

SEMI-ANNUAL  
REPORT

2024



# COMMENTS

## Dear Shareholders

For the past decade and beyond, sitEX was fortunate to achieve, without exception, profitable semi-annual and annual financial results.

The first half of 2024 is no exception.

A real estate development company goes generally through cycles of acquisition, permitting/engineering, building and selling, hence the enterprise first has to invest in order to generate profits in the future.

sitEX is currently in an investment phase in both the USA and Switzerland. As a result the generated profits were lower compared to previous years. When fully realized, our development pipeline will amount to more than CHF 5 billion. This ensures the basis for sustainable profits in the future.

## The first half of 2024 in numbers

**Net profit after taxes:** CHF 1.508 million (previous year CHF 7.335 million);

**Profit before taxes:** CHF 1.878 million (previous year CHF 10.247 million);

**EBITDA:** CHF 4.316 million (previous year CHF 13.736 million);

**Consolidated gross revenue:** CHF 10.859 million (previous year CHF 32.699 million);

As of June 30th, 2024, sitEX had **total assets** of: CHF 464.534 million (previous year CHF 454.816 million);

**Cash on hand amounted to:** CHF 5.951 million (previous year CHF 12.905 million).

**Shareholder equity** amounted to: CHF 174.260 million (previous year CHF 179.590 million). The equity together with own shares, subordinated convertible loans, and subordinated loans represented 42.48% of the balance sheet (previous year 45.8%). In addition, based on the valuation of its unrealized gains, the company has made provisions of CHF 39.425 million for deferred taxes in its balance sheet.

## sitEX in the first half of 2024

The company continues to focus on development of real estate. Our strategy is to acquire, at “rock bottom” prices, real estate in the form of raw land or buildings which allow for upside by entitling, leasing and or renovating. Once the “institutional stage” of an asset has been reached, its disposition and realization of profit is the final step.

Over the last few years, we built from scratch a home building company in Central Florida (AVEX Homes) and sold it to the largest Japanese Homebuilding company Daiwa House. In Orlando, Florida, we built 190 apartments, then leased and sold them to an institutional multifamily investor. We bought, relet and renovated one of the Piers in the Harbor of Sydney, Australia and sold it to a leading local real estate firm.

Those and more “turn around” real estate developments allowed us to distribute more than CHF 60 million (about 1.5 x our original share capital) in the form of share buy backs and reduction of share face value to shareholders (cut in half), out of pretax profits of more than CHF 200 million over the last 7+ years.



- The company repaid a CHF 10 million subordinated private bond in June 2024;
- We are preparing to repay in 2025 our CHF 50 million, 0.375%, 2020-2025 bond, traded at SIX, and to do so, among other activities, are entertaining various offers to sell all or part of our sitEX Powerhouse building in MuttENZ;
- We are completing income producing buildings in Bubendorf, BL (ALDI Suisse grocery store and offices) and Wesley Chapel/ North Tampa, Florida (40 apartments and retail space), with a value of almost CHF 50 million.

At present, the major projects owned or developed by sitEX are the following:

1. sitEX Powerhouse is one of the largest privately owned mixed use commercial buildings in the Canton of Basel-Land with 44.616m<sup>2</sup> of total space, virtually fully leased (98%). This is a classic example of an asset which has reached its maturity in the sitEX business model. Once over 50% vacant, with substantial deferred renovation, this building allowed the sitEX team to use its experience, with the result that today by and large only general market changes will influence its value. Hence an asset ready for disposition at a profit.
2. Avalon Park, Wesley Chapel (APW), Florida. This is a master planned community on over 7 million m<sup>2</sup> of land. A town to be built from scratch. At present about 2.000 single-family homes are built or under construction. Our company, together with several institutional partners, is developing the USD 1 Billion+ Downtown, which, once completed, will be a vibrant small city comprised of a mix of apartments, retail spaces, office and civic uses, such as schools and places of worship.
3. Avalon Park Daytona Beach is owned 80% by sitEX USA and is a land area of around 12 million m<sup>2</sup>, positioned to be developed into another town.

These 3 projects represent about 2/3 of our total assets, the 2 master planned communities represent a future development pipeline of over USD 5 billion. While it will take time, this is where management, based on decades long experience and track record, sees future substantial value. At present, the value of the land on our balance sheet represents just about 3% of its retail development potential.

Among others, the following are substantial developments by sitEX, each representing more than CHF 100 million in project volume.

