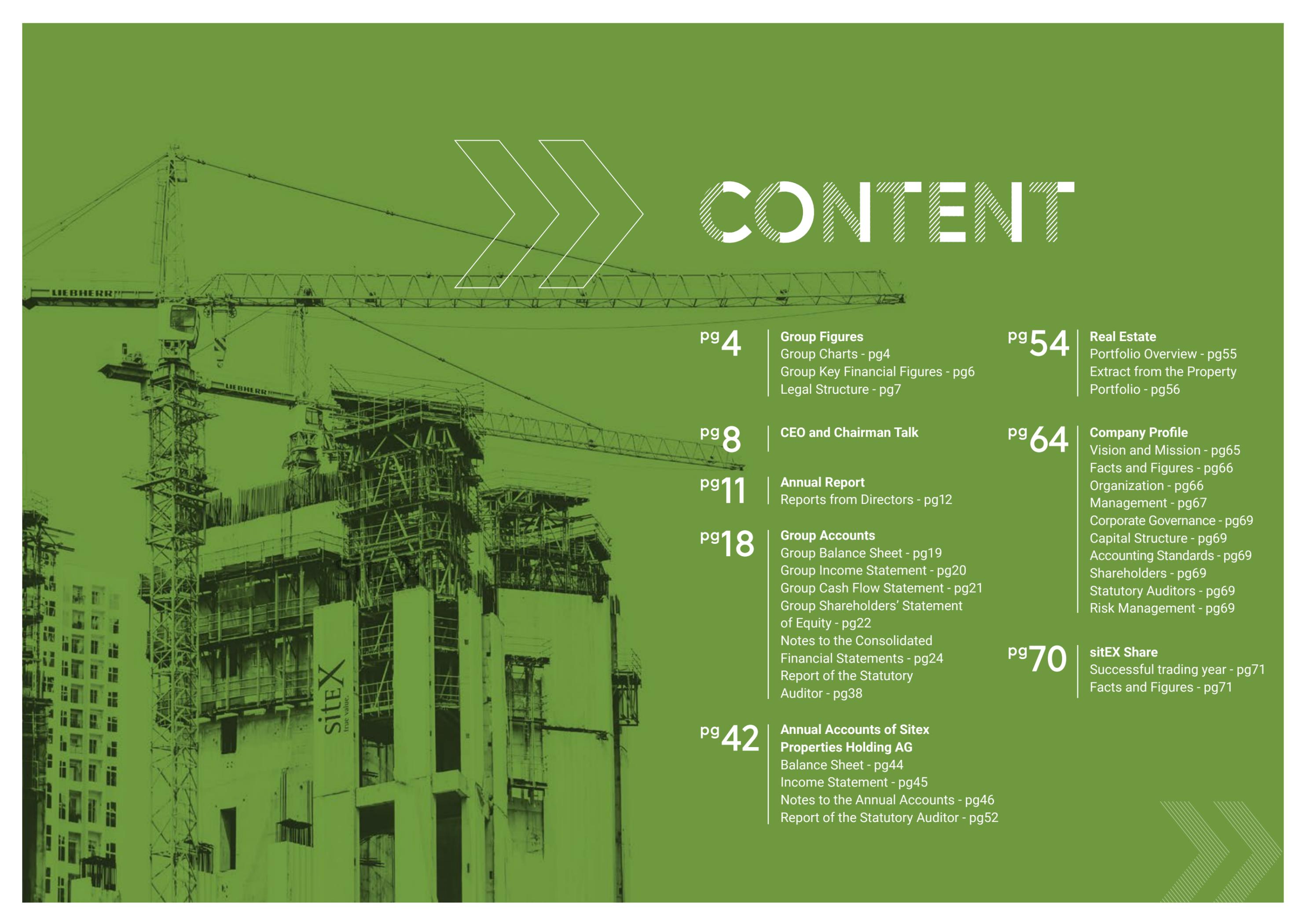


ANNUAL REPORT

» 2022





CONTENT

pg 4

Group Figures

Group Charts - pg4
Group Key Financial Figures - pg6
Legal Structure - pg7

pg 54

Real Estate

Portfolio Overview - pg55
Extract from the Property
Portfolio - pg56

pg 8

CEO and Chairman Talk

pg 11

Annual Report

Reports from Directors - pg12

pg 18

Group Accounts

Group Balance Sheet - pg19
Group Income Statement - pg20
Group Cash Flow Statement - pg21
Group Shareholders' Statement
of Equity - pg22
Notes to the Consolidated
Financial Statements - pg24
Report of the Statutory
Auditor - pg38

pg 64

Company Profile

Vision and Mission - pg65
Facts and Figures - pg66
Organization - pg66
Management - pg67
Corporate Governance - pg69
Capital Structure - pg69
Accounting Standards - pg69
Shareholders - pg69
Statutory Auditors - pg69
Risk Management - pg69

pg 70

sitEX Share

Successful trading year - pg71
Facts and Figures - pg71

pg 42

Annual Accounts of Sitex Properties Holding AG

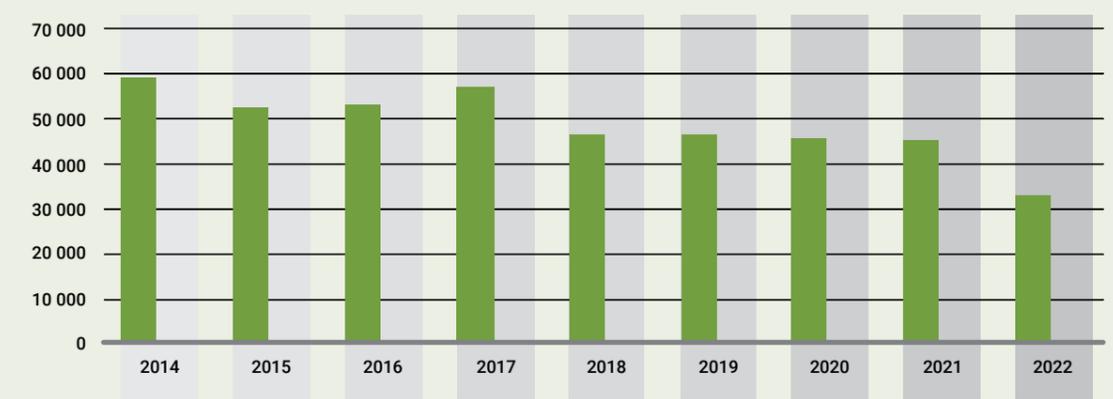
Balance Sheet - pg44
Income Statement - pg45
Notes to the Annual Accounts - pg46
Report of the Statutory Auditor - pg52

GROUP CHARTS

REAL ESTATE PORTFOLIO (MARKET VALUES) IN TCHF



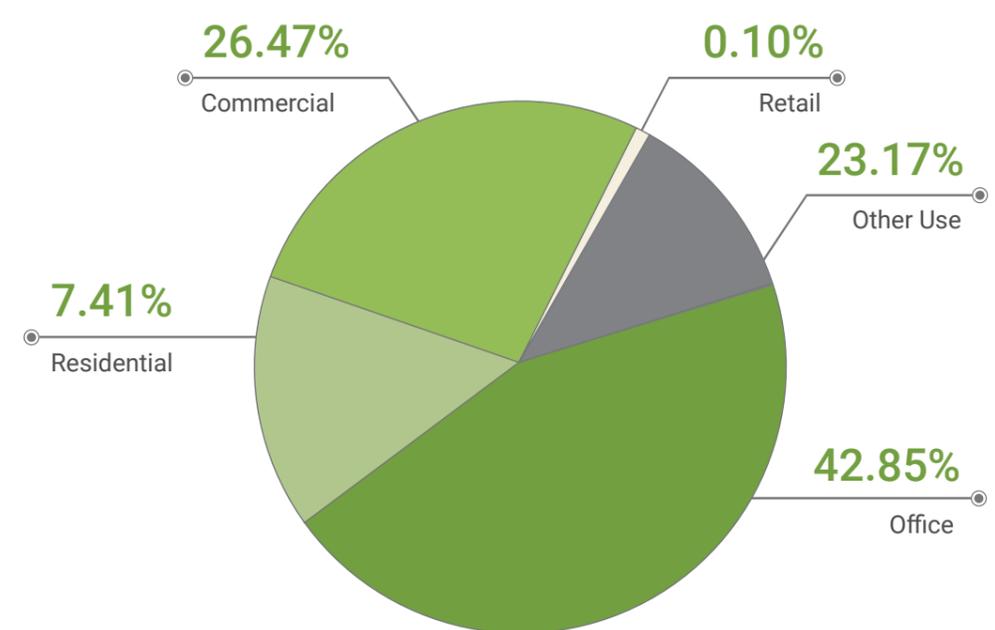
SHARE CAPITAL IN TCHF



COUNTRY ALLOCATION PROPERTY VALUES 2022



INVESTMENT CATEGORIES INCOME PROPERTIES 2022



TRANSACTIONS IN TCHF



GROUP KEY FINANCIAL FIGURES

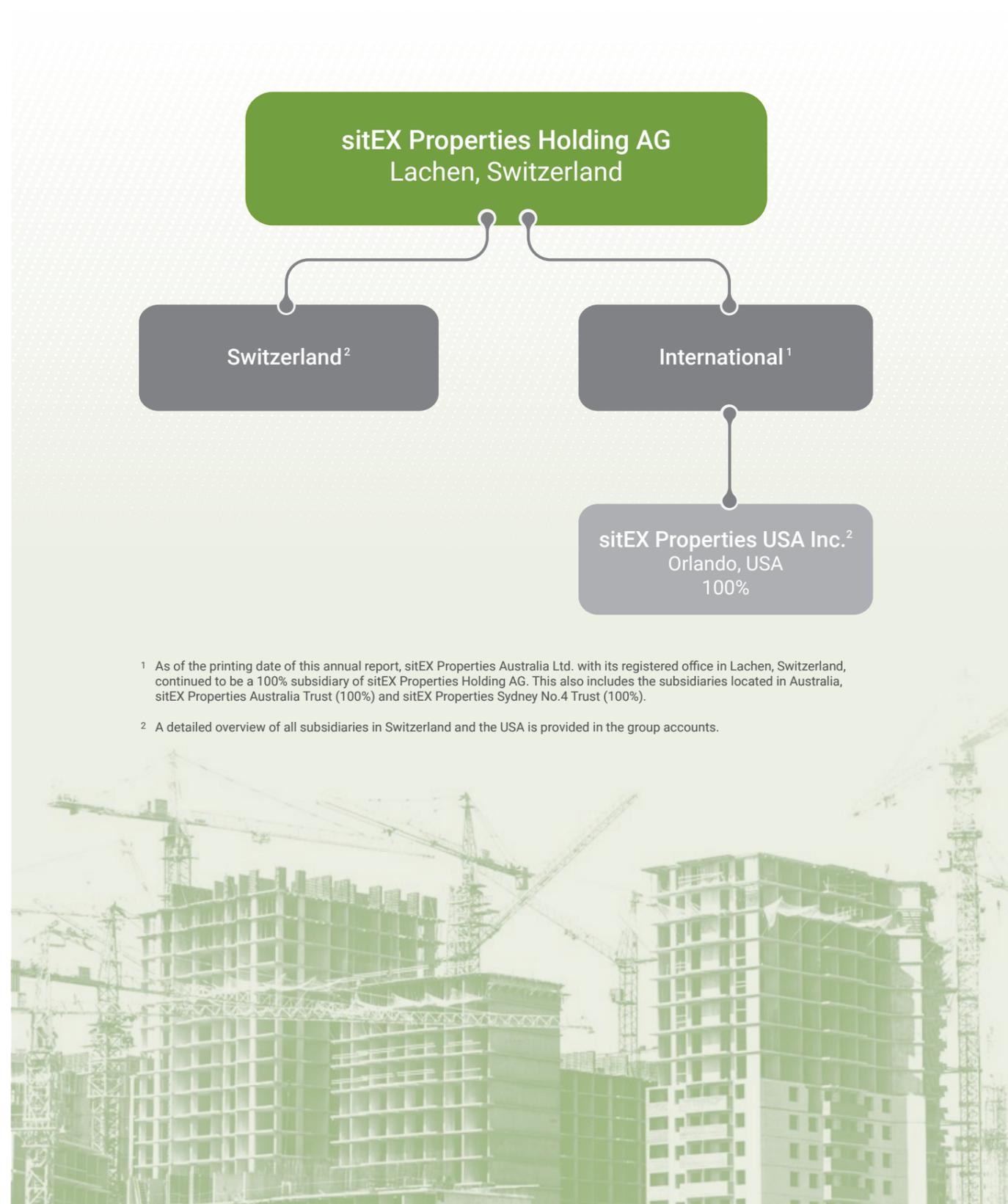
Key financial figures in TCHF	2022	in %	2021	in %
Balance sheet total	462 807		450 245	
Total liabilities	284 982		286 714	
of which convertible bonds	4 000		4 000	
Equity	177 825		163 531	
Equity ratio		38,4		36,3
Nominal value share capital	33 828		45 104	
Authorized capital	22 552		22 552	
Conditional capital	22 230		22 230	
EBITDA (earnings before interest, tax, depreciation and amortization)	39 027		58 780	
EBIT (earnings before interest and taxes)	38 135		57 836	
Consolidated profit before tax	32 692		53 361	
Consolidated profit	21 160		35 982	
Return on Assets				
EBITDA margin (earnings before interest, tax, depreciation and amortization)		8,4		13,1
EBIT margin (earnings before interest and taxes)		8,2		12,8
*Return on equity based on				
Net income before taxes		19,2		34,7
Consolidated profit		12,4		23,4
Ratio of operating expenses (incl. salaries) to total income		3,8		4,1
Key figures per share				
Number of shares	2 255 192		2 255 192	
Nominal value per share	15		20	
**Intrinsic value (net asset value)	83.90		78.85	
***EBIT (earnings before interest and taxes)	16.91		25.65	
Profit per share before taxes	14.50		23.66	
Profit per share after taxes	9.38		15.96	
Total return	62,6%		79,8%	

* 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 follows: key figure divided by the total number of shares. Own shares have not been taken into account due to simplicity.

