



Ad hoc announcement pursuant to Art. 53 LR

Media information

HIAG posts record earnings for business year 2021

- Increase in net income to CHF 89.3 million (+61.8%) or CHF 37.0 million (+10.9%) excl. revaluation gains and deferred tax
- Increase in return on equity to 11.1% (+3.4%p) or 4.98% (+3.6%p) excl. revaluation gains and deferred tax
- Increase in earnings per share to CHF 10.39 (CHF +3.57) or CHF 4.31 (CHF +0.19) excl. revaluation gains and deferred tax
- Increase of property income to CHF 63.1 million (+5.7%) and annualised property income also to CHF 63.1 million (+5.1%)
- Reduction of vacancy rate to 10.7% (-2.5%p) in the overall portfolio
- Increase of the real estate portfolio to CHF 1.784 billion (+8.9%)
- Increase in revaluation gains to CHF 60.5 million (+124.1%)
- Increase in WAULT to 8.2 years (+0.3 years)
- Increase in equity ratio to 52% (+7.0%p)
- Reduction of LTV ratio gross to 44.5% (-5.4%p) or to 39.6% (-9.1%p) LTV ratio net
- Increase of NAV to CHF 98.06 per share (+8.1%) or CHF 106.10 (+6.7%) excl. deferred taxes
- Increase of dividend to CHF 2.70 per share (previous year CHF 2.30 per share)

Basel, 14 March 2022 – HIAG successfully continues to drive growth forward and considerably exceeded its objectives in business year 2021. Its strong position in the Swiss real estate market was bolstered, the vacancy rate again reduced and the key financial figures improved significantly. The placement of a multi-year bond and the proceeds from the successful capital increase shore up the company's core financing, and its free float was increased in a targeted manner to 45.6%. The Board of Directors and the Executive Board were strengthened with experienced specialists, and the operational processes consistently optimised throughout the entire organisation. With the successful implementation of its strategy during the reporting year, HIAG laid an even stronger foundation for the systematic realisation of its exceptional project pipeline and for sustainable and profitable growth over generations.

Strong company performance

All three business segments contributed to HIAG's strong company performance during the year under review. Annualised property income rose by 5.1% to CHF 63.1 million (previous year: CHF 60.0 million). At CHF 63.1 million (previous year: CHF 59.7 million), property income exceeded that of the previous year by 5.7%. With agreed and expected rent reductions of only CHF 0.1 million, the impact of the pandemic on the result was negligible. EBIT increased significantly to CHF 115.1 million (previous year: CHF 69.9 million), or CHF 54.6 million (previous year: CHF 42.9 million), excluding revaluations of properties. HIAG's net income

increased by 61.8% to CHF 89.3 million (previous year: CHF 55.2 million) in business year 2021. Net income excluding revaluation gains and related deferred taxes amounted to CHF 37.0 million (previous year: CHF 33.4 million). This resulted in earnings per share of CHF 10.39 (previous year: CHF 6.82), or CHF 4.31 (previous year: CHF 4.12), excluding revaluations of properties and related deferred taxes (based on a weighted average number of shares outstanding). At CHF 60.5 million (previous year: CHF 27.0 million), revaluation gains from real estate assets more than doubled. The return on equity increased to 11.1% (previous year: 7.7%), or 4.98% (previous year: 4.65%) before revaluations gains and deferred taxes. HIAG has a comfortable weighted average unexpired lease term (WAULT) of 8.2 years (31 December 2020: 7.9 years).

Successful site development through innovative projects

During the reporting year, the well-stocked development pipeline was further strengthened thanks to acquisitions and the launch of new projects in the portfolio. The pipeline currently includes more than 60 projects with an investment potential of nearly CHF 2.98 billion and a potential usable area of approximately 810,000m², as well as a possible 3,200 apartments. The potential annual rental income is about CHF 167 million and expected profit from promotional properties amounts to approx. CHF 580 million (planned/estimated over the next 15 years).

