

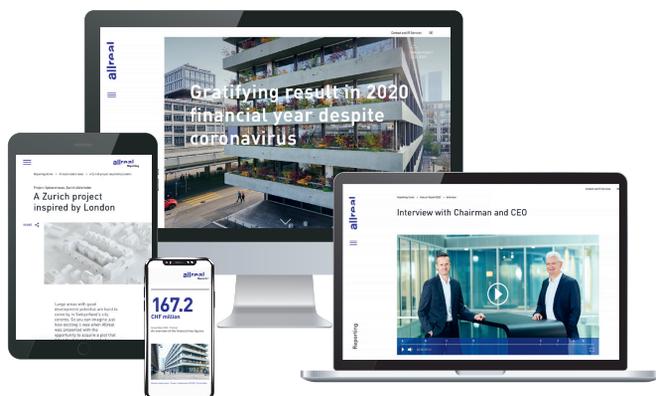
Value Update
2020 Annual Report

allreal

The value update provides a quick overview of the key developments at Allreal in the 2020 financial year. The interactive Annual Report with multimedia content, as well as the full Annual Report, can be downloaded at reporting.allreal.ch.

reporting.allreal.ch – available whenever and wherever you want with:

- video statements by
Ralph-Thomas Honegger, VRP,
and Roger Herzog, CEO
- 2020 in brief
- interactive data
- download centre



The reporting platform with multimedia content can be found at:
reporting.allreal.ch

Main information in brief

Net profit

(incl. revaluation effect)
in CHF million

167.4

As in the previous year,
net profit was impacted by
revaluation gains

Gratifying result

Allreal's net profit was
gratifying, despite the
challenges posed by the
coronavirus crisis.

Real Estate division

Rental income fell slightly
(by 1.3%) to CHF 200.4 million
compared with the previous
year. Waived rent payments
amounted to CHF 1.5 million
for the first lockdown period
in spring 2020.

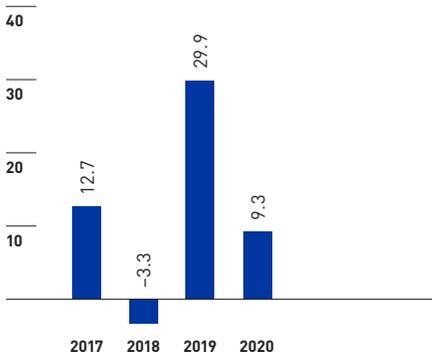
Rental income

in CHF million

200.4

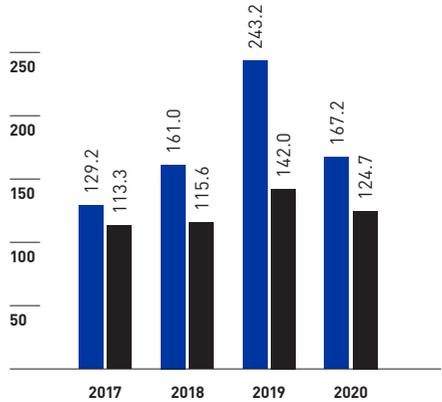
Rental income again stable

Overview of share performance
as a percentage



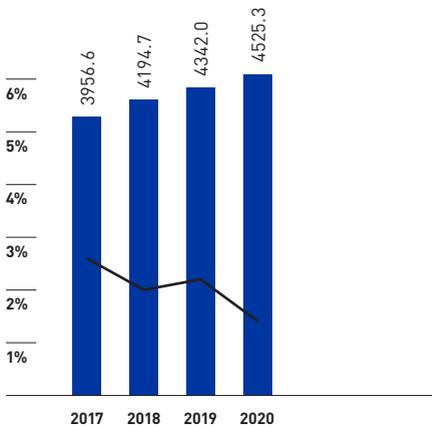
Overall performance: price change plus payout to shareholders as a percentage of the share price as of 1 January

Net profit
in CHF million



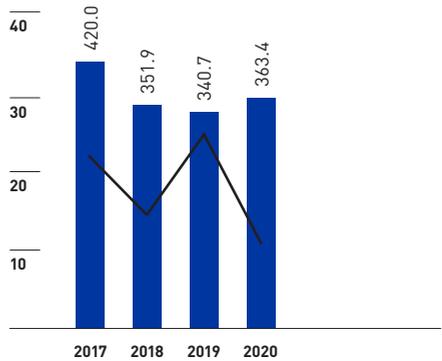
■ Net profit incl. revaluation effect
■ Net profit excl. revaluation effect

Market values and vacancy rate
in CHF million



■ Market value investment real estate
— Vacancy rate in %

Completed project volume and EBIT
Projects & Development division
in CHF million



■ Completed project volume Projects & Development division
— EBIT Projects & Development division

