

HIAG

Half-Year Report



Financial Report

Consolidated Half-Year

Financial Statements

30 June 2022

(in accordance with
Swiss GAAP FER)

Consolidated Balance Sheet

in TCHF		30/06/2022	31/12/2021
Cash and cash equivalents		39,308	87,350
Trade receivables	1	6,063	4,130
Other current receivables		6,203	6,445
Inventory		646	592
Other current financial assets		1,365	1,421
Properties for sale	2	34,620	32,111
Prepayments and accrued income		4,607	3,980
Current assets		92,812	136,028
Other non-current receivables		5,229	5,186
Investment properties	3	1,833,176	1,752,318
Intangible fixed assets		248	-
Other property, plant and equipment		1,283	1,215
Financial assets		8,185	8,264
Financial assets associated companies		1,568	539
Shares in associated companies		478	94
Non-current assets		1,850,166	1,767,615
Total assets		1,942,978	1,903,643

Financial Report

Consolidated Balance Sheet

in TCHF		30/06/2022	31/12/2021
Current financial liabilities	5	127,397	277,574
Trade payables		5,595	4,825
Other current liabilities		10,664	9,279
Current provisions	4	3,785	3,429
Tax liabilities		499	4,283
Accrued expenses and deferred income		26,719	16,629
Current liabilities		174,659	316,020
Non-current financial liabilities	5	664,280	515,313
Other non-current liabilities		55	-
Non-current provisions	4	2,727	2,227
Deferred taxes	12	82,557	81,084
Non-current liabilities		749,619	598,625
Total liabilities		924,278	914,645
Share capital	13	10,120	10,120
Capital reserves		170,508	184,360
Treasury shares		-3,074	-4,069
Retained earnings		841,146	798,588
Shareholders' equity		1,018,700	988,999
Total liabilities and shareholders' equity		1,942,978	1,903,643

Financial Report

Consolidated Income Statement

in TCHF		H1 22	H1 21
Property income	6	32,428	30,644
Revaluation of properties	7	42,291	32,238
Income from sale of properties		2,259	–
Profit from sale of investment properties		1,086	1,661
Other operating income		5,202	6,827
Total operating income		83,267	71,370
Direct expenses from sales of properties		-1,432	–
Cost of materials		-2,771	-2,780
Personnel expenses	9	-7,919	-6,965
Maintenance and repairs	10	-2,634	-2,741
Insurance and fees		-594	-473
Energy costs and building maintenance		-1,009	-515
General operating expenses		-105	-204
Office, administrative and development expenses		-3,240	-3,515
Marketing and selling expenses		-248	-378
Rent and leases		-959	-854
Total operating expenses		-20,913	-18,425
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		62,354	52,944
Depreciation and amortisation		-328	-237
Earnings before interest and taxes (EBIT)		62,026	52,707
Financial income	11	268	283
Financial expenses	11	-4,024	-5,895
Share of results from associated companies		-7	–
Earnings before taxes (EBT)		58,263	47,093
Taxes	12	-2,161	-5,147
Net income for the period		56,102	41,946
Undiluted earnings per share (in CHF)		10.25	9.01
Diluted earnings per share (in CHF)		10.25	9.01

Financial Report

Consolidated Cash Flow Statement

in TCHF	H1 22	H1 21
Cash flow from operating activities	7,372	14,187
Cash flow from investment activities	-27,551	-80,223
Cash flow from financing activities	-27,915	72,672
Effects from foreign exchange	52	20
Increase/decrease in cash and cash equivalents	-48,042	6,656
Cash and cash equivalents at 01/01/	87,350	19,706
Increase/decrease in cash and cash equivalents	-48,042	6,656
Cash and cash equivalents at 30/06/	39,308	26,363

Financial Report

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	-19,297
Allocation of treasury shares	-	-106	696	-562	27
Share-based compensation programmes	-	-	-	258	258
Badwill	-	-	-	987	987
Net income for the period	-	-	-	41,946	41,946
Shareholders' equity at 30/06/2021	8,433	30,192	-4,516	750,933	785,043
Sale/allocation of treasury shares	-	-105	446	-	342
Share-based compensation	-	-	-	337	337
Capital increase	1,687	154,272	-	-	155,959
Net income for the period	-	-	-	47,317	47,317
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
Sale/allocation of treasury shares	-	-236	995	-595	164
Share-based compensation	-	-	-	667	667
Net income for the period	-	-	-	56,102	56,102
Shareholders' equity at 30/06/2022	10,120	170,508	-3,074	841,146	1,018,700

¹ On 30 June 2022, share capital consisted of 10,119,600 registered shares at a nominal value CHF 1.00 per share (31 December 2021: 10,119,600).

