring sustainability at all levels within the company is at the heart of HIAG's corporate strategy. As of financial year 2022, parts of the variable target bonuses of the CEO and the CFO will be linked to the achievement of sustainability goals. These were defined by the Compensation Committee for the reporting period as follows:

- Publication of a sustainability report in accordance with the GRI Standards
- Participation in the 2022 GRESB Real Estate Assessment
- Creation of a reduction path for greenhouse gases in the yielding portfolio, including the definition of corresponding reduction targets

All of the above objectives were achieved. From financial year 2023, the variable sustainability compensation will also be extended to the expanded Executive Board in addition to the CEO and CFO, which had two new members as of 1 January 2023 (Portfolio/Transactions business division; Development/Realisation business division).

Compensation Report

2.2 Trust

The compensation rules and processes are designed based on mutual trust between the employer and employees. This is necessary because there is a certain time lapse between the provision of the service and the assumption of responsibility on the one hand and the corresponding compensation on the other, and a performance evaluation has subjective components.

2.3 A focus on performance and success

Compensation must reward the performance of individuals as well as that of the organisation. An orientation towards group success promotes alignment with the HIAG Group's long-term interests. Taking individual performance into account helps to motivate employees, steer individual performance contributions towards the achievement of company goals and retain top performers.

2.4 Clear and understandable

The compensation rules and models are clearly and understandably worded. Employees and those outside the company should be able to easily comprehend the principles.

2.5 Requirements and management levels taken into account

The compensation calculation must also take into account the difficulties of the respective jobs, and clearly and fairly reflect the different requirements of the management levels.

2.6 Zero discrimination

Decisions concerning the employment relationship, including compensation decisions, are based solely on the individual's qualifications, performance and professional conduct, or other objective legitimate business considerations.

The compensation policy forms the basis for the compensation standards set forth in our regulations and compensation model. The compensation standards determine the objectives, processes and requirements for the structure of the compensation. In addition, the compensation model for recipients of a variable compensation component defines the fixed-to-variable ratio and the distribution mechanisms of the variable component.

3 Principles and components, responsibilities and determination of compensation

3.1 Responsibilities and determination of compensation

The Board of Directors holds ultimate responsibility for regulating the compensation. It determines the amount of compensation paid to the Board of Directors and the Executive Board within the framework of the maximum total amounts approved by the General Meeting. The Board of Directors is supported in this by the Compensation Committee. No members of the Executive Board are present during discussions and the adoption of resolutions by the Board of Directors regarding the remuneration of the Executive Board. Each member of the Board of Directors has a say in the determination of the remuneration of the Board of Directors.

As all members of the Board of Directors, with the exception of the President and the General Counsel, receive the same fixed remuneration, members of the Board of Directors do not withdraw from decisions regarding their remuneration, except the President and the General Counsel who withdraw when their remuneration is determined.

Compensation Report

3.2 Compensation Committee

The General Meeting elects each member of the Compensation Committee for a term of office of one year until the conclusion of the next ordinary General Meeting. Re-election is permitted. The Compensation Committee is composed of at least two members; only members of the Board of Directors are eligible.

The Compensation Committee informs the Board of Directors periodically about the course of meetings and other compensation-related subjects. In particular, the Compensation Committee assists the Board of Directors in the determination and review of the compensation models and prepares the proposals to be made at the General Meeting concerning the compensation of the Board of Directors and Executive Board. The Board of Directors may also assign additional responsibilities to the Compensation Committee. As per the Organisational Rules of the company, the scope of the Compensation Committee's tasks includes the following points:

Compensation policy and principles

- Periodic review of the goals and basic principles of the compensation policy for the attention of the Board of Directors with the objective of encouraging and retaining employees in order to ensure the competitiveness and long-term success of the company and the Group companies;
- Acknowledgement and evaluation of implementation of compensation-related principles (including related concepts concerning salaries and incentives) by the Executive Board;
- Evaluation and preparation of compensation guidelines and programmes as well as applicable compensation performance criteria, and related proposals to the Board of Directors. These include, in addition to the base salary, variable cash compensation, compensation in the form of options, shares and/or similar financial instruments in accordance with the applicable employee stock option programmes, pension funds and/or additional benefits within the scope of overall compensation;
- Review of the impact, attractiveness and competitiveness of this programme at least every three years.

Compensation of the Board of Directors and Executive Board

- Drafting of proposals and submission of requests to the Board of Directors regarding compensation of individual members of the Board of Directors (subject in each case to the maximum total amounts approved or to be approved by the General Meeting according to the provisions of the Articles of Incorporation);
- Drafting of proposals and submission of requests to the Board of Directors with regard to compensation of individual members of the Executive Board (subject to the maximum total amounts approved or to be approved by the General Meeting according to the provisions of the Articles of Incorporation);
- Drafting of proposals and submission of requests to the Board of Directors with regard to compensation of the heads of Portfolio Management and Transactions as well as Site Developers;
- Drafting of proposals for the attention of the Board of Directors with regard to total amounts of compensation to be approved by the General Meeting for the Board of Directors and Executive Board according to the provisions of the Articles of Incorporation;
- If necessary, drafting of proposals for the attention of the Board of Directors with regard to the additional amount of compensation to be approved by the General Meeting for new members of the Executive Board according to the provisions of the Articles of Incorporation.

Compensation Report

Elaboration of participation programmes for employees of the company and the Group companies.

Preparation of compensation reports and corresponding submission to the Board of Directors.

The CEO and the General Counsel generally take part in the sessions of the Compensation Committee, except if their own performance is under evaluation or their compensation fixed. Other members of the Board of Directors, the CFO or other internal or external experts may also be invited to participate in these meetings.

As at 31 December 2022, the Compensation Committee was composed as follows:

| | Elected until |
|------------------------------------|-------------------------------|
| Salome Grisard Varnholt, President | Ordinary General Meeting 2023 |
| Balz Halter | Ordinary General Meeting 2023 |

The Compensation Committee holds meetings as often as business requires, but at least twice per year. During the period under review, the Compensation Committee met three times: on 25 January 2022, 9 June 2022 and on 19 August 2022, for 90 minutes each time. Both members of the Compensation Committee attended all three meetings. The following agenda points were discussed:

- Approval of the total compensation of the Executive Board for 2021;
- Approval of the individual bonuses of the management for 2021;
- Approval of the compensation of the Board of Directors for 2021;
- Proposal to the General Meeting regarding the compensation of the Executive Board 2022 and the Board of Directors 2022;
- Expansion of the Executive Board as of 1 January 2023.

3.3 Compensation components: Board of Directors

The members of the Board of Directors receive fixed compensation in cash for their activity as per the statutory rules. This fixed compensation also includes compensation for activities on the Audit Committee and the Compensation Committee, as well as on the boards of directors of subsidiaries. An additional attendance fee is paid for participation in the meetings of the Investment Committee and the Finance Committee, which amounts to a flat rate of CHF 750 (physical meetings) or CHF 500 (digital meetings) per person and meeting. Reimbursement of expenses is not considered compensation. The company or a Group company may reimburse members of the Board of Directors for expenses in the form and amount of tax-recognised flat-rate allowances. Additional activities of Boards of Directors for HIAG are compensated at cost and at the hourly rates customary in the market. Customary market rates mean that the hourly rate to be used for the service in question corresponds to the rate usually charged by third parties for similar services for employees with equivalent qualifications. The statutory rules do not provide for pension benefits that are not required by law for members of the Board of Directors.

To that effect, no such payments were made during the year under review. The total compensation paid to the General Counsel, who is a member of the Board of Directors and a member of the Executive Board, is reported in full as part of the compensation paid to the Board of Directors. This compensation is composed of fixed cash compensation and fixed annual share-based compensation. The fixed cash compensation is paid in 13 instalments. The same rules apply to flat-rate allowances and expenses as for the Executive Board.

Compensation Report

3.4 Compensation components: Executive Board

The compensation of members of the Executive Board is composed of fixed and variable remuneration. Reimbursement of expenses is not considered compensation. The company or a Group company may reimburse members of the Executive Board for expenses in the form and amount of tax-recognised flat-rate allowances.

| | Compensation | | |
|---------------------|--|--|---|
| Instruments | Fixed compensation | Variable compensation | |
| | Base salary Pension plan Additional benefits | Individual bonus Payable in cash | LTIP 50% in shares (yearly payment) 50% in cash (payment at end of the LTIP) |
| Influencing factors | Function, experience, qualification and market | Achievement of individual annual performance targets | Achievement of long-term value increase for shareholders |
| Purpose | Employee recruitment, employee retention | Focus on annual targets and corporate success | Employee retention Focus on long-term corporate success |

Fixed compensation of the Executive Board

The fixed compensation is made up of a base salary and possible other compensation components that are not dependent on performance (e.g. child allowances or training allowances). They are reported in paragraph 4.2 under “Other compensation components”. The fixed compensation is paid in cash.

With regard to the disclosure of services and non-cash benefits and expenses, these are dealt with from a tax point of view. Out-of-pocket expenses are reimbursed on a lump-sum basis in accordance with expense reimbursement rules approved by the tax authorities; other expenses are reimbursed on an actual cost basis. They are not included in the reported compensation.

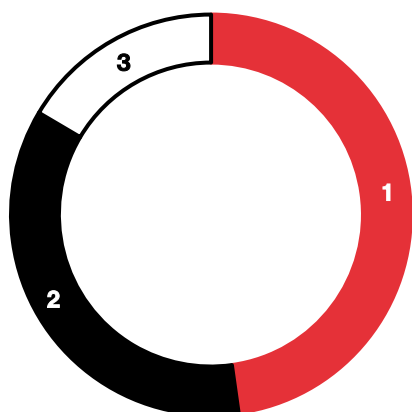
Variable compensation of the Executive Board

As per the Articles of Incorporation, the variable compensation is made up of two components: an annual individual bonus and a Long Term Incentive Plan (LTIP).

Compensation Report

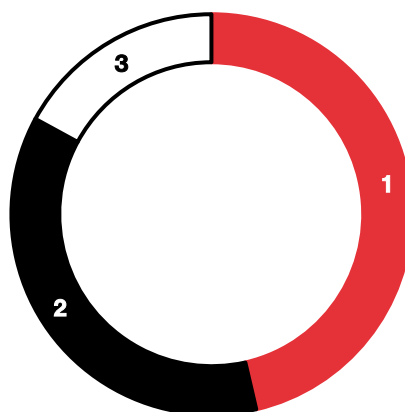
The weighting of the fixed and variable compensation for financial years 2022 and 2021 is as follows:

Financial year 2022



Executive Board

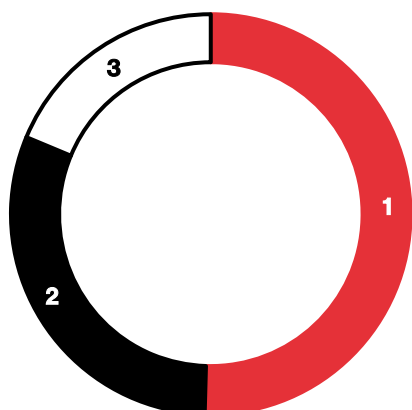
| | | |
|---|--------------------|-------|
| 1 | Fixed compensation | 47.8% |
| 2 | LTIP | 35.7% |
| 3 | Individual bonus | 16.5% |



Marco Feusi (CEO)

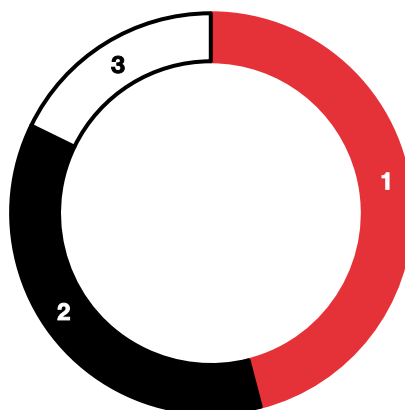
| | | |
|---|--------------------|-------|
| 1 | Fixed compensation | 46.4% |
| 2 | LTIP | 36.5% |
| 3 | Individual bonus | 17.1% |

Financial year 2021



Executive Board

| | | |
|---|--------------------|-------|
| 1 | Fixed compensation | 50.5% |
| 2 | LTIP | 30.8% |
| 3 | Individual bonus | 18.7% |



Marco Feusi (CEO)

| | | |
|---|--------------------|-------|
| 1 | Fixed compensation | 46.0% |
| 2 | LTIP | 36.2% |
| 3 | Individual bonus | 17.8% |

Compensation Report

Individual bonus

The individual bonus for the current financial year is determined each year based on the annual performance of the Executive Board member in question. To this end, several specific and measurable performance targets are set according to an Executive Board member's function and influence, and weighted according to their importance. The individual targets are summarised in the criteria groups of "general implementation of corporate strategy", "sustainability goals" and "individual operational goals". The individual bonus is paid out in cash. The individual bonus of the CEO is determined by the Compensation Committee. The individual bonuses of the remaining members of the Executive Board (CFO) are fixed by the CEO and submitted to the Compensation Committee. If the objectives are not met, the amount of the individual bonus can either be reduced accordingly or eliminated completely. In the year under review, the CEO achieved 92% of his individual targets and the CFO 100%.

LTIP

The LTIP links executive compensation to long-term value creation within the HIAG Group and is designed to align the long-term interests of key employees and shareholders.

The term of the LTIP is five years (2020–2024). The LTIP relates to return on equity (ROE) or net profit, and allows plan participants to participate in an "excess return" based on the threshold. This measure is the same for all plan participants.

Benefits under the LTIP are payable when shareholders have received at least an ROE equal to the threshold value. The threshold is 4.0% ROE in the first plan year and 5.5% ROE in plan years 2 to 5.

Of the LTIP, 50% is paid out annually in the form of blocked plan participant shares. The average ROE reached at the end of the respective year is used as the basis for the calculation. The plan participant shares accrued by the plan participants are acquired by the employer in the following financial year for the account of the plan participants, taken from the company's own shares or created from conditional capital and entered in a register defined by the employer. The deciding factor is the closing price on the day of distribution. The shares may be acquired by plan participants with a retention period of five years from the date of acquisition. Plan participant shares are allocated to plan participants with a discount of 25.274%.

The other 50% of the Incentive is composed of a cash payment. This cash portion is paid out in full only if the plan participant is still regularly employed on 31 March 2025.

The final settlement of the plan will take place in the first half of 2025.

Additional benefits

Additional benefits are primarily social and pension plans, which provide a suitable pension contribution and appropriate coverage for risks in case of death or other cause of invalidity. The plan benefits do not go beyond the accepted scope as per the provisions of the Swiss Occupational Pensions Act (BVG) and correspond to usual market practice. The pension plan is composed of a BVG plan, a basic plan and a management plan. Under the BVG plan and the basic plan, the employer pays the same contribution as the employee. The employer pays a higher contribution than the employee under the management plan. Executive Board members receive no particular additional benefits. They receive flat-rate compensation for business and representational expenses in accordance with the expense regulations approved by the responsible cantonal tax authorities.

Compensation Report

3.5 Benchmarking

The total compensation of the Board of Directors and the Executive Board is based on valuations of Swiss real estate companies listed on the SIX Swiss Exchange:

| | | | |
|-----------------------|-------------------------|-----------------------|------------------------------|
| Allreal Holding AG | Investis Holding | Plazza AG | Warteck Invest AG |
| Espace Real Estate AG | Mobimo Holding AG | PSP Swiss Property AG | Züblin Immobilien Holding AG |
| Intershop Holding AG | Peach Property Group AG | Swiss Prime Site AG | Zug Estates Holding AG |

The Board of Directors periodically performs benchmarking based on the compensation reports of these real estate companies, which it last did in mid-2022. The Board of Directors also takes information from its members from functions in other companies into account. To date, an external consultant has not been called in for benchmarking. The fixed remuneration component and the variable remuneration component are both subject to this benchmarking.

3.6 Further information concerning employment of the Executive Board

Employment contracts of Executive Board members

The employment contracts of the Executive Board are open-ended and include notice periods of six months. They do not contain any unusual provisions. In particular, there is no severance pay and there are no specific clauses in the event of a change in control of the company. A non-competition agreement for the period after the end of the employment contract is not permitted, as per the Articles of Incorporation.

Summary of Executive Board pension plans

Members of the Executive Board are subject to the pension plans of the employing Group company in each case. Provisions for members of the Executive Board do not deviate from the rules applicable to all other employees.

4 Compensation, loans and credits to the Board of Directors, the Executive Board and related persons (audited)

The following tables provide a gross presentation of compensation; i.e. including employer contributions.

Compensation Report

4.1 Compensation of the Board of Directors

Financial year 2022

| 2022 in TCHF | Fixed compensation | Attendance fees for the Investment Committee | Attendance fees for the Finance Committee | Share-based compensation | Employer social security contributions (AHV/IV pension benefits) | Gross compensation | Flat-rate expense allowance |
|--|--------------------|--|---|--------------------------|--|--------------------|-----------------------------|
| Dr. Felix Grisard, President Investment, Audit and Finance Committee | 300 | – | – | – | 23 | 323 | 12 |
| Balz Halter, Vice President Investment and Compensation Committee | 70 | 5 | – | – | 5 | 80 | – |
| Salome Grisard Varnholt Compensation and Investment Committee | 70 | 5 | – | – | 5 | 80 | – |
| Dr. Jvo Grundler General Counsel | 400 | – | – | 125 ² | 65 | 590 ¹ | 6 |
| Dr. Christian Wiesendanger Audit and Finance Committee | 145 ³ | – | 5 | – | 19 | 169 | 3 |
| Anja Meyer Investment Committee | 70 | 5 | – | – | 5 | 80 | – |
| Total compensation of the Board of Directors | 1,055 | 14 | 5 | 125 | 121 | 1,320 | 21 |

¹ The fixed compensation applies to the Board of Directors role and the General Counsel role.

² This item includes share-based compensation based on the employment contract. Shares that were distributed as part of share-based compensation and shares that were acquired outside share-based compensation are allocated to employees according to the proportional compensation or payment programme with a five-year retention period and a discount of 25.274% (discounted taxable value).

³ The fixed compensation applies to the Board of Directors role and to the additional function as Head of Finance a.i. (three months, 1 October 2022 to 31 December 2022).

No compensation other than that shown here was paid in 2022.

In financial year 2022, the gross compensation of the Board of Directors rose by TCHF 98 (+8%) to TCHF 1,320 compared with the previous year (TCHF 1,222). The increase in compensation results on the one hand from the fact that the fixed compensation of the additional member of the Board of Directors elected in the previous year was paid out for a 12-month period for the first time, and on the other from the fixed compensation paid to Dr Christian Wiesendanger for his additional function as Head of Finance a. i. for the period from 1 October to 31 December 2022.

Compensation Report

Financial year 2021

| 2021 in TCHF | Fixed compensation | Attendance fees for the Investment Committee | Attendance fees for the Finance Committee | Share-based compensation | Employer social security contributions (AHV/IV pension benefits) | Gross compensation | Flat-rate expense allowance |
|--|--------------------|--|---|--------------------------|--|--------------------|-----------------------------|
| Dr. Felix Grisard, President Investment, Audit and Finance Committee | 300 ¹ | – | – | – | 43 ² | 343 | 12 |
| Balz Halter, Vice President Investment, Compensation and Audit Committee | 70 | 7 | – | – | 5 | 82 | – |
| Salome Grisard Varnholt Compensation and Investment Committee | 70 | 8 | – | – | 5 | 83 | – |
| Dr. Jvo Grundler General Counsel | 500 | – | – | 27 ⁴ | 84 ² | 611 ³ | 6 |
| Dr. Christian Wiesendanger Finance Committee (from 22/04/2021) | 48 | – | 10 | – | 4 | 62 | – |
| Anja Meyer (from 29/09/2021) Investment Committee | 18 | – | – | – | 1 | 19 | – |
| Dr. Walter Jakob Compensation and Audit Committee (until 21/04/2021) | 22 | – | – | – | – | 22 | – |
| Total compensation of the Board of Directors | 1,028 | 15 | 10 | 27 | 142 | 1,222 | 18 |

¹ Between meetings of the Board of Directors, the President meets the CEO on a weekly basis to discuss strategic issues.

² Including pension benefits.

³ The fixed compensation applies to the Board of Directors role and the General Counsel role.

⁴ This item includes share-based compensation based on the employment contract. Shares that were distributed as part of share-based compensation and shares that were acquired outside share-based compensation are allocated to employees according to the proportional compensation or payment programme with a five-year retention period and a discount of 25.274% (discounted taxable value).

No compensation other than that shown here was paid in 2021.

4.2 Compensation of the Executive Board

In the year under review, HIAG's Executive Board consisted of the CEO, CFO and General Counsel. The compensation of the Executive Board includes the compensation of the CEO and CFO. The General Counsel is simultaneously a member of the Board of Directors and a member of the Executive Board. His total compensation is reported entirely under the compensation of the Board of Directors.

Compensation Report

| in TCHF | Executive Board Total | Thereof Marco Feusi (CEO) | | |
|---|-----------------------|---------------------------|--------------|--------------|
| | 2022 ^{1/2} | 2021 | 2022 | 2021 |
| Financial year | | | | |
| Base salary in cash (net) | 1,105 | 1,160 | 813 | 845 |
| Variable compensation in cash (individual bonus, net) | 380 | 455 | 300 | 325 |
| LTIP for 2022 (payable in cash in 2025, net) ³ | 382 | 464 | 320 | 428 |
| LTIP for 2022 (share-based compensation, net) | 443 | 288 | 320 | 252 |
| Other compensation components ⁴ | 7 | 29 | 7 | 7 |
| Pension benefits | 45 | 72 | 33 | 36 |
| Other social benefits ⁵ | 231 | 223 | 175 | 175 |
| Total compensation of the Executive Board (gross) | 2,592 | 2,691 | 1,968 | 2,068 |
| Flat-rate expense allowance | 24 | 26 | 12 | 12 |

¹ The compensation paid to the Executive Board in financial year 2022 includes the amounts paid to the CEO, Marco Feusi, and the CFO, Rico Müller (who left the Executive Board on 31 October 2022, compensation until 31/12/2022).

² The total compensation of the Executive Board for financial year 2022 year includes the CFO with 12 months' base salary, variable compensation, and the LTIP in accordance with the termination agreement.

³ These amounts correspond to the 2022 share of the total maximum bonus pool of the LTIP.

⁴ Child allowances and training allowances.

⁵ AHV, ALV, BU, NBU, FAK, UVG

Change in the Executive Board during the reporting year:

The compensation of the Executive Board in financial year 2022 (TCHF 2,592) was TCHF 99 lower (-3.7%) than in the previous year (TCHF 2,691). The reduction in compensation is mainly due to the lower basic salary and the lower variable compensation of the CEO, as well as the fact that in the previous year there was an overlap in the succession of the CFO function (with Rico Müller joining on 1 September 2021 and Laurent Spindler leaving on 31 October 2021). Furthermore, in the previous year, a fundamental reassessment of the calculation of the LTIP provision concerning the cash component was made as a result of improved planning reliability. Since 2021, the calculation has been based on the assumption of 100% target achievement over the years of the plan. This estimate led to a one-time increase in the LTIP provision of TCHF 305 in financial year 2021.

4.3 Loans and credits to the Board of Directors and Executive Board

No loans or credits were granted in 2022 to existing or former members of the Board of Directors and Executive Board, nor were any such amounts outstanding as at 31 December 2022.

Compensation Report

4.4 Compensation, loans and credits to related persons

In 2022, no compensation that was unusual for the market, loans or credits were paid or granted to related persons, and no such compensation or credits were still outstanding as at 31 December 2022.

5 Comparison of the compensation paid with the compensation approved

Board of Directors

| in TCHF | Approved compensation General Meeting 28 April 2022 | Compensation 2022 according to paragraph 4 |
|---|---|--|
| Fixed compensation and attendance fees in cash (net) | 1,050 | 1,074 |
| Share-based compensation | 200 | 125 |
| Compensation for additional services | 50 | – |
| Employer social security contributions and pension benefits | 200 | 121 |
| Total compensation of the Board of Directors (gross) | 1,500 | 1,320 |

At TCHF 1,320, the total compensation of the Board of Directors is less than the TCHF 1,500 of compensation approved at the General Meeting.

Executive Board

| in TCHF | Approved compensation General Meeting 28 April 2022 | Compensation 2022 according to paragraph 4 |
|--|---|--|
| Base salary in cash (net) | 1,200 | 1,105 |
| Variable compensation in cash (individual bonus, net) | 500 | 380 |
| LTIP for 2022 | 900 | 825 |
| Other compensation components, employer social security contributions and pension benefits | 300 | 283 |
| Total compensation of the Executive Board (gross) | 2,900 | 2,592 |

At TCHF 2,592, the total compensation of the Executive Board is less than the TCHF 2,900 of compensation approved at the General Meeting.

6 Activities for other companies

Positions held by the members of the Board of Directors and the Executive Board at other companies in accordance with Article 626 paragraph 2 item 1 OR as well as item 3.2 of the Directive on Information Relating to Corporate Governance (RLCG) of the Swiss stock exchange (SIX Swiss Exchange).

