EPIC SUISSE

Annual Report 2023

EPIC at a Glance

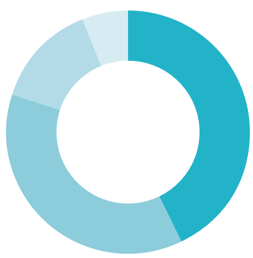
EPIC Suisse AG is a Swiss real estate company with a high-quality property portfolio mainly located in Switzerland's major economic hubs, specifically the Lake Geneva Region and the Zurich Economic Area. The company has a strong track record in sourcing, acquiring, (re)developing and actively managing commercial properties in Switzerland. EPIC has been listed on SIX Swiss Exchange since May 2022.

Our portfolio as at 31 December 2023

Market value of the portfolio

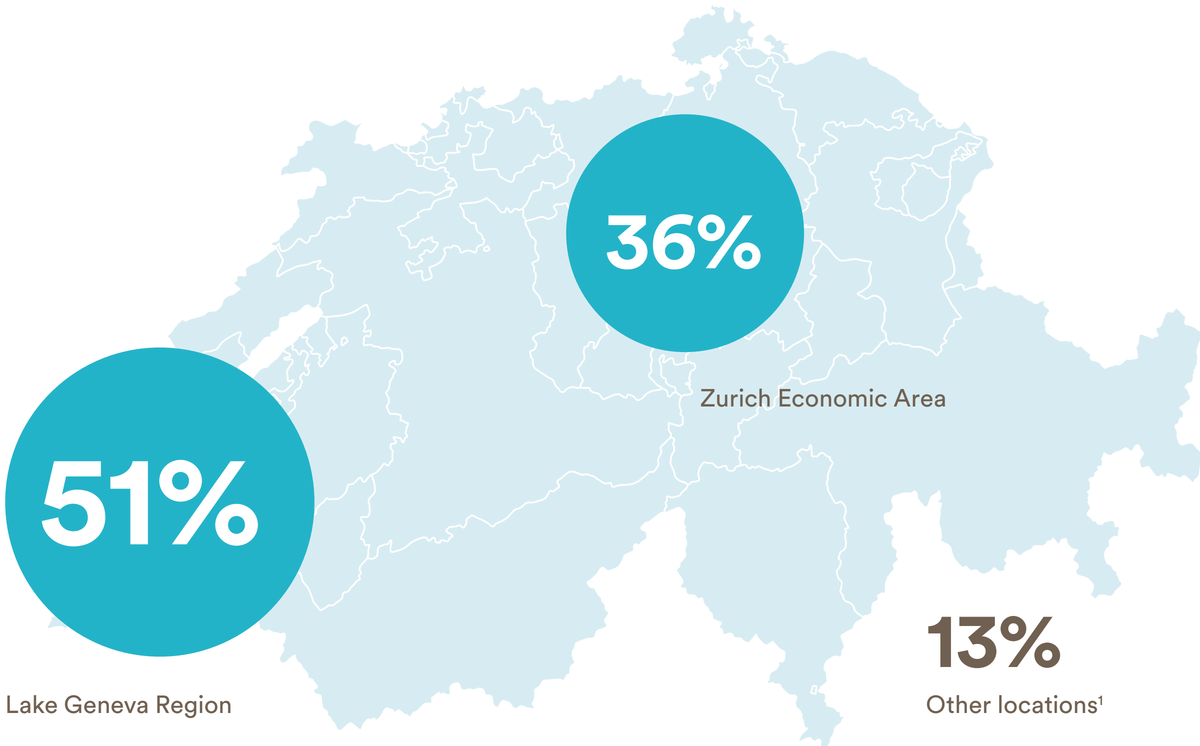
CHF
1.5 billion

Portfolio by use
Based on market value



43% Office
37% Retail
14% Logistics/Industrial
6% Developments

Portfolio by region
Based on market value



25
Properties

324'549 m²
Rentable area of investment properties in operation

8.1 years
WAULT

4.5 %
Net rental income yield of investment properties in operation

[1] Other locations refer to the properties in cantons of Glarus, St. Gallen and Bern.

Key Figures

Result	Unit	2023	2022
Rental income from real estate properties	CHF ('000)	65'333	61'480
Net operating income (NOI)[1]	CHF ('000)	60'724	56'401
Net gain (loss) from revaluation of properties	CHF ('000)	(9'715)	936
EBITDA (incl. revaluation on properties)	CHF ('000)	42'656	44'017
EBITDA (excl. revaluation on properties)	CHF ('000)	52'371	43'081
Earnings before interest and tax (EBIT)	CHF ('000)	42'461	43'825
Profit (incl. revaluation effects)	CHF ('000)	17'627	56'373
Profit (excl. revaluation effects)[2]	CHF ('000)	40'874	32'584
Net rental income yield properties in operation	%	4.5%	4.2%

Balance sheet	Unit	31 Dec 2023	31 Dec 2022
Total assets	CHF ('000)	1'578'434	1'563'201
Equity (NAV)	CHF ('000)	804'943	818'412
Equity ratio	%	51.0%	52.4%
Return on equity (incl. revaluation effects)[3]	%	2.2%	8.1%
Return on equity (excl. revaluation effects)[4]	%	5.0%	4.7%
Mortgage-secured bank loans	CHF ('000)	610'256	595'966
Weighted average interest rate on mortgage-secured bank loans	%	1.3%	1.0%
Weighted average residual maturity of mortgage-secured bank loans	Years	4.5	4.1
Net loan to value (LTV) ratio[5]	%	38.9%	38.3%

Portfolio	Unit	31 Dec 2023	31 Dec 2022
Total portfolio	CHF ('000)	1'535'538	1'501'882
Investment properties in operation	CHF ('000)	1'441'248	1'447'761
Investment properties under development/construction	CHF ('000)	94'290	54'121
Reported vacancy rate (properties in operation)	%	4.6%	5.8%
Adjusted vacancy rate (properties in operation)[6]	%	3.0%	3.3%
WAULT (weighted average unexpired lease term)	Years	8.1	8.2

Information per share	Unit	31 Dec 2023	31 Dec 2022
Number of outstanding shares as at period end	# ('000)	10'330	10'330
Net asset value (NAV) per share	CHF	77.92	79.23
Share price on SIX Swiss Exchange	CHF	65.60	63.50

		2023	2022
Weighted average number of outstanding shares	# ('000)	10'330	9'200
Earnings per share (incl. revaluation effects)	CHF	1.71	6.13
Earnings per share (excl. revaluation effects)	CHF	3.96	3.54

[1] Rental income from real estate properties plus other income less direct expenses related to properties
[2] 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
[3] Profit after tax before other comprehensive income divided by the average IFRS NAV. The average IFRS NAV corresponds to ½ of the sum of the IFRS NAV at the beginning and at the end of the reporting period
[4] 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 ½ of the sum of the IFRS NAV at the beginning and at the end of the reporting period
[5] Ratio of net debt to the market value of total real estate properties including the right-of-use of the land
[6] Reported vacancy rate adjusted for absorption and strategic vacancy in certain properties in operation (i.e. Zänti Volketswil, Biopôle Serine)
For alternative performance measures' descriptions, please refer to page 159

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Letter to Shareholders

Dear shareholders,

We are pleased to present in this annual report our successful results for the financial year ended 31 December 2023, highlighting our achievements as well as the future prospects of our operations. Our record-breaking annual net rental income and the profit (excluding revaluation effects), as well as the progress on our pipeline, are a testament of the hard work of our team to whom the Board of Directors and the Group Executive Management would like to express their sincere gratitude.

Similar to last year, we are happy to provide in this report our Sustainability Report, which was expanded and was prepared in accordance with GRI Standards. In addition, we also voluntarily present for the first time a TCFD (Task Force on Climate-related Financial Disclosures) Report to further enhance transparency to our investors and other stakeholders on these subjects.

CHF
65.3
million of rental income

Looking ahead, we continue to actively explore not only new opportunities for attractive properties, but also innovative technologies and sustainable practices to enhance our existing properties and development projects, ensuring they meet the evolving needs of tenants and communities. In this respect, our Board of Directors has unanimously agreed to embark on a decarbonisation pathway with a target to reach net zero carbon emission by the year 2050, in line with the Swiss Confederation's target.

Highlights of results

We are delighted to show, for a second successive year, a record high rental income

from real estate properties of CHF 65.3 million for the year ended 31 December 2023, which is an increase of 6.3% compared to the CHF 61.5 million of rental income generated during the financial year 2022. This increase in rental income was driven by additional rent due to indexation, a decrease of rent-free periods granted, and a further reduction in our vacancy rate from 5.8% in 2022 to 4.6% in 2023. The lower vacancy represents a second consecutive year-on-year reduction in the reported vacancy rate which was 7.6% during 2021.

This rental income growth led to a substantial increase in our funds from operations (FFO[1]) to CHF 40.1 million for the financial year 2023, from CHF 30.8 million for 2022 (or CHF 36.6 million excluding one-off IPO costs that were expensed during 2022), and as a result, our Board of Directors decided to propose to the Annual General Meeting (AGM) to distribute a gross dividend amount of CHF 32.0 million or CHF 3.10 per share. Based on the closing price of our shares at year-end 2023, this represents an attractive yield of 4.7%.

4.7 %

dividend yield

Market environment in the Swiss real estate market

Despite the shaky international environment, the Swiss economy has proved remarkably resilient: for 2023 as a whole real GDP growth is expected at 1.3%[2] which is lower than the 2.5% GDP growth in 2022, with inflationary pressures easing following the Corona virus and the start of the war in Ukraine, when energy costs rose and supply chains experienced massive difficulties. The reduction in the inflationary pressure was to a large extent driven by a rising-interest-rate environment, where the Swiss National Bank (SNB) has increased the reference interest rate from 1.0% in December 2022 to as high as 1.75% in June 2023. At its meeting in December 2023, the SNB left the policy rate unchanged at 1.75%. During 2023, we entered into additional hedging instruments, so that as at 31 December 2023, 78.6% of our bank loans were hedged.

Our office sector continues to benefit substantially from the demand generated by the strong employment market. The robust demand was translated into an increase of 5.5% in our office sector's net rental income from CHF 26.8 million in 2022 to CHF 28.3 million in 2023.

Our retail sector has continued to perform well and generated a net rental income of CHF 26.5 million, which corresponds to an increase of 7.1% compared to the 2022 net rental income of CHF 24.7 million. The main reason for the increase was thanks to the decrease in rent free periods compared to 2022. Furthermore, as at 31 December 2023 our retail sector has a long WAULT of 10.2 years (10.8 years as of 31 December 2022), and so we view this sector as resilient to potential market changes, even though the retail market environment remains somewhat challenging.

The logistics market experienced a boom in Switzerland, particularly during the Corona virus pandemic, as demand for space from online service providers skyrocketed. Since then, the logistics market has normalised somewhat. We feel confident about the demands for our project Brunnpark in Roggwil, seeing as it remains a challenge to logistics companies to find large-scale, high-quality buildings with optimal transport connections for logistics centres, which is in short supply in Switzerland. During 2023 the net rental income of our industrial/logistics sector increased by 6.1% from CHF 9.9 million to CHF 10.5 million or by 4.5% on a like-for-like basis excluding the property located adjacent to our property in Tolochenaz which we acquired in December 2022 in order to increase the flexibility of our future development.

Business update within the real estate portfolio

We are pleased to share with you that we have let the last remaining vacant area in our Biopôle Serine building, with the final tenant expecting to enter the building mid of 2024. The increase in the net rental income generated by this last rented surface is expected to impact the net rental income from H2 2024 on.

[1] For a glossary of the alternative performance measures please refer to page 159 of this Annual Report

[2] Source: State Secretariat for Economic Affairs SECO, press release of 29 February 2024

As usual, we remain focused on our long-term growth and continue to drive our ongoing development projects forward.

The construction of our PULSE site in Cheseaux-sur-Lausanne is progressing well and our expectation of completing this project during H1 2025 stays unchanged. As a reminder, the complex encompasses a gross area of circa 43'000 m² with two buildings connected via a two-floor underground car-park. In parallel to the construction, we focus our efforts on the commercialisation of the project and from some ongoing discussions with some potential tenants, we feel comfortable that the buildings were well designed and can meet the various demands of potential tenants.

The construction of the next phase of Campus Leman (Building C) is also well underway and we estimate the completion during H1 2025. As announced in our Half-Year Report 2023, Incyte, who is the anchor tenant on the campus, has committed to rent around 30% of the building. Furthermore, we have ongoing discussions with some other potential tenants for other floors in the building. See also the portfolio example on page 22.

The municipality of Tolochenaz continues to progress with the En Molliau masterplan and we expect the public enquiry to start in the coming months. We follow the development of this masterplan closely and with great interest, and we expect to have more information later in the year. We remain confident of the development potential of this site, given its unique location between Lausanne and Geneva, located adjacent to the A1 motorway, and considering the plot's considerable size. Furthermore, the plot today has significant building rights already, which can be developed whether or not the En Molliau masterplan is finally adopted. As mentioned in our Annual Report 2022, while we await the beginning of the development, and in order to reduce our CO_2 emissions, we have allowed our current tenant to install photovoltaic panels on the roof of approximately 4'900 m² to generate green energy. These photovoltaic panels have been installed during 2023 and are fully operational.

During H2 2023, we have filed the provisional building application for our development Brunnpark in Roggwil, in order to help define the framework of the future development that we can construct on the site. The months following the submission of the building permit were spent exchanging with the authorities, and at the time of publication of this Annual Report, our discussions with them are ongoing.

Financing

Our balance sheet remains very solid with an equity of CHF 804.9 million as at 31 December 2023 compared to CHF 818.4 million as at 31 December 2022, and with a low net loan to value (LTV) ratio of 38.9% as at 31 December 2023 (versus 38.3% by the end of 2022). The change in equity primarily reflects the dividend distribution of CHF 31.0 million which was paid to shareholders on 4 May 2023, and the total comprehensive income contribution of CHF 17.4 million for the year 2023.

Our strong balance sheet and prudent hedging strategy allowed us to continue to benefit from low interest rates on our mortgage-secured bank loans, as illustrated by our moderate weighted average interest rate of 1.3% as at 31 December 2023.

Committed to a long-term ESG strategy and transparent reporting

The Board of Directors and the Group Executive Management are strongly committed to our social responsibilities and to the environmental sustainability of our portfolio. As such, we have in the past made continuous investments into the modernisation, insulation and other sustainable and ecologically friendly features of our properties. Environmental sustainability is a key guiding principle for our development projects and among our criteria for future developments.

We are particularly pleased to announce that during 2023 our Board of Directors has approved a decarbonisation pathway, with a view to reach zero net carbon emission by 2050. This clear engagement highlights our profound commitment to help shift to the use of green energy. Additionally, we have decided to voluntarily publish our first TCFD Report to further enhance transparency on climate-related risks and opportunities for our business and the corresponding measures we are taking.

As for the CO_2-emission intensity of our portfolio in the period from July 2022 to June 2023, we can report a level of 13.5 $kgCO_2e/m^2$, which is a relatively low carbon intensity for scopes 1 and 2 as well as scope 3[3] compared to Swiss average intensities. On one hand, this can be explained by the relatively young age structure of the buildings, and the large floor areas that are heated less intensively. On the other hand, it is a result of the efforts and investments we have made in some of the buildings in recent years to make them more energetically efficient.

In the Sustainability Report 2023, the carbon emissions of our portfolio for the reporting period (mid 2022 to mid 2023) are primarily based on measured data. For areas where no information was received from third parties, the modelling approach was used to estimate the carbon emissions. For further insights on our ESG strategy and activities as well as on the risks/opportunities matrix, please refer to the dedicated Sustainability and TCFD Reports on pages 24 and 47, respectively.

Proposals to the Annual General Meeting

Based on the results achieved for the financial year 2023, the Board of Directors will propose to the AGM on 25 April 2024 a gross dividend distribution of CHF 3.10 per share which represents an increase of 3.3% compared to last year's dividend of CHF 3.00 per share. If approved by the AGM, the dividend will be paid to shareholders on 8 May 2024.

All current members of the Board of Directors will stand for re-election at the AGM 2024. Roni Greenbaum will be proposed for re-election as Chairman of the Board of Directors. Furthermore, Stefan Breitenstein (Lead Independent Director) and Roni Greenbaum shall be re-elected as members of the Remuneration and Nomination Committee. Andreas Schneiter and Leta Bolli Kennel will continue their roles as members of the Audit and Risk Committee.

A word of thanks

Without the excellent work of our employees, the positive development of our business and the strong results achieved in 2023 would not have been possible. We would like to thank them on behalf of the entire Board of Directors and the Group Executive Management. We also wish to thank all our business partners for the trust placed in us and for the continued loyalty shown. Finally, we would like to thank you, our valued shareholders. Thank you for your confidence and interest in EPIC Suisse.

Sincerely,

Roni Greenbaum
Chairman

Arik Parizer
Chief Executive Officer

[3] In this Sustainability Report, we have considered category 3 (Fuel- and Energy-Related Activities) and category 13 (Downstream Leased Assets) of the Scope 3 emissions framework. The other Scope 3 categories were not included in our analysis.

Report on the Annual Results

Our constant efforts to improve our portfolio pay off
Rental income from real estate properties increased by 6.3% from CHF 61.5 million in 2022 to CHF 65.3 million in 2023 or by 6.0% on a like-for-like basis, when excluding the Tolochenaz add-on acquisition made in December 2022. Rent indexation was the primary driver of this growth, with reductions in incentives and vacancies as subsequent contributors. Net rental income yield of our properties in operation reached 4.5% versus 4.2% when comparing both reporting periods, while net operating income for this segment showed a CHF 4.1 million (or 7.3%) progression to CHF 60.6 million, corresponding to a 90.3% margin (CHF 56.5 million and 90.0% respectively in 2022).

Following the reappraisal of all properties by the independent real estate valuer Wüest Partner AG as at 31 December 2023, the value of our portfolio rose by 2.2% to CHF 1'535.5 million (compared to CHF 1'501.9 million as at 31 December 2022), essentially due to the advancement of our ongoing development projects and despite a net unrealised revaluation loss of CHF 9.7 million, which considering the size of our portfolio reflects a moderate revaluation variation of -0.6%.

The Swiss real estate market saw further pressure from higher yield expectations in the year 2023, which was also reflected in our year-end weighted average real discount rate of 3.39% or 8 basis points higher compared to 3.31% at the end of December 2022. All sectors were negatively affected except for the developments. The development sector displayed a net unrealised revaluation gain of CHF 2.7 million, whereas the offices, retail and logistics/industrial sectors showed unrealised revaluation losses of CHF 4.9 million, CHF 4.4 million and CHF 3.2 million, respectively.

CHF
1'536
million portfolio value

In the reporting period, the group generated an EBITDA of CHF 42.7 million compared to CHF 44.0 million in the prior year. When excluding the revaluation on properties and the one-off IPO costs of CHF 5.9 million incurred in the first half of 2022, the adjusted EBITDA improved by 7.0% from CHF 48.9 million in 2022 to CHF 52.4 million in 2023, mostly as a result of the top line growth.

The swing in the financial result from a net income of CHF 20.8 million in 2022 to a net loss of CHF 22.7 million in 2023 is mostly caused by the revaluation of the hedging instruments (interest rate and cross currency swaps) which resulted in a net unrealised gain of CHF 27.9 million in 2022 versus a net unrealised loss of CHF 20.3 million in 2023. The mortgage-secured bank charges amounted to CHF 7.7 million during 2023 compared to CHF 6.2 million in the previous year, such cost rise being driven largely by the switch of the Swiss reference interest rate from negative to positive territory between 2022 and 2023. Accordingly, the weighted average interest rate on bank loans increased to 1.3% as at 31 December 2023 versus 1.0% at the end of 2022.

As previously mentioned in the Half-Year 2023 report, to further reduce bank costs and in particular the bank margin, the group entered into cross currency swaps. The foreign currency conversion rates were fixed at inception and maturity of the swaps, eliminating the crystallisation of any potential foreign exchange currency risks. Thus, only unrealised revaluation foreign exchange losses or gains will be recorded, which – similar to any periodic fair value revaluation of the properties or derivatives – do not impact the group's operations, cash flows or dividend distributions. In addition, in H2 2023, the group entered into an additional interest rate swap with a 3-year maturity until September 2026 and fixed leg of 1.51% for a nominal amount of CHF 46.0 million.

Profit for the reporting year came to CHF 17.6 million versus CHF 56.4 million in the previous year. After adjusting for the revaluation effects (of the properties and derivatives including any related foreign exchange effects) and the above-mentioned one-off IPO costs incurred during 2022, the profit for 2023 reached CHF 40.9 million showing a 6.3% increase compared to CHF 38.4 million for 2022.

Thanks to further successful (re)-lettings, in particular in the office sector, such as for our property Biopôle Serine, the reported vacancy rate of our investment properties in operation decreased to 4.6% in 2023 from 5.8% in 2022.

The WAULT as at 31 December 2023 is another indicator of our constant efforts in closely managing our properties in operation. It remained high at 8.1 years as at 31 December 2023 (8.2 years as at 31 December 2022), notwithstanding the passing of time effect (1.0 year).

Capital expenditure
The group kept investing in its portfolio during the reporting period with total investments of CHF 43.4 million, of which the majority was targeted at the ongoing developments, namely project PULSE in Cheseaux-sur-Lausanne and Building C in Campus Leman, accounting in aggregate for CHF 37.4 million.

Sound capital base
As at 31 December 2023, the equity ratio remained above 50% at 51.0% with an equity of CHF 804.9 million (52.4% and CHF 818.4 million, respectively, as at 31 December 2022). A dividend of CHF 3.00 per share, corresponding to a yield of 4.7% based on the year-end 2022 closing share price, was distributed to the shareholders on 4 May 2023, in line with the target announced in May 2022. The net asset value per share equalled to CHF 77.92 as at 31 December 2023 versus CHF 79.23 by the end of 2022.

CHF
3.10
gross dividend per share

There are no bank loans coming to maturity in 2024, whereas the loan renewals that took place in 2023 contributed to prolong the weighted average residual maturity to 4.5 years as at 31 December 2023 (4.1 years at the end of 2022). The proportion of the bank debt that was hedged as at 31 December 2023, stayed high at 79% and the net loan to value ratio low at 38.9% (81% and 38.3% respectively as at 31 December 2022).

Dividend
Thanks to our portfolio's performance in 2023, the FFO equalled to CHF 40.1 million compared to CHF 36.6 million for 2022 (when adjusting for the one-off IPO costs of CHF 5.9 million).

The Board of Directors will therefore propose to the Annual General Meeting to distribute an amount of CHF 32.0 million out of the foreign capital contribution reserves, corresponding to CHF 3.10 per share (+3.3% compared to last year) and a dividend yield of 4.7% based on the closing price of the registered shares at year end 2023.

Outlook
The Swiss economy is still forecasted to grow in 2024 despite a troubled and uncertain geopolitical environment. Assuming no materially adverse changes on our operations during this year, our net rental income for 2024 is expected to remain robust and in line with 2023. We forecast significant rental increases to come with the future lettings of our developments in accordance with our planned construction timeline.

Sincerely,

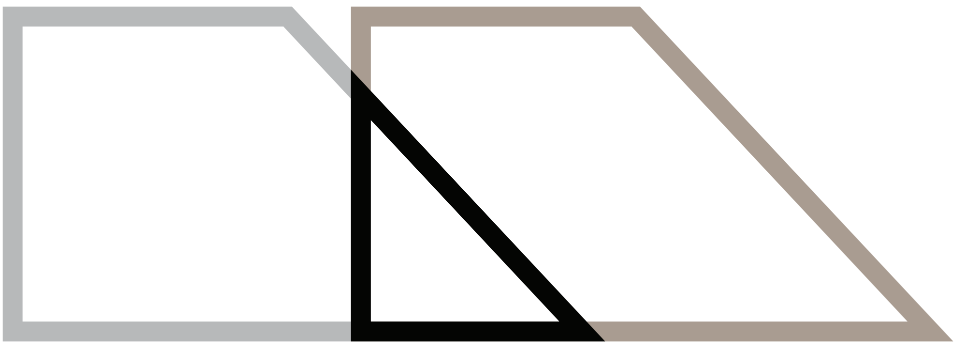
Valérie Scholtes
Chief Financial Officer

Strategy and Business Model

Long-term oriented investment strategy
EPIC Suisse AG ("EPIC Group") covers the value chain of a property on the basis of its "buy, build and hold" strategy. We purchase attractive real estate – primarily office buildings, logistics/light industrial sites and shopping centres – invest in their development and optimisation, and retain the properties in our portfolio over the long-term.

Our commercial properties are predominantly situated in the major economic hubs across Switzerland, specifically the Lake Geneva Region and the Zurich Economic Area, with additional, selectively chosen assets in cantons such as St. Gallen, Glarus and Bern.

With its investment strategy, EPIC Group aims to achieve long-term sustainable growth and to provide capital appreciation and dividend income to its shareholders.



Buy
Selective acquisition

Build
Development

Hold
Value creation and return

Investment criteria
In selecting the properties, we focus on the following investment criteria:

- quality of the location and the catchment area;
- actual current level of rents compared to long-term rent potential;
- letting opportunities;
- construction quality of the property and potential additional investments;
- environmental sustainability;
- sector diversification; and
- demographical developments.

Our current investment portfolio as at 31 December 2023 consists of 25 properties, split into investment properties in operation and investment properties under development/construction. An additional description of the investment properties is included in the accounting policy for real estate properties in Note 28 of the consolidated financial statements.

For further details on our portfolio see also “EPIC at a Glance” on page 2.

Risk diversification

EPIC Group diversifies its real estate portfolio and seeks to minimise investment risks by spreading the total investment volume across a minimum of 20 properties and by ensuring that rental income from a single tenant does not exceed 30% of the total income from all tenants.

We target long-term oriented blue-chip tenants and consider our stable tenant structure a significant strength. During 2023, our tenant portfolio included over 160[1] different tenants. The five largest tenants together represented about 48% of total rental income, with Coop Group alone accounting for about 20%.

Proactive asset management

We manage our real estate assets proactively, and enhance value through systematic renovations and modernisations.

In terms of financing, we obtain short-term and long-term capital mainly through mortgage-secured bank loans, or through the capital markets. As a general rule, EPIC Group targets a net loan-to-value ratio of 45% (as at 31 December 2023 the net LTV ratio was 38.9%).

Maintain our lean, efficient operating structure

We maintain a very lean and flexible organisational structure, which we consider essential to efficiently manage our real estate portfolio and our approach regarding sourcing, acquisition, (re)development, refurbishment and repositioning of our investment properties.

Our highly entrepreneurial leadership team has over 60 years of combined real estate experience and a strong track record of active portfolio management and value-creative growth.

We are strongly committed to tenant satisfaction and our organisational framework enables us to manage our investment properties in a hands-on, solution-oriented manner while keeping our tenants at the centre of our operations.

Sustainability

We design, build and maintain attractive buildings and modern shopping or working environments that contribute to the quality of life. We are also a reliable and responsible employer, offering competitive, fair and equal working conditions to all our staff. As a company, we create ecological, economic and social value for all our stakeholders. Our ESG activities are explained in detail in the Sustainability Report and in the TCFD Report on pages 24 and 47, respectively.

For a copy of our complete investment regulations, please refer to our website, section ESG: https://epic.ch/en/esg

[1] 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.).

Strong Entrepreneurial Leadership

Board of Directors

Roni Greenbaum

Stefan Breitenstein

Leta Bolli Kennel

Andreas Schneiter

Group Executive Management

Arik Parizer

Valérie Scholtes

Philipp Küchler

Office

Lancy Office Center, Petit-Lancy

The Lancy Office Center, located close to Geneva's central business district and international airport, is a good example of EPIC Suisse's ability to successfully market and re-let a commercial office property. We completed the purchase of a mostly vacant building in June 2018, with the aim to convert it into a multi-tenant property. Among other things, we upgraded the main lobby into an attractive public space, renovated the restaurant areas and were able to let most parts of the building within 18 months to high quality tenants including ING Bank, Kessler & Co (insurance broker), Swiss Life and many others.

Year of construction	Total rentable space in m²	Land area in m²
2002	13'044	7'775

Retail

Le Forum, Montreux

Montreux's main shopping centre, located in the heart of the city's beautiful promenade directly at the shore side of Lake Geneva. The centre benefits from a diversified tenant mix of Switzerland's main high street brands including Migros, Denner, McDonald's, Interdiscount, FNAC and many more. Shopper and visitor numbers per year have increased by 22%[1] compared to 2021 and reached almost 3.9 million people in 2023.

[1] Data provided by the external property manager of the centre.

Year of construction

2000

Total rentable space in m²

11’320

Land area in m²

5’897

Logistics

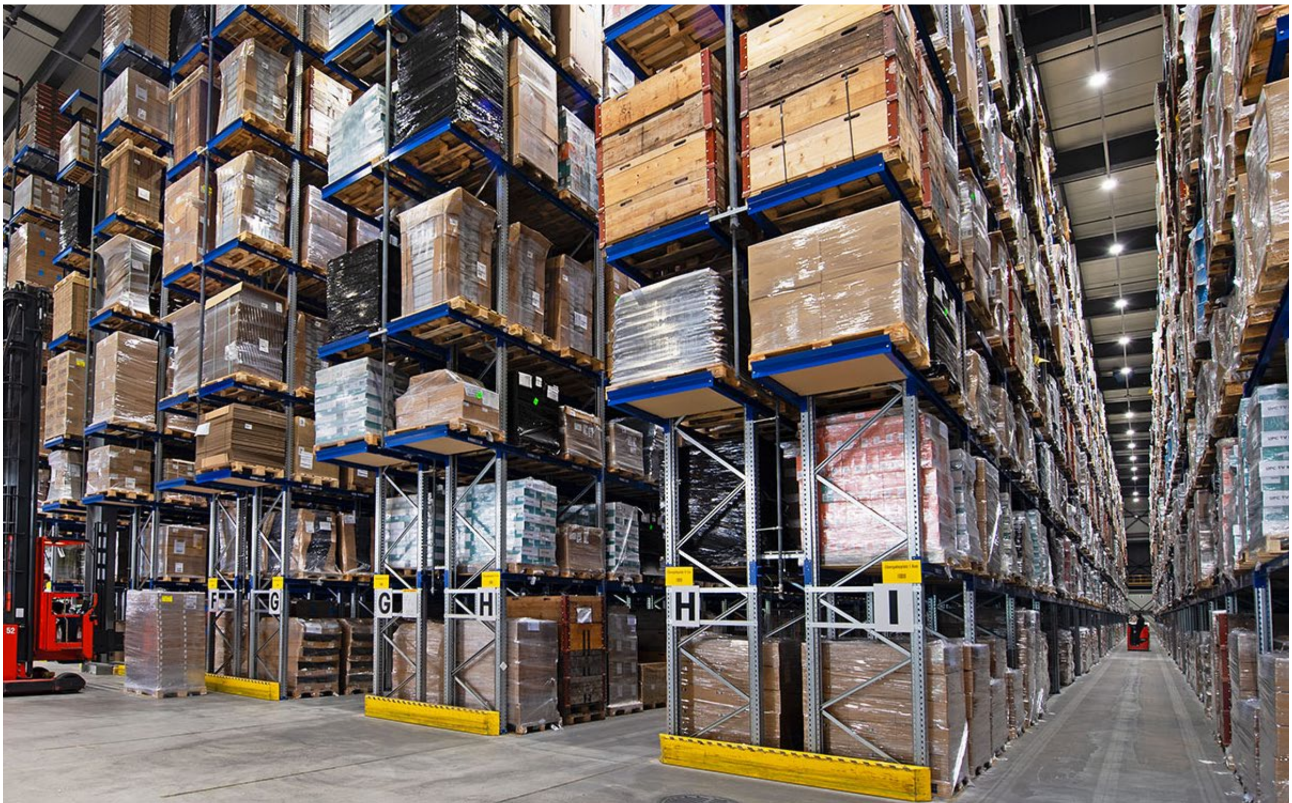
Brunnpark, Roggwil

Acquired in March 2021, the 108’494 m² piece of land, which includes almost 30’000 m² of building land reserves is ideally located between Zurich and Bern. It is a short drive of about 10 minutes from the motorway exits (A1) Luterbach-Härkingen and Rothrist. Located directly at the Roggwil-Wynau SBB railway station, the property also has a direct rail connection for freight traffic. The developed portion of the property is rented to GXO – part of a US logistics group. The currently unused building land reserves give us future opportunities to re-plan and enlarge the site for logistics tenants.

Year of latest renovation
2013

Total rentable space in m²
55’037

Land area in m²
108’494



Development project

Campus Leman Building C, Morges

The Campus Leman Building C is the second phase of a larger development project in Morges that started with the purchase of a vacant property (previously used as a pasta factory) in December 2016. By 2020, phase I with two buildings (A and B) was successfully completed and the property is let to Incyte – a globally active biopharmaceutical company based in Wilmington/USA – as anchor tenant (Building B), and Activ Fitness and Suisse Atlantique (Building A).

Building C expected to be completed by H1 2025
The complete redevelopment of this site in three distinct phases is another example of our strong ability to successfully redevelop properties and secure long-term tenants. Having completed phase I in 2020, the construction of Building C (phase II) has started in April 2023 and is expected to be completed by the first half of 2025. Incyte, our anchor tenant of Building B who uses the site as its European Headquarters, has already committed to additionally rent two floors of Building C (out of 6 floors).

We estimate total capital expenditures of phase II to be around CHF 14–15 million and are targeting annual rent of approximately CHF 1 million. Once completed, Building C will harmoniously fit together with the existing buildings and create a modern and friendly working environment for biopharma and other industries. The properties are located a short walk from the SBB railway station and in easy access to the A1 motorway Geneva-Lausanne-Zurich.

The construction of phase III (Building D) is expected to start in 2026 and with an estimated date of completion during 2027.

Expected completion Building C

2025

+/- gross construction area in m²

3’482

Land area in m²

1’573

Sustainability Report

Introduction

EPIC Suisse AG (hereafter referred to as the "Company" and on a consolidated basis as "EPIC Group") has been operating in the Swiss real estate market since 2004 and has made a name for itself as a key real estate firm in Switzerland that currently oversees a sizable real estate portfolio. The Company invests in the development and optimisation of the real estate that it purchases, particularly office buildings, logistical/industrial sites and shopping centres. EPIC Group retains the properties in its portfolio over the long term. The Company either buys existing properties that are often re-positioned to improve the use and increase the yield of the property or it develops and builds new properties. Any asset acquisition has to comply with the Company's Investment Regulations and must be approved by the Board of Directors.

The Company consults professional advisors such as architects and engineers (as needed) to assess how to best design and develop the development properties. The Board of Directors determines for each individual case if the construction should start with or without any pre-signed lease agreements (with tenants) in place. Concerning the day-to-day management of the properties in operation, with two exceptions (however under the supervision of EPIC Group), the team at EPIC Group operates all the properties. The Company communicates directly with the tenants to collect rent, negotiates rental terms, and handles the day-to-day property management business. The Company relies on its in-house expertise and solution-oriented approach to attract new tenants and foster enduring relationships with the current ones.

The Company's competencies cover all aspects of the real estate value chain, including portfolio strategy and management, acquisition and transaction management, property management, leasing and tenant relationship management, financing and controlling, monitoring or performing facility management as well as construction planning and supervision in collaboration with third parties. Property management is handled by the Company for most of the properties itself, whereas primarily external providers perform facility management services.

EPIC Group focuses on long-term profitability. Among other things, this strategy is supported by increasing the energy efficiency of its current portfolio, for example by implementing Minergie (a Swiss-recognised quality standard for sustainability in new and renovated buildings) or similar standards in newly built properties.

ESG Vision

ESG topics are very important to the EPIC Group. While the Company has already taken steps in recent years, going forward it will continue to focus on sustainability. EPIC Group has been addressing environmental aspects by making significant investments in properties to become more energy efficient and by implementing relevant policies throughout the group. The Company is also committed to building all its future new constructions according to the Minergie or equivalent low-energy-consumption labels, in addition to addressing the Social and Governance aspects with its Code of Conduct and other policies, which are available on the Company website under https://epic.ch/en/esg.

