

SWISS PRIME SITE

— ANNUAL REPORT

REPORT

2022



Selected group key figures

		01.01.– 31.12.2021 or 31.12.2021	01.01.– 31.12.2022 or 31.12.2022	Change in %
Key financial figures				
Rental income from properties	CHF m	426.7	431.3	1.1
EPRA like-for-like change relative	%	1.3	1.9	37.3
Income from real estate developments	CHF m	52.0	9.1	-82.4
Income from asset management	CHF m	18.2	52.0	185.6
Income from real estate services	CHF m	119.4	125.6	5.1
Income from retail	CHF m	119.5	132.1	10.5
Total operating income	CHF m	749.5	774.4	3.3
Revaluation of investment properties, net	CHF m	301.9	169.7	-43.8
Result from investment property sales, net	CHF m	39.9	50.9	27.5
Operating result before depreciation and amortisation (EBITDA)	CHF m	730.0	618.4	-15.3
Operating result (EBIT)	CHF m	706.7	559.4	-20.9
Profit	CHF m	498.9	404.4	-18.9
Return on equity (ROE)	%	8.0	6.2	-22.5
Return on invested capital (ROIC)	%	4.3	3.3	-23.3
Earnings per share (EPS)	CHF	6.57	5.27	-19.8
Funds from operations per share (FFO I)	CHF	4.01	4.26	6.2
Financial figures excluding revaluations and all deferred taxes				
Operating result before depreciation and amortisation (EBITDA)	CHF m	428.1	448.6	4.8
Operating result (EBIT)	CHF m	404.8	389.6	-3.8
Profit	CHF m	293.7	300.6	2.4
Return on equity (ROE)	%	4.8	4.7	-2.1
Return on invested capital (ROIC)	%	2.8	2.6	-7.1
Earnings per share (EPS)	CHF	3.87	3.92	1.3
Key balance sheet figures				
Shareholders' equity	CHF m	6 409.7	6 569.3	2.5
Equity ratio	%	47.5	47.7	0.4
Liabilities	CHF m	7 089.7	7 201.9	1.6
Loan-to-value ratio of property portfolio (LTV)	%	40.2	38.9	-3.2
NAV before deferred taxes per share ¹	CHF	101.22	102.96	1.7
NAV after deferred taxes per share ¹	CHF	84.37	85.64	1.5
EPRA NTA per share	CHF	100.93	102.69	1.7
Real estate portfolio				
Fair value of real estate portfolio	CHF m	12 793.5	13 087.7	2.3
of which projects/development properties	CHF m	1 006.9	1 117.3	11.0
Number of properties	number	184	176	-4.3
Rental floor space	m ²	1 677 027	1 653 456	-1.4
Vacancy rate	%	4.6	4.3	-6.5
Average discount rate	%	2.75	2.69	-2.2
Net property yield	%	3.2	3.1	-3.1
Employees				
Number of employees as at balance sheet date	persons	1 667	1 779	6.7
Full-time equivalents as at balance sheet date	FTE	1 474	1 567	6.3

¹ Services segment (real estate-related business fields) included at book values and not at fair values

Report

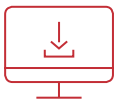
Annual Review

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 2022 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 2022». 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. Our real estate is centrally located and offers all the conveniences of contemporary, urban living.

Annual Review

- 3** Editorial Chairman of the Board of Directors
- 4** Facts and figures
- 5** ESG Ratings and Benchmarks
- 6** Interview CEO and CFO
- 10** Financial commentary
- 12** Our success story
- 14** Board of Directors and Executive Board
- 16** Our strategy
- 18** Stories that move us
- 42** Information policy

Dear Readers

We are all living in challenging times at present. Having scarcely got to grips with the worst social consequences of the global pandemic, new clouds gathered on the horizon at the beginning of 2022 due to the geopolitical tensions in eastern Europe. This was closely followed by a rise in the price of raw materials, an emerging energy crisis and an interest rate pivot. Despite the largely negative expectations, the Swiss economy recorded a pleasing performance. Inflation is currently half the European level, employment is solid and immigration into the «safe haven» of Switzerland has risen sharply again after the pandemic years. This also had a positive impact on us, the country's largest listed platform for real estate investments, enabling us to report another successful year and favourable results.

As at the end of 2022, Swiss Prime Site had assets under management of CHF 20.8 billion and a property portfolio with a value of CHF 13.1 billion. Swiss Prime Site Solutions manages third-party mandates worth a total of CHF 7.7 billion. Rental income grew by 1.9% (L4L) year-on-year, while the even lower vacancy rate of 4.3% and resulting profit of CHF 300.6 million underline the prime quality of our portfolio and the stringent implementation of Swiss Prime Site's strategy. With earnings per share of CHF 3.92 and FFO I of CHF 4.26, which is used as the basis for our distributions, the Board of Directors will propose to the Annual General Meeting that the dividend be increased by CHF 0.05 to CHF 3.40.

We are the leading partner for investors who invest both directly and indirectly in the real estate market, serving them through our two segments Real Estate and Real Estate Asset Management. We further focused and refined our portfolio over the past year. Since 2021, we have applied our capital recycling expertise to sell 13 prop-

erties with a value of around CHF 300 million that do not fit with our «Prime» claim. At the same time, we have been investing the freed-up capital in our first-class properties and in the development of value-adding projects in our pipeline. We thus aim to meet the growing requirements of our tenants and customers and underline our aspiration to be a leader in the area of sustainability. Our strategy has delivered measurable successes, namely the high level of new leases and renewal activities and the further fall in the portfolio's vacancy rate. We see our growth path in Real Estate Asset Management at Swiss Prime Site Solutions. Following its acquisition, the Akara Group was successfully integrated and initial synergies achieved. With real estate funds, products for investment foundations and asset management mandates, we have a diversified and stable footing in this area. The marked growth in the customer base for all three Real Estate Asset Management vehicles shows that the services are very popular with customers.

We, the Board of Directors and the management of Swiss Prime Site, have decided to redevelop the Jelmoli building in Zurich city centre for an expected period of two years from the beginning of 2025. This to make it sustainably fit for the future. Therefore, we will no longer operate the Jelmoli department store ourselves from the end of 2024. This further step towards focusing on our core competencies was taken after a comprehensive and detailed analysis. With the extraordinary dynamics in online retail and changes in consumer behaviour, brick-and-mortar retailing is increasingly being squeezed. Despite high investments by its owner, Swiss Prime Site, and tremendous efforts on the part of its employees, this structural change was clearly reflected in the profitability of the department store Jelmoli. This led Swiss Prime Site to conduct extensive market research over recent months, with the objective of transferring operational man-

Ton Büchner
Chairman of the
Board of Directors



agement of the department store to new hands. However, in-depth talks with numerous possible partners have not yet led to the intended success. We are deliberately communicating our decision at an early stage. This will give the employees time for a possible professional reorientation. Our goal is to further develop the Jelmoli building into a unique destination and an open urban meeting place. The re-opening of the completely renovated property is planned for the beginning of 2027.

In light of the challenges referred to above, our refinancing at the end of 2021 was vitally important. It brought about a marked fall in interest costs, and we now have a balanced maturity profile with no need for significant refinancing until 2025. This gives us freedom and good visibility, which seems important in what is currently an increasingly challenging environment. Accordingly, the globally active rating agency Moody's has rated our long-term issuer rating as «A3» with a stable outlook. This very positive rating, both in Switzerland and internationally, reflects the excellent basis of our company. Through targeted investments in the circular economy for both existing buildings and new build projects, and the successful certification of 73% of the floor space in our portfolio, we have also made important progress with regard to sustainability.

On behalf of my colleagues on the Board of Directors, I would like to thank all our customers, tenants and partners and also you, our shareholders, for your trust and interest in Swiss Prime Site. I would also like to thank our management and employees, who drive the operational implementation of our strategy on a daily basis.

TON BÜCHNER
CHAIRMAN OF THE
BOARD OF DIRECTORS

Facts and figures of the Swiss Prime Site Group

20.8

CHF billion
Real estate assets under management

#1

Largest listed real estate company in Switzerland

73

Percent of the floor space are certified

4.3

Percentage vacancy rate

3

Locations
Offices in Geneva, Zug and Zurich

38.9

Loan-to-value ratio of property portfolio (LTV)

600

CHF million
Outstanding green bonds on the SIX Swiss Exchange

16

Investment products
One listed share (SPSN), ten listed bonds, two investment groups (SPIF), three collective capital investments

43

Percentage of women on the Board of Directors

390

CHF million
EBIT before revaluations

6.1

CHF billion
Market capitalisation on the SIX Swiss Exchange

2040

Climate neutrality target

3.40

CHF
Distribution 2022 per share

23

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 of the Swiss Prime Site Group.

Real estate assessment



G R E S B
★★★★☆ 2022

Score

GRESB evaluates the sustainability of global real estate investments. In the 2022 assessment, Swiss Prime Site Immobilien ranks among the international leaders in the categories «Standing Investment» and «Standing Development» with excellent results. 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 2022 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 company's resilience is particularly evident right now.»

Swiss Prime Site with its twin cornerstones Real Estate and Real Estate Asset Management achieved a successful performance and good results in the 2022 financial year. René Zahnd, CEO of the Swiss Prime Site Group, and Anastasius Tschopp, CEO of Swiss Prime Site Solutions, look back with satisfaction on a year that was exciting and challenging in many respects.

How would you sum up the 2022 financial year?

René Zahnd (RZ): It was an eventful year featuring a host of challenges but also numerous glimmers of hope. We achieved, and in some cases even exceeded, the objectives we had set for ourselves. Further, we have decided not to continue Jelmoli's operations ourselves from the end of 2024 and to redevelop the building. It was a difficult but necessary decision. Overall, we are able to present a good set of numbers to our shareholders. On a social level, the global geopolitical situation was and naturally still is a cause for concern. I would also like to see glimmers of hope for us all in this regard.

Can you please elaborate on the decision regarding the real estate and the operational business of Jelmoli?

RZ: The Jelmoli department store has belonged to Swiss Prime Site since the takeover of the real estate division in 2009. With the rise of online retailing, the stationary trade in goods and services has come under significant

pressure on a global, national and regional level. Retailers and department stores worldwide are trying to counter this fundamental change with the digitalisation of the business model, efficiency measures and strategic partnerships. The two-year pandemic has further increased the pressure. Jelmoli and Swiss Prime Site have sought the operational and strategic turnaround in recent years. The lack of alternatives has now prompted us to make this decision. This also includes the fact that we will no longer be running Jelmoli's operations ourselves from the end of 2024.

What will happen to the employees now?

RZ: We have decided to communicate the decision to employees, business partners and other stakeholders at an early stage. This will give employees in particular around two years' time for possible professional reorientation. This transition phase will be professionally accompanied until the end of 2024 and employees will be supported where possible.

Can you tell us in more specific terms how this relates to the Real Estate segment?

RZ: In the Real Estate segment, what we had been repeatedly asserting almost like a mantra over the last two years actually proved to be true: the pandemic had no impact on demand for office and commercial space. Our vacancy rate is at its lowest level for over a decade at 4.3%. This is also attributable to the high level of new leases and renewal activities, which accounted for some 172 000 m². We are seeing the same trend in projects. Those that are already under construction are either already fully let or have a high level of pre-letting.

And what about the Real Estate Asset Management?

Anastasius Tschopp (AT): Real Estate Asset Management also benefited from the good market conditions. Firstly from the primary effects on the real estate market, i.e. the solid demand for floorspace. For example, the vacancy rate of the SPIF portfolio managed by us stands at a record low of 2.7%. We also saw demand for our real estate products remain intact, particularly in the second half of the year, despite the challenging market environment. We grew our customer base by 10%, while assets under management also increased from CHF 3.6 billion to CHF 7.7 billion. Five years after being founded, we are Switzerland's second-largest independent real estate asset manager.

What makes up the Real Estate Asset Management portfolio?