6.1 Board of Directors

Dr Felix Grisard

- President of the Board of Directors of HIAG Beteiligung Holding AG, Basel
- Member of the Board of Directors of SFAG Holding AG, Basel
- Member of the Board of Directors of Ultra-Brag AG, Basel
- President of the Board of Directors of MTIP AG, Basel
- Member of the Board of Directors of Botiss Medical AG, Berlin, and member of the Board of Directors of two subsidiaries of Botiss Medical AG
- Member of the Board of Directors of Straw Concept AG, Basel
- Member of the Board of Directors of OM Immobilien AG
- International member of the Advisory Board of the University of St. Gallen

Compensation Report

Balz Halter

- President of the Board of Directors of Halter Unternehmungen AG, Schlieren, and President of the Board of Directors of five subsidiaries of Halter Unternehmungen AG
- President of the Board of Directors of Halter Digital Services AG, Schlieren
- President of the Board of Directors of Casacom Solutions AG, Schlieren
- President of the Board of Directors of Limmatstadt AG, Schlieren
- Member of the Board of Directors of WirKaufenHier Limmatstadt AG, Zurich
- Shareholder of BFG Halter KLG, Schlieren

Salome Grisard Varnholt

- Member of the Board of Directors of BraCHe Holding AG, Zurich, and member of the Board of Directors of a subsidiary of BraCHe Holding AG
- Member of the Board of Directors and Managing Director of Grisard Architektur AG, Zurich
- President of the Board of Directors of Senft AG, Zurich
- Member of the Board of Directors SCHAUSPIELHAUS ZÜRICH AG, Zurich
- Vice President of the Foundation Board of the Swiss Museum of Architecture, Basel

Dr Jvo Grundler

- Vice President of Datacolor AG, Rotkreuz, and member of the Board of Directors of two subsidiaries of Datacolor AG
- Member of the Board of Directors of Lifortis AG, St. Gallen
- Member of the Board of Directors of Neutra Treuhand AG, Basel
- Member of the Board of Directors of SERTO HOLDING AG, Frauenfeld, and member of the Board of Directors of a subsidiary of SERTO HOLDING AG
- Member of the Board of Directors of SHL Business Areas AG, Lucerne
- Member of the Board of Directors of Star-Ciné AG, Wil
- Vice President of the Board of Directors of Villiger Söhne Holding AG, Pfeffikon, and Vice President of a subsidiary of Villiger Söhne Holding AG

Dr Christian Wiesendanger

None

Anja Mayer

- President of the Board of Directors of smeyers Holding AG, Lucerne, and member of the Board of Directors of two subsidiaries of smeyers Holding AG
- Member of the Board of Directors and Managing Director of Soluma AG, Emmen
- Managing Director of JML Liegenschaften AG, Emmen
- Member of the Board of Directors and the Executive Board of Invest d'Or Management AG, Emmen
- Member of the Advisory Board of STAUFEN.INOVA AG, Zurich

Compensation Report

6.2 Executive Board

Marco Feusi

- Member and Assessor of the Royal Institution of Chartered Surveyors (MRICS), Switzerland
- Member of the Board of Directors of Norline AG, Neuhausen am Rheinfall, and member of the Board of Directors of a subsidiary of Norline AG

Dr Jvo Grundler

- Dr Jvo Grundler is a member of both the Board of Directors and the Executive Board. His activities for other companies are listed in the section on the members of the Board of Directors.

7 Participations of the Executive Board and the Board of Directors, including their related parties

| Number of shares | 31/12/2022 | 31/12/2021 |
|---|------------------|----------------|
| HIAG Beteiligung Holding AG ¹ | – | 410,000 |
| SFAG Holding AG ² | 2,026,471 | – |
| Senft AG | – | 282,896 |
| BraCHe Beteiligungs AG ³ | 1,699,796 | – |
| Balz Halter, Member of the Board of Directors | 8,418 | 8,418 |
| Dr. Jvo Grundler, Member of the Board of Directors, General Counsel | 47,845 | 47,402 |
| Marco Feusi, CEO | 23,719 | 20,022 |
| Rico Müller, CFO ⁴ | 876 | 364 |
| Total | 3,807,125 | 769,102 |

¹ Dr Felix Grisard and Salome Grisard Varnholt were shareholders on the Board of Directors of SFAG Holding AG in the previous year, which held 4,432,771 shares in HIAG Immobilien Holding AG until December 2022. SFAG Holding AG was the main shareholder of HIAG Immobilien Holding AG until December 2022 with a shareholding of 43.8%. Dr Felix Grisard and Salome Grisard Varnholt jointly held two-thirds of the shares of SFAG Holding AG directly and indirectly. In December 2022, with retroactive effect from 1 September 2022, some of the assets of SFAG Holding AG as a joint holding company of the siblings Dr Felix Grisard, Andrea Grisard and Salome Grisard Varnholt were transferred to Grisgros Beteiligungs AG, held by Andrea Grisard, and BraCHe Beteiligungs AG, held by Salome Grisard Varnholt, as part of a demerger. After completion of the two spin-offs, Dr Felix Grisard remains the sole shareholder of SFAG Holding AG, which is why the shares of the company held by SFAG Holding AG as of 31 December 2022 were attributed to him. Similarly, the shares now held by BraCHe Beteiligungs AG are attributed to Salome Grisard. Furthermore, in connection with the two spin-offs, the shares in the company held by HIAG Beteiligung Holding AG were transferred to BraCHe Beteiligungs AG, Grisgros Beteiligungs AG and SFAG Holding AG, and the shares in the company held by Senft AG were transferred to BraCHe Beteiligungs AG.

² SFAG Holding AG is controlled by Dr Felix Grisard.

³ BraCHe Beteiligungs AG is controlled by Salome Grisard Varnholt.

⁴ Retired from the Executive Board as of 31/10/2022.

Report of the Statutory Auditor on the Compensation Report



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To the General Meeting of
HIAG Immobilien Holding AG, Basel

Basle, 10 March 2023

Report of the statutory auditor on the audit of the compensation report



Opinion

We have audited the compensation report of HIAG Immobilien Holding AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in section 4 of the compensation report (on pages 97 to 101) of the compensation report.

In our opinion, the information on remuneration, loans and advances in the compensation report complies with Swiss law and Art. 14-16 VegüV.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the audited tables in section 4 in the compensation report (on pages 97 to 101), the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Statutory Auditor on the Compensation Report



Page 2



Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Fabian Meier
Licensed audit expert
(Auditor in charge)

Daniel Zaugg
Licensed audit expert

Business Performance

HIAG increased its net profit significantly in financial year 2022 by 11.4% to CHF 99.4 million (2021: CHF 89.3 million). The net revaluation gains of CHF 64.3 million (2021: CHF 60.5 million) were even higher than in the previous year. Property income rose by 7.2% to CHF 67.7 million (2021: CHF 63.1 million). In the year under review, HIAG sold non-strategic properties for a profit of CHF 6.0 million (2021: CHF 16.5 million). Promotional sales in the CHAMA Columbus new construction project made a contribution to earnings of CHF 4.6 million before taxes in financial year 2022 (2021: CHF 0).

Financial performance:

- In financial year 2022, HIAG increased its property income by 7.2% to CHF 67.7 million (2021: CHF 63.1 million).
- The vacancy rate in the overall portfolio was significantly reduced to 6.4% as at 1 January 2023 (1 January 2022: 10.7%).
- Revaluation gains on investment properties increased to CHF 64.3 million (2021: CHF 60.5 million).
- Proceeds from the sale of investment properties amounted to CHF 6.0 million (2021: CHF 16.5 million), which is significantly below the above-average value for the previous year. Promotional sales in the CHAMA Columbus new construction project also made a contribution to earnings of CHF 4.6 million before taxes for the first time in the year under review (2021: CHF 0).
- Other operating income of CHF 10.1 million (2021: CHF 14.1 million) mainly consists of CHF 9.0 million (2021: CHF 10.5 million) from the metal recycling business of Jaeger et Bosshard SA. In the previous year, other operating income included CHF 1.9 million from the sale of a complete production plant in Pratteln.

HIAG increased its net income in financial year 2022 by 11.4% to CHF 99.4 million (2021: CHF 89.3 million). Before revaluation gains and deferred taxes, net income rose to CHF 38.3 million (2021: CHF 37.0 million). This resulted in earnings per share of CHF 9.85 (2021: CHF 10.39), or CHF 3.80 (2021: CHF 4.31) before revaluations and deferred taxes. EBITDA amounted to CHF 115.7 million (2021: CHF 115.6 million), or CHF 51.4 million (2021: CHF 55.1 million) before changes in value.

The return on equity based on weighted average equity decreased by 0.7 percentage points to 10.4% as at the reporting date (31 December 2021: 11.1%).

Business Performance

| in TCHF | 2022 | 2021 | Δ in % |
|---|---------|---------|--------|
| Property income | 67,671 | 63,142 | 7.2% |
| Revaluation of properties | 64,306 | 60,523 | 6.3% |
| Income from sale of properties | 13,764 | – | 100.0% |
| Profit from sale of investment properties | 6,039 | 16,543 | -63.5% |
| Other operating income | 10,134 | 14,114 | -28.2% |
| EBITDA | 115,742 | 115,627 | 0.1% |
| EBITDA excl. Revaluation of real estate | 51,436 | 55,104 | -6.7% |
| Financial result | -8,044 | -9,156 | -12.1% |
| Taxes | -7,771 | -16,708 | -53.5% |
| Net income for the period | 99,406 | 89,263 | 11.4% |
| Net income for the period excl. revaluation of real estate and deferred taxes | 38,339 | 36,995 | 3.6% |

Yielding portfolio (Portfolio and Asset Management)

Property income rose by 7.2% to CHF 67.7 million (2021: CHF 63.1 million), with CHF 0.3 million of the increase stemming from index adjustments. At the same time, expenses for maintenance and repairs were reduced in the period under review. These encouraging developments led to an improvement in the gross yield of the yielding portfolio business to 5.0% (2021: 4.6%).

Annualised property income increased by 14.6% to CHF 72.3 million as at 1 January 2023 (1 January 2022: CHF 63.1 million), mainly driven by new rentals (CHF 3.1 million) and project completions (CHF 5.3 million) as well as index adjustments (CHF 0.9 million). The inflation clause included in HIAG's commercial leases allows for the ongoing adjustment of net rents to changes in the national consumer price index. In financial year 2022, HIAG also acquired net annualised property income of CHF 1.0 million.

The vacancy rate was significantly reduced as of 1 January 2023, to 6.4% for the overall portfolio (1 January 2022: 10.7%) and 5.6% for the yielding portfolio (1 January 2022: 9.6%).

The weighted average unexpired lease term (WAULT) remained stable in the period under review at 8.1 years (1 January 2022: 8.2 years). Based on the 15 largest tenants, the WAULT was as much as 10.5 years as at 1 January 2023 (1 January 2022: 10.2 years).

Business Performance

Development portfolio

As at 1 January 2023, HIAG's development pipeline comprised 58 projects (1 January 2022: 61) with an expected total investment volume of approximately CHF 3.1 billion (planned/estimated over the next 15 to 20 years). The associated annual income potential of the rental areas is CHF 150 million. The potential sales proceeds of the reference projects and partial properties amount to CHF 940 million.

The vacancy rate in the development portfolio decreased to 10.0% as at 1 January 2023 (1 January 2022: 15.7%).

Transaction business (Transactions)

In financial year 2022, properties were once again sold as part of the divestment programme for non-strategic properties. The gross proceeds (before taxes) of approximately CHF 16 million represent an average increase of 45% over the estimated fair value.

In the year under review, the following six properties with a book value (last fair value less environmental risks) of CHF 9.5 million (2021: CHF 62.4 million) were sold:

- Allschwil, Binningerstrasse 87-89
- Biberist, plot 36194
- Diesbach, Legler factory
- Diesbach, Hauptstrasse 38-40
- Gempen, Scharthenhof
- Klingnau, forest plot

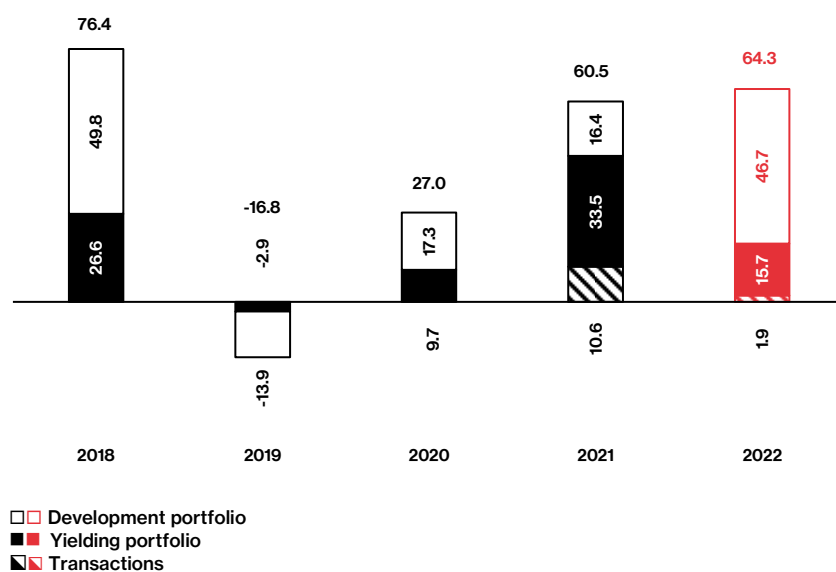
In return, acquisitions with a book value of CHF 43.5 million (2021: CHF 92.7 million) were made in the year under review. These consisted of two residential properties in Niederwil with 27 apartments and in Zurich Altstetten with 25 apartments, both with potential for tax optimisation in the medium term, as well as a small plot of land in Wetzikon (ZH) to consolidate the "Schönau" site.

- Niederwil, Rigistrasse 1-5
- Wetzikon, Weststrasse 23
- Zurich Altstetten, Kelchweg 8-14

Business Performance

Revaluation gains

The revaluation gains of the investment properties increased to CHF 64.3 million in financial year 2022 (2021: CHF 60.5 million), taking provisions for legacy burdens into account. The majority of the change in value (over 70%) stemmed from the development portfolio. This increase was mainly achieved through the company's own management services, including the achievement of several milestones relating to site development, the further reduction of vacancies, lease extensions, rent increases and rent adjustments for indexed leases.



The average discount rate (net, real) applied by the independent valuer in the valuations of the total portfolio (excluding land, building lease and power plants) decreased to 3.32% (31 December 2021: 3.54%).

Properties for sale (promotion) – earnings contribution and developments

As at 31 December 2022, the project pipeline included one property for sale with a total of 52 residential units ("CHAMA Columbus" condominium) and ongoing investments of CHF 7.4 million (2021: CHF 2.7 million). By the end of the period under review, twelve certifications had been carried out with recognised sales of CHF 13.8 million (2021: CHF 0). This resulted in a contribution to earnings of CHF 4.6 million (2021: CHF 0) before taxes.

Operating expenses

Operating expenses increased by 19.3% to CHF 46.2 million in financial year 2022 (2021: CHF 38.7 million), mainly in connection with direct expenses from the twelve promotional sales (CHF 9.1 million). On a comparable basis, excluding the effect of promotional sales, operating expenses decreased by 4.2%, mainly due to lower material expenses in the metal recycling business of Jaeger et Bosshard SA. Operating expenses relating to the real estate business remained stable at the previous year's level.

As at the reporting date of 31 December 2022, the HIAG Group (including Jaeger et Bosshard SA) employed a total of 78 people (2021: 77 people). Personnel expenses increased to CHF 15.0 million (2021: CHF 13.9 million). This increase in personnel costs can be attributed to an increase in variable salary components due to the strong business performance as well as higher recruitment costs.

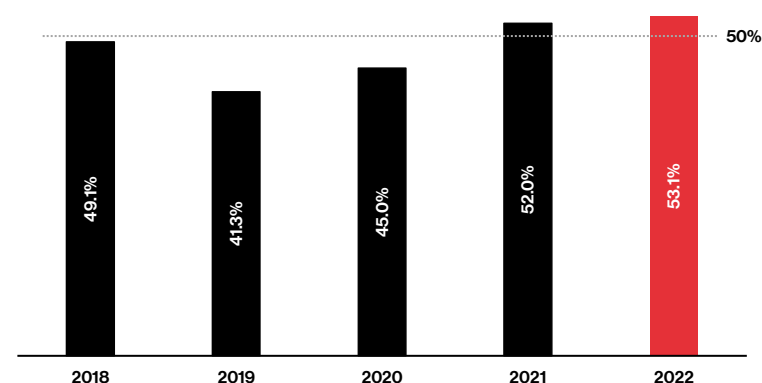
Business Performance

Office, administrative and development expenses were reduced by 11% to CHF 6.1 million (2021: CHF 6.8 million).

Tax expenses more than halved to CHF 7.8 million (2021: CHF 16.7 million). This significant decrease can be attributed in particular to a lower tax rate in the canton of Aargau. In addition, taxes in the previous year included an effect from the above-average sales volume as part of the divestment programme.

Financial position:

- Total assets increased to CHF 2.0 billion (31 December 2021: CHF 1.9 billion).
- The equity ratio was 53.1% (31 December 2021: 52.0%).



--- Minimum target value

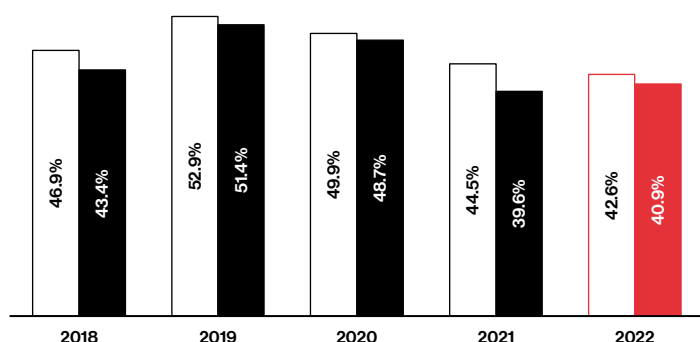
The investment property portfolio (the largest item in the balance sheet) was expanded to CHF 1.93 billion (31 December 2021: CHF 1.78 billion).

| in TCHF | 31/12/2022 | 31/12/2021 | Δ in % |
|--|------------|------------|--------|
| Balance sheet total | 1,999,363 | 1,903,643 | 5.0% |
| Shareholders' equity | 1,062,282 | 988,999 | 7.4% |
| NAV per share, without deferred taxes in CHF | 113.67 | 106.10 | 7.1% |
| NAV per share, with deferred taxes in CHF | 105.22 | 98.06 | 7.3% |
| Real estate portfolio | 1,926,380 | 1,784,429 | 8.0% |

As at 31 December 2022, NAV increased by 7.1% to CHF 113.7 per share (31 December 2021: CHF 106.1 per share), or by 7.3% to CHF 105.2 per share (31 December 2021: CHF 98.1 per share) taking deferred taxes into account.

The gross loan-to-value (LTV) ratio fell to 42.6% as at the reporting date (31 December 2021: 44.5%). Net LTV increased slightly to 40.9% (31 December 2021: 39.6%), mainly as a result of the reduction in cash and cash equivalents due to the dividend payment of CHF 27.2 million and investments made in the year under review.

Business Performance

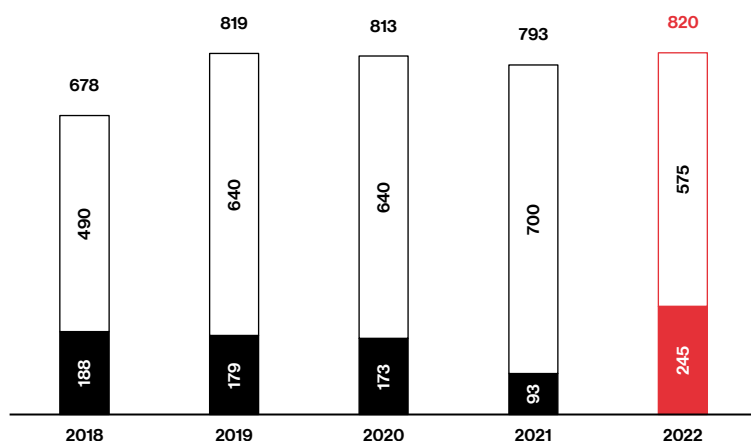


□ LTV ratio, gross
 ■ LTV ratio, net

Financial liabilities

HIAG strengthened its fundamental financing by placing a CHF 150 million bond (maturing: 30 October 2026) with a coupon of 1.77% as well as agreeing a previously undrawn and freely available credit line of CHF 125 million in the year under review. HIAG redeemed a CHF 125 million bond maturing in October 2022 from existing credit lines and own funds. In addition, at the beginning of financial year 2023, another fixed-interest bond for CHF 100 million (maturity: 6 years) with a coupon of 3.13% was successfully placed on the Swiss capital market.

On 31 December 2022, financial liabilities consisted of listed bonds (CHF 575 million) and mortgage-backed bank loans (CHF 245 million). The average interest rate for financial liabilities increased to 1.0% (31 December 2021: 0.8%). The average remaining term of financial liabilities was extended to 2.8 years as at 31 December 2022 (31 December 2021: 2.5 years).



□ Bonds
 ■ Mortgages

Business Performance

| in TCHF | 31/12/2022 | 31/12/2021 | Δ in % |
|--|------------|------------|--------|
| Total financial liabilities | 820,249 | 792,887 | 3.5% |
| Average remaining term of financial liabilities in years | 2.8 | 2.5 | 12.0% |
| Average borrowing rate in % | 1.0% | 0.8% | 25.0% |

As at 31 December 2022, HIAG had CHF 437 million in credit lines limits, of which CHF 191 million were undrawn and freely available.

Investments

In financial year 2022, CHF 46.3 million (2021: CHF 51.3 million) was invested in the development of the project pipeline. Investments (excluding acquisitions) in the overall portfolio amounted to CHF 52.6 million (2021: CHF 57.5 million). The total investment volume expected up to 2031 was slightly reduced to around CHF 2.61 billion (31 December 2021: CHF 2.70 billion), taking project optimisation measures into account.

