

PATRIMONIUM URBAN OPPORTUNITY LTD

Semi-Annual Report 2024

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COMPANY

Board of Directors

Daniel Heine – President of the Board of Directors

Christoph Syz – Delegate of the Board of Directors

Ulrich Burkhard – Member of the Board of Directors

Arne Kirchner – Member of the Board of Directors

Nicolas Leuba – Member of the Board of Directors

Headquarters

Patrimonium Urban Opportunity Ltd
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CH – 1023 Crissier

Management

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KEY FIGURES

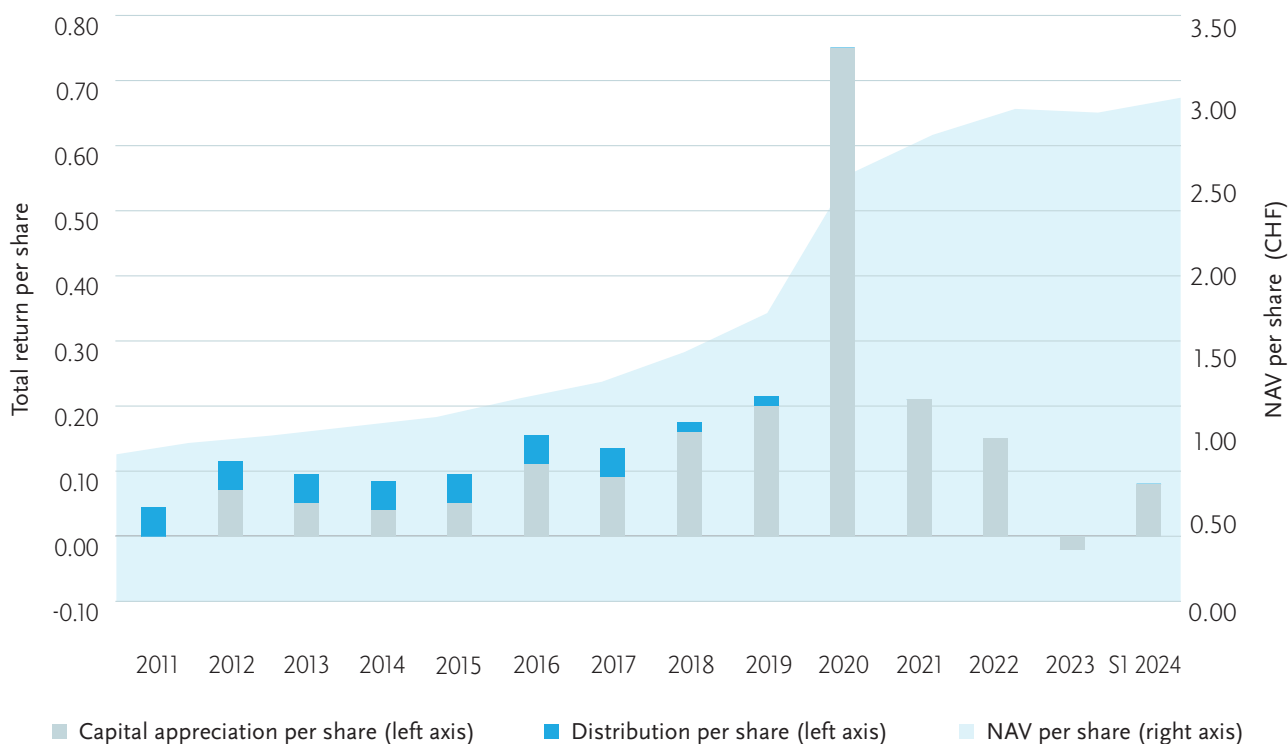
Investment Properties CHF 260.6 M	Number of Properties 11	Rental Area 93'733
NAV CHF 2.94	Debt Ratio 48.26%	WAULT 5.71 years

CHF	HY 2024	% CHANGE	HY 2023*
OPERATING INCOME	6'527'238	+7.1%	6'094'387
PROPERTY EXPENSES	1'710'758	-11.4%	1'931'128
NET OPERATING INCOME (NOI)	4'816'480	+15.7%	4'163'258
OTHER EXPENSES	1'373'795	+30.9%	1'049'892
OPERATING RESULT BEFORE REVALUATION	3'418'659	+9.8%	3'113'366
RESULT FROM REVALUATION	1'773'127	-46.7%	3'325'114
PROFIT FOR THE PERIOD	3'152'648	-19.8%	3'932'628
NAV PER SHARE	2.94	-1.3%	2.98

*For a better comparison, we reclassified in other operating income an amount of 104 KCHF as of June 30, 2023, corresponding to the flat-rate payment of tenant charges. Previously, this income was offset against energy / water costs.

TRACK RECORD – NAV

EVOLUTION SINCE FOUNDATION



The compounded total annual return since inception (2010 – S1 2024) amounts to 9.02%.

MANAGEMENT REPORT

The first half of 2024 has been rewarding for Patrimonium Urban Opportunity Ltd. ("PATURBO" or the "Company"). PATURBO improved its operating profit before revaluation and made gains on properties' revaluation, following recent interest rate cuts. Furthermore, the company successfully completed the construction of a new office building in Bussigny and made significant progress on ongoing development projects.

This report highlights the company's market performance, portfolio management, financial results, and outlines the company's strategy.

Market overview

The Swiss commercial real estate market has remained stable, with continued demand in key segments such as office spaces in major cities, logistic and industrial surfaces. In some segments, particularly retail, retailers are facing increased competition from e-commerce. Vacancy rates can be high depending on the location, in particular office spaces outside prime locations. This is partly due to changing consumer behaviors and the shift towards remote work. Although the Swiss economy is robust, global economic uncertainties, including inflation and interest rates, remain. All in all, in view of the expected interest rate cuts and robust demand for surfaces, prospects for Swiss commercial real estate are favorable.

Evolution of the company's operations

The portfolio currently consists of 11 properties and a land plot. Patrimonium Urban Opportunity Ltd. was able to further expand its asset base with the realisation of an additional office building on a vacant and unused land plot already in possession of the company. The construction of the office building at Chemin de Mochettaz 7 in Bussigny was completed this spring. Delivery took place in May 2024.

Investments of CHF 4.0 million were made in the reporting period. The majority was invested in the new construction in Bussigny, Chemin de Mochettaz 7 (CHF 2.9 million). The rest consisted of capital expenditures in the existing portfolio (CHF 0.4 million in La Voie-Creuse, Geneva and CHF 0.2 million in Reinach). In addition, CHF 0.5 million were invested for an upcoming development project in Bussigny, En Rente.

Moreover, the properties of Meyrin, Opfikon, Plan-les-Ouates, Urdorf and Bussigny En Rente were re-evaluated and benefited from a revaluation gain of CHF 1.8 million.

At the end of the period under review, investment properties increased to CHF 260.6 million (31.12.2023 254.8 million).

Based on market values at the end of the first half, the allocation structure is as follows: office properties represent 54% of the portfolio, industrial properties 27% and retail properties 19%.

The weighted average unexpired lease term (WAULT) decreased to 5.71 years at the end of June 2024 (30.06.2023: 6.69 years). The WAULT for the 10 main tenants decreased to 5.79 years (30.06.2023: 7.32 years). The 10 major tenants contribute 58% of total income.

Vacancy rate of the portfolio increased to 10.06%, up from 7.54% as of 30.06.2023. This increase is primarily explained by the delivery of

the new built property in Bussigny, Mochettaz 7, even though 2'068 m² are already let (occupancy rate of 62%). A letting agency has been mandated to market the remaining surfaces. Discussions are ongoing with several potential tenants. In the rest of the portfolio, a number of vacant areas were re-let during the first half of the year, with signed leases for 1'885 m² in Crissier and 650 m² in Reinach. The recently acquired property in Reinach was completely vacant at the time of the acquisition. Due to a continuous letting effort, the property has an occupancy rate of 51.1%.

