



EPIC SUISSSE

Half-Year Report 2024

Conference call presentation, 21 August 2024

Disclaimer

This publication contains specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect", "forecast", "project", "may", "could", "might", "will" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of EPIC Suisse AG and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties, readers should not rely on forward-looking statements. EPIC Suisse AG assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

The information contained in this presentation does not purport to be comprehensive. Please refer to our consolidated interim financial statements for the period ended 30 June 2024 on our website at

<https://ir.epic.ch/en/financial-reports/>

Alternative performance measures

This presentation may contain references to operational indicators, such as reported vacancy rate, adjusted vacancy rate and WAULT, and alternative performance measures ("APM") that are not defined or specified by IFRS, including EBITDA (incl. revaluation of properties), EBITDA (excl. revaluation of properties), net operating income, return on equity (incl. revaluation effects), return on equity (excl. revaluation effects), profit (excl. revaluation effects), net loan

to value (LTV) ratio. These APM should be regarded as complementary information to and not as substitutes of the Group's consolidated financial results based on IFRS. These APM may not be comparable to similarly titled measures disclosed by other companies. For the definitions of the main operational indicators and APM used, including related abbreviations, please refer to the section "Alternative Performance Measures" on page 50 of our Half-Year Report 2024.

Except if indicated otherwise, all numbers are shown according to the unaudited consolidated interim IFRS financial statements per 30 June 2024. APM are shown based on the sector in which the properties belonged to during the period (i.e. before any transfers between sectors if any).

Other Data

Certain numerical figures set out in this presentation, including financial data presented in millions or thousands, certain operating data, percentages describing shares and industry data, have been subject to rounding adjustments and, as a result, the totals of the data in this presentation may vary slightly from the actual arithmetic totals of such information.

Glossary

A glossary of alternative performance measures have been included in the appendix for ease of reference.

Half-Year Report 2024

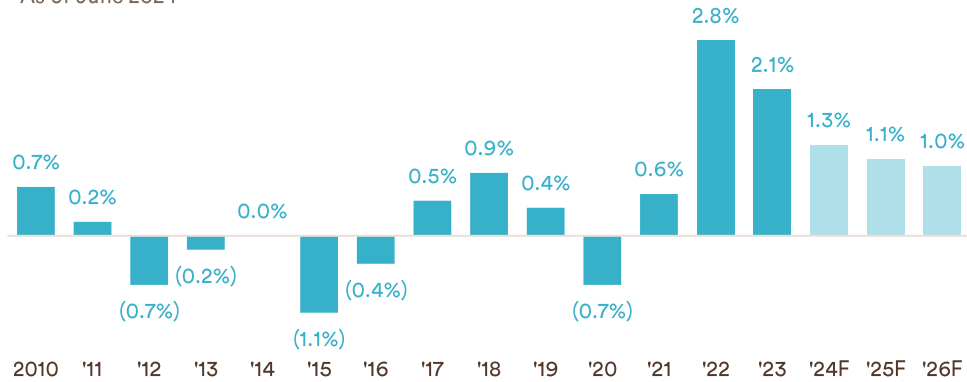
Agenda

- Market overview
- EPIC at a glance
- Highlights
- Key figures
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Switzerland macroeconomic outlook

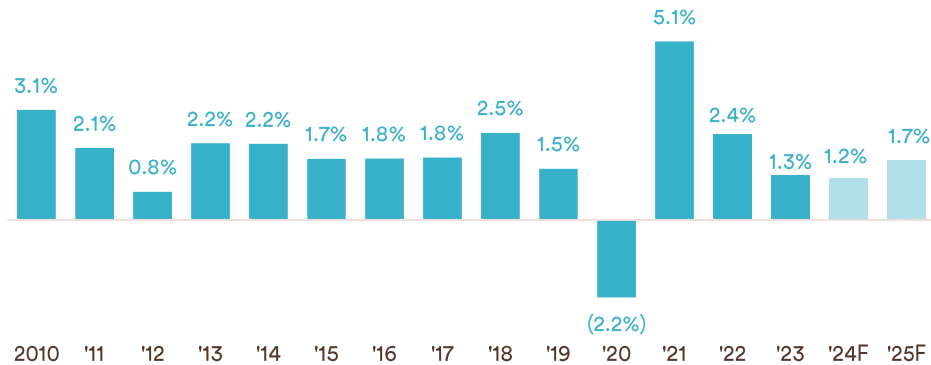
Swiss Consumer Price Index (CPI) with forecast data⁽¹⁾

As of June 2024



Annual growth of real Swiss gross domestic product (GDP) with forecast data⁽²⁾

As of June 2024



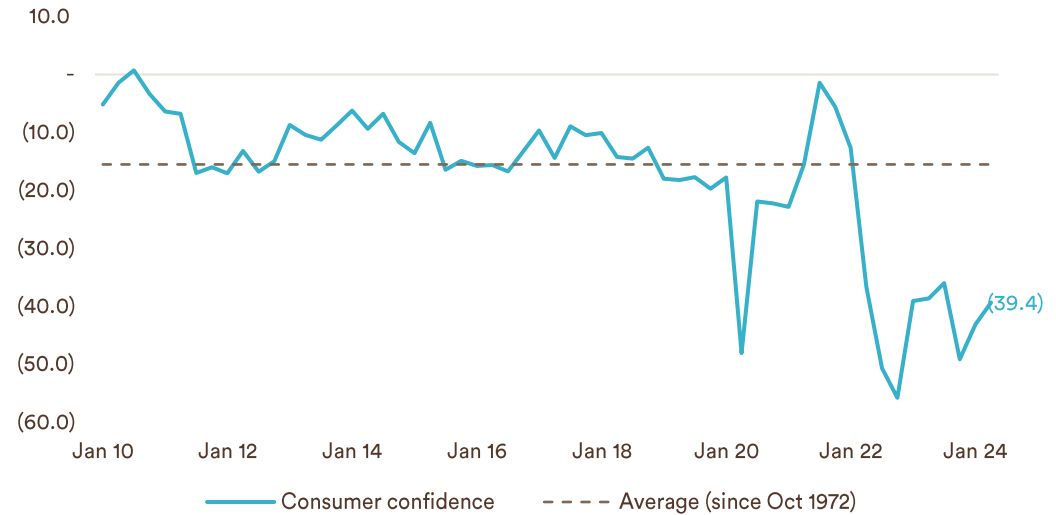
Notes:

(1) Swiss National Bank

(2) SECO

Swiss Consumer Sentiment Index⁽²⁾

As of April 2024



- **Decreased inflation prospects:** After the Inflation in Switzerland has sharply increased in 2022, the inflation rate in 2023 has decreased and so far in 2024 is below the target level of 2%. Additionally, according to current forecasts, it will continue to fall gradually to 1.0% in 2026.
- **Stable economic outlook:** GDP growth is expected to remain almost unchanged in 2024 (1.2%) compared to 2023 (1.3%). The outlook for 2025 is more positive at 1.7%.
- **Challenging sentiment:** Consumer sentiment is still negative in April 2024 (39) and is therefore well below the long-term average. This indicates a continuing high level of uncertainty on the consumer side.

