

Half-year Report

2020

allreal

Key figures at a glance

		1 st half-year 2020 as at 30.06.2020*	1 st half-year 2019 as at 31.12.2019*	Change in % ¹
Group				
Total sales ²	CHF million	278.7	280.8	-0.7
Operating profit (EBIT) incl. revaluation gains	CHF million	113.8	122.1	-6.8
Net profit incl. revaluation effect ³	CHF million	86.4	89.2	-3.1
Operating profit (EBIT) excl. revaluation gains	CHF million	86.1	91.9	-6.3
Net profit excl. revaluation effect ³	CHF million	63.0	67.4	-6.5
Cash flow from operating activities	CHF million	68.2	61.5	10.2
Return on equity incl. revaluation effect ³	%	7.4	7.7	-0.3
Return on equity excl. revaluation effect ³	%	6.4	6.8	-0.4
Equity ratio on cut-off date	%	48.3	49.7	-1.4
Net gearing ⁴ on cut-off date	%	87.2	83.8	3.4
Average interest rate on financial liabilities on cut-off date	%	0.83	0.88	-0.05
Average duration of financial liability on cut-off date	months	49	56	-7
Sales Projects & Development division				
Sales Projects & Development division	CHF million	178.6	178.9	-0.2
Earnings from Projects & Development division ⁵	CHF million	24.6	28.1	-12.5
Gross margin third-party projects Projects & Development division ⁶	%	13.8	14.0	-0.2
Employees on cut-off date	Number of full-time equivalents	214	220	-6
Share				
Earnings per share incl. revaluation effect ³	CHF	5.43	5.61	-3.2
Earnings per share excl. revaluation effect ³	CHF	3.96	4.26	-7.0
Net asset value (NAV) per share before deferred taxes on cut-off date	CHF	163.20	163.85	-0.4
Net asset value (NAV) per share after deferred taxes on cut-off date	CHF	146.70	148.10	-0.9
Share price on cut-off date	CHF	187.60	192.40	-2.5
Valuation on cut-off date				
Market capitalisation ⁷	CHF million	2 982.8	3 058.6	-2.5
Enterprise value (EV) ⁸	CHF million	5 016.2	5 030.2	-0.3

* Should no further particulars be given, values referring to the income statement concern the first half-year, and balance sheet values the cut-off date on 30.06.2020 or as at 31.12.2019. The consolidated half-year financial statements 2020 were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures have been restated accordingly. The presentation of alternative performance measures can be found at www.allreal.ch

¹ Changes in quantum and percentage values are shown as absolute difference

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

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

⁴ Finance liabilities minus cash as percentage of equity

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

⁶ Earnings from realisation Projects & Development in percent of income from realisation Projects & Development

⁷ Stock price at cut-off date multiplied by the number of outstanding shares

⁸ Market capitalisation plus net finance debts

Real estate at a glance

		1 st half-year 2020 as at 30.06.2020*	1 st half-year 2019 as at 31.12.2019*	Change in % ¹
Yield-producing properties				
Residential real estate on cut-off date	number	21	21	0
Commercial real estate on cut-off date	number	43	43	0
Market value on cut-off date	CHF million	4 257.3	4 242.4	0.4
Rental income from investment real estate	CHF million	100.1	101.9	-1.8
Vacancy rate ²	%	1.5	1.9	-0.4
Real estate expenses	CHF million	-13.2	-11.4	15.8
Real estate expenses	in % of rental income	13.2	11.2	2.0
Gross yield ³	%	4.7	5.0	-0.3
Net yield ⁴	%	4.1	4.4	-0.3
Investment real estate under construction				
Buildings on cut-off date	number	2	2	0
Market value on cut-off date	CHF million	134.6	99.6	35.1
Development real estate				
Book value of development reserves on cut-off date	CHF million	146.0	134.9	8.2
Estimated investment volume development reserves	CHF million	454.1	454.1	0.0
Book value buildings under construction on cut-off date	CHF million	38.9	31.9	21.9
Estimated investment volume of buildings under construction	CHF million	74.0	74.0	0.0
Book value completed real estate on cut-off date	CHF million	0.0	0.4	-

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¹ Changes in quantum and percentage values are shown as absolute difference

² In percent of target rental income, cumulative as at cut-off date

³ Rental income from investment real estate in percent of continued market value of yield-producing properties as at 1 January

⁴ Rental profit from investment real estate in percent of continued market value of yield-producing properties as at 1 January

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Sound 2020 Half-year Results

- Operating net profit gratifyingly stable despite challenging environment
- Market value of investment real estate with revaluation gains at previous year's level
- Projects & Development with respectable results and high margins in third-party activities
- Accounting changeover from IFRS to Swiss GAAP FER
- A positive net income expected for the entire 2020 financial year

Due to the corona crisis in the first half of 2020, Allreal was confronted with unusual problems that required quick and pragmatic action. Owing to the rapid change of social and economic life, fast and uncomplicated solutions were needed concerning both rental income from yield-producing properties and Project & Development's project business. Despite these challenges, the company achieved a very sound performance in the period under review. Allreal reported net profit including revaluation gains of CHF 86.4 million resulting from the rental of real estate and activities of the Projects & Development division (1st half 2019: CHF 89.2 million). The result is again characterised by a revaluation of the portfolio by CHF 27.7 million (1st half 2019: CHF 30.2 million).

Compared to the result reported for the same period the previous year, net profit decreased by only 3.1 percent, essentially due to positive tax-related one-off effects of CHF 3.0 million arising the previous year.

Both divisions, Real Estate and Projects & Development, made a positive contribution to operating net income of CHF 63.0 million in the period under review. Compared to the previous year, this represents a decline of 6.5 percent (1st half 2019: CHF 67.4 million).

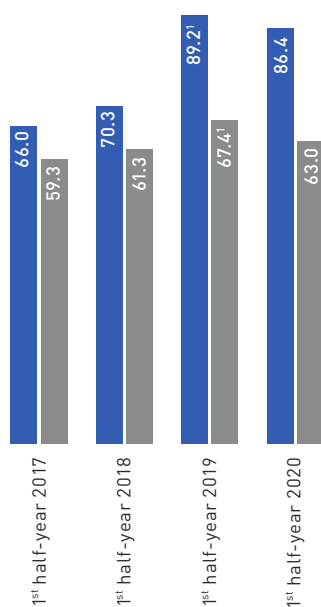
On the cut-off date, Allreal's share closed at CHF 187.60, or 2.5 percent below the closing price on 31 December 2019. Compared to industry indices and the overall market, the share price developed well. Including profit distribution in April 2020 of CHF 6.75 per share, the overall performance in the period under review is reported as 1.0 percent. Market capitalisation on the cut-off date amounted to CHF 2.98 billion.

Real Estate division again with convincing results

The Real Estate division achieved a strong result despite the unusual situation brought about by the corona crisis and the connected lockdown.

Rental income in the first half of 2020 decreased by CHF 1.8 million to CHF 100.1 million (1st half 2019: CHF 101.9 million). Portfolio changes made in the previous year and owner occupation by Allreal of the office building on Lindbergh-Allee 1 in Glattpark ZH from the beginning of the current year account for CHF 1.3 million of the discrepancy.

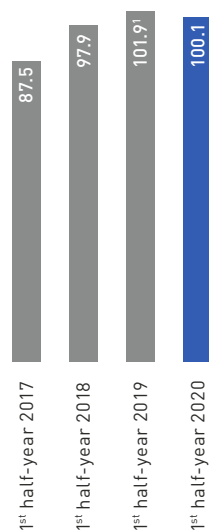
Net profit
CHF million



- Net profit incl. revaluation effect
- Net profit excl. revaluation effect

¹ Previous year's figures restated

Income from investment real estate
CHF million



¹ Previous year's figures restated

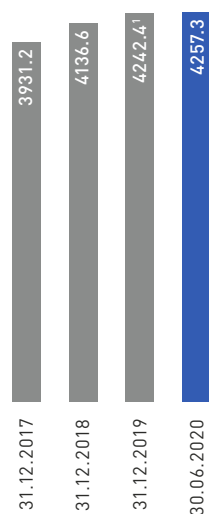
In the course of the corona crisis, Allreal acceded to various requests for rent deferment quickly and unbureaucratically. In this regard, tenants renting commercial space from Allreal and affected most severely were waived up to two months' rent within a period of only a few weeks on an individual basis and under private law. From today's perspective, the associated loss of earnings amounted to about CHF 1.4 million.

Cumulated vacancy rate continued to decline in the first half of 2020 and amounted to a record-low 1.5 percent on the cut-off date (31.12.2019: 2.2%). Several successful rental agreements contributed to this positive development. For instance, rental agreements were signed for available space in the Baarermatte commercial building in Baar ZG. In addition, the relocation of Allreal's own headquarters to Lindbergh-Allee 1 in Glattpark ZH contributed toward the decline. In terms of residential space, the last available apartments on Fangletenstrasse in Bülach ZH were successfully rented for the first time. Based on the low number of rental agreements up for renewal and the high quality of facility management, Allreal expects the vacancy rate for the entire year to remain low.

Direct expenses for yield-producing properties in the period under review amounted to CHF 13.2 million, representing an expense rate of 13.2 percent (1st half 2019: CHF 11.4 million / 11.2%). The expected increase compared to the previous year is due to a higher number of ongoing refurbishment projects.

Despite the higher real estate expenses, net yield of yield-producing properties amounted to excellent 4.1 percent (1st half 2019: 4.4%).

Yield-producing properties
CHF million



¹ Previous year's figures restated

The portfolio of investment real estate remained constant in the period under review. On the cut-off date it consisted of 64 yield-producing properties (21 residential and 43 commercial properties) and 2 investment real estate properties under construction.

The valuation of the 66 investment real estate properties carried out by an external real estate valuer on 30 June 2020 resulted in an appreciation of CHF 27.7 million. Of this amount, CHF 10.2 million refers to the portfolio of yield-producing properties and CHF 17.5 million to investment real estate under construction.

The value increase of the portfolio is due mainly to lower discount rates for investment real estate under construction. Work on the residential project on Grünhof-Areal in Zurich Aussersihl and on the office building on Hardstrasse 301 in Zurich-West is progressing according to schedule. The two properties with a target income of CHF 6.6 million in total enjoy a high preoccupancy rate and will be transferred to the portfolio of yield-producing properties within the coming twelve months.

The total value of the portfolio of investment real estate on the cut-off date amounted to CHF 4.39 billion (31.12. 2019: CHF 4.34 billion). The market value of the residential properties reported in the portfolio of yield-producing properties amounted to CHF 1.01 billion and that of commercial buildings to CHF 3.24 billion. The market value of investment real estate under construction amounted to CHF 134.6 million.