Property acquisitions and disposals

There were no acquisitions or disposals during the reporting period.

New construction

Bussigny - Chemin de Mochettaz 7

This prime office building next to Bussigny rail station was designed by the renowned architect Gabriele Rossi from Archilab Ltd. The building was constructed by a local total contractor. Costs and deadlines were met and the property has been successfully delivered in May 2024. The property comprises 4 floors and a basement totaling a projected rental area of 3'327 m² and 47 parking spaces. 62% of the surfaces are already rented out to two anchor tenants with long standing contracts (10 years+). Ongoing letting activities with an agency are in progress. The building has a low ecological footprint. The Swiss wood construction serves as a natural CO₂-accumulator, contributing to a positive climatic balance within the building. The structure is a vault of grey energy and stores over 600 tons of carbon dioxide. Additionally, it incorporates various eco-friendly elements, including a Canadian heat exchanger, 215 kW photovoltaic panels connected to a smart grid, heat pumps with 80 kW active cooling capacity and building automation featuring geo-cooling via water storage tanks and rainwater harvesting systems. Electricity production is largely positive: photovoltaic panels produce more electricity than the building consumes. Furthermore, the design fosters social interaction and community by incorporating spacious interior courtyards and terraces. All in all, the challenge of constructing a building meeting the highest ecological standards but at the same time offering affordable, market rents, was successfully completed.

Renovations

Reinach

The building acquired last year undergoes several refurbishments to unlock its full potential and allow a multi-tenant use. To welcome the various tenants the surfaces are divided and refreshed. Improvements of the heating system, the fire protection system and the loading dock were made. The property comprises three separate buildings, among them a restaurant. Following fire destruction of the former restaurant, several options for developing a state-of-the-art warehouse are currently being studied.

Geneva - La Voie-Creuse 16

Following the retirement of the building's caretaker, the caretaker's old flat has been completely renovated and relet at market conditions. Part of the first floor has been brought up to fire standards, with fire doors and an emergency exit. In the basement, 16 cellars have been created in the former, unused salt reserve depot to generate additional rental revenues.

Development projects

Bussigny, en Rente

Preliminary studies are realized for the development of the plots around the main building in Bussigny, Chemin de la Rente. The current area plan allows further constructions for more than 30'000 m². These construction reserves will be realised in various phases. The first phase of construction could begin as early as the first half of 2025.

Urdorf, Bergermoosstrasse

On the plot 5033, at the Bergermoosstrasse in Urdorf, preliminary studies were undertaken with the goal to develop a new area plan and unlock the constructible potential in the near future. The use will remain as of today industrial. The area plan will allow a further densification of the zone. The plot benefits from an excellent visibility and connectivity to the highway. A first draft of the future area plan was submitted to the authorities and is expected to enter into force in the 2nd Semester 2025.

Glattbrugg, Thurgauerstrasse 101/103

The building permit has expired in March 2024. In spite of long negotiations with the current tenant, no agreement could be reached to vacate the plot and make it available for the construction project. Therefore the building project is on hold until the expiration of the tenant's lease contract.

Financing and shareholder's equity

On the 30st of June 2024, bank loans amounted to CHF 127.9 million (31.12.2023: CHF 126.1 million). The debt ratio decreased to 48.26% (31.12.2023: 48.73%), due to positive revaluation and continuous debt amortisation. The weighted average interest rate fell slightly to 2.09% per 30 June 2024 (31.12.2023: 2.19%), due to the decrease of the SARON rates. The average maturity of debt decreased to 2.96 years.

Patrimonium Urban Opportunity Ltd's share capital is set at CHF 38'101'266 per 30.6.2024 (no change compared to 31.12.2023). The net asset value (NAV) of PATURBO per 30.06.2024 is CHF 111'710'052 (31.12.2023: CHF 108'557'404), giving a NAV per share of CHF 2.94 (31.12.23: CHF 2.85).

Evolution of rental income and expenses

During the first semester 2024, the company generated an operating result before revaluation of CHF 3.4 million, up 9.8% compared to the first semester 2023 (CHF 3.1 million). Operating income reached CHF 6.5 million (1st semester 2023: CHF 6.1 million). This increase is mainly due to the re-letting of rental areas in Reinach and in the building in Mochettaz 7, Bussigny.

The property expenses decreased to CHF 1.7 million (30.06.23: CHF 1.9 million) due to a successful decrease of the maintenance costs. In summary, the net operating income increased by 15.7% to 4.8 million. Other operating expenses increased to CHF 1.4 million (30.06.23: CHF 1.1 million). This increase is mainly due to an increase of the bad debt provision. The situation of some debtors deteriorated compared with last year, particularly with one commercial tenant in the Voie-Creuse building, who has several months in arrears with his rent payments. A recovery procedure has been initiated with the tenant. Two tenants in the Arc-en-Ciel building and one in the Reinach building are under insolvency procedures.

Operating result for the period under review reached CHF 5.2 million (30.06.2023: CHF 6.4 million). Revaluation of investment properties reached CHF 1.8 million, mainly due to a positive revaluation of Bussigny en Rente 24/26. These positive revaluations are lower than last year's (30.06.2023: CHF 3.3 million), as the revaluations of properties in 2023 were marked by an acquisition gain of the Reinach property and the capital gain on the Mochettaz 7 project in Bussigny.

Net income (profit for the period) for the 1st semester 2024 reached CHF 3.2 million (30.06.2023: CHF 3.9 million). Financial expenses were higher than last year due to the rise in the weighted average interest rate and the increase in average bank loans over the 12-month period (+ CHF 11.6 million). Income tax expense were lower than last year.

Evolution of market value

Half of the properties of the portfolio have been evaluated as per 30.06.2024 by the independent appraiser Wüest Partner Ltd. To smooth the effect of the revaluation over the year, the other half of the portfolio will be evaluated as per 31.12.2024. In previous years, all the properties were evaluated at the same time, at the end of the fiscal year. The discount rates used in the appraiser's valuations as per 30.06.2024 for the investment properties range from 3.2% to 3.6% (2023: 3.2% to 3.8%) in real terms. This resulted in a revaluation gain of CHF 1.8 million. The properties were evaluated on a going-concern basis. No development potential has been considered in the valuations.

The total value of the properties as per 30 June 2024 sums up to CHF 260.6 million, an increase of CHF 5.8 million compared to 31 December 2023 (CHF 254.8 million). The change in value relates to the activations of renovation and construction costs for CHF 4.0 million, mainly the new construction in Mochettaz 7, Bussigny and revaluations of properties for CHF 1.8 million.

Outlook & strategy

For the future, we remain optimistic about the Swiss real estate market, particularly the commercial sector. Economic indicators point to ongoing stability and growth potential. Our strategy for the second half of 2024 includes optimizing our portfolio and maintaining a strong emphasis on tenant satisfaction and retention. Additionally, the management team will continue its efforts to lease out the remaining vacant spaces, primarily in Bussigny, Crisser and Reinach. Furthermore, we will persist in exploring the potential of our portfolio by advancing ongoing development projects.

In summary, the first half of 2024 has been a successful period for Patrimonium Urban Opportunity Ltd. Our prudent investment choices, active asset management, and robust risk management strategies have contributed to our continued growth and success. As we move forward, we will continue to capitalize on market opportunities, deliver value to our investors, and uphold our commitment to responsible and sustainable real estate investment practices.