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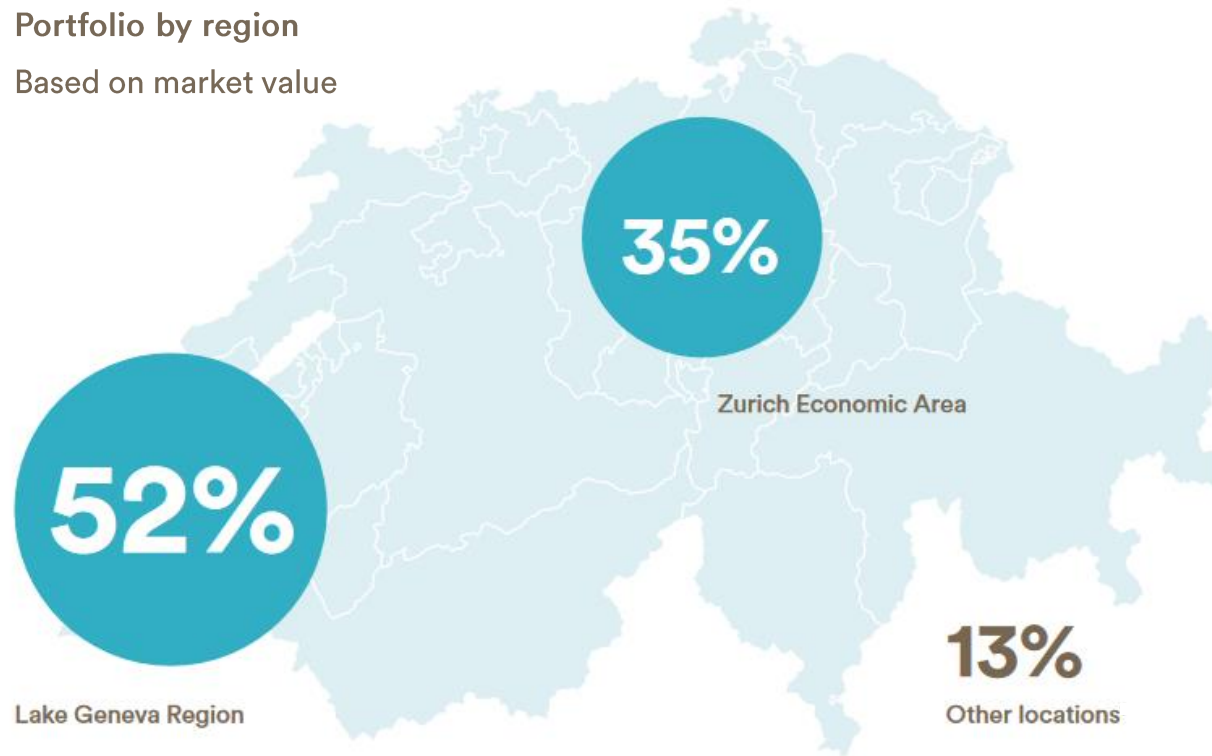
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EPIC's 1.6 billion CHF portfolio by 30 June 2024

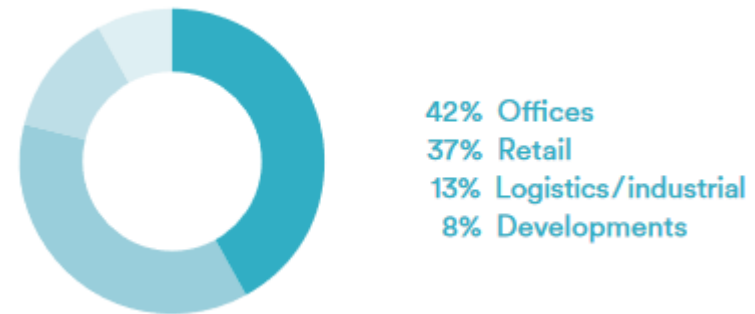
Portfolio by region

Based on market value



Portfolio by use

Based on market value



25

Properties

324'538 m²

Rentable area
of properties in operation

4.5 %

Net rental income yield
of properties in operation
(annualised)

7.9 years

WAULT

Half-Year Report 2024

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- Key figures
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Highlights of the first Half-Year 2024

- 1 Successful consolidation of previous years' growth with H1 2024 rental income basically in line with H1 2023 (CHF 32.6 million and CHF 32.9 million, respectively)
- 2 Reported vacancy rate remains below 5%, at 4.8% in H1 2024 compared to 4.4% in H1 2023
- 3 Long WAULT as at 30 June 2024 of 7.9 years (8.1 years as at 31 December 2023)
- 4 EBITDA (excl. revaluation of properties) amounted to CHF 26.1 million (CHF 26.5 million in H1 2023)
- 5 Solid equity ratio at 49.3% as at 30 June 2024 (51.0% as at 31 December 2023)

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Portfolio key figures

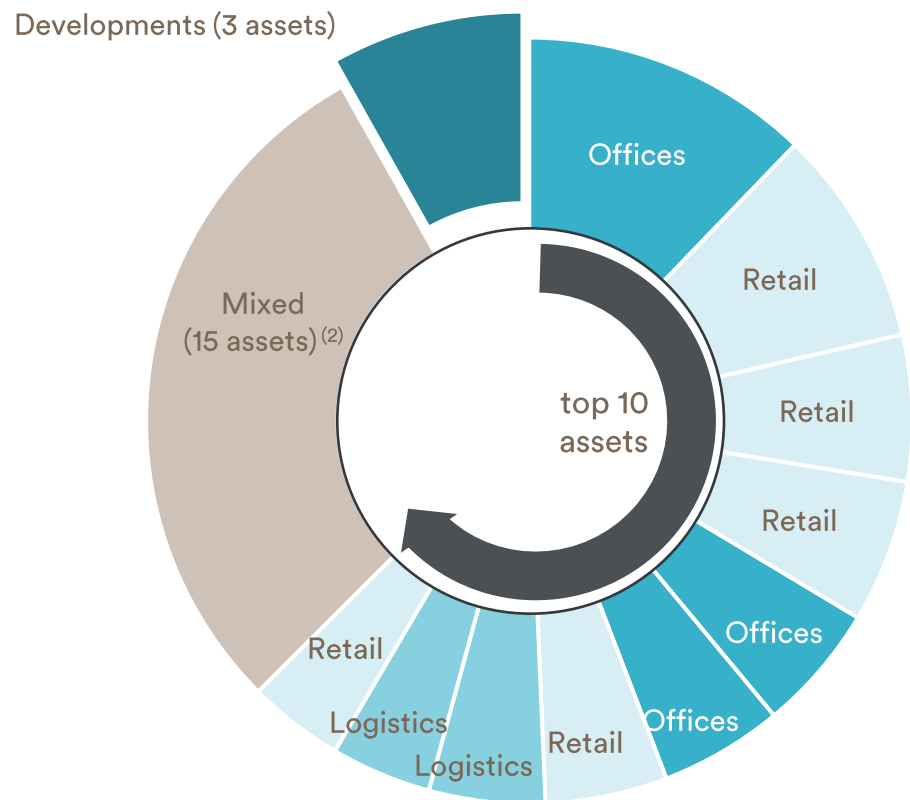
Portfolio	Unit	30 Jun 2024	31 Dec 2023	Variation
Number of properties per segment (in operation / development)	#	25 (25 ⁽¹⁾ / 3 ⁽²⁾)	25 (25 ⁽¹⁾ / 3 ⁽²⁾)	= -
Total portfolio	CHF ('000)	1'578'304	1'535'538	↗ 2.8%
Investment properties in operation	CHF ('000)	1'449'734	1'441'248	↗ 0.6%
Investment properties under development/construction	CHF ('000)	128'570	94'290	↗ 36.4%
WAULT (weighted average unexpired lease term)	Years	7.9	8.1	↘ (2.5%)
		H1 2024	H1 2023	
Reported vacancy rate (properties in operation)	%	4.8%	4.4%	↗ 9.1%
Adjusted vacancy rate (properties in operation) ⁽³⁾	%	n/a	2.8%	n/a