AT: Swiss Prime Site Solutions is diversified across three pillars. Firstly, we develop and manage fund products. We also offer asset management services, handling the executive management and asset management of independent investment foundations. The third pillar is real estate services. We advise and support institutional investors and companies in the structuring and management of their real estate portfolio.

You integrated the Akara Group in 2022. How did that go?

AT: Swiss Prime Site Solutions and Akara were an ideal fit from the outset. They were also aligned almost identically with regard to team spirit and goals, which allowed us to complete the integration relatively easily and in a short time. In autumn, we received approval from FINMA to merge the fund management companies. That was a key milestone.

There were a wide range of uncertainties over the course of the year. What impact did this have on the real estate market?

«Overall, we are able to present a good set of numbers to our shareholders.»

RENÉ ZAHND,
CEO SWISS PRIME SITE GROUP



RZ: The first few weeks of the year were very promising. We were finally able to start pushing the pandemic towards the back of our minds, which enabled us to start 2022 with a new sense of vigour. I felt this not just on a personal level but also in a business context. Unfortunately, the world was then brought back to earth with a bang by the geopolitical conflicts in Ukraine and beyond. This also intensified a number of issues such as resource procurement, price trends and, of course, interest rates. However, the real estate market ultimately proved to be robust because opposing trends were and still are at play.

What were these?

RZ: Well, Switzerland has always been seen as a «safe haven» in uncertain times. With a strong economy, independent monetary policy and high levels of immigration, we have positive effects on our side. What this means specifically for our business is that real estate, already seen as a very appealing way to preserve value and protect against inflation, became even more attractive.

How does inflation affect your business?

AT: Investors have always viewed real estate as a form of inflation protection. This is particularly true for portfolios comprised primarily of commercial properties as their rents are tied to the country's consumer price index. This obviously helps us. Rents for residential real estate also move in a similar fashion, albeit with something of a lag. I believe it is also important to point out that inflation in Switzerland is at just one-third of the EU level. We also seem to be past the peak already, which in turn has positive effects for us and for demand.

Let's talk about interest rates.

What are your plans as regards refinancing?

RZ: The interest rate pivot is obviously a major topic for everyone. We have more than CHF 5 billion in outstanding loans that are currently financed at less than 1% on average. If our interest expenses were to rise to a hypothetical level of 2.5% over the >

«In autumn, we received approval from FINMA to merge the fund management companies. That was a key milestone.»

ANASTASIUS TSCHOPP,
CEO SWISS PRIME SITE SOLUTIONS



next few years, we would have to pay around CHF 90 million extra in interest. But we believe that we are very well equipped for such a scenario. For the next three years up to 2025, we have no major refinancing requirements that we could not cover via existing credit lines or our efficient capital recycling activities. And with rents tied to inflation, we also have an effective mechanism for absorbing a significant proportion of the higher interest rates.

What does this mean for the valuations of your properties?

RZ: If you listen to the various valuers, they are currently giving out cautiously positive signals. They are anticipating a largely stable trend with selective devaluations, particularly in peripheral locations.

Didn't the transaction market grind to a halt?

AT: We've heard that a lot. The reality, however, is that demand for good and very good

real estate still always significantly exceeds supply. This is especially true for commercial properties. There were also a large number of transactions that were not publicly announced. You only learn about these if, like us, you have an excellent and broad network.

What was the trend for rents in 2022?

RZ: We achieved good results on a like-for-like basis with growth of 1.9%. Good locations like ours are always in demand. Among new leases, spaces in the life sciences and technology fields were particularly sought after. Tenants are prepared to pay for the location and the quality of the space. The high level of value generation in these fields means that rental costs play a rather more subordinate role.

Staying with valuations for a moment, what are your expectations for 2023?

RZ: Unfortunately, even we don't have a crystal ball. Based on discussions with appraisers, we are not anticipating further increases in

value for our properties, however, we believe that our portfolio is well positioned due to excellent locations.

There are over a dozen projects in your development pipeline.

How are they progressing?

RZ: We currently have developments totalling some CHF 960 million under construction, with investments of around CHF 300 million still outstanding. All construction work is on schedule and within the expected budgets. The projects are already fully let or have a high level of pre-letting. In 2023, we expect to complete the Alto Pont-Rouge project in Lancy, the two Tertianum projects in Paradiso and Olten, and the Müllerstrasse project in Zurich. The Stücker Park development in Basel and the JED new build in Schlieren will be finished a year later in 2024. Alto Pont-Rouge is the only one in which space is still available. A new cluster is developing in this region of Geneva, however, and potential ten-

ants often want to see the finished product first. The projects in development are well on track and we are pressing ahead with obtaining building permits. These are valid for four years, giving us enough time to react to potential changes in demand. A project must be 50% pre-let before construction can start. I like to talk about a risk-free pipeline, not least because all projects have interim lets in place and are generating income.

You also have an extensive project pipeline for your third-party customers. How is that going?

AT: We are developing a pipeline of around CHF 500 million for our customer Swiss Prime Investment Foundation. The pipeline for our funds amounts to some CHF 300 million. We are also well on schedule here and able to implement and market the construction projects as planned.

We spoke earlier about raw materials prices and supply shortages. Are these affecting the profitability of your projects?

RZ: We have concluded contracts with solid general contractors to fix most of our continuing investments for the next 24 months. It goes without saying, however, that we also take changes in market conditions into account. We respond by increasing the assumed construction costs in calculations for new projects and adapting our procurement and planning accordingly to ensure attractive returns for the developments. But what people often forget is that construction costs only make up around 20% of the overall life cycle costs. In this respect, we see no showstopper for our projects and continue to set ourselves the target of achieving returns of around 4.5% «on cost» from our developments.

What is the situation as regards the financing of your project pipeline?

RZ: We operate with very stringent project controlling constraints and only invest in things that generate value. In addition, we mainly finance our projects via the capital recycling activities referred to above. We sold properties with a value of around CHF 300 million in 2022 as they were no longer aligned with our focused portfolio. Some of the proceeds flowed directly into the implementation of the pipeline or into suitable projects such as BERN 131.

Let's talk about real estate asset management again. Why should investors invest in the funds?

AT: Swiss Prime Site's core competency is real estate management. We are currently

Switzerland's largest listed real estate company and the fifth-largest in Europe. Of the CHF 20 billion in Assets under Management that makes up the portfolio as a whole, around CHF 7 billion is managed by Swiss Prime Site Solutions. We provide important services throughout the entire real estate life cycle while generating added value for our customers. In addition, we have a separate team per product. All that is unique in our business and is our USP.

You said that demand for real estate remains strong. Is there not a risk of real estate becoming over-represented in customer portfolios?

AT: This is a genuine risk, and was evident in the market in the shape of a number of cancelled issues in the third quarter of 2022. However, I anticipate that things will calm down. In addition to issues, we can also achieve growth through contributions in kind – as happened several times in 2022 – or by taking over portfolios that were previously managed «in-house».

So this means that you will continue to pursue your growth plans?

AT: Yes, we will. We currently manage CHF 7.7 billion of Assets under Management for our customers. Our target is to grow this figure to around CHF 10 billion by the end of 2025. The route to this target is clear: reinvestment with our customer Swiss Prime Investment Foundation, further contributions in kind and more issues.

What is the situation with your own portfolio?

RZ: Our clear motto here is self-financed, value-generating growth. The portfolio is a good size, with a current value of CHF 13 billion. We are primarily working on further optimising use and pressing ahead with our projects. Both are linked to our capital recycling activities. By adapting certain types of use or selling properties that are too small, we free up capital that we can invest elsewhere in order to constantly improve our portfolio and make it more sustainable.

As a company, do you move away from topics such as sustainability in difficult times?

RZ: Anyone who only considers sustainability to be «important» in good times has not fully grasped the situation. For us as a society, there is now no alternative to sustainability. If individuals, companies and society as a whole do not finally recognise this, there will come a point when we will no longer be able to actively bring about change. We all need to act now.

What specifically are you doing in this regard?

RZ: We are taking action at various levels. Our CO₂ reduction pathway gives us a clear course in our operational activities, with a goal of achieving climate neutrality by 2040. We are therefore investing in our property portfolio, both in the areas of energy procurement and consumption and in production through photovoltaic systems. We also screened our entire portfolio this year and have now certified 73% of the 1.6 million square metres of rented space. In addition, we are strongly committed to the circular economy. This creates security both for us and for our tenants with regard to the sustainability standards of our properties, while at the same time highlighting additional opportunities to further optimise our buildings. We are also working on «green leases» that benefit both us and our customers.

What is the situation as regards sustainability in the Real Estate Asset Management segment?

AT: Sustainability is also a key issue for us. With this in mind, we also have a dedicated sustainability specialist in the team. Being part of the Swiss Prime Site Group also gives us access to a great deal of additional expertise in this area. We exploit these synergies to provide our customers with even better advice and further raise their awareness.

You mentioned green leases. Do your tenants want them?

RZ: Our tenants want an attractive location that is also as sustainable as possible. We also saw this again in the feedback to our annual tenant survey as our customers must themselves achieve climate neutrality by 2050 at the latest. Our investments lead to a reduction in ancillary costs as a result of lower consumption. Sustainability is also economical.

What are your expectations for the 2023 financial year?

RZ: We will hopefully see a calmer geopolitical situation in the foreseeable future. This is also likely to push effects such as the scarcity of raw materials and inflation, which is primarily driven by raw materials, rather more into the background. The pace of central bank interest rate rises has eased somewhat both globally and in Switzerland. —

Good operating results

Swiss Prime Site enjoyed a successful 2022 financial year and once again achieved a good operating performance. Following the integration of the Akara Group into Swiss Prime Site Solutions, the Services segment grew disproportionately to a total of CHF 7.7 billion AuM. As expected, the vacancy rate fell again to a low level of 4.3% as at the end of 2022. Overall, FFO growth of 6.2% per share underlines these good results.

Marcel Kucher
CFO Swiss
Prime Site



The 2022 key figures were affected by three extraordinary factors. Firstly, our consolidated financial statements were prepared in accordance with international financial reporting standards (IFRS) and the previous year's figures adjusted accordingly. Secondly, the Akara Group was integrated into our scope of consolidation. Further details can be found in section 2.4 of the Financial Report «Conversion to IFRS». Thirdly, based on the changing market environment with new shopping habits and a correspondingly uncertain outlook for Jelmoli, we decided to redevelop the building in order to position it as a mixed-use modern office and retail property in the future. Accordingly, we will no longer operate the department store ourselves from the end of 2024. In this context, we have recognised impairments on the inventory, property, plant and equipment - such as specific sales equipment - and software, which amounted to CHF 34.3 million. Together with other impairments (mainly software), these non-cash special effects amounted to a total of CHF 41.1 million. Adjusted for these special effects, the comparable EBIT came to CHF 430.7 million [CHF 404.8 million]. This corresponds to a pleasing increase of 6% compared to the previous year.

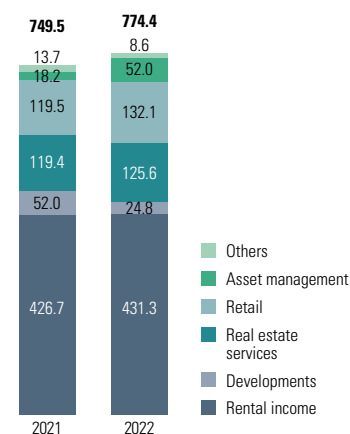
Rising rental income and good result from capital recycling

The positive course of business of the Swiss Prime Site Group is clearly demonstrated by the pleasing growth in operating income, which rose by 3.3% to CHF 774.4 million. Both segments contributed to this result. The rise in rental income in the Real Estate segment was driven by a strong new leases and renewal volume of 172 000 m² in the company's own portfolio. Improved rental conditions and the ongoing reduction in the vacancy rate to 4.3% [4.6%] led to an increase in rental income of 1.1% to CHF 431.3 million (+1.9% on a like-for-like basis). WAULT remained stable at 5.3 years [5.6 years].