We extend our sincere thanks to our investors, partners, and stakeholders for their ongoing support. We look forward to delivering strong results in the second half of 2024.

Sincerely,



Christoph Syz,
Board Delegate



Hanspeter Berchtold,
CIO Real Estate

PORTFOLIO

Patrimonium Urban Opportunity Ltd. owns real estate properties in very well interconnected urban areas with high potential for development. The properties are located in 4 urban areas: Geneva, Lausanne, Basel and Zürich. These target regions benefit from attractive economic conditions, which give the necessary tailwind for a long-term sustainable development of the portfolio.

Thanks to their excellent accessibility, the plots will take advantage from the attractive long-term positioning. Patrimonium Urban Opportunity AG pursues a policy of opportunistic growth. The buildings are leased to various tenants on mid to long-term leases.



PLAN-LES-OUATES (GE)
St-Julien 180



MEYRIN (GE)
Mategnin 5



GENEVA (GE)
Voie-Creuse 16



CRISSIER (VD)
Arc-en-Ciel 9



BUSSIGNY (VD)
Chaux 3



BUSSIGNY (VD)
Chaux 5



BUSSIGNY (VD)
Rente 24/26



BUSSIGNY (VD)
Chemin de Mochettaz 7



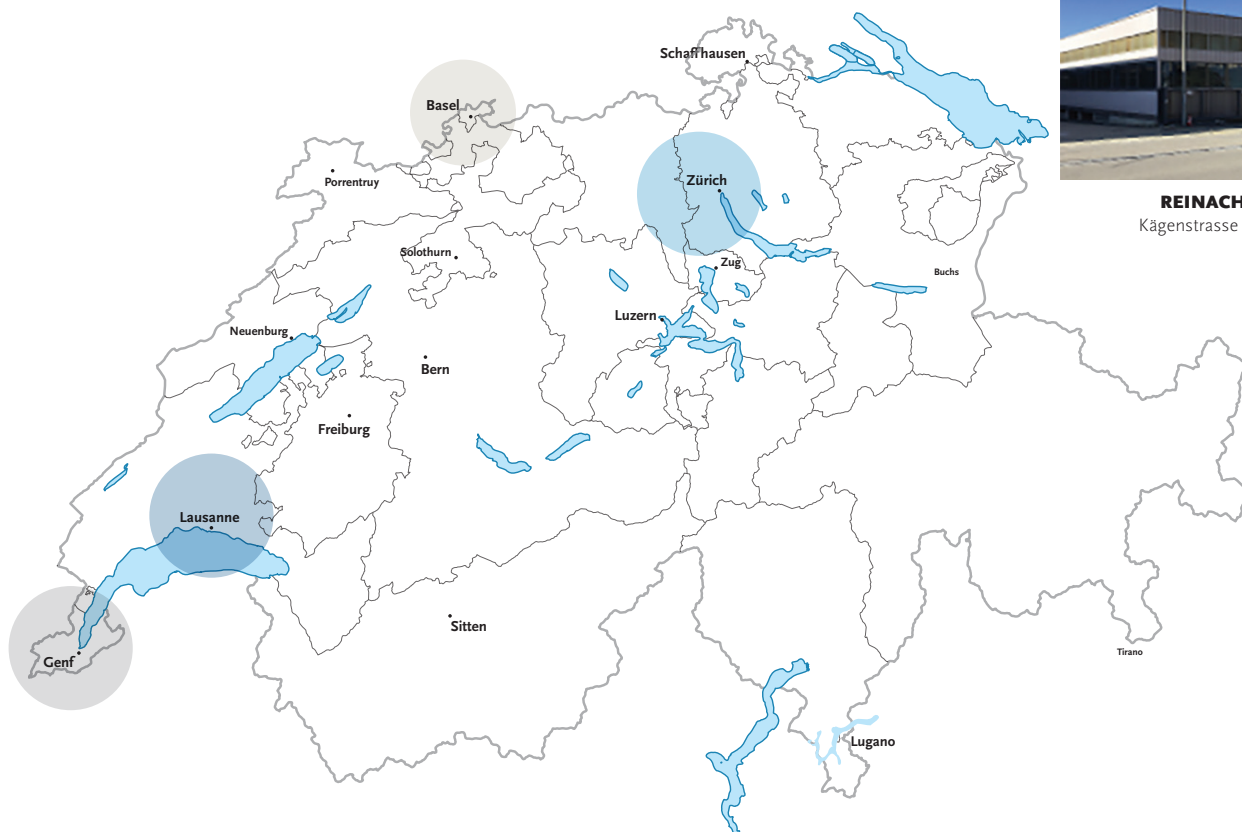
GLATTBRUGG (ZH)
Thurgauerstrasse 101/103



