

2023

Annual Report



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Introductory remarks

Dear Hapimag Family

We are able to look back on an encouraging financial year in 2023. We are especially pleased with how satisfied you are with Hapimag. Once again you have given us highest ratings for the quality of service at our resorts. These positive reviews reflect your trust in us – for which we would like to express our sincere gratitude.

The number of guests and overnight stays is also satisfactory. Our shareholders reaffirmed their enthusiasm for travelling, and the resorts recorded a gratifyingly high occupancy rate of 73.2%. This is in fact the highest occupancy rate in ten years. Overall, some 443,000 guests went on holiday with Hapimag last year – 8% more than in the previous year.

Sound financial performance

Thanks to the very good occupancy rates, Hapimag was able to increase total revenue by 6.9% year-on-year to EUR 176.3 million. At EUR 199.2 million, operating income was some 10% higher than in the previous year. This is the highest operating income Hapimag has achieved in its history. The net result rose from EUR 3.1 million in the previous year to EUR 7.4 million. The reason for this pleasing result is the high occupancy rate on the one hand and an extraordinary profit from the partial sale of three buildings in Winterberg (EUR 1.9 million) on the other. A positive financial result is important, particularly in volatile times. It allows us to continue to make above-average investments in renovating our resorts. Since 2023, our guests have been able to enjoy newly renovated apartments at the Paris, Winterberg and Paguera resorts.

Tradition with a future

2023 was dedicated to festivities celebrating our 60th anniversary, with countless activities taking place at the resorts throughout the year. The milestone birthday was embraced with great enthusiasm everywhere and across the generations. What started 60 years ago is more relevant today than ever before. We are all the more motivated to continually improve ourselves, make our concept fit for the future and advance important topics such as innovation and sustainability.

We have taken further steps in this regard by developing Hapimag with sustainability in mind. For example, we reduced water consumption and almost all energy sources by over 5% per overnight stay, and we have invested EUR 1.2 million in photovoltaic systems in Bodrum and Interlaken. We are also committed to switching to renewable energy sources where feasible, building sustainable supply chains and promoting responsible working conditions. To this end, we invested around EUR 2 million in staff apartments, so that our employees feel well looked after and can relax after work.

Healthy and sustainable growth

Growth is Hapimag's most important strategic goal for the years ahead. We require growth to provide us with the financial means to drive innovation and remain viable. That is why we have developed a 5-year plan that specifically outlines how we can attract new shareholders by 2028 – with your support, among other things. By talking to friends and acquaintances about Hapimag, you can help us to increase awareness of Hapimag and inspire new members about our concept.

For over 60 years, this bond had created the foundation for Hapimag to develop and improve. Thank you for your loyalty and your active participation. Together, with each step, we are getting closer to our vision: a world with more happy people is a better world.

On that note, we wish you many more happy and unforgettable holiday moments with Hapimag. We are delighted to continue on the path we have chosen together with you in 2024.



Silvan Odermatt
Co-CEO & CFO

Philipp Ries
*President of the
Board of Directors*

Hassan Kadbi
*Co-CEO & Member of
the Board of Directors*

Our business model



Responsible sharing

We are a sharing community for holiday apartments. Together, we own and use 56 different holiday resorts in popular destinations throughout Europe – by the sea, in the mountains and in cities. Because we want to create relaxed and responsible holidays, sustainability is a topic close to our hearts.



Cooperative focus

In order to keep on improving and developing the Hapimag holiday experience, the participation of all members is crucial. Thanks to our cooperative business model, our customers are more than just guests – they are also co-owners.



Long-term development

Profits are not distributed, but are used to fund Hapimag's long-term development. This guarantees a high standard of quality in our offering and especially in our resorts, as we continuously invest in renovations and carry out value-preserving maintenance and repairs.



Board of Directors

The Board of Directors (BoD) of Hapimag oversees the company's business activities. It determines the company's strategy and the principles of corporate governance.



PHILIPP RIES

President of the Board of Directors

Philipp Ries has been a member of the Board of Directors since 2017 and President since April 2020. He has worked at Google in Zurich since 2010 and has held a jobshare position as Product Partnership Lead EMEA since February 2022. He is also President of the Board of Directors of Liiva (a subsidiary of Mobiliar Versicherungs-gesellschaft AG) and of Nuavo Holdings AG, member of the Board of Directors of the start-up Global Swiss Learning AG and a member of the Investment Committee of the Venture Fund of Verve Ventures. Philipp Ries has an MSc in computer science / economics from the University of Zurich and successfully completed the Stanford Executive Programme at the Stanford University Graduate School of Business in 2014. He constantly keeps up to date on topics relevant to the Board of Directors, particularly at the University of St.Gallen and at the IMD in Lausanne. Philipp Ries is a citizen of Switzerland.



DR. IUR. CHRISTINE HEHLI HIDBER

Vice-President of the Board of Directors

Christine Hehli Hidber has been a member of the Board of Directors since 2019 and its Vice-President since 2020. She is a partner at law firm Becker Gurini Hanhart Vogt in Lenzburg. Prior to that, she was a partner in a corporate law firm in Baden for ten years and worked for a similar period as a legal consultant and head of Corporate Legal at a major bank in Zurich and London. As an independent lawyer, Christine Hehli Hidber now advises and represents national and international clients. She is a member of the Board of Directors and vice president of a cantonal bank, as well as a member of the Board of Directors of an engineering company. She has knowledge of the travel industry, real estate, infrastructure construction and hospitality. She takes part in regular continuing professional development in BoD management and completed an International Board Certificate Programme at the Swiss Board School in cooperation with the University of St.Gallen. Christine Hehli Hidber is a citizen of Switzerland.



STEFANIE FRENSCH

Member of the Board of Directors

Stefanie Frensch has been a member of the Board of Directors since 2022. As a real estate expert, she is responsible for Real Estate and Facility Management, among other things, as well as for CSR and sustainability. She also has a high level of expertise in the management of companies. Stefanie Frensch has been a member of the Executive Board of the Berlin-based family foundation Becker & Kries since 2019 and was previously Managing Director of Howoge Wohnungsbaugesellschaft GmbH, the municipal housing association in the federal state of Berlin, from 2011 to the beginning of 2019. The graduate engineer (FH) and architect previously worked for many years at Ernst & Young Real Estate GmbH in Berlin, most recently as a partner for several years. Furthermore, she is a member of the Board of Directors and Chair of the Sustainability Committee of IRESREIT, a listed housing association in Dublin (IR), and a member of the Supervisory Board of Berlin Zoo. Stefanie Frensch is a citizen of Germany.



HASSAN KADBI

Co-CEO and Member of the Board of Directors

Hassan Kadbi has been CEO of Hapimag since 2016 and has shared this position as co-CEO with Silvan Odermatt since 2023. He has also been a member of the Board of Directors since 2020. He joined Hapimag in 2005. He started as a Resort Manager in Bodrum, then worked as an Area Manager for Greece, Morocco and Turkey, before assuming responsibility as Chief Resorts Officer for the operational management of the resorts. Prior to 2005, Hassan Kadbi worked for Hilton in various positions globally. He has a Bachelor of Arts in International Hospitality and Tourism Management from the University of Bournemouth (GB) and a Higher Diploma in Hotel Management from the IHTTI School of Hotel Management in Neuchâtel (CH). In 2019, he graduated from the Executive Program at the Stanford University Graduate School of Business. He completed a multi-part course for board members at the IMD in Lausanne in 2023. Hassan Kadbi is a citizen of Lebanon.

Executive Committee

The Executive Committee (EC) is responsible for the operational management of the company. It is elected and appointed by the Board of Directors.



HASSAN KADBI

Co-CEO and Member of the Board of Directors

Hassan Kadbi has been CEO of Hapimag since 2016 and has shared this position as co-CEO with Silvan Odermatt since 2023. He has also been a member of the Board of Directors since 2020. He joined Hapimag in 2005. He started as a Resort Manager in Bodrum, then worked as an Area Manager for Greece, Morocco and Turkey, before assuming responsibility as Chief Resorts Officer for the operational management of the resorts. Prior to 2005, Hassan Kadbi worked for Hilton in various positions globally. He has a Bachelor of Arts in International Hospitality and Tourism Management from the University of Bournemouth (GB) and a Higher Diploma in Hotel Management from the IHTTI School of Hotel Management in Neuchâtel (CH). In 2019, he graduated from the Executive Program at the Stanford University Graduate School of Business. He completed a multi-part course for board members at the IMD in Lausanne in 2023. Hassan Kadbi is a citizen of Lebanon.



SILVAN ODERMATT

Co-CEO and Chief Financial Officer

Silvan Odermatt has been Chief Financial Officer at Hapimag since 2019 and co-CEO with Hassan Kadbi since 2023. He started his career at PricewaterhouseCoopers (PwC) in the audit department, before later transferring to Transaction Advisory/Mergers & Acquisitions at PwC in Zurich and London. He went on to become the Group CFO of a leading manufacturer of paint and coatings in Germany and CFO of C&A Mode AG, headquartered in Baar. Born in Switzerland, he has a degree in business law as well as an Executive MBA from IMD Lausanne. He is also a Swiss Certified Public Accountant and Chartered Financial Analyst (CFA). In 2023, he completed further training in change management and organisational transformation at the London Business School. Silvan Odermatt is a citizen of Switzerland.



MANUEL CARRASCO

Chief Hospitality Officer

Manuel Carrasco has worked at Hapimag since 2006. He has a diploma in Spanish supplementary education, has completed a management trainee programme at Hotel Rheinpark Plaza Neuss and is a trained restaurateur. Before joining Hapimag, Manuel Carrasco held managerial positions at various international hotel chains. He has worked in various positions at Hapimag, including Resort Manager Paguera and Deputy Area Manager Spain, Portugal and Morocco, before becoming Operations Manager in 2015. He has been responsible for the operational management of the resorts as Chief Hospitality Officer since January 2017, additionally becoming responsible for the Member Services area in February 2018. Manuel Carrasco is a citizen of Spain.

Audit Advisory Board

As an independent body, the Audit Advisory Board (AAB) reviews the activities of the company management – provided that this does not fall within the scope of the auditor – on behalf of the Annual General Meeting. You can read the report by the Audit Advisory Board on the 2023 reporting year on page 68.



WELMOED CLOUS

Corporate Governance & Compliance

Welmoed Clous has been a member of the Audit Advisory Board since 2020. She has more than 30 years of international experience in management roles at multinational companies. In her most recent job, she was Vice President in Regulatory Affairs and Product Safety and a member of the Executive Committee of Ecolab Europe GmbH. Ecolab is a leading global provider of industrial cleaning and sanitation products and services for hotels and restaurants. Welmoed Clous is a citizen of the Netherlands.



PROF. DR. VALENTIN WEISLÄMLE

Tourism & Hospitality and/or Hotel Industry

Valentin Weislämle has been a member of the Audit Advisory Board since 2020. He holds a doctorate in economics and developed the Business Administration – Tourism & Hospitality Management degree programme at the Baden-Württemberg Cooperative State University. Since then, he has also been teaching the dual study programme to Hapimag students. From 2005 to 2013, he was a member of what was then the Advisory Board of Hapimag. He is represented on several tourism bodies and organisations and manages a tourism consultancy. Valentin Weislämle is a citizen of Germany.



MIRCO PIETRO PLOZZA

Resort Development &
Hospitality Real Estate Management

Mirco Plozza had been a member of the Audit Advisory Board since 2019 and resigned from his position as a member of the AAB on 31 August 2023, as his new professional activity no longer allows him to hold a subsidiary office. In late summer 2023, the Audit Advisory Board launched an evaluation procedure for a new member of the AAB in the division. Hapimag shareholders were invited via newsletter on 11 October 2023 to apply, if they had the appropriate expertise. A replacement election is on the agenda for the 2024 Annual General Meeting.

Hapimag Resort Cannero



Hapimag Resort Punkaharju



Hapimag Resort Bad Gastein

Corporate Governance

The principles of corporate governance support Hapimag in minimising risks and protecting the interests of shareholders, members and other stakeholders.

Group structure

Hapimag AG, the parent company of the Hapimag Group, is a public limited company under Swiss law with its head office in the canton of Zug, Switzerland. The resorts made available by Hapimag AG are either owned by Hapimag AG or its subsidiaries, which are controlled by Hapimag AG.

Board of Directors and its committees

The main duties of the Board of Directors (BoD) are laid down in the Swiss Code of Obligations and in the company's Articles of Association, and more specifically in its Organisational Regulations. The BoD is elected by the shareholders at the Annual General Meeting, generally for a term of office of two years.

Capital structure and shareholders

As at 31 December 2023, the ordinary share capital of Hapimag AG amounted to CHF 41,670,000 and consisted of 59,300 registered shares with a nominal value of CHF 100 each and 178,700 registered shares with a nominal value of CHF 200 each. Each share confers the right to cast one vote. The shares are not traded on the stock exchange and there is no right to a dividend. Further information on the consolidated equity capital can be found in the equity statement in the financial report (see page 44). To fulfil the purpose of the company, the statutory subscription right of shareholders is excluded in Art. 3 of the Articles of Association.

As at 31 December 2023, Hapimag had 103,686 shareholders:

Number of shareholders	Number of shares held by shareholders	Number of shares
40,241	1	40,241
35,009	2	70,018
14,049	3	42,147
7,065	4	28,260
3,922	5	19,610
1,679	6	10,074
572	7	4,004
621	8	4,968
176	9	1,584
162	10	1,620
190	≥ 11	2,632
	(outstanding shares)	225,158
	(depot shares)	12,842
Total 103,686	Total	238,000

Organisation

The BoD represents the company vis-à-vis third parties, insofar as it has not assigned the company's business on the basis of the Organisation Regulations to individual members of the Management Team or to third parties (Art. 23 of the Articles of Association). The BoD meets as often as business requires, but at least four times per year.

The BoD held four regular meetings in 2023 and one extraordinary meeting. It held one strategy meeting and the constitutive meeting after the Annual General Meeting. The meetings of the BoD are attended by the co-Chief Executive Officers (co-CEOs), the Chief Hospitality Officer (CHO) and members of the Management Team where necessary. All of the meetings and in particular the resolutions passed by the BoD are recorded in the minutes. The Audit Advisory Board (AAB) has access to the meetings and minutes at all times, and its members make use of this if necessary.



Corporate Governance Guidelines

Online at www.hapimag.com/cor-gov

The three standing committees support the BoD and prepare its business. The members of these committees are selected by the BoD. The committees have no authority to reach decisions or issue instructions except as granted to them by the BoD or by the Organisational Regulations. They submit proposals to the BoD, have rights of inspection and information in the matters assigned to them and can make recommendations to the BoD, the co-CEOs and the Executive Committee (EC). The minutes of the committee meetings are distributed to all members of the BoD.

Customer and Product Committee (CPC)

The CPC monitors the activities that contribute to the company's new customer growth and are related to our product. The committee meets three times a year and keeps the BoD informed about the company's current and planned growth and product activities. This includes core topics such as our service promise, the promotion of the holiday experience, the continuous improvement of the user journey, measures to optimise the utilisation of available accommodation as well as the strategy and activities for acquiring new customers. The committee offers a forum for new ideas and impulses that help move the organisation forward, especially in the areas of resort operations, products, marketing, sales and business development.

Audit Committee (AC)

The AC supports the Board of Directors in particular with monitoring and compliance for integrity and conformity with applicable regulations, with assessing the strategic and operational financial performance of the Hapimag Group (including financial and tax planning) as well as with risk assessment and risk management. Four ordinary meetings were held in 2023. The AC dealt with the following main topics: constant monitoring of the business performance; annual financial statement review, accounting and discussion with external auditors; monitoring financial and portfolio policies; monitoring the liquidity and financial situation as well as relationships with banks; reviewing the tax situation in different countries; reviewing product legality and compliance; reviewing governance and issuing appropriate directives; reviewing budgets for the following year; reviewing the external and internal control system and risks; reviewing the privacy policy; reviewing larger capital expenditure projects.

CPC		AC	NCC
Philipp Ries	Chairperson	Member	Member until 26.04.23
Dr. iur. Christine Hehli Hidber		Chairperson	Member since 27.04.23 Chair until 26.04.23
Hassan Kadbi	Member	Participation as co-CEO	Participation as co-CEO
Stefanie Frensch		Member	Chair since 27.04.23 Member until 26.04.23

Nomination and Compensation Committee (NCC)

The NCC supports the Board of Directors in particular with issues regarding appointments, dismissals, compensation and qualification of members of the Board of Directors and the Executive Committee, as well as with determining the structure of the contracts of the latter with Hapimag. The NCC also assists the Board of Directors in determining the organisational structure. It supports the Board of Directors when looking to appoint new members of the Audit Advisory Board. In addition, the Executive Committee must consult with the NCC before making decisions on important personnel issues.

Four ordinary meetings were held in 2023. The focus was on the following topics: new structure of the organisation, in particular the co-CEO structure; recruiting another member of the Board of Directors; reviewing disclosure of directors' vested interests; reviewing compensation and expense payments; preparing and implementing a self-evaluation of the Board of Directors; defining the annual objectives of the EC and assessing the achievement of objectives; reviewing the HR strategy; reviewing fundamental issues in the area of human resources.