Key figures at a glance

Group	CHF million	2020* 31.12.2020	2019* 31.12.2019	Change in % ¹
Total sales ²		563.8	543.8	3.7
Operating profit (EBIT) incl. revaluation gains		225.3	329.8	-31.7
Net profit incl. revaluation effect ³		167.2	243.2	-31.3
Operating profit (EBIT) excl. revaluation gains		170.1	189.8	-10.4
Net profit excl. revaluation effect ³		124.7	142.0	-12.2
Cash flow		61.8	186.3	-66.8
Return on equity incl. revaluation effect ³	%	7.0	10.6	-3.6
Return on equity excl. revaluation effect ³	%	6.2	7.2	-1.0
Equity ratio on cut-off date	%	48.4	49.6	-1.2
Net gearing ⁴ on cut-off date	%	88.6	83.5	5.1
Average interest rate on financial liabilities on cut-off date	%	0.71	0.83	-0.12
Average duration of financial liability on cut-off date	months	49	56	-7
Sales Projects & Development division		363.4	340.7	6.7
Earnings from Projects & Development division ⁵		46.6	66.3	-29.7
Gross margin third-party projects Projects & Development division ⁶	%	12.0	13.3	-1.3
Employees on cut-off date	full-time equivalents	206	220	-14
Share				
Earnings per share incl. revaluation effect ³	CHF	10.52	15.30	-31.2
Earnings per share excl. revaluation effect ³	CHF	7.84	8.94	-12.3
Net asset value (NAV) per share before deferred tax on cut-off date	CHF	169.40	163.75	3.5
Net asset value (NAV) per share after deferred tax on cut-off date	CHF	151.75	148.00	2.5
Profit distribution per share ⁷	CHF	6.75	6.75	-
Share price on cut-off date	CHF	203.50	192.40	5.8
Dividend/Profit distribution yield ⁸	%	3.3	3.5	-0.2
Valuation on cut-off date				
	CHF million			
Market capitalisation ⁹		3 235.6	3 058.6	5.8
Enterprise value ¹⁰		5 374.1	5 022.7	7.0

* Should no further particulars be given, values referring to the income statement concern the full year and balance sheet value the cut-off dates 31.12.2020 and 31.12.2019. In 2020, the consolidated financial statements were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures were adjusted accordingly.

¹ Changes in number and percentage values are shown as an absolute difference

² Income from rental of investment real estate plus completed project volume in the Projects & Development division

³ Revaluation effects correspond to gains from the revaluation of investment real estate less deferred taxes on revaluation

⁴ Borrowings minus cash and marketable securities as a percentage of equity

⁵ Income from realisation Projects & Development, Sales Development, capitalised company-produced assets and various revenues minus direct expenses from realisation Projects & Development and Sales Development

⁶ Earnings from realisation Projects & Development as a percentage of income from realisation Projects & Development

⁷ Board of Directors proposal of CHF 6.75 per share for the 2020 financial year

⁸ Yield corresponds to the distribution per share as a percentage of the share price on the cut-off date

⁹ Share price at balance sheet date multiplied by the number of outstanding shares

¹⁰ Market capitalisation plus net finance debts

Gratifying result in 2020 financial year despite coronavirus

- Gratifying net operating profit
- Continued growth of portfolio value owing to consolidation and revaluation gains
- Increased volume of projects completed within the Projects & Development division despite challenging environment
- Annual financial reports prepared in accordance with Swiss GAAP FER for the first time
- Proposal for stable profit distribution of CHF 6.75 per share

Dear shareholders,

Allreal's net profit for the 2020 financial year was gratifying, despite the challenges posed by the coronavirus pandemic. The company's net profit including revaluation effect amounted to CHF 167.2 million (2019: CHF 243.2 million), with revaluation gains positively impacting the total as in the previous year. If revaluation gains are excluded, the company managed to record a decent net profit of CHF 124.7 million (2019: CHF 142.0 million). The decrease of 12.2 percent is largely down to the one-off effects of the sale of development properties in the previous year.

In response to the outbreak of the coronavirus pandemic and the subsequent officially prescribed regulations, Allreal was faced with numerous requests for deferral or waiver of rent payments. The company sought quick and uncomplicated individual solutions with tenants of office or commercial space who suddenly had run into payment difficulties. Allreal came to an agreement with every single tenant who was struggling during the lockdown in spring 2020, and waived rent payments to the amount of CHF 1.5 million.

Proposal for stable profit distribution

During the 2020 reporting period, Allreal's share held its ground impressively despite the high volatility on the stock markets, reaching new peaks in challenging market conditions. The share price on the cut-off date closed at CHF 203.50, which was 5.8 percent above the comparable value reported the previous year. The share thus clearly outperformed the sector. The increase in the share price and the dividend distribution of CHF 6.75 per share carried out in April 2020 resulted in a satisfying overall performance of 9.3 percent.

