

HIAG

Half-Year Report

20

2020 Half-Year Report

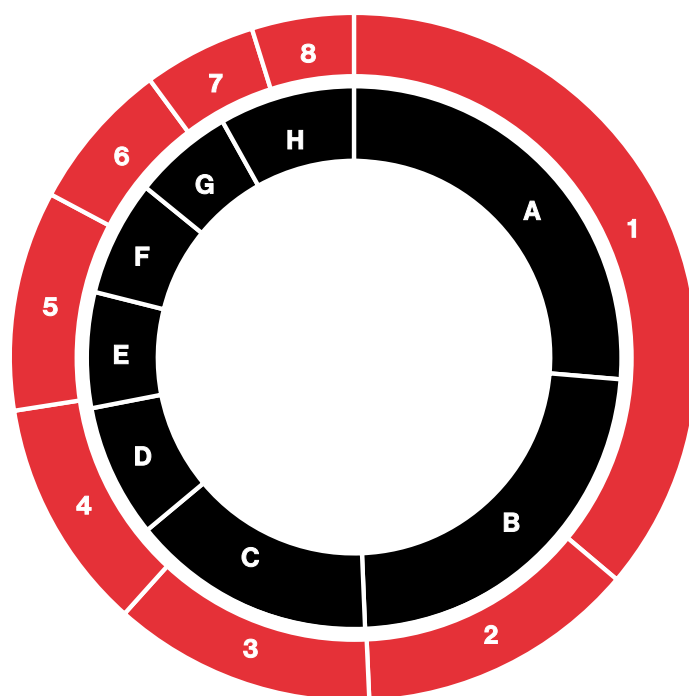
HIAG creates value and develops destinations where people and companies can grow.

Content

4	Key Facts in a Nutshell
7	Letter to Shareholders
11	Financial Report
36	General Property Details
40	Contact /Agenda /Imprint

Key Facts in a Nutshell

Key Figures



according to use •
according to canton •

Market value of real estate properties by type of use as at 30.06.2020

1	Industry, Commercial	36.2%
2	Building land	13.1%
3	Residential	12.3%
4	Office	10.9%
5	Retail	10.3%
6	Distribution, Logistics	7.1%
7	Residential, Commercial	5.3%
8	Miscellaneous	4.8%

Market value of real estate properties by canton as at 30.06.2020

A	Zurich	26.3%
B	Aargau	23.0%
C	Geneva	14.6%
D	Zug	8.0%
E	Solothurn	7.0%
F	Basel-Landschaft	7.0%
G	St. Gallen	6.0%
H	Miscellaneous	8.1%

86%

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	H1 20	Restated H1 19 ¹
Property income	29,472	29,731
Revaluation of properties	17,694	-26,015
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	30,035	-45,096
Net income	22,062	-43,364
Cash flow from operating activities incl. sales promotion	10,022	-6,252

in TCHF	30.06.2020	31.12.2019
Cash and cash equivalents	21,456	23,933
Shareholders' equity	694,449	672,085
Equity ratio	41.2%	41.3%
LTV ratio	51.4%	51.4%
Balance sheet total	1,686,382	1,628,641
Employee headcount	103	107
- thereof real estate	56	51
- thereof Pratteln site	23	23
- thereof Cloud Services	12	20
- thereof Jaeger et Bosshard SA	12	13

¹ Adjusted due to changes in accounting principles, refer to note 5

Key Facts in a Nutshell

Key Figures

Key portfolio figures

in TCHF	30.06.2020	31.12.2019
Real estate portfolio	1,622,670	1,571,676
Yielding portfolio	1,056,401	1,053,441
Property development portfolio	566,269	518,235
Real estate portfolio (number of real estate properties)	118	116
Number of redevelopment properties	48	45
Investments in real estate	39,395	103,516
Annualised rental income in CHF million	58.9	58.7
Vacancy rate for investment properties	13.3%	14.4%
Vacancy rate for investment properties undergoing repositioning ¹	37.4%	40.9%
Vacancy rate for redevelopment properties	16.7%	13.7%

¹ Properties Mandachstrasse 50-56 ZH and Sternenfeldpark 14, BL

EPRA figures

in TCHF	H1 20	Restated H1 19 ¹
Adjusted EPRA earnings	11,150	-5,249

in TCHF	30.06.2020	31.12.2019
EPRA NAV	767,054	741,923

in %	30.06.2020	Restated 31.12.2019 ¹
Equity ratio according to EPRA NAV	45.5%	45.6%
EPRA vacancy rate	15.2%	16.6%
Adjusted EPRA vacancy rate (excl. investment properties undergoing repositioning) ²	13.3%	14.4%
Adjusted EPRA cost ratio (yielding portfolio incl. direct vacancy rate)	25.3%	22.7%
Adjusted EPRA cost ratio (yielding portfolio excl. direct vacancy rate)	24.1%	21.8%

¹ Adjusted due to changes in accounting principles, refer to note 5

² Properties Mandachstrasse 50-56 ZH and Sternenfeldpark 14 BL

Key figures per share

in CHF	H1 20	H1 19
Earnings per share (EPS)	2.76	-5.42
Earnings per share without revaluation of properties	0.55	-2.17

in CHF	30.06.2020	31.12.2019
Shareholders' equity (NAV) per outstanding registered share, before deferred taxes	95.84	92.60
Shareholders' equity (NAV) per outstanding registered share, after deferred taxes	86.77	84.01

Letter to Shareholders



Dear Shareholders

Our lives have been strongly influenced by the Corona pandemic in recent months. This crisis has also impacted the Swiss real estate industry. Despite these major challenges, HIAG successfully continued its concentration on the real estate business and achieved a solid result in the first half of 2020. The expected operating result excluding revaluation effects was confirmed, the portfolio value increased significantly and annualised property income increased slightly. The vacancy rate decreased as planned and is expected to be further reduced by the end of fiscal 2020.

Letter to Shareholders

Pleasing growth in real estate business

Adjusted for the impact of the pandemic of CHF 0.5 million and the acquisition in Zurich Altstetten in the second half of 2019, the collected property income rose to CHF 29.8 million (first half of 2019: CHF 29.7 million), an increase of 0.7%. Income from the property in Zurich Altstetten acquired in the second half of 2019 and from completed development projects compensated for the shortfalls due to the bankruptcy of Rohner AG Pratteln and the move of Decathlon in Dietikon. Annualised property income increased slightly by 0.3% to CHF 58.9 million (31.12.2019: 58.7 million). The vacancy rate was reduced to 15.5% (31.12.2019: 16.2%). HIAG also has a comfortable weighted average remaining lease term (WALT) of 8.7 years (31.12.2019: 8.9 years). At the end of June 2020, the total portfolio consisted of 118 properties. The portfolio value increased by 3.2% to CHF 1.62 billion (31.12.2019: 1.57 billion). During the reporting period, a new development site of around 22,300 m² was acquired in the industrial area of Bussigny (VD) with potential for commercial, logistics and office use. As a result of new signed rental agreements and progress of development projects, the effects of revaluations in the first half of 2020 amounted to CHF 17.7 million, compared with CHF -26.0 million in the previous year, mainly due to the bankruptcy of Rohner AG Pratteln. The weighted average discount rate for the entire portfolio decreased slightly to 3.90% (31.12.2019: 3.94%). As expected, the real estate result was burdened by subsequent operating costs totalling CHF 6.2 million for HIAG Data and the Rohner site in Pratteln.

