

SWISS PRIME SITE

— ANNUAL REPORT

REPORT

2021



Selected group key figures

Key financial figures	in	01.01.–	without	01.01.–
		31.12.2020	Tertianum ¹	31.12.2021
Rental income from properties	CHF m	424.7	413.7	426.7
EPRA like-for-like change relative	%	-3.8	-3.8	1.3
Income from real estate developments	CHF m	50.1	50.1	48.3
Income from real estate services	CHF m	115.2	115.2	119.4
Income from retail	CHF m	110.6	110.6	119.5
Income from assisted living	CHF m	72.4	-	-
Income from asset management	CHF m	13.1	13.1	18.2
Total operating income	CHF m	792.9	708.9	744.9
Revaluation of investment properties, net	CHF m	203.4	203.4	318.8
Result from investment property sales, net	CHF m	22.2	22.2	39.9
Result from sale of participations, net	CHF m	204.2	-	-
Operating result (EBIT)	CHF m	762.3	555.9	715.4
Profit	CHF m	610.4	405.2	507.4
Return on equity (ROE)	%	10.6	7.3	8.2
Return on invested capital (ROIC)	%	5.4	3.7	4.5
Earnings per share (EPS)	CHF	8.04	5.33	6.68
Financial figures excluding revaluations and all deferred taxes				
Operating result (EBIT)	CHF m	558.9	352.5	396.6
Profit	CHF m	476.6	271.5	289.5
Return on equity (ROE)	%	8.5	5.0	4.8
Return on invested capital (ROIC)	%	4.3	2.6	2.8
Earnings per share (EPS)	CHF	6.27	3.57	3.81
Balance sheet figures				
Shareholders' equity	CHF m	6 085.6		6 338.7
Equity ratio	%	47.8		48.3
Borrowed capital	CHF m	6 640.6		6 791.6
Loan-to-value ratio of property portfolio (LTV)	%	41.9		40.2
NAV before deferred taxes per share ²	CHF	95.41		100.07
NAV after deferred taxes per share ²	CHF	80.11		83.44
EPRA NTA per share	CHF	96.26		100.84
Real estate portfolio				
Fair value of real estate portfolio	CHF m	12 322.6		12 793.5
of which projects/development properties	CHF m	829.5		1 006.9
Number of properties	number	185		184
Rental floor space	m ²	1 669 941		1 677 027
Vacancy rate	%	5.1		4.6
Average discount rate	%	2.91		2.75
Net property yield	%	3.2		3.2
Employees				
Number of employees as at balance sheet date	persons	1 728		1 667
Full-time equivalents as at balance sheet date	FTE	1 505		1 474

¹ Figures without Tertianum Group (figures January and February 2020 as well as result from sale of participations). The sale and deconsolidation of the Tertianum Group took place on 28 February 2020

² Services segment (real estate-related business fields) included at book values only

Report

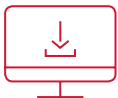
Annual Review

Sustainability

Corporate Governance

Compensation

Finance



Swiss Prime Site – the Real Estate Investment Platform

We are the leading partner for investors who want to invest or are invested both indirectly and directly in the real estate market. Swiss Prime Site thus covers the entire investor spectrum from private investors to institutional investors. The product range includes funds (open-ended and closed-ended), mandates, investment foundations, bonds and the Swiss Prime Site share.

Reporting structure

The stakeholder-oriented 2021 reporting consists of the online report (www.sps.swiss/reporting) and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2021». In this way, we create added multimedia value.

Cover photo

Prime Tower Site: Swiss Prime Site creates sustainable living spaces for people and for society as a whole. Our real estate is centrally located and offers all the conveniences of contemporary, urban living.

Annual Review

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Dear Readers



We have all been living in extraordinary times for nearly two years now. Although we have gradually got used to the circumstances around us and learned to live with them, the pandemic has had a significant impact on all of us. Despite that, there were some encouraging signs from the economy and society in 2021. Over the last twelve months, the Swiss Prime Site Group has been successful in the market, achieving key strategic and operational milestones and reaching its objectives. With a profit of CHF 507.4 million, equivalent to CHF 6.68 per share, we have achieved very strong results. The Board of Directors will therefore propose a distribution of CHF 3.35 to the 2022 Annual General Meeting.

The 2021 financial year began with a lockdown that lasted several months. Over the course of the year, however, initial concerns about the potentially severe implications for the office space market were proven to be unfounded. The Board of Directors and management were therefore able to focus on core strategic and operational matters. These included further establishing the Swiss Prime Site Group as the leading real estate investment platform in Switzerland and realising an associated increase in the group's profitability, resilience and sustainability.

This strategy also led us to acquire the successful Akara Group in Zug as at the end of 2021. This is complementary to our group company Swiss Prime Site Solutions. In the Real Estate segment, we achieved key milestones in four core areas: vacancy rate reduction, active portfolio management, optimisation of types of use and capital recycling.

To further improve the Company's flexibility and agility, we also significantly adjusted the Company's financing in 2021 by arranging unsecured syndicated loans totalling CHF 2.6 billion. This new financing is also directly linked to our sustainability goals. Starting the construction of our first circular economy project on Müllerstrasse in Zurich represents a milestone in this area.

The renewal process within the Executive Management and Board of Directors continues apace. In 2021, we were able to fill key positions with Barbara Knoflach as a member of the Board of Directors of Swiss Prime Site, Martin Kaleja as CEO of Swiss Prime Site Immobilien, Anastasius Tschopp as CEO of Swiss Prime Site Solutions and Marcel Kucher as CFO of our Group. We are pleased that we can now propose to the Annual General Meeting that Barbara Frei-Spreiter will be replaced by Brigitte Walter on the Board of Directors of Swiss Prime Site. In addition to a generation change, we have also added more expertise to our committees. Remuneration guidelines have been further refined and linked to key sustainability ambitions.

My colleagues and I are pleased that we have been able to generate positive results even in these challenging times. This shows that our sustainable business model as a comprehensive real estate platform is both robust and agile. This redesigned review will give you an overview of the dynamics and key processes within the Swiss Prime Site Group.

I would like to thank all our employees for their considerable dedication during this challenging year as well as you, our shareholders, for your trust and interest in Swiss Prime Site.

TON BÜCHNER
CHAIRMAN OF THE BOARD OF DIRECTORS

Facts and figures of the Swiss Prime Site Group

18.7

CHF billion

Real estate assets under management (incl. Swiss Prime Site Solutions and Akara) at the end of 2021: CHF 16.4 bn

#1

Largest listed real estate company in Switzerland

1474

Number of employees (FTE)

4.6

Percentage vacancy rate

4

Locations

Offices in Geneva, Olten, Zug and Zurich

17

Percentage of women on the Executive Board

600

CHF million

Outstanding green bonds on the SIX Swiss Exchange

16

Investment products

Investment products Listed shares (SPSN), 10 listed bonds, two investment groups (SPIF), three real estate funds

43

Percentage of women on the Board of Directors

507

CHF million

Profit

7

CHF billion

Market capitalisation on the SIX Swiss Exchange

2040

Climate neutrality target

3.35

CHF

Distribution 2021 per share

22

Years of success

Founded on 11 May 1999

95

Percent of the tenants want to maintain or expand space size

Ratings and benchmarks

Corporate rating



A3/stable

(Scale: Aaa to C)

Swiss Prime Site is evaluated by the following leading ratings providers.

The rating agency Moody's assigns an A3 long-term issuer rating to Swiss Prime Site with a stable outlook. The rating received confirms the strong creditworthiness and strategic orientation of the Swiss Prime Site Group.

Real estate assessment



Green Star

GRESB evaluates the sustainability of global real estate investments. In the 2021 assessment, the property portfolio of Swiss Prime Site Immobilien received the «Green Star» award. In addition, the GRESB scores are embedded as ESG targets in the Executive Board's short-term incentive, thereby directly influencing the management's annual remuneration.

ESG ratings



A

(Scale: AAA to CCC)

The 2021 ratings issued for Swiss Prime Site by the ESG ratings providers Inrate, ISS ESG, MSCI and Sustainalytics either remained the same or improved. Since the end of 2021, the credit margins agreed in loan agreements with banks have been linked to the ISS ESG rating, meaning that the ESG performance directly affects the rate of interest to be paid. This enables Swiss Prime Site to further integrate financial and non-financial targets, building on the green bonds already issued.



C-

(Scale: A+ to D-)



B+

(Scale: A+ to D-)



Low Risk

«Our customers want first-class locations and spatial flexibility.»

René Zahnd (CEO) and Marcel Kucher (CFO) look back on an eventful 2021 financial year. Despite numerous challenges, positive results were generated and many milestones reached.

What were the most important milestones that you achieved this year?

René Zahnd: Generally, in the first half of 2021 we were pleased when things started to open up again after the second wave of the pandemic and many of our tenants, as well as broad swathes of the economy, were able to resume their work again. And through our own efforts, we also managed to increase rental income, significantly reduce the vacancy rate, enhance our portfolio and strengthen our business model with the acquisition of the Akara Group.

Marcel Kucher, you became the new CFO of Swiss Prime Site in the middle of 2021. What were your milestones in your first six months?

Marcel Kucher: I'm very satisfied in my new role and the company has made me extremely welcome. We published excellent half-year results and hosted a successful investors' day. However, by far the most significant achievement was the refinancing of a large portion of our balance sheet totalling CHF 2.6 billion.

Let's talk about the organisational changes first. There are three new members of the Executive Board. Can you tell us a bit more about them?

RZ: Given the size of our Executive Board, it sounds like a lot, but actually it was a struc-

tured, planned renewal process, similar to the one that has taken place on our Board of Directors. Martin Kaleja has been leading Swiss Prime Site Immobilien since the beginning of the year and has given our property portfolio more strategic direction and definition. Anastasius Tschopp manages the group company Swiss Prime Site Solutions. Due to the increasing importance of real estate asset management, it was a logical step to appoint him to the Executive Board. Marcel Kucher took over the position of the CFO by mid-year and very quickly realigned our financing to an internationally comparable level.

Can you give us more details about the refinancing?

MK: On Capital Markets Day in 2021, we introduced our new capital management principles. The key principles include optimising the mix of equity and borrowed capital, increasing financial flexibility, ensuring homogeneity of financing sources, reducing refinancing risks and minimising financing costs. Building on these principles, we concluded a contract with eleven Swiss banking institutions for two unsecured credit facilities worth CHF 2.6 billion.

What do these facilities cover and what impact will they have?

MK: First, Swiss Prime is using CHF 1.8 billion to redeem the vast majority of its bank mortgages, which as at 30 June 2021 were mostly secured with real estate. In addition, we have secured a committed revolving credit facility (RCF) for CHF 0.8 billion. With this change, the proportion of properties not secured by mortgages in Swiss Prime Site's entire portfolio will increase from just under 30 percent to more than 80 percent and will ensure that the vast majority of the providers of borrowed capital are treated equally. This will increase our financial flexibility and significantly reduce interest payments.

You mentioned reaching an international level. Can you expand on that?

RZ: Internationally, very few real estate companies are financed using mortgages. Through this significant optimisation of our financing structure, we are increasing our position in relation to both European and global competitors. In the medium term, this should also lead to an improvement in our credit rating.

The link to sustainability is interesting. What's that about?

RZ: A key aspect of the new financing is the fact that it also contributes towards our comprehensive sustainability goals. In addition to other parameters, the credit margin to be paid is impacted by any changes in our ESG rating. This enables Swiss Prime Site to further integrate financial and non-financial performance, building on the green bonds already issued.

Keyword flexibility: this was another year when you had to be flexible as a company. How strongly have you felt the effects of the pandemic in your business and in your figures?

RZ: Neither we nor our customers have remained unaffected by the pandemic this year. Where reasonable and necessary, we made concessions towards our tenants and this was reflected in positive feedback in our tenant survey. The hotel and gastronomy sector was particularly affected, with our city hotels – normally very popular for business trips – experiencing a significant downturn in business in the first half of the year. Overall, the pandemic cost us rent waivers of around CHF 5 million in 2021 (2020: CHF 9 million). The significant decline compared to 2020 shows that our tenants and the economy in general were significantly better at handling the pandemic in its second year.

What other feedback have you received from your tenants?

RZ: Firstly, and most importantly: the COVID-

«A key aspect of the new financing is the fact that it also contributes towards our comprehensive sustainability goals.»

RENÉ ZAHND, CEO



19 pandemic has not affected the demand for space. But it has accentuated various trends in the real estate market, with a greater customer focus on prime locations and a high level of spatial flexibility. The vast majority of our tenants have either the same or slightly increased spatial requirements. Furthermore, tenants have given Swiss Prime Site very good marks in the categories of overall satisfaction and loyalty. Issues such as health and sustainability have also become more significant. Like Swiss Prime Site itself, many of our tenants want to decrease their CO₂ emissions both directly and indirectly. We are supporting this by making significant investments in our existing property portfolio.

What do you understand by the term «spatial flexibility»?

MK: The pandemic has made it clear that our tenants and their employees want to use their spaces in a flexible way. This means that based on the situation, they decide with their employees when they will work at the company's offices. The result is that a lot fewer fixed workplaces are required. However, many of our tenants have told us that by contrast, they need more general-purpose spaces for discussions, meetings, workshops or just to get together, and that this is extremely important for their corporate culture and to promote

innovation and teamwork. We therefore need to provide the right spaces in the right location and – as shown by the results of our survey last summer – we're ideally placed to do that.

The low vacancy rates also show that the requirement for space is not dwindling. Are you expecting to see a further reduction here?

RZ: Over the course of the year, we significantly reduced the vacancy rate, from 5.1% in 2020 to 4.6%. Achieving this in the middle of a pandemic is down to the strong performance of Martin Kaleja's team. At a time when the media in particular were talking about a trend towards smaller spaces, the team managed to let or re-let around 169 000 m². To put this figure in perspective: it's more than four times the space in the Prime Tower and one of the highest rental figures of the last six years!

Is there perhaps a misconception here that needs to be cleared up?

MK: Our tenant survey, vacancy rate and the square metres of new rentals send a clear message and show that our customers want to continue to offer their employees a central location where they can express their corporate culture and values, and work and develop together. So there's no question of a trend

«This will increase our financial flexibility and significantly reduce interest costs.»

MARCEL KUCHER, CFO

«Beyond that, going forward we simply must build our real estate in such a way that it can serve as a source of reusable materials at the end of its useful life.»

RENÉ ZAHND, CEO

towards a reduction in space requirements. >

At the beginning, you mentioned that you managed to increase rental income through your own efforts.

How did you do that?

RZ: Prices for offices and other spaces are stable. However, we know that location – fuelled by the pandemic – has become more important. In addition to contemporary surroundings, our customers want to offer their employees centrally located workplaces that are easy to get to. This is known as POI, or point of interest. Our first-class portfolio gives us an advantage here. Our efforts to offer more flexible spaces within our properties – such as co-working spaces – have also been very popular.

So, tenants are becoming more demanding in this aspect?

MK: The individuality of their spaces was important to our tenants even before the pandemic. What's changed in the last two years is that tenants increasingly want additional services that they can draw on as required. These services can include rentable

general-purpose spaces, meeting and workshop facilities as well as co-working spaces.

What does this mean for you?

RZ: We have responded to these demands and adjusted our product range. Adopting the motto «Space as a service», this year we expanded our collaboration with FlexOffice and memox. We also entered into a new partnership with Superlab Suisse. Ready-to-use laboratories are in high demand in certain industries. In Stücki Park in Basel, we worked with ZIP to launch our own co-working product onto the market. All of these developments contributed to a successful year for us.

Have your adjusted your project pipeline accordingly?

MK: That's not been necessary. We simply made a few adjustments to our space planning, for example, in our Stücki Park project and the JED (new building). In those locations, we've planned in additional spaces for flexible use laboratories.

Was the implementation of the project pipeline impacted by the pandemic in any way?

RZ: No, fortunately not. All projects are on schedule. However, we are noticing at the moment that our general contractors are experiencing difficulties getting in some materials – such as wood – on time. So far, though, this has not impacted the progress of the projects.

One of your flagship projects is Mülnerstrasse in Zurich. Has the new tenant insisted that the modification be in line with circular economy principles?

RZ: We count ourselves fortunate to be handing over such a prominent piece of real estate to an equally prominent tenant in 2023. Sustainability has been a top priority for us for a long time and we want to be carbon-neutral by 2040. We are very pleased that sustainability is also important for our tenants. So we have the opportunity to carry out the modification for Google based on circular economy principles. Beyond that, going forward we simply must build our real estate in such a way that it can serve as a source of reusable materials at the end of its useful life. We owe it to ourselves and to society to re-use materials and reduce our CO₂ emissions in this way.

Can you be more specific?

RZ: Well, the real estate and construction industry is responsible for a significant proportion of Switzerland's CO₂ emissions – estimates put it at up to 40%. If, as a country, we want to be climate-neutral by 2050, then we need to build our real estate so that the

materials can be separated and recycled at the end of their life cycle.

Is this kind of construction more cost-intensive?

MK: If you plan intelligently right from the start and work with specialists, the costs aren't any higher. This is another situation in which the construction budget is more accurate than is generally the case with traditional construction projects. You also have to consider that at the end of their life cycle, the built materials have a value and can be re-sold.

You mentioned expanding your business model. Could you provide a bit more detail?

MK: We said last year that our portfolio of around CHF 12–13 billion in directly owned real estate had reached a very good size. The aim now is to further focus the portfolio and adjust it to suit the needs of our tenants. We have also set ourselves the goal of increasing our investment in the business of Real Estate Asset Management. At the start of 2021, our group company Swiss Prime Site Solutions submitted an application to FINMA for a fund licence which was granted. With CHF 144 million in equity, we were able to launch IF commercial as planned with an investment volume of CHF 220 million. Together with our investment foundation, we raised CHF 500 million in new money on the market in 2021. This is an impressive achievement.

At the end of the year, you completed an acquisition.

RZ: Yes, that's right. At the end of the year, we announced the purchase of the fund provider Akara. This strengthens our position as a comprehensive real estate investment platform.

Can you explain the idea behind this concept?

RZ: With us, investors can invest either directly or indirectly in real estate or in products based on it. We provide real estate investment vehicles and real estate mandates for the full spectrum of investors, from qualified private investors through to institutional investors. The investment strategies differ depending on the types of use, regions and financing requirements, as well as the legal regulations for the vehicles and mandates. The services offered for the investment vehicles and mandates cover the full value creation chain along the real estate life cycle.

Why did you decide on an acquisition-based growth path?

RZ: The purchase of the Akara Group has significantly accelerated the organic growth achieved so far. The funds provider comple-



«There's no trend towards a reduction in space requirements.»

MARCEL KUCHER, CFO

ments our group company Swiss Prime Site Solutions perfectly, and there are significant synergies. These include the merger of the fund management companies and the 100-plus new investors who we've welcomed to Swiss Prime Site.

What other positive impacts have resulted from the transaction?

MK: The capital requirement is manageable and the purchase results in immediate gains, both in terms of profit and value. In addition, the LPCI vehicle (limited partnership for collective investments) – a private equity real estate investment regulated by FINMA – provides us with an additional and innovative investment product.

Beside Swiss Prime Site Solutions, the Services segment includes also the group companies Wincasa and Jelmoli. How have they developed over the last financial year?

RZ: Wincasa is making considerable progress in the digitalisation of its business model. Next year and beyond, we are expecting to see a significant rise in profitability. Due to the

pandemic and a long lockdown, Jelmoli had another difficult year in 2021. However, the management's reaction to this was extremely agile, and substantially contributed to halving the losses of 2020.

What are you expecting in 2022?

RZ: In the Real Estate segment, we are pressing ahead at full speed with ongoing development projects and focusing our portfolio on prime locations and properties, with corresponding sustainability advantages. We therefore expect to record consistent growth and a further fall in our vacancy rate. We see considerable growth potential in real estate asset management. Following the acquisition and integration of the Akara Group, we are expecting an extremely dynamic and successful year. Our capital recycling approach (sale investment properties, reinvestment into developments) will ensure a steady balance sheet and we may even be able to improve some of our core figures. —

Strong results in 2021

Swiss Prime Site performed strongly in the 2021 financial year and surpassed its own targets significantly. Both segments and all of the group companies contributed to this pleasing result. The fact that these results were achieved in spite of a lockdown lasting several months makes them all the more impressive. On a strategic and financial level, Swiss Prime Site has taken important steps to become even better equipped, more agile and more flexible in dealing with future challenges.

The sale of the Tertianum Group on 28 February 2020 limits the comparability of the 2021 key figures with the previous year. On the one hand, the 2020 figures include Tertianum's results for two months. On the other, the profit from the sale (CHF 204.2 million) was allocated to the prior year period. In order to present Swiss Prime Site's results and performance in a more transparent and comparable manner, we are publishing a supplementary «pro forma» calculation of the figures for the 2020 financial year, which excludes the aforementioned effects from the sale of Tertianum.

On a comparable basis the operating income increased by a pleasing 5.1% to CHF 744.9 million. Both segments and all of the group companies contributed to this very good result. This once again highlights the stability and resilience of our Company, particularly in light of the pandemic situation, which continues to be challenging. The significant improvement in our results was mainly attributable to four key driving factors: the manageable impact of the COVID-19 pandemic, strong operating performance in the area of rental income from existing properties and development projects, the quality of our portfolio and the associated valuation outcome, and exceptional growth in the Services segment driven by the group companies Swiss Prime Site Solutions, Wincasa and Jelmolli.

1. COVID-19 pandemic

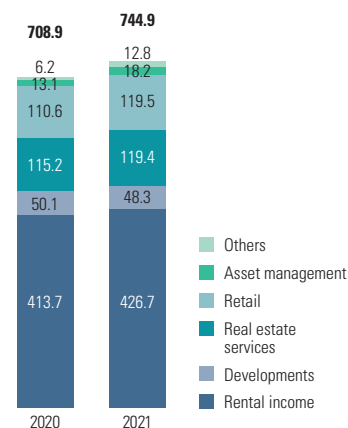
The ongoing pandemic affected Swiss Prime Site's business in certain areas, particularly in the first six months of 2021. The Real Estate segment therefore reported a lower income by CHF 7.9 million (CHF 12.7 million). This is significantly less than the previous year's figure and shows that our tenants are better at dealing with the pandemic. We are therefore expecting a lower impact in 2022. The amount is due firstly to rent waivers granted to tenants of CHF 4.8 million and secondly to a CHF 3.1 million drop in sales and parking income. All tenant requests received were completely processed. Agreements were reached with almost all tenants. 99% of all rents due were paid as at the end of the year.

2. Rental income: increase in operating income

Despite the rent waivers granted, rental income increased by an impressive 3.1% (target: +2.5%) to CHF 426.7 million. This result is due to the sharp decline in vacancies from 5.1% to 4.6% (target: 4.6–4.8%), projects that were completed and transferred to the portfolio, and growth in operating rental income (like-for-like: +0.5%). We were also very successful with letting existing properties and projects in the 2021 financial year. We let or re-let around 170 000 m², exceeding the figure for 2019 by around one third. The rental market proved very attractive, with significant leases in the major centres of Geneva, Basel and Zurich.

OPERATING INCOME

in CHF million

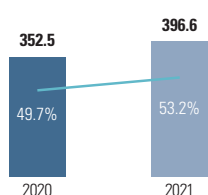


3. Property portfolio: significant revaluation gains

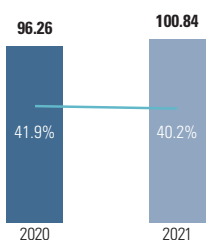
The robust state of the market and the exceptional quality of our properties are also reflected in the value of Swiss Prime Site's portfolio. Despite sales of CHF 146.4 million, the portfolio value grew by CHF 470.9 million to CHF 12.8 billion. Investments in projects of CHF 280 million and favourable revaluation gains of CHF 318.8 million both contributed to this positive development. Due to higher rents, however, the net yield on property remained unchanged at attractive 3.2%. This is a strong indication that we generated the valuation outcome with our operational activities.

**EBIT AND EBIT-MARGIN
(EXKL. REVALUATIONS)**

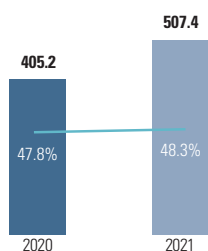
in CHF million resp. %

**EPRA NTA PER SHARE AND LTV**

in CHF resp. %

**PROFIT AND EQUITY RATIO**

in CHF million resp. %

**4. Services segment:
strong performance**

In the Services segment, Swiss Prime Site Solutions again reported outstanding growth in real estate assets under management, reporting an increase from CHF 3.0 billion to CHF 3.6 billion. The group company's operating income rose by 38.8% to CHF 18.2 million. Contributing factors were the launch of various products domestically and abroad, success in acquiring additional management contracts and the growth of existing products. The positive flow-on effects from this will begin to unfold fully in the coming financial year. Following its approval as a fund manager and acquisition of

fund provider Akara, the real estate asset manager's growth will be even more pronounced in 2022 and beyond. Wincasa asserted itself in a highly competitive market and reported improved operating income and 3.6% growth compared to the previous year. Despite an extended lockdown in the first half of the year, Jelmoli also improved significantly and reported an 8.1% increase in operating income. This represents a significant increase compared to the market as a whole.

Exceptional increase in profitability

Thanks to stable personnel costs and only a slight increase in other operating costs, we were able to convert our increased income into significantly higher profitability. This positive development on the cost side clearly demonstrates the potential of Swiss Prime Site's comprehensive property platform in terms of synergies, digitalisation and resulting improvements in efficiency. A total of CHF 54.8 million (incl. PoC) against CHF 36.1 million in the previous year in pre-tax profits was realised from sales. The group's operating result (EBIT) before revaluations increased markedly by 12.5% (target: +5.0%) to CHF 396.6 million. Even excluding the effect of sales, an above-average increase of 8.0% was reported.

Impressive profit growth

In terms of company profit, Swiss Prime Site generated CHF 507.4 million, an increase of 25.2%. This result is all the more pleasing given that income taxes were higher and a special effect of CHF 24.9 million was recognised as a result of extensive refinancing at the end of 2021. The aforementioned one-off effect relates to early repayment charges and other costs associated with the discharge of bank mortgages amounting to CHF 1.8 billion. As a result of changing our sources of financing, future interest charges (associated with the discharged bank mortgages) will decrease by around 50%, or CHF 10–12 million per annum. The increase in income taxes is attributable to higher revaluation gains and gains from sales. Not including revaluation effects, Swiss Prime Site's profit increased by 6.6% to CHF 289.5 million, or CHF 3.81 per share.

Strong balance sheet and FFO

Our strong results and the increased focus on further improving our balance sheet ratios (keyword: capital recycling) resulted in a marked 0.5 percentage point increase in the equity ratio, bringing it to a very solid 48.3%. At the same time, the loan-to-value ratio (LTV) fell by 1.7 percentage points to 40.2%. The newly de-

finied target ratio of less than 40% is therefore already within reach. In net terms, that is after deducting cash holdings, the LTV amounts to 39.3%. As a result of the switch, the proportion of properties not secured by mortgages increases from 30% to 84%, and the average term to maturity from 4.8 to 5.8 years. Net asset value (EPRA NTA) increased to CHF 100.84 per share (+4.8%).

Funds from operations (FFO Cash) is a figure used in the European market as a key indicator of the operating performance of real estate companies. This figure is calculated without including the result of valuations or items not relevant to cash, such as depreciation, etc. As is already the practice in many international businesses, we plan to increasingly use this figure in future to measure our performance and, in the medium term, use it as the basis for distributions. FFO I per share increased from CHF 3.59 to CHF 3.96 in 2021. In the new terminology, the steady dividend of CHF 3.35 recommended to the Annual General Meeting would produce an attractive payout ratio for our shareholders of around 85%.

Positive outlook

Starting in the 2022 financial year, Swiss Prime Site will publish its annual figures in accordance with the IFRS international accounting standards, which will allow it to provide even more transparent and comprehensive information on the course of business. This change will make it easier to compare us with other companies in our sector and will provide all stakeholders with a more comprehensive and in-depth source of information. The aim behind this increasing transparency is to continually improve our appeal to diverse groups of investors. To ensure comparability and predictability, we will also publish indicative financial statements prepared in accordance with IFRS together with the 2021 annual figures (prepared in accordance with Swiss GAAP FER). There will be only marginal changes to the main key figures as a result of the change.

Our strong operating performance over the past financial year, combined with the strategic adjustments made to our financing strategy at the end of 2021, the expansion of our business model to encompass a comprehensive platform for real estate investment, transparent accounting and the Moody's A3/stable credit rating we recently obtained, all provide an optimal foundation for further increases in value in the interests of all of our shareholders.

Board of Directors

Swiss Prime Site's Board of Directors comprises key personalities from Europe's economy. The years of extensive experience of the individual board members in various fields paves the way for a balanced body that is focused on the long term.



Ton Büchner

Chairman

Independent member
since 2020³



Mario F. Seris

Vice-Chairman

Independent member
since 2005³



Dr Barbara Frei-Spreiter

Independent member
since 2018²



Thomas Studhalter

Independent member
since 2018¹



Christopher M. Chambers

Independent member
since 2009^{1,2}



Barbara A. Knoflach

Independent member
since 2021^{1,3}



Gabrielle Nater-Bass

Independent member
since 2019²

¹ Audit Committee

² Nomination and Compensation Committee

³ Investment Committee

Executive Board

Swiss Prime Site's Executive Board comprises the Chief Executive Officers of the group companies Swiss Prime Site Immobilien, Swiss Prime Site Solutions, Wincasa and Jelmoli as well as the group's CEO and CFO.



René Zahnd
CEO Swiss Prime Site



Dr Marcel Kucher
CFO Swiss Prime Site



Dr Martin Kaleja
CEO Swiss Prime Site Immobilien



Anastasius Tschopp
CEO Swiss Prime Site Solutions



Oliver Hofmann
CEO Wincasa

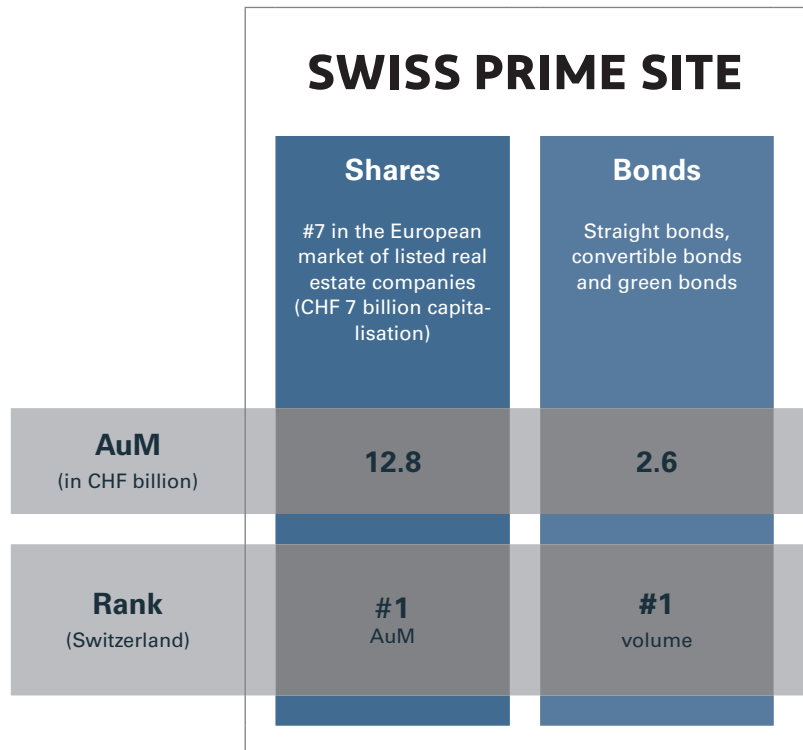


Nina Müller
CEO Jelmoli

The real estate investment platform

We are the leading partner for investors who wish to invest – or who already invest – both indirectly and directly in the real estate market. Swiss Prime Site thus covers the entire investor spectrum from private through to institutional investors. The product range includes funds (open-ended and closed-ended), mandates, investment foundations, straight bonds and the Swiss Prime Site share.

Investors can invest either directly or indirectly in real estate or in products based on it. We provide real estate investment vehicles and real estate mandates for the full spectrum of investors, from qualified private investors through to institutional investors. The investment strategies differ depending on the types of use, regions and financing requirements, as well as the legal regulations for the vehicles and mandates. The services offered for the investment vehicles and mandates cover the



Investor approach Indirect investments

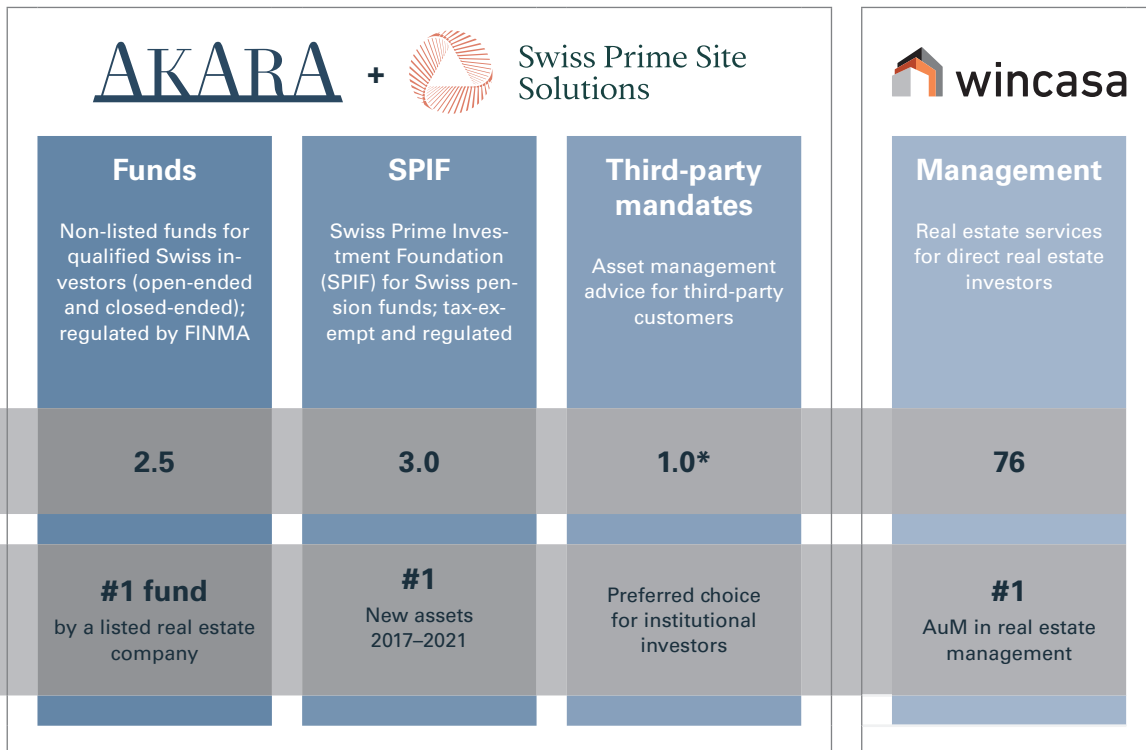
*current and secured

We manage real estate investment vehicles and real estate mandates for the full range of investors, from experienced private investors through to institutional investors.

full value creation chain along the real estate life cycle. This includes successfully acquiring a property or site, project development and project realisation, portfolio and asset management, property management and divesting properties, sites or parts thereof as well as capital procurement. The investment platform is a knowledge platform that enables high levels of customer benefit across important topics such as ESG/sustainability (e.g. circular economy) and real estate development. Synergies can be leveraged here that create additional value for our customers and therefore also for our investors. Swiss Prime Site works to the highest quality and sustainability standards and systematically focuses on current and fu-

ture market needs. The goal is to ensure long-term value generation along the fields of activity of stakeholders, finance, infrastructure, innovation, ecology and employees.

With more than CHF 19 billion in real estate assets under management, Swiss Prime Site is one of the leading real estate companies in Europe. The Swiss Prime Site Group comprises the group companies Swiss Prime Site Immobilien (property portfolio), Swiss Prime Site Solutions (funds and real estate asset management for third-party customers), Wincasa (real estate management for Swiss Prime Site Immobilien, Swiss Prime Site Solutions and third-party customers) and Jelmoli (omnichannel premium department store).



Direct investments

Our success story

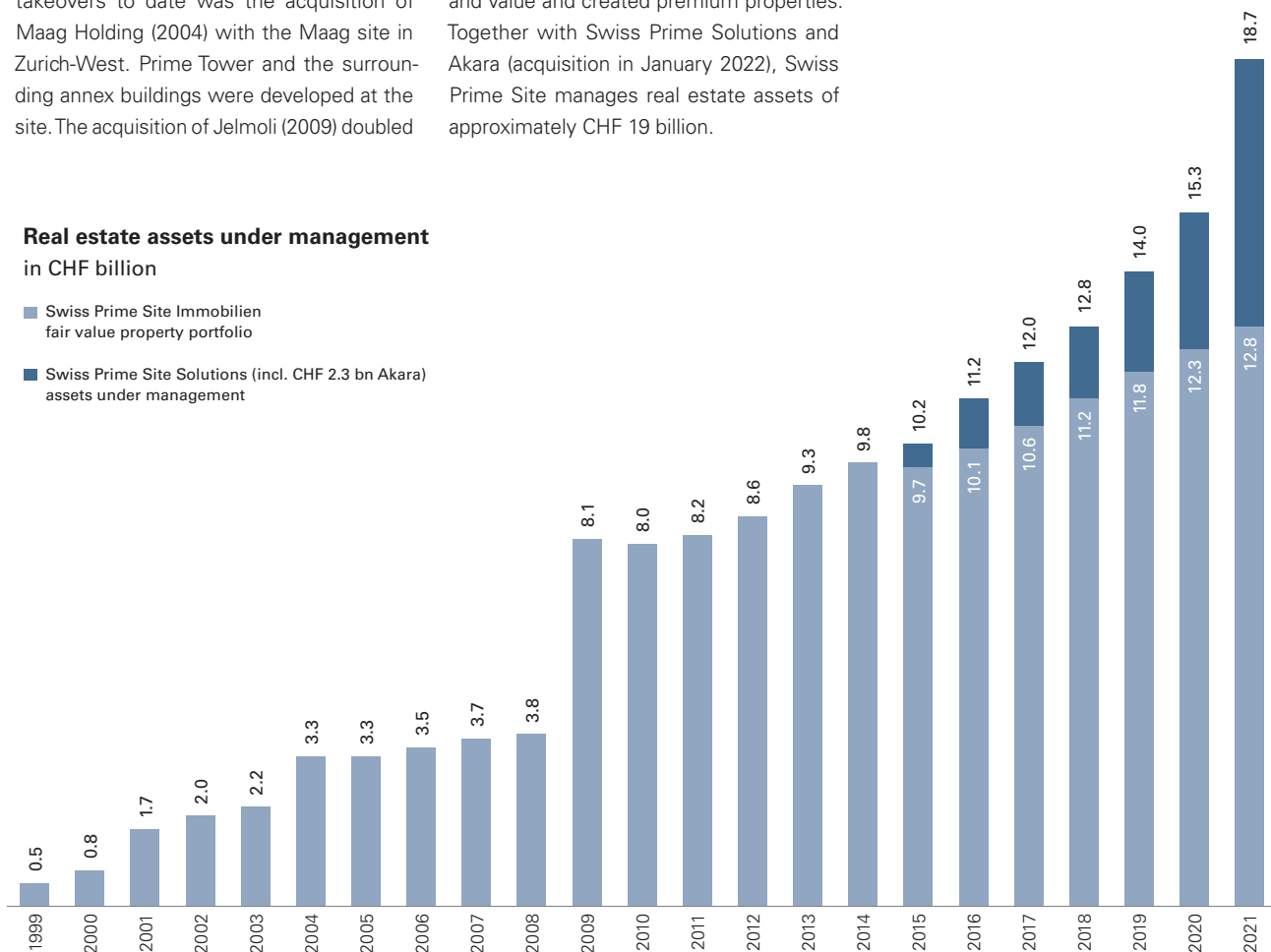
Swiss Prime Site was founded in 1999. The Company is the largest listed real estate company in Switzerland and has a property portfolio valued at CHF 12.8 billion. Including Swiss Prime Site Solutions and Akara, the real estate assets under management are worth approximately CHF 19 billion.

By means of acquisitions, property developments and conversions, as well as a sharp focus on prime locations, Swiss Prime Site is continuously building up its portfolio. One of the most significant takeovers to date was the acquisition of Maag Holding (2004) with the Maag site in Zurich-West. Prime Tower and the surrounding annex buildings were developed at the site. The acquisition of Jelvoli (2009) doubled

the value of the Company's real estate holdings. In addition, significant developments – such as YOND in Zurich and EspacePost Berne – and conversions of former office floor space have generated further growth and value and created premium properties. Together with Swiss Prime Solutions and Akara (acquisition in January 2022), Swiss Prime Site manages real estate assets of approximately CHF 19 billion.

Real estate assets under management in CHF billion

- Swiss Prime Site Immobilien fair value property portfolio
- Swiss Prime Site Solutions (incl. CHF 2.3 bn Akara) assets under management



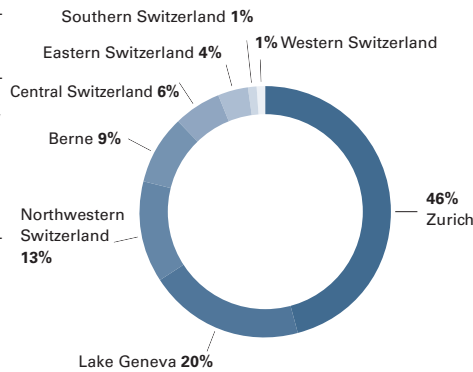
Our property portfolio

Swiss Prime Site Immobilien is a real estate investment company focusing on the Swiss market. As at the end of 2021, the portfolio had a total value of CHF 12.8 billion. It consists of high-quality properties in prime locations, mainly occupied by commercial tenants.

The formation of Swiss Prime Site in 1999 by the Credit Suisse Pension Fund, Siemens Pension Fund and Winterthur Leben (today: AXA) laid the foundation for the current property portfolio. Further acquisitions and significant self-development projects (including Messeturm, Prime Tower, YOND and JED) increased the quality and size of the property portfolio to a total of CHF 12.8 billion. The majority of properties (78%) are located in German-speaking Switzerland. The canton of Zurich and particularly Zurich City account for the main share in this region with 46%. Another region in the spotlight is Geneva (20%). Swiss Prime Site has focused its portfolio of high-quality, value-retaining properties situated in prime locations mainly on commercial and service companies and their needs. The main types of use are offices (44%), retail (26%) and logistics/infrastructure (9%).

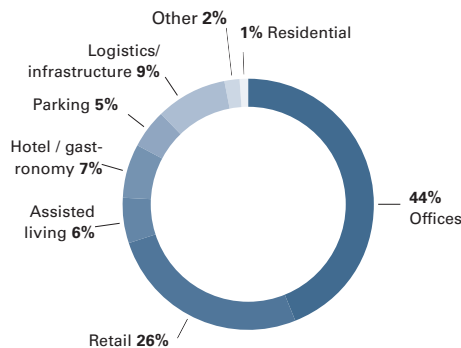
Portfolio split by region

Basis: Fair value as at 31.12.2021



Portfolio split by type of use¹

Basis: Net rental income as at 31.12.2021



¹ Real Estate segment



Prime Tower site, Zurich

Between 2008 and 2011, on the Maag site in Zurich-West, Swiss Prime Site created the office and services building Prime Tower, Platform and the annex buildings Diagonal and Cubus, with a total rental space of around 69 000 m². In doing so, Swiss Prime Site created a new district within the city of Zurich. The «maaglive» project offers Swiss Prime Site additional development potential on the site. «maaglive» will provide the site with ideal additional residential and cultural space.

Building certificate

LEED Gold and Minergie

Mobility

Direct link to the Hardbrücke railway station, electric vehicle charging points on the site

Electricity generation

Photovoltaic system on the Platform building

Heat generation

Heat pump, residual heat requirements from district heating

Ventilation

Floor convectors, natural ventilation (windows), UV CleanAir (lift systems)



MORE ABOUT
PRIME TOWER SITE

STORIES THAT MOVE US



View over part of the city of Zurich looking towards the lake and the city centre. In the foreground, District 5 with the Hardbrücke railway station and the Prime Tower site, the beating heart of the district.



As the leading real estate company, we create added value and sustainable living spaces, innovatively and passionately. Our real estate investments and products set high standards and we constantly strive to create added value for our stakeholders. We are steadfastly committed to sustainability and accept responsibility for our actions, our environment and the society.



Our goal is to place people at the heart of what we do and enhance their wellbeing through our real estate.

View of JED Schlieren; spaces of the anchor tenant Zühlke.

Health-consciousness, which has been increasing over recent years, has been greatly heightened by the COVID-19 pandemic. This is placing new demands on real estate. After all, in Switzerland people now spend up to 21 hours a day indoors. It is important to take this multi-layered change in requirements on board.

The healthy building

In the future, health-conscious people won't just be keeping a close eye on the food they eat; increasingly, they'll also be looking at the spaces in which they have to spend time. So it's time to ensure that both living spaces and offices promote health and productivity. Due to the pandemic, such aspirations are gaining traction among everyone, from real estate owners, tenants and users to public authorities and policy-makers. The issue also has economic relevance. According to a study by Harvard University, healthy buildings can significantly lower rates of employee absenteeism and health costs for employers.

Making people the focus

Our goal is to place people at the heart of what we do and enhance their wellbeing through our properties. To do this, we need intelligent tech-

nologies as well as personal services customised to the user. According to the Healthy Building Network knowledge platform, the focus is on achieving an optimal indoor climate, ventilation and lighting quality, acoustics and invigorating interior design. Some early examples in Zurich and Basel show how office properties might be designed with these features.

First impressions count

In future, all properties will be entered via an automatic sliding or revolving door. Sanitiser will be offered as standard in the entrance hall. As you walk through the entrance, your body temperature will be taken. If this is within the appropriate range, you can proceed into the rest of the building, by scanning your hand. A lift concept that interacts with the overall system, like the one that has long been a feature >

of the Prime Tower in Zurich, carries the individual – identified by the system – straight up to their desired floor. The lifts are equipped with air purifiers that maintain the air quality within the lift.

Promoting health and productivity

Interaction and transit areas will be much more spacious in the future, so that employees can move more flexibly and meet each other to exchange ideas. The lighting system will be based on human-centric lighting technology. This will ensure optimum mental and emotional wellbeing and will stimulate productivity. All of the materials used will be free from substances that could have a negative impact on wellbeing, such as volatile organic compounds. Quite the opposite, in fact: they will be treated with a permanent antimicrobial and odour-neutralising coating.

Better air means a better «climate»

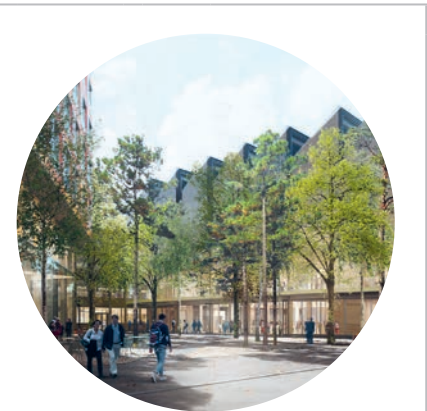
The Messeturm in Basel was renovated in 2020/21. Measurements show consistent im-

provements in air quality. This is also aided by plants that act as humidifiers and natural acoustic insulation. These changes have also helped to reduce stress. The air conditioning system is part of the «healthy building ecosystem» and distributes the purified interior air by zone, at the right temperature for each zone. This is made possible by sensors that monitor heat, cold, pressure and the CO₂ content of the indoor air on an ongoing basis and trigger control commands if the readings stray from the optimum.

For the users' wellbeing

On-site services such as fitness, relaxation and catering options that promote good health and specially designed colour schemes and furnishing concepts also address new needs. In this age of employer branding and wider social awareness of healthy living, the human feel-good factor in a «healthy building» will be hugely instrumental in boosting the value and appeal of real estate. For the benefit of users, tenants and property owners. —

Interaction and transit areas will be much more spacious in future.



Sustainable urban development in Zurich

Under the UN's 17 Sustainability Development Goals, SDG 11 focuses on cities and communities. These should be inclusive, safe, resilient and sustainable, with a balance between social, economic and ecological sustainability. Swiss Prime Site is further developing the Maag site with these aspects in mind. «maaglive» will complement the existing office spaces on the site with living and cultural spaces. The intention is to open up a significant proportion of the flexibly usable spaces for cultural activities. The three buildings will also be arranged around a tree-lined square. Together with other green spaces, this will contribute to heat reduction in Zurich-West. This goes hand in hand with Swiss Prime Site's climate goal of reducing emissions to net zero by 2040.



MORE ABOUT
«MAAGLIVE»

Flexible spaces for commercial and service businesses in YOND, Zurich.



Climate-neutral property portfolio

Humans have exceeded the limits of what the planet can cope with in a number of areas. Climate change – and the accompanying call for decarbonisation – is one of the greatest global challenges of our time. The responsibility of states, corporations and every single person, employee and consumer is complex and wide-ranging. The situation demands a new, cross-generational awareness and engenders a sense of global unity. >

In real estate, around 68% of emissions can be attributed to the use phase. To decarbonise a property portfolio, it is essential to understand the components of a carbon footprint and where to source reliable information. The monitoring of energy and carbon emissions implemented at Swiss Prime Site formed the basis for the development of the Company's CO₂ reduction pathway in 2019. The data gathered from this will ensure that we can become a climate-neutral business by 2040 and will serve to monitor our progress along the way. The goal is clear, but the strategies required are often complex and multi-faceted. The Com-

pany's efforts are focused on the reduction of emissions that can be directly influenced during the use phase of properties. This involves implementing instruments and processes that ensure the supply and production of renewable energy. In addition to reducing CO₂ emissions within our own value chain, we must not disregard indirect emissions. Around 30% of these emissions occur during the production of raw materials, along the supply chain and in the materials cycle. It is therefore important to ensure transparency along the supply chain and within our building stock. This is also an area where we can link goals with a reduction strategy.

01 Cross-section of the Müllerstrasse project, Zurich.

02 Müllerstrasse Zurich before the renovations.

Madaster – a materials registry

Madaster is an online registry for materials and products used in construction. The documentation, registration and archiving of the materials used in buildings and construction projects promotes intelligent designs, avoids waste and makes it easier for them to be broken down and recycled. The partnership with Madaster is consistent with Swiss Prime Site's sustainability goals and measures. One excellent example of an innovative circular project as part of a total renovation is the new site for Google in Zurich (Müllerstrasse 16/20). Construction work started in July 2021 and aims to transform the 24000 m² building into an ultra-contemporary space with the highest sustainability standards. After completion at the end of 2023, the building will be certified in accordance with SNBS and Minergie standards.



MORE ABOUT MADASTER

Circular thinking

Swiss Prime Site is confident that, in the long-term, the concept of the circular economy can help to transform buildings into sources of materials with financial value. At the same time, this can make a major contribution to reducing waste. After all, 84% of waste in Switzerland comes from the construction industry. As a result, we need to determine technical cycles (e.g. disassembly) and biological cycles as early as the planning stage. This work is based on the relevant information about materials and their recycling potential. On specific projects such as Müllerstrasse in Zurich, Swiss Prime Site is working together with Madaster Switzerland to optimise recycling capabilities in buildings, create an inventory and make the concept transparent and tangible.

However, the circular economy goes beyond technical and environmental cycles. The changing climate requires a profound transformation and innovation of our current linear economic system. For real estate companies, this means questioning the existing business model and developing it further with new innovative methods, cycle-oriented processes and new forms of collaboration. The key to success lies in a new mindset, reflected in our values and corporate culture. Achieving this depends on continuously raising awareness, sharing knowledge and strengthening our expertise in sustainability.

Shaping the future

It is now time to think beyond our established boundaries and linear systems, and to forge ahead boldly with practical examples. Swiss Prime Site is taking this corporate responsibility seriously, promotes innovation and, above all, is seizing the opportunities associated with the necessary transformation.



Energy from the Anergy grid

By the end of 2022, the Shopping Arena in St Gallen and other buildings in the district will be supplied with energy from the cold district heating network. The plan here is to involve additional waste heat suppliers, increasing supply reliability and tapping into the long-term capacity necessary for future expansion. The tender for the civil engineering works and pipework is scheduled to take place in winter 2021. The goal is to drastically reduce the use of fossil fuel-based energy and CO₂ emissions.



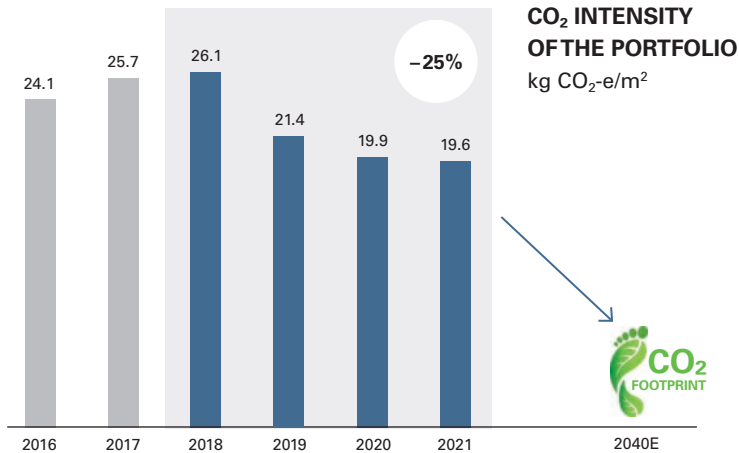
MORE ABOUT THE ANERGY GRID

Climate-neutral by 2040

Swiss Prime Site is aware of its responsibility when it comes to climate protection and has been committed for quite some time to contributing towards the 1.5-degree goal of the Paris Climate Accord and the Swiss Federal Council's climate neutrality goal for 2050. To that end, in 2019 the Company developed a CO₂ reduction pa-

thway for the entire property portfolio and strengthened it further in the reporting year. Swiss Prime Site is using active management principles to implement a reduction pathway well below the 1.5-degree scenario. By 2040, around CHF 650 million will have been invested in achieving climate neutrality over that period for the whole property portfolio. In addition to investments in renewable energies, the

majority of the expense will be in building renovations. At the same time, resources will be invested in measures to replace heating systems. In this way, the Company is taking its own steps to reduce emissions as far as possible. Where there are the anticipated unavoidable emissions, we will evaluate additional measures outside the property portfolio to achieve its climate neutrality by 2040.



MORE ABOUT THE REDUCTION PATHWAY

In this way, the Company is taking its own steps to reduce emissions as far as possible.

Photo: blondiegirl/Getty Images



01



02

«Satisfied customers will help us achieve our goals.»

In Schlieren, on the site of a former printing area just outside the city of Zurich, Swiss Prime Site developed a location that brings together innovation, knowledge transfer and entrepreneurship. «JED» skilfully combines historic industrial character with the atmosphere of a modern workplace, creating interesting spaces for tenants, visitors and the local population. Project Manager Gianfranco Basso has helped to develop and design JED and continues to shape the project today.

Why did Swiss Prime Site purchase this site?

Gianfranco Basso: The former newspaper printing site of the Neue Zürcher Zeitung offers great opportunities for property developers. High ceilings, a long and meaningful history and potential for identification with the space make existing industrial buildings and offices ideal for major projects. These were probably the decisive arguments in favour of purchase back in 2015 – and they still apply today.

Strictly speaking, the location of the site is not exactly «prime». Would you agree?

GB: Schlieren overall, and that area in particular, is very popular with a range of industries. On top of that, the product that we are now developing is extremely attractive and unique in this form. So very much prime!

What makes this kind of property special?

GB: It's the interaction of various factors. On the one hand there's the architecture, with its bricks, concrete, steel and plenty of light, which creates possibilities for unique meeting spaces and ensures exceptionally good visual communication. On the other hand, you've also got the industrial charm, the large spaces, high ceilings and load capacities, which allow for unusual uses of the space as well. The question of sustainability also plays an important role. Instead of tearing down the existing buildings and replacing them with a new build, we have preserved, renovated and converted the structure. This saved considerable resources. >





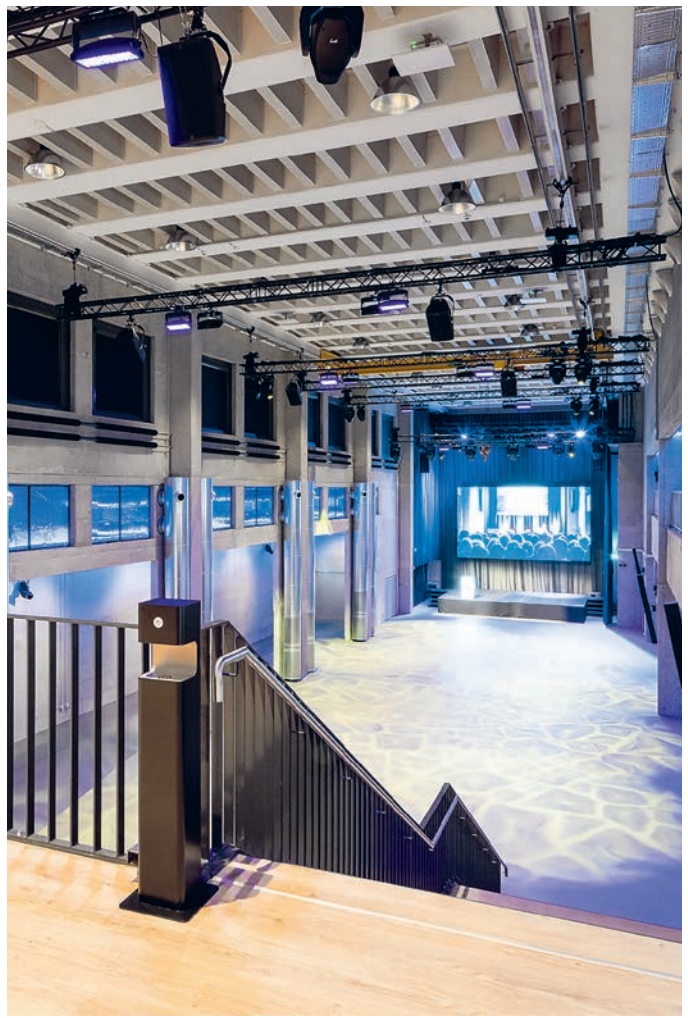
Gianfranco Basso
at Jake's Bar at JED
Schlieren.

«It's the openness
of the site, the mix-
ture of internationa-
lism and urban cha-
racter, and the posi-
tive blend of history
and modernity
we've been able to
generate.»

GIANFRANCO BASSO



01



02

Tenant survey

The COVID-19 pandemic has accentuated various trends in the real estate market, with a greater customer focus on prime locations and a high level of spatial flexibility. Issues such as health and sustainabi-

lity have also become more significant. A tenant survey by Swiss Prime Site in summer 2021 confirmed these trends. One of the central conclusions of the survey was that the demand for rental space size will remain unchanged and may even increase slightly. Furthermore, tenants give Swiss

Prime Site very good marks in the categories of overall satisfaction and loyalty. Like Swiss Prime Site itself, many tenants want to reduce their CO₂ emissions both directly and indirectly. This is supported by significant investments in the existing property portfolio.

Overall satisfaction



- (Very) satisfied
- Neutral
- Not satisfied (at all)
- Don't know/not specified

- Very high overall satisfaction of tenants in Swiss Prime Site properties
- Positive value is strongly correlated to the property (modern, fit-out standard, etc.), the location and the general accessibility of the property

Loyalty



- (Definitely) extend
- Neutral
- (Definitely) terminate
- Don't know/not specified

- Tenant loyalty is very high
- 70% would extend the rental agreement if it were to expire in the next few months

Space



- No change
- Increase
- Reduction
- Don't know/not specified

- More than 80% of tenants want to retain the same amount of space and around 15% want a larger space
- Only 5% want a smaller space
- Increased demand for flexibility of spaces

01 JED Schlieren; the fully accessible lounges on the ground and mezzanine floors.

02 JED Schlieren; the large event space with room for up to 800 people.

What were Swiss Prime Site's initial plans for the site?

GB: Even back then, the vision was to create an «innovation location» on the site. We soon started discussions with our first anchor tenant, Zühlke. The consultancy firm was based on the other side of the railway tracks and was looking for a new location.

Let's go back a step for a moment. How do you approach a project like this?

GB: We went through a classic product development process. Part of that was a strong focus on what we call the «customer journey» and asked ourselves first and foremost who needs spaces like these and what kinds of things should happen on the site. Over the years a real biotech locale has developed in Schlieren, right next to our site. This was also something that appealed to our first anchor tenant, Zühlke.

How significant is the risk that you take on as the developer of a project like this?

GB: It is possible to mitigate risks to a certain extent. You need knowledge, market expertise and a degree of flexibility. These ensure that you don't leave demand out of the project equation. We develop and create living spaces for people. Communicating with possible future tenants is essential for that.

Why didn't you simply put up an office tower?

GB: If we'd been developing the project for a large individual tenant, that might have been an option. But an office tower wouldn't have done justice to this unique site. Our target tenants for the area are looking for surroundings that reflect who they are and inspires them. The question of location and infrastructure is hugely important in attracting the right employees.

That brings us back to the idea of the «prime product».

GB: Exactly. And this product is made up of all kinds of values and qualities. The modern spaces, the generous and attractive indoor and outdoor meeting zones, the tenant mix and in particular the diversity on the site are all important if you want to achieve impressive results with this kind of project.

Specifically, what are the success factors for the JED project?

GB: It's the openness of the site, the mixture of internationalism and urban character, and the positive blend of history and modernity we've been able to generate.

When you carry out projects like this, there's a certain phase that signals to the property developer that they're on the right track.

What phase is that?

GB: I call it the «tenant gets tenant» phase.

And what happens there exactly?

GB: Well, a project like JED generally starts with an idea and the first major tenant. In our case that was Zühlke. If the product is right and the anchor tenant is satisfied, they bring this satisfaction into the market via their network. This results in a kind of dynamism, which helps to generate the tenant mix that you want. After Zühlke came Halter. This allowed us to attract an events and catering provider. This mix was then enough to persuade local SMEs like Caffetino and Boulder Lounge. A perfect example of «community building».

Were there any restrictions or obstructions from the authorities, that is, from the town of Schlieren?

GB: The town was very pleased that we were seeking dialogue with them. A project like JED is excellent for promoting the area. The location of the former printing works used to be hermetically sealed. Through our project, we've opened up the premises, made the site accessible, created attractive public spaces and significantly raised the quality of the location.

Looking to the future, what is still to come at JED?

GB: We still have our new building project on the land reserve that we want to use. At the same time, we plan to strengthen the innovation, knowledge transfer and entrepreneurship cluster further. —

Fully digital customer journey

Wincasa and the proptech company streamnow have digitalised the full customer journey in an office complex. This innovation was launched at the end of May 2021 in Zurich Oerlikon. As well as a digital reception, a platform was developed for the building that enabled the entrance and exit controls, visitor tours and all building services to be digitally controlled. The platform is accessed via an app and has many other useful features.



MORE ABOUT THE DIGITAL CUSTOMER JOURNEY

«I wouldn't say a rocky road, but it definitely called for perseverance.»



Swiss Prime Site Solutions, which has been approved as a fund manager by the Swiss Financial Market Supervisory Authority (FINMA), launched its first real estate fund on 1 November 2021. Maximilian Hoffmann, CIO Swiss Prime Site Solutions Investment Fund Commercial, explains the key aspects and goals of the new area of business.

Mr Hoffmann, you recently received FINMA approval for a new real estate investment vehicle. Was it a rocky road leading up to this?

Maximilian Hoffmann: I wouldn't say rocky, but it definitely called for perseverance. A FINMA application essentially consists of two parts: applying for authorisation as a fund management company, and applying for product approval for the real estate fund. When assessing applications for a licence, FINMA checks whether the organisation and people meet the legal and regulatory requirements, and whether the capital requirements and appropriate corporate management are in place. In particular, the company must be sufficiently robust and the employees must have the necessary skills and experience. There are also strict requirements in terms of risk management, compliance and investor protection.

What were some of the main project milestones?

MH: Important milestones included strategic preparations for the product, discussions with FINMA, the preliminary review and the approval review itself. Other major steps included the submission of the final «Fund Management & Fund Product» licence application and the subsequent decision in September, plus the launch of the first fund at the start of November 2021.

Which segments are you focusing on with this first product?

MH: The investment strategy of the Swiss Prime Site Solutions Investment Fund Commercial aims to invest 40–60% in the office and commercial sector, 20–40% in retail and a maximum of 10–20% in specialised real estate such as logistics and industry. It could also include building land. The plan is to diversify across Switzerland. Properties will be directly held.



Acquisition of the successful Akara Group

The Akara Group was founded in 2016 and has since evolved into a FINMA-regulated fund provider with a focus on residential and commercial real estate. The group employs around 50 real estate specialists and offers real estate services in the areas of development, realisation, management and marketing. The real estate assets under management, amounting to around CHF 2.3 billion, comprise a real estate fund for tax-exempt pension funds, a private equity product for qualified investors, and a development pipeline of more than CHF 240 million.

The plan is to integrate the Akara Group into Swiss Prime Site Solutions during the course of the 2022 financial year and to merge the two fund management companies. Through the planned merger, Swiss Prime Site Solutions will grow into one of the leading Swiss real estate asset managers, with real estate assets under management (including development pipeline) of more than CHF 6.5 billion and an expected EBIT contribution of CHF 27–28 million in 2022. The acquisition will enable Swiss Prime Site Solutions to increase its customer base considerably and to expand the existing investment platform with additional product and fund categories, such as real estate private equity investments.



MORE ABOUT THE
AKARA GROUP

What are the goals of the investment fund?

MH: With a secured seed portfolio of about CHF 140 million and an additional pipeline of about CHF 180 million, we have already achieved our first goal. We are now aiming to meet the medium-term target volume of CHF 1 billion through growth of about CHF 300 million per year in line with our strategy. The intention is to list the fund on the SIX Swiss Exchange within three to five years.

And how would you describe the investment strategy?

MH: We are pursuing what's called an «AB-BA» strategy, which means our investments are focused on A towns with B locations and on B towns with A locations. Through an active management approach, we aim to generate stable cash flows while keeping vacancy rates low.

How are you planning to expand the portfolio?

MH: The seed portfolio has an excellent gross yield of 5.1%, a very low vacancy rate of 1.3% and an average unexpired lease term of 6.1 years. These are very good figures. Our main focus is on achieving growth in line with the strategy. Acquisitions are continuously assessed in terms of their effect on the fund's overall performance, which helps us stay within the dividend yield target range at all times.

Can you tell us more about the target yield?

MH: The dividend yield on the seed portfolio is approximately 3.9%, assuming external financing at the typical market level of about 25%. The medium-term target range for investment returns is between 4.5% and 5.5%.

What makes this fund attractive?

MH: With our fund, investors benefit from an entry opportunity with no premium at the net asset value. Furthermore, the secured seed portfolio gives investors access to a highly stable, balanced real estate portfolio with an attractive risk-return profile and high product stability right from the start. They also benefit considerably from our dynamic and volume-based fee model. Another advantage is that as the subscription volume increases, the issue commission decreases.

Sustainability is an important issue for investors. Where does Swiss Prime Site Solutions stand on this?

MH: Environmental aspects are considered in all phases of the investment process. The fund generally adheres to the same standards as the Swiss Prime Site Group and applies the same criteria. The long-term goals

include aligning the fund with national and international sustainability programmes.

What is the process for purchasing shares in the fund?

MH: We've put together a responsive team just for investors and interested parties. A personal discussion provides opportunities to exchange information and align expectations and goals. Units are subscribed using a custodian bank. After the initial issue, units can be traded over the counter daily. They are also held on a secondary market. —



The real estate asset manager

Swiss Prime Site Solutions looks back on a successful financial year 2021. The real estate asset manager currently manages around CHF 3.6 billion in assets under management and a customer project pipeline of CHF ~600 million. Customer mandates will bring further growth of around CHF 1 billion over the next few years. In addition to management of the Swiss Prime Investment Foundation and real estate services for third-party customers, since November 2021 Swiss Prime Site Solutions has been developing its business with fund products for qualified investors. It received the FINMA authorisation required for the expansion of the business model in September 2021.



MORE ABOUT SWISS PRIME
SITE SOLUTIONS



FlexOffice Barfüsserplatz, Basel. Excellent flexibility and pleasant spaces for tenants and visitors.

Space as a service!

The digitalisation of society and the accompanying need for flexible solutions to ensure convenient and modern day-to-day working is having a considerable influence on the real estate market. Property developers are trying to respond successfully to this growing need for flexibility and high levels of service.

Changes in office and commercial spaces were only the beginning. Now, the market demands ultra-flexible and modern spaces for research and laboratories.

The demand for flexible office and commercial spaces has been growing for years. With development projects like YOND in Zurich, Swiss Prime Site has created properties that meet these demands. Tenants there are able to adapt spaces according to their business needs or those of the market. But as well as the supply of flexible spaces that are let in the traditional way, there is a big future for office space required at short notice – along co-working lines. This resulted in our collaboration with providers such as Regus in Stücki Park, Basel, and a partnership with FlexOffice, which now has six locations across Switzerland. Changes in working hours, mobile work and the increase in working from home means that office spaces are viewed and «consumed» as just one of many services. Moreover, companies want to be able to manage co-working spaces flexibly if bottlenecks occur or to accommodate employees' needs.

The trend – «space as a service».

