

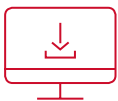
SWISS PRIME SITE

2020

— SEMI-ANNUAL REPORT

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Reporting structure

Reporting consists of the semi-annual and the short report (PDF available to download from www.sps.swiss). For reasons of sustainability, only the short report is available as a printed version.

Selected group key figures

Key financial figures	in	01.01.–	01.01.–	01.01.–
		30.06.2019	31.12.2019	30.06.2020
		or 30.06.2019	or 31.12.2019	or 30.06.2020
Rental income from properties	CHF m	239.3	486.9	219.9
Income from real estate developments	CHF m	34.7	79.8	22.8
Income from real estate services	CHF m	57.0	117.5	58.6
Income from retail	CHF m	57.2	127.8	43.6
Income from assisted living	CHF m	206.1	423.9	72.4
Income from asset management	CHF m	8.8	13.5	4.8
Total operating income	CHF m	607.7	1 258.8	425.2
Revaluation of investment properties, net	CHF m	85.2	203.4	-47.3
Result from investment property sales, net	CHF m	5.6	20.8	5.7
Result from sale of participations, net	CHF m	-	-	204.2
Operating result (EBIT)	CHF m	286.1	628.3	313.6
Profit	CHF m	356.5	608.5	269.7
Cash flow from operating activities	CHF m	200.0	406.6	132.5
Shareholders' equity	CHF m	5 213.3	5 459.2	5 744.4
Equity ratio	%	43.6	44.4	46.0
Borrowed capital	CHF m	6 752.7	6 841.7	6 733.6
Return on equity (ROE)	%	13.8	11.5	9.6
Return on invested capital (ROIC)	%	6.6	5.6	4.9
NAV before deferred taxes per share ¹	CHF	82.71	86.34	90.05
NAV after deferred taxes per share ¹	CHF	68.64	71.87	75.62
Earnings per share (EPS)	CHF	4.69	8.00	3.55
Financial figures excluding revaluations and all deferred taxes				
Operating result (EBIT)	CHF m	200.8	424.9	361.0
Profit	CHF m	151.3	315.7	320.0
Return on equity (ROE)	%	6.1	6.3	11.3
Return on invested capital (ROIC)	%	3.2	3.2	5.7
Earnings per share (EPS)	CHF	1.99	4.14	4.21
Real estate portfolio				
Fair value of real estate portfolio	CHF m	11 467.8	11 765.4	11 880.9
of which projects/development properties	CHF m	789.9	684.5	794.3
Number of properties	number	192	187	185
Rental floor space	m ²	1 567 723	1 604 451	1 612 879
Vacancy rate	%	4.7	4.7	5.4
Average discount rate	%	3.17	3.06	3.05
Net property yield	%	3.5	3.5	3.3
Employees				
Number of employees as at balance sheet date	persons	6 275	6 506	1 660
Full-time equivalents as at balance sheet date	FTE	5 188	5 402	1 482

¹ Services segment (real estate-related business fields) included at book values only

Report on the first half-year of 2020

2020 is a year that will enter the history books. The COVID-19 pandemic has had a significant social and economic impact, and this can be clearly felt in both the Swiss real estate sector and the Swiss Prime Site Group. Despite this, the Company successfully concluded the previously announced sale of the Tertianum Group on 28 February 2020 and reported positive results for the first half-year of 2020. Swiss Prime Site's operating result (EBIT) jumped by 9.6% to CHF 313.6 million, with the result from the sale of Tertianum contributing substantially to this. EBIT for the core real estate business was CHF 114.8 million [CHF 263.5 million]. This includes revaluations of CHF -47.3 million [CHF 85.7 million]. This negative revaluation of only 0.4 percentage points reflects the resilience of the real estate portfolio worth CHF 11.9 billion. The Services segment produced EBIT of CHF 198.8 million [CHF 22.6 million]. This includes the recognised result of CHF 204.2 million from the sale of Tertianum. The first half of 2020 produced profit of CHF 269.7 million [CHF 356.5 million]. In contrast to the previous year, this only includes a marginal positive tax effect of CHF 6.0 million [CHF 158.1 million] from the reversal of deferred tax liabilities arising from cantonal reductions in tax rates. Excluding revaluations and deferred taxes, profit rose significantly to CHF 320.0 million [CHF 151.3 million]. This enabled Swiss Prime Site to report the highest cash half-yearly profit in the Company's history. Despite the extremely challenging market conditions, the forecast for 2020 of an increased profit excluding revaluations and deferred taxes is confirmed.

Coronavirus and its consequences

2020 began in line with expectations and with a generally positive outlook for the financial year. In February, articles in the media about a «new kind of coronavirus» increased dramatically. Up to that point, the virus had primarily been seen in Asia, but the first cases soon emerged in northern Italy. When the first case was identified in southern Switzerland at the end of February, COVID-19 rapidly became the main topic of conversation and the government started to introduce protective measures. Shortly after the WHO announced a global pandemic on 11 March 2020, the Swiss government made far-reaching decisions, including banning gatherings and closing schools and shops. It was the end of April before these orders started to be relaxed, with further relaxations following in the middle of May and beginning of June. The coronavirus and subsequent government orders had a significant impact on work processes, the operation of some group companies and, not least, the operating result of the Swiss Prime Site Group.

After the first cases emerged in Switzerland, the Swiss Prime Site Group set up a coronavirus task force, with representatives from all group companies and key decision-makers from the core real estate business. The task force's main objective was to protect employees' health and ensure that business processes could continue. Employees were, where possible, advised to work from home or split their time between home and the office. The declaration of an «extraordinary situation» in Switzerland and the order to close all stores not selling essential items severely affected the group company Jelmoli. The main store on Seidengasse and the recently opened site at Zurich Airport had to close completely on 17 March 2020. The food department in Zurich was able to re-open on 20 March 2020. All other employees at the premium department store were registered for the short-time work scheme. Jelmoli was closed for almost three months, significantly impacting the operating income and EBIT. Despite an extremely positive recovery effect since re-opening, with sales exceeding forecasts, the effect of the shutdown will not be offset in 2020. During lockdown, Wincasa, Swiss Prime Site Solutions and Swiss Prime Site Immobilien were inundated with enquiries from tenants and were therefore extremely busy. Tenants asked for rent to be deferred, waived or reduced. Most of the requests were from tenants in non-food retail, gastronomy and hotels. Swiss Prime Site alone received around 500 enquiries and replied directly to each and every one. The prospect of unilateral solutions by the government continues to make the ongoing process of finding individual solutions with tenants increasingly difficult.

Since the gradual relaxation of lockdown and the partial return to normal life, conditions have become somewhat clearer. The rest of the financial year will be heavily determined by the development of the pandemic. Despite this, the Board of Directors and management of Swiss Prime Site are confident that the Company will perform well in 2020 and beyond.

Business performance

Given the circumstances, the core real estate business has performed well. Even during lockdown, new lettings were agreed for around 41200 m² (2.6% of the rental floor space), some of which were extended with better terms. In the first half of the year, a significant amount of space was handed over to anchor tenants. With an occupancy rate of 90%, YOND Zurich is almost fully let. In addition to the 142 apartments already let in the Schönburg building in Berne, retail and hotel spaces were handed over to tenants in the spring. Stücki Park in Basel became even more appealing when anchor tenant Lonza moved in. At the JED Schlieren site, spaces were also handed over on schedule to the first anchor tenant, Zühlke. The West-Log project in Zurich is in the final phase of tenants' improvements and will be handed over to the anchor tenant Elektro-Material AG in late summer. Due to the unusual circumstances in the first half of 2020, other projects under construction have experienced slight delays but, as most projects were already ahead of schedule, the extraordinary situation should not impact construction work. There are a total of six projects under construction, with an investment volume (including land) of CHF 473 million, and eight projects with an investment volume (including land) of CHF 935 million in the planning stage. The planning application for the modification of the building on Müllerstrasse in Zurich, which is already let, will be submitted shortly. Building permits have been confirmed for the Alto Pont-Rouge projects in Geneva, JED II in Schlieren and Stücki Park II in Basel. Marketing activities have progressed since the lockdown has been lifted. The architecture competition for the new development at the Maag site in Zurich has taken place. Two entries are now being thoroughly assessed, with a decision expected in the first half of 2021.

The effect of the coronavirus pandemic has also been noticeable in the Services segment. Despite the challenging market situation, Wincasa increased its assets managed to CHF 71.2 billion [end of 2019: CHF 71.0 billion]. The real estate services provider received around 2000 rent enquiries from tenants. It was a huge task to process all of these, and this had an effect on the EBIT. The transformation of the business model continues apace. In the first half of 2020, the first digital rental agreement was developed. Lockdown caused a difficult first half-year for Jelvoli. Despite the rapid re-opening of the food department and the recovery effect once the Zurich store re-opened, it will not be possible to catch up with last year's results. Swiss Prime Site Solutions processed a high number of tenant enquiries for the Swiss Prime Investment Foundation and was able to reach the sixth capital increase despite the unusual circumstances. Assets under management stayed steady at CHF 2.3 billion [end of 2019: CHF 2.3 billion].