Consolidated Financial Statements

Consolidated Balance Sheet

| in TCHF | | 31/12/2022 | 31/12/2021 |
|---------------------------------------|---|------------------|------------------|
| Cash and cash equivalents | | 32,924 | 87,350 |
| Trade receivables | 1 | 2,151 | 4,130 |
| Contract assets | 2 | 8,740 | - |
| Other current receivables | 3 | 4,077 | 6,445 |
| Inventory | | 593 | 592 |
| Other current financial assets | | 829 | 1,421 |
| Properties for sale | 4 | 30,383 | 32,111 |
| Prepayments and accrued income | 8 | 6,767 | 3,980 |
| Current assets | | 86,463 | 136,028 |
| Other non-current receivables | 6 | 5,683 | 5,186 |
| Investment properties | 5 | 1,895,997 | 1,752,318 |
| Intangible fixed assets | | 971 | - |
| Other property, plant and equipment | | 1,170 | 1,215 |
| Financial assets | 9 | 6,927 | 8,264 |
| Financial assets associated companies | | 1,568 | 539 |
| Shares in associated companies | 7 | 583 | 94 |
| Non-current assets | | 1,912,900 | 1,767,615 |
| Total assets | | 1,999,363 | 1,903,643 |

Consolidated Financial Statements

Consolidated Balance Sheet

| in TCHF | | 31/12/2022 | 31/12/2021 |
|---|----|------------------|------------------|
| Current financial liabilities | 12 | 171,954 | 277,574 |
| Trade payables | | 2,183 | 4,825 |
| Other current liabilities | 10 | 8,241 | 9,279 |
| Current provisions | 11 | 2,326 | 3,429 |
| Tax liabilities | | 2,550 | 4,283 |
| Accrued expenses and deferred income | 13 | 13,016 | 16,629 |
| Current liabilities | | 200,271 | 316,020 |
| Non-current financial liabilities | 12 | 648,295 | 515,313 |
| Other non-current liabilities | | 727 | - |
| Non-current provisions | 11 | 2,477 | 2,227 |
| Deferred taxes | 25 | 85,311 | 81,084 |
| Non-current liabilities | | 736,811 | 598,625 |
| Total liabilities | | 937,081 | 914,645 |
| Share capital | 27 | 10,120 | 10,120 |
| Capital reserves | | 170,419 | 184,360 |
| Treasury shares | 29 | -2,801 | -4,069 |
| Retained earnings | | 884,544 | 798,588 |
| Shareholders' equity | | 1,062,282 | 988,999 |
| Total liabilities and shareholders' equity | | 1,999,363 | 1,903,643 |

Consolidated Financial Statements

Consolidated Income Statement

| in TCHF | | 2022 | 2021 |
|--|------------|----------------|----------------|
| Property income | 15 | 67,671 | 63,142 |
| Revaluation of properties | 16 | 64,306 | 60,523 |
| Income from sale of properties | 17 | 13,764 | – |
| Profit from sale of investment properties | 17 | 6,039 | 16,543 |
| Other operating income | 18 | 10,134 | 14,114 |
| Total operating income | | 161,914 | 154,322 |
| Direct expenses from sales of properties | 17 | –9,115 | – |
| Cost of materials | | –4,996 | –6,589 |
| Personnel expenses | 14, 19, 20 | –15,002 | –13,945 |
| Maintenance and repairs | 21 | –5,126 | –6,218 |
| Insurance and fees | | –1,203 | –1,120 |
| Energy costs and building maintenance | 22 | –1,829 | –910 |
| General operating expenses | | –246 | –430 |
| Office, administrative and development expenses | | –6,057 | –6,809 |
| Marketing and selling expenses | | –656 | –722 |
| Rent and leases | 23 | –1,942 | –1,954 |
| Total operating expenses | | –46,172 | –38,696 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | | 115,742 | 115,627 |
| Depreciation and amortisation | | –521 | –499 |
| Earnings before interest and taxes (EBIT) | | 115,222 | 115,128 |
| Financial income | 24 | 596 | 1,028 |
| Financial expenses | 24 | –8,738 | –10,180 |
| Share of results from associated companies | | 98 | –4 |
| Earnings before taxes (EBT) | | 107,177 | 105,971 |
| Taxes | 25 | –7,771 | –16,708 |
| Net income for the period | | 99,406 | 89,263 |
| Undiluted earnings per share (in CHF) | 27 | 9.85 | 10.39 |
| Diluted earnings per share (in CHF) | 27 | 9.85 | 10.39 |

Consolidated Financial Statements

Consolidated Cash Flow Statement

| in TCHF | 2022 | 2021 |
|---|----------------|----------------|
| Net income for the period | 99,406 | 89,263 |
| Change in value from revaluation of properties | -64,306 | -60,523 |
| Depreciation and amortisation | 521 | 499 |
| Impairment of financial assets | 36 | 1,867 |
| Income from sale of other assets | -77 | -2,114 |
| Profit from sale of investment properties | -6,039 | -16,543 |
| Profit from sale of properties | -4,649 | - |
| Share-based payments | 761 | 595 |
| Change in financial liabilities from interest rate swaps | -753 | -511 |
| Capitalisation of personnel costs | -250 | - |
| Share of profit/loss in associated companies | -98 | 4 |
| Change in trade receivables | 2,029 | -517 |
| Change in trade payables | -961 | 3,590 |
| Change in other current receivables & income | -1,519 | 4,726 |
| Investments in properties for sale | -7,386 | -2,684 |
| Advanced payments contract assets | 5,024 | - |
| Change in inventory | -1 | -90 |
| Change in other non-current receivables | 498 | -1,238 |
| Change in financial assets | 253 | - |
| Change in other current liabilities | -4,181 | -3,413 |
| Change in other non-current liabilities | 727 | - |
| Change in non-current provisions | 250 | 965 |
| Change in deferred taxes & capitalised tax losses carried forward | 4,228 | 6,146 |
| Result from currency effects | 63 | 72 |
| Cash flow from operating activities | 23,576 | 20,094 |
| Investment in investment properties | -94,796 | -96,298 |
| Purchase of intangible fixed assets | -716 | - |
| Acquisition of consolidated companies | - | -22,681 |
| Investments in financial assets | -1,421 | -2,757 |
| Purchase of other property, plant and equipment | -482 | -347 |
| Proceeds from disposal of investment properties | 16,477 | 78,980 |
| Proceeds from disposal of other property, plant and equipment | 77 | 2,858 |
| Proceeds from divestment of financial assets | 1,693 | 540 |
| Cash flow from investment activities | -79,168 | -39,705 |

Consolidated Financial Statements

Consolidated Cash Flow Statement

| in TCHF | 2022 | 2021 |
|--|----------------|---------------|
| Proceeds of financial liabilities | 154,980 | 78,482 |
| Amortisation and repayment of financial liabilities | -1,865 | -188,187 |
| Capital increase | - | 155,958 |
| Bond issuance | 150,000 | 160,000 |
| Amortisation and repayment of bond | -275,000 | -100,000 |
| Disposal of treasury shares | 347 | 370 |
| Payout from capital reserves/retained earnings to shareholders | -27,232 | -19,297 |
| Cash flow from financing activities | 1,230 | 87,326 |
| Effects from foreign exchange | -63 | -72 |
| Increase / decrease in cash and cash equivalents | -54,425 | 67,643 |
| Cash and cash equivalents at 1 January | 87,350 | 19,706 |
| Increase / decrease in cash and cash equivalents | -54,425 | 67,643 |
| Cash and cash equivalents at 31 December | 32,924 | 87,350 |

Consolidated Financial Statements

Consolidated Statement of Shareholders' Equity

| in TCHF | Share capital ¹ | Treasury shares | Capital reserves | Retained earnings | Total |
|---|----------------------------|-----------------|------------------|-------------------|------------------|
| Shareholders' equity at 01/01/2021 | 8,433 | 39,947 | -5,211 | 717,953 | 761,122 |
| Dividend payment | - | -9,649 | - | -9,649 | -19,298 |
| Allocation of treasury shares | - | -211 | 1,142 | -562 | 369 |
| Share-based compensation | - | - | - | 595 | 595 |
| Badwill ² | - | - | - | 987 | 987 |
| Capital increase ³ | 1,687 | 154,272 | - | - | 155,959 |
| Net income for the period | - | - | - | 89,263 | 89,263 |
| Shareholders' equity at 31/12/2021 | 10,120 | 184,360 | -4,069 | 798,588 | 988,999 |
| Shareholders' equity at 01/01/2022 | 10,120 | 184,360 | -4,069 | 798,588 | 988,999 |
| Dividend payment | - | -13,616 | - | -13,616 | -27,232 |
| Allocation of treasury shares | - | -325 | 1,268 | -595 | 348 |
| Share-based compensation | - | - | - | 761 | 761 |
| Net income for the period | - | - | - | 99,406 | 99,406 |
| Shareholders' equity at 31/12/2022 | 10,120 | 170,419 | -2,801 | 884,544 | 1,062,282 |

¹ On 31 December 2022, the share capital consisted of 10,119,600 registered shares at a nominal value CHF 1.00 per share (previous year: 10,119,600).

² The badwill resulted from the acquisition of the subsidiary K-Buchs S.à.r.l. in April 2021. It was offset against retained earnings as at the date of acquisition.

³ On 16 November 2021, HIAG Immobilien Holding AG issued 1,686,600 new registered shares with a nominal value of CHF 1.00 per share as part of a capital increase. The issue price per share was CHF 95.00. The net proceeds after offsetting the capital transaction costs amounted to TCHF 155,959.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Segment reporting

The business model comprises three business segments: active portfolio and asset management (yielding portfolio), which consists mainly of managing and maintaining the company's properties, site and project development, from interim use to implementation, as well as transaction management to ensure continuous quality improvements to the real estate portfolio and implementation of the capital recycling strategy. Accordingly, reporting is provided for the "Yielding portfolio", "Development portfolio" and "Transaction" segments.

The "Others" segment includes expenses connected with central functions and activities in the metal recycling business as a result of the acquisition of Jaeger et Bosshard SA in financial year 2019. The inter-segment eliminations for offsets within segments are disclosed separately.

As HIAG operates only in Switzerland, there is no geographic segment information.

Segments 1 January 2022 to 31 December 2022

| in TCHF | Yielding portfolio | Development portfolio | Transaction | Others | Intersegment elimination | Group |
|--|--------------------|-----------------------|---------------|----------------|--------------------------|----------------|
| Property income | 56,023 | 11,722 | - | - | -73 | 67,671 |
| Revaluation of properties | 15,741 | 46,672 | 1,893 | - | - | 64,306 |
| Income from sale of properties | - | 13,764 | - | - | - | 13,764 |
| Profit from sale of investment properties | - | - | 6,039 | - | - | 6,039 |
| Other operating income | 999 | 234 | - | 9,353 | -452 | 10,134 |
| Total operating income | 72,763 | 72,391 | 7,932 | 9,353 | -525 | 161,914 |
| Direct expenses from sales of properties | - | -9,115 | - | - | - | -9,115 |
| Cost of materials | - | - | - | -4,996 | - | -4,996 |
| Personnel expenses | -4,878 | -5,031 | -1,137 | -3,956 | - | -15,002 |
| Maintenance and repairs | -3,349 | -1,435 | - | -342 | - | -5,126 |
| Insurance and fees | -758 | -311 | - | -135 | - | -1,203 |
| Energy costs and building maintenance | -1,349 | -435 | - | -45 | - | -1,829 |
| General operating expenses | 30 | 41 | - | -317 | - | -246 |
| Office, administrative and development expenses | -1,789 | -1,070 | -443 | -3,207 | 452 | -6,057 |
| Marketing expenses | -416 | -31 | - | -209 | - | -656 |
| Rent and leases | -1,120 | -402 | - | -493 | 73 | -1,942 |
| Total operating expenses | -13,630 | -17,788 | -1,579 | -13,700 | 525 | -46,172 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 59,133 | 54,603 | 6,353 | -4,347 | - | 115,742 |
| EBITDA before revaluation of properties | 43,392 | 7,931 | 4,460 | -4,347 | - | 51,437 |
| Depreciation and amortisation | | | | | | -521 |
| Financial result | | | | | | -8,044 |
| Taxes | | | | | | -7,771 |
| Net income for the period | | | | | | 99,406 |

Consolidated Financial Statements

Segments 1 January 2021 to 31 December 2021

| in TCHF | Yielding portfolio | Development portfolio | Transaction | Others | Intersegment elimination | Group |
|---|--------------------|-----------------------|---------------|----------------|--------------------------|----------------|
| Property income | 52,740 | 10,690 | - | - | -288 | 63,142 |
| Revaluation of properties | 33,450 | 16,444 | 10,628 | - | - | 60,523 |
| Income from sale of properties | - | - | - | - | - | - |
| Profit from sale of investment properties | - | - | 16,543 | - | - | 16,543 |
| Other operating income | 1,170 | 2,685 | - | 10,703 | -444 | 14,114 |
| Total operating income | 87,360 | 29,820 | 27,172 | 10,703 | -732 | 154,322 |
| Direct expenses from sales of properties | - | - | - | - | - | - |
| Cost of materials | - | - | - | -6,589 | - | -6,589 |
| Personnel expenses | -3,809 | -5,663 | -786 | -3,687 | - | -13,945 |
| Maintenance and repairs | -3,832 | -2,020 | - | -366 | - | -6,218 |
| Insurance and fees | -716 | -345 | - | -59 | - | -1,120 |
| Energy costs and building maintenance | -1,090 | 230 | - | -49 | - | -910 |
| General operating expenses | -21 | -94 | - | -314 | - | -430 |
| Office, administrative and development expenses | -2,076 | -1,262 | -296 | -3,619 | 444 | -6,809 |
| Marketing expenses | -395 | -50 | - | -277 | - | -722 |
| Rent and leases | -1,026 | -756 | - | -460 | 288 | -1,954 |
| Total operating expenses | -12,966 | -9,960 | -1,082 | -15,420 | 732 | -38,696 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 74,395 | 19,859 | 26,090 | -4,717 | - | 115,627 |
| EBITDA before revaluation of properties without minority interests | 40,944 | 3,415 | 15,462 | -4,717 | - | 55,104 |
| Depreciation and amortisation | | | | | | -499 |
| Financial result | | | | | | -9,156 |
| Taxes | | | | | | -16,708 |
| Net income for the period | | | | | | 89,263 |

Consolidated Financial Statements

Accounting principles

The Consolidated Financial Statements of HIAG Immobilien Holding AG were prepared in accordance with the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER) and the special provisions for real estate companies stipulated under Article 17 of the SIX Swiss Exchange's Directive on Financial Reporting, and present a true and fair view of its net assets, financial position and results of operations.

The Consolidated Financial Statements are based on the individual financial statements of the HIAG Group companies. The relevant accounting standards are explained below.

The Consolidated Financial Statements are presented in Swiss francs (CHF). All figures are presented in thousands of Swiss francs (TCHF) unless indicated otherwise. Rounding to thousands of CHF may result in rounding differences.

The Consolidated Annual Financial Statements are available in German and English. The German version is authoritative.

Scope of consolidation

The Consolidated Financial Statements comprise all subsidiaries of HIAG Immobilien Holding AG in which the Company directly or indirectly holds more than 50% in the form of voting rights. Full consolidation is applied, which means that 100% of the assets, liabilities, expenses and income of the companies to be consolidated are assumed and all inter-company items are eliminated. Minority interests in equity and net income are disclosed separately in the balance sheet and the income statement. Changes in ownership interests in subsidiaries are recorded as equity transactions, provided that control continues.

Associated companies in which HIAG Immobilien Holding AG holds direct or indirect participations of 20% to 50% of the voting rights or share capital are consolidated in accordance with the equity method. Participations below 20% are included in the Consolidated Balance Sheet under Financial assets at acquisition cost minus any operationally necessary impairment.

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| Company | Share capital in TCHF | Stake 2022 ¹ in % | Stake 2021 ¹ in % | Location |
|---|--------------------------|---------------------------------|---------------------------------|---------------------|
| HIAG Immobilien Schweiz AG | 11,000 | 100 | 100 | Zurich ² |
| HIAG Immobilien AG | 10,000 | 100 | 100 | Zurich |
| HIAG Immobilier Léman SA | 1,000 | 100 | 100 | Geneva |
| HIAG Real Estate AG | 400 | 100 | 100 | Zurich |
| Léger SA | 400 | 100 | 100 | Lancy |
| Promo-Praille SA | 200 | 100 | 100 | Lancy |
| Weeba SA | 100 | 100 | 100 | Lancy |
| Pellarin-Transports SA | 50 | 100 | 100 | Lancy |
| Société coopérative en faveur du développement des terrains industriels de la Praille-Sud | 35 | 100 | 100 | Lancy |
| Trans Fiber Systems SA | 107 | 100 | 100 | Menziken |
| HIAG Labs AG | 100 | 100 | 100 | Zurich |
| Jaeger et Bosshard SA | 1,175 | 100 | 100 | Lancy |
| Associated participations | | | | |
| HIAG Solar AG | 1,000 ³ | 49 | 49 | Münchenstein |

¹ Voting rights and share capital

² Transfer of the registered office from Zug to Zurich on 3 January 2022

³ Previous year: TCHF 200

Jaeger et Bosshard SA specialises in metal recycling. In addition, the company also has a stake in the “Porte Sud” site in Lancy (Geneva) with building rights. The metal recycling business will continue to be operated by the former owner of the company on behalf of HIAG until further notice.

HIAG Solar AG was founded as part of a joint venture with aventron solar AG, an established producer of electricity from renewable energy based in Münchenstein (BL). The objective of the company is to increase the production of solar electricity at the properties in the HIAG real estate portfolio. HIAG holds 49% of HIAG Solar AG and determines the company’s value using the equity method.

All other companies are real estate companies in line with the strategy of HIAG with the purpose of holding, developing, buying and selling properties.

Consolidated Financial Statements

Consolidation method

Capital consolidation is based on the purchase method, in which the acquisition costs of an acquired company are offset against the net assets that were newly measured at the time of acquisition in accordance with group-wide accounting standards. The difference between the purchase price and the newly valued net assets of the acquired company is termed goodwill or badwill. Any goodwill or badwill is offset against or credited to retained earnings with no effect on income. The initial consolidation takes effect with the transfer of control over the acquired companies.

Changes in the scope of consolidation

There were no changes in the scope of consolidation during the reporting period.

The following change in the scope of consolidation took place in the previous year:

| Consolidated company | Stake in % |
|---|-----------------------------------|
| K-Buchs S.à.r.l. | Purchased on 26 April 2021 100 |
| in TCHF | |
| Cash and cash equivalents | 520 |
| Investment properties | 53,000 |
| Other current assets | 244 |
| Current financial liabilities | -800 |
| Other current financial liabilities | -4,896 |
| Non-current financial liabilities | -24,315 |
| Other non-current financial liabilities | -628 |
| Deferred taxes | -2,525 |
| Shareholders' equity | -20,601 |
| Purchase Price | 19,613 |
| Badwill | -987 |

The acquisition resulted in badwill of TCHF 987, which was offset against retained earnings at the time of acquisition.

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Translation of foreign currencies

All the companies within the HIAG Group's scope of consolidation use the Swiss franc as their functional currency. Consequently, there are no foreign currency translation effects.

Significant accounting and valuation policies

Cash and cash equivalents

"Cash and cash equivalents" comprises cash in hand, postal check account deposits and demand deposits with banks and money market instruments with a term of less than three months. They are stated at their nominal value. Cash and cash equivalents held in a foreign currency are translated at the year-end conversion rate.

Trade receivables and other current receivables

"Trade receivables" and "Other current receivables" are reported at their realisable value. Receivables that are considered to be potential bad debts are reported at nominal value minus the necessary impairments.

Properties for sale

"Properties for sale" include residential projects that are developed and marketed as condominiums. Properties for sale are stated at acquisition or production cost, or the net market value if this is lower. If the expected sale price is lower than the acquisition or production cost, an impairment is made. The revenue recognition and performance obligation in the case of condominium ownership usually starts from the time a notarised contract for a property for sale is in place. From that point on, the transfer of ownership is valid and the turnover is realised on a prorated basis according to the sales status and percentage of completion (POC) of the overall project. The percentage of completion is calculated as the ratio between the costs incurred and the planned total cost of completion.

Contract assets

Entitlements resulting from the recognition of sales over time based on the percentage of completion (POC) are recognised in the balance sheet in accordance with the net principle. For each project, the entitlements are offset against the advance payments already due. The net positions are included in the balance sheet item "Contract assets".

Investment properties

General

All investment properties are valued at their acquisition cost when they are first recorded. They are subsequently measured and recorded at their market value on the basis of the discounted cash flow method (DCF). The residual value method is used to determine the market value of undeveloped land. The valuation is updated by an independent expert every six months. The properties must be inspected at least every three years. Increases and decreases in value are recorded in the income statement item "Change in value from revaluation of properties". The portfolio is analysed by management on an ongoing basis to identify environmental risks, such as building pollutants and contaminated sites. Management defines the likelihood and time horizon of environmental risks in line with the development horizon in order to determine the provision for such risks. The additional costs as a result of environmental risks are estimated by an independent

Consolidated Financial Statements

environmental expert on the basis of historical and technical investigations and deducted from the market values of the properties, taking the discount into account.

Interest on construction loans is capitalised. Other borrowing costs are recorded as finance expenses. The portfolio does not include any properties used by HIAG itself.

Properties

Properties are broken down into “Yielding properties” and “Development properties”. “Yielding properties” are those properties for which no development is planned. “Development properties” describes properties that are to undergo development in the medium term and/or for which development planning is currently under way.

Properties currently under development

Properties that are under development at the time the balance sheet is drawn up are grouped under the item “Properties currently under development”. They are reported as “Properties currently under development” from the time the initial work is contracted until the development project is completed and/or is ready for occupation.

Derivative financial instruments

In accordance with Swiss GAAP FER, derivative financial instruments used to hedge contractually agreed future cash flows are either recorded in the balance sheet with no effect on income or treated as off-balance sheet items, i.e. they are disclosed in the notes. HIAG uses derivative financial instruments (interest rate swaps) to hedge interest rate risks. The value differences between the hedging transaction and the underlying transaction are booked only if there is a close mutual correlation (effectiveness). If this is the case, the hedging transaction is disclosed in the notes rather than in the balance sheet. The interest payments arising from the underlying and the hedging transaction are reported in the income statement.

Other property, plant and equipment and intangible fixed assets

The items “property, plant and equipment” and “Intangible fixed assets” are recorded at their acquisition cost, less amortisation or depreciation and any value adjustments.

The amortisation or depreciation is recorded on a linear basis as follows:

| Category | Amortisation/depreciation period |
|---|----------------------------------|
| Office equipment | 3 to 5 years |
| Jaeger et Bosshard SA tangible fixed assets | 5 to 15 years |
| Intangible assets | 3 to 5 years |

If it is likely that the economic life of the asset will be shorter than the planned period, a higher amount is recorded for amortisation/depreciation.

Leased assets are depreciated for the duration of the lease period.

Financial assets, financial assets from shareholders

Financial assets are recorded in the balance sheet at nominal value.

Impairment of assets

If there is any indication that an asset’s value is impaired, an “impairment test” is conducted. If the examination shows that the carrying amount exceeds the recoverable amount (the higher of either its value in use or fair value), an impairment is made to the recoverable value through profit or loss.

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Trade payables and other current and non-current liabilities

Current liabilities include liabilities that are due within 12 months. Liabilities that fall due after more than one year are reported under “Non-current liabilities”. These items are stated at their nominal value.

Financial liabilities

Mortgages, other collateralised financing and bonds are listed as financial liabilities and recorded in the balance sheet at nominal value. Mortgages and fixed advances that are not repaid within 12 months but renewed are reported under “Non-current financial liabilities” to reflect the economic reality.

Transaction costs of bonds and differences between the received equivalent value and the repayment amount are amortised in the income statement over the term of the costs.

Payments due within 12 months are classified as “Current financial liabilities”.

Leasing

When referring to leases, a distinction is made between a finance lease and an operating lease. A lease is a finance lease if all the risks and opportunities associated with an asset are transferred on transfer of possession of the asset. If the lease is a finance lease, the assets as well as current and non-current lease liabilities are reported in the balance sheet. The lease payments are divided into interest and repayment components. The interest component is recorded under “Finance expenses” through profit or loss, and the amortisation component is booked as a reduction of the lease liability.

Operating leases are recorded as an expense in the income statement.

Current and non-current provisions

Provisions are formed to cover identifiable risks and obligations. Provisions are recognised where there is an obligation to a third party as a result of an event in the past and the amount of the obligation can be determined reliably. The amount of the provision is based on the anticipated outflow of resources necessary to fulfil this obligation. Provisions are recorded as current or non-current according to their respective due dates.

Pension benefit obligations in accordance with Swiss GAAP FER 16

All companies belonging to the HIAG Group participate in the “HIAG Pensionskasse” pension fund. Any excess funding or shortfall is determined on the basis of the pension fund’s annual financial statements prepared in accordance with Swiss GAAP FER 26. There is no plan to capitalise any economic benefit (arising from excess funding of the pension fund), nor have the conditions for doing so been met. An economic obligation is classified as a liability if the conditions for forming a provision have been met. An economic benefit resulting from employer contribution reserves is recognised as an asset. Changes to employer contribution reserves and any economic effects resulting from excess funding or shortfalls in the pension fund are recorded under “Personnel expenses”.

Property income

Property income includes rental income after the deduction of vacancy losses, proceeds from the sale of electricity from owned power stations and losses in earnings, such as rental income losses. Property income is recorded in the income statement when the rent is due. If tenants are granted rent-free periods, the equivalent value of the incentive is recorded on a linear basis over the entire term of the rental agreement as an adjustment to property income. Revenue from the sale of electricity is recorded when the service is provided.

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Income from sale of properties

Income from the sale of properties is recorded when the sales agreement is notarised in accordance with the “percentage of completion” (POC) method. The gross income from the sale of properties, before taxes and after deduction of the associated transaction costs, is recognised. The associated expense is recorded in the item “Direct expenses from the sale of properties”.

Profit from sale of investment properties

The profit from the sale of investment properties that are valued at market value is recorded in the item “Profit from the sale of investment properties”.

Other operating income

Other operating income” includes all income that cannot be recorded in another income category. This includes one-off and non-recurring income (for example from the sale of fixed assets that are no longer being used or insurance benefits). It also includes income from other business segments that are not part of the Group’s core activities (such as services provided to third parties in the field of employee pension funds or income from the metal recycling business carried out by Jaeger et Bosshard SA). Such income is recorded when the service is provided to the third party or when the benefits and risks are transferred.

Inventory and costs of material

As a result of the acquisition of the metal recycling company Jaeger et Bosshard SA, the Consolidated Financial Statements include inventories and costs of material. Inventories are valued at their cost of acquisition (average price method). If it is likely that the net market value of the inventories is less than their cost of acquisition, impairments are made to the lower of the two values.

Maintenance and repairs

Maintenance expenses do not include value-enhancing investments and are recorded in the income statement.

Financial result

This item consists of interest income, interest expenses, translation differences, gains and losses on securities, and other financial expenses and income.

Income tax

This item covers deferred taxes and current taxes on income.

Deferred taxes are calculated primarily on the basis of the temporary differences between the established market values and the tax values. The tax rate that applies or is expected to apply as at the balance sheet date is used for the calculation. A residual holding period is estimated for each property in order to calculate deferred taxes on investment properties. If new information makes a detailed calculation of the deferred income and property gains taxes possible, this is taken into account as part of the calculation. The provisions for deferred taxes are discounted. As at 31 December 2022, a discount rate of 2.00% was applied (previous year: 2.00%).

Deferred income taxes are calculated on the taxable result. Other taxes, duties and property taxes are recorded under the item “General operating expenses”.

Deferred taxes from loss carry forwards are capitalised only if it appears sufficiently certain that they can be used. They are listed under “Financial assets” as per Swiss GAAP FER 11.

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Transactions with shareholders and related parties

Significant transactions with related natural persons and legal entities are disclosed separately as transactions with related parties in the note on “Financial assets, shareholder financial assets, other current financial assets and shareholder current financial assets”.

Share-based compensation

Share-based compensation is recognised as personnel expenses. Shareholders’ equity constitutes the corresponding opposite item for share-based compensation, and liabilities (provisions) for cash-based compensation. Share-based compensation is disclosed under Note 20.

