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BDO Ltd  
Industriestrasse 53  
6312 Steinhausen

To the general meeting of

**Swiss Properties Invest Ltd**

Neuhofstrasse 5A  
6340 Baar

**Report on the Audit of the Financial Statements 2023**

(for the period from 01.01.2023 to 31.12.2023)

5 March 2024

## STATUTORY AUDITOR'S REPORT

To the general meeting of Swiss Properties Invest Ltd, Baar

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Swiss Properties Invest Ltd (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

#### Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 1 February 2022.

#### Basis for Opinion

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

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

#### Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

## Report on Other Legal and Regulatory Requirements

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

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

Steinhausen, 5 March 2024

BDO Ltd

ppa. Nicolas Briner  
Auditor in Charge  
Licensed Audit Expert

i. V. Kristian Polic  
Chartered Specialist in Accounting and Financial  
Management

Enclosures  
Financial statements

## Swiss Properties Invest AG, Baar

### Balance sheet as at 31 December

#### Assets

in CHF	Notes	2023	2022
Cash and cash equivalents		2'334'421	11'068'661
Accounts receivable	1	402'044	53'845
Other short-term receivables	2	1'480	108'214
Inventories and non-invoiced services		49'658	0
Prepaid expenses and accrued income		15'542	9'650
<b>Total current assets</b>		<b>2'803'145</b>	<b>11'240'370</b>
Properties	3	75'904'377	49'891'473
<b>Total non-current assets</b>		<b>75'904'377</b>	<b>49'891'473</b>
<b>Total Assets</b>		<b>78'707'522</b>	<b>61'131'843</b>

#### Liabilities and shareholder's equity

in CHF	Notes	2023	2022
Accounts payable	4	169'588	145'818
Short-term interest-bearing liabilities	5	844'500	27'416'000
Other short-term liabilities	6	49'953	15'832
Accrued expenses and deferred income		629'364	474'308
<b>Total short-term liabilities</b>		<b>1'693'405</b>	<b>28'051'958</b>
Long-term interest-bearing liabilities	7	48'498'250	5'000'000
Provisions		9'826	0
<b>Total long-term liabilities</b>		<b>48'508'076</b>	<b>5'000'000</b>
<b>Total liabilities</b>		<b>50'201'482</b>	<b>33'051'958</b>
Share capital	8	29'000'000	29'000'000
Profit / Loss brought forward		-920'115	-9'808
Profit / Loss of the year		426'154	-910'307
<b>Total shareholders' equity</b>		<b>28'506'040</b>	<b>28'079'885</b>
<b>Total liabilities and shareholder's equity</b>		<b>78'707'522</b>	<b>61'131'843</b>

## Swiss Properties Invest AG, Baar

### Income statement

in CHF	Notes	2023	2022
Rental income	9	3'892'769	770'802
Other income		7'299	1'362
Accounts receivable loss		-50'558	0
<b>Total operating income</b>		<b>3'849'509</b>	<b>772'164</b>
Property maintenance expenses	10	-665'829	-80'147
Property financial management		-393'866	-519'827
Company management expenses		-255'135	-289'054
Personnel expenses	11	-172'445	-98'837
Other operating expenses		-167'350	-365'841
Depreciation and impairment losses on properties		-714'168	-158'837
<b>Total operating expenses</b>		<b>-2'368'793</b>	<b>-1'512'542</b>
<b>Operating result</b>		<b>1'480'716</b>	<b>-740'378</b>
Financial income		5'191	0
Financial expenses mortgage		-1'003'823	-123'550
Other financial expenses		-1'236	-6'159
<b>Profit / Loss for the year before taxes</b>		<b>480'849</b>	<b>-870'087</b>
Direct taxes		-54'695	-40'220
<b>Profit / Loss of the year</b>		<b>426'154</b>	<b>-910'307</b>

