

**HIAG**

**Annual Report**

**20**

# **2020 Annual Report**

**HIAG creates value and  
develops destinations  
where people and com-  
panies can flourish.**

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# Company Profile

**HIAG is a leading real estate company listed on the SIX Swiss Exchange. The portfolio comprises around 40 sites with well-developed office, commercial and logistics properties as well as selected residential properties in future-oriented growth regions in German- and French-speaking Switzerland. Through its property management activities, HIAG generates stable rental income and creates long-term value enhancement potential through active portfolio management and the development of attractive destinations.**

# Our strength at a glance



## Sustainable value creation

HIAG designs destinations that offer people and companies room to flourish in the long term. HIAG's business model is geared towards sustainable value creation, with project development planned over several years as well as active management, administration and leasing of real estate and continuous optimisation of the real estate portfolio through acquisitions and sales.



## An outstanding real estate pipeline

Our extensive real estate portfolio has several generations' worth of development potential. Based on land surface area measurements of 2.7 million m<sup>2</sup> including a project pipeline of approximately 727,000 m<sup>2</sup>, HIAG has one of the most extensive real estate portfolios with the greatest development potential of all the SIX Swiss Exchange listed real estate companies. Over 90% of the real estate portfolio is located in the economic core region in German-speaking and western Switzerland with a focus on office, commercial and logistics buildings as well as selected residential properties.



## Solid financing structure

HIAG is solidly financed with debt and equity.



## Strategy-minded anchor shareholders from the founding family

HIAG combines the long-term business policy of a family company with the financial flexibility and strength of a listed company.



## High profitability and long-term growth potential

The existing real estate portfolio offers a net return from rental income of 3.4%. The project pipeline includes around 60 projects for the next ten years with a rental surface area of over 727,000 m<sup>2</sup> and an investment volume of approximately CHF 2.8 billion.

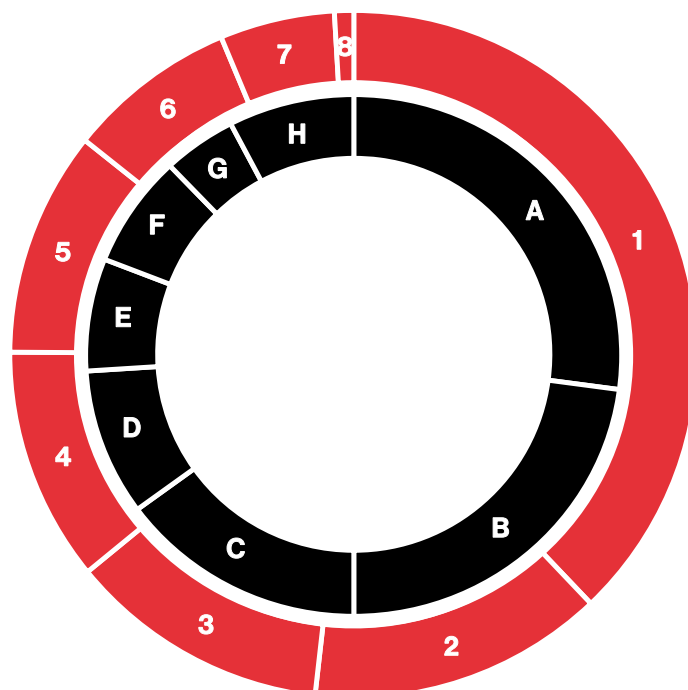


## Sustainable dividend policy

The Board of Directors pursues an attractive and investor-friendly dividend policy that is consistent with the course of business.

# Key Facts in a Nutshell

## Key Figures



● according to use  
● according to canton

### Market value of investment properties by type of use<sup>1</sup> as at 31.12.2020

|   |                         |       |
|---|-------------------------|-------|
| 1 | Industry, Commercial    | 37.9% |
| 2 | Building land           | 13.9% |
| 3 | Residential             | 12.3% |
| 4 | Office                  | 11.0% |
| 5 | Retail                  | 10.6% |
| 6 | Distribution, Logistics | 8.0%  |
| 7 | Residential, Commercial | 5.4%  |
| 8 | Miscellaneous           | 0.9%  |

### Market value of investment properties by canton as at 31.12.2020

|   |                  |       |
|---|------------------|-------|
| A | Zurich           | 27.1% |
| B | Aargau           | 22.9% |
| C | Geneva           | 15.1% |
| D | Zug              | 8.9%  |
| E | Solothurn        | 6.8%  |
| F | Basel-Landschaft | 6.9%  |
| G | St. Gallen       | 4.5%  |
| H | Miscellaneous    | 7.8%  |

<sup>1</sup> The calculations of the types of use are based on the main use of the properties.

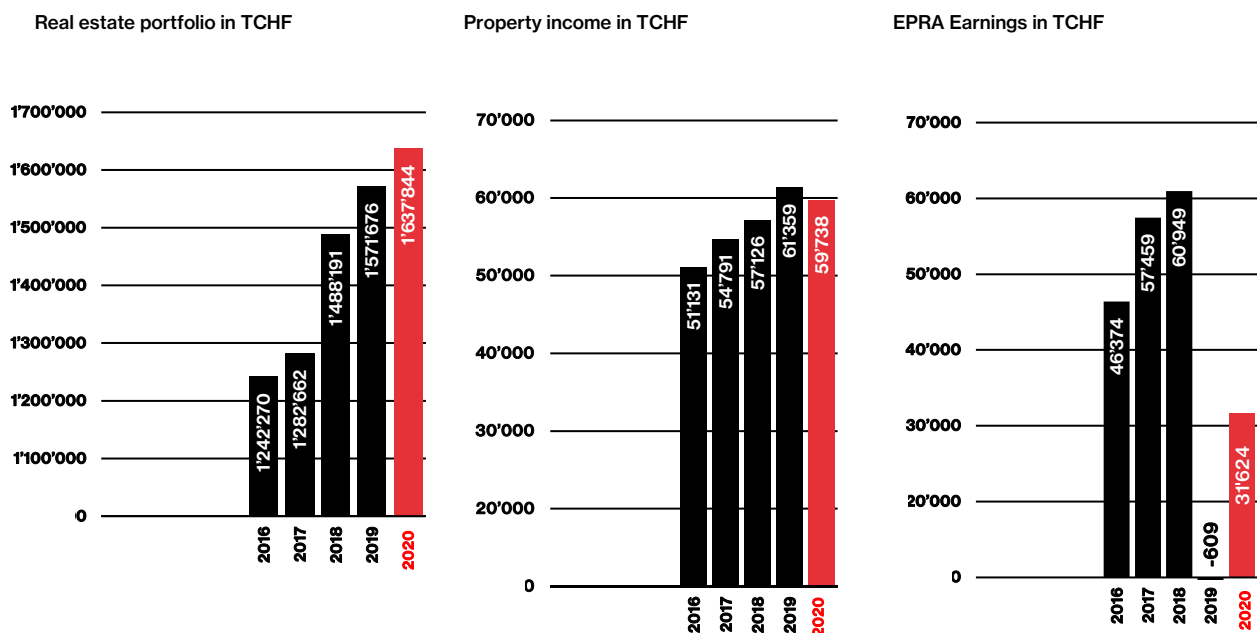
# 88%

of HIAG's real estate portfolio is situated in the Zurich/Zug/Baden/Brugg/Basel/Geneva and Solothurn regions.

# Key Facts in a Nutshell

## Key Figures

### Real estate, property income, net income



### Key financial figures

| in TCHF   | 31.12.2020 | Restated<br>31.12.2019 <sup>1</sup> |
|---|------------|-------------------------------------|
| Property income   | 59,738     | 61,359                              |
| Revaluation of properties   | 27,002     | -16,803                             |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 70,254     | -38,410                             |
| Net income  | 55,159     | -70,749                             |
| Cash flow from operating activities                                     | 16,397     | 5,057                               |
| Cash flow from operating activities excl. promotion projects            | 10,270     | 3,389                               |

| in TCHF                         | 31.12.2020 | 31.12.2019 |
|---------------------------------|------------|------------|
| Cash and cash equivalents       | 19,706     | 23,933     |
| Shareholders' equity            | 761,122    | 672,085    |
| Equity ratio                    | 45.0%      | 41.3%      |
| LTV ratio                       | 48.7%      | 51.4%      |
| Balance sheet total             | 1,691,378  | 1,628,641  |
| Employee headcount              | 85         | 107        |
| - thereof real estate           | 58         | 51         |
| - thereof Pratteln site         | 15         | 23         |
| - thereof Cloud Services        | -          | 20         |
| - thereof Jaeger et Bosshard SA | 12         | 13         |

<sup>1</sup> Restated due to changes in accounting policies (restatement presentation without impact on net profit), see note 15

# Key Facts in a Nutshell

## Key Figures

### Key portfolio figures

| in TCHF  | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Real estate portfolio                                    | 1,637,844  | 1,571,676  |
| Yielding portfolio                                       | 1,025,765  | 1,053,441  |
| Property development portfolio                           | 612,079    | 518,235    |
| Real estate portfolio (number of real estate properties) | 116        | 116        |
| Number of redevelopment properties                       | 45         | 45         |
| Investments in real estate                               | 75,508     | 103,516    |
| Annualised rental income in CHF million                  | 60.0       | 58.7       |
| Vacancy rate total portfolio                             | 13.2%      | 16.2%      |
| - Vacancy rate yielding properties                       | 13.0%      | 16.6%      |
| - Vacancy rate redevelopment properties                  | 13.7%      | 13.7%      |

### EPRA figures

| in TCHF except key figures per share | 31.12.2020 | 31.12.2019 |
|--------------------------------------|------------|------------|
| EPRA Earnings                        | 26,810     | -70,541    |
| EPRA Earnings per share              | 3.31       | -8.82      |
| Company specific Adjusted Earnings   | 31,624     | -609       |
| Company specific Adjusted EPS        | 3.91       | -0.08      |
| EPRA NRV                             | 856,945    | 757,890    |
| EPRA NRV per share                   | 105.91     | 94.78      |
| EPRA NTA                             | 837,634    | 742,351    |
| EPR NTA per share                    | 103.53     | 92.84      |
| EPRA NDV                             | 767,856    | 673,512    |
| EPRA NDV per share                   | 94.90      | 84.23      |
| EPRA vacancy rate                    | 13.17%     | 16.21%     |

### Key figures per share

| in CHF   | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Earnings per share (EPS)   | 6.82       | -8.85      |
| Dividends payout <sup>1</sup>  | 2.30       | -          |
| Payout ratio <sup>2</sup>  | 59.6%      | -          |
| Cash yield   | 2.10%      | -          |
| in CHF   | 31.12.2020 | 31.12.2019 |
| Shareholders' equity (NAV) per outstanding registered share, before deferred taxes | 99.43      | 92.60      |
| Shareholders' equity (NAV) per outstanding registered share, after deferred taxes  | 90.72      | 84.01      |

<sup>1</sup> Proposal to the Annual General Meeting on 22 April 2021 for the financial year 2020: 50% distribution from reserves from capital contributions

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



# Letter to Shareholders



**Dear Shareholders**

**In 2020, HIAG's broad sector and tenant mix showed its strengths. All real estate projects were successfully pushed forward. The vacancy rate decreased and annualised property income increased. Furthermore, the project pipeline was upgraded with strategic transactions. In the course of focusing on the real estate business, experienced specialists strengthened the team and internal processes were optimised. A solid result was achieved in the 2020 business year with operating profit of CHF 69.9 million and net profit of CHF 55.2 million. HIAG is on course and well positioned to grow at an above-average rate compared to the rest of the industry. The Board of Directors is therefore proposing a payout of CHF 2.30 per outstanding share at the General Meeting on 22 April 2021**

# Letter to Shareholders

## Successful development of the real estate business

Annualised property income rose by 2.2% to CHF 60.0 million (31.12.2019: CHF 58.7 million). At CHF 59.7 million (2019: CHF 61.4 million), collected property income was 2.7% below the previous year's value, primarily due to the liquidation of Rohner AG, Pratteln and the departure of Decathlon in Dietikon. At the end of the business year, HIAG's overall portfolio was composed of 116 properties. The value of the portfolio increased by 4.2% to CHF 1.64 billion (31.12.2019: 1.57 billion) despite the sale of the site in St. Margrethen, which was previously leased with construction rights, and that of the loft apartments at the Walzmühle site in Frauenfeld. New leases, progress in project development and acquisitions also allowed for positive revaluation effects of CHF 27.0 million following a CHF 16.0 million decrease during the previous year, primarily due to the liquidation of Rohner AG, Pratteln. The weighted average discount rate for the overall portfolio decreased slightly to 3.73% (31.12.2019: 3.94%). Net income includes post-completion operating costs related to the decontamination of the site in Pratteln and the restructuring of HIAG Data. However, at CHF 8.6 million, they remain considerably below the estimations of mid-March 2020; in particular, the sale of a complete production facility from the former chemical factory, including the building, enabled a significant reduction in costs.

## Low impact of the pandemic on the result

Thanks to the broad mix of sectors, the diversified tenant structure, the focus on logistics, industrial and commercial tenants, active portfolio management and the property management team's close relationships with tenants, the direct effects of the pandemic on the 2020 result were low, at 0.5% of annualised rental income. Overall, HIAG granted rent exemptions amounting to about CHF 0.2 million and recognised about CHF 0.2 million in the income statement related to the package of measures ordered by the authorities at the end of 2020. HIAG also granted less than CHF 0.1 million in rent deferrals. The outstanding rent receivables related to the measures taken by the authorities at the end of 2020 amounted to about CHF 0.5 million and are mostly secured with rent guarantees.

## Improved capital structure

On 31 December 2020, HIAG Immobilien Holding AG had an equity ratio of 45.0% (31.12.2019: 41.3%). The loan-to-value (LTV) ratio was 48.7% (31.12.2019: 51.4%). The weighted average term for external financing was 2.0 years (31.12.2019: 2.7 years). The average interest rate for financial liabilities remained low at 0.9% (31.12.2019: 0.9%).

## Vacancy rate significantly reduced

The vacancy rate of the overall portfolio decreased considerably by 3.4 percentage points to 13.2%. The vacancy rate was 13.0% in the inventory portfolio (31.12.2019: 16.6%). Additional new leases were signed, particularly in Aigle, Cham, Dornach, Frauenfeld, Klingnau, Kleindöttingen and Windisch. The lease term is still comfortable at 8.0 years. This does not take into account long-term leases that have already been signed related to existing building projects.

## Projects progressing according to schedule

During the lockdown in the spring of 2020, construction work only had to stop for two months at "The Hive" campus in Meyrin due to the closure ordered by the canton of Geneva. However, the pavilion for the Swiss restaurant group "Luigia" in the heart of the tenant's campus has since been handed over, and the restaurant is expected to open in May 2021 with a culinary school for the Luigia Group. Work on the new global headquarters of the electrical component manufacturer LEM, with research and development as well as a production unit, is also coming along well. It is expected to be completed at the beginning of 2022. Furthermore, 17 apartments from the "Avellana" residential project in Wetzikon were handed over to the tenants in June. In Kleindöttingen, the new machine hall was delivered to the tenant Brugg Rohrsystem, and in Goldach, an additional production hall with infrastructure was completed for Amcor Flexibles Rorschach. Doka Switzerland's transfer took place in Niederhasli with the commissioning of the commercial hall and outdoor areas. Construction work for Doka Switzerland's new administrative

# Letter to Shareholders

building also began in Niederhasli in March. Delivery is planned for May 2021. At the same time, the development of the Niederhasli city centre as well as the temporary use of the existing building near the train station were initiated. And at the retail site in Dietikon, construction of the new specialist furniture store for XXXLutz started in October.

## Dynamic site development

Now that the project planning for the Chama project in Cham Nord is complete, the building permit application for the first phase has been submitted with around 150 condominiums and rental units and approximately 3,000 m<sup>2</sup> of service and commercial space. The second phase for the remaining exploitation potential of approximately 45% is also being prepared. In Dornach, conceptual work for the interim use of the former Metalli site in the future Wydeneck quarter has been completed. The first tenants have already moved into the site. An important milestone was reached in autumn with the complete removal of chemicals from the site of the former Rohner, Pratteln chemical factory. The dismantling work should be finished by autumn 2021 at the latest. Various planning teams have already developed an urban vision for the future central site near the Pratteln train station as part of a two-stage initial study. A mixed use building structure with primarily residential space will be created at the site. The results of the initial study were presented to the cantonal and municipal authorities as well as the general public in the first quarter of 2021.

## Outstanding development pipeline

Thanks to its real estate portfolio with a total surface area of 2.7 million m<sup>2</sup>, HIAG has an outstanding development pipeline in German-speaking and western Switzerland. As at 31 December 2020, it consisted of 58 projects with a potential usable area of around 727,000 m<sup>2</sup> (31.12.2019: 707,000 m<sup>2</sup>). The expected investment volume without future acquisitions amounts to approximately CHF 2.8 billion, about CHF 2.4 billion of which can be tackled in the next ten years.

## Sustainability

The heart of HIAG's business model is the long-term and sustainable development of real estate in its own portfolio. The technical possibilities for creating energy-efficient buildings are always taken into account as part of the site and development strategy, and the production capacities for renewable energy are expanded in a targeted manner. For example, at the beginning of 2021, HIAG founded the joint venture HIAG Solar with aventron, a company specialising in the production of electricity from sustainable sources. The company, 49% of which is held by HIAG, will gradually expand solar energy production at the properties in the HIAG portfolio and become a major solar energy producer in Switzerland in the medium term. The first four facilities are in the planning phase and should progressively begin producing energy by 2022. The generation of electricity from sustainable sources in connection with the historic hydroelectric plants at certain sites will thus play an even more important role in HIAG's sustainability strategy. The latest sustainability report presents additional information about HIAG's sustainability strategy, such as the materiality analysis, vision, priorities and goals. HIAG plans to continuously expand its sustainability reporting in the coming years.

## Changes to HIAG's Board of Directors and Executive Board

The HIAG Immobilien Holding AG Board of Directors will nominate Susanne Zenker and Dr. Christian Wiesendanger for election as new Board of Directors members at the Annual General Meeting on 22 April 2021. Dr. Walter Jakob, Vice President of the Board of Directors and Lead Director, is no longer eligible for re-election after reaching the age limit. In addition, Laurent Spindler, CFO, will be leaving the company by the end of October 2021 at the latest after training a successor. HIAG's Board of Directors and the Executive Board would like to sincerely thank Dr. Walter Jakob and Laurent Spindler for their valuable contribution of about 10 years and wish them the best in their future endeavours.

# Letter to Shareholders

## Dividend proposal

The Board of Directors proposes a payout to shareholders of CHF 2.30 per outstanding share for the 2020 business year, corresponding to a return on the share price of 2.1% as at the end of 2020. Half of it should come from capital contribution reserves (without withholding tax deduction) and half as an ordinary dividend (with 35% withholding tax deduction).

## Market environment

The past months have shown that investors currently classify residential properties or logistics real estate as crisis-resistant. Demand in this sector is therefore expected to remain high. On the other hand, the leasing of retail properties in the non-food sector or of pure office buildings at more peripheral locations is likely to remain challenging. Nevertheless, it is still true that real estate as a tangible asset is in greater demand during times of crisis. It generally provides stable cash flows and offers comparatively good returns, especially in today's low-interest rate environment. Commercial real estate also offers a certain protection against inflation due to indexed leases. That's why interest in this asset class should also remain high in the foreseeable future.

## Future prospects

The broad mix of sectors, with a diversified tenant structure as well as a focus on logistics, industrial and commercial tenants, is one of HIAG's strengths. Along with the extensive real estate portfolio, it provides the foundation for above-average, long-term, profitable growth compared to the rest of the industry. To date, three already full-leased properties with annualised property income upon completion of around CHF 6.3 million and an average rental term of 15.5 years are under construction. Furthermore, in the next three to four years, another 11 development projects with a usable area of around 95,000 m<sup>2</sup> and expected investments of about CHF 300 million are to be undertaken. After completion and full leasing, these projects are expected to generate annualised property income of approximately CHF 18 million and CHF 72 million in proceeds from the sale of the condominiums. In 2021, HIAG is again aiming to achieve further project development milestones, and barring any unforeseeable market upheavals, rental income is expected to increase further. The vacancy rate in the existing portfolio should decrease further due to intensive marketing activities. Due to the scheduled advancement of projects at various sites, there is also the potential for positive revaluation effects. In the future, HIAG also wants to upgrade the portfolio with acquisitions of suitable properties that offer long-term cash flow and added value potential. The current market environment should also be used to engage in targeted sales as part of our continuous portfolio optimisation.



**Dr. Felix Grisard**  
President of the Board of Directors



**Marco Feusi**  
CEO

# Executive Board Interview



## HIAG is on track

**In 2020, HIAG's broad sector and tenant mix showed its strengths. All real estate projects were successfully pushed forward. The vacancy rate decreased and the annualised rental income increased. Furthermore, the project pipeline was upgraded with strategic transactions. In the course of concentrating on the real estate business, experienced specialists strengthened the team and internal processes were optimised. HIAG is on course and well positioned to grow at an above-average rate compared to the rest of the industry.**

**Marco Feusi MRICS, CEO, and Laurent Spindler, CFO, interviewed by Beat Seger MRICS**



# Executive Board Interview

**Marco Feusi, you probably imagined your first year as HIAG CEO a little differently. In your opinion, how did HIAG get through this pandemic year?**

Marco Feusi: 2020 was a dynamic and successful year for HIAG. On one hand, we largely sorted out the extraordinary past events in Pratteln and with HIAG Data. On the other hand, we were able to reduce the vacancy rate and expand the project pipeline.

**How has the pandemic affected HIAG's operations?**

MF: We treated the pandemic like a special project. In this exceptional year, HIAG proved that it is very close to its tenants. We had a lot of discussions with our tenants early on. We also had hardly any restrictions on the construction sites. Only in Geneva did the work have to stop twice. At other sites, work went even faster in some cases because additional resources were available. The health of everyone involved was always a priority for us.

**Was/is HIAG also affected by rent exemptions or rent deferrals?**

Laurent Spindler: Overall, we are reporting a pandemic-related shortfall of around CHF 285,000 for the 2020 business year, CHF 120,000 of which is due to the first lockdown in the spring of 2020. The fact that our team was very creative in supporting the tenants was beneficial. For example, we bought beer vouchers from a microbrewery at one of our sites, which we can use at construction sites and during events. The pandemic-related shortfall is also very low because our property managers quickly made contact with the tenants. We already had a good overall picture at the beginning of April, and were able to coordinate our initiatives with third-party support measures. HIAG's portfolio mix with a large proportion of industrial tenants was also an advantage. However, we remain cautious with regard to the further effects of the pandemic.

MF: Speed and pragmatism are important: Because we have people on-site and are always close to our tenants, we can look at each case individually and decide quickly.

**How did you make headway with plans to review business processes and expand capacities?**

MF: We have honed our strategy, made adjustments to the organisation and strengthened our team. We also launched projects to further develop our IT processes and press ahead with the digitalisation of our administration. This will considerably enhance our collaboration over the coming months.

**Site and project development is HIAG's core activity along with asset management of the inventory portfolio. Can you give us a short overview of HIAG's sites and of the current important projects and their progress?**

MF: The projects are going well. One example is our project in Cham, where we will have built about 150 apartments and approximately 3,000 m<sup>2</sup> of service and commercial space at the site north of Lorzenpark by 2023. We have submitted a first building application and expect the building permit in March 2021. A part of the development will integrate condominiums so that we can reinvest the funds of these sales. We are already in the process of preparing the second stage of development. It includes the remaining exploitation potential of approximately 45%.

We also achieved a breakthrough at the Freihofstrasse site in the Altstetten district of Zurich, which we took over from FCA Switzerland. We presented an urban concept that the building committee of the city of Zurich considered worth supporting. This concept provides for the preservation of a large part of the site and the existing buildings without significant interventions and the creation of a denser area via a high-rise tower block. This fits perfectly into our strategy of careful conversion of the existing building substance and thus the prevention of grey energy embodied in new buildings.

## Executive Board Interview

The project in Pratteln led to an urban planning procedure as part of a project competition. We are currently preparing the master plan and are planning to submit the urban project to the Canton by mid-2022 at the latest. I am very pleased with the project and confident that the central site next to the Pratteln train station will be very attractive.

LS: We take new developments into account in our planning. For example, we have already addressed the home office trend in Cham, because we are convinced that it will have an impact on demand.

MF: In Cham, the requirement was to build compact apartments. Based on the experience of recent months, we adjusted the apartment mix slightly and planned for apartments with more rooms. We also checked our options for creating individual rooms that have separate entrances or that could be flexibly assigned to various apartment types. On the ground floor, we will create semi-public areas that can be used as a co-working space, for example, via a simple reservation system.

**How do you handle these large projects? Your developments include about 60 projects.**

MF: We build up our human resources according to capacity requirements or we extend the workforce with external partners. We also regularly assess upcoming projects as part of our medium-term planning and decide what we want to implement on our own and where we want to call in external support.

Financing is explored in accordance with project due dates, and always with our equity ratio in mind. We plan to invest about CHF 800-900 million in developments over the next five to seven years. Additional equity will also eventually need to be raised for their implementation.

**Should the sale to Stadler or the placement of shares be seen from this viewpoint?**

LS: The funds from the site sale to Stadler and from the placement of shares in autumn 2020 will be used for projects as announced.

MF: The inflow of capital also increases our ability to make opportunistic acquisitions of other properties.

**The vacancy rate showed a positive change during the year under review. How did you manage to reduce the vacancy rate from 16.2% to 13.2% in such a challenging environment?**

MF: On one hand, we put considerable effort into letting. So the new cooperation with external letting partners bore fruit. On the other hand, we merely did our job by systematically analysing the vacancy rate and strategically evaluating and selectively optimising each location with precise manual work. The positive development proved us right. We can be proud of that.

**At 7.9 years, you still have quite a solid WAULT, but it has decreased slightly compared to the previous year. Why is that?**

LS: Two effects are reflected in the WAULT: First, the sale of the site in St. Margrethen slightly reduced the WAULT until 2080 due to the construction rights that had been agreed until then. Second, projects that are currently in development have an average WAULT of 15 years. That means that the WAULT in our overall stable portfolio will remain stable or even continually increase as projects are completed. The long project development periods are offset by regular extensions of existing leases, which are usually agreed with a term of 5 to 10 years.

## Executive Board Interview

**What is the context of your CHF 27.0 million revaluation surplus in the 2020 business year?**

**LS:** Four factors influenced the revaluation. First, the reduction in the vacancy rate resulted in an upwards revaluation. Second, the progress made in redevelopment projects, particularly at the site in Cham, had a positive effect. The third factor was the sale of the site in St. Margrethen. On the other hand, we performed systematic screening for potential environmental pollution, which resulted in additional provisions due to technical or legal changes at the end of 2020.

**Despite the already extensive 2.7 million m<sup>2</sup> portfolio, HIAG is just as active as ever in the transaction market and is continually expanding its portfolio. What makes an investment opportunity attractive to HIAG?**

**MF:** We focus on the potential for added value in market regions that improve the quality of the portfolio. Existing real estate that has long-term sustainable uses and corresponding rental income, for example, logistics sites, and that has solid tenants and contract periods, is also attractive. The resulting cash flows support HIAG's income and dividend stability.

One of HIAG's strengths is that our specialists have specific know-how, e.g. in handling building pollutants or contamination in subsoils. Our skills and agility allow us to successfully conduct off-market transactions, for example, and thus constantly implement attractive solutions and transaction structures for the seller.

**In May, you announced the acquisition of land parcels with a total surface area of approximately 22,000 m<sup>2</sup> in Bussigny-près-Lausanne. What sets this acquisition apart and what are your plans for the site?**

**MF:** The site is very well located geographically and is a strategic expansion of our project pipeline. In addition to the macro location, the future development of transport connections was also convincing. We are already in discussions with potential anchor tenants from the logistics and commercial sectors.

**Since it suffered a sharp drop in March, your share price still has not risen above the four-year average in the second half of the year, despite the solid half-year result and other good news. How do you explain this?**

**MF:** In March 2020, HIAG shares were put under pressure twice: First because of the visible exceptional items arising in the 2019 business results and then in reaction to the outbreak of the coronavirus pandemic. However, since the summer of 2020, HIAG's shares have outperformed those of most of its competitors. We are also already seeing a small premium to the NAV again.

However, we are operating in a special sector of the real estate market and will therefore continue to be subject to the influence of the pandemic on further economic development in 2021. It is good that a large number of our tenants come from the production, logistics and technology sectors and most of them are currently open for business. In addition, we only have a few sites that are offices only, so the impact of the home office trend is not as relevant for us in the rental business, because our tenants' operations are also closely linked to on-site production.

**LS:** 2020 showed that we are on the right track. HIAG achieved a good result. The vacancy rate decreased despite a difficult environment. In addition, we did our homework in Pratteln and with HIAG Data and were able to keep costs below the estimates. Those are important signals for 2021, and also because a bond will be refinanced in the middle of the year.



## Executive Board Interview

Where do you stand at the end of the 2020 business year with the equity and LTV ratios?

LS: It is true that after the tenant's bankruptcy in Pratteln, the costs for early project development and the financial consequences of the end of HIAG Data's multi-cloud project had a negative influence on the equity and loan-to-value ratios. Since then, these economic key figures have largely recovered. The good 2020 result contributed significantly to this, as did the fact that we did not make any substantial acquisitions that required financing during the reporting period.

In November 2020, you announced that the Rohner site in Pratteln was now chemical-free. This will allow you to push forward with the site transformation. At the beginning of December, you also stated that "the actual dismantling costs will be substantially less than the CHF 30 million provisioned at the end of 2019". Were you too cautious with your provisions, or is good project management the main reason for this positive result?

MF: The provision for the removal of chemicals at the Rohner site in Pratteln was made based on the analyses of specialists. There were no comparable projects in Switzerland that we could draw on. Accordingly, the wide range of analyses led us to make assumptions on a "best estimates" basis.

The positive side is that operations have been going smoothly so far, and we have been able to integrally sell a former production facility along with the entire building and thus save on dismantling costs.

LS: It was also helpful that we took on experienced personnel from Rohner. It is important to know the facilities well. In Pratteln, we were lucky to quickly find a purchaser that needed a ready-to-use facility right away for a new order. It also paid off to have the former production manager from the Rohner chemical company on board, as well as to have proven in-house transaction know-how. Most of the facility was handed over in 2020. The remaining 30% will be delivered in the new business year, which will have a positive impact on the 2021 result.

Last year we discussed sustainability aspects, and you explained to me that site redevelopment fundamentally takes sustainability into account. Since then, ESG reporting has also become an important part of corporate positioning in the real estate world. Has HIAG also made an effort in this field?

MF: We are convinced that we are among the most sustainable real estate developers in Switzerland. Early on, we took into account important aspects such as mobility concepts, circular economy, consumption of grey energy, electricity production from renewable energy, biodiversity, prevention of heat islands and increased use of wood or wood hybrid constructions in our projects. We also want to continually expand reporting on ESG subjects. As I said, we see HIAG as intrinsically sustainable because we develop the existing portfolio and also because tenant satisfaction at our sites is important to us. Having satisfied tenants pays in every way in the long term.

LS: The current sustainability report contains a materiality analysis for the first time and addresses our ESG vision and HIAG's specific ESG goals. In 2021 we will keep working on sustainability reporting and also decide which reporting standard we want to use. This is a complex question, because HIAG works with an inventory portfolio as well as a redevelopment portfolio. So it's not just about key figures, but rather the general principle of the corporate philosophy.

## Executive Board Interview

**What role does the HIAG Solar joint venture, which was presented at the beginning of 2021, play in HIAG's sustainability strategy?**

**MF:** Electricity production already plays a role in HIAG's sustainability strategy with the smaller hydroelectric power plants that are a part of the industrial heritage of our sites. With HIAG Solar, the potential of the large roof surface area of our portfolio can now also be used efficiently. HIAG makes the roof areas available, and the engineering, production and sales are handled by the partner. We found the ideal joint venture partner in the Münchenstein-based company aventron.

The tenants also benefit from the site-based electricity production, on one hand from good purchasing conditions and on the other hand from the sustainability components that boost our tenants' operations.

**What are your objectives for 2021?**

**MF:** We expect to reach further milestones in development projects and increase rental income in 2021. We also expect to be able to further reduce the vacancy rate in the existing portfolio through intensive marketing activities.

# Report on the business year 2020

**The year 2020 was a successful business year for HIAG. HIAG continued to focus on the real estate business in the reporting year. Annualised property income increased as expected and the vacancy rate was reduced as planned. The equity ratio improved significantly and the loan-to-value ratio was reduced.**

## Net income 2020

HIAG achieved a net income of CHF 55.2 million in 2020 (2019: loss of CHF 70.7 million). Before revaluations and deferred taxes, profit amounted to CHF 32.6 million (2019: loss of CHF 69.1 million). Earnings per share before revaluations and deferred taxes were CHF 4.06 (2019: CHF -8.659).

Annualised property income increased slightly by 2.2% to CHF 60.0 million (2019: 58.7 million). As expected, collected property income decreased by 2.7% to CHF 59.7 million in the reporting year (2019: CHF 61.4 million). New rental agreements in the reporting year and rental income from completed development projects could not compensate for the decline due to the bankruptcy of Rohner AG, Pratteln, and the departure of Decathlon in Dietikon. Thanks to a broad portfolio and tenant diversification and active portfolio management, the impact of the Corona pandemic on rental income was low at CHF 0.3 million or 0.4% of annualised rental income.

The vacancy rate across the entire portfolio was reduced by 3.0 percentage points to 13.2% despite limited letting activities due to the pandemic; the vacancy rate in the existing portfolio was 13.2% (2019: 16.6%). This pleasing development was mainly influenced by new lettings in Aigle, Cham, Dornach, Frauenfeld, Klingnau, Kleindöttingen and Windisch. At 3.4%, the net yield of the existing portfolio is at an attractive level. Furthermore, HIAG has a comfortable weighted average remaining lease term (WAULT) of 7.9 years (2019: 8.9 years).

As a result of new rental agreements, progress in development projects and an acquisition, the positive effect from revaluations amounted to CHF 27.0 million in the reporting year, after a minus of CHF 16.0 million in the previous year mainly as a result of the bankruptcy of Rohner AG, Pratteln. The weighted average discount rate of the overall portfolio decreased slightly to 3.73% (2019: 3.94%).

The profit before taxes from the sale of properties and promotion projects amounted to CHF 6.3 million (2019: CHF 0.3 million).

As expected, the net income was burdened by subsequent operating costs of CHF 8.7 million (CHF 1.3 million lower than communicated in mid-March 2020) for the restructuring of HIAG Data and the operating costs for the building dismantling of the site in Pratteln. With operational measures and the sale of a complete production facility including building, the total expenses for the dismantling of the Rohner site in Pratteln were significantly reduced compared to the original expectations, resulting in a positive contribution of CHF 9.4 million in the reporting year.

# Report on the business year 2020

## Balance sheet key figures

Despite the sale of the property in St. Margrethen and the sale of the condominiums in Frauenfeld, the portfolio value increased by 4.2% to CHF 1.64 billion (2019: 1.57 billion). At the end of 2020, the entire real estate portfolio consisted of 116 properties. In the reporting year, a development site with an area of around 22,300 m<sup>2</sup> was acquired in the industrial area of Bussigny (VD), which has potential for commercial, logistics and office uses. At the end of 2020, the development portfolio comprises 58 projects with 727,000 m<sup>2</sup> of usable space. The expected investment volume, excluding future acquisitions, totals CHF 2.8 billion. Of these, 11 development projects with 95,000 m<sup>2</sup> of usable space and an expected investment volume of around CHF 300 million are to be initiated in the next three to four years. After completion and full occupancy, these projects are expected to generate annualised property income of about CHF 18 million and sales proceeds from promotion projects of CHF 72 million. Currently, three fully let properties with an annualised property income after completion of CHF 6.3 million and an average contract term of 15.5 years are under construction.

The current financial liabilities as at 31 December 2020 include the CHF 100 million bond maturing on 1 July 2021. The refinancing of this bond will be carried out in the first half of 2021.

In the previous year, a short-term provision of CHF 30 million was recorded for the dismantling of the production infrastructure of the site in Pratteln. As at 31 December 2020, CHF 10.4 million of this amount was used for work carried out. With operational measures and the sale of a complete production facility including building, HIAG significantly reduced the total expenses for the dismantling of the Rohner site in Pratteln compared to the original expectations, so that HIAG could release a total of CHF 8 million in provisions. HIAG assumes that the complete dismantling will be completed in 2021. Therefore, the remaining provision of CHF 11.6 million is still shown as short-term.

## Capital structure and liquidity

HIAG strengthened its operational power through a successful share placement in the reporting year. As part of a private placement, 383,000 registered shares with a par value of CHF 1.00 each were issued from the company's authorised share capital (Articles of Association Art. 3a) at a placement price of CHF 86.00 each (net asset value according to Swiss GAAP FER as of 30 June 2020).

The equity ratio improved by 3.7 percentage points to 45.0%; Shareholders' equity amounted to CHF 761.1 million as at 31 December 2020 (2019: 41.3% or CHF 672.1 million). NAV after deferred taxes was 8% higher than the previous year at CHF 90.72 per share. Return on equity excluding the capital increase of 27 October 2020 reached 8.4% in the reporting year.

The loan-to-value ratio (LTV) decreased slightly to 48.7% as at 31 December 2020 (2019: 51.4%), mainly due to the 2020 net income as well as the share placement and the sale of the property in St. Margrethen in the fourth quarter of 2020.

The weighted average maturity of debt was 2.0 years (2019: 2.7 years). The average interest rate for financial liabilities remained at the previous year's low level of 0.9% (2019: 0.9%). The comparison between the cost of debt of 0.9% and the net yield of 3.4% achieved on the yielding portfolio shows a still attractive interest spread of 2.5%.

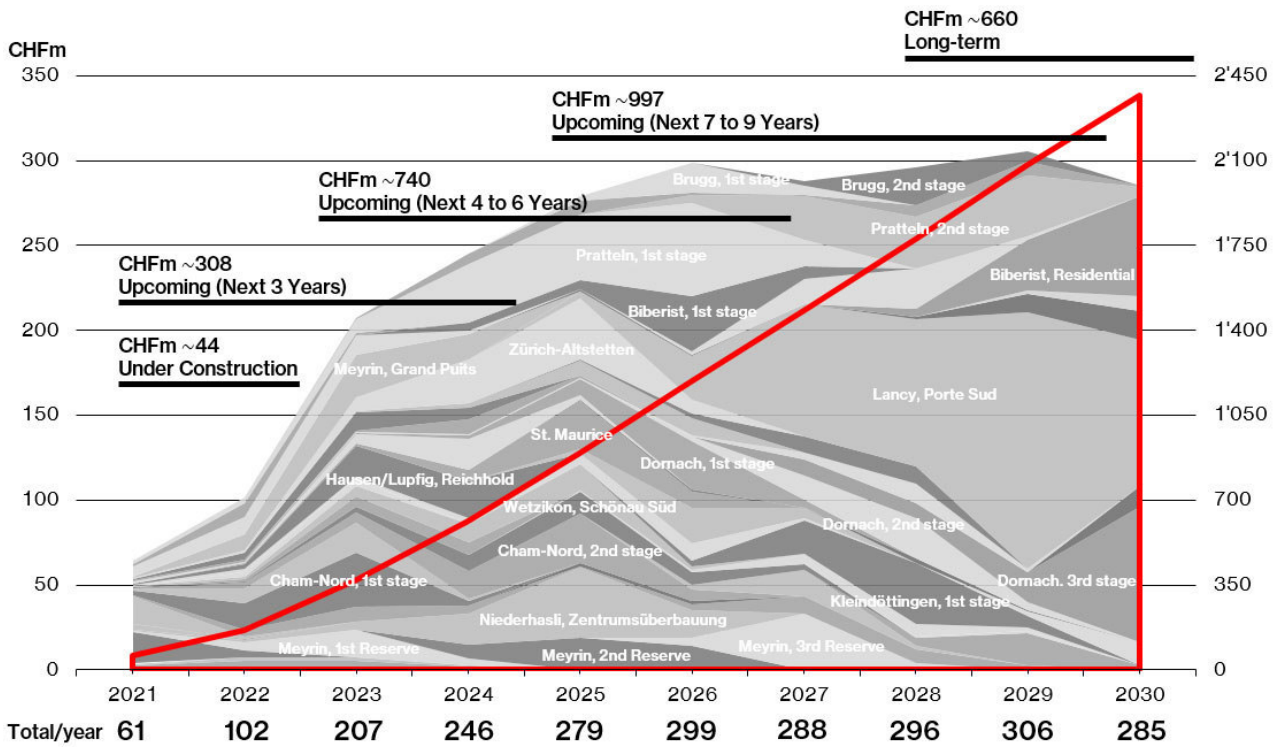
As of the end of 2020, HIAG had CHF 124 million in open committed credit facilities. From today's perspective, these are sufficient to finance the ongoing business activities as well as the planned investments in the real estate portfolio.