Off-balance sheet items

Contingent liabilities and other off-balance sheet liabilities are valued and disclosed as at the balance sheet reporting date. Provisions are set aside if contingent liabilities and other off-balance sheet liabilities result in a cash outflow devoid of beneficial cash inflow, and the cash outflow is probable and foreseeable.

Estimates

Preparation of the financial statements requires a number of estimates and assumptions to be made. These relate to the reported assets, liabilities and contingent liabilities at the time when the balance sheet is prepared, and to income and expenses during the period under review. Should the estimates and assumptions made to the best of the company’s knowledge on the balance sheet date deviate from actual circumstances, adjustments to the original estimates and assumptions are then carried out in the reporting year in which the circumstances change.

Events after the balance sheet date

On 17 January 2023, a fixed-rate bond of CHF 100 million with a coupon of 3.13% and a maturity of six years maturing on 16 February 2029 was successfully placed on the Swiss capital market. The new funds will be used to refinance the bond that matures on 4 July 2023.

The consolidated financial statements were approved by the Board of Directors on 10 March 2023. The consolidated financial statements are subject to approval by the General Meeting.

1 Trade receivables

| in TCHF | 31/12/2022 | 31/12/2021 |
|--------------------------------------|--------------|--------------|
| Trade receivables from third parties | 2,462 | 4,431 |
| Trade receivables from associates | 50 | – |
| Provision for bad debts | –361 | –301 |
| Total | 2,151 | 4,130 |

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2 Contract assets

| in TCHF | 2022 | 2021 |
|--|--------|------|
| Book value as at 01/01 | - | - |
| Revenue recognised as a result of project progress | 13,764 | - |
| Change due to advance payments received | -5,024 | - |
| Book value as at 31/12 | 8,740 | - |

The change in the newly recognized contract assets resulted from the progress of the condominium project "CHAMA Stage 1" and the related revenue recognition less advance payments received.

3 Other current receivables

| in TCHF | 31/12/2022 | 31/12/2021 |
|-------------------------------------|------------|------------|
| Heating and ancillary costs | 3,151 | 3,609 |
| Escrow account | - | 1,051 |
| Deposits and guarantees | - | 471 |
| Current accounts condominium owners | 410 | 429 |
| Other current receivables | 516 | 885 |
| Total | 4,077 | 6,445 |

In connection with the development of the site in Frauenfeld, HIAG was compensated by the former owners in 2016 for assuming the risks of contaminated sites with a contribution of TCHF 1,350. This contribution was transferred to an escrow account. The receivable was reclassified as a non-current receivable in the year under review because the cash is not expected to be received until 2024 at the earliest.

4 Properties for sale

| in TCHF | Condominium project "CHAMA stage 1" |
|-------------------------------|-------------------------------------|
| Balance at 01/01/2021 | 29,427 |
| Investments | 2,684 |
| Balance at 31/12/2021 | 32,111 |
| Balance at 01/01/2022 | 32,111 |
| Investments | 7,387 |
| Disposals from POC accounting | -9,115 |
| Balance at 31/12/2022 | 30,383 |

Consolidated Financial Statements

Status as at 31 December 2022

| Project | Acquisition/ Project start | Estimated investment volume in TCHF | Project status | Expected completion | Completion status in % | Sales status in % |
|--|-------------------------------|--|--------------------|------------------------|---------------------------|----------------------|
| Condominium project "CHAMA stage 1" | 2020 | 65,560 | under construction | 2024 | 60% | 23% |

Status as at 31 December 2021

| Project | Acquisition/ Project start | Estimated investment volume in TCHF | Project status | Expected completion | Completion status in % | Sales status in % |
|--|-------------------------------|--|--------------------|------------------------|---------------------------|----------------------|
| Condominium project "CHAMA stage 1" | 2020 | 66,590 | under construction | 2024 | 48% | 0% |

In reporting years 2022 and 2021, this related to the "CHAMA stage 1" condominium project. Stage 2 of the "CHAMA" project is currently recognised in "Investment properties" at market value.

5 Investment properties

| in TCHF | Undeveloped land | Properties | Properties currently under development | Total investment properties |
|--|---------------------|------------------|---|--------------------------------|
| Balance at 01/01/2021 | 173,717 | 1,316,647 | 118,055 | 1,608,417 |
| Reclassifications | - | 49,270 | -49,270 | - |
| Additions | 6,108 | 58,741 | 29,770 | 94,620 |
| Disposals | - | -62,437 | - | -62,437 |
| Additions in scope of consolidation | - | 53,000 | - | 53,000 |
| Revaluation of investment properties without environmental risks | 8,859 | 49,908 | 4,570 | 63,337 |
| Value correction for environmental risks | -1,124 | -3,620 | 125 | -4,619 |
| Balance after reclassifications as at 31/12/2021 | 187,561 | 1,461,509 | 103,250 | 1,752,318 |
| Balance at 01/01/2022 | 187,561 | 1,461,509 | 103,250 | 1,752,318 |
| Reclassifications | -29,110 | - | 29,110 | - |
| Additions | 4,029 | 64,160 | 20,673 | 88,862 |
| Disposals | -3,709 | -5,779 | - | -9,488 |
| Revaluation of investment properties without environmental risks | 17,258 | 27,278 | 23,257 | 67,793 |
| Value correction for environmental risks | -570 | -2,917 | - | -3,487 |
| Balance after reclassifications as at 31/12/2022 | 175,457 | 1,544,251 | 176,290 | 1,895,997 |

Investment properties are assets held at market value under "Fixed assets". During the reporting year, all investment properties were valued by Wüest Partner AG. As at the balance sheet date, the discount rates underlying the property valuations ranged from 2.00% to 5.30% (31 December 2021: 2.00% to 5.40%).

The additional costs as a result of environmental risks were estimated on the basis of historical and technical investigations and included in the "Investment properties" item in the amount of TCHF 62,799 (31 December 2021: TCHF 60,237). A discount rate of 2.00% was applied to the expected costs on the project start date as at 31 December 2022 (31 December 2021: 2.00%).

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The actual acquisition costs cannot be estimated reliably in individual cases, since some of the acquisition dates are in the distant past. For this reason, they are not disclosed.

The additions in 2022 in the amount of TCHF 88,695 comprised investments in sites and the acquisitions in Altstetten Kelch, Niederwil Rigiweg 1/3/5 and a rounding of on the "Schönau" site in Wetzikon (TCHF 43,500). The largest investments were made in Meyrin (TCHF 5,774), Dietikon (TCHF 4,598), Biberist (TCHF 3'762), and Altstetten (TCHF 3,121).

The disposals in the amount of TCHF 9,488 mainly involved sales in Allschwil, Binningerstrasse 87-89 (TCHF 3,875), Biberist, plots 4129 and 4146 (TCHF 2,532) and Gempen Schartenhof and agricultural land (TCHF 2,389).

The change in the scope of consolidation (2021) related to the property in Buchs (TCHF 53,000), which was acquired as part of the share deal for K-Buchs S.à.r.l.

Market value of investment properties by use¹

| in TCHF | 31/12/2022 | | 31/12/2021 ² | |
|-------------------------|------------------|---------------|-------------------------|---------------|
| Industry, Commercial | 708,062 | 37.3% | 676,488 | 38.6% |
| Building land | 258,593 | 13.6% | 214,034 | 12.2% |
| Residential | 234,487 | 12.4% | 178,143 | 10.2% |
| Retail | 206,879 | 10.9% | 192,747 | 11.0% |
| Distribution, Logistics | 204,038 | 10.8% | 200,964 | 11.5% |
| Office | 167,534 | 8.8% | 177,322 | 10.1% |
| Residential, Commercial | 104,079 | 5.5% | 98,044 | 5.6% |
| Miscellaneous | 12,325 | 0.7% | 14,576 | 0.8% |
| Total | 1,895,997 | 100.0% | 1,752,318 | 100.0% |

¹ The type of use is based on the main use of the properties.

² The market values of investment properties shown above do not include properties for sale (CHAMA, STEWE, recognised in "Current assets").

Market value of investment properties by canton

| in TCHF | 31/12/2022 | | 31/12/2021 ¹ | |
|------------------|------------------|---------------|-------------------------|---------------|
| Zurich | 557,426 | 29.4% | 487,341 | 27.8% |
| Aargau | 456,225 | 24.1% | 424,029 | 24.2% |
| Geneva | 265,251 | 14.0% | 259,553 | 14.8% |
| Zug | 176,875 | 9.3% | 135,115 | 7.7% |
| Solothurn | 132,779 | 7.0% | 130,494 | 7.4% |
| Basel-Landschaft | 120,639 | 6.4% | 118,653 | 6.8% |
| St. Gallen | 69,388 | 3.7% | 75,647 | 4.3% |
| Miscellaneous | 117,414 | 6.2% | 121,486 | 7.0% |
| Total | 1,895,997 | 100.0% | 1,752,318 | 100.0% |

¹ market values of investment properties shown above do not include properties for sale (CHAMA, STEWE, recognised in "Current assets").

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6 Other non-current receivables

| in TCHF | 31/12/2022 | 31/12/2021 |
|-------------------------------|------------|------------|
| Other non-current receivables | 4,335 | 4,886 |
| Escrow non-current | 1,348 | 300 |
| Total | 5,683 | 5,186 |

The item "Other non-current receivables" includes a receivable for TCHF 2,554 (previous year: TCHF 2,554) that was incurred as a result of the use of space beyond the ordinary rental period. An agreement to transfer first-priority mortgage notes for an industrial site was signed to secure this receivable.

As part of the acquisition of Jaeger et Bosshard SA, a purchase price adjustment agreement was concluded with the former owner stipulating that the actual cumulative results generated for 2019 to 2023 would come to an amount defined in advance. Current estimates show that the defined amount will be exceeded for the entire period. As a result, non-current receivables increased by TCHF 160 during the reporting period and now amount to TCHF 1,300 (previous year: TCHF 1,140).

In connection with the development of the site in Frauenfeld, HIAG was compensated by the former owners in 2016 for assuming the risks of contaminated sites with a contribution of TCHF 1,350. This contribution was transferred to an escrow account. The receivable was reclassified as a non-current receivable in the year under review because the bank account is not expected to be credited until 2024 at the earliest.

7 Shares in associated companies

HIAG Solar AG was founded with aventron as part of a joint venture. HIAG holds 49% of HIAG Solar AG and determines the company's value using the equity method. The result of companies valued at equity is included in the item "Share of results from associated companies".

8 Prepayments and accrued income

| in TCHF | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Bond financing costs | 822 | 882 |
| Insurance benefits and premiums | 799 | 375 |
| Accrued income (rents, electricity, etc.) | 4,430 | 2,290 |
| Other | 715 | 433 |
| Total | 6,767 | 3,980 |

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9 Financial assets

| in TCHF | 31/12/2022 | 31/12/2021 |
|------------------------|--------------|--------------|
| Loans to third parties | 5,937 | 5,974 |
| Loans to shareholders | 990 | 2,290 |
| Total | 6,927 | 8,264 |

Loans to shareholders

Loans to shareholders totalling TCHF 840 were repaid (previous year: TCHF 0). Furthermore, a loan in the amount of TCHF 500 was reclassified as a current financial asset (previous year: TCHF 40) because it matures in 2023.

10 Other current liabilities

| in TCHF | 31/12/2022 | 31/12/2021 |
|-----------------------|--------------|--------------|
| To third parties | 5,375 | 5,904 |
| Advance rent payments | 2,867 | 3,375 |
| Total | 8,241 | 9,279 |

Current liabilities to third parties include accrued payments on account for heating and ancillary costs in the amount of TCHF 3,030 (previous year: TCHF 3,636) and liabilities for value-added tax of TCHF 275 (previous year: TCHF 880).

11 Provisions

| in TCHF | Other provisions | Provision for de- construction and site remediation costs Pratteln | LTIP provisions | Total |
|--|------------------|---|-----------------|--------------|
| Book value at 01/01/2021 | 1,398 | 11,626 | 112 | 13,136 |
| Formation | 983 | – | 965 | 1,948 |
| Use | –373 | –8,988 | – | –9,361 |
| Release | –67 | – | – | –67 |
| Book value at 31/12/2021 / 01/01/2022 | 1,941 | 2,638 | 1,077 | 5,656 |
| – thereof current | 1,941 | 1,488 | – | 3,429 |
| – thereof non-current | – | 1,150 | 1,077 | 2,227 |
| Formation | 605 | – | 703 | 1,308 |
| Use | –220 | –1,409 | –305 | –1,934 |
| Release | – | –79 | –148 | –227 |
| Book value at 31/12/2022 | 2,326 | 1,150 | 1,327 | 4,803 |
| – thereof current | 2,326 | – | – | 2,326 |
| – thereof non-current | – | 1,150 | 1,327 | 2,477 |

In connection with the bankruptcy of Rohner AG in Pratteln, HIAG assumed the costs of the demolition of the production infrastructure that the tenant was contractually obligated to pay. In particular, this includes efforts to ensure that the site is free of chemicals. In the year under review, provisions of TCHF 1,409 (previous year: TCHF 8,988) were used and TCHF 79 (previous year: TCHF 0) were released. Some of the decontamination work will not be carried out until 2024. For this reason, provisions in the amount of TCHF 1,150 were reclassified as non-current provisions in 2021.

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“Other provisions” covers the risks of additional costs for properties that have been sold and expenditure for holiday entitlement that has not yet been used by employees.

Due to the positive business performance in 2022, an ROE of over 5.5% (maximum possible distribution amount) was achieved. This leads to an increase in the LTIP provision (cash share) in the amount of TCHF 250 compared to 31 December 2021.

12 Financial liabilities

| in TCHF | 31/12/2022 | 31/12/2021 |
|---|----------------|----------------|
| Current liabilities to banks | 56,915 | 1,935 |
| Current bonds | 115,000 | 275,000 |
| Current financial liabilities from interest rate swap | 39 | 639 |
| Total current liabilities | 171,954 | 277,574 |
| Non-current liabilities to banks | 188,295 | 90,160 |
| Non-current bonds | 460,000 | 425,000 |
| Non-current financial liabilities from interest rate swap | – | 153 |
| Total non-current liabilities | 648,295 | 515,313 |
| Total | 820,249 | 792,887 |

Current financial liabilities include liabilities that are due within 12 months.

On 4 May 2022, a fixed-rate bond for TCHF 150,000 with a coupon of 1.77% and a maturity of four years and five months maturing on 30 October 2026 was successfully placed on the Swiss capital market. The bond seamlessly replaced the TCHF 150,000 bond maturing on 30 May 2022.

Non-current financial liabilities include liabilities where the remaining term as at the balance sheet date is more than 12 months.

The gross loan-to-value ratio (financial liabilities/real estate value) as at the balance sheet date was 42.6% (31 December 2021: 44.5%), while the net loan-to-value ratio ([financial liabilities – cash and cash equivalents]/real estate value) was 40.9% (31 December 2021: 39.6%).

The average interest rate for financial liabilities was 1.0% during the period under review (previous year: 0.8%).

As a result of the acquisition of K-Buchs S.à.r.l. In 2021, HIAG had concluded derivative financial instruments (interest rate swap hedging) to hedge against interest rate risks. As there is no correlation between the hedging transaction and the underlying transaction, the negative replacement value was recorded as both a current TCHF 39 (31 December 2021: TCHF 639) and non-current financial liability TCHF 0 (31 December 2021: TCHF 153) resulting from the interest rate swap. Ongoing interest payments from the underlying transaction and the hedging transaction are recorded in the financial result.

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Conditions of financial liabilities as at 1 January 2023

| Item | Book value in TCHF | Currency | Date due | Interest rate |
|---|--------------------|----------|---|-------------------------|
| Liabilities to banks | 245,210 | CHF | See 'Due dates in TCHF as at 31/12/2022' | Between 0.7% and 2.6% |
| Bonds | 575,000 | CHF | See 'Terms and conditions of financial liabilities' | Between 0.75% and 1.77% |
| financial liabilities from interest rate swap | 39 | CHF | 28/02/2023 | 2.75% |
| Total | 820,249 | | | |

Conditions of financial liabilities as at 1 January 2022

| Position | Book value in TCHF | Currency | Date due | Interest rate |
|---|--------------------|----------|---|------------------------|
| Liabilities to banks | 92,095 | CHF | See 'Due dates in TCHF as at 31/12/2021' | Between 0.7% and 1.7% |
| Bonds | 700,000 | CHF | See 'Terms and conditions of financial liabilities' | Between 0.75% and 1.0% |
| financial liabilities from interest rate swap | 792 | CHF | 28/02/2023 with quarterly repayments | 2.75% |
| Total | 792,887 | | | |

Terms and conditions of bonds as at 1 January 2023

| Benchmarks | Bond May 2022 | Bond July 2021 | Bond May 2019 | Bond July 2016 |
|-----------------|---|--|--|--|
| Amount | TCHF 150,000 | TCHF 160,000 | TCHF 150,000 | TCHF 115,000 |
| Maturity | 4 years and 5 months (30/05/2022 -30/10/2026) | 7 years (01/07/2021 -30/06/2028) | 5 years (08/05/2019 -08/05/2024) | 7 years (04/07/2016 -04/07/2023) |
| Interest rate | 1.77% | 0.75% | 0.875% | 1.0% |
| Listing | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange |
| Security number | 117,297,282 | 111,201,158 | 47,129,798 | 32,637,142 |
| ISIN | CH1172972825 | CH1112011585 | CH0471297983 | CH0326371421 |

Terms and conditions of bonds as at 1 January 2022

| Benchmarks | Bond July 2021 | Bond May 2019 | Bond October 2018 | Bond May 2017 | Bond July 2016 |
|-----------------|--|--|--|--|--|
| Amount | TCHF 160,000 | TCHF 150,000 | TCHF 125,000 | TCHF 150,000 | TCHF 115,000 |
| Maturity | 7 years (01/07/2021 -30.06.2028) | 5 years (08/05/2019 -08/05/2024) | 4 years (26/10/2018 -26/10/2022) | 5 years (30/05/2017 -30/05/2022) | 7 years (04/07/2016 -04/07/2023) |
| Interest rate | 0.75% | 0.875% | 1.0% | 0.8% | 1.0% |
| Listing | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange |
| Security number | 111,201,158 | 47,129,798 | 43,467,844 | 36,274,830 | 32,637,142 |
| ISIN | CH1112011585 | CH0471297983 | CH0434678444 | CH0362748300 | CH0326371421 |

Financial liabilities are recognised and measured at nominal value.

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Due dates of the liabilities to banks in TCHF as at 31 December 2022

| | | |
|-----------------|----------------------|-------------|
| 2023 | 116,790 ¹ | 48% |
| 2024 | 18,100 | 7% |
| 2025 and longer | 110,320 | 45% |
| Total | 245,210 | 100% |

¹ Thereof TCHF 56,915 in fixed advances and contractual amortisation of mortgages that are to be fulfilled in 2023 and are therefore reported as "Current financial liabilities". TCHF 59,875 relates to mortgages for which the contract expires in 2023. These contracts will be renewed in 2023 and will not be repaid, and are therefore reported as "Non-current financial liabilities" from an economic point of view.

Due dates of the liabilities to banks in TCHF as at 31 December 2021

| | | |
|-----------------|---------------|-------------|
| 2022 | 1,935 | 2% |
| 2023 | 61,090 | 66% |
| 2024 and longer | 29,070 | 32% |
| Total | 92,096 | 100% |

Fixed interest rates for bank liabilities in TCHF as at 31 December 2022 (until next interest rate adjustment):

| | | |
|--|----------------|-------------|
| Up to one year including building loan | 116,790 | 48% |
| 2024 | 18,100 | 7% |
| 2025 and longer | 110,320 | 45% |
| Total | 245,210 | 100% |

Fixed interest rates for bank liabilities in TCHF as at 31 December 2021 (until next interest rate adjustment):

| | | |
|--|---------------|-------------|
| Up to one year including building loan | 63,040 | 68% |
| 2023 | – | 0% |
| 2024 and longer | 29,055 | 32% |
| Total | 92,096 | 100% |

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13 Accrued expenses and deferred income

| in TCHF | 31/12/2022 | 31/12/2021 |
|----------------------------|---------------|---------------|
| Operating expenses | 4,460 | 4,826 |
| Financing costs | 3,049 | 3,575 |
| Accruals for investments | 2,002 | 6,265 |
| Personnel-related accruals | 2,516 | 1,520 |
| Other | 990 | 443 |
| Total | 13,016 | 16,629 |

14 Employee benefits

The employees of the HIAG Group benefit from occupational pension funds. The pension fund "HIAG Pensionskasse" is financed by employee and employer contributions, and the discretionary "Wohlfahrtsfonds" schemes of the HIAG Group are financed exclusively by employer contributions. Benefits are allocated in accordance with the contributions paid into the fund or the payments made by the corresponding insurance provider (defined contribution). This does not result in any economic benefit or economic obligation for the Group companies. There is no intention to obtain any future economic benefit from the unrestricted reserves.

As at 31 December 2022

| in TCHF | Nominal value 31/12/2022 | Renounced use 31/12/2022 | Balance sheet 31/12/2022 | Formation 2022 | Balance sheet 31/12/2021 | Result from ECR' in personnel expenses 2022 | 2021 |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------|-----------------------------|---|----------|
| Patronage pension institutions | - | - | - | - | - | - | - |
| Pension institution | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - |

| in TCHF | Surplus/deficit coverage 31/12/2022 | Economical part of the organisation 31/12/2022 | Change/effect on in- come in financial year 2022 | Contributions for the pe- riod 2022 | Pension expenses in the period 2022 |
|--------------------------------|---|--|---|---|---|
| Patronage pension institutions | - | - | - | - | - |
| Pension institution | 5,561 | - | - | - | 774 |
| Total | 5,561 | - | - | - | 774 |

As at 31 December 2021

| in TCHF | Nominal value 31.12.2021 | Renounced use 31.12.2021 | Balance sheet 31.12.2021 | Formation 2021 | Balance sheet 31.12.2020 | Result from ECR' in personnel expenses 2021 | 2020 |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------|-----------------------------|---|----------|
| Patronage pension institutions | - | - | - | - | - | - | - |
| Pension institution | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - |

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| in TCHF | Surplus/ deficit | Economical part | Change/effect on in- | | Pension expenses |
|--------------------------------|------------------|---------------------|----------------------|-----------------------------|------------------|
| | coverage | of the organisation | come | Contributions for the peri- | |
| | 31.12.2021 | 31.12.2021 | in financial year | od | in the period |
| | | | 2021 | 2021 | 2021 |
| Patronage pension institutions | - | - | - | - | - |
| Pension institution | 10,714 | - | - | - | 801 |
| Total | 10,714 | - | - | - | 801 |

15 Property Income

| in TCHF | 2022 | 2021 |
|---|---------------|---------------|
| Property income | 67,538 | 62,280 |
| Proceeds from the sale of electricity generated by the Group's power plants | 595 | 627 |
| Revenue reductions | -462 | 235 |
| - thereof expected rent reductions Covid-19 | - | -73 |
| - thereof release/formation of bad debt allowances and losses | -462 | 308 |
| Total | 67,671 | 63,142 |

Most significant tenants

As of the balance sheet date, HIAG's five most significant tenants measured in terms of annualised property income are (in alphabetical order): Amcor Flexibles Rorschach AG, C&A Mode AG, Doka Schweiz AG, Hewlett-Packard International Sàrl HPE and XL CH AG. During the previous year, the following were the most significant tenants (in alphabetical order): Amcor Flexibles Rorschach AG, C&A Mode AG, Doka Schweiz AG, Hewlett-Packard International Sàrl HPE and Sieber Transport AG.