The impressive result from new leases and renewal activities underlines both the high quality of the properties in our portfolio and the high demand for modern, flexible and high-quality office and commercial spaces at prime locations. We were able to more than compensate for rental income lost in 2021 with modernisation projects such as Müllerstrasse, Zurich or through our capital recycling activities. As part of our strategy to make the property portfolio even more focused, we sold various smaller existing properties, a portfolio comprising several retail properties in Western Switzerland and the last building of the major Espace Tourbillon project in Geneva with total proceeds of CHF 17 million. The sales generated an attractive gain of CHF 51 million [CHF 40 million]. In accordance with our capital recycling objectives, the proceeds were inves-

OPERATING INCOME

in CHF million



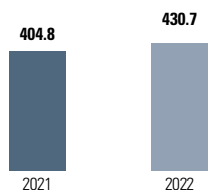
ted in the project pipeline. We also purchased three attractive development projects in Zurich (Oerlikon), Basel (Steinenvorstadt) and Berne that offer great value creation potential. This will ensure that our property portfolio becomes even more attractive going forward.

Stable revaluations compared to the 1st half-year

The valuation outcome remained stable compared with the first half of 2022 at CHF 169.7 million, but was lower than in 2021 [CHF 301.9 million]. In the wake of rising inflation and base rates, we are witnessing the end of yield compression, i.e. the reduction in purchase yields and thus discount rates seen over the last few

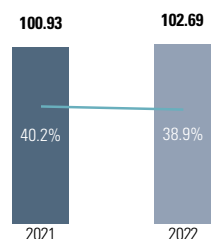
**EBIT ADJUSTED
(EXCL. REVALUATIONS)**

in CHF million resp. %



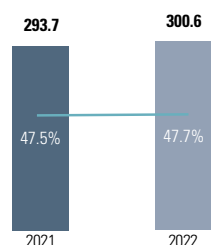
EPRA NTA PER SHARE AND LTV

in CHF resp. %



**PROFIT BEFORE
REVALUATIONS AND
EQUITY RATIO**

in CHF million resp. %



years. Due to the dynamic development of rents, with like-for-like growth of 1.9%, and the ongoing reduction in the vacancy rate, we achieved an increase in real estate values last year. The latter effects accounted for some 50% of revaluations in 2022. Despite the valuation effect, the net yield on property for our property portfolio remained almost unchanged at 3.1% [3.2%], still attractive given the widely diversified and economically strong tenant base.

Strong growth in real estate asset management

With its asset-light business model in the three areas of real estate funds, investment foundations and pension fund mandates,

Swiss Prime Site Solutions focused 2022 exclusively on non-listed products for qualified Swiss investors. Its services are enjoying solid demand even given the current stock market and economic environment. This is reflected in the expansion in the customer base of around 10% year-on-year and net new assets of around CHF 600 million. The combination of these and direct mandates enabled us to significantly increase our assets under management by 113% year-on-year to CHF 7.7 billion [CHF 3.6 billion]. All three products contributed to the growth. The increase of 185.6% in income from asset management to CHF 52.0 million was on the one hand in part to the integration of the Akara Group. On the other hand, the business grew organically by around CHF 1.8 billion in AuM and thus contributed significantly to the increase in income. Despite the strong growth, the proportion of recurring income at Swiss Prime Site Solutions was at 63%. The integration of the Akara Group was completed during the year and will deliver further economies of scale and efficiency gains. EBIT reached the desired target at CHF 30.0 million [CHF 8.6 million]. The EBIT margin increased significantly to 58% [47%] with costs – mainly personnel costs – remaining stable.

Active cost management and higher EBIT before revaluations and special effects

The increase in the group’s costs compared with the previous year was primarily attributable to the integration of the Akara Group and the effects already mentioned. Excluding these effects, our strict cost control efforts were successful. The Group EBIT before revaluations and special effect increased by 6.4% and reached CHF 430.7 million [404.8 million]. Without adjustments, EBIT came to CHF 389.6 million.

New financing strategy clearly taking effect

The new financing strategy defined and implemented at the end of 2021 delivered the expected positive effects over the course of the financial year. Financing costs (net) were CHF 44.7 million [CHF 73.1 million]. The average interest rate on borrowed capital increased slightly to 0.9% [0.8%]. The current situation and interest rate pivot clearly show that diversifying our sources of financing was the right decision. To further optimise the maturity profile, our syndicated loans were extended by another year in the second half of 2022. The average term to maturity of our financial liabilities is therefore comfortable with 5.0 years [5.8 years].

Despite the special effects, the profit before revaluations reached CHF 300.6 million [CHF 293.7 million]. This corresponds to a return on equity (ROE) of 4.7% [4.8%].

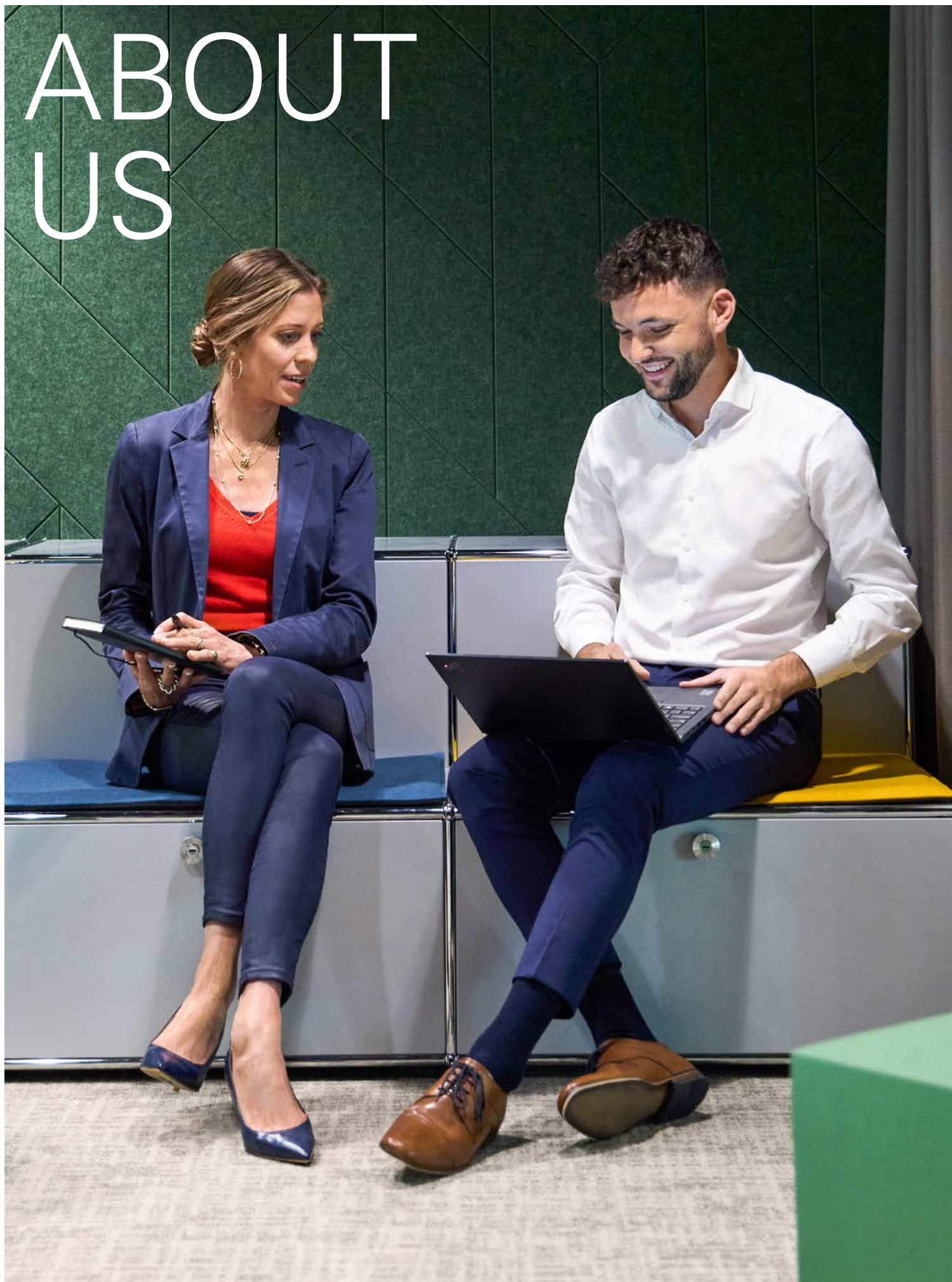
Increase in net asset value and reduction of the LTV

The net asset value (NAV) per share rose by 1.7% year-on-year to CHF 102.96 [CHF 101.22]. To permit better comparison with other European real estate companies, we also report our EPRA NTA. This rose to CHF 102.69 [CHF 100.93] per share. Swiss Prime Site closed 2022 with a share price of CHF 80.15. The total return on an annual basis was –7.3% and clearly outperformed both the national SPI (–16.5%) and the REAL (–9.0%) indices and the international EPRA index (–36.0%). FFO I, which is used to determine our ability to pay dividends, increased by 6.2% year-on-year to CHF 4.26 per share as at the end of 2022 [CHF 4.01]. In accordance with our dividend policy, this allows us to propose to the Annual General Meeting that the dividend be increased to CHF 3.40. The payout ratio is thus a conservative 80%. With an equity ratio of 47.7% [47.5%] and a significantly improved LTV ratio of 38.9% [40.2%] and a diverse range of capital market and bank financing, we believe we have very solid and broad-based financing in place for the future.

Stable outlook

With our market-leading offering, we look to the immediate future with confidence. Our expectation is based on our high quality properties in prime locations and our successful asset management business, which can grow without significant capital investment. Our prudent capital recycling strategy and forward-looking refinancing over the last 18 months have significantly strengthened our balance sheet and make our business model more resilient to upcoming challenges. Following our sales as part of capital recycling and with the ongoing index adjustments, we expect rental income to increase marginally in the 2023 financial year, with gradually rising financing costs. Thus, we expect FFO I to remain roughly stable in 2023. After completion and commissioning of the highly advanced project developments in Zurich (Müllerstrasse), Altstetten (JED) and Basel (Stücki Park), FFO I should rise again noticeably in 2024.

ABOUT US



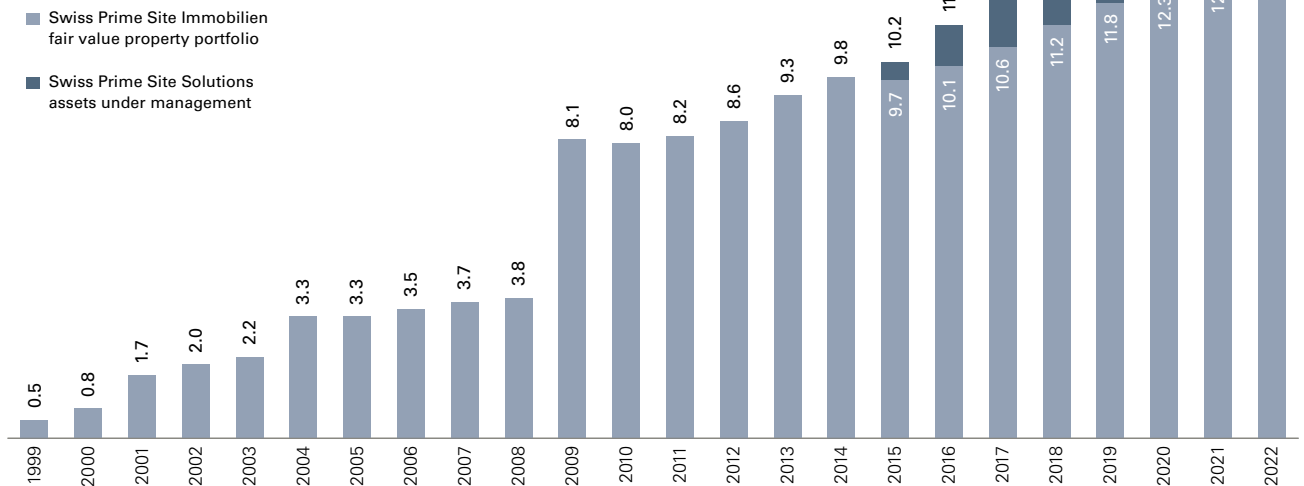
Our success story

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 13.1 billion. Including Swiss Prime Site Solutions and Akara, the real estate assets under management are worth approximately CHF 21 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 Jelmoli (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 21 billion.