Notes:

- (1) The property acquired in Tolochenaz (via EPiC 24) in December 2022 is valued separately but considered as an extension of the property in Tolochenaz (EPiC 7)
- (2) Two properties are split into two segments - EPiC 19 (Campus Leman) and EPiC 21 (Nexus Brunnpark) as they have a yielding and a development part
- (3) The reported vacancy rate is adjusted for a maximum of 3 years. H1 2023 reported vacancy rate was adjusted for Zänti Volketswil (TCHF 262) and Biopôle Serine (TCHF 301)

Balanced portfolio

Breakdown of the portfolio as at 30 June 2024 based on market value⁽¹⁾



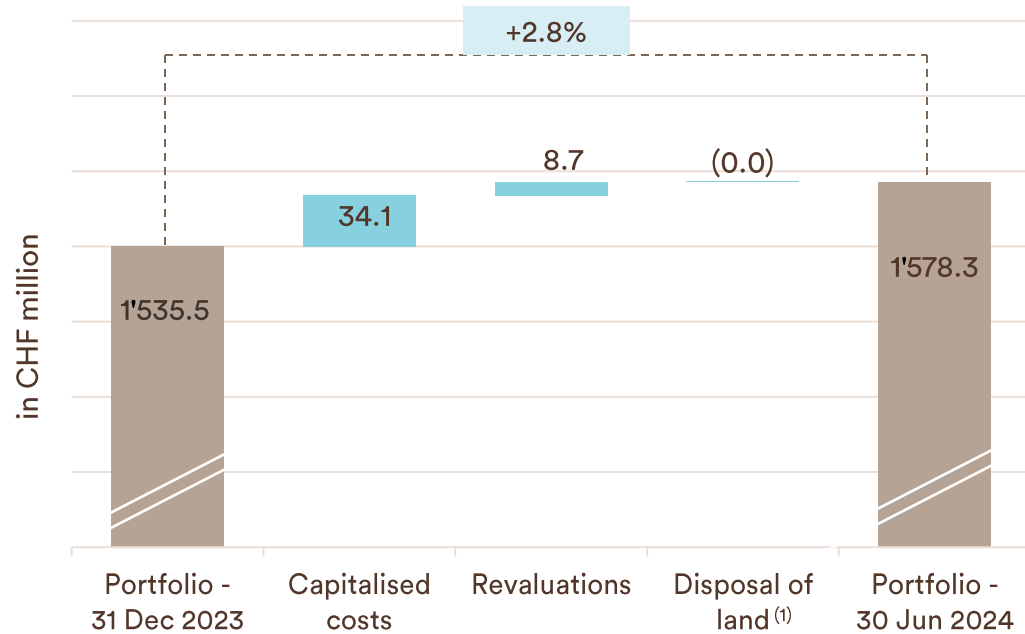
- The portfolio consists of 25 properties, with 2 properties divided into two segments⁽³⁾ and one property considered as an extension of an existing property⁽⁴⁾
 - 25 assets in operation
 - 3 assets in development / construction
- Top 10 properties in operation representing 63% of total portfolio value
- Two properties in operation with individual value higher than CHF 100 million
- Average property value: circa CHF 56 million
- Median property value: circa CHF 41 million
- Smallest property in operation: circa CHF 6 million

Notes:

- (1) In accordance with IFRS when taking into account the right-of-use of land
- (2) Mixed includes properties categorised as Offices, Retail and Logistics / Industrial
- (3) Campus Leman (Buildings C & D) (EPiC 19) and the land reserve of Nexus Brunnpark in Roggwil (EPiC 21)
- (4) EPiC 24 is considered as an extension of EPiC 7 in Tolothenaz

Portfolio value increased by 2.8% compared to 31 December 2023

Portfolio market value evolution over the first half-year 2024



The portfolio growth was mainly driven by the continuous investment in:

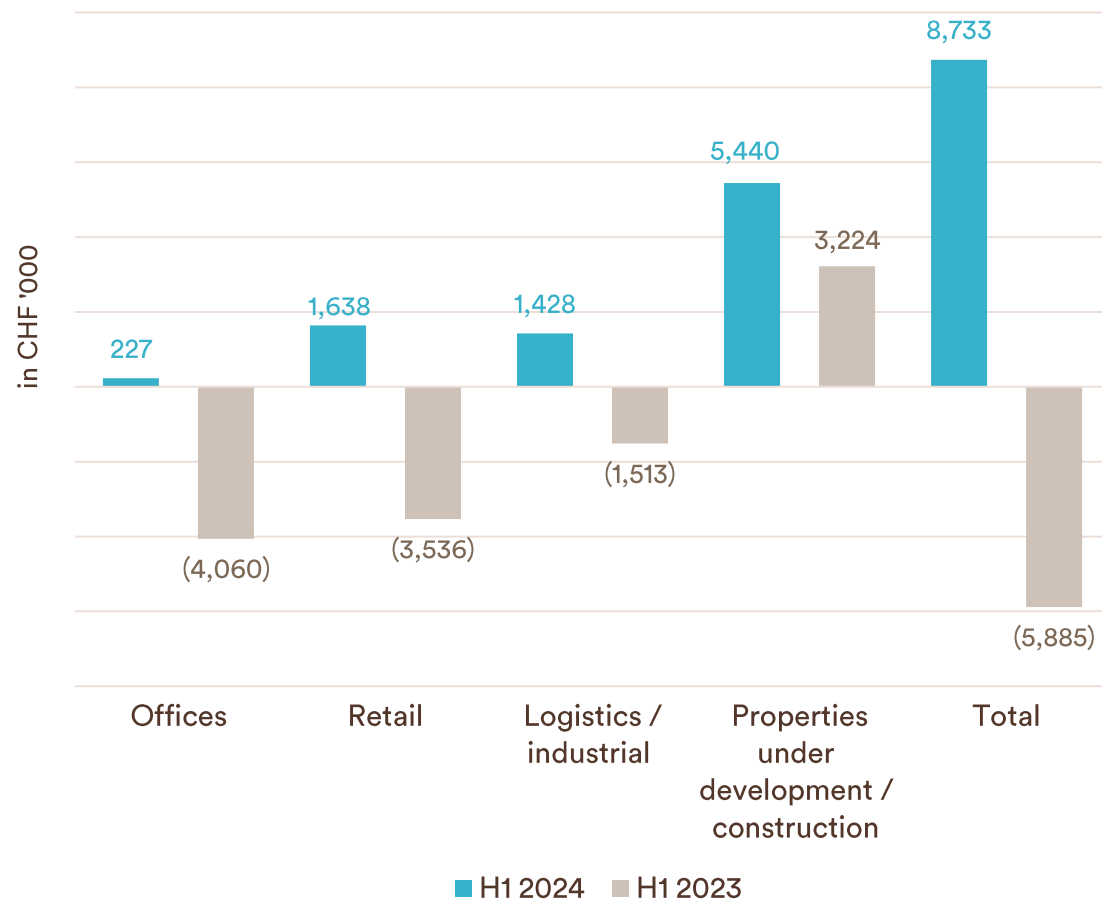
- the developments (CHF 28.8 million), with CHF 24.4 million related to project PULSE in Cheseaux-sur-Lausanne and CHF 4.4 million related to Campus Lemman (Building C) in Morges
- the properties in operation (CHF 5.2 million)