Based on the good result and the stable business development expected in the long term and considering the short-term uncertainty caused by the coronavirus pandemic, the Board of Directors will propose a profit distribution of CHF 6.75 per share – in line with the previous year – at the annual general meeting scheduled for 16 April 2021. This is composed of an ordinary dividend of CHF 3.50 per share and a distribution of CHF 3.25 per share from capital reserves, which is tax-free to Swiss private investors.

Impressive stability within the Real Estate division

During the second half of 2020, Allreal purchased an office building in Wetzikon ZH for around CHF 84 million, which started to fully contribute towards earnings in November 2020. In the previous year, full ownership of a residential property in Zurich Schwamendingen was also transferred to the company. With the addition of properties being completed from own development projects by the end of 2020, rental income is expected to increase. During the period under review, rental income amounted to CHF 200.4 million (2019: CHF 203.1 million).

The cumulative vacancy rate saw another considerable drop of 0.8 percentage points to 1.4 percent compared to the previous year, marking its lowest level that Allreal has ever achieved. This value reflects the robustness of the portfolio and the excellent performance in both portfolio and property management.

As expected, direct expenses for yield-producing properties in the period under review increased slightly to CHF 27.9 million, putting the expenditure rate at 13.9 percent. The net yield amounted to a gratifying 4.1 percent.

The overall value of the portfolio grew by CHF 55.2 million based on the low vacancy rate and stable rental income in the following years. The revaluation carried out by the external property valuer, as well as changes in the portfolio, resulted in the market value of the entire portfolio being increased by around 5.0 percent to CHF 4.53 billion.

Good results for the Projects & Development division

Earnings from the Projects & Development division amounted to CHF 46.6 million in the period under review (2019: CHF 66.3 million). The division benefited significantly from a positive one-off effect due to the partial sale of a development reserve in the 2019 financial year. The gross margin in third-party business fell slightly to 12.0 percent, as the volume of projects to be completed did not increase quite as much as expected, particularly during the second half of the year, due to the ongoing global situation.

The Projects & Development division reported operating profit (EBIT) of CHF 10.6 million (2019: CHF 25.5 million).

By working intensively on acquisition, the Development department managed to purchase a plot ideal for residential property development and realisation in Zurich Albisrieden representing an investment volume of around CHF 60 million.

The volume of projects completed by the Realisation department increased in the year under review to CHF 363.4 million. The secured order backlog as at the end of the year amounted to around CHF 741 million, corresponding to capacity utilisation for around 24 months.

Strong financial position

As at the cut-off date, financial liabilities had increased to CHF 2.18 billion, putting them up CHF 177.6 million on last year. The average interest rate for financial liabilities had decreased again to 0.71 percent by 31 December 2020, by which point the average fixed-interest period had decreased to 49 months (31.12.2019: 56 months).

The company had refinanced 55.9 percent of financial liabilities through the capital market by the cut-off date. The share of fixed-rate mortgages amounted to 26.1 percent and that of fixed advances to 18.0 percent.

Group equity rose to CHF 2.41 billion, corresponding to a net asset value (NAV) per share of CHF 169.40. Equity ratio on the cut-off date amounted to 48.4 percent and net gearing to 88.6 percent. Thanks to its debt capacity of almost CHF 1.5 billion, the company continues to enjoy a high level of entrepreneurial freedom and space for financial manoeuvre.

Positive outlook dependent on future of coronavirus crisis

With interest rates remaining low, the future is still looking bright for the Swiss property and construction market. The financial forecasts for the 2021 financial year suggest that Allreal will see increased returns on property for the Real Estate division and better results for the Projects & Development division. Despite those positive predictions, it is difficult to predict the impact of the pandemic.

Weighing up all of these risks and opportunities, Allreal is expecting a net operating profit of over CHF 125 million in the 2021 financial year.

The Board of Directors and Group Management would like to take this opportunity to thank all employees for their hard work and commitment during these extraordinary and challenging times. Allreal would also like to thank shareholders for their trust and support.

Ralph-Thomas Honegger
Chairman of the
Board of Directors

Roger Herzog
CEO



Interview with Ralph-Thomas Honegger and Roger Herzog

“Allreal builds value” is the company’s slogan. What value exactly has Allreal managed to build over the past year?

Ralph-Thomas Honegger We built value for the company by strategically expanding upon our property portfolio. We built value for our customers by working on a magnitude of successful projects. And, most importantly of all in my mind, we built value for our employees by moving into our new head office on Glattpark. This new office space boasts a modern infrastructure designed to make our workflows smooth and efficient. Last but not least, we built value for our shareholders, who can once again look forward to stable profit distribution at an impressively high level.

“We built value for our customers by working on a magnitude of successful projects.”