Real estate assets under management
in CHF billion



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 2020⁴



Mario F. Seris

Vice-Chairman

Independent member
since 2005³



Gabrielle Nater-Bass

Independent member
since 2019²



Thomas Studhalter

Independent member
since 2018¹



Christopher M. Chambers

Independent member
since 2009^{1,2}



Barbara A. Knoflach

Independent member
since 2021^{2,3,4}



Brigitte Walter

Independent member
since 2022^{1,3}

¹ Audit Committee

² Nomination and Compensation Committee

³ Investment Committee

⁴ Sustainability Committee

Executive Board

Swiss Prime Site's Executive Board comprises the CEO and CFO of the group and the CEOs of the group companies.



René Zahnd

CEO Swiss Prime Site
CEO Swiss Prime Site Immobilien

Marcel Kucher

CFO Swiss Prime Site



Anastasius Tschopp

CEO Swiss Prime Site Solutions

Oliver Hofmann

CEO Wincasa

Nina Müller

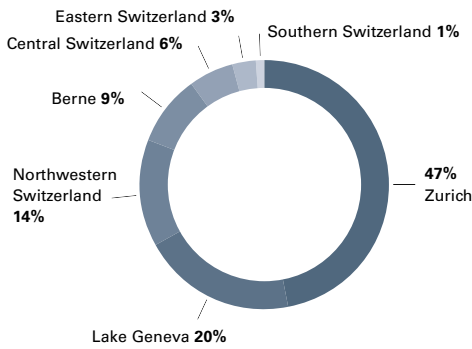
CEO Jelmoli

Our strategy

We are the leading real estate company in Switzerland and create sustainable living spaces that offer added value for our customers and for society as a whole. We focus on first-class properties, sites, real estate projects, products and services combined with an active management approach. We manage real estate assets with a total value of around CHF 21 billion, giving us a crucial size advantage when it comes to setting standards for innovation, sustainability and profitability. As such, we are the partner of choice for various stakeholder groups. Our strategy is based on two strong pillars: the Real Estate sector through which Swiss Prime Site holds and develops properties directly, and the Real Estate Asset Management sector through which we actively invest additional assets in real estate in our capacity as an asset manager.

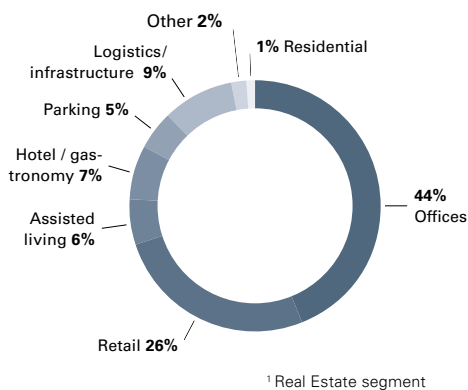
Portfolio split by region

Basis: Fair value as at 31.12.2022



Portfolio split by type of use¹

Basis: Net rental income as at 31.12.2022



Real Estate

Our focus here is the long-term development of our first-class property portfolio that currently has a value of around CHF 13 billion and exclusively contains high-quality properties and locations. The portfolio comprises a total of around 180 buildings that meet the needs of commercial and services businesses. The most important type of use by some margin is office space, which accounts for around 44% of rental income. We are seeing strong growth in logistics and special uses such as laboratory space. There is some 1.6 million square metres of usable space in total, concentrated in Switzerland's most densely populated regions. The majority of the properties are located in German-speaking Switzerland (79%). The canton of Zurich and particularly Zurich City account for the main share in this region with 47%. The Lake Geneva basin (20%) is another important region. Rental contracts have a long-term, balanced maturity profile. The average term of our rental contracts is 5.3 years, and the majority can be extended at an early stage.

We create additional value right from the outset by developing real estate projects and by converting and modernising entire sites. Through these activities and the attractive returns that we generate for our investors, we strengthen the regions in which we operate. One of our skills lies in bringing our own

projects to market maturity in the most suitable location depending on the relevant type of use and integrating them into our portfolio. This enables us to operate with a high degree of autonomy from market cycles while at the same time actively increasing the level of sustainability within the portfolio. Development projects are based on our strategic targets of generating consistent organic growth, increasing our profitability and renewing the portfolio through sustainable building materials and structures. To minimise risks, high return targets are set for intended purchases and a minimum threshold of 50% pre-letting for new developments. Ensuring diversification with regard to tenants and types of use is also a priority. We use capital recycling to continuously improve the portfolio and ensure a conservative level of group financing. Properties that no longer fit with the strategy due to their size or location are sold and the proceeds used to finance the development pipeline.

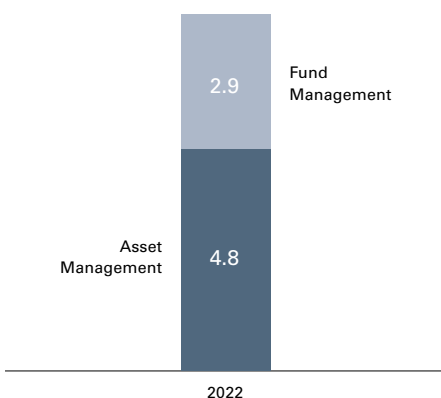
Real Estate Asset Management

The Real Estate Asset Management business field invests in real estate portfolios, chiefly on behalf of institutional investors, and advises investors and companies on their real estate assets. With its bespoke products and services, Swiss Prime Site Solutions manages assets of around CHF 7.7 billion and in turn creates added value for our customers along the entire real estate life cycle. Swiss Prime Site provides a Real Estate Investment Platform for a broad investor base (funds, pension funds, etc., along with an increasing number of qualified private investors), thus generating additional growth without the need for additional capital (asset light). This is supported by the steady increase in pension fund assets through higher national economic income and by a general trend towards consolidation due to the growing complexity of real estate investments.

We identify current trends and attractive investment opportunities for our customers through informative analysis, comprehensive market screening and the valuable networks of our fund managers, using innovative approaches and methods to develop and implement tailored solutions for them. As the industry leader, we take advantage of our synergies within the Swiss Prime Site Group in central functions such as strategy, finance and sustainability. Our comprehensive service portfolio features individually tailored investment strategies, giving us greater flexibility with regard to property size and geography (e.g. not limited to Switzerland) when seeking additional growth in other types of use such as residential.

Assets under Management

in CHF billion



We focus on first-class properties, sites, real estate projects, products and services combined with an active management approach.

Sustainability

Sustainability has been part of our business and value creation model and an integral component of our strategy for some time. It enables us to increase Swiss Prime Site's resilience, and we are convinced that we are creating long-term added value for our stakeholders and for society as a whole. A detailed materiality analysis, reviewed on an ongoing basis, forms the basis and focus of our commitment in this area. We plan, implement and measure the impact of the key topics for us and our environment along the six fields of action derived from the analysis. To put it in a global context, we establish the connection to the United Nations Sustainable Development Goals (SDGs). We have developed a detailed CO₂ reduction pathway based on the Swiss government's Energy Strategy 2050 and the international climate goals. Our primary objective is make the operational management of our property portfolio free of emissions by 2040. Sustainability is likewise of great importance in our corporate financing. Currently, around half of our external financing is linked to measurable sustainability goals. —

STORIES THAT MOVE US



In the urban development area Esplanade de Pont-Rouge, a modern service property with 15 upper floors and a floor space of approx. 28 000 m² is being built. The project is of great importance for the Geneva region in terms of its nature and location, as it will create an additional transport and economic hub for the city.



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 society.



Green leases – a marathon rather than a sprint!

With its Energy Strategy 2050, the federal government has set the course for a future of reduced environmental pollution. This means that sustainability issues and ESG (environment, social, governance) will continue to grow in importance and will be increasingly embedded in individual corporate strategies.

The construction and real estate sectors are responsible for a significant proportion of the CO₂ emissions in Switzerland and throughout the world. As such, efforts to tackle climate change must not only focus on sustainable design of new buildings – where certifications such as the Swiss Sustainable Building Standard (SNBS) and Minergie are already industry standards – but also extend to existing properties. This will allow real estate owners to increase the sustainability standards of their buildings in the long term. One fruitful approach here is the introduction of «green leases». Swiss Prime Site sets long-term goals and aligns its business model and value creation with those goals. In 2019, a detailed CO₂ reduction pathway was developed for the entire property portfolio. This forecast an influenceable 75% reduction in relative CO₂ emissions (intensity) by 2050 for the approx. 1.6 million square metres of floorspace. In 2020, the Sustainability Committee of Swiss Prime Site further tightened its reduction target for the property portfolio with the aim of achieving climate neutrality in operations by 2040. Meeting this goal will require additional measures, including green leases.

Modern work and rest areas at JED Schlieren.



Karin Voigt
Chief Portfolio Officer

Martin Pfenninger
Head Group Sustainability

Karin Voigt, Chief Portfolio Officer, and Martin Pfenninger, Head Group Sustainability at Swiss Prime Site, comment on this.

What specific points relating to sustainability does Swiss Prime Site already regulate in rental contracts?

Karin Voigt: Our leases already include clauses that address photovoltaic systems, operational optimisation and energy contracting. Now, we want to work with tenants to define a shared attitude towards sustainability. In addition, we find it important to explicitly foresee the purchase of energy from renewable sources, to consistently define waste separation and to promote the use of sustainable materials and the circular economy in construction measures. There are many individual things that, taken together, will contribute greatly to achieving the goal.

Are green leases already standard in Switzerland?

Martin Pfenninger: Swiss Prime Site is a pioneer here. We have set ourselves the goal of climate neutrality by 2040. But other real estate companies also have sustainability right at the top of their agendas. Through an industry working group, we recently defined a number of elements that might form part of a green lease. Green lease contracts are a logical and

important next step. This sustainable development is a marathon rather than a sprint. It's something we always need to bear in mind.

It is partly claimed that a green lease primarily means higher costs ...

Karin Voigt: That's not the case. For one thing, there is a lot you can do without incurring additional costs. This includes the precise and discerning choice of products for building expansion that improves the quality of the accommodation. And we're also increasing efficiency and the perception of interior quality with clever sensor technology. Nowadays, ESG issues are key in most larger companies. The properties we own are primarily for commercial use. This means that our tenants are companies. They want and have to be climate neutral by 2050. To achieve this goal, they need to pay special attention to sustainability in their operations and in their real estate use. Our green leases fulfil this demand and help tenants achieve their goals. —



Mobility as a Service!

Urban Connect, an e-mobility start-up from Zurich with a completely new business model and an award-winning app. Mobility brings people and markets together and creates opportunities and economic growth. At the same time, mobility is also a source of traffic jams, pollution and stress. Urban Connect offers Mobility as a Service and stands for the shift from vehicle ownership to vehicle access. It allows companies to give their employees access to a shared fleet of premium vehicles – from e-bikes to e-cars to public transport.