The market trend for more and more flexibility in rental spaces continues. As a result, options for various other types of use have emerged. For example, in collaboration with Wincasa, Swiss Prime Site has entered into a partnership with memox. The start-up provides spaces for meetings and workshops in prime locations. These spaces are fully furnished so that tenants can get to work immediately. Swiss Prime Site sees great potential within their real estate portfolio of almost 200 properties, as does Wincasa in their customers' properties. With regard to greater flexibility and the trend towards >



Full flexibility

«Business as usual» was yesterday. In six Swiss Prime Site properties, FlexOffice offers a 360-degree service to enable agile working. The offices for lease there can be totally customised to individual needs, as they have been designed with flexible configuration in mind. In addition to attractive working space, FlexOffice also offers its customers an all-inclusive service ranging from barista coffee to tech support. FlexOffice currently has a presence in Swiss Prime Site properties in Basel, Zurich, Berne and Geneva.



MORE ABOUT
FLEXOFFICE

«servitisation», Swiss Prime Site has gone a step further at Stücki Park in Basel, where the self-developed «ZIP» platform was launched in mid-2021. ZIP works on a «plug and work» principle, that is to say: move in and get to work. Fully fitted out offices and meeting rooms are on offer for teams or smaller companies. They can be furnished to a high standard on request and come with state-of-the-art infrastructure, plus many services and facilities on site. The spaces are generally rented for several months. The immediate surroundings of ZIP are urban and have a lot to offer: the largest fitness centre in the region, shops, bars, restaurants, a hotel, cinemas and a bowling alley. The next domino in terms of greater flexibility for different types of use is already emerging: laboratory spaces.

The hot topic – «lab as a service»

Traditionally, Switzerland is the top location for life sciences companies, and there is a correspondingly high need for research and laboratory spaces. At various locations in Switzerland, start-ups or even established companies will one day be able to start their research and work on the first day of their rental contract. This will save tenants both time and money, which they are then able to invest mainly in their core business – research. Those interested can choose between various levels of fit-out, and can also decide on the individual level of service quickly and easily. As with other spaces that have experienced an increase in flexibility, the needs of the end user are the primary focus. When finding locations, proximity to existing «clusters» or «ecosystems» in the life sciences sector plays a major role. Based on its history, the Basel region, for example, with its prominent pharmaceutical industry, is extremely well suited. The Zurich region is the focus of the second location. The city on the Limmat is home to the Federal Institute of Technology (ETH Zurich) and numerous national and international technology companies. Laboratory spaces are therefore in high demand.

The future – flexible and customer-focused

Developments in the real estate market are making great strides. Changes in office and commercial spaces were only the beginning. Now, the market demands ultra-flexible and modern spaces for research and laboratories. As in all areas, it is clear that a flexible business model and customer focus are decisive factors in companies' future viability. With its existing partnerships and development projects, Swiss Prime Site is steadily moving forward on the successful path it has forged.

01 Technologiepark Basel is part of the Stücki Park site.

02 Start-ups can carry out their research projects in contemporary, fully equipped laboratories.



Shared office in Alto Pont-Rouge

Pont-Rouge is establishing itself as a major new business district in Geneva. Westhive – the successful Swiss shared office provider – is the latest attractive addition to the Alto Pont-Rouge development project. There is considerable – and growing – interest in flexible workspace solutions, so Swiss Prime Site makes it a priority to integrate this kind of services into their properties. The district is a sought-after address for today's companies. Find out more in the interview with Kim Schmid, Asset Manager for Swiss Prime Site Immobilien and Bruno Rambaldi, co-founder and partner of Westhive.



MORE ABOUT
ALTO PONT ROUGE

Partnership with Superlab Suisse

Superlab Suisse is a Swiss start-up and aims to be the premier address for life sciences companies who are looking for increasingly sought-after research and laboratory spaces. Working with Swiss Prime Site, the young company has developed a plan to roll out a network of locations across Switzerland. Superlab Suisse has the necessary expertise and familiarity with the details of research processes. Swiss Prime Site has the necessary property knowledge and skills as well as the development resources needed to contribute the associated «hardware». At various locations in Switzerland, the intention is to one day allow start-ups or even established companies to make a start on their research and work on the first day of their contract.

So far, Swiss Prime Site and Superlab have identified two suitable locations for the first fully fitted out laboratory and research spaces with accompanying operational services. When finding locations, proximity to existing «clusters» or «ecosystems» in the life sciences sector plays a major role. Based on its history, the Basel region, for example, with its prominent pharmaceutical industry, is extremely well suited. Stücki Park in Basel already houses a laboratory building and a technology park that brings together various start-ups from the life science sector. Another cutting-edge building is set to go up in the next 18 months, featuring laboratory and research space from Superlab Suisse. The second site will be built in Schlieren, near Zurich. A life sciences cluster has evolved on the site of a former railway carriage factory. Next door to this, Swiss Prime Site is planning a modern and remarkably sustainable new construction project on the JED site.



01



02



MORE ABOUT
SUPERLAB SUISSE

Logistics real estate? It's logical, really.

The real estate industry has been catering to the growing demand for logistics properties for some time now. This trend has been further accelerated by greater mobility and general digitalisation in society. But it was not until the start of the current decade that a real gold fever began to emerge in the market, further heightened by the pandemic. >



Logistics real estate
West-Log in Zurich; near
Altstetten railway station
and the A1 motorway.



Of the 184 or more
properties, 9% currently
fall into the category of logi-
stics and infrastructure.

According to various studies, logistics will continue to be a rewarding use category for real estate investors in Europe.

In addition to the major construction projects that have been completed in the logistics real estate sector throughout Switzerland in recent years, various investment vehicles and investment groups have emerged to take advantage of this exciting opportunity. These days, almost every real estate company includes «logistics» at least as an additional use type in their portfolio. Credit Suisse summarised the dynamics at play in its logistics real estate report: «The flow of goods to be handled is enormous and continues to grow at an above-average pace. [...] Online trading, urbanization and digitalization are the megatrends characterizing the development of this market.» The fact that this flow of goods has driven demand for corresponding properties in recent years is backed up by figures from a study of the Swiss

market. Between 2006 and 2019, the logistics market volume in Switzerland grew continuously by around 2% per year.

Projects in Geneva and Zurich

Swiss Prime Site's property portfolio currently has a market value of around CHF 12.8 billion. Of the 184 or more properties, 9% currently fall into the category of logistics and infrastructure. Two major projects in this area have been partially completed in the past 24 months and transferred to the portfolio. The West-Log property is dedicated to city logistics. It is located next to the Zurich Altstetten railway station, near a tram line into the city centre and Switzerland's main motorway, the A1. The first two floors have extra-high ceilings and house various automated storage facilities, retail spaces

01



Award for good buildings

For around 70 years, the City of Zurich has honoured the best properties, structures and facilities in the city with an award. The «Award for Good Buildings in the City of Zurich» promotes varied, high-quality buildings and stimulates public awareness and open discussions about urban construction and architecture. Swiss Prime Site's highly flexible YOND building is one of twelve buildings to have received this award. The YOND real estate development represents simplicity and functionality, and has been conceived from the ground up for our customers and their needs.



MORE ABOUT YOND



and showrooms. The upper levels have been designed for use as office space. Like West-Log in Zurich, the EspaceTourbillon development in Geneva is located on the outskirts of the city. The five flexible commercial buildings are ideally suited to high-tech firms, biotechnology, clean-tech and R&D companies, as well as commercial, retail and service companies. To meet the current needs of industry, trade and retail, the three underground floors serve as a logistics platform, with infrastructure for lorries and other modes of transport.

Logistics as part of corporate strategy

According to various studies, logistics will continue to be a rewarding category of use for real estate investors in Europe. The coronavirus pandemic has further fuelled the value drivers of globalisation, online retail, mobility and economics, all of which are key factors in the development of logistics and warehouse properties. For example, in globally active industrial companies, logistics management has become an important strategic component which, ideally, can be turned into a competitive advantage. At the same time, the convergence of production and supply processes, combined with increasing automation, is also leading to greater demand for logistics space. The pandemic has seen unprecedented growth in online retail, which has also spread to new product categories. Furthermore, reverse logistics is also becoming more important due to the sharp rise in online shopping. Businesses have to make their returns processes quick and easy for their customers. The location and accessibility of properties are also important criteria, as the most attractive locations are usually those that are easy to reach and access. The economic recovery after the pandemic should give the procyclical logistics sector a further boost.

Use of reserves in the portfolio

In its existing portfolio, Swiss Prime Site Immobilien has many promising properties that meet the criteria for successful logistics hubs. One of these is the Iseli site in Regensdorf. This commercial site near the city of Zurich has an area of around 25 000 m² and boasts eight multi-purpose halls that are home to specialist skilled-trade and service businesses from the construction and engineering sector. The Regensdorf location will become even more attractive in the coming years with the completion of the Bahnhof Nord development zone and the expansion of the Gubrist Tunnel. The site, which is intended for commercial use, has its own rail link and offers considerable potential for logistics and higher density development.

Acquisition of attractive new locations

In early 2020, Swiss Prime Site Immobilien acquired two logistics properties in a central location in the canton of Basel-Land. Proximity to the city of Basel, good accessibility from the A2 and A3 motorways, and nearby border crossings to Germany and France offer attractive conditions and additional development potential. Another logistics property was subsequently purchased in the Zurich region (Buchs). This has an area of around 20 000 m² and is situated in a logistically important cluster. The most recent significant acquisition in this area was completed in spring 2021. This was a key plot in an easily accessible location, close to the Zurich-Altstetten train station and only a stone's throw from the existing West-Log property. The warehouse and distribution building perfectly complements the development pipeline in the city of Zurich.

Swiss Prime Site Immobilien believes it is well-equipped for an even more global, highly digitalised and mobile future. —

Swiss Prime Site Immobilien believes it is well-equipped for an even more global, highly digitalised and mobile future.

01 EspaceTourbillon and its underground logistics concept.

Stakeholder management at Swiss Prime Site

As part of its sustainable management, Swiss Prime Site seeks to engage in active dialogue with a range of stakeholders including customers, investors, analysts, media representatives and employees. The requirements of these stakeholders are ascertained through surveys and in-person events. The results are then analysed and any necessary measures determined.

In summer 2021, tenants were asked about various aspects of their partnership with Swiss Prime Site, their current levels of satisfaction and any future requirements. The results were discussed with customers as part of a stakeholder dialogue event which takes place every two years.

Swiss Prime Site organises an annual Capital Markets Day for analysts, investors and media representatives. It's an opportunity to present detailed information on our strategy, business model, group companies and value creation by the divisions. The aim is to give participants an overview of the Company's properties, projects and our current performance.

In 2021, Swiss Prime Site conducted a survey of all employees in the group. The independent survey provided management with important feedback and opinions and reflected levels of overall satisfaction. The results were also one of the topics at the Swiss Prime Site Group's annual Management's Day 2021. Around 160 participants attended cross-group workshops, sharing expertise between the group companies.



MORE ABOUT
STAKEHOLDER DIALOGUE

«We are like
gear wheels in a
machine that
work together»

«There's a lot of
variety in what I do.
Every day is different
and raises new
problems that need
solving.»

ANDREA SCHALLER





Macarena Concha and Andrea Schaller at the Prime Tower site.

Andrea Schaller and Macarena Concha work for Swiss Prime Site Solutions. As Communications Manager and Head of Construction respectively, they carry a lot of responsibility and are passionate in pursuing their goals. In the following interview, they talk about how they tackle their work in a lockdown and flourish within their team, and how they balance their professional and private lives.

Where are you working from right now?

Andrea Schaller: We're talking over Teams, but I'm actually in the office.

Macarena Concha: I'm working from home, but I had to do the digital equivalent of running to get to the meeting ...

Why are you working from the office and why from home? And why were you in such a hurry?

AS: There are certain parts of my job that are hard to do from home. I often need direct, personal contact with colleagues, which is why I regularly work on site at Prime Tower.

MC: I spend around half my time at home and half in the office. I was just in a lawyer's meeting – we had to give a project the final legal once-over.

Describe your job in a few sentences.

MC: Essentially, I spend a lot of time on construction sites. I drive our many real estate projects forward and am responsible for keeping them on schedule. My aim as a developer is to bring excellent products to market that will satisfy our customers.

AS: I'm also working with a lot of things that are «under construction» at the moment, but in a more figurative sense [laughs]. I'm responsible for communications at Swiss Prime Site Solutions and the Swiss Prime Investment Foundation. My job covers traditional and digital communications, branding and storytelling.

What do you like best about your job?

AS: There's a lot of variety in what I do. Every day is different and raises new problems that need solving. There's very little in the way of «daily business», and I take care of it very much as I go. I can get stuck in and make a difference every day.

MC: It's the same for me when it comes to variety. I absolutely love how flexible my job is. What's more, at Swiss Prime Site, people listen to you and your opinion matters. I really appreciate that. >

«I hear the song «Try» by Pink in my head. In many ways, it's a song about holding onto your dreams and desires.»

MACARENA CONCHA

Why have you chosen to do the job you do rather than anything else?

AS: I'm an open, communicative person. I always try and see the bigger picture and understand things from a wider perspective. And that's exactly what I do in my job.

MC: I love architecture. I need freedom and the opportunity to contribute my ideas and be creative. The same as Andrea, I like to see the wider context and help shape it. That's why I'm at Swiss Prime Site.

You both have children. How have you handled things in terms of your home life?

AS: It was – and in some ways still is – a very unusual situation. I'm a single mother and so it took a bit of manoeuvring to make sure both I and my school-age daughter could continue doing what we needed to do. Fortunately I have family and friends who helped as much as they could. To be honest, I was delighted when we were able to return to work more or less as normal last summer, and I was able to see my colleagues on a more regular basis. Sometimes I feel like there need to be four of me just to be able to get everything done and give everyone around me what they need.

MC: I have to say the same as Andrea. It was a difficult time. My husband and I had to organise our lives and our children around our work. We don't have any family nearby who can help us with the kids, which makes things harder. We have encountered a few issues, especially when they get sick. The flexibility of my job really helps, though. I've sometimes spent the afternoon looking after the children and then done my work later in the evening.

What's the best thing and the worst thing about your day-to-day work?

MC: What I like most about my job is that I almost always get to start with a blank canvas. This flexibility is a huge source of energy and creativity. What I really hate are long meetings without a clearly defined goal.

AS: Absolutely. Since we've had to move to digital meetings, there have been more of them and they take considerably longer, because you need a lot more coordination. What I love about my job is the fact that I can bring a lot of creativity into the corporate reporting, and into my general communications work. Nothing's off the table as long as it adds value and you can justify it.

What song comes to mind when you think of your work?

AS: For me, definitely «I'm Still Standing» by Elton John! Just to clarify, that's because I

started my job in lockdown, which meant a lot of things were very hard work to begin with. But in the end, it's all okay!

MC: I hear the song «Try» by Pink in my head. In many ways, it's a song about holding onto your dreams and desires, even though many things in life aren't easy and it means taking certain risks in order to achieve what you want to achieve. —



Riverside of life

A section of Swiss Prime Site Solutions' largest development projects – Riverside in Zuchwil – was opened, with representatives from business and politics celebrating the symbolic handover of the keys. As the investor, Swiss Prime Investment Foundation heralded the second stage of construction at Riverside. «Over the last few years, we have positioned our services on the market and successfully developed several areas», said Anastasius Tschopp, CEO of Swiss Prime Site Solutions. Riverside also has one of the largest photovoltaic systems in Switzerland and therefore has exceptionally strong environmental credentials.



MORE ABOUT RIVERSIDE

Swiss Prime Site complies with all legal requirements and strives to meet best practice standards. The Company fosters close relations with the financial industry and the broad public sector through traditional and digital communication channels. Share-price relevant news is reported by the Company on an ad hoc basis. Furthermore, comprehensive information about various topics and disclosure requirements is published on the group's website www.sps.swiss.

The Investor Relations and Corporate Communications department is responsible for the management of all contacts with investors, analysts and media representatives. Regular conferences with the media, institutional investors and analysts are held to report important corporate news, which can be followed by shareholders and other interest groups personally or via the Swiss Prime Site website.

23 March 2022

Annual General Meeting Financial Year 2021

25 August 2022

Semi-annual report 2022 with financial results
press conference

SWISS PRIME SITE

— SUSTAINABILITY

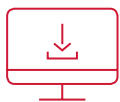
REPORT

2021



Sustainability

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Swiss Prime Site – the Real Estate Investment Platform

We are the leading partner for investors who want to invest or are invested both indirectly and directly in the real estate market. Swiss Prime Site thus covers the entire investor spectrum from private investors to institutional investors. The product range includes funds (open-ended and closed-ended), mandates, investment foundations, bonds and the Swiss Prime Site share.

Reporting structure

The stakeholder-oriented 2021 reporting consists of the online report (www.sps.swiss/reporting) and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2021». In this way, we create added multimedia value.

Corporate responsibility

As Switzerland’s largest listed real estate company, Swiss Prime Site is aware of its responsibilities to its customers, employees, the environment and society and has long made sustainability an integral part of its corporate strategy. Swiss Prime Site is committed to conducting its business ethically and with integrity. Besides complying with statutory requirements and regulatory standards, this also means adhering to the internal directives and principles defined by the Company. The Company is also increasingly acting to influence its external supply chain. Swiss Prime Site is confident that sustainable, forward-thinking management increases the Company’s resilience and enables it to create long-term value for the Company, its stakeholders, society and the environment.

Swiss Prime Site sets long-term goals that constitute the focus of its business model and value creation. These goals are based on the Swiss government’s Energy Strategy 2050, the Paris Climate Agreement and the Sustainable Development Goals (SDGs) of the United Nations. Five of the 17 SDGs are particularly relevant to Swiss Prime Site, as they represent areas to which the Company can make the greatest contribution.

Given its core business, Swiss Prime Site deems it appropriate to look to SDG 11 – Sustainable Cities and Communities – for the principles that guide its business activities. SDG 11 is reflected in the real estate company’s corporate vision of creating sustainable living spaces and in the affirmation of its responsibilities regarding the social, ecological and economic framework surrounding its properties. Swiss Prime Site views real estate (projects) not just as individual projects, but as part of the Smart City, contributing to urban living space in the context of urban development and regeneration. A number of trends with a significant impact on Swiss Prime Site’s core business also align with SDG 11. These include urbanisation, neo-ecology and connectivity.

The real estate industry is responsible for a significant proportion of emissions and consumption of energy and resources. According to the United Nations Environment Programme (UNEP), buildings produce around a third of global CO₂ emissions over their life cycle and are responsible for an estimated 40% of global energy consumption. Given its business model, Swiss Prime Site is in a position to promote sustainability throughout the real estate supply chain and contribute towards SDG 13 – Climate Action – and recognises its responsibility to do so. The key elements in combating climate change are the reduction of greenhouse gas emissions and the implementation of a systematic CO₂ reduction strategy across the construction and operation of properties.



Sustainable cities and communities

Make cities inclusive, safe, resilient and sustainable



Climate action

Take urgent action to combat climate change and its effects



Partnerships for the goals

Revitalise the global partnership for sustainable development



Responsible consumption and production

Ensure sustainable consumption and production patterns



Quality education

Ensure inclusive, fair and high-quality education and promote opportunities for lifelong learning for all

Another climate action measure that is steadily gaining in importance is the circular economy, with particularly high potential for impact in the construction and real estate industry. 84% of Swiss waste comes from the construction industry and 50% of the consumption of natural resources from the real estate industry. Poor flexibility of use, non-separable components, low levels of recycling and upcycling and insufficient consideration of ecological cycles in the selection of materials: these are just a few of the relevant drivers. Taken together, this represents a considerable loss of value, which is not compatible with sustainability, circular principles and SDG 12 – Responsible Consumption and Production.

Embedding circular principles into the real estate supply chain can significantly reduce both consumption of resources and CO₂ emissions. Closed loops also support the local economy, since part of the collection, preparation and reintroduction process takes place at a local, regional or at least national level. Swiss Prime Site sees a credible commitment to the circular economy as a way for the Company to stand out within the industry – for example in the use of sustainable, healthy materials. This is why the Company has a broad-based and active commitment to the circular economy. Due to the complexity of the challenges involved in the wholesale transition to a circular economy, Swiss Prime Site is particularly committed to forming partnerships throughout its supply chain. After all, many of the actions needed to create sustainability in the real estate sector – particularly those involving circular economy principles – can only be achieved in partnership, as advocated in SDG 17 – Partnerships for the Goals. Key to this are the relationships that Swiss Prime Site has with its suppliers, tenants, investors and employees. Its market position puts the Company in a leadership role, where it can influence the whole real estate supply chain and promote sustainability, whether it be through its suppliers, its construction activities, the operation and maintenance of its properties and use by its tenants, or even the investment products it offers. In addition to fostering a culture of innovation, partnerships with start-ups and research organisations also have an important role to play.

At Swiss Prime Site, employees are key to all of these endeavours. Their knowledge, dedication and ambitions are fundamental to the Company's level of quality, its customer and market orientation and the extent to which it achieves its sustainability goals. Knowledge about many aspects of sustainability is constantly developing, so we need employees who are committed to the issue and the challenges it encompasses. Swiss Prime Site therefore invests in education and training to help support and develop these skills. Setting individual objectives and conducting regular training needs analyses communicates to employees that these skills are valued and strengthens their long-term loyalty to the Company. The Company also sees its contributions to vocational training and continuing education, in particular, in the context of SDG 4 – Quality Education.

A summary of the key SDGs for Swiss Prime Site and details of the progress achieved in these areas in 2021 can be found in the section on «Group objectives and contribution to the Sustainable Development Goals».

Sustainability facts and figures

14 394

t CO₂ emissions
(property portfolio, Scope 1/2)
-16.75% year-on-year

1667

Employees
-3.5% year-on-year

74

GRESB score
Standing investments

19.6

kg CO_{2e}/m² emission intensity
(property portfolio, Scope 1/2/3)
Previous year: 19.9 kg CO_{2e}/m²

73

% satisfied employees
Medium-term target: >80%

78

GRESB score
Development

173.5

kWh/m² energy intensity
(property portfolio)
Previous year: 158.4 kWh/m²

17

% women on the Executive Board
Previous year: 20%

20

% certified spaces

46.0

% renewable energy
(property portfolio)
Previous year: 45.3%

0.8

% wages invested in training &
development
Previous year: 0.7%

12

Certified properties

16

Number of photovoltaic systems
+4 year-on-year

72

% satisfied tenants
Medium-term target: >80%

600

CHF million Green Bonds
+100% year-on-year

Material issues

Swiss Prime Site regularly reviews which elements are most important for the long-term sustainable development of the Company (GRI 102-46). These materiality analyses are carried out by the management and the Board of Directors and are based on the core elements of the corporate strategy and long-term planning, as well as on comprehensive stakeholder surveys.

Comprehensive stakeholder inclusion in the materiality analysis

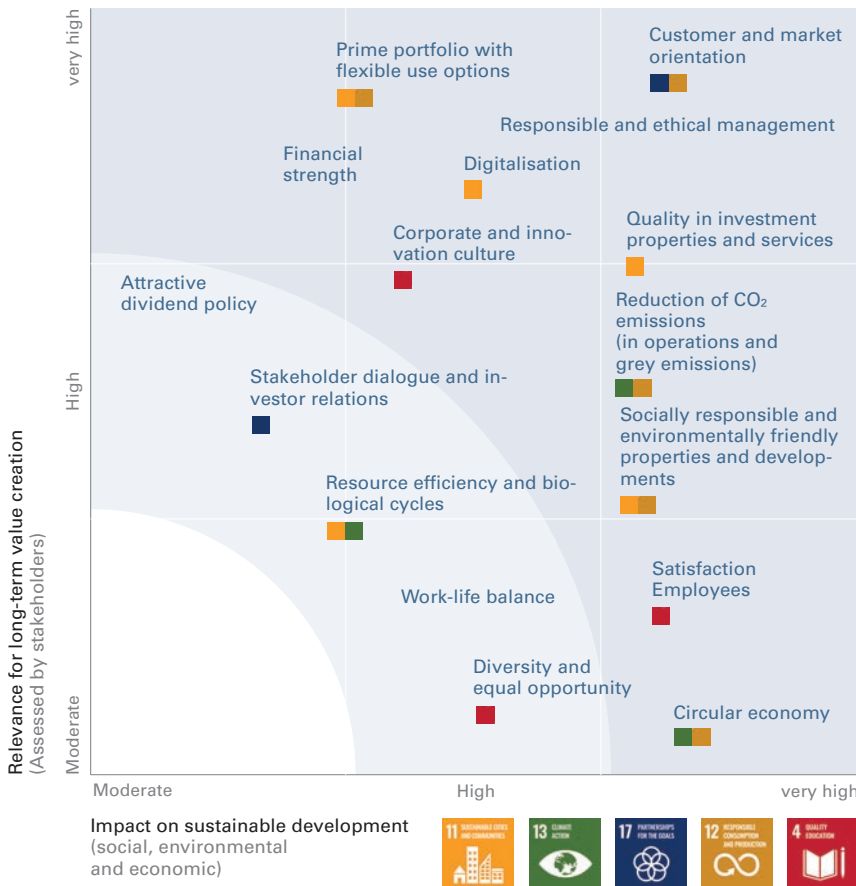
The materiality analysis evaluates how important each issue is with regard to the Company's impact on sustainable development. A survey of management and stakeholders is also conducted to assess the relevance of each issue to long-term value creation. This ensures that the material issues are closely integrated into the strategy.

Following on from surveys in 2017 and 2019, Swiss Prime Site conducted its third comprehensive stakeholder survey in 2021, focusing on key stakeholder issues. The survey was conducted in summer 2021 and almost 130 investors, analysts, tenants, directors, members of the Executive Board and the senior management team of group companies and other members of management took part. A market research organisation facilitated the online survey, which asked participants to rank issues in order of priority.

Material issues used to set objectives

The results of the stakeholder analysis are factored into the materiality analysis that the management and the Board of Directors carried out, taking into account internal factors as well. The following illustration shows the key points, with issues with a high degree of materiality shown in the dark-coloured space.

Results of the materiality analysis¹



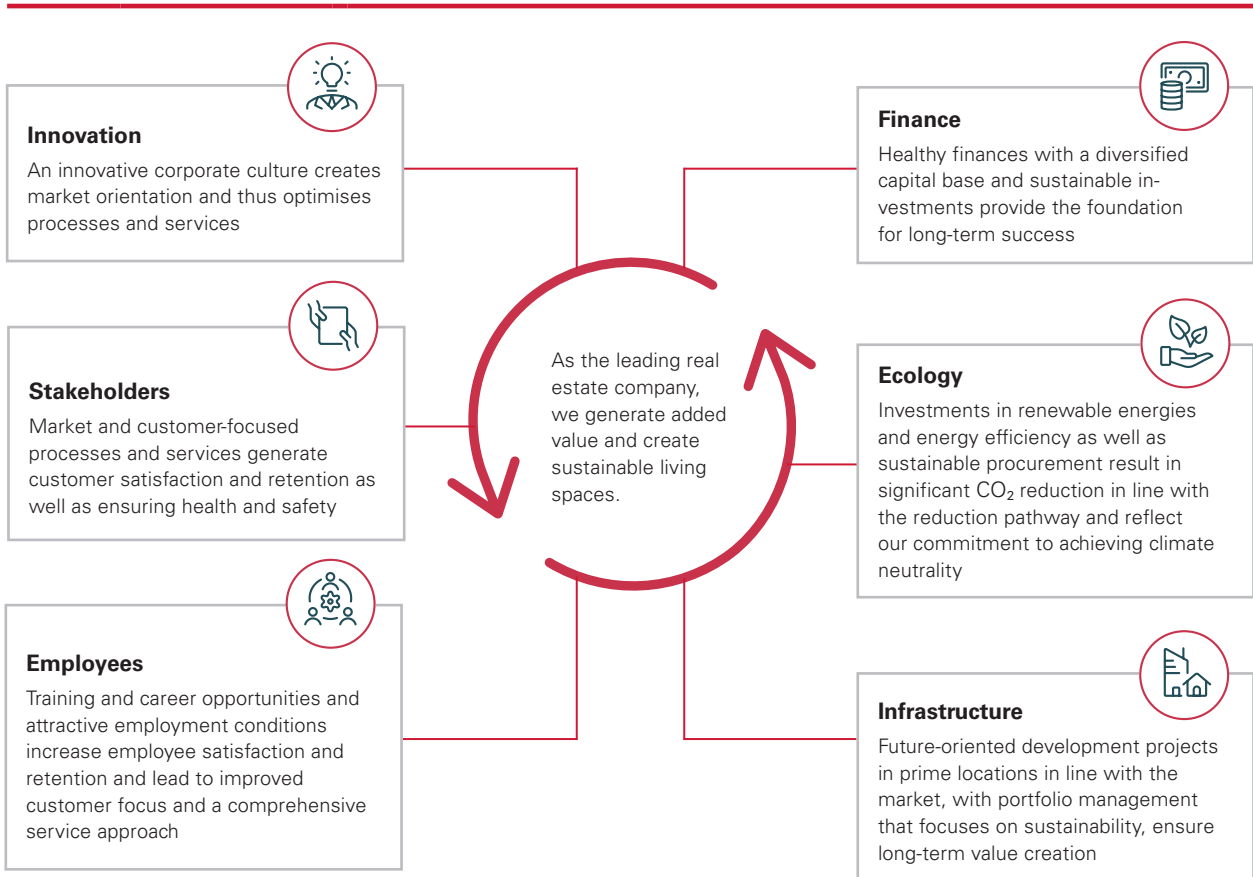
¹ A derivation of the main topics from the key areas of action for Swiss Prime Site (GRI 102-47) can be found on pages 8 and 9.

Areas of action

Swiss Prime Site’s vision is to generate value and create sustainable living spaces. Swiss Prime Site considers value creation a comprehensive, multidimensional business concept in which non-financial aspects are taken into account as well as financial goals.









Swiss Prime Site focuses on six key areas of action – stakeholders, finance, infrastructure, environment, employees and innovation. These are based on the six capitals of the International Integrated Reporting Council (IIRC)’s Integrated Reporting Framework. The priorities chosen in these areas are summarised in the illustration below. Further details can be found in the section on «Business model and value creation».

Areas of action









Evaluation of key sustainability aspects

Swiss Prime Site aspires to generate sustainable value across the six value creation categories. Value creation is measured for the key issues within each category. The following table sets out these value creation mechanisms and the parameters used for monitoring.

Area of action (capital)	Issues with high to very high materiality	Description	Parameters
Stakeholders 	Customer and market orientation 	For Swiss Prime Site, our customers and their needs are at the centre of our business. The Company develops tailor-made products and solutions that continue to meet our customers' needs, thereby increasing their satisfaction and wellbeing and strengthening our relationship.	<ul style="list-style-type: none"> Customer survey results Extension rates of expiring rental contracts
	Finance 	Financial strength Responsible and ethical management	A strong financial basis enables the Company to plan for the long term and to invest in a sustainable future. Swiss Prime Site is committed to conducting and monitoring its business ethically and with integrity. Issues that are central to ethically sound business operations are clearly documented and made accessible to all, with internal training provided regularly.
Infrastructure 	Quality in investment properties and services Prime portfolio with flexible use options Socially beneficial and environmentally friendly properties and development projects 	The portfolio of the group company Swiss Prime Site Immobilien consists of first-rate properties with a stable value in prime locations, primarily with office and services floor space, in the most densely populated regions and cities in Switzerland. As its core business, Swiss Prime Site invests in high-quality, socially beneficial and environmentally friendly sites and properties. Conversions and developments create living spaces for customers and society as a whole that are in line with market needs and fit for the future.	<ul style="list-style-type: none"> GRESB¹ performance score Proportion of certified existing properties/spaces Vacancy rate WAULT²
	Innovation 	Customer and market orientation  Corporate and innovation culture 	In order to offer its customers sustainable and innovative products and services with the greatest possible added value, Swiss Prime Site relies on its employees' interdisciplinary knowledge transfer and expertise at every stage of the real estate life cycle. This also facilitates the ongoing development of its business model. Innovation drives sustainable management. Innovation and the related processes are an integral part of Swiss Prime Site's business and sustainability strategy. This enables innovation to be prioritised and integrated across all business fields and helps to promote an innovative corporate culture.

¹ Global Real Estate Sustainability Benchmark
² Weighted Average Unexpired Lease Term

Area of action (capital)	Issues with high to very high materiality	Description	Parameters
Ecology 	Reduction of CO ₂ emissions (in operations and grey energy) 	Swiss Prime Site is committed to sustainability and takes responsibility for its actions and their impact on the environment and society. Ongoing optimisation of resource use and the decarbonisation of the Company's property portfolio are extremely important.	<ul style="list-style-type: none"> – Progress along the CO₂ reduction pathway
	Circular economy 	The real estate industry traditionally has a linear structure, and it has been established that 40% of global energy consumption, 50% of the consumption of natural resources and around 80% of the waste generated in Switzerland stem from the real estate sector. Swiss Prime Site therefore focuses on circular strategies and business models that factor in sustainability and generate added financial value for the Company.	<ul style="list-style-type: none"> – Level of implementation: sustainability criteria and exclusion criteria in procurement – Proportion of cradle-to-cradle building materials
Employees 	Employee satisfaction 	Our employees' knowledge, skills and experience are the very essence of our ability to provide customer-focused, market-driven services. The motivation and innovative spirit of the people who work for the Company are intrinsically linked to the implementation of our strategy and the success of our products and services. The success of the business depends on a strong employer brand that enables it to attract and retain qualified employees and to develop and expand their skills.	<ul style="list-style-type: none"> – Fluctuation rate – Results of the employee survey – Investment in training and development
	Diversity and equal opportunity		<ul style="list-style-type: none"> – Diversity in the workforce
	Customer and market orientation 		<ul style="list-style-type: none"> – Evaluation of employee surveys

This perspective identifies to Swiss Prime Site which financial and non-financial aspects should be prioritised in the development of its management. Issues with high or very high materiality constitute the foundation for the overarching group goals.

Group objectives and contribution to the Sustainable Development Goals

Swiss Prime Site sets itself long-term goals based on its strategy of creating sustainable value along with the Swiss government’s Energy Strategy 2050, the Paris Climate Accord and the Sustainable Development Goals (SDGs) of the United Nations.

The results of the surveys reflected high levels of satisfaction among both tenants and employees.

→ FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS», GRI 102-43, P. 30







Group objectives

Swiss Prime Site’s group objectives are aligned with the materiality analysis updated in 2021 and the six areas of action.

As part of the business plan and budgeting process, group objectives and their parameters are broken down into the individual group companies. The group companies can then define additional objectives and measures and assign them to the relevant areas of action. These individual objectives also contribute towards the overall group objectives.

Swiss Prime Site has defined medium-term objectives for each area of action and evaluates their progress on an ongoing basis. Where these objectives affect stakeholder groups, continuous dialogue is maintained with the groups. Tenants are one such external stakeholder group. Detailed information about their requirements was gathered and discussed in the reporting year using an online survey followed by a stakeholder dialogue. Extensive surveys and workshops were also conducted to ascertain employees’ requirements. In 2021, the Swiss Prime Site Group workforce were invited to express their opinions and concerns.

Swiss Prime Site has identified appropriate key figures that can be used to monitor progress towards additional medium-term objectives. Where financial objectives are concerned, access to «green capital» is essential. As shown in the Green Bond report, a total of six development projects that have applied, or will apply, for SNBS or Minergie certification were financed in 2021 using funds from the green bonds already issued.

Area of action	Medium-term group sustainability objectives
 Stakeholders	Increase customer satisfaction to >80%
 Finance	50% of group financing to relate to sustainability criteria
 Infrastructure	GRESB Score > Peer Average
 Innovation	Targeted investments in start-ups Implemented initiatives from Future Board
 Ecology	Climate-neutral property portfolio by 2040
 Employees	Increase employee satisfaction to >80%

Swiss Prime Site measures the quality of its infrastructure – existing properties and development projects – using GRESB ratings from the Performance and Development Benchmark categories. As the 2020 figures were not yet available to the public, in the reporting year Swiss Prime Site stepped up to the challenge and assessed its existing properties and development projects in both categories. In the GRESB Performance Benchmark, some gaps in the evaluation criteria were remedied and the result was the peer average of 74 points. In the GRESB Development Benchmark, the result was 78 points – slightly above the peer average. Swiss Prime Site will work consistently to improve these two ratings.

In the environmental area, the primary objective is to have a climate-neutral property portfolio by 2040. The CO₂ reduction pathway shows that Swiss Prime Site's investments in renewable energies and energy efficiency are keeping the Company on track to achieve this objective.

Across all strategic issues, innovation contributes towards the achievement of objectives. To date, several partnerships have been established in this area – around the issues of ecological building materials (FenX), mobility (Involi), data systems (Tower360) and flexible use of space (FlexOffice, Memox, Superlab).

→ FOR MORE DETAILS, SEE REPORT ACCORDING TO GRI STANDARDS, INNOVATION CULTURE AND PARTNERSHIPS, P. 37

Contribution to the Sustainable Development Goals

Swiss Prime Site uses the 17 Sustainable Development Goals (SDGs) as a system of reference in which to embed their commitment to global sustainable development. The focus is on five key objectives to which Swiss Prime Site can contribute by fulfilling its responsibilities in the core business: SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), SDG 17 (Partnerships for the Goals), SDG 12 (Responsible Consumption and Production) and SDG 4 (Quality Education).

→ FOR MORE DETAILS, SEE CORPORATE RESPONSIBILITY, P. 3

Contribution to SDG 11: Sustainable cities and communities

Swiss Prime Site creates attractive, sustainable and flexible living spaces as part of urban and district development projects and affirms its responsibility when it comes to building sustainable cities and communities, in line with SDG 11: «Make cities and communities inclusive, safe, resilient and sustainable». Swiss Prime Site applies the Swiss sustainable building standard SNBS as useful guidance to help clarify its commitment in this area.

SDGs



Make cities inclusive, safe, resilient and sustainable

Swiss Prime Site's contribution to SDG 11 in 2021

The Swiss Sustainable Building Standard (SNBS) is of central importance for Swiss Prime Site. Projects are certified according to this standard whenever possible. The standard encompasses not only economic but also environmental and social aspects.

In autumn 2021, the real estate development project YOND in the Zurich district of Albisrieden received an award from the city of Zurich for good construction. The criteria included urban construction and architectural heritage, social contribution, contribution to economic productivity and responsible interaction with the environment.

Notable examples of inclusive projects are:

Pont Rouge, Lancy: From 2021 to 2024, Swiss Prime Site will be developing a modern services building complex in the Pont-Rouge district, an up-and-coming and incredibly dynamic area of Lancy near Geneva. The former industrial space spans 230 hectares and will be transformed into a new urban district. In 20 years' time, around 50 000 people will be living and working here. The foundation stone for this project was laid on 29 April 2021.

Müllerstrasse Zurich: In the course of the total renovation of the office property on Müllerstrasse in Zurich, a pioneering level of circularity was achieved despite extensive structural work on the entire fabric of the building. Building services will be brought up to the latest standards. In addition, low-carbon district heating, photovoltaics and dynamic liquid crystal glass for the façade of the building are setting new standards.

JED, Schlieren: A centre for knowledge transfer, innovation and entrepreneurship was built over three years on the site of the former NZZ printing facility. The project brings medium-sized and large companies together from a variety of sectors across business, industry and commerce and combines unique industrial architecture with contemporary work and collaboration spaces.

Material issues:

- Customer and market orientation
- Quality in investment properties and services
- Reduction of CO₂ emissions
- Socially beneficial and environmentally friendly properties and developments
- Circular economy
- Resource efficiency and biological cycles

For more details, see

- [REPORT ACCORDING TO GRI STANDARDS, GRI 201, P. 34/GRI 203, P. 36](#)

Contribution to SDG 13: Climate action

Swiss Prime Site is aware of its responsibility when it comes to climate action (SDG 13) and has been committed for some time to contributing towards the 1.5-degree goal of the Paris Climate Accord and the Swiss Federal Council's 2050 climate neutrality goal.

SDGs



Take urgent action to combat climate change and its effects

Swiss Prime Site's contribution to SDG 13 in 2021

In the reporting year, the Environmental Policy Concept was implemented across the group in the relevant processes and contracts.

The CO₂ reduction pathway developed in 2019 for the entire property portfolio was specified in more detail in the reporting year. Swiss Prime Site is using active management to define a reduction pathway that is below the 1.5-degree scenario.

Swiss Prime Site is committed to achieving climate neutrality by 2040 for its property portfolio. The CO₂ reduction pathway that aligns with this objective has been integrated into the strategies for each individual property.

In the reporting year, two existing properties were connected to the district heating network and three new builds with renewable heat energy were put into operation. In a range of properties, Swiss Prime Site Immobilien also benefited from the improved environmental quality of district heating. In addition, the Cradle-to-Cradle-certified wall paint «Airlite» was used for the first time in selected properties, and VOC-free Cradle-to-Cradle-certified floor screeds were used in the renovation of the Messeturm in Basel.

In the reporting year, four photovoltaic systems with a total output of 630 kWp and a yield of around 640 000 kWh were put into operation. In 2022, at least two further systems will be put into operation. There are also plans to increase the amount of energy generated using photovoltaic systems.

In 2021, Swiss Prime Site issued a second green bond totalling CHF 300 million, doubling the sums invested in sustainable real estate. The bond was issued in line with the Green Bond Framework. These bonds support the sustainability efforts of both Swiss Prime Site and the investors.

In the reporting year, construction of Swiss Prime Site Immobilien's pilot project for circular construction began as part of the total renovation of an office property at Müllerstrasse in Zurich.

In the reporting year, Swiss Prime Site Solutions continued to drive forward progress with the CO₂ reduction pathway for the existing «SPIF Real Estate Switzerland» property portfolio.

Material issues:

- Reduction of CO₂ emissions
- Socially beneficial and environmentally friendly properties and developments
- Circular economy
- Resource efficiency and biological cycles

For more details, see

- «GREEN BOND FRAMEWORK», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER INVESTORS
- IN THE NOTES: RISK MANAGEMENT P. 78 AND TCFD REPORT, P. 85
- ENVIRONMENTAL POLICY CONCEPT, AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE
- REPORT ACCORDING TO GRI STANDARDS: GRI 302/305, P. 40

CO₂ reduction pathway property portfolio

The key element in the battle against climate change is the reduction of greenhouse gases. The real estate industry needs to make a significant contribution towards this reduction. According to the European Commission, buildings in Europe are responsible for 40% of energy consumption and 36% of greenhouse gas emissions, primarily through construction, use, renovation and demolition. Swiss Prime Site is aware of its responsibility when it comes to climate protection and is pursuing a consistent CO₂ reduction strategy, initially by focusing on operational emissions.

→ FOR MORE DETAILS, SEE «ENVIRONMENTAL POLICY CONCEPT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

1.5-degree reduction pathway and climate neutrality by 2040

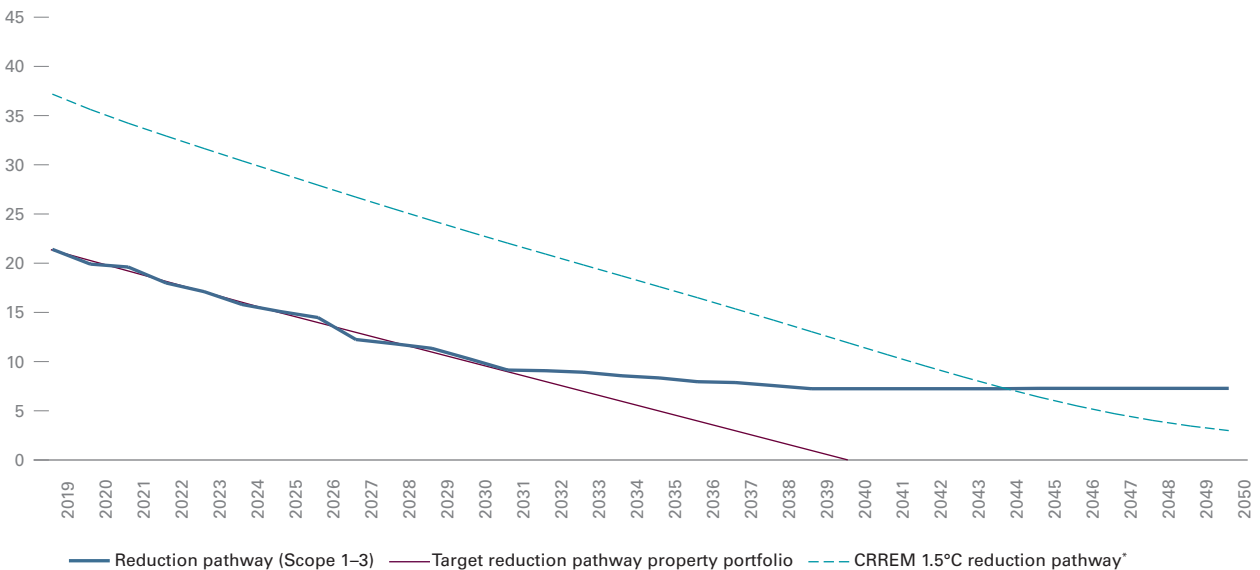
The Swiss Prime Site Group’s greenhouse gas figures show that, at 95.3%, the greatest proportion of greenhouse gases come from the operation of the group’s own property portfolio. As a result of this and in reaction to the Swiss Federal Council’s «Long-Term Climate Policy 2050», back in 2019 Swiss Prime Site developed a detailed CO₂ reduction pathway for its entire property portfolio,

which is valued at around CHF 12.8 billion. For this purpose, a specific methodology was developed for the first time in Switzerland, which includes Scope 1, 2 and 3 emissions and clarifies which parts of emissions caused by tenants Swiss Prime Site will include in the reduction pathway. Where there is uncertainty around data, for example if there is no consumption-based data for tenants, the Company includes emissions caused by tenants in their calculations. This goes beyond the requirements set out by CRREM (Carbon Risk Real Estate Monitor) for reduction pathways.

In the reporting year, Swiss Prime Site implemented even stricter guidelines for the reduction pathway. The aim is to keep the CO₂ intensity per square metre below CRREM’s 1.5-degree reduction scenario. Swiss Prime Site will thereby make a significant contribution to achieving the goals of the Paris Climate Accord. As Swiss Prime Site’s property portfolio is comparatively young and technologically advanced, energy consumption and CO₂ emissions in the 2019 reference year were already low compared to the rest of the market. That makes the starting point on the pathway achievable, but the goal is no less challenging.

CO₂ reduction pathway for property portfolio and climate goal 2040

kg CO₂-eq/m²a



* Carbon Risk Real Estate Monitor (CRREM), reduction pathway for commercial real estate in Switzerland («whole building approach»). Source: <https://www.crrem.org/pathways/>

Swiss Prime Site plans to invest around CHF 650 million by 2040 in measures that will keep the reduction pathway on track to reach its objective. The majority of this – around CHF 600 million – will be spent on building shell renovations. Around CHF 50 million will be used to replace heating systems. This will ensure that the Company is doing as much as possible to reduce emissions through its own actions. Where there are emissions that are unavoidable, we will evaluate additional measures outside the property portfolio that would help the portfolio achieve climate neutrality by 2040.

The reduction pathway requires active management as well as continuous adaptation to current data and continuous re-evaluation of possible courses of action for the existing property portfolio. The plan will be regularly updated and published as part of annual reporting. The previous illustration shows the results as at 31.12.2021. Based on current data, this would result in a CO₂ intensity of 7.24 kg CO₂eq/m²a by 2040, which represents a reduction of 66% compared to the reference year of 2019 and provides an indication of the scale of the measures necessary to achieve the goal.

In order to plan the specific measures covering the three action areas – energy, heat and building shell renovations – holistically and co-ordinate them with each other, Swiss Prime Site integrated the requirements of the CO₂ reduction pathway into the property strategies for each individual property. This puts the evaluation of the measures required for the reduction in the context of other key aspects of the property strategy (e. g. market potential, structural condition, renovation cycle) and ensures a holistic perspective on the further development and optimisation of the portfolio. It also enables Swiss Prime Site to plan the necessary investments with a long-term focus and in a targeted manner.

→ FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS», GRI 302/305, P. 40

→ FOR MORE DETAILS, SEE «NOTES ON ENVIRONMENTAL FIGURES (ACCOUNTING CONCEPT)», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

Ongoing development of the reduction pathway

Swiss Prime Site takes a far-sighted approach to the management of its CO₂ reduction goals and factors them into its acquisition process. When assessing potential acquisitions, any investments required as part of the «Climate Neutrality 2040» goal have to be included in the calculation of the purchase price.

All new build and redevelopment projects within the property portfolio must, where possible, be operated emission-free or designed as a Plusenergie building. This strategy is based on the complete absence of fossil fuels, the development of integrated

and innovative energy concepts, the integration of photovoltaic systems and the installation of charging infrastructure for electric-powered transport. In the reporting year Swiss Prime Site also committed to a certification strategy. This requires all new build and redevelopment projects to be certified with a nationally or internationally recognised sustainability label. The choice of label is based primarily on the certifiability of the specific property/s uses or, in some cases, on regulatory requirements or tenant expectations.

Where possible, existing buildings not yet certified are also certified in a property-specific process and with a particular focus on the buildings and their operation. With regard to greenhouse gas emissions produced by the construction and operation of buildings and to criteria relating to the environment, disposal and health, Swiss Prime Site aims to exceed the requirements in the Swiss Sustainable Building Standard (SNBS).

Another issue in construction and redevelopment projects is the circular economy which, along with operational consumption, has an impact on CO₂ emissions. Swiss Prime Site increasingly promotes circular principles throughout the three areas of materials, durability and reusability.

In addition to the major strategic CO₂ reduction pathway project, the other group companies are also making efforts to reduce their own ecological footprint.

→ FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS», GRI 302/305, P. 40

→ FOR MORE DETAILS, SEE «NOTES ON COLLECTION OF ENVIRONMENTAL FIGURES», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

Contribution to SDG 12: Responsible consumption and production

Given its business model, Swiss Prime Site is in a position to promote sustainability throughout the supply chain and contribute towards SDG 12 – Responsible Consumption and Production – and recognises its responsibility to do so. The circular economy is a topic that is steadily gaining in importance.

SDGs



Ensure sustainable consumption and production patterns

Swiss Prime Site's contribution to SDG 12 in 2021

In the reporting year, Swiss Prime Site Immobilien added various SNBS requirements and BREEAM (Building Research Establishment Assessment Methodology) certification for maintenance and usage to its framework agreements for facility management. The facility management service providers are responsible for the sustainable use of resources and of a property's energy. For each building, the existing waste disposal infrastructure is now assessed with a view to the separation of waste and adapted where necessary.

In the reporting year, four photovoltaic systems with a total output of 630 kWp and a yield of around 640 000 kWh were put into operation. In 2022, at least two further systems will be put into operation. There are also plans to increase the amount of energy generated using photovoltaic systems.

The Code of Conduct for Suppliers was implemented across the group, and in future responsibility will be increasingly shared among partners throughout the supply chain.

In March 2021, Jelmoli – the Premium Department Store – launched a public sustainability campaign. The first step in the reporting year was to create a «Recycling» project committee.

Material issues:

- Reduction of CO₂ emissions
- Socially beneficial and environmentally friendly properties and developments
- Circular economy

For more details, see

- «CODE OF CONDUCT FOR SUPPLIERS», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE
- REPORT ACCORDING TO GRI STANDARDS, GRI 302/305, P. 40/GRI 303/306, P. 42
- GREEN BOND FRAMEWORK, AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER INVESTORS

Contribution to SDG 17: Partnerships for the goals

In addition to protecting the climate, the circular economy encourages us to think beyond our established boundaries and linear systems, to question current consumption and production methods and to be open to new partnerships (SDG 17 – Partnerships for the Goals).

→ FOR MORE DETAILS, SEE «CORPORATE RESPONSIBILITY», P. 3

SDGs



Revitalise the global partnership for sustainable development

Swiss Prime Site’s contribution to SDG 17 in 2021

In the reporting year, Swiss Prime Site received extensive feedback from an extensive tenant survey, in which this key stakeholder group communicated their general levels of satisfaction and requirements as well as their opinions on issues around sustainability.

The stakeholder dialogue is held every two years, and in 2021 a range of sustainability topics were discussed with more than 25 tenants.

In 2021, Swiss Prime Site supported events such as the CE2 conference held by Circular Economy Switzerland, and the Startup Days.

Investors pursuing an sustainable investment approach welcomed the issue of a second Green Bond totalling CHF 300 million, which secures attractive long-term financing for Swiss Prime Site.

Material issues:

- Corporate and innovation culture
- Customer and market orientation
- Quality in investment properties and services
- Socially beneficial and environmentally friendly properties and developments
- Circular economy

For more details, see

- «REPORT ACCORDING TO GRI STANDARDS», GRI 102-43, P. 30
- REPORT ON THE 2021 STAKEHOLDER DIALOGUE, AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY
- REPORT ACCORDING TO GRI-STANDARDS, INNOVATION CULTURE AND PARTNERSHIPS, P. 37

Contribution to SDG 4: Quality education

Swiss Prime Site's employees are key to the Company's success and constitute the foundation on which all further development is built. Investing in employees' training and development improves employee retention and increases motivation, expertise and innovative spirit.

SDGs



Ensure inclusive, fair and high-quality education and promote opportunities for lifelong learning for all

Swiss Prime Site's contribution to SDG 4 in 2021

Following a survey of all managers in 2019, in 2021 Swiss Prime Site invited all employees to complete the employee survey, which will be conducted annually from now on. The aim was to gather opinions around training and development. Across all employees, the topic was awarded an average of 70 out of a possible 100 points. Among managers, the score rose from 74 points in 2019 to 76 points. Performance appraisals – key to an employee's development – scored 77 points. Managers scored them slightly higher, at 81 points, compared to 80 in 2019.

Swiss Prime Site invests a considerable amount in its employees' training and development. In 2021, the company invested 0.8% of its overall salary budget in training and development.

Swiss Prime Site pays a proportion of individuals' training and development costs and/or allows them time for that purpose. There are also internal training courses to help employees to develop the specific, comprehensive skills they need.

As part of their support for the next generation of managers and their responsibility as a significant employer, the Company makes positions available for basic vocational training. In 2021, Swiss Prime Site and its group companies employed 30 new apprentices (2020: 84). Since 2017, the Company's «Real Talent 4 Real Estate» trainee programme has offered graduates with an affinity for real estate an insight into the various group companies – rotating between them every six months. In 2021, Swiss Prime Site and its group companies employed 9 new apprentices (2020: 15).

The employer identifies and provides employee training and development programmes that derive from the corporate objectives and reflect both the demand for existing skills and those needed in the future. In doing so, Swiss Prime Site always takes into account employees' personal development goals.

At Swiss Prime Site, individual training and development goals are defined for all employees (100%) as part of (semi-) annual appraisals.

Individual training from LinkedIn Learning is also available for the majority of employees (with the exception of Wincasa).

Material issues:

- Responsible and ethical management
- Customer and market orientation
- Employee satisfaction
- Diversity and equal opportunity
- Corporate and innovation culture

For more details, see

- «REPORT ACCORDING TO GRI STANDARDS», GRI 404, P. 54/GRI 404-1, P. 55/GRI 404-2, P. 55 EMPLOYEE FIGURES, P. 50

Business model and value creation

Swiss Prime Site’s business model is based on the vision of creating innovative and sustainable living spaces. The focus is on the two strategic pillars: Real Estate and Services. The elements that make up these pillars permeate the entire value chain throughout the real estate life cycle.

Business model

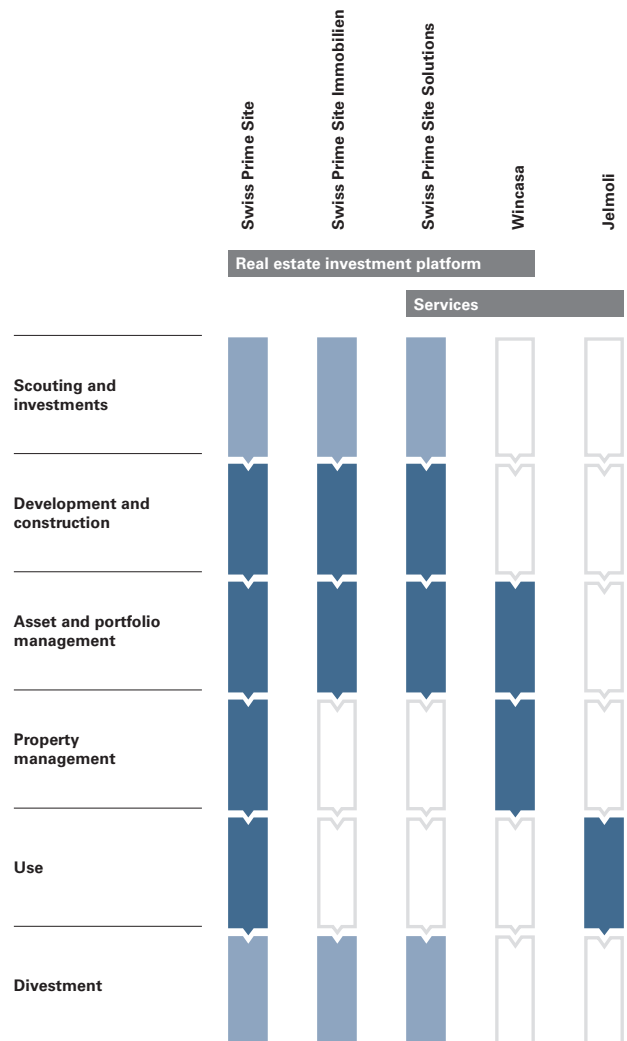
The Swiss Prime Site Group comprises the group companies Swiss Prime Site Immobilien (property portfolio), Swiss Prime Site Solutions (funds and real estate asset management for third-party customers), Wincasa (real estate management for Swiss Prime Site Immobilien, Swiss Prime Site Solutions and third-party customers) and Jelmoli (omnichannel premium department store).

Swiss Prime Site’s real estate investment platform offers investors many different ways to invest either directly or indirectly in real estate or in products based on it. The product range includes shares and bonds in Switzerland’s largest real estate company with a diversified property portfolio, investments in one of Switzerland’s largest investment foundations, residential and commercial funds, direct mandates to manage real estate vehicles and operational management of owned real estate.

The investment strategies differ depending on the types of use, regions and financing requirements, as well as the legal regulations for the vehicles and mandates. The services offered for the investment vehicles and mandates cover the full value creation chain along the real estate life cycle. This includes successfully acquiring a property or site, project development and project realisation, portfolio and asset management, property management and divesting properties, sites or parts thereof as well as capital procurement.

Value chain

The aim of Swiss Prime Site’s business model is to generate multi-dimensional value for the long-term. The value chain within the corporate group starts with the identification of suitable investment opportunities. The group company Swiss Prime Site Immobilien invests in properties and land with stable value in prime locations in Switzerland. These, together with conversions and developments of entire sites, make up the Company’s core business. With the addition of asset manager Swiss Prime Site Solutions, the real estate service provider Wincasa and the omnichannel premium department store Jelmoli, Swiss Prime Site has a powerful services portfolio that covers the entire property life cycle.



Stakeholders

Swiss Prime Site sees regular communication with key stakeholders as a core element of its forward-looking management. The challenges, needs and expectations identified from this dialogue are taken into account when developing and optimising business activities in line with the corporate strategy.







Key stakeholder groups in Swiss Prime Site’s value creation model include customers, tenants, investors, suppliers and employees. The Company therefore invests a great deal in maintaining these relationships, which vary in relevance and impact for each group company.

→ FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS», GRI 102-42, P.30

Commercial tenants are Swiss Prime Site’s most significant customer group. They generate around half of the group’s operating income. Detailed information about tenants’ concerns and requirements was gathered in the reporting year through a comprehensive written survey of 975 commercial tenants, with a response rate of 18% and 175 written responses.

The 2021 tenant survey reflects a very high overall level of tenant satisfaction, with the main positive finding being that despite the challenging conditions caused by the pandemic, tenant satisfaction and loyalty have remained high. Around 70% of tenants are satisfied or very satisfied with their rental agreement, with the same proportion confirming that they would extend their agreement. Only 5% were unsatisfied. Compared to previous surveys, there was greater demand for flexible space and real-time data on air quality and the indoor climate. Issues around sustainability are also seen as more important, with around three-quarters of tenants showing interest in the topic. This includes requests to improve heating and ventilation systems, waste management and recycling as well as measures to lower energy consumption.

Key findings of 2021 tenant survey

	Satisfaction	72% of tenants are satisfied or very satisfied with their rental agreement.
	Loyalty	Our tenants are loyal. 7 out of 10 tenants would extend their rental agreement.
	Space requirements	95% of tenants anticipate needing the same amount of space, or more, in the future.
	Interest in data	There is very strong interest in data on the indoor climate and air quality.
	Sustainability	Three-quarters of tenants are very interested in issues around sustainability.
	Future	At least 60% of tenants do not foresee any changes in their space requirements.

Some of the findings from the tenant survey were discussed in detail with more than 25 tenants at the stakeholder dialogue, which is held every two years. The focus was on sustainability.

→ FOR MORE DETAILS, SEE «REPORT ON THE 2021 STAKEHOLDER DIALOGUE», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

→ REPORT ACCORDING TO GRI STANDARDS, GRI 102-43, P. 30/GRI 102-44, P. 30

Finance

A stable and future-oriented company is based on financially sustainable management. In the reporting year, Swiss Prime Site established new capital management principles. The key principles include optimising the mix of equity and borrowed capital, increasing financial flexibility, ensuring homogeneity of financing sources, reducing refinancing risks and minimising financing costs. Building on these, Swiss Prime Site concluded a deal in the reporting year with eleven Swiss banking institutions for two unsecured credit facilities worth CHF 2.6 billion. First, Swiss Prime Site is allocating CHF 1.8 billion to redeem the vast majority of its bank mortgages, which as at 30 June 2021 were mostly secured with real estate. This change will increase the proportion of properties not secured by mortgages in Swiss Prime Site's entire portfolio from just under 30 percent to more than 80 percent, resulting in a considerable saving in ongoing interest payments. It will also increase the Company's financial agility and enhance the flexibility of their balance sheet. Furthermore, the new financing approach is also directly linked to Swiss Prime Site's comprehensive sustainability objectives. The credit margin to be paid is partly dependent on any changes in the Company's external ESG rating. This enables Swiss Prime Site to further integrate financial and non-financial performance and builds on the green bonds already issued, strengthening the Company's ability to raise capital to fund clearly defined, certified real estate projects and also climate protection and climate adaptation projects. In the reporting year, Swiss Prime Site issued a second green bond totalling CHF 300 million, doubling the amount of funds invested in sustainable real estate. This is underpinned by the Green Bond Principles (2018) of the International Capital Market Association (ICMA).

→ FOR MORE DETAILS, SEE «GREEN BOND FRAMEWORK», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER INVESTORS

The Swiss Prime Site Group's key financial figures include the operating income, EBIT, equity and debt ratio and the dividend ratio. The targets for the group companies' financial figures are based on each core business.

Infrastructure

Swiss Prime Site's infrastructure comprises 184 properties in the portfolio that are held, developed, upgraded, rented or sold, as well as all the resources that are used to provide its other real estate-related services.

Optimising the property portfolio and making its real estate-related services customer-centric are fundamental to Swiss Prime Site's business operations. The portfolio of first-class, attractive properties with good value retention is currently worth around CHF 12.8 billion. Future investments in the project pipeline total around CHF 2.0 billion.

→ FOR MORE DETAILS, SEE «BUSINESS MODEL AND VALUE CREATION, SWISS PRIME SITE IMMOBILIEN», P. 23

Innovation

Swiss Prime Site is committed to growing and developing the Company by building on its knowledge and cooperating with partners in order to make use of intangible assets such as patents, brands, software, rights and licences. Scientific, social and environmental developments and trends are analysed across all business fields and the findings are applied to existing properties or development projects. To identify innovations that are relevant for its business model, Swiss Prime Site conducts regular innovation and accelerator workshops. In the accelerator workshops, Swiss Prime Site works with start-ups and thereby obtains early access to visionary concepts and new business models.

In its innovation management approach, Swiss Prime Site addresses disruptive topics such as climate change, demographic change and changing values in society and the circular economy. In doing so, the Company uses the skills of employees from all areas to develop services that can help resolve social challenges. Topics examined in depth by Swiss Prime Site during the reporting year included the future of work, healthy buildings & tenant experience, energy efficiency and mobility in the context of the smart city.

→ FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS, INNOVATION CULTURE & PARTNERSHIPS», P. 37

Ecology

Swiss Prime Site acts to protect the environment and conserve resources, whether in its daily operations or in investments in real estate and its management. Swiss Prime Site aims to make its property portfolio climate-neutral by 2040. To achieve this goal, the Company is implementing targeted measures to improve energy efficiency and is investing in renewable energy. The focus of these activities is the property portfolio, where invested capital realises the greatest impact. Sustainability is integrated into the procurement policy, which specifies ecological criteria and supports circular economy principles wherever possible.

- FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS, CONTRIBUTION TO SDG 13: CLIMATE ACTION, CO₂ REDUCTION PATHWAY», P. 14
- FOR MORE DETAILS, SEE «BUSINESS MODEL AND VALUE CREATION, SWISS PRIME SITE IMMOBILIEN», P. 23
- FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS, CRE 8», P. 60
- FOR MORE DETAILS, SEE «ENVIRONMENTAL POLICY CONCEPT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

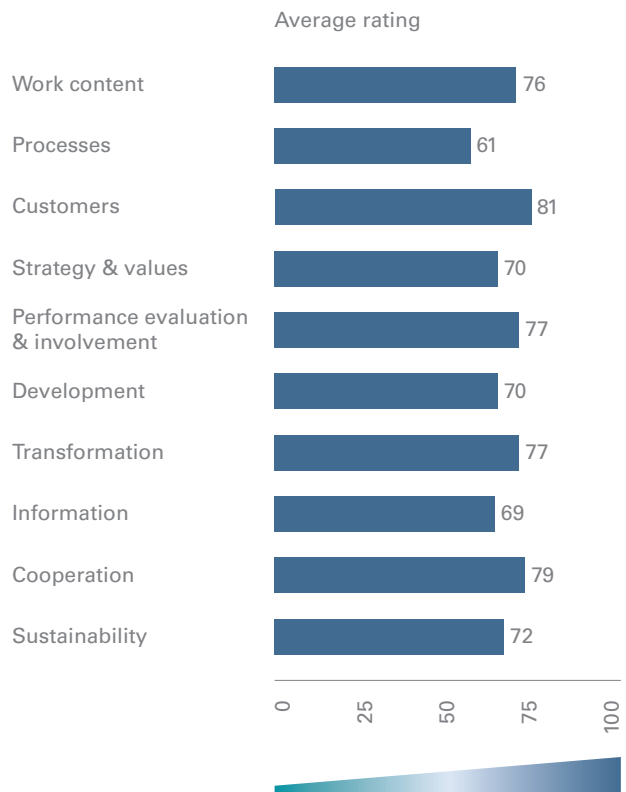
Employees

The long-term success of Swiss Prime Site depends on how well it manages to retain and attract qualified employees and promote and expand their skills.

Swiss Prime Site regularly conducts surveys to establish employees' requirements. In the reporting year, the survey covered all employees of Swiss Prime Site and its group companies for the first time. It included 24 questions that were asked across all group companies. Half of these questions were about employees' jobs and the other half were based on the Gallup Q12 Employee Engagement survey. In addition to this general set of questions, there were company-specific questions about mobility and sustainability.

The pleasingly high response rate points to a high level of engagement with and interest among employees. A total of 1198 completed surveys were received, corresponding to a response rate of 78%. Compared to the 2019 survey (of managers only), feedback was more positive across all areas despite the ongoing restrictions in employees' personal and professional lives as a result of the COVID-19 pandemic. Out of all the aspects of employees' jobs, customer focus and quality awareness were rated most positively and the greatest potential for improvement was in the information and feedback culture and processes, which were particularly criticised by middle-level managers.

Employee evaluation of aspects of their roles

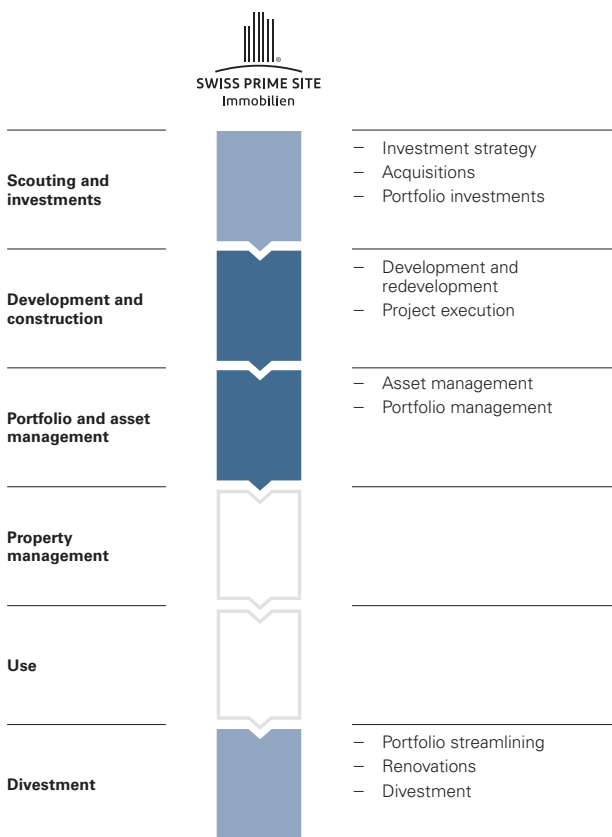


For the first time, this survey included questions about sustainability. It was notable that having an employer with an active approach to sustainability was rated highly across all group companies. There were differences between the group companies when it came to satisfaction about sustainability communication, with employees reporting that the amount of information dwindled in line with their distances from the core activities. Action on the findings from the survey will be discussed further at workshops within the group companies.

- FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS»: GRI 401, P. 48

Swiss Prime Site Immobilien

Business model and value creation



The two operational pillars of Swiss Prime Site Immobilien are portfolio and asset management and the project development business. Developing and constructing real estate projects and converting and modernising individual properties or whole sites strategically optimises the first-rate property portfolio on an ongoing basis. To that end, the property portfolio is divided into four categories: A Premium, B Premium, B location and C locations. Premium properties are retained and Premium properties in B locations are developed. Properties with no development potential in B locations and properties in C locations are earmarked for sale.

