

siteX
true value.

ANNUAL
REPORT

2023

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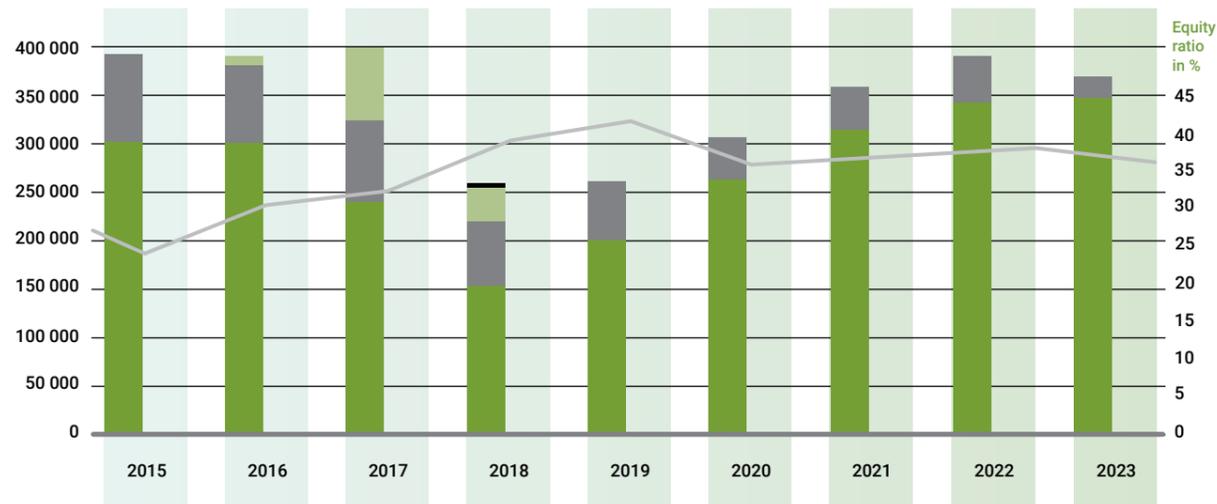
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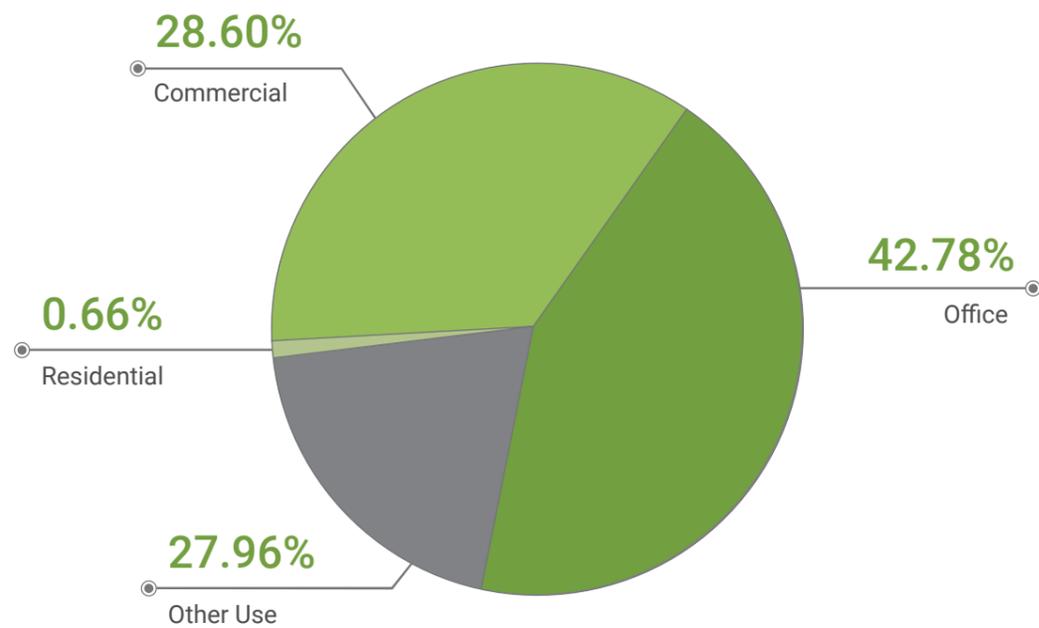
GROUP CHARTS

REAL ESTATE PORTFOLIO (MARKET VALUES) IN TCHF



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

INVESTMENT CATEGORIES INCOME PROPERTIES 2023



SHARE CAPITAL IN TCHF



COUNTRY ALLOCATION PROPERTY VALUES 2023



TRANSACTIONS IN TCHF



GROUP KEY FINANCIAL FIGURES

Key financial figures in TCHF	2023	in %	2022	in %
Balance sheet total	442 730		462 807	
Total debt capital	279 177		284 982	
of which convertible bonds	4 000		4 000	
Equity	163 553		177 825	
Equity ratio		36,9		38,4
Nominal value share capital	22 552		33 828	
Authorized capital	22 552		22 552	
Conditional capital	22 230		22 230	
EBITDA (earnings before interest, tax, depreciation and amortization)	16 857		39 027	
EBIT (earnings before interest and taxes)	16 000		38 135	
Consolidated profit before tax	10 729		32 692	
Consolidated profit	9 532		21 160	
Return on Assets				
EBITDA margin (earnings before interest, tax, depreciation and amortization)		3,8		8,4
EBIT margin (earnings before interest and taxes)		3,6		8,2
*Return on equity based on				
Net income before taxes		6,3		19,2
Consolidated profit		5,6		12,4
Ratio of operating expenses (incl. personal expenses) to total income		8,2		3,8
Key figures per share				
Number of shares	2 255 192		2 255 192	
Nominal value	10		15	
**Intrinsic value (net asset value)	77.17		83.90	
***EBIT (earnings before interest and taxes)	7.09		16.91	
****Profit before taxes	4.76		14.50	
****Profit after taxes	4.23		9.38	
*****Total return	42,3%		62,6%	

* The return on equity based on consolidated profit before and after taxes is calculated using average equity.

** Includes minority interest.

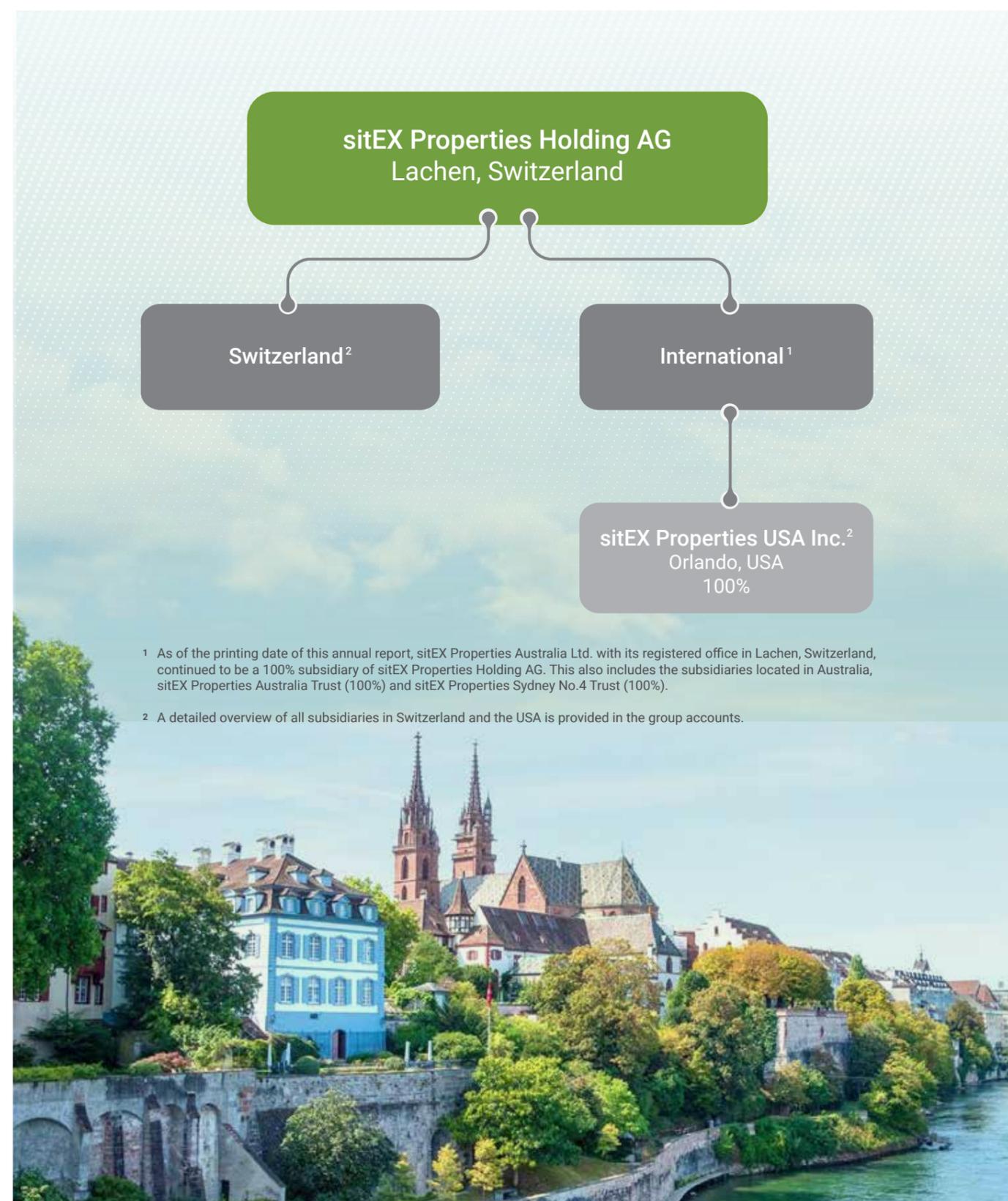
*** Earnings per share have been calculated as follows: key figure divided by the total number of shares.

Own shares have not been taken into account due to simplicity.

**** Profit per share have been calculated as follows: profit divided by the total number of shares.

***** Total return have been calculated as follows: profit after taxes divided by the nominal value.

LEGAL STRUCTURE- CURRENT 2023



CEO AND CHAIRMAN TALK



“

As in previous years, Christoph Stutz and Beat Käbli met for an in-depth discussion for this year's annual report, a conversation that our shareholders always read with interest.

The two are in daily contact, as they are personally heavily invested in sitEX. The following interview sheds light on the past financial year, but even more so on the outlook for the coming years.

