

ZugEstates

2023

Annual Report

Selected key figures

Income statement		2023	2022	%
Property income	TCHF	65 655	62 221	5.5%
Operating revenue ¹	TCHF	84 794	80 130	5.8%
Operating expenses	TCHF	32 550	30 398	7.1%
Operating income before depreciation and revaluation	TCHF	52 244	49 732	5.1%
Revaluation of investment properties (net)	TCHF	- 11 000	6 793	-261.9%
Operating income (EBIT)	TCHF	37 649	52 978	-28.9%
Net income	TCHF	24 194	39 800	-39.2%
Net income excluding revaluation and special effects ²	TCHF	33 874	33 822	0.2%
Balance sheet		31.12.2023	31.12.2022	
Total assets	TCHF	1 806 813	1 792 074	0.8%
Interest-bearing debt	TCHF	674 240	660 470	2.1%
- Interest-bearing debt in % of total assets		37.3%	36.9%	
- Average rate of interest of the interest-bearing debt (period)		1.5%	1.3%	
- Average maturity of the interest-bearing debt	Years	3.5	3.4	
Equity	TCHF	992 537	989 253	0.3%
- Equity ratio		54.9%	55.2%	
- Return on equity ³		2.4%	4.1%	
Employees		31.12.2023	31.12.2022	
Headcount	FTE	134.4	137.7	-2.4%
Share		2023	2022	
Closing price	CHF	1 605	1 770	-9.3%
Market capitalisation ⁴	TCHF	818 550	902 700	-9.3%
Earnings per series B registered share ⁵	CHF	47.44	78.04	-39.2%
Earnings per series B registered share excluding revaluation and special effects ^{2,5}	CHF	66.42	66.32	0.2%
Distribution per series B registered share ⁷	CHF	44.00	41.00	7.3%
NAV at market value per series B registered share ^{4,6}	CHF	2 042.18	2 065.29	-1.1%
Portfolio		31.12.2023	31.12.2022	
Investment properties	TCHF	1 725 597	1 713 445	0.7%
Investment properties under construction	TCHF	18 235	11 758	55.1%
Undeveloped plots	TCHF	2 524	2 524	0.0%
Total real estate portfolio	TCHF	1 746 356	1 727 727	1.1%
Operating properties (market value)	TCHF	81 320	102 890	-21.0%
Total portfolio	TCHF	1 827 676	1 830 617	-0.2%
Vacancy rate investment properties ⁸		3.9%	1.6%	
Gross return investment properties ⁹		3.9%	3.9%	
Weighted average unexpired lease term of rental contracts in portfolio (WAULT)	Years	6.5	6.3	
Average discount rate (real)		2.9%	2.8%	

¹ Excluding income from revaluation of investment properties and gains on the sale of investment properties.

² Corresponds to net income excluding income from revaluation of investment properties (net), excluding income from the disposal of investment properties and corresponding deferred taxes as well as the effect of adjustments made to deferred tax rates (see page 61).

³ In relation to average equity (net income relative to median equity at the start and end of the period under review).

⁴ In relation to number of shares outstanding (series A registered shares converted).

⁵ In relation to number of shares on average outstanding (series A registered shares converted).

⁶ NAV at market value per share includes properties used for operational purposes at market value and corresponding deferred taxes.

⁷ Proposed by the board of directors.

⁸ As at the balance sheet date, as a percentage of projected rental income.

⁹ Projected rental income (annualised) as a percentage of the market value on the balance sheet date.

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Letter to shareholders

"Pleasing operating results for Zug Estates Group thanks to numerous rental successes, increased rental income and repositioning of Garden Park Zug AG."

**CHF
33.9 million**

Net income excluding revaluation and special effects

+5.5%

Increase in property income in 2023 financial year

Dear shareholders, Ladies and gentlemen,

2023 was characterised by a changed backdrop interest rate and market environment, on the one hand, and an increasing supply shortage in some segments of the real estate market, on the other. The rise in interest rates compared with the previous year led to higher financing costs and an increase in discount rates. The resulting downward pressure on real estate values detracted from increased property income.

Zug Estates benefited from brisk demand for attractive, well-connected rentable space and achieved numerous rental successes. The hotel & catering segment showed an encouraging trend, while the refurbishment of the ground floor of the Park Hotel Zug (formerly known as Hotelbusiness Zug AG) was successfully completed with the opening of the new aïgu restaurant and repositioning of Garden Park Zug AG.

Net income excluding revaluation and special effects amounted to CHF 33.9 million in the 2023 financial year, representing a slight increase of CHF 0.1 million or 0.2% compared with the previous year's figure of CHF 33.8 million. Net income was 39.2% or CHF 15.6 million lower at CHF 24.2 million (previous year: CHF 39.8 million), the decline being attributable to a negative revaluation result caused by overall market factors.

Encouraging increase in property income and operating result

Property income of the Zug Estates Group rose by CHF 3.5 million or 5.5%, from CHF 62.2 million to CHF 65.7 million in 2023. Improvements to the bottom line were achieved as a result of the full year impact of the Renggli Group acquired in the previous year, the purchase of an additional 3.5% of MEG Metalli in 2023, as well as index and reference interest rate adjustments. Adjusted for changes to the portfolio (like-for-like basis), rental income was up CHF 0.9 million or 1.5%.

37.8%

**Gross operating profit (GOP)
for the hotel & catering business
unit on a par with previous year**

Despite the temporary loss of income due to the repositioning, hotel & catering income rose from CHF 14.7 million in the previous year to CHF 15.2 million, a year-on-year increase of CHF 0.5 million or 3.5%. Income from accommodation continued to pick up and was actually slightly above the level prior to the outbreak of the COVID-19 pandemic. The repositioning of the aïgu and Bären restaurants caused a temporary fall in catering turnover in 2023. Thanks to careful coordination of the building work, hotel operations were only marginally affected and gross operating profit (GOP) remained on a par with the previous year's level at 37.8% (2022: 37.9%).

Operating income of the entire group increased by CHF 4.7 million or 5.8%, from CHF 80.1 million to CHF 84.8 million.

Expansion of the portfolio caused property expenses to rise from CHF 7.8 million to CHF 8.2 million – an increase of CHF 0.4 million or 4.9%.

The operating result before depreciation and revaluation rose by 5.1% or CHF 2.5 million, from CHF 49.7 million to CHF 52.2 million.

The higher interest rates and a more hesitant transaction market in overall terms led to a rise in discount rates. The net revaluation figure was correspondingly negative at CHF 11.0 million, as against a revaluation gain of CHF 6.8 million in the prior year.

Due to the revaluation effects mentioned, EBIT was down by CHF 15.4 million or 28.9%, from CHF 53.0 million to CHF 37.6 million.

Both the acquisitions concluded and higher interest rates on short-term interest-bearing debt resulted in a decrease in the net financial result of CHF 2.4 million or 30.9% to CHF 10.2 million (previous year: CHF 7.8 million).

Value of portfolio falls slightly due to negative net revaluation figure

Acquisitions and investments for the portfolio amounted to CHF 28.3 million in the 2023 financial year (previous year: CHF 123.2 million). The bulk of this – CHF 19.4 million – was incurred in the first half of 2023 as a result of the acquisition of another 3.5% co-ownership share in Miteigentümergeinschaft (MEG) Metalli. This increased the company's co-ownership share of MEG Metalli to 78.75%. The Duggelistrasse 28 property in Cham was sold in the second half of 2023 at its current book value of CHF 4.5 million.

In early December 2023, Zug Estates Ltd merged its two existing office sites in Zug and Rotkreuz and moved into its new premises at the Metalli site. The Industriestrasse 12 property was therefore reclassified from operating properties to investment properties as at 31 December 2023. At the same time, the Bären property – which is in the course of being renovated – was reclassified from operating properties to investment properties under construction following the conclusion of a lease agreement with Tibits Ltd.



Zug Estates increased its co-ownership share in Miteigentümergeinschaft (MEG) Metalli from 75.25% to 78.75%.

**CHF
1.83 bn**

Total portfolio



With LUSH, Maison Carat and Douglas, the tenant mix at the Metalli shopping mall has been strengthened (see picture). This will be followed in spring 2024 with Lidl, doodah and PME Legend.

The market value of the property as a whole fell by a marginal 0.2% or CHF 2.9 million and still amounts to CHF 1.83 billion. The slight reduction in market value is attributable to a negative net revaluation result of CHF 11.0 million, which stems from an average increase in real discount rates of 15 basis points and represents around 0.6% of the portfolio value of all investment properties.

Numerous rental successes in all segments will result in low vacancy rate in 2024

Zug Estates can look back on very successful rental activity in the 2023 financial year. Commercial leases for space totalling around 24 000 m² and involving rental income of more than CHF 10.2 million p.a. were extended or concluded. Most of the new contracts will only take effect in the first half of 2024 and do not affect the vacancy rate as at the end of 2023. The rise in the vacancy rate to 3.9% as at 31 December 2023 (previous year: 1.6%) is primarily attributable to refurbishment work at the Metalli shopping mall, which accounts for a share of 1.8%.

Agreements concluded in the 2023 financial year related to office and education space in Zug and Rotkreuz as well as retail space at the Metalli site. At the Suurstoffi site in Rotkreuz, new lease agreements for the S14 property covering around 2 600 m² were concluded with Lombardi SA Ingegneri Consulenti and Pacojet International AG. In addition, on 1 January 2024 the Canton of Zug took over the S6 property – which comprises around 4 500 m² – for a fixed lease term of ten years, with plans to open a new cantonal school.

At the Zug City Centre site, the lease with UBS AG for the Baarerstrasse 14a property and leases for retail space totalling around 3 700 m² were extended for five years. In addition, attractive brands were recruited for all newly created rental units at the Metalli shopping mall following the renovation of the former C&A and Zara spaces. LUSH, Maison Carat and Douglas opened their outlets in autumn 2023. Lidl, doodah and lifestyle label PME Legend are to follow suit in spring 2024.

At 6.5 years as at 31 December 2023 (previous year: 6.5 years), the weighted average unexpired lease term (WAULT) was at a very high level for the industry.

Opening of aigu restaurant and repositioning of Garden Park Zug AG

The ground floor of Park Hotel Zug was comprehensively refurbished between June and October 2023. The outcome is the creation of aigu Restaurant & Bar (www.restaurant-aigu.ch) – a new restaurant that blends Swiss cuisine with the flair of southern France. Thanks to a spacious terrace and a new conservatory, the restaurant, bar and conference area has been opened up and made more inviting; it now has the space to host major events for up to 220 people.



The new aïgu restaurant blends Swiss cuisine with the flair of southern France and also provides space for major events.



The S43/45 construction project represents an investment of CHF 85 million.

The Bären property – a listed building – has been undergoing a complete refurbishment since April 2023. Previously operated by Hotelbusiness Zug AG, the restaurant has been taken over by Tibits Ltd, which – following completion of the refurbishment work in June 2024 – is set to open its first venue in Zug.

As part of the refocusing, Hotelbusiness Zug AG, which owns Park Hotel Zug with the aïgu Restaurant & Bar and City Garden Hotel, City Apartments and Secret Garden Restaurant & Bar, has been renamed Garden Park Zug AG (www.gardenpark.ch).

S43/45 project enters construction phase

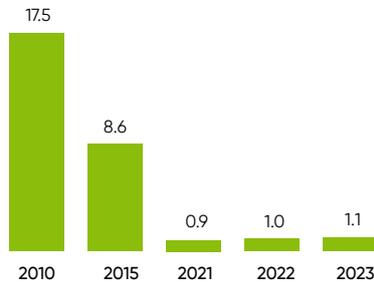
To address the change in tenant requirements with regard to spatial quality and flexibility of use, the S43/45 construction project involving the only plot not yet developed at the Suurstoffi site was revised in the 2023 financial year. The application for modification was submitted to the Risch Rotkreuz municipality in July 2023 and signed off in September 2023. The project consists of two buildings with total office and education space of around 14 400 m² as well as 1100 m² of residential space for student living.

In view of the encouraging situation for rental properties at the Suurstoffi site and across the Zug Estates portfolio, undiminished demand for attractive, well-connected rental spaces as well as the positive market outlook for the Zug region, the board of directors of Zug Estates Holding Ltd decided to give the project the green light. Construction of the two buildings, at an investment cost of around CHF 85 million, will take around three-and-a-half years. Building work is due to start at the end of 2024, with leased spaces likely to be handed over to future tenants from mid-2027.

Further development of Metalli Living Space not yet finalised

An initial review by the cantonal authorities of the development plans for both the Metalli and Bergli sites was successfully concluded in the first half of 2023. The plans were to have been submitted to the Greater Municipal Council (GGR) of the City of Zug in October 2023. However, the process was halted due to the "2000 homes for Zug's middle classes" city initiative, which was approved by voters on 18 June 2023 and requires that at least 40% of newly built residential space in all high-density areas be "affordable".

To ensure legal certainty with regard to implementation of the initiative, the City of Zug commissioned a legal opinion, which was duly received in early December 2023. Zug Estates is in close contact with the planning department of the City of Zug in order to clarify the concrete impacts on the development plans for both the Metalli and Bergli sites. A conclusive assessment is not yet possible. However, it is clear that the financial implications are not negligible. Against this backdrop, it is not yet known whether – and if so to what extent – Zug Estates will pursue the two development plans and therefore the Metalli Living Space project.



Reduction pathway for Scope 1+2, greenhouse gas emissions kg/m² energy reference area

54.9%

Equity ratio

Comprehensive sustainability reporting

Zug Estates now publishes its sustainability report on the basis of GRI Standards, in which it reports in detail on the objectives and achievements of Zug Estates right across the ESG spectrum, in tandem with the annual report. At the heart of the Zug Estates sustainability strategy is the reduction in greenhouse gas emissions from the operation and construction of properties as well as the creation and continuous development of future-proof, versatile living spaces.

With 1.1 kg per m² energy reference area (Scope 1 and 2), greenhouse gas emissions from the operation of the entire real estate portfolio remain at a very low level and are significantly below the industry average. The current reduction pathway and latest assessment of consumption figures in relation to energy and water can be found in the sustainability report, along with extended reporting in relation to Scope 3 emissions. Furthermore, the report provides information about past and current projects in the various thematic areas being targeted by Zug Estates.

Equity ratio remains solid

Due to the purchase of further MEG Metalli shares, the equity ratio fell slightly from 55.2% to a nevertheless still very solid 54.9%.

Interest-bearing debt, on the other hand, rose by CHF 13.8 million or 2.1%, from CHF 660.5 million to CHF 674.2 million. Interest-bearing debt as a percentage of total assets therefore amounted to 37.3% compared to 36.9% in the previous year. A total of around CHF 150 million in short-term debt was firmly secured with a medium maturity in the reporting period, resulting in a slightly extended average residual maturity of 3.5 years (prior year: 3.4 years). Higher interest rates resulted in an average interest rate for the period for interest-bearing debt of 1.5%, as against 1.3% in the prior year.

**CHF
44.00**

**Ordinary dividend per series B
registered share proposed to
general meeting of shareholders**

Dividend increase and change in dividend strategy

In line with the announced gradual increase in the dividend up to a maximum of two-thirds of net operating income, the board of directors will propose to the general meeting of shareholders that the dividend be increased by 7.3%, from CHF 4.10 to CHF 4.40 per series A registered share and from CHF 41.00 to CHF 44.00 per series B registered share.

The board of directors has decided to amend the dividend strategy in favour of a more open formulation. Zug Estates continues to endeavour to ensure a positive dividend trend. The distribution should ensure a solid, long-term financing structure in the future too and not amount to more than 90% of operating profit.

Outlook for 2024

Thanks to successful rental activity in the 2023 financial year as well as rent increases due to index and reference interest rate adjustments, we expect a significant reduction in the vacancy rate to around 1%, higher rental income and an improvement in the operating result in 2024.

In the hotel & catering segment, we expect a rise in sales due to the expanded catering offer. However, given the higher proportion of comparatively low-margin catering revenues, we expect a slight decrease in the GOP margin.

Taking into account slightly higher financing costs, we anticipate net income excluding revaluation and special effects of around CHF 35 million for the 2024 financial year.

Zug, February 2024



Dr. Beat Schwab
Chairman of the board of directors

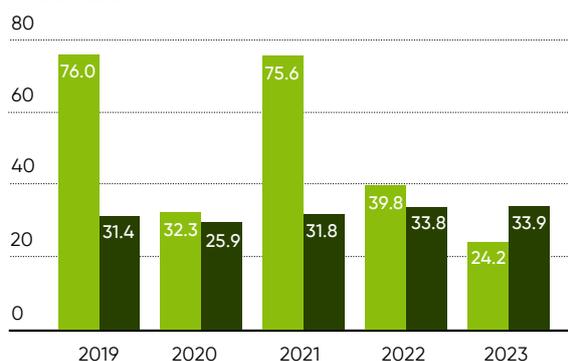


Patrik Stillhart
CEO

Development of key figures

Net income

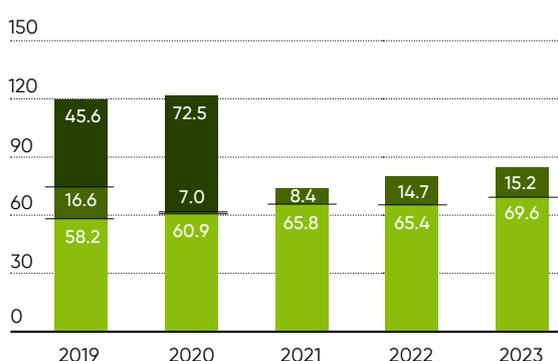
in CHF million



■ Net income
■ Net income excluding revaluation and special effects

Operating income

in CHF million



■ Income from sale of promotional properties
■ Hotel & catering income
■ Property and other income

Portfolio

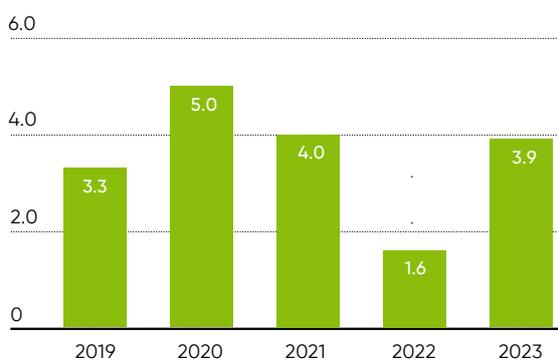
in CHF million



■ Market value total portfolio

Vacancy rate (on reference date)

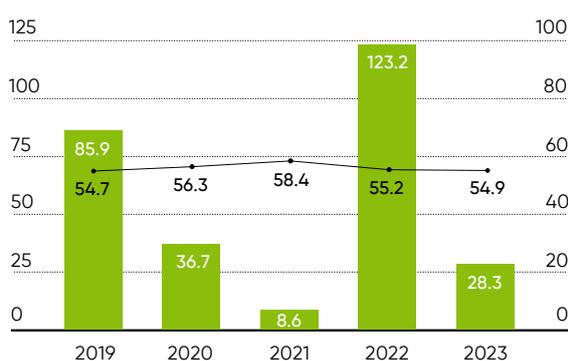
in %



■ Vacancy rate as at 31 December

Equity and investments

in CHF million



■ Investments (left-hand axis)
● Equity ratio (right-hand axis)

Distribution per series B registered share¹

in CHF per share



■ Special dividend
■ Distribution per series B registered share¹

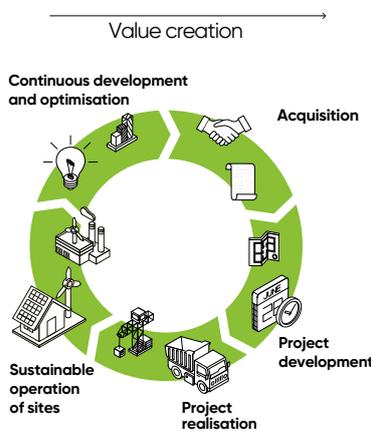
¹ Payable in the following year; ² 2023: proposal of the board of directors



The ground floor of the Park Hotel Zug was comprehensively refurbished between June and October 2023, resulting in the creation of the aigu Restaurant & Bar with a spacious terrace and new conservatory.