Division of decision-making authority between the Board of Directors and Executive Committee

The authorities of the Board of Directors and the Executive Committee are based on the Swiss Code of Obligations, the Articles of Association and the Organisation Regulations. The Board of Directors has delegated the management of day-to-day operations to the Executive Committee under the direction of the co-CEOs on the basis of the Organisation Regulations. The Executive Committee is responsible for the operational management of the Hapimag Group.

Information and control instruments of the Board of Directors

The Board of Directors is informed monthly about the financial situation and ongoing business within the scope of the comprehensive Management Information System (MIS). Every month, the MIS prepares an income statement, cash flow statement and various key figures and compares the current figures to the previous year and to the budget.

The co-CEOs and the Executive Committee report at the meetings of the BoD and, in the case of sub-issues, to the committee meetings about ongoing day-to-day operations, the financial situation and the main business transactions, as well as about the execution of assigned duties and upcoming projects. Every six months, the co-CEOs inform the Board of Directors about the main risks and their assessment of the risks on the basis of the relevance and likelihood of the risk (risk report). The BoD approves the measures defined and to be implemented by the Executive Committee to mitigate the risks and monitors their implementation. If significant changes in the risk assessment arise in the periods between the semi-annual reports, reporting is conducted at the next possible meeting of the BoD or of the AC.

Working alongside the co-CEOs and the committee chairpersons, the President of the Board of Directors (PoBD) ensures timely reporting to the members of the BoD or vice versa to the co-CEOs regarding all aspects relevant to decision-making and monitoring of the Hapimag Group. The members of the BoD inform the PoBD – including the co-CEOs if necessary – in good time about any findings that are essential for Hapimag.

The co-CEOs in turn ensure reporting in the Executive Committee. The members of the Executive Committee and of the Management Team inform the co-CEOs in good time about any findings that are essential for Hapimag.

The PoBD and co-CEOs ensure timely reporting between the BoD, the committees and the Executive Committee/ Management Team. The PoBD also receives the minutes of the Executive Committee and Management Team meetings. Each member of the BoD can also request the relevant persons at any time to supply information about issues regarding Hapimag and Hapimag companies, and view the Group's books and files.

Executive Committee (EC)

The EC prepares the decisions of the BoD and implements its resolutions. It is responsible for preparing and implementing the strategic business plan. The BoD leads the EC for the operational management of the Hapimag Group. The duties of the EC are detailed in the functional diagram that forms part of the Organisation Regulations.

The co-CEOs are responsible for the highest-level operational management of the Hapimag Group, for which they are given the necessary authority. However, essential transactions that are defined in the Organisation Regulations require the approval of the BoD; the same holds true for transactions for which approval is reserved for the BoD.

The members of the EC are responsible for the business areas assigned to them and have the corresponding decision-making authority. For questions regarding which transactions are decided by the EC as a body and which are decided by the responsible EC member individually – or together with the co-CEOs and/or EC members where necessary – the EC adheres to the following requirements:

Where more than one area or where a fundamental issue for the company and/or the Hapimag Group (in particular one that requires a uniform decision) is affected, the EC as a whole will decide. In other cases, the division head makes the decision with the responsible co-CEO or alone, if delegated by the responsible co-CEO to do so. In case of doubt, the co-CEOs will decide who has the decision-making authority.

Management Team (MT)

The MT is the operative management level below the Executive Committee (EC). The members of the MT report to the co-CEOs or to another member of the EC. They are appointed and dismissed by the co-CEOs. The MT members generally meet once every two weeks to discuss and coordinate all operational matters. Minutes are taken of these meetings and a copy is sent to the President of the Board of Directors.

Shareholders' participation rights

As investors, the shareholders have the final decision in the company. Their decision-making authorities are determined by law (primarily the Swiss Code of Obligations) and the Articles of Association. It should be mentioned that Hapimag grants every individual shareholder the right to place matters on the agenda provided that these fall within the remit of the Annual General Meeting (see item 8 of the Corporate Governance Guidelines of Hapimag AG).

A total of 86,994 votes were represented at the 59th Annual General Meeting on 27 April 2023. The meeting approved the annual accounts and consolidated financial statements for 2022 and the audit reports. The members of the Board of Directors were discharged. The meeting confirmed the re-election of the current members of the Board of Directors, the election of the auditors, the re-elections to the Audit Advisory Board and the changes to the Articles of Association.

Audit Advisory Board (AAB)

As an independent controlling body, the AAB reviews compliance with regulations by the senior management (BoD and EC) and their activities, on behalf of the Annual General Meeting, provided that this review does not fall within the scope of the auditors. It is composed of three Hapimag shareholders who are elected by the Annual General Meeting based on the recommendation of the AAB for a term of office of two years each. The AAB was elected for the first time in 2019.

Auditor

The auditor is elected by the Annual General Meeting. The auditor is elected for a period of one year and can be re-elected for six consecutive terms (Art. 25 of the Articles of Association). BDO AG, which has its headquarters in Zurich, has been the auditing body of Hapimag AG since 2019 and is also the Group auditor. The lead auditor for the financial year 2023 is Bruno Purtschert.

The auditor fulfils the duties incumbent on it in accordance with the law, the Articles of Association, the regulations and the applicable accounting standards, and is in direct contact with the company management.

Information policy

Hapimag's communication with its shareholders, members, business partners and employees is open, direct and transparent. In addition to the regular newsletters, the EC members also promote a direct dialogue with shareholders by regularly visiting the resorts and holding on-site meetings. The objective is to provide transparent and timely information about the company and business development.

Strategy

It is our belief that holidays make people happy. And a world with happier people is a better world. Our **vision** is therefore: More Happy People For a Better World. This forms the basis of our clear **mission**: We create a genuine holiday experience that goes beyond the expectations of our guests and makes them happy.


Our corporate strategy is geared towards creating added value for our Hapimag shareholders. We have designed an increasingly more simple and more flexible holiday world for them in recent years, with a realigned focus on growth through new customers. Our three strategic goals pave the way for us to achieve this.



Making people happy on their holidays is our greatest passion.



Embark on a culinary journey with Hapimag.



**Gaining new customers
for our holiday world**

Healthy and sustainable growth

Growth will be our focus in the years ahead. In order to grow sustainably over the long term, we have developed a 5-year plan for 2023 that specifically outlines how we can attract new shareholders. Our definition of growth is acquiring new shareholders and actively used shares.

A study commissioned by Hapimag revealed an important takeaway: the Hapimag brand is not sufficiently well known in our markets. With that in mind, we launched several campaigns in the reporting year intended to increase our profile and spark the interest of potential customers. These marketing activities met with a good response and are beginning to bear fruit. The growth figures in terms of new customer acquisition are encouraging and show that we are on the right track. Last year we welcomed 3,135 new shareholders (+18% versus the previous year).

Easier to buy and sell shares and points

The Hapimag Marketplace has been redesigned to be more intuitive to buyers and sellers and provides a better overview when initiating contact. We have integrated the direct sale of shares into the website – for greater flexibility and greater price transparency. Both the marketplace for shares and the points platform are performing well. Around 50% more shares changed hands on the marketplace compared to the previous year. The number of points exchanged was around 40% higher year on year.

Potential new customers can try out Hapimag

We launched the new offer to try out and get to know Hapimag in mid-2022. Since then, interested parties have been able to book via www.hapimag.com/try-out. We recorded a pleasing 1,760 bookings in the reporting year.



**Dilek Ergün has been travelling to
our destinations for 23 years.**



Dilek Ergün
Hapimag shareholder



Improving and enhancing the holiday experience

More reliable planning thanks to new booking options

Booking a holiday apartment is now even easier. Bookings will no longer be opened just once a year, but rather will operate on a rolling basis, with another month being released on the first day of every month. This means that bookings can now be made over a period of 15 months at a time. This generates greater planning security for our shareholders. The new system also allows booking requests to be spread out better. The Booking Information is now only available digitally and is updated at the beginning of each new month.



Booking Information is always up to date
www.hapimag.com/bookinginformation

Investments and renovations

We continue to make progress on our renovations and repairs. In the reporting year, we invested an above-average sum of around EUR 29 million in renovating our properties. 2023 saw us reopen the Paris, Winterberg and Paguera resorts, following renovations. The renovations in San Agustín are ongoing. Renovations are being planned in Albufeira, Berlin Zoo, Vienna, Westerland Aalborg and Antibes.



More about our renovations from page 28.



Newly renovated apartment in
Paguera | Spain

Website developed further

To simplify the check-in process on site, we now offer our guests a simplified registration form. They can fill this out quickly and conveniently online when booking and enter the names of their fellow travellers, arrival time and any requests such as car parking. Our employees at the resorts no longer have to type out the registration forms, which was time-consuming and prone to errors. Instead, they can put their time to much better use: providing our guests with the best possible service.



Integrating
sustainability and
innovation in the
company

Environmental responsibility

Our climate plan sets out our ambition to achieve net zero emissions by 2050 at the latest. In 2023, we began measuring the carbon footprint of our resort portfolio. If we want to achieve our goal, we must first increase our energy efficiency. We are also striving to increase our security of supply and be as energy self-sufficient as possible. This means generating as much of our own energy as we can and being less dependent on external energy providers.

Sustainable supply chain

We want to develop supply chains that are as sustainable as possible and are therefore making a conscious shift towards regional suppliers and fairly produced products. Thanks to purposefully selected partnerships, our guests can now find more and more sustainable and local products in our range. We are also looking to further increase the share of renewable energies in the electricity we purchase.



Olive harvest in Bodrum | Turkey



Gastón and Leidy work their magic in the kitchen.
Paguera | Spain

Community engagement

Our local commitment at our destinations is paramount to us. We have strong roots in our regions – most dating back several decades if not the full 60 year Hapimag history. It is therefore important to us to work with regional suppliers whenever possible and to make a direct contribution to the local community in the spirit of sustainability.

Responsible employment

We attach great importance to promoting sustainable working conditions for our approximately 2,000 employees. We also invest in the living comfort of our employees by offering them high-quality staff apartments.



More about sustainability at Hapimag
from page 31.

2023 in figures



443,024
Guests in the resorts
(previous year: 410,663)



2.6 million
Overnight stays
(previous year: 2.5 million)



4.61 (out of 5)
Guest satisfaction
(previous year: 4.59)



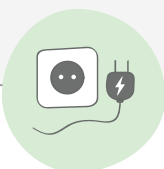
73.2%
Occupancy rate during
opening times
(previous year: 71.6%)



3,135
New shareholders
(previous year: 2,654)



9,274
Shares transferred
(previous year: 7,358)



-5.1%
Reduction in electricity
consumption per overnight stay
(new metric)



2,806,077
Points transferred
(previous year: 2,003,614)

Business performance

Resorts

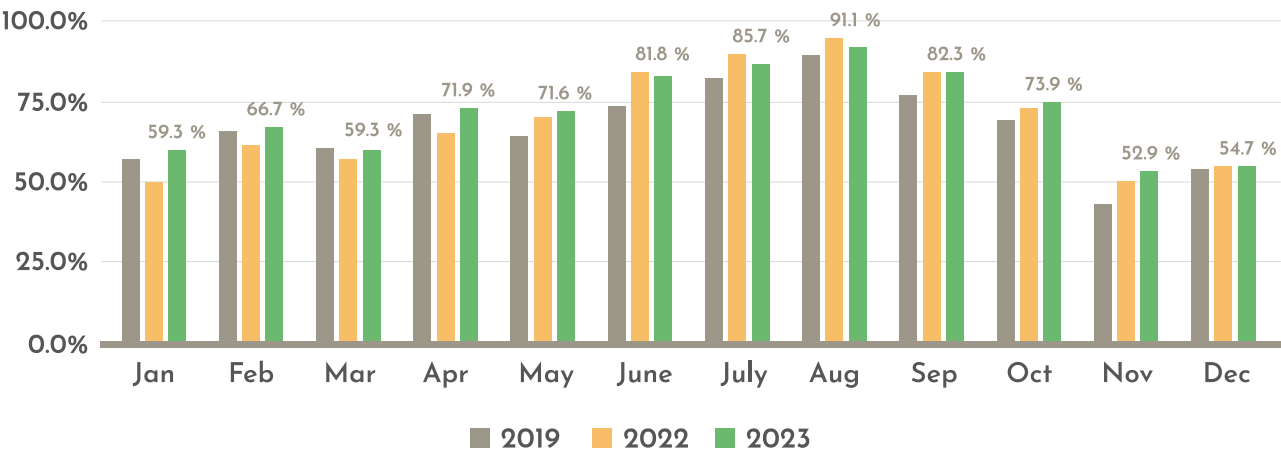
- Highest occupancy rate during opening times in ten years
- Guest satisfaction at a record level
- Revenue increased at the resorts by 9% to around EUR 110 million

The number of overnight stays increased by around 5% year on year. We welcomed more than 440,000 guests for the first time. This has had a positive impact on resort revenue, which amounted to EUR 109.5 million, corresponding to an increase of 9.4% compared to the previous year.

Although the Paris and Paguera resorts reopened later than planned, we recorded very good occupancy during opening times in 2023. At 73.2% (previous year: 71.6%), this was Hapimag's highest occupancy rate since 2013. Although occupancy in the cities and at flight destinations improved significantly, we recorded a slight decline in destinations that can be reached by car, which had benefited greatly during the pandemic at the expense of cities and flight destinations.

Overall, normal operations resumed at the resorts after the coronavirus pandemic and we were again able to offer all the additional services and adventure trips in full. The shortage of skilled labour in hospitality and food service continues to impact our operations and our costs. More about this on page 34.

Development of occupancy during opening times (in %)



Occupancy during opening times increased from 71.6% in the previous year to 73.2%.

Occupancy according to resort category (during opening times)

Alps

At 72.9%, the resorts on the whole remained slightly below the prior-year record level of 74.9%. Zell am See and Interlaken had the highest occupancy rates at 88.7% (previous year: 86.6%) and 79.0% (previous year: 81.1%) respectively. Occupancy is generally still better than before the pandemic, especially in summer.

Nature & Relaxation: Country

Occupancy was slightly lower overall than in the previous year, at 71.8%, (previous year: 74.5%). The highest occupancy rates were recorded by Cannero with 89.4% (previous year: 89.8%), Ascona with 83.7% (previous year: 83.8%) and Tonda with 83.2% (previous year: 84.6%). Despite the earthquake in Morocco in September 2023, Marrakesh increased occupancy to 44.9% (previous year: 26.6%).

Nature & Relaxation: Sea

The resorts recorded very good occupancy of 76.3% (previous year: 72.0%). At 93.9% (previous year: 89.2%), Marbella had the highest occupancy rate of all resorts. Occupancy was also strong at La Madrague with 89.3% (previous year: 86.8%), while at Mas Nou, which is not as heavily frequented, it improved to 55.5% (previous year: 51.5%).

Sun & Sea

Binz with 84.4% (previous year: 84.7%) and Hörnum with 84.1% (previous year: 88.5%) recorded the highest occupancy. Cefalù was able to increase occupancy to 80.4% (previous year: 71.9%). Our largest resort, Bodrum, once again achieved one of the highest occupancies since it opened, at 47.7% (previous year: 47.8%). Paguera reopened later than scheduled due to delays with renovations. It resumed partial operations at the end of October, resulting in 67.3% occupancy.

Cities

At 80.9%, occupancy in the cities was significantly higher overall than in the previous year (72.0%). The highest occupancy rates were recorded by London with 93.1% (previous year: 84.6%), Paris with 91.7% (previous year closed due to renovation) and Berlin Gendarmenmarkt with 91.2% (previous year: 85.3%). City breaks have recovered fully from the pandemic.

Additional key figures from page 40.



Simona has been an enthusiastic host for 15 years.



Resort Manager
in London



High level of quality

Our guests once again awarded us top marks for the quality of service at our resorts. Average satisfaction across all resorts is an impressive 4.61 out of 5 possible points (previous year: 4.59). The recommendation rate is a high 67.6% (previous year: 64.8%). An external reputation index allows us to draw a comparison with our competitors. Based on guest reviews, Hapimag achieved an excellent reputation index of 91.8% (previous year: 91.2%).

Our guests can now share their feedback with us digitally while they are still at the resort. This allows us to take prompt action if a problem arises. Since 2023, restaurant guests in Interlaken and Marbella can also share their satisfaction with us digitally – other restaurants are set to follow.



Take part in surveys and give feedback?
www.hapimag.com/inform



Daniel knows all the best places to go on excursions in Mallorca.

Occupancy from third parties

We offer vacant apartments that are not claimed by our members to third parties. These additional nights generate important revenue and are in line with our sustainable business model of avoiding empty beds. Thanks to the good occupancy by our shareholders, the number of overnight stays from marketing to third parties accounted for 7.6%, a lower proportion than in the previous year (9.7%).

Key facts:

- Hapimag members have priority. Third parties can only book if accommodation is not occupied by members.
- Marketing to third parties is concentrated primarily on the low season (C and D season) and on the Interlaken, Edinburgh, Bowness-on-Windermere, Winterberg, Braunlage and Mas Nou resorts and Sea Garden Hotel in Bodrum, as they tend to have lower occupancy due to their large size.
- Our Sea Garden Hotel in Bodrum accounts for almost one half of overnight stays by third party guests. It operates outside the Hapimag system due to government regulations at the time the resort was being built there. Another special feature of this resort, making comparison difficult, is that it is a classic hotel without holiday apartments.
- Marketing to third parties helps to cover fixed costs and contributed revenue of EUR 11.1 million overall (previous year: EUR 12.1 million). Without marketing to third parties, this income would have to be generated through higher subscription charges or local charges to our shareholders.
- We receive important feedback on our service quality from guests who are not yet Hapimag members. This feedback gives us a better understanding of the needs and trends within the tourism industry.
- We are raising the profile of the Hapimag brand – beyond the Hapimag Community. This is important, especially for acquiring new customers.

