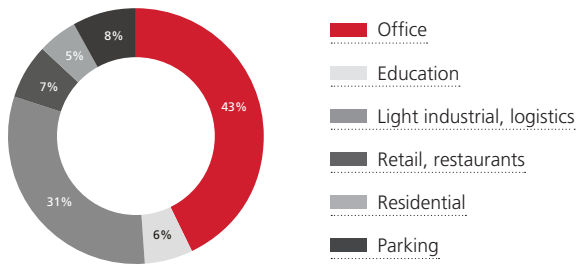


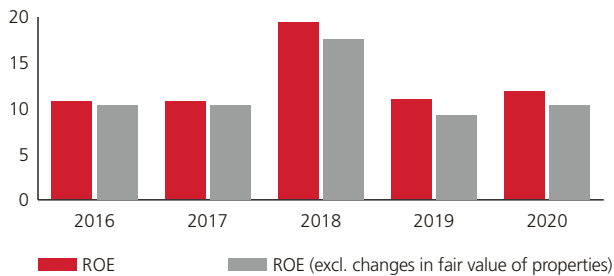
# Summary 2020



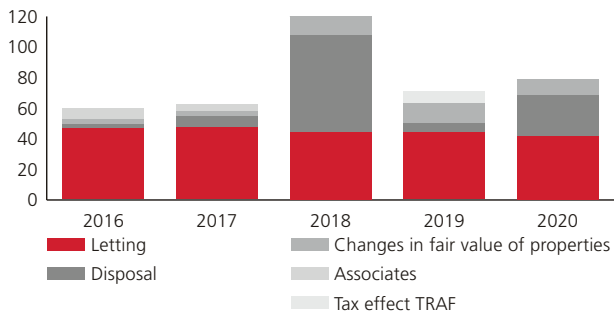
Portfolio by use  
(in CHF)



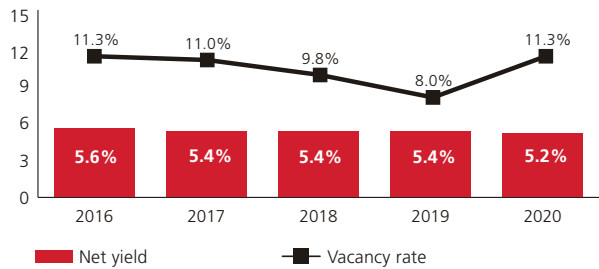
Return on equity  
(in percent)



Net income  
(in CHF m)



Net yield and vacancy rate  
(in percent)



## Key figures Intershop Group

		2020	2019
<b>Financials</b>			
Net rental income	m CHF	70.4	73.9
Net gains from property disposal	m CHF	33.4	7.4
Changes in fair value of properties	m CHF	13.4	16.6
Operating result (EBIT)	m CHF	107.6	88.9
Earnings before taxes (EBT)	m CHF	98.8	79.1
Net income	m CHF	78.4	71.0
Cash flow from operations	m CHF	45.6	36.0
Investments in properties	m CHF	61.7	35.3
Total assets	m CHF	1'378.3	1'343.0
Total properties	m CHF	1'333.3	1'312.8
Financial liabilities	m CHF	465.1	504.0
Shareholders' equity	m CHF	710.6	666.1
Return on equity <sup>1)</sup>		11.8%	10.9%
Return on equity excluding changes in fair value of properties <sup>1)</sup>		10.3%	9.2%

## Portfolio

Number of investment properties		40	42
Number of development properties <sup>3)</sup>		12	12
Lettable area	in m <sup>2</sup>	544'440	565'880
Gross yield <sup>2) 4)</sup>		6.0%	6.2%
Net yield <sup>2) 5)</sup>		5.2%	5.4%
Vacancy rate <sup>2)</sup>		11.3%	8.0%

## Personnel

Number of employees		71	72
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## Share

Earnings per share <sup>6)</sup>	CHF	41.67	37.33
Earnings per share excluding changes in fair value of properties <sup>7)</sup>	CHF	36.44	31.47
Net asset value per share (NAV) <sup>8)</sup>	CHF	374.02	354.33
Share price at balance sheet date	CHF	615.00	567.00
Dividend per share <sup>9)</sup>	CHF	25.00	25.00