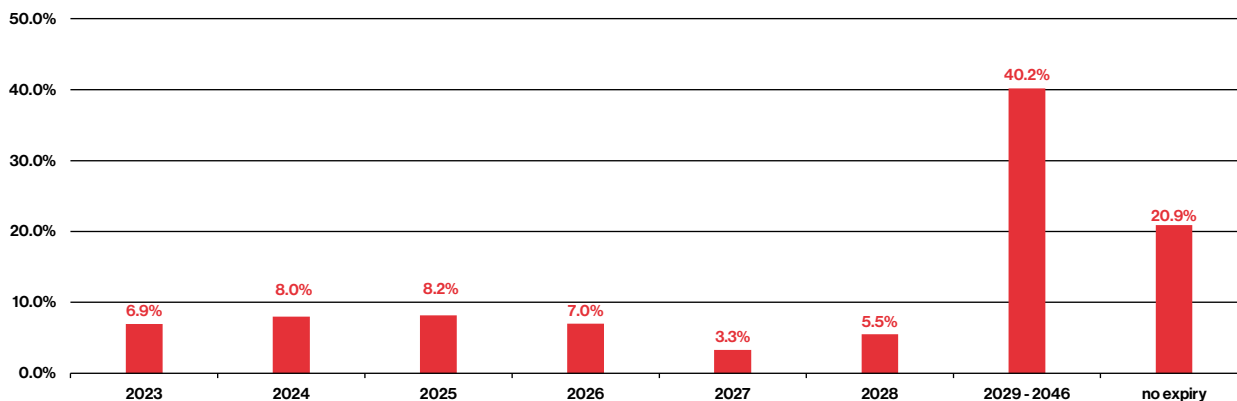
| Share of annualised property income represented by (%): | 2022 | 2021 |
|---|------|------|
| The largest tenant | 5% | 5% |
| The three largest tenants | 12% | 13% |
| The five largest tenants | 19% | 20% |
| The ten largest tenants | 33% | 34% |

Consolidated Financial Statements

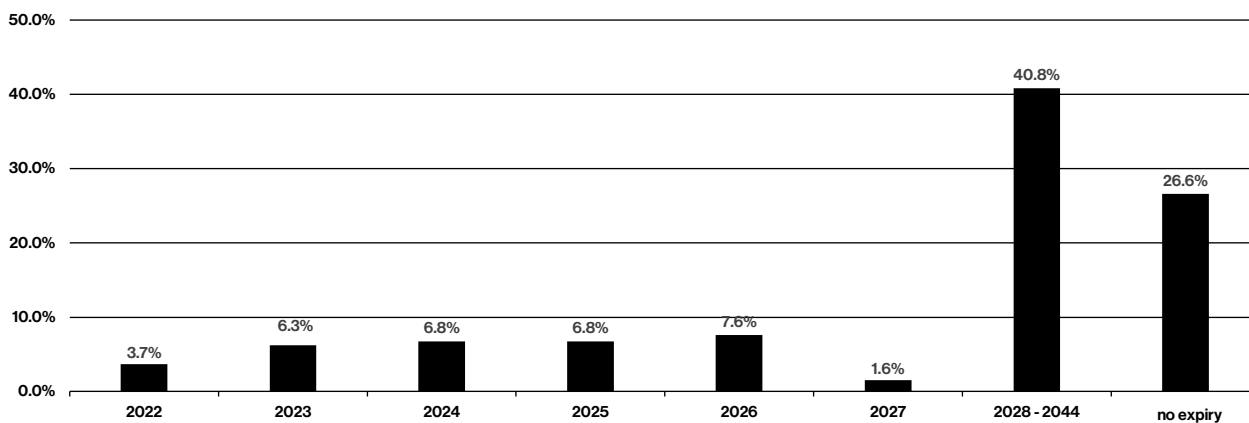
Expiry of rental agreements

The overview of expiry of rental agreements shows when the agreements can be terminated at the earliest.

Overview of expiry profile of rental agreements as at 1 January 2023



Overview of expiry profile of rental agreements as at 1 January 2022



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Annualised property income by property use¹

| in TCHF | 31/12/2022 | | 31/12/2021 | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Industry/light industry | 25,444 | 35.2% | 20,381 | 32.3% |
| Storage | 8,838 | 12.2% | 11,628 | 18.4% |
| Office | 13,143 | 18.2% | 11,000 | 17.4% |
| Residential | 8,094 | 11.2% | 8,145 | 12.9% |
| Retail | 5,955 | 8.2% | 3,727 | 5.9% |
| Parking | 4,055 | 5.6% | 2,697 | 4.3% |
| Outside areas/building rights | 2,325 | 3.2% | 2,464 | 3.9% |
| Leisure/Culture/Education | 2,552 | 3.5% | 1,284 | 2.0% |
| Energy | 1,067 | 1.5% | 900 | 1.4% |
| Secondary uses commercial/residential | 340 | 0.5% | 422 | 0.7% |
| Gastronomy | 459 | 0.6% | 440 | 0.7% |
| Total | 72,274 | 100.0% | 63,086 | 100.0% |

¹ The types of use were redefined for the financial year 2022. The previous year was adjusted accordingly.

Annualised property income by canton

| in TCHF | 31/12/2022 | | 31/12/2021 | |
|------------------|---------------|---------------|---------------|---------------|
| Aargau | 21,414 | 29.6% | 19,539 | 31.0% |
| Zurich | 19,178 | 26.5% | 14,991 | 23.8% |
| Geneva | 8,641 | 12.0% | 6,194 | 9.8% |
| Solothurn | 5,772 | 8.0% | 5,272 | 8.4% |
| Basel-Landschaft | 5,145 | 7.1% | 5,210 | 8.3% |
| Zug | 3,317 | 4.6% | 3,124 | 5.0% |
| St. Gallen | 3,193 | 4.4% | 3,086 | 4.9% |
| Other | 5,614 | 7.8% | 5,670 | 8.8% |
| Total | 72,274 | 100.0% | 63,086 | 100.0% |

Vacancy rate

| Vacancy rate in % | 31/12/2022 | 31/12/2021 |
|------------------------|-------------|--------------|
| Yielding properties | 5.6% | 9.6% |
| Development properties | 10.0% | 15.7% |
| Total portfolio | 6.4% | 10.7% |

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16 Revaluation of properties

| in TCHF | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| Revaluation yielding properties | 15,741 | 33,450 |
| Revaluation development properties | 46,672 | 16,444 |
| Revaluations transactions | 1,893 | 10,628 |
| Total | 64,306 | 60,523 |

The most significant net changes in value (taking environmental risks into account) were achieved by the following properties:

| Yielding portfolio in TCHF | Development portfolio in TCHF |
|----------------------------|-------------------------------|
| Cham | 24,325 |
| Dietikon | 8,767 |
| Klingnau | 4,000 |
| Goldach | -1,613 |
| Meyrin | -1,502 |
| Yverdon | -878 |

In the previous year, the most significant net changes in value to the yielding portfolio (taking environmental risks into account) were experienced by the properties in Brunegg (TCHF 7,731), Buchs (TCHF 6,787), Cham (TCHF 6,193), Birsfelden (TCHF -1,596) and Meyrin (TCHF -1,299). In the development portfolio, the most significant net changes in value were experienced by the properties in Cham (TCHF 7,786), Altstetten (TCHF 6,952), Winterthur (TCHF 2,700), Solothurn (TCHF 1,807), Frauenfeld (TCHF -1,397) and Vernier (TCHF -1,363).

The weighted market discount rate (net, real) fell to 3.32% as at 31 December 2022 (31 December 2021: 3.54%).

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17 Profit and direct expenses from the sale of investment properties and properties for sale

| in TCHF | 2022 | 2021 |
|---|--------|---------|
| Profit from sale of investment properties | 6,039 | 16,543 |
| - Income from sale of investment properties | 15,972 | 80,171 |
| - Derecognition of last book value of investment properties | -9,488 | -62,437 |
| - Direct expenses from sale of investment properties | -445 | -1,191 |

The following significant properties were sold from “Investment properties” during the reporting year:

- Diesbach, Legler factory
- Diesbach, Hauptstrasse 38-40
- Allschwil, Binnigerstrasse 87-89
- Gempen, Schartenhof
- Klingnau, forest plot
- Biberist, plot 36194

In the previous year, the following properties were sold:

- Aathal, Zürichstrasse 66-80, 50-62/192
- Aathal, Zürichstrasse 34 (Baumwollmagazin)
- Wetzikon, Grundstrasse 6-10
- Wetzikon, Schulhausstrasse 42-44
- Biberist, Herrenweg 1-7 / Derendingerstrasse
- Basel, Rosenthalstrasse 27
- Bremgarten, Luzernerstrasse 48-50
- Windisch, Kunzareal, Parkplätze
- Aigle, Route Industrielle 18 (Orlons)

| in TCHF | 2022 | 2021 |
|--|--------|------|
| Profit from "properties for sale" | 4,649 | - |
| - Income from "properties for sale" | 13,764 | - |
| - Direct expenses from "properties for sale" | -9,115 | - |

In the year under review, the first sales of the “CHAMA Stage 1” condominium project led to a positive contribution to the result. No “Properties for sale” were sold in the previous year.

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18 Other operating income

| in TCHF | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| Services rendered to third parties | 219 | 181 |
| Income from metal recycling | 8,967 | 10,521 |
| Other operating income | 948 | 3,412 |
| Total | 10,134 | 14,114 |

The item “Income from metal recycling” includes income from Jaeger et Bosshard SA.

In the previous period, the item “Other operating income” included TCHF 2,665 from the sale of a production plant in Pratteln.

19 Personnel expenses

| 2022 in TCHF | Real estate | Pratteln site | Jaeger et Bosshard SA | Total |
|-------------------------------|---------------------|---------------|-----------------------|----------------|
| Salaries and wages | -10,927 | -159 | -823 | -11,909 |
| Social security contributions | -1,571 | -24 | -164 | -1,759 |
| Other personnel expenses | -1,029 ¹ | - | -304 | -1,333 |
| Total | -13,527 | -183 | -1,291 | -15,002 |

¹ Thereof discount of TCHF 219 on the sale of HIAG Immobilien Holding AG treasury shares for HIAG Group employees

| 2021 in TCHF | Real estate | Pratteln site | Jaeger et Bosshard SA | Total |
|-------------------------------|-------------------|---------------|-----------------------|----------------|
| Salaries and wages | -9,587 | -930 | -931 | -11,448 |
| Social security contributions | -1,467 | -73 | -182 | -1,722 |
| Other personnel expenses | -682 ¹ | -2 | -91 | -775 |
| Total | -11,736 | -1,005 | -1,204 | -13,945 |

¹ Thereof discount of TCHF 236 on the sale of HIAG Immobilien Holding AG treasury shares for HIAG Group employees

| 31/12/2022 (key date) | Employee headcount | Full-time employees |
|---|--------------------|---------------------|
| Real estate | 67 | 63.1 |
| - thereof portfolio/asset management | 7 | 6.8 |
| - thereof real estate management/housekeeping | 19 | 17.6 |
| - thereof development/construction management | 17 | 16.6 |
| - thereof transaction/marketing | 1 | 0.8 |
| - thereof corporate | 23 | 21.3 |
| Jaeger et Bosshard SA¹ | 11 | 11.0 |
| Total | 78 | 74.1 |

¹ Reported in the “Other” segment

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| 31/12/2021 (key date) | Employee headcount | Full-time employees |
|---|--------------------|---------------------|
| Real estate | 63 | 57.6 |
| – thereof portfolio/asset management | 8 | 7.8 |
| – thereof real estate management/housekeeping | 20 | 18.1 |
| – thereof development/construction management | 14 | 13.8 |
| – thereof transaction/marketing | 1 | 0.8 |
| – thereof corporate | 20 | 17.1 |
| Pratteln site | 3 | 3.0 |
| Jaeger et Bosshard SA ¹ | 11 | 11.0 |
| Total | 77 | 71.6 |

¹ Reported in the “Other” segment

20 Share-based compensation

The “Long-Term Incentive Plan” (LTIP) links the compensation of senior management to the long-term value-added goals of the HIAG Group, and in so doing aligns the long-term interests of key employees and shareholders.

The term of the LTIP is five years (2020–2024). The LTIP relates to return on equity (ROE) and allows plan participants to participate in an “excess return” based on the threshold. This measure is the same for all plan participants.

Benefits under the LTIP are payable when shareholders have received an ROE that is at least equal to the threshold value. The threshold is 4.0% in the first plan year and 5.5% in plan years 2 to 5.

Of the LTIP, 50% is paid out annually in the form of blocked plan participant shares. The average ROE at the end of the respective year is used as the basis for the calculation. The plan participant shares accrued by the plan participants are acquired by the employer in the following financial year for the account of the plan participants, taken from the company’s treasury shares or created from conditional capital, and entered in a custody account specified by the employer. The closing price on the day of distribution is definitive. The shares may be acquired by plan participants with a retention period of five years from the date of acquisition. Plan participant shares are allocated to plan participants with a discount of 25.274%.

The other 50% of the incentive consists of a cash payment. This cash portion is paid out in full only if the plan participant is still in regular employment on 31 March 2025.

The final settlement of the plan will take place in the first half of 2025.

The personnel expenses relating to the LTIP have an impact of TCHF 1,734 (previous year: TCHF 1,560) on the consolidated financial statements.

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21 Maintenance and repairs

| in TCHF | 2022 | 2021 |
|---|--------|--------|
| Maintenance and repairs | -5,126 | -6,218 |
| - thereof real estate (excl. Pratteln site) | -4,704 | -5,749 |
| - thereof Jaeger et Bosshard SA | -342 | -330 |
| - thereof Pratteln site | -80 | -132 |
| - thereof cloud services | - | -7 |

The ordinary expenses for maintenance and repairs of the properties are lower than in the previous year due to lower repair costs at the power plants and the sale of high-maintenance properties.

22 Energy and service charges

| in TCHF | 2022 | 2021 |
|---|--------|------|
| Energy costs and building maintenance | -1,829 | -910 |
| - thereof Pratteln site in deconstruction phase | - | 356 |

As the dismantling phase at the Pratteln site has been completed, no more costs were incurred in the year under review. In the previous year, a positive amount (TCHF 356) resulted from the release of deferred income. The remaining increases result from increased energy costs in the second half of 2022.

23 Rent and leases

| in TCHF | 2022 | 2021 |
|------------------------|--------|--------|
| Office rent and leases | -1,013 | -1,003 |
| Building rights | -929 | -951 |
| Total | -1,942 | -1,954 |

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24 Financial result

| in TCHF | 2022 | 2021 |
|-------------------------------|------------|--------------|
| Exchange rate gains | - | 1 |
| Other financial income | 596 | 1,027 |
| Total financial income | 596 | 1,028 |

| in TCHF | 2022 | 2021 |
|--|---------------|----------------|
| Interest expenses from bank financing | -1,374 | -1,365 |
| Interest expenses bonds | -6,750 | -6,023 |
| Bank fees and bank interest | -258 | -269 |
| Exchange rate losses | -63 | -73 |
| Impairment of financial assets | -73 | -1,867 |
| Other capital expenditure ¹ | -220 | -584 |
| Total financial expenses | -8,738 | -10,180 |

¹ In 2022, includes pro-rated issuing costs for bonds in the amount of TCHF 398, which are amortised over the term of the bonds in the income statement (previous year: TCHF 416).

The average interest rate for financial liabilities was 1.0% during the period under review (2021: 0.8%). Interest rates ranged from 0.3% to 2.6% (previous year: between 0.7% and 1.7%). In the period under review, no construction loan interest was capitalised as part of development projects (previous year: TCHF 62).

In the previous year, the item "Impairment of financial assets" included the impairment of the Beelastic Holding AG loan in the amount of TCHF 1,867.

25 Taxes

25.1 Income taxes

| in TCHF | 2022 | 2021 |
|---|---------------|----------------|
| Current taxes | -3,543 | -10,563 |
| Deferred taxes | -4,227 | -5,429 |
| Capitalisation of tax losses carried forward | -1 | 1 |
| Use/dissolution of capitalised tax losses carried forward | - | -718 |
| Total | -7,771 | -16,708 |

The average tax rate, which was calculated based on ordinary earnings, increased to 19.5% in the year under review (previous year: 12.4%). On the other hand, tax expenses decreased to TCHF 7,771 (previous year: TCHF 16,708) due to a lower tax rate in the canton of Aargau. Furthermore, taxes in the previous year included an effect from the above-average sales volume as part of the divestment programme. The positive tax effect from the use of unrecognised tax loss carry forwards amounted to TCHF 0 in 2022 (previous year: TCHF 679).

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25.2 Deferred tax provisions and liabilities

| in TCHF | 31/12/2022 | 31/12/2021 |
|--|------------|------------|
| Deferred tax liabilities as at 01.01. | 81,084 | 73,131 |
| Changes in the scope of consolidation | - | 2,525 |
| Net increase recognised through profit or loss | 4,227 | 5,429 |
| Deferred tax liabilities as at 31.12. | 85,311 | 81,084 |

During the reporting period, TCHF 4,227 in provisions for deferred taxes affecting income were formed (previous year: TCHF 5,429). The formation of the net provision in the year under review and in the previous year was mainly connected to the positive changes in value as a result of the revaluation of investment properties.

| in TCHF | 31/12/2022 | 31/12/2021 |
|------------------------------------|------------|------------|
| Capitalised losses carried forward | - | 1 |
| Total | - | 1 |

No loss carryforwards were capitalised in the year under review (previous year: TCHF 0).

As at the reporting date, the companies belonging to the Group reported non-capitalised loss carryforwards totalling TCHF 241,317 (previous year: TCHF 243,003). As at 31 December 2022, the potential tax reduction as a result of non-capitalised loss carryforwards amounted to TCHF 39,198 (previous year: TCHF 39,433). From the current perspective, this potential tax reduction is not recoverable.

26 Unrecognised lease liabilities

Unrecognised lease liabilities as a result of operating leases are divided by expiry date as follows:

| in TCHF | 31/12/2022 | 31/12/2021 |
|-----------------------|------------|------------|
| Up to 1 year | 571 | 506 |
| Between 2 and 4 years | 1,428 | 1,469 |
| Over 5 years | 219 | 508 |
| Total | 2,218 | 2,483 |

The unrecognised lease liabilities as a result of operating leases relate to the rental agreements for HIAG offices in Basel, Zurich and Geneva.

27 Shareholders' equity

| Composition of share capital in CHF | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Registered shares as at balance sheet date (nominal value: CHF 1) | 10,119,600 | 10,119,600 |
| Total | 10,119,600 | 10,119,600 |

On 31 December 2022, share capital consisted of 10,119,600 registered shares at a nominal value CHF 1.00 per share (previous year: 10,119,600 registered shares). Each share entitles the holder to one vote.

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Pursuant to Art. 3c of the Articles of Incorporation, as amended after the capital increase, to be increased by a maximum of TCHF 13 until 29 September 2023.

As at 31 December 2022, conditional share capital amounted to TCHF 350 (previous year: TCHF 350).

| Earnings and shareholders' equity (NAV) per share in TCHF excluding earnings per share | 01/01/ -31/12/2022 | 01/01/-31/12/2021 |
|---|--------------------|-------------------|
| Net income | 99,406 | 89,263 |
| Time-weighted average number of shares outstanding | 10,092,004 | 8,592,296 |
| Number of shares outstanding as at balance sheet date | 10,096,019 | 10,085,833 |
| Earnings per average outstanding registered share | 9.85 | 10.39 |
| Undiluted earnings per share | 9.85 | 10.39 |
| Diluted earnings per share | 9.85 | 10.39 |
| in TCHF | 31/12/2022 | 31/12/2021 |
| Shareholders' equity (NAV) before deferred taxes | 1,147,593 | 1,070,083 |
| Shareholders' equity (NAV) after deferred taxes | 1,062,282 | 988,999 |
| in CHF | 31/12/2022 | 31/12/2021 |
| Shareholders' equity (NAV) per outstanding registered share, before deferred taxes | 113.67 | 106.10 |
| Shareholders' equity (NAV) per outstanding registered share, after deferred taxes | 105.22 | 98.06 |

As in the previous year, there were no dilutive effects as at 31/12/2022.

28 Significant shareholders

| Share of voting rights | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Shareholder group comprising: | 54.6% | 54.4% |
| - SFAG Holding AG ¹ | 20.0% | 43.8% |
| - HIAG Beteiligung Holding AG | - | 4.1% |
| - Grisgros AG | - | 3.8% |
| - Grisgros Beteiligungs AG ² | 17.7% | - |
| - Senft AG | - | 2.8% |
| - BraCHe Beteiligungs AG ³ | 16.8% | - |
| UBS Fund Management CH AG | 3.8% | 3.8% |

¹ SFAG Holding AG is controlled by Dr Felix Grisard as at 31/12/2022.

² Grisgros Beteiligungs AG is controlled by Andrea Grisard.

³ BraCHe Beteiligungs AG is controlled by Salome Grisard Varnholt.

The members of the shareholder group entered into a shareholders' agreement within the meaning of Art. 121 FinfraG on 14 April 2014. This was replaced by the shareholders' agreement of 6 December 2022, which is essentially identical in content. The changes mainly affect the parties to the shareholders' agreement as the beneficial owners have partly contributed their shares to newly established holding companies.

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Participation of the Executive Board and the Board of Directors including related parties

| Number of shares | 31/12/2022 | 31/12/2021 |
|---|------------------|----------------|
| HIAG Beteiligung Holding AG ¹ | - | 410,000 |
| SFAG Holding AG ² | 2,026,471 | - |
| Senft AG | - | 282,896 |
| BraCHe Beteiligungs AG ³ | 1,699,796 | - |
| Balz Halter, Member of the Board of Directors | 8,418 | 8,418 |
| Dr. Jvo Grundler, Member of the Board of Directors, General Counsel | 47,845 | 47,402 |
| Marco Feusi, CEO | 23,719 | 20,022 |
| Rico Müller, CFO ⁴ | 876 | 364 |
| Total | 3,807,125 | 769,102 |

¹ Dr Felix Grisard and Salome Grisard Varnholt were shareholders on the Board of Directors of SFAG Holding AG in the previous year, which held 4,432,771 shares in HIAG Immobilien Holding AG until December 2022. SFAG Holding AG was the main shareholder of HIAG Immobilien Holding AG until December 2022 with a shareholding of 43.8%. Dr Felix Grisard and Salome Grisard Varnholt jointly held two-thirds of the shares of SFAG Holding AG directly and indirectly. In December 2022, with retroactive effect from 1 September 2022, some of the assets of SFAG Holding AG as a joint holding company of the siblings Dr Felix Grisard, Andrea Grisard and Salome Grisard Varnholt were transferred to Grisgros Beteiligungs AG, held by Andrea Grisard, and BraCHe Beteiligungs AG, held by Salome Grisard Varnholt, as part of a demerger. After completion of the two spin-offs, Dr Felix Grisard remains the sole shareholder of SFAG Holding AG, which is why the shares of the company held by SFAG Holding AG as of 31 December 2022 were attributed to him. Similarly, the shares now held by BraCHe Beteiligungs AG are attributed to Salome Grisard. Furthermore, in connection with the two spin-offs, the shares in the company held by HIAG Beteiligung Holding AG were transferred to BraCHe Beteiligungs AG, Grisgros Beteiligungs AG and SFAG Holding AG, and the shares in the company held by Senft AG were transferred to BraCHe Beteiligungs AG.

² SFAG Holding AG is controlled by Dr Felix Grisard.

³ BraCHe Beteiligungs AG is controlled by Salome Grisard Varnholt.

⁴ Retired from the Executive Board as of 31.10.2022.

29 Treasury shares

| TCHF except for number of shares | 31/12/2022 | Number of shares | 31/12/2021 | Number of shares |
|----------------------------------|------------|------------------|------------|------------------|
| Book value as at 01.01. | 4,069 | 33,767 | 5,211 | 42,942 |
| Allocation | -1,268 | -10,186 | -1,142 | -9,175 |
| Book value as at 31.12. | 2,801 | 23,581 | 4,069 | 33,767 |

No treasury shares of HIAG Immobilien Holding AG were purchased by the company during the reporting year. As part of the employee participation programme and the Long-Term Incentive Plan (LTIP), 10,186 shares were allocated to employees. As part of the allocation of shares, a valuation loss (difference between the purchase price and the transaction price) of TCHF 324 (previous year: TCHF 211) was realised and booked against the statutory reserves.

The average transaction price of the shares allocated in the reporting year amounted to CHF 92.65 (previous year: CHF 101.55).

30 Other pledged assets

As at 31 December 2022, rental deposits in the amount of TCHF 124 (previous year: TCHF 124) were pledged. All rental deposits in connection with office space were repaid in 2021 following expiry of the lease.

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31 Assets assigned to secure own liabilities

| in TCHF | 31/12/2022 | 31/12/2021 |
|-------------------------------|--------------|--------------|
| Other current receivables | - | 1,051 |
| Other current non-receivables | 1,348 | 300 |
| Total | 1,348 | 1,351 |

The receivable deposited in an escrow account in connection with a construction project was reclassified as a non-current receivable in the year under review because the bank account is not expected to be credited until 2024 at the earliest.

32 Contingent liabilities and other obligations not recognised in the balance sheet

| in TCHF | 31/12/2022 | 31/12/2021 |
|-----------------------------|---------------|---------------|
| Guarantees to third parties | 30,200 | 30,501 |
| Total | 30,200 | 30,501 |

The contingent liabilities mainly relate to a guarantee from HPE in connection with the dissolved Cloud segment in the amount of TCHF 30,000. As all contracts have been fulfilled, HIAG has been released from its liability under this contract as of 14 February 2023.

33 Treatment of goodwill and badwill

33.1 Goodwill

Goodwill is offset against retained earnings when it is created. Such goodwill was created with the acquisition of the subsidiary Jaeger et Bosshard SA in May 2019, in the amount of TCHF 6,592. The impact of theoretical goodwill capitalisation on shareholders' equity and net income with subsequent depreciation over a useful life of five years is presented below.