Operating income

in CHF m	01.01.– 30.06.2019	01.01.– 30.06.2020	Change in %
Real Estate segment	251.9	240.5	-4.5
Rental income from properties	215.5	217.0	0.7
Income from real estate developments	34.7	22.8	-34.2
Other operating income	1.8	0.7	-60.9
Services segment	399.1	218.7	-45.2
Rental income from properties	52.0	22.2	-57.3
Income from real estate services	71.1	72.2	1.6
Income from retail	57.2	43.7	-23.6
Income from assisted living	206.1	72.4	-64.9
Income from asset management	8.8	4.8	-45.0
Other operating income	3.8	3.3	-14.4
Eliminations	-43.3	-34.0	-21.4
Total group	607.7	425.2	-30.0

In challenging market conditions, the core real estate business reported a rise in rental income to CHF 217.0 million (+0.7%, like-for-like: -0.9%). This takes into account lower than expected turnover based and parking rental income due to the pandemic of CHF 2.5 million and CHF 1.1 million of already granted and confirmed rent waivers. Income from real estate developments of CHF 22.8 million (-34.2%) resulted in operating income of CHF 240.5 million [CHF 251.9 million] in the Real Estate segment, slightly down on the previous year. Active asset management and good tenant retention as well as forward-looking letting and renewal activities played a valuable part in achieving a reasonable vacancy rate of 5.4% [4.7%]. The real estate portfolio reached a value of CHF 11.9 billion, growing by 1.0% compared to the end of 2019. As at 30 June 2020, Swiss Prime Site's stock comprised a total of 185 high-quality properties. At 3.3% [3.5%], the net yield on the real estate portfolio remained at an attractive level in the market for prime investment properties.

In the first half of 2020, the Services segment reported operating income of CHF 218.7 million [CHF 399.1 million]. This includes two months of results from the Tertianum Group, which was sold at the end of February 2020. Wincasa increased income from real estate services to CHF 72.2 million (+1.6%), slightly up on the previous year. Digitalisation of the business model continues apace. The first digital rental agreement was created, with the whole process due to be available digitally from the second half of 2020. The portfolio of properties managed by Wincasa reached a market value of CHF 71.2 billion. Jelmoli reported a significant fall in March, April and May due to the ordered closure. Income from retail reached CHF 43.7 million (-23.6%), significantly below the previous year. The rapid re-opening of the food department involved significant effort, but was important and the right thing to do. Average income from this department exceeded forecast levels and the previous year. In addition to the main spaces, all service businesses (hairdressers, beauty clinic, fitness studio, etc.) and all shop-in-shop concepts also had to close. Swiss Prime Site Solutions conducted the sixth capital increase for the Swiss Prime Investment Foundation. Due to the lower level of transactions compared to the previous year, income from asset management fell to CHF 4.8 million (-45.0%). Assets under management stayed steady at CHF 2.3 billion [end of 2019: CHF 2.3 billion].

Operating result (EBIT)

in CHF m	01.01.– 30.06.2019	01.01.– 30.06.2020	Change in %
Real Estate segment	263.5	114.8	-56.4
Services segment	22.6	198.8	779.5
Total group	286.1	313.6	9.6

Swiss Prime Site's operating result (EBIT) jumped by 9.6% to CHF 313.6 million, with the result from the sale of Tertianum contributing substantially to this. EBIT for the core real estate business was CHF 114.8 million [CHF 263.5 million]. This includes revaluations of CHF -47.3 million [CHF 85.7 million], i.e. the positive changes in value of CHF 78.0 million were offset by negative changes in value of CHF 125.3 million. This negative revaluation of 0.4 percentage points across a real estate portfolio worth CHF 11.9 billion highlights Swiss Prime Site's resilience and the high quality of its properties. It is also encouraging to see a positive change in value of CHF 0.9 million for investment properties under construction. The average real discount rate as at 30 June 2020 was 3.05%, only one basis point below the value at the end of 2019. Excluding revaluations, Swiss Prime Site achieved solid EBIT in its core business of CHF 162.1 million [CHF 177.8 million]. Pre-tax profits from sold development projects (Espace Tourbillon and Weltpost Park) and a smaller investment property sold in Q1 2020 amounted to CHF 13.7 million [CHF 12.6 million]. The operating expenses of the Real Estate segment increased slightly by CHF 4.7 million to CHF 84.2 million [CHF 79.6 million]. This increase is primarily due to additional costs relating to the coronavirus pandemic. Impairments amounted to CHF 14.0 million.

The Services segment produced EBIT of CHF 198.8 million [CHF 22.6 million]. This includes the recognised result of CHF 204.2 million from the sale of Tertianum. The EBIT figure excluding the sales result of CHF -5.3 million is dampened primarily due to the months-long compulsory partial closure of Jelmoli. At Wincasa, ongoing investment in the digitalisation of the business model and additional costs relating to numerous rent reduction enquiries from tenants led to lower profits than last year. By contrast, after the record year of 2019 due to income from transactions, results at Swiss Prime Site Solutions were in line with expectations. The operating expenses of the Services segment fell significantly to CHF 224.0 million [CHF 376.0 million]. This reduction is primarily due to the significantly lower headcount and expenses as a result of the sale of Tertianum's operational business with around 4900 employees. On the balance sheet date, the Swiss Prime Site Group employed a total workforce of 1660 people [6275].

Profit

In the first half-year of 2020, Swiss Prime Site recorded a profit of CHF 269.7 million [CHF 356.5 million]. In contrast to the previous year, this only includes a marginal positive tax effect of CHF 6.0 million [CHF 158.1 million] from the reversal of deferred tax liabilities arising from cantonal reductions in tax rates. Excluding revaluations and deferred taxes, profit rose significantly to CHF 320.0 million [CHF 151.3 million], with the result of CHF 204.2 million arising from the sale of Tertianum included in the EBIT contributing substantially to this. Thanks to attractive refinancing, financial expenses in the first half of 2020 fell to CHF 31.4 million [CHF 36.6 million]. Earnings per share (EPS) were CHF 3.55 [CHF 4.69]. EPS excluding revaluations and deferred taxes were CHF 4.21 [CHF 1.99]. This enabled Swiss Prime Site to report the highest cash half-yearly profit in the Company's history.

in CHF m	01.01.– 30.06.2019	01.01.– 30.06.2020	Change in %
Operating result (EBIT)	286.1	313.6	9.6
Financial expenses	-36.6	-31.4	-14.2
Financial income	1.2	0.9	-24.4
Income tax expenses / income	105.9	-13.5	-112.7
Profit	356.5	269.7	-24.4
Profit excluding revaluations and deferred taxes	151.3	320.0	111.5

Balance sheet figures

The weighted average interest rate fell to 1.2% [1.4%]. The weighted average residual term to maturity of interest-bearing financial liabilities was 4.6 years [4.3 years]. The comparison between the interest rate on financial liabilities of 1.2% [1.4%] and the net yield of 3.3% [3.5%] on the real estate portfolio shows a stable attractive interest rate spread of 2.1% [2.1%].

As at 30 June 2020, the equity ratio of Swiss Prime Site stood at a robust 46.0% [43.6%]. The main contributor to the positive change was the result from the sale of Tertium of CHF 508.7 million, of which CHF 304.5 million was a return of goodwill recorded directly in the equity and CHF 204.2 million was booked as sales result in EBIT. In addition, a small number of conversions of convertible bonds resulted in a rise in shares issued to 75 970 364 [end of 2019: 75 946 349] and a rise in equity of CHF 2.4 million. The loan-to-value ratio of the real estate portfolio (LTV) was 45.1% [46.6%], in line with the target ratio of around 45%. At CHF 75.62 per share, the NAV after deferred taxes was 10.2% higher than the previous year and 5.2% above the value at the end of 2019. This takes into account the dividend of CHF 3.80 per share paid out in April 2020. As at 30 June 2020, the EPRA NAV is CHF 90.77 per share (+4.0% compared to the end of 2019). Swiss Prime Site's annualised return on equity reached 9.6% [13.8%] and remains above the Company's long-term target.

	in	30.06.2019	30.06.2020	Change in %
Equity ratio	%	43.6	46.0	5.6
Return on equity (ROE)	%	13.8	9.6	-30.4
Net property yield	%	3.5	3.3	-5.7
Weighted average interest rate on financial liabilities	%	1.4	1.2	-14.3
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.3	4.6	7.0
Loan-to-value ratio of property portfolio (LTV)	%	46.6	45.1	-3.2
NAV before deferred taxes per share ¹	CHF	82.71	90.05	8.9
NAV after deferred taxes per share ¹	CHF	68.64	75.62	10.2

¹ Services segment (real estate-related business fields) included at book values only

Outlook

Swiss Prime Site expects the economic and political conditions over the whole of 2020 to start returning to normal compared to the first half-year. Uncertainty will remain about the extent to which national politics will intervene in private rental agreements, making mutual and amicable solutions with tenants more difficult. The target vacancy rate of <5% is confirmed. For 2020, the vacancy rate will temporarily remain above 5% due to the corona pandemic. The continued realisation of the project pipeline will also have a positive impact on the core real estate business' operational and strategic objectives in 2020 and beyond. In the real estate-related Services segment, Swiss Prime Site expects significant recovery in the second half of 2020, particularly for the group company Jelvoli. Despite sales after the end of lockdown being above forecast levels and those of the previous year, it will not be possible to make up the drop caused by the corona pandemic over the course of 2020. Due to the one-off result from the sale of the Tertium Group, the profit for 2020 excluding revaluations and deferred taxes – as envisaged by Swiss Prime Site at the end of February 2020 – will exceed that of the previous year.

