

siteX
true value.

» ANNUAL REPORT

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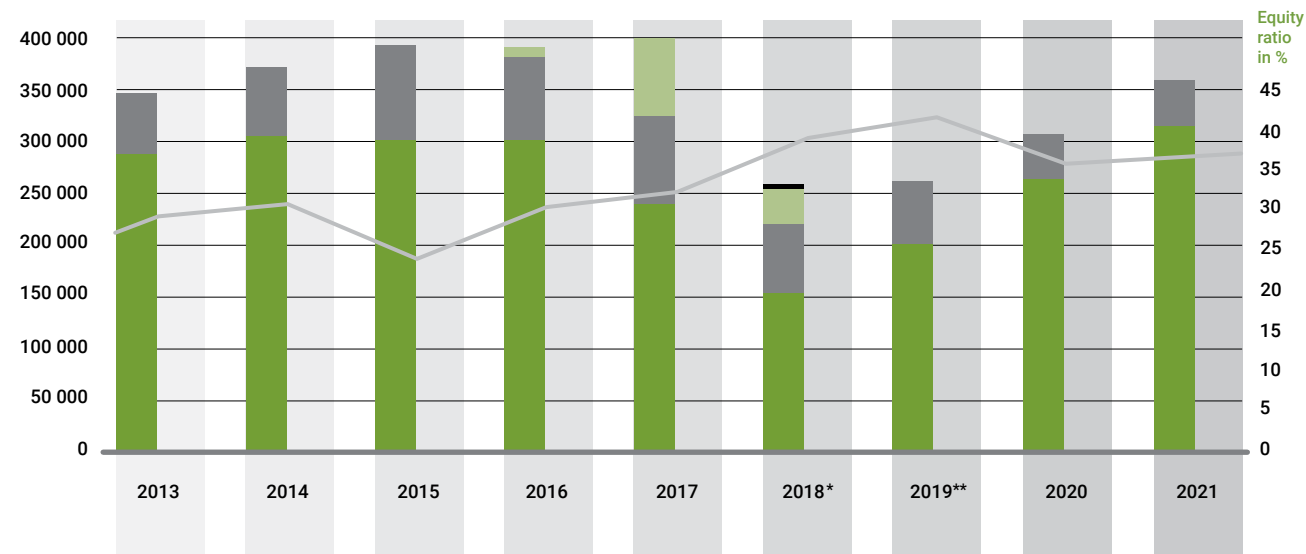
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**LIVE
LEARN
WORK
PLAY**

Group Charts

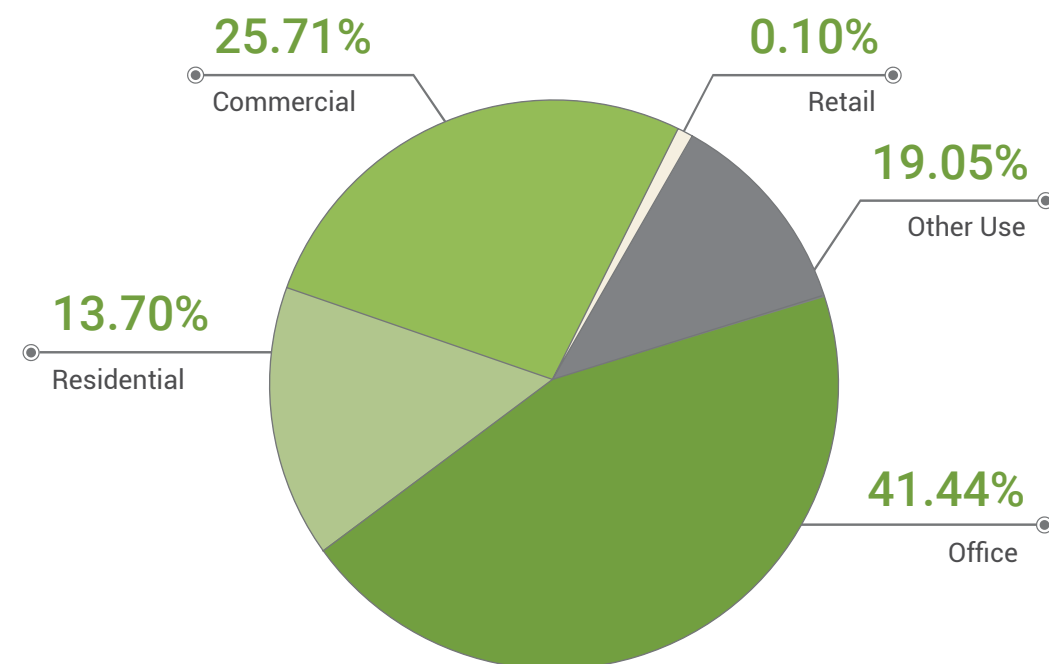
>> Real estate portfolio (market values) in TCHF



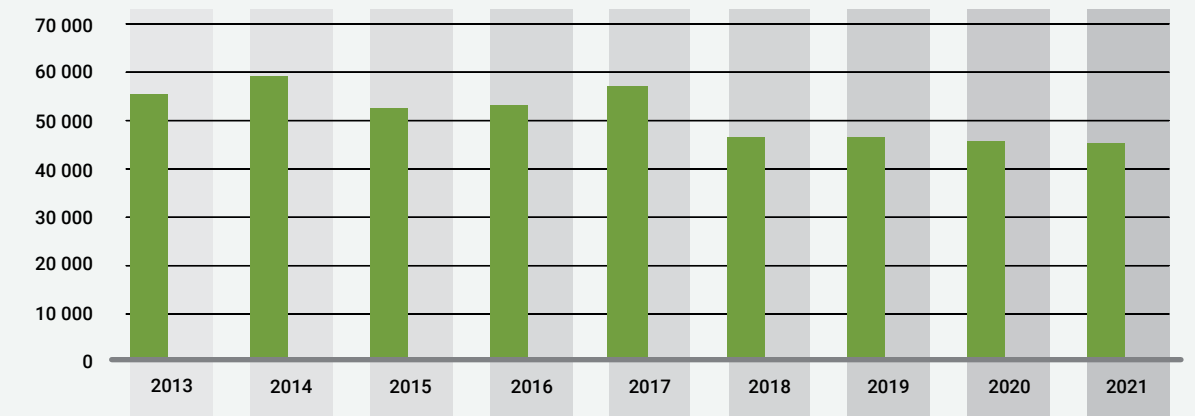
➤ Development projects ➤ Properties for sale ➤ Equity ratio
 ➤ Income properties ➤ Participation in property investments

* Before restatement ** After restatement

>> Investment categories income properties 2021



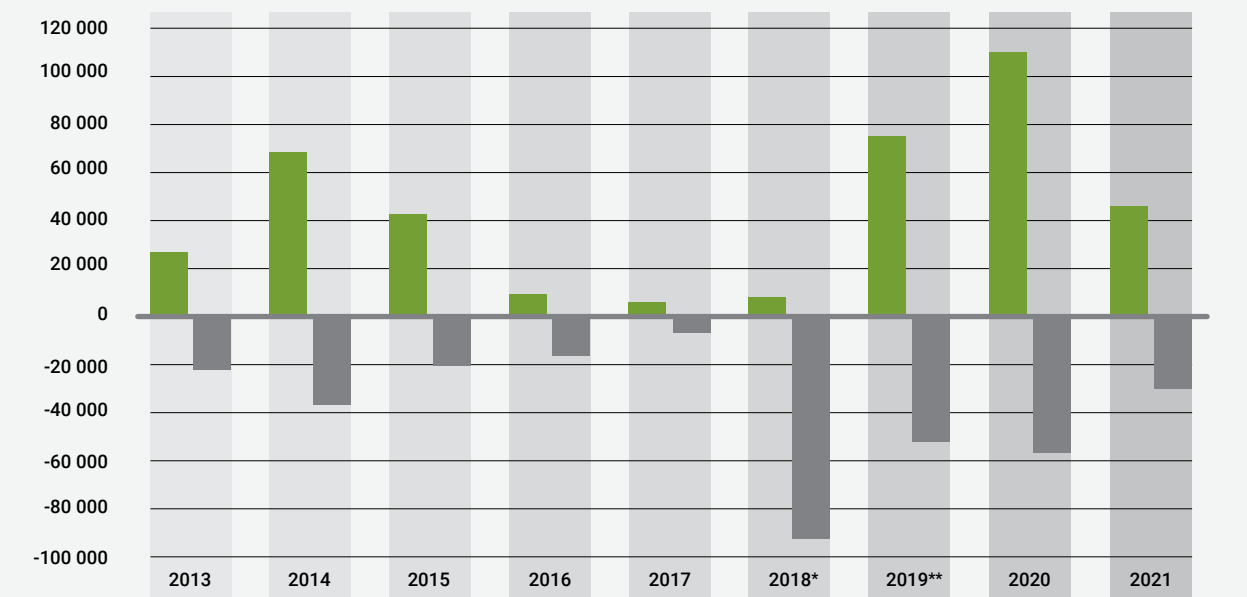
>> Share capital in TCHF



>> Country allocation property values 2021



>> Transactions in TCHF



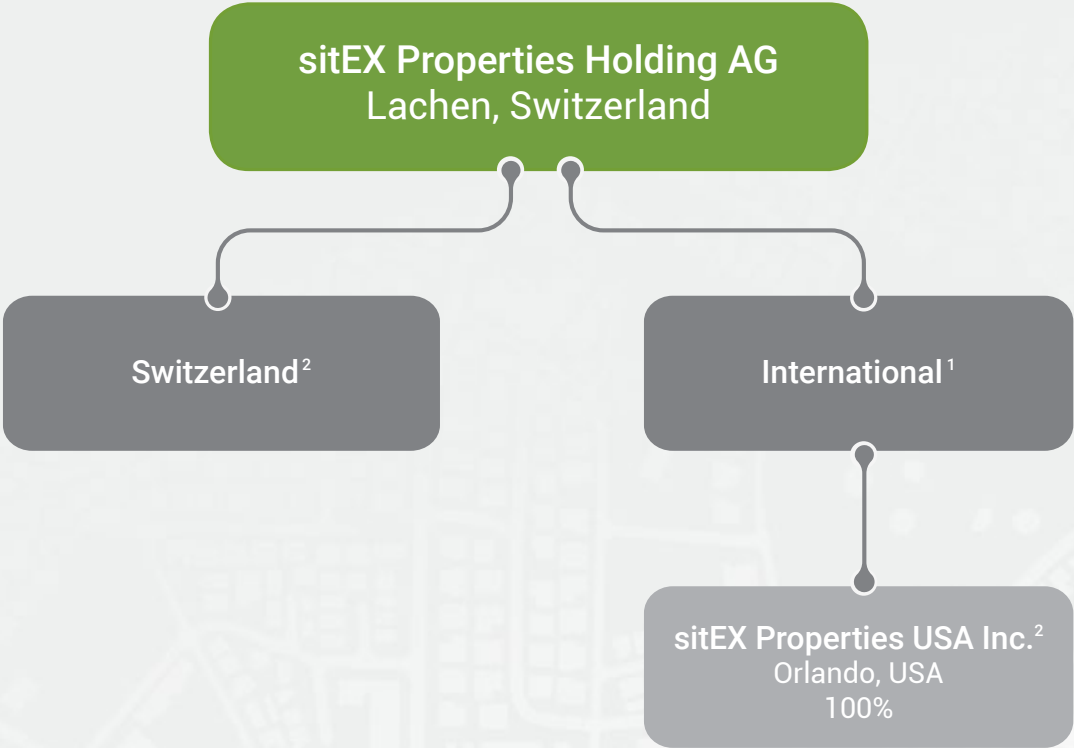
➤ Purchases ➤ Sales * Before restatement ** After restatement

Group Key Financial Figures

Key financial figures in TCHF	2021	in %	2020	in %
Balance sheet total	450 245		400 089	
Total debt capital	286 714		256 339	
of which convertible bonds	4 000		620	
Equity	163 531		143 750	
Equity ratio		36,3		35,9
Nominal value share capital	45 104		46 023	
Authorized capital	22 552		23 011	
Conditional capital	22 230		22 967	
EBITDA (earnings before interest, tax, depreciation and amortization)	58 780		41 633	
EBIT (earnings before interest and taxes)	57 836		41 282	
Consolidated profit before tax	53 361		36 285	
Consolidated profit	35 982		26 814	
Return on Assets				
EBITDA margin (earnings before interest, tax, depreciation and amortization)		13,1		10,4
EBIT margin (earnings before interest and taxes)		12,8		10,3
*Return on equity based on				
Net income before taxes		34,7		25,2
Consolidated profit		23,4		18,7
Ratio of operating expenses (incl. salaries) to total income		4,1		5,1
Key figures per share				
Number of shares	2 255 192		2 301 146	
Nominal value per share	20		20	
**Intrinsic value (net asset value)	78.85		64.52	
***EBIT (earnings before interest and taxes)	25.65		17.94	
Profit per share before taxes	23.66		15.77	
Profit per share after taxes	15.96		11.65	
Total return	79,8%		58,3%	

* The return on equity based on consolidated profit before and after taxes is calculated using average equity.
 ** Includes minority interest.
 *** Earnings per share have been calculated as follow: key figure divided by the total number of shares.
 Own shares have not been taken into account due to simplicity.

Legal Structure-Target State 2022



¹ As of the printing date of this annual report, sitEX Properties Australia Ltd. with its registered office in Lachen, Switzerland, continued to be a 100% subsidiary of sitEX Properties Holding AG. This also includes the subsidiaries located in Australia, sitEX Properties Australia Trust (100%) and sitEX Properties Sydney No. 4 Trust (100%).

² A detailed overview of all subsidiaries in Switzerland and the USA is provided in the group accounts.

CEO and Chairman Talk



Based on feedback of shareholders and other readers, the talk between Christoph Stutz and Beat Kähli is the most anticipated section of the report each year.

Christoph and Beat have daily communication and met for an entire day in March 2022 to talk about the sitEX activities in 2021 and the future. Their combined stake in sitEX is a considerable part of their overall assets.



Beat Kähli:

A second year in a worldwide pandemic and sitEX achieved outstanding financial results, with a return of more than 20% on equity after tax, actually, we did very well. One may say, to achieve returns of this magnitude, extraordinary risks must be taken as well.

Christoph Stutz:

"We have a real confidence in the mission, and there are some risks, but we have every intention of coming back." (Neil Armstrong, first men walking on the moon).

At sitEX we are not shooting for the moon, but like Mr. Armstrong we are planning our projects with the goal to "come back safe". In our world that means, to not only to get a return on our investments, but always taking risks with every intention to get our investment back as soon and as safe as possible. While we have likely the largest real estate development pipeline of any in Switzerland domiciled real estate company, we are operating with a comparably small balance sheet. The reason: compared to other real estate companies, we are constantly willing to sell any of our assets, if we believe no additional value beyond a market conform return can be added to a particular asset.

Last year we sold the assets and operations of Avex Homes, an Orlando, Florida based production homebuilding company, in which sitEX participated with a 57% stake.

Beat Kähli:

Contrary to my belief, the homebuilding market in Central Florida did not suffer from the COVID-19 pandemic in 2020 and 2021. When we analyzed the situation in the spring of 2020, the media was full of predictions that COVID-19 could trigger an economic meltdown even larger than the great depression in 1929. The purchase of the 12 million sq. meters of land in Daytona beach in the summer of 2020, from a company listed at the New York Stock exchange in partnership with a hedge fund, was an opportunity where pricing of the land was very much impacted by such predictions.

However thereafter the market did not go down, as one would have expected in a pandemic, pricing for everything in the residential real estate market went up and continues to go up, in particular for land.

Christoph Stutz:

The current Russia-Ukraine war is far from American shores, but much closer to Switzerland. Due to the connections between world economies, I think the US will feel the monetary brunt of the war in the Ukraine like Switzerland and the rest of the world.

In the short term, the situation will likely drive inflation further while putting downward pressure on economic

growth and financial markets. The US does not depend on Russia for oil or gas, but the war is increasing global prices on both.

I am pleased that the assets and operations of Avex Homes were sold last year, particularly when I look at stock prices of the large US homebuilding companies being around 20% or more down at the end of February 2022, compared to 3 months ago.

I do not think we will have a crash of the real estate market, neither in Switzerland, nor in Central Florida or Texas, however for many years we saw real estate prices appreciating, and there is ample reason to be cautious. I like that we declined to participate in large scale projects in Florida and Texas offered to us last year.