Renovations

- Paris, Paguera and Winterberg shine in new splendour
- San Agustín looks forward to reopening
- Sustainable investments in photovoltaic systems

We made further progress with our renovations and repairs. We are on schedule with our plan to make targeted investments in holiday apartments at 20 resorts between 2020 and 2026.

We were able to reopen the **Paris** resort before Easter following extensive renovation and refurbishment work. We renovated the older part and extensively refurbished the part that was renovated in 2011. The resort now has barrier-free access, its fire safety was updated and all apartments have been fitted with air conditioning.

The last of three renovation phases in **Winterberg** was completed shortly before the summer – with a total of 131 holiday apartments renovated. We installed new kitchens, replaced furniture and textiles, freshened up the wooden floors and built-in cupboards, and extensively refurbished the bathrooms.

We concluded a purchase agreement with a buyer for three buildings last summer, which were transferred on 1 November 2023. It had become evident in recent years that the resort is too big for our member base and that an acceptable occupancy rate could only be achieved through marketing to third parties. Thanks to the sale of 58 holiday apartments, the resort has now reached an economically viable size, measured by the demand of our guests.



Newly renovated apartment in
Paris | France



Newly renovated apartment in
Winterberg | Germany

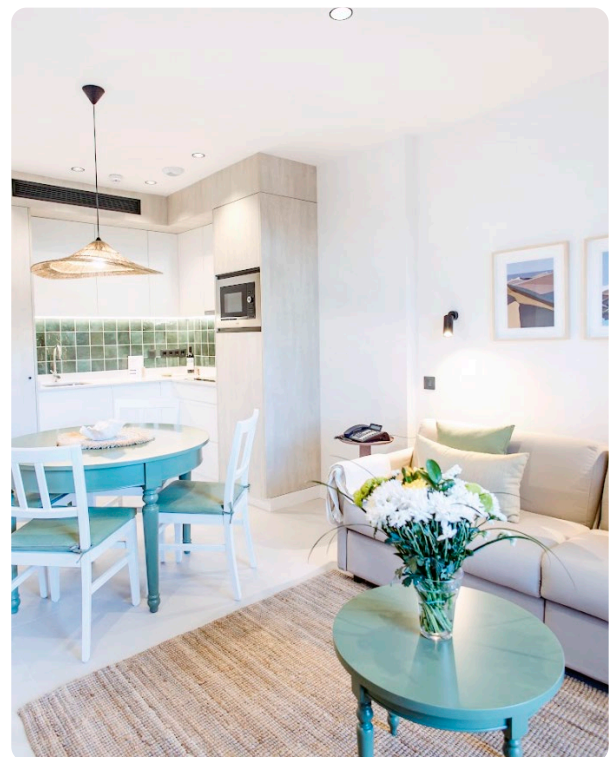
Construction work on the total renovation of all holiday apartments in **Paguera**, which started at the end of 2021, has largely been completed. More than half of the resort has been open again since February 2024. The final phase is expected to reopen in spring. Besides renovating the holiday apartments, we also freshened up the communal areas. Long-term improvements were made to the façades and technical installations, and two blocks are now more accessible thanks to new elevators.

Access to the communal areas has also been improved with stairs and ramps added in the area of the main restaurant and indoor swimming pool. These measures have significantly improved access for people with limited mobility.

The renovation in **San Agustín**, which began last summer, is scheduled to be completed in spring 2024. To ensure the all-round comfort of our guests, the apartments are being completely renovated. Besides new kitchens, bathrooms, furniture and textiles, an air-conditioning system will also improve comfort. We were able to complete the planning work for **Albufeira** and **Berlin Zoo** in 2023, with the renovations starting in early 2024. Once the renovations plans have been finalised for the resort in **Vienna**, work will begin before summer 2024. We are in the middle of the planning phase for the renovations in **Westerland Aalborg** and **Antibes**. Both renovations are scheduled to start before the end of 2024.

We also pushed ahead in 2023 with sustainable investments amounting to EUR 2.0 million, including for electric charging stations, LED lighting, photovoltaic systems and heat pumps. Our guests can now charge their electric cars in 26 resorts. Further locations and expansions will follow in 2024.

We have built and put photovoltaic systems into operation in Interlaken and Bodrum. The two systems supply the resorts with electricity and can cover up to 25% of electricity consumption on site. Additional photovoltaic systems will be implemented in Ascona, Pentolina and Binz during 2024.



Newly renovated apartment in
San Agustín | Spain

Shareholders and members

- 60th anniversary marked by many unforgettable experiences
- First Annual General Meeting since the pandemic with our shareholders present
- Promoting dialogue with our guests

60th anniversary

We celebrated Hapimag's anniversary in 2023. We created magical moments for our guests through various activities offered at the resorts. The parties held for both young and old at numerous resorts on 24 September – Hapimag's official founding day – created many memories that will last a lifetime. As an anniversary gift, we gave shareholders six residence points for each active share. In addition, the residence points remained valid for 60 days longer in the reporting year.

Annual General Meeting (AGM)

For the first time since the pandemic, we were able to welcome shareholders in person again on 27 April 2023. A total of around 21,000 shareholders exercised their voting rights digitally and by post. All improvements to the Articles of Association were accepted. The most important change is that proxy authorisation can now be granted electronically to the independent proxy or to a third party. This lays the statutory basis whereby all shareholders can vote electronically from 2024.

Hapimag on Tour

A very popular format remains "Hapimag on Tour". The Executive Committee meets regularly with guests in the resorts to chat about their experiences. These encounters help us gain a better understanding of current issues. Shareholders have repeatedly stated that they appreciate the progress made with regard to the renovations and the marketplace for shares. A big thank you was also expressed to employees on multiple occasions for all their hard work and commitment. These events also present a great opportunity to onboard suggestions for improvement.



Hapimag co-founder Dr. Guido M. Renggli sharing memories with PoBD Philipp Ries.

Sustainability

- Reducing water and energy consumption
- Increasing the share of electricity from renewable sources
- Improving employee accommodation

Sustainability is an integral part of our corporate strategy. All the decisions we make as a company are guided by our four sustainability pillars.

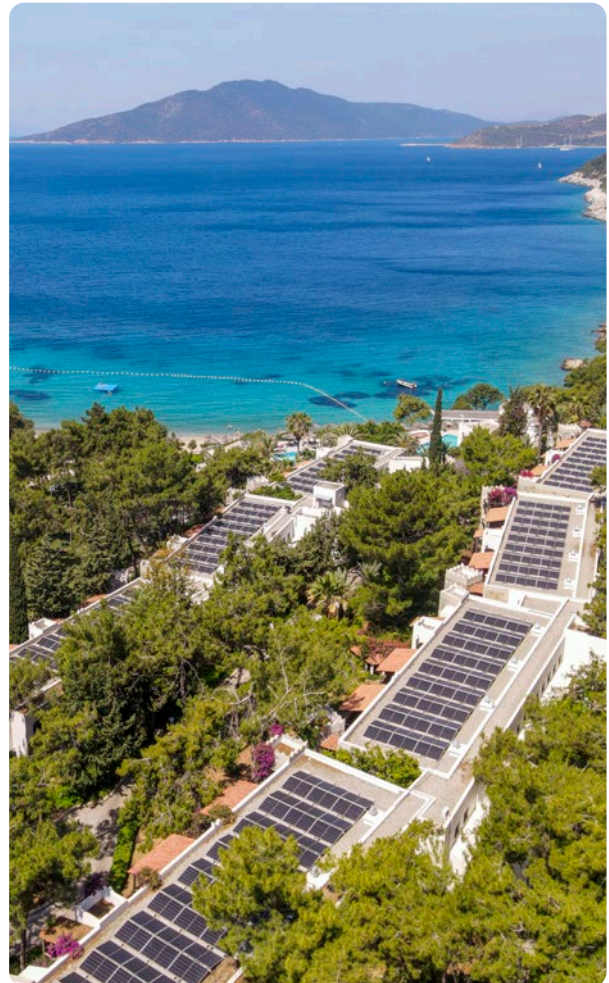
Environmental Responsibility

Target: Achieving net zero emissions.

We are determined to continuously reduce our ecological footprint and are aiming for net zero emissions by 2050 – which we will achieve by reducing our energy consumption and switching to renewable energy sources. In the year under review, we started calculating the **CO₂ emissions** of our resorts. By knowing the sources of our emissions, we can apply leverage in the right places.

Energy efficiency is an important topic. Investment in various measures allowed us to reduce the consumption of water and almost all types of energy by over 5% per overnight stay compared to the previous year. We have used targeted information to raise awareness among our guests about the careful use of energy and water.

Another approach is **energy autonomy**. We want to generate our own energy and reduce our dependence on energy providers. In the reporting year, we commissioned two large photovoltaic systems in Bodrum and Interlaken, which can cover up to 25% of on-site electricity consumption. Additional facilities are currently under construction or are being planned. We also increased the number of charging stations for electric cars to 26 locations.

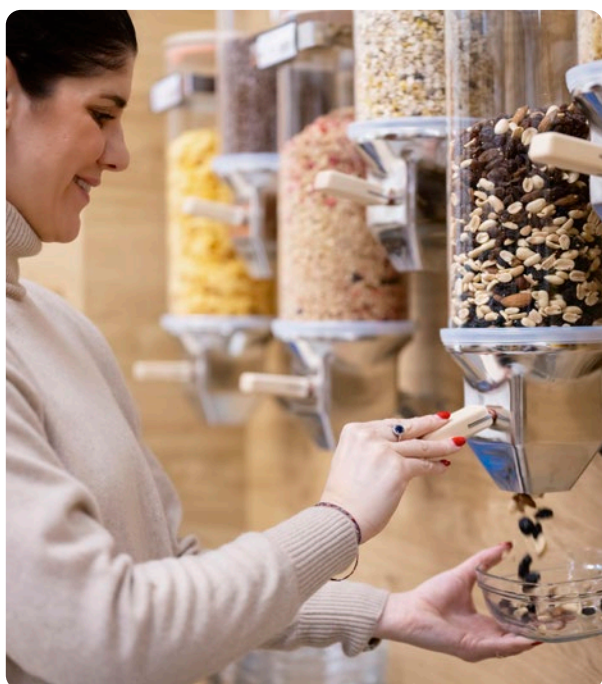


New photovoltaic systems in
Bodrum | Turkey

Sustainable Supply Chain

Target: Building sustainable supply chains.

We are making a conscious shift towards **regional suppliers and fairly produced products**. Thanks to this regional focus, we are able to offer guests a local range in our restaurants and shops. Guests can also benefit from innovative products offered by our partners. These include, for example, sustainable wooden coffee capsules, smart kitchen scales to avoid food waste in some of our restaurants, or eco washing strips that our guests can use for doing laundry during their holiday.



Unpackaged food in our own shop in
Bad Gastein | Austria

Reducing packaging materials and avoiding food waste will remain a priority. In this context, current concepts are being adapted in various Honesty Shops to allow guests to purchase our products in the desired quantities using hygienic, reusable packaging. We now offer unpackaged food from dispensing stations in the shops in Bad Gastein and Zell am See.

Community Engagement

Target: Contributing to the local community.

Many of our resorts and their employees have roots in the region. It is therefore very important to us to work together with local suppliers. We have initiated a series of projects in order to promote the unique cultures of our regions. For example, we invite local producers to our resorts, organise clean-up days, celebrate local holidays and organise events to share cultural traditions such as the olive harvest in Bodrum with our guests. Hapimag is an important employer, especially at larger destinations. In so doing, we make an important contribution to the sustainable development of the region. In so doing, we make an important contribution to the sustainable development of the region.



Hapimag gives wild bees a home.

Responsible Employment

Target: Promoting sustainable working conditions.

The daily commitment of our approximately 2,000 employees helps to create unforgettable holiday experiences for our guests. It is therefore important to us that our employees at the resorts also feel well looked after and can relax after work. For this reason, we invested around EUR 2 million in the reporting year in renovating our **staff accommodation** in Albufeira, Bodrum, Damnoni, Munich, Paris and Pentolina.



Daniel serves the best drinks on the sun terrace.



Daniel Toscano
Waiter at
Paguera | Spain



Our new human resources strategy is focused on the **corporate culture and personal development of our employees**. With our talent and succession programme, we support their development and advancement. On the other hand, our aim is to maintain a high level of employee satisfaction while also strengthening their resilience.

We have appointed a **Sustainability Hero** in each resort to add further weight to the issue of sustainability. This person works together with the Resort Manager to ensure various initiatives are implemented on site.



Alejandro and Esperanza ensure a good night's sleep. Paguera | Spain

Company

- Shortage of skilled labour and high inflation remain a challenge
- Raising awareness and enhancing protection in the area of cybersecurity
- Together on our growth path

Shortage of skilled labour and high inflation as a challenge

Last year we once again faced the challenge of finding suitably qualified staff for our resorts. The search for employees is a lot more challenging than before the pandemic. We have addressed this by developing a new human resources strategy, which will focus on further training and personal development of our employees.

We also had to combat higher inflation in 2023. This is due to various reasons: shortage of skilled labour, geopolitical tensions or complications in global value chains. Higher costs, due to inflation impact ongoing operations and our planned investments, such as our renovations. OECD countries saw renewed double-digit rises in inflation. This led to considerable price increases, particularly for the cost of sales and services, personnel expenses and energy costs.

Raising awareness and enhancing protection to combat cyber threats

Cybercrime is on the rise and cyber fraudsters are becoming more and more sophisticated. It is easy to be lured into their traps. For this reason, Hapimag actively protects itself against potential cyber threats. We again made further investments in securing our IT infrastructure in 2023. Furthermore, we regularly raise awareness and educate our employees, promote further training and invest in personnel in the area of cybersecurity.

Together on our growth path

Our focus over the next few years will be on growth – which we will achieve by attracting new customers to our holiday world. Working together as a team, we will pursue this goal with strengthened commitment and drive. It is with this in mind that we launched various internal initiatives in 2023. The underlying concept is for all employees to make a personal contribution to growth. We can only grow if we work together. And this means being courageous and trying out new things. This is the only way we can keep learning – and make our unique holiday experience even more attractive.



Making people happy on their holidays is our greatest passion.

Financial performance

- Another solid financial result
- High investments in the resorts
- Very good year for the resorts

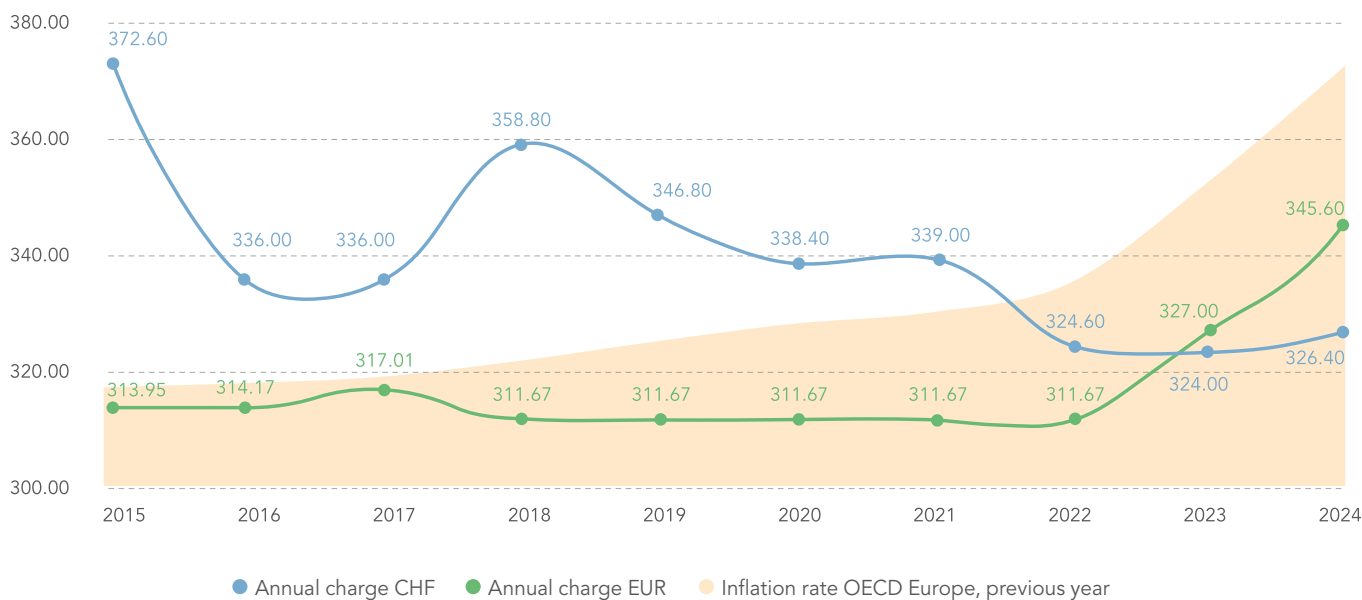
Although the impact of the pandemic was still somewhat noticeable last year in the city and ski resorts, in 2023 Hapimag nonetheless recorded its highest occupancy during opening times since 2013, at 73.2%. As a result, we were again able to achieve a solid financial result in the reporting year. The sound financial basis allows us to continue making above-average investments in the renovation of our resorts in order to improve the holiday experience for our guests. The enormous commitment of the Hapimag team and our consistent cost management played a vital role to achieve this result.

