

Corporate Communications

Zurich, 29 August 2023 – 07.00 a.m. | Ad hoc announcement pursuant to Art. 53 LR

Investis posts strong operating results for the first half year – lower portfolio valuation

- **Revenue up 3% to CHF 115 million**
- **3.1% like-for-like increase in rental income for residential properties**
- **Further increase in EBIT margin at Real Estate Services to 9.9% (9.7%)**
- **NAV per share of CHF 90.21** excluding deferred taxes with regard to properties

Stéphane Bonvin, CEO of Investis Group said: “I am pleased with the solid results for the first half of 2023 and the strong operating performance from both segments. The negative valuation changes caused by higher interest rates are market-driven and do not affect the underlying operating performance of our business or the quality of the properties. Our solid balance sheet and low level of debt provide a stable base for the future. The fundamentals for the real estate market in the Lake Geneva region remain robust. Rents are rising as a consequence of a housing shortage caused on the one hand by accelerated demand for homes, which is being driven by high levels of immigration, and on the other hand by ongoing weak construction activity. We expect the operating business to remain strong in both segments. The Group is performing extremely well in a challenging market environment.”

Group revenue rose 3% to CHF 115 million (prior year: CHF 112 million). The previous year’s property disposals resulted in lower rental income for the Properties segment. The Real Estate Services segment posted growth of 9%. Before revaluations and disposals, Group EBITDA stood at CHF 25 million (CHF 27 million).

The portfolio valuation was lower owing to the 10 basis points (bp) increase in the average real-term discount rate to 2.84% (2.74% as at 31.12.2022) and higher future investments in energetic renovations. These two negative effects were partially offset by a continuing increase in rental cash flow. The overall net reduction in valuation comes to CHF 49 million (CHF +64 million). This produced an operating result (EBIT) of CHF -26 million (CHF +148 million) for the first half of 2023. The property disposals mentioned above positively influenced the result for the first half of 2022 by CHF 58 million.

Excellent operating performance by both segments

The **Properties** segment achieved revenue of CHF 26 million (CHF 31 million). The figure is lower because of last year’s property disposals. There was an excellent +3.1% rise in like-for-like rental income from residential properties. This increase is due to rent increases in current tenancy agreements, which have been implemented continuously since the beginning of 2023, and tenant changes. The vast majority of rental contracts are linked to the consumer price index. The vacancy rate was further reduced to a record low of 1.0% (1.3% as at 31.12.2022). Gross rental income as at 30.06.2023 stood at CHF 54.5 million (CHF 53.9 million as at 31.12.2022). EBITDA before revaluations and disposals was CHF 16.5 million. After a prolonged period of repeated value appreciation due to

falling interest rates, the Swiss National Bank's successive key interest rate increases in the first half of the year showed effects on the discount rates used for real estate valuations. Thus, the increase in the average discount rate by 10 bp led to a lower valuation of the portfolio of CHF -48.8 million. As a result, the segment posted an EBIT of CHF -32 million (CHF +142 million).

The **Real Estate Services** segment reported revenue of CHF 90 million (CHF 83 million). Revenue at Property Management remained steady at CHF 31 million, while rents under management stood at CHF 1.54 billion. Facility Services achieved revenue of CHF 59 million (CHF 52 million). The already very good EBIT margin for the entire segment increased still further to an excellent 9.9% (9.7%).

Financial result

Thanks to the significantly lower level of debt, the net financial result was CHF -0.7 million (CHF -0.9 million), although the average interest rate rose by 20 basis points to 0.55% in the first half of 2023 due to changes in borrowing conditions.

Income taxes

Lower valuation reserves on the property portfolio led to an overall net tax income for the first half of CHF 2.2 million (previous year: tax expense of CHF 21.0 million).

Net result

Net profit excluding revaluation effect came to a healthy CHF 17.4 million. Net result amounted to CHF -24.4 million, or CHF -1.91 per share.