Impact of the Corona crisis in the first half of 2020

The corona pandemic had a significant social and economic impact, particularly in the second quarter of 2020. Thanks to good portfolio and tenant diversification and active portfolio management, the impact on the collected property income was low at 0.8% of annualised property income. In total, lease waivers of CHF 0.1 million were agreed and as of 30 June 2020, CHF 0.4 million were recognised in the income statement in connection with the COVID-19 Business Rental Act, which is in preparation, for unpaid (CHF 0.05 million) or already paid lease receivables (CHF 0.35 million). HIAG also granted less than CHF 0.1 million in lease deferrals. The outstanding rent receivables in connection with the lockdown amounted to CHF 0.8 million as of the reporting date and are secured by lease guarantees.

Sound financial structure

On 30 June 2020, HIAG Immobilien Holding AG had an equity ratio on an EPRA basis of 45.5% (31.12.2019: 45.6%). The weighted average term of debt capital was 2.2 years (31.12.2019: 2.7 years). The average interest rate for financial liabilities remained low at 0.9% (first half of 2019: 0.9%). The loan-to-value ratio (LTV) remained stable at 51.4% (31.12.2019: 51.4%).

Successful letting and marketing activities

Despite the lack of marketing opportunities during the lockdown, the vacancy rate across the entire portfolio was reduced by a pleasing 0.7 percentage points to 15.5%. The vacancy rate in the yielding portfolio was 15.2% (31.12.2019: 16.6%). In the first half of 2020, new lettings took place primarily in Aigle, Cham, Frauenfeld, Klingnau and Kleindöttingen. Further new leases were concluded in the second half of the year. Rental negotiations are underway at various locations.

The remaining lease term is still very comfortable at 8.7 years. This figure does not include long-term rental agreements already concluded in connection with existing construction projects.

Following the launch of the sale of the eight loft houses on the Walzmühle site in Frauenfeld (TG) in February 2020, six loft houses had already been sold by the end of June and the notary appointment for the last two units was already held in August.

Letter to Shareholders

Further progress in site development

During the lockdown, work continued on all existing HIAG construction sites with the exception of Meyrin (GE). Although work on the campus 'The Hive' had to be suspended for two months due to the closure measures ordered by the Canton of Geneva, the pavilion has now been handed over to the Swiss restaurant group Luigia, and the restaurant with cooking school is scheduled to open in November 2020. The completion of the new headquarters of the electrical components manufacturer LEM is scheduled for early 2022. Furthermore, all 17 flats of the 'Avellana' residential project in Wetzikon (ZH) were occupied in July 2020. The construction projects in Kleindöttingen (AG), with a machine hall for Brugg Rohrsystem and the expansion of the production infrastructure for Amcor Flexibles Rorschach, are also scheduled for handover in the second half of 2020.

In Niederhasli (ZH), the relocation of Doka Schweiz was completed with the commissioning of the commercial halls and outdoor areas. The construction of the new administration building started in March 2020 and the move is planned for April 2021. This will enable the redevelopment of the central zone and the interim use of the existing buildings near Niederhasli railway station to be tackled.

In Dietikon (ZH), the legally binding building permit of the new XXXLutz furniture store has been obtained. The start of construction is scheduled for autumn 2020.

In Cham (ZG), the project processing for Cham Nord has been completed, the building application for the first stage will be submitted in the second half of 2020.

In Dornach (SO), the concept for the interim use of the Metalli Wideneck site was completed. The first investments are currently in realisation and the first tenants have already moved in.

A design plan for the site in Hausen/Lupfig (AG) will be drawn up by summer 2021.

In Pratteln (BL), the demolition of the first buildings on the site of the former Rohner chemical factory began in the first half of the year, and chemical clearance of the entire site is scheduled for completion in autumn 2020. The complete dismantling work should be completed in summer 2021. Various planning teams are currently working on a study contract for the subsequent site development using a neighbourhood plan. Results are already expected this autumn.

Outstanding real estate pipeline

As of 30 June 2020, HIAG's development portfolio consisted of more than 60 projects with a usable space of around 740,000 m² (31.12.2019: 707,000 m²). The expected investment volume without further acquisitions is around CHF 2.7 billion, of which around CHF 2.0 billion is expected to be invested in the next ten years. Five fully let projects with annualised property income of around CHF 4.3 million upon completion are already under construction. In addition, a further 13 development projects with a usable space of around 120,000 m² and remaining investments of approximately CHF 339 million are to be realised in the next three years. The expected annualised property income after completion and full occupancy of these projects amounts to approximately CHF 23.3 million and sales proceeds to around CHF 73 million.

Letter to Shareholders

Outlook

Based on the current letting successes achieved, a further reduction of at least 1 percentage point in the vacancy rate in the yielding portfolio is targeted compared with the first half of the year. The announced goal of increasing annualised property income for fiscal 2020 remains unchanged.

HIAG assumes that in the second half of 2020 the operating result in the real estate segment will exceed the comparable figure for the first half of the year. The negative effect on the 2020 annual result from the subsequent operating costs of HIAG Data and the re-development of the site in Pratteln should be in line with expectations.

Now that the first plant equipment and raw materials of the former chemical company in Pratteln have already been sold, further proceeds from the sale of assets are expected in fiscal 2021. In addition, the basis for a forecast of possible revenues from 2021 onwards from the exploitation of the infrastructure of HIAG Data should be available in the second half of 2020.

Following the decision not to pay a dividend for fiscal 2019, the Board of Directors has decided that the dividend proposal for fiscal 2020 should be based on the Group's operating profit for 2020.

Financial Report

Consolidated Half-Year

Financial Statements

30 June 2020

(in accordance with
Swiss GAAP FER)

Consolidated Balance Sheet

in TCHF		30.06.2020	31.12.2019
Cash and cash equivalents		21,456	23,933
Trade receivables		8,433	5,335
Other current receivables from shareholders		25	12
Other current receivables		9,395	9,259
Inventory		419	420
Other current financial assets		411	513
Properties held for sale	1	30,136	8,633
Prepayments and accrued income		6,636	5,227
Current assets		76,911	53,332
Other non-current receivables		3,169	3,554
Real estate properties	1	1,592,534	1,563,043
Other property, plant and equipment	2	3,263	1,034
Intangible assets	2	7	-
Financial assets		8,169	5,348
Financial assets from shareholders		2,330	2,330
Non-current assets		1,609,471	1,575,309
Total assets		1,686,382	1,628,641

Financial Report

Consolidated Balance Sheet

in TCHF		30.06.2020	31.12.2019
Current financial liabilities	3	8,130	7,902
Trade payables		9,169	4,306
Other current liabilities		8,411	7,357
Current provisions	4	25,693	30,660
Tax liabilities		-	315
Accrued liabilities and deferred income		16,752	13,229
Current liabilities		68,156	63,770
Non-current financial liabilities	3	847,405	823,397
Non-current provisions	4	3,768	660
Deferred taxes		72,606	68,728
Non-current liabilities		923,778	892,785
Total liabilities		991,934	956,555
Share capital	12	8,050	8,050
Capital reserves		7,772	7,884
Treasury shares		-5,668	-6,081
Retained earnings		684,294	662,232
Shareholders' equity		694,449	672,085
Total liabilities and shareholders' equity		1,686,382	1,628,641