Resort revenue at a record level

The good occupancy enabled Hapimag to increase revenue in the resorts by 9.4% to EUR 109.5 million. This also resulted in a year-over-year increase of 10.1% in operating income to EUR 199.2 million.

Adjustment of the annual charge

Hapimag also faced a sharp increase in inflation. These effects are expected to continue in 2024. Increased inflation leads to higher costs for ongoing operations as well as for our planned investments. The annual charge for 2024 was set accordingly at EUR 345.60 (previous year: EUR 327.–), CHF 326.40 (previous year: CHF 324.–). This increase was necessary so that we can continue to enhance the Hapimag concept for our shareholders in a way that is both sustainable and geared to the long term. We only implement increases if absolutely necessary and after careful consideration.



Development of annual charge

Hapimag's consolidated financial statements show a net profit of EUR 7.4 million in the reporting year (previous year: EUR 3.1 million). The increase is due to the improved occupancy and an extraordinary profit of EUR 1.9 million from the partial sale of three buildings in Winterberg. At EUR 199.2 million, Hapimag's operating income was up 10.1% compared to the previous year (EUR 180.9 million). This is the highest operating income Hapimag has achieved in its history. Operating expenses, excluding cost of goods and services and depreciation, rose by 7.2% to EUR 135.1 million (previous year: EUR 126.0 million). This increase is due above all to higher occupancy and the sharp uptick in inflation in general.

Very good year for the resorts

Resort revenue increased by 9.4% year on year to EUR 109.5 million (previous year: EUR 100.1 million). Occupancy of 73.2% (previous year: 71.6%) was also extraordinarily high – the highest since 2013. The city resorts in particular significantly increased their occupancy to 80.9% (previous year: 72.0%). Never before in its history has Hapimag been able to welcome so many guests at its resorts, recording 443,024 guests in the reporting year (previous year: 410,663), an increase of around 8%. The number of overnight stays rose by 4.6% to 2,643,640 (previous year: 2,527,946). The average length of stay declined from 6.16 days to 5.97 days, continuing the trend towards shorter but more frequent stays.

The number of shareholders fell slightly by 641 to 103,686, while the number of shareholders and members declined from 116,856 to 114,542. The decline in member numbers is explained by the expiry of time-limited points products and share buy-backs, which we continue to carry out as appropriate. In the reporting year, we were able to attract 3,135 new shareholders to our community (+18% compared to the previous year). This is the third subsequent year that we have achieved double-digit growth in new customers. This confirms that we are on the right track, in both strategic and operating terms.

High investments in the resorts

We once again made above-average investments in the amount of EUR 29.1 million in 2023 (previous year: EUR 33.0 million). These include, in particular, expenses for the renovation of the Paguera (EUR 12.0 million), Bodrum (EUR 3.7 million), San Agustín (EUR 2.2 million) and Winterberg (EUR 2.0 million) resorts. In addition, we spent EUR 11.6 million on maintenance and repairs at the resorts (previous year: EUR 9.1 million).

The free cash flow came to EUR -0.7 million, thanks to the very high volume of investment (previous year: EUR -2.8 million). As a result, net external funding amounted to EUR -1.5 million at the end of the 2023 financial year (previous year: EUR +1.3 million). Our balance sheet remains exceptionally stable. The equity ratio of 52% (previous year: 51%) and the share of internal operating resources of 78% (previous year: 77%) continued to provide Hapimag with a solid financial base. The asset coverage ratio was 85% (previous year: 84%).

Accounting

Hapimag is obliged by Swiss law to prepare both statutory financial statements and consolidated financial statements of Hapimag AG.

In the consolidated financial statements of Hapimag, the balance sheet and income statement items of all Hapimag companies are included and intercompany relationships are eliminated. Therefore, only the consolidated financial statements give a true and fair view of the Hapimag Group's net assets, financial position and results of operations. The consolidated financial statements are prepared in accordance with Swiss GAAP FER.

The resorts owned by Hapimag AG itself (in Portugal, Austria, Switzerland and Finland) as well as their results and the activities of the head office are found in the statutory financial statements of Hapimag AG. The other resorts are owned indirectly through local companies. These companies are recognised as investments in the statutory financial statements of Hapimag AG. The statutory financial statements are prepared in accordance with the Swiss Code of Obligations.

The financial report on the consolidated financial statements is presented on pages 38 to 70 and that of the statutory financial statements on pages 72 to 81. The accounting policies for the consolidated financial statements are shown on pages 46 to 51 and for the statutory financial statements on pages 75 to 76.



Hapimag Group key figures

General information	2019	2020	2021	2022	2023
Shareholders and members	123 293	121 742	119 054	116 856	114 542
Shareholders	105 716	105 606	104 996	104 327	103 686
Units in circulation (shares and other right-of-residence products):					
Master sheet entries as at 31.12.	264 304	260 645	255 001	248 465	243 621
Number of outstanding shares as at 31.12.	226 850	227 437	226 866	225 826	225 158
Average workforce (full-time equivalent)	1 428	891	1 002	1 236	1 359
Net cash/net debt (–), in EUR million	– 37.6	– 32.0	5.2	1.3	–1.5
Net asset value ¹ per outstanding share, in EUR	2 063	2 016	2 057	*2 150	2 193

¹The net asset value corresponds to the amount of internal operating resources divided by the number of outstanding shares.

Points overview (number of points in 1000)

Points generated	13 600	13 164	12 877	14 005	12 870
Points exercised	15 405	7 611	10 369	14 594	15 202
Points offer	19 534	12 005	15 511	17 473	18 548
Expiry points – Shares	2 176	1 994	2 234	2 218	1 486
Ratio: Points offered vs. generated	144%	91%	120%	125%	144%
Ratio: Points offered vs. points exercised	127%	158%	150%	120%	122%

Resorts

Number of resorts as at 31.12	58	57	56	56	56
Number of units as at 31.12	5 446	5 439	5 279	5 268	5 218
Total occupancy over the opening time in %	68.8%	53.1%	58.8%	71.6%	73.2%
Resort occupancy Sun and Sea	66.4%	43.9%	55.8%	68.6%	70.1%
Resort occupancy Nature and Relaxation	69.9%	58.7%	58.4%	73.4%	73.6%
Resort occupancy Alps	66.6%	77.8%	72.0%	74.9%	72.9%
Resort occupancy Cities	77.2%	50.0%	57.9%	72.0%	80.9%
Number of guests	418 527	207 975	280 275	410 663	443 024
Number of overnight stays	2 746 295	1 360 290	1 808 192	2 527 946	2 643 640
Resort revenue in EUR 1000	95 575	47 776	67 330	97 855	109 499
of which marketing to third parties in EUR 1000	9 742	5 142	8 678	11 293	11 087

Member Services

Number of share transfers	5 320	4 388	5 686	7 358	9 274
Points exchanged on the Points Platform	1 242 297	1 125 148	1 440 802	2 003 614	2 806 077
Points exchanged outside the Points Platform	958 110	614 273	643 114	658 296	1 216 082

Key income statement figures (in EUR 1000)

					*
Revenue	163 606	112 556	130 855	164 964	176 292
Operating income	178 572	122 881	152 356	180 930	199 173
Operating costs excluding depreciation/amortisation	137 508	95 697	110 605	146 765	157 652
Earnings before depreciation/amortisation, financial result and tax (EBITDA)	41 064	27 184	41 751	34 165	41 521
Operating result (EBIT)	8 554	– 3 181	8 855	3 719	9 942
Consolidated result	6 722	– 4 744	4 768	3 123	7 441

*adjusted (ref. to changes in accounting policies)

Key balance sheet figures (in EUR 1000)	2019	2020	2021	2022*	2023
Total assets	638 683	610 217	606 232	627 802	635 614
Non-current assets	604 729	582 742	553 510	575 755	578 361

Equity and internal operating resources (in EUR 1000)	*				
Equity as per balance sheet	296 349	291 737	301 417	320 877	327 778
Call options (see Note 20)	17 957	17 942	16 531	15 288	15 019
Loans from shareholders	151 939	147 366	147 545	148 185	149 864
Investment subsidies	1 792	1 489	1 253	1 176	1 098
Internal operating resources	468 037	458 534	466 746	485 526	493 759

Hapimag acquired a ten-year call option from shareholders in financial years 2014 to 2018. This call option represents an equity instrument and is recognised as a deduction in equity. When calculating internal operating resources, this item is added to equity since the shares remain in circulation until such point in time as the call option has been exercised.

Investment coverage ratio	2019	2020	2021	2022*	2023
Internal operating resources/Non-current assets	77%	79%	84%	84%	85%

Level of equity capitalisation	2019	2020	2021	2022*	2023
Internal operating resources/Total assets	73%	75%	77%	77%	78%

Capital expenditure (in EUR 1000)	2019	2020	2021	2022*	2023
New real estate	1 083	129	280	0	0
Renovation of real estate	16 236	14 390	9 815	31 458	27 420
Furniture and office equipment (including IT hardware and software), vehicles	2 418	995	1 453	1 534	1 634
Total capital expenditure	19 737	15 514	11 548	32 992	29 054

Cash flow (in EUR 1000)	2019	2020	2021	2022*	2023
Cash flows from operating activities	28 610	19 794	34 198	30 123	24 726
Cash flows from investment activities	- 19 637	- 15 009	2 574	- 32 932	- 25 390
Free cash flow	8 973	4 785	36 772	- 2 809	- 664
Cash flows from financing activities	- 10 348	- 4 562	- 27 466	9 432	2 165
Currency translation adjustments on cash and cash equivalents	136	- 137	422	513	217
Increase/decrease (-) in cash and cash equivalents	- 1 239	86	9 728	7 136	1 718

Liquidity (in EUR 1000)	2019	2020	2021	2022*	2023
Cash, cash equivalents and money market investments	6 669	6 755	28 419	23 619	25 337
Financial liabilities	- 44 264	- 38 709	- 23 209	- 22 340	- 26 873
Net cash/debt (-)	- 37 595	- 31 954	5 210	1 279	- 1 536

*adjusted (ref. to changes in accounting policies)

Hapimag resorts

Key figures

	Number of accom- modation	Quality		Occupancy during opening times		Number of overnight		Revenue resort	
	units ¹	(Scale 1 – 5) ²		(in %) ³		stays ⁴		(in EUR 1000)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023
Alps									
Andeer CH	15	4.82	4.77	81.3	73.2	7 325	6 407	255	251
Bad Gastein AT	153	4.67	4.74	68.1	65.9	89 459	87 392	3 284	3 284
Flims CH	120	4.64	4.71	80.3	74.0	80 867	77 727	3 833	4 089
Interlaken CH	105	4.68	4.68	81.1	79.0	76 170	74 546	5 538	6 557
Saalbach AT	21	4.64	4.73	82.0	78.3	13 102	12 616	508	566
Sonnleithn AT	110	4.54	4.54	62.3	60.7	54 023	56 170	2 218	2 527
St. Michael AT	110	4.73	4.80	72.0	75.1	28 119	75 993	1 404	3 665
Zell am See AT	64	4.75	4.72	86.6	88.7	49 101	50 657	1 750	1 764

Nature & Relaxation, Country

Ascona CH	68	4.72	4.74	83.8	83.7	45 406	43 798	2 539	2 660
Bowness GB	46	4.55	4.29	72.0	72.1	32 993	31 770	837	1 049
Braunlage DE	121	4.49	4.43	75.2	65.7	85 443	72 393	2 999	2 548
Cannero IT	134	4.50	4.54	89.8	89.4	74 874	78 573	2 730	3 028
Château de Chabenet FR	23	4.57	4.72	62.6	54.8	6 768	5 783	641	464
Marrakech MA	40	4.74	4.64	26.6	44.9	5 595	10 351	418	776
Merano IT	36	4.71	4.72	81.5	82.1	23 767	24 242	751	800
Pentolina IT	139	4.71	4.73	82.7	79.4	72 685	70 270	3 225	3 268
Punkaharju FI	39	4.72	4.76	34.3	35.6	9 861	10 606	237	261
Tonda IT	65	4.58	4.62	84.6	83.2	30 671	30 536	1 552	1 608
Unterkirnach DE	81	4.48	4.52	70.9	67.6	49 697	46 010	1 316	1 307
Winterberg DE	127	4.30	4.47	73.0	67.4	88 307	89 843	2 559	2 725

Nature & Relaxation, Sea

Antibes FR	93	4.51	4.52	75.8	79.3	56 288	57 863	1 599	1 759
La Madrague FR	87	4.57	4.60	86.8	89.3	46 116	47 428	1 365	1 450
Marbella ES	166	4.53	4.62	89.2	93.9	124 285	128 119	4 440	4 893
Mas Nou ES	190	4.31	4.27	51.5	55.5	67 466	71 536	2 366	2 401
Porto Heli GR	87	4.63	4.75	66.7	64.9	34 903	35 954	1 425	1 567
Puerto de la Cruz ES	36	3.98	4.05	47.1	61.8	12 677	16 114	275	374
San Agustín ES	62	4.11	4.37	70.1	73.8	33 293	15 158	1 034	509

	Number of accommodation units ¹	2022	Quality (Scale 1 – 5) ²	2023	Occupancy during opening times (in %) ³	2022	2023	Number of overnight stays ⁴	2022	2023	Revenue resort (in EUR 1000)	2022	2023
Sun & Sea													
Albufeira PT	212	4.44	4.51	78.0	82.4	144 548	151 586	4 579	4 993				
Binz DE	184	4.64	4.63	84.7	84.4	124 205	120 817	3 968	3 985				
Bodrum TR	637	4.53	4.50	47.8	47.7	211 106	218 524	12 763	12 443				
Cavallino IT	125	4.68	4.75	78.3	80.1	88 658	85 827	3 408	3 503				
Cefalù IT	136	4.36	4.40	71.9	80.4	54 370	57 739	2 372	2 607				
Damnoni GR	199	4.69	4.76	72.6	75.9	99 746	102 465	3 664	4 078				
Hörnum DE	120	4.56	4.50	88.5	84.1	92 256	89 675	3 301	3 392				
Paguera ES	239	n.a.	4.54	n.a.	67.3	n.a.	9 074	n.a.	348				
Scerne di Pineto IT	150	4.55	4.59	70.7	79.9	66 115	64 899	2 374	2 543				
Westerland DE	96	4.35	4.33	82.4	83.8	62 558	59 865	1 597	1 651				
Cities													
Amsterdam NL	26	4.52	4.44	83.0	90.9	16 651	18 524	766	897				
Athens GR	16	4.71	4.65	63.6	75.3	8 224	9 780	271	340				
Berlin Gendarmenmarkt DE	28	4.71	4.64	85.3	91.2	19 336	20 647	651	747				
Berlin Zoo DE	30	4.57	4.48	81.7	87.0	18 635	20 326	558	632				
Budapest HU	30	4.77	4.77	38.9	56.1	9 794	14 173	297	451				
Dresden DE	37	4.81	4.80	66.8	72.6	17 670	19 688	669	743				
Edinburgh GB	29	4.61	4.71	80.1	83.4	16 804	18 287	967	988				
Hamburg DE	40	4.86	4.87	83.7	88.8	27 468	28 451	1 123	1 247				
Lisbon PT	27	4.63	4.67	82.0	90.2	18 105	20 364	563	694				
London GB	44	4.79	4.83	84.6	93.1	37 303	41 540	1 436	1 483				
Munich DE	57	4.46	4.47	72.6	76.1	33 966	35 240	1 164	1 250				
Paris FR	64	n.a.	4.46	n.a.	91.7	n.a.	37 215	n.a.	1 364				
Prague CZ	48	4.65	4.62	39.6	52.4	14 431	19 173	472	774				
Salzburg AT	28	4.83	4.85	76.7	85.7	15 660	17 878	642	800				
Vienna AT	34	4.62	4.60	79.8	88.4	21 697	24 306	745	876				
Houseboat house ports													
Midi FR	8	4.57	4.64	72.7	67.2	5 032	4 795	341	247				
Müritz DE	8	4.57	4.45	73.4	76.2	4 347	4 927	275	273				
Total in all resorts	4 990	4.59	4.61	71.6	73.2	2 527 946	2 643 640	100 064	109 499				

¹ Number of accommodation units available to shareholders and members at the end of the year

² According to the questionnaire (scale 1 – 5) sent to shareholders and members after each stay

³ Closing times due to renovations are also taken into account

⁴ Number of overnight stays: number of guests × number of nights

Consolidated financial statements of Hapimag AG as at 31.12.2023

Consolidated balance sheet

Assets

in EUR 1000

	Notes	2022 ¹	2023
Cash and cash equivalents	1	23 619	25 337
Trade receivables	2	16 947	17 736
Other current receivables	3	8 259	10 172
Inventories	4	1 596	1 578
Prepaid expenses and accrued income	5	1 626	2 430
Current assets		52 047	57 253
Property, plant and equipment	6	575 326	577 928
Intangible assets	7	87	94
Financial assets	8	342	339
Non-current assets		575 755	578 361
Total assets		627 802	635 614