URDORF (ZH)
Bergermoosstrasse 4

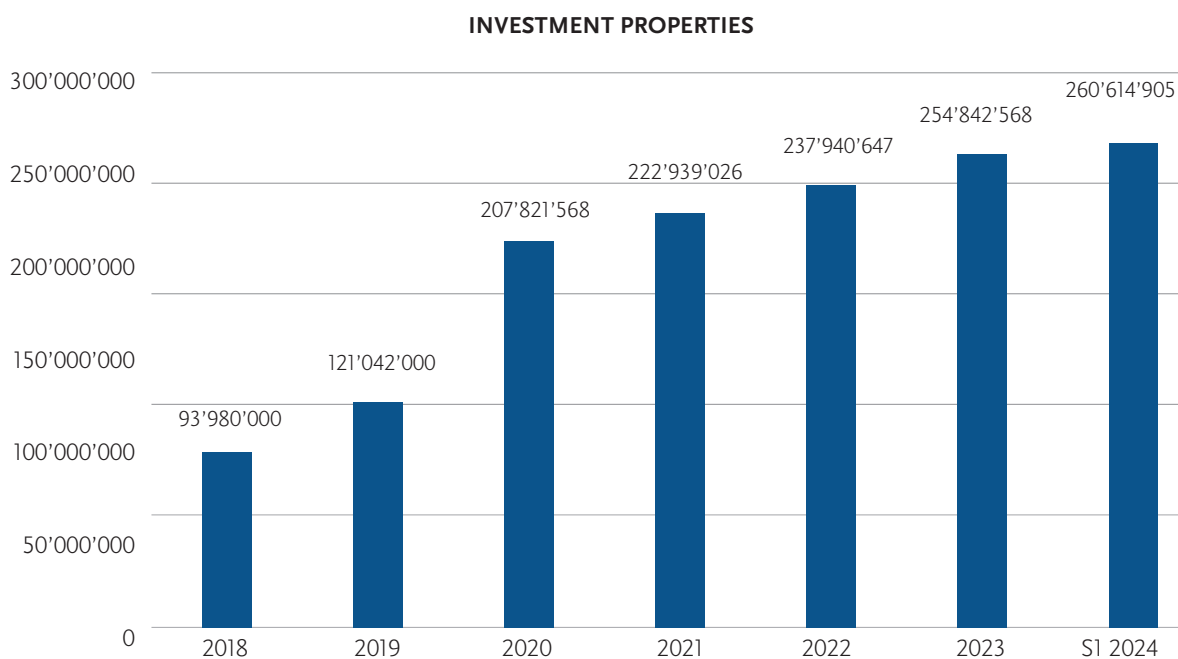


REINACH (BL)
Kägenstrasse 12/14

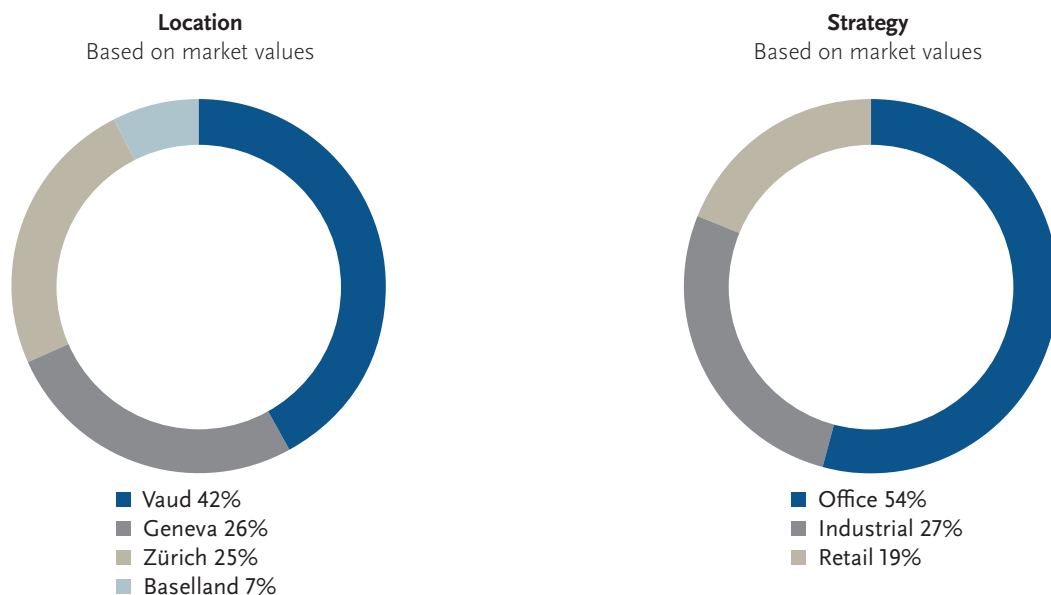


KEY FIGURES	30.06.2024	30.06.2023
NUMBER OF PROPERTIES	11	10
RENTAL AREA (M ²)	93'733	89'679
ANNUAL TARGET RENTAL INCOME (CHF)	14'976'331	14'177'791
INVESTMENT PROPERTIES VALUE (CHF)	260'614'905	256'538'736
WAULT (YEARS)	5.71	6.69
VACANCY RATE AS OF CUT-OFF DAY	10.06%	7.54%
PLOT AREA (M ²)	142'609	142'609
Ø RENT PER M ² (CHF)	160	147

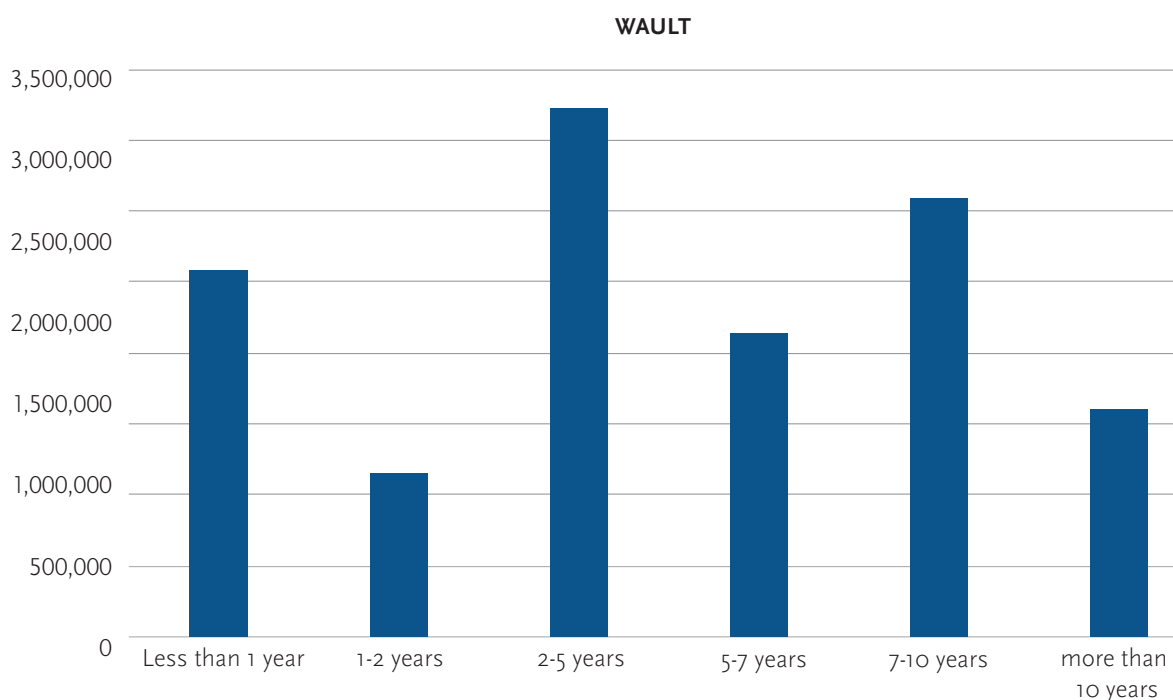
Evolution market value in CHF



Allocation of the portfolio



Lease terms – WAULT of the portfolio



The portfolio's WAULT stands at 5.71 years at 30.06.2024 (30.06.2023: 6.69 years).

Main tenants – 30.06.2024

NB.	City	Address	Tenant	Annual rent CHF	Maturity	% Total rent
1	Meyrin, Opfikon, Plan-les-Ouates	Avenue de Mategnin 5, Thurgauerstrasse 101 / 103, Route de St. Julien 180	Tenant 1	2'415'391.20	30/04/2028	16%
2	Bussigny	Chemin de la Rente 24 / 26	Tenant 2	1'769'652.00	31/08/2031	12%
3	Bussigny	Route de la Chaux 5	Tenant 3	999'360.60	31/12/2029	7%
4	Geneva	La Voie-Creuse 16	Tenant 4	702'250.20	01/06/2034	5%
5	Urdorf	Bergermoosstrasse 4	Tenant 5	664'050.00	30/04/2031	4%
6	Urdorf	Bergermoosstrasse 4	Tenant 6	656'715.36	30/04/2026	4%
7	Geneva	La Voie-Creuse 16	Tenant 7	485'100.00	31/12/2036	3%
8	Geneva	La Voie-Creuse 16	Tenant 8	406'502.40	31/01/2033	3%
9	Geneva	La Voie-Creuse 16	Tenant 9	356'268.00	31/03/2031	2%
10	Reinach	Kägenstrasse 12 / 14	Tenant 10	318'858.00	30/06/2040	2%

TOTAL ANNUAL RENT MAIN TENANTS	8'774'148	58%
TOTAL ANNUAL RENTS (TARGET)	14'976'331	
WAULT OF 10 MAIN TENANTS	5,79 years	

List of properties currently under development and undeveloped land

IN CHF	30.06.2024	31.12.2023
Chemin de Mochettaz 7, Bussigny	-	10'743'568
Bussigny En Rente Project incl. land	2'604'733	-
Total properties under development	2'604'733	10'743'568

