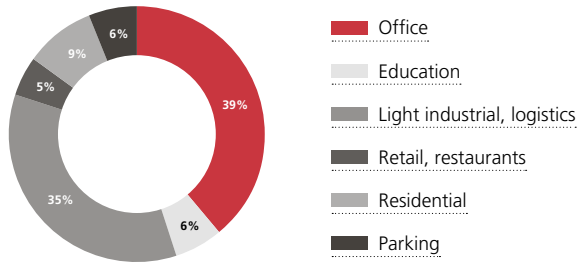


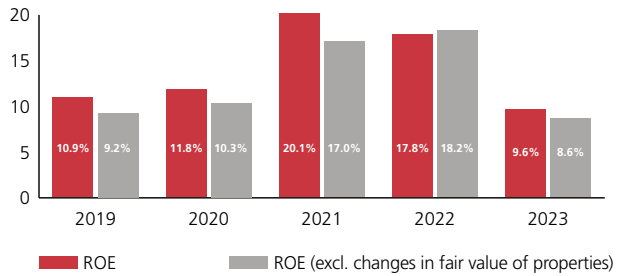
Summary 2023



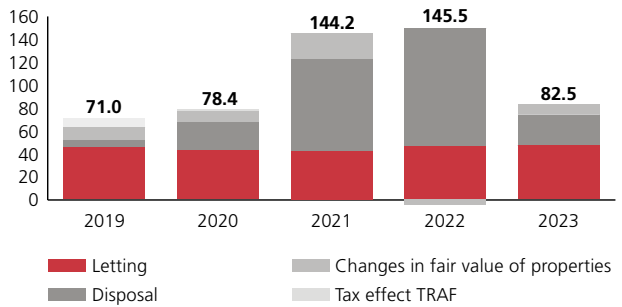
Portfolio by use



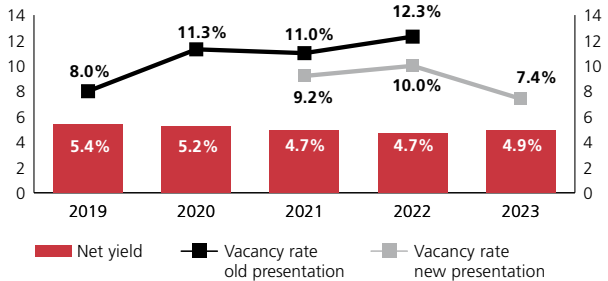
Return on equity (in percent)



Net income (in CHF m)



Net yield and vacancy rate of the investment property portfolio (in percent, as of 2021 new presentation)



Key figures Intershop Group

		2023	2022
Financials			
Net rental income	m CHF	71.8	68.3
Net gains from property disposal ³⁾	m CHF	31.6	133.2
Changes in fair value of properties	m CHF	12.0	-1.6
Operating result (EBIT)	m CHF	105.2	191.6
Earnings before taxes (EBT)	m CHF	99.2	185.6
Net income	m CHF	82.5	145.5
<hr/>			
Cash flow from operations	m CHF	81.2	4.9
Investments in properties	m CHF	77.1	83.6
<hr/>			
Total assets	m CHF	1,400.0	1,456.3
Total properties	m CHF	1,375.3	1,393.5
Financial liabilities	m CHF	381.3	394.9
Shareholders' equity	m CHF	867.3	878.8
Return on equity ¹⁾		9.6%	17.8%
Return on equity excluding changes in fair value of properties ¹⁾		8.6%	18.2%
<hr/>			
Portfolio			
Number of investment properties		27	29
Number of development properties ³⁾		16	20
Lettable area	in m ²	502,181	517,468
Gross yield ^{2) 4)}		5.6%	5.4%
Net yield ^{2) 5)}		4.9%	4.7%
Vacancy rate investment property portfolio		7.4%	10.0%
Vacancy rate development property portfolio		18.4%	20.2%
Vacancy rate total portfolio		10.7%	13.3%
<hr/>			
Personnel			
Number of employees		70	65
<hr/>			
Share			
Earnings per share ⁶⁾	CHF	44.76	78.18
Earnings per share excluding changes in fair value of properties ⁷⁾	CHF	39.99	80.19
Net asset value per share (NAV) ⁸⁾	CHF	470.47	476.70
Share price at balance sheet date	CHF	615.00	603.00
Dividend per share ⁹⁾	CHF	27.50	50.00

1) Based on the average shareholders' equity during the period, see «Alternative Performance Measures», Annual report 2023, p 138

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 2023, p 138

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 2023, p 138

6) See «Earnings per share», Annual report 2023, p 102

7) After deducting changes in fair value of properties and associated deferred tax, see «Earnings per share», Annual report 2023, p 102

8) See «Net asset value per share», Annual report 2023, p97

9) 2023: Proposal of the Board of Directors; 2022: Payment of an ordinary dividend of CHF 25 an a one-off extraordinary dividend of CHF 25 per share

Letter to shareholders

Dear shareholders, dear Ladies and Gentlemen

We are delighted to be able to send you this letter to shareholders on behalf of the Intershop Group. This is also the first time we are doing so on behalf of our new CEO, Simon Haus.