Notes:

(1) Expropriation of land of 36 m² from Vuarpillière (EPiC 9) to the canton of Vaud for total proceeds of TCHF 18.1 resulting in a loss of TCHF 4.6

Net unrealised revaluation gain of CHF 8.7 million in H1 2024

Net revaluation results comparison







- All properties are valued by Wüest Partner, an independent valuer, on a semi-annual basis (30 June and 31 December)
- In H1 2024, the revaluation of the properties resulted in a net unrealised revaluation gain of CHF 8.7 million (versus an unrealised revaluation loss of CHF 5.9 million in H1 2023), which benefited all sectors

Wüest Partner Input parameters	30 Jun 2024	31 Dec 2023	30 Jun 2023
Average nominal discount rate	4.68%	4.69%	4.66%
Assumed inflation rate	1.25%	1.25%	1.25%
Average real discount rate	3.39%	3.39%	3.36%
Lowest real discount rate	2.80%	2.80%	2.80%
Highest real discount rate	4.00%	4.00%	4.00%

Reported vacancy rate below 5% and consolidation on previous growth until next rental income uplift with lettings of ongoing developments

Reported vacancy rate by sector

Sector	H1 2024	H1 2023	Variation
Offices	7.7%	5.4% 	42.6%
Retail	3.2%	4.8% 	(33.3%)
Logistics	0.7%	0.6% 	16.7%
Properties in operation	4.8%	4.4% 	9.1%

- The slight increase in vacancy was driven by tenants' movements as part of the ordinary course of business and the lead time to find a replacement tenant for a vacated area

Rental growth per sector on a like-for like basis⁽¹⁾







Sector	L-f-I Growth H1 2024 versus H1 2023	L-f-I Growth H1 2023 versus H1 2022
Offices	(3.0%)	7.2%
Retail	1.1%	7.3%
Logistics	1.0%	4.8%
Properties in operation	(0.7%)	6.9%

- Inflation had a positive impact of CHF 0.5 million which was counter-balanced by several factors (expiry of tenant fit-out rent, slight increase in vacancy and tenant incentives)

Notes:

(1) The comparison between H1 2023 and H1 2022 was adjusted for the property in Tolochenaz (EPiC 24) bought in December 2022 (impact of CHF 0.1 million)
 No adjustment between H1 2024 and H1 2023

Top 6 tenants with a WAULT of close to 10 years

Tenant group	Net rental income H1 2024 (CHF million)	Share (% of total)	WAULT (years) ⁽⁴⁾
Coop group ⁽¹⁾	6.6	 20%	
Migros group ⁽¹⁾	2.8	 9%	
CHUV ⁽²⁾	2.3	 7%	
GXO Logistics Switzerland S.A.G.L.	2.1	 7%	
Hitachi Zosen Inova AG	1.9	 6%	
Incyte Biosciences International S.à.r.l.	1.4	 4%	
Top 6 tenants	17.1	53%	9.8
Other (circa 160 tenants ⁽³⁾)	15.5	47%	
Rental income	32.6	100%	7.9

No direct rental contracts with any of the retail stores that are expected to be sold by Migros

89% of rental income is indexed according to Swiss CPI formulas⁽⁴⁾

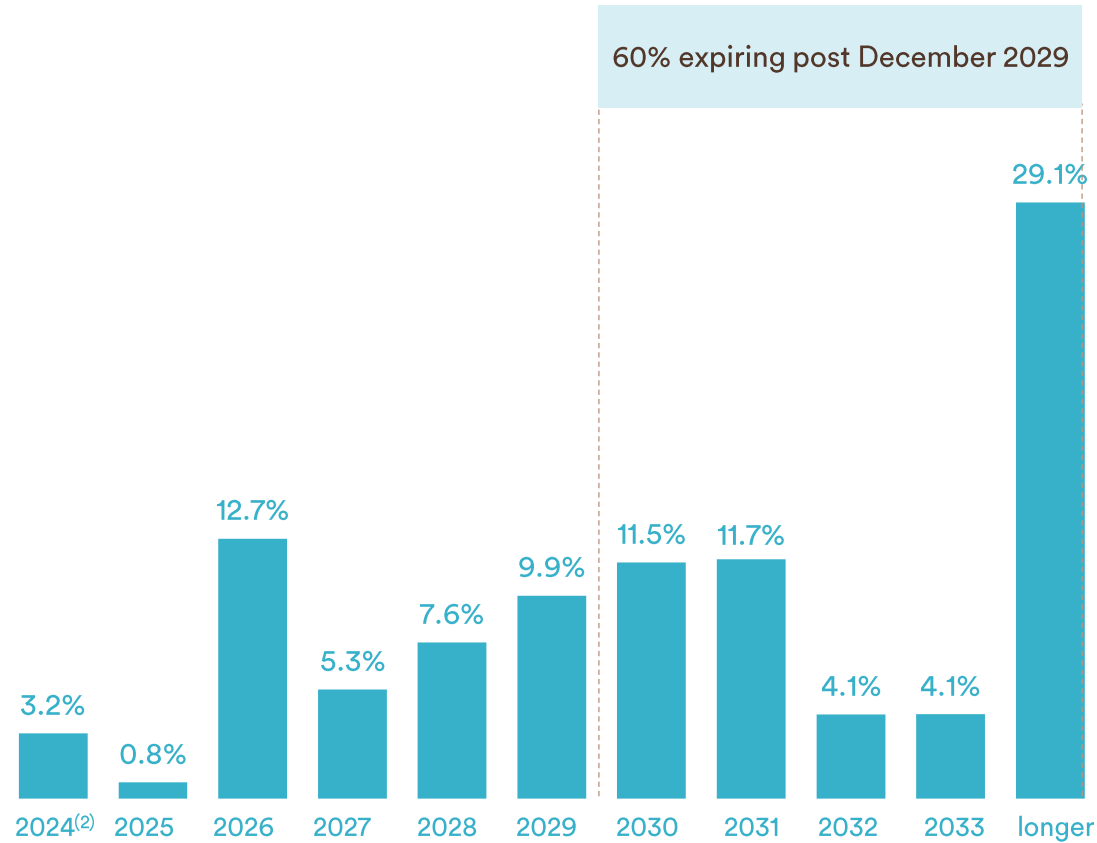
Notes:

- (1) Coop and Migros captions all brands and shops belonging to their respective groups (retail and non-retail)
- (2) "Centre Hospitalier Universitaire Vaudois" group, including PMU Policlinique médicale universitaire

- (3) Number of tenants excludes tenants with rental contracts from parking spaces, apartments, storage and ancillary areas (such as delivery ramps, antennas, show cases for adverts etc.)
- (4) Weighted by rental income excluding rent free

Long leases with balanced expiry profile

Expiry of investment properties' lease contracts
based on 30 June 2024 rent⁽¹⁾



Out of the leases expiring in 2024:

- 77% relate to contracts with:
 - no fixed maturity; or
 - renewed / re-let / in advanced negotiations
- 23% relate to areas that are on the market

Out of the contracts coming to maturity in 2025:










- 53% have already been either renewed or re-let or will fall under no fixed maturity

Notes:

(1) Rental income excludes any rent incentives and exercise of any early break option(s)

(2) Within six months

Balance sheet key figures

Balance sheet	Unit	30 Jun 2024	31 Dec 2023	Variation
Total assets	CHF ('000)	1'614'536	1'578'434 	2.3%
Equity (NAV)	CHF ('000)	795'658	804'943 	(1.2%)
Equity ratio	%	49.3%	51.0% 	(3.3%)
Mortgage-secured bank loans	CHF ('000)	648'924	610'256 	6.3%
Weighted average interest rate on mortgage-secured bank loans	%	1.3%	1.3% 	-
Weighted average residual maturity of mortgage-secured bank loans	Years	4.3	4.5 	(4.4%)
Net loan to value (LTV) ratio	%	40.8%	38.9% 	4.9%
Return on equity (incl. revaluation effects) ⁽¹⁾	%	5.7%	2.2% 	159.1%
Return on equity (excl. revaluation effects) ⁽¹⁾	%	5.0%	5.0% 	-

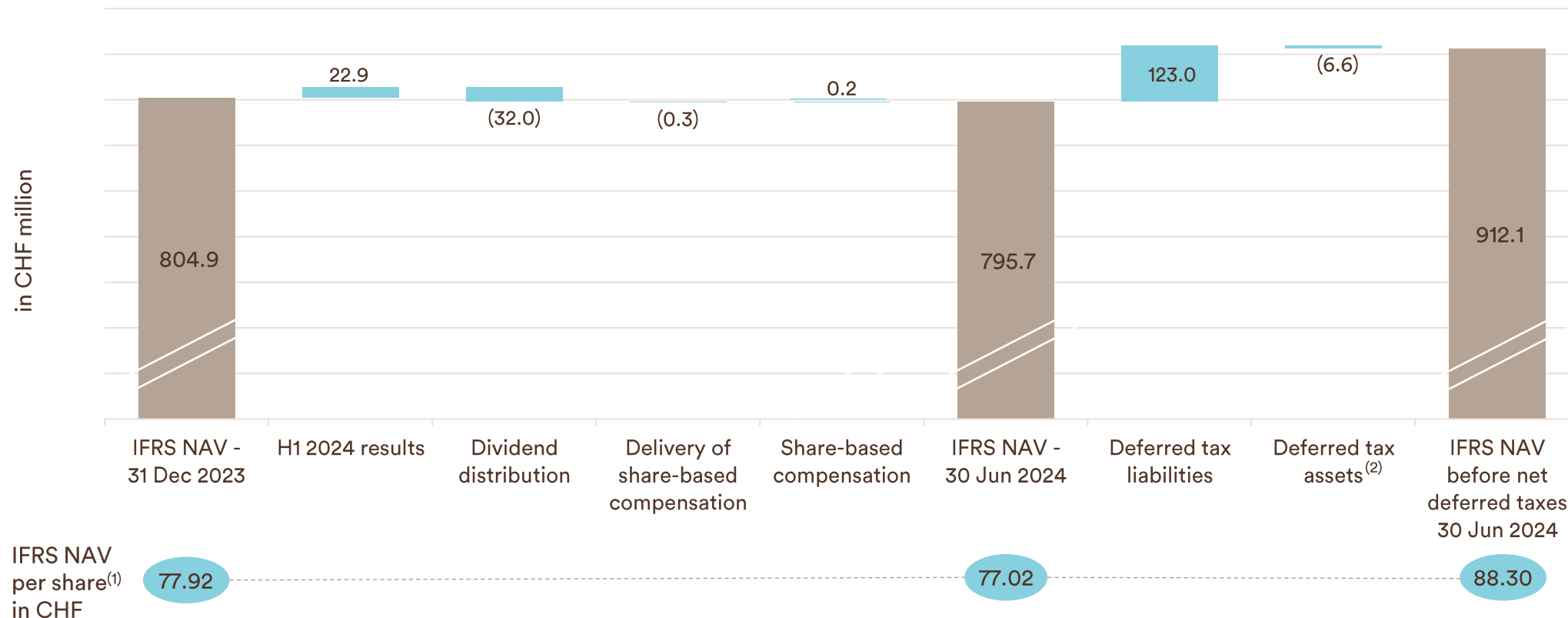
Target net LTV of +/- 45% medium term

Notes:

(1) Annualised for H1 2024

NAV per share at CHF 77.02 by end of June 2024

IFRS NAV evolution over H1 2024



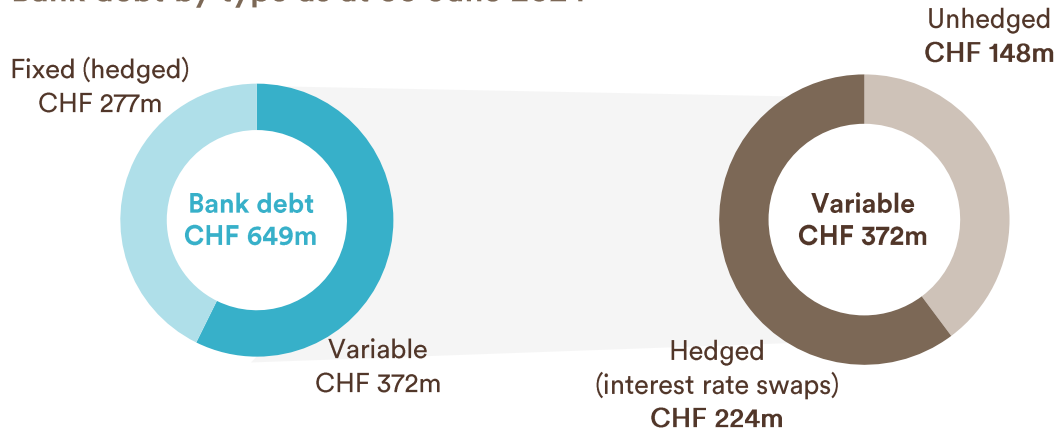
Notes:

(1) Based on 10'330'076 shares

(2) Deferred tax assets (TCHF 280) and other non-current assets corresponding to the complementary property tax in Vaud (CHF 6.3 million)

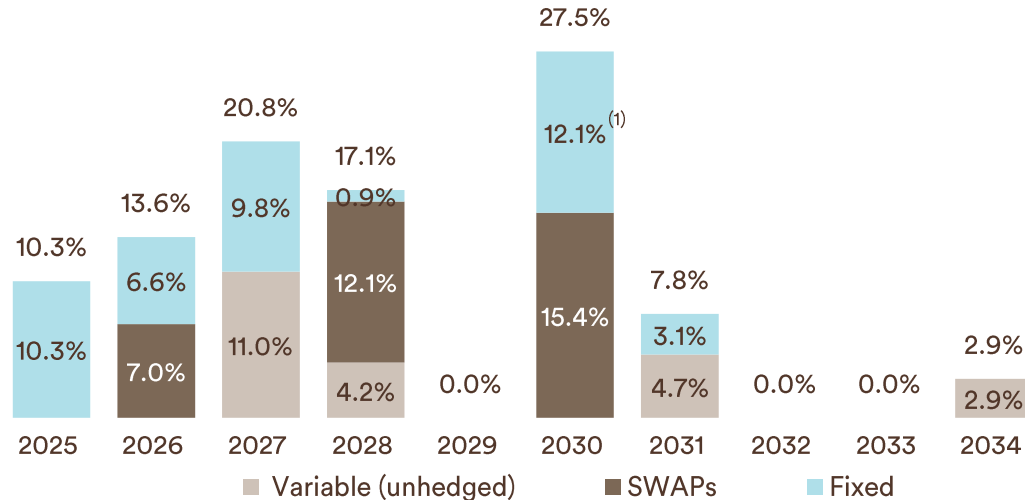
Spread maturity bank debt profile

Bank debt by type as at 30 June 2024



Bank loan maturity profile as at 30 June 2024 over the years

Maturing debt in % of bank debt



As at 30 June 2024

- **Low financing costs** – average cost of debt of 1.3%
- **Broad range of bank debt maturities** – weighted average residual debt maturity of 4.3 years
- **Majority of bank debt hedged** – 77% of bank debt is hedged (either through fixed rates or swaps)
- **No currency risk crystallisation** – use of 3-year foreign cross currency swaps with nominal amount of CHF 91.3 million to reduce the bank margin. The foreign currency conversion rates are equal at inception and maturity of the swaps. Only unrealised foreign exchange revaluation losses or gains will be recorded at each balance sheet date through the profit or loss

Notes:

(1) Out of the 12.1% fixed bank loans due in 2030, 7.7% relates to a fixed loan linked to a swap coming to maturity in 2028 (which is not reflected under swaps in the graph)

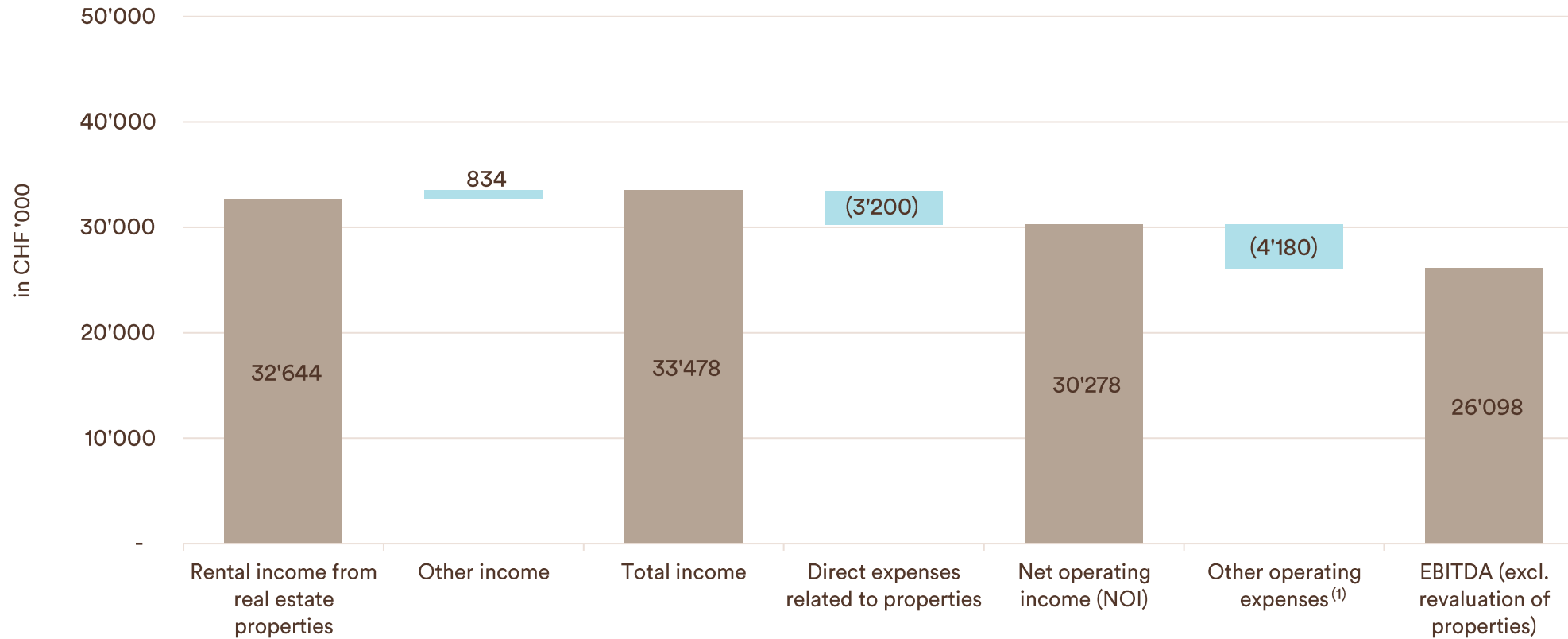
Profit or loss key figures

Results	Unit	H1 2024	H1 2023	Variation
Rental income from real estate properties	CHF ('000)	32'644	32'872 ↓	(0.7%)
Net operating income (NOI)	CHF ('000)	30'278	30'738 ↓	(1.5%)
Net gain (loss) from revaluation of properties	CHF ('000)	8'728	(5'885) ↑	248.3%
EBITDA (incl. revaluation of properties)	CHF ('000)	34'826	20'654 ↑	68.6%
EBITDA (excl. revaluation of properties)	CHF ('000)	26'098	26'539 ↓	(1.7%)
Profit (incl. revaluation effects)	CHF ('000)	22'897	11'230 ↑	103.9%
Profit (excl. revaluation effects)	CHF ('000)	19'914	20'856 ↓	(4.5%)
Net rental income yield of properties in operation ⁽¹⁾	%	4.5%	4.6% ↓	(2.2%)