Laurent Spindler

CFO

# Project Pipeline

## Project Pipeline as at 31.12.2020



# Project Pipeline

## Financial Overview projects finished/under construction

|   |                           | 2021 | 2022 | Effective area to be developed in m2 | Total expected investment volume in CHFm | Expected remaining investment in CHFm<br>2021-2022 | Est. Rental Value in CHFm | Pre-let Ratio | Lease Duration in years | Completion/Expected Completion           |
|---|---------------------------|------|------|--------------------------------------|--|--|---------------------------|---------------|-------------------------|--|
| <b>Finished projects 2020</b>                     |                           |      |      |                                      |  |  |                           |               |                         |  |
| Wetzikon, Projekt Avellana                        | Residential, New Building |      |      | 1'500                                | 7.8                                      |  | 0.45                      | 100%          |                         | 06/20                                    |
| Meyrin, Hive, Pavillon Luigia                     | Commercial, New Building  |      |      | 700                                  | 3.4                                      | 0.2  | 0.17                      | 100%          | 10                      | Handover 07/20, Opening 05/21            |
| Kleindöttingen, Industrial hall Brugg-Rohrsysteme | Industrial, New Building  |      |      | 2'250                                | 3.5                                      |  | 0.20                      | 100%          | 27                      | 10/20                                    |
| Goldach, Production + Energy Hall Amcor           | Industrial, New Building  |      |      | 4'900                                | 11.3                                     | 0.3  | 0.85                      | 100%          | 15                      | Production Hall 08/20, Energy Hall 10/20 |
| <b>Total</b>                                      |                           |      |      | <b>9'350</b>                         | <b>26.0</b>                              | <b>0.5</b>   | <b>1.67</b>               | <b>100%</b>   | <b>16.3</b>             |  |
| <b>Projects under construction</b>                |                           |      |      |                                      |  |  |                           |               |                         |  |
| Niederhasli, Office Building Doka Schweiz         | Office, New Building      |      |      | 2'750                                | 12.0                                     | 3.1  | 0.80                      | 100%          | 19                      | 04/21                                    |
| Meyrin, Hive, Headquarter Office LEM              | Office, New Building      |      |      | 7'350                                | 33.1                                     | 22.3   | 2.32                      | 100%          | 15                      | 01/22, rent-free period until 03/23      |
| Dietikon, XXXLutz                                 | Retail, New Building      |      |      | 16'600                               | 23.4                                     | 17.8   | 3.17                      | 100%          | 15                      | 06/22                                    |
| <b>Total</b>                                      |                           |      |      | <b>26'700</b>                        | <b>78.5</b>                              | <b>43.2</b>  | <b>6.29</b>               | <b>100%</b>   | <b>15.5</b>             |  |

# Project Pipeline

## Financial overview mid-term developments

|   |                                     | 2021 | 2022 | 2023 | 2024 | 2025 | Effective area to be developed in m2 | Total expected investment volume in CHFm | Expected remaining investment in CHFm<br>2021 ff. | Est. Rental Value in CHFm | Pre-let Ratio Commercial | Lease Duration in years | Project status  |
|---|-------------------------------------|------|------|------|------|------|--------------------------------------|--|---|---------------------------|--------------------------|-------------------------|---|
| Wetzikon, Floos                                 | Commercial, Conversion              | █    | █    |      |      |      | 7'000                                | 11.8                                     | 11.1  | 1.0                       | 0%                       | -                       | Expec. building applic. 04/21, expec. constr. start 01/22           |
| Windisch, Zentrum West                          | Resid./commercial, New Building     |      |      | █    |      |      | 1'500                                | 8.1                                      | 7.4   | 0.4                       | 0%                       | -                       | Architecture competition 07/21, expec. building application 04/22   |
| Cham, Cham Nord, 1 <sup>st</sup> stage Yielding | Resid./commercial, New Building     |      |      | █    |      |      | 11'700                               | 57.7                                     | 52.8  | 3.4                       | 0%                       | -                       | Expec. building permission 03/21, expec. constr. Start 01/22        |
| Cham, Cham Nord, 1 <sup>st</sup> stage Promo.   | Condominium, New Building           |      |      | █    |      |      | 5'500                                | 33.2                                     | 29.2  | 72.0 1)                   | -                        | -                       | Expec. building permission 03/21, expec. constr. Start 01/22        |
| Biberist, Papieri, 1 <sup>st</sup> stage        | Industrial, New Building            |      |      | █    |      |      | 12'600                               | 29.1                                     | 29.1  | 2.0                       | 0%                       | -                       | Feasibility study, Commercialization ongoing                        |
| Aathal, Coop B&H + Resid. 1 <sup>st</sup> stage | Retail/residential, New Building    |      |      |      | →    |      | 6'300                                | 18.8                                     | 18.1  | 1.3                       | 100%                     | 10                      | Expec. perm. GP 04/21, expec. building applic. 10/21                |
| Hausen/Lupfig, 1 <sup>st</sup> stage            | Industrial, logistic                |      |      |      | █    |      | 21'200                               | 43.3                                     | 43.2  | 3.4                       | 0%                       | -                       | Feasibility study, Commercialization                                |
| Bussigny, 1 <sup>st</sup> stage                 | Logistic, industrial                |      |      |      | █    |      | 8'700                                | 22.5                                     | 22.5  | 1.5                       | 0%                       | -                       | Feasibility study, Commercialization                                |
| Frauenfeld, Walzmühle, 3 <sup>rd</sup> stage    | Residential, Conversion             |      |      |      |      | →    | 4'400                                | 17.9                                     | 12.9  | 1.0                       | -                        | -                       | Project optimization, design plan, rev. building applic. 07/2021    |
| Frauenfeld, Walzmühle, Parking-Site             | Parking/commercial, New Building    |      |      |      |      | →    | 550                                  | 5.5                                      | 5.5   | 0.4                       | -                        | -                       | Design plan, expec. building application 12/21                      |
| Meyrin, Grand Puits                             | Commercial, Conversion              |      |      |      |      | █    | 15'600                               | 51.0                                     | 50.7  | 4.0                       | 0%                       | -                       | Feasibility study, Commercialization, expec. building applic. 08/21 |
| Ermatingen, Hauptstrasse 181/185                | Old age & care centre, New Building |      |      |      |      | →    | 6'900                                | 38.8                                     | 38.6  | 1.8                       | 0%                       | -                       | Feasibility study, Operator evaluation/contract negotiations        |
| Wetzikon, Schönau Nord                          | Condominium                         |      |      |      |      | █    | 2'400                                | 16.2                                     | 15.9  | 21.41)                    |                          |                         | Expec. perm. GP 03/22, expec. building application 12/22            |
| Wetzikon, Schönau Süd 1 <sup>st</sup> stage     | Residential                         |      |      |      |      | █    | 7'500                                | 38.0                                     | 35.4  | 2.3                       |                          |                         | Expec. perm. GP 03/22, expec. building application 12/22            |
| Zürich, Freihofstrasse                          | Resid., commercial, New Building    |      |      |      |      | █    | 13'100                               | 80.1                                     | 80.0  | 4.8                       | 68%                      |                         | Feasibility study, expec. building application 06/22                |
| Neuchâtel, 2 <sup>nd</sup> stage                | Residential                         |      |      |      |      | █    | 4'500                                | 28.2                                     | 28.1  | 1.5                       |                          |                         | Design plan, expec. perm. GP 12/22                                  |
| <b>Total</b>                                    |                                     |      |      |      |      |      | <b>129'450</b>                       | <b>500.2</b>                             | <b>480.5</b>                                      | <b>28.8</b>               | <b>-</b>                 | <b>-</b>                |   |

→ Shifted projects due ongoing optimization process or granted lease extensions: Aathal, Frauenfeld, Ermatingen

1) Expected sales revenue from promotion projects

# Sustainability report 2020

## 1 Introduction

The heart of HIAG's business model is the long-term development of real estate in our own portfolio. Due to the use and conversion of the existing building substance, our business model is sustainable in and of itself, as it makes an important contribution to the circular economy and, with the development of new destinations, creates space for people and companies to flourish. As part of the site and development strategy, the technological possibilities for realisation of energy-efficient buildings are consistently taken into account and the production capacity for renewable energies is expanded in a targeted manner.

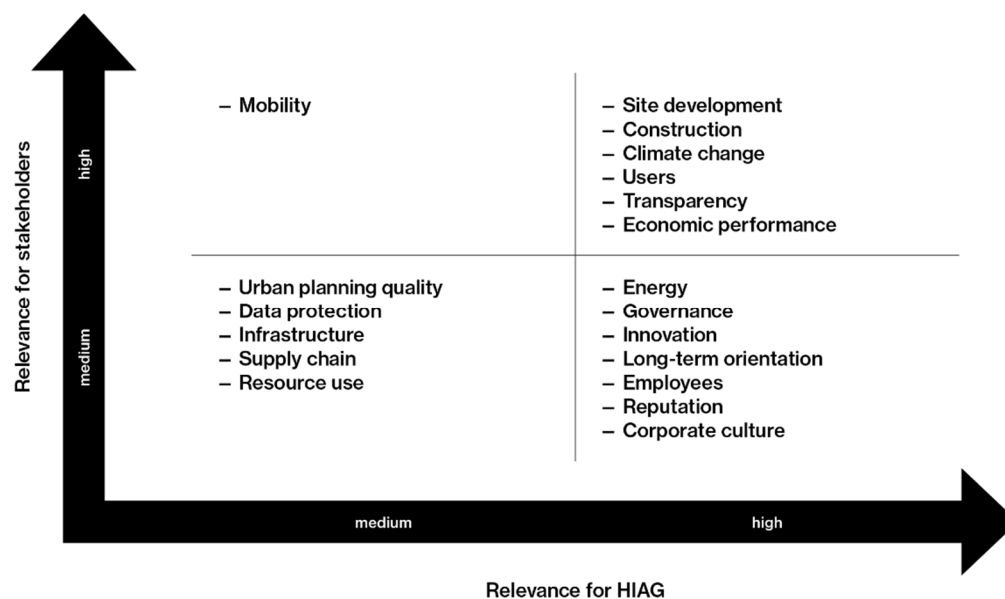
In the 2020 business year, HIAG pushed ahead with its sustainability strategy with the support of external specialists. Selected international real estate companies with a comparable portfolio were used as benchmarks (peer analysis). Within the scope of a materiality analysis, the issues relevant to HIAG were identified and weighted. Based on the analyses, the sustainability strategy was defined with an overarching vision and objectives as well as the corresponding action plans.

The reporting is to be continuously expanded.

## 2 Sustainability strategy

### 2.1 Materiality matrix

As part of the materiality analysis, the key topics were defined from HIAG's perspective and from stakeholder's perspective. This enabled a clear classification and prioritisation of relevant topics and forms an important basis for both HIAG's sustainability strategy and sustainability reporting. The analysis identified the 19 most important topics for HIAG: The criteria for assessing the relevant sustainability topics are strategic relevance, the possibility of direct influence, and the impact within and outside the organisation.





# Sustainability report 2020

## 2.2 Sustainability strategy

Based on the peer and materiality analysis, the sustainability strategy was sharpened with an overarching vision. Within the framework of this specification, four categories were defined: portfolio, environment, economic efficiency, and social and societal issues. Sustainability priorities were formulated for each category.

| Long-term and forward-looking development and management of sites to create added value for our stakeholders  |   |   |  |
|---|---|---|--|
| Portfolio   | Environment   | Economic efficiency   | Social and society   |
| <ul style="list-style-type: none"> <li>– Infrastructure for the use of renewable energies</li> <li>– Avoidance of grey energy</li> <li>– Certification</li> <li>– Attractiveness of the sites/ added value for users</li> </ul> | <ul style="list-style-type: none"> <li>– Emissions and heat load (constant reduction)</li> <li>– Production of renewable energies</li> <li>– Consideration of biodiversity in site development</li> <li>– Circular economy</li> </ul> | <ul style="list-style-type: none"> <li>– Transparency</li> <li>– Long-term and partnership-based relationships with stakeholders</li> <li>– Return on equity</li> <li>– Profitability optimisation over the entire cycle</li> </ul> | <ul style="list-style-type: none"> <li>– Preservation of building substance as an element of identification</li> <li>– Involvement of the public</li> <li>– Employee well-being</li> <li>– Governance</li> </ul> |

## 2.3 UN Sustainable Development Goals

Furthermore, the United Nations Sustainable Development Goals (SDGs) are also used as important indicators. They are already recognizable in many of HIAG's developments today; areas should be hubs of meaningful entrepreneurial initiatives. The goals of "industry, innovation and infrastructure", "sustainable cities and communities" and "sustainable consumption and production" are at the heart of HIAG's site development.

### UN Sustainable Development Goals 2030



● HIAG objectives

# Sustainability report 2020

## 2.4 HIAG Sustainability goals

For each category, HIAG's management has defined concrete objectives and measures for each sustainability priority. From 2021 onwards, these sustainability targets will be quantified step by step and, where possible, given a time horizon.

### 2.4.1 Portfolio

| Category  | Sustainability priorities   | Sustainability goals  | SDGs   |
|-----------|---|---|--|
| Portfolio | <ul style="list-style-type: none"> <li>– Infrastructure for the use of renewable energies</li> <li>– Avoidance of grey energy</li> <li>– Certification</li> <li>– Attractiveness of the sites/ added value for users</li> </ul> | <b>1</b> The installed capacity for electricity production from renewable energy will be expanded |     |
|           |   | <b>2</b> All new buildings will be oriented towards environmental certification                   |    |
|           |   | <b>3</b> The use of sustainable building materials will be expanded                               |    |
|           |   | <b>4</b> The added value of the sites is fundamentally promoted                                   |    |

#### Measures







Measures for goal 1: HIAG Solar; introduction of a guideline that specifies the standard consideration of opportunities for the use of renewable energy

Measures for goal 2: Definition of preferred certifications; introduction of a guideline that requires environmental certification for all new buildings and development sites

Measures for goal 3: Introduction of a guideline that specifies the standard consideration of the possibilities for using sustainable building materials

Measures for goal 4: Definition of what added value means and how this can be measured (incl. scale); measurement of the added value of the sites with user surveys; development of mixed-use sites; development of an infrastructure and mobility concept for all sites

### 2.4.2 Environment

| Category    | Sustainability priorities   | Sustainability goals   | SDGs   |
|-------------|---|--|--|
| Environment | <ul style="list-style-type: none"> <li>– Emissions and heat load (constant reduction)</li> <li>– Production of renewable energies</li> <li>– Consideration of biodiversity in site development</li> <li>– Circular economy</li> </ul> | <b>1</b> Increase the production of renewable energy to cover own needs                  |   |
|             |   | <b>2</b> Reduction of greenhouse gas emissions   |    |
|             |   | <b>3</b> Increase the proportion of land used specifically for biodiversity in the sites |    |
|             |   | <b>4</b> Reduction of heat load in the sites   |   |

#### Measures

Measures for goal 1: For existing properties, it is examined whether renewable energy sources can be installed

Measures for goal 2: Increase the energy efficiency of the existing portfolio through energy management (e.g. installation of smart meters) and gradual renovation of building envelopes; replacement of heat generators with fossil energy

Measures for goal 3: Definition of criteria for sites used for biodiversity; consideration of biodiversity in site development as a standard criterion

Measures for goal 4: Definition of a measure for heat load; targeted consideration of heat load in site development and renovation projects

# Sustainability report 2020

## 2.4.3 Economic efficiency

| Category            | Sustainability priorities   | Sustainability goals   | SDGs |
|---------------------|---|--|------|
| Economic efficiency | <ul style="list-style-type: none"> <li>– Transparency</li> <li>– Long-term and partnership-based relationships with stakeholders</li> <li>– Return on equity</li> <li>– Profitability optimisation over the entire cycle</li> </ul> | <b>1</b> Continuous improvement in the relevant ESG ratings                      |      |
|                     |   | <b>2</b> Ensure financial transparency   |      |
|                     |   | <b>3</b> Support long-term and partnership-based relationships with stakeholders |      |
|                     |   | <b>4</b> Over 5 years, the target is to achieve an average ROE of 5.7%           |      |
|                     |   | <b>5</b> Promote balanced regionality in asset allocation                        |      |

### Measures

Measures for goal 1: Definition of relevant ESG ratings; analysis of the topics in which HIAG could receive additional points.

Measures for goal 2: Analysis of the current gap to the EPRA BPR Gold Award

Measures for goal 3: Selection and variance procedure

Measures for goal 4: Increase occupancy rate; development of pipeline; acquisitions, divestments

Measures for goal 5: Consideration of the balance of regionality in acquisition decisions; employment of staff from the relevant regions

## 2.4.4 Social and society

| Category           | Sustainability priorities  | Sustainability goals   | SDGs |
|--------------------|--|--|------|
| Social and society | <ul style="list-style-type: none"> <li>– Preservation of building substance as an element of identification</li> <li>– Involvement of the public</li> <li>– Employee well-being</li> <li>– Governance</li> </ul> | <b>1</b> Preservation of selected building substance in the site development to create identification  |      |
|                    |  | <b>2</b> Ensure stakeholder dialogue in the site development context                                   |      |
|                    |  | <b>3</b> Promote a high average length of stay of employees in the company                             |      |
|                    |  | <b>4</b> Increase the proportion of women in management  |      |
|                    |  | <b>5</b> Promote a balanced generational mix and diversity of educational backgrounds in the workforce |      |

### Measures

Measures for goal 1: Development of guidelines that define the preservation of the building substance as a priority criterion in the site development

Measures for goal 2: Definition of the relevant stakeholder groups; creation of suitable formats for exchange with the relevant stakeholder groups

Measures for goal 3: Create an attractive environment for employees (e.g. work-life balance, remuneration); support promotion programmes

Measures for goal 4: Targeted promotion of work-life balance

Measures for goal 5: Consideration of generational mix and diversity of educational background in human resources policy

# Sustainability report 2020

## 3 Portfolio

### 3.1 Focus on clients needs

For HIAG, clients are all direct and indirect users of the sites. This includes the clients and employees of our tenants and their ecosystems. In long-term development projects, HIAG takes the perspective of future clients. The insights gained from this lead, for example, to properties that are originally occupied by only one tenant being consistently oriented towards multi-tenant suitability. Furthermore, they have an influence on the development of specific services for a neighbourhood and on the creation of identity-forming places in the green space, as well as on the handling of historical buildings and the use of art on the sites.

### 3.2 Quality in architecture and urban planning

Site development is a complex task that usually requires a long process. The general conditions of building and planning law, the needs of politics, monument protection, existing users, the local public and, if necessary, associations must be taken into account. In order to moderate the often complex interests and framework conditions, study commissions and competitions are often carried out for urban development issues and master plan procedures. As a rule, interests are recorded and moderated in two-stage processes and in committees in which the most important stakeholders are represented on the basis of concrete tasks and the resulting project contributions. This allows HIAG to coordinate its own entrepreneurial vision for the site with the parties involved and at the same time to incorporate proposals with outstanding urban planning and architectural qualities into the processes. Particular attention is paid to socio-cultural and, above all, ecological aspects and mobility issues. Living and high-quality open spaces, in which a unique biodiversity develops, are part of urban planning. Around these outdoor spaces, potential for high-quality living space is created. Since HIAG is the long-term owner of the sites, it can introduce and promote projects, as it did on the site in Pratteln, and thus significantly support the development of an independent site identity and a vibrant neighbourhood life. On the HIAG site in Pratteln, a mixed-use district with up to 400 residential units, commercial and office space for around 500 workplaces and generous public green and open spaces is planned. The results of the study commission for this development were presented in the first quarter of 2021.

Mobility planning is also one of the main focuses of the site development. Where possible, HIAG supports the stationing of car-sharing services for neighbourhood users on its sites, such as on the Kunzareal site in Windisch or on the Walzmühle site in Frauenfeld. Furthermore, the Walzmühle site in Frauenfeld has its own bus stop since December 2019, providing a direct connection to Frauenfeld railway station. A new S-Bahn station will also be built at the Dornach site in the foreseeable future. HIAG supports this new infrastructure offer, which will make HIAG's new Wydeneck-quarter a link for non-motorised traffic between Dornach and Aesch.

### 3.3 Corporate mobility

HIAG encourages the use of public transport and deliberately does not have a fleet of cars for its employees. Employees with a high demand for travel are given rail or half-fare cards. In addition, all employees have access to the Mobility car-sharing model, and employees who travel frequently by train or work at different locations are provided with mobile technical equipment.

# Sustainability report 2020

## 3.4 Innovation

Every step of real estate development, from acquisition to site development, real estate management, portfolio and asset management, to sale, offers room for innovation. This is the case on the technical as well as on the social or ecological level. One example is the Hive Innovation Lab in Meyrin, a concept developed jointly by Hewlett Packard Enterprise and HIAG, which has created a flexible and networked ecosystem that offers start-ups attractive space for interdisciplinary cooperation and innovation. In the heart of the Hive Campus, the Luigia Academy was conceived in a multifunctional pavilion, which simultaneously offers a training facility for the restaurant chain's employees, but also a place for culinary creation, experimentation and environmental studies. At the Kunzwerk in Windisch, the companies located there have already been able to work together fruitfully for years in an inspiring environment and as part of a community beyond their company boundaries with a professional work infra-structure and coworking work-places.

In June 2020, the Avellana project in Wetzikon, a new apartment building, was handed over to the residents. In the Avellana project, an innovative energy management system coordinates all energy-relevant trades such as solar power, battery storage, heat and water and electromobility to ensure comfort, efficiency, monitoring and billing in a simple way. HIAG will now transfer this sustainable and ecological concept to other projects. In the second quarter of 2020, a state-of-the-art lung clinic with its own sleep laboratory will move into the top floor of the Aathal spinning mill. In Birsfelden, the company placeB offers an exclusively digital self-storage solution with modern storage boxes with a unique user-friendliness.

## 4 Environment

### 4.1 Photovoltaics

The existing and planned properties in HIAG's portfolio are designed for systematic expansion with photo voltaic systems. In order to systematically exploit this great potential, HIAG has founded the joint venture HIAG Solar with aventron, an established producer of electricity from renewable energies based in Münchenstein (BL). With a planned module area of around 65,000 m<sup>2</sup> and an output of about 10 MWp, HIAG Solar should become a significant solar power producer in Switzerland in the medium term and gradually expand its capacity. The aim is to achieve an annual electricity production of 10 million kWh and CO<sup>2</sup> equivalent savings of about 4.2 million tonnes.

The first four plants are already in the planning stage and are expected to start production in 2021 and 2022.



# Sustainability report 2020

## Photovoltaics offers the greatest growth potential in renewable energies

HIAG Solar will expand solar power production on properties in the HIAG real estate portfolio over the long term. Antoine Millioud, CEO aventron, and Marco Feusi, CEO HIAG, talk about the strategy of the joint venture and the potential of renewable energies in Switzerland:



### How did the contact between aventron and HIAG come about?

**Marco Feusi:** In May 2020, we systematically checked where HIAG owned roof areas suitable for the production of solar power and identified about 200,000 m<sup>2</sup> of roof area that would be suitable for the installation of photovoltaic power plants in the medium term. HIAG then looked for a partner that could contribute expertise in the production and marketing of solar power.

**Antoine Millioud:** In June we discussed possibilities together using two or three concrete examples. It was clear from the beginning that HIAG would provide the roof space and aventron would be responsible for the operational side.

### How is the split of tasks between aventron and HIAG defined?

**Antoine Millioud:** aventron takes care of the technical issues. HIAG communicates with the tenants and other stakeholders.

### What does that look like in day-to-day business?

**Antoine Millioud:** When a solar power plant is in operation, there is little to do operationally. HIAG Solar therefore manages with a lean structure.

**Marco Feusi:** It is important to us that the processes are lean. If a new project is identified, the Board of Directors decides on its implementation.

# Sustainability report 2020

aventron holds a majority stake of 51% in the joint venture. What is the reason for this?

**Antoine Millioud:** This is in line with aventron’s philosophy, as we see ourselves as long-term partners.

Does aventron have similar cooperations with third parties?

**Antoine Millioud:** aventron operates two similar cooperations in the solar sector in Switzerland with partners from the financial sector. What is exciting about HIAG Solar is that HIAG brings in large production areas. Access to projects is becoming increasingly important, which makes HIAG a perfect partner.

**Marco Feusi:** We have already identified numerous roof areas that are suitable for solar power production and will continuously expand the portfolio. We see that our tenants are interested in obtaining electricity from solar production installed on the site, as long as the output is competitive with a comparable offer.

How do you assess the development of solar energy in relation to other renewable energies in the Swiss energy market?

**Antoine Millioud:** The solar power sector is currently growing dynamically; in 2020, production in Switzerland increased by around 400 MWp. In the case of small hydropower plants, the potential is almost exhausted and the construction of wind power plants is facing great resistance.

At which locations will HIAG Solar’s four solar power plants planned for 2021 and 2022 be built?

**Marco Feusi:** In 2021 we are focusing on projects in Brunegg, Dietikon, Goldach and Niederhasli. We are also examining projects in Füllinsdorf, Bremgarten and Kleindöttingen, among others.

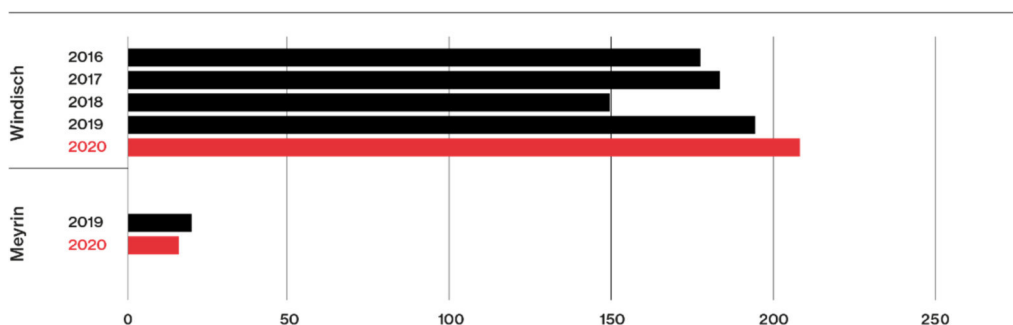
Is HIAG pursuing similar projects in other areas of the energy market?

**Marco Feusi:** An exciting topic is also the storage of energy. One possibility for this is hydrogen, which can be fed into the gas grid or stored in liquid form. And also in the medium term heavy goods traffic could be increasingly powered by hydrogen. Some of our sites offer optimal conditions for hydrogen filling stations due to their location in terms of traffic.

HIAG already maintains one of the largest photovoltaic systems in the Brugg-Windisch region on the roof of the Spitzmatt residential centre in Windisch, producing 200 MWh of electricity over an area of 1,300 m<sup>2</sup>. The total CO<sup>2</sup> emissions saved since 2013 amount to approximately 858 tonnes of CO<sup>2</sup> at the end of 2020. Furthermore, the campus “The Hive” in Meyrin has been illuminated with solar-supported LED lamps since 2019. The infrastructures generate annual saves of 1,118 kWh and 30.2 kg of CO<sup>2</sup>. And the photovoltaic system of the “Hive 2” building produced about 16,000 kWh of electricity in 2020.

## Annual photovoltaic production in MWh

Annual production of photovoltaic in MWh



# Sustainability report 2020

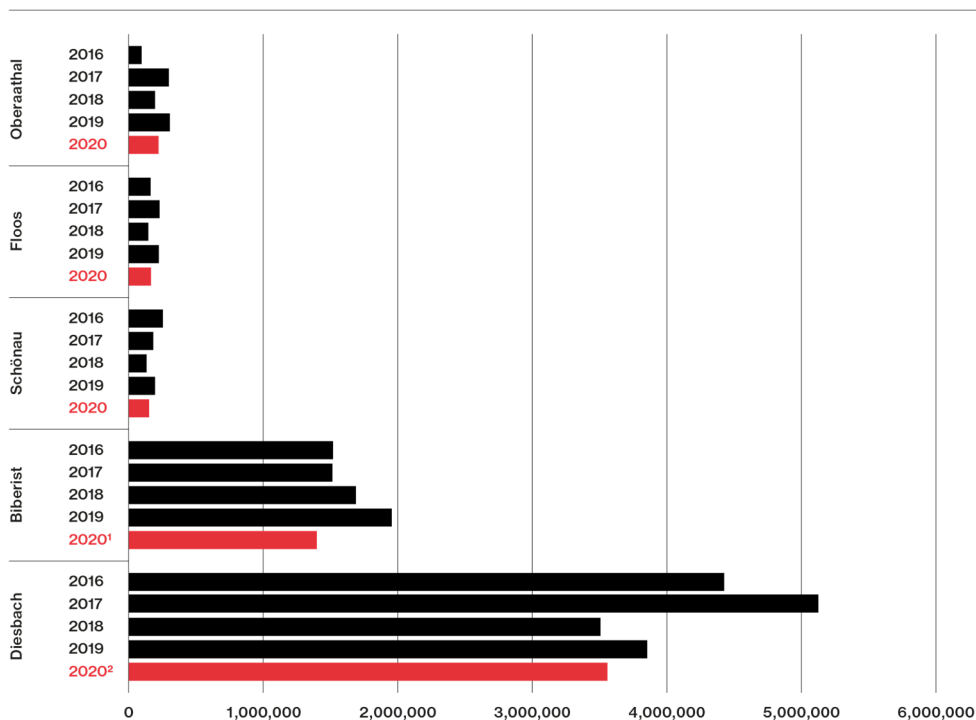
## 4.2 Hydroelectric power

Some of HIAG's sites are located along rivers and have power plants that were important energy suppliers for the former industrial companies. Because of their integration into the site structures, HIAG has gradually taken over the operation and maintenance of the plants itself and has repaired and modernised them in recent years.

Today, they are once again used to produce electricity at the sites in the Zurich Oberland, Biberist and Diesbach. In 2020, five small hydropower plants with an installed capacity of about 2 MW generated a total of about 5,500,000 kWh of electricity from renewable sources, which corresponds to the average annual demand of about 1,374 homes. Due to maintenance work, the power plants in Biberist and Diesbach were shut down for three and two months respectively in the reporting year.

### Annual production of hydroelectric power in kWh

Annual production of hydroelectric power in kWh



1 Power plant shut down on 18 October 2020

2 10 months due to damage

## 4.3 Biodiversity

In the development of its sites, HIAG attaches importance to high-quality habitat and an environmental design that promotes the emergence of unique biodiversity. For example, a biotope with its own flora and fauna was created on The Hive campus in Meyrin. Five beehives produce around 70 kg of honey a year. A green roof was installed on the building of the 'Luigia Academy'. The concept of this roof allowed the installation of a diverse vegetation adapted to the conditions of the roof, such as sunlight, dry soil, height of the substrate, while blending into the general forest atmosphere, using simple, durable and multi-functional materials.



# Sustainability report 2020

## 4.4 Energy standards

When realising residential projects, HIAG pays attention to the careful use of resources and strives to optimise the energy balance over the entire utilisation cycle, taking into account the needs of the future residents. Depending on the initial situation with regard to use, anchor tenants and existing building fabric, different certification approaches are pursued. In recent years, building materials have been certified according to Minergie, LEED and, in the case of listed buildings, GEAK.

In July 2020, the tenants of the Avellana apartment building in Wetzikon were able to move in. The new building project with 17 flats includes a photovoltaic system, brine-to-water heat pump with geothermal probes, free-cooling function, comfort ventilation with heat recovery and electric charging stations.

The Hive site in Meyrin has an innovative and very energy-efficient heating system from which all buildings on the site benefit: The Hive 1 building houses the Hewlett Packard Enterprise data centre. The waste heat from the cooling system in the computer room is collected and distributed. In this way, the heating requirements of the Hive 1 and Hive 8 buildings and the Luigia Academy can be covered. In addition, the cooling system of the computer centre has a large reserve that makes it possible to supply cooling to third parties as well.

## 5 Economic efficiency

### 5.1 Partner of the Swiss workplace

For HIAG, developing sites also means strengthening Switzerland as a business location. HIAG's commercial tenants include well-known large companies such as Amcor Flexibles Rorschach, Brugg Rohrsysteme, Doka Schweiz, Hewlett Packard Enterprise, HP Inc, IWG/Regus, LEM, Media Markt, XXXLutz and Migros. HIAG places great value on close relationships with anchor tenants from industry. In doing so, HIAG benefits from its own expertise in the development of industrial structures, which is based on HIAG's industrial past. HIAG has also had good experience in taking local businesses into account when developing sites. Where a corresponding supply structure is available, local providers are always invited into the award process and can thus become part of the development at the site. The management of the sites is also usually carried out in cooperation with regionally well-established service providers or with their own teams on site.

## 6 Social and society

### 6.1 Social responsibility

Social responsibility is an important issue for HIAG. This responsibility is also reflected in the selection of tenants. For almost six years, the Lindenbaum Ausbildung und Wohnen cooperative has been on site with a laundry service in the Aathal spinning mill and is also responsible for the environmental and cleaning work of the site. It provides young people with special educational needs with a training place in a protected setting and thus a chance to take the first step into the labour market. In Windisch, the Faro Foundation has been a tenant of the Kunz site since 2019. The foundation provides living and working space for people with cognitive or mental impairments and supports their independence, self-determination and social integration.

# Sustainability report 2020

## 6.2 Room for development

As a leading Swiss real estate company with sites in German-speaking and western Switzerland, HIAG offers dedicated professionals with different educational backgrounds, from caretakers to CEOs, exciting tasks along the entire real estate value chain. HIAG fosters an open, client-oriented corporate culture and has an efficient organisation with a flat hierarchy, short decision-making processes, clear interfaces and a high level of personal responsibility. HIAG's employee participation model is designed to enable all employees to become shareholders in the company. At the end of 2020, around 19% of employees were taking advantage of this opportunity.

## 6.3 Attractive working conditions

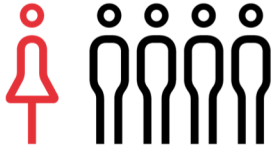
HIAG's employees contribute a great deal to the company's overall success, in part through a high degree of specialisation and entrepreneurial thinking. With this in mind, HIAG offers an innovative working environment with modern workplaces and a work-smart infrastructure, flexible working time models, an open and constructive culture of error, and performance-based remuneration. Employee appraisals take place at least once a year. HIAG attaches great importance to a balanced mix of generations and promotes the compatibility of family and career as well as further training for employees at all functional levels. This support takes the form of financial assistance and time management. In 2020, nine employees started or completed further training.

# Sustainability report 2020

## HIAG Group at a glance

### Employee related key figures

#### Members of the Board of Directors



1 Woman 20%  
4 Men 80%

#### Employees by business area

##### Real Estate



21 Women 36%  
37 Men 64%

##### Dismantling project Pratteln



4 Women 27%  
11 Men 73%

##### Jaeger & Bosshard



2 Women 17%  
10 Men 83%

#### Employees by function

##### Executive Board and Management



1 W 10%  
9 M 90%

##### Employees



20 W 43%  
27 M 57%  
4 W 27%  
11 M 73%  
2 W 17%  
10 M 83%

##### Apprentices



0 W 0%  
1 M 100%

#### Employees by full/part-time positions

##### > 90%



8 W 21%  
30 M 79%  
3 W 23%  
10 M 77%  
2 W 17%  
10 M 83%

##### 50–90%



11 W 69%  
5 M 31%  
1 W 50%  
1 M 50%

##### < 50%



2 W 50%  
2 M 50%

#### Employees by age structure

##### Under 30 years



3 W 50%  
3 M 50%

##### 30–40 years



7 W 39%  
11 M 61%  
1 W 50%  
1 M 50%  
1 W 33%  
2 M 67%

##### 40–50 years



5 W 36%  
9 M 64%  
0 W 0%  
3 M 100%  
1 W 17%  
5 M 83%

##### Above 50 years



6 W 30%  
14 M 70%  
3 W 30%  
7 M 70%  
0 W 0%  
3 M 100%

# Sustainability report 2020

## 6.4 Destinations for generations

Long-term success and sustainable development over generations shape the way HIAG thinks and acts. HIAG develops sites into destinations that have a strong identity, where people and companies can flourish in the long term. Direct and personal contact with anchor tenants, local authorities and other stakeholders is a priority at all times, which is why employees are regularly taken on and kept on at the former industrial sites. In Windisch, the technical team consists of two former employees of Kunz RE AG, in Biberist of three former employees of Sappi Schweiz AG and in Yverdon-les-Bains of one former employee of Village 52 SA. In addition, HIAG ensures long-term stable value creation of the real estate portfolio with active management by its own specialists on the sites. The company's own real estate management and technical teams are active at the Aathal, Dietikon, Biberist, Windisch and Yverdon sites. In connection with the interim and transitional use phase in Dornach, a new team of two employees was hired in 2021.

## 6.5 Cooperation with educational institutions

HIAG fosters exchange with educational and research institutions and supports cooperation with universities on concrete tasks in the context of site development. This offers students the opportunity to apply theoretical knowledge in practice. In recent years, HIAG has been able to cooperate with the ETH Zurich in the architecture programme, with the Lucerne University of Applied Sciences and Arts in the interior design programme and with the University of Applied Sciences Northwestern Switzerland in the electrical and environmental engineering programme. In addition, HIAG supports employees who are engaged as guest lecturers at universities on specific specialist topics.

## 6.6 HIAG-Code of conduct

The Code of Conduct, which is binding for all HIAG employees, describes the company's business behaviour and defines the guidelines that must be respected and supported by all employees without exceptions or restrictions. The responsible observance of ethical standards and the strict compliance with all laws relevant to the company form the basis of all business activities. The Code of Conduct can be obtained in PDF format at:

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<https://www.hiag.com/media/qbvjoqxp/verhaltenskodex-2020-dt-final.pdf>

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## 7 Outlook

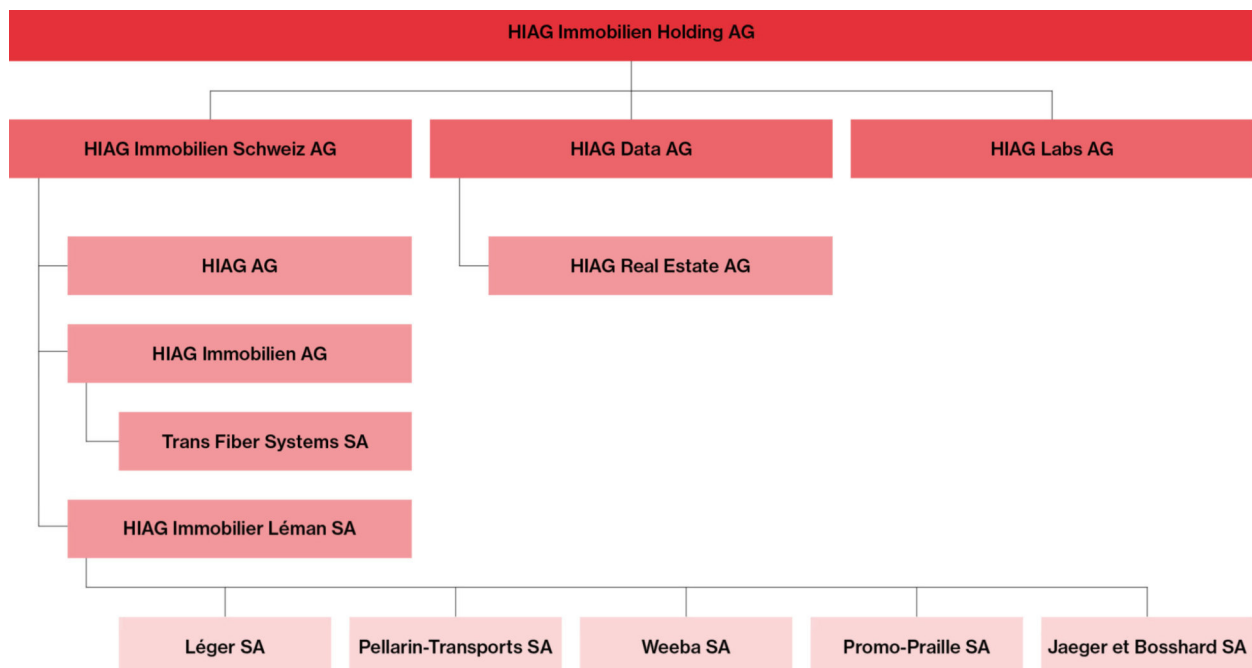
In addition to classic climate and environmental issues, the importance of social and economic goals, (Environment, Social, Governance), is increasing in society and HIAG intends to continuously expand its sustainability reporting. Transparency and comparability of sustainability reporting will be successively increased and more quantitative information published step by step. In the business year 2021, a decision will be made on the relevant standard for HIAG's reporting.

# Corporate Governance

The Corporate Governance Report contains the Corporate Governance information required as per the Corporate Governance Directive (RLCG) of the Swiss stock exchange (SIX Swiss Exchange) and essentially follows the structure of the Annex to this Directive. Repetitions have been avoided using references to other sections of the Annual Report.

## Group structure and shareholders

### 1 Group structure



# Corporate Governance

## Publicly listed holding company

|  |                            |
|--|----------------------------|
| Company                                      | HIAG Immobilien Holding AG |
| Registered office                            | Basel, Switzerland         |
| Listing                                      | SIX Swiss Exchange, Zurich |
| Stock market capitalisation 31 December 2020 | CHF 869.4 mio.             |
| Symbol                                       | HIAG                       |
| Valor  | 23,951,877                 |
| ISIN   | CH0239518779               |

For unlisted equity holdings (with information on extent of interest), please refer to the annual financial statement of HIAG Immobilien Holding AG, note “Scope of Consolidation”, pages 78 to 79.

## 2 Key shareholders as at 31 December 2020

The following shareholders or shareholder groups were recognised by the Board of Directors as at the reporting date as each holding more than 3% of voting rights in the company:

|  | Voting rights |
|--|---------------|
| Shareholder groups composed of:          | 62.9%         |
| SFAG Holding AG                          | -             |
| HIAG Beteiligung Holding AG <sup>1</sup> | -             |
| Grigors AG <sup>2</sup>                  | -             |
| Senft AG <sup>3</sup>                    | -             |
| Felix Grisard                            | -             |

<sup>3</sup> HIAG Beteiligung Holding AG is controlled by Dr. Felix Grisard.