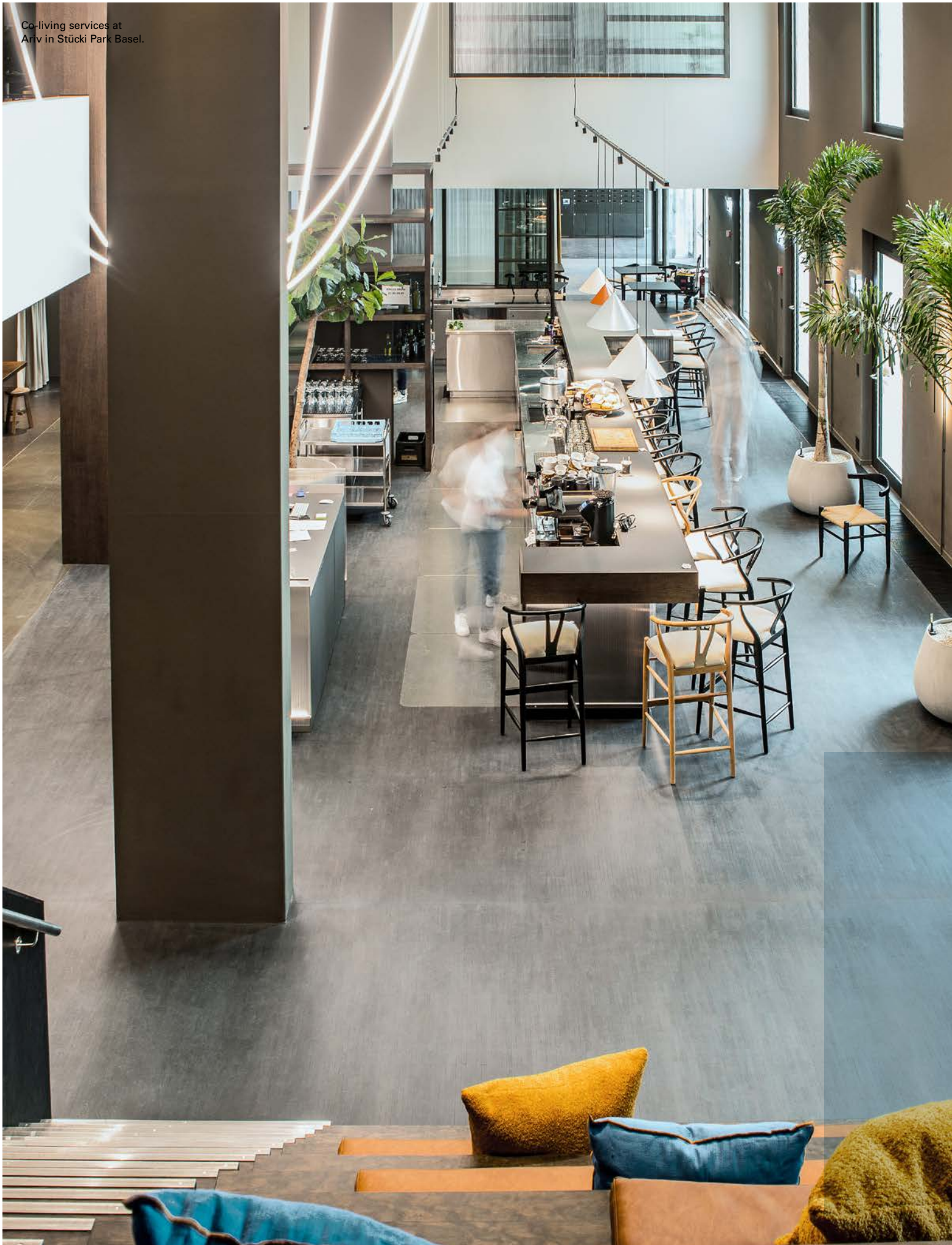
MORE ABOUT
URBAN CONNECT

Today, ESG issues are important and central to most larger companies.

Green leases

There is still no single standard that categorises leases as «green» or sustainable. A green lease is a catalogue of measures that define ways in which tenants and landlords can contribute to sustainability within the context of the tenancy. The contract for the tenancy includes corresponding sustainability clauses. This includes improving the CO₂ emissions of buildings. The tenants and users thus benefit from optimisations and the resulting advantages. Including sustainability clauses in leases can help in achieving two goals. First, it increases the market appeal of the property. And second, it improves energy efficiency and consequently reduces ancillary costs.

Co-living services at
Ariv in Stücki Park Basel.



Stücki Park – where life sciences and business come together

Since 2017, the site in Basel known simply as «Stüggi» to the locals is being completely transformed and repositioned. A former shopping centre has been turned into an urban development for leisure, entertainment, work and – above all – research, development and knowledge transfer. The former dyeing factory on the outskirts of the city is turning into an attractive life sciences hub of national importance.

In the north of the city of Basel, a new centre for innovation, experience, health, gastronomy and shopping will be built by 2024. An overall concept that meets the needs of over 4 000 people who will one day work on the site, as well as those of many neighbourhood residents.

«Stüggi» – a site with a rich history

Swiss Prime Site acquired the former Stücki shopping centre as part of its takeover of Jelmoli in 2009. In 2016, the decision was made to completely reposition the historic site in the north of Basel and make it more interesting for everyone. Swiss Prime Site had a clear vision: to make the site much more lively, attractive and exciting through additional types of use. A further goal was to use the existing Tech Park as the basis for establishing a life sciences cluster in the north of the city.

Phase I – transforming the existing buildings

To achieve these goals, the project was split into two phases. The first involved repurposing the existing buildings. The former shopping centre was thus consigned to history. In the retail category, the main focus is now on meeting the needs of the surrounding neighbourhood. The newly available spaces have been complemented by a comprehensive entertainment concept (multiplex cinema, gym, bowling alley, virtual reality centre, etc.), various food outlets, an attractive co-working space and, most recently, co-living services from Ariv. Most of the changes to the existing buildings had been completed by 2020, marking the end of the first project phase.

Phase II – strengthening the life sciences hub

Basel has a long history as a home for large and important pharmaceutical, chemical, biotech and medtech companies. The canton of Basel-Stadt opened its Tech Park on the Stücki site back in 2011. In addition to offices and other infrastructure, it offers attractive and collaborative laboratory and research spaces for innovative startups from the fields of life sciences, nanotechnology, ICT and cleantech. The construction of the Tech Park also planted the seeds for the «Stücki >

At the end of 2024, when the keys are handed over to the last tenants and more than 4000 people come to Stücki Park every day, the historic area will be enriched by the final chapter.



The power supply of the future

Photovoltaics and electric mobility – Switzerland is focusing on solar power. The Swiss solar business has been racing from one record year to the next – and not just since the current energy crisis began. The boom is set to continue, given that solar energy makes an important contribution to achieving the national climate strategy and also has enormous potential. As a leading integrated real estate services provider, Wincasa has recognised this nexus and offers its clients holistic photovoltaic and electric mobility solutions from a single source – irrespective of energy and system suppliers.



MORE ABOUT ELECTRIC MOBILITY SOLUTIONS

Park» life sciences hub. The demand for corresponding spaces has grown further in recent years. As a result, Swiss Prime Site made the decision to significantly expand the site in two construction phases (four new buildings) and double the area from 27000m² to 60000m². The first two new buildings were completed at the end of 2020. One of the buildings has already been occupied by the new tenant Lonza. In another building, flexible office and meeting rooms were created that can be booked at short notice by site tenants and other users. Two additional, identical buildings are still under construction and are due to be completed in 2024.

Stücki Park – a site with a big future

The former industrial site of the dyeing factory in the north of Basel is currently in the final phase of its transformation into a modern, technology-focused life sciences hub with great future potential. According to the Federal Statistical Office, the region is the biggest employer in this sector alongside Zurich. Along with the sector's bright economic prospects, another key factor for Swiss Prime Site is the yield on the type of use. The fully equipped laboratory and research spaces that are currently available promise significantly higher returns compared to other types of use. Further strengths of Stücki Park include the diversity of the site and its broad mix of tenants, users and visitors. With the transformation of the existing buildings into entertainment, gastronomy, leisure and residential zones, the site has become an urban development that exists in harmony with the neighbourhood and the city as a whole. When the

keys are handed over to the remaining tenants at the end of 2024 and Stücki Park is hosting more than 4000 people a day, it will mark a further chapter in the site's rich history. —

Life sciences

The field of life sciences includes all research areas concerned with living organisms, their structures and their processes. The sector invests heavily in basic research, knowledge and technology. Its influence extends to a wide range of other industries, from chemistry and pharmaceuticals to production technology and through to agriculture and nutrition. The life sciences sector has several clusters in Switzerland. It employs a large number of people in the regions of Basel, Zurich and Lake Geneva, due in part to the regional universities and educational institutions based there. Demand for real estate with research and laboratory spaces is correspondingly high. Life sciences real estate is generally divided into four types of use: research & development, production premises, pharmaceutical logistics and office premises.



Modern and sustainable space in the Messeturm Basel.

Decarbonisation, net zero, buildings as power plants

Innovation smooths the way for sustainable executive management at Swiss Prime Site – and is firmly entrenched in our strategy. This enables us to implement innovation as an integrated principle across all our business fields. This is more important than ever in light of our climate target of «net zero by 2040».

Decarbonisation in the real estate sector requires far-reaching measures. The aim is to achieve this through a fundamental shift in energy supply. In this approach, Swiss Prime Site is guided by SDG 13 (Sustainable Development Goal No. 13), Climate Action. This requires innovative technologies that make the switch from fossil fuels to renew-

ables possible in the first place. Buildings should – almost as a secondary function, and as a way of contributing to the smart cities of tomorrow – become actual power stations, producing energy for tenants and, in an ideal scenario, neighbours, too. This also offers the electricity sector the chance to shape the future of energy in a positive way. >

STORIES THAT MOVE US

Future Board, Swiss Prime Site's innovation committee, brings together innovation and sustainability initiatives from across the group and reads them for implementation in operations. The interdisciplinary committee regularly discusses potential partnerships with start-ups and tech companies. These must, in one way or another, have a positive impact on the four strategic innovation targets: i) improving operational efficiency, ii) servitisation of properties and sites, iii) boosting sustainability and wellbeing in development and operations, and iv) creating new business models and sources of income. The Startup Accelerator Programme is held for specific issues several times a year on the basis of these targets.

The aim is to develop specific user-focused use cases and business models and to establish innovative thinking in the corporate culture.



Startups

Enerdrape develops prefabricated geothermal panels with a modular system that makes them easy to install. This technology enables all kinds of new and existing underground infrastructure to be converted into sites fulfilling heating and cooling requirements – such as underground car parks, for example.

The team at **Evodrop** provides a water treatment system that eschews the use of salt and preserves essential minerals for drinking water (such as calcium and magnesium). The technology guarantees healthy drinking water free from harmful substances and prevents lime-scale damage. The latter extends the lifespan of water supply infrastructure, reducing CO₂ emissions in operation.

TVP Solar produces solar thermal high-vacuum flat-plate collectors for

industrial uses. The systems help heat water and produce steam in a temperature range between 80 and 180 degrees Celsius, including in difficult weather conditions.

NewGreenTec generates green energy with small hybrid, decentralised wind-solar power stations. The wind turbines are small and compact, making them ideal for the roofs of buildings. The smart technology ensures that electricity is generated all year round, including at night.

SoHHytec offers a system based on solar technology for the on-site production of (sources of) energy. The company, which holds a world record for efficiency in this respect, provides a 100% clean and green system for hydrogen production – that also generates electricity, heating and oxygen.



Startup days in Berne

With their vision to «make Switzerland more startup», the startup days are welcoming the Swiss start-up scene at Kursaal Bern again this year. High-quality investors, innovative companies and other important players network and share their know-how at this event. Swiss Prime Site was also on site as a key partner in 2022. Among the numerous contributors, Bastian Zarske Bueno, Head of Group Corporate Ventures & Innovation, represented our company. He took part in the panel discussion on the topic of «PropTech x CleanTech: sustainability and circular economy in the world's biggest asset class» along with representatives of Implenla, FenX AG and LEKO LABS.



MORE ABOUT THE EVENT

As part of the programme, participants have the opportunity to develop relevant projects for Swiss Prime Site Immobilien, Swiss Prime Site Solutions, Wincasa and Jelmoli and present them to the Executive Board. These partnerships enhance the Swiss Prime Site Group's capacity for innovation and competitiveness, promote innovation from the ground up and enhance sustainable growth.

One of the workshops during the business year 2022 was about decarbonisation, net zero and buildings as power plants. The five finalists below presented specific use cases developed

for Swiss Prime Site to the Executive Board and submitted their partnership bids at the same time. Successful past partnerships have been entered into with organisations including Memox, Flex-Office, Airlite, Rüedu and Superlab Suisse. —



The residential tower, building K and the culture pavilion are grouped around a tree-lined square.