Strategy and business model

“We create added value by building, operating and continuously developing future-proof, diverse living spaces.”



The Zug Estates Group invests in properties with the aim of retaining them for the long term as well as continuously developing them. The bulk of the real estate portfolio is located at two sites in Zug (City Centre site/Metalli) and Risch Rotkreuz (Suurstoffi) and is broadly diversified by type of use. Through sustainable and versatile design concepts, as well as active management and careful transformation of our living spaces, we create added value for our stakeholders and future generations.

Our properties and sites can be found at central, well-connected locations with long-term development potential. We systematically exploit synergies arising from geographical concentration as well as the variety of ways in which these living spaces can be used. We seek to build a diverse, broadly diversified portfolio with a balanced relationship between residential, office, retail, hotel and service uses (including education and culture).

Our activities are geared to long-term commercial success and founded on a sound equity and financing structure, sustainable profitability and a forward-looking dividend strategy. We harness innovation and the opportunities afforded by digitalisation to drive the ongoing development of our properties and services as well as the optimisation of our operations.

Acquisitions and growth opportunities

By exploiting growth potential in our existing portfolio as well as targeted acquisitions, we generate added value for our shareholders. We focus on centrally located sites that are easily accessible by both public and private transport. All sites must have the potential for diverse, future-proof use. The spotlight is on sites and properties in the Canton of Zug as well as in neighbouring cantons (primarily Zurich and Lucerne). This geographical concentration enables us to systematically utilise our knowledge of the regional market and the synergies that arise.

With regard to our development and transformation projects, we are in close contact with the authorities of the municipalities concerned and maintain a dialogue with the public.





Garden Park Zug AG

Via Garden Park Zug AG, the Zug Estates Group operates two leading hotels in the city of Zug. Their attractive catering and event offering makes them a popular meeting point for guests from around the region.

The hotels portfolio includes the renowned 4-star Superior Park Hotel Zug, 4-star Superior-Designhotel City Garden, as well as three serviced city apartment properties. With a total of around 240 rooms and 110 employees, Garden Park Zug AG provides guests with first-class comfort and excellent service. The catering portfolio includes the aigu Restaurant and the bar & lounge, which opened in October 2023, together with the flexitarian Secret Garden Restaurant (www.gardenpark.ch).

Sustainability strategy

We attach great importance to sustainability across all aspects of our activities and play a pioneering role in relation to the sustainable construction and emissions-free operation of properties. Through outstanding projects we set the tone and foster exchange within the industry by organising forums and supporting various platforms and initiatives.

We strive to achieve targets and improvements across all areas of the ESG spectrum. In terms of environmental sustainability, our focus is on the topics of energy and emissions, materials/circular economy, biodiversity and water. With greenhouse gas emissions currently of 1.1 kg per square metre of energy reference area (Scope 1 and 2, includes out-of-scope emissions), Zug Estates is already in a leading position within the Swiss real estate sector. In addition to environmental topics, we are also dedicated to addressing the social dimension. Through careful transformation and development of our properties, we seek to create versatile, mixed living spaces.



The Zug Estates sustainability report 2023, which is based on the GRI Standards, is published in tandem with the annual report: zugestates.ch/en/downloads



Materiality matrix of Zug Estates Group

A centrally located, well-connected portfolio with development potential

Key data as at 31 December 2023

Value of portfolio
CHF 1.83 billion

Property income
CHF 65.7 million

Vacancy rate of investment properties*
3.9%

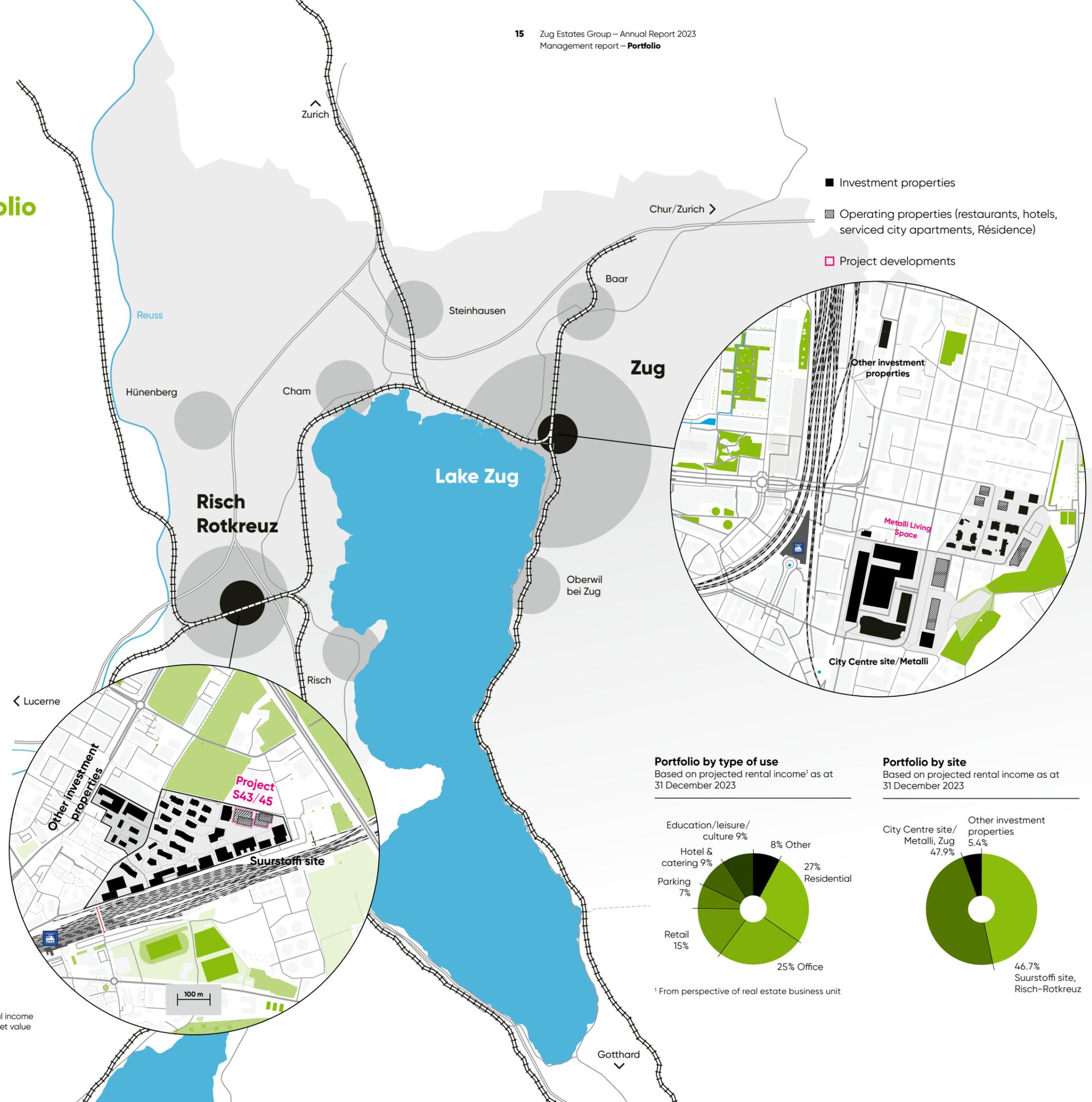
Rentable space
224 753 m²

WAULT
6.5 years

Gross return on investment properties**
3.9%

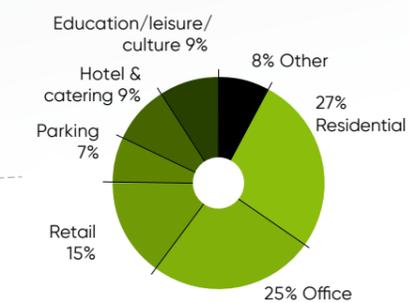
Greenhouse gas emissions per m²
Energy reference area (Scope 1 and 2)
1.1 kg/CO₂eq

* As at the balance sheet date, as a percentage of projected rental income
** Projected rental income (annualised) as a percentage of the market value on the balance sheet date



Portfolio by type of use

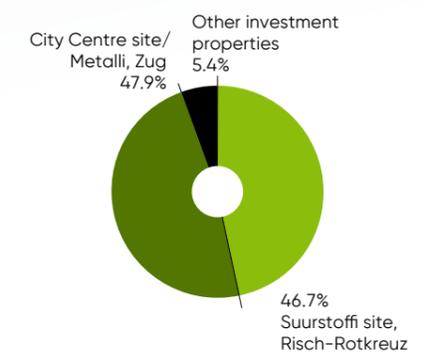
Based on projected rental income¹ as at 31 December 2023



¹ From perspective of real estate business unit

Portfolio by site

Based on projected rental income as at 31 December 2023



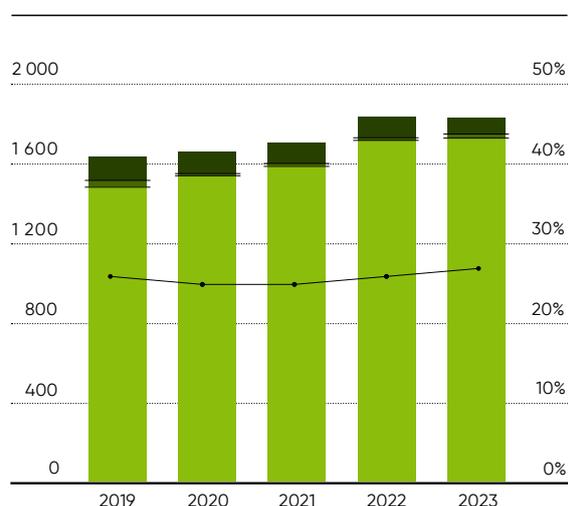
Real estate portfolio

Key data as at 31 December 2023

The real estate portfolio of Zug Estates is largely focused on two sites in Zug and Risch Rotkreuz that feature a varied, highly diverse range of uses. The portfolio offers above-average locational and property features coupled with low vacancy rates.

Development of portfolio value

in CHF million



- Operating properties (market value)
- Investment properties under construction and undeveloped plots
- Investment properties
- Residential share (based on projected rental income, right-hand axis)

Total portfolio

Site area	187 328 m ²	105 342 m ²
Market value	CHF 1.83 billion	CHF 854.1 million
Book value	CHF 1.77 billion	CHF 854.1 million
Vacancy rate of investment properties	3.9% (previous year: 1.6%)	2.1% (previous year: 2.7%)
Projected rental income investment properties	CHF 69.7 million	CHF 35.4 million
Gross return on investment properties	3.9%	4.1%
Residents / workspaces (approx.)	2 370 / 4 300	1 500 / 2 100

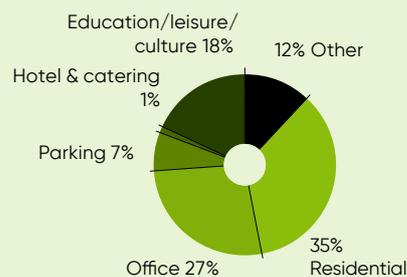
Suurstoffi site, Rotkreuz



The Suurstoffi site is located in an integrated, traffic-free neighbourhood with a combination of living, working and recreational facilities.

Use

Based on projected rental income as at 31 December 2023



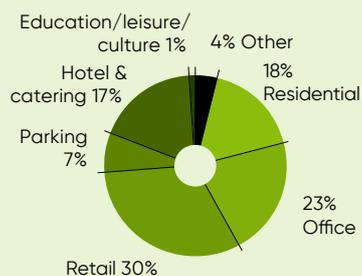
City Centre site/Metalli, Zug



Located adjacent to Zug train station and with excellent transport links, the site houses the Metalli Centre complex with around 60 shops on 16 000 m² of retail space, as well as offices and residential units, the two business hotels Park Hotel Zug and City Garden, as well as other residential and business properties.

Use

Based on projected rental income^{1,2} as at 31 December 2023



¹ Projected rental income for (co-owned) property at Baarerstrasse 20–22, Zug, included on pro-rata basis

61 122 m²

CHF 875.5 million

CHF 819.8 million

5.6% (previous year: 0.4%)

CHF 31.8 million

3.8%

700 / 2000

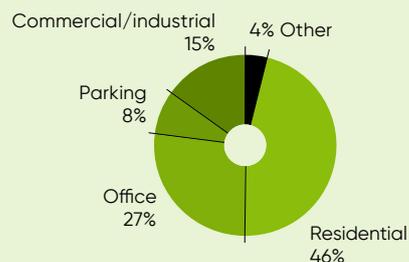
Other investment properties



Other investment properties include a business property in Zug as well as a 19 000 m² development site with residential and commercial properties in Rotkreuz (see picture) that is directly adjacent to the Suurstoffi site.

Use

Based on projected rental income as at 31 December 2023



20 864 m²

CHF 98.1 million

CHF 98.1 million

0.4% (previous year: 0.2%)

CHF 2.5 million

2.6%

170 / 200

Selected key portfolio figures

	2019	2020	2021	2022	2023
Value of portfolio in CHF thousands					
City Centre site, Zug	704 784	722 632	747 385	750 385	788 287
Suurstoffi site, Risch-Rotkreuz	773 580	811 800	836 600	852 800	839 210
Other investment properties	0	0	0	110 260	98 100
Investment properties	1 478 364	1 534 432	1 583 985	1 713 445	1 725 597
Investment properties under construction	31 402	9 794	11 274	11 758	18 235
Undeveloped plots	2 524	2 524	2 524	2 524	2 524
Total real estate portfolio	1 512 290	1 546 750	1 597 783	1 727 727	1 746 356
Operating properties ¹	118 250	108 110	103 230	102 890	81 320
Total portfolio	1 630 540	1 654 860	1 701 013	1 830 617	1 827 676
Performance in CHF thousands or %					
Projected rental revenue investment properties	60 597	62 163	63 024	66 128	69 675
Property income	54 481	57 782	60 024	62 221	65 655
Gross return on investment properties ²	4.1%	4.1%	4.0%	3.9%	3.9%
Vacancy rate of investment properties ³	3.3%	5.0%	4.0%	1.6%	3.9%
Average discount rate (real)	3.1%	3.0%	2.8%	2.8%	2.9%

¹ Properties used for operational purposes are stated at cost less write-downs in accordance with accounting standards but are shown in this list at market value.

² Projected rental income (annualised) as a percentage of the market value on the balance sheet date.

³ As at the balance sheet date, as a percentage of projected rental income.

Project development

S43/45

Investment volume:
approx. CHF 85 million

Start of construction:
2024

Usage mix:
service and education, student
accommodation

Rentable space:
office and education space: 14 400 m²
living area: 1 100 m²



Work on the revised plans was successfully concluded and the project signed off by the authorities. In light of the encouraging situation for rental properties in the portfolio as well as the positive market outlook for the Zug region, the board of directors decided to give the project the green light. Building work is due to start at the end of 2024, with leased spaces likely to be handed over to future tenants from mid-2027.

"Metalli Living Space"

Investment volume:
CHF 200–300 million

Start of construction:
2027 at earliest

Usage mix:
Residential, retail and service space, plus
hotel and catering use.

Website:
www.lebensraum-metalli.ch



Zug Estates is planning to redesign the Metalli complex in the centre of Zug, which currently features a shopping mall, the associated residential and business properties as well as the adjacent Bergli site with Park Hotel, and to densify parts of it.

Zug Estates is currently in close contact with the city of Zug's building authorities in connection with clarifying the concrete impacts on the two development plans for Metali and Bergli of the "2000 homes for Zug's middle classes" initiative which was approved by voters.