Consolidated financial statements

Consolidated income statement

in CHF 1 000	Notes	01.01.– 30.06.2019	01.01.– 30.06.2020
Rental income from properties	4	239 315	219 855
Income from real estate developments	4/9	34 681	22 827
Income from real estate services	4	56 972	58 562
Income from retail	4	57 184	43 645
Income from assisted living	4	206 122	72 420
Income from asset management	4	8 784	4 829
Other operating income	4	4 673	3 032
Operating income		607 731	425 170
Revaluation of investment properties, net	10	85 238	–47 343
Result from investments in associates		500	500
Result from investment property sales, net	5	5 573	5 655
Result from sale of participations, net	3	–	204 181
Real estate costs	6	–70 386	–46 009
Cost of real estate developments		–27 632	–14 776
Cost of goods sold		–48 357	–31 206
Personnel costs		–225 426	–135 020
Depreciation on tangible assets		–7 472	–4 769
Amortisation on intangible assets		–3 678	–4 211
Other operating expenses	7	–30 032	–38 540
Operating expenses		–412 983	–274 531
Operating result (EBIT)		286 059	313 632
Financial expenses		–36 574	–31 392
Financial income		1 191	900
Profit before income taxes		250 676	283 140
Income taxes	8	105 862	–13 451
Profit		356 538	269 689
Attributable to shareholders of Swiss Prime Site AG		356 142	269 792
Attributable to non-controlling interests		396	–103
Earnings per share (EPS), in CHF	13	4.69	3.55
Diluted earnings per share, in CHF	13	4.40	3.34

The notes form an integral part of the consolidated financial statements.

Consolidated balance sheet

in CHF 1 000	Notes	31.12.2019	30.06.2020
Assets			
Cash		173 065	361 742
Securities		557	539
Accounts receivable		95 447	46 902
Other current receivables		14 784	9 324
Inventories		34 789	29 102
Real estate developments	9	19 650	5 686
Accrued income and prepaid expenses		37 819	40 695
Assets held for sale	10	94 136	98 827
Total current assets		470 247	592 817
Investment properties	10	11 671 294	11 782 025
Tangible assets		71 083	24 628
Investments in associates		52 231	50 987
Deferred income tax assets		1 634	662
Other financial investments		6 535	5 055
Intangible assets		27 880	21 796
Total non-current assets		11 830 657	11 885 153
Total assets		12 300 904	12 477 970
Liabilities and shareholders' equity			
Current financial liabilities			
Accounts payable		32 623	4 405
Other current liabilities		149 919	146 677
Real estate developments	9	-	1 834
Accrued expenses and deferred income		179 058	129 770
Total current liabilities		1 621 477	1 745 833
Non-current financial liabilities			
Deferred tax liabilities	12	4 120 843	3 890 888
Total non-current liabilities		5 220 240	4 987 723
Total liabilities		6 841 717	6 733 556
Shareholders' equity			
Share capital		1 161 979	1 162 347
Capital reserves		320 629	176 737
Treasury shares		-106	-207
Retained earnings		3 975 536	4 405 537
Shareholders' equity attributable to shareholders of Swiss Prime Site AG		5 458 038	5 744 414
Non-controlling interests		1 149	-
Total shareholders' equity		5 459 187	5 744 414
Total liabilities and shareholders' equity		12 300 904	12 477 970

The notes form an integral part of the consolidated financial statements.

Consolidated cash flow statement

in CHF 1 000	Notes	01.01.– 30.06.2019	01.01.– 30.06.2020
Profit		356 538	269 689
Depreciation		11 150	8 980
Revaluation of investment properties, net	10	–85 238	47 343
Result from investment property sales, net	5	–5 573	–5 655
Result from sales of participations, net	3	–	–204 181
Result from investments in associates		–500	–500
Other non-cash items affecting net income		2 059	2 664
Financial expenses		36 574	31 392
Financial income		–1 191	–900
Income tax expenses / income	8	–105 862	13 451
Change in accounts receivable		–6 672	–2 453
Change in inventories and real estate developments		4 353	19 008
Change in other receivables and accrued income and prepaid expenses		–17 396	–18 205
Change in accounts payable		–2 351	–16 930
Change in other current liabilities and accrued expenses and deferred income		32 339	18 684
Income tax payments		–18 275	–29 850
Cash flow from operating activities		199 955	132 537
Investments in investment properties	10	–183 839	–202 827
Divestments of investment properties	10	35 993	20 082
Investments in tangible assets		–6 316	–1 808
Acquisitions of group companies, less acquired cash		–10 346	–
Divestments of group companies, less disposed cash	3	–	571 394
Investments in financial investments		–410	–7 601
Divestments of financial investments		1 690	23 686
Investments in intangible assets		–7 188	–6 206
Interest payments received		129	219
Dividends received		2 202	1 918
Cash flow from investing activities		–168 085	398 857
Distribution to shareholders		–288 591	–288 658
Purchase of treasury shares		–1 429	–4 375
Issue of bonds	12	352 284	–
Redemption of convertible bond	12	–	–3 277
Issuance/repayment of current financial liabilities		–89 566	–147 195
Issuance/repayment of non-current financial liabilities		–559	135 579
Interest paid		–34 397	–34 791
Cash flow from financing activities		–62 258	–342 717
Change in cash		–30 388	188 677
Cash at beginning of period		184 534	173 065
Cash at end of period		154 146	361 742

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 01.01.2019		1 161 979	608 218	-47	3 374 742	5 144 892	218	5 145 110
Profit		-	-	-	356 142	356 142	396	356 538
Goodwill		-	-	-	-397	-397	-	-397
Distribution to shareholders		-	-288 591	-	-	-288 591	-	-288 591
Share-based compensation		-	661	1 398	-	2 059	-	2 059
Purchase of treasury shares		-	-	-1 429	-	-1 429	-	-1 429
Total as at 30.06.2019		1 161 979	320 288	-78	3 730 487	5 212 676	614	5 213 290
Total as at 01.01.2020		1 161 979	320 629	-106	3 975 536	5 458 038	1 149	5 459 187
Profit		-	-	-	269 792	269 792	-103	269 689
Sale of a majority shareholding with non-controlling interests	3	-	-	-	-	-	-1 046	-1 046
Goodwill	3	-	-	-	304 538	304 538	-	304 538
Distribution to shareholders		-	-144 329	-	-144 329	-288 658	-	-288 658
Conversion of convertible bonds into registered shares	12	368	2 047	-	-	2 415	-	2 415
Share-based compensation		-	-1 610	4 274	-	2 664	-	2 664
Purchase of treasury shares		-	-	-4 375	-	-4 375	-	-4 375
Total as at 30.06.2020		1 162 347	176 737	-207	4 405 537	5 744 414	-	5 744 414

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 Principles of consolidated reporting

The consolidated half-year financial statements were prepared in accordance with Swiss GAAP FER 31 «Complementary recommendations for listed companies» and correspond to article 17 of the Directive on Financial Reporting of the Swiss stock exchange (SIX Swiss Exchange). These half-year financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should therefore be read in conjunction with the consolidated financial statements as at 31 December 2019. The consolidated financial statements comprise the holding company as well as its subsidiaries (hereinafter jointly referred to as «group companies»).

The consolidated financial statements were prepared in Swiss francs (CHF). All amounts, except for the figures per share, have been rounded to CHF 1000. All group companies maintain their accounts in Swiss francs as well. Transactions denominated in foreign currencies are immaterial. The figures for the comparative period are shown in the text in brackets [].

3 Changes in scope of consolidation

3.1 Sale of the Tertianum Group

The Tertianum Group was sold to the Capvis Equity V LP 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 the reporting period for two months.

The Tertianum Group comprises the entire assisted living business, i.e. the operational management of 80 residential and geriatric 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. Information on all of the 21 companies is provided in note 15 «Group companies and associates».