Financial Report

Consolidated Income Statement

in TCHF		H1 20	Restated H1 19 ¹
Property income	5	29,472	29,731
Revaluation of properties	6	17,694	-26,015
Profit of sale of promotion project		1,126	-
Cloud Services income		72	409
Other operating income	7	3,716	1,487
Total operating income		52,080	5,612
Cost of materials		-1,228	-81
Personnel expenses		-8,686	-7,402
Maintenance and repairs	8	-4,227	-25,489
Insurance and fees		-612	-582
Energy costs and building maintenance		-2,245	-637
General operating expenses		-226	-189
Office, administrative and development expenses		-3,628	-14,875
Marketing and selling expenses		-387	-485
Rent and leases		-806	-968
Total operating expenses		-22,045	-50,708
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		30,035	-45,096
Amortisation	9	-231	-6,220
Earnings before interest and taxes (EBIT)		29,804	-51,316
Financial income		200	171
Financial expenses	10	-4,038	-3,721
Earnings before taxes (EBT)		25,966	-54,866
Taxes	11	-3,904	10,889
Net income for the period incl. minority interests		22,062	-43,977
Minority interests		-	-613
Net income for the period excl. minority interests		22,062	-43,364
Undiluted earnings per share (in CHF)	12	2.76	-5.42
Diluted earnings per share (in CHF)	12	2.76	-5.42

¹ Adjusted due to changes in accounting principles, refer to note 5

Financial Report

Consolidated Cash Flow Statement (condensed)

in TCHF	H1 20	H1 19
Cash flow from operating activities	2,417	-8,667
Cash flow from investment activities	-29,407	-51,019
Cash flow from financing activities	24,536	59,601
Effects from foreign exchange and in prior year changes in the scope of consolidation	-22	-29
Increase/decrease in cash and cash equivalents	-2,477	-114
Cash and cash equivalents at 01.01.	23,933	34,531
Increase/decrease in cash and cash equivalents	-2,477	-114
Cash and cash equivalents at 30.06.	21,456	34,417

The acquisition of non-real estate fixed assets from the former tenant of the Pratteln site for CHF 2.4 million was offset against outstanding rent receivables, and thus represents a non-cash investment transaction.

Financial Report

Statement of Shareholders' Equity

in TCHF	Share capital ¹	Capital reserves ²	Treasury shares ³	Retained earnings	Total excl. minority interests	Minority interests	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	-	-	-	-1,110	-1,110	-	-1,110
Dividend payment	-	-13,836	-	-17,355	-31,191	-	-31,191
Purchase of treasury shares	-	-	-1,733	-	-1,733	-	-1,733
Sale of treasury shares	-	-13	2,572	-	2,559	-	2,559
Goodwill	-	-	-	-6,562	-6,562	-	-6,562
Acquisition of 100% of Group companies with minorities	-	-	-	-3,992	-3,992	2,413	-1,580
Net income for the period	-	-	-	-43,364	-43,364	-613	-43,977
Shareholders' equity at 30.06.2019	8,050	7,884	-6,081	689,617	699,470	-	699,470
Shareholders' equity at 01.01.2020	8,050	7,884	-6,081	662,232	672,085	-	672,085
Allocation of treasury shares	-	-112	413	-	301	-	301
Net income for the period	-	-	-	22,062	22,062	-	22,062
Shareholders' equity at 30.06.2020	8,050	7,772	-5,668	684,294	694,449	-	694,449

¹ On 30 June 2020 share capital consisted of 8,050,000 registered shares at a nominal value of CHF 1 per share (H1 2019: 8,050,000 registered shares at a nominal value of CHF 1 per share).

² The non-distributable legal reserves came to TCHF 1,610 (H1 2019: TCHF 1,610).

³ The company held 46,592 treasury shares as at 30 June 2020 (H1 2019: 49,915). During the reporting period, the company purchased 3,323 shares of HIAG Immobilien Holding AG in connection with a member of the Executive Board under the terms of the employment contract.

Financial Report

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.

Secondary activities in the area of employee benefits and staff services are reported in the segment 'Other'. This segment also includes all central functions such as management and finance and expenses related to the Board of Directors. General corporate expenses, such as audit fees, capital taxes, etc, are also disclosed in the segment 'Other'. Also included in this segment are the metal recycling activities of Jaeger et Bosshard SA, acquired in H1 19. Intersegment eliminations for transactions within segments are disclosed separately.

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

Segments Half-Year 2020

in TCHF	Yielding portfolio	Redevelopment portfolio	Cloud Services	Others	Intersegment elimination	Group
Property income	24,740	4,850	-	-	-118	29,472
Revaluation of properties	6,796	10,898	-	-	-	17,694
Proceeds from the sale of real estate	-	1,126	-	-	-	1,126
Cloud Services income	-	-	72	-	-	72
Other operating income	924	221	4	3,126	-560	3,716
Total operating income	32,461	17,096	76	3,126	-678	52,080
Cost of materials	-	-	-	-1,228	-	-1,228
Personnel expenses	-2,110	-4,012	-1,720	-844	-	-8,686
Maintenance and repairs	-2,052	-1,472	-533	-170	-	-4,227
Insurance and fees	-61	-513	-1	-135	98	-612
Energy costs and building maintenance	-363	-1,856	-	-26	-	-2,245
General operating expenses	-99	-47	-	-80	-	-226
Office, administrative and development expenses	-1,292	-495	-357	-1,832	348	-3,628
Marketing and selling expenses	-187	-24	-23	-153	-	-387
Rent and leases	-336	-426	-101	-174	232	-806
Total operating expenses	-6,500	-8,846	-2,736	-4,641	678	-22,045
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	25,961	8,250	-2,660	-1,516	-	30,035
EBITDA before depreciation and revaluation of properties	19,165	-2,648	-2,660	-1,516	-	12,341

Financial Report

The 'Redevelopment portfolio' segment was affected by the deconstruction and redevelopment of the Pratteln site to bring it to a chemical-free state in the first half of 2020. The Pratteln site's EBITDA contribution amounted to CHF -3.4 million at the end of June 2020, particularly affecting the items Maintenance and repairs (CHF 0.8 million), Energy costs and building maintenance (CHF 1.2 million) and Personnel expenses (CHF 1.6 million). In the third quarter of 2019, HIAG took over the former employees of Rohner AG, Pratteln, for the deconstruction and redevelopment of the site.

Restated Segments Half-Year 2019¹

in TCHF	Yielding portfolio	Redevelopment portfolio	Cloud Services	Others	Intersegment elimination	Group
Property income	24,765	4,988	-	-	-22	29,731
Revaluation of properties	-6,022	-19,993	-	-	-	-26,015
Proceeds from the sale of real estate	-	-	-	-	-	-
Cloud Services income	-	-	409	-	-	409
Other operating income	-59	294	1	1,673	-423	1,486
Total operating income	18,883	-14,361	411	1,673	-445	5,612
Cost of materials	-	-	-	-81	-	-81
Personnel expenses	-2,146	-2,208	-2,032	-1,015	-	-7,402
Maintenance and repairs	-2,110	-21,377	-1,972	-31	-	-25,489
Insurance and fees	-142	-410	-4	-221	196	-582
Energy costs and building maintenance	-382	-251	-	-4	-	-637
General operating expenses	-11	-41	-	-136	-	-189
Office, administrative and development expenses	-998	-372	-12,242	-1,371	109	-14,875
Marketing and selling expenses	-197	-44	-71	-173	-	-485
Rent and leases	-373	-394	-273	-68	140	-968
Total operating expenses	-6,557	-25,448	-16,595	-3,101	445	-50,707
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	12,326	-39,809	-16,184	-1,428	-	-45,096
EBITDA before depreciation and revaluation of properties	18,348	-19,816	-16,184	-1,428	-	-19,080

¹ Adjusted due to changes in accounting principles, refer to note 5

Financial Report

Accounting principles

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

Changes to the consolidation and valuation policies applied to the Consolidated Half-Year Financial Statements 2019 are described in the significant accounting and valuation policies. If a change is not mentioned explicitly, no changes were applied to the principles compared with the Consolidated Financial Statements 2019.

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

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

Scope of consolidation

The Consolidated 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.