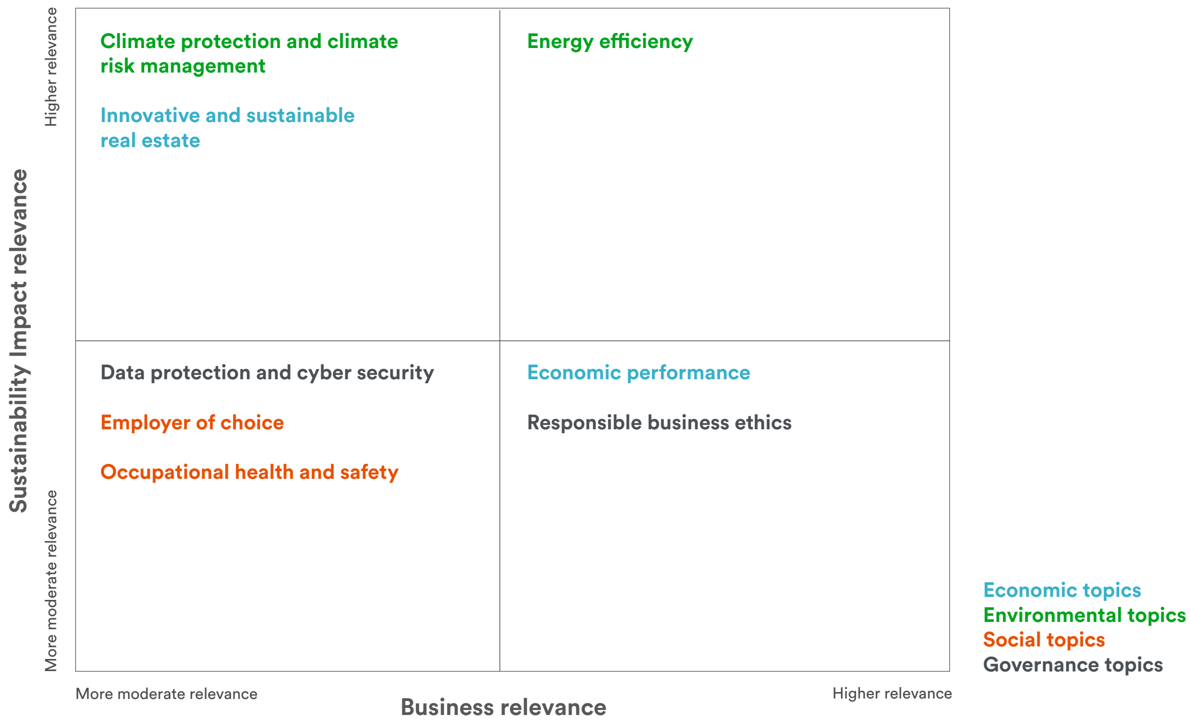
Sustainability Approach

Materiality assessment

EPIC Group conducted a first materiality assessment in 2022. The materiality matrix is based on the idea of “double materiality”. In this process, potential material topics were evaluated considering the impact on the economy, environment and society, together with the relevance to EPIC Group’s business success.

First, EPIC Group identified a long list of potential material topics based on recognised reporting standards and topics published by relevant peers. Afterwards, by grouping and consolidating the most relevant themes, 19 categories were shortlisted. Once these possible material topics were identified, the Company assessed their potential positive and negative impacts, examining them from the outside-in and inside-out perspectives. The Company, supported by external experts, followed a lean process, which led to a first preliminary draft of the materiality matrix, based on the Group Executive Management business experience.

The materiality matrix was validated during a management workshop to discuss and assess its relevance. Below is the final materiality matrix that was approved by the Board of Directors during 2022, and on which the content of this report is based. For 2023, the Board of Directors and the Group Executive Management regard the results of the materiality assessment as still valid.



UN Sustainable Development Goals (SDGs)

Having established the materiality matrix, the Company identified relevant SDGs that are most closely linked to its material topics. The Company contributes to future global prosperity by strategically advancing 5 of the 17 global goals (goals 3, 7, 8, 11, and 13).

Policies and Commitments

The Company has ESG policies in place, that form the principles to conduct its business activities in a responsible and sustainable manner. Impacts are managed by the Board of Directors by setting various policies, approving changes, and making decisions regarding ESG-related topics. The following policies have been approved by the Board of Directors and are published on the Company website under: https://epic.ch/en/esg.

- Code of Conduct
- Climate and Natural Hazards' Risk Management Policy
- Environmental – Green Buildings Investment Policy
- 3R Policy
- Policy on Gender Pay Equality, Diversity and Human Capital Development
- Whistleblowing Policy
- Anti Bribery Policy

Further internal guidelines and policies such as Data Protection policies are made available to all employees through email distribution.

To implement the ESG commitments, all employees shall read and confirm in writing that they have understood these policies. EPIC Group may use business partners to assist with the execution of the policies where necessary. In order to comply with the Environmental – Green Buildings Investment Policy, the Company mandated such business partner to routinely assess the energy efficiency of selected portfolio buildings and inform EPIC Group if any modifications are recommended or of potential improvements and the impact of such improvements. The Group Executive Management will then consider these inputs and recommendations, present it to the Board of Directors and implement them if approved by the Board of Directors.

Reporting on our material topics

Long-term business success

EPIC Group ensures sustainable business success by building on and maintaining its reputation as a trustworthy and conscientious firm. The Company conducts its activities in an ethical and sustainable way through its representatives and employees, and in alignment with the Code of Conduct, which mandates an honourable attitude while interacting with tenants, visitors, authorities, and other stakeholders.

Economic performance

Through its operations, EPIC Group maintains the Company's stability, generating both economic value and steadiness to its tenants, shareholders, employees and other stakeholders.

Overview

The financial success of EPIC Group and its ability to deliver a return on investment to its shareholders is driven by its economic performance. The Company plans and carries out growth, profitability and capital efficiency objectives, in order to assure financial stability and economic success to all stakeholders. EPIC Group's financial results and capacity to pay dividends are driven by its economic success.

In order to retain current tenants and find new ones, EPIC Group focuses on keeping the buildings well-maintained and attractive. Additionally, the Company has a substantial pipeline of development projects to secure future growth and constantly evaluates acquisition possibilities to further expand its business.

Key performance indicators to measure the financial success of EPIC Group include, among others, rental income from real estate properties, net operating income, EBITDA, profit and net rental income yield of properties in operation. For further information on the financial performance of EPIC Group, please refer to the Report on the Annual Results on page 10 of this Annual Report.

To ensure long-term and sustainable growth, EPIC Group keeps abreast of market trends by analysing the strategies and performance of its peers. In addition, participation in real estate conferences and regular dialogue with stakeholders helps EPIC Group to closely follow new developments in the real estate sector. Continuous reporting to and close monitoring by the Board of Directors ensure the performance of the Group Executive Management and of EPIC Group as a whole. EPIC Group is a member of the European Public Real Estate Association (EPRA).

Innovative and sustainable real estate

If managed or developed in a careless manner, buildings can have detrimental effects on climate and other environmental aspects. EPIC Group invests therefore in innovative real estate properties and regularly works on improving the sustainability aspects of properties to ensure competitiveness, satisfy tenants' demands and reduce the environmental footprint of its business activities.

EPIC Group is aware of risks and opportunities in the real estate industry. To mitigate risks and ensure long-term success in the dynamic real estate sector, the Company has to implement proactive risk management strategies, closely monitor market trends, stay up to date on regulatory changes, and conduct comprehensive feasibility studies. The Company runs the risk of incurring unanticipated costs when upgrading its present real estate portfolio or the risk of failing to predict and satisfy market demands, such as shifting consumer preferences or economic downturns. Other potential risks include not adhering to the industry's constantly changing regulations, or that financing costs will become more expensive in future for non-green buildings.

On the other side, there are major opportunities for the Company if it implements sustainable practices and follows or gets ahead of market trends. EPIC Group's continued commitment to environmental responsibility could attract investors seeking depend-able opportunities in the rapidly evolving real estate market. Consequently, establishing a solid reputation offers a competitive edge in the real estate market, fosters trust among investors, tenants as well as other stakeholders. The implementation of carbon reduction programmes can further increase the properties' appeal to environmentally conscious tenants and investments in energy efficiency can also lower tenant's energy consumption costs.

Overview
Stakeholders generally favour companies that place priority on sustainable and innovative initiatives as it is a risk mitigation strategy in the long-term. EPIC Group is aware that innovatively designed properties often have higher energy efficiency. To ensure that this aspect is taken into account appropriately, EPIC Group considers environmental parameters, among others, in the asset management decision processes. The use of insulation, innovation, modernization, and other environmentally friendly and sustainable elements in the managed properties has an influence on the Company's overall success. One of EPIC Group's priorities is to focus on energy-efficiency in its buildings in order to reduce the energy consumption and keep operating costs and re-charges to its tenants at a low level.

The Company is committed to having all its future construction projects adhere to Minergie or an equivalent sustainable standard. The Company implemented a strategy to look into potential improvements in energy efficiency in its existing portfolio. In order to uphold best practices, the Company ensures regular objective assessments by external specialists. In compliance with its Environmental – Green Buildings Investment Policy, EPIC Group screens three of its buildings each year and presents possible improvement suggestions to the Board of Directors.

Trends in 2023
The Company evaluated three buildings and presented the results to the Board of Directors in the reporting year. After the review, the Board of Directors decided to evaluate Wiggis-Park shopping centre in greater detail, with a particular emphasis on investigating the possibility of switching to district heating or other renewable energy procurement.

In properties where EPIC Group has control over energy sourcing decisions, the Company is regularly searching for solutions to reduce energy consumption and to reduce the environmental impacts of its properties where possible. A good example in this regard is project PULSE in Cheseaux-sur-Lausanne, whose buildings are expected to meet Minergie and BREEAM labels. The Company anticipates receiving these labels following completion of the project, whose construction started in 2022, in the first half of 2025.

PULSE will feature photovoltaic installations on the building's rooftop, expecting to generate more than 310 MWh of green energy per year. 100% of the building's heat will be supplied by geothermal energy from 80 drillings at the depth of about 320 meters, connected to two heat pumps with a capacity of 200 kW each. The basic cold energy installed represents 1'310 kW, excluding tenants' potential future requirements. The buildings are also designed to allow for future technical equipment to be installed depending on the tenants' fit-out and requirements, and so the further technical details will be developed at a later stage once users of the buildings are identified.

Further information on the PULSE project can be obtained on www.pulse.swiss.

A second good example of our focused activities in sustainability is the new Building C on Campus Leman in Morges where construction started in April 2023 and is expected to be completed by the first half of 2025. This new, ground floor plus five floors high building, will be equipped with geothermal energy for heating and cooling purposes and will meet Minergie Plus standards.

For further information on this project see also page 22 of this Annual Report.

Additionally the Company started in 2023 with the installation of a photovoltaic system on the roof top of the Wiggis-Park shopping centre in Netstal with a significant capacity of approximately 990 kWp that became operational in January 2024.

Our environmental efforts

Environmental protection is a key consideration behind EPIC Group's development pipeline. To enhance the environmental performance of its property portfolio, EPIC Group continuously invests in environmentally responsible initiatives in the areas of energy efficiency and climate protection. These efforts are underpinned by the fact that EPIC Group has achieved Minergie certifications for around a third of its properties.

Energy efficiency

EPIC Group is committed to improving energy efficiency and increasing the use of renewable energy across its portfolio. By evaluating the impacts of energy efficiency measures throughout its portfolio, the Company is safeguarding the environment and responding to tenants' needs. These efforts are not only resulting in decreased energy dependence and reduced energy costs, but they are also enhancing the Company's reputation.

There are risks associated with adhering to the evolving regulatory standards for energy efficiency. Legislative changes and the imposition of stricter regulations may require investments in modernisations. The inability to meet tenant demands for spaces with improved energy efficiency may also pose a risk for EPIC Group. Moreover, rising energy prices can negatively impact the total rental expenses for tenants due to higher ancillary costs.

Overview
As per the Company's Environmental – Green Buildings Investment Policy, the properties are regularly analysed in order to identify, assess and implement if appropriate potential energy efficient measures. In addition to internal evaluations by the Group Executive Management, independent specialists support the management team by providing reports on the state of the buildings and making recommendations for energy consumption reduction. As a result, EPIC Group has invested and continues to invest in efficiency-related improvements across its real estate portfolio. The ensuing decline in energy usage is generating positive effects for the environment, the safeguarding of resources as well as financial savings for both tenants and EPIC Group itself.

By the end of 2023, 18 investment properties (72% of the total portfolio) have been analysed to identify potential measures to reduce energy consumption. In compliance with its Environmental – Green Buildings Investment Policy every year, three properties are considered for review, and every building will be re-analysed at least every ten years.

Trends in 2023
Several significant projects demonstrated the EPIC Group's dedication to energy efficiency and sustainable development in 2023. The Company completed a partial roof renovation in Wiggis-Park that included improved insulation for increased energy efficiency. In addition, photovoltaic panels were installed in Wiggis-Park. The renovation of the façade in the building Provencenter in Lausanne is nearly completed and a Minergie certificate is expected once the renovation is completed. Furthermore, EPIC Group partially switched during 2023 the lights in the garage of the Le Forum property in Montreux and in the common areas of the Lancy Office Center to LED lights.

EPIC Group received the building permit to replace the current gas and oil heating system with an air heat pump in the Uster West shopping centre and is currently in the planning phase. As part of a broader initiative, ongoing efforts in facility management aim to reduce electricity and heat consumption.

Climate protection and climate risk management
Climate change and its consequences are relevant to EPIC Group. On the one hand, its buildings generate carbon emissions during their constructions and operations, contributing to climate change. On the other hand, buildings and their tenants are affected by the consequences of climate change, such as extreme weather conditions. To respond to climate change, the Company wants to take responsibility by reducing the emissions in its operations and managing the risks resulting from climate change. For a more detailed overview on climate related risks and opportunities for EPIC Group, please refer to the first TCFD report published as part of this Annual Report (see page 47).

Overview
EPIC Group's main objectives regarding climate protection are (i) to reduce the CO_2 emissions from its real estate properties, (ii) to preserve over the long-term its real estate assets against climate threats and (iii) to manage the regulatory and reputational risks. To achieve this, EPIC Group has designed a climate and natural hazards risk management policy to lessen the risks associated with climate change. Furthermore, the Company did put in place the Environmental – Green Buildings Investment Policy for the portfolio and the 3R Policy (Reduce-Reuse-Recycle) for the employees. In addition to implementing a system to track and record its CO_2 emissions, EPIC Group is publishing for the first time with this Sustainability Report its carbon reduction pathway and will evaluate and comment on achievements against it in future reports. This will provide further insights into the Company's management of climate related risks and opportunities.

Trends in 2023
The Company has installed about 4'500 m² (approximate power output 990 kWp) of photovoltaic panels on the roofs of the Wiggis-Park shopping centre, has permitted its

single tenant at the logistics site in Tolochenaz to install about 4’900 m² of photovoltaic panels on the roof which was done during 2023, and will be adding solar panels to the roofs of the buildings of the development project PULSE.

Environmental data and carbon reduction pathway

Environmental data

For this second sustainability report, EPIC Group has collected sufficient energy consumption data from its portfolio to share information about its energy and carbon balance that is based primarily on actual measured data. The reporting period from July 2022 to June 2023, which corresponds to a full year and a heating period, was selected based on the ancillary cost settlement period. Energy consumption data collection for this report was conducted during 2023 and any gaps, particularly related to tenant energy consumption, were filled by independent sustainability experts (TEP Energy, www.tep-energy.ch) via extrapolation and modelling approaches (see details below).

The key environmental indicators presented in this Annual Report include data from all buildings in the portfolio (except for properties under development/construction or newly acquired properties) for the period July 2022 to June 2023 (the term “buildings” refers to investment properties in operation). This analysis helped EPIC Group to better understand and identify the key aspects and elements to consider in determining a decarbonisation pathway (see on page 36 of this report). For this purpose, technical data has been collected regarding the condition of buildings and their technical installations and past retrofits. This data served as a starting point to strategically plan decarbonisation measures for all individual sites and the portfolio as a whole.

Survey and calculation approach

The boundaries for the consolidation of the energy consumption of the EPIC Group portfolio and the allocation of the associated carbon emissions to three scopes are in alignment with the GHG (Greenhouse Gas) Protocol standards. The analysis included all properties in operation owned by the EPIC Group during the reporting period.

EPIC Group collected invoice data from energy suppliers and utilities, covering heating energy and energy used for common functions (e.g. lighting, ventilation and air-conditioning, ancillary services). This resulted in comprehensive data coverage of EPIC Group’s energy consumption. 100% of the data was available for 23 out of 25 assets; for the remaining two assets, either the heating or electricity consumption for 2023 had not been invoiced as of February 2024. For these two assets, TEP Energy relied on 2022 data and applied a climate-correction factor to estimate the consumption in the reporting period.

In addition, the tenants’ electricity consumption was collected using a separate survey. In cases of high tenant participation rate (i.e. where the survey covered more than 80% of the rented area), the consumption of the missing area was extrapolated. In cases of low tenant participation rate, missing energy consumption was modelled by the same methodology used for the decarbonisation pathway (which was also used for the reporting in the last Annual Report).[1]

In 2023, special attention was given to determining the energy reference floor area (ERA). To limit uncertainties, two different methods were applied. The first method was based on the rented floor area, which was scaled using specific factors to calcu-

[1] The energy reference floor area (ERA) by use type, the energy intensity (EI) by energy use category, the energy carrier mix (ECM) and emission factors (EF) by energy carrier are multiplied. Most of the required data such as the rented area, building geometry, building use, construction year, and past retrofit measures in terms of building envelope and HVAC (heating, ventilation and air conditioning) installations were available for use in the modelling process. The calculation was implemented by the building stock model (BSM), which is a leading model for Switzerland’s building sector run by the external consultancy TEP Energy. The BSM is a bottom-up model that is used in numerous projects, including carbon reporting in the building sector by the cantons of Switzerland.

late the related ERA. These factors depend on the type of rooms (retail, office, storage, etc.). Respective assumptions are adopted from the methodology report provided by REIDA (Real Estate Investment Data Association). The second method was based on data for the building footprint and the number of floors, which was sourced from the Federal Register of Buildings and Dwellings (RBF), the 3D-model of swisstopo, Google Maps street view, and from EPIC Group (number of underground floors). In both methods, the amount of the unheated rented floor area was considered by EPIC Group, particularly regarding "storage" rooms, thus unheated rented floor area is not accounted for in the ERA.

According to the GHG Protocol and the REIDA guidance, emissions were allocated into the scopes 1, 2, and 3. As suggested by REIDA, the operational control approach was used to allocate the emissions. EPIC Group's direct emissions are categorised as scope 1 or 2 since EPIC Group typically purchases the energy for heating, except for buildings that are leased by a single tenant with operational control. In these cases, tenants are commonly fully responsible for procuring energy and thus, from EPIC Group's perspective, these emissions are attributed to scope 3. About one-fourth (of the amount of properties) of EPIC Group's portfolio consists of properties with such single-tenant situations.

For stakeholders who are particularly interested in the approach, EPIC Group and its consultancies TEP Energy and Sustainserv have developed a detailed methodology description. If you wish to receive a copy, please contact the Company's Portfolio Director Philipp Küchler (email: philipp.kuechler@epic.ch).

Energy consumption and GHG emissions of EPIC Group's real estate portfolio

The calculation of energy consumption and GHG emissions was carried out comprehensively and based largely on measurements of actual consumption. The consumption data covers both the landlord and the tenant sides, thereby showing the total energy requirement of all buildings in EPIC Group's portfolio. Produced but sold energy is reported separately and is not part of the consumption or renewable share figures.

Table 1: Energy consumption of EPIC Group's real estate portfolio:

EPIC Group's portfolio	Unit	Total 2023
Relevant asset area (Energy reference floor area, ERA)	m^2	278'885
Total energy consumption of the portfolio	**MWh**	**33'173**
Energy intensity	**kWh/m^2**	**119**
Electricity Consumption [1]	MWh	17'144
– Of which from renewable sources	MWh	14'321
Heat Consumption	MWh	16'029
Non-renewable fuels	MWh	11'873
– Fuel oil	MWh	1'965
– Natural gas	MWh	9'908
Renewable fuels	MWh	458
– Biogas [2]	MWh	110
– Biomass	MWh	348
District heating	MWh	3'424
– Of which from renewable sources	MWh	2'516
– Of which from fossil sources	MWh	908
Ambient heat	MWh	273
Total share of renewable energy consumed	**%**	**53%**
Total share of fossil energy consumed	**%**	**47%**
Heat sold	**MWh**	**1'314**

[1] Missing measurement are modelled according to the methodology found in EPIC Group's 2022 Sustainability Report (see pages 31 to 32)
[2] Biogas share is estimated

The assessment found that the production mix of electricity used by the EPIC Group portfolio is less CO_2-emitting than the Swiss consumer average, which takes international trade of electricity into account. This electricity is characterised by a high share of renewable energy sources, and thus electricity is not the largest cause of GHG emissions for the EPIC Group portfolio.

In contrast, the generation of consumed heating energy is dominated by fossil energy sources, which comprise about 80% of EPIC Group's heat production mix. One notable exception is district heating sources, which largely consist of renewable energy sources.

The analysis also reveals that the greater part of the total electricity consumed by EPIC Group's buildings and nearly 20% of the heating energy was procured directly by tenants. This can be explained by a relatively high occurrence of contracts where the building is leased by one tenant that has operational control. The emissions associated with this "tenant energy consumption" was accounted for in EPIC Group's Scope 3.13 (downstream leased assets; see reference to Scope 3.13 in Table 2).

As a result, the emissions related to the owner's energy consumption (i.e. all but Scope 3.13) amount to 2'950 tCO_2e (10.58 $kgCO_2e/m^2$) and those related to the tenants' energy consumption (i.e. Scope 3.13) to 819 tCO_2e (2.9 $kgCO_2e/m^2$). This means that Scope 1 emissions are dominating the carbon footprint of EPIC Group's real estate portfolio, with a share of about two-thirds (2.3 kt out of 3.8 kt). The second-largest contributor is from tenants' emissions, mainly due to the use of oil and fossil gas in heating systems they operate. But emissions from fuel- and energy-related activities (Scope 3.3) and tenant's electricity consumption also contribute to the Scope 3 emissions. Overall, the resulting specific carbon intensity is 13.5 kgCO_2e/m^2. A comparison with Swiss emissions of the building sector highlights that this intensity is comparably low, specifically as Scope 1 emissions of EPIC Group's portfolio in the current reporting period are 8.2 kgCO_2e/m^2, while Scope 1 Swiss average emissions were reported to be at 14.8 kgCO_2e/m^2 in 2020[2] (Source of Swiss emissions in 2020: Federal Office for the Environment (FOEN) and Swiss Federal Office of Energy (SFOE), study 2023: Wirkung der Klima- und Energiepolitik in den Kantonen 2016–2020, Sektor Gebäude, Federal Office for the Environment and Energy, Bern).

Compared to the Swiss average of all sectors, EPIC Group's lower Scope 1 carbon intensity is attributed to the relatively young age structure of its buildings and the large service-sector floor area, which include shopping centres and logistics facilities that are heated less intensively. Contrary to the average service sector, EPIC Group relies less on high-carbon fuels like fuel oil and more on lower-carbon alternatives, leading to a positive impact on its carbon intensity (SFOE, 2022: Schweizerische Gesamtenergiestatistik, Bern). For Scope 2 emissions, EPIC Group achieves lower intensities through a greater reliance on renewable electricity than the Swiss consumer mix.

[2] Due to warmer weather in 2022–2023 compared to 2020, the Swiss average intensity of the current reporting period is likely lower.

Table 2: For EPIC Group, the carbon balance presents as follows:

EPIC Group's portfolio	Unit	Total 2023
Total GHG Emissions of the portfolio (Scopes 1-3)	**tCO_2e**	**3'770**
CO_2-Emission intensity	**kgCO_2e/m^2**	**13.5**
Scope 1	**tCO_2e**	**2'296**
– Fuel oil	tCO_2e	270
– Natural gas	tCO_2e	2'006
– Biogas	tCO_2e	20
– Biomass	tCO_2e	-
Scope 2	**tCO_2e**	**108**
– Electricity	tCO_2e	64
– District heating	tCO_2e	44
Scope 3 [1]	**tCO_2e**	**1'366**
Scope 3.13 – Downstream leased assets [2]	tCO_2e	819
Combustibles	tCO_2e	627
– Fuel oil	tCO_2e	307
– Natural gas	tCO_2e	307
– Biogas	tCO_2e	3
– Biomass	tCO_2e	10
Electricity	tCO_2e	175
District heating	tCO_2e	17
Other Scope 3 emissions	tCO_2e	547
Scope 3.3 – Fuel and Energy-Related Activities	tCO_2e	527
Scope 3.3 – PV	tCO_2e	20
Out-of-scope Emissions [3]	tCO_2e	**127**

[1] The included Scope 3 emissions only consider category 13 – downstream leased assets – as well as category 3.3 – fuel- and energy-related activities
[2] Emissions associated with tenant-procured utilities as well as embodied emissions of tenant's operations
[3] CO_2 emissions associated with the combustion of biogas and biomass

Carbon reduction pathway
EPIC Group's Board of Directors approved a decarbonisation pathway that consists of energy efficiency and decarbonisation measures that are based on the assessment of each individual building. To conceptualise these technical and operational energy efficiency and decarbonisation measures, the essential characteristics – such as the type, state, age, and past retrofits of the building's main elements and the installed technical equipment – were taken into account. For each of these elements, concrete measures were then defined and EPIC Group's investment and retrofit plans were used to allocate these measures to specific years between 2023 and 2050. Mid- and long-term measures were identified based on the initial situation, typical lifetimes, and reinvestment periods.

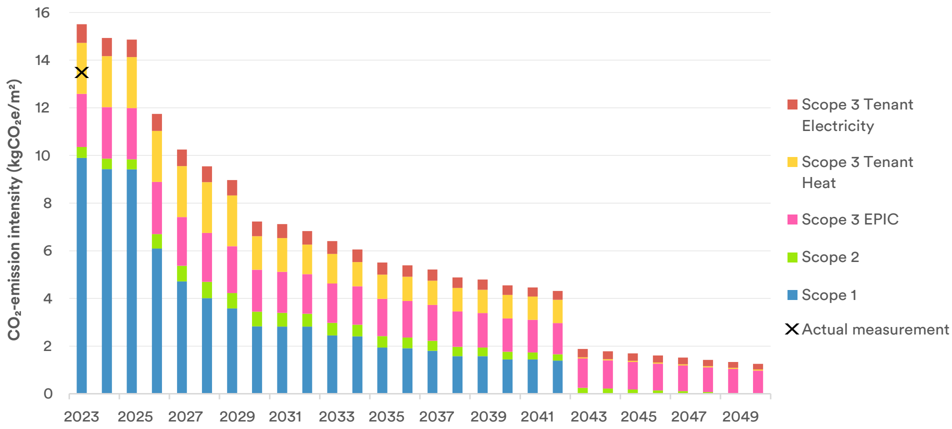
Each site was surveyed as to whether district heating was already available or if it could be available in the next few years. The effect of these measures on energy consumption and on GHG emissions was calculated using TEP Energy's building stock model (BSM). To provide EPIC Group with a well-founded decision basis, several scenarios have been defined and implemented.

Note that the modelled decarbonisation pathway does not account for the variability of weather conditions; it is instead based on average weather conditions over multiple years without considering a potential future climate warming. This approach enables consistent future comparisons and to better evaluate EPIC Group's progress in decarbonisation. To bridge the empirical and the modelling perspectives, the "X" symbol (see Graphs 1 and 2 on page 36) represents the actual measurement, reflecting the impact of the weather conditions during the reporting period 2022–2023 (see also Table 2 on page 34). Specifically, the measured data highlights the effects of a warmer year in 2022–2023 as compared to the multi-year average.

For the main decarbonisation scenario, it is assumed that fossil energy heating systems are replaced by renewable energy or district heating systems. In the main scenario, the emissions thus decrease strongly over time until 2050, from about 15.5 kg/m^2 to about 1.2 kg/m^2 (see Graph 1 that shows the forecasted emissions by scope on an annual basis). Thus, the reduction in GHG emissions for EPIC Group's building portfolio between 2023 and 2050 would decrease by around 92%.

Throughout the years, the decline in emissions could be gradual or exhibit rapid drops due to effective decarbonisation measures being implemented in large buildings. Graph 1 shows that by the end of 2030, the EPIC Group portfolio is forecasted to cut emissions by half, meaning that within the first 7 years, the Company expects to achieve the majority of emission reductions. This rapid reduction could be achieved through replacements of heating systems but would also include EPIC Group's energy-efficiency measures (e.g. envelope or ventilation retrofits) and the expected reduction of emissions by district heating suppliers. Thus, when designing the decarbonisation pathway, assumptions were made by when district heating will be available at a given location. The highest reduction of GHG emissions can only be achieved if energy suppliers decarbonise their emissions as well. We view this as a reasonable assumption, as Switzerland is committed to a net-zero goal and energy utilities are implementing strategies to decarbonise the production of district and general heating, electricity or gas by moving to green energy.

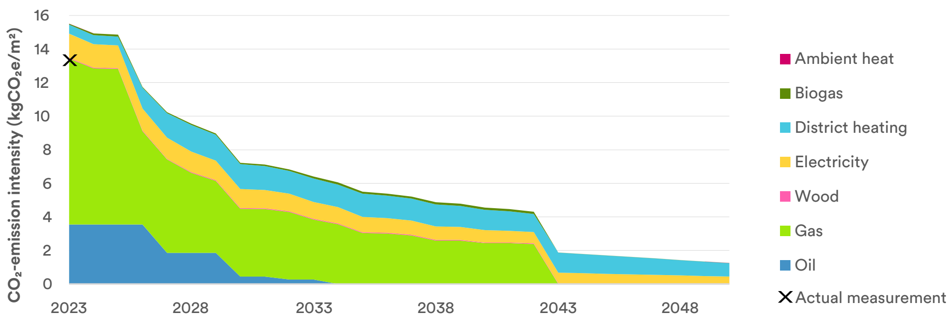
Graph 1: GHG emissions of EPIC Group's forecasted decarbonisation pathway, categorised by scope. Bars depict the modelled results of the decarbonisation pathway considering average weather conditions. The "X" symbol represents the actual GHG emissions, as listed in Table 2 (see page 34), which refers to the actual weather conditions of the assessed period (mid 2022 to mid 2023).



Note: The actual measured data highlight the effects of a warmer year in 2022–2023 as compared to the multi-year average.

The curve is heavily influenced by the age of buildings and the age of installed systems. For this reason, oil heating systems will be faded out faster than gas as the latter are younger due to EPIC Group's tendency to use gas over oil in recent years. This effect is further illustrated in Graph 2.

Graph 2: GHG emissions of EPIC Group's decarbonisation forecasted pathway, categorised by energy carrier. Lines depict the modelled results of the decarbonization pathway considering average weather conditions. The cross symbol represents the actual GHG emissions, as listed in Table 2, referring to the actual weather conditions of the assessed period (mid 2022 to mid 2023).



Note: The actual measured data highlight the effects of a warmer year in 2022–2023 as compared to the multi-year average.

Social Responsibility

As the Company can only benefit from sustaining high standards in terms of the well-being and working conditions of the employees, these issues are and will remain important. By maintaining a fair and professional relationship with employees, investing in their welfare and by providing a safe and healthy working environment, EPIC Group contributes to the Company's long-term stability. These factors also positively affect productivity and efficiency at work and reduce health costs for the society.

Employer of choice

EPIC Group believes that treating all of its workers and representatives with respect, professionalism, and goodwill plays a key role in the Company's overall success. Losing skilled personnel and undergoing time-consuming and costly hiring processes could have a negative impact on EPIC Group if employees were not feeling comfortable at work and decide to leave the Company. In order to avoid this, the Company actively promotes competitive and fair working conditions, which enhance the motivation and well-being of current employees and attracts new hires. EPIC Group is committed to diversity, tolerance, and equal opportunities and supports the professional and personal development of its employees.

Overview

The employees are a core asset of EPIC Group's business and impact most activities within the group. Active participation and dedication of every employee, regardless of their position or duty, is crucial to ensure efficient business operations. All work shall be completed in a timely, professional, safe, and efficient manner. EPIC Group takes a constructive, long-term and trusting approach towards all employees and representatives and encourages an open dialogue at all times. The Company is committed to offering fair and competitive working conditions which include compensation packages and working surroundings that usually exceed, but at the least comply with local minimum legal requirements or prevailing industry standards.

By introducing policies such as the Code of Conduct or the Policy on Gender Pay Equality, Diversity and Human Capital Development, the Company sets and follows guiding principles to ensure the health, safety and equal treatment of all employees and the members of the Board of Directors. The same motive drives EPIC Group's open-door policy and daily interactions with every employee.

EPIC Group has supported several employees in their further education as well as promoted them to new functions in the group. The major metric for determining the efficacy of this management strategy is low staff turnover. There are not many employees, nevertheless, the Company had a low staff turnover during 2023 (see Employee structure below) and employees have an average tenure of 6.3 years as at 31 December 2023 (6.6 years as at 31 December 2022). This slight reduction in average tenure compared to 2022 was induced by the retirement of a long-term employee. Current developments and future goals for each employee are discussed as appropriate during the year and formally in an annual employee appraisal meeting.

Trends in 2023

The most effective strategy to determine and address the employees' needs is to have an open line of communication with them. Having better working conditions and investing in employee health benefits the business, thus these issues are and will remain a priority. Besides regular team lunches, EPIC Group offered its employees at the headquarters in Zurich a yoga class in the reporting year. Furthermore, educational classes on business networking, sustainability and cyber security were provided.

Employee structure

As at 31 December 2023, fifteen people (based in Zurich and Lausanne) were employed by the management company, while eight employees who are technical staff and working on-site in two retail properties, are employed by the special purpose vehicle owing the specific shopping centre (the employment costs for these eight employees are recharged to the tenants as part of the ancillary costs). In 2023, there were no temporary employees (employees with a limited contract), except for a school graduate who supported for two weeks during the summer holidays before starting to study. During 2023, four employees joined, and two left the group. EPIC Group is not a member of an employer association and employees are not covered under collective bargaining agreements. Apart from the full-time and part-time permanent employees listed in the table below, the Company also collaborated with contractual workers (such as architects, developers, engineers) if and as needed for the development projects as well as for facility management services. On its construction site at the PULSE project in Cheseaux-sur-Lausanne (construction started in 2022), EPIC Group entered into a total contractor agreement with Implenia, which has many of their own contractors on the site.

Composition of employees (in headcount)[1] — As at 31 December 2023

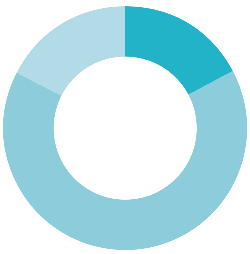
Employees by employment contract	Permanent	Temporary
– Men	11	0
– Women	12	0
Total	**23**	**0**
Employees by employment occupancy	**Full time**	**Part time**
– Men	10	1
– Women	9	3
Total	**19**	**4**

[1] All based in Switzerland

All employees by gender
(headcount)

Group Executive Management by gender
(headcount)

Age profile of the employees
(headcount)



Occupational health and safety

EPIC Group is committed to continuously provide and promote a working environment that supports employees' physical and mental health and well-being. EPIC Group accomplishes to reduce risks and enhance worker safety and well-being by actively supporting its employees in maintaining their health and by ensuring that the working environment is safe. Acknowledging the time and financial costs associated with employee turnover, EPIC Group recognises the significance of maintaining the company knowledge. Effective health and safety management not only has a positive effect on business operations but also helps to ensure the Company's long-term stability.

Overview
As at 31 December 2023, the 23 employees of EPIC Group work on multiple locations and positions. At the group level, there are fifteen office workers: ten are based in Zurich, one works remotely from Bern, and four are based in Lausanne. Furthermore, the technical staff consists of eight employees. Four of them work at the shopping centre in Montreux and four of them are based at the shopping centre in Volketswil. The technical staff in Montreux has an employment contract with the Company, however, they are managed by an external property manager.

EPIC Group believes that effective health and safety management is a crucial component of being a responsible and a sustainable business. As a result, EPIC Group repeatedly evaluates and enhances the work environment in compliance with current laws and regulations. Any steps taken to promote the health and safety of stakeholders and employees can reduce workplace hazards and thereby improve the well-being and safety of the aforementioned personnel.

The Company aims to improve its occupational health and safety measures while growing steadily. EPIC Group offers a modern workspace with a high-quality infrastructure in order to create the best possible working conditions. At its Zurich headquarters, the Company also provides employees with ergonomic chairs, height-adjustable desks as well as modern lighting and IT equipment. The effectiveness of EPIC Group's management of health and safety issues is measured through the number of work-related injuries reported in 2023 (none). Additionally, EPIC Group's employees did not report any work-related illnesses.

Workplace setting and amenities encourage workers to engage in physical exercise during their lunch breaks. A healthy work-life balance is important for the Company as it helps to prevent or minimise potential health issues among its employees.

The Group Executive Management is in charge of occupational health and safety issues as there is no need for a specific safety manager or safety management system because of the Company's size and the nature of the work. In case of accidents at work, the Group Executive Management would be immediately notified. The Company's open-door policy allows employees to freely discuss, suggest, or communicate on health and safety topics with the Group Executive Management. Health and safety responsibilities at the PULSE construction site are delegated to the total contractor Implenia, nevertheless EPIC Group's managers make frequent site visits and formalise remarks for immediate action when necessary.

Trends in 2023
Even though Covid protection is no longer a top priority, the Company pays attention to any easily spreadable illnesses, including colds. Practices such as professional disinfections of the workspace and home-office measures are still in place and they are continuously reviewed. In order to improve the workplace comfort of its staff, EPIC Group made an investment in adjustable height worktables at its Zurich headquarters.

As an extension to its commitment to employee wellbeing, EPIC Group will organise a self-defence course in 2024 for its employees.

Governance

By upholding ethical work practices and carrying out tasks in line with pertinent rules and regulations, EPIC Group keeps high standards of personal and professional ethics. The Company's brand image is strengthened by making decisions that are consistent with moral business principles.

Responsible business ethics

Transparent governance, responsible business ethics, and fight against corruption foster fair competition and a more equitable society. Since EPIC Group views the relationship with its stakeholders as long-term, it is critical to assure that all Company's operations are conducted in an ethical manner to obtain and maintain their trust and confidence. By using this approach, EPIC Group guarantees that fairness and transparency safeguard the interests of stakeholders and business partners.

Overview

The term "responsible business ethics" refers to sustaining high standards of personal and business ethics, adhering to morally upright and honest work practices, and carrying out duties in accordance with relevant procedures, rules and regulations. Within EPIC Group, bribing – providing, giving, or promising (or directing someone to offer, provide, or promise) an inappropriate benefit, directly or indirectly, with the goal to influence or reward the behaviour of someone in order to achieve or maintain a competitive advantage – is considered an unethical conduct.