List of properties

Investment properties	Place	Form of ownership ¹	Ownership share in %	Year of construction	Year of refurbishment	Plot area m ²	Residential m ²	Office m ²	Retail m ²	Hotel/catering m ²	Leisure/education/culture m ²	Storage/other m ²	Total rentable space m ²	Total no. of parking spaces
Zug City Centre site														
Baarerstrasse 20–22 (Metalli I/II, Zug Estates share)	Zug	CO	78.75	1987/1991	–	16 419	8 086	11 574	16 183	923	2 261	6 066	45 093	521
Baarerstrasse 14a (Metalli III)	Zug	SO	100	1995	–	4 843	352	5 505	3 215	298	–	2 890	12 260	123
Industriestrasse 12	Zug	SO/C	100	1987	–	2 349	1 656	546	–	–	–	70	2 272	42
Industriestrasse 13a/c (Metalli IV)	Zug	SO	100	1995	–	2 155	1 965	1 370	381	461	264	759	5 200	93
Industriestrasse 16 (leasehold) ²	Zug	LHP	100	–	–	3 200	–	–	–	–	–	–	–	–
Industriestrasse 18	Zug	SO	100	1992	–	1 637	–	1 463	–	–	–	234	1 697	30
Haldenstrasse 12–16 (Haldenhof)	Zug	SO	100	2009	–	3 615	3 148	–	–	–	–	59	3 207	54
Metallstr. 13–19/Haldenstrasse 2/4	Zug	SO	100	1910–1915	1984–1989	4 960	2 249	–	–	–	–	–	2 249	2
Haldenstrasse 1/3/5/6/8, Bleichimattweg 2/4, Metallstrasse 21/23	Zug	SO	100	1910–1991	–	9 037	6 055	–	–	–	100	49	6 204	70
Total Zug City Centre site						48 215	23 511	20 458	19 779	1 682	2 625	10 127	78 182	935
Suurstoffi site														
Suurstoffi 1, 2, 4, 6	Risch-Rotkreuz	SO	100	2019/2020	–	21 378	–	8 025	442	–	14 613	2 256	25 336	184
Suurstoffi 5, 9, 13, 15, 17	Risch-Rotkreuz	SO	100	2011/2012	–	11 249	11 336	–	–	–	–	19	11 355	217
Suurstoffi 19–35	Risch-Rotkreuz	SO	100	2015	–	10 553	10 194	–	–	–	–	44	10 238	382
Suurstoffi 7, 11 (Alte Suurstoffi)	Risch-Rotkreuz	SO	100	ca. 1926	2012	885	–	–	–	–	520	–	520	478
Suurstoffi 8, 10, 12	Risch-Rotkreuz	SO	100	2013	–	12 374	10 132	89	–	335	3 442	961	14 959	269
Suurstoffi 14	Risch-Rotkreuz	SO	100	2013	–	6 251	–	8 478	–	–	–	1 245	9 723	0
Suurstoffi 16, 18, 20	Risch-Rotkreuz	SO	100	2017/2018	–	15 094	13 308	7 825	493	–	–	1 502	23 128	185
Suurstoffi 22	Risch-Rotkreuz	SO	100	2018	–	8 113	–	10 360	60	547	–	1 098	12 065	97
Suurstoffi 37 (Aglaya)	Risch-Rotkreuz	C	100	2019	–	2 227	–	1 809	–	258	–	37	2 104	7
Suurstoffi 41	Risch-Rotkreuz	SO	100	2014	–	4 246	–	3 020	–	–	3 192	262	6 474	–
Total Suurstoffi site						92 370	44 970	39 606	995	1 140	21 767	7 424	115 902	1 819
Other investment properties														
Birkenstrasse 27, 29, 31, 33 & 35, Chamerstrasse 4	Risch-Rotkreuz	SO	100	2002, 1983, 1965	1983	9 124	5 196	500	–	–	–	179	5 875	88
Birkenstrasse 37/39	Risch-Rotkreuz	SO	100	1962, 1964, 1967	–	10 059	–	171	–	–	–	7 548	7 719	67
Baarerstrasse 75, 77 & 79	Zug	SO	100	1963	2011	1 681	525	2 616	32	–	–	300	3 473	59
Total other investment properties						20 864	5 721	3 287	32	0	0	8 027	17 067	214
Total investment properties (excl. investment properties under construction)						161 449	74 202	63 351	20 806	2 822	24 392	25 578	211 151	2 968
Investment properties under construction														
Baarerstrasse 30	Zug	SO	100	1 880	1 984	494	354	–	–	278	–	72	704	3
Total investment properties under construction						494	354	0	0	278	0	72	704	3
Undeveloped plots														
Suurstoffi 43, 45	Risch-Rotkreuz	SO	100	–	–	12 972	–	–	–	–	–	–	–	–
Total undeveloped plots						12 972	0	0	0	0	0	0	0	0
Total real estate portfolio						174 915	74 556	63 351	20 806	3 100	24 392	25 650	211 855	2 971
Operating properties ³	Zug	SO/C	100	–	–	12 413	–	171	–	12 700	–	27	12 898	152
Total portfolio						187 328	74 556	63 522	20 806	15 800	24 392	25 677	224 753	3 123

¹ SO: sole ownership; LHP: leasehold plot; CO: co-ownership; C: condominium.² Zug Estates Ltd is the ground lessor.³ The following properties located in Zug serve as operating properties: Industriestrasse 14 (Park Hotel Zug), Industriestrasse 16 (Résidence), Metallstrasse 20 (City Garden Hotel) and Haldenstrasse 9, 10, 11 (serviced city apartments).

To the Board of Directors of Zug Estates Holding AG



Report of the independent valuation expert Valuation as of 31 December 2023

Zurich,
12 January 2024

Comission

Acting on behalf of Zug Estates Holding AG, Wüest Partner AG (Wüest Partner) valued the properties and sections of properties held by the Zug Estates Group for purposes of accounting as of the balance sheet date of 31 December 2023. 23 investment properties and four operating properties were valued.

Valuation standards

Wüest Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines. The property values determined correspond to the current value (market value) as described in Swiss GAAP ARR 18, item 14.

Definition of market value

"Market value" is the estimated amount for which a property would most probably be exchanged on the date of valuation between a willing buyer and a willing seller, with due allowance made for a reasonable marketing period, each party acting knowledgeably, prudently and without compulsion.

Property transfer tax, property gains taxes, value added tax and other costs and commission fees that would be incurred if the property were sold are not included. Nor is any of the Zug Estates Group's liabilities in respect of taxation (apart from ordinary property taxes) and financing costs taken into account.

Valuation method

In valuing Zug Estates Group Properties, Wüest Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

Basis of valuation

Wüest Partner is familiar with all the properties, having carried out on-site inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macrolocation etc.). Currently vacant premises are valued with due allowance made for a reasonable marketing period.

Eight properties were inspected in connection with the valuation as of the balance sheet date of 31 December 2023.

Changes during reporting period

Within the review period from 1 January 2023 to 31 December 2023 the following changes took place:

- Zug Estates AG has acquired 3.50% of the co-ownership of the property Metalli I/II. The co-ownership share held by Zug Estates AG increases from 75.25% to 78.75%.
- The property at Cham, Duggelistrasse 28 was sold.
- The two properties at Industriestrasse 12 in Zug and Baarerstrasse 30 in Zug were reclassified from operating properties to investment properties.
- The properties at Chamerstrasse 4, Birkenstrasse 27-29 and Birkenstrasse 31-35 in Rotkreuz were valued together (previous year: three individual valuations).

Results

As of 31 December 2023, Wüest Partner determined the market value of the 27 properties in total (incl. acquired co-ownership share of the property Metalli I/II, excl. sold property Duggelistrasse 28 in Cham and incl. reclassified properties Industriestrasse 12 and Baarerstrasse 30 in Zug):

in CHF	
23 Investment properties	1 730 487 500
4 Operating properties	81 320 000
Total	1 811 807 500

As of 31 December 2023, the market value of the like-for-like investment properties portfolio (excl. acquisitions, sales and reclassifications), amounts to CHF 1'685'022'500. Compared to 31 December 2022, this corresponds to a change in value of around -1.4% gross (before deduction of investments made during the period) and around -1.7% net (after deduction of investments made during the period).

Independence and confidentiality

Wüest Partner performed the valuation of Zug Estates Group real estate properties independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest Partner shall accept no liability in respect of third parties.

Wüest Partner AG



Martin Schoenenberger MRICS
Partner



Mario Huber
Director



Annex: Valuation assumptions and notes

Investment properties and operating properties

Valuation of the investment properties is based on the following key assumptions:

- **Surface areas:** The lettable areas were factored into the valuations on the basis of the rent rolls of the Zug Estates Group and verbal information provided by the Zug Estates Group. Discrepancies between this information and the property plans were verified with the Zug Estates Group.
- **Rent rolls:** The rent rolls as of 1 January 2024, on which the valuation was based, were received by Wüest Partner in October 2023.
- **Calculation model:** A two-phase DCF model was adopted. From the valuation date, the infinite valuation period starts with an implicit residual value in the 11th period. Exceptions are possible in the case of leasehold properties with a corresponding reversion scenario.
- **Discounting:** Discounting is based on a risk-adjusted interest rate. The applicable rate is determined separately for each property. The discount rates of the property portfolio of Zug Estates Holding AG range from 2.35% to 4.30% (net real terms).
- **Increased costs:** Unless otherwise specified, the valuations assume an annual inflation rate of 1.25 % for both income and expenses. When considered in nominal terms, the discount rate is adjusted accordingly. The cash flow trend and the discounting applied are presented in real terms.
- **Indexing of rental contracts:** Specific indexation of existing rental contracts is taken into account. 100% indexing is assumed after contract expiry, with contracts adjusted to market rates every three to five years, depending on occupancy.
- **Tenant risks:** The valuation makes no explicit allowance for credit risks posed by any of the tenants.
- **Scheduling of payment flows:** In the case of existing rental contracts, individual payments are scheduled according to the contractually defined arrangements. After expiry of the contracts, cash flows are factored in quarterly in advance for commercial tenancies and monthly in advance for residential tenancies.
- **Recoverability of ancillary costs:** For the running costs, completely separate service charge accounts were assumed, with all tenancy-related ancillary costs passed on to tenants.
- **Maintenance costs:** Maintenance (repair and upkeep) costs were calculated using the building analysis tool. Based on an analysis of the condition and remaining lifespan of the various building elements and components, the software models periodic refurbishments and calculates the associated annual reserves for maintenance costs. The results were plausibility-tested using comparables and benchmarks derived from Wüest Partner surveys. The calculation factors in 100% of repair costs in the first 10 years and 60% to 80% (individual recoverable share) from year 11 onwards, in line with the assumed value-preserving investments.



The Canton of Zug is to open a new cantonal school in the S6 property (top right) at the Suurstoffi site in Rotkreuz, which it has rented from 1 January 2024.

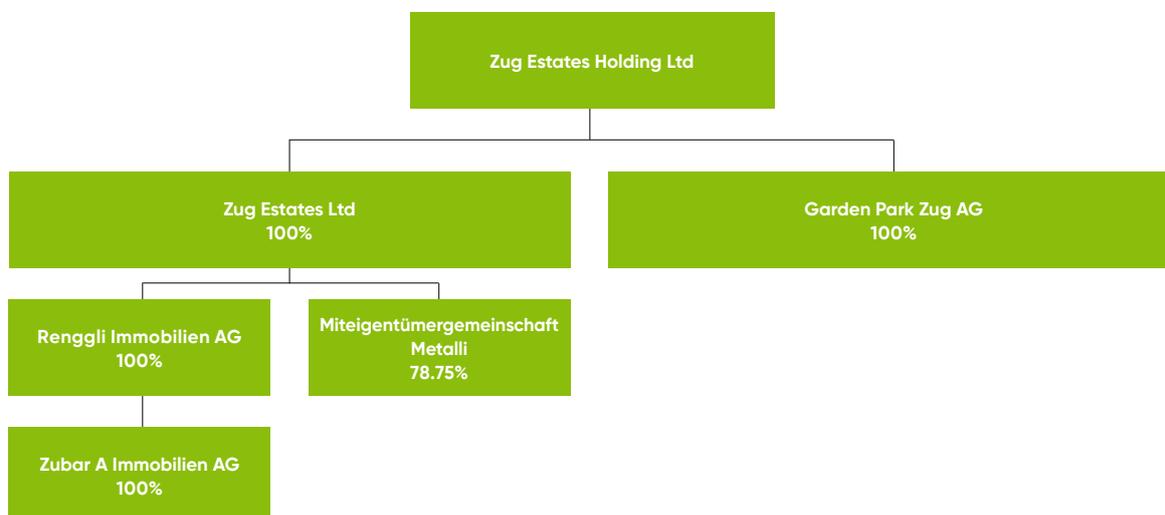
Corporate governance report

“Zug Estates Holding Ltd is committed to the principles of good corporate governance. This is shown by its efficient management structure, extensive control mechanisms and transparent information policy.”

The following information refers to the situation as at 31 December 2023 or to the year under review (2023) unless stated otherwise. No material changes occurred between 31 December 2023 and the submission deadline for the annual report.

1 Group structure and shareholders

1.1 Group structure



Zug Estates Holding Ltd, which has its registered office in Zug, has a dual share structure:

Share category	Security number	ISIN code	Listed at	Nominal value CHF	Number	Votes	Capital CHF	Market capitalisation as at 31.12.2023 TCHF
Series A registered shares	14805211	CH0148052118	-	2.50	496 600	496 600	1241 500	79 704 ¹
Series B registered shares	14805212	CHF0148052126	SIX Swiss Exchange	25.00	460 340	460 340	11 508 500	738 846
Total						956 940	12 750 000	818 550

¹ Series A registered shares converted based on price of series B registered shares.

All investments involved are unlisted. Renggli Holding AG was merged with Zug Estates Ltd with retroactive effect to 1 January 2023. Zug Estates Ltd acquired a further 3.5% of the capital of Miteigentümergeinschaft Metalli on 31 May 2023. As a result, the share of capital rose from 75.25% to 78.75% and the share of votes (one person, one vote) increased from 10.0% to 11.11%.

The list of consolidated companies can be found in the financial report on page 57.

1.2 Significant shareholders

All significant shareholders who are known to Zug Estates Holding Ltd, together with information about the composition of shareholder groups, are listed in the financial report on page 70 (see "Significant shareholders"). Further information about the significant shareholders can also be found on the website of the Disclosure Office of SIX Swiss Exchange at [https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.](https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/)

The Buhofer shareholder group was comprised of Elisabeth Buhofer, Annelies Häcki Buhofer and Julia Häcki as at both 31 December 2023 and 31 December 2022. Some of the shares are held indirectly via Holmia Holding AG, Zug. A shareholder pooling agreement exists between the members, under which the members of the group agree to coordinate the manner in which they exercise their voting rights. As at 31 December 2023, this group owns a total of 48.0% of the voting rights (previous year: 47.4%).

Other than this, the company is not aware of any mutual agreements between shareholders who are subject to registration.

1.3 Cross-shareholdings

Zug Estates Holding Ltd has no cross-shareholdings.

2 Capital structure

2.1 Capital

The composition of the share capital is described in the financial report on page 68 (see "Share capital").

2.2 Capital band and conditional capital

The articles of incorporation do not provide for any capital band, authorised capital or conditional capital.

2.3 Changes in capital

Change	Number of series A registered shares	Nominal value per series A registered share in CHF	Number of series B registered shares	Nominal value per series B registered share in CHF	Total share capital in TCHF
Share capital as at 31 December 2020	496 600	2.50	460 340	25.00	12 750
Share capital as at 31 December 2021	496 600	2.50	460 340	25.00	12 750
Share capital as at 31 December 2022	496 600	2.50	460 340	25.00	12 750
Share capital as at 31 December 2023	496 600	2.50	460 340	25.00	12 750

There have not been any changes in capital in the past three reporting years.

2.4 Shares and participation certificates

Detailed information on the shares of Zug Estates Holding Ltd (number of shares, type and par value) is available in the financial report on page 62 (see "Share capital"). Series A registered shares (privileged voting shares, par value CHF 2.50) are not listed. Series B registered shares (ordinary shares, par value CHF 25.00) are listed on the SIX Swiss Exchange, Zurich (securities number: 14805212, ISIN: CH0148052126).

Each registered share entitles the bearer to a dividend corresponding to the nominal value. Each registered share entitles the bearer to one vote at the company's general meeting of shareholders.

The company has no outstanding participation certificates.

2.5 Dividend right certificates

The company has no outstanding dividend right certificates.

2.6 Limitations on transferability and nominee registration

In relation to the company, only those registered in the share register are recognised as registered shareholders or beneficiaries.

An entry is made in the share register:

- if, according to the information available to the company, recognising an applicant as a shareholder does not and could not prevent the company and/or its subsidiaries from providing legally required proof of the composition of its circle of shareholders and/or beneficial owners, particularly pursuant to the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents;
- if the applicant expressly declares that these registered shares have been acquired in the applicant's own name and for their own account.

Persons who do not expressly state in the application for registration that they hold the shares for their own account (nominees) may be entered with voting rights in the share register, provided that such persons have signed an agreement with the board of directors concerning their status and are subject to recognised bank or financial market supervision.

With regard to the provision of proof of Swiss control pursuant to the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents, the board of directors may refuse entry in the share register with voting rights or refuse the transfer of shares as soon as and insofar as such entry or transfer causes the percentage of shares with voting rights held by foreign shareholders to exceed 25% of all shares entered in the share register with voting rights or 25% of the total capital or if the percentage of shares with voting rights held by the foreign shareholder in question (including other shareholders acting in mutual agreement with this shareholder) exceeds 10% of all shares entered in the share register with voting rights. Any shareholder shall be deemed a foreign shareholder if the company has not been given sufficient information for it to be able to provide proof pursuant to the above-named Federal Act that the respective shareholder is not a foreign non-resident within the meaning of said Federal Act.

The board of directors is entitled to subsequently remove shares from the share register or to reclassify them as shares without voting rights if a shareholder's situation changes such that, after this change, approval of a transfer or entry with voting rights would not or only partially be permissible in respect of said shares. Removal or reclassification will be effected insofar as this is required to reach the percentages specified above. The shareholder will be heard.

The transfer of series A registered shares is subject to approval by the board of directors in each instance. Approval can be denied for important reasons.

The following count as important reasons:

- to keep away buyers who operate a business that competes with the purpose of the company, who have a direct or indirect participating interest in such a business or who are employed by such a business;
- to ensure that the company remains independent based on the voting-rights-related control of the group of current holders of series A registered shares; usually, spouses and descendants of the current circle of shareholders must be admitted unless they qualify as foreign non-residents within the meaning of the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents;
- to acquire or to hold shares on behalf of third parties or in the interests of third parties.

Approval can also be denied without giving reasons, provided that the board of directors acquires the shares (for the account of the company, specific shareholders or third parties) at their actual value at the time when the request was submitted. If the shares were acquired through inheritance, division of an estate, a matrimonial regime or compulsory enforcement, the company can only deny approval of the application if it offers to buy the shares from the acquirer (for the account of the company, specific shareholders or third parties) at their actual value at the time when the request was submitted and such transfer results in one of the limits stipulated in paragraph 4 ("Lex Koller restrictions") being exceeded.

After hearing the affected party, the company may delete entries in the share register if these are based on false information provided by the buyer. Any such deletion must be communicated immediately to the buyer.

2.7 Convertible bonds and warrants/options

The company has no outstanding convertible bonds or warrants/options.

