



EPIC SUISSSE

Half-year results 2022

September 2022

Disclaimer

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

The information contained in this presentation does not purport to be comprehensive. Please refer to our full report for the half-year ended 30 June 2022 on our website at <https://ir.epic.ch/en/financial-reports/>

Alternative performance measures

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

complementary information to and not as substitutes of the Group's consolidated financial results based on IFRS. These APM may not be comparable to similarly titled measures disclosed by other companies. For the definitions of the main operational indicators and APM used, including related abbreviations, please refer to the section "Alternative Performance Measures" on page 50 of the Company's Half-Year Report 2022.

Except if indicated otherwise, all numbers are shown according to the unaudited consolidated IFRS accounts for the Half-Year Report 2022. APM are shown based on the sector in which the properties belonged to during the period (i.e. before any transfers between sectors if any).

Other Data

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

Glossary

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

Half-year results 2022

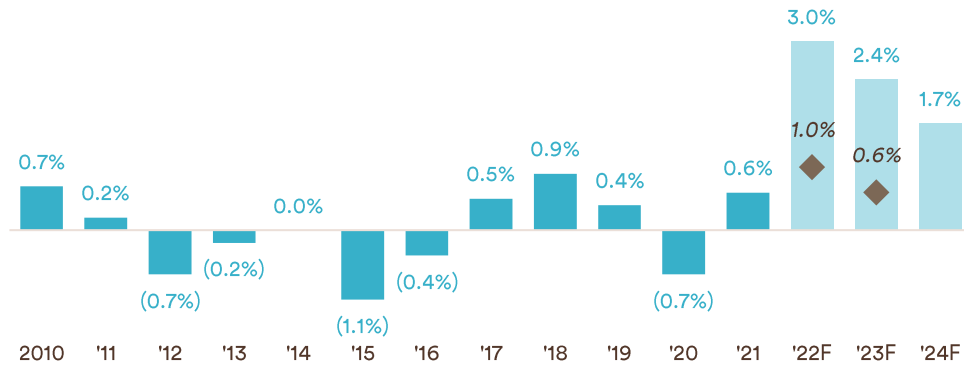
Agenda

- Market overview
- EPIC at a glance
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Switzerland macroeconomic outlook

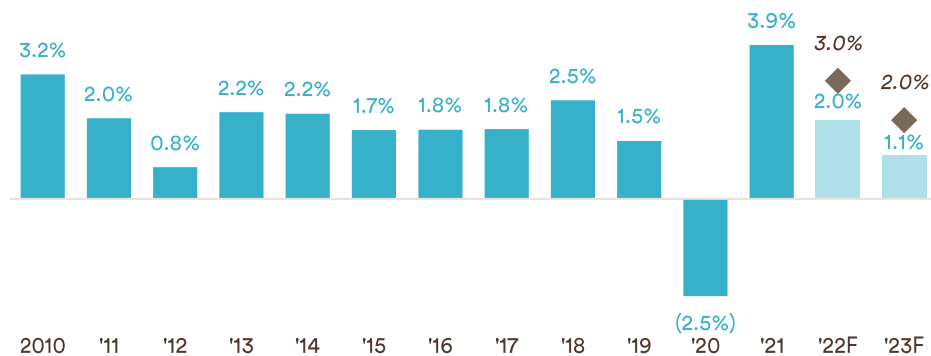
Swiss Consumer Price Index (CPI) with forecast data⁽¹⁾

As of September 2022



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

As of September 2022



Notes:

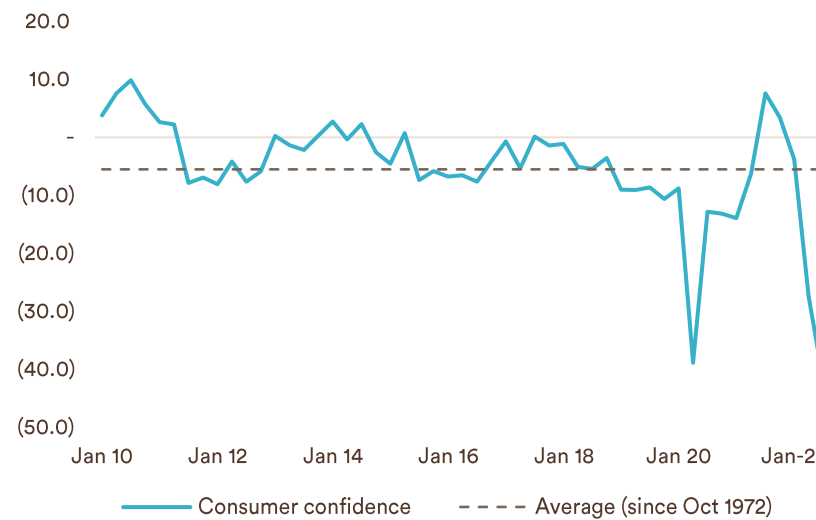
◆ Forecast as of December 2021

(1) Swiss National Bank

(2) SECO

Swiss Consumer Sentiment Index⁽²⁾

As of August 2022



- **Higher inflation prospects:** Inflation forecast in Switzerland has been significantly adjusted upwards since December 2021 and is expected to peak in 2022 at 3.0%, after which it is forecasted to gradually decrease to 1.7% in 2024, which is still considerably above the long-term average
- **Positive economic outlook:** GDP forecasts have come down since December 2021, but are currently pointing toward a soft landing
- **Challenging sentiment:** Consumer sentiment has fallen to (42), which is slightly below the plateau at the outbreak of COVID-19 and considerably below long-term average, evidencing high uncertainty on the consumer side