<sup>4</sup> Grigros AG is controlled by Andrea Grisard.

<sup>5</sup> Senf AG is controlled by Salome Grisard Varnholt.

The members of this shareholder group signed a shareholders’ agreement on 14 April 2014 concerning shares of SFAG Holding AG. By signing these shareholders’ agreements, the shareholders of SFAG Holding AG and SFAG Holding AG became a group within the meaning of Art. 121 of the FINMA Stock Exchange Ordinance.

HIAG Immobilien Holding AG is unaware of any other shareholders with 3% or more of the voting rights as at 31 December 2020.

The disclosure notifications made during the period under review within the meaning of Article 120 of the Swiss Financial Market Infrastructure Act (FinfraG) and the provisions of the Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinfraV) can be viewed on the SIX Exchange Regulation website ([www.six-exchange-regulation.com](http://www.six-exchange-regulation.com)) under Publications > Significant shareholders.

# Corporate Governance

## 3 Shareholder structure as at 31 December 2020

| 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  | 302                     | 33.3%       | 15,749            | 0.2%               | –                     | –                  | –                             |
| 101 to 1,000  | 406                     | 44.7%       | 149,043           | 1.8%               | –                     | –                  | –                             |
| 1,001 to 10,000                                       | 157                     | 17.3%       | 532,752           | 6.3%               | –                     | –                  | –                             |
| 10,001 to 100,000                                     | 31                      | 3.4%        | 632,846           | 7.5%               | –                     | –                  | –                             |
| 100,001 to 1,000,000                                  | 11                      | 1.2%        | 2,402,077         | 28.5%              | –                     | –                  | –                             |
| 1,000,001 and over                                    | 1                       | 0.1%        | 4,058,704         | 48.1%              | –                     | –                  | –                             |
| <b>Total number of registered shareholders/shares</b> | <b>908</b>              | <b>100%</b> | <b>7,791,171</b>  | <b>92.4%</b>       | –                     | –                  | –                             |
| Total number of non-registered shares                 | –                       | –           | –                 | –                  | 641,829               | 7.6%               | –                             |
| <b>Total</b>  | –                       | –           | <b>7,791,171</b>  | –                  | <b>641,829</b>        | –                  | <b>8,433,000</b>              |

| Number of registered shares    | Registered shareholders |               | Registered shares |               |
|--------------------------------|-------------------------|---------------|-------------------|---------------|
|                                | Number                  | %             | Number            | %             |
| Natural persons                | 684                     | 75.3%         | –                 | 9.0%          |
| Legal persons                  | 62                      | 6.8%          | –                 | 70.3%         |
| Pensions funds                 | 69                      | 7.6%          | –                 | 8.2%          |
| Insurance companies            | 10                      | 1.1%          | –                 | 0.8%          |
| Funds                          | 47                      | 5.2%          | –                 | 6.0%          |
| Other foundations              | 23                      | 2.5%          | –                 | 2.0%          |
| Banks                          | 13                      | 1.4%          | –                 | 3.7%          |
| <b>Total</b>                   | <b>908</b>              | <b>100.0%</b> | –                 | <b>100.0%</b> |
| Switzerland                    | 831                     | 91.5%         | –                 | 95.7%         |
| Europe (excluding Switzerland) | 71                      | 7.8%          | –                 | 2.4%          |
| North America                  | 5                       | 0.6%          | –                 | 1.9%          |
| Other countries                | 1                       | 0.1%          | 113               | 0.0%          |
| <b>Total</b>                   | <b>908</b>              | <b>100.0%</b> | <b>113</b>        | <b>100.0%</b> |

## 4 Cross-shareholdings

As at 31 December 2020 there were no cross-shareholdings.

## Capital structure of HIAG Immobilien Holding AG

### 1 Share capital at 31 December 2020

As at 31 December 2020, the equity capital of HIAG Immobilien Holding AG amounted to CHF 8,433,000 broken down into 8,433,000 registered shares with a nominal value of CHF 1.00 each. Pursuant to Article 3a of the Articles of Incorporation, the Board of Directors is authorised to increase equity capital by a maximum of CHF 1,127,000 by issuing a maximum of 1,217,000 fully paid up registered shares with a nominal value of CHF 1.00 each until 23 April 2022 (authorised capital increase). Pursuant to Article 3b of the Articles of Incorporation equity capital is to be increased by a maximum of CHF 350,000 by issuing a maximum of 350,000 registered shares to be fully paid up with a nominal value of CHF 1.00 (conditional capital increase).

The shares are fully paid up.

Please refer to the following paragraph 2 concerning conditional equity capital.

### 2 Conditional equity capital in particular

The rules governing conditional equity capital are laid out in Article 3b of the Articles of Incorporation: Article 3 “Conditional equity capital”

- (1) The equity 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.
- (2) The subscription rights of the shareholders are excluded. The acquisition of registered shares within the scope of employee stock option plans, and the subsequent transfer of registered shares are subject to restrictions pursuant to Article 5 of the Articles of Incorporation.



# Corporate Governance

## 3 Changes in capital over the last three business years

|   | Number of registered shares | Nominal value per share in CHF | Nominal value in TCHF |
|---|-----------------------------|--------------------------------|-----------------------|
| Share capital, issued and fully paid, as at                     |                             |                                |                       |
| 31 December 2018  | 8,050,000                   | 1.00                           | 8,050                 |
| Share capital, issued and fully paid, as at                     |                             |                                |                       |
| 31 December 2019  | 8,050,000                   | 1.00                           | 8,050                 |
| Share capital, issued and fully paid, as at                     |                             |                                |                       |
| 31 December 2020  | 8,433,000                   | 1.00                           | 8,433                 |
| <b>Statutory reserves (general reserves)</b>                    |                             |                                | <b>in TCHF</b>        |
| 31 December 2018  |                             |                                | 1,610                 |
| 31 December 2019  |                             |                                | 1,610                 |
| 31 December 2020  |                             |                                | 1,610                 |
| <b>Statutory reserves (reserves from capital contributions)</b> |                             |                                | <b>in TCHF</b>        |
| 31 December 2018  |                             |                                | 17,171                |
| 31 December 2019  |                             |                                | 3,335                 |
| 31 December 2020  |                             |                                | 35,890                |
| <b>Freely distributable reserves</b>                            |                             |                                | <b>in TCHF</b>        |
| 31 December 2018  |                             |                                | 108,000               |
| 31 December 2019  |                             |                                | 108,000               |
| 31 December 2020  |                             |                                | 108,000               |
| <b>Accumulated loss / profit</b>                                |                             |                                | <b>in TCHF</b>        |
| 31 December 2018  |                             |                                | 63,538                |
| 31 December 2019  |                             |                                | -63,696               |
| 31 December 2020  |                             |                                | -74,061               |

## 4 Shares, participation certificates, dividend rights certificates

The 8,433,000 issued registered shares mentioned under paragraph 1 on page 40 have been fully paid up. Each share is entitled to receive a dividend. Paragraph 1 on page 54 contains the information concerning voting rights. There are no preferential rights or similar rights.

As at 31 December 2020, no participation certificates or dividend rights certificates had been issued.

# Corporate Governance

## 5 Transferability of registered shares and nominee registrations

The Board of Directors maintains a shareholder register, in which the owners' beneficiaries' and nominees' names, addresses and nationalities, and for legal entities, the headquarters, are entered. Only shareholders, beneficiaries or nominees entered in the shareholder registry will be 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 OR [Swiss Code of Obligations] 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 if only the nominee in question discloses the names, addresses, nationalities and number of shares of the persons on whose account he or she holds 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 circumvent 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 (BewG (Federal Law on the Acquisition of Real Estate by Foreign Nationals)) 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.

## 6 Convertible bonds and options

As at 31 December 2020, no convertible bonds or options were outstanding.

## Corporate Governance Board of Directors



From left: Dr. Walter Jakob, Dr. Jvo Grundler, Salome Grisard Varnholt, Dr. Felix Grisard, Balz Halter

# Corporate Governance

## 7 Members of the Board of Directors

|   | Initial election | Elected until |
|---|------------------|---------------|
| Dr. Felix Grisard, CH, 1968, President of the Board of Directors (non-executive)  | 2010             | 2020          |
| Salome Grisard Varnholt, CH, 1966, Member of the Board of Directors (non-executive)   | 2009             | 2020          |
| Dr. Jvo Grundler, CH, 1966, General Counsel and Member of the Board of Directors (executive)  | 2017             | 2020          |
| Dr. Walter Jakob, CH, 1949, Member of the Board of Directors, Vice-President of the Board of Directors and Lead Director (non-executive, independent) | 2010             | 2020          |
| Balz Halter, CH, 1961, Member of the Board of Directors (non-executive)   | 2019             | 2020          |

Dr. Walter Jakob, Vice Chairman of the Board of Directors and Lead Director, will not stand for re-election at the upcoming Annual General Meeting on 22 April 2021 after having reached the mandatory age limit. The Board of Directors proposes to elect Ms Susanne Zenker and Dr Christian Wiesendanger as new members.

Susanne Zenker (born 1970) is a proven real estate specialist. She holds a degree in architecture (EPFL) and is responsible for the development division on the Management Board of SBB Immobilien. Prior to that, she worked in the Management of a leading Swiss real estate project developer and general contractor. She is a dual Swiss/Swedish citizen.

Dr Christian Wiesendanger (\*1964) is a seasoned banker. As member of the Executive Committee of UBS Wealth Management he has headed the Swiss Wealth Management business and the Global Investment Products and Services area for many years. Prior to that, he held management positions at Credit Suisse. Christian Wiesendanger holds a PhD in theoretical physics (University of Zurich) and an INSEAD MBA. He is a Swiss citizen.

### Dr. oec. HSG Felix Grisard

President of the Board of Directors

Education: lic. oec. HSG Dr. oec. HSG – University of St. Gallen, OPM Harvard Business School

#### Professional background

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

#### Previous activities for the HIAG Holding Group

|           |                        |
|-----------|------------------------|
| 2002-2010 | CEO HIAG Holding Group |
| 1999-2001 | COO HIAG Holding Group |

#### Activities on executive or supervisory boards

President of the Board of Directors of HIAG Beteiligung Holding AG – Basel, Member of the Board of Directors of Botiss Medical AG – Berlin, Member of the Board of Directors of Ultra-Brag AG – Basel, Member of the Board of Directors of SFAG Holding AG – Basel, President of the Board of Directors of MTIP AG – Basel, President of the Foundation Board of the HIAG Group's Welfare Fund – Baar, President of the Foundation Board of HIAG Immobilien Schweiz AG's Pension Fund – Zug, Member of the Advisory Board of the University of St. Gallen

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: none

# Corporate Governance

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

Education: Licensed architect ETH / SIA, Zurich

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#### Professional background

|                |   |
|----------------|---|
| 1999 - present | grisard'architektur architectural firm – Zurich   |
| 1999 – 2011    | assistant to Prof. Dominique Perrault, ETH Zurich   |
| 1991 - 1998    | employed at Herzog & de Meuron – Basel, Richter & Dahl Rocha – Lausanne, Burkhard Meyer – Baden |

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#### Activities on executive or supervisory boards

President of the Board of Directors of SFAG Holding AG – Basel, President of the Board of Directors of Senft AG – Engelberg, President of the Pension Fund Foundation of Senft AG – Zurich, Member of the Board of Directors of the Association “Kids of Africa” – Zurich, President of the Board of Directors of grisard'architektur AG – Zurich

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No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period.

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: none

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**Dr. iur. HSG Jvo Grundler**  
Member of the  
Board of Directors and  
General Counsel

Education: lawyer – Dr. iur. HSG – LL.M. University of Cambridge, UK

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#### Professional background

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

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#### Activities on executive or supervisory boards

Vice President of the Board of Directors of Datacolor AG - Rotkreuz, Member of the Board of Directors of SHL Business Areas AG - Lucerne, Member of the Board of Directors of Serto Holding AG - Frauenfeld, Vice President of the Board of Directors of Villiger Söhne Holding AG- Rickenbach, Member of the Board of Directors of Villiger Söhne AG- Rickenbach (LU), President of the Foundation Board of HIAG Pensionskasse

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Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: none

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# Corporate Governance

**Dr. oec. HSG Walter Jakob**

Member of the  
Board of Directors

Education: Tax advisor, Dr. oec. HSG

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Professional background

2010 - heute                      Baryon AG  
1984 – 2009                      Tax advisor and Partner at Ernst & Young

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Activities on executive or supervisory boards

Member of the Board of Directors of Dixa AG – St. Gallen, President of the Board of Directors of eloxalwerk züri-oberland AG – Wetzikon.

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No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period.

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: none

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**Balz Halter**

Member of the  
Board of Directors

Education: dipl. Bau-Ing. ETH, lic. iur. University of Zurich, Stanford Executive Program

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Professional background

1986 - 2009                      President and CEO of Halter AG

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Activities on executive or supervisory boards

President of the Board of Directors of Halter AG – Zurich, Member of the Board of Directors of Aizo Group AG (digitalSTROM) – Zurich, Member of the Board of Directors of Mivune AG – Zurich

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No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period.

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: none

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## 8 Election and term in office

Members of the Board of Directors, the President and the Vice-President are, as a rule, elected individually at the Ordinary General Meeting for a term in office to continue until the conclusion of the following ordinary General Meeting. It is possible for the members of the Board of Directors to resign or be removed before the end of term in office. New members shall join the Board of Directors for the remainder of the term in office of the member she / he is replacing. The members of the Board of Directors can be re-elected at any time. Aside from the President and the Vice-President, the Board of Directors constitutes itself.

As at 31 December 2020, there were no limitations on terms in office.



# Corporate Governance

## 9 Internal organisation

### 9.1 Division of responsibilities within the Board of Directors

The Board of Directors exercises its authority pursuant to Articles 16 and 17 of the Articles of Incorporation as a body. The Articles of Incorporation do not provide for a division of responsibilities within the Board of Directors. On 6 December 2019, the Board of Directors introduced a set of procedural rules for Board of Directors meetings based on Art. 15.2 of the Organisational Rules. In addition to the Board of Directors of HIAG Immobilien Holding AG, Dr. Felix Grisard also sits on the Boards of Directors of all the companies within the HIAG Immobilien Group. Dr. Jvo Grundler is a member of the Board of Directors of all HIAG Group companies.

### 9.2 Committees of the Board of Directors

The Board of Directors takes time to address all the essential business at hand at the meetings of the full Board of Directors. The Board of Directors has an Audit Committee, a Compensation Committee and, since 2019, an Investment Committee at its disposal. Dr. Felix Grisard and Dr. Walter Jakob are members of the Audit Committee, Ms. Salome Grisard Varnholt and Dr. Walter Jakob are members of the Compensation Committee, and Dr. Felix Grisard, Ms Salome Grisard Varnholt and Mr. Balz Halter are members of the Investment Committee. 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.

In accordance with Organisational Rules of HIAG Immobilien Holding AG, the Compensation Committee works in conjunction with the Board of Directors to periodically review the objectives and principles of the company's compensation policy. The goal is to promote the development of and retain employees, thereby securing the competitiveness and long-term success of the company and its group companies. The Compensation Committee also assesses the implementation of compensation-related principles by the Executive Board, and evaluates and prepares the compensation guidelines and programmes. It defines the applicable performance criteria for compensation. Proposals concerning these matters are submitted to the Board of Directors. These include, in addition to 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, retirement funds and / or additional benefits within the scope of overall compensation. The Committee also reviews the impact, attractiveness and competitiveness of these programmes at least every three years. It also submits proposals and requests to the Board of Directors regarding the compensation of individual members of the Board of Directors, the Executive Board and Extended Executive Board, and the comprehensive amounts of compensation to be authorised by the General Meeting for the Board of Directors and the Executive Board in accordance with the Articles of Incorporation and employee stock option programmes for the employees of the company and its subsidiaries. The committee is also responsible for preparing the compensation report and submitting the corresponding request to the Board of Directors.

As per the Organisational Rules, 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 portfolio, and buying and selling properties and real estate. The Investment Committee's responsibilities include:

# Corporate Governance

- Real estate investment proposals;  
Evaluation of real estate investment proposals that fall under the decision-making authority of the Board of Directors and issuance of corresponding recommendations to the Board of Directors; evaluation of investment proposals and decisions concerning real estate investment proposals that fall under the decision-making authority of the Committee.;
- Elaboration 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. Members of the Cadre or 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.

In accordance with the Organisational Rules, the Audit Committee's responsibilities consist of exercising executive supervision over all internal and external auditing activities, monitoring financial reporting and evaluating and further developing the internal control system.

The Organisational Rules can be found at:

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<https://www.hiag.com/media/swgliw40/organisationsreglement-2020-v02.pdf>

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## 9.3 Functioning of the Board of Directors and its Committees

At least four ordinary meetings of the Board of Directors take place every year (one meeting per quarter). In the interim, extraordinary meetings of the Board of Directors may be called, and circular resolutions may be taken as needed. The minutes of the Board of Directors meetings are kept by the secretary; the circular resolutions are included in the minutes of the subsequent meeting. The President of the Board of Directors is in constant contact with the CEO. Consultations among the Compensation Committee and Investment Committee members take place as needed; consultations among the Audit Committee members take place in the run-up to the annual and half-year financial statements for the purposes of their preparation. Any granting of paid contracts to third parties concerning services rendered to the Board of Directors requires the prior approval of the Board of Directors. The CEO takes part in the meetings of the Board of Directors. The CFO, members of the Cadre or other internal or external specialists can be called to the sessions.

In the 2020 business year, four ordinary meetings of the Board of Directors took place (9 March 2020, 26 May 2020, 25 August 2020 and 1 December 2020), with an average duration of three hours. All members participated in the four meetings. In addition, four extraordinary meetings of the Board of Directors were held during the 2020 fiscal year (22 June 2020, 8 July 2020, 13 August 2020, 20 October 2020) either physically or via video conference. All members attended these four extraordinary meetings in 2020. On 21 October 2020, the Board of Directors approved a motion by circular letter.

The Compensation Committee met twice in the 2020 fiscal year (on 21 January 2020 with a meeting duration of two hours and on 30 June 2020 with a meeting duration of one and a half hours). The Managing Director and the General Counsel usually attend the meetings of the Compensation Committee, except when their performance is assessed or their compensation is determined. All members of the Committee attended the two meetings in 2020.



# Corporate Governance

Other members of the Board of Directors, the CFO, members of the Extended Executive Board or other internal or external experts may also be invited to participate in meetings. Any granting of paid contracts to third parties concerning services rendered to the Board of Directors requires the prior approval of the Board of Directors. Members of the Management Board do not attend meetings of the Compensation Committee and Board of Directors that concern the Management Board's employment contracts and particularly the compensation of its members. The President of the Board of Directors withdraws when the Board of Directors adopts resolutions regarding his remuneration. Each member of the Board of Directors has a say in the determination of the remuneration of the Board of Directors. Since all the members of the Board of Directors, with the exception of the President and the General Counsel, receive the same fixed remuneration, the members of the Board of Directors do not withdraw from decisions regarding their remuneration, with the exception of the President and the General Counsel, who withdraw when their remuneration is being determined.

At least two ordinary Audit Committee meetings are held each year (one meeting every six months). The Audit Committee held one meeting on 5 March 2020 for an hour and a half, and another on 21 August 2020 for one hour and a half. As a rule, the CFO attends the meetings of the Audit Committee. Other members of the Board of Directors, the CEO Director or other internal or external specialists may also be invited to attend the meetings. All members of the committee attended the two meetings in 2020.

The Investment Committee met twelve times during the 2020 financial year (on 20 January 2020, 26 February 2020, 30 April 2020, 12 May 2020, 25 May 2020, 18 June 2020, 26 June 2020, 17 August 2020, 22 September 2020, 15 October 2020, 20 November 2020 and 17 December 2020). The average duration of these meetings was two hours. All members of the Committee attended all meetings in 2020.

## 10 Definition of responsibilities

The principles of top-level management, including the definition of responsibilities, are set forth in the Organisational Rules of the company. The Board of Directors is responsible for the overall management of the company and the supervision of the Executive Board. It represents the company to the outside world and takes resolutions on all matters that are not otherwise governed by legislation, the Articles of Incorporation or the rules for another body of the company. The Board of Directors shall also retain the following responsibilities and competences for the purposes of expanding on and defining more specifically its nontransferable responsibilities pursuant to Art. 716a OR:

- Exercising the overall management of the company and issuing the necessary orders, including setting forth medium and long-term strategies and planning priorities, and guidelines for company policy;
- Defining the basic organisation of the company;
- Defining the guidelines for accounting procedures, financial controls and financial planning;
- Nominating and removing those persons entrusted with the Executive Board and representation of the company, namely the members of the Board of Directors' and the Executive Board's committees and / or the delegation of Executive Board responsibilities, including the granting of signature authorities. It should be noted that as a matter of principle on all levels of the company, any signing is to be done by two authorised persons;
- Supervising those persons entrusted with the Executive Board, mainly with regards to compliance with laws, the Articles of Incorporation, regulations and orders;
- Taking resolutions on the company's compensation policy and principles, as well as those of its group companies, and on the compensation of the members of the

# Corporate Governance

Board of Directors, the Executive Board and the Extended Executive Board (subject to approval by the General Meeting);

- Approving employee stock option programmes for the company and its subsidiaries;
- Approving the Compensation Report for the attention of the General Meeting;
- Submitting requests to the General Meeting regarding the compensation of the Board of Directors, the Executive Board and the Extended Executive Board;
- Compiling the Annual Report, preparing for the General Meeting and carrying out its resolutions; notifying a judge in the event of excessive debts; taking resolutions on the later payment of contributions for shares not fully paid up; taking resolutions on the determination of capital increases and the concomitant changes to the Articles of Incorporation; examining the expert qualifications of the auditors; issuing decisions on business activities of considerable strategic importance; representing the company to the public, public authorities and shareholders; carrying out a regular examination of the risk assessment system and defining the internal control system; delegating members of the Board of Directors or the Executive Board to occupy a seat on the boards of directors of the subsidiaries for the purposes of ensuring the implementation of the strategy and the decisions of the Board of Directors; decision-making authority concerning real estate transactions, company share deal transactions or investment decisions of more than CHF 0.5 million.

## 11 Information and supervisory mechanisms concerning the Executive Board

As a general rule, the members of the Executive Board are present at every ordinary meeting of the Board of Directors and the Audit Committee, ensuring direct contact between the Board of Directors and Executive Board, and appropriate supervision. The Board of Directors is informed on a quarterly basis of the operating and financial developments 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.

At regular intervals and in line with the requirements of half-year and full year financial reporting, the Board of Directors receives reports on the key performance indicators, and on the financial and operating risks of the HIAG Group. The Board of Directors carries out a re-evaluation of 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 an implemented standard risk management system. The Board of Directors carries out an assessment of the identified risks to determine the probability of their occurrence and their impact, which includes both financial repercussions and operating and reputation-related repercussions. The Board of Directors takes measures intended to prevent or reduce identified risks when necessary. When this is not possible, these risks should be shifted to third parties, e.g. insurance companies, as much as possible. There is currently no internal auditing department. Internal control and risk management are carried out by the finance department. The Board of Directors and its Audit Committee are in direct contact with the external auditors and can request that special audit activities be carried out as needed. A code of conduct for the HIAG Group has been implemented and communicated to all Group employees.

The code of conduct can be accessed at:

<https://www.hiag.com/media/qbvjoqxp/verhaltenskodex-2020-dt-final.pdf>

Data protection regulations for the HIAG Group were implemented on 25 May 2018 and communicated to all Group employees.

# Corporate Governance

## 12 Members of the Executive Board

**Marco Feusi**  
1972, Switzerland

CEO (since 1 January 2020)

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Professional experience: 2003– 2019 Partner and co-owner of Wüest Partner AG, including as a member of the Board of Directors in 2003– 2006 and 2013– 2017 and as President of the Executive Board in 2017– 2019, 2000– 2003 employed at Wüest & Partner AG as a Scientific Associate / Senior Consultant, 1999– 2000 employed at ITERA Immobilien AG Aarau as an escrow agent and broker, 1998– 1999 independent architect, 1993– 1997 employed in various architectural firms

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Memberships: Member of the Royal Institution of Chartered Surveyors (MRICS), Switzerland Chapter since 2006; Assessor for the Royal Institution of Chartered Surveyors since 2007

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Current activities on executive or supervisory boards: Member of the Board of Directors of Norline AG – Neuhausen am Rheinfall

Previous activities on executive or supervisory boards: 2007– 2008 Member of the Board of Directors of HIAG Immobilien Schweiz AG and its subsidiaries

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**Laurent Spindler**  
1978, France

CFO (since December 2013)

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Mr. Spindler joined the HIAG Group in 2011

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Education: ICN Business School, Nancy (FR), International Management Program and Master Finance, Controlling and Auditing

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Professional experience: Mr. Spindler was with Ernst & Young – Strasbourg (FR) as an auditor until 2009 and with Ernst & Young – Basel as Audit Manager from 2009. During this time he audited SMEs, family-run businesses and publicly traded companies. He joined the HIAG Group in 2011 as Corporate Controller.

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Activities on executive or supervisory boards: none

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**Dr. iur. HSG Jvo Grundler**  
1966, Switzerland

Education: lawyer – Dr. iur. HSG – LL.M. University of Cambridge, UK

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### Professional background

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

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### Activities on executive or supervisory boards

Vice President of the Board of Directors of Datacolor AG - Rotkreuz, Member of the Board of Directors of SHL Business Areas AG - Lucerne, Member of the Board of Directors of Serto Holding AG - Frauenfeld, Vice President of the Board of Directors of Villiger Söhne Holding AG- Rickenbach, Member of the Board of Directors of Villiger Söhne AG- Rickenbach (LU), President of the Foundation Board of HIAG Pensionskasse

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Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: none

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# Corporate Governance

At its meeting on 9 March 2020, the Board of Directors of HIAG Immobilien Holding AG abolished the functional level of the Extended Executive Board with retroactive effect from the beginning of the 2020 fiscal year. As before, the HIAG Executive Board consists of the Chief Executive Officer, Marco Feusi, the Chief Financial Officer, Laurent Spindler, and the General Counsel, Jvo Grundler.

On 22 February 2021, the resignation of the Chief Financial Officer, Laurent Spindler, was communicated. Laurent Spindler will remain a member of the Executive Board until his departure, which will take place by the end of October 2021 at the latest.

## 13 Statutory regulations with regard to the number of permitted activities pursuant to Art. 12 para. 1 sub-section 1 of the Ordinance Against Excessive Compensation in Listed Joint Stock Companies (VegüV)

The members of the Board of Directors and the Executive Board may not exercise any more than the following number of additional mandates in the executive or supervisory bodies of other legal entities, which are obligated to be entered in the commercial register or any comparable register in another country, and are not supervised by the company or do not supervise the company:

- Member of the Board of Directors: 10 mandates, including a maximum of four mandates in public corporations;
- Member of the Executive Board: 10 mandates, including a maximum of two mandates in public corporations.

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.). Also not subject to restrictions are mandates held in legal entities that are not obligated to be entered into a commercial register or comparable register in another country, and honorary offices at charitable organisations as recognised under tax law.

In any case, the acceptance of mandates or employment at companies outside the HIAG Group by members of the Executive Board requires the approval of the Board of Directors.

## 14 Management agreements

As at 31 December 2020, there were no management agreements with companies outside the HIAG Group.

## Remuneration, participation and loans

### 1 Components and assessment procedure for remuneration

The Board of Directors determines the amount of corresponding compensation of the Board of Directors and Management Board within the General Meeting-approved amounts with the support of the Compensation Committee. The Compensation Committee assists the Board of Directors in the determination and review of the compensation models. It prepares requests for the attention of the General Meeting concerning the compensation of the Board of Directors and the Management Board and may submit proposals concerning other compensation issues to the Board of Directors. The Board of Directors may also assign additional responsibilities to the Compensation Committee.

HIAG strives to obtain and hold on to talented, qualified and motivated employees and managers. A fair compensation system designed to match that of comparable companies supports this objective. As part of sustainable company development, short, medium and long-term aspects are taken into account.

Members of the Board of Directors and the Management Board have a right to compensation that is suitable to their function. Remuneration can be allocated by the company or one of the companies within the group, provided that it is covered by the overall remuneration package authorised by the General Meeting. The members of the Board of Directors receive fixed compensation in cash and in shares (only Dr. Jvo Grundler) for their activity as per the statutory rules. This fixed compensation includes remuneration for activities as members of the Board of Directors in Board of Directors committees and on Boards of Directors of subsidiaries. Reimbursement of expenses is not considered as remuneration. The company or a Group company can reimburse the member of the Board of Directors for expenses in the form and amount of flat-rate allowances recognised for tax purposes. Additional activities of Boards of Directors for the HIAG Group 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. For example, the hourly rate of a similarly experienced external tax advisor can be used for tax-related services performed by a member of the Board of Directors.

The compensation of members of the Management Board is composed of fixed and variable remuneration. The fixed compensation is made up of a base salary and possible other compensation components that are not performance-dependent (such as child allowances). The fixed compensation is paid in cash and shares.

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, and other expenses are reimbursed on an actual cost basis. They are not included in the reported compensation.

As per the Articles of Incorporation, variable compensation is made up of two components: an annual individual bonus and a Long Term Incentive Plan (LTIP). The individual bonus is determined based on the annual performance of the individual Management Board member. Individual objectives can be conclusions of important rental agreements, defined progress in the planning of redevelopment projects or a reduction in vacancies, for example. All objectives are taken into account when determining the individual bonus. This individual bonus is paid in cash

# Corporate Governance

The individual bonus of the CEO is determined by the Compensation Committee. The individual bonuses of the remaining members of the Management Board are fixed by the CEO and discussed with the Compensation Committee. If the objectives are not reached, either the CEO can reduce or cancel the individual bonus for the remaining members of the Management Board, or the Compensation Committee can do the same for the CEO.

Compensation is explained in detail on pages 58 to 68 of the Compensation Report.

The employment contracts of the Management Board are open-ended and include notice periods of six months. The maximum termination period for unlimited employment agreements is 12 months. They do not contain any unusual provisions. In particular, there is no severance pay and there are no specific clauses in case of a change in control of the company. A non-competition agreement for the period after the end of the employment contract is not allowed.

Loans and credits to members of the Board of Directors or the Executive Board may be granted only under lending conditions in line with prevailing market practices. The total amount of outstanding loans and credits may not exceed CHF 10 million. There is no share option plan.

## 2 Business year 2020

Please refer to the Compensation Report, pages 58 to 68 for information on remuneration, equity holdings and loans in 2020.

# Shareholders' participation rights

## 1 Restrictions on voting rights and proxies

The transferability of shares is limited in accordance with Article 5 of the Articles of Incorporation. See page 42 of the Corporate Governance Report for details regarding transferability limits. Pursuant to Article 10 of the Articles of Incorporation, each share whose owner or beneficiary is registered in the shareholders register as a shareholder with voting rights, is entitled to a vote.

Article 11 of the Articles of Incorporation stipulates the authorisations required for participating and acting as proxy at the General Meeting.

# Corporate Governance

## 2 Statutory quora

Pursuant to Article 13 of the Articles of Incorporation, a resolution passed by the General Meeting that garners at least a two-thirds majority of the share of votes represented and an absolute majority of the nominal share value represented, is required for changing the purpose of the company, introducing voting shares, restricting the transferability of registered shares, an authorised or conditional capital increase, a capital increase from shareholders equity, for contributions in kind or for the purpose of acquisitions in kind or the granting of special benefits, the restriction or suspension of subscription rights, the relocation of the company's registered office, the dissolution of the company and in the remaining cases provided for by law.

## 3 Calling the General Meeting, shareholders' right to request the inclusion of items on the agenda

Calling the General Meeting, the procedure for calling a General Meeting, the right to call General Meetings and the shareholders' rights to request the inclusion of items on the agenda are stipulated under Article 8 of the Articles of Incorporation.

The General Meeting elects an independent proxy holder, as well as his / her representative. Natural or legal persons or partnerships are eligible for election.

The terms in office of the independent proxy holder and his / her representative terminate with the conclusion of the subsequent Ordinary General Meeting. The independent proxy holder and his / her representative may stand for re-election.

The General Meeting may vote to remove the independent proxy holder at the end of the General Meeting. The Board of Directors ensures that the shareholders are able to convey proxies and instructions for the exercise of their voting rights to the proxy holder or his / her representative in electronic form as well. The proxy holder is authorised to disregard the requirement of a qualified signature. The Board of Directors ensures that the shareholders are able to convey instructions on each of the motions put forward in the notice of the General Meeting to the proxy holder or his / her representative, and convey general instructions regarding new motions within the context of the matters to be discussed, and other matters to be discussed, for which no proper notice had been given.

## 4 Date for registrations in the shareholder register

Registered shareholders, who are registered in the shareholder register as voting shareholders on the dates of the publication of the notice of the General Meeting, i.e. as a rule approximately 20 days before the date of the General Meeting, are to receive an invitation to the Ordinary General Meeting sent to them directly. The shareholder register will close about 14 days before the date of the General Meeting until the payment of dividends approximately one week after the date of the General Meeting. During this period, no entries in the shareholder register can be made. The exact dates and deadlines will be announced in the invitation to the General Meeting. Furthermore, please refer to Article 5 of the Articles of Incorporation concerning the registration of shareholders in the shareholder register.

## Change of control and defensive measures

### 1 Obligation to make an offer

There are no statutory provisions concerning “Opting out” or “Opting up” within the meaning of Articles 125 and 135 respectively of the Swiss Financial Market Infrastructure Act (FinfraG).

### 2 Change of control clauses

There are no change of control clauses.

## Statutory Auditor

### 1 Duration of the auditing mandate and term in office of the lead auditor

Ernst & Young AG, Basel, took over its current auditing mandate in 2001 (entered into the commercial register of the Canton Basel-Stadt on 26 January 2001). The company was most recently re-elected statutory auditor for the business year 2020 by the Ordinary General Meeting on 23 April 2020.

The lead engagement partner responsible for the current auditing mandate, Mr. Fabian Meier, took up his official duties as of the business year 2018; the maximum term in office is calculated pursuant to Art. 730a para. 2 OR.

### 2 Auditing fee

For the reporting period, 2020 auditing fees amounted to TCHF 246 (2019: TCHF 244) for the annual financial statement and consolidated financial statements 2020 and to TCHF 13 for additional audit-related services (2019: TCHF 12).

### 3 Additional fees

For the reporting period 2020, TCHF 25 in additional fees were invoiced by Ernst & Young AG in connection with services on the topic of sustainability reporting (2019: TCHF 17).

### 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 monitors compliance with the rotation of the head auditor every seven years.

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



# Corporate Governance

## Information policy

HIAG Immobilien Holding AG informs its shareholders and the capital market in an open and timely manner marked by the greatest possible transparency. Financial reporting obligations are met in the form of half-year and full year financial statements. These are drawn up in accordance with Swiss GAAP FER and comply with Swiss law and the provisions of the listing rules of the SIX Swiss Exchange. Up-to-date releases, the most important dates and general information on HIAG Immobilien Holding AG and / or the HIAG Group can be found at [www.hiag.com](http://www.hiag.com). Contact addresses, dates and information on the shares of HIAG Immobilien Holding AG can also be found on pages 148 to 150 of this Annual Report.

The HIAG Immobilien Holding AG Articles of Incorporation can be found on our website at the following URL:

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<https://www.hiag.com/media/i21bra0z/hiag-immobilien-holding-ag-statuten-23-04-20.pdf>

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Marco Feusi, MRICS, CEO  
Laurent Spindler, CFO

HIAG Immobilien Holding AG,  
Aeschenplatz 7, 4052 Basel  
[investor.relations@hiag.com](mailto:investor.relations@hiag.com)  
[www.hiag.com](http://www.hiag.com)

Further information and all publications (in particular the Annual Report 2020) are available for download at [www.hiag.com](http://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

This Compensation Report was written by the Board of Directors in accordance with the Swiss Code of Obligations, the Ordinance Against Excessive Compensation in Listed Joint Stock Companies (VegüV) of 20 November 2013, the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the principles of the Swiss Code of Best Practice for Corporate Governance. The Articles of Incorporation were adapted to comply with the law. As per the applicable Articles of Incorporation, since 2015 the General Meeting approves the requests of the Board of Directors with regard to the maximum total amounts of compensation for the Board of Directors for the period until the next ordinary General Meeting and the maximum total amounts of fixed and variable compensation for the Executive Board for the current business year. For members of the Management Board, who are appointed after the annual total compensation is approved, an additional amount is available per new member of a maximum of 25% of the most recently approved total amount of fixed compensation for the Management Board per business year, if the approved total amount for the corresponding business year is insufficient.

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), and the rules on performance-based compensation and the distribution of shares, conversion rights and option privileges (Art. 21), loans and credits (Art. 24) can be found on our website at the following URL:

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<https://www.hiag.com/media/i21bra0z/hiag-immobilien-holding-ag-statuten-23-04-20.pdf>

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Paid compensation is disclosed according to the accrual principle of the accrual concept of accounting (accrual principle, independent of the payment flow), i.e. all remuneration is reported in the period (here fiscal year) in which it is recorded in the annual financial statements.

## 2 Compensation policy of HIAG

HIAG strives to obtain and hold on to talented, qualified and motivated employees and managers. A fair compensation system designed to match that of comparable companies supports this objective. As part of sustainable company development, short, medium and long-term aspects are taken into account. Members of the Board of Directors and the Management Board have a right to compensation that is suitable to their function. Remuneration can be allocated by the company or one of the companies within the group, provided that it is covered by the overall remuneration package authorised by the company's General Meeting.

# Compensation Report

## 3 Principles and components, responsibilities and determination of compensation

### 3.1 Responsibilities and determination of compensation

The Board of Directors determines the amount of corresponding compensation of the Board of Directors and Management Board within the General Meeting-approved amounts with the support of the Compensation Committee. No members of the Management Board are present during discussions and the adoption of resolutions by the Board of Directors regarding the remuneration of the Management Board. The President of the Board of Directors withdraws when the Board of Directors adopts resolutions regarding his remuneration. Each member of the Board of Directors has a say in the determination of the remuneration of the Board of Directors.

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

The Compensation Committee assists the Board of Directors in the determination and review of the compensation models. It prepares requests for the attention of the General Meeting concerning the compensation of the Board of Directors and the Management Board and may submit proposals concerning other compensation issues to the Board of Directors. The Board of Directors may assign additional tasks to the Compensation Committee. According to the company's organisational regulations, the Compensation Committee's remit includes the following:

- 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 by the Executive Board of compensation-related principles (including related concepts concerning wages and incentives);
- Evaluation and preparation of compensation guidelines and programmes and applicable performance criteria concerning compensation and corresponding requests to the Board of Directors. These include, in addition to 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, retirement 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;
- 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 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 individual members of the Extended Executive Board (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);

# Compensation Report

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

The Compensation Committee is composed as follows:

|   | Management Board Total        |
|---|-------------------------------|
| Dr. Walter Jakob, CH, 1949, Member of the Board of Directors,<br>President of the Compensation Committee (non-executive, independent) | Ordinary General Meeting 2021 |
| Salome Grisard Varnholt, CH, 1966, Member of the Compensation Committee (non-executive)   | Ordinary General Meeting 2021 |

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 twice: on 21 January 2020 and on 30 June 2020 for an hour and a half each time. All members of the Compensation Committee participated in both meetings. The following agenda points were handled at the sessions:

- Explanation and discussion of the total compensation of the Executive Board
- Approval of the individual annual premiums for the 2019 fiscal year for management employees
- Compensation of the Board of Directors
- Discussion of the Compensation Report 2019
- Introduction of a new LTIP for the period 2020 – 2024
- New holiday regulation and new further training regulation

The Compensation Committee periodically informs the Board of Directors about the course of the meetings and other compensation-related topics. The minutes of the Compensation Committee meetings are discussed at the meetings of the Board of Directors.

# Compensation Report

## 3.2 Compensation components of the Board of Directors

The members of the Board of Directors receive a fixed compensation in cash for their activities in accordance with the statutory rules. This fixed compensation includes compensation for activities of the members of the Board of Directors in committees of the Board of Directors (Audit Committee and Compensation Committee) and in boards of directors of subsidiaries. The attendance fee for Board members for meetings of the Investment Committee is a flat rate of CHF 750 per person per meeting. Reimbursement of expenses shall not be considered as remuneration. The Company or a Group company may reimburse the members of the Board of Directors for expenses in the form and amount of flat-rate expenses recognised for tax purposes. Additional activities of members of the Board of Directors on behalf of HIAG are remunerated according to time and effort and at hourly rates customary in the market. Standard market rate means that the hourly rate applied for the respective service corresponds to the hourly rates usually charged by third parties for such services for employees with corresponding qualifications. Accordingly, for example, the hourly rate of an equally experienced external tax consultant is applied for services of a Board member in the area of taxes. The statutory regulations do not provide for any extra-legal pension benefits for members of the Board of Directors. Accordingly, no such payments were made in the reporting year. The General Counsel is both a member of the Board of Directors and a member of the Executive Board. His total compensation is reported exclusively under the compensation of the Board of Directors. His compensation consists of a fixed compensation in cash and a fixed annual share compensation. The fixed compensation in cash is paid in 13 instalments. The same rules apply to flat-rate allowances and expenses as for the Management Board.