Swiss Prime Site Immobilien's portfolio has a value of around CHF 12.8 billion. As at the end of 2021, the portfolio comprised 184 properties (2020: 185). The total amount of usable space increased to 1 677 027 m² (2020: 1 669 941 m²), while proactive management reduced the vacancy rate to 4.6% (2020: 5.1%) despite the challenging circumstances. The construction projects have an investment volume (including land) of around CHF 900 million.

The majority of Swiss Prime Site Immobilien's portfolio is commercial: Office floor space 44% (2020: 44%), retail floor space 26% (2020: 26%). The property portfolio's maturity profile is long-term and thus attractive. Roughly 14% of net rental income is generated with rental agreements with a term of ten years or more (2020: 21%). Another 43% of the portfolio is due for re-letting at terms of between four and nine years (2020: 34%).

Activities in 2021

Despite the restrictions and uncertainties caused by the measures introduced to combat the COVID-19 pandemic, in the reporting year Swiss Prime Site Immobilien was still able to progress as a planned with its construction and development projects. Low interest rate policies continue to have an impact on Swiss Prime Site Immobilien's core business – both positively and negatively. The market situation makes investments in existing properties and development projects more of a priority for the Company, while acquisitions are less attractive.

Regulatory uncertainties were also a feature of the reporting year. These were primarily a result of the Swiss Responsible Business Initiative, focusing on environmental and human rights, and the Swiss referendum on the revision of the CO₂ Act. However, negative decisions at the ballot box do not influence the climate protection measures taken by Swiss Prime Site Immobilien. Long-term planning for these measures was further refined, for example by breaking the measures down to each individual property.

→ FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS, CONTRIBUTION TO SDG 13: CLIMATE ACTION, CO₂ REDUCTION PATHWAY», P. 14

→ FOR MORE DETAILS, SEE «GREEN BOND REPORTING», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER INVESTORS

The most significant milestones for new build and conversion projects in the reporting year were:

- Alto Pont-Rouge, Lancy (2020-2023): Foundation stone ceremony and start of construction of a contemporary services building with office and services space; SNBS-certified; pre-let: 50%

→ FOR MORE DETAILS, SEE WWW.ALTO-PONT-ROUGE.CH

- Müllerstrasse, Zurich (2021–2023): Receipt of building permit and start of the redevelopment and circular economy pilot project with office and services space; SNBS-certified; pre-let: 100%

→ FOR MORE DETAILS, SEE WWW.SPS.SWISS/EN/REAL-ESTATE/PROJECTS/PROJECTS-UNDER-CONSTRUCTION

- JED, Schlieren (2018–2024): Completion of redevelopment of the former NZZ printing facility and receipt of building permit for new build with laboratory and services space; BREEAM-certified (existing property), SNBS-certified (new build); pre-let of new build: 50%

→ FOR MORE DETAILS, SEE WWW.JED.SWISS

- Messeturm, Basel (2021): Re-opening following comprehensive, cradle-to-cradle renovation; occupancy rate: 80%

→ FOR MORE DETAILS, SEE WWW.MESSETURMBASEL.CH

- Tertianum, Monthey (2019–2021): Completion and handover to tenants of new build project; Minergie certification; occupancy rate: 100%

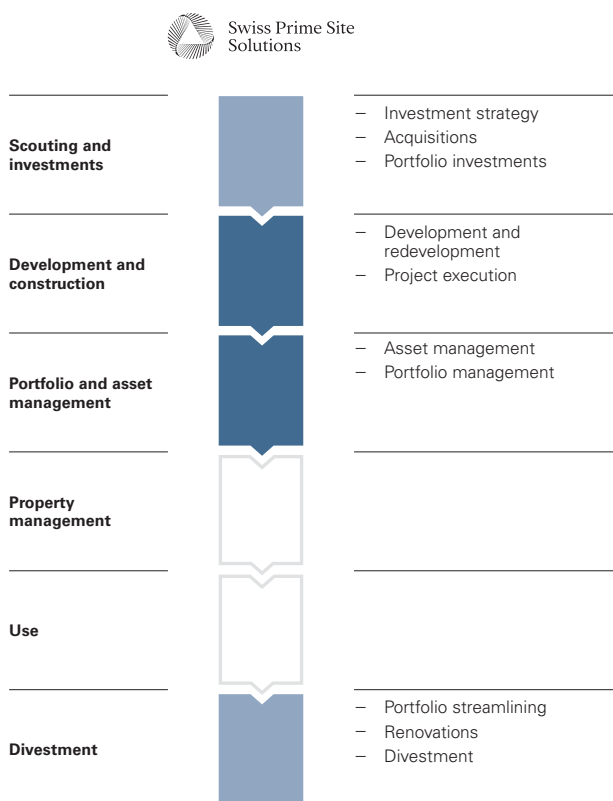
→ FOR MORE DETAILS, SEE WWW.TERTIANUM.CH

- Tertianum, Olten (2021–2023): Receipt of building permit and start of construction of new build project; Minergie certification; pre-let: 100%

→ FOR MORE DETAILS, SEE WWW.SPS.SWISS/EN/REAL-ESTATE/PROJECTS/PROJECTS-UNDER-CONSTRUCTION

Swiss Prime Site Solutions

Business model and value creation



Swiss Prime Site Solutions develops bespoke services and products for investors as part of discretionary mandates as well as portfolio and asset management for third-party vehicles. As at the end of 2021, the company manages CHF 3.6 billion in assets and a development pipeline of more than CHF 600 million. Swiss Prime Site Solutions aims to further strengthen its existing market position in the field of real estate asset management & services and to significantly expand its assets under management to more than CHF 10 billion by 2025.

One key mandate for Swiss Prime Site Solutions is providing management and investment consultancy services on behalf of the Swiss Prime Investment Foundation. Swiss Prime Site Solutions renders portfolio and asset management services for real estate investments. These services include compiling acquisitions and sales strategies, conducting potential analyses of the existing portfolio, managing and monitoring real estate developments and carrying out bond issues.

Activities in 2021

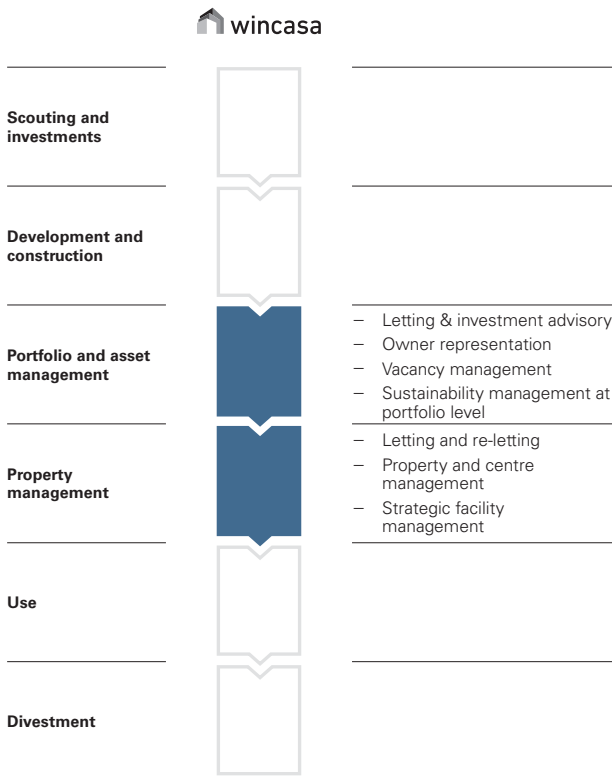
In the second half of 2021, Swiss Prime Site Solutions received its licence from the Swiss Financial Market Supervisory Authority FINMA. This will drive the company's growth strategy by enabling it to expand its product range. In the reporting year, the company also launched its first real estate fund. The Swiss Prime Site Solutions Investment Fund Commercial (SPSS IF Commercial) is a contractual real estate fund under Swiss law for qualified investors resident in Switzerland. The fund primarily invests in commercial properties with a high degree of diversification of tenants with a high credit rating and reputation. Subscription followed in December 2021. With an issuing volume of around CHF 144 million, the SPSS IF Commercial realises investment opportunities totalling CHF 220 million. The acquisition of the real estate manager Akara – announced in December 2021 and completed in January 2022 – further expands Swiss Prime Site's business model in the Services segment. Akara will be integrated into Swiss Prime Site Solutions during the course of the 2022 financial year.

«SPA Living+ Europe» is an investment group launched in autumn 2020 for investors who are permitted under Swiss law to invest in tax-free investment foundations. On behalf of the Swiss Prime Investment Foundation, Swiss Prime Site Solutions invested EUR 42 million in the reporting year for «SPA Living+ Europe» in Germany.

In the reporting year, Swiss Prime Site Solutions also acquired the new customer Asga Pension Fund, adding to the existing trustee mandates for the BASF Schweiz and Edifondo pension funds.

Wincasa

Business model and value creation



Wincasa is the leading integrated real estate services provider in Switzerland. Wincasa’s business model is based on the two central value-added pillars of «property management and centre & mixed-use site management» and «construction & facility management». The services offered to corporate customers range from management, owner representation and construction management through to revitalisation and re-letting of properties and strategic consulting. The company manages around 238 046 properties with an investment value of around CHF 76 billion and is present in 29 locations across all regions of the country.

Activities in 2021

Implementation of its «Wincasa 2025» strategy in the reporting year included the roll-out of new functionalities and data evaluations in the digital owner portal and the launch of the digital tenant portal, WincasaHome. Spaces leased to subsidiaries were optimised and repositioning projects were carried out in the customer portfolio, particular on properties in shopping centres. The measures introduced to combat the COVID-19 pandemic had an impact

on Wincasa’s customers in the reporting year and on the company’s value creation. Online trade increased significantly in the second year of the pandemic – to the disadvantage of retail sales at physical locations. It was therefore not surprising that Wincasa once again received requests for rent reductions from across the commercial use segment – retailers, office and commercial tenants.

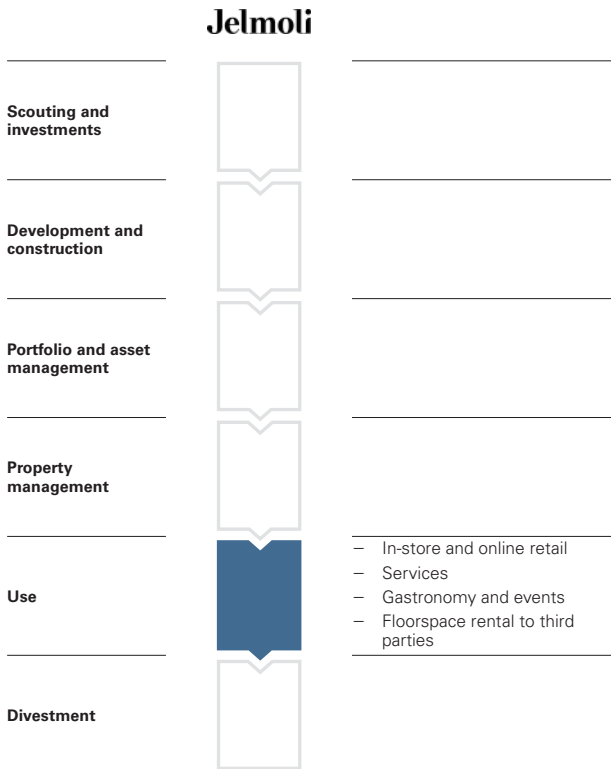
On the investor side, there was still tangible pressure on yields – primarily, low purchase yields – and on the performance of individual investment vehicles. More and more is expected from third-party suppliers – property and facility managers – and their fees are increasingly being questioned.

As in the other group companies in the Swiss Prime Site Group, the issue of sustainability is becoming ever more important for Wincasa, too. Wincasa was awarded various mandates for coordination services and photovoltaic installations and pressed ahead with their electric mobility plans.

Once again, Wincasa is paying particular attention to digitalisation. Wincasa demonstrated true innovation in their segment, implementing a virtual reception area in their commercial buildings and linking the key digital touchpoints in their pilot projects. This resulted in two new customer mandates in the reporting year. Another milestone in 2021 was the roll-out of the digital tenant platform «WincasaHome», covering more than 30 000 apartments. The «Digital Assets 2.0» project focused on the digitalisation of the property and tenant files and the online processing of vendor invoices. A further milestone was the centralisation and expansion of the property accounting department, which manages and processes ancillary costs. The innovative «E-Rent» solution enables a rental agreement to be concluded – digitally and in full – within minutes and won a place in the Top 3 at the Digital Real Estate Summit 2021.

Jelmoli

Business model and value creation



towards online shopping is also discernible at Jelmoli. To leverage its resulting opportunities as an omnichannel department store, Jelmoli redesigned the online store, which will offer the full product range from 2022.

Jelmoli pressed ahead with key strategic measures in the reporting year. The necessary reorganisation was completed in the first half of 2021. The go-live of a completely new system landscape, including a new ERP system and all the peripheral systems such as the online store and CRM, was a significant event during the reporting year.

Progress was also made in the area of sustainability. To accommodate customers' preferences for more sustainable consumption, reflected in local products and suppliers, Jelmoli implemented sustainability in their strategy for the reporting year. A materiality analysis gathered information on the relevant areas, and the results were used to produce a comprehensive sustainability concept. As part of this materiality analysis, three stakeholder dialogues were carried out in the form of an employee survey, a customer survey and a supplier survey. These were then used to define objectives and measures.

Jelmoli is Switzerland's leading omnichannel premium department store. The long-established business on Zurich Bahnhofstrasse has additional retail spaces at Zurich Airport in the Airside Center and in the Circle. As part of its omnichannel strategy, Jelmoli also retails a selection of its product range from around 1000 brands in a new online store. The department store also offers products across the gastronomy, services and events industries. By letting floorspace to third parties, Jelmoli has also been able to further optimise its value chain.

Activities in 2021

The reporting year was shaped by extended change and reorganisation processes and by the effects of the measures introduced to combat the COVID-19 pandemic. Jelmoli was directly impacted by the five-month lockdown in the gastronomy industry and the six-week lockdown in retail. The company was able to partly offset the effects by keeping the food department open throughout the lockdowns and offering customers the option of ordering any of their products by phone, email and WhatsApp. The ongoing trend

Report according to GRI standards 2021

Universal Standards

102-1 Name

Swiss Prime Site AG

102-2 Activities, brands, products, and services

The Swiss real estate market is of primary relevance for the Swiss Prime Site Group and the core real estate business. The most significant influencing factors for the Company include the rental, transactions and capital markets. Other drivers arose from the demand for real estate asset and property management services and from the retail trade.

→ FOR MORE DETAILS, SEE WWW.SPS.SWISS

102-3 Headquarters

CH-4601 Olten

102-4 Locations of operations

→ FOR MORE DETAILS, SEE «FINANCIAL REPORT 2021»

102-5 Ownership and legal form

→ FOR MORE DETAILS, SEE «CORPORATE GOVERNANCE REPORT 2021»

102-6 Markets served

→ FOR MORE DETAILS, SEE WWW.SPS.SWISS

102-7 About the organisation

Swiss Prime Site was founded in 1999. The Company is the largest listed real estate company in Switzerland and has a property portfolio valued at CHF 12.8 billion. Including Swiss Prime Site Solutions, the real estate assets under management total CHF 18.7 billion.

→ FOR MORE DETAILS, SEE WWW.SPS.SWISS

102-8 Information on employees and other workers

As at 31 December 2021, the Swiss Prime Site Group employed a total workforce of 1667 people.

→ FOR MORE DETAILS, SEE «EMPLOYEE FIGURES», SWISS PRIME SITE GROUP, P. 50

102-9 Supply chain

Due to the different fields of activity, the supply chains of the four group companies differ from each other significantly.

Swiss Prime Site Immobilien

At Swiss Prime Site Immobilien, the majority of purchased services fall into the following categories:

Category	Purchasing volume 2021 (CHF million)
Total	333
Development investments	129
Follow-up investments in existing investment properties	112
Investments in proof of concept projects	33
Maintenance and repairs	14
Property & facility management	45

Swiss Prime Site Solutions

Swiss Prime Site Solutions' purchasing is limited almost exclusively to consultancy services, since procurement in facility management or construction services relating to property portfolios managed for third-party customers is generally the responsibility of the relevant executive management (e.g. Investment Foundation, pension funds).

Wincasa

Wincasa purchases products and services in the mandate business for property owners, as well as for its own operations. In its mandate business, Wincasa applies ecological and social criteria that go beyond the legal requirements if requested by the property owner. In 2021, the company purchased goods and services for its operations from around 200 direct suppliers for a total value of some CHF 15 million (previous year: CHF 28 million).

Jelmoli

Jelmoli's range includes items from around 1000 brands. A large proportion of the products fall into the fashion, beauty, sport, food and home living categories.

As part of its membership of the global trade association amfori – started in 2020 and renewed in the reporting year – Jelmoli sent out the amfori BSCI Code of Conduct to all supplier brands. All suppliers were also assessed according to sustainability criteria.

Jelmoli is planning to expand its range of sustainable products. The quantitative requirements and objectives will be detailed in the sustainability strategy. Purchasing has the task of procuring sustainable products and expanding the product range accordingly. Employees took part in training on «Principles of Sustainability» and in a workshop on «Sustainable procurement and packaging» to equip them for this task.

102-10 Changes in the organisation and its supply chain

A reorganisation was carried out in the reporting year, but there were no material changes in the supply chain.

102-11 Precautionary principle or approach

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks. To achieve long-term corporate goals, it is crucial to recognise changes in the economic, social, regulatory, technological and ecological environment early on. Managing opportunities and risks is therefore a high priority at Swiss Prime Site.

→ FOR MORE DETAILS, SEE «RISK MANAGEMENT» IN THE NOTES, P. 77

102-12 External initiatives

Swiss Prime Site recognises the dangers associated with ongoing climate change and has committed to achieving the 1.5-degree goal of the Paris Agreement. The Company has adopted the target as a yardstick for its own climate goals and initiatives. It aims to have a climate-neutral property portfolio by 2040. When evaluating and disclosing the risks arising from climate change, Swiss Prime Site follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Furthermore, Swiss Prime Site supports the Sustainable Development Goals (SDGs) of the United Nations and uses the goals as a framework to develop the Company's own sustainability goals.

As part of its commitment to sustainability, Swiss Prime Site has defined a framework within which green bonds can be issued in order to finance or refinance suitable green projects. This framework is designed to accord with the International Capital Market Association (ICMA) Green Bond Principles (2018).

→ FOR MORE DETAILS, SEE «RISK MANAGEMENT» IN THE NOTES, P. 78

→ FOR MORE DETAILS, SEE «GREEN BOND FRAMEWORK», AVAILABLE TO DOWNLOAD ON WWW.SPS.SWISS UNDER INVESTORS

→ FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS», P. 10

102-13 Memberships of associations

The different associations and organisations of which the Swiss Prime Site group companies are members reflect the diversity of the companies' activities. All group companies focus on considering memberships of organisations whose work is closely related to their core business. This includes a well-balanced representation of political interests, for example being a member of the Verband Immobilien Schweiz (VIS). Other partnerships have been formed with Avenir Suisse, the Greater Zurich Area and «Entwicklung Schweiz», the association for Swiss development.

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien is represented on the supervisory board of Verband Immobilien Schweiz (VIS) that, among other things, is concerned with creating liberal market and competitive conditions. The company is also represented on the board of Madaster and is a member of the Swiss Sustainable Building Network (NNBS) and the Swiss Sustainable Building Council (SGNI).

Swiss Prime Site Solutions

As the real estate asset manager for the Swiss Prime Investment Foundation (SPIF), Swiss Prime Site Solutions represents the SPIF at KGAST, the Swiss conference of investment foundation managers. The company is also represented in other organisations on a project basis, such as espaceSolothurn, the economic development agency of the canton of Solothurn, where Swiss Prime Site Solutions has been working on a major development, the Riverside Zuchwil project, for several years.

Wincasa

Wincasa is a member of the Swiss real estate association SVIT, and the Swiss Council of Shopping Centers (SCSC). In addition, the company is an accredited member of the Royal Institution of Chartered Surveyors (RICS), the world's largest professional body for real estate practitioners. It is also part of the interest group «Bauen digital Schweiz». Since 2021, Wincasa has also been a member of «Madaster» Switzerland.

Jelmoli

Jelmoli is a member of the Swiss Association of Commerce and maintains close contact with the Swiss Retail Federation in connection with the Federal Office of Public Health's measures to combat the COVID-19 pandemic and the associated hygiene concepts for the retail trade.

As a member of the Bahnhofstrasse Association, the company also aims to preserve and promote the Bahnhofstrasse in Zurich as an attractive retail destination. The company is also a founding member of the IGDS (Intercontinental Group of Department Stores), enabling it to maintain a close dialogue with other leading department stores across the globe. Since the reporting year, the company has been a new premium member of the Swiss Marketing Association (GfM) and Jelmoli CEO Nina Müller was elected to its Board.

To help confirm its commitment to sustainability, Jelmoli has been a member since August 2020 of amfori BSCI/BEPI – an initiative that promotes transparency, environment and fairness in supply chains. The company also joined the Textil Alliance Suisse 2020 and supports their manifesto on the future of the Swiss textile industry, «Zukunft Textilbranche Schweiz», that is committed to seasonal ranges, shorter sales periods and products with a higher value.

102-14 Statement from the senior decision-maker

→ FOR MORE DETAILS, SEE «2021 ANNUAL REPORT»

102-15 Key impacts, opportunities and risks

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks. To achieve long-term corporate goals, it is crucial to recognise changes in the economic, social, regulatory, technological and ecological environment early on. Managing opportunities and risks is therefore a high priority at Swiss Prime Site.

→ FOR MORE DETAILS, SEE «BUSINESS MODEL AND VALUE CREATION», P. 19

→ FOR MORE DETAILS, SEE «RISK MANAGEMENT» IN THE NOTES, P. 78

102-16 Values, principles, standards and norms of behaviour

Swiss Prime Site uses a set of guiding principles and supporting statements to promulgate the values of respect, integrity, responsibility, ambition and innovation. All employees are expected to be respectful in their dealings with other people, to make integrity central to their actions, to act responsibly, to lead by example, to set themselves ambitious goals, to engage in continuous self-improvement and to put innovation into tangible effect. The Code of Conduct published in 2015 is based on these corporate values.

All employees in all group companies are expected to adhere to it. Each group company has formulated specific directives to complement the principles set out in the Code of Conduct.

In 2016, the corporate values and the Code of Conduct were introduced in the individual group companies, where they have since been embedded in the corporate culture through regular information events and ad hoc advice sessions. In addition, new management staff are made aware of the values and the Code of Conduct at Welcome Days. As a further measure in 2019, the entire system of policies and procedures was revised at group level and distributed to the individual group companies. In the reporting year, two new group-wide sets of guidelines came into effect from 1 January 2021: the Code of Conduct for Suppliers and the Environmental Policy Concept. Both guidelines were implemented individually by the group companies in the reporting year, by integrating them into compliance measures on the one hand, and contractual agreements on the other.

→ FOR MORE DETAILS, SEE «CODE OF CONDUCT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

→ FOR MORE DETAILS, SEE «CODE OF CONDUCT FOR SUPPLIERS», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

→ FOR MORE DETAILS, SEE «ENVIRONMENTAL POLICY CONCEPT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

Jelmoli

In the reporting year, Jelmoli reframed its vision and purpose: Jelmoli wants to inspire people to live sustainably by reinventing the department store and shaping the conscious consumerism of the future. This vision will also be manifest in external communications through THE GREEN ACT.

→ FOR MORE DETAILS, SEE WWW.JELMOLI.CH

102-18 Management structure

→ FOR MORE DETAILS, SEE «CORPORATE GOVERNANCE REPORT 2021»

102-40 List of stakeholder groups**102-42 Identifying and selecting stakeholders****102-43 Stakeholder engagement****102-44 Key topics and concerns raised**

Swiss Prime Site sees regular communication with key stakeholders as a core element of its forward-looking management. Information is exchanged throughout the entire value creation chain in formats focusing on the relevant target groups.

Key stakeholders	Methods of exchanging information	Key issues
Swiss Prime Site Group		
– Shareholders	– Conferences and roadshows for investors and analysts	– Course of business
– Analysts		– Current developments
– Investors	– Regular discussions with analysts via the Board of Directors, Executive Board and Investor Relations	– Strategy
– Proxy advisors		– ESG performance
– Employers and customers	– Annual investors’ day (Capital Markets Day)	
	– Annual General Meeting	
	– Half-yearly financial results press conferences	
	– Half-yearly reporting (incl. short report)	
	– Website and social media channels	
	– Employee survey, Management Day and tenant survey	
	– Materiality survey	
	– Stakeholder dialogue	

In addition to the shareholders, analysts and other investment stakeholders, there are two other stakeholder groups that are particularly important for the entire value creation process across the group companies: employees and tenants.

Swiss Prime Site regularly conducts surveys to establish employees’ requirements.

→ FOR MORE DETAILS, SEE «EMPLOYEE FIGURES, SWISS PRIME SITE GROUP», P. 50

Swiss Prime Site conducts a stakeholder dialogue every two years in which current topics – and the risks and opportunities associated with them – are discussed with a stakeholder group. The challenges, needs and expectations identified from this dialogue are taken into account when developing and optimising business activities in line with the corporate strategy.

In the reporting year, this stakeholder dialogue focused on tenants. Prior to the stakeholder dialogue, two surveys were conducted. Along with a survey to update material issues, a comprehensive written tenant survey was carried out. This survey gathered information from tenants about their levels of satisfaction, loyalty, interest in data and sustainability topics and about their future space requirements. A total of 175 surveys were completed, representing a response rate of 18%. The survey showed that a – sometimes significant – majority of tenants would be happy to extend their rental agreement and would need the same amount of space in future, are interested in data on indoor climate and air quality and

are open to sustainability issues. The top priorities for tenants in terms of sustainability issues are waste management and recycling, information about sustainability, advice and cooperation to reduce energy consumption.

→ FOR MORE DETAILS, SEE «MATERIAL ISSUES», P. 6
 → FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS, VALUE CREATION», P. 10

Based on the findings of the tenant survey, some general measures were introduced – including a faster reaction time from property management – and individual suggestions for improvement were developed in collaboration with the relevant asset manager for tenants who reported below-average levels of satisfaction. Implementation of these measures is scheduled for in Q1 2022. The next tenant survey is planned for Q2.

The tenants’ stated interest in sustainability issues helped to shape the thematic focus of the stakeholder dialogue. Workshops were held in a world café format and covered six sustainability issues taken from the world of ESG:

- Goal: «Net Zero»
- Corporate responsibility
- Sustainability information, standards and labels
- Circular economy
- Resilient real estate post-COVID
- Community engagement

→ FOR MORE DETAILS, SEE «REPORT ON THE 2021 STAKEHOLDER DIALOGUE», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

Key stakeholders	Methods of exchanging information	Key issues
Swiss Prime Site Immobilien		
<ul style="list-style-type: none"> - Tenants and potential tenants - Construction project partners - Authorities - Local stakeholders (residents, associations, political representatives) - Suppliers and business partners 	<ul style="list-style-type: none"> - Regular dialogue with tenants and potential tenants - Property-specific information events and viewings - Surveys on location preferences, space requirements, moving-in dates or specific requirements for tenants' improvements - Satisfaction surveys - Regular discussions - Stakeholder dialogue - Materiality analysis 	<ul style="list-style-type: none"> - Supply of floor space and property services - Sustainable construction and certification - Consideration of local circumstances relating to development projects

Swiss Prime Site Immobilien prioritises discussions with both tenants and potential tenants. Their main concerns traditionally revolve around the amount of space available and the property services provided. Having a balanced mix of retail tenants generates additional benefits for Swiss Prime Site Immobilien and enables them to differentiate themselves. International companies in particular continue to prioritise sustainable construction and request official certification to show that their properties meet the relevant standards.

To ensure that Swiss Prime Site Immobilien stays abreast of potential tenants' requirements, the company hosts property-specific information events and viewings. This regular dialogue with potential tenants helps the company to meet the future wishes of customers. The company also ensures this with regular surveys on preferred locations, floorspace requirements, moving-in dates and specific requirements for tenant fit-out. Satisfaction surveys are conducted regularly with existing tenants – most recently in the reporting year.

Throughout each new building project, Swiss Prime Site Immobilien maintains close dialogue with local and cantonal authorities, as well as other stakeholders in the area such as associations, political bodies and residents. This allows the company to consider the local conditions and requirements at an early stage when planning developments.

Key stakeholders	Methods of exchanging information	Key issues
Swiss Prime Site Solutions		
<ul style="list-style-type: none"> - Swiss Prime Investment Foundation (as sole current customer) - Investors - Supervisory authorities 	<ul style="list-style-type: none"> - Weekly discussion with executive management - Monthly discussion with the foundation board - Events, roadshows and individual portfolio meetings - Annual investors' conference - Annual reporting - Website and social media channels 	<ul style="list-style-type: none"> - Swiss Prime Investment Foundation - Investment decisions - Services - Project developments and acquisitions - Corporate organisation - Authority of key individuals

Wincasa		
<ul style="list-style-type: none"> - Major commercial tenants and around 68'000 to residential tenants - Owners and institutional investors - Suppliers 	<ul style="list-style-type: none"> - Regular dialogue and coordination meetings with the management of major customers - Annual CEO meetings with key customers - Discussion about the Customer Value Center - Tenant portal - Owner portal - Website and social media channels 	<ul style="list-style-type: none"> - Issues regarding commercial and infrastructure building management - Improving business processes - Requirements relating to specialist expertise and availability of services - Sustainable use of properties

Jelmoli		
<ul style="list-style-type: none"> - Customers - Suppliers - Retail floor space tenants 	<ul style="list-style-type: none"> - Daily dialogue with customers in store - Information desk - Mystery tests - Regular dialogue with suppliers and retail floor space tenants - Website, social media channels and newsletter 	<ul style="list-style-type: none"> - Range and product quality - Customer support - Linguistic and intercultural skills - Revenue and profitability - Declaration obligations - Combination of supply of proprietor-managed and let retail floor spaces

In the reporting year, Jelmoli asked 672 customers to complete an online survey about sustainability. The high response rate and the large number of comments showed that the issue of sustainability is important to customers. Across all issues, they have requested greater transparency and information, for example regarding a product's environmental footprint and its sourcing. Other issues considered important by customers are fair working conditions for employees, data protection, animal welfare standards, transparency about sourcing, materials and production, waste reduction & recycling, innovation, inclusion, equality & diversity, social acceptability of products and local sourcing. These aspects were factored into the materiality analysis and prioritised. Appropriate measures will be detailed in THE GREEN ACT and implemented from 2022 onwards.

102-41 Collective labour agreements

There are no collective labour agreements for any Swiss Prime Site employees. The terms of employment for employees differ from group company to group company. All employees of the Swiss Prime Site Group have access to an integrity platform operated by an independent partner (EQS). The platform serves as a channel to report violations of the Code of Conduct or other issues concerning employment law, including complaints relating to freedom of association and collective labour agreements, which Swiss Prime Site allows. In cooperation with an external service provider, the Swiss Prime Site Group also offers a contact point that employees can turn to in the event of difficult situations at work or in their personal lives.

Topic-specific standards

Economic topics

201 Economic performance

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

With a comprehensive approach to sustainable value creation, Swiss Prime Site is confident it will be able to achieve long-term growth that will be of economic benefit to its various stakeholders and will enable it to provide its shareholders with appropriate distributions. The principles of sustainable company management are clearly defined as part of the business plan and budget process, in which the opportunities, challenges and objectives for the next three year and five-year periods are considered. The business plan is revised each year and in some cases includes scenario analyses. These examine the potential development of the business in light of various economic and regulatory changes. The business plan and outlook must be approved by the Board of Directors.

In order to remain competitive and maintain a high level of performance across all group companies, Swiss Prime Site uses clearly defined processes, the efficiency of which are regularly measured against key figures. Resource and headcount requirements, as well as third-party costs and general costs, are continuously monitored and the process landscape is optimised accordingly.

Swiss Prime Site Immobilien

The group company focuses on continuously improving its portfolio through a range of new build developments, redevelopments of existing properties and sales of properties that are no longer strategically relevant. In addition, asset management focuses on reducing vacancies and operating costs and optimising heat and electricity consumption to reduce CO₂ emissions.

Systematic vacancy management is of central importance for Swiss Prime Site Immobilien in order to ensure a high occupancy rate. The company therefore pursues a proactive marketing strategy and endeavours to optimise its range of products and services in line with current and future market requirements. The company discusses existing rental agreements with tenants in a timely manner before the end of the tenancy and extends them wherever possible. Renovation and refitting work is coordinated with the terms of leases so that it can be carried out when premises are not in use.

In 2021, many tenants were affected by the impact of COVID-19. The asset management team at Swiss Prime Site Immobilien maintained intensive, direct contact with the companies during this exceptional situation and processed their requests for rent reductions or extensions. Swiss Prime Site implemented individual assessments and measures to help mitigate the financial difficulties faced by its customers, enabling it to prevent any additional vacancies and even improve the vacancy rate compared with the previous year.

Several construction projects were also successfully completed in the reporting year and handed over to tenants on schedule.

Swiss Prime Site Solutions

Swiss Prime Site Solutions has been the real estate asset manager for the Swiss Prime Investment Foundation (SPIF) since 2017. Since then, the property assets of the Swiss Prime Investment Foundation have grown to around CHF 3 billion.

In the reporting year, Swiss Prime Site Solutions continued on its growth course as planned. The company successfully realised ongoing construction projects and acquired several properties. In addition, SPIF Real Estate Switzerland raised over CHF 340 million through two capital increases, which also had the knock-on effect of expanding the investor base.

The «SPA Living+ Europe» product invested around EUR 43.6 million in five European properties in the senior living segment in 2021. Other forms of use such as student housing, serviced apartments and micro living can be added to provide diversification.

The expansion of the customer base is to continue in the future. To this end, and as communicated at the Capital Markets Day 2021, Swiss Prime Site Solutions launched a first fund product in the reporting year following the award of its FINMA licence. The initial issue raised CHF 144 million.

Wincasa

In a commercially challenging services environment, it is essential that Wincasa retains its high level of competitiveness and quality. To that end, the company employs clearly structured processes, the efficiency of which are constantly monitored and improved. In 2019, the company introduced several new IT systems during the course of changing its ERP system, contributing to further increases in efficiency in 2021.

Wincasa took over the tenant platform streamnow at the end of 2018. The portal solution allows users to manage all issues relating to their property and tenancy quickly, easily and at any time, wherever they happen to be – similar to the familiar online banking and insurance applications. For example, tenants can use the app to access documents and agreements at any time and submit requests. The app also simplifies communication between tenants and property management so that tenant requests can be answered as quickly as possible. This improves tenant satisfaction, which in turn benefits property owners. It also enables Wincasa to further optimise its processes and boost its efficiency.

With the aim of becoming even more customer-centric, the Wincasa Customer Value Center (CVC) was established in 2019 as the central interface for property management issues. In 2021, the CVC handled around 454 000 enquiries (phone and email), with the proportion of contacts shifting further in favour of email enquiries. As a result, the speed at which enquiries were processed increased even further.

In addition to making process improvements, Wincasa won new mandates in 2021 and extended existing ones.

Jelmoli

Branch expansion and the omnichannel approach called for system-related improvements within the process landscape. As a result, Jelmoli announced the successful release of the new ERP system at the beginning of 2021. The new online store also went live in the first half of 2021.

Despite the lockdown, sales on the retail floor space on Bahnhofstrasse improved year-on-year in the reporting year and even exceeded the comparable 2019 figures in the second half of the year. The value of a loyal local clientele proved to be particularly important during the pandemic, with an average of 50% of sales attributable to customers registered with the J Rewards customer loyalty programme.

The performance of the new airport stores is below original expectations due to the massive reduction in travel as a result of the measures put in place to combat the COVID-19 pandemic. Although the airside store did record a much improved performance following the resumption of air travel, the Circle missed out on the key footfall of tenants who continued to work from home. It is also apparent that the new service centre needs time to develop as a destination.

In subsequent years, Jelmoli intends to continue investing in the realignment of the department store, in retail spaces and in strengthening and expanding partnerships in order to develop the business model in line with sustainable approaches and circular business models such as second-hand items, rental models or recycling. Two groups of students from the University of St. Gallen (HSG) developed potential approaches for sustainable business models as part of a consulting case in autumn 2021. The goal is to assess their implementation from 2022 onwards. Sustainable business models were launched in 2020 with the tenant Reawake (high-end second-hand items) and in the reporting year with pop-ups operated by businesses Ingrid & Emil (second-hand items for children) and Ragfair (evening dress hire). After a successful start, the cooperation with Ragfair will be continued in the following year.

201-1 Direct economic value generated and distributed

→ SEE FINANCIAL REPORT 2021

201-2 Financial implications and other risks and opportunities due to climate change

Since 2019, Swiss Prime Site has carried out a regular analysis of climate-related financial risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as part of its risk management process.

→ FOR MORE DETAILS, SEE «TCFD REPORT», P. 85

201-4 Financial assistance received from government**Swiss Prime Site Immobilien**

Swiss Prime Site Immobilien receives occasional contributions from the buildings programme for construction measures that reduce energy consumption or CO₂ emissions, as well as one-off payments for the installation of photovoltaic systems.

Jelmoli

Jelmoli was again affected by lockdown measures in 2021, the second year of the COVID-19 pandemic, and had to reintroduce short-time working for a large proportion of its employees. Under the official regulations, selected departments were able to remain open for customers, while more financial assistance was applied for under the hardship programme than in the previous year.

203 Indirect economic impacts**103-1 Management approach****103-2****103-3**

Swiss Prime Site is very conscious of its corporate responsibilities regarding the social, ecological and economic framework surrounding its properties. The Company views real estate (projects) not just as individual projects, but as part of the Smart City, contributing to urban living space in the context of urban development and regeneration. The larger the project, therefore, the more land use and urban planning aspects must be considered. The effect that new buildings have on local job opportunities should also not be overlooked: the value chain created by a building project helps to maintain local and regional jobs and trainee positions in the construction and service sectors.

Swiss Prime Site Immobilien

Swiss Prime Site's business model focuses on commercial properties, with just 1% of rental income generated from residential properties. This figure does not include rental income from the properties with senior apartments that are operated by the Tertium Group and account for 7% of annual rental income. However, there are numerous examples of how the company facilitates a mixed tenant structure by offering attractive rent conditions and thus encourages diversity within a district. The priority for all stakeholders is to create added value from a range of different perspectives. Examples include the YOND building in Zurich, where special emphasis was placed on attracting start-ups and a crèche. Similar examples include the Espace Tourbillon site in Geneva and the JED building in Schlieren, which features large-scale community spaces that invite the public to fill the building with life. More information on these properties can be found on the Swiss Prime Site website.

In order to ensure that each property and each new build or renovation project creates added value for the users, residents and the local economy, every project begins with a detailed analysis of the specific characteristics of the location in dialogue with residents, interested users, local authorities and representatives of the business community, from which further measures are then derived. Depending on the project and the requirements, this analysis may also include a consultation on environmental, health and safety aspects. These discussions are initiated by employees in the development, asset management communication departments of the Swiss Prime Site Group.

In addition to designing the buildings in accordance with requirements, Swiss Prime Site always contributes to the design of public spaces, green areas and mobility services and comes up with creative ways to make temporary use of vacant properties. The Stücki Park shuttle bus service continued to operate in the reporting year, while mobility and charging infrastructure for electric vehicles was further improved at a number of sites.

Swiss Prime Site Solutions

Swiss Prime Site Solutions implements a range of innovative, high-quality real estate projects on behalf of its customer, Swiss Prime Investment Foundation (SPIF). The Riverside development project in Zuchwil is a good illustration of its strategy of creating sustainable living spaces tailored to the needs of users. Its location and size mean that the district is an integral part of the municipality of Zuchwil. The project, which is being shaped by a diverse community, considered the needs of the various stakeholder groups from the outset. A key element of the project is the varied leisure and food services on offer, which also create added value for local residents and the inhabitants of the municipality as a whole. An advanced mobility concept is also being developed to promote car sharing, electric mobility and public transport. The sustainable electricity generated on the site can be stored as required via the site's own medium-voltage grid and distributed to users and consumers.

Wincasa

Wincasa has a long-standing cooperation with the Domicil Foundation, which organises housing for socially and economically disadvantaged people and acts as guarantor if necessary. There is also an established partnership with «Die Sozialfirma», which helps to reintegrate workers into the labour market.

Jelmoli

As a department store of many years' standing with strong links to the city and canton of Zurich, Jelmoli focuses its charitable commitments on this region. Jelmoli gave just under CHF 10 000 to the charitable Züriwerk foundation (sale of charity bears) in the reporting year.

As part of the drive for more sustainable consumption, in 2021 Jelmoli once again participated in Giving Tuesday, a counter-movement to Black Friday. For every purchase of CHF 50 or more, the company donated CHF 5 – just under CHF 50 000 in total – to the Züriwerk foundation.

203-1 Infrastructure investments and services supported

With its business activities, Swiss Prime Site contributes to economic and social development in many different ways. The Company is committed to training young people and also supports social and cultural organisations and projects as part of its sponsorship activities. In accordance with the core-satellite approach defined in the sponsorship concept, Swiss Prime Site makes important contributions to projects that are closely related to its core business of real estate. The core initiatives have an annual budget of CHF 500 000 that is devoted to innovation, research and teaching. The satellite initiatives have an annual budget of CHF 400 000 that supports smaller-scale projects in the areas of youth initiatives, sport and culture.

In 2021, Swiss Prime Site supported events such as the NZZ Real Estate Days, the CE2 conference held by Circular Economy Switzerland, and Startup Days. Further financial contributions were made to Avenir Suisse and the Greater Zurich Area, both of which promote Switzerland's role as a centre of economic activity, and to YES Young Enterprise Switzerland. The Company also made charitable donations to SOS Kinderdorf and Orphanhealthcare. The group companies can directly pledge smaller charitable commitments.

To further strengthen ties with the local community, all Swiss Prime Site employees are given one day off per year to volunteer in the local community. For 2022, HR managers will extend the range of community programmes available. In addition to increasing the sense of responsibility towards the community, this initiative also fosters a sense of togetherness within the Company.

Innovation culture and partnerships**103-1 Management approach****103-2****103-3****Innovation culture**

Innovation is one of the key values of Swiss Prime Site. The Company aims to offer its customers optimal added value through sustainable and innovative products and services. In each phase of the real estate life cycle, Swiss Prime Site relies on interdisciplinary knowledge sharing, as well as the creativity of employees at all levels.

Swiss Prime Site's innovation strategy is embedded in the corporate strategy, for which a central unit reporting to the CEO is responsible. A group-wide trend survey forms the basis for the innovation capacity of Swiss Prime Site. Early signals and market trends are systematically recorded and analysed by the Future Board and the Retail Board. In addition, Swiss Prime Site organises regular interdisciplinary workshops on megatrends and future-relevant issues. The aim of these workshops is to develop specific ideas and establish innovative thinking in Swiss Prime Site's corporate culture.

Within its innovation management framework, Swiss Prime Site addresses disruptive topics such as climate change, demographic change and changing values in society and the circular economy. The Company uses the skills of employees from various areas to develop services that can help resolve social challenges. Topics examined in depth by Swiss Prime Site in 2021 included the circular economy, the future of work, healthy building & tenant experience, energy efficiency and mobility in the context of the smart city.

Innovation partnerships

In addition to fostering a culture of innovation, partnerships with start-ups and research organisations are seen as very important.

Through its Corporate Ventures activities, Swiss Prime Site looks to develop innovative products and seeks out new scalable business models. To this end, the Company collaborates with Venture Lab, a Swiss institution for the promotion of start-ups. The aim of the partnership is to work with young companies to develop specific business ideas that can then be implemented within the operations of the Swiss Prime Site group companies. Since 2017, three or four Accelerator Workshops have been held each year and between four and six of the resulting projects implemented (proofs of concept) and pursued. In selected cases, this led to direct investment in the start-up.

Swiss Prime Site invested in FenX AG in spring 2021. FenX has developed a patented technology that uses mineral waste and low-value inorganic particles to create a cost-effective solution for sustainable, safe and efficient building insulation. The investment will be used to continue research and development activities, build the first production facility and prepare for market launch.

→ FOR MORE DETAILS, SEE WWW.FENX.CH

Innovative components

Airlite, the Cradle-to-Cradle certified wall paint, was used for the first time in selected Swiss Prime Site properties in the reporting year. The paint uses materials based on titanium dioxide nanoparticles that are activated by light and interact with moisture in the air. A catalytic process then generates special hydroxyl radical ions, generally seen as «nature's cleaning products». These radicals can extract toxic particles such as nitrogen oxide (NOx), which cause respiratory inflammation, from the air. The nanoparticle-based technology reduces air pollutants by 89%, eliminates 99.9% of all bacteria and viruses on treated surfaces and repels dirt and mould spores. The paint's ability to reflect heat from sunlight also reduces the energy costs associated with cooling by up to 29%.

→ FOR MORE DETAILS, SEE WWW.AIRLITE.COM

Cradle-to-Cradle certified flooring free of volatile organic compounds was used in the renovation of the Messeturm in Basel. Rather than using oil-based epoxy or polyurethane resins, these floors are manufactured with plant-derived resins. The oil used to make Senso flooring is extracted from the castor bean, a fast-growing and fruit-bearing annual tropical plant. The regions from which Senso sources its oil do not compete with agriculture. The land is mostly arid, the perfect growing environment for the crop plants but unsuitable for other forms of agriculture.

→ FOR MORE DETAILS, SEE WWW.SENSOBODEN.CH

205 Anti-corruption

206 Anti-competitive behaviour

103-1 Management approach

103-2

103-3

Combating corruption

Given Switzerland's stable political and regulatory environment, corruption is not a pre-eminent concern. Nevertheless, where large real estate transactions or substantial purchasing volumes are involved, the possibility of operational units within Swiss Prime Site being confronted with this issue cannot be ruled out. Swiss Prime Site condemns all forms of bribery and corruption, fosters an anti-fraud culture and pursues a zero tolerance approach in this respect.

Measures to prevent corruption have been defined at various levels. When signing their employment contract, all employees also commit to the Code of Conduct that governs the treatment of bribery and corruption. Should an actual attempt at bribery occur, employees can call the independent integrity line – operated by EQS, an external partner – anonymously at any time.

The Company has a strict set of rules on favours and gifts. In connection with their work for the business, employees are not allowed to accept gifts or other benefits from third parties, except minor or customary ones, either for themselves or others, nor may they accept promises of such gifts or advantages. Employees must decline invitations if accepting them could impair their impartiality or their work. Employees involved in a procurement or decision-making process are also prohibited from accepting minor or customary benefits or invitations. The same rule applies if the benefit or invitation is offered by a person who is involved in or affected by a decision-making process, or if a link between offering the benefit or invitation and the procurement or decision-making process cannot be ruled out.

If in doubt, employees must clarify with their manager or the relevant Compliance Officer whether they are allowed to accept the benefit or invitation. This applies in the same way to the provision of gifts or other benefits as well as to invitations by employees.

The measures established by Swiss Prime Site to prevent corruption do not need to be amended following the approval of Swiss Prime Site Solutions as a fund manager by the Swiss Financial Market Supervisory Authority (FINMA).

Competitive business activities

Anti-competitive practices are avoided through clear responsibilities and powers. For example, all contracts must be reviewed by the relevant legal department. In addition, the group-wide requirement for documents to be signed by two people serves as an effective dual control system. To prevent insider trading, all employees are informed of trading suspensions and windows for Swiss Prime Site shares. In addition, employees involved in specific projects must sign an insider declaration, in which they are made expressly aware of criminal offences relating to insider information under securities trading laws.

The Code of Conduct also stipulates that situations potentially leading to conflicts of interest must be avoided. If there is a conflict of interest, employees must inform their manager and, if necessary, the Compliance Officer. The rules of abstention set out in the Code of Conduct apply.

Swiss Prime Site Solutions must also comply with the additional requirements governing market conduct as set out in FINMA Circular 13/8 «Market conduct rules». The circular sets out market conduct that is not permissible under supervisory law by prohibiting the misuse of insider information as well as market manipulation. It also establishes organisational requirements, compliance with which should ensure that prohibited market conduct is prevented and identified.

205-2 Communication and training about anti-corruption policies and procedures

Training materials on the Swiss Prime Site Code of Conduct are issued to new managers at the Welcome Day. The material covers corruption and bribery and how to deal with conflicts of interest.

In addition to the Code of Conduct, the General Employment Conditions (AAB) also include information on the topics of corruption and bribery. These are issued to all employees when they sign their employment contract.

205-3 Confirmed incidents of corruption and actions taken

No cases of corruption have been observed since Swiss Prime Site was founded.

206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices

There were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2021.

Environmental topics

302 Energy

305 Emissions

103-1 Management approach

103-2

103-2

Swiss Prime Site Group

Swiss Prime Site is committed to protecting the environment and conserving resources – be it in relation to investments in real estate, the management and use of properties, or any other associated services. The overarching aims and obligations of the Company are set out in the group-wide Environmental Policy Concept.

→ FOR MORE DETAILS, SEE «ENVIRONMENTAL POLICY CONCEPT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

The Company gathers detailed key figures on energy consumption and greenhouse gas emissions across the group and uses these as a basis for continuously improving its environmental performance. Swiss Prime Site aims to make its real estate portfolio climate-neutral by 2040. To achieve this goal, the Company is implementing targeted measures to improve energy efficiency and investing in renewable energy. The focus is on its own property portfolio, where invested capital has the greatest impact.

The energy management system used at Swiss Prime Site Immobilien is ISO 27001 certified.

Swiss Prime Site Immobilien

At present, the operational focus is on improving the sustainability performance of the property portfolio as defined in the report on the CO₂ reduction pathway, first published in 2019. The resulting findings are incorporated into the different areas of the business (acquisition, portfolio and asset management and development & construction) and are operationalised through the property strategies and relevant processes (multi-year planning and budgeting).

→ FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS, CONTRIBUTION TO SDG 13: CLIMATE ACTION, CO₂ REDUCTION PATHWAY», P. 14

Swiss Prime Site adheres to SNBS criteria for all new developments and major renovation projects, including the requirements in relation to energy consumption.

Across all its operations, the company has made greater use of renewable energy a key priority. In a portfolio analysis completed in 2019, the replacement of fossil-fuel heating systems in more

than 40 properties was checked against the planned refit schedules on the basis of various building parameters. In the reporting year, two existing properties were connected to the district heating network and three new builds with renewable heat energy were put into operation. In a range of properties, Swiss Prime Site Immobilien also benefited from the improved environmental quality of district heating. Further connections to the district heating network are planned from 2022. In addition, the multi-year plans prepared in the reporting year to renovate the shells of existing buildings will make a major contribution to achieving the goals of the reduction pathway.

In 2019, Swiss Prime Site Immobilien assessed the entire property portfolio to determine its suitability for the installation of photovoltaic systems, with the aim of increasing its own production of renewable electricity in the future. During this process, 18 properties were identified where additional photovoltaic systems could be installed. Four photovoltaic systems with a total capacity of 665.6 kWp and a module surface of 3388 m² were installed and put into operation in the reporting year. A further six projects are planned for installation in 2022. Furthermore, the company assessed all development projects to determine whether there was potential to install a photovoltaic system. The willingness of future tenants to purchase electricity generated on-site is also a factor in the investment decision. In some properties, the purchase of electricity produced on-site is stipulated in the rental contracts.

Continuous optimisation of heating, cooling, ventilation and lighting will significantly reduce both energy consumption and CO₂ emissions of existing properties. Swiss Prime Site Immobilien gathers comprehensive energy consumption data to identify opportunities for optimisation. The company's EC/BO (Energy Control and Operational Optimisation) system is an online system that continuously records the energy consumption of 144 properties. This corresponds to 93% of the total area of the property portfolio. On the basis of this data, Swiss Prime Site Immobilien identifies further optimisation potential and implements appropriate measures.

In order to achieve the ambitious goals of increasing energy efficiency and cutting greenhouse gas emissions, it is essential that real estate is not optimised as individual properties but is seen as part of a system that needs to be improved as a whole. Swiss Prime Site Immobilien therefore focuses increasingly on promoting and tapping into climate-friendly mobility services. For example, the company has already carried out several projects to install and run electric charging stations. At the end of 2021, the property portfolio had 51 electric charging stations with 80 charging points.

Swiss Prime Site Solutions

Swiss Prime Site Solutions developed a sustainability strategy for its customer Swiss Prime Investment Foundation (SPIF) in 2020. It also supports the SPIF with its sustainability efforts, in particular optimising its energy consumption and reducing CO₂ emissions. The core element of the climate protection measures is a CO₂ reduction pathway geared to achieving the targets set out in the Paris Agreement and the Federal Council's goal of achieving climate neutrality by 2050. Over the short to medium term, this reduction pathway focuses on the operational energy consumption of the property portfolio and the associated greenhouse gas emissions. Emissions relating to grey energy will be optimised on a project-specific basis until further notice.

In the reporting year, Swiss Prime Site Solutions began to compile the data required to develop the reduction pathway for the existing «SPIF Real Estate Switzerland» portfolio. A robust survey of current energy consumption and emissions must be completed before the reduction pathway can be calculated and targeted property-specific measures derived. To ensure that any further development of the portfolio is already compatible with the reduction pathway, sustainability criteria were added to the due diligence requirements used when acquiring existing properties. As part of this work, a process was established in 2021 to ensure that sustainability criteria are systematically taken into account for new developments and full renovation projects.

Wincasa

When it comes to energy and emissions, it is important to differentiate between the company's own energy consumption and emissions and potential in property portfolios Wincasa manages for customers. Within the company, around 50% of CO₂ emissions are caused by its own employees' mobility. After being adjusted in the previous year, the mobility concept was reviewed in the reporting year and employees surveyed again about their mobility habits.

In the managed property portfolio, Wincasa has worked for years with a dedicated consultancy team, advising on the issue of sustainability within construction and facility management. Property and environmental experts advise property owners and customers about their portfolio and properties, and offer services for reducing energy consumption and CO₂ emissions. Central services at portfolio level include:

- developing and implementing sustainability strategies for property portfolios,
- implementing energy management systems and managing energy controlling and operational optimisation mandates,

- supporting involvement in benchmark initiatives such as GRESB,
- developing and operationalising CO₂ reduction strategies for property portfolios (CO₂ reduction pathway) and structured electricity procurement.

At a property level, Wincasa supports owners with the certification of properties and the development and implementation of property strategies. To this end, all key energy consumption data for the properties are generally recorded and analysed in a specially developed energy management tool. Wincasa thus makes an important contribution to improving the energy efficiency of the buildings in the various customer portfolios and to reducing their CO₂ emissions. The company is also increasingly providing advice on owner-specific sustainability requirements, including how to achieve a long-term CO₂ reduction target for a property portfolio. Services include advice on photovoltaics, electric mobility, energy management, benchmarking, certification, etc. Other key services include the planning and operation of photovoltaic systems with on-site consumption and electric charging stations or other energy-related operational optimisations. Expert staff were recruited in the reporting year to advise customers on photovoltaic systems.

As part of Swiss Prime Site, Wincasa plays an important role in monitoring the ecological footprint of the entire Swiss Prime Site Group. It collects data on energy and resource consumption each year and uses it to calculate the corresponding CO₂ emissions.

Jelmoli

As a tenant of retail and storage space, Jelmoli has limited influence over energy consumption and the associated CO₂ emissions. However, with Swiss Prime Site Immobilien as an owner, the company can count on energy improvements being actively driven as part of the CO₂ reduction pathway. The owner has a ten-year plan for the property on Bahnhofstrasse in Zurich. This includes improvements to the building shell and air conditioning systems. In addition to the retail floor spaces, storage facilities are also being continuously improved. The following measures were implemented in the reporting year:

- Conversion of four floors (ground, first to third) to LED lighting
- First phase in the conversion of the ventilation fans from conventional fans to EC fans, reducing emissions by around 60%
- Upgrade of heat pumps, reducing CO₂ emissions by around 36 000 t/year
- Completion of «Commercial refrigeration upgrade» project (cold stores) for the food market (first basement level)

Jelmoli is also endeavouring to reduce the CO₂ emissions of its logistics operations, specifically for the last mile of B2B and B2C deliveries. The following measures were implemented in the reporting year:

- Order for two additional gas-powered lorries
- 60% progress in converting the logistics centre to LED lighting
- Review of all packaging material for the online store and switch to compostable filler material

Furthermore, all of Jelmoli's logistics partners must guarantee that their deliveries are emissions-free or that they make appropriate compensation payments.

302-1 Energy consumption within the organisation

302-3 Energy intensity

302-4 Reduction of energy consumption

305-1 Direct (Scope 1) GHG emissions

305-2 Energy indirect GHG emissions (Scope 2)

305-3 Other indirect (Scope 3) GHG emissions

305-4 GHG emissions intensity

305-5 Reduction of GHG emissions

→ FOR MORE DETAILS, SEE ENVIRONMENTAL FIGURES FROM P. 44 AND NOTES ON ENVIRONMENTAL FIGURES, AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

303 Water and effluents

306 Waste

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

The efficient use of resources is an integral part of Swiss Prime Site's sustainability goals. For investment in and use of real estate, sustainable materials are always used where possible. The Company also takes care to reduce water consumption and keep waste to a minimum. During the disposal of waste and the recycling of materials, all relevant legal requirements are met. The group companies implement business-specific measures in this area. For example, no plastic products or hard copy documents are used. Wherever possible, waste products are recycled.

Swiss Prime Site Immobilien

To reduce the quantity of water consumed, Swiss Prime Site Immobilien measures the water use of each property and installs water-saving taps and efficient devices in all common areas. For rental spaces, it is only possible to formulate recommendations. The development & construction teams have standards governing irrigation systems and rain and grey water usage, particularly for major renovation or new build projects. These are based on the

standards issued by the certification organisation SNBS (the Swiss Sustainable Building Network). Operating buildings and producing construction material both use a lot of water. Swiss Prime Site Immobilien therefore intends to encourage producers and suppliers to take more responsibility for this by including appropriate requirements in contracts.

In the reporting year, Swiss Prime Site Immobilien added various SNBS requirements and BREEAM (Building Research Establishment Assessment Methodology) certification for maintenance and use to its framework agreements for facility management. Providers of facility management services are responsible for the sustainable use of resources and energy in a property. For each building, the existing waste disposal infrastructure is assessed with a view to waste separation and adapted where necessary. The task of making tenants aware of sustainable building operation (e.g. correct ventilation) also falls to providers of facility management services.

As a market-leading real estate company, Swiss Prime Site Immobilien has a responsibility to drive and exemplify the circular economy in order to reduce resource consumption and CO₂ emissions, including from grey energy. Closed loops also support the local economy, as part of the collection, preparation and reintroduction process takes place at a local, regional or at least national level. Swiss Prime Site Immobilien also sees a credible commitment to the circular economy as a potential source of differentiation within the industry – for example in the use of sustainable, healthy materials. That is why the company is actively committed to the circular economy across a wide spectrum. For example, as a member of the board of directors of Madaster Switzerland, the online Swiss library for materials used in construction, Swiss Prime Site Immobilien is committed to increasing the efficient use of resources and to a gradual transition to a circular economy. The company is also a partner of the Circular Economy Entrepreneurs (CE2) Conferences, an initiative of the Circular Economy Switzerland network. Exemplary projects include the total renovation of the office building on Müllerstrasse in Zurich in the reporting year and the renovation of the Messeturm in Basel, which was carried out in accordance with Cradle to Cradle design principles and received the corresponding material passport in the reporting year.

→ FOR MORE DETAILS, SEE «BUSINESS MODEL AND VALUE CREATION, INNOVATION», P. 21

Swiss Prime Site Solutions

Swiss Prime Site Solutions developed a sustainability strategy for the Swiss Prime Investment Foundation (SPIF) in 2020, a central topic of which was the optimisation of resource use. Operationalisation of this strategy began in the reporting year, for example with assessments of waste volumes in the property portfolio.

Wincasa

As Wincasa manages properties as a service provider on behalf of various institutional investors, the company only has limited influence on resource use. However, Wincasa seeks where possible to raise the awareness of both owners and tenants and reduce both water use and waste production. Workshops on avoiding waste and recording waste streams were organised with various owners in the reporting year.

Jelmoli

Reducing waste or the optimal recycling of waste is a key priority for Jelmoli. All reusable material is collected and recycled daily. The volume of waste is affected by sales. The decline in the volume of waste in 2021 was a consequence of the measures taken to combat the COVID-19 pandemic and of the lockdowns imposed on retail (six weeks) and gastronomy (five months).

To further reduce the volume of waste, a Recycling project group was established in the reporting year to look at how to further optimise waste management. The goal is to optimise recycling in sales preparation in 2022, particularly in the back office and point of sale (POS) areas.

Purchasing has also been tasked with making suppliers aware of the need to reduce packaging and use sustainable materials.

Jelmoli has already been able to minimise food waste by using unsold fruit and vegetables from the food market in the store’s own restaurant operations. With a view to making further progress in reducing food waste in gastronomy, Jelmoli launched a pilot project with Kitro in 2021. The Kitro solution measures and documents food waste and compiles monthly reports.

303-5 Water use

→ FOR MORE DETAILS, SEE «ENVIRONMENTAL FIGURES», P. 44

CRE5 Land degradation, contamination and remediation

Swiss Prime Site Immobilien

Checking land and buildings for hazardous materials and, if necessary, safely removing them is a matter of course for Swiss Prime Site Immobilien. If there appears to be a potential danger to tenants, immediate measures are taken to eliminate any risks to health. In the reporting year, around CHF 1.5 million was spent on cleaning up contaminated sites as part of construction work (previous year: CHF 0.6 million).

Environmental figures¹

Swiss Prime Site real estate portfolio

	in	2020	2021
Properties	Number	159	160
Usable floor space	m ²	1 549 743	1 590 270
Total energy consumption	MWh	199 728	206 343
Share renewable	MWh	90 541	94 883
Share non-renewable	MWh	109 187	111 460
Electricity	MWh	78 988	74 987
Share renewable (hydro)	MWh	62 641	68 379
Share non-renewable (standard Swiss consumer mix)	MWh	16 347	6 608
Heating energy	MWh	120 740	131 356
Heating oil	MWh	5 538	6 657
Natural gas	MWh	68 626	71 162
District heating	MWh	46 288	53 251
Share renewable	MWh	27 612	26 218
Share non-renewable	MWh	18 676	27 033
Wood chips	MWh	288	286
Energy intensity ²	kWh/m ²	158.4	173.5
Electricity intensity ³	kWh/m ²	74.4	79.9
Heat intensity ⁴	kWh/m ²	86.6	94.8
CO ₂ emissions ⁵	tCO ₂ e	24 041	25 064
CO ₂ emissions Scope 1	tCO ₂ e	13 029	10 696
CO ₂ emissions Scope 2	tCO ₂ e	4 260	3 697
CO ₂ emissions Scope 3	tCO ₂ e	6 752	10 671
CO ₂ intensity ⁶	kgCO ₂ e/m ²	19.9	19.6
Share of CO ₂ emissions of portfolio in relation to total emissions of Swiss Prime Site Group	%	91.2	91.7
Water consumption	m ³	618 056	580 564

¹ For explanations, see: «Notes on environmental figures (accounting concept)», available to download at www.sps.swiss under Sustainability.

² Energy consumption (electricity and heating energy) is measured at meter level and allocated to different types of floor space for accounting purposes. The individual areas do not add up to the total usable floor space. The same principle applies to electricity intensity, heat intensity and CO₂ intensity. The energy intensity refers to an area of 1 189 333 m².

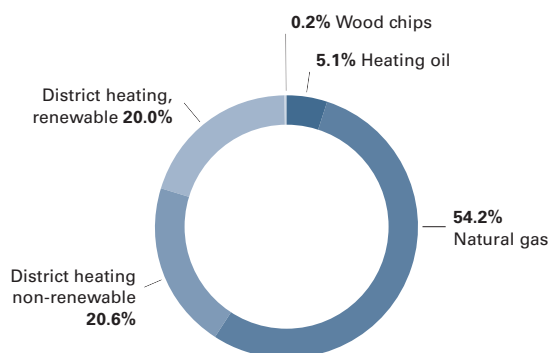
³ Electricity intensity refers to an area of 938 101 m².

⁴ The heat intensity refers to an area of 1 386 318 m².

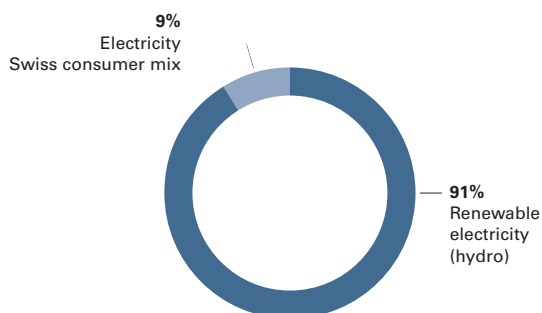
⁵ CO₂ emissions are reported separately for the real estate and services segments, as emissions from the services segment (see pp. 46–47) are negligible compared with emissions from the property portfolio (4.7% of total emissions in the reporting year).

⁶ The CO₂ intensity refers to an area of 1 585 830 m².

Breakdown of CO₂ emissions by heating energy source 2021

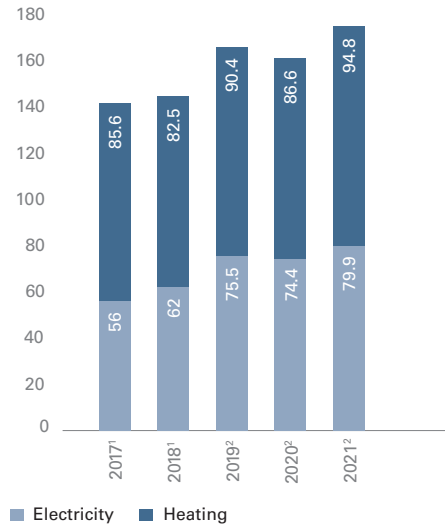


Breakdown by electricity source 2021



**Overall portfolio energy intensity
(including some services in properties of the
Swiss Prime Site portfolio)^{1, 2}**

kWh/m²



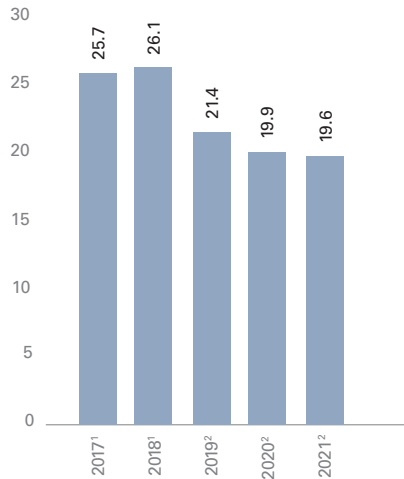
■ Electricity ■ Heating

¹ Since 2019, heating consumption has no longer been adjusted based on heating degree days. Total energy consumption relates to the total area of the properties (see «Notes on collection of environmental figures (accounting concept)», available to download on www.sps.swiss under Sustainability).

² Since 2019, total energy consumption has been recorded based on the usage of specific areas (total area, common area and tenant area) (see «Notes on collection of environmental figures (accounting concept)», available to download on www.sps.swiss under Sustainability).

**Overall portfolio CO₂ intensity
(including some services in properties of the
Swiss Prime Site portfolio)^{1, 2}**

kg CO₂e/m²



¹ Since 2019, heating consumption has no longer been adjusted based on heating degree days. Total energy consumption relates to the total area of the properties (see «Notes on collection of environmental figures (accounting concept)», available to download on www.sps.swiss under Sustainability).

² Since 2019, total energy consumption has been recorded based on the usage of specific areas (total area, common area and tenant area) (see «Notes on collection of environmental figures (accounting concept)», available to download on www.sps.swiss under Sustainability).

Changes in total energy requirements¹

MWh



■ Electricity ■ Heating

¹ The total energy consumption of the group companies in the floor areas of the Swiss Prime Site property portfolio has been included since 2019.

Operational CO₂ emissions Swiss Prime Site^{1,2}

	in	2020	2021
CO ₂ emissions	tCO ₂ e	76	53
CO ₂ emissions Scope 1	tCO ₂ e	0	0
CO ₂ emissions Scope 2	tCO ₂ e	0	0
CO ₂ emissions Scope 3 ³	tCO ₂ e	76	53

¹ The data covers Swiss Prime Site Management AG as well as the group company Swiss Prime Site Immobilien.

² As the included companies do not lease any space from third-party providers, no operational energy consumption is incurred that has not already been allocated to the property portfolio (see p. 43) in accordance with the accounting concept. For further explanations, see: «Notes on environmental figures (accounting concept)», available to download at www.sps.swiss under Sustainability.

³ Scope 3 emissions include CO₂e emissions from commuting and business travel as well as the consumption of office materials such as printed materials, electronic equipment, waste, water, paper consumption, toner and catering.

Operational resource consumption and operational CO₂ emissions Swiss Prime Site Solutions^{1,2}

	in	2020	2021
Usable floor space	m ²		905
Total operational energy consumption (rented areas)	MWh		26
Share renewable	MWh		6
Share non-renewable	MWh		20
Electricity	MWh		7.6
Share renewable	MWh		6.2
Share non-renewable	MWh		1.4
Heating energy	MWh		18.5
Heating oil	MWh		18.5
CO ₂ emissions	tCO ₂ e		23
CO ₂ emissions Scope 1	tCO ₂ e		5
CO ₂ emissions Scope 2	tCO ₂ e		0
CO ₂ emissions Scope 3 ³	tCO ₂ e		18
Total water use (rented areas)	m ³		64

¹ The energy consumption reported is generated on leased space from third-party suppliers. For explanations, see: «Notes on environmental figures (accounting concept)», available to download at www.sps.swiss under Sustainability.