The Tertianum Group has around 4900 employees who 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 will therefore stay 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 are 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 ¹	577 290
Sales result	204 181

¹ cash inflow including loan amortization of CHF 600.4 million

3.2 Internal mergers during the reporting period

In the Real Estate segment, SPS Beteiligungen Alpha AG, Olten, was merged 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, assisted living (up to 28 February 2020), retail and asset management

Segment income statement 01.01.–30.06.2020

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 30.06.2020 Total group
Rental income from properties	216 984	22 227	239 211	– 19 356	219 855
thereof from third parties	197 628	22 227	219 855	–	219 855
thereof from other segments	19 356	–	19 356	– 19 356	–
Income from real estate developments	22 827	–	22 827	–	22 827
Income from real estate services	–	72 241	72 241	– 13 679	58 562
Income from retail	–	43 668	43 668	– 23	43 645
Income from assisted living	–	72 426	72 426	– 6	72 420
Income from asset management	–	4 829	4 829	–	4 829
Other operating income	690	3 277	3 967	– 935	3 032
Operating income	240 501	218 668	459 169	– 33 999	425 170
Revaluation of investment properties, net	– 47 343	–	– 47 343	–	– 47 343
Result from investments in associates	500	–	500	–	500
Result from investment property sales, net	5 358	–	5 358	297	5 655
Result from sale of participations, net	–	204 181	204 181	–	204 181
Real estate costs	– 34 166	– 43 872	– 78 038	32 029	– 46 009
Cost of real estate developments	– 14 776	–	– 14 776	–	– 14 776
Cost of goods sold	–	– 31 206	– 31 206	–	– 31 206
Personnel costs	– 10 173	– 125 046	– 135 219	199	– 135 020
Depreciation on tangible assets	– 352	– 4 417	– 4 769	–	– 4 769
Amortisation on intangible assets	– 2 008	– 2 203	– 4 211	–	– 4 211
Other operating expenses	– 22 757	– 17 257	– 40 014	1 474	– 38 540
Operating expenses	– 84 232	– 224 001	– 308 233	33 702	– 274 531
Operating result (EBIT)	114 784	198 848	313 632	–	313 632

Segment income statement 01.01.–30.06.2019

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 30.06.2019 Total group
Rental income from properties	215 467	52 049	267 516	-28 201	239 315
thereof from third parties	187 266	52 049	239 315	-	239 315
thereof from other segments	28 201	-	28 201	-28 201	-
Income from real estate developments	34 681	-	34 681	-	34 681
Income from real estate services	-	71 098	71 098	-14 126	56 972
Income from retail	-	57 188	57 188	-4	57 184
Income from assisted living	-	206 122	206 122	-	206 122
Income from asset management	-	8 784	8 784	-	8 784
Other operating income	1 766	3 830	5 596	-923	4 673
Operating income	251 914	399 071	650 985	-43 254	607 731
Revaluation of investment properties, net	85 668	-430	85 238	-	85 238
Result from investments in associates	500	-	500	-	500
Result from investment property sales, net	4 934	-	4 934	639	5 573
Real estate costs	-32 582	-79 686	-112 268	41 882	-70 386
Cost of real estate developments	-27 632	-	-27 632	-	-27 632
Cost of goods sold	-	-48 357	-48 357	-	-48 357
Personnel costs	-10 200	-215 395	-225 595	169	-225 426
Depreciation on tangible assets	-250	-7 222	-7 472	-	-7 472
Amortisation on intangible assets	-1 419	-2 259	-3 678	-	-3 678
Other operating expenses	-7 483	-23 113	-30 596	564	-30 032
Operating expenses	-79 566	-376 032	-455 598	42 615	-412 983
Operating result (EBIT)	263 450	22 609	286 059	-	286 059

In the Eliminations column, the revenues realised between the segments are eliminated.

5 Result from investment property sales

in CHF 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Gains from sales of properties	5 573	-
Gains from sales of properties held for sale	-	5 655
Total result from investment property sales, net	5 573	5 655

During the reporting period, one property and a condominium unit in Building A, Espace Tourbillon in Geneva, were sold. Building A in Espace Tourbillon is under construction and the individual units will be sold on an ongoing basis and handed over in turnkey condition to the condominium owners at the end of 2020. The transaction is therefore split into two parts: the sale of storeys 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 was recognised as the sale of investment properties (Swiss GAAP FER 18). The service includes the completion of the condominiums 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).

6 Real estate costs

in CHF 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Property expenses	–25 110	–20 886
Third-party rents	–37 814	–16 697
Expenses for third-party services	–2 387	–2 978
Expenses for real estate services	–2 341	–2 431
Land lease expenses	–2 734	–3 017
Total real estate costs	–70 386	–46 009

Property expenses included maintenance and repair costs of CHF 5.312 million [CHF 7.061 million], ancillary costs borne by the owner of CHF 7.628 million [CHF 5.789 million] and property-related insurance costs and fees of CHF 3.484 million [CHF 3.672 million] as well as costs for cleaning, energy and water of CHF 4.462 million [CHF 8.588 million].

Expenses for third-party rents primarily resulted from additionally leased properties for the Tertianum Group services in the assisted living sector. There is a significant drop in expenses compared to the same period last year due to the sale of the Tertianum Group as at 28 February 2020.

7 Other operating expenses

in CHF 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Expenses for tangible assets and IT	–13 592	–9 304
Non-life insurance, fees	–1 170	–701
Capital taxes	–1 331	–3 326
Administrative expenses	–7 551	–5 701
Audit and consultancy costs	–2 768	–2 451
Marketing	–3 708	–2 695
Collection- and bad-debt-related losses	88	–14 362
Total other operating expenses	–30 032	–38 540

Around 500 tenant enquiries were received after lockdown. Tenants asked for rent to be deferred, waived or reduced. Most of the requests were from tenants in non-food retail, gastronomy and hotels. The prospect of unilateral solutions by the government continues to make the ongoing process of finding individual solutions with tenants increasingly difficult. Impairments amounted to CHF 14.0 million. CHF 1.1 million of already granted and confirmed rent waivers are included in the rental income from properties.

8 Income taxes

in CHF 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Current income taxes of the reporting period	–13 435	–9 908
Adjustments for current income taxes of other accounting periods	–710	–621
Total current income taxes	–14 145	–10 529
Deferred taxes resulting from revaluation and depreciation	–41 956	–12 290
Deferred taxes resulting from real estate developments (long-term contracts)	–1 239	2 112
Deferred taxes resulting from the sale of investment properties	6 421	2 240
Deferred taxes resulting from tax rate changes	158 085	5 979
Deferred taxes resulting from losses carried forward	–1 304	–963
Total deferred taxes	120 007	–2 922
Total income taxes	105 862	–13 451

The changes in various cantonal income tax rates that took place in the reporting period resulted in a release of deferred tax liabilities in the amount of CHF 5.979 million [CHF 158.085 million].

9 Real estate developments

in CHF 1 000	31.12.2019	30.06.2020
Income from current projects since start of construction	204 300	227 127
Advance payments received	-184 650	-223 275
Real estate developments, net	19 650	3 852
of which real estate developments, assets	19 650	5 686
of which real estate developments, liabilities	-	-1 834
Income from real estate developments of the period	79 789	22 827

The accruals 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. The turnkey transfer of the two buildings will be carried out upon completion in 2021. The «Weltpost Park» apartment complex in Berne was sold in 2018. The three-building complex was handed over to the buyer in the first half of 2020. In addition, the commercial space in Building A of the Espace Tourbillon development project was also sold by way of condominium ownership. Completion and turnkey transfer to the condominium owners is planned for 2020.

