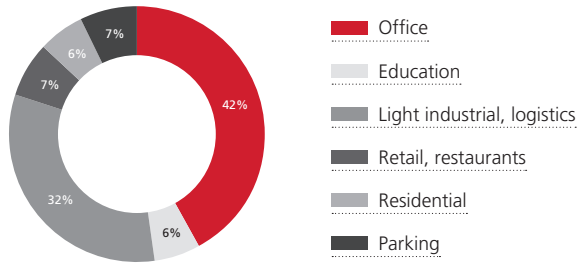


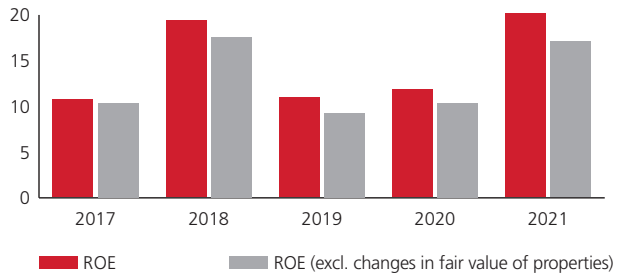
# Summary 2021



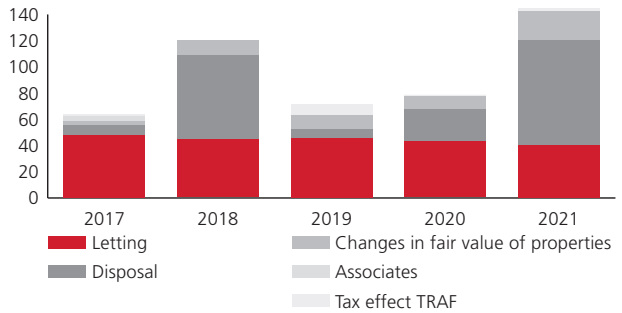
## Portfolio by use



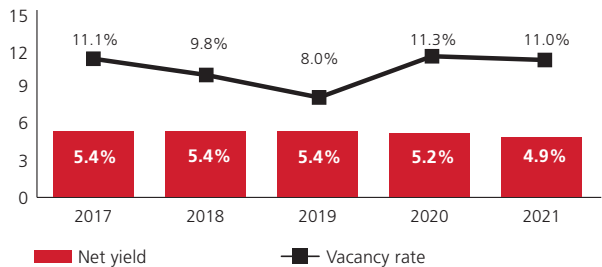
## Return on equity (in percent)



## Net income (in CHF m)



## Net yield and vacancy rate (in percent)



## Key figures Intershop Group

		2021	2020
<b>Financials</b>			
Net rental income	m CHF	66.8	70.4
Net gains from property disposal	m CHF	106.1	33.4
Changes in fair value of properties	m CHF	32.3	13.4
Operating result (EBIT)	m CHF	195.1	107.6
Earnings before taxes (EBT)	m CHF	187.3	98.8
Net income	m CHF	144.2	78.4
Cash flow from operations	m CHF	33.3	45.6
Investments in properties	m CHF	84.1	61.7
Total assets	m CHF	1,426.7	1,378.3
Total properties	m CHF	1,387.3	1,333.3
Financial liabilities	m CHF	428.9	465.1
Shareholders' equity	m CHF	809.7	710.6
Return on equity <sup>1)</sup>		20.1%	11.8%
Return on equity excluding changes in fair value of properties <sup>1)</sup>		17.0%	10.3%

## Portfolio

Number of investment properties		39	40
Number of development properties <sup>3)</sup>		12	12
Lettable area	in m <sup>2</sup>	513,253	544,440
Gross yield <sup>2) 4)</sup>		5.7%	6.0%
Net yield <sup>2) 5)</sup>		4.9%	5.2%
Vacancy rate <sup>2)</sup>		11.0%	11.3%

## Personnel

Number of employees		74	71
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## Share

Earnings per share <sup>6)</sup>	CHF	75.92	41.67
Earnings per share excluding changes in fair value of properties <sup>7)</sup>	CHF	64.22	36.44
Net asset value per share (NAV) <sup>8)</sup>	CHF	426.40	374.02
Share price at balance sheet date	CHF	612.00	615.00
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 2021, p 120

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 2021, p 120

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 2021, p 120

6) See «Earnings per share», Annual report 2021, p 84

7) After deducting changes in fair value of properties and associated deferred tax, see «Earnings per share», Annual report 2021, p 84

8) See «Net asset value per share», Annual report 2021, p 79

9) 2021: Proposal of the Board of Directors

## Letter to shareholders

Dear shareholders, business partners and employees

In a volatile environment, Intershop finished the fiscal year with an excellent result:

- The Group's net profit amounted to CHF 144.2 million or CHF 75.92 per share, which corresponds to a return on equity of 20.1%. The result is thus 84% above the previous year.
- Equity rose to CHF 810 million, or CHF 426 per share respectively.
- The net yield of the investment property portfolio amounted to an attractive 4.9%.
- The vacancy rate of the investment property portfolio fell slightly to 11.0%.
- The overall performance of Intershop shares reached 3.6%.
- The Board of Directors proposes an unchanged dividend of CHF 25 to the Annual General Meeting.