3 Board of directors

3.1 Members of the board of directors

The board of directors of Zug Estates Holding Ltd comprised five members as at the balance sheet date. Armin Meier stepped down from the board of directors at the general meeting of shareholders on 6 April 2023. At the same time, Dr. Joëlle Zimmerli was elected to the board of directors. All members of the board of directors serve on a non-executive basis and are elected until the 2024 general meeting of shareholders.

None of the members of the board of directors have any material business relationships with Zug Estates Holding Ltd or with the Zug Estates Group. Activities of members of the board of directors with other companies are disclosed in the compensation report on page 46.

Dr. Beat Schwab

Swiss, born 1966



Position

Chairman of the board of directors (member of the board of directors since 2014; chairman of the board of directors since 2017)

Committees

None

Education

Dr. rer. pol., University of Bern; MBA Columbia University

Professional background

Self-employed entrepreneur and independent director, since 2017; Head of Real Estate Investment Management at Credit Suisse AG, 2012–2017; CEO of Wincasa AG, 2006–2012; member of the management of ISS Schweiz AG, 2004–2006; director of SEVIS AG, 1999–2004; various positions in the banking industry

Previous activities for the Zug Estates Group

None

Official functions and political offices

None

Core competencies

- Real estate
- Governance
- Digitalisation, IT & cybersecurity
- Corporate governance

Prof. Annelies Häcki Buhofer

Swiss, born 1954



Position

Member of the board of directors (since 2012)

Committees

Member of the Nomination and Compensation Committee

Education

PD Dr. phil. I, University of Zurich

Professional background

Management roles within the Faculty of Humanities at the University of Basel, 2002–2015; Professor of German Linguistics at the University of Basel, 1989–2015

Previous activities for the Zug Estates Group

Member of the board of directors of MZ Immobilien AG, 1997–2012

Official functions and political offices

None

Core competencies

- Real estate
- Hotel & catering
- Investor relations & communication
- Human resources

Johannes Stöckli

Swiss, born 1959



Position

Member of the board of directors (since 2018)

Committees

Chairman of the Nomination and Compensation Committee
Member of the Audit Committee

Education

CAS Justice of the Peace, Lucerne University of Applied Sciences and Arts; SME Management (intensive course of study), University of St. Gallen

Professional background

Independent investor and director since 2015; managing director and member of the board of directors of Pyros Holding AG and subsidiaries, Cham, 1992–2015

Previous activities for the Zug Estates Group

None

Official functions and political offices

Justice of the Peace of the City of Zug

Core competencies

- Human relations
- Corporate governance
- Investor relations & communication
- Hotel & catering

Martin Wipfli

Swiss, born 1963



Position

Member of the board of directors (since 2012)

Committees

Chairman of the Audit Committee

Education

Attorney, Master of Law (lic. iur.), University of Bern

Professional background

Partner at Baryon AG, since 1998; partner with Tax Partner AG, Zurich, 1997–1998; Head of the Tax Department of Bank Leu Ltd, Zurich, 1995–1997; tax advisor with ATAG Ernst & Young AG, Zurich, 1990–1995

Previous activities for the Zug Estates Group

Member of the board of directors of MZ Immobilien AG, 2011–2012

Official functions and political offices

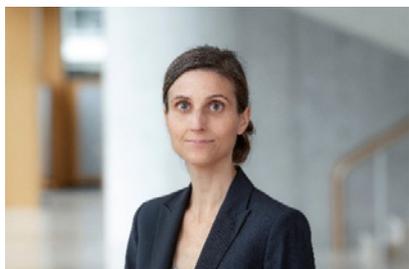
Head of the Municipal Council of Feusisberg, Chairman of the Association of Municipalities and Districts of the Canton of Schwyz

Core competencies

- Law & tax
- Finance & audit
- Risk management
- Mergers & acquisitions (M&A)

Dr. Joëlle Zimmerli

Swiss, born 1980



Position

Member of the board of directors (since 2023)

Committees

Member of the Audit Committee

Education

Dr. ing., Leibniz University Hanover

Professional background

Owner and managing director of Zimraum GmbH, Zurich, since 2011 and lecturer in real estate at various universities; project manager with EBP Switzerland Ltd, Zurich, 2008–2011

Previous activities for the Zug Estates Group

None

Official functions and political offices

None

Core competencies

- Urban and site development
- ESG & sustainability
- Real estate
- Risk management

3.2 Additional mandates

Pursuant to the company's articles of incorporation, a member of the board of directors may hold a maximum of ten additional mandates, no more than five of them with listed companies.

Mandates are deemed to comprise activities in the most senior executive and management bodies of entities with a business purpose and which are not directly or indirectly controlled by the company. For the purposes of calculating the number of mandates in the case of activities in the most senior executive and management bodies of several related legal entities, only one mandate is counted.

There is no limit on the number of other types of mandate that may be accepted provided such mandates do not hinder the member of the board of directors in the performance of their duties toward the company and other enterprises associated with it.

The Nomination and Compensation Committee reviewed and verified compliance with the relevant provisions of the articles of incorporation in the 2023 financial year.

3.3 Elections and terms of office

Members of the board of directors are elected by the general meeting of shareholders on an individual basis and for a period of one year or until the next ordinary general meeting. The general meeting of shareholders elects the chairman of the board of directors and the members of the Nomination and Compensation Committee on an individual basis. In all other respects, the board of directors constitutes itself. Members of the board of directors may be re-elected at any time, but must step down at the subsequent general meeting of shareholders after reaching the age of 70.

The general meeting of shareholders also elects an independent proxy on an annual basis. The term of office of the independent proxy ends at the closing of the next ordinary meeting of shareholders.

3.4 Internal organisational structure

The full board of directors meets as often as business requires, but at least four times a year. Both in-person meetings as well as telephone and video conferences are deemed to constitute meetings. In the case of excused absences, the topics on the meeting agenda are discussed in advance with the chairman of the board of directors. The agenda items for the meetings of the board of directors are specified by the chairman and prepared by Group management. Every member of the board of directors and every member of Group management is entitled to request that a meeting be convened, specifying the meeting's purpose. Seven days prior to a meeting of the board of directors, the board members receive documentation that allows them to prepare for the discussion of the agenda items. Decisions are made by the entire board of directors with the assistance of the following two committees: the Nomination and Compensation Committee and the Audit Committee. Any topics not discussed in advance by these committees are dealt with directly by the entire board of directors. For detailed information regarding the duties of the board of directors, please refer to the organisational regulations at <https://zugestates.ch/en/corporate-governance>.

Nomination and Compensation Committee

The Nomination and Compensation Committee supports the board of directors on the following subjects:

- compensation to the board of directors and Group management;
- evaluating the board of directors and Group management with respect to composition, size, etc.;
- succession planning for the board of directors and Group management;
- training and further education for the board of directors and Group management;
- personnel measures with respect to Group management;
- staffing policy, staff development and questions related to the general staffing policy.

For detailed information regarding the tasks and powers of the Nomination and Compensation Committee, please refer to Regulations of the Nomination and Compensation Committee at <https://zugestates.ch/en/corporate-governance>.

The Nomination and Compensation Committee usually meets three times a year. Johannes Stöckli (chair) and Prof. Annelies Häcki Buhofer serve on the Nomination and Compensation Committee. The CEO also participates in the discussions, except when their employment contract or remuneration are being discussed.

Audit Committee

The Audit Committee supports the board of directors on the following tasks:

- preparation of the financial statements;
- external audit;
- valuation of properties by the independent valuation expert;
- risk management and internal control system (ICS), including compliance with laws, ordinances and internal guidelines;
- financing/liquidity management;
- taxes;
- insurance.

For detailed information regarding the tasks and powers of the Audit Committee, please refer to the Regulations of the Audit Committee at <https://zugestates.ch/en/corporate-governance>.

The Audit Committee usually meets quarterly. Martin Wipfli (chair), Johannes Stöckli and Dr. Joëlle Zimmerli serve on the committee; the CEO, CFO and auditors also attend the meetings.

Meetings of the board of directors and its committees in 2023

Members of the board of directors	Board of directors	Nomination and Compensation Committee (NCC)	Audit Committee (AC)
Total number of meetings	6	3	5
Dr. Beat Schwab	6	-	-
Prof. Annelies Häcki Buhofer	6	2	1
Armin Meier ¹	2	1	-
Johannes Stöckli	6	3	5
Martin Wipfli	6	-	5
Dr. Joëlle Zimmerli ²	4	-	4
Average meeting duration in hours	4.5	2.5	3

¹ Armin Meier stepped down from the board of directors at the general meeting of shareholders on 6 April 2023.

² Dr. Joëlle Zimmerli was elected to the board of directors at the general meeting of shareholders on 6 April 2023.

All absences from meetings of the board of directors or its committees were excused and the absent members discussed the agenda items with the respective chair in advance.

3.5 Definition of areas of responsibility

The board of directors has established organisational regulations regarding the distribution of areas of responsibility between the board of directors and Group management. These can be found at <https://zug-estates.ch/en/corporate-governance>. In principle, the Group management's mandate is comprehensive. Even if an area of responsibility lies with the board of directors, Group management is expected to take the intellectual initiative and to address emerging business opportunities until they reach a stage at which a decision can be made.

3.6 Information and control instruments vis-a-vis Group management

The board of directors controls Group management and supervises its method of working. The Zug Estates Group has a comprehensive management information system. The Group companies report to Group management once a month. The board of directors is informed of the Group's operational and financial performance every quarter. The results are compared with the same period of the previous year and with the budget. The feasibility of budgets, which are integrated into rolling medium-term plans, is reviewed at least twice yearly on the basis of extrapolations. Furthermore, Group management keeps the board of directors fully informed at board meetings on the progress of business.

The board of directors has put in place a comprehensive system for monitoring and managing the risks associated with the company's activities. This process involves risk identification, risk analysis, risk management and risk reporting. Risks are identified in the categories of strategy, reputation, management, construction and development risks, finance, IT/infrastructure, personnel/leadership/organisation, environment and general factors, and evaluated in terms of their likelihood of occurrence and potential to cause damage. Group management is responsible for monitoring and managing risk. In the case of major single risks, certain individuals are assigned responsibility for taking concrete measures to manage these risks and for monitoring their implementation. On behalf of the Audit Committee, Group management draws up a risk report for the board of directors at regular intervals.

4 Group management

4.1 Members of Group management

The Group management of Zug Estates Holding Ltd comprised two members as at the balance sheet date.

None of the members of the Group management have any material business relationships with Zug Estates Holding Ltd or with the Zug Estates Group. Activities of members of the Group management with other companies are disclosed in the compensation report on page 46.

Patrik Stillhart

Swiss, born 1974



Position

CEO (since 1 June 2020)

Education

Degree in mechanical engineering (Dipl. Ing.) from the Swiss Federal Institute of Technology (ETH); real estate economist (EBS – European Business School)

Professional background

Managing director, Jones Lang LaSalle AG (JLL), Zurich, 2011–2020; senior vice president, Sal. Oppenheim jr. & Cie. Corporate Finance (Switzerland) AG, Zurich, 2005–2011; Senior Associate, Ernst & Young AG, Zurich, 2005; project manager, EBP Switzerland Ltd, Zurich, 2001–2005

Previous activities for the Zug Estates Group

None

Activities on governing and supervisory bodies of the Zug Estates Group

Chairman of the board of directors of Zug Estates Ltd, Zug, Renggli Immobilien AG, Zug, Zubar A Immobilien AG, Zug, and Garden Park Zug AG, Zug

Official functions and political offices

None

Mirko Käppeli

Swiss, born 1979



Position

CFO (since 1 May 2017)

Education

Lic. oec. University of St. Gallen

Professional background

2010–2017 in various financial roles within the Seewarte Group, Zurich, CFO from 2011; finance manager, Gravhaven Mining AG, Walchwil, 2008–2009; financial projects, Mobimo Group, Küsnacht, 2005–2008; Controlling, Livit AG, Zurich, 2002–2004

Previous activities for the Zug Estates Group

None

Activities on governing and supervisory bodies of the Zug Estates Group

Member of the board of directors of Zug Estates Ltd, Zug, Renggli Immobilien AG, Zug, Zubar A Immobilien AG, Zug, and Garden Park Zug AG, Zug

Official functions and political offices

None

4.2 Additional mandates

Pursuant to the company's articles of incorporation, a member of the Group management may hold a maximum of two additional mandates, one of which may be with a listed company.

Mandates are deemed to comprise activities in the most senior executive and management bodies of entities with a business purpose and which are not directly or indirectly controlled by the company. For the purposes of calculating the number of mandates in the case of activities in the most senior executive and management bodies of several related legal entities, only one mandate is counted.

There is no limit on the number of other types of mandate that may be held provided these do not hinder the member of the Group management in the performance of their duties toward the company and other enterprises associated with it.

The Nomination and Compensation Committee reviewed and verified compliance with the relevant provisions of the articles of incorporation in the 2023 financial year.

4.3 Management contracts

There are no management contracts with companies outside the Group.

5 Compensation, shareholdings and loans

Information on the procedure for determining the compensation of members of the board of directors and Group management and on the compensation amounts paid to them, together with information on loans, credits, and pension benefits to members of the board of directors and the Group management, is available in the compensation report on pages 42 to 47.

The shareholdings of the members of the board of directors and the Group management are disclosed in the notes to the financial statements of Zug Estates Holding Ltd on page 81.

6 Shareholders' participation

6.1 Voting rights restrictions and representation of voting rights

Each share entitles the holder to one vote.

All shareholders may attend the general meeting of shareholders in person to exercise their rights or they may act at the general meeting of shareholders through the independent proxy or through written proxy to another representative.

The general meeting of shareholders elects an independent proxy on an annual basis. Natural persons or legal entities or partnerships are eligible for election as independent proxy. The term of office ends at the closing of the next ordinary meeting of shareholders. Re-election is possible.

Power of attorney and instructions may be given to the independent proxy in writing or electronically.

On the instruction of the board of directors, general meetings of shareholders may be held by electronic means without a meeting venue.

6.2 Statutory quorums

In addition to the cases listed in article 704 of the Swiss Code of Obligations (CO), resolutions on the conversion of registered shares into bearer shares (and vice versa), the restriction on transferability of registered shares and the relaxation or cancellation of the restriction require the approval of at least two thirds of the voting shares represented and an absolute majority of the nominal share value represented. In all other instances, the general meeting of shareholders of Zug Estates Holding Ltd shall adopt resolutions and hold elections by the absolute majority of voting shares cast, irrespective of the number of shareholders present and of the number of voting shares represented.

6.3 Convocation of the general meeting of shareholders

Convocation of the general meeting of shareholders follows the legal provisions.

6.4 Agenda items

In principle, items are placed on the agenda in compliance with the legal provisions.

Shareholders representing 0.5% of the share capital or votes may request in writing, and on specification of the motion, inclusion of an item on the agenda or a motion on an agenda item within 40 days before the general meeting, unless the company issues a public notice specifying a different deadline. The written request must be accompanied by a bank statement confirming that the shares are on deposit until after the general meeting.

6.5 Entries in the share register

Registered shareholders who on the day when the invitation to the general meeting of shareholders is sent – i.e. usually about 20 days before the date of the meeting – are listed in the share register as shareholders with voting rights receive the invitation to the ordinary general meeting directly. No entries will be made in the share register between this date and the day of the general meeting.

In connection with the ordinary general meeting of shareholders in Zug on 9 April 2024, the share register will be closed and no new entries can be made from 3 April up to and including 9 April 2024.

7 Changes of control and defence measures

7.1 Duty to make an offer

The duty to make a public offer to purchase according to article 135 and 163 et. seq. of the Swiss Financial Market Infrastructure Act (FMIA) is waived pursuant to article 125 para. 3 FMIA (opting-out).

7.2 Clauses on change of control

In the event of a change of control, Zug Estates Holding Ltd is not obligated to make any additional payments, either for the benefit of the members of the board of directors or for the benefit of members of Group management or any other executives.

8 Auditing body

8.1 Duration of the mandate and term of office of the lead auditor

Ernst & Young AG, Zug, has been the auditor of the operating companies since 2006. The lead auditor has exercised this function since 2017.

8.2 Auditing fees

In the 2023 reporting period, the fees invoiced by Ernst & Young AG for services performed for Zug Estates Holding Ltd or the Zug Estates Group amounted to TCHF 183 (previous year: TCHF 199). They were charged in connection with the auditing of the annual financial statements of Zug Estates Holding Ltd and its subsidiaries Zug Estates Ltd and Garden Park Zug AG as well as of the consolidated financial statements of the Zug Estates Group. Miteigentümergeinschaft Metalli is audited by BDO AG. Those fees amounted to TCHF 13 (previous year: TCHF 12) for the reporting period. Renggli Immobilien AG and Zubar A Immobilien AG are audited by Breves Treuhand AG. The fees for this amounted to TCHF 6 (the mandate in the previous year included the auditing of Renggli Holding AG, which merged with Zug Estates Ltd on 1 January 2023; the total fees amounted to TCHF 9).

8.3 Additional fees

Ernst & Young AG invoiced Zug Estates Holding Ltd an additional fee of TCHF 9 (previous year: no additional fee) for audit-related services. BDO AG and Breves Treuhand AG did not invoice for any additional fees (previous year: no additional fees).

8.4 Information tools used for the external audit

The Audit Committee assesses the performance, the remuneration and the independence of the auditors on an annual basis and reports to the board of directors. The board of directors makes proposals to the general meeting of shareholders regarding the election of the auditor and monitors compliance with the rotation schedule for the lead auditor (seven-year period). On an annual basis, the Audit Committee and Group management jointly review the external audit scope as well as the general conditions for any additional assignments. The Audit Committee also discusses the results of the audit with the external auditors.

9 Information policy

The Zug Estates Group has a transparent information policy vis-à-vis the public and the financial markets. The invitation to the general meeting of shareholders is sent by letter to shareholders. Media releases are issued if an important event occurs.

The Zug Estates Group publishes its figures twice a year in the half-year report and the annual report. A media conference takes place on the morning of each publication day.

- Information on the Zug Estates Group: <https://zugestates.ch/en>
- Published ad-hoc and press releases: <https://zugestates.ch/en/media>
- Subscription to ad-hoc releases: <https://zugestates.ch/en/investor-relations#ad-hoc>
- Corporate calendar: <https://zugestates.ch/en/investor-relations#agenda>
- Published annual and half-year reports: <https://zugestates.ch/en/downloads>

Important dates and information about the shares of Zug Estates Holding Ltd may also be found on pages 82 to 84 of this annual report.