LEGAL STRUCTURE-CURRENT 2023



CEO AND CHAIRMAN TALK



The conversation between Christoph Stutz and Beat Kähli receives extensive feedback every year and forms a central pillar of our annual report.

The two maintain a daily exchange in order to anticipate important decisions at an early stage and to make decisions efficiently. The gentlemen met in March for a detailed strategy discussion, an abbreviated version of which is presented here.



Beat Kähli:

Another successful but also extremely eventful and special business year lies behind us. Only recently, we were surprised by the Covid-19 pandemic. Fortunately, its negative impact on sitEX was limited and we were able to achieve very pleasing business results thanks to the strong increase in demand in Florida for new housing. However, the shocks of the past fiscal year are likely to have a much more lasting impact on our business.

Christoph Stutz:

Indeed. I think we were all taken aback by the impact that the Covid-19 pandemic had on the global world economy in such a short period of time, but equally we were all caught off guard by the intensity of events in the last fiscal year. Unfortunately, Russia's nonsensical war against Ukraine was then added to the mix last year, significantly increasing the negative impact. The effects cannot yet be assessed, which greatly increases their danger.

Beat Kähli:

The turnaround in monetary policy, which was initiated last year in March by the U.S. Federal Reserve, has an intensity that I have never experienced in my time as an entrepreneur and real estate developer. Never before have financing conditions for companies and individuals been changed so drastically in such a short period of time. The war in Ukraine, which is still dragging on today and whose course is extremely uncertain, intensifies the uncertainties considerably.

Christoph Stutz:

I would like to take this opportunity to thank our CFO, Marybel Defillo, for her foresight in securing our mortgages in the US and Switzerland at lower interest rates for the long term. 80% of our mortgages are hedged at the previous interest rate level for a period of more than 3 years. These are optimal conditions to act with a clear head and without additional pressure in the current market environment.

Beat Kähli:

I completely agree with you on that. However, this hedging is only possible for projects or buildings that we want to hold for the long term. As a real estate development company that wants to monetize opportunities on an ongoing basis, we need to be flexible and dynamic, so it is equally important that we have a significant amount of money market mortgages. Otherwise we pay high prepayment penalties, which we would like to avoid if possible.

Christoph Stutz:

At the same time, we must also note that while higher mortgage rates have a diverse and restraining influence on our business, other factors, such as construction costs, have a much stronger and immediate impact on our profitability. Let's assume that a future construction project is financed with a mortgage of CHF 60 million. At present, this means an annual interest expense of around CHF 1.2 million for a money market mortgage. The interest burden has thus increased by CHF 0.6 million compared with the previous year. Assuming a construction sum of CHF 90 million, this increase would correspond to an increase of just under half a percent - a figure that does not come close to the annual inflation rate.

We are also in the fortunate position that we are under no pressure to implement the two major projects quickly, either in Oristal in Liestal or in Daytona Beach Florida. We hope that the extreme construction inflation of the last two years will subside in the next two years and that we will be able to award construction contracts at lower prices in 2024/2025. In addition, the current housing shortage in Switzerland will help us to promote apartments.

Beat Kähli:

In the USA, the effects of this interest rate turnaround are much more noticeable. The most popular mortgage among Americans, the 30-year fixed-rate mortgage, rose from just under 3% to around 7% within a few months. Since real estate prices have also risen much more sharply during the pandemic than in Switzerland, for example, affordability is now becoming more difficult for many buyers. This also represents an opportunity for our projects, which tend to be in the mid-price segment and are therefore more affordable in the new interest rate environment.

CEO AND CHAIRMAN TALK

Christoph Stutz:

It is now seven years since we took over the management of sitEX. In the Bible and in the people's language, it is said that seven rosy years are followed by seven meager years. Do we have to adjust our expectations at sitEX as well?

Beat Kähli:

Over the past seven years, we have achieved a tremendous amount on many levels and have been equally successful in monetizing our balance sheet and regularly paying out dividends to our shareholders. The simultaneous significant increase in the share price has resulted in a return for our shareholders that is above average compared to other Swiss real estate companies. We have placed sitEX on a stable foundation and created a project pipeline that will enable us to continue to pay out dividends in the future. In our manifesto to all shareholders at the time, we set ourselves the goal of achieving a return on equity of at least 10% every year. We have achieved this target year after year and in some cases significantly exceeded it - including in the past fiscal year. I would therefore not say that we are going to have to face meager years, but I would expect in the current market environment that there will also be years in which we won't be significantly above our 10% target.

Christoph Stutz:

I also see it that way. The strength of our company has been and will continue to be our ability to dynamically adapt to market conditions. In recent years, we have monetized significant parts of our portfolio at the right time. But it may well be that we have to take a certain break in a given year because if no sales opportunities arise or the sales have to take place at less attractive conditions. This would inevitably also mean that we would then generate different returns in these years than in the years before.

Beat Kähli:

We are working at full speed on various important transactions that currently suggest a successful fiscal year 2023 and should provide us with a further cushion for the future. However, sudden shocks such as the recent bankruptcies and takeovers in the banking sector in the USA and Switzerland also need to be digested on an ongoing basis. As we are under no pressure to invest and can adjust projects on an ongoing basis, I am confident about the future and our diverse project pipeline.

Christoph Stutz and Beat Kähli:

We would like to express our sincere gratitude to the entire team in Muttenz, Switzerland, and Orlando, Florida, for their passion with which they work for our company every day.

We would also like to thank our shareholders for their loyalty and hope to see as many of you as possible at the upcoming AGM.

ANNUAL REPORT



REPORT FROM DIRECTORS

Dear Shareholders

We are pleased to present our Annual report 2022. Our position carries with it the responsibility to report to you what we would like to know if we were the absentee owner and you were the manager. We enjoy communicating directly with you through this annual report, and through the annual shareholder meeting, taking place May 31, 2023.

The year 2022 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 32,692 million (previous year: CHF 53,361 million)

Net profit after taxes and minority interests:

CHF 21,160 million (previous year: CHF 35,982 million)

EBITDA:

CHF 39,027 million (previous year: CHF 58,780 million)

Total revenues generated:

CHF 99,009 million (previous year: 100,781 million)

Total assets as of December 2022:

CHF 462,807 million (previous year: CHF 450,245 million)

Total equity as of December 2022:

CHF 177,825 million (previous year: CHF 163,531 million)

Earnings per share after taxes:

CHF 9.38 (previous year: CHF 15.96)

Return on equity:

12.4% (previous year: 23.4%)

In 2022, sitEX once again proved that it is difficult to compare the company with other real estate enterprises in the Swiss market. Our company, which is leanly organized and which is also operationally managed by the majority shareholders, has been able to adapt dynamically to the volatile market environment, resulting in an excellent business performance again last year.

sitEX always strives to create and realize value from the opportunities that arise in Switzerland and the USA. In the past year, we remained true to our maxim that only a realized profit is a real profit.

At the same time, we focused on our major projects in the USA and Switzerland. Developing small towns and land is complex and requires multidisciplinary collaboration, managed and coordinated by our team. Our lean team is deeply involved in the respective projects and makes the important decisions together with our professional planners, with whom we have a long-standing relationship of trust.

The following summary lists the most important milestones of the past year. In the following pages, we will take a deeper look at these milestones and present the respective projects as well as their successes and upcoming challenges in detail.

- Sale of 189 apartments in Avalon Park Orlando for USD 57 million to an institutional investor from Texas, USA. This transaction generated a pre-tax profit of USD 10 million. At the same time, we were able to optimize our portfolio of investment properties and the risk profile thereof.
- Construction of the first phase of the Downtown in Avalon Park Wesley Chapel has begun.

- The "Im Oristal" project continued to take shape. The project team is working diligently on the building permit with a goal of submittal by autumn 2023.
- Our largest single asset, the sitEX Powerhouse in Muttenz, is almost fully leased with a vacancy rate of close to 2%.
- Our coworking concept "The 5th Floor" established itself at the Basel location and shows a pleasing occupancy rate. In Kuala Lumpur, another "The 5th Floor" location was opened in the fall of 2022.

In the financial year 2021, profit was mainly influenced by special effects from the sale of the American homebuilder subsidiary "AVEX Homes". In 2022 it was the sale of properties and land as well as the profit from the US development business, the actual core business of the company, which contributed the main part to the annual sales and profit.

The successful and steady business performance allowed us to increase the equity ratio to 42.47% (after taking into account convertible loans and excluding own shares). In 2017, we set ourselves the target of having an equity ratio of over 40% and ideally around 50%. We were able to achieve this target in the last two years despite the challenging market environment. In the current year, we will continue to pay close attention to this important key figure in order to ensure the stability of the company in what remains an extremely volatile and uncertain market environment.

Due to the ongoing investments in our construction projects in Avalon Park Wesley Chapel (Florida, USA) and Bubendorf (Basel-Landschaft, CH), short-term liquidity decreased compared to the previous year and amounted to approximately CHF 20 million as of the balance sheet date.

Various transactions, which are expected to be successfully concluded in the first half of 2023, will increase the liquidity cushion again.

Our course of business in Switzerland

sitEX Powerhouse, Muttenz, Basel-Landschaft

Our largest single asset with more than 44,000 m² of leasable office, warehouse and laboratory space was almost fully leased. As of the printing date of this annual report, less than 1,000 square meters of office and warehouse space were unleased, corresponding to a vacancy rate of around 2%. Our main tenant, Valora International AG, started its new 5-year lease in September 2022. In October, we welcomed MEV Schweiz AG, a leading provider of personnel, training and logistics services for railroad companies and infrastructure operators, as a new tenant. In March 2023, Shimadzu Schweiz GmbH moved into its office, laboratory and warehouse space on the 5th floor. Shimadzu is an internationally active Japanese company specializing in the production and distribution of analytical instruments. The company is the world market leader in laboratory quality control. All three tenants extensively renovated their leased space prior to occupancy, resulting in a new and modern look. Thanks to our focused strategy, we have been able to establish the sitEX Powerhouse as an innovative and modern commercial building in recent years. Due to its unique and wide range of facilities, all the essentials of a working day are located under the same roof - an important element in convincing employees to come back to the office after the pandemic.

The 5th Floor: global coworking concept

In mid-2020, we opened our innovation campus in Muttenz with flexible bookable work options, "The 5th Floor". After the office and lab spaces were fully leased relatively quickly, the coworking space, with around 45 workstations, suffered heavily from the measures of the Covid-19 pandemic. In 2022, we were able to increase the occupancy rate to over 80% and almost every day we welcome new coworkers or event visitors to the Muttenz location. In Avalon Park Orlando, we have also been operating a location since spring 2021, which enjoys great popularity and was expanded in 2022. In Puerto Rico (San Juan) and Malaysia (Kuala Lumpur), we operate two smaller sites which were opened in connection with other projects by related shareholders. Both locations are almost fully leased. With the four locations we can offer our tenants the possibility to use a flexible workplace in other countries. We believe that some of the consequences of the Covid-19 pandemic, such as the downsizing of leased space, have not yet been fully reflected in the market. Demand for smaller offices that can be flexibly terminated is likely to continue to rise, hence we prepare our The 5th Floor concept for expansion in other locations in a moderate manner.