Half-year results 2022

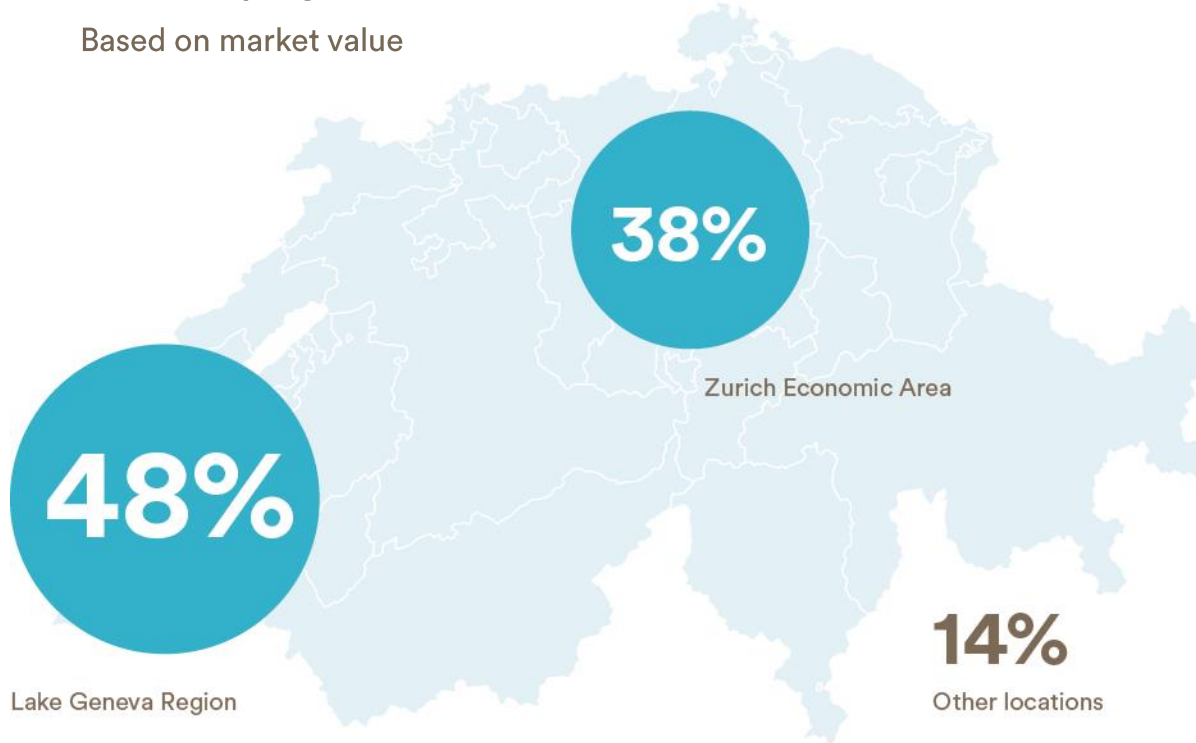
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EPIC's 1.5 billion CHF portfolio by 30 June 2022

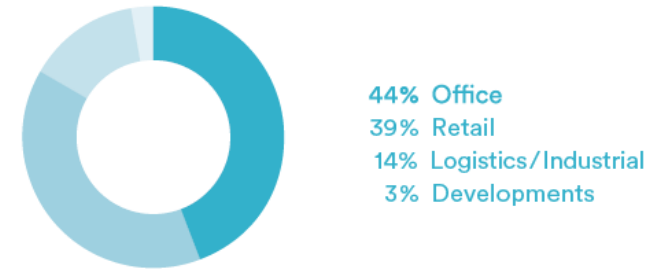
Portfolio by region

Based on market value



Portfolio by use

Based on market value



25

Properties

322'042 sqm

Rentable area
of properties in operation

4.2 %

Net rental income yield (annualised)
of properties in operation

8.4 years

WAULT

Half-year results 2022

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Highlights of H1 2022

- 1 Rental income grew by 8.3% to CHF 30.7 million in H1 2022 versus CHF 28.3 million in H1 2021
- 2 Reported vacancy rate in H1 2022 reduced to 6.5% and on an adjusted basis to 3.4% due to new lettings (H1 2021, 8.1% and 4.2% respectively)
- 3 Long WAULT as at 30 June 2022 at 8.4 years (8.6 years as at 31 December 2021)
- 4 EBITDA (excl. revaluation on properties and CHF 5.9 million one-off IPO costs) amounted to CHF 25.0 million compared to CHF 24.1 million in H1 2021
- 5 Solid equity ratio at 51.6% as at 30 June 2022
- 6 PULSE (Cheseaux-sur-Lausanne) construction costs in line with budget



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Portfolio key figures

Portfolio	Unit	30 Jun 2022	31 Dec 2021	Variation
Number of properties per segment (in operation / development)	#	25 (24 / 3 ⁽¹⁾)	25 (24 / 3 ⁽¹⁾)	= -
Total portfolio	CHF ('000)	1'484'251	1'465'792	↗ 1.3%
Investment properties in operation	CHF ('000)	1'445'661	1'433'982	↗ 0.8%
Investment properties under development/construction	CHF ('000)	38'590	31'810	↗ 21.3%
Reported vacancy rate (properties in operation)	%	6.5%	7.6%	↘ (13.6%)
Adjusted vacancy rate (properties in operation) ⁽²⁾	%	3.4%	3.7%	↘ (8.1%)
WAULT (weighted average unexpired lease term)	Years	8.4	8.6	↘ (2.8%)

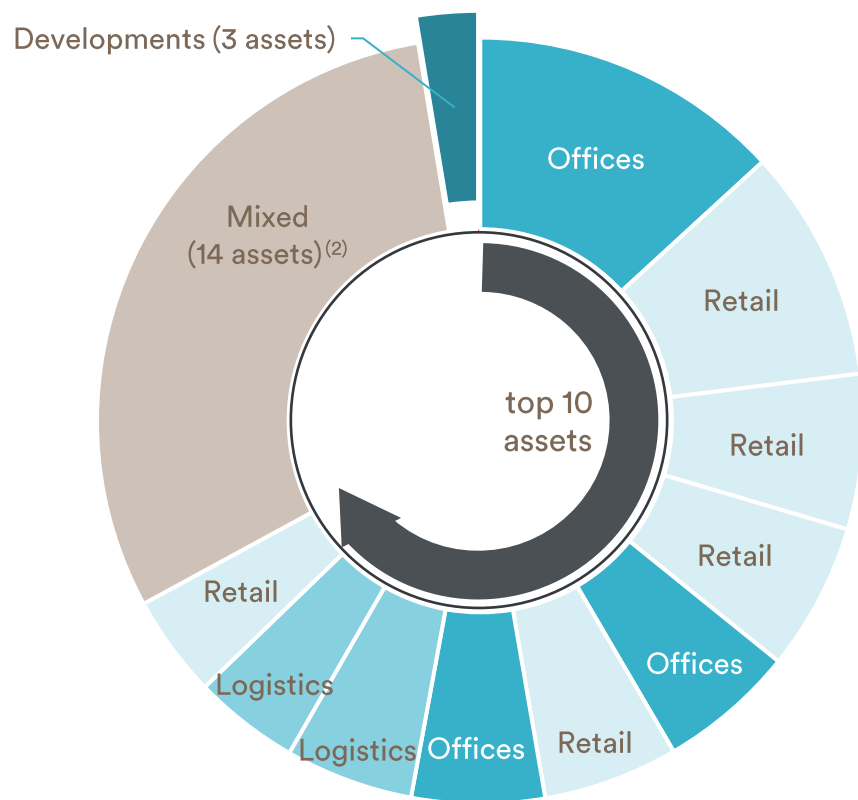
Notes:

(1) Two properties are split into two segments - EPiC 19 (Campus Leman) and EPiC 21 (Roggwil) as they have a yielding and a development part

(2) Adjusted for Zänti Volketswil and Biopôle Serine (see slide 14)

Balanced portfolio

Breakdown of the portfolio as at 30 June 2022 based on market value⁽¹⁾



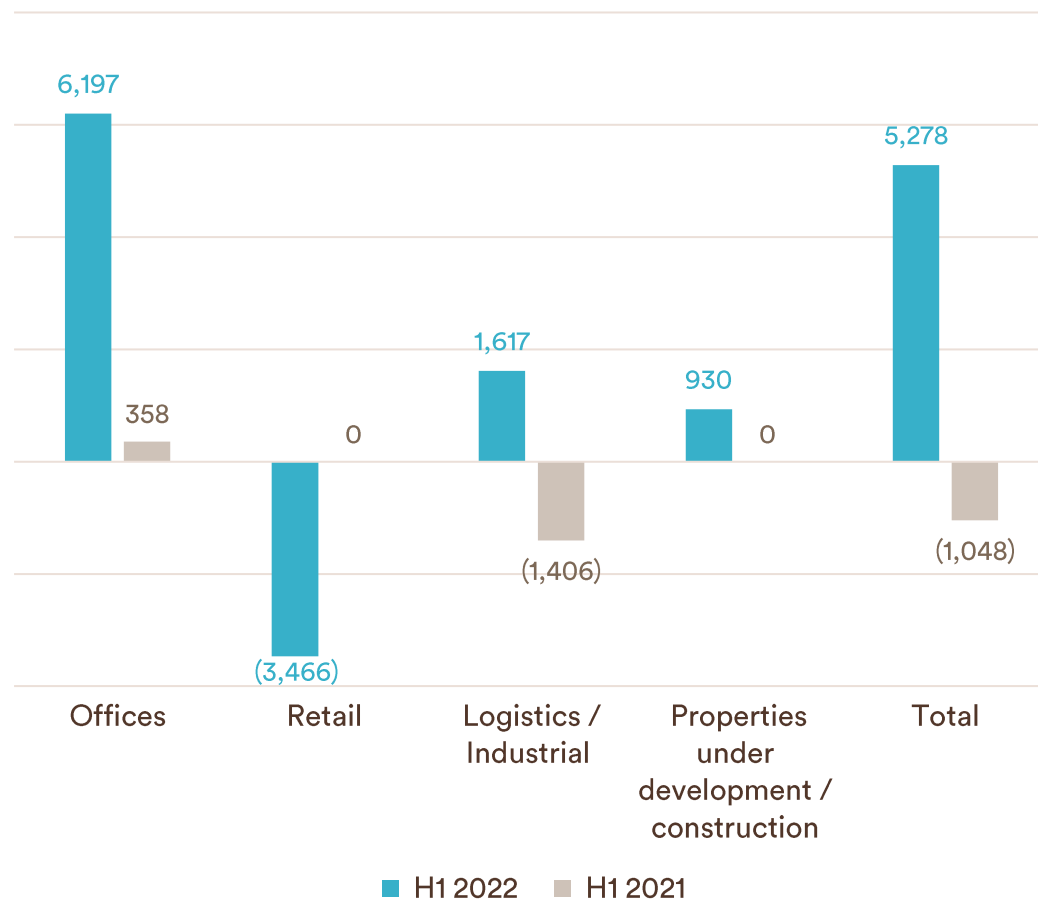
- The portfolio consists of 25 properties, with 2 properties⁽³⁾ divided into two segments
 - 24 assets in operation
 - 3 assets in development / construction
- Top 10 properties with value of 67% of total portfolio
- Two properties with individual value higher than CHF 100m
- Average property value: circa CHF 55m
- Median property value: circa CHF 42m
- Smallest property in operation: circa CHF 10m
- The portfolio value increased by 1.3% compared to 31 December 2021

Notes:

- (1) In accordance with IFRS when taking into account the right of use of land
- (2) Mixed includes properties categorised as Offices, Retail and Logistics / Industrial
- (3) Land reserve of Roggwil (EPiC 21) and Campus Leman Buildings C and D (EPiC 19)

Net revaluation gain of CHF 5.3 million in H1 2022







Net revaluation results comparison (CHF '000)



- All properties were revalued by Wüest Partner, as independent valuer, as at 30 June 2022
- In H1 2022, the revaluation of the properties resulted in a net revaluation gain of CHF 5.3 million (H1 2021, loss of CHF 1.0 million)
- As a private company, the properties had not been revalued as at 30 June 2021. In H1 2021, the loss stemmed from the exclusion of the acquisition costs in the valuation of Roggwil

Wüest Partner Input parameters	30 Jun 2022	31 Dec 2021
Average nominal discount rate	4.32%	3.84%
Assumed inflation rate	1.00%	0.50%
Average real discount rate	3.29%	3.32%
Lowest discount rate	2.65%	2.70%
Highest discount rate	4.00%	4.00%