4. Development of over 100 townhomes will take place in the first half of 2025 in Avalon Park Orlando on the roughly 60.000m<sup>2</sup> land parcel we own there. At present we are finalizing design and engineering of 210 apartments for seniors on the same parcel of land. The development together with townhomes, live/work units, a small boutique hotel and a swimming pool amount to a total value of approximately USD 125 million.
5. We finished development of 314 homesites for single-family homes and townhomes in Tavares, Florida (about 1 hour north of Orlando), which will be built by Americas largest homebuilder D.R. Horton, and Stanley Martin (former Avex Homes, now owned by Daiwa House, Japan). This project will generate a steady cash flow stream for sitEX USA over the next 2+ years.
6. South of San Antonio, Texas, in our Riverbend community, another 175 homesites will be developed in 2025. All lots are presold to D.R. Horton which will build single-family homes.
7. The Oristal "Quartierplan" is fully approved, and we are awaiting construction permits for this new neighborhood in Liestal/BL (early 2025).

## General Observations

The two undersigned are majority owners of sitEX. They personally guarantee almost all sitEX USA loans and substantial amounts in our Swiss business. This fact is of considerable importance for our lenders and also enables favorable conditions.

When we took control of sitEX management more than 7 years ago, the company had just about 20% equity and had not made meaningful distributions to its shareholders. We communicated to shareholders our goals and implemented them as follows:

- The company disposed of activities in markets such as China, Australia and Canada, (2017 - 2020) in order to concentrate on Northwest Switzerland and Central Florida, markets in which management has decades of experience and a known track record.
- One of the primary goals to return all of the original capital to shareholders was achieved between 2019-2023.
- Only board members being substantial stakeholders, willing to be invested in the long term are serving on sitEX's Board Of Directors. Present board of directors, together with their families, own close to 80% of all outstanding shares of the company.

## Goals

While, after above market distributions of over CHF 60 million to shareholders, sitEX will focus in the next 6-18 month on the monetizing of its largest asset. The sitEX Powerhouse in MuttENZ (BL) represents around 28% of all assets. We intend to retain a minority stake and continue to manage and support the asset.

In order to develop its master planned communities, sitEX will continue to collaborate with national and local US real estate companies. The company will need to attract additional partners in order to develop two small towns in North Tampa and Daytona Beach.

All our markets Switzerland, Orlando/Tampa, Florida and Texas have proven over the last decade to be good choices for sitEX. Florida is the fastest growing State in the US, and probably among the best locations in the western world to develop real estate.

Interest rates in the US have sharply risen in the last 2 years (from a low of 2%+ to around 8%). There is anticipation that the Federal Reserve will cut rates in the month to come. The level of interest rates had a negative impact on many real estate projects in the US.

In recent months we are seeing somewhat lower pricing in the construction market. Banks are cautious when lending and only real estate developers with proven track records and additional resources are getting financing.

We thank you for your trust.



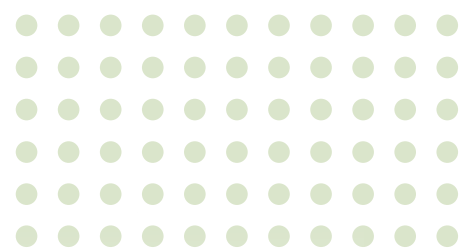
Dr. Christoph Stutz  
**President of the Board**