Financial Report

Company	Share capital in TCHF	Stake 30.06.2020 ¹ in %	Stake 31.12.2019 ¹ 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 développement des terrains 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
CIS Operations AG	400	100	100	Zürich
Marbell AG	100	100	100	Zürich

¹ Voting rights and share capital

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

HIAG Data AG and CIS Operations AG together with Marbell AG form the Cloud Services segment. Marbell AG provides services relating to third-party financing.

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.

Financial Report

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, rounding differences may occur in the addition and subtraction of individual positions compared with the reported position totals.

Real estate properties

The portfolio is broken down into the following categories:

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

General

All real estate 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.

The valuation method used in the Consolidated Half-Year Financial Statements was not changed compared with 31 December 2019.

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. Real estate under development is carried at fair value.

Properties held for sale

'Properties held for sale' include residential projects that are developed and marketed on a floor level (promotion projects). These properties are valued at acquisition or production cost in accordance with the SIX circular dated 17 October 2019. The last market value at the time of reclassification represents the acquisition value of the properties. No further revaluation is performed until the property is sold. If the expected sales price

Financial Report

is lower than the acquisition or production costs, a value adjustment is made. Real estate held for sale is reported under Current assets.

Other property, plant and equipment and intangible fixed assets

'Other property, plant and equipment' includes the multi-cloud infrastructure of the Cloud Services segment, office equipment, machinery and vehicles.

'Other property, plant and equipment' is stated at cost less depreciation and any impairment in value.

Depreciation is calculated using the straight-line method and the depreciation period for office equipment is three to 10 years.

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. The impact of this change in presentation is shown under item 5 of the Notes..

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.

Inventory and Cost of materials

Due to the acquisition of the metal recycling company Jaeger et Bosshard SA, the Group financial statements display inventories and cost of materials.

Inventories are recognised at acquisition costs (average price method). If it becomes clear that the net market values of the inventory are lower than the acquisition costs, the value will be impaired on the lower of both values.

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 Consolidated Half-Year Financial Statements were approved by the Board of Directors on 25 August 2020.

Explanations to the Consolidated Financial Statements

1 Real estate properties

in TCHF	Undeveloped land	Properties	Properties currently under development	Total real estate 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
Balance at 31.12.2019	171,029	1,338,552	62,097	1,571,676
Reclassification of properties held for sale	-	-	-8,633	-8,633
Balance after reclassifications as at 31.12.2019	171,029	1,338,552	53,464	1,563,043
Balance at 01.01.2020	171,029	1,338,552	62,097	1,571,676
Reclassifications	-8,047	-2,471	10,519	-
Additions	11,746	16,870	10,780	39,395
Disposals	-	-35	-6,063	-6,098
Revaluation of properties	13,387	8,343	482	22,213
Change of costs for environmental risks	-273	-4,911	665	-4,519
Balance at 30.06.2020	187,842	1,356,348	78,480	1,622,670
Reclassification of properties held for sale	-	-	-30,136	-30,136
Balance after reclassifications as at 30.06.2020	187,842	1,356,348	48,344	1,592,534

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 5.95% as of the balance sheet date (31 December 2019: 1.95% to 6.00%).

The expected additional costs due to environmental risks are analysed on the basis of historical and technical studies and included in the real estate properties at the balance sheet date in the amount of TCHF 48,160 (31 December 2019: TCHF 43,551). The clarification of environmental risks is an ongoing process. New findings from historical and technical investigations are taken into account at the balance sheet date and have resulted in an increase in deductions for environmental risks of TCHF 4,519 (H1 2019: increase in deductions of TCHF 1,833) in the current reporting period. A discount rate of 2.00% was applied at 30 June 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.

Financial Report

New additions in the first half year 2020 came to TCHF 39,395 resulting from investments in 27 and one acquisition in Bussigny (TCHF 9,108). The largest investments were made in Meyrin (TCHF 8,584 for three projects), Goldach (TCHF 6,721), Niederhasli (TCHF 3,485) and Wetzikon (TCHF 3,013).

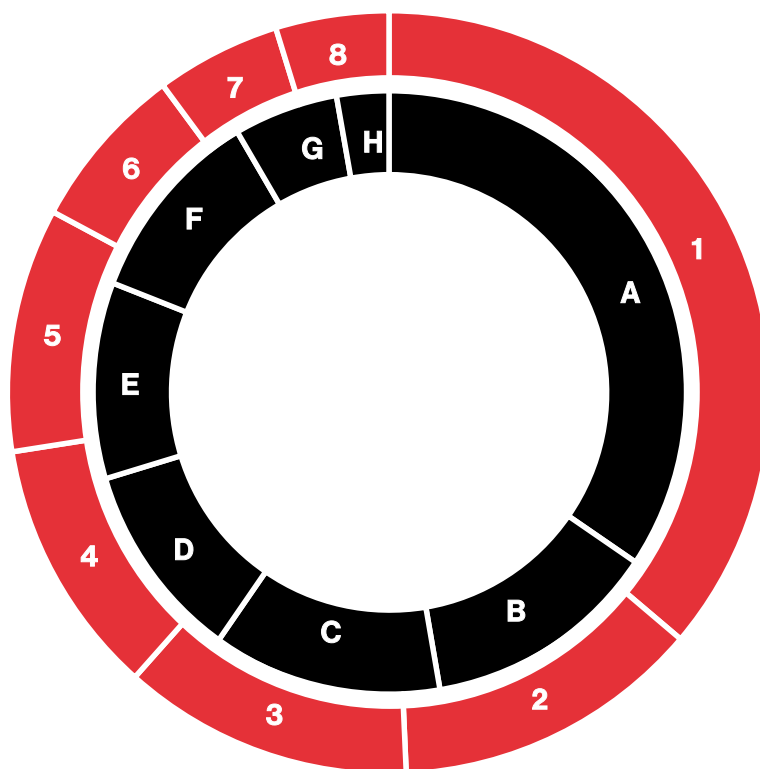
Disposals amounting to TCHF 6,098 concerned the sale of condominiums in Frauenfeld (TCHF 6,063) and a parking space in Windisch (TCHF 35).

Properties held for sale

in TCHF	30.06.2020	31.12.2019
Promotion projects	30,136	8,633
Total properties held for sale	30,136	8,633

At the balance sheet date, available-for-sale properties amounted to TCHF 30,136 (31 December 2019: TCHF 8,833). These are two promotion projects in Frauenfeld and Cham.

Financial Report



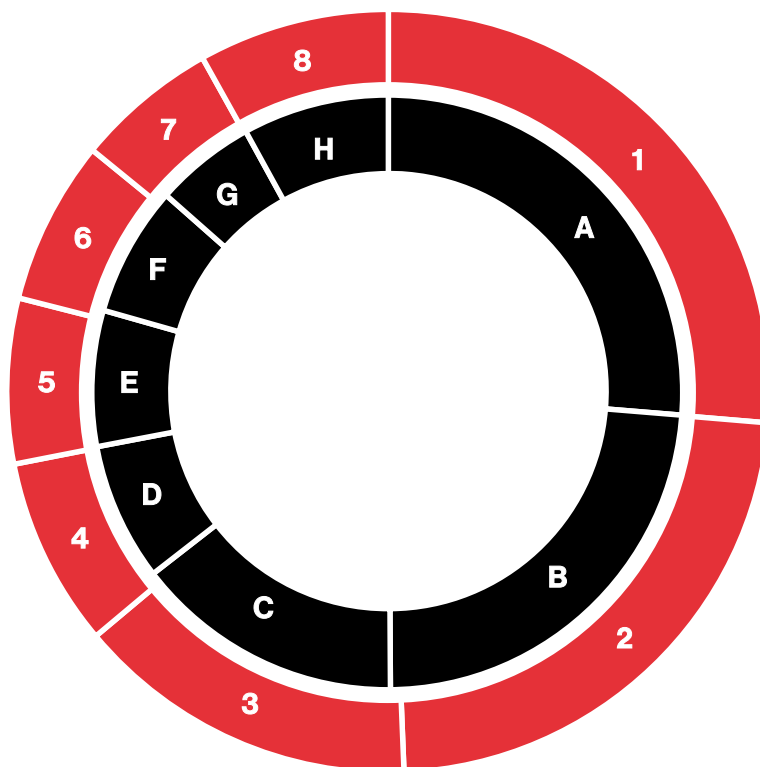
30.06.2020 ●
31.12.2019 ●

Market value of real estate properties according to use as at 30 June 2020

1	Industry, Commercial	36.2%
2	Building land	13.1%
3	Residential	12.3%
4	Office	10.9%
5	Retail	10.3%
6	Distribution, Logistics	7.1%
7	Residential, Commercial	5.3%
8	Miscellaneous	4.8%