Financial Report

Notes to the Consolidated Financial Statements

Segment reporting

The business model comprises three business segments: active portfolio and asset management, which consists mainly of managing and maintaining the company's properties, site and project development from interim use to implementation, and transaction management to ensure continuous quality improvements to the real estate portfolio and implementation of the capital recycling strategy. Accordingly, segment reporting is provided for the segments "Yielding portfolio", "Development portfolio" and "Transaction". The reporting has been modified from the previous year to include the segment "Transaction". The presentation, firstly applied as per year end 2021, consequently leads to a restatement of the previous year's values of the first half of 2021.

The segment "Others" includes expenses connected to central functions and activities in the metal recycling business as a result of the acquisition of Jaeger et Bosshard SA in 2019. The inter-segment elimination for offsets within segments is disclosed separately. In addition, the presentation of the previous year for the segment "Cloud", which has been discontinued, is now included in "Others".

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

Segments Half-Year 2022

in TCHF	Yielding portfolio	Development portfolio	Transaction	Others	Intersegment elimination	Group
Property income	26,103	6,480	-	-	-155	32,428
Revaluation of properties	19,083	22,632	576	-	-	42,291
Income from sale of properties	-	2,259	-	-	-	2,259
Profit from sale of investment properties	-	-	1,086	-	-	1,086
Other operating income	523	120	-	4,785	-226	5,202
Total operating income	45,710	31,490	1,662	4,785	-381	83,267
Direct expenses from sales of properties	-	-1,432	-	-	-	-1,432
Cost of materials	-	-	-	-2,771	-	-2,771
Personnel expenses	-2,509	-2,684	-614	-2,112	-	-7,919
Maintenance and repairs	-1,655	-887	-	-92	-	-2,634
Insurance and fees	-314	-204	-	-76	-	-594
Energy costs and building maintenance	-659	-331	-	-19	-	-1,009
General operating expenses	13	10	-	-128	-	-105
Office, administrative and development expenses	-1,034	-667	-146	-1,596	203	-3,240
Marketing expenses	-157	-24	-	-67	-	-248
Rent and leases	-543	-163	-	-407	154	-959
Total operating expenses	-6,858	-6,383	-759	-7,270	357	-20,913
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	38,853	25,107	903	-2,485	-24	62,354
EBITDA before revaluation of properties	19,770	2,475	327	-2,485	-24	20,063
Depreciation and amortisation						-328
Financial result						-3,756
Taxes						-2,161
Net income for the period						56,102

Financial Report

Segments Half-Year 2021 (restated) ¹

in TCHF	Yielding portfolio	Development portfolio	Transaction	Others	Intersegment elimination	Group
Property income	25,468	5,325	-	-	-149	30,644
Revaluation of properties	19,569	1,860	10,809	-	-	32,238
Income from sale of properties	-	-	-	-	-	-
Profit from sale of investment properties	-	-	1,661	-	-	1,661
Other operating income	378	2,276	-	4,399	-226	6,827
Total operating income	45,416	9,461	12,469	4,399	-375	71,370
Direct expenses from sales of properties	-	-	-	-	-	-
Cost of materials	-	-	-	-2,780	-	-2,780
Personnel expenses	-1,969	-2,912	-450	-1,634	-	-6,965
Maintenance and repairs	-1,911	-615	-	-215	-	-2,741
Insurance and fees	-98	-342	-	-33	-	-473
Energy costs and building maintenance	-601	114	-	-28	-	-515
General operating expenses	-95	-39	-	-70	-	-204
Office, administrative and development expenses	-947	-776	-194	-1,824	226	-3,515
Marketing expenses	-220	-25	-	-133	-	-378
Rent and leases	-161	-498	-	-344	149	-854
Total operating expenses	-6,002	-5,094	-644	-7,060	375	-18,425
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	39,413	4,367	11,825	-2,661	-	52,944
EBITDA before revaluation of properties without minority interests	19,844	2,507	1,016	-2,661	-	20,706
Depreciation and amortisation						-237
Financial result						-5,612
Taxes						-5,147
Net income for the period						41,946

¹ Supplemented to include the "Transaction" segment; the "Cloud" segment is presented in the "Others" segment.