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Telephone: +41 41 729 10 10

E-mail: ir@zugestates.ch

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10 Blackout periods

A general blackout period applies for members of the board of directors and the company's Group management, which begins on the 15th day prior to the balance sheet date for the company's financial reporting in the reporting period and ends at midnight on the first day of trading following the official publication of the financial information. Trading with securities of the company during the regular blackout period is strictly prohibited regardless of whether or not the person in question is in possession of insider information. The board of directors and the company's Group management are entitled to impose the regular blackout period on other employees of the Zug Estates Group at any time.



The tenant mix at the Metalli shopping mall shows an encouraging trend, with attractive brands once again recruited in 2023. The range of events and attractions on offer creates an enjoyable visitor experience (picture: Easter display).

Share information

Zug Estates Holding Ltd has two categories of shares. Series A registered shares (security number: 14805211) are not listed; series B registered shares have been listed in the regulatory standard for real estate companies of SIX Swiss Exchange in Zurich since 2 July 2012 (security number: 14805212, ticker symbol: ZUGN).

	Nominal value	Number	Share of votes	Share of capital
Series A registered shares	2.50	496 600	51.9%	9.7%
Series B registered shares	25.00	460 340	48.1%	90.3%

Breakdown of shareholder structure of series B registered shares as at 31 December 2023

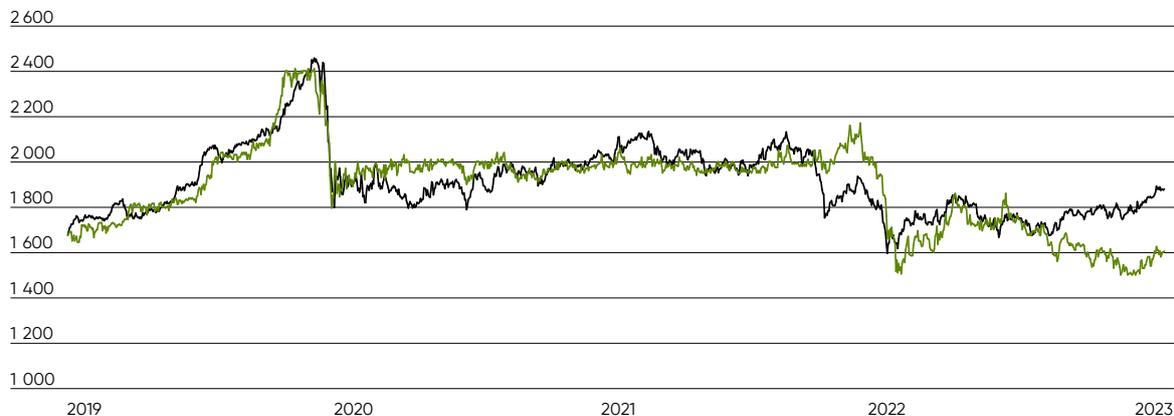
Applicable number of series B registered shares	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
> 1000	43	2.5	352 640	81.9
501–1000	35	2.0	24 029	5.6
101–500	112	6.5	27 419	6.4
51–100	99	5.8	7 263	1.7
11–50	614	35.9	15 322	3.5
1–10	809	47.3	3 997	0.9
Total	1 712	100.0	430 670	100.0
Shares pending registration of transfer			29 670	
Total series B registered shares issued			460 340	

Series B registered shares by category of holder	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Natural persons	1 460	85.3	207 448	48.2
Pension funds	67	3.9	68 945	16.0
Funds	47	2.7	93 633	21.7
Foundations	18	1.1	4 769	1.1
Insurers	8	0.5	4 565	1.0
Banks	11	0.6	1 558	0.4
Other legal entities	101	5.9	49 752	11.6
Total	1 712	100.0	430 670	100.0

Series B registered shares by provenance of shareholder	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Switzerland	1 632	95.3	427 213	99.2
Outside Switzerland	80	4.7	3 457	0.8
Total	1 712	100.0	430 670	100.0

Performance series B registered share

in CHF



— Series B registered share Zug Estates Holding AG
— SXI Real Estate® Share Index, adjusted

Key figures per share

Figures per series A registered share in CHF		2023	2022	2021	2020	2019
Net income ¹		4.74	7.80	14.82	6.33	14.91
Net income excluding revaluation and special effects ^{1,3}		6.64	6.63	6.24	5.07	6.15
NAV at market value ^{2,4}		204.22	206.53	202.49	192.64	192.39
Distribution ⁵		4.40	4.10	3.75	4.40	4.40
Figures per series B registered share in CHF		2023	2022	2021	2020	2019
Net income ¹		47.44	78.04	148.16	63.25	149.11
Net income excluding revaluation and special effects ^{1,3}		66.42	66.32	62.37	50.72	61.52
NAV at market value ^{2,4}		2 042.18	2 065.29	2 024.90	1 926.36	1 923.87
Distribution ⁵		44.00	41.00	37.50	44.00	44.00
Stock market price	High	1 860	2 170	2 060	2 410	2 370
	Low	1 500	1 505	1 910	1 795	1 630
	At year-end	1 605	1 770	1 980	2 030	2 330
Total capitalisation in CHF million		2023	2022	2021	2020	2019
Market capitalisation ^{2,6}	At year-end	818.6	902.7	1 009.8	1 035.3	1 188.3

¹ In relation to number of shares on average outstanding (series A registered shares converted)

² In relation to number of shares outstanding (series A registered shares converted)

³ Corresponds to net income excluding income from revaluation of investment properties (net), excluding income from the disposal of investment and promotional properties and corresponding deferred taxes as well as the effect of adjustments made to deferred tax rates (page 67)

⁴ NAV at market value per share includes properties used for operational purposes at market value and corresponding deferred taxes

⁵ Proposed by the board of directors

⁶ Conversion of series A registered share on the basis of the year-end price applicable to series B registered shares

Compensation report

“The Zug Estates Group’s compensation policy lays the basis for the remuneration of employees, managers and members of the board of directors that is both performance-based and in line with the market.”

The compensation system is structured in a way that brings the interests of employees, managers and the members of the board of directors in line with the interests of the Zug Estates Group and its stakeholders. It is built on the following guiding principles:

- The compensation system is straightforward and transparent.
- The variable compensation for members of Group management is set at a moderate level and geared toward both quantitative and qualitative targets, including ESG goals.
- Members of the board of directors receive fixed compensation only.

On an annual basis, the general meeting of shareholders votes separately on whether to approve the proposal of the board of directors for the total compensation to be paid to the board of directors for the period until the next ordinary general meeting, as well as for the total compensation to be paid to Group management for the coming financial year (article 19 of the company’s articles of incorporation). The general meeting also acknowledges the compensation report by consultative vote.

To facilitate comparison with the total amounts approved by the general meeting of shareholders, compensation is now shown on a gross basis (including employee contributions for social insurance and pensions) in the 2023 compensation report. Pursuant to the expense regulations, which have been approved by the tax authority, the reimbursement of expenses is not a component of compensation.

The following remarks outline the principles of the compensation system and the details of the compensation received by the board of directors and Group management for the 2023 financial year.

Board of directors

Pursuant to article 18 of the company’s articles of incorporation, members of the board of directors receive a fixed compensation in cash. They will, in principle, also be reimbursed for expenses incurred on behalf of the company, provided that any such reimbursement of further expenses is paid only in exceptional cases, and if evidenced by supporting documentation, within 60 days.

Acting on the proposal of the Nomination and Compensation Committee, the entire board of directors determines at its discretion, on an annual basis and within the limits of the total amount, the amount of the fixed cash compensation to be paid to the individual members for the period from the next ordinary general meeting of shareholders to the following ordinary general meeting. The total amount is submitted to the general meeting for approval.

When determining the amount of the compensation, particular consideration is given to the performance of additional tasks and functions on the committees of the board of directors. Compensation is comprised of a basic fee and additional fees for any additional tasks or functions carried out. In the interests of good corporate governance, the board of directors does not receive any performance-based compensation components linked to short-term success.

Compensation of the board of directors

Basic fee		Committee fee		
in CHF thousands		in CHF thousands		
Chair of the board of directors	250	Audit Committee	25	10
Member of the board of directors	70	Nomination and Compensation Committee	25	10

In the reporting period, as in the previous year, no expenses were paid out to members of the board of directors. No external consultants were engaged.

Compensation period up to the 2023 general meeting of shareholders

The general meeting of shareholders voted on compensation on 12 April 2022, and approved a total amount for the board of directors of CHF 800 000 for the term of office up to the general meeting of shareholders on 6 April 2023. Of this total, the sum of CHF 687 741 was effectively paid out.

Compensation for the compensation period from

in CHF	13.04.2022–06.04.2023
Fixed compensation (gross)	676 466
Variable compensation (gross)	0
Pension contributions	11 275
Total compensation paid	687 741
Total amount approved	800 000
Difference	– 112 259

Compensation period up to the 2024 general meeting of shareholders

The general meeting voted on compensation on 6 April 2023, and approved a total amount for the board of directors of CHF 800 000 for the term of office up to the next general meeting of shareholders in 2024. In the 2023 financial year, the compensation paid out to the board of directors amounted to a total of CHF 692 973. Of this sum, the amount of CHF 460 765 was paid out in the period from the 2023 general meeting of shareholders to 31 December 2023. Compared to the corresponding prior-year period (CHF 474 691), this represents a decrease of 2.9%.

Group management

Pursuant to article 18 of the company's articles of incorporation, the compensation paid to members of Group management comprises fixed cash compensation and performance-based compensation in cash. Expenses incurred in the interests of the company are reimbursed in accordance with the expense regulations approved by the tax authority and are not a component of compensation.

The fixed cash compensation is determined according to the actual area of responsibility, professional profile and expertise of each individual member of Group management and the amount of work performed.

The performance-based compensation paid to Group management is intended to ensure that the interests of Group management, the board of directors and the shareholders correspond as closely as possible. Pursuant to article 18 of the company's articles of incorporation, it may be equivalent to a maximum of half the fixed cash compensation. The employment contracts of the members of Group management stipulate that the performance-based compensation will amount to no more than one-third of the fixed cash compensation.

The amount of performance-based compensation paid to Group management is determined on the achievement of targets and parameters that are set by the board of directors. Performance-based compensation is determined based on the achievement of quantitative targets (40%), the achievement of qualitative targets (40%) as well as extraordinary achievements and special issues (20%). The quantitative targets are based on economic success. This in turn is generally measured on the basis of earnings drivers – specifically, payout potential generated and earnings prospects. The qualitative targets are comprised of targets at Group level as well as function-specific and business unit-specific targets. ESG criteria and sustainability goals are key components of the qualitative targets.

The degree of target achievement is assessed once yearly after the close of the financial year. Phase one is an assessment carried out by the CEO for the other members of Group management and by the chair of the board of directors for the CEO. This is followed by an assessment carried out by the Nomination and Compensation Committee.

Acting on the proposal of the Nomination and Compensation Committee, the board of directors determines on an annual basis the fixed cash compensation and the performance-based compensation within the limits of the total amount approved by the general meeting of shareholders. The members of Group management in question are, as a rule, not present at meetings of the Nomination and Compensation Committee or of the board of directors dealing with employment contracts of said members of Group management and, in particular, compensation received by the latter. External consultants are not engaged.

The employment contracts of the members of Group management stipulate a period of notice of six months.

2023 compensation period (financial year)

On 12 April 2022, the general meeting of shareholders approved the total amount of CHF 1 400 000 as the compensation payable to Group management for the 2023 financial year. Of this total, the sum of CHF 1 127 964 was effectively paid out.

Compensation payments to Group Management

in CHF	Financial year 2023
Fixed compensation (gross)	700 000
Variable compensation (gross)	229 020
Pension contributions	198 944
Total compensation paid	1 127 964
Total amount approved	1 400 000
Difference	– 272 036

2024 compensation period (financial year)

On 12 April 2023, the general meeting of shareholders approved the total amount of CHF 1 400 000 as the compensation payable to Group management for the 2024 financial year.

Shareholding programs

Pursuant to article 18 of the company's articles of incorporation, Zug Estates Holding Ltd does not have any participation or option programs. In the reporting period, no shares, option rights or conversion rights were assigned to members of the board of directors, Group management or associated persons.

Loans and credits

In the reporting period, no loans or credits were granted to members of the board of directors or Group management or associated persons, and none are outstanding.

Former members

No compensation was paid to any former members of the board of directors, former members of Group management or associated persons, neither directly nor indirectly, in the reporting period.

No loans or credit facilities are outstanding in relation to former members or associated persons.

Compensation payments to the board of directors and Group management

The following compensation was paid to the members of the board of directors and the Group management in the year under review:

Compensation for the 2023 financial year

in CHF	Fixed compensation (gross)	Variable compensation (gross) ¹	Pension contributions ²	Total 2023
Dr. Beat Schwab, chairman	283 809	0	0	283 809
Prof. Dr. Annelies Häcki Buhofer, member	83 537	0	4 637	88 174
Armin Meier, member ³	35 997	0	0	35 997
Johannes Stöckli, member	106 838	0	8 598	115 436
Martin Wipfli, member	107 991	0	0	107 991
Dr. Joëlle Zimmerli, member ³	56 980	0	4 586	61 566
Total board of directors	675 152	0	17 821	692 973
Patrik Stillhart, CEO	400 000	130 020	113 720	643 740
Total Group management	700 000	229 020	198 944	1 127 964

Compensation for the 2022 financial year

	Fixed compensation (gross)	Variable compensation (gross) ¹	Pension contributions ²	Total 2022
Dr. Beat Schwab, chairman	301 392	0	0	301 392
Prof. Dr. Annelies Häcki Buhofer, member	83 537	0	4 637	88 174
Armin Meier, member	122 180	0	0	122 180
Johannes Stöckli, member	92 593	0	7 451	100 044
Martin Wipfli, member	111 781	0	0	111 781
Total board of directors	711 483	0	12 088	723 571
Patrik Stillhart, CEO	395 000	130 680	114 994	640 674
Total Group management	688 750	228 195	199 830	1 116 775

¹ In line with the accrual principle, the variable compensation payable to the Group management for the 2023 financial year is posted in the applicable year (same method as previous year), but not paid out until April 2024.

² Employer's and employee's contributions to pension schemes, health insurance, accident insurance, AHV (old-age and survivors' insurance), IV (invalidity insurance), EO (compensation for loss of earnings) and ALV (unemployment insurance); members of the board of directors receive AHV, IV, EO and ALV contributions only.

³ Armin Meier stepped down from the board of directors at the 2023 general meeting of shareholders. Dr. Joëlle Zimmerli was elected as his successor. The compensation paid to members of the board of directors who were appointed or stepped down in 2023 is included on a pro-rata basis (Armin Meier for four months to 6 April 2023 and Dr. Joëlle Zimmerli for eight months from 1 May 2023).

Activities of members of the board of directors and Group management with other companies

All other (similar) activities of the members of the board of directors and Group management in governing and supervisory bodies with a business purpose are listed below. None of these activities or any business relationships between Zug Estates and these companies compromised the independence of a member of the board of directors or contravenes the general corporate governance regulations:

Dr. Beat Schwab, chairman of the board of directors

- Member of the board of directors of AG Grand Hotels Engadinerkulm Holding, St. Moritz, and other mandates within this group
- Member of the board of directors of Varia US Properties Ltd, Zug
- Chairman of the board of directors of Schwab & Kuster AG, Winterthur, and other mandates within this group
- Deputy chairman of the board of trustees of the Foundation for Art, Culture and History (Stiftung für Kunst, Kultur und Geschichte), Winterthur, and other mandates within this group
- Member of the board of directors of Raiffeisen Switzerland Cooperative, St. Gallen, and other mandates within this group

Prof. Annelies Häcki Buhofer, member of the board of directors

- Chair of the board of directors of BURU Holding AG, Cham
- Member of the board of directors of Holmia Holding AG, Zug
- Member of the board of directors of V-Zug Holding Ltd, Zug
- Member of the board of directors of compliag AG, Zug
- Member of the Board of Directors of Cham Group Inc, Cham

Johannes Stöckli, member of the board of directors

- Member of the board of directors of Z Invest SA, Freienbach
- Chairman of the board of directors of Schilthornbahn AG, Lauterbrunnen

Martin Wipfli, member of the board of directors

- Chairman of the board of directors of Elma Electronic AG, Wetzikon (Canton of Zurich)
- Chairman of the board of directors of Fisba AG, St. Gallen
- Member of the board of directors of Frutiger AG, Thun, and other mandates within this group
- Member of the board of directors of GRAPHA-Holding AG, Hergiswil (Canton of Nidwalden), and other mandates within this group
- Chairman of the board of directors of Metall Zug Ltd, Zug, and other mandates within this group
- Chairman of the board of directors of nebag AG, Zurich
- Chairman of the board of directors of Peletop AG, Zug, and other mandates within this group
- Chairman of the board of directors of VV Vermögensverwaltung AG, Zug
- Member of the board of directors of WBG Holding AG, Bern
- Member of the board of directors of Plaston Holding AG, Widnau

Dr. Joëlle Zimmerli, Member of the board of directors

- Owner of Zimraum GmbH, Zurich
- Member of the board of directors of the cooperative Homepage, Genossenschaft für selbst gestaltetes Wohnen und Arbeiten, Basel

The other activities and commitments of the members of the Group management are listed below:

Mirko Käppeli, CFO

- Member of the board of directors of Meili Holding AG, Zug

Shares held by Group management and board of directors including associated persons

Number of	Series A registered shares as at 31.12.2023	Series B registered shares as at 31.12.2023	Series A registered shares as at 31.12.2022	Series B registered shares as at 31.12.2022
Dr. Beat Schwab, chairman	0	90	0	70
Prof. Dr. Annelies Häcki Buhofer, member	186 298	17 069	186 298	11 069
Armin Meier, member ²	n/a	n/a	0	270
Johannes Stöckli, member	56 800	3 866	56 800	3 866
Martin Wipfli, member	0	300	0	300
Dr. Joëlle Zimmerli, member ¹	0	0	n/a	n/a
Patrik Stillhart, CEO	0	87	0	0
Mirko Käppeli, CFO	0	80	0	50

¹ Dr. Joëlle Zimmerli was elected to the board of directors at the general meeting of shareholders on 6 April 2023.

² Armin Meier stepped down from the board of directors at the general meeting of shareholders on 6 April 2023.