## 3.3 Compensation components of the Management Board

The compensation of members of the Management Board is composed of fixed and variable remuneration. Reimbursement of expenses is not considered as remuneration. The company or a Group company can reimburse members of the Management Board for expenses in the form and amount of flat-rate allowances recognised for tax purposes. As mentioned in paragraph 3.1, the compensation of the General Counsel is allocated exclusively to the compensation of the Board of Directors.

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

# Compensation Report

## 3.3.1 Fixed compensation of the Management Board

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

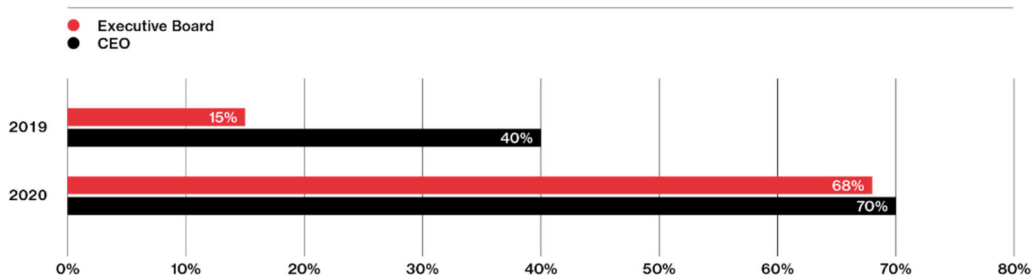
With regard to the disclosure of services and non-cash benefits and expenses, these are dealt with from a tax point of view. Out-of-pocket expenses are reimbursed on a lump-sum basis in accordance with expense reimbursement rules approved by the tax authorities, and other expenses are reimbursed on an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

## 3.3.2 Variable compensation of the Management Board

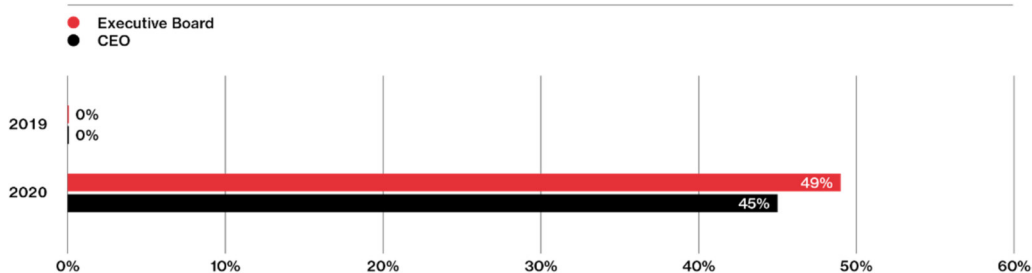
According to the Articles of Association, the variable compensation consists of two components: an annual individual target bonus and one or more long-term incentive plans (LTIP).

The weighting of the variable compensation is as follows:

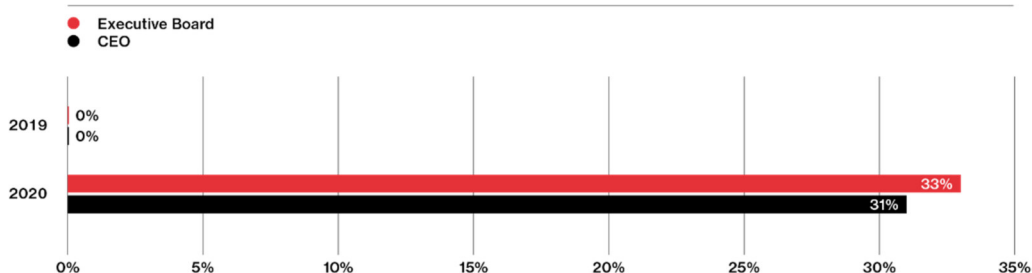
Share of variable compensation in fixed compensation



Share of the LTIP in the variable compensation



Share of LTIP in fixed compensation



There was no LTIP component in the previous year.

# Compensation Report

## Individual bonus

The individual target bonus is determined based on the individual objectives of each Executive Board member. All targets specifically set for a member of the Executive Board are taken into account to determine the individual target bonus. The individual target bonus is paid in cash. The individual target bonus of the Chief Executive Officer is determined by the Compensation Committee. The individual target bonuses of the remaining members of the Executive Board are determined by the Managing Director and submitted to the Compensation Committee. If the objectives are not reached, the CEO can reduce or cancel the individual bonus for the remaining members of the Management Board, or the Compensation Committee can do the same for the CEO. In the period under review, the performance goals of the CEO were 83% met and those of the Management Board were 82% met. The previous year's figures are not shown, as the Managing Director has only been with the Group since 1 January 2020.

## LTIP

The LTIP links executive remuneration to long-term value creation within the Group and is designed to align the long-term interests of key employees and shareholders. There was no LTIP in the previous year. A new LTIP was established in the second half of 2020. 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 categories of plan participants. The amount of the LTIP basket is defined by the type and number of plan participants and the ROE achieved, whereby the latter is only taken into account up to the respective maximum value per plan year. Benefits under the LTIP are payable when shareholders have received at least an ROE equal to the threshold value. The threshold is 4.00% ROE in the first plan year and 5.50% ROE in plan years 2 - 5. Assuming the current plan participants, the bonus basket of ROE at the target ROE level of 4.00% in the first plan year and 5.50% in plan years 2 - 5 amounts to CHF 4.7 million for 5 years and, if the maximum relevant ROEs of 5.00% in the first plan year and 6.50% in plan years 2 - 5 are achieved, CHF 9.5 million for 5 years. This corresponds to a maximum of 3.6% of the absolute increase in value of the shareholders if the maximum relevant ROEs are reached.

50% of the LTIP is paid out annually in the form of blocked plan participant shares. The average return on equity achieved at the end of the respective year serves as the basis for calculation. The plan participant shares to which the plan participants are entitled are acquired in the following financial year by the employer for the account of the plan participants, taken from the portfolio of treasury shares or created from conditional capital and booked into a securities account determined by the employer. The closing price on the day of allocation is decisive. The acquisition by the plan participants is subject to a blocking period of 5 years from the date of acquisition. The plan participant shares are credited to the plan participant accordingly at a discount of 25.274% on the pro rata incentive.

The other 50% of the incentive consists of a cash payment. This cash portion will only be paid out in full if the plan participant is in non-terminated employment on 31 March 2025. The final settlement of the plan will take place in the first semester of 2025.

# Compensation Report

## 3.3.3 Additional benefits

Additional benefits are primarily social and pension plans, which provide a suitable pension contribution and appropriate coverage for risks in the case of death or other cause of invalidity. All members of the Management Board have a Swiss employment contract and, like all employees residing in Switzerland, are insured in the “HIAG Pensionskasse” pension fund for their fixed base salary and their budgeted annual bonus up to an upper limit of CHF 315,400. 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. Management Board members receive no particular additional benefits. They receive flatrate compensation for business and representational expenses in accordance with the expense regulations approved by the competent cantonal tax authorities.

## 3.4 Benchmarking

The total compensation of the Board of Directors and the Executive Board is based on the rates of other 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 carries out benchmarking based on the remuneration reports of these real estate companies. The Board of Directors also takes into account information from its members from functions in other companies. So far, no external consultants have been consulted for the benchmarking. Both the fixed salary components and the variable salary components are subjected to this benchmarking.

## 3.5 Further information concerning employment of the Management Board

### 3.5.1 Employment contracts of members of the Management Board

The employment contracts of the Management Board are open-ended and generally include notice periods of six months. The maximum termination period for unlimited employment agreements is 12 months. They do not contain any unusual provisions. In particular, there is no severance pay and there are no specific clauses in case of a change in control of the company. A non-competition agreement for the period after the end of the employment contract is not allowed as per the Articles of Incorporation.

### 3.5.2 Summary of the pension plans of the Management Board

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



# Compensation Report

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

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

### 4.1 Compensation of the Board of Directors

| 2020 in TCHF   | Fixed compensation in cash (net) | Attendance fees for the Investment Committee | Compensation for additional services | Share-based compensation | Employer social security contributions (AHV/IV pension benefits) | Gross compensation | Flat-rate expense allowance |
|--|----------------------------------|--|--------------------------------------|--------------------------|--|--------------------|-----------------------------|
| Dr. Felix Grisard, Präsident<br>Member of the Investment Committee and the Audit Committee   | 300 <sup>1</sup>                 | 8  | –                                    | –                        | 41 <sup>2</sup>  | 349                | –                           |
| Salome Grisard Varnholt<br>Member of the Compensation Committee and the Investment Committee | 70                               | 8  | –                                    | –                        | 6  | 84                 | –                           |
| Dr. Walter Jakob<br>Member of the Compensation Committee and the Audit Committee             | 70                               | –  | 4                                    | –                        | –  | 74                 | –                           |
| Balz Halter<br>Member of the Management Board  | 70                               | 8  | –                                    | –                        | 6  | 84                 | –                           |
| Dr. Jvo Grundler<br>Member fo the Management Board   | 300                              | –  | –                                    | 239 <sup>4</sup>         | 74   | 613 <sup>3</sup>   | 6                           |
| <b>Total compensation of the Board of Directors</b>  | <b>810</b>                       | <b>24</b>                                    | <b>4</b>                             | <b>239</b>               | <b>127</b>   | <b>1,204</b>       | <b>6</b>                    |

<sup>1</sup> The President meets weekly with the CEO between Board meetings to discuss strategic questions.

<sup>2</sup> Including pension benefits

<sup>3</sup> The fixed compensation applies to the Board of Directors role and the General Counsel role.

<sup>4</sup> The remaining compensation components include contractual share-based compensation. Shares that were distributed as part of sharebased compensation and shares that were acquired outside of 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 2020.

In the 2020 fiscal year, the gross compensation of the Board of Directors increased by TCHF 18 (+1.5%) compared to the previous year (TCHF 1,204; 2019: TCHF 1,186). The increase is associated with the introduction of an investment committee in the third quarter of 2019.

# Compensation Report

| 2019 in TCHF   | Fixed compensation in cash (net) | Attendance fees for the Investment Committee | Compensation for additional services | Share-based compensation | Employer social security contributions (AHV/IV pension benefits) | Gross compensation | Flat-rate expense allowance |
|--|----------------------------------|--|--------------------------------------|--------------------------|--|--------------------|-----------------------------|
| Dr. Felix Grisard, Präsident<br>Member of the Investment Committee and the Audit Committee   | 300 <sup>1</sup>                 | –  | –                                    | –                        | 39 <sup>2</sup>  | 339                | –                           |
| Salome Grisard Varnholt<br>Member of the Compensation Committee and the Investment Committee | 70                               | 2  | –                                    | –                        | 5  | 78                 | –                           |
| Dr. Walter Jakob<br>Member of the Compensation Committee and the Audit Committee             | 70                               | –  | 3                                    | –                        | –  | 73                 | –                           |
| Balz Halter <sup>5</sup><br>Member of the Management Board                                   | 53                               | 2  | –                                    | –                        | 4  | 59                 | –                           |
| Dr. Jvo Grundler<br>Member fo the Management Board   | 300                              | –  | –                                    | 238 <sup>4</sup>         | 73   | 611 <sup>3</sup>   | 6                           |
| John Manser <sup>5</sup><br>Member of the Audit Committee                                    | 18                               | –  | 8                                    | –                        | –  | 26                 | –                           |
| <b>Total compensation of the Board of Directors</b>  | <b>810</b>                       | <b>5</b>                                     | <b>11</b>                            | <b>238</b>               | <b>122</b>   | <b>1,186</b>       | <b>6</b>                    |

<sup>1</sup> The President and the CEO form the Executive Council. Strategic questions and investment decisions are discussed and taken within the framework of the authority of the Executive Council at regular intervals (several times per month) between meetings of the Board of Directors. From April 2019 until the end of December 2019, the President took on the role of CEO on an interim basis. Compensation for this interim representation was reported under compensation of the Management Board (TCHF 150 net).

<sup>2</sup> Including pension benefits

<sup>3</sup> The fixed compensation applies to the Board of Directors role and the General Counsel role.

<sup>4</sup> The remaining compensation components include contractual share-based compensation. Shares that were distributed as part of sharebased compensation and shares that were acquired outside of 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).

<sup>5</sup> Balz Halter has been a member of the HIAG Immobilien Holding AG Board of Directors since 11 April 2019. He replaced John Manser, who had been a member of the HIAG Immobilien Holding Board of Directors since 2014.

**No compensation other than that shown here was paid in 2020.**

**The gross compensation of the Board of Directors (TCHF 1,186) decreased during the business year 2019 by TCHF 13 (–1.1%) (2018: TCHF 1,199).**

# Compensation Report

## 4.2 Compensation of the Management Board

| 2020 in TCHF  | Management Board Total | Thereof<br>Marco Feusi (CEO) |
|---|------------------------|------------------------------|
| Base salary in cash (net)   | 1,105                  | 845                          |
| Variable compensation in cash (individual bonus, net)                                 | 385                    | 325                          |
| LTIP for 2020 (payable in cash in 2025, net)  | 61                     | 44                           |
| LTIP for 2020 (share-based compensation, net)   | 305                    | 220                          |
| Other compensation components <sup>2</sup>  | 7                      | 7                            |
| Pension benefits  | 59                     | 32                           |
| Other social benefits <sup>3</sup>  | 138                    | 105                          |
| <b>Total compensation of the Flat-rate expense allowance Management Board (gross)</b> | <b>2,060</b>           | <b>1,578</b>                 |
| Flat-rate expense allowance   | 24                     | 12                           |

<sup>1</sup> These amounts correspond to the share of the total maximum bonus basket of the LTIP of CHF 4.2 million for 2020 (see section 3.2.2). The provision for the portion of the LTIP of the Executive Board that can be paid out in cash amounts to TCHF 61 as at 31 December 2020 (2019: TCHF 0, as there was no LTIP).

<sup>2</sup> Child benefits

<sup>3</sup> AHV, ALV, BU, NBU, FAK, UVG.

The compensation of the Executive Board consists of the compensation of the CEO and the CFO. At its meeting on 9 March 2020, the Board of Directors of HIAG Immobilien Holding AG approved the of 9 March 2020, the Board of Directors of HIAG Immobilien Holding AG abolished the function level of the extended of the 2020 business year. As before, the HIAG Executive Board consists of the CEO, Marco Feusi, the CFO, Laurent Spindler, and the General Counsel, Jvo Grundler. The former members of the extended Executive Board now perform their duties as members of the cadre with unchanged responsibilities and competencies. In the previous year, their compensation was reported under the compensation of the Executive Board.

No compensation other than that shown here was paid in 2020.

In the 2020 business year, the compensation of the Executive Board (TCHF 2,060) was TCHF 285 lower than in the previous year (- 12.1%; previous year: TCHF 2,345). The years 2020 and 2019 are not comparable, as the remuneration of the Executive Board (Executive Board and Extended Executive Board) was reported in the previous year.

| 2019 in TCHF  | Management Board Total | Thereof<br>Laurent Spindler (CFO) |
|---|------------------------|-----------------------------------|
| Base salary in cash (net)   | 1,736                  | 247                               |
| Variable compensation in cash (individual bonus, net)                                 | 256                    | 100                               |
| Other compensation components <sup>2</sup>  | 23                     | -                                 |
| Pension benefits  | 162                    | 27                                |
| Other social benefits <sup>3</sup>  | 168                    | 27                                |
| <b>Total compensation of the Flat-rate expense allowance Management Board (gross)</b> | <b>2,345</b>           | <b>401</b>                        |
| Flat-rate expense allowance   | 58                     | 12                                |

<sup>1</sup> Due to the departure of Martin Durchschlag, CEO, at the end of October 2019, Laurent Spindler, CFO, is the member with the highest compensation for the business year 2019. From the time the departure of the CEO was announced (April 2019) until the end of December 2019, the President of the Board of Directors took on the role of CEO on an interim basis. Compensation for this interim representation was reported under compensation of the Management Board (TCHF 150 net).

<sup>2</sup> Child benefits

<sup>3</sup> AHV, ALV, BU, NBU, FAK, UVG No compensation other than that shown here was paid in 2019.

# Compensation Report

No compensation other than that shown here was paid in 2019

The compensation of the Management Board (TCFH 2,345) decreased by TCHF 2,754 (-54.0%; 2018: TCHF 5,099) in the 2019 business year, primarily because there was an LTIP component of TCHF 2,459 in 2018.

## 4.3 Loans and credits to the Board of Directors and Management Board

According to the Articles of Association, loans and credits to members of the Board of Directors and the Executive Board may only be granted at market conditions. The total amount of outstanding loans and credits may not exceed CHF 10 million. No loans and credits were granted to members of the Board of Directors and the Executive Board in 2020, nor were any outstanding as at 31 December 2020. No loans and credits were granted to former members of the Board of Directors and the Executive Board in 2020, nor were any outstanding as at 31 December 2020. Compensation, loans and credits to related parties No non-arm's length compensation, loans or credits were paid or granted to related parties in 2020, nor were any outstanding as at 31 December 2020. nor were any such amounts outstanding as at 31 December 2019.

## 4.4 Vergütungen, Darlehen und Kredite an nahestehende Personen

In 2020, 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 2020.

## 5 Comparison of the compensation paid with the compensation approved by the General Meeting

The maximum amount of compensation for the Board of Directors and the Management Board was voted at the General Meeting on 23 April 2020. The table below shows the approved compensation elements payable to the Board of Directors and Management Board and compares the figures with actual amounts recorded in 2020 in accordance with the accrual principle.

### Board of Directors

| in TCHF   | Approved compensation General Meeting 23 April 2020 | Compensation 2020 according to paragraph 4 |
|---|---|--|
| Fixed compensation and attendance fees in cash (net)        | 900   | 835  |
| Share-based compensation                                    | 300   | 239  |
| Compensation for additional services                        | 100   | 4  |
| Employer social security contributions and pension benefits | 200   | 126  |
| <b>Total compensation of the Board of Directors (gross)</b> | <b>1,500</b>  | <b>1,204</b>                               |

### Management Board

| in TCHF  | Approved compensation General Meeting 23 April 2020 | Compensation 2020 according to paragraph 4 |
|--|---|--|
| Base salary in cash (net)  | 1,200   | 1,105                                      |
| Variable compensation in cash (individual bonus, net)                                      | 600   | 385  |
| LTIP for 2020  | 500   | 366  |
| Other compensation components, employer social security contributions and pension benefits | 500   | 204  |
| <b>Total compensation of the Management Board (gross)</b>                                  | <b>2,800</b>  | <b>2,060</b>                               |

# Report of the Statutory Auditor on the Remuneration Report



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To the General Meeting of  
HIAG Immobilien Holding AG, Basle

Basle, 12 March 2021

## Report of the statutory auditor on the remuneration report

We have audited the remuneration report of HIAG Immobilien Holding AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) which are disclosed in section 4 of the remuneration report (on page 58 to 68).



### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



### Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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



### Opinion

In our opinion, the remuneration report for the year ended 31 December 2020 of HIAG Immobilien Holding AG complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

Fabian Meier  
Licensed audit expert  
(Auditor in charge)

Daniel Zaugg  
Licensed audit expert

# Consolidated Financial Statements

## Consolidated Balance Sheet

| in TCHF                                     |     | 31.12.2020       | 31.12.2019       |
|---|-----|------------------|------------------|
| Cash and cash equivalents                   |     | 19,706           | 23,933           |
| Trade receivables                           | 1   | 3,393            | 5,335            |
| Other current receivables from shareholders |     | -                | 12               |
| Other current receivables                   | 2   | 8,214            | 9,259            |
| Inventory                                   | 3   | 501              | 420              |
| Other current financial assets              | 8.3 | 718              | 513              |
| Properties for sale                         | 5   | 29,427           | 8,633            |
| Prepayments and accrued income              | 7   | 4,918            | 5,227            |
| <b>Current assets</b>                       |     | <b>66,877</b>    | <b>53,332</b>    |
| Other non-current receivables               | 4   | 4,002            | 3,554            |
| Investment properties                       | 5   | 1,608,417        | 1,563,043        |
| Other property, plant and equipment         | 6   | 2,110            | 1,034            |
| Financial assets                            | 8.1 | 7,642            | 5,348            |
| Financial assets from shareholders          | 8.2 | 2,330            | 2,330            |
| <b>Non-current assets</b>                   |     | <b>1,624,501</b> | <b>1,575,309</b> |
| <b>Total assets</b>                         |     | <b>1,691,378</b> | <b>1,628,641</b> |

# Consolidated Financial Statements

## Consolidated Balance Sheet

| in TCHF                                    |    | 31.12.2020     | 31.12.2019     |
|--|----|----------------|----------------|
| Current financial liabilities              | 11 | 139,257        | 7,902          |
| Trade payables                             |    | 3,227          | 4,306          |
| Other current liabilities                  | 9  | 5,965          | 7,357          |
| Current provisions                         | 10 | 13,024         | 30,660         |
| Tax liabilities                            |    | 1,715          | 315            |
| Accrued liabilities and deferred income    | 12 | 16,396         | 13,229         |
| <b>Current liabilities</b>                 |    | <b>179,584</b> | <b>63,770</b>  |
| Non-current financial liabilities          | 11 | 677,429        | 823,397        |
| Non-current provisions                     | 10 | 112            | 660            |
| Deferred taxes                             | 13 | 73,131         | 68,728         |
| <b>Non-current liabilities</b>             |    | <b>750,672</b> | <b>892,785</b> |
| <b>Total liabilities</b>                   |    | <b>930,256</b> | <b>956,555</b> |
| Share capital                              | 31 | 8,433          | 8,050          |
| Capital reserves                           |    | 39,947         | 7,884          |
| Treasury shares                            | 33 | -5,211         | -6,081         |
| Retained earnings                          |    | 717,953        | 662,232        |
| <b>Shareholders' equity</b>                |    | <b>761,122</b> | <b>672,085</b> |
| Total liabilities and shareholders' equity |    | 1,691,378      | 1,628,641      |

# Consolidated Financial Statements

## Consolidated Income Statement

| in TCHF  |            | 2020           | Restated<br>2019 <sup>1</sup> |
|--|------------|----------------|-------------------------------|
| Property income  | 15         | 59,738         | 61,359                        |
| Revaluation of properties  | 16         | 27,002         | -16,803                       |
| Income from sale of promotion projects   |            | 10,560         | 1,430                         |
| Profit from sale of properties   |            | 4,905          | 64                            |
| Cloud Services income  | 17         | 93             | 630                           |
| Other operating income   | 18         | 12,438         | 7,008                         |
| <b>Total operating income</b>  |            | <b>114,736</b> | <b>53,688</b>                 |
| Direct expenses from sales of promotion projects                               | 17         | -9,133         | -1,231                        |
| Cost of materials  | 19         | -3,097         | -2,045                        |
| Personnel expenses   | 14, 20, 21 | -16,479        | -14,633                       |
| Maintenance and repairs  | 22         | 242            | -40,590                       |
| Insurance and fees   |            | -1,649         | -1,161                        |
| Energy costs and building maintenance  | 23         | -4,360         | -1,912                        |
| General operating expenses   |            | -467           | -451                          |
| Office, administrative and development expenses                                | 24         | -7,121         | -27,278                       |
| Marketing and selling expenses   |            | -743           | -857                          |
| Rent and leases  | 25         | -1,675         | -1,940                        |
| <b>Total operating expenses</b>  |            | <b>-44,481</b> | <b>-92,098</b>                |
| <b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b> |            | <b>70,254</b>  | <b>-38,410</b>                |
| Amortisation   | 26         | -396           | -40,536                       |
| <b>Earnings before interest and taxes (EBIT)</b>                               |            | <b>69,859</b>  | <b>-78,946</b>                |
| Financial income   | 27         | 968            | 1,178                         |
| Financial expenses   | 28         | -9,560         | -8,686                        |
| <b>Earnings before taxes (EBT)</b>   |            | <b>61,266</b>  | <b>-86,454</b>                |
| Taxes  | 29         | -6,107         | 15,093                        |
| <b>Net income for the period incl. minority interests</b>                      |            | <b>55,159</b>  | <b>-71,361</b>                |
| Minority interests   |            | -              | -613                          |
| <b>Net income for the period excl. minority interests</b>                      |            | <b>55,159</b>  | <b>-70,749</b>                |
| Undiluted earnings per share (in CHF)  | 31         | 6.82           | -8.85                         |
| Diluted earnings per share (in CHF)  | 31         | 6.82           | -8.85                         |

<sup>1</sup> Restated due to changes in accounting policies (restatement presentation without impact on net profit), see note 15



# Consolidated Financial Statements

## Consolidated Cash Flow Statement

| in TCHF  | 2020           | Restated<br>2019 <sup>1</sup> |
|--|----------------|-------------------------------|
| Net income for the period                                      | 55,159         | -71,361                       |
| Increase valuation of properties (net)                         | -27,002        | 18,883                        |
| Amortisation   | 396            | 40,536                        |
| Impairment of other assets                                     | -              | 5,136                         |
| Impairment of financial assets                                 | 1,550          | 843                           |
| Income from sale of assets                                     | -5,090         | -231                          |
| Proceeds from the sale of properties                           | -4,905         | -                             |
| Share-based payments   | 562            | 2,572                         |
| Increase / decrease in trade receivables                       | -457           | -1,854                        |
| Increase / decrease in trade payables                          | 167            | 626                           |
| Increase / decrease other current receivables                  | -718           | -1,811                        |
| Increase / decrease promotion projects                         | 6,126          | 1,668                         |
| Increase / decrease inventory                                  | -82            | -23                           |
| Increase / decrease other non-current receivables              | -448           | -                             |
| Increase / decrease other liabilities                          | -18,163        | 24,611                        |
| Increase / decrease capitalised employer contribution reserve  | -              | 365                           |
| Increase / decrease in prepayments and accrued income          | -55            | 2,942                         |
| Increase / decrease in accrued liabilities and deferred income | 5,155          | -3,091                        |
| Increase / decrease in non-current provisions                  | -13            | 560                           |
| Increase / decrease in deferred taxes                          | 4,403          | -15,186                       |
| Increase / decrease in capitalised tax losses carried forward  | -205           | -193                          |
| Capitalised services   | 17             | 65                            |
| <b>Cash flow from operating activities</b>                     | <b>16,397</b>  | <b>5,057</b>                  |
| Purchase of investment properties                              | -73,351        | -87,322                       |
| Acquisition of consolidated companies                          | -              | -19,341                       |
| Purchase of financial assets                                   | -              | -1,575                        |
| Purchase of other property, plant and equipment                | -1,050         | -817                          |
| Proceeds from disposal of properties                           | 32,190         | 102                           |
| Proceeds from disposal of other property, plant and equipment  | 6,747          | 231                           |
| Sale of shares, participations                                 | -3,844         | -5,549                        |
| Payments for investments in financial assets                   | -              | 2,705                         |
| <b>Cash flow from investment activities</b>                    | <b>-39,308</b> | <b>-111,566</b>               |

# Consolidated Financial Statements

## Consolidated Cash Flow Statement

| in TCHF  | 2020          | Restated<br>2019 <sup>1</sup> |
|--|---------------|-------------------------------|
| Acquisition of financial liabilities                                   | 75,209        | 69,693                        |
| Amortisation and repayment of financial liabilities                    | -89,824       | -90,562                       |
| Capital increase   | 32,692        | -                             |
| Bond issuance  | -             | 149,781                       |
| Acquisition of treasury shares   | -             | -1,732                        |
| Disposal of treasury shares  | 624           | -13                           |
| Distribution from capital reserves / retained earnings to shareholders | -             | -31,191                       |
| <b>Cash flow from financing activities</b>                             | <b>18,701</b> | <b>95,976</b>                 |
| Effects from foreign exchange  | -17           | -65                           |
| <b>Increase / decrease in cash and cash equivalents</b>                | <b>-4,227</b> | <b>-10,598</b>                |
| Cash and cash equivalents at 1 January                                 | 23,933        | 34,531                        |
| Cash and cash equivalents at 31 December                               | 19,706        | 23,933                        |
| <b>Increase / decrease in cash and cash equivalents</b>                | <b>-4,227</b> | <b>-10,598</b>                |

<sup>1</sup> The changes from promotion projects in 2019 were reclassified from "cash flow from investing activities" to "cash flow from operating activities". The "Cash flow from operating activities" in 2019 was TCHF 3,117 and the "Cash flow from investing activities" TCHF -109,626. This adjustment has no impact on the change in cash and cash equivalents

The current year acquisition of non-real-estate fixed assets and production facilities from the former tenant of the Pratteln site for TCHF 2,400 was offset against outstanding rent receivables and thus represents a non-cash investment transaction.

In the reporting year, a non-cash transfer of TCHF 26,920 was made from the position "Investment properties" to the position "Properties for sale" in the line "Increase / decrease promotion projects".

The result "Cash flow from operating activities" includes the sales from promotion projects. Excluding the changes from promotion projects, the result is TCHF 10,270 (previous year TCHF 3,389).

# Consolidated Financial Statements

## Statement of Shareholders' Equity

| in TCHF  | Share capital <sup>1</sup> | Treasury shares <sup>2</sup> | Capital reserves <sup>3</sup> | Retained earnings | Total excl. minority interests | Minority interests <sup>4</sup> | Total excl. minority interests |
|--|----------------------------|------------------------------|-------------------------------|-------------------|--------------------------------|---------------------------------|--------------------------------|
| Shareholders' equity at 01.01.2019                     | 8,050                      | 21,733                       | -6,920                        | 762,000           | 784,863                        | -1,800                          | 783,063                        |
| Share-based compensation programmes <sup>6</sup>       | -                          | -                            | -                             | -1,110            | -1,110                         | -                               | -1,100                         |
| Dividend payment                                       | -                          | -13,836                      | -                             | -17,355           | -31,191                        | -                               | -31,191                        |
| Purchase of treasury shares                            | -                          | -                            | -1,733                        | -                 | -1,733                         | -                               | -1,733                         |
| Sale/allocation of treasury shares                     | -                          | -13                          | 2,572                         | -                 | 2,559                          | -                               | 2,559                          |
| Goodwill <sup>5</sup>                                  | -                          | -                            | -                             | -6,562            | -6,562                         | -                               | -6,562                         |
| Acquisition of 100% of Group companies with minorities | -                          | -                            | -                             | -3,992            | -3,992                         | 2,413                           | -1,579                         |
| Net income for the period                              | -                          | -                            | -                             | -70,749           | -70,749                        | -613                            | -71,361                        |
| Shareholders' equity at 31.12.2019                     | 8,050                      | 7,884                        | -6,081                        | 662,232           | 672,085                        | -                               | 672,085                        |
| Shareholders' equity at 01.01.2020                     | 8,050                      | 7,884                        | -6,081                        | 662,232           | 672,085                        | -                               | 672,085                        |
| Share-based compensation programmes <sup>6</sup>       | -                          | -                            | -                             | 562               | 562                            | -                               | 562                            |
| Sale/allocation of treasury shares                     | -                          | -246                         | 870                           | -                 | 624                            | -                               | 624                            |
| Capital increase <sup>7</sup>                          | 383                        | 32,309                       | -                             | -                 | 32,692                         | -                               | 32,692                         |
| Net income for the period                              | -                          | -                            | -                             | 55,159            | 55,159                         | -                               | 55,159                         |
| Shareholders' equity at 31.12.2020                     | 8,433                      | 39,947                       | -5,211                        | 717,953           | 761,122                        | -                               | 761,122                        |

<sup>1</sup> On 31 December 2020 share capital consisted of 8,433,000 registered shares at a nominal value of CHF 1 per share (2019: 8,050,000 registered shares at a nominal value of CHF 1.00 per share).

<sup>2</sup> The non-distributable legal reserves came to TCHF 1,610 (2019: TCHF 1,610).

<sup>3</sup> As at 31 December 2020, the company held 42,942 of its own shares (2019: 49,915 shares). No shares in HIAG Immobilien Holding AG were purchased by the company during the reporting year. 6'973 shares were allocated or sold to employees. Since the sale and allocation were made with the deduction of the employee discount permitted for tax purposes, a loss of TCHF 246 was realised on this sale and booked against the statutory capital reserves.

<sup>4</sup> As per 01.01.2019, the minority interests comprised 5% in the company HIAG Data AG and 14% in the Société coopérative en faveur du développement des terrains industriels de la Praille-Sud. In the first half of 2019, the 5% of HIAG Data AG was purchased by HIAG Immobilien Holding AG. Likewise, the shares in Société coopérative en faveur du développement des terrains industriels de la Praille-Sud amount to 100% following the acquisition of Jaeger et Bosshard SA. Thus, there are no minority interests as at 31 December 2019.

<sup>5</sup> Goodwill arose on the acquisition of the subsidiary Jaeger et Bosshard SA in May 2019. Goodwill is offset against retained earnings on the date of acquisition of a company.

<sup>6</sup> See note 21 of the notes to the consolidated financial statements.

<sup>7</sup> On 27 October 2020 HIAG placed 383,000 registered shares with a nominal value of CHF 1.00 each in a private placement. The placement price per share amounted to CHF 86.00. The resulting transaction costs of TCHF 246 were recognized as a reduction in capital reserves.

# Consolidated Financial Statements

## Notes to the Consolidated Financial Statements

### Segment reporting

The main business activities of the Group include management of the yielding properties and redevelopment activities. Consequently, reporting is broken down according to the segments “Yielding portfolio” and “Redevelopment portfolio”.

On 13 August 2019, the Board of Directors decided to continue the Cloud Services segment on a non-operational basis with the exception of the leasing activities of the existing infrastructure. For reasons of transparency, this segment is still reported separately. For the Cloud Services segment, the item Maintenance and repairs comprises the operating costs for data centres. The item Rent and leases includes rent for office space in Wallisellen.

The ancillary activities in the area of employee benefits and personnel services are reported in the segment “Other”. All central functions such as the Executive Board and Finance as well as the expenses in connection with the Board of Directors are also shown here. General corporate expenses such as auditing costs, capital taxes, etc. are also reported in the “Other” segment. The activities from the metal recycling business of Jaeger et Bosshard SA, which was acquired in the 2019 financial year, are also included in this segment. Intersegment eliminations for transactions within segments are shown separately.

As the HIAG Group is active exclusively in Switzerland, no geographical segment information is provided.

### Segments 1 January 2020 to 31 December 2020

| in TCHF   | Yielding portfolio | Redevelopment portfolio | Cloud Services | Others         | Intersegment elimination | Group          |
|---|--------------------|-------------------------|----------------|----------------|--------------------------|----------------|
| Property income   | 49,104             | 10,883                  | –              | –              | –250                     | 59,738         |
| Revaluation of properties   | 9,756              | 17,246                  | –              | –              | –                        | 27,002         |
| Income from sale of promotion projects                                  | –                  | 10,560                  | –              | –              | –                        | 10,560         |
| Profit from sale of properties  | 4,905              | –                       | –              | –              | –                        | 4,905          |
| Cloud services income   | –                  | –                       | 93             | –              | –                        | 93             |
| Other operating income  | 1,222              | 5,221                   | 6              | 7,090          | –1,101                   | 12,438         |
| <b>Total operating income</b>   | <b>64,987</b>      | <b>43,910</b>           | <b>100</b>     | <b>7,090</b>   | <b>–1,351</b>            | <b>114,736</b> |
| Direct expenses from sales of promotion projects                        | –                  | –9,133                  | –              | –              | –                        | –9,133         |
| Cost of materials   | –                  | –                       | –              | –3,097         | –                        | –3,097         |
| Personnel expenses  | –3,002             | –6,695                  | –1,940         | –4,842         | –                        | –16,479        |
| Maintenance and repairs   | –3,729             | 5,186                   | –829           | –386           | –                        | 242            |
| Insurance and fees  | –658               | –590                    | –6             | –395           | –                        | –1,649         |
| Energy costs and building maintenance                                   | –1,181             | –3,126                  | –              | –52            | –                        | –4,360         |
| General operating expenses  | –153               | –84                     | –              | –230           | –                        | –467           |
| Office, administrative and development expenses                         | –2,025             | –1,557                  | –504           | –3,875         | 839                      | –7,121         |
| Marketing expenses  | –430               | –47                     | –23            | –242           | –                        | –743           |
| Rent and leases   | –1,021             | –549                    | –232           | –384           | 512                      | –1,675         |
| <b>Total operating expenses</b>   | <b>–12,199</b>     | <b>–16,596</b>          | <b>–3,535</b>  | <b>–13,503</b> | <b>1,351</b>             | <b>–44,481</b> |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 52,788             | 27,315                  | –3,435         | –6,413         | –                        | 70,254         |
| EBITDA before revaluation of properties                                 | 43,032             | 10,069                  | –3,435         | –6,413         | –                        | 43,252         |

# Consolidated Financial Statements

The “Redevelopment portfolio” segment was affected in 2019 and 2020 by the deconstruction and redevelopment of the Pratteln site to make it chemical-free.

The EBITDA contribution of the Pratteln site amounted to TCHF 6,549 at the end of December 2020 (2019: TCHF -29,242). This affects the following items as of the balance sheet date: “Other operating income” TCHF 5,011 (2019: TCHF 23), “Maintenance and repairs” TCHF 6,989 (2019: TCHF -31,287), “Energy expenses and building maintenance” TCHF -2,497 (2019: TCHF -430) and “Personnel expenses” TCHF -2,791 (2019: TCHF -669).

The position «Other operating income» in the “Redevelopment portfolio” segment totaling TCHF 5,221 includes the income from the sale of the complete production plant including building and the sale of other movable tangible assets of the Pratteln site amounting to TCHF 5,011.

In the reporting year, the “Maintenance and repairs” item in the «Redevelopment portfolio» segment resulted in income of TCHF 5,186. With operational measures and the sale of a complete production plant including building, HIAG was able to significantly reduce the total expenses for the deconstruction of the Rohner site in Pratteln compared to the original expectations. As a result, a total of TCHF 8,000 of the estimated provisions were released in the reporting year.

## Restated Segments 1 January 2019 to 31 December 2019<sup>1</sup>

| in TCHF   | Yielding portfolio | Redevelopment portfolio | Cloud Services | Others        | Intersegment elimination | Group          |
|---|--------------------|-------------------------|----------------|---------------|--------------------------|----------------|
| Property income   | 51,118             | 10,293                  | -              | -             | -52                      | 61,359         |
| Revaluation of properties   | -2,882             | -13,922                 | -              | -             | -                        | -16,803        |
| Income from sale of promotion projects                                  | -                  | 1,430                   | -              | -             | -                        | 1,430          |
| Profit from sale of properties  | 64                 | -                       | -              | -             | -                        | 64             |
| Cloud services income   | -                  | -                       | 630            | -             | -                        | 630            |
| Other operating income  | 294                | 1,107                   | 142            | 6,126         | -660                     | 7,008          |
| <b>Total operating income</b>   | <b>48,594</b>      | <b>-1,092</b>           | <b>772</b>     | <b>6,126</b>  | <b>-712</b>              | <b>53,688</b>  |
| Direct expenses from sales promotion projects                           | -                  | -1,231                  | -              | -             | -                        | -1,231         |
| Cost of materials   | -                  | -                       | -              | -2,045        | -                        | -2,045         |
| Personnel expenses  | -3,783             | -3,849                  | -4,186         | -2,815        | -                        | -14,633        |
| Maintenance and repairs   | -4,328             | -32,076                 | -3,979         | -207          | -                        | -40,590        |
| Insurance and fees  | -698               | -398                    | -6             | -255          | 196                      | -1,161         |
| Energy costs and building maintenance                                   | -791               | -1,088                  | -              | -32           | -                        | -1,912         |
| General operating expenses  | -84                | -85                     | -              | -281          | -                        | -451           |
| Office, administrative and development expenses                         | -2,221             | -1,295                  | -21,311        | -2,690        | 240                      | -27,278        |
| Marketing expenses  | -351               | -47                     | -146           | -313          | -                        | -857           |
| Rent and leases   | -853               | -623                    | -559           | -182          | 276                      | -1,940         |
| <b>Total operating expenses</b>   | <b>-13,110</b>     | <b>-40,692</b>          | <b>-30,187</b> | <b>-8,821</b> | <b>712</b>               | <b>-92,098</b> |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 35,485             | -41,784                 | -29,415        | -2,696        | -                        | -38,410        |
| EBITDA before revaluation of properties                                 | 38,367             | -27,863                 | -29,415        | -2,696        | -                        | -21,607        |

<sup>1</sup> Restated due to changes in accounting policies (restatement presentation without impact on net profit), see note 15

# Consolidated Financial Statements

The “Redevelopment portfolio” segment was affected by the bankruptcy of Rohner AG, Pratteln, in the 2019 business year. In 2019, HIAG decided to start the deconstruction and redevelopment of the site to make it chemical-free. In particular, the change in value from the revaluation of real estate assets and the operating expenses totalling TCHF 53,200 are affected in the 2019 business year. The change in value in Pratteln amounted to TCHF -20,400 as of 31 December 2019. In 2019, HIAG took over former employees of Rohner AG, Pratteln (TCHF 700) in connection with the deconstruction and redevelopment of the site, and since the bankruptcy, HIAG has borne the total site costs of TCHF 2,100 for the period from July to December 2019. Provisions of TCHF 30,000 were created in 2019 for the deconstruction and redevelopment of the site, which are included in the position «Maintenance and repairs».

## 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 comprehensive Swiss GAAP FER rules were applied.

The Consolidated Financial Statements are based on the individual financial statements of the HIAG Immobilien Group companies, which were prepared and audited in accordance with uniform guidelines. 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.

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

## 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 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.

The balance sheet date for all companies is 31 December.