Intershop's activities centred on active and sustainable property management and the development of the group's real estate portfolio. In the process properties with added value potential will be acquired, but also fully developed, investor-ready properties will be sold. To offer customers the best possible projects and services, a large part of these services was provided by the company's own employees, be it property management, facility management or the planning, implementation and monitoring of development and construction projects.

### Business review

The year under review was again influenced by the corona pandemic following a further lockdown in the first quarter and increased restrictions again towards the end of the year. Since most of the measures in Switzerland were introduced with a sense of proportion compared to neighbouring countries, the economy developed positively. The real estate market was hardly adversely affected by this turbulence. On the contrary, due to the unchanged interest rate environment, the asset class «real estate» continued to enjoy great popularity among investors. Prices for core properties and residential properties in major cities continued to rise. Prices for development projects in attractive locations have meanwhile reached a level at which almost no risk premium can be identified. In this environment, Intershop has successfully completed the promotional project «Gellertstrasse» in Basel and sold the property on Hohlstrasse in Zurich as well as a smaller property in the Bernese Seeland for the purpose of portfolio streamlining. An exciting development project in Vernier was acquired.

Potential tenants continue to be reluctant to let office space. However, as the increase in supply also remained within narrow limits, there was no significant oversupply, which resulted in largely stable rents. In the other segments relevant to Intershop, the centrally located residential properties and commercial/industrial space, demand remained intact. After a peak of 11.8% in the middle of the year, the vacancy rate has returned to 11.0%. As in June, the ongoing renovation of residential properties were a major reason for the rather high rate. Excluding transactions (like-for-like), the vacancy reduction amounted to 0.2% in the year under review. Development projects proceeded largely according to plan, although there were individual delays due to supply bottlenecks.

As expected, real estate income was CHF 4.6 million or 5.8% below the previous year. Around CHF 2.6 million of the decline was attributable to the disposal of properties. Thanks to strict cost control, real estate expenses fell disproportionately to CHF 8.3 million. The gross, as well as the net yield of the investment property portfolio remained at a very attractive level of 5.7% and 4.9% respectively. The profit from disposals amounted to a high CHF 106 million, while the revaluation of the properties by KPMG resulted in a net valuation gain of 2.6% or CHF 32.3 million. The «AuPark» recorded a valuation gain of CHF 29 million, as it was no longer valued on a going concern basis due to the commencement of demolition works. On the other hand, the value of the Word Trade Center in Lausanne decreased by more than 10% due to the pending renovation projects.

The bottom line was a very pleasing net profit of CHF 144.2 million, resulting in a return on equity of 20.1%.

### Development projects proceeding according to plan

Progress in the ongoing developments was mostly pleasing. As mentioned, the promotional property project in Basel was successfully completed in the second quarter of 2021. The extension and refurbishment of the residential property Rue de Lausanne 42+44 in Geneva was also completed. The building is expected to be certified with the sustainability label «SNBS Gold». At the turn of the year, the new assembly plant in Winterthur-Neuhägi was handed over to the tenant. Unfortunately, the building permit for the «AuPark» development project in Wädenswil is still pending. However, the demolition of the existing buildings started last autumn. Work continues on Redingstrasse in Basel, where the existing two high-rise buildings are being sustainably renovated.

ted and extended. Construction is still scheduled for completion by the end of 2022. In Baden, some of the underground construction work has turned out to be more complex than expected, and there have been individual supply bottlenecks. The complete handover of all commonhold apartments, originally planned for this year, is no longer likely. Intershop assumes that about half of the apartments will not be handed over to the buyers until 2023.

The vacancy rate of the investment property portfolio is slightly below the previous year's value, despite a positive development for many properties. This is due to the ongoing renovation of the residential buildings in Basel, whose vacancy rate rose from 0.4% to 1.3% of the target rent of all investment properties. Excluding this property, the vacancy rate would have reduced to 10.1%. It is noteworthy that the comprehensively renovated development property in Pfäffikon SZ achieved an occupancy rate of around 75% within one year. The occupancy rate in the two residential properties in Geneva and Berne, whose renovation was largely completed in the reporting year, also developed positively.

### Board of Directors

Dieter Marmet will not stand for re-election at the forthcoming 59th Annual General Meeting. The Board of Directors would like to thank him for his many years of very successful commitment, which has contributed significantly to the sustainable success of the Group. The Board of Directors will propose Ernst Schaufelberger as his successor and Dr. Christoph Nater for election to the Board of Directors at the Annual General Meeting. The latter is a partner in a law firm and has expertise in construction and real estate law.