² The operational resource consumption and CO₂ emissions of Swiss Prime Site Immobilien and Swiss Prime Site Solutions are first shown separately in the 2021 reporting year.

³ Scope 3 emissions include CO₂e emissions from commuting and business travel as well as the consumption of office materials such as printed materials, electronic equipment, waste, water, paper consumption, toner and catering.

Operational resource consumption and operational CO₂ Wincasa¹

	in	2020	2021
Usable floor space	m ²	22 769	19 435
Total operational energy consumption (rented areas)	MWh	2 306	2 271
Share renewable	MWh	865	808
Share non-renewable	MWh	1 441	1 463
Electricity	MWh	936	812
Share renewable	MWh	718	618
Share non-renewable	MWh	218	194
Heating energy	MWh	1 370	1 459
Heating oil	MWh	6	45
Natural gas	MWh	916	1 028
Wood energy: wood chips	MWh	0	0
Wood energy: wood pellets	MWh	0	0
District heating	MWh	448	386
Share renewable	MWh	147	190
Share non-renewable	MWh	302	196
CO ₂ emissions	tCO ₂ e	1 717	1 385
CO ₂ emissions Scope 1	tCO ₂ e	201	220
CO ₂ emissions Scope 2	tCO ₂ e	81	73
CO ₂ emissions Scope 3 ²	tCO ₂ e	1 436	1 092.2
Total water use (rented areas)	m ³	12 414	11 490

¹ The energy consumption reported is generated on leased space from third-party suppliers. For explanations, see: «Notes on environmental figures (accounting concept)», available to download at www.sps.swiss under Sustainability.

² Scope 3 emissions include CO₂e emissions from commuting and business travel as well as the consumption of office materials such as printed materials, electronic equipment, waste, water, paper consumption, toner and catering.

Operational resource consumption and operational CO₂ emissions Jelmolli¹

	in	2020	2021
Usable floor space	m ²	–	39 036
Total operational energy consumption (rented areas)	MWh	–	298
Share renewable	MWh	–	0
Share non-renewable	MWh	–	298
Electricity	MWh	–	103
Share renewable	MWh	–	0
Share non-renewable	MWh	–	103
Heating energy	MWh	–	195
Heating oil	MWh	–	195
CO ₂ emissions	tCO ₂ e	533	821
CO ₂ emissions Scope 1	tCO ₂ e	0	69
CO ₂ emissions Scope 2	tCO ₂ e	0	11
CO ₂ emissions Scope 3 ²	tCO ₂ e	533	741
Total water use (rented areas)	m ³	–	955

¹ The energy consumption reported is generated on leased space from third-party suppliers. For explanations, see: «Notes on environmental figures (accounting concept)», available to download at www.sps.swiss under Sustainability. The operational resource consumption of Jelmolli is first shown in the 2021 reporting year.

² Scope 3 emissions include CO₂e emissions from commuting and business travel as well as the consumption of office materials such as printed materials, electronic equipment, waste, water, paper consumption, toner and catering.

Social topics

401 Employment

103-1 Management approach

103-2

Swiss Prime Site Group

Competent and committed employees are key to mastering future challenges.

Since it is becoming increasingly challenging to recruit qualified, ambitious employees, all group companies make a special effort to design an attractive working environment. Swiss Prime Site encourages a positive work-life balance by offering flexible, independent working hours and conditions. Industry-specific contractual terms are based on labour law and the corresponding statutory time periods. Swiss Prime Site grants its employees as much autonomy as possible when it comes to working hours and place of performance. This is on the condition that data protection and confidentiality requirements and reaction time to customers and other stakeholders are ensured at all times. Part-time employment and job sharing are possible at all levels.

There may be occasional fluctuations in workload depending on the role and the market environment in which the group company is operating. Here too, work is assigned within the framework of statutory requirements, so maximum working hours and break times are always ensured. Depending on an employee's conditions of employment, overtime may be reduced in consultation with line managers.

Employee surveys are regularly carried out to check that the management approach is effective. The most recent was conducted in the reporting year. All hierarchy levels throughout all companies were surveyed (2019: managers only). Out of 1544 employees, 1198 took part in the survey, a response rate of 78% (2019: 74%). The pleasingly high response rate points to a high level of engagement with and interest already present in the Company and suggests that employees are keen to provide feedback. The survey was made up of 24 general questions, supplemented by company-specific questions and questions on mobility and sustainability. The survey examined employee engagement among all employees via questions based on those used in the Gallup methodology. With regard to engagement and motivation among managers, an improvement was observed for all points compared with the last survey in 2019. This was especially pleasing given the constraints imposed by the COVID-19 pandemic.

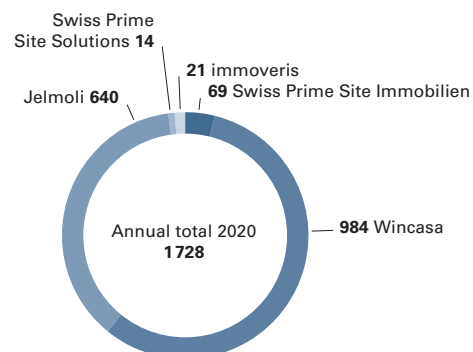
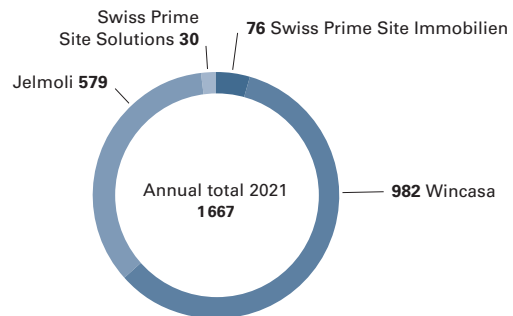
Swiss Prime Site Immobilien

The COVID-19 pandemic continued to have a major impact on Swiss Prime Site Immobilien's employment environment in the reporting year. The company once again facilitated mobile working wherever useful or necessary and feasible. This was possible because all employees are generally equipped with the relevant mobile devices. Coupled with an inherently high degree of freedom and flexibility in determining working hours – with customer interests always given priority – the restrictions imposed as a result of the pandemic usually had no negative impact on the needs of either customers or employees.

Property management and asset management employees once again faced particular challenges in the second year of the pandemic, as they were required to process large numbers of requests for rent reductions due to the COVID-19 crisis. Swiss Prime Site Immobilien implemented a range of measures to help its employees handle these negotiations, which were demanding in every respect, and deal with situations that in some cases threatened the very existence of the tenants concerned.

Employee figures

Employees by group company



89% of Swiss Prime Site Immobilien employees took part in the employee survey conducted in the reporting year.

Swiss Prime Site Solutions

The employees of immoveris, acquired in 2016, were integrated into Swiss Prime Site Solutions at the start of 2021. Specific personnel resources were also recruited and developed in connection with the fund business launched in the reporting year.

Wincasa

The reporting year was characterised by growing customer demands for digitalisation and automation, the implementation of a number of transformation projects and necessary steps towards greater centralisation and professionalisation. Employees were faced with complex tasks during the transitional phase. Wincasa successfully implemented the change processes through targeted change training, a consideration of the associated cultural shift and comprehensive employee retention measures. The transfer of responsibilities from property management to the finance centre's accounting environment further boosted process efficiency and enabled property managers to focus more strongly on customers and properties. This professionalisation necessitated adjustments to processes, interfaces and cooperation structures; these were achieved with extensive employee involvement.

81% of Wincasa's workforce took part in the employee survey conducted in the reporting year.

Jelmoli

Following the strategic review, Jelmoli's organisational structure was adapted in the reporting year to make it more agile and forward-looking.

The employee survey conducted in the reporting year across the entire group of companies covered all Jelmoli employees for the first time (previously only managers). The response rate was 68%. The topics of customer focus, transformation and sustainability received a positive rating, and there is potential in the areas of processes, development and information. The individual departments analysed their results and potential in workshops with employees and derived specific measures from them.

Purchasing developed criteria for socially responsible products with the aim of taking these into account when designing the retail assortment.

Employee figures Swiss Prime Site Group

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees ^{1,2}	1556	4324	5880	635	994	1629	624	945	1569
Trainees	186	440	626	41	58	99	45	53	98
Apprentices	159	373	532	37	47	84	42	47	89
Interns	27	67	94	4	11	15	3	6	9
Total	1742	4764	6506	676	1052	1728	669	998	1667
Full time/part time ^{1,2}									
Full time	1398	2007	3405	579	589	1168	572	581	1153
Part time < 50%	59	490	549	23	127	150	21	99	120
Part time 50%–79%	89	962	1051	24	166	190	23	158	181
Part time 80%–99%	196	1305	1501	50	170	220	53	160	213
Total	1742	4764	6506	676	1052	1728	669	998	1667
Age distribution^{1,2}									
Employees < 25 years	278	795	1073	93	182	275	109	143	252
Employees 25–35 years	450	1143	1593	222	374	596	224	360	584
Employees 36–45 years	386	913	1299	159	210	369	143	203	346
Employees 46–55 years	400	1137	1537	117	160	277	126	180	306
Employees > 55 years	228	776	1004	85	126	211	67	112	179
Total	1742	4764	6506	676	1052	1728	669	998	1667
Permanent/temporary¹									
Permanent staff	1556	4324	5880	635	994	1629	624	945	1569
of which members of the management	18	8	26	16	6	22	13	3	16
Trainees (apprentices/interns)	186	440	626	41	58	99	45	53	98
Supernumerary staff (temporary)	0	30	30	0	8	8	9	55	64
Janitors	5	7	12	6	8	14	3	11	14
Other temporary staff	10	11	21	2	2	4	10	20	30
Total	1757	4812	6569	684	1070	1754	691	1084	1775

¹ Members of the Board of Directors are not included.

² Year-end headcount, excluding janitors, supernumerary and other temporary staff.

401-1 New employee hires and employee turnover

By focusing on long-term corporate goals, Swiss Prime Site strives to ensure job security and create attractive working conditions. The group companies regularly assess which measures could be implemented to lower the employee turnover rate. High rates of employee turnover are a particular challenge for Wincasa and Jelmoli. However, Jelmoli’s employee turnover rate is below the benchmark for the industry.

Changes to organisational structures are planned and carried out with a significant sense of responsibility and duty of care and an awareness of individual employees’ situations. Fixed-term contracts are used on the trainee programme or, in rare cases, as a temporary solution if there is an unexpected reduction or shortage in personnel. In the reporting year, six trainees were employed in

different areas across Swiss Prime Site. As part of the trainee programme, they rotate every six months between Swiss Prime Site Immobilien, Swiss Prime Site Solutions and Wincasa. Wincasa also employed 14 people on fixed-term contracts to help with preparations for a digitalisation project. All fixed-term contracts for trainees are transferred into permanent contracts where possible.

Jelmoli

Following the strategic review and associated reorganisation, a voluntary social plan was put in place that reflected the resulting involuntary employee turnover and softened the economic impact on the employees affected.

401-1 Employee turnover

Turnover rates in %	2019	2020	2021
Swiss Prime Site Immobilien	6.4	16.3	25.1
Swiss Prime Site Solutions	12.1	15.4	29.6
Wincasa	24.1	27.3	29.0
Jelmoli	26.3	19.3	23.9
Tertianum ¹	28.0	–	–
Swiss Prime Site Group	26.9	23.9	27.1

¹ Due to the divestment of the Tertianum Group, no data is available for the company after 2020.

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

With its attractive salary models and benefits, Swiss Prime Site offers favourable conditions of employment. All employees, whether employed on a full-time or part-time basis, receive benefits over and above the statutory minimum. Additional benefits for Swiss Prime Site employees include discounts at Jelmoli, discounts on insurance and restaurants and reduced prices on public transport. There are also programmes for variable salary components, company celebration days and in some cases additional holiday over Christmas. Daily sickness allowance insurance is also provided.

There are currently no official childcare benefits available. However, in the event of private emergencies, it may be possible to agree a solution with the individual employee, for example where there are caring responsibilities. In the event of a temporary predicament relating to childcare or care for relatives, employees can make use of up to three days of special leave. Operational requirements apply here to both full-time and part-time employees. If needed, all employees of the Swiss Prime Site Group have access to Movis, a company specialising in corporate social work that offers counselling services for people with concerns about the balance between their professional and personal lives.

Mobile working and flexible working hours also help to make situations easier for employees.

In accordance with the General Employment Conditions (AAB), all employees have the right to unpaid leave where business allows and subject to the employer's needs. The relevant terms are set out in individual agreements. The group companies also grant additional paid leave – to both full-time and part-time employees – for occasions such as weddings, moving house, legally required care services or bereavement:

- 1 to 3 days for the death of a family member, for care services required by law, but also for marriage or registering a partnership, moving house or duties connected to military and community service.
- Maternity leave at the companies of the Swiss Prime Site Group is generally 14 weeks, with the exception of Wincasa, which grants a minimum of 16 weeks depending on length of service.
- Since 2021, paternity leave has been ten days across the group.
- The employees of all group companies receive service awards after one year, then every five years from the fifth year onwards. These are monetary gifts that may in some cases be taken in the form of leave days.
- Employees receive a further two days of holiday leave after their third, fifth and seventh year of service.

Wincasa

In the reporting year, for the third time, Wincasa offered its employees the option of buying additional holiday leave. This was taken up by a total of 26 employees in the reporting year, compared with 41 in the previous year.

Wincasa grants all female employees six months' maternity leave upon request. The duration of paid maternity leave is based on the employee's length of service.

Jelmoli

As it is subject to different industry standards, Jelmoli does not offer the same conditions of employment as the other companies in the Swiss Prime Site Group. Its conditions of employment do not include any benefits provided to full-time employees that are not provided to temporary or part-time employees.

403 Occupational health and safety

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Swiss Prime Site places significant value on employees' health and their safety at work, as individual skills are very hard to replace, particularly in small teams. Jelmoli has defined a set of internal regulations to supplement and lend further substance to the rules and regulations generally applied in the retail sector.

Should employees have any grievances about workplace safety or a breach of personal integrity, they can seek advice from internal bodies or contact the anonymous integrity line offered through an external application (EQS). All staff can also avail themselves of the services of AXA Care Management if they fall ill. Line managers, the Human Resources department and dedicated health & safety officers within the company are responsible for protecting employees' health at work. A professional absence management policy is designed to help prevent long-term absences.

In the reporting year, safeguarding employees' health became even more of a priority due to the COVID-19 pandemic. Even before the lockdown took effect, the Swiss Prime Site Group formed a task force comprising key personnel from all group companies as well as from the Human Resources, Risk Management, Legal and Communication departments. The task force enabled timely discussions and resolutions on measures that focused on the wellbeing of employees and customers. Measures such as the reliable provision of masks and sanitiser also played a part.

The management of Swiss Prime Site expressly and emphatically supports COVID-19 vaccination for all employees, for their own protection and for the protection of customers, relatives and all other potential contacts. As such, it tolerates any necessary vaccination-related absences during working hours without restriction.

In addition to the group's general guidelines, responsibility for occupational health and safety management lies with the group companies, who face very wide-ranging challenges. However, all employees of the Swiss Prime Site Group are covered by the specific measures of their group company.

Swiss Prime Site Immobilien

In the reporting year, additional checks were required due to COVID-19, particularly on construction sites. Working with construction service providers, these were implemented quickly and in line with the guidelines issued by the Swiss Federal Office of Public Health. No complaints were made in the course of the checks carried out by the authorities. The monitoring that is contractually required by all construction service providers is carried out using the following metrics:

- Preventive measures (safety check)
- Accidents with absence (hospital stay, duration of rehabilitation) accidents without absence (outpatient)
- Deaths

Wincasa

Wincasa’s management system is based on the guidelines issued by the Federal Coordination Commission for Occupational Safety (FCOS) and aims for an absence rate of under 3%. To achieve this goal, the company trains all new managers as part of optimised absence management and offers refresher courses on internal processes, the role of management and the preventive aspects of health-focused leadership.

Wincasa bases its approach on the guidelines issued by the Federal Office of Public Health (FOPH) and offers comprehensive hygiene and safety concepts. Employees can also access a range of online courses, videos and articles as part of the internal #we-

worksmart initiative on topics such as occupational health and safety, personal responsibility and self-management. Employees also receive regular information about health campaigns such as Run-to-Business or current preferential conditions at fitness centres located nearby.

Jelmoli

The COVID-19 pandemic called for additional precautions to protect employees’ health. Jelmoli had already implemented a range of measures in February 2020, and these remained in force in the reporting year:

- Provision of sanitiser and use of sanitiser stations on retail floor space and in offices
- UV light disinfection for escalators
- Strategies for employee protection at points of sale (e.g. Perspex screen at till points)
- Masks for employees
- Digital customer counting systems
- Split office since the first lockdown, successful switch to hybrid working

403-9 Work-related injuries

There have been no fatal accidents at the Swiss Prime Site Group in the last five years.

Among the contractual partners of the Swiss Prime Site Group, there has been one reported death in the last three years.

403-10 Work-related illnesses

Key occupational health and safety indicators

Rates in %	2019			2020			2021		
	Illness	Illness	Absentee	Illness	Illness	Absentee	Illness	Illness	Absentee
Swiss Prime Site Immobilien	0	1.3	1.4	0.0	1.5	1.6	0.2	1.0	1.2
Swiss Prime Site Solutions	0	0.6	0.6	0.0	2.5	2.5	0.0	0.4	0.4
Wincasa	0.3	3.4	3.7	0.2	2.6	2.8	0.2	3.2	3.4
Jelmoli	0.4	2.8	3.2	0.5	3.2	3.6	0.5	4.1	4.6
Tertianum ¹	0.9	5.2	6.1	–	–	–	–	–	–

¹ Due to the divestment of the Tertianum Group, no data is available for the company after 2020.

404 Training and development**103-1 Management approach****103-2****103-3**

Employee training and development is fundamental to Swiss Prime Site's strategic development and the strength of its employer brand. The constantly changing workplace requires a wide range of training and development products. Swiss Prime Site therefore invests heavily in the systematic development of its employees. To encourage emerging talent, Wincasa and Jelmoli provide apprenticeship positions and support talent with specific programmes and career planning tools.

The employer identifies and provides employee training and development programmes that derive from the corporate objectives and reflect both the demand for existing skills and those that are likely to be needed in the future. In doing so, Swiss Prime Site always takes into account employees' personal development goals. Annual appraisals and meetings about targets help the Company to ensure that the training content is appropriate for individual employees' needs and their roles. Costs for individual training are covered proportionately and agreed on a case-by-case basis, as is any time required. The Human Resources department and line managers are responsible for training and development.

In addition to individual development measures, the employees of Swiss Prime Site group companies have access to an attractive range of internal development opportunities, such as workshops on presentation skills. The «Lunch and Learn» format has been established as a compact means of delivering information. The majority of employees, with the exception of those at Wincasa, can also access individual training from LinkedIn Learning.

Any courses offered are evaluated to check the quality of the training and development provided. Feedback is normally gathered and evaluated by the course directors immediately after each course. Instructors receive feedback and are contacted if the concept needs to be adjusted or improved. Reasonable requests for improvement and suggestions made by participants are implemented as quickly as possible. Swiss Prime Site also reviews external courses using ongoing feedback and discussions with course participants and course/training providers.

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien resumed the leadership training that was suspended in 2020, including a number of face-to-face sessions. Swiss Prime Site Immobilien also supported any employees wishing to undertake specialist or language training, granting them time off and making a contribution to the costs. Since 2017, the Real Talent 4 Real Estate traineeship programme has offered graduates with an affinity for real estate an insight into the various group companies – rotating between them every six months.

A one-day workshop was held to better understand the results of the employee survey. The Management Board of Swiss Prime Site Immobilien compiled the inputs received from employees and analysed them further.

Wincasa

To complement the technological transformation, the Company once again invested extensively in empowering its employees in the reporting year. This meant that the number of courses more than tripled to 166 compared with the previous year and was offered to a significantly larger target group. Alongside external training and development courses, the internal training centre deployed a contemporary mix of methods to impart the knowledge that employees require in order to successfully master the transformation phase. For example, a structured onboarding concept was implemented as part of a course geared specifically to property management. Wincasa also launched an internal leadership and management programme to communicate a uniform understanding of leadership as well as digital leadership elements. The company also offered short learning sessions and various online learning courses on virtual collaboration. Particular attention was paid to ensuring that all courses were also developed and made available for employees in Western Switzerland. All Wincasa employees can use the learning management system to find out about the current programme and sign themselves up for courses.

404-1 Average hours of training per year per employee

Swiss Prime Site measures investments in training and development against total payroll.

→ FOR MORE DETAILS, SEE «KEY FIGURES OF THE GROUP COMPANIES», P. 63

404-2 Programmes for upgrading employee skills and transition assistance programmes

Swiss Prime Site Group

Each year, two Welcome Days are held for new managers. Swiss Prime Site also organises an annual Management Day for all managers. These events give the group companies the opportunity to introduce themselves to new employees. They also promote

awareness of the group’s diversity and offer the opportunity to establish informal networks.

Swiss Prime Site offers older employees retirement preparation courses to help them with the transition from their professional life into retirement.

Emerging training needs are met in line with the situation. In addition, most employees (exception: Wincasa) have access to the LinkedIn Learning platform that offers individual learning in multiple languages and on a range of topics, available at any time and from any location.

Swiss Prime Site Solutions

Swiss Prime Site Solutions supports their employees’ training objectives with the aim of further improving the quality of service. In the reporting year, measures focused particularly on specialist and management skills as well as language skills, with individual interests taken into consideration. Swiss Prime Site Solutions supports employees’ participation in external training courses at universities and technical colleges. In the reporting year, for example, it enabled one member of management to study for a CAS in sustainable building construction.

Wincasa

Wincasa’s own training centre now offers subject-specific technology and leadership courses, along with a range of internal property management courses examining the specific features of real estate management both now and in the future. This ties digital procedures in with analogue workflows in property management. Specialists of the future will be trained in a model apartment on how to manage digital rental applications, physical apartment handovers and digital customer support. Face-to-face training is increasingly being replaced by blended and e-learning, while the number of course hours was tripled year-on-year in the reporting year to 12 500 hours.

Jelmoli

Jelmoli launched a training programme for transformation agents in 2020. They received training in a number of modules, enabling them to support and accompany transformation and development across all parts of Jelmoli. In the reporting year, the transformation agents were able to design, lead and support a number of projects and workshops both in their own departments and across Jelmoli as a whole.

Jelmoli made a commitment to individual, digital learning in cooperation with the group companies and set up LinkedIn accounts for many of its employees. Training is offered on a wide range of topics, thereby supporting employees' long-term, individual development.

404-3 Percentage of employees receiving regular performance and career development reviews

At Swiss Prime Site, individual training and development goals are defined for all employees (100%) as part of annual appraisals.

405 Diversity and equal opportunity

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Equal treatment and equality of opportunity form the basis of a respectful and productive working environment. Diversity – of people, opinions and experience – is actively supported throughout the group. The guiding principles for interaction between employees are defined by the group-wide corporate values and the Code of Conduct. Swiss Prime Site also follows the United Nations' «Women's Empowerment Principles (WEPs)» in order to promote gender equality and a stronger role for women in the workplace.

→ FOR MORE DETAILS, SEE GRI 401, P. 48/GRI 404, P. 54/GRI 405, P. 56/GRI 406, P. 56

All group companies comply with legal requirements on equal pay. Overall responsibility for ensuring a fair working environment rests with the Executive Board and senior Human Resources personnel. However, Swiss Prime Site places great importance on all employees recognising their own responsibility for this goal being achieved.

In the reporting year, Swiss Prime Site carried out the equal pay analysis required under the Federal Act on Gender Equality that came into force in 2020 for the first time across all its group companies. The only exception was Swiss Prime Site Solutions, for which the analysis recommended by the government could not be carried out due to the small population size. The analysis – which was audited by KPMG – shows that all group companies analysed are within the 5% tolerance threshold and therefore do offer equal pay.

With regard to diversity in the workforce, Swiss Prime Site's main concerns are increasing the number of women in executive positions, employing people over the age of 50 and facilitating part-time working for managers. Swiss Prime Site does not currently consider specific measures to be a priority, however, as the existing recruitment, salary, nomination and bonus processes are demon-

strably sufficient to ensure equality of opportunity and diversity. Should employees have a grievance or wish to report an irregularity, they can make an anonymous call to the integrity line offered through an external application (EQS). They can also direct grievances to their line manager or the Human Resources department.

→ FOR MORE DETAILS, SEE «CODE OF CONDUCT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

Wincasa

The company takes the principle of non-discrimination seriously, and consciously applies it at all times in its day-to-day operations.

Wincasa is keen to increase the proportion of women in leadership positions. To facilitate this, Wincasa recruits based on qualifications and suitability, regardless of gender.

Jelmoli

Jelmoli has defined diversity as one of its values, and its social media platforms in particular adopt a proactive stance on diversity in society. For example, the company ran a campaign on the topic of diversity during Pride Month.

405-1 Diversity of governance bodies and among employees

→ FOR MORE DETAILS, SEE «SUSTAINABILITY KEY INDICATORS», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

406 Non-discrimination

103-1 Management approach

103-2

103-3

Open and respectful interactions are fundamental to successful collaboration, both within the Company and with third parties. At Swiss Prime Site, the principle of non-discrimination is established in the group-wide Code of Conduct, which is more than just laws and regulations.

Swiss Prime Site understands the principle of non-discrimination to mean that all employees should have equal access to available opportunities. This includes a ban on discriminating against or disparaging groups or individuals because of their gender, nationality, sexual orientation, religion, age, marital status, beliefs or social background, or due to physical or mental impairment. This applies to all areas, including recruitment, promotion, training and development and equal pay.

In the General Employment Conditions (AAB) and in the Code of Conduct, Swiss Prime Site commits to the protection of employees' individuality and integrity. This includes recognising and having consideration for each employee's personality, health and integrity. The Swiss Prime Site Group condemns and prohibits unjust treatment, bullying, sexual harassment or discrimination of any kind. It supports employees defending themselves without suffering any resulting disadvantages. Should employees have a grievance or wish to report an irregularity, they can make an anonymous call to the integrity line offered through an external application (EQS).

→ FOR MORE DETAILS, SEE «CODE OF CONDUCT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

406-1 Incidents of discrimination and corrective actions taken

Swiss Prime Site did not identify any cases of discrimination across the group in 2021.

308 Supplier environmental assessment

414 Supplier social assessment

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Swiss Prime Site appreciates that procurement in particular must also be conducted sustainably as part of a comprehensive, company-wide approach to the issue. By carefully selecting suppliers and through contractual obligations, Swiss Prime Site can ensure that social and environmental aspects are factored in throughout the supply chain. Swiss Prime Site Immobilien's general business terms for suppliers include requirements relating to quality management, safety at work and working conditions. Swiss Prime Site also bases these on internationally recognised human rights principles, including the Universal Declaration of Human Rights of the United Nations (see also GRI 102-9, Supply Chain).

→ FOR MORE DETAILS, SEE «CODE OF CONDUCT FOR SUPPLIERS», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

Swiss Prime Site Immobilien and

Swiss Prime Site Solutions

Swiss Prime Site Immobilien transfers the obligation to comply with statutory safety-at-work requirements and ethical procurement criteria fully to all construction service providers and their subcontractors. Before construction commences, an accident prevention safety concept (for example, in accordance with OHSAS 18001) must be drawn up, which Swiss Prime Site Immobilien must approve. No complaints regarding infringements of statutory requirements were recorded at any Swiss Prime Site Immobilien construction sites in the reporting year.

The origin of all materials used in a project, especially critical products such as textiles and wood, natural stone and rare and critical raw materials in general, must be certified, and Swiss Prime Site Immobilien takes steps to ensure that all construction materials are produced in accordance with human rights conventions and the Code of Conduct for Suppliers.

Wincasa

Wincasa sets store by working with business partners and suppliers who share its values, including current sustainability criteria. In individual cases, the application of these sustainability criteria depends on owners' needs and requirements. If requested, appropriate clauses on social or environmental terms can be added to the standard contract. Unless additional requirements are stipulated by the owner, Wincasa works within the limits required by law.

Since 2019, Wincasa has been using a quality management system for technical and skilled manual work where some suppliers (such as painters, flooring contractors, lift engineers) require certifications for quality management (ISO 9001), environmental management (ISO 14000) and occupational health and safety (OHSAS 18001). Depending on the activity, there are also specific certifications for fire safety, lift systems and refrigeration systems. These requirements are also applied to procurement in construction management.

Jelmoli

Jelmoli joined the amfori BSCI/BEPI initiative in 2020. This commits Jelmoli to complying with the amfori Code of Conduct, which is based on international conventions and lays down certain environmental and social standards which themselves are based on the conventions of the International Labor Organisation (ILO), the Universal Declaration of Human Rights of the United Nations, the UN Global Compact and the OECD guidelines. Joining the initiative also commits Jelmoli to involving suppliers in the amfori BSCI process and conducting regular progress checks.

Sustainable brands are now assessed according to environmental criteria such as environmentally friendly, animal-friendly, social/fair, natural cosmetics, vegan or made in Switzerland.

The Purchasing department undertook sustainability training in the reporting year. Purchasing managers then attended a follow-up workshop, where they received specific additional training to raise their awareness of sustainable procurement and packaging.

308-1 New suppliers that were screened using environmental criteria

414-1 New suppliers that were screened using social criteria

Swiss Prime Site Immobilien and

Swiss Prime Site Solutions

Swiss Prime Site Immobilien transfers the obligation to comply with statutory safety-at-work requirements fully to all construction service providers and their subcontractors. Before construction commences, a safety concept (for example, in accordance with OHSAS 18001) must be drawn up, which Swiss Prime Site Immobilien must approve. No complaints regarding infringements of statutory requirements were recorded at any Swiss Prime Site Immobilien construction sites in the reporting year.

The Environmental Policy Concept introduced at group level and the Code of Conduct for Suppliers are integrated into the relevant contracts.

The origin of all materials used, especially critical products, must be certified. Swiss Prime Site Immobilien takes steps to ensure that all construction materials are produced in accordance with human rights conventions and the Code of Conduct for Suppliers. In signing an agreement, suppliers are obligated to procure raw materials and resources that have been made locally where possible. This requirement is defined in the Environmental Policy Concept of Swiss Prime Site Immobilien. In addition, they must show categorically that there is no unethical behaviour such as child labour anywhere in the production and procurement chain.

Wincasa

At Wincasa, around 20% of suppliers are assessed by the Purchasing department based on social and environmental criteria in centrally managed framework agreements. The new quality management system should help raise this quota to over 75% of suppliers. The quality management system will be redesigned due to the new data protection regulations and, if possible, included in the new ERP system. Relevant measures with external partners will also be reviewed. The rest of procurement is not carried out centrally and so cannot be checked by the Purchasing department.

416 Customer health and safety

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

For Swiss Prime Site, the individual needs, safety and wellbeing of our customers are a top priority. All statutory requirements and checks by the relevant authorities and governing bodies (including the occupational health & safety inspectorate, the fire safety inspectorate, SUVA, etc.) are complied with.

Building-specific tenant handbooks include sections on health and safety aspects.

In connection with the COVID-19 pandemic, advice and communication on measures to protect customers and employees were managed centrally.

Swiss Prime Site Immobilien and

Swiss Prime Site Solutions

The two group companies adhere strictly to all building regulations and requirements, health and safety directives and guidelines on barrier-free building design. Where relevant, the criteria for the various types of building certification are also observed. As stipulated in the Environmental Policy Concept, the group companies also ensure in their contracts for services that no hazardous construction materials are used.

In addition to carrying out preventive measures such as evacuation exercises and fire alarm tests, Wincasa also develops property-specific safety concepts for Swiss Prime Site Immobilien for properties exposed to greater levels of risk. In doing so, Wincasa always factors in tenant-specific requirements. In some properties, for example, there are stricter requirements relating to entry controls, or technically redundant systems for telecommunication or energy supply (such as emergency power generators).

Safety also includes protecting tenants and users from natural and environmental risks. These are assessed by region and property and covered by appropriate insurance policies. Existing properties are regularly checked for their level of protection against earthquakes. Due to the consequences of climate change, Swiss Prime Site Immobilien also considers it necessary to adapt building shells and building technologies to more extreme weather and climate conditions. When purchasing properties, the company assesses their environmental risks as part of its due diligence process.

The feel-good factor of buildings and premises is also becoming increasingly significant for Swiss Prime Site. This trend has been accelerated by the measures implemented to combat the COVID-19 pandemic, given that people in Switzerland are now spending up to 21 hours a day indoors. In this age of employer branding and wider social awareness of healthy living, the human feel-good factor in a «healthy building» will be hugely instrumental in boosting the value and appeal of real estate. Swiss Prime Site Immobilien will play an active role in this trend.

Wincasa

Depending on the mandate and requirements of each real estate owner, Wincasa fulfils a range of tasks, including formulating safety and security concepts, reporting on the performance, safety and condition of buildings and conducting earthquake-resilience projects. All properties are managed by fully trained property managers. They ensure compliance with all applicable safety regulations (relating to hygiene, noise, light, emissions and use of chemicals).

Jelmoli

Jelmoli places enormous emphasis on the health and safety of its customers. The design of the services itself and the quality of their products both reflect this priority. Responsibility for safety at Jelmoli does not rest solely with its six internally trained paramedics and the security staff on each floor – all employees accept responsibility for looking after their customers and are fully trained in the company’s safety policy. The local authorities carry out annual safety spot checks.

Various measures implemented right at the outset of the COVID-19 pandemic to protect the health of employees and customers remained in force during the reporting year. UV light disinfection systems were installed on escalators in the reporting year to provide explicit protection for customers.

416-1 Assessment of the health and safety impacts of product and service categories

Swiss Prime Site Immobilien and Swiss Prime Site Solutions

In the reporting year, authorities only conducted occasional checks on Swiss Prime Site construction sites in connection with the safety measures introduced by the Swiss Federal Office of Public Health. No complaints were raised as a result of the checks.

General contractors and realisation partners are responsible for additional checks on construction sites that go beyond those required under pandemic-related safety concepts. However, no cases of negligence regarding safety were identified in the reporting year.

There was a fatal accident at a construction site at the beginning of 2021. An investigation into the incident is still ongoing.

Wincasa

As part of its internal control system, Wincasa checks its properties each year against a list of safety points. An annual check is also conducted to ascertain whether centres are carrying out the required safety exercises and training, with systematic checks performed on large centres and spot checks on smaller centres.

Jelmoli

Jelmoli’s compliance with the regulations issued by the Federal Office of Public Health to combat the COVID-19 pandemic was assessed by the Labour Inspectorate. The company received a positive rating.

417 Marketing and labelling

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

It is essential that the Swiss Prime Site Group provides transparent information for customers and tenants to ensure the group’s credibility and trustworthiness on the market. The responsibility for providing communication tailored to its audience lies with the group companies in question.

Swiss Prime Site Immobilien and Swiss Prime Site Solutions

Both group companies ensure that their decision-making bodies and investors always have sufficient information to make sound investment decisions. Information is provided on its website, in presentations, through brochures and in reports, all with the aim of maximising transparency.

Jelmoli

It is particularly important for Jelmoli to provide accurate product declarations and comprehensive information for their customers. Providing erroneous or insufficient product information would negatively impact customers and thus have a serious effect on Jelmoli's reputation. Correct labelling is regularly checked as part of checks by local authorities.

417-1 Requirements for product and service information and labelling

Jelmoli

At Jelmoli, articles subject to declaration requirements include food, bodycare products and household equipment. Typically, these declarations must provide details of a product's country of origin, the substances it contains and its composition, as well as details of how to use it, dispose of it or recycle it. Jelmoli sees the duty to provide comprehensive product descriptions as resting primarily with manufacturers and suppliers. Where declarations are incomplete or implausible, Jelmoli does everything in its power either to obtain the missing information or, in the case of sensitive products, to take appropriate preventive measures. As a last resort, the company is prepared to consider cancelling its supply contracts.

Both consumers and legislators are constantly demanding more information and transparency about products. Jelmoli is certain that this trend is set to continue and further intensify, and is accordingly making preparations for proactive communication to guarantee the required transparency at all times.

CRE8 Product and service labelling

All group companies also strive to offer products and services with specific social or environmental added value.

→ FOR MORE DETAILS, SEE «SNBS DESCRIPTION OF CRITERIA FOR BUILDING CONSTRUCTION», AVAILABLE AT WWW.SNBS-HOCHBAU.CH

Swiss Prime Site Immobilien

For development projects in particular, Swiss Prime Site Immobilien adheres to the Swiss Sustainable Building Standard (SNBS), and certifies all new build projects according to this standard where possible. Specific labels such as Cradle-to-Cradle or Madaster are also applied in connection with the circular economy (e.g. Müllerstrasse or Messeturm). Some 16 buildings in the portfolio are currently certified according to the BREEAM In-Use system (building, operation). The Company is aiming to extend this certification to another 20 or so existing properties in 2022.

→ FOR MORE DETAILS, SEE «BUSINESS MODEL AND VALUE CREATION, INNOVATION», P. 21

→ FOR MORE DETAILS, SEE «ENVIRONMENTAL POLICY CONCEPT», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER GOVERNANCE

Swiss Prime Site Solutions

When investing in socially beneficial and environmentally friendly products, Swiss Prime Site Solutions follows the guidelines issued by the customer and by the Swiss Prime Investment Foundation. For larger residential construction projects such as the Riverside superstructure in Zuchwil in Solothurn, the company aims for a good mix of tenants and therefore offers residential properties for people and families with lower incomes. Swiss Prime Site Solutions also invests in a variety of property uses and promotes urban living. This may include, for example, properties for student living or in the educational sector. Swiss Prime Site Solutions also aims to apply the Swiss Sustainable Building Standard (SNBS) in all future new build projects.

Wincasa

Wincasa supports its customers in selecting and obtaining the most suitable building labels for their new build or conversion project, primarily through the Construction and Facility Management department.

Jelmoli

Jelmoli is planning to significantly expand its range of environmentally friendly and socially beneficial products, with established brands now facilitating this by stepping up their own initiatives and increasingly incorporating sustainability into their production processes. Purchasing also has the task of curating brands, products and services in line with the defined sustainability criteria and adding them to the retail assortment.

418 Customer privacy
103-1 Management approach
103-2
103-3

Swiss Prime Site Group

All group companies of Swiss Prime Site capture personal and confidential data of tenants and customers as part of their business activities. Swiss Prime Site is extremely vigilant in protecting this data and is very aware of the increasing challenges in this area.

Data protection encompasses all organisational and technical measures required to prevent data from being lost, falsified or accessed without proper authorisation. As part of the group-wide information security and data protection concept, the Company defines how security and protection in these two areas can be maintained and continuously improved.

In the General Employment Conditions (AAB), Swiss Prime Site explicitly commits to data protection and the confidentiality of its employees' personal data. The Company has a personnel file for each employee and takes all appropriate measures to protect employees' data from unauthorised disclosure or access. Swiss Prime Site also ensures that any personal data is accurate and regularly checks that it is up to date. Employees have the right to view their personnel file and to request corrections to any errors in their personal data. Violations of data security can be reported to the integrity line offered through an external application (EQS) at any time.

All group companies check all data processing procedures to see whether they fall within the scope of the European General Data Protection Regulation (GDPR). If a group company is carrying out an activity that is subject to GDPR, it ensures compliance with the principles of the GDPR and safeguards the rights of the person involved.

Wincasa

Information security at Wincasa is based on the ISO 27001:2013 standard. The company employs the «ISMS Light» information security management system to ensure an appropriate level of information security and comply with legal requirements. One aspect of this is a risk-based approach that includes regular reviews and assessments by executive management to help the company make continuous improvements.

To further increase all employees' awareness of cyber risks, regular phishing tests are carried out and any areas requiring improvement are communicated to employees. New employees also complete specific training on information security and data protection. The Chief Information and Security Officer (CISO) issues regular communications via the intranet about the latest risks.

The company works with an external «Security Operations Centre» (SOC) to ensure 7x24h monitoring (recognition and reaction) of information security incidents and keep reaction times as short as possible.

New systems are connected to the central Identity & Access Management (IAM) system on an ongoing basis so that access to applications, functions and data can be managed centrally. Access security was also further strengthened in 2021 by increasing password length and introducing «Windows Hello» and «Network Access Control» (NAC).

Responsibility for operating the IT infrastructure is gradually being transferred to a professional partner. In connection with this, since 2021 the IT systems have been examined on a regular basis for known security weaknesses and relevant corrective measures have been implemented.

Jelmoli

Jelmoli revised and re-issued its internal data protection directives.

The company also revised its general business terms and data protection rules for customers and implemented them in spring 2021.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

No breaches of data security or data protection are known to have occurred since Swiss Prime Site was founded.

307 Environmental compliance**419 Socioeconomic compliance****103-1 Management approach****103-2****103-3**Swiss Prime Site Group

Swiss Prime Site is committed to conducting its business responsibly and with integrity. Besides complying with statutory requirements and regulatory standards, this also means adhering to the internal directives and principles that the Company has defined itself. The Company's compliance policies are based on its corporate values and the group-wide Code of Conduct, along with the Code of Conduct for Suppliers and the Concept for the Environmental Policy introduced in 2021. Naturally, Swiss Prime Site is fully compliant with Swiss law and the requirements of the SIX Swiss Exchange.

Swiss Prime Site has a notification system for whistleblowing and for handling any internal grievances or breaches of the law. Employees can report incidents using the EQS Group's external, independent integrity platform. This is not part of Swiss Prime Site. The Human Resources and Legal & Compliance departments are notified of any incidents and then report them in anonymised form to the CEO and the Board of Directors.

Swiss Prime Site Immobilien and Swiss Prime Site Solutions

In addition to location-specific building laws and any special construction regulations, new build and conversion projects must also comply with various legal requirements relating to the proportion of open and green space, biodiversity, water retention and infiltration, cleanup of contaminated sites, disposal of waste, etc. In some cases, certified buildings must fulfil significantly higher requirements. Once all new build projects are developed in line with Swiss Sustainable Building Standard (SNBS) criteria, they will also need to comply with a range of requirements that go beyond the applicable legislation.

→ FOR MORE DETAILS, SEE GRI 205/206, P. 38/GRI 406, P. 56/GRI 416, P. 58/GRI 417, P. 59/GRI 418, P. 61

→ FOR MORE DETAILS, SEE «SNBS DESCRIPTION OF CRITERIA FOR BUILDING CONSTRUCTION», AVAILABLE AT WWW.SNBS-HOCHBAU.CH

307-1 Non-compliance with environmental laws and regulations**419-1 Non-compliance with laws and regulations in the social and economic area**

No infringements of environmental laws or other legislative requirements were identified in 2021.

Key figures of the group companies

Swiss Prime Site Group

	in	2020	2021
Stakeholders			
Registered shareholders at year end	Number	11 687	11 536
Acceptance of agenda items at AGM	%	100	100
Finance			
Shareholders' equity	CHF million	6 086	6 339
Investments	CHF million	465	319
Interest expenses (borrowed capital)	CHF million	61	72
Interest rate borrowed capital (weighted average)	%	1.1	0.75
Operating income	CHF million	793	745
Operating result (EBIT)	CHF million	762	715
Portfolio value	CHF million	12 323	12 794
Investments in training and development	% of total payroll	0.7	0.8
Earnings per share (EPS)	CHF	8.04	6.68
Bank rating		BBB+	BBB+
Infrastructure			
Properties	Number	185	184
Usable floor space	m ²	1 669 941	1 677 027
Vacancy rate	%	5.1	4.6
Ecology (property portfolio)			
Energy consumption	MWh	199 728	206 343
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	24 041	25 064
CO ₂ intensity	kg CO ₂ e/m ²	19.9	19.6
Water consumption	m ³	618 056	580 564
Investments in renewable energies	CHF	698 000	809 000
Investments in building shell renovations	CHF	5 517 220	3 491 107
Investments in replacement heating measures	CHF	1 730 540	1 693 610
Ecology (services)			
Total energy consumption	MWh	2 306	2 595
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	2 327	2 282
CO ₂ intensity	kg CO ₂ /FTE	1 547	838
Water consumption	m ³	12 414	12 509
Employees			
Employees	Number	1 728	1 667
Turnover rate	%	23.9	27.1
Absentee rate	%	3.0	3.6
Women in the workforce	%	60.9	59.9
Innovation			
Investments – core (innovation, research, training)	CHF	500 000	500 000
Investments – satellite (supporting smaller projects)	CHF	400 000	400 000
Investments in start-ups	CHF	400 000	5 000 000

Swiss Prime Site Immobilien

	in	2020	2021
Stakeholders			
Tenants	Number	2020	2230
Documented tenant meetings	Number	40	103
Political contributions (industry associations)	CHF	50 000	50 000
Finance			
Operating income (segment Real Estate)	CHF million	483	495
Investments in training and development	% of total payroll	0.6	0.8
Portfolio value	CHF million	12 323	12 794
Real estate costs	CHF million	69	71
Investments in projects and development	CHF million	209	148
Total services purchased	CHF million	436	333
Revaluation gains	CHF million	203	319
Net rental income	CHF million	431	444
Infrastructure			
Properties	Number	185	184
Usable floor space	m ²	1 669 941	1 677 027
Vacancy rate	%	5.1	4.6
Ecology (portfolio) 1			
Energy consumption	MWh	199 728	206 343
Energy intensity	kWh/m ²	158.4	173.5
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	24 041	25 064
CO ₂ intensity	kg CO ₂ e/m ²	19.9	19.6
Water consumption	m ³	618 056	580 564
Properties with contaminated soil	ha	32.4	32.4
Decontamination measures	CHF million	0.6	2.5
Ecology (services)			
Energy consumption (rented areas)	MWh	0	0
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	76	53
CO ₂ intensity	kg CO ₂ e/FTE	804.1	741.8
Total water use (rented areas)	m ³	0	0
Employees			
Employees	Number	69	76
Turnover rate	%	16.3	25.1
Absentee rate	%	1.6	1.2
Women in the workforce	%	46	46
Women in executive positions	%	31.6	31.1

Swiss Prime Site Solutions

	in	2020	2021
Stakeholders			
Pension funds/investors of Swiss Prime Investment Foundation	Number	291	312
Finance			
Operating income (segment Services)	CHF million	13.1	18.2
Investments in training and development	% of total payroll	0.6	0.8
Infrastructure			
Assets under management	billion CHF	3.0	3.6
Acquisitions during the reporting year	Number of properties	9	11
Value of the development pipeline	CHF million	267	257
Ecology¹			
Energy consumption (rented areas)	MWh	–	26
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	–	23
CO ₂ intensity/FTE	kg CO ₂ e/FTE	–	807
Total water use (rented areas)	m ³	–	64
Employees			
Employees	Number	14	30
Turnover rate	%	15.4	29.6
Absentee rate	%	2.5	0.4
Women in the workforce	%	28.6	43.3
Women in executive positions	%	9.1	23.8

¹ The operational resource consumption and CO₂ emissions of Swiss Prime Site Solutions are first shown separately in the 2021 reporting year.

Wincasa

	in	2020	2021
Stakeholders			
Branches	Number	28	19
Direct suppliers	Number	60	200
Proportion of Top 3 clients	%	73	74
Finance			
Operating income (segment Services)	CHF million	146	146
Investments in training and development	% of total payroll	0.5	0.4
Assets under management	billion CHF	72	76
Rental income for clients	CHF million	3293	3376
Volume of transactions advised	CHF million	0	0
Infrastructure			
Properties managed	Number	233 051	238 046
Construction projects	Number	595	651
Share of residential in portfolio	%	30	30
Share of office and retail in portfolio	%	70	70
Ecology			
Energy consumption (rented areas)	MWh	2306	2271
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	1717	1385
CO ₂ intensity	kg CO ₂ e/FTE	1933.9	387.7
Total water use (rented areas)	m ³	12414	11490
Employees			
Employees	Number	984	982
Turnover rate	%	27.3	29.0
Absentee rate	%	2.8	3.4
Women in the workforce	%	59.3	60.1
Women in executive positions	%	38.4	41.1

Jelmoli

	in	2020	2021
Stakeholders			
Customers with J-Card	Number	300 000	300 000
Customer satisfaction (word of mouth n = 100)	Net Promoter Score (NPS), %	18	n/a
Finance			
Operating income (segment Services)	CHF million	111	120
Investments in training and development	% measured against total payroll	0.3	0.5
Infrastructure			
Retail floor space (total floor space 33 000 m ²)	m ²	25 000	25 996
Items sold per sales receipt	Number	2.1	2.0
Brands in product range	Number	1 161	923
Ecology¹			
Energy intensity (rented areas)	MWh	–	298
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	533	821
CO ₂ intensity	kg CO ₂ e/FTE	1 023.1	1 688
Total water use (rented areas)	m ³	–	955
Employees			
Employees	Number	640	579
Turnover rate	%	19.3	23.9
Absentee rate	%	3.6	4.6
Women in the workforce	%	65.8	62.2
Women in executive positions	%	47.9	28.6

¹ The operational resource consumption of Jelmoli is first shown in the 2021 reporting year.



We create
living spaces.

GRI content index



For the Materiality Disclosures Service, GRI Services reviewed whether the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 accord with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was performed on the German version of the report.

This report has been prepared in accordance with the GRI Standards: «Core» option.

Universal Standards

		Restatements of information
GRI 101: 2016	Foundation	
GRI 102: 2016	General disclosures	
Organisational profile		
102-1	Name of the organisation	Swiss Prime Site AG
102-2	Activities, brands, products, and services	28
102-3	Location of headquarters	CH-4601 Olten
102-4	Location of operations	28
102-5	Ownership and legal form	Corporate Governance Report, p. 4
102-6	Markets served	28
102-7	Scale of the organisation	28
102-8	Information on employees and other workers	28
102-9	Supply chain	28
102-10	Significant changes to the organisation and its supply chain	29
102-11	Precautionary Principle or approach	29
102-12	External initiatives	29
102-13	Membership of associations	29
Strategy		
102-14	Statement from senior decision-maker	Year-end review, p. 3
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	30
Governance		
102-18	Governance structure	Corporate Governance Report, p. 7
Stakeholder engagement		
102-40	List of stakeholder groups	30
102-41	Collective bargaining agreements	33
102-42	Identifying and selecting stakeholders	30
102-43	Approach to stakeholder engagement	30
102-44	Key topics and concerns raised	30
Reporting practice		
102-45	Entities included in the consolidated financial statements	Corporate Governance Report, p. 3

		Restatements of information
102-46	Defining report content and topic boundaries	6
102-47	List of material topics	6
102-48	Page/Information	Are explained at the relevant place in the report.
102-49	Changes in reporting	None
102-50	Reporting period	01.01.2021–31.12.2021
102-51	Date of most recent report	February 2021
102-52	Reporting cycle	annually
102-53	Contact point for questions regarding the report	Imprint
102-54	Claims of reporting in accordance with the GRI Standards	69
102-55	GRI content index	69
102-56	External assurance	75

Topic-specific standards

		Page(s)	Reason for omission
GRI 200	Economic topics		
GRI 201: 2016	Economic performance		
GRI 103: 2016 103-1/103-2/103-3	Management approach	34	
201-1	Direct economic value generated and distributed	35	
201-2	Financial implications and other risks and opportunities due to climate change	35	
201-4	Financial assistance received from government	36	
GRI 203: 2016	Indirect economic impacts		
GRI 103: 2016 103-1/103-2/103-3	Management approach	36	
203-1	Infrastructure investments and services supported	37	
Innovation culture and partnerships			
GRI 103: 2016 103-1/103-2/103-3	Management approach	37	
GRI 205: 2016	Combating corruption		
GRI 103: 2016 103-1/103-2/103-3	Management approach	38	
205-2	Communication and training about anti-corruption policies and procedures	39	
205-3	Confirmed incidents of corruption and actions taken	39	
GRI 206: 2016	Anti-competitive behavior		
GRI 103: 2016 103-1/103-2/103-3	Management approach	38	
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	39	
GRI 300	Environmental topics		
GRI 302: 2016	Energy		
GRI 103: 2016 103-1/103-2/103-3	Management approach	40	
302-1	Energy consumption within the organisation	46	
302-3	Energy intensity	46	
302-4	Reduction of energy consumption	46	

		Page	Reason for omission
GRI 303: 2018	Water and effluents		
GRI 103: 2016 103-1/103-2/103-3	Management approach	42	
303-1	Interactions with water as a shared resource	42	
303-2	Management of water discharge-related impacts	42	
303-5	Water consumption	44	
GRI 305: 2016	Emissions		
GRI 103: 2016 103-1/103-2/103-3	Management approach	40	
305-1	Direct (Scope 1) GHG emissions	42	
305-2	Energy indirect (Scope 2) GHG emissions	42	
305-3	Other indirect (Scope 3) GHG emissions	42	
305-4	GHG emissions intensity	42	
305-5	Reduction of GHG emissions	42	
GRI 306: 2020	Effluents and waste		
GRI 103: 2020 103-1/103-2/103-3	Management approach	42	
306-1	Waste generation and significant waste-related impacts	42	
306-2	Management of significant waste-related impacts	42	
306-3	Waste generated	42	
CRE5	Land degradation, contamination, and remediation	43	
GRI 307: 2016	Environmental compliance		
GRI 103: 2016 103-1/103-2/103-3	Management approach	62	
307-1	Non-compliance with environmental laws and regulations	62	
GRI 308: 2016	Supplier environmental assessment		
GRI 103: 2016 103-1/103-2/103-3	Management approach	57	
308-1	New suppliers that were screened using environmental criteria	58	
GRI 400	Social topics		
GRI 401: 2016	Employment		
GRI 103: 2016 103-1/103-2/103-3	Management approach	48	
401-1	New employee hires and employee turnover	51	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51	
GRI 403: 2018	Occupational health and safety		
GRI 103: 2016 103-1/103-2/103-3	Management approach	52	
403-1	Occupational health and safety management system	52	
403-2	Hazard identification, risk assessment, and incident investigation	52	
403-3	Occupational health services	52	
403-4	Worker participation, consultation, and communication on occupational health and safety	52	
403-5	Worker training on occupational health and safety	52	

		Page	Reason for omission
403-6	Promotion of worker health	52	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52	
403-9	Work-related injuries	53	
403-10	Work-related ill health	53	
GRI 404: 2016	Training and education		
GRI 103: 2016 103-1/103-2/103-3	Management approach	54	
404-1	Average hours of training per year per employee	63	Only financial figure available at group level
404-2	Programs for upgrading employee skills and transition assistance programs	55	
404-3	Percentage of employees receiving regular performance and career development reviews	56	
GRI 405: 2016	Diversity and equal opportunity		
GRI 103: 2016 103-1/103-2/103-3	Management approach	56	
405-1	Diversity of governance bodies and among employees	56	
GRI 406: 2016	Non-discrimination		
GRI 103: 2016 103-1/103-2/103-3	Management approach	56	
406-1	Incidents of discrimination and corrective actions taken	57	
GRI 414: 2016	Supplier social assessment		
GRI 103: 2016 103-1/103-2/103-3	Management approach	57	
414-1	New suppliers that were screened using social criteria	58	
GRI 416: 2016	Customer health and safety		
GRI 103: 2016 103-1/103-2/103-3	Management approach	58	
416-1	Assessment of the health and safety impacts of product and service	59	
GRI 417: 2016	categories Marketing and labeling		
GRI 103: 2016 103-1/103-2/103-3	Management approach	59	
417-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	60	
CRE8	Product and service labeling	60	
GRI 418: 2016	Customer privacy		
GRI 103: 2016 103-1/103-2/103-3	Management approach	61	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	61	
GRI 419: 2016	Socioeconomic compliance		
GRI 103: 2016 103-1/103-2/103-3	Management approach	62	
419-1	Non-compliance with laws and regulations in the social and economic area	62	

SASB mapping

SASB Real Estate Standard

Energy Management

Accounting metric	Category	Code	GRI Disclosure	References
Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	IF-RE-130a.1	N/A	«Sustainability Key Indicators», environmental section and «Notes on collection of environmental figures» ¹
(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Quantitative	IF-RE-130a.2	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization	«Sustainability Key Indicators», environmental section ¹
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	IF-RE-130a.3	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization	«Sustainability Key Indicators», environmental section ¹
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Quantitative	IF-RE-130a.4	CRE 8	«Sustainability Key Indicators», environmental section ¹
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and Analysis	IF-RE-130a.5	302-4 Reduction of energy consumption	Sustainability Report 2021, p. 14–15; 40–42 and «Environmental policy concept» ¹

Water Management

Accounting metric	Category	Code	GRI Disclosure	References
Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with high or extremely high baseline water stress, by property subsector	Quantitative	IF-RE-140a.1	N/A	Swiss Prime Site's entire portfolio is based in Switzerland. None of the assets are based in regions with high or extremely high baseline water stress. The management approach regarding water consumption of the real estate portfolio is provided on p. 42–43 in the Sustainability Report 2021. See also «Notes on collection of environmental figures» ¹
(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with high or extremely high baseline water stress, by property subsector	Quantitative	IF-RE-140a.2	303-5 Water Consumption	«Sustainability Key Indicators», environmental section ¹
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	IF-RE-140a.3	303-5 Water Consumption	«Sustainability Key Indicators», environmental section ¹
Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	IF-RE-140a.4	303-1 Interactions with water as a shared resource	The management approach regarding water consumption of the real estate portfolio is provided on p. 42–43 in the Sustainability Report 2021.

Management of Tenant Sustainability Impacts

Accounting metric	Category	Code	GRI Disclosure	References
(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	IF-RE-410a.1	N/A	Given this data is currently not material nor readily available, Swiss Prime Site chooses not to disclose this data.
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Quantitative	IF-RE-410a.2	N/A	«Notes on the collection of environmental figures» ¹
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and Analysis	IF-RE-410a.3	N/A	Sustainability Report 2021, p. 42–43

Climate Change Adaptation

Accounting metric	Category	Code	GRI Disclosure	References
Area of properties located in 100-year flood zones, by property subsector	Quantitative	IF-RE-450a.1	N/A	Swiss Prime Site does currently not disclose this data.
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and Analysis	IF-RE-450a.2	N/A	Sustainability Report 2021, p. 85 (TCFD Report)

Activity metrics

	Category	Code	GRI Disclosure	References
Number of assets, by property subsector	Quantitative	IF-RE-000.A	N/A	«Sustainability Key Indicators» ¹
Leasable floor area, by property subsector	Quantitative	IF-RE-000.B	N/A	Sustainability Report 2021, p. 44 and «Sustainability Key Indicators» ¹
Percentage of indirectly managed assets, by property subsector	Quantitative	IF-RE-000.C	N/A	«Sustainability Key Indicators» ¹
Average occupancy rate, by property subsector	Quantitative	IF-RE-000.D	N/A	The vacancy rate is reported on p. 64 in the Sustainability Report 2021.

¹ Sustainability Key Indicators, Notes on collection of environmental figures and Environmental Policy Concept are available at www.sps.swiss under Sustainability.



Independent Limited Assurance Report on selected GRI Disclosures

To the Board of Directors of Swiss Prime Site AG, Olten

We have been mandated to perform a limited assurance engagement on the selected GRI disclosures set out below, which are presented in the GRI Report annexed to the Report 2021 of the Swiss Prime Site Group (the "Company") on pages 42-47.

Our independent limited assurance engagement covers the following GRI disclosures for the year ended December 31, 2021 (hereinafter the "selected GRI disclosures"):

GRI 302:2016 Energy: 302-1 Energy consumption within the organization	page 42; 44-47
GRI 302:2016 Energy: 302-3 Energy intensity	page 42; 44-47
GRI 303:2018 Water and wastewater: 303-5 Water consumption	page 42-44, 46-47
GRI 305:2016 Emissions: 305-1 Direct GHG emissions (Scope 1)	page 42; 44-47
GRI 305:2016 Emissions: 305-2 Indirect energy-related GHG emissions (Scope 2)	page 42; 44-47
GRI 305:2016 Emissions: 305-3 Other indirect GHG emissions (Scope 3)	page 42; 44-47
GRI 305:2016 Emissions: 305-4 GHG emissions intensity.	page 42; 44-47

The subject matter of our engagement does not include an audit of other GRI disclosures not mentioned above, nor of prior year disclosures, forward-looking statements, statements from external documentation sources or expert opinions.

Responsibility of the Board of Directors

The Board of Directors of Swiss Prime Site AG is responsible for the preparation of the GRI disclosures 2021 in accordance with the reporting criteria. The Company applies the Standards of the Global Reporting Initiative (GRI Standards) in the option "core" as reporting criteria and publishes the Report under the designation "GRI Report".

This responsibility includes the selection and application of appropriate methods to the Report 2021 (in particular the selection of material topics) as well as making assumptions and estimates on individual sustainability disclosures that are reasonable in the circumstances. Furthermore, the auditor's responsibility includes designing, implementing and maintaining systems, processes and internal controls relevant to the preparation and fair presentation of the Report 2021 that are free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on our audit procedures and the audit evidence obtained as to whether any matters have come to our attention that cause us to believe that the selected GRI disclosures of the Company have not been prepared, in all material respects, in accordance with the requirements of the GRI Standards ("core" option).

We conducted our audit in accordance with International Standard on Assurance Engagements (ISAE) 3000 Audits that are neither audits nor reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we plan and perform the audit to obtain limited assurance about whether the Company's selected GRI disclosures are prepared, in all material respects, in accordance with the requirements of the GRI Standards ("core" option).

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly less assurance is obtained. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement. Taking into account risk and materiality considerations, we performed audit procedures to obtain sufficient appropriate audit evidence.

This included:

- Assessment of the design and implementation of systems and processes for determining, processing and monitoring sustainability performance data, including the consolidation of data;



- Inquiries of Group-level personnel responsible for identifying, consolidating, and performing internal control procedures over the disclosures;
- Inspection of selected internal and external documents to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation, and reporting processes, as well as the reliability of the reported data, by sampling and testing selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures for the GRI disclosures included in the scope of the audit that were reported for consolidation at the Group level;
- Assessment of the consistency of the requirements of the selected GRI disclosures applicable to the Company with the other disclosures and key figures in the Report 2021;
- Assessment of the overall presentation of the disclosures through critical reading of the Report 2021.

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

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in the selected GRI disclosures and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the selected GRI disclosures because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Independence and Quality Assurance

We have complied with the independence and other professional conduct requirements of the International Code of Ethics for Professional Accountants (including the International Independence Standard) issued by the International Ethics Standards Board for Accountants (IESBA Code). The IESBA Code establishes fundamental principles of professional conduct relating to integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive quality assurance system with documented rules and measures for compliance with professional conduct requirements, professional standards and applicable statutory and other legal requirements.



Conclusion

Based on our audit procedures and the audit evidence obtained, nothing has come to our attention that causes us to believe that the selected GRI disclosures of the Company for the year ended December 31, 2021 are not prepared, in all material respects, in accordance with the requirements of the GRI Standards (“core” option).

KPMG AG

Silvan Jurt

Licensed audit expert

Theresa Tiersch

Zurich, 10 February 2022

Risk management

Ensuring continuity and exploiting opportunities

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks. To achieve the Company's long-term corporate goals, it is crucial to recognise changes in the economic, social, regulatory, technological and ecological environment early on. Managing opportunities and risks as an integral part of the sustainability strategy is therefore a high priority at Swiss Prime Site. To this end, the Company has put in place a systematic process that is an important foundation for ensuring its continued growth and long-term success.

Swiss Prime Site's risk management is based on the group-wide risk policy, which establishes a homogeneous, responsible approach to tackling opportunities and risks and promotes a uniform understanding of risk management within the Swiss Prime Site Group.

Systematic risk management at all levels

Swiss Prime Site's risk management system is based on the group-wide risk management regulations. These define the minimum rules and requirements for the risk management process, which each group company can then supplement with specific additional requirements and regulations. The risk management regulations comprise the following elements: principles, control environment, communication, organisation and processes.

Swiss Prime Site's risk management system principles

The principles ensure that all employees have a uniform understanding of risk and an adequate level of risk awareness. These are considered when engaging in dialogue with all risk owners.

Control environment

The control environment is based on the sense of responsibility demonstrated by the Board of Directors and the Executive Board, their awareness of risk and organisational measures for ensuring the proper conduct of business. This is supplemented by the Company's basic ethical values, the organisational structure, rules of conduct and clear allocation of responsibilities.

One crucial factor in risk management is transparent communication with internal and external stakeholders. All employees are required to maintain an ongoing dialogue about opportunities and risks.

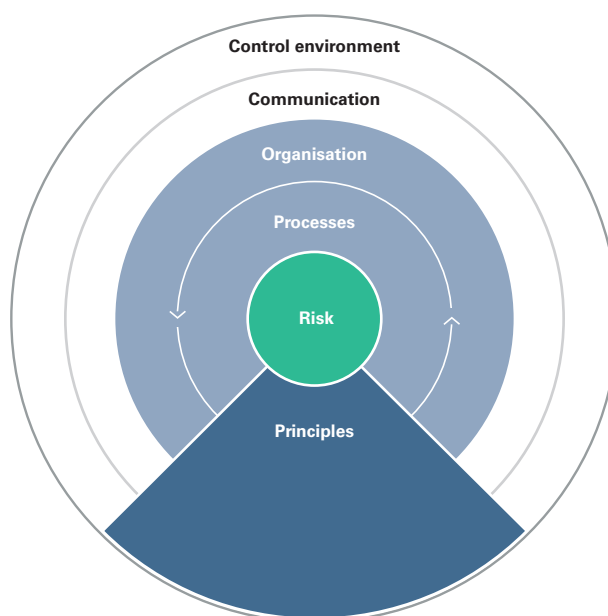
Organisation

In the Company's risk organisation structure, the Board of Directors takes overall responsibility within the scope of its supervisory duties by defining the risk strategy. The Executive Board is responsible for operational implementation. It is supported in that role by the Group Risk Management department. This department is

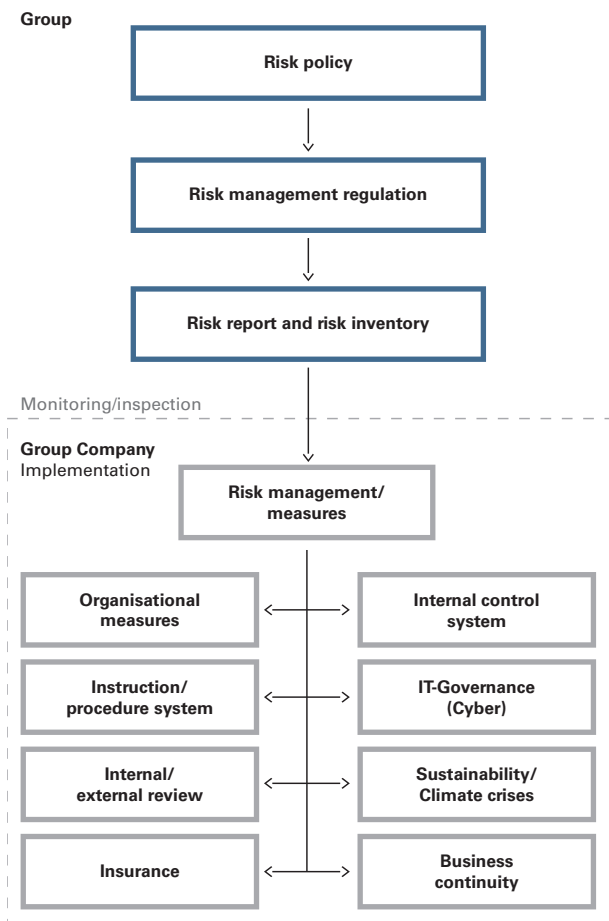
responsible for the group-wide coordination and controlling of the risk management process, with all employees able to contribute towards a considered approach to dealing with opportunities and risks.

Processes

The risk management process encompasses all activities for the management of opportunities and risks. Identifying risks is an ongoing, dynamic process that involves all employees. Existing and new risks and opportunities are constantly monitored through regular dialogue with various stakeholders and on the basis of analyses of available internal and external information, with measures then defined as required.



Swiss Prime Site’s risk management process



The annual risk meetings are a key element of the risk management process. These take place between the Executive Board and the Risk & Audit Committee of the respective group company on the one hand, and between the risk owners and the Group Risk Management department on the other. The information from the risk meetings is supplemented by a risk analysis and assessment of specific systems and processes. Group company-specific risk inventories are then drawn up and consolidated into the overarching risk landscape of the Swiss Prime Site Group.

Risk identification

The identified risks are assessed in relation to their causes and impact and assigned to appropriate risk categories (strategic, external, operational, financial and compliance risks) and risk owners.

- Strategic risks are directly linked to the Company’s direction (vision, mission, strategy and business model).
- External risks relate to events occurring outside Swiss Prime Site over which the Company has no direct influence.
- Operational risks relate to the effective and efficient execution of processes and the use of resources.
- Compliance risks relate to adherence to applicable internal and external regulations.
- Financial risks originate in the finance area and are aligned with reporting requirements.

Risk assessment

The risks identified are assessed using quantitative and qualitative criteria according to the three dimensions of financial impact (loss potential), probability of occurrence and reputation. Financial impact and probability of occurrence are closely linked and are assessed by means of a two-step process:

- First, the inherent risk (gross risk) that reflects the Company’s fundamental risk exposure based on its strategy, its business environment, its organisation and its business processes is defined. This is then used to define the risk management strategy (avoid, mitigate, transfer, accept) and the necessary measures.
- Second, the residual risk (net risk) is assessed after taking into account the measures implemented. The scope and number of measures are defined on the basis of the cost-benefit ratio and reflect Swiss Prime Site’s risk appetite.

The third dimension – reputation – is assessed independently of the other two dimensions and considers the impact on stakeholders (reputational damage) and media resonance (presence, breadth and duration) in the event of an incident.