Vacancy rate decreased and revenue base in portfolio and asset management strengthened

Thanks to mostly in-house management and the successful marketing of the yielding portfolio, the Portfolio and Asset Management division made an important contribution to HIAG's very good operating result in business year 2021. The vacancy rate in the real estate portfolio decreased further to 10.7% (previous year: 13.2%) as at 31 December 2021, despite the sale of fully leased properties. The vacancy rate in the yielding portfolio dropped to 9.6% (previous year: 13.0%). Demand for high quality logistics and retail space continued to grow during the reporting period, and HIAG was able to successfully negotiate follow-on leases at several sites, some-times with significant increases in rental income.

Strong performance in the transaction business

Transactions and commercial space marketing achieved above average profit from the sale of investment properties of CHF 16.5 million (previous year: CHF 4.9 million) in the reporting year, primarily due to the efficient implementation of the ongoing divestment programme of non-strategic properties. Properties with a fair value of CHF 62.4 million (previous year: CHF 27.1 million) were sold during the period under review. At the same time, properties with a fair value of CHF 39.7 million (previous year: CHF 9.1 million) were acquired in 2021. Furthermore, a property was acquired in Buchs (AG) as part of a share deal in the amount of CHF 53.0 million. HIAG plans to continue acquiring suitable properties in the future, particularly land for residential use that allows rapid construction and marketing of condominiums, and will continue to sell non-strategic properties as part of its "capital recycling strategy".

Capital structure significantly strengthened

The balance sheet total as at 31 December 2021 increased by 12.5% to CHF 1.90 billion (previous year: CHF 1.69 billion). The value of the real estate portfolio as the most important element of the balance sheet rose by 8.9% to CHF 1.78 billion (previous year: CHF 1.64 billion). With the successful capital increase in November 2021, HIAG significantly strengthened its equity base. Equity ratio was 52.0% (previous year: 45.0%) as at 31 December 2021. The net cash inflow of

CHF 155.9 million was used, among other things, for the repayment of bank loans. As at 31 December 2021, the gross loan-to-value ratio (LTV) was reduced to 44.5% (previous year: 49.9%) and the net LTV ratio to 39.6% (previous year: 48.7%). Furthermore, at the beginning of July 2021, a CHF 100 million fixed-rate bond was refinanced with a CHF 160 million fixed-rate bond with a coupon of 0.75% and a term of 7 years. In business year 2021, the average interest rate for financial liabilities of 0.8% was below the comparable figure of the previous year (0.9%). The average term of the financial liabilities was 2.5 years (previous year: 2.0 years) as at the reporting date on 31 December 2021. During business year 2021, the NAV rose by 8.1% to CHF 98.06 per share (previous year: CHF 90.72 per share), or by 6.7% to CHF 106.08 per share (previous year: CHF 99.43 per share), taking into account deferred taxes. The long-term financing and the solid equity base form the foundation of HIAG's successful development.

First sustainability report in accordance with GRI Standards

HIAG is publishing a sustainability report in accordance with the internationally recognised GRI Standards for the first time as part of its Annual Report 2021. The sustainability projects include development of a plan to reduce greenhouse gas emissions, the establishment of guidelines for resource-efficient construction, participation in the GRESB 2022 assessment and the expansion of solar power generation at our sites. The goal is to achieve the highest possible degree of solar coverage and maximum use of suitable roofs. In addition to the "Code of Conduct for Employees", a "Code of Conduct for Business Partners" was also created. The sustainability targets have also been integrated into HIAG's compensation system. Sustainability criteria were used in 2021 to determine the variable compensation of the CEO. In 2022, this approach will be refined and taken into account when determining the CFO's variable remuneration.

Dividend proposal to the General Meeting

In the context of the successful performance in business year 2021, the Board of Directors will propose a payout of CHF 2.70 per outstanding share (previous year: CHF 2.30 per outstanding share) at the General Meeting on 28 April 2022, half from capital contribution reserves (excl. withholding tax deduction) and half as an ordinary dividend.