Equity and liabilities

Financial liabilities	9	2 031	5 375
Liabilities from rights of residence	10	30 428	25 407
Trade payables	11	10 949	11 704
Other current liabilities	12	2 299	2 250
Accrued expenses and deferred income	13	21 395	22 582
Provisions	14	3 981	4 874
Current liabilities		71 083	72 192
Financial liabilities	9	20 309	21 498
Loans from shareholders	15	148 185	149 864
Liabilities from rights of residence	10	29 996	26 283
Other non-current liabilities	16	4 738	2 950
Deferred tax liabilities	17	12 177	12 735
Provisions	14/18	20 437	22 314
Non-current liabilities		235 842	235 644
Liabilities		306 925	307 836
Share capital	19	22 956	22 956
Capital reserves	20	412 117	420 685
Own shares	21	– 20 418	– 20 992
Other reserves	20	– 106 641	– 115 175
Retained earnings		12 863	20 304
Equity attributable to Hapimag shareholders		320 877	327 778
Total equity and liabilities		627 802	635 614

¹ adjusted (ref. to changes in accounting policies)

Consolidated income statement

in EUR 1000	Notes	2022 ¹	2023
Annual subscription charges	22	66 030	67 663
Resort revenue	23	100 064	109 499
Other revenue	24	1 825	2 476
Revenue deductions	25	– 2 955	– 3 346
Revenue		164 964	176 292
Income from exercised rights of residence	10	11 415	16 231
Other operating income	26	4 551	6 650
Operating income		180 930	199 173
Cost of sales and services	27	– 20 758	– 22 534
Personnel expenses	28	– 55 990	– 65 750
Depreciation of property, plant and equipment	6	– 30 412	– 31 575
Amortisation of intangible assets	7	– 34	– 4
Maintenance and operating expenses	29	– 35 246	– 40 811
Marketing and selling expenses	30	– 8 274	– 1 381
Administrative expenses	31	– 17 189	– 17 880
Other operating expenses	32	– 9 308	– 9 296
Operating result		3 719	9 942
Financial income	33	1 167	695
Financial expenses	33	– 1 198	– 1 925
Result before tax		3 688	8 712
Income taxes	34	– 565	– 1 271
Consolidated result attributable to Hapimag shareholders		3 123	7 441

¹ adjusted (ref. to changes in accounting policies)

Consolidated financial statements of Hapimag AG as at 31.12.2023

Changes in consolidated equity

in EUR 1000	Notes	Share capital	Capital reserves	Own shares	Other reserves	Retained earnings	Equity attributable to Hapimag shareholders
Balances at as 31.12.2021		22 956	387 754	– 19 201	– 99 832	9 740	301 417
Adjustments Inflation							
Accounting Turkey ¹			18 386				18 386
Balances at as 1.1.2022		22 956	406 140	– 19 201	– 99 832	9 740	319 803
Consolidated result						3 123	3 123
Currency translation adjustments	20				– 8 052		– 8 052
Adjustments Inflation							
Accounting Turkey	20		248				248
Share sales	20		505				505
Transfer from own shares	20/21		– 424	424			0
Shares repurchased	21			– 1 641			– 1 641
Exercise of call options	20				1 243		1 243
Repurchase of loans from shareholders	20		5 648				5 648
Balances at as 31.12.2022		22 956	412 117	– 20 418	– 106 641	12 863	320 877
Consolidated result						7 441	7 441
Currency translation adjustments	20				– 8 803		– 8 803
Adjustments Inflation							
Accounting Turkey	20		2 484				2 484
Share sales	20		891				891
Transfer from own shares	20/21		– 788	788			0
Shares repurchased	21			– 1 362			– 1 362
Exercise of call options	20				269		269
Repurchase of loans from shareholders	20		5 981				5 981
Balance as at 31.12.2023		22 956	420 685	– 20 992	– 115 175	20 304	327 778

¹ adjusted (see changes in accounting policies)

An overwhelming portion of the Hapimag Group's revenue is generated with shareholders. The company has no plans to distribute reserves.

Consolidated cash flow statement

in EUR 1000	Notes	2022 ¹	2023
Operating activities			
Consolidated result		3 123	7 441
Income taxes	34	565	1 271
Depreciation and amortisation	6/7	30 446	31 579
Profit (-)/loss on disposal of property, plant & equipment, net	26/32	65	- 1 830
Income from exercised rights of residence	10	- 11 415	- 16 231
Interest income	33	- 137	- 692
Interest expenses	33	265	393
Other non-cash items		1 945	380
Change in receivables and prepayments and accrued income		- 3 452	- 2 855
Change in inventories		- 528	- 250
Change in liabilities and accrued expenses and deferred income		10 418	5 405
Interest received		135	685
Interest paid		- 621	- 393
Income taxes paid		- 686	- 177
Cash Flow from operating activities		30 123	24 726
Investment activities			
Acquisition of property, plant & equipment	6	- 32 988	- 29 044
Acquisition of intangible assets	7	- 4	- 10
Proceeds from sale of property, plant and equipment		60	3 664
Cash Flow from investment activities		- 32 932	- 25 390
Financing activities			
Share sales		505	891
Shares repurchased		- 1 242	- 1 785
Exercise of call options		- 112	- 27
Proceeds from bank borrowings		0	5 143
Repayment of liabilities to banks		- 1 988	- 2 057
Money market investments		12 269	0
Cash Flow from financing activities		9 432	2 165
Currency translation adjustments on cash and cash equivalents		513	217
Increase/decrease (-) in cash and cash equivalents		7 136	1 718
Cash and cash equivalents at beginning of year	1	16 483	23 619
Cash and cash equivalents at year-end	1	23 619	25 337

¹ adjusted (ref. to changes in accounting policies)

Notes to the 2023 consolidated financial statements of Hapimag AG

1. Consolidated accounting policies

Reporting company

The consolidated financial statements include Hapimag AG, Steinhausen as the parent company and the subsidiaries where the parent company controls the investee (collectively referred to as "the Group" or "Hapimag", individually as "Group companies"). There are no holdings in which the stake is less than 100%. The companies included in the consolidated statements are listed on page 65.

Declaration of conformity

The consolidated financial statements of Hapimag AG have been prepared in accordance with the recommendations on accounting (Swiss GAAP FER) and give a true and fair view of the net assets, financial position and results of operations.

The consolidated financial statements were approved by the Board of Directors of Hapimag AG on 7 March 2024. They are also subject to approval by the Annual General Meeting on 27 April 2024.

Consolidation principles

100% of assets and liabilities, income and expense are recognised in accordance with the full consolidation method. Inter-company transactions (receivables and liabilities, income and expenditures) are eliminated. Unrealised gains on intercompany transactions and balances are eliminated through profit or loss.

Capital consolidation is done in accordance with the acquisition method. The acquisition cost of an acquired company is offset against its net assets measured at fair value at the acquisition date.

Consolidation is based on the individual financial statements of the Group companies which are prepared in accordance with uniform accounting principles. The accounting principles are consistently applied. The standard effective date is 31 December. The consolidated financial statements have been prepared, apart from derivative financial instruments, according to the cost method.

The consolidated financial statements are presented in euro (EUR), rounded to the thousand. The functional currency of the parent company Hapimag AG is the Swiss franc. The reason for choosing the EUR as the presentation currency is the international orientation of the Group and the fact that EUR is already the functional currency of most Group companies.

Changes in accounting policies starting in 2023

Accounting in hyperinflationary countries requires that the financial statements of a company whose functional currency is the currency of a hyperinflationary country must be adjusted for changes in the general purchasing power of that currency, so that the financial information provided is more meaningful.

Given that inflation rates are currently very high in Turkey, the financial statements of the Turkish subsidiary have been adjusted to the purchasing power at the time of the report by means of indexation. The Turkish consumer price index was used for indexation.

The previous year's figures have also been restated to ensure comparability (restatement in accordance with Swiss GAAP FER). On the basis of the above restatements, the following overview shows the impact on consolidated equity and the consolidated result:

Effect of restatement on equity (in EUR 1000)	01.01.2022	31.12.2022
Equity before adjustments	301 417	304 054
Adjustments Inflation Accounting Turkey	18 386	16 823
Equity after restatement	319 803	320 877

Restatement effect on consolidated result (in EUR 1000)	2022
Consolidated result before restatement	4 934
Adjustments Inflation Accounting Turkey	– 1 811
Consolidated result after adjustments	3 123

The restatement had no impact on the consolidated cash flow statement.

Currency translation

Foreign currency transactions

The local currency is considered the functional currency of all Group companies. Transactions in foreign currencies are converted into the functional currency at the spot rate applicable on the date the transaction was processed. Cash assets and liabilities denominated in a foreign currency held on 31 December are converted into the functional currency at the exchange rate valid on the balance sheet date. Differences arising from translation on the balance sheet date are recognised in profit or loss and shown in the financial result.

Translation in the financial statements to be consolidated

The financial statements to be consolidated in foreign currencies will be translated to the presentation currency EUR. The translation is done in accordance with the balance sheet date method. Assets and liabilities are translated at the exchange rate valid on the balance sheet date. Equity is kept at historical rates. Earnings and expenditures are converted at the average exchange rates for the period concerned. Translation differences as well as the foreign currency effects on long-term equity-like Group loans are recognised in equity and are presented as currency translation adjustments under Other reserves in equity. The cumulative currency translation adjustments arising from the translation of financial statements and Group loans are recognised in profit or loss when a subsidiary is sold.

Presentation in the consolidated cash flow statement

The consolidated cash flow statement is presented according to the indirect method. The change in the liability arising from rights of residence is allocated as cash flow to "Cash flows from operating activities". The amounts recorded directly in shareholders' equity from sales and repurchase of own shares, on the other hand, are presented as financing activities.

Business model and revenue recognition

Hapimag builds and operates its own resorts, which are primarily made available to Hapimag shareholders and members. Hapimag sells equity and non-equity right-of-residence products (referred to as other right-of-residence products). A person becomes a member by acquiring a right-of-residence product, and becomes a shareholder by acquiring a share. Members are credited right-of-residence products once or on a recurring basis per right-of-residence product. Members are entitled to book and use accommodations in Hapimag resorts that are available in exchange for residence points. Hapimag is obliged to provide the necessary accommodation for all rights of residence.

The legal relationship between Hapimag and its shareholders is defined both by its Articles of Association and by the General Terms and Conditions for acquiring shares. Separate General Terms and Conditions apply to all other right-of-residence products.

A) Sales of right-of-residence products

Only shares that were bought back (so-called depot shares) are sold (see Own shares). The gain or loss on resold depot shares is recognised in the capital reserves.

Shareholders are credited with 60 residence points per share each year, which are not reported on the balance sheet. Shareholders are contractually obligated to provide the financial means, in the form of annual subscription charges, in order for Hapimag to manage and maintain the accommodations they finance. As such, Hapimag does not recognise any liabilities for these residence points. By contrast, residence points relating to suspended or terminated rights of residence and repurchased shares are recognised under accrued expenses and deferred income, as Hapimag has an obligation to provide accommodation in respect of these residence points even though it no longer receives any annual subscription charges in return. The change in this liability is recognised in the income statement under revenue (annual subscription charges, shares).

Notes to the 2023 consolidated financial statements of Hapimag AG

B) Sales of other right-of-residence products

The selling price of other right-of-residence products includes the components of amortisation of accommodation, the prepaid operational cost amounts of the annual subscription charge and sales of other right-of-residence products. For invoices for the sales of other right-of-residence products, the three components are booked as follows:

The amortisation part is booked in liabilities from rights of residence (current and non-current liabilities) and the prepaid operational costs part of the subscription charge is booked under liabilities (accrued expenses and deferred income and other non-current liabilities). Sale proceeds exceeding that amount are recognised in the income statement as revenue from the sale of other right-of-residence products.

When rights of residence are claimed, there is a reduction in both liabilities arising from rights of residence as well as accrued expenses and deferred income (number of points times the amount per point entered as a liability). The reduction in liabilities arising from rights of residence is credited to income from exercised rights of residence and the reduction in accrued expenses and deferred income is credited as sales generated by annual subscription charges.

C) Annual subscription charges

The annual subscription charges of shares and other right-of-residence products are invoiced at the start of the calendar year and entered as sales, provided that the charges are not included in the product price. The first annual charge for the purchase year is entered as a sale at the time the share is sold.

D) Resort revenue

Resort revenue basically include the income from local charges and services as well as net sales from the sale of goods. These revenues are booked in the period in which the services or supplies were provided.

E) Share repurchase

In connection with the sale of shares until 30 June 2007, Hapimag will repurchase shares offered by shareholders for repurchase (including right of residence) in the amount of 10% of the shares sold to new shareholders. The repurchase price contains a repurchase discount.

According to the General Terms and Conditions of the Hapimag Share 21 (sold between 1 July 2007 and 31 August 2012), these shares may be bought back in an amount no greater than the amount of shares sold in the calendar year. This repurchase obligation includes the previously mentioned share buy-backs.

As of the balance sheet date, all repurchase obligations had been fulfilled and there existed no open obligations to redeem other shares.

Hapimag is not subject to a repurchase obligation for the equity products sold as of September 2012 and can instead exercise its discretion freely when deciding to repurchase shares. The repurchase price for these equity products is the net asset value. This value is determined by dividing the amount of internal operating resources (= shareholders' equity, loans from shareholders and investment subsidies) according to the Hapimag consolidated balance sheet by the number of Hapimag outstanding shares at the end of the year. The balance sheet of the financial year before the payment is decisive.

F) Exchange of shares

Since 2014, shareholders have been offered options for adjusting or terminating their membership. Shares exchanged and taken back within the scope of these offerings are recognised in a manner similar to the repurchase of shares.

G) Redemption of residence points under the Hapimag loyalty programme and other residence points

All Hapimag shareholders and members participate in the Hapimag loyalty programme. Under the loyalty programme, one to three residence points are credited monthly to members for each CHF 250 spent at resorts. Other residence points include point vouchers as referral bonuses, member compensations and points granted to employees. The issuing of these residence points is recognised in the income statement and booked under "Liabilities from rights of residence." If rights-of-residence are utilised, the liability is released as income.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances as well as short-notice fixed term deposits with maturities of up to 90 days, calculated from the date of acquisition.

Derivative financial instruments

Derivative financial instruments used to hedge future cash flows are disclosed in the notes until they are realised. Their realisation is recognised in the income statement under the financial result. Other derivative financial instruments are recognised at fair value on the date of acquisition, less transaction costs. Unrealised profits and losses from the fair value measurement of these instruments are recognised in the income statement under the financial result.

Trade receivables and other current receivables

Trade receivables and other current receivables are recorded at nominal values minus value corrections for credit risk. Groups of receivables with a similar risk profile, where there are indications that the outstanding amount will not be received in full, are subject to a general value correction. The general value correction is based on experience and on the assumption that the longer a receivable is outstanding, the greater the credit risk is.

Inventories

Inventories consist primarily of goods that are required for the operation of the resorts or are sold in them. They are valued at their acquisition cost or, if lower, their net realisable value. The acquisition cost is equivalent to the average acquisition cost.

Property, plant and equipment

Property, plant & equipment are stated at acquisition or production cost less accumulated depreciation and impairment losses. Parts of buildings with different useful lives are recognised separately. Property, plant & equipment or their separately recognised components are depreciated on a straight line basis over their estimated useful life:

Building shells	40 – 60 years
Internal and external building installations	15 – 30 years
Technical installations	10 – 15 years
Other equipment and furnishings	4 – 12.5 years
Houseboats including fixtures	12.5 years
IT systems, vehicles	4 – 5 years

Land is not depreciated, with the exception of impairment losses. Expenditure on the replacement of separate components of buildings is capitalised. Other investments are only capitalised if they increase the future economic benefit of the asset. Assets under construction are assets that are not yet complete or not yet ready for use. They are capitalised but not depreciated, though they undergo an impairment test if there are indications that this is required. Financing costs for qualifying assets are capitalised.

The following are not capitalised: all maintenance and repair work additional to the renovation cycle, the direct costs of Hapimag staff and start-up costs. These are recognised in the income statement as operating expenses.

The acquisition of property, plant & equipment by leasing is insignificant. All leased items are classified as "operating leases" and thus are not capitalised in the balance sheet.

Intangible assets

Intangible assets are recognised in the balance sheet at acquisition or production cost less amortisation and impairment losses and are amortised over their expected useful lives as follows:

Software	4 – 5 years
Licenses and rights of use	Term of contract

Notes to the 2023 consolidated financial statements of Hapimag AG

Impairment losses

The book value of all assets, excluding inventories, is reviewed on the balance sheet date to identify any signs of possible impairment loss. If so, the attainable amount is calculated. The recoverable amount is the higher of the value in use and the net market value less disposal costs. The value of an asset is impaired if its book amount exceeds the recoverable amount. The book value is reduced to the recoverable amount if this is the case. The impairment is recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised at nominal values. Liabilities to banks are recognised as current liabilities, provided they are due within 12 months.

Loans from shareholders

Until 28 February 2000, when a share was sold, part of the investment requirement (CHF 1,100) was recognised as a liability in "Loans from shareholders". The loan was non-redeemable, non-interest-bearing and included in the General Terms of Membership. Where shares with loans are repurchased, the balance of loans from shareholders, expressed in the nominal currency (CHF), decreases.

Liabilities from rights of residence

These liabilities arise from the sale of other right-of-residence products (see Section A) and the credit of residence points in connection with the Loyalty Programme as well as other residence points (see Section G). For the rights of residence exercised in the reporting year, there is a release to the income statement of these liabilities under the position "Income from exercised rights of residence" (see notes on revenue recognition).