The Real Estate division reported net income for the period under review excluding revaluation effect of CHF 58.6 million (1st half 2019: CHF 63.0 million). This corresponds to a share of the Group's operating net income of 92.4 percent.

Stable development of Projects & Development division despite project postponements

In the Projects & Development division, Allreal provides services concerning the development and the realisation of projects for third parties, buys and sells development real estate, and plans and implements own projects. Income from Projects & Development in the first half of 2020 amounted to CHF 24.6 million (1st half 2019: CHF 28.1 million). This represents an expected decline of 12.5 percent compared to the same period the previous year. On the one hand, income from Realisation Projects & Development declined, compared to the first half 2019, due partly to project postponements owing to the corona crisis. On the other hand, income from the sale of development real estate was reported clearly lower.

In the period under review, Allreal strengthened the division by appointing Simon Räbsamen as new Head Realisation. He joined Group Management and is responsible for the Realisation department with effect from 1 June 2020.

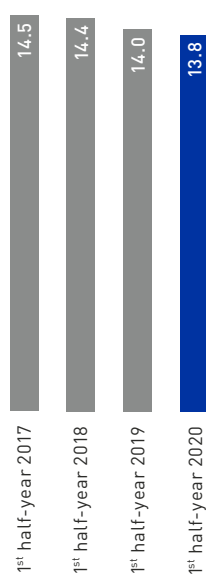
Income from Realisation Projects & Development for the first half 2020 amounted to CHF 18.8 million, a decline of 9.2 percent compared to the previous year (1st half 2019: CHF 20.7 million). The gross margin reported from the development and implementation of projects for third parties amounted to a high 13.8 percent (1st half 2019: 14.0%).

Income resulting from the sale of residential real estate in Zufikon AG and Bülach ZH amounted to CHF 1.6 million (1st half 2019: CHF 3.4 million). Demand for residential ownership remains excellent. For the project on Florenstrasse in Winterthur ZH, despite limitations brought about by the lockdown, Allreal is in possession of letters of intent for 44 of the 51 condominiums. Following the cut-off date, Allreal acquired land suitable for residential construction and attractive potential for development for CHF 31.5 million located at Badenerstrasse 501–505 in Zurich Albisrieden.

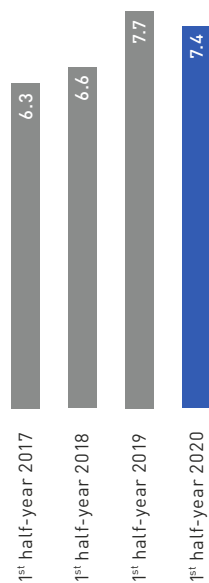
Operating expense of the Projects & Development division of CHF 22.9 million for the first half 2020 was reported about 5.8 percent below the comparable amount of the previous year (1st half 2019: CHF 24.3 million).

The Development department again made a significant contribution to the Group's successful and profitable business activity by means of own and third-party projects, the participation in several project competitions and the demanding search for suitable land with promising development potential.

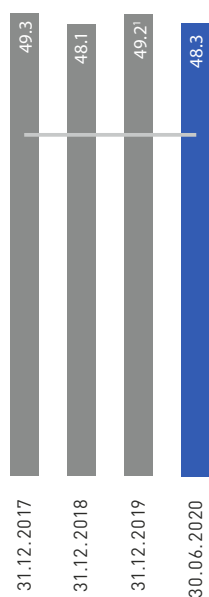
Gross margin third-party projects
Projects & Development division
in percent



Return on equity (RoE)
incl. revaluation effect
in percent



Equity ratio
in percent



— Minimum 35%

¹ Previous year's figures restated

The large third-party projects are mostly proceeding according to schedule. Allreal is implementing a project for Helvetia Insurance Group comprising 13 five-storey apartment buildings and a total of 180 rental units plus an underground parking garage on Bellariarain in Zurich Wollishofen. The construction sum amounts to about CHF 60 million. Transfer to the owners is scheduled for end of this year.

In Glattbrugg ZH, Allreal is implementing a three-storey data centre for Interxion in the Bäuler industrial area comprising 7,132 square metres of useful space. The sum of the construction trades in Allreal's responsibility amounts to about CHF 30 million.

Construction work on the Letzi Turm project in Zurich Altstetten commenced at the beginning of summer. In the course of the coming two years, Allreal as total contractor will realise two 70-metre residential high-rise buildings for Swiss Federal Railways comprising 178 rental units. The order volume is about CHF 70 million.

Project volume completed by the Realisation department in the first half of 2020 amounted to CHF 178.6 million (1st half 2019: CHF 178.9 million). Of this amount, CHF 135.7 million, or 76.0 percent, referred to third-party projects and CHF 42.9 million, or 24.0 percent, to own projects for sale to third parties or for the own portfolio. Allreal expects the volume of projects completed in the second half of 2020 to increase.

The order backlog secured on the cut-off date amounts to about CHF 772 million. In the period under review, Allreal recorded a gratifying order intake of about CHF 131 million, ensuring capacity utilisation for about 24 months.

The Projects & Development division reported net income of CHF 4.8 million for the period under review (1st half 2019: CHF 5.9 million). This corresponds to a 7.6 percent share in the Group's net income.

Long-term and well secured financing

Financial liability as per 30 June 2020 grew by CHF 80.8 million to CHF 2.08 billion (31.12.2019: CHF 2.00 billion). Of this amount, bond issues account for 57 percent, fixed mortgage loans for 29 percent and fixed advances for 14 percent.

On the cut-off date, the average interest rate for financial debt amounted to 0.83 percent, or five base points below the comparable value on 31 December 2019. The average duration of the fixed-interest period on the cut-off date amounted to 49 months.

Credit limits available short-term on the cut-off date amounted to CHF 653 million. They continue to provide the company with a high level of entrepreneurial freedom and space for financial manoeuvre.

As per 30 June 2020, Allreal's equity ratio amounted to 48.3 percent, net gearing to 87.2 percent and interest coverage ratio to 10.9 (31.12.2019: 49.7%/83.8%/10.2).

Allreal reports according to Swiss GAAP FER as at 1 January 2020, reactively (previously IFRS). As a result, the company simplifies its financial reporting while maintaining high transparency and significance.

Outlook on the 2020 financial year

Based on the 2020 half-year financial statements, Allreal is confident to report good results for the entire 2020 financial year, despite great uncertainties about further economic development.

Owing to the low number of commercial leases up for extension or renewal, the Real Estate division expects the vacancy rate to remain low. The income situation will remain predictable even when taking into consideration constantly developing real estate expenses. The loss of earnings as a result of COVID-19 is, from today's perspective, acceptable, and operating net income for the entire financial year close to that reported for the previous year is feasible.

While pressure on prices and margins remains a determining issue in Projects & Development, the division expects to report stable development of results. This expectation is based on a slight growth in project volume in both of its two departments, Development and Realisation, due to a high order backlog and full capacity utilisation. Consistent focus on profitable projects for discerning and quality-conscious customers and for the own portfolio continues to ensure a profitable business activity.

The insecurities which emerged at the outbreak of the corona crisis concerning short-term business development can currently be assessed more reliably. Allreal expects operating net profit for the entire financial year to be reported below that of the record result for 2019, but higher than in 2018, owing to lower profits derived from development real estate and delays in the progress of individual projects.

The Board of Directors and Group Management express their gratitude to all employees for their contribution in these extraordinary and demanding times and to customers and shareholders for their trust and support.

Ralph-Thomas Honegger
Chairman

Roger Herzog
Chief Executive Officer

Consolidated half-year financial statements of Allreal Group

Consolidated statement of comprehensive income

CHF million	Notes	1 st half-year 2020	1 st half-year 2019 restated ¹
Income from renting investment real estate	3	100.1	101.9
Income from realisation Projects & Development	4	135.7	147.4
Income from sales Development	4	12.1	22.4
Diverse income	4	0.9	0.6
Operating income		248.8	272.3
Direct expenses for rented investment real estate	5	-13.2	-11.4
Direct expenses from realisation Projects & Development	4	-116.9	-126.7
Direct expenses from sales Development	4	-10.5	-19.0
Direct operating expenses		-140.6	-157.1
Personnel expenses		-20.0	-20.8
Other operating expenses		-5.3	-5.7
Operating expenses		-25.3	-26.5
Capitalised company-produced assets	4	3.3	3.4
Higher valuation of yield-producing properties		23.1	39.3
Lower valuation of yield-producing properties		-12.9	-15.0
Higher valuation of investment real estate under construction		17.5	5.9
Lower valuation of investment real estate under construction		0.0	0.0
Earnings from revaluation of investment real estate	6	27.7	30.2
EBITDA		113.9	122.3
Depreciation other property, plant and equipment		-0.1	-0.1
Amortisation intangible assets		0.0	-0.1
Operating profit (EBIT)		113.8	122.1
Financial income		1.2	0.7
Financial expense	7	-9.1	-9.6
Net profit before tax		105.9	113.2
Tax expense		-19.5	-24.0
Net profit		86.4	89.2
Earnings per share in CHF		5.43	5.61
Diluted earnings per share in CHF		5.43	5.61

¹ The consolidated half-year financial statements 2020 were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures have been restated accordingly, see section 2 of the selected notes

Consolidated balance sheet

CHF million	Notes	30.06.2020	31.12.2019 restated ¹
Yield-producing properties	9	4 257.3	4 242.4
Investment real estate under construction	9	134.6	99.6
Other property, plant and equipment		6.3	1.5
Financial assets		114.2	118.8
Intangible assets		0.1	0.1
Deferred tax assets		17.4	19.5
Non-current assets		4 529.9	4 481.9
Development real estate	10	185.1	167.6
Trade receivables		55.3	56.1
Other receivables		4.6	1.9
Cash		48.8	29.8
Current assets		293.8	255.4
Assets		4 823.7	4 737.3
Share capital	11	15.9	15.9
Capital reserves		576.3	628.0
Treasury shares	11	-6.7	-7.1
Retained earnings		1 746.6	1 715.8
Equity		2 332.1	2 352.6
Borrowings	12	1 467.2	1 598.4
Deferred tax liabilities		280.1	270.1
Long-term provisions		1.3	1.3
Long-term liabilities		1 748.6	1 869.8
Trade payables		75.5	75.1
Prepayments for development real estate		4.4	0.0
Current tax liabilities		15.3	9.1
Other current liabilities		24.1	22.2
Provisions		8.7	5.5
Short-term borrowings	12	615.0	403.0
Short-term liabilities		743.0	514.9
Liabilities		2 491.6	2 384.7
Equity and liabilities		4 823.7	4 737.3