List of properties

City	Address	Canton	Form of ownership	Ownership share in %	Year of construction	Year of renovation
Glattbrugg	Thurgauerstrasse 101 / 103	Zurich	Sole ownership	100%	1971	2004
Urdorf	Bergermoosstrasse 4	Zurich	Sole ownership	100%	1973	2006
Meyrin	Avenue de Mategnin 3 / 5	Geneva	Sole ownership	100 %	1985	2004
Plan-les-Ouates	Route de Saint-Julien 180	Geneva	Sole ownership	100%	1970	2015
Crissier	Avenue de l'Arc-en-Ciel 9	Vaud	Sole ownership	100%	1973	-
Bussigny	Chaux 3 / Mochettaz 5	Vaud	Sole ownership	100%	1954	2010
Bussigny	Route de la Chaux 5	Vaud	Sole ownership	100%	1973	2012
Geneva	La Voie-Creuse 16	Geneva	Ground lease	100%	1967	2021
Bussigny	Chemin de la Rente 24 / 26	Vaud	Sole ownership	100%	2008	2021
Reinach	Kägenstrasse 12 / 14	Baselland	Sole ownership	100 %	1980, 1987	-
Bussigny	Chemin de Mochettaz 7	Vaud	Sole ownership	100 %	2024	-

City	Address	Plot area (m ²)	Rental area (m ²)	Nb of parking spaces	Market value (CHF)	Target rental income (CHF)
Glattbrugg	Thurgauerstrasse 101 / 103	11'036	8'223	140	29'250'000	1'356'757
Urdorf	Bergermoosstrasse 4	28'586	10'948	988	34'110'000	1'416'357
Meyrin	Avenue de Mategnin 3 / 5	6'362	4'656	141	8'941'000	526'120
Plan-les-Ouates	Route de Saint-Julien 180	8'779	3'102	150	10'880'000	532'514
Crissier	Avenue de l'Arc-en-Ciel 9	24'389	16'693	187	24'690'000	1'625'564
Bussigny	Chaux 3 / Mochettaz 5	4'400	1'721	40	5'921'000	319'164
Bussigny	Route de la Chaux 5	5'034	6'520	65	20'380'000	999'361
Geneva	La Voie-Creuse 16	3'648	15'245	46	48'443'996	3'642'873
Bussigny	Chemin de la Rente 24 / 26	37'960	11'133	266	41'910'000	2'515'687
Reinach	Kägenstrasse 12 / 14	7'786	12'165	76	18'969'755	1'314'592
Bussigny	Chemin de Mochettaz 7	4'629	3'327	47	14'514'421	727'342
TOTAL		142'609	93'733	2'146	258'010'172	14'976'331

FINANCIAL STATEMENTS (SWISS GAAP FER)

Income Statement

IN CHF	NOTE	01.01.2024 - 30.06.2024 (unaudited)	01.01.2023 - 30.06.2023* (unaudited)
Rental income		6'354'211	5'951'941
Other operating income		173'027	142'446
Operating income	3.1	6'527'238	6'094'387
Property expenses	3.2	-1'710'758	-1'931'129
Other operating expenses	3.3	-1'373'795	-1'049'892
Operating expenses		-3'084'553	-2'981'021
Amortization/Depreciation		-24'026	0
Operating result before revaluation		3'418'659	3'113'366
Revaluation of investment properties	4.5	1'773'127	3'325'114
Operating result (EBIT)		5'191'786	6'438'480
Financial expenses	3.4	-1'371'344	-1'180'146
Earnings before tax (EBT)		3'820'442	5'258'334
Income tax expenses	3.5	-667'794	-1'325'706
NET INCOME		3'152'648	3'932'628
Number of shares		38'101'266	38'101'266
Earning per share		0.08	0.10
NAV per share ROUNDED		2.94	2.98

* The P&L as of June 30, 2023, has been restated. To ensure an accurate comparison and consistent with the P&L published as of December 31, 2023 and June 30, 2024, an amount of 104 KCHF has been reclassified under "Other operating income." This amount corresponds to the flat-rate payment of tenant charges, which was previously offset against energy and water costs and presented under "Property expenses".

Balance Sheet

IN CHF	NOTE	30.06.2024	31.12.2023
Cash and cash equivalents	4.1	1'352'697	669'608
Trade receivables	4.2	710'834	854'426
Other receivables	4.3	759'892	790'548
Accrued income and prepaid expenses	4.4	1'564'787	1'676'322
Total current assets		4'388'210	3'990'904
Investment properties	4.5	260'614'905	254'842'568
Total non-current assets		260'614'905	254'842'568
TOTAL ASSETS		265'003'115	258'833'472
Current financial liabilities	4.6	1'640'000	1'640'000
Trade payables	4.7	1'084'910	564'892
Other current liabilities	4.8	470'081	358'223
Accrued expenses and deferred income	4.9	2'460'580	2'465'255
Short-term provisions	4.11	500'000	500'000
Total current liabilities		6'155'571	5'528'370
Non-current financial liabilities	4.6	126'250'000	124'490'000
Other non-current liabilities	4.10	400'000	400'000
Deferred tax liabilities	4.12	20'487'492	19'857'698
Total non-current liabilities		147'137'492	144'747'698
Share capital		38'101'266	38'101'266
Retained earnings		73'608'786	70'456'138
Shareholders' Equity	4.13	111'710'052	108'557'404
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		265'003'115	258'833'472

Statement of Cash Flows

IN CHF	NOTE	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Net income		3'152'648	3'932'628
Change from revaluation of investment properties	4.5	-1'749'101	-3'325'114
Change in trade receivables		143'592	65'847
Change in other receivables		30'656	249'902
Change in accrued income and prepaid expenses		111'535	296'912
Change in trade payables		520'018	-698'089
Change in other current liabilities		111'859	184'472
Change in deferred income tax liabilities	4.12	629'794	1'305'866
Change in accrued expenses and deferred income		-4'675	684'763
CASH FLOW FROM OPERATING ACTIVITIES		2'946'326	2'697'187
Investment in properties	4.5	-4'023'237	-15'272'975
CASH FLOW FROM INVESTING ACTIVITIES		-4'023'237	-15'272'975
Cash inflows/outflows from financial current liabilities (net)	4.6	-400'000	1'125'000
Cash inflows/outflows from financial non-current liabilities (net)	4.6	2'160'000	10'247'000
CASH FLOW FROM FINANCING ACTIVITIES		1'760'000	11'372'000
CHANGE IN CASH AND CASH EQUIVALENTS		683'089	-1'203'788
Cash and cash equivalents at the beginning of the financial year		669'608	1'961'953
Cash and cash equivalents at the end of the period		1'352'697	758'165
CHANGE IN CASH AND CASH EQUIVALENTS		683'089	-1'203'788

Statement of Changes in Equity

IN CHF	Share capital	Retained earnings	Total shareholders' equity
Balance on 31.12.2023	38'101'266	70'456'138	108'557'404
Net income	-	3'152'648	3'152'648
Balance on 30.06.2024	38'101'266	73'608'786	111'710'052

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Patrimonium Urban Opportunity LTD (PATURBO, the “Company”) operates in Switzerland. The purpose of the company is to purchase, sell, lease, and manage real estate in Switzerland.

The Company is a limited company incorporated and domiciled in Switzerland.

The registered office is since 26th October 2022, located at Chemin des Lentillières 15, 1023 Crissier.

On 9th June 2023, Patrimonium Urban Opportunity Ltd has taken over the assets liabilities, of its fully-owned subsidiary PROTIR Ltd. This takeover was enacted retroactively, starting from January 1st, 2023, as part of a simplified merger between the two companies.

The merger that took place as from 1st of January 2023, resulted in a merger deficit totalling CHF 11'689'964 (statutory accounts). This merger deficit was offset within in the shareholder's equity (Swiss Gaap FER accounts), without negative NAV impact. After the merger with its sole subsidiary, PATURBO is not reporting as a group any longer but as a standalone company.

The company is listed on the stock exchange BX Swiss AG since 18th June 2022.

2. Corporate accounting principles – Significant accounting policies

2.1. General

These financial statements provide a true and fair view of PATURBO assets, financial position and earnings, and have been drawn up in accordance with all the existing guidelines of the accounting and reporting recommendations of Swiss GAAP FER.