However, we have to be aware that after this long series of good years in the US and in Switzerland, there may be another setback. Therefore, we pay close attention to liquidity.

Beat Kähli:

I fully agree, there is a time to buy, a time to hold and a time to sell. At present I think we are in the hold or sell phase. In Switzerland and the US, real estate offered to us, is in our opinion too high priced. With our large development pipeline, we do not need to add projects, we do not have pressure to invest, we can concentrate on adding value to our existing projects and continue our policies of monetizing at all times.

Over the last 30 years as a real estate entrepreneur, I learned at times like today you can sell almost any real estate assets for a high price, however it is expensive and challenging to construct buildings, given the inflation pressure on labor and material. But there were always times where real estate was sold at a discount to fair value, and labor and construction material were available at reasonable cost.

Christoph Stutz:

We are always willing to look at real estate projects in markets where we have decades long track records, independent of our overall belief in the market. For example, in Bubendorf (Basel-Landschaft), sitEX will construct a commercial building with ALDI as the anchor tenant on the ground floor. On the second floor we envision welcoming tenants from the medical industry. In general, we are looking for more complicating projects, those in need of our local expertise, our creativity and at times endurance.

Beat Kähli:

While the "good old" "location, location, location" holds as true in real estate, I always believed "timing, timing, timing" is even more important, and then finding the right project is key at any time.

Christoph Stutz:

With our large development pipeline, we are not afraid of a recession, as it would allow us to build infrastructure and buildings likely at better pricing and faster. Ideally you want to build in a downturn and sell within a boom.

Beat Kähli:

Since 2018, and including the proposed face value reduction this year, sitEX has made distributions to its shareholders in excess of CHF 50 million, with the majority in the form of share buybacks. I think we exceeded all our promises which we made around 5 years ago in regard of profitability, lean corporate cost structure and being focused on markets where we have a longterm experience and strong networks. The question is always "what is next for our shareholders?".

Christoph Stutz:

At the end of the day, a shareholder by and large, just wants to know if his stock goes up, (performance), if he can sell his shares if desired (liquidity) and if he gets a dividend.

- sitEX shares have gone up considerably in the last 5 years. From under CHF 50.00 in 2017 to the current price of around CHF 120.00.
- You can purchase or sell sitEX shares daily through either the OTC-X platform of Berner Kantonalbank or through the private bank Lienhardt & Partner in Zurich.
- In 2022, we will pay a dividend in form of a face value reduction of CHF 5.00 per share, to be approved by the annual sitEX shareholder meeting on April 27th.

Beat Kähli:

At times opportunistic may not be the right strategy. However, when asked if sitEX wants to increase its balance sheet to CHF 1 billion or more, stay at the present level of approx. CHF 0.5 billion, or decrease the balance sheet sum, we do not know. There is no pressure to increase or decrease our balance sheet. In this regard sitEX is opportunistic. We will sell when the price is right and because of other strategic reasons (Avex Homes) and buy when favorable for us - independent of "peer pressure" (i.e. 12 Mio sq. meters of land in Daytona Beach, Florida).

Christoph Stutz and Beat Kähli:

We would like to thank our entire team in MuttENZ, Switzerland and Orlando, Florida for their outstanding performance, their hard work, dedication and passion and our shareholders for their loyalty.

Report from Directors



Dear Shareholders

We are pleased to present the 2021 sitEX annual report. Our commitment is simple: to create value for all those that interact with us and make a positive contribution to society through the places we create.

The year 2021 in numbers

sitEX continues to exceed the expectations in terms of earnings, overall performance and long-term opportunities.

Net income before taxes and minority interests:
CHF 53.361 million (previous year: CHF 36.285 million)

Net profit after taxes and minority interests:
CHF 35.982 million (previous year: CHF 26.814 million)

EBITDA:
CHF 58.780 million (previous year: CHF 41.633 million)

Total revenues generated:
CHF 100.781 million (previous year: 110.298 million)

Total assets as of December 2021:
CHF 450.245 million (previous year: CHF 400.089 million)

Total equity as of December 2021:
CHF 163.531 million (previous year: CHF 143.750 million)

Earnings per share after taxes:
CHF 15.96 (previous year: CHF 11.65)

Return on equity:
23.4% (previous year: 18.7%)

sitEX continues to create and realize value out of opportunities in Switzerland and the USA. We believe that our approach of taking “the road less traveled” in how we select and manage our projects and strategy, as evidenced in the 2021 returns, is the reason for our substantial above industry returns.

To be in the business of building entire towns from scratch, requires different skills and beliefs, compared to the conventional buying and holding of real estate assets. However, it allows us to create much greater value over time.

In 2021, sitEX made good progress in its large-scale real estate development projects in Switzerland, Florida and Texas. As mentioned in previous reports, at the end of the day, we believe that only a realized profit is a sustainable profit. While we control millions of sq. meters of land, and a multibillion-dollar project pipeline, we do so without exposing ourselves to a large balance sheet. This is only

possible, when assets in which we were able to add value, are monetized regularly.

Here are some important milestones of 2021:

- We sold the assets and operations from our 57% stake in Avex Homes (Orlando, FL) to Stanley Martin Homes (Reston, VA). Stanley Martin is a subsidiary of Daiwa House, Japan's largest homebuilding company. Not only realizing an asset with a large profit, but also creating a strategical alliance with the US subsidiary of one of the largest real estate development companies in the world, was a key event in the past year for sitEX.
- The sitEX Powerhouse, one of the largest privately owned and managed buildings in the Canton of Basel-Landschaft, had an occupancy as of February 2022 of 96% while the anchor tenant extended its lease for another 5 years.
- The city of Liestal has given final approval for an entire neighborhood (“Im Oristal”) which sitEX will develop over the next few years.
- We opened two additional The 5th Floor coworking spaces and entrepreneurial centers, in Orlando (Florida, USA) and San Juan (Puerto Rico).
- Planning and permitting for Avalon Park Daytona in Daytona Beach (Florida), one of the company's largest projects with more than 12 million sq. meters of land, progressed well.

Since 2018, and including the proposed nominal value reduction to be voted on at this year's AGM, sitEX has distributed over CHF 50 million in cash to shareholders (most of it in the form of share buybacks), i.e. cash distributions have been made in excess of paid-in share capital.

Currently, around 8% of all outstanding sitEX shares are held by the Company. Almost 80% of the shares are held by the three members of the Board of Directors, their families or their legal entities.

Our course of business in Switzerland

sitEX Powerhouse, MuttENZ, Basel-Landschaft

This mixed-use building with about 44,000 sq. meters of rentable space is nearly fully leased (vacancy rate of less than 5% at the beginning of 2022 and an anticipated rate of less than 2% by the end of 2022 due to new lease agreements). Valora Holding AG, the anchor tenant has agreed to extend its lease for 5 years, (plus two additional 5-year optional lease periods), with mutually beneficial conditions.

While the COVID-19 pandemic affected the local “The 5th Floor”, one of the largest coworking and entrepreneur centers in Switzerland, we continue to work on the brand and the vision to open several other spaces around the world - always based on the model of the flagship location in Muttentz, Basel. More information can be found on www.the5thfloor.com or on our local page www.the5thfloor.ch.

We carry the value of the sitEX Powerhouse in our balance sheet at a value of TCHF 128,480. We believe the rents of the building have room to grow over time as they are currently around 25% below average office rents in the Basel area. On the consolidated balance sheet this building represents around 28% of our assets. When we acquired the building in 2013 it had a vacancy of over 50%.

This asset demonstrates our overall strategy of tackling opportunities with perseverance and creativity and so enhance the value of a building.

Commercial building in Bubendorf, Basel-Landschaft
sitEX acquired, subsequent to the closing of the year, a land parcel and project to build a commercial building. The Swiss subsidiary of ALDI will be the anchor tenant of 50% of the building for at least 15 years. The building includes an underground parking garage with 75 spaces. The layout of the 2nd floor is highly versatile. After having conducted a market study, we will try to target and attract tenants in the health industry (medial offices, veterinary clinics etc.) for a rental of the 2nd floor which consist of around 2,000 sq. meters of leasable space. The closing of this transaction occurred in the first quarter of 2022. We anticipate starting construction in early 2023 and have ALDI opening the store mid-2024.

Im Oristal, a new neighborhood near the railway station in Liestal, Basel-Landschaft
This neighborhood planning project (Quartierplan) with a size of 14,000 sq. meters will be an important milestone for the city of Liestal as it allows for a new form of living, learning, working and playing just a stone's throw away from its city center (“Stedtli”).

All project approvals for this project have now been given to sitEX after no appeals have been lodged. We anticipate that construction can start in 2023.

Over 100 residences will be constructed, whereof 86 will be tiny homes. These tiny homes are designed with care for people wanting a smaller ecological footprint and will range from around 36 to 46 sq. meters of living space. Buyers will be able to combine the units housing vertically or horizontally to create larger units. There will be a communal convenience store, a daycare center and a coffee shop.

One of the largest private school providers in America and beyond, Academica out of Miami (Florida), will operate an international private school.

Live, learn, work and play in Aesch, Basel-Landschaft
sitEX owns office and production buildings in Aesch, Basel-

Landschaft. While the production facilities are already fully leased, the office building is on track to be fully occupied in 2022. At the same time, we are one of the main forces behind a complex planning process for a move to more “live, learn and work” elements in the northern part of Aesch which would allow around 130 residential units on our land parcel, while keeping the present office building.

Mixed-use development in the heart of Pratteln, Basel-Landschaft
Presently, we are finalizing construction of 13 apartments and 4 retail stores in a mixed-use development in the town of Pratteln - a 10 minute drive away from the city of Basel. This development lies in the very center of the town right in-between two of the major supermarkets Coop and Migros. 90% of the apartments and retail stores are pre-sold. The marketing of the rental apartments begins in May 2022.

Additional fully leased properties in the Gellert Quarter in the heart of Basel, in Kriens near Lucerne and in Dornach (Solothurn) are part of the diversified asset pool in Switzerland.

sitEX business in Florida and Texas, USA

Sale of Avex Homes and strategical alliance with largest Japanese homebuilder
sitEX and our US General Partner, Avalon Park Group (APG), have been developers of large-scale mixed use real estate projects for more than twenty-five years. As such, our main clients were the top tier US homebuilders - most of them listed on the New York Stock exchange. We sell them finished lots for single family home construction. Over the years, we realized that land development, in particular buying land at predevelopment stage is more lucrative than home building in regards to profit margins.

After the financial crisis of 2008, the large US homebuilding companies were not in a financial position to make commitments for land, and were not willing to follow our design requirements for single family homes. For this reason, and to start our town of Avalon Park Wesley Chapel in North Tampa, we founded Avex Homes in 2013, a joint venture between Avalon Park Group and sitEX. At this time, we put ourselves in competition with our traditional homebuilder clients, by not only being the developer but also the homebuilder. In the eight years since its founding, Avex Homes has grown from a startup company to the third largest privately owned homebuilder in Central Florida.

During the last two years, while COVID-19 was a large challenge for many businesses, the Central Florida homebuilding market boomed. A record amount of people moved from the northeast and west of the USA to Florida, combined with record low interest rates for mortgages, Avex Homes and many other homebuilding companies enjoyed record high sales and profits. We believed this was an ideal time to sell a homebuilding company.

Avex Homes, with the assistance of a San Francisco based

investment bank, conducted a search for a potential buyer or partner. The interest in the market for buying Avex was strong among national home builders, private equity groups and others. With three basically equal best offers, the buyer of choice was Stanley Martin Homes (SMH), Reston, Virginia based. SMH is a subsidiary of Daiwa House, Japan, the largest homebuilder in Japan, and one of the largest construction companies in the world.

The sale of Avex Homes netted to sitEX around USD 35 million in cash, after repaying all debt and tax. sitEX used some of that cash to buy back sitEX shares in excess of CHF 10 million as 84% of the shareholders participated in the buyback program.

Daiwa House, through its US corporations Daiwa House USA, SMH and others, are expanding in the US under an ambitious long term business plan. Currently they generate around 90% of their revenues of over USD 40 billion in Japan.

For us, the sale also represents an important strategical alliance with Daiwa while Eric Marks the former CEO of Avex Homes since inception will continue to be head of the Florida Division for SMH.

We are working with SMH and Daiwa House USA on possible large scale development opportunities in Florida and Texas. SMH will as well build at least 500 single family homes in our large Avalon Park Daytona development, and as well around 200 single family homes in Avalon Park Tavares.

Development projects in Florida and Texas, USA

Both Florida and Texas are the two leading states, when it comes to growth in the US. Last year, Florida alone had more net migration then all other Southeast US states combined.

Central Florida is the main place of business for sitEX in the USA. Over the last twenty plus years the I-4 corridor from Tampa to Orlando and Daytona Beach with a total population of around 8 million, became one of the most dynamic economic areas in the USA.

A vast diversification of its economy from the in the past dominant tourism sector continues to shape Central Florida. The average age in Orlando currently stands at 33.8 years (compared to Basel with 42.7 years), while the health care sector together with the privatization of the Space Industry (Cape Canaveral) are surpassing tourism in annual growth rates. The University of Central Florida (UCF) is now the largest US University with over 70,000 students. In Tampa, the University of South Florida follows closely as a mega University with more than 50,000 students. There is no doubt COVID-19 has accelerated the migration into Florida and Texas. Both states have for the most part not imposed COVID restrictions such as lockdowns. Restaurants and all other businesses were open at all times. Hence many Americans moved, and continue to move from the Northeast (New York, Boston, Philadelphia etc.) or California to Florida and Texas. Land and home prices have sharply risen over the last 2 years. However, cost of living, labor and construction material have greatly increased as well.

We continue to be optimistic for Central Florida and Texas (especially the Austin - San Antonio corridor), however, we believe the volatility on the international financial and raw material markets, the war in the Ukraine, and rising interest rates around the globe prompted the sitEX captains to turn on the “fasten seat belt” sign. The sale of Avex Homes and the abstaining from large scale development opportunities offered to us are the result of our recent strategy of caution.

Based on our development pipeline in Florida, we will continue to be able to add value and monetize in part our large land base over the next 5 years+. In other words, we know today how to keep up with an after tax equity return of more than 10% over the years to come.

Avalon Park Wesley Chapel (APW), North Tampa, Florida
APW will be one of the top 10 master planned communities in the Tampa Bay market whose population currently stands at around 3 million making it Florida's second largest city behind Miami.

Important milestones of this project consisted of:

- D.R. Horton is starting construction of around 30 single family homes every month and, is expected to have completed its 1,000 single family home section of APW within 3 years.
- With our partner Academica we are expanding our charter school from 1,000 to 1,800 students.
- State Road 54 is being widened from 2 to 4 lanes.
- The infrastructure for another 64 townhomes is almost complete.
- The community consists now of around 1,500 single family homes completed or under construction.
- Middleburg Real Estate out of Virginia conducts planning and engineering for 590 residential units (mainly apartments) in the southeast section of APW.

Downtown phase one: APW 1
We are ready to start construction on 204 apartments and 4,600 sq. meters of commercial space in this partnership between sitEX USA and a group of investors before mid of this year.

This project with a volume of more than USD 60 million will be the heart of APW’s downtown. Construction is expected to be completed at early 2024.

After the described activities above, APW will be about 50% built out, while still leaving over 2,000 residential units and more then 46,000 sq. meters of commercial space to be built in order to complete this small town north of Tampa. Presently we are studying purchase offers by third parties for parts of the development program as our business plan expects some substantial realization in the course of 2022.

Avalon Park Orlando (APO), Orlando, Florida

Avalon Park Orlando, the “original” Avalon Park, is a small town, developed by Avalon Park Group (sitEX USA’s General Partner) over the last 25 years. More information can be found on: www.avalonpark.com

Today, Avalon Park is home to almost 20,000 residents, close to 5,000 residential units, over 150 businesses, 8 schools with over 10,000 students, 25 Restaurants, several parks and public swimming pools making it the model new urban town in Central Florida having been developed from scratch.

sitEX owns 185 apartments in its Towncenter III and Encore Assisted Living buildings, for which there is no vacancy presently.

sitEX owns an additional 94 apartments in Towncenter IV. The leasing efforts will start at the end of March 2022. The construction of the building was delayed due to supply chain challenges, it was however, built at an attractive price when compared to today’s construction market costs.