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Consolidated statement of changes in shareholders' equity

CHF million	Retained earnings						Total ¹
	Share capital	Capital reserves	Treasury shares	Hedging reserves ¹	Revaluation reserves	Other retained earnings ¹	
As at 31 December 2018 according to IFRS	15.9	731.3	-8.9	-15.7	259.5	1 236.7	2 218.8
Reconciliation from IFRS to Swiss GAAP FER ¹				15.7		-24.0	-8.3
As at 1 January 2019 according to Swiss GAAP FER	15.9	731.3	-8.9	-	259.5	1 212.7	2 210.5
Net profit						89.2	89.2
Purchase treasury shares			0.0				0.0
Sale treasury shares			0.0			0.0	0.0
Distribution to shareholders		-103.3					-103.3
Share-based reimbursement			0.2				0.2
Reclassification					21.3	-21.3	0.0
As at 30 June 2019	15.9	628.0	-8.7	-	280.8	1 280.7	2 196.7
Net profit						154.0	154.0
Purchase treasury shares			0.0				0.0
Sale treasury shares			1.6			0.3	1.9
Share-based reimbursement			0.0				0.0
Reclassification					78.9	-78.9	0.0
As at 31 December 2019	15.9	628.0	-7.1	-	359.7	1 356.1	2 352.6
Net profit						86.4	86.4
Sale treasury shares			0.2			0.0	0.2
Distribution to shareholders		-51.7				-55.6	-107.3
Share-based reimbursement			0.2				0.2
Reclassification					23.4	-23.4	0.0
As at 30 June 2020	15.9	576.3	-6.7	-	383.1	1 363.5	2 332.1

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Consolidated cash flow statement

CHF million	Notes	1 st half-year 2020	1 st half-year 2019 restated ¹
Net profit before tax		105.9	113.2
Net financial expense		7.8	9.0
Earnings from revaluation of investment real estate	6	-27.7	-30.2
Depreciation other property, plant and equipment		0.1	0.1
Depreciation intangible assets		0.0	0.1
Capitalisation of company-produced assets in development real estate		-0.7	-1.0
Share-based reimbursement		0.2	0.2
Other items		1.3	1.6
Change in development real estate		-17.0	-18.2
Change in trade receivables		0.9	7.0
Change in other receivables		-2.8	-0.9
Change in provisions		3.2	0.4
Change in trade payables		0.8	8.5
Change in down payments for development real estate		3.8	0.2
Change in other current liabilities		2.5	-1.5
Cost of finance paid		-10.5	-11.5
Financial income received		0.7	0.7
Income tax paid		-0.3	-16.2
Cash flow from operating activities		68.2	61.5
Investment in yield-producing properties	9	-4.8	-4.2
Investment in investment real estate under construction	9	-17.4	-9.6
Acquisition of other property, plant and equipment		-4.9	-0.2
Investment in intangible assets		-0.1	-0.1
Increase in financial assets		-0.6	-1.2
Decrease in financial assets		5.0	4.9
Cash flow from investing activities		-22.8	-10.4
Increase in borrowings		177.0	219.0
Decrease in borrowings		-96.3	-169.2
Purchase treasury shares		0.0	0.0
Sale treasury shares		0.2	0.0
Distribution to shareholders		-107.3	-103.3
Cash flow from financing activities		-26.4	-53.5
Change in cash		19.0	-2.4
Cash at 1 January		29.8	40.6
Cash at 30 June 2020		48.8	38.2

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Segment information for the first half-year 2020

CHF million	Real Estate	Projects & Development	Total segments	Holding/ eliminations	Total
Income statement					
Operating income	100.1	148.7	248.8	0.0	248.8
Profit from intercompany services	-4.1	4.4	0.3	-0.3	0.0
Direct operating expenses	-13.2	-127.4	-140.6	0.0	-140.6
Operating expenses	-1.7	-22.9	-24.6	-0.7	-25.3
Capitalised company-produced assets	0.0	3.3	3.3	0.0	3.3
Earnings from revaluation of investment real estate	27.7	0.0	27.7	0.0	27.7
EBITDA	108.8	6.1	114.9	-1.0	113.9
Depreciation and amortisation	0.0	-0.1	-0.1	0.0	-0.1
Operating profit (EBIT)	108.8	6.0	114.8	-1.0	113.8
Financial income	1.2	0.0	1.2	0.0	1.2
Financial expense	-8.8	-0.3	-9.1	0.0	-9.1
Tax expense	-19.2	-0.9	-20.1	0.6	-19.5
Net profit	82.0	4.8	86.8	-0.4	86.4
EBITDA excl. revaluation gains	81.1	6.1	87.2	-1.0	86.2
Operating profit (EBIT) excl. revaluation gains	81.1	6.0	87.1	-1.0	86.1
Net profit excl. revaluation effect	58.6	4.8	63.4	-0.4	63.0
Operating margin in percent ¹	93.3	24.4	78.1	0.0	77.2
Rental income and income from real estate management	100.1	0.0	100.1	0.0	100.1
Completed project volume third-party projects	0.0	135.7	135.7	0.0	135.7
Completed project volume own projects	0.0	42.9	42.9	0.0	42.9
Total sales (according to internal reporting)	100.1	178.6	278.7	0.0	278.7
less sales from intercompany services	0.0	-31.6	-31.6	0.0	-31.6
Total sales to third parties (according to internal reporting)	100.1	147.0	247.1	0.0	247.1
plus reconciliation item external reporting	0.0	0.8	0.8	0.0	0.8
Diverse income	0.0	0.9	0.9	0.0	0.9
Operating income	100.1	148.7	248.8	0.0	248.8
Balance sheet as at 30.06.2020					
Non-current assets	4 522.5	6.2	4 528.7	1.2	4 529.9
Current assets	23.6	269.2	292.8	1.0	293.8
Total assets	4 546.1	275.4	4 821.5	2.2	4 823.7
Provisions	0.0	10.0	10.0	0.0	10.0
Other debt (excl. financing and taxes)	21.5	82.5	104.0	0.0	104.0
Financial liabilities	2 020.3	61.9	2 082.2	0.0	2 082.2
Tax liabilities	283.8	10.8	294.6	0.8	295.4
Total debt	2 325.6	165.2	2 490.8	0.8	2 491.6
Total assigned equity²	2 220.5	110.2	2 330.7	1.4	2 332.1
Investment in non-current assets	22.2	5.0	27.2	0.0	27.2

¹ EBIT less revaluation gains in percent of income from business activity (balance of operating income, direct operating expenses, capitalised company-produced assets, and earnings from sale of investment real estate)

² Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division; financial and tax liabilities will be assigned accordingly

Segment information for the first half-year 2019¹

CHF million	Real Estate	Projects & Development	Total segments	Holding/ eliminations	Total
Income statement					
Operating income	101.9	170.4	272.3	0.0	272.3
Profit from intercompany services	-3.9	4.2	0.3	-0.3	0.0
Direct operating expenses	-11.4	-145.7	-157.1	0.0	-157.1
Operating expenses	-1.5	-24.3	-25.8	-0.7	-26.5
Capitalised company-produced assets	0.0	3.4	3.4	0.0	3.4
Earnings from revaluation of investment real estate	30.2	0.0	30.2	0.0	30.2
EBITDA	115.3	8.0	123.3	-1.0	122.3
Depreciation and amortisation	0.0	-0.2	-0.2	0.0	-0.2
Operating profit (EBIT)	115.3	7.8	123.1	-1.0	122.1
Financial income	0.7	0.0	0.7	0.0	0.7
Financial expense	-8.9	-0.7	-9.6	0.0	-9.6
Tax expense	-22.3	-1.2	-23.5	-0.5	-24.0
Net profit	84.8	5.9	90.7	-1.5	89.2
EBITDA excl. revaluation gains	85.1	8.0	93.1	-1.0	92.1
Operating profit (EBIT) excl. revaluation gains	85.1	7.8	92.9	-1.0	91.9
Net profit excl. revaluation effect	63.0	5.9	68.9	-1.5	67.4
Operating margin in percent ²	94.0	27.8	78.3	0.0	77.5
Rental income and income from real estate management	101.9	0.0	101.9	0.0	101.9
Completed project volume third-party projects	0.0	147.4	147.4	0.0	147.4
Completed project volume own projects	0.0	31.5	31.5	0.0	31.5
Total sales (according to internal reporting)	101.9	178.9	280.8	0.0	280.8
less sales from intercompany services	0.0	-18.5	-18.5	0.0	-18.5
Total sales to third parties (according to internal reporting)	101.9	160.4	262.3	0.0	262.3
plus reconciliation item external reporting	0.0	9.1	9.1	0.0	9.1
Diverse income	0.0	0.9	0.9	0.0	0.9
Operating income	101.9	170.4	272.3	0.0	272.3
Balance sheet as at 31.12.2019					
Non-current assets	4 480.4	1.5	4 481.9	0.0	4 481.9
Current assets	8.5	245.9	254.4	1.0	255.4
Total assets	4 488.9	247.4	4 736.3	1.0	4 737.3
Provisions	0.0	6.8	6.8	0.0	6.8
Other debt (excl. financing and taxes)	23.9	73.4	97.3	0.0	97.3
Financial liabilities	1 940.8	60.6	2 001.4	0.0	2 001.4
Tax liabilities	265.0	13.7	278.7	0.5	279.2
Total debt	2 229.7	154.5	2 384.2	0.5	2 384.7
Total assigned equity³	2 259.2	92.9	2 352.1	0.5	2 352.6
Investment in non-current assets	13.8	0.1	13.9	0.0	13.9

¹ The consolidated half-year financial statements 2020 were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures have been restated accordingly, see section 2 of the selected notes

² EBIT less revaluation gains in percent of income from business activity (balance of operating income, direct operating expenses, capitalised company-produced assets, and earnings from sale of investment real estate)

³ Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division; financial and tax liabilities will be assigned accordingly

Selected notes

1 Basic principles

1.1 Presentation of accounts

Since 1 January 2020, the financial statements of Allreal Group have been prepared according to Swiss GAAP FER (FER). The consolidated half-year financial statements 2020 were prepared in accordance with Swiss GAAP FER 31 “Complementary recommendation for listed companies” and are compatible with the Listing Rules as well as Article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange. The effects of the change in accounting standards from IFRS to FER on the principles of recognition and valuation are outlined under section 2.

1.2 Scope of consolidation

The scope of consolidation remained unchanged in the first half of 2020.

1.3 Valuation uncertainties

Investment real estate

Owing to the coronavirus (COVID-19), the evaluation of the market value of investment real estate is subject to increased uncertainty. Accordingly, external real estate valuer JLL issued the following disclosure:

“The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a ‘Global Pandemic’ on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations of under frequent review.