10 Investment properties

Change in investment properties

in CHF 1 000	Undeveloped properties	Properties	Properties under construction/development sites	Total investment properties	Properties held for sale	Total
Total as at 01.01.2019	25 473	10 544 450	576 787	11 146 710	57 708	11 204 418
Follow-up investments	62	72 655	115 274	187 991	427	188 418
Capitalised borrowing costs	–	–	2 790	2 790	–	2 790
Additions from acquisitions	–	17 330	–	17 330	–	17 330
Reclassifications	–	–93 356	55 329	–38 027	38 027	–
Disposal by sale	–	–30 420	–	–30 420	–	–30 420
Positive fair value adjustment	1	108 945	39 673	148 619	354	148 973
Negative fair value adjustment	–140	–63 130	–2	–63 272	–463	–63 735
Fair value adjustment	–139	45 815	39 671	85 347	–109	85 238
Total as at 30.06.2019	25 396	10 556 474	789 851	11 371 721	96 053	11 467 774
Purchases	12 020	–	–	12 020	–	12 020
Follow-up investments	76	71 728	148 446	220 250	366	220 616
Capitalised borrowing costs	–	1 053	2 875	3 928	–	3 928
Additions from acquisitions	–	37 675	–	37 675	–	37 675
Reclassifications	–	271 286	–315 545	–44 259	44 259	–
Disposal by sale	–	–38 384	–10 578	–48 962	–45 795	–94 757
Positive fair value adjustment	72	209 851	3 735	213 658	–354	213 304
Negative fair value adjustment	–66	–79 444	–15 227	–94 737	–393	–95 130
Fair value adjustment	6	130 407	–11 492	118 921	–747	118 174
Total as at 31.12.2019	37 498	11 030 239	603 557	11 671 294	94 136	11 765 430
Purchases	–	49 019	37	49 056	–	49 056
Follow-up investments	27	65 981	83 188	149 196	9 994	159 190
Capitalised borrowing costs	–	–	3 690	3 690	–	3 690
Reclassifications	–	–4 038	4 038	–	–	–
Disposal by sale	–	–	–	–	–14 426	–14 426
Disposals from divestments	–	–34 745	–	–34 745	–	–34 745
Positive fair value adjustment	238	60 511	8 099	68 848	9 123	77 971
Negative fair value adjustment	–22	–118 110	–7 182	–125 314	–	–125 314
Fair value adjustment	216	–57 599	917	–56 466	9 123	–47 343
Total as at 30.06.2020	37 741	11 048 857	695 427	11 782 025	98 827	11 880 852
Actual costs as at 31.12.2019	29 269	8 165 228	558 431	8 752 928	79 288	8 832 216
Actual costs as at 30.06.2020	29 296	8 237 450	651 389	8 918 135	79 894	8 998 029
Difference between fair value and actual costs as at 31.12.2019	8 229	2 865 011	45 126	2 918 366	14 848	2 933 214
Difference between fair value and actual costs as at 30.06.2020	8 445	2 811 407	44 038	2 863 890	18 933	2 882 823
Fire insurance values on 01.01.2019 ¹	1 956	6 846 615	467 697	7 316 268	79 705	7 395 973
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 30.06.2020¹	11 945	6 983 195	331 446	7 326 586	21 953	7 348 539

¹ there were no building insurance values for properties under construction. For building projects, respective builders' liability insurance policies were concluded

The properties are valued on a semi-annual basis by an external, independent and qualified valuation expert: Wüest Partner AG, Zurich. On the balance sheet date, the discount rates used for the valuation of properties ranged from 2.05% to 4.95% [2.05% to 4.95% as at 31 December 2019]. The weighted average real discount rate was 3.05% [3.06% as at 31 December 2019].

Property portfolio details

(15 largest properties in terms of value)

Property details as at 30.06.2020

Overview of type of use

City/address	Ownership status	Built	Year of renovation	Site area m ²	Total floor space m ² , excluding parking	Overview of type of use					
						Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy %	Assisted living %	Storage facilities %	Other %
Basel, Hochbergerstrasse 70/Stücki Park (Shopping)	sole ownership	2009	2019/ 2020	46416	32214	29.7	20.6	37.1	-	9.6	3.0
Basel, Messeplatz 12/Messeturm	sole ownership partial land lease	2003		2137	24024	-	54.3	42.3	-	3.2	0.2
Bern, Wankdorfallee 4/EspacePost	sole ownership land lease	2014		5244	33647	-	94.2	-	-	4.9	0.9
Geneva, Place du Molard 2-4	sole ownership	1690	2002	1718	7267	38.2	56.4	0.5	-	4.1	0.8
Geneva, Rue du Rhône 48-50	sole ownership	1921	2002	5166	33414	44.4	33.4	7.2	-	8.9	6.1
Grand-Lancy, Route des Jeunes 10/CCL La Praille	sole ownership land lease	2002		20597	36113	52.2	1.0	28.4	-	16.3	2.1
Plan-les-Ouates, Chemin des Aulx/Espace Tourbillon	sole ownership			17768	-	-	-	-	-	-	-
St. Gallen, Zürcherstrasse 462-464/Shopping Arena	sole ownership parking 73/100 co-ownership	2008		33106	39753	57.9	9.6	11.4	-	19.4	1.7
Winterthur, Theaterstrasse 15a-c, 17	sole ownership	2004	1999/ 2000/	15069	37151	-	71.2	0.5	-	15.5	12.8
Zurich, Affolternstrasse 54, 56/Cityport	sole ownership	2001		9830	23529	-	92.0	-	-	7.7	0.3
Zurich, Hagenholzstrasse 60/SkyKey	sole ownership	2014		9573	41251	-	86.0	9.8	-	4.2	-
Zurich, Hardstrasse 201/Prime Tower	sole ownership	2011		10451	48138	0.7	87.3	5.5	-	6.4	0.1
Zurich, Maagplatz 1/Platform	sole ownership	2011		5907	20310	2.1	91.1	0.5	-	4.9	1.4
Zurich, Müllerstrasse 16, 20	sole ownership	1980	2006	3864	13692	-	93.1	-	-	5.8	1.1
Zurich, Seidengasse 1/Jelmoli	sole ownership	1898	2010	6514	36770	64.6	3.7	13.3	-	12.8	5.6

Details on future rental income from rentals under existing contracts

The following table depicts the breakdown of the contractual end of the term of individual rental agreements, based on future net annual rental income and land lease income from investment properties (excluding properties under construction and development sites, and excluding additionally leased properties) as at 30 June 2020:

End of contract	30.06.2019 Future rental income in CHF 1000	Share in %	30.06.2020 Future rental income in CHF 1000	Share in %
Under 1 year ¹	39911	9.1	57419	13.0
Over 1 year	69237	15.8	57173	12.9
Over 2 years	45378	10.3	44672	10.1
Over 3 years	41900	9.5	38714	8.7
Over 4 years	37861	8.6	41644	9.4
Over 5 years	32212	7.3	31677	7.1
Over 6 years	13031	3.0	34550	7.8
Over 7 years	30693	7.0	17809	4.0
Over 8 years	18134	4.1	13920	3.1
Over 9 years	13513	3.1	16642	3.8
Over 10 years	97280	22.2	89172	20.1
Total	439150	100.0	443392	100.0

¹ includes all indefinite rental agreements (residential, parking facilities, commercial properties etc.) of total CHF 19.902 million [CHF 18.223 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 30 June 2020 [30 June 2019].

Largest external tenants

As at the balance sheet date, the five largest external tenants accounted for 23.3% [21.7%] 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 %	30.06.2019	30.06.2020
Tertianum	n.a.	5.7
Coop	5.8	5.6
Swisscom	5.2	4.8
Magazine zum Globus (formerly Migros)	n.a.	4.7
Zurich Insurance Group	2.5	2.5
Migros	5.8	n.a.
Die Schweizerische Post	2.4	n.a.

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.

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 180 m. Further information: stueckipark.ch
Project status	First stage in the final phase of implementation, second stage in the final phase of development
Sale/rental status	First stage: Building F (office) and Buildings H & I (lab) being marketed, Building G (laboratory and office) fully let
Completion	First stage: 2020, 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 180 m. Further information: alto-pont-rouge.ch
Project status	Building permit confirmed
Sale/rental status	Interested parties for approx. 7 000 m ² available
Completion	2023

Monthey, Rue de Venise 5-7/Avenue de la Plantaud 4

Project description	New residential and care centre with 50 beds and 39 apartments. Investment volume: approx. CHF 27 m
Project status	Project being executed
Sale/rental status	Fully let
Completion	2021

Oftringen, Spitalweidstrasse 1: Shopping centre a1

Project description	Transformation into a retail park. Investment volume: approx. CHF 60 m. Further information: a-eins.ch
Project status	Partially open end of 2019; fully open Q4 2020
Sale/rental status	Fully let
Completion	2020

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 52 m
Project status	Legally valid building permit has been issued
Sale/rental status	Fully 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 220 m (Buildings A, B and E). Further information: espacetourbillon.ch/en
Project status	Project being executed
Sale/rental status	33% let (Building B), 33% sold (Building A)
Completion	2020–2021

Richterswil, Gartenstrasse 7/17, 15: Tertianum residential care centre, Etzelblick

Project description	Construction of 26 new age-adapted apartments and 64 new care places including dementia care to replace the existing residential and care centre. Investment volume: approx. CHF 30 m
Project status	Project being executed
Sale/rental status	Fully 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, catering and leisure. Investment volume: approx. CHF 114 m. Further information: jed.swiss
Project status	First stage complete, rental space handed over to anchor tenant Zühlke
Sale/rental status	75% let
Completion	Second stage: end of 2020, third stage including surrounding area: June 2021

Schlieren, Zürcherstrasse 39: JED new building 2226 – Join. Explore. Dare.

Project description	Development of building land reserve and new building with the forward-looking 2226 building concept providing a perfect indoor climate without the use of heating, ventilation and cooling systems. Large connected areas for innovative companies and conferencing services. Investment volume: approx. CHF 55 m. Further information: jed.swiss
Project status	In planning. Building permit confirmed since May 2020
Sale/rental status	Currently being marketed
Completion	2023

Zurich, Vulkanstrasse 114, Juchstrasse 3: West-Log

Project description	Construction of a new logistics and office building with extra-high stories for automated storage facilities. Investment volume: approx. CHF 79 m. Further information: west-log.ch
Project status	Project being executed
Sale/rental status	85% let
Completion	2020

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.