Notes:

(1) Annualised

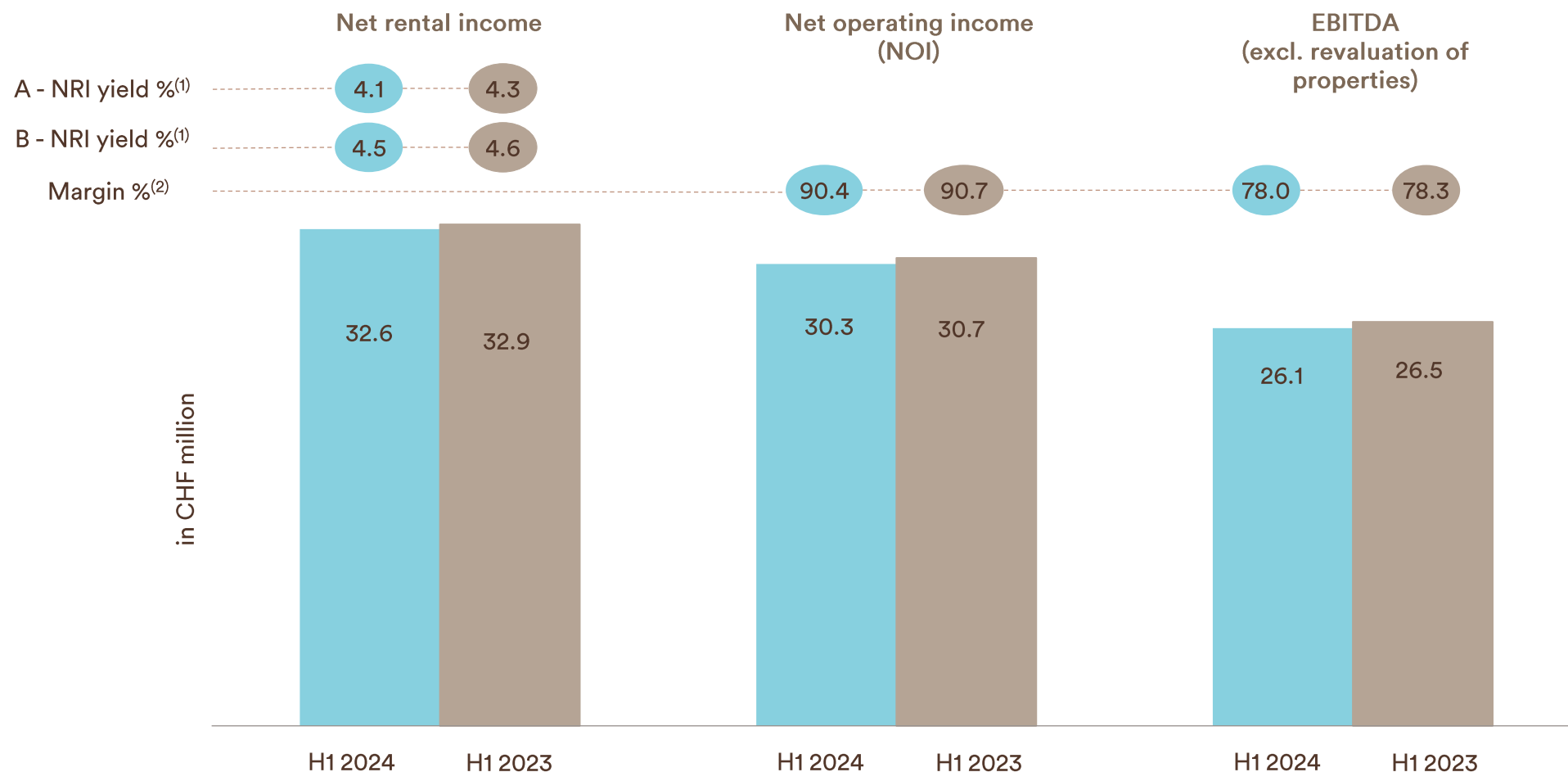
H1 2024 net rental income to EBITDA (excl. revaluation of properties)



Notes:

(1) Other operating expenses include personnel expenses, operating expenses and administrative expenses

Rental income, NOI and EBITDA (excl. revaluation) comparison



Notes:

(1) Net rental income of the total portfolio divided by the fair value of total real estate properties (annualised)

A – Total portfolio

B – Investment properties in operation

(2) Net operating income (NOI) divided by total income / EBITDA (excluding revaluation of properties) divided by total income

Information per share key figures

Information per share	Unit	30 Jun 2024	31 Dec 2023	Variation	
Number of shares outstanding at period end	# ('000)	10'330	10'330	=	-
Net asset value (NAV) per share	CHF	77.02	77.92	↘	(1.2%)
Share price on SIX Swiss Exchange at period end	CHF	72.00	65.60	↗	9.8%
		H1 2024	H1 2023		
Weighted average number of outstanding shares	# ('000)	10'330	10'330	=	-
Earnings per share incl. revaluation effects	CHF	2.22	1.09	↗	103.9%
Earnings per share excl. revaluation effects	CHF	1.93	2.02	↘	(4.5%)

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Progress of the development projects

Current status updates and impressions⁽¹⁾

Campus Leman (phase 2)



- Construction of Building C began in April 2023
- During H1 2024 our anchor tenant has committed to rent a 3rd floor (out of 6)
- Construction expected to be completed in H1 2025

Nexus Brunnpark



- A preliminary building permit (“Voranfrage”) was submitted in H2 2023 in order to facilitate the submission of the definitive building permit
- Public enquiry for the preliminary permit took place during H1 2024, without public objections
- Coordination meetings are taking place with the authorities to satisfy the various demands
- Expect to receive the approval of the preliminary building permit during H2 2024

PULSE in Cheseaux-sur-Lausanne



- Signed first rental contracts representing about 21% of the CHF 7.5 million rental income targeted by the Company at the beginning of construction
- Construction is expected to be completed on time during H1 2025
- Project was included by the canton as a reference of examples for mixed densification of light industrial buildings

Tolochenaz (in planning)⁽²⁾



- Strategic development site in canton Vaud
- New master plan expected to improve flexibility of the building rights and also attractiveness of the site
- Public enquiry of the masterplan took place during H1 2024
- Municipality is working on different necessary steps with the landowners, before the masterplan can be presented to the Town Council for final approval

Notes:

(1) Source of pictures: Bonnard+Woeffray Architectes, Architram / Atelier du Simplon, Laurent Kaczor and Pichler Fotografen