Investment subsidies

Hapimag's activities in some countries entitle it to investment subsidies. These are presented upon receipt in "Other liabilities", and – if the fulfilment of all associated conditions is considered probable – recognised on a straight-line basis over the investment's useful life as "Other operating income".

Income taxes

Income taxes include current and deferred taxes for the period. These are calculated at current or actually expected national tax rates. Current income tax includes expected taxes on the results of Group companies determined in accordance with local tax legislation, as well as supplementary tax and tax refunds in respect of prior years. The annual accrual of deferred taxes is based on a balance sheet-oriented view. Deferred taxes are calculated on the temporary differences between the balance sheet values of the tax balance sheets and those used in the consolidated financial statements. Deferred tax assets are recognised only up to the amount of deferred income tax liabilities.

Employee pension liabilities

There are different retirement schemes in the Group for employees in accordance with the relevant national regulations. The actual economic effects of the employee pension plans are assessed annually and calculated on the balance sheet date. The employees of Hapimag AG, Steinhausen are insured by a legally independent pension scheme (Hapimag Pension Fund). The calculation of any surplus or shortfall is based on the annual financial statements of the Hapimag Pension Fund prepared in accordance with Swiss GAAP FER 26. For foreign pension plans, the calculation of the economic obligation is based on the country-specific recognised methods. Economic benefits arising from a surplus in the Pension Fund are recognised as assets where they are used for future expenditure on occupational pensions by the company. Economic obligations are recognised as liabilities where the conditions for the creation of a provision are met. Changes to the economic benefit or obligation are recognised in the income statement under personnel expenses in the same way as the contributions payable in the same period.

Provisions

Provisions are presented as non-current and current provisions if Hapimag has a present obligation arising from a past event and if it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Own shares

There have not been treasury shares since 2013; as a result, only depot shares are reported under "Own shares". Depot shares are shares which were bought back (see Sections E and F). These shares are held with the purpose of reselling them to Hapimag members. The funding portion (investment requirement) is reported as own shares as a minus position in equity. If the purchase price (repurchase price) exceeds the funding portion of the share, the amount is reported as a right of use.

The repurchase and resale of Hapimag shares are recognised in profit or loss as explained in the notes on "Revenue recognition" (see Sections A, E and F).

Call option for the repurchase of Hapimag shares

Hapimag acquired a ten-year call option from shareholders in financial years 2014 to 2018. This call option represents an equity instrument and is recognised as a deduction in equity. Hapimag is entitled to exercise its call option at any time at the agreed price per share. If the call option is exercised, the shares received are reported under "Own shares" and the agreed price per share is paid out. Hapimag is not subject to any purchase obligation.

Estimates in the application of accounting principles and future estimation uncertainties

The resorts are subject to location risks that may affect their attractiveness (natural disasters, political unrest, outbreak of disease, etc.). This could result in impairment losses.



Notes to the 2023 consolidated financial statements of Hapimag AG

2. Notes

1. Cash and cash equivalents (in EUR 1000)	2022	2023
Cash on hand	274	344
Bank balances	23 345	24 993
Total	23 619	25 337

2. Trade receivables (in EUR 1000)		
Trade receivables	26 789	29 134
Allowances	– 9 842	– 11 398
Total	16 947	17 736

There are no concentrations of risk as the trade receivables are due from a large number of members in different countries.

3. Other current receivables (in EUR 1000)		
VAT receivables	6 714	8 953
Other tax receivables	1 073	395
Receivables from suppliers	192	224
Receivables in respect of social security contributions	66	106
Other receivables	214	494
Total	8 259	10 172

There are no known concentrations of risk. There are not expected to be any significant impairment losses on receivables.

4. Inventories (in EUR 1000)		
Raw materials, supplies and goods	799	736
Finished products and goods	797	842
Total	1 596	1 578

5. Prepaid expenses and accrued income (in EUR 1000)		
Prepaid expenses and accrued income	1 626	2 430
Total	1 626	2 430

Prepayments and accrued income only include accruals for prepaid expenditure in the following year.

6. Property, plant and equipment (in EUR 1000)	Land and buildings	Equipment, houseboats, furniture and office equipment, vehicles	Renovations under construction	Total
At cost as at 1.1.2022	995 339	205 199	4 447	1 204 985
Adjustments Inflation				
Accounting Turkey	– 80	– 85	– 76	– 241
Additions	3 046	5 730	24 212	32 988
Transfers	641	124	– 765	0
Disposals	– 1 892	– 1 408	– 4	– 3 304
Currency translation adjustments	2 808	– 568	– 14	2 226
At cost as at 31.12.2022	999 862	208 992	27 800	1 236 654
Accumulated depreciation as at 1.1.2022	470 231	163 336	0	633 567
Adjustments Inflation				
Accounting Turkey	– 53	– 46	0	– 99
Additions	21 889	8 523	0	30 412
Disposals	– 1 793	– 1 381	0	– 3 174
Currency translation adjustments	617	5	0	622
Accumulated depreciation as at 31.12.2022	490 891	170 437	0	661 328
At cost as at 1.1.2023	999 862	208 992	27 800	1 236 654
Adjustments Inflation				
Accounting Turkey	6 806	1 709	0	8 515
Additions	8 980	5 572	14 492	29 044
Transfers	8 635	4 864	– 13 499	0
Disposals	– 9 758	– 7 149	0	– 16 907
Currency translation adjustments	4 384	46	0	4 430
At cost as at 31.12.2023	1 018 909	214 034	28 793	1 261 736
Accumulated depreciation as at 1.1.2023	490 891	170 437	0	661 328
Adjustments Inflation				
Accounting Turkey	4 726	1 518	0	6 244
Additions	22 808	8 767	0	31 575
Disposals	– 7 957	– 7 116	0	– 15 073
Currency translation adjustments	– 216	– 50	0	– 266
Accumulated depreciation as at 31.12.2023	510 252	173 556	0	683 808
Net carrying amounts as at 1.1.2022	525 108	41 863	4 447	571 418
Net carrying amounts as at 31.12.2022	508 971	38 555	27 800	575 326
Net carrying amounts as at 31.12.2023	508 657	40 478	28 793	577 928

No financing costs were capitalised during the reporting year, as was also the case in the previous year. The Transfers line shows the redistribution of completed renovations to the two asset categories. The disposals in the year under review and in the previous year mainly relate to renovations.

Notes to the 2023 consolidated financial statements of Hapimag AG

7. Intangible assets (in EUR 1000)	IT software	Licences and rights of use	Total
At cost as at 1.1.2022	24 464	335	24 799
Additions	4	0	4
Disposals	– 44	0	– 44
Currency translation adjustments	1 173	0	1 173
At cost as at 31.12.2022	25 597	335	25 932
Accumulated amortisation as at 1.1.2022	24 432	251	24 683
Additions	33	1	34
Disposals	– 44	0	– 44
Currency translation adjustments	1 172	0	1 172
Accumulated amortisation as at 31.12.2022	25 593	252	25 845
At cost as at 1.1.2023	25 597	335	25 932
Adjustments Inflation			
Accounting Turkey	95	0	95
Additions	10	0	10
Disposals	– 202	0	– 202
Currency translation adjustments	1 357	0	1 357
At cost as at 31.12.2023	26 857	335	27 192
Accumulated amortisation as at 1.1.2023	25 593	252	25 845
Adjustments Inflation			
Accounting Turkey	95	0	95
Additions	3	1	4
Disposals	– 202	0	– 202
Currency translation adjustments	1 356	0	1 356
Accumulated amortisation as at 31.12.2023	26 845	253	27 098
Net carrying amounts as at 1.1.2022	32	84	116
Net carrying amounts as at 31.12.2022	4	83	87
Net carrying amounts as at 31.12.2023	12	82	94

8. Financial assets (in EUR 1000)	2022	2023
Non-current receivables from suppliers (deposits)	149	143
Restricted cash	81	86
Other non-current receivables	112	110
Total	342	339

There are no known concentrations of risk. There are not expected to be any significant impairment losses on receivables.

9. Financial liabilities (in EUR 1000)	2022	2023
Financial liabilities, non-current		
Liabilities to banks	20 309	21 498
Financial liabilities, current		
Liabilities to banks	2 031	5 375
Total	22 340	26 873

10. Liabilities from rights of residence (in EUR 1000)

2022

2023

Liabilities from the sale of rights of residence

Opening balance	45 752	41 001
Additions	378	581
Decrease due to repurchase of rights of residence	0	– 1
Decrease due to exercised rights of residence	– 7 270	– 6 878
Currency translation adjustments	2 141	2 108
Closing balance	41 001	36 811

Rights of residence used in the course of the financial year are recognised as income.

Liabilities from the issue of other residence points

Opening balance	11 623	19 423
Increase in liabilities for residence points from the loyalty programme (see Note 25)	2 981	3 370
Increase in liabilities for other residence points (previous year: incl. points from anniversary gift)	8 231	545
Decrease due to other exercised residence points (including points from the loyalty programme)	– 4 145	– 9 353
Currency translation adjustments	733	894
Closing balance	19 423	14 879

Total liabilities from rights of residence, closing balance	60 424	51 690
– of which non-current	29 996	26 283
– of which current	30 428	25 407

11. Trade payables (in EUR 1000)

Trade payables up to 1 year	10 949	11 704
Total	10 949	11 704

12. Other current liabilities (in EUR 1000)

Liabilities to members	2 299	2 250
Total	2 299	2 250

13. Accrued expenses and deferred income (in EUR 1000)

Deferred income, travel services	461	668
Deferral for prepaid portions of operating costs of annual subscription charges	10 915	9 337
Other deferred income	1 918	2 424
Current income taxes	218	615
Other taxes	2 131	2 369
Social security contributions	946	1 463
Outstanding invoices for trade payables	4 806	5 706
Total	21 395	22 582

Income from travel services is deferred to the date of departure.

Notes to the 2023 consolidated financial statements of Hapimag AG

14. Provisions (current and non-current)	Other taxes	Other	Total
Current provisions (in EUR 1000)			
Balance as at 1.1.2022	180	3 736	3 916
Used	– 96	– 663	– 759
Reversals	– 65	– 386	– 451
Additions	97	1 234	1 331
Currency translation adjustments	3	– 59	– 56
Balance as at 31.12.2022	119	3 862	3 981
Balance as at 1.1.2023	119	3 862	3 981
Used	– 58	– 358	– 416
Reversals	0	– 345	– 345
Additions	53	1 693	1 746
Currency translation adjustments	5	– 97	– 92
Balance as at 31.12.2023	119	4 755	4 874

The other provisions primarily relate to legal disputes and costs resulting from restructuring.

Non-current provisions (in EUR 1000)	Pension liabilities	Personnel	Other taxes	Other	Total
Balance as at 1.1.2022	285	1 842	10 927	6 288	19 342
Used	0	– 350	0	– 6	– 356
Reversals	– 144	– 117	0	0	– 261
Additions	8	969	0	20	997
Currency translation adjustments	0	– 77	536	256	715
Balance as at 31.12.2022	149	2 267	11 463	6 558	20 437
Stand 1.1.2023	149	2 267	11 463	6 558	20 437
Used	0	– 713	0	– 10	– 723
Reversals	0	– 46	0	– 10	– 56
Additions	66	1 012	0	739	1 817
Currency translation adjustments	0	– 143	667	315	839
Stand 31.12.2023	215	2 377	12 130	7 592	22 314

See Note 18 regarding pension liabilities. Personnel encompasses provisions for employee retention and statutory provisions for retirement benefits related to length of service for employees in foreign subsidiaries. Other taxes relate to possible back taxes due to a change in the law and other provisions mainly relate to regulatory changes.

15. Loans from shareholders (in EUR 1000)	2022	2023
Loans in connection with the gross sale of the share product		
Opening balance	147 545	148 185
Repurchases	– 6 605	– 6 700
Currency translation adjustments	7 245	8 379
Closing balance	148 185	149 864

Until 28 February 2000, when a share was sold, part of the investment requirement (CHF 1,100) was recognised as “Loans from shareholders”. The loan was non-redeemable, non-interest-bearing and included in the General Terms of Membership. Where shares with loans are repurchased, the balance of loans from shareholders, expressed in the nominal currency (CHF), decreases.

16. Other non-current liabilities (in EUR 1000)

2022

2023

Investment subsidies

Resort Bodrum (TR)	32	4
Resort Marrakech (MA)	30	54
Resort Porto Heli (GR)	1 014	946
Resort Zell am See (AT)	84	81
Other Resorts	16	13
Total	1 176	1 098

Other liabilities

Prepaid portion of operating costs of annual subscription charge from other right-of-residence products	3 378	1 615
Other	184	237
Total	3 562	1 852
Total	4 738	2 950

17. Deferred tax liabilities (in EUR 1000)

2022 Assets

2022 Liabilities

2023 Assets

2023 Liabilities

Deferred tax assets and liabilities

The deferred taxes result from the following balance sheet items:

Property, plant and equipment	51	– 15 311	26	– 15 452
Intangible assets	21	– 5	18	– 5
Other current receivables	26	0	101	0
Accrued expenses and deferred income	42	0	30	0
Non-current liabilities	0	– 362	0	– 290
Provisions	191	0	56	0
Loss carryforwards	3 170	0	2 781	0
Total	3 501	– 15 678	3 012	– 15 747
Set off of tax	– 3 501	3 501	– 3 012	3 012
Deferred tax liabilities	0	– 12 177	0	– 12 735

Deferred income taxes are calculated at the current country-specific tax rates in each company. In 2023, this amounted to a weighted average rate of 20.6% (previous year: 25.1%).

Hapimag has the following tax loss carryforwards that have not been capitalised:

Loss carryforward expiry

2022

2023

within one year	46 225	41 292
in 2–4 years	42 128	6 869
in 5–7 years	16 801	26 335
in more than 7 years	15 278	16 684
unlimited	31 365	25 541
Total	151 797	116 721

Deferred tax assets on temporary differences of EUR 41.1 million (previous year: EUR 31.6 million) were not capitalised.

Notes to the 2023 consolidated financial statements of Hapimag AG

Economic benefit/economic obligation and pension expenses	Surplus/ shortfall	2022	Economic part of Hapimag	Change to previous year or recognised in	Contributions concerning the business year	Pension costs	
						in personnel expenses	
	2023	2022	2023	2023	2023	2022	2023
Employer's funds/employer-funded pension funds	0	0	0	0	0	0	0
Pension plans not including surplus/shortfall	0	0	0	0	0	0	0
Pension plans with surplus (Switzerland)	0	0	0	0	0	1 289	1 286
Pension plans with shortfall (foreign)	0	0	0	0	11	– 36	11
Pension plans without own assets (foreign)	0	– 149	– 215	66	0	– 88	66
Total	0	– 149	– 215	66	11	1 165	1 363

The pension plan with a surplus refers to the pension plan of the Hapimag Pension Fund, Steinhausen. Pension plans without own assets encompass individual foreign subsidiaries that recognise pension liabilities directly in the balance sheet.

19. Share capital

The share capital is that of Hapimag AG, Steinhausen and amounts to EUR 22.956 million, as in the previous year. The share capital consists of 59,300 registered shares with a nominal value of CHF 100 each and 178,700 registered shares with a nominal value of CHF 200 each. Each share confers the right to cast one vote. The shares are not traded on the stock exchange and any subscription right on capital increases is excluded in the Articles of Association. Shares sold until February 2000 are inalienably associated with a loan. In accordance with article 28 of the Articles of Association, no dividends are paid.

20. Reserves (in EUR 1000)	2022	2023
Capital reserves		
Opening balance	406 140	412 117
Share sales	505	891
Transfer from own shares (see Note 21)	– 424	– 788
Repurchase of loans	5 648	5 981
Adjustments Inflation Accounting Turkey	248	2 484
Closing balance	412 117	420 685

The capital reserves are mainly the result of the sale of treasury shares.

Other reserves

Call options		
Opening balance	– 16 531	– 15 288
Exercise of call options	1 243	269
Closing balance	– 15 288	– 15 019

Hapimag AG acquired a ten-year call option from shareholders in financial years 2014 to 2018. Hapimag is entitled to exercise its call option at any time at a price of CHF 200 per share. Hapimag is not subject to any purchase obligation.

Currency translation adjustments

Opening balance	– 83 301	– 91 353
Change	– 8 052	– 8 803
Closing balance	– 91 353	– 100 156

Currency translation adjustments are temporary differences as of the balance sheet date that arose, on the one hand, from the translation of the annual accounts in a foreign currency into the presentation currency EUR and, on the other, due to the reporting date valuation of equity-like long-term Group loans.

Call options	– 15 288	– 15 019
Currency translation adjustments	– 91 353	– 100 156
Total other reserves	– 106 641	– 115 175

21. Own shares (in EUR 1000)	Number 2022	Number 2023	2022	2023
Opening balance	11 134	12 174	19 201	20 418
Transfer from own shares (see Note 20)	– 223	– 426	– 424	– 788
Repurchase of depot shares	1 263	1 094	1 641	1 362
Closing balance	12 174	12 842	20 418	20 992
Average sale price per share in EUR			2 264	2 093
Average repurchase price per share in EUR			2 057	1 902

22. Annual subscription charges (in EUR 1000)

Annual subscription charges, shares	60 873	63 224
Annual subscription charges, other right-of-residence products	5 157	4 439
Total	66 030	67 663

23. Resort revenue (in EUR 1000)

Local charges	50 349	57 304
Marketing to third parties	12 066	11 087
Restaurants and shops	23 436	25 820
Additional services	8 870	9 592
Other sales from services	5 343	5 696
Total	100 064	109 499

The geographical breakdown of resort revenue is as follows: EU 73.7% (previous year: 72.9%), Switzerland 12.4% (previous year: 12.1%), Other 13.9% (previous year: 15.0%).