Very solid balance sheet – strong LTV of 24.9%

Total assets came to CHF 1.6 billion as at 30 June 2023, with the equity ratio still very comfortable at 65% (31.12.2022: 67%). The property portfolio was valued at CHF 1,460 million. On the reporting date, it included 149 buildings with 2,450 residential units. In relation to the value of the property portfolio, the loan-to-value (LTV) is very conservative at 24.9% (interest-bearing financial liabilities of CHF 364 million). Deferred tax liabilities amounted to CHF 137 million (CHF 143 million as at 31.12.2022).

Net asset value (NAV) per share excluding deferred taxes with regard to properties came to CHF 90.21 on the reporting date (31.12.2022: CHF 95.07).

Market environment and outlook for 2023

Rising interest rates and the uncertain economic situation are influencing not only the real estate market but the entire Swiss economy. Housing in Switzerland became significantly scarcer last year. The shortage is felt when there are hardly any apartments available at affordable prices within a particular geographical area, when the cost of finding accommodation goes up significantly or when an unusually high proportion of income has to be spent on rent.

Immigration has increased sharply since 2022, in Switzerland as a whole and especially in Cantons Geneva and Vaud. The rising population and the pandemic have led to an increase in the formation of

households, meaning that demand has risen disproportionately. Smaller apartments (Investis' core market) are in greater demand than larger ones (four rooms or more). Rising rents and a lack of affordability are also driving demand for smaller homes. As the number of ageing people increases within the population, the demand for small, well-located homes suitable for the elderly will continue to grow.

In summary, the Swiss real estate market is structurally driven by a steadily growing population, a rising number of households, more jobs, a higher overall income level, low vacancy rates and a dampened supply. Against the backdrop of a persistent imbalance between supply and demand, particularly in Swiss residential properties, the value of Investis' property portfolio is highlighted.

93% of the Investis investment portfolio is made up of residential buildings offering mid-priced apartments in central locations within the Lake Geneva region. Its concentration on this region is the Investis Group's USP. Vacancy rates in the Lake Geneva region continue to decline in all segments. By national comparison, Geneva is well below the Swiss average. The Group's low LTV means its Properties segment can further optimise its existing portfolio through targeted purchases, despite the weakening transaction market.

Our subsidiaries in the Real Estate Services segment offer a remarkable range of services over the entire property life cycle. This gives the segment an excellent position as a Swiss-wide provider of real estate services with a strong focus on recurring revenues from property management, house care and maintenance. The focus is on consolidating its outstanding EBIT margin.

The supplier market remains very fragmented and competitive. It is characterised by a diversity of service providers and a wide breadth of services offered.

Investis is confident about the 2023 financial year as a whole and expects a very good operating performance from both segments.

Agenda

27 March 2024	Publication of 2023 annual results
18 April 2024	2024 Annual General Meeting
2 September 2024	Publication of 2024 half-year results

Investor Relations / Media

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Reporting

The 2023 Half-Year Report is available at <https://reports.investisgroup.com/23/hyr> and on our website <https://www.investisgroup.com/en/investors/reporting>.

There will be a conference call on the half-year results for the media and analysts (in English) today at 10 a.m. Following the presentation of the results, Stéphane Bonvin (CEO) and René Häslar (CFO) will be available to answer questions.

The dial-in numbers are as follows:

+41 (0)58 310 50 00 (Europe)

+44 (0)207 107 06 13 (UK)

+1 (1)631 570 56 13 (USA)

Please dial in 5 – 10 minutes prior to the start of the conference call. The accompanying presentation will be available on our website at 7 a.m. Interested parties are also invited to follow the webcast.

Please make sure to register 90 minutes before the start of the event on our website

<https://www.investisgroup.com/en/investors/reporting>. A replay of the webcast will be made available in the afternoon.

About Investis Group

Founded in 1994, Investis Group is a leading real estate company in the Lake Geneva region and a national real estate services provider active in the two segments of Properties and Real Estate Services.