”

Beat Käbli:

After having to navigate our company through various crises and sudden events since 2020, 2023 could be described as rather calm in comparison. Key interest rates were raised further in the first half of 2023 and we were forced to factor the new interest costs into our activities first. On the positive side, we were not hit by further shocks such as the Covid pandemic in 2020/21 or the start of the war in Ukraine in 2022, which meant we were able to focus on our existing projects.

Christoph Stutz:

You have just used an exceptionally important word. For sitEX, last year was all about focusing. The significant rise in interest rates created a headwind that we first had to cope with and adapt our projects and processes accordingly. The way the yield curve rose and how the market reacted to it diverged significantly in our two core markets. It was therefore important that we focused on our existing portfolio. Personally, I was surprised at how robust the real estate market was in Central Florida and Texas.

Beat Käbli:

Our two core markets in the USA - Central Florida and Texas - continued to benefit from very strong immigration last year. Both the metropolitan region around Orlando and Tampa (Florida) and the one around San Antonio (Texas) were among the ten fastest-growing regions in the USA. On average, around 62,000 people moved to each of these three regions, a figure almost equivalent to the size of the city of Basel - all within one calendar year. This strong immigration led to a continued and very robust demand for housing. We are also benefiting from the fact that homeowners who financed their properties at record-low interest rates before the rise in interest rates are holding on to their properties rather than selling them in the current environment. How have you experienced the dynamics of the new interest rate environment in Switzerland?

Christoph Stutz:

Our Swiss portfolio consists mainly of office and mixed-use properties as well as land developments. We have felt the direct effects of the sharp rise in yield curves mainly in our development projects. In Liestal, this led us to rescale the project and significantly reduce the number of planned apartments in order to meet the change in market demand. What steps did we have to take in the USA to adapt to the market environment?

Beat Käbli:

In the USA, we were additionally confronted with high construction costs, which, driven by inflation and an acute shortage of labor, remain at a very high level and have not come down as they have in Switzerland. We have therefore decided to focus on the construction of DT1, the first building in downtown Avalon Park Wesley Chapel. We have deliberately held back on other potential construction projects such as the Flagpole Lot in Avalon Park Orlando in order to avoid initiating too many construction sites in this environment.

Christoph Stutz:

Can these high construction costs be offset through increased rental income? In Switzerland, we usually see rents react with a significant time lag and at a much slower pace than construction prices did during the pandemic, for example.

Beat Käbli:

Rental prices have risen sharply in our core regions in the US since the pandemic. In connection with the population growth described above, but also with the significant rise in wages, the new rental prices have been well absorbed by the market. Further price increases are very likely. However, I am confident that we will achieve full occupancy in the first few months after the building has been completed. I am more concerned about the office market - both in the USA and in Switzerland. How do you assess this market?

Christoph Stutz:

In general, the office market in Switzerland is struggling, mainly because of people working from home. With our sitEX Powerhouse, which accounts for more than a quarter of our total assets, we are heavily exposed to the local office market. Fortunately, around 65% of the total space is used for other purposes (warehouses, laboratories, etc.). We have noticed that many tenants are repositioning themselves after the pandemic and renegotiating their leases as soon as they expire, often reducing the amount of space they rent. Thanks to our close relationship with tenants and our extensive network, we have been able to prevent some impending vacancies by seamlessly re-letting. In the US office market, however, the problems appear to be much more complex.

Beat Käbli:

Yes, this is correct. Although the home office has become an important part of people's everyday lives around the world, it is much more important in the USA than in the rest of the globe. Whereas in the past you had to live in New

York to take a job there, today you can theoretically do it from Orlando and only fly into the city for meetings. Although this helps us with our development projects in Central Florida, it leads to a large oversupply of office space in central locations (e.g. Manhattan New York). Conversions from office to commercial or residential space are probably inevitable. Until then, however, both the regulators and the financing financial institutions will have to play along. It is important not to underestimate the risk inherent in these immense vacancies. I do not expect a new financial crisis. However, I believe that the (financial) market has not yet priced in these risks correctly.

Christoph Stutz:

I share this opinion. It is therefore important that we as sitEX prepare ourselves for possible market fluctuations. With total assets of around CHF 440 million, we are one of the smaller to medium-sized development companies. However, every year we manage a development portfolio that can rival that of our larger competitors. Therefore, some of our projects had to be secured with personal guarantees from both of us to the banks.

Beat Kähli:

You make an important point here. I recently summarized all of our personal guarantees on one page. We are currently personally liable for a total of around CHF 60 million spread across various projects and properties in Switzerland, but also mainly in the USA. We provide these guarantees to the company free of charge. They were and continue to be an important basis for the profits that we have generated in the past and that have benefited all of the company's shareholders. In a negative market environment, however, the risks are unevenly distributed. We are then at great risk with our personal guarantees.

Christoph Stutz:

I am of the opinion that we are not facing an immediate economic crisis in the short to medium term. The macroeconomic data in our core markets is currently solid. The way in which the Covid pandemic or the consequences of the war in Ukraine were quickly digested and the fact that at the moment any basic macroeconomic concepts taught in schools are completely losing their validity, makes me cautious. At sitEX, we therefore need to question our current organizational and financial structures and, in some cases, reorganize them.

Beat Kähli:

I agree with this. I would even go so far as to say that the current sitEX with its existing structures will no longer exist in seven years' time.

Christoph Stutz:

The opportunities and risks of sitEX and its projects and assets need to be spread more widely, in my opinion.

Beat Kähli:

I agree with that. In addition to the personal guarantees, I am also concerned about the sitEX Powerhouse, which is not only one of the largest privately held office properties in northwestern Switzerland, but also accounts for more than 25 percent of our total assets. It is crucial for me that we share the risks of this property with other investors in future. Together, we will work out the details by the middle of the year and then present them to our shareholders. I am also concerned about our large project pipeline with a development volume of more than CHF 5 billion. Such a large pipeline means that we have to finance the projects separately, whereby we will offer all shareholders the opportunity to participate directly in the projects. This will permanently change our company structure.

Christoph Stutz:

At one of our last sessions, you played us the song "The Gambler" by Kenny Rogers. In it, he describes in a figurative sense that there is a time to start something new, to hold on to existing assets or even to sell them. As sitEX, I believe that we are in the "holding" phase for some of our assets. We can and must use this time to tackle the necessary structural changes. This will ensure that we can successfully navigate all projects through any market conditions in the future. We will describe how we will proceed within the individual projects in the management report of this annual report.

Beat Kähli:

I am looking forward to another successful financial year and am convinced that we will be able to achieve success with our projects in 2024.

Christoph Stutz und Beat Kähli

We would like to thank our employees in Muttenz, Switzerland, and in Orlando, Florida (USA), for their hard work, commitment and passion, as well as our shareholders for their loyalty.

ANNUAL REPORT



MANAGEMENT REPORT 2023

Dear Shareholders

We are pleased to present the annual report for 2023. Over the past year, our company has faced demanding challenges, but also considerable successes and strategic progress. As in previous years, the management report is intended to give you a detailed and transparent insight into the past financial year.

The year 2023 in figures

Despite stronger headwinds in the market as a result of the changed interest rate environment and inflationary pressure, we can once again look back on a successful financial year.

Net income before taxes and minority interests:

CHF 10,729 million (previous year: 32,692 million)

Net profit after taxes and minority interests:

CHF 9.532 million (previous year: CHF 21.320 million)

EBITDA:

CHF 16.857 million (previous year: CHF 39.027 million)

Total income generated:

CHF 56.399 million (previous year: CHF 99.009 million)

Total assets as of December 2022:

CHF 442.730 million (previous year: CHF 462.807 million)

Total equity as of December 2022:

CHF 163.553 million (previous year: CHF 177.825 million)

Earnings per share after tax:

CHF 4.46 (previous year: CHF 9.98)

Return on equity:

5.6% (previous year: 12.4%)

The past year fits seamlessly into our list of successful financial years. However, we did not record any one-off events last year that significantly influenced the business result and lifted it to an above-average level. The 2023 financial year was challenging for all companies in the real estate sector. The sharp rise in interest rates forced most companies to devalue their portfolios. Thanks to our diversification and the high proportion of development projects, which are valued on the basis of stable land values in our balance sheet, our devaluation losses were significantly lower than those of comparable companies. As a result, we were also able to generate an after-tax profit of CHF 9.532 million in 2023. The return on equity for the 2023 financial year stood at 5.6%. Over the last four years, the average return on equity amounted to 15.02% and over seven years to 12.94%, significantly exceeding the return on equity target of 10% p.a. communicated by sitEX in 2017.

With our lean structures, we are able to adapt quickly to a volatile market environment. Our success does not consist of constantly acquiring new projects or properties and selling them again at short notice. Instead, we have numerous large-scale projects which we develop carefully and sustainably over a period of years. This work is complex and requires not only a strong network but also a broad range of skills. We do this with a lean team. The

management and majority shareholders of sitEX are involved in all projects on a daily basis and actively drive them forward with their experience.

Our numerous major projects in Northwestern Switzerland (Liestal), Central Florida (Orlando, Tampa and Daytona) and Texas (San Antonio) account for around 43% of our properties. The implied development volume of these projects is over CHF 5 billion. It is therefore evident that the most prudent strategy when developing these major projects will be to find additional equity sources and to sequence them strategically over the coming years based on continuous evaluations of equity requirements and market conditions. In order to balance the risks within our portfolio, taking into account the macroeconomic conditions, and also to have sufficient liquidity for our projects, we have to realize profits and make partial sales on an ongoing basis. Our core tasks are based on two pillars:

1. Leading projects through the regulatory processes. Working with authorities and local governments requires a great deal of sensitivity. Our projects are of a size that has a strong impact on urban and district planning. The numerous stakeholder groups have high demands in terms of environmental protection, town planning, traffic, infrastructure, outdoor space quality and energy supply, to name just a few aspects. Going through this approval process requires perseverance, experience, good communication and a willingness to compromise.
2. As soon as our projects have received the necessary approvals for mixed use with a focus on housing, we pursue the following strategies:
 - a. Sale of a project with all approvals or sale of sections of land. In the case of a partial sale, only individual plots from an approved "master plan" are sold. The value of these plots increases exponentially over time thanks to the growing popularity of the project.
 - b. Development of sections of a master plan with a focus on multi-family properties with around 100 - 200 units per project. Depending on the market situation, we record these properties on our books on a temporary or long-term basis.

Last year, we were active in all of these areas, although their respective significance varied compared to the previous year. After selling a total of 189 apartments for around USD 57 million in 2022, we recorded asset sales of around CHF 29.7 million in 2023. Together with rental income and the income from revaluation, this resulted in operating income of CHF 56.399 million (previous year: CHF 99.009 million). This also allowed our teams in Switzerland and the USA to focus on advancing the approval processes and start construction on various properties.