We completed planning, engineering and permitting of our first phase development on the APO Flagpole parcel, consisting of 200 apartments marketed to active senior tenants, and as well a boutique hotel, fitness center and public swimming pool. We will engage in a public bidding of this large construction project before mid of this year. Again, caution is advised, while rents have increased sharply so have construction costs.

Avalon Park Daytona (APD), Daytona Beach, Florida

We closed on this land parcel with over 12 million sq. meters in July 2020. While we have zoning approval for over 7,000 housing units and more than 280,000 sq. meters of commercial space, planning, design and engineering has taken more time than anticipated.

We believe infrastructure construction can occur in 2022/2023, and first homes can be built and occupied in 2024.

Based on frequent inquiries and unsolicited purchase offers, we believe the value of the land we acquired in the midst of an uncertain economic outlook (summer 2020) has increased substantially - partially due do our extensive work and investment into the project, but more so due to the sharp rise of land prices in Florida in the last 2 years.

Other milestones of this project consist of:

- We spun off about 1/4 of the land parcel to build infrastructure for 2,000 single family homes lots for D.R. Horton Homes (America’s largest homebuilder) and 500 lots to Stanley Martin. The total price for those lots amounts to over USD 160 million.
- We have entered into a sale and purchase agreement to sell an additional 500 lots for around USD 40 million to ICI Homes, the largest privately owned builder in Volusia County.
- We are planning an additional spin-off partnership to

realize some of the created land value appreciation in conjunction with the future downtown of APD.

- Our negotiations with the public school district are progressing. It is our goal to facilitate a partnership to build a K-12 public school for about 3,000 future students in APD.

Avalon Park Tavares (APT), Tavares, Florida

Infrastructure (roads, sewer, water, power etc.) for 228 single family home lots was completed. Stanley Martin Homes and D.R. Horton Homes are building single family homes at a fast pace.

At present, around 100 homes are either finished or under started construction. Pricing of lots is based on a true up model; given the rise of home prices, based on inflation of construction material, a structure we are trying to implement in our future developments. We will start this summer with an additional phase of single-family home lots and townhomes, total 236, presold to D.R. Horton and Stanley Martin Homes. The K-8 school operated by Academica is in the process of expanding from 650 to 1,150 students. Preliminary design on the future Village Center for APT is commencing.

Avalon Park Texas

Currently we are focusing on two projects in Texas.

- **Riverbend, Golf Course Community**
We are completing 140 single family lots presold to D.R. Horton Homes, with a closing slated to occur in the middle of 2022. This Golf course community is about 40 minutes south of San Antonio. Riverbend is expected to be a solid contributor to our Income for the years to come.
- **Gonzales**
We are presently marketing the sale of our 43 acres (174,000 sq. meters) of land and the remaining lots of this project.

Land development and lot activities with D.R. Horton

We are continuing our lucrative lot banking relationship with D.R. Horton in various communities throughout Central Florida. Florida and Texas contributed over 70% of D.R. Horton’s net income of more than USD 4 Billion in 2021. Horton is projecting to build 100,000 homes in fiscal year 2022.

We believe D.R. Horton and Daiwa Homes USA together with us are formidable partner to develop large scale communities in Florida and Texas.

D.R. Horton can act as an “output facility” for us to build towns, with the capability to build hundreds of homes per annum in any given project. For us to build mixed use downtowns, consisting of apartments, retail space, offices and schools, we need “rooftops” and Horton can accelerate home sales, if simultaneously a downtown and schools are constructed. Daiwa Homes USA is interested in partnering, and in contrast to D.R. Horton, also on a case by case basis willing to hold real estate long-term.

Summary

With a net income before taxes and minority interests of over CHF 50 million, sitEX has achieved an outstanding result in 2021.

The Board of Directors is therefore proposing a distribution of CHF 5.00 per share (based on year end stock price equating to a 4.3% yield).

We are suggesting to pay the dividend in form of a reduction of the nominal value of the sitEX shares from CHF 20.00 to CHF 15.00.

As in previous reports, we will refrain from publishing a market chapter in our annual report as such reports are widely available and regularly updated in the internet. The talk between our Chairman, Dr. Christoph Stutz and our CEO, Beat Kähli, is our form of assessment of markets and economy. Please also always refer to our website www.sitex.ch.

We thank you for your trust.

Management and Board of Directors of sitEX Properties Holding AG

Dr. Christoph Stutz
President of the Board

Beat Kähli
CEO & Member of the Board

Thomas Giese
Member of the Board

Marybel Defillo
Chief Financial Officer



GROUP ACCOUNTS

Balance sheet in TCHF

	Notes	31.12.2021	31.12.2020
Cash and cash equivalents		25 075	14 161
Trade receivables		914	880
Receivables towards related parties		4 750	1 810
Other receivables		475	510
Current loans towards related parties	3.8	10 934	10 748
Project properties	3.2	40 778	42 861
Accrued income and prepaid expenses		7 027	3 501
Current assets		89 953	74 471
Loans related parties	3.8	20 560	25 792
Investments in associates	3.1	24 960	34 995
Other tangible fixed assets		536	521
Investment properties	3.2	311 884	261 526
Intangible assets		2 352	2 784
Non-current assets		360 292	325 618
Total assets		450 245	400 089
Trade payables		1 959	4 414
Other current liabilities		854	717
Current interest-bearing financial liabilities	3.3	3 605	3 586
Other current interest-bearing liabilities towards shareholders	3.4	-	600
Current convertible bonds towards shareholders	3.7	-	620
Loans towards third parties		-	1 300
Accrued expense		10 486	8 972
Short-term provisions		978	1 784
Current liabilities		17 882	21 993
Non-current interest-bearing financial liabilities	3.5	178 210	153 495
Other non-current interest-bearing liabilities towards third parties		-	2 237
Other non-current interest-bearing liabilities towards shareholders and related parties	3.8	-	2 500
Long-term convertible bonds	3.7	4 000	-
Bond payable	3.6	50 050	50 050
Other non-current liabilities		500	500
Provisions for deferred taxes	3.9	36 072	25 564
Non-current liabilities		268 832	234 346
Liabilities		286 714	256 339
Share capital	3.10	45 104	46 023
Capital reserves	3.11	12 082	15 900
Mandatory convertible debts towards shareholders	3.14	-	3 183
Retained earnings	3.13	74 721	45 216
Minority interests		16 247	15 066
Consolidated profit		35 982	26 814
Equity shares	3.12	-20 605	-8 452
Equity		163 531	143 750
Total equity and liabilities		450 245	400 089

Group Income Statement

Income statement in TCHF	Notes	2021	2020
Income from sale of land	4.2	38 118	94 565
Rental income from properties		12 776	11 264
Income from revaluation of properties		34 527	2 602
Income from participation in property investments	4.3	15 360	1 867
Operating Income		100 781	110 298
Cost from sale of land	4.2	-34 376	-61 064
Direct property expenses	4.4	-3 451	-2 897
Personnel expenses		-826	-716
Other operating expenses	4.5	-3 335	-4 894
Other income	4.7	-13	906
EBITDA (Earnings before interest, income taxes, depreciation and amortization)		58 780	41 633
Depreciation and amortization		-944	-351
EBIT (earnings before interest and income taxes)		57 836	41 282
Financial expenses	4.6	-4 475	-4 997
Consolidated profit before income tax		53 361	36 285
Income taxes	4.8	-15 434	-4 019
Consolidated profit before minority interests		37 927	32 266
Minority interests		-1 945	-5 452
Consolidated profit after minority interests		35 982	26 814
Profit per share (non-diluted)	4.9	16.92	12.00
Profit per share (diluted)	4.9	16.79	11.95

Cash Flow Statement in TCHF	2021	2020
Consolidated profit	37 927	32 266
+ Depreciation and amortization	944	351
- Decrease from revaluation of properties	-34 527	-2 602
+ Increase in provisions for deferred taxes	10 508	3 677
+/- Increase/ Decrease in trade receivables	-34	50
+ Decrease in other receivables	35	489
+/- Increase/ Decrease in receivables towards related parties	-2 940	7 002
- Decrease in project properties	3 642	8 289
- Increase in accrued income and prepaid expenses	-3 376	-1 125
+/- Decrease/ Increase in trade payables	-2 455	2 630
+/- Increase/Decrease in other current liabilities	137	-328
- Decrease in other current liabilities towards shareholders	-600	-1 200
+/- Increase/ Decrease in accrued expense	1 067	-1 614
- Decrease in short-term provisions	-806	-4 233
Cash flow from operating activities	9 522	43 652
+ Inflows from investment of loans	5 046	-
- Outflows for investment of loans	-	-22 978
- Outflows distributions to minority interests	-764	-
+ Inflows from contributions from minority interests	-	2 538
+ Inflows from investments in associates	18 103	-
- Outflows for investments in associates	-8 068	-22 606
- Outflows for investment of other tangible fixed assets	-15	-521
- Outflows for investment acquisition of investment properties	-17 093	-57 443
+ Inflows from disposal of investment properties	-	20 041
- Outflows for investment of intangible assets	-512	-1 504
Investing activities	-3 303	-82 473
- Payments of current financial liabilities	-491	-3 017
+ Issuance of non-current financial liabilities	38 272	46 130
- Payments of non-current financial liabilities	-13 047	-25 780
- Decrease of non-current liabilities	-6 037	-7 758
+ Increase in convertible bonds	4 000	-
+ Increase in bond payable	-	50 050
- Outflows for mandatory convertible debt repayments towards shareholders	-	-3 063
- Distribution of profits towards shareholders	-320	-320
- Purchase of own shares	-20 693	-8 758
Financing activities	1 684	47 484
Translation differences	3 011	-10 902
Net change in cash and cash equivalents	10 914	-2 239
Opening balance of cash and cash equivalents	14 161	16 400
Closing balance of cash and cash equivalents	25 075	14 161
Change in cash fund	10 914	-2 239

Group Shareholders' Statement of Equity

Statement of equity in TCHF	Share capital	Capital reserves	Mandatory convertible debt	Retained earnings	Own shares	Shareholders' equity	Minority interests	Shareholders' equity including minority interests
Shareholders' equity at Dec 31, 2020	46 023	15 900	3 183	72 030	-8 452	128 684	15 066	143 750
Consolidated profit	-	-	-	35 982	-	35 982	1 945	37 927
Settlement of debt with own shares	-	-	-3 183	-	3 183	-	-	-
Distributions - preferred interests	-	-	-	-320	-	-320	-	-320
Change in minority interests	-	-	-	-	-	-	-764	-764
Reduction of share capital	-919	-1 379	-	-	-	-2 298	-	-2 298
Exchange differences	-	-	-	3 011	-	3 011	-	3 011
Purchase/sale own shares	-	-2 439	-	-	-15 336	-17 775	-	-17 775
Shareholders' equity at Dec 31, 2021	45 104	12 082	-	110 703	-20 605	147 284	16 247	163 531

Statement of equity in TCHF	Share capital	Capital reserves	Mandatory convertible debt	Retained earnings	Own shares	Shareholders' equity	Minority interests	Shareholders' equity including minority interests
Shareholders' equity at Dec 31, 2019	46 023	17 185	17 363	56 586	-582	136 575	7 076	143 651
Consolidated profit	-	-	-	26 814	-	26 814	5 452	32 266
Settlement of debt with own shares	-	-	-5 603	-	5 603	-	-	-
Distributions - preferred interests	-	-	-	-468	-	-468	-	-468
Change in minority interests	-	-	-	-	-	-	2 538	2 538
Decrease in revaluation reserves	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-10 902	-	-10 902	-	-10 902
Purchase/sale own shares	-	-1 285	-	-	-13 473	-14 758	-	-14 758
Change of terms	-	-	-8 577	-	-	-8 577	-	-8 577
Shareholders' equity at Dec 31, 2020	46 023	15 900	3 183	72 030	-8 452	128 684	15 066	143 750

Notes to the Consolidated Financial Statements

1. Accounting and valuation principles

1.1 Accounting principles

The consolidated financial statements of sitEX Properties Holding AG, Lachen (SZ), have been prepared in accordance with Swiss GAAP FER (Generally Accepted Accounting Principles FER) and provide a true and fair view of the net assets, financial position and results of operations. The application of principles of consolidation and valuation has remained unchanged from the previous year.

sitEX Properties Holding AG adopted the provisions of SWISS GAAP FER 31, Complementary recommendation for listed companies, as of January 1, 2020. It is applicable for listed companies' separate or consolidated financial statements. As further discussed on Note 3.6, the adoption of SWISS GAAP FER 31 is mainly related to the issuance of a TCHF 50,000 bond which is publicly listed on the Swiss stock exchange (SIX Swiss Exchange). This adoption aims at improving the significance of the financial statements. The new recommendation contains regulations regarding Earnings per Share Rights, Income Taxes, Financial Liabilities and Segment Reporting.

The Board of Directors approved the consolidated financial statements of sitEX Properties Holding AG on March 22, 2022.

1.2 Principles of consolidation

The present consolidated financial statements are based upon the individual financial statements of the companies of the sitEX Group.

Intra-group assets and liabilities in the individual financial statements as well as income and expenditure from intra-group transactions have been eliminated. Capital consolidation has been treated in accordance with the purchase method, i.e., the book value of the participation of the controlling company has been offset against the proportional equity capital of the subsidiary at the time of acquisition or first consolidation. For the companies acquired during the year, the assets and liabilities are revalued as of the acquisition date in accordance with uniform group principles and consolidated from this effective date. The difference between the purchase price of an acquired company and the fair value of the resulting net assets acquired is set off against shareholders' equity (retained earnings) as goodwill from acquisitions. Any negative goodwill is offset against shareholders' equity (retained earnings). Acquisition costs are recognized in the income statement.

Companies in which sitEX Properties Holding AG has a direct or indirect holding of more than 50% have been incorporated using the full consolidation method, i.e., the positions of the financial statements have been consolidated at 100%. In 2021 and in 2020, shares of minority shareholders in the capital and results have been reported separately.

In 2021, the consolidated companies include sitEX Properties Holding AG, Lachen, and the following subsidiaries:

Company		Share capital	Interest held in %	
sitEX Coworking Concepts AG, MuttENZ	TCHF	100	100	direct
sitEX International AG, Lachen	TCHF	22 000	100	direct
sitEX Powerhouse AG, MuttENZ	TCHF	100	85,7	direct
Pfeffingerring AG, Basel	TCHF	4 550	100	direct

Company		Share capital	Interest held in %	
sitEX Properties USA Inc., Orlando (USA)	TUSD	90 456	100	indirect
sitEX Town Center LLC, Orlando (USA)	TUSD	2 208	100	indirect
*sitEX Pasco Holdings LLC, Orlando (USA)	TUSD	28 293	100	indirect
sitEX Town Plaza LP, Orlando (USA)	TUSD	2 263	99	indirect
Avalon Senior Housing (ASH), Orlando (USA)	TUSD	10 480	100	indirect
APT Avalon Park Holdings (APH), Orlando (USA)	TUSD	3 186	80	indirect
sitEX Coworking Concepts LLC	TUSD	57	100	indirect
Avalon Park Tavares LLC	TUSD	8 771	100	indirect
Avalon Park Daytona LLC	TUSD	8 588	80	indirect
sitEX Properties Australia Ltd., Lachen	TCHF	4 000	100	indirect
sitEX Properties Australia Trust, Sydney (AUS)	TAUD	10 000	100	indirect
sitEX Properties Sydney No. 4 Pty, Sydney (AUS)	TAUD	0	100	indirect
Non-consolidated holdings				
APW Downtown Phase 1 LP	TUSD	19 700	49	indirect
Avalon Park Daytona Land Holding LP (USA)	TUSD	40 000	20	indirect
Avex Homes LLC, Orlando (USA)	TUSD	1 350	57	indirect

* sitEX NR Development LLC and sitEX NR Holding LLC were pre-consolidated at the level of sitEX Pasco Holdings LLC

In 2021 and in 2020, Avex Homes LLC's operations were not consolidated into the sitEX Group. The 57% interest held is a non-controlling mainly non-voting interest, therefore not required to be consolidated and treated under the equity investment method.

Closing date

The closing date of the consolidated financial statements is December 31.

Transactions with related parties

Related parties are defined as members of Boards of Directors and Management Boards as well as shareholders of the reporting organization who have a significant influence (more than 20% of voting rights) directly or indirectly and alone or in conjunction with others.