As Intershop, we achieved a good result in a challenging environment with volatile interest rates and above average inflation. We owe this to our great employees and loyal business partners as well as our proven corporate strategy.

The key figures for the 2023 financial year are shown below (the previous year's figures are shown in brackets):

- Net profit: CHF 82.5 million, CHF 44.76 per share (CHF 145.5 million, CHF 78.18 per share)
- Equity: CHF 867 million, CHF 470 per share (CHF 879 million, CHF 477 per share)
- Return on equity: 9.6% (17.8%)
- Net rental income: CHF 71.8 million (CHF 68.3 million)
- Vacancy rate for the investment property portfolio: 7.4% (10.0%)
- CO₂ emissions portfolio (Scope 1+2): 10.4 kg CO₂e/m² (11.7 kg CO₂e/m²)

Due to the pleasing net profit and the good equity base, the Board of Directors proposes to the Annual General Meeting an increase in the ordinary dividend of 10% from CHF 25.00 per share to CHF 27.50 per share.

Business review

Good annual result in a challenging market

As expected, Intershop's property income rose by 5.8% year-on-year to CHF 80.5 million in 2023. Inflation-related rent increases of CHF 1.0 million and the reduction in the vacancy rate from a total of 13.3% to 10.7%, which, in particular was attributable to a reduction in the vacancy rate of investment property portfolio from 10.0% to 7.4%, contributed significantly to this. Property expenses increased by 11.3% to CHF 8.7 million, primarily due to higher non-recoverable service charges.

The lower economic growth had no discernible impact on Intershop's SME tenant base during the year under review. There were no significant bankruptcies, no increase in outstanding receivables and no major terminations. Key lease extensions for Intershop were concluded with the Canton of Zurich in Puls 5, Zurich, and with Kistler Instrumente AG in the Oberwinterthur-Neuhegi industrial park. The VWALT, i.e. the weighted average remaining term of the fixed-term rental agreements, is 4 years. Both the gross and net yields of the investment property portfolio increased slightly to 5.6%

and 4.9% respectively, whilst yield on the development property portfolio was down on the previous year at 6.3% and 5.3% respectively.

In addition to the transfer of 60 commonhold apartments from the «Römerstrasse» promotional project in Baden, four commercial properties in Berne, Lyss, Grenchen and Rombach were sold during the year under review with a target rental income of CHF 2.1 million per year. The sale of these four properties and the reversal of provisions for warranties from previous sales resulted in net gains from property disposal of CHF 13.6 million (excluding promotional projects). In return, a small condominium unit was acquired in the «Sihlcenter» in Zurich.

The revaluation of the properties resulted in a slight increase in value of 0.9% or CHF 12.0 million. The increase in value is due, in particular, to the revaluation of the investment property on Redingstrasse in Basel due to letting successes following completion of the redevelopment works, as well as the «Mediacampus» development property in Zurich. Excluding these two increases, this would have resulted in a slight devaluation of 0.6%. At the end of the year under review, the portfolio comprised 43 properties with a lettable area of 502,000 m² and a market value of CHF 1,375.3 million.

Strong balance sheet

Financial liabilities decreased by 3.4% to CHF 381.3 million (CHF 394.9 million), while interest expenses remained stable at CHF 6.2 million. As at the balance sheet date, the Group's equity totalled CHF 867.3 million, down 1.3% on the previous year's figure of CHF 878.8 million. This corresponds to a continued high equity ratio of 62.0% and a pro rata equity per share (NAV) of CHF 470. The net profit of CHF 82.5 million resulted in a return on equity of 9.6%.

Development projects make progress

In the year under review a total of CHF 48.5 million was invested in the development portfolio. Construction work on the «Métiers Vernier» commercial property is progressing according to plan. Completion of the sustainably designed building with around 12,500 m² of flexible commercial space is scheduled for the first quarter of 2024. Rental contract negotiations with specific prospective tenants are underway. The extensive renovation of the former World Trade Centre in Lausanne, which has been operating under the new «Bloom» brand since November 2023, also began in summer 2023. The refurbishment work will last until 2025 and will be completed in stages. The «Römerstrasse» pro-

motional project in Baden was successfully completed with a total profit of CHF 20.3 million, of which CHF 16.7 million was attributable to the 2023 financial year.

Intershop expands sustainability efforts

Intershop is aware that properties cause high CO₂ emissions. Sustainability is therefore a central component of the strategy, and to avoid individual properties sharing the fate of so-called «stranded assets». The emissions intensity of the portfolio was reduced by 11.1% to a low level of 10.4 kg CO₂e/m² thanks to operational optimisation and the replacement of heating systems. Other milestones in the reporting year included the first participation in the Global Real Estate Sustainability Benchmark GRESB, the first limited assurance of selected sustainability indicators by PricewaterhouseCoopers AG and the expansion of the sustainability report to include climate risks.

Organisation

Board of Directors

Kurt Ritz will not be standing for re-election at the 61st Annual General Meeting. The Board of Directors would like to thank him for his many years of successful commitment. As his successor, the Board of Directors will propose Dr Gregor Bucher to the Annual General Meeting for election to the Board of Directors.