Risk monitoring and communication

Monitoring risks and the effectiveness of the defined measures is an ongoing process that involves several bodies, both internal partners and external partners working under a mandate. Risk owners take on a central role in this process. They constantly evaluate the impact of changes in risk drivers such as market, organisation, processes and workflows on specific risks, act promptly in the event of material changes in the risk profile and inform the relevant bodies as required. The risk owners are also responsible for monitoring the effective implementation of the defined measures and initiating any corrections.

Risk communication at the Swiss Prime Site Group is conducted via a range of channels. Informal risk management discussions take place on an ongoing basis at various management meetings. Material changes in the risk landscape or in the risk management strategy (new relevant measures) are reported to the Audit Committee and the Executive Board on a regular basis (two or three times per year). Formal risk reporting to the Board of Directors and Executive Board takes place annually. This consists of a consolidated risk report and a risk inventory. For the individual group companies, similar reports are submitted to the relevant Board of Directors and to the Executive Board.

Central risk management measures

Risk response is a key element of Swiss Prime Site's risk management process. The appropriateness of implementation and the degree of maturity are assessed on a regular basis – but at least once a year – by Group Audit & Risk, which if required plays an active coordination and support role with regard to implementation. Responsibility for compliance with group-wide requirements and for defining and implementing measures in these areas remains with the operational management of the individual group companies. The risk management measures defined and implemented by Swiss Prime Site can be grouped into eight overarching categories/topics:

– **Organisational measures**

The suitability of the organisational structure is assessed by the Board of Directors and top management on an ongoing basis. The Company places significant emphasis on ensuring effective management and efficient decision-making and process execution at all times. Employees who play a crucial role in the achievement of targets are a key success factor. Considerable attention is devoted to attracting (recruitment) and

keeping (retention) good, skilled employees in the current difficult labour market.

– **Directives and processes**

Swiss Prime Site has a comprehensive formal system for directives and processes. The system and responsibilities for controlling and managing it are clearly defined. All relevant topics, including sustainability, are described in specific directives that are available to all employees at all times. All relevant business processes and the associated master documentation are mapped centrally in a company-wide process and document landscape. These tools support employees in their day-to-day business, whether in connection with personal conduct (e.g. conflicts of interest), communication with internal and external stakeholders or in the execution of processes.

– **Internal and external audit**

The internal and external auditors support the Board of Directors in exercising its monitoring and controlling functions. The internal auditors receive audit and analysis assignments from the Board of Directors. Internal auditors have an unrestricted right to information and right of inspection of records relative to all group companies and positions. Moreover, the Executive Board in consultation with the Audit Committee can assign internal auditors tasks outside the scope of the planned auditing activities, such as executing special investigations and analyses (for more details see the Corporate Governance Report).

– **Insurance**

Tasks and responsibilities relating to insurance are governed by a group-wide directive. The process is coordinated group-wide by an external insurance consultant in cooperation with the Group CFO and evaluated on an ongoing basis to identify synergies and potential areas for optimisation. The group companies are actively involved in this process and are responsible for implementation within their own organisation.

– **Internal control system (ICS)**

The internal control system is an integral element of Swiss Prime Site's risk management process. The structure of the ICS is described in an ICS framework that takes the three dimensions of governance (entity-level controls), IT general controls (ITGC) and processes into account. The framework and the controls are reviewed on a regular basis to identify the need for adjustments due to new risks or changes in business processes and to initiate measures.

– **Cyber risks**

Cyber risks represent a growing threat due to the constant, rapid development of IT technologies such as digitalisation, dependency on information and communication infrastructures and the interconnectedness of business and society. Swiss Prime Site has identified this trend and the resulting risks, and has implemented a host of organisational, process-related and technical measures to boost its cyber resilience (ability to withstand cyber crime) and prevent serious financial and non-financial consequences (reputational risks). The overarching goal of the measures is to guarantee the availability, integrity, confidentiality and transparency of data and applications and ensure compliance with all legal requirements and recommendations.

– **Sustainability and climate risks**

Sustainability and climate risks are vitally important for Swiss Prime Site. They are mapped in a dedicated risk inventory that focuses on the physical and transitional risks in particular. The corresponding updates were reflected in this year’s reporting on climate-related financial risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

– **Business continuity management (BCM)**

Swiss Prime Site’s BCM plan is laid down in an overarching, comprehensive concept and in central frameworks (BCM Policy and requirements). Building on this, each group company has conducted a dedicated business impact analysis (BIA) and drawn up its own BCM plan. Given the increasing digitalisation of processes, disaster recovery is a key element of BCM. The BCM plan is reviewed annually by Group Audit & Risk in cooperation with Group IT to ensure it is still up to date and appropriate. The effectiveness and functionality of the BCM plan is reviewed annually by means of BCM tests.

Most important risks in the various business fields

The 2021 risk assessment identified the following main risk topics for Swiss Prime Site. Comprehensive measures to reduce any negative impact were also defined.

→ FOR MORE DETAILS, SEE «TCFD REPORT», P. 77

Overview of most important risks

Group	Real estate
Business partner/outsourcing	Real estate market, financial markets, interest rates
Customers/tenants (retail)	Project development and realisation
Employees	Portfolio/object strategy
Sustainability/climate	Vacancy/marketing
Cyber risks/data protection	Valuations

Real estate market, financial markets, interest rates

These external factors have a significant impact on Swiss Prime Site's long-term success as a result of the exposure stemming from the Company's business model.

The impacts of a negative market trend would be cushioned by the quality of the real estate portfolio, which is largely invested in prime locations, sustainable property strategies and a balanced financing strategy.

Swiss Prime Site also formulated capital management principles in the reporting year in order to take advantage of the opportunities currently available on the financial markets. The key principles include optimising the mix of equity and borrowed capital, increasing financial flexibility, ensuring homogeneity of financing sources, reducing refinancing risks and minimising financing costs.

Project development and realisation

Swiss Prime Site has a project pipeline worth around CHF 2 billion. Risks in connection with costs, deadlines and quality in the development and realisation business are minimised through innovative and sustainable concepts, professional business partners and ongoing monitoring. Marketing activities at an early stage also allow the Company to focus more strongly on the customer.

Portfolio/object strategy

A clear, formalised portfolio strategy is in place, with specific details set out in the respective object strategies. These reflect all aspects of a property, including renovations to reduce CO₂ emissions, market potential and safety aspects and are used to define sustainable strategies that offer optimal value. Swiss Prime Site's CO₂ reduction pathway is a key element of the portfolio and object strategy.

→ FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS, CONTRIBUTION TO SDG 13: CLIMATE ACTION, CO₂ REDUCTION PATHWAY», P. 14

Vacancy/marketing

An internal marketing department was established, significantly improving the effectiveness of the marketing process and thereby reducing vacancies. The portfolio strategy (prime property portfolio) and innovative and sustainable development concepts also play a key role in risk mitigation.

Valuations

Swiss Prime Site is highly exposed to errors and adjustments in valuations. The property portfolio of around CHF 12.8 billion is subject to a range of external (e.g. market, interest rates) and internal (vacancy, object strategy) factors. The accuracy of valuations is checked by external valuers and the external auditors on a half-yearly or yearly basis. Internal factors are controlled at several levels, for example through comprehensive property strategies and professional marketing activities. Provisions are also recognised for direct and deferred tax liabilities. Corresponding calculations or tax rate changes have a material financial impact.

Business partner/outourcing

Internal guidelines and regulations ensure that only professional, experienced and financially stable business partners are selected. A range of ESG aspects is taken into account, with the details specified in the Code of Conduct for Suppliers. Although other important topics such as child labour, forced labour and the avoidance of specific conflict resources are also taken into account, they are considered to be less material since all business activities are conducted exclusively in Switzerland.

Customers

The Company's focus on the needs of its customers is consciously practised through constant communication with tenants, active surveys of major tenants and dialogue with other stakeholders as part of its corporate responsibility. Potential opportunities are implemented through the supportive inclusion of innovation concepts, including some from Corporate Ventures, thereby strengthening long-term customer relationships on a lasting basis.

Climate risks

→ FOR MORE DETAILS, SEE «TCFD REPORT», P. 77

Cyber risks/data protection

Swiss Prime Site addresses the growing threat in relation to cyber crime and data security through a host of organisational, process-related and technical measures that cover the following aspects in particular:

- Clear organisation and definition of tasks, powers and responsibilities for controlling and monitoring the risk situation and implementing measures.
- Cooperation with, and outsourcing to, ISO 27001 certified firms.
- Formalised identification and assessment of cyber threats and dangers. A dedicated cyber risk inventory was drawn up for this purpose, as part of which scenarios were developed for the identified risks and appropriate countermeasures were defined.

- Continuous monitoring and updating of security measures to defend against attacks and technical failures. Checks such as penetration tests are conducted on a regular basis.
- Regular communication and training for employees on IT security and threats. Simulated phishing attacks are also carried out.
- Regular external audits of the measures implemented (most recently in 2021) and creation of an action plan for rectifying any issues identified.
- Implementation of a group-wide set of directives with clear responsibilities (group-wide and company-specific data protection officers) in relation to the revision of Swiss data protection legislation and compliance therewith.
- Taking out a cyber insurance policy.

Employees

Employees are key to Swiss Prime Site's success. The Company has implemented a host of measures to support the recruitment and retention of qualified, capable and motivated employees in a competitive labour market. These include attractive and modern conditions of employment, encouragement of internal and external training and development, opportunities for career development across the entire group and measures to ensure health and safety at work. All relevant aspects in relation to employees are reviewed on a regular basis and adapted as required.



Reporting on climate-related financial risks (TCFD Report)

Since the 2019 financial year, Swiss Prime Site has been reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines on the impact of climate-related financial risks on the Company's business activities and the measures taken to proactively manage these risks. In 2020, Swiss Prime Site strengthened sustainability-related governance within the Company, updated the climate risk assessment and adopted new measures in four strategic areas of action. Implementation of these was continued in the reporting year.

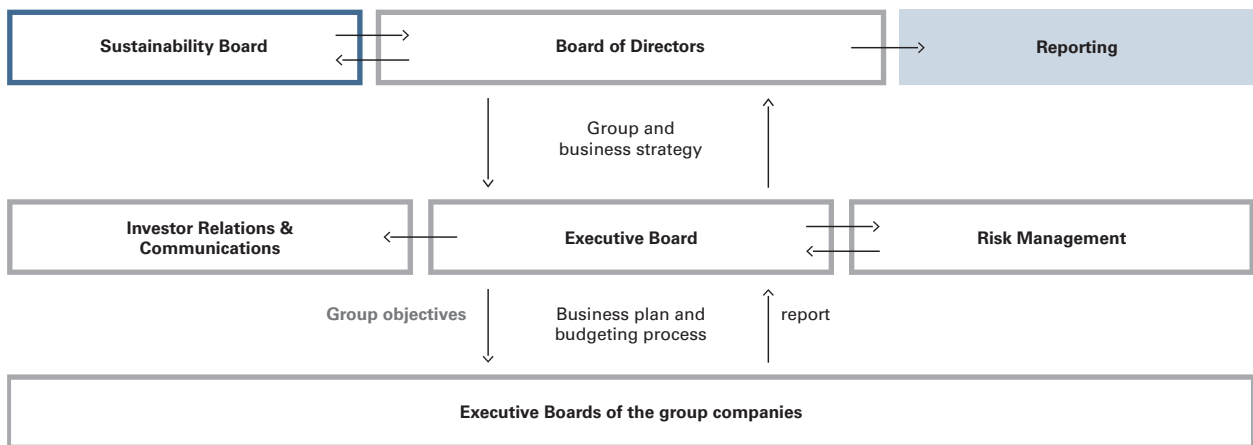
Governance

Swiss Prime Site is confident that responsible, forward-looking leadership increases the Company's resilience and enables it to create long-term value for itself, its shareholders and its stakeholders. For Swiss Prime Site, there is no doubt that climate change and the opportunities and risks associated with it play an extremely important role, as the real estate industry has a significant impact on greenhouse gas emissions and is itself directly affected by climate change. Swiss Prime Site therefore takes its responsibilities as the largest listed real estate company in Switzerland seriously. In 2019, the Board of Directors decided to set up a Sustainability Board made up of members of the Board of

Directors and management that reports directly to the Board of Directors. The Board is responsible for managing climate-related opportunities and risks, defining and reviewing the sustainability strategy (including the CO₂ reduction pathway) and specifying suitable framework conditions for group companies in the form of overarching policies and objectives. The Head of Group Sustainability, who is also a permanent member of the Sustainability Board, is responsible for operational implementation of the group-wide sustainability strategy and therefore plays a key role in ensuring that financial and non-financial success factors and risks are managed in an even more integrated manner.

→ FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS, CONTRIBUTION TO SDG 13: CLIMATE ACTION, CO₂ REDUCTION PATHWAY», P. 14

Governance on opportunities and risks in the area of sustainability



Strategy

Climate-related risks and opportunities

Under the TCFD guidelines, Swiss Prime Site makes a distinction between physical and transitional risks. Physical risks arise from extreme weather events, for instance, and directly impact the property portfolio, while transitional risks arise from the decarbonisation of the economy and new legal, social, economic and technological framework conditions. Swiss Prime Site considers the following risks in particular to be significant and takes account of them in its group-wide risk management:

Physical risks	Transitional risks
<p>Increasing summer temperatures, more heatwaves and long-lasting periods of heat</p> <p>Increase in extreme weather events such as very high winds and heavy rainfall with flooding</p>	<p>Social effects of climate change:</p> <ul style="list-style-type: none"> – Negative impact on the health and mortality rates of individuals – Move by customers towards more responsible products and services <p>Regulatory changes:</p> <ul style="list-style-type: none"> – Regulations on the use of renewable energies and energy efficiency – Requirements for the reuse/recycling of materials (circular economy) <p>Expectations about sustainability information:</p> <ul style="list-style-type: none"> – Investors, regulators and the public are stepping up the debate about sustainability

Swiss Prime Site is well positioned to deal with the main climate-related risks and to differentiate itself in the market by following a proactive approach and the opportunities this brings. As it does so, the Company is building on strengths including its substantial investment capacity, its leading expertise in the planning, construction and operation of real estate and a well-developed innovative culture. Based on these strengths, Swiss Prime Site is focusing on the following four action areas in order to manage climate risks and take advantage of opportunities:

Strategic areas of action

1. Investments in line with the CO₂ reduction target
 The most important area of action is the property portfolio, which is held by the group company Swiss Prime Site Immobilien. By comparison, the CO₂ emissions of the Services segment are negligible (4.7% of total emissions in the reporting year). Swiss Prime Site has been following an ambitious CO₂ reduction pathway since 2019 and aims to have a climate-neutral property portfolio by 2040. The reduction pathway is based on the 1.5-degree goal set out in the Paris Agreement and is to be achieved through measures in the Company’s own property portfolio. Examples of current measures carried out in the reporting year to achieve this goal are summarised in the section on the CO₂ reduction pathway. In addition, the other group companies also review significant investments and new services for their impact in terms of reducing CO₂ emissions. Current examples can be found in the environmental section of the GRI Report.
2. Awareness-raising, further training and incentives
 Swiss Prime Site is placing ever greater importance on the topic of climate change in its internal communications and the further training of its employees. For example, internal training sessions on the CO₂ reduction pathway were once again provided to the employees of group company Swiss Prime Site Immobilien and the Construction & Facility Management department at the group company Wincasa in 2021. Discussions carried out as part of the risk management process also help ensure that all employees take climate-related opportunities and risks into account.

By establishing new sustainability goals and applying them throughout the group, sustainability aspects became part of the business plan process of all group companies in the reporting year. The Company expects this measure to further raise awareness across the group.

→ FOR MORE DETAILS, SEE «GROUP OBJECTIVES AND CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS», P. 10

Swiss Prime Site is also working towards embedding sustainability-related performance indicators more strongly in the compensation guidelines. Establishing compensation-related sustainability goals will help the Company to integrate non-financial aspects even more systematically into its corporate processes.

3. Innovation management

Within its innovation management, Swiss Prime Site deals with disruptive topics such as climate change or trends that are gaining in importance in the context of climate change. The Company uses the skills of employees from various areas to help develop services that can help resolve social challenges. In 2021, for example, Swiss Prime Site again examined the topic of the circular economy in detail. Circular principles are already being applied in a number of development and refurbishment projects.

→ FOR MORE DETAILS, SEE «BUSINESS MODEL AND VALUE CREATION, INNOVATION», P. 21

→ FOR MORE DETAILS, SEE «REPORT ACCORDING TO GRI STANDARDS: INNOVATION CULTURE AND PARTNERSHIPS», P. 37

4. Discussions with stakeholders

Swiss Prime Site has regular discussions with investors, customers and other stakeholders. Topics related to climate change are increasingly a part of these discussions. In 2021, Swiss Prime Site once again reported on its commitment to climate protection and sustainability at the annual Capital Markets Day. The stakeholder event, which takes place every two years, also regularly examines issues relating to corporate responsibility in the face of climate change.

→ FOR MORE DETAILS, SEE REPORT ON THE 2021 STAKEHOLDER DIALOGUE», AVAILABLE TO DOWNLOAD AT WWW.SPS.SWISS UNDER SUSTAINABILITY

Risk management

Swiss Prime Site has integrated climate-related risks into its group-wide risk management process since 2019. In assessing the risks, the Company uses an event-based scenario analysis and science-based modelling of the «Climate Value-at-Risk» of the entire property portfolio.

In the event-based scenario analysis, Swiss Prime Site assesses physical and transitional climate risks every year using qualitative scenarios. As part of this process, potential events are evaluated based on their probability of occurrence and the scale of their impact on the Company's value and its reputation. The risk evaluation considers when the impact is expected to occur and, when

it does, the horizon for action to implement risk mitigation measures. The resulting evaluation serves as a tool to help the Executive Board and the Board of Directors to identify at an early stage specific measures which can mitigate or eliminate the expected negative impact on the Company.

The event-based risk analysis was supplemented in 2019 by an initial evaluation of the «Climate Value-at-Risk» for Swiss Prime Site's property portfolio. The analysis of the financial risks showed that the direct physical climate risks for the property portfolio in Switzerland over the next 15 years are relatively low. The results suggested that the short- and medium-term transition risks due to social change and stricter regulations are significantly more important. However, the methodology used was still being developed at the time of the analysis, so not all physical risks were mapped in the model. Swiss Prime Site will monitor the evolution of the analysis options and will periodically review whether a new evaluation of the «Climate Value-at-Risk» would be expedient.

The following are events with the highest risk potential:

Physical risks

Potential events caused by climate change	Impact on Swiss Prime Site	Measures
<ul style="list-style-type: none"> - Increasing summer temperatures - More heatwaves - Long-lasting periods of heat 	<ul style="list-style-type: none"> - Rising (ancillary) costs due to higher energy requirements for cooling - Potential falls in net rental income due to higher ancillary costs (gross rent perspective) - Lower rentability/higher vacancies (cost factor/unfavourable climate conditions of the property) - More stringent requirements on cladding and housing technology - Complying with promised indoor climate conditions <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> ● Regular reviews and updating of the CO₂ reduction pathway and implementation of the defined measures ● Electrical energy obtained from renewable sources (including purchase of electricity from Swiss or European hydropower) ● Use of electricity from own energy generation: Roll-out of photovoltaic systems on flat roofs for defined locations and evaluation of additional locations ● Gradual move away from natural gas and oil-based solutions ● Gradual implementation of the Swiss Sustainable Building Standard (SNBS) in building construction (complying with stricter targets over time) ○ Rental contract regulations on ancillary costs and indoor climate conditions <p>Metrics:</p> <ul style="list-style-type: none"> - Total energy consumption - Energy consumption from air conditioning (being developed)
<ul style="list-style-type: none"> - Increase in extreme weather events such as very high winds and heavy rainfall with flooding 	<ul style="list-style-type: none"> - Stricter requirements on quality of location - Increased insurance costs - Structural damage to buildings - Strict construction quality requirements - Lower rentability/higher vacancies - Liability risk with respect to tenants due to defects in rented property - Restricted usability of or access to buildings <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> ● Detailed analysis of building locations ● Analysis of flooding risk across the whole property portfolio and for specific projects ● Analysing potential environmental damage for specific properties ● Analysis of building structure and stability ○ Review of insurance cover <p>Metrics:</p> <ul style="list-style-type: none"> - Value of damage caused by extreme weather events - Total costs of the special measures for prevention

- Measures launched or being prepared
- Measures partially addressed
- No measures launched yet

Transitional risks

Potential events caused by climate change

Potential events caused by climate change	Impact on Swiss Prime Site	Measures
Social effects of climate change		
<ul style="list-style-type: none"> - Negative impact on the health and mortality rates of individuals 	<ul style="list-style-type: none"> - Stricter requirements on comfort and indoor climate (e.g. GI certifications) - Lower attractiveness or rentability of «warm» spaces - Sick building syndrome <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> ● Location and use of the buildings must be factored in ● Factoring in the effect of rising temperatures on living and working comfort in properties, particularly in cities ● If necessary, identification and implementation of preventive measures, e.g. increase in proportion of green spaces ○ Project-specific consideration through the use of suitable materials ○ Property-specific consideration through the use of suitable materials in renovations ○ Prevention through suitable insurance <p>Metrics:</p> <ul style="list-style-type: none"> - Number of tenant complaints - Total costs of special measures to prevent situations injurious to health
<ul style="list-style-type: none"> - Changes in customer focus 	<ul style="list-style-type: none"> - More stringent requirements and targets from investors regarding resilience of products and services offered - More stringent requirements from tenants in terms of building and space standards (certifications) - Tenant and investor requirements on sustainable procurement (supplier management) and construction technology (materials) <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> ● Factoring in of sustainability criteria for existing properties and new build projects ○ Additional sustainability requirements for suppliers ○ Comprehensive and integrated reporting <p>Metrics:</p> <ul style="list-style-type: none"> - Demand for certifications of buildings and rented spaces - Enquiries by tenants/the public/investors on properties' sustainability
Regulatory changes		
<ul style="list-style-type: none"> - Regulations on the use of renewable energies and energy efficiency 	<ul style="list-style-type: none"> - Increasing requirements and costs to develop and operate real estate - Regulatory requirements on sustainable procurement (supplier management) and construction technology (materials) - Significant additional costs if new guidelines are not proactively considered, e.g. by replacing fossil fuel-based heating systems before the end of the life cycle - Limited usability of buildings (vacancy) <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> ● Portfolio analysis to identify risks ● Implementation of requirements for new construction projects ● Implementation of requirements for existing properties ● Factoring in of sustainability criteria for existing properties and new build projects ○ Property-specific consideration through the use of suitable materials in renovations ● Factoring in of new requirements into property strategies for existing real estate <p>Metrics:</p> <ul style="list-style-type: none"> - Energy management (current efficiency and energy mix)

Potential events caused by climate change	Impact on Swiss Prime Site	Measures
<ul style="list-style-type: none"> Requirements for the reuse/recycling of materials (circular economy) 	<ul style="list-style-type: none"> Additional requirements for building planning, development and demolition (e.g. minimum quotas for recycling and recyclability of building materials) Rising construction costs and longer planning phases due to increased planning and building requirements <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> Implementation of requirements for new construction projects Implementation of requirements for existing real estate Active monitoring of technical and regulatory developments, if necessary deriving requirements for Swiss Prime Site and suppliers Supplier management Operationalise Madaster <p>Metrics:</p> <ul style="list-style-type: none"> Being developed

Expectations about sustainability information

<ul style="list-style-type: none"> Investors, regulators and the public are stepping up the debate about sustainability 	<ul style="list-style-type: none"> Attractiveness to investors falls, with potential impact on share price and financing Further integration of sustainability into the business model necessary Impact on fair value; higher valuation expenses Sustainable investments in properties necessary to boost valuations (long investment cycles vs short-term valuation) Increased relevance of reporting Increased expense of gathering and maintaining relevant data Additional expense of identifying and gathering relevant data across the whole value chain <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> Integration of sustainability requirements into property strategies Targeted increase in investment in sustainability of real estate Timely responses to questionnaires from institutional investors and leading rating providers (MSCI, ISS ESG, Sustainalytics, GRESB) Separate sustainability roadshows with ESG managers of institutional investors Monitoring of ESG KPIs in business processes and property strategies Annual integrated reporting <p>Metrics:</p> <ul style="list-style-type: none"> Investor relations enquiries Sustainability ratings (e.g. ESI) for real estate and companies Total investment in sustainability of real estate
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SWISS PRIME SITE

— CORPORATE GOVERNANCE

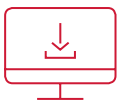
REPORT

2021



Corporate Governance

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Swiss Prime Site – the real estate investent platform

We are the leading partner for investors who want to invest or are invested both indirectly and directly in the real estate market. Swiss Prime Site thus covers the entire investor spectrum from private investors to institutional investors. The product range includes funds (open-ended and closed-ended), mandates, investment foundations, bonds and the Swiss Prime Site share.

Reporting structure

The stakeholder-oriented 2021 reporting consists of the online report (www.sps.swiss/reporting) and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2021». In this way, we create added multimedia value.

This Corporate Governance report contains the requisite disclosures according to the guidelines regarding corporate governance information of the SIX Exchange Regulation and basically follows their structure in terms of presentation.

Group structure

All investments in group companies are unlisted firms. These companies have been fully consolidated, and non-controlling interests are recognised. The registered shares of the holding company – Swiss Prime Site AG with headquarters in Olten, Switzerland – are listed on the SIX Swiss Exchange under securities number 803 838 and ISIN number CH000803838 9. On 31 December 2021, the market capitalisation of Swiss Prime Site AG was CHF 6810.7 million [CHF 6601.8 million]. As at 1 January 2021, immoveris ag, Berne was merged into Swiss Prime Site Solutions AG, Zurich.

Segments

Swiss Prime Site consists of two segments: Real Estate and Services. Investments in subsidiaries in these segments are allocated as follows:

Real Estate

- Swiss Prime Site Immobilien AG, Olten
- Swiss Prime Site AG, Olten
- Swiss Prime Site Dreispitz AG, Olten
- Swiss Prime Site Finance AG, Olten
- Swiss Prime Site Management AG, Olten
- Zimmermann Vins SA, Carouge

Services

- Jelmoli AG, Zurich
- Wincasa AG, Winterthur
- Swiss Prime Site Solutions AG, Zurich
- streamnow ag, Zurich

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2020 Capital in CHF 1000	Shareholding in %	31.12.2021 Capital in CHF 1000	Shareholding in %
immoveris ag, Bern ¹	Real estate services	200	100.0	n.a.	n.a.
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
Swiss Prime Site Dreispitz AG, Olten	Real estate	5 295	100.0	5 295	100.0
streamnow ag, Zurich	Real estate services	100	100.0	100	100.0
Swiss Prime Site Finance AG, Olten	Financial services	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Olten	Real estate	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Olten	Services	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zurich ¹	Asset management	1 500	100.0	1 500	100.0
Wincasa AG, Winterthur	Real estate services	1 500	100.0	1 500	100.0
Zimmermann Vins SA, Carouge	Real estate	350	100.0	350	100.0

¹ merger of immoveris ag in Swiss Prime Site Solutions AG as at 01.01.2021

Investments in associates valued according to the equity method

	Field of activity	31.12.2020 Capital in CHF 1000	Shareholding in %	31.12.2021 Capital in CHF 1000	Shareholding in %
INOVIL SA, Lausanne	Parking	5 160	27.1	5 160	27.1
Parkgest Holding SA, Geneva	Parking	4 750	38.8	4 750	38.8

Shareholder structure

Shareholders as at 31.12.2021

Number of shares	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in % ¹
1 to 1000	9 667	83.8	2 686 132	3.5
1001 to 10 000	1 519	13.2	4 087 116	5.4
10 001 to 100 000	268	2.3	7 920 274	10.4
100 001 to 1 000 000	74	0.6	20 132 957	26.5
1 000 001 and above	8	0.1	16 130 682	21.2
Total registered shareholders/shares	11 536	100.0	50 957 161	67.0
Unregistered shares			25 013 203	33.0
Total shares issued			75 970 364	100.0

¹ as % of shares issued

Countries/regions	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Switzerland	10 636	92.2	35 710 040	70.1
Europe (excluding Switzerland)	738	6.4	12 337 464	24.2
Other countries	162	1.4	2 909 657	5.7
Total registered shareholders/shares	11 536	100.0	50 957 161	100.0

Shareholder categories	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Natural persons	10 482	90.9	7 048 552	13.8
Legal entities	458	4.0	17 137 873	33.7
Pension funds	192	1.7	8 979 522	17.6
Insurance companies	31	0.2	1 803 570	3.5
Funds	183	1.6	13 237 589	26.0
Other	190	1.6	2 750 055	5.4
Total registered shareholders/shares	11 536	100.0	50 957 161	100.0

Major shareholders (shareholding interest >3%)	31.12.2020 Shareholding interest in %	31.12.2021 Shareholding interest in %
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.8	7.7
State Street Corporation, Boston	>3.0	>3.0
UBS Fund Management (Switzerland) AG, Basel	4.3	3.8

Disclosure notifications of major shareholders

Information regarding major shareholders is based on the register of shareholders or the notifications received by Swiss Prime Site AG. The obligation to disclose investments exists when a person or group subject to this obligation has 3, 5, 10, 15, 20, 25, 33⅓, 50 or 66⅔ percent of the voting rights in Swiss Prime Site AG or their holding falls above or below this level. The disclosure notifications issued in the reporting year – according to Article 120 et seq. of the Swiss Financial Market Infrastructure Act (FMIA) and the provisions of the Swiss Financial Market Infrastructure Ordinance (FMIO) – can be viewed on the reporting and disclosures platform of the SIX Swiss Exchange (www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html).

Cross-investments

As at the balance sheet date, there were no cross-investments.

Capital structure

Share capital

As at the balance sheet date, Swiss Prime Site AG's share capital comprised 75970364 registered shares at a nominal value of CHF 15.30. All outstanding shares are entitled to voting rights and dividends. There are no preferential rights. In accordance with Articles 3a and 3b of the Articles of Association, share capital (authorised and conditional capital) may be increased by a maximum of CHF 106.733 million or 9.2% of existing share capital.

Authorised and conditional capital

The authorised and conditional capital comprises 6975985 [6975985] registered shares amounting to CHF 106.733 million [CHF 106.733 million].

The Board of Directors is authorised to increase the share capital within the aforementioned limits at any time until 23 March 2023. The Board of Directors is entitled to exclude shareholders' subscription rights in favour of third parties, in the event that the new shares should be utilised for acquiring other companies, stakes in companies, investments or real estate, or for financing or re-financing such transactions. Additional details on the changes in capital can be found in the notes of the Financial Report. Swiss Prime Site AG has no equity instruments (e.g. participation or profit share certificates) outstanding other than registered shares.

The precise wording regarding authorised and conditional capital can be found in Articles 3a and 3b of Swiss Prime Site AG's Articles of Association (download at www.sps.swiss under Governance).

Restrictions on transferability and nominee registrations

Pursuant to Article 5 of the Articles of Association, every shareholder and usufructuary may request to be registered in the share register. The Articles of Association are available for download on the website www.sps.swiss under Governance. Only those persons whose names appear in the share register and who have acquired shares in their own name and on their own account are registered as shareholders or usufructuaries by the Company. The Company acknowledges only one beneficiary per share.

Each share is entitled to a vote at the Annual General Meeting. The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as, and as long as, their recognition can prevent the Company from providing the verification governing the composition of its shareholders, which is required by federal law. Otherwise, there are no restrictions on registration or voting rights. The Annual General Meeting may resolve to suspend these restrictions on transferability with a majority of valid votes according to Article 12, paragraph 3 of the Articles of Association (available to download at www.sps.swiss under Governance).

Shareholdings not subject to notification held by nominees and fiduciaries are entered into the register without voting rights.

Capital structure as at 31.12.2021

Capital	Number of registered shares	Nominal per share in CHF	Total in CHF 1000
Share capital	75 970 364	15.30	1 162 347
Authorised and conditional capital	6 975 985	15.30	106 733
of which for exercising options and/or conversion rights granted with bonds or similar issues	6 975 985	15.30	106 733

Share capital changes over the last three years

Changes	Number of registered shares	Nominal per share in CHF	Nominal value in CHF 1000
Share capital as at 31.12.2018	75 946 349	15.30	1 161 979
Share capital as at 31.12.2019	75 946 349	15.30	1 161 979
Conversion of 500 units of the CHF 250.00 million convertible bond	23 983	15.30	367
Conversion of 674 units of the CHF 300.00 million convertible bond	32	15.30	–
Share capital as at 31.12.2020	75 970 364	15.30	1 162 347
Share capital as at 31.12.2021	75 970 364	15.30	1 162 347

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Nominal value as at 31.12.2021	CHF m	247.500	296.630
Book value as at 31.12.2021	CHF m	245.990	295.175
Book value as at 31.12.2020	CHF m	244.954	294.697
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)

Each convertible bond with a nominal value of CHF 0.005 million can be converted into registered shares of the Company at any time. New shares will be guaranteed using conditional capital of CHF 106.733 million. This is equal to 9.2% of share capital prior to the convertible bond issue.

No conversions took place in the reporting year. Further information on convertible bonds can be found in the notes of the Financial Report.

Board of Directors

As at the balance sheet date, the Board of Directors of Swiss Prime Site AG comprised seven members. All members are non-executive and independent Board of Directors members in the context of the Swiss Code of Best Practice for Corporate Governance. None of the members of the Board of Directors maintains any significant business relationship with Swiss Prime Site AG or the Swiss Prime Site Group.

Composition of the Board of Directors

Name, Born	Position	Nationality	Member since
Ton Büchner, 1965	Chairman	CH/NL	2020
Mario F. Seris, 1955	Vice-Chairman	CH	2005
Christopher M. Chambers, 1961	Member	CH/UK	2009
Dr Barbara Frei-Spreiter, 1970	Member	CH	2018
Barbara A. Knoflach, 1965	Member	AT	2021
Thomas Studhalter, 1969	Member	CH	2018
Gabrielle Nater-Bass, 1968	Member	CH	2019

Departures during the reporting period

Dr Rudolf Huber as of 23 March 2021.

Additions during the reporting period

Barbara A. Knoflach as of 23 March 2021.

Articles of Association provisions regarding the number of permitted activities

Members of the Board of Directors may simultaneously carry out no more than ten additional mandates outside the group in the supreme managing or supervising body of legal entities that are required to be entered in the commercial register or an equivalent foreign register. No more than four of these may be in listed entities.

Several mandates within the same group of companies and mandates carried out as part of the member's position on the Board of Directors or the executive management or a supreme managing or supervisory body (including in pension funds, joint ventures and legal entities, in which the company has a substantial investment) are counted as one mandate. Activities in non-profit-oriented associations, organisations and foundations are not subject to any restrictions. The Board of Directors currently has three committees

(Audit Committee, Nomination and Compensation Committee and Investment Committee) and a Sustainability Board, which are described in more detail in the following sections.

Elections and period of office

The respective Chairman as well as members of the Board of Directors and Nomination and Compensation Committee are individually elected by the Annual General Meeting for a one-year term of office. Members of the Board of Directors place their mandate at the disposal of the ordinary Annual General Meeting in the year in which they reach the age of 70.

Regulation of the powers and duties of the Board of Directors

The basic principles and the separation of the functions and powers between the Board of Directors and Executive Board are stipulated in the organisational regulations, (download at www.sps.swiss under Governance) and in the competence regulations as well as in the Executive Board regulations.

The Board of Directors is responsible for the general management of the Company as well as supervising and controlling the Executive Board. The Board of Directors makes the fundamental decisions that determine the activity of the Company. Within the framework of its activities, the Board of Directors ensures profit-focused and competent management of the Company by its Executive Board, according to the provisions of the Articles of Association, the regulations and the applicable legislation.

The Board of Directors acts as a collective body. Unless otherwise provided for in the resolutions of the Board of Directors and the organisational regulations, its members may not have any personal authority over the Company and therefore cannot issue any instructions of their own accord.

As required, the Board of Directors can form committees from among its members and allocate powers to these committees in separate sets of regulations, or by amending the existing organisational regulation. The Board of Directors has taken advantage of this option and formed an Audit Committee, Investment Committee and Nomination and Compensation Committee as well as a Sustainability Board. The Board of Directors can delegate the preparation and implementation of its resolutions or the monitoring of activities to one or more committees or to individual members or the Executive Board. It ensures appropriate reporting to its members. In the reporting period, the Board of Directors formed a non-permanent committee to oversee the acquisition of the Akara Group in Zug.

The Board of Directors delegates all executive management activities to the Executive Board unless otherwise provided by law, the Articles of Association or the organisational regulations. It issues directives on the business and investment policy and keeps itself regularly informed of the course of business. The Board of Directors holds meetings as often as business requires, but a minimum of once per quarter. Nine meetings took place within the reporting period, including four meetings with all members physically present, four video conference meetings and one hybrid meeting (physical and video).

Information and control instruments applied to the Executive Board

The Board of Directors controls the Executive Board and monitors its method of operation by means of reporting processes and the right to inspect business procedures and business transactions.

The Board of Directors is briefed by the Chief Executive Officer and the Chief Financial Officer as well as by the other Executive Board members at each meeting regarding the ongoing course of business and significant business transactions. At these meetings, members of the Board of Directors can request any information regarding the Swiss Prime Site Group from other members of the Board of Directors or Executive Board that they require to fulfil their duties. Members of the Board of Directors must be immediately notified of any extraordinary incidents.

The internal auditor, risk management and external auditors provide support to the Board of Directors in exercising its monitoring and controlling functions. In addition, the Audit Committee, Investment Committee and Nomination and Compensation Committee oversee the control and information functions relative to the Executive Board. These functions are coordinated with the Board of Directors and defined in the relevant regulations and records.

The Audit Committee, Investment Committee and Nomination and Compensation Committee are informed about the relevant issues by means of corresponding reports and analyses. These reports are discussed in detail and relevant proposals are submitted to the Board of Directors. The reports and analyses are then presented by the chairman of the respective committee in the subsequent board meetings and approved by the Board of Directors.

The Board of Directors defines and evaluates any risks that are significant for the group. This evaluation is based on a group-wide coordinated and consistent risk management and internal control system, which was expanded in 2016 with a process landscape. A risk inventory is used to identify, analyse, evaluate and manage risks according to the group's targets and sustainability roadmap. The Audit Committee assesses the group's risk situation through

risk reporting. Risk management is subsequently assessed, approved and controlled in terms of implementation by the Board of Directors based on the request of the Audit Committee. The Board of Directors is also supported by the internal and external auditors. The internal auditors receive audit and analysis assignments from the Board of Directors. Internal auditors have an unrestricted right to information and right of inspection of records relative to all group companies and positions. Moreover, the Executive Board in consultation with the Audit Committee can assign internal auditors tasks outside the scope of the planned auditing activities, such as executing special investigations and analyses. The internal auditor in charge reports to the Audit Committee.

Audit Committee

Chair: Thomas Studhalter; members: Barbara A. Knoflach, Christopher M. Chambers.

The functions, duties and powers of the Audit Committee are set out in separate rules. The Audit Committee manages all business activities of the Board of Directors in the areas of financial management (such as accounting, finance control and financial planning), assurance (risk management, internal control system, compliance and internal audit) and external audit. It also manages additional business activities of the Board of Directors that require specific financial expertise (for example, regarding taxes and dividend policies).

The Audit Committee has the right to issue instructions and obtain information with regard to the internal audit. The Audit Committee proposes the internal audit charter, which determines the organisation and operation of Swiss Prime Site's internal audit, to the full Board of Directors.

The Audit Committee holds meetings as often as business requires, but at least twice per year. Six meetings of the Audit Committee took place within the reporting period, including one meeting where all members were physically present, two video conference meetings and three hybrid meetings (physical and video). At least one meeting with the statutory auditor takes place per year. On the basis of this meeting, the Audit Committee forms an in-depth picture of the activities of the auditors and informs the Board of Directors about its findings. The Audit Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Audit Committee has a right of proposal to the Board of Directors. The Audit Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.

Nomination and Compensation Committee

Chair: Barbara Frei-Spreiter; members: Gabrielle Nater-Bass, Christopher M. Chambers.

Swiss Prime Site's Nomination and Compensation Committee assumes the relevant responsibilities in accordance with the Ordinance Against Excessive Compensation in Listed Companies (VegüV/OaEC) and the Articles of Association amended to accord with the OaEC. The functions, duties and powers of the Nomination and Compensation Committee are set out in separate rules. The Nomination and Compensation Committee manages all of the Board of Directors' business activities in the areas of nomination for the highest level managing body (members of the Executive Board and Management Boards of the group companies) as well as proposals for members of the Board of Directors and for compensation.

The Nomination and Compensation Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Nomination and Compensation Committee has the right to submit proposals to the full Board of Directors.

The Nomination and Compensation Committee holds meetings as often as business requires, but a minimum of twice per year. Four meetings of the Nomination and Compensation Committee took place within the reporting period, including two meetings with all members physically present, one video conference meeting and one hybrid meeting (physical and video). The Nomination and Compensation Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.

Investment Committee

Chair: Mario F. Seris; members: Ton Büchner, Barbara A. Knoflach.

The functions, duties and powers of the Investment Committee are set out in separate rules. The Investment Committee manages all Board of Directors' business activities in the areas of real estate and real estate investments as well as additional Board of Directors' business activities that require specific expertise in the real estate field. The Investment Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Investment Committee has the right to submit proposals to the Executive Board or Board of Directors. The Investment Committee holds meetings as often as business requires, but at least twice per year. Five meetings of the Investment Committee took place within the reporting period, including two meetings with all members physically present and three hybrid meetings (physical and video). The Investment Committee reports regularly on its

activities to the Board of Directors and Executive Board and submits the necessary proposals.

Sustainability Board

Chair: Ton Büchner, Chairman of the Board of Directors; members: Barbara Frei-Spreiter, member of the Board of Directors; René Zahnd, CEO; Urs Baumann, Chief Investment Officer, and Martin Pfenninger, Head Group Sustainability. The Board manages high-level, group-wide issues regarding sustainable management. The Board discussed and approved the strategy and objectives regarding sustainability, particularly reporting and further action to be taken in connection with the CO₂ reduction pathway. Starting from the 2022 Annual General Meeting, the Sustainability Board will operate as a standing committee of the Board of Directors and will only comprise members of the Board. Three meetings of the Sustainability Board took place within the reporting period, including two meetings with all members physically present and one hybrid meeting (physical and video).

Meetings

Committee/ Board	Meetings	Duration (average)	Attendance
Board of Directors	9	4:37 hours	98.4%
Audit	6	2:49 hours	94.4%
Nomination & Compensation	4	2:08 hours	91.7%
Investment	5	1:48 hours	100%
Sustainability	3	1:37 hours	100%

In 2021, the Board of Directors conducted a self-evaluation that assessed the work of the Board of Directors, its individual committees and the Sustainability Board. The evaluation covered purpose, scope, composition, committees, committee briefings to the whole Board of Directors, responsibilities, processes, governance and dynamics. The CEO and CFO were also asked to express their opinion about the Board of Directors, its work and the interaction with senior management (Executive Board). Each member of the Board of Directors completed a comprehensive survey, and a summary of the findings was discussed by the whole Board of Directors. The discussions covered progress on the defined measures that arose from the 2020 evaluation and new measures for 2022 based on the 2021 feedback.



Ton Büchner

1965, Altendorf

Position

Chairman of the Board of Directors, independent member since 2020

Committees

Sustainability Board: Chair

Investment: Member

Education

Master of Science in Civil Engineering, Delft University of Technology, Netherlands; Master of Business Administration, IMD Lausanne, Switzerland

Professional activity

From 1989 to 1993, Ton Büchner worked as an offshore construction project manager in Europe and Asia. From 1994 to 2017, he worked for Sulzer AG, listed on the stock exchange, and was their CEO from 2007 to 2011. Between 2012 and 2017, he was CEO and Chairman of the Management Board at AkzoNobel NV, a Dutch company listed on the stock exchange.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Board of Directors of Novartis AG, Basel; Chairman of the Board of Directors of Burckhardt Compression AG, Winterthur

Unlisted companies: Consultant for Ammega

Key skills

Leadership, Strategy, ESG, Sales & Marketing, Operations, M&A, Risk Management, R&D, Digitalisation



Mario F. Seris

1955, Klosters-Serneus

Position

Vice-Chairman of the Board of Directors, independent member since 2005

Committees

Investment: Chair

Education

Lic. phil. I; English and Education, at the University of Zurich

Professional activity

From 1978 to the beginning of 2013, Mario F. Seris held various national and global management positions at Credit Suisse AG, including as Chief Executive Officer of Credit Suisse Asset Management, Switzerland from 2002 to 2005. He was also Global Head of Real Estate Asset Management at Credit Suisse AG from 2005 to 2010. He represented Credit Suisse AG as a senior advisor on various boards of directors and investment committees in the real estate and fund sectors from 2011 to 2012. Since March 2013, he has been an independent advisor.

Mandates outside Swiss Prime Site

None

Key skills

Leadership, Strategy, Real Estate, Asset Management, Risk Management, Human Resources



Dr Barbara Frei-Spreiter

1970, Männedorf

Position

Member of the Board of Directors, independent member since 2018

Committees

Nomination and Compensation: Chair
Sustainability Board: Member

Education

Degree in Mechanical Engineering, Swiss Federal Institute of Technology; Dr. sc. Techn., Swiss Federal Institute of Technology; Master of Business Administration, IMD Lausanne

Professional activity

Between 1998 and 2016, Barbara Frei held several senior roles in the ABB Group, most recently as Head of Strategic Portfolio Reviews for the Power Grids division. Since December 2016, Barbara Frei held several roles at Schneider Electric and since January 2019 she has been the Executive Vice President of Industrial Automation at Schneider Electric.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Board of Directors of Swisscom AG, Berne

Key skills

Leadership, Strategy, ESG, Real Estate, Sales & Marketing, M&A, R&D, Digitalisation, IT/Cybersecurity, Human Resources



Thomas Studhalter

1969, Horw

Position

Member of the Board of Directors, independent member since 2018

Committees

Audit: Chair

Education

Business Economist, Certified Public Accountant

Professional activity

Thomas Studhalter has been CEO of BDO in Switzerland since 1 January 2021. Until 31 December 2020, he was a partner and member of the Regional Board of Management for Central Switzerland at BDO. Before joining BDO, Thomas Studhalter was a partner at KPMG.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Board of Directors of Datacolor AG, Lucerne

Unlisted companies: Member of the Board of Directors at Bataillard AG, Rothenburg; member of the Board of Trustees of the Eisner-Stiftung, Hergiswil (and member of the Board of Directors of Eisner Holding AG, Hergiswil and member of the Board of Directors of Inhag AG, Hergiswil)

Key skills

Leadership, Strategy, Finance, M&A, Risk Management, Digitalisation, Human Resources



Christopher M. Chambers

1961, London, UK

Position

Member of the Board of Directors, independent member since 2009

Committees

Audit: Member

Nomination and Compensation: Member

Education

Life Fellow Royal Society of Arts (FRSA), United Kingdom

Professional activity

Christopher M. Chambers began his professional career in investment banking, before becoming Chief Executive Officer of global hedge fund Man Investments, which he left in 2005.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Chairman of the Board of Directors of Leonteq AG, Zurich

Unlisted companies: Chairman of the Board of Directors of Lonrho Ltd., London, UK; Chairman of the Board of Directors of Oxford Sciences Enterprises PLC, Oxford, UK

Key skills

Leadership, Strategy, Real Estate, Asset Management, Finance, M&A, Risk Management



Barbara A. Knoflach

1965, Hofheim (D)

Position

Member of the Board of Directors, independent member since 2021

Committees

Audit: Member

Investment: Member

Education

Business Economist

Professional activity

Until 2019, Barbara A. Knoflach was Global Head of BNP Paribas Real Estate Investment Management (REIM) and Deputy CEO of BNP Paribas Real Estate S.A. in Paris. Prior to this, she worked in the financial hub of Frankfurt and held several leadership roles at SEB Asset Management, BfG Bank and Deutsche Bank. She was also Member of the Steering Committee of the German Property Federation (ZIA) in Berlin and is a Fellow of the Royal Institution of Chartered Surveyors (FRICS). In addition, she has founded or co-founded several sustainable, innovative, forward-thinking platforms focusing on real estate, including LifeWorkSpace, DealEvolution and tinyBE.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Chairwoman and Senior Independent Member CTP NV, Amsterdam (since March 2021)

Unlisted companies: Managing Director of LifeWorkSpace GmbH, Hofheim am Taunus; member of the Supervisory Board of Landmarken AG, Aachen (from January 2022)

Key skills

Leadership, Strategy, Real Estate, Asset Management, ESG, Finance, M&A, Risk Management



Gabrielle Nater-Bass

1968, Meilen

Position

Member of the Board of Directors, independent member since 2019

Committees

Nomination and Compensation: Member

Education

Lic. iur., University of Zurich; admitted to the Zurich bar; LL.M., University of Virginia School of Law, USA

Professional activity

Gabrielle Nater-Bass has been working for Homburger, a leading Swiss corporate law firm, since 1997. She became a partner in 2006. She has many years' experience appearing before national courts and courts of arbitration, both in Switzerland and abroad. As a member of Homburger's specialist real estate team, she has extensive knowledge of infrastructure projects and real estate transactions.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: none

Unlisted companies: Member of the Board of Directors of LGT Bank AG and LGT Bank (Schweiz) AG

Key skills

Legal, M&A, Risk Management, Strategy, IT/Cybersecurity, Human Resources

Executive Board

The Executive Board is responsible for the operational management of Swiss Prime Site and represents the group publicly. The Executive Board meets the definition of «executive management» as per the Articles of Association of Swiss Prime Site AG and the Swiss Ordinance Against Excessive Compensation in Listed Companies (VegüV/OaEC).

Members of the Executive Board generally attend the Board of Directors meetings in an advisory capacity. They leave the meeting if the Chair so directs.

Composition of the Executive Board

Name, Born	Position	Nationality	Member since
René Zahnd, 1966	CEO	CH	2015
Marcel Kucher, 1971	CFO	CH	2021
Martin Kaleja, 1972	Member, CEO Swiss Prime Site Immobilien AG	D	2021
Anastasius Tschopp, 1979	CEO Swiss Prime Site Solutions AG	CH	2021
Oliver Hofmann, 1970	Member, CEO Wincasa AG	CH	2013
Nina Müller, 1969	Member, CEO Jelmoli AG	AT	2020

Departures during the reporting period

Markus Meier, CFO, as of 31 July 2021.

Additions during the reporting period

Martin Kaleja, CEO Swiss Prime Site Immobilien AG, as of 1 January 2021.

Anastasius Tschopp, CEO Swiss Prime Site Solutions AG, as of 1 January 2021.

Dr Marcel Kucher, CFO, as of 1 July 2021.

Articles of Association provisions regarding the number of permitted activities

Members of the Executive Board may simultaneously carry out no more than five additional mandates outside the group in the supreme managing or supervising body of legal entities that are required to be entered in the commercial register or an equivalent foreign register, of which no more than one in a listed entity.

Several mandates within the same group of companies and mandates carried out as part of the member's position on the Board of Directors or the executive management or a supreme managing or supervisory body (including in pension funds, joint ventures and legal entities in which the company has a substantial investment), are counted as one mandate. Activities in non-profit-oriented associations, organisations and foundations are not subject to any restrictions.

Management contracts

There are no management contracts.

Compensation, shareholdings and loans

The following information is provided in the Compensation Report on pages 3 to 11: Articles of Association provisions regarding the principles governing profit-based compensation and the allocation of shares, as well as an additional amount for compensation of those members of the Executive Board who are designated as such following the vote by the Annual General Meeting on compensation; Articles of Association provisions regarding loans, credit and pension benefits to members of the Board of Directors and the Executive Board; Articles of Association provisions regarding the vote by the Annual General Meeting on compensation.

Shareholdings in Swiss Prime Site AG held by members of the Board of Directors and Executive Board are reported in the Company's notes to the financial statements of Swiss Prime Site AG on page 61.



René Zahnd

1966, Berne

«Turn challenges into opportunities.»

Position

Member of the Executive Board, Chief Executive Officer

Education

Attorney at Law

Professional activity

Chief Executive Officer of Swiss Prime Site AG since 1 January 2016. René Zahnd began his professional career at Bratschi Emch & Partner Attorneys at Law in Berne and Zurich from 1994 to 1996. Thereafter, he held the following positions: in Legal Services at BEKB and Dezennum AG from 1996 to 1998; Head of Legal Services as well as Director of Project Development and member of the Executive Management at general contractor Losinger/Marazzi from 1998 to 2009; Implenia from 2009 to 30 October 2015 – as member of the Executive Management from 2010 and member of the Group Executive Board of Implenia AG from 2013 – first as director of Implenia Real Estate and thereafter as director of Modernisation & Development from February 2014.

Mandates within Swiss Prime Site

Chairman of the Board of Directors of the following group companies: Jelmoli AG, Zurich; Swiss Prime Site Dreispitz AG, Olten; Swiss Prime Site Finance AG, Olten; Swiss Prime Site Immobilien AG, Olten; Swiss Prime Site Management AG, Olten; Swiss Prime Site Solutions AG, Zurich; Wincasa AG, Winterthur; Zimmermann Vins SA, Carouge

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Supervisory Board of DIC Asset AG, Frankfurt



Dr Marcel Kucher

1971, Zurich

«Digitalisation is a step towards the future. The most important step!»

Position

Member of the Executive Board, Chief Financial Officer

Education

Dr. oec. publ. University of Zurich

Professional activity

Marcel Kucher has been Chief Financial Officer of Swiss Prime Site AG since 1 July 2021. He completed a doctorate in Economics at the University of Zurich in 2000 and then began his professional career at McKinsey & Company (Zurich). From 2004 to 2011, he was CFO and Head of Corporate Development at recruitment company a-connect. From 2011 to mid-2021, he worked for the listed Peach Property Group, from 2012 as CFO and from 2015 also as COO.

Mandates within Swiss Prime Site

Member of the Board of Directors of the following group companies: Jelmoli AG, Zurich; Swiss Prime Site Dreispitz AG, Olten; Swiss Prime Site Finance AG, Olten; Swiss Prime Site Immobilien AG, Olten; Swiss Prime Site Management AG, Olten; Swiss Prime Site Solutions AG, Zurich; Wincasa AG, Winterthur; Zimmermann Vins AG, Carouge; streamnow ag, Zurich

Mandates outside Swiss Prime Site

None



Dr Martin Kaleja

1972, Maur

«Sustainability is future viability.»

Position

Member of the Executive Board, Chief Executive Officer of Swiss Prime Site Immobilien AG

Education

Doctorate in Electrical Engineering and Electronics

Professional activity

Chief Executive Officer of Swiss Prime Site Immobilien AG since 1 January 2021. He began his professional career at the Boston Consulting Group in 2001, where he spent nine years as a management consultant in several European countries. In 2010, he joined the Allianz Suisse Group, where he held a number of different positions. Between 2012 and 2014, he managed the Operations Services and Corporate Real Estate divisions. At the end of 2014, he was appointed CEO of Allianz Suisse Immobilien AG and by the end of 2020 was responsible for a portfolio of around 300 properties with a fair value of over CHF 5 billion.

Mandates outside Swiss Prime Site

Member of the Board of Directors of Allianz Suisse Immobilien AG, Wallisellen



Anastasius Tschopp

1979, Hünenberg

«Change is inevitable, so we may as well use it to our advantage.»

Position

Member of the Executive Board, Chief Executive Officer of Swiss Prime Site Solutions AG

Education

Master in Real Estate Management & Master in Banking and Finance from Zurich University of Applied Sciences in Business Administration

Professional activity

Chief Executive Officer of Swiss Prime Site Solutions AG since 1 May 2018 and member of the Executive Board of Swiss Prime Site AG since 1 January 2021. Anastasius Tschopp has worked at the Swiss Prime Site Group since 2014 – most recently as Head of Portfolio Management and a member of the Management Board of Swiss Prime Site Immobilien AG, where he forged a portfolio worth CHF 10 billion. His professional career has included the Development division at Zurich Airport and Credit Suisse, where he was Head of Property Marketing and Real Estate Asset Management, with responsibility for marketing across Switzerland.

Mandates outside Swiss Prime Site

None



Oliver Hofmann

1970, Richterswil

«Pursuing efficiency and focusing on the essentials are what make our business model successful.»

Position

Member of the Executive Board, Chief Executive Officer of Wincasa AG

Education

Banking studies, Bachelor in Economics and Business Administration, Master of Science in Real Estate from CUREM (University of Zurich)

Professional activity

Chief Executive Officer of real estate services company Wincasa AG since 1 January 2013 and member of the Executive Board of Swiss Prime Site AG since 1 June 2013. In addition to spending a few years of his professional career in the finance department of IBM (Switzerland) Ltd, Oliver Hofmann previously worked at UBS AG for more than 15 years with other intermittent activities (investment advisor in Wealth Management, Corporate Finance, setting up a Swiss real estate advisory service). From 2007 to 2012, he held the position of head of Real Estate Advisory Switzerland at UBS AG. From 2010 to September 2013, he served as chairman of RICS Switzerland – Royal Institution of Chartered Surveyors. Oliver Hofmann is also a member of «G15 – Group of Fifteen».

Mandates within Swiss Prime Site

Chairman of the Board of Directors of streamnow ag, Zurich

Mandates outside Swiss Prime Site

Stock exchange-listed companies: none

Unlisted companies: Vice-Chairman of the Board of Directors of H Invest & Consult AG, Freienbach; member of the Board of Directors of Crédit Agricole next bank (Suisse) SA, Lancy; member of the Board of Directors of the cooperative society ZFV-Unternehmungen, Zurich



Nina Müller

1969, Zurich

«Shopping with us is an incredible experience!»

Position

Member of the Executive Board, Chief Executive Officer of Jelmolli AG

Education

Master of International Business Administration, Vienna University of Economics and Business

Professional activity

In 1995, Nina Müller began her professional career as Sales & Marketing Manager Italy for Wolford. This was followed by positions in the retail sector in Vienna and London. In 2005, she moved to Swarovski where she held a number of different roles, including the jewellery and crystal company's Head of Retail Concepts and Retail Marketing until 2010. In 2011, she took up the position of General Manager to establish a new brand within Swarovski. From 2016 to the beginning of 2020, Nina Müller was CEO of CHRIST watches and jewellery (Coop Group). Her key duties there included the introduction of a new store concept as well as the expansion of the omnichannel approach.

Mandates outside Swiss Prime Site

None

Shareholder participation rights

The current Articles of Association are available at www.sps.swiss under Governance. The following are references to selected articles:

- Share register and registration restrictions (Article 5)
- Powers of the Annual General Meeting (Article 8)
- Convening/agenda of the Annual General Meeting (Article 9, para. 4 and Article 10)
- Voting rights and adoption of resolutions, independent shareholder representative and issuing instructions (Articles 12 and 13)
- Special quorums (Article 14)
- Compensation of the Board of Directors and Executive Board (Article 28 et seq.), see the Compensation Report

The wording of some provisions of the Articles of Association is provided in the following section:

Voting rights and adoption of resolutions

According to Article 12 of the Articles of Association:

«¹ Each share entitles its holder to one vote.

² Representation by proxy at the Annual General Meeting is only permissible with a written power of attorney. The chairman of the shareholders' meeting decides on the recognition of proxies. The Board of Directors may issue rules on the participation, representation and the issuing of voting instructions. The Board of Directors ensures that shareholders can grant a power of attorney and issue their instructions to the independent proxy electronically.

³ The Annual General Meeting passes its resolutions and effects its elections with a majority of the validly cast votes, unless the law or the Articles of Association provide otherwise. Abstentions shall not be counted. In the event of a tie vote, the Chairman shall have the casting vote for resolutions, while elections shall be decided by lot.

⁴ Elections and resolutions are taken in an open ballot or electronically, unless the Annual General Meeting resolves that an election or resolution shall be taken in writing or the Chairman decides to do so. The Chairman may always have an open or electronic ballot repeated as a written ballot if in his opinion there are doubts as to the result of the vote. In such a case, the previous open or electronic election or vote is considered not to have occurred.»

Any shareholder entered in the share register as at 9 March 2022 (effective date) is eligible to vote at the ordinary Annual General Meeting of 23 March 2022. Shareholders who sell their shares after this date are not eligible to participate in the ordinary Annual General Meeting. No entries are recorded in the share register from 10 March up to and including 23 March 2022.

Special quorums

According to Article 14 of the Articles of Association:

«A resolution of the Annual General Meeting with at least two-thirds of the represented votes and with the absolute majority of the represented nominal share value is required for the following:

- a) amendment of the Company's purpose;
- b) creation of shares with voting rights;
- c) transfer restrictions on registered shares;
- d) authorised or conditional capital increase;
- e) capital increases from shareholders' equity, against contribution in kind or for the purpose of acquiring assets as well as granting of special rights;
- f) restriction or cancellation of subscription rights;
- g) change of the Company's registered office;
- h) dissolution of the Company without liquidation;
- i) dissolution of the Company with liquidation;
- k) conversion of bearer shares into registered shares;
- l) conversion of registered shares into bearer shares;
- m) the abolishment of statutory restrictions regarding the adoption of resolutions at the Annual General Meeting pursuant to items i, k and l above.»

Convening the Annual General Meeting

According to Article 10 of the Articles of Association:

«¹The Annual General Meeting is convened by the Board of Directors, or, if necessary, by the auditor.

²The Annual General Meeting shall be convened no less than 20 days before the date of the meeting by publication in the Swiss Official Gazette of Commerce. Shareholders recorded in the share register may also be invited by letter. The notice of an Annual General Meeting shall state the agenda items and the proposals of the Board of Directors and of the shareholders who requested that items be put on the agenda or that an Annual General Meeting be convened.

³ Subject to the provisions regarding universal meetings of shareholders, no resolutions can be passed on matters not thus announced except with respect to the application to convene an extraordinary shareholders' meeting or to conduct a special audit. Proposals made after convening or during the Annual General Meeting may be allowed for discussion if the Annual General Meeting so decides. However, resolutions in relation to such proposals may only be made at the next Annual General Meeting.

⁴ No prior notification is required for submitting proposals in the context of agenda items and for the discussion of matters without the passing of a resolution.

⁵The annual report, the compensation report and the corresponding audit report, the auditor's report and the group audit report must be made available to the shareholders at the Company's registered office no less than 20 days before the ordinary Annual General Meeting. The invitation to the Annual General Meeting must refer to this fact and to the right of every shareholder to request that copies of these documents be sent to them.»

Agenda

According to Article 9, para. 4 of the Articles of Association, shareholders representing shares with a nominal value of half a million Swiss francs may demand that an item be put on the agenda. Such demand must be made in writing, specifying the agenda item and the proposals, no later than 40 days before the date of the shareholders' meeting.

Share register and registration provisions

According to Article 5 of the Articles of Association:

«¹A share register is kept for the registered shares, in which the owners and usufructuaries are entered with their surname, given name, place of residence, address and nationality (in case of legal entities, the registered office). In the event of a change of place of residence, the Company must be notified in writing of the new place of residence, failing which the former place of residence continues to be relevant for the purpose of the relationship with the Company. The Company only acknowledges a person as a shareholder or usufructuary if such person is entered in the share register. The Company acknowledges only one beneficiary per share.

² Upon request, those acquiring registered shares are entered into the share register as shareholders with the right to vote if they expressly declare to have acquired these registered shares in their own name and for their own account. Art. 685d (3) CO remains reserved.

³ After having heard the registered shareholder, the Board of Directors may delete an entry in the share register with retroactive effect as of the date of that entry if such entry was based on false information. The respective shareholder must be informed immediately about the deletion.

⁴ The Board of Directors takes the necessary steps and makes the necessary arrangements in order to comply with the above provisions.

⁵ The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as, and as long as, their recognition can prevent the Company from providing the verification governing the composition of its shareholders, which is required by Swiss federal law. Otherwise, there are no restrictions on registration or voting rights.»

Independent shareholder representative

The Articles of Association provisions regarding independent shareholder representative correspond to the regulations according to the Ordinance Against Excessive Compensation in Listed Companies (VegüV/OaEC). The Board of Directors ensures that shareholders can issue authorisations and instructions to the independent shareholder representative electronically as well. Detailed information and instructions are provided to shareholders together with the invitation documentation for attendance of the Annual General Meeting. These are also published on the Company's homepage.

Change of control and defence measures

Anyone who directly, indirectly or in joint agreement with third parties acquires shares and, together with the shares already in their possession, exceeds the limit of 33⅓% of the voting rights, whether exercisable or not, must submit an offer for all listed shares of the Company. There are no change of control clauses in the agreements and plans in favour of the members of the Board of Directors and Executive Board or other members of the Company's executive management.

Statutory auditor

Duration of the mandate and period of office of the auditor in charge

Since the Company was founded (1999), the statutory auditor of Swiss Prime Site AG has been KPMG AG, Räflestrasse 28, Postfach, 8036 Zurich. KPMG AG also acts as independent auditor for all significant fully consolidated group companies. The auditors are elected each year by the Annual General Meeting.

The auditor in charge has been in this role since the financial year 2020.

Fees

For the current reporting period, audit fees (including services relating to capital market transactions) of CHF 0.652 million [CHF 0.663 million] and CHF 0.186 million [CHF 0.032 million] for consultancy services were recorded.

Information tools of the external audit

The Audit Committee holds a meeting with the auditors on an annual basis regarding the financial statements as well as the audit thereof. Moreover, the results of the audit are recorded in writing in a comprehensive report for submission to the Board of Directors.

The Audit Committee evaluates the performance, fees and independence of the auditors on an annual basis and reports to the Board of Directors.

The Audit Committee evaluates the assessment of risks of misrepresentations in the financial statements by the Executive Board and external auditors and evaluates and monitors the implementation of countermeasures.

The Audit Committee discusses with the Executive Board and external auditors the audited consolidated financial statements and carries out a critical analysis particularly with respect to special events. The Audit Committee decides whether the individual and consolidated financial statements can be submitted to the Board of Directors for approval and publication, before the Board of Directors actually approves and publishes these. The Audit Committee discusses with the external auditors any significant problems that emerge within the scope of the audit as well as the complete report and the responses by the Executive Board to the facts therein. The Audit Committee also submits proposals to the Board of Directors, as required, for appropriate solutions and monitors the implementation of measures.

The Audit Committee discusses with the Executive Board and external auditors their assessment of the general quality of Swiss Prime Site's accounting standards policy that is applied to the financial reporting, carries out a critical analysis and reports to the Board of Directors.

Information policy

The Swiss Prime Site Group's detailed financial reporting occurs in the form of semi-annual and annual reports. The published accounting standards comply with the provisions of Swiss company law, the Listing Rules of the SIX Swiss Exchange and Swiss GAAP FER regulations. Swiss Prime Site presents the semi-annual and annual reports at the half-yearly and annual financial results press conferences as well as at the Annual General Meeting. Swiss Prime Site conducts its reporting within the scope of the disclosure obligations as per the Financial Market Infrastructure Act (FMIA) and the ad hoc publicity of the SIX Swiss Exchange. The ad hoc releases can be accessed concurrently with the reports to the SIX Swiss Exchange at www.sps.swiss under Media. In addition, media releases are published as required and these can also be subscribed to at www.sps.swiss under Media. Further information about the group can be found on the website at www.sps.swiss.

Contact address:
Swiss Prime Site AG
Frohburgstrasse 1
CH-4601 Olten
Telephone: +41 58 317 17 17
Email: info@sps.swiss

General blackout periods

As a rule, a blackout period regarding trading of material Swiss Prime Site shares applies to all employees of Swiss Prime Site and of directly and indirectly controlled subsidiaries of the Swiss Prime Site Group from 20 December every year until 24 hours after the publication of the annual financial statements and from 25 June every year until 24 hours after the publication of the half-yearly financial statements. In addition, if any employees of the Swiss Prime Site Group become aware of insider information – either via a media release or another source – they are not permitted to trade in material Swiss Prime Site shares from the point they acquire the knowledge until 24 hours after the information becomes generally known or has lost its status as insider information.

Significant changes since the balance sheet date

No significant changes have taken place since the balance sheet date.

SWISS PRIME SITE

COMPENSATION

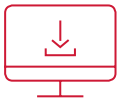
REPORT

2021



Compensation

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Swiss Prime Site – the Real Estate Investment Platform

We are the leading partner for investors who want to invest or are invested both indirectly and directly in the real estate market. Swiss Prime Site thus covers the entire investor spectrum from private investors to institutional investors. The product range includes funds (open-ended and closed-ended), mandates, investment foundations, bonds and the Swiss Prime Site share.

Reporting structure

The stakeholder-oriented 2021 reporting consists of the online report (www.sps.swiss/reporting) and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2021». In this way, we create added multimedia value.

The Compensation Report is written in accordance with the provisions of the Swiss Ordinance Against Excessive Compensation in Listed Companies (hereinafter referred to as «Ordinance»), the guidelines regarding corporate governance information of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse. The Compensation Report describes the governance framework, the compensation principles and programmes as well as the compensation awarded to the members of the Board of Directors and of the Executive Board in the financial year 2021.

Shareholders approve the maximum amount of compensation of the Board of Directors and the Executive Board by way of a binding vote at the Annual General Meeting. Shareholders also approve the Articles of Association that outline the principles of compensation and approve the Compensation Report by way of a consultative vote. The proposed maximum amounts of compensation submitted to shareholders' vote are maximum figures that are paid out in case of substantial over-achievement of all relevant performance targets. The effective compensation paid out is therefore likely to be below the approved maximum amounts. The effective compensation is reported in the Compensation Report, which is subject to a consultative vote by the shareholders at the Annual General Meeting. The combination of the prospective binding vote on the maximum amounts of compensation and retrospective consultative vote on the Compensation Report gives shareholders a say in decisions regarding compensation. Swiss Prime Site will continue to present the Compensation Report to the Annual General Meeting for a consultative vote in order to give shareholders the opportunity to express their opinion on the compensation system.