## Swiss Properties Invest AG, Baar

### Cash flow statement

in CHF	Notes	2023	2022
Profit / Loss of the year		426'154	-910'307
Depreciation and impairment losses on properties		714'168	158'837
Changes in accounts receivable		-348'199	-53'845
Changes in inventories and non-invoiced services		-49'658	0
Changes in other short-term receivables, prepaid expenses and accrued income		100'842	-17'608
Changes in accounts payable		23'771	145'818
Changes in other short-term liabilities, accrued expenses and deferred income		189'177	24'901'519
Changes in provisions		9'826	0
<b>Cash flows from operating activities</b>		<b>1'066'082</b>	<b>24'224'414</b>
Acquisition of properties		-26'727'072	-50'050'310
<b>Cash flows from investing activities</b>		<b>-26'727'072</b>	<b>-50'050'310</b>
Proceeds from issue of share capital		0	28'900'000
Cash inflows from long-term interest-bearing liabilities		17'585'000	5'000'000
Cash outflows from long-term interest-bearing liabilities		-658'250	0
<b>Cash flow from financing activities</b>		<b>16'926'750</b>	<b>33'900'000</b>
<b>Change in cash and cash equivalents</b>		<b>-8'734'240</b>	<b>8'074'104</b>
Reconciliation:			
Cash and cash equivalents as at 1st January		11'068'661	2'994'557
Cash and cash equivalents as at 31st December		2'334'421	11'068'661
<b>Change in cash and cash equivalents</b>		<b>-8'734'240</b>	<b>8'074'104</b>

# Swiss Properties Invest AG, Baar

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## Notes to the financial statements 2023

### Principles

#### Introduction

Our objective is to own, operate, optimise and develop a portfolio of attractive commercial properties for renting out commercial space in selected regions (cantons) in Switzerland with the aim of increasing the value of the properties over the long term by optimizing the operations aiming at lowering costs and developing the properties to increase rental income.

#### General aspects

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the company's going concern, the company's financial statements may be influenced by the creation and release of hidden reserves.

#### Properties, plant and equipment (PPE)

PPE are valued according to Art. 960a of the Swiss Code of Obligations. Whereby the assets must be recorded not higher than their acquisition or manufacturing costs.

##### a. Investment properties

Transaction costs, usually consisting of brokerage commission and transaction taxes as well as land register and notary costs are part of the acquisition costs.

The straight-line depreciation is applied. The rate is 1% per year. As soon as there are indicators that book values are maybe overstated, these are reviewed and, if necessary, adjusted.

##### b. Solar panels

The photovoltaic system is depreciated on a straight-line model over the estimated life expectancy of 25 years. The first panels will go into operation in 2024.

#### Revenue recognition

Rental income is recognized upon the start of the lease contract.

## Swiss Properties Invest AG, Baar

### Disclosure on balance sheet and income statement items

#### 1. Accounts receivable

in CHF	2023	2022
Receivables from third parties	234'356	37'077
Receivables from additional costs (net)	205'641	16'768
Valuation adjustment	-37'954	0
<b>Total</b>	<b>402'044</b>	<b>53'845</b>

#### 2. Other short-term receivables

in CHF	2023	2022
Receivables from third parties	1'480	108'214
<b>Total</b>	<b>1'480</b>	<b>108'214</b>

#### 3. Properties

in CHF	2023	2022
Investment properties	76'265'805	49'996'137
Solar panels	511'577	54'173
Depreciation and impairment losses on investment properties	-873'005	-158'837
<b>Total</b>	<b>75'904'377</b>	<b>49'891'473</b>

#### 4. Accounts payable

in CHF	2023	2022
Accounts payable due to third parties	107'231	6'393
Accounts payable due to shareholder	62'358	139'424
<b>Total</b>	<b>169'588</b>	<b>145'818</b>

#### 5. Short-term interest-bearing liabilities

in CHF	2023	2022
Mortgage Luzerner Kantonalbank	335'000	16'700'000
Mortgage Zürcher Kantonalbank	274'000	5'750'000
Mortgage acrevis	216'000	4'966'000
Mortgage Aargauer Kantonalbank	19'500	0
<b>Total</b>	<b>844'500</b>	<b>27'416'000</b>



## Swiss Properties Invest AG, Baar

### 6. Other short-term liabilities

in CHF	2023	2022
Liabilities due to third parties	46'849	12'987
Liabilities due to pension fund	1'425	2'845
Liabilities due to management	1'680	0
<b>Total</b>	<b>49'953</b>	<b>15'832</b>

### 7. Long-term interest-bearing liabilities

in CHF	2023	2022
Mortgage Luzerner Kantonalbank	16'073'750	0
Mortgage Zürcher Kantonalbank	13'810'000	0
Mortgage acrevis	14'734'000	5'000'000
Mortgage Aargauer Kantonalbank	3'880'500	0
<b>Total</b>	<b>48'498'250</b>	<b>5'000'000</b>

Of which CHF 43'498'250 are short-term mortgages that will be extended or reallocated to long-term mortgages after the end of the contract.