Top 6 tenants with above-average WAULT of > 10 years

Tenant group	Net rental income H1 2022 (CHFm)	Share (% of total)	WAULT (years)
Coop group ⁽¹⁾	5.9	 19%	
CHUV ⁽²⁾	2.7	 9%	
Migros group ⁽¹⁾	2.7	 9%	
GXO Logistics Switzerland S.A.G.L.	2.0	 7%	
Hitachi Zosen Inova AG	1.7	 6%	
Incyte Biosciences International S.à.r.l.	1.4	 4%	
Top 6 tenants	16.4	53%	10.5
Other (170+ tenants ⁽³⁾)	14.3	47%	
Rental income	30.7	100%	8.4

87% of rental income is indexed according to Swiss CPI formulas⁽⁴⁾

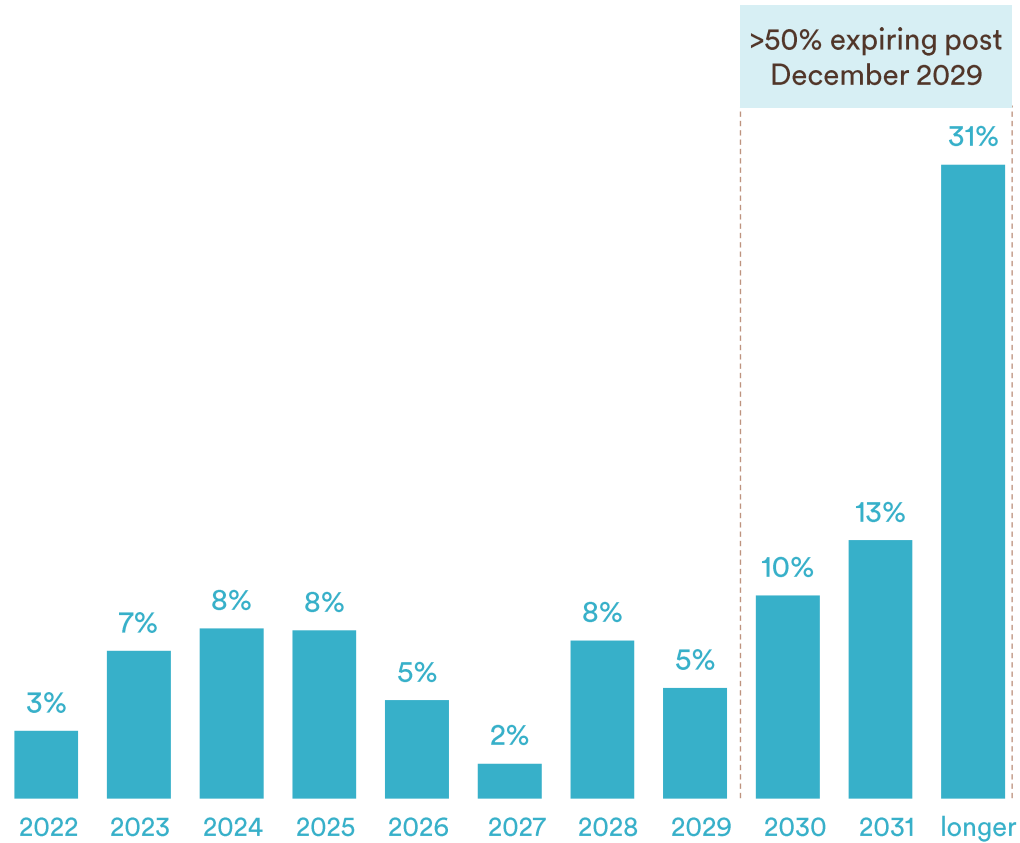
Notes:

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

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

Long leases with balanced expiry profile

Expiry of investment properties' lease contracts based on 30 June 2022 target rent⁽¹⁾



Out of the leases expiring in 2022:

- 50% relate to contracts with no fixed maturity
- 35% have already been either renewed or re-let

Out of the contracts coming to maturity in 2023:

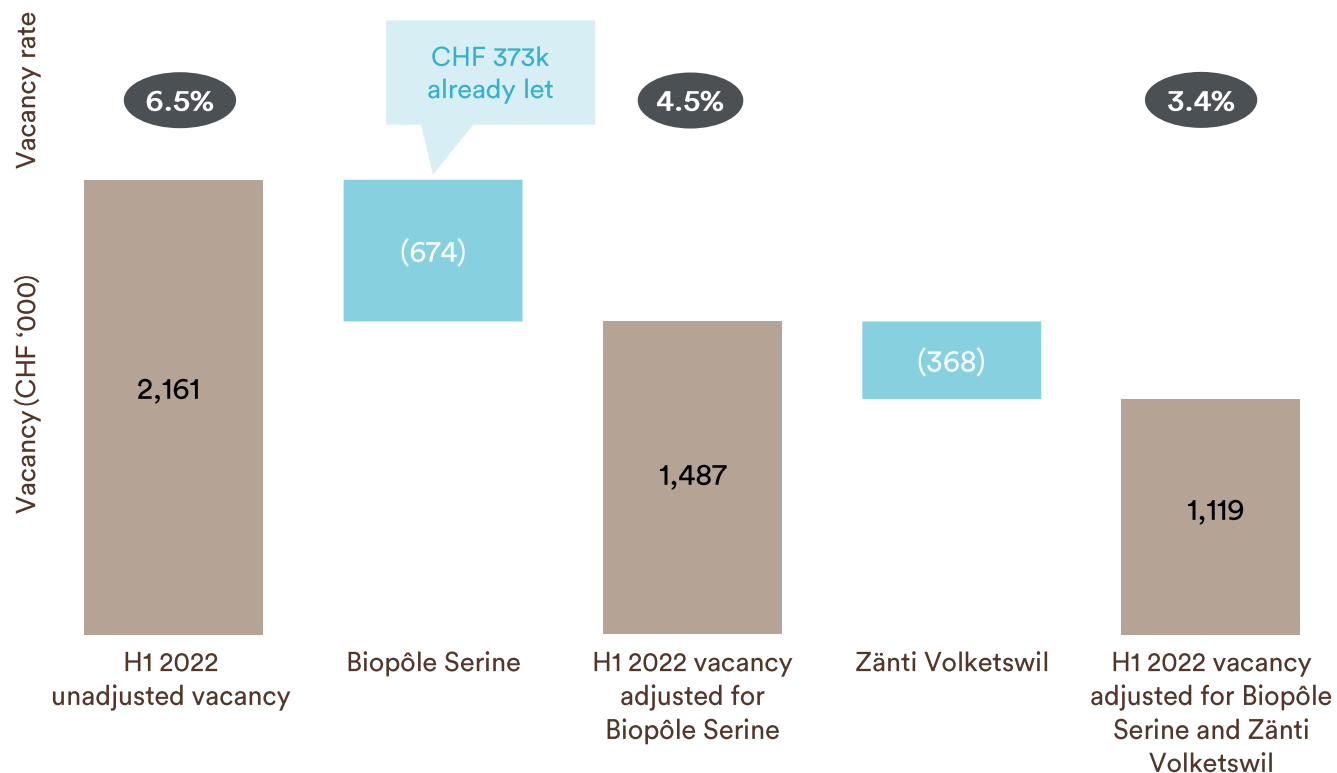
- 44% have already been either renewed or re-let