Financial Report

Accounting principles

These unaudited Consolidated Half-Year Financial Statements were prepared in accordance with Swiss GAAP FER 31 “Supplementary Financial Reporting Recommendation for Listed Companies”, which permits condensed presentation and disclosure of financial information, and gives a true and fair view of the financial position, results of operations and cash flows. The entire Swiss GAAP FER set of rules was applied.

Changes to the consolidation and valuation policies applied to the Consolidated Half-Year Financial Statements 2021 are described in the significant accounting and valuation policies. If a change is not mentioned explicitly, no changes were applied to the principles compared with the Consolidated Financial Statements 2021.

The Consolidated Half-Year Financial Statements are presented in Swiss francs (CHF). All figures are presented in thousands of Swiss francs (CHF thousand) unless indicated otherwise.

The Consolidated Half-Year Financial Statements are available in German and English. Should there be any linguistic discrepancies, the German version shall prevail.

Scope of consolidation

The Consolidated Half-Year 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 or share capital. 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 intercompany items are eliminated. Minority interests in equity and net earnings 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 voting rights or share capital are consolidated according to the equity method. Participations below 20% are not consolidated and are included in the Consolidated Balance Sheet under Financial assets at acquisition cost minus any operationally necessary value adjustment.

All participations have a balance sheet date of 31 December.

Financial Report

Company	Share capital in TCHF	Share as at 30/06/2022 ¹ in %	Share as at 30/06/2021 ¹ in %	Location
HIAG Immobilien Schweiz AG	11,000	100	100	Zurich
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	200	49	49	Munchenstein

¹ Voting rights and share capital

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

HIAG Solar AG was established 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 on the properties of the HIAG real estate portfolio. HIAG holds 49% of HIAG Solar AG and determines the company’s value using the equity method.

All other entities are real estate companies in line with the strategy of HIAG with the purpose to hold, develop, buy and sell properties.

Financial Report

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, which were newly measured at the time of acquisition in accordance with group-wide accounting standards. The difference arising from 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.

Financial Report

Translation of foreign currencies

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

Significant accounting and valuation policies

General information

HIAG Immobilien Holding AG's Consolidated Financial Statements are prepared in accordance with the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER).

Due to rounding to the nearest thousand CHF, rounding differences may occur in the addition and subtraction of individual positions compared with the reported position totals.

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" includes residential projects that are developed and marketed as condominiums. Properties for sale are stated in the balance sheet at acquisition or production cost, or the net market value, if this is lower. If the expected sales price is lower than the acquisition or production cost, a value adjustment is made.

Investment properties

General

All investment properties are included 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 on a six monthly basis. 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 environmental expert on the basis of historical and technical investigations and deducted from the market values of the properties.

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.

Financial Report

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 underway.

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

Derivative financial instruments used to hedge contractually agreed future cash flows are, in accordance with Swiss GAAP FER, 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 “Other fixed assets” and “Intangible assets” are recorded at their acquisition cost, less amortisation or depreciation and any value adjustments from the time of use.

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

Category	Amortisation/depreciation period
Office equipment	3 to 10 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.

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.

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”.

Financial Report

Property income

Property income includes rental income after deduction of vacancy losses, proceeds from the sale of electricity from owned power stations and losses in earnings, such as rental income losses. Rental 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.

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 (e.g. from the sale of fixed assets that are no longer being used or insurance benefits). It also includes income from other business areas that are not part of the Group’s core activities (such as services provided to third parties in the area 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.

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.

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 on the lower of the two values.

Events after the balance sheet date

There were no significant events after the balance sheet date that have an impact on the carrying amounts of the recognised assets or liabilities or that need to be disclosed here.

1 Trade receivables

in TCHF	30/06/2022	31/12/2021
Trade receivables	6,576	4,431
Provision for bad debts	-513	-301
Total	6,063	4,130

Financial Report

2 Properties for sale

in TCHF	Promotion 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	3,941
Disposals from sales	-1,432
Balance at 30/06/2022	34,620

Status as at 30 June 2022

Project	Acquisition/ Project start	Estimated investment volume in TCHF ¹	Project status	Expected completion	Completion status in % ²
Promotion project "CHAMA stage 1"	2020	38,506	under construction	2024	24%

¹ Excl. land value of TCHF 26,920 and reassessment of the investment volume as at the balance sheet date

² Land value not part of completion status calculation

Status as at 31 December 2021

Project	Acquisition/ Project start	Estimated investment volume in TCHF ¹	Project status	Expected completion	Completion status in % ²
Promotion project "CHAMA stage 1"	2020	39,670	under construction	2024	13%

As at the balance sheet date, the value of the "Properties for sale" equaled to TCHF 34,620 (31 December 2021: TCHF 32,111). In reporting periods 2022 and 2021, this related to the condominium project "CHAMA stage 1". Stage 2 of the "CHAMA" project is currently recognised as "Investment properties" at market value.