Provisions on compensation in the Articles of Association

The Articles of Association can be found in their entirety on the Company's website (www.sps.swiss under Governance). The following is a summary:

<p>Principles of compensation of the Board of Directors Article 28</p>	<p>The members of the Board of Directors receive fixed compensation for their activities. Additional compensation may be paid for memberships in committees and for assuming special tasks or assignments. The compensation may be paid entirely in cash or in restricted or unrestricted shares of the Company.</p>
<p>Principles of compensation of the Executive Board Articles 30 and 31</p>	<p>The members of the Executive Board receive fixed annual compensation for their activities as well as variable performance-based compensation. The variable compensation is based on quantitative and individual targets that are determined annually by the Board of Directors in the Company's and the shareholders' long-term interests. The variable compensation may be paid in cash or partly in restricted or unrestricted shares of the Company.</p>
<p>Approval of compensation by shareholders Articles 29 and 32</p>	<p>The Annual General Meeting annually approves with binding effect the maximum amount of compensation of the Board of Directors for the respective current financial year and the maximum amount comprising both the fixed and variable compensation of the Executive Board for the current financial year. The compensation effectively paid to the Board of Directors and the Executive Board is disclosed in the Compensation Report, which is subject to a consultative vote by the shareholders.</p>
<p>Additional compensation for new Executive Board members Article 32</p>	<p>In case of appointment of new members of the Executive Board after the approval of the maximum amount of compensation by the Annual General Meeting, the maximum additional amount available for each new member corresponds to 150% of the highest compensation paid to a member of the Executive Board in the last ordinary shareholders' meeting of the previous financial year.</p>

Nomination and Compensation Committee

The Board of Directors has a Nomination and Compensation Committee (NCC) to provide support in compensation matters. Barbara Frei-Spreiter (Chair), Gabrielle Nater-Bass and Christopher M. Chambers are the current members of the Nomination and Compensation Committee.

The responsibilities of the Nomination and Compensation Committee are defined in a separate regulation. In summary, this includes:

- Preparation of proposals to the Board of Directors regarding the compensation principles, including the design of variable compensation
- Preparation of proposals to the Board of Directors regarding the maximum amounts of compensation of the members of the Board of Directors and the Executive Board to be submitted to shareholders' vote at the Annual General Meeting
- Preparation of proposals to the Board of Directors regarding the individual compensation of the members of the Board of Directors and the Executive Board within the limits approved by the shareholders
- Preparation of proposals to the Board of Directors on the performance targets relevant for the determination of the variable compensation
- Evaluation of the achievement of the performance targets for the calculation of the variable compensation and preparation of the corresponding proposals to the Board of Directors
- Monitoring compliance of the compensation principles with the law, the Articles of Association and internal regulations as well as the resolutions of the Annual General Meeting regarding compensation
- Preparation of the Compensation Report
- Preparation of the guidelines and proposals for the nomination (including authority to sign) for the compensation payable to the Board of Directors, the Executive Board, employees of Swiss Prime Site AG and its group companies, real estate asset managers, property/facility managers, related persons and external valuation experts

- Monitoring of compliance with the compensation and nomination policy determined by the Board of Directors, the Committee itself and the Executive Board
- Assessing talent and succession management and the issues of diversity and inclusion
- Any other activities assigned by law or by the Board of Directors

The Nomination and Compensation Committee acts in an advisory capacity while the Board of Directors retains the decision-making authority on compensation matters, except for matters concerning the maximum amounts of compensation of the Board of Directors and Executive Board, which are subject to the approval of shareholders at the Annual General Meeting. The authority levels of the different bodies on compensation matters are detailed in the following table.

The Nomination and Compensation Committee held **four** meetings in 2021, of which one was a phone/video conference. Over the course of the year, the Nomination and Compensation Committee reviewed the appropriateness of the compensation of the Board of Directors and the compensation structure for the Executive Board. Furthermore, the Nomination and Compensation Committee performed its regular activities throughout the year, such as the performance target setting at the beginning of the year and the performance assessment following the year-end, the annual review and determination of the individual compensation of the members of the Board of Directors and the Executive Board, as well as the preparation of the Compensation Report and of the say-on-pay compensation votes for the Annual General Meeting.

The Chair of the Nomination and Compensation Committee reports the activities of the committee to the Board of Directors after each meeting. The minutes of the committee meetings are available to the members of the Board of Directors. As a general rule, the Chairman of the Board of Directors and CEO attend the meetings in an advisory capacity. They do not attend the meeting when their own compensation and/or performance are being discussed. The Nomination and Compensation Committee may consult an external advisor from time to time regarding special compensation issues. In 2021, Agnès Blust Consulting AG was commissioned as an independent, external consultancy firm on matters of compensation. This company has no other consultancy mandate from Swiss Prime Site AG.

Authority levels in compensation matters

	CEO	NCC	BoD	AGM
Compensation principles and variable compensation design		Proposes	Approves	
Maximum amounts of compensation of the Board of Directors and Executive Board		Proposes	Reviews	Approves (binding vote)
CEO compensation		Proposes	Approves	
Individual compensation of the Executive Board	Proposes	Reviews	Approves	
Performance target setting and assessment of the CEO		Proposes	Approves	
Performance target setting and assessment of the Executive Board	Proposes	Reviews	Approves	
Individual compensation of the members of the Board of Directors		Proposes	Approves	
Compensation Report		Proposes	Approves	Consultative vote

Method of determination of compensation

The Nomination and Compensation Committee periodically reviews the compensation of the Board of Directors and Executive Board. This includes the regular benchmarking analysis – approximately every two to three years – of the compensation of similar positions in other stock exchange-listed companies that are comparable in size (market capitalisation, revenues, headcount). However, it is worth noting that Swiss Prime Site’s business model – with operating group companies in real estate-related business fields and a total workforce of more than 1700 employees – has a higher degree of complexity than pure real estate companies.

The study showed that the fee of the Chairman of the Board of Directors is significantly below the benchmark median (median of CHF 489498). Therefore, this fee will be increased by CHF 100000 to CHF 450000 in 2022.

Fixed annual fee for members of the BoD 2021

Chairman of the Board of Directors	CHF 350 000
Vice-Chairman of the Board of Directors	CHF 190 000
Member of the Board of Directors	CHF 180 000
Additional fee for the Chairman of the Audit Committee	CHF 10 000
Expense allowance	CHF 6 000

Compensation of the Board of Directors

The independence of the members of the Board of Directors in terms of good corporate governance is underscored by fixed compensation that does not have a performance-related element. It is also underpinned by supervisory duties toward the Executive Board and a focus on the long-term, sustainable strategy of the Company. The fee is paid partly in cash and partly in restricted shares (with a vesting period of 3 years), with the intention of strengthening the long-term alignment of the Board’s interests with those of shareholders. The fee is paid half-yearly (June and December) and the price used to calculate the number of shares is the 60-day VWAP prior to the month of payment.

The total compensation of the Board of Directors amounts to CHF 1.5 million [2020: CHF 1.3 million] and is therefore less than the compensation proposed at the Annual General Meeting of 23 March 2021. The shareholding of the Board of Directors is stated on page 11.

In 2021 a new benchmark study was conducted by the independent consulting firm Agnès Blust Consulting. The benchmark included 21 listed companies with similar market capitalisation, revenue and headcount (Adecco, Barry Callebaut, Belimo, BKW, Clariant, Emmi, EMS-Chemie, Galenica, Geberit, Idorsia, Logitech, PSP Swiss Property, SIG Combibloc, Sonova, Straumann, Swatch, Swisscom, Tecan, Temenos, VAT Group and Vifor).

01.01.–31.12.2021

in CHF 1000	Compensation in cash	Share-based compensa- tion ¹	Other compensation components ²	Employer social security contributions	Gross compensation	Expense allowance
Ton Büchner, Chairman of the BoD	175	156	6	20	357	6
Mario F. Seris, Vice-Chairman of the BoD	95	85	5	9	194	6
Christopher M. Chambers, member of the BoD	90	80	6	–	176	6
Dr. Barbara Frei-Spreiter, member of the BoD	90	80	6	5	181	6
Dr. Rudolf Huber, member of the BoD ³	21	21	5	2	49	1
Barbara Antonia Knoflach, member of the BoD ⁴	69	61	6	–	136	5
Gabrielle Nater-Bass, member of the BoD	90	80	6	5	181	6
Thomas Studhalter, member of the BoD	95	85	6	5	191	6
Total compensation to the Board of Directors 2021, gross	725	648	46	46	1465	42
Compensation approved by the Annual General Meeting					1800	

¹ the shares are subject to blocking for three years, fair value upon transfer of shares

² services and benefits in kind (provision of Swiss federal railways (SBB) general pass, gross)

³ until 23.03.2021

⁴ since 23.03.2021

01.01.–31.12.2020

in CHF 1000	Compensation in cash	Share-based compensa- tion ¹	Other compensation components ²	Employer social security contributions	Gross compensation	Expense allowance
Ton Büchner, Chairman of the BoD ³	116	103	6	13	238	5
Mario F. Seris, Vice-Chairman of the BoD	82	73	5	7	167	6
Christopher M. Chambers, member of the BoD	78	69	6	–	153	6
Dr. Barbara Frei-Spreiter, member of the BoD	78	69	6	5	158	6
Dr. Rudolf Huber, member of the BoD	78	69	6	7	160	6
Gabrielle Nater-Bass, member of the BoD	78	69	6	5	158	6
Thomas Studhalter, member of the BoD	82	73	6	5	166	6
Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD ⁴	43	44	–	4	91	2
Total compensation to the Board of Directors 2020, gross	635	569	41	46	1291	43
Compensation approved by the Annual General Meeting					1800	

¹ the shares are subject to blocking for three years, fair value upon transfer of shares

² services and benefits in kind (provision of Swiss federal railways (SBB) general pass, gross)

³ since 24.03.2020

⁴ until 24.03.2020

Compensation of the Executive Board

Executive Board compensation model

The compensation system for the Executive Board comprises an annual base salary plus a bonus consisting of a short-term incentive and a long-term incentive. Members of the Executive Board also receive a fixed payment for expenses and a first class SBB GA Travelcard.

Annual base salary

The amount of the base salary is determined particularly by individual competencies, experience, market value and responsibility of the respective Executive Board member. An independent company is commissioned by the Board of Directors to carry out a benchmarking analysis periodically (every 2–3 years).

Short-term incentive with ESG targets

The short-term incentive is a performance-based compensation in cash that is capped at a maximum of 62.5% of the annual base salary. It measures the attainment of annual profitability and growth targets with a total weighting of 75%, and individual targets with a weighting of 25%. A target achievement of 100% leads to the payment of 75% of the maximum bonus of the respective target and underlines the ambitious target. The maximum bonus can therefore only be achieved with a clear outperformance.

The individual targets typically contain key figures from the own business area, which are formative and typical for the industry and also take into account ESG targets, among others. The current ESG targets include, for example, the improvement of the ISS ESG rating, innovation processes in digitalisation, optimisation of the organisational structure or the validation of densification potential. From 2022 onwards, each member of the Group Executive Board must have an ESG target included in their short-term incentive.

The profitability and growth targets for all members of the Group Executive Board include EBIT as well as another company-specific relevant key figure such as vacancy rate, assets under management or ROIC, all of which are designed to ensure sustainable, successful business operations.

Long-term incentive

The long-term incentive takes the form of performance share units (PSU). This amounts to a maximum of 37.5% of the annual base salary. The group EPS is used as a key performance indicator, reflecting the committee's collective achievement for the group. The number of PSUs are allocated using the 60-day VWAP from the previous year as at 31 December and are subject to a three-year vesting period. EPS is the most comprehensive financial measure of the Group's long-term objectives. The Nomination and Compensation Committee is discussing and reviewing the allocation of an ESG target in the LTI from 2023.

Bonus repayment (clawback clause)

The bonus regulations for the Executive Board were amended to the effect that, in addition to the claims for compensation already provided for, the Board of Directors is entitled to request at most – with binding effect and at their own discretion – the repayment of the last bonus received if a member of the Executive Board causes significant financial damage or loss of reputation or is in serious breach of statutory, regulatory or contractual provisions, or if the Swiss Prime Site Group has experienced a significant change in its capital base or financial performance.

Minimum shareholding (share ownership guidelines)

For the purposes of further alignment with shareholders' interests, the Executive Board is newly required to own a minimum shareholding. The required shareholding ranges from 100%–200% of the annual base salary and reflects the role and significance of the individual's contribution to the performance of the group. The number of shares is calculated based on the 60-day VWAP as at 31 December of the previous financial year. This rule comes into effect as at 1 January 2022, and the minimum shareholding is to be met by 1 April 2027. There is a five-year period in which to build up the shareholding. The shareholding of the Executive Board is stated on page 11.

Mechanism of the performance share units (PSUs) within the scope of the long-term incentive (LTI) plan

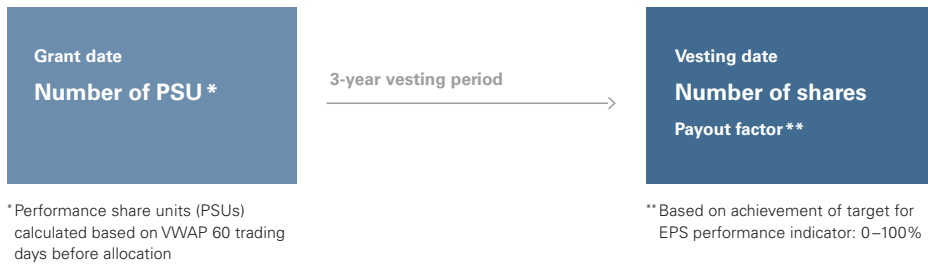
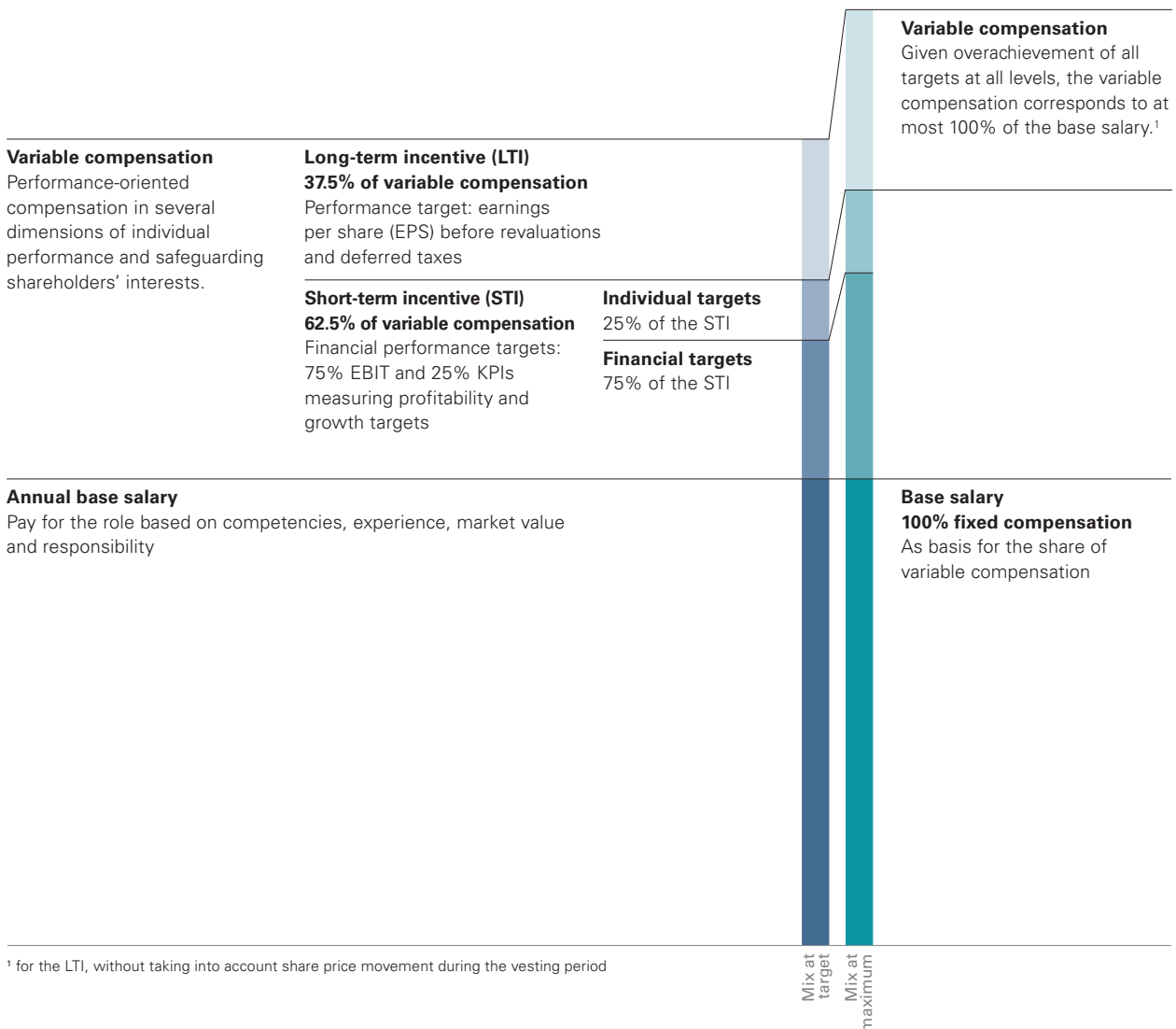


Illustration of the compensation system for the Executive Board



Notes on the compensation table

At the end of 2020, the Executive Board comprised five members. As CEO of Swiss Prime Site Solutions, Anastasius Tschopp joined the Executive Board as at 1 January 2021. Marcel Kucher took over the post of Group CFO from Markus Meier as at 1 July 2021. Martin Kaleja took over the post of CEO of Swiss Prime Site Immobilien from Peter Lehmann as at 1 January 2021. At the end of 2021, the Executive Board therefore comprised six members. The fixed compensation of René Zahnd, CEO of Swiss Prime Site, was – at his request – reduced to CHF 750 000 as at 1 April 2021.

The variable compensation in 2021 was 85% the fixed compensation for the CEO and between 84% and 98% of the fixed compensation for the other members of the Executive Board. The compensation paid to the Executive Board for the 2021 financial year of CHF 7.2 million [2020: CHF 6.6 million] is less than the maximum amount of CHF 8.3 million approved at the Annual General Meeting on 23 March 2021, despite the waiting allowances paid to the former members of the Executive Board.

01.01.–31.12.2021

in CHF 1000	Total Group Executive Board	of which René Zahnd (CEO) ¹
Fixed compensation in cash, gross	3 438	788
Variable compensation in cash, gross	1 601	374
Share-based variable compensation ²	1 205	295
Other compensation components ³	44	6
pension fund contributions	641	106
Other social security contributions	324	88
Total compensation to the Group Executive Board 2021, gross	7 253	1 657
Expense allowance	114	18
Compensation approved by the Annual General Meeting	8 300	

¹ highest compensation to the Executive Board

² performance share units (LTI) with three-year vesting period

³ includes all compensation components not separately reported according to art. 14, para. 2 of the Swiss Ordinance Against Excessive Compensation in Listed Companies, e.g. provision of Swiss federal railways (SBB) general pass

01.01.–31.12.2020

in CHF 1 000	Total Group Executive Board	of which René Zahnd (CEO) ¹
Fixed compensation in cash, gross	3 051	900
Variable compensation in cash, gross	1 611	401
Share-based variable compensation ²	1 050	338
Other compensation components ³	32	6
pension fund contributions	466	96
Other social security contributions	365	107
Total compensation to the Group Executive Board 2020, gross	6 575	1 848
Expense allowance	87	18
Compensation approved by the Annual General Meeting	8 300	

¹ highest compensation to the Executive Board

² performance share units (LTI) with three-year vesting period

³ includes all compensation components not separately reported according to art. 14, para. 2 of the Swiss Ordinance Against Excessive Compensation in Listed Companies, e.g. provision of Swiss federal railways (SBB) general pass

Target weighting and target achievement 2021

	Total variable compensation, maximum 100% of base salary				
	62.5% short term				37.5% long-term number of PSUs based on VWAP in 2018
	25% individual objectives	75% EBIT and growth targets		Achievement of targets in % of maximum variable compensation for the STI	
CEO	25%	75%	25% ROIC	76%	100% EPS ^{1,2}
CFO	25%	75%	25% ROIC	82%	100% EPS ^{1,2}
CEO Swiss Prime Site Immobilien	25%	75%	25% vacancy rate	84%	100% EPS ^{1,2}
CEO Swiss Prime Site Solutions	25%	75%	25% AuM	97%	100% EPS ^{1,2}
CEO Wincasa	25%	75%	25% sales growth	75%	100% EPS ^{1,2}
CEO Jelmoli	25%	75%	25% footfall	75%	100% EPS ^{1,2}

¹ before revaluations and deferred taxes

² Swiss Prime Site Group

Executive Board target achievement

The 2021 target achievement rates for the short-term incentive (STI) ranged from 75% to 97%. The target achievement of the LTI plan due in 2022 was 104.46% (payout factor: 100%). A total of 13447 shares were transferred to current and former members of the Executive Board, of which 6028 shares relate to active members of the Executive Board.

Benefits and fringe benefits

Benefits consist mainly of retirement and healthcare plans that are designed to provide an appropriate level of protection for the employees and their dependants with respect to retirement, the risk of disability and death, and risks to health. The members of the Executive Board are covered in accordance with the respective pension plans of the employing company. There are three pension plans within the SPS and Jelmoli pension funds for the employees of Swiss Prime Site Management AG, Jelmoli AG and Wincasa AG. Contributions by the employer (total risk and savings contributions) range from 13% to 19%, according to age. Furthermore, all members of the Executive Board are entitled to a lump-sum expense allowance, as approved by the tax authorities. No other benefits are paid to members of the Executive Board.

Employment contracts

According to Article 23 of the Articles of Association, the contracts determining the compensation of the members of the Board of Directors and the Executive Board may be of fixed or unlimited term. The maximum duration of fixed-term contracts is one year. The notice period for unlimited contracts may not exceed one year. These contracts may stipulate post-contractual non-competition clauses with a duration of up to twelve months. The compensation

corresponds to the maximum amount of the last effected fixed annual compensation in proportion to the duration.

The current employment contracts of the members of the Executive Board are open-ended and include notice periods of six months. These contracts contain no unusual provisions, in particular no severance pay and no extraordinary clauses in the event of a change of control over the Company.

Shareholding rights for Board of Directors and Executive Board

Number of shares	31.12.2020	31.12.2021
Board of Directors		
Ton Büchner, Chairman of the BoD	4 809	6 716
Mario F. Seris, Vice-Chairman of the BoD	15 138	16 172
Christopher M. Chambers, member of the BoD	43 640	44 620
Dr. Barbara Frei-Spreiter, member of the BoD	2 987	3 967
Dr. Rudolf Huber, member of the BoD ¹	15 969	n.a.
Barbara Antonia Knoflach, member of the BoD ²	n.a.	754
Gabrielle Nater-Bass, member of the BoD	1 840	2 820
Thomas Studhalter, member of the BoD	3 107	4 141
Executive Board		
René Zahnd, member of the Executive Board (CEO)	9 680	12 894
Marcel Kucher, member of the Executive Board (CFO) ³	n.a.	5 150
Markus Meier, member of the Executive Board (CFO) ⁴	8 754	n.a.
Martin Kaleja, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG ⁵	n.a.	–
Peter Lehmann, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG ⁶	15 069	n.a.
Anastasius Tschopp, member of the Executive Board and CEO of Swiss Prime Site Solutions AG ⁵	n.a.	581
Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG	400	1 830
Nina Müller, member of the Executive Board and CEO of Jelmoli AG	–	–
Total share ownership	121 393	99 645

¹ until 23.03.2021² since 23.03.2021³ since 01.07.2021⁴ until 30.06.2021⁵ since 01.01.2021⁶ until 31.12.2020**Loans and credits to members of the Board of Directors and Executive Board**

No loans or credits were granted to current members of the Board of Directors or the Executive Board in 2021, and there were no loans or credits outstanding as at 31 December 2021.

Compensation, loans and credits to former members and related persons

No compensation was paid nor loans or credits granted to former members of the Board of Directors and the Executive Board, or persons related to members of the Board of Directors or Executive Board. There were no such loans or credits or compensation outstanding as at 31 December 2021.

Business relationships of members of the Board of Directors

No member of the Board of Directors has any significant business relationship with Swiss Prime Site AG or its group companies. Any compensation other than that stipulated in the Articles of Association and referred to in this report to members of the Board of Directors and Executive Board is prohibited. No compensation was effected to members of the Board of Directors and Executive Board in 2021 other than that referred to in the previous sections.



Report of the Statutory Auditor

To the General Meeting of Shareholders of Swiss Prime Site AG, Olten

We have audited the accompanying compensation report of Swiss Prime Site AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections “Compensation of the Board of Directors”, “Compensation of the Executive Board”, “Loans and credits to members of the Board of Directors and Executive Board” and “Compensation, loans and credits to former members and related persons” on pages 5 to 11 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the compensation report.

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

Opinion

In our opinion, the compensation report for the year ended 31 Dezember 2021 of Swiss Prime Site AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 10 February 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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SWISS PRIME SITE

FINANCE

REPORT

2021

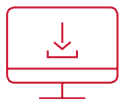



Chester



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Swiss Prime Site – the Real Estate Investment Platform

We are the leading partner for investors who want to invest or are invested both indirectly and directly in the real estate market. Swiss Prime Site thus covers the entire investor spectrum from private investors to institutional investors. The product range includes funds (open-ended and closed-ended), mandates, investment foundations, bonds and the Swiss Prime Site share.

Reporting structure

The stakeholder-oriented 2021 reporting consists of the online report (www.sps.swiss/reporting) and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2021». In this way, we create added multimedia value.

Selected group key figures

Key financial figures	in	without Tertianum ¹		
		01.01.– 31.12.2020	01.01.– 31.12.2021	
Rental income from properties	CHF m	424.7	413.7	
EPRA like-for-like change relative	%	-3.8	-3.8	
Income from real estate developments	CHF m	50.1	50.1	
Income from real estate services	CHF m	115.2	115.2	
Income from retail	CHF m	110.6	110.6	
Income from assisted living	CHF m	72.4	-	
Income from asset management	CHF m	13.1	13.1	
Total operating income	CHF m	792.9	708.9	
Revaluation of investment properties, net	CHF m	203.4	203.4	
Result from investment property sales, net	CHF m	22.2	22.2	
Result from sale of participations, net	CHF m	204.2	-	
Operating result (EBIT)	CHF m	762.3	555.9	
Profit	CHF m	610.4	405.2	
Return on equity (ROE)	%	10.6	7.3	
Return on invested capital (ROIC)	%	5.4	3.7	
Earnings per share (EPS)	CHF	8.04	5.33	
Financial figures excluding revaluations and all deferred taxes				
Operating result (EBIT)	CHF m	558.9	352.5	
Profit	CHF m	476.6	271.5	
Return on equity (ROE)	%	8.5	5.0	
Return on invested capital (ROIC)	%	4.3	2.6	
Earnings per share (EPS)	CHF	6.27	3.57	
Key balance sheet figures				
Shareholders' equity	CHF m	6 085.6	6 338.7	
Equity ratio	%	47.8	48.3	
Borrowed capital	CHF m	6 640.6	6 791.6	
Loan-to-value ratio of property portfolio (LTV)	%	41.9	40.2	
NAV before deferred taxes per share ²	CHF	95.41	100.07	
NAV after deferred taxes per share ²	CHF	80.11	83.44	
EPRA NTA per share	CHF	96.26	100.84	
Real estate portfolio				
Fair value of real estate portfolio	CHF m	12 322.6	12 793.5	
of which projects/development properties	CHF m	829.5	1 006.9	
Number of properties	number	185	184	
Rental floor space	m ²	1 669 941	1 677 027	
Vacancy rate	%	5.1	4.6	
Average discount rate	%	2.91	2.75	
Net property yield	%	3.2	3.2	
Employees				
Number of employees as at balance sheet date	persons	1 728	1 667	
Full-time equivalents as at balance sheet date	FTE	1 505	1 474	

¹ Figures without Tertianum Group (figures January and February 2020 as well as result from sale of participations). The sale and deconsolidation of the Tertianum Group took place on 28 February 2020

² Services segment (real estate-related business fields) included at book values only

Valuation Expert's Report

The properties of Swiss Prime Site Immobilien AG are valued by Wüest Partner AG on a half-yearly basis at their fair values. The present valuation is valid as at 31 December 2021.

Valuation standards and principles

The fair values determined as at the balance sheet date of 31 December 2021 coincide with the fair values as they are outlined in Swiss GAAP FER 18 sec. 14. In this context, fair value corresponds to the particular price that an independent market participant would receive for the sale of an asset under normal market conditions at the relevant valuation date (i.e. exit price).

COVID-19 pandemic disclaimer

The impact of the COVID-19 pandemic on Swiss Prime Site Immobilien AG's property portfolio, to the extent that this was known and could be estimated at the time of valuation, is reflected in the valuations. The negatively affected properties were mainly those with a large share of income from retail (non-food) or hospitality. The assumption from today's standpoint is that some types of use (e.g. city hotels) will continue to experience a difficult market environment.

Definition of fair value

The exit price is the sales price stated in the purchase agreement to which the parties have mutually agreed. Transaction costs, usually consisting of brokerage commissions and transaction taxes as well as land register and notary costs, are not taken into account in determining current value. The fair value is therefore not adjusted for the transaction costs incurred by the purchaser at the time of sale (gross fair value). No liabilities on the part of Swiss Prime Site Immobilien AG regarding potential taxes (with the exception of ordinary property taxes) and financing costs are taken into account either, which corresponds with valuation practice in Switzerland.

The valuation at fair value implies that the hypothetical transaction for the asset subject to valuation would take place on the market with the largest volumes and highest level of business activity (principal market) – as well as the market where transactions are executed with sufficient frequency and volume – so enough price information is available for that relevant market (active market). In the case that such a market cannot be identified, the principal market for the asset is assumed that maximises the sales price for the divestment of the particular asset.

Implementation of fair value

Fair value was determined on the basis of applying the highest-and-best-use standard for a property. Highest-and-best-use is the utilisation of a property that maximises its value. This assumption implies use that is technically/physically feasible, legally permissible and financially realisable. Since the measurement of fair value implies maximised utilisation, the highest and best use can deviate from the actual or planned use of a property. Future capital expenditures that improve or enhance the value of a property are accordingly taken into account in the fair value measurement.

Application of the highest-and-best-use approach is based on the principle of materiality of possible difference in value relative to the value of the particular property and total real estate assets, as well as relative to possible absolute difference in value. A property's potential added value, which fluctuates within the normal assessment tolerance of an individual valuation, is viewed as insignificant here and consequently disregarded.

Determining the value of Swiss Prime Site Immobilien AG's real estate portfolio is carried out with a model-based valuation based on input parameters that are not directly observable on the market, whereby adapted, observable input parameters may be applied here as well (for example, market rents, operating/maintenance costs, discount/capitalisation rates, proceeds from the sale of owner-occupied residential property). Unobservable input factors are applied only when relevant observable input factors are unavailable.

Valuation techniques are used that are appropriate for the given circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The relevant valuation technique used here is an income-based approach, modelled on the basis of the discounted cash flow valuation method widely applied in Switzerland.

Properties under construction and development sites designed for future use as investment properties are valued at project fair values, taking into account current market conditions, still-outstanding investment costs and a risk premium according to the progress of the project, according to Swiss GAAP FER 18. Any profit is taken into account on a pro rata basis, insofar as its realisation can be determined with sufficient certainty.

Properties under construction that are designated for future divestment (for example condominiums) are recognised in the balance sheet at the lower of cost or investment costs and net realisable value, according to Swiss GAAP FER 17. Consequently, current activities and investment costs are recognised and the subsequent valuation carried out at the lower value.

The valuation guarantees a high degree of transparency, uniformity, relevance and completeness. The relevant legal provisions, as well as the specific national and international standards, are complied with (i.e. regulations for real estate companies listed on SIX, Swiss GAAP FER and others). In order to ensure an independent valuation and thus the highest possible degree of objectivity, the business activity of Wüest Partner AG excludes both trading and related transactions on a commission basis, as well as the management of properties. The valuation principles are always based on the most recent information regarding the properties and the real estate market. The data and documents pertaining to the properties are provided by the owner and are assumed to be accurate. All real estate market data is derived from continuously updated databases held by Wüest Partner AG (Immo-Monitoring 2022).

Valuation method

Investment properties are generally valued by Wüest Partner AG according to the discounted cash flow (DCF) method, which corresponds to national and international standards and is also used in company valuations. The method is recognised – within the scope of general freedom of choice real estate valuations – in the context of best practice. According to the DCF method, the current fair value of a property is determined through deriving the sum of all future estimated net earnings (before interest, taxes, depreciation and amortisation = EBITDA) and discounting to the present, taking into consideration of investments or future repair costs. The net earnings (EBITDA) per property are individually discounted taking into account any relevant opportunities and threats, adjusting for the current market situation and risks. A detailed report for each property discloses all expected cash flows, therefore providing the greatest degree of transparency possible. In the report, attention is drawn to substantial changes compared with the previous valuation.

Trend in the real estate portfolio

In the reporting period from 01.01.2021 to 31.12.2021, one property was acquired and two properties were divested. In addition, Building E and condominium units of Building A at the «Plan-les-Ouates, Chemin des Aulx – Espace Tourbillon» property were sold. Part of an existing property was also reallocated to a project. Once completed, the two properties, «Monthey, Avenue de la Plantaud 4 – Venise» and «Zurich, Juchweg 6 – West-Log» will also be included in the portfolio for the first time.

The «Paradiso, Riva Paradiso – Du Lac» property under construction and the sub-project «Plan-les-Ouates, Chemin des Aulx – Espace Tourbillon Building A» will be designated as properties intended for sale and shown at cost value in the 2021 year-end figures.

Following these actions, at the end of 2021 the property portfolio of Swiss Prime Site Immobilien AG comprises 184 properties.

Details of the properties sold during the reporting period with values as at 31 December 2020 are as follows:

- Zurich, Stadelhoferstrasse 18, 20: CHF 33270000
- Richterswil, Gartenstrasse 15 – Villa: CHF 1609000
- Plan-les-Ouates, Chemin des Aulx – Espace Tourbillon, Bldg. E and condominium units Bldg. A: CHF 88529000

The total market value of the sold properties as at 31 December 2020 was CHF 123.41 million.

In the reporting period, the following existing property was also purchased:

- Zurich, Vulkanstrasse 126: CHF 18 160 000

The total market value of the purchased properties as at 31 December 2021 was CHF 18.16 million.

The total portfolio therefore comprises 167 existing investment properties, 9 plots of building land and 8 development sites.

The following eight properties are currently in the construction phase:

- At Hochbergerstrasse 60 F-I – «Stücki Park II» in Basel, existing office and laboratory space on the «Stücki Park A-E» property situated there is being expanded by roughly 27 000 square metres in two phases from 2018 to 2023.
- Construction of a commercial building is planned at «Alto Pont-Rouge», Esplanade de Pont-Rouge 5, 7, 9 in Lancy for 2023, as part of a development project with four construction sites.
- At the Riva Paradiso «Du Lac» property, a new replacement building is planned on the lake front in Paradiso; construction has now started. This care home is expected to be completed in 2023.
- The Chemin des Aulx «Espace Tourbillon» development project in Plan-les-Ouates involves five buildings with office, commercial and retail space, three of which have already been completely divested. Building A will also be sold into co-ownership on an ongoing basis. Construction of the buildings will take place in several phases and full fit-out will be completed by mid-2023.
- A project involving residences suitable for seniors (geriatric care centre and apartments for seniors) is planned for the property at Gartenstrasse 7/17 as part of the «Etzelblick» project in Richterswil. Construction is expected to be completed by mid-2022.
- The «JED» property at Zürcherstrasse 39 in Schlieren is the former home of the NZZ printing facility with a reserve of building land. The building itself is being converted, with the work expected to be completed by the middle of 2022 (JED conversion).
- Meanwhile, the land reserve will house a new office building/laboratory building (JED new build) without conventional heating technology. Construction began in 2021 and is due to be completed in 2024.
- A new location for Google Switzerland is being developed at Müllerstrasse 16/20 in Zurich. From 2023, Google will move into the building as the sole tenant, after internal and external renovation to the highest possible standards of sustainability and technology. The modification of the existing building started when the previous tenant moved out in 2021.

Valuation results as at 31 December 2021

As at 31 December 2021, the fair value of Swiss Prime Site Immobilien AG's total real estate portfolio (total 184 properties) amounted to CHF 12 793.5 million. The fair value of the portfolio therefore increased by CHF 470.88 million or 3.82% compared with the level at 31 December 2020. Changes in value are detailed in the following table.

in CHF m

Fair value as at 31.12.2020	12 322.62
+ changes in value of existing properties	427.29
+ acquisitions of existing properties	18.16
– divestments of existing properties	–33.27
– divestments of projects	–80.47
– partial divestments of projects	–9.67
+ changes in value of building land	0.87
+ changes in value from existing properties to project	24.28
+ changes in value of projects	113.60
+ changes in value assets held for sale	10.09
Fair value as at 31.12.2021	12 793.50

The change in value of the 164 existing properties compared to 1 January 2021 was +3.64 % (excluding initial valuations after completion (2), acquisitions (1), building land plots (9), properties in planning or under construction (7), existing properties in planning or under construction (1) – total 20 properties), with 97 properties having a higher value, 3 properties having the same value and 64 properties having a lower value than as at 1 January 2021.

The growth in the value of the Swiss Prime Site Immobilien AG portfolio comes from existing properties, acquisitions, building land and the properties in planning or under construction. Only the sales resulted in a drop in value. In general, the prolonged period of very low interest rates and investors' subsequent expectations of low returns continued to impact revaluation.

Furthermore, completed investments, temporarily and structurally slightly lower vacancies and the generally high quality of the properties situated in prime locations contributed to the increase in value. Value losses can be attributed primarily to changed rental potential, newly concluded contracts at a lower level, adjusted revenue forecasts, as well as higher cost estimates for future repair work.

Economic development

The Swiss economy has recovered from the negative consequences of the coronavirus pandemic and has now returned to pre-crisis levels. When compared internationally, Switzerland was subject to relatively looser restrictions, both in terms of their scope and the duration of measures taken. Since restrictions were removed at the end of the second wave, the economy has regained momentum. The government's Expert Group is predicting an increase in GDP adjusted for sporting events of 3.3 percent (as at 9 December 2021) for 2021. This represents significantly above-average growth for Switzerland and shows that the economy continues to recover, even if the recovery is less dynamic than was previously expected. The Expert Group is forecasting growth in GDP adjusted for sporting events of 3.0 percent in 2022.

The ongoing economic recovery is having a strong positive impact on the job market. In its forecast dated 9 December 2021, the government's Expert Group estimates an average unemployment rate for 2021 of 3.0 percent. The situation on the job market is expected to improve over the coming year. According to forecasts, unemployment will fall to an annual average of 2.4 percent in 2022. Population growth is stimulating the recovery in the job market. For 2021 and 2022, Wüest Partner forecasts a further rise of 0.7 percent in the permanent resident population, representing an increase of around 60 000 to 70 000 people. As has been the case for a long time, this increase is primarily due to international net migration and natural increase rates among foreign citizens. A notable detail in this regard is the fall in the non-permanent foreign resident population. This is most likely due to the coronavirus crisis, as fewer jobs for short-term residents were created during this period. Over the course of the economic recovery, the job market should once again be in a position to create jobs, including those for people from abroad.

Consumer sentiment of Swiss households, measured by the State Secretariat for Economic Affairs (SECO) in October 2021, was generally optimistic. The index rose significantly from -13 points in the previous October to 4 points in the most recent survey. Expectations regarding general economic development, in particular, contributed to the positive result. However, consumers are less optimistic about their own financial situation, with historical and expected price rises contributing significantly to this.

The Swiss Consumer Price Index, which measures changes in prices in a representative basket of goods and services for private households, was 1.5 percent higher in November this year than in November 2020. This increase is due to higher import prices, particularly for oil and for goods impacted by supply shortages. In its provisional inflation forecast for 2022 and 2023, the Swiss National Bank (SNB) is anticipating a rise of 1.0 and 0.6 percent respectively. With respect to that issue, the SNB stated in its assessment of monetary policy dated 16 December 2021 that it would maintain the SNB base rate and the demand deposits interest rate at -0.75 percent and continue to pursue an expansive monetary policy.

Higher inflation rates, particularly in the US, have been reflected in slightly higher interest rates in Switzerland. Over the year, yields on 10-year government bonds rose by 34 basis points to -0.12 percent at the end of November 2021. Apart from the summer months, yields grew continuously. However, growth came to another halt in October 2021, and since then yields have fallen slightly. Despite the expected rise in inflation rates, the European Central Bank also continues to pursue a zero interest rate policy. One reason for keeping interest rates low is to help finance government debt. In addition, raising interest rates too soon could thwart economic recovery.

Construction market

After a slight dip in investments over the last year, the construction sector is back on a growth trajectory. Investments in new builds and modifications rose by 1.0 percent in 2021 compared to the previous year (new builds: +1.5 percent; modification of buildings: +0.0 percent) with a total investment volume of CHF 49.8 billion. Even stronger growth of 1.5 percent is expected for 2022. While part of this year's growth can be attributed to the recovery effect following the impact of the coronavirus on the previous year, the forecast for the coming year is based on the renewed optimism among various stakeholders in the Swiss real estate market. However, the increase in the prices of raw materials has also contributed to a rise in nominal revenue in the construction industry. On the commodities exchange in the middle of June 2021, for example, lumber was being traded at double the price of previous years. Prices have eased since then, but they remain volatile and are still above the levels of previous years.

Due to continuing investment pressure, larger sums continue to be invested in the construction of apartment blocks than in the previous year. In addition, the improved economic situation and falling vacancy rates may well have increased confidence in the future demand for living space. After a fall in new build investments in 2020, an increase of 1.8 percent is expected for 2021. Construction of residential properties is expected to see stronger growth, with a rise of 2.4 percent in 2022.

In the commercial properties market, new build investments for the 2021 year are expected to increase slightly, by 1.0 percent (2022: +1.5 percent). Growth is primarily expected in the office space market, while project developers of hotel and hospitality spaces are still showing caution.

Office property market

Employment in many office sectors is growing continually. Even since the start of the coronavirus pandemic, the number of people employed in the office area has increased overall: in Q2 2021, there were 10 600 more FTEs in Swiss offices than in the year before, corresponding to a rise of 0.3 percent. Thanks to the current strong economic recovery and the creation of new jobs – which businesses postponed due to the pandemic and are now implementing – an additional rise in demand is expected. However, building permits and planning applications are falling slightly, so despite strong user demand, future growth in the office floor space market remains uncertain. It remains to be seen what impact the increase in home working will have on space requirements in the long term. Wüest Partner is not expecting to see significant space reductions in the near future in the office floor space market as a result of increased home working, as there are contrasting approaches to (future) office space use. On the one hand, some companies will aim to reduce their overall space – resulting in cost savings – due to the increase in home working combined with a more flexible use of space, such as desk-sharing. On the other hand, increasingly hybrid ways of working will result in «new» types of workplace. Adapting workplaces to new ways of working and making them more attractive will result in different, additional space requirements.

Another trend in the office floor space market is that the quality of the location will become less significant. Instead, tenants who want to rent their spaces for the long term will want the space and facilities to demonstrate exceptional usability. This will mean that well-designed, functional spaces will be easier to market even if they are «only» in average locations. Investments in lowering buildings' impact on the climate will also be worthwhile as more and more companies want their business to be climate-neutral. This was one of the findings of the «Office Space Barometer», a survey of around 500 companies conducted by Wüest Partner.

There are currently significant regional differences in availability of office space, making prospects for tenants more challenging in some regions than in others. This is particularly the case in some markets in the Lake Geneva region, in the south of Ticino and in the Zurich metropolitan area. In many of these regions, new build activity is likely to see continued growth so that – despite the strong increase in jobs – it remains challenging to find tenants. It is easier in Zurich, Lausanne and Basel as there is a much smaller supply of properties and the job market is expected to show above-average growth. Overall, the supply of office floor space in Switzerland increased in Q2 2021 by a healthy 12 percent compared to the previous year, to a total of 4.1 million square metres. However, this additional space has primarily been created as the result of major projects in the metropolitan areas around big cities and is not evenly spread across the country. Significant demand saw the supply rate remain at the previous year's level of 7.1 percent. In the medium term, the increase in new build activity is expected to fall slightly due to a reduction in new build permits issued in the second quarter. Wüest Partner therefore forecasts a slight decline in office rents in 2022 (–0.2 percent).

Retail property market

The retail floor space segment was the most severely affected by business closures as a result of the pandemic, but there have been some glimmers of hope recently. Many companies in bricks-and-mortar retail and providers of personal services were faced with a significant drop in sales, but after restrictions were relaxed revenues rose quickly again. As a result, retail revenues in August 2021 were almost 5 percent higher than in August 2019, before the crisis. Both online and bricks-and-mortar retailers have benefited from this increase. If private consumption continues to grow, many business should make a sustained recovery from the pandemic. However, the structural changes that had started even before the crisis are continuing, and the environment remains highly competitive. During lockdown, many consumers ordered their goods online – some of them for the first time. Online retail was therefore able to rapidly increase its market share. In the non-food segment, the proportion of all retail trade revenue coming from online retail in the first 8 months of 2020 was almost double that of the same period the year before. According to figures from GfK Switzerland, online retail has continued to grow in both the food and the non-food segment and now has a market share of 3.1 percent (food) and 18.1 percent (non-food). However, it is notable that the proportion of online retail has hardly increased further in the meantime. If the Swiss population continues to grow by 0.7 percent per year, this growth will almost balance out the fall in bricks-and-mortar retail as a proportion of total sales.

Despite the strong economic growth of the last few months and consumers' willingness to buy, there are some challenges involved in marketing retail floor space. The supply of available retail floor space has recently fallen slightly, but in the second quarter of this year it totalled 639 000 square metres and availability remains strong. Looking at the increase in new build permits, the supply of retail floor space is expected to increase in the short and medium term. Planning permission applications have also increased recently.

In general, price pressure on asking rents will increase further, with the exception of premium locations. The increase in home working has resulted in the location of office floor space becoming less important, but the opposite is true when it comes to retail floor space. The quality of the micro-location, particularly in terms of footfall and prestige, has become more important for retail businesses. In addition, some retailers have been battling with falling revenue, making it harder to afford their shop rents. For this reason, shop landlords came under significant pressure to lower the rents in order to avoid vacancies. The negative trend in market rents is expected to continue in many places. Wüest Partner is therefore forecasting a reduction in asking rents of 2.1 percent.

Market for senior housing

Properties for older people continue to be in demand in Switzerland. Due to the ageing population, this trend is expected to continue in the future, despite more people wanting to stay in their own home for longer. There are currently around 458300 people (as at the end of 2020) aged 80 and over, a figure which is 1.0 percent higher than the previous year. Housing that can be personalised (with modular, flexible services), lower-priced senior living and simpler support options (such as concierge services or outpatient care) are increasingly attractive. Real estate investors, too, have recognised that these trends were already visible before the coronavirus pandemic but have been further accentuated by it. This is reflected in the current availability of a large amount of good-quality senior housing. The total income generated in this sector has therefore grown, reaching CHF 10.4 billion in 2019.

The generally positive reception of this new housing is having a negative impact on older senior housing and geriatric care facilities, which are now recording significant vacancies (even in some very urban locations). In mid-2021, Switzerland had around 1551 senior housing and geriatric care facilities, of which 460 were private, 877 operated by the public sector and the remaining 214 facilities primarily operated by foundations and associations. Compared to the same quarter of the previous year, the number of employees in healthcare facilities has remained relatively stable, with only a small drop from 149300 to 149100 FTE (–0.2 percent). Looking back over the last ten years, however, the number of employees in healthcare homes has grown by 30.6 percent. These figures are based on the statistics published by social-medical institutes and the Swiss Federal Office of Public Health.

High quality standards, flexible structures, specialised housing and bespoke services are consequently increasingly critical to the success of properties in the senior living segment. In general, market rents for senior living apartments are following the same trends as asking prices for standard apartments.

Hospitality

Hotel real estate was heavily affected by the coronavirus pandemic. It has slightly recovered recently, but the situation remains fragile. According to the Federal Statistical Office, the average occupancy rate in hotels and spas in the first ten months of 2021 was around 29.8 percent, which represents an increase of almost 5 percentage points over the same period the year before. The number of overnight stays also recovered by more than 18 percent over the same period, totalling 25349236 nights by the end of October. However, these figures are significantly below the levels seen in 2019, when the occupancy rate was 42 percent and a total of 34626053 overnight stays were recorded by the end of October. Compared to previous years, hotels generated lower levels of income, despite this rising by an average of 13 percent over the summer months according to a HotellerieSuisse survey of businesses. A medium occupancy rate (around 44 percent) is expected over the coming winter season. This is slightly higher than in the previous year, but is still 7 percentage points lower than before the crisis. However, it should be noted that hotels in different locations are reporting extremely varied drops in occupancy. City hotels in particular have low occupancy rates compared to the period before the crisis as they are more dependent on business trips, conferences and cross-border tourism than hotels in mountain regions and rural areas. Hotel occupancy rates in cities are expected to stabilise within two to three years, although rates in some segments such as conference tourism may remain lower in the medium term.

These HotellerieSuisse predictions are based on surveys carried out at the beginning of November. Since then, the epidemiological situation has got worse – some countries are back in lockdown and entry restrictions have been expanded. It is therefore possible that the forecasts are overly optimistic. According to HotellerieSuisse, many businesses recently received a wave of cancellations, particularly for corporate and Christmas events. The situation in the accommodation industry therefore remains difficult. According to a HotellerieSuisse survey conducted in summer/autumn 2021, 42 percent of hotels are unable to cover their costs and two-thirds of businesses stated that they couldn't completely exclude the possibility of bankruptcy.

In addition to hotel operators, owners of hotel real estate also felt the effects of the loss of rental income. In 2020, the real estate values of hotels in urban locations fell by between 4 and 16 percent, with a median drop of 10 percent. Despite business being slightly better for holiday hotels, their real estate value still fell by between 1 and 10 percent, with a median drop of 5 percent. Only a few hotels in the best locations in the most popular holiday destinations recorded a slightly increase in value.

Summary – Investor market for commercial properties

Real estate continues to be extremely popular with investors, especially as alternative investments with a risk-return as attractive as real estate investments continue to be rare. In the first eleven months of 2021, the average yield on 10-year government bonds was -0.24 percent. In addition, there were fewer investment properties for sale on the market than institutional investors wanting to purchase them. It's therefore not surprising that transaction prices rose, reaching new highs. Between mid-2020 and mid-2021, transaction prices for residential properties rose by 4.7 percent. For commercial properties, willingness to pay climbed less sharply, by 0.5 percent.

As a direct consequence of rising prices, initial yields fell once more, particularly for residential properties. There was no clearly identifiable trend regarding initial yields for commercial properties when compared to the previous year. Demand remains high for office properties with a good rental situation or in very good locations, particularly as offering employees an attractive working environment gives them an appealing alternative to working at home. The increase in home working has resulted in low demand for office floor space in poor locations, although this has started to recover slightly. The investment market for retail floor space is in a similar position, with only discount rates on the busiest streets in Zurich and Geneva falling again. The situation for shopping centres is extremely varied. For hotels, too, there are significant differences between locations. Hotels aimed at city travellers have become less attractive for investors, whereas hotels in scenic mountain locations continue to be in demand.

According to Wüest Partner, prime yields (net) over the last twelve months have fallen in the three key use sectors: in the residential sector, prime yields in Q2 2021 were still 1.25 percent in Zurich and 1.60 percent in Geneva. This represents a fall of 15 and 30 basis points respectively compared to the same period last year. Prime yields for office properties in Zurich fell by 25 basis points to 1.55 percent. Zurich's retail floor spaces recorded prime yields of 2.20 percent, a drop of 20 basis points compared to Q2 2020.

Investors' interest in indirect real estate investments also remains strong. Some real estate companies suffered significant share price falls last year, but over the course of this year (from January to August 2021) they recorded a rise of 9.0 percent (as per WUPIX-A). However, it should be noted that traditional shares – measured against the Swiss Performance Index – increased by 19.7 percent over the same period.

The performance of the two listed real estate funds was even more striking. They both rose significantly over the last years (2019: +21.7 percent; 2020: +11.7 percent as per WUPIX-F) and rose by a further +5.4 percent this year, with many of them reaching new all-time highs. As a result, premiums (additional charge over the estimated net asset value) rose further, with an average at the end of August 2021 of 46 percent (weighted according to market capitalisation). These high premiums make real estate funds more vulnerable to significant price adjustments.

Wüest Partner AG
Zurich, 22 December 2021

Andreas Ammann
Partner

Gino Fiorentin
Partner

Further real estate information is available in note 14 (from page 31) and in the property details (from page 76).

Annex:

Valuation assumptions

Valuation assumptions as at 31 December 2021

In addition to the previous comments on the valuation standards and methods, the most significant general valuation assumptions for the present valuations are presented in the following section.

Investment properties including building land

Property valuations are fundamentally determined on a going-concern basis, applying the «highest and best use» standards. At the same time, the valuation is based on the current rental situation and present condition of the property. Beyond the expiry of the existing rental agreements, earnings forecasts are based on the current market level.

On the cost side, repair and maintenance costs as well as recurring property management costs are taken into account that are required to ensure realisation of sustainable income.

The valuation assumption is based on an average and expedient property management strategy. The specific scenarios of the owner are disregarded, or taken into account only to the extent that specific rental agreements had been made, or as far as they also seem plausible and practical to a third party. Possible optimisation measures consistent with the market – such as an improved rental situation in the future – are taken into account.

In the valuation period or period under review (DCF method), a more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are made for the remainder of the term.

The valuation implicitly assumes an annual inflation rate of 0.5%. However, cash flows and discount rates are generally reported on a real basis in the valuation reports.

The specific indexing of the existing rental agreements is taken into account. Following expiry of the agreements, an average indexing rate of 80% is used for the calculation, and rents are adjusted to the market level once every five years. Payments are generally assumed to be made monthly in advance after expiry of the rental agreements.

At the operating cost (owner's cost) level, it is generally assumed that completely separate ancillary cost accounts are maintained, and that ancillary and operating costs are outsourced, insofar as this is permitted by law. Maintenance costs (repair and maintenance costs) are determined on the basis of benchmarks and model calculations. The residual lifetime of the individual parts of the buildings is determined on the basis of a rough estimate of their condition, the regular renewal is modelled and the resulting annuities are calculated. The calculated values are subjected to a plausibility check based on benchmarks set by Wüest Partner AG and figures for comparable properties. Repair costs are included in the calculation at 100% for the first ten years, while the earnings forecast takes into account, where appropriate, possible increases in rent. From the 11th year, repair costs of up to 50% to 70% are allowed (value-preserving components only) without including possible rent increases. Costs for cleaning up contaminated sites are not quantified in the individual valuations and are to be considered separately by the Company.

The applied discounting method is based on ongoing monitoring of the real estate market and is derived from models with plausibility checks on the basis of a real interest rate that consists of the risk-free interest rate (long-term government bonds) plus general real estate-related risks in addition to property-specific premiums and is determined on a risk-adjusted basis per property. The average real discount rate, weighted by fair value, applied to investment properties (164 existing properties) amounts to 2.75% in the current valuation. Assuming an inflation rate of 0.5%, this rate corresponds to a nominal discount rate of 3.27%. The new lowest real discount rate selected for an individual property is 1.70%, while the highest is 4.85%.

The valuations are based on the rental tables of the property managers as at 1 January 2022. The valuations are based on the floor space details provided by the Company/property managers.

Risks relating to credit ratings of individual tenants are not explicitly taken into account in the valuation since it is assumed that appropriate contractual safeguards were concluded.

Properties under construction and development sites

Properties under construction and development sites with future utilisation as investment properties are recognised at project fair value according to Swiss GAAP FER 18. In this context, planned or possible construction development as at the balance sheet date is therefore valued on the basis of the same assumptions and methods used for investment properties. To determine the current fair value as at the balance sheet date, the still-outstanding investment costs are taken into account in the cash flows, and the additional risks are reported as a return premium on the discount rate or as development risk. Information regarding projected construction work, schedules, building costs and future rentals is obtained from Swiss Prime Site AG insofar as it is specifically available (building permits, plans, cost calculations/investment applications, etc.) or appears to be plausible. Any profit is taken into account on a pro rata basis, insofar as its realisation can be determined with sufficient certainty.

Properties under construction that are designated for future divestment (e.g. condominiums) are recognised in the balance sheet at the lower of cost or investment costs and net realisable value according to Swiss GAAP FER 17, i.e. current activities and investment costs are recognised and the subsequent valuation carried out at the lower value.

Disclaimer

The valuations carried out by Wüest Partner AG represent an economic assessment based on available information, most of which was provided by Swiss Prime Site AG. Wüest Partner AG did not conduct or commission any legal, structural engineering or other specific clarifications. Wüest Partner AG assumes that the information and documents received are accurate. However, no guarantee can be provided in this respect. Value and price may deviate from each other. Specific circumstances that influence the price cannot be taken into account when making a valuation. The valuation performed as at the reporting date is only valid at that specific point in time and may be affected by subsequent or yet unknown events, in which case a revaluation would be necessary.

Since the accuracy of valuation results cannot be guaranteed objectively, no liability can be derived from it for Wüest Partner AG and/or the author.

Zurich, 22 December 2021

Consolidated financial statements

Consolidated income statement

in CHF 1000	Notes	01.01.– 31.12.2020	01.01.– 31.12.2021
Rental income from properties	4	424 723	426 692
Income from real estate developments	4	50 099	48 261
Income from real estate services	4	115 164	119 387
Income from retail	4	110 606	119 540
Income from assisted living	4	72 420	–
Income from asset management	4	13 126	18 215
Other operating income	4	6 778	12 836
Operating income		792 916	744 931
Revaluation of investment properties, net	14	203 406	318 814
Result from investments in associates		1 000	909
Result from investment property sales, net	6	22 243	39 916
Result from sale of participations, net	3	204 181	–
Real estate costs	7	–71 739	–59 101
Cost of real estate developments		–36 268	–33 377
Cost of goods sold		–65 567	–63 726
Personnel costs	8	–222 777	–172 625
Depreciation on tangible assets	15	–8 446	–7 400
Amortisation on intangible assets	15	–9 138	–8 981
Other operating expenses	9	–47 520	–43 945
Operating expenses		–461 455	–389 155
Operating result (EBIT)		762 291	715 415
Financial expenses	18	–60 511	–71 748
Financial income		1 679	2 687
Profit before income taxes		703 459	646 354
Income taxes	10	–93 052	–138 977
Profit		610 407	507 377
Attributable to shareholders of Swiss Prime Site AG		610 510	507 377
Attributable to non-controlling interests		–103	–
Earnings per share (EPS), in CHF	21	8.04	6.68
Diluted earnings per share, in CHF	21	7.55	6.28

The notes form an integral part of the consolidated financial statements.

Consolidated balance sheet

in CHF 1 000	Notes	31.12.2020	31.12.2021
Assets			
Cash		142 750	114 656
Securities		602	1 351
Accounts receivable	11	56 729	39 330
Other current receivables		5 005	6 268
Inventories	12	30 786	33 263
Real estate developments	13	27 628	–
Trading properties	14	–	53 466
Accrued income and prepaid expenses		33 109	31 009
Assets held for sale	14	216 401	250 124
Total current assets		513 010	529 467
Investment properties	14	12 106 219	12 489 910
Tangible assets	15	25 956	23 620
Investments in associates		51 487	50 800
Other financial investments		4 060	4 285
Intangible assets	15	25 450	32 243
Total non-current assets		12 213 172	12 600 858
Total assets		12 726 182	13 130 325
Liabilities and shareholders' equity			
Current financial liabilities			
Accounts payable		8 341	25 297
Other current liabilities		144 315	160 921
Real estate developments	13	4 742	–
Accrued expenses and deferred income	17	156 051	193 666
Total current liabilities		1 647 225	380 742
Non-current financial liabilities			
Deferred tax liabilities	10	1 162 803	1 263 720
Total non-current liabilities		4 993 328	6 410 904
Total liabilities		6 640 553	6 791 646
Shareholders' equity			
Share capital	20	1 162 347	1 162 347
Capital reserves	20	177 198	50 016
Treasury shares	20	–161	–58
Retained earnings	20	4 746 245	5 126 374
Total shareholders' equity		6 085 629	6 338 679
Total liabilities and shareholders' equity		12 726 182	13 130 325

The notes form an integral part of the consolidated financial statements.

Consolidated cash flow statement

in CHF 1 000	Notes	01.01.– 31.12.2020	01.01.– 31.12.2021
Profit		610 407	507 377
Depreciation and amortisation	15	17 584	16 381
Revaluation of investment properties, net	14	–203 406	–318 814
Result from investment property sales, net	6	–22 243	–39 916
Result from sales of participations, net	3	–204 181	–
Result from investments in associates		–1 000	–909
Other non-cash items affecting net income		3 783	2 021
Financial expenses		60 511	71 748
Financial income		–1 679	–2 687
Income tax expenses	10	93 052	138 977
Change in accounts receivable		–12 275	17 399
Change in inventories and real estate developments		–1 710	20 409
Change in other receivables and accrued income and prepaid expenses		–2 460	–6 753
Change in accounts payable		–12 994	16 956
Change in other current liabilities and accrued expenses and deferred income		29 603	20 616
Income tax payments		–54 500	–13 153
Cash flow from operating activities		298 492	429 652
Investments in investment properties	14	–409 974	–276 646
Divestments of investment properties	14	76 907	186 295
Investments in tangible assets	15	–6 813	–5 064
Divestments of group companies, less disposed cash	3	571 394	–
Investments in financial investments		–7 601	–2 436
Divestments of financial investments		24 690	2 970
Investments in intangible assets	15	–14 787	–15 774
Interest payments received		288	228
Dividends received		1 923	1 709
Cash flow from investing activities		236 027	–108 718
Distribution to shareholders	20	–288 678	–254 496
Purchase of treasury shares	20	–4 976	–2 904
Issue of bonds	18	299 272	449 878
Redemption of bond	18	–230 000	–300 000
Redemption of convertible bond	18	–3 277	–
Issuance/repayment of current financial liabilities		–538 772	–1 033 012
Issuance/repayment of non-current financial liabilities		267 579	865 700
Interest paid and early termination penalties		–65 982	–74 194
Cash flow from financing activities		–564 834	–349 028
Change in cash		–30 315	–28 094
Cash at beginning of period		173 065	142 750
Cash at end of period		142 750	114 656

The notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in shareholders' equity

in CHF 1 000	Notes	Share capital	Capital reserves	Treasury shares	Retained earnings	Shareholders' equity attributable to shareholders of Swiss Prime Site AG	Non-controlling interests	Total shareholders' equity
Total as at 01.01.2020		1 161 979	320 629	- 106	3 975 536	5 458 038	1 149	5 459 187
Profit		-	-	-	610 510	610 510	- 103	610 407
Sale of a majority shareholding with non-controlling interests	3	-	-	-	-	-	- 1 046	- 1 046
Goodwill	3/16	-	-	-	304 538	304 538	-	304 538
Distribution to shareholders	20	-	- 144 339	-	- 144 339	- 288 678	-	- 288 678
Conversion of convertible bonds into registered shares	18	368	2 046	-	-	2 414	-	2 414
Share-based compensation	20	-	- 1 138	4 921	-	3 783	-	3 783
Purchase of treasury shares	20	-	-	- 4 976	-	- 4 976	-	- 4 976
Total as at 31.12.2020		1 162 347	177 198	- 161	4 746 245	6 085 629	-	6 085 629
Profit		-	-	-	507 377	507 377	-	507 377
Distribution to shareholders	20	-	- 127 248	-	- 127 248	- 254 496	-	- 254 496
Share-based compensation	20	-	66	3 007	-	3 073	-	3 073
Purchase of treasury shares	20	-	-	- 2 904	-	- 2 904	-	- 2 904
Total as at 31.12.2021		1 162 347	50 016	- 58	5 126 374	6 338 679	-	6 338 679

The notes form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 Business activities

Swiss Prime Site's strategy is based on investments in high-quality properties situated in prime locations, primarily with commercially utilised floor space, as well as in development projects. The focus of investment is properties and projects with sustainable, attractive returns and long-term value-boosting potential. The real estate portfolio is actively managed. Swiss Prime Site also operates in real estate-related business fields with the aim of strengthening and broadening the earnings base, in addition to diversifying risks and exploiting synergies.

Further information regarding the individual business fields can be found in note 4 «Segment reporting».

2 Summary of significant accounting principles

2.1 Principles of consolidated reporting

The consolidated financial statements of Swiss Prime Site AG were prepared in accordance with Swiss GAAP FER (Generally Accepted Accounting Principles FER) and correspond to article 17 of the Directive on Financial Reporting of the Swiss stock exchange (SIX Swiss Exchange). The consolidated financial statements comprise the holding company as well as its subsidiaries (hereinafter jointly referred to as «group companies»).

The consolidated financial statements are generally based on the historical cost principle. Deviations from this principle are set out in notes 2.6 to 2.35. These apply to investment properties (undeveloped properties, existing properties, properties under construction and development sites, except those designated for sale), which are assessed at fair value. In addition, securities and derivatives are recognised at stock-exchange prices or at fair values as at the balance sheet date. The significant accounting principles are explained in the following section.

The consolidated financial statements were prepared in Swiss francs (CHF). All amounts, except for the figures per share, have been rounded to CHF 1 000. All group companies maintain their accounts in Swiss francs. Transactions denominated in foreign currencies are immaterial.

2.2 Comparative figures of the previous period

The presentation of the comparative periods and figures is carried out in accordance with the Swiss GAAP FER framework. The figures for the comparative period are shown in the text in square brackets [].

2.3 Scope of consolidation and consolidation methods

The consolidated financial statements of Swiss Prime Site comprise Swiss Prime Site AG and all its group companies, controlled directly or indirectly or under a single management. These group companies are included in the financial statements within the scope of full consolidation.

The scope of consolidation comprises 10 [11] companies (including the holding company). An overview of the group companies is provided in note 24 «Group companies and associates».

The consolidation is based on the audited annual financial statements of the group companies as at 31 December 2021, which were prepared applying uniform accounting principles. All significant transactions and balances between the individual group companies and any intercompany profits have been eliminated.

Investments in associates in which Swiss Prime Site exercises a significant influence, but which it does not control, are valued according to the equity method. Recognition in the balance sheet is carried out at cost at the time of acquisition. In subsequent reporting periods after the acquisition, this value is adjusted to reflect Swiss Prime Site's share in the additional equity generated or net income earned. All balances/transactions with investments valued according to the equity method are reported separately as items with associates.

Companies in which Swiss Prime Site holds an investment of less than 20% are recognised at fair value (provided that this value can be reliably determined), either as securities or as non-current financial investments.

Investments in group companies and associates are included in the consolidated financial statements from the time when control is assumed – or when significant influence is gained – and excluded from the time when control is relinquished or significant influence is lost. These two dates are not necessarily identical to the date of acquisition or sale.

2.4 Capital consolidation

Capital consolidation is carried out using the purchase method. The difference between the purchase price of an acquired company and the fair value of the resulting net assets acquired is set off against shareholders' equity (retained earnings) as goodwill from acquisitions. Any negative goodwill is offset against shareholders' equity (retained earnings). Acquisition costs are recognised in the income statement. The effects of theoretical recognition and amortisation of goodwill are disclosed in the notes to the consolidated financial statements. Given divestment of investments in group companies, the difference between the sales proceeds and pro rata book value including historical goodwill is reported as profit or loss in the income statement.

2.5 Segment reporting

Segment reporting is carried out according to Swiss GAAP FER 31 sec. 8 «Segment reporting» in conjunction with the Company's internal financial reporting to the Executive Board and Board of Directors (i. e. management approach). The group's business activities are divided into two segments that are subject to reporting requirements. The Real Estate segment comprises the core real estate business (purchase, sale, lease and development of properties) as well as central group functions. Real estate-related services – i. e. the real estate services, retail and asset management businesses – are incorporated into the Services segment.

2.6 Cash

Cash comprises cash in hand and sight deposits held at financial institutions. Cash also consists of time deposits held at financial institutions as well as short-term money market investments with a residual term to maturity of maximum three months. They are recognised at nominal value.

2.7 Securities

Securities include tradable equities held on a short-term basis that are valued at fair value, as well as term deposits with a residual term to maturity of more than three months that are recognised at nominal value. Unrealised and realised gains as well as income from securities are recognised as financial result in the income statement.

2.8 Accounts receivable

Accounts receivable and other receivables are valued at amortised cost, which generally corresponds to the nominal value, less any requisite impairments for non-collectable receivables. Receivables can be short term (as a rule) or long term. The receivables in the Real Estate segment and in the real estate services and asset management business fields are subject to individual valuation with strict credit-rating guidelines.

2.9 Impairments on receivables

To cover debtor risk, outstanding receivables are evaluated at the end of the reporting period by means of maturity lists and legal case reporting with respect to collectability. The necessary impairments are formed, and impairments that are no longer necessary are released. Forming/releasing these impairments is recognised in other operating expenses.

2.10 Inventories

Inventories are valued at average cost price, but not exceeding the net realisable value. Discounts are treated as reductions in acquisition price. The value of inventories with long storage periods and goods that are hard to sell is impaired.

2.11 Trading properties

Properties under construction that are intended for future sale (for example condominiums) are recognised in the balance sheet at investment cost or fair value at the time of reclassification or, if lower, net realisable value according to Swiss GAAP FER 17 «Inventories». The realisation of sales is recorded in operating income as «Income from sale of trading properties» at the time of transfer of ownership (transfer of benefits and risks). The recognised costs are reported as expense from the sale of trading properties in operating expenses upon realisation of sales.