The Swiss franc was exceptionally robust last year and recorded significant gains against all major global currencies. This also included the US dollar, which has major relevance for our company. At the beginning of the year, the exchange rate was around CHF 0.92. However, by the end of the 2023 financial year, the US dollar had depreciated to around 0.83 - one of the lowest closing rates in the last 13 years.

Our American projects and investment properties had a book value of around CHF 168.3 million as of January 1, 2023, which corresponded to around 61% of our fixed assets. The sharp depreciation of the US dollar reduced fixed assets by around CHF 16.8 million. For each centime of dollar appreciation or depreciation, our fixed assets change by around CHF 1.5 million. At the same time, the weak US dollar also had a negative impact on the project income generated, as we report in CHF. However, at the end of the first quarter of 2024, the exchange rate was back above CHF 0.9.

Our equity ratio after taking convertible loans and treasury shares into account fell slightly to 41.03% (previous year: 42.47%). We are planning measures for the current financial year to strengthen this very important key figure again and bring it back to higher levels by the end of 2024.

In the following sections, we present the milestones of our projects and investment properties over the 2023 financial year.

The course of business in Switzerland

sitEX Powerhouse, Muttenz, Basel-Landschaft

This property, located at the doorstep of the city of Basel, is our largest single asset and has more than 44,000 m² of lettable office, warehouse and laboratory space. Thanks to our strategic repositioning of the building as a mixed-use innovation campus, we were able to reduce the vacancy rate to below 2%. The vacancy rate has remained stable over the past year. A few tenants downsized their rental space but remained committed to the location. These spaces were seamlessly re-let. There are no signs of a trend reversal in the short term, and we expect the occupancy rate to remain stable. A key advantage of the building is that only 33% of it is purely office space.

The 5th Floor: our solution for the changing working environment

Over the past four financial years, we have gained important experience in the growing coworking market with our various The 5th Floor locations in Switzerland and the USA. The coworking industry has developed into a profitable sector in recent years. Coworking is no longer just about renting out individual workstations, but mainly about renting out traditional offices on flexible terms (especially with short notice periods). Together with other property owners who need to enhance their buildings in the wake of rising vacancy rates, we want to grow our The 5th Floor concept in new locations from this year onwards. We have strengthened our team for this purpose and expect to open two new locations in 2024.

K7 Center Bubendorf, Basel-Landschaft

At the beginning of last year, we started construction of this commercial building with around 4,000 m² of rentable office and commercial space. The core and shell fit-out will be completed in May of this year. Our anchor tenant, ALDI Suisse AG, will then take over its rental space and open a new ALDI store in the third quarter of 2024. This means that 50% of the space has already been rented on a long-term basis before completion. The letting efforts for the first floor are underway and we are confident that the property will be fully let in the near future.

Im Oristal, a new neighborhood near the Liestal train station, Basel-Landschaft

The project team consisting of sitEX, architects (HHF), construction consultants (Dietziker Partner) and specialist planners worked intensively on this construction project and the building application last year. Due to changing market conditions with subdued demand for condominiums, we reduced the scope of the project and made numerous cost optimizations.

In May, we will submit a construction application for this residential development with 54 apartments and 8 townhouses as well as an international school. The broad mix of amenities on the site remains unchanged in accordance with the neighborhood plan, which was approved approximately eight years after we purchased the plot. In addition to an international school with a sports field and a daycare center, a community café and guest rooms as well as numerous green spaces and a children's playground will complete the offering. We hope to receive the construction permit this year.

P201 commercial building, Aesch, Basel-Landschaft

This property is situated in a very good location in the fast-growing municipality of Aesch on a plot of around 16,000m². Unfortunately, the canton has postponed our plans for a neighborhood plan with residential buildings by 10 years. The vacancy rate in P201 increased due to the bankruptcy of a tenant. We will intensify our letting efforts this year and give the building a new public brand image.

Other fully let properties in prime locations in the Gellert district of Basel, in the center of Pratteln (Basel-Landschaft) and in Dornach (Solothurn) are part of our diversified portfolio in Switzerland.

sitEX business in Florida and Texas, USA

The market environment in our two core markets in the USA remained robust. As a result, we were able to work smoothly on our major projects and realize further lot sales, which had a positive impact on our business result.

Due to their dynamic and size, the American development projects have been a central pillar of our company

for years.

Our projects in Central Florida are located along the corridor from Tampa via Orlando to Daytona. This region is also known as a boom region, as it has been one of the fastest growing regions in the USA for years. Since the Covid pandemic, this growth has continued to accelerate. Around 1,000 new residents are currently moving to Central Florida every week. Thanks to this strong immigration, local companies have a strong talent pool at their disposal. As a result, Florida's economy has outpaced national growth by more than 100% over the past four years. Home prices in Central Florida continue to be significantly more affordable by national standards, which has had a stabilizing effect on demand over the past year. On a national level, the number of home purchases fell by 11%, while the decline in Florida was around 5%.

Our second focus region is the metropolitan area of San Antonio, Texas. Our development project is located around a 35-minute drive from the San Antonio city center. San Antonio, the seventh-largest city in the USA, has recorded the third-largest growth of all cities and metropolitan regions in the USA in recent years. According to a study by PwC, the strong economy combined with continued population growth will make the region around San Antonio one of the most attractive regions for real estate investors in the coming years.

In the course of this dynamic market environment, we were able to achieve the following milestones within our projects in the last year:

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

Our major project in the Tampa metropolitan area is one of the ten largest master-planned communities in the region. The project has been an extremely important pillar of our annual income for years. We were able to achieve important goals in 2023 once again:

- Start of construction of the mixed-use building Downtown 1 (DT1) with around 20,000 square feet of commercial space and 40 apartments. DT1 forms the first centerpiece of the project's future Downtown. The building will be worth around USD 25 million at completion and is mortgaged at around USD 16 million. Letting efforts are progressing very well. We expect full occupancy by the end of this year at the latest.
- The second school expansion to 1,800 students has been completed. The third phase of the expansion to 3,000 students has begun.
- The Middelburg company has completed the purchase of 49 acres (200,000m²) of land and started construction of numerous apartment buildings. The completion of the first buildings will greatly stimulate the Downtown this year.
- The plans for the park in the center of Downtown have been approved by the district. Construction will begin shortly. The centerpiece will be a tree house, which will attract visitors from the region for a visit.

Avalon Park Orlando (APO), Orlando, Florida

Over the last 25 years, the Avalon Park Group, sitEX's general partner, has built the small town of "Avalon Park Orlando" in the east of Orlando. This small town, which is now home to almost 20,000 residents and consists of around 5,000 residential units, is the "original" and the model for our projects at other locations in Florida.

In Avalon Park Orlando, sitEX owns a retirement home with a book value of around CHF 17 million, which is leased on a long-term basis to "Encore", an operator specializing in dementia care. We also own a plot of land with a size of around 50,000 m², which was named the "Flagpole Lot" thanks to the large flag that waves on the property. We have sold part of the plot to builders who are constructing townhouses and so-called "live-work units" with commercial space on the ground floor. On the remaining part of the plot, 203 independent living and age targeted apartments, a boutique hotel with around 40 rooms and a wellness center are planned.

The planning and engineering for the first construction phase have been completed. We are currently waiting for a suitable time in terms of construction costs and our own liquidity to start construction.

Avalon Park Daytona, Daytona Beach, Florida

The headwind from business, politics and the public sector remained consistently high last year. With its size of around 12 million square meters and around 7,878 residential units, the project is of a critical size that attracts the attention of the population and all stakeholders.

The unresolved issues relating to utilities (water and wastewater) and transportation were the subject of further intensive discussions last year. Unfortunately, no definitive solution has yet been found. The traffic concept has been submitted to the authorities and should be approved soon. In the area of utilities, the discussions are more complex and are therefore continuing. We expect further progress in the current year and are also working on further monetization opportunities in connection with this project in order to generate liquidity for the launch of this and other projects.

Avalon Park Tavares (APT), Tavares, Florida

After our long-standing and close partners, D.R. Horton and Stanley Martin Homes, have acquired 228 plots from us in the first phase over the last two years, we are now preparing for the second phase, which comprises the development of a further 236 single-family house lots and 78 townhome lots by mid-2024. Both partners, D.R. Horton and Stanley Martin, have already contractually agreed to purchase these lots. Some of these sales will be recognized in the current financial year's result.

Avalon Park Texas

Our activities in Texas have been an exceptionally stable and equally profitable pillar of our company in recent years. We have a stake in two local projects:

- **Riverbend, Floresville, San Antonio metropolitan region:**
At the beginning of last year, we sold 139 lots to D.R. Horton. A further 372 lots are under contract, although the sales price has yet to be finalized. Due to the great success of this community and the circumstance that D.R. Horton has chosen our project as their key project in the region, we are planning to acquire another 40 acres this year, which are directly adjacent to the current project, in order to plan and sell another 476 plots. Our project is eligible for TIRZ (Tax Increment Reinvestment Zones) funding over the next 8 years, which has been awarded to us by the State of Texas. TIRZ are special zones established to attract new investment to an area. These zones help to finance redevelopment costs and promote growth in areas that would otherwise not see sufficient market development in time. In the first half of 2024, we will work out a solution with a local bank to generate liquidity from the TIRZ ahead of schedule.
- **1835 Village, Gonzales, in-between San Antonio and Austin, Texas**
Last year, we concluded an agreement with a local developer which allows him to acquire the remaining 16 parcels over a period of approximately two years and develop them independently. The remaining 43 acres of land shall be sold.

Outlook

The current financial year has made a dynamic start. As the previous sections have explained, we have determined the next steps for all projects. We are planning to continue to dispose of assets this year to balance our risks and generate liquidity for our large project pipeline.

The year 2024 will mark the start of our reorganization. As outlined in the Chairman and CEO interview, we want to fundamentally change the structure of our company over the next 5 to 7 years. We have a project pipeline which we cannot implement with liquidity from ongoing operations. It will therefore be crucial that we find suitable partners for each individual project. For this purpose, we would like to split our projects into individual vehicles. These assets and the associated mortgages are to be sold to our shareholders. The individual shareholders can decide whether or not they wish to participate in the respective purchase. This restructuring shall be implemented in the course of share buybacks.

We are planning our first share buyback of this kind for the current year. We are currently working out the details of this transaction in order to present them to you as soon as possible. As a result, we will not be

making a traditional distribution this year as we have done in the last two years. Distributions are no longer our focus in the short and medium term. Instead, it is our aim that in 5 to 7 years, all of our company's shareholders will either be invested in the individual projects that correspond to their long-term investment focus or that they will have been able to sell their shares as part of share buybacks.