Financial Report

3 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
Additions	7,887	22,521	9,072	39,480
Disposals	-	-792	-	-792
Revaluation of investment properties without environmental risks	13,476	24,077	7,249	44,802
Value correction for environmental risks	85	-2,717	-	-2,632
Balance after reclassifications as at 30/06/2022	209,009	1,504,597	119,570	1,833,176

Investment properties are assets held at market value under “Fixed assets”. During the reporting period, 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 cost as a result of environmental risks were estimated on the basis of historical and technical investigations and included in the “Investment properties” position in the amount of TCHF 62,869 (31 December 2021: TCHF 60,237). Environmental risks are evaluated on an ongoing basis. Building pollutants and contaminated sites were analysed on the basis of current technical research. Management defined the likelihood and time horizon of the occurrence of environmental risks in line with the development horizon in order to determine the provision for such risks. New findings based on historical and technical investigations were taken into account on the balance sheet date and led to an increase in deductions for environmental risks of TCHF 2,632 during the current reporting period, with TCHF 2,408 through profit or loss and TCHF 224 in connection with an acquisition with no effect on the income statement (2021: increase in deductions affecting income of TCHF 2,409, with no effect on the income statement of TCHF 1,800). A discount rate of 2.00% was applied to the expected costs of environmental risks date as at 30 June 2022 (31 December 2021: 2.00%).

The effective acquisition costs cannot be reliably determined in individual cases due to the fact that the acquisition dates are sometimes far in the past. For this reason, they are not disclosed.

The additions in 2022 in the amount of TCHF 39,480 comprised investments in sites and the acquisition of an investment property in Niederwil (TCHF 12,974). The largest investments were made in Cham (TCHF 5,352), Dietikon (TCHF 5,028), Meyrin (TCHF 4,003), Biberist (TCHF 2,042) and Altstetten (TCHF 1,384).

The disposals in the amount of TCHF 792 (book value without provisions for environmental risks: TCHF 689) involved two investment property sales in Diesbach.

Financial Report

Market value of investment properties according to use¹ as at 30 June 2022

in TCHF	30/06/2022 ²		31/12/2021 ²	
Industry, Commercial	699,792	38.2%	676,488	38.6%
Building land	236,200	12.9%	214,034	12.2%
Distribution, Logistics	203,940	11.1%	200,964	11.5%
Retail	201,672	11.0%	192,747	11.0%
Residential	200,898	11.0%	178,143	10.2%
Office	172,658	9.4%	177,322	10.1%
Residential, Commercial	103,435	5.6%	98,044	5.6%
Miscellaneous	14,581	0.8%	14,576	0.8%
Total	1,833,176	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 real estate Investment properties during the reporting period do not include the properties held for sale (CHAMA stage 1, recognised in "Current assets").

Market value of investment properties by canton as at 30 June 2022

in TCHF	30/06/2022 ¹		31/12/2021 ¹	
Zurich	511,567	27.9%	487,341	27.8%
Aargau	448,182	24.4%	424,029	24.2%
Geneva	265,810	14.5%	259,553	14.8%
Zug	156,645	8.5%	135,115	7.7%
Solothurn	136,010	7.4%	130,494	7.4%
Basel-Landschaft	120,395	6.6%	118,653	6.8%
St. Gallen	75,764	4.1%	75,647	4.3%
Miscellaneous	118,803	6.6%	121,486	7.0%
Total	1,833,176	100.0%	1,752,318	100.0%

¹ The market values of Investment properties during the reporting period do not include the properties held for sale (CHAMA stage 1, recognised in "Current assets").

4 Provisions

in TCHF	Other provisions	Provision for de- construction and site remediation costs Pratteln	LTIP provisions	Total
Book value at 31/12/2021 / 01/01/2022	1,941	2,638	1,077	5,656
Formation	688	–	500	1,188
Use	–90	–53	–	–143
Release	–188	–	–	–188
Book value at 30/06/2022	2,351	2,585	1,577	6,513
– thereof current	2,351	1,435	–	3,785
– thereof non-current	–	1,150	1,577	2,727

Financial Report

In connection with the bankruptcy of Rohner AG Pratteln, HIAG assumed the cost 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. During the reporting period, provisions of TCHF 53 (H1 2021: TCHF 4,841) were used to carry out this work. Some of the decontamination work will be performed in the second half-year 2023. For this reason, provisions in the amount of TCHF 1,150 are classified as non-current provisions.