The financial statements are prepared in accordance with uniform corporate accounting principles and have been prepared based on the historical cost principle, except for the investment properties which are measured at market value.

The preparation of the financial statements in accordance with Swiss GAAP FER requires management to make evaluations, estimates and assumptions that affect the items in the financial statements as of the balance sheet date. These evaluations, estimates and assumptions are based on historical values, future expectations and other factors that are considered adequate under the given conditions. The actual results may deviate from these estimates. Estimates and underlying assumptions are subject to continuous assessment. Changes to estimates that affect the financial statements are included in the reporting period in which the estimate was revised, as well as in future reporting periods if the latter is affected by the revised estimates.

The reporting currency is the Swiss franc (CHF). The financial statements are based on the going concern principle.

2.2. Segment information

The company's business operations are limited to one segment (real estate investment properties). It also operates only in the Swiss market. Therefore, no further segment information is presented.

2.3. Rental income

Income reported from real estate operations is comprised exclusively of rental income after consideration of vacancies. Rental income is based on leases and is recognised on an accrual basis over the period in which the service is provided.

2.4. Other operating income

Other operating income consists of recharged costs such as for heating and maintenance or energy and water costs as well as income from other services.

2.5. Property expenses

Property expenses contain expenses which are directly related to individual properties. They include maintenance and renovation, administrative expenses, insurance premium, property taxes and other fees, which cannot be charged to the tenants.

2.6. Other operating expenses

Other operating expenses are related to the general administration of the business. They consist of i.e. audit fees, legal and consultancy fees as well as management fees.

2.7. Financial result

The item consists of the net result of interest income deducted by the interest expenses for mortgages and loans as well as other financing fees and charges.

2.8. Income tax expense

Current income taxes are calculated based on the taxable income of the year and are recorded in the income statement. Deferred income taxes are calculated using the balance sheet liability method. Temporary differences arise from divergences between the book value of assets and liabilities for financial reporting purposes and the value used for tax purposes. Deferred tax is calculated using tax rates enacted or substantially enacted on the balance sheet date and will be offset in future tax periods. Deferred income tax assets are capitalized only to the extent that it is probable that they will be realized in the future. No deferred income tax asset on taxable losses carried forward are recognised.

2.9. Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and are recorded at nominal value.

2.10. Receivables

Trade receivables are recognised and carried at the original net invoice amount less the necessary value adjustments for trade receivables at risk. Other receivables consist mainly of current accounts and deposits valued at nominal value. Allowances for doubtful receivables are established individually based on the maturity structure and identifiable solvency risks.

2.11. Accrued income and prepaid expenses

Prepaid expenses include expenses paid in advance for the following reporting period. In addition, accrued income from the reporting period not invoiced yet at balance sheet date is included under this balance sheet position.

2.12. Financial assets

Financial assets include long-term loans and are recorded in the balance sheet at nominal value. Value adjustments are recognised according to the credit risk on an individual basis.

2.13. Investment properties

Investment properties serve as long-term investment purposes and are measured at market value. The fair values of the investment properties are assessed bi-annually by an external independent appraiser using the discounted cash flow method (DCF). The revaluation result for the period is recognised in the income statement whilst considering deferred income taxes. The investment properties are not depreciated.

The properties under development for own future long-term investment purposes are carried at cost less necessary value adjustments until the date when the market value can be reliably calculated. The conditions for making a reliable calculation are met when the building permission is granted, and an approved construction project exists for which costs and income can be reliably determined and allocated. The expected outcome of new construction projects, which corresponds to the difference between the estimated completion value of the work by an external independent appraiser and the actual project costs, is evenly distributed over the duration of the project and integrated into the fixed assets each quarter. The principle of the lower of cost or market is applied if the expected outcome is negative.

The undeveloped land are re-evaluated at fair market value.

The real estate valuations are updated for approximately half of the portfolio as of June 30 and December 31. During the valuation cycle as of June 30, 2024, 5 properties were re-evaluated.

For the properties not re-evaluated as of June 30, 2024, the capex of the period are considered in addition of the market value as of 31 December 2023 as they are included in the discounted cash flow assessed by the real estate appraiser. Consequently, they will find their counterparty in the December valuation.

2.14. Impairment

The recoverable amount of non-current assets valued at cost is reviewed at least once a year. If there is any indication of impairment, an impairment test is performed immediately. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the income statement.

2.15. Financial liabilities

Financial liabilities consist of loans from financial institutions and loans from third parties. They are carried at nominal value. Financial liabilities with a maturity date less than 365 days are presented as current financial liabilities.

2.16. Trade payables and other liabilities (current and non-current)

Trade payables and other liabilities are recognised at nominal value.

2.17. Accrued expenses and deferred income

Accrued expenses contain accruals for expenses related to the reporting period. Deferred income is rental income for the following period already paid by the tenants before balance sheet date.

2.18. Provisions

Provisions are obligations based on events in the past; their amount and/or due dates are uncertain but can be estimated. Provisions are reported as short-term or long-term according to their expected due dates.

2.19. Contingent liabilities

Possible liabilities whose occurrence as at the balance sheet date cannot be assessed, or liabilities for which the level cannot be reliably estimated, are disclosed in the notes as contingent liabilities.

3. Notes to the income statement

3.1. Operating income

IN CHF	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Rental income Geneva	1'691'399	1'622'147
Rental income Bussigny college	1'106'204	1'089'933
Rental income Crissier	707'296	644'686
Rental income Glattpark	676'517	667'212
Rental income Bussigny (La Chaux 3 et 5)	657'865	650'880
Rental income Urdorf	568'098	698'820
Rental income Reinach	330'207	57'703
Rental income Plan les Ouates	265'523	261'852
Rental income Meyrin	262'335	258'708
Rental income Bussigny (Mochettaz 7)	88'767	-
Other operating income	173'027	142'446
Operating income	6'527'238	6'094'387

The noteworthy variations in operating income (+433 KCHF) can be explained as follows:

- (i) Reduction in vacancy across all the buildings, beside (iv) hereunder, amounted to 447 KCHF. The primary contribution comes from the Reinach building (273 KCHF) and Geneva building (66 KCHF).
- (ii) Rents indexation resulting in an increase of 27 KCHF.
- (iii) Urdorf: The main tenant of the building returned a 585 m² space on the 3rd floor at the end of March 2023 (-131 KCHF).
- (iv) Bussigny, Mochettaz 7: delivery of the building and entry of the first tenants on April 1, 2024 (+89 KCHF).

Other operating income primarily pertains to the re-billing of expenses to tenants. For a better comparison, we reclassified in other operating income an amount of 104 KCHF as of June 30, 2023, corresponding to the flat-rate payment of tenant charges. Previously, this income was offset against energy / water costs. All operating income is generated within Switzerland.

3.2. Property expenses

IN CHF	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Energy / water costs	517'872	531'805
Maintenance and renovation costs	324'070	387'554
Real estate agency fees	199'655	314'375
Leasing fee (Bussigny college)	190'764	190'764
Property tax	189'370	196'525
Insurance costs	104'331	103'579
Caretaker costs	81'959	89'923
Building lease costs	78'030	78'030
Building costs	24'707	38'574
Total property expenses	1'710'758	1'931'129

Energy / water costs: The vacancy reduction, mainly in the buildings in Geneva and Reinach, enabled a transfer of costs to the tenants in accordance with the rental agreements.

Maintenance / renovation costs: During the review period, the buildings required overall less maintenance than expected. These costs have decreased, particularly in the recently renovated/transformed buildings (Geneva and Bussigny college).