1) Based on the average shareholders' equity during the period, see «Alternative Performance Measures», Annual report 2020, p 116

2) Figures relate to investment properties at the balance sheet date

3) Including promotional properties

4) Effective annual gross rental income in proportion to the market value of the properties at the balance sheet date, see «Alternative Performance Measures», Annual report 2020, p 116

5) Effective annual gross rental income less directly attributable property costs (excluding interest expense) in proportion to the market value of the properties at the balance sheet date, see «Alternative Performance Measures», Annual report 2020, p 116

6) See «Earnings per share», Annual report 2020, p 79

7) After deducting changes in fair value of properties and associated deferred tax, see «Earnings per share», Annual report 2020, p 81

8) See «Net asset value per share», Annual report 2020, p 74

9) 2020: Proposal of the Board of Directors

## Letter to shareholders

Dear shareholders, business partners and employees

Despite an extremely challenging environment, Intershop has once again recorded a very pleasing result:

- Group net income was CHF 78.4 million, or CHF 41.67 per share, representing a return on equity of 11.8%. Net income is therefore 10% above that of the previous year.
- Equity increased to CHF 711 million, or CHF 374 per share.
- The net return on investment properties decreased slightly to 5.2%.
- The vacancy rate for investment properties increased to 11.3%.
- The performance of Intershop shares reached 12.9%.
- The Board of Directors proposes to the Annual General Meeting an unchanged dividend of CHF 25.

Active portfolio management, which in addition to acquisition and management also incorporates development and disposal, should lead to a high return on equity for the long term. Specifically, this includes the following operational objectives:

1. Acquisition of new properties with value added potential
2. A reduction of the vacancy rate
3. Driving forward developments in our own portfolio
4. Realisation of added value through the disposal of developed property

The transaction market changed very little in 2020 and the demand for real estate remained high throughout the reporting year. TINA («There Is No Alternative») continued to shape both the stock market and real values. During the temporary flattening of transaction volume due to the pandemic, no attractive acquisition opportunities could be identified. COVID-19 had a considerably greater impact on operations. Various lease negotiations that were already in an advanced stage were suspended or cancelled. Prospective tenants that did not have acute needs for change, hesitated to enter into long-term lease commitments and adopted an attitude of «wait and see». As a result, the vacancy rate increased to 11.3%, which was slightly more than was expected. Project developments progressed well. The design plan for the «AuPark» project in Wädenswil became legally binding during the reporting year, and a building application was submitted. Of the 108 commonhold apartments being built on the two ongoing promotional projects in Baden and Basel, 103 had already been sold and notarised by the end of the year. In addition, two investment properties and a part of a plot of land in Oberwinterthur were also sold. Overall a

considerable profit of CHF 33.4 million was generated from these disposals.

As expected, due to disposals and the conversion and renovation of two larger buildings, the rental income decreased. Furthermore, individual solutions were also reached with those tenants that were affected by the pandemic-related government restrictions resulting in a further negative impact on revenue. This impact amounted to CHF 1.2 million for the reporting year. In total, rental income fell by CHF 3.1 million to CHF 79.7 million, compared to the previous year. Property expense amounted to CHF 9.3 million corresponding to 11.7% of rental income and continues to remain at a low level. Both the gross and net yield of the portfolio remained at a very attractive level of 6.0% and 5.2% respectively. A revaluation of the real estate by KPMG resulted in a valuation uplift of some 1.1% or CHF 13.4 million. The net income amounted to a satisfying CHF 78.4 million. The return on equity was a considerable 11.8%.

The sustainability report, published for the first time in the previous year in accordance with GRI standards, has been expanded. The energy consumption and the CO<sub>2</sub> emissions of the investment property portfolio per m<sup>2</sup> were reduced by 3% and 2.5% respectively.