1.3 Foreign currency conversion

The financial statements in foreign currency to be consolidated have been converted into the currency of the consolidated financial statements. This conversion was undertaken using the current rate method. Assets and liabilities were converted at the exchange rate on the balance sheet date and equity capital was converted at historic rates. The conversion in the statement of changes in real estate assets was also undertaken at the effective date exchange rate. The foreign currency differences in the statement of changes compared with the previous year's balance sheet date were credited or charged via the retained earnings. Revenues and expenses have been translated at the annual average rate in effect during the year.

	31.12.2021 Effective rate	2021 Average rate	31.12.2020 Effective rate	2020 Average rate
US-Dollar	0.9111	0.9143	0.8947	0.9381
Australian Dollar	0.6624	0.6865	0.6821	0.6476

2. Valuation and accounting principles

Cash and cash equivalents

Liquid assets have been recorded at nominal values. These comprise the funds from the cash flow statement and include cash on hand as well as bank, post office deposits and money market accounts.

Trade receivables

Receivables have been recorded at their nominal values. Any impairments have been reflected via the creation of a specific allowance. This includes receivables from rental properties.

Receivables towards related parties

Receivables towards related parties have been recorded at their nominal values. Any impairments have been reflected via the creation of a specific allowance.

Other receivables

Receivables have been recorded at their nominal values. Any impairments have been reflected via the creation of a specific allowance.

Project properties

Project properties include land, either developed or undeveloped. In accordance with Swiss GAAP FER 17, project properties are recorded at the lower of the acquisition cost or its developed costs and its fair value less cost to sell. Improvements to the land are capitalized. Impairments, if any, are recorded to reduce the land cost.

Accrued income and prepaid expenses

The accrued heating and operating costs represent expenses that will be invoiced to tenants via the heating and service charge reconciliations as at the balance sheet date. The contra entry comprises the accrued payments on account for tenant heating and operating costs under accrued expenses and deferred income. Accrued income and prepaid expenses also includes prepaid income taxes which were paid in US and accrued income from the sale of finished lots to homebuilders.

Loans

These have been recorded at their nominal value net of any necessary value adjustment. The amount due for collection within the next year has been presented as current loan towards related parties.

Investments in associates

Investments in associates have been recorded at their original acquisition cost, adjusted by the earnings and losses of each

investment and/or additional contributions made or distributions received (equity-method).

Investment Properties

Investment properties consist of real estate assets which are first reported at their acquisition cost. Subsequently, investment properties are accounted for at fair value, in accordance with Swiss GAAP FER 18, in which the initial value is adjusted based upon valuation reports that reflect the progress of the development and/or potential sales proceeds achievable in the market. The investment properties, which are recognized at fair value, include capitalized development costs. The fair value of the properties located in Switzerland and the USA have been calculated by independent and neutral appraisers which normally use the discounted cash flow method (DCF) to calculate the value or in some instances, the fair value reflects concrete purchase offers and contracts.

The net change in fair values of the properties has been reported separately in the income statement as "Income from revaluation of properties."

Intangible assets

Intangible assets have been reported at their acquisition costs and normally depreciated over a period of five years or, in exceptional cases, using the straight-line method over their economically useful lives.

Financial liabilities

Financial liabilities include current financial liabilities that are due within the next twelve months and non-current financial liabilities with maturity terms of more than twelve months. Financial liabilities consist of loans secured by real estate, loans towards shareholders, related parties, and others, as well as the borrowed capital component of the bond owed to a financial institution. All loans issued in Switzerland were issued in Swiss Francs while loans issued in the United States were issued in US Dollars. Financial liabilities have maturity terms ranging from 1 to 12 years.

Financial liabilities have been valued at their nominal value.

Trade payables

Trade payables have been valued at a nominal amount.

Other current liabilities

The other short-term liabilities include obligations for advance rental payments and obligations from the letting business.

Other short-term interest-bearing liabilities

Granted interest-bearing loans, which are due for repayment within a year.

Accrued expenses

The various accrued expenses include liabilities for expenditures incurred yet unpaid. In addition, this item includes accrued payments on accounts as the contra-item to the heating and operating costs under accrued income.

Provisions

Provisions include the liabilities for current taxes incurred but yet unpaid.

Provisions for deferred taxes

Deferred taxes arise from the difference in value between the current values and the tax values of the individual balance sheet items. The amount of tax for the properties has been calculated individually for each property asset by applying the effective tax rate in each country.

Investment in associates in TCHF	2021	Interest Held	2020	Interest Held
APW Downtown Phase I, LP - partnership formed for the future development of the Town Center located in Avalon Park Wesley Chapel	13 109	49%	12 780	49%
Avex Homes, LLC - investment in the common units of this homebuilding company	2 355	57%	8 864	57%
Avex Homes, LLC - investment in the preferred units which have no ownership interest	-	0%	3 500	0%
Avalon Park Daytona Land Holding, LP - partnership formed for the future development of residential lots in Avalon Park Daytona	7 289	20%	7 157	20%
Waterman Center, LLC - a company which owns land in Tavares, Florida to develop the future Town Center of Avalon Park Tavares	1 141	42.5%	1 120	42.5%
Avex Longwood Town Holdings, LLC - a company formed to acquire land which was fully developed into townhome lots	-	29%	500	29%
Avalon Town Holding, LLC - a company formed to acquire land which was fully developed into townhome lots	-	48%	1 074	48%
Other investments	1 066	-	-	-
Investments in associates	24 960	-	34 995	-

As indicated in note 1.2, the 57% interest in Avex Homes common units are non-controlling, mainly non-voting interests, therefore not required to be consolidated. In addition, the investment into Avex Homes preferred return units was used by Avex Homes to develop residential lots in a specific community and guaranteed sitEX USA a 10% minimum return on its investment.

On September 2021, the assets and operations of Avex Homes were sold to a strategic partner, Stanley Martin Homes (SHM), a subsidiary of the Japanese Daiwa House

Mandatory convertible debts towards shareholders

Mandatory convertible debts have been recorded at the agreed upon acquisition value which equates to the future issuance of own shares. The amounts have been presented as part of the Company's equity at the date of issue, due to the mandatory convertible feature of this instrument.

Equity shares

Own shares are valued at acquisition cost and have been deducted from equity capital as a minus entry. All transactions are credited or charged directly to the "own shares" entry using the effective cash flows. During the 2021 and 2020 financial year, the net profit/loss from purchase/sale of own shares was recorded through the capital reserves.

3. Notes to the consolidated balance sheet

3.1 Investments in associates

In 2021 and in 2020, the Company owns various participations in associates which are treated under the equity investment method and are as follows:

Group for a total net sales price of USD \$106M. After the sale, sitEX USA received distributions from its investment in Avex Homes (including distributions on the preferred return units), its investment in Avex Longwood Town Holdings project and its investment in Avalon Town Holding totaling TCHF 32,522. The remaining investment balance outstanding in Avex Homes at December 31, 2021 represents the balance pending to be received from several amounts which were held by SMH in escrow accounts. These amounts will be settled in 2022 and in 2023.

3.2 Project and investment properties

Properties in TCHF	31.12.2020	Currency differences	Disposals	Additions	Revaluations	31.12.2021
Switzerland	3 814	-	-	2 691	-	6 505
USA	39 047	718	-33 990	28 498	-	34 273
Total project properties (presented as current assets)	42 861	718	-33 990	31 189	-	40 778
Switzerland	160 359	-	-	4 647	21 271	186 277
USA	101 167	1 859	-	9 325	13 256	125 607
Total investment properties (presented as non-current assets)	261 526	1 859	-	13 972	34 527	311 884
Total properties	304 387	2 577	-33 990	45 161	34 527	352 662

Properties in TCHF	31.12.2019 (after restatement)	Currency differences	Disposals	Additions	Revaluations	31.12.2020
Switzerland	2 588	-	-	1 226	-	3 814
USA	57 193	-3 533	-47 594	32 981	-	39 047
Total project properties (presented as current assets)	59 781	-3 533	-47 594	34 207	-	42 861
Switzerland	132 997	-	-	28 047	-685	160 359
USA	66 772	-5 579	-9 939	46 626	3 287	101 167
Total investment properties (presented as non-current assets)	199 769	-5 579	-9 939	74 673	2 602	261 526
Total properties	259 550	-9 112	-57 533	108 880	2 602	304 387

The Company owns a building known as “Rengglochstrasse 29” which is included on the balance sheet as part of the “Investment Properties” category. The ground floor of this property was leased to a third party over a five-year lease term. If the Company decides to sell this building, this tenant has the right of first refusal to purchase the building at a fixed sales price of TCHF 5,400. This purchase option will terminate at the end of the lease term on March 1, 2025.

In 2021, the disposal of project properties in USA for TCHF 33,990 (TCHF 47,594 in 2020) is related to the sale of various parcels of developed lots to Stanley Martin Homes (previously Avex Homes) and D.R. Horton, Inc. (“D.R.”). In 2021, the addition in project properties totaling TCHF 28,498 (TCHF 32,981) for sitEX USA is mainly due to the acquisition of finished developed lots to resell to D.R. at predetermined prices as well as the development of land located in Tavares and Texas, USA, which are being developed into residential lots. The finished developed lots are under sales contracts with SMH and D.R. In Switzerland, TCHF 2,691 (TCHF 1,226 in

2020) of project properties are related to the development costs for the project located in Pratteln, where sitEX is developing 13 apartments and four retail spaces.

On investment properties, in 2021 sitEX USA incurred in TCHF 9,325 (TCHF 6,626 in 2020) in value-enhancing additions added to the properties which mainly includes the construction of the 94 residential apartment building owned by sitEX Town Plaza, LP and improvements to the land for their Avalon Park Daytona Beach and Avalon Park Wesley Chapel projects. In 2020, sitEX USA also acquired approximately 12 million sq. meters in the city of Daytona Beach for approximately TCHF 40,000.

Concurrently in 2020, sitEX USA sold from the Daytona Beach land approx. 3 million sq. meters resulting in disposals of TCHF 9,939 to a new Partnership for which sitEX USA retained a 20% interest.

In Switzerland, TCHF 4,647 (TCHF 10,301 in 2020) in value-

enhancing additions were added to investment properties. In 2020 the operations of Pfeffingerring AG were consolidated which increased the total investment properties by TCHF 17,746.

3.3 Current interest-bearing financial liabilities

The current interest-bearing liabilities are the current portion of obligations due within the next twelve months (see Note 3.5).

3.4 Other current interest-bearing liabilities towards shareholders

Included in this caption are TCHF 600 reported in 2020, originally long-term interest-bearing loans granted by shareholders, which were due for repayment within one year

through a monthly amortization of TCHF 100.

3.5 Non-current interest-bearing financial liabilities

All long-term financial liabilities are secured by mortgages. All loans issued in Switzerland were issued in Swiss Francs while loans issued in the United States were issued in US Dollars and converted to Swiss Francs at year-end.

Financial liabilities have maturity terms ranging from 1 to 12 years. The nominal value of the pledged mortgage notes amounts to TCHF 218,049. The contractually agreed principal payments (excluding convertible loans as defined in Note 3.7) for the long-term financial liabilities are as follows:

2021 In TCHF	Variable	2022	2023	2024	2025	2026	Beyond 2027	Total
Mortgages Switzerland	57 280	3 226	2 700	12 700	5 200	2 700	84 745	111 271
Mortgages USA	46 171	379	42 771	4 226	8 185	379	14 604	70 544
Total financial liabilities	103 451	3 605	45 471	16 926	13 385	3 079	99 349	181 815

2020 In TCHF	Variable	2021	2022	2023	2024	2025	Beyond 2026	Total
Mortgages Switzerland	45 880	3 216	3 216	3 216	3 216	3 216	38 124	100 084
Mortgages USA	38 304	370	527	370	370	2 216	14 795	56 997
Total financial liabilities	84 184	3 586	3 743	3 586	3 586	5 477	52 919	157 081

The contractually agreed amount of TCHF 3,605 due in the year 2022 (TCHF 3,586 due in the year 2021) has been presented under current interest-bearing financial liabilities while the remaining balance of TCHF 178,210 (TCHF 153,495) has been presented under non-current interest-bearing financial liabilities. Mortgages in the amount of TCHF 103,451 (TCHF 84,184 in 2020) are short-term financed with floating interest rates at an average rate of 2.81% until the beginning of 2032.

3.6 Bond payable

On June 17, 2020, sitEX Properties Holding AG entered into a contract with Basellandschaftliche Kantonalbank (BLKB) to issue a fixed 0.375% interest bond in the amount of TCHF 50,000, at 100.099%, with a term of 5 years, maturing on June 2025. The bond is a publicly traded bond, listed under SIX, the main Swiss stock exchange under the securities number CH0551012807 (SIT20). The bond's guarantors are as follows: Dr. Christoph Stutz with TCHF 10,000, Avalon Park Group Holding AG, a company owned by Beat Kähli, with TCHF 10,000 and sitEX Powerhouse AG with TCHF 30,000. The TCHF 271 costs incurred in connection with the issuance of the bond were capitalized under prepayments and accrued income and are being amortized over the term of the bond.

3.7 Other interest-bearing liabilities (convertible bonds)

In TCHF	2021	2020
Convertible bonds at January 1	620	620
Loans received	4 000	-
Repayments of loans	-	-
Conversion of bonds in exchange of own shares	-620	-
Internal interest	-	-
Convertible loans at December 31	4 000	620

During 2021, the Company entered into several convertible bond agreements with third parties. The terms of the agreements are as follows:

- TCHF 1,000,000 for a fixed interest rate of 1%, matures on June 2025 and allows the loan to be converted at a price of CHF 135 per share.
- TCHF 1,000,000 for a fixed interest rate of 1.25%, matures on June 2026 and allows the loan to be converted at a price of CHF 150 per share.
- TCHF 2,000,000 for a fixed interest rate of 1.25%, matures on June 2026 and allows the loan to be converted at a price of CHF 150 per share.

The convertible bonds outstanding in 2020 had a fixed interest rate of 4.5% and matured on January 15, 2021. On this date, the bonds were converted against 10,877 of own shares.

3.8 Related party transactions

During the years 2021 and 2020, there were several transactions and arrangements made with related parties, and the effects of these transactions and arrangements are reflected in the financial statement.

Avalon Park Group Management Inc. provides management, consulting, property and development services to the real estate properties in the USA. The management fee for all properties of sitEX ranges from 3% to 4% of gross revenues plus up to 2% asset management fee. Avalon Park Group has carried out various work in the USA and has a close relationship with Beat Kähli, member of the Board of Directors and CEO. During the year 2020 and through September 2021, sitEX Properties USA Inc. had several takedown agreements with Avex Homes with predetermined terms, purchase quantities and guaranteed returns of up to 20%. These takedown agreements mainly consist of sitEX USA developing finished residential lots and selling them back to Avex Homes. These agreements were terminated on September 2021, as part of the sale of assets and operations to SMH and were assigned to SMH.

The management consisting of Dr. Christoph Stutz (Chairman of the Board of Directors) and Beat Kähli (CEO) was

compensated at rates as approved by the Board of Directors amounting to TCHF 60 and TCHF 120, respectively. Dr. Christoph Stutz provided numerous project related services for which he was compensated at a flat rate with his management fee of TCHF 60. sitEX USA has executed several land sales transactions to entities which Beat Kähli, CEO, has an interest in. Several of these land sales transactions were executed under the installment sales resulting in loans for the sales amount pending to be collected. In 2021, loans from related parties amounted to TCHF 31,494, of which TCHF 10,934 has been presented as short-term and TCHF 20,560 has been presented as long-term and in 2020, loans from related parties amounted to TCHF 36,540, of which TCHF 10,748 has been presented as short-term and TCHF 25,792 as long-term. In addition, the CEO and the Chairman of the Board are personally guaranteeing a TCHF 8,000 obligation which is held by sitEX Powerhouse AG. Both CEO and Chairman have guarantees on the TCHF 50,000 bond (see Note 3.6). The CEO also personally guarantees various loans held by sitEX USA for the total amount of TCHF 36,232 (TCHF 38,460 in 2020).