Market value of real estate properties according to use 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%



30.06.2020 ●
31.12.2019 ●

Market value of real estate properties by canton as at 30 June 2020

1	Zurich	26.3%
2	Aargau	23.0%
3	Geneva	14.6%
4	Zug	8.0%
5	Solothurn	7.0%
6	Baselland	7.0%
7	St. Gallen	6.0%
8	Miscellaneous	8.1%

Market value of real estate 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%

Financial Report

2 Other property, plant and equipment and intangible fixed assets

in TCHF	Other property, plant and equipment	Multicloud infrastructure	Multicloud infrastructure in Leasing	Total	Intangible assets
Book value at 01.01.2019	3,944	47,706	17,699	69,349	116
Additions	140	469	–	609	–
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	2,461	–	–	2,461	7
Additions	1	–	–	1	–
Book value at 30.06.2020	7,080	48,175	17,699	72,954	124
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	231	–	–	231	–
Cumulative amortisation at 30.06.2020	3,816	48,175	17,699	69,690	116
Net book value at 01.01.2019	742	25,279	14,380	40,401	25
Net book value at 31.12.2019 / 01.01.2020	1,034	–	–	1,034	–
Net book value at 30.06.2020	3,263	–	–	3,263	7

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 CHF 2.4 million. This purchase was offset against the outstanding rent claims of the former tenant at the beginning of January 2020.

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

3 Financial liabilities

in TCHF	30.06.2020	31.12.2019
Current liabilities to banks	2,578	2,378
Current leasing liabilities	5,552	5,524
Total current liabilities	8,130	7,902
Non-current liabilities to banks	205,971	179,178
Bonds	640,000	640,000
Non-current leasing liabilities	1,433	4,220
Total non-current liabilities	847,405	823,397
Total financial liabilities	855,535	831,299

Financing with a remaining maturity of more than one year as at the reporting date is recorded under 'Non-current financial liabilities'. Most of the bank financing is secured by mortgages.

The loan-to-value ratio ([cash and cash equivalents + financial liabilities] / real estate value) was 51.4% (31 December 2019: 51.4%) and the debt ratio calculated at fair value (financial liabilities/real estate value) was 12% (31 December 2019: 11%).

The average interest rate paid for financial liabilities came to 0.90% in the reporting period (H1 2019: 0.91%).

Financial Report

Financial liabilities to be repaid within a 12 months period amounted to TCHF 2,578 (31 December 2019: TCHF 2,378) and the leasing liabilities due within 12 months amounted to TCHF 5,552 (31 December 2019: TCHF 5,524). For the majority of the short-term liabilities, new framework contracts will be negotiated in the second half-year 2020 and financings will thus be prolonged. Short-term financial liabilities, short-term leasing liabilities and a third-party loan are classified as 'Current 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 (08.05.2019– 08.05.2024)	4 years (26.10.2018–26.10.2022)	5 years (30.05.2017– 30.05.2022)	7 years (04.07.2016– 04.07.2023)	6 years (01.07.2015–01.07.2021)
Maturity					
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

Conditions of financial liabilities as at 30.06.2020

Item	Book value	Currency	Due date	Interest rate
Liabilities to banks	208,549	CHF	See the chart 'Due dates in TCHF as at 30.06.2020'	Between 0.5% and 3.4%
Bonds	640,000	CHF	01.07.2021/ 30.05.2022/26.10.2022 04.07.2023/08.05.2024	Between 0.8% and 1.0%
Leasing liabilities	6,986	CHF	31.10.2021 with quarterly repayments	0.5%
Total	855,535			

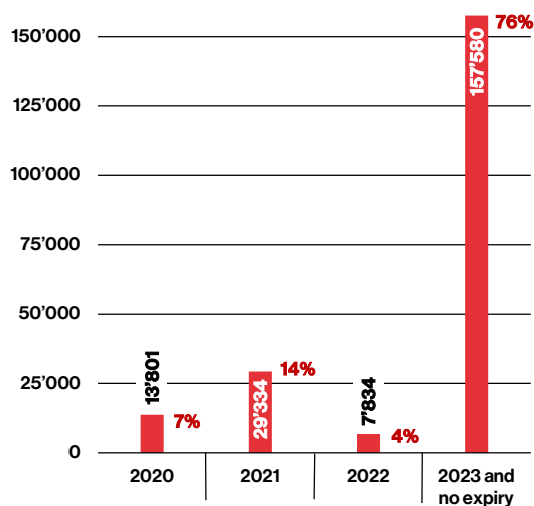
Conditions of financial liabilities as at 31.12.2019

Position	Book value	Currency	Due date	Interest rate
Liabilities to banks	181,556	CHF	See the chart 'Due dates in TCHF as at 31.12.2019'	Between 0.5% and 3.4%
Bonds	640,000	CHF	01.07.2021/ 30.05.2022/26.10.2022 04.07.2023	Between 0.8% and 1.0%
Leasing liabilities	9,744	CHF	31.10.2021 with quarterly repayments	0.5%
Total	831,299			

Financial Report

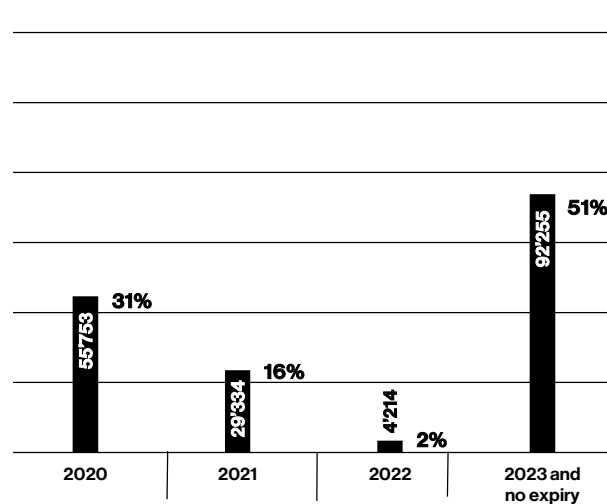
Financial liabilities are recorded and valued at nominal value.