Impact of the theoretical capitalisation of goodwill on the balance sheet:

| in TCHF | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Reported shareholders' equity | 1,062,282 | 988,999 |
| Equity ratio | 53.1% | 52.0% |
| Acquisition value of goodwill | | |
| As at the beginning of the financial year | 7,838 | 7,838 |
| Additions | - | - |
| As at the end of the financial year | 7,838 | 7,838 |

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Accumulated amortisation

| | | |
|---|-------|-------|
| As at the beginning of the financial year | 4,557 | 3,245 |
| Amortisations for the current year | 1,312 | 1,312 |
| As at the end of the financial year | 5,869 | 4,557 |

| | | |
|---|-----------|---------|
| Theoretical net book value of goodwill | 1,969 | 3,281 |
| Theoretical shareholders' equity including net book value of goodwill | 1,064,251 | 992,280 |
| Theoretical equity ratio | 53.2% | 52.1% |

Impact of the theoretical capitalisation of goodwill on net income:

| in TCHF | 2022 | 2021 |
|---|--------|--------|
| Net income | 99,406 | 89,263 |
| Theoretical amortisation of goodwill | -1,312 | -1,312 |
| Net income after amortisation of goodwill | 98,094 | 87,951 |

33.2 Badwill

Badwill is offset against retained earnings when it is created. Such badwill was created with the acquisition of the subsidiary K-Buchs S.à.r.l. in April 2021, in the amount of TCHF 987. The impact of the theoretical recognition of badwill as a liability on shareholders' equity and net income is presented below with subsequent depreciation over a useful life of five years.

Impact of the theoretical recognition of badwill as a liability on the balance sheet:

| in TCHF | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Reported shareholders' equity | 1,062,282 | 988,999 |
| Equity ratio | 53.1% | 52.0% |
| Acquisition value of badwill | | |
| As at the beginning of the financial year | 987 | - |
| Additions | - | 987 |
| As at the end of the financial year | 987 | 987 |
| Accumulated dissolutions | | |
| As at the beginning of the financial year | 132 | - |
| Dissolutions for the current year | 197 | 132 |
| As at the end of the financial year | 329 | 132 |
| Theoretical net book value of badwill | 658 | 855 |
| Theoretical shareholders' equity including net book value of goodwill | 1,061,624 | 988,144 |
| Theoretical equity ratio | 53.1% | 51.9% |

Impact of the theoretical release of badwill on net income:

| in TCHF | 2022 | 2021 |
|---|--------|--------|
| Net income | 99,406 | 89,263 |
| Theoretical dissolution of badwill | 197 | 132 |
| Net income after attribution of badwill | 99,603 | 89,395 |

General Property Details

Yielding portfolio

| Property ID | Canton | Municipality | Property | Main use ¹ | Market value (CHFm) | Full occupancy property income (CHFm) | Annualised property income (CHFm) | Occupancy rate (%) | Net site area (sqm) ² | Year of construction | Year of construction 2 ³ | Partial renovation | Discount factor (%) | Ownership | Compulsory surveillance (%) | Obligatory re-mediation | Effective Area to be developed (sqm) | | | | | Total | |
|------------------|--------|-----------------|--|-----------------------|---------------------|---------------------------------------|-----------------------------------|--------------------|----------------------------------|----------------------|-------------------------------------|--------------------|---------------------|----------------|-----------------------------|-------------------------|--------------------------------------|--------------------------|----------|------------|--------|--------|--------|
| | | | | | | | | | | | | | | | | | Residential | Residential & Commercial | Industry | Commercial | Office | | |
| 10201 | AG | Kleindöttingen | Industriestrasse 39-41 | Industrial | 1.5 | 1.5 | 100% | 65,356 | 1997/2007 | 2019 | - | 3.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10202 | AG | Kleindöttingen | Industriestrasse 14/20/26/30/34/46 | Industrial | 1.8 | 1.8 | 99% | 38,314 | 1971 | 2012 | - | 3.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10203 | AG | Kleindöttingen | Industriestrasse 3, 40-44 | Industrial | 1.6 | 1.4 | 86% | 14,517 | 1971 | 1999 | 2008 | 4.1 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10204 | AG | Kleindöttingen | Hauptstrasse 70 | Industrial | 0.3 | 0.3 | 90% | 6,625 | 1961 | 1977 | - | 4.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10207 | AG | Kleindöttingen | Industriestrasse 21 | Industrial | 0.7 | 0.6 | 84% | 12,849 | 1969 | 1974 | - | 4.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10303 | ZH | Niederhaasi | Stationstrasse 27-32, Parzelle 3131 | Industrial | 2.3 | 2.3 | 100% | 28,122 | 2021 | - | - | 3.2 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 13401 | AG | Klingnau | Weierstrasse 5 / Kanalstrasse 8 | Industrial | 0.9 | 0.8 | 85% | 12,984 | 1965 | 2008 | - | 3.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 13402 | AG | Klingnau | Industriestrasse 7 | Industrial | 0.5 | 0.4 | 91% | 5,529 | 1955 | - | - | 4.2 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 13403 | AG | Klingnau | Industriestrasse 4/10, Brühlstrasse 46-50 | Industrial | 0.9 | 0.9 | 97% | 13,009 | 1955 | 2008 | - | 4.1 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 13404 | AG | Klingnau | Brühlstrasse 33-41 | Industrial | 0.2 | 0.2 | 96% | 6,170 | 1953 | 1955 | - | 4.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 22501 | VD | Yverdon | Route de Grandson 48 | Industrial | 1.6 | 1.4 | 86% | 19,758 | 1910 | 2013 | - | 3.8 | Sole ownership | 100% | Yes | - | - | - | - | - | - | - | |
| 29005 | GE | Meyrin | Route du Nant d'Avril 150, LEM | Industrial | 2.1 | 2.1 | 100% | 5,540 | - | - | - | 3.1 | Building right | 100% | - | - | - | - | - | - | - | - | |
| 30402 | ZH | Aathal | Gatelderstrasse 5 | Industrial | 0.5 | 0.5 | 99% | 17,317 | 1870 | 1964 | 1993 | 4.2 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 31201 | ZH | Winterthur | St. Gallerstrasse 172 | Industrial | 0.2 | 0.2 | 100% | 5,838 | 1908/1925 | - | - | 3.5 | Sole ownership | 100% | - | - | - | - | - | 10,300 | - | 10,300 | |
| 31401 | SG | Goldach | Langrütstrasse 19 | Industrial | 3.1 | 3.1 | 100% | 63,631 | 1973/1995 | 2020 | - | 3.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 32001 | BL | Reinach | Am Kägenrain 1-3 | Industrial | 0.5 | 0.4 | 66% | 6,503 | 1989 | - | 0 | 3.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 33101 | ZH | Wädenswil | Seestrasse 205/219, Bürglistrasse 43 | Industrial | 0.9 | 0.9 | 100% | 11,105 | 1916 | - | - | 3.4 | Sole ownership | 100% | - | - | - | - | 7,830 | - | - | 7,830 | |
| 36110 | SO | Biberist | MEG Emekanal, land | Industrial | 0.0 | 0.0 | - | - | - | - | - | - | 5.0 | Sole ownership | 100% | - | - | - | - | - | - | - | |
| Total Industrial | | | | | 351.5 | 19.5 | 19.5 | 333,167 | | | | | | | | | | 0 | 7,830 | 10,300 | 0 | 0 | 18,130 |
| 10502 | TG | Ermatingen | Hauptstrasse 189 | Logistics | 0.4 | 0.4 | 100% | 12,257 | 1994 | - | - | 4.3 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10601 | BL | Füllinsdorf | Wölferstrasse 27/27a | Logistics | 0.9 | 0.9 | 100% | 16,000 | 1971 | 1983 | 2015 | 3.7 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10701 | GE | Carouge | Rue Baylon 13-15 | Logistics | 1.6 | 1.6 | 100% | 10,871 | 1970 | 2003 | - | 3.7 | Building right | 100% | - | - | - | - | - | - | - | - | |
| 12801 | SG | St. Margrethen | Plot no. 2957 | Logistics | 0.1 | 0.1 | 100% | 13,880 | - | - | - | 2.5 | Building right | 100% | - | - | - | - | - | - | - | - | |
| 36104 | SO | Biberist | Fabrikstrasse 36-38 | Logistics | 1.5 | 1.5 | 100% | 23,000 | 1991 | - | - | 3.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 60402 | BL | Birsfelden | Langenhagstrasse 6/10/18 | Logistics | 1.0 | 1.0 | 100% | 8,383 | 1960 | 2006 | 2017 | 3.5 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 69901 | AG | Brunegg | Breitackerstrasse 10 | Logistics | 1.7 | 1.7 | 100% | 28,142 | 1993 | - | 2013 | 3.4 | Sole ownership | 100% | - | - | - | - | 7,900 | - | - | 7,900 | |
| 70001 | AG | Brunegg | Industriestrasse 1 | Logistics | 1.8 | 1.8 | 100% | 15,293 | 1974 | 1985 | 2001 | 3.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 70501 | AG | Buchs | Oberholzstrasse 10 | Logistics | 2.5 | 2.5 | 100% | 38,797 | 2007 | - | - | 3.4 | Sole ownership | 0% | - | - | - | - | - | - | - | - | |
| Total Logistics | | | | | 206.2 | 11.5 | 11.5 | 166,623 | | | | | | | | | | 0 | 0 | 7,900 | 0 | 0 | 7,900 |
| 29001 | GE | Meyrin | Route du Nant d'Avril 150, Hive I | Office | 2.1 | 1.6 | 77% | 7,681 | 1981 | 2019 | - | 3.4 | Building right | 100% | - | - | - | - | - | - | - | - | |
| 29002 | GE | Meyrin | Route du Nant d'Avril 150, Hive II | Office | 2.6 | 2.6 | 100% | 6,821 | 2017 | - | - | 3.1 | Building right | 100% | - | - | - | - | - | - | - | - | |
| 31501 | TG | Frauenfeld | Walzmühlestrasse 47 | Office | 0.2 | 0.2 | 100% | 2,189 | 1926 | 2017 | - | 3.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 32106 | AG | Windisch | Dorfstrasse 69 | Office | 0.5 | 0.4 | 88% | 2,466 | 1959 | - | 2008 | 3.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 34001 | AG | Brugg | Wildschachenstrasse 12-14 | Office | 0.6 | 0.6 | 97% | 11,080 | 1960 | - | - | 3.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 60401 | BL | Birsfelden | Sternenfeldpark 14 | Office | 1.7 | 1.1 | 62% | 3,554 | 2009 | - | - | 4.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| Total Office | | | | | 132.0 | 7.6 | 6.4 | 33,791 | | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |
| 10104 | ZH | Dietikon | Riedstrasse 11 | Others | 0.0 | 0.0 | 100% | 930 | - | - | - | 3.8 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 10801 | BS | Riehen | Plot no. 1700 | Others | 0.2 | 0.2 | 100% | 5,485 | - | - | - | 2.3 | Building right | 100% | - | - | - | - | - | - | - | - | |
| 29004 | GE | Meyrin | Route du Nant d'Avril 150, Pavillon | Others | 0.2 | 0.2 | 100% | 952 | 2020 | - | - | 3.1 | Building right | 100% | - | - | - | - | - | - | - | - | |
| 30501 | ZH | Aathal/Wetzikon | Agricultural land / land without use | Others | 0.0 | 0.0 | - | 196 | - | - | - | 2.0 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 32107 | AG | Windisch | Kunzareal - Heinrich | Others | 0.1 | 0.1 | - | 3,252 | 1960 | - | 2017 | 4.0 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 35004 | GL | Diesbach | Power plant | Others | 0.7 | 0.7 | 100% | - | 1996 | - | 2015 | 4.3 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 38112 | SO | Biberist | Power plant | Others | 0.3 | 0.3 | 100% | - | 1984 | - | 2014 | 4.1 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 36204 | SO | Biberist | Derendingerstrasse 16 (Plot no. 944, 1172, 1179) | Others | 0.0 | 0.0 | - | - | - | - | - | 2.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| Total Others | | | | | 19.5 | 1.4 | 1.4 | 10,815 | | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |

General Property Details

Effective Area to be developed (sqm)

| Property ID | Canton | Municipality | Property | Main use ¹ | Market value (CHFm) | Full occupancy property income (CHFm) | Annualised property income (CHFm) | Occupancy rate (%) | Net site area (sqm) ² | Year of construction | Year of construction 2 ³ | Partial renovation | Discount factor (%) | Ownership | (%) | Compulsory surveillance | Obligatory re-mediation | Residential | Residential & Commercial | Industry | Commercial | Office | Total | |
|--------------------------|--------|--------------|--------------------------------|-----------------------|---------------------|---------------------------------------|-----------------------------------|--------------------|----------------------------------|----------------------|-------------------------------------|--------------------|---------------------|----------------|------|-------------------------|-------------------------|-------------|--------------------------|----------|------------|--------|-------|--------|
| 18101 | ZG | Cham | Lorzenparkstrasse 2-16 | Res. mixed | | 3.3 | 3.3 | 100% | 13,537 | 2008 | - | - | 2.8 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30603 | ZH | Aathal | Zürichstrasse 22-24 | Res. mixed | | 0.1 | 0.1 | 100% | 3,567 | 1870 | 1860 | 1989 | 3.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 31502 | TG | Frauenfeld | Walzmühlestrasse 49 | Res. mixed | | 0.8 | 0.7 | 98% | 2,043 | 1922 | 2017 | - | 3.1 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 13406 | AG | Klingnau | Parkstrasse 15-29 | Residential | | 1.2 | 1.2 | 99% | 13,071 | 1999 | 2008 | - | 2.8 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 13407 | AG | Klingnau | Parkstrasse 7-13 | Residential | | 0.5 | 0.5 | 99% | 6,075 | 1999 | 2008 | - | 2.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 34501 | AG | Niederwil | Rigilweg 1-5 | Residential | | 0.5 | 0.5 | 100% | 5,481 | 1987 | - | - | 2.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30404 | ZH | Aathal | Zürichstrasse 1-7 | Residential | | 0.1 | 0.1 | 100% | 4,343 | 1900 | - | 1995 | 2.8 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30802 | ZH | Wetzikon | Zürcherstrasse 130-132/131-133 | Residential | | 0.1 | 0.1 | 98% | - | 1839 | - | 2003 | 3.1 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30904 | ZH | Wetzikon | Usterstrasse 128 | Residential | | 0.2 | 0.2 | 100% | 1,569 | 1870 | 2007 | - | 2.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30905 | ZH | Wetzikon | Haldenstrasse 20 | Residential | | 0.3 | 0.3 | 100% | 1,741 | 1971 | 2020 | - | 2.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30908 | ZH | Wetzikon | Weststrasse 26-28 | Residential | | 0.4 | 0.4 | 100% | 1,908 | 2020 | - | - | 2.3 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30909 | ZH | Wetzikon | Florastrasse 9 | Residential | | 0.3 | 0.3 | 100% | 1,899 | 1990 | 2018 | - | 2.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30910 | ZH | Wetzikon | Usterstrasse 88-104 | Residential | | 0.2 | 0.2 | 100% | 2,073 | 1791 | 2018 | - | 2.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 32102 | AG | Windisch | Spinnereistrasse 10-12/15 | Residential | | 1.3 | 1.3 | 98% | 5,122 | 2014 | - | - | 2.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 32108 | AG | Windisch | Spitzmattstrasse 6 | Residential | | 1.3 | 1.3 | 100% | 5,115 | 1960 | - | 2018 | 3.1 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 36203 | SO | Biberist | Herrnenweg 4/8/10 | Residential | | 0.0 | 0.0 | 100% | - | 1928 | - | 1992 | 2.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 60301 | BL | Birsfelden | Weidenweg 8-10 | Residential | | 0.6 | 0.6 | 96% | 3,798 | 1989 | - | - | 2.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 60302 | BL | Birsfelden | Hauptstrasse 84-88 | Residential | | 0.5 | 0.4 | 94% | 1,787 | 1989 | - | - | 3.4 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| Total Residential | | | | | | 279.1 | 11.7 | 11.6 | 73,129 | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10101 | ZH | Dietikon | Riedstrasse 3 | Retail | | 2.4 | 1.3 | 55% | 13,690 | 1982 | 2002 | 2007 | 3.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 10102 | ZH | Dietikon | Riedstrasse 5 | Retail | | 2.3 | 2.3 | 100% | 13,500 | 1982 | - | 1993 | 3.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 10103 | ZH | Dietikon | Riedstrasse 7-9 | Retail | | 3.4 | 3.4 | 100% | 10,543 | 1982 | - | - | 3.5 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 30401 | ZH | Aathal | Zürichstrasse 13-25 | Retail | | 2.4 | 2.3 | 93% | 16,597 | 1862 | 2014 | - | 3.8 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 31601 | NE | Neuchâtel | Rue du Plan 30 | Retail | | 1.6 | 1.6 | 100% | 7,978 | 1963 | - | 2019 | 3.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | - |
| 70401 | AG | Buchs | Fabrikweg 12 | Retail | | 0.4 | 0.4 | 100% | 18,211 | 1988 | - | 2007 | 3.9 | Building right | 100% | - | - | - | - | - | - | - | - | - |
| Total Retail | | | | | | 234.8 | 12.6 | 11.3 | 80,519 | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Yielding Portfolio | | | | | | 1,223.2 | 64.3 | 60.7 | 94.4% | 698,044 | | | | | | | | 0 | 7,830 | 18,200 | 0 | 0 | 0 | 26,030 |

¹ Others refer to land, building rights, parking, official use, power plant; Res. mixed refers to properties with residential and commercial use

² Net site area does not include agricultural land and land without utilisation (total approximately 1.0 million sqm)

³ Second building phase

General Property Details

Development portfolio

| Property ID | Canton | Municipality | Property | Main use | Market value* (CHFm) | Full occupancy property income (CHFm) | Annualised property income (CHFm) | Occupancy rate (%) | Net site area (sqm) ² | Year of construction | Year of construction 2 ¹ | Partial renovation | Discount factor (%) | Ownership | (%) | Compulsory surveillance | Obligatory re-mediation | Effective Area to be developed (sqm) | | | | | | |
|--------------------------------|--------|----------------|--|-------------|----------------------|---------------------------------------|-----------------------------------|--------------------|----------------------------------|----------------------|-------------------------------------|--------------------|---------------------|---------------------|------|-------------------------|-------------------------|--------------------------------------|--------------------------|----------|------------|---------|--------|---------|
| | | | | | | | | | | | | | | | | | | Residential | Residential & Commercial | Industry | Commercial | Office | Total | |
| 10208 | AG | Kleindöttingen | Plot no. 420 | Others | 0.0 | 0.0 | - | - | 43,400 | - | - | - | 2.0 | Sole ownership | 100% | - | - | - | 31,000 | - | - | - | 31,000 | |
| 13405 | AG | Klingnau | Schützenmattstrasse 7, Parkstrasse 14 | Industrial | 0.3 | 0.3 | 87% | 11,035 | 1949 | 1961 | - | - | 2.0 | Sole ownership | 100% | - | - | - | 6,820 | - | - | - | 6,820 | |
| 13408 | AG | Klingnau | Weierstrasse 8 | Others | 0.0 | 0.0 | - | 2,144 | - | - | - | - | 2.0 | Sole ownership | 100% | - | - | - | 900 | - | - | - | 900 | |
| 32105 | AG | Windisch | Kunzareal - Zentrum West | Industrial | 0.1 | 0.1 | 100% | 2,481 | 1827 | 1890 | - | - | 2.9 | Sole ownership | 100% | - | - | - | 1,600 | - | - | - | 1,600 | |
| 34002 | AG | Brugg | Wildsachsenstrasse 16 | Industrial | 1.1 | 1.1 | 100% | 33,505 | 1960 | - | - | - | 3.4 | Sole ownership | 100% | - | - | - | - | - | 15,298 | - | 15,298 | |
| 40101 | AG | Menziken | Hauptstrasse 85 | Others | 0.0 | 0.0 | - | 10,717 | 1911 | - | - | - | 3.3 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 72001 | AG | Hausen/Lupfig | Hauptstrasse 96 / Hauptstrasse 98-100 | Others | 0.0 | 0.0 | 100% | 64,258 | - | - | - | - | 3.7 | Sole ownership | 100% | Yes | - | - | - | 60,761 | - | - | - | 60,761 |
| 61101 | BL | Aesch | Industriestrasse 45-61 | Industrial | 0.9 | 0.9 | 100% | 35,755 | 1900 | 1940 | - | - | 3.1 | Sole ownership | 100% | - | - | - | 30,722 | - | - | - | 30,722 | |
| 63001 | BL | Pratteln | Güterstrasse 23-29, Gempenstrasse 6/6a | Others | 0.0 | 0.0 | - | 31,585 | 1949 | 2002 | - | - | 2.8 | Sole ownership | 100% | - | - | - | 42,775 | - | - | - | 42,775 | |
| Total North-West Switzerland | | | | | 114.4 | 2.4 | 2.4 | - | 234,880 | - | - | - | - | - | - | - | - | - | 0 | 113,617 | 60,761 | 15,298 | 0 | 189,676 |
| 18103 | ZG | Cham | Plot no. 3165 Yielding stage 1 | Others | 0.1 | 0.1 | 100% | 11,535 | - | - | - | - | 2.6 | Sole ownership | 100% | - | - | - | 11,400 | - | - | - | 11,400 | |
| 18105 | ZG | Cham | Plot no. 3165 Condominium stage 1 | Others | 0.0 | 0.0 | - | 2,363 | - | - | - | - | - | Condominium project | 100% | - | - | - | 5,580 | - | - | - | 5,580 | |
| 18104 | ZG | Cham | Plot no. 3165 Yielding stage 2 | Others | 0.0 | 0.0 | - | 12,333 | - | - | - | - | 2.8 | Sole ownership | 100% | - | - | - | 14,800 | - | - | - | 14,800 | |
| Total Central Switzerland | | | | | 132.2 | 0.1 | 0.1 | - | 26,231 | - | - | - | - | - | - | - | - | - | 5,580 | 26,200 | 0 | 0 | 0 | 31,780 |
| 10301 | ZH | Niederhasli | Mandachstrasse 50-56 | Office | 2.6 | 1.6 | 62% | 10,918 | 1992 | 2007 | - | - | 2.9 | Sole ownership | 100% | - | - | - | 15,450 | - | - | - | 15,450 | |
| 10302 | ZH | Niederhasli | Stationstrasse 25 | Industrial | 0.7 | 0.7 | 98% | 16,691 | 1991 | - | - | - | 2.8 | Sole ownership | 100% | - | - | - | 18,000 | - | - | - | 18,000 | |
| 10901 | ZH | Altstetten | Freihofstrasse 25 | Industrial | 0.5 | 0.5 | 100% | 7,807 | 1953/1962 | - | - | - | 2.4 | Sole ownership | 100% | - | - | - | 12,900 | - | - | - | 12,900 | |
| 11101 | ZH | Altstetten | Kelchweg 8, 10, 12, 14 | Residential | 0.5 | 0.5 | 96% | 2,236 | 2007 | - | - | - | 2.0 | Sole ownership | 100% | - | - | - | 2,616 | - | - | - | 2,616 | |
| 30201 | ZH | Aathal | Zürichstrasse 27/33-39, Gestalderstrasse 4 | Residential | 0.2 | 0.2 | 100% | 23,938 | 1850 | 1870 | - | 1990 | 3.7 | Sole ownership | 100% | - | - | - | - | 7,534 | - | - | - | 7,534 |
| 30602 | ZH | Aathal | Chälenweg 1/11/164, Aretsh. 1-7/11-21/158 | Residential | 0.2 | 0.2 | 99% | 10,069 | 1440 | - | - | 1988 | 3.0 | Sole ownership | 100% | - | - | - | - | - | - | - | - | 0 |
| 30801 | ZH | Wetzikon | Usterstr. 200-202/206, Zürichstr. 119-121 | Industrial | 0.3 | 0.3 | 99% | 14,653 | 1872 | 1900 | - | 1993 | 3.9 | Sole ownership | 100% | - | - | - | - | 7,100 | - | - | - | 7,100 |
| 30906 | ZH | Wetzikon | Schönaustrasse 5-13 | Residential | 0.2 | 0.2 | 100% | 17,055 | - | - | - | 1943 | 2.9 | Sole ownership | 100% | - | - | - | 7,500 | - | - | - | 7,500 | |
| 30907 | ZH | Wetzikon | Schönaustrasse 9 | Others | 0.1 | 0.1 | 100% | 8,267 | - | - | - | - | 2.5 | Sole ownership | 100% | - | - | - | 7,245 | - | - | - | 7,245 | |
| 31301 | ZH | Winterthur | Technoramastrasse 15 | Industrial | 0.0 | 0.0 | - | 10,454 | 1956/1996/2020 | 1957/1999 | - | - | 3.4 | Sole ownership | 100% | - | - | - | - | - | 10,300 | - | - | 10,300 |
| Total Zurich | | | | | 223.0 | 5.3 | 4.3 | - | 122,088 | - | - | - | - | - | - | - | - | - | 9,861 | 61,384 | 0 | 17,400 | 0 | 88,645 |
| 22201 | GE | Vernier | Chemin de la Verseuse 1-3 | Others | 0.0 | 0.0 | - | 4,507 | 1964 | - | - | - | 3.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 22301 | GE | Lancy | Route des Jeunes 20-26 | Industrial | 0.5 | 0.5 | 97% | 13,362 | 1960 | - | - | - | 3.7 | Building right | 100% | - | - | - | - | - | - | 87,000 | - | 87,000 |
| 29006 | GE | Meyrin | Route du Nant-d'Avril 150 HIVE 7 | Others | 0.0 | 0.0 | - | 21,898 | - | - | - | - | 3.3 | Building right | 100% | - | - | - | - | - | - | 4,240 | - | 4,240 |
| 29101 | GE | Meyrin | Chemin du Grand-Puits 28 | Industrial | 0.0 | 0.0 | - | 10,383 | 1965 | - | - | - | 3.7 | Sole ownership | 100% | - | - | - | - | - | - | - | - | |
| 29003 | GE | Meyrin | Route du Nant d'Avril 150 | Others | 0.0 | 0.0 | - | 21,972 | - | - | - | - | 2 | Building right | 100% | - | - | - | - | - | - | 25,405 | - | 25,405 |
| 22701 | VD | Bussigny | Chemin de Mochettaz 101 | Others | 0.0 | 0.0 | - | 22,319 | - | - | - | - | 3.5 | Sole ownership | 100% | - | - | - | - | - | 26,454 | - | - | 26,454 |
| 20101 | VS | St-Maurice | Bois-Noir | Industrial | 0.0 | 0.0 | - | 33,281 | 1960 | 1970 | - | - | 2.0 | Sole ownership | 100% | - | - | - | - | - | - | 25,500 | - | 25,500 |
| Total Lake Geneva region | | | | | 104.3 | 0.5 | 0.5 | - | 127,722 | - | - | - | - | - | - | - | - | - | 0 | 0 | 26,454 | 142,145 | 0 | 168,599 |
| 31701 | SO | Dornach | Weidenstrasse 50 | Industrial | 1.4 | 1.3 | 99% | 136,685 | 1895 | - | - | - | 4.3 | Sole ownership | 100% | - | - | - | 72,986 | - | - | - | 72,986 | |
| 36101 | SO | Biberist | Fabrikstrasse 2-8 | Office | 0.2 | 0.2 | 87% | 22,524 | 1937 | - | - | - | 4.5 | Sole ownership | 100% | - | - | - | 11,392 | - | - | - | 11,392 | |
| 36102 | SO | Biberist | Fabrikstrasse 14-34 | Industrial | 0.1 | 0.1 | 100% | 44,000 | 1972 | 1990 | - | - | 5.3 | Sole ownership | 100% | - | - | - | - | - | 45,954 | - | - | 45,954 |
| 36103 | SO | Biberist | Fabrikstrasse 57-115 | Industrial | 0.7 | 0.7 | 100% | 40,000 | 1946 | 1991 | - | - | 3.9 | Sole ownership | 100% | - | - | - | - | 20,450 | - | - | - | 20,450 |
| 36105 | SO | Biberist | Fabrikstrasse 1-29 | Industrial | 0.4 | 0.3 | 72% | 19,000 | 1932 | 1947 | - | - | 4.6 | Sole ownership | 100% | - | - | - | - | - | - | - | - | 0 |
| 36106 | SO | Biberist | Fabrikstrasse 3-35 | Industrial | 0.0 | 0.0 | 100% | 28,869 | 1903 | 1939 | - | - | 5.3 | Sole ownership | 100% | - | - | - | 21,060 | - | - | - | 21,060 | |
| 36107 | SO | Biberist | Fabrikstrasse 31-85 | Industrial | 0.0 | 0.0 | - | 16,000 | 1946 | - | - | - | 5.3 | Sole ownership | 100% | - | - | - | 22,610 | - | - | - | 22,610 | |
| 36108 | SO | Biberist | Fabrikstrasse Insel | Industrial | 0.3 | 0.3 | 95% | 60,400 | 1991 | - | - | - | 4.1 | Sole ownership | 100% | - | - | - | - | - | 17,700 | - | - | 17,700 |
| 36109 | SO | Biberist | Derendingerstrasse 27-29 | Others | 0.0 | 0.0 | - | 44,183 | - | - | - | - | 2.0 | Sole ownership | 100% | - | - | - | - | - | - | - | - | 0 |
| 36501 | SO | Solothurn | Muttenstrasse 13-18 | Industrial | 0.9 | 0.9 | 100% | 29,459 | 1966/1989/2001 | - | - | - | 3.8 | Sole ownership | 100% | - | - | - | 16,500 | - | - | - | 16,500 | |
| 31602 | NE | Neuchâtel | Plot no. 10729 | Others | 0.0 | 0.0 | - | 3,419 | - | - | - | - | 2.9 | Sole ownership | 100% | - | - | - | 5,421 | - | - | - | - | 5,421 |
| Total Espace Mittelland region | | | | | 118.5 | 4.1 | 3.9 | - | 444,539 | - | - | - | - | - | - | - | - | - | 28,031 | 121,938 | 66,404 | 17,700 | 0 | 234,073 |
| 10501 | TG | Ermatingen | Hauptstrasse 181/185 | Logistics | 0.4 | 0.4 | 100% | 12,125 | 1968 | 1997 | - | - | 2.9 | Sole ownership | 100% | - | - | - | - | - | - | - | - | 0 |
| 31503 | TG | Frauenfeld | Walzmühlestrasse 51 | Res. mixed | 0.0 | 0.0 | - | 10,863 | 1832 | 2017 | - | - | 2.6 | Sole ownership | 100% | - | - | - | 3,300 | - | - | - | - | 3,300 |