Avalon Park Tavares (APT), an entity owned by Beat Kähli, entered to a contract with an affiliated entity to purchase approximately 526,000 sq. meters of undeveloped land for a price of TCH 6,679. Thereafter, sitEX USA entered to a contract with Beat Kähli for TCHF 7,263 to acquire 100% of the outstanding interest of Avalon Park Tavares in exchange for the Company's own shares (see Note 3.14). Phase I of this contract, which was approximately 50% of the land, completed its development in 2021. Phase II will begin development in 2022. In addition, sitEX Properties Holding AG entered into a contract with Dr. Christoph Stutz to acquire 100% of the Pfeffingerring interest for a price of TCHF 10,100 (see Note 3.14). In 2020, an amendment to the contract was executed reducing the original investment from TCHF 10,100 to TCHF 4,550. This amendment didn't change or reduce sitEX 100% ownership in Pfeffingerring. An additional amount of TCHF 5,550 will be paid to Dr. Stutz if certain conditions are met. In addition, in 2020, sitEX USA acquired from Beat Kähli an interest in Avalon Town Holding, LLC for the amount of TCHF 537.

Below is a summary of all the transactions and arrangements made with related parties.

Transactions with related parties in TCHF	31.12.2021	31.12.2020
Income from sale of land to related parties	1 652	39 521
Fees paid to the Board of Directors and management	612	485
Fees paid to Avalon Park Group Management Inc.	1 921	2 408
Interest on loans by shareholders and related parties	44	146
Balances with related parties in TCHF		
Receivables towards related parties	4 750	1 810
Short-term loans by related parties	10 934	10 748
Non-current loans towards related parties	20 560	25 792
Short-term convertible bonds towards shareholders	-	620

In TCHF	31.12.2021	31.12.2020
Balances with related parties		
Other current interest-bearing liabilities towards shareholders	-	600
Non-current interest-bearing liabilities towards shareholders and related parties	-	2 500
Convertible bonds towards shareholders	-	620

3.9 Provision for deferred taxes

The provision for deferred tax liabilities changed as follows during the year under review:

	In TCHF
Provision for deferred taxes at December 31, 2020	25 564
Change due to revaluation of properties and new tax rates	10 508
Provision for deferred taxes at December 31, 2021	36 072

3.10 Share capital

The nominal share capital is divided into 2,255,192 (2,301,146 in 2020) registered shares with a nominal value of CHF 20.00 each.

	Number	Nominal value	In TCHF
Nominal share capital at January 1, 2021	2 301 146	20	46 023
Capital decrease of September 13, 2021	- 45 954	20	-919
Total nominal share capital at December 31, 2021	2 255 192	20	45 104

Authorized share capital

In accordance with the articles of association, the authorized share capital is a maximum of TCHF 22,551 (TCHF 23,011 in 2020) by way of issuing up to 1,127,596 registered shares with a nominal value of CHF 20.00 by May 31, 2023.

Conditional capital increase

In accordance with the articles of association, the conditional share capital is a maximum of TCHF 22,230 (22,967 in 2020)

through the exercise of conversion rights of 1,111,500 registered shares with a nominal value of CHF 20.00 by December 31, 2023, as well as up to TCHF 737 through the exercise of option rights of 36,860 registered shares with a nominal value of CHF 20.00.

3.11 Capital reserves

Capital contribution reserves in the amount of TCHF 12,082 can be distributed tax-free to shareholders.

Capital reserves in TCHF	Total capital reserve	Thereof capital contribution reserve
Capital reserves at December 31, 2019	17 185	16 048
Profit from purchase/sale of own shares	-1 285	-1 285
Capital reserves at December 31, 2020	15 900	14 763
Capital decrease (reversal of premium)	-1 379	-1 379
Profit from purchase/sale of own shares	-2 439	-2 439
Capital reserves at December 31, 2021	12 082	10 945

3.12 Equity shares

Changes in own shares are as follows:

	Shares	31.12.2021 In TCHF	Shares	31.12.2020 In TCHF
Equity shares at January 1	122 545	8 452	10 687	582
Purchase of equity shares	193 749	21 961	227 608	15 698
Sale of equity shares	-21 691	-1 888	-15 750	-940
Capital decrease	-45 954	-2 2982	-	-
Reduction mandatory convertible debt (see Note 3.14)	-67 284	-3 183	-100 000	-5 603
Loss from purchase/sale of equity shares	-	-2 439	-	-1 285
Total equity shares at December 31	181 365	20 605	122 545	8 452

During 2021, 193,749 own shares with an average value of CHF 113.35 per share were acquired. At the same time, 21,691 shares were sold at an average price of CHF 88.71 per share, 67,284 shares were reduced at an average price of CHF 46.77 (100,000 shares were reduced in 2020 at an average price of CHF 56.03), (see Note 3.14), and 45,954 shares were destroyed at a price of CHF 50.00 per share. In 2020, 227,608 own shares with an average value of CHF 68.97 per share were acquired. At the same time, 15,750 shares were sold at an average price of CHF 59.58 per share.

3.13 Retained earnings

The retained earnings include retained generated profits, including profit items recorded directly in the equity capital, as well as profit carried forward and the statutory reserves resulting from the periodic appropriation of profits. This includes the statutory reserves of TCHF 6,383, which are blocked and are, therefore, not available for free distribution.

Retained earnings in TCHF

Retained earnings at January 1, 2020	56 586
Currency exchange differences allocated directly to equity capital	-10 902
Preferred dividends	-468
Retained earnings at December 31, 2020	45 216
Consolidated profit 2020	26 814
Retained earnings at January 1, 2021	72 030
Currency exchange differences allocated directly to equity capital	3 011
Preferred dividends	-320
Retained earnings at December 31, 2021	74 721

3.14 Mandatory convertible debts towards shareholders

During prior years, there were several arrangements entered into, in the total amount of TCHF 17,363, for the acquisition of entities in exchange for own shares. sitEX Properties Holding AG entered into a contract with Dr. Christoph Stutz to acquire, in two tranches, 100% of the outstanding stock of Pfeffingerring AG, subject to the company's (neighborhood) planning procedure to be successfully completed. The original total obligation under the first tranche amounted to TCHF 10,100. This amount was amended in 2020 and decreased to TCHF 4,550. A total amount of TCHF 1,403 was settled with own shares in 2020 which equates to 30,000 of own shares at a price of CHF 46.77 per share and the remaining amount of 67,284 shares was settled in 2021 (see Note 3.12)

In addition, sitEX USA signed an agreement with Beat Kähli to acquire 100% of the outstanding interest of Avalon Park Tavares LLC (APT) once APT obtains approval from the local government for the future development of approximately 450

single-family lots. The total obligation under this agreement amounts to TCHF 7,263. In 2020, there was an amendment to this agreement which allowed for a portion of the purchase price to be paid in cash. In 2020, the amount of TCHF 4,200 was settled with 70,000 of own shares at a price of CHF 60.00 per share (see Note 3.12) while the remaining balance of TCHF 3,063 was paid in cash.

3.15 Contingent Liabilities

sitEX has a project property located in the city of Liestal which is currently going through a rezoning process for the future development of a neighborhood plan. If the value of the existing land increases through this process, the Company will have to pay to the seller of the land up to TCHF 960 (20% of the increase in value up to CHF 350/m²). As part of the contract with Pfeffingerring, the total purchase price is to be paid on two installments. The second installment to be paid, which amounts to TCHF 5,550, is dependent on the outcome of the future neighborhood planning procedures.

4. Notes to the consolidated group income statement

4.1 Segment reporting

	Switzerland		USA		Australia		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Income from sale of land	-	-	38 118	94 565	-	-	38 118	94 565
Rental income from properties	8 592	8 045	4 184	3 213	-	6	12 776	11 264
Income from revaluation of properties	21 271	-685	13 256	3 287	-	-	34 527	2 602
Income from participation in property investments	-	-	15 360	1 867	-	-	15 360	1 867
Operating income	29 863	7 360	70 918	102 932	-	6	100 781	110 298
Cost from sale of land	-	-	-34 376	-61 064	-	-	-34 376	-61 064
Direct property expenses	-1 960	-1 919	-1 491	-978	-	-	-3 451	-2 897
Personnel expenses	-826	-716	-	-	-	-	-826	-716
Operating expenses	-1 231	-1 378	-1961	-3 513	-143	-3	-3 335	-4 894
Other income	-13	906	-	-	-	-	-13	906
EBITDA (Earnings before interest, income taxes, depreciation and amortization)	25 833	4 253	33 090	37 377	-143	3	58 780	41 633
Depreciation and amortization	-153	-79	-791	-272	-	-	-944	-351
EBIT (Earnings before interest and income taxes)	25 680	4 174	32 299	37 105	-143	3	57 836	41 282

sitEX Properties Holding AG is an owner-managed real estate company with a special focus on sustainable and innovative project developments in Switzerland and the United States. The Company holds a diversified real estate portfolio. The Company also focus on the potential of undeveloped real estate and sites and acquires and develops properties and profits from the resulting increase in value. The consolidated data are subdivided into the segments by geographical location which is the data that management and the Board of Directors review and analyze for decision making. In addition, the reporting shows the Company's different revenue streams which are mainly rental income from properties, income from revaluation of properties, income from sale of land and income from participation in property investments.

4.2 Geographical distribution of income from sale of land and costs of land sold

During 2021, sitEX USA realized income from sale of land of TCHF 38,118 (TCHF 94,565 in 2020) and cost of land of TCHF 34,376 (TCHF 61,064 in 2020) due to the sale of various parcels of land mainly from its Avalon Park Wesley Chapel project among other parcels of land sold to SMH, Avex Homes and D.R. Horton. In addition in 2020, Avalon Park Daytona realized income from sale of land due to the sale of 765 acres (3.1 million sq. meters) to another partnership which is included in this amount.

4.3 Income from participation in property investments

In 2021 Avex Homes sold its assets and operations to SMH (see Note 3.1). sitEX USA recognized in 2021 its share of the net gain from the sale. Total income from participation in property investments from the investment in Avex Homes amounts to TCHF 15,360, in 2021, and TCHF 1 867 in 2020.

4.4 Direct property expenses

Direct property expenses of TCHF 3,451 (previous year TCHF 2,897) includes ground rents of TCHF 43 (previous year TCHF 68). Besides routine property maintenance, one-off renovation and reconstruction costs are included.

4.5 Other operating expenses

During 2021, operating expenses amounted to TCHF 3,335 (TCHF 4,894 in 2020). The ratio of operating expenses (incl. personnel expenses) to total income remained at a very respectable level of 4.1% (5.1% for 2020) thanks to the significant reduction in fixed costs (in particular insourcing of services).

Operating expenses include costs incurred for the reporting process, other administrative expenses and costs for services provided by third parties, such as management fees and professional services. Audit fees are also included within this category and amount to TCHF 168 in 2021 and TCHF 140 in 2020. There were no non-audit services provided by the statutory auditors, Deloitte AG.

4.6 Financial expenses

The financial expenditure is comprised as follows:

In TCHF	31.12.2021	31.12.2020
Interest on mortgages and fixed advances	3 575	4 338
Interest on financial liabilities	750	404
Interest on loans to third parties	58	88
Interest on loans to shareholders and related parties	44	146
Bank charges	48	21
Total financial expenses	4 475	4 997

4.7 Other income

Other income in 2021 and 2020 consisted of several miscellaneous adjustments made related to transactions from prior years.

4.8 Income taxes

Income tax expense includes current as well as deferred tax expenditure.

Income tax expenses in TCHF	31.12.2021	31.12.2020
Consolidated profit before income tax	53 361	36 285
Current income tax expense	4 926	342
Deferred income tax expense	10 508	3 677
Total income tax expense	15 434	4 019

Net accruals from deferred income taxes increased from TCHF 25,564 in 2020 to TCHF 36,072 in 2021. Deferred income taxes are calculated for every company using the effective applicable tax rate. At December 31, 2021, the resulting weighted average tax rate was 28.92% (11.08% in 2020). Deferred income taxes are mainly related to the revaluation of properties and the sale of assets and operations of Avex Homes.

of sitEX Properties Holding AG by the average number of shares outstanding.

The earnings per share diluted calculation includes short-term and long-term convertible bonds toward shareholders which can potentially increase the number of outstanding shares as of 1.1.2021 by 10,877 shares and 31.12.2021 by 27,407 shares.

Own shares are not included in the average number of shares outstanding.

Profit per share in TCHF	31.12.2021	31.12.2020
Consolidated profit	37 927	32 266
Attributable to shareholders of sitEX Properties Holding AG	35 982	26 814
Attributable to non-controlling interests	1 945	5 452
Earnings per share	16.92	12.00
Diluted earnings per share	16.79	11.95

5. Further disclosures

5.1 Guarantees in favor of third parties

	31.12.2021	31.12.2020
Guarantees in favor of third parties in TCHF	3 052	3 052

5.2 Pledged or assigned assets

Properties in TCHF	31.12.2021	31.12.2020
Sureties for mortgages	352 662	304 387
Nominal value of mortgage notes	218 049	215 123*
Borrowings	181 815	157 081

Investments in TCHF

sitEX Powerhouse AG	8 802	8 802
Borrowings	-	-

* Prior year balance was corrected to include the nominal value of mortgage notes for all consolidated entities.

5.3 Derivative financial instruments

In 2021 and 2020, the following interest rate hedges, as described below, were in place on the financial liabilities.

In TCHF				31.12.2021	31.12.2020
	Nominal value	Term period	Rate in %	Replacement value	Replacement value
SWAP Neue Aargauer Bank, Aarau	8 500	31.12.2030	1 905	*	-1 070
SWAP Credit Suisse, Switzerland (formerly Neue Aargauer Bank, Aarau)	2 850	31.03.2031	2 417	-459	-608

* During 2021, the mortgage for one of the property buildings was refinanced with its financial institution. As part of the agreement, the bank canceled this SWAP and in exchange increased the mortgage interest rate from an annual interest rate of .80% to an annual interest rate of 3.76%.

5.4 Other information

During 2021 and 2020, the spread of the coronavirus (COVID-19) escalated into a pandemic affecting more than 150 countries and the world economy. In addition, there is a military conflict between Ukraine and Russia which can cause a disruption in the financial markets and economic environment. The sitEX Group has experienced normal activity so far and hasn't felt any negative economical impact from its investments, tenants, vendors and overall service providers. Nevertheless, given the rapid day-to-day developments in many markets, we are currently unable to accurately assess the magnitude of this short-term impact. The management of the Group monitors the situation on a daily basis in order to keep an eye on liquidity and protect the business.

5.5 Subsequent events

On February 14, 2022 and February 15, 2022, the Company acquired a new parcel of land and neighborhood project described as the "K7 Center Bubendorf" for the total amount of TCHF 5,400. This acquisition grants the Company with the plans and permits to build office and retail space. The latter is leased for 15 years (plus two five-year renewal options) to ALDI Suisse AG. This acquisition was financed through a new loan with a financial institution for TCHF 4,050 and the remaining amount was paid by the Company in cash, of which the amount of TCHF 120 was prepaid in 2021 and recorded as Accrued Income and Prepaid Expenses.

Report of the Statutory Auditor



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To the General Meeting of
SITEX PROPERTIES HOLDING AG, LACHEN

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of sitEX Properties Holding AG, which comprise the consolidated balance sheet as at December 31, 2021 and the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matter	How the scope of our audit responded to the key audit matter
<p>Valuation of investment properties</p> <p><i>Investment properties form a substantial part of the balance sheet and showed an overall fair value of TCHF 311,884 as at December 31, 2021 (previous year TCHF 261,526).</i></p> <p><i>The Group's total investment properties are valued at fair value as at the balance sheet date (in line with FER 2/20). The valuation is based on the external valuation expert's report, which normally uses the discounted cash flow method (DCF) to calculate the value or, in some instances, the fair value reflects concrete purchase offers and contracts.</i></p> <p><i>We consider the valuation of investment properties to be a key audit matter due to the importance of these properties in relation to the balance sheet (70% of total assets) and the significant assumptions and estimates that the valuation models and the ongoing valuations contain.</i></p> <p><i>See the accounting and valuation principles of the consolidated financial statements, section "Investment properties" (note 2).</i></p>	<p><i>In the course of our audit, we assessed the external valuation expert's competence and independence. We used our own real estate valuation experts to support our audit procedures.</i></p> <p><i>For a sample identified based on quantitative and qualitative factors, we performed, amongst others, the following audit procedures:</i></p> <ul style="list-style-type: none"><i>evaluating the methodical accuracy of the model used to determine the fair value;</i><i>challenging the most important input factors applied in the valuation (such as discount rate, historical transactions, market rents, vacancy rates, overhead / maintenance and renovation expenses) by comparing them with past figures, benchmarks, publicly available data and our own market assessments;</i><i>Investments in existing properties were examined to determine whether they could be capitalized and whether they added value.</i> <p><i>Furthermore, we assessed the internal controls around investment properties valuation.</i></p> <p><i>We assessed the adequacy and completeness of the disclosures included in the accompanying consolidated financial statements (note 3.2).</i></p> <p><i>Based on the procedures performed above, we obtained sufficient audit evidence to corroborate management's judgments and assumptions regarding valuation of investment properties.</i></p>

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG

Christophe Aebi
Licensed Audit Expert
Auditor in Charge

Severin Holder
Licensed Audit Expert

Basel, March 22, 2022



Annual Accounts of sitEX Properties Holding AG

sitEX Properties Holding AG with headquarters in Lachen (SZ) holds four interests as a holding company resulting in a simple structure. Firstly, it holds 100% of sitEX Coworking Concepts AG, which is developing modern working environments in Switzerland. Secondly, it also holds 100% of sitEX Properties International AG, which owns all foreign subsidiaries. Thirdly, it owns 100% of Pfeffingerring AG in Basel. Fourthly, there is the 85.7% shareholding in sitEX Powerhouse AG, which owns the sitEX Powerhouse property in MuttENZ.