Points in the value chain that are identified as important to maintain are close relationships with tenants, suppliers and advisors, as well as relationship with employees and shareholders.

Relationship with tenants

The majority of EPIC Group's lease contracts with its tenants are of long-term nature, thus it is crucial for the Company to establish a clear code of conduct from the outset to uphold ethical business practices. This will help to guarantee that confidence is maintained over time.

Suppliers and advisors

It is key for the Company that all stakeholders are aware that EPIC Group is reliable and honours its commitments.

Employees

In order to attract the best-qualified staff and to ensure that they remain with EPIC Group, it is important to create a trustworthy environment where everyone in the group feels that the Company conducts business responsibly.

Shareholders

Maintaining responsible business ethics is essential to ensuring that shareholders have confidence in the Company and will invest in it.

EPIC Group established the following guidelines to guarantee ethical conduct: the Anti Bribery Policy (giving and receiving presents from business partners), the Code of Conduct (reporting conflicts of interest) and the Whistleblowing Policy. Headquarters staff and members of the Board of Directors are given copies of all relevant policies and procedures, which they sign to attest that they have read and comprehended them. The employees are responsible for adhering to the principles and rules set out in these policies. Further information on the governance structure and processes of EPIC Group are specified in the Corporate Governance Report starting on page 52.

Trends in 2023

The policies, which were developed and/or updated in conjunction with the Company becoming a publicly traded entity with listing on SIX Swiss Exchange, are still fairly new. The policies are reviewed and updated, when necessary, in compliance with applicable laws, regulations and EPIC Group's internal guidelines. No instances of corruption or anticompetitive behaviour have been reported in 2023.

Data protection and cyber security

EPIC Group is obliged to safeguard the privacy of stakeholders, including tenants, business partners and staff. In its interactions with stakeholders, EPIC Group continuously attempts to reduce its cyber security risks and works to prevent interruption of operations that might endanger the Company's finances and image. Therefore, frequent backups are implemented to reduce risks of interruption to the EPIC Group's daily operations through a cyber security attack. Regular random tests are performed to ensure that backups have been carried out as planned.

Since EPIC Group's know-how is a crucial resource and the cornerstone of the organisation's success, all employees and representatives have an obligation to treat it with the highest confidentiality, and to refrain from disclosing it to unauthorised third parties.

Overview
Data security is crucial to protect personal information that tenants disclose to EPIC Group as part of rental agreements or in the course of the business. This relates not only to tenants, but also to safeguarding private information and private data of business partners, investors, employees or representatives of the Company. Cyber security is imperative to ensure that the Company executes its daily activities without interruptions. Furthermore, the Company must adhere to reporting obligations in the case of personal data breaches. Adherence to the cyber security precautions disclosed and endorsed by the Board of Directors mitigates the risk of business interruptions and disruptions. As of 1 September 2023, the Company updated its existing data protection processes and implemented the necessary data protection policies in line with Swiss data protection laws. In compliance with the IT policy, the Company further assigned the Portfolio Director to perform random checks to ensure that backups are executed as planned. The Board of Directors approved an IT support agreement with a third-party IT specialist that performs the management of EPIC Group's IT infrastructure installations and regular backups.

The Board of Directors approved the implementation of an internal control system to track access rights for the IT infrastructure, including employee onboarding and offboarding. Additionally, the Board of Directors approved a number of policies that regulate data protection and cyber security, e.g. data protection policies for employees and business partners as well as a data breach response plan.

Trends in 2023
In 2023, there have been no reports of privacy violations or data breaches. The headquarters staff was trained by attending a class provided by an external consultant on the topic of cyber security in order to increase awareness of the issue. All applicable data protection policies were implemented to comply with the new Swiss data protection law, which went into effect on 1 September 2023.

Organisational integration

Clear oversight from the top
The ultimate duty for oversight of ESG risks and opportunities rests with the Board of Directors, which is tasked with evaluating and approving various elements of the ESG strategy, including establishing the group's corporate goals and providing resources to accomplish the set targets. The Group Executive Management reports twice a year to the Board on ESG objectives and progress.

The Board of Directors supervises the implementation of the ESG strategy. The Group Executive Management drives the implementation of the ESG strategy and decisions made by the Board of Directors. Responsibility for ESG issues lies with the Group Executive Management. The Board of Directors has approved the process and results summary of the materiality assessment as well as this Sustainability Report and the TCFD Report. There is no formalised assessment of the performance of the Board of Directors in overseeing the ESG management.

The highest governance body of EPIC Group is the Board of Directors, which is chaired by Roni Greenbaum in his capacity as the Executive Chairman. Of the Board of Directors' four members, three are independent. The Board of Directors consists of one female and three male representatives ("Board member" or "Director") and it regularly receives information and detailed reports from the Group Executive Management (see also section 3.7 in the Corporate Governance Report). The Group Executive Management consists of one female and two male members.

The Board of Directors has two committees: the Remuneration and Nomination Committee ("RNC") and the Audit and Risk Committee ("ARC"). The responsibility for overseeing ESG is with the entire Board of Directors. Leta Bolli Kennel has been designated to take the lead on the ESG themes within the Board of Directors. ESG experts advise the Group Executive Management and the Board of Directors on specific ESG issues.

Independent Directors may serve a total of nine terms in office (following the IPO in May 2022), in accordance with the Organisational Regulations enacted on 14 May 2022 as amended from time to time. The roles of the Board members within the committees are: Andreas Schneiter (Chairman of ARC), Leta Bolli Kennel (member of ARC), Stefan Breitenstein (Chairman of RNC and Lead Independent Director), and Roni Greenbaum (member of RNC).

More information on EPIC Group's governance is available under section 3. Board of Directors on pages 59 to 67 in the Corporate Governance Report.

Nomination of the highest governance body members

When candidates are put forward for election as members of the Board of Directors to the General Meeting of Shareholders, the following principles are taken into account: diversity, experience and refreshment, independence, skills, specific in-depth real estate knowledge and/or know-how in the finance, accounting, legal and compliance fields. The Articles of Association contain an age limit of 72 years for election or re-election to the Board of Directors (at the date of election or re-election). Board members are elected by the General Meeting of Shareholders for a term of office of one year (until the next Annual General Meeting).

Roni Greenbaum serves as the Board of Directors' Executive Chairman. The Chairman gets elected by the General Meeting of Shareholders on an annual basis as well. In order to reduce or prevent conflicts of interest, the Board of Directors decided to choose a Lead Independent Director annually from among its members. If a conflict of interest arises, the Board member or member of the Group Executive Management in question will not be allowed to vote on the issue at hand (see also section below).

Managing conflict of interest

The Code of Conduct outlines the Company's approach to resolving conflicts of interest, and clause 4.3 of the Code of Conduct requires conflicts of interest to be reported. The Board members and members of the Group Executive Management shall arrange their personal and professional affairs to avoid, as much as possible, conflicts of interest.

Any conflict of interest originating from or related to any topic to be discussed at a meeting must be disclosed to the Chairman and/or the CEO by the Board member or member of the Group Executive Management as soon as the member becomes aware of the potential existence of a conflict. The Chairman (or, if applicable, the Lead Independent Director) and the CEO, respectively, decide on the appropriate measures to avoid any interference of such conflicts of interest in the Company's decision-making. The member who potentially has a conflict of interest is not allowed to take part in the decision-making process on the issue at hand. The person with a conflict of interest shall have the right or may be required by the Chairman and the CEO to provide a statement of his or her view on the matter.

Communicating critical concerns

Various policies such as "Code of Conduct", "Policy on Gender Pay Equality, Diversity, and Human Capital Development", and "Whistleblowing Policy" define how, under which circumstances, and in what manner critical concerns are to be communicated to the members of the Group Executive Management and/or the Board of Directors. There have been no reported incidents in 2023.

Remuneration of the Board of Directors and Group Executive Management
The compensation of the members of the Board of Directors and of the Group Executive Management is set to attract and retain highly qualified individuals to serve on the Board of Directors and in the Group Executive Management team. The annual total compensation ratio in 2023 of the CEO compared to the median annual total compensation for the employees in the group (excluding the CEO as well as employees who are technical staff and whose employment costs are recharged to tenants as part of the ancillary costs) was 10.1 times (including the employees who are technical staff and whose employment costs are recharged to tenants as part of the ancillary costs, the compensation ratio would be 12.7 times). For further information on the Company's compensation principles, governance on compensation and details on the compensation structure please refer to the Compensation Report on pages 75 to 87.

Seeking advice and raising concerns
Employees are encouraged to contact members of the Group Executive Management for explanations if a policy is unclear. They are welcome to address any issues or complaints with the CEO, CFO or Portfolio Director under EPIC Group's open-door policy.

Employees can use the Company's Anti-Bribery, Whistleblower, and Code of Conduct policies to voice their concerns regarding EPIC Group's business practices. The Code of Conduct policy outlines how the Company expects employees to conduct themselves. Employees can follow established processes to report any misconduct personally or anonymously to the Chairman of the Board of Directors, CEO, CFO or Portfolio Director – or to an independent Board member, if deemed necessary. EPIC Group did not have any instances of breaching any laws or regulations throughout the reporting period.

About this report

Since its establishment, EPIC Group has been engaging in the investment, development and management of real estate properties. The group acquires and develops commercial real estate properties in Switzerland and holds its properties long-term. The Company's registered headquarter is in Zurich, Switzerland.

The Company operates in accordance with Swiss legislation. The Company owns 25 properties through 17 subsidiaries, all of which, except for the Luxembourg holding, are registered in Zurich, Switzerland. All subsidiaries in Switzerland own real estate investments with the exception of EPIC Suisse Property Management GmbH, which oversees the management of the diverse real estate properties. EPIC Group's ultimate holding company is EPIC Suisse AG.

The Notes to the Holding Financial Statements contain a list of significant shareholders on page 153 of this Annual Report. All consolidated Swiss companies are included in the Sustainability Report. Please refer to Note 4 of the Consolidated Financial Statements on page 97 of this Annual Report for more details regarding the EPIC Group's basis of financial consolidation.

EPIC Suisse AG releases a Sustainability Report on a yearly basis. This report covers the period from 1 January 2023 to 31 December 2023, except if it is stated differently in the report. For the reporting period of environmental data please refer to page 31. This Sustainability Report was released on 25 March 2024 as a part of the 2023 Annual Report.

For the purposes of this Sustainability Report, no previously published information needed to be restated. This Sustainability Report has not received any external assurances. The Company's Portfolio Director, Philipp Küchler (email: philipp.kuechler@epic.ch), will respond to inquiries regarding the Sustainability Report.

GRI content index

EPIC Suisse AG has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector standards	None

GRI Standard	Disclosure	Location in Annual Report	Omission
General Disclosures			
The organisation and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organisational details	P. 43, P. 52	
	2-2 Entities included in the organisation's sustainability reporting	P. 43	
	2-3 Reporting period, frequency and contact point	P. 43	
	2-4 Restatements of information	P. 43	
	2-5 External assurance	P. 43	
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	P. 24	
	2-7 Employees	P. 15	
	2-8 Workers who are not employees		Requirement: Total number of workers who are not employees. Reason: Information unavailable. Explanation: No systematic reporting currently available. For details on collaboration with contractual workers see pages 37–38.
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	P. 59–66, P. 41	
	2-10 Nomination and selection of the highest governance body	P. 42	
	2-11 Chair of the highest governance body	P. 42	
	2-12 Role of the highest governance body in overseeing the management of impacts	P. 25–26, P. 41	
	2-13 Delegation of responsibility for managing impacts	P. 41	
	2-14 Role of the highest governance body in sustainability reporting	P. 41	
	2-15 Conflicts of interest	P. 42	
	2-16 Communication of critical concerns	P. 42	
	2-17 Collective knowledge of the highest governance body	P. 42	
	2-18 Evaluation of the performance of the highest governance body	P. 41	
	2-19 Remuneration policies	P. 75	
	2-20 Process to determine remuneration	P. 75–84	
	2-21 Annual total compensation ratio	P. 43	

GRI Standard	Disclosure	Location in Annual Report	Omission
Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	P. 8–9	
	2-23 Policy commitments	P. 26	
	2-24 Embedding policy commitments	P. 26	
	2-25 Processes to remediate negative impacts	P. 26, P. 42–43	
	2-26 Mechanisms for seeking advice and raising concerns	P. 43	
	2-27 Compliance with laws and regulations	P. 43	
	2-28 Membership associations	P. 27	
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	P. 40	
	2-30 Collective bargaining agreements	P. 37	
Material Topics			
Materiality assessment and list of material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P. 25 Materiality assessment	
	3-2 List of material topics	P. 25 Materiality assessment	
Long-term business success			
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 27 Economic performance	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P. 27, P. 91 (P&L)	
Innovative and sustainable real estate			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 27–29	
Our environmental efforts			
Energy efficiency			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 29–30	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	P. 33	
	302-3 Energy intensity	P. 33	
Climate protection and climate risk management			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 30–36, P. 44–48	
	201-2 Financial implications and other risks and opportunities due to climate change	P. 45–47	
	305-1 Direct (Scope 1) GHG emissions	P. 34	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	P. 34	
	305-4 GHG emissions intensity	P. 34	

GRI Standard	Disclosure	Location in Annual Report	Omission
Social Responsibility			
Employer of choice			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 37	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P. 37	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P. 38, P. 59, P. 68	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 38–39	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P. 39	
	403-9 Work-related injuries	P. 39	
	403-10 Work-related ill health	P. 39	
Governance			
Responsible business ethics			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 40	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	P. 40	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	P. 40	
Data protection and cyber security			
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 40	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P. 40	

TCFD Report

Introduction

The real estate sector faces both physical and transition risks arising from climate change. Physical risks, dependent on location, may be caused by extreme weather conditions and result in property damage. The probability and impact of such events for example may affect the insurability and level of insurance premiums. Transition risks arise from moving towards a low-carbon economy, requiring investments in renewable energy source systems, upgrading energy-inefficient buildings and adopting new construction materials. These overall challenges could also alter tenant demands and may have an impact on EPIC Group's future economic performance or affecting property valuations.

EPIC Suisse AG (hereafter referred to as the "Company" and on a consolidated basis as "EPIC Group") has decided to voluntarily complement its existing ESG reporting (see Sustainability Report) with further information on climate-related risks and opportunities and to prepare this new TCFD Report (Task Force on Climate-related Financial Disclosures) to further enhance transparency to its investors and other stakeholders. This report outlines the governance and risk management processes, detailing how the Company identifies, assesses, and manages climate-related risks and opportunities.

Governance

Board oversight
The Board of Directors holds the ultimate responsibility for overseeing ESG (including climate-related) risks and opportunities. This encompasses evaluating and approving key aspects of the ESG strategy, such as setting the EPIC Group's corporate goals and allocating resources to achieve these targets. The entire Board of Directors is involved in this process, with Leta Bolli Kennel taking the lead on ESG themes within the Board.

In 2022, the Board of Directors approved the following policies to frame the management of climate-related risks and opportunities:

- Climate and Natural Hazards' Risk Management Policy
- Environmental – Green Buildings Investment Policy
- 3R Policy

The Group Executive Management reports biannually to the Board of Directors on ESG objectives and progress, with a significant focus on energy and climate-related topics. ESG themes were also reviewed and discussed as part of the risk assessment matrix that was presented by the Group Executive Management to the Board of Directors in 2023. Furthermore, the carbon reduction pathway was presented to and approved by the Board of Directors during 2023. Going forward, the Board of Directors will review and evaluate the Company's progress against the carbon reduction pathway once per year.

In addition, each acquisition approved by the Board of Directors is reviewed for compliance with the Investment Regulations, which explicitly states that environmental sustainability should be considered in investment decisions. This policy also advocates for seeking Minergie or equivalent certifications for new developments wherever feasible.

Management oversight

The Board of Directors supervises the implementation of the ESG strategy, while the Group Executive Management, led by the CEO, drives its execution and implements the decisions made by the Board of Directors.

The Group Executive Management is responsible for adhering to policies such as the Climate and Natural Hazards' Risk Management Policy and the Environmental – Green Buildings Investment Policy. They are tasked with periodically commissioning third-party specialists to analyse and suggest potential measures for reducing energy consumption in the Company's buildings through enhanced energy efficiency.

The Group Executive Management reviews these suggestions of potential measures, presents them to the Board of Directors, and implements the approved measures. Additionally, to mitigate financial risks, the Group Executive Management conducts an annual review with an insurance broker to ensure that the insurance is adequate to cover potential losses from physical climate change and natural disasters.

Strategy

Climate related risks and opportunities

The Company recognises that climate change will influence its business to varying degrees in the short-, medium-, and long-term. Physical risks, such as extreme weather-related events, may affect EPIC Group's properties and its developments. Transition risks associated with shifting the economy towards a low-carbon future, including environmental legislation and carbon taxes, may lead to changing tenants' needs. Conversely, climate change presents opportunities for EPIC Group, particularly in meeting the rising demand for green buildings.

The following table outlines the primary climate-related risks and opportunities identified and assessed by the Company to date, which might impact the business:

Type	Risk/ Opportunity factors	Potential impact on EPIC Group (Buy, Build, Hold)	EPIC Group's measures
Physical Risks (Acute and Chronic)	**Acute Risks** Extreme weather events such as river or lake floods, storms, mountain slides	• Buy/Build: Un-detected risks in the due diligence process concerning climate-resilience of acquired properties might lead to future cost and/or damages. • Hold: Effects on insurance premiums and coverage. • Hold: Damages to buildings.	• Buy/Build: Among others, location assessment and environmental sustainability are an investment criteria in selecting properties. • Hold: An annual insurance review with a broker is conducted to ensure adequate coverage against potential losses from physical climate change and natural disasters. • EPIC Group diversifies its real estate portfolio and minimises concentration risk. See also Investment Regulations and Climate and Natural Hazards' Risk Management Policy
	Chronic Risks Longer heat periods in summer	• Buy: Not incorporated risks concerning climate-resilience of acquired properties might lead to subsequent retrofit costs for e.g. insulation or cooling. • Build: Safety prevention measures of construction workers on extreme weather days might lead to longer construction periods. • Hold: Potential future retrofit costs for e.g. insulation and cooling. • Hold: Potential future ancillary costs due to e.g. higher electricity and energy consumption for cooling.	• Buy/Build: Among others, environmental sustainability is an investment criterion in selecting properties. • Build: EPIC Group is committed to achieving Minergie or equivalent certifications for new developments wherever feasible. • Hold: Group Executive Management mandates regular assessment by third-party specialists to analyse and recommend ways to improve energy efficiency across the Company's existing portfolio. • Hold: As one example during 2023, EPIC Group started to implement a PV-system in Wiggis-Park generating electricity of approx. 990 kWp. In 2023, the Board of Directors approved to deeper analyse the replacement for the heating in Wiggis-Park and potentially connect to a future district heating. See also the Sustainability Report on page 24. • Hold: Building permit to replace the existing gas heating with an air heat pump for the Uster West property was received, and the installation is planned for 2024.
Transition Risks (Policy and Legal)	**Regulation and policy pressure** Regulatory requirements on the use of recycled/ recyclable materials to reduce the carbon footprint of construction materials	• Buy: Not detected risks in the due diligence process concerning regulatory compliance of acquired properties might lead to future costs. • Build: Potentially higher construction costs due to regulatory requirements of construction materials. • Hold: Capital expenditures might increase for retrofit activities on e.g. insulation due to changing regulations. • Hold: Potentially higher waste disposal costs for non-recyclable materials at the end of life of properties.	
	CO_2-Taxation • Carbon intensive building materials such as cement • Energy from non-renewable sources	• Buy: Higher construction costs due to taxation of construction materials. • Hold: Higher ancillary costs due to taxation of non-renewable energy supply.	

<table>
<tr><td rowspan="2">Transition Risks/ Opportunities (Market)</td><td>Shift in market preferences
Tenants and visitors</td><td>• Hold: Rentability of properties and vacancy of the portfolio might be positively or negatively affected due to climate-related requirements of tenants and future tenants.
• Hold: Requests from tenants on ESG-topics might lead to higher operational costs.</td><td rowspan="3">• Build: EPIC Group is committed to achieving Minergie or equivalent certifications for new developments wherever feasible.
• Hold: EPIC Group diversifies its real estate portfolio and minimises concentration risk. See also Investment Regulations
• EPIC Group is reporting transparently on its progress towards carbon reduction in the Sustainability Report on pages 34–36 and provides information on climate related risks and opportunities with this first TCFD Report.</td></tr>
<tr><td>Shift in market preferences
Banks and investors</td><td>• Financing conditions might change in the form of risk premiums or discounts (e.g. in form of green bonds).
• Attractiveness to investors might be impacted, with potential impact on share price.
• Requests of investors and banks on ESG-topics might lead to higher operational costs.</td></tr>
<tr><td>Risks/ Opportunities (Reputation)</td><td>Transparent communication on progress towards carbon reduction</td><td>• Trust of investors, tenants and other stakeholders might be affected positively or negatively.
• Violations of regulations can lead to financial penalties.</td></tr>
</table>

Commitments and policies

The impact of climate change and its consequences are of significant relevance to EPIC Group. The carbon emissions produced during the construction and operation of the EPIC Group's buildings are a contributing factor to climate change. In turn, these buildings, along with their tenants, are affected by the adverse effects of climate change, such as extreme weather conditions. Recognising this, the Company is dedicated to actively reducing its operational emissions and effectively managing the risks associated with climate change.

The Company enhanced its process for recording and tracking CO_2 emissions in 2023. EPIC Group has collected sufficient energy consumption data from its portfolio to provide meaningful information about its energy and carbon balance that is based primarily on actual measured data. This enables EPIC Group to measure progress in reducing its carbon footprint more transparently. To formulate a climate strategy, the Company has collaborated with an external consultant (TEP Energy) to develop a carbon reduction pathway for its portfolio which is approved by the Board of Directors.

In the property acquisition evaluation process, EPIC Group takes also environmental sustainability criteria alongside other investment criteria into consideration, such as the comparison of current rents with long-term rental potential. Moreover, the Company is strongly committed to achieving Minergie or equivalent certifications for new developments wherever feasible.

To manage climate-related transition risks in its existing portfolio, the Company introduced in January 2022 the Environmental – Green Buildings Investment Policy, which focuses on EPIC Group becoming more energy efficient and therefore more resilient concerning potential new regulations. The Group Executive Management mandates regular assessments by third-party specialists to analyse and recommend ways to improve energy efficiency across the Company's existing portfolio.

To manage climate-related physical risks in the existing portfolio, the Company further introduced also in 2022 a Climate and Natural Hazards' Risk Management Policy and the Environmental – Green Buildings Investment Policy. The Climate and Natural Hazards' Risk Management Policy focuses on regularly reviewing the real estate portfolio to identify and mitigate environmental risks early. Additionally, to address financial risks, the management is required to conduct an annual insurance review with a broker to ensure adequate coverage against potential losses from physical climate change and natural disasters.

Risk management

In 2023, a risk assessment on the general risks of the Company was conducted together with an external consultancy firm. This risk report will be internally updated on a yearly basis and will be reviewed by the Audit and Risk Committee.

In a first step, appropriate risk categories for EPIC Group's business were defined based on the industry expertise, the internal control system, risk factors discussed as part of the Company's IPO prospectus' interviews and a peer review. An assessment was performed on the identified risks. Each risk was evaluated based on the dimensions of severity and likelihood. As a final result, the Risk Map and selected Top Risks were derived and presented to the Board of Directors.

As part of this risk assessment, climate related risks such as in form of unfavourable changing regulations (ESG and Building regulations, Environmental regulations) were explicitly considered. Other risks for EPIC Group, where climate change might be an indirect influence factor, were also assessed, such as infrastructure supply of energy, vacancy in the existing portfolio or wrong valuation of real estate.

In addition to this general risk assessment, a more detailed workshop was performed in the reporting year to explicitly identify and assess possible climate related risks and opportunities for EPIC Group. For the future, it is planned to integrate the identification and assessment of climate related risks and opportunities even further into the annual risk management cycle.

Metrics and targets

Greenhouse gas emissions

In the previous year 2022, the Company started modelling the carbon footprint and disclosed it in its first sustainability report, issued as part of the Annual Report 2022. In the reporting year 2023, the Company expanded its reporting data by measuring the energy consumption and collecting the relevant data from tenants where available.

The carbon balance table covering the greenhouse gas emissions of EPIC Group is disclosed in the Sustainability Report on page 34.

Carbon reduction pathway

In 2023, the Company also modelled its carbon reduction pathway, which was approved by the Board of Directors. The carbon reduction pathway is disclosed in the Sustainability Report on page 36.

Corporate Governance Report

Introduction

This Corporate Governance Report is prepared in accordance with the Corporate Governance Directive of SIX Exchange Regulation. All information within this Report and within the Compensation Report (see page 75) refers to the Company organisation, Articles of Association and Internal Regulations of EPIC Suisse AG that were in effect as of 31 December 2023.

The Articles of Association (version dated 26 April 2023) are available on the Company website www.epic.ch under section ESG (Environmental, Social, Governance) – Articles of Association. Direct link: https://epic.ch/en/esg

1 Group structure and shareholders

1.1 Group structure

EPIC Suisse AG (hereafter also the "Company") was incorporated on 5 December 2016 and is organised under the laws of Switzerland for an unlimited period. The Company and its direct and indirect subsidiaries (together "EPIC Group") operate in the real estate sector and their activities generally include the investment in, the holding of and the management of properties.

The Company holds 17 subsidiaries which own 25 properties as of 31 December 2023. EPIC Group operates exclusively in Switzerland. The two principal shareholders, Alrov Properties & Lodgings Ltd and EPIC Luxembourg SA control 56.5% and 16.1%, respectively, of the Company as of 31 December 2023.

The EPIC Group is operationally managed by the Group Executive Management (see also section 4 on page 68 of this Corporate Governance Report). For financial reporting, the operating activities are divided in accordance to the real estate properties' classification: (i) Investment properties in operation and (ii) Investment properties under development/construction. Further information on "Segment reporting" can be found in Note 7 of the consolidated financial statements on page 99 of this Annual Report.

Listed company

The registered shares of EPIC Suisse AG, with registered office at Seefeldstrasse 5a, 8008 Zurich, Switzerland, have been listed on SIX Swiss Exchange since 25 May 2022. The ticker symbol is EPIC, the Swiss Security Number ("Valorennummer") 51613168, the ISIN number CH0516131684. The market capitalisation based on shares issued was CHF 677.7 million as of 31 December 2023.

The Company held no treasury shares and none of the Company's subsidiaries held any shares of EPIC Suisse AG as of 31 December 2023.

Non-listed entities

A list of the consolidated entities (including company name of the legal entities, domicile, capital, voting interests and share capital) is available in Note 4 of the consolidated financial statements on page 97 of this Annual Report. None of these entities are listed.

1.2 Significant shareholders

Pursuant to the information provided to the Company by its shareholders in compliance with the Financial Market Infrastructure Act during 2023, the following shareholders disclosed significant positions of more than 3% of the voting rights (based on the share capital registered in the commercial register) as of 31 December 2023[1]:

Shareholder	31 Dec 2023
Alrov Properties & Lodgings Ltd, Tel Aviv, Israel [2]	56.49%
EPIC Luxembourg SA, Luxembourg, Grand Duchy of Luxembourg [3]	16.12%
UBS Fund Management (Switzerland) AG, Basel, Switzerland	5.04%

[1] Participation in voting rights according to the latest disclosure notice received from this shareholder. The actual shareholdings may differ from the numbers indicated in the table, as the Company must only be notified by its shareholders if one of the thresholds defined in Article 120 of the Financial Market Infrastructure Act is crossed, or if shareholder groups with holdings above the thresholds are formed or dissolved.
[2] The beneficial owner of these shares is Alfred Akirov, Tel Aviv, Israel. The shares are directly held by the legal entity Alrov Properties & Lodgings Ltd, Tel Aviv, Israel.
[3] The beneficial owner of these shares is The Family Trust, St Helier, Jersey. The shares are directly held by the legal entity EPIC Luxembourg SA, Luxembourg, Grand Duchy of Luxembourg. The disclosure notice published on 27 May 2023 contains further remarks on The Family Trust (St Helier, Jersey): The Trustee of the Family Trust, with discretionary investment and the right to vote on behalf of the Family Trust, is Vistra Trust Company (Jersey) Ltd (St Helier, Jersey) and the current protector is Ido Brauner (Tel Aviv, Israel). The Family Trust is an irrevocable and discretionary trust settled under the laws of Jersey by Ron Jaacov Greenbaum (London, United Kingdom). Mr. Greenbaum, Mr. Greenbaum's wife Gil Greenbaum (London, United Kingdom) and Mr. Greenbaum's children and remoter issue are the beneficiaries of the Family Trust.

Disclosure notices during fiscal year 2023

In fiscal year 2023, the Company received a disclosure notice regarding the dissolution of a group of shareholders due to the termination of the previously existing lock-up group between Alrov Properties & Lodgings Ltd and EPIC Luxembourg SA, and two individual disclosure notices by these two shareholders, reflecting their individual shareholdings as shown in the table above.

Furthermore, the Company received a disclosure notice from UBS Fund Management (Switzerland) AG, which increased its shareholding to 5.04% (3.06% as of 31 December 2022).

All details of the disclosure notices published by the Company during fiscal year 2023 are also available on the website of SIX Exchange regulation at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Shareholders' agreement

The previously existing lock-up agreement between the members of the group of shareholders consisting of the legal entities Alrov Properties & Lodgings Ltd and EPIC Luxembourg SA (in connection with the Company's initial public offering) expired on 25 May 2023 (see also comments above).

As of 31 December 2023, the Company is not aware of any shareholders' agreement.

1.3 Cross-shareholdings

As of 31 December 2023, EPIC Suisse AG has not entered into cross-shareholdings with other companies exceeding 5% of the holdings of capital or voting rights on both sides.

2 Capital structure

2.1 The Company's capital structure

Capital structure as of 31 December 2023	CHF	Registered shares
Ordinary share capital	413'203.04	10'330'076
Conditional capital	7'500.00	187'500
Capital band for increase or decrease of share capital – Lower limit of the capital band – Upper limit of the capital band	41'320.32 371'882.72 454'523.36	1'033'008

Capital structure as of 31 December 2022	CHF	Registered shares
Ordinary share capital	413'203.04	10'330'076
Conditional capital	7'500.00	187'500
Authorised capital	24'259.64	606'491

For the website link regarding the Articles of Association referred to in the following chapters please see page 73 of this Corporate Governance Report.

2.2 Details on conditional and capital band

Conditional capital for employee participations

Article 3a of the Articles of Association, dated 26 April 2023, reads as follows:

"The share capital of the Company may be increased by up to CHF 7'500.00 by the issuance of up to 187'500 fully paid in registered shares with a nominal value of CHF 0.04 each, upon the exercise of option rights or in connection with similar rights regarding shares (including performance stock units (PSU) and/or restricted stock units (RSU)) granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. Option rights or other rights regarding employee shares may be exercised in writing or by electronic means as determined by the Board of Directors and may be waived in writing, by electronic means or by action implying an intent. The pre-emptive rights and advance subscription rights of the shareholders shall be excluded. The acquisition of registered shares based on this Article 3a and every subsequent transfer of these registered shares shall be subject to the transfer restrictions pursuant to Article 5.

The conditions for the allocation and exercise of the option rights and other rights regarding shares from this Article 3a are determined by the Board of Directors. The shares may be issued at a price below the respective market price for objective reasons."

The conditional capital of CHF 7'500.00 represents 1.82% of the issued ordinary share capital of the Company registered in the commercial register as of 31 December 2023.

Capital band

Article 3b of the Articles of Association, reads as follows:

"The Board of Directors is authorised to increase and reduce the share capital until 26 April 2028 in a range between CHF 371'882.72 and CHF 454'523.36 (capital band). Capital increases and capital reductions in partial amounts are permitted. If the share capital is increased from the conditional capital, the upper and lower limits of the capital band increase accordingly.

Capital increases within the capital band shall be effected by issuing share capital in the maximum amount of CHF 41'320.32, divided into 1'033'008 registered shares with a nominal value of CHF 0.04 each or by increasing the nominal value of the issued shares accordingly. Capital reductions shall be effected by cancelling a maximum of 1’033’008 registered shares with a nominal value of CHF 0.04 each or by reducing the nominal value of the issued shares in the maximum amount of CHF 41’320.32.

In the case of capital increases, the Board of Directors shall determine the issue price, the type of contribution (including, without limitation, contribution in kind, offsetting and conversion of freely disposable reserves), the date of issue, the conditions for the exercise of pre-emptive rights and the beginning date for dividend entitlement. The Board of Directors may issue new shares by means of a firm underwriting. The Board of Directors is entitled to permit, to restrict or to exclude the trading in pre-emptive rights. It may place or use such rights or such shares as to which pre-emptive rights have been granted, but not exercised in the interest of the Company. The shares may be issued at a price below the market price for objective reasons.

The Board of Directors may withdraw or restrict the pre-emptive rights of the existing shareholders and allocate such rights to third parties, the Company or any of its group companies: 1) in connection with strategic partnering and co-operation transactions; 2) in connection with mergers, acquisitions (including take-over) of companies, enterprises or parts of enterprises or selected assets, participations or other types of strategic investments as well as financing or refinancing of such transactions; 3) in connection with the acquisitions or the financing of acquisitions of real estate by the Company or a group company; 4) for the purpose of expanding the shareholder base in connection with the listing of the shares on (additional) foreign stock exchanges; 5) in the case of urgency of the implementation of capitalisation measures.

The subscription and acquisition of new shares as well as any subsequent transfer of the shares shall be subject to the restrictions pursuant to Article 5 of the Articles of Association.”

The capital band for the increase or decrease of share capital by a maximum amount of CHF 41’320.32 represents 10.00% of the issued ordinary share capital of the Company registered in the commercial register as of 31 December 2023.

2.3 Changes in capital

Changes in capital 2021–2023	CHF	Registered shares
Ordinary share capital		
31 December 2023	413'203.04	10'330'076
31 December 2022	413'203.04	10’330’076
31 December 2021	300'000.00	7’500'000
Conditional capital		
31 December 2023	7'500.00	187'500
31 December 2022	7'500.00	187'500
31 December 2021	8'666.64	216'666
Capital band (increases or decreases of share capital)		
31 December 2023	41’320.32	1’033’008
31 December 2022	n/a	n/a
31 December 2021	n/a	n/a
Authorised capital		
31 December 2023	n/a	n/a
31 December 2022	24’259.64	606’491
31 December 2021	55'454.52	1'386'363

Changes in capital in 2023
In connection with the new Swiss stock corporation law, which entered into force on 1 January 2023, the Annual General Meeting of Shareholders held on 26 April 2023 approved various amendments of the Articles of Association and amongst them, the replacement of the previously existing authorised capital by a capital band:

The previous authorised capital of CHF 24'259.64 was replaced by a capital band with a bandwidth of +/- 10% of the Company's current registered share capital (i.e. in a range of the registered share capital of between CHF 371'882.72 and CHF 454'523.36), whereby the Board of Directors is authorised until 26 April 2028 to increase or reduce the share capital by a maximum amount of CHF 41'320.32 by issuing or cancelling up to 1'033'008 registered shares with a nominal value of CHF 0.04 each or by increasing or reducing the nominal value of the issued shares accordingly. For further details on the exact wording of Article 3b of the Articles of Association, please refer to the comments in section 2.2 Details on conditional capital and capital band (paragraphs on capital band) above. The registration of the new capital band in the commercial register took place on 27 April 2023.

Changes in capital in 2022
On 24 May 2022, EPIC Suisse AG successfully completed the placement of 2'686'567 registered shares as part of the IPO (initial public offering) on the SIX Swiss Exchange. These shares were newly issued by the Company in an ordinary capital increase in conjunction with the IPO. They were listed and have been trading on SIX Swiss Exchange since 25 May 2022. The share capital increased to CHF 407'462.68 (10'186'567 registered shares). The change in the share capital was registered in the commercial register on 24 May 2022.

On 24 May 2022, the Company also changed the conditional capital to the amount of CHF 7'500.00 (187'500 shares) and the authorised capital to the amount of CHF 30'000.00 (750'000 shares) as previously approved by its two principal shareholders Alrov Properties & Lodgings Ltd and EPIC Luxembourg SA. The registration of conditional capital and authorised capital was also registered in the commercial register on 24 May 2022.

On 28 June 2022, the Company issued a further 143'509 registered shares as a partial exercise of the Over-Allotment Option in conjunction with the IPO. These Over-Allotment Shares were issued out of the authorised capital. The share capital increased to CHF 413'203.04 (10'330'076 registered shares) and the authorised capital was reduced to CHF 24'259.64 (606'491 shares). The change in the share capital and authorised capital was registered in the commercial register on 28 June 2022.

Changes in capital in 2021
The share capital of EPIC Suisse AG remained unchanged at CHF 300'000.00 (7'500'000 shares) in fiscal year 2021.

In preparation of an Initial Public Offering on SIX Swiss Exchange, and while the Company was still privately owned, its principal shareholders Alrov Properties & Lodgings Ltd and EPIC Luxembourg SA had also approved conditional and authorised capital as mentioned in the table above. None of this capital was used in the year 2021. The conditional and authorised capital was adjusted in size and the Articles of Association changed on 24 May 2022, as described in the section above.