Due dates of the liabilities to banks in TCHF as at 30.06.2020



Total: TCHF 208,549 = 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 30 June 2020 (until the next interest rate adjustment):

Up to one year including building loan	148,356	71%
2021	29,334	14%
2022	7,834	4%
2023 and longer	23,025	11%
Total	208,549	100%

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%
Total	181,556	100%

Financial Report

4 Provisions

in TCHF	Other provisions	Provision for deconstruction and site remediation costs Pratteln	Total
Book value at 31.12.2019 / 01.01.2020	1,320	30,000	31,320
Increase	766	-	766
Utilisation	-	-2,397	-2,397
Release	-229	-	-229
Book value at 30.06.2020	1,857	27,603	29,460
- thereof current	1,590	24,103	25,693
- thereof non-current	268	3,500	3,768

In the previous year, a provision of TCHF 30,000 was recognised for the deconstruction of the production infrastructure and the remediation of the site in Pratteln. The overall deconstruction concept was approved by all parties and authorities involved on 8 June 2020. The deconstruction and remediation work began in the first half of 2020 and the provision was released as of 30 June 2020 in the amount of TCHF 2,397. At the time of publication of the half-yearly report 2020, management assumes that the total costs of the project of TCHF 30,000 will remain unchanged. Based on the approved concept and the start of the decommissioning in June 2020, the provision as of 30 June 2020 will be divided into short-term and long-term provisions, as clear and unambiguous documentation and approval is now available for the half-yearly report 2020. As of 30 June 2020, TCHF 3,500 was classified as long-term, as the decommissioning should be completed in Q3 2021.

In the previous year, a provision of TCHF 610 was recognised for a guarantee on the completed Cloud project in Baar. Based on the ongoing technical clarifications that took place in the first half of 2020, management assumes that the guarantee costs will be lower by TCHF 125 and that the work will start in the second half of 2020 and be completed in 2021.

There were no provisions for pension liabilities or restructuring in either the reporting period or the previous year. Only risks with a probability of at least 50% are considered.

Financial Report

5 Property Income

in TCHF	H1 20	Restated H1 19 ¹
Rental income	29,324	29,720
Service charges	-	-
Other property income	384	563
Decrease in income	-236	-552
- thereof agreed rent reductions COVID-19	-79	-
- thereof expected rent reductions COVID-19	-386	-
- thereof release/increase of doubtful debts	180	-390
Total	29,472	29,731

¹ Adjusted due to changes in accounting principles

As of 30 June 2020, the position Rental income includes a release of prepaid expenses of TCHF 45 (H1 2019: release of TCHF 97) for rental agreements with rent-free periods. The position Other property income includes electricity sales from own power plants of TCHF 366 for the current period (H1 2019: TCHF 516).

Due to the HIAG portfolio usage 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 465, 0.8% of the annualised rental income). Lease cancellations for which agreements had been signed as of the balance sheet date also amounted to TCHF 79 as of 30 June 2020. An accrual of TCHF 386 as of 30 June 2020 has been made for rent receivables for which no signed agreements had been signed as of the balance sheet date and for leases that may be affected by the motion of the Economic Commission of the Parliament.

Outstanding rent receivables from tenants affected by the restrictions on the fight against coronavirus amounted to approximately CHF 0.8 million at the end of June 2020. This amount is divided mainly between two tenants, for which sufficient rent guarantees are available.

Most important tenants

The five most important tenants in terms of actual rental income as of June 30, 2020 were (in alphabetical order): Amcor Flexibles Rorschach AG, Doka Schweiz AG, Hewlett-Packard International Sàrl. HPE, OTTO's AG und Sulser Logistics Solutions AG.

Share of property income represented by (%):	H1 20	H1 19
The largest tenant	4%	4%
The three largest tenants	12%	11%
The five largest tenants	18%	17%
The ten largest tenants	31%	30%

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

Changes in accounting principles (restatement)

Incidental costs, which until 31 December 2019 were reported as rental income, will now be reported as a deduction of energy costs from 30 June 2020 (net instead of gross). This presentation corresponds to the presentation of other Swiss listed real estate companies and also constitutes the economic view of the incidental costs. This change has

Financial Report

no effect on the Group's net income, but reduces operating income and operating expenses. The presentation for 30 June 2019 has been restated and the effects are shown in the following table:

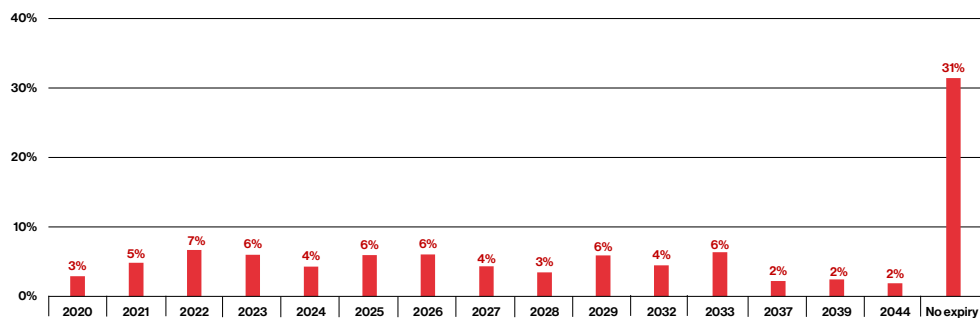
in TCHF	H1 20	Restated H1 19	Restatement	H1 19
Rental income	29,324	29,720	-	29,720
Service charges	-	-	-610	610
Other property income	384	563	-54	617
Decrease in income	-236	-552	-	-552
Total rental income	29,472	29,731	-664	30,395
[...]				
Other operating income	3,716	1,486	114 ¹	1,372
[...]				
Total operating income	52,080	5,612	-550	6,162
[...]				
Energy consumption and maintenance	-2,245	-637	550	-1,187
[...]				
Total operating expenses	-22,045	-50,707	550	-51,257
Earnings before depreciation (EBITDA)	30,035	-45,096	-	-45,096

¹ In the previous year, a construction service for a development project was reported as real estate income in the first half of the year. This amount is now shown under Other operating income.

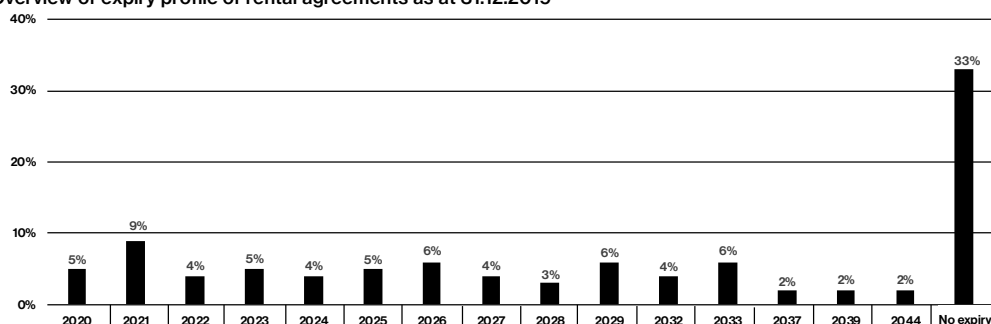
The overview of the expiry profile of rental agreements shows when the agreements can be terminated at the earliest.

Financial Report

Overview of expiry profile of rental agreements as at 30.06.2020



Overview of expiry profile of rental agreements as at 31.12.2019



Vacancy rate

in TCHF	30.06.2020	31.12.2019
Yielding properties	13.3%	14.4%
Yielding properties undergoing repositioning ¹	37.4%	40.9%
Redevelopment properties	16.7%	13.7%
Total portfolio	15.5%	16.2%

¹ Properties Mandachstrasse 50 – 56, ZH and Sternenfeldpark 14, BL

The property at Stationstrasse 25 in Niederhasli was reclassified to the development portfolio with a vacancy rate of 85% in the first half of 2019, after Doka Schweiz AG moved into the new halls at Stationstrasse 32. This property will be part of the new centre development of the site and has been in an interim use phase since 30 June 2020.