Notes:

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

Reduced reported and adjusted vacancy rates for properties in operation

Adjusted vacancy after excluding Biopôle Serine and Zänti Volketswil⁽¹⁾



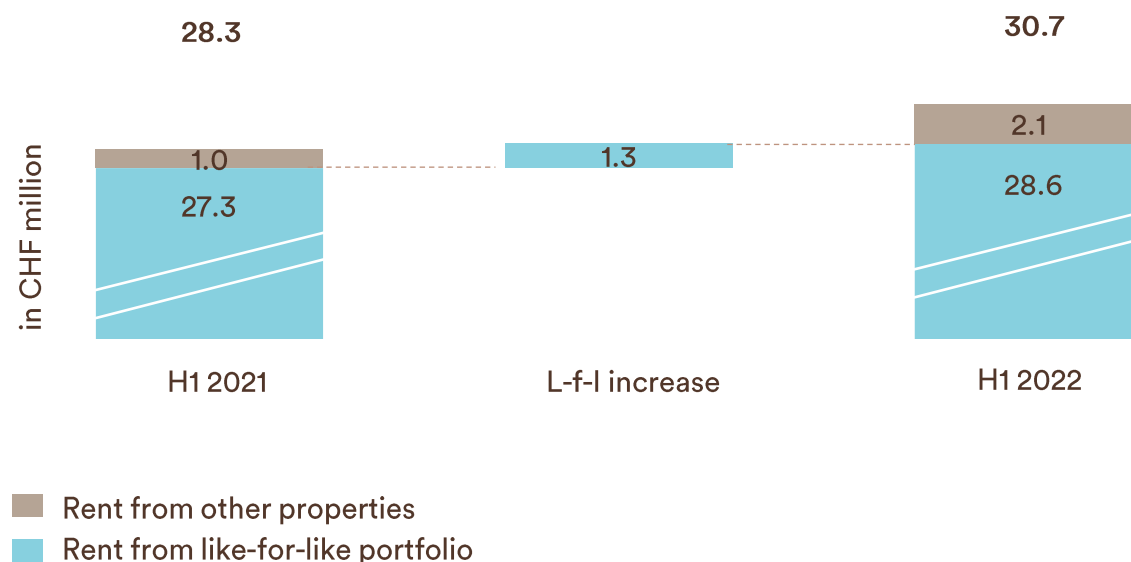
H1 2022 vacancy rates	Reported	Adjusted
Offices ⁽²⁾	8.5%	4.1%
Retail ⁽³⁾	5.7%	2.9%
Logistics	2.6%	2.6%
Properties in operation	6.5%	3.4%

Notes:

- (1) Properties recently built or repositioned
- (2) Adjusted for Biopôle Serine
- (3) Adjusted for Zänti Volketswil

Like-for-like rental income for investment properties in operation

Rent evolution (like-for-like)⁽¹⁾











Sector	L-f-l growth H1 2022 versus H1 2021
Offices	7.3%
Retail	2.9%
Logistics	2.2%
Like-for-like (L-f-l) for properties in operation	4.8%
Total properties in operation (not L-f-l)	8.3%

- The increase in the Offices sector is mainly due to lower vacancies
- The increase in the Retail sector is principally driven by the non-recurrence of Covid rent free periods despite slightly higher vacancies

Notes:

(1) Rental income from properties in operation excluding Roggwil, which was bought in March 2021