“Other provisions” cover the risks of additional cost for properties that have been sold and expenditure for holiday entitlement/overtime that have not been used yet by employees.

Due to the positive business performance in the first half of 2022, an ROE above 6.5% (maximum possible distribution amount) is expected. This leads to an increase of the LTIP provision (cash part) in the amount of TCHF 500 compared to 31 December 2021.

5 Financial liabilities

in TCHF	30/06/2022	31/12/2021
Current liabilities to banks	1,935	1,935
Current bonds	125,000	275,000
Current financial liabilities from interest rate swap	462	639
Total current liabilities	127,397	277,574
Non-current liabilities to banks	89,280	90,160
Non-current bonds	575,000	425,000
Non-current financial liabilities from interest rate swap	-	153
Total non-current liabilities	664,280	515,313
Total	791,677	792,887

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

On 4 May 2022, a fixed-interest bond in the amount of TCHF 150,000 with a coupon of 1.77% and a term of 4 years and 5 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 was more than 12 months.

The gross loan-to-value ratio (liabilities/value of real estate) amounted to 42.4% as at balance sheet date (31 December 2021: 44.5%) whereas the net loan-to-value ratio ([financial liabilities – cash and cash equivalents]/value of real estate) was at 40.3% (31 December 2021: 39.6%).

The average interest rate for financial liabilities was 0.8% during the reporting period (31 December 2021: 0.8%).

As a result of the acquisition of K-Buchs S.à.r.l. in 2021, HIAG 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 a current financial liability TCHF 462 (31 December 2021: TCHF 639) and non-current financial liability TCHF 0 (31 December 2021: TCHF 153) resulting from interest rate swap. Ongoing interest

Financial Report

payments from the underlying transaction and the hedging transaction are recorded in the financial result.

Conditions of financial liabilities as at 01 July 2022

Item	Book value in TCHF	Currency	Date due	Interest rate
Liabilities to banks	91,215	CHF	See 'Due dates in TCHF as at 30/06/2022'	Between 0.7% and 1.7%
Bonds	700,000	CHF	See 'Terms and conditions of financial liabilities'	Between 0.75% and 1.77%
financial liabilities from interest rate swap	462	CHF	28/02/2023 with quarterly repayments	2.75%
Total	791,677			

Conditions of financial liabilities as at 01 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 financial liabilities

Benchmarks	Bond May 2022	Bond July 2021	Bond May 2019	Bond October 2018	Bond July 2016
Amount	TCHF 150,000	TCHF 160,000	TCHF 150,000	TCHF 125,000	TCHF 115,000
	4 years and 5 months (30/05/2022	7 years (01/07/2021	5 years (08/05/2019	4 years (26/10/2018	7 years (04/07/2016
Maturity	- 30/10/2026)	-30/06/2028)	-08/05/2024)	-26/10/2022)	-04/07/2023)
Interest rate	1.77%	0.75%	0.875%	1.0%	1.0%
Listing	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Security number	117'297'282	111'201'158	47,129,798	43,467,844	32,637,142
ISIN	CH1172972825	CH1112011585	CH0471297983	CH0434678444	CH0326371421

Financial liabilities are recognised at nominal value.

Financial Report

Due dates of the liabilities to banks in TCHF as at 30 June 2022

2022	1,935	2%
2023	60,525	66%
2024	18,400	20%
2025 and longer	10,355	11%
Total	91,215	100%

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 30 June 2022 (until next interest rate adjustment):

Up to one year including building loan	62,460	69%
2023	-	0%
2024	18,400	20%
2025 and longer	10,355	11%
Total	91,215	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%

6 Property Income

in TCHF	H1 22	H1 21
Property income	32,372	30,246
Proceeds from the sale of electricity generated by the Group's power plants	340	425
Revenue reductions	-284	-27
- thereof agreed rent reductions Covid-19	-	-103
- thereof expected rent reductions Covid-19	-	-103
- thereof release/-formation of bad debt allowances and losses	-284	179
Total	32,428	30,644