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To the General Meeting of
Zug Estates Holding AG, Zug

Zug, 19 February 2024

Report of the statutory auditor on the audit of the remuneration report



Opinion

We have audited the remuneration report of Zug Estates Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables on pages 44, 45 and 47 and in the listing on page 46 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report complies with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables on pages 44, 45 and 47 and the listing on page 46 in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

 Rico Fehr
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

 Beatrice Bieri
(Qualified Signature)

Licensed audit expert

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Consolidated balance sheet

Assets

in CHF thousands	Note	31.12.2023	31.12.2022
Cash and cash equivalents		20 117	17 319
Accounts receivable	1	489	2 387
Other receivables	2	2 971	5 881
Inventories		132	166
Prepaid expenses		3 310	2 956
Total current assets		27 019	28 709
Investment properties	4	1 725 597	1 713 445
Investment properties under construction	4	18 235	11 758
Undeveloped plots	4	2 524	2 524
Operating properties	5	25 664	30 112
Other tangible fixed assets	6	6 606	4 187
Deferred tax assets		92	101
Financial assets		169	189
Intangible assets	7	907	1 049
Total non-current assets		1 779 794	1 763 365
Total assets		1 806 813	1 792 074

Liabilities and equity

in CHF thousands	Note	31.12.2023	31.12.2022
Current financial liabilities	8	119 780	164 800
Accounts payable	9	5 411	5 321
Other current liabilities	10	3 871	7 458
Accrued expenses and deferred income	11	8 935	9 071
Current provisions	12	34	32
Total current liabilities		138 031	186 682
Long-term financial liabilities	8	554 460	495 670
Long-term provisions	12	328	354
Deferred tax liabilities	13	121 457	120 115
Total long-term liabilities		676 245	616 139
Total liabilities		814 276	802 821
Share capital	14	12 750	12 750
Capital reserves		509 491	509 491
Retained earnings		470 296	467 012
Total equity		992 537	989 253
Total liabilities and equity		1 806 813	1 792 074

Consolidated income statement

in CHF thousands	Note	2023	2022
Property income	16	65 655	62 221
Hotel & catering income	17	15 223	14 704
Additional income from ordinary business operations	18	3 614	2 883
Net sales from goods and services		84 492	79 808
Other operating income		302	322
Total operating income		84 794	80 130
Property expenses		- 8 197	- 7 816
Cost of goods purchased for hotel & catering		- 1 016	- 1 182
Personnel expenses	19	- 14 980	- 14 775
Other operating expenses	21	- 8 357	- 6 625
Total operating expenses		- 32 550	- 30 398
Operating result before depreciation and revaluation		52 244	49 732
Revaluation of investment properties (net)	4	- 11 000	6 793
Operating result before depreciation and amortisation (EBITDA)		41 244	56 525
Depreciation and amortisation	22	- 3 595	- 3 547
Operating result (EBIT)		37 649	52 978
Financial result	23	- 10 153	- 7 759
Income before taxes (EBT)		27 496	45 219
Tax expenses	24	- 3 302	- 5 419
Net income		24 194	39 800
Earnings per share			
in CHF			
Earnings per series A registered share, undiluted*		4.74	7.80
Earnings per series B registered share, undiluted*		47.44	78.04

* There are no potentially dilutive effects to report. The diluted earnings per share correspond to the undiluted earnings per share.

Consolidated statement of cash flows

in CHF thousands	Note	2023	2022
Net income for the period		24 194	39 800
Depreciation and amortisation	5,6,7	3 595	3 547
Revaluation of investment properties (net)	4	11 000	- 6 793
Changes in provisions/deferred tax liabilities		1 312	3 176
Other non-cash items		- 3	74
Cash flow before changes in working capital		40 098	39 804
Change in accounts receivable		1 898	- 1 549
Change in other receivables		3 018	- 3 037
Change in prepaid expenses and accrued income		- 311	- 505
Change in inventories		34	- 16
Change in accounts payable		34	1 132
Change in other current liabilities		- 3 732	3 769
Change in accrued expenses and deferred income		- 1 997	- 201
Cash flow from operating activities		39 042	39 397
Investments in investment properties ¹	4	- 7 730	- 12 554
Disposals of investment properties		4 500	1 341
Acquisitions of investment properties		- 19 370	0
Investments in operating properties ¹	5	- 2 772	- 1 389
Investments in other tangible fixed assets		- 3 503	- 790
Disinvestments of other tangible fixed assets		0	4
Disinvestments of financial assets ²		28	25
Investments in intangible assets		- 351	- 767
Acquisition of investments (less cash and cash equivalents acquired)		0	- 91 374
Cash flow from investing activities		- 29 198	- 105 504
Increase in current financial liabilities		31 851	168 000
Repayment of current financial liabilities		- 122 071	- 83 800
Increase in current financial liabilities		103 879	0
Increase from bond issues		0	99 660
Repayment of a bond		0	- 100 000
Distribution to shareholders		- 20 910	- 19 125
Cash flow from financing activities		- 7 251	64 735
Change in cash and cash equivalents		2 593	- 1 372
Composition of net cash and cash equivalents			
Net cash and cash equivalents at the beginning of reporting period		17 319	18 691
Cash and cash equivalents from acquisition		205	0
Cash and cash equivalents at the end of reporting period		20 117	17 319
Change in cash and cash equivalents		2 593	- 1 372

¹ The difference in the recognition of investments in investment properties and operating properties between the consolidated statement of cash flows and notes 4 and 5, respectively, is essentially due to the change in accruals.

² Includes repayments of short-term loans recognised under other receivables.

Consolidated statement of changes in equity

in CHF thousands	Share capital	Capital reserve	Retained earnings	Total equity
Balance as at 01.01.2022	12 750	509 491	446 337	968 578
Distribution from retained earnings carried forward (dividends)	0	0	- 19 125	- 19 125
Net income	0	0	39 800	39 800
Balance as at 31.12.2022	12 750	509 491	467 012	989 253
Balance as at 01.01.2023	12 750	509 491	467 012	989 253
Distribution from retained earnings carried forward (dividends)	0	0	- 20 910	- 20 910
Net income	0	0	24 194	24 194
Balance as at 31.12.2023	12 750	509 491	470 296	992 537

Notes to the consolidated financial statements

Principles

The consolidated financial statements of Zug Estates Holding Ltd were prepared in accordance with the Swiss GAAP FER Accounting and Reporting Regulations in their entirety as in force on 31 December 2023, as well as the special provisions for real estate companies (Article 17 of the Directive on Financial Reporting) of SIX Swiss Exchange, Zurich, and present a true and fair view of the financial position, the results of operations and the cash flows. The business year covered by these consolidated financial statements is equivalent to the calendar year.

The consolidated financial statements are based on the audited individual financial statements of the Zug Estates Group companies, prepared in accordance with consistent accounting principles. The relevant accounting principles are outlined below.

The consolidated financial statements are denominated in Swiss francs (CHF). Unless otherwise indicated, all amounts are stated in thousands of Swiss francs (TCHF).

The board of directors approved the consolidated financial statements on 19 February 2024.

Scope of consolidation

In the case of investments in which the share of votes held is above 50% (Zug Estates Ltd, Garden Park Zug AG, Renggli Immobilien AG and Zubar A Immobilien AG), the full consolidation method is applied, i.e. assets and liabilities as well as expenses and income are consolidated at 100%. Any share of minority shareholders in net income and equity is reported separately. In the case of joint ventures (Miteigentümergeinschaft Metalli) the proportional consolidation method is applied, which consists of reporting all positions pro rata in the balance sheet and income statement. Associated companies in which Zug Estates Holding Ltd holds direct or indirect participations of 20% to 50% are consolidated according to the equity accounting method. Investments of less than 20% are not consolidated. Real estate is included in the consolidated financial statements on the basis of the applicable ownership share.

As at the time of initial consolidation (the time when control was acquired), the assets and liabilities of the first-time consolidated companies or the acquired parts of an organisation are shown in the balance sheet at their current values in accordance with uniform principles. Intangible assets which have not been recognised previously by the acquiree and are relevant to the decision to obtain control are also to be identified and recognised. The excess of the acquisition price over the revalued net assets of the acquired company or the acquired parts of an organisation is defined as goodwill. This goodwill is offset against retained earnings without affecting net income. The impact of a theoretical capitalisation is presented in the notes to the consolidated financial statements. The useful life is determined at the time of the acquisition (see also treatment of goodwill). If the acquisition results in negative goodwill (badwill), it is treated in the same way as goodwill and offset against retained earnings without affecting net income. Purchase price components contingent on future events ("earn-outs") are part of the acquisition costs at the acquisition date provided that cash outflows are likely. Earn-outs are subsequently measured at each balance sheet date, with changes resulting in the adjustment of goodwill/negative goodwill recognised as an intangible asset or offset against equity. Earn-outs – both those recognised in the balance sheet and those not recognised – are disclosed in the notes. Compensation for future employment of the seller does not count as a component of the purchase price. In case of disposal, goodwill offset against equity at the acquisition date is considered at original acquisition cost when determining the profit or loss related to the disposal. This practice also applies to the release of badwill.

Changes to the scope of consolidation

Renggli Holding AG was merged with Zug Estates Ltd with retroactive effect to 1 January 2023. Due to the acquisition of a 3.5% share in Miteigentümergeinschaft Metalli on 31 May 2023, the share of capital rose from 75.25% to 78.75% and the share of votes increased from 10.00% to 11.11%.

List of investments

Company	Domicile	Business	Share capital in CHF	Share of capital 31.12.2023	Share of capital 31.12.2022	Share of votes 31.12.2023	Share of votes 31.12.2022
Garden Park Zug AG ¹	Zug, ZG	Hotel & catering operator	1 000 000	100%	100%	100%	100%
Zug Estates Ltd	Zug, ZG	Real estate company	1 500 000	100%	100%	100%	100%
Miteigentümergeinschaft Metalli Zug	Zug, ZG	Real estate company	0	78.75%	75.25%	11.11%	10.00%
Renggli Holding AG ²	Zug, ZG	Holding company	1 000 000	n/a	100%	n/a	100%
Renggli Immobilien AG	Zug, ZG	Real estate company	200 000	100%	100%	100%	100%
Zubar A Immobilien AG	Zug, ZG	Real estate company	150 000	100%	100%	100%	100%

¹Hotelbusiness Zug AG was renamed Garden Park AG on 18 September 2023.

²Renggli Holding AG was merged with Zug Estates Ltd with retroactive effect to 1 January 2023.

Principles of consolidation

Consolidation method

Capital consolidation is performed to show the equity of the entire Group. This is done using the acquisition method.

Intercompany transactions

Intercompany receivables, liabilities and transactions are eliminated for fully consolidated companies. Depreciation and value adjustments for investments and receivables due from subsidiaries are reversed. The individual subsidiaries' intercompany profits on inventories and tangible fixed assets are assessed and also eliminated. In the case of proportionally consolidated companies, eliminations are on a pro rata basis.

Significant accounting and valuation policies

Cash and cash equivalents

Cash and cash equivalents include cash, postal and bank account balances and short-term monetary investments. These are reported at their nominal value.

Accounts receivable

Accounts receivable include in particular rent receivables, receivables from the hotel & catering activities and receivables from external management mandates, and are reported at the nominal value less any value adjustments necessary for commercial reasons.

Other receivables

Other receivables are reported at their nominal value less any value adjustments necessary for commercial reasons.

Inventories

In the inventories for the hotel & catering business unit, goods purchased are carried at the lower of acquisition price or market value. In addition to specific value adjustments, general value adjustments of up to 10% for general valuation risks are made based on past experience.

Properties held for sale

Properties available for sale, which were formerly carried at market value, are carried at market value at the time of reclassification or, if lower, at their realisable value less the expected transaction costs.

Investment properties, investment properties under construction and undeveloped plots

Investment properties that already exist or are under construction (development properties) and undeveloped plots are used for long-term investment purposes and are carried at market value in accordance with Swiss GAAP FER 18. This market value is calculated and updated half-yearly by independent real estate valuers using the discounted cash flow (DCF) method. Pursuant to the provisions of Swiss GAAP FER, increases and decreases in market value are recognised in profit or loss in the income statement, taking deferred taxes into account. The investment properties are not depreciated. Investment properties under construction (development properties) and undeveloped plots are recognised at market value as of the date on which the market value can be reliably calculated. Zug Estates has stipulated legally binding building permission and a concrete construction project for which costs and income can be reliably determined as well as construction approval based on an adequate occupancy rate as mandatory conditions for a reliable fair market calculation. Where the conditions for making a reliable calculation of the fair value are not met, investment properties under construction and undeveloped plots are carried at cost.

Operating properties and operating properties under construction

Operating properties and operating properties under construction comprise buildings used by the Group in its hotel & catering activities. They are valued at acquisition or production cost less accumulated depreciation and accumulated impairment. The straight-line depreciation method is applied on the basis of a useful life of 33 to 50 years.

Other tangible fixed assets

Other tangible fixed assets mainly comprise infrastructural installations related to the real estate business unit as well as furnishings and small-scale inventory from the hotel & catering business unit. They are valued at acquisition or production cost less any write-downs necessary for commercial reasons. The straight-line depreciation method is applied on the basis of a useful life of three to eight years and up to 30 years in the case of infrastructure investments.

Financial assets

Financial assets comprise long-term securities and loans. The securities are reported at market value and loans are reported at their nominal value.

Intangible assets

Acquired intangible assets are recognised in the balance sheet if they bring measurable benefits to the company over several years. They comprise software and are valued at acquisition cost less straight-line depreciation over an economic life of three years. Intangible assets generated internally are not recognised in the balance sheet.

Liabilities

Accounts payable and other liabilities are reported at their nominal value.

Financial liabilities

Financial liabilities consist of outstanding bonds and mortgage-secured bank loans. Financial liabilities are classified as long-term if the agreed residual term is greater than twelve months as at the balance sheet date. All other contracts are classified as current. Financial liabilities are recognised and carried at nominal value. Bonds are initially recognised at fair value, net of transaction costs. Financial liabilities are subsequently carried at cost, with any difference between the redemption amount and the carrying amount written up on a straight-line basis over the term.

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.

Pension plan liabilities

The Group has several pension plans that are organised as independent foundations in conformity with the legal requirements in Switzerland. These plans cover the economic consequences of old age, death or disability. They are funded by employer and employee contributions. Pension contributions are calculated as a percentage of the insured salary. Changes in employer contribution reserves as well as any economic impact on the Group of surpluses or deficits of pension schemes are recorded as personnel expenses.

Income taxes

Current income taxes are calculated at the prevailing tax rates on the basis of the expected fiscal annual income as per commercial law and according to the respective tax assessment rules. They are included in accrued expenses.

Deferred taxes

In accordance with Swiss GAAP FER 11, the consolidated financial statements must take due account of current and future tax effects. A distinction must be made between the calculation of current income taxes and the accrual of deferred income taxes. The latter are caused primarily by valuation differences between the fair values calculated using the discounted cash flow (DCF) method and the taxable values.

If the fair values are higher than the taxable values, this leads to a deferred tax liability for which provision must be made. Deferred taxes are calculated separately for each business period and each taxable entity. The individual company's expected tax rates are applied to calculate deferred taxes. Changes in deferred taxes are recorded as tax expense. Tax loss carryforwards that can be used for tax purposes are capitalised provided such use is likely. They are offset against deferred tax liabilities for the same taxable entity.

Contingent liabilities

Contingent liabilities are assessed according to the probability and the scope of future unilateral performance and costs, and are disclosed in the notes.

Borrowing costs

Borrowing costs on loans and bonds used for funding construction projects are capitalised until completion. Other borrowing costs are charged to the income statement.

Revenue recognition

The Zug Estates Group operates in two segments: real estate and hotel & catering.

The real estate segment operates primarily in the areas of project development and management. The project development department develops and oversees its own construction projects, mainly for the Group portfolio. The management department provides property management services for third parties and the Group portfolio. "Property income" is the most important source of income. Property income consists of net rental income after deduction of vacancy losses and losses from receivables. Other income is generated by the management of third-party mandates and on the sale of self-produced energy. This income is recognised under "Additional income from ordinary business operations". Property income is based on rental agreements. Rents are recognised over the period of rendering of services. Other services are taken to income at the time of rendering.

The hotel & catering segment comprises the subsidiary Garden Park Zug AG. It operates two hotels, two restaurants, and serviced city apartments (including supplementary hotel & catering services) in Zug. The hotel & catering segment earns the bulk of its income from catering and accommodation services, which are recognised under "Hotel & catering income". All hotel & catering services are recorded in the income statement at the time of rendering.

Expense reductions

Discounts on purchased goods and property production costs are recognised as reductions in the acquisition cost.

Estimates

The preparation of the financial statements requires a number of estimates and assumptions to be made. These relate to the assets, liabilities and contingent liabilities at the time the balance sheet is being prepared, as well as income and expenses during the reporting period. If such estimates and assumptions, which were made to the best of the Group's knowledge at the time the balance sheet was prepared, later turn out to differ from the actual figures, the original estimates and assumptions are adjusted in the reporting year in which the figures changed.

The ranges of estimates are material in respect of investment properties and investment properties under construction. The fair values of these properties are calculated half-yearly by an independent real estate valuation expert. They are based in particular on assumptions with regard to rental income, discount rates, vacancies, maintenance costs, development risks, accruals based on construction progress and project costs.

1 Accounts receivable

in CHF thousands	31.12.2023	31.12.2022
Rent receivables	153	246
Accounts receivable from hotel & catering activities	310	461
Other accounts receivable	81	1 752
Allowance for doubtful receivables	- 55	- 72
Total accounts receivable	489	2 387

Other accounts receivable in the prior year largely related to a tenant's still outstanding repayment of pre-financed tenant leasehold improvement costs.

2 Other receivables

in CHF thousands	31.12.2023	31.12.2022
Withholding tax credits	34	19
Accounts for heating and service charge settlement	2 658	5 765
Receivables from renewal fund	40	0
Short-terms financial receivables	27	25
Other receivables	212	72
Total other receivables	2 971	5 881

3 Properties held for sale

in CHF thousands	2023	2022
Acquisition value at the beginning of reporting period	0	0
Additions	4 500	0
Disposals	- 4 500	0
Acquisition value at the end of reporting period	0	0

The Duggelistrasse 28 property in Cham was reclassified as a property held for sale as at 30 June 2023. The property was sold on 10 August 2023 at the reported market value of TCHF 4 500 without affecting income.