Balance sheet key figures

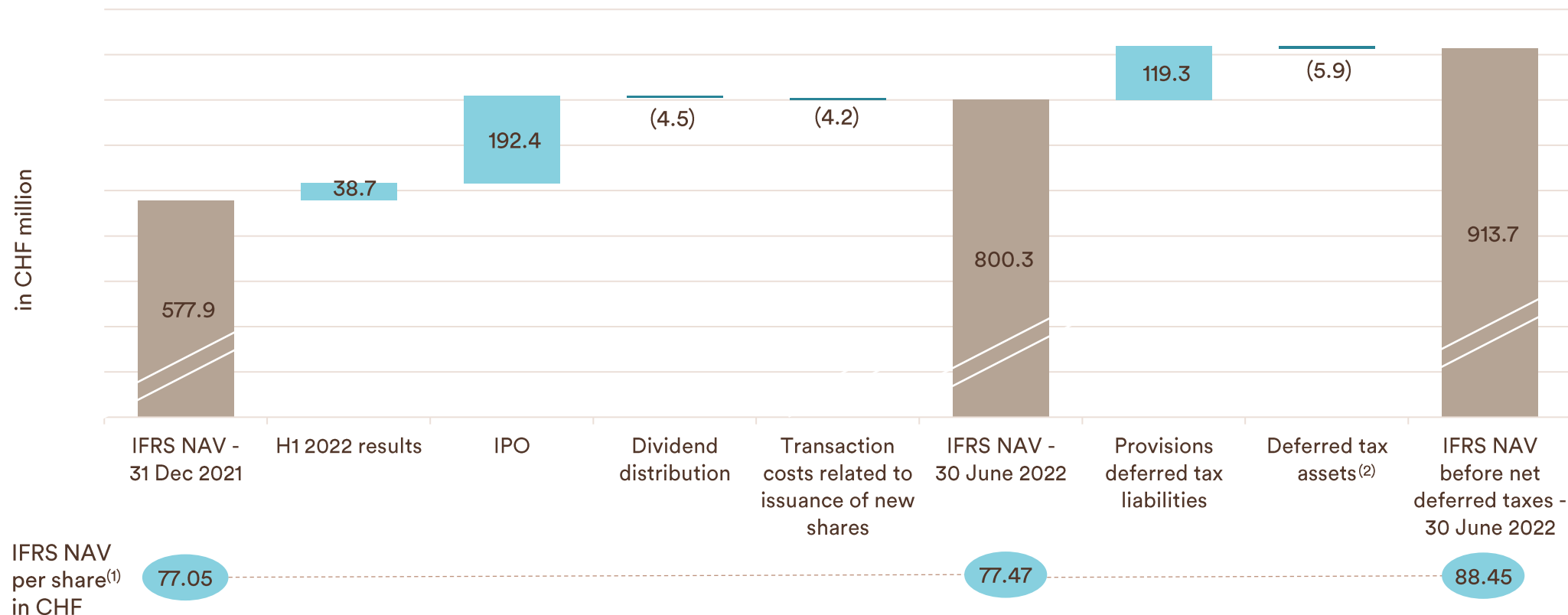
Balance sheet	Unit	30 Jun 2022	31 Dec 2021	Variation
Total assets	CHF ('000)	1'552'392	1'498'481 	3.6%
Equity (NAV)	CHF ('000)	800'286	577'865 	38.5%
Equity ratio	%	51.6%	38.6% 	33.7%
Mortgage-secured bank loans	CHF ('000)	597'364	765'704 	(22.0%)
Weighted average interest rate of mortgage-secured bank loans	%	0.9%	0.9% =	-
Weighted average residual maturity of mortgage-secured bank loans	Years	4.8	5.0 	(4.0%)
Net loan to value (LTV) ratio	%	38.1%	51.4% 	(26.0%)
Return on equity (incl. revaluation effects) (annualised for H1 2022)	%	11.2%	14.3% 	(21.6%)
Return on equity (excl. revaluation effects) (annualised for H1 2022)	%	3.9%	7.0% 	(44.2%)

Target net LTV of 45% medium term

Return on equity ratios affected by one-off IPO costs and capital increases

NAV per share at CHF 77.47 by end of June 2022

IFRS NAV evolution over H1 2022

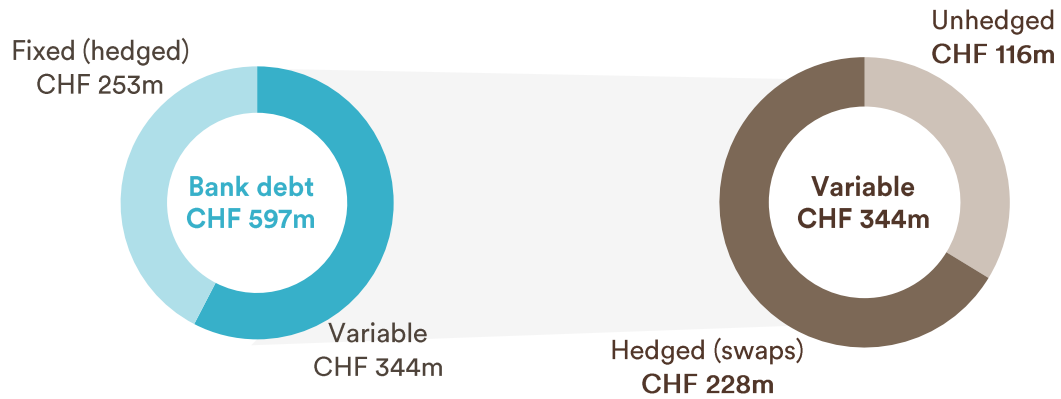


Notes:

- (1) Based on 7'500'000 shares on 31 December 2021 and 10'330'076 shares on 30 June 2022
- (2) Deferred tax assets and other non-current assets corresponding to the complementary property tax in Vaud

Spread maturity bank debt profile

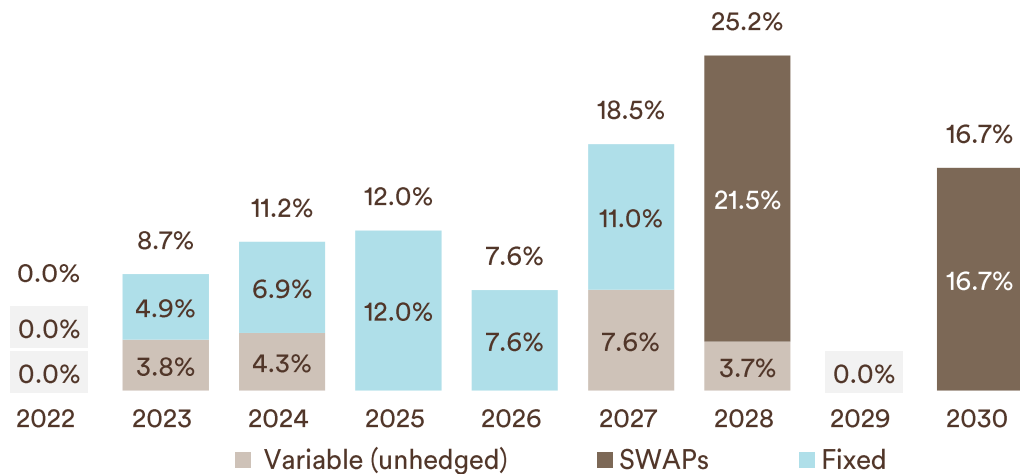
Bank debt by type as at 30 June 2022












- **Low financing costs** – average cost of debt of <100 bps
- **Broad range of bank debt maturities** – average debt maturity of 4.8 years
- **Majority of bank debt hedged** – 81% of bank debt is hedged (either through fixed rates or swaps)
- **Undrawn credit lines** – CHF 130.6 million. Had it been drawn by the end of June as variable, hedging of loans would have been 66%
- **No currency risk** – property portfolio is 100% CHF financed