General Property Details

| Property ID | Canton | Municipality | Property | Main use | Market value* (CHFm) | Full occupancy property income (CHFm) | Annualised property income (CHFm) | Occupancy rate (%) | Net site area (sqm) ² | Year of construction | Year of construction 2 ¹ | Partial renovation | Discount factor (%) | Ownership | Compulsory surveillance (%) | Obligatory remediation | Effective Area to be developed (sqm) | | | | | | |
|--------------------------------------|--------|--------------|---------------------------|----------|----------------------|---------------------------------------|-----------------------------------|--------------------|----------------------------------|----------------------|-------------------------------------|--------------------|---------------------|----------------|-----------------------------|------------------------|--------------------------------------|--------------------------|----------------|----------------|----------------|----------|----------------|
| | | | | | | | | | | | | | | | | | Residential | Residential & Commercial | Industry | Commercial | Office | Total | |
| 31504 | TG | Frauenfeld | Walzmühlestrasse Parking | Others | | 0.0 | 0.0 | 98% | 3,340 | - | - | - | 3.6 | Sole ownership | 100% | - | - | - | - | - | - | | |
| | | | Total Eastern Switzerland | | 10.8 | 0.4 | 0.4 | | 26,328 | | | | | | | | | 0 | 3,300 | 0 | 0 | 0 | 3,300 |
| Total Developpement Portfolio | | | | | 703.2 | 12.9 | 11.6 | 90.0% | 981,788 | | | | | | | | | 43,472 | 326,439 | 153,619 | 192,543 | 0 | 716,073 |

¹ Others refer to land, building rights, parking, official use, power plant; Res. mixed refers to properties with residential and commercial use.

² Net site area does not include agricultural land and land without utilisation (total approximately 1.0 million sqm).

³ Second building phase.

⁴ Except for properties for sale that are recorded at cost. As at 31 December 2022, the property 18105 is recorded at cost.

Report of the Statutory Auditor on the Consolidated Financial Statements



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To the General Meeting of
HIAG Immobilien Holding AG, Basel

Basle, 10 March 2023

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of HIAG Immobilien Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of shareholders' equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 113 to 155) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange and Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial

Report of the Statutory Auditor on the Consolidated Financial Statements



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statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of investment properties (incl. environmental risks)

Risk As at 31 December 2022, investment properties (incl. environmental risks) recognized in the company's consolidated balance sheet amounted to a total of kCHF 1'895'997, representing 95% of total consolidated assets. The valuation of the investment properties (incl. environmental risks) involved the work of external appraisers and is performed at fair value. The fair value assessment for the investment properties is based on assumptions, in particular with regard to development risks, rental income, discount rates, vacancy rates as well as operating, maintenance and repair costs.

The valuation of investment properties is further discussed in section "Significant Accounting and Valuation Policies" and note 5 "Investment properties" of the notes to the consolidated financial statements.

Due to the significance of the carrying amounts and the judgment involved in the assessment of the valuation, this matter was considered significant to our audit.

Our audit response As part of our audit, we assessed the objectivity, independence and competence as well as the applied valuation models of the external real estate and environmental appraiser. Further, we evaluated on a sample basis the appropriateness of the assumptions used in the valuations, in particular with regard to development risks, rental income and sales revenue, discount rates, vacancy rates as well as operating, maintenance and repair costs. We also assessed the underlying key assumptions of the external real estate and environmental appraiser as we discussed those with management and the external experts.

Our audit procedures did not lead to any reservations concerning the valuation of investment properties.

Report of the Statutory Auditor on the Consolidated Financial Statements



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Valuation of Deferred tax liabilities

Risk The recorded Deferred tax liabilities are attributable mainly to valuation differences between the fair values of the properties and the values applicable for tax purposes. As at 31 December 2022, they amounted to kCHF 85'311. The Deferred tax liabilities are discounted at a rate of 2%.

The discounting of Deferred tax liabilities is discussed in section "Significant Accounting and Valuation Policies" and note 25 "Taxes" of the notes to the consolidated financial statements.

Due to the significance of the carrying amounts and the judgment involved in determining these (fair value, remaining holding period, discount and tax rates), this matter was considered significant to our audit.

Our audit response With the involvement of our tax specialists we assessed the assumptions used in determining the Deferred tax liabilities, in particular the estimated holding period of the properties. We compared the assumptions with those of the prior year and our expectations and analyzed deviations. In addition, we assessed the discounting of the deferred tax liabilities.

Our audit procedures did not lead to any reservations concerning the approach and valuation of Deferred tax liabilities.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report (pages 97 to 101) and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER, article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to

Report of the Statutory Auditor on the Consolidated Financial Statements



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enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

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

Ernst & Young Ltd

Fabian Meier
Licensed audit expert
(Auditor in charge)

Daniel Zaugg
Licensed audit expert

Independent valuer's Report



Wüest Partner AG, Bleicherweg 5, 8001 Zurich

HIAG Immobilien Holding AG
Aeschenplatz 7
4052 Basel

Zurich, 13 February 2023

Independent valuer's report Real Estate Property Valuation as at 31.12.2022

To the Executive Board of HIAG Immobilien Holding AG

Ref.
118645.2210

Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Executive Board of HIAG Immobilien Holding AG (HIAG) to perform a valuation, for accounting purposes, of the immovable properties held by HIAG in Switzerland as at 31 December 2022 (reporting date). The valuation encompasses all investment properties, sites and development properties, properties for sale, distinct and permanent rights (building rights), co-ownership shares, agricultural land as well as the power plants in Diesbach, Biberist, Oberaathal-Aabach, Wetzikon-Floos und Wetzikon-Schönau.

Valuation standards

Wüest Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines.

The property values determined correspond to the current value (market value) as described in Swiss GAAP FER 18, item 14.

Definition of fair value

«Fair value» is defined as the amount for which a property would most probably be exchanged on the open market on the valuation date between two independent and knowledgeable parties, willing to buy and sell respectively, with due allowance made for a reasonable marketing period.

Property transfer tax, property gains taxes, value added tax and other costs and commission fees that would be incurred if the property were sold are not included (gross market value). Nor is any account taken of HIAG's liabilities in respect of taxation (apart from ordinary property taxes) and financing costs.

Valuation method

In valuing HIAG's real estate holdings, Wüest Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the

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Independent valuer's Report

total of all projected future net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

The properties under construction were also valued using the discounted cash flow method (DCF). The fair value of the project as at valuation date is been inferred in three steps:

- Valuation of the property at the time of completion – taking into account the current occupancy/sales rate, the market and the cost estimation as at valuation date;
- Calculation of the market value as at valuation date, taking into account the projected investments still to be undertaken;
- Estimate of the development risk in relation to the current project status, and its treatment as a separate cash flow of a cost position.

Properties under construction, which are intended for sale (e.g. condominiums), are valued in accordance with Swiss GAAP FER 17 at the lower of acquisition cost or construction cost and net realisable value. This means that work in progress and production costs are capitalised and subsequent valuation is at the lower value.

Basis of valuation

Wüest Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with due allowance made for a reasonable marketing period.

Within the review period from 1 January 2022 to 31 December 2022, Wüest Partner visited 32 properties belonging to HIAG.

Results

A total of 112 investment properties and property units (investment properties, sites and development properties, properties for sale, distinct and permanent rights (building rights), co-ownership shares as well as agricultural land) were valued as at 31 December 2022 by Wüest Partner. The fair value of the property portfolio of HIAG (before deduction of contamination) is estimated as at 31 December 2022 at 1,998,295,621 Swiss Francs.

Changes during reporting period

Within the review period from 1 January 2022 to 31 December 2022 properties in Niederwil, Wetzikon (consolidation) and Zürich Altstetten were acquired and properties in Allschwil, Diesbach (2 properties), Gempen and Klingnau were sold.

Independent valuer's Report

Independence and confidentiality

Wüest Partner performed the valuation of HIAG's real estate holdings independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest Partner shall accept no liability in respect of third parties.

Zurich, 13 February 2023
Wüest Partner AG



Andreas Ammann
Partner



Silvana Dardikman
Director

Independent valuer's Report

Annex: valuation assumptions

Investment properties

The investment property valuations are based on the following general assumptions:

- **Current value:** Investments, that are being held exclusively for yield purposes, are to be valued according to their fair value, their acquisition or construction costs, less the amortizations. The fair value is being estimated based on the future cash-flow or revenue, under consideration of an appropriate risk/return discount rate or other recognized valuation method. Appreciation, reappreciation or depreciation are to be registered in the periodic result.
- **Surface areas:** The lettable areas were factored into the valuations on the basis of the rent rolls of the HIAG and verbal information provided by HIAG. Discrepancies between this information and the property plans were verified with HIAG.
- **Rent rolls:** The rent rolls from HIAG used in the valuation are dated 1 January 2023 and were received during the period of September 2022 and December 2022.
- **Calculation model:** A two-phase DCF model was adopted. The valuation period extends to infinity from the valuation date, with an implicit residual value in the eleventh period. Exceptions are possible in the case of leasehold properties with a corresponding reversion scenario.
- **Discounting:** Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums. Real discount rates range between 2.00% and 5.30% depending on the property, use and location.
- **Inflation:** Unless otherwise stated, the valuations assume 1.0 per cent annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- **Indexation:** Specific indexation of existing rental agreements is accounted for on an individual basis. After expiry of the contracts, an indexation factor of 80 per cent (Swiss average) and an average contract term of 5 years are assumed.
- **Credit Risks:** Credit risks posed by specific tenants are not explicitly factored into the valuation.
- **Timing of payments:** For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease. Following lease expiry, cash flows for commercial premises are taken to be quarterly in advance, for housing monthly in advance.
- **Recoverability of ancillary costs:** In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- **Maintenance costs:** The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annual renewal fund allowances. The calculated values are plausibility tested using cost benchmarks derived from Wüest Partner surveys.

Independent valuer's Report

Sites and development properties

Wüest Partner also determined the market values of the sites and development properties. The valuations of these projects are based on the following assumptions:

- Partial plots: Where appropriate, HIAG divides the properties into partial plots. For reasons of transparency, this subdivision is taken over by Wüest Partner in the valuations.
- Project development strategy: Where deemed plausible by Wüest Partner, the strategy in relation to project development/promotion (e.g. sale vs. letting) has been taken over from HIAG.
- Background data: The background data of HIAG are verified and adjusted where appropriate (e.g. utilization, lettable areas, schedule/development process, rental/absorption).
- Impartial view: The valuations are subjected to an impartial assessment of income, costs and investment returns.
- Design-and-build or general service contracts: With regard to the service contracts of general and design-and-build contractors, it is assumed that construction costs have been secured.
- Services provided by project developers: The construction costs include the services of HIAG as the developer's representative and the project developer.
- Objects for sale: Property units intended for sale (e.g. condominiums) are valued "at cost". No selling costs are included in the valuations.
- Preparatory work: Where known, preparatory work is taken into account in construction costs (e.g. remediation of legacy contamination, demolition work, infrastructure).
- Incidental costs: Construction costs include the usual incidental costs such as construction finance, but exclude financing of the plot of land. These costs are implicitly included in the DCF model.
- Services provided to date: Where known, value-relevant services provided to date by third parties or by HIAG in the form of investments made are taken into account.
- VAT opt-in: It is assumed that the income from the planned commercial properties is subject to VAT. The construction costs are therefore presented exclusive of VAT.
- Deferred taxes: The valuations do not include any deferred taxes.

Definition of Alternative Performance Measures

This page explains key figures used in financial reporting that are not defined according to Swiss GAAP FER or other standards.

Number of shares outstanding

Number of shares issued less treasury shares

Distribution per share

Annual distribution to shareholders in the form of a dividend, a repayment of capital contribution reserves or a par value reduction per share

Payout ratio

Distribution per share in proportion to the net profit, less the change in value from properties and deferred taxes during the reporting year

Dividend yield

The planned dividend (according to the proposal to the General Meeting) per share in relation to the stock market price on the balance sheet date

Market capitalisation

Stock market price on the balance sheet date multiplied by the number of shares issued

Net income excl. revaluation

Net income excl. change in value from revaluation of investment properties and attributable deferred taxes

Net income per share

Net income divided by the weighted average number of shares outstanding during the reporting period

Loan to Value gross (LTV)

Total financial liabilities in relation to total value of investment properties

Loan to Value net (LTV)

Total financial liabilities less cash and cash equivalents in relation to total value of investment properties

Net Asset Value (NAV)

Net asset value or value of equity as per consolidated financial statements

Potential property income

Expected property income at full occupancy before losses for vacancies or rent reductions

Annualised property income

Dynamic view of property income: annual rent based on existing rental contracts at a defined reporting date

Definition of Alternative Performance Measures

Vacancy rate

Calculated as the sum of all rent losses from unrented space (vacancy) as of the reporting date, divided by the target property income as of the reporting date

Remaining term of financial liabilities

Sum of the financial liabilities weighted with the maturities divided by the product of the financial liabilities multiplied by the factor 365

Interest rate of financial liabilities

Total financial liabilities weighted with interest rates divided by total financial liabilities

Funds from Operations (FFO)

Presents the operating cash flow, corrected by changes in net working capital

Alternative Performance Measures

The following key figures were calculated on the basis of customary international parameters and enable a comparison with other market participants.

Operating profit and operating profit per share

The operating profit shows the Group's net income, adjusted for revaluation effects, income from the sale of properties, income from the sale of real estate investments and the corresponding tax effects.

| in TCHF | 2022 | 2021 |
|--|---------------|---------------|
| Net income for the period | 99,406 | 89,263 |
| Adjusted for; | | |
| Revaluation of properties | -64,306 | -60,523 |
| Profit from sale of investment properties | -6,039 | -16,543 |
| Profit from sale of properties | -4,649 | - |
| Tax on sale of properties | 601 | - |
| Tax on profits or losses of sale of investment properties | 1,275 | 2,329 |
| Deferred taxes from revaluation | 3,239 | 8,255 |
| Operating profit | 29,527 | 22,781 |
| Average number of outstanding shares | 10,092,004 | 8,592,296 |
| Earnings per share in CHF | 2.93 | 2.65 |
| Company specific adjustments: | | |
| Depreciation on financial assets related to Cloud Services | - | 1,867 |
| Contribution Jaeger et Bosshard SA | -1,352 | -1,441 |
| Company-specific operating profit in TCHF | 28,175 | 23,207 |
| Company specific Adjusted EPS in CHF | 2.79 | 2.70 |

Adjusted shareholders' equity (NAV) and adjusted shareholders' equity (NAV) per share

The adjusted shareholders' equity shows the shareholders' equity adjusted for the valuation differences of properties for sale, the market value of financial instruments and deferred taxes.

| in TCHF | 2022 | 2021 |
|--|------------------|------------------|
| Shareholders' equity (NAV) according to the consolidated annual financial statements | 1,062,282 | 988,999 |
| Diluted equity (NAV) | 1,062,282 | 988,999 |
| Adjustments: | | |
| Revaluation of properties for sale | 26,283 | 13,549 |
| Supplement: | | |
| Fair value of derivative financial instruments | n/a | n/a |
| Deferred taxes | 85,311 | 81,084 |
| Adjusted shareholders' equity (NAV) | 1,173,876 | 1,083,632 |
| Number of outstanding shares | 10,096,019 | 10,085,833 |
| Adjusted shareholders' equity (NAV) per share in CHF | 116.27 | 107.44 |

Alternative Performance Measures

Funds from operations (FFO)

FFO is defined as the cash flow derived from regular, ongoing business activities.

| in TCHF | 31.12.2022 | 31.12.2021 ¹ |
|--|---------------|-------------------------|
| Cash flow from operating activities | 23,576 | 20,094 |
| Investments in properties for sale | 7,386 | 2,684 |
| Changes in net working capital (excl. properties for sale) | 4,005 | -2,681 |
| Funds from operations | 34,967 | 20,097 |
| Average number of outstanding shares | 10,092 | 8,592 |
| Funds from operations per share in CHF | 3.46 | 2.34 |

¹ Funds from operations will be reported for the first time for a financial year. The figures for the previous period were calculated on the same method as in the reporting period and are used for comparison purposes.

Vacancy rate on the balance sheet date and a “like-for-like” view

The vacancy rate corresponds to the vacancies as a result of non-rental in percent and taking account of the market rent for the vacant spaces according to an annualised view.

| in TCHF | 31/12/2022 | 31/12/2021 |
|--|-------------|--------------|
| Estimated potential rental income from vacant spaces | 4,905 | 7,581 |
| Estimated rental value of the whole portfolio | 77,179 | 70,667 |
| Vacancy rate at balance sheet date | 6.4% | 10.7% |
| Vacancy rate (like-for-like) | 6.4% | 10.6% |

Annual financial statements of HIAG Immobilien Holding AG

Balance Sheet

| in TCHF | | 31/12/2022 | 31/12/2021 |
|--|----------|----------------|----------------|
| Cash and cash equivalents | | 2,674 | 38,814 |
| Trade receivables | 1 | 69 | - |
| Other current receivables | 2 | 805 | 1,699 |
| Current financial assets | 3 | 500 | 1,040 |
| Prepayments and accrued income | 4 | 1,107 | 1,211 |
| Current assets | | 5,155 | 42,765 |
| Financial assets ¹ | 5 | 689,943 | 802,443 |
| Participations ¹ | 6 | 78,863 | 78,471 |
| Non-current assets | | 768,806 | 880,914 |
| Assets | | 773,961 | 923,679 |
| Trade payables | | 27 | 75 |
| Other current non-interest-bearing liabilities | | 6 | 12 |
| Current interest-bearing financial liabilities | 7 | 115,000 | 275,000 |
| Tax liabilities | | 184 | 214 |
| Accrued expenses and deferred income | | 3,917 | 3,907 |
| Short-term provisions | | 42 | 59 |
| Short-term liabilities | | 119,175 | 279,266 |
| Non-current interest-bearing financial liabilities | 7 | 460,000 | 425,000 |
| Non-current liabilities | | 460,000 | 425,000 |
| Total liabilities | | 579,175 | 704,266 |
| Share capital | | 10,120 | 10,120 |
| - Statutory capital reserves | | 1,610 | 1,610 |
| - Statutory reserves from capital contribution | | 171,166 | 184,782 |
| Total statutory capital reserves | | 172,776 | 186,393 |
| Statutory retained earnings | 8 | 7,942 | 8,266 |
| - Amount carried forward from previous year | | 5,087 | 24,290 |
| - Net income | | 1,661 | -5,587 |
| Accumulated profit | | 6,748 | 18,703 |
| Treasury shares | 8 | -2,801 | -4,069 |
| Shareholders' equity | 9 | 194,785 | 219,413 |
| Liabilities and shareholders' equity | | 773,961 | 923,679 |

¹ See explanations in the notes under note 5 and note 6.1 regarding the adjustment of the previous year.

Annual financial statements of HIAG Immobilien Holding AG

Income Statement

| in TCHF | | 2022 | 2021 |
|------------------------------------|----|----------------|----------------|
| Financial income | | 12,028 | 10,161 |
| Other operating income | | 1 | - |
| Operating Income | | 12,029 | 10,161 |
| Personnel expenses | | -54 | -41 |
| Insurance and fees | 10 | -81 | -1,599 |
| General operating expenses | | -152 | -181 |
| Office and administrative expenses | 11 | -2,485 | -2,873 |
| Communication expenses | | -202 | -253 |
| Financial expenses | 12 | -7,394 | -10,801 |
| Operating expenses | | -10,368 | -15,748 |
| Earnings before taxes | | 1,661 | -5,587 |
| Net income | | 1,661 | -5,587 |

Annual financial statements of HIAG Immobilien Holding AG

Notes to the Financial Statement

Company information

HIAG Immobilien Holding AG is a joint stock company under Swiss law with its headquarters in Basel. It has fewer than ten employees (previous year: less than ten).

HIAG Immobilien Holding is the parent company of the HIAG Immobilien Holding Group, which prepares its consolidated financial statements in accordance with Swiss GAAP FER.

Financial reporting law applied

This financial statement was prepared in accordance with the provisions of Swiss financial reporting law (Title 32 of the Code of Obligations).

The presentation of trade receivables, other current receivables / other current liabilities and those of financial assets is detailed in the notes.