We are confident regarding the eventful period ahead of us. We are convinced that our planned initiatives will be a win-win situation for everyone involved.

Further and continuously updated information of our activities can be found on our website or on the websites of the individual projects.

We thank you for your trust and look forward to welcoming you at the Annual General Meeting in MuttENZ.

Management and Board of Directors of sitEX Properties Holding AG



Dr. Christoph Stutz
President of the Board



Beat Kähli
CEO & Member of the Board



Thomas Giese
Member of the Board



Marybel Defillo
Chief Financial Officer

GROUP ACCOUNTS



GROUP BALANCE SHEET

Balance sheet in TCHF	Notes	31.12.2023	31.12.2022
Cash and cash equivalents		6 354	12 462
Trade receivables		439	1 190
Receivables towards related parties		7 038	5 705
Other receivables		2 868	1 044
Current loans towards related parties	3.8	1 629	354
Project properties	3.2	23 538	47 139
Accrued income and prepaid expenses		4 573	6 369
Current assets		46 439	74 263
Loans related parties	3.8	21 322	24 627
Loans third parties		6 847	-
Investments in associates	3.1	14 870	14 731
Investments in equity securities		990	930
Other tangible fixed assets		1 367	470
Investment properties	3.2	349 270	346 026
Intangible assets		1 625	1 760
Non-current assets		396 291	388 544
Total assets		442 730	462 807
Trade payables		3 434	2 974
Other current liabilities		191	626
Current interest-bearing financial liabilities	3.3	1 872	1 913
Loans from third parties	3.4	10 000	-
Accrued expense		5 359	6 544
Short-term provisions		5 283	6 833
Current liabilities		26 139	18 890
Non-current interest-bearing financial liabilities	3.5	160 304	161 912
Other non-current interest-bearing liabilities towards third parties	3.4	-	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	38 184	39 630
Non-current liabilities		253 038	266 092
Liabilities		279 177	284 982
Share capital	3.10	22 552	33 828
Capital reserves	3.11	12 548	12 548
Retained earnings	3.13	121 894	115 907
Minority interests		11 105	9 142
Consolidated profit		9 532	21 160
Own shares	3.12	- 14 078	- 14 760
Equity		163 553	177 825
Total equity and liabilities		442 730	462 807

GROUP INCOME STATEMENT

Income statement in TCHF	Notes	2023	2022
Income from sale of land and building	4.2	44 790	67 139
Rental income from properties		10 639	12 178
Income from revaluation of properties		970	18 367
Income from sale of investment properties		-	960
Income from participation in property investments	4.3	-	365
Operating Income		56 399	99 009
Cost from sale of land and building	4.2	- 32 762	- 53 706
Direct property expenses	4.4	- 2 197	- 2 880
Personnel expenses		- 1 054	- 806
Other operating expenses	4.5	- 3 564	- 3 004
Other income	4.7	35	414
EBITDA (Earnings before interest, income taxes, depreciation and amortization)		16 857	39 027
Depreciation and amortization		- 857	- 892
EBIT (Earnings before interest and income taxes)		16 000	38 135
Financial expenses	4.6	- 5 745	- 5 443
Financial income		474	-
Consolidated profit before income tax		10 729	32 692
Income taxes	4.8	- 185	- 11 372
Consolidated profit before minority interests		10 544	21 320
Minority interests		- 1 012	- 160
Consolidated profit attributable to shareholders of parent entity		9 532	21 160
Profit per share (non-diluted)	4.9	4.50	10.09
Profit per share (diluted)	4.9	4.46	9.98

GROUP CASH FLOW STATEMENT

Cash Flow Statement in TCHF	2023	2022
Consolidated profit	10 544	21 320
+ Depreciation and amortization	857	892
- Revaluation of properties	- 970	- 18 367
+/- Increase in provisions for deferred taxes	- 1 446	1 373
+/- Decrease/Increase in trade receivables	751	- 276
- Increase in other receivables	- 1 845	- 569
+/- Decrease/Increase in receivables towards related parties	137	- 949
+/- Decrease/ Increase in project properties	20 883	- 5 249
+ Decrease in accrued income and prepaid expenses	1 796	658
+/- Increase/Decrease in trade payables	2 901	- 1 382
- Decrease in other current liabilities	- 435	- 228
- Decrease in accrued expense	- 2 125	- 6 818
+ Decrease/ Increase in short-term provisions	327	5 855
Cash flow from operating activities	31 375	- 3 740
+ Inflows from investments in associates	1 904	773
- Outflows for investments in associates	- 2 043	- 8 686
- Outflows for investments in equity securities	- 60	- 930
- Outflows for investment of other tangible fixed assets	- 1 020	- 48
- Outflows for investment acquisition of investment properties	- 30 452	- 18 956
+ Inflows from disposal of investment properties	24 831	44 817
- Outflows for investment of intangible assets	- 599	- 104
Investing activities	- 7 439	16 866
+ Inflows from investment of loans	2 316	-
- Outflows for investment of loans	- 5 895	- 1 146
- Outflows distributions to minority interests	-	- 4 212
+ Inflows from contributions from minority interests	951	1 537
- Payments of current financial liabilities	- 41	- 1 692
+ Issuance of non-current financial liabilities	24 292	44 374
- Payments of non-current financial liabilities	- 25 900	- 57 989
- Reduction of share capital nominal value	- 11 276	- 11 276
- Distribution of profits towards shareholders	-	- 160
+ Sale of own shares	682	1 721
Financing activities	- 14 871	- 28 843
Translation differences	- 15 173	3 104
Net change in cash and cash equivalents	- 6 108	- 12 613
Opening balance of cash and cash equivalents	12 462	25 075
+ Acquisition of investment in associates	-	21
Closing balance of cash and cash equivalents	6 354	12 462
Change in cash fund	- 6 108	- 12 613

GROUP SHAREHOLDER'S STATEMENT OF EQUITY

Statement of equity in TCHF	Share capital	Capital reserves	Retained earnings	Own shares	Shareholder's equity	Minority interests	Shareholders' equity including minority interests
Shareholders' equity at Dec 31, 2022	33 828	12 548	137 067	- 14 760	168 683	9 142	177 825
Consolidated profit	-	-	9 532	-	9 532	1 012	10 544
Change in minority interests	-	-	-	-	-	951	951
Reduction of share capital nominal value	- 11 276	-	-	678	- 10 598	-	- 10 598
Exchange differences	-	-	- 15 173	-	- 15 173	-	- 15 173
Purchase/sale own shares	-	-	-	4	4	-	4
Shareholders' equity at Dec 31, 2023	22 552	12 548	131 426	- 14 078	152 448	11 105	163 553

Statement of equity in TCHF	Share capital	Capital reserves	Retained earnings	Own shares	Shareholder's 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

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, 2024.

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 2023, 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	82 298	100	indirect
**** sitEX Town Center LLC, Orlando (USA)	TUSD	2 208	100	indirect
**sitEX Pasco Holdings LLC, Orlando (USA)	TUSD	28 293	100	indirect
**** sitEX Town Plaza LP, Orlando (USA)	TUSD	2 263	99	indirect

Company		Share capital	Interest held in %	
Avalon Senior Housing (ASH), Orlando (USA)	TUSD	9 430	100	indirect
APT Avalon Park Holdings (APH), Orlando (USA)	TUSD	2 676	80	indirect
sitEX Coworking Concepts LLC	TUSD	1 375	100	indirect
Avalon Park Tavares LLC	TUSD	2 318	100	indirect
Avalon Park Daytona LLC	TUSD	21 407	80	indirect
* APW S. Flex Parcels, LLC	TUSD	1 460	100	indirect
* Avalon Park School Initiative II, LLC	TUSD	3 300	75	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 II-JV, LLC	TUSD	2 354	36.75	indirect
Avalon Park School Initiative III, LLC	TUSD	2 100	50	indirect

* New consolidated holding in 2023.

** 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.

*** New non-consolidated holding in 2023.

**** Company was dissolved effective December 31, 2023.

***** 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.

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, liabilities and equity capital were converted at the exchange rate on the balance sheet date. 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.

	31.12.2023	2023	31.12.2022	2022
	Effective rate	Average rate	Effective rate	Average rate
US-Dollar	0.8416	0.8988	0.9252	0.9549
Australian Dollar	0.5743	0.5971	0.6276	0.6626

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.

Own 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 2023 and 2022 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 2023 and in 2022, the Company owns various participations in associates which are treated under the equity investment method and are as follows:

Investment in associates in TCHF	2023	Interest Held	2022	Interest Held
Avalon Park Daytona Land Holding, LP - partnership formed for the future development of residential lots in Avalon Park Daytona	6 733	20%	7 402	20%
Avalon Park School Initiative II - JV, LLC - a company which operates a Charter School building in Avalon Park Orlando	1 981	36.75%	-	0%
Waterman Center, LLC - a company which owns land in Tavares, Florida to develop the future Town Center of Avalon Park Tavares	1 264	42.5%	1 390	42.5%
Avalon Park School Initiative III, LLC - a company which owns a Charter School building in Avalon Park Wesley Chapel	1 793	50%	1 943	50%

Investment in associates in TCHF	2023	Interest Held	2022	Interest Held
Avalon Park School Initiative IV, LLC - a company which owns a Charter School building in Avalon Park Tavares	1 136	50%	1 249	50%
Avex Homes, LLC - investment in the common units of this homebuilding company	679	57%	1 582	57%
Other investments	1 284	Various	1 165	Various
Investments in associates	14 870	-	14 731	-

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 3.14). 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.

The 57% interest in Avex Homes common units are non-controlling, mainly non-voting interests, therefore not required to be consolidated.