### Overview by maturity

in CHF	2023	2022
Up to five years	48'498'250	0
<b>Total</b>	<b>48'498'250</b>	<b>0</b>

### 8. Share capital and reserves from capital contributions

As at 31st December 2023 the share capital consists of 290'000 registered shares at a par value of CHF 100 each for a total of CHF 29'000'000.

### 9. Rental income

in CHF	2023	2022
Grabenstrasse 8, Nänikon (01-12), Zurich	397'370	397'003
Murgstrasse 21, Wängi (01-12), Thurgau	818'734	204'000
Industriestrasse 17+17a, Sempach (01-12), Luzern	662'607	113'460
Pilatusstrasse 2, Dierikon (01-12), Luzern	647'762	56'339
Weststrasse 15, Weinfelden (01-12), Thurgau	481'576	0
Ringstrasse 1, Schwerzenbach (01-12), Zurich	825'695	0
Burgstr. 2+Wasserturmplatz 3, Liestal (11-12), Basel-Land	59'025	0
<b>Total</b>	<b>3'892'769</b>	<b>770'802</b>

## Swiss Properties Invest AG, Baar

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### 10. Property expenses

in CHF	2023	2022
Maintenance	331'446	80'147
Add. costs subject to owner	203'143	0
Property tax	7'643	0
Other property expenses	14'000	0
VAT corrections	109'598	0
<b>Total</b>	<b>665'829</b>	<b>80'147</b>

### 11. Personnel expenses

in CHF	2023	2022
Gross salaries management	42'000	42'000
Gross salaries employee	107'500	44'305
Other personnel expenses	4'800	2'305
Social securities expenses	18'144	10'226
<b>Total</b>	<b>172'445</b>	<b>98'837</b>

### 12. Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, do not exceed 10.

### 13. Assets pledge to secure own liabilities, as well as assets with retention of title

in CHF	2023	2022
Grabenstrasse 8, Nänikon, Zurich	8'809'215	8'898'173
Murgstrasse 21, Wängi, Thurgau	14'819'362	14'641'000
Industriesstrasse 17+17a, Sempach, Luzern	12'436'000	12'561'900
Pilatusstrasse 2, Dierikon, Luzern	13'800'263	13'790'400
Weststrasse 15, Weinfeld, Thurgau	7'493'620	0
Ringstrasse 1, Schwerzenbach, Zurich	12'700'918	0
Burgstr. 2+Wasserturmplatz 3, Liestal, Basel-Land	5'845'000	0

## Swiss Properties Invest AG, Baar

### 14. Borrower's Note

in CHF	2023	2022
Grabenstrasse 8, Nänikon, Zurich	8'000'000	8'000'000
Murgstrasse 21, Wängi, Thurgau	10'500'000	10'500'000
Industriestrasse 17+17a, Sempach, Luzern	8'800'000	8'800'000
Pilatusstrasse 2, Dierikon, Luzern	9'000'000	9'000'000
Weststrasse 15, Weinfelden, Thurgau	5'400'000	0
Ringstrasse 1, Schwerzenbach, Zurich	9'000'000	0
Burgstr. 2+Wasserturmplatz 3, Liestal, Basel-Land	3'900'000	0

### 15. Mortgage liabilities

in CHF	2023	2022
ZKB SARON + 0.70% margin (perpetual)	5'640'000	5'750'000
ZKB SARON + 0.70% margin (perpetual)	8'444'000	0
acrevis fix-term 1.6% (01.10.2022 - 31.12.2027)	5'000'000	5'000'000
acrevis SARON + 0.80% margin (perpetual)	4'830'000	4'966'000
acrevis SARON + 0.80% margin (perpetual)	5'120'000	0
LUKB SARON + 0.90% margin (01.11.2023 - 01.11.2024)	7'840'000	8'000'000
LUKB SARON + 0.90% margin (13.12.2023 - 13.12.2024)	8'568'750	8'700'000
AKB SARON + 0.80% margin (01.11.2023 - 31.12.2026)	3'900'000	0

### 16. Audit fee

in CHF	2023	2022
Audit services	24'580	16'500
<b>Total</b>	<b>24'580</b>	<b>16'500</b>