Real estate agency fees: A one-time letting fee of 29 KCHF was incurred during the period under review after finalizing new rental agreements in Bussigny, Mochettaz 7. In the first semester 2023, this fee amounted to 110 KCHF and was relative to the conclusion of new rental agreements in Reinach.

3.3. Other operating expenses

IN CHF	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Management fees	906'061	901'850
Bad debt provision	339'566	-14'294
Audit and consulting fees	35'300	44'272
VAT costs	32'658	29'321
Legal fees	27'524	49'394
Valuation costs	22'404	15'000
Other operational costs	10'282	24'349
Total other operating expenses	1'373'795	1'049'892

Bad debt provision allowance: note 4.2.

Audit and consulting fees: The decrease is due to the change of auditor decided at the Annual General Meeting on June 12, 2024.

Legal fees: the decrease is primarily due to legal costs associated with an expropriation procedure at the building Bussigny college during the first semester 2023 (-10 KCHF).

Valuation costs: the increase is attributed to the completion of additional project evaluations during the period (7.4 KCHF), alongside the valuation conducted by the external independent appraiser on the current portfolio.

3.4. Financial expenses

IN CHF	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Capitalized interests	-34'864	-13'665
Mortgage interests	1'394'001	1'188'440
Bank fees and charges	12'207	5'371
Total financial expenses	1'371'344	1'180'146

The increase in mortgage interests is due to (i) the rise in the weighted average interest rate over the period (2.23% in 30.06.2024 vs 2.09% in 30.06.2023, see note 4.6) and (ii) the increase in average bank loans over the 12-month period (+11.6 MCHF).

3.5. Income tax expense

IN CHF	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Current income taxes	38'000	19'840
Deferred income taxes	629'794	1'305'866
Total income tax expense	667'794	1'325'706
Income before tax (EBT)	3'820'442	5'258'334
Expected tax rate	18.21%	17.06%
Expected tax expense	695'702	897'072
Impact of tax rate differentials	-32'032	242'746
Taxable losses not recognized	81'297	166'048
Other effects	-77'173	19'840
Effective income tax expense	667'794	1'325'706

Deferred income tax liabilities: Arise from the revaluation of the investment properties due to the application of Swiss GAAP FER. Positive valuation differences between market values and tax values as at the balance sheet date are reflected by the deferred tax liabilities. Deferred taxes on properties are generally calculated according to the tax rates applicable on the balance sheet date and the tax system applicable to the respective properties.

This approach considers higher deferred tax amounts, gradually diminishing over the holding periods in accordance with the applicable law in the canton where the property is located.

The Company has decided not to recognize deferred tax assets from unused tax losses. The total of taxable losses not recognized amounts to 7'491 KCHF (31.12.2023 : 8'213 KCHF).

4. Notes to the balance sheet

4.1. Cash and cash equivalents

IN CHF	30.06.2024	31.12.2023
Cash at banks	1'352'697	669'608
Total cash and cash equivalents	1'352'697	669'608

4.2. Trade receivables

IN CHF	30.06.2024	31.12.2023
Account receivables, gross	1'316'779	1'120'805
Bad debt allowances	-605'945	-266'379
Total trade receivables	710'834	854'426

Trade receivables: Exclusively comprise third-party receivables from commercial and private tenants. The rise in this position is predominantly attributed to overdue rental payments from Crissier (337 KCHF; 2023: 335 KCHF), Geneva (719 KCHF; 2023: 639 KCHF), Urdorf (107 KCHF; 2023 : 87 KCHF) and Mochettaz 7, Bussigny (106 KCHF; 2023: 0 KCHF).

Provisions for doubtful debts: Specifically related to Geneva (403 KCHF; 2023: 180 KCHF) and Crissier (188 KCHF; 2023: 115 KCHF).

4.3. Other receivables

IN CHF	30.06.2024	31.12.2023
Tax receivables	540'389	486'621
VAT receivables	194'291	229'543
Other receivables	25'212	28'104
Current account with property manager A	-	46'280
Total other receivables	759'892	790'548

Other receivables: Predominantly consist of short-term receivables, including a tax down payment of 540 KCHF (compared to 487 KCHF in 31.12.2023). Additionally, there is a slight decrease in VAT receivable amounting to 194 KCHF (compared to 230 KCHF in 2023).

4.4. Accrued income and prepaid expenses

IN CHF	30.06.2024	31.12.2023
Leasing success fee	1'335'338	1'526'102
Accrued income from tenants	156'365	150'220
Prepaid expenses for heating and ancillary costs	69'364	-
Others	3'720	-
Total accrued income and prepaid expenses	1'564'787	1'676'322

Accrued income and prepaid expenses : the decline is primarily driven by the amortization of the capitalized leasing success fee paid to a third-party company for the Bussigny En Rente project.

Besides, the amount of prepaid expenses and ancillary costs is an asset amounted to 69 KCHF as of June 30, 2024.

4.5. Investment properties

IN CHF	Undeveloped land	Properties	Properties under development	TOTAL investment properties
Balance as at 31.12.2023	2'100'000	241'998'999	10'743'568	254'842'568
Reclassifications	-2'100'000	10'743'568	-8'643'568	-
Additions	-	3'518'503	504'733	4'023'237
Amortization	-	-24'026	-	-24'026
Revaluations of properties	-	1'773'127	-	1'773'127
Balance as at 30.06.2024	-	258'010'171	2'604'733	260'614'905

The discount rates used in the appraiser's valuations for the investment properties ranged from 3.2% to 3.6%, in real terms, for the reporting year as of June 30, 2024 (2023: respectively 3.2% to 3.8%).

The properties currently under development are split as follows:

IN CHF	30.06.2024	31.12.2023
Bussigny Mochettaz 7	-	10'743'568
Bussigny En Rente Project incl. land	2'604'733	-
Total properties under development	2'604'733	10'743'568

The variation is explained by the delivery of Bussigny Mochettaz 7 on April 30, 2024.

4.6. Financial liabilities

IN CHF	30.06.2024	31.12.2023
Bank loans – current	1'640'000	1'640'000
Bank loans – non-current	126'250'000	124'490'000
Total financial liabilities	127'890'000	126'130'000

	Currency	Nominal amount as at 30.06.24	Interest rate	Start date	End date	Duration	<1 year	>1 year
Bank loan 1a (part 1)	CHF	11'000'000	1.12%	28.12.2021	28.12.2030	6.59	-	22'100'000
Bank loan 1b (part 1)	CHF	11'100'000	1.18%	28.12.2021	28.12.2031	7.60	-	
Bank loan 1c (part 2)	CHF	4'220'000	0.80%	28.02.2022	28.02.2027	2.70	840'000	3'380'000
Bank loan 2 **	CHF	30'800'000	2.28%	30.06.2024	30.09.2024	0.50	-	30'800'000
Bank loan 2 **	CHF	11'000'000	2.23%	16.05.2023	15.05.2026	1.90	-	11'000'000
Bank loan 2 **	CHF	11'000'000	2.37%	16.05.2023	18.05.2027	2.92	-	11'000'000
Bank loan 2 **	CHF	11'000'000	2.53%	16.05.2023	16.05.2028	3.93	-	11'000'000
Bank loan 2 **	CHF	600'000	2.32%	27.06.2024	29.07.2024	0.50	-	600'000
Bank loan 2 **	CHF	11'000'000	2.32%	21.06.2024	22.07.2024	0.50	-	11'000'000
Bank loan 3	CHF	15'000'000	2.32%	28.11.2018	28.11.2028	4.48	-	15'000'000
Bank loan 3	CHF	5'000'000	2.26%	21.12.2018	28.11.2028	4.48	-	5'000'000
Bank loan 3 **	CHF	6'170'000	2.69%	06.06.2024	06.07.2024	0.50	800'000	5'370'000
Total loans		127'890'000	2.09%			2.96	1'640'000	126'250'000