The financial accounts in accordance with the Swiss Code of Obligations (OR) can be found on the following pages.



Balance Sheet

Balance sheet in TCHF	31.12.2021	31.12.2020
Cash and cash equivalents	1 459	3,488
Trade receivables	135	35
Receivables towards related party	-	46
Other receivables	5	142
Project properties	6 361	3 670
Accrued income and prepaid expenses	978	987
Current assets	8 938	8 368
Loan receivables from investments	65 984	77 095
Investments	35 452	35 452
Investment properties	18 181	18 619
Non-current assets	119 617	131 166
Total assets	128 555	139 534
Trade accounts payable	163	387
Current interest-bearing liabilities towards investments	155	153
Current interest-bearing liabilities towards shareholders	-	600
Current interest bearing loans from third parties	726	1 516
Current convertible bonds towards shareholders	-	620
Deferred income and accrued expenses	2 438	436
Accrued taxes	651	890
Current liabilities	4 133	4 602
Other non-current liabilities	500	500
Interest-bearing liabilities from subsidiaries	4 749	7 400
Interest-bearing liabilities from shareholders	-	2 500
Non-current convertible bonds	4 000	0
Bond payable	50 050	50 050
Non-current interest-bearing liabilities	27 740	14 562
Mandatory convertible debt towards shareholders	-	3 183
Provision for renovation funds	5 665	5 665
Non-current liabilities	92 704	83 860
Liabilities	96 837	88 462
Share capital	45 104	46 023
Statutory capital reserves	13 039	14 417
Statutory retained earnings	5 135	5 135
Loss carried forward	-8 491	-3 966
Annual loss	-2 464	-2 085
Equity shares	-20 605	-8 452
Equity	31 718	51 072
Total equity and liabilities	128 555	139 534

Income Statement

Income statement in TCHF	2021	2020
Income from properties	1 788	1 229
Income from investments	400	584
Other income	101	155
Total income	2 289	1 968
Direct property expenditure	-461	-437
Total income from properties	1 828	1 531
Personnel expenses	-77	-158
Operating expenses	-1 649	-1 376
EBITDA (earnings before interest, taxes and depreciation)	102	-3
Depreciation	-762	-809
EBIT (earnings before interest and taxes)	-660	-812
Financial expenses		
Interest expense – subsidiaries	-29	-27
Interest expense – shareholder loans	-44	-146
Interest expense – third parties	-48	-88
Interest expense – SWAP	-618	-567
Amortization of bond issuance costs	-750	-404
Interest expense – financial liabilities	-574	-272
Bank and other fees	-46	-20
Foreign exchange loss	-41	-189
Financial income		
Interest income – subsidiaries	562	480
Operating results before taxes	-2 248	-2 045
Extraordinary, nonrecurring or prior-period expense	-206	-12
EBT (earnings before taxes)	-2 454	-2 057
Direct taxes	-10	-28
Annual loss	-2 464	-2 085

Notes to the Annual Accounts

Information on the principles applied in the financial statements

Organization

sitEX Properties Holding AG, "sitEX" or "Company," was established in the Country of Switzerland. The Company holds investments in various real estate companies.

Basis of Presentation

These financial statements were prepared under the provisions of the Swiss accounting law (32nd title of the Swiss Code of Obligations), in particular the articles on commercial accounting and accounting of the Swiss Code of Obligations (Articles 957 to 962).

On March 22, 2022, the Board of Directors approved the standalone financial statements of sitEX Properties Holding AG.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Management decides in each case in its own discretion on the utilization of the existing statutory valuation and accounting scope. Actual results could differ from those estimates. For the benefit of the Company, depreciation, value adjustments and provisions beyond the economically necessary extent can be formed within the framework of the prudence principle.

Accounts Receivable

Accounts receivable are recorded at established rates and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of credit losses in the existing accounts receivable. The Company determines the allowance based on historical write-off experience. Past due balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. At December 31, 2021, there was no outstanding accounts deemed to be uncollectible.

Project and Investment Properties

Project and investment properties are recorded at acquisition cost after deduction of tax-allowable depreciation and considering value adjustments, if any. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the depreciable assets.

Revenue Recognition

The Company spaces are generally leased to tenants with a three to six-months cancellation period. Rental revenue is recognized over the term of the lease. Rental payments received in advance are deferred and classified as liabilities until earned. Other income consists of revenue associated with ancillary services and are recognized as services are provided.

Notes to the balance sheet in TCHF

31.12.2021 31.12.2020

Related party receivables

During prior years, the Company sold several properties to SoWoTri GmbH, a related party due to common ownership. Total sales price amounted to TCHF 30,000 of which the amount of TCHF 46 in 2020 was presented as accounts receivable from related party, which was fully collected in 2021.

Loans from/to subsidiaries

Loans from subsidiaries are valued in local or foreign currencies and reduced by required impairments, if any. Loans denominated in foreign currencies are converted at the rates set out in ESTV (Federal Tax Administration). Loans from/to subsidiaries are interest bearing and have no specific repayment terms.

Notes to the balance sheet in TCHF

31.12.2021 31.12.2020

Investments

Investments are valued at acquisition cost and reduced by required impairments, if any. The Company has the following material investments:

sitEX Coworking Concepts AG, MuttENZ (CH)

Holding and management of real estate assets, focus on providing innovative work concepts
Share capital: TCHF
Share of capital:
Voting share:

100
100%
100%

Pfeffingerring AG, Basel (CH)

Holding and property management of real estate assets
Share capital: TCHF
Share of capital:
Voting share:

4 550
100%
100%

sitEX Properties International AG, Lachen (CH)

Holding and property management of interest abroad
Share capital: TCHF
Share of capital:
Voting share:

22 000
100%
100%

sitEX Powerhouse AG, MuttENZ (CH)

Holding and property management of real estate assets
Share capital: TCHF
Share of capital:
Voting share:

100
85.7%
85.7%

Significant indirect investments

sitEX Properties Australia Ltd., Lachen (CH)

Holding and property management of real estate assets
Share capital: TCHF
Share of capital:
Voting share:

4 000
100%
100%

sitEX Properties Australia Trust, Sydney (AUS)

Holding and property management of real estate assets
Share capital: TAUD
Share of capital:
Voting share:

10 000
100%
100%

sitEX Properties USA Inc., Orlando (USA)

Holding and property management of real estate assets
Share capital: TUSD
Share of capital:
Voting share:

90 456
100%
100%

Notes to the balance sheet in TCHF	31.12.2021	31.12.2020
sitEX Pasco Holdings LLC., Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	28 293	28 293
Share of capital:	100%	100%
Voting share:	100%	100%
sitEX Town Center LLC., Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	2 208	2 208
Share of capital:	100%	100%
Voting share:	100%	100%
sitEX Town Plaza LP, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	2 263	2 230
Share of capital:	99%	99%
Voting share:	100%	100%
Avalon Senior Housing (ASH), Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	10 480	10 480
Share of capital:	100%	100%
Voting share:	100%	100%
APT Avalon Park Holdings (APH), Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	3 186	3 998
Share of capital:	80%	80%
Voting share:	80%	80%
sitEX NR Development LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	1 618	1 618
Share of capital:	100%	100%
Voting share:	100%	100%
sitEX NR Holding LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	26 675	26 675
Share of capital:	100%	100%
Voting share:	100%	100%
Avalon Park Tavares LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	8 771	8 771
Share of capital:	100%	100%
Voting share:	100%	100%
APW Downtown Phase I LP, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	19 700	22 900
Share of capital:	49%	49%
Voting share:	49%	49%

Notes to the balance sheet in TCHF	31.12.2021	31.12.2020	
Investments			
Avalon Park Daytona LLC, Orlando (USA)			
Holding and property management of real estate assets			
Share capital: TUSD	8 588	10 188	
Share of capital:	80%	80%	
Voting share:	80%	80%	
sitEX Coworking Concepts LLC, Orlando (USA)			
Holding and property management of real estate assets			
Share capital: TUSD	57	30	
Share of capital:	100%	100%	
Voting share:	100%	100%	
Avex Homes LLC, Orlando (USA)			
Holding and property management of real estate assets			
Share capital: TCHF	1 350	16 500	
Share of capital:	57%	57%	
Voting share:	57%	57%	
Avalon Park Daytona Land Holding LP, Orlando (USA)			
Holding and property management of real estate assets			
Share capital: TCHF	40 000	40 000	
Share of capital:	20%	20%	
Voting share:	20%	20%	
<p>During prior years, there were several arrangements entered into, in the total amount of TCHF 17,363, for the acquisition of entities in exchange for own shares. sitEX Properties Holding AG entered into a contract with Dr. Christoph Stutz to acquire, in two tranches, 100% of the outstanding stock of Pfeffingerring AG, subject to the Company's (neighborhood) planning procedure to be successfully completed. The original total obligation under the first tranche amounted to TCHF 10,100. This amount was amended in 2020 and decreased to TCHF 4,550. A total amount of TCHF 1,403 was settled with own shares in 2020 which equates to 30,000 of own shares at a price of CHF 46,77 per share (representing the NAV per share at the contract date in 2017) and the remaining amount of 67,284 shares was settled in 2021. In addition, sitEX USA signed an agreement with Beat Kähli to acquire 100% of the outstanding interest of Avalon Park Tavares LLC (APT) once APT obtains approval from the local government for the future development of approximately 450 single-family lots. The total obligation under this agreement amounts to TCHF 7,263. In 2020, there was an amendment to this agreement which allowed for a portion of the purchase price to be paid in cash. In 2020, the amount of TCHF 4,200 was settled with 70,000 of own shares at a price of CHF 60,00 per share while the remaining balance of TCHF 3,063 was paid in cash.</p>			
Share Capital			
<p>The nominal share capital is divided into 2,255,192 (2,301,146 in 2020) registered shares with a nominal value of CHF 20.00 each.</p>			
	Number	Nominal value	In TCHF
Nominal share capital at January 1, 2021	2 301 146	20	46 023
Capital decrease of September 13, 2021	-45 954	20	-919
Total nominal share capital at December 31, 2021	2 255 192	20	45 104

Notes to the balance sheet in TCHF	31.12.2021	31.12.2020
Equity shares		
Number of shares that the Company and its subsidiaries own (beginning of the year)	122 545	10 687
Purchase of equity shares (number)	193 749	227 608
Purchase of equity shares, average purchase price in CHF	113.35	68.97
Disposal of equity shares (number)	21 691	15 750
Disposal of equity shares, average sales price in CHF	88.71	59.58
Reduction due to mandatory convertible debt to shareholder (number)	67 284	100 000
Reduction of equity shares, average sales price in CHF	46.77	56.03
Number of equity shares that the Company and its subsidiaries own (end of the year)	181 365	122 545
Permanent reduction of share capital (number)	45 954	-
Permanent reduction of share capital, price in CHF	50	-
Loss from the purchase/sale of equity shares resulted in a TCHF 2,439 loss in 2021 and TCHF 1,285 in 2020. This amount was recorded through the loss carried forward.		
Other information		
Total amount of assets assigned or pledged as security for own liabilities	33 343	31 090
Conditional and authorized capital		
Authorized capital according to statutes	22 551	23 011
Conditional capital according to statutes (until December 31, 2021)	22 230	22 967
Additional comments on the capital reserve		
During 2021, a total amount of 45,954 of authorized shares were destroyed resulting in a decrease of the Company's share capital for the amount of TCHF 919 and a decrease of the Company's statutory capital reserves for the amount of TCHF 1,379. The Swiss Federal Tax Administration has confirmed capital contribution reserves in the amount of TCHF 12,424 - a value TCHF 615 below the book value. There were no capital reserves distributed during the 2021 year, therefore the confirmation still remains valid.		
Investment properties		
The Company owns a building known as "Rengglochstrasse 29" which is included on the balance sheet as part of the "Investment Properties" category. The ground floor of this property was leased to a third party over a five-year lease term. If and when the Company decides to sell this building, this tenant has the right of first refusal to purchase the building at a fixed sales price of TCHF 5,400. This purchase option will terminate at the end of February 2025.		
Bond payable		
On June 17, 2020, the Company entered into a contract with Basellandschaftliche Kantonalbank (BLKB) to issue a fixed 0.375% interest bond in the amount of TCHF 50,000, at 100.099%, with a term of 5 years, maturing on June 2025. The bond is a publicly traded bond, listed under SIX, the main Swiss stock exchange under the securities number CH0551012807 (SIT20). The bond payable balance in 2021 and 2020 amounts to 50,049,500.		

Notes to the balance sheet in TCHF	31.12.2021	31.12.2020
Contingent liabilities		
The Company has a project property located in the city of Liestal, which is currently going through a rezoning process for the future development of a neighborhood plan. If the value of the existing land increases through the neighborhood planning process, the Company will have to pay to the former seller of the land up to TCHF 960 (20% of the increase in value up to CHF 350/m²). In the contract concerning Pfeffingerring AG it was agreed that the total purchase price is payable in two tranches. The second tranche of TCHF 5,550 depends on the outcome of the future district planning procedure.		
Interest expense - SWAP		
Within the SWAP interest expenses for this year there are TCHF 210 included which were originated in 2020 but were not accrued in prior year.		
Explanations of extraordinary, nonrecurring or prior-period items in the income statement		
Adjustment to the payable amount to OAKvest Asia SPV Ltd.	-2	
VAT corrections from prior to 2021	-85	
Write-off of all outstanding balances from the project a known as "Baselmattweg" which was completed prior to 2021	-161	
Total extraordinary, non-recurring or prior period expense	-248	
Reversal of capital contribution reserves older than five (5) years	6	
Adjustment to the mandatory convertible debt recorded in 2020	36	
Total extraordinary, non-recurring or prior period income	42	
Extraordinary expense, net	-206	
Number of employees		
The Company employed no staff in 2021 and 2020.		
Other information		
During 2021 and 2020, the spread of the coronavirus (COVID-19) escalated into a pandemic affecting more than 150 countries and the world economy. In addition, there is a military conflict between Ukraine and Russia which can cause a disruption in the financial markets and economic environment. The Company has experienced normal activity so far and hasn't felt any negative economical impact from its investments, tenants, vendors and overall service providers. Nevertheless, given the rapid day-to-day developments in many markets, we are currently unable to accurately assess the magnitude of this short-term impact. The management of the Group monitors the situation on a daily basis in order to keep an eye on liquidity and protect the business.		
Proposed appropriation of available earnings		
The Board of Directors proposes a distribution in the form of share capital reduction of CHF 5 per share to the General Meeting (face value reduction from CHF 20 to CHF 15).		
Subsequent event		
On February 14, 2022 and February 15, 2022, the Company acquired a new parcel of land and neighborhood project described as the "K7 Center Bubendorf" for the total amount of TCHF 5,400. This acquisition grants the Company with the plans and permits to build office and retail space. The latter is leased for 15 years (plus two five-year renewal options) to ALDI Suisse AG. This acquisition was financed through a new loan with a financial institution for TCHF 4,050 and the remaining amount was paid by the Company in cash, of which the amount of TCHF 120 was prepaid in 2021 and recorded as Accrued Income and Prepaid Expenses.		