2.12 Real estate developments

Real estate developments (long-term contracts) comprise construction projects that are sold to third parties either prior to or during the construction phase, which are developed or completed on behalf of the buyer. Notarisation of the purchase agreement is carried out following the conclusion of the project. Transfer of ownership for the respective property generally takes place after construction is completed. Recognition in the balance sheet of real estate developments is carried out according to the percentage-of-completion method (POCM) in accordance with Swiss GAAP FER 22 «Long-term contracts». Depending on how the project is structured, the percentage of completion is determined based on the cost-to-cost method or based on building assessments and project planning (milestone approach). The method applied in each case is the method by which the percentage of completion can be determined most reliably. The cumulative costs and realised sales proceeds according to the percentage-of-completion method are reported in the income statement on an ongoing basis.

Advance payments received are recognised in the balance sheet without affecting income. They are offset against the relevant long-term contracts for which the advance payment was made. Reporting in the balance sheet is carried out on a net basis as «real estate developments» on the assets or liabilities side. Insofar as the result of a long-term contract cannot be reliably estimated, only the amount of income equal to the amount of incurred contract costs is recognised that would probably be realisable, with concurrent reporting of the contract costs incurred as expense in the corresponding period. This corresponds to a valuation at actual costs. If there is a probability that total contract costs could exceed total contract income, the expected losses are immediately recorded as expense and provision, respectively.

2.13 Assets held for sale

These are assets or groups of assets held for sale that have not yet been sold, but the sale of which is highly probable. Classifying such a divestment as highly probable necessitates the fulfilment of various criteria, including that the competent management level has determined a plan for divesting the asset (or group of assets) and actively commenced the process of searching for a buyer and executing the plan. Furthermore, the asset (or group of assets) must be actively offered for acquisition at a price that is appropriate relative to the current fair value. The divestment must also take place within a one-year period as expected. These assets are valued at the lower of book value or fair value less sales costs. Investment properties held for sale fall in this category only with respect to classification, but not for valuation purposes and are therefore recognised at fair value according to Swiss GAAP FER 18 «Tangible fixed assets».

2.14 Non-current financial investments

Non-current financial investments comprise loans with a residual term to maturity of more than one year and are valued at amortised cost less any requisite impairments. Impairments are recognised in the income statement. Under financial investments, free capital can be invested in Swiss francs and euros. Investments in first-class, stock exchange-listed shares, in bonds with a minimum rating by a leading rating agency of «A» and money market paper are permitted. These financial investments are valued similar to securities (see note 2.7 «Securities»).

2.15 Existing properties and undeveloped properties (investment properties)

The valuation at the time of initial classification is carried out at cost, taking into account directly accountable transaction costs. Thereafter, the valuation is carried out at fair value in accordance with Swiss GAAP FER 18 sec. 14. Replacement and expansion investments are recognised at the book value of the properties when it is probable that Swiss Prime Site will obtain a resulting future economic benefit. Swiss Prime Site's real estate portfolio comprises exclusively properties that are held for investment purposes in accordance with the core business.

The change in fair value is recognised in the income statement. Related deferred tax liabilities or assets on such sums are debited, or credited, to the consolidated income statement as deferred tax expense or deferred tax income, respectively. For further information regarding the calculation of the fair value, see note 14 «Investment properties».

2.16 Properties under construction and development sites (investment properties)

Properties under construction and development sites with future utilisation as existing properties are already recognised at fair value during construction – the same as other existing properties – provided that the fair value can be reliably determined. The existence of a legally valid building permit is therefore an important indicator for Swiss Prime Site to reliably determine the fair value of a property under construction or a development site. The change in fair value is recognised in the income statement.

If a reliable valuation of the fair value of properties under construction and development sites is not possible, they are recognised at cost less any required impairments.

Directly attributable borrowing costs for properties under construction are recognised as capitalised interest expenses. The relevant calculation is carried out based on actual costs starting from construction start-up date until initial operation at the average interest rate of all interest-bearing financial liabilities.

If all of the following criteria are fulfilled on a cumulative basis, existing properties are reclassified as properties under construction and development sites at the time of construction:

- Total depletion of the property (elimination of the property's usefulness)
- Planned investments of more than 30% of fair value
- Duration of renovation longer than 12 months

Following completion of the development or total modification, these properties are classified as existing properties. Existing properties are maintained under their category for the duration of modification or renovation, insofar as the aforementioned criteria are unfulfilled.

2.17 Tangible assets

Tangible assets are recognised at acquisition or production costs less cumulated depreciation and impairment. Expenses for repairs and maintenance are charged directly to the consolidated income statement. Depreciation is calculated according to the straight-line method based on the economically useful life.

2.18 Intangible assets

Intangible assets are recognised at cost less amortisation and any impairments and include software for which a license was obtained from third parties or which was developed by third parties or within the group. The depreciation period for software amounts to five years (straight line).

2.19 Depreciation

Useful life of assets

Asset categories	Years
Equipment	20
Furniture and tenants' improvements	8
Hardware and software	5

2.20 Impairment of tangible and intangible assets including goodwill

The value of tangible and intangible assets (including goodwill) is always reviewed if changed circumstances or events indicate the possibility of an overvaluation in the book values. If the book value exceeds the realisable value (fair value less disposal costs or higher value in use), an impairment is applied to the realisable value.

Since goodwill is already offset against shareholders' equity at the time of acquisition, any impairment of goodwill does not result in a negative effect on net income, but rather in disclosure in the notes. In the case of divestment of a group company, the goodwill that was offset against shareholders' equity at a previous point in time is also taken into account when determining the profit or loss affecting net income.

2.21 Leasing

Swiss Prime Site as lessor

Property leases and land lease contracts are basically operating lease contracts, which are generally recognised in the consolidated income statement using the straight line method over the duration of the contract. In some of the rental agreements, target turnovers have been agreed upon with the tenants (i.e. turnover-based rents). If these are exceeded on an annual basis, the resulting rental income is booked or accrued in the reporting year.

Swiss Prime Site as lessee

Contracts relating to the use of land and properties, for which land lease or right of use payments are effected, should be subject to review in terms of whether they are to be classified as operating or finance lease.

Payments within the scope of operating leases are recognised in the income statement on a straight-line basis over the term of the lease or rental agreement, or duration of the land lease. Land lease payments during construction of new buildings are recognised as assets in the balance sheet.

Given finance lease transactions, the asset and leasing liability are recognised in the balance sheet.

2.22 Income taxes

Income taxes consist of current income taxes and deferred taxes.

Current income taxes comprise the expected tax liability on the taxable profit calculated at the tax rates applicable on the balance sheet date, property gains taxes on real estate sales and adjustments to tax liabilities or tax assets for previous years.

Deferred taxes are calculated on temporary valuation differences between the book value of an asset or a liability in the consolidated balance sheet and its corresponding tax base (i.e. balance sheet liability method). Determination of the deferred taxes takes into account the expected date of settlement of the temporary differences. In this regard, the tax rates used are those applicable or determined at the balance sheet date. The calculation of deferred taxes on real estate assets was based on the assumption of a holding period of minimum 20 years.

Tax effects from losses carried forward and tax credits are recognised as deferred tax assets if it seems likely that the losses carried forward can be offset against future profits within the stipulated statutory periods.

2.23 Financial liabilities

Financial liabilities include current financial liabilities that fall due for redemption within the year and non-current financial liabilities with residual terms to maturity of more than 12 months. Financial liabilities can consist of unsecured loans, loans secured by real estate, borrowed capital components of convertible bonds, bonds and other financial debts. All loans were granted to Swiss Prime Site in Swiss francs. Financial liabilities are recognised in the balance sheet at cost.

2.24 Derivative financial instruments

Derivative financial instruments can be utilised within the scope of ordinary business activities (for example, to hedge interest risks). No hedge accounting in the context of Swiss GAAP FER 27 «Derivative financial instruments» is used. Derivative financial instruments are reported at fair value and, given positive or negative fair value, recognised in the balance sheet as financial investments or other financial liabilities respectively. They can be short or long term in nature. Profits and losses are reported in the financial result. Further information is provided in note 18 «Financial liabilities».

2.25 Provisions

Provisions comprise liabilities that are uncertain because of their due date or amount. A provision is set up if a past event creates a legal or constructive obligation, and if future outflows of resources can be reliably estimated. Given any legal disputes, the amount of the provisions recognised for obligations is based on how the Executive Board judges the outcome of the dispute in good faith, according to the facts known at the balance sheet date. Expenses relating to a provision are recognised in the income statement.

2.26 Convertible bonds

The full amount of a convertible bond is recognised as a liability. If the convertible bond is issued on conditions that differ from a bond without conversion rights, it is divided into borrowed capital and equity components. The issuing costs are attributed to the borrowed capital and equity component based on their initial book values. Given premature redemption, the purchase price (less paid accrued interest) is compared with the pro rata book value. The loss or income attributable to the borrowed capital component from the redemption is recognised in the financial result. Given a conversion, the number of shares to be issued based on the conversion is determined by using the conversion price. The nominal value of the converted shares is credited to share capital and the residual amount to capital reserves.

2.27 Shareholders' equity

Shareholders' equity is subdivided into share capital, capital reserves, treasury shares, retained earnings and non-controlling interests. The nominal share capital of the Company is stated in share capital. Nominal value changes are recognised in share capital. Dividend payments are debited to retained earnings. Goodwill resulting from acquisitions is set off against shareholders' equity (retained earnings) as at the time of acquisition. Any negative goodwill is offset against shareholders' equity (retained earnings). All other changes in capital are recorded in capital reserves.

2.28 Treasury shares

Treasury shares are valued at acquisition cost and reported in shareholders' equity as a debit item. No subsequent valuations are carried out following the initial valuation. Proceeds from the sale of treasury shares are offset directly against capital reserves.

2.29 Dividends

In compliance with Swiss statutory provisions and the Company's Articles of Association, dividends are treated as an appropriation of profit in the financial year in which they were approved by the Annual General Meeting and subsequently paid out.

2.30 Pension plans

The group companies maintain different pension fund schemes, which are legally independent and financed from employer and employee contributions. Determination of overfunding or underfunding is carried out based on the prepared financial statements of the pension fund scheme, according to Swiss GAAP FER 26. The group's pension plan expense comprises the employer contributions accrued for the relevant period as well as any economic effects from overfunding or underfunding and change in employer contribution reserves. An economic obligation is recognised as a liability, insofar as the prerequisites for forming a provision are fulfilled. Recognition in the balance sheet of economic benefits is carried out insofar as these can be used for the group's future pension plan contributions. Freely disposable employer contribution reserves are recognised as cost in the balance sheet.

2.31 Share-based compensation

The variable compensation of the members of the Executive Board is designated at 37.5% as performance-based entitlements to shares (performance share units or PSUs). The PSUs are subject to a three-year vesting period, conditionally upon fulfilment of the defined conditions. The payout on the vesting date is effected in the form of Swiss Prime Site AG shares. The performance share units are valued at the current value at the time of allocation according to the principles of Swiss GAAP FER 31 sec. 3 «Share-based payments» and recognised as personnel costs and shareholders' equity (capital reserves) over the three-year vesting period. No subsequent valuations are carried out except given any changes in the relevant payout indicators.

A portion of the fees paid to the Board of Directors and the variable compensation paid to the executives employed by Swiss Prime Site Management AG as well as executive management members of the group companies is effected in the form of Swiss Prime Site AG shares. The fair value of these shares on the date they are granted is recognised as personnel costs.

2.32 Operating income and realisation of income

Operating income includes all rental income from properties, income from sale of trading properties, income from real estate developments, income from real estate services, income from retail, income from assisted living and income from asset management as well as other operating income. Vacancy costs are deducted directly from the target rental income. Operating income is recorded upon maturity or upon provision of services.

Profits from the divestment of properties and investments are reported on a net basis, taking into account any incidental selling expenses incurred, after operating income. In this context, the gain or loss of sale of investment properties is calculated as the difference between the net sales price and the carrying amount of the investment property, according to the consolidated balance sheet of the past financial year plus any investments.

Realisation of income is generally recognised upon transfer of benefits and risks to the customer. Income from retail trade activities is recognised at the date of delivery of the goods, or in services operations in accordance with the extent of the services provided. For the divestment of properties, this date is designated in the sales contract (generally transfer of ownership).

Income from real estate developments (long-term contracts) is not oriented toward transfer of benefits and risks, but rather recognised according to the percentage-of-completion method (see note 2.12 «Real estate developments»).

2.33 Interest

Interest on loans as well as land lease interest for qualified properties under construction and development sites, in addition to trading properties, are attributed to cost. With this method, financial expenses or real estate costs are relieved but, at the same time, the revaluation gain is reduced accordingly.

Other interest on borrowed capital is recognised in the income statement using the effective interest rate method. Interest expense and interest income are apportioned as set out in the loan agreements and accordingly directly debited or credited, respectively, to the financial result.

2.34 Transactions with related parties

The Board of Directors, Executive Board, group companies, pension fund foundations of the group, associates and their subsidiaries, and the Swiss Prime Investment Foundation are all regarded as related parties. All transactions with related parties are presented and broken down in note 23 «Transactions with related parties».

2.35 Earnings per share (EPS)

Basic earnings per share are determined by dividing the consolidated profit attributable to shareholders of Swiss Prime Site AG by the weighted average number of outstanding shares. Diluted earnings per share are determined by deducting expenses in connection with the convertible bonds, such as interest (coupon), amortisation of the proportional costs and tax effects. The potential shares (options and the like) that might lead to a dilution of the number of shares must be taken into account when determining the weighted average number of outstanding shares.

3 Changes in scope of consolidation

3.1 Acquisitions

No acquisitions during the reporting year or the previous year.

3.2 Sales during the reporting year

None.

3.3 Sales during the previous year

The Tertianum Group was sold to the Capvis Equity V fund advised by the investment firm Capvis AG. The sale was announced in a press release on 13 December 2019. The closing of the contract and derecognition took place on 28 February 2020. The Tertianum Group has therefore been included in the consolidated financial statements for two months of the previous year.

The Tertianum Group comprises the entire assisted living business, i.e. the operational management of 80 residential and care centres as well as residences in all parts of Switzerland. The purchase agreement covers all operational management and therefore all group companies in the field of assisted living.

The Tertianum Group has around 4900 employees, who have been transferred to the new owner along with existing management. The 19 properties held by Swiss Prime Site Immobilien AG were not part of the sale and have therefore stayed under the ownership of the Swiss Prime Site Group.

Assets and liabilities of the Tertianum Group as at the divestment date of 28 February 2020 were as follows:

in CHF 1 000	28.02.2020
Assets	
Cash	5 896
Accounts receivable	50 998
Other current assets	24 291
Total current assets	81 185
Investment properties	34 745
Tangible assets	43 494
Other non-current assets	16 798
Total non-current assets	95 037
Total assets	176 222
Liabilities and shareholders' equity	
Current financial liabilities	977
Other current liabilities	68 631
Non-current financial liabilities	32 122
Other non-current liabilities	4 875
Total liabilities	106 605
Non-controlling interests in equity	1 046
Total non-controlling interests in equity	1 046
Net assets sold	68 571
Return of goodwill to income statement (recycling)	304 538
Sales price less transaction costs	577 290
Sales result	204 181

3.4 Group internal mergers during the reporting period

In the Services segment, immoveris ag, Berne, was merged into Swiss Prime Site Solutions AG, Zurich, as at 1 January 2021.

3.5 Group internal mergers during the previous year

In the Real Estate segment, SPS Beteiligungen Alpha AG, Olten, was absorbed into Swiss Prime Site AG, Olten, as at 1 January 2020.

4 Segment reporting

Swiss Prime Site is a group that primarily operates a real estate business (core business) comprising buying and selling, managing and developing investment properties. Swiss Prime Site also operates in real estate-related business fields.

The consolidated financial data are subdivided into the segments subject to mandatory reporting, as follows:

- Real Estate comprises the purchase, sale, lease and development of properties as well as central group functions.
- Services consists of the real estate-related real estate services, retail trade and asset management businesses. In the previous year, the Tertianum Group (assisted living), sold as at 28 February 2020, was included for two months.

Segment income statement 01.01.–31.12.2021

in CHF 1000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2021 Total group
Rental income from properties	444 420	12 953	457 373	–30 681	426 692
thereof from third parties	413 739	12 953	426 692	–	426 692
thereof from other segments	30 681	–	30 681	–30 681	–
Income from real estate developments	48 261	–	48 261	–	48 261
Income from real estate services	–	146 118	146 118	–26 731	119 387
Income from retail	–	119 553	119 553	–13	119 540
Income from asset management	–	18 215	18 215	–	18 215
Other operating income	2 174	12 670	14 844	–2 008	12 836
Operating income	494 855	309 509	804 364	–59 433	744 931
Revaluation of investment properties, net	318 814	–	318 814	–	318 814
Result from investments in associates	909	–	909	–	909
Result from investment property sales, net	39 916	–	39 916	–	39 916
Real estate costs	–71 189	–44 840	–116 029	56 928	–59 101
Cost of real estate developments	–33 377	–	–33 377	–	–33 377
Cost of goods sold	–	–63 726	–63 726	–	–63 726
Personnel costs	–22 141	–150 888	–173 029	404	–172 625
Depreciation on tangible assets	–470	–6 930	–7 400	–	–7 400
Amortisation on intangible assets	–4 390	–4 591	–8 981	–	–8 981
Other operating expenses	–18 946	–27 100	–46 046	2 101	–43 945
Operating expenses	–150 513	–298 075	–448 588	59 433	–389 155
Operating result (EBIT)	703 981	11 434	715 415	–	715 415

Segment income statement 01.01.–31.12.2020

in CHF 1000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2020 Total group
Rental income from properties	430 964	28 554	459 518	-34 795	424 723
thereof from third parties	396 169	28 554	424 723	-	424 723
thereof from other segments	34 795	-	34 795	-34 795	-
Income from real estate developments	50 099	-	50 099	-	50 099
Income from real estate services	-	146 157	146 157	-30 993	115 164
Income from retail	-	110 632	110 632	-26	110 606
Income from assisted living	-	72 426	72 426	-6	72 420
Income from asset management	-	13 126	13 126	-	13 126
Other operating income	1 799	7 258	9 057	-2 279	6 778
Operating income	482 862	378 153	861 015	-68 099	792 916
Revaluation of investment properties, net	203 406	-	203 406	-	203 406
Result from investments in associates	1 000	-	1 000	-	1 000
Result from investment property sales, net	20 929	-	20 929	1 314	22 243
Result from sale of participations, net	-	204 181	204 181	-	204 181
Real estate costs	-69 413	-66 275	-135 688	63 949	-71 739
Cost of real estate developments	-36 268	-	-36 268	-	-36 268
Cost of goods sold	-	-65 567	-65 567	-	-65 567
Personnel costs	-21 987	-201 242	-223 229	452	-222 777
Depreciation on tangible assets	-452	-7 994	-8 446	-	-8 446
Amortisation on intangible assets	-4 170	-4 968	-9 138	-	-9 138
Other operating expenses	-20 923	-28 981	-49 904	2 384	-47 520
Operating expenses	-153 213	-375 027	-528 240	66 785	-461 455
Operating result (EBIT)	554 984	207 307	762 291	-	762 291

In the Eliminations column, the revenues realised between the segments are eliminated.

5 Funds from operations (FFO)

Funds from operations (FFO) indicates cash effective income from operations (FFO I). FFO II also includes cash effective income from property sales.

in CHF 1000	without Tertianum ¹ 01.01.– 31.12.2020	01.01.– 31.12.2021
Operating result (EBIT)	555 862	715 415
Depreciation on tangible assets	7 066	7 400
Amortisation on intangible assets	8 703	8 981
Revaluation from investment properties, net	–203 406	–318 814
Result from investment property sales, net	–22 243	–39 916
Result from investments in associates	–1 000	–909
Cash effective interest expenses ²	–64 172	–50 148
Cash effective interest income and dividends	2 211	1 937
Current taxes without investment property sales	–10 431	–23 075
FFO I	272 590	300 871
Result from investment property sales, net	22 243	39 916
Current taxes from investment property sales	–12 439	–14 985
FFO II	282 394	325 802
Total weighted average number of shares	75 964 863	75 968 104
FFO I per share in CHF	3.59	3.96
FFO II per share in CHF	3.72	4.29

¹ Figures without Tertianum Group (figures January and February 2020 as well as result from sale of participations). The sale and deconsolidation of the Tertianum Group took place on 28 February 2020

² Not included are the early repayment penalties (non-recurring expenses) of CHF 24.913 million paid due to the refinancing

6 Result from investment property sales

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Gains from sales of properties	15 591	–
Gains from sales of properties held for sale	6 652	39 916
Total result from investment property sales, net	22 243	39 916

In the reporting year, two [two] existing properties, an additional building unit (E) in the Espace Tourbillon project and five [two] freehold units in Building A, Espace Tourbillon in Geneva, were sold. Construction of building A in the Espace Tourbillon was completed in the reporting year. The transactions have therefore been split into two parts: the sale of freehold properties under construction and the continuation of construction activity as a service. The sale includes the land portion, the project costs incurred and the construction work carried out up to the date of sale and the transfer of ownership. It is recognised as the sale of investment properties (Swiss GAAP FER 18). The service includes the completion of the freehold properties up to turnkey handover. This is recognised in the consolidated financial statements as real estate development based on construction progress (Swiss GAAP FER Framework 11 and 12).

7 Real estate costs

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Property expenses	–34 888	–36 644
Third-party rents	–20 274	–5 737
Expenses for third-party services	–6 073	–5 996
Expenses for real estate services	–4 283	–4 782
Land lease expenses	–6 221	–5 942
Total real estate costs	–71 739	–59 101

Property expenses included maintenance and repair costs of CHF 8.428 million [CHF 8.393 million], ancillary costs borne by the owner of CHF 16.249 million [CHF 12.419 million] and property-related insurance costs and fees of CHF 7.922 million [CHF 7.530 million] as well as costs for cleaning, energy and water of CHF 4.045 million [CHF 6.546 million].

There was a significant drop in third-party rents compared with the same period last year due to the sale of the Tertianum Group as at 28 February 2020.

8 Personnel costs

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Wages and salaries	– 181 598	– 141 567
Social security expenses	– 13 305	– 9 619
Pension plan expenses	– 18 693	– 15 513
Other personnel expenses	– 9 181	– 5 926
Total personnel costs	– 222 777	– 172 625
Number of employees as at 31.12.	1 728	1 667
Number of full-time equivalents as at 31.12.	1 505	1 474

There was a significant drop in personnel costs compared with the same period last year due to the sale of the Tertianum Group as at 28 February 2020.

9 Other operating expenses

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Expenses for tangible assets and IT	– 15 859	– 14 309
Non-life insurance, fees	– 1 103	– 748
Capital taxes	– 4 079	– 3 824
Administrative expenses	– 11 875	– 9 756
Audit and consultancy costs	– 5 919	– 6 571
Marketing	– 6 035	– 5 535
Collection and bad debt-related losses	– 2 650	– 3 202
Total other operating expenses	– 47 520	– 43 945

Capital taxes were calculated according to the effective tax rates on the basis of intercantonal tax allocation.

Administrative expenses included costs incurred for the reporting process, other administrative expenses and costs for various services provided by third parties, such as management fees and communication.

Audit and consultancy expenses comprised consulting fees of CHF 5.919 million [CHF 5.256 million] and audit fees of CHF 0.652 million [CHF 0.663 million].

10 Income taxes

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Current income taxes of the reporting period	–27 018	–39 528
Adjustments for current income taxes of other accounting periods	3 518	1 468
Total current income taxes	–23 500	–38 060
Deferred taxes resulting from revaluation and depreciation	–83 718	–118 677
Deferred taxes resulting from real estate developments (long-term contracts)	1 201	8 247
Deferred taxes resulting from the sale of investment properties	7 425	7 865
Deferred taxes resulting from tax rate changes	7 114	1 648
Deferred taxes resulting from losses carried forward	–1 554	–
Other deferred taxes	–20	–
Total deferred taxes	–69 552	–100 917
Total income taxes	–93 052	–138 977

Reconciliation of income taxes

Factors leading to the deviation of the effective tax burden from the average tax rate of 20% [20%]:

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Profit before income taxes	703 459	646 354
Income taxes at average tax rate of 20%	–140 692	–129 271
Taxes at other rates (including property gains taxes)	165	–11 419
Tax effect due to investment deduction	41 066	199
Deferred taxes resulting from tax rate changes	7 114	1 648
Adjustment for current income taxes for other accounting periods	3 518	1 468
Effect of unrecognised losses carried forward	–4 223	–1 602
Total income taxes	–93 052	–138 977

Deferred taxes

Where the revaluations according to Swiss GAAP FER versus the fiscal values were due to recaptured depreciation, the taxes are allocated per property after deduction of any applicable property gains tax and taken into account separately. In this case, cantonal tax rates of between 4.4% and 14.3% [4.4% and 14.3%] were applied.

Upward revaluations exceeding the recaptured depreciation are subject to tax using two different systems. Cantons that do not levy any special taxes also calculate taxes at the above rates. The other cantons levy a separate property gains tax using rates of between 11.1% and 27.0% [5.0% and 25.0%], depending on duration of ownership.

Accordingly, property gains taxes are reduced in proportion to the increased duration of ownership of the property. Swiss Prime Site generally assumes ownership for a minimum period of 20 years, meaning that potential speculation surcharges are not taken into account.

Deferred income tax assets

Of the total deferred tax assets subject to losses carried forward, only those were recognised that can probably be offset with future profits. No deferred tax assets were recognised in the reporting year or the previous year due to the insufficient future probability of offsetting losses.

Expiring taxable losses carried forward

Taxable losses carried forward of group companies for which no deferred tax assets were recognised expire as follows:

in CHF 1000	31.12.2020	31.12.2021
After 1 year	11	5
After 2 years	5	7 123
After 3 years	7 123	3
After 4 years	3	4 235
After 5 years	4 235	478
After 6 years	478	16 108
After 7 or more years	16 229	8 144
Total expiring taxable losses carried forward	28 084	36 096

Deferred tax liabilities

in CHF 1000	2020	2021
Deferred tax liabilities as at 01.01.	1 099 397	1 162 803
Change due to acquisitions/divestments of group companies	-4 512	-
Change due to real estate developments (long-term contracts)	-1 201	-8 247
Increase through revaluation and depreciation	83 658	118 677
Change through property disposals	-7 425	-7 865
Tax rate changes	-7 114	-1 648
Deferred tax liabilities as at 31.12.	1 162 803	1 263 720

11 Accounts receivable

in CHF 1000	31.12.2020	31.12.2021
Accounts receivable, gross	61 048	45 930
Impairments	-4 319	-6 600
Total accounts receivable	56 729	39 330

Most of the accounts receivable related to claims for rent and ancillary costs.

Maturities of receivables

in CHF 1000	31.12.2020 Gross receivables	Impairments	31.12.2021 Gross receivables	Impairments
Not yet due	39 410	-	34 238	-841
Due between 1 and 30 days	7 478	-520	3 625	-269
Due between 31 and 90 days	5 558	-693	1 875	-1 206
Due between 91 and 120 days	473	-116	414	-404
Due for more than 120 days	8 129	-2 990	5 778	-3 880
Total gross receivables and impairments	61 048	-4 319	45 930	-6 600

12 Inventories

in CHF 1000	31.12.2020	31.12.2021
Merchandise	32 088	35 482
Other inventories	15	13
Impairments	-1 317	-2 232
Total inventories	30 786	33 263

Inventories include merchandise from the retail business, which was recognised in the balance sheet at average cost or – if lower – net realisable value.

13 Real estate developments

All sold real estate developments were completed as at the balance sheet date. Income from real estate developments during the period amounted to CHF 48.261 million [CHF 50.099 million]. The accruals last year relate to real estate developments sold during the construction phase and completed on behalf of the buyers. In the partial sale of the «Espace Tourbillon» development project in Geneva, two of the total of five buildings under construction were sold in 2017. Building C was handed over to the new owners in turnkey condition on 15 April 2021. Building D was completed and handed over in the fourth quarter of 2021. In addition, the commercial space in Building A of the Espace Tourbillon development project was also sold as business premises.

14 Investment properties

Change in investment properties

in CHF 1000	Undeveloped properties	Properties	Properties under construction/development sites	Total investment properties	Properties held for sale	Properties intended for sale	Total
Total as at 01.01.2020	37 498	11 030 239	603 557	11 671 294	94 136	–	11 765 430
Purchases	3 441	87 643	37	91 121	–	–	91 121
Follow-up investments	856	143 516	182 252	326 624	18 106	–	344 730
Capitalised borrowing costs	–	–	7 342	7 342	–	–	7 342
Reclassifications	–	–2 116	–106 412	–108 528	108 528	–	–
Disposal by sale	–	–38 100	–	–38 100	–16 564	–	–54 664
Disposals from divestments	–	–34 745	–	–34 745	–	–	–34 745
Positive fair value adjustment	754	362 457	46 862	410 073	12 195	–	422 268
Negative fair value adjustment	–387	–206 486	–11 989	–218 862	–	–	–218 862
Fair value adjustment	367	155 971	34 873	191 211	12 195	–	203 406
Total as at 31.12.2020	42 162	11 342 408	721 649	12 106 219	216 401	–	12 322 620
Purchases	–	18 082	–	18 082	–	–	18 082
Follow-up investments	201	121 666	128 748	250 615	23 338	–	273 953
Capitalised borrowing costs	–	533	5 438	5 971	439	–	6 410
Reclassifications	–	–197 807	–14 952	–212 759	159 293	53 466	–
Disposal by sale	–	–	–1 609	–1 609	–144 770	–	–146 379
Positive fair value adjustment	800	482 520	18 680	502 000	167	–	502 167
Negative fair value adjustment	–130	–168 565	–9 914	–178 609	–4 744	–	–183 353
Fair value adjustment	670	313 955	8 766	323 391	–4 577	–	318 814
Total as at 31.12.2021	43 033	11 598 837	848 040	12 489 910	250 124	53 466	12 793 500
Actual costs as at 31.12.2020	33 566	8 380 583	619 200	9 033 349	172 238	–	9 205 587
Actual costs as at 31.12.2021	33 759	8 434 064	650 179	9 118 002	227 664	46 449	9 392 115
Difference between fair value and actual costs as at 31.12.2020	8 596	2 961 825	102 449	3 072 870	44 163	–	3 117 033
Difference between fair value and actual costs as at 31.12.2021	9 274	3 164 773	197 861	3 371 908	22 460	7 017	3 401 385
Fire insurance values on 01.01.2020 ¹	12 067	6 947 513	384 939	7 344 519	78 916	–	7 423 435
Fire insurance values on 01.01.2021 ¹	11 945	6 946 479	350 734	7 309 158	171 037	–	7 480 195
Fire insurance values on 31.12.2021¹	12 569	6 894 067	401 723	7 308 359	277 869	34 286	7 620 514

¹ there were no building insurance values for properties under construction. For building projects, respective builders' liability insurance policies were concluded

Details on future rental income from rentals under existing contracts

The following table breaks down the future net annual rental income and land lease income from properties (excluding properties under construction and development sites, and excluding leased properties) by the end-dates of individual rental agreements, as at 31 December 2021:

End of contract	31.12.2020 Future rental income in CHF 1000	Share in %	31.12.2021 Future rental income in CHF 1000	Share in %
Under 1 year ¹	61 207	13.5	58 756	13.0
Over 1 year	63 618	14.0	44 525	9.8
Over 2 years	33 755	7.4	56 761	12.5
Over 3 years	47 268	10.4	35 777	7.9
Over 4 years	34 289	7.6	72 020	15.9
Over 5 years	55 000	12.1	27 654	6.1
Over 6 years	17 899	3.9	9 261	2.0
Over 7 years	8 503	1.9	21 324	4.7
Over 8 years	20 491	4.5	19 256	4.3
Over 9 years	16 829	3.7	45 556	10.1
Over 10 years	94 393	21.0	61 869	13.7
Total	453 252	100.0	452 759	100.0

¹ includes all indefinite rental agreements (residential, parking facilities, commercial properties etc.) of total CHF 30.942 million [CHF 25.140 million]

Future rental income has been presented from the Real Estate segment perspective and is based on the rental agreements of the group's properties as at 31 December 2021 [31 December 2020].

Rent losses from vacancies

Rent losses from vacancies were CHF 20.465 million [CHF 22.232 million], corresponding to a vacancy rate of 4.6% [5.1%]. Rent losses from vacancies were deducted from target rental income. In the case of existing properties, neither target rental income nor rent loss from vacancies includes areas that are not usable on account of their complete refurbishment. Detailed information can be found under «Property details» from page 76 onwards.

Largest external tenants

As at the balance sheet date, the five largest external tenants accounted for 21.9% [22.7%] of future annual rental income and land lease income (Real Estate segment perspective). The individual tenants have a good credit rating. This relates to the following companies:

in %	31.12.2020	31.12.2021
Tertianum	5.6	6.0
Coop	5.5	5.3
Magazine zum Globus (formerly Migros)	4.5	4.7
Swisscom	4.7	3.4
Zurich Insurance Group	2.4	2.5

According to Swiss GAAP FER 13, rental agreements represent leasing transactions. The rental agreements are generally indexed; in the case of retail property, additional turnover-based rents are sometimes agreed. Rental agreements are normally concluded for a term of five to ten years, often with a five-year extension option.

Valuation techniques and significant, unobservable inputs

The properties are valued on a semi-annual basis by an external, independent and qualified valuation expert, Wüest Partner AG, Zurich.

Determining the value of Swiss Prime Site's real estate portfolio is carried out with a model-based valuation based on input parameters that are not directly observable on the market, whereby adapted, observable input parameters may be applied here as well (for example, market rents, operating/maintenance costs, discount/capitalisation rates, proceeds from the sale of owner-occupied residential property). Unobservable inputs are applied only when relevant observable inputs are unavailable.

The individual valuation of properties is carried out by means of the discounted cash flow method (DCF method). A more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are used for the remainder of the term. Fair value is determined by applying the highest-and-best-use concept for a property.

Details on the valuation methods and assumptions can be found in the report of the valuation experts Wüest Partner AG, from page 3.

Unobservable inputs applied as at 31.12.2021

	in	Undeveloped properties	Commercial properties (continuation of use) ¹	Commercial properties (highest and best use) ²	Properties under construction/development sites
Fair value as at balance sheet date	CHF m	43.033	10 552.324	1 191.167	1 006.976
Unobservable input factors					
Average discount rate	%	3.10	2.76	2.70	3.10
Maximum discount rate	%	4.95	4.85	4.75	4.05
Minimum discount rate	%	3.42	1.70	2.15	2.35
Residential	CHF per m ² p.a.	–	80 to 692	120 to 530	255 to 285
Offices	CHF per m ² p.a.	–	80 to 930	90 to 780	180 to 535
Retail/gastro	CHF per m ² p.a.	–	60 to 9 000	120 to 1 190	240 to 395
Commercial	CHF per m ² p.a.	–	55 to 380	80 to 210	220 to 280
Storage	CHF per m ² p.a.	–	25 to 500	48 to 200	90 to 170
Parking inside	CHF per piece and month	–	50 to 650	100 to 600	90 to 635
Parking outside	CHF per piece and month	–	40 to 400	40 to 160	75 to 200

¹ commercial properties for which the valuation was based on the assumption of continuation of current use, as well as investment properties held for sale

² commercial properties for which the valuation was based on highest and best use

Unobservable inputs applied as at 31.12.2020

	in	Undeveloped properties	Commercial properties (continuation of use) ¹	Commercial properties (highest and best use) ²	Properties under construction/development sites
Fair value as at balance sheet date	CHF m	42.162	10 331.966	1 118.970	829.522
Unobservable input factors					
Average discount rate	%	3.49	2.93	2.81	3.48
Maximum discount rate	%	4.95	4.85	4.90	4.15
Minimum discount rate	%	3.20	1.95	2.25	2.80
Residential	CHF per m ² p.a.	–	70 to 692	120 to 447	275 to 325
Offices	CHF per m ² p.a.	–	80 to 920	90 to 845	150 to 550
Retail/gastro	CHF per m ² p.a.	–	60 to 7 450	120 to 1 190	250 to 450
Commercial	CHF per m ² p.a.	–	55 to 380	55 to 250	150 to 280
Storage	CHF per m ² p.a.	–	30 to 550	50 to 180	100 to 175
Parking inside	CHF per piece and month	–	50 to 650	100 to 600	55 to 250
Parking outside	CHF per piece and month	–	40 to 400	40 to 120	60 to 90

¹ commercial properties for which the valuation was based on the assumption of continuation of current use, as well as investment properties held for sale

² commercial properties for which the valuation was based on highest and best use

Sensitivity of fair value measurement to changes in unobservable input factors

An increase in the discount rate reduces fair value, whereas a rise in the market rent price and/or sales proceeds increases fair value. There are correlations between these input factors, since they are to some extent dependent on market data. For properties under construction and development sites, the outstanding investments and time to completion of construction reduce fair value, whereas the incurrence of these costs over the period up until completion increases fair value.

In relation to potential changes in the market environment, sensitivity is significant particularly regarding discount rates. An increase or decrease of 10 basis points [± 10 basis points] in the average discount rate applied of 2.75% [2.91%] would have a positive impact of +3.8% [+3.5%] or a negative impact of -3.8% [-3.6%] on the fair value of the existing properties.

The impact of changes in market rent prices on fair value is also significant. However, substantial changes in rental income over the entire portfolio (with a varying diversity of uses and tenants) in accumulated form and within a shorter period are less probable, whereas more significant effects on the portfolio would occur with a prolonged time lag. A linear correlation between rental income and fair value can be approximately assumed, whereby the rental income forecast in the valuation comprises several components, such as current contractually guaranteed rents and market rental estimates after the present contracts have expired.

A change of $\pm 2.0\%$ [$\pm 2.0\%$] in market rent prices would have a positive impact of +2.2% [+2.2%] or a negative impact of -2.5% [-2.2%] on the fair value of the existing properties.

Amid the current environment of negative interest rates, there is an investment crisis, creating strong demand for real estate investments. Against such a backdrop of negative interest rates, institutional investors in particular are willing to pay high prices for properties situated in prime locations with corresponding low expectations for returns. This can lead to sales prices for individual properties that noticeably deviate from the fair value assessment.

Current development and new building projects**Basel, Hochbergerstrasse 60: Stücki Park**

Project description	Construction of three laboratory buildings and offices and transformation of the area into a centre for innovation, entertainment and health. Investment volume: approx. CHF 225 million. Further information: stueckipark.ch
Project status	First stage completed, second stage being executed
Sale/rental status	Buildings F and I (laboratory and office) being marketed, Buildings H and G (laboratory and office) 100% let.
Completion	First stage: 2021, second stage: 2023

Lancy, Esplanade de Pont-Rouge 5, 7, 9: Alto Pont-Rouge

Project description	Construction of a new services building with 15 upper floors and flexible usable areas. Investment volume: approx. CHF 306 million. Further information: alto-pont-rouge.ch
Project status	Project being executed
Sale/rental status	Being marketed; rental contracts for approx. 6 000 m ² agreed
Completion	2023

Paradiso, Riva Paradiso 3, 20: Tertianum Residenz Du Lac

Project description	New senior citizens' residence with 60 apartments and a geriatric care centre with 40 beds. Investment volume: approx. CHF 74 million
Project status	Project being executed
Sale/rental status	100% let
Completion	2023

Plan-les-Ouates, Chemin des Aulx: Espace Tourbillon

Project description	Construction of five new buildings for commercial, trading and service provider companies with underground logistics infrastructure. Investment volume: approx. CHF 89 million (Building B, basic fit-out). Further information: espacetourbillon.ch/en
Project status	Basic fit-out completed
Sale/rental status	Being marketed; 40% let (Building B)
Completion	2023 (full fit-out)

Richterswil, Gartenstrasse 7/17: Tertianum residential care centre, Etzelblick

Project description	Construction of 26 new assisted living senior apartments and 64 new care places including dementia care to replace the existing residential and care centre. Investment volume: approx. CHF 47 million
Project status	Project being executed
Sale/rental status	100% let
Completion	2022

Schlieren, Zürcherstrasse 39: JED conversion – Join. Explore. Dare.

Project description	Conversion into a centre for knowledge transfer, innovation and entrepreneurship with workplaces, indoor and outdoor meeting areas, and spaces for events, hospitality and leisure. Investment volume: approx. CHF 136 million (conversion, basic fit-out). Further information: jed.swiss
Project status	Basic fit-out completed
Sale/rental status	Currently being marketed
Completion	2022 (full fit-out)

Schlieren, Zürcherstrasse 39: JED new building – Join. Explore. Dare.

Project description	Development of building land reserve and new building. Large connected areas for innovative companies, including laboratory facilities. Investment volume: approx. CHF 95 million. Further information: jed.swiss
Project status	Legally valid building permit has been issued; start of construction 2022
Sale/rental status	Currently being marketed
Completion	2024

Zurich, Müllerstrasse 16, 20

Project description	Total renovation of an office property. The property has six full floors, an attic, a service floor and three basement floors. Investment volume: approx. CHF 222 million
Project status	Project being executed
Sale/rental status	100% let
Completion	2023

A more detailed description of the development and new construction projects has been published on the homepage www.sps.swiss/en/real-estate/projects/projects-under-construction.

15 Tangible assets and intangible assets

in CHF 1000	Equipment	Furniture/ tenants' improve- ments	Total tangible assets	Software	Total intangible assets
Cost as at 01.01.2021	–	82 833	82 833	54 808	54 808
Additions	–	5 064	5 064	15 774	15 774
Cost as at 31.12.2021	–	87 897	87 897	70 582	70 582
Cumulative depreciation and impairment as at 01.01.2021	–	56 877	56 877	29 358	29 358
Depreciation	–	7 400	7 400	8 981	8 981
Cumulative depreciation and impairment as at 31.12.2021	–	64 277	64 277	38 339	38 339
Total as at 31.12.2021	–	23 620	23 620	32 243	32 243

in CHF 1000	Equipment	Furniture/ tenants' improve- ments	Total tangible assets	Software	Total intangible assets
Cost as at 01.01.2020	15 068	158 582	173 650	60 846	60 846
Additions	192	6 621	6 813	14 787	14 787
Disposals	–	–20 299	–20 299	–8 890	–8 890
Disposals from divestments	–15 260	–62 071	–77 331	–11 935	–11 935
Cost as at 31.12.2020	–	82 833	82 833	54 808	54 808
Cumulative depreciation and impairment as at 01.01.2020	4 979	97 588	102 567	32 966	32 966
Depreciation	95	8 351	8 446	9 138	9 138
Disposals	–	–20 299	–20 299	–8 890	–8 890
Disposals from divestments	–5 074	–28 763	–33 837	–3 856	–3 856
Cumulative depreciation and impairment as at 31.12.2020	–	56 877	56 877	29 358	29 358
Total as at 31.12.2020	–	25 956	25 956	25 450	25 450

16 Goodwill

Goodwill resulting from acquisitions is set off against shareholders' equity as at the time of acquisition. Theoretical recognition of goodwill would have the following effects on the consolidated financial statements, assuming a useful life of five years:

Theoretical statement of changes in goodwill

in CHF 1000	2020	2021
Cost as at 01.01.	454 293	149 755
Disposals from divestments	-304 538	-
Cost as at 31.12.	149 755	149 755
Cumulative amortisation as at 01.01.	430 520	147 066
Additions	2 313	1 739
Disposals from divestments	-285 767	-
Cumulative amortisation as at 31.12.	147 066	148 805
Theoretical net book value as at 31.12.	2 689	950

Theoretical effect on shareholders' equity

in CHF 1000	31.12.2020	31.12.2021
Shareholders' equity according to balance sheet	6 085 629	6 338 679
Theoretical recognition of net book value of goodwill in the balance sheet	2 689	950
Theoretical shareholders' equity including net book value of goodwill	6 088 318	6 339 629

Theoretical effect on profit

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Profit according to income statement	610 407	507 377
Theoretical amortisation of goodwill	-2 313	-1 739
Adjustment result from sale of participations, net	285 767	-
Theoretical profit including amortisation of goodwill	893 861	505 638

17 Accrued expenses and deferred income

in CHF 1000	31.12.2020	31.12.2021
Renovation and project costs	98 078	112 764
Cost of goods sold	4 028	3 664
Other operating expenses	28 031	34 352
Current income and capital taxes	25 216	42 865
Interests	698	21
Total accrued expenses and deferred income	156 051	193 666

18 Financial liabilities

in CHF 1000	31.12.2020	31.12.2021
Mortgage-backed loans	1 033 870	858
Bonds	299 906	–
Total current financial liabilities	1 333 776	858
Mortgage-backed loans	1 681 000	844 700
Unsecured loans	–	1 702 000
Convertible bonds	539 651	541 165
Bonds	1 609 536	2 059 319
Other non-current financial liabilities	338	–
Total non-current financial liabilities	3 830 525	5 147 184
Total financial liabilities	5 164 301	5 148 042

On 1 December 2021, Swiss Prime Site concluded a deal with 11 Swiss banking institutions for two unsecured credit facilities worth CHF 2.600 billion. This brought about the discharge of mortgage-backed loans. On the flip side, Swiss Prime Site secured committed credit facilities, which are subject to a commitment fee. As at the balance sheet date, the amount of the committed credit facilities not yet drawn down was CHF 898.000 million. The two agreements have a term to maturity of five and six years respectively, and both include an option to extend. The most important financial covenants relate to the loan-to-value ratio (LTV) and the interest coverage ratio. The loan-to-value ratio (financial liabilities as a percentage of the balance sheet total) may not exceed 50% over a six-month period and must never exceed 55%. The interest coverage ratio is calculated by dividing income from the rental of properties by interest expense, and must amount to at least 4.0. As at the balance sheet date, the loan-to-value ratio was 39.2% and the interest coverage ratio was 8.5. In the course of the refinancing process, early repayment charges of CHF 24.913 million were paid and recognised under financial expenses during the reporting year.

On 11 February 2021, Swiss Prime Site Finance AG issued a seven-year green bond in the amount of CHF 300.000 million with an interest rate of 0.375%. During the reporting period, two existing bonds were increased by a total of CHF 150.000 million. The CHF 300.000 million bond was repaid upon maturity on 16 April 2021. As at the balance sheet date, the loan-to-value ratio of the property portfolio was 40.2% [41.9%].

Bonds

		CHF 300 m 2021	CHF 190 m 2024	CHF 100 m 2024	CHF 250 m 2025	CHF 350 m 2026 ¹
Issuing volume, nominal	CHF m	300.000	190.000	100.000	250.000	350.000
Book value as at 31.12.2021	CHF m	0.000	189.940	99.755	249.962	351.639
Book value as at 31.12.2020	CHF m	299.906	189.917	99.672	249.952	249.434
Interest rate	%	1.75	1.0	2.0	0.5	0.825
Term to maturity	years	7	6	10	9	9
Maturity	date	16.04.2021	16.07.2024	10.12.2024	03.11.2025	11.05.2026
Securities number		23 427 449 (SPS14)	39 863 325 (SPS181)	25 704 217 (SPS142)	33 764 553 (SPS161)	36 067 729 (SPS17)
Fair value as at 31.12.2021	CHF m	0.000	194.370	105.350	252.625	358.750
Fair value as at 31.12.2020	CHF m	301.860	196.080	107.350	254.000	257.250

		CHF 350 m 2027	Green Bond CHF 300 m 2028	Green Bond CHF 300 m 2029	CHF 220 m 2031 ²
Issuing volume, nominal	CHF m	350.000	300.000	300.000	220.000
Book value as at 31.12.2021	CHF m	351.499	299.338	299.356	217.830
Book value as at 31.12.2020	CHF m	351.784	0.000	299.275	169.502
Interest rate	%	1.25	0.375	0.65	0.375
Term to maturity	years	8	7	9	12
Maturity	date	02.04.2027	11.02.2028	18.12.2029	30.09.2031
Securities number		41 904 099 (SPS19)	58 194 781 (SPS21)	58 194 773 (SPS20)	48 850 668 (SPS192)
Fair value as at 31.12.2021	CHF m	364.525	299.100	302.550	213.730
Fair value as at 31.12.2020	CHF m	370.475	0.000	305.700	167.790

¹ Increase of the bond by CHF 100 million as at 19.03.2021

² Increase of the bond by CHF 50 million as at 16.04.2021

Bonds are redeemed at their nominal value.

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Nominal value as at 31.12.2021	CHF m	247.500	296.630
Book value as at 31.12.2021	CHF m	245.990	295.175
Book value as at 31.12.2020	CHF m	244.954	294.697
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)
Fair value as at 31.12.2021	CHF m	248.861	301.821
Fair value as at 31.12.2020	CHF m	247.871	297.223

No conversions took place in the reporting period.

Conversion price and number of possible shares given 100% conversion

Convertible bonds	31.12.2020 Conversion price in CHF	Number of possible shares	31.12.2021 Conversion price in CHF	Number of possible shares
0.25%-convertible bond 16.06.2016–16.06.2023, issuing volume CHF 250.000 million, nominal value CHF 247.500 million	104.07	2 378 206	104.07	2 378 206
0.325%-convertible bond 16.01.2018–16.01.2025, issuing volume CHF 300.000 million, nominal value CHF 296.630 million	100.35	2 955 954	100.35	2 955 954
Total number of possible shares		5 334 160		5 334 160

Current and non-current financial liabilities categorised by interest rate

in CHF 1000	31.12.2020 Total nominal value	31.12.2021 Total nominal value
Financial liabilities up to 1.00%	2 489 130	4 238 488
Financial liabilities up to 1.50%	1 196 000	576 000
Financial liabilities up to 2.00%	772 470	284 700
Financial liabilities up to 2.50%	621 400	32 500
Financial liabilities up to 3.00%	70 000	–
Financial liabilities up to 3.50%	–	–
Financial liabilities up to 4.00%	20 000	20 000
Total financial liabilities	5 169 000	5 151 688

Overview of future contractual cash outflows (including interest) from all financial liabilities

in CHF 1000	31.12.2021 Book value	Contractual cash flows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Repay- ment	Inter- est	Repay- ment	Inter- est	Repay- ment	Inter- est	Repay- ment	Inter- est	Repay- ment
Current financial liabilities	858	862	4	858	–	–	–	–	–	–	–	–
Accounts payable	25 297	25 297	–	25 297	–	–	–	–	–	–	–	–
Other current liabilities	160 921	160 921	–	160 921	–	–	–	–	–	–	–	–
Non-current financial liabilities	5 147 184	5 336 855	18 084	–	15 131	–	30 735	291 200	69 487	1 772 130	52 588	3 087 500
Total financial liabilities	5 334 260	5 523 935	18 088	187 076	15 131	–	30 735	291 200	69 487	1 772 130	52 588	3 087 500

in CHF 1000	31.12.2020 Book value	Contractual cash flows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Repay- ment	Inter- est	Repay- ment	Inter- est	Repay- ment	Inter- est	Repay- ment	Inter- est	Repay- ment
Current financial liabilities	1 333 776	1 341 616	6 453	973 870	1 293	360 000	–	–	–	–	–	–
Accounts payable	8 341	8 341	–	8 341	–	–	–	–	–	–	–	–
Other current liabilities	144 315	144 315	–	144 315	–	–	–	–	–	–	–	–
Non-current financial liabilities (without derivatives)	3 830 187	4 065 162	19 031	–	19 031	–	37 031	175 000	84 491	1 524 230	70 448	2 135 900
Total non-derivative financial liabilities	5 316 619	5 559 434	25 484	1 126 526	20 324	360 000	37 031	175 000	84 491	1 524 230	70 448	2 135 900
Derivatives with negative fair value	338	304	–	244	–	60	–	–	–	–	–	–
Total derivative financial liabilities	338	304	–	244	–	60	–	–	–	–	–	–
Total financial liabilities	5 316 957	5 559 738	25 484	1 126 770	20 324	360 060	37 031	175 000	84 491	1 524 230	70 448	2 135 900

The weighted average residual term to maturity of all interest-bearing financial liabilities was 5.8 [4.8] years due to the contractual maturities.

19 Pension plans

Employer contribution reserves

There were no employer contribution reserves held in the reporting or previous year.

Economic benefits/obligations and pension benefit expenses

in CHF 1000	Surplus/deficit	Economical part of the group	Contributions concerning the reporting period	Pension benefit expenses within personnel costs	
	31.12.2021	31.12.2021		01.01.– 31.12.2020	01.01.– 31.12.2021
Pension institutions without surplus/deficit	–	–	–	–1 883	–
Pension institutions with surplus	45 491	–	–15 513	–16 710	–15 513
Pension institutions with deficit	–	–	–	–100	–
Total	45 491	–	–15 513	–18 693	–15 513

No extraordinary recapitalisation contributions were stipulated or provided in the reporting year or the previous year.

20 Shareholders' equity

Share capital

	Number of registered shares issued	Nominal value in CHF	in CHF 1000
Share capital as at 01.01.2020	75 946 349	15.30	1 161 979
Conversions	24 015	15.30	368
Share capital as at 31.12.2020	75 970 364	15.30	1 162 347
Share capital as at 31.12.2021	75 970 364	15.30	1 162 347

The 655 [1 844] treasury shares held at 31 December 2021 were not entitled to dividends. As at the balance sheet date, the dividend-entitled share capital of CHF 1 162.337 million [CHF 1 162.318 million] therefore comprised 75 969 709 [75 968 520] registered shares.

Authorised and conditional capital

	Number of registered shares	Nominal value in CHF	in CHF 1000
Authorised and conditional capital as at 01.01.2020	7 000 000	15.30	107 100
Appropriation of conditional capital due to conversions	–24 015	15.30	–368
Authorised and conditional capital as at 31.12.2020	6 975 985	15.30	106 733
Authorised and conditional capital as at 31.12.2021 ¹	6 975 985	15.30	106 733

¹ due to the issue of a convertible bond, 2 378 206 shares (CHF 36.387 million) from conditional capital have been reserved for potential conversions. According to article 3a of the Articles of Association, the Board of Directors can therefore only increase the share capital by an amount of CHF 70.346 million, which corresponds to 4 597 779 shares

The Board of Directors is authorised to increase the share capital to the extent mentioned above at any time until 23 March 2023.

According to articles 3a and 3b, para. 1, of the Company's current Articles of Association, overall share capital (authorised and conditional capital) may be increased by a maximum of CHF 106.733 million. The precise wording regarding authorised and conditional capital can be found in the Company's Articles of Association.

Capital reserves

	in CHF 1000
Capital reserves as at 01.01.2020	320 629
Distribution from capital contribution reserves	–144 339
Conversion of convertible bonds into registered shares	2 046
Share-based compensation	–518
Income from delivery of treasury shares relating to share-based compensation	–620
Capital reserves as at 31.12.2020	177 198
Distribution from capital contribution reserves	–127 248
Share-based compensation	77
Income from delivery of treasury shares relating to share-based compensation	–11
Capital reserves as at 31.12.2021	50 016

Capital reserves are based on above-par issues on foundation, capital increases as well as changes from trading with subscription rights, treasury shares and share-based compensation.

As at the balance sheet date, Swiss Prime Site AG's reserves consisted of a non-distributable amount (legal reserves) of CHF 232.470 million [CHF 232.470 million].

Treasury shares

	in CHF 1000
Treasury shares as at 01.01.2020	– 106
Purchase of treasury shares, 42 900 shares, CHF 115.98 average transaction price	–4 976
Share-based compensation, 42 168 shares, CHF 102.00 average transaction price	4 301
Income from delivery of treasury shares relating to share-based compensation	620
Treasury shares as at 31.12.2020	– 161
Purchase of treasury shares, 32 550 shares, CHF 89.21 average transaction price	–2 904
Share-based compensation, 33 739 shares, CHF 88.78 average transaction price	2 996
Income from delivery of treasury shares relating to share-based compensation	11
Treasury shares as at 31.12.2021	–58

Treasury shares are valued at acquisition cost and reported in shareholders' equity as a debit item. Income from delivery of treasury shares relating to share-based compensation is set off directly against capital reserves. As at the balance sheet date, the group companies held 655 shares [1 844 shares] and the group's employee pension fund foundations held 228 946 shares [290 049 shares] in Swiss Prime Site AG.

Retained earnings

	in CHF 1000
Retained earnings as at 01.01.2020	3 975 536
Profit	610 510
Goodwill charged to income on sale of group companies	304 538
Distribution to shareholders	–144 339
Retained earnings as at 31.12.2020	4 746 245
Profit	507 377
Distribution to shareholders	–127 248
Retained earnings as at 31.12.2021	5 126 374

Non-controlling interests

	in CHF 1000
Non-controlling interests as at 01.01.2020	1 149
Profit, attributable to non-controlling interests	– 103
Sale of a majority shareholding with non-controlling interests	– 1 046
Non-controlling interests as at 31.12.2020	–
Profit, attributable to non-controlling interests	–
Non-controlling interests as at 31.12.2021	–
Shareholders' equity as at 31.12.2021	6 338 679
Shareholders' equity as at 31.12.2020	6 085 629

Distributions

The Annual General Meeting of 23 March 2021 [24 March 2020] passed the following resolution: A total distribution of CHF 3.35 [CHF 3.80] per share shall be made. The distribution consists of a distribution of CHF 1.67 [CHF 1.90] per share from the capital contribution reserves (exempt from withholding tax) and an ordinary dividend of CHF 1.67 [CHF 1.90] gross per share from balance sheet profit (subject to withholding tax).

The share capital on which the distribution was based consisted of 75 969 242 [75 968 018] shares. The distribution to shareholders with a total value of CHF 254.496 million [CHF 288.678 million] was carried out on 29 March 2021 [1 April 2020].

21 Key figures per share

Profit used to calculate earnings per share or diluted earnings per share was the reported profit attributable to shareholders of Swiss Prime Site AG.

Basis for calculation of diluted earnings per share

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Profit attributable to shareholders of Swiss Prime Site AG	610 510	507 377
Interests on convertible bonds, amortisation of proportional costs and tax effects	3 100	3 096
Relevant profit for calculation of diluted earnings per share	613 610	510 473

Weighted average number of shares

	01.01.– 31.12.2020	01.01.– 31.12.2021
Shares issued as at 01.01.	75 946 349	75 970 364
Weighted number of shares issued on conversions	22 207	–
Average number of treasury shares (360 days)	– 3 693	– 2 260
Total weighted average number of shares 01.01.–31.12. (360 days)	75 964 863	75 968 104
Weighted number of shares issued on conversions	– 22 207	–
Effective number of converted shares	24 015	–
Highest possible number of shares that can be issued on conversions	5 334 160	5 334 160
Basis for calculation of diluted earnings per share	81 300 831	81 302 264

Earnings and net asset value (NAV) per share

in CHF	01.01.– 31.12.2020	01.01.– 31.12.2021
Earnings per share (EPS)	8.04	6.68
Diluted earnings per share	7.55	6.28
Shareholders' equity per share (NAV) before deferred taxes ¹	95.41	100.07
Shareholders' equity per share (NAV) after deferred taxes ¹	80.11	83.44

¹ Services segment (real estate-related business fields) included at book values only

22 Future obligations and pledged assets

Swiss Prime Site concluded agreements with various general contractors for the construction of new and modified buildings within the scope of new construction activities as well as the restructuring and renovation of existing properties. The due dates for the respective residual payments for these general contractor agreements are as follows:

in CHF 1000	31.12.2020	31.12.2021
2021	212 824	n.a.
2022	106 707	231 332
2023	53 908	155 835
2024	–	32 123
2027	3 000	3 000
Total future obligations based on total contractor agreements	376 439	422 290

Operating lease agreements

As at the balance sheet date, the following future obligations relating to land lease payments, leasing of office equipment and rental of office, retail and residential floor space sector were in effect:

in CHF 1000	31.12.2020	31.12.2021
Lease expenses up to 1 year	12 276	14 357
Lease expenses from 1 year up to 5 years	42 225	43 199
Lease expenses over 5 years	338 112	328 591
Total future lease expenses	392 613	386 147

Pledged assets

in CHF 1000	31.12.2020	31.12.2021
Fair value of affected investment properties	8 842 035	2 102 027
Nominal value of pledged mortgage notes	4 291 053	1 011 386
Current claim (nominal)	2 714 870	845 558

23 Transactions with related parties

The Board of Directors, Executive Board, group companies, pension fund foundations of the group, associates and their subsidiaries, and the Swiss Prime Investment Foundation are all regarded as related parties.

Board of Directors and Executive Board

Disclosure of the following fixed compensation to members of the Board of Directors and the fixed and variable compensation to the Executive Board was based on the accrual principle (i.e. recognised in the relevant period, regardless of cash flow).

Compensation paid to the Board of Directors is effected at 50% in the form of Swiss Prime Site AG shares. The shares are blocked for a period of three years [three years]. In the reporting year, 7 917 shares [7 370 shares] at a market value of CHF 0.715 million [CHF 0.647 million] were transferred to the members of the Board of Directors.

The variable compensation of the members of the Executive Board is designated at 37.5% as performance-based entitlements to shares (performance share units or PSUs) within the scope of a long-term incentive plan (LTI). At the grant date, the individual LTI amount is converted to PSUs based on the volume-weighted average share price of the last 60 trading days prior to the grant date. The PSUs are subject to a three-year vesting period, conditionally upon fulfilment of the performance indicators and continued employment relationship during the vesting period. Earnings per share (EPS) excluding revaluations and deferred taxes constitute the performance indicators. The EPS target for the three-year vesting period is predetermined based on Swiss Prime Site's medium-term financial planning. At the vesting date, the number of allocated PSUs is multiplied by the payout factor in order to define the number of Swiss Prime Site shares that are definitively paid out. The payout factor depends on the achievement of the EPS target and hovers in a range between 0% and 100%.

In the reporting year, 14 552 [10 082] performance share units were allocated to the Executive Board. The amount is recognised in the consolidated financial statements at the current price of CHF 87.15 [CHF 94.75] (stock exchange price on the grant date) and spread over the three-year vesting period. The resulting expense booked in the consolidated income statement was CHF 1.078 million [CHF 0.988 million].

Compensation to the Board of Directors and Executive Board

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Fixed compensation in cash, gross	3 686	4 163
Variable compensation in cash, gross	1 611	1 601
Share-based compensation	1 557	1 726
Other compensation components	73	90
Pension fund contributions	466	641
Other social security contributions	411	370
Total compensation to the Board of Directors and Executive Board	7 804	8 591
Expense allowance	130	156

Other related parties

There were current accounts payable to the various pension funds and the SPS and Jelmoli welfare foundation of CHF –0.424 million [CHF 0.287 million]. Accounts receivable from Swiss Prime Investment Foundation amounted to CHF 0.868 million [CHF 0.135 million]. Accounts receivable from the newly launched Swiss Prime Site Solutions Investment Fund Commercial were CHF 1.363 million [nil]. Income from asset management with the Swiss Prime Investment Foundation totalled CHF 14.797 million [CHF 12.259 million]. Income from asset management with Swiss Prime Site Solutions Investment Fund Commercial was CHF 1.269 million [nil]. Income from other real estate services came to CHF 4.331 million [CHF 3.020 million]. The amount recorded for the provision of real estate services as well as other services to other related pension fund foundations was zero [CHF 0.008 million].

There were no additional transactions with other related parties carried out either in the reporting period or previous year's period.

24 Group companies and associates

Swiss Prime Site AG holds the following investments:

Fully consolidated investments in group companies (direct or indirect)

Field of activity	31.12.2020 Capital in CHF 1000	Shareholding in %	31.12.2021 Capital in CHF 1000	Shareholding in %
immoveris ag, Bern ¹	200	100.0	n.a.	n.a.
Jelmoli AG, Zurich	6 600	100.0	6 600	100.0
Swiss Prime Site Dreispitz AG, Olten	5 295	100.0	5 295	100.0
streamnow ag, Zurich	100	100.0	100	100.0
Swiss Prime Site Finance AG, Olten	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Olten	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Olten	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zurich ¹	1 500	100.0	1 500	100.0
Wincasa AG, Winterthur	1 500	100.0	1 500	100.0
Zimmermann Vins SA, Carouge	350	100.0	350	100.0

¹ merger of immoveris ag in Swiss Prime Site Solutions AG as at 01.01.2021

Investments in associates valued according to the equity method

	Field of activity	31.12.2020 Capital in CHF 1000	Shareholding in %	31.12.2021 Capital in CHF 1000	Shareholding in %
INOVIL SA, Lausanne	Parking	5 160	27.1	5 160	27.1
Parkgest Holding SA, Geneva	Parking	4 750	38.8	4 750	38.8

25 Major shareholders

Major shareholders (shareholding interest >3%)	31.12.2020 Shareholding interest in %	31.12.2021 Shareholding interest in %
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.8	7.7
State Street Corporation, Boston	>3.0	>3.0
UBS Fund Management (Switzerland) AG, Basel	4.3	3.8

26 Risk management**Ensuring continuity and exploiting opportunities**

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks. To achieve the Company's long-term corporate goals, it is crucial to recognise changes in the economic, social, regulatory, technological and ecological environment early on. Managing opportunities and risks as an integral part of the sustainability strategy is therefore a high priority at Swiss Prime Site. To this end, the Company has implemented a systematic process that is an important foundation for ensuring its continued growth and long-term success.

Swiss Prime Site's risk management is based on the group-wide risk policy, which establishes a homogeneous, responsible approach to tackling opportunities and risks and promotes a uniform understanding of risk management within the Swiss Prime Site Group.

Systematic risk management at all levels

Swiss Prime Site's risk management system is based on the group-wide risk management regulations. These define the minimum rules and requirements for the risk management process, which each group company can then supplement with specific additional requirements and regulations. The risk management regulations comprise the following elements: principles, control environment, communication, organisation and processes.

Risk management process

The risk management process encompasses all activities for the management of opportunities and risks. Identifying risks is an ongoing, dynamic process that involves all employees. Existing and new risks and opportunities are constantly monitored through regular dialogue with various stakeholders and on the basis of analyses of available internal and external information, with measures then defined as required. The annual risk meetings are a key element of the risk management process. These take place between the Executive Board and the Risk & Audit Committee of the respective group company on the one hand, and between the risk owners and the Group Risk Management department on the other.

Central risk management measures

Risk response is a key element of Swiss Prime Site's risk management process. The appropriateness of implementation and the degree of maturity are assessed on a regular basis – but at least once a year – by Group Audit & Risk, which if required plays an active coordination and support role with regard to implementation. Responsibility for compliance with group-wide requirements and for establishing and implementing measures in these areas remains with the operational management of the individual group companies. The risk management measures defined and implemented by Swiss Prime Site can be grouped into eight overarching categories/topics: organisational measures, directives and processes, internal and external audit, insurance, internal control system (ICS), cyber risks and sustainability or climate risks.

Most important risks in the various business fields

The 2021 risk assessment identified main risk topics for Swiss Prime Site. Comprehensive measures to reduce any negative impact were also defined. Please see the Corporate Governance Report for a detailed discussion of these measures.

27 Events after the balance sheet date

The consolidated financial statements were approved for publication by the Board of Directors on 10 February 2022. They are subject to approval by the Annual General Meeting of Swiss Prime Site AG on 23 March 2022.

Swiss Prime Site AG acquired 100% of the shares of the Akara Group in Zug with retrospective effect from 1 January 2022. Akara Funds AG is a fund provider regulated by FINMA that specialises in residential and commercial properties. The group also includes Akara Real Estate Management AG, which provides real estate services in the areas of development, execution, management and marketing, and Akara Property Development AG, which manages a limited partnership for collective investment (KmGK). The group employs a total of around 50 real estate specialists, all of whom are being kept on. The real estate assets under management, totalling around CHF 2.3 billion, comprise Akara Diversity PK (a real estate fund for tax-exempt pension funds), the private equity product Akara Property Development 1 KmGK for qualified investors, and a development pipeline of more than CHF 240 million (which also includes Akara Tower in Baden). The plan is to integrate the Akara Group and the respective companies into Swiss Prime Site Solutions during the course of the 2022 financial year and to merge the two fund management companies. Through the planned merger, Swiss Prime Site Solutions will grow into one of the leading Swiss real estate asset managers, with real estate assets under management (including development pipeline) of more than CHF 6.5 billion and an expected EBIT contribution of CHF 27–28 million in 2022. The acquisition will be financed 35% through Swiss Prime Site shares from authorised capital designated for this purpose.

In February 2022, Moody's assigned an A3 long term issuer rating to Swiss Prime Site AG, with a stable outlook. This confirms the excellent creditworthiness of Swiss Prime Site.

There were no other events occurring between 31 December 2021 and the date of publication of these consolidated financial statements that would result in adjustment of the carrying amounts of the group's assets and liabilities as at 31 December 2021, or that would need to be disclosed at this point.

Definition of alternative performance indicators

Cash yield

Distribution per share as a percentage of the share price at the end of the period.

Operating result before depreciation and amortisation (EBITDA)

Operating result before financial result and taxes (EBIT) plus depreciation on tangible assets and amortisation on intangible assets.

Operating result (EBIT) excluding revaluations

Operating result before financial result and taxes (EBIT) excluding revaluation of investment properties.

Equity ratio

Total shareholders' equity as a percentage of balance sheet total.

Return on equity (ROE)

Profit (attributable to shareholders of Swiss Prime Site AG) divided by average equity (attributable to shareholders of Swiss Prime Site AG).

Return on equity (ROE) excluding revaluations and deferred taxes

Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations and deferred taxes, divided by average equity (attributable to shareholders of Swiss Prime Site AG).

EPRA NDA (net disposal value)

Determines equity per share based on a sales scenario. Deferred taxes are therefore recognised as they are under Swiss GAAP FER.

EPRA NRV (net reinstatement value)

Determines equity per share based on the assumption that no properties are ever sold. The NAV is therefore adjusted for deferred taxes and the necessary incidental purchase expenses are added back. Captures the value of the assets that would be needed to rebuild Swiss Prime Site.

EPRA NTA (net tangible asset)

Determines equity per share on the assumption that properties are bought and sold in the same volumes as before. Some of the deferred taxes will therefore be crystallised through sales. However, based on our Company performance to date and our planning, the share of sales is low. Besides expected sales, intangible assets (in our case mainly IT systems) are fully excluded from the NTA.