24. Other revenue (in EUR 1000)

Sales of other right-of-residence products	54	42
Travel service sales	290	443
Cancellation insurance on right-of-residence products	815	651
Fees for right-of-residence products	430	516
Other	236	824
Total	1 825	2 476

Travel service sales are normally recognised in the income statement on the customer's day of departure.

Notes to the 2023 consolidated financial statements of Hapimag AG

25. Revenue deductions (in EUR 1000)	2022	2023
Issue of residence points from the loyalty programme (see Note 10)	2 981	3 370
Other revenue deductions	– 26	– 24
Total	2 955	3 346

26. Other operating income (in EUR 1000)		
Leasing of the Sumpfstrasse property, Steinhausen	230	310
Book gains on the sale of property, plant & equipment	48	1 937
Income from investment subsidies	117	107
Income from damages and insurance claims	61	57
Restaurants and shops leased to third parties	1 302	1 429
Other	2 793	2 810
Total	4 551	6 650

27. Cost of sales and services (in EUR 1000)		
Cost of goods sold, restaurants and shops	9 423	10 215
Cost of additional services resorts	4 483	4 930
Other cost of services resorts	4 752	5 066
Cost of travel services	230	396
Other	1 870	1 927
Total	20 758	22 534

28. Personnel expenses (in EUR 1000)		
Wages and salaries	43 804	50 501
Social security contributions	8 475	10 106
Pension cost (see Note 18)	1 165	1 363
Other	2 546	3 780
Total	55 990	65 750

29. Maintenance and operating expenses (in EUR 1000)		
Maintenance, repair and upkeep	9 694	12 066
Leasing expense	448	646
Energy supply, water and waste disposal	11 777	12 452
Cleaning, laundry and operating materials	13 052	15 394
Other	275	253
Total	35 246	40 811

30. Marketing and selling expenses (in EUR 1000)		
Sales promotion, media and direct advertising	373	740
Public Relations	65	121
Information publications for members	85	59
Member maintenance (anniversary points)	7 534	0
Other marketing expenses	217	461
Total	8 274	1 381

31. Administrative expenses (in EUR 1000)	2022	2023
Office supplies, paper and printed matter	329	320
Postage and transmission fees	1 769	1 595
IT software and licensing fees	6 760	6 576
Travel and entertainment expenses	741	881
Legal and other consulting expenses	1 771	2 359
Board of Directors' fees, accounting and audit expenses	1 137	1 377
Insurance and fees	2 163	2 168
Other office and administrative expenses	2 519	2 604
Total	17 189	17 880

32. Other operating expenses (in EUR 1000)		
Non-recoverable value added tax	4 296	4 644
Property tax	2 294	2 207
Other taxes and duties	1 336	657
Losses on trade receivables (write-offs and allowance increases)	899	1 063
Losses from sale of property, plant & equipment	113	107
Other	370	618
Total	9 308	9 296

33. Financial result (in EUR 1000)		
Interest income	137	692
Currency gains (net)	1 030	0
Other	0	3
Total financial income	1 167	695

Interest expenses	- 265	- 393
Currency losses (net)	0	- 498
Bank charges	- 176	- 129
Credit and debit card fees	- 746	- 905
Other	- 11	0
Total financial expenses	- 1 198	- 1 925
Total financial result	- 31	- 1 230

34. Income taxes (in EUR 1000)		
Current income taxes	346	724
Deferred income taxes	219	547
Total income tax expense	565	1 271

35. Contingent liabilities

There are no material contingent liabilities.

Notes to the 2023 consolidated financial statements of Hapimag AG

36. Leasing obligations (in EUR 1000)

2022

2023

Leasing obligations that do not expire or may not be terminated within twelve months have the following maturity structure:

Leasing obligations up to 1 year	30	50
Leasing obligations 1 to 5 years	20	112
Leasing obligations over 5 years	0	0
Total	50	162

The leasing obligations consist primarily of leasing agreements for IT equipment and for vehicles.

37. Pledged assets

Assets with a carrying amount of EUR 91.5 million (previous year: EUR 90.1 million) are pledged as security for liabilities. Bank loans in the amount of EUR 26.9 million (previous year: EUR 22.3 million). In accordance with Article 29 of the Hapimag AG Articles of Association, the properties of the Company and its subsidiaries can be mortgaged up to no more than 20% of the acquisition cost of the properties. The mortgage-related charges in relation to the acquisition cost of property, plant and equipment on the reporting date amounts to 6.8% (previous year: 6.6%).

38. Capital commitments

Obligations of EUR 4.6 million for capital commitments existed on the reporting date (previous year: EUR 19.0 million).

39. Derivative financial instruments (in EUR 1000)

Positive/negative (–) replacement values not recognised in the balance sheet	1 165	872
Contract volumes	20 000	20 000

Forward exchange contracts and foreign currency options are used to hedge foreign currency risks arising from billing. Positive/negative replacement values not recognised in the balance sheet are hedging transactions for future cash flows (hedge accounting).

40. Change in the scope of consolidation

There was no change in the scope of consolidation in the reporting year or in the previous year.

41. Financial risk management

Principles of risk management

The Board of Directors has ultimate responsibility for risk management. Within the Board of Directors, risk issues are handled by the Audit Committee in particular. The Co-CEOs regularly report to the Board of Directors on significant risks as part of the risk reporting process. This process is aimed at identifying and analysing the risks that the Group is exposed to, defining reasonable limits and establishing controls, and also monitoring risks and ensuring that the limits are adhered to. The principles of risk management, and the processes employed, are regularly reviewed in order to take into account changes in both market conditions and the Group's activities.

In the real estate area, Hapimag uses its own risk assessment system as part of the audits to identify, evaluate and control natural risks such as fire, water, storms and earthquakes.

With regard to its financial assets and liabilities, the Hapimag Group is exposed in particular to risks arising from changes in exchange rates and interest rates, credit risk on receivables and liquidity risk. The following sections provide an overview of the extent of the individual risks.

Foreign currency risks

Hapimag has a certain exposure to foreign currency risks. The prices for right-of-residence products, annual subscription charges and travel services (invoiced from the head office in Steinhausen) are booked in CHF. Invoices issued to the most important countries of origin of Hapimag members are also shown in the relevant local currency because there is also the option to pay them in the local currency. Local charges as well as products and services delivered at the holiday location are assessed in the local currency. Investments and operating expenses at the resorts are paid predominantly in local currency. For larger investments, foreign currency risks are hedged in the form of forward exchange contracts. Forward exchange contracts and foreign currency options are used to hedge foreign currency risks arising from billing (see Note 39).

Interest rate risk

The interest rate risk is the risk that the fair value or future payment flows of a financial instrument will fluctuate based on changes of the market interest rate. Cash is invested in short-term instruments. Non-current loans from shareholders are interest-free. Hapimag also has current, medium-term and non-current bank loans at its disposal at fixed and variable interest rates. In the case of the fixed interest-bearing financial liabilities EUR 26.9 million (previous year: EUR 22.3 million) an interest rate movement has no effect on the consolidated result, because there is no adjustment to the fair value.

Credit risk

Credit risk is the risk that Hapimag will suffer financial losses if a customer fails to meet their contractual obligations. Trade receivables relate mainly to private persons (Hapimag members), and are centrally and constantly monitored. The outstanding amounts are exposed to a certain credit risk that is accounted for by means of an allowance based on experience (provisions). Hapimag members with overdue items over CHF 100 are unable to book an apartment (booking block in the system). The accommodation that becomes available as a result can continue to be used by Hapimag. In addition, share repurchases or transfers are effected only if all open items are settled beforehand. Hapimag places deposits only with first-class financial institutions. The maximum credit risk is reflected in the carrying amounts of the financial assets recognised in the balance sheet.

Liquidity risk

Liquidity risk is the risk that Hapimag will be unable to meet its financial obligations at maturity. Liquidity is managed and controlled by a central Treasury Department, based on a short and medium-term income/expenditure plan, which takes into account in particular the ongoing building investments in the resorts. To ensure that Hapimag is solvent at all times, and to preserve its financial flexibility, a liquidity reserve is maintained in the form of cash in hand and credit limits. As of the balance sheet date of 31 December 2023 Hapimag has a credit limit in the amount of EUR 86.3 million (previous year: EUR 83.1 million). Of this, EUR 26.9 million (previous year: EUR 22.3 million) has been used.

Notes to the 2023 consolidated financial statements of Hapimag AG

42. Transactions with related persons and companies

Related persons and companies are members of the Board of Directors and the Executive Committee (including members of their families), companies in which they hold considerable influence, Group companies and pension funds. An overwhelming proportion of the Hapimag Group's revenue is generated with shareholders and members. Hapimag staff hold 0.18% (previous year: 0.11%) of the company's total shares. Otherwise, there are no sums due from or payable to related persons or companies.

Payments to members of the Board of Directors or Executive Committee (in EUR 1000)	2022	2023
Fees and salaries	1 357	1 659
Pension contributions	131	169
Total payments to members of the Board of Directors or Executive Committee	1 488	1 828

43. Events after the balance sheet date

No further material events took place between the balance sheet date and 20 March 2024 that would have had an impact on the 2023 consolidated financial statements or that would be subject to disclosure here.

44. Conversion rates for the major currencies (Conversion in EUR)

			2022	2023
Annual average rates	1	CHF	0.9940	1.0286
Consolidated income statement and consolidated cash flow statement	100	CZK	4.0734	4.1679
	1	GBP	1.1733	1.1494
	100	HUF	0.2569	0.2621
	100	MAD	9.3496	9.1015
	1	TRY	0.0582	0.0402
Year-end rates	1	CHF	1.0154	1.0749
Consolidated balance sheet	100	CZK	4.1328	4.0525
	1	GBP	1.1316	1.1520
	100	HUF	0.2502	0.2615
	100	MAD	8.9663	9.1261
	1	TRY	0.0501	0.0305

3. Consolidated companies as at 31.12.2023

Company (name)	Currency	Capital in 1000		Proportion of capital and votes in %			
		31.12.2022	31.12.2023	31.12.2022		31.12.2023	
				direct	indirect	direct	indirect
Hapimag AG, CH-Steinhausen	CHF	41 670	41 670				
Hapimag Finanz AG, LI-Vaduz	CHF	500	500	100 %		100 %	
Nordia Anstalt, LI-Vaduz	CHF	100	100	100 %		100 %	
Hava Beteiligungs-GmbH & Co. Wohnungsverwaltungs-KG, DE-Winterberg	EUR	2 045	2 045	100 %		100 %	
Hava Beteiligungs-GmbH, DE-Winterberg	EUR	26	26	100 %		100 %	
Hapimag Praha S.R.O., CZ-Prag	CZK	100	100	100 %		100 %	
Hapimag Ges.m.b.H., AT-Wien	EUR	36	36	100 %		100 %	
Hapimag 2000 Ingatlanüzemeltető Kft., HU-Budapest	HUF	3 000	3 000	100 %		100 %	
Hapimag Magyarország Ingatlanhasznosító Kft., HU-Budapest	HUF	3 000	3 000	100 %		100 %	
Hapimag España S.L.U., ES-Paguera	EUR	30 020	30 020	100 %		100 %	
Hapimag Italia S.r.l., IT-Bolzano	EUR	20 000	20 000	100 %		100 %	
Hapimag Management (UK) Limited, GB-London	GBP	0.1	15 000	100 %		100 %	
Hapimag Resorts & Residences (UK) Limited, GB-Bowness-on-Windermere	GBP	4 000	4 000	100 %		100 %	
Hapimag (Holland) B.V., NL-Amsterdam	EUR	1 361	1 305	100 %		100 %	
Hapimag Turistik Yatirim ve Ticaret AS, TR-Istanbul	TRY	80 490	201 090.6	100 %		100 %	
Hapimag France S.à.r.l., FR-Saint Cyr sur Mer	EUR	15 776.6	15 776.6	100 %		100 %	
Hapimag Hellas S.M.S.A., GR-Rethymno	EUR	22 193	22 193	100 %		100 %	
Hapimag Marocco SA, MA-Marrakesch	MAD	9 600	9 600	99.997 %	0.003 %	99.997 %	0.003 %
Hapimag Liegenschaftsnutzung Ges.m.b.H., AT-Wien	EUR	509	509	96 %	4 %	96 %	4 %
Bowness Time-Share Limited, GB-Bowness-on-Windermere, inactive	GBP	550	550		100 %		100 %

Statutory Auditor's Report to the General Meeting of Hapimag AG, Steinhausen

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hapimag AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 42 to 65) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated results of operations and consolidated cash flows for the year then ended in accordance with Swiss GAAP ARR and comply with 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.

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 financial statements, the compensation report and our auditor's report 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.

Responsibilities of the Board of Directors 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 ARR 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 the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERT-suisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's 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 consolidated financial statements according to the instructions of the Board of Directors.

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

BDO Ltd

Bruno Purtschert
Auditor in Charge Licensed Audit Expert

Michaela Isler
Licensed Audit Expert

Steinhausen, 20 March 2024

Report of the Audit Advisory Board

Hapimag's Audit Advisory Board (AAB) met via video conference on the following dates in the 2023 reporting year:

- 16 January 2023
- 30 May 2023
- 23 June 2023
- 15 August 2023
- 23 November 2023
- 19 December 2023

It also interviewed candidates for the vacant position on the AAB.

The members of the AAB are Mirco Plozza (31 August 2023), Welmoed Clous and Prof. Dr. Valentin Weislämle. They have unrestricted access to Hapimag AG's Board of Director databases. The Advisory Board looked through a large number of management documents, including minutes from relevant meetings of the Executive Committee, the Board of Directors and various committees.

Audit topic Resort Development & Hospitality Real Estate Management

Renovation of the resorts

The planning and execution process for resort renovations was audited in the reporting year. Hapimag differentiates between total renovations, partial renovations, soft renovations and refreshes. It is based on a 5-year plan that takes into account qualitative and quantitative aspects and key figures in order to determine the sequence of renovations. This includes feedback from resort guests and resort management staff as well as structural and business metrics. The basis for the business analysis is the portfolio analysis tool, which is used in several management areas and provides information about which resorts renovations make sense from a financial perspective.

During renovations, the usual closing times are used whenever feasible or integrated into the construction period in order to maintain capacity for members as much as possible and thereby minimise the negative economic impact of a resort closure. In addition, care is taken to carry out the renovation work for apartments

and infrastructure at the same time as any required work relevant to safety, building structure and sustainability.

The 5-year renovation plan with the corresponding investments is coordinated every year with the on-site resort management and the finance department, and is updated, if necessary.

Residence points

With respect to renovations, the point prices of the holiday apartments before and after the renovations were also examined. The point prices are generally based on the season, the occupancy of the resorts, the attractiveness of the location and tourist trends. This is checked and adjusted periodically, with any adjustments taking the form of point increases or reductions. In future, adjustments to the point prices are to be based even more closely on the "market" factor. In general, the points offer at existing Hapimag resorts has not changed significantly overall and over the course of the year. However, there may be differences between the seasons and the resorts; for example, the low season tended to be cheaper and the high season tended to be more expensive. Exceptions exist for value-adding investments (e.g. in Paguera and St. Michael) that were carried out as part of renovations.

As part of the review of the point prices, the Flex Option for bookings was also examined to ensure that this is not being "misused" to make multiple bookings, which are then cancelled free of charge shortly before the arrival date. This would result in other shareholders being deprived of a booking opportunity, and vacancies being created at the same time. In principle, it was found that the Flex Option is valued by shareholders. In 2023, almost every third booking was made using this option. The number of cancelled nights booked with the Flex Option in 2023 was only slightly higher than the number of cancelled nights without the Flex Option. Due to the attractive cancellation conditions of the Flex Option, the apartments can sometimes be cancelled at shorter notice than bookings made in line with the standard reservation conditions. In most cases, these apartments cancelled at short notice

could be reoccupied by "replacements" from the waiting list, extensions of existing bookings on site or last-minute requests. In individual cases where conspicuous booking behaviour was observed, the relevant shareholders were contacted by customer service and informed that they were depriving other shareholders of the opportunity to book. Booking behaviour is continuously monitored and evaluated by management. If the Flex Option were to have a negative impact on a large number of shareholders in connection with cancellations, the various booking options would be reviewed and adjusted, if necessary.

Audit topic Tourism & Hospitality and/or Hotel Industry

Accessibility¹

The question of accessibility for wheelchair users was raised several times by shareholders (see also AAB Annual Report 2022). Hapimag's goal is to comply with local laws regarding accessibility in all resorts. For example, various adjustments have been made to wheelchair-accessible apartments in La Madrague, Antibes and Paris. In addition to complying with the legal/statutory regulations, Hapimag goes one step further, evaluating with every renovation what improvements can be made in terms of accessibility. Current examples include new lifts in Paguera or the purchase of pool lifts for wheelchair users or people with limited mobility. At the end of 2023, the topic of accessibility will be added as a new audit step.