6 Revaluation of properties (net)

in TCHF	H1 20	H1 19
Adjustments to the yielding portfolio	6,592	-5,459
Adjustments to the redevelopment portfolio	11,102	-20,556
Total	17,694	-26,015

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 Cham (TCHF 3,255), St. Margrethen (TCHF 2,307), Goldach (TCHF 1,738), Frauenfeld (TCHF -1,602) and Klingnau (TCHF -1,064).

Financial Report

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 8,343), Wetzikon (TCHF 3,405), Bussigny (TCHF 3,024), Dornach (TCHF 2,112), Biberist (TCHF -4,578) and Frauenfeld (TCHF -2,133).

The weighted discount rate fell slightly to 3.90% as of 30 June 2020. (31. December 2019: 3.94%).

Out of a total of 120 properties, 60 underwent positive adjustments, 57 were affected by negative adjustments and three had no change.

7 Other operating income

in TCHF	H1 20	Restated H1 19 ¹
Services rendered to third parties	340	464
Metal recycling income	2,448	786
Other operating income	927	237
Total	3,716	1,487

¹ Adjusted due to changes in accounting principles, refer to note 5

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 item Income from metal recycling includes income from Jaeger et Bosshard SA. As the company was acquired at the end of May 2019, only the income for the period from 24 May 2019 to 30 June 2019 has been included in the first half of 2019.

Other operating income includes TCHF 596 (H1 2019: TCHF 114) related to a refurbishment project in Meyrin.

8 Repair and maintenance

In the first half of 2019 a provision of TCHF 21,000 was recognised for the deconstruction and redevelopment of the Pratteln site following the bankruptcy of the former tenant.

9 Amortisation

in TCHF	H1 20	H1 19
Other property, plant and equipment	-231	-118
Intangible fixed assets	-	-5
Multicloud infrastructure	-	-6,097
Total	-231	-6,220

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. As a result, the write-downs for the multicloud infrastructure are zero as of 30 June 2020.

Financial Report

10 Financial expenses

in TCHF	H1 20	H1 19
Interest expenses from bank financing	-691	-795
Interest expenses bond	-2,952	-2,478
Bank fees and bank interest	-90	-119
Other interest expenses ¹	-304	-328
Total	-4,038	-3,721

¹ Includes in H1 2020 pro rata bond issuance costs of TCHF 205 (H1 2019: TCHF 171), which are amortised over the life of the bond.

The average interest rates paid for financial liabilities came to 0.90% (H1 2019: 0.91%). The fluctuation corridor for interest rates was between 0.5% and 3.4% (H1 2019: 0.5%-3.4%). Interest rates for construction loans concerning site development projects amounting to TCHF 36 were capitalised (H1 2019: TCHF 105).

11 Taxes

in TCHF	H1 20	H1 19
Income taxes	76	-37
Deferred taxes	-3,878	10,879
Capitalisation of tax losses carried forward	398	52
Use of capitalised tax losses carried forward	-500	-5
Total	-3,904	10,889

In the reporting period, TCHF 3,878 of provisions for deferred taxes were set up (H1 2019: release of TCHF 10,879, which was related mainly to the adopted cantonal tax rate reductions). The formation is related to the positive net change in value of properties in the first half of 2020 and the change in the holding period of the project in Cham Nord.

As it is probable that tax gains can be offset against corresponding loss carry-forwards, an economic benefit of TCHF 398 from loss carry-forwards has been capitalised as of 30 June 2020 (H1 2019: TCHF 52). The capitalisation corresponds to the expected economic benefit within the next 12 months. Of the capitalised tax loss carryforwards at 31 December 2019, TCHF 500 was used in the first half of 2020 (H1 2019: use of TCHF 5).

At the balance sheet date, the Group companies have unrecognised tax loss carryforwards totalling TCHF 252,781 (31 December 2019: TCHF 238,916). Potential tax reductions due to unrecognised tax loss carryforwards amounted to TCHF 40,266 at 30 June 2020 (31 December 2019: TCHF 38,144).

12 Shareholders' equity

Composition of share capital in TCHF	30.06.2020	31.12.2019
Registered shares (nominal value: CHF 1)	8,050	8,050
Total	8,050	8,050

Financial Report

On 30 June 2020, share capital consisted of 8,050,000 registered shares at a nominal value of CHF 1 per share (31 December 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 1,600 until 19 April 2020. As at 30 June 2020, conditional share capital came to TCHF 350 (31 December 2019: TCHF 350). As at 30 June 2020, no rights had been exercised.

The non-distributable statutory and legal reserves came to TCHF 1,610 (31 December 2019: TCHF 1,610).

Earnings and shareholders' equity (NAV) per share in TCHF except earnings per share	H1 20	H1 19
Net income	22,062	-43,977
Time-weighted average number of shares outstanding	8,001	7,994
Earnings per average registered share outstanding	2.76	-5.42
Undiluted earnings per share	2.76	-5.42
Diluted earnings per share	2.76	-5.42
in CHF	30.06.2020	31.12.2019
Shareholders' equity (NAV) per outstanding registered share, before deferred taxes	95.84	92.60
Shareholders' equity (NAV) per outstanding registered share, after deferred taxes	86.77	84.01

As at 30 June 2020, there were no dilutive effects.