3.2 Project and investment properties

Properties in TCHF	31.12.2022	Reclassification	Currency differences	Disposals	Additions	Revaluations	31.12.2023
Switzerland	4 485	-	-	- 9	-	-	4 476
USA	42 654	-	- 3 854	- 22 248	2 510	-	19 062
Total project properties (presented as current assets)	47 139	-	- 3 854	- 22 257	2 510	-	23 538
Switzerland	202 173	-	-	-	10 126	- 4 783	207 516
USA	143 853	-	- 12 998	- 11 835	16 981	5 753	141 754
Total investment properties (presented as non-current assets)	346 026	-	- 12 998	- 11 835	27 107	970	349 270
Total properties	393 165	-	- 16 852	- 34 092	29 617	970	372 808

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

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 2023, the addition in project properties totaling TCHF 2,510 (TCHF 35,245 in 2022) for sitEX USA is mainly due to the construction completion of the 94 residential apartment building owned by sitEX Town Plaza, LP (only for 2022), 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 Stanley Martin Homes ("SMH") and D.R. In 2022, the disposal of project properties in USA for TCHF 22,248 (TCHF 40,501 in 2022) is related to the sale of various parcels of developed lots to SMH (previously Avex Homes) and D.R. as well as the sale of the asset held by sitEX Town Plaza, LP (only for 2022). 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 in 2022 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 2023 sitEX USA incurred TCHF 16,981 (TCHF 44,170 in 2022) in additions added to the properties which includes the construction of the first mixed-use building located in Avalon Park Wesley Chapel and improvements to the land for their Avalon Park Daytona Beach and Avalon Park Wesley Chapel projects as well in 2022 mainly due to the consolidation of APW Downtown for TCHF 40,548. In Switzerland, TCHF 10,126 (TCHF 10,977 in 2022) 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.

In 2023, sitEX USA sold approximately 40 acres of land to a third party resulting in disposals of TCHF 11,835. 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%.

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 203,841. The contractually agreed principal payments (excluding convertible loans as defined in note 3.7) for the long-term financial liabilities are as follows:

2023 (In TCHF)	Variable	2024	2025	2026	2027	2028	Beyond 2029	Total
Mortgages Switzerland	43 465	1 660	1 660	1 660	5 710	1 660	90 741	103 091
Mortgages USA	46 935	212	35 082	17 454	212	212	5 913	59 085
Total financial liabilities	90 400	1 872	36 742	19 114	5 922	1 872	96 654	162 176

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

The contractually agreed amount of TCHF 1,872 due in the year 2024 (TCHF 1,913 due in the year 2023) has been presented under current interest-bearing financial liabilities while the remaining balance of TCHF 160,304 (TCHF 161,912 in 2021) has been presented under non-current interest-bearing financial liabilities. Mortgages in the amount of TCHF 90,400 (TCHF 96,247 in 2022) are short-term financed with floating interest rates at an average rate of 3.97% until the beginning of 2032.

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	2023	2022
Convertible bonds at January 1	4 000	4 000
Loans received	-	-
Repayments of loans	-	-
Conversion of bonds in exchange of own shares	-	-
Internal interest	-	-
Convertible loans at December 31	4 000	4 000

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 2023 and 2022, 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.

In 2023, Beat Kähli sold to sitEX Properties USA, Inc. the interest in two holding entities. One of the entities owns two small parcels of land located in Avalon Park Wesley Chapel and the other entity owns an interest in an entity which owns a building in Orlando, Florida operated as a charter school. Total amount paid by sitEX Properties USA, Inc. for these investments amounted to TCHF 3,335. In 2022, Beat Kähli also 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 Kähli. 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 Kähli, provided marketing, public relations and consulting services to the real estate properties in Switzerland at pre-determined fixed rates. In 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 2023, loans from related parties amounted to TCHF 23,903, of which TCHF 1,629 has been presented as short-term and TCHF 22,274 has been presented as long-term and 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 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 33,176 (TCHF 31,132 in 2022).

sitEX Properties Holding AG entered into a contract with Dr. Christoph Stutz to acquire 100% of the Pfeffingerring interest for a price of TCHF 10,100. 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. Those conditions have not been met yet. Below is a summary of all the transactions and arrangements made with related parties.

Transactions with related parties in TCHF	31.12.2023	31.12.2022
Fees paid to the Board of Directors and management	590	545
Fees paid to other affiliated entities	223	238
Fees paid to Avalon Park Group Management Inc.	3 919	3 050
Balances with related parties		
Receivables towards related parties	7 038	5 705
Short-term loans related parties	1 629	354
Non-current loans towards related parties	21 322	24 627

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, 2022	39 630
Change due to revaluation of properties and new tax rates	- 1 446
Provision for deferred taxes at December 31, 2023	38 184

3.10 Share capital

The nominal share capital is divided into 2,255,192 (2,255,192 in 2022) registered shares with a nominal value of CHF 10.00 in 2023 (15.00 in 2022).

	Number	Nominal value	In TCHF
Nominal share capital at December 31, 2021	2 255 192	20	45 104
Nominal value decrease at July 25, 2022	-	- 5	- 11 276
Nominal share capital at December 31, 2022	2 255 192	15	33 828
Nominal value decrease at July 17, 2023	-	- 5	- 11 276
Total nominal share capital at December 31, 2023	2 255 192	10	22 552

Authorized share capital

Before the implementation of the capital band, the company had an authorized share capital with a maximum of TCHF 22,551 (TCHF 22,551 in 2022) by way of issuing up to 1,127,596 registered shares with a nominal value of CHF 20.00 which expired in 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 2022) 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.

Capital band

As part of the revision of Swiss corporation law, the Annual General Meeting of sitEX approved the introduction of a capital band in May 2023. This will replace the provisions of the conditional and authorized capital as of 1 January 2024. The capital band ranges from CHF 16'913'940 to CHF 50'741'820 and authorizes the Board of Directors to increase and/or reduce the share capital at any time and as often as required within the capital band until 31 May 2028. A maximum of 1'127'596 registered shares with a nominal value of CHF 15.00 may be issued. A capital reduction can be carried out alone or in combination with a reduction in nominal value or a cancellation of shares.

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, 2021	12 082	10 945
Profit from purchase/sale of own shares	466	466
Capital reserves at December 31, 2022	12 548	11 411
Profit from purchase/sale of own shares	-	-
Capital reserves at December 31, 2023	12 548	11 411

3.12 Own shares

Changes in equity shares are as follows:

	Shares	31.12.2023 In TCHF	Shares	31.12.2022 In TCHF
Equity shares at January 1	135 710	14 760	181 365	20 605
Purchase of equity shares	-	-	3 176	423
Sale of equity shares	- 25	- 4	- 48 831	- 6 013
Reduction of share capital nominal value	-	- 678	-	- 721
Profit/loss from purchase/sale of equity shares	-	-	-	466
Total equity shares at December 31	135 685	14 078	135 710	14 760

During 2023, 25 own shares were sold at an average price of CHF 150 per share. At the same time, 135,685 own shares had a reduction in the share capital nominal value of CHF 5.00 per share. 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, and 144,071 own shares had a reduction in the share capital nominal value of CHF 5.00 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, 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
Consolidated profit 2022	21 160
Retained earnings at January 1, 2023	137 067
Currency exchange differences allocated directly to equity capital	- 15 173
Retained earnings at December 31, 2023	121 894

3.14 Goodwill

Goodwill has been offset against retained earnings at August 31, 2022, the date of acquisition (see note 3.1). 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	31.12.2023	31.12.2022
Balance at January 1	1 108	-
Acquisition	-	1 108
Disposal	-	-
Balance at December 31	1 108	1 108
Accumulated amortization in TCHF	31.12.2023	31.12.2022
Balance at January 1	74	-
Amortization for the year	222	74
Balance at December 31	296	74
Theoretical net book value of goodwill	812	1 034

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

	in TCHF 2023
Reported consolidated profit	9 532
Theoretical amortization of goodwill	- 222
Consolidated profit less amortization of goodwill	9 310

3.15 Contingent Liabilities

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

4. Notes to the consolidated group income statement

4.1 Segment reporting

	Switzerland		USA		Australia		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Income from sale of land	86	10 821	44 704	56 318	-	-	44 790	67 139
Rental income from properties	8 965	9 153	1 674	3 025	-	-	10 639	12 178
Income from revaluation of properties	-4 783	10 319	5 753	8 048	-	-	970	18 367
Income from sale of investment properties	-	-	-	960	-	-	-	960
Income from participation in property investment	-	-	-	365	-	-	-	365
Other income	4 268	30 293	52 131	68 716	-	-	56 399	99 009
Cost from sale of land	-	- 9 663	-32 762	-44 043	-	-	-32 762	-53 706
Direct property expenses	-1 364	-1 612	- 833	-1 268	-	-	-2 197	-2 880
Personnel expenses	-1 054	- 806	-	-	-	-	-1 054	- 806
Operating expenses	- 954	- 899	-2 528	-2 004	- 82	- 101	-3 564	-3 004
Other income	35	414	-	-	-	-	35	414
EBITDA (Earnings before interest, income taxes, depreciation and amortization)	931	17 727	16 008	21 401	- 82	- 101	16 857	39 027
Depreciation and amortization	- 177	- 168	- 680	- 724	-	-	- 857	- 892
EBIT (Earnings before interest and income taxes)	754	17 559	15 328	20 677	- 82	- 101	16 000	38 135

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 2023, sitEX USA realized income from sale of land and building of TCHF 44,704 (TCHF 56,318 in 2022) and cost of land and building of TCHF 32,762 (TCHF 44,043 in 2022) 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. In addition, sitEX USA recognized in 2023 TCHF 4,725 of income to be received as reimbursement for previously incurred development costs from one of its projects located in Texas, USA. During 2023 and 2022, sitEX Properties Holding AG realized income from the sale of land and building of TCHF 86 and 10,821, respectively, and cost of land sale and building of TCHF 9,663 (for 2022) due to the sale of its developed project located in Pratteln, Switzerland.

4.3 Income from participation in property investments

Prior to 2022, Avex Homes sold its assets and operations to SMH. sitEX USA recognized in 2022 a remaining 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.

4.4 Direct property expenses

Direct property expenses of TCHF 2,197 (previous year TCHF 2,880) includes ground rents of TCHF 52 (previous year TCHF 43). Besides routine property maintenance, one-off renovation and reconstruction costs are included.

4.5 Other operating expenses

During 2023, operating expenses amounted to TCHF 3,564 (TCHF 3,004 in 2022). The ratio of operating expenses (incl. personnel expenses) to total income remained at a relatively low level of 8.2% (3.8% for 2022) 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 209 in 2023 and TCHF 179 in 2022. 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	31.12.2023	31.12.2022
Interest on mortgages and fixed advances	4 065	4 038
Interest on financial liabilities	750	750
Loss on currency hedge financial instrument	814	551
Interest on loans to third parties	66	54
Bank charges	50	50
Total financial expenses	5 745	5 443

4.7 Other income

Other income in 2023 and 2022 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	31.12.2023	31.12.2022
Consolidated profit before income tax	10 729	32 692
Current income tax expense	1 631	9 999
Deferred income tax expense	- 1 446	1 373
Total income tax expense	185	11 372

Net accruals from deferred income taxes decreased from TCHF 39,630 in 2022 to TCHF 38,184 in 2023. Deferred income taxes are calculated for every company using the effective applicable tax rate. At December 31, 2023, the resulting average tax rate was 1.72% (34.79% in 2022). Deferred income taxes are mainly related to the revaluation of properties.