2.4 Shares
As of 31 December 2023, the share capital of EPIC Suisse AG amounts to CHF 413'203.04 and is divided into 10'330'076 registered shares with a nominal value of CHF 0.04 each. The share capital is fully paid in.

Each share carries one vote at the Shareholders' Meeting. The shares rank pari passu in all respects with each other, including, in respect of entitlements to dividends (if declared), to a share in the liquidation proceeds in the case of a liquidation of the Company and to pre-emptive rights.

The Company maintains a share register showing the names and address of the shareholders or usufructuaries. Voting rights may be exercised only after a shareholder or usufructuary has been registered in the share register as a shareholder with voting rights up to a specific qualifying date designated by the Board of Directors.

2.5 Participation certificates and profit sharing certificates
The Company has not issued any participation certificates ("Partizipationsscheine") or profit sharing certificates ("Genussscheine"), nor any preference shares ("Vorzugsaktien").

2.6 Limitations on transferability and nominee registrations
Article 5 of the Articles of Association (version dated 26 April 2023) stipulates the following:

"The identity of the owners/usufructuaries of registered shares shall be entered in the share register stating first/last name (for legal entities the company name), domicile, address and citizenship (for legal entities the legal domicile). Any person registered in the share register changing its address, must inform the Company accordingly.

Persons acquiring registered shares shall on application be entered in the share register without limitation as shareholders with voting rights, provided they expressly declare themselves to have acquired the said shares in their own name and for their own account, they further declare that there is no agreement in place on the redemption or the return of corresponding shares, that they bear the economic risk associated with the shares, and that they comply with the disclosure requirement stipulated by the Federal Act on Financial Market Infrastructure (FMIA) of 19 June 2015. Entry in the share register of registered shares with voting rights is subject to the approval of the Company. Entry of registered shares with voting rights may be refused based on the grounds set out in this Article 5. If the Company does not refuse to register the acquirer as shareholder with voting rights within 20 calendar days upon receipt of the application, the acquirer is deemed to be a shareholder with voting rights. Non-recognised acquirers shall be entered in the share register as shareholders without voting rights. The corresponding shares shall be considered as not represented in the General Meeting of Shareholders.

Persons not expressly declaring themselves to be holding shares for their own account in their application for entry in the share register or upon request by the Company (hereafter referred to as nominees) shall be entered in the share register with voting rights without further inquiry up to a maximum of 3% of the share capital outstanding at that time. Above this limit, registered shares held by nominees shall be entered in the share register with voting rights only if the nominee in question at the application for registration or thereafter upon request by the Company makes known the names, addresses and shareholdings of the persons for whose account the nominee is holding 0.5% or more of the share capital outstanding at that time and provided that the disclosure requirement stipulated by the Federal Act on Financial Market Infrastructure (FMIA) of 19 June 2015 is complied with. The Board of Directors has the right to conclude agreements with nominees concerning their disclosure requirements.

The above-mentioned limit of registration also applies to the subscription for or acquisition of registered shares by exercising pre-emptive, option or convertible rights arising from shares or any other securities issued by the Company or third parties.

Legal entities or partnerships or other associations or joint ownership arrangements which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships (especially syndicates) which act in concert with the intent to circumvent the entry restrictions are considered as one shareholder or nominee.

The Company may in special cases approve exceptions to the above restrictions (Article 5 para. 2, 3, 4 and 5 of the Articles of Association). After due consultation with the persons concerned, the Company is further authorised to delete entries in the share register as shareholder with voting rights with retroactive effect, if they were effected on the basis of false information or if the respective person does not provide the information pursuant to Article 5 para. 3. The concerned person has to be informed about the deletion.

Until an acquirer becomes a shareholder with voting rights for the shares in accordance with Article 5 of the Articles of Association, she/he may neither exercise the voting rights connected with the shares nor other rights associated with the voting rights."

Exceptions granted in fiscal year 2023
The Company has not granted any exceptions during the year under review.

Required quorum for a change of the limitations on transferability
Article 13 of the Articles of Association stipulates that an easement or abolition of the restriction of the transferability of the registered shares requires a resolution by the General Meeting of Shareholders passed by at least two thirds of the represented share votes and the absolute majority of the represented shares par value.

2.7 Convertible bonds and options
As of 31 December 2023, the Company had no convertible bonds or options regarding its shares outstanding.

3 Board of Directors

3.1 Members of the Board of Directors

As of 31 December 2023, the Board of Directors comprised four Board members. All members of the Board of Directors are elected individually by the General Meeting of Shareholders and for a term of office until completion of the next Annual General Meeting. The Chairman of the Board of Directors and the members of the Remuneration and Nomination Committee are directly elected by the Annual General Meeting.

The following table and Curricula Vitae provide information on each Board member, including a short description of each member's business experience, education and activities. The activities of the members of the Board of Directors at other companies are disclosed in the Compensation Report on pages 86 and 87 of this Annual Report.

Name	Position	Year of appointment	Committee membership [1]
Ron (Roni) Greenbaum	Executive Chairman	2016	RNC (member)
Stefan Breitenstein	Lead Independent Director	2017	RNC (chair)
Leta Bolli Kennel	Independent Director	2022	ARC (member)
Andreas Schneiter	Independent Director	2020	ARC (chair)

[1] RNC = Remuneration and Nomination Committee; ARC = Audit and Risk Committee

Ron (Roni) Greenbaum, Executive Chairman, born 1971, British citizen

Education

Bachelor's degree in Business Studies from London Guildhall University, Master's degree in Property Investment (MSc) from the City of London University

Professional background

Mr. Greenbaum has been serving as Executive Chairman of the Board of Directors of EPIC Suisse AG since 2016, after serving on the boards of various predecessor companies of EPIC Group since 2004 (i.e. since entering the Swiss real estate market). He also serves on the board of various EPIC Group companies. Since 1998, Mr. Greenbaum has been active in the European real estate industry, first with property acquisition and (re)development across London and since 2000 (in partnership with Alrov Properties & Lodgings Ltd) both in and outside of the United Kingdom, specifically in France, the Netherlands and Switzerland. Since then, together with Alrov, he has steadily developed an investment property portfolio consisting of commercial properties as well as luxury hotels.

He is a member of the Board of Directors of several privately held property companies, the majority of which founded in connection with the partnership with Alrov Properties & Lodgings Ltd. Furthermore, Mr. Greenbaum is the settlor/beneficiary of The Family Trust, which is the indirect shareholder of EPIC Luxembourg SA (see also section 1.2 Significant shareholders).

Stefan Breitenstein, Lead Independent Director, Non-executive Board member, born 1957, Swiss citizen

Education

Dr. iur. degree and Master's degree in Law from the University of Zurich, post-graduate degree in European Studies from the College of Europe, Bruges, and LL.M from Harvard Law School

Professional background
Mr. Breitenstein is a lawyer at the law firm Lenz & Staehelin, which he joined in 1989 and was a Partner of, from 1994 to 2022. During that time, he served as the firm's Managing Partner from 2015 to 2021. Since 2023, he works as Senior Counsel at Lenz & Staehelin.

Mr. Breitenstein has well over 30 years of experience in international and domestic corporate banking and finance transactions. Furthermore, his professional experience also includes memberships on various Board of Directors and Board Committees, such as at Gurit Holding AG, a company listed on the SIX Swiss Exchange, Brink's International Holdings AG, MAN Truck & Bus Schweiz AG, Kar-Tess Holding S.à.r.l., The A.G. Leventis Foundation, and others. For the entire list of Board activities see pages 86 and 87 of the Compensation Report.

Leta Bolli Kennel, Independent Director, Non-executive Board member, born 1977, Swiss citizen

Education
Master's degree (MA) in Economics and Business Administration from the University of Zurich, post-graduate degree (MAS) in Real Estate Management from the Lucerne University of Applied Sciences and Arts

Professional background
Mrs. Bolli Kennel is a recognised real estate expert, who was Co-Managing Director (2021–2023) and Program Manager at the Center for Urban & Real Estate Management ("CUREM") of the University of Zurich (2016–2023). Prior to this, she served as real estate Asset Manager and Transaction Specialist at Rodrigo & Abegg Immobilien AG (2009–2015). Mrs. Bolli Kennel was previously employed at Swiss Re as an Investment Professional for indirect real estate (2005–2008). Since 2021, Mrs. Bolli Kennel has also been serving as district/municipal councillor in the Swiss district of Einsiedeln, where she is responsible for the department of education and culture.

Andreas Schneiter, Independent Director, Non-executive Board member, born 1970, Swiss citizen

Education
Degree in Business Administration and specialisation in Finance from the School of Economics and Business Administration, Bern

Professional background
Mr. Schneiter is an independent senior advisor since 2020. He served as interim CFO of Selecta AG from January to October 2020. Prior to this, he served in several capacities at Dufry AG (today Avolta AG), a company listed on the SIX Swiss Exchange, where he was Chief Financial Officer (2012–2019), Head Group Treasury (2004–2012 and since beginning of 2005 additionally Head Investor Relations), and Head of Corporate Controlling (2003). Prior to that, Mr. Schneiter worked in various positions at UBS Warburg in Zurich in the area of Mergers and Acquisitions (1998–2003).

3.2 Non-executive members of the Board of Directors

Of the three non-executive members of the Board of Directors (Stefan Breitenstein, Leta Bolli Kennel, Andreas Schneiter), none of them have ever been in a managerial position at EPIC Suisse AG or any of its entities nor do they have significant business connections with the Company or its group companies.

3.3 Rules in the Articles of Association regarding the number of permitted additional activities

For the website link regarding the Articles of Association referred to in the following chapters, please refer to page 73 of this Corporate Governance Report.

In accordance with Article 23 of the Articles of Association the members of the Board of Directors may have the following other functions in the superior management or administrative bodies of legal entities with an economic purpose:

- up to four mandates as member of the Board of Directors or any other superior management or administrative body of listed companies; and, in addition,
- up to fifteen mandates as member of the Board of Directors or any other superior management or administrative body of legal entities that do not meet the above-mentioned criteria.

With the approval of the Board of Directors, the members of the Group Executive Management may have the following other functions in the superior management or administrative bodies of legal entities with an economic purpose:

- up to one mandate as member of the Board of Directors or any other superior management or administrative body of listed companies; and, in addition,
- up to five mandates as member of the Board of Directors or any other superior management or administrative body of legal entities that do not meet the above-mentioned criteria.

With respect to the additional activities of both the members of the Board of Directors and the Group Executive Management, mandates in companies that are under uniform control or the same beneficial ownership are deemed to be one mandate.

The following mandates shall not be subject to the limitations set forth in paragraphs 1 and 2 of Article 23:

- mandates in companies which are controlled by the Company or which control the Company;
- mandates held at the request of the Company or companies controlled by the Company. No member of the Board of Directors or the Group Executive Management shall however hold more than ten such mandates;
- mandates in associations, charitable organisations, foundations, employee welfare foundations and other similar organisations. No member of the Board of Directors or the Group Executive Management shall hold more than fifteen such mandates;
- mandates in non-operative companies, domiciliary companies and Trusts, which a non-executive member of the Board of Directors holds as part of his main profession as trustee, attorney at law or adviser, provided that the availability of that member permits such activity.

3.4 Elections and terms of office

In accordance with Article 15 of the Articles of Association the Board of Directors shall consist of a minimum of three members. The term of the members of the Board of Directors shall correspond to the legally permitted maximum term of one year and shall end at the end of the next Annual General Meeting. Re-election is possible in general. An age limit of 72 years applies for the election or re-election to the Board of Directors at the date of the election or re-election.

Except for the election of the Chairman of the Board of Directors and the members of the Remuneration and Nomination Committee by the General Meeting of Shareholders, the Board of Directors determines its own organisation.

The Company's Organisational Regulations further stipulate a limitation of terms for independent Board members of nine terms following the enactment of the Organisational Regulations (enacted on 14 May 2022).

The current members of the Board of Directors were all re-elected by the Annual General Meeting of Shareholders, held on 26 April 2023. Roni Greenbaum was re-elected Chairman of the Board of Directors. Due to his intense involvement with the Group Executive Management, Mr. Greenbaum is considered an executive Chairman. All other members of the Board of Directors are non-executive, independent Directors. The Board of Directors nominated Stefan Breitenstein as Lead Independent Director. Mr. Breitenstein and Mr. Greenbaum were also re-elected as members of the Remuneration and Nomination Committee by the Annual General Meeting of Shareholders on 26 April 2023.

3.5 Internal organisational structure

The Board of Directors has established two Committees, the Remuneration and Nomination Committee ("RNC") and the Audit and Risk Committee ("ARC"). Both Committees are assisting the Board of Directors in fulfilling its duties and have also decision authority to the extent described in the following sections.

Remuneration and Nomination Committee (RNC)

Members as of 31 December 2023: Stefan Breitenstein (Chair), Roni Greenbaum (Member)

The RNC consists of at least two members of the Board of Directors, and the Chairman of the RNC shall be independent. The members of the RNC shall be elected annually and individually by the Annual General Meeting for a one-year period until the next AGM. Re-election is possible. The RNC shall constitute itself.

The RNC has the following duties regarding compensation matters:

- the preparation and periodical review of EPIC Group's compensation policy, compensation strategy and principles and the performance criteria related to compensation and periodical review of their implementation as well as submission of proposals and recommendations to the Board of Directors;
- make proposals to the Board of Directors regarding the principles and structure of the compensation plans for the Group Executive Management;
- make proposals to the Board of Directors regarding the determination of compensation-related targets for the Group Executive Management and other members of senior management;
- make proposals to the Board of Directors regarding the approval of the individual compensation of the Board of Directors, Group Executive Management and other covered persons, including, where applicable their further terms of employment and titles;
- support the Board of Directors in preparing the proposals to the General Meeting of Shareholders and make proposals to the Board of Directors regarding the maximum aggregate fixed and variable remuneration amount for the Board of Directors and the Group Executive Management, respectively, to be submitted for shareholder approval;
- make proposals to the Board of Directors regarding amendments to the Articles of Association with respect to the compensation scheme of members of the Group Executive Management;
- make proposals to the Board of Directors regarding additional activities of the members of the Group Executive Management;
- submission of the Compensation Report to the Board of Directors for approval;
- inform the Board of Directors about policies, programs and key decisions as well

as comparisons of compensation levels at key competitors;
- regular reporting to the Board of Directors on the decisions and deliberations of the RNC;
- undertake further duties and responsibilities as provided for in the Articles of Association, the Organisational Regulations or the law.

The RNC has the following duties regarding nomination matters:

- perform, on a continuous basis, the succession planning regarding the Board of Directors (incl. Chairman) and the Group Executive Management (incl. CEO) together with the Board, aiming, with regard to the Board, at adequate refreshment over time, valuing both the need for continuity and experience and a continuous refreshment;
- evaluate, on a continuous basis, the composition of the Board of Directors against the background of the election principles;
- monitor the eligibility of Board members standing for re-election against the background of the Board retirement age and the term limits as stipulated in the Organisational Regulations;
- select, evaluate and propose to the Board of Directors candidates as Board members, for membership of Board Committees or as members of the Group Executive Management for appointment or, as applicable, for proposing such candidates for election or re-election to the AGM or EGM.

The RNC meets at such frequency as it deems necessary to fulfil its duties, normally ahead of Board meetings and generally two times per year. Additional meetings may be held and be convened at the request of either the Board or any RNC member.

In fiscal year 2023, the RNC held two meetings (Q1: 1 meeting, Q4: 1 meeting) that lasted for up to one hour. The CEO and the CFO attended these meetings. The statutory auditors attended one meeting of the RNC in 2023.

Audit and Risk Committee (ARC)
Members as of 31 December 2023: Andreas Schneiter (Chair), Leta Bolli Kennel (Member)

The ARC consists of at least two Board members appointed by the Board of Directors. The Chairman of the ARC shall be independent. The members of the ARC shall have the necessary qualifications and skills and possess financial literacy and keep themselves up to date regarding risk management best practices.

The ARC has the following roles and responsibilities:

- assessment of the adequacy and effectiveness of EPIC Group's internal systems and controls in respect of both financial and non-financial risks, the Company's and EPIC Group's compliance with legal obligations, workplace health and safety, environmental, insurance and other regulatory requirements and other relevant compliance matters, as well as with policies issued by the Company;
- evaluating the external auditors, regarding the fulfilment of the necessary qualifications and independence, and making proposals to the Board of Directors concerning the choice of the external auditors;
- assessing the work performed by the external auditors and approving the budget for auditing fees;
- reviewing the external audit reports with the external auditors, and issuing the necessary applications and recommendations to the Board of Directors;
- pre-approving any necessary non-audit specific services provided by the external auditors;
- examining, reviewing and approving the Company's accounting policies and changes thereto, as well as monitoring compliance with such accounting policies;
- reviewing annually the budget of EPIC Group, excluding new investments (which will be approved on a case by case basis during the year) and financial planning for EPIC Group;

- reviewing the draft interim financial statements and annual audited financial statements of the Company and EPIC Group with the external auditor and the relevant members of the Group Executive Management as well as issuing the necessary applications and recommendations to the Board of Directors prior to the publication of the financial statements; thereby the ARC shall review (including the review from the external auditors): (i) the Company's selection or application of accounting principles and the adequacy and effectiveness of internal control over financial reporting, (ii) significant financial reporting issues and judgments applied by management, (iii) effects of significant regulatory and accounting initiatives, and (iv) the completeness and clarity of the disclosures in the financial statements;
- evaluating the external valuation expert, assessing the work performed by the external valuation expert and reviewing the reports from the external valuation expert, and issuing necessary applications and recommendations to the Board of Directors in relation thereto;
- reviewing and approving all related-party transactions required to be disclosed;
- reviewing and discussing earnings press releases, as well as financial information and earnings guidance provided to analysts, the investment community and rating agencies;
- reviewing and discussing with management and the external auditor any deficiencies in internal control, as well as management's respective remediation measures and their implementation;
- approving EPIC Group's treasury policy, and reviewing EPIC Group's funding strategy and position, as well as EPIC Group's liquidity risk management, interest risk management and counterparty credit risk management processes;
- reviewing EPIC Group's tax planning and tax compliance processes, including the design and implementation of transfer pricing guidelines;
- reviewing the status of material legal proceedings that EPIC Group is part to, including measures taken by management to protect the interests of EPIC Group;
- reviewing EPIC Group's insurance programs;
- reviewing EPIC Group's risk management system, management's assessment of the Group's major risks, as well as evaluating the respective measures taken by EPIC Group; and
- assessing regularly the requirement to replace the auditors and to assess risks and benefits involved with a potential replacement.

The ARC meets at such frequency as it deems necessary to fulfil its duties, normally ahead of Board meetings and generally four times per year. Additional meetings may be held and be convened at the request of either the Board or any ARC member.

In fiscal year 2023, the ARC held four meetings (Q1: 1 meeting, Q3: 1 meeting, Q4: 2 meetings) that lasted between about one to four hours. The CEO and the CFO attended all the meetings, the Portfolio Director attended one meeting. The statutory auditors (KPMG) as well as the independent real estate valuer (Wüest Partner) attended two meetings each.

Work method of the Board of Directors
As a general rule, the Board of Directors meets about four to six times per year (at least once per quarter). Additional meetings or conference calls are held as and when necessary. In fiscal year 2023, the Board of Directors held four meetings (one per quarter) that lasted generally between about half an hour to four hours. Meetings of the Board of Directors are convened by the Chairman if and when the need arises or whenever a Board member or the CEO, indicating the reasons, so requests in writing. If the Chairman does not comply with such request within 14 days, the Lead Independent Director shall be entitled to call the meeting. The Chairman determines the agenda and items to be discussed at the Board meetings. All members of the Board of Directors can request to add further items on the agenda.

The members of the Group Executive Management usually attend the meetings of the Board of Directors (except for specific non-executive sessions). The CEO, CFO and Portfolio Director attended all four meetings of the Board of Directors in 2023.

The Board of Directors and/or the Board Committees engage specific advisors to address individual matters when required. External advisors attended pertinent portions of any relevant meeting of the Board of Directors, be it on legal, risk or sustainability issues. The statutory auditors and the real estate valuers attended two meetings of the Audit and Risk Committee in 2023, while the statutory auditors also attended one meeting of the Remuneration and Nomination Committee.

Overview of individual attendance Board and Committee meetings

Board member	Board of Directors	Remuneration and Nomination Committee	Audit and Risk Committee
Roni Greenbaum	4/4	2/2	n/a
Stefan Breitenstein	4/4	2/2	n/a
Leta Bolli Kennel	4/4	n/a	4/4
Andreas Schneiter	4/4	n/a	4/4
Total number of meetings	**4**	**2**	**4**
Average attendance ratio	**100%**	**100%**	**100%**

3.6 Definition of areas of responsibility
The Board of Directors constitutes the highest executive body of the Company and of EPIC Group as a whole. Its responsibilities, duties and competencies and the procedural principles by which it is governed are specified by law, the Articles of Association and the Organisational Regulations.

In accordance with the Organisational Regulations, the Board of Directors has delegated the day-to-day and operational activities of the Company and EPIC Group to the Group Executive Management acting under the leadership of the CEO. The following responsibilities remain explicitly with the Board of Directors:

- overall management (“Oberleitung”) and issuing of related directives;
- determine the organisation of the Company, in particular, to adopt, regularly revisit and amend the Organisational Regulations;
- organisation of the accounting, financial control and financial planning systems as required for the overall management of the Company and EPIC Group as a whole;
- appoint and dismiss the members of the Group Executive Management and to grant all forms of signing authorities;
- overall supervision of the persons entrusted with management, in particular with regard to compliance with law, the Articles of Association, the Organisational Regulations, the investment policy and further directives;

- review and approve the full year and half-year financial statements and the Annual Report of the Company and EPIC Group as a whole (in each case including any annexes thereto or parts thereof such as the Compensation Report or the Corporate Governance Report) and the proposed dividend of the Company;
- preparation for the Annual General Meeting and Extraordinary General Meetings (including related proposals of the Board) and implementation of related shareholder resolutions;
- notification of the court in the event that the Company is overindebted;
- pass resolutions regarding the increase of share capital to the extent that this is within the authority of the Board as well as the adoption of the capital increase and the amendments to the Articles of Association entailed therewith;
- pass resolutions regarding agreements in respect of mergers, de-mergers, transformations or transfers of assets and liabilities in accordance with the Swiss Merger Act;
- approving the investment policy of EPIC Group and any changes thereto;
- determining the overall business strategy and the finance and risk policy of EPIC Group;
- reviewing and approving annually the budget of EPIC Group, excluding new investments (which will be approved on a case by case basis during the year) and financial planning for EPIC Group;
- approving financial objectives and approving, via the budget and financial planning process, the necessary means to achieve these objectives;
- approving any financial indebtedness (including any security) in excess of CHF 20 million, unless already approved with the annual budget/investment plan;
- approving the issuance of bonds or other capital market instruments as well as the early termination of any such bonds or other instruments;
- approving investments in fixed assets, investments in real estate (i.e. capital expenditures) and participations (whether minority, majority or 100% and including any joint ventures and similar business partnerships involving an investment) as well as respective divestments in excess of CHF 10 million (unless such investment was specifically provided for in the approved annual budget). Amounts lower than CHF 1 million can be approved by the CEO alone while amounts that are between CHF 1 million and CHF 10 million can be approved by the Chairman of the Board of Directors following the recommendation of the CEO;
- approving the entering into or termination of any agreement with a value over the term of the contract in excess of CHF 10 million or CHF 1 million per annum;
- initiating, settling or otherwise terminating any litigation or other legal or administrative proceedings with an amount in dispute or settlement value in excess of CHF 10 million. Amounts lower than CHF 1 million can be approved by the CEO alone while amounts that are between CHF 1 million and CHF 10 million can be approved by the Chairman of the Board of Directors following the recommendation of the CEO;
- deciding on the individual and the total amount of compensation payable to the members of the Board of Directors and of the Group Executive Management and approve the remuneration policy (including any related short- and long-term incentive plans) of the Company and EPIC Group, taking into account the respective recommendations of the RNC;
- proposing for election, re-election or removal by the AGM, the external auditors as recommended by the ARC;
- appointing or removing the external valuation expert;
- approving transactions between the Company and/or subsidiaries and Board members or members of the Group Executive Management or any parties related to them.

3.7 Information and control instruments vis-à-vis the Group Executive Management

The Board of Directors ensures that it receives sufficient information from the Group Executive Management to perform its supervisory duties and to make decisions that are reserved to the Board.

The CEO, the CFO and the Portfolio Director are generally present at meetings of the Board of Directors and report in detail on the course of the Company's business. The Board of Directors receives a detailed report providing an overview of the business. This usually includes:

- financial details (income statement, balance sheet, liquidity, comparisons against the budget and against prior year period)
- status on properties in the portfolio
- report on vacancies
- status on new building projects
- report on potential acquisitions or investment projects
- report on compliance with the investment policy
- report on the internal control system (once per year)
- update on ESG matters (twice per year)

During Board meetings, each member of the Board of Directors may request information from the other members of the Board, or from the members of the Group Executive Management on all affairs of the Company and EPIC Group. The members of the Board of Directors may also request information from the Group Executive Management or review documents outside the meetings of the Board of Directors. In such case, he/she must address the request to the Chairman of the Board. To the extent necessary to fulfil his/her duties, each Board member may request in writing that the Chairman authorises the inspection of books or records of the Company. If the Chairman rejects a request for information, hearing or inspection, the Lead Independent Director or the Board of Directors shall decide whether to grant such request.

The Chairman of the Board of Directors, Roni Greenbaum, is actively involved in the Company's operations and works very closely with the CEO and other members of the Group Executive Management team. Apart from the reporting in the course of the Board meetings, the CEO reports immediately any extraordinary event and change within the Company and within EPIC Group to the Chairman.

The CEO, the CFO and the Portfolio Director attended all four meetings of the Board of Directors in 2023. Twice a year (as of the balance sheet dates 30 June and 31 December), the portfolio is valued by an independent real estate valuer (Wüest Partner AG). Representatives of the external statutory auditors attended two meetings of the Audit and Risk Committee in fiscal year 2023.

Due to the corporate and organisational structure, EPIC Group does not have a separate internal audit department. The Board of Directors and the Audit and Risk Committee are in direct contact with the auditors and can commission them with special audit tasks, if required. Please refer to page 72 for the audit fees and tasks commissioned in fiscal year 2023.

4 Group Executive Management

4.1 Members of the Group Executive Management

As of 31 December 2023, the Group Executive Management comprised three executives. The following table and Curricula Vitae provide information on each member, of the Group Executive Management, including a short description of each member's business experience, education and activities. The activities of the members of the Group Executive Management at other companies are disclosed in the Compensation Report on page 87 of this Annual Report.

Name	Position	Year of appointment
Erick (Arik) Parizer	Chief Executive Officer	2008
Valérie Scholtes	Chief Financial Officer	2016
Philipp Küchler	Portfolio Director	2009

Erick (Arik) Parizer, Chief Executive Officer, born 1974, French citizen

Education
Bsc in Economics from the London School of Economics and Political Science, qualified as Chartered Accountant (ACA), Master's degree in Finance from the London Business School

Professional background
Mr. Parizer has been serving as EPIC Group's Chief Executive Officer since 2008. In addition, Mr. Parizer serves on the board of various EPIC Group Swiss companies. Prior to joining EPIC Group, he worked as an investment banker at Lehman Brothers (2007–2008) and before that as a Financial Controller at IDT, a NYSE listed telecommunications company (2002–2006).

Valérie Scholtes, Chief Financial Officer, born 1974, Belgian and Swiss citizen

Education
MBA from the Catholic University of Louvain (graduating with honours), qualified as Chartered Financial Analyst

Professional background
Ms. Scholtes has been serving as EPIC Group's Chief Financial Officer since 2016. In addition, Ms. Scholtes serves on the board of various EPIC Group Swiss companies. Prior to joining EPIC Group, she served as the CFO for the real estate funds at Perella Weinberg Partners (now Aermont) and served on the Board of nearly all the Luxembourg entities (2008–2014). Between 2003 and 2007, she was a financial controller and Board member for the Luxembourg structure at Doughty Hanson, and between 1997 and 2003 she worked at PricewaterhouseCoopers as an executive in transaction services and auditor.

Philipp Küchler, Portfolio Director, born 1983, Swiss citizen

Education
Federal certificate in Property Management and Real Estate Development, Master of Advanced Studies in Real Estate Management from the University of Applied Sciences in Business Administration in Zurich

Professional background
Mr. Küchler has been serving as Portfolio Director/Asset Manager for EPIC Group since 2009. Prior to joining EPIC Group, Mr. Küchler worked as property manager at Privera, a Swiss real estate services company (2006–2008).

4.2 Rules in the Articles of Association regarding the number of permitted additional activities

For the rules in the Articles of Association regarding the number of permitted additional activities for the members of the Group Executive Management please refer to section 3.3 on page 61 of this Corporate Governance Report. The website link regarding the Articles of Association is mentioned on page 73 of this Annual Report.

4.3 Management contracts

EPIC Suisse AG does not have management contracts with companies or natural persons not belonging to EPIC Group.

5 Compensation, shareholdings and loans

5.1 Content and method of determining the compensation and the shareholding programmes

For detailed information on compensation, shareholdings and loans to the members of the Board of Directors and members of the Group Executive Management please refer to the Compensation Report on pages 75 to 87 of this Annual Report.

5.2 Disclosure of rules in the Articles of Association in conjunction with remuneration of the Board of Directors and of the Group Executive Management

For rules in the Articles of Association regarding the approval of compensation by the General Meeting of Shareholders, principles relating to the compensation of the members of the Board of Directors and of the Group Executive Management, loans, credits, pension benefits, etc. and the additional amount of compensation for new members of the Group Executive Management, please refer to Articles 25–29 of the Articles of Association. The rules regarding agreements with members of the Board of Directors and of the Group Executive Management in terms of duration and termination are stipulated in Article 24 of the Articles of Association. The rules on shareholders' votes on compensation are contained in Article 12 of the Articles of Association.

The Articles of Association are available on the Company website – section ESG – direct link: https://epic.ch/en/esg

6 Shareholders' participation rights

For the website link regarding the Articles of Association referred to in the following chapters please refer to the link above or to page 73.

6.1 Voting rights and representation

Each share entitles to one vote, subject to the provisions of Article 5 of the Articles of Association (see section 2.6 on page 57 for the details of these provisions related to a potential restriction of voting rights, group clauses, and exceptions granted during the year under review). Each shareholder may be represented at the General Meeting by any other person who is authorised by a written power of attorney presented at such General Meeting. The Board of Directors determines the requirements regarding proxies and voting instructions.

The General Meeting shall pass its resolutions and carry out its elections with the simple majority of the votes cast, to the extent that neither the law nor the Articles of Association provide otherwise. Abstentions, empty votes and invalid votes will not be taken into account for the calculation of the required majority.

The Board of Directors did not reject any applications for registration in the share register in fiscal year 2023, nor did it grant any exceptions.

For the quorum required for an easement or abolition of the restriction of the transferability of the registered shares see section 6.3 below.

6.2 The Independent Proxy

The General Meeting elects an Independent Proxy. Natural persons as well as legal entities and partnerships are eligible for election. The term of office of the Independent Proxy ends at the next Annual General Meeting. Re-election is possible.

The Annual General Meeting held on 26 April 2023 re-elected law firm ADROIT Attorneys, Zurich, as Independent Proxy until the end of the Annual General Meeting in 2024, which will be held on 25 April 2024. ADROIT Attorneys is independent from the Company and has no further mandates with the Company or any EPIC Group companies.

6.3 Quorums required by the Articles of Association

According to Article 13 of the Articles of Association, a resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the represented shares par value is required for:

- the cases listed in Article 704 para. 1 CO and in Articles 18, 43, and 64 of the Federal Act on Merger, Demerger, Transformation and Transfer of Assets (Merger Act) dated 3 October 2003, subject to any higher statutory quorums;
- the easement or abolition of the restriction of the transferability of the registered shares;
- any change to the provisions of Article 13 of the Articles of Association.

6.4 Convocation of the General Meeting of Shareholders

According to Article 8 of the Articles of Association, General Meetings shall be convened by the Board of Directors, or if need be, by the auditors.

Notice of the General Meeting shall be given by publication in the Swiss Official Gazette of Commerce at least 20 calendar days before the date of the meeting. To the extent the post and/or e-mail address of the shareholders are known, notice may also be sent by post and/or e-mail. The notice shall state the name and address of the independent proxy, the day, time, form and place of the General Meeting, the agenda, the proposals by the Board of Directors and the proposals of the shareholders who have requested the General Meeting or that an item be included in the agenda, in each case with a short explanation to the motions.

According to Article 7 of the Articles of Association, Extraordinary General Meetings shall be convened by the Board of Directors within two months, if shareholders representing at least 5% of the share capital request such meeting in writing, setting forth the items to be discussed and the proposals to be decided upon.

The Board of Directors may provide that shareholders who are not present at the General Meeting max exercise their rights electronically. Instead, the Board of Directors may also waive the determination of a meeting location and order the holding of a virtual General Meeting, if holding a physical meeting may not be possible or advisable from a health and safety perspective (e.g. in case of a pandemic).

6.5 Inclusion of items on the agenda

According to Article 9 of the Articles of Association, the Board of Directors shall state the items on the agenda. Registered shareholders with voting rights individually or jointly representing at least 0.5% of the share capital of the Company may demand that items be put on the agenda or that motions to agenda items be included in the invitation to the General Meeting. Such demands have to be submitted to the Chairman of the Board of Directors at least 45 calendar days before the date of the General Meeting and shall be in writing, specifying the item, the proposals, and a short explanation of the motions.

No resolutions may be passed on motions concerning agenda items which have not been duly announced, apart from those exceptions permitted by law.

6.6 Registration in the share register

The record date for the inscription of registered shareholders into the share register in view of their participation in the General Meeting of Shareholders is defined by the Board of Directors. It will be set around 2 weeks before the meeting. Shareholders who dispose of their registered shares before the General Meeting are no longer entitled to vote with such disposed shares. For the Annual General Meeting on 25 April 2024, the Board of Directors has set the record date at 11 April 2024.

7 Change of control and defence measures

7.1 Duty to make an offer

According to Article 32 of the Articles of Association, the duty to submit a public takeover offer pursuant to Article 135 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 (FMIA) is excluded in accordance with Article 125 paragraph 3 FMIA.

7.2 Clauses on changes of control

There are no change of control clauses in favour of members of the Board of Directors or the Group Executive Management.

8 Auditors

8.1 Duration of the mandate and term of office of the lead auditor

KPMG AG, Badenerstrasse 172, 8036 Zurich, Switzerland has been the statutory auditors of the Company since its foundation in 2016. The statutory auditors shall be elected each year by the Annual General Meeting and may be re-elected. Reto Benz has been the auditor in charge since the fiscal year ending 31 December 2019.

8.2 Audit fee

The audit fees for fiscal year 2023 amount to CHF 0.2 million and include the audit of the consolidated and separate (Holding) financial statements of EPIC Suisse AG and its subsidiaries, the audit of the compensation report and other audit related type of work such as certain checks of the interim consolidated financial statements and inquiries about the potential merger of the Luxembourg subsidiary with the Company.

8.3 Additional fees

During fiscal year 2023, no further additional fees were charged by KPMG AG.

8.4 Supervisory and control instruments pertaining to the external audit

The Audit and Risk Committee as a committee of the Board of Directors reviews and evaluates the performance and independence of the statutory auditors at least once each year. Based on its review, the Audit and Risk Committee recommends to the Board of Directors which external auditor should be proposed for election at the Annual General Meeting. The decision regarding this agenda item is then taken by the entire Board of Directors.

When evaluating the performance and independence of the statutory auditors, the Audit and Risk Committee puts special emphasis on the professional competence of the audit team (including real estate competence), personal independence of the lead auditor and independence of the audit firm as a whole, coordination of the auditors with the Group Executive Management and the Audit and Risk Committee, as well as on practical recommendations with respect to applications of IFRS rules.

A qualified real estate valuer (Wüest Partner AG) evaluates the real estate portfolio twice a year. This firm must also be independent from the Company and may not be the same as the statutory auditors of the Company.

The Audit and Risk Committee agrees the scope of and discusses the results of the external audit with the statutory auditors. The statutory auditors prepare a comprehensive report addressed to the Board of Directors once per year, informing them in detail on the results of their audit. They also check certain aspects of the interim consolidated financial statements prior to them being released.

During fiscal year 2023, the Audit and Risk Committee held four meetings. The statutory auditors were present at two of these meetings.

The Board of Directors has determined the rotation interval for the Lead Auditor to be seven years, as defined by the Swiss Code of Obligation. The last rotation of the Lead Auditor occurred in 2019.

9 Information policy

EPIC Suisse AG communicates openly and transparently with shareholders, financial analysts, potential investors, the media, business partners and other interested parties.

The Company's registered office is at Seefeldstrasse 5a, 8008 Zurich, Switzerland.

Financial reports are published on a half-year basis (Annual Report, Half-Year Report) with consolidated financial statements being prepared in accordance with IFRS. The Company further releases high level numbers (trading update) for the first and third quarter, in parallel with its majority shareholder, Alrov Properties & Lodgings Ltd.

For the Annual Results and the Half-Year Results, the Company organizes conference calls with investors and the media to present and discuss the results in detail. These conference calls are held on the same day that the results are being published.