4 Investment properties, investment properties under construction and undeveloped plots

in CHF thousands	Zug City Center site, Zug, investment properties	Suurstoffi Site, Risch-Rotkreuz investment properties	Other investment properties	Total investment properties	Total investment properties under construction ¹	Undeveloped plots ²	Total
Balance as at 01.01.2022	747 385	836 600	0	1 583 985	11 274	2 524	1 597 783
Investments ³	3 400	949	0	4 349	484	0	4 833
Acquisitions ⁴	4 158	0	115 501	119 659	0	0	119 659
Disposals ⁵	0	-1 341	0	-1 341	0	0	-1 341
Revaluation (net)	-4 558	16 592	-5 241	6 793	0	0	6 793
Balance as at 31.12.2022	750 385	852 800	110 260	1 713 445	11 758	2 524	1 727 727
Accumulated acquisition values as at 01.01.2022	365 778	719 514	0	1 085 292	11 274	2 524	1 099 090
Accumulated acquisition values as at 31.12.2022	373 336	719 122	115 501	1 207 959	11 758	2 524	1 222 241
Difference market values/acquisition values as at 01.01.2022	381 607	117 086	0	498 693	0	0	498 693
Difference market values/acquisition values as at 31.12.2022	377 049	133 678	-5 241	505 486	0	0	505 486
Balance as at 01.01.2023	750 385	852 800	110 260	1 713 445	11 758	2 524	1 727 727
Investments ³	4 117	1 445	0	5 562	3 342	0	8 904
Acquisitions ⁴	19 370	0	0	19 370	0	0	19 370
Reclassified to properties for sale ⁷	0	0	-4 500	-4 500	0	0	-4 500
Reclassified from operating properties to investment properties under construction ⁸	0	0	0	0	2 654	0	2 654
Reclassified from operating properties to investment properties ⁹	3 201	0	0	3 201	0	0	3 201
Revaluation (net)	11 214	-15 035	-7 660	-11 481	481	0	-11 000
Balance as at 31.12.2023	788 287	839 210	98 100	1 725 597	18 235	2 524	1 746 356
Accumulated acquisition values as at 01.01.2023	373 336	719 122	115 501	1 207 959	11 758	2 524	1 222 241
Accumulated acquisition values as at 31.12.2023	405 145	720 567	110 092	1 235 804	18 348	2 524	1 256 676
Difference market values/acquisition values as at 01.01.2023	377 049	133 678	-5 241	505 486	0	0	505 486
Difference market values/acquisition values as at 31.12.2023	383 142	118 643	-11 992	489 793	-113	0	489 680

¹ Comprises the properties under construction at the Suurstoffi site in Risch-Rotkreuz, planning costs related to development of Metalli Living Space, Zug, and core refurbishment of the Baarerstrasse 30 property in Zug. Planning permission has been granted for the Suurstoffi 43/45 construction project. The construction of the two buildings with 14 400 m² of office and education space and 1 100 m² of living space for students comes at an investment cost of around CHF 85 million. Building work is due to start at the end of 2024, with leased spaces likely to be handed over to future tenants from mid-2027. As for development of the Metalli Living Space, the impacts of the "2000 homes for Zug's middle classes" city initiative, which was approved by voters, are currently being examined. Refurbishment of Baarerstrasse 30, Zug, will be completed in the first half of 2024.

² Comprises the undeveloped portion of the Suurstoffi site in Risch-Rotkreuz. The undeveloped plots are stated at historical cost in accordance with the valuation principles.

³ Additions from investments include non-cash transactions from the accrual of building costs as well as from accounts payable

⁴ Additions from the acquisition of the properties of the Renggli Group as well as the purchase of an additional 0.75% stake in Miteigentümergeinschaft Metalli, Zug.

⁵ The disposals relate to a tenant's repayment of pre-financed tenant fit-out costs.

⁶ Additions from the purchase of an additional 3.50% stake in Miteigentümergeinschaft Metalli, Zug.

⁷ Reclassification of Duggelistrasse 28 property in Cham to properties held for sale.

⁸ Comprises the Baarerstrasse 30 property in Zug. The Bären restaurant located within this property and operated until now by Garden Park Zug AG is to be operated by a third-party tenant following the core refurbishment.

⁹ Comprises the Industriestrasse 12 property in Zug. Zug Estates Ltd has relocated its office premises to Baarerstrasse 18 in Zug and is letting the space it previously used to third-party tenants.

The fair values are based on the market value assessments performed annually by a recognised independent real estate valuation expert (Wüest Partner AG) as at 31 December using the DCF method. The discount rates applied for the valuation of the investment properties and the investment properties under construction as at the balance sheet date were within a range of 2.4% to 3.5% (previous year: 2.3% to 3.5%).

The average weighted discount rate was 2.91% in real terms and 4.19% in nominal terms (31 December 2022: real 2.76% and nominal 3.79%).

Additional information per property can be found on pages 20 to 21 of this report.

5 Operating properties

in CHF thousands	2023	2022
Acquisition value at the beginning of reporting period	66 667	65 084
Additions	3 270	1 583
Reclassifications	– 13 713	0
Acquisition value at the end of reporting period	56 224	66 667
Accumulated depreciation at the beginning of reporting period	– 36 555	– 34 720
Reclassifications	7 858	0
Depreciation in the reporting period	– 1 863	– 1 835
Accumulated depreciation at the end of reporting period	– 30 560	– 36 555
Net carrying amount at the beginning of reporting period	30 112	30 364
Net carrying amount at the end of reporting period	25 664	30 112

Operating properties include the following properties located in Zug used in part or in full by the Group: Industriestrasse 14 (Park Hotel Zug), Industriestrasse 16 (Résidence), Metallstrasse 20 (Hotel City Garden) and Haldenstrasse 9, 10, 11 (serviced city apartments). The Baarerstrasse 30 (Restaurant Bären) and Industriestrasse 12 (Zug Estates offices) properties additionally included in the prior-year period were reclassified as investment properties on account of third-party letting.

The market value of the operating properties as at the balance sheet date was TCHF 81320 (previous year: TCHF 102890) and was determined by the independent real estate expert Wüest Partner AG using the DCF method. For the valuation as at 31 December 2023, discount rates within a range of 3.2% to 4.3% (previous year: 3.0% to 6.0%) were applied.

6 Other tangible fixed assets

in CHF thousands	2023	2022
Acquisition value at the beginning of reporting period	20 490	20 249
Additions	3 679	796
Disposals	– 2 041	– 555
Acquisition value at the end of reporting period	22 128	20 490
Accumulated depreciation at the beginning of reporting period	– 16 303	– 15 637
Disposals	2 041	549
Depreciation in the reporting period	– 1 260	– 1 215
Accumulated depreciation at the end of reporting period	– 15 522	– 16 303
Net carrying amount at the beginning of reporting period	4 187	4 612
Net carrying amount at the end of reporting period	6 606	4 187

The disposals relate largely to derecognition of tangible fixed assets no longer in use. Both additions and disposals in 2023 relate to the move into new offices by Zug Estates Ltd as well as expansion and repositioning of the catering space at Park Hotel Zug.

7 Intangible assets

in CHF thousands	2023	2022
Acquisition value at the beginning of reporting period	2 292	1 885
Additions	344	777
Disposals	- 48	- 370
Acquisition value at the end of reporting period	2 588	2 292
Accumulated depreciation at the beginning of reporting period	- 1 243	- 1 116
Disposals	34	370
Depreciation in the reporting period	- 472	- 497
Accumulated depreciation at the end of reporting period	- 1 681	- 1 243
Net carrying amount at the beginning of reporting period	1 049	769
Net carrying amount at the end of reporting period	907	1 049

Intangible assets comprise software utilised in the business units. The disposals relate to derecognition of intangible assets no longer in use.

8 Financial liabilities

Financial liabilities comprise bonds and mortgage loans with financial institutions. They are structured as follows by maturity:

Residual term to maturity in CHF thousands	31.12.2023	31.12.2022
Due in the 1st year	119 780	164 800
Due in the 2nd year	150 688	92 200
Due in the 3rd year	24 544	150 625
Due in the 4th year	92 074	24 544
Due in the 5th year	100 800	800
Due in the 6th year	100 549	60 800
Due in the 7th year	85 805	100 501
Due in the 8th year	0	66 200
Total financial liabilities	674 240	660 470
Of which current	119 780	164 800
Of which long-term	554 460	495 670

The average residual term to maturity of the interest-bearing debt was 3.5 years (previous year: 3.4 years). The average capital-weighted interest rate on all interest-bearing financial liabilities was 1.5% (previous year: 1.3%). The long-term loans were taken out at fixed interest rates.

The financing structure is composed as follows:

Financing structure in CHF thousands	31.12.2023	31.12.2022
Bonds	199 637	199 526
Mortgages	474 603	460 944
Total financial liabilities	674 240	660 470

A TCHF 100 000 green bond was issued on 2 October 2019 and matures on 2 October 2025. It has a coupon rate of 0.1%. A TCHF 100 000 green bond was issued on 17 February 2022 and matures on 17 April 2029. The coupon amounts to 0.75%. The transaction costs were deducted from the initial recognition of the issue proceeds. The difference between the carrying amount and the redemption amount is written up on a straight-line basis over the term and amounts to TCHF 363 as at 31 December 2023 (previous year: TCHF 474).

in CHF thousands	0.1% green bond (2019–2025)	0.75% green bond (2022–2029)	Total
Issue proceeds	99 618	99 660	199 278
Accumulated amortisation of issue costs	207	41	248
Balance as at 01.01.2023	99 825	99 701	199 526
Amortisation of issue costs	63	48	111
Repayment	0	0	0
Balance as at 31.12.2023	99 888	99 749	199 637

Key figures	0.1% green bond (2019–2025)	0.75% green bond (2022–2029)
Volume	CHF 100 million	CHF 100 million
Term	6.0 years (02.10.2019–02.10.2025)	7.2 years (17.02.2022–17.04.2029)
Coupon	0.10%	0.75%
Effective rate of interest	0.174%	0.809%
Listing	SIX Swiss Exchange Ltd	SIX Swiss Exchange Ltd
Security number	494 734 426	114 872 819

To secure the mortgages, properties with a carrying amount of TCHF 1 156 788 (previous year: TCHF 1 127 788) have been pledged.

9 Accounts payable

in CHF thousands	31.12.2023	31.12.2022
Advance payments from tenants	4 931	4 704
Liabilities to third parties	480	617
Total accounts payable	5 411	5 321

10 Other current liabilities

in CHF thousands	31.12.2023	31.12.2022
Advance payments for flat-rate heating and service charges	2 678	5 834
Liabilities to social security institutions and public authorities	595	777
Liabilities to pension schemes	21	39
Further other current liabilities	577	808
Total other current liabilities	3 871	7 458

11 Accrued expenses and deferred income

in CHF thousands	31.12.2023	31.12.2022
Income tax accrual	1 955	3 234
Accruals for investments	3 841	1 767
Accruals for staff-related costs	1 281	1 372
Accruals for operating costs	1 279	1 541
Other accrued expenses and deferred income	579	1 157
Total accrued expenses and deferred income	8 935	9 071

12 Provisions

in CHF thousands	2023	2022
Provisions at the beginning of reporting period	386	529
Increase	4	3
Utilisation	- 28	- 146
Provisions at the end of reporting period	362	386
Of which current at the end of reporting period	34	32
Of which long-term at the end of reporting period	328	354

Long-term provisions cover construction risks within the scope of two- and five-year warranties from the sale of apartments and promotional properties.

13 Deferred tax assets / deferred tax liabilities

in CHF thousands	2023	2022
Deferred tax liabilities at the beginning of reporting period	120 115	109 282
Net increase recognised in the income statement in the reporting period	1 342	3 279
Increase due to acquisition	0	7 554
Deferred tax liabilities at the end of reporting period	121 457	120 115

Deferred tax assets arising from losses carried forward were capitalised as far as it was deemed likely that they could be offset against future gains. The hotel & catering segment had deferred tax assets arising from losses carried forward of TCHF 96 as at 31 December 2023 (previous year: TCHF 106).

The real estate segment had deferred tax assets from losses carried forward of TCHF 249 (no deferred tax assets in the previous year), which were offset against deferred tax liabilities for the same taxable entity.

Deferred income taxes were calculated using an average tax rate of 11.7% (previous year: 11.7%).

14 Equity

Share capital

Categories of shares	Security number	Nominal value CHF	Number	Votes	Capital CHF	Votes previous year	Capital CHF previous year
Series A registered shares	14 805 211	2.50	496 600	496 600	1 241 500	496 600	1 241 500
Series B registered shares	14 805 212	25.00	460 340	460 340	11 508 500	460 340	11 508 500
Total				956 940	12 750 000	956 940	12 750 000

As was the case last year, Zug Estates Holding Ltd did not sell any registered shares during the reporting period.

As was the case last year, Zug Estates Holding Ltd did not hold any registered treasury shares as at the balance sheet date.

Non-distributable statutory reserves as at 31 December 2023 amounted to TCHF 3975 (previous year: TCHF 4175).

Equity per share

in CHF		31.12.2023	31.12.2022
Equity	TCHF	992 537	989 253
Deferred tax liabilities	TCHF	121 457	120 115
Equity before deferred taxes	TCHF	1 113 994	1 109 368
Outstanding series A registered shares ¹	Anzahl	496 600	496 600
Outstanding series B registered shares	Anzahl	460 340	460 340
Equity per outstanding series B registered share, before deferred taxes	CHF	2 184.30	2 175.23
Equity per outstanding series B registered share, after deferred taxes	CHF	1 946.15	1 939.71

¹ Series A registered shares are factored in at a ratio of 1 to 10 in accordance with their share of capital.

NAV at market value per share

in CHF		31.12.2023	31.12.2022
Equity	TCHF	992 537	989 253
Difference market value/acquisition value operating properties	TCHF	55 656	72 778
Deferred taxes on difference market value/acquisition value operating properties	TCHF	-6 679	-8 733
NAV at market value	TCHF	1 041 514	1 053 298
Outstanding series A registered shares ¹	Anzahl	496 600	496 600
Outstanding series B registered shares	Anzahl	460 340	460 340
NAV at market value per outstanding series B registered share	CHF	2 042.18	2 065.29

¹ Series A registered shares are factored in at a ratio of 1 to 10 in accordance with their share of capital.

NAV at market value per share includes properties used for operational purposes at market value.

Net income excluding revaluation and special effects

in CHF thousands	2023	2022
Net income	24 194	39 800
Revaluation of investment properties (net)	11 000	– 6 793
Taxes attributable to the revaluation of investment properties (net)	– 1 320	815
Net income excluding revaluation and special effects	33 874	33 822

Earnings per share

Information on series A registered shares		2023	2022
Series A registered shares issued on 01.01.	Number	496 600	496 600
Series A registered shares issued on 31.12.	Number	496 600	496 600
Series A registered shares issued (weighted average)	Number	496 600	496 600
Average outstanding series A registered shares		496 600	496 600
Share in net income attributable to series A registered shares	TCHF	2 356	3 875
Share in net income excluding revaluation and special effects, attributable to series A registered shares	TCHF	3 298	3 293
Applicable number of series A registered shares	Number	496 600	496 600
Earnings per series A registered share, undiluted	CHF	4.74	7.80
Earnings per series A registered share excluding revaluation and special effects, undiluted¹	CHF	6.64	6.63

Information on series B registered shares		2023	2022
Series B registered shares issued on 01.01.	Number	460 340	460 340
Series B registered shares issued on 31.12.	Number	460 340	460 340
Series B registered shares issued (weighted average)	Number	460 340	460 340
Average outstanding series B registered shares		460 340	460 340
Share in net income attributable to series B registered shares	TCHF	21 838	35 925
Share in net income excluding revaluation and special effects, attributable to series B registered shares	TCHF	30 576	30 529
Applicable number of series B registered shares	Number	460 340	460 340
Earnings per series B registered share, undiluted	CHF	47.44	78.04
Earnings per series B registered share excluding revaluation and special effects, undiluted¹	CHF	66.42	66.32

¹ There are no potentially dilutive effects to report. The diluted earnings per share correspond to the undiluted earnings per share.

15 Significant shareholders

As at 31 December 2023, the following shareholders owned more than 3% of total voting rights:

Number or %	Series A registered shares	Series B registered shares	Votes	Votes previous year
Buhofer group ¹	409 576	50 034	48.0%	47.4%
Heinz M. Buhofer	26 010	53 770	8.3%	8.3%
Johannes Stöckli	56 800	3 866	6.3%	6.3%
Werner O. Weber, indirectly held through Wemaco Invest AG	0	60 392	6.3%	6.3%
Basellandschaftliche Pensionskasse	0	29 671	3.1%	n/a

¹ The group comprises Elisabeth Buhofer, Annelies Häcki Buhofer and Julia Häcki, if acting in mutual agreement. Some shares are indirectly held through Holmia Holding AG.

The shares held by current members of the corporate bodies are shown in the notes to the annual financial statements of Zug Estates Holding Ltd on page 81.

16 Property income

The reported property income of TCHF 65 655 (previous year: TCHF 62 221) comprises actual rental income. This position contains rental income from all properties.

in CHF thousands	2023	2022
Rental income Zug City Centre site	30 007	29 969
Rental income Suurstoffi site	33 090	31 603
Income from other properties	2 558	649
Total property income	65 655	62 221

The individual contractual relationships with external tenants had the following terms on the balance sheet date:

Term, share in %	31.12.2023	31.12.2022
Up to 1 year, including unlimited rental contracts	41.4	44.4
Over 1 year	5.4	7.7
Over 2 years	1.9	4.2
Over 3 years	11.3	2.0
Over 4 years	9.4	12.0
Over 5 years	11.2	6.8
Over 6 years	3.7	6.0
Over 7 years	0.4	3.2
Over 8 years	0.4	0.5
Over 9 years	3.7	2.5
Over 10 years	11.2	10.7
Total	100.0	100.0

On 31 December 2023, the five largest tenant groups together generated 23.2% (previous year: 25.2%) of rental income. They can be broken down as follows:

Tenants, share in %	31.12.2023	Tenants, share in %	31.12.2022
Lucerne University of Applied Sciences and Arts	10.0	Lucerne University of Applied Sciences and Arts	9.1
Migros ¹	4.6	Novartis	5.5
UBS	3.3	Migros ¹	4.6
Novartis	2.7	UBS	3.5
Dosenbach-Ochsner AG	2.6	Dosenbach-Ochsner AG	2.5

¹ Various companies of the Migros Group.