Ralph-Thomas Honegger

Many businesses saw their sales drop drastically or vanish altogether in the wake of the pandemic. One knock-on effect was that tenants were approaching landlords to ask for rent relief. How did Allreal handle these kinds of requests?

Roger Herzog It was a challenging year for Allreal, our employees and, of course, our customers. We aimed to liaise with our customers to work out the best solution as quickly as possible. It didn’t take us long to decide to waive two thirds of rent payments owed by commercial tenants

during the lockdown in spring 2020. This cost Allreal around CHF 1.5 million in total. But there was never any doubt in our mind that we wanted and needed to be there to support our customers. All in all, the situation put landlords under serious pressure to waste no time in coming up with flexible solutions tailored to customers’ needs. We are in a position to take this in our stride as a real estate company with its own Projects & Development division. Our business model really comes into its own here.

After a significant decline during the first six months of 2020, the economy really picked up in the second half of the year. And yet the construction and property sector seems to have passed its peak for the time being. How does that impact upon Allreal’s business model?

RTH Over the past year, we reviewed our strategy with three task forces composed of members of the Board of Directors and Group Management. The focus was on the business model, innovation and finances. On the basis of the results and subsequent in-depth discussion, the Board of Directors is confident that our strategy and business model together guarantee Allreal’s future success. We also strengthened and collated the core competencies covered by the Board of Directors. We introduced the Investment Committee as a third body alongside the Nomination and Compensation Committee and the Risk and Audit Committee. I must stress that I am very happy with the strategic process as a whole. And that includes teamwork on the Board of Directors but also, quite crucially,

collaboration between the Board of Directors and Group Management.

“I’m really happy with how the financial year panned out. It wasn’t easy for any of us. I’d like to take this opportunity to thank our employees, who all did a fantastic job.”

Roger Herzog

How does Allreal plan to operate on the market going forward?

RH We don’t need to make any drastic changes. As a real estate company with its own Projects & Development division, we cover the entire property value chain. We are convinced that we need to keep on adding to our portfolio. I have no doubt that there will be many opportunities for us to do that in future. We will be looking to grow by acquiring entire companies and portfolios as well as pushing forward with our own developments and transferring more projects from the Projects & Development division to our portfolio with a view to keeping our residential share at the target level of at least 20 percent. With our Projects & Development division focusing more on profitability and quality on top of all that, we will be able to keep our profits up going forward. I am also confident that we have carved out two attractive niches to make that possible, having chosen

to specialise in the fields of healthcare and logistics within the Projects & Development division.

Sustainability is an important area. Where does Allreal stand on it?

RTH As part of our strategic review, the Board of Directors asked Group Management to draft a sustainability strategy outlining clear targets relating to environmental, social and leadership responsibilities. We will be releasing information about our sustainability strategy later in the year. I can confirm now, though, that our vision is to play our part in achieving climate neutrality and adopt a proactive attitude towards taking the relevant steps.



The full interview
can be found at:

reporting.allreal.ch/en/interview

Both divisions contributed to the gratifying result in the 2020 financial year

Real Estate division

During the 2020 reporting period, rental income decreased slightly to CHF 200.4 million (2019: CHF 203.1 million), equating to a decline of 1.3 percent compared to the previous year. Waived rent payments of CHF 1.5 million during the first lockdown in spring 2020 had a major impact here.

The rental income can be broken down further by category as follows: office and services 60 percent, residential 20 percent, trade and warehousing 9 percent, parking 7 percent and retail 4 percent.

As at the end of 2020, the average term of limited rental agreements for commercial properties was 5.0 years. Only 10 percent of rental agreements are due to expire and be up for renewal within the next two years.

The high quality of the portfolio is reflected in the steady drop in the cumulative vacancy rate. With a record low of 1.5 percent already having been reported for the first half of 2020, the rate saw another slight drop to 1.4 percent.

Factoring in large refurbishment and renovation projects, property expenses amounted to CHF 27.9 million, putting them on a par with the previous year's figure (2019: CHF 27.6 million). The expenditure rate in terms of total rental income was 13.9 percent (2019: 13.6%). With the vacancy rate and earnings losses low and the property expenses steady, Allreal recorded a high net yield of 4.1 percent.

Of the market value of yield-producing properties as at 31 December 2020, the city of

Zurich represented 51.2 percent, the remaining canton of Zurich 36.3 percent and all the other regions in Switzerland 12.5 percent.

Within the Real Estate division, Allreal recorded a net profit excluding revaluation effect of CHF 118.6 million (2019: CHF 125.2 million).