Bank loan maturity profile as at 30 June 2022 over the years

Maturing debt in % of bank debt



Profit or loss key figures

Results	Unit	H1 2022	H1 2021	Variation
Rental income from real estate properties	CHF ('000)	30'661	28'323 	8.3%
Net operating income (NOI)	CHF ('000)	28'271	26'943 	4.9%
Net gain (loss) from revaluation of properties	CHF ('000)	5'278	(1'048) 	n/a
EBITDA (incl. revaluation of properties)	CHF ('000)	24'411	23'063 	5.8%
EBITDA (excl. revaluation of properties)	CHF ('000)	19'133	24'111 	(20.6%)
Earnings before interest and tax (EBIT)	CHF ('000)	24'315	22'979 	5.8%
Profit (incl. revaluation effects)	CHF ('000)	38'724	18'254 	112.1%
Profit (excl. revaluation effects)	CHF ('000)	13'546	17'252 	(21.5%)
Net rental income yield of properties in operation (annualised)	%	4.2%	4.1% 	3.9%

No portfolio revaluation by Wüest Partner as at 30 June 2021 (private)

Including one-off IPO costs of CHF 5.9 million in H1 2022

Including unrealised revaluation gains on (i) properties of CHF 5.3 million and (ii) interest rate swaps of CHF 23.1 million in H1 2022 (H1 2021, loss of CHF 1.0 million and gain of CHF 2.0 million respectively)

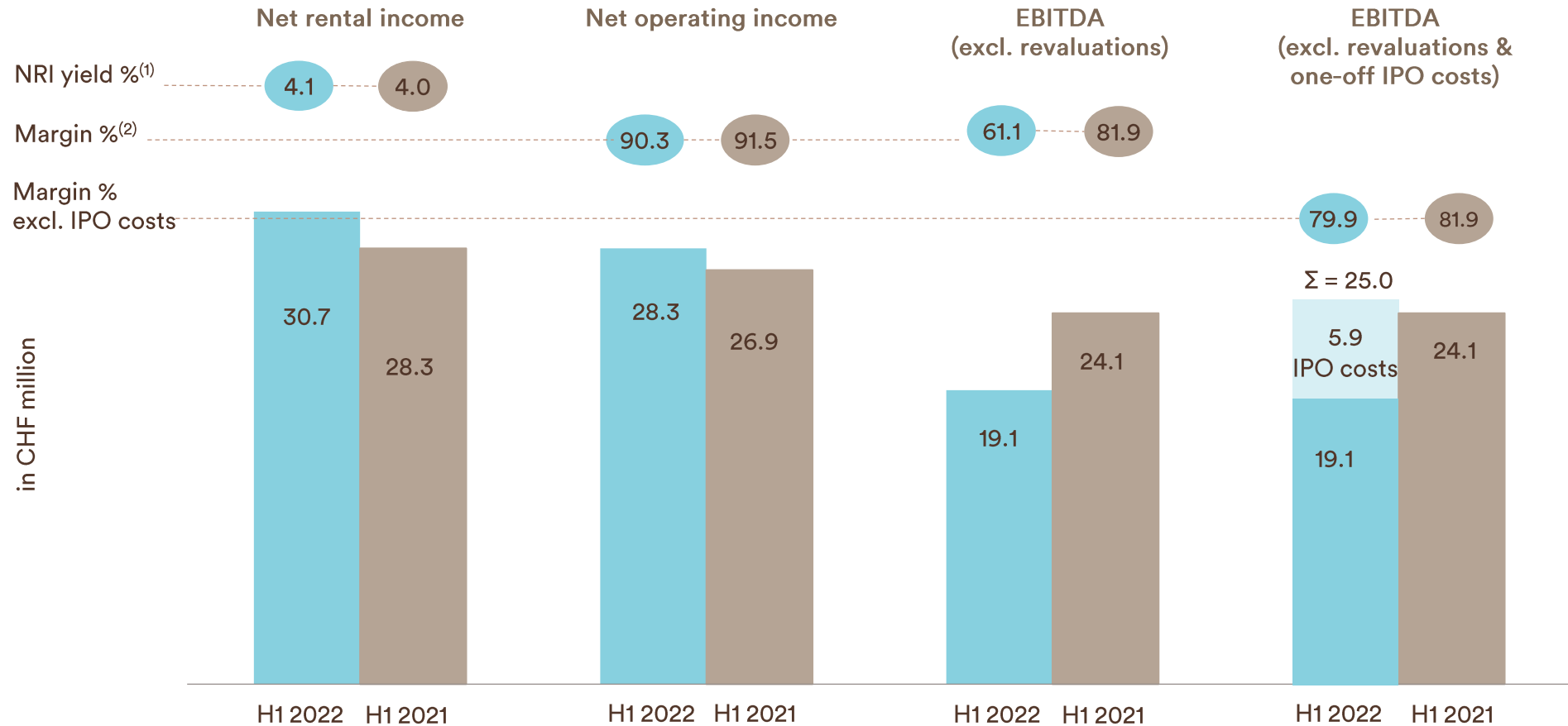
H1 2022 net rental income to EBITDA (before revaluations)



Notes:

(1) SG&A = personnel + operating + administrative expenses

Rental income, NOI and EBITDA (excl. revaluations & IPO costs) in H1 2022 higher than in H1 2021



Notes:

(1) Annualised

(2) Margin (%) = net operating income (NOI) divided by total income / EBITDA (excluding revaluations) divided by total income

Information per share key figures

Information per share	Unit	30 Jun 2022	31 Dec 2021		Variation
Number of shares outstanding at period end	# ('000)	10'330	7'500	↗	37.7%
Net asset value (NAV) per share	CHF	77.47	77.05	↗	0.5%
Share price on SIX Swiss Exchange at period end	CHF	65.10	n/a	n/a	n/a
		H1 2022	H1 2021		
Weighted average number of outstanding shares	# ('000)	8'052	7'500	↗	7.4%
Earnings per share incl. revaluation effects	CHF	4.81	2.43	↗	97.6%
Earnings per share excl. revaluation effects	CHF	1.68	2.30	↘	(26.9%)

Adjusted for the one-off IPO costs of CHF 5.9 million, earnings per share excl. revaluation effects amounts to CHF 2.41 (variation +4.9%)

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Progress on ongoing development projects

Current status updates and impressions⁽¹⁾

Campus Leman (phases 2)