17 Hotel & catering income

in CHF thousands	2023	2022
Accommodation	11 671	10 502
Catering	3 515	4 163
Ancillary services	39	48
Increase of allowance for doubtful debts	- 2	- 9
Total hotel & catering income	15 223	14 704

18 Additional income from ordinary business operations

in CHF thousands	2023	2022
Income from services	1 248	982
Income from leasing of personnel	129	274
Income from electricity supplied	1 923	1 283
Other income	314	344
Total additional income from ordinary business operations	3 614	2 883

19 Personnel expenses

in CHF thousands	2023	2022
Wages and salaries	- 12 334	- 12 286
Social security expense	- 2 037	- 1 931
Other personnel expenses	- 609	- 558
Total personnel expenses	- 14 980	- 14 775

20 Pension benefit obligations

The employee benefit plans of Zug Estates Holding Ltd and its subsidiaries take the form of independent foundations or, as the case may be, collective foundations in accordance with Swiss pensions legislation (BVG). In the financial year under review and the previous year, all payments were made to pension institutions that are themselves risk bearers.

Total pension expenses in personnel expenses in the period under review amounted to TCHF 865 (previous year: TCHF 793). The previous year's figure included employer contribution reserves received of TCHF 55 (no employer contribution reserves were received during the period under review). No extraordinary contributions for solvency contributions were agreed or paid in the reporting period, as was the case in the previous year.

in CHF thousands	Deficit/ surplus of pension plans 31.12.2023	Economic share of company 31.12.2023	Economic share of company 31.12.2022	Change or impact on net income in financial period	Contributions for the period	Pension expenses in personnel expenses 2023	Pension expenses in personnel expenses 2022
Pension plans without surplus/ deficit	0	0	0	0	865	865	848
Total	0	0	0	0	865	865	848

Employer contribution reserves (ECR)

There were no employer contribution reserves as at 31 December 2023 and 31 December 2022.

As in the previous year, there was no surplus as at 31 December 2023. The pension plans are funded by employer and employee contributions. Pension contributions are calculated as a percentage of the insured salary.

21 Other operating expenses

in CHF thousands	2023	2022
Marketing/sales promotion	-1 709	-1 527
Maintenance and repair	-655	-498
Administrative expenses	-553	-537
IT/software	-1 322	-961
Legal and consultancy costs	-745	-751
Expense for electricity supplied	-1 609	-956
Other costs	-1 764	-1 395
Total other operating expenses	-8 357	-6 625

Other operating expenses mainly include costs incurred by the hotel & catering business unit for laundering services and for the operation of the properties.

22 Depreciation and amortisation

in CHF thousands	2023	2022
Depreciation of operating properties	-1 863	-1 835
Depreciation of other tangible fixed assets	-1 260	-1 215
Amortisation of intangible assets	-472	-497
Total depreciation and amortisation	-3 595	-3 547

23 Financial result

in CHF thousands	2023	2022
Interest income from banks	55	3
Securities income	44	44
Other financial income	5	8
Total financial income	104	55
Interest expense mortgage loans and bonds	- 10 215	- 7 754
Other financial expenses	- 42	- 60
Total financial expenses	- 10 257	- 7 814
Financial result	- 10 153	- 7 759

As was the case in the previous year, no borrowing costs were capitalised in the reporting period.

24 Taxes

in CHF thousands	2023	2022
Income taxes	- 1 969	- 2 101
Deferred taxes	- 1 333	- 3 318
Total taxes	- 3 302	- 5 419

Average weighted tax rate

in CHF thousands or %	2023	2022
Income before taxes (EBT)	27 496	45 219
Average tax rate	10.68%	11.98%
Income taxes at average tax rate	- 3 667	- 5 419
Effect from only tax deductible expenses	365	0
Total income taxes	- 3 302	- 5 419

25 Contingent liabilities and other non-recognisable commitments

Zug Estates Ltd is the majority owner of Miteigentümergeinschaft Metalli, Zug. For this reason, joint liability may apply in relations with third parties.

In relation to the construction and operation of City Garden Hotel, Zug Estates Ltd accepted a dismantling obligation amounting to TCHF 490. This comes into effect in 2028 at the earliest.

26 Leasing obligations

The liabilities from operating leasing that are not recognised in the balance sheet are structured as follows, according to maturity:

in CHF thousands	31.12.2023	31.12.2022
Up to 1 year	15	6
Up to 3 years	28	1
Over 3 years	22	0
Total	65	7

27 Segment report

The Group's business activities comprise the business units real estate and hotel & catering.

2023 in CHF thousands	Real estate	Hotel & catering	Corporate & eliminations ¹	Total
Operating income	75 286	15 754	- 6 246	84 794
Operating expenses	- 23 242	- 14 976	5 668	- 32 550
Revaluation of investment properties (net)	- 11 000	0	0	- 11 000
Operating result before depreciation and amortisation (EBITDA)	41 044	778	- 578	41 244
Operating result (EBIT)	38 291	108	- 750	37 649

2022 in CHF thousands	Real estate	Hotel & catering	Corporate & eliminations ¹	Total
Operating income	70 334	15 346	- 5 550	80 130
Operating expenses	- 21 125	- 14 280	5 007	- 30 398
Revaluation of investment properties (net)	6 793	0	0	6 793
Operating result before depreciation and amortisation (EBITDA)	56 002	1 066	- 543	56 525
Operating result (EBIT)	53 324	395	- 741	52 978

¹ Holding company expenses and intersegment revenues are eliminated in the «Corporate & eliminations» column.

All revenues in 2023 and the previous year were generated in the Canton of Zug.

In the 2022 financial year, the segment elimination of operating income and operating expense includes a rent reduction of TCHF 500 in favour of the hotel & catering segment. No rent reductions were provided in the reporting period.

Ownership of the entire portfolio – i.e. investment and operating properties – rests with the real estate business unit. Based on an integrated view of the hotel & catering business unit, i.e. factoring in all properties used by the unit as well as all associated expenses and credits arising from rent paid to the real estate business unit, in the year under review the hotel & catering business unit generated an operating result (EBIT) of CHF 3.1 million, which was unchanged versus the previous year, and an annualised EBITDA return of 5.9% (previous year: 5.8%) on the market values of these properties.

28 Transactions with related parties

As in the previous year, there were no transactions with related parties during the reporting period. Information on the procedure for determining the compensation of members of the board of directors and Group management and on the compensation amounts paid to them is available in the compensation report on pages 42 to 47. As at the balance sheet date, there were no liabilities towards members of the board of directors (unchanged).

29 Events after the balance sheet date

Between 31 December 2023 and the date of approval of these consolidated financial statements, no events occurred which would necessitate a restatement of the book values of the Group's assets and liabilities as at 31 December 2023 or would need to be disclosed here.



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To the General Meeting of
Zug Estates Holding AG, Zug

Zug, 19 February 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of Zug Estates Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and information given on pages of the annual report marked as audited.

In our opinion, the consolidated financial statements (pages 52 to 74) and information given on pages marked as audited (pages 16, 17, 18, 20, 21) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange as well as Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the consolidated financial statements.

Market valuation of investment properties

Risk

The market valuation of investment properties was considered a key audit matter, since this process features significant areas of estimates and the assets valued in this way, amount at TCHF 1'725'597 and, are therefore a significant part of the group's balance sheet. As disclosed in the notes to the consolidated financial statements under "Investment properties, investment properties under construction and undeveloped plots" in the significant accounting and valuation policies (page 58) as well as under "4 Investment properties, investment properties under construction and undeveloped plots" (pages 62–63), market values were determined by an external real estate expert on the basis of the discounted cash flow method. These market value estimates are based on assumptions, in particular in terms of rental income, discount rates, vacancy rates as well as maintenance costs and development risks.

Our audit response

In addition to other audit procedures, we assessed the objectivity, independence and competence of the external real estate expert as well as the valuation model that was applied. Moreover, we performed sample tests to examine the correctness of property-specific data (amongst others rental income, maintenance costs) that were considered in the valuation. We also assessed the underlying key assumptions of the real estate expert by discussing them with both management and the external expert and comparing them with market data. Furthermore, for a sample we performed own calculations of the market values.

Our audit procedures did not lead to any reservations concerning the market valuation of investment properties.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

 Rico Fehr
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

 Beatrice Bieri
(Qualified Signature)

Licensed audit expert

Balance sheet of Zug Estates Holding Ltd

Assets

in CHF thousands	Note	31.12.2023	31.12.2022
Cash and cash equivalents		1 080	662
Other receivables due from third parties		24	45
Other receivables due from Group companies		0	1 908
Prepaid expenses to third parties		54	47
Accrued income Group companies	1	8 700	12 200
Total current assets		9 858	14 862
Loans to Group companies	2	218 223	221 523
Financial assets		50	50
Investments		113 128	113 128
Intangible assets		200	323
Total non-current assets		331 601	335 024
Total assets		341 459	349 886

Liabilities and equity

in CHF thousands	Note	31.12.2023	31.12.2022
Other current liabilities to third parties		59	44
Accrued expenses due to third parties		1 478	1 345
Total current liabilities		1 537	1 389
Long-term bonds	3	199 637	199 526
Total long-term liabilities		199 637	199 526
Total liabilities		201 174	200 915
Share capital		12 750	12 750
Statutory capital reserves			
– Reserves from capital contributions		105	105
– Other capital reserves		9 193	9 193
Legal retained earnings		3 960	3 960
Retained earnings			
– Earnings carried forward from the previous year		102 053	108 636
– Net income for the year		12 224	14 327
Total equity		140 285	148 971
Total liabilities and equity		341 459	349 886

Income statement of Zug Estates Holding Ltd

in CHF thousands	Note	2023	2022
Dividend income	1	8 700	12 200
Other income		2 078	2 115
Total income		10 778	14 315
Personnel expenses		– 1 888	– 1 882
Other operating expenses		– 768	– 776
Total operating expenses		– 2 656	– 2 658
Operating result before interest, tax, depreciation and amortisation (EBITDA)		8 122	11 657
Depreciation and amortisation		– 172	– 198
Operating result before interest and taxes (EBIT)		7 950	11 459
Financial expenses		– 995	– 1 014
Financial income	5	5 656	4 153
Operating result before taxes (EBT)		12 611	14 598
Direct taxes		– 387	– 271
Net income for the year		12 224	14 327

Notes to the financial statements of Zug Estates Holding Ltd

General

Zug Estates Holding Ltd is a public limited company; the shares have been listed on SIX Swiss Exchange, Zurich, since 2 July 2012.

Its registered offices are at Baarerstrasse 18, Zug, Switzerland. Zug Estates Holding Ltd was entered in the Canton of Zug Commercial Register on 1 March 2012.

Financial reporting legislation and principles applied in the preparation of the present financial statements

(where these are not specified by law)

The financial statements presented here were prepared in accordance with the provisions on commercial accounting contained in the Swiss Code of Obligations (article 957–963b CO). It must be noted in this connection that in order to ensure the long-term prosperity of the company, the option of creating and releasing hidden reserves is exercised.

Receivables and liabilities

Where applicable, receivables and liabilities are broken down on the balance sheet into third parties, related parties and Group companies. "Related parties" comprises receivables from and liabilities to directors, executives and shareholders. "Group companies" comprises receivables from and liabilities to companies in which direct or indirect participations are held.

Where necessary, a breakdown of "Related parties" is provided in the notes.

List of investments

Company	Registered office	Business operations	Share capital in CHF	Share of capital 31.12.2023	Share of capital 31.12.2022	Share of votes 31.12.2023	Share of votes 31.12.2022
Directly held investments							
Garden Park Zug AG ¹	Zug, ZG	Hotel & catering operator	1 000 000	100%	100%	100%	100%
Zug Estates Ltd	Zug, ZG	Real estate company	1 500 000	100%	100%	100%	100%
Renggli Holding AG ²	Zug, ZG	Holding company	1 000 000	n/a	100%	n/a	100%
Indirectly held investments							
Miteigentümergeinschaft Metalli	Zug, ZG	Real estate company	0	78.75%	75.25%	11.11%	10.00%
Renggli Immobilien AG	Zug, ZG	Real estate company	200 000	100.00%	100.00%	100.00%	100.00%
Zubar A Immobilien AG	Zug, ZG	Real estate company	150 000	100.00%	100.00%	100.00%	100.00%

¹Hotelbusiness Zug AG was renamed Garden Park Zug AG on 18 September 2023.

²Renggli Holding AG was merged with Zug Estates Ltd with retroactive effect to 1 January 2023.

Securities/financial assets

Short-term securities and financial assets are stated at the quoted price as at the balance sheet date. No fluctuation reserves were established. Financial assets for which no quoted price is available are carried at cost less impairments, if any.

Loans to Group companies

Loans to Group companies are reported at their nominal value. If there are indications that loans have been overvalued, the carrying amounts are reviewed and adjusted if necessary.

Investments

Investments are recognised at cost and valued individually. If, based on calculations of the earnings value, the value in use of an investment falls below the current carrying amount for an extended period of time, a value adjustment is recorded. Earnings values are determined on the basis of estimates (income, expenses and discount rates).

Intangible assets

Acquired intangible assets are recognised in the balance sheet if they bring measurable benefits to the company over several years. They comprise software and are valued at acquisition cost less straight-line depreciation over an economic life of three years. Intangible assets generated internally are not recognised in the balance sheet.

Bonds

Bonds are initially recognised at fair value, net of transaction costs. Financial liabilities are subsequently carried at cost, with any difference between the redemption amount and the carrying amount written up on a straight-line basis over the term.

1 Accrued income Group companies

Accrued income from Group companies includes dividends from subsidiaries totalling TCHF 8700, which were distributed from the ordinary profits of the 2023 financial year and recorded under "Dividend income" in the income statement (previous year: TCHF 12200).

2 Loans to Group companies

This position comprises long-term loans to subsidiaries to finance their operations in the amount of TCHF 218 223 (previous year: TCHF 221523).

3 Bonds

A TCHF 100 000 green bond was issued on 2 October 2019 and matures on 2 October 2025.. It has a coupon rate of 0.1%. A TCHF 100 000 green bond was issued on 17 February 2022 and matures on 17 April 2029. The coupon amounts to 0.75%.

4 Share ownership by current members of the corporate bodies

Number of	Series A registered shares as at 31.12.2023	Series B registered shares as at 31.12.2023	Series A registered shares as at 31.12.2022	Series B registered shares as at 31.12.2022
Dr. Beat Schwab, chairman	0	90	0	70
Prof. Dr. Annelies Häcki Buhofer, member	186 298	17 069	186 298	11 069
Armin Meier, member ²	n/a	n/a	0	270
Johannes Stöckli, member	56 800	3 866	56 800	3 866
Martin Wipfli, member	0	300	0	300
Dr. Joëlle Zimmerli, member ¹	0	0	n/a	n/a
Patrik Stillhart, CEO	0	87	0	0
Mirko Käppeli, CFO	0	80	0	50

¹ Dr. Joëlle Zimmerli was elected to the board of directors at the general meeting of shareholders on 6 April 2023.

² Armin Meier stepped down from the board of directors at the general meeting of shareholders on 6 April 2023.

No shares or options on such shares were allocated to members of the board of directors and Group management or employees.

5 Financial income

Financial income comprises interest received on loans to Group companies and income from securities.

6 Number of full-time equivalents

The number of full-time equivalents averaged fewer than ten in the year under review (unchanged).

7 Significant events after the balance sheet date

No significant events occurred after the balance sheet date which have an impact on the carrying amounts of the reported assets and liabilities or would need to be disclosed here.

Proposal for the appropriation of available earnings

in CHF	31.12.2023	31.12.2022
Retained earnings carried forward	102 052 992	108 635 658
Net income for the year	12 223 667	14 327 334
Retained earnings	114 276 659	122 962 992
Dividend	- 22 440 000	- 20 910 000
Retained earnings to be carried forward	91 836 659	102 052 992

The board of directors proposes the distribution of a gross dividend (subject to withholding tax) of CHF 4.40 per series A registered share and CHF 44.00 per series B registered share from ordinary earnings.

Subject to approval by the general meeting of shareholders of the proposal put forward by the board of directors, distribution will be effected on 15 April 2024 (payment date).



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To the General Meeting of
Zug Estates Holding AG, Zug

Zug, 19 February 2024

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of Zug Estates Holding AG (the Company), which comprise the balance sheet as at 31 December 2023 and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 78 to 82) comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

We have determined that there are no key audit matters to communicate in our report.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Rico Fehr
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Beatrice Bieri
(Qualified Signature)

Licensed audit expert

Contact details and upcoming events

Contact Investor Relations

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Upcoming events

09.04.2024

General meeting of shareholders

15.04.2024

**Distribution to shareholders
(payment date)**

22.08.2024

Publication of half-year results 2024

Exchange trading

Series B registered share Zug Estates Holding Ltd

Security number: 14805212

ISIN: CH0148052126

Ticker symbol on SIX Swiss Exchange: ZUGN

Bloomberg: ZUGN:SW



Online, download, short report

This annual report is published in German and English. The German version shall prevail and is binding.

The PDF version of the report can be downloaded from www.zugestates.ch/en/downloads. A copy of the printed report can be ordered by e-mail from ir@zugestates.ch.

Notes on possible forward-looking statements:

The present annual report of the Zug Estates Group may contain forward-looking statements. Such statements can be identified by expressions such as "shall", "assume", "expect", "anticipate", "intend", "aim", "future" or similar terms, as well as by discussions of strategies, goals, plans or intentions, etc. They are subject to known or unknown risks and uncertainties that could cause actual results and occurrences to differ materially from the expectations contained or implied in the forward-looking statements.

Notes on rounding:

Due to rounding, individual figures presented in this report may not add up exactly to the totals provided. All totals and key indicators are calculated based on the precise amounts, not the rounded amounts presented in the report.

Publishing information

Editor Zug Estates Holding Ltd **Project management** Philipp Hodel, Head of Communications
Copyright © Zug Estates Holding Ltd, February 2024 **Pictures** Christoph Kaminski, Uster (pages 6, 30, 31, 32 and 35); Emanuel Ammon, Lucerne (page 5, 17 and 39); Fotozug.ch (title page, page 25); Hosoya Schaefer Architects, Zurich (page 19); Roger Frei, Zurich (page 16); screenshot virtual.zg.ch (page 17); Zug Estates (pages 7 and 11) **Concept** Linkgroup AG, Zurich **Design and realisation** NeidhartSchön, Zurich **Translation** BMP Translations AG, Basel