# Consolidated Financial Statements

| Company   | Share capital<br>in TCHF | Stake 2020 <sup>1</sup><br>in % | Stake 2019 <sup>1</sup><br>in % | Location       |
|---|--------------------------|---------------------------------|---------------------------------|----------------|
| HIAG Immobilien Schweiz AG  | 11,000                   | 100                             | 100                             | Baar           |
| HIAG AG   | 150                      | 100                             | 100                             | Basel          |
| HIAG Immobilien AG  | 5,000                    | 100                             | 100                             | St. Margrethen |
| HIAG Immobilier Léman SA  | 1,000                    | 100                             | 100                             | Aigle          |
| Léger SA  | 400                      | 100                             | 100                             | Lancy          |
| Weeba SA  | 100                      | 100                             | 100                             | Lancy          |
| Pellarin-Transports SA  | 50                       | 100                             | 100                             | Lancy          |
| Promo-Praille SA  | 200                      | 100                             | 100                             | Lancy          |
| Jaeger et Bosshard SA   | 1,175                    | 100                             | 100                             | Lancy          |
| Société coopérative en faveur du<br>développement des terrains<br>industriels de la Praille-Sud | 35                       | 100                             | 100                             | Lancy          |
| HIAG Data AG  | 10,000                   | 100                             | 100                             | Zürich         |
| Trans Fiber Systems SA  | 107                      | 100                             | 100                             | Menziken       |
| HIAG Real Estate AG <sup>2</sup>  | 400                      | 100                             | 100                             | Zürich         |
| HIAG Labs AG <sup>3</sup>   | 100                      | 100                             | 100                             | Zürich         |

<sup>1</sup> Voting rights and share capital

<sup>2</sup> CIS Operations AG was renamed into HIAG Real Estate AG in the reporting year.

<sup>3</sup> Marbell AG was renamed into HIAG Labs AG in the reporting year.

**HIAG AG renders services in the areas of employee pension funds and human resources.**

**HIAG Data AG and HIAG Real Estate AG together with HIAG Labs AG form the Cloud Services segment for the financial years 2019 and 2020. HIAG Labs AG provides services relating to third-party financing. HIAG Real Estate AG will be a real estate company in line with HIAG's strategy from January 1, 2021.**

**Jaeger et Bosshard SA specialises in metal recycling. In addition to this business, the company also holds a share of the site "Porte Sud" site in Lancy, Geneva. The former owner of the company is operating the metal recycling business on behalf of HIAG.**

**All other companies are real estate companies within the scope of HIAG's strategy with the purposes of maintaining, developing and selling properties.**

## 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 are 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. Goodwill is recognised as retained earnings with no effect on profit and loss. Any badwill is charged to the retained earnings or recorded as provisions. The initial consolidation takes effect with the transfer of control of the acquired companies.

# Consolidated Financial Statements

## 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.

### Cash and cash equivalents

"Cash and cash equivalents" comprise 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 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 value adjustments.

### Investment properties

The portfolio is broken down into the following categories:

- Undeveloped lands
- Properties
- Properties currently under development
- Properties for sale

### General

All investment properties were measured at fair value on the basis of the discounted cash flow method (DCF) in accordance with Swiss GAAP FER 18. The residual value method is used to ascertain the fair value of undeveloped properties. The current values are assessed and updated every six months by an independent expert. The properties are inspected at least every three years. No scheduled depreciation is carried out. Increases and decreases in value are reported under 'Revaluation of properties'. The expected additional expenses linked to environmental risks are assessed by an independent environmental expert based on historical and technical investigations, and subtracted from the fair value of the properties. Interest on construction loans is capitalised. Other borrowing costs are recorded as financing costs. The portfolio does not include any properties used by HIAG itself.



# Consolidated Financial Statements

## Properties

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

## 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.

## Properties for sale

“Properties for sale” may include residential projects that are developed and marketed as condominiums (promotional projects). They also include non-strategic properties that are offered for sale. Properties for sale are reported under current assets. The promotion projects are valued at acquisition or production cost. The last market value at the time of reclassification represents the acquisition value of the properties. No further revaluation takes place until the property is sold. If the expected sales price is lower than the acquisition or production costs, a value adjustment is made. The non-strategic properties for sale are valued at current market values less selling costs and are only reported as properties for sale if a purchase agreement is available for notarisation.

## Other property, plant and equipment and intangible fixed assets

Other tangible fixed assets include office equipment, machinery and vehicles and the fixed assets of Jaeger et Bosshard SA. “Intangible assets” mainly comprise the acquired and internally provided services in connection with the cloud infrastructure of HIAG Data.

“Other fixed assets” and “Intangible assets” are stated at cost less depreciation and possible impairment.

Depreciation and amortisation is calculated using the straight-line method. The depreciation period for office equipment three to ten years, for the equipment of Jaeger et Bosshard SA five to fifteen years and for intangible assets three to five years. If it is foreseeable that the economic useful life of individual assets will be shorter than their planned useful life, increased depreciation is applied.

Leased assets are depreciated over the term of the lease.

## Financial assets and financial assets from shareholders

This position includes employer contribution reserves, long-term loans, securities at listed market prices as of the balance sheet reporting date, capitalised tax losses carried forward, participations that were incorporated using the equity method and other non-current receivables that are recorded in the balance sheet at nominal value.

## Financial assets from related parties

This position includes employer contribution reserves, long-term loans, capitalised losses carried forward, investments accounted for using the equity method and other long-term receivables, which are stated at nominal value.

## Deferred taxes

Deferred taxes from tax losses carried forward are capitalised only if it appears sufficiently certain that they can be used for tax purposes and if the budgeted taxable income is expected to result in any offsetting possibilities. They are listed under “Financial assets” as per Swiss GAAP FER 11.

# Consolidated Financial Statements

## Impairment of assets

If there are indications that the value of an asset is impaired, an impairment test is performed. If the test shows that the carrying amount is higher than the recoverable amount (higher of value in use or market value), the carrying amount is written down to the recoverable amount with an effect on income.

## Trade payables and other current and non-current liabilities

Current liabilities are amounts due within one year. Liabilities falling 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 and the repayment value are amortised in the income statement over their maturity.

Financing or repayments due within a period of 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 finance lease is an agreement where at the time of conclusion of the contract the cash value of the lease payments and any remaining payment roughly correspond to the acquisition value of the leased asset. A finance lease also exists if the expected duration of the lease is approximately the expected useful life of the asset, the leased asset is transferred to the lessee at the end of its useful life or any residual payment is below the net market value at that time. In the case of a finance lease, the leased asset is capitalised and at the same time the leasing obligations from the remaining lease payments are recognised as liabilities. The lease payments are divided into an interest component and a depreciation component. The interest component is recognised as a financial expense and the depreciation component is recognised as a reduction of the leasing liability. The leasing liability is split into a current (within the next 12 months from the reporting date) and a non-current liability (remaining obligation). The current leasing liability is recorded under Current financial liabilities and the non-current leasing liability is recorded under Non-current financial liabilities.

The leased asset is depreciated over the expected useful life.

An operating lease exists when none of the finance lease criteria listed above applies. This concerns primarily long-term rental contracts (over 12 months) for Group sites. These contracts are not included in the balance sheet, but rather disclosed in the Annex.

## Current and non-current provisions

Provisions are set up to cover all the risks and obligations recognised at the balance sheet date. Provisions are made when an obligation to a third party exists that is attributable to an event in the past and the extent of that 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.

# Consolidated Financial Statements

## Provisions for deferred taxes

According to Swiss GAAP FER 11, current and future tax effects are to be adequately taken into account in the financial statements. In doing so, current income taxes must be distinguished from deferred taxes. The latter are caused primarily by the valuation differences between fair values and the tax base of the properties. A remaining holding period is estimated for each property when calculating the deferred taxes for investment properties. Regarding income and capital gains taxes on properties, in those cases where recent findings made it possible to include the historical value of the properties more precisely, this was included in the calculations. Provisions for deferred taxes are discounted. A discount rate 2.00% was applied as at 31 December 2020 (2019: 2.00%).

## Employee benefits in accordance with Swiss GAAP FER 16

All companies belonging to the HIAG Group participate in the pension fund "HIAG Pensionskasse". The economic benefits resulting from the employer contribution reserve are recorded as assets. Changes to the employer contribution reserve, and any economic impact on the group resulting from surplus or insufficient coverage for employee pension funds are recorded under "Personnel expenses". The capitalisation of an additional economic benefit (from the surplus coverage for the pension fund) is neither intended, nor are the prerequisites for this provided. An economic obligation is recognised as a liability when the criteria for the creation of provisions are met.

## Property income

Rental income comprises rental income after deduction of vacancies, income from the sale of electricity from the company's own power plants and reductions in income, such as loss of rent. Rental income is recognised in the income statement when the rent is due. If tenants are granted rent-free periods, the equivalent value of the incentive is recognised on a straight-line basis over the entire term of the lease as an adjustment to the rental income. Revenues from the sale of electricity are recognised after the services have been rendered. From 1 January 2020, a net presentation of the service charges is made. In addition, other income related to services is shown in the position "other operating income". The impact of those changes in presentation is shown under item 15 of the Notes.

## Income from sale of promotion projects

From 01 January 2020 the income from sale of promotion projects are reported gross before taxes and after deduction of transaction costs (fees,...) in the positions "Income from sale of promotion projects" and "Direct expenses from sale of promotion projects". The impact of this change in presentation is shown under item 15 of the Notes. The profit is recognised after transfer of ownership.

## Profit from sale of properties

Net income from the sale of properties (excluding promotion projects), which are valued at market value, is recognised in the item "Profit from sale of properties".

## Other operating income

Other operating income contains all revenues that cannot be allocated to another revenue category. Therefore, the position consists of one-off effects and non-recurring revenue items (for example, the disposal of non-used fixed assets or insurance benefits). Moreover, revenues from non-core business activities of the Group are encompassed in this position (such as services for third parties in the area of human resources or income from the metal recycling business). All these revenues are recorded after the service has been rendered to the third party.

# Consolidated Financial Statements

## Inventory and Cost of materials

Due to the acquisition of Jaeger et Bosshard SA, a company specialised in metal recycling, the consolidated financial statements show inventories and material expenses. Inventories are valued at cost (average cost method). Whenever it is foreseeable that the net market value of inventories is lower than cost, write-downs are made to the lower of cost or net realisable value.

## 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.

## Taxes

This item covers deferred taxes and current taxes on income. Deferred taxes are calculated primarily on the basis of the temporary differences between the fair values identified and the tax base of an asset. Current taxes on income are calculated on the basis of the taxable result. Other taxes, levies and property taxes are recorded under "Operating expenses" as "General operating expenses".

## Transactions with shareholders and related parties

Significant transactions with related parties are classified and disclosed as follows in accordance with Swiss GAAP FER 15 "8. Financial assets, financial assets shareholders and financial assets with related parties".

## Share-based compensation

Pursuant to Swiss GAAP FER 31, share-based compensation is recognised as personnel expenses. Shareholders' equity constitutes the corresponding opposite item for share-based compensation; liabilities (provisions) for cash-based compensation. Share-based compensation is disclosed under paragraph 21.

## Off-balance sheet items

Contingent liabilities and other off-balance sheet liabilities are valued and disclosed at every 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

The 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 the balance sheet is being 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 at 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

There were no significant events after the balance sheet date that could have an influence on the the book values of the reported assets and liabilities, or which have a participating interest in that must be disclosed.

The approval of the consolidated financial statements by the Board of Directors took place on 12 March 2021.

# Consolidated Financial Statements

## 1 Trade receivables

| in TCHF                 | 31.12.2020   | 31.12.2019   |
|-------------------------|--------------|--------------|
| Trade receivables       | 4,052        | 6,706        |
| Provision for bad debts | -659         | -1,371       |
| <b>Total</b>            | <b>3,393</b> | <b>5,335</b> |

Losses on accounts receivable in 2020 come to TCHF 55 (0.05% of operating income without revaluation of properties and cloud services) compared to TCHF 11 (0.02% of operating income without revaluation of properties and cloud services) in 2019.

## 2 Other current receivables

| in TCHF   | 31.12.2020   | 31.12.2019   |
|---|--------------|--------------|
| Value-added tax receivables                             | 1,570        | 1,464        |
| Heating and lump sum charges                            | 2,968        | 3,734        |
| Escrow account  | 1,051        | 1,350        |
| Deposits and guarantees                                 | 635          | 164          |
| Receivable for sale production facilities Pratteln site | 423          | -            |
| Further charging to tenants                             | 389          | 1,421        |
| Current accounts condominium ownership                  | 463          | 531          |
| Other current receivables                               | 715          | 595          |
| <b>Total</b>  | <b>8,214</b> | <b>9,259</b> |

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. In the reporting year, TCHF 300 of this amount was reclassified to other long-term receivables, as the release will not take place within the next 12 months.

## 3 Inventory

| in TCHF      | 31.12.2020 | 31.12.2019 |
|--------------|------------|------------|
| Inventory    | 501        | 420        |
| <b>Total</b> | <b>501</b> | <b>420</b> |

The inventories are related to the acquisition in 2019 of Jaeger et Bosshard SA, a company specialising in metal recycling.

## 4 Other non-current receivables

| in TCHF                       | 31.12.2020   | 31.12.2019   |
|-------------------------------|--------------|--------------|
| Other non-current receivables | 3,702        | 3,554        |
| Escrow account non-current    | 300          | -            |
| <b>Total</b>                  | <b>4,002</b> | <b>3,554</b> |

The other long-term receivables in the reporting year and in the previous year consist of a receivable of TCHF 2,554, which arose as a result of the use of space beyond the ordinary rental period. To secure this receivable, an agreement was signed on the transfer of

# Consolidated Financial Statements

first-rank mortgage notes from an industrially used site. In addition, a long-term rent receivable in the amount of TCHF 500 (2019: TCHF 500) is included, which is deferred until 2021 due to a contractual agreement. The repayment will be made quarterly from 2021 until 2030.

Also in the reporting year, TCHF 300 of the escrow account was reclassified from other current receivables to other non-current receivables, as the release will not take place within the next 12 months.

As part of the acquisition of Jaeger et Bosshard SA, a purchase price adjustment was agreed with the former owner, whereby the effectively generated cumulative actual result for the years 2019 to 2023 should reach a value defined in advance. The current assessment shows that the defined value will be undercut over the entire period. As a result, a long-term receivable in the amount of TCHF 560 was capitalised and recognised in financial income.

## 5 Investment properties

| in TCHF                          | 31.12.2020 | 31.12.2019 |
|----------------------------------|------------|------------|
| Fire insurance value             | 1,712,090  | 1,671,833  |
| Pledges to secure mortgage loans | 351,840    | 344,840    |

Due to the completion of projects, the fire insurance values increased by a total of TCHF 40,257 in the reporting period (2019: TCHF 44,103).

| in TCHF   | Undeveloped land | Properties       | Properties currently under development | Total investment properties |
|---|------------------|------------------|--|-----------------------------|
| Balance at 01.01.2019                                   | 134,070          | 1,241,701        | 112,421                                | 1,488,191                   |
| Reclassifications                                       | 56,115           | 13,836           | -69,951                                | -                           |
| Additions   | 2,936            | 69,629           | 30,952                                 | 103,516                     |
| Disposals   | -                | -38              | -12,004                                | -12,042                     |
| Additions in scope of consolidation                     | -                | 13,500           | -                                      | 13,500                      |
| Revaluation of properties                               | -16,969          | 10,664           | 1,336                                  | -4,969                      |
| Change of costs for environmental risks                 | -5,123           | -10,740          | -656                                   | -16,519                     |
| <b>Balance at 31.12.2019</b>                            | <b>171,029</b>   | <b>1,338,552</b> | <b>62,097</b>                          | <b>1,571,676</b>            |
| Reclassification of properties for sale                 | -                | -                | -8,633                                 | -8,633                      |
| <b>Balance after reclassifications as at 31.12.2019</b> | <b>171,029</b>   | <b>1,338,552</b> | <b>53,464</b>                          | <b>1,563,043</b>            |
| <b>Balance at 01.01.2020</b>                            | <b>171,029</b>   | <b>1,338,552</b> | <b>62,097</b>                          | <b>1,571,676</b>            |
| Reclassifications                                       | -8,047           | -33,380          | 41,427                                 | -                           |
| Additions   | 17,473           | 36,821           | 21,214                                 | 75,508                      |
| Disposals   | -                | -27,125          | -9,129                                 | -36,254                     |
| Revaluation of properties                               | 24,813           | 12,867           | 1,710                                  | 39,390                      |
| Change of costs for environmental risks                 | -2,124           | -11,089          | 736                                    | -12,477                     |
| <b>Balance at 31.12.2020</b>                            | <b>203,144</b>   | <b>1,316,647</b> | <b>118,055</b>                         | <b>1,637,844</b>            |
| Reclassification of properties for sale                 | -                | -                | -29,427                                | -29,427                     |
| <b>Balance after reclassifications as at 31.12.2020</b> | <b>203,144</b>   | <b>1,316,647</b> | <b>88,628</b>                          | <b>1,608,417</b>            |

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In the reporting period, Wüest & Partner AG appraised all properties. The discount rates used for the property appraisals fluctuated within a corridor of 2.00% to 5.50% as of the balance sheet date (31 December 2019: 1.95% to 6.00%).

The additional costs to be expected due to environmental risks were analysed on the basis of historical and technical investigations and taken into account in the real estate investments with an amount of TCHF 56,028 (31 December 2019: TCHF 43,551) as at the balance sheet date. The clarification of environmental risks is an ongoing process. The portfolio was reassessed in the second half of 2020 based on a risk analysis by management. The building pollutants and contaminated sites were re-analysed with the current technical knowledge. For the calculation of the provision for environmental risks, a probability and a time horizon consistent with the development horizon are defined by management. New findings from historical or technical investigations are taken into account on the balance sheet date and have led to an increase in the deductions for environmental risks of TCHF 12,477 in the current reporting period, of which TCHF 12,387 are recognised in profit or loss and TCHF 90 are recognised directly in equity as part of an acquisition (2019: increase in deductions of TCHF 13,914 recognised in profit or loss). A discount rate of 2.00% was applied as at 31 December 2020 (31 December 2019: 2.00%).

In some cases, the effective acquisition costs or the investments cannot be reliably ascertained as the acquisition dates too far back. For this reason, the decision was taken not to report the acquisition values in these cases.

New additions in the first half year 2020 came to TCHF 75,508 resulting from investments in 34 and one acquisition in Bussigny (TCHF 9,108). The largest investments were made in Meyrin (TCHF 19,284), in Goldach (TCHF 10,319), in Niederhasli (TCHF 7,630), in Dietikon (TCHF 6,208) and in Wetzikon (TCHF 3,866).

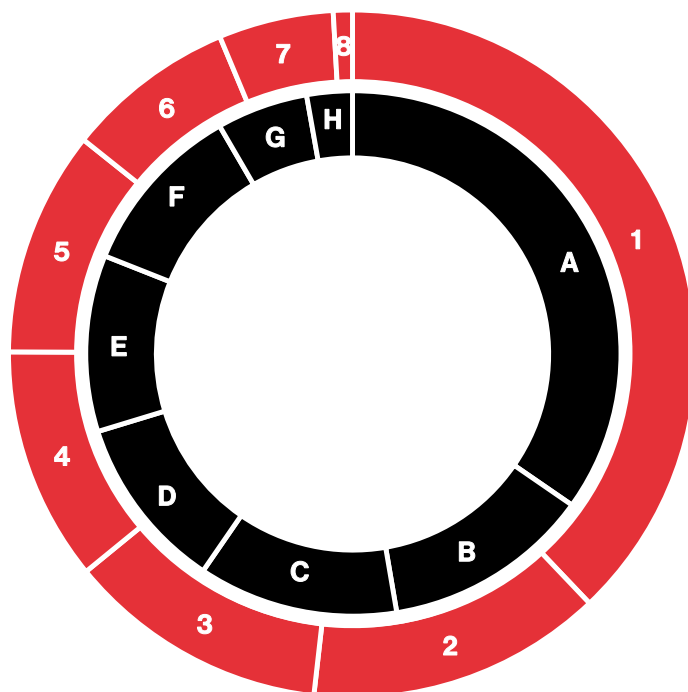
Disposals amounting to TCHF 41,164 concerned the sale of condominiums in Frauenfeld (TCHF 9,129), the site in St. Margrethen (TCHF 32,000) and a parking space in Windisch (TCHF 35).

## Properties for sale

| in TCHF                   | 31.12.2020 | 31.12.2019 |
|---------------------------|------------|------------|
| Promotion projects        | 29,427     | 8,633      |
| Total properties for sale | 29,427     | 8,633      |

On the balance sheet date, the promotion projects amounted to TCHF 29,427 (31 December 2019: TCHF 8,633). In the reporting year, this was a promotion project in Cham and in the previous year a promotion project in Frauenfeld.

# Consolidated Financial Statements



31.12.2020 ●  
31.12.2019 ●

## Market value of investment properties according to use<sup>1</sup> as at 31 December 2020

|   |                         |       |
|---|-------------------------|-------|
| 1 | Industry, Commercial    | 37.9% |
| 2 | Building land           | 13.9% |
| 3 | Residential             | 12.3% |
| 4 | Office                  | 11.0% |
| 5 | Retail                  | 10.6% |
| 6 | Distribution, Logistics | 8.0%  |
| 7 | Residential, Commercial | 5.4%  |
| 8 | Miscellaneous           | 0.9%  |

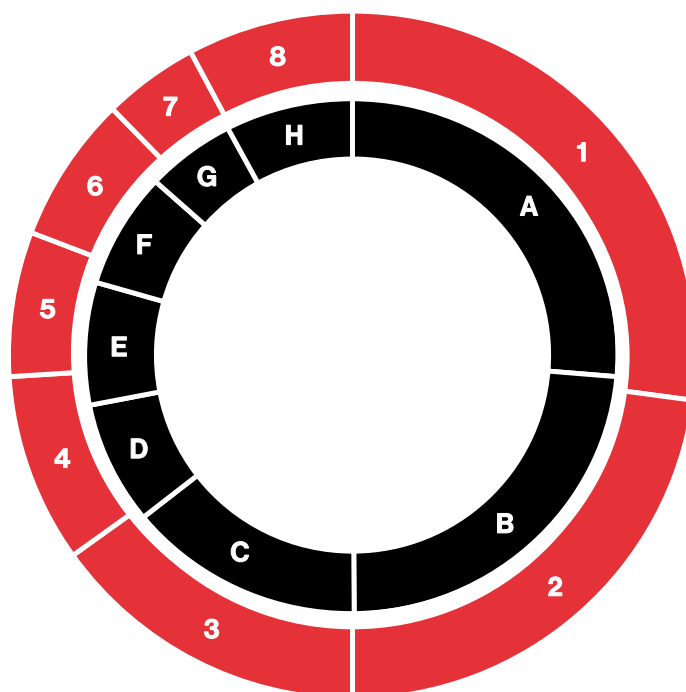
## Market value of investment properties according to use<sup>1</sup> as at 31 December 2019

|   |                         |       |
|---|-------------------------|-------|
| A | Industry, Commercial    | 34.6% |
| B | Residential             | 12.7% |
| C | Building land           | 12.3% |
| D | Distribution, Logistics | 10.7% |
| E | Office                  | 10.7% |
| F | Retail                  | 10.6% |
| G | Residential, Commercial | 5.6%  |
| H | Miscellaneous           | 2.8%  |

<sup>1</sup> The calculations of the types of use are based on the main uses of the properties.



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30.06.2020 ●  
31.12.2019 ●

## Market value of investment properties by canton as at 31 December 2020

|   |               |       |
|---|---------------|-------|
| 1 | Zurich        | 27.1% |
| 2 | Aargau        | 22.9% |
| 3 | Geneva        | 15.1% |
| 4 | Zug           | 8.9%  |
| 5 | Solothurn     | 6.8%  |
| 6 | Baselland     | 6.9%  |
| 7 | St. Gallen    | 4.5%  |
| 8 | Miscellaneous | 7.8%  |

## Market value of investment properties by canton as at 31 December 2019

|   |               |       |
|---|---------------|-------|
| A | Zurich        | 26.3% |
| B | Aargau        | 23.6% |
| C | Geneva        | 14.6% |
| D | Zug           | 7.5%  |
| E | Solothurn     | 7.4%  |
| F | Baselland     | 7.1%  |
| G | St. Gallen    | 5.5%  |
| H | Miscellaneous | 8.0%  |

# Consolidated Financial Statements

## 6 Other property, plant and equipment and intangible fixed assets

| in TCHF                                   | Other property,<br>plant and<br>equipment | Multicloud<br>infrastructure | Multicloud<br>infrastructure in<br>Leasing | Total  | Intangible<br>assets |
|---|---|------------------------------|--|--------|----------------------|
| Book value at 01.01.2019                  | 3,944                                     | 47,706                       | 17,699                                     | 69,349 | 116                  |
| Additions                                 | 140                                       | 469                          | –  | 609    | –                    |
| Disposals                                 | –   | –                            | –  | –      | –                    |
| Additions in scope of consolidation       | 534                                       | –                            | –  | 534    | –                    |
| Book value at 31.12.2019 / 01.01.2020     | 4,618                                     | 48,175                       | 17,699                                     | 70,492 | 116                  |
| Additions                                 | 3,265                                     | –                            | –  | 3,265  | –                    |
| Additions                                 | –1,793                                    | –                            | –  | –1,793 | –                    |
| Book value at 31.12.2020                  | 6,090                                     | 48,175                       | 17,699                                     | 71,964 | 116                  |
| Cumulative amortisation at 01.01.2019     | 3,202                                     | 22,427                       | 3,319                                      | 28,949 | 91                   |
| Amortisation                              | 382                                       | 7,770                        | 4,425                                      | 12,577 | 10                   |
| Impairment                                | –   | 17,978                       | 9,955                                      | 27,932 | 15                   |
| At 31.12.2019 / 01.01.2020                | 3,585                                     | 48,175                       | 17,699                                     | 69,458 | 116                  |
| Amortisation                              | 396                                       | –                            | –  | 396    | –                    |
| Cumulative amortisation at 31.12.2020     | 3,981                                     | 48,175                       | 17,699                                     | 69,855 | 116                  |
| Net book value at 31.12.2019 / 01.01.2020 | 1,034                                     | –                            | –  | 1,034  | –                    |
| Net book value at 31.12.2020              | 2,110                                     | –                            | –  | 2,110  | –                    |

As part of an agreement with the bankruptcy office of canton Basel-Landschaft, it was agreed to acquire moveable assets of the former tenant of the Pratteln site for TCHF 2,400. This purchase was offset against the outstanding rent claims of the former tenant at the beginning of January 2020.

In December 2020, the production facility of the former tenant of the Pratteln site was sold. As the transfer of use will contractually take place over two years (2020 and 2021), the effects of this transaction are recognised over two years. The disposals in 2020 associated with this sale amounted to TCHF 1,656. The resulting income was recognised in the position “Other operating income” (refer to note 18).

The position “Other tangible fixed assets” includes mainly these moveable fixed assets, and machinery and transport vehicles of Jaeger & Bosshard SA.

## 7 Prepayments and accrued income

| in TCHF   | 31.12.2020 | 31.12.2019 |
|---|------------|------------|
| Financing costs bonds                                     | 818        | 1,228      |
| Insurance premiums and benefits                           | 126        | 980        |
| Accrued income (rental income, sale of electricity, etc.) | 2,139      | 2,172      |
| Subsidies   | 955        | 190        |
| Miscellaneous   | 880        | 657        |
| Total   | 4,918      | 5,227      |

Insurance premiums and benefits comprise TCHF 121 in relation to cases of fire and other damaging events during the reporting period (2019: TCHF 974).

Subsidies were applied for within the scope of construction projects. Subsidies for TCHF 955 will be paid out after the balance sheet date (previous year TCHF 0).

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## 8 Financial assets, financial assets from shareholders and financial assets from related parties

### 8.1 Financial assets

| in TCHF                | 31.12.2020   | 31.12.2019   |
|------------------------|--------------|--------------|
| Other financial assets | 142          | 142          |
| Loans to third parties | 7,500        | 5,206        |
| <b>Total</b>           | <b>7,642</b> | <b>5,348</b> |

In the reporting year, loans amounting to TCHF 3,694 (previous year TCHF 5,549) were granted to third parties. All loans bear interest in line with the market. No loans were repaid in the reporting year (previous year TCHF 300). A loan for a total of TCHF 1,550, which was granted in the reporting year, was 100% impaired as of 31 December 2020, as repayment as at 31 December 2020 is questionable due to the economic situation of the borrower.

### 8.2 Financial assets from shareholders

| in TCHF                                      | 31.12.2020   | 31.12.2019   |
|--|--------------|--------------|
| Loan to Executive board and management staff | 1,300        | 1,300        |
| Loan to shareholders                         | 1,030        | 1,030        |
| <b>Total</b>                                 | <b>2,330</b> | <b>2,330</b> |

**These loans are subject to market rate interest and are secured by HIAG shares.**

### 8.3 Deferred taxes from capitalised losses carried forward

| in TCHF                            | 31.12.2020 | 31.12.2019 |
|------------------------------------|------------|------------|
| Capitalised losses carried forward | 718        | 513        |
| <b>Total</b>                       | <b>718</b> | <b>513</b> |

**The capitalised tax loss carryforwards represent the expected economic benefit within the next 12 months.**

## 9 Other current liabilities

| in TCHF               | 31.12.2020   | 31.12.2019   |
|-----------------------|--------------|--------------|
| To third parties      | 3,494        | 4,632        |
| Advance rent payments | 2,470        | 2,725        |
| <b>Total</b>          | <b>5,965</b> | <b>7,357</b> |

**“Other current liabilities to third parties” includes mainly accumulated payments on account for heating and service charge settlement amounting to TCHF 2,817 (2019: TCHF 3,172).**

# Consolidated Financial Statements

## 10 Provisions

| in TCHF                                | Other provisions | Provision for de-<br>construction and<br>site remediation<br>costs Pratteln | LTIP provisions | Total   |
|--|------------------|---|-----------------|---------|
| Book value at 01.01.2019               | 534              | –   | 2,890           | 3,424   |
| Increase                               | 790              | 30,000  | –               | 30,790  |
| Utilisation                            | –165             | –   | –2,890          | –3,055  |
| Release                                | 161              | –   | –               | 161     |
| Book value at 31.12.2019 / 01.01. 2020 | 1,320            | 30,000  | –               | 31,320  |
| - thereof current                      | 660              | 30,000  | –               | 30,660  |
| - thereof non-current                  | 660              | –   | –               | 660     |
| Increase                               | 1,016            | –   | 112             | 1,128   |
| Utilisation                            | –                | –10,374   | –               | –10,374 |
| Release                                | –376             | –8,000  | –               | –8,376  |
| Book value at 31.12.2020               | 1,960            | 11,626  | 112             | 13,698  |
| - thereof current                      | 1,960            | 11,626  | –               | 13,586  |
| - thereof non-current                  | –                | –   | 112             | 112     |

In the previous year, a short-term provision for the dismantling of the production infrastructure and the redevelopment of the site in Pratteln was created in the amount of TCHF 30,000. In connection with the bankruptcy of Rohner AG in Pratteln, HIAG assumed the costs for the demolition of the production infrastructure, which contractually should have been borne by the tenant. This includes, in particular, taking measures to restore the facilities to a chemical-free state.

As of the balance sheet date, TCHF 10,374 of the short-term provisions were used for work performed. With operational measures and the sale of a complete production plant including building, HIAG has significantly reduced the total expenses for the dismantling of the Rohner site in Pratteln compared to the original expectations. As a result, a total of TCHF 8,000 of the estimated provisions were released. HIAG assumes that the demolition will be completed in 2021, which is why the remaining provision was classified as current.

In the reporting year, a provision of TCHF 350 (2019: TCHF 610) was created for potential additional costs for a completed promotion project.

The current cost estimate for the provisions formed in the previous year showed that TCHF 125 were released in the reporting year. Based on the ongoing technical clarifications, HIAG assumes that the work will take place in 2021.

In addition TCHF 666 (previous year TCHF 113) was created in other provisions for holiday provisions. The release of holiday provisions in the reporting year amounted to TCHF 134 (previous year TCHF 149).

In connection with a new long-term incentive plan for the period 2020 to 2024 (see note 21), an accrual for the cash component of TCHF 112 (2019:TCHF 0) was created as at 31 December 2020.

There were no provisions for pension obligations or restructuring in either the reporting year or the previous year. Only risks with a probability of occurrence of at least 50% are taken into account.

# Consolidated Financial Statements

## 11 Financial liabilities

| in TCHF                              | 31.12.2020     | 31.12.2019     |
|--------------------------------------|----------------|----------------|
| Current liabilities to banks         | 35,037         | 2,378          |
| Current leasing liabilities          | 4,220          | 5,524          |
| Current bonds                        | 100,000        | -              |
| <b>Total current liabilities</b>     | <b>139,257</b> | <b>7,902</b>   |
| Non-current liabilities to banks     | 137,429        | 179,178        |
| Non-current bonds                    | 540,000        | 640,000        |
| Non-current leasing liabilities      | -              | 4,220          |
| <b>Total non-current liabilities</b> | <b>677,429</b> | <b>823,397</b> |
| <b>Total</b>                         | <b>816,686</b> | <b>831,299</b> |

In the reporting year, TCHF 33,617 of bank liabilities were reclassified to current bank liabilities, as these expire within the next twelve months and have not yet been extended as at 31 December 2020. The majority of the bank liabilities will be renegotiated and the framework agreements will be renewed. For the majority of the bank liabilities due in the next twelve months, the framework agreements will be renegotiated and the financing extended. The majority of the bank liabilities are secured by mortgages. The short-term bond expires on 01 July 2021. It is planned to renew this bond.

Long-term bank liabilities were repaid through the capital increase carried out in the reporting year and the proceeds from the sale of the building lease plot in St. Margrethen.

The loan-to-value ratio ([cash and cash equivalents + financial liabilities] / property value) was 48.7% as at the reporting date (2019: 51.4%) and the loan-to-value ratio at market value (bank liabilities / property value) was 10% (2019: 11%).

The average interest rate for financial liabilities was 0.9% in the reporting period (2019: 0.9%).

# Consolidated Financial Statements

## Conditions of financial liabilities as at 31.12.2020

| Item                 | Book value     | Currency | Due date  | Interest rate         |
|----------------------|----------------|----------|---|-----------------------|
| Liabilities to banks | 172,466        | CHF      | See 'Due dates in TCHF as at 31.12.2020'            | Between 0.5% and 2.7% |
| Bonds                | 640,000        | CHF      | See 'Terms and conditions of financial liabilities' | Between 0.8% and 1.0% |
| Leasing liabilities  | 4,220          | CHF      | 31.10.2021 with quarterly repayments                | 0.5%                  |
| <b>Total</b>         | <b>816,686</b> |          |   |                       |

## Conditions of financial liabilities as at 31.12.2019

| Position             | Book value     | Currency | Due date  | Interest rate         |
|----------------------|----------------|----------|---|-----------------------|
| Liabilities to banks | 181,556        | CHF      | See 'Due dates in TCHF as at 31.12.2019'            | Between 0.5% and 2.9% |
| Bonds                | 640,000        | CHF      | See 'Terms and conditions of financial liabilities' | Between 0.8% and 1.0% |
| Leasing liabilities  | 9,743          | CHF      | 31.10.2021 with quarterly repayments                | 0.5%                  |
| <b>Total</b>         | <b>831,299</b> |          |   |                       |

## Terms and conditions of financial liabilities

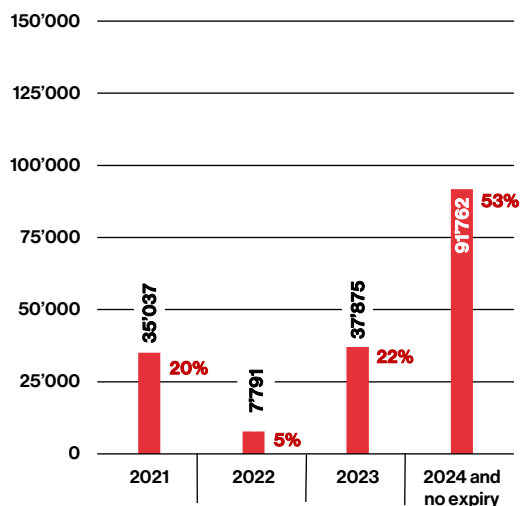
| Benchmarks      | Bond May 2019      | Bond October 2018  | Bond May 2017      | Bond July 2016     | Bond July 2015     |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Amount          | TCHF 150,000       | TCHF 125,000       | TCHF 150,000       | TCHF 115,000       | TCHF 100,000       |
|                 | 5 years            | 4 years            | 5 years            | 7 years            | 6 years            |
|                 | (08.05.2019        | (26.10.2018        | (30.05.2017        | (04.07.2016        | (01.07.2015        |
| Maturity        | -08.05.2024)       | -26.10.2022)       | -30.05.2022)       | -04.07.2023)       | -01.07.2021)       |
| Interest rate   | 0.875%             | 1.0%               | 0.8%               | 1.0%               | 1.0%               |
| Listing         | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange |
| Security number | 47,129,798         | 43,467,844         | 36,274,830         | 32,637,142         | 28,460,739         |
| ISIN            | CH0471297983       | CH0434678444       | CH0362748300       | CH0326371421       | CH0284607394       |

**Financial liabilities are recognised and measured at nominal value.**

# Consolidated Financial Statements

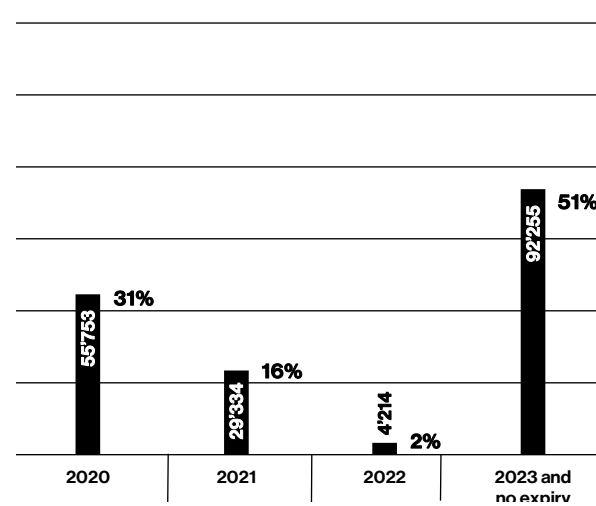
Financial liabilities are recorded and valued at nominal value.

Due dates of the liabilities to banks in TCHF as at 31.12.2020



Total: TCHF 172,466 = 100%

Due dates of the liabilities to banks in TCHF as at 31.12.2019



Total: TCHF 181,556 = 100%

Interest rates were fixed as follows as at 31 December 2020  
(until the next interest rate adjustment):

|  |                |             |
|--|----------------|-------------|
| Up to one year including building loan | 97,110         | 56%         |
| 2022                                   | 7,791          | 5%          |
| 2023                                   | 37,875         | 22%         |
| 2023 and longer                        | 29,689         | 17%         |
| <b>Total</b>                           | <b>172,466</b> | <b>100%</b> |

Interest rates were fixed as follows as at 31 December 2019  
(until the next interest rate adjustment):

|  |                |             |
|--|----------------|-------------|
| Up to one year including building loan | 124,683        | 69%         |
| 2021                                   | 29,334         | 16%         |
| 2022                                   | 4,214          | 2%          |
| 2023 and longer                        | 23,325         | 13%         |
| <b>Total</b>                           | <b>181,556</b> | <b>100%</b> |

# Consolidated Financial Statements

## 12 Accrued liabilities and deferred income

| in TCHF                    | 31.12.2020    | 31.12.2019    |
|----------------------------|---------------|---------------|
| Operating expenses         | 4,402         | 3,590         |
| Financing costs            | 3,391         | 3,704         |
| Investments                | 6,708         | 4,552         |
| Personnel-related accruals | 1,665         | 1,134         |
| Miscellaneous              | 231           | 250           |
| <b>Total</b>               | <b>16,396</b> | <b>13,229</b> |

Operating expenses include TCHF 953 for office and administrative expenses (2019: TCHF 1,145), TCHF 645 for energy cost and services charges (2019: TCHF 668) and TCHF 2,797 for maintenance and repairs (2019: TCHF 1,743).

## 13 Deferred taxes

| in TCHF   | 31.12.2020    | 31.12.2019    |
|---|---------------|---------------|
| Deferred tax liabilities as at 1 January          | 68,728        | 82,871        |
| Changes in the scope of consolidation             | -             | 1,043         |
| Net increase recognised through profit or loss    | 4,403         | -             |
| Net increase resolution through profit or loss    | -             | -15,186       |
| <b>Deferred tax liabilities as at 31 December</b> | <b>73,131</b> | <b>68,728</b> |

The provisions for deferred taxes are discounted with a discount rate of 2.00% as at 31 December 2020 (2019: 2.00%). The formation of the provision mainly consists of the positive change in value from revaluation of real estate investments in the reporting year.