Accounting principles applied in this financial statement

Definition of "Group"

"Group" refers to the companies of the HIAG Group. Receivables and current accounts are listed under "Current assets" and long-term loans under "Fixed assets".

Financial assets

Financial assets include long-term loans with Group companies, shareholders, associates and employees of the Group or third parties.

Participations

The investments are valued at acquisition cost less necessary impairments.

Interest-bearing financial liabilities

Financing and bonds are listed as "Interest-bearing financial liabilities" and are reported at nominal value. The transaction costs are amortised over the term of the bonds. The difference between the equivalent value received and the repayment amount is also amortised. Payments due within 12 months are classified "Current financial liabilities".

Estimates and assessments

Financial statements require estimates and assessments from the Board of Directors that could influence the amount of reported assets and liabilities and contingent liabilities on the date the balance sheet is prepared, as well as expenses and income during the reporting period. In each case, the Board of Directors makes a discretionary decision regarding use of available leeway in statutory evaluation and reporting. Therefore, under the conservatism principle, depreciation, amortisation and provisions can be formed over and beyond the operationally necessary amount if it is in the best interest of the company.

Annual financial statements of HIAG Immobilien Holding AG

Personnel expenses

If the employer's own shares are issued as part of employee share or option plans, the positive difference between the cost price or book value of the treasury share and the amount paid by the employee (exercise price) constitutes personnel expenses.

Direct taxes

Taxes on earnings are listed under "Taxes", whereas capital or property taxes are listed under "General operating expenses".

Non-inclusion of additional information in the Notes

As HIAG Immobilien Holding AG prepares consolidated financial statements in accordance with an accepted accounting standard (Swiss GAAP FER), it has not included additional information in the notes, the presentation of the cash flow statement and the management report.

Statutory reserves from capital contributions

The reported capital contribution reserves as at 31 December 2022 in the amount of TCHF 171,166 were recognised in the amount of TCHF 163,534 in accordance with the letter from the FTA.

Annual financial statements of HIAG Immobilien Holding AG

1 Trade receivables

| in TCHF | 31/12/2022 | 31/12/2021 |
|----------------------------|------------|------------|
| Trade receivables to group | 69 | - |
| Total | 69 | - |

2 Other current receivables

| in TCHF | 31/12/2022 | 31/12/2021 |
|--|------------|--------------|
| Other current receivables to third parties | 97 | 111 |
| Other current receivables to group | 617 | 1,559 |
| Other current receivables to shareholders | 66 | 26 |
| Other current receivables to associates | 25 | 3 |
| Total | 805 | 1,699 |

3 Current financial assets

| in TCHF | 31/12/2022 | 31/12/2021 |
|---|------------|--------------|
| Current financial assets to third parties | - | 1,000 |
| Current financial assets to shareholders | 500 | 40 |
| Total | 500 | 1,040 |

4 Prepayments and accrued income

| in TCHF | 31/12/2022 | 31/12/2021 |
|---|--------------|--------------|
| Prepayments and accrued income to third parties | 1,107 | 1,125 |
| Prepayments and accrued income to group | - | 86 |
| Total | 1,107 | 1,211 |

5 Financial assets

| in TCHF | 31/12/2022 | 31/12/2021 |
|--|----------------|----------------|
| Financial assets to third parties | 5,935 | 5,892 |
| Financial assets to group ¹ | 681,450 | 793,722 |
| Financial assets to shareholders | 990 | 2,290 |
| Financial assets to associates | 1,568 | 539 |
| Total | 689,943 | 802,443 |

¹ In the previous year, the loan of TCHF 539 to HIAG Solar AG was reported under investments. This loan is shown in 2022 under financial assets to the Group. The previous year was adjusted accordingly. The financial assets vis-à-vis the Group include loans with subordination in the amount of TCHF 7,500 (previous year: TCHF 7,300).

Annual financial statements of HIAG Immobilien Holding AG

6 Participations

Direct participations / associated companies as of 31 December 2022

| Company | Headquarters | Share capital in TCHF | Share 2022 ¹ in % | Share 2021 ¹ in % | Participation book value 2022 in TCHF | Participation book value 2021 in TCHF |
|-----------------------------|--------------|--------------------------|---------------------------------|---------------------------------|---|---|
| HIAG Immobilien Schweiz AG | Zurich | 11,000 | 100 | 100 | 78,373 | 78,373 |
| HIAG Immobilien AG | Zurich | 10,000 | 100 | 100 | - | - |
| HIAG Real Estate AG | Zurich | 400 | 100 | 100 | - | - |
| HIAG Labs AG | Zurich | 100 | 100 | 100 | - | - |
| HIAG Solar AG ³ | Münchenstein | 1,000 ⁴ | 49 | 49 | 490 | 98 ² |
| Total participations | | - | - | - | 78,863 | 78,471 |

¹ Voting rights and capital share

² The previous year was reported including loans to HIAG Solar AG of TCHF 539.

³ Associated company

⁴ Previous year: TCHF 200

Indirect participations as of 31 December 2022

| Company | Headquarters | Share capital in TCHF | Share 2022 ¹ in % | Share 2022 ¹ in % |
|--|--------------|--------------------------|---------------------------------|---------------------------------|
| HIAG Immobilier Léman SA | Geneva | 1,000 | 100% | 100% |
| Léger SA | Lancy | 400 | 100% | 100% |
| Weeba SA | Lancy | 100 | 100% | 100% |
| Pellarin-Transports SA | Lancy | 50 | 100% | 100% |
| Promo-Praille SA | Lancy | 200 | 100% | 100% |
| Jaeger et Bosshard SA | Lancy | 1,175 | 100% | 100% |
| Société coopérative en faveur du développement des terrains industriels de la Praille-Sud | Lancy | 35 | 100% | 100% |
| Trans Fiber Systems SA | Menziken | 107 | 100% | 100% |

¹ Voting rights and capital share.

7 Current and non-current interest-bearing financial liabilities

The bonds due in 2023 in the amount of TCHF 115,000 (previous year: TCHF 275,000) are reported under current financial liabilities.

Terms and conditions of financial liabilities as at 01 January 2023

| Benchmarks | Bond May 2022 | Bond July 2021 | Bond May 2019 | Bond July 2016 |
|-----------------|--|------------------------|------------------------|------------------------|
| Amount | TCHF 150,000 | TCHF 160,000 | TCHF 150,000 | TCHF 115,000 |
| | 4 years and 5 months (30/05/2022 | 7 years (01/07/2021 | 5 years (08/05/2019 | 7 years (04/07/2016 |
| Maturity | -30/10/2026) | -30/06/2028) | -08/05/2024) | -04/07/2023) |
| Interest rate | 1.77% | 0.75% | 0.875% | 1.0% |
| Listing | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange |
| Security number | 117,297,282 | 111,201,158 | 47,129,798 | 32,637,142 |
| ISIN | CH1172972825 | CH1112011585 | CH0471297983 | CH0326371421 |

Annual financial statements of HIAG Immobilien Holding AG

Terms and conditions of financial liabilities as at 01 January 2022

| Benchmarks | Bond July 2021 | Bond May 2019 | Bond October 2018 | Bond May 2017 | Bond July 2016 |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Amount | TCHF 160,000 | TCHF 150,000 | TCHF 125,000 | TCHF 150,000 | TCHF 115,000 |
| | 7 years | 5 years | 4 years | 5 years | 7 years |
| | (01/07/2021) | (08/05/2019) | (26/10/2018) | (30/05/2017) | (04/07/2016) |
| Maturity | -30.06.2028) | -08/05/2024) | -26/10/2022) | -30/05/2022) | -04/07/2023) |
| Interest rate | 0.75% | 0.875% | 1.0% | 0.8% | 1.0% |
| Listing | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange |
| Security number | 111,201,158 | 47,129,798 | 43,467,844 | 36,274,830 | 32,637,142 |
| ISIN | CH1112011585 | CH0471297983 | CH0434678444 | CH0362748300 | CH0326371421 |

8 Treasury shares

| TCHF except for number of shares | 31/12/2022 | Number of shares | 31/12/2021 | Number of shares |
|----------------------------------|------------|------------------|------------|------------------|
| Book value as at 01.01. | 4,069 | 33,767 | 5,211 | 42,942 |
| Allocation | -1,268 | -10,186 | -1,142 | -9,175 |
| Book value as at 31.12. | 2,801 | 23,581 | 4,069 | 33,767 |

In the reporting year and in the previous year, the company did not purchase any of its own shares in HIAG Immobilien Holding AG. 10,186 (previous year: 9,175) shares were allocated to employees within the framework of the employee participation programme and the "Long-Term Incentive Plan" (LTIP). As part of the allocation of the shares, a valuation loss (difference between purchase price and transaction price) of TCHF 324 (previous year: TCHF 211) was realised and booked against the legal retained earnings.

The average transaction price of the shares diluted in the reporting year amounted to CHF 92.65 (previous year: CHF 101.55).

9 Shareholders' equity

| In TCHF except for number of shares | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Share capital | 10,120 | 10,120 |
| Registered shares as at 31 December (nominal value of CHF 1.00) | 10,119,600 | 10,119,600 |

No changes in equity took place in the reporting year. On 16 November 2021, HIAG Immobilien Holding AG issued 1,686,600 new registered shares with a nominal value of CHF 1.00 as part of a capital increase. The issue price per share was CHF 95.00.

| in TCHF | 31.12.2022 | 31.12.2021 |
|--|------------|------------|
| Authorised share capital as at 01.01. | 1,230 | 1,217 |
| Extraordinary General Meeting | - | 1,700 |
| Share capital increase | - | -1,687 |
| Unused authorised share capital (expired as of 23/04/2022) | -1,217 | - |
| Authorised share capital as at 31.12. | 13 | 1,230 |

According to Article 3c of the Articles of Association, the Board of Directors is authorised in terms of the authorised share capital to increase the share capital of the Company by a maximum of TCHF 13,400 until 29 September 2023.

Annual financial statements of HIAG Immobilien Holding AG

As at 31 December 2022, conditional share capital amounted to TCHF 350 (previous year: TCHF 350).

10 Insurance and fees

| in TCHF | 2022 | 2021 |
|----------------------------------|------|--------|
| Insurance and fees | -81 | -1,599 |
| - thereof capital increase costs | - | -1,580 |

11 Office and administrative expenses

| in TCHF | 2022 | 2021 |
|--|--------|--------|
| Office and administrative expenses | -2,485 | -2,873 |
| - thereof Board of Directors fees ¹ | -1,373 | -1,233 |
| - thereof capital increase costs | - | -386 |

¹ The General Counsel is simultaneously a member of the Board of Directors and a member of the Management Board. His total compensation is reported under compensation of the Board of Directors only.

12 Financial expenses

| in TCHF | 2022 | 2021 |
|----------------------------------|--------|---------|
| Financial expenses | -7,394 | -10,801 |
| - thereof interest on bonds | -6,750 | -6,023 |
| - thereof issuing expenses | -398 | -415 |
| - thereof amortisation | -37 | -1,867 |
| - thereof capital increase costs | - | -2,303 |

13 Contingent liabilities

| in TCHF | 31/12/2022 | 31/12/2021 |
|-----------------------------|------------|------------|
| Guarantees to third parties | 30,200 | 30,501 |
| Total | 30,200 | 30,501 |

The contingent liabilities involve primarily a guarantee from HPE in connection with the dissolved Cloud segment in the amount of TCHF 30,000. As all contracts have been fulfilled, HIAG has been released from the liability of this contract as of 14 February 2023.

Annual financial statements of HIAG Immobilien Holding AG

14 Significant shareholders

| Share of voting rights | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Shareholder group comprising: | 54.6% | 54.4% |
| – SFAG Holding AG ¹ | 20.0% | 43.8% |
| – HIAG Beteiligung Holding AG | - | 4.1% |
| – Grisgros AG | - | 3.8% |
| – Grisgros Beteiligungs AG ² | 17.7% | - |
| – Senft AG | - | 2.8% |
| – BraChe Beteiligungs AG ³ | 16.8% | - |
| UBS Fund Management CH AG | 3.8% | 3.8% |

¹ SFAG Holding AG is controlled by Dr Felix Grisard as at 31/12/2022.

² Grisgros Beteiligungs AG is controlled by Andrea Grisard.

³ BraChe Beteiligungs AG is controlled by Salome Grisard Varnholt.

On 14 April 2014, the members of the shareholder group concluded a shareholders' agreement within the meaning of Art. 121 of the FMIA. This was replaced by the shareholders' agreement of 6 December 2022, which is essentially identical in content. The changes essentially concern the parties to the shareholders' agreement, as the beneficial owners have partially transferred their shares to newly founded holding companies.

14.1 Participation of the Executive Board and the Board of Directors including related parties

| Number of shares | 31/12/2022 | 31/12/2021 |
|---|------------------|----------------|
| HIAG Beteiligung Holding AG ¹ | - | 410,000 |
| SFAG Holding AG ² | 2,026,471 | - |
| Senft AG | - | 282,896 |
| BraChe Beteiligungs AG ³ | 1,699,796 | - |
| Balz Halter, Member of the Board of Directors | 8,418 | 8,418 |
| Dr. Jvo Grundler, Member of the Board of Directors, General Counsel | 47,845 | 47,402 |
| Marco Feusi, CEO | 23,719 | 20,022 |
| Rico Müller, CFO ⁴ | 876 | 364 |
| Total | 3,807,125 | 769,102 |

¹ Dr Felix Grisard and Salome Grisard Varnholt were shareholders on the Board of Directors of SFAG Holding AG in the previous year, which held 4,432,771 shares in HIAG Immobilien Holding AG until December 2022. SFAG Holding AG was the main shareholder of HIAG Immobilien Holding AG until December 2022 with a shareholding of 43.8%. Dr Felix Grisard and Salome Grisard Varnholt jointly held two-thirds of the shares of SFAG Holding AG directly and indirectly. In December 2022, with retroactive effect from 1 September 2022, some of the assets of SFAG Holding AG as a joint holding company of the siblings Dr Felix Grisard, Andrea Grisard and Salome Grisard Varnholt were transferred to Grisgros Beteiligungs AG, held by Andrea Grisard, and BraChe Beteiligungs AG, held by Salome Grisard Varnholt, as part of a demerger. After completion of the two spin-offs, Dr Felix Grisard remains the sole shareholder of SFAG Holding AG, which is why the shares of the company held by SFAG Holding AG as of 31 December 2022 were attributed to him. Similarly, the shares now held by BraChe Beteiligungs AG are attributed to Salome Grisard. Furthermore, in connection with the two spin-offs, the shares in the company held by HIAG Beteiligung Holding AG were transferred to BraChe Beteiligungs AG, Grisgros Beteiligungs AG and SFAG Holding AG, and the shares in the company held by Senft AG were transferred to BraChe Beteiligungs AG.

² SFAG Holding AG is controlled by Dr Felix Grisard.

³ BraChe Beteiligungs AG is controlled by Salome Grisard Varnholt.

⁴ Retired from the Executive Board as of 31.10.2022 (still employed as of 31/12/2022).

Annual financial statements of HIAG Immobilien Holding AG

15 Events after the balance sheet date

A fixed-rate bond on the Swiss capital market in the amount of CHF 100 million with a coupon of 3.13% and a term of 6 years, maturing as of 16 February 2029 was successfully placed on 17 January 2023. The proceeds shall be used to refinance the fixed-rate bond maturing on 4 July 2023.

Annual financial statements of HIAG Immobilien Holding AG

Appropriation of profit

For financial year 2022, the Board of Directors proposes to the General Meeting on 27 April 2023 the distribution of a dividend of CHF 2.90 gross per share for a maximum of 10,119,600 outstanding shares. The maximum total distribution is TCHF 29,347 with a maximum of TCHF 6,748 distributed from the net profit and a maximum of TCHF 22,599 from reserves from capital contributions. A dividend of CHF 2.70 gross per share was distributed in the previous year.

| Proposal of the Board of Directors for the appropriation of the net profit in TCHF | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Net income | 1,661 | -5,587 |
| Amount carried forward from previous year | 5,087 | 24,290 |
| Accumulated profit | 6,748 | 18,703 |
| Dividend payment out of the distributable profit | -6,748 | -13,661 |
| Amount carried forward to next year | - | 5,042 |

| in TCHF | 31/12/2022 | 31/12/2021 |
|--|------------|------------|
| Statutory reserves from capital contribution before dividend payment | 171,166 | 184,782 |
| Dividend payment | -22,599 | -13,661 |
| Statutory reserves from capital contribution after dividend payment | 148,567 | 171,121 |

Treasury shares are not entitled to a dividend. The final figure for the distribution of retained earnings and capital contribution reserves depends on the number of treasury shares and the consequent number of shares with dividend entitlement issued by the date of the dividend distribution. If HIAG holds treasury shares on the date of the dividend distribution, the distribution from the retained earnings and capital contribution reserves will be correspondingly lower.

Report of the Statutory Auditor with Financial Statements



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To the General Meeting of
HIAG Immobilien Holding AG, Basel

Basle, 10 March 2023

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of HIAG Immobilien Holding AG (the Company), which comprise the statement of balance sheet as at 31 December 2022 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 169 to 179) comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Key audit matters

We have determined that there are no key audit matters to communicate in our report.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report (pages 97 to 101) and our auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Report of the Statutory Auditor with Financial Statements



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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings and the proposed repayment of legal capital reserve comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Fabian Meier
Licensed audit expert
(Auditor in charge)

Daniel Zaugg
Licensed audit expert

GRI Content Index



**CONTENT INDEX
ESSENTIALS SERVICE**

2023

HIAG Immobilien Holding AG has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. This service was provided for the German version of the report.

The sustainability report was published on 13 March 2023. Contact person is Marco Feusi, marco.feusi@hiag.com (GRI 2-3).

| GRI-Standard | Disclosure | Information |
|---|---|-----------------|
| GRI Universal Standards | | |
| GRI 1: Foundation 2021 | | |
| GRI 2: General Disclosures 2021 | | |
| | <i>The organization and its reporting practices</i> | |
| | 2-1: Organizational details | Page 22 |
| | 2-2: Entities included in the organization's sustainability reporting | Page 22 |
| | 2-3: Reporting period, frequency and contact point | Page 23, 182 |
| | 2-4: Restatements of information | Page 22 |
| | 2-5: External assurance | Page 22 |
| | <i>Activities and workers</i> | |
| | 2-6: Activities, value chain and other business relationships | Page 13, 37 |
| | 2-7: Employees | Page 32 |
| | 2-8: Workers who are not employees | Page 32 |
| | <i>Governance</i> | |
| | 2-9: Governance structure and composition | Page 64, 70 |
| | 2-10: Nomination and selection of the highest governance body | Page 70 |
| | 2-11: Chair of the highest governance body | Page 70 |
| | 2-12: Role of the highest governance body in overseeing the management of impacts | Page 23 |
| | 2-13: Delegation of responsibility for managing impacts | Page 23, 81 |
| | 2-14: Role of the highest governance body in sustainability reporting | Page 23 |
| | 2-15: Conflicts of interest | Page 66, 70, 80 |
| | 2-16: Communication of critical concerns | Page 60 |
| | 2-17: Collective knowledge of the highest governance body | Page 35, 70 |
| | 2-18: Evaluation of the performance of the highest governance body | Page 81 |
| | 2-19: Remuneration policies | Page 90 |
| | 2-20: Process to determine remuneration | Page 91 |
| | 2-21: Annual total compensation ratio | Page 36 |
| | <i>Strategy, policies and practices</i> | |
| | 2-22: Statement on sustainable development strategy | Page 11 |
| | 2-23: Policy commitments | Page 36, 37 |
| | 2-24: Embedding policy commitments | Page 36, 37, 60 |
| | 2-25: Processes to remediate negative impacts | Page 24, 26, 60 |
| | 2-26: Mechanisms for seeking advice and raising concerns | Page 60 |
| | 2-27: Compliance with laws and regulations | Page 60 |
| | 2-28: Membership associations | Page 62 |
| | <i>Stakeholder engagement</i> | |
| | 2-29: Approach to stakeholder engagement | Page 24 |
| | 2-30: Collective bargaining agreements | Page 35 |
| GRI 3: Material Topics 2021 | | |
| | Disclosures on material topics | |
| | 3-1: Process to determine material topics | Page 24 |
| | 3-2: List of material topics | Page 24 |
| GRI Sector Standards | | |
| The Sector Standard "Real Estate" relevant for HIAG is not yet available. | | |

GRI Content Index

| GRI Topic Standards | | |
|--|---|---|
| Urban planning standards and location development | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 38 References to policy and codes: pages 22, 36, 37 |
| GRI 413: Local Communities 2016 | 413-1: Operations with local community engagement, impact assessments, and development programs | Page 38, 39 |
| <i>Own Disclosure</i> | Neu geschaffene Kapazitäten | Page 39 |
| Construction and resource use | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 41, 56 References to policy and codes: pages 22, 36, 37 |
| <i>Own Disclosure</i> | Share of certified buildings | Page 56 |
| GRI 303: Water and Effluents 2018 | 303-5: Water consumption | Page 56 |
| Biodiversity | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 59 References to policy and codes: pages 22, 36, 37 |
| GRI 304: Biodiversity 2016 | 304-2: Significant impacts of activities, products, and services on biodiversity | Page 59 |
| Data protection | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 60 References to policy and codes: pages 22, 36, 37 |
| GRI 418: Customer Privacy 2016 | 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 60 |
| Energy | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 41 References to policy and codes: pages 22, 36, 37 |
| GRI 302: Energy 2016 | 302-1: Energy consumption within the organization | Page 43, 47 |
| | 302-3: Energy intensity | Page 43, 47 |
| | 302-4: Reduction of energy consumption | Page 43, 48 |
| Innovation | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 39 References to policy and codes: pages 22, 36, 37 |
| <i>Own Disclosure</i> | Ongoing innovation projects in the reporting year | Page 39 |
| Climate change | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 41, 51 References to policy and codes: pages 22, 36, 37 |
| GRI 305: Emissions 2016 | 305-1: Direct (Scope 1) GHG emissions | Page 43, 51 |
| | 305-2: Energy indirect (Scope 2) GHG emissions | Page 43, 51 |
| | 305-3: Other indirect (Scope 3) GHG emissions | Page 43, 51, 53, |
| | 305-4: GHG emissions intensity | Page 43, 53 |
| | 305-5: Reduction of emissions | Page 43, 54 |
| Long-term business model | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 60 References to policy and codes: pages 22, 36, 37 |
| GRI 201: Economic Performance 2016 | 201-1: Direct economic value generated and distributed | Page 115 |

GRI Content Index

| Supply chain | | |
|---|---|---|
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 37 References to policy and codes: pages 22, 36, 37 |
| GRI 204: Procurement Practices 2016 | 204-1: Proportion of spending on local suppliers | Page 37 |
| Employees | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 32 References to policy and codes: pages 22, 36, 37 |
| GRI 401: Employment 2016 | 401-1: New employee hires and employee turnover | Page 33 |
| | 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 32 |
| | 401-3: Parental leave | Page 36 |
| GRI 404: Training and Education 2016 | 404-1: Average hours of training per year per employee | Page 35 |
| | 404-3: Percentage of employees receiving regular performance and career development reviews | Page 32 |
| Mobility | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 55 References to policy and codes: pages 22, 36, 37 |
| <i>Own Disclosure</i> | Modal split in business travel | Page 55 |
| User satisfaction | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 38 References to policy and codes: pages 22, 36, 37 |
| GRESB | GRESB TC2.1 Has the entity undertaken tenant satisfaction surveys within the last three years? | Page 38 |
| Reputation | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 60 References to policy and codes: pages 22, 36, 37 |
| <i>Own Disclosure</i> | Information regarding transparency and fair competition | Page 60 |
| Transparency | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 60 References to policy and codes: pages 22, 36, 37 |
| GRI 415: Public Policy 2016 | 415-1: Political contributions | Page 39 |
| GRI 417: Marketing and Labeling 2016 | 417-2: Incidents of non-compliance concerning product and service information and labeling | Page 60 |
| | 417-3: Incidents of non-compliance concerning marketing communications | Page 60 |
| Corporate culture | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 32 References to policy and codes: pages 22, 36, 37 |
| GRI 402: Labor/Management Relations 2016 | 402-1: Minimum notice periods regarding operational changes | Page 35 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1: Diversity of governance bodies and employees | Page 33 |
| Responsible corporate governance | | |
| GRI 3: Material Topics 2021 | 3-3: Management of material topics | Page 60 References to policy and codes: pages 22, 36, 37 |
| GRI 205: Anti-corruption 2016 | 205-3: Confirmed incidents of corruption and actions taken | Page 60 |
| GRI 206: Anti-competitive Behavior 2016 | 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Page 60 |

Remarks

Due to rounding, there may be minor discrepancies in the totals and percentage calculations in this annual report.

Gender-specific statements are to be understood in the context of all genders.

The Annual Report of HIAG Immobilien Holding AG is available in German and English. The original German version is binding.

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Calendar

27. April 2023
Annual General Meeting

28. August 2023
Publication half-year result 2023

26. September 2023
HIAG Capital Market Day

4. March 2024
Publication year-end results 2023

18. April 2024
Annual General Meeting

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