Beat Kähli  
**CEO & Member of the Board**



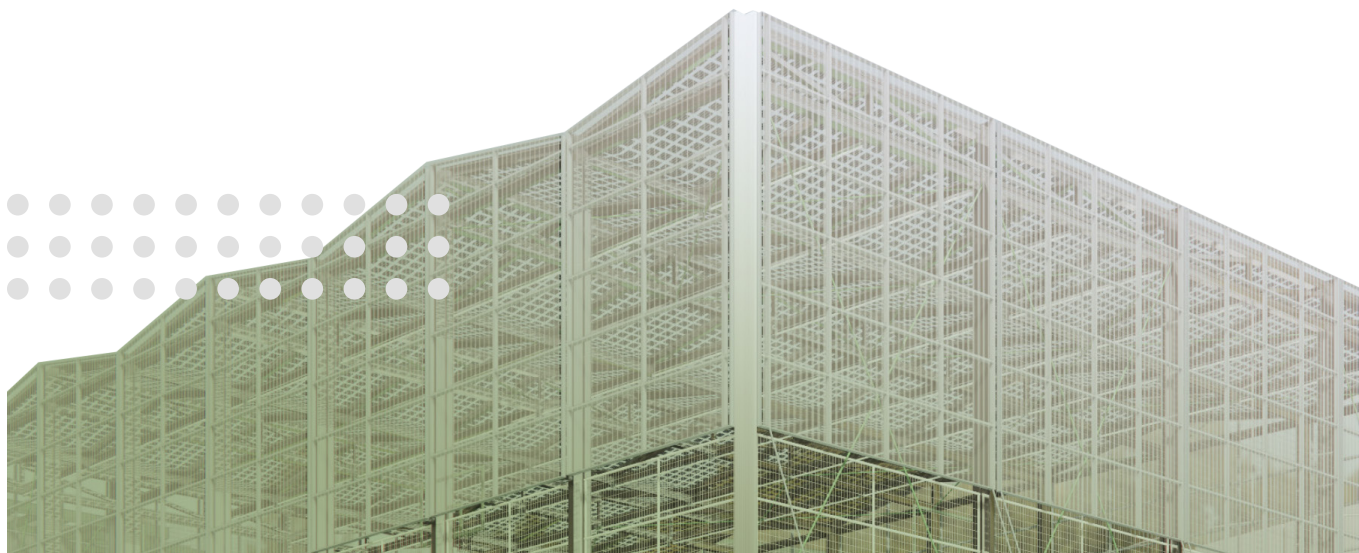




# GROUP INCOME STATEMENT

Income Statement in TCHF	30.06.2024	30.06.2023
Income from sale of land and building	3 355 <sup>1</sup>	21 043 <sup>1</sup>
Rental income from properties	5 611	5 677
Income from revaluation of properties	-	5 979
Income from participation in property investments	1 893	-
<b>Total income</b>	<b>10 859</b>	<b>32 699</b>
Cost from sale of land and building	-2 432	-15 861
Direct property expenses	-1 218	-991
Personnel expenses	-551	-482
Other operating expenses	-2 342	-1 635
Other income	0	6
<b>EBITDA (earnings before interest, income taxes, depreciation and amortization)</b>	<b>4 316</b>	<b>13 736</b>
Depreciation and amortization	-344	-558
<b>EBIT (earnings before interest and income taxes)</b>	<b>3 972</b>	<b>13 178</b>
Financial expenses	-2 411	-3 139
Financial income	317	208
<b>Consolidated profit before income tax</b>	<b>1 878</b>	<b>10 247</b>
Income taxes	-366	-2 830
<b>Consolidated profit before minority interests</b>	<b>1 512</b>	<b>7 417</b>
Attributable to minority interests	-4	-82
<b>Consolidated profit attributable to shareholders of parent entity</b>	<b>1 508</b>	<b>7 335</b>

<sup>1</sup> Period from January 1 until June 30



# GROUP BALANCE SHEET

Balance sheet in TCHF	30.06.2024	30.06.2023
<b>Current assets</b>		
Cash and cash equivalents	5 951	12 905
Trade receivables	961	493
Other receivables	1 992	4 841
Receivables towards related parties	6 881	8 192
Current loans towards related parties	954	354
Project properties	23 480	29 357
Accrued income and prepaid expenses	3 366	5 473
<b>Total current assets</b>	<b>43 585</b>	<b>61 615</b>
<b>Non-current assets</b>		
Loans related parties	22 854	22 878
Loan third parties	6 271	-
Other tangible fixed assets	1 298	433
Investments in associates	17 934	17 854
Investment properties	369 779	349 333
Investment in equity securities	1 010	1 020
Intangible assets	1 803	1 683
<b>Total non-current assets</b>	<b>420 949</b>	<b>393 201</b>
<b>Total assets</b>	<b>464 534</b>	<b>454 816</b>
<b>Current liabilities</b>		
Current interest-bearing financial liabilities	2 796	1 885
Trade payables	3 446	3 595
Other current liabilities	291	634
Accrued expense	2 782	3 727
Bonds payable <sup>2</sup>	50 050	-
Short-term provisions	4 594	6 319
<b>Total current liabilities</b>	<b>63 959</b>	<b>16 160</b>
<b>Non-current liabilities</b>		
Loans shareholders	5 000	-
Non-current interest bearing liabilities towards third parties	-	10 000
Other non-current liabilities	500	500
Long-term convertible bonds	4 000	4 000
Non-current interest bearing financial liabilities	177 390	153 375
Bonds payable <sup>2</sup>	-	50 050
Provisions for deferred taxes	39 425	41 141
<b>Total non-current liabilities</b>	<b>226 315</b>	<b>259 066</b>
<b>Total liabilities</b>	<b>290 274</b>	<b>275 226</b>
Share capital	22 552	33 828
Capital reserves	12 548	12 548
Retained earnings	140 750	131 521
Minority interests	10 980	9 117
Consolidated profit	1 508	7 335
Own shares	(14 078)	(14 759)
<b>Total equity</b>	<b>174 260</b>	<b>179 590</b>
<b>Total equity and liabilities</b>	<b>464 534</b>	<b>454 816</b>

<sup>2</sup> Bond payable is a non-current liability as of 30th of June 2023 but current liability as of 30th of June 2024



**sitEX Properties Holding AG**

Alpenblickstrasse 20

8853 Lachen (SZ)

Switzerland

**P** +41 41 545 85 10

**E** [info@sitex.ch](mailto:info@sitex.ch)

**W** [www.sitex.ch](http://www.sitex.ch)