Financial results and Company news are published through media releases (ad hoc or non-ad hoc). Details and information on the real estate portfolio, Company organisation, financial reports, media releases, etc. are available on the Company website. www.epic.ch

Official means of publication for the Company is the Swiss Official Gazette of Commerce. www.shab.ch

The following links lead directly to important investor relations/information pages:

Articles of Association	https://www.epic.ch/en/esg
Financial Reports	https://ir.epic.ch/en/financial-reports/
Investor/Analyst presentations	https://ir.epic.ch/en/investor-analyst-presentations/
Agenda	https://ir.epic.ch/en/agenda/
Media Releases	https://ir.epic.ch/en/media-releases/
Media Releases Subscription	https://ir.epic.ch/en/newsletter_registration/

Participations of significant shareholders and management transactions are reported through the SIX Regulation websites at:

Significant shareholders https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Management transactions https://www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html#/

For the media and investor contact, the Company's registered office address and key dates in 2024 please refer to Investor Relations Information on page 161 of this Annual Report.

10 Blocked periods

The Company and "blocked persons" are prohibited from trading in the Company's securities during the following ordinary blocked periods:

- from 31 December until the lapse of one trading day at SIX Swiss Exchange following the public release of the Company's annual results;
- from 31 March until the lapse of one trading day at SIX Swiss Exchange following the public release of the Company's Q1 trading update;
- from 30 June until the lapse of one trading day at SIX Swiss Exchange following the public release of the Company's half-year results;
- from 30 September until the lapse of one trading day at SIX Swiss Exchange following the public release of the Company's Q3 trading update.

Furthermore, the CEO or the CFO may impose extraordinary blocked periods from time to time, when they consider it necessary and appropriate (for example in connection with a potential material transaction). Extraordinary blocked periods last until they have been terminated by the CEO or the CFO.

Blocked person means any of the following persons:

- Members of the Board of Directors of EPIC Suisse AG and Alrov Properties & Lodgings Ltd
- All EPIC Group employees

No exceptions were granted in fiscal years 2023 and 2022.

Compensation Report

Introduction

The Compensation Report of EPIC Suisse AG describes our compensation principles and scheme as well as the governance framework related to compensation of the Board of Directors and the Group Executive Management. The report also contains detailed information on the compensation paid to the members of the Board of Directors and the Group Executive Management in fiscal year 2023. The Compensation Report is prepared in accordance with the following regulations and guidelines as in force and effect on 31 December 2023:

- Swiss Code of Obligations according to Art. 734 et seq.
- Corporate Governance Directive of SIX Swiss Exchange Regulation
- Swiss Code of Best Practice for Corporate Governance
- Articles of Association of EPIC Suisse AG

The Articles of Association (version dated 26 April 2023) are available on the Company website www.epic.ch under section ESG (Environmental, Social, Governance) – Articles of Association. Direct link: https://epic.ch/en/esg

EPIC Suisse AG went public and had its shares listed on the SIX Swiss Exchange on 25 May 2022. Prior to the listing, an Extraordinary General Meeting of Shareholders ("EGM") was held on 14 May 2022 with the principal shareholders of the Company, i.e. Alrov Properties & Lodgings Ltd and EPIC Luxembourg SA, being represented at this general meeting (at the time of the EGM the Company was still privately owned). This EGM approved the maximum aggregate amounts of compensation for the Board of Directors (for the period to the next Annual General Meeting of Shareholders ("AGM") in 2023) and of the Group Executive Management (for the business years 2022 and 2023). The compensation of the Board of Directors and the Group Executive Management for fiscal year 2023 in the tables of this Compensation Report reflect the period 1 January to 31 December 2023. For the prior year 2022, the compensation details in the tables refer to the period 25 May 2022 (first day of trading of the Company on SIX Swiss Exchange) to 31 December 2022. No figures are shown or compared with, prior to 25 May 2022, as the Company was privately owned until that date.

1 Compensation principles

The compensation system for the Board of Directors and the Group Executive Management of EPIC Suisse AG is transparent and based on the following principles:

- Attract, motivate and retain top qualified and talented professionals
- Reward the Group Executive Management, but also other employees of the Company, for their contribution to the successful development of EPIC Group
- Align the interests of the Company, the Board of Directors and the Group Executive Management with those of the shareholders

1.1 Board of Directors

According to Article 25 of the Articles of Association, the compensation of the members of the Board of Directors consists of a fixed compensation and may comprise a fixed base fee and fixed fees for chairmanship and memberships in Board committees or for roles of the Board of Directors as well as a lump sum compensation for expenses which are determined by the full Board of Directors based on the proposal of the Remuneration and Nomination Committee, subject to and within the limits of the aggregate maximum amounts approved by the Annual General Meeting of Shareholders. The compensation may be awarded in cash and/or in form of shares in the Company. In case the compensation is paid in whole or in part in shares, the Board of Directors shall determine the grant conditions as well as any other conditions.

In addition, the members of the Board of Directors providing consulting services to the Company or other group companies in a function other than as members of the Board of Directors may be compensated in cash according to standard market rates subject to approval by the Annual General Meeting of Shareholders.

1.2 Group Executive Management

According to Article 26 of the Articles of Association, the compensation of the members of the Group Executive Management, which is determined by the Board of Directors based on the proposal of the Remuneration and Nomination Committee and subject to and within the limits of the aggregate amounts approved by the Annual General Meeting of Shareholders, consists of:

- Fixed compensation paid in cash, which consists of the base salary and benefits, such as post-employment benefits and a company car
- Variable compensation paid in cash and/or shares

The variable compensation depends on the achievement of targets set in advance by the Board of Directors over the course of a one-year performance period. Targets are determined on an annual basis for each member of the Group Executive Management, taking into account his/her position, responsibilities, and tasks, at the start of the one-year performance period. The performance targets may include individual targets, targets of the Company (e.g. Return on Equity, ESG targets) or targets in relation to the market, other companies or comparable benchmarks. Pay-outs are subject to caps that may be expressed as pre-determined multipliers of the respective target levels.

The Board of Directors, upon proposal by the Remuneration and Nomination Committee, determines the performance metrics, target levels and target achievement and further determines grant, restriction or forfeiture conditions and periods in relation to shares or similar rights regarding shares to be awarded. The Company may procure the required shares or other securities through purchases in the market or by using conditional share capital.

2 Governance on compensation

The Company's Articles of Association contain specific provisions on compensation. The Articles of Association and amendments thereof, are subject to the approval by the Annual General Meeting of Shareholders. The compensation articles include rules concerning the votes on compensation (Article 12); the Remuneration and Nomination Committee (Article 19); the permitted additional activities (Article 23); the agreements related to compensation of members of the Board of Directors and the Group Executive Management (Article 24); the principles relating to compensation of the members of the Board of Directors and the Group Executive Management (Articles 25 and 26, respectively); the expenses (Article 27); the loans, credits, pension benefits other than from occupational pension funds, securities (Article 28); and the additional amount of compensation for new members of the Group Executive Management (Article 29).

The Articles of Association are available on the Company's website:

www.epic.ch under section ESG (Environmental, Social, Governance) – Articles of Association. Direct link: https://epic.ch/en/esg

The Company's Articles of Association provide that each year the Annual General Meeting of Shareholders must vote separately and bindingly on the proposals by the Board of Directors regarding the aggregate amounts of:

- The maximum compensation of the Board of Directors for the term of office until the next Annual General Meeting of Shareholders (at the EGM on 14 May 2022, the shareholders voted on the compensation of the Board of Directors for the period until the AGM 2023; and at the AGM on 26 April 2023, the shareholders voted on the compensation of the Board of Directors for the period AGM 2023 to AGM 2024);
- The maximum overall fixed and variable compensation of the Group Executive Management to be paid or allocated in the subsequent business year (at the EGM on 14 May 2022, the shareholders voted on the maximum overall fixed and variable compensation to the Group Executive Management for the business years 2022 and 2023; and at the AGM on 26 April 2023, the shareholders voted on the maximum overall fixed and variable compensation to the Group Executive Management for the business year 2024).

The votes on these maximum aggregate amounts have a binding effect. Thereafter, the decision authority on the individual compensation of each member of the Board of Directors and of the Group Executive Management (within the limits approved by the General Meeting of Shareholders) is with the Board of Directors, upon proposal by the Remuneration and Nomination Committee.

The Compensation Report is submitted to the AGM for an advisory vote on a yearly basis, so that shareholders may, in addition to the binding approval of the maximum compensation, have their "say on pay" and express their opinion on the compensation policy and scheme and its application. This current Report will be submitted to the upcoming AGM on 25 April 2024.

2.1 Remuneration and Nomination Committee

The Remuneration and Nomination Committee ("RNC") consists of two members of the Board of Directors. The members of the RNC were re-elected at the AGM on 26 April 2023 for a term of office of one year (until the next AGM). Re-election is possible.

The RNC supports the Board of Directors in fulfilling all compensation related duties. The overall responsibility for defining the compensation policy of EPIC Group, as well as the terms and conditions of employment for members of the Group Executive Management is with the Board of Directors. The Board of Directors approves the individual compensation of the members of the Board of Directors and the Group Executive Management (within the aggregate limits as approved by the AGM).

The duties of the RNC regarding compensation matters and regarding nomination are mentioned in detail in section "3.5 Internal organisational structure" in the Corporate Governance Report on pages 62 to 63.

Remuneration and Nomination Committee

Member of the Board of Directors	Elected Board member since	In the RNC since
Stefan Breitenstein	2017	2022 (Chairman of the RNC)
Roni Greenbaum	2016	2022 (Member of the RNC)

The RNC discusses the compensation of the members of the Board of Directors and of the Group Executive Management in separate meetings. The RNC then submits its proposals for the compensation to the entire Board of Directors, which decides collectively on the compensation of its own members, usually once per year and with all Board members being present during the discussion. For the compensation of the members of the Group Executive Management, the RNC annually reviews and proposes any amounts for approval to the entire Board of Directors. The CEO and CFO may participate in the meetings of the RNC, but they will not participate when their own compensation is being discussed. In fiscal year 2023, the RNC held two meetings, in the first and fourth quarters of 2023.

For benchmarking total compensation of the Board of Directors and Group Executive Management, the RNC and the Board of Directors consider a group of other Swiss listed real estate companies as relevant peers for their annual compensation comparison analysis. This list included Allreal, HIAG, Intershop, Investis, Mobimo, PSP Swiss Property, Swiss Prime Site, Warteck Invest and Zug Estates for the determination of Board of Directors and Group Executive Management compensation for 2023 and 2022. The comparison analysis covers amongst other things the total compensation, fixed and variable proportions, KPIs, vesting period, maximum variable compensation and was provided by the Company's financial advisors.

Decision authorities

Level of authority	RNC	Board of Directors	AGM
Compensation policy and principles	Proposes	Approves, proposes	Approves [1]
Maximum aggregate compensation amount for the Board of Directors	Proposes	Reviews, proposes	Approves
Maximum aggregate compensation amount for the Group Executive Management	Proposes	Reviews, proposes	Approves
Individual compensation of the members of the Board of Directors	Proposes	Approves [2]	n/a
Individual compensation of the members of the Group Executive Management	Proposes	Approves [2]	n/a
Compensation Report	Proposes	Approves	Consultative vote

[1] To the extent the policy and principles are stipulated in the Company's Articles of Association.
[2] Within the aggregate amounts approved by the Annual General Meeting of Shareholders.

3 Compensation of the Board of Directors

The compensation of the members of the Board of Directors is designed to attract and retain highly qualified individuals to serve on the Board. To guarantee their independence in exercising their supervisory duties, the members of the Board of Directors receive a fixed compensation only and do not participate in EPIC Group's employee benefits plan. The compensation of the Board of Directors is not tied to Company targets either. It can be paid partly in cash and partly in shares. The fees for the terms of office in 2023 (AGM 2023 to AGM 2024) and in 2022 (EGM 2022 to AGM 2023), respectively, are paid in cash.

The Board compensation consists of an annual Board fee of TCHF 160 for the Chairman of the Board and TCHF 80 for each of the other Board members (paid fees net of social security contributions, if applicable), including the work in committees. No additional fee is being paid for assignments to the committees of the Board of Directors either as chairperson or member of a committee.

The annual fees (AGM to AGM) for the different positions in the Board of Directors remained unchanged in 2023 compared to the prior year period 2022 on a net basis (net of employee social security).

Compensation structure for the Board of Directors

	Annual fee[1] in CHF ('000)	
Position	2023	2022
Chairman of the Board of Directors	160	160
Member of the Board of Directors	80	80

[1] The fees mentioned in this table are net amounts (net of social security contributions, if applicable). The annual fee includes compensation for the position in the Board of Directors and the fee for being chairperson or member of a committee.

The cash compensation to the Board of Directors is paid quarterly (in the month following the end of the quarter for Q1, Q2 and Q3). The cash compensation for Q4 will be paid after the Annual General Meeting of Shareholders has taken place (i.e. in Q2 of the following year). The compensation to the Board of Directors is subject to regular social security contributions.

In exceptional circumstances, the members of the Board of Directors providing consulting services to the Company or other group companies in a function other than as members of the Board of Directors may be compensated in cash according to standard market rates and subject to the approval by the General Meeting of Shareholders. No such compensation was provided to members of the Board of Directors during the fiscal year 2023 and the relevant prior year period from 25 May to 31 December 2022 (25 May 2022 being the date of the first trading of the Company on SIX Swiss Exchange).

3.1 Compensation of the Board of Directors

The Board of Directors comprised four members as of 31 December 2023 and 2022, respectively.

As a listed company, EPIC Suisse AG must comply with the obligations of the Swiss Code of Obligations, which came into effect on 1 January 2023. For the period 2022 as of the date of the Company's listing on the SIX Swiss Exchange (25 May 2022 to 31 December 2022), the compensation details were reported in line with the previous Ordinance against Excessive Compensation in Listed Stock Corporations ("VegüV").

Compensation of the Board of Directors in 2023 (Audited)
Period 1 January to 31 December 2023

Name, Function Gross amounts in CHF ('000)	Gross cash compensation	Social security contributions[1]	Other	Total
Roni Greenbaum, Chairman	171	13	0	184
Stefan Breitenstein, Lead Independent Director	84	5	0	89
Leta Bolli Kennel, Director	85	6	0	91
Andreas Schneiter, Director	85	6	0	91
Total	**425**	**30**	**0**	**455**

[1] Amounts include mandatory employer social security contributions (employee social security contributions are included in the gross cash compensation amounts).

Compensation of the Board of Directors in 2022 (Audited)
Period 25 May 2022 to 31 December 2022

Name, Function Gross amounts in CHF ('000)	Gross cash compensation	Social security contributions[1]	Other	Total
Roni Greenbaum, Chairman	103	8	0	111
Stefan Breitenstein, Lead Independent Director	48	0	0	48
Leta Bolli Kennel, Director	51	4	0	55
Andreas Schneiter, Director	51	4	0	55
Total	**253**	**16**	**0**	**269**

[1] Amounts include mandatory employer social security contributions (employee social security contributions are included in the gross cash compensation amounts).

Other compensation, loans or guarantees (Audited)
For the 12-months period in fiscal year 2023 and the period 25 May to 31 December 2022 in the previous year, no other compensation (other than mentioned in the tables above) was paid directly or indirectly to current or former members of the Board of Directors or to their related parties. No member of the Board of Directors or their related parties were granted a loan or a guarantee during the reporting periods. There was no loan outstanding at the end of each reporting year to any member of the Board of Directors or their related parties.

Explanatory comments to the compensation tables
The number of Board members and the annual Board fees remained unchanged since the Company's listing on the SIX Swiss Exchange on 25 May 2022. The deviation in the total compensation as shown in the tables above is mainly due to the length of the different reporting periods, with 2023 reflecting the 12-months period from 1 January to 31 December 2023, and 2022 reflecting the period from the first day of trading on 25 May 2022 to 31 December 2022.

Reconciliation between the reported compensation of the Board of Directors for fiscal year 2023 and the compensation amount approved by the AGM 2023 for the period until the AGM 2024
The Annual General Meeting of Shareholders (AGM) held on 26 April 2023 approved, in accordance with the proposal by the Board of Directors, a maximum aggregate amount of compensation of the Board of Directors of TCHF 600 for the term of office until the AGM 2024. The following table shows a reconciliation between the reported Board compensation for the fiscal year 2023 period and the amount approved by the shareholders at the AGM 2023:

Gross amounts in CHF ('000)	Total Board compensation for fiscal year 2023 as reported	Less Board compensation accrued for period 1 Jan 2023 to AGM on 26 April 2023 (4 months)	Plus expected Board compensation to be accrued for period 1 Jan 2024 to AGM on 25 April 2024 (4 months)	Total Board compensation for period AGM 2023 to AGM 2024	Total maximum amount approved by the AGM 2023 for period AGM 2023 to AGM 2024	Compensation ratio
Total compensation Board of Directors	**455**	**(154)**	**152**	**453**	**600**	**75.6%**

The Board of Directors will propose to the Annual General Meeting on 25 April 2024 a maximum aggregate amount of compensation for the Board of Directors of TCHF 600 for the period from the AGM 2024 to the AGM 2025.

4 Compensation of the Group Executive Management

EPIC Group aims to provide competitive compensation to the members of the Group Executive Management that reflects the experience and the area of responsibility of each member. The executive compensation is designed to reinforce EPIC Group's strategy and to align the interests of the members of the Group Executive Management with those of the shareholders. The compensation is built around the following principles:

Principle	Description
Pay for performance	A significant portion of the compensation depends on the achievement of pre-defined performance targets, both financial and non-financial.
Alignment with shareholders	Part of the compensation is delivered in Company's shares, thus strengthening the alignment with shareholders' interests.
Market competitiveness	Compensation is competitive compared to similar positions in the market.
Transparency	The compensation scheme is straightforward and transparent.

The compensation that was granted to the members of the Group Executive Management in fiscal year 2023 includes the following elements:

- Fixed base salary, paid in cash
- Performance related bonus, paid in cash (50%) and shares (50%)
- Other indirect benefits, post-employment benefits

Base salary
The annual base salary depends on the scope and key areas of responsibility of the position and the experience and competencies of the individual person. The base salary is determined when a person is joining the Company or on being appointed to the Group Executive Management. The base salary is paid out on a monthly basis and will be reviewed annually.

The monthly base salaries have remained unchanged in fiscal year 2023 compared to the prior year period starting as of 25 May 2022 (date of first trading of the Company's shares on SIX Swiss Exchange).

Performance related bonus
The annual performance bonus is a short-term variable incentive to reward performance over a time horizon of one year. It is determined annually by the Board of Directors, upon recommendation of the Remuneration and Nomination Committee. For fiscal year 2023 it consists of two bonus schemes: the first one is related to return on equity and the second one to ESG, with the first bonus being the predominant one (unchanged structure compared to 2022).

For the business year 2023, the relevant key performance indicator is Return on Equity ("RoE"), whereby RoE is defined as consolidated earnings after tax and before revaluations on properties and derivatives (taking into account the related deferred taxes as well as any related foreign exchange effects) divided by the average IFRS equity for the year. The target RoE amounts to 5%, and variable compensation will become payable as per the following thresholds:

- RoE of less than 3% which is the minimum target: No variable compensation;
- RoE of between 3% and 5%: Variable compensation will increase linearly from 67% to 100%;

- RoE of between 5% and 7% (or above): Variable compensation will increase linearly from 100% to a maximum of 130%;
- The performance achievement ratio is approved by the Board of Directors, upon proposal of the Remuneration and Nomination Committee. The pay-out can be between 0% and the cap at 130%;
- At the maximum potential pay-out, this bonus opportunity represents 54.5% of the annual base salary for the CEO and in aggregate 45.7% for the other members of the Group Executive Management.

The second bonus is based on ESG criteria and included assessment by the Remuneration and Nomination Committee, which for 2023 were as follows:

- Expansion of the ESG reporting as part of the Annual Report 2023;
- Preparation of the Sustainability Report in accordance with the GRI standards;
- The performance achievement ratio for this second bonus is decided by the Board of Directors, upon proposal of the Remuneration and Nomination Committee. The payout ratio can be between 0% and 100%;
- At the maximum potential payout, this bonus opportunity represents 7.0% of the annual base salary for the CEO and in aggregate 6.3% for the other members of the Group Executive Management.

With a Return on Equity (excluding revaluation of properties and derivatives and the related deferred taxes and foreign exchange effects, as well as the exclusion of one-off IPO costs for 2022) of 5.0% achieved for fiscal year 2023 (2022 period: 5.6%) and full achievement on the ESG goals (2022 period: 100%), the payout for the performance related bonus for 2023 amounts to 49.5% of the annual base salary for the CEO (2022 period: 50.9%) and to 41.7% in aggregate for the two other members of the Group Executive Management (2022 period: 42.9%).

The compensation under this performance bonus plan will be paid half in cash and half in shares. The shares will be allocated based on their closing price on SIX Swiss Exchange on the first date on which the shares are traded ex-dividend following the approval at the AGM. From the date of the allocation of the shares, the blocking periods (for the share portion only) is one year with respect to one third of the shares, two years with respect to the second third of the shares and three years with respect to the remaining third of the shares granted.

Other indirect benefits, post-employment benefits

The members of the Group Executive Management participate in the pension plan offered to all employees of EPIC Group. Only the base salary is insured under the pension plan in accordance with the applicable pension fund regulations. Any payments or entitlements (e.g. variable compensation) in addition to the base salary are not included in the pension plan. The Company limits further benefits to a minimum. Fringe benefits such as a company car have been granted to two members of the Group Executive Management.

Long-term loyalty bonus, granted in 2022

The Extraordinary General Meeting held on 14 May 2022, when the Company was still privately owned, approved a one-time loyalty bonus of CHF 0.4 million in total to be paid to the members of the Group Executive Management, as an incentive for their continuing commitment and performance in the success of EPIC Group following the IPO. This bonus was granted in the previous fiscal year 2022 and has a three-year retention period from the IPO date, i.e. the Executive must be in a continuous employment relationship for three years from the date of 25 May 2022 or alternatively must qualify as a good leaver. The special loyalty bonus will be paid in the month following the end of the retention period (i.e. in June 2025).

This loyalty bonus is accrued over the lifetime of the retention period, i.e. one third each year and is shown separately in the compensation tables. The yearly amount of the loyalty bonus reflects 7.0% of the annual base salary for the CEO and in aggregate 13.0% for the other members of the Group Executive Management.

4.1 Compensation of the Group Executive Management

The Group Executive Management comprised the same three members as of 31 December 2023 and 2022, respectively.

As a listed company, EPIC Suisse AG must comply with the obligations of the new Swiss Code of Obligations, which came into effect on 1 January 2023. For the period 2022 as of the date of the Company's listing on the SIX Swiss Exchange (25 May 2022 to 31 December 2022), the compensation details were reported in line with the previous Ordinance against Excessive Compensation in Listed Stock Corporations ("VegüV").

Compensation of the Group Executive Management in 2023 (Audited)
Period 1 January to 31 December 2023

Type, Function Gross amounts in CHF ('000)	Group Executive Management	of which the CEO [1]
Base salary	1'362	717
Performance related bonus [2]	624	355
Post-employment benefits [3]	349	189
Other indirect benefits [4]	15	9
Total compensation granted	**2'350**	**1'270**
Accrued expenses of loyalty bonus vesting in 2025 [5]	133	50
Total remuneration of management according to Note 25 of the consolidated financial statements	**2'483**	**1'320**

[1] The CEO, Arik Parizer, has the highest compensation of the Group Executive Management.
[2] The performance related bonus is based on Return on Equity and ESG targets and is paid 50% in cash and 50% in shares. The shares will be allocated based on their closing price on SIX Swiss Exchange on the first date on which the shares are traded ex-dividend following the approval at the AGM. From the date of the allocation, the shares will have a lock-up period of one year for a third of the shares, two years for another third of the shares and three years for the remainder of the shares.
[3] Amount includes employer social security contributions and pension contributions.
[4] Amount includes company car as declared in the salary statement.
[5] Reflects the accrued amount in fiscal year 2023 for the loyalty bonus granted in 2022. This bonus is tied to a 3-year retention period, ending in May 2025, with payment in June 2025.

Compensation of the Group Executive Management in 2022 (Audited)
Period 25 May 2022 to 31 December 2022

Type, Function Gross amounts in CHF ('000)	Group Executive Management	of which the CEO [1]
Base salary	817	431
Performance related bonus [2]	385	219
Special loyalty bonus granted [3]	400	150
Post-employment benefits [4]	223	122
Other indirect benefits [5]	9	5
Total compensation granted	**1'834**	**927**
Part of the special loyalty bonus vesting 2023–2025 [3]	(322)	(121)
Total remuneration of management according to Note 25 of the consolidated financial statements	**1'512**	**806**

[1] The CEO, Arik Parizer, has the highest compensation of the Group Executive Management.
[2] The performance related bonus is based on Return on Equity and ESG targets and is paid 50% in cash and 50% in shares. The shares will be allocated based on their closing price on SIX Swiss Exchange on the first date on which the shares are traded ex-dividend following the approval at the AGM. From the date of the

allocation, the shares will have a lock-up period of one year for a third of the shares, two years for another third of the shares and three years for the remainder of the shares.
[3] Loyalty special bonus of CHF 0.4 million in total has been granted over a 3-year retention period ending in May 2025 with payment in June 2025, whereof TCHF 78 has been accrued in 2022.
[4] Amount includes employer social security contributions and pension contributions.
[5] Amount includes company car as declared in the salary statement.

Other compensation, loans or guarantees (Audited)
For the 12-months period in fiscal year 2023 and the period 25 May to 31 December 2022 in the previous year, no other compensation (other than mentioned in the tables above) was paid directly or indirectly to current or former members of the Group Executive Management or to their related parties. No member of the Group Executive Management or their related parties were granted a loan or a guarantee during the reporting periods. There was no loan outstanding at the end of each reporting year to any member of the Group Executive Management or their related parties.

Explanatory comments to the compensation tables
The main changes in the total compensation granted to the Group Executive Management for fiscal year 2023 compared with the previous year are due to the following factors:

- The length of the different reporting periods, with 2023 reflecting the 12-months period from 1 January to 31 December 2023, compared to 2022 when the period reflected the date of the listing of the Company on 25 May 2022 (first day of trading) to 31 December 2022. Prior to 25 May 2022, the Company was privately held and therefore no figures were reported prior to that date.
- The financial key performance indicator Return on Equity amounted to 5.0% and was lower in 2023, leading in terms of pay-out to a lower amount for this variable incentive portion.
- The loyalty bonus granted in the previous fiscal year 2022 was a one-time incentive linked to a three-year retention period from the IPO date. No similar grants occurred in 2023. The annual accrued expenses for the loyalty bonus vesting in 2025 are shown in a separate line in the compensation table.

Comparison of compensation granted to the Group Executive Management for fiscal year 2023 and the compensation amount approved by the EGM 2022 for the fiscal year 2023
The Extraordinary General Meeting of Shareholders (EGM) held on 14 May 2022 approved a maximum aggregate amount of compensation of the Group Executive Management of TCHF 3'000 for the year ended 31 December 2023. The following table shows a comparison between the granted compensation of the Group Executive Management for the fiscal year 2023 and the maximum amount approved by the shareholders at the EGM 2022:

Gross amounts in CHF ('000)	Compensation granted for fiscal year 2023	Total maximum amount approved by the EGM 2022	Compensation ratio
Total compensation granted Group Executive Management	**2'350**	**3'000**	**78.3%**

The AGM 2023 approved the maximum aggregate amount of compensation of the Group Executive Management for the year ended 31 December 2024 in an unchanged amount of TCHF 3'000. The compensation in 2024 compared to this approved maximum amount will be disclosed in the Compensation Report 2024 to be published in 2025.

For fiscal year 2025, the Board of Directors will propose to the Annual General Meeting on 25 April 2024 a maximum aggregate amount of compensation for the Group Executive Management of TCHF 3'000.

4.2 Employment contracts with members of the Group Executive Management
The employment agreements of the members of the Group Executive Management are concluded for an indefinite period and have termination notice periods of six and twelve months. They do not contain any change of control clauses or any post-contractual non-competition clauses.

5 Related party transactions

There were no related party transactions with the members of the Board of Directors or Group Executive Management in fiscal year 2023, nor in the prior year period from 25 May to 31 December 2022.

Further information on "Related parties" is shown in Note 25 of the Consolidated Financial Statements.

6 Shareholdings of the members of the Board of Directors and the Group Executive Management as at 31 December 2023 and 2022 (Audited)

Members of the Board of Directors and of the Group Executive Management (including related parties) hold directly or indirectly the following share positions in EPIC Suisse AG as at 31 December 2023 and 2022, respectively:

	31 December 2023		31 December 2022	
Members of the Board of Directors	Shares	Participation	Shares	Participation
Roni Greenbaum, Chairman [1]	1'664'925	16.12%	1'664'925	16.12%
Stefan Breitenstein, Lead Independent Director	5'000	0.05%	5'000	0.05%
Leta Bolli Kennel, Director	2'500	0.02%	2'500	0.02%
Andreas Schneiter, Director	0	0.00%	0	0.00%
Total Board of Directors	**1'672'425**	**16.19%**	**1'672'425**	**16.19%**

[1] Shares held through EPIC Luxembourg SA, Luxembourg. See also section "1.2 Significant shareholders" in the Corporate Governance Report.

	31 December 2023		31 December 2022	
Members of the Group Executive Management	Shares [2]	Participation	Shares	Participation
Arik Parizer, CEO	2'466	0.02%	750	0.01%
Valérie Scholtes, CFO	1'835	0.02%	1'000	0.01%
Philipp Küchler, Portfolio Director	863	0.01%	400	0.00%
Total Group Executive Management	**5'164**	**0.05%**	**2'150**	**0.02%**

[2] Shares held by members of Group Executive Management include shares allocated from the performance bonus plan (bonus split 50% in cash, 50% in shares) in relation to the financial year 2022. See also description under paragraph "Performance related bonus" on page 81 of this Compensation Report.

7 Mandates outside of EPIC Suisse AG (Audited)

The revised Swiss Code of Obligations (in effect as of 1 January 2023) requires that the Compensation Report specifies other functions of members of the Board of Directors, of the Group Executive Management or of the Advisory Board (if such exists) at legal entities with an economic purpose. The rules applied by EPIC Suisse AG as per Article 23 of the Articles of Association regarding the number of permitted additional activities are mentioned in section 3.3 of the Corporate Governance Report (on page 61). The following table lists the different members and their mandates outside the Company as at 31 December 2023.

Board of Directors	Mandates	Position
Roni Greenbaum	**Listed companies**	
	None	
	Non listed companies	
	10 SCP Limited, London	Member of the Board of Directors
	NRM Properties Limited, London	Member of the Board of Directors
	Construction Investments Holdings (2022) Limited, London	Member of the Board of Directors
	Café Royal Management Limited, London [1]	Member of the Board of Directors
	Coccinelle SA, Paris [1]	Member of the Board of Directors
	EPIC Holdings France, Paris [1]	Member of the Board of Directors
	Epworth Building Limited, London [1]	Member of the Board of Directors
	European Property Investment Corporation Limited, London [1]	Member of the Board of Directors
	Fitzroy Properties Limited, London [1]	Member of the Board of Directors
	L Hotel Holdings SAS, Paris [1]	Member of the Board of Directors
	Finance UK Properties Limited, London [1]	Member of the Board of Directors
	EPIC Luxembourg SA, Luxembourg City [2]	Member of the Board of Directors
	High Field Holding S.à r.l., Luxembourg City [2]	Member of the Board of Directors
	High Field Luxembourg SA, Luxembourg City [2]	Member of the Board of Directors
Stefan Breitenstein	**Listed companies**	
	Gurit Holding AG, Wattwil	Member of the Board of Directors, Chairman of the Audit Committee
	Non listed companies	
	Brink's International Holdings AG, Zug [3]	Vice Chairman of the Board of Directors
	Brink's Schweiz AG, Kloten [3]	Member of the Board of Directors
	MAN Truck & Bus Schweiz AG, Otelfingen	Member of the Board of Directors
	Kar-Tess Holding Sàrl, Luxembourg City	Member of the Board of Directors
	The A.G. Leventis Foundation, Vaduz	Member of the Foundation Board
	Julius Bär Family Office & Trust AG, Zurich	Chairman of the Board of Directors
	Alpheus Administration Services AG, Zurich	Chairman of the Board of Directors
	Bata Schuh Stiftung, St. Moritz	Member of the Foundation Board
	Bata Stiftung, Vaduz	Member of the Foundation Board
	Pariter Services AG, Zurich	Chairman of the Board of Directors
	Schroder Stiftung, Zurich	Chairman of the Foundation Board
	Tegro AG, Schwerzenbach	Member of the Board of Directors
	Truad Verwaltungs AG, Zurich	Chairman of the Board of Directors
	L&S Trust Services SA, Geneva	Vice Chairman of the Board of Directors
	As part of his legal and trust practice, Mr. Breitenstein also holds the following additional Board functions: [4]	
	Vorwerk International AG, Wollerau	Chairman of the Board of Directors
	Anderson & Sheppard Holdings Limited, Isle of Man	Member of the Board of Directors
	Coleen Trust Services Ltd., St. Vincent	Chairman of the Board of Directors
	Compass Holdco Limited, Bermuda	Member of the Board of Directors
	Dena Capital Holdings Inc., British Virgin Islands	Member of the Board of Directors
	Halliburton Anstalt, Vaduz [5]	Member of the Board of Directors
	Halliburton Industries AG, Vaduz [5]	Member of the Board of Directors
	Honor Trustees Limited, Guernsey	Member of the Board of Directors
	Ildesheim Family Foundation, Vaduz	Member of the Foundation Board

	Redan Capital Ltd., British Virgin Islands SAGEN (BVI) Ltd., British Virgin Islands Sagen International Ltd., British Virgin Islands Sarsura Directors Limited, Guernsey Shuttlecock Holdings Ltd., British Virgin Islands Stamag Trustee Company Ltd., London Sunciera Holdings Corp., Panama Tzohar Foundation, Vaduz	Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Foundation Board
Leta Bolli Kennel	**Listed companies** None **Non listed companies** G3E Genossenschaft Erneuerbare Energien Einsiedeln, Einsiedeln	 Member of the Management Board (honorary position)
Andreas Schneiter	**Listed companies** None **Non listed companies** None	

Group Executive Management	Mandates	Mandates
Arik Parizer	**Listed companies** None **Non listed companies** Gala Investment GmbH, Küsnacht (in liquidation)	 Director
Valérie Scholtes	**Listed companies** None **Non listed companies** Seito Biologics AG, Küsnacht	 Member of the Board of Directors, CFO
Philipp Küchler	**Listed companies** None **Non listed companies** Season Events GmbH, Einsiedeln (in liquidation)	 Managing Director

[1] Companies linked to Alrov Properties & Lodgings Ltd, Tel Aviv
[2] Trust structure companies of Mr. Greenbaum's Family Trust
[3] Belonging to the same group of companies
[4] In accordance with Article 23, para. 4, no. 4 of the Articles of Association, these mandates are not subject to the limitations set forth in para. 1 and 2 of Article 23. These are mandates in non-operative companies, domiciliary companies and Trusts, which a non-executive member of the Board of Directors may hold as part of his/her main profession as trustee, attorney at law or advisor. There is no limitation on the number of such mandates set in the Articles of Association, provided that the availability of the member permits such activity. The Articles of Association are available on https://epic.ch/en/esg
[5] Belonging to the same group of companies

KPMG

Report of the statutory auditor

To the General Meeting of EPIC Suisse AG, Zurich

Report on the Audit of the Compensation Report

Opinion
We have audited the Compensation Report of EPIC Suisse AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 79-80 and 83-87 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company's articles of incorporation.