General Property Details

Development portfolio

Property ID	Canton	Municipality	Property	Main use ¹	Market value ⁴ (CHFm)	Full occupancy prop-erty income (CHFm)	Annualised property income (CHFm)	Occupancy rate (%)	Net site area (sqm) ²	Year of construction	Year of con-struction 2 ³	Partial renova-tion	Discount fac-tor (%)	Ownership	Compulsory surveillance (%)	Obligatory re-mediation	Effective Area to be developed (sqm)					
																	Resi-dential	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	
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	1827	1890	-	-	3.9	Sole ownership	100%	-	-	1,480	-	-	1,480	
34001	AG	Brugg	Wildschachenstrasse 12-14	Office	0.6	0.5	95%	11'080	1960	-	-	-	4.6	Sole ownership	100%	-	-	-	-	-	-	
34002	AG	Brugg	Wildschachenstrasse 16	Industrial	1.4	1.1	79%	33'505	1960	-	-	-	4.8	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 98-100	Others	0.0	0.0	100%	64'258	-	-	-	-	2.0	Sole ownership	100%	Yes	Yes	-	-	32,173	32,173	
61101	BL	Aesch	Industriestrasse 45-61	Industrial	0.9	0.8	87%	35'932	1900	1940	-	-	4.6	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%	-	-	46,650	-	-	46,650	
Total North-West Switzerland					98.1	3.0	2.5	235'102									0	89,696	32,173	33,334	0	155,203
18103a	ZG	Cham	Plot no. 3165 Yielding stage 1	Others	0.0	0.0	-	11'535	-	-	-	-	3.4	Sole ownership	100%	-	-	-	-	12,344	12,344	
18103b	ZG	Cham	Plot no. 3165 Promotion projec stage 1	Others	0.0	0.0	-	2'363	-	-	-	-	-	Promotion project	100%	-	-	-	-	2,835	2,835	
18103c	ZG	Cham	Plot no. 3165 Yielding stage 2	Others	0.1	0.1	100%	12'333	-	-	-	-	3.1	Sole ownership	100%	-	-	-	-	12,800	12,800	
Total Central Switzerland					70.6	0.1	0.1	26'231									0	27,979	0	0	0	27,979
10302	ZH	Niederhaasi	Stationsstrasse 25	Industrial	1.2	0.2	15%	16'691	1991	-	-	-	3.1	Sole ownership	100%	-	-	-	-	11,937	11,937	
10303	ZH	Niederhaasi	Stationsstrasse 27-32, Parzelle 3131	Industrial	1.4	1.4	100%	28'122	1955	2019	-	-	3.6	Sole ownership	100%	-	-	-	-	7,050	7,050	
10901	ZH	Alstetten	Freihofstrasse 25	Industrial	0.5	0.5	100%	7'807	1953/1962	-	-	-	2.8	Sole ownership	100%	-	-	-	-	11,966	11,966	
30101	ZH	Aathal	Plot no. 3990	Others	0.1	0.1	100%	8'163	-	-	-	-	4.7	Sole ownership	100%	-	-	-	-	-	-	
30201	ZH	Aathal	Zürichstrasse 27/33-39, Gstalderstrasse 4	Residential	0.2	0.1	69%	23'938	1850	1870	1990	-	4.0	Sole ownership	100%	-	-	1,242	6,270	-	7,512	
30403	ZH	Aathal	Gstalderstrasse 3	Industrial	0.0	0.0	0%	1'067	1870	-	-	1993	2.0	Sole ownership	100%	-	-	-	-	-	-	
30602	ZH	Aathal	Chältenweg 1/11/164, Aretsh. 1-7/11-21/158	Residential	0.2	0.2	97%	10'069	1440	-	-	1988	4.0	Sole ownership	100%	-	-	-	-	-	-	
30603	ZH	Aathal	Zürichstrasse 22-24	Res. mixed	0.2	0.1	74%	3'567	1870	1860	1989	1993	4.4	Sole ownership	100%	-	-	-	-	-	-	
30801	ZH	Wetzikon	Usterstr. 200-202/206, Zürichstr. 119-121	Industrial	0.3	0.3	94%	14'653	1872	1900	1993	1993	5.3	Sole ownership	100%	-	-	-	-	8,695	8,695	
30906	ZH	Wetzikon	Schönaustrasse 5-13	Residential	0.2	0.2	99%	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	-	-	-	-	2.9	Sole ownership	100%	-	-	7,500	-	-	7,500	
30908	ZH	Wetzikon	Weststrasse 26-28	Residential	0.0	0.0	-	2'444	2019	-	-	-	2.7	Sole ownership	100%	-	-	1,508	-	-	1,508	
Total Zurich					166.5	4.3	3.2	141'843									17,760	38,868	0	0	7,050	63,678
22201	GE	Vernier	Chemin de la Verseuse 1-3	Others	0.0	0.0	-	4'507	1964	-	-	-	4.2	Sole ownership	100%	-	-	-	-	8,254	8,254	
22301	GE	Lancy	Route des Jeunes 20-26	Industrial	0.6	0.6	100%	13'362	1960	-	-	-	3.9	Building right	100%	-	-	-	-	60,312	60,312	
29004	GE	Meyrin	Route du Nant d'Avril 150, Pavillon	Others	0.0	0.0	-	952	2019	-	-	-	3.3	Building right	100%	-	-	-	-	,682	,682	
29005	GE	Meyrin	Route du Nant d'Avril 150, LEM	Others	0.0	0.0	-	5'540	2019	-	-	-	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	1991	-	2014	-	5.1	Sole ownership	100%	-	-	-	-	2,298	2,298	
22701	VD	Bussigny	Chemin de Mochetaz 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	1960	1970	-	-	3.0	Sole ownership	100%	-	-	-	-	22,500	22,500	
Total Lake Geneva region					127.1	1.2	1.2	123'726									0	0	26,125	109,638	33,124	168,887
31701	SO	Dornach	Weidenstrasse 50	Industrial	0.9	0.9	96%	136'685	1895	-	-	-	4.4	Sole ownership	100%	-	-	-	-	97,051	97,051	
36101	SO	Biberist	Fabrikstrasse 2-8	Office	0.4	0.0	13%	22'524	1937	-	-	-	5.2	Sole ownership	100%	-	-	-	-	11,392	13,280	
36102	SO	Biberist	Fabrikstrasse 14-34	Industrial	0.0	0.0	-	44'000	1972	1990	-	-	6.0	Sole ownership	100%	-	-	-	-	45,954	45,954	
36103	SO	Biberist	Fabrikstrasse 57-115	Industrial	0.7	0.7	100%	40'000	1946	1991	-	-	5.6	Sole ownership	100%	-	-	-	-	12,620	12,620	
36105	SO	Biberist	Fabrikstrasse 1-29	Industrial	0.3	0.3	100%	19'000	1932	1947	-	-	5.8	Sole ownership	100%	-	-	-	-	-	-	
36106	SO	Biberist	Fabrikstrasse 3-35	Industrial	0.0	0.0	-	28'869	1903	1939	-	-	5.9	Sole ownership	100%	-	-	-	-	42,120	42,120	
36107	SO	Biberist	Fabrikstrasse 31-85	Industrial	0.0	0.0	-	16'000	1946	-	-	-	6.0	Sole ownership	100%	-	-	22,610	-	-	22,610	
36108	SO	Biberist	Fabrikstrasse Insel	Industrial	0.5	0.5	100%	60'400	1991	-	-	-	5.5	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%	-	-	-	-	-	-	
36204	SO	Biberist	Derendingerstrasse 16 (Plot no. 944, 1172, 1179)	Others	0.0	0.0	-	-	-	-	-	-	2.0	Sole ownership	100%	-	-	-	-	-	-	
31602	NE	Neuchâtel	Plot no. 10729	Others	0.0	0.0	-	3'419	-	-	-	-	2.0	Sole ownership	100%	-	-	3,960	-	-	3,960	
Total Espace Mittelland region					86.4	2.7	2.4	415'080									26,570	108,443	88,074	32,208	0	255,295
10501	TG	Ermatingen	Hauptstrasse 181/185	Logistics	0.4	0.4	100%	12'125	1968	1997	-	-	5.1	Sole ownership	100%	-	-	-	-	6,900	6,900	

General Property Details

Property ID	Canton	Municipality	Property	Main use ¹	Market value ² (CHFm)	Full occupancy property income (CHFm)	Annualised property income (CHFm)	Occupancy rate (%)	Net site area (sqm) ²	Year of construction	Year of construction 2 ³	Partial renovation	Discount factor (%)	Ownership	Compulsory surveillance (%)	Obligatory re-mediation	Effective Area to be developed (sqm)					Total		
																	Residential	Residential & Commercial	Industry	Commercial	Office			
31501a	TG	Frauenfeld	Walzmühlestrasse 47 Promotion project	Residential	-	0.0	0.0	-	2'375	2019	-	-	-	Promotion project	100%	-	-	-	-	-	-	-		
31503	TG	Frauenfeld	Walzmühlestrasse 51	Res. mixed	-	0.0	0.0	-	10'863	1832	2017	-	3.2	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%	-	-	-	-	-	6,276	6,276		
Total Eastern Switzerland						17.4	0.4	0.4	28'703									0	4,417	0	13,176	0	17,593	
Total Developpement portfolio						566.3	11.7	9.7	83.3%	970'685									44,330	269,403	146,372	188,356	40,174	688,635

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

⁴ except for promotion project that are recorded at cost. As at June 2020, the properties 31501a and 18103b are recorded at cost.

Contact

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

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

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

Investor Relations and Press
Marco Feusi
Chief Executive Officer
T +41 61 606 55 00

Laurent Spindler
Chief Financial Officer
T +41 61 606 55 00

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

Stock exchange trading

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

Agenda

15 March 2021
Publication year-end results 2020

22 April 2021
Annual General Meeting

30 August 2021
Publication half-year results 2021

Imprint

Publisher
HIAG Immobilien Holding AG

Concept and design
schneiterpartner AG, Zürich

The Half-Year Report is published in English and German. In the event of any linguistic discrepancies, the German version shall prevail.