For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is a disclosure, not a disclaimer.

Although we reflect our general understanding of the status of the tenants based on publicly available information which may not be up to date, we are not qualified to advise you on the financial standing of the tenants. Based on the information currently available, we assume that the tenants have sufficient covenant status.

With the ongoing outbreak of COVID-19 virus, uncertain trading and credit market conditions may lead to rapid changes in covenant strength and/or sentiment.”

2 Restatement to Swiss GAAP FER

The effects that the change in accounting standards from IFRS to Swiss GAAP FER has on the principles of recognition and valuation are outlined in the following. The principles which remain unaffected are not shown. The effects on the consolidated financial statements and on consolidated equity are stated under section 2.8.

2.1 Earnings from renting investment real estate / investment real estate

Income from renting investment real estate includes net rental income after deduction of vacancy losses, losses due to bad debts and (new) deduction of ground rent. Under IFRS, ground rent was capitalised as a right-of-use asset and reported under yield-producing properties. Changes in right-of-use assets were recognised under gains from the revaluation of investment real estate. The change in recognition of ground rent obviates the need to capitalise it as a right-of-use asset and report it under yield-producing properties as per IFRS.

2.2 Employee pension plans

Under IFRS, pension funds were classed as defined benefit plans, with plan assets recognised at fair value and liabilities valued using the projected unit credit method.

Pension expenses comprised a past service and a net interest component which were recognised under personnel expenses, as well as a revaluation component which contains actuarial gains and losses and was recognised through other comprehensive income under changes in the pension fund.

Pension plans are now recognised in accordance with Swiss GAAP FER 16 “Pension benefit obligations”. Accordingly, actual expenditure for the pension fund is charged to personnel expenses. In application of the new standard, any economic benefit or obligation existing on the cut-off date must be taken to the balance sheet. The previous practice of reporting the net position “Pension plan assets” in the balance sheet under financial assets no longer applies.

2.3 Other operating expenses/other property, plant and equipment

Rental expenses from long-term rental agreements for offices and parking spaces are now recognised as operating leases and charged to income under other operating expenses. Under IFRS, these obligations were capitalised as right-of-use assets under the position “Other property, plant and equipment” and depreciated over the term. They are no longer capitalised as right-of-use assets under FER.

2.4 Financial expenses/Derivative financial instruments

In December 2016, Allreal terminated interest swaps (swaps) early. Their remaining negative replacement value (after deferred tax) was reported in the hedging reserve and under IFRS released to the income statement over the original residual term to maturity of the swaps.

Under FER, the balance of negative hedging reserves was allocated in the opening balance sheet of 1 January 2019 to retained earnings and has not been charged to the consolidated statement of comprehensive income since 2019.

2.5 Development real estate

Development real estate comprises land reserves, buildings under construction, and completed properties. Under FER, accrued investment costs (land and project costs) for notarised units are now no longer reported as contract assets or liabilities but – as buildings under construction – fall under development real estate.

2.6 Short-term receivables and liabilities

Receivables from construction activities undertaken on behalf of third parties are recognised according to the net principle, i.e. payments on account received from clients and partial settlements of accounts arising from the construction activities are offset against each other (order balances). In accordance with IFRS, positive net positions were previously reported as contract assets and negative net positions as contract liabilities. Now, under FER, order balances are reported as trade receivables or trade payables accordingly.

2.7 Lease liabilities

In connection with the two types of right-of-use assets – i.e. arising from ground rent and from long-term rental agreements – a long- and a short-term lease liability was recognised under IFRS. Under FER, rental expenses and ground rent are charged to the income statement as incurred, and no right-of-use assets are capitalised. Accordingly, there are no long- and short-term lease liabilities to recognise.

2.8 Reconciliation of net profit and equity

The changes in principles of accounting following adoption of FER were applied retroactively to 1 January 2019 with a restatement of the previous year's figures. The effects of the change from IFRS to FER on net profit and equity are shown in the following tables.

Reconciliation of net profit from IFRS to FER

CHF million	6 months 01.01.–30.06.2019	12 months 01.01.–31.12.2019
IFRS net profit	85.1	234.8
Changes in employee benefits	0.5	1.5
Expense for derivatives	4.5	8.9
Income from renting investment real estate	-0.7	-1.3
Other operating expenses	-1.6	-4.4
Earnings from revaluation of investment real estate	0.5	0.9
Depreciation other property, plant and equipment	1.6	4.4
Financial expense	0.4	0.7
Tax expense	-1.1	-2.3
FER net profit	89.2	243.2

Reconciliation of equity from IFRS to FER

CHF million	Share capital	Capital reserves	Treasury shares	Hedging reserves	Revaluation reserves	Other retained reserves	Total
As at 31 December 2018 according to IFRS	15.9	731.3	-8.9	-15.7	259.5	1 236.7	2 218.8
Eliminations							
Changes in employee benefits						-10.6	-10.6
Deferred taxes from changes in employee benefits						2.3	2.3
Reclassification							
Reclassification of hedging reserves				15.7		-15.7	0.0
As at 1 January 2019 according to FER	15.9	731.3	-8.9	0.0	259.5	1 212.7	2 210.5

CHF million	Share capital	Capital reserves	Treasury shares	Hedging reserves	Revaluation reserves	Other retained reserves	Total
As at 30 June 2019 according to IFRS	15.9	628.0	-8.7	-12.2	280.8	1 304.0	2 207.8
Elimination							
Changes in employee benefits						-14.5	-14.5
Deferred taxes from changes in employee benefits						3.2	3.2
Leasing expenses						0.2	0.2
Reclassification							
Reclassification of hedging reserves				12.2		-12.2	0.0
As at 30 June 2019 according to FER	15.9	628.0	-8.7	0.0	280.8	1 280.7	2 196.7

CHF million	Share capital	Capital reserves	Treasury shares	Hedging reserves	Revaluation reserves	Other retained reserves	Total
As at 31 December 2019 according to IFRS	15.9	628.0	-7.1	-8.7	359.7	1 380.7	2 368.5
Elimination							
Changes in employee benefits						-20.2	-20.2
Deferred taxes from changes in employee benefits						4.0	4.0
Leasing expenses						0.3	0.3
Reclassification							
Reclassification of hedging reserves				8.7		-8.7	0.0
As at 31 December 2019 according to FER	15.9	628.0	-7.1	0.0	359.7	1 356.1	2 352.6

3 Income from renting investment real estate

CHF million	1 st half-year 2020	1 st half-year 2019 ¹
Rental income from residential properties	18.3	17.5
Rental income from commercial properties	81.8	84.4
Income from renting investment real estate	100.1	101.9

¹ Previous year's figures restated, see section 2

The accumulated vacancy rate for the first half of 2020 amounted to a total of 1.5% of projected rental income (1st half-year 2019: 1.9%), broken down into 2.1% for residential properties and 1.3% for commercial properties (1st half-year 2019: 3.8% and 1.5%).

4 Earnings from Projects & Development division

CHF million	1 st half-year 2020	1 st half-year 2019
Income from realisation Projects & Development	135.7	147.4
Direct expenses from realisation Projects & Development	-116.9	-126.7
Earnings from realisation Projects & Development	18.8	20.7
Income from sales Development	12.1	22.4
Direct expenses from sales Development	-10.5	-19.0
Income from sales Development	1.6	3.4
Capitalised company-produced assets	3.3	3.4
Diverse income	0.9	0.6
Earnings from Projects & Development division	24.6	28.1

Earnings from realisation Projects & Development consists of architects' and project & development fees (CHF 10.4 million) and earnings from construction activity (CHF 11.1 million) (1st half-year 2019: CHF 11.1 million and CHF 12.1 million, respectively). This contrasts with directly offset sales deductions (CHF 2.7 million) (1st half-year 2019: CHF 2.5 million).

Income from sales Development is attributable to revenue from the projects Soli-strasse in Bülach ZH (CHF 4.2 million) and Alter Züriweg in Zufikon AG (CHF 7.9 million), resulting in gains on sales of CHF 1.6 million.

5 Direct expenses for rented investment real estate

CHF million	1 st half-year 2020	1 st half-year 2019
Administrative and operating expenses, residential real estate	-0.9	-0.9
Administrative and operating expenses, commercial real estate	-2.6	-2.7
Maintenance and repair expenses, residential real estate	-2.4	-1.6
Maintenance and repair expenses, commercial real estate	-7.3	-6.2
Real estate expenses	-13.2	-11.4

6 Earnings from revaluation of investment real estate

CHF million	1 st half-year 2020	1 st half-year 2019 ¹
Higher valuation of yield-producing properties	23.1	39.3
Higher valuation of investment real estate under construction	17.5	5.9
Lower valuation of yield-producing properties	-12.9	-15.0
Lower valuation of investment real estate under construction	0.0	0.0
Earnings from revaluation of investment real estate	27.7	30.2

¹ Previous year's figures restated, see section 2

CHF 3.9 million of the higher valuation of yield-producing properties relates to residential real estate and CHF 19.2 million to commercial real estate (1st half-year 2019: CHF 13.6 million and CHF 25.7 million, respectively). CHF 0.0 million of the lower valuation of yield-producing properties relates to residential real estate and CHF 12.9 million to commercial real estate (1st half-year 2019: CHF 0.7 million and CHF 14.3 million, respectively).

The average discount rates as at 30 June 2020 for the entire portfolio of yield-producing properties amount to 3.92% (31.12. 2019: 3.93%). The average capitalisation rates as at 30 June 2020 amount to 3.43% (31.12. 2019: 3.44%).

As in the previous year, Jones Lang LaSalle AG acts as the real estate valuer on a contract basis.

7 Financial expense

CHF million	1 st half-year 2020	1 st half-year 2019 ¹
Interest expense for bond issues	-5.2	-5.5
Interest expense payable to banks/insurance companies for liabilities	-4.0	-4.2
Capitalised building loan interest	0.1	0.1
Financial expense	-9.1	-9.6

¹ Previous year's figures restated, see section 2

8 Earnings per share / net asset value (NAV) per share

	1 st half-year 2020	1 st half-year 2019 ¹
Number of outstanding shares as at 1 January (in thousands)	15 897	15 886
Change in holdings of treasury shares (in thousands)	3	1
Number of outstanding shares as at cut-off date (in thousands)	15 900	15 887
Average number of outstanding shares (in thousands)	15 898	15 886
Net profit excl. revaluation effect (in CHF million)	63.0	67.4
Earnings from revaluation of investment real estate (in CHF million)	27.7	30.2
Deferred taxes on revaluation gains (in CHF million)	-4.3	-8.4
Net profit incl. revaluation effect (in CHF million)	86.4	89.2
Earnings per share incl. revaluation effect (CHF)	5.43	5.61
Earnings per share excl. revaluation effect (CHF)	3.96	4.26
Diluted earnings per share		
— incl. revaluation effect (CHF)	5.43	5.61
— excl. revaluation effect (CHF)	3.96	4.26

¹ Previous year's figures restated, see section 2

The share-based remuneration of members of Group Management has the effect of diluting the earnings per share. For this calculation, the average number of outstanding shares increases from 15,898,289 to 15,899,887 shares.