11 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 1 000	2019	2020
Cost as at 01.01.	447 501	454 293
Additions	6 792	–
Disposals from divestments	–	–304 538
Cost as at reporting date	454 293	149 755
Cumulative amortisation as at 01.01.	377 060	430 520
Additions	53 460	1 156
Disposals from divestments	–	–285 767
Cumulative amortisation as at reporting date	430 520	145 909
Theoretical net book value as at reporting date	23 773	3 846

Theoretical effect on shareholders' equity

in CHF 1 000	31.12.2019	30.06.2020
Shareholders' equity according to balance sheet	5 459 187	5 744 414
Theoretical recognition of net book value of goodwill in the balance sheet	23 773	3 846
Theoretical shareholders' equity including net book value of goodwill	5 482 960	5 748 260

Theoretical effect on profit

in CHF 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Profit according to income statement	356 538	269 689
Theoretical amortisation of goodwill	–26 410	–1 156
Adjustment result from sale of participations, net	–	285 767
Theoretical profit including amortisation of goodwill	330 128	554 300

12 Financial liabilities

in CHF 1 000	31.12.2019	30.06.2020
Mortgage-backed loans	1 027 978	933 446
Bonds	229 892	529 701
Other loans	2 007	–
Total current financial liabilities	1 259 877	1 463 147
Mortgage-backed loans	1 950 454	2 041 000
Convertible bonds	543 940	538 888
Bonds	1 609 858	1 310 269
Non-current loans	14 299	–
Other non-current financial liabilities	2 292	731
Total non-current financial liabilities	4 120 843	3 890 888
Total financial liabilities	5 380 720	5 354 035

As at the balance sheet date, the loan-to-value ratio of the real estate portfolio amounted to 45.1% [45.7% as at 31 December 2019].

Bonds

		CHF 230 m 2020	CHF 300 m 2021	CHF 190 m 2024	CHF 100 m 2024
Issuing volume, nominal	CHF m	230.000	300.000	190.000	100.000
Book value as at 30.06.2020	CHF m	229.959	299.742	189.905	99.630
Book value as at 31.12.2019	CHF m	229.892	299.580	189.893	99.588
Interest rate	%	2.0	1.75	1.0	2.0
Term to maturity	years	7	7	6	10
Maturity	date	21.10.2020	16.04.2021	16.07.2024	10.12.2024
Securities number		21 565 073 (SPS131)	23 427 449 (SPS14)	39 863 325 (SPS181)	25 704 217 (SPS142)
Fair value as at 30.06.2020	CHF m	230.598	303.450	193.800	106.600
Fair value as at 31.12.2019	CHF m	233.473	306.210	198.645	109.300

		CHF 250 m 2025	CHF 250 m 2026	CHF 350 m 2027	CHF 170 Mio. 2031
Issuing volume, nominal	CHF m	250.000	250.000	350.000	170.000
Book value as at 30.06.2020	CHF m	249.947	249.381	351.928	169.478
Book value as at 31.12.2019	CHF m	249.942	249.329	352.071	169.455
Interest rate	%	0.5	0.825	1.25	0.375
Term to maturity	years	9	9	8	12
Maturity	date	03.11.2025	11.05.2026	02.04.2027	30.09.2031
Securities number		33 764 553 (SPS161)	36 067 729 (SPS17)	41 904 099 (SPS19)	48 850 668 (SPS192)
Fair value as at 30.06.2020	CHF m	250.250	254.800	367.570	162.350
Fair value as at 31.12.2019	CHF m	253.750	257.700	371.000	167.110

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 30.06.2020	CHF m	247.500	296.630
Book value as at 30.06.2020	CHF m	244.432	294.456
Book value as at 31.12.2019	CHF m	246.380	297.560
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 30.06.2020	CHF m	245.644	296.927
Fair value as at 31.12.2019	CHF m	267.875	334.950

In the reporting period, conversions of the CHF 250.000 million convertible bond with a nominal value of CHF 2.500 million [none] took place. This resulted in an increase in share capital of CHF 0.367 million or 23983 registered shares and an addition to capital reserves of CHF 2.047 million.

In addition, conversions of the CHF 300.000 million convertible bond with a nominal value of CHF 3.370 million [none] took place in the reporting period. The nominal value was redeemed in cash and the added value was issued as 32 registered shares.

Conversion price and number of possible shares given 100% conversion

	31.12.2019 Conversion price in CHF	Number of possible shares	30.06.2020 Conversion price in CHF	Number of possible shares
Convertible bonds				
0.25%-convertible bond 16.06.2016–16.06.2023, issuing volume CHF 250.000 million, nominal value CHF 247.500 million	104.24	2 398 311	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	100.51	2 984 777	100.35	2 955 954
Total number of possible shares		5 383 088		5 334 160

Current and non-current financial liabilities categorised by interest rate

in CHF 1 000	31.12.2019 Total nominal value	30.06.2020 Total nominal value
Financial liabilities up to 1.00%	2 120 352	2 444 130
Financial liabilities up to 1.50%	1 291 000	1 011 000
Financial liabilities up to 2.00%	828 732	1 387 046
Financial liabilities up to 2.50%	987 400	426 400
Financial liabilities up to 3.00%	131 094	70 000
Financial liabilities up to 3.50%	–	–
Financial liabilities up to 4.00%	20 040	20 000
Financial liabilities up to 4.50%	5 134	–
Financial liabilities up to 5.00%	986	–
Total financial liabilities	5 384 738	5 358 576

Overview of future contractual cash outflows (including interest) from all financial liabilities

in CHF 1 000	30.06.2020 Book value	Contractual cash flows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Interest	Amortisation	Interest	Amortisation	Interest	Amortisation	Interest	Amortisation	Interest	Amortisation
Current financial liabilities	1 463 147	1 475 025	8 746	811 446	2 833	652 000	–	–	–	–	–	–
Accounts payable	4 405	4 405	–	4 405	–	–	–	–	–	–	–	–
Other current liabilities	146 677	146 677	–	146 677	–	–	–	–	–	–	–	–
Non-current financial liabilities (without derivatives)	3 890 157	4 134 112	21 599	–	21 599	–	37 319	380 000	85 853	1 396 730	72 612	2 118 400
Total non-derivative financial liabilities	5 504 386	5 760 219	30 345	962 528	24 432	652 000	37 319	380 000	85 853	1 396 730	72 612	2 118 400
Derivatives with negative fair value	731	699	–	395	–	244	–	60	–	–	–	–
Total derivative financial liabilities	731	699	–	395	–	244	–	60	–	–	–	–
Total financial liabilities	5 505 117	5 760 918	30 345	962 923	24 432	652 244	37 319	380 060	85 853	1 396 730	72 612	2 118 400

in CHF 1 000	31.12.2019 Book value	Contractual cash flows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Amorti- sation	Inter- est	Amorti- sation	Inter- est	Amorti- sation	Inter- est	Amorti- sation	Inter- est	Amorti- sation
Current financial liabilities	1 259 877	1 268 389	5 678	808 449	2 727	451 535	–	–	–	–	–	–
Accounts payable	32 623	32 623	–	32 623	–	–	–	–	–	–	–	–
Other current liabilities	149 919	149 919	–	149 919	–	–	–	–	–	–	–	–
Non-current financial liabilities (without derivatives)	4 118 551	4 362 141	25 739	–	25 739	–	41 270	912 882	86 648	1 102 011	57 991	2 109 861
Total non-derivative financial liabilities	5 560 970	5 813 072	31 417	990 991	28 466	451 535	41 270	912 882	86 648	1 102 011	57 991	2 109 861
Derivatives with negative fair value	2 292	2 525	–	488	–	470	–	453	–	446	–	668
Total derivative financial liabilities	2 292	2 525	–	488	–	470	–	453	–	446	–	668
Total financial liabilities	5 563 262	5 815 597	31 417	991 479	28 466	452 005	41 270	913 335	86 648	1 102 457	57 991	2 110 529

Due to the contractual maturities, the weighted average residual term to maturity of all interest-bearing financial liabilities was 4.6 years [4.2 years as at 31 December 2019].