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 Compensation Report" 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.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked "audited" in the Compensation Report, the consolidated financial statements, the standalone financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report
The Board of Directors is responsible for the preparation of a Compensation Report 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 a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

KPMG AG
Zurich, 20 March 2024

KPMG

Auditor's Responsibilities for the Audit of the Compensation Report
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is 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 this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Benz

Reto Benz
Licensed Audit Expert
Auditor in Charge

Michel Avanzini
Licensed Audit Expert

Zurich, 20 March 2024

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Consolidated statement of profit or loss and other comprehensive income

CHF ('000)	Notes	2023	2022
Rental income from real estate properties	8	65'333	61'480
Other income		2'054	1'283
Total income		**67'387**	**62'763**
Gains from revaluation of properties	16	10'255	15'275
Losses from revaluation of properties	16	(19'978)	(14'339)
Gain on disposals	16	8	-
Net gain (loss) from revaluation		**(9'715)**	**936**
Direct expenses related to properties	9	(6'663)	(6'362)
Personnel expenses	10	(4'754)	(3'968)
Operating expenses	11	(1'211)	(953)
Administrative expenses	12	(2'388)	(8'399)
Total operating expenses		**(15'016)**	**(19'682)**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**42'656**	**44'017**
Depreciation		(195)	(192)
Earnings before interest and tax (EBIT)		**42'461**	**43'825**
Financial income	13	11'227	27'922
Financial expenses	13	(33'968)	(7'109)
Financial result		**(22'741)**	**20'813**
Earnings before tax (EBT)		**19'720**	**64'638**
Income tax expenses	14	(2'093)	(8'265)
Profit		**17'627**	**56'373**
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligations (net of taxes)		(222)	284
Total comprehensive income		**17'405**	**56'657**
Weighted average number of outstanding shares (in '000)		10'330	9'200
Basic and diluted earnings per share (in CHF)	23	1.71	6.13

Consolidated statement of financial position

CHF ('000)	Notes	31 Dec 2023	31 Dec 2022
ASSETS			
Current assets			
Cash and cash equivalents		12'355	20'338
Tenant receivables	15	896	1'251
Other receivables		1'520	1'429
Current derivative financial assets	20	6'051	3'336
Accrued income and prepaid expenses		2'043	1'299
Total current assets		**22'865**	**27'653**
Non-current assets			
Real estate properties			
– Investment properties in operation	16	1'441'248	1'447'761
– Investment properties under development/construction	16	94'290	54'121
Total real estate properties		**1'535'538**	**1'501'882**
Other intangible assets		9	9
Other tangible assets		319	335
Right-of-use assets		391	502
Non-current derivative financial assets	20	10'333	24'008
Other non-current financial assets		50	54
Other non-current assets	17	6'134	5'861
Deferred tax assets	14	217	69
Accrued income		2'578	2'828
Total other non-current assets		**20'031**	**33'666**
Total non-current assets		**1'555'569**	**1'535'548**
Total assets		**1'578'434**	**1'563'201**

Consolidated statement of financial position (continued)

CHF ('000)	Notes	31 Dec 2023	31 Dec 2022
LIABILITIES			
Current liabilities			
Current financial liabilities	18	4'500	101'894
Current derivative financial liabilities	20	57	-
Trade payables		5'212	1'422
Current income tax liabilities		1'977	3'010
Other payables		879	885
Accrued expenses and deferred income	19	11'007	8'195
Total current liabilities		**23'632**	**115'406**
Non-current liabilities			
Other non-current liabilities		-	3
Non-current financial liabilities	18	619'297	507'850
Non-current derivative financial liabilities	20	9'322	-
Pension obligations	10	531	280
Deferred tax liabilities	14	120'709	121'250
Total non-current liabilities		**749'859**	**629'383**
Total liabilities		**773'491**	**744'789**
EQUITY			
Share capital	22	413	413
Share premium	22	431'712	462'702
Retained earnings		372'818	355'297
Total equity		**804'943**	**818'412**
Total liabilities and equity		**1'578'434**	**1'563'201**
Number of outstanding shares as at period end (in '000)	22	10'330	10'330
Net asset value (NAV) per share (in CHF)	23	77.92	79.23

Consolidated statement of cash flows

CHF ('000)	Notes	2023	2022
A – Operating activities			
Earnings before tax (EBT)		**19'720**	**64'638**
Adjustments for:			
– Financial result	13	22'741	(20'813)
– Revaluations of properties	16	9'715	(936)
– Depreciation		195	192
– Share-based compensation		312	192
– Other		(57)	(16)
Changes:			
– Tenant net receivables		355	13
– Other receivables, accrued income and prepaid expenses		(169)	(293)
– Trade payables		641	52
– Other payables, accrued expenses and deferred income		(342)	615
Interest received		30	-
Income tax paid		(4'035)	(5'194)
Net cash flows from operating activities		**49'106**	**38'450**
B – Investment activities			
Investments in tangible assets		(46)	-
Investments in real estate properties	16	(37'533)	(31'002)
Acquisition of subsidiaries	16	-	(4'946)
Proceeds from disposals	16	73	-
Net cash flows used in investment activities		**(37'506)**	**(35'948)**
C – Financing activities			
Proceeds from IPO		-	192'445
Proceeds from bank debt	18	137'420	47'438
Repayment of bank debt	18	(117'294)	(217'792)
Bank interest paid		(7'653)	(6'174)
Lease payments		(869)	(867)
Other finance costs paid		-	(175)
Transaction costs related to issuance of new shares	22	-	(4'133)
Repayment of shareholders' loans		-	(6'500)
Interest in relation to shareholders' loans		-	(146)
Dividends paid to shareholders		(30'990)	(4'500)
Acquisition of treasury shares		(197)	-
Net cash flows from financing activities		**(19'583)**	**(404)**
Net change in cash		**(7'983)**	**2'098**
Net cash at the beginning of the period		20'338	18'240
Net cash at the end of the period		**12'355**	**20'338**

Consolidated statement of changes in equity

CHF ('000)	Notes	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
As at 31 Dec 2021		**300**	**279'117**	**-**	**298'448**	**577'865**
Capital increase – 25 May 2022		107	182'579			182'686
Capital increase – 28 June 2022		6	9'753			9'759
Profit					56'373	56'373
Other comprehensive income					284	284
Total comprehensive income					**56'657**	**56'657**
Share-based compensation					192	192
Dividend distribution	22		(4'500)			(4'500)
Transaction costs related to issuance of new shares	22		(4'247)			(4'247)
As at 31 Dec 2022		**413**	**462'702**	**-**	**355'297**	**818'412**
Profit					17'627	17'627
Other comprehensive income					(222)	(222)
Total comprehensive income					**17'405**	**17'405**
Share-based compensation					312	312
Dividend distribution	22		(30'990)			(30'990)
Acquisition of treasury shares				(196)		(196)
Delivery of share-based compensation				196	(196)	-
As at 31 Dec 2023		**413**	**431'712**	**-**	**372'818**	**804'943**

Notes to the consolidated financial statements

1 Reporting entity

EPIC Suisse AG (hereafter the "Company") was incorporated on 5 December 2016 and is organised under the laws of Switzerland for an unlimited period. The Company and its direct and indirect subsidiaries together are referred to as (the) "EPIC Group".

The registered office of the Company is established in Zurich, Switzerland.

EPIC Group operates in the real estate sector and its activities generally include the investment in the holding and management of investment properties. The strategy is to hold investment properties with the view to generate stable and sustainable results for the long term.

The Company holds 17 subsidiaries which own 25 properties. All entities are ultimately controlled by the majority shareholder Alrov Properties & Lodgings Ltd ("Alrov"), which prepares consolidated financial statements in accordance with the accounting International Financial Reporting Standards (the "IFRS Accounting Standards").

The Company was listed on 25 May 2022 on the SIX Swiss Exchange.

2 Accounting framework

The consolidated financial statements as at 31 December 2023 have been prepared in accordance with the IFRS Accounting Standards as published by the International Accounting Standards Board (IASB) as well as with Article 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange.

The same consolidation, accounting and valuation principles have been applied as for the consolidated financial statements as at 31 December 2022. The definitions of the alternative performance measures can be found under the section "Alternative Performance Measures".

The Company's financial year starts on 1 January and ends on 31 December.

The consolidated financial statements as at 31 December 2023 were authorised for issue by the Company's Board of Directors on 20 March 2024.

3 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value.

The consolidated financial statements are presented in Swiss francs (CHF), which is the functional currency of the Company and its subsidiaries. All values are rounded to the nearest thousand Swiss francs unless otherwise stated.

Certain numerical figures set out in the consolidated financial statements have been subject to rounding adjustments and, as a result, the totals of the data in the consolidated financial statements may vary slightly from the actual arithmetic totals of such information.

4 Basis of consolidation

A list of the consolidated entities is set out below:

		Share capital	Capital and voting interests	
Legal entity name	D	31 Dec 2023 CHF	31 Dec 2023 %	31 Dec 2022 %
EPIC Suisse AG	CH	413'203		
P.I.H. Property Investment Holdings Luxembourg S.A. ("PIH")	LU	40'762	100%	100%
EPiC ONE Property Investment AG ("EPiC 1")	CH	100'000	100%	100%
EPiC THREE Property Investment AG ("EPiC 3")	CH	110'000	100%	100%
EPiC FIVE Property Investment AG ("EPiC 5")	CH	100'000	100%	100%
EPiC SEVEN Property Investment AG ("EPiC 7")	CH	100'000	100%	100%
EPiC NINE Property Investment AG ("EPiC 9")	CH	206'100	100%	100%
EPiC TEN Property Investment AG ("EPiC 10")	CH	120'000	100%	100%
EPiC ELEVEN Property Investment AG ("EPiC 11")	CH	100'000	100%	100%
EPiC TWELVE Property Investment AG ("EPiC 12")	CH	100'000	100%	100%
EPiC SIXTEEN Property Investment AG ("EPiC 16")	CH	210'000	100%	100%
EPiC NINETEEN Property Investment AG ("EPiC 19")	CH	100'000	100%	100%
EPiC TWENTY Property Investment AG ("EPiC 20")	CH	100'000	100%	100%
EPiC TWENTY-ONE Property Investment AG ("EPiC 21")	CH	100'000	100%	100%
EPiC TWENTY-TWO Property Investment AG ("EPiC 22")	CH	100'000	100%	100%
EPiC TWENTY-THREE Property Investment AG ("EPiC 23")	CH	100'000	100%	100%
EPiC TWENTY-FOUR Property Investment AG ("EPiC 24")	CH	240'000	100%	100%
EPIC Suisse Property Management GmbH ("EPIC SPM")	CH	20'000	100%	100%

D = Domicile, CH = Zurich, Switzerland, LU = Luxembourg City, Luxembourg

In the text, the Swiss subsidiaries' name will be abbreviated as follows: "EPiC 1" for EPiC ONE Property Investment AG, etc. and "EPIC SPM" for EPIC Suisse Property Management GmbH, the management company.

PIH serves as holding company of most of the Swiss entities (except EPiC 20 and EPiC 21 directly held by the Company and EPiC 24 directly held by EPiC 7). The purpose of the Swiss property entities (EPiC 1 to EPiC 24) is to acquire, hold, lease and sell commercial premises.

5 Critical accounting judgments and key sources of estimation uncertainty

The IFRS Accounting Standards require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Revisions to the accounting estimates are recognised in the year in which the estimates are revised if the revisions affect only that period, or in the year of the revisions and future periods if the revisions affect both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the following financial year is included in the following notes:

- Note 16 – Real estate properties – determining the fair value of the investment properties in operation and investment properties under development/construction requires the application of valuation techniques and the use of various estimates and assumptions.
- Note 14 – Income tax expenses – the determination of current and deferred tax assets and liabilities is based on estimates.

6 Standards and interpretations issued but not yet effective

Certain new or amended standards and interpretations have been published that have to be applied in future financial periods, but are not yet adopted. These new or amended standards issued but not yet effective are not expected to have a significant impact on EPIC Group's consolidated financial statements.

The following new and amended standards and interpretations have not been adopted in advance:

Standard	Effective date	Planned application by EPIC Group in reporting year
Non-current liabilities with covenants (Amendments to IAS 1)	1 Jan 2024	1 Jan 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 Jan 2024	1 Jan 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 Jan 2024	1 Jan 2024
Lack of Exchangeability (Amendments to IAS 21)	1 Jan 2025	1 Jan 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Optional	Undefined

7 Segment reporting

Two operating and reporting segments have been identified based on management's approach to and monitoring of the business. EPIC Group's primary decision-making authority is the Company's Board of Directors. The group's operating activities are divided in accordance to the real estate properties' classification: (i) Investment properties in operation and (ii) Investment properties under development/construction. Investment properties categorised under "development/construction" are to be held thereafter by the group for renting (i.e. no intention to be sold). An additional description of the two segments is included in the accounting policy for real estate properties in Note 28.

Each property is classified under one category, with the exception of two properties as at 31 December 2023, which have a yielding part as well as a development part. In EPiC 19, the property is undergoing various phases of development – the second and third phases (buildings C & D) remain in the development segment (see further below). The same applies to the land reserve in EPiC 21, which is located adjacent to the land of an existing logistics site which generates rental income. A property under development/construction will move to the category Investment properties in operation once the development or construction (for all or part of the property in case of construction undertaken in phases) has been fully completed.

Expenses are only allocated to the segments down to "Net operating income", which is defined as rental income and other income minus direct expenses related to the properties. This is the measure of profit or loss used by the Board of Directors to review the performance of the segments. Segment assets and liabilities reported to the Board of Directors only include real estate properties and mortgage-secured bank loans as well as the derivative financial assets and liabilities.

Since EPIC Group operates exclusively in Switzerland, no information on geographical areas is presented.

CHF ('000)	Invest. prop. in operation	Invest. prop. under D/C[1]	Total Segments	Reconciliation	Total Group
	2023				
Rental income	65'328	5	65'333	-	65'333
Other income	1'778	276	2'054	-	2'054
Total income	**67'106**	**281**	**67'387**	**-**	**67'387**
Direct expenses related to the properties	(6'518)	(145)	(6'663)	-	(6'663)
Net operating income	**60'588**	**136**	**60'724**	**-**	**60'724**
Personnel expenses				(4'754)	(4'754)
Operating expenses				(1'211)	(1'211)
Administrative expenses				(2'388)	(2'388)
Total other operating expenses				**(8'353)**	**(8'353)**
EBITDA before portfolio revaluation					**52'371**
Net gain (loss) from revaluation	(12'460)	2'737	(9'723)	-	(9'723)
Gain on disposals	8	-	8	-	8
EBITDA after portfolio revaluation	**48'136**	**2'873**	**51'009**	**(8'353)**	**42'656**
Depreciation				(195)	(195)
EBIT					**42'461**

	31 Dec 2023				
Assets					
Real estate properties fair value	1'441'248	94'290	1'535'538	-	1'535'538
Derivative financial assets	16'384	-	16'384	-	16'384
Total segment assets	**1'457'632**	**94'290**	**1'551'922**	**-**	**1'551'922**
Assets not split between segments				26'512	26'512
Total assets	**1'457'632**	**94'290**	**1'551'922**	**26'512**	**1'578'434**
Liabilities					
Mortgage-secured bank loans	610'256	-	610'256	-	610'256
Derivative financial liabilities	9'379	-	9'379	-	9'379
Total segment liabilities	**619'635**	**-**	**619'635**	**-**	**619'635**
Liabilities not split between segments				153'856	153'856
Total liabilities	**619'635**	**-**	**619'635**	**153'856**	**773'491**

[1] Invest. prop. under D/C stands for Investment properties under development/construction

CHF ('000)	Invest. prop. in operation	Invest. prop. under D/C[1]	Total Segments	Reconciliation	Total Group
			2022		
Rental income	61'475	5	61'480	-	61'480
Other income	1'283	-	1'283	-	1'283
Total income	**62'758**	**5**	**62'763**	**-**	**62'763**
Direct expenses related to the properties	(6'295)	(67)	(6'362)	-	(6'362)
Net operating income	**56'463**	**(62)**	**56'401**	**-**	**56'401**
Personnel expenses				(3'968)	(3'968)
Operating expenses				(953)	(953)
Administrative expenses				(8'399)	(8'399)
Total other operating expenses				**(13'320)**	**(13'320)**
EBITDA before portfolio revaluation					**43'081**
Net gain (loss) from revaluation	(4'067)	5'003	936	-	936
EBITDA after portfolio revaluation	**52'396**	**4'941**	**57'337**	**(13'320)**	**44'017**
Depreciation				(192)	(192)
EBIT					**43'825**
			31 Dec 2022		
Assets					
Real estate properties fair value	1'447'761	54'121	1'501'882	-	1'501'882
Derivative financial assets	27'344	-	27'344	-	27'344
Total segment assets	**1'475'105**	**54'121**	**1'529'226**	**-**	**1'529'226**
Assets not split between segments				33'975	33'975
Total assets	**1'475'105**	**54'121**	**1'529'226**	**33'975**	**1'563'201**
Liabilities					
Mortgage-secured bank loans	595'966	-	595'966	-	595'966
Derivative financial liabilities	-	-	-	-	-
Total segment liabilities	**595'966**	**-**	**595'966**	**-**	**595'966**
Liabilities not split between segments				148'823	148'823
Total liabilities	**595'966**	**-**	**595'966**	**148'823**	**744'789**

[1] Invest. prop. under D/C stands for Investment properties under development/construction

There are no differences between the accounting and valuation principles used for segment reporting and those used for the preparation of the consolidated financial statements. For details about the amounts invested in the segments during the year, please refer to Note 16.

8 Rental income from real estate properties

CHF ('000)	2023	2022
Investment properties in operation	65'328	61'475
Investment properties under development/construction	5	5
Total rental income from real estate properties	**65'333**	**61'480**

Total rental income from real estate properties increased by CHF 3.9 million or 6.3% in 2023 versus 2022 principally as a result of inflation, and to a lesser extent lower rent free periods and vacancies.

The real estate properties are leased to tenants under operating leases with the vast majority of rents payable monthly or quarterly. Rentals are mainly fixed and linked to the development of a consumer price index. Rental agreements generally contain an index clause stating that rents may be adjusted on the basis of the consumer price index. As at 31 December 2023, 88.1% of the rental income (on a weighted average basis excluding rent incentives) is linked to indexation based on the consumer price index.

Over the two periods presented, variable rent depending on the tenant's sales represented less than 1% of the rental income.

The table below indicates the future rental income expected to be generated from rental agreements in place at year end based on their contractual maturity (disregarding any early break option(s), if any):

CHF ('000)	2023	2022
Within one year	62'791	62'272
1–2 years	59'190	59'038
2–3 years	54'626	52'878
3–4 years	50'800	48'096
4–5 years	46'201	45'874
In more than 5 years	241'834	251'580
Total	**515'442**	**519'738**

The above totals correspond to a weighted average unexpired lease term ("WAULT") of 8.1 years and 8.2 years as at 31 December 2023 and 2022, respectively.

The group is exposed to changes in the residual value at the end of the current leases. However, because the group typically enters into new operating leases, it will not immediately realise any reduction in residual value at the end of these leases. Nevertheless, expectations about the future residual values are reflected in the fair value of the properties which impacts the group's profit.

The five largest tenants (tenants belonging to the same group are shown under the group's name) measured according to their 2023 rental income are shown in the below table:

CHF ('000)/%	2023		2022	
Coop group	12'967	19.8%	11'879	19.3%
Migros group	5'602	8.6%	5'313	8.6%
Centre Hospitalier Universitaire Vaudois group	5'121	7.8%	5'293	8.6%
GXO Logistics Switzerland S.A.G.L.	4'160	6.4%	4'062	6.6%
Hitachi Zosen Inova AG	3'738	5.7%	3'524	5.7%
The five largest tenants	**31'588**	**48.3%**	**30'071**	**48.8%**

9 Direct expenses related to properties

CHF ('000)	2023	2022
Maintenance costs for real estate	2'410	2'022
Energy and ancillary costs	661	950
Insurances	834	649
Management costs for real estate	278	249
Property tax expenses	1'277	1'167
Other direct costs	1'203	1'325
Total direct expenses related to properties	**6'663**	**6'362**

Direct expenses encompass costs in relation to the properties that cannot be passed on to the tenants.

Other direct costs include amongst other things the provisions for doubtful debts (see Note 15 for further details).

Total direct expenses related to properties increased by CHF 0.3 million mostly due to higher maintenance costs. Energy and ancillary costs for the landlord decreased largely due to the reversal in 2023 of accruals made in previous years in anticipation of a more severe energy crisis and lower vacancies in 2023 compared to 2022.

10 Personnel expenses

CHF ('000)	2023	2022
Salaries	3'632	3'110
Social security contributions	284	252
Expenses for defined benefit plans	212	167
Other personnel expenses	171	85
Board member expenses	455	354
Total personnel expenses	**4'754**	**3'968**
Number of employees (#) in Switzerland		
Number of employees at period end	23	21
Full-time equivalents at period end	20.2	18.7
Number of Board members (#)		
Number of Board members receiving a fee at period end	4	4

The increase in personnel expenses of CHF 0.8 million primarily relates to the new compensation and incentive program for the Group Executive Management and revised board membership fees for the Board of Directors effective from the listing of the Company end of May 2022 and therefore in place during 7 months of the year in 2022 versus 12 months in 2023 (aggregate effect of CHF 0.5 million).

For more information about related parties, please refer to Note 25.

EPIC Group is affiliated to three independent collective foundations administrating the pension plans of various employers. The employees, their spouses and children are insured against the financial consequences of old age, death and disability. Retirement benefits are based on the accumulated retirement savings capital made up of contributions by employers and the employees and interest thereon and can either be drawn as a life-long pension or as a lump sum payment.

The defined benefit liability is calculated by an independent actuary using the projected unit credit method.

The pension liabilities (in relation to the employees located in Switzerland) are included on a net basis under pension obligations in the balance sheet and can be split as follows:

CHF ('000)	2023	2022
Defined benefit obligations at 31 December	3'243	2'909
Fair value of plan assets at 31 December	(2'712)	(2'629)
Deficit/(surplus) at 31 December	**531**	**280**

Defined benefit expenses for these plans recognised in the statement of profit or loss can be split as per the below table. Current service costs, past service costs and administration costs are included in personnel expenses and interest expense and interest income on plan assets in financial result.

CHF ('000)	2023	2022
Current service costs	213	188
Past service costs	(3)	(22)
Interest expenses	67	24
Interest (income) on plan assets	(61)	(20)
Administration costs	1	1
Net defined benefit expenses	**217**	**171**

The defined benefit expenses recognised in the statement of comprehensive income are detailed below:

CHF ('000)	2023	2022
Actuarial (gain)/loss on defined benefit obligations	239	(560)
Return on plan assets (excl. interest income)	35	212
Deferred tax	(52)	64
Net re-measurement of defined benefit obligations	**222**	**(284)**

The reconciliations to the defined benefit obligations and fair value of the plan assets are shown in the following two tables:

CHF ('000)	2023	2022
Defined benefit obligations as at 1 January	2'910	2'996
Interest expenses on defined benefit obligations	67	24
Current service costs (employer)	213	188
Contributions by plan participants	177	153
Benefits (paid)/deposited	(361)	130
Past service costs	(3)	(22)
Administration costs	1	1
Actuarial (gain)/loss on defined benefit obligations	239	(560)
Defined benefit obligations as at 31 December	**3'243**	**2'910**

CHF ('000)	2023	2022
Fair value of plan assets at 1 January	2'629	2'354
Interest income on plan assets	61	20
Contributions by the employer	241	184
Contributions by plan participants	177	153
Benefits (paid)/deposited	(361)	130
Return on plan assets (excl. interest income)	(35)	(212)
Fair value of plan assets as at 31 December	**2'712**	**2'629**

The main parameters used for the valuation are described below:

	2023	2022
Discount rate	1.5%	2.3%
Long-term expected rate of salary increase	2% flat	1% flat
Long-term expected benefit increase	0.0%	0.0%
Long-term expected inflation rate	1.0%	0.5%
Long-term expected interest rate on retirement capital	1.5%	2.3%
Expected age of retirement	F – 65 years M – 65 years	F – 64 years M – 65 years

11 Operating expenses

CHF ('000)	2023	2022
Rent	104	89
Travel and representation expenses	192	162
Other operating expenses (such as IT, general office expenses, non-recoverable VAT, capital taxes)	915	702
Total operating expenses	**1'211**	**953**

The increase in operating expenses of CHF 0.3 million is mainly driven on the one hand by higher corporate operating costs in connection with the public status of the Company and on the other hand by an increase of the capital tax in Luxembourg.

12 Administrative expenses

CHF ('000)	2023	2022
Legal fees	231	537
Tax consultancy fees	337	270
Other consultancy fees	1'345	1'578
Accounting and audit fees	477	761
Transaction costs	(2)	5'253
Total administrative expenses	**2'388**	**8'399**

The decrease of CHF 6.0 million in administrative expenses between 2023 and 2022 is essentially explained by the one-off IPO costs of CHF 5.9 million incurred in 2022 and included in various captions of the administrative expenses. Moreover, in 2022, IPO costs of CHF 4.2 million were directly booked in equity under “transaction costs related to issuance of new shares” as related to the newly issued shares.

In “other consultancy fees” are also included business development costs for investment properties such, as for example, planning costs relating to potential developments and compilation of feasibility studies for projects subject to external influences (outside EPIC Group’s control) which makes it uncertain whether they will be at all realised.

13 Financial result

CHF ('000)	2023	2022
Financial income		
Revaluation gain from financial instruments (derivatives)	-	27'904
Derivatives income	5'342	-
Other financial income	5'885	18
Total financial income	**11'227**	**27'922**
Financial expenses		
Interest expenses on loans from shareholders	-	(59)
Loan interest expenses	(12'997)	(5'659)
Derivatives expenses	-	(555)
Interest expenses on lease liabilities	(550)	(558)
Revaluation loss from financial instruments (derivatives)	(20'338)	-
Other financial expenses	(83)	(278)
Total financial expenses	**(33'968)**	**(7'109)**
Financial result	**(22'741)**	**20'813**

The main driver of the 2022 positive financial result stemmed from the unrealised revaluation gain of CHF 27.9 million on derivative financial instruments (interest rate swaps) to hedge against interest rate risk (versus an unrealised revaluation loss of CHF 20.3 million in 2023). For more information about the derivative financial instruments, please refer to Note 20.

Other financial income in 2023 includes the unrealised revaluation gain of CHF 5.8 million on the underlying USD loans in connection with the cross currency swaps.

The return of SARON into positive territory (from -0.75% in January 2022 to 1.75% by the end of December 2023) and the renewal of certain bank loans at higher fixed interest rates, resulted in an increase of total mortgage-secured interest expenses (recorded in loan interest expenses, derivatives expenses and derivatives income) of CHF 1.4 million for the year 2023 compared to 2022.

14 Income tax expenses

EPIC Group is subject to income taxes at a federal, cantonal and municipal level. Significant estimates are required in determining the liabilities for income and deferred taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax liabilities.

The taxation of gains from the disposal of properties is subject to a special property gains tax in cantons with the monistic tax system. The tax rates depend on the length of time the property is held and can vary significantly. In the calculation of deferred taxes on investment properties, a residual holding period is estimated for each property that reflects EPIC Group's strategy. If a sale was to be planned, the respective residual holding period would be applied. Otherwise, the tax payable on these properties is calculated on the basis of a holding period of a further 10 years after the balance sheet date. Should the actual holding period for a property deviate from the estimated holding period, the amount of tax applicable at the time the property is sold may vary considerably from the deferred tax estimated.

CHF ('000)	2023	2022
Current tax expenses	2'730	2'874
Change in deferred net tax liabilities	(637)	5'391
Total income tax expenses	**2'093**	**8'265**

The amount of current tax expenses includes the annual change in refund of complementary property tax in Vaud (TCHF 272 in 2023 and TCHF 275 in 2022).

Change in deferred taxes in 2022 were higher compared to 2023 in particular due to the unrealised revaluation gain on derivative financial instruments and real estate properties (aggregate revaluation effect of CHF 28.8 million), which was then partially compensated for by the positive effect of certain tax rate reductions (see further below).

The unrealised revaluation losses on derivative financial instruments combined with the related foreign exchange gains on the underlying loans in USD (aggregate net effect of CHF 14.5 million in 2023) were the main drivers for the positive variation in deferred tax liabilities of CHF 0.6 million. The table below provides a reconciliation to tax expenses:

CHF ('000)	2023	2022
EBT	19'720	64'638
Applicable tax rate (%)	16.0	16.0
Tax expense at applicable tax rate	(3'155)	(10'342)
Usage of non capitalised tax losses / (non capitalised tax losses)	223	(990)
Adjustments for current income taxes for other periods	268	85
Impact of changes in tax rates deferred tax	(34)	3'317
Other effects	605	(335)
Total income tax expenses	**(2'093)**	**(8'265)**

The applicable tax rate in the periods under review is a mixed rate of approximately 16.0% over the last two years. In 2023, it takes into account the fact that profit subject to federal, cantonal and municipal income taxes is taxed at an average rate of approximately 15.7%, while property gains subject to property gains tax and federal income tax are taxed at rates from approximately 20% of up to 30% depending on the duration of the holding period and the location of the property. As the holding period increases, the average tax rate will be further reduced during the next years.

The non capitalised tax losses in 2022 refer to the loss of the Company, which is mainly due to the one-off IPO costs. It is assumed that this loss will not be off-set (or only minimally) against future taxable profit (assumption of participation income subject to participation exemption).

The real estate companies owned by the group are subject to the tax laws of the cantons in which the properties are located. Under the IFRS Accounting Standards, the reduced tax rates have been taken into account for the deferred tax liabilities as soon as they were "substantially enacted" (IAS 12), since the deferred taxes in IFRS are based on an assumed holding period of 10 years. As per 1 January 2022, Aargau reduced its corporate income tax rate (reduction of the effective tax rate from 18.55% to

17.42% until the end of 2023 and then further to 15.07% as per 1 January 2024). Furthermore, Geneva increased the tax rate from approximately 14.0% to 14.7% in 2024. These amended rates were taken into account in the calculation of the deferred taxes. The net impact of the enacted tax rates resulted in a positive effect of approximately CHF 3.3 million in 2022 (respectively a negative effect of approximately TCHF 34 in 2023).

The caption Other effects in 2023 mainly includes the revaluation loss of the property in 2023 in the canton of Bern, which is subject to property gains tax at approximately 30%. This tax rate is significantly higher than the applicable tax rate of 16%, resulting in a positive tax effect of approximately TCHF 370.

The deferred tax liabilities and assets are allocated to the following balance sheet items:

CHF ('000)	31 Dec 2023		31 Dec 2022	
	Assets	Liabilities	Assets	Liabilities
Real estate properties	-	111'669	-	110'307
Provisions for major renovations	-	6'663	-	6'146
Financial derivative instruments	100	2'197	-	4'437
CIT on refund of CPT[1]	-	842	-	805
Accrued free rent	-	390	-	426
Pension schemes	117	-	69	-
Arrangement fees for credit facilities	-	12	-	19
Tax losses carried forward	1'064	-	890	-
Tax assets/liabilities before set-off	**1'281**	**121'773**	**959**	**122'140**
Set-off of tax losses carried forward	(1'064)	(1'064)	(890)	(890)
Total tax assets/liabilities	**217**	**120'709**	**69**	**121'250**

[1] CIT = Corporate income tax and CPT = Complementary property tax

EPIC Group has deferred tax assets and deferred tax liabilities of TCHF 217 and CHF 120.7 million respectively as per 31 December 2023 (TCHF 69 and CHF 121.3 million respectively by the end of 2022). Deferred taxes are substantially attributable to valuation differences in respect of investment properties and recaptured depreciation, and to a lesser extent to renovation provisions and derivatives. Deferred tax assets from tax losses are (partially) off-set with deferred tax liabilities related to valuation.

Applying the property gains tax rates that would be applicable in the event of a theoretical sale of all properties on 31 December 2023 (asset deal), the deferred tax liabilities would be CHF 9.6 million higher than the deferred tax liabilities reported as per 31 December 2023 (assuming an exit as per 31 December 2033). Significant tax savings may be achieved in a share deal exit.

The other comprehensive income has been presented net of tax. The tax effect amounted to TCHF 52 in 2023 and TCHF (64) in 2022.

15 Tenant receivables

CHF ('000)	31 Dec 2023	31 Dec 2022
Rent and ancillary costs receivables	959	1'299
Doubtful debt allowances	(63)	(48)
Total tenant receivables	**896**	**1'251**

The rent and ancillary costs receivables balance as at 31 December 2023 decreased by CHF 0.3 million compared to 31 December 2022, mainly due to the timing of the ancillary cost settlement for one of the Company's subsidiaries which was sent out just before year end 2022 and so became due (effect of CHF 0.2 million).

For tenants with an outstanding balance at the end of the period, EPIC Group calculated a doubtful debt allowance reflecting the expected credit losses. Balances overdue by more than 30 days are mostly either provisioned for or secured by a deposit or guarantee from the tenant.

The age structure of the tenant receivables is as follows:

CHF ('000)	31 Dec 2023	31 Dec 2022
Balance not yet due	340	1'024
Balance overdue by up to 30 days	471	128
Balance overdue between 30 to 120 days	78	19
Balance overdue between 120 to 365 days	3	41
Balance overdue by more than 365 days	67	87
Total rent and ancillary costs receivables	**959**	**1'299**

16 Real estate properties

CHF ('000)	Invest. prop. in operation	Invest. prop. under D/C[1]	Total portfolio
Market value as at 31 Dec 2021	**1'433'982**	**31'810**	**1'465'792**
Acquisition costs as at 1 Jan 2022	1'130'827	19'767	1'150'594
New acquisitions	5'630	-	5'630
Subsequent expenditures	12'216	17'308	29'524
Acquisition costs as at 31 Dec 2022	**1'148'673**	**37'075**	**1'185'748**
Revaluation as at 1 Jan 2022	303'155	12'043	315'198
Revaluation gains	10'272	5'003	15'275
Revaluation losses	(14'339)	-	(14'339)
Revaluation as at 31 Dec 2022	**299'088**	**17'046**	**316'134**
Market value as at 31 Dec 2022	**1'447'761**	**54'121**	**1'501'882**
Acquisition costs as at 1 Jan 2023	1'148'673	37'075	1'185'748
Disposals	(61)	-	(61)
Subsequent expenditures	6'012	37'432	43'444
Acquisition costs as at 31 Dec 2023	**1'154'624**	**74'507**	**1'229'131**
Revaluation as at 1 Jan 2023	299'088	17'046	316'134
Disposals	(4)	-	(4)
Revaluation gains	7'268	2'987	10'255
Revaluation losses	(19'728)	(250)	(19'978)
Revaluation as at 31 Dec 2023	**286'624**	**19'783**	**306'407**
Market value as at 31 Dec 2023	**1'441'248**	**94'290**	**1'535'538**

[1] Invest. prop. under D/C stands for Investment properties under development/construction

CHF ('000)	31 Dec 2023	31 Dec 2022
Market value as estimated by the external valuer	1'525'382	1'491'796
Accrued operating lease income	(2'829)	(3'079)
Sub-total	**1'522'553**	**1'488'717**
Right-of-use of the land recognised separately	12'985	13'165
Market value for financial reporting purposes	**1'535'538**	**1'501'882**

During 2023, EPIC Group invested CHF 43.4 million in its portfolio, of which CHF 37.4 million in its ongoing development projects, being project PULSE (EPiC 23) and Campus Leman Building C (EPiC 19) for CHF 32.2 million and CHF 5.2 million, respectively. Regarding the investment properties in operation (CHF 6.0 million), the biggest investments are related to several tenant fit-outs in Biopôle Serine (EPiC 20) (aggregate amount of CHF 1.4 million), renovation works in Provencenter (EPiC 9) (aggregate amount of CHF 1.5 million, of which the main part relates to the new façade) and the installation of a photovoltaic system in Wiggis-Park (EPiC 3) (aggregate amount of CHF 1.1 million). Furthermore, the EPIC Group sold a small portion of land of 91 m² in Wiggis-Park (EPiC 3) to its neighbour for TCHF 72.8 resulting in a gain of TCHF 8.3.

The valuation of the properties as at 31 December 2023 resulted in a net unrealised revaluation loss of CHF 9.7 million. This was mainly driven by the current market conditions and an increase in the real discount rate by 8 basis points (average weighted real discount rate was 3.39% as at 31 December 2023 versus 3.31% as at 31 December 2022). The segment of investment properties under development/construction benefitted from a net unrealised revaluation gain of CHF 2.7 million mainly due to their progression while the sectors offices, logistics/industrial and retail show a net unrealised revaluation loss (CHF 4.9 million, CHF 3.2 million and CHF 4.4 million respectively). Assuming an inflation rate of 1.25% as at 31 December 2023 (1.0% as at 31 December 2022), this corresponds to a nominal discount rate of 4.69% (4.34% respectively).

The differences between capitalised costs (CHF 43.4 million in 2023 and CHF 29.5 million in 2022) and the amounts paid under investments in real estate properties in the consolidated statement of cash flows used in investment activities (CHF 37.5 million in 2023 and CHF 31.0 million in 2022) correspond to an increase or decrease in accrued expenses, payables or receivables for VAT purposes.

Further information on the individual properties can be found at the end of this report under “Property details” in the annexes.

Details on valuation

The valuation of investment properties is carried out in accordance with the provisions of IFRS 13, under which fair value is defined as the price that would be received when selling an asset or that would be paid when transferring a liability in an orderly transaction between market participants on the measurement date. Under IFRS 13, valuation techniques are categorised into three levels in a fair value hierarchy depending on the extent to which fair value is based on observable input factors.

Fair value hierarchy

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable (usually determined based on management assumptions)

The valuation of investment properties is carried out using the discounted cash flow method (DCF), according to which a property’s fair value is determined by calculating the projected future net income (rental income less operating, maintenance and rebuilding costs), discounted to the reporting date. No allowance is made for any possible transaction cost (such as taxes or transaction fees, for example). Furthermore, the valuation does not account for any taxation (except of mandatory property taxes) or financing costs. The net income of operations is discounted individually for each property with due allowance for specific opportunities and threats, and with adjustments in line with prevailing market conditions and risks.

The expected capital expenditures for preserving the building and its structure are calculated by means of a lifecycle analysis of the individual building elements. The building structure’s remaining lifespan is estimated and periodic refurbishments modelled based on the general condition of building elements as determined during the property inspection. Appropriate annual repair costs are calculated accordingly, and plausibility tested using comparable data and Wüest Partner’s own benchmarks. The calculation factors in 100% of expected repair costs in the first 10 years; the proportion applied from year 11 onwards is limited to the value-preserving investments.

In the case of properties under construction, the construction costs still to be incurred until completion are considered.

The discount rate applied to each property is market-derived and risk-adjusted and is dependent on individual opportunities and risks. Valuations are performed twice a year as at 30 June and 31 December (or during the year in case of significant value changes) by Wüest Partner AG, an external, independent and certified real estate appraiser having experience in the location and type of the investment property being valued.

As at 31 December 2023 and 2022, all properties have been individually valued by Wüest Partner AG.

As input factors with a material impact, such as discount rates, market rents and structural vacancy rates, generally have to be derived from information from less active markets, the valuations of all properties were categorised under level 3.

Significant inputs

Determination of the significant inputs used in the valuation:

Rental income

Rents are factored into valuations based on contractually agreed conditions. For rental agreements of limited duration, the potential rental income attainable over the long term, from the current perspective, is applied in the valuation on expiry of the contractually agreed rental period. Potential rental income that is in line with the market is determined on the basis of the most recent rental agreements concluded either for the property concerned or for comparable properties in its immediate vicinity, and of the comprehensive real estate market research carried out by Wüest Partner AG.