	30.06.2020	31.12.2019 ¹
Outstanding shares (in thousands) on cut-off date	15 900	15 887
Equity on cut-off date (CHF million)	2 332.1	2 352.6
Net asset value (NAV) per share after deferred taxes (CHF)	146.70	148.10
Equity plus provisions for deferred taxes less deferred tax assets (CHF million)	2 594.8	2 603.2
Net asset value (NAV) per share before deferred taxes (CHF)	163.20	163.85

¹ Previous year's figures restated, see section 2

9 Investment real estate

CHF million	30.06.2020	31.12.2019 ¹
Residential real estate	1 014.2	1 010.2
Commercial real estate	3 243.1	3 232.2
Yield-producing properties	4 257.3	4 242.4
Investment real estate under construction	134.6	99.6
Investment real estate	4 391.9	4 342.0

¹ Previous year's figures restated, see section 2

The changes in the first half of 2020 can be summarised as follows:

CHF million	Residential real estate	Commercial real estate	Total yield-producing properties	Investment real estate under construction	Total investment real estate
As at 01.01.2020	1 010.2	3 232.2	4 242.4	99.6	4 342.0
Purchases	0.0	0.0	0.0	0.0	0.0
Value-enhancing investments	0.1	4.7	4.8	17.4	22.2
Capitalised building loan interest	0.0	0.0	0.0	0.1	0.1
Disposals	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	0.0
Market value adjustments	3.9	6.3	10.2	17.5	27.7
Rent-free periods	0.0	-0.1	-0.1	0.0	-0.1
As at 30.06.2020	1 014.2	3 243.1	4 257.3	134.6	4 391.9
of which pledged or subject to transfer restrictions	850.2	2 761.6	3 611.8	0.0	3 611.8
	83.8%	85.2%	84.8%	0.0%	82.2%

The value-enhancing investments relate to the yield-producing properties Grün-gasse 27–31/Badenerstrasse 119–133, Zurich (CHF 2.0 million), Bellerivestrasse 36, Zurich (CHF 1.1 million), Zollstrasse /Josefstrasse 23–29/Klingenstrasse 4, Zurich (CHF 0.7 million), the Escher-Wyss site, Zurich (CHF 0.7 million) and seven other properties (CHF 0.3 million).

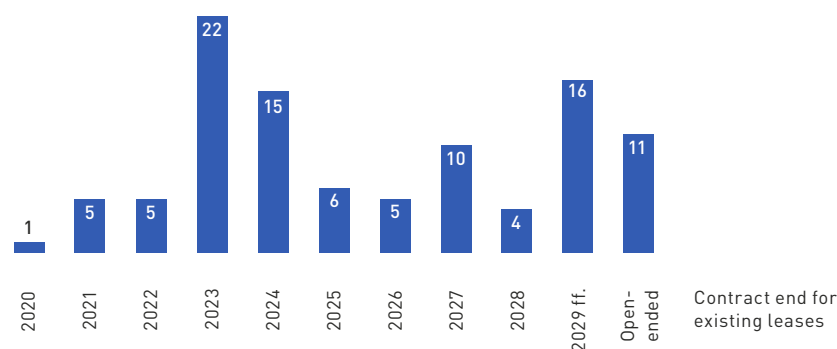
Largest tenants, commercial real estate

Share in total rental income from commercial real estate:

	30.06.2020	31.12.2019
Canton Zurich	16%	15%
Generali Switzerland	8%	7%
Allianz Suisse Insurance Company Ltd	7%	7%
MAN Energy Solutions Switzerland Ltd	6%	6%
Swiss Confederation	6%	6%
Total	43%	41%

In the first half of 2020, the five largest tenants' share of total rental income from all yield-producing properties (commercial and residential) came to about 35%.

Profile of terms of rental contracts for commercial real estate
in percent of outstanding rental income in CHF million (rounded)



The weighted remaining term of fixed-term rental contracts for commercial real estate is 5.7 years (31.12.2019: 5.8 years).

Investment real estate under construction as at 30 June 2020

Location	Property	Acquisition/ project start	Area of property in m ²	Register of suspected contam- inated sites	Minergie	Market value CHF million ¹	Estimated investment volume CHF million ²	Target rental income on completion p.a. CHF million	Expected completion
Zurich	Grünhof site	2002/2018	7 088	yes	yes	84.8	79.9	4.3	2020/2021
Zurich	Hardstrasse 301	2002/2018	1 988	yes	yes	49.8	35.9	2.3	2020
Total investment real estate under construction						134.6	115.8	6.6	

¹ As per 30.06.2020 valuation

² Building and land costs

Grünhof site, Zurich

New-build six-floor apartment building with 80 rental apartments in the inner courtyard (previously used for commercial purposes) plus realisation of a replacement new-build containing eight rental apartments in addition to office and commercial space on Badenerstrasse. The rentable residential, office and commercial area in the new-builds on the 7,088 square metre plot in Zurich Aussersihl is 8,022 square metres in total. The project is being built by the Projects & Development division and upon completion (prospectively as at 1 December 2020 and 1 February 2021) will be reported in the portfolio of yield-producing properties. For the market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 3.3/3.5% and 2.8/3.0%, respectively, were applied (31.12.2019: 3.80/4.00% and 3.30/3.50%).

Hardstrasse 301, Zurich

New-build six-floor commercial building with lettable floor space of 5,800 square metres, comprising 4,900 square metres of office space on the upper floors, 580 square metres of commercial space on the ground floor, 320 square metres of storage area in the basement as well as an underground garage with 21 parking spaces. The project is being built by the Projects & Development division and, upon completion in 2020, will be reported in the portfolio of yield-producing properties. For the market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 3.90% and 3.40%, respectively, were applied (31.12.2019: 4.30% and 3.80%).

The two investment real estate properties under construction are 100% solely owned by Allreal.

10 Development real estate

Book value in CHF million	Development reserves	Buildings under construction	Completed real estate	Total development real estate
As at 01.01.2020	134.9	31.9	0.4	167.2
Purchases	11.0	0.0	0.0	11.0
From construction activity/development	0.3	7.0	2.0	9.3
Income from sales Development	0.0	0.0	1.6	1.6
Impairment	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	-4.0	-4.0
Reclassifications	0.0	0.0	0.0	0.0
As at 30.06.2020	146.2	38.9	0.0	185.1

The addition to development reserves relates to the property Am Strubenacher in Zumikon ZH, ownership of which was transferred in the first half. The changes to buildings under construction relate to the projects Alter Züriweg in Zufikon AG and Florenstrasse in Winterthur ZH. The disposal of completed real estate is in connection with the transfer of ownership of residential units under the project Solistrasse in Bülach ZH. This generated income from sales Development of CHF 1.6 million.

Development real estate as at 30 June 2020

Location	Property	Acquisition/ project start	Area of property in m ²	Register of suspected contaminated sites	Book value CHF million	Estimated investment volume CHF million ¹	Project status	Expected completion
Development reserves								
Dielsdorf	Neuwisen	2013	46 419	no	37.4 ²	175.0	in planning	open
Lucerne	Eggen	2018	8 386	no	34.4 ²	72.5	in planning	open
Riehen	Inzlingerstrasse	2019	10 883	no	18.6 ²	52.6	in planning	open
Rümlang	Bäuler	1987	12 854	yes	6.8 ²	30.0	in planning	open
Zumikon	Am Strubenacher	2019	4 569	no	11.0 ²	33.8	in planning	open
Zurich	Hauserstrasse	2019	1 341	no	7.1 ²	15.0	in planning	open
Zurich	Spiserstrasse	2018/2019	3 001	no	30.9 ²	75.2	in planning	open
Total development reserves					146.2	454.1		
Buildings under construction								
Winterthur	Florenstrasse	2016	11 582	no	27.1 ²	57.0	in progress	2022
Zufikon	Alter Züriweg	2017	3 806	no	11.8 ²	17.0	in progress	2021
Total buildings under construction					38.9	74.0		
Completed real estate								
Bülach	Solistrasse	2011	18 586	yes	0.0 ²			
Total completed real estate					0.0			
Total development real estate					185.1	528.1		

¹ Land and building costs

² Book value includes acquisition costs for the land 100% owned by Allreal and accrued project costs of third parties

Florenstrasse, Winterthur ZH

Eight new-build apartment buildings with a total of 51 condominiums and 74 underground parking spaces with lettable floor space (100% residential) of 6,232 square metres. It is being built by Allreal Generalunternehmung AG and is scheduled for completion in 2022. As at 30 June 2020, contracts of sale had been notarised for 0 of the 51 residential units and 44 had been reserved.

Alter Züriweg, Zufikon AG

Two connected new-build stepped apartment blocks with a total of 20 condominiums and 30 underground parking spaces with lettable floor space (100% residential) of 2,007 square metres. It is being built by Allreal Generalunternehmung AG and is scheduled for completion in 2021. As at 30 June 2020, contracts of sale had been notarised for 17 of the 20 residential units, 0 of which with transfer of ownership, and 2 had been reserved.

11 Share capital

As at the balance sheet cut-off date, the share capital of Allreal Holding AG comprises 15,942,821 registered shares with a par value of CHF 1.00 each. Each share carries one vote and confers entitlement to attend the general meeting if entered in the share register.

Shareholdings developed as follows:

Number of shares	Shares issued	Treasury shares	Outstanding shares
2019			
As at 1 January	15 942 821	57 055	15 913 293
Purchase treasury shares		254	
Sale treasury shares		-10 177	
Share-based reimbursement		-1 424	
As at 31 December	15 942 821	45 708	15 897 113
2020			
As at 1 January	15 942 821	45 708	15 897 113
Purchase treasury shares		-	
Sale treasury shares		-1 191	
Share-based reimbursement		-1 392	
As at 30 June	15 942 821	43 125	15 899 696

On 30 June 2020, Allreal held 43,125 treasury shares (31.12.2019: 45,708 shares). The average purchase price per share stands at CHF 155.40 (31.12.2019: CHF 155.40). The total purchase price is deducted from consolidated equity.