Financial Report

Most significant tenants

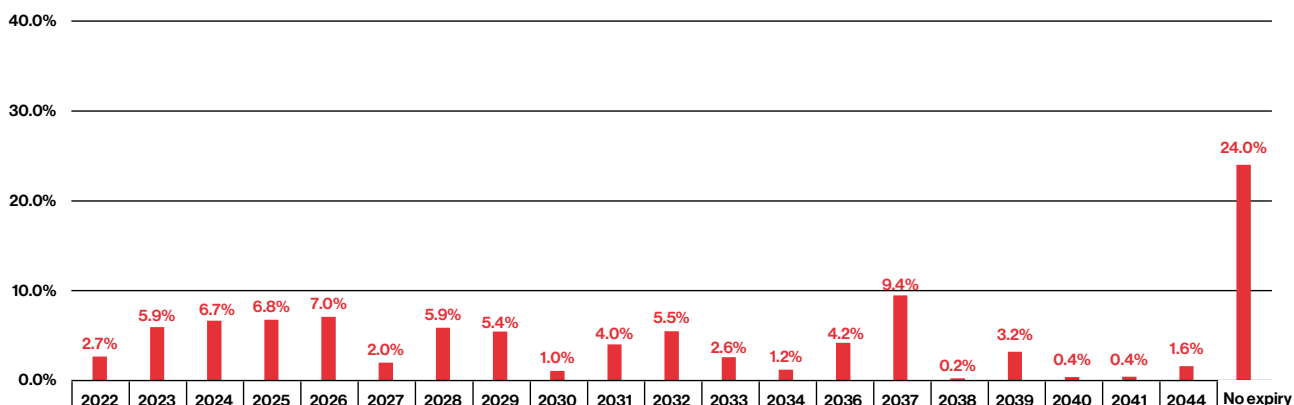
As at the balance sheet date, HIAG's five most significant tenants measured in terms of annualised property income are (in alphabetical order): Amcor Flexibles Rorschach AG, C&A Mode AG, Doka Schweiz AG, Hewlett-Packard International Sàrl and XLCH GmbH. During the previous year, the most significant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

Share of annualised property income represented by:	01/07/2022	01/07/2021
The largest tenant	4%	4%
The three largest tenants	12%	12%
The five largest tenants	19%	19%
The ten largest tenants	33%	31%

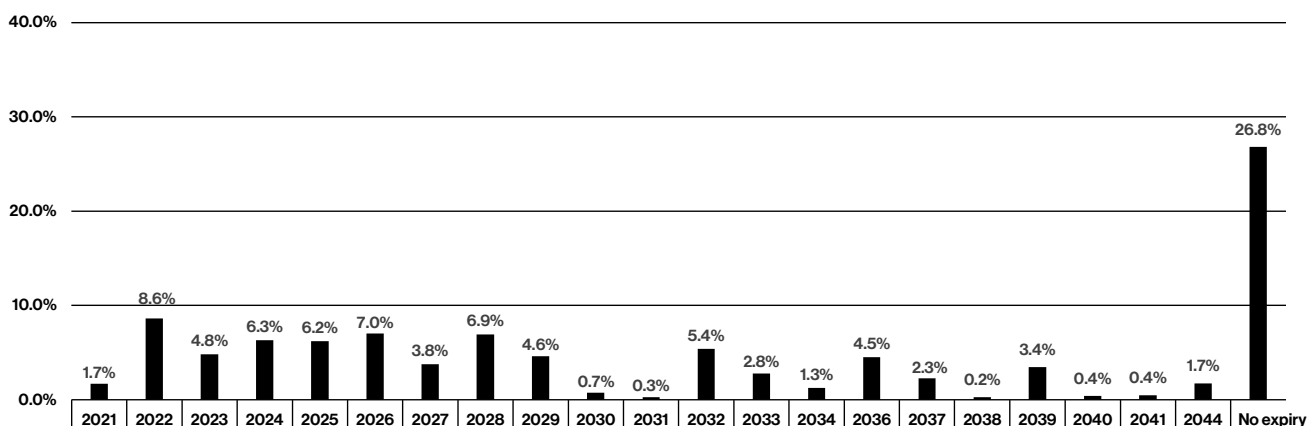
Expiry of rental agreements

The overview of expiry dates of rental agreements shows the earliest possible termination date.