The plausibility of potential rental income from retail space is checked using calculations of market-standard turnover figures. For those existing leases, which include several different uses, the potential rents are calculated separately for each individual use. Genuine tenants' options to extend a lease are considered when actual rents are less than the market rents determined. Non-genuine options where provisions are in place for rents to be adjusted in line with market rents prevailing at a specific time are incorporated into the valuations as fixed-term rental agreements, as described above. For rental agreements of unlimited duration, adjustments in line with the potential rental income calculated take account of general conditions under rental law and property-specific fluctuations.

Operating and maintenance costs

In the case of operating costs, it was assumed that separate ancillary cost statements are issued and that the ancillary costs are consequently passed on in full or in part to tenants in line with the lease agreements. Maintenance (servicing and repairs) and rebuilding costs are calculated using a building analysis tool that determines the residual life of the individual construction components based on an analysis of the building's current condition, models periodic renovations and calculates the associated annuities. The values arrived at are plausibility tested using the cost benchmarks compiled by Wüest Partner AG.

Construction costs (investment properties under construction)

The construction cost estimates are based on the financial forecasts for the individual projects (where available) and are independently evaluated. Where the construction costs are already secured by means of service contracts with general and full-service contractors, these are used in the measurement. Depollution costs are excluded unless cost estimates for their removal are available.

Discount rate

Discounting is undertaken for each property in accordance with location and property-specific criteria. These reflect both the location-relevant features of the macro and micro situation and the fundamental parameters of the current market and letting situation. The discount rates applied are verified empirically based on known changes of ownership and transaction data.

Structural vacancy rate
The structural vacancy rate, which is recognised in the valuations for each rental unit and usage, defines the minimum loss of income considered over the entire valuation period following the expiry of any existing contract. The structural vacancy rate is derived primarily from the local market situation, such as the effective vacancy rates, the current supply figures and a usual tenant turnover period.

Non-observable inputs

Market rents, vacancy rates and discount rates have been identified as the non-observable input factors with a material impact. They are summarised in the table below:

Category/level/ valuation method	Non-observable input factor	Ranges (weighted average)	
		31 Dec 2023	31 Dec 2022
Retail Level 3 DCF	Fair value CHF ('000)	574'700	576'900
	Discount rates (real) (%)	2.8%–3.95% (3.45%)	2.8%–3.85% (3.38%)
	Achievable long-term market rents per m² and year (CHF)	CHF 180–CHF 357 (CHF 251 per m² and year)	CHF 179–CHF 352 (CHF 249 per m2 and year)
	Structural vacancy rates (%)	3.5%–5.22% (4.67%)	3.5%–5.2% (4.79%)
Offices Level 3 DCF	Fair value CHF ('000)	647'050	648'810
	Discount rates (real) (%)	2.85%–3.85% (3.18%)	2.65%–3.8% (3.1%)
	Achievable long-term market rents per m² and year (CHF)	CHF 278–CHF 364 (CHF 308 per m² and year)	CHF 273–CHF 359 (CHF 300 per m2 and year)
	Structural vacancy rates (%)	4.0%–7.24% (5.09%)	4.0%–7.2% (5.58%)
Logistics/industrial Level 3 DCF	Fair value CHF ('000)	209'342	211'965
	Discount rates (real) (%)	3.35%–3.8% (3.68%)	3.3%–3.75% (3.58%)
	Achievable long-term market rents per m² and year (CHF)	CHF 85–CHF 232 (CHF 105 per m² and year)	CHF 85–CHF 232 (CHF 104 per m2 and year)
	Structural vacancy rates (%)	5.0%–5.8% (5.1%)	5.0%–5.8% (5.1%)
Under development/ construction Level 3 DCF	Fair value CHF ('000)	94'290	54'121
	Discount rates (real) (%)	3.6%–4.0% (3.87%)	3.6%–4.0% (3.88%)
	Achievable long-term market rents per m² and year (CHF)	CHF 189–CHF 305 (CHF 197 per m² and year)	CHF 189–CHF 296 (CHF 196 per m2 and year)
	Structural vacancy rates (%)	5.0%–5.0% (5.0%)	5.0%–5.0% (5.0%)
Total portfolio Level 3 DCF	Fair value CHF ('000)	1'525'382	1'491'796

The table below shows the reconciliation between the valuation from the external valuer and the fair value for financial reporting purposes per category as at 31 December 2023:

CHF ('000)	External fair value	Accrued operating lease income	Right-of-use of land	Market value for financial reporting
Retail	574'700			574'700
Offices	647'050	(2'829)	12'985	657'206
Logistics/industrial	209'342			209'342
Under development/construction	94'290			94'290
Total	**1'525'382**	**(2'829)**	**12'985**	**1'535'538**

Sensitivity of input factors

Fair value increases with lower discount rates and structural vacancy rates and with higher market rents. The economic environment can be considered as exerting the greatest influence on input factors, with the factors outlined above influenced to varying degrees by market developments. Any intensification of pressure on market rents by negative economic sentiment is usually accompanied by a rise in property vacancy rates. Low interest rates usually prevail in such market circumstances, which have a positive impact on discount rates (as long as the property market maintains its attractiveness in comparison to the bond market). To an extent, therefore, changes to input factors may offset each other.

The following sensitivity analysis shows the impact of an increase or decrease in the discount rates used in the DCF valuation. As illustrated in the below table, a general reduction of 10 basis points in the discount rate would increase the current fair value of the investment properties as at 31 December 2023 by 3.00% or CHF 45.8 million. A general increase of 10 basis points in the discount rate would reduce the current fair value of the investment properties as at 31 December 2023 by 2.99% or CHF 45.6 million.

Weighted average discount rate (real) Change in basis points		Change in market value in CHF ('000)	Change in market value in %	Market value in CHF ('000)
+50	3.89%	(200'568)	(13.15%)	1'324'814
+40	3.79%	(164'869)	(10.81%)	1'360'513
+30	3.69%	(127'277)	(8.34%)	1'398'105
+20	3.59%	(87'587)	(5.74%)	1'437'795
+10	3.49%	(45'630)	(2.99%)	1'479'752
	3.39%			**1'525'382**
–10	3.29%	45'828	3.00%	1'571'210
–20	3.19%	95'902	6.29%	1'621'284
–30	3.09%	149'167	9.78%	1'674'549
–40	2.99%	205'986	13.50%	1'731'368
–50	2.89%	266'767	17.49%	1'792'149

17 Other non-current assets

CHF ('000)	31 Dec 2023	31 Dec 2022
Refund from complementary property tax	6'134	5'861
Total other non-current assets	**6'134**	**5'861**

In case of an asset deal, the complementary property taxes (impôt complémentaire or "CPT") paid by EPIC Group in the canton of Vaud will be repaid according to the Vaud tax law (art. 129 LI). However, the total amount to be refunded by the Vaud Tax Administration will be a maximum of fifteen times the annual property tax (in any case, the amount to be refunded must not exceed the real estate transfer tax to be paid in connection with the asset deal).

18 Current and non-current financial liabilities

CHF ('000)	31 Dec 2023	31 Dec 2022
Mortgage-secured bank amortisation due within 12 months	3'524	4'089
Mortgage-secured bank loans due for extension or repayment	-	96'845
Directly attributable financing costs	(46)	(57)
Accrued mortgage and swap interest	130	127
Lease liabilities	892	890
Total current financial liabilities	**4'500**	**101'894**
Mortgage-secured bank loans	606'732	495'032
Directly attributable financing costs	(38)	(84)
Lease liabilities	12'603	12'902
Total non-current financial liabilities	**619'297**	**507'850**
Total financial liabilities	**623'797**	**609'744**

Some of the contracts with the banks contain clauses concerning financial covenants at the level of the Swiss subsidiaries such as loan to value ratios and interest coverage ratios. As at the reporting dates (and during the periods), EPIC Group was in compliance with its covenant obligations.

All bank loans as at 31 December 2022 coming to maturity in 2023 were renewed as at 31 December 2023. The weighted average residual maturity of the mortgage-secured bank loans stood at 4.5 years as at 31 December 2023 compared to 4.1 years as at 31 December 2022.

CHF ('000)/in %	31 Dec 2023	31 Dec 2022
Total mortgage-secured bank loans	610'256	595'966
Interest expenses (mortgage and swaps)	7'655	6'214
Weighted average interest rate at period end	1.3%	1.0%

During 2023, mortgage-secured bank loans of CHF 117.3 million were fully or partially repaid including amortisation amounts of CHF 4.3 million. On the other hand, mortgage-secured bank loans in a total amount of CHF 137.4 million were drawn, resulting in a net borrowing effect of CHF 20.1 million, before any unrealised currency revaluation effects.

In order to reduce the bank margin, EPIC Group entered into cross currency ("XCCY") swaps (see Note 20 for further details). The related underlying variable loans were therefore converted from CHF into USD loans and their revaluation at period end resulted in a net unrealised foreign exchange revaluation gain of CHF 5.8 million (see Note 13, caption Other financial income). The USD/CHF foreign exchange conversion rates are identical at inception and maturity, so that no currency risks will crystallise at the end of the swap contracts. Only unrealised foreign exchange revaluation losses or gains will be recorded at each balance sheet date through profit or loss.

The vast majority of the variable bank debt is based on a 1 to 3-month variable CHF-SARON interest rate. The variable loans represent 65.9% of the total mortgage-secured bank liabilities as at 31 December 2023, with margins varying between 0.71% and 1.05% during 2023 (taking into account the XCCY swaps). Of the variable loans, 67.5% was hedged with interest rate swaps as at 31 December 2023. The fixed interest rates range between 0.75% and 2.27% over 2023.

In 2021, EPiC 23 signed a loan agreement for CHF 70 million as amended from time to time in relation to project PULSE in Cheseaux-sur-Lausanne, subject to certain conditions precedent. No amounts were drawn as at 31 December 2023.

The table below indicates the maturity profile of the mortgage-secured bank liabilities including future interest:

CHF ('000)	31 Dec 2023	31 Dec 2022
Due within 12 months	11'942	106'382
Due within 2 to 5 years	341'664	259'467
Due within 6 to 10 years	267'436	254'218
Due after 10 years	35'052	-
Total mortgage-secured bank loans including future interest	**656'094**	**620'067**

The following table shows the maturity profile of the lease liabilities including future interest:

CHF ('000)	31 Dec 2023	31 Dec 2022
Due within 12 months	897	897
Due within 2 to 5 years	3'191	3'310
Due within 6 to 10 years	3'624	3'624
Due after 10 years	12'814	13'539
Total lease liabilities including future interest	**20'526**	**21'370**

The tables below break down the changes in current and non-current financial liabilities between cash and non-cash effects:

	31 Dec 2022	Cash		Non-cash					31 Dec 2023
CHF ('000)		Inflow	Outflow	Accrued interest	FX impact	Changes lease	Additions (Disposals)	Reclassification	Total
		2023							
Non-derivative financial liabilities									
Current financial liabilities	101'894	-	(34'680)	7'665	-	-	57	(70'436)	4'500
Non-current financial liabilities	507'850	137'420	(91'170)	597	(5'836)	-	-	70'436	619'297
Shareholders' loans	-	-	-	-	-	-	-	-	-

	31 Dec 2021	Cash		Non-cash					31 Dec 2022
CHF ('000)		Inflow	Outflow	Accrued interest	FX impact	Changes lease	Additions (Disposals)	Reclassification	Total
		2022							
Non-derivative financial liabilities									
Current financial liabilities	65'539	46'000	(68'520)	6'224	-	-	39	52'612	101'894
Non-current financial liabilities	713'952	1'438	(156'313)	806	-	-	579	(52'612)	507'850
Shareholders' loans	6'587	-	(6'646)	59	-	-	-	-	-

19 Accrued expenses and deferred income

CHF ('000)	31 Dec 2023	31 Dec 2022
Accruals for property expenditures	6'763	3'889
Accruals for general expenses	2'402	1'652
Total accrued expenses	**9'165**	**5'541**
Rents received in advance	1'459	1'876
Down payments for ancillary costs	383	778
Total deferred income	**1'842**	**2'654**
Total accrued expenses and deferred income	**11'007**	**8'195**

The increase in total accrued expenses and deferred income is mainly driven by higher property expenditures for construction works performed in relation to the development project PULSE (EPiC 23) in the amount of CHF 2.7 million.

20 Derivative financial instruments

The fair value of derivative financial instruments (interest rate swaps and cross currency ("XCCY") swaps) is calculated at the present value of future cash flows. The interest rate swaps are used for hedging existing and future loans against rising interest rates and the XCCY swaps to reduce the bank margin.

In May and June 2023, EPIC Group entered into XCCY swaps with a 3-year maturity for a total nominal amount of CHF 91.3 million and fixed foreign exchange conversion rates at inception and maturity, eliminating the crystallisation of any foreign exchange currency risks.

In October 2023, EPIC Group entered into a CHF 46.0 million (nominal) interest rate swap with a 3-year maturity until 30 September 2026 and fixed leg of 1.51%.

The variable interest rate on all swaps is based on a 3-month variable CHF-SARON. As at 31 December 2023, all interest rate swaps except the one mentioned above have a fixed interest leg of 0.0% (on top of which the margins of the variable loans are to be added). The XCCY swaps have a margin of 0.71% on the equivalent CHF nominal amount.

The table below summarises the fair value and maturities of the swaps:

CHF ('000)	31 Dec 2023	31 Dec 2022
Within 12 months	5'994	3'336
Within 2 to 5 years	(1'176)	16'779
After 5 years	2'187	7'229
Total net positive (negative) fair value	**7'005**	**27'344**
Total contract nominal value	**365'740**	**228'490**

21 Financial risk management

The group's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of those is to finance the acquisition and development of the group's property portfolio. In addition, short term receivables, payables and cash balances arise from day-to-day operations.

Through its activities, EPIC Group is exposed to various financial risks, the main ones being: market risk (interest rate), credit risk and liquidity risk. Risks are monitored regularly and risk management is carried out by the Board of Directors and management.

EPIC Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on EPIC Group's financial performance. EPIC Group reviews and monitors its exposure and risks related to solvency, liquidity and interest rates.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. This risk concerns the group's open positions in interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

The interest rate risk can impact (a) the market value of financial instruments which are interest rate sensitive (fair value interest rate risk) and (b) future interest payments, as a result of fluctuations in the market interest rates (cash flow interest rate risk). The group's exposure to this risk relates primarily to its long-term debt obligations with floating interest rates. As at 31 December 2023, 78.6% of the total bank debt was hedged against interest fluctuations using swaps and fixed interest loans.

A change in interest rates by 0.1% on the mortgage-secured bank loans as at 31 December 2023 would only have a minor impact on the profit or loss.

The currency risk is limited as the group is only active in Switzerland and almost all the transactions are carried out in CHF, the functional currency of the EPIC Group entities.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to fulfil its obligation. Credit risk mainly arises from cash and cash equivalents held at banks, tenant receivables, other receivables and derivative financial assets.

Credit risk in connection with cash and cash equivalents held at banks is minimised by having those with several first rank institutions. With regard to rental agreements, credit risk is reduced via creditworthiness checks and by monitoring the age structure of outstanding amounts.

The maximum exposure corresponds to the carrying amounts of the individual financial assets including derivative financial assets as shown in the table below (CHF 31.2 million in 2023 and CHF 50.4 million in 2022):

CHF ('000)	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	12'355	20'338
Tenant receivables	896	1'251
Other receivables	1'520	1'429
Other non-current financial assets	50	54
Total financial assets measured at amortised cost	**14'821**	**23'072**
Current derivative financial assets	6'051	3'336
Non-current derivative financial assets	10'333	24'008
Total financial assets measured at fair value	**16'384**	**27'344**
Total financial assets	**31'205**	**50'416**

The caption Cash and cash equivalents only includes cash as at 31 December for both years.

The carrying amount of the financial assets measured at amortised cost is a reasonable approximation of fair value.

Liquidity risk
Liquidity risk is the risk that the group will not be able to meet its financial obligations when becoming due. Investment properties are refinanced when necessary via medium to long-term loans. Liquidity is monitored on a regular basis.

The following table sets out the contractual maturities of the main financial liabilities held by the group:

CHF ('000)	Carrying Amount	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Contractual total
	31 Dec 2023					
Non-derivative financial liabilities (at amortised cost)						
Trade payables	5'212	5'212	-	-	-	5'212
Other payables	879	879	-	-	-	879
Accrued expenses	9'165	9'165	-	-	-	9'165
Financial liabilities (excluding lease liabilities)	610'302	6'162	5'864	341'626	302'488	656'140
Lease liabilities	13'495	431	467	3'191	16'438	20'527
Total non-derivative financial liabilities	**639'053**	**21'849**	**6'331**	**344'817**	**318'926**	**691'923**
Derivative financial liabilities (classified as held for trading)						
Interest rate swaps	9'379	(16)	73	9'322	-	9'379

CHF ('000)	Carrying Amount	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Contractual total
	31 Dec 2022					
Non-derivative financial liabilities (at amortised cost)						
Trade payables	1'422	1'422	-	-	-	1'422
Other payables	885	885	-	-	-	885
Accrued expenses	5'541	5'541	-	-	-	5'541
Financial liabilities (excluding lease liabilities)	595'952	102'274	4'177	259'384	254'218	620'053
Lease liabilities	13'792	432	465	3'310	17'163	21'370
Total non-derivative financial liabilities	**617'592**	**110'554**	**4'642**	**262'694**	**271'381**	**649'271**
Derivative financial liabilities (classified as held for trading)						
Interest rate swaps	-	-	-	-	-	-

Fair value of financial instruments

EPIC Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole.

Derivative financial instruments are the only financial instruments measured at fair value. The fair value of the interest rate swaps and XCCY swaps is calculated as the present value of future cash flows. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the counterparties. It can be allocated to level 2 according to the fair value hierarchy described in Note 16.

The carrying value of short-term receivables (including tenant and other receivables) and payables (trade and other payables) approximate their fair values as discounting is not material.

The fair value of the fixed interest-bearing mortgage-secured bank loans (CHF 203.5 million) differs from their carrying value excluding issue costs (CHF 208.2 million). The group has no fixed-rate financial assets or liabilities that are classified at fair value through profit or loss. Fixed-rate financial instruments are measured at amortised costs.

Changes in the fair value of interest rate swaps and XCCY swaps are recognised in the financial result.

Capital management
With total equity of CHF 804.9 million as at 31 December 2023, the group has a solid capital base (equity ratio of 51.0% in 2023 and 52.4% in 2022). Mortgage bank loans (including interest) account for 38.7% of total assets as at year end 2023 (38.1% in 2022). Covenants are monitored on a regular basis and reported on quarterly.

EPIC Group aims to achieve a long-term net loan to value ratio (as defined under section "Alternative Performance Measures" of this report) of +/- 45% (this ratio equalled 38.9% as at 31 December 2023 and 38.3% as at 31 December 2022). The adjusted net loan to value ratio (as defined in "Alternative Performance Measures") amounts to 39.3% in 2023 and 38.7% in 2022.

22 Share capital and share premium

As at 31 December 2023, the Company's share capital amounts to CHF 413'203.04, represented by 10'330'076 shares with a par value of CHF 0.04 fully paid in (the same as at 31 December 2022).

The Company has conditional capital of CHF 7'500 corresponding to 187'500 registered shares at a nominal value of CHF 0.04 each at its disposal for the purpose of issuing shares or options rights to officers and employees of the Company and its group subsidiaries. No conditional capital was created in 2023 or in 2022.

The Company has a capital band at its disposal. The Board of Directors is authorised to increase or reduce the share capital until 26 April 2028 in a range between CHF 371'882.72 and CHF 454'523.36 (capital band). Capital increases and capital reductions in partial amounts are permitted. If the share capital is increased from conditional capital, the upper and lower limits of the capital band increase accordingly. Capital increases within the capital band shall be effected by issuing share capital in the maximum amount of CHF 41'320.32, divided into 1'033'008 registered shares with a nominal value of CHF 0.04 each or by increasing the nominal value of the issued shares accordingly. Capital reductions shall be effected by cancelling a maximum of 1'033'008 registered shares with a nominal value of CHF 0.04 each or by reducing the nominal value of the issued shares in the maximum amount of CHF 41'320.32. The capital band was introduced in conjunction with the revision of the Swiss stock corporation law (which entered into force on 1 January 2023) and was approved by the Annual General Meeting of Shareholders on 26 April 2023.

The share premium of CHF 435.9 million (gross of any IPO costs) as per the statutory balance sheet as at 31 December 2023 (CHF 466.9 million by the end of 2022) constitutes foreign and domestic capital contribution reserves according to art. 5 para. 1 ter and art. 5 para. 1 quater lit. a of the Swiss Federal Law on Withholding Tax (effective as of 1 January 2020), which are unconditionally free of withholding tax upon distribution.

The foreign capital contribution reserves of CHF 243.6 million as at 31 December 2023 were approved by the Swiss Federal tax Authorities on 14 June 2023, while the Swiss capital contribution reserves of CHF 192.3 million (pre-issuance costs) were confirmed under the reservation of the deduction of the issuance costs in the amount of CHF 8.1 million, net CHF 184.2 million.

As at 31 December 2022, CHF 4.2 million of IPO related costs (of which CHF 0.1 million was previously capitalised as at 31 December 2021), which represent the portion attributable to the newly issued shares, have been directly recognised in the equity of the Company, whereas IPO costs related to the existing shares (CHF 5.9 million) were expensed mainly in the administrative expenses.

The Company paid from the share premium a dividend of CHF 31.0 million in 2023 (CHF 3.00 per share) and a pre-IPO dividend of CHF 4.5 million in 2022 (CHF 0.60 per share). Both dividend distributions were made out of the foreign capital contribution reserves.

For the business year 2023, the Company's Board of Directors will propose a gross dividend per share of CHF 3.10 or CHF 32.0 million to the Annual General Meeting to be held on 25 April 2024.

23 Earnings per share ('EPS') and NAV per share

Earnings per share and NAV per share are calculated by dividing the reported profit and shareholders' equity respectively, by the weighted average number of ordinary outstanding shares during the period and the number of outstanding shares at period end, respectively.

CHF ('000)/in CHF	2023	2022
Profit	17'627	56'373
Weighted average number of outstanding shares (in '000)	10'330	9'200
Basic and diluted EPS	1.71	6.13
Profit excluding revaluation effects	40'874	32'584
Basic and diluted EPS adjusted for revaluation effects	3.96	3.54

Profit excluding revaluation effects corresponds to 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.

The EPRA earnings calculation excludes from the reported profit the mark-to-market revaluation impacts of the properties and derivatives (see "EPRA Performance Measures" in the annexes for the reconciliation). In comparison, profit excluding revaluation effects is adjusted in addition for the unrealised foreign currency fluctuations of the underlying USD loans linked to the XCCY swaps (net impact of TCHF 5'036 in 2023 and none in 2022).

When the profit excluding revaluation effects is adjusted for the one-off IPO costs of CHF 5.9 million (TCHF 38'439), the corresponding basic and diluted EPS in 2022 would have amounted to CHF 4.18 per share.

CHF ('000)/in CHF	31 Dec 2023	31 Dec 2022
Shareholders' equity	804'943	818'412
Number of outstanding shares at period end (in '000)	10'330	10'330
NAV per share	77.92	79.23
Shareholders' equity before net deferred taxes	919'302	933'732
NAV per share before net deferred taxes	88.99	90.39

The shareholders' equity before net deferred taxes is calculated as the reported equity plus (i) the provision for deferred tax liabilities less (ii) deferred tax assets and less (iii) the Vaud complementary property tax.

Return on equity is based on profit before other comprehensive income and the average equity, calculated as the ½ sum of the equity at the beginning and end of the reporting period.

CHF ('000)/in %	31 Dec 2023	31 Dec 2022
Average equity	811'678	698'139
Return on equity	2.2%	8.1%
Return on equity excluding revaluation effects	5.0%	4.7%

24 Shareholders

As at the reporting date, the following two principal shareholders held the following quota (%) of the Company's share capital: (i) 56.5% – Alrov Properties & Lodgings Ltd, Tel-Aviv, Israel ("Alrov") and (ii) 16.1% – EPIC LUXEMBOURG S.A., Luxembourg City, Grand Duchy of Luxembourg ("EPIC LUX"). EPIC LUX is controlled by a Jersey trust whose beneficiary is the Greenbaum family. The remaining 27.4% is held by the public.

25 Related parties

The related parties encompass the members of the Board of Directors, Group Executive Management (being the CEO, CFO and Portfolio Director), the Alrov group and companies controlled by members of the key management personnel. Among the companies controlled by members of the Board of Directors is European Property Investment Corporation Ltd (London) ("EPIC UK") (which at the same time is also indirectly held by Alrov and EPIC LUX).

Interest charges accrued to Alrov amounted to CHF 0.1 million for 2022 (none in 2023). The Alrov shareholders' loans in a total amount of CHF 6.6 million including any interest payables were fully repaid in May 2022.

Stefan Breitenstein and Ron Greenbaum signed board membership agreements with the Company with effective date 1 October 2017, Andreas Schneiter with effective date 1 April 2020 and Leta Bolli Kennel with effective date 15 March 2022. All board members were re-elected on 26 April 2023 for another year until the next Annual General Meeting to be held on 25 April 2024.

The total compensation for services rendered by the related parties (consulting fees and expenses), board members' and management remuneration can be broken down as follows:

CHF ('000)	Type of services	2023	2022
EPIC UK	Advisory services	-	115
Total services by related parties		**-**	**115**
Short-term employee benefits			
– Ron Greenbaum	Chairman of the Board	171	136
– Other external board members		254	198
Post-employment benefits		30	20
Total remuneration of the Board of Directors		**455**	**354**
Short-term employee benefits		1'689	1'534
Share-based payment benefits		312	192
Other long-term benefits		133	78
Post-employment benefits		349	276
Total remuneration of management		**2'483**	**2'080**

Post-employment benefits include the employer social security contributions and pension contributions (if any).

EPIC UK, of which Ron Greenbaum is a director, rendered strategic management and/or IPO services to the EPIC Group and charged a total fee of CHF 0.1 million including travel expenses in 2022. This arrangement was terminated with effective date 30 April 2022. There were no outstanding balances in relation to the above-mentioned services by EPIC UK as at 31 December 2022.

The Company has adopted a management incentive plan for the Group Executive Management that came into effect on the first day of trading of the Company and applies to the year ending 31 December 2022 and 31 December 2023. Following the Remuneration and Nomination Committee's recommendation, the current plan was renewed for the financial year 31 December 2024. The plan consists of two separate bonus schemes. For the first one, the relevant key performance indicator is return on equity, where return on equity is defined as earnings after tax and before revaluation on properties and derivatives (taking into account the related deferred taxes as well as any related foreign exchange effects) (excluding any one-off IPO costs) divided by the average group equity of each reporting period. For the second bonus, the key performance indicator is based on ESG target(s), whose basis of allocation is determined by the Remuneration and Nomination Committee. Both bonuses are capped and granted half in shares and half in cash. The lock-up period for the share portion is one year with respect to one third of the granted shares, two years with respect to another third, and three years for the last third.

Furthermore, the shareholders' meeting approved in May 2022 a retention arrangement whereby members of Group Executive Management will be entitled to a one-time loyalty bonus of up to CHF 400'000 in aggregate subject to certain terms and conditions, including three years of service from 25 May 2022.

26 Contingencies and commitments

As at 31 December 2023, capital commitments from concluded contracts for future developments, construction investments as well as investment properties under renovation totalled about CHF 72.2 million (CHF 92.1 million in 2022), the majority of which relates to the Implenia contract signed in July 2022.

Apart from as disclosed elsewhere in the consolidated financial statements, EPIC Group has no other contingencies.

27 Events after the reporting date

There were no material subsequent events.

28 Material accounting policies

Real estate properties

Real estate properties (reported under non-current assets) are owned properties and properties held under a lease which are held and managed for long term rental yields and capital appreciation. They are classified as investment properties under IAS 40, including properties that are being constructed or developed for future use as investment property.

During 2023, the group owned 25 properties, which were the object of 28 separate valuations as at 31 December 2023, following the split of two properties (EPiC 19 & EPiC 21) into two categories, in line with the stage of completion of the various phases of development (see annexes) and the separate valuation of the property in Tolochenaz (EPiC 24) which is considered as an extension of the property in Tolochenaz (EPiC 7). EPIC Group's portfolio can be divided into four categories.

– Retail properties
This category encompasses properties whose main source of income relates to retail and shopping centres. They consist of 8 assets as at 31 December 2023 (8 in 2022).

– Office properties
Those properties mainly generate revenues from the rental of offices. With the exception of two properties, all other properties are recent with construction's years from and after 2002. Out of those two older properties, buildings A&B (EPiC 19), which were originally constructed in 1996 and 1950, were completely refurbished including reinforcements of the foundation. During the year 2023, this category comprised 12 assets (12 as at 31 December 2022).

– Logistics/industrial properties
This category includes logistics or light industrial buildings. As at 31 December 2023 this category comprised 5 assets (5 in 2022).

– Properties under development/construction
Properties classified as investment properties under development/construction are generally non-yielding properties (i.e. no material income is generated throughout the construction/development phase), which require substantial work either for construction, renovation or conversion purposes or have been granted a building permission with construction to start in the near future. Following completion, the property is reclassified as either retail, offices, logistics/industrial. During the year 2023, there were 3 assets in this category (3 in 2022).

A property initially classified under one category might be moved to another category if its purpose has changed, following changes of circumstances.

Investment properties are initially valued at cost at the time of initial recognition including directly attributable transaction costs. After initial recognition, they are recognised at fair value and the changes in value are recognised as revaluation gains or losses, respectively, in the consolidated statement of profit or loss.

Subsequent expenditures are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other costs (including repairs and maintenance) are expensed when incurred. When part of an investment is replaced, the carrying amount of the replaced part is derecognised.

The fair value of the properties as at the reporting date is determined by recognised external real estate valuation experts using recognised valuation techniques and the principles of IFRS 13. These valuations form the basis for the carrying amounts in the consolidated financial statements. Properties that are being redeveloped for continuing use as investment property continue to be measured at fair value.

A property is derecognised upon disposal or when the property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Derivative financial instruments
Derivative financial assets and liabilities are classified as financial assets or liabilities at fair value through profit or loss. They comprise interest rate swaps or cross currency swaps for hedging purposes (economic hedge). They are derecognised when the obligation under liability is discharged, cancelled or expires.

EPIC Group does not apply hedge accounting in accordance with the IFRS Accounting Standards. Recognition of the derivative financial instruments takes place when the contracts are entered into. They are measured at fair value. Gains or losses on derivatives in relation to fair value changes are recognised in the profit or loss under Financial result.

Rental income
EPIC Group is the lessor in operating leases. Rental income from operating leases of investment property is recognised in profit or loss on a straight-line basis over the term of the lease and presented as rental income from real estate properties in the consolidated statement of profit or loss. Rental income which is based on the lessee's revenue is recognised when it arises.

If the tenants are provided with significant incentives (e.g. long rent free periods), the cost of such incentives is recognised over the lease term on a straight-line basis as an adjustment of the rental income.

The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where management expects that it is reasonably certain that the tenant will exercise that option. The lease term includes also periods covered by an option to terminate the lease if management expects that it is reasonably certain that the tenant will not exercise that option. Initial direct costs incurred in relation to the negotiation and arrangement of an operating lease are added to the carrying amount of the underlying asset.

At present, EPIC Group has no rental agreements considered as finance leases.

Financial result
Interest on loans taken out to finance investment properties under construction is not capitalised over the construction period because such investment properties are measured at fair value.

Tenant receivables
The tenant receivables are classified as financial assets at amortised cost, because they meet the solely payments of principal and interest criterion in IFRS 9 and the objective is to hold the receivables and collect the contractual cash flows. Their amortised costs equal their nominal value.

Impairment is recognised for expected credit losses. The expected credit losses are determined by an analysis of each individual tenant.

Cash and cash equivalents
Cash and cash equivalents comprise cash at hand, cash at bank and short-term deposits with an original term of less than three months.

Non-derivative financial liabilities
Non-derivative financial liabilities include outstanding mortgage-secured bank loans, temporary bank overdrafts, accrued mortgage interests, trade payables and other payables which are financial instruments and classified as subsequently measured at amortised cost under IFRS 9. A long-term financial liability is one on which the agreed residual maturity is longer than twelve months. All other agreements are classified as short-term, including amortisation payments that are due within twelve months of the reporting date.

The initial recognition is at fair value less directly attributable transaction costs for the bank loans. No borrowing costs were capitalised in the reporting period. Subsequently, financial liabilities are measured at amortised cost using the effective interest method, with the difference between the amount to be repaid and the carrying amount being amortised over the term and recognised in the profit and loss.

The real estate properties are collateralised as security for the amount of the remaining balance of the mortgages.

Income tax expenses
Income tax expenses comprises both the current and deferred tax. Annual capital taxes and property taxes are not income taxes and are recognised in operating expenses and direct expenses related to properties respectively.

Current income taxes include the expected taxes payable on the relevant taxable result, calculated using the relevant tax rates, capital gains taxes on property sales effected and any adjustments to tax liabilities or assets from previous years.

Deferred taxes are recognised using the balance sheet liability method for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases in the tax balance sheet. Measurement of deferred taxes takes account of the point in time when the asset or liability is expected to be realised or settled and the manner in which carrying amounts are expected to be recovered or settled. The tax rates used are those that are enacted or substantially enacted at the reporting date.

Deferred capital gains on investment properties, depending on the canton, are subject to corporate income tax or real estate capital gains tax at the cantonal level. Recaptured depreciation is always subject to corporate income tax. The real estate capital gains taxes are calculated using the actual current tax rates applicable at balance sheet date (or the near future as confirmed by the respective canton) and the estimated holding period.

Furthermore, the capital gains are subject to ordinary income tax at the federal level. The taxation of gains from the disposal of properties is subject to a special property gains tax in cantons with the monistic tax system. The tax rates depend on the length of time the property is held and can vary significantly. In the calculation of deferred taxes on investment properties, a residual holding period is estimated for each property that reflects EPIC Group's strategy. If a sale was to be planned, the respective residual holding period would be applied. Otherwise, the tax payable on these properties is calculated on the basis of a holding period of a further 10 years after the balance sheet date. Should the actual holding period for a property deviate from the estimated holding period, the amount of tax applicable at the time the property is sold may vary considerably from the deferred tax estimated.

Deferred tax assets arising from deductible temporary differences and tax losses are only recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Equity
Share capital consists of ordinary shares and is reported as equity since there is no repayment obligation and no dividend guarantee. External costs directly attributable to the issuance of new shares are shown as a deduction, net of tax, in equity from the proceeds. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. Dividends are recognised as a liability as soon as they are approved by the General Meeting and become then due.

Share premium is recognised when new shares are being issued and represents the difference between the nominal value and issuing value of shares minus directly attributable issuance costs after tax.

Retained earnings include amounts which were formed from the undistributed net profit in the financial year or in prior financial years and other comprehensive income.