Parking fees²

Why are parking fees charged? The income generated by the garage and car park fees is directly applied to maintenance, cleaning, energy costs, and the upkeep and maintenance of the car parks and parking spaces. For example, it is used to fund fire protection systems, lighting, heated ramps and traffic lights. If Hapimag were to waive parking fees, these costs would have to be collected through local cost contributions and would be shared among all shareholders and members, including those who do not travel by car. The parking fees at Hapimag are in line with the market and are often lower than in public parking spaces (e.g. Flims, Braunlage, city resorts). Price adjustments (increases but also reductions) are determined in line with the market.

Audit topic Corporate Governance & Compliance

How are Corporate Social Responsibility (CSR) and sustainability handled at Hapimag?

Corporate Social Responsibility is a management concept that companies use to integrate social and environmental concerns into their business activities and relationships with their stakeholders. At Hapimag, sustainability is part of the core business. In addition to having its own CSR committee, sustainability and CSR are constant items on the agenda in the meetings of the existing board committees. Annual CSR targets are set and sustainability is an integral part of the internal monthly reporting system (MIS).

Hapimag has defined four CSR pillars that guide the company in making sustainable decisions and activities. A brief overview is given for each pillar.

1. Environmental responsibility: our path to net-zero emissions

Hapimag has set itself the goal of achieving net-zero emissions by 2050 by optimising water and energy consumption and increasing self-sufficiency. In the reporting year, the consumption of water, electricity, heating and cooling was reduced by 5% for every overnight stay in each category. This was achieved through a number of projects, such as the installation of photovoltaic² systems in Bodrum and Interlaken (more resorts to follow) as well as through water-saving measures like the collection of rainwater and the reuse of waste water to irrigate the gardens.

^{1,2} Topic based on feedback from Hapimag shareholders and members

2. Sustainable supply chain: living out our values

Hapimag introduced a Procurement and Contract Management Policy (PCMP) in 2023, replacing the "Financial Competence and Signature Regulation" from 2019 and the "CAPEX Investment Process" from 2017. The new directive is intended to be more compact, uniform and simpler in structure than its predecessors and describes several principles, including responsible sourcing. Following the new PCMP policy, a code of conduct for suppliers was developed, which informs suppliers about Hapimag's values and what is expected of them with regard to ecological, social and governance responsibility. The Code of Conduct for Suppliers is scheduled to be introduced in 2024.

3. Community engagement: local engagement

As part of the responsible sourcing policy, priority is given to local suppliers, preferably local SMEs. Many resorts have decade-long relationships with local farmers, bakers and artisans who produce local artisan products.

4. Responsible employment: laying the foundation

Hapimag should be a safe and inclusive place for personal development and professional growth for all employees. For this reason, the resorts have invested in renovating staff apartments.

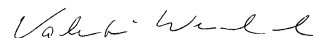
Sustainability reporting: Besides the ongoing CSR activities, a comprehensive CSR strategy is being developed that includes sustainability reporting. This report will be part of future annual reports. In order to stay one step ahead of governance requirements, all upcoming sustainability reporting requirements and due diligence obligations relevant to Hapimag are reviewed annually.

Overall, Hapimag's corporate social responsibility initiatives and efforts towards a sustainable future are solid, well thought out and well documented. The fact that sustainability is part of the monthly reporting makes the activities measurable.

Welmoed Clous



Prof. Dr. Valentin Weislämle





Financial statements of Hapimag AG as at 31.12.2023

Balance sheet

Assets

in CHF 1000	Notes	2022	2023
Cash and cash equivalents		18 546	16 568
Trade receivables			
– due to third parties		14 526	14 028
– due to investments		3 454	2 181
Other current receivables		2 756	2 512
Inventories		253	256
Prepaid expenses and accrued income		798	1 386
Current assets		40 333	36 931
Financial assets			
– due to third parties		109	107
– long-term loans to investments		156 368	145 276
Investments	2.1	200 364	207 130
Property, plant and equipment	2.2	185 717	177 351
Non-current assets		542 558	529 864
Total assets		582 891	566 795

These are the statutory financial statements of Hapimag AG, Steinhausen. Hapimag is obliged by Swiss law to prepare both statutory financial statements and consolidated financial statements of Hapimag AG.

The consolidated financial statements of Hapimag (pages 42 to 65) include balance sheet and income statement items for all Hapimag companies. As such, the consolidated financial statements give a true and fair view of the Hapimag Group's net assets, financial position and results of operations. The consolidated financial statements are prepared in accordance with the recommendations on accounting (Swiss GAAP FER).

The resorts owned by Hapimag AG itself (in Portugal, Austria, Switzerland and Finland), their results, and the activities of the head office, are to be found in the statutory financial statements of Hapimag AG (pages 72 to 79). The other resorts are owned indirectly through local companies, and are recognised as investments in the statutory financial statements of Hapimag AG. These statutory financial statements are prepared in accordance with the Swiss Code of Obligations.

Equity and liabilities

in CHF 1000

	Notes	2022	2023
Trade payables			
– due to third parties		2 575	2 594
– due to investments		3 909	6 444
Liabilities from rights of residence		29 966	23 636
Current interest-bearing liabilities		2 000	5 000
Other current liabilities	2.3	13 812	11 972
Current provisions		1 108	1 676
Accrued expenses and deferred income		2 440	2 994
Current liabilities		55 810	54 316
Liabilities from rights of residence		29 541	24 451
Loans from shareholders		145 932	139 419
Non-current interest-bearing liabilities		20 000	20 000
Other non-current liabilities	2.3	3 436	1 597
Provisions		17 713	18 402
Non-current liabilities		216 622	203 869
Liabilities		272 432	258 185
Share capital	2.4	41 670	41 670
Statutory capital reserves			
– Reserves from capital contributions	2.5	55 143	50 888
– Other capital reserves	2.5	178 213	188 272
Statutory retained earnings		258	258
Voluntary retained earnings		87 144	75 774
Own shares			
– against reserves from capital contributions	2.6	– 22 633	– 18 435
– Other	2.6	0	– 4 645
Call options for Hapimag shares	2.7	– 17 966	– 17 704
Net profit/loss (–) for the year		– 11 370	– 7 468
Equity		310 459	308 610
Total equity and liabilities		582 891	566 795

Financial statements of Hapimag AG as at 31.12.2023

Income statement

in CHF 1000	Notes	2022	2023
Net proceeds from the sale of goods or services	2.8	85 549	85 525
Income from exercised rights of residence		11 484	15 780
Other operating income		1 141	1 073
Operating income		98 174	102 378
Cost of sales and services		– 4 826	– 5 278
Personnel expenses		– 22 642	– 26 936
Other operating expenses	2.9	– 60 553	– 53 843
Depreciation of property, plant and equipment		– 8 303	– 11 177
Amortisation of intangible assets		– 30	0
Operating result		1 820	5 144
Financial expenses		– 624	– 726
Financial income		1 740	1 229
Income/expenses (–) from investments (net)	2.10	– 13 998	– 12 668
Net profit/loss (–) before taxes		– 11 062	– 7 021
Direct taxes		– 308	– 447
Net profit/loss (–) for the year		– 11 370	– 7 468

Notes to the 2023 financial statements of Hapimag AG

1. Accounting policies

1.1 General

The financial statements have been prepared in accordance with the provisions of the Swiss Accounting Law (title 32 of the Swiss Code of Obligations). The income statement is based on the total cost method. Further principles, in particular with regard to the business model and revenue recognition, are described in the consolidated accounting policies.

1.2 Financial assets

Non-current financial assets primarily comprise loans to investments. Loans granted in foreign currencies are measured at the current closing rate; unrealised losses are recognised, whereas unrealised gains are not reported (impairity principle).

1.3 Property, plant and equipment

Property, plant & equipment are measured at cost less depreciation and impairment losses. Property, plant and equipment are depreciated on a straight-line basis. Land is not depreciated.

1.4 Intangible assets

Intangible assets chiefly comprise computer software and are recognised at cost less amortisation and impairment losses. Amortisation is on a straight-line basis.

1.5 Loans from shareholders

Until 28 February 2000, part of the investment requirement (CHF 1,100) from the sale of shares was recognised as a liability in "Loans from shareholders". The loan was non-redeemable, non-interest-bearing and included in the General Terms of Membership. Where shares with loans are repurchased, the balance of loans from shareholders decreases.

1.6 Own shares

Repurchased shares are recognised at the time of acquisition as own shares at the repurchase price and reported as a negative entry in equity. These shares are held for resale to Hapimag members. The gain or loss on resold depot shares is shown in Other capital reserves.

1.7 Call options for Hapimag shares

Hapimag AG has acquired a ten-year call option from shareholders. Hapimag AG is entitled to exercise its call option at any time at the agreed price per share. Hapimag AG is not subject to any purchase obligation.

1.8 Net proceeds from the sale of goods or services

Net proceeds from the sale of goods and services are generally recognised at the time of invoicing. When other right-of-residence products are sold, the sales proceeds, to the extent that they are required for the provision of accommodation (investment requirement), are recognised as liabilities arising from the sale of rights of residence (current and non-current liabilities). The prepaid portion of operating costs of the annual subscription charge, which is included in the sales prices for the entire contractual term, is booked under "Other liabilities" (current and non-current liabilities). Sale proceeds exceeding that amount are booked in the income statement.

Notes to the 2023 financial statements of Hapimag AG

1.9 Income from exercised rights of residence

When the rights of residence (points) of other right-of-residence products are claimed, the liability arising from rights of residence (number of points times the amount per point entered as a liability) is reduced and earnings in the same amount result.

1.10 Leasing transactions

Leasing and rental agreements are recognised according to legal ownership. As such, expenses are recognised in the period they are incurred, but the leased or rented objects themselves are not recognised.

1.11 Derivative financial instruments

Derivative financial instruments used to hedge future cash flows are disclosed in the notes until they are realised. Their realisation is recognised in the income statement under the financial result. Other derivative financial instruments are recognised at fair value on the date of acquisition. Unrealised profits and losses from the fair value measurement of these instruments are recognised in the income statement under the financial result.

2. Notes to balance sheet and income statement items

2.1 Investments

The investments are listed on page 65.

2.2 Property, plant and equipment (in CHF 1000)

	2022	2023
Land and buildings	178 385	168 909
Equipment, furniture and equipment, vehicles	7 332	8 442
Total	185 717	177 351

2.3 Other liabilities (in CHF 1000)

Liabilities to members	2 264	2 090
Operating cost portion of annual subscription charges for right-of-residence products paid in advance (up to 1 year)	10 749	8 687
Other	799	1 195
Total current	13 812	11 972
Operating cost portion of annual subscription charges for right-of-residence products paid in advance (over 1 year)	3 326	1 502
Other	110	95
Total non-current	3 436	1 597

2.4 Share capital

As at the year-end, the share capital consisted of 59,300 registered shares with a nominal value of CHF 100 each and 178,700 registered shares with a nominal value of CHF 200 each, amounting to a total of CHF 41.67 million.

2.5 Statutory capital reserves (in CHF 1000)

Opening balance	227 638	233 356
Repurchase of loans	5 682	5 815
Gain/loss (–) from the sale of own shares	36	– 11
Closing balance	233 356	239 160
- of which reserves from capital contributions	55 143	50 888
- of which other capital reserves	178 213	188 272

2.6 Own shares

Own shares as at 31 December 2023 comprised 12,842 registered shares with a nominal value of CHF 100/CHF 200.

(in CHF 1000)	Number 2022	Number 2023	2022	2023
Opening balance	11 134	12 174	21 453	22 633
Repurchase of depot shares	1 263	1 094	1 651	1 324
Sale of depot shares	– 223	– 426	– 471	– 877
Closing balance	12 174	12 842	22 633	23 080
- of which own shares against reserves from capital contributions			22 633	18 435
- of which own shares Other			0	4 645

Own shares are recognised at repurchase value in the balance sheet (average of CHF 1,797 per share, previous year: CHF 1,859 per share).

	2022	2023
Average sale price per share in CHF	2 277	2 034
Average repurchase price per share in CHF	2 070	1 849

Notes to the 2023 financial statements of Hapimag AG

2.7 Call options for Hapimag shares

(in CHF 1000)

	Number 2022	Number 2023	2022	2023
Opening balance	9 925	9 356	19 217	17 966
Exercise of call option	– 569	– 132	– 1 251	– 262
Closing balance	9 356	9 224	17 966	17 704

Hapimag AG acquired a ten-year call option from shareholders in financial years 2014 to 2018. Hapimag AG is entitled to exercise its call option at any time at a price of CHF 200 per share. Hapimag is not subject to any purchase obligation.

2.8 Net proceeds from the sale of goods or services (in CHF 1000)

	2022	2023
Annual subscription charges	68 565	66 950
Resort revenue	17 652	18 964
Other revenue	1 568	2 011
Revenue of right-of-residence products	54	41
Revenue of package tours	683	811
Revenue deductions	– 2 973	– 3 252
Total	85 549	85 525

2.9 Other operating expenses (in CHF 1000)

Rental expenses, fees for services, administrative costs in respect of investments	29 471	30 081
Maintenance and operating expenses	6 417	6 340
Marketing and selling expenses	8 184	1 164
Administrative expenses	11 148	10 622
Other taxes and duties	4 372	4 531
Other operating expenses	961	1 105
Total	60 553	53 843

2.10 Income/expenses (-) from investments (net) (in CHF 1000)

Interest from investments	1 127	2 007
Valuation adjustments on investments	– 6 257	– 7 740
Valuation adjustments on long-term loans to investments	– 8 868	– 6 935
Total	– 13 998	– 12 668

Valuation adjustments arise both from fluctuations in the exchange rates of currencies and because of the results of Group companies. In measuring foreign currencies at the closing rate, valuation adjustments for unrealised losses are recognised with due account taken of the principle of prudence (Art. 960 of the Code of Obligations) and of the principle of impartiality (Art. 960a of the Code of Obligations), although any subsequent reversals of impairments arising from unrealised profits from an impaired investment are not recognised.

3. Further information

3.1 Full-time equivalents

The average annual number of full-time equivalent staff including branches was over 200 both in the reporting year and in the previous year.

3.2 Outstanding leasing obligations (in CHF 1000)

Leasing obligations that do not expire or may not be terminated within twelve months

have the following maturity structure:

	2022	2023
Leasing obligations up to 1 year	7	27
Leasing obligations 1 to 5 years	0	66
Total	7	93

The leasing obligations consist primarily of IT equipment leases.

3.3 Collateral provided for liabilities in favour of third parties (in CHF 1000)

Guarantees in favour of subsidiaries for the use of bank loans

and credit lines with banks

Other guarantees in favour of subsidiaries

Total	345	47
	15	14
	360	61

3.4 Assets pledged as security for liabilities

Assets with a carrying amount of CHF 75.5 million (previous year: CHF 77.9 million) are pledged as security for the company's liabilities. Bank loans in the amount of CHF 25.0 million (previous year: CHF 22.0 million) were secured against the pledged assets.

3.5 Derivative financial instruments (in CHF 1000)

Positive/negative (–) replacement values not recognised in the balance sheet	1 147	811
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Positive/negative replacement values not recognised in the balance sheet are hedging transactions for future cash flows (hedge accounting).

3.6 Contingent liabilities

Hapimag AG has undertaken by means of time-limited letters of comfort to ensure that certain subsidiaries are financially in a position to meet their liabilities at all times.

3.7 Other financial liabilities

As at 31 December 2023 there were obligations of CHF 0.9 million (previous year: CHF 2.5 million) for capital expenditure projects.

3.8 Material events after the balance sheet date

No further material events took place between the balance sheet date and 20 March 2024 that would have had an impact on the 2023 annual financial statements or that would be subject to disclosure here.

Proposal of the Board of Directors for the offsetting of the balance sheet loss as at 31.12.2023 (in CHF)

Net loss in 2023 of Hapimag AG	7 467 614
Profit/loss carried forward from 2022	0
Balance sheet loss as at 31.12.2023	7 467 614

The Board of Directors of Hapimag AG proposes the following offsetting of losses to the Annual General Meeting on 27 April 2024:

Offsetting with voluntary retained earnings	7 467 614
--	------------------

Statutory Auditor's Report to the General Meeting of Hapimag AG, Steinhausen

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hapimag AG (the Company) – which comprise the balance sheet as at 31 December 2023, and the income statement 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 72 to 79) comply with Swiss law and the articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Audits of Financial Statements (SA-CH). Our responsibilities under those 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, 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 financial statements, the consolidated financial statements, the compensation report and our auditor's report thereon 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.

Responsibilities of the board of directors 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 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 Swiss Standards on Audits of Financial Statements 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 the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 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 financial statements according to the instructions of the Board of Directors.

We further 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.

BDO Ltd

Bruno Purtschert
Auditor in Charge Licensed Audit Expert

Michaela Isler
Licensed Audit Expert

Steinhausen, 20 March 2024



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Any copying or dissemination, whether in part or in whole, of the texts, charts or photographs figuring in this Annual Report – especially their dissemination by electronic means – requires the express permission of Hapimag AG. Non-compliance represents an infringement of copyright law.

BDO Ltd, Steinhausen has audited the German-language version of the consolidated financial statement and the financial statements of Hapimag AG for the year ended 31 December 2023, from which this translation was derived. In the audit reports dated 20 March 2024 BDO expressed an unqualified opinion on the German-language version of the consolidated financial statements and the financial statements of Hapimag AG from which this translation was derived.



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