- Building permit for building C has been received
- Final coordination works ongoing with SBB due to proximity to the railway
- Anchor tenant has committed already for 2 floors (out of 6)
- Construction expected to begin H1 2023

Roggwil land reserve



- Ongoing analysis and discussions with the authorities about planning matters
- Initial studies with various potential interested tenants have started
- Expected to submit building permit during 2023 and begin construction in 2024

PULSE in Cheseaux-sur-Lausanne



- Building permit has been received
- Excavation and depollution completed
- Signed a TU contract with Implemia for construction of the buildings
- TU price of less than CHF 100 million is within total budget previously reported
- Construction is expected to be completed in H1 2025

Tolochenaz (in planning)



- Advanced discussions between the plot owners and the municipality for the master plan
- New master plan expected to improve flexibility of the building rights and also attractiveness of the site

Notes:

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

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Outlook for 2022

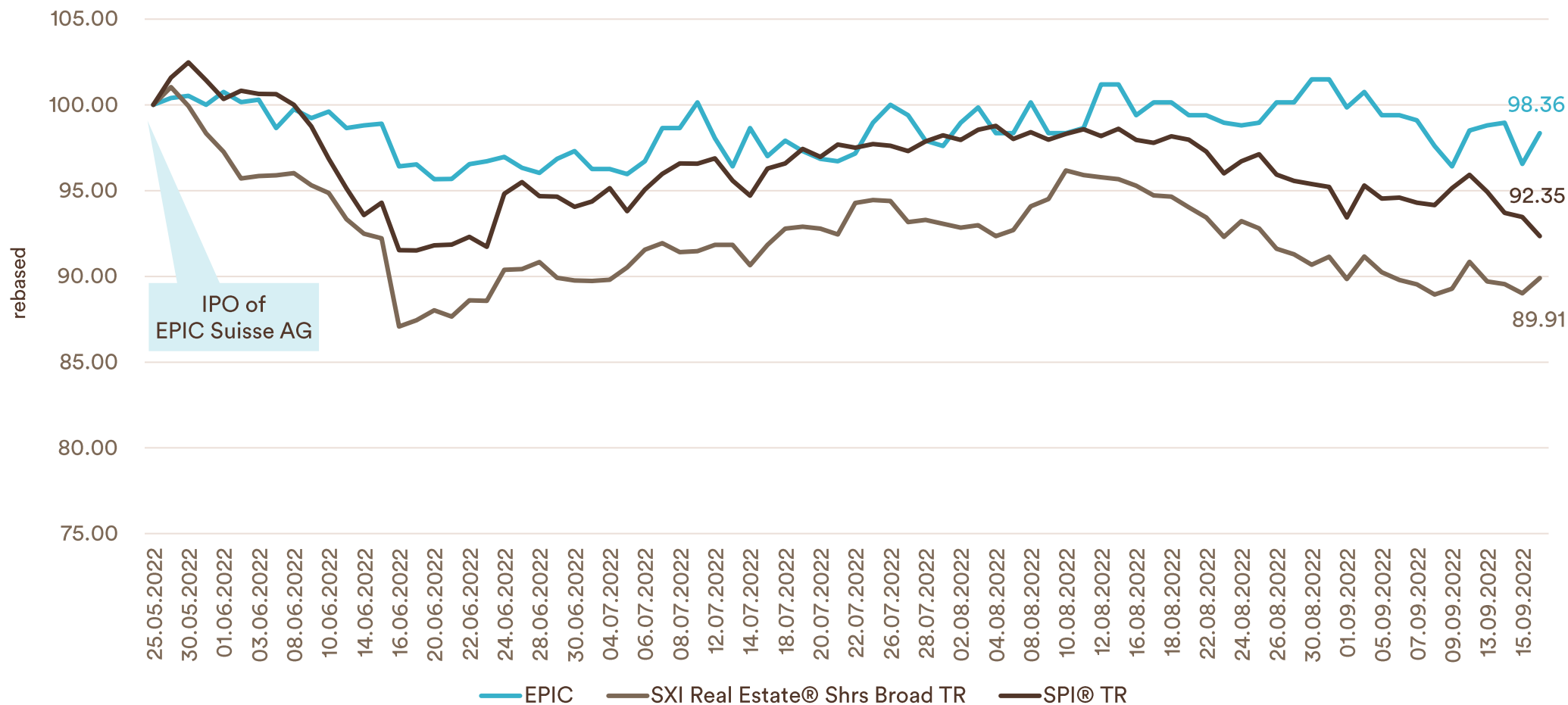
1 Net rental income target of > CHF 60 million for 2022

2 Dividend of CHF 3.00 per share for the financial year 2022



Appendix

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



Notes:
 (1) Source: SIX Swiss Exchange

Glossary of Alternative Performance Measures

Adjusted vacancy rate (properties in operation)

Reported vacancy rate (properties in operation) adjusted for absorption and strategic vacancy in certain properties in operation (for 30 June 2022 and 31 December 2021 Zänti Volketswil and Biopôle Serine)

EBIT

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

EBITDA or EBITDA (incl. revaluation of properties)

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

EBITDA (excl. revaluation of properties)

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

EBITDA (excl. revaluation of properties) margin

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

EBITDA (excl. revaluation of properties) yield

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

IFRS NAV

Total equity as shown in the consolidated statement of financial position

IFRS NAV (before net deferred taxes)

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

Net debt

Total debt net of cash and cash equivalents

Glossary of Alternative Performance Measures

Net loan to value (LTV) ratio

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

Net operating income (NOI)

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

NOI margin

NOI divided by total income

Net rental income

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

Net rental income yield (properties in operation)

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

Net rental income yield (total portfolio)

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

Profit (excl. revaluation effects)

Profit after tax before other comprehensive income excluding revaluation of properties and derivatives and related deferred taxes (see EPRA earnings on page 39 of the Half-Year Report 2022)

Reported vacancy rate (properties in operation)

Vacancy of the properties in operation divided by target rental income of the properties in operation

Glossary of Alternative Performance Measures

Return on equity (excl. revaluation effects)

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

Return on equity (incl. revaluation effects)

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

Total debt

Total of mortgage-secured bank loans and shareholders' loans

Vacancy

Sum of the target rental income of vacant units

WAULT (weighted average unexpired lease term)

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

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