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 1.1.2023 and 31.12.2023 by 27,407 shares.

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

In TCHF	31.12.2023	31.12.2022
Consolidated profit	10 544	21 320
Attributable to shareholders of sitEX Properties Holding AG	9 532	21 160
Attributable to non-controlling interests	1 012	160
In CHF	31.12.2023	31.12.2022
Average number of shares outstanding	2 119 494	2 096 656
Weighted number of shares that can be issued on conversions	27 408	27 406
Average number of shares outstanding - after conversion of convertible bond	2 146 902	2 124 062
Interest on convertible bonds and tax effects	46 681	30 977
Earnings per share	4.50	10.09
Diluted earnings per share	4.46	9.98

5. Further disclosures

5.1 Guarantees in favor of third parties

	31.12.2023	31.12.2022
Guarantees in favor of third parties in TCHF	3 052	3 052

5.2 Pledged or assigned assets

Properties in TCHF	31.12.2023	31.12.2022
Sureties for mortgages	372 808	393 165
Nominal value of mortgage notes	203 841	202 364
Borrowings	162 176	163 825
Investments in TCHF	31.12.2023	31.12.2022
sitEX Powerhouse AG	17 603	17 603
Borrowings	-	-

5.3 Subsequent events

On April 18, 2024, the Board of Directors unanimously approved the spin-off of its asset known as "Im Oristal" into a new company for a price of TCHF 15'000. The transaction will be presented to all shareholders. An external affiliated entity has been engaged to handle the structuring and financing of this transaction which should be completed during the second half of 2024.



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 on the Audit of the Consolidated Financial Statement

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 2023, 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 (pages 18 – 37) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 our audit addressed 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 349,270 as at 31 December 2023 (previous year TCHF 346,026).</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 based on the agreed prices of concrete purchase offers and contracts.</i></p> <p><i>We consider the valuation of investment properties to be a key audit matter due to the significant value of these investment properties in relation to the total assets (79% 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 the following audit procedures on a sample basis identified based on quantitative and qualitative factors:</i></p> <ul style="list-style-type: none"> <i>we gained an understanding of the internal controls around investment properties valuation;</i> <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. We assessed the adequacy and completeness of the disclosures included in the consolidated financial statements (note 3.2).</i> <p><i>Based on the procedures performed, we have collected sufficient appropriate audit evidence to cover the risk of valuation of investment properties.</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

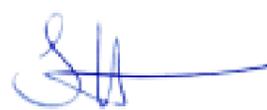
In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

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, 17 May 2024



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	31.12.2023	31.12.2022
Cash and cash equivalents	314	2,783
Trade receivables	48	82
Receivables towards related party	-	29
Other receivables	409	211
Project properties	4,245	4,341
Accrued income and prepaid expenses	3,099	13,009
Current assets	8,115	20,455
Loan receivables from investments	43,800	47,349
Investments in subsidiaries	44,253	44,253
Investment in equity instruments	990	930
Investment properties	31,724	22,854
Non-current assets	120,767	115,386
Total assets	128,882	135,841
Trade accounts payable	733	228
Other payables towards shareholders	83	70
Current interest-bearing liabilities towards investments	18	-
Current interest bearing loans from third parties	10,160	150
Deferred income and accrued expenses	1,434	2,084
Short-term provisions	795	1,342
Current liabilities	13,223	3,874
Other non-current liabilities	500	500
Interest-bearing liabilities from subsidiaries	2,024	3,069
Non-current convertible bonds	4,000	4,000
Bond payable	50,050	50,050
Non-current interest-bearing liabilities	23,806	28,616
Provision for renovation funds	5,665	5,665
Non-current liabilities	86,045	91,900
Liabilities	99,268	95,774
Share capital	22,552	33,828
Statutory capital reserves	13,039	13,039
Statutory retained earnings	5,276	5,135
Profit / loss carried forward	2,683	-10,489
Annual profit	142	13,314
Equity shares	-14,078	-14,760
Equity	29,614	40,067
Total equity and liabilities	128,882	135,841

INCOME STATEMENT

Income statement in TCHF	2023	2022
Income from investments	3,220	12,560
Income from sale of land and building	86	10,821
Income from sale of investment properties	-	2,788
Rental income from properties	1,398	1,821
Other income	16	65
Operating income	4,720	28,055
Cost from sale of land and building	-	-9,663
Direct property expenditure	-225	-540
Personnel expenses	-67	-81
Other operating expenses	-1,318	-1,322
EBITDA (Earnings before interest, taxes and depreciation)	3,110	16,449
Depreciation	-318	-762
EBIT (Earnings before interest and taxes)	2,792	15,687
Financial expenses		
Interest expense – subsidiaries	-12	-20
Interest expense – third parties	-48	-48
Interest expense – SWAP	-290	-460
Interest expense – financial liabilities	-943	-889
Amortization of bond issuance costs	-750	-750
Bank and other fees	-47	-49
Foreign exchange loss	-831	-551
Financial income		
Interest income – third party	1	2
Interest income – subsidiaries	364	427
Foreign exchange income	1	15
Operating results before taxes	237	13,364
Extraordinary, nonrecurring or prior-period income and expense	-	408
EBT (earnings before taxes)	237	13,772
Direct taxes	-95	-458
Annual profit	142	13,314

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 May 14, 2024, 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, 2023, 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 May 13 2024, a dividend of TCHF 2,500 was approved. This dividend was already recognized as Income from investments and Accrued income and prepaid expenses in the 2023 results. In 2022 the Income from investments was TCHF 12,560 of which TCHF 12,000 was from sitEX Properties International AG and TCHF 560 was 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 2,500 in 2023 and TCHF 12,000 in 2022) and sitEX Powerhouse AG (TCHF 720 in 2023 and TCHF 560 in 2022). 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

31.12.2023 31.12.2022

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

Share of capital:

Voting share:

100

100%

100%

Pfeffingerring AG, Basel (CH)

Holding and property management of real estate assets

Share capital: TCHF

Share of capital:

Voting share:

4 550

100%

100%

sitEX Properties International AG, Lachen (CH)

Holding and property management of interest abroad

Share capital: TCHF

Share of capital:

Voting share:

22 000

100%

100%

sitEX Powerhouse AG, Muttenz (CH)

Holding and property management of real estate assets

Share capital: TCHF

Share of capital:

Voting share:

100

100%

100%

Significant indirect investments

sitEX Properties Australia Ltd., Lachen (CH)

Holding and property management of real estate assets

Share capital: TCHF

Share of capital:

Voting share:

4 000

100%

100%

sitEX Properties Australia Trust, Sydney (AUS)

Holding and property management of real estate assets

Share capital: TAUD

Share of capital:

Voting share:

10 000

100%

100%

sitEX Properties USA Inc., Orlando (USA)

Holding and property management of real estate assets

Share capital: TUSD

Share of capital:

Voting share:

82 298

100%

100%

Notes to the balance sheet in TCHF	31.12.2023	31.12.2022
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	9 430	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	2 676	3 884
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	2 318	8 771
Share of capital:	100%	100%
Voting share:	100%	100%
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	21 407	19 266
Share of capital:	80%	80%
Voting share:	80%	80%

Notes to the balance sheet in TCHF	31.12.2023	31.12.2022
sitEX Coworking Concepts LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	1 375	1 357
Share of capital:	100%	100%
Voting share:	100%	100%
Avex Homes LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TCHF	1 415	1 710
Share of capital:	57%	57%
Voting share:	57%	57%
Avalon Park Daytona Land Holding LP, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TCHF	40 000	40 000
Share of capital:	20%	20%
Voting share:	20%	20%
Safe Harbor RV and Boat Storage, LLC, Orlando (USA)		
Rental of RV and boat storage		
Share capital: TUSD	6	2 000
Share of capital:	43%	43%
Voting share:	43%	43%
Avalon Park School Initiative II, LLC, (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	3 300	-
Share of capital:	75%	-
Voting share:	75%	-
Avalon Park School Initiative III, LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	4 200	4 200
Share of capital:	50%	50%
Voting share:	50%	50%
Avalon Park School Initiative IV, LLC, Orlando (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	2 700	2 700
Share of capital:	50%	50%
Voting share:	50%	50%
APW S. Flex Parcels, LLC (USA)		
Holding and property management of real estate assets		
Share capital: TUSD	1 460	-
Share of capital:	100%	-
Voting share:	100%	-

* Company was dissolved effective December 31, 2023.

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.

Share Capital

The nominal share capital is divided into 2,255,192 (2,255,192 in 2022) registered shares with a nominal value of CHF 10.00 each (CHF 15.00 in 2023).

	Number	Nominal value	In TCHF
Nominal share capital at January 1, 2023	2 255 192	15	33 828
Nominal value decrease at July 17, 2023	2 255 192	5	-11 276
Total nominal share capital at December 31, 2023	2 255 192	10	22 552

Notes to the balance sheet in TCHF	31.12.2023	31.12.2022
Equity shares		
Number of shares that the Company and its subsidiaries own (beginning of the year)	135 710	181 365
Purchase of equity shares (number)	-	3 176
Purchase of equity shares, average purchase price in CHF	-	133.23
Disposal of equity shares (number)	25	48 831
Disposal of equity shares, average sales price in CHF	150	123.15
Number of equity shares that the Company and its subsidiaries own (end of the year)	135 685	135 710
The purchase/sale of equity shares resulted in a TCHF 466 gain in 2022. 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	44 798
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 2023 the nominal value of the share was reduced from CHF 15 to CHF 10. This resulted in a share capital decrease of TCHF 11,276. The Swiss Federal Tax Administration has confirmed the Company can increase and decrease the capital contribution reserves by issuing up to 1,127,956 of new shares with a nominal value of CHF 15 per share. There were no capital reserves distributed during the 2023 year, therefore the confirmation still remains valid.		
Capital band		
As part of the revision of Swiss corporation law, the Annual General Meeting of sitEX approved the introduction of a capital band in May 2023. This will replace the provisions of the conditional and authorized capital as of 1 January 2024. The capital band ranges from CHF 16'913'940 to CHF 50'741'820 and authorizes the Board of Directors to increase and/or reduce the share capital at any time and as often as required within the capital band until 31 May 2028. A maximum of 1'127'596 registered shares with a nominal value of CHF 15.00 may be issued. A capital reduction can be carried out alone or in combination with a reduction in nominal value or a cancellation of shares.		
Investment properties		
The Company owned a building known as "Rengglochstrasse 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	31.12.2023	31.12.2022
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 2022 Income Statement. A portion of the property, amounting to TCHF 4,245, is still held for sale in 2023 parking lots were sold.		
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 2023 and 2022 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/ m ²). 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		
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
Extraordinary income net	-	408
Number of employees		
The Company employed no staff in 2023 and 2022.		
Proposed appropriation of available earnings		
In 2022, the Board of Director proposed a distribution in the form of share capital reduction of CHF 5 per share (face value reduction from CHF 15 to CHF 10). In addition for 2022, 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. In 2023, The Board of Directors proposed the annual profit of TCHF 142 to be carried forward.		
Subsequent events		
On April 18, 2024, the Board of Directors unanimously approved the spin-off of its asset known as "Im Oristal" into a new company for a price of TCHF 15'000. The transaction will be presented to all shareholders. An external affiliated entity has been engaged to handle the structuring and financing of this transaction which should be completed during the second half of 2024.		