Report of the Statutory Auditor

Deloitte.

Deloitte AG
Meret Oppenheim-Platz 1
CH-4053 Basel

Tel: +41 (0)58 279 90 00
Fax: +41 (0)58 279 98 00
www.deloitte.ch

To the General Meeting of
SITEX PROPERTIES HOLDING AG, LACHEN

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of sitEX Properties Holding AG, which comprise the balance sheet as at December 31, 2021, the income statement and notes for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2021 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 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 recommend that the financial statements submitted to you be approved.

Deloitte AG



Christophe Aebi
Licensed Audit Expert
Auditor in Charge



Severin Holder
Licensed Audit Expert

Basel, March 22, 2022



Portfolio Overview

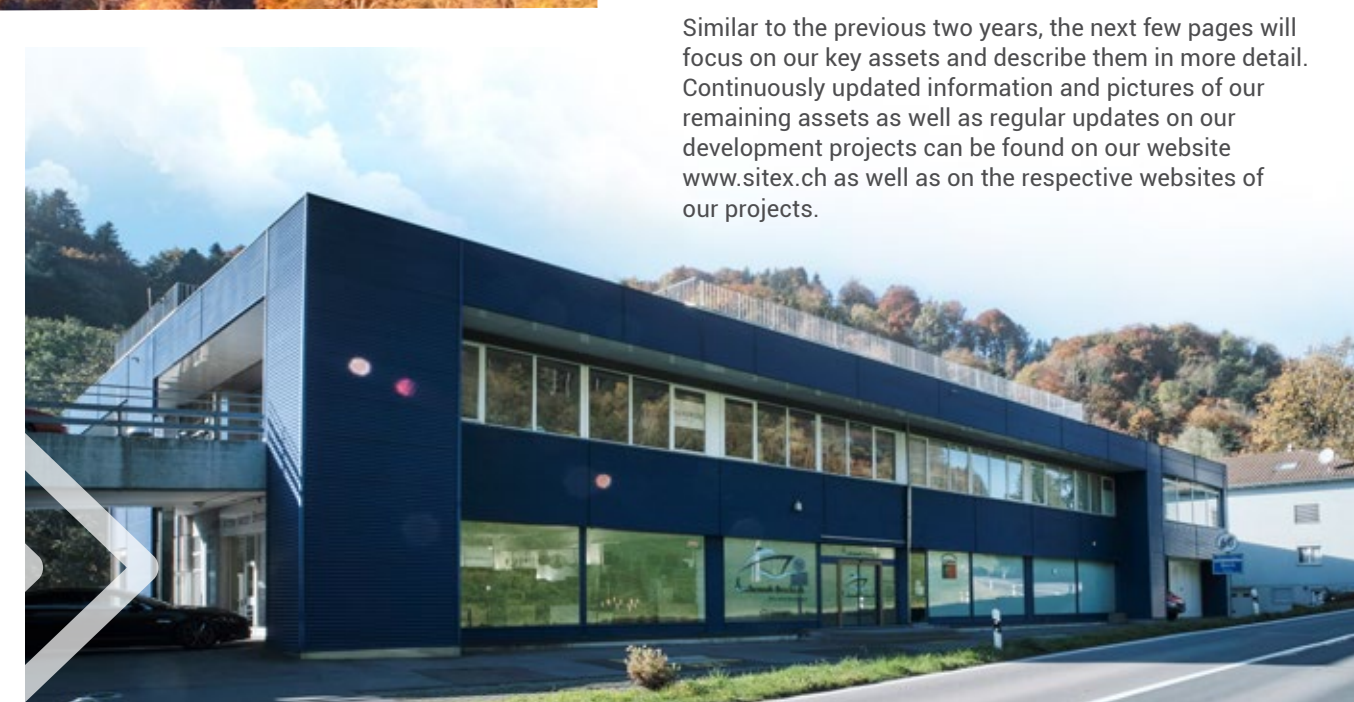
Our group of companies maintains a real estate portfolio that can be divided into investment properties and project properties. The years between 2017 and 2020 were mainly driven by a significant refocusing of our company and the sale of various non-strategic investment properties. However, as the Board of Directors of our Company is continuously reviewing offers to buy and sell, we could react swiftly when new opportunities were presented in 2021 and 2022 which offered a sustainable and above average return to our shareholders. By doing so, the amount of current and non-current assets has been growing again over the last 2 years. Nevertheless, our company still has no investment pressure and can therefore continue to act flexibly and independently.

As of the printing date, we own four investment properties and six plots of land for new development projects in Switzerland. Also in 2021, the sitEX Powerhouse represented the largest share of total group rental income by a wide margin, with a share of around 48%. The property, which has been repositioned on the market with a lot of focus and effort over the past few years and currently has a vacancy rate of less than 5%, will be presented in a separate and detailed segment this year as well.

As in the previous year, income in the USA was based on four revenue sources in 2021. While in 2020, 92% of income came from land sales, the distribution of income presented itself much more evenly in 2021. "Income from sale of land" represented a share of 54%. The "rental income from properties" represented around 6%. The remaining 40% were divided almost equally between "income from revaluation of properties" and "income from participation in property investments".

By focusing on the regions around Central Florida (Tampa, Orlando, Tavares, Daytona, etc.) and Texas (Riverbend & Gonzales), the Company achieves good geographic diversification on a national and international level.

Similar to the previous two years, the next few pages will focus on our key assets and describe them in more detail. Continuously updated information and pictures of our remaining assets as well as regular updates on our development projects can be found on our website www.sitex.ch as well as on the respective websites of our projects.



Extract from the Property Portfolio

Quartierplan «Im Oristal» (Burri-Mangold Areal), Liestal

Acquired	30 March 2016
Address	Oristalstrasse 53-59 4410 Liestal
Size	13,709 m²
Use	Industrial and commercial land

We have acquired this brownfield site in 2016, which is characterised by its proximity to the railway station, to the Stedtli (centre of Liestal) and to nature. Since then, we have invested a lot of time and energy in the development of the neighbourhood plan together with our broad team of expert planners.

The plot, with its large gravel car park, a small residential building and various storage sheds, is to be completely redeveloped over the next 3 years. A broad mix of uses shall be created, which will provide the basis for a mixed and lively neighbourhood.



Instead of the 13 workplaces and 2 residential buildings on the site today, the area shall one day be revitalised with about 120 workplaces and 100 flats. The distinctive architecture, which has been adapted to the location, will create a new town centre with an individual identity at the transition between commercial and residential use.

The legislative body of the city of Liestal unanimously approved the "Im Oristal" neighbourhood plan on 22 December 2021. As no objections were submitted during the public consultation period, preparations for submitting the building application can begin as of the printing date of this report, allowing an international school, commercial uses, various flats as well as a day-care centre and a café with a small retail area to be opened on the site within around three years.



Powerhouse

Key Facts

Acquired 2012

Address Hofackerstrasse 40
4132 Muttenz

Year built 1994

Useable area 44,615 m²

Use Office and commercial;
warehouse/storage areas

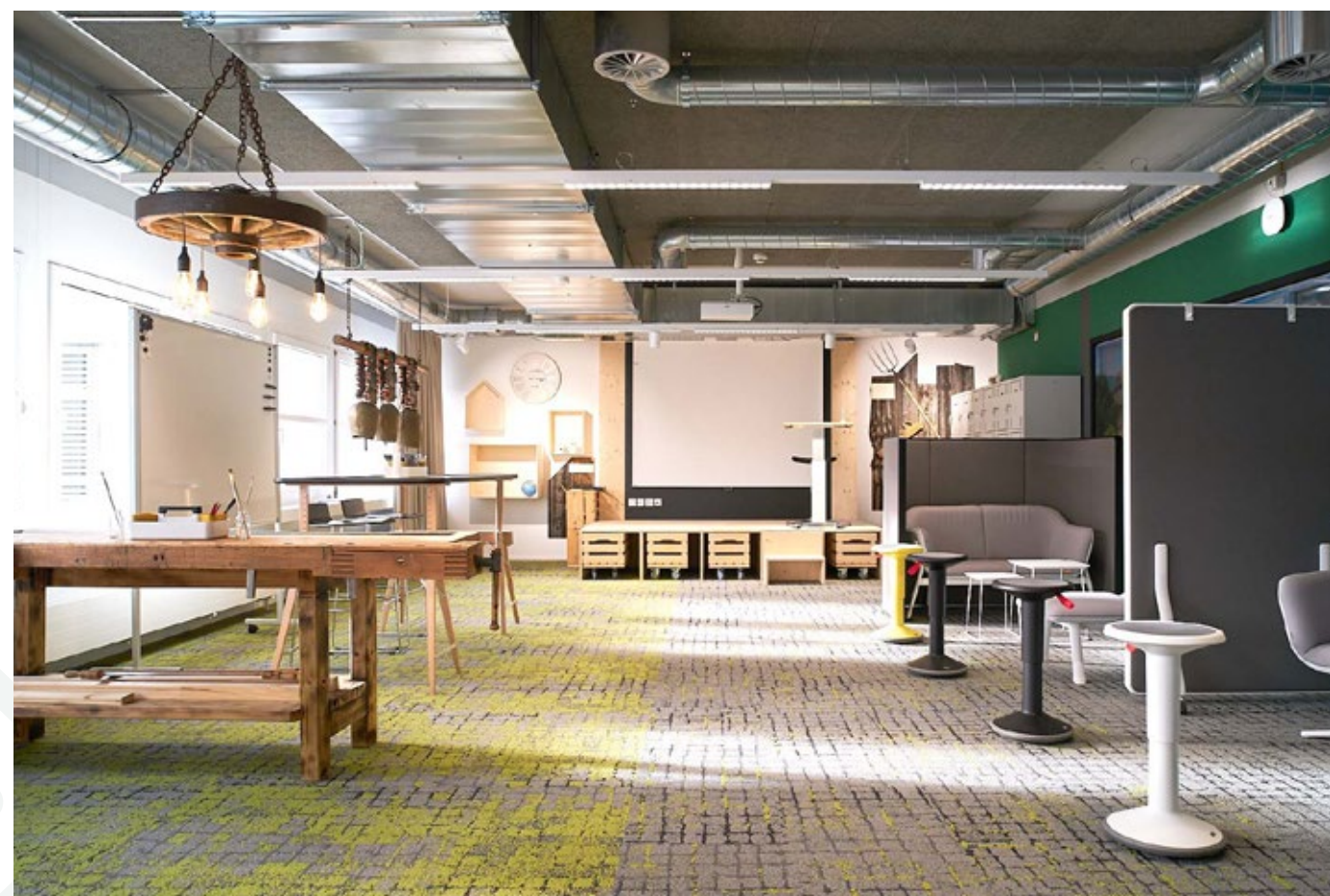
The sitEX Powerhouse represented once again an exceptionally central pillar in our portfolio last year. With more than 44,000 sq. meters of rental space, this property is one of the largest privately owned and managed properties in the canton of Basel-Landschaft. We employ our own team on site, dedicated to managing and cleaning the building, serving the tenants and maintaining and repairing the numerous technical installations.

Thanks to its size and wide range of services, the sitEX Powerhouse is a unique asset that offers a complete range of services under one roof. Tenants can meet all their workday needs under one roof. After a gym from the well-known "Update Fitness" chain opened in 2020, we were able to put the in-house childcare centre into operation on the ground floor last year in cooperation with the renowned KIMI Krippen AG company.

Despite the challenging market environment in the wake of the ongoing COVID pandemic, we have been able to achieve numerous significant (new) leasing successes in the past 16 months. As a result, the vacancy rate of our property is steadily decreasing and we are approaching full occupancy.

In the coming year, our property will be connected to district cooling. This will enable us to offer our tenants an economically and ecologically much more attractive alternative to the cooling machines, which have now reached the end of their useful life.

Our innovation campus, "The 5th Floor", which covers 4,000m² on the 5th floor of the building, will be fully let this year. The modern infrastructure and tenant fit-outs tailored to individual tenant needs have attracted numerous nationally



and internationally renowned (start-up) companies. In addition, we have been able to continuously revitalise the heart of the floor, the coworking space, as well as the "Social Square", the large event and seminar space, and are currently at fifty percent capacity utilization. The lifting of the special situation according to Article 6 of the Epidemics Act should give these spaces a further boost and further stimulate the location. The marquees, which are due to be installed on the roof terrace in spring 2022, will further enhance the appeal of "The 5th Floor" and the building.



AVALON PARK

LIVE • LEARN • WORK • PLAY

For 25 years, the term "Avalon Park" has been synonymous with housing developments that are very different from other projects in terms of urban design. The mission of Avalon Park is to fundamentally change and efficiently connect the way people live, learn, work and enjoy themselves compared to other American real estate projects.

The Avalon Park developments all follow the principle of "New Urbanism," a planning and development approach based on the principles of how cities and towns have been built in recent centuries, particularly in Europe.

In the U.S., such development projects are relatively rare, as their planning is significantly more complex than creating a classic American housing development without additional amenities.

At the core of the development of a small town or an "Avalon Park" branded housing development is a TND (Traditional Neighborhood Development), a comprehensive planning system in which, similar to a neighborhood plan in Switzerland, various zones and uses are defined within the property.

A TND is served by a network of paths and streets that are suitable for both pedestrians and vehicles. This gives residents the option of walking, biking or driving to places in their neighborhood.

The CEO of our company, Mr. Beat Kähli, laid the foundation for the first "Avalon Park" development back in 1995, which today has more than 20,000 residents and has grown into a small town known as Avalon Park Orlando. Due to the growing popularity and success of Avalon Park Orlando, which for several years was one of the fastest growing development projects in the U.S., the Company's management decided that the unique concept of Avalon Park should be implemented in additional locations.

sitEX is currently developing three Avalon Park projects in Central Florida, with Avalon Park Group acting as project manager. In addition, the Company is developing two projects, "Towncenter IV" and "Flag Pole Lot," which are located within Avalon Park Orlando. Together, these five projects form a central pillar for the future success of the Company and are therefore presented in more detail below.

Avalon Park Wesley Chapel

Avalon Park Wesley Chapel which is located in the emerging Tampa Bay metropolitan area is the second largest project in sitEX's pipeline, totalling more than 1,630 acres (6.6 million sq. meters). Our company is acting as the developer, selling



the land to local and reputable national construction firms and developing the downtown of the project.

The project is expected to establish itself as the downtown of the town of Wesley Chapel. After completion, Avalon Park Wesley Chapel will be similar in size and scale to the Avalon Park Orlando project.

Permits obtained for the project include 4,400 residential units, 52,000 sq. meters of commercial space and 11,150 sq. meters of office space. After the first stage of the "charter school", a privately run learning institution but subordinate to the public system, was completed in 2020 and the first 1,000 students have been enrolled, the second phase to add an additional up to 1,500 students is now underway. The construction of the first development phase of the downtown is expected to start this year as bids from various contractors have been received and reviewed in the last weeks.

D.R. Horton Inc, which acquired 985 lots in the northeast portion of the project, has begun developing the site which is being promoted as "Westgate at Avalon Park". The first homes will be delivered this calendar year. The construction of the road to connect the "Westgate" portion with the downtown shall commence in the near future.

Last year, Avalon Park Wesley Chapel was once again the venue for four major events that have become an integral part of the local annual programme and each time attract

thousands of residents from the region (Absolutely Avalon, 4th of July, Spooktacular and Avalon Aglow). Other smaller regular events completed the offer and ensured a strong community spirit within this regionally unique project.

Avalon Park Daytona Beach

In 2020, sitEX exercised its purchase option to acquire a parcel of land in the City of Daytona Beach, acquiring approximately 12 million sq. meters of land for development in this emerging region of Central Florida. The master plan for the development of this property was prepared and submitted to the responsible agencies in the same year.

Over the course of the last year, the project team was focusing on the completion of final master engineering and construction plans.

When completed, Avalon Park Daytona will be the largest development in the greater Daytona-Ormond Beach area. With more than 10,000 housing units, Avalon Park Daytona would be twice the size of the next largest community, Plantation Bay (5,000 homes) and three times the size of its immediate neighbor, Latitude Margaritaville (3,000 homes).

Contracting efforts with the home builders, D.R. Horton (DRH), Stanley Martin (formerly Avex Homes) and ICI Homes is going well adding further momentum to this major project.