Maaglive: an oasis for working, residential living and cultural activities

The site of the former Maag Zahnräder AG near the Hardbrücke railway station was revitalised by the construction of Prime Tower, the Cubus and Diagonal annex buildings and the Platform corporate building. The buildings continue to shape the region to this day. The Maaglive project now marks the beginning of a new chapter. >



01

Where Prime Tower now soars skyward, factory workers once performed their day-to-day work in industrial halls. Back then, Maag Zahnradfabrik manufactured machine tools, gears, couplings and gear pumps. Today, the Maag site is primarily associated with commercial businesses, service providers and cultural activities. In 2004, Swiss Prime Site acquired the Maag site and gave it new prominence with the construction of Prime Tower and the surrounding buildings.

From a closed industrial site to an open district centre

Today – almost 20 years later – Maaglive has ushered in a new chapter. The sustainable building project aims to create a new and lively centre for the district. In future, people with a wide variety of different lifestyles will be able to live, work and spend their free time here. The project envisages reopening the historically listed Building K and adding a residential tower and cultural centre, which will open up the area. The restored «Lichtstrasse» will make the area more accessible and provide important connections to the neighbourhood while at the same time creating a landscaped district square that will be open to the public.

FlexOffice goes Prime Tower

When FlexOffice opted for Prime Tower, they chose the top location in Zurich. «You can't get more urbanity in Zurich», says Andreas Brandl, CEO of FlexOffice, and explains in the interview what FlexOffice offers, why the Prime Tower's location is important and what the perfect office of the future looks like.

 [TO THE INTERVIEW](#)

01 Building K (left) with the residential tower in the background.

02 Cultural pavilion with various public uses. A lively meeting place for art, creative industries and the community.

Maaglive represents living life

More than anything else, people are what can bring a place to life. Beginning in 2027, the new district centre on the Maag site is expected to consist of Building K, a 14-storey residential tower and a cultural pavilion with various public uses. Residential living, cultural offerings, work and restaurants will be woven together to create a lively mix. The historic Building K will only be minimally renovated and will feature hospitality, studio and co-working spaces.

Emotionality and diversity drive the vision behind the culture pavilion

The culture pavilion, designed as a wooden hybrid structure, will serve as an «indoor public space» and lively venue for the arts, creative industries and local residents, as well as the city of Zurich and beyond. The culture pavilion will provide a new place for cultural activities that is permanent, flexible and inspiring. The facilities will be available for use 24 hours a day, which is currently not possible. The ground floor will feature an open design and, together with

the city square, will serve as the district's new gathering spot. Pop-up stores and quieter meeting areas on the first floor will also enrich the new pavilion. Rooms on the top floors will provide ample flexibility and can be used for larger exhibitions, seminars as well as meetings or presentations.

Residential tower: a perfect symbiosis between life and work

The residential tower, planned as a wood hybrid construction, will round off the site's extensive range of uses. It will offer space for new forms of living and working. In future, the ground floor will be home to a shop, a café and the reception for the workspace. The work and conference area will lead up a large staircase to the first floor. The upper floors are intended for residential properties, ranging from studios to two- and three-room flats. Tenants will have access to additional work and communal areas on the floors. The attractive new residential concept is complemented by a fitness area, a library and a large, well-landscaped rooftop terrace.

Sustainable added value for Zurich-West

The new trio of buildings consisting of the residential tower, Building K and the culture pavilion will surround a tree-lined square in the district. The sustainable building concept is in line with the city of Zurich's plans to lower temperatures, which helps solve a highly relevant problem, especially in a district with many asphalt surfaces. For example, the lush landscaping of the open spaces and rooftops helps reduce the negative effects of hotspots in Zurich-West. —



E-mobility in a central location

A total of 44 parking spaces – 22 on the first basement level of Prime Tower, and 22 on the second – have been equipped with basic e-mobility infrastructure. Fifteen charging stations have already been installed and are now in operation. The modular charging system and full service won us over. The modular system is flexible, meaning that additional charging stations can be added at any time. The billing is handled online through the PLUG'N'ROLL system.



MORE ABOUT PLUG'N'ROLL

The real estate sector in the metaverse

Tech companies are investing billions in creating the next generation of virtual worlds. As part of this, real estate companies could look to expand upon their current business models in a targeted way. Yet not everything that is technically possible is likely to lead to success.

Companies in numerous industries have been prompted to extend their business models from the physical space into the virtual metaverse, thus positioning themselves as far-sighted organisations. Real estate developers and players from outside the industry have invested millions in «parcels» – pixels on various platforms. In retail, brands have opened virtual flagship stores and are now selling digital product collections. Yet while all this is going on, such efforts to become pioneering players within the metaverse have met with incomprehension from many. It could be argued that this issue has proved more polarising than almost any other. If we are to draw any conclusions about the role that the metaverse may play in the real estate sector, we need to ask three key questions.

Firstly, are people likely to spend more time in the virtual realm in future? The fact that gaming is already the foremost entertainment medium across all age groups is often overlooked. Over a third of humankind play video games on a regular basis, and a growing proportion of them are doing so with virtual reality (VR) headsets. Admittedly, apart from gaming, there is little evidence of a mass movement into completely virtualised parallel worlds. But could we

not argue that today's hybrid world is, in fact, a precursor to such developments?

Secondly, will the technologies that underpin the metaverse soon become widely available? The competition between technology companies is accelerating the development of the necessary hardware, which is reflected in the falling price and increasing sales figures of AR and VR devices. The data processing and transmission infrastructure still remains an obstacle because this is insufficient for processing large amounts of data in real time in many places. Realistically, however, given the speed at which technology is evolving, it does not seem that this will present much of a hurdle for long.

Thirdly, companies should take a nuanced view of the appeal of different business models in the metaverse. Despite the risks, such as the

The fact that only large tech companies are currently shaping the development of digital infrastructure is not a desirable trend.

The metaverse also promises many opportunities for the real estate industry.





Zalando's tech hub in Prime Tower

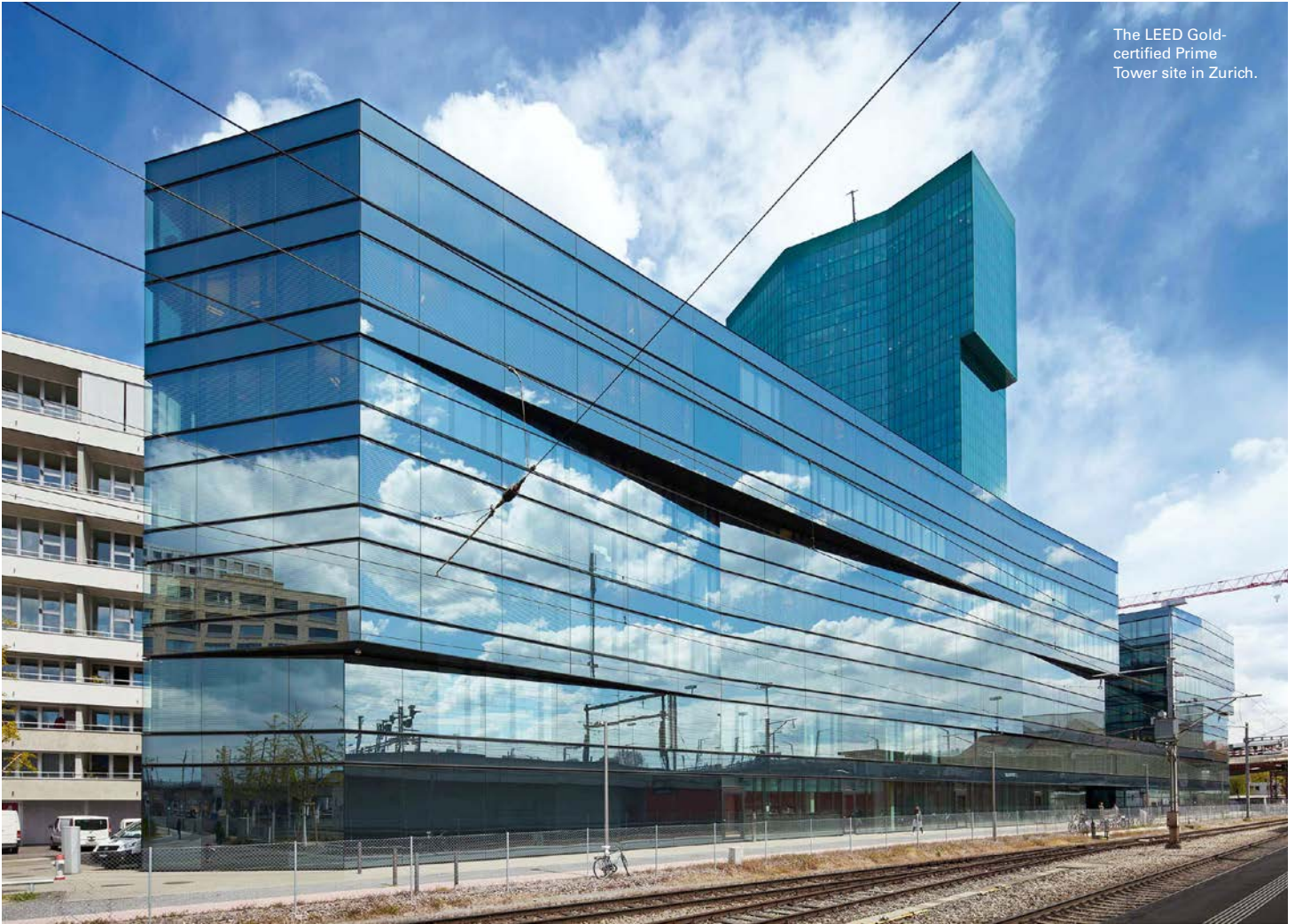
Zalando is new to Zurich and is working on virtual fitting rooms in Prime Tower. Dunja-Maria Bischof, Site Operations Lead, talks in an interview about the choice of location and the new technology – and reveals her favourite places in Zurich.



TO THE INTERVIEW

high power consumption of many VR and AR applications, the development of virtual platforms and expansion of physical reality offer serious business opportunities. This is especially true for commercial real estate. Given the creeping «servitisation» of real estate, the metaverse may actually be the least capital-intensive way of «developing» extra space and expanding one's portfolio – just virtually. The investment risks will pay off provided that such ventures offer new added value for users. With this in mind, real estate companies should not only concentrate on transferring their existing business models to virtual platforms, but also try to complement their existing business models and assets in a meaningful way.

The fact that only large tech companies are currently shaping the development of digital infrastructure is not a desirable trend and runs the risk that the adverse societal consequences we have already seen due to the proliferation of social media will be repeated and exacerbated. To prevent this, real estate developers could contribute to and benefit from the appeal and economic benefits of the «living space» of the metaverse through targeted innovation. The proof will be in the pudding. —



The LEED Gold-certified Prime Tower site in Zurich.

Certification as a foundation for sustainable added value

We are convinced that sustainable, future-oriented governance increases the company's resilience. This particularly applies to Swiss Prime Site's comprehensive real estate portfolio. The objective of certifying as many of the some 180 properties as possible enables the company to create a frame of reference, transparency and the foundation on which to generate ecological, economic and social added value for all stakeholders, for the long term.



Second Green Bond Report

Swiss Prime Site has CHF 600 million in green bonds outstanding and has already invested more than 94% of the funds raised in sustainable projects. This will lead to CO₂ reductions of 650 tonnes per year, among other outcomes.



TO THE REPORT

part of this for Swiss Prime Site, and also forms the basis for key – sometimes strategic – decisions about asset management and development & construction. When it comes to the certification of existing properties, Swiss Prime Site plays a leading role in the market, having completed their first real estate certifications over ten years ago.