Projects & Development division

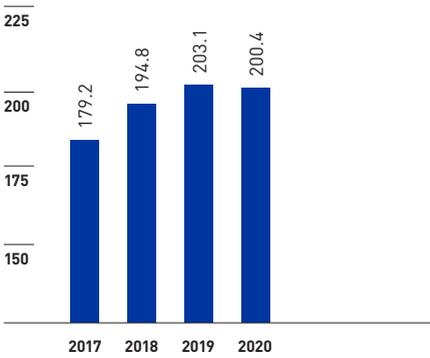
In 2020, Allreal recorded earnings from general contracting across its two departments, Development and Realisation, of CHF 46.6 million (2019: CHF 66.3 million). The division benefited significantly from the positive one-off effect of the partial sale of a development reserve in the previous year.

Earnings from realisation Projects & Development amounted to CHF 33.7 million (2019: CHF 35.8 million). The volume of projects completed increased slightly by 6.7 percent, taking the total to CHF 363.4 million. The gross margin in third-party business fell slightly to 12.0 percent. With sales of residential properties amounting to CHF 33.5 million during the period under review, gains from sales Development amounted to CHF 3.7 million.

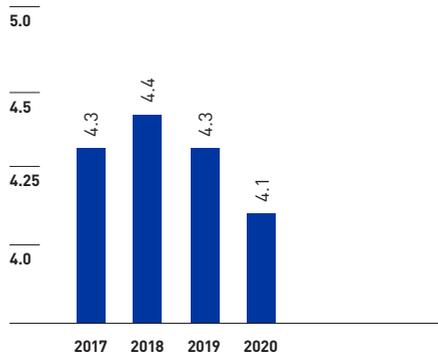
Operating expenses were down 10.1 percent on last year, amounting to CHF 43.4 million, with spending on staff and third-party rent seeing the biggest drop. This amounts to an operating profit (EBIT) of CHF 10.6 million (2019: CHF 25.5 million).

The Projects & Development division recorded a net profit excluding revaluation effect of CHF 7.8 million (2019: CHF 20.0 million).

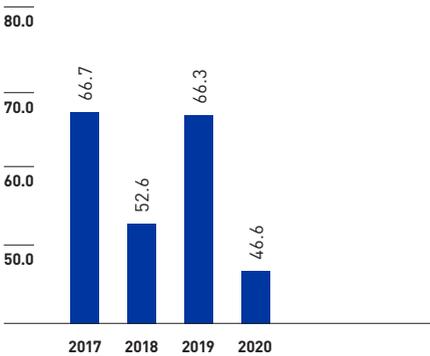
Income from yield-producing properties
in CHF million



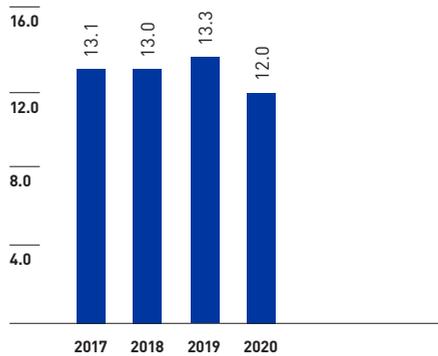
Net yield investment real estate
as a percentage



Earnings from Projects & Development division
in CHF million



Gross margin – third-party projects
as a percentage



Consolidated financial statements of Allreal Group

Consolidated financial statements

CHF million	2020	2019 restated ¹
Income from renting investment real estate	200.4	203.1
Income from realisation Projects & Development	280.4	270.0
Income from sales Development	33.5	57.8
Diverse income	2.1	0.9
Operating income	516.4	531.8
Direct expenses for rented investment real estate	-27.9	-27.6
Direct expenses from realisation Projects & Development	-246.7	-234.2
Direct expenses from sales Development	-29.8	-34.9
Direct operating expenses	-304.4	-296.7
Personnel expenses	-38.0	-40.0
Other operating expenses	-9.7	-12.9
Operating expenses	-47.7	-52.9
Capitalised company-produced assets	7.1	6.7
Earnings from sale of investment real estate	0.0	1.8
Higher valuation of yield-producing properties	63.0	183.8
Lower valuation of yield-producing properties	-37.2	-60.8
Higher valuation of investment real estate under construction	29.4	17.0
Lower valuation of investment real estate under construction	0.0	0.0
Earnings from revaluation of investment real estate	55.2	140.0
EBITDA	226.6	330.7
Depreciation other property, plant and equipment	-1.2	-0.8
Depreciation intangible assets	-0.1	-0.1
Operating profit (EBIT)	225.3	329.8
Financial income	2.0	1.4
Financial expenses	-17.6	-18.6
Earnings before tax	209.7	312.6
Tax expenses	-42.5	-69.4
Net profit	167.2	243.2
Earnings per share in CHF	10.52	15.31
Diluted earnings per share in CHF	10.52	15.30

¹ In 2020, the consolidated financial statements were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures were adjusted accordingly