	Currency	Nominal amount as at 31.12.23	Interest rate	Start date	End date	<1 year	>1 year
Bank loan 1a (part 1)	CHF	11'000'000	1.12%	28.12.2021	28.12.2030	-	22'100'000
Bank loan 1b (part 1)	CHF	11'100'000	1.18%	28.12.2021	28.12.2031	-	
Bank loan 1c (part 2)	CHF	4'220'000	0.80%	28.02.2022	28.02.2027	840'000	3'380'000
Bank loan 2 **	CHF	30'800'000	2.55%	31.12.2023	31.03.2024	-	30'800'000
Bank loan 2 **	CHF	11'000'000	2.23%	16.05.2023	15.05.2026	-	11'000'000
Bank loan 2 **	CHF	11'000'000	2.37%	16.05.2023	18.05.2027	-	11'000'000
Bank loan 2 **	CHF	11'000'000	2.53%	16.05.2023	16.05.2028	-	11'000'000
Bank loan 2 **	CHF	4'000'000	2.53%	04.12.2023	04.01.2024	-	4'000'000
Bank loan 2 **	CHF	2'180'000	2.53%	04.12.2023	04.01.2024	-	2'180'000
Bank loan 2 **	CHF	1'160'000	2.59%	18.12.2023	18.01.2024	-	1'160'000
Bank loan 2 **	CHF	600'000	2.56%	18.12.2023	18.03.2024	-	600'000
Bank loan 2 **	CHF	1'500'000	2.59%	22.12.2023	22.01.2024	-	1'500'000
Bank loan 3	CHF	15'000'000	2.32%	28.11.2018	28.11.2028	-	15'000'000
Bank loan 3	CHF	5'000'000	2.26%	21.12.2018	28.11.2028	-	5'000'000
Bank loan 3 **	CHF	6'570'000	2.99%	06.12.2023	06.01.2024	800'000	5'770'000
Total loans		126'130'000	2.19%			1'640'000	124'490'000

** These bank loans (rollover mortgages) are part of a long-term credit line.

Bank loans have been granted with a weighted average interest rate of 2.09% (31.12.2023: 2.19%). The contractual weighted maturity is 2.96 years (31.12.2023: 3.31 years).

IN CHF	30.06.2024	31.12.2023
Book value of pledged investment properties	258'514'905	241'998'999
Nominal value of pledged mortgage notes	172'002'468	172'002'468
Current claim (nominal)	127'890'000	126'130'000

4.7. Trade payables

IN CHF	30.06.2024	31.12.2023
Trade payables - third parties	1'011'957	564'892
Trade payables - property manager	72'952	-
Total Trade payables	1'084'910	564'892

The increase in trade payables is attributed to a timing discrepancy in payments at the half year-end.

4.8. Other current liabilities

IN CHF	30.06.2024	31.12.2023
Rent paid in advance	270'611	153'024
VAT liabilities	138'070	146'562
Liabilities to other third parties	61'400	58'637
Total Other current liabilities	470'081	358'223

The change in other current liabilities is primarily a result of the rise in rents paid in advance compared to the previous period (+118 KCHF).

4.9. Accrued expenses and deferred income

IN CHF	30.06.2024	31.12.2023
Accrued expenses	1'846'230	1'920'571
<i>to other third parties</i>	830'963	692'720
<i>to related parties</i>	1'015'267	1'227'851
Accrued tax	523'796	391'564
Accrued interests on loans	90'554	86'761
Expenses for heating and ancillary costs	-	66'359
Total accrued expenses	2'460'580	2'465'255

The change in accrued expenses is primarily attributable to the following:

- (i) Technical fees for projects under development and/or finalized totalled 109 KCHF (31.12.2023: 335 KCHF).
- (ii) Expenses for heating and ancillary costs were recorded at 66 KCHF as of December 31, 2023 (booked in accrued income and prepaid expenses in June 30, 2024).
- (iii) Accrued taxes accounted for 523 KCHF (31.12.2023: 392 KCHF).

4.10. Other non-current liabilities

This position corresponds to a guarantee and deposit from the tenants to PATURBO for 400 KCHF (31.12.2023: 400 KCHF).

4.11. Provisions

IN CHF	30.06.2024	31.12.2023
Provisions at the beginning of reporting period	500'000	500'000
Increase / decrease	-	-
Provisions at the end of reporting period	500'000	500'000
Of which long-term at the end of the reporting period	-	-

A provision was established due to the potential risk of the project Glattbrugg facing discontinuation. Specifically, there is a possibility that PATURBO might reimburse a portion of the development costs to the developer. The estimated amount of this risk was set at 500 KCHF and is unchanged since 2022.

4.12. Deferred tax liabilities

IN CHF	30.06.2024	31.12.2023
Deferred tax liabilities	20'487'492	19'857'698
Total deferred tax liabilities	20'487'492	19'857'698

4.13. Shareholders' equity

Patrimonium Urban Opportunity LTD share capital is set at CHF 38'101'266 represented by 38'101'266 registered shares with a par value of CHF 1 each. There was no movement in the share capital during the year under review.

On 26th October 2022, the shareholders modified the articles of incorporation to authorise the Board of Directors to increase the share capital (authorised and conditional capital) by a maximum of each CHF 19'050'633 until 25 October 2024.

Following the merger, the capital reserves which were those of PROTIR Ltd have been absorbed.

4.14. Transaction with related parties

All relevant asset management tasks are contractually delegated to a specialised FINMA-approved asset manager. The asset manager perceived as remuneration for a period of 6 months a management fee amounted to 906 KCHF (06.2023: 848 KCHF).

Besides, technical fees relative to the management of projects under development have been accrued for a total amount of 109 KCHF during the period (06.2023: 44 KCHF). A letting fee for a total amount of 29 KCHF was booked following the conclusion of new rental agreements during the period (06.2023: 110 KCHF). Besides, in 2023, an amount of 217.5 KCHF was paid for the acquisition of the new building in Reinach.

4.15. Commitments and contingent liabilities**Commitments**

PATURBO holds a temporary building right, officially registered as an easement on plots 3696 and 3697 at 16 rue de la Voie-Creuse in Geneva. The land's owner is SBB. The building lease, initially established, was extended on the 5th of October 2009 and is now valid until the conclusion of 2061. PATURBO, upon its incorporation in 2020, acquired the building, which was constructed under the building lease, for a total of 24 MCHF. The cumulative commitment until the contract's termination is outlined as follows:

IN CHF	< 1 year	1-5 years	>5 years	Total
Building lease	156'060	624'240	5'071'950	5'852'250
Total commitment	156'060	624'240	5'071'950	5'852'250

In 2023, the total commitment was the following:

IN CHF	< 1 year	1-5 years	>5 years	Total
Building lease	156'060	624'240	5'149'980	5'930'280
Total commitment	156'060	624'240	5'149'980	5'930'280

4.16. Other information

On February 8, 2024, a fire broke out on the ground floor of a building located in Reinach. Thankfully, there were no casualties. Proceedings have been initiated with the fire insurance company for this property.

As of June 30, 2024, the estimated rental loss, net of the deductible, amounts to 15'703 CHF. The insurance covers rental losses until the premises are fully restored, with an estimated timeline of 6 months for the dance school and 9 months for the restaurant.

Additionally, a study is currently underway with an architectural firm for a project to demolish the damaged building and construct a new hall.

4.17. Events after the balance sheet date

The financial statements have been approved by the Board of Directors on September 18, 2024.

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