“LIVE, LEARN, WORK, PLAY”



Avalon Park Tavares

Avalon Park Tavares is located approximately a 45 minute drive north-west of Orlando directly on Lake Hermosa and in close proximity to the Advent Health Waterman hospital. Avalon Park Tavares includes 1,100 residential units on approximately 627,000 sq. meters. Due to its location, the project has a strong focus on health factors along with wellness and will include a variety of walking and biking trails, dog parks, pools and green spaces. The Pinecrest Academy Charter School opened last year and has already reached full capacity. Capacity will be continually expanded in the coming years.

Avalon Park Orlando

The construction of Town Center IV will be completed in the coming weeks after being delayed several times due to pandemic related issues such as shortage of construction materials. This building, which is similar in design to Town Center III, includes 94 rental apartments and is designed to meet the growing demand for rental opportunities in the region. Under the project name “Flag Pole Lot”, we are further developing 400 apartments (some of which are independent living and age targeted units), a school and a small boutique hotel on the last unbuilt parcel within Avalon Park Orlando. This will complete the development of the community and complete the range of available amenities.

“The 5th Floor Orlando” was opened last March. The innovation campus, modelled after the one in the sitEX Powerhouse in Muttens, has 22 offices, which were fully let within 4 months of opening. There is currently a waiting list for the office space. The tenants come from various industries, although they are less research-intensive than at the location in Switzerland. Due to the very good demand, possible expansion possibilities at the location will be examined. In addition to the offices, the seminar and meeting rooms are also becoming increasingly popular.



Vision and Mission

sitEX is an owner-managed real estate company. Thanks to the Company's efficient organizational and operational structure, sitEX is agile and able to react quickly to changes in the market. sitEX would like to highlight the following strengths of the Company below:



We focus on niches.

sitEX does not face any investment pressure. Instead, the Company invests only in properties with value appreciation potential and develops its real estate portfolio with a long-term, value-oriented growth policy.



We are modern and dynamic.

With our many years of experience, we are close to the market and constantly monitor new trends. Our corporate structure allows us to add new concepts quickly to our portfolio as well as an ability to refine and adapt them to our standards.



We are both project developers and site specialists.

In recent decades, our management has successfully implemented real estate projects worth well over CHF 3 billion in Switzerland and abroad. This has enabled us to build up an immense wealth of experience, which now serves as the basis for successful development projects within sitEX. It is precisely this depth and breadth of experience that allows sitEX to successfully complete large-scale development projects and maintain a streamlined and efficient organizational structures.



We are focused.

sitEX concentrates its efforts in (Northwest) Switzerland, Central Florida (Orlando and Tampa) and Texas (San Antonio). This enables us to draw on comprehensive market knowledge and close networks.



We are international.

Globalization also has a strong influence on the real estate industry. Individual markets are closely interlinked. Market trends are becoming transnational and include continental phenomena that need to be identified at an early stage. Thanks to our international experience, we have a global network and can therefore identify important trends early in terms of both risk and expansion management.



We are entrepreneurs.

sitEX is an owner-managed company. We operate with a special focus on continuous value enhancement and the creation of a solid basis for growth through disciplined, sustainable investment decisions. Management at sitEX has a long term perspective with respect to growth with an emphasis on increasing enterprise value which in turn creates lasting value for its shareholders. We have no pressure to invest – which allows us to focus on long term profits as opposed to narrow sighted opportunities.



Name:
sitEX Properties Holding AG

Business purpose:
Real estate investment and project developments in Switzerland and abroad

Corporate form:
Stock corporation under Swiss law

Domicile:
Alpenblickstrasse 20,
8853 Lachen (SZ),
Switzerland

ISIN:
CH0009219186

Investment focus:
sitEX creates value by investing in diversified real estate assets that generate sustainable and solid returns. Thereby, sitEX holds and manages investment properties and develops large-scale real-estate projects. This strategy is supplemented by our diversified international strategy, centred on two global axes for optimal risk mitigation. In addition to the risk diversification strategy, shareholders benefit from a unique investment opportunity.

sitEX Properties Holding AG, based in Lachen, Switzerland, has a relatively simple and cost-conscious structure as a holding company with four subsidiaries. Pfeffingerring AG based in Basel, sitEX Coworking Concepts AG with its registered office in MuttENZ and sitEX Properties International AG based in Lachen are 100% owned by the parent company. The latter, in turn, owns 100% of sitEX Properties Australia Ltd., also based in Lachen, and sitEX Properties USA Inc. based in Orlando (USA). sitEX Powerhouse AG with its registered office in MuttENZ is 85.7% owned by the parent company.

There have been no changes compared to the previous year to the Board of Directors. Dr. Christoph Stutz continues to

serve as Chairman with board members Thomas Giese and Beat Kähli. Mr. Beat Kähli also continues to serve the Group as its CEO. At the time this report was printed, the companies employed eight employees, although we anticipate hiring additional employees in the near future to support the number of new project opportunities contemplated in the near term. Our goal is to ensure that the core competencies required to successfully execute these endeavors are readily available in house quickly.

To maintain our lean organizational structure, however, certain real estate-specific tasks have been outsourced through professional service contracts to specialized and local companies at home and abroad.



Management

President of the Board of Directors



Dr. Christoph Stutz

In this office since: 06/29/2017

Dr. Christoph Stutz from Basel is a lawyer with a focus on building and planning law, in particular district and development planning procedures for the rezoning of existing larger areas. Since 1997 he runs his own company Büro Dr. Stutz, project management and real estate development. He is a member of the Board of Directors of various companies in the real estate, ancillary construction and energy sectors. His former activities in public transportation, health care and as a member of the cantonal government of Basel-Stadt provide him with a broad field of knowledge and experience. Among his larger projects are, for example, the overall management of the "Bahnhof Ost, Peter Merian Haus and Jacob Burckhardt Haus" development with an investment volume of CHF 700 million and a gross floor area of more than 100,000 m². He was also jointly responsible for the construction of several condominium and rental apartment buildings in Basel, Rheinfelden, Oberwil, Ettingen, Allschwil, Liestal, Laufen and Schlieren with investment volumes of between CHF 10 million and CHF 75 million. He was also a member of the steering committee for urban development at the Klybeck plus site (260,000 m²) in Basel with the three partners Novartis – BASF – Canton Basel-Stadt. As a member of the Foundation Board committee of the Foundation Beyeler Basel/Riehen, he also performs important voluntary work.

CEO and Member of the Board



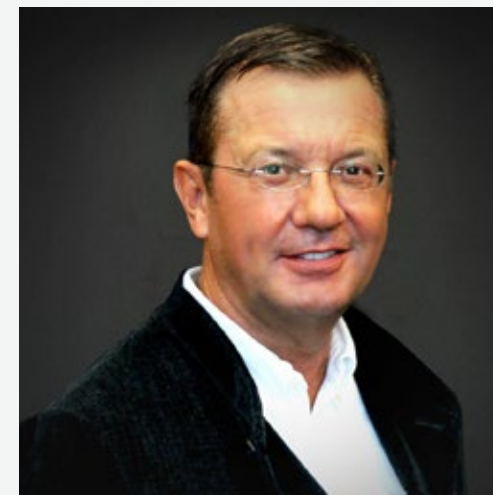
Beat Kähli

In this office since: 06/29/2017

Beat Kähli is married and father of four children. He has served as CEO of sitEX since June 2017. Beat Kähli has been a member of the board of sitEX since 2011. As the founder and CEO of Avalon Park Group, he has over 20 years of experience in the fields of real estate, investment banking and financial consulting. He is the controlling shareholder, partner and CEO in a wide range of corporations spanning multiple industries. His successful projects include the development of Avalon Park Orlando, a real estate development which was the number one selling development in the Orlando area for several years with a total value upon completion of USD 1.5 billion. Beat Kähli has also found success in the concrete industry. His company Prestige became the largest independent concrete producer in the State of Florida. In 2007, the Prestige group of companies was sold to a foreign concrete manufacturer. Beat Kähli serves on the board of various companies and organizations in Switzerland and the United States of America, where he also provides direction and guidance for operations, including the development of strategic alliances and joint venture relationships.

Mr. Kähli has been named by the Orlando Business Journal as one of the Top Ten Most Influential Businessmen and the Reader's Choice, Most Respected CEO in Central Florida. He has also been recognized by the Orlando Business Journal as Top Ten Most Influential Newsmakers and Top Ten Most Influential Businessmen in Central Florida. Additionally, the Orlando Magazine awarded Beat Kähli the honor of one of the 50 Most Powerful People in Orlando for three consecutive years.

Member of the Board



Thomas Giese

In this office since: 2010

Thomas Giese has been a member of the Board of Directors of sitEX since its founding. He started his career with Nestlé in Frankfurt and New York. He has held various global management positions at Nestlé, Cereal Partners Worldwide, and E*Trade. In 1999 he founded the investment company C.S.I. Capital Strategies International GmbH in Frankfurt am Main. With his expertise in the analysis of investment opportunities and in risk management, he ideally complements the Board of Directors.

Chief Financial Officer

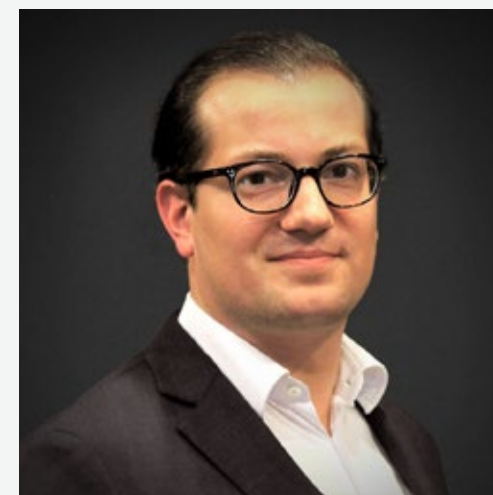


Marybel Defillo

In this office since: 06/29/2017

Marybel Defillo came to sitEX in the spring of 2017 and serves as Chief Financial Officer through the associated company Avalon Park Group located in Orlando (FL), USA. She has over 15 years of public accounting experience mainly from top US national firms. While working in public accounting, she mainly served companies in the construction, real estate, manufacturing and wholesale/distribution industries. Marybel Defillo holds a Bachelor's degree in Accounting and a Master's degree in Finance and is a Florida-licensed Certified Public Accountant (CPA). She is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Secretary of the Board



Andreas Derzsi

In this office since: July 2013

Andreas Derzsi has been Secretary of the Board of Directors of sitEX since July 2013. Andreas Derzsi holds a Bachelor of Arts degree in Business Administration from the University of St. Gallen (HSG) and a Master of Science in Investment Management from Cass Business School in London. Before joining sitEX, he worked in private equity, management consulting, international relations and business development in Zurich and Singapore.

Corporate Governance

We consider our corporate governance as the totality of the organization and substance of the Company's management and supervision. Corporate governance gives us a legal and factual regulatory framework, specifically with regard to the involvement of the Company within its own environment. Corporate governance regulations and policies are mandatory for us.

Capital Structure

As at December 31, 2021, the share capital totaled CHF 45,103,840 divided into 2,255,192 shares with a nominal value of CHF 20.00 per share.

Accounting Standards

The individual financial statements are prepared in accordance with country-specific accounting principles. The consolidated financial statements as of December 31, 2021, were again prepared in line with Swiss GAAP FER accounting standards.

Shareholder

At the end of the year, the 2,255,192 registered shares were held by at least 59 (previous year: 61) shareholders. The dispo position consisted of 9'071 shares, held by an unknown number of different shareholders. This position is a result of the listing on the OTC stock market. However, last year's balance was one of the lowest since the company's listing in 2017. The largest individual shareholder held 544,221 shares (24.13%), and the smallest shareholder had 90 shares.

Statutory Auditors

sitEX Properties Holding AG and its Swiss subsidiaries were audited by Deloitte AG. Furthermore, the Management Board has charged this company with auditing the consolidated financial statements in accordance to Swiss law.

Risk Management

Also in the prior year, a particular concern of the Board of Directors was to push ahead with the integration of risk controlling as a priority matter. The internal controlling system was regularly discussed and adjusted by the Board of Directors and Executive Board. Several risk management modules are an integral part of the periodic Board meetings. Therefore, the risk of material misstatement is considered low.





Successful trading year and move to the BEKB OTC-X Platform

As in previous years, the sitEX share closed the past year with a positive performance. After the sharp increase of the share in 2020 (+34.67%), the company's share price also rose by 14.85% in the past year.

The regular direct and indirect distributions to our shareholders as well as the continued positive news flow also ensured stable demand for sitEX shares in 2021 - from new but also from existing shareholders who increased their shareholding. The market making, for which the Company and its related parties are responsible, also supported the trading volume.

The trading volume was around CHF 1.2 million, a decrease of around 15% compared to the previous year, reflecting the general market environment, which was significantly less volatile than in 2020, the first year of the Corona pandemic.

The trading volume of the sitEX share corresponded to around slightly less than 1% of the total trading volume on the ZKB OTC-X exchange - certainly a respectable proportion.

Our listing on the ZKB eKMU-X ended last year, as the Zürcher Kantonalbank discontinued the operation of the trading platform at the end of December 2021. However, as of 1 December 2021, our shares began trading on the BEKB OTC-X platform of the Berner Kantonalbank. Furthermore, our shares can also be traded via the private bank Lienhardt & Partner in Zurich.

The positive business development enabled us to carry out two share buyback programmes in the past year. In July, a total of 100,833 shares were repurchased at a price of CHF 111. In November, 81,498 shares were bought back at a price of CHF 116 per share.

Facts and Figures

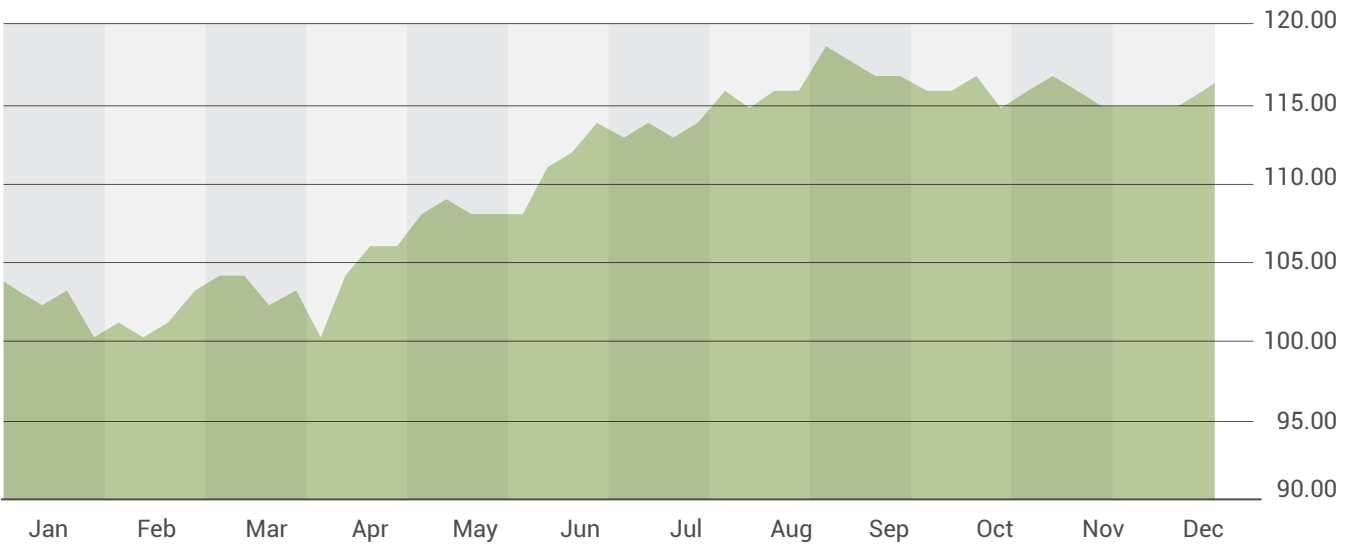
Market:
BEBK OTC-X by Berner Kantonalbank

ISIN:
CH0009219186

Security no.:
921918

52-w high	CHF 119.00
52-w low	CHF 100.00
Total trading volume	12,873 Shares
Largest trade	3,705 Shares
Smallest trade	5 Share
Average trading size	221 Shares
Total number of trades	49

Share price development of sitEX Properties Holding AG 2021



Source: Zürcher Kantonalbank eKMU-X and BEKB OTC-X



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