### Outlook

A forecast regarding the current business year is difficult due to the geopolitical uncertainties. In the absence of major upheavals, Intershop expects a slight growth in rents in the low single-digit percentage range, excluding the effects of any transactions. The rental income from the properties sold in 2021 should therefore be more than compensated for. Letting vacant or terminated space remains a primary operational focus. Based on the aforementioned premises, Intershop expects a slight decrease in the vacancy rate for the current investment property portfolio in the order of a good 10%.

Intershop expects to achieve a profit in the high single-digit million range from the sale of half of the flats in the Baden promotional project in 2022. A similar result

is expected once the second half of the flats are sold in 2023. The transaction market will continue to be closely monitored and attractive opportunities for both disposals and acquisitions will be seized. Intershop expects to receive the building permit for the «AuPark» in the current year. With this in mind, all strategic options are being currently examined. These range from a project disposal to the realisation of the development with subsequent (partial) sale.

Financing costs will again decrease slightly, despite the expected increase in debt financing. The dynamics of the fair market values of the properties and their influence on the 2022 financial statements cannot be reliably estimated at the present time. Intershop remains committed to its goal of achieving a return on equity of at least 8% on a multi-year average.

### Thanks

We would like to thank all our shareholders for the trust they have placed in us. We would also like to thank all our clients and, in particular, our employees, whose motivated efforts made this excellent result possible in the first place.



Dieter Marmet  
Chairman of the  
Board of Directors

Cyrill Schneuwly  
Chief Executive Officer

Zurich, 23 February 2022

## Consolidated balance sheet

(in CHF 1'000)

<b>Assets</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Current assets</b>		
Cash	31,701	33,471
Trade receivables	252	324
Other receivables	5,944	9,284
Promotional properties	45,068	54,485
Accrued income and prepaid expenses	966	848
<b>Total current assets</b>	<b>83,931</b>	<b>98,412</b>
<b>Non-current assets</b>		
Investment properties	1,153,767	1,131,190
Development properties	188,459	147,649
Other equipment	249	309
Intangible assets	0	3
Deferred tax assets	155	161
Employer contribution reserves	170	596
<b>Total non-current assets</b>	<b>1,342,800</b>	<b>1,279,908</b>
<b>Total assets</b>	<b>1,426,731</b>	<b>1,378,320</b>
<b>Shareholders' equity and liabilities</b>		
<b>Current liabilities</b>		
Short term financial liabilities	34,000	156,000
Trade payables	21,664	31,127
Tax liabilities	12,255	18,222
Derivative financial instruments	0	1,175
Short term provisions	1,335	3,134
Accrued expenses and deferred income	19,016	24,316
<b>Total current liabilities</b>	<b>88,270</b>	<b>233,974</b>
<b>Non-current liabilities</b>		
Long term financial liabilities	394,892	309,094
Derivative financial instruments	6,437	9,298
Deferred tax liabilities	124,655	111,806
Long term provisions	2,741	3,516
<b>Total non-current liabilities</b>	<b>528,725</b>	<b>433,714</b>
<b>Total liabilities</b>	<b>616,995</b>	<b>667,688</b>
<b>Shareholders' equity</b>		
Share capital	19,000	19,000
Capital reserves	7,757	7,762
Treasury shares	-631	0
Retained earnings	783,610	683,870
<b>Total shareholders' equity</b>	<b>809,736</b>	<b>710,632</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,426,731</b>	<b>1,378,320</b>

## Consolidated income statement

(in CHF 1'000)

	2021	2020
Rental income	75,128	79,732
Net gains from property disposals	106,082	33,413
Other income	4,250	4,188
<b>Total operating income</b>	<b>185,460</b>	117,333
Property expense	8,304	9,290
Personnel expense	11,746	11,149
Administrative expense	2,604	2,642
<b>Total operating expense</b>	<b>22,654</b>	23,081
Changes in fair value of properties	32,273	13,371
<b>Operating result (EBIT)</b>	<b>195,079</b>	107,623
Financial income	177	78
Financial expense	-7,966	-8,932
<b>Profit before taxes</b>	<b>187,290</b>	98,769
Tax expense	-43,053	-20,413
<b>Net income</b>	<b>144,237</b>	78,356
<b>Earnings per share (CHF)</b>	<b>75.92</b>	41.67

## Contact

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

## Annual General Meeting 2022

Thursday, 31 March 2022  
Cigarettenfabrik Eventhalle 268  
Sihlquai 268, CH-8005 Zurich

## Reporting

Presentation of Annual Report	1 March 2022
Presentation of Half-Year Report 2022	23 August 2022

## Investment products

Registered share  
1.125% bond 2015–2023  
0.3% green bond 2021–2026

## Security number

27'377'479  
27'577'643  
111'139'299

## Ticker

ISN  
ISH15  
ISH21

## Tax value

CHF 612.00  
101.48  
100.10

## Investor Relations

Cyrell Schneuwly  
Thomas Kaul

## Visualisation title

Nightnurse Images AG

This Summary is a translation of the Summary of the Annual Report 2021 in German. Only the Annual Report 2021 in German which is available on [www.intershop.ch](http://www.intershop.ch) is legally binding.