K7 Center Bubendorf, Basel-Landschaft

At the beginning of 2022, we acquired a plot of land directly next to the well-known Bad Bubendorf restaurant with a zoning plan for the construction of a commercial building with around 4,000 m² of rental space. ALDI Suisse AG will open a new branch on the first floor, which means that 50% of the building has already been leased before construction begins. On the 1st floor, 2,000 square meters of office and commercial space will be created. Based on an identified market need, we will seek to position this leasable space as a healthcare center. We finally received the building permit in the 1st quarter of 2023. Completion is scheduled for summer 2024 in order for ALDI to open their store on time. During the bidding process for the construction work, we were pleased to discover that inflation in the Swiss construction industry is slowly returning to a more normal level and that it is highly likely that we will be able to build this project below the last cost estimations.

Im Oristal, Liestal, Basel-Landschaft

After our neighborhood plan "Im Oristal" was approved, we worked intensively on the preliminary project together with our team of architects and specialist planners over the past year. During this time, the project plans were further refined before we now began preparations for the construction permit application. The project is complex due to the many different components and numerous hurdles still have to be overcome. Our goal is to create affordable, innovative and sustainable housing for the region. This will require a forward-thinking and detailed approach in planning in order to achieve the targeted production costs that will make these goals achievable. We expect to submit a building application in late autumn 2023 at the earliest. Since the last tenant does not have to leave the industrial site until the end of 2024 at the latest due to a deadline extension by the state tenant protection agency, we will not be able to start construction before then. We expect the building to be occupied in the second half of 2026.

Pfeffingerring commercial building, Aesch, Basel-Landschaft

After we received rather disappointing feedback from the canton last year that a neighborhood plan for our property in a prime location in the "Aesch Soleil" commercial area would not be possible for another 10 years or so, we have concentrated on optimizing the existing office and warehouse buildings. We have been able to continuously rent out the existing space, as a result the gross yield we achieve today is well above 6% per annum. Over the next two to three years, we will have to work on optimizing the energy efficiency of the property (heating, cooling and electricity), which will tie up resources at various levels.

Mixed use building in the heart of Pratteln, Basel-Landschaft

In the center of Pratteln, directly between the Coop and the Migros, we have completed 13 condominiums and rental apartments as well as 4 commercial spaces and a car parking garage by the end of March 2023. The high-quality apartments are almost completely sold or rented. The last available condominium is currently being marketed.

Further fully leased properties in the Gellert quarter in the heart of Basel and in Dornach (Solothurn) are part of the diversified portfolio in Switzerland.

Business performance in Florida and Texas, USA

Our American (development) business was again the cornerstone of our pleasing and above-average business performance last year.

Towncenter (TC) III and IV, Orlando, Florida

In the middle of the year, we successfully sold the two multi-family buildings TC III and IV, the latter being officially completed one day before the sale, to an institutional investor from Texas, USA. The properties were sold at a very good time when the interest rate shift was just gaining momentum. The cap rates of the institutional buyers have increased significantly in the meantime, which would have resulted in a substantially lower sales price. This transaction is an example of the fact that the location of a building is very important, but the right timing of a purchase and sale is just as decisive, if not more important. True to the motto "timing, timing, timing".

With this transaction, we have again proven that our lean team can cover the entire value chain from planning, obtaining all permits, construction support to a successful sale and achieve an exceptionally attractive IRR of up to 20%. Our team is well coordinated and has been working together for years, thus ensuring an utmost efficient transaction process. With this sale, we generated proceeds of approximately USD 57 million and created an important basis for the distribution of CHF 5 per share, which was paid to shareholders in July 2022.

After the sale of the two apartment buildings, we now have only one investment property in the US portfolio, the "Encore" assisted living facility, which is also located in Avalon Park Orlando. In addition, we are co-owners of two

school buildings in Tavares and Wesley Chapel. Both are asset classes that are very difficult to fit into the portfolios of institutional investors with their rigid investment criteria. However, as an owner-managed company, we are able to act in an entrepreneurial manner and participate in properties that offer an attractive return on investment, and also make an equally important contribution to the sustainable development of our small towns.

We plan to expand or further adjust our American portfolio of investment properties again on a selective basis, depending on the development of the markets and our internal risk assessment.

Development projects in Florida and Texas, USA

The real estate market in Central Florida continued to perform well last year. After prices surged during the Covid-19 pandemic, our core regions continued to see prices rise by around 10% in 2022 - despite the significant increase in interest rates. The unfaltering price growth can be attributed to the continued very high demand for housing from new residents (Florida was again the fastest growing state in 2022), but also to the shortage of supply due to a lack of building materials and construction personnel. A significant decline in transactions occurred in Q1 2023, heavily pressured by the sharp rise in interest rates from 3% to 7% on the popular 30-year mortgages. Nevertheless, sales prices corrected only slightly downward.

The sitEX headquarters in the U.S. is located in Orlando, Central Florida. The corridor from Tampa to Orlando and Daytona Beach with a total population of around 8 million has developed into a very important and dynamic American economic area in recent years. The state of Florida has managed to diversify and reduce its dependence on tourism. Thanks to a steady immigration of well-educated Latin Americans and not only American seniors from the northern states, the so-called "snow birds", the average age in Orlando today stands at 33.8 years (compared to Basel with 42.7 years). Thanks to the rapidly growing healthcare sector, the influx of technology and financial companies, but also the privatization of the aerospace industry, the attractiveness of the state is likely to remain at a high level in the coming years.

The market environment in Texas and particularly in the San Antonio metropolitan area, where sitEX is active with its projects, was somewhat less dynamic than in Florida. Prices remained stable last year and increased only slightly. This condition continued until Q1 2023 - despite the markedly declining transaction environment.

We remain optimistic about Central Florida and Texas (particularly the Austin - San Antonio corridor). However, given the volatility in global markets and the sharp rise in interest rates, which have made the affordability of housing much more difficult for a large portion of the population, we are also cautious and are keeping a very close eye on developments in the market. We are not under any investment pressure and can only realize our projects when we consider the timing to be ideal and right. At the same time, we are able to monetize opportunities on an ongoing basis and manage our assets dynamically. Our project pipeline offers sufficient opportunities to generate a pleasing result for all parties in any market environment.

Avalon Park Wesley Chapel (APW), North Tampa, Florida

Our project is one of the 10 largest master-planned communities in the Tampa region, which is Florida's second largest metropolitan area with more than 3 million residents and has been one of America's most successful real estate markets in recent years. Fortunately, the Tampa region was not as heavily impacted by historic Hurricane Ian. Heavy rains caused only short-lived delays. As a result, we were able to achieve numerous milestones over the past 12 months:

- D.R. Horton progressed on schedule with the development and construction of its approximately 1,000 residential units.
- We were able to sell a 49-acre site to Middleburg Homes to build approximately 604 residential units. The sales price was USD 14.5 million.
- Road widening of State Road 54 should be completed in the current year after the previous builder had to file for bankruptcy during the pandemic.
- Construction has begun on Phase 1 of Downtown 1. The building will comprise of 20,000sf of commercial space and 40 apartments.
- Planning for the park in the center of the Downtown has been completed. Currently, this part of the project is at the County for approval.
- The school expansion from 1,000 to 1,800 students is underway and should be completed by summer 2023.

Avalon Park Orlando (APO), Orlando, Florida

As the "original", Avalon Park Orlando is a small town developed over the past 25 years by the Avalon Park Group (general partner of sitEX USA). For more information: www.avalonpark.com
Today, Avalon Park is home to nearly 20,000 residents, almost 5,000 residential units, over 150 businesses, 8 schools with over 10,000 students, 25 restaurants, several parks and public pools.

Having sold our two properties with a total of 189 residential units, our primary focus in APO is the development of what we call the Flag Pole Lot, the last developable lot in APO. Planning, engineering and permitting was completed for the first phase of the development of the lot. At present, it is being determined how many apartments will be built in the first stage. At the same time, negotiations are underway with possible buyers for a portion of the land to create additional townhomes. Other plans include a large community swimming pool, a boutique hotel and a charter school. Depending on market sentiment, construction is expected to begin this year.

Avalon Park Daytona (APD), Daytona Beach, Florida

APD continues to move forward despite significant business, political and public headwinds. sitEX acquired this 12 million square foot property in July 2020. We currently have approval to build approximately 7,000 residential units and 280,000 m² of commercial space.

Presently, the biggest hurdles are the unresolved issues of utilities (water and sewage) and transportation. Once these issues are resolved, construction of the project can begin. Final construction plans for Phase 1 have been completed and will need to be submitted for final approval once the traffic and utility issues are resolved. Concurrently, discussions are underway with the Volusia County School Board for the construction of a K-12 school (kindergarten through 12th grade). The school board has included the new school in APD in their investment plan. Our team is currently working on the plans and site planning for the school. As there has been a recent change in school leadership, delays in the process can be expected.

Avalon Park Tavares (APT), Tavares, Florida

All 228 lots in Phase 1 were purchased by D.R. Horton and Stanley Martin Homes. Together, the builders have delivered approximately 50 homes to buyers. 80 homes remain under construction.

The community center has been completed. Construction plans for Phase 2 of the APT are currently being processed by the City of Tavares. Construction financing through a local bank has been secured and development of Phase 2 is expected to begin within the next 60 days. Both D.R. Horton and Stanley Martin Homes have signed an agreement to purchase all of the Phase 2 lots. 236 single-family homes and 78 townhomes will be built on the lots.

Avalon Park Texas

We are currently focusing on two projects in the Texas market.

- **Riverbend, Golf Course Community** Our key partner, D.R. Horton has more than 700 lots under contract in this project. These will be completed in stages and acquired by the company. In 2023, D.R. Horton has decided to focus primarily on the Riverbend project in the San Antonio metropolitan area, which will further boost our project. Year after year, the project contributes a consistent and important portion of sitEX's annual profits.
- **Gonzales** We are trying to sell the remaining 43 acres (174,000 m²) and the remaining approved lots to a prospective buyer.

Other activities with partner companies

We greatly value our close partnerships with D.R. Horton and with Stanley Martin as well as Daiwa House, respectively. The complementary strategic direction of our three companies leads to many interesting synergies, which we will leverage particularly in the APW and APD projects.

Summary

We can look back on an eventful but equally successful fiscal year. With a return on equity of more than 12%, we again outperformed the market in 2022 and proved that ongoing monetization of opportunities is important in the current market environment.

Our company has a large project pipeline which makes us confident about the future. However, the volatile market environment and the ongoing new shocks to which we are exposed also urge us all to be cautious. Return expectations should be adjusted accordingly. In view of the intolerable war in Ukraine, high construction costs and the sharp rise in mortgage rates, we may also face a few years with lower returns.

Thanks to the successful 2022 financial statements, the Board of Directors is again proposing a distribution of CHF 5.00 per registered share at this year's Annual General Meeting. This will again be paid out in the form of a capital reduction by repayment of par value. For natural persons domiciled in Switzerland, this distribution is tax-exempt.

Further and continuously updated information on our projects can be found on our website www.sitex.ch.

We thank you for your trust.