13 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 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Profit attributable to shareholders of Swiss Prime Site AG	356 142	269 792
Interests on convertible bonds, amortisation of proportional costs and tax effects	1 558	1 546
Relevant profit for calculation of diluted earnings per share	357 700	271 338

Weighted average number of shares

	01.01.– 30.06.2019	01.01.– 30.06.2020
Shares issued as at 01.01.	75 946 349	75 946 349
Weighted number of shares issued on conversions	–	20 400
Average number of treasury shares (180 days)	–1 019	–5 505
Total weighted average number of shares 01.01.–30.06. (180 days)	75 945 330	75 961 244
Weighted number of shares issued on conversions	–	–20 400
Effective number of converted shares	–	24 015
Highest possible number of shares that can be issued on conversions	5 383 088	5 334 160
Basis for calculation of diluted earnings per share	81 328 418	81 299 019

Earnings and net asset value (NAV) per share

in CHF	01.01.– 30.06.2019	01.01.– 30.06.2020
Earnings per share (EPS)	4.69	3.55
Diluted earnings per share	4.40	3.34
Shareholders' equity per share (NAV) before deferred taxes ¹	82.71	90.05
Shareholders' equity per share (NAV) after deferred taxes ¹	68.64	75.62

¹ Services segment (real estate-related business fields) included at book values only

14 Future obligations and contingent liabilities

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 1 000	31.12.2019	30.06.2020
2020	303 497	192 222
2021	85 059	136 601
2022	4 015	36 000
2023	–	13 465
Total future obligations based on total contractor agreements	392 571	378 288

15 Group companies and associates

Swiss Prime Site AG holds the following investments:

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2019 Capital in CHF 1000	Shareholding in %	30.06.2020 Capital in CHF 1000	Shareholding in %
EMS Chantevent SA, La Grande Béroche ¹	Assisted living	100	100.0	n.a.	n.a.
Home Les Lauriers S.A., Saint-Imier ¹	Assisted living	100	100.0	n.a.	n.a.
Hôtel Résidence Bristol SA, Montreux ¹	Assisted living	100	100.0	n.a.	n.a.
immoveris ag, Bern	Real estate services	200	100.0	200	100.0
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
La Fontaine SA, Court ¹	Assisted living	100	100.0	n.a.	n.a.
Leben im Alter AG, Zurich ¹	Assisted living	600	100.0	n.a.	n.a.
Le Manoir AG, Gampelen ¹	Assisted living	100	100.0	n.a.	n.a.
Leora S.à r.l., Villeneuve ¹	Assisted living	140	100.0	n.a.	n.a.
Les Tourelles S.à r.l., Martigny ¹	Assisted living	20	100.0	n.a.	n.a.
Quality Inside SA, Crissier ¹	Assisted living	150	100.0	n.a.	n.a.
Résidence de la Jardinerie SA, Delémont ¹	Assisted living	100	100.0	n.a.	n.a.
Résidence Joli Automne SA, Ecublens ¹	Assisted living	100	100.0	n.a.	n.a.
Résidence le Pacific SA, Etoy ¹	Assisted living	150	100.0	n.a.	n.a.
Résidence l'Eaudine SA, Montreux ¹	Assisted living	100	100.0	n.a.	n.a.
SPS Baselland Dreispitz AG, Münchenstein	Real estate	5 295	100.0	5 295	100.0
SPS Beteiligungen Alpha AG, Olten ²	Investments	450 000	100.0	n.a.	n.a.
streamnow ag, Zurich	Real estate services	100	100.0	100	100.0
Swiss Prime Site Finance AG, Olten ³	Financial services	100	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	Asset management	1 500	100.0	1 500	100.0
Tertianum AG, Zurich ¹	Assisted living	9 562	100.0	n.a.	n.a.
Tertianum Gruppe AG, Zurich ¹	Assisted living	50 000	100.0	n.a.	n.a.
Tertianum Management AG, Zurich ¹	Assisted living	500	100.0	n.a.	n.a.
Tertianum Romandie SA, Crissier ¹	Assisted living	100	100.0	n.a.	n.a.
Tertianum Romandie Management SA, Crissier ¹	Assisted living	100	100.0	n.a.	n.a.
Tertianum Vaud SA, Crissier ¹	Assisted living	50	100.0	n.a.	n.a.
Wincasa AG, Winterthur	Real estate services	1 500	100.0	1 500	100.0
Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden ¹	Assisted living	1 000	51.0	n.a.	n.a.
Zentrum Schönberg AG, Bern ¹	Assisted living	1 000	51.0	n.a.	n.a.
Zimmermann Vins SA, Carouge	Real estate	350	100.0	350	100.0

¹ sale of Tertianum Group as at 28.02.2020

² merger of SPS Beteiligungen Alpha AG in Swiss Prime Site AG as at 01.01.2020

³ capital increase as at 24.06.2020 (contribution in kind from Swiss Prime Site AG)

Investments in associates valued according to the equity method

	Field of activity	31.12.2019 Capital in CHF 1000	Shareholding in %	30.06.2020 Capital in CHF 1000	Shareholding in %
Parkgest Holding SA, Geneva	Parking	4 750	38.8	4 750	38.8
Parking Riponne S.A., Lausanne	Parking	5 160	27.1	5 160	27.1

16 Major shareholders

	31.12.2019 Shareholding interest in %	30.06.2020 Shareholding interest in %
Major shareholders (shareholding interest >3%)		
BlackRock Inc., New York	>10.0	<10.0
Credit Suisse Funds AG, Zurich	6.1	6.9
State Street Corporation, Boston	3.7	3.4
UBS Fund Management (Switzerland) AG, Basel	3.0	3.4

17 Events after the balance sheet date

The consolidated financial statements were approved for publication by the Board of Directors on 18 August 2020.

There were no other events occurring between 30 June 2020 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 30 June 2020, or which would need to be disclosed at this point.

Definition of alternative performance measures

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 the 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 the average equity (attributable to shareholders of Swiss Prime Site AG).

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.

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) plus financial expenses less revaluations and deferred taxes, divided by the average balance sheet total.

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).

EPRA reporting

EPRA performance key figures

The EPRA performance key figures of Swiss Prime Site were prepared in accordance with EPRA BPR (November 2016).

Summary table EPRA performance measures

			01.01.– 30.06.2019 or 31.12.2019	01.01.– 30.06.2020 or 30.06.2020
		in		
A.	EPRA earnings	CHF 1 000	277 846	90 840
	EPRA earnings per share (EPS)	CHF	3.66	1.20
B.	EPRA NAV	CHF 1 000	7 102 032	7 380 206
	EPRA NAV per share	CHF	87.33	90.77
C.	EPRA NNNAV	CHF 1 000	5 834 667	6 220 498
	EPRA NNNAV per share	CHF	71.74	76.51
D.	EPRA NIY	%	3.5	3.4
	EPRA topped-up NIY	%	3.5	3.5
E.	EPRA vacancy rate	%	4.9	4.9
F.	EPRA cost ratio (including direct vacancy costs)	%	21.8	29.1
	EPRA cost ratio (excluding direct vacancy costs)	%	20.0	26.9
G.	EPRA like-for-like change relative	%	-0.6	-0.9
H.	EPRA capital expenditure	CHF 1 000	196 308	212 205

A. EPRA earnings and EPRA earnings per share

		01.01.– 30.06.2019	01.01.– 30.06.2020
	in CHF 1 000		
Earnings per consolidated income statement		356 538¹	269 689
Excluding:			
Revaluations of investment properties		-85 238	47 343
Result from real estate developments		-7 049	-8 051
Result from investment property sales		-5 573	-5 655
Result from sale of participations, net		-	-204 181
Tax on profits on sales and real estate developments		2 581	2 125
Negative goodwill/goodwill impairment		n.a.	n.a.
Changes in fair value of financial instruments		11	-367
Transaction costs on acquisitions of group companies and associated companies		50	-
Deferred tax in respect of EPRA adjustments		16 526	-10 063
Adjustments in respect of associated companies		n.a.	n.a.
Adjustments in respect of non-controlling interests		n.a.	n.a.
EPRA earnings		277 846	90 840
Average number of outstanding shares		75 945 330	75 961 244
EPRA earnings per share in CHF		3.66	1.20

¹ positive effect from the reversal of deferred tax liabilities due to cantonal tax rate reductions

B. EPRA net asset value (NAV)

in CHF 1 000	31.12.2019	30.06.2020
NAV as per consolidated balance sheet	5 458 038	5 744 414
Dilution effects from exercise of options, convertibles and other equity instruments	543 940	538 888
Diluted NAV, after the exercise of options, convertibles and other equity instruments	6 001 978	6 283 302
Including:		
Revaluation of investment properties ²	n.a.	n.a.
Revaluation of properties under construction ²	n.a.	n.a.
Revaluation of other non-current investments	n.a.	n.a.
Revaluation of tenant leases held as finance leases	n.a.	n.a.
Excluding:		
Fair value of derivative financial instruments	2 292	731
Deferred tax	1 097 762	1 096 173
Goodwill as a result of deferred tax	n.a.	n.a.
Adjustments in respect of associated companies	n.a.	n.a.
EPRA NAV	7 102 032	7 380 206
Number of outstanding shares (diluted)	81 328 325	81 302 723
EPRA NAV per share in CHF	87.33	90.77

² if FER 18 cost option is used

C. EPRA triple net asset value (NNNAV)

in CHF 1 000	31.12.2019	30.06.2020
EPRA NAV	7 102 032	7 380 206
Excluding:		
Fair value of derivative financial instruments	-2 292	-731
Revaluation of financial debts	-179 904	-79 778
Deferred tax	-1 085 169	-1 079 199
EPRA NNNAV	5 834 667	6 220 498
Number of outstanding shares (diluted)	81 328 325	81 302 723
EPRA NNNAV per share in CHF	71.74	76.51