Loan-to-value (LTV) ratio of the real estate portfolio

Current and non-current financial liabilities as a percentage of the property portfolio at fair value.

Funds from operations (FFO)

This key figure is a measure of cash effective income from operations (FFO I). FFO II also includes cash effective income from property sales. See note 5 for the calculation.

Profit excluding revaluations and deferred taxes

Profit less revaluations of investment properties and deferred taxes.

Earnings per share (EPS) excluding revaluations and deferred taxes

Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations and deferred taxes, divided by the weighted average number of outstanding shares.

Return on invested capital (ROIC)

Profit (attributable to shareholders of Swiss Prime Site AG) plus financial expenses divided by the average balance sheet total.

Return on invested capital (ROIC) excluding revaluations and deferred taxes

Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations and deferred taxes, divided by the weighted average number of outstanding shares.

Vacancy rate

Rental income from vacancies as a percentage of target rental income from the rental of investment properties.

NAV (net asset value) after deferred taxes per share

Equity (attributable to shareholders of Swiss Prime Site AG) divided by the number of shares issued on the balance sheet date (excluding treasury shares).

NAV (net asset value) before deferred taxes per share

Equity (attributable to shareholders of Swiss Prime Site AG) plus deferred tax liabilities, divided by the number of shares issued at the balance sheet date (excluding treasury shares).

Net property yield

Real estate income as a percentage of the property portfolio at fair value as at the balance sheet date.

Interest-bearing financial liabilities

Current and non-current financial liabilities less derivative financial instruments (other non-current financial liabilities).



Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Olten

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Swiss Prime Site AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting principles.

In our opinion the consolidated financial statements (pages 12 to 47, 76 to 83) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange and Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. 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.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority



Valuation of investment properties



Completeness and accuracy of deferred tax liabilities

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



Valuation of investment properties

Key Audit Matter

Investment properties form a substantial part of the balance sheet and showed an overall fair value of TCHF 12'489'910 as at 31 December 2021.

The Group's total investment properties are valued at fair value as at the balance sheet date.

The valuation is based on the external valuation expert's report. The fair value estimates performed every six months using the discounted cash flow model are significantly influenced by assumptions and estimates made by the Executive Board and the external valuation expert with regard to the expected future cash flows and the discount rate used for each property depending on its individual rewards and risks.

Our response

In the course of our audit, we assessed the external valuation expert's competence and independence. We met with the external valuation expert regarding the valuation of the investment properties, and discussed the valuation methodology and selected input factors applied in the valuation. We used our own real estate valuation specialists to support our audit procedures.

For a sample identified based on quantitative and qualitative factors, we performed, amongst others, the following audit procedures:

- evaluating the methodical accuracy of the model used to determine the fair value;
- challenging the most important input factors applied in the valuation (such as discount rate, market rents, vacancy rates, overhead / maintenance and renovation expenses) by comparing them with past figures, benchmarks, publicly available data and our own market assessments.
- additionally concerning properties under construction / development sites: assessment of key assumptions related to construction costs, utilisation, date of completion, expected revenues as well as future market outlook and evaluation of recoverability and allocation of investment costs capitalized.

We also considered the appropriateness of disclosures in the consolidated financial statements regarding the sensitivity of the investment properties' fair value to changes in discount rates.

For further information on the valuation of the investment properties refer to the following:

- Note 2 "Summary of significant accounting principles" to the consolidated financial statements
- Note 14 "Investment properties" to the consolidated financial statements
- Valuation Expert's Report, Wüest Partner AG, Zurich



Completeness and accuracy of deferred tax liabilities

Key Audit Matter

As at 31 December 2021, deferred tax liabilities amounted to TCHF 1'263'720.

Deferred taxes arise due to temporary differences between the values in the tax accounts and the consolidated balance sheet. The calculation of deferred taxes takes into account the expected point in time when, and the manner in which, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantively enacted at the respective locations at the balance sheet date. Deferred taxes primarily result from valuation differences between the fair values of investment properties and their values for tax purposes.

In the calculation of the deferred tax liabilities, assumptions and estimates must be made with regards to the fiscally relevant investment costs and the fair values of the properties as well as the tax rates applicable at the time the tax differences are realized. If properties are held for long periods, the fiscally relevant investment costs may be determined using an alternative measure instead of the actual investment costs, depending on the respective cantonal rules (e.g. fair value 20 years ago for Zurich properties). Moreover, in cantons with a separate property gains tax (one-tier system), the residual holding period of the properties has to be estimated, whereby SPS assumes a minimum ownership period of 20 years for properties not held for sale.

Our response

In the course of our audit, we critically assessed the calculation of deferred taxes on investment, development and commercial properties with the support of our tax specialists.

Based on the overall portfolio, we performed, amongst others, the following audit procedures:

- evaluating the calculation method used to determine deferred tax liabilities;
- critically assessing the assumed tax rates applicable to each canton at the time the tax differences are realized.

For a sample identified based on quantitative and qualitative factors, we performed, amongst others, the following audit procedures:

- reconciling the fair value with the valuation documentation and the fiscally relevant investment costs with the fixed asset accounting or the client's detailed records;
- testing the mathematical accuracy of the deferred tax calculation.

For further information on the calculation of deferred tax liabilities refer to the following:

- Note 2 "Summary of significant accounting principles" to the consolidated financial statements
- Note 10 "Income taxes" to the consolidated financial statements



Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER, Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange 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 Swiss Auditing Standards 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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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



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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 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.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 10 February 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Financial statements of Swiss Prime Site AG

Income statement

in CHF 1000	Notes	01.01.– 31.12.2020	01.01.– 31.12.2021
Dividend income	2.2	166 900	192 683
Other financial income	2.3	13 659	13 290
Income from sale of participations	2.4	375 096	–
Other operating income		94	193
Total operating income		555 749	206 166
Financial expenses	2.5	–6 419	–13 403
Personnel costs		–1 717	–1 754
Other operating expenses	2.6	–9 670	–6 481
Depreciation of participations		–2 533	–9 311
Total operating expenses		–20 339	–30 949
Result before taxes		535 410	175 217
Direct taxes		–70	124
Profit	4	535 340	175 341

Balance sheet

in CHF 1000	Notes	31.12.2020	31.12.2021
Assets			
Cash		277	39
Securities with market price		291	294
Other current receivables	2.7	167 173	192 624
Accrued income and prepaid expenses		1 792	1 575
Total current assets		169 533	194 532
Financial investments	2.8	255 755	67 559
Investments in subsidiaries	2.9	2 387 956	2 378 956
Accrued income and prepaid expenses		2 092	1 178
Total non-current assets		2 645 803	2 447 693
Total assets		2 815 336	2 642 225
Liabilities and shareholders' equity			
Other current liabilities	2.10	1 594	2 280
Accrued expenses and deferred income		5 305	4 691
Total current liabilities		6 899	6 971
Non-current interest-bearing liabilities	2.11	788 930	694 862
Total non-current liabilities		788 930	694 862
Total liabilities		795 829	701 833
Share capital	2.12	1 162 347	1 162 347
Statutory reserves			
Statutory reserves from capital contributions		157 468	30 220
Legal retained earnings			
Reserves for treasury shares		165	55
Other legal retained earnings		147 378	147 378
Voluntary retained earnings			
Balance sheet profit	4	726 467	439 425
Merger loss	2.1	-335 135	-
Other voluntary retained earnings		160 860	160 970
Treasury shares	2.13	-43	-3
Total shareholders' equity		2 019 507	1 940 392
Total liabilities and shareholders' equity		2 815 336	2 642 225

1 Accounting principles and valuation

1.1 In general

The financial statements of Swiss Prime Site AG, Frohburgstrasse 1, Olten, were prepared in accordance with the provisions of Swiss accounting law (Section 32 of the Swiss Code of Obligations). The significant valuation principles applied, but not mandatory by law, are described in the following section.

1.2 Securities

Securities held on a short-term basis are valued at stock-exchange prices at the balance sheet date. Formation of a fluctuation reserve has been waived.

1.3 Interest-bearing liabilities

Interest-bearing liabilities are recognised in the balance sheet at nominal value. Premiums and discounts on bonds and convertible bonds, together with issuing costs, are recorded in accrued income and prepaid expenses and amortised over the term to maturity of the bond or convertible bond.

1.4 Treasury shares

Treasury shares are recognised at cost as a minus position in shareholders' equity at the time of acquisition. Given future re-divestment of the shares, the profit or loss is recognised in the income statement and recorded as financial income or expense, respectively.

1.5 Share-based compensation

If treasury shares are used for share-based compensation to the Board of Directors and employees, the value of the shares allocated is recognised as personnel costs. Any difference versus book value is posted to the financial result.

1.6 Dispensation of cash flow statement and additional information in the notes

Since Swiss Prime Site AG prepares the consolidated financial statements according to recognised accounting standards (Swiss GAAP FER), the Company has dispensed with providing information in the notes regarding interest-bearing liabilities and audit fees as well as the presentation of a cash flow statement, in accordance with the relevant legal requirements.

2 Information relating to balance sheet and income statement positions

2.1 Merger

During the previous year, the legal structure of the group was simplified and the financing functions were bundled together in a separate financing company. SPS Beteiligungen Alpha AG, Olten, and Swiss Prime Site AG, Olten, were consequently merged with effect from 1 January 2020. The bonds, the majority of the other interest-bearing liabilities and the loans to group companies were transferred to Swiss Prime Site Finance AG with retroactive effect from 1 January 2020 (capital increase on 24 June 2020).

2.2 Dividend income

Dividend income includes the dividends from group companies of CHF 192.683 million [CHF 166.900 million] for the 2021 financial year. The dividends were recorded as receivables. This procedure was permissible since the companies closed their accounts on the same balance sheet date and the resolution on the dividend payment had been passed.

2.3 Other financial income

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Interests on loans from group companies	11 396	10 657
Valuation of financial instruments	92	–
Result from investments in associates	1 744	1 596
Other financial income	427	1 037
Total	13 659	13 290

2.4 Profit from sale of investments in subsidiaries

No investments in subsidiaries were sold during the reporting year. The income reported in the previous year was the result of the sale of the Tertianum Group on 28 February 2020 to the Capvis Equity V fund advised by the investment company Capvis AG.

2.5 Financial expenses

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Early repayment penalty mortgages	–	–7 446
Interests on loans	–3 469	–3 345
Interest expenses on bonds and convertible bonds	–1 580	–1 583
Amortisation of cost of bonds and convertible bonds	–919	–915
Other financial expenses	–451	–114
Total	–6 419	–13 403

2.6 Other operating expenses

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Administration costs	–6 383	–3 533
Capital taxes	–2 034	–2 027
Other operating expenses	–1 253	–921
Total	–9 670	–6 481

2.7 Other current receivables

in CHF 1000	31.12.2020	31.12.2021
Other current receivables from third parties	247	124
Other current receivables from group companies	166 926	192 500
Total	167 173	192 624

2.8 Financial investments

in CHF 1000	31.12.2020	31.12.2021
Loans to group companies	254 668	65 019
Third loans	–	500
Participations under 20%	1 087	2 040
Total	255 755	67 559

2.9 Investments**Direct investments**

	31.12.2020 Capital in CHF 1000	Shareholding interest in %	31.12.2021 Capital in CHF 1000	Shareholding interest in %
immoveris ag, Bern ¹	200	100.0	n.a.	n.a.
INOVIL SA, Lausanne	5 160	27.1	5 160	27.1
Jelmoli AG, Zurich	6 600	100.0	6 600	100.0
Parkgest Holding SA, Geneva	4 750	38.8	4 750	38.8
Swiss Prime Site Finance AG, Olten	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Olten	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Olten	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zurich ¹	1 500	100.0	1 500	100.0
Wincasa AG, Winterthur	1 500	100.0	1 500	100.0

¹ merger of immoveris ag in Swiss Prime Site Solutions AG as at 01.01.2021

Indirect investments

	31.12.2020 Capital in CHF 1000	Shareholding interest in %	31.12.2021 Capital in CHF 1000	Shareholding interest in %
Swiss Prime Site Dreispitz AG, Olten	5 295	100.0	5 295	100.0
streamnow ag, Zurich	100	100.0	100	100.0
Zimmermann Vins SA, Carouge	350	100.0	350	100.0

2.10 Other current liabilities

in CHF 1000	31.12.2020	31.12.2021
Other current liabilities to group companies	35	21
Other current liabilities to shareholders	285	299
Other current liabilities to third parties	1 274	1 960
Total	1 594	2 280

2.11 Non-current interest-bearing liabilities

in CHF 1000	31.12.2020	31.12.2021
Convertible bonds	544 130	544 130
Mortgage-backed loans	244 800	100 000
Non-current financial liabilities to group companies	–	50 732
Total	788 930	694 862

Maturity structure of non-current interest-bearing liabilities

in CHF 1000	31.12.2020	31.12.2021
Up to five years	627 030	619 862
Over five years	161 900	75 000
Total	788 930	694 862

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Book value as at 31.12.2021	CHF m	247.500	296.630
Book value as at 31.12.2020	CHF m	247.500	296.630
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)

2.12 Share capital and capital contribution reserves

As at the balance sheet date, the share capital comprised 75 970 364 [75 970 364] registered shares with a nominal value of CHF 15.30 per share. No conversions or share capital increases took place in the reporting year. In the previous year, convertible bonds from the CHF 250.000 million issue with a nominal value of CHF 2.500 million were converted. This resulted in an increase in share capital of CHF 0.367 million or 23 983 registered shares and an addition to capital reserves of CHF 2.046 million. Convertible bonds from the CHF 300.000 million issue with a nominal value of CHF 3.370 million were also converted in the previous year. The nominal value was redeemed in cash and the added value was issued as 32 registered shares.

2.13 Treasury shares

Swiss Prime Site AG held 30 [497] treasury shares on the balance sheet date. As at the balance sheet date, the group companies held an additional 625 [1 347] Swiss Prime Site AG shares. Purchases and sales were carried out at the respective daily market rates.

Change in number of treasury shares	Volume-weighted average share price in CHF	2020 Number of treasury shares	Volume-weighted average share price in CHF	2021 Number of treasury shares
Holdings of treasury shares on 01.01.	–	454	–	497
Purchases at the volume-weighted average share price	87.44	7 413	92.35	7 450
Share-based compensation	86.90	–7 370	89.65	–7 917
Holdings of treasury shares on 31.12.	–	497	–	30

3 Additional information

3.1 Full-time employees

Swiss Prime Site AG has no employees.

3.2 Security provided for third-party liabilities

The company has provided security in the amount of CHF 4 506.700 million [CHF 4 379.200 million]. This takes the form of guarantees for the financial liabilities of the subsidiary Swiss Prime Site Finance AG.

3.3 Shareholding rights for the Board of Directors and Executive Board

Number of shares	31.12.2020	31.12.2021
Board of Directors		
Ton Büchner, Chairman of the BoD	4 809	6 716
Mario F. Seris, Vice-Chairman of the BoD	15 138	16 172
Christopher M. Chambers, member of the BoD	43 640	44 620
Dr. Barbara Frei-Spreiter, member of the BoD	2 987	3 967
Dr. Rudolf Huber, member of the BoD ¹	15 969	n.a.
Barbara Antonia Knoflach, member of the BoD ²	n.a.	754
Gabrielle Nater-Bass, member of the BoD	1 840	2 820
Thomas Studhalter, member of the BoD	3 107	4 141
Executive Board		
René Zahnd, member of the Executive Board (CEO)	9 680	12 894
Marcel Kucher, member of the Executive Board (CFO) ³	n.a.	5 150
Markus Meier, member of the Executive Board (CFO) ⁴	8 754	n.a.
Martin Kaleja, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG ⁵	n.a.	–
Peter Lehmann, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG ⁶	15 069	n.a.
Anastasius Tschopp, member of the Executive Board and CEO of Swiss Prime Site Solutions AG ⁵	n.a.	581
Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG	400	1 830
Nina Müller, member of the Executive Board and CEO of Jelmoli AG	–	–
Total share ownership	121 393	99 645

¹ until 23.03.2021

² since 23.03.2021

³ since 01.07.2021

⁴ until 30.06.2021

⁵ since 01.01.2021

⁶ until 31.12.2020

3.4 Major shareholders

	31.12.2020 Shareholding interest in %	31.12.2021 Shareholding interest in %
Major shareholders (shareholding interest >3%)		
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.8	7.7
State Street Corporation, Boston	>3.0	>3.0
UBS Fund Management (Switzerland) AG, Basel	4.3	3.8

3.5 Significant events after the balance sheet date

Swiss Prime Site AG acquired 100% of the shares of the Akara Group in Zug with retrospective effect from 1 January 2022. The acquisition was financed 35% through Swiss Prime Site AG shares and authorised capital earmarked for this purpose. 748240 shares were issued in connection with the acquisition. The total number of issued shares is now 76718604.

There were no other significant events after the balance sheet date that would have an impact on the book values of the reported assets or liabilities, or which would need to be disclosed at this point.

4 Proposed appropriation of balance sheet profit

The Board of Directors proposes a distribution of CHF 3.35 per share to the Annual General Meeting of 23 March 2022. Based on the 76718604 shares issued in total as at 10 February 2022, the total amount is CHF 257,008 million. The Board of Directors proposes a distribution of CHF 1.675 per share from balance sheet profit (subject to withholding tax). The Board of Directors also plans to propose a motion at the Annual General Meeting to reduce the nominal value and then distribute CHF 1.675 per share (exempt from withholding tax).

in CHF 1000	31.12.2020	31.12.2021
Retained earnings brought forward	191 127	264 084
Clearing merger loss	-335 135	-
Profit	535 340	175 341
Total balance sheet profit	391 332	439 425
Allocation to general statutory reserves	-	-54 872
Allocation from capital contribution reserves	127 248	-
Distribution to shareholders	-254 496	-128 504
Balance brought forward to new account	264 084	256 049
Total distribution	254 496	257 008
thereof from capital contribution reserves	127 248	-
thereof from nominal value reduction	-	128 504
thereof from balance sheet profit	127 248	128 504



Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Olten

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swiss Prime Site AG, which comprise the balance sheet as at 31 December 2021, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting principles.

In our opinion the financial statements (pages 55 to 62) for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity 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.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Responsibility 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 the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity'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 entity 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 Auditing Standards 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 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.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 10 February 2022

EPRA Reporting

EPRA performance measures

The European Public Real Estate Association (EPRA) is a non-profit association representing Europe's publicly listed property companies. EPRA's aim is to establish consistent reporting across the real estate sector. Further information can be found at www.epra.com.

Swiss Prime Site applies the best practices recommendations of EPRA for financial reporting. The EPRA performance measures were prepared in accordance with Best Practices Recommendations (BPR) Guidelines dated October 2019. The application of EPRA BPR 2019 generally requires financial statements prepared in accordance with IFRS. For this reason, a bridge from earnings per Swiss GAAP FER consolidated income statements to earnings per «IFRS equivalent» consolidated income statement and from Swiss GAAP FER equity attributable to shareholders to «IFRS equivalent» equity attributable to shareholders is provided. The previous year's figures have also been adjusted; the transition date is therefore 1 January 2020.

The relevant adjustments are explained below:

1. Adjustment due to leases

The adjustment due to leases incorporates the necessary adjustments to reflect IFRS 16 Leases accounting for situations in which the Group is a lessee. The Group applied the discount rate based on the build-up approach on all lease contracts as of 1 January 2020. A lessee recognises a ROU asset and a lease liability for all leases as of the transition date to IFRS. A ROU asset of CHF 293.201 million [CHF 302.158 million] and a lease liability of CHF 293.466 million [CHF 302.314 million] existed at 31.12.2021 [31.12.2020] under «IFRS equivalent». The Group recorded revaluation and depreciation expenses on the ROU asset of CHF 8.957 million [CHF 8.914 million], interest expenses on the lease liability of CHF 3.876 million [CHF 3.966 million] and deferred tax effect of CHF 0.022 million [CHF 0.031 million] which in total was higher by CHF 0.087 million [CHF 0.125 million] than the recognised straight-line operating lease expense under Swiss GAAP FER.

2. Adjustment due to revenue recognition

The adjustment due to revenue recognition relates to a property development contract for a client that was accounted for with two identified performance obligations under Swiss GAAP FER whereas only one performance obligation was identified under IFRS 15 Revenue from Contracts with Customers. The analysis led to a deferral in the revenue recognition under IFRS compared to Swiss GAAP FER in the years prior to 2020. As such, in 2021, the revenue recognised under «IFRS equivalent» increased by CHF 3.703 million [CHF 3.573 million] compared to Swiss GAAP FER.

3. Adjustment due to employee benefits

The adjustment reflects the differences regarding defined benefit accounting for the Group's several pension plans. Specifically, IAS 19 Employee Benefits requires the application of the projected unit credit method to reflect the defined benefit plans whereas there was no actuarial valuation under Swiss GAAP FER. When converting to 2021 [2020] «IFRS equivalent» values, the expense for employee benefits increased by CHF 1.332 million [CHF 0.393 million] and the asset from employee benefits increased by CHF 22.064 million [decreased by CHF 18.281 million] compared to Swiss GAAP FER.

4. Adjustment due to financial instruments

The adjustment due to financial instruments relates to the recognition of a separable embedded derivative (a holder conversion option) under IFRS included in a convertible loan issued by the group in 2018. Swiss GAAP FER foresees an option for the separation of separable embedded derivatives whereas IFRS requires the separation of separable embedded derivatives. Such derivatives need to be remeasured at fair value through profit or loss at each reporting date. As a result, the derivative's fair value of CHF 34.740 million as of 01.01.2020 was recorded as financial liability through retained earnings (excluding tax effects). The liability was adjusted to a fair value of nil as of 31.12.2020. The resulting gain of CHF 34.740 million was recorded as financial income in 2020.

5. Adjustment due to reclassification of properties

The adjustment relates to a reclassification of properties from investment properties to own-used properties due to the requirements of IAS 40 Investment Property. As such, for 2021, there was a decrease in the revaluation gain on investment properties, net, of CHF 13.977 million [increase of CHF 2.164 million] under «IFRS equivalent» compared to Swiss GAAP FER. In addition, for 2021, there is an increase in the depreciation expense for own-used properties of CHF 1.121 million [CHF 0.961 million] under «IFRS equivalent» compared to Swiss GAAP FER.

6. Adjustment due to disposal of subsidiaries

The adjustment relates to differences in the calculation of the net assets at disposal and the realised gain for the disposal of the Tertianum group by end of February 2020. Specifically, the gain on disposal of subsidiaries, net, under «IFRS equivalent» increased by reflecting the net defined benefit liability for Tertianum group, amounting to CHF 60.829 million (net of tax), and by the elimination of the reclassification of goodwill of CHF 304.538 million from equity to profit or loss.

Summary table EPRA performance measures

			01.01.– 31.12.2020 or 31.12.2020	01.01.– 31.12.2021 or 31.12.2021
		in		
A.	EPRA earnings	CHF 1000	214 959	233 697
	EPRA earnings per share (EPS)	CHF	2.83	3.08
B.	EPRA Net Reinstatement Value (NRV)	CHF 1000	7 974 360	8 352 961
	EPRA NRV per share	CHF	98.08	102.74
	EPRA Net Tangible Assets (NTA)	CHF 1000	7 826 532	8 198 983
	EPRA NTA per share	CHF	96.26	100.84
	EPRA Net Disposal Value (NDV)	CHF 1000	6 578 980	6 935 567
	EPRA NDV per share	CHF	80.92	85.30
C.	EPRA NIY	%	3.3	3.2
	EPRA topped-up NIY	%	3.4	3.3
D.	EPRA vacancy rate	%	5.0	4.4
E.	EPRA cost ratio (including direct vacancy costs)	%	24.5	24.0
	EPRA cost ratio (excluding direct vacancy costs)	%	22.4	21.9
F.	EPRA like-for-like change relative	%	-3.8	1.3
G.	EPRA capital expenditure	CHF 1000	443 193	298 445

A. EPRA earnings

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Earnings per Swiss GAAP FER consolidated income statement	610407	507377
Adjustment due to leases (1)	–125	–87
Adjustment due to revenue recognition (2)	3073	3185
Adjustment due to employee benefits (3)	–205	–995
Adjustment due to financial instruments (4)	27792	–
Adjustment due to reclassification of properties (5)	964	–12124
Adjustment due to disposal of subsidiaries (6)	365367	–
Earnings per «IFRS equivalent» consolidated income statement	1007273	497356
Exclude:		
Revaluations of investment properties	–202330	–301554
Profit on disposal of real estate developments	–17404	–18587
Profit on disposal of investment properties	–22243	–39916
Profit on disposal of participations, net	–569548	–
Tax on profits on disposals	6997	9697
Negative goodwill/goodwill impairment	n.a.	n.a.
Changes in fair value of financial instruments	–35552	24575
Transaction costs on acquisitions of group companies and associated companies	–	–
Deferred tax in respect of EPRA adjustments	47766	62126
Adjustments in respect of associated companies	n.a.	n.a.
Adjustments in respect of non-controlling interests	n.a.	n.a.
EPRA earnings	214959	233697
Average number of outstanding shares	75964863	75968104
EPRA earnings per share in CHF	2.83	3.08
Adjustment profit on disposal of real estate developments (core business)	17404	18587
Tax on profit on disposal of real estate developments	–2668	–2602
Adjusted EPRA earnings	229695	249682
Adjusted EPRA earnings per share in CHF	3.02	3.29

B. EPRA net asset value (NAV) metrics

in CHF 1000	EPRA NRV		EPRA NTA		EPRA NDV	
	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021
Swiss GAAP FER equity attributable to shareholders	6 085 629	6 338 679	6 085 629	6 338 679	6 085 629	6 338 679
Adjustment due to leases (1)	-125	-211	-125	-211	-125	-211
Adjustment due to revenue recognition (2)	-3 185	-	-3 185	-	-3 185	-
Adjustment due to employee benefits (3)	47 598	64 191	47 598	64 191	47 598	64 191
«IFRS equivalent» equity attributable to shareholders	6 129 917	6 402 659	6 129 917	6 402 659	6 129 917	6 402 659
Include/Exclude:						
i) Hybrid instruments	539 651	541 165	539 651	541 165	539 651	541 165
Diluted NAV	6 669 568	6 943 824	6 669 568	6 943 824	6 669 568	6 943 824
Include:						
ii.a) Revaluation of investment properties ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.b) Revaluation of investment properties under construction	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.c) Revaluation of other non-current investments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iii) Revaluation of tenant leases held as finance leases	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iv) Revaluation of trading properties	n.a.	-	n.a.	-	n.a.	-
Diluted NAV at Fair Value	6 669 568	6 943 824	6 669 568	6 943 824	6 669 568	6 943 824
Exclude:						
v) Deferred tax in relation to fair value gains of investment properties	1 174 214	1 279 768	1 159 963	1 264 108		
vi) Fair value of financial instruments	338	-	338	-		
vii) Goodwill as a result of deferred tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
viii.a) Goodwill as per IFRS balance sheet			n.a.	n.a.	n.a.	n.a.
viii.b) Intangibles as per IFRS balance sheet			-25 450	-32 243		
Include:						
ix) Fair value of fixed interest rate debt					-90 588	-8 257
x) Revaluation of intangibles to fair value	n.a.	n.a.				
xi) Real estate transfer tax	130 240	129 369	22 113	23 294		
EPRA NAV	7 974 360	8 352 961	7 826 532	8 198 983	6 578 980	6 935 567
Fully diluted number of shares	81 302 680	81 303 869	81 302 680	81 303 869	81 302 680	81 303 869
EPRA NAV per share in CHF	98.08	102.74	96.26	100.84	80.92	85.30

¹ If IAS 40 cost option is used

C. EPRA NIY and EPRA «topped-up» NIY (net initial yield) on rental income

in CHF 1000		31.12.2020	31.12.2021
Investment property – wholly owned		12 322 620	12 740 034
Investment property – share of joint ventures/funds		n.a.	n.a.
Trading properties		–	53 466
Less: properties under construction and development sites, building land and trading properties		–871 684	–1 103 475
Value of completed property portfolio		11 450 936	11 690 025
Allowance for estimated purchasers' costs		n.a.	n.a.
Gross up value of completed property portfolio	B	11 450 936	11 690 025
Annualised rental income		444 546	442 469
Property outgoings		–64 870	–67 931
Annualised net rental income	A	379 676	374 538
Add: notional rent expiration of rent-free periods or other lease incentives		14 021	10 214
Topped-up net annualised rental income	C	393 697	384 752
EPRA NIY	A/B	3.3%	3.2%
EPRA topped-up NIY	C/B	3.4%	3.3%

D. EPRA vacancy rate

in CHF 1000		31.12.2020	31.12.2021
Estimated rental value of vacant space	A	23 046	20 043
Estimated rental value of the whole portfolio ¹	B	456 946	452 757
EPRA vacancy rate	A/B	5.0%	4.4%

¹ market rental estimates

E. EPRA cost ratios

in CHF 1000		01.01.– 31.12.2020	01.01.– 31.12.2021
Operating expenses per Real Estate segment income statement		116 945	117 136
Net service charge costs/fees		–	–
Management fees less actual/estimated profit element		–	–
Other operating income/recharges intended to cover overhead expenses less any related profits		–	–
Share of Joint Ventures expenses		–	–
Exclude:			
Investment property depreciation		–	–
Ground rent costs		–6 221	–5 942
Service charge costs recovered through rents but not separately invoiced		–	–
EPRA costs (including direct vacancy costs)	A	110 724	111 194
Direct vacancy costs		–9 474	–9 403
EPRA costs (excluding direct vacancy costs)	B	101 250	101 791
Gross rental income less ground rents per Swiss GAAP FER ¹		452 373	464 060
Less: service fee and service charge costs components of gross rental income		–	–
Add: share of Joint Ventures (gross rental income less ground rents)		–	–
Gross rental income	C	452 373	464 060
EPRA cost ratio (including direct vacancy costs)	A/C	24.5%	24.0%
EPRA cost ratio (excluding direct vacancy costs)	B/C	22.4%	21.9%
Overhead and operating expenses capitalised		–	–

¹ Calculated at full occupancy

F. EPRA like-for-like rental change

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Rental income per Real Estate segment income statement	430964	444420
Acquisitions	-1752	-3630
Disposals	-2394	-76
Development and new building projects	-19080	-27700
Property operating expenses	-14741	-14881
Property leases	-6822	-6684
Conversions, modifications, renovations	-	-
Other changes	-	-
Total EPRA like-for-like net rental income	386175	391449
EPRA like-for-like change absolute	-14521	5273
EPRA like-for-like change relative	-3.8%	1.3%
EPRA like-for-like change by areas		
Zurich	-0.3%	0.0%
Lake Geneva	-2.8%	0.8%
Northwestern Switzerland	-0.2%	0.3%
Berne	-0.2%	0.1%
Central Switzerland	-0.1%	0.3%
Eastern Switzerland	-0.2%	-0.1%
Southern Switzerland	-0.1%	0.0%
Western Switzerland	0.0%	0.0%

Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described. Like-for-like rental growth 2021 is based on a portfolio of CHF 11135.941 million [CHF 10717.243 million] which grew in value by CHF 418.698 million [CHF 252.878 million].

G. Property-related EPRA CAPEX

in CHF 1000	01.01.– 31.12.2020	01.01.– 31.12.2021
Acquisitions	91121	18082
Development (ground-up/green field/brown field)	268464	178682
Like-for-like portfolio	75978	95129
Capitalised interests	7342	6410
Other	288	142
Total EPRA capital expenditure	443193	298445
Conversion from accrual to cash basis	-33219	-21799
Total EPRA capital expenditure on cash basis	409974	276646



Independent Limited Assurance Report on the EPRA Reporting 2021

To the Board of Directors of Swiss Prime Site AG, Olten

We were engaged to carry out a limited assurance engagement on the EPRA Reporting containing the EPRA performance measures of Swiss Prime Site AG (hereafter "company") for the business year ended 31 December 2021, which are disclosed on the pages 66-71 of the financial report 2021.

The EPRA Reporting containing the EPRA performance measures was prepared by the Board of Directors of the company based on the corresponding Best Practices Recommendations of the European Public Real Estate Association (EPRA) as published in October 2019 ("the EPRA Best Practices Recommendations").

Our engagement does not cover any prior-year information disclosed in the EPRA Reporting.

Board of Directors' responsibility

The Board of Directors of the company is responsible for the preparation of the EPRA Reporting containing the EPRA performance measures in accordance with the EPRA Best Practices Recommendations. This responsibility includes the design, implementation and maintenance of systems, processes and internal controls relevant to the preparation of an EPRA Reporting containing the EPRA performance measures that is free from material misstatement, whether due to fraud or error. Management is further responsible for the selection and application of the EPRA Best Practices Recommendations, for the determination of the "IFRS-equivalent" numbers and the related basis of preparation disclosed in the EPRA Reporting as well as for maintaining adequate records in relation to the EPRA Reporting.

Auditors' responsibility

Our responsibility is to carry out a limited assurance engagement and to express a conclusion, based on our procedures performed and the evidence obtained, as to whether any matters have come to our attention that cause us to believe that the EPRA Reporting containing the EPRA performance measures have not been prepared, in all material respects, in accordance with the EPRA Best Practices Recommendations.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform the engagement to obtain limited assurance about whether the EPRA Reporting containing the EPRA performance measures have been prepared in accordance with the EPRA Best Practices Recommendations in all material respects.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained is substantially lower. The procedures selected depend on the auditor's judgment. Taking into account risk and materiality considerations, we have carried out procedures in order to obtain sufficient appropriate evidence. These procedures included amongst others:

- Inquiries with persons responsible for the preparation of the EPRA performance measures and the EPRA Reporting;
- Assessing the EPRA performance measures regarding completeness and accuracy of the derivation and calculation based on the underlying Swiss GAAP FER numbers according to the consolidated financial statements of the company as at 31 December 2021, taking into account the adjustments to the "IFRS equivalent" numbers disclosed in the EPRA Reporting and the related basis of preparation, or if applicable other internal source data.

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



Independence and quality control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the EPRA Reporting containing the EPRA performance measures of the company for the business year ended 31 December 2021 is not presented, in all material respects, in accordance with the EPRA Best Practices Recommendations as published in October 2019.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of the company, and solely for the purpose of reporting to them on EPRA Reporting containing the EPRA performance measures, and for no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the EPRA Reporting containing the EPRA performance measures, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of the company for our work or this report.

KPMG AG

Kurt Stocker
Licensed Audit Expert

Anna Pohle
Licensed Audit Expert

Zurich, 10 February 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Five-year summary of key figures

	in	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Fair value of real estate portfolio	CHF m	10 633.1	11 204.4	11 765.4	12 322.6	12 793.5
Rental income from properties	CHF m	469.9	479.4	486.9	424.7	426.7
Vacancy rate	%	5.2	4.8	4.7	5.1	4.6
Net property yield	%	3.7	3.6	3.5	3.2	3.2
Income from real estate developments	CHF m	51.7	72.8	79.8	50.1	48.3
Income from real estate services	CHF m	120.0	116.7	117.5	115.2	119.4
Income from retail	CHF m	136.2	131.3	127.8	110.6	119.5
Income from assisted living	CHF m	359.9	396.9	423.9	72.4	–
Income from asset management	CHF m	9.9	8.5	13.5	13.1	18.2
Total operating income	CHF m	1 154.8	1 214.1	1 258.8	792.9	744.9
Operating result before depreciation and amortisation (EBITDA)	CHF m	487.1	501.2	653.4	779.9	731.8
Operating result (EBIT)	CHF m	470.6	478.6	628.3	762.3	715.4
Profit	CHF m	305.5	310.9	608.5	610.4	507.4
Shareholders' equity	CHF m	4 777.5	5 145.1	5 459.2	6 085.6	6 338.7
Equity ratio	%	43.1	43.9	44.4	47.8	48.3
Borrowed capital	CHF m	6 317.6	6 564.2	6 841.7	6 640.6	6 791.6
Borrowed capital ratio	%	56.9	56.1	55.6	52.2	51.7
Total shareholders' equity and borrowed capital	CHF m	11 095.1	11 709.3	12 300.9	12 726.2	13 130.3
Interest-bearing financial liabilities	CHF m	4 848.1	5 073.5	5 378.4	5 164.0	5 148.0
Interest-bearing financial liabilities in % of balance sheet total	%	43.7	43.3	43.7	40.6	39.2
Loan-to-value ratio of property portfolio (LTV)	%	45.6	45.3	45.7	41.9	40.2
Weighted average interest rate on financial liabilities	%	1.5	1.4	1.2	1.1	0.8
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.7	4.3	4.2	4.8	5.8
Return on equity (ROE)	%	6.4	6.4	11.5	10.6	8.2
Return on invested capital (ROIC)	%	3.5	3.4	5.6	5.4	4.5
Cash flow from operating activities	CHF m	458.1	334.4	406.6	298.5	429.7
Cash flow from investing activities	CHF m	–394.6	–495.6	–338.6	236.0	–108.7
Cash flow from financing activities	CHF m	–64.7	186.6	–79.5	–564.8	–349.0
Key financial figures excluding revaluations and all deferred taxes						
Operating result (EBIT)	CHF m	404.8	411.1	424.9	558.9	396.6
Profit	CHF m	307.4	287.8	315.7	476.6	289.5
Return on equity (ROE)	%	6.4	5.9	6.3	8.5	4.8
Return on invested capital (ROIC)	%	3.6	3.2	3.2	4.3	2.8

Five-year summary of key figures

Key figures per share	in	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Share price at end of period	CHF	90.00	79.55	111.90	86.90	89.65
Share price, highest	CHF	91.00	94.30	113.30	123.70	99.90
Share price, lowest	CHF	82.25	77.45	80.20	74.75	85.00
Earnings per share (EPS)	CHF	4.27	4.27	8.00	8.04	6.68
Earnings per share (EPS) excluding revaluations and deferred taxes	CHF	4.30	3.95	4.14	6.27	3.81
NAV before deferred taxes ¹	CHF	82.87	83.40	86.34	95.41	100.07
NAV after deferred taxes ¹	CHF	66.85	67.74	71.87	80.11	83.44
Distribution to shareholders ²	CHF	3.80	3.80	3.80	3.35	3.35
Cash yield on closing price of the previous year ²	%	4.2	4.8	3.4	3.9	3.7
Share performance (TR) p.a. in the last 12 months	%	12.6	-7.1	47.0	-19.2	7.0
Share performance (TR) p.a. in the last 3 years	%	11.6	5.1	15.4	3.3	8.3
Share performance (TR) p.a. in the last 5 years	%	8.4	7.9	14.2	6.6	5.9
Market capitalisation	CHF m	6433.1	6041.5	8498.4	6601.8	6810.7
Employees						
Number of employees	people	5910	6321	6506	1728	1667
Full-time equivalents	FTE	4868	5115	5402	1505	1474
Share statistics						
Shares issued	number	71 478 917	75 946 349	75 946 349	75 970 364	75 970 364
Average treasury shares held	number	-980	-377	-1 114	-3 693	-2 260
Average outstanding shares	number	71 477 937	72 620 217	75 945 235	75 964 863	75 968 104
Treasury shares held	number	-39	-539	-1 112	-1 844	-655
Outstanding shares	number	71 478 878	75 945 810	75 945 237	75 968 520	75 969 709

¹ Services segment (real estate-related business fields) included at book values only² 31.12.2021, according to proposal to Annual General Meeting

Property details

Summary

Property details as at 31.12.2021

Overview of type of use

	Fair Value TCHF	Target rental and land lease income TCHF	Vacancy rate %	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Total properties	11 743 491	452 821	4.5	1 133 414	1 623 298	17.7	41.9	7.0	7.9	22.4	3.1
Total undeveloped properties	43 033	230	6.9	78 003	18 071	-	1.6	-	-	-	98.4
Total properties under construction and development sites	1 006 976	11 834	0.2	73 167	35 658	1.1	69.4	5.8	-	13.4	10.3
Overall total	12 793 500	464 885		1 284 584	1 677 027	17.1	42.1	6.9	7.7	22.0	4.2
Rent losses from vacancies		-20 465									
Consolidated subtotal segment		444 420	4.4								
Intercompany eliminations		-30 681									
Rental income from third parties, Services segment		12 953									
Consolidated overall total		426 692	4.6								

Investment properties

Property details as at 31.12.2021

Overview of type of use

	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Aarau, Bahnhofstrasse 23	755	10.7	sole ownership	1946	1986	685	1817	55.2	28.1	–	–	12.4	4.3
Amriswil, Weinfelderstrasse 74	390	0.6	sole ownership	2004		3672	2776	46.7	0.4	45.9	–	6.6	0.4
Baar, Grabenstrasse 17, 19	1204	–	sole ownership	2015		2084	3685	–	95.8	–	–	4.2	–
Baar, Zugerstrasse 57, 63	2416	–	sole ownership	2009		6029	8999	–	89.8	–	–	6.7	3.5
Baden, Bahnhofstrasse 2	340	–	sole ownership	1927	1975	212	979	93.4	–	–	–	6.6	–
Baden, Weite Gasse 34, 36	431	0.8	sole ownership	1953	1975	366	1377	16.3	30.9	–	–	8.0	44.8
Basel, Aeschenvorstadt 2–4	1948	5.8	sole ownership	1960	2005	1362	6226	17.1	63.8	–	–	18.6	0.5
Basel, Barfüsserplatz 3	1335	10.8	sole ownership	1874	2020	751	3827	9.7	78.6	–	–	11.6	0.1
				1870/									
Basel, Centralbahnplatz 9/10	862	2.6	sole ownership	2005	2005	403	1445	6.6	37.9	22.9	–	14.7	17.9
Basel, Elisabethenstrasse 15	1324	0.2	sole ownership	1933	1993	953	4276	13.0	71.4	7.8	–	7.8	–
Basel, Freie Strasse 26/Falknerstrasse 3	1218	4.6	sole ownership	1854	1980	471	2877	43.5	50.2	–	–	6.3	–
Basel, Freie Strasse 36	1550	–	sole ownership	1894	2003	517	2429	59.4	13.6	–	–	21.5	5.5
				2015/									
Basel, Freie Strasse 68	2468	–	sole ownership	1930	2016	1461	8200	19.5	1.2	62.9	–	15.9	0.5
Basel, Henric Petri-Strasse 9/Elisabethenstrasse 19	1590	1.1	sole ownership	1949	1985	2387	6778	4.2	75.1	–	–	20.7	–
				sole ownership land lease									
Basel, Hochbergerstrasse 40/parking	589	6.2	sole ownership land lease	1976		4209	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 60/building 860	166	5.1	sole ownership	1990		980	897	–	84.1	–	–	14.1	1.8
Basel, Hochbergerstrasse 60/Stücki Park	7199	1.0	sole ownership	2008		8343	37663	–	85.9	–	–	14.0	0.1
Basel, Hochbergerstrasse 62	424	–	sole ownership	2005		2680	–	–	–	–	–	–	–
				2019–									
Basel, Hochbergerstrasse 70/Stücki Park (Shopping)	7602	8.9	sole ownership	2009	2021	46416	43883	20.5	15.1	55.9	–	8.0	0.5
				sole ownership partial land lease									
Basel, Messeplatz 12/Messeturm	8305	20.8	sole ownership partial land lease	2003		2137	23844	–	54.0	42.6	–	3.4	–
Basel, Peter Merian-Strasse 80 ¹	871	48.6	freehold property	1999		19214	9109	–	85.3	–	–	14.7	–
Basel, Rebgasse 20	2840	5.5	sole ownership	1973	1998	3713	8823	47.5	11.3	14.7	–	15.5	11.0
				1948–									
Berlingen, Seestrasse 83, 88, 101, 154	1974	–	sole ownership	1998		10321	8650	–	–	–	100.0	–	–
Berne, Genfergasse 14	4302	–	sole ownership	1905	1998	4602	15801	–	89.1	–	–	10.9	–
				1969/									
Berne, Mingerstrasse 12–18/PostFinance Arena	6594	–	sole ownership land lease	2009	2009	29098	46348	0.2	17.8	–	–	82.0	–
Berne, Schwarztorstrasse 48	2484	0.2	sole ownership	1981	2011	1959	8163	–	75.5	–	–	24.3	0.2
				1970/									
Berne, Viktoriastrasse 21, 21a, 21b/Schönburg	5891	1.1	sole ownership	2020	2020	14036	20930	7.9	–	34.6	–	3.4	54.1
Berne, Wankdorfallee 4/EspacePost	8165	–	sole ownership land lease	2014		5244	33647	–	94.2	–	–	4.9	0.9
				1975/									
Berne, Weltpoststrasse 5	4901	10.2	sole ownership land lease	1985	2013	19374	25175	–	68.3	4.4	–	25.4	1.9
				sole ownership land lease									
Biel, Solothurnstrasse 122	503	0.1	sole ownership land lease	1961	1993	3885	3319	74.9	2.7	–	–	15.3	7.1
Brugg, Hauptstrasse 2	899	8.8	sole ownership	1958	2000	3364	4179	42.1	4.2	22.2	–	28.8	2.7
Buchs SG, St. Gallerstrasse 5	404	6.6	sole ownership	1995		2192	1685	–	71.8	–	–	19.3	8.9
				2009/									
Buchs ZH, Mülibachstrasse 41	1667	–	sole ownership	2020		20197	10030	–	17.3	–	–	82.7	–
Burgdorf, Emmentalstrasse 14	368	11.1	sole ownership	1972	1998	1845	2129	20.6	68.2	–	–	9.6	1.6
				sole ownership partial land lease									
Burgdorf, Industrie Buchmatt	786	–	sole ownership partial land lease	1973		15141	11967	2.9	5.4	–	–	91.3	0.4
Carouge, Avenue Cardinal-Mermillod 36–44	9339	3.6	sole ownership	1956	2002	14372	35040	23.7	56.7	3.5	–	14.9	1.2
				freehold property and co-ownership land lease									
Carouge, Rue Antoine-Jolivet 7	301	–	freehold property and co-ownership land lease	1975		3693	3515	3.8	0.7	5.0	–	26.1	64.4
Cham, Dorfplatz 2	180	5.9	sole ownership	1992		523	1061	11.5	61.3	–	–	27.2	–
Conthey, Route Cantonale 2	382	–	sole ownership	1989		3057	2480	71.6	4.6	–	–	23.0	0.8

¹ Not available for rent between April and December 2021 due to extensive interior renovations

Investment properties

Property details as at 31.12.2021	Overview of type of use												
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Conthey, Route Cantonale 4	867	30.3	sole ownership land lease	2009		7444	4979	80.3	–	3.0	–	15.7	1.0
Conthey, Route Cantonale 11	1719	4.2	sole ownership land lease	2002		10537	7323	64.8	16.4	0.7	–	15.4	2.7
Dietikon, Bahnhofplatz 11/Neumattstrasse 24	538	0.3	sole ownership	1989		1004	1793	19.4	55.8	–	–	24.3	0.5
Dietikon, Kirchstrasse 20	577	–	sole ownership	1988		1033	1894	4.5	84.0	–	–	11.5	–
Dübendorf, Bahnhofstrasse 1	370	–	sole ownership land lease	1988		1308	1671	5.9	71.1	–	–	23.0	–
Eyholz, Kantonsstrasse 79	287	–	sole ownership land lease	1991		2719	1319	92.3	5.6	–	–	1.5	0.6
Frauenfeld, St. Gallerstrasse 30–30c	1715	–	sole ownership	1991		8842	9528	–	–	–	100.0	–	–
Frauenfeld, Zürcherstrasse 305	582	31.1	sole ownership	1982	2006	3866	4201	39.3	34.5	–	–	22.0	4.2
Frick, Hauptstrasse 132/Fricktal Centre A3	1069	1.7	sole ownership	2007		13365	5011	66.0	–	3.1	–	28.3	2.6
Geneva, Centre Rhône-Fusterie	3083	–	freehold property	1990		2530	11186	76.2	0.3	–	–	23.5	–
Geneva, Place du Molard 2–4 ²	7317	–	sole ownership	1690	2002	1718	7271	38.1	56.6	0.5	–	4.1	0.7
Geneva, Route de Malagnou 6/Rue Michel-Chauvet 7	776	5.6	sole ownership	1960/ 1969	1989	1321	1602	–	470	11.8	–	3.9	37.3
Geneva, Route de Meyrin 49	3948	45.7	sole ownership	1987		9890	10160	–	85.1	–	–	13.0	1.9
Geneva, Rue de la Croix-d'Or 7/Rue Neuve-du-Molard 4–6	2289	0.4	sole ownership	1974/ 1985	1994	591	3478	37.8	24.2	0.5	–	3.8	33.7
Geneva, Rue des Alpes 5	915	1.9	sole ownership	1860		747	2689	9.7	45.2	1.2	–	0.6	43.3
Geneva, Rue du Rhône 48–50 ³	18052	1.1	sole ownership	1921	2002	5166	33414	44.4	33.4	7.2	–	12.8	2.2
Gossau SG, Wilerstrasse 82	1106	–	sole ownership	2007		13064	4688	74.7	5.5	–	–	17.0	2.8
Grand-Lancy, Route des Jeunes 10/CCL La Praille	13983	2.2	sole ownership land lease	2002		20597	36010	51.6	1.0	29.0	–	16.5	1.9
Grand-Lancy, Route des Jeunes 12	1473	5.7	sole ownership land lease	2003		5344	12722	–	39.1	44.7	–	14.1	2.1
Heimberg, Gurnigelstrasse 38	555	0.1	sole ownership land lease	2000		7484	1572	82.1	2.8	–	–	8.6	6.5
La Chaux-de-Fonds, Boulevard des Eplatures 44	420	–	sole ownership	1972		3021	2506	94.7	1.7	–	–	3.0	0.6
Lachen, Seidenstrasse 2	348	–	sole ownership	1993		708	1532	–	81.5	–	–	18.5	–
Lausanne, Rue de Sébeillon 9/Sébeillon Centre	1016	3.1	sole ownership	1930	2001	2923	10116	8.4	54.1	–	–	36.1	1.4
Lausanne, Rue du Pont 5	6450	1.4	sole ownership	1910	2004	3884	20805	50.5	23.3	9.2	–	15.3	1.7
Lutry, Route de l'Ancienne Ciberie 2	1478	1.9	freehold property	2006		13150	3264	69.6	7.6	1.9	–	18.1	2.8
Lucerne, Kreuzbuchstrasse 33/35	1885	–	sole ownership land lease	2010		14402	10533	–	–	–	100.0	–	–
Lucerne, Langensandstrasse 23/Schönbühl	2827	–0.6	sole ownership	1969	2007	20150	9425	65.3	10.8	1.9	–	21.6	0.4
Lucerne, Pilatusstrasse 4/Flora	3446	–	freehold property	1979	2008	4376	9906	69.6	12.1	–	–	15.0	3.3
Lucerne, Schwanenplatz 3	753	–	sole ownership	1958	2004	250	1512	10.8	62.6	–	–	18.7	7.9
Lucerne, Schweizerhofquai 6/Gotthardgebäude	2078	–	sole ownership	1889	2002	2479	7261	6.8	87.9	–	–	5.3	–
Lucerne, Weggisgasse 20, 22	735	–	sole ownership	1982		228	1285	76.8	–	–	–	23.2	–
Meilen, Seestrasse 545	511	–	sole ownership land lease	2008		1645	2458	–	–	–	100.0	–	–
Meyrin, Chemin de Riantbosson 19/Riantbosson Centre	2399	21.0	sole ownership	2018		4414	7609	33.4	38.2	9.8	–	15.6	3.0
Meyrin, Route de Meyrin 210	247	–	sole ownership partial land lease	1979	1999	3860	1116	65.7	4.3	–	–	28.8	1.2
Meyrin, Route de Pré-Bois 14/Geneva Business Terminal	1206	12.6	sole ownership land lease	2003/ 2018		2156	2928	6.1	87.7	–	–	6.2	–
Monthey, Rue de Venise 5–7/Avenue de la Plantaud 4 ⁴	219	–	sole ownership	2021		1785	3649	–	–	–	100.0	–	–
Morges, Les Vergers-de-la-Gottaz 1	1220	–	sole ownership	1795/ 2003	1995	11537	3698	–	–	–	100.0	–	–
Münchenstein, Genuastrasse 11	1478	–	sole ownership land lease	1993		7550	10109	–	21.5	–	–	72.1	6.4
Münchenstein, Helsinkistrasse 12	712	–	sole ownership land lease	1998		4744	6592	–	1.4	–	–	90.6	8.0
Neuchâtel, Avenue J.-J. Rousseau 7	480	1.1	sole ownership	1991	1992	1020	3099	–	69.7	–	–	22.7	7.6

² 1 073 m² vacant spaces cannot be let due to a conversion project and are therefore not included in the vacancy rate³ 3 156 m² vacant spaces cannot be let due to a conversion project and are therefore not included in the vacancy rate⁴ reclassified from properties under construction to investment properties after new construction

Investment properties

Property details as at 31.12.2021

Overview of type of use

	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Neuchâtel, Rue de l'Ecluse 19/parking	42	1.3	sole ownership	1960	1997	715	–	–	–	–	–	–	–
Neuchâtel, Rue du Temple-Neuf 11	285	1.6	sole ownership	1953	1993	262	1 155	14.0	57.3	4.7	–	13.9	10.1
Neuchâtel, Rue du Temple-Neuf 14	2 278	2.4	sole ownership	1902/2014		1 928	6 908	47.6	15.7	–	–	17.8	18.9
Niederwangen b. Bern, Riedmoosstrasse 10	2 306	–	sole ownership	1985	2006	12 709	12 855	33.3	13.2	–	–	51.6	1.9
Oberbüren, Buchental 2	762	–	sole ownership	1980	2007	6 391	6 486	34.3	1.8	–	–	63.5	0.4
Oberbüren, Buchental 3	329	12.7	sole ownership	1964		4 651	2 336	20.8	32.6	–	–	34.6	12.0
Oberbüren, Buchental 3a	238	–	sole ownership	1964		3 613	2 464	–	–	–	–	100.0	–
Oberbüren, Buchental 4	1 502	–	sole ownership	1990		4 963	9 547	38.5	20.3	–	–	41.2	–
Oberbüren, Buchental 5	65	32.1	sole ownership	1920		3 456	1 648	–	12.1	–	–	54.4	33.5
Oberwil BL, Mühlemattstrasse 23	315	–	freehold property land lease	1986		6 200	1 652	75.9	4.2	–	–	18.6	1.3
Oftringen, Spitalweidstrasse 1/shopping centre a1	3 762	0.1	sole ownership	2006/2020	2020	42 031	23 703	78.8	–	0.5	–	19.8	0.9
Olten, Bahnhofquai 18	1 619	0.7	sole ownership	1996		2 553	5 134	–	93.6	–	–	6.4	–
Olten, Bahnhofquai 20	2 028	0.1	sole ownership	1999		1 916	7 423	–	84.8	–	–	14.4	0.8
Olten, Frohburgstrasse 1	95	47.4	sole ownership	1899	2009	379	1 196	–	78.3	–	–	21.7	–
Olten, Frohburgstrasse 15	548	1.2	sole ownership	1961	1998	596	1 863	–	78.6	–	–	21.4	–
Olten, Solothurnerstrasse 201	333	–	sole ownership	2006		5 156	1 592	62.3	–	–	–	32.3	5.4
Olten, Solothurnerstrasse 231–235/Usego	2 065	16.2	sole ownership	1907	2011	12 922	11 515	–	63.6	–	–	36.3	0.1
Opfikon, Müllackerstrasse 2, 4/Bubenholz	2 037	–	sole ownership	2015		6 169	10 802	–	–	–	100.0	–	–
Ostermundigen, Mitteldorfstrasse 16	1 701	–	sole ownership	2009		7 503	10 925	–	–	–	100.0	–	–
Otelfingen, Industriestrasse 19/21	6 999	10.0	sole ownership	1965	2000	101 933	79 684	–	15.8	–	–	81.6	2.6
Otelfingen, Industriestrasse 31	1 275	31.5	sole ownership	1986	1993	12 135	11 884	–	36.6	0.4	–	60.2	2.8
Payerne, Route de Bussy 2	1 219	–	sole ownership	2006		12 400	6 017	83.9	4.4	–	–	11.0	0.7
Petit-Lancy, Route de Chancy 59	7 732	40.0	sole ownership	1990		13 052	22 309	–	69.3	4.7	–	25.5	0.5
Pfäffikon SZ, Huobstrasse 5	2 805	–	sole ownership	2004		7 005	11 660	–	–	–	100.0	–	–
Regensdorf, Riedthofstrasse 172–184/Iseli-Areal	1 489	22.8	sole ownership	1962/2009		25 003	13 499	–	16.3	–	–	62.3	21.4
Romanel, Chemin du Marais 8	1 138	26.8	sole ownership	1973	1995	7 264	6 694	87.8	–	–	–	11.4	0.8
Schwyz, Oberer Steisteg 18, 20	565	–	sole ownership	1988	2004	1 039	2 669	1.9	65.1	–	–	32.6	0.4
Spreitenbach, Industriestrasse/Tivoli	507	–	freehold property	1974	2010	25 780	980	87.2	–	–	–	12.8	–
Spreitenbach, Müslistrasse 44	216	–	sole ownership	2002		2 856	516	–	6.9	30.3	–	11.4	51.4
Spreitenbach, Pfadackerstrasse 6/Limmatpark	5 347	9.4	sole ownership	1972	2003	10 318	28 437	62.5	27.1	–	–	7.4	3.0
St. Gallen, Spisergasse 12	460	87.9	sole ownership	1900	1998	208	1 010	81.7	–	–	–	–	18.3
St. Gallen, Spisergasse 12	147	27.5	sole ownership	1423	1984	165	642	34.3	33.2	–	–	7.0	25.5
St. Gallen, Zürcherstrasse 462–464/Shopping Arena	15 927	1.8	sole ownership parking 73/100 co-ownership	2008		33 106	39 406	56.1	9.7	11.3	–	20.3	2.6
Sursee, Moosgasse 20	649	–0.6	sole ownership	1998		4 171	2 406	83.6	–	–	–	16.2	0.2
Thônex, Rue de Genève 104–108	4 542	0.5	sole ownership	2008		9 224	11 443	54.7	3.1	3.5	–	13.0	25.7
Thun, Bälliz 67	749	9.1	sole ownership	1953	2001	875	3 128	20.4	62.4	2.1	–	11.3	3.8
Thun, Göttibachweg 2–2e, 4, 6, 8	2 227	–	sole ownership land lease	2003		14 520	11 556	–	–	–	100.0	–	–
Uster, Poststrasse 10	377	–	sole ownership	1972	2012	701	1 431	–	78.4	–	–	21.6	–
Uster, Poststrasse 12	198	–	sole ownership	1890		478	673	35.7	6.7	–	–	–	57.6
Uster, Poststrasse 14/20	646	4.8	sole ownership	1854	2000	2 449	3 191	63.4	12.5	3.8	–	19.5	0.8
Vernier, Chemin de l'Etang 72/Patio Plaza	4 703	7.7	sole ownership	2007		10 170	13 619	–	81.9	–	–	17.2	0.9
Vevey, Rue de la Clergère 1	735	0.7	sole ownership	1927	1994	717	3 055	–	88.8	–	–	11.2	–
Wabern, Nesslerenweg 30	1 012	–	sole ownership	1990		4 397	6 288	–	–	–	100.0	–	–
Wil, Obere Bahnhofstrasse 40	873	–	sole ownership	1958	2008	1 105	2 877	80.4	8.6	–	–	10.5	0.5
Winterthur, Theaterstrasse 15a-c, 17	8 628	8.5	sole ownership	1999/2000/2004		15 069	37 228	–	71.3	0.5	–	22.0	6.2

Investment properties

Property details as at 31.12.2021	Overview of type of use												
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Winterthur, Untertor 24	399	–	sole ownership	1960	2006	290	1 364	–	69.9	–	–	30.1	–
Worblaufen, Alte Tiefenaustrasse 6	7437	–	sole ownership	1999		21 804	37 170	–	87.4	–	–	12.6	–
Zollikofen, Industriestrasse 21	1 593	–	sole ownership	2003	2016	2 906	7 263	–	73.6	3.1	–	23.3	–
Zollikon, Bergstrasse 17, 19	592	1.0	sole ownership	1989	2004	1 768	2 126	–	70.2	–	–	29.8	–
Zollikon, Forchstrasse 452–456	630	–	sole ownership	1998		2 626	2 251	–	68.4	–	–	31.6	–
Zuchwil, Dorfackerstrasse 45/Birchi Centre	2 232	20.9	sole ownership land lease	1997		9 563	13 271	62.9	1.6	13.0	–	13.4	9.1
Zug, Zählerweg 4, 6/Dammstrasse 19/Landis+Gyr-Strasse 3/Opus 1	5 770	3.6	sole ownership	2002		7 400	16 035	–	90.5	–	–	9.5	–
Zug, Zählerweg 8, 10/Dammstrasse 21, 23/Opus 2	7 042	2.9	sole ownership	2003		8 981	20 108	–	91.2	–	–	8.8	–
Zurich, Affolternstrasse 52/MFO building	501	–	sole ownership	1889	2012	1 367	2 776	–	53.1	25.8	–	21.1	–
Zurich, Affolternstrasse 54, 56/Cityport	9 029	–	sole ownership	2001		9 830	23 529	–	92.0	–	–	7.7	0.3
Zurich, Albisriederstrasse 203, 207, 243	1 971	25.2	sole ownership	2003		13 978	11 615	–	59.7	22.7	–	17.0	0.6
Zurich, Albisriederstrasse/Rütiwiesweg/YOND	5 345	2.9	sole ownership	2019		9 021	19 553	4.2	95.5	–	–	0.1	0.2
Zurich, Bahnhofstrasse 42	2 349	–	sole ownership	1968	1990	482	2 003	42.7	44.6	–	–	12.7	–
Zurich, Bahnhofstrasse 69	1 498	3.2	sole ownership	1898	2007	230	1 124	10.8	77.9	–	–	11.0	0.3
Zurich, Bahnhofstrasse 106	1 531	2.1	sole ownership	1958		200	1 208	11.7	53.3	–	–	35.0	–
Zurich, Beethovenstrasse 33, Dreikönigstrasse 24	3 862	–	sole ownership	1966–1968	2013–2016	1 347	5 811	–	85.6	2.1	–	11.4	0.9
Zurich, Brandschenkestrasse 25	4 609	–	sole ownership	1910	2017	3 902	17 164	–	–	70.6	–	29.4	–
Zurich, Carl-Spitteler-Strasse 68/70	4 065	–	sole ownership	1993		11 732	19 343	–	–	–	100.0	–	–
Zurich, Etzelstrasse 14	1 205	–	sole ownership	2017		1 809	2 135	–	–	–	100.0	–	–
Zurich, Flurstrasse 55/Medienpark	6 246	4.7	sole ownership	1979	2015	8 270	24 161	1.7	70.5	4.1	–	23.7	–
Zurich, Flurstrasse 89	470	–	sole ownership	1949	2003	2 330	3 331	–	12.0	–	–	88.0	–
Zurich, Fraumünsterstrasse 16	5 125	0.3	sole ownership	1901	2017	2 475	8 588	15.4	73.9	–	–	10.7	–
Zurich, Giesshübelstrasse 15	1 340	0.8	sole ownership	1956	1999	1 713	2 843	–	88.5	–	–	11.5	–
Zurich, Hagenholzstrasse 60/SkyKey	11 115	–	sole ownership	2014		9 573	41 251	–	86.0	9.8	–	4.2	–
Zurich, Hardstrasse 201/Prime Tower	20 605	5.5	sole ownership	2011		10 451	48 138	0.7	87.4	5.5	–	6.3	0.1
Zurich, Hardstrasse 219/Eventblock Maag	1 124	0.7	sole ownership	1929–1978		9 507	7 183	–	21.7	–	–	76.2	2.1
Zurich, Josefstrasse 53, 59	3 790	4.3	sole ownership	1972	2001	2 931	12 072	5.6	78.2	1.4	–	14.3	0.5
Zurich, Juchstrasse 3/West-Log ⁴	3 170	18.7	sole ownership	2021		7 733	17 343	1.3	43.2	–	–	54.7	0.8
Zurich, Jupiterstrasse 15/Böcklinstrasse 19	933	–	sole ownership	1995	1996	1 630	1 829	–	–	–	100.0	–	–
Zurich, Kappenhühlweg 9, 11/Holbrigstrasse 10/Regensdorferstrasse 18a	2 997	–	sole ownership	1991		9 557	14 790	–	–	–	100.0	–	–
Zurich, Maagplatz 1/Platform	6 955	–	sole ownership	2011		5 907	20 310	2.1	91.1	0.5	–	6.3	–
Zurich, Manessestrasse 85	2 781	8.5	sole ownership	1985	2012	3 284	8 270	–	71.2	–	–	25.8	3.0
Zurich, Nansenstrasse 5/7	2 352	0.2	sole ownership	1985		1 740	5 864	39.1	27.0	–	–	6.2	27.7
Zurich, Ohmstrasse 11, 11a	2 124	–	sole ownership	1927	2007	1 970	6 031	54.7	23.4	2.2	–	15.8	3.9
Zurich, Querstrasse 6	183	0.1	sole ownership	1927	1990	280	563	7.6	5.7	–	–	–	86.7
Zurich, Restelbergstrasse 108	354	–	sole ownership	1936	1997	1 469	672	–	–	–	100.0	–	–
Zurich, Seidengasse 1/Jelmoli	27 300	–	sole ownership	1898	2010	6 514	36 770	64.6	3.7	13.3	–	12.8	5.6
Zurich, Siewerdstrasse 8	1 129	–	sole ownership	1981		1 114	3 687	–	91.1	–	–	8.9	–
Zurich, Sihlstrasse 24/St. Annagasse 16	1 801	–	sole ownership	1885	2007	1 155	2 858	3.9	70.5	14.3	–	6.9	4.4
Zurich, Stadelhoferstrasse 18	92	–	sole ownership	1900/									
Zurich, Steinmühleplatz 1/St. Annagasse 18/Sihlstrasse 20	3 810	1.1	sole ownership	1957	1999	1 534	6 185	11.1	68.7	2.3	–	16.7	1.2
Zurich, Steinmühleplatz/Jelmoli parking	2 651	0.5	sole ownership with concession	1972	2009	1 970	84	100.0	–	–	–	–	–

⁴ reclassified from properties under construction to investment properties after new construction

Investment properties

Property details as at 31.12.2021

Overview of type of use

	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Zurich, Talacker 21, 23	2971	1.6	sole ownership	1965 1942/	2008	1720	4904	9.6	64.2	–	–	26.2	–
Zurich, Vulkanstrasse 126	172	–	sole ownership bought 23.04.2021	1972/ 1979		4298	2273	–	17.1	–	–	82.9	–
Total properties	452 821	4.5				1 133 414	1 623 298	17.7	41.9	7.0	7.9	22.4	3.1

Undeveloped properties

	Property details as at 31.12.2021					Overview of type of use							
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Augst, Rheinstrasse 54	106	–	sole ownership			10958	1	–	–	–	–	–	100.0
Dietikon, Bodacher	15	–	sole ownership			13615	1 375	–	–	–	–	–	100.0
Dietikon, Bodacher/Im Maienweg	–	–	sole ownership			4249	4 240	–	–	–	–	–	100.0
Dietikon, Bodacher/Ziegelägerten	10	–	sole ownership			3 825	4 324	–	–	–	–	–	100.0
Meyrin, Route de Pré-Bois	33	48.3	sole ownership			10 183	372	–	79.0	–	–	–	21.0
Niederwangen b. Bern, Riedmoosstrasse 10	–	–	sole ownership			5 895	–	–	–	–	–	–	–
Oberbüren, Buchental/parking	29	–	sole ownership			1 825	–	–	–	–	–	–	–
Spreitenbach, Joosacker 7	37	–	sole ownership			16 256	7 759	–	–	–	–	–	100.0
Wangen b. Olten, Rickenbacherfeld	–	–	sole ownership			11 197	–	–	–	–	–	–	–
Total undeveloped properties	230	6.9				78 003	18 071	–	1.6	–	–	–	98.4

Properties under construction and development sites

Property details as at 31.12.2021	Overview of type of use												
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel/gastronomy	Assisted living %	Storage facilities %	Other %
Basel, Hochbergerstrasse 60/Stücki Park	3 110	–	sole ownership			10 222	10 331	–	58.9	0.2	–	12.8	28.1
Lancy, Esplanade de Pont-Rouge 5, 7, 9/Alto Pont-Rouge	–	–	sole ownership with 14/100 co-ownership			5 170	–	–	–	–	–	–	–
Paradiso, Riva Paradiso 3, 20/Du Lac ⁵	–	–	sole ownership partial land lease			3 086	–	–	–	–	–	–	–
Plan-les-Ouates, Chemin des Aulx/Espace Tourbillon ⁶	610	0.8	sole ownership			17 768	5 927	6.4	68.1	–	–	25.5	–
Richterswil, Gartenstrasse 7, 17/Etzelblick	–	–	sole ownership			6 373	–	–	–	–	–	–	–
Richterswil, Gartenstrasse 15/Etzelblick	–	–	sold 29.03.2021										
Schlieren, Zürcherstrasse 39/JED	4 776	0.2	sole ownership	1992/	2003	18 787	19 400	–	75.5	10.6	–	10.0	3.9
Schlieren, Zürcherstrasse 39/JED Neubau	–	–	sole ownership			7 897	–	–	–	–	–	–	–
Zurich, Müllerstrasse 16, 20 ⁷	3 338	0.2	sole ownership	1980		3 864	–	–	–	–	–	–	–
Total properties under construction and development sites	11 834	0.2				73 167	35 658	1.1	69.4	5.8	–	13.4	10.3
Overall total	464 885					1 284 584	1 677 027	17.1	42.1	6.9	7.7	22.0	4.2

⁵ trading project property⁶ sale of building E as of 30.04.2021 and 248/1000 of building A in year 2021, remaining 377/1000 of building A are trading properties⁷ reclassified from investment properties to properties under construction due to total refurbishment



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