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	31.12.2022	31.12.2021
Cash and cash equivalents		12 462	25 075
Trade receivables		1 190	914
Receivables towards related parties	3.8	5 705	4 750
Other receivables		1 044	475
Current loans towards related parties	3.8	354	10 934
Project properties	3.2	47 139	40 778
Accrued income and prepaid expenses		6 369	7 027
Current assets		74 263	89 953
Loans related parties	3.8	24 627	20 560
Investments in associates	3.1	14 731	24 960
Investments in equity securities		930	-
Other tangible fixed assets		470	536
Investment properties	3.2	346 026	311 884
Intangible assets		1 760	2 352
Non-current assets		388 544	360 292
Total assets		462 807	450 245
Trade payables		2 974	1 959
Other current liabilities		626	854
Current interest-bearing financial liabilities	3.3	1 913	3 605
Accrued expense		8 421	10 486
Short-term provisions		4 956	978
Current liabilities		18 890	17 882
Non-current interest-bearing financial liabilities	3.5	161 912	168 210
Other non-current interest-bearing liabilities towards third parties	3.4	10 000	10 000
Long-term convertible bonds	3.7	4 000	4 000
Bond payable	3.6	50 050	50 050
Other non-current liabilities		500	500
Provisions for deferred taxes	3.9	39 630	36 072
Non-current liabilities		266 092	268 832
Liabilities		284 982	286 714
Share capital	3.10	33 828	45 104
Capital reserves	3.11	12 548	12 082
Retained earnings	3.13	115 907	74 721
Minority interests		9 142	16 247
Consolidated profit		21 160	35 982
Own shares	3.12	- 14 760	- 20 605
Equity		177 825	163 531
Total equity and liabilities		462 807	450 245

GROUP INCOME STATEMENT

Income statement in TCHF	Notes	2022	2021
Income from sale of land and building	4.2	67 139	38 118
Rental income from properties		12 178	12 776
Income from revaluation of properties		18 367	34 527
Income from sale of investment properties		960	-
Income from participation in property investments	4.3	365	15 360
Operating Income		99 009	100 781
Cost from sale of land and building	4.2	- 53 706	- 34 376
Direct property expenses	4.4	- 2 880	- 3 451
Personnel expenses		- 806	- 826
Other operating expenses	4.5	- 3 004	- 3 335
Other income	4.7	414	- 13
EBITDA (Earnings before interest, income taxes, depreciation and amortization)		39 027	58 780
Depreciation and amortization		- 892	- 944
EBIT (Earnings before interest and income taxes)		38 135	57 836
Financial expenses	4.6	- 5 443	- 4 475
Consolidated profit before income tax		32 692	53 361
Income taxes	4.8	- 11 372	- 15 434
Consolidated profit before minority interests		21 320	37 927
Attributable to minority interests		- 160	- 1 945
Consolidated profit attributable to shareholders of parent entity		21 160	35 982
Profit per share (non-diluted)	4.9	10.09	16.92
Profit per share (diluted)	4.9	9.98	16.79

GROUP CASH FLOW STATEMENT

Cash Flow Statement in TCHF	2022	2021
Consolidated profit	21 320	37 927
+ Depreciation and amortization	892	944
- Revaluation of properties	- 18 367	- 34 527
+ Increase in provisions for deferred taxes	1 373	10 508
- Increase in trade receivables	- 276	- 34
+/- Increase/ Decrease in other receivables	- 569	35
- Increase in receivables towards related parties	- 949	- 2 940
+/- Increase/ Decrease in project properties	- 5 249	3 642
+/- Decrease/ Increase in accrued income and prepaid expenses	658	- 3 376
- Decrease in trade payables	- 1 382	- 2 455
+/- Decrease/Increase in other current liabilities	- 228	137
- Decrease in other current liabilities towards shareholders	-	- 600
+/- Decrease/ Increase in accrued expense	- 4 941	1 067
+/- Increase/ Decrease in short-term provisions	3 978	- 806
Cash flow from operating activities	- 3 740	9 522
+ Inflows from investment of loans	-	5 046
- Outflows for investment of loans	- 1 146	-
- Outflows distributions to minority interests	-	- 764
+ Inflows from investments in associates	773	18 103
- Outflows for investments in associates	- 8 686	- 8 068
- Outflows for investments in equity securities	- 930	-
- Outflows for investment of other tangible fixed assets	- 48	- 15
- Outflows for investment acquisition of investment properties	- 18 956	- 17 093
+ Inflows from disposal of investment properties	44 817	-
- Outflows for investment of intangible assets	- 104	- 512
Investing activities	15 720	- 3 303
- Outflows for purchase of minority interests	- 4 212	-
+ Inflows from contributions from minority interests	1 537	-
- Payments of current financial liabilities	- 1 692	- 491
+ Issuance of non-current financial liabilities	44 374	38 272
- Payments of non-current financial liabilities	- 57 989	- 13 047
- Decrease of non-current liabilities	-	- 6 037
+ Increase in convertible bonds	-	4 000
- Reduction of share capital nominal value	- 11 276	-
- Distribution of profits towards shareholders	- 160	- 320
+ Sale of own shares	1 721	-
- Purchase of own shares	-	- 20 693
Financing activities	-27 697	1 684
Translation differences	3 104	3 011
Net change in cash and cash equivalents	- 12 613	10 914
Opening balance of cash and cash equivalents	25 075	14 161
Closing balance of cash and cash equivalents	12 462	25 075
Change in cash fund	- 12 613	10 914

GROUP SHAREHOLDER'S 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, 2021	45 104	12 082	-	110 703	- 20 605	147 284	16 247	163 531
Consolidated profit	-	-	-	21 160	-	21 160	160	21 320
Goodwill from acquisition	-	-	-	- 1 108	-	- 1 108	-	- 1 108
Valuation difference on previously held investment in associates	-	-	-	3 368	-	3 368	-	3 368
Distributions - preferred interests	-	-	-	- 160	-	- 160	-	- 160
Change in minority interests	-	-	-	-	-	-	- 7 265	- 7 265
Reduction of share capital nominal value	- 11 276	-	-	-	721	- 10 555	-	- 10 555
Exchange differences	-	-	-	3 104	-	3 104	-	3 104
Purchase/sale own shares	-	466	-	-	5 124	5 590	-	5 590
Shareholders' equity at Dec 31, 2022	33 828	12 548	-	137 067	- 14 760	168 683	9 142	177 825

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

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. The changes in Swiss GAAP FER 28 and 30 (which are effective for the fiscal years starting on January 1, 2024) have been early adopted. See note 3.1.

The consolidated financials were prepared in Swiss francs (CHF). All amounts, except for the figures per share, have been rounded to CHF 1,000.

The Board of Directors approved the consolidated financial statements of sitEX Properties Holding AG on April 21, 2023.

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 2022, 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	100	direct
Pfeffingerring AG, Basel	TCHF	4 550	100	direct
sitEX Properties USA Inc., Orlando (USA)	TUSD	90 456	100	indirect
sitEX Town Center LLC, Orlando (USA)	TUSD	2 208	100	indirect

Company		Share capital	Interest held in %	
** 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	1 375	100	indirect
Avalon Park Tavares LLC	TUSD	8 771	100	indirect
Avalon Park Daytona LLC	TUSD	19 266	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	-	100	indirect
Non-consolidated holdings****				
Avalon Park Daytona Land Holding LP (USA)	TUSD	40 000	20	indirect
*** Avalon Park School Initiative III, LLC	TUSD	4 200	50	indirect
Avex Homes LLC, Orlando (USA)	TUSD	1 710	57	indirect

* In 2022, sitEX Properties Holding AG acquired the 14,3% interest which was held by minority partners.

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

In 2022, sitEX NR Holding acquired an additional 50% of APW Downtown Phase I, LP and it became a consolidated subsidiary.

In 2021, APW Downtown Phase I, LP was treated under the equity method as a 49% non-consolidated holding.

*** New non-consolidated holding in 2022.

**** Other insignificant non-consolidated holdings are not listed herein. See the Annual Accounts of sitEX Properties Holding AG for a complete list of all non-consolidated holdings.

In 2022 and in 2021, 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 exchange rate on the balance sheet date. 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.

	31.12.2022	2022	31.12.2021	2021
	Effective rate	Average rate	Effective rate	Average rate
US-Dollar	0.9252	0.9549	0.9111	0.9143
Australian Dollar	0.6276	0.6626	0.6624	0.6865

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).

Investments in equity securities

Investments in equity securities consist of investments in marketable securities of companies which are actively traded on the stock exchanges. Investments in equity securities are recorded at fair value. The unrealized gain or loss accumulated at each year-end is recorded through the income statement.

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.

Short-term 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.

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 2022 and 2021 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 2022 and in 2021, the Company owns various participations in associates which are treated under the equity investment method and are as follows:

Investment in associates in TCHF	2022	Interest Held	2021	Interest Held
APW Downtown Phase I, LP - partnership formed for the future development of the Town Center located in Avalon Park Wesley Chapel	*	99%	13 109	49%
Avex Homes, LLC - investment in the common units of this homebuilding company	1 582	57%	2 355	57%
Avalon Park Daytona Land Holding, LP - partnership formed for the future development of residential lots in Avalon Park Daytona	7 402	20%	7 289	20%
Waterman Center, LLC - a company which owns land in Tavares, Florida to develop the future Town Center of Avalon Park Tavares	1 390	42.5%	1 141	42.5%

Investment in associates in TCHF	2022	Interest Held	2021	Interest Held
Avalon Park School Initiative III, LLC - a company which owns a Charter School building in Avalon Park Wesley Chapel	1 943	50%	-	29%
Avalon Park School Initiative IV, LLC - a company which owns a Charter School building in Avalon Park Tavares	1 249	50%	-	48%
Other investments	1 165	-	1 066	-
Investments in associates	14 731	-	24 960	-

* sitEX Properties Holding AG adopted the provisions of SWISS GAAP FER 30, Consolidated financial statements. This standard is effective for reporting periods starting on or before January 1, 2024 but early adoption is allowed. This standard provides guidance of equity interests which are acquired in stages (step acquisitions). As indicated in note 1.2, on August 31, 2022, sitEX NR Holding, LLC ("SNRH") completed the acquisition of 50% of the interest of APW Downtown Phase I, LP, ("APW Downtown") increasing its original interest from 49% to 99% and providing SNRH control over APW Downtown. APW Downtown became a consolidated subsidiary of SNRH on this date. Previous to August 31, 2022, SNRH accounted for its 49% interest in APW Downtown as an investment in associates. The acquired business contributed investment properties of approximately TCHF 39,094, non-current interest-bearing financial liabilities amounting to approximately TCHF 7,317 and trade payables and accrued expenses amounting to approximately TCHF 1,619. Other consolidated assets and liabilities were not significant. As a result of SNRH obtaining control of APW Downtown, SNRH's previously held equity interest was remeasured to fair value, resulting in a positive valuation difference of TCHF 3,368 net of taxes. This positive valuation difference has been recognized in the shareholders' statement of equity. As a result of the acquisition, goodwill amounting to TCHF 1,108 was also recognized and offset against retained earnings at the date of acquisition (see note 3.15). The first-time adoption of SWISS GAAP FER 30 did not impact any valuation or cause any changes to the prior-year balances as reported.

As also 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 September 2021, the assets and operations of Avex Homes were sold to a strategic partner, Stanley Martin Homes (SMH), a subsidiary of the Japanese Daiwa House Group for a total net sales price of USD \$106M. After the sale, sitEX USA received distributions from its investment in Avex Homes and other Avex affiliated entities totaling TCHF 32,522. The remaining investment balance outstanding in Avex Homes at December 31, 2022 represents the balance pending to be received from several amounts which were held by SMH in escrow accounts. These amounts will be settled in 2023.

3.2 Project and investment properties

Properties in TCHF	31.12.2021	Reclassification	Currency differences	Disposals	Additions	Revaluations	31.12.2022
Switzerland	6 505	-	-	- 9 663	7 643	-	4 485
USA	34 273	12 908	729	- 40 501	35 245	-	42 654
Total project properties (presented as current assets)	40 778	12 908	729	- 50 164	42 888	-	47 139
Switzerland	186 277	-	-	- 5 400	10 977	10 319	202 173
USA	125 607	-12 908	1 743	- 22 807	44 170	8 048	143 853
Total investment properties (presented as non-current assets)	311 884	-12 908	1 743	- 28 207	55 147	18 367	346 026
Total properties	352 662	-	2 472	- 78 371	98 035	18 367	393 165
Properties in TCHF	31.12.2020	Reclassification	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

The Company owned a building known as "Renglochstrasse 29" which was 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 which had a purchase option for the asset until end of February 2025. The tenant exercised the purchase option during 2022 for a total disposal of TCHF 5,400.