## 14 Employee benefits

The HIAG Group has occupational pension plans for its employees. These institutions are financially independent foundations, whereby the HIAG Pension Fund is financed by employee and employer contributions, and the patronage institutions, the HIAG Group's welfare fund and the welfare foundation of HIAG Immobilien Schweiz AG are financed exclusively by employer contributions. The benefits are calculated according to the amount of the contributions paid in or according to the coverage provided by the respective insurance company (defined contribution plan). The Group companies have neither an economic benefit nor an economic obligation arising from the employee pension plan. There is no intention to draw future economic benefit from the existing free reserves.

| in TCHF                        | Nominal value<br>31.12.2020 | Renounced use<br>31.12.2020 | Balance sheet<br>31.12.2020 | Accumulation<br>2020 | Balance sheet<br>31.12.2019 | Result from ECR<br>in personnel expenses |            |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|-----------------------------|--|------------|
|                                |                             |                             |                             |                      |                             | 2020                                     | 2019       |
| Patronage pension institutions | -                           | -                           | -                           | -                    | -                           | -  | 365        |
| Pension institution            | -                           | -                           | -                           | -                    | -                           | -  | -          |
| <b>Total</b>                   | <b>-</b>                    | <b>-</b>                    | <b>-</b>                    | <b>-</b>             | <b>-</b>                    | <b>-</b>                                 | <b>365</b> |



# Consolidated Financial Statements

| in TCHF                        | Surplus/ deficit coverage | Economical part of the organisation | Change to prior year period or recognised in the current result of the period, respectively | Contributions concerning the business period | Pension expenses within personnel expenses |
|--------------------------------|---------------------------|-------------------------------------|---|--|--|
|                                | 31.12.2020                | 31.12.2020                          | 2020  | 2020   | 2020                                       |
| Patronage pension institutions | -                         | -                                   | -   | -  | -  |
| Pension institution            | 9,338                     | -                                   | -   | -  | 959  |
| <b>Total</b>                   | <b>9,338</b>              | <b>-</b>                            | <b>-</b>  | <b>-</b>                                     | <b>959</b>                                 |

## Composition of employee pension expenses

| in TCHF   | 2020       |
|---|------------|
| Contributions to pension funds at the expense of the company  | 959        |
| Contributions to pension plans made from the employer contribution reserve (ECR)  | -          |
| <b>Total contributions</b>  | <b>959</b> |
| Changes in the employer contribution reserve stemming from asset performance, impairment, discounts, assessment of interest, etc. | -          |
| <b>Total contributions and changes to employer contribution reserve</b>   | <b>959</b> |
| Changes in the economic benefit of the company from surplus coverage  | -          |
| Changes in the economic benefit of the company from deficit coverage  | -          |
| <b>Total changes in the economic impacts from surplus/ deficit coverage</b>   | <b>-</b>   |
| <b>Total pension expenses in terms of employee benefit expenses during the reporting period</b>                                   | <b>959</b> |
| - thereof in personnel expenses   | 911        |
| - thereof in office, administrative, and development expenses   | 48         |
| <b>Total</b>  | <b>959</b> |

**The pension expenses for members of the Board of Directors are included in Office administrative and development expenses. All other pension expenses are disclosed under Personnel expenses.**

| in TCHF                        | Nominal value | Renounced use | Balance sheet | Accumulation | Balance sheet | Result from ECR in personnel expenses |            |
|--------------------------------|---------------|---------------|---------------|--------------|---------------|---------------------------------------|------------|
|                                | 31.12.2019    | 31.12.2019    | 31.12.2019    | 2019         | 31.12.2018    | 2019                                  | 2018       |
| Patronage pension institutions | -             | -             | -             | -            | 365           | 365                                   | 362        |
| Pension institution            | -             | -             | -             | -            | -             | -                                     | -          |
| <b>Total</b>                   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>     | <b>365</b>    | <b>365</b>                            | <b>362</b> |

| in TCHF                        | Surplus/ deficit coverage | Economical part of the organisation | Change to prior year period or recognised in the current result of the period, respectively | Contributions concerning the business period | Pension expenses within personnel expenses |
|--------------------------------|---------------------------|-------------------------------------|---|--|--|
|                                | 31.12.2019                | 31.12.2019                          | 2019  | 2019   | 2019                                       |
| Patronage pension institutions | -                         | -                                   | -   | -  | -  |
| Pension institution            | 8,164                     | -                                   | -   | -  | 835  |
| <b>Total</b>                   | <b>8,164</b>              | <b>-</b>                            | <b>-</b>  | <b>-</b>                                     | <b>835</b>                                 |

# Consolidated Financial Statements

| Composition of employee pension expenses<br>in TCHF   | 2019       |
|---|------------|
| Contributions to pension funds at the expense of the company  | 470        |
| Contributions to pension plans made from the employer contribution reserve (ECR)  | 365        |
| <b>Total contributions</b>  | <b>835</b> |
| Changes in the employer contribution reserve stemming from asset performance, impairment, discounts, assessment of interest, etc. | -          |
| <b>Total contributions and changes to employer contribution reserve</b>   | <b>835</b> |
| Changes in the economic benefit of the company from surplus coverage  | -          |
| Changes in the economic benefit of the company from deficit coverage  | -          |
| <b>Total changes in the economic impacts from surplus/deficit coverage</b>  | <b>-</b>   |
| <b>Total pension expenses in terms of employee benefit expenses during the reporting period</b>                                   | <b>835</b> |
| - thereof in personnel expenses   | 787        |
| - thereof in office, administrative, and development expenses   | 48         |
| <b>Total</b>  | <b>835</b> |

## 15 Property Income

| in TCHF                                      | 2020          | Restated 2019 <sup>1</sup> |
|--|---------------|----------------------------|
| Rental income                                | 59,117        | 60,533                     |
| Service charges                              | -             | -                          |
| Other property income                        | 851           | 939                        |
| Decrease in income                           | -230          | -113                       |
| - thereof agreed rent reductions COVID-19    | -121          | -                          |
| - thereof expected rent reductions COVID-19  | -164          | -                          |
| - thereof release/increase of doubtful debts | 55            | -113                       |
| <b>Total</b>                                 | <b>59,738</b> | <b>61,359</b>              |

<sup>1</sup> Restated due to changes in accounting policies (restatement presentation without impact on net profit), see explanation below

As at 31 December 2020, the item "Rental income" includes the creation of prepaid expenses in the amount of TCHF 33 (31 December 2019: release of TCHF 35) for rental agreements with rent-free periods. The item "Other property income" includes electricity sales revenue from the company's own power plants in the amount of TCHF 851 for 2020 (2019: TCHF 939).

Due to the HIAG portfolio utilisation mix and the active portfolio management activities, the rental income in the first half of 2020 was only slightly affected by the closure of operations and restrictions to combat the corona virus decreed by the Federal Council (TCHF 285, 0.5% of the annualised rental income). Lease cancellations for which agreements had been signed as of the balance sheet date also amounted to TCHF 121 as of 31 December 2020. An accrual of TCHF 164 was made for rent receivables for which no signed agreements existed as at the balance sheet date.

# Consolidated Financial Statements

## Most important tenants

As at the balance sheet date the five most important tenants in terms of annualised rental income are (in alphabetical order): Amcor Flexibles Rorschach AG, Doka Schweiz AG, Hewlett-Packard International Sàrl HPE, OTTO's AG, Sieber Transport AG

| Share of annualised property income represented by (%): | 2020 | 2019 |
|---|------|------|
| The largest tenant                                      | 5%   | 4%   |
| The three largest tenants                               | 13%  | 12%  |
| The five largest tenants                                | 18%  | 18%  |
| The ten largest tenants                                 | 32%  | 31%  |

## Changes in accounting principles (restatement)

The presentation of the income statement 2019 has been adjusted and the effects are shown in the following table:

| in TCHF  | Restated<br>2019 | Restatement   | Restatement<br>service charges | Restatement<br>other operating<br>income | Restatement<br>promotion pro-<br>jects | 2019           |
|--|------------------|---------------|--------------------------------|--|--|----------------|
| Rental income                                    | 60,533           | -             | -                              | -  | -                                      | 60,533         |
| Service charges                                  | -                | -1,199        | -1,030                         | -169                                     | -                                      | 1,199          |
| Other property income                            | 939              | -476          | -                              | -476                                     | -                                      | 1,415          |
| Decrease in income                               | -113             | -             | -                              | -  | -                                      | -113           |
| <b>Total rental income</b>                       | <b>61,359</b>    | <b>-1,675</b> | <b>-1,030</b>                  | <b>-645</b>                              | <b>-</b>                               | <b>63,034</b>  |
| [...]  |                  |               |                                |  |  |                |
| Profit from sale of promotion projects           | -                | -             | -                              | -  | -263                                   | 263            |
| Income from sale of promotion projects           | 1,430            | 1,430         | -                              | -  | 1,430                                  | -              |
| Profit from sale of properties                   | 64               | 64            | -                              | -  | 64                                     | -              |
| [...]  |                  |               |                                |  |  |                |
| Other operating income                           | 7,008            | 645           | -                              | 645                                      | -                                      | 6,363          |
| [...]  |                  |               |                                |  |  |                |
| <b>Total operating income</b>                    | <b>53,688</b>    | <b>201</b>    | <b>-1,030</b>                  | <b>-</b>                                 | <b>1,231</b>                           | <b>53,487</b>  |
| Direct expenses from sales of promotion projects | -1,231           | -1,231        | -                              | -  | -1,231                                 | -              |
| [...]  |                  |               |                                |  |  |                |
| Maintenance and repairs                          | -40,590          | 203           | 203                            | -  | -                                      | -40,793        |
| [...]  |                  |               |                                |  |  |                |
| Energy consumption and maintenance               | -1,912           | 827           | 827                            | -  | -                                      | -2,739         |
| [...]  |                  |               |                                |  |  |                |
| <b>Total operating expenses</b>                  | <b>-92,098</b>   | <b>-201</b>   | <b>1,030</b>                   | <b>-</b>                                 | <b>-1,231</b>                          | <b>-91,897</b> |
| <b>Earnings before depreciation (EBITDA)</b>     | <b>-38,410</b>   | <b>-</b>      | <b>-</b>                       | <b>-</b>                                 | <b>-</b>                               | <b>-38,410</b> |

The service charges charged to tenants, which were reported as "Property income" until 31 December 2019 (TCHF -1,030), are now reported as a deduction from the position "maintenance and repairs" (TCHF 203) and 'energy expenses and building maintenance' (TCHF 827) (net presentation instead of gross presentation). This presentation corresponds to the presentation of other listed Swiss real estate companies and also represents the economic view of the service charges.

# Consolidated Financial Statements

Management fees, caretaker salaries and other income in connection with services are now reported under the position “Other operating income” (TCHF 645). In the previous year, these were included in the position “Service charges” (TCHF 169) and “Other property income” (TCHF 476). Thus, the income from property rental and power plants remains under “Rental income”. This restatement was made as a result of the clarification of the property income.

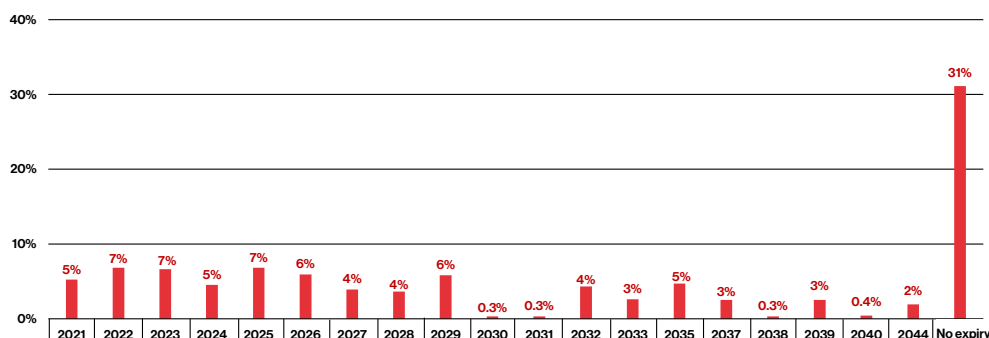
In addition, the “Profit from sales of promotion projects” (TCHF 263) was reported net in operating income in the previous year. The presentation was adjusted to the SIX guidelines, which stipulate that promotion projects are to be reported under current assets and the associated revenue and expenses are to be recorded separately. Thus, the gross proceeds from the sale of promotion projects are now reported in the position “Income from sale of promotion projects” (TCHF 1,430) and the corresponding expenses in the position “Direct expenses from sales of promotion projects” (TCHF 1,231).

These changes have no impact on the Group result, but increase the operating income and operating expenses.

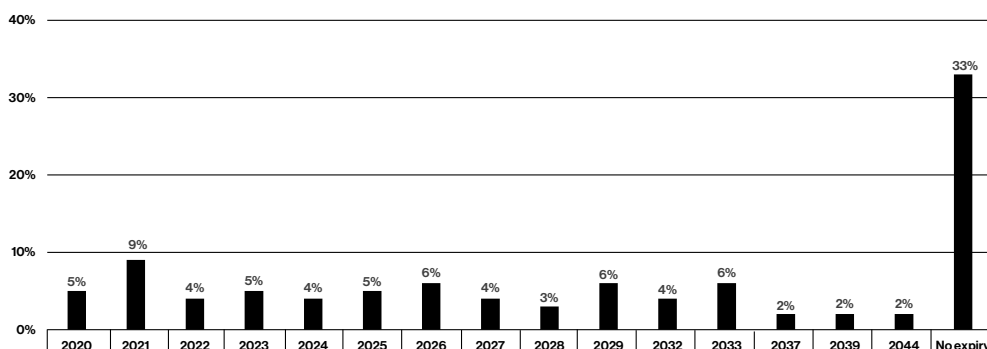
## Expiry of rental agreements

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

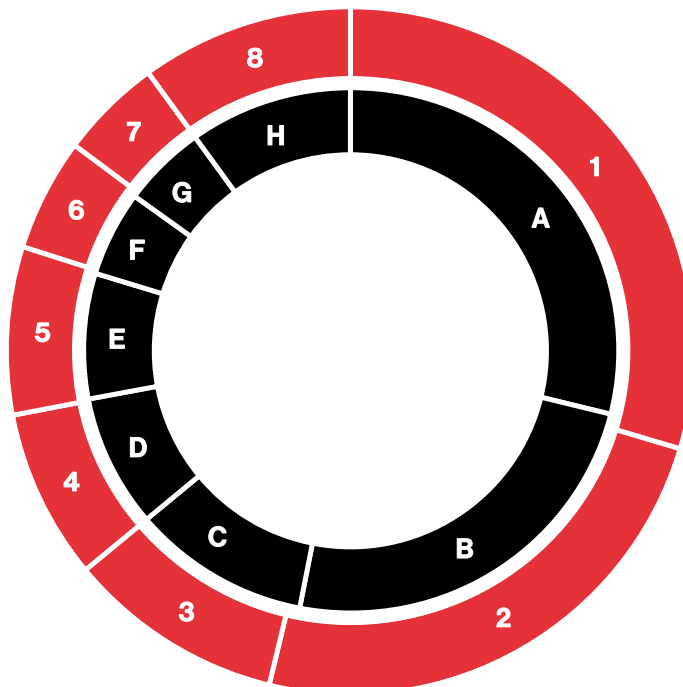
Overview of expiry profile of rental agreements as at 31.12.2020



Overview of expiry profile of rental agreements as at 31.12.2019



# Consolidated Financial Statements



01.01.2021 ●  
01.01.2020 ●

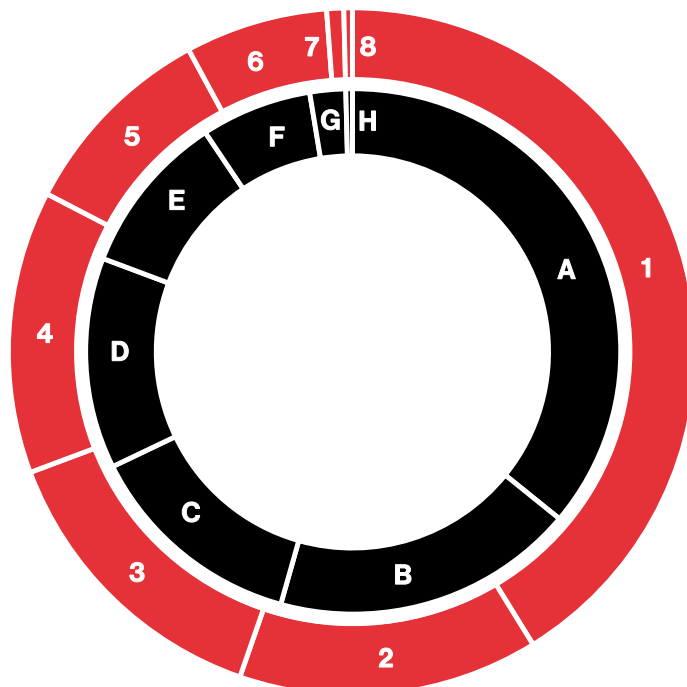
## Annualised property income by canton as at 01.01.2021

|   |                  |       |
|---|------------------|-------|
| 1 | Aargau           | 29.6% |
| 2 | Zurich           | 24.2% |
| 3 | Geneva           | 10.2% |
| 4 | Solothurn        | 8.0%  |
| 5 | Basel-Landschaft | 7.9%  |
| 6 | Zug              | 5.3%  |
| 7 | St. Gallen       | 4.8%  |
| 8 | Miscellaneous    | 10.0% |

## Annualised property income by canton as at 01.01.2020

|   |                  |       |
|---|------------------|-------|
| A | Aargau           | 28.8% |
| B | Zurich           | 24.3% |
| C | Geneva           | 10.9% |
| D | Solothurn        | 8.1%  |
| E | Basel-Landschaft | 7.6%  |
| F | Zug              | 5.2%  |
| G | St. Gallen       | 5.1%  |
| H | Miscellaneous    | 10.0% |

# Consolidated Financial Statements



01.01.2021 ●  
01.01.2020 ●

## Annualised property income by property use<sup>1</sup> as at 01.01.2021

|   |                         |       |
|---|-------------------------|-------|
| 1 | Industry, Commercial    | 41.2% |
| 2 | Building land           | 14.1% |
| 3 | Residential             | 14.0% |
| 4 | Office                  | 13.3% |
| 5 | Retail                  | 9.5%  |
| 6 | Distribution, Logistics | 6.7%  |
| 7 | Residential, Commercial | 0.8%  |
| 8 | Miscellaneous           | 0.4%  |

## Annualised property income by property use<sup>1</sup> as at 01.01.2020

|   |                         |       |
|---|-------------------------|-------|
| A | Industry, Commercial    | 35.8% |
| B | Residential             | 18.6% |
| C | Building land           | 13.5% |
| D | Distribution, Logistics | 12.8% |
| E | Office                  | 9.9%  |
| F | Retail                  | 6.8%  |
| G | Residential, Commercial | 2.2%  |
| H | Miscellaneous           | 0.4%  |

<sup>1</sup> The calculations of the types of use are based on the main uses of the properties.

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| Vacancy rate<br>in %     | 2020  | 2019  |
|--------------------------|-------|-------|
| Yielding properties      | 13.0% | 16.6% |
| Redevelopment properties | 13.7% | 13.7% |
| Total portfolio          | 13.2% | 16.2% |

Despite the challenging market environment due to the Corona pandemic, the vacancy rate across the entire portfolio was reduced by a pleasing 3 percentage points to 13.2% thanks to the successful increase in marketing activities. In the existing portfolio, the vacancy rate was 13.0% (2019: 16.6%). Additional new lettings took place primarily in Aigle, Cham, Dornach, Frauenfeld, Klingnau, Kleindöttingen and Windisch.

## 16 Revaluation of properties (net)

| in TCHF                                    | 2020   | 2019    |
|--|--------|---------|
| Adjustments to the yielding portfolio      | 9,658  | -6,852  |
| Adjustments to the redevelopment portfolio | 17,344 | -9,951  |
| Total                                      | 27,002 | -16,803 |

The most significant net changes in the value of the yielding portfolio after adjustment of the provision for environmental risks occurred at the properties in Wetzikon (TCHF 5,969), Cham (TCHF 5,909), Klingnau (TCHF -4,556), Frauenfeld (TCHF -3,689) and Biberist (TCHF -2,139).

The largest net changes in value in the development portfolio after adjustment of the provision for environmental risks occurred at the properties in Cham (TCHF 17,576), Dornach (TCHF 3,509), Bussigny (TCHF 3,023), Biberist (TCHF -6,673), Brugg (TCHF -3,593) and Meyrin (TCHF -2,510).

The weighted discount rate fell slightly to 3.73% as of 30 December 2020. (31. December 2019: 3.94%).

Out of a total of 119 properties valued at market value, 71 properties experienced positive market value adjustments, 47 properties were affected by negative changes in value and one property had no change in value.

## 17 Profit from the sale of properties and promotion projects

| in TCHF   | 2020    | 2019   |
|---|---------|--------|
| Profit of sale of properties                        | 4,905   | 64     |
| Profit from sale of properties                      | 32,155  | 64     |
| Direct expenses from sale of properties             | -27,250 | -      |
| Profit of sale of promotion projects                | 1,427   | 199    |
| Income from sale of promotion projects              | 10,560  | 1,430  |
| Direct expenses from sale of promotion projects     | -9,133  | -1,231 |
| Profit of sale of properties and promotion projects | 6,332   | 263    |

In the reporting year, one property on the St. Margrethen site was sold to Stadler Rail AG (profit from sale of properties). In addition, the remaining six of a total of eight loft houses on the Walzmühle site in Frauenfeld (TG) were sold (sale of promotion projects).

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## 18 Other operating income

| in TCHF                            | 2020          | Restated 2019 <sup>1</sup> |
|------------------------------------|---------------|----------------------------|
| Services rendered to third parties | 698           | 759                        |
| Metal recycling income             | 5,879         | 4,723                      |
| Other operating income             | 5,862         | 1,526                      |
| <b>Total</b>                       | <b>12,438</b> | <b>7,008</b>               |

<sup>1</sup> Restated due to changes in accounting policies (restatement presentation without impact on net profit), see note 15

“Services rendered to third parties” include the Executive Board, asset management and technical administrative management of “HIAG Pensionskasse”, and human resources services for companies affiliated with “HIAG Pensionskasse”.

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

The position “Other operating income” includes TCHF 777 (2019: TCHF 115) for one-off construction services related to a construction project in Meyrin. In addition, the profit from the sale of the production facilities of the Rohner site in Pratteln in the amount of TCHF 5,011 (2019: TCHF 0) and further sales of machines in Biberist in the amount of TCHF 80 (2019: TCHF 187) are included here.

## 19 Cost of materials

| in TCHF      | 2020          | 2019          |
|--------------|---------------|---------------|
| Inventory    | -3,097        | -2,045        |
| <b>Total</b> | <b>-3,097</b> | <b>-2,045</b> |

The cost of materials is connected with Jaeger et Bosshard SA, a company that specialises in metal recycling.



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## 20 Personnel expenses

| in TCHF                               | 2020           | 2019           |
|---------------------------------------|----------------|----------------|
| Wages and salaries                    | -13,846        | -11,631        |
| - thereof real estate                 | -8,919         | -6,897         |
| - thereof Pratteln site               | -2,405         | -580           |
| - thereof cloud services              | -1,594         | -3,528         |
| - thereof Jaeger et Bosshard SA       | -928           | -627           |
| Social security contributions         | -1,986         | -1,732         |
| - thereof real estate                 | -1,164         | -993           |
| - thereof Pratteln site               | -343           | -87            |
| - thereof cloud services              | -291           | -525           |
| - thereof Jaeger et Bosshard SA       | -187           | -127           |
| Other personnel expenses <sup>1</sup> | -647           | -1,270         |
| - thereof real estate                 | -478           | -1,107         |
| - thereof Pratteln site               | -42            | -2             |
| - thereof cloud services              | -55            | -133           |
| - thereof Jaeger et Bosshard SA       | -72            | -27            |
| <b>Total</b>                          | <b>-16,479</b> | <b>-14,633</b> |

<sup>1</sup> Thereof discount on the sale of HIAG Immobilien Holding AG shares for HIAG Group employees (TCHF 158, 2019: TCHF 647)

|                                 | 31.12.2020 | 31.12.2019 |
|---------------------------------|------------|------------|
| Employee headcount              | 85         | 107        |
| - thereof real estate           | 58         | 51         |
| - thereof Pratteln site         | 15         | 23         |
| - thereof cloud services        | -          | 20         |
| - thereof Jaeger et Bosshard SA | 12         | 13         |
| Full-time employees             | 77.3       | 96.5       |
| - thereof real estate           | 51.0       | 42.3       |
| - thereof Pratteln site         | 14.3       | 21.8       |
| - thereof cloud services        | -          | 19.4       |
| - thereof Jaeger et Bosshard SA | 12.0       | 13.0       |

## 21 Share-based compensation

The LTIP links executive remuneration to long-term value creation within the Group and is designed to align the long-term interests of key employees and shareholders. There was no LTIP in the previous year. A new LTIP was established in the second half of 2020. 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 categories of plan participants. The amount of the LTIP basket is defined by the type and number of plan participants and the ROE achieved, whereby the latter is only taken into account up to the respective maximum value per plan year. Benefits under the LTIP are payable when shareholders have received at least an ROE equal to the threshold value. The threshold is 4.00% ROE in the first plan year and 5.50% ROE in plan years 2 - 5. Assuming the current plan participants, the bonus basket of ROE at the target ROE level of 4.00% in the first plan year and 5.50% in plan years 2 - 5 amounts to CHF 4.7 million for 5 years and, if the maximum

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relevant ROEs of 5.00% in the first plan year and 6.50% in plan years 2 - 5 are achieved, CHF 9.5 million for 5 years. This corresponds to a maximum of 3.6% of the absolute increase in value of the shareholders if the maximum relevant ROEs are reached.

50% of the LTIP is paid out annually in the form of blocked plan participant shares. The average return on equity achieved at the end of the respective year serves as the basis for calculation. The plan participant shares to which the plan participants are entitled are acquired in the following financial year by the employer for the account of the plan participants, taken from the portfolio of treasury shares or created from conditional capital and booked into a securities account determined by the employer. The closing price on the day of allocation is decisive. The acquisition by the plan participants is subject to a blocking period of 5 years from the date of acquisition. The plan participant shares are credited to the plan participant accordingly at a discount of 25.274% on the pro rata incentive.

The other 50% of the incentive consists of a cash payment. This cash portion will only be paid out in full if the plan participant is in non-terminated employment on 31 March 2025. The final settlement of the plan will take place in the first semester of 2025.

Further information is available in the Compensation Report 2020.

This LTIP has an impact on the consolidated financial statements of TCHF 674 (2019: TCHF 0), of which TCHF 112 (2019: TCHF 0) is attributable to the cash component (provision as offsetting item) and TCHF 562 (2019: TCHF 0) to the equity component (equity as offsetting item). For the cash component, the accumulated provision as at 31 December 2020 amounts to TCHF 112 (2019: TCHF 0).

## 22 Maintenance and repairs

| in TCHF                        | 2020   | Restated<br>2019 <sup>1</sup> |
|--------------------------------|--------|-------------------------------|
| Maintenance and repairs        | 242    | -40,590                       |
| - thereof real estate          | -5,571 | -5,076                        |
| - thereof Pratteln site        | 6,987  | -31,287                       |
| - thereof cloud services       | -823   | -3,945                        |
| - thereof Jaeger & Bosshard SA | -350   | -282                          |

<sup>1</sup> Restated due to changes in accounting policies (restatement presentation without impact on net profit, mainly gross/net presentation of incidental expenses), see note 15  
In the item 'Maintenance and repairs', the repair costs, which were charged to tenants in the amount of TCHF TCHF 203 in prior year, were newly shown net.

In the previous year, a short-term provision of TCHF 30,000 was created for the dismantling of the production infrastructure and the redevelopment of the site in Pratteln.

In the reporting year, HIAG significantly reduced the total expenses for the dismantling of the Rohner site in Pratteln compared to the original expectations through operational measures and the sale of a complete production facility including building. As a result, a total of TCHF 8,000 of the estimated provisions were released.

The ordinary expenses for maintenance and repairs of the Pratteln site amounted to TCHF 1,023 in the reporting year (2019: TCHF 1,287).

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## 23 Energy and service charges

| in TCHF   | 2020   | Restated<br>2019 <sup>1</sup> |
|---|--------|-------------------------------|
| Energy costs and building maintenance           | -4,360 | -1,912                        |
| - thereof Pratteln site in deconstruction phase | -2,497 | -430                          |

<sup>1</sup> Restated due to changes in accounting policies (restatement presentation without impact on net profit, mainly gross/net presentation of incidental expenses), see note 15  
In the position 'Energy and building maintenance', the ancillary costs, which were charged to tenants in the amount of TCHF 827 in prior year, were now shown net.

## 24 Office, administrative and development expenses

| in TCHF                                    | 2020   | 2019    |
|--|--------|---------|
| Büro, Verwaltungs- und Entwicklungsaufwand | -7,121 | -27,278 |
| - davon Liegenschaftsaufwand               | -1,306 | -1,754  |
| - davon Produktionsanlage Pratteln         | -43    | -343    |
| - davon Cloud Services                     | -8     | -21,314 |

Property expenses consist primarily of local property administration fees, initial letting fees and valuations of the portfolio.

Due to the decision of the Board of Directors on 13 August 2019 to discontinue the Cloud Services segment, Cloud Services expenses have decreased significantly compared to the previous year.

## 25 Rent and leases

| in TCHF                | 2020   | 2019   |
|------------------------|--------|--------|
| Office rent and leases | -983   | -994   |
| Rent cloud services    | -10    | -213   |
| Building rights        | -681   | -733   |
| Total                  | -1,675 | -1,940 |

The position "Office rent and leases" includes rent for the Cloud Services segment in the amount of TCHF 221 (2019: TCHF 346).

## 26 Amortisation

| in TCHF                             | 2020 | 2019    |
|-------------------------------------|------|---------|
| Other property, plant and equipment | -396 | -382    |
| Intangible fixed assets             | -    | -25     |
| Multicloud infrastructure           | -    | -40,129 |
| Total                               | -396 | -40,536 |

Following the decision of the Board of Directors on 13 August 2019 to discontinue the Cloud Services business model, the entire Multicloud infrastructure was impaired as at 31 December 2019. For this reason, there is no further depreciation for the multicloud infrastructure in the reporting year.

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## 27 Financial income

| in TCHF  | 2020       | 2019         |
|--|------------|--------------|
| Securities income                                  | -          | 9            |
| Exchange rate gains                                | 2          | 6            |
| Other financial income <sup>1</sup>                | 966        | 347          |
| Financial income from the sale of financial assets | -          | 815          |
| <b>Total</b>                                       | <b>968</b> | <b>1,178</b> |

<sup>1</sup> Thereof TCHF 306 corresponds to the amortisation between the equivalent value received and the repayment amount of the bonds in the reporting year (2019: TCHF 303).

As part of the prior year acquisition of Jaeger et Bosshard SA, a purchase price adjustment was agreed with the former owner, whereby the effectively generated cumulative actual result for the years 2019 to 2023 should reach a value defined in advance. The current assessment shows that the defined value will be undercut over the entire period. As a result, a long-term receivable in the amount of TCHF 560 was capitalised and recognised in financial income under "Other financial income".

In the previous year, the liquidation of Energie Biberist AG resulted in a liquidation surplus of TCHF 815, which is included in the item "Financial income from the sale of financial assets".

## 28 Financial expenses

| in TCHF                               | 2020          | 2019          |
|---------------------------------------|---------------|---------------|
| Interest expenses from bank financing | -1,407        | -1,461        |
| Interest expenses bond                | -5,913        | -5,449        |
| Bank fees and bank interest           | -177          | -265          |
| Exchange rate losses                  | -18           | -71           |
| Impairment of financial assets        | -1,551        | -849          |
| Other interest expenses <sup>1</sup>  | -494          | -591          |
| <b>Total</b>                          | <b>-9,560</b> | <b>-8,686</b> |

<sup>1</sup> In 2020, proportional issuing costs of the bond in the amount of TCHF 410 are amortised over the maturity of the bond in the income statement (2019: TCHF 377).

The average interest rates paid for bank liabilities came to 0.96% in the period under review (2019: 0.9%). The fluctuation corridor for interest rates was between 0.5% and 2.9% (2019: between 0.5% and 3.4%). Interest rates for construction loans for site development projects amounting to TCHF 48 were capitalised (2019: TCHF 141).

The position "Impairment of financial assets" contains the impaired of two loans to third parties in the amount of TCHF 1,551 (2019: TCHF 843). The entire loan amount was fully impaired in the reporting year, as repayment by the borrower is unlikely at the present time or the financial situation of the counterparty has been classified as critical.

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## 29 Taxes

| in TCHF                                       | 2020   | 2019   |
|---|--------|--------|
| Income taxes                                  | -1,909 | -286   |
| Deferred taxes                                | -4,403 | 15,186 |
| Capitalisation of tax losses carried forward  | 707    | 513    |
| Use of capitalised tax losses carried forward | -502   | -320   |
| Total   | -6,107 | 15,093 |

In the reporting period, provisions for deferred taxes of TCHF 4,403 were created (2019: release of TCHF 15,186). The formation of the provision in the reporting year was mainly related to the positive change in value from the revaluation of real estate investments in the reporting year. The reversal of the provision in the previous year was mainly related to the cantonal tax rate reductions (TCHF 10,277) and the negative change in value from the revaluation of real estate investments in the reporting year.

As it is probable that taxable profits can be offset against corresponding loss carryforwards, an economic benefit of TCHF 707 was capitalised in the 2020 financial year (2019: TCHF 513). The capitalisation corresponds to the expected economic benefit within the next 12 months. Of the capitalised tax loss carryforwards as of 31 December, 2020, TCHF 390 was used in the 2020 financial year (2019: TCHF 3) and TCHF 115 was released without being used.

As of the balance sheet date, the companies of the Group have unrecognised tax loss carryforwards totalling TCHF 231,783 (2019: TCHF 238,916). Potential tax reductions due to as yet unrecognised tax loss carryforwards amounted to TCHF 37,644 (2019: TCHF 38,144) as of 31 December 2020. From today's perspective, this potential tax reduction is not recoverable.

The average applicable tax rate, calculated on the basis of the ordinary result, amounted to 12.3% in 2020 (2019: 13.8%). The tax effect from the use of unrecognised tax loss carryforwards amounted to TCHF 0 in 2020 (2019: TCHF 5).

## 30 Leasing liabilities

Liabilities from off-balance sheet operating leases mature as follows:

| in TCHF               | 31.12.2020 | 31.12.2019 |
|-----------------------|------------|------------|
| Up to 1 year          | 700        | 771        |
| Between 2 and 4 years | 1,418      | 1,291      |
| Over 5 years          | 965        | 1,194      |
| Total                 | 3,083      | 3,256      |

The off-balance sheet liabilities from operating leases are related mainly to the rental agreements of the HIAG offices in Basel, Zurich, Geneva and Wallisellen.

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## 31 Shareholders' equity

| Composition of share capital<br>in CHF                     | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Registered shares as at 31 December (Nominal value: CHF 1) | 8,433,000  | 8,050,000  |
| Total  | 8,433,000  | 8,050,000  |

On 31 December 2020, share capital consisted of 8,433,000 registered shares at a nominal value of CHF 1.00 per share (2019: 8,050,000). Each share is entitled to one vote. Pursuant to Article 3 of the Articles of Incorporation, the Board of Directors is authorised to increase the share capital of the company by a maximum of TCHF 1,217 until 23 April 2022. As at 31 December 2020, conditional share capital came to TCHF 350 (2019: TCHF 350). The non-distributable statutory and legal reserves come to TCHF 1,610 (2019: TCHF 1,610).

| Earnings and shareholders' equity (NAV) per share<br>in TCHF except earnings per share | 01.01.-31.12.2020 | 01.01.-31.12.2019 |
|--|-------------------|-------------------|
| Net income   | 55,159            | -70,749           |
| Time-weighted average number of shares outstanding                                     | 8,091,020         | 7,996,265         |
| Earnings per average registered share outstanding                                      | 6.82              | -8.85             |
| Undiluted earnings per share   | 6.82              | -8.85             |
| Diluted earnings per share   | 6.82              | -8.85             |

| in CHF   | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Shareholders' equity (NAV) per outstanding registered share, before deferred taxes | 99.43      | 92.60      |
| Shareholders' equity (NAV) per outstanding registered share, after deferred taxes  | 90.72      | 84.01      |

As at 31 December 2020, there were no dilutive effects.

## 32 Significant shareholders

| Voting rights                            | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Lock-up group composed of:               | 62.9%      | 65.5%      |
| SFAG Holding AG                          |            |            |
| Dr. Felix Grisard                        |            |            |
| HIAG Beteiligung Holding AG <sup>1</sup> |            |            |
| Grisgros AG <sup>2</sup>                 |            |            |
| Senft AG <sup>3</sup>                    |            |            |

<sup>1</sup> HIAG Beteiligung Holding AG is controlled by Dr. Felix Grisard.

<sup>2</sup> Grisgros AG is controlled by Andrea Grisard.

<sup>3</sup> Senft AG is controlled by Salome Grisard Varnholt.

The members of this shareholder group signed a shareholders' agreement on 14 April 2014 concerning shares of SFAG Holding AG. With 48.1% (2019: 50.0%) of shares, SFAG Holding AG is the majority shareholder of HIAG Immobilien Holding AG. By signing these shareholders' agreements, the shareholders of SFAG Holding AG and SFAG Holding AG became a group within the meaning of Art. 121 of the FINMA Stock Exchange Ordinance.

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| Shares held by current members of the executive and supervisory board  | 31.12.2020     | 31.12.2019     |
|--|----------------|----------------|
| Dr. Felix Grisard, President of the Board of Directors <sup>1</sup>    | 184,593        | 184,593        |
| HIAG Beteiligung Holding AG <sup>2</sup>                               | 395,000        | 395,000        |
| Senft AG <sup>3</sup>  | 282,896        | 282,896        |
| Dr. Walter Jakob, Member of the Board of Directors                     | 2,500          | 2,500          |
| Balz Halter, Member of the Board of Directors                          | 8,418          | 4,000          |
| Dr. Jvo Grundler, Member of the Board of Directors and Executive Board | 47,085         | 43,762         |
| Marco Feusi, CEO   | 5,572          | –              |
| Laurent Spindler, CFO  | 6,784          | 6,391          |
| <b>Total</b>   | <b>932,848</b> | <b>919,142</b> |

<sup>1</sup> Dr. Felix Grisard and Salome Grisard Varnholt are shareholders in the Board of Directors of SFAG Holding AG, which holds 4,058,704 shares (2019: 4,025'805) in HIAG Immobilien Holding AG. With 48.1% of shares (2019: 50.0%), SFAG Holding AG is the main shareholder of HIAG Immobilien Holding AG. Dr Felix Grisard and Salome Grisard Varnholt jointly hold two thirds of the shares of SFAG Holding AG directly and indirectly.

<sup>2</sup> HIAG Beteiligung Holding AG is controlled by Dr. Felix Grisard.

<sup>3</sup> Senft AG is controlled by Salome Grisard Varnholt.

## 33 Treasury shares

| TCHF except for number of shares | Number of shares | 31.12.2020 | 31.12.2019 |
|----------------------------------|------------------|------------|------------|
| Book value as at 1 Januar        | 49,915           | 6,081      | 6,921      |
| Purchase                         | –                | –          | 1,732      |
| Sale                             | –6,973           | –870       | –2,572     |
| Book value as at 31 December     | 42,942           | 5,211      | 6,081      |

During the reporting period, no shares of HIAG Immobilien Holding AG were purchased by the company. 6,973 shares were allotted or sold to employees. Since the sale and allotment took place with deduction of the employee discount permitted for tax purposes, a loss of TCHF 246 (2019: TCHF 13) was realised on this sale and booked against the statutory capital reserves.

As at 31 December 2020, the Company held 42,942 treasury shares (2019: 49,915 shares).

## 34 Other pledged assets

Rental deposits of TCHF 104 (2019: TCHF 104) and cash and cash equivalents of TCHF 164 in connection with rental deposits (2019: TCHF 164) are pledged as of 31. December 2020.

## 35 Assets assigned to secure own liabilities

| in TCHF                       | 31.12.2020   | 31.12.2019   |
|-------------------------------|--------------|--------------|
| Other current receivables     | 1,522        | 1,350        |
| Other current non-receivables | 300          | –            |
| <b>Total</b>                  | <b>1,822</b> | <b>1,350</b> |

In the reporting year, TCHF 300 of the escrow account was reclassified from other current receivables to other non-current receivables, as the release will not take place within the next 12 months. In addition, a new guarantee was concluded in connection with a new construction project in the amount of TCHF 472.

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## 36 Contingent liabilities and other obligations not recognised in the balance sheet

| in TCHF                     | 31.12.2020 | 31.12.2019 |
|-----------------------------|------------|------------|
| Guarantees to third parties | 30,501     | 32,116     |
| Total                       | 30,501     | 32,116     |

As part of the acquisition of the shareholding in Jaeger et Bosshard SA, which took place in the reporting year, a purchase price adjustment clause was contractually agreed. If the actual cumulative result of Jaeger et Bosshard SA for the years 2019 - 2023 is lower than CHF 7.5 million, the purchase price paid is reduced by the difference between CHF 7.5 million and the actual cumulative result. If the actual cumulative result generated in the years 2019 - 2023 is higher than CHF 7.5 million, the purchase price paid increases by the difference between CHF 7.5 million and the actual cumulative result generated. As the management does not expect the actual cumulative result of the years 2019 - 2023 to be higher than CHF 7.5 million based on the actual result of the year 2020, no provision for a purchase price adjustment was made as at 31 December 2020. The current assessment shows that the defined value will be undercut over the entire period. Consequently, a long-term receivable of TCHF 560 was capitalised. In the income statement, this value is included in financial income.

## 37 Treatment of goodwill

Goodwill is recorded under retained earnings at the time of purchase. The impact of a goodwill useful life of five years on shareholders' equity and the result is documented below.