### Business review

After a confident start to the reporting year, the economy slid into one of the largest recessions in recent times as the impacts of the increasing restrictions and subsequent lockdown due to the spread of the coronavirus took effect. Thanks to various governmental relief packages however, a larger wave of bankruptcies has so far failed to materialise, although the economic performance in Switzerland (GDP) did decrease by more than 3% overall. It needs to be stressed that the particularly hard-hit sectors, such as non-food retail, hotels, and restaurants, make up an insignificant part of the Group's portfolio. Nevertheless, Intershop did agree individual solutions with companies from these sectors and other tenants hard hit by the crisis, in order to contribute to their future security and to retain them as tenants. With enormous amounts of money being pumped into the economy as part of worldwide rescue measures, interest rates will inevitably remain at an exceptionally low level for longer than were previously expected. Although inflation is not expected in the short term, there is a risk that the various fiscal policy stimulation measures and the excessive overborrowing of many states might lead to inflationary tendencies in the long term. This situation has stimulated investor interest in first-

class real estate and Intershop were able to take advantage of this and disposed of two investment properties and part of a plot of land during the reporting period.

### Development projects progressing favourably

The progress on the various development projects was overall encouraging, even though the realisation times have been somewhat delayed due to the pandemic. On the «Gellertstrasse» promotional project in Basel, 27 of the 30 commonhold apartments under construction were sold as of the balance sheet date. The apartments are expected to be transferred at the beginning of the second quarter of 2021. After the sales start in April 2020, 76 of the 78 apartments on the «Römerstrasse» project in Baden have already been sold as at the balance sheet date. In Wädenswil, the private «AuPark» design plan became legally binding in July, enabling the building application to be submitted in November. In Oberwinterthur-Neuhägi, the work on the access road to the plot of land was completed and construction work on the assembly plant for Stadler Rail began in autumn. The work on Redingstrasse in Basel, where the two existing high-rise buildings are being significantly extended and renovated, also began according to schedule. Major delays were encountered on Rue de Lausanne in Geneva and completion is now expected during the current year.

### Subdued demand for long-term leases

The lockdown during the spring prompted many companies to increasingly allow work-from-home arrangements. The largely positive experiences are helping to establish home office as an inherent part of the working world of the future. As a result, a reduction in the demand for commercial space is to be expected. However, many companies have found that communication and creativity has suffered during long absences and, as a result, the amount of time spent in home office may remain limited. In addition, it can also be assumed that an increased demand for space will arise as companies seek to increase the sense of personal safety for their employees and maintain minimum distance requirements. It appears that the long-standing trend of continually reducing office space by condensing workplaces has come to an end. The extent to which the decrease in demand due to home office arrangements will outpace the additional demand for space for employees on-site in the long term remains to be seen.

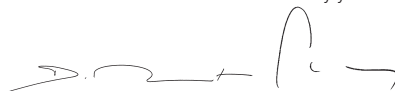
Intershop is confident that some of these suspended negotiations will be successfully finalised once the pandemic-related uncertainties have subsided. For the WTC in Lausanne, Intershop has now decided to start work on a sustainable renovation of the entire complex following the loss of a major tenant and to keep at least some of the freed space available for existing tenants, which is why higher vacancy rates can be expected there for two to three years.

### Outlook

The outlook for the current financial year is difficult because of the pandemic. If, as expected, the situation normalises thanks to the ongoing vaccinations during the first half of the year, Intershop expects a decrease in rental income in the mid-single-digit percentage range primarily due to the disposals in previous periods. The letting up of vacant spaces or spaces for which termination notices have been received, will remain an operational priority. Based on the aforementioned pre-sumptions, Intershop expects a decrease of the vacancy rate to around 10%. The sale of the apartments in the «Gellertstrasse» project will yield a profit in the region of ten million Swiss francs. The transaction market will continue to be closely monitored and attractive opportunities will be exploited in both acquisitions and disposals. The development of the market values of the properties and their impact on the 2021 annual accounts cannot be estimated at this point in time. Intershop continues to expect that its' multi-year average return on equity of at least 8% will be achieved.

### Thanks

We extend our deepest thanks to you, the shareholders, for the trust you have placed in us. We would also like to thank our customers and especially our employees, whose motivation and commitment provided for a favourable conclusion to an extraordinary year.