Consolidated balance sheet

CHF million	2020	2019 restated ¹
Yield-producing properties	4 428.5	4 242.4
Investment real estate under construction	96.8	99.6
Other property, plant and equipment	10.4	1.5
Financial assets	108.2	118.8
Intangible assets	0.2	0.1
Deferred tax assets	15.0	19.5
Non-current assets	4 659.1	4 481.9
Development real estate	223.7	167.6
Trade receivables	62.4	52.8
Other receivables	2.5	3.3
Cash	40.5	37.3
Current assets	329.1	261.0
Assets	4 988.2	4 742.9
Share capital	15.9	15.9
Capital reserves	575.9	628.0
Treasury shares	-6.7	-7.1
Retained earnings	1 827.8	1 715.8
Equity	2 412.9	2 352.6
Long-term borrowings	1 587.6	1 598.4
Deferred tax liabilities	295.3	270.1
Long-term provisions	1.4	1.3
Long-term liabilities	1 884.3	1 869.8
Trade payables	68.9	75.5
Current tax liabilities	0.6	9.1
Other current liabilities	23.5	27.4
Provisions	6.6	5.5
Borrowings	591.4	403.0
Short-term liabilities	691.0	520.5
Liabilities	2 575.3	2 390.3
Equity and liabilities	4 988.2	4 742.9

¹ In 2020, the consolidated financial statements for 2020 were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures were adjusted accordingly





A splash of green

Hardstrasse 299/301

At the end of 2016, Allreal, the owner of the Escher-Wyss industrial area, conducted a study contract involving eight prestigious architecture firms for a new build to replace an old building located at Hardstrasse 299/301. The architects were asked to look into the concept of plants on the outside of the building and to report back on their findings at the tender stage. The architecture firm that eventually won the tender, Zurich-based Caruso St John Architects, incorporated this requirement as a fundamental feature of the design from the word go.

“Alongside the environmental considerations, we wanted to make sure that the greenery added character.”

Ferdinand Schmidt,
Architect at Caruso St John Architects AG, Zurich



The full report can be found at:
reporting.allreal.ch/en/hardstrasse



New head office

So much more than just a new address

After months of hard work on the plans and preparations, the Allreal Group moved into its new head office on Glattpark in Opfikon in the summer of 2020. The eight-floor office building – known as the Lightcube – is home to state-of-the-art workspaces with all mod cons across a total area spanning over 7,300 m².



[reporting.allreal.ch/
en/headoffice](https://reporting.allreal.ch/en/headoffice)



Understanding customers' needs

A focus on flexible solutions tailored to customers' needs

The outbreak of the COVID-19 pandemic resulted in sudden and serious economic upheaval for many businesses. Understanding tenants' specific needs is key to success in this current climate.



[reporting.allreal.ch/
en/whiteplaza](https://reporting.allreal.ch/en/whiteplaza)

Spiserstrasse project

A Zurich project inspired by London

Large areas with good development potential are hard to come by in Switzerland's city centres. So you can imagine just how exciting it was when Allreal was presented with the opportunity to acquire a plot that fitted the bill at the heart of Zurich's Albisrieden district.



[reporting.allreal.ch/
en/spiserstrasse](https://reporting.allreal.ch/en/spiserstrasse)

Sustainability

Allreal's way of thinking and working is defined by responsible business practice and sustainable management. The company is aware of, and assumes, its responsibility to the environment and society.

Environment

In terms of market value of yield-producing properties, Allreal is the third-largest listed property company in Switzerland. Across its two divisions – Real Estate and Projects & Development – the company is well aware of its environmental responsibilities. Sustainable construction, whether with high-quality construction materials or the use of renewable energy sources, seems to contradict the goal of cost-efficient construction – but only at first glance. The higher production costs are usually more than compensated for in the medium to long term by the lower operating expenses and longer life expectancy of the building.

Economy

Allreal covers the entire property value chain, from development and realisation to long-

term property investment including portfolio management, building management and property management. In all that it does, Allreal strives to achieve consistent qualitative growth, steady returns and a stable distribution yield for its shareholders aimed at dividend growth.

Society

Efficient, capable and motivated employees are especially important for successful long-term business activity. Allreal pays all employees – regardless of whether they are full-time or part-time – fair salaries which do not discriminate based on gender and are in line with the market, and provides above-average social and fringe benefits. At Allreal, workplace health and safety are the top priority.

Compliance

Allreal wants to be a fair and reliable partner in its relationships with stakeholders. As a total and general contractor, Allreal is responsible for compliance with minimum wage laws and the statutory working conditions offered by both contractors and all of their sub-contractors in the supply chain on its own sites. The Code of Conduct, which is binding, clearly defines the business conduct expected of employees and business partners.