Strong performance supports positive outlook for business year 2022

The strong operating performance in the business year 2021, combined with the strengthened financing structure, provides a good foundation for further increases in value in the interest of the shareholders. Unless there is a clear worsening of the general economic conditions, HIAG expects business year 2022 to be a good one overall. The management forecasts a stable long-term income situation and continuous revenue streams from all business divisions based on the proven business model. The newly completed, fully leased construction projects and expected rental successes should further increase rental income. In addition, revaluation gains are also expected again due to significant progress in major development projects. Furthermore, the first advance payments from the first stage of promotional projects and additional divestments of non-strategic real estate should make a positive contribution to the result.

Selected Key Figures

Key figures per share

in CHF	2021	2020
Earnings per share (EPS)	10.39	6.82

in CHF	31.12.2021	31.12.2020
Shareholders' equity (NAV) per outstanding registered share, before deferred taxes	106.10	99.43
Shareholders' equity (NAV) per outstanding registered share, after deferred taxes	98.06	90.72

Key financial figures

in TCHF	31.12.2021	31.12.2020
Property income	63,142	59,738
Revaluation of properties	60,523	27,002
Earnings before interest, taxes (EBIT)	115,128	69,859
Earnings before interest, taxes (EBIT) excl. revaluation of properties	54,605	42,857
Net income	89,263	55,159
Net income excl. revaluation of properties and deferred tax	36,995	33,352
Shareholders' equity	988,999	761,122
Equity ratio	52.0%	45.0%
Return on Equity (RoE)	11.1%	7.7%
LTV Ratio gross	44.5%	49.9%
LTV Ratio net	39.6%	48.7%

Key Portfolio figures

in TCHF	31.12.2021	31.12.2020
Real estate portfolio	1,784,429	1,637,844
– thereof yielding portfolio	1,137,671	1,025,765
– thereof development portfolio	646,759	612,079
Real estate portfolio (number of real estate properties)	114	116
Number of sites (yielding and development)	44	47
Investments in investment property portfolio	94,620	75,508
Annualised rental income in CHF million	63.1	60.0
Vacancy rate total portfolio	10.7%	13.2%
– Vacany rate yielding portfolio	9.6%	13.0%
– Vacany rate development portfolio	15.7%	13.7%

Alternative Performance Measures

in TCHF except key figures per share	31.12.2021	31.12.2020
Company specific earnings	23,207	31,083
Company specific earnings per share	2.70	3.84
Adjusted NAV	1,083,632	840,986
Adjusted NAV per share in CHF	107.44	100.24

Annual Report 2021 and Presentation

The Annual Report 2021 and the presentation can be downloaded under the following links:

Annual Report 2021	Presentation
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Conference call and Webcast

On Monday, 14 March 2022, 9.00 a.m. (CET), Marco Feusi, CEO, and Rico Müller, CFO, will present the annual results 2021 and answer questions in a conference call with webcast.

Conference Call

+41 (0) 58 310 50 00 (Switzerland/Europe)
+44 (0) 207 107 06 13 (UK)
+1 (1) 631 570 56 13 (USA)

Webcast: [Link](#)

Replay

A replay of the webcast will be available after the event at: [Replay](#)

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Company calendar

28 April 2022	Annual General Meeting
26 August 2022	Publication half-year results 2022
27 September 2022	HIAG Capital Market Day
14 March 2023	Publication of Annual Report 2022
27 April 2023	Annual General Meeting

About HIAG

HIAG is a leading real estate company listed on the SIX Swiss Exchange that has a real estate portfolio with a total value of CHF 1.8 billion. Compared to the total area of the real estate portfolio of 2.6 million m², HIAG has an outstanding development pipeline of around 810,000m² with about 60 projects and an expected investment volume of CHF 2.98 billion. The portfolio comprises 44 sites with well-developed office, retail and logistics properties as well as selected residential properties in future-oriented growth regions of German and French-speaking Switzerland. HIAG generates a stable rental income from its real estate management activities and creates long-term

value potential through active portfolio management and the development of attractive destinations.

Disclaimer

This media release contains forward-looking statements such as projections, forecasts and estimates. Such forward-looking statements are subject to certain risks and uncertainties which may cause actual results, performance, or events to differ materially from those anticipated in this media release. The forward-looking statements contained in this media release are based on the views and assumptions of HIAG Immobilien Holding AG as of this date and HIAG Immobilien Holding AG does not assume any obligation to update or revise this media release.