Dieter Marmet  
Chairman of the  
Board of Directors

Cyrill Schneuwly  
Chief Executive Officer

Zurich, 24 February 2021

## Consolidated balance sheet

(in CHF 1'000)

<b>Assets</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Current assets</b>		
Cash	33,471	17,155
Trade receivables	324	1,563
Other receivables	9,284	9,309
Investment properties held for disposal	0	14,209
Promotional properties	54,485	32,249
Accrued income and prepaid expenses	848	752
<b>Total current assets</b>	<b>98,412</b>	<b>75,237</b>
<b>Non-current assets</b>		
Investment properties	1,131,190	1,137,356
Development properties	147,649	128,954
Other equipment	309	348
Intangible assets	3	12
Deferred tax assets	161	147
Employer contribution reserves	596	938
<b>Total non-current assets</b>	<b>1,279,908</b>	<b>1,267,755</b>
<b>Total assets</b>	<b>1,378,320</b>	<b>1,342,992</b>
<b>Shareholders' equity and liabilities</b>		
<b>Current liabilities</b>		
Short term financial liabilities	156,000	80,850
Trade payables	31,127	11,146
Tax liabilities	18,222	6,527
Derivative financial instruments	1,175	0
Short term provisions	3,134	3,098
Accrued expenses and deferred income	24,316	23,019
<b>Total current liabilities</b>	<b>233,974</b>	<b>124,640</b>
<b>Non-current liabilities</b>		
Long term financial liabilities	309,094	423,136
Derivative financial instruments	9,298	12,273
Deferred tax liabilities	111,806	111,723
Long term provisions	3,516	5,074
<b>Total non-current liabilities</b>	<b>433,714</b>	<b>552,206</b>
<b>Total liabilities</b>	<b>667,688</b>	<b>676,846</b>
<b>Shareholders' equity</b>		
Share capital	19,000	19,000
Capital reserves	7,762	6,071
Retained earnings	683,870	641,075
<b>Total shareholders' equity</b>	<b>710,632</b>	<b>666,146</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,378,320</b>	<b>1,342,992</b>

## Consolidated income statement

(in CHF 1'000)

	2020	2019
Rental income	79,732	82,843
Net gains from property disposals	33,413	7,411
Other income	4,188	4,773
<b>Total operating income</b>	<b>117,333</b>	95,027
Property expense	9,290	8,907
Personnel expense	11,149	10,914
Administrative expense	2,642	2,933
<b>Total operating expense</b>	<b>23,081</b>	22,754
Changes in fair value of properties	13,371	16,631
<b>Operating result (EBIT)</b>	<b>107,623</b>	88,904
Financial income	78	95
Financial expense	–8,932	–9,924
<b>Profit before taxes</b>	<b>98,769</b>	79,075
Tax expense	–20,413	–8,067
<b>Net income</b>	<b>78,356</b>	71,008
<b>Earnings per share (CHF)</b>	<b>41.67</b>	37.33



## Contact

Registered office:  
Intershop Holding AG  
Puls 5, Giessereistrasse 18  
CH-8005 Zurich

Mail address:  
P.O. Box  
CH-8031 Zurich

Phone +41 44 544 10 00  
Fax +41 44 544 10 01  
info@intershop.ch  
www.intershop.ch

## Annual General Meeting 2021

Wednesday, 31 March 2021  
Puls 5, Giessereistrasse 18  
CH-8005 Zurich

## Reporting

Presentation of Annual Report	2 March 2021
Presentation of Half-Year Report 2021	24 August 2021

## Investment products

Registered share  
1.125% bond 2015–2023

## Security number

27'377'479  
27'577'643

## Ticker

ISN  
ISH15

## Tax value

CHF 615.00  
101.25

## Investor Relations

Cyrell Schneuwly  
Thomas Kaul

This Summary is a translation of the Summary of the Annual Report 2020 in German. Only the Annual Report 2020 in German which is available on [www.intershop.ch](http://www.intershop.ch) is legally binding.