Swiss Prime Site's environmental policy stipulates that all new build, modification and repositioning projects have to be certified under a nationally or internationally recognised sustainability label. For existing properties, the company uses BREEAM In-Use, an international certification system. For development projects, the focus is on certification under the Swiss Sustainable Building Standard (SNBS). «Beyond certification, we create potential analyses for each certified property which result in measures for increasing sustainability performance. Our goals in individual topical areas, such as the avoidance of greenhouse gas emissions – in both the construction and operating phases – and the circular economy go beyond merely meeting targets», explains Martin Pfeningger, Head Group Sustainability at Swiss Prime Site.

These are implemented through the promotion of e-mobility, photovoltaic systems, sensor technology that improves wellbeing and, last but not least, ongoing dialogue with our stakeholders. This is because the real estate industry is obligated to increase their contribution towards reducing emissions and consumption of resources. Swiss Prime Site launched a certification strategy for its existing properties last year. After conducting extensive analysis of different certification systems and a feasibility

study of existing properties, a detailed implementation plan was created. A dedicated project team has already implemented more than a dozen pilot certifications.

When certifying real estate, the size of the portfolio is a key factor – when it comes to implementing the certification, it makes a significant difference whether only a handful of properties are being certified or – as in the case of Swiss Prime Site – over 180 properties. In addition, not all certification systems are suitable for a property's specific situation. This is the case if the property being certified is a site containing several different buildings. For the certification process to be a success, therefore, comprehensive data gathering and documentation are essential. It is also important to involve and communicate with the various parties – asset management, management service providers and tenants. There is particularly strong interest and increasing demand among international clients for certified buildings. This is very encouraging to see; achieving net zero by 2050 across Switzerland and the transformation to greater sustainability requires proactive and cooperative collaboration. One example of this is what are known as «green leases».

The real estate industry has a clear obligation to make its contribution to a reduction of emissions and consumption of resources.

Anyone who is currently involved in the real estate market will be aware that the certification of buildings is a hot topic. «By certifying our properties, we are increasing transparency while at the same time establishing a frame of reference. We are also laying the foundation for long-term environmental, economic and social added value for all stakeholders. And since last year, we have coupled our ambitious climate goals with our financing strategy. Each improvement in sustainability allows us access to more attractive financing», says René Zahnd, CEO Swiss Prime Site, of their ambitions. In development projects, the certification process increases the sustainability performance and also acts as a useful quality assurance tool. The ability to identify potential early on and derive measures to improve ESG aspects is an essential

BREEAM

BREEAM certification (Building Research Establishment Environmental Assessment Method) is a sustainability assessment method used to certify projects, infrastructure and buildings. The system was established in 1990 by the Building Research Establishment (BRE) and sets benchmarks for the environmental features of buildings throughout the design, specification, construction and operation phases. The parameters can be applied to both new builds and renovation plans. The results are divided into five categories – Certified, Good, Very Good, Excellent and Outstanding.



«We currently manage
assets of more
than CHF 7 billion.»

ANASTASIUS TSCHOPP,
CEO SWISS PRIME SITE SOLUTIONS



The next stage in real estate asset management

Addition isn't just for maths – addition can also create synergies, pool knowledge and optimise customer benefits. In early 2022, the addition of Swiss Prime Site Solutions and Akara resulted in a single company. Officially completed in mid-2022, this successful merger represents the next stage in real estate management. >

Swiss Prime Site Solutions is developing the Akara Tower in Baden for the Akara Diversity fund.

Joint forces and sustainable growth

Swiss Prime Site Solutions, founded in 2017 as a Swiss Prime Site group company, has set itself the target of becoming the leading independent real estate asset manager in Switzerland. It has been making steady progress, with a focus on exceptional performance. «Five years later, we can look back with pride on what we have achieved. We currently manage assets of over CHF 7.7 billion», says Anastasius Tschopp, CEO of Swiss Prime Site Solutions. With CHF 2.3 billion in assets under management, the Akara Group has made a significant contribution towards this growth since it was acquired on 1 January 2022. The next milestone followed on 9 August 2022: the FINMA-approved merger of the two fund management companies. «This additional expertise enables us to provide the entire real estate value-creation cycle – from development, owner representation and execution to portfolio management – in-house at Swiss Prime Site Solutions», adds Tschopp. This makes it unique within the Swiss real estate asset management sector. The range of services includes real estate funds, asset management and business administration, along with mandates in the field of real estate asset management advisory.

Synergies and plenty of potential

Swiss Prime Site Solutions has separate teams for each real estate investment solution and fund. These teams manage the products of the Swiss Prime Investment Foundation (SPA), two investment funds for qualified investors and individual real estate services for institutional clients. Regulation by FINMA, the issuer of our fund licence, along with the configuration of our products – separated by Chinese walls – ensure the independence of the various teams and guarantee fair market competition. At the same time, this structure promotes dialogue on market conditions as well as knowledge transfer, and promotes top performance in all areas. New responsibilities and functions have already been established following the merger of the two companies, based on a mutual willingness to learn and process optimisation – the «best of both worlds». In the first half of 2022, Swiss Prime Site Solutions was able to reduce rental default rates, achieve above-average investment returns and increase market penetration. The companies' shared conception of culture and strong entrepreneurial spirit were key. In short, the merger has been an absolute win-win from the very outset.

The Swiss Prime Site Solutions magic formula

Among the USPs of Swiss Prime Site Solutions are the many years of experience and in-depth expertise of its employees and management team. Anastasius Tschopp: «Our personal, property-focused approach to management sets us apart from other real estate asset managers. That's our trump card.» The lean organisational structure and flat hierarchy offer every member of staff a platform to contribute their ideas. All in all, it's the perfect formula for innovative, sustainable investment solutions for our customers and for reaching the next level in real estate asset management.

The range of services includes real estate funds, asset management and business administration, along with mandates in the field of real estate asset management advisory.



SPA Immobilien Schweiz – contribution in kind to the Ringier pension fund

Swiss Prime Site Investment Foundation is acquiring 33 properties for the «SPIF Real Estate Switzerland» investment group for a contribution in kind to the Ringier Group's occupational pension foundation (Ringier OPF). The acquisition of these properties, which are worth a total of CHF 231 million, increases the property portfolio's fair value to more than CHF 3.5 billion.



MORE NEWS



High up with Roger Federer!

The attractiveness of the Prime Tower is also reflected in the fact that we receive many requests for photo and video shoots. In exceptional cases, such requests will be approved. This is the case with ON, for example. The company shot a commercial with Roger Federer on the roof of the Prime Tower. The campaign was produced for the launch of the new sneaker «THE ROGER Clubhouse Mid» and published in mid-2022.



TO THE VIDEO



Sustainability and people-centred properties are gaining in importance, as shown by the YOND building in Zurich.

A new era of opportunity for sustainability

The phrase «turning point» is commonly used in various contexts at the moment. Epidemiologists, for example, are using it to refer to a new era and the considerably higher risk of pandemics. Politicians, meanwhile, are using it in the context of the war in Ukraine to describe the presumed end of a stable European order, in particular among the major powers. The expression reflects the fact that recent events have had such a profound impact that a return to any previous state of normality is no longer conceivable. >

It may prove particularly difficult to pin down the exact «turning point» for bringing about a new era of sustainability.

A new era of sustainability

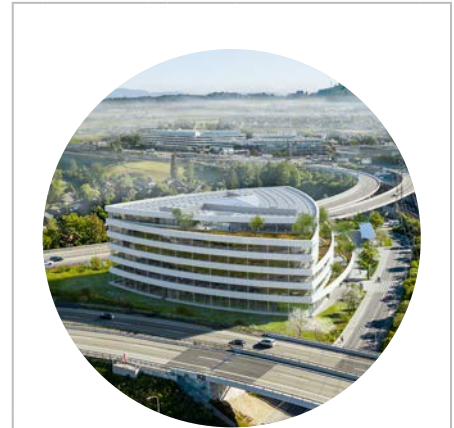
The extent to which an extraordinary event or crisis ushers in a new era should be left for historians to decide. It is likely that they will identify historic «turning points» in an ever-shorter succession. That's because the effects of individual events take on greater global and societal significance in a globalised world. It may prove particularly difficult to pin down the exact «turning point» for bringing about a new era of sustainability. The very first environmental policy measures date back to the 1970s. The decision by individual countries to abandon nuclear energy could also be regarded as a crucial turning point, provided they do not scrap this priority because of other events. The fact is that a comprehensive reconsideration is underway on a global level. The most recent crises have thus contributed to ushering in a new era of sustainability.

Social and economic transformation

The fact that we are facing a growing number of complex and multi-faceted challenges is undisputed. Requirements from customers and employees towards companies are changing. The pandemic has accelerated the transition to new models of work and effects from conflicts have revealed supply chain dependencies and caused energy prices to spike. This has promoted sustainability efforts to expand decentralised renewable energy production and to use regional products and services. But it has also brought about changes that contradict universal sustainability goals, such as resorting to the use of coal-based energy and the decision by the EU to classify gas and nuclear energy as environmentally sound. These developments have thrown existing practices and business models into question and are having a significant impact on the real estate industry. Buildings require a great deal of capital and resources. Property owners such as Swiss Prime Site and its tenants are directly affected by the aforementioned price trends for energy and materials.

Finite resources cannot be scaled indefinitely

We owe our prosperity and post-industrial growth to the use of fossil fuels and finite resources in a linear economic system. In the face of increasing consumption and population growth, this means that resources will become increasingly scarce and environmental problems will get much worse. The prevailing economic system does not consistently take external effects and the resulting environmental costs into account, nor has it been designed with sustainable growth and scalability in mind. It will undoubtedly reach its limits, slowly but surely.



Timber hybrid buildings BERN 131 and Maaglive

Service property BERN 131, currently under construction, will be a sustainable timber structure with a photovoltaic system on the façade and roof. The system will contribute significantly to the energy efficiency of this energy plus building. The use of wood-based materials also creates a pleasant indoor climate. The culture pavilion in the Maaglive project designed by Sauerbruch Hutton is also designed as a timber hybrid structure.



MORE ABOUT BERN 131

We must take advantage of this turning point to transform our economic system in view of the obvious limits and resulting consequences.

From linear systems to circular economy

It is obvious that companies in the real estate sector play a central role in society and must take responsibility for bringing about a transformation. When it comes to operational carbon emissions, many companies now provide the necessary level of transparency. Buildings are now powered to a greater degree with renewable energy and, where possible, designed to actively produce energy. As this development continues to advance, a greater focus is placed on investment properties and the embodied carbon of buildings. Swiss Prime Site's «Müllerstrasse Zürich» project, which is the most well-thought-out project of its kind in Switzerland, is a good example of this. Although the life cycle of real estate is often depicted as a circle, its related processes are aligned with the prevailing linear economic system. Standing in contrast to



Youth support

Swiss Prime Site is a partner of YES (Young Enterprise Switzerland), and René Zahnd is its chairman. Sponsoring focuses particularly on the non-profit organisation's Company Programme. At the start of June, the programme's national finals took place in the halls of Zurich HB, the main railway station. The top 25 mini-enterprises showcased their abilities and were assessed in various categories. A jury from Swiss Prime Site and Jelmoli awarded the Best Marketing & Sales Award to Patissima. Its team impressed the judges on a number of fronts, including a well-developed overall concept and great presentation.



MORE ABOUT YES



The property at Müllerstrasse in Zurich is being developed in the context of the circular economy.

this is the holistically defined concept of the circular economy that can serve as a guiding paradigm for a long-overdue transformation. The basic idea is to transform today's model of «take, make, use, waste» and incorporate the concept of the circular economy into processes on the design, product and material levels. For buildings, this means building only what is truly needed, building less and preserving existing structures, being smart and efficient, and using the appropriate materials and technologies.