Overview of expiry date profile of rental agreements as at 01 July 2022



Overview of expiry date profile of rental agreements as at 01 January 2022



Financial Report

Vacancy rate

Vacancy rate	01/07/2022	01/01/2022
Yielding properties	6.3%	9.6%
Development properties	9.3%	15.7%
Total portfolio	6.9%	10.7%

7 Revaluation of properties

in TCHF	H1 22	Restated H1 21 ¹
Revaluation yielding properties	19,083	19,569
Revaluation development properties	22,632	1,860
Revaluation transactions	576	10,809
Total	42,291	32,238

¹ Restatement H1 2021 in order to present revaluation from transactions separately, comparable to H1 2022.

The most significant net revaluation changes of the yielding portfolio (considering environmental risks) were derived from the properties in Cham, Lorzenpark (TCHF 5,285), Klingnau (TCHF 3,545), Niederhasli (TCHF 2,362), Windisch (TCHF 2,289), Aathal (TCHF 2,119), Wetzikon (TCHF 1,861), Dietikon (TCHF 1,832), Meyrin (TCHF -2,348), Neuchâtel (TCHF -589) and Yverdon (TCHF -395).

In the development portfolio, the most significant net revaluation changes were derived from the properties in Cham, project "CHAMA" (TCHF 10,717), Meyrin (TCHF 3,488), Altstetten (TCHF 3,269), Wetzikon (TCHF 3,020), Biberist (TCHF 2,143), St. Maurice (TCHF -1,464), Neuchâtel (TCHF -461) and Frauenfeld (TCHF -400).

The weighted market discount rate (net, real) declined slightly to 3.41% as at 30 June 2022 (31 December 2021: 3.54%).

8 Other operating income

in TCHF	H1 22	H1 21
Services rendered to third parties	121	80
Income from metal recycling	4,708	4,302
Other operating income	373	2,445
Total	5,202	6,827

The position "Income from metal recycling" includes income from Jaeger et Bosshard SA.

In the previous period, the position "other operating income" included TCHF 1,921 for the sale of a production facility at the Pratteln site.

Financial Report

9 Personnel expenses

H1 22 in TCHF	Real estate	Pratteln site	Jaeger et Bosshard SA	Total
Salaries and wages	-6,023	-	-446	-6,469
Social security contributions	-833	-	-85	-918
Other personnel expenses	-431	-	-101	-532
Total	-7,287	-	-632	-7,919

H1 21 in TCHF	Real estate	Pratteln site	Jaeger et Bosshard SA	Total
Salaries and wages	-4,358	-930	-490	-5,778
Social security contributions	-709	-73	-92	-874
Other personnel expenses	-266	-2	-44	-313
Total	-5,333	-1,005	-626	-6,965

30/06/2022	Employee headcount	Full-time employees
Real estate	65	60.5
- thereof portfolio/asset management	8	7.4
- thereof real estate management	21	19.1
- thereof development/construction management	14	13.8
- thereof transaction/marketing	2	1.8
- thereof corporate	20	18.4
Jaeger et Bosshard SA¹	12	12.0
Total	77	72.5

¹ Reported in the segment "Others"

30/06/2021	Employee headcount	Full-time employees
Real estate	59	54.0
- thereof portfolio/asset management	7	6.9
- thereof real estate management	20	17.1
- thereof development/construction management	12	11.9
- thereof transaction/marketing	2	1.8
- thereof corporate	18	16.3
Pratteln site	5	4.8
Jaeger et Bosshard SA¹	12	12.0
Total	76	70.8

¹ Reported in the segment "Others"

10 Maintenance and repairs

in TCHF	H1 22	H1 21
Maintenance and repairs	-2,634	-2,741
- thereof real estate (excl. Pratteln site)	-2,482	-2,513
- thereof Jaeger et Bosshard SA	-152	-180
- thereof Pratteln site	-	-48

Financial Report

11 Financial result

in TCHF	H1 22	H1 21
Other financial income	268	283
Total financial income	268	283

in TCHF	H1 22	H1 21
Interest expenses from bank financing	-392	-770
Interest expenses bond	-3,178	-2,952
Bank fees and bank interest	-132	-97
Exchange rate losses	-51	20
Impairment of financial assets	-36	-1,870
Other capital expenditure ¹	-235	-226
Total financial expenses	-4,024	-5,895

¹ In 2022, the position includes pro-rated issuing cost for bonds in the amount of TCHF 217, which are amortised in the Income Statement over the term of the bonds (H1 2021: TCHF 205).

The average interest rate for financial liabilities was 0.8% during the reporting period (31 December 2021: 0.8%). Interest rates ranged from 0.7% to 1.8% (H1 2021: between 0.2% and 2.9%). In the reporting period, no construction loan interests for development projects were capitalised (H1 2021: TCHF 10).