### Impact of a theoretical capitalisation of goodwill on the balance sheet:

| in TCHF   | 31.12.2020 | 31.12.2019 |
|---|------------|------------|
| Reported shareholders' equity (excl. minority interest)               | 761,122    | 672,085    |
| Equity ratio  | 45.0%      | 41.3%      |
| <b>Acquisition value of goodwill</b>                                  |            |            |
| As at the beginning of the business year                              | 7,838      | 1,276      |
| Additions   | -          | 6,562      |
| As at the end of the business year                                    | 7,838      | 7,838      |
| <b>Accumulated amortisation</b>                                       |            |            |
| As at the beginning of the business year                              | 1,932      | 1,085      |
| Amortisations for the current year                                    | 1,312      | 847        |
| As at the end of the business year                                    | 3,245      | 1,932      |
| Theoretical net book value of goodwill                                | 4,593      | 5,906      |
| Theoretical shareholders' equity including net book value of goodwill | 765,867    | 677,991    |
| Theoretical equity ratio  | 45.3%      | 41.6%      |



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## Impact of a theoretical capitalisation of goodwill on net income:

| in TCHF                                   | 2020   | 2019    |
|---|--------|---------|
| Net income (excl. minority share)         | 55,159 | -70,749 |
| Theoretical amortisation of goodwill      | -1,312 | -847    |
| Net income after amortisation of goodwill | 53,847 | -71,596 |



# General Property Details

| Property ID                     | Canton | Municipality | Property                              | Main use <sup>1</sup> | Market value (CHFm) | Full occupancy property income (CHFm) | Annualised property income (CHFm) | Occupancy rate (%) | Net site area (sqm) <sup>2</sup> | Year of construction | Year of construction 2 <sup>3</sup> | Partial renovation | Discount factor (%) | Ownership | Compulsory surveillance (%) | Obligatory remediation | Lettable area (% sqm) |        |        |                    |         |        |                | Full occupancy property income (CHFm) |             |            |                    |            | Effective Area to be developed (sqm) |             |              |              |               |               |            |               |   |       |   |  |
|---------------------------------|--------|--------------|---------------------------------------|-----------------------|---------------------|---------------------------------------|-----------------------------------|--------------------|----------------------------------|----------------------|-------------------------------------|--------------------|---------------------|-----------|-----------------------------|------------------------|-----------------------|--------|--------|--------------------|---------|--------|----------------|---------------------------------------|-------------|------------|--------------------|------------|--------------------------------------|-------------|--------------|--------------|---------------|---------------|------------|---------------|---|-------|---|--|
|                                 |        |              |                                       |                       |                     |                                       |                                   |                    |                                  |                      |                                     |                    |                     |           |                             |                        | Residential           | Office | Retail | Industry/Logistics | Storage | Others | Total          | Residential                           | Office      | Retail     | Industry/Logistics | Storage    | Others                               | Total       | Residential  | Commercial   | Industrial    | Commercial    | Office     | Total         |   |       |   |  |
| 18101                           | ZG     | Cham         | Lorzenparkstrasse 2-16                | Res. mixed            | 3.2                 | 3.1                                   | 98%                               | 13'537             | 2008                             | -                    | -                                   | 3.4                | Sole ownership      | 100%      | -                           | -                      | 38%                   | 26%    | -      | 23%                | 6%      | 7%     | 14'812         | 1.3                                   | 1.3         | -          | 0.6                | -          | -                                    | 3.2         | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 30002                           | ZH     | Aathal       | Zürichstrasse 50-52/192               | Res. mixed            | 0.2                 | 0.2                                   | 100%                              | 6'639              | 1849                             | 1880                 | 1985                                | 4.0                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | -              | 1'096                                 | 0.2         | -          | -                  | -          | 0.0                                  | 0.2         | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 30601                           | ZH     | Aathal       | Zürichstrasse 34                      | Res. mixed            | 0.0                 | 0.0                                   | 84%                               | 257                | 1860                             | -                    | 1990                                | 3.6                | Sole ownership      | 100%      | -                           | -                      | 66%                   | -      | -      | -                  | -       | -      | 94             | 0.0                                   | -           | -          | 0.0                | -          | 0.0                                  | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 30603                           | ZH     | Aathal       | Zürichstrasse 22-24                   | Res. mixed            | 0.1                 | 0.1                                   | 100%                              | 3'567              | 1870                             | 1860                 | 1989                                | 4.1                | Sole ownership      | 100%      | -                           | -                      | 39%                   | 37%    | -      | -                  | 1%      | 23%    | 1'682          | 0.0                                   | 0.1         | -          | 0.0                | -          | 0.1                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 31502                           | TG     | Frauenfeld   | Wälzmullestrasse 49                   | Res. mixed            | 0.8                 | 0.6                                   | 83%                               | 2'043              | 1922                             | 2017                 | -                                   | 3.4                | Sole ownership      | 100%      | -                           | -                      | 45%                   | 44%    | -      | -                  | -       | 11%    | 3'451          | 0.4                                   | 0.3         | -          | -                  | 0.1        | 0.8                                  | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 13406                           | AG     | Klingnau     | Parkstrasse 15-29                     | Residential           | 1.2                 | 1.0                                   | 86%                               | 13'071             | 1999                             | 2008                 | -                                   | 3.2                | Sole ownership      | 100%      | -                           | -                      | 91%                   | -      | -      | -                  | -       | 9%     | 6'309          | 1.1                                   | -           | -          | -                  | 0.1        | 1.2                                  | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 13407                           | AG     | Klingnau     | Parkstrasse 7-13                      | Residential           | 0.5                 | 0.4                                   | 66%                               | 6'075              | 1999                             | 2008                 | -                                   | 3.3                | Sole ownership      | 100%      | -                           | -                      | 92%                   | -      | -      | -                  | -       | 8%     | 2'911          | 0.5                                   | -           | -          | -                  | -          | 0.5                                  | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 30001                           | ZH     | Aathal       | Zürichstrasse 66-80                   | Residential           | 0.3                 | 0.3                                   | 88%                               | 7'861              | 1870                             | 1915                 | 1988                                | 3.4                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 2'139          | 0.3                                   | -           | -          | 0.0                | 0.0        | 0.3                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 30404                           | ZH     | Aathal       | Zürichstrasse 1-7                     | Residential           | 0.1                 | 0.1                                   | 100%                              | 4'343              | 1900                             | -                    | 1995                                | 3.4                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 729            | 0.1                                   | -           | -          | -                  | 0.0        | 0.1                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 30802                           | ZH     | Wetzikon     | Zürcherstrasse 130-132/131-133        | Residential           | 0.1                 | 0.1                                   | 98%                               | -                  | 1839                             | -                    | 2003                                | 3.4                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 551            | 0.1                                   | -           | -          | -                  | 0.0        | 0.1                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 30901                           | ZH     | Wetzikon     | Grundstrasse 6-10                     | Residential           | 0.1                 | 0.1                                   | 97%                               | 1'745              | 1895                             | -                    | 1990                                | 2.9                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 433            | 0.1                                   | -           | -          | -                  | 0.0        | 0.1                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 30902                           | ZH     | Wetzikon     | Schulhausstrasse 42-44                | Residential           | 0.1                 | 0.1                                   | 100%                              | 2'076              | 1840                             | -                    | 1982                                | 2.7                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 500            | 0.1                                   | -           | -          | 0.0                | 0.1        | 0.870                                | -           | -            | -            | -             | -             | -          | -             | - | 0.870 | - |  |
| 30904                           | ZH     | Wetzikon     | Usterstrasse 128                      | Residential           | 0.2                 | 0.2                                   | 93%                               | 1'569              | 1870                             | 2007                 | -                                   | 2.8                | Sole ownership      | 100%      | -                           | -                      | 98%                   | -      | -      | -                  | 2%      | 1'065  | 0.2            | -                                     | -           | -          | 0.0                | 0.2        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 30905                           | ZH     | Wetzikon     | Haldenstrasse 20                      | Residential           | 0.3                 | 0.3                                   | 94%                               | 1'741              | 1971                             | 2020                 | -                                   | 2.7                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 904            | 0.3                                   | -           | -          | -                  | 0.3        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 30908                           | ZH     | Wetzikon     | Weststrasse 26-28                     | Residential           | 0.5                 | 0.4                                   | 95%                               | 2'444              | 2020                             | -                    | -                                   | 2.6                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 1'510          | 0.5                                   | -           | -          | -                  | 0.5        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     | 0 |  |
| 30909                           | ZH     | Wetzikon     | Florastrasse 9                        | Residential           | 0.3                 | 0.3                                   | 98%                               | 1'899              | 1990                             | 2018                 | -                                   | 2.8                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 1'347          | 0.3                                   | -           | -          | -                  | 0.0        | 0.3                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 30910                           | ZH     | Wetzikon     | Usterstrasse 88-104                   | Residential           | 0.2                 | 0.2                                   | 87%                               | 2'073              | 1791                             | 2018                 | -                                   | 2.7                | Sole ownership      | 100%      | -                           | -                      | -                     | -      | -      | -                  | -       | -      | -              | 0.2                                   | -           | -          | -                  | 0.2        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 32102                           | AG     | Windisch     | Spinnereistrasse 10-12/15             | Residential           | 1.3                 | 1.2                                   | 87%                               | 5'122              | 2014                             | -                    | -                                   | 3.0                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 5'317          | 1.3                                   | -           | -          | -                  | 1.3        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 32108                           | AG     | Windisch     | Spitzmattstrasse 6                    | Residential           | 1.2                 | 1.2                                   | 100%                              | 5'115              | 1960                             | -                    | 2018                                | 3.2                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 8'380          | 1.2                                   | -           | -          | -                  | 1.2        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 36201                           | SO     | Biberist     | Herrenweg 1-7                         | Residential           | 0.1                 | 0.1                                   | 100%                              | 7'500              | 1920                             | -                    | -                                   | 3.0                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 1'732          | 0.1                                   | -           | -          | -                  | 0.1        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 36202                           | SO     | Biberist     | Derendingerstrasse 18-40, Herrenweg 6 | Residential           | 0.2                 | 0.2                                   | 99%                               | 16'394             | 1920                             | -                    | -                                   | 3.2                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 2'610          | 0.2                                   | -           | -          | -                  | 0.2        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 36203                           | SO     | Biberist     | Herrenweg 4/8/10                      | Residential           | 0.0                 | 0.0                                   | 100%                              | -                  | 1928                             | -                    | 1992                                | 4.3                | Sole ownership      | 100%      | -                           | -                      | -                     | -      | -      | -                  | -       | -      | -              | -                                     | -           | -          | -                  | -          | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 60101                           | BS     | Basel        | Rosentalstrasse 27                    | Residential           | 0.2                 | 0.2                                   | 100%                              | 574                | 1938                             | -                    | -                                   | 2.7                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 1'121          | 0.2                                   | -           | -          | -                  | 0.2        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 60301                           | BL     | Birsfelden   | Weidenweg 8-10                        | Residential           | 0.6                 | 0.6                                   | 94%                               | 3'798              | 1989                             | -                    | -                                   | 2.9                | Sole ownership      | 100%      | -                           | -                      | 100%                  | -      | -      | -                  | -       | -      | 1'976          | 0.5                                   | -           | -          | -                  | 0.1        | 0.6                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 60302                           | BL     | Birsfelden   | Hauptstrasse 84-88                    | Residential           | 0.6                 | 0.6                                   | 87%                               | 1'787              | 1989                             | -                    | -                                   | 3.7                | Sole ownership      | 100%      | -                           | -                      | 28%                   | 24%    | 19%    | 11%                | 18%     | -      | 3'157          | 0.2                                   | 0.2         | 0.1        | 0.1                | 0.0        | 0.1                                  | 0.6         | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| Total Residential               |        |              |                                       |                       | 262.2               | 12.6                                  | 11.6                              | 111'230            |                                  |                      |                                     |                    |                     |           |                             |                        |                       |        |        |                    |         | 63'826 | 9.4            | 1.9                                   | 0.1         | 0.6        | 0.1                | 0.4        | 12.5                                 | 0.870       | 0.0          | 0.0          | 0.0           | 0.0           | 0.0        | 0.870         |   |       |   |  |
| 10101                           | ZH     | Dietlikon    | Riedstrasse 3                         | Retail                | 2.5                 | 1.2                                   | 47%                               | 13'690             | 1982                             | 2002                 | 2007                                | 4.4                | Sole ownership      | 100%      | -                           | -                      | 13%                   | 37%    | 8%     | 5%                 | 38%     | 17'003 | -              | 0.3                                   | 1.2         | 0.2        | 0.1                | 0.7        | 2.5                                  | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 10102                           | ZH     | Dietlikon    | Riedstrasse 5                         | Retail                | 2.2                 | 2.1                                   | 96%                               | 13'500             | 1982                             | -                    | 1993                                | 3.9                | Sole ownership      | 100%      | -                           | -                      | 7%                    | 80%    | -      | 13%                | -       | 9'240  | -              | 0.1                                   | 2.0         | -          | 0.0                | 0.1        | 2.2                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 10103                           | ZH     | Dietlikon    | Riedstrasse 7-9                       | Retail                | 0.0                 | 0.0                                   | -                                 | 10'543             | 1982                             | -                    | -                                   | 3.8                | Sole ownership      | 100%      | -                           | -                      | -                     | -      | -      | -                  | -       | -      | -              | -                                     | -           | -          | -                  | -          | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| 30401                           | ZH     | Aathal       | Zürichstrasse 13-25                   | Retail                | 2.4                 | 2.0                                   | 83%                               | 16'597             | 1862                             | 2014                 | -                                   | 4.2                | Sole ownership      | 100%      | -                           | -                      | 2%                    | 29%    | 36%    | 3%                 | 18%     | 11%    | 13'757         | 0.0                                   | 0.5         | 0.8        | 0.3                | 0.4        | 0.4                                  | 2.4         | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 31601                           | NE     | Neuchâtel    | Rue du Plan 30                        | Retail                | 1.6                 | 1.3                                   | 79%                               | 7'978              | 1963                             | -                    | 2019                                | 4.0                | Sole ownership      | 100%      | -                           | -                      | 19%                   | 36%    | 42%    | -                  | 3%      | 8'228  | -              | 0.3                                   | 0.7         | 0.5        | -                  | 0.1        | 1.6                                  | -           | -            | -            | -             | -             | -          | -             | - | -     | - |  |
| 70401                           | AG     | Buchs        | Fabrikweg 12                          | Retail                | 0.4                 | 0.4                                   | 100%                              | 18'211             | 1988                             | -                    | 2007                                | 4.0                | Building right      | 100%      | -                           | -                      | 39%                   | -      | 61%    | -                  | -       | 4'950  | -              | 0.2                                   | -           | 0.2        | -                  | 0.4        | -                                    | -           | -            | -            | -             | -             | -          | -             | - | -     |   |  |
| Total Retail                    |        |              |                                       |                       | 198.4               | 9.1                                   | 7.0                               | 80'519             |                                  |                      |                                     |                    |                     |           |                             |                        |                       |        |        |                    |         | 53'178 | 0.0            | 1.5                                   | 4.7         | 1.2        | 0.6                | 1.2        | 9.1                                  | 0.0         | 0.0          | 0.0          | 16,600        | 0.0           | 16,600     |               |   |       |   |  |
| <b>Total Yielding Portfolio</b> |        |              |                                       |                       | <b>1'025.8</b>      | <b>54.9</b>                           | <b>47.8</b>                       | <b>87.0%</b>       | <b>691'842</b>                   |                      |                                     |                    |                     |           |                             |                        |                       |        |        |                    |         |        | <b>417'324</b> | <b>9.6</b>                            | <b>12.5</b> | <b>4.8</b> | <b>21.4</b>        | <b>2.6</b> | <b>4.1</b>                           | <b>55.0</b> | <b>0.870</b> | <b>1,589</b> | <b>10,785</b> | <b>16,600</b> | <b>0.0</b> | <b>29,814</b> |   |       |   |  |

- 1 Others refer to land, building rights, parking, official use, power plant, datacenter; 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

Effective Area to be developed (sqm)

| Property ID                    | Canton | Municipality   | Property                                    | Main use    | Market value <sup>4</sup> (CHFm) | Full occupancy property income (CHFm) | Annualised property income (CHFm) | Occupancy rate (%) | Net site area (sqm) <sup>2</sup> | Year of construction | Year of construction 2 <sup>3</sup> | Partial renovation | Discount factor (%) | Ownership         | (%)  | Compulsory surveillance | Obligatory re-mediation | 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% | -                       | -                       | -           | 31,046                   | -        | -          | -       | -      | 31,046  |
| 13405                          | AG     | Klingnau       | Schützenmattstrasse 7, Parkstrasse 14       | Industrial  | 0.3                              | 0.3                                   | 88%                               | 11'035             | 11'035                           | 1949                 | 1961                                | -                  | 2.0                 | Sole ownership    | 100% | -                       | -                       | -           | 6,621                    | -        | -          | -       | -      | 6,621   |
| 13408                          | AG     | Klingnau       | Weierstrasse 8                              | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 2'144                            | -                    | -                                   | -                  | 2.0                 | Sole ownership    | 100% | -                       | -                       | -           | 920                      | -        | -          | -       | -      | 920     |
| 32105                          | AG     | Windisch       | Kunzareal - Zentrum West                    | Industrial  | 0.1                              | 0.1                                   | 100%                              | 2'481              | 2'481                            | 1827                 | 1890                                | -                  | 3.4                 | Sole ownership    | 100% | -                       | -                       | -           | 1,480                    | -        | -          | -       | -      | 1,480   |
| 34002                          | AG     | Brugg          | Wildschachenstrasse 16                      | Industrial  | 1.4                              | 1.1                                   | 80%                               | 33'505             | 33'505                           | 1960                 | -                                   | -                  | 4.6                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | 24,154     | -       | -      | 24,154  |
| 40101                          | AG     | Menziken       | Hauptstrasse 85                             | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 10'717                           | 1911                 | -                                   | -                  | 3.4                 | Sole ownership    | 100% | -                       | -                       | -           | 9,600                    | -        | -          | -       | -      | 9,600   |
| 72001                          | AG     | Hausen/Lupfig  | Hauptstrasse 96 / Hauptstrasse 98-100       | Others      | 0.0                              | 0.0                                   | 100%                              | 64'258             | 64'258                           | -                    | -                                   | -                  | 2.0                 | Sole ownership    | 100% | Yes                     | -                       | -           | -                        | 32,173   | -          | -       | -      | 32,173  |
| 61101                          | BL     | Aesch          | Industriestrasse 45-61                      | Industrial  | 0.9                              | 0.7                                   | 80%                               | 35'932             | 35'932                           | 1900                 | 1940                                | -                  | 4.5                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | 9,180      | -       | -      | 9,180   |
| 63001                          | BL     | Pratteln       | Güterstrasse 23-29, Gempenstrasse 6/6a      | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 31'585                           | 1949                 | 2002                                | -                  | 2.0                 | Sole ownership    | 100% | -                       | -                       | -           | 47,000                   | -        | -          | -       | -      | 47,000  |
| Total North-West Switzerland   |        |                |   |             | 97.3                             | 2.7                                   | 2.2                               | -                  | 235'057                          | -                    | -                                   | -                  | -                   | -                 | -    | -                       | -                       | -           | 0                        | 96,667   | 32,173     | 33,334  | 0      | 162,174 |
| 18103                          | ZG     | Cham           | Plot no. 3165 Yielding stage 1              | Others      | 0.1                              | 0.1                                   | 77%                               | 11'535             | 11'535                           | -                    | -                                   | -                  | 3.0                 | Sole ownership    | 100% | -                       | -                       | -           | 11,680                   | -        | -          | -       | -      | 11,680  |
| 18105                          | ZG     | Cham           | Plot no. 3165 Promotion stage 1             | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 2'363                            | -                    | -                                   | -                  | 0.0                 | Promotion project | 100% | -                       | -                       | 5,450       | -                        | -        | -          | -       | -      | 5,450   |
| 18104                          | ZG     | Cham           | Plot no. 3165 Yielding stage 2              | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 12'333                           | -                    | -                                   | -                  | 3.3                 | Sole ownership    | 100% | -                       | -                       | -           | 12,800                   | -        | -          | -       | -      | 12,800  |
| Total Central Switzerland      |        |                |   |             | 84.2                             | 0.1                                   | 0.1                               | -                  | 26'231                           | -                    | -                                   | -                  | -                   | -                 | -    | -                       | -                       | -           | 5,450                    | 24,480   | 0          | 0       | 0      | 29,930  |
| 10301                          | ZH     | Niederhasli    | Mandachstrasse 50-56                        | Office      | 3.2                              | 2.3                                   | 70%                               | 10'918             | 10'918                           | 1992                 | 2007                                | -                  | 4.5                 | Sole ownership    | 100% | -                       | -                       | -           | 6,400                    | -        | -          | -       | -      | 6,400   |
| 10302                          | ZH     | Niederhasli    | Stationsstrasse 25                          | Industrial  | 0.6                              | 0.4                                   | 57%                               | 16'691             | 16'691                           | 1991                 | -                                   | -                  | 3.1                 | Sole ownership    | 100% | -                       | -                       | -           | 11,937                   | -        | -          | -       | -      | 11,937  |
| 10303                          | ZH     | Niederhasli    | Stationstrasse 27-32, Parzelle 3131         | Industrial  | 1.5                              | 1.5                                   | 100%                              | 28'122             | 28'122                           | 1955                 | 2019                                | -                  | 3.5                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | -          | -       | 7,050  | 7,050   |
| 10901                          | ZH     | Altstetten     | Freihofstrasse 25                           | Industrial  | 0.5                              | 0.5                                   | 100%                              | 7'807              | 7'807                            | 1953/1962            | -                                   | -                  | 2.7                 | Sole ownership    | 100% | -                       | -                       | -           | 13,162                   | -        | -          | -       | -      | 13,162  |
| 30101                          | ZH     | Aathal         | Plot no. 3390                               | Others      | 0.1                              | 0.1                                   | 100%                              | 8'163              | 8'163                            | -                    | -                                   | -                  | 4.0                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | -          | -       | -      | -       |
| 30201                          | ZH     | Aathal         | Zürichstrasse 27/33-39, Gestalderstrasse 4  | Residential | 0.1                              | 0.1                                   | 99%                               | 23'938             | 23'938                           | 1850                 | 1870                                | 1990               | 3.8                 | Sole ownership    | 100% | -                       | -                       | 1,242       | 6,270                    | -        | -          | -       | -      | 7,512   |
| 30403                          | ZH     | Aathal         | Gstalderstrasse 3                           | Industrial  | 0.0                              | 0.0                                   | 100%                              | 1'067              | 1'067                            | 1870                 | -                                   | 1993               | 2.0                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | -          | -       | -      | -       |
| 30602                          | ZH     | Aathal         | Chälenerweg 1/11/164, Aretsh. 1-7/11-21/158 | Residential | 0.2                              | 0.2                                   | 99%                               | 10'069             | 10'069                           | 1440                 | -                                   | 1988               | 3.7                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | -          | -       | -      | -       |
| 30801                          | ZH     | Wetzikon       | Usterstr. 200-202/206, Zürichstr. 119-121   | Industrial  | 0.3                              | 0.3                                   | 87%                               | 14'653             | 14'653                           | 1872                 | 1900                                | 1993               | 4.3                 | Sole ownership    | 100% | -                       | -                       | -           | 8,695                    | -        | -          | -       | -      | 8,695   |
| 30906                          | ZH     | Wetzikon       | Schönaustrasse 5-13                         | Residential | 0.2                              | 0.2                                   | 98%                               | 17'055             | 17'055                           | -                    | -                                   | 1943               | 2.8                 | Sole ownership    | 100% | -                       | -                       | 7,510       | -                        | -        | -          | -       | -      | 7,510   |
| 30907                          | ZH     | Wetzikon       | Schönaustrasse 9                            | Others      | 0.1                              | 0.1                                   | 100%                              | 8'267              | 8'267                            | -                    | -                                   | -                  | 2.8                 | Sole ownership    | 100% | -                       | -                       | 7,500       | -                        | -        | -          | -       | -      | 7,500   |
| Total Zurich                   |        |                |   |             | 196.3                            | 6.9                                   | 5.6                               | -                  | 146'750                          | -                    | -                                   | -                  | -                   | -                 | -    | -                       | -                       | -           | 16,252                   | 46,464   | 0          | 0       | 7,050  | 69,766  |
| 22201                          | GE     | Vernier        | Chemin de la Verseuse 1-3                   | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 4'507                            | 1964                 | -                                   | -                  | 3.9                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | 8,254      | -       | -      | 8,254   |
| 22301                          | GE     | Lancy          | Route des Jeunes 20-26                      | Industrial  | 0.6                              | 0.6                                   | 100%                              | 13'362             | 13'362                           | 1960                 | -                                   | -                  | 3.9                 | Building right    | 100% | -                       | -                       | -           | -                        | -        | 60,312     | -       | -      | 60,312  |
| 29004                          | GE     | Meyrin         | Route du Nant d'Avril 150, Pavillon         | Others      | 0.2                              | 0.2                                   | 100%                              | 952                | 952                              | 2020                 | -                                   | -                  | 3.3                 | Building right    | 100% | -                       | -                       | -           | -                        | -        | -          | -       | -      | 0       |
| 29005                          | GE     | Meyrin         | Route du Nant d'Avril 150, LEM              | Industrial  | 0.0                              | 0.0                                   | -                                 | -                  | 55'400                           | 2020                 | -                                   | -                  | 3.2                 | Building right    | 100% | -                       | -                       | -           | -                        | -        | -          | 7,345   | 7,345  |         |
| 29101                          | GE     | Meyrin         | Chemin du Grand-Puits 28                    | Industrial  | 0.0                              | 0.0                                   | -                                 | -                  | 10'383                           | 1965                 | -                                   | -                  | 3.9                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | 15,592     | -       | -      | 15,592  |
| 29003                          | GE     | Meyrin         | Route du Nant d'Avril 150                   | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 21'972                           | -                    | -                                   | -                  | 2                   | Building right    | 100% | -                       | -                       | -           | -                        | -        | -          | 25,779  | 25,779 |         |
| 22101                          | VD     | Aigle          | Route Industrielle 18                       | Industrial  | 0.2                              | 0.2                                   | 100%                              | 11'410             | 11'410                           | 1991                 | -                                   | 2014               | 4                   | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | 2,298      | -       | -      | 2,298   |
| 22701                          | VD     | Bussigny       | Chemin de Mochettaz 101                     | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 22'319                           | -                    | -                                   | -                  | 2.0                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | 26,125   | -          | -       | -      | 26,125  |
| 20101                          | VS     | St-Maurice     | Bois-Noir                                   | Industrial  | 0.3                              | 0.3                                   | 100%                              | 33'281             | 33'281                           | 1960                 | 1970                                | -                  | 2.0                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | 22,500     | -       | -      | 22,500  |
| Total Lake Geneva region       |        |                |   |             | 134.7                            | 1.3                                   | 1.3                               | -                  | 123'726                          | -                    | -                                   | -                  | -                   | -                 | -    | -                       | -                       | -           | 0                        | 0        | 26,125     | 108,956 | 33,124 | 168,205 |
| 31701                          | SO     | Dornach        | Weidenstrasse 50                            | Industrial  | 1.0                              | 1.0                                   | 98%                               | 136'685            | 136'685                          | 1895                 | -                                   | -                  | 4.3                 | Sole ownership    | 100% | -                       | -                       | -           | 97,051                   | -        | -          | -       | -      | 97,051  |
| 36101                          | SO     | Biberist       | Fabrikstrasse 2-8                           | Office      | 0.2                              | 0.1                                   | 44%                               | 22'524             | 22'524                           | 1937                 | -                                   | -                  | 4.8                 | Sole ownership    | 100% | -                       | -                       | -           | 11,392                   | -        | 1,888      | -       | -      | 13,280  |
| 36102                          | SO     | Biberist       | Fabrikstrasse 14-34                         | Industrial  | 0.0                              | 0.0                                   | -                                 | -                  | 44'000                           | 1972                 | 1990                                | -                  | 5.5                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | 45,954   | -          | -       | -      | 45,954  |
| 36103                          | SO     | Biberist       | Fabrikstrasse 57-115                        | Industrial  | 0.7                              | 0.7                                   | 100%                              | 40'000             | 40'000                           | 1946                 | 1991                                | -                  | 5.0                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | 12,620     | -       | -      | 12,620  |
| 36105                          | SO     | Biberist       | Fabrikstrasse 1-29                          | Industrial  | 0.3                              | 0.3                                   | 100%                              | 19'000             | 19'000                           | 1932                 | 1947                                | -                  | 5.0                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | -        | -          | -       | -      | -       |
| 36106                          | SO     | Biberist       | Fabrikstrasse 3-35                          | Industrial  | 0.0                              | 0.0                                   | 100%                              | 28'869             | 28'869                           | 1903                 | 1939                                | -                  | 5.4                 | Sole ownership    | 100% | -                       | -                       | -           | -                        | 42,120   | -          | -       | -      | 42,120  |
| 36107                          | SO     | Biberist       | Fabrikstrasse 31-85                         | Industrial  | 0.0                              | 0.0                                   | -                                 | -                  | 16'000                           | 1946                 | -                                   | -                  | 5.4                 | Sole ownership    | 100% | -                       | -                       | 22,610      | -                        | -        | -          | -       | -      | 22,610  |
| 36108                          | SO     | Biberist       | Fabrikstrasse Insel                         | Industrial  | 0.5                              | 0.5                                   | 100%                              | 60'400             | 60'400                           | 1991                 | -                                   | -                  | 5.0                 | 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% | -                       | -                       | -           | -                        | -        | -          | -       | -      | -       |
| 31602                          | NE     | Neuchâtel      | Plot no. 10729                              | Others      | 0.0                              | 0.0                                   | -                                 | -                  | 3'419                            | -                    | -                                   | -                  | 2.0                 | Sole ownership    | 100% | -                       | -                       | 4,500       | -                        | -        | -          | -       | -      | 4,500   |
| Total Espace Mittelland region |        |                |   |             | 86.1                             | 2.8                                   | 2.7                               | -                  | 415'080                          | -                    | -                                   | -                  | -                   | -                 | -    | -                       | -                       | -           | 27,110                   | 108,443  | 88,074     | 32,208  | 0      | 255,835 |

# General Property Details

Effective Area to be developed (sqm)

| 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) <sup>2</sup> | Year of construction | Year of construction 2 <sup>3</sup> | Partial renovation | Discount factor (%) | Ownership      | (%)  | Compulsory surveillance | Obligatory re-mediation | Residential   | Residential & Commercial | Industry       | Commercial     | Office        | Total          |       |
|------------------------------------|--------|--------------|--------------------------|------------|----------------------|---------------------------------------|-----------------------------------|--------------------|----------------------------------|----------------------|-------------------------------------|--------------------|---------------------|----------------|------|-------------------------|-------------------------|---------------|--------------------------|----------------|----------------|---------------|----------------|-------|
| 10501                              | TG     | Ermatingen   | Hauptstrasse 181/185     | Logistics  |                      | 0.4                                   | 0.4                               | 100%               | 12'125                           | 1968                 | 1997                                | -                  | 3.1                 | Sole ownership | 100% | -                       | -                       | -             | -                        | -              | 6,500          | -             | 6,500          |       |
| 31503                              | TG     | Frauenfeld   | Walzmühlestrasse 51      | Res. mixed |                      | 0.0                                   | 0.0                               | -                  | 10'863                           | 1832                 | 2017                                | -                  | 3.1                 | Sole ownership | 100% | -                       | -                       | -             | 4,417                    | -              | -              | -             | -              | 4,417 |
| 31504                              | TG     | Frauenfeld   | Walzmühlestrasse Parking | Others     |                      | 0.0                                   | 0.0                               | 100%               | 3'340                            | -                    | -                                   | -                  | 3.8                 | Sole ownership | 100% | -                       | -                       | -             | -                        | -              | ,550           | -             | ,550           |       |
| Total Eastern Switzerland          |        |              |                          |            | 13.5                 | 0.4                                   | 0.4                               |                    | 26'328                           |                      |                                     |                    |                     |                |      |                         |                         | ,0            | 4,417                    | ,0             | 7,050          | ,0            | 11,467         |       |
| <b>Total Development Portfolio</b> |        |              |                          |            | <b>612.1</b>         | <b>14.2</b>                           | <b>12.3</b>                       | <b>86.3%</b>       | <b>973'172</b>                   |                      |                                     |                    |                     |                |      |                         |                         | <b>48,812</b> | <b>280,471</b>           | <b>146,372</b> | <b>181,548</b> | <b>40,174</b> | <b>697,377</b> |       |

<sup>1</sup> Others refer to land, building rights, parking, official use, power plant, datacenter; Res. mixed refers to properties with residential and commercial use.

<sup>2</sup> Net site area does not include agricultural land and land without utilisation (total approximately 1.0 million sqm).

<sup>3</sup> Second building phase.

<sup>4</sup> Except for promotion project that are recorded at cost. As at 31 December 2020, 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, 12 March 2021

## Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of HIAG Immobilien Holding AG, which comprise the consolidated balance sheet, the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements (pages 70 to 117), for the year ended 31 December 2020.



### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss GAAP FER, article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



### Auditor's responsibility

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

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



### Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange and Swiss law.

# Report of the Statutory Auditor on the Consolidated Financial Statements



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## Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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 responsibility* 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 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 Real estate properties (incl. environmental risks)

|             |  |
|-------------|--|
| <b>Risk</b> | <p>As at 31 December 2020, Real estate properties (incl. environmental risks) recognized in the company's consolidated balance sheet amounted to a total of kCHF 1'608'417, representing 95% of total consolidated assets. The valuation of the real estate properties (incl. environmental risks) involved the work of external appraisers and is performed at fair value. The fair value assessment for the real estate 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.</p> <p>The valuation of Real estate properties is further discussed in section "Significant Accounting and Valuation Policies" and note 5 "Real estate properties" of the notes to the consolidated financial statements.</p> <p>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.</p> |
|-------------|--|

|                           |   |
|---------------------------|---|
| <b>Our audit response</b> | <p>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.</p> <p>Our audit procedures did not lead to any reservations concerning the valuation of Real estate properties.</p> |
|---------------------------|---|

### Valuation of Deferred tax liabilities



# Report of the Statutory Auditor on the Consolidated Financial Statements



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**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 2020, they amounted to kCHF 73'131. 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 13 "Deferred 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.

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**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.



## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

Ernst & Young Ltd

Fabian Meier  
Licensed audit expert  
(Auditor in charge)

Daniel Zaugg  
Licensed audit expert



# Independent Valuers's Report



Wüest Partner AG, Bleicherweg 5, 8001 Zurich

HIAG Immobilien Holding AG  
Aeschenplatz 7  
4052 Basel

Zurich, 12 February 2021

## Independent valuer's report Real Estate Property Valuation as at 31.12.2020

To the Executive Board of HIAG Immobilien Holding AG

Ref.  
1186452010

### 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 2020 (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, Oberaargau-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 ARR 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 Valuers'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 lettable 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 2020 to 31 December 2020, Wüest Partner visited 37 properties belonging to HIAG.

## Results

A total of 121 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 2020 by Wüest Partner. The fair value of the property portfolio of HIAG (before deduction of contamination) is estimated as at 31 December 2020 at 1,693,873,815 Swiss Francs.

## Changes during reporting period

Within the review period from 1 January 2020 to 31 December 2020 one property in Bussigny was acquired and one property in St. Margrethen was sold.

# Independent Valuers'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, 12 February 2021  
Wüest Partner AG



Andreas Ammann  
Partner



Silvana Dardikman  
Director

# Independent Valuers'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 2021 and were received during the period of September 2020 and December 2020.
- **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 5.50% depending on the property, use and location.
- **Inflation:** Unless otherwise stated, the valuations assume 0.5 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 Valuers'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 indicators

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

## Distribution ratio

The distribution ratio is the share of the distribution (according to the proposal to the general meeting) in the company's consolidated net income

## Distribution yield

Distribution per share divided by the stock market price on the balance sheet date

## 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

## Gross yield on investment properties

Target rental income divided by the market value of the investment properties

## Group profit excl. revaluation

Net profit excl. change in value from revaluation of real estate investments and attributable deferred taxes

## Group earnings per share

Consolidated net profit divided by the weighted average number of shares outstanding during the reporting period

## Loan to Value (LTV)

Total financial liabilities less cash and cash equivalents and short-term financial investments in relation to total value of real estate assets

## Net Asset Value (NAV)

Net asset value or value of equity as per consolidated financial statements

## Target property income

Expected property income at full occupancy before losses for vacancies or rent reductions

## Definition of alternative performance indicators

### Annualised property income

Dynamic view of property income: annual rent based on existing rental contracts at a defined reporting date

### Vacancy rate

Calculated as the sum of all rent losses from unrented space (vacancy) as of the reporting date, divided by the target rental income as of the reporting date

### Interest coverage factor

The interest coverage factor is calculated from the operating result before interest, taxes, depreciation and amortisation (EBITDA), excluding changes in value from the revaluation of real estate investments, divided by the interest expense

### 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



# EPRA Key Performance Figures

## Performance figures according to EPRA

The European Public Real Estate Association (EPRA) is an association of the leading European companies in the real estate industry.

HIAG reports performance measures in accordance with the Best Practices Recommendations of the EPRA Reporting and Accounting Committee dated October 2019. These guidelines apply to accounting periods beginning on 1 January 2020. The new guidelines introduce three new measures of net asset value (EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV)), which replace EPRA NAV and EPRA NNAV and propose additional disclosures in the Capex table. HIAG has made the necessary adjustments to the ratios in accordance with the new recommendations, and has also shown the previously reported EPRA net asset ratios (i.e. EPRA NAV and EPRA NNAV) for comparison purposes.

| Summary EPRA Performance Measure   | Definition  | Purpose  | 31.12.2020 | 31.12.2019 |
|--|---|--|------------|------------|
| A. EPRA Earnings per share   | Earnings from operational activities.   | A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings   | CHF 3.31   | CHF -8.82  |
| Company specific Adjusted EPS  | Company specific Adjusted Earnings  |  | CHF 3.91   | CHF -0.08  |
| B. EPRA NAV Metrics per share  | EPRA Net Reinstatement Value: Assumes that entities never sell assets and aims to represent the value required to rebuild the entity  |  | CHF 105.91 | CHF 94.78  |
|  | EPRA Net Tangible Assets: Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax   | The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios. | CHF 103.53 | CHF 92.84  |
|  | EPRA Net Disposal Value: Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax |  | CHF 94.90  | CHF 84.23  |
| C. EPRA Net Initial Yield (NIY)  | calculated to the full extent of their liability, net of any resulting tax  | A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.   | 3.47%      | 3.49%      |
| C. EPRA 'topped-up' NIY  | This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).   | Companies should provide detail on the calculation of the measure and reconciliation between the EPRA NIY and 'topped-up' NIY in the recommended format as shown in Section 3.4.   | 3.50%      | 3.52%      |
| D. EPRA Vacancy Rate   | Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.  | A "pure" (%) measure of investment property space that is vacant, based on ERV.  | 13.17%     | 16.21%     |
| E. EPRA Cost Ratios  | Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.  | A key measure to enable meaningful measurement of the changes in a company's operating costs   | 31.77%     | 86.49%     |
| Adjusted-EPRA Cost Ratios (Yielding Portfolio only) (excluding direct vacancy costs) |   |  | 29.90%     | 85.33%     |

The details of the calculation of the EPRA key figures are shown in the following tables.



# EPRA Key Performance Figures

## A EPRA Earnings & EPRA Earnings per share (EPS)

| in TCHF except basic number of shares  | 2020          | 2019           |
|--|---------------|----------------|
| <b>Earnings per income statement</b>   | <b>55,159</b> | <b>-71,361</b> |
| Adjustments to calculate EPRA Earnings, exclude:   |               |                |
| (i) Changes in value of investment properties, development properties held for investment and other interests                | -27,002       | 16,803         |
| (ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests  | -4,905        | -64            |
| (iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties.        | -1,427        | -1,153         |
| (iv) Tax on profits or losses on disposals   | 456           | n/a            |
| (v) Negative goodwill / goodwill impairment  | n/a           | n/a            |
| (vi) Changes in fair value of financial instruments and associated close-out costs   | n/a           | n/a            |
| (vii) Acquisition costs on share deals and non-controlling joint venture interests   | n/a           | n/a            |
| (viii) Deferred tax in respect of EPRA adjustments   | 4,528         | -15,379        |
| (ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation) | n/a           | n/a            |
| (x) Non-controlling interests in respect of the above  | -             | 613            |
| <b>EPRA Earnings</b>   | <b>26,810</b> | <b>-70,541</b> |
| Weighted average number of shares outstanding  | 8,091,020     | 7,996,265      |
| <b>EPRA Earnings per Share (EPS) in CHF</b>  | <b>3.31</b>   | <b>-8.82</b>   |
| Company specific adjustments <sup>1</sup> :  |               |                |
| (a) Contribution Cloud Services  | 3,494         | 70,727         |
| (b) Depreciation on financial assets related to Cloud Services   | 1,550         | -              |
| (c) Contribution Jaeger et Bosshard SA   | -230          | -795           |
| <b>Company specific Adjusted Earnings</b>  | <b>31,624</b> | <b>-609</b>    |
| <b>Company specific Adjusted EPS in CHF</b>  | <b>3.91</b>   | <b>-0.08</b>   |

<sup>1</sup> The company-specific adjustments relate to the adjustment of EPRA earnings per share (EPS) due to transactions that do not affect the real estate segment.