In 2022, the addition in project properties totaling TCHF 35,245 (TCHF 28,498) for sitEX USA is mainly due to the construction completion of the 94 residential apartment building owned by sitEX Town Plaza, LP as well as the acquisition of finished developed lots to resell to D.R. Horton, Inc. ("D.R.") at predetermined prices and the development of land located in Tavares and Texas, USA, which were developed into residential lots. The finished developed lots are under sales contracts with SMH and D.R. In 2022, the disposal of project properties in USA for TCHF 40,501 (TCHF 33,990 in 2021) is related to the sale of various parcels of developed lots to SMH (previously Avex Homes) and D.R. Horton, Inc. ("D.R.") as well as the sale of the asset held by sitEX Town Plaza, LP. The asset held by sitEX Town Plaza, with a balance at 31.12.2021 amounting to TCHF 12,908, had originally been classified in 2021 as an investment property based on management's plans with the asset. However, as a result of the management's decision at the beginning of the 2022 year, this asset was reclassified from an investment property to a project property. As mentioned above, this asset had significant improvements made from the beginning of 2022 until the assets was sold in June 2022. In Switzerland, TCHF 7,643 (TCHF 2,691 in 2021) of project properties are related to the development costs for the project located in Pratteln, where sitEX developed 13 apartments and four retail spaces. The retail spaces and 9 apartments were sold in 2022 which caused the disposal for TCHF 9,663.

On investment properties, in 2022 sitEX USA incurred in TCHF 44,170 (TCHF 9,325 in 2021) in additions added to the properties which mainly includes the consolidation of APW Downtown for TCHF 40,548 and improvements to the land for their Avalon Park Daytona Beach and Avalon Park Wesley Chapel projects. In Switzerland, TCHF 10,977 (TCHF 4,647 in 2021) in value-enhancing additions were added to investment properties which mainly consist of the development of the project known as "Bubendorf" and a few other enhancing additions were added to the investment properties.

Concurrently in 2022, sitEX USA sold the asset held by its subsidiary, sitEX Town Center, LLC resulting in total disposals of TCHF 22,807.

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 non-current interest-bearing liabilities towards third parties

Included in this caption are TCHF 10,000 payable to a financial institution. The outstanding amount is due in June 2024 and bears interest at a fixed rate of 2.95%. Certain prior year amounts totaling TCHF 10,000 which were originally classified as non-current interest bearing financial liabilities towards third parties have been reclassified for consistency with the current-year presentation as non-current interest bearing liabilities. This reclassification had no effect on the reported amount of total assets or equity.

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 10 years. The nominal value of the pledged mortgage notes amounts to TCHF 202,364. The contractually agreed principal payments (excluding convertible loans as defined in note 3.7) for the long-term financial liabilities are as follows:

2022 (In TCHF)	Variable	2023	2024	2025	2026	2027	Beyond 2028	Total
Mortgages Switzerland	43 840	1 680	1 680	1 680	1 680	5 580	87 091	99 391
Mortgages USA	52 407	233	27 063	10 442	19 663	233	6 800	64 434
Total financial liabilities	96 247	1 913	28 743	12 122	21 343	5 813	93 891	163 825

2021(In TCHF)	Variable	2022	2023	2024	2025	2026	Beyond 2027	Total
Mortgages Switzerland	47 280	3 226	2 700	2 700	5 200	2 700	84 745	101 271
Mortgages USA	46 171	379	42 771	4 226	8 185	379	14 604	70 544
Total financial liabilities	93 451	3 605	45 471	6 926	13 385	3 079	99 349	171 815

The contractually agreed amount of TCHF 1,913 due in the year 2023 (TCHF 3,605 due in the year 2022) has been presented under current interest-bearing financial liabilities while the remaining balance of TCHF 161,912 (TCHF 168,210 in 2021) has been presented under non-current interest-bearing financial liabilities. Mortgages in the amount of TCHF 96,247 (TCHF 93,451 in 2021) are short-term financed with floating interest rates at an average rate of 3.20% until the beginning of 2032. Certain prior year amounts totaling TCHF 10,000 for Mortgages Switzerland which were presented within the Variable and Year 2024 balances have been reclassified for consistency with the current-year presentation as other non-current liabilities towards third parties. This reclassification had no effect on the reported amount of total assets or equity. See note 3.4.

3.6 Bond payable

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	2022	2021
Convertible bonds at January 1	4 000	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	4 000

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.

3.8 Related party transactions

During the years 2022 and 2021, 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 2021, sitEX Properties USA Inc. had several finished lot sales agreements with Avex Homes with predetermined terms, purchase quantities and guaranteed returns, by Avex Homes, of up to 20%. These finished a lot sales agreements mainly consist of sitEX USA developing unplotted land into 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. In 2022, Beat Kahli sold to sitEX Properties USA, Inc. its interest held in two holding entities which own buildings operated as charter schools. Total amount paid by sitEX Properties USA, Inc. for these investments amounted to TCHF 3,192. In addition, as described in Note 3.1, in 2022 SNRH acquired an additional 50% of the interest of APW Downtown. The 50% interest was previously owned by companies owned and controlled by Beat Kahli. All these transactions were executed at fair values and under arms-length terms.

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. Other affiliated entities, owned by Dr. Christoph Stutz and Beat Kahli, provided marketing, public relations and consulting services to the real estate properties in Switzerland at pre-determined fixed rates. In 2021 and prior years, sitEX USA has executed several land sales transactions to entities which Beat Kähli, CEO, has an interest in. All transactions were executed at fair value and under arms-length terms. Several of these land sales transactions were executed where total sales price is being collected in several installments, resulting in loans for the sales amount pending to be collected. In 2022, loans from related parties amounted to TCHF 24,981, of which TCHF 354 has been presented as short-term and TCHF 24,627 has been presented as long-term and 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 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 31,132 (TCHF 36,232 in 2021).

Avalon Park Tavares (APT), an entity owned by Beat Kähli, entered to a contract, prior to 2021, with an affiliated entity to purchase approximately 526,000 sq. meters of undeveloped land for a price of TCHF 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. Phase I of this contract, which was approximately 50% of the land, completed its development in 2021. Phase II will begin development in 2023. In addition, sitEX Properties Holding AG entered into a contract, prior to 2021, 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. Below is a summary of all the transactions and arrangements made with related parties.

Transactions with related parties in TCHF	31.12.2022	31.12.2021
Income from sale of land to related parties	-	1 652
Fees paid to the Board of Directors and management	545	612
Fees paid to other affiliated entities	238	-
Fees paid to Avalon Park Group Management Inc.	3 050	1 921
Interest on loans by shareholders and related parties	-	44
Balances with related parties		
Receivables towards related parties	5 705	4 750
Short-term loans related parties	354	10 934
Non-current loans towards related parties	24 627	20 560

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, 2021	36 072
Change due to revaluation of properties and new tax rates	1 373
Amount arising from acquisition of equity interest*	2 185
Provision for deferred taxes at December 31, 2022	39 630

* As further described in note 3.1, this amount is derived from the APW Downtown transaction as a result of the increase in fair value of the acquired assets and positive valuation difference recognized.

3.10 Share capital

The nominal share capital is divided into 2,255,192 (2,255,192 in 2021) registered shares with a nominal value of CHF 15.00 in 2022 (20.00 in 2021).

	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
Nominal value decrease at July 25, 2022	-	- 5	- 11 276
Total nominal share capital at December 31, 2022	2 255 192	15	33 828

Authorized share capital

In accordance with the articles of association, the authorized share capital is a maximum of TCHF 22,551 (TCHF 22,551 in 2021) 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 (22,230 in 2021) 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 12,548 can be distributed tax-free to shareholders.

Capital reserves in TCHF	Total capital reserve	Thereof capital contribution reserve
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
Profit from purchase/sale of own shares	466	466
Capital reserves at December 31, 2022	12 548	11 411

3.12 Own shares

Changes in own shares are as follows:

	Shares	31.12.2022 In TCHF	Shares	31.12.2021 In TCHF
Equity shares at January 1	181 365	20 605	122 545	8 452
Purchase of equity shares	3 176	423	193 749	21 961
Sale of equity shares	- 48 831	- 6 013	- 21 691	- 1 888
Reduction of share capital nominal value	-	- 721	-	-
Capital decrease	-	-	- 45 954	- 2 298
Reduction mandatory convertible debt (see Note 3.14)	-	-	- 67 284	- 3 183
Profit/loss from purchase/sale of equity shares	-	466	-	- 2 439
Total equity shares at December 31	135 710	14 760	181 365	20 605

During 2022, 3,176 own shares with an average value of CHF 133.23 per share were acquired. At the same time, 48,831 own shares were sold at an average price of CHF 123.15 per share. During 2022, 144,071 equity shares had a reduction in the share capital nominal value of CHF 5.00 per share. 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, (see Note 3.14), and 45,954 shares were destroyed at a price of CHF 50.00 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 6,495, which are blocked and are, therefore, not available for free distribution.

	in TCHF
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
Consolidated profit 2021	35 982
Retained earnings at January 1, 2022	110 703
Currency exchange differences allocated directly to equity capital	3 104
Preferred dividends	- 160
Goodwill from acquisition	- 1 108
Valuation difference on previously held investment in associates	3 368
Retained earnings at December 31, 2022	115 907

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 total obligation under the first tranche amounted to TCHF 4,550, of which the remaining amount of 67,284 shares was settled in 2021 (see Note 3.12).

3.15 Goodwill

Goodwill has been offset against retained earnings at August 31, 2022, the date of acquisition. The resulting consequences on equity and results of operations are documented below and reflect a useful life of goodwill of 5 years.

Effect of a theoretical capitalization of goodwill on the balance sheet is as follows:

Goodwill acquisition value in TCHF	31.12.2022
Balance at January 1	-
Acquisition	1 108
Disposal	-
Balance at December 31	1 108

Accumulated amortization	in TCHF
Balance at January 1	-
Amortization for the year	74
Balance at December 31	74
Theoretical net book value of goodwill	1 034

Effect of a theoretical capitalization of goodwill on the income statement is as follows:

	in TCHF
Reported consolidated profit	21 160
Theoretical amortization of goodwill	- 74
Consolidated profit less amortization of goodwill	21 086

3.16 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Income from sale of land	10 821	-	56 318	38 118	-	-	67 139	38 118
Rental income from properties	9 153	8 592	3 025	4 184	-	-	12 178	12 776
Income from revaluation of properties	10 319	21 271	8 048	13 256	-	-	18 367	34 527
Income from sale of investment properties	-	-	960	-	-	-	960	-
Income from participation in property investment	-	-	365	15 360	-	-	365	15 360
Other income	30 293	29 863	68 716	70 918	-	-	99 009	100 781
Cost from sale of land	- 9 663	-	- 44 043	- 34 376	-	-	- 53 706	- 34 376
Direct property expenses	- 1 612	- 1 960	- 1 268	- 1 491	-	-	- 2 880	- 3 451
Personnel expenses	- 806	- 826	-	-	-	-	- 806	- 826
Operating expenses	- 899	- 1 231	- 2 004	- 1 961	- 101	- 143	- 3 004	- 3 335
Other income	414	- 13	-	-	-	-	414	- 13
EBITDA (Earnings before interest, income taxes, depreciation and amortization)	17 727	25 833	21 401	33 090	- 101	- 143	39 027	58 780
Depreciation and amortization	- 168	- 153	- 724	- 791	-	-	- 892	- 944
EBIT (Earnings before interest and income taxes)	17 559	25 680	20 677	32 299	- 101	- 143	38 135	57 836

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 building and income from participation in property investments.

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

During 2022, sitEX USA realized income from sale of land and building of TCHF 67,139 (TCHF 38,118 in 2021) and cost of land and building of TCHF 53,706 (TCHF 34,376 in 2021) mainly due to the sale of its recently developed 94 residential apartment building (sold in June 2022) along with the sale of multiple finished lots to SMH and D.R. Horton.

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 2022 and 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 365 in 2022 and TCHF 15,360 in 2021.

4.4 Direct property expenses

Direct property expenses of TCHF 2,880 (previous year TCHF 3,451) includes ground rents of TCHF 43 (previous year TCHF 43). Besides routine property maintenance, one-off renovation and reconstruction costs are included.

4.5 Other operating expenses

During 2022, operating expenses amounted to TCHF 3,004 (TCHF 3,335 in 2021). The ratio of operating expenses (incl. personnel expenses) to total income remained at a very respectable level of 3.8% (4.1% for 2021) 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 179 in 2022 and TCHF 168 in 2021. 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	31.12.2022	31.12.2021
Interest on mortgages and fixed advances	4 038	3 575
Interest on financial liabilities	750	750
Loss on currency hedge financial instrument	551	-
Interest on loans to third parties	54	58
Interest on loans to shareholders and related parties	-	44
Bank charges	50	48
Total financial expenses	5 443	4 475

4.7 Other income

Other income in 2022 and 2021 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	31.12.2022	31.12.2021
Consolidated profit before income tax	32 692	53 361
Current income tax expense	9 999	4 926
Deferred income tax expense	1 373	10 508
Total income tax expense	11 372	15 434

Net accruals from deferred income taxes increased from TCHF 36,072 in 2021 to TCHF 39,630 in 2022. Deferred income taxes are calculated for every company using the effective applicable tax rate. At December 31, 2022, the resulting average tax rate was 34.797% (28.92% in 2021). Deferred income taxes are mainly related to the revaluation of properties and in 2021 to the sale of assets and operations of Avex Homes.