Personnel changes

The replacement of the Executive Board was successfully completed during the year under review. We would like to thank the former Executive Board for the smooth handover. Simon Haus took over as Chairman of the Executive Board at the end of August 2023. Mireille Lehmann, Head of Construction and Development, and Yannick Hartmann, Head of Real Estate, started as members of the Executive Board in their respective roles in January 2024. Both Mireille Lehmann and Yannick Hartmann can look back on successful careers at Intershop spanning several years and are very familiar with the corporate culture. With their appointment as members of the Executive Board, Intershop is creating continuity and ensuring targeted further development. Florian Balschun, designated Chief Financial Officer, accompanied the current CFO Thomas Kaul during the closing period and will take over the division on 1 April 2024. In addition to an outstanding track record in finance, Florian Balschun has extensive capital market experience and also has a strong affinity for digitalisation. We are certain that he will bring new impetus to the company.

Outlook

Asset management and property development require ever more comprehensive expertise due to the increasing complexity of property management, construction, and marketing. In addition to the high demands already placed on construction, an ever-widening circle of stakeholders, the growing importance of sustainability and the needs of customers must be intelligently integrated into the project planning process from the outset. With a well-positioned and motivated team in combination with a clear and stringent corporate strategy, Intershop believes it is very well positioned to use the challenges described as opportunities to realise value-added potential in terms of shareholder value.

After a seller-friendly cycle with numerous successful disposals, the focus in the current year, depending on the market environment, is primarily on acquisitions. In addition, disposals that promise a profit contribution will continue to be examined.

The further reduction of vacancies is also a high operational priority. Letting the «Bloom» in Lausanne and the «Métiers Vernier» project will be challenging. However, the first letting successes should materialise soon.

Thanks

We would like to thank all our shareholders for their loyalty and trust. We would also like to thank all our customers and especially our 70 employees, who have contributed to this good result with their tireless efforts.



Ernst Schaufelberger
Chairman of the Board
of Directors



Simon Haus
Chief Executive Officer

Zurich, 22 February 2024

Consolidated balance sheet

(in CHF 1'000)

Assets	31.12.2023	31.12.2022
Current assets		
Cash	17,301	52,729
Trade receivables	811	1,809
Other receivables	4,730	5,421
Properties for disposal	0	19,195
Promotional properties	3,070	50,426
Accrued income and prepaid expenses	1,470	1,192
Total current assets	27,382	130,772
Non-current assets		
Investment properties	1,016,667	991,118
Development properties	355,552	332,809
Other equipment	147	253
Derivate financial instruments	0	1,184
Deferred tax assets	239	203
Total non-current assets	1,372,605	1,325,567
Total assets	1,399,987	1,456,339
Shareholders' equity and liabilities		
Current liabilities		
Short term financial liabilities	86,400	100,012
Trade payables	4,539	24,381
Tax liabilities	5,758	10,760
Short term provisions	704	4,504
Accrued expenses and deferred income	13,355	17,616
Total current liabilities	110,756	157,273
Non-current liabilities		
Long term financial liabilities	294,911	294,875
Derivative financial instruments	1,081	0
Deferred tax liabilities	124,391	123,389
Long term provisions	1,534	1,997
Total non-current liabilities	421,917	420,261
Total liabilities	532,673	577,534
Shareholders' equity		
Share capital	19,000	19,000
Capital reserves	7,759	7,781
Treasury shares	-35,767	-35,789
Retained earnings	876,322	887,813
Total shareholders' equity	867,314	878,805
Total shareholders' equity and liabilities	1,399,987	1,456,339

Consolidated income statement

(in CHF 1'000)

	2023	2022
Rental income	80,465	76,069
Income from sale of promotional properties	73,612	21,836
Net gains from property disposals	13,605	129,376
Other income	4,370	5,469
Total operating income	172,052	232,750
Property expense	8,695	7,810
Expense for sale of promotional properties	55,601	18,046
Personnel expense	11,552	11,303
Administrative expense	3,028	2,359
Total operating expense	78,876	39,518
Changes in fair value of properties	11,997	-1,600
Operating result (EBIT)	105,173	191,632
Financial income	224	96
Financial expense	-6,169	-6,115
Profit before taxes	99,228	185,613
Tax expense	-16,724	-40,143
Net income	82,504	145,470
Earnings per share (CHF)	44.76	78.18

Contact

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Annual General Meeting 2024

Wednesday, 27 March 2024
Cigarettenfabrik Eventhalle 268
Sihlquai 268, CH-8005 Zurich

Reporting

Presentation of Annual Report	27 February 2024
Presentation of Half-Year Report 2024	27 August 2024

Investment products

Registered share
0.3% green bond 2021–2026

Security number

27'377'479
111'139'299

Ticker

ISN
ISH21

Tax value

CHF 615.00
96.05%

Investor Relations

Florian Balschun

This Summary is a translation of the Summary of the Annual Report 2023 in German. Only the Annual Report 2023 in German which is available on www.intershop.ch is legally binding.