In the previous year, the position "Impairment of financial assets" included a value adjustment of the loan from Beelastic Holding AG in the amount of TCHF 1,867.

12 Taxes

12.1 Income taxes

in TCHF	H1 22	H1 21
Current taxes	-688	-70
Deferred taxes	-1,473	-4,360
Capitalisation of tax losses carried forward	-	1
Use/dissolution of capitalised tax losses carried forward	-	-718
Total	-2,161	-5,147

The applied average tax rate, which was calculated based on ordinary result, amounted to 12.5% in the reporting period (31 December 2021: 12.4%). The positive tax effect from the use of unrecognised tax loss carry forwards amounted to TCHF 146 in H1 2022 (H1 2021: TCHF 1).

12.2 Deferred tax provisions and liabilities

in TCHF	30/06/2022	31/12/2021
Deferred tax liabilities as at 01.01.2022	81,084	73,131
Changes in the scope of consolidation	-	2,525
Net increase recognised through profit or loss	1,473	5,429
Deferred tax liabilities	82,557	81,084

Financial Report

During the reporting period, TCHF 1,473 in provisions for deferred taxes affecting income were built (31 December 2021: TCHF 5,429). The formation of the provision in the reporting period was mainly connected to the positive change of the revaluation of investment properties.

in TCHF	30/06/2022	31/12/2021
Capitalised losses carried forward	1	1
Total	1	1

In the reporting period, no further loss carry forwards were capitalised (H1 2021: TCHF 1).

As per reporting date, the Group entities disposed non-capitalised loss carry forwards totalling TCHF 242,660 (31 December 2021: TCHF 243,003). As at 30 June 2022, the potential tax reduction as a result of non-capitalised loss carry forwards amounted to TCHF 39,428 (31 December 2021: TCHF 39,433). From the current perspective, this potential tax reduction is not sustainable and therefore wasn't capitalised.

13 Shareholders' equity

Composition of share capital in CHF	30/06/2022	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

As at 30 June 2022 share capital consisted of 10,119,600 registered shares at a nominal value CHF 1.00 per share (31 December 2021: 10,119,600 registered shares). Each share entitles the holder to one vote.

As at 30 June 2022 conditional share capital amounted to TCHF 350 (31 December 2021: TCHF 350).

Earnings and shareholders' equity (NAV) per share in TCHF excluding earnings per share	H1 22	H1 21
Net income	56,102	41,946
Time-weighted average number of shares outstanding	10,088	8,327
Number of shares outstanding as at balance sheet date	10,094	8,396
Earnings per average outstanding registered share ¹	10.25	9.01
Undiluted earnings per share ¹	10.25	9.01
Diluted earnings per share ¹	10.25	9.01

in TCHF	30/06/2022	31/12/2021
Shareholders' equity (NAV) before deferred taxes	1,101,257	1,070,083
Shareholders' equity (NAV) after deferred taxes	1,018,700	988,999

in CHF	30/06/2022	31/12/2021
Shareholders' equity (NAV) per outstanding registered share, before deferred taxes	109.10	106.10
Shareholders' equity (NAV) per outstanding registered share, after deferred taxes	100.92	98.06

¹ 12 months rolling, based on the weighted average number of shares outstanding, including the additional shares outstanding from the November 2021 capital increase; the previous year was adjusted accordingly.

As at 30 June 2022 and as at 31 December 2021 there were no dilutive effects.

Contact

HIAG
Aeschenplatz 7
4052 Basel
T +41 61 606 55 00

HIAG
Löwenstrasse 51
8001 Zurich
T +41 44 404 10 30

HIAG
Rue François-Bonivard 10
1201 Geneva
T +41 22 304 10 30

Investor Relations and Press

Marco Feusi
Chief Executive Officer
T +41 61 606 55 00

Rico Müller
Chief Financial Officer
T +41 61 606 55 00

investor.relations@hiag.com
www.hiag.com

Stock exchange trading

Registered share
HIAG Immobilien Holding AG
Valorensymbol SIX Swiss Exchange:
HIAG
ISIN: CH0239518779

Agenda

27 September 2022

HIAG Capital Day

14 March 2023

Publication year-end results 2022

27 April 2023

Annual General Meeting 2023

Legal information

Publisher
HIAG Immobilien Holding AG

Concept and design
schneiterpartner AG, Zürich