4.9 Profit per share

Earnings per share is calculated by dividing the consolidated profit after minority interests attributable to the shareholders 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 1.1.2022 and 31.12.2022 by 27,407 shares.

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

in TCHF	31.12.2022	31.12.2021
Consolidated profit	21 320	37 927
Attributable to shareholders of sitEX Properties Holding AG	21 160	35 982
Attributable to non-controlling interests	160	1 945
Average number of shares outstanding	2 096 656	2 126 214
Average number of shares outstanding - after conversion of convertible bond	2 124 062	2 145 356
Interest that would not be paid but the taxes would be increased	30 977	33 761
Earnings per share	10.09	16.92
Diluted earnings per share	9.98	16.79

5. Further disclosures

5.1 Guarantees in favor of third parties

	31.12.2022	31.12.2021
Guarantees in favor of third parties in TCHF	3 052	3 052

5.2 Pledged or assigned assets

Properties in TCHF

	31.12.2022	31.12.2021
Sureties for mortgages	393 165	352 662
Nominal value of mortgage notes	202 364	218 049
Borrowings	163 825	171 815

Certain prior year amounts totaling TCHF 10,000 were originally included within the borrowings amount and have been reclassified for consistency with the current-year presentation. See note 3.4.

Investments in TCHF

	31.12.2022	31.12.2021
sitEX Powerhouse AG	17 603	8 802
Borrowings	-	-

5.3 Derivative financial instruments

In 2022 and 2021, the following interest rate hedges, as described below, were in place on the financial liabilities.

In TCHF	Nominal value	Term period	Rate in %	31.12.2022 Replacement value	31.12.2021 Replacement value
SWAP Credit Suisse, Switzerland	2 850	31.03.2031	2.417	*	- 459

* During 2022, this SWAP was settled with the financial institution for a settlement cost of TCHF 94'100. This amount is recorded within the financial expenses.

5.4 Subsequent events

On March 6, 2023, sitEX Properties Holding AG extended, through June 17, 2025, the forward currency exchange instrument it has with a financial institution. Along with the extension, a payment amounting to TCHF 1,365 was made for the expired forward contract. On March 22, 2023, the Board of Directors unanimously approved the execution of the transaction which separates the building and the land of sitEX Powerhouse AG with a total value of TCHF 140,000 according to the document "Fairness Opinion of the Transaction of sitEX Powerhouse AG", as presented by management.

REPORT OF THE STATUTORY AUDITOR

Deloitte.

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Report of the Statutory Auditor

To the General Meeting of
SITEX PROPERTIES HOLDING AG, LACHEN

Report of the Statutory Auditor on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of sitEX Properties Holding AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (page 18-37) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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 consolidated statement of financial position and showed an overall fair value of TCHF 346,026 as at 31 December 2022 (previous year TCHF 311,884).</i></p> <p><i>The Group's total investment properties are valued at fair value as at the year-end date. The valuation is based on the results of the external valuation expert's report, which typically uses the discounted cash flow method (DCF) to calculate the investment properties value. In some instances, the fair value is used as it reflects the agreed price of concrete purchase offers and contracts. We consider the valuation of investment properties to be a key audit matter due to the significant value of these properties in relation to the total assets (70% of total assets) and the significant assumptions and estimates that the valuation models 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 experts competence and independence. In addition, our internal real estate valuation experts supported us with the execution of our audit procedures.</i></p> <p><i>We performed, amongst other things, the following audit procedures on a sample basis identified based on quantitative and qualitative factors:</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 models (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>examining the investments in existing properties to determine whether they can be capitalized or not.</i> <p><i>Furthermore, we gained an understanding of 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>

Other Information

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

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

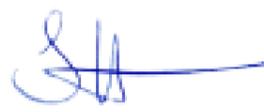
In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

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

Deloitte AG

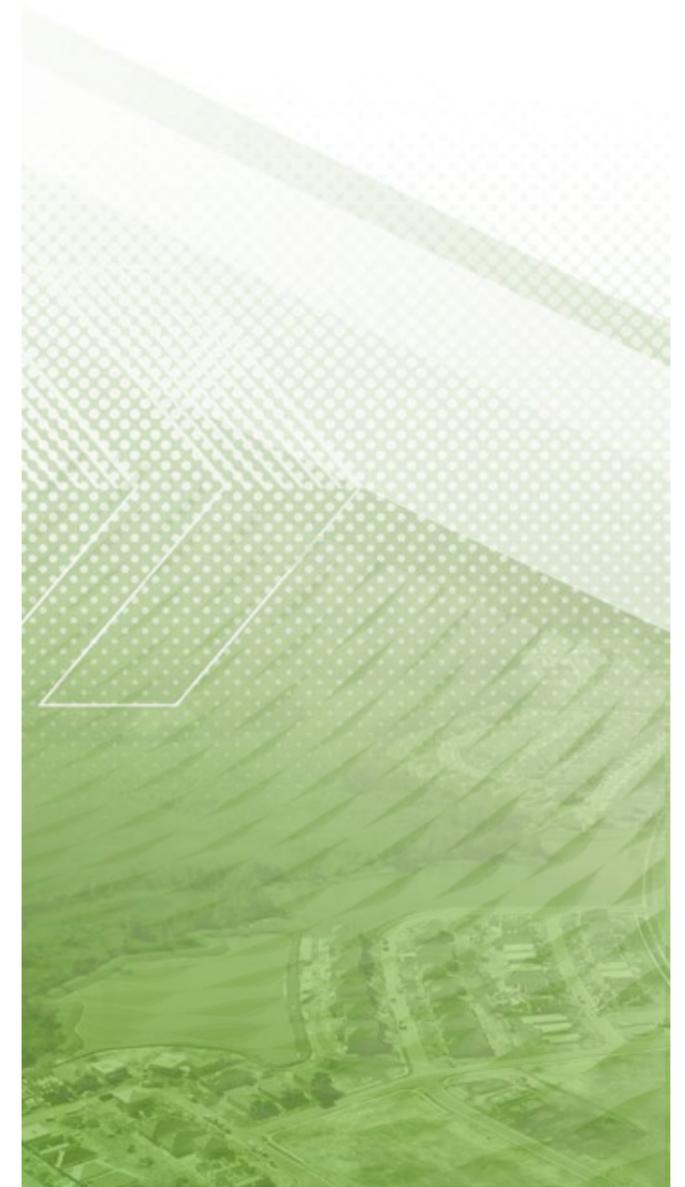


Christophe Aebi
Licensed Audit Expert
Auditor in Charge



Severin Holder
Licensed Audit Expert

Basel, April 21, 2023



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, it owns 100% 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	31.12.2022	31.12.2021
Cash and cash equivalents	2 783	1 459
Trade receivables	82	135
Receivables towards related party	29	-
Other receivables	211	5
Project properties	4 341	6 361
Accrued income and prepaid expenses	13 009	978
Current assets	20 455	8 938
Loan receivables from investments	47 349	65 984
Investments in subsidiaries	44 253	35 452
Investment in equity instruments	930	-
Investment properties	22 854	18 181
Non-current assets	115 386	119 617
Total assets	135 841	128 555
Trade accounts payable	228	163
Other payables towards shareholders	70	-
Current interest-bearing liabilities towards investments	-	155
Current interest bearing loans from third parties	150	726
Deferred income and accrued expenses	2 084	2 438
Short-term provisions	1 342	651
Current liabilities	3 874	4 133
Other non-current liabilities	500	500
Interest-bearing liabilities from subsidiaries	3 069	4 749
Non-current convertible bonds	4 000	4 000
Bond payable	50 050	50 050
Non-current interest-bearing liabilities	28 616	27 740
Provision for renovation funds	5 665	5 665
Non-current liabilities	91 900	92 704
Liabilities	95 774	96 837
Share capital	33 828	45 104
Statutory capital reserves	13 039	13 039
Statutory retained earnings	5 135	5 135
Loss carried forward	-10 489	-8 491
Annual profit / loss	13 314	-2 464
Equity shares	-14 760	-20 605
Equity	40 067	31 718
Total equity and liabilities	135 841	128 555

INCOME STATEMENT

Income statement in TCHF	2022	2021
Income from investments	12 560	400
Income from sale of land and building	10 821	-
Income from sale of investment properties	2 788	-
Rental income from properties	1 821	1 788
Other income	65	101
Operating income	28 055	2 289
Cost from sale of land and building cost from sale of land and building	-9 663	-
Direct property expenditure	-540	-461
Personnel expenses	-81	-77
Other operating expenses	-1 322	-1 649
EBITDA (Earnings before interest, taxes and depreciation)	16 449	102
Depreciation	-762	-762
EBIT (Earnings before interest and taxes)	15 687	-660
Financial expenses		
Interest expense – subsidiaries	-20	-29
Interest expense – shareholder loans	-	-44
Interest expense – third parties	-48	-48
Interest expense – SWAP	-460	-618
Interest expense – financial liabilities	-889	-574
Amortization of bond issuance costs	-750	-750
Bank and other fees	-49	-46
Foreign exchange loss	-551	-41
Financial income		
Interest income – third party	2	-
Interest income – subsidiaries	427	562
Foreign exchange income	15	-
Operating results before taxes	13 364	-2 248
Extraordinary, nonrecurring or prior-period income and expense	408	-206
EBT (earnings before taxes)	13 772	-2 454
Direct taxes	-458	-10
Annual gain (loss)	13 314	-2 464

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 April 21, 2023, 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, 2022, there was no outstanding accounts deemed to be uncollectible.

Accrued income and prepaid expenses

At the Annual General Meeting of sitEX Properties International AG, Lachen, held on February 16, 2023, a dividend of TCHF 12,000 was approved. This dividend was already recognized as Income from investments and Accrued income and prepaid expenses in the 2022 results. In 2021 the Income from investments was TCHF 400 from sitEX Powerhouse AG.

Investment in equity instruments

The Company has investments in marketable equity securities of a company which is actively traded on the Swiss stock exchange. Investments in marketable securities are recorded at the lower of cost or fair value. The unrealized loss accumulated at year-end is recorded through the Income Statement.

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

Income from investments is dividend income received from the subsidiaries, sitEX Properties International AG (TCHF 12,000 in 2022) and sitEX Properties Powerhouse AG (TCHF 560 in 2022 and TCHF 400 in 2021). Income from sale of land and building and related profits are recognized at the time of the closing of a sale, when title and possession of the property, as well as risk of loss, are transferred to the buyer. Cost from sale of land and building include all the costs associated with the land and building and other closing costs. Rental income from properties is derived from leases to tenants with a three to six-months cancellation period. Rental income 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

31.12.2022 31.12.2021

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.