The Board of Directors is authorised by the annual general meeting to increase the share capital – excluding the subscription rights of shareholders as applicable – until 24 April 2022 to acquire businesses, business units, participating interests or real estate through an exchange of shares, for financing or refinancing the acquisition of businesses, business units, participating interests or investment projects, or for the purpose of an international placement of shares worth up to CHF 1,000,000 by issuing up to 1,000,000 registered shares each with a par value of CHF 1.00 (authorised capital).

For the purpose of issuing convertible bonds, warrant bonds or other financial instruments, there exists – excluding the subscription rights of shareholders – conditional capital of up to CHF 1,000,000 through the issue of up to 1,000,000 registered shares with a nominal value of CHF 1.00 each. Bearers of the convertible and/or warrant bonds are entitled to subscribe to the new shares.

Further, Allreal Holding AG has conditional capital of CHF 0.2 million (200,000 registered shares at a par value of CHF 1.00 each) at its disposal for the purpose of issuing options to the members of the Board of Directors and management.

The annual general meeting of Allreal Holding AG of 24 April 2020 voted in favour of a distribution of CHF 6.75 per share, corresponding to a total amount of CHF 107.3 million. Of this amount, CHF 3.25 per share was paid out in the form of a repayment of reserves from contribution of capital and CHF 3.50 per share as a dividend.

12 Borrowings

Maturity of financial liabilities (capital lock-up at nominal values)

CHF million	< 1 year	1–3 years	3–5 years	>5 years	Total
As at 31.12.2019					
Borrowings	428.0	336.3	298.0	940.0	2 002.3
Total in %	21.4	16.8	14.9	46.9	100.0
As at 30.06.2020					
Borrowings	630.2	362.8	250.0	840.0	2 083.0
Total in %	30.3	17.4	12.0	40.3	100.0

The financial liabilities consist of loans secured by mortgage (fixed advances and fixed-rate mortgages) and of bond issues. The bank loans in the form of fixed advances are extended on a rolling basis.

The average interest lock-in period for all financial liabilities decreased to 49 months as at the balance sheet cut-off date (31.12.2019: 56 months).

In the first half of 2020, bond issues in the amount of CHF 10 million were redeemed on the market and offset against the nominal amount of outstanding borrowings. The resultant financial income of CHF 0.4 million was credited to income.

As at the balance sheet date, the bond issues and fixed-rate mortgages are recognised as follows:

CHF million	Effective interest	Issue amount	Nominal amount ¹	Book value As at 30.06.2020	Fair value as at 30.06.2020	Book value as at 31.12.2019	Fair value as at 31.12.2019
0.4% bond issue 2019–26.09.2029	0.43%	200.0	194.4	193.8	187.0	199.4	198.4
0.875% bond issue 2017–30.03.2027	0.86%	160.0	158.6	158.8	161.1	160.2	166.2
0.75% bond issue 2017–19.05.2026	0.76%	150.0	148.3	148.2	151.1	149.9	154.7
1.375% bond issue 2015–31.03.2025	1.32%	100.0	100.0	100.3	105.3	100.3	106.1
0.625% bond issue 2016–15.05.2024	0.68%	150.0	149.6	149.3	152.2	149.7	154.5
0.5% bond issue 2018–19.04.2023	0.55%	125.0	124.1	123.9	125.4	124.8	128.2
0.75% bond issue 2015–31.03.2021	0.67%	120.0	119.9	120.0	120.7	120.1	121.6
–0.35% bond issue 2020–15.01.2021 ²	–0.34%	50.0	50.0	50.1	50.1	–	–
2% bond issue 2013–23.09.2020	2.12%	150.0	150.0	150.0	150.6	149.9	152.7
Fixed-rate mortgages	–	–	595.8	595.8	603.8	597.3	606.6

¹ The nominal amount is the issue amount net of redeemed bond issues

² Private Placement

During the period under review, CHF 0.1 million was spent on the amortisation of the issuing costs for the bonds (1st half-year 2019: CHF 0.1 million).

As at 30 June 2020, fixed advances amounting to CHF 292 million and fixed-rate mortgages amounting to CHF 595.8 million (at nominal values) are in place, all of which were taken out with Swiss banks, insurance companies or pension funds.

The average interest rate of all financial liabilities as at 30 June 2020 is 0.83% (31.12.2019: 0.88%).

During the reporting period, the contractual clauses (financial covenants) relating to minimum capitalisation (equity ratio, net gearing, interest coverage ratio and refinancing of properties) agreed upon with the lenders were complied with without exception.

13 Capital commitments, contingent liabilities and legal disputes

There are no purchase commitments, guarantees or sureties in favour of third parties. Beyond this, in the individual financial statement, Allreal Holding AG has issued guarantees and sureties amounting to CHF 284.4 million in connection with financing transactions with third parties on behalf of individual subsidiaries (31.12.2019: CHF 246.5 million).

As at 30 June 2020, there are no pending legal disputes of a nature liable to have a significant impact on the asset and income situation of Allreal Group for which no corresponding provisions are in place.

14 Events after the balance sheet date

On 6 July 2020, a property on Badenerstrasse 501–505 in Zurich Albisrieden was acquired at a price of CHF 31.5 million as part of the development real estate. The property is suitable for new residential construction with an investment volume of about CHF 61 million. Otherwise, between 30 June 2020 and 18 August 2020 (date on which the consolidated half-year financial statements were approved by the Board of Directors), no further events took place which would result in any adjustments to the book values of the assets and liabilities or which would need to be disclosed here.

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Information on the real estate portfolio

Residential real estate as at 30 June 2020

Location	Address	Ownership status ¹	Year acquired	Year of construction	Renovations ²	Area of property in m ²	Register of suspected contaminated sites	Minergie
City of Zurich								
Zurich	Hardturmstrasse 5	CO ⁵	2004	2014		2 651	no	yes
Zurich	Heerenwiesen 23-41	SO	2003	1996		11 616	no	no
Zurich	Josefstrasse 137	SO	1999	1984		903	no	no
Zurich	Neunbrunnenstrasse 47-53	SO	1993	2013		4 291	yes	yes
Zurich	Schiffbaustrasse 7	SO	2010	2016		1 610	no	yes
Zurich	Zollikerstrasse 185-187	SO	2008	1984	2017 PR	1 445	no	no
Total city of Zurich						22 516		
Rest of Canton Zurich								
Adliswil	Moosstrasse 1-13/ Grütstrasse 33-39	SO	2005	2011		13 901	no	yes
Bülach	Hohfurstrasse 7- 11/ Unterweg 55-59/Im Stuppen 2	SO	1999	1979	2013 TR	8 412	no	no
Bülach	Fangletenstrasse 4-18	SO	2018	2018		11 018	no	yes
Fällanden	Unterdorfstrasse 2/4/ Unterdorfwäg 2-22	SO	2003	2008	2019/2020 PR	23 691	no	no
Glattbrugg	Hohenstieglens- strasse 1-23, 2-16	SO	1999	1990	2017 PR	29 639	no	no
Kloten	Schaffhauserstrasse 117/119	SO	2001	1992		3 643	no	no
Oberglatt	Chlirietstrasse 6/8/10	SO	2003	1974	2006/2007 PR	2 028	no	no
Schlieren	Limmataustrasse 2-8/ Limmatstrasse 9-11/ Engstringermatte	SO	1999	1984	2018 TR	8 907	no	no
Schlieren	Schulstrasse 71-77/ Flöhrebenstrasse 6	CO ⁵	2002	1988		2 543	no	no
Volketswil	Sunnebüelstrasse 1-17/ Ifangstrasse 12-20/ Neufund 1/3	SO	1999	1968	2002/2003 TR	20 110	no	no
Wallisellen	Escherweg 2- 6/Favreweg 1-5/ Richtiarkade 13-15/ Richtiring 14-16 (Richti site)	SO	2002	2014		8 242	no	yes
Total rest of Canton Zurich						132 134		
Other regions								
Allschwil	Kurzelängeweg 26-38+32a	SO	1999	1989	2010 PR	6 260	no	no
Basel	Achilles Bischoff-Strasse 2-10	SO	2006	1969	2009 TR	2 420	no	no
Basel	Grosspeterstrasse 45/ St.-Jakobs-Strasse 108	SO	2006	1995		2 067	no	no
Gland	Chemin du Molard 10/ Allée Leotherius 2/ Allée Louis Cristin 1	SO	2011	2014		1 173	no	yes
Total other regions						11 920		
Total residential real estate						166 570		

¹ SO = sole ownership; CO = condominium ownership

² TR = total renovation; PR = partial renovation

³ Cumulative vacancy rate as a percentage of target rental income for 2020

⁴ As per 30.06.2020 valuation (nominal rates)

⁵ Condominium property owned 100% by Allreal

Habitable area in m ²	1-1½-room apartments	2-2½-room apartments	3-3½-room apartments	4-4½-room apartments	≥5-room apartments	Total apartments	Other uses in m ²	Target rental income in CHF million for 2020	Vacancy rate in % ³	Discount/capitalisation rate in % ⁴
6 087	0	17	27	6	1	51	0	2.6	0.9	3.20/2.70
7 782	8	12	25	29	6	80	2 836	2.4	1.1	3.30/2.80
2 747	4	36	0	0	0	40	212	0.9	0.8	3.10/2.60
4 640	0	0	14	21	5	40	0	1.5	0.0	3.10/2.60
2 333	0	3	16	3	1	23	1 002	1.3	0.4	3.20/2.70
1 637	2	2	4	4	2	14	165	0.6	2.3	3.10/2.60
25 226	14	70	86	63	15	248	4 215	9.3	0.8	
13 299	0	27	62	38	10	137	350	3.7	0.5	3.30/2.80
3 850	0	9	16	18	6	49	50	1.0	2.6	3.50/3.00
7 253	0	14	25	31	6	76	0	2.0	12.7	3.50/3.00
14 903	0	20	41	56	22	139	2 392	4.1	2.9	3.50/3.00
14 654	18	30	71	41	0	160	659	3.1	1.8	3.40/2.90
2 090	0	4	0	10	4	18	200	0.5	1.0	3.40/2.90
2 479	0	17	17	0	0	34	9	0.5	1.3	3.40/2.90
5 100	0	18	24	12	0	54	286	1.1	2.4	3.30/2.80
3 332	0	0	24	16	0	40	354	0.8	0.8	3.40/2.90
12 236	0	0	48	60	40	148	110	2.4	0.4	3.50/3.00
13 856	1	18	75	22	2	118	1 208	3.9	2.4	3.40/2.90
93 052	19	157	403	304	90	973	5 618	23.1	2.7	
4 015	0	7	20	20	0	47	490	1.0	2.9	3.70/3.20
5 954	28	24	28	24	0	104	1 040	1.6	0.5	3.20/2.70
3 022	5	19	11	8	0	43	47	0.9	2.3	3.40/2.90
4 981	1	21	29	9	5	65	0	1.6	1.3	3.40/2.90
17 972	34	71	88	61	5	259	1 577	5.1	1.5	
136 250	67	298	577	428	110	1 480	11 410	37.6	2.1	