(2) Currently classified under investment properties in operation

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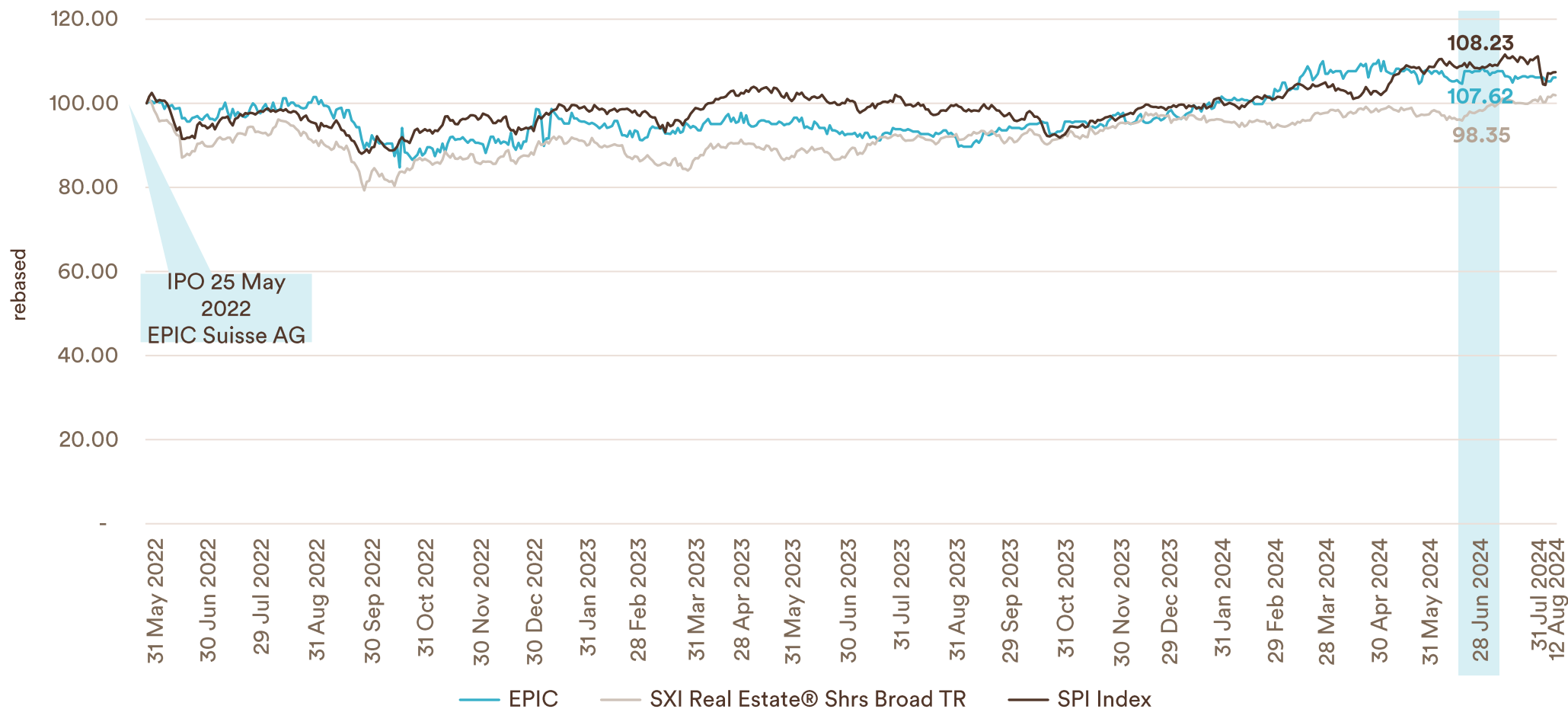
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Outlook for 2024

- Assuming no materially adverse impact on our operations going forward, we reconfirm a robust net rental income level for the full year 2024 in line with the previous year
- We expect the lettings in our developments, PULSE and Campus Leman (Building C), to bring the next sizeable uplift in rental income

Appendix

EPIC share price compared with SXI Real Estate & SPI indexes⁽¹⁾



Notes:
 (1) Source: SIX Swiss Exchange

Glossary of Alternative Performance Measures

Adjusted vacancy rate (properties in operation)

Reported vacancy rate (properties in operation) adjusted for absorption and strategic vacancy in certain properties in operation over maximum three years (for 31 December 2023 Zänti Volketswil and Biopôle Serine)

EBIT

Earnings before interest and tax corresponds to EBITDA after depreciation and amortisation

EBITDA or EBITDA (incl. revaluation of properties)

Earnings before interest, tax, depreciation and amortisation including net gain (loss) from revaluation of properties

EBITDA (excl. revaluation of properties)

Earnings before interest, tax, depreciation and amortisation excluding net gain (loss) from revaluation of properties

EBITDA (excl. revaluation of properties) margin

EBITDA (excl. revaluation of properties) divided by total income

EBITDA (excl. revaluation of properties) yield

EBITDA (excl. revaluation of properties) divided by the fair value of total real estate properties

IFRS NAV

Total equity as shown in the consolidated statement of financial position

IFRS NAV (before net deferred taxes)

IFRS NAV excluding deferred tax liabilities, deferred tax assets and other non-current assets (corresponding to the complementary property tax in canton of Vaud)

Funds from operations (FFO)

EBITDA (excl. revaluation of properties) less net financial expenses (excl. unrealised revaluation effects) and less cash tax and before capital expenditure and mortgage-secured bank debt amortisation

Glossary of Alternative Performance Measures

FFO yield (IFRS)

FFO divided by IFRS NAV as at the respective date

Net debt

Total debt net of cash and cash equivalents

Net loan to value (LTV) ratio

Ratio of net debt to the market value of total real estate properties including the right-of-use of the land

Net operating income (NOI)

Rental income from real estate properties plus other income less direct expenses related to properties

NOI margin

NOI divided by total income

Net rental income

Rental income from real estate properties on the statement of profit and loss

Net rental income yield (properties in operation)

Net rental income of investment properties in operation divided by the fair value of investment properties in operation (classified as such) during the period (i.e. before any period-end transfers between categories)

Net rental income yield (total portfolio)

Net rental income of the total portfolio divided by the fair value of total real estate properties

Profit (excl. revaluation effects)

Profit after tax before other comprehensive income excluding revaluation of properties and derivatives and related deferred taxes as well as any related foreign exchange effects

Glossary of Alternative Performance Measures

Reported vacancy rate (properties in operation)

Vacancy of the properties in operation divided by target rental income of the properties in operation for the reporting period

Return on equity (excl. revaluation effects)

Profit after tax before other comprehensive income excluding revaluation of properties and derivatives and related deferred taxes as well as any related foreign exchange effects divided by the average IFRS NAV. The average IFRS NAV corresponds to $\frac{1}{2}$ of the sum of the IFRS NAV at the beginning and at the end of the reporting period

Return on equity (incl. revaluation effects)

Profit after tax before other comprehensive income divided by the average IFRS NAV. The average IFRS NAV corresponds to $\frac{1}{2}$ of the sum of the IFRS NAV at the beginning and at the end of the reporting period

Total debt

Total of mortgage-secured bank loans and shareholders' loans

Vacancy

Sum of the target rental income of vacant units

WAULT (weighted average unexpired lease term)

Weighted average unexpired lease term (in number of years) calculated as the sum-product of lease maturities based on contract expiration and corresponding rental income divided by the total rental income, excluding early breaks, adjusted for rental contracts that terminated during the relevant financial period and with annualised contractual rental income for rental contracts that started during the relevant financial period

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