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	100	100
Share of capital:	100%	100%
Voting share:	100%	100%

Pfeffingerring AG, Basel (CH)

Holding and property management of real estate assets		
Share capital: TCHF	4 550	4 550
Share of capital:	100%	100%
Voting share:	100%	100%

sitEX Properties International AG, Lachen (CH)

Holding and property management of interest abroad		
Share capital: TCHF	22 000	22 000
Share of capital:	100%	100%
Voting share:	100%	100%

sitEX Powerhouse AG, Muttenz (CH)

Holding and property management of real estate assets		
Share capital: TCHF	100	100
Share of capital:	100%	85.7%
Voting share:	100%	85.7%

Significant indirect investments

sitEX Properties Australia Ltd., Lachen (CH)

Holding and property management of real estate assets		
Share capital: TCHF	4 000	4 000
Share of capital:	100%	100%
Voting share:	100%	100%

sitEX Properties Australia Trust, Sydney (AUS)

Holding and property management of real estate assets		
Share capital: TAUD	10 000	10 000
Share of capital:	100%	100%
Voting share:	100%	100%

sitEX Properties USA Inc., Orlando (USA)

Holding and property management of real estate assets		
Share capital: TUSD	90 456	90 456
Share of capital:	100%	100%
Voting share:	100%	100%

Notes to the balance sheet in TCHF	31.12.2022	31.12.2021
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	2 263
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	3 884	3 186
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 1, LP, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	34 497	19 700
Share of capital:	99%	49%
Voting share:	99%	49%

Notes to the balance sheet in TCHF	31.12.2022	31.12.2021
Waterman Center, LLC		
Holding and property management of real estate assets		
Share capital: TUSD	3 534	3 534
Share of capital:	42.5%	42.5%
Voting share:	42.5%	42.5%
Avalon Park Daytona LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	19 266	10 790
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	1 357	57
Share of capital:	100%	100%
Voting share:	100%	100%
Avex Homes LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	1 710	1 350
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: TUSD	40 000	40 000
Share of capital:	20%	20%
Voting share:	20%	20%
Safe Harbor RV and Boat Storage, LLC, Orlando (USA)		
Rental of RV and boat storage		
Share capital: TUSD	2 000	2 000
Share of capital:	52%	52%
Voting share:	52%	52%
Avalon Park School Initiative III, LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	4 200	
Share of capital:	50%	
Voting share:	50%	
Avalon Park School Initiative IV, LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	2 700	
Share of capital:	50%	
Voting share:	50%	
<p>During June 2022, the Company acquired the 14.311% interest of sitEX Powerhouse AG which was previously owned by a related party, for a purchase price of TCHF 8,801, increasing the investment balance to TCHF 17,603. Prior to 2021, 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 remaining balance of the original obligation was settled in 2021 with the payment of 67,284 own shares.</p>		

Notes to the balance sheet in TCHF

31.12.2022 31.12.2021

Share Capital

The nominal share capital is divided into 2,255,192 (2,255,192 in 2021) registered shares with a nominal value of CHF 15.00 each (CHF 20.00 in 2021).

	Number	Nominal value	In TCHF
Nominal share capital at January 1, 2022	2 255 192	20	45 104
Nominal value decrease at July 25, 2022	-	-5	-11 276
Total nominal share capital at December 31, 2022	2 255 192	15	33 828

Equity shares

Number of shares that the Company and its subsidiaries own (beginning of the year)	181 365	122 545
Purchase of equity shares (number)	3 176	193 749
Purchase of equity shares, average purchase price in CHF	133.23	113.35
Disposal of equity shares (number)	48 831	21 691
Disposal of equity shares, average sales price in CHF	123.15	88.71
Reduction due to mandatory convertible debt to shareholder (number)	-	67 284
Reduction of equity shares, average sales price in CHF	-	46.77
Number of equity shares that the Company and its subsidiaries own (end of the year)	135 710	181 365
Permanent reduction of share capital (number)	-	45 954
Permanent reduction of share capital, price in CHF	-	50
The purchase/sale of equity shares resulted in a TCHF 466 gain in 2022 and a TCHF 2,439 loss in 2021. This amount was recorded through the profit and loss carried forward.		

Other information

Total amount of assets assigned or pledged as security for own liabilities 44 798 33 343

Conditional and authorized capital

Authorized capital according to statutes 22 551 22 551
 Conditional capital according to statutes (until December 31, 2023) 22 230 22 230

Additional comments on the capital reserve

During 2022 the nominal value of the share was reduced from CHF 20 to CHF 15. This resulted in a share capital decrease of TCHF 11,276. 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 2022 year, therefore the confirmation still remains valid.

Investment properties

The Company owned a building known as "Renglochstrasse 29" which was 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 which had a purchase option until end of February 2025. The tenant exercised the purchase option during 2022. As a result of the sale of the building, an income from sale of investment properties of TCHF 2,788 was recognized on the Income Statement.

Notes to the balance sheet in TCHF

31.12.2022 31.12.2021

Project Properties

During 2022, the Company completed the development of one of its project properties. A significant portion of the property was sold in 2022 and as a result of the sale, income from the sale of land and building amounting to TCHF 10,821 and cost from sale of land and building amounting to TCHF 9,663 were recognized on the Income Statement. A portion of the property, amounting to TCHF 4,341, is still held for sale in 2022.

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 2022 and 2021 amounts to 50,049,500.

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.

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
Overpayment of rent in prior years to affiliated entity	55	-
Reversal of tax accruals from prior years	353	-
Total extraordinary, non-recurring or prior period income	408	42
Extraordinary income (expense) net	408	-206

Number of employees

The Company employed no staff in 2022 and 2021.

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 15 to CHF 10).

In addition, the Board of Directors proposed the amount of TCHF 141 from the annual profit of TCHF 13,314 offset by the loss carried forward of TCHF 10,489, to be assigned to the reserve and to carry forward the remaining profit.

Subsequent events

On March 6, 2023, sitEX Properties Holding AG extended, through June 17, 2025, the forward currency exchange instrument it has with a financial institution.

Along with the extension, a payment amounting to TCHF 1,365 was made for the expired forward contract.

REPORT OF THE STATUTORY AUDITOR

Deloitte.

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Report of the Statutory Auditor

To the General Meeting of
SITEX PROPERTIES HOLDING AG, LACHEN

Report of the Statutory Auditor on the Financial Statements

Opinion

We have audited financial statements of sitEX Properties Holding AG (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (page 42-51) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to be communicated in our report.

Other Information

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

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

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

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

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. 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, April 21, 2023

REAL ESTATE



PORTFOLIO OVERVIEW

The Group's property portfolio is divided into investment property and development property. As an owner-managed real estate company with no pressure to invest, we are exceptionally flexible and can always adapt to changing market conditions. Over the past six years, we have continuously optimized our portfolio. In addition to selective acquisitions, we have successfully executed numerous divestments in Switzerland and abroad. True to the maxim "only a realized profit is a real profit".

At the time of printing, we have four investment properties and three parcels for new land development projects in Switzerland. After the sale of the two investment properties TC3 and TC4 in the USA, the share of the sitEX Powerhouse in the group-wide rental income remained very significant and amounted to 51% as of December 31, 2022. Due to its importance, we dedicate two pages to this property in the next section of the annual report. The sale of the investment properties in the USA also had a significant impact on the breakdown of last year's income. Although this year's income was again based on four pillars, their weighting shifted in favor of income from sale of land, which accounted for 68% (previous year 38%). Rental income amounted to approximately 12%. The remaining 20% was divided between "Income from revaluation of properties", "income from sale of investment properties" and "income from participation in property investments".

Our company has an above-average geographical diversification on a national and international level. Since 2017, we have focused on the regions of Northwestern Switzerland (cantons of Basel-Stadt and Basel-Landschaft) as well as Central Florida (Tampa, Orlando, Tavares, Daytona, etc.) and Texas (Riverbend & Gonzales). As in the past two years, we will focus on our key assets and describe them in more detail on the following pages. Updated information and images on our other assets, as well as regular updates on our development projects, can be found on our website at www.sitex.ch and on the respective project websites.



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 m ²
Use	Industrial and commercial land

This brownfield site, which was acquired in 2016 and has since been the subject of a neighborhood plan process, is located near the Stedtli (center of Liestal) and only about 500 meters from the train station. Thanks to the tireless efforts of our broad and competent project team consisting of specialist planners and architects, we were able to celebrate the unanimous approval of the neighborhood plan by the residents' council in December 2021.

Thus, last year we started with the preliminary project, which was completed in January 2023. The project is now in the design phase, where the construction permit will be prepared in detail and submitted by the middle of this year.



It is currently planned to start construction in December 2024 and with a move-in date of mid-2026, at which time the 13 workplaces and 2 residential buildings currently on the site will be replaced by around 120 workplaces and 100 apartments. The distinctive architecture, adapted to the site, will create a new city center with its own identity at the interface between commercial and residential use.

Throughout the year, we will be posting regular updates on the project's website. Interested parties can join the waiting list by visiting www.im-oristal.ch or by emailing ad@sitex.ch.



Powerhouse

Key Facts

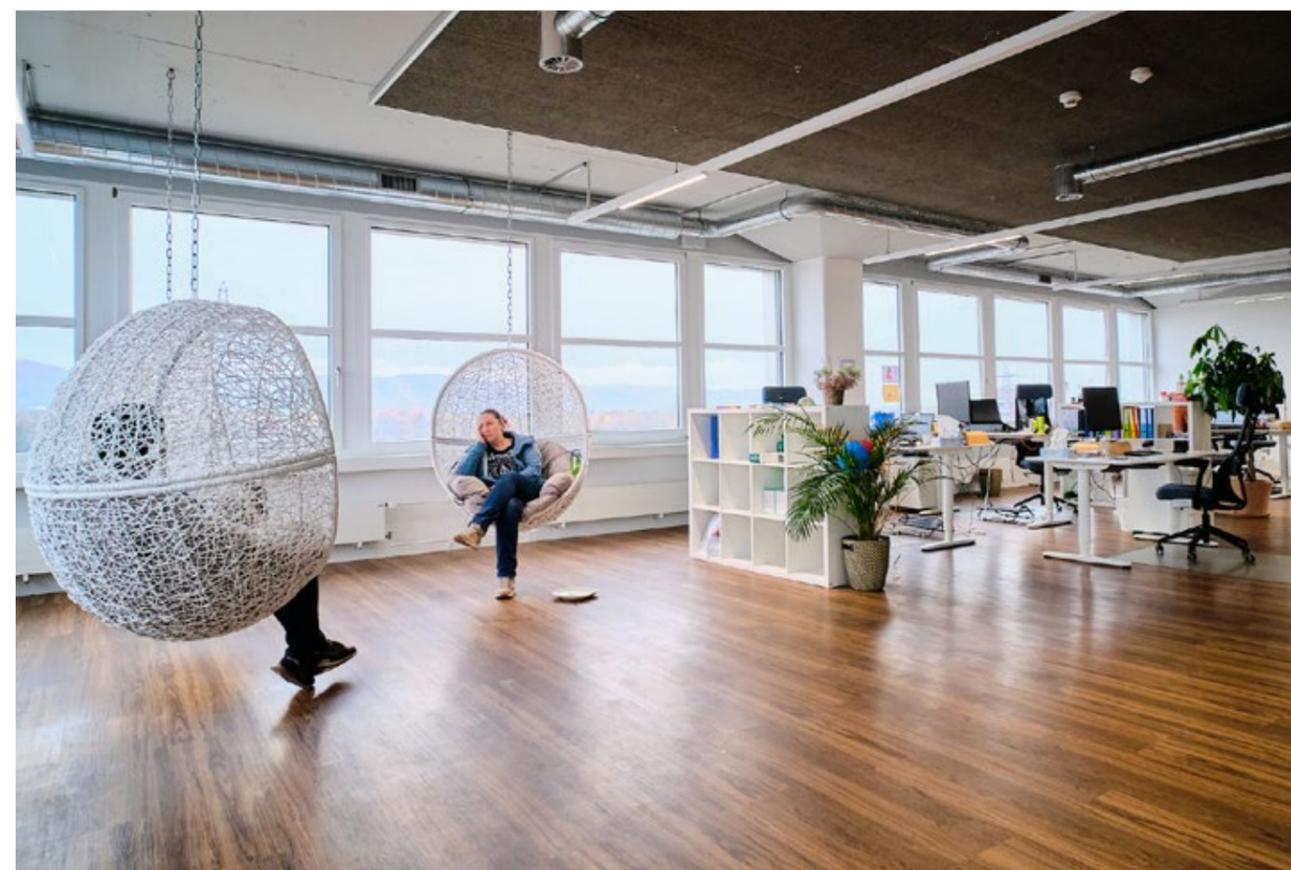
Acquired	2012
Address	Hofackerstrasse 40 4132 Muttenz
Year built	1994
Useable area	44,615 m ²
Use	Office and commercial; warehouse/storage areas

The sitEX Powerhouse is our largest investment property and a significant pillar in our portfolio. With its more than 44,000 square meters of leasable 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, which takes care of the management and cleaning of the building, the support of the tenants as well as the maintenance and repair of the numerous technical facilities.

The building and the rental space are in an exceptionally modern condition thanks to the numerous renovations and refurbishments carried out in recent years. In terms of the tenant and product mix, specific attention was paid to ensuring that tenants can cover all the needs of a working day under one roof. The fitness center of the leading Swiss chain "Update Fitness" enjoys great popularity. Unfortunately, the Covid-19 pandemic changed the needs of employees, which is why the daycare center on the first floor was closed as of March 31, 2023. However, we are working on a replacement solution that will be complementary to our innovation campus on the 5th floor.

Over the past 12 months, we have welcomed numerous new tenants to the building. As a result, the property is now almost fully leased and there is less than 800m² of leasable warehouse and office space, which represents a vacancy rate of below 2%.