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 on the Audit of 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 December 31, 2023, 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 the financial statements (pages 44 – 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 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 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, 17 May 2024

REAL ESTATE



PORTFOLIO OVERVIEW

The Group's real estate portfolio is divided into investment properties and development properties. We are highly flexible and able to adapt to changing market conditions as an owner-managed real estate company with no investment restrictions. In recent years, we have continued to optimize our portfolio. In addition to selective acquisitions, we have successfully completed numerous divestments in Switzerland and abroad. We remain true to the maxim that "only a profit that is realized is a real profit".

As at 31 December 2023, we had five investment properties and two plots of land for new development projects in Switzerland, of which one was nearing completion. In the USA, we had one investment property, two partnerships in local schools and around 10 new land developments.

Following a significant rebalancing of income streams in 2022, income from land sales remained the company's main source of income in 2023. Their significance even increased further, which is why they accounted for around 79.42% of the income as at 31.12.2023 (previous year: 68%). Rental income accounted for around 18.86% of income (previous year: 12%), while income from revaluations represented a marginal share of 1.72% (previous year: 18.55%).

Our company is geographically diversified 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, our most important assets will be described in more detail on the following pages.

Current information and pictures of our other assets as well as regular updates on our development projects can be found on our website 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.

In 2022 we started with the preliminary project, which was completed in January 2023. Since then we are focusing on the design phase with the aim to receive the construction permit by the end of this year.



Construction is currently scheduled to begin in 2025, with a move-in date of mid-2027, when the 13 workplaces and 2 residential buildings currently on the site will be replaced by an international school for up to 400 students, 54 apartments and 8 townhomes. The distinctive architecture, created by the renowned Basel-based HHF architectural team and tailored to the site, will create a new city centre 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 an important pillar in our portfolio. With over 44,000 square metres of lettable space, it is one of the largest privately owned and managed properties in the Canton of Basel-Landschaft. We have our own team on site to manage and clean the building, support the tenants and maintain and repair the many technical installations.

The building and the rental space are in an exceptionally modern state, thanks to the numerous renovations and refurbishments carried out in recent years. In terms of the tenant and product mix, particular attention has been paid to ensuring that tenants can meet all the needs of a working day under one roof. The fitness centre of the leading Swiss chain "Update Fitness" enjoys great popularity.

After the pandemic forced the closure of the day-care centre, we found a new tenant for the ground floor. The new tenant is a dynamic young company that develops and installs cooling and heating technology.

The AVEC convenience store on the ground floor has also expanded its range and now offers a wide selection of provisions for our tenants. We remain true to our maxim of having everything you need for your working life under one roof. Our building offers a complete range of services that is unique in the micro-region. Thanks to this offering, our rental situation has remained stable and the vacancy rate has remained at a low level of around 2%.

We have invested heavily in the renovation and modernisation of the building over the last 5 years. In addition, the rental space has been continuously modernised together with our new tenants, such as MEV Schweiz AG and Shimadzu Schweiz GmbH.



The new district cooling connection was activated last year, enabling us to offer our tenants a more cost-effective and environmentally sustainable solution. This year, we plan to install various charging points for electric cars in our car park. In addition, this year the city council will start renovating and upgrading the Hofackerstrasse. In future, the street should blend in more with the rest of the village and appear less industrial.

On the top floor of the building, we operate The 5th Floor on approximately 4,000 m². This innovation campus offers tenants the opportunity to rent modern office and laboratory space on flexible terms. All office space is currently fully let. Workspaces on the floor can also be rented on a daily or monthly basis. Members, as our tenants are known, also have access to numerous meeting rooms, kitchen facilities and a very large roof terrace.



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 Central Florida, the Company’s management decided that the unique concept of Avalon Park should be implemented in additional locations.

With Avalon Park Group as general 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. The construction of the second charter school expansion was completed last year. The school is now home to more than 1’800 students. The third expansion which is currently underway will increase this number to around 3’000. After the groundbreaking of Downtown I in 2023, we are on track for its completion in the first half of this year.

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 by next year.

As in all previous years, four major events were held at Avaon Park Wesley Chapel in 2023. 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 three 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 around 7’878 residential units, Avalon Park Daytona would be 50% larger than the second largest community in the area, Plantation Bay (5,000 residential units), and almost three times the size of its immediate neighbor, Latitude Margaritaville (3,000 residential units). As soon as the outstanding infrastructure issues have been completed, the first construction phase can begin. We are currently in negotiations with major homebuilders such as D.R. Horton, Stanley Martin and ICI Homes.



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 is an important part of our project. The fully utilized school enjoys a good reputation and attracts parents and students from the surrounding areas.

Avalon Park Orlando

In addition to the "Encore" retirement home, which focuses on dementia care, we own the last remaining undeveloped plot of land in this small town, the so-called "Flag Pole Lot". The development of this parcel of land is planned to be completed in three phases. The first phase, which will begin once market conditions are favorable, 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, 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, is also fully leased. The approximately 30 offices, each with unique sizes and layouts, have garnered significant interest thanks to their prime location and comprehensive amenities. Numerous potential tenants eagerly await occupancy. While tenants represent diverse industries, they lean less towards research-focused sectors compared to those at the Swiss site. Additionally, the seminar and meeting spaces are gaining popularity alongside the offices.



COMPANY PROFILE



VISION AND MISSION

sitEX operates as an owner-managed real estate company. Its nimble organizational and operational structure enables it to respond quickly to market dynamics. Below, sitEX highlights the following core strengths:



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.

Over the past few decades, our management has effectively executed real estate projects and ventures totaling more than CHF 3 billion, both domestically in Switzerland and internationally. This extensive track record has cultivated a rich reservoir of expertise, now foundational to sitEX's prosperous development endeavors. It is this wealth of experience that empowers sitEX to proficiently deliver large-scale projects while upholding streamlined and efficient organizational frameworks.



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 Kähli. Mr. Beat Kähli also continues to serve the Group as its CEO. As of the date of this report, the companies had eleven employees.

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.

CEO AND MEMBER OF THE BOARD



Beat Kähli

In this office since: 06/29/2017

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

Mr. Kähli has been named by the Orlando Business Journal as one of the Top Ten Most Influential Businessmen and the Reader's Choice, Most Respected CEO in Central Florida. He has also been recognized by the Orlando Business Journal as Top Ten Most Influential Newsmakers and Top Ten Most Influential Businessmen in Central Florida. Additionally, the Orlando Magazine awarded Beat Kähli the honor of one of the 50 Most Powerful People in Orlando for several 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. In 2023, Marybel Defillo was invited to be a member of the Advisory Committee of Addition Financial Credit Union, a trusted banking partner and resource for members of the Central Florida community with more than \$2.9 billion in total assets and more than 179'000 members.

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, 2023, the share capital totaled CHF 22,551,920 divided into 2,255,192 shares with a nominal value of CHF 10.00 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, 2023, 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 74 (previous year: 65) shareholders. The dispo position consisted of 1,050 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 the lowest since the company's listing in 2017 and 2024 could be the first year without a dispo position. The largest individual shareholder held 549,314 shares (24.36%), and the smallest shareholder had 4 shares.

STATUTORY AUDITORS

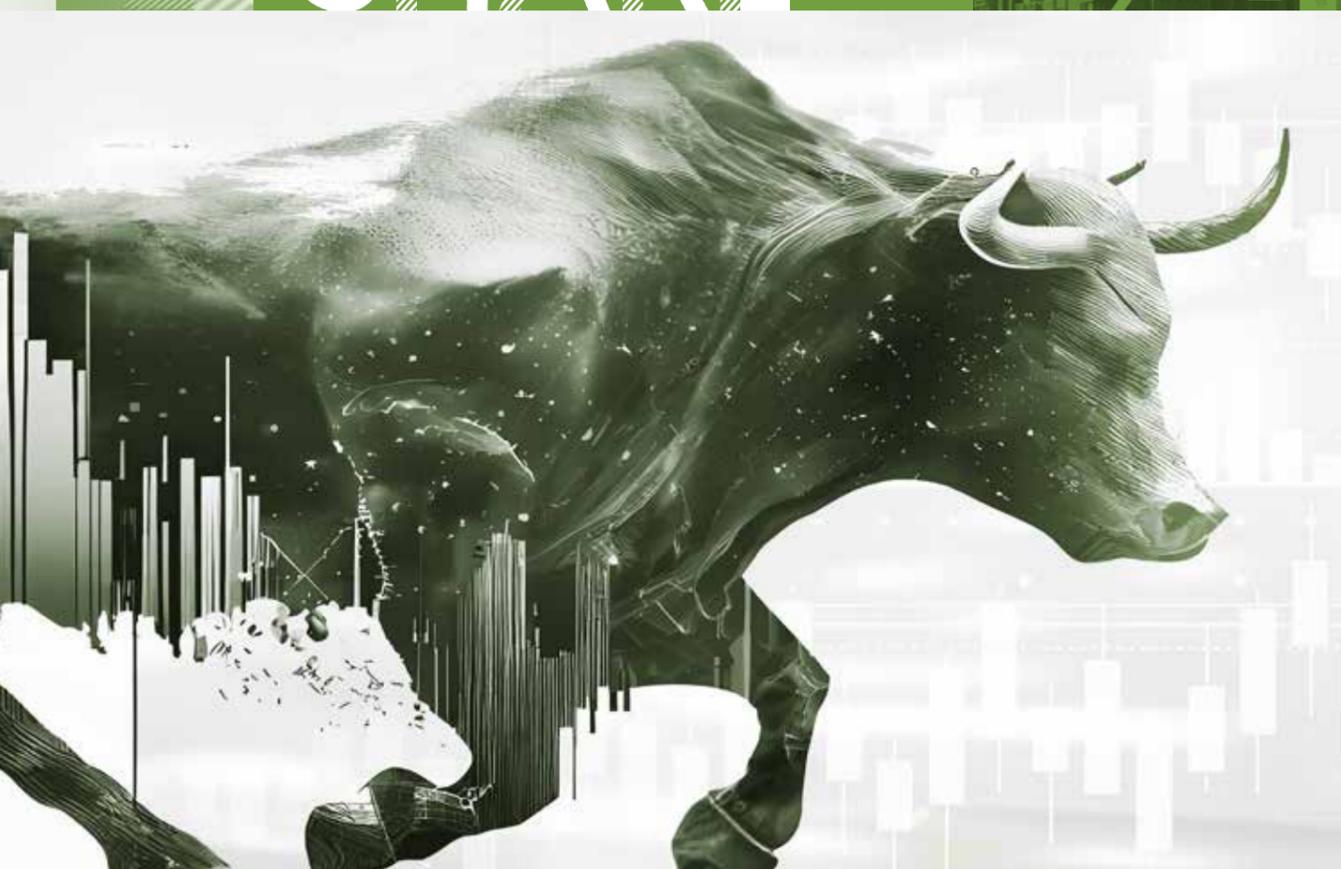
sitEX Properties Holding AG and its Swiss subsidiaries were audited by Deloitte AG. Furthermore, the Management Board has charged this company with auditing the consolidated financial statements in accordance to Swiss law.