The contribution of real estate

Two aspects in particular must play a part in how we think, behave and make decisions when it comes to the circular economy. First, we must consistently take the whole real estate life cycle and necessary adaptability (e.g. flexibility of use and extending the use phase) into account. Second, we must factor the externalised effects and costs of today's system into our decisions (environmental impact). What costs less in the short term may end up costing more over the long term because not investing in the sustainability performance of buildings carries substantial risks (marketability, regulatory developments, etc.). The effects of climate change and the consequences of exploiting and polluting our environment bear on processes that occur at a comparatively slow tempo. They fail to effect a turning point for this reason. It is sudden, unexpected and painful events that force us into a new age of holistic sustainability. Perhaps historians will one day describe this era as post-industrial – that is, if knowledge and information are actually used by a society rooted in circular principles to avoid repeating the errors of the past. —

Sustainability and the circular economy as value drivers

Sustainability is far from being just a «necessary exercise». For Swiss Prime Site, the largest listed real estate investor in Switzerland, as well as many other companies, sustainability has become a value and innovation driver. This also applies to the concept of the circular economy, which not only aims to minimise our environmental footprint but also make a positive contribution and create new business opportunities. It is a matter of transforming our business and value creation models by taking environmental, ecological and social aspects into account. The challenge of switching to a circular economy lies in its complexity. It is necessary to consider company-specific products and services. The entire business and value creation model is also brought into focus making it necessary to have more intense discussions with stakeholders about the supply chain as a whole. We need a transformation led by the business community that can rely on internationally valid standards and a binding regulatory framework. Current developments have made it even more difficult to tread this path, but we cannot rule out that such developments may also make it possible to tread it more quickly.

What costs less in the short term may end up costing more over the long term.



New meeting zones at Swiss Prime Site in the Prime Tower.

New Work at Swiss Prime Site

Since spring 2022, Swiss Prime Site employees have been enjoying not just a unique work location, but also new office spaces that epitomise the spirit of New Work. The return of floor space by a tenant in the Prime Tower offered the rare opportunity to move closer together and to merge and redesign two adjacent storeys.

Emilia Nenakhova
Manager Asset
Development



In an interview with Emilia Nenakhova, we learn more about the planning, modification and occupation of the new spaces, and the positive outcomes for company culture.

What was special about this modification?

Emilia Nenakhova: For me, what was most unusual about this project was that I had two hats on. On the one hand, I was part of the project management and, on the other, the future user. To approach the project with a neutral, needs-based mindset, I had numerous discussions with my colleagues to garner their input and expectations, and took them into account wherever possible.

What are the stages in an office planning project like this?

EN: That varies in each case. The starting point has to be analysing the status quo and understanding the goals – the vision. Then you have to develop a budget and a schedule. Later, you dive into the advanced project planning. That stage is about requirements, selecting stakeholder groups, holding workshops and the preparation of detailed area and materialisation studies, as well as the coordinated scheduling and relocation planning. In the implementation phase, coordinating and monitoring the schedule are key. And lastly, it's a question of adhering to deadlines and – most critically – the budget.

That sounds a bit like a moving target. How did you go about it?

EN: The most important thing by far was to get my colleagues on board, so we put together a team of ambassadors. Every department in the company was represented. Regular dialogue with our «sponsors» higher up was also vital. It was in this context that we reached decisions on issues raised by the team of ambassadors.

And how much say did employees have?

EN: We held numerous workshops to capture requirements. In some instances, we used grass-roots democracy and took a vote on certain things. Sometimes there were ordinary consultative meetings, with a few longer ones now and again.

What stakeholder groups were involved?

EN: Internally, we had individual representatives from management, our «sponsors», and the team of ambassadors – the staff representatives. Externally, we had invaluable support from a workspace consultant and our furniture supplier. Their professionalism and creativity helped us a great deal, and their pragmatic approach was perfect for us.

What were the challenges or hurdles that you encountered?

EN: Supply times and punctuality are the two most significant. And then, of course, the budget control that goes along with that. Construction issues such as delivery and fire protection also played a key role.

How did you maintain an overview?

EN: Disciplined time management. It sounds very painstaking. And it is. But without it we would probably still be working on it today! That's why it's important to make sure you always keep an eye on the schedule and build in a buffer for contingencies and unexpected challenges... basically, that you expect the unexpected. Good planning also reduces stress. And it helped that the «construction site» was only a few metres from my workspace, so I could be on site quickly. At the same time, this was also a challenge that directly affected us, as we were rebuilding on the 34th floor during ongoing operations.

Can you build sustainability aspects into this kind of project?

EN: Of course! Sustainability was one of the requirements from the start. Our goal was to create office space that aligns with the healthy building approach. For example, our air quality was already high, but we thought about how we could improve it even more. We found a special mineral paint that not only looks good on our walls, but also has air-purifying characteristics.

What flexible elements did you use to enhance the new office landscape?

EN: We wanted to create an environment that allows for a variety of activities and forms of work. For example, you can book a regular office workspace online for a half day or full day if you need to. But for short visits to Prime Tower, there are numerous flexible work

areas where you can sit and really concentrate on your work. And for smaller tasks in between, there are sofa corners and standing desks. After a little more than six months, we can see that this concept is working very well.

Do you think that the new office environment also influences company culture?

EN: That was one of our sub-goals. So far, feedback has been extremely positive. The elements I've mentioned were intended to get employees talking to each other and to strengthen the internal flow of information.

What else do you hope the new work environment will achieve?

EN: I hope that the new offices help our colleagues to work more efficiently and experience more variety in their working day.

One final question: what is or was your greatest wish in connection with the project?

EN: I hoped we would create a working environment where, come Sunday night, people will be looking forward to Monday. When I look around, I have the feeling that we've come pretty close to achieving that [laughs]. —



Global Real Estate Run

Local involvement with a global impact – this is exactly the spirit behind Swiss Prime Site's participation in the Global Real Estate Run. A total of 16 employees completed a 6 km run along the Limmat. The organisation GROW MY TREE planted a tree for every kilometre run. The initiative is designed to raise greater awareness of sustainability, promote innovation in the real estate sector and drive belief in a more generation-friendly future.



MORE ABOUT THE EVENT

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.

21 March 2023

Annual General Meeting Financial Year 2022

24 August 2023

Semi-annual report 2023 with financial results
press conference

SWISS PRIME SITE

— SUSTAINABILITY

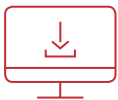
REPORT

2022



Sustainability

3	Setting an example of sustainability
5	Business model and value creation
7	Areas for action, material topics and objectives
14	Sustainability facts and figures
15	Performance in the material topics
15	Stakeholders area of action
21	Finance area of action
28	Infrastructure area of action
35	Innovation area of action
40	Ecology area of action
54	Employees area of action
61	Key figures of the group companies
67	Risk management
73	Reporting on climate-related financial risks (TCFD report)
79	About this report
79	General Disclosures (GRI)
84	GRI content index
89	EPRA Mapping
91	SASB Mapping
93	Report of the statutory auditor



Swiss Prime Site – the real estate investment platform

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

Reporting structure

Our stakeholder-oriented 2022 reporting consists of the online report and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2022». In this way, we create added multimedia value.

Setting an example of sustainability

(GRI 2-23, 2-24) As the largest real estate company listed on the stock exchange in Switzerland, we lead by example and are aware of our responsibilities towards our employees, customers, the environment and society as a whole. Our vision is to generate value and create sustainable living spaces. For us, this means a comprehensive, multidimensional business concept in which non-financial aspects are taken into account as well as financial goals.

Sustainability is part of our business and value creation model and has been an integral and unifying component of our strategy for some time. This includes compliance with legal requirements and regulatory standards, adhering to self-defined principles and directives and also, increasingly, directly influencing our partners' value chains. In this way, we are increasing Swiss Prime Site's resilience and are convinced that we are creating long-term added value for our stakeholders and society.

Putting our own commitment into a larger context

A detailed materiality analysis forms the basis and focus of our commitment in the area of sustainability. We plan, implement and measure the impact of the topics that are material for us and our environment in line with six fields of action: stakeholders, finance, infrastructure, innovation, ecology and employees. To put the topics in a global context, we establish their relevance for the United Nations Sustainable Development Goals (SDGs). Five of the total of 17 SDGs have particular relevance for us. They concern sustainable cities and communities, climate action, responsible consumption and production, quality education and partnerships for the goals. This is where we see the biggest leverage for making a significant contribution to a future worth living.

Based on the Swiss Government's Energy Strategy 2050 and the international climate goals, we had developed a detailed CO₂ reduction pathway for our entire property portfolio back in 2019. This is reviewed annually on a property-specific basis, adjusted to the new circumstances and published as part of the reporting at portfolio level. Sustainability is likewise of great importance in our corporate financing. Currently, around half of our external financing is linked to measurable sustainability goals. In the 2022 reporting year, we additionally implemented a comprehensive Green Finance Framework and thus laid the foundation for linking all financing to sustainability in the medium term.

Three questions for Martin Pfenninger, Head of Group Sustainability at Swiss Prime Site

Why is sustainability so important for Swiss Prime Site?

First the short answer: conviction, responsibility, customer focus and a signal to our industry.

And now the detailed answer: it's an issue that is key to a resilient business model and long-term value and is therefore firmly embedded in our corporate strategy. In addition, we have seen – and this is reflected in social and political discourse – that our customers and tenants have been keen to be more active in this area themselves for several years now. For example, they are increasingly asking about the sustainability of rented offices or other spaces. This is because when it comes to sustainability, you usually start with your own business, for example with the buildings you use. And from the perspective of our industry, it's high time that we did something, as the real estate and construction industry is responsible for significant greenhouse gas emissions. We want our actions to show that we accept our responsibility and want to set a good example.

What measures are being taken to improve properties' sustainability?

The topic of sustainability, regardless of whether we're talking about a company or a property, is very individual. What you always need is a reference framework you can use to measure the positive impact. For companies, we use the acronym ESG (environmental, social, governance). The assessment criteria of rating agencies, for example, and the Global Real Estate Sustainability Benchmark «GRESB» for the real estate industry are based on this. On the other hand, the triple bottom line, which takes account of environmental and social as well as financial aspects, is often used in con-

«Sustainability out of conviction, a sense of responsibility and as a signal for our industry.»

MARTIN PFENNINGER
HEAD GROUP SUSTAINABILITY



nection with property as a product. We use established certification systems for our properties to measure our buildings' current sustainability performance and work out how to improve it. And we use the Swiss Sustainable Building Standard (SNBS) in the planning and construction phases of development projects. In our work, we don't just focus on financial aspects such as profitability, high quality and flexibility of use and low life-cycle costs, but also on environmental aspects such as reducing CO₂ emissions, biodiversity and the circular economy, and on social aspects such as well-being, health or sustainably designed «public» outdoor space. We're convinced that continuously increasing our sustainability performance will en-

sure the future viability of our property portfolio in the long term.

How is Swiss Prime Site doing with the ambitious goal of achieving climate neutrality by 2040?

The decision made in 2020 to bring forward the already ambitious climate neutrality goal for the operation of our property portfolio from 2050 to 2040 underlined our conviction that the goal is achievable. To make faster progress, we are focusing on measures with a direct impact. These include prioritising renewable energy sources, actively expanding our own production of energy (including photovoltaic energy), increasing energy efficiency, promoting new and sustainable mobility options and using innovative technologies – always in the context of

the individual property strategy. Working together with tenants (green leases), suppliers and innovative partners is becoming more and more important. Of course, emissions during operation are also important. At the same time, it's important to develop transparency on emissions in the supply chain and in connection with resource consumption and to develop a reduction strategy based on this. This is one of the reasons why we are advocates of the circular economy in our industry. Detailed explanations on progress can be found in this report.

Business model and value creation

Business model

(GRI 2-6) The Swiss Prime Site Group comprises the group companies Swiss Prime Site Immobilien (own property portfolio), Swiss Prime Site Solutions (fund management 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 (premium omnichannel department store), which joined the group in 2009 as part of a major real estate transaction.

Swiss Prime Site's business model is based on the vision of creating innovative and sustainable living spaces. Swiss Prime Site is convinced that long-term success in business is only possible by living up to environmental and social responsibility in its business activities and value creation. Swiss Prime Site considers value creation a comprehensive, multidimensional business concept that