Property details

Legal entity	Property name	Address	Zip	City	Canton	Ownership
Retail						
EPiC 1	Le Forum	Place du Marché 6	1820	Montreux	Vaud	P by F – 50%
EPiC 3	Wiggis-Park	Molliserstrasse 41	8754	Netstal	Glarus	Sole owner
EPiC 3	Florapark	Florastrasse 1	8800	Thalwil	Zurich	P by F – 48%
EPiC 5	Tägipark	Jurastrasse 42	5430	Wettingen	Aargau	Sole owner
EPiC 7	Markt am Bohl	Bohl 9	9000	St. Gallen	St. Gallen	Sole owner
EPiC 10	Uster West	Winterthurerstrasse 18	8610	Uster	Zurich	Sole owner
EPiC 10	"Zänti" Volketswil	Im Zentrum 18	8604	Volketswil	Zurich	Sole owner
EPiC 16	En Noyer-Girod	En Noyer-Girod 2–12	1063	Etoy	Vaud	Sole owner
Offices						
EPiC 7	Lake Geneva Center B	Route de la Longeraie 7	1110	Morges	Vaud	Sole owner
EPiC 9	Provencenter	Avenue de Provence 82	1007	Lausanne	Vaud	Sole owner
EPiC 9	Office Building Lutry	Rue de Remparts 2	1095	Lutry	Vaud	Owner of building Parking – P by F
EPiC 9	com.West	Hardturmstr. 123/125/127/129 Förrlibuckstr. 70/72	8005	Zurich	Zurich	Sole owner
EPiC 11	Biopôle Metio & Lysine	Route de la Corniche 2–4	1066	Epalinges	Vaud	Land lease – P by F 96.5%
EPiC 12	Lake Geneva Center A	Route de la Longeraie 9	1110	Morges	Vaud	Sole owner
EPiC 16	Biopôle Proline	Route de la Corniche 10	1010	Lausanne	Vaud	Land lease
EPiC 16	Vennes III	Chemin des Roches 1a et 1b	1010	Lausanne	Vaud	Sole owner
EPiC 16	Rue du Tunnel	Rue du Tunnel 6, 8, 10 & 12	1227	Carouge	Geneva	P by F – 13.3%
EPiC 19	Campus Leman – A&B	Rue du Docteur Yersin 10	1110	Morges	Vaud	Sole owner
EPiC 20	Biopôle Serine	Route de la Corniche 6, 8	1066	Epalinges	Vaud	Land lease
EPiC 22	Lancy Office Center	Avenue des Morgines 8/10	1213	Petit-Lancy	Geneva	Sole owner
Logistics/industrial						
EPiC 7/ EPiC 24	En Molliau	Route du Molliau 30 Rue de la Petite Caroline 13	1131	Tolochenaz	Vaud	Sole owner
EPiC 9	Vuarpillière	Chemin de la Vuarpillière 27/29	1260	Nyon	Vaud	Sole owner
EPiC 10	Fegistrasse	Fegistrasse 9	8957	Spreitenbach	Aargau	Sole owner
EPiC 21	Brunnpark	Lagerhausstrasse 9, 10, 12, 13, 14, 15, 17, 19	4914	Roggwil	Bern	Sole owner
SUBTOTAL						
Under development/construction						
EPiC 19	Campus Leman – C&D	Rue du Docteur Yersin 10	1110	Morges	Vaud	Sole owner
EPiC 21	Brunnpark	Steigmatte 2, 8	4914	Roggwil	Bern	Sole owner
EPiC 23	PULSE	Chemin du Châtelard	1033	Cheseaux-sur- Lausanne	Vaud	Sole owner
TOTAL PORTFOLIO						

EPiC 3 (Wiggis-Park) and EPiC 10 (Zänti Volketswil) have land lease rights of 605 m² and 3'381 m² respectively which are not included in the table
P by F – Property by floor

	Construction Year	Renovation Year	Extension Year	Land Area	Retail	Offices	Logistics/ industrial	Other	Total Rentable Area	Parking Unit (#)
				m²						
	2000	-	-	5'897	9'735	-	-	1'585	11'320	193
	1996	2002	2008/2014	37'277	21'676	1'324	-	6'170	29'170	549
	1993	-	2006	4'913	7'562	-	-	50	7'612	183
	2003	-	2012	25'405	22'992	-	-	-	22'992	522
	1989	-	-	1'086	1'912	240	-	1'303	3'455	-
	1914	-	2004	11'545	4'320	2'891	-	1'110	8'321	163
	1973	2020	-	20'803	11'324	1'089	-	2'145	14'558	550
	2002	-	-	20'506	6'746	-	-	-	6'746	219
				127'432	86'267	5'544	-	12'363	104'174	2'379
	2006	-	-	5'157	-	5'364	-	1'334	6'698	152
	1992	2015	-	1'980	-	6'404	-	478	6'882	84
	2002	-	-	468	-	1'348	-	87	1'435	18
	2002	-	-	9'938	404	21'408	-	2'756	24'568	154
	2008	-	-	4'462	646	4'847	-	816	6'309	83
	2008	-	-	6'508	-	5'319	-	1'037	6'356	145
	2012	-	-	1'776	-	3'127	-	482	3'609	8
	2013	-	-	4'891	-	5'165	-	380	5'545	76
	2017	-	-	3'797	-	1'216	-	163	1'379	14
	1950	2020	-	6'600	928	8'792	-	1'818	11'538	125
	2020	-	-	2'075	-	8'150	-	576	8'726	-
	2002	-	-	7'775	1'225	8'221	-	3'598	13'044	191
				55'427	3'203	79'361	-	13'525	96'089	1'050
	1972 1967	-	-	80'359	-	302	41'897	-	42'199	362
	1987	2019	2015	6'007	-	276	7'557	-	7'833	65
	1989	-	-	11'132	-	-	19'079	138	19'217	158
	1920	2013	-	79'208	-	-	55'037	-	55'037	-
				176'706	-	578	123'570	138	124'286	585
				359'565	**89'470**	**85'483**	**123'570**	**26'026**	**324'549**	**4'014**
				2'449	n/a	n/a	n/a	n/a	n/a	n/a
				29'286	n/a	n/a	n/a	n/a	n/a	n/a
				31'879	n/a	n/a	n/a	n/a	n/a	n/a
				63'614						
				423'179						

Additional information about investment properties under development/construction

EPiC 19 – Campus Leman Buildings C & D	Rue du Docteur Yersin 10, 1110 Morges	
Description	Status of the project	Completion
Complete renovation and construction in 3 phases, phase 1 (Buildings A&B) was completed by the end of 2020		
Phase 2: Construction of Building C	Building permit was received in January 2022. On 31 March 2023, tenant of Building B exercised its option to take 2 floors out of 6 floors in Building C. Construction started in April 2023. The estimated rental income once the building is fully let stands at circa CHF 1 million.	Estimated H1 2025
Phase 3: Construction of Building D	We aim at beginning the planning procedure of Building D during H2 2024 and file a building permit during 2025.	Estimated 2027

EPiC 21 – Brunnpark	Steigmatte 2–8, 4914 Roggwil	
Description	Status of the project	Completion
Construction of a logistics building	Land reserve acquired in March 2021. Project is currently in its feasibility study phase. A preliminary building permit ("Voranfrage") was submitted in H2 2023 in order to facilitate the submission of the definitive building permit, and the public enquiry has been initiated by the authorities in Q1 2024.	Estimated 2026

EPiC 23 – PULSE	Chemin du Châtelard, 1033 Chesaux-sur-Lausanne	
Description	Status of the project	Completion
Construction of two activity buildings	The buildings together will offer circa 43'000 m^2 of gross area as well as underground parking, storage and technical areas. A total contractor agreement was signed with Implenia group on 27 July 2022 for total construction costs capped at less than CHF 100 million for the current specifications of the project. Implenia started construction in October 2022.	Estimated H1 2025

Expiry of investment properties' lease contracts based on 31 December 2023 rent before any incentives

Year	Excluding the exercise of any early break option
2024	4.6%
2025	7.1%
2026	7.2%
2027	5.6%
2028	8.0%
2029	8.5%
2030	12.2%
2031	11.9%
2032	4.2%
2033	4.1%
2034+	26.6%
Total	**100.0%**

Key information for investment properties in operation for 2023 by category

Category	Market value CHF '000	Net revaluation gain (loss) CHF '000	Net rental operating income CHF '000	Target rent CHF '000	Implied yield based on target rent %	Vacancy as % of target rent %	Vacancy as at period end m^2
Retail	574'700	(4'361)	23'621	26'689	4.6%	4.5%	6'630
Offices	657'206	(4'859)	25'364	30'687	4.7%	6.1%	8'971
Logistics/ industrial	209'342	(3'240)	9'825	10'561	5.0%	0.6%	588
Total	**1'441'248**	**(12'460)**	**58'810**	**67'937**	**4.7%**	**4.6%**	**16'189**

Category	Net rental income CHF '000	Other income CHF '000	Total income CHF '000	Direct expenses CHF '000	Net operating income (NOI) CHF '000	Yield based on achieved rent %
Retail	26'509	1'009	27'518	(2'888)	24'630	4.6%
Offices	28'323	630	28'953	(2'959)	25'994	4.3%
Logistics/ industrial	10'496	139	10'635	(671)	9'964	5.0%
Total	**65'328**	**1'778**	**67'106**	**(6'518)**	**60'588**	**4.5%**

EPRA Performance Measures

Summary table EPRA Performance Measure

Measure		Unit	2023	2022
A	EPRA Vacancy Rate	%	4.6%	5.8%
B	EPRA Earnings	CHF ('000)	45'910	32'584
	EPRA Earnings per share	CHF	4.44	3.54
		Unit	31 Dec 2023	31 Dec 2022
C	EPRA NRV	CHF ('000)	931'382	922'133
	EPRA NRV per share	CHF	90.16	89.27
	EPRA NTA	CHF ('000)	851'268	843'841
	EPRA NTA per share	CHF	82.41	81.69
	EPRA NDV	CHF ('000)	808'882	826'805
	EPRA NDV per share	CHF	78.30	80.04

A) EPRA Vacancy Rate

CHF ('000) / in %	2023	2022
Estimated rental value of vacant space (A)	3'138	3'818
Estimated rental value of the whole portfolio (B)	67'937	66'232
EPRA Vacancy Rate (A/B)	**4.6%**	**5.8%**

The definitions of the above key performance measures can be found at www.epra.com.

B) EPRA earnings and EPRA earnings per share

CHF ('000)		2023	2022
Earnings according to the consolidated statement of profit or loss		**17'627**	**56'373**
Adjustments for:			
(i)	Changes in value of investment properties, development properties held for investment and other interests	9'723	(936)
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	n/a	n/a
(iii)	Profits or losses on sales of trading properties including impairment charges in respect of trading properties	n/a	n/a
(iv)	Tax on profits or losses on disposals	n/a	n/a
(v)	Negative goodwill/goodwill impairment	n/a	n/a
(vi)	Changes in fair value of financial instruments and associated close-out costs	20'338	(27'904)
(vii)	Acquisition costs on share deals and non-controlling joint venture interests	n/a	n/a
(viii)	Deferred tax in respect of EPRA adjustments	(1'778)	5'051
(ix)	Adjustments (i) to (viii) above in respect of joint ventures	n/a	n/a
(ix)	Non-controlling interests in respect of the above	n/a	n/a
EPRA earnings		**45'910**	**32'584**
Weighted average number of outstanding shares during the period (in '000)		10'330	9'200
EPRA earnings per share in CHF		**4.44**	**3.54**

The definitions of the above key performance measures can be found at www.epra.com.

C) EPRA Net Asset Value (NAV) and EPRA NAV per share

		31 Dec 2023		
CHF ('000)		EPRA NRV	EPRA NTA	EPRA NDV
Equity (NAV) according to the consolidated statement of financial position		**804'943**	**804'943**	**804'943**
Dilution effects		n/a	n/a	n/a
Diluted equity (NAV)		**804'943**	**804'943**	**804'943**
Include:				
ii.a)	Revaluation of IP (if IAS 40 cost option is used)	n/a	n/a	n/a
ii.b)	Revaluation of IPUC (if IAS 40 cost option is used)	n/a	n/a	n/a
ii.c)	Revaluation of other non-current investments	n/a	n/a	n/a
iii)	Revaluation of tenant leases held as finance leases	n/a	n/a	n/a
iv)	Revaluation of trading properties	n/a	n/a	n/a
Diluted NAV at fair value		**804'943**	**804'943**	**804'943**
Exclude:				
v)	Deferred tax in relation to fair value gains of IP	105'535	52'768	
vi)	Fair value of financial instruments	(7'005)	(7'005)	
vii)	Goodwill as a result of deferred tax	n/a	n/a	n/a
viii.a)	Goodwill as per the IFRS balance sheet		n/a	n/a
viii.b)	Intangibles as per the IFRS balance sheet		(9)	
Include:				
ix)	Fair value of fixed interest rate debt			3'939
x)	Revaluation of intangibles to fair value	n/a		
xi)	Real estate transfer tax	27'909	571	
EPRA NAV		**931'382**	**851'268**	**808'882**
Fully diluted number of shares (in '000)		10'330	10'330	10'330
EPRA NAV per share in CHF		**90.16**	**82.41**	**78.30**

The definitions of the above key performance measures can be found at www.epra.com.

C) EPRA Net Asset Value (NAV) and EPRA NAV per share

		31 Dec 2022		
CHF ('000)		EPRA NRV	EPRA NTA	EPRA NDV
Equity (NAV) according to the consolidated statement of financial position		**818'412**	**818'412**	**818'412**
Dilution effects		n/a	n/a	n/a
Diluted equity (NAV)		**818'412**	**818'412**	**818'412**
Include:				
ii.a)	Revaluation of IP (if IAS 40 cost option is used)	n/a	n/a	n/a
ii.b)	Revaluation of IPUC (if IAS 40 cost option is used)	n/a	n/a	n/a
ii.c)	Revaluation of other non-current investments	n/a	n/a	n/a
iii)	Revaluation of tenant leases held as finance leases	n/a	n/a	n/a
iv)	Revaluation of trading properties	n/a	n/a	n/a
Diluted NAV at fair value		**818'412**	**818'412**	**818'412**
Exclude:				
v)	Deferred tax in relation to fair value gains of IP	104'446	52'223	
vi)	Fair value of financial instruments	(27'344)	(27'344)	
vii)	Goodwill as a result of deferred tax	n/a	n/a	n/a
viii.a)	Goodwill as per the IFRS balance sheet		n/a	n/a
viii.b)	Intangibles as per the IFRS balance sheet		(9)	
Include:				
ix)	Fair value of fixed interest rate debt			8'393
x)	Revaluation of intangibles to fair value	n/a		
xi)	Real estate transfer tax	26'619	559	
EPRA NAV		**922'133**	**843'841**	**826'805**
Fully diluted number of shares (in '000)		10'330	10'330	10'330
EPRA NAV per share in CHF		**89.27**	**81.69**	**80.04**

The definitions of the above key performance measures can be found at www.epra.com.

KPMG

Statutory Auditor's Report

To the General Meeting of EPIC Suisse AG, Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of EPIC Suisse AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 91 to 137) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with the provisions of article 17 on the Directive on Financial Reporting (DFR) of SIX Swiss Exchange and with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) 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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Key Audit Matters

VALUATION OF REAL ESTATE PROPERTIES

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG AG
Zurich, 20 March 2024

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VALUATION OF REAL ESTATE PROPERTIES

Key Audit Matter

Real Estate properties form a substantial part of the consolidated balance sheet and showed an overall fair value of CHF 1'536 million as of 31 December 2023.

The Group's total real estate properties are valued at fair value as at the balance sheet date. The valuation is based on the external valuation expert's report. The fair value estimates performed every six months using the discounted cash flow model are significantly influenced by assumptions and estimates with regard to the expected future cash flows and the discount rate used for each property depending on its individual rewards and risks

Our response

In the course of our audit, we assessed the external valuation expert's competence and independence. We met with the external valuation expert regarding the valuation of the real estate properties and discussed the valuation methodology and selected input factors applied in the valuation. We used our own real estate valuation specialists to support our audit procedures.

In collaboration with these specialists, we performed analytical procedures on the total population of the real estate properties and conducted our own valuations on a sample basis. The sample of properties was identified based on quantitative and qualitative factors.

For this sample, we performed, amongst others, the following audit procedures:

- evaluating the methodical accuracy of the model used to determine the fair value;
- challenging the most important input factors applied in the valuation (such as discount rates, market rents, vacancy rates, operating and maintenance cost, and renovation capital expenditures) by comparing them with past figures, benchmarks, publicly available data and our own market assessments.

For further information on the valuation of real estate properties refer to the following:

- Note 16 Real estate properties.

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Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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, ISA 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If weconclude that a

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material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the consolidated financial statements according to the instructions of the Board of Directors.

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

KPMG AG

Benz

Reto Benz Licensed Audit Expert Auditor in Charge	Michel Avanzini Licensed Audit Expert

Zurich, 20 March 2024

EPIC Suisse AG
Executive Board
Seefeldstrasse 5a
8008 Zurich

Wüest Partner AG
Alte Börse
Bleicherweg 5
8001 Zürich
Schweiz
T +41 44 289 90 00
wuestpartner.com
Regulated by RICS

Zurich, 6 February 2024

Valuation as of 31 December 2023 – Independent valuer's report

Reference
105868.2312

Commission
Wüest Partner AG (Wüest Partner) was commissioned by the Executive Board of EPIC Suisse AG (EPIC) to perform a valuation, for accounting purposes, of the properties directly or indirectly held by EPIC as of 31 December 2023 (reporting date). The valuation encompasses all investment properties as well as sites and development properties.

Valuation standards
Wüest Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines in particular with the International Valuation Standards (IVS and RICS/Red Book) and the Swiss Valuation Standards (SVS) and as well as in accordance with the requirements of the SIX Swiss Exchange.

Accounting standards
The market values determined for the investment properties conform to the concept of the fair value as defined in the International Financial Reporting Standards (IFRS) on the basis of IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Definition of fair value
Fair value is the price that independent market operators would receive as at the date of valuation if an asset were sold under normal market conditions or the price that such operators would pay if a liability (debt) were transferred under normal market conditions (exit price).

Transaction costs, gross fair value

An exit price is the selling price postulated in the purchase contract upon which the parties have jointly agreed. Transaction costs, which normally consist of estate agents' commission, transaction taxes and land registry and notary fees, are not taken into account when determining fair value. This means that in line with paragraph 25 IFRS 13, fair value is not adjusted by the amount of the transaction costs incurred by the purchaser in the event of a sale (gross fair value). This is in line with Swiss valuation practice.

Valuation at fair value assumes that the hypothetical transaction involving the asset to be valued takes place on the market with the largest volume and the most business activity (main market) and that the frequency and volume of transactions are adequate for there to be sufficient price information available for the market (active market). If no such market can be identified, it will be assumed that the asset is being sold on the main market, which would maximize the assets selling price on disposal.

Main market, active and most advantageous market

Implementation of fair value

Fair value is calculated on the basis of the best possible use of a property (highest and best use). The best possible use of a property is that which maximizes its value. This assumption presupposes a use, which is technically and physically possible, legally permitted and financially realizable. As fair value is calculated on the basis of maximization of use, the best possible use may differ from the actual or planned use. In the assessment of fair value, future investment spending for the purpose of improving a property or increasing its value will be taken into account accordingly.

Highest and best use

The use of the highest and best use approach is based on the principle of the materiality of the possible difference in value in terms of the ratio of the value of the specific property to the total real estate assets and in terms of the possible absolute difference in value. A property's potential added value within the usual estimating tolerance of a specific valuation is regarded as immaterial in this context and is therefore disregarded.

Materiality in relation to the highest and best use approach

Fair value is determined according to the quality and reliability of the valuation parameters, in order of diminishing quality/reliability: Level 1 market price, Level 2 modified market price and Level 3 model-based valuation. At the same time, when a property is valued on the basis of fair value, different parameters may be applied to different hierarchies. In this context, the total valuation is classed according to the lowest level of the fair value hierarchy in which the material valuation parameters are found.

Fair value hierarchy

The value of the properties of EPIC is determined using a model-based valuation according to Level 3 on the basis of input parameters, which cannot be directly observed on the market. Here too adjusted Level 2 input parameters are used (e.g. market rents, operating/maintenance costs, discounting/capitalization rates, proceeds of sales of residential property). Non-observable input factors are only used where relevant observable input factors are not available.

Valuation level for property valuations

The valuation approaches used are those that are appropriate under the given circumstances and for which sufficient data are available to determine fair value. At the same time, the use of relevant observable input factors is maximized, while the use of non-observable input factors is minimized. In the case of the present valuation procedure, an income-based approach is applied, using discounted cash flow valuations, which are widespread in Switzerland.

Valuation approach

Market rents, vacancy levels and discount rates are defined as significant input factors. These factors are influenced to a varying degree by market developments. If the input factors change, the property's fair value also changes. For each input factor, these changes are simulated on the basis of static sensitivity analyses. Owing to interdependence between the input factors, their effects on fair

Significant input factors, influence on fair value

value may either offset or potentiate each other. For example, the effect of reduced market rents combined with higher vacancies and higher discount rates will have a cumulative negative impact on fair value. However, as the portfolio is diversified geographically and by properties, changes to input factors seldom exert a cumulative effect in the short term.

The most important factor influencing the input factors is the economic environment. If a negative mood in the economy increases the pressure on market rents, vacancies in real estate usually increase as well. At the same time, however, such market situations might result in a favourable, i.e. low, interest rate level, which has a positive effect on the discount rates. Thus, a certain compensation of the input factors can be assumed. Ongoing optimisation measures for properties (e.g. conclusion/extension of long-term leases, investments in the expansion of rental space, etc.) prevent such short-term market shocks, which mainly affect the factors of market rents and vacancies. As mentioned above, the individual risk-adjusted discount rate of the property follows the yield expectations of the respective investors or market participants and can only be influenced by the owner to a limited extent.

Valuation method

In valuing EPIC's real estate holdings, Wüest Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future (infinity) net earnings discounted to the date of valuation. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

Basis of valuation

Wüest Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analyzed in detail in terms of their quality and risk profiles (attractiveness and rentability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with allowance made for a reasonable marketing period and incentives if market driven. Wüest Partner inspects properties at least every three years, as well as after a purchase and after completion of major refurbishment and investment projects.

Changes in portfolio composition

No purchases, sales or reclassifications were made during the reporting period from 1 January 2023 to 31 December 2023.

Results

As of 31 December 2023, Wüest Partner valued a total of 25 properties. Following the split of two properties (EPiC 19 & EPiC 21) into two segments according to the stage of completion of the different development phases and following the grouping of the two properties in Tolochenaz (EPiC 7 & EPiC 24), Wüest Partner carried out a total of 28 valuations (25 in the segment «Investment properties in operation» and 3 in the segment «Investment properties under development/construction»).

The market value of all 25 properties is estimated at 1,525,382,000 Swiss Francs as of 31 December 2023.

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Change in value within the reporting period (like-for-like; excl. developments)[1]
As at the reporting date of 31 December 2023, the fair value of the investment properties in operation already valued on the reporting date of 31 December 2022 («like-for-like») amounts to 1,431,092,000 Swiss Francs. Compared to the reporting date 31 December 2022, this corresponds to a gross change in value (before deduction of investments made in the reporting period) of approximately -0.5% and a net change in value (after deduction of investments made in the reporting period) of approximately -0.9%.

Independence and confidentiality
Wüest Partner performed the valuation of EPIC's real estate holdings independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above. Wüest Partner shall accept no liability in respect of third parties.

Evaluation fee
The fee of the valuer's services is independent of the valuation results. The rate is based upon the numbers of the valuations performed and the size and type of property. Thus, the amount of the fee does not depend on the results of the valuations.

Wüest Partner AG
Zurich, 6 February 2024

Moritz Menges MRICS
Partner

Patrik Schmid MRICS
Partner

1 This information is to be understood independently of the effective IFRS accounting used in EPIC consolidated financial statements and does not include the properties in the segment «Investment properties under development/construction».

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Annex: Valuation assumptions

With regard to the significant input factors, the following ranges for the discount rates, achievable long-term market rents and structural vacancy rates were applied to the property valuations:

Asset class / Valuation method	Fair value in 1,000 CHF	Input factors		Minimum	Weighted average	Maximum
Retail	574'700	Discount rates (real)	Percent	2.80%	3.45%	3.95%
Level 3		Achievable long-term market rents	CHF/m^2 p.a.	180	251	357
DCF		Structural vacancy rates	Percent	3.50%	4.67%	5.22%
Offices	647'050	Discount rates (real)	Percent	2.85%	3.18%	3.85%
Level 3		Achievable long-term market rents	CHF/m^2 p.a.	278	308	364
DCF		Structural vacancy rates	Percent	4.00%	5.09%	7.24%
Logistics/Industrial	209'342	Discount rates (real)	Percent	3.35%	3.68%	3.80%
Level 3		Achievable long-term market rents	CHF/m^2 p.a.	85	105	232
DCF		Structural vacancy rates	Percent	5.00%	5.10%	5.80%
Under development/construction	94'290	Discount rates (real)	Percent	3.60%	3.87%	4.00%
Level 3		Achievable long-term market rents	CHF/m^2 p.a.	189	197	305
DCF		Structural vacancy rates	Percent	5.00%	5.00%	5.00%

Calculation

Averages as well as minima and maxima were calculated at the level of entire properties, i.e. aggregated over all rental objects of a property.

The valuations were based on the following general assumptions:

- The rent rolls from EPIC used in the valuation are dated 1 January 2024.
- A two-phase DCF model was adopted. The valuation period extends from the valuation date to infinity with an implied residual value in the eleventh period.
- Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums. Real discount rates range between 2.80% and 4.00% depending on the property, use and location (please see table above).
- Unless otherwise stated, the valuations assume 1.25% annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexations of existing leases are taken into account on an individual basis. After expiry of the contracts, an indexation level of 100 per cent is assumed.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease. Following lease expiry, cash flows for commercial premises are taken to be quarterly in advance.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annuity. The calculated values are checked for feasibility using cost benchmarks derived from Wüest Partner surveys.

The following, additional assumptions were applied to the valuations of the development properties and the investment properties under construction:

- The background data provided by EPIC has been verified and, where appropriate, adjusted (e.g. plot ratio, lettable areas, deadlines/development process, letting/absorption).
- The valuations undergo independent earnings and cost assessment and yield analysis.
- It is assumed that construction cost certainty has been achieved through the agreement of general contracts and design-and-build contracts.
- Allowance is made in the construction costs for enabling works where these are known (e.g. remediation of contaminated sites, demolitions, infrastructure).
- The construction costs include the usual incidental costs, excl. construction financing. This is implicit in the DCF model.
- Allowance is made for value-relevant services previously provided by third parties or EPIC, insofar as these are known.
- The posted construction costs of development properties and investment properties under construction are calculated exclusive of value-added tax if applicable (commercial use).
- The valuations do not contain latent taxes.

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Statement of profit or loss

CHF ('000)	2023	2022
Income from guarantee fees	110	134
Total income	**110**	**134**
Remuneration of the Board of Directors	(455)	(354)
Insurances	(140)	(89)
Infrastructure and service costs	(196)	(474)
Accounting and audit charges	(110)	(299)
Legal and tax consulting charges	(169)	(541)
Capital market transaction costs	-	(9'122)
Other consulting charges	(253)	(534)
Other operating and administration costs	(150)	(150)
Other operating expenses	**(1'018)**	**(11'209)**
Capital tax expenses	(70)	(79)
Profit (loss) from operations	**(1'433)**	**(11'508)**
Interest income	6	-
Third-party loan interests	-	(228)
Interest payable to group companies	-	(59)
Interest income from subsidiary company	2'832	1'791
Guarantee costs	-	(70)
Bank charges and other financial expenses	(9)	(45)
Net financial result	**2'829**	**1'389**
Profit (loss) before taxes	**1'396**	**(10'119)**
Income taxes	-	-
Profit (loss) for the year	**1'396**	**(10'119)**

Balance sheet

CHF ('000)	31 Dec 2023	31 Dec 2022
ASSETS		
Current assets		
Cash and cash equivalents	146	132
Other short-term receivables		
value added tax	16	19
from third parties	2	-
from group companies	59	104
Prepaid expenses		
others	271	325
Total current assets	**494**	**580**
Non-current assets		
Financial assets		
participations	312'427	312'427
loan to subsidiary companies	121'945	151'480
Intangible assets		
intellectual property	9	9
Total non-current assets	**434'381**	**463'916**
Total assets	**434'875**	**464'496**

Balance sheet (continued)

CHF ('000)	31 Dec 2023	31 Dec 2022
LIABILITIES		
Current liabilities		
Trade payables	113	39
Other current liabilities		
to third parties	11	10
to group companies	76	100
Accrued expenses and deferred income		
to board members	89	89
others	136	214
Total current liabilities	**425**	**452**
Total liabilities	**425**	**452**
EQUITY		
Share capital	413	413
Legal capital reserves		
Swiss capital contribution reserves (Inländische Kapitaleinlagereserven)	192'332	192'332
Foreign capital contribution reserves (Ausländische Kapitaleinlagereserven)	243'627	274'617
Profit (loss) carried forward	(3'318)	6'801
Profit (loss) for the period	1'396	(10'119)
Total shareholders' equity	**434'450**	**464'044**
Total liabilities and shareholders' equity	**434'875**	**464'496**

Notes to the holding financial statements

EPIC Suisse AG (the "Company"), EPIC Group's holding company, was founded on 5 December 2016 and is domiciled in Zurich, canton Zurich.

Summary of significant accounting policies

The financial statements have been prepared on a historical cost basis and in accordance with the Swiss Code of Obligations (articles 957 to 962 CO).

In implementing the accounting policies described above, the Board of Directors of the Company must, in certain instances, make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant.

In compliance with the prudence principle of the Swiss accounting principles, depreciation and provisions may exceed the actual amounts considered to be necessary on a pure economic basis.

Number of Employees

The Company does not employ any employees.

Description of the significant financial positions

Shareholder's equity
As at 31 December 2023, the share capital comprises 10'330'076 registered shares (previous year: 10'330'076 registered shares) with a par value of CHF 0.04 each.

The Company has conditional capital of CHF 7'500 corresponding to 187'500 registered shares at a nominal value of CHF 0.04 each at its disposal for the purpose of issuing shares or options rights to officers and employees of the Company and its group subsidiaries. This conditional capital had not been drawn on as at the balance sheet date (Article 3a of the Articles of Association).

The Company has a capital band at its disposal. The Board of Directors is authorised to increase or reduce the share capital until 26 April 2028 in a range between CHF 371'882.72 and CHF 454'523.36 (capital band). Capital increases and capital reductions in partial amounts are permitted. If the share capital is increased from conditional capital, the upper and lower limits of the capital band increase accordingly. Capital increases within the capital band shall be effected by issuing share capital in the maximum amount of CHF 41'320.32, divided into 1'033'008 registered shares with a nominal value of CHF 0.04 each or by increasing the nominal value of the issued shares accordingly. Capital reductions shall be effected by cancelling a maximum of

1'033'008 registered shares with a nominal value of CHF 0.04 each or by reducing the nominal value of the issued shares in the maximum amount of CHF 41'320.32. The capital band was introduced in conjunction with the revision of the Swiss stock corporation law (which entered into force on 1 January 2023) and was approved by the Annual General Meeting of Shareholders on 26 April 2023.

Significant shareholders' participations

As at the reporting date, the following shareholders known to the Company with participations of 3% or more of the voting rights are indicated below:

Name	31 Dec 2023	31 Dec 2022
Alrov Properties & Lodgings Ltd.	56.5%	56.5%
EPIC Luxembourg S.A.	16.1%	16.1%
UBS Fund Management (Switzerland) AG	5.0%	3.1%

Shareholdings of the members of the Board of Directors and the Group Executive Management

As per the reporting date, the members of the Board of Directors and Group Executive Management (including their related parties) held directly or indirectly the following share positions in the Company:

Name	Number of shares	Participation
Ron Greenbaum, Chairman	1'664'925	16.12%
Stefan Breitenstein, Lead Independent Director	5'000	0.05%
Leta Bolli Kennel, Director	2'500	0.02%
Andreas Schneiter, Director	-	-
Total Board of Directors	**1'672'425**	**16.19%**
Erick Parizer, CEO	2'466	0.02%
Valérie Scholtes, CFO	1'835	0.02%
Philipp Küchler, Portfolio Director	863	0.01%
Total Group Executive Management	**5'164**	**0.05%**

Capital contribution reserves

Swiss capital contribution reserves

Swiss capital contribution reserves in the amount of CHF 192'331'964.96 were created as share premium in connection with the IPO and related capital increases in 2022. The respective declaration on Form 170 has been filed with the Swiss Federal Tax Authorities ("SFTA") on 25 July 2022. According to the current practice of the SFTA, the costs of issuing new shares should be charged against the capital contribution reserves (reduction of capital contribution reserves). In the case of the Company, the SFTA indicated that they would qualify the notary and commercial register fees, the stamp duty and other further transaction costs such as the banks' base fee, together amounting to CHF 8'119'660.71, as issuance costs ("Ausgabekosten") which reduce the capital contribution reserves for tax purposes. This practice is controversial. Whether issuance costs do reduce the capital contribution reserves for tax purposes, is an issue pending at the Federal High Court. Should the court confirm that the issuance costs do not need to be offset against capital contribution reserves, the SFTA will confirm the amount of capital contribution reserves before deduction of issuance costs. The SFTA confirmed the Company's Swiss capital contribution reserves on 14 June 2023 under reservation of the deduction of the issuance costs in the amount of CHF 8'119'660.71, i.e. net CHF 184'212'304.25.

Foreign capital contribution reserves
The foreign capital contribution reserves were created in 2016 by contributing the participations in two Luxembourg holding companies into the Company. The current foreign capital contribution reserves as per 31 December 2023 in the amount of CHF 243'626'918.78 were confirmed by the SFTA on 14 June 2023.

These foreign capital contribution reserves can be distributable free of withholding tax, irrespective of the availability of any other reserves or taxable profit, preconditioned that they are booked on a separate account in the financial statements and approved by the SFTA.

The Company paid from the foreign capital contribution reserves a dividend of CHF 31.0 million in 2023 or CHF 3.00 per share (previous year: pre-IPO dividend of CHF 4.5 million or CHF 0.60 per share).

Investments
At incorporation, the Company acquired from the founding shareholders, in line with two contribution in kind agreements dated 5 December 2016, fully paid in shares in two Luxembourg entities, P.I.H. Property Investment Holdings Luxembourg S.A, Luxembourg ("PIH") and Bionature S.à.r.l., Luxembourg ("Bionature").

EPiC TWENTY Property Investment AG ("EPiC 20") and EPiC TWENTY-ONE Property Investment AG ("EPiC 21"), both in Zurich, have been incorporated on 21 November 2017 and 4 September 2018, respectively.

On 11 June 2019, Bionature was merged into PIH with retroactive effect 1 January 2019. In exchange of all assets and liabilities at book value in Bionature, PIH issued 3'192 new shares to the Company.

The table below summarises the cost of the participations held by the Company at acquisition and year end:

CHF ('000)	Cost at acquisition
33'572 shares, representing 100% voting rights and capital rights in PIH, with no nominal value at the issue price of CHF 9'300.2248 (rounded) each (following the merger)	312'227
Total contributions in kind	**312'227**
1'000 shares, representing 100% voting rights and capital rights in EPiC 20, with a nominal value of CHF 100.00 each	100
1'000 shares, representing 100% voting rights and capital rights in EPiC 21, with a nominal value of CHF 100.00 each	100
Total cost of investments	**312'427**

Contingent liabilities
As at 31 December 2023, the Company acts as a guarantor in relation to several guarantee agreements:

1. With effective date 1 July 2017, the Company entered as guarantor into a Parent Guarantee agreement with PIH, as borrower, and several group companies as lenders, as amended from time to time. The actual amounts guaranteed cannot exceed CHF 73 million in aggregate (previous year: CHF 38 million). As at 31 December 2023, the aggregate actual amount guaranteed amounted to CHF 40.7 million (previous year: CHF 20.8 million).

2. In addition, the Company accepted to act as a guarantor for up to CHF 24 million vis-à-vis a financing bank in relation to a construction loan agreement signed by one of PIH's subsidiaries. As at year end no amount was drawn under this loan agreement (still subject to certain conditions precedent).

Subsequent events

No material event occurred after the balance sheet date that would require disclosure.

There are no additional disclosures according to article 959c para 2 no. 13 Swiss Code of Obligations.

Proposed appropriation of the statutory retained earnings and legal capital reserves

For the financial year 2023, the Board of Directors will propose to the Annual General Meeting of 25 April 2024 to (i) carry forward the loss of the period and to (ii) distribute out of the foreign capital contribution reserves an amount of CHF 32.0 million (or gross CHF 3.10 per share) for dividend distribution purposes.

If the proposal is approved, the statutory retained earnings and legal capital reserves will change as follows:

CHF ('000)	31 Dec 2023	31 Dec 2022
Profit (loss) carried forward	(3'318)	6'801
Profit (loss) for the period	1'396	(10'119)
Accumulated profit (loss) to be carried forward	**(1'922)**	**(3'318)**
Legal capital reserves		
Swiss capital contribution reserves	192'332	192'332
Foreign capital contribution reserves	243'627	274'617
Distribution out of the foreign capital contribution reserves	(32'023)	(30'990)
Legal capital reserves to be carried forward	**403'936**	**435'959**

Statutory Auditor's Report

To the General Meeting of EPIC Suisse AG, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EPIC Suisse AG (the Company), which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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, together with 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG AG
Zurich, 20 March 2024

Board of Directors' Responsibilities 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.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 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 further confirm that the proposed carry forward of the accumulated losses and the proposed repayment of legal capital reserves comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Reto Benz
Licensed Audit Expert
Auditor in Charge

Michel Avanzini
Licensed Audit Expert

Zurich, 20 March 2024

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 (for 31 December 2023 and 31 December 2022 Zänti Volketswil and Biopôle Serine)
Adjusted net LTV ratio	Ratio of net debt to the market value of total real estate properties excluding the right-of-use of the land
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
FFO yield (IFRS)	FFO divided by IFRS NAV as at the respective date
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
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)
Internal rate of return (IRR)	Total shareholder return (IRR) is IFRS NAV appreciation and dividends paid expressed as an annualised percentage (using the IRR formula from Excel)
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
NOI yield (total portfolio)	NOI divided by the fair value of total real estate properties
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
Net rental operating income (NROI)	Rental income from real estate properties less direct expenses related to the 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
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 ½ 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 ½ 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

Investor Relations Information

Agenda

25 March 2024	Publication Annual Report 2023
25 April 2024	Annual General Meeting of Shareholders 2024
28 May 2024	Publication of selected numbers – YTD 31 March 2024
21 August 2024	Publication Half-Year Report 2024
26 November 2024	Publication of selected numbers – YTD 30 September 2024

Information regarding registered shares as at 31 December 2023

Number of outstanding shares	10'330'076 registered shares with nominal value of CHF 0.04 each
Listing	SIX Swiss Exchange
Swiss Security Number (Valorennummer)	51613168
ISIN number	CH0516131684
Ticker symbol	EPIC
Market capitalisation	CHF 677.7 million
Closing price end of period	CHF 65.60

Other information

Accounting standard	IFRS Accounting Standards
Auditors	KPMG AG, CH-Zurich
Independent valuation expert	Wüest Partner AG, CH-Zurich
Share register	areg.ch ag, CH-Hägendorf

Contact addresses

Media and Investor contact	Valérie Scholtes Chief Financial Officer +41 44 388 81 00 investors@epic.ch
Address details	EPIC Suisse AG Seefeldstrasse 5a CH-8008 Zurich +41 44 388 81 00

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EPIC Suisse AG
Seefeldstrasse 5a
8008 Zurich
+41 44 388 81 00
investors@epic.ch