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



STABLE TRADING YEAR

Swiss equity markets performed positively in 2023, but not with the same momentum as the major equity markets in neighboring countries or the US. After real estate stocks had come under heavy pressure in 2022 due to the new interest rate environment, which had to be priced in again, they recovered slightly in 2023.

In contrast, sitEX closed 2022 with a positive performance. Consequently, there was no recovery potential for our share in the 2023 trading year. As a result, our trading year was quiet. The trading volume amounted to approximately CHF 0.67 million (previous year: CHF 2.07 million). Our share price moved in a narrow range between CHF 145 and CHF 151 and closed the trading year with an unchanged performance compared to the previous year.

Due to the consistent performance and high trading volume of our shares, we were included in various OTC-X indices. These include the Top 50 Index with the fifty largest companies in terms of market capitalization, the OTC-X Liquidity Index with the most liquid shares and the OTC-X Premium Index with all liquid shares that report in accordance with Swiss GAAP FER.

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 3345,827103,88040.00 to CHF 2233,551827,920880.00. The reduction was carried out by reducing the nominal value of all existing registered shares from CHF 1520.00 to CHF 105.00. The reduction amount was paid out in full to the shareholders.

Thus, for the eighth ninth time in a row, a distribution could be paid out to our shareholders. As part of our planned reorganization, we will not be making a traditional distribution this year. 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

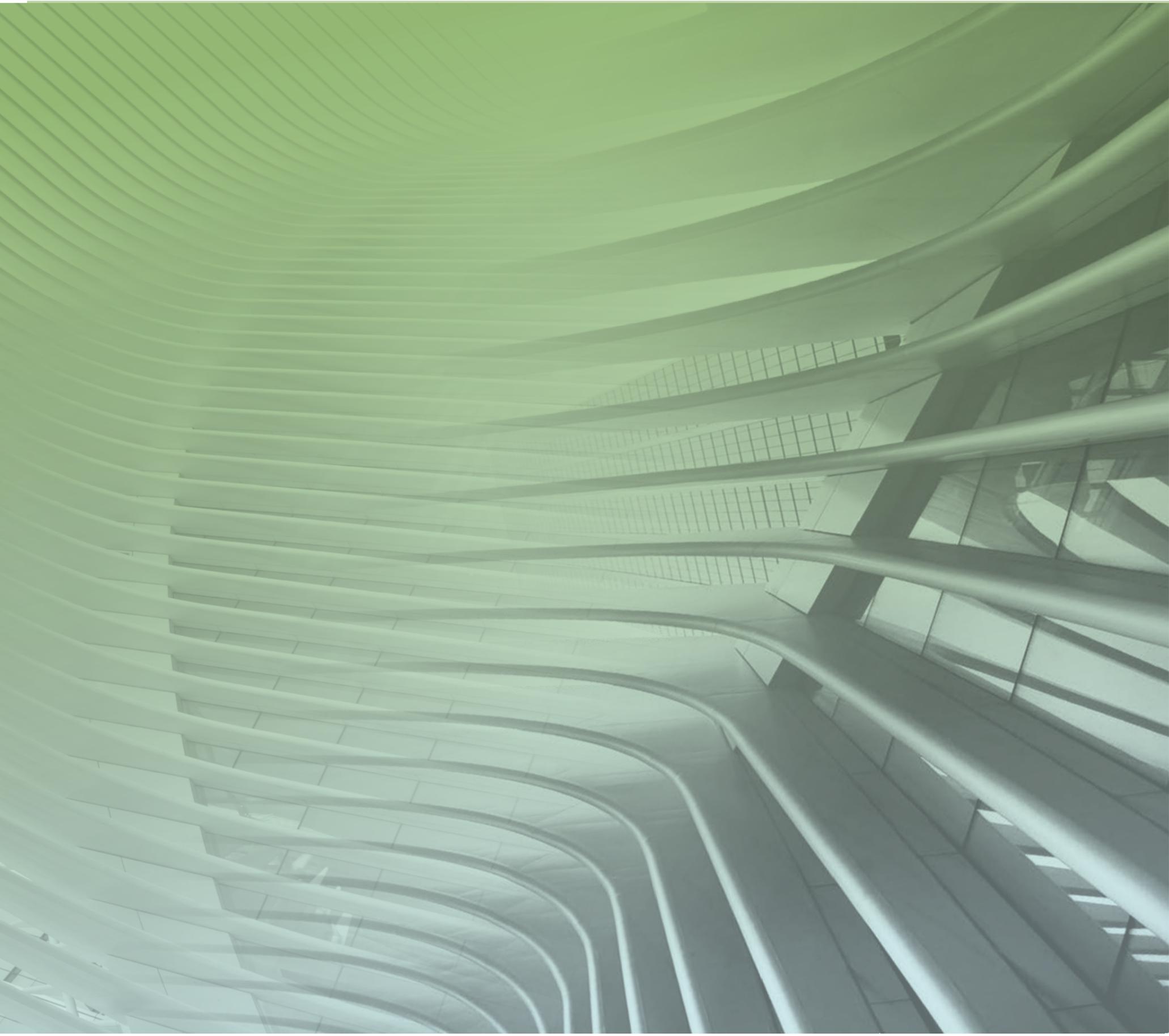
Security no.:
921918

52-w high	CHF 151.00
52-w low	145.00
Total trading volume	4.496 Shares
Largest trade	460 Shares
Smallest trade	3 Shares
Average trading size	122 Shares
Total number of trades	37

Share price development of sitEX Properties Holding AG 2023



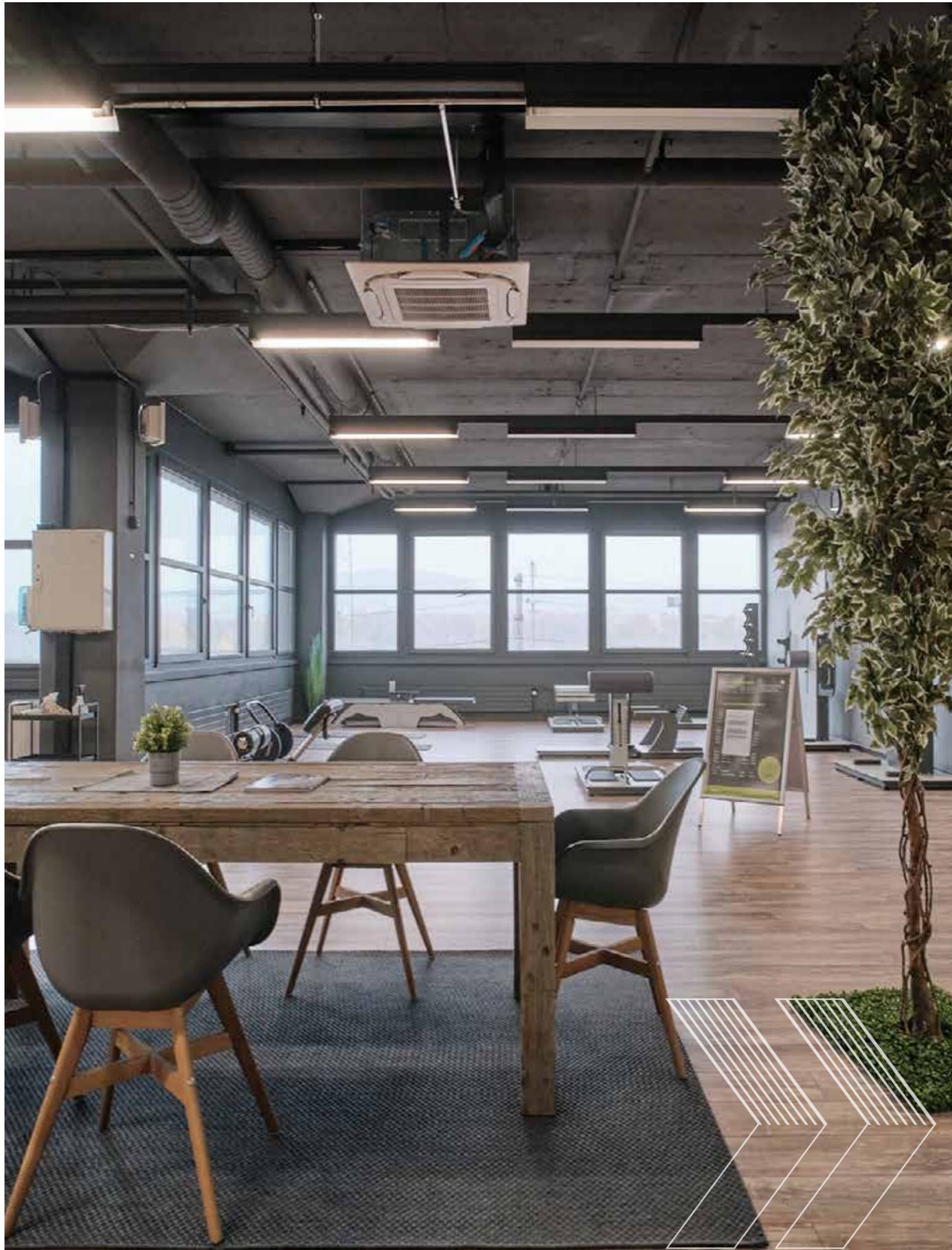
Source: BEKB OTC-X



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