More information on sustainability can be found at:
sustainability.allreal.ch

Strategy and business model

Allreal covers the entire property value chain, from development and realisation to long-term property investment including portfolio management, building management and property management.

In all that it does, Allreal strives to achieve consistent qualitative growth, steady returns and a stable distribution yield for its shareholders aimed at dividend growth.

The portfolio is developed organically and by means of acquisitions on a continuous basis. High quality standards are adhered to at all times. Allreal operates exclusively on the Swiss market.

The synergies between the two divisions Real Estate and Projects & Development are obvious. The Group develops and realises sustainable projects for its own portfolio and for sale to third parties. At the same time, Projects & Development also carries out orders for third parties. Allreal focuses on projects with calculable risks, realistic contract terms and intact profit expectations. With its selective participation in the third-party market, Allreal ensures that its Projects & Development division remains competitive.

In the Real Estate division, the company has considerable expertise thanks to its many years of experience in portfolio management and the technical and commercial management of its own yield-producing properties. The investments are located mainly in Switzerland's business centres, especially in the metropolitan area of Zurich. Residential properties account for at least 20 percent of total rental income.

The most important operating and financial targets are defined as follows:

Distribution yield – share of the Real Estate division's net profit (excl. revaluation effect)	<100%
Relative share performance – positive deviation from the SXI Real Estate Shares TR comparison index	>0
Share of residential segment in total rental earnings	>20%
Weighted average unexpired lease term (WAULT)	>48 Monate
Gross margin third-party projects Projects & Development division	>12%
Interest lock-in period for financial liabilities	>48 Monate
Return on equity excl. revaluation effect	>5%
Equity ratio	>35%
Net gearing (ratio of net financial debt and equity)	<150%
Interest coverage ratio	>2.0
Capital gearing on investment real estate and development real estate	<70%

Allreal has many years of experience in the holistic assessment of properties and offers customers tailored solutions covering everything from development and realisation to the operation of a property. Since the company is active neither in the construction industry nor in the ancillary building trade and holds no such investments, independence and transparency in terms of contract awarding are assured.

Real Estate division

The Real Estate division secures stable added value over the long term with its active management and focus on a high-quality portfolio. Portfolio growth is primarily driven by own projects, but the acquisition of individual properties or whole real estate portfolios is also considered. Acquisitions are optimised for yield and, depending on the objective and the market situation, are either kept or sold. The focus is on a high level of customer benefit combined with an increase in profitability with the lowest possible vacancy rates.

Projects & Development division

The Projects & Development division provides services in the development and realisation of real estate. In doing so, Allreal focuses on quality, adherence to deadlines and cost control. The division's offering comprises all services necessary for delivering fair market returns and optimal added value on new buildings and building conversions and renovations. The Development department acquires development reserves or properties with upside potential. In these spaces, Allreal plans new properties using a holistic approach and realises them in such a way that economic, environmental and social aspects are taken into account as comprehensively as possible. Further activities include the sale of residential property developed and realised in-house by Allreal.

Real Estate

Portfolio Management
 Building Management
 Real Estate Management

Experience
 Value creation
 Expertise

Projects & Development

Development
 Realisation

Allreal Group

Organisation

Board of Directors

Ralph-Thomas Honegger Chairman, member since 2012	Andrea Sieber Vice Chairwoman, member since 2016	Olivier Steimer Member since 2013	Peter Spuhler Member since 2013
Thomas Stenz Member since 2016	Philipp Gmür Member since 2019	Jürg Stöckli Member since 2019	

Allreal Group

Roger Herzog*

Finance & Controlling Thomas Wapp*	Sales/Contracting Peter Pantucek	Internal Owner Organisation Angelo Moser	Communications Reto Aregger	Human Resources Barbara Tomezzoli
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Real Estate
Alain Paratte*

Projects & Development
Roger Herzog

Portfolio Management
Alain Paratte*

Real Estate Management
Claudine Engeli

Building Management
Mathias Knellwolf

Development
Stefan Dambacher*

Realisation
Simon Räbsamen*

* Member of Group Management

Statutory auditors
Ernst & Young AG, Zurich

External real estate valuer
Jones Lang LaSalle AG, Zurich

Information for investors and analysts

Details of the share and distribution to shareholders

In the 2020 financial year, an overall performance of 9.3 percent was achieved with the Allreal share, based on the market price at 31 December 2019. This performance comprises the increase in the share price (5.8%) and the distribution to shareholders (3.5%).

In the last three years, investors obtained an annualised overall performance of -3.3 percent (2018), 29.9 percent (2019) and 9.3 percent (2020) with the Allreal share, corresponding to an average constant return of 12.4 percent per year.