At the end of March this year, our property was connected to district cooling. Together with the numerous energy-saving investments that we have made in the past year, the sitEX Powerhouse also presents itself as an ecologically optimized property that is ready for the challenges of the future. Our innovation campus, "The 5th Floor", which covers



4'000m² on the 5th floor of the building, was fully leased last year. The coworking enjoyed increasing popularity and is also almost fully booked. The modern infrastructure and the fit-outs tailored to the individual tenants' needs have attracted numerous nationally and internationally renowned ("start-up") companies. Several event and seminar bookings have regularly enlivened our modern campus. In this context, we were honored to receive the award as one of the most beautiful Swiss event locations in the fall of 2022. In the current year, our tenants and members will be able to enjoy the newly covered roof terrace - a unique feature in the region. We are looking forward to numerous events and a constant stream of new coworkers on The 5th Floor, making this location one of the most dynamic innovation centers in the region.



AVALON PARK

LIVE • LEARN • WORK • PLAY

Over the past 25 years, residential communities have been built under the name “Avalon Park”, which are significantly different from other projects in terms of their urban design concept. The mission of Avalon Park is to fundamentally change the way people live, learn, work, and play compared to other American real estate projects and to efficiently connect these areas.

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 because their planning is substantially more complex than a conventional 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 Käbli, 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.

With Avalon Park Group as project manager, sitEX is currently developing three “Avalon Park” projects in Central Florida. Additionally, the company is developing the “Flag Pole Lot” parcel within Avalon Park Orlando. These four projects collectively represent a key cornerstone to the future success of the company and are therefore discussed in more detail below.

Avalon Park Wesley Chapel

Avalon Park Wesley Chapel is the second largest project in sitEX’s pipeline, totaling more than 6.6 million square



feet. Our company is the developer responsible for selling the land to local and well-known national home builders, as well as developing the project’s downtown. national home builders, as well as developing the project’s downtown.

The site is located in the emerging Tampa Bay metropolitan area and is expected to become the downtown of Wesley Chapel. When completed, Avalon Park Wesley Chapel will be similar in size to Avalon Park Orlando.

Permits granted for the project include 4,400 residential units, 52,000 square feet of retail space and 11,150 square feet of office space. Construction on the charter school expansion began last year. After welcoming its first 1,000 students in 2020, the school is expected to welcome an additional 1,500 students this year. The school’s waiting list is full and the population is eagerly awaiting the opening of the expansion stage. Further, we had the groundbreaking of the Downtown 1. The mixed-use part of the Downtown is scheduled to open in the first half of 2024.

In the northeast section of the project, D.R. Horton Inc. has been intensively developing its 985 lots. This portion of Avalon Park Wesley Chapel, marketed as “Westgate,” is enjoying great popularity and homes continue to sell very well despite the challenging market environment. Construction of the connecting road between “Westgate” and the downtown area is expected to begin shortly.

As in all previous years, four major events were held at Avalon Park Wesley Chapel in 2022. The events, Absolutely Avalon, 4th of July, Spooktacular, and Avalon Aglow, are four fixtures in the local community and continue to draw thousands of visitors. Other smaller, regularly scheduled events round out the offerings and create a strong community spirit within this unique project for the region.

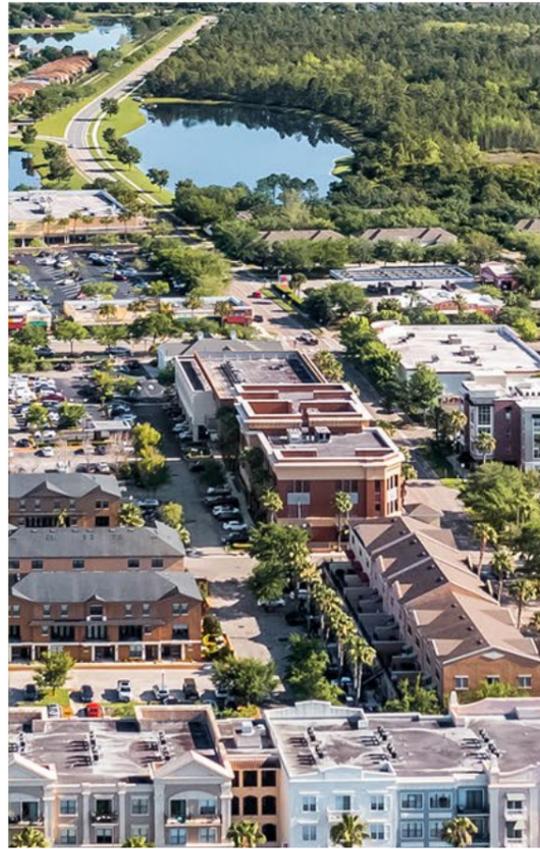
Avalon Park Daytona Beach

In 2020, sitEX exercised its land purchase option in Daytona Beach, acquiring approximately 12 million square feet of land for a small town development in this up-and-coming Central Florida region. That same year, the master plan for the development of the site was prepared and submitted to the relevant authorities.

During the last two years, intensive work has been underway to finalize the overall master and construction plans. As soon as the remaining outstanding issues have been addressed and the market environment permits, construction is expected to begin. When completed, Avalon Park Daytona will be the largest project in the greater Daytona-Ormond Beach area. With more than 10,000 residential units, Avalon Park Daytona would be twice the size of the next largest community, Plantation Bay (5,000 residential units), and three times the size of its immediate neighbor, Latitude Margaritaville (3,000 residential units). Coordination is underway between the project team and the homebuilders, D.R. Horton, Stanley Martin Homes and ICI Homes. The companies are ready to begin construction as soon as the project receives the necessary permits and zoning plans.



“
LIVE
LEARN
WORK
PLAY
”



Avalon Park Tavares

Avalon Park Tavares is located approximately 45 minutes northwest of Orlando on the shores of Lake Hermosa. It adjoins Advent Health Waterman Hospital. Avalon Park Tavares will include 1,100 apartment homes on approximately 627,000 square feet of land. Because of its location, the project places a strong emphasis on the health and well-being of its residents. There will be a variety of walking and biking trails, dog walking areas, swimming pools and green spaces. The Pinecrest Academy Charter School opened last year and is already at full capacity. Overall capacity will continue to grow in the coming years.

Avalon Park Orlando

Having sold Town Center III and IV, our activities in Avalon Park Orlando are now focused on developing the last undeveloped parcel in Avalon Park Orlando, the so-called “Flag Pole Lot”. The development of this parcel of land is planned to be completed in three phases. The first phase, scheduled to begin in 2023, will include the construction of approximately 200 units of independent and age-restricted housing. The accessible housing units are intended for active residents aged 55 and older who want to live independently and with like-minded people and appreciate the proximity to a wide range of (medical) services. The second and third phases will add a charter school, 200 traditional residential units, a small boutique hotel, and an amenity center with swimming pool.

The 5th Floor Orlando coworking space opened in 2021 and was fully leased within a few months. The expansion in another building, marketed as The 5th Floor Annex, was also fully leased. The 30 or so offices, which vary in size and configuration, have proved very popular due to the good location and the extensive overall offering, and many interested parties are waiting to move in. The tenants come from a variety of industries, but are less research-oriented than at the Swiss location. In addition to the offices, the seminar and meeting rooms are becoming increasingly popular.

COMPANY PROFILE



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 has no pressure to invest. Instead, the company invests only in real estate with value enhancement potential and develops the real estate portfolio with a long-term oriented, value-retaining growth policy.



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 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 international.

Globalization also has a strong impact on the real estate industry. Individual markets are highly interconnected, and trends are becoming cross-national and cross-continental phenomena that need to be identified at an early stage. Thanks to our international experience, we have a global network at our disposal and can thus anticipate important trends at an early stage as part of our risk and expansion management.



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 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.

FACTS AND FIGURES

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.

ORGANIZATION

sitEX Properties Holding AG, based in Lachen, Switzerland, has a relatively simple and cost-consciously structure as a holding company with four subsidiaries. sitEX Powerhouse AG based in Muttenz, 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).

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 Käbli. Mr. Beat Käbli also continues to serve the Group as its CEO. We expect to hire additional employees in the short and mid term to support the number of new projects that can be launched in the near future. This should ensure that the most important core competencies and a broad range of know-how can be accessed internally at all times.

To maintain our lean organizational structure, 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 Käbli

In this office since: 06/29/2017

Beat Käbli is married and father of four children. He has served as CEO of sitEX since June 2017. Beat Käbli 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 Käbli 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 Käbli 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. Käbli 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 Käbli 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 Bayes 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.

COMPANY STRUCTURE

As at December 31, 2022, the share capital totaled CHF 33,827,880 divided into 2,255,192 shares with a nominal value of CHF 15.00 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, 2022, were again prepared in line with Swiss GAAP FER accounting standards.

SHAREHOLDERS

At the end of the year, the 2,255,192 registered shares were held by at least 65 (previous year: 59) shareholders. The dispo position consisted of 9,041 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 548,373 shares (24.31%), and the smallest shareholder had 4 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.

SITEX SHARE

12.002



SUCCESSFUL TRADING YEAR

The year 2022 was characterized by major upheavals and sharply declining share prices worldwide. Despite this very challenging and extremely nervous market environment, the sitEX share closed the year with a plus of 28.7%.

Simultaneously with the first trading year on the BEKB OTC-X, the trading volume of our share also increased significantly. The volume amounted to CHF 2.07 million (previous year: CHF 1.2 million) - with twice as many trades as in the previous year. This means that our share represented more than 1% of the total trading volume on BEKB OTC-X in 2022, which is particularly noteworthy as last year was the strongest trading year on BEKB OTC-X in terms of turnover in 10 years, after 2017.

Thanks to our steady performance, we have also been included in the OTC-X TOP50 index. We are proud to be among the top 50 stocks out of a total of 240 listed companies.

The successful development of our business enabled us to carry out a capital reduction by repayment of par value last year. The share capital of the company was reduced by CHF 11,275,960.00 from CHF 45,103,840.00 to CHF 33,827,880.00. The reduction was carried out by reducing the nominal value of all existing registered shares from CHF 20.00 to CHF 15.00. The reduction amount was paid out in full to the shareholders.

Thus, for the eighth time in a row, a distribution could be paid out to our shareholders. Again in the current year, we intend to carry out a tax-free distribution for domestic private individuals by means of a reduction in par value.

FACTS AND FIGURES

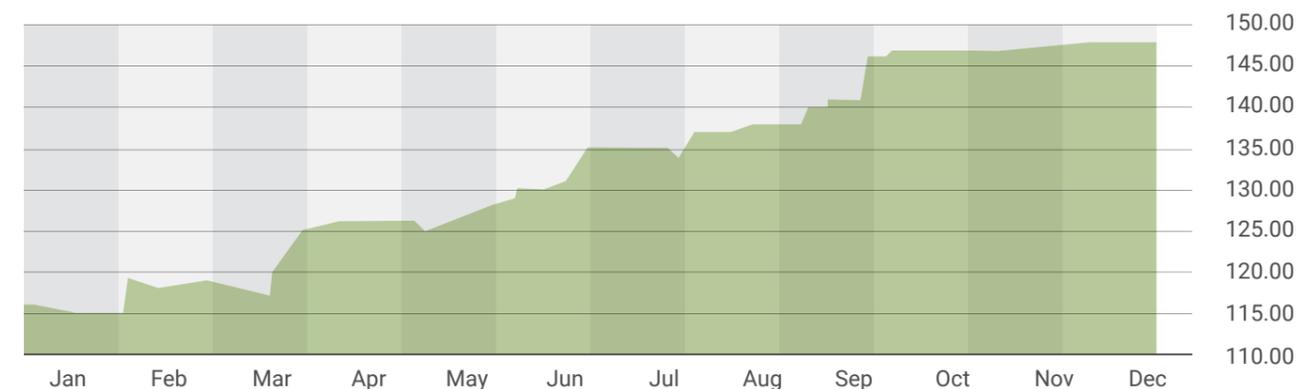
Market:
BEKB OTC-X by Berner Kantonalbank

ISIN:
CH0009219186

Security no.:
921918

52-w high	CHF 148.00
52-w low	CHF 114.00
Total trading volume	15,225 Shares
Largest trade	2,000 Shares
Smallest trade	10 Share
Average trading size	155 Shares
Total number of trades	98

Share price development of sitEX Properties Holding AG 2022



Source: BEKB OTC-X



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