# EPRA Key Performance Figures

## B EPRA Net Asset Value metrics

As at 31 December 2020

|  | Current Measures    |                     |                | Previously reported Measures |                |
|--|---------------------|---------------------|----------------|------------------------------|----------------|
|  | EPRA NRV            | EPRA NTA            | EPRA NDV       | EPRA NAV                     | EPRA NNAV      |
| in TCHF except fully diluted number of shares                            |                     |                     |                |                              |                |
| <b>Equity attributable to shareholders</b>                               | <b>761,122</b>      | <b>761,122</b>      | <b>761,122</b> | <b>761,122</b>               | <b>761,122</b> |
| Include / Exclude  |                     |                     |                |                              |                |
| Hybrid instruments   | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| <b>Diluted NAV</b>   | <b>761,122</b>      | <b>761,122</b>      | <b>761,122</b> | <b>761,122</b>               | <b>761,122</b> |
| <b>Include:</b>  |                     |                     |                |                              |                |
| ii.a) Revaluation of Investment properties                               | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| ii.b) Revaluation of Investment properties under construction            | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| iii.c) Revaluation of other non-current investments                      | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| iii) Revaluation of tenant leases held as finance leases                 | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| iv) Revaluation of trading properties                                    | 6,733               | 6,733               | 6,733          | -                            | -              |
| <b>Diluted NAV at Fair Value</b>   | <b>767,856</b>      | <b>767,856</b>      | <b>767,856</b> | <b>761,122</b>               | <b>761,122</b> |
| <b>Exclude:</b>  |                     |                     |                |                              |                |
| v) Deferred tax in relation to fair value gains of Investment properties | 73,131              | 69,779 <sup>1</sup> | -              | 73,131                       | 73,131         |
| vi) Fair value of financial instruments                                  | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| vii) Goodwill as result of deferred tax                                  | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| viii.a) Goodwill as per balance sheet                                    | n/a                 | n/a                 | n/a            | n/a                          | n/a            |
| viii.b) Intangibles as per balance sheet                                 |                     | n/a                 |                | n/a                          | n/a            |
| <b>Include:</b>  |                     |                     |                |                              |                |
| ix) Fair value of fixed interest rate debt                               |                     |                     | n/a            | n/a                          | n/a            |
| x) Revaluation of intangibles to fair value                              | n/a                 |                     |                | n/a                          | n/a            |
| xi) Real estate transfer tax   | 15,969 <sup>2</sup> | -                   | -              | n/a                          | n/a            |
| <b>NAV</b>   | <b>856,945</b>      | <b>837,634</b>      | <b>767,856</b> | <b>834,253</b>               | <b>834,253</b> |
| Fully diluted number of shares   | 8,091,020           | 8,091,020           | 8,091,020      | 8,091,020                    | 8,091,020      |
| <b>NAV per Share in CHF</b>  | <b>105.91</b>       | <b>103.53</b>       | <b>94.90</b>   | <b>103.11</b>                | <b>103.11</b>  |

<sup>1</sup> For the calculation of deferred taxes, option 1 was chosen in accordance with the Best Practices Recommendations Guidelines of October 2019: The entire real estate portfolio is generally to be held for the long term and the properties for sale are sold in the short term.

<sup>2</sup> For the calculation of the real estate transfer taxes, the real estate market values per canton were multiplied by the respective tax rates.

### Additional deferred tax disclosure

|  | Fair Value | as % of total portfolio | % of deferred tax excluded |
|--|------------|-------------------------|----------------------------|
| Portfolio that is subject to deferred tax and intention is to hold and not to sell in the long run | 1,608,417  | 100%                    | 100%                       |
| Portfolio that is subject to partial deferred tax and to tax structuring                           | -          | 0%                      | 0%                         |

# EPRA Key Performance Figures

As at 31 December 2019

| in TCHF except fully diluted number of shares                         | Current Measures    |                |                | Previously reported Measures |                |
|---|---------------------|----------------|----------------|------------------------------|----------------|
|   | EPRA NRV            | EPRA NTA       | EPRA NDV       | EPRA NAV                     | EPRA NNAV      |
| Equity attributable to shareholders                                   | 672,085             | 672,085        | 672,085        | 672,085                      | 672,085        |
| Include / Exclude   |                     |                |                |                              |                |
| Hybrid instruments  | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| <b>Diluted NAV</b>  | <b>672,085</b>      | <b>672,085</b> | <b>672,085</b> | <b>672,085</b>               | <b>672,085</b> |
| <b>Include:</b>   |                     |                |                |                              |                |
| Revaluation of Investment properties                                  | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| Revaluation of Investment properties under construction               | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| Revaluation of other non-current investments                          | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| Revaluation of tenant leases held as finance leases                   | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| Revaluation of trading properties                                     | 1,427               | 1,427          | 1,427          | -                            | -              |
| <b>Diluted NAV at Fair Value</b>                                      | <b>673,512</b>      | <b>673,512</b> | <b>673,512</b> | <b>672,085</b>               | <b>672,085</b> |
| <b>Exclude:</b>   |                     |                |                |                              |                |
| Deferred tax in relation to fair value gains of Investment properties | 68,728              | 68,752         | -              | 68,728                       | 68,728         |
| Fair value of financial instruments                                   | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| Goodwill as result of deferred tax                                    | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| Goodwill as per balance sheet   | n/a                 | n/a            | n/a            | n/a                          | n/a            |
| Intangibles as per balance sheet                                      |                     | n/a            |                | n/a                          | n/a            |
| <b>Include:</b>   |                     |                |                |                              |                |
| Fair value of fixed interest rate debt                                |                     |                | n/a            | n/a                          | n/a            |
| Revaluation of intangibles to fair value                              | n/a                 |                |                | n/a                          | n/a            |
| Real estate transfer tax  | 15,650 <sup>2</sup> | 86             | -              | -                            | -              |
| <b>NAV</b>  | <b>757,890</b>      | <b>742,351</b> | <b>673,512</b> | <b>740,813</b>               | <b>740,813</b> |
| Fully diluted number of shares  | 7,996,265           | 7,996,265      | 7,996,265      | 7,996,265                    | 7,996,265      |
| <b>NAV per Share in CHF</b>   | <b>94.78</b>        | <b>92.84</b>   | <b>84.23</b>   | <b>92.64</b>                 | <b>92.64</b>   |

<sup>1</sup> For the calculation of deferred taxes, option 1 was chosen in accordance with the Best Practices Recommendations Guidelines of October 2019: The entire real estate portfolio is generally to be held for the long term and the properties for sale are sold in the short term.

<sup>2</sup> For the calculation of the real estate transfer taxes, the real estate market values per canton were multiplied by the respective tax rates.

## Additional deferred tax disclosure

|  | Fair Value | as % of total portfolio | % of deferred tax excluded |
|--|------------|-------------------------|----------------------------|
| Portfolio that is subject to deferred tax and intention is to hold and not to sell in the long run | 1,563,043  | 100%                    | 100%                       |
| Portfolio that is subject to partial deferred tax and to tax structuring                           | -          | 0%                      | 0%                         |

# EPRA Key Performance Figures

## C EPRA Net Initial Yield (NIY) & EPRA “topped-up” NIY

| in TCHF   | 31.12.2020       | 31.12.2019       |
|---|------------------|------------------|
| Investment property – wholly owned  | 1,608,417        | 1,563,043        |
| Investment property – share of JVs/Funds  | n/a              | n/a              |
| Trading property (including share of JVs)   | n/a              | n/a              |
| Less: developments <sup>1</sup>   | -582,654         | -509,602         |
| <b>Completed property portfolio</b>   | <b>1,025,245</b> | <b>1,053,441</b> |
| Allowance for estimated purchasers' costs   | n/a              | n/a              |
| <b>Gross up completed property portfolio valuation</b>                                    | <b>1,025,245</b> | <b>1,053,441</b> |
| Annualised cash passing rental income   | 47,783           | 49,851           |
| Property outgoings  | -12,199          | -13,110          |
| <b>Annualised net rents</b>   | <b>35,583</b>    | <b>36,742</b>    |
| Add: notional rent expiration of rent free periods or other lease incentives <sup>2</sup> | 300              | 333              |
| <b>Topped-up net annualised rent</b>  | <b>35,883</b>    | <b>37,075</b>    |
| <b>EPRA NIY</b>   | <b>3.47%</b>     | <b>3.49%</b>     |
| <b>EPRA “topped-up” NIY</b>   | <b>3.50%</b>     | <b>3.52%</b>     |

<sup>1</sup> For the calculation of the completed property portfolio, all development properties are deducted.

<sup>2</sup> The weighted average rent-free period for the reporting year is 5.4 months (2019: 5.7 months).

## D EPRA Vacancy Rate

| EPRA Vacancy Rate in TCHF                     | 31.12.2020    | 31.12.2019    |
|---|---------------|---------------|
| Estimated Rental Value of vacant space        | 9,105         | 11,365        |
| Estimated rental value of the whole portfolio | 69,143        | 70,102        |
| <b>EPRA Vacancy Rate</b>                      | <b>13.17%</b> | <b>16.21%</b> |

# EPRA Key Performance Figures

## E EPRA Cost Ratios

### EPRA Cost Ratios in TCHF

| Include:   | 2020          | 2019                |
|--|---------------|---------------------|
| (i) Administrative/operating expense line per income statement                                     | 19,662        | 53,802 <sup>1</sup> |
| (ii) Net service charge costs/fees   | -             | -                   |
| (iii) Management fees less actual/estimated profit element   | -             | -                   |
| (iv) Other operating income/recharges intended to cover overhead expenses less any related profits | -             | -                   |
| (v) Share of Joint Ventures expenses   | n/a           | n/a                 |
| <b>Exclude (if part of the above):</b>   |               |                     |
| (vi) Investment property depreciation  | -             | -                   |
| (vii) Ground rent costs  | -681          | -733                |
| (viii) Service charge costs recovered through rents but not separately invoiced                    | -             | -                   |
| <b>iiia) Revaluation of Investment properties</b>  | <b>18,980</b> | <b>53,068</b>       |
| (ix) Direct vacancy costs  | 1,120         | 710                 |
| <b>EPRA Costs (excluding direct vacancy costs)</b>   | <b>17,861</b> | <b>52,358</b>       |
| <b>(x) Gross Rental Income less ground rents</b>   | <b>59,738</b> | <b>61,359</b>       |
| (xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant)    | -             | -                   |
| (xiii) Add: share of Joint Ventures (Gross Rental Income less ground rents)                        | n/a           | n/a                 |
| <b>Gross Rental Income</b>   | <b>59,738</b> | <b>61,359</b>       |
| <b>EPRA Cost Ratio (including direct vacancy costs)</b>  | <b>31.77%</b> | <b>86.49%</b>       |
| <b>EPRA Cost Ratio (excluding direct vacancy costs)</b>  | <b>29.90%</b> | <b>85.33%</b>       |

<sup>1</sup> In the previous year, the position "(i) Administrative/operating expense line per income statement" included a short-term provision of TCHF 30,000 for the the redevelopment of the site in Pratteln. In the current year, TCHF 8'000 of the estimated provisions were released.

# EPRA Key Performance Figures

## E Adjusted-EPRA Cost Ratios (Yielding Portfolio only)

| EPRA Cost Ratios in TCHF   | 2020          | 2019          |
|--|---------------|---------------|
| <b>Include:</b>  |               |               |
| (i) Administrative/operating expense line per income statement                                     | 12,199        | 13,110        |
| (ii) Net service charge costs/fees   | -             | -             |
| (iii) Management fees less actual/estimated profit element   | -             | -             |
| (iv) Other operating income/recharges intended to cover overhead expenses less any related profits | -             | -             |
| (v) Share of Joint Ventures expenses   | n/a           | n/a           |
| <b>Exclude (if part of the above):</b>   |               |               |
| (vi) Investment property depreciation  | -             | -             |
| (vii) Ground rent costs  | -632          | -683          |
| (viii) Service charge costs recovered through rents but not separately invoiced                    | -             | -             |
| <b>EPRA Costs (including direct vacancy costs)</b>   | <b>11,567</b> | <b>12,427</b> |
| (ix) Direct vacancy costs  | -696          | -465          |
| <b>EPRA Costs (excluding direct vacancy costs)</b>   | <b>10,871</b> | <b>11,961</b> |
| <br>   |               |               |
| (x) Gross Rental Income less ground rents  | 49,104        | 51,118        |
| (xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant)    | -             | -             |
| (xiii) Add: share of Joint Ventures (Gross Rental Income less ground rents)                        | -             | -             |
| <b>Gross Rental Income</b>   | <b>49,104</b> | <b>51,118</b> |
| <b>EPRA Cost Ratio (including direct vacancy costs)</b>  | <b>23.56%</b> | <b>24.31%</b> |
| <b>EPRA Cost Ratio (excluding direct vacancy costs)</b>  | <b>22.14%</b> | <b>23.40%</b> |

Personnel costs for the development of own projects were not capitalised. All costs directly related to the acquisition of real estate are capitalised.

### EPRA Core Recommendations: Investment Property Reporting

#### Basis of accounting

HIAG reports the investment properties at market value. The fair values are determined semi-annually by an external, independent real estate valuation company. The valuations are based on the discounted cash flow method.

#### Evaluation

The description and disclosure of the valuation principles applied should lead to increased confidence in the valuation result and to an increase in the dissemination and credibility of external valuations. The market value of the properties is determined every six months by the external, independent property valuation company (see Wüest Partner property valuation report on pages 121 to 125). In doing so, the valuer has access to company information regarding rental contracts, operating costs and investments. The external valuations are verified internally by HIAG through random checks of the input factors in the discounted cash flow (DCF) valuations, its own project valuations, a systematic analysis of deviations from previous valuations and a discussion of the valuation results with the external valuer. In addition, the valuation results are discussed in detail by the management and presented to the investment committee.

# EPRA Key Performance Figures

## Development properties

Development activities can create value for real estate companies, but can also involve financial risks. It is therefore important to provide sufficient information to enable investors to gain a clear understanding of the potential risks and opportunities associated with development assets. The required information can be found with the project pipeline presentation on pages 21 to 23 as well as with the company presentation available on the HIAG website.

## Like-for-like rental growth reporting

| in TCHF                            | Annualized property Income 31.12.2020 | Effect from portfolio changes | Like for Like Property income 31.12.2020 | Annualized property income 31.12.2019 | Like-for-Like growth | Like-for-Like growth in % |
|------------------------------------|---------------------------------------|-------------------------------|--|---------------------------------------|----------------------|---------------------------|
| North-West Switzerland             | 20,748                                | -                             | 20,748                                   | 19,934                                | 814                  | 4.08%                     |
| Central Switzerland                | 3,098                                 | -                             | 3,098                                    | 3,001                                 | 97                   | 3.23%                     |
| Zurich                             | 8,914                                 | -                             | 8,914                                    | 8,462                                 | 452                  | 5.34%                     |
| Lake Geneva region                 | 6,791                                 | -                             | 6,791                                    | 7,182                                 | -391                 | -5.45%                    |
| Espace Mittelland region           | 3,389                                 | -                             | 3,389                                    | 3,383                                 | 6                    | 0.17%                     |
| Eastern Switzerland                | 4,843                                 | 799 <sup>1</sup>              | 5,642                                    | 4,938                                 | 704                  | 14.27%                    |
| <b>Total Yielding portfolio</b>    | <b>47,783</b>                         | <b>799</b>                    | <b>48,582</b>                            | <b>46,900</b>                         | <b>1,681</b>         | <b>3.58%</b>              |
| North-West Switzerland             | 2,200                                 | -                             | 2,200                                    | 2,176                                 | 25                   | 1.13%                     |
| Central Switzerland                | 58                                    | -                             | 58                                       | 73                                    | -16                  | -21.24%                   |
| Zurich                             | 5,634                                 | -                             | 5,634                                    | 5,812                                 | -178                 | -3.06%                    |
| Lake Geneva region                 | 1,270                                 | -                             | 1,270                                    | 1,070                                 | 200                  | 18.69%                    |
| Espace Mittelland region           | 2,674                                 | -                             | 2,674                                    | 2,309                                 | 365                  | 15.83%                    |
| Eastern Switzerland                | 420                                   | -                             | 420                                      | 397                                   | 22                   | 5.63%                     |
| <b>Total Development portfolio</b> | <b>12,256</b>                         | <b>-</b>                      | <b>12,256</b>                            | <b>11,837</b>                         | <b>419</b>           | <b>3.54%</b>              |
| <b>Total Portfolio</b>             | <b>60,038</b>                         | <b>799</b>                    | <b>60,837</b>                            | <b>58,737</b>                         | <b>2,100</b>         | <b>3.58%</b>              |

<sup>1</sup> The effect from portfolio changes in the current year relates to the sale of a property in St. Margreten and the associated rental income.

## Additional portfolio information

Additional information and details on property statistics such as rental data, valuation data, development as well as rental data can be found on pages 114 to 116.

## Capital expenditure disclosure

| Property-related CAPEX in TCHF      | 2020          | 2019           |
|-------------------------------------|---------------|----------------|
| Acquisitions                        | 9,108         | 51,454         |
| Like-for-like yielding portfolio    | 28,601        | 26,668         |
| Like-for-like development portfolio | 37,799        | 29,104         |
| Other                               | -             | -              |
| <b>Capital Expenditure</b>          | <b>75,508</b> | <b>107,226</b> |

# Individual Financial Statement 2020

## Balance Sheet

| in TCHF   | 31.12.2020     | 31.12.2019     |
|---|----------------|----------------|
| Cash and cash equivalents                                   | 1,927          | 1,680          |
| Other current receivables due from third parties            | 119            | 89             |
| Other current receivables due from the Group                | 202            | 19             |
| Other current receivables due from shareholders             | -              | 12             |
| Prepayments and accrued income                              | 836            | 1,262          |
| Prepayments and accrued income from the Group               | 97             | -              |
| <b>Current assets</b>                                       | <b>3,181</b>   | <b>3,062</b>   |
| Financial assets due from third parties                     | 7,060          | 4,766          |
| Financial assets due from the Group                         | 636,035        | 616,335        |
| Financial assets due from shareholders                      | 2,330          | 2,330          |
| Participations–Group  | 78,373         | 78,373         |
| <b>Non-current assets</b>                                   | <b>723,798</b> | <b>701,804</b> |
| <b>Assets</b>   | <b>726,979</b> | <b>704,866</b> |
| Trade payables  | 28             | 87             |
| Other current liabilities                                   | 2              | 87             |
| Other current non-interest-bearing liabilities to Group     | -              | 488            |
| Current interest-bearing financial liabilities              | 100,000        | -              |
| Tax liabilities   | 117            | 144            |
| Accrued expenses and deferred income                        | 3,673          | 4,102          |
| Short-term provisions                                       | 21             | 17             |
| <b>Short-term liabilities</b>                               | <b>103,841</b> | <b>4,925</b>   |
| Non-current interest-bearing financial liabilities          | 540,000        | 640,000        |
| <b>Non-current liabilities</b>                              | <b>540,000</b> | <b>640,000</b> |
| <b>Total liabilities</b>                                    | <b>643,841</b> | <b>644,925</b> |
| Share capital   | 8,433          | 8,050          |
| - Statutory capital reserves                                | 1,610          | 1,610          |
| - Statutory reserves from capital contribution <sup>1</sup> | 35,890         | 3,335          |
| Total statutory capital reserves                            | 37,501         | 4,946          |
| Statutory retained earnings                                 | 8,477          | 8,723          |
| Voluntary retained earnings                                 | 108,000        | 108,000        |
| - Amount carried forward from previous year                 | -63,696        | 46,183         |
| - Net income  | -10,366        | -109,880       |
| Accumulated loss  | -74,061        | -63,696        |
| Treasury shares   | -5,211         | -6,081         |
| <b>Shareholders' equity</b>                                 | <b>83,138</b>  | <b>59,941</b>  |
| <b>Liabilities and shareholders' equity</b>                 | <b>726,979</b> | <b>704,866</b> |

<sup>1</sup> See explanations in the notes



# Individual Financial Statements 2020

## Income Statement

| in TCHF                            | 2020           | 2019            |
|------------------------------------|----------------|-----------------|
| Financial income                   | 9,609          | 10,250          |
| Other operating income             | 8              | 9               |
| <b>Operating Income</b>            | <b>9,617</b>   | <b>10,259</b>   |
| Personnel expenses                 | -107           | -340            |
| Insurance and fees                 | -364           | -32             |
| General operating expenses         | -63            | -66             |
| Office and administrative expenses | -2,789         | -2,280          |
| Communication expenses             | -233           | -309            |
| Financial expenses                 | -16,434        | -117,112        |
| <b>Operating expenses</b>          | <b>-19,990</b> | <b>-120,138</b> |
| Earnings before taxes (EBT)        | -10,373        | -109,880        |
| Taxes                              | 7              | -               |
| <b>Net income</b>                  | <b>-10,366</b> | <b>-109,880</b> |

# Individual Financial Statements 2020

## Notes to the Financial Statement

### Company information

HIAG Immobilien Holding AG is a joint stock company under Swiss law with its headquarters in Basel.

HIAG Immobilien Holding AG is the parent company of the HIAG Group, which establishes its consolidated financial statements in accordance with Swiss GAAP FER.

### Financial reporting law applied

These financial statements have been prepared in accordance with the provisions of Swiss accounting law (Art. 32 of the Code of Obligations).

### Accounting principles applied in this financial statement

#### Participations

The investments are valued at the acquisition cost minus impairments carried out for business reasons

#### Other current receivables due from the Group

This item includes current accounts with Group companies.

#### Financial assets

Financial assets include long-term loans with Group companies, shareholders, Group employees or third parties.

#### Definition of "Group"/"Shareholders"

"Group" is related to companies of the HIAG Group, "Shareholders" is related primarily to the Executive Board. Receivables and current accounts are listed under "Current assets" and long-term loans under "Fixed assets".

#### Interest-bearing financial liabilities

Mortgages, other collateralised financing and bonds are listed as "Interest-bearing financial liabilities". Mortgages and other collateralised financing are recorded in the balance sheet at nominal value. Bonds are also recorded in the balance sheet at nominal value. Transaction costs are amortised in the income statement over the maturity of the bond. The difference between the received equivalent and the repayment value of the bond are also amortised in the income statement. Financing or repayments due within a period of 12 months are classified as current.

#### 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 at the time of preparation of the balance sheet, in addition to expenditures and income of 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 generated over and beyond the operationally necessary amount if it is in the best interests of the company

#### Personnel expenses

If the employer's own shares are issued as part of employee share or option plans, in principle, 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.

# Individual Financial Statements 2020

## 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 establishes consolidated financial statements in accordance with an accepted accounting standard (Swiss GAAP FER), it has not included additional information in the notes.

## Statutory reserves from capital contribution

The capital contributions reported to the Swiss Federal Tax Administration (ESTV) as at 18 May 2018 and 18 December 2020 totalling TCHF 35,890 were recognised by the ESTV in the amount of TCHF 32,132.

## Summary of HIAG Immobilien Holding AG participations at 31.12.2020

| Company                     | City   | Share capital in TCHF | Participation/ Voting rights 2020 <sup>1</sup> in % | Participation/ Voting rights 2019 <sup>1</sup> in % | Book value of the participation 2020 in TCHF | Book value of the participation 2019 in TCHF |
|-----------------------------|--------|-----------------------|---|---|--|--|
| HIAG Immobilien Schweiz AG  | Baar   | 11,000                | 100   | 100   | 78,373                                       | 78,373                                       |
| HIAG Data AG                | Zurich | 10,000                | 100   | 100   | –  | –  |
| HIAG Labs AG <sup>2</sup>   | Zurich | 100                   | 100   | 100   | –  | –  |
| <b>Total participations</b> |        | <b>–</b>              | <b>–</b>  | <b>–</b>  | <b>78,373</b>                                | <b>78,373</b>                                |

<sup>1</sup> Voting rights and capital share

<sup>2</sup> Marbell AG was renamed HIAG Labs AG in the year under review.

## Indirect participations as at 31.12.2020

| Company   | Share capital in TCHF | Share capital in TCHF | Participation/Voting rights 2020 <sup>1</sup> in % | Participation/Voting rights 2019 <sup>1</sup> in % |
|---|-----------------------|-----------------------|--|--|
| HIAG AG   | Basel                 | 150                   | 100%   | 100%   |
| HIAG Immobilien AG <sup>2</sup>   | St. Margrethen        | 5,000                 | 100%   | 100%   |
| HIAG Immobilier Léman SA  | Aigle                 | 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 <sup>3</sup>  | 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%   |
| HIAG Real Estate AG   | Zurich                | 400                   | 100%   | 100%   |

<sup>1</sup> Voting rights and capital share

<sup>2</sup> CIS Operations AG was renamed HIAG Real Estate AG in the reporting year. From 2021 onwards, HIAG Real Estate AG will pursue a real estate purpose (holding and developing as well as selling properties) in line with the HIAG Group's strategy.

**HIAG AG provides services in the areas of employee benefits and human resources.**

# Individual Financial Statements 2020

HIAG Data AG and HIAG Real Estate AG form the Cloud Services segment together with HIAG Labs AG. HIAG Labs AG provides services related to third-party financing. Following the decision by the Board of Directors of HIAG Immobilien Holding AG on 13 August 2019 to discontinue the Cloud Services business model, HIAG has focused on the sale and marketing of the existing assets.

Jaeger et Bosshard SA specialises in metal recycling. In addition to this business, the company holds a share in the "Porte Sud" site in the Lancy district of Geneva with construction rights. Until further notice, the metal recycling business is being operated by the company's previous owner on behalf of HIAG. All other companies are real estate companies within the framework of HIAG Group's strategy and their purpose is to hold, develop and sell properties.

## Impairment of financial assets/investments

On 13 August 2019, the Board of Directors of HIAG Immobilien Holding AG unanimously decided to discontinue the Cloud Services segment, which included the development of its own multi-cloud platform. The HIAG Data AG and HIAG Real Estate AG subsidiaries are currently being restructured. The decision will result in impairments in the following balance sheet items as of 31 December 2020.

| In TCHF                                      | 31.12.2019 |
|--|------------|
| Other current receivables due from the Group | -10        |
| Financial assets due from the Group          | -98,910    |
| Participations-Group                         | -11,075    |
| Non-current assets                           | -109,995   |

In 2019, the investment in HIAG Labs AG (TCHF 100) and part of the loan to HIAG Labs AG (TCHF 850) were also depreciated as it is unlikely that HIAG Labs AG will be able to repay the loan in full in the future.

## Total liabilities

| in TCHF                                   | 31.12.2020 | 31.12.2019 |
|---|------------|------------|
| Other current liabilities                 | 2          | 87         |
| - thereof liabilities to pension funds    | -          | 8          |
| - thereof liabilities to social insurance | -          | 79         |

| in TCHF  | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Current interest-bearing financial liabilities | 100,000    | -          |
| Bonds  | 100,000    | -          |

| in TCHF  | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Non-current interest-bearing financial liabilities | 540,000    | 640,000    |
| Bonds  | 540,000    | 640,000    |

# Individual Financial Statements 2020

**In the reporting year, the bond in the amount of TCHF 100,000 is reported under short-term interest-bearing financial liabilities as it is due for repayment on 1 July 2021.**

| Benchmarks      | Bond May 2019      | Bond October 2018  | Bond May 2017      | Bond July 2016     | Bond July 2015     |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Amount          | TCHF 150,000       | TCHF 125,000       | TCHF 150,000       | TCHF 115,000       | TCHF 100,000       |
|                 | 5 years            | 4 years            | 5 years            | 7 years            | 6 years            |
|                 | (08.05.2019        | (26.10.2018        | (30.05.2017        | (04.07.2016        | (01.07.2015        |
| Maturity        | -08.05.2024)       | -26.10.2022)       | -30.05.2022)       | -04.07.2023)       | -01.07.2021)       |
| Interest rate   | 0.875%             | 1.0%               | 0.8%               | 1.0%               | 1.0%               |
| Listing         | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange | SIX Swiss Exchange |
| Security number | 47,129,798         | 43,467,844         | 36,274,830         | 32,637,142         | 28,460,739         |
| ISIN            | CH0471297983       | CH0434678444       | CH0362748300       | CH0326371421       | CH0284607394       |

## Shareholders' equity

| In TCHF except for number of shares                             | 31.12.2020 | 31.12.2019 |
|---|------------|------------|
| Share capital   | 8,433      | 8,050      |
| Registered shares as at 31 December (nominal value of CHF 1.00) | 8,433,000  | 8,050,000  |

**On 27 October 2020, HIAG Immobilien Holding AG placed 383,000 registered shares with a nominal value of CHF 1.00 in a private placement. The placement price per share was CHF 86.00.**

| In TCHF                                   |       |
|---|-------|
| Authorised share capital as at 31.12.2019 | 1,600 |
| Share capital increase 23.10.2020         | -383  |
| Authorised share capital as at 31.12.2020 | 1,217 |

**According to Article 3a of the Articles of Incorporation, the Board of Directors is authorised to increase the share capital of the Company by a maximum of TCHF 1,217 until 23 April 2022 (authorised share capital).**

**As at 31 December 2020, the conditional share capital amounted to TCHF 350 (2019: TCHF 350).**

# Individual Financial Statements 2020

| in TCHF   | 31.12.2020 | 31.12.2019 |
|---|------------|------------|
| <b>Personnel expenses</b>   | -107       | -340       |
| - thereof discount on the distribution of HIAG Immobilien Holding AG shares to HIAG Group employees | -76        | -152       |
| Number of full-time positions at the average rate for the year                                      | below 10   | below 10   |
| <b>Office and administrative expenses</b>   | -2,789     | -2,280     |
| - thereof Board of Directors fees <sup>1</sup>  | -1,203     | -1,205     |
| <b>Financial expenses</b>   | -16,434    | -117,112   |
| - thereof issuing expenses <sup>2</sup>   | -410       | -377       |
| - thereof extraordinary amortisation  | -9,760     | -110,945   |

<sup>1</sup> 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 Board of Directors fees only.

<sup>2</sup> The issuing costs of the bonds from July 2015, July 2016, May 2017, October 2018 and May 2019 for a total of TCHF 2,120 are amortised over the term of the bonds via the income statement (2019: TCHF 2,120).

## Treasury shares

| TCHF except for number of shares | Number of shares | 31.12.2020 | 31.12.2019 |
|----------------------------------|------------------|------------|------------|
| Book value as at 1 Januar        | 49,915           | 6,081      | 6,921      |
| Purchase                         | -                | -          | 1,732      |
| Sale                             | -6,973           | -870       | -2,572     |
| Book value as at 31 December     | 42,942           | 5,211      | 6,081      |

In the year under review, no HIAG Immobilien Holding AG shares were purchased by the company. 6,973 shares were allocated or sold to employees. Because the sale and allocation were made after deduction of the employee discount permitted for tax purposes, a loss of TCHF 246 (2019: TCHF 13) was realised on this sale and booked against the statutory capital reserves.

## Contingent liabilities

| in TCHF                     | 31.12.2020    | 31.12.2019    |
|-----------------------------|---------------|---------------|
| Guarantees to third parties | 30,501        | 32,116        |
| <b>Total</b>                | <b>30,501</b> | <b>32,116</b> |

## Significant shareholders

The following shareholders or shareholder groups were recognised by the Board of Directors as at the reporting date as each holding more than 3% of voting rights in the company:

# Individual Financial Statements 2020

| Voting rights                            | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Lock-up group composed of:               | 62.9%      | 65.5%      |
| SFAG Holding AG                          |            |            |
| Dr. Felix Grisard                        |            |            |
| HIAG Beteiligung Holding AG <sup>1</sup> |            |            |
| Grisgros AG <sup>2</sup>                 |            |            |
| Senft AG <sup>3</sup>                    |            |            |

<sup>1</sup> HIAG Beteiligung Holding AG is controlled by Dr. Felix Grisard.

<sup>2</sup> Grisgros AG is controlled by Andrea Grisard.

<sup>3</sup> Senft AG is controlled by Salome Grisard Varnholt.

The members of this shareholder group concluded a shareholders' agreement on 14 April 2014 concerning shares of SFAG Holding AG. SFAG Holding AG is the main shareholder of HIAG Immobilien Holding AG with a shareholding of 48.0% (2019: 50.0%). By concluding this shareholders' agreement, the shareholders of SFAG Holding AG and SFAG Holding AG became a group within the meaning of Art. 121 of the Swiss Financial Market Infrastructure Act (FinfraG).

## Shares held by current members of the executive and supervisory bodies

|  | 31.12.2020     | 31.12.2019     |
|--|----------------|----------------|
| Dr. Felix Grisard, President of the Board of Directors <sup>1</sup>    | 184,593        | 184,593        |
| HIAG Beteiligung Holding AG <sup>2</sup>                               | 395,000        | 395,000        |
| Senft AG <sup>3</sup>  | 282,896        | 282,896        |
| Dr. Walter Jakob, Member of the Board of Directors                     | 2,500          | 2,500          |
| Balz Halter, Member of the Board of Directors                          | 8,418          | 4,000          |
| Dr. Jvo Grundler, Member of the Board of Directors and Executive Board | 47,085         | 43,762         |
| Marco Feusi, CEO   | 5,572          | –              |
| Laurent Spindler, CFO  | 6,784          | 6,391          |
| <b>Total</b>   | <b>932,848</b> | <b>919,142</b> |

<sup>1</sup> Dr. Felix Grisard and Salome Grisard Varnholt are shareholders in the Board of Directors of SFAG Holding AG, which holds 4,058,704 shares in HIAG Immobilien Holding AG. With 48.0% of shares, SFAG Holding AG is the main shareholder of HIAG Immobilien Holding AG. Dr Felix Grisard and Salome Grisard Varnholt jointly hold two thirds of the shares of SFAG Holding AG directly and indirectly.

<sup>2</sup> HIAG Beteiligung Holding AG is controlled by Dr. Felix Grisard.

<sup>3</sup> Senft AG is controlled by Salome Grisard Varnholt.

## Subsequent events

The Individual Financial Statements 2019 were approved by the Board of Directors on 12 March 2021. No significant events occurred between the balance sheet date and this point in time.

# Individual Financial Statements 2020

## Offsetting of the voluntary retained earnings against the accumulated loss

| Proposed appropriation of voluntary retained earnings in TCHF | 31.12.2020 |
|---|------------|
| Voluntary retained earnings                                   | 108,000    |
| Allocation to balance sheet carryforward                      | -108,000   |
| Voluntary retained earnings after allocation                  | -          |

| Proposal of the Board of Directors for the appropriation of retained earnings in TCHF | 31.12.2020 |
|---|------------|
| Accumulated loss  | -63,696    |
| Offsetting the voluntary reserves   | 108,000    |
| Accumulated loss / profit   | 44,304     |

## Appropriation of profit

For the 2020 financial year, the Board of Directors proposes to the Annual General Meeting on 22 April 2021 that a dividend of CHF 2.30 gross per share be distributed for a maximum of 8,433,000 outstanding shares. The maximum total distribution amounts to TCHF 19,396 and will be paid out from the balance sheet profit for a maximum of TCHF 9,698 and from capital contribution reserves for a maximum of TCHF 9,698. In the previous year, no dividend was paid.

| Proposed appropriation of accumulated profit in TCHF    | 31.12.2020 | 31.12.2019 |
|---|------------|------------|
| Net income  | -10,366    | -109,880   |
| Net profit after offsetting voluntary retained earnings | 44,304     | 46,183     |
| Accumulated profit / loss                               | 33,938     | -63,696    |
| Dividend payment out of the distributable profit        | -9,698     | -          |
| Amount carried forward to next year                     | 24,240     | -63,696    |

| in TCHF  | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Statutory reserves from capital contribution before dividend payment | 35,890     | 3,335      |
| Dividend payment   | -9,698     | -          |
| Statutory reserves from capital contribution after dividend payment  | 26,192     | 3,335      |



# Report of the Statutory Auditor with Financial Statements



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To the General Meeting of  
HIAG Immobilien Holding AG, Basel

Basle, 12 March 2021

## Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of HIAG Immobilien Holding AG, which comprise the balance sheet, income statement and notes (pages 136 to 144), for the year ended 31 December 2020.



### Board of Directors' responsibility

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



### Auditor's responsibility

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

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



### Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.

# Report of the Statutory Auditor with Financial Statements



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## Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 responsibility* 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 financial 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 financial statements.

### Valuation of group financial assets group and participations group

**Risk** As at 31 December 2020, financial assets group of kCHF 636'035 and participations group of kCHF 78'373 represent 98% of the Company's total assets. Further details regarding the financial assets group and participations group are included in the notes to the financial statements.

Due to the significance of the carrying amount of the valuation of those two assets, this matter was considered significant to our audit.

**Our audit response** During our audit we analysed the key assumptions used in the valuation.

For financial assets group and participations group which are linked to property entities with an active portfolio, we examined the Company's valuation model and analysed the underlying key assumptions. We also assessed the historical accuracy of the Company's estimates and compared these assumptions to corroborating information.

For other financial assets group and participations group we analysed the assumptions used by the management and compared those with corroborating information or with a valuation model.

Our audit procedures did not lead to any reservations concerning the impairment recognized and the valuation of the group financial assets group and participations group.

# Report of the Statutory Auditor with Financial Statements



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## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

We further confirm that the proposed appropriation of available earnings complies 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

# Share Information

## HIAG Immobilien Holding shares

### 1 Dividend policy

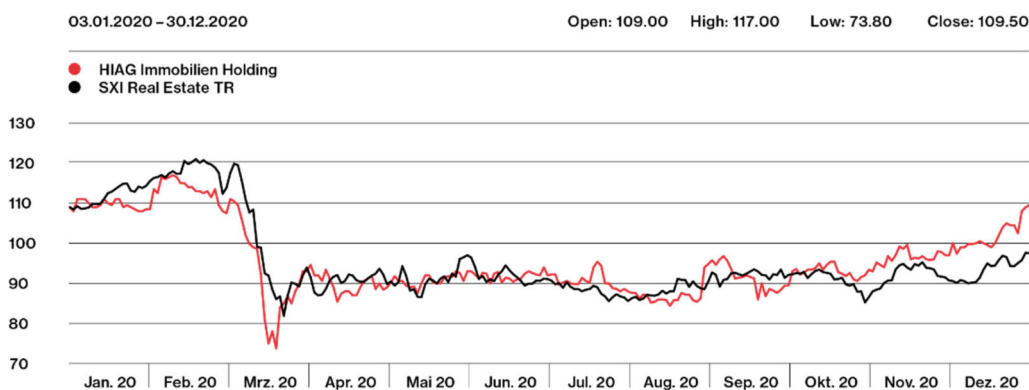
HIAG strives to distribute an attractive dividend to its shareholders every year. The distribution is based on the Group's operating result, excluding revaluation effects (including the resulting deferred taxes) and before significant non-cash accounting transactions. The payout ratio is a maximum of 100 percent.

For the 2020 financial year, the Board of Directors proposes to the Annual General Meeting on 22 April 2021 that a dividend of CHF 2.30 gross per share be distributed for a maximum of 8,433,000 outstanding shares. In the previous year, no dividend was paid.

### 2 Repayment of capital contributions

As at the end of 2020, reserves from capital contribution amounted to TCHF 35,890. Due to the increase in equity in 2020, the statutory reserves from capital contributions increased by TCHF 32,555. The reserves from capital contributions amounting to TCHF TCHF 35,890 reported as of 31 December 2020 have not yet been approved by the ESTV.

### 3 Share price development



The HIAG Immobilien Holding share price decreased by 0.5% from CHF 109.00 to CHF 109.50 from 1 January 2020. Shareholders' equity (NAV) was CHF 90.72 as at 31 December 2020. The HIAG Immobilien Holding share was thus traded at the end of the year with a premium of 20.70%. In 2020, an average of 2,459 shares were traded daily.

# Share Information

## 4 Key figures

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

| Share performance (in CHF) | 31.12.2020 | 31.12.2019 |
|----------------------------|------------|------------|
| High                       | 117.00     | 138.50     |
| Low                        | 73.80      | 102.50     |
| End of period              | 109.50     | 108.00     |

| Market capitalisation (in CHF m) | 31.12.2020 | 31.12.2019 |
|----------------------------------|------------|------------|
| High                             | 986.66     | 1,114.93   |
| Low                              | 622.36     | 825.13     |
| End of period                    | 923.41     | 869.40     |

| Number of shares           | 31.12.2020 | 31.12.2019 |
|----------------------------|------------|------------|
| Issued shares              | 8,433,000  | 8,050,000  |
| Treasury shares            | 42,942     | 49,915     |
| Outstanding shares         | 8,390,058  | 8,000,085  |
| Average outstanding shares | 8,091,020  | 7,996,265  |

| Key figures per share (in CHF)                       | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| Earnings per share (EPS)                             | 6.82       | -8.85      |
| Dividends payout <sup>1</sup>                        | 2.30       | -          |
| Payout ratio <sup>2</sup>                            | 59.57%     | -          |
| Cash yield   | 2.10%      | -          |
| Net asset value per share (NAV)                      | 90.72      | 84.01      |
| Premium (discount) to NAV                            | 20.70%     | 28.56%     |
| NAV per share before deduction of deferred taxes     | 99.43      | 92.60      |
| (Discount) to NAV before deduction of deferred taxes | 10.13%     | 16.63%     |

<sup>1</sup> Proposal to the Annual General Meeting on 22 April 2021 for the financial year 2020: 50% distribution from reserves from capital contributions.

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

## 5 Significant shareholders

Information related to the main shareholders can be found in the Consolidated Financial Statements note 32 on page 110.

## 6 Investor Relations

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## Stock exchange trading

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

## Agenda

**15 March 2021**  
Publication year-end results 2020

**22 April 2021**  
Annual General Meeting

**27 August 2021**  
Publication half-year results 2021

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