On 31 December 2020, market capitalisation amounted to CHF 3,235.6 million. As at the balance sheet date, consolidated equity

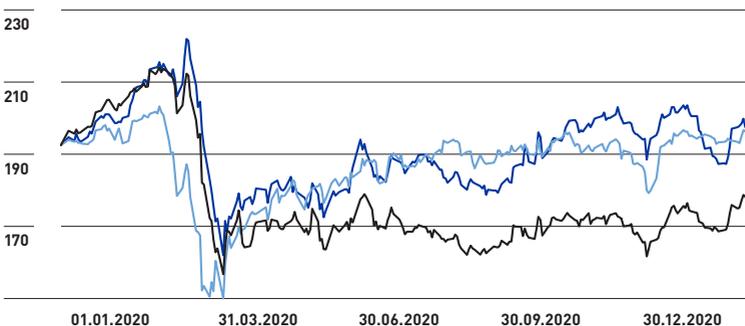
came to CHF 2,412.9 million, resulting in a premium (difference between the market price and equity per share) of 34.1 percent (31.12.2019: 30.0%).

The Board of Directors will propose to the annual general meeting of 16 April 2021 an unchanged distribution of CHF 6.75 per share in the form of an ordinary dividend of CHF 3.50 per share plus repayment of reserves from contribution of capital amounting to CHF 3.25 per share.

The distribution amounts to 90.7 percent of the Real Estate division's net profit excluding revaluation effect, corresponding to a cash yield of 3.3 percent based on the closing price of the share on 31 December 2020.

Share price (indexed)

January 2020 to December 2020



— Allreal — SPI — SXI Swiss Real Estate Shares

Multi-year overview

Key financial figures (in CHF million)	2020	2019	2018	2017	2016
Earnings from rental and sale of investment real estate	172.5	177.3	172.2	154.6	154.5
Earnings from Projects & Development division	46.6	66.3	52.6	66.7	84.0
Completed project volume Projects & Development division	363.4	340.7	351.9	420.0	493.7
Net profit incl. revaluation effect	167.2	243.2	161.0	129.2	173.6
Net profit excl. revaluation effect	124.7	142.0	115.6	113.3	112.2
Net yield investment real estate (%)	4.1	4.3	4.4	4.3	4.4
Gross margin third-party projects Projects & Development division (%)	12.0	13.3	13.0	13.1	10.3
Average interest rate on financial liabilities (%)	0.71	0.83	1.48	1.53	1.67
Average remaining term of financial liabilities (months)	49	56	52	49	36
Return on equity incl. revaluation effect (%)	7.0	10.6	7.3	6.0	8.5
Return on equity excl. revaluation effect (%)	6.2	7.2	5.9	5.9	5.9
Share of equity on 31 December (%)	48.4	49.6	48.1	49.3	52.3
Market capitalisation on 31 December	3 235.6	3 058.6	2 432.1	2 622.5	2 410.3
Share	2020	2019	2018	2017	2016
Earnings per share excl. revaluation effect	7.84	8.94	7.28	7.11	7.04
Payout per share	6.75 ¹	6.75	6.50	6.25	5.75
Net asset value (NAV) per share after deferred taxes on 31 December	151.75	148.00	139.65	135.20	131.00
Market price high	223.50	197.70	168.10	187.80	152.10
Market price low	159.80	155.90	149.50	146.80	128.20
Market price on 31 December	203.50	192.40	153.10	164.80	151.30
Cash yield payout (%)	3.3	3.5	4.2	3.8	3.8

¹ Proposal of the Board of Directors to the annual general meeting of 16 April 2021 in the form of an ordinary dividend of CHF 3.50 per share plus repayment of reserves from contribution of capital amounting to CHF 3.25 per share

Organisation and schedule

Contacts

Roger Herzog

CEO

T 044 319 12 04

roger.herzog@allreal.ch

Thomas Wapp

CFO

T 044 319 14 88

thomas.wapp@allreal.ch

Reto Aregger

Chief Communications

Officer

T 044 319 12 67

reto.aregger@allreal.ch

Schedule

Annual general meeting 2021
16 April 2021, 4 p.m.

Half-year results 2021
25 August 2021

Annual results 2021
23 February 2022

Annual general meeting 2022
8 April 2022

Half-year results 2022
24 August 2022

Share register

Responsibility for address changes and other changes in the share register lies with:

areg.ch ag
Fabrikstrasse 10
CH-4614 Hägendorf
T 062 209 16 60
F 062 209 16 69
info@areg.ch
www.areg.ch

Publisher

Allreal Holding AG
Grabenstrasse 25,
CH-6340 Baar
T +41 41 711 33 03
www.allreal.ch

Text and editorial office

Allreal Corporate
Communications
Lindbergh-Allee 1,
CH-8152 Glattpark

Concept, design and realisation (online and print)

Linkgroup AG, CH-8008 Zürich
www.linkgroup.ch

allreal
builds value