The portfolio of Investis consists almost exclusively of residential properties with apartments in the mid-price segment in the Lake Geneva region and was valued at CHF 1,460 million as of 30 June 2023. Investis Real Estate Services is active throughout Switzerland with well-known brands.

INVESTIS has been listed on the SIX Swiss Exchange since June 2016 (symbol: IREN, security number: 32509429, ISIN CH0325094297). For further information: www.investisgroup.com

SELECTED KEY FIGURES

INVESTIS FINANCIAL KEY FIGURES			
CHF 1,000	30.06.2023	31.12.2022	30.06.2022
Revenue	114,779	227,548	111,667
EBITDA before revaluations/disposals ¹⁾	24,649	53,524	27,151
EBIT	-25,928	180,399	147,674
Net result	-24,429	151,825	125,768
Net profit excluding revaluation effect ¹⁾	17,446	93,751	70,459
Funds from operations (FFO) ^{1,2)}	18,088	51,780	22,255
Total assets	1,565,544	1,597,358	1,758,275
Total property portfolio	1,460,011	1,507,923	1,550,894
Interest-bearing financial liabilities	364,000	319,000	491,000
Gross LTV ¹⁾	24.9%	21.2%	31.7%
Deferred tax liabilities	137,180	142,636	147,139
Shareholders' equity	1,014,322	1,069,675	1,046,533
Equity ratio	64.8%	67.0%	59.5%
Number of employees			
Headcount at end of period	2,347	2,334	2,355
FTE (full-time equivalent, average over the period)	1,561	1,526	1,421
DATA PER SHARE			
CHF	30.06.2023	31.12.2022	30.06.2022
Share capital	1,280,000	1,280,000	1,280,000
Number of registered shares issued	12,800,000	12,800,000	12,800,000
Nominal value per share	0.10	0.10	0.10
NAV per share ¹⁾	79.54	83.96	81.95
NAV per share excluding deferred taxes with regard to properties ¹⁾	90.21	95.07	93.38
Earnings per share (basic/diluted)	-1.91	11.90	9.86
Share price – annual high	101.50	115.00	115.00
Share price – annual low	89.80	84.80	95.20
Share price at end of period	91.80	101.50	102.50
Average number of shares traded per day	2,678	3,131	3,361
Market capitalisation at end of period (CHF million)	1,175	1,299	1,312

INVESTIS GROUP
HALF-YEAR REPORT 2023

PROPERTIES KEY FIGURES

CHF 1,000	30.06.2023	31.12.2022	30.06.2022
Residential investment properties	1,341,014	1,383,135	1,425,879
Commercial investment properties	106,347	108,170	108,466
Investment properties under construction	263	263	263
Properties held for sale	12,386	16,354	16,287
Total property portfolio	1,460,011	1,507,923	1,550,894
Total buildings	149	149	151
Total residential units	2,450	2,445	2,563
Average discount rate (real)	2.83%	2.74%	2.75%
Revenue	26,166	57,790	30,588
Like-for-like rental growth ¹⁾	1.4%	1.0%	2.5%
EBITDA before revaluations/disposals ¹⁾	16,547	36,802	20,137
EBIT	-32,202	167,342	142,441
Gross rental income (CHF million)	54.5	53.9	55.8
Net rental income (CHF million)	54.0	53.2	55.0
Vacancy rate	1.0%	1.3%	1.4%

REAL ESTATE SERVICES KEY FIGURES

CHF 1,000	30.06.2023	31.12.2022	30.06.2022
Revenue	90,222	173,512	83,066
of which property management	34%	35%	37%
of which facility services	66%	65%	63%
EBIT	8,906	18,367	8,041
EBIT margin	9.9%	10.6%	9.7%
Rents under management (CHF billion)	1.54	1.58	1.58

- 1) The section "Alternative Performance Measures" includes definitions of performance measures that are not defined under Swiss GAAP FER.
- 2) Restated (30.06.2022).