D. EPRA net yield on rental income (NIY)

in CHF 1 000	31.12.2019	30.06.2020
Investment property – wholly owned	11 765 430	11 880 852
Investment property – share of joint ventures/funds	n.a.	n.a.
Less properties under construction and development sites, building land and trading properties	-722 021	-831 995
Value of completed property portfolio	11 043 409	11 048 857
Allowance for estimated purchasers' costs	n.a.	n.a.
Gross up value of completed property portfolio	B 11 043 409	11 048 857
Annualised rental income	442 296	439 570
Property outgoing	-58 264	-58 745
Annualised net rental income	A 384 032	380 825
Add: notional rent expiration of rent-free periods or other lease incentives	3 383	2 546
Topped-up net annualised rental income	C 387 415	383 371
EPRA NIY	A/B 3.5%	3.4%
EPRA topped-up NIY	C/B 3.5%	3.5%

E. EPRA vacancy rate

in CHF 1 000		31.12.2019	30.06.2020
Estimated rental value of vacant space	A	22 907	22 868
Estimated rental value of the whole portfolio	B	467 347	467 737
EPRA vacancy rate	A/B	4.9%	4.9%

F. EPRA cost ratio

in CHF 1 000		01.01.– 30.06.2019	01.01.– 30.06.2020
Operating expenses per Real Estate segment income statement		51 934	69 456
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		–	–
Excluding:			
Investment property depreciation		–	–
Ground rent costs		–2 734	–3 017
Service charge costs recovered through rents but not separately invoiced		–	–
EPRA costs (including direct vacancy costs)	A	49 200	66 439
Direct vacancy costs		–4 256	–4 988
EPRA costs (excluding direct vacancy costs)	B	44 944	61 451
Gross rental income less ground rents per Swiss GAAP FER		225 266	228 447
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	225 266	228 447
EPRA cost ratio (including direct vacancy costs)	A/C	21.8%	29.1%
EPRA cost ratio (excluding direct vacancy costs)	B/C	20.0%	26.9%
Overhead and operating expenses capitalised		–	–

G. EPRA like-for-like rental change

in CHF 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Rental income per Real Estate segment income statement	215 468	216 984
Acquisitions	–	–1 863
Disposals	–2 616	4
Development and new building projects	–3 321	–6 640
Property operating expenses	–6 064	–6 756
Property leases	–3 157	–3 110
Conversions, modifications, renovations	–	–
Other changes	–	–
Total EPRA like-for-like rental income	200 310	198 619
EPRA like-for-like change absolute	–1 248	–1 691
EPRA like-for-like change relative	–0.6%	–0.9%
EPRA like-for-like change by areas		
Zurich	0.4%	0.6%
Lake Geneva	0.2%	–1.3%
Northwestern Switzerland	–1.2%	0.1%
Berne	0.5%	–0.1%
Central Switzerland	–0.4%	0.4%
Eastern Switzerland	0.0%	–0.4%
Southern Switzerland	–0.2%	0.1%
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 2020 is based on a portfolio of CHF 10 423.572 million [CHF 10 452.929 million] which changed in value by CHF 29.357 million [CHF 96.676 million].

H. Property-related EPRA CAPEX

in CHF 1 000	01.01.– 30.06.2019	01.01.– 30.06.2020
Acquisitions	5 100	49 056
Development (ground-up/green field/brown field)	152 529	127 441
Like-for-like portfolio	35 329	31 976
Capitalised interests	2 790	3 690
Other	560	42
Total EPRA-capital expenditure	196 308	212 205

Five-year summary of key figures

	in	30.06.2016	30.06.2017	30.06.2018	30.06.2019	30.06.2020
Fair value of real estate portfolio	CHF m	9 886.4	10 263.7	10 819.1	11 467.8	11 880.9
Rental income from properties	CHF m	225.5	231.1	240.9	239.3	219.9
Vacancy rate	%	6.4	5.5	4.7	4.7	5.4
Net property yield	%	3.9	3.7	3.7	3.5	3.3
Income from real estate developments	CHF m	–	–	25.0	34.7	22.8
Income from real estate services	CHF m	54.8	57.8	58.9	57.0	58.6
Income from retail	CHF m	60.2	60.8	59.6	57.2	43.6
Income from assisted living	CHF m	151.9	175.9	193.8	206.1	72.4
Income from asset management	CHF m	2.6	2.2	3.4	8.8	4.8
Total operating income	CHF m	497.4	530.5	585.3	607.7	425.2
Operating result before depreciation and amortisation (EBITDA)	CHF m	235.2	223.3	242.9	297.2	322.6
Operating result (EBIT)	CHF m	225.0	215.8	232.9	286.1	313.6
Profit	CHF m	145.9	141.0	152.0	356.5	269.7
Shareholders' equity	CHF m	4 588.1	4 618.7	4 663.8	5 213.3	5 744.4
Equity ratio	%	44.3	43.1	41.2	43.6	46.0
Borrowed capital	CHF m	5 777.4	6 096.5	6 663.8	6 752.7	6 733.6
Borrowed capital ratio	%	55.7	56.9	58.8	56.4	54.0
Total shareholders' equity and borrowed capital	CHF m	10 365.5	10 715.2	11 327.6	11 966.0	12 478.0
Interest-bearing financial liabilities	CHF m	4 469.3	4 716.1	5 160.0	5 342.5	5 353.3
Interest-bearing financial liabilities in % of balance sheet total	%	43.1	44.0	45.6	44.6	42.9
Loan-to-value ratio of property portfolio (LTV)	%	45.2	46.0	47.7	46.6	45.1
Weighted average interest rate on financial liabilities	%	1.9	1.7	1.4	1.4	1.2
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.2	4.7	4.4	4.3	4.6
Return on equity (ROE)	%	6.4	6.0	6.4	13.8	9.6
Return on invested capital (ROIC)	%	3.7	3.4	3.4	6.6	4.9
Cash flow from operating activities	CHF m	85.3	152.2	157.1	200.0	132.5
Cash flow from investing activities	CHF m	–210.0	–94.0	–159.4	–168.1	398.9
Cash flow from financing activities	CHF m	50.6	–78.6	–10.0	–62.3	–342.7
Key financial figures excluding revaluations and all deferred taxes						
Operating result (EBIT)	CHF m	188.3	178.4	197.8	200.8	361.0
Profit	CHF m	134.4	131.0	151.1	151.3	320.0
Return on equity (ROE)	%	5.9	5.6	6.4	6.1	11.3
Return on invested capital (ROIC)	%	3.5	3.2	3.4	3.2	5.7

FIVE-YEAR SUMMARY OF KEY FIGURES

Five-year summary of key figures

Key figures per share	in	30.06.2016	30.06.2017	30.06.2018	30.06.2019	30.06.2020
Share price at end of period	CHF	88.20	87.10	91.15	85.25	87.60
Share price, highest	CHF	88.20	91.00	94.30	88.20	123.70
Share price, lowest	CHF	74.95	82.25	85.50	80.20	86.60
Earnings per share (EPS)	CHF	2.09	1.97	2.13	4.69	3.55
Earnings per share (EPS) excluding revaluations and deferred taxes	CHF	1.93	1.83	2.11	1.99	4.21
NAV before deferred taxes ¹	CHF	78.97	79.94	81.80	82.71	90.05
NAV after deferred taxes ¹	CHF	64.20	64.63	65.25	68.64	75.62
Distribution to shareholders	CHF	3.70	3.70	3.80	3.80	3.80
Cash yield on closing price of the previous year	%	4.7	4.4	4.2	4.8	3.4
Share performance (TR) p.a. in the last 12 months	%	29.8	9.0	9.1	-1.5	6.9
Share performance (TR) p.a. in the last 3 years	%	13.7	10.9	13.4	3.5	4.8
Share performance (TR) p.a. in the last 5 years	%	9.5	7.2	10.6	8.0	9.0
Market capitalisation	CHF m	6304.4	6225.8	6515.3	6474.4	6655.0
Employees						
Number of employees	people	5346	5696	6100	6275	1660
Full-time equivalents	FTE	3976	4589	4937	5188	1482
Share statistics						
Shares issued	number	71 478 917	71 478 917	71 478 917	75 946 349	75 970 364
Average treasury shares held	number	-2 488	-1 956	-380	-1 019	-5 505
Average outstanding shares	number	70 085 251	71 476 961	71 478 537	75 945 330	75 961 244
Treasury shares held	number	-1 744	-	-302	-918	-1 801
Outstanding shares	number	71 477 173	71 478 917	71 478 615	75 945 431	75 968 563

¹ Services segment (real estate-related business fields) included at book values only

Imprint

The original of this report is written in German.
The original German text is the effective official version.

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