Commercial real estate as at 30 June 2020

Location	Address	Ownership status ¹	Year acquired	Year of construction	Renovations ²	Area of property in m ²
City of Zurich						
Zurich	Bändliweg 21	SO	2005	1995	2019 PR	9 254
Zurich	Bellerivestrasse 30	SO	2004	1986	2017 TR	2 316
Zurich	Bellerivestrasse 36	SO	2004	1974	2009/2010 PR	10 494
Zurich	Binzmühlestrasse 95-99/Therese Giehse-Strasse 1	SO	2005	2001	2019 PR	11 712
Zurich	Birmensdorferstrasse 108/Weststrasse 75	SO	2000	1983	2007/2008 TR	1 254
Zurich	Brandschenkestrasse 38/40	SO	2001	1992	2013 PR	1 402
Zurich	Förrlibuckstrasse 109 (Toni site)	SO	2007	1977/2014		24 477
Zurich	Grüngasse 27-31/Badenerstrasse 119-133 (Grünhof site) ⁵	SO	2002	1925	2006/2007 TR/2019 PR	7 870
Zurich	Hardstrasse 319 (Escher-Wyss site) ⁶	SO	2002	1945/2010	2019 PR	40 350
Zurich	Herostrasse 12	SO	2010	2014		4 027
Zurich	Hohlstrasse 600	SO	2001	1986	2006/2012 TR	2 894
Zurich	Kalchbühlstrasse 22/24	SO	2000	1976	2014/2015 TR	3 101
Zurich	Kreuzstrasse 5	LO	2004	2006		3 333
Zurich	Renggerstrasse 3	SO	1999	1966	2001 PR	1 389
Zurich	Schiffbaustrasse 2	SO	2002	2017		9 338
Zurich	Vulkanstrasse 106	SO	2002	2005		12 295
Zurich	Weststrasse 74	SO	1996	1995		1 482
Zurich	Zollikerstrasse 183	SO	2008	1984	2007 PR	3 371
Zurich	Zollstrasse/Josefstrasse 23-29/Klingenstrasse 4	SO	1993/2006	1997	2017 PR	4 201
Total city of Zurich						154 560

¹ SO = sole ownership; LO = leasehold owned 100% by Allreal

² TR = total renovation; PR = partial renovation

³ Cumulative vacancy rate as a percentage of target rental income for 2020

⁴ As per 30.06.2020 valuation (nominal rates)

⁵ The new-build in the inner courtyard and the replacement new-build at Badenerstrasse 131 are reported as investment real estate under construction

⁶ The new-build at Hardstrasse 301 is reported as investment real estate under construction

Register of suspected contaminated sites	Minergie	Floor space in m ²	Percentage of office space	Percentage of retail space	Percentage of residential space	Percentage of other uses	Target rental income in CHF million for 2020	Vacancy rate in % ³	Discount/capitalisation rate in % ⁴
no	no	18 642	90.8	0.0	0.0	9.2	6.4	0.0	3.80/3.30
no	no	3 078	94.7	0.0	0.0	5.3	1.5	0.0	3.70/3.20
no	no	11 950	73.6	0.0	0.0	26.4	5.6	0.5	3.80/3.30
no	no	26 139	7.8	54.6	32.7	4.9	6.8	0.2	3.60/3.10
no	no	4 743	74.5	3.0	10.5	12.0	1.4	0.6	3.80/3.30
no	no	4 856	33.8	0.0	19.3	46.9	1.9	1.1	3.80/3.30
no	yes	87 004	87.2	0.0	12.8	0.0	20.9	0.3	4.00/3.60
yes	no	12 847	16.5	7.6	32.8	43.1	2.0	3.9	3.50/3.00
yes	no	50 432	32.3	0.0	0.0	67.7	10.0	2.8	-/-
no	yes	11 256	95.8	0.0	0.0	4.2	3.6	0.0	4.00/3.50
no	no	10 190	91.0	0.0	0.0	9.0	4.1	0.3	3.90/3.40
no	no	6 244	45.8	0.0	6.0	48.2	1.6	0.0	4.20/3.70
no	no	1 628	95.7	0.0	0.0	4.3	1.0	0.0	3.70/3.20
no	no	1 729	77.1	0.0	0.0	22.9	0.5	0.0	4.10/3.60
yes	yes	13 141	81.5	5.7	0.0	12.8	4.8	0.0	3.60/3.10
no	yes	36 311	95.1	0.0	0.0	4.9	11.4	0.0	4.10/3.60
no	no	3 277	33.5	0.0	55.3	11.2	0.8	0.2	3.50/3.00
no	no	2 777	81.7	0.0	0.0	18.3	1.2	0.0	4.10/3.60
no	no	10 703	56.9	3.3	29.8	9.9	4.2	0.1	3.60/3.10
		316 947	66.9	5.2	9.3	18.6	89.6	0.6	

Commercial real estate as at 30 June 2020

Location	Address	Ownership status ¹	Year acquired	Year of construction	Renovations ²	Area of property in m ²
Rest of Canton Zurich						
Adliswil	Soodmattenstrasse 2/4/6/8/10 ⁸	SO	2017	1989/90	2016 PR	24 834
Dübendorf	Sonnentalstrasse 8	SO	2015	1974	2006 PR	16 621
Kloten	Schaffhauserstrasse 115/121	SO	2001	1992		4 000
Opfikon	Boulevard Lilienthal 2-8	SO	2007	2014		5 167
Opfikon	Lindbergh-Allee 1 ⁵	SO	1987	2007		5 241
Schlieren	Bernstrasse 55	SO	2003	2003		7 089
Schlieren	Zürcherstrasse 104	SO	2002	1988	2012 TR	4 724
Urdorf	In der Luberzen 29	SO	2000	1993		4 667
Wallisellen	Allianz office building ⁶	SO	2002	2013		13 078
Wallisellen	UPC Cablecom office building ⁷	SO	2002	2014		16 875
Winterthur	Schützenstrasse 2/Zürcherstrasse 12+14 ⁸	SO	2002	1928/53/86		18 386
Total rest of Canton Zurich						120 682
Other regions						
Baar	Baarermatte	SO	2002	1981		17 960
Basel	Missionsstrasse 60-62a	SO	1999	1972	2014 TR	1 811
Basel	Missionsstrasse 64-64a	SO	2007	1972	2014 TR	1 658
Basel	Steinenvorstadt 36	SO	1999	1982	2012/2013 PR	718
Basel	Viaduktstrasse 40-44/Binningerstrasse 35	SO	2009	1998		5 454
Bern	Freiburgstrasse 130	LO	2018	1999		7 323
Le Grand-Saconnex	Route François-Peyrot 10-14	SO	2011	2004		8 442
Nyon	Avenue Perdtemps 23	SO	2017	2006		6 451
Petit-Lancy	Chemin des Olliquettes 4/Chemin du Gué 99	SO	2008	2010		1 417
Total other regions						51 234
Total commercial real estate						326 476

¹ SO = sole ownership; LO = leasehold owned 100% by Allreal

² TR = total renovation; PR = partial renovation

³ Cumulative vacancy rate as a percentage of target rental income for the first half-year 2020

⁴ As per 30.06.2020 valuation (nominal rates)

⁵ Lightcube office building and co-ownership rights to the TMC Galleria car park

⁶ Allianz office building with retail space in Konradhof and Escherhof

⁷ UPC office building with retail space and peripheral plots

⁸ Three properties

Register of suspected contaminated sites	Minergie	Floor space in m ²	Percentage of office space	Percentage of retail space	Percentage of residential space	Percentage of other uses	Target rental income in CHF million for 2020	Vacancy rate in % ³	Discount/capitalisation rate in % ⁴
no	no	38 933	77.4	5.6	1.6	15.3	8.1	0.0	4.00/3.50
no	no	26 006	25.9	1.5	0.5	72.1	2.5	0.0	4.90/4.40
no	no	4 343	97.5	0.0	0.0	2.5	1.0	12.9	4.50/4.00
no	yes	13 414	93.2	0.0	0.0	6.8	3.9	0.1	4.50/4.00
no	yes	13 314	90.8	0.0	0.0	9.2	3.7	0.0	4.42/3.92
no	no	10 193	88.2	0.0	0.0	11.8	2.1	2.6	4.50/4.00
no	no	2 705	35.5	43.1	0.0	21.4	0.9	0.0	5.00/4.50
yes	no	9 456	74.1	0.0	0.0	25.9	1.4	27.0	5.60/5.10
no	yes	50 819	74.7	12.9	0.0	12.4	13.0	0.4	4.45/3.95
no	yes	25 525	77.8	16.2	0.0	6.1	9.4	1.3	4.40/3.90
no	no	24 319	82.1	0.0	0.0	17.9	5.3	2.3	4.38/3.88
		219 027	73.1%	6.6	0.4	19.8	51.3	1.7	
no	no	10 112	76.4	0.0	0.0	23.6	2.5	22.6	4.50/4.00
no	no	3 985	81.8	0.0	8.0	10.2	1.2	0.4	4.50/4.00
no	no	2 829	71.9	0.0	3.4	24.7	0.6	0.2	4.50/4.00
no	no	4 292	37.5	27.8	30.3	4.4	1.3	1.2	4.30/3.80
no	no	20 213	61.8	20.2	0.0	18.0	5.2	1.1	4.20/3.70
no	no	22 540	85.7	1.8	0.0	12.6	9.6	0	4.40/3.90
no	no	5 498	92.8	0.0	0.0	7.2	3.1	6.0	4.50/4.00
no	no	15 172	77.6	10.1	0.0	12.3	4.6	0.0	4.10/3.60
yes	yes	5 516	91.8	0.0	0.0	8.2	2.2	2.7	4.30/3.80
		90 157	75.8	8.0	1.9	14.3	30.3	2.9	
		626 131	70.3	6.1	5.1	18.4	171.2	1.3	

EPRA key performance measures

The consolidated half-year financial statements 2020 were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures have been restated accordingly, see section 2 of the selected notes.

EPRA earnings and EPRA earnings per share

CHF million	1 st half-year 2020	1 st half-year 2019 ¹
Earnings according to FER income statement	86.4	89.2
Adjusted by:		
Earnings from revaluation of investment real estate	-27.7	-30.2
Earnings from sale of investment real estate	0.0	0.0
Earnings from development real estate held for sale including impairment	-1.6	-3.4
Pro-rata income tax on sales	0.4	0.9
Negative goodwill / goodwill impairment	-	-
Change in the market value of financial instruments	0.0	0.0
Transaction costs for the purchase of shareholdings	-	-
Deferred taxes on EPRA adjustments	4.3	8.4
Effect on associated companies	-	-
Minority interests on the above positions	-	-
EPRA earnings	61.8	65.0
Average number of outstanding shares	15 898 289	15 887 988
EPRA earnings per share in CHF	3.89	4.09

¹ Previous year's figures restated, see section 2 of the selected notes

EPRA equity (NAV)

CHF million	30.06.2020	31.12.2019 ¹
Equity (NAV) according to consolidated financial statements	2 332.1	2 352.6
Dilution effects due to options, convertible bonds and other equity instruments	0.0	0.0
Diluted equity (NAV) after options, convertible bonds and other equity instruments	2 332.1	2 352.6
Plus:		
Revaluation of investment real estate (if acquisition cost model in accordance with FER 18)	-	-
Revaluation of investment real estate under construction (if acquisition cost model in accordance with FER 18)	-	-
Revaluation of other assets	-	-
Revaluation of real estate tenancies under finance leases	-	-
Valuation difference on development real estate	21.0	32.1
Less:		
Market value of derivative financial instruments	0.0	0.0
Deferred taxes	262.7	250.6
Goodwill from deferred taxes	0.0	-
Effect on associated companies	0.0	-
EPRA equity (NAV)	2 615.8	2 571.1
Number of outstanding shares (diluted)	15 901 404	15 886 880
EPRA equity (NAV) per share in CHF	164.50	161.85

¹ Previous year's figures restated, see section 2 of the selected notes

EPRA triple net asset value (NNNAV)

CHF million	30.06.2020	31.12.2019 ¹
EPRA equity (NAV)	2 615.8	2 571.1
Less:		
Market value of derivative financial instruments	0.0	0.0
Market value of financial liabilities	-16.8	-37.3
Deferred taxes	-262.7	-250.6
EPRA NNNAV	2 336.3	2 283.2
Number of outstanding shares (diluted)	15 901 404	15 886 880
EPRA NNNAV per share in CHF	146.95	143.70

¹ Previous year's figures restated, see section 2 of the selected notes

EPRA net yield from rental income

CHF million	30.06.2020	31.12.2019 ¹
Owned investment real estate	4 391.9	4 342.0
Investment real estate in joint ventures/funds	-	-
Development real estate	185.1	167.6
Less development real estate and investment real estate under construction	-319.7	-267.2
Market value of yield-producing properties	4 257.3	4 242.4
Annualised actual rental income	202.0	204.5
Direct expenses for investment real estate	-31.6	-29.7
Annualised net rental income	170.4	174.8
Plus expected additional rental income after expiry of rental discounts	2.4	0.7
Topped-up annualised net rental income	172.8	175.5
EPRA net yield from rental income	4.0%	4.1%
EPRA topped-up net yield from rental income	4.1%	4.1%

¹ Previous year's figures restated, see section 2 of the selected notes

EPRA vacancy rate

CHF million	30.06.2020	31.12.2019
Estimated rental potential of vacant premises	2.9	3.5
Estimated rental income from total portfolio	207.2	208.8
EPRA vacancy rate	1.4%	1.7%

EPRA operating expense ratio

CHF million	1 st half-year 2020	1 st half-year 2019 ¹
Operating expenses of investment real estate according to FER income statement:		
Direct expenses for rented investment real estate	13.2	11.4
Personnel expenses	4.8	0.6
Other operating expenses	1.0	4.8
EPRA operating expenses (incl. vacancy costs)	19.0	16.8
Direct vacancy costs	1.0	0.5
EPRA operating expenses (excl. vacancy costs)	18.0	16.3
Gross rental income less ground rent	100.1	101.9
EPRA rental income	100.1	101.9
EPRA operating expense ratio (incl. direct vacancy costs)	19.0%	16.5%
EPRA operating expense ratio (excl. direct vacancy costs)	18.0%	16.0%

¹ Previous year's figures restated, see section 2 of the selected notes

EPRA value-enhancing investments in investment properties

CHF million	1 st half-year 2020	1 st half-year 2019
Purchases	0.0	0.0
Value-enhancing investments (investment real estate under construction)	17.4	9.6
Value-enhancing investments (like-for-like yield-producing properties)	4.8	4.2
Capitalised building loan interest	0.1	0.1
EPRA value-enhancing investments	22.3	13.9

Additional information

Information on investment real estate properties

		City of Zurich		Rest of Canton Zurich		Other regions		Total real estate	
		2020*	2019*	2020*	2019*	2020*	2019*	2020*	2019*
Residential real estate									
Number		6	6	11	11	4	4	21	21
Living space	000 m ²	25	25	93	93	18	18	136	136
Vacancy rate ¹	%	0.8	1.2	2.7	4.9	1.5	1.4	2.1	3.8
Rental income	CHF million	4.6	4.1	11.1	10.8	2.5	2.5	18.3	17.5
Earnings on property ²	CHF million	4.4	3.7	8.6	9.5	2.1	1.8	15.0	15.0
Gross yield	%	3.4	3.7	3.6	3.8	3.9	4.2	3.6	3.8
Net yield ³	%	3.2	3.3	2.8	3.3	3.3	3.1	3.0	3.3
Acquisition value	CHF million	187.4	187.3	375.7	375.9	84.4	84.4	647.5	647.4
Market value	CHF million	277.2	273.4	612.0	611.8	125.0	125.0	1 014.2	1 010.2
Average market value by property	CHF million	46.2	45.6	55.6	55.6	31.3	31.3	48.3	48.1
Change in market value ⁴	CHF million	3.7	10.4	0.2	2.5	0.0	0.0	3.9	12.9
Commercial real estate									
Number		19	19	15	15	9	9	43	43
Floor space	000 m ²	317	317	219	219	90	90	626	626
Vacancy rate ¹	%	0.6	0.4	1.7	1.8	2.9	3.8	1.3	1.5
Rental income	CHF million	44.4	44.5	23.9	26.1	13.5	14.5	81.8	85.1
Earnings on property ²	CHF million	38.0	38.9	21.9	23.8	11.9	13.5	71.8	76.2
Gross yield	%	4.7	5.0	5.2	5.5	6.2	6.3	5.1	5.3
Net yield ³	%	4.1	4.4	4.8	5.0	5.4	5.9	4.4	4.8
Acquisition value	CHF million	1 620.8	1 616.2	964.1	964.2	531.7	531.6	3 116.6	3 111.9
Market value	CHF million	1 892.1	1 874.4	917.4	919.9	433.6	438.0	3 243.1	3 232.3
Average market value by property	CHF million	99.6	98.7	61.2	61.3	48.2	48.7	75.4	75.2
Change in market value ⁴	CHF million	13.0	22.3	-2.5	-8.6	-4.2	-2.8	6.3	10.9
Investment real estate under construction									
Number		2	2					2	2
Land area	000 m ²	9	9					9	9
Acquisition value	CHF million	89.2	71.7					89.2	71.7
Market value	CHF million	134.6	99.6					134.6	99.6
Change in market value ⁴	CHF million	17.5	5.9					17.5	5.9
Investment volume	CHF million	115.8	116.9					115.8	116.9

* Should no further particulars be given, values referring to the income statement and yield information concern the first half-year, and balance sheet values the cut-off date on 30.06.2020 or as at 31.12.2019

¹ In percent of target rental income, cumulative as at cut-off date

² Rental income minus real estate expenses

³ Rental earnings in percent of continued market value on 1 January

⁴ From revaluation in first half-year 2019 or 2020, respectively

Key share data

		1 st half-year 2020 or 30.06.2020	1 st half-year 2019 or 31.12.2019
Issued share capital on cut-off date	CHF million	15.9	15.9
Authorised capital on cut-off date	CHF million	1.0	1.0
Conditional capital on cut-off date	CHF million	1.0	2.7
Issued shares on cut-off date	number	15 942 821	15 942 821
Treasury shares on cut-off date	number	43 125	45 708
Outstanding shares on cut-off date ¹	number	15 899 696	15 897 113
Annual average of outstanding shares ²	number	15 899 887	15 889 169
Market price high	CHF	222.00	197.70
Market price low	CHF	161.80	155.90
Share price on cut-off date	CHF	187.60	192.40
Market capitalisation on cut-off date ³	CHF million	2 982.8	3 058.6
Average trading volume per day (on exchange)	Number of shares	34 659	21 226

¹ Number of shares issued minus treasury shares

² Average number of shares outstanding (diluted)

³ Share price on cut-off date multiplied by the number of outstanding shares on cut-off date

Share statistics

Share type	Registered share
Par value per share	CHF 1
Securities number	883 756
SIX symbol	ALLN
ISIN	CH0008837566
Bloomberg	ALLN SW
Reuters	ALLN.S

Shareholder structure as at 30 June 2020

Number of shares	Number of shareholders	Number of shares	%
> 478 284 shares (>3%)	4	3 521 111	22.1
100 001–478 284 shares	16	3 981 355	25.0
10 001–100 000 shares	97	2 702 618	16.9
1001–10 000 shares	372	1 153 258	7.2
1–1000 shares	3 281	678 945	4.3
Total registered	3 770	12 037 287	75.5
Not registered		3 905 534	24.5
Total shares		15 942 821	100.0

36.7% of the share capital is owned by pension funds and insurance companies and 8.2% by natural persons. A further 30.6% is owned by other legal entities as well as funds, investment companies, foundations and banks. 24.5% of the share capital has not been submitted for registration in the share register. Foreign investors own 9.8% (registered shares).

Organisation and schedule

Structure and addresses

Allreal Holding AG
Allreal Finanz AG
Grabenstrasse 25, CH-6340 Baar

Allreal Home AG
Allreal Office AG
Allreal Toni AG
Allreal Vulkan AG
Allreal West AG
Apalux AG
Lindbergh-Allee 1, CH-8152 Glattpark

Allreal Generalunternehmung AG
Lindbergh-Allee 1, CH-8152 Glattpark
Zieglerstrasse 53, CH-3007 Bern

Bülachguss AG
Lindbergh-Allee 1, CH-8152 Glattpark

Only the German version of this Half-year Report is legally binding.
The interactive online Half-year Report is available at <http://ir.allreal.ch>.

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Schedule

2020 Annual results
24 February 2021

2021 Annual general meeting
16 April 2021

2021 Half-year results
25 August 2021

2021 Annual results
23 February 2022

2022 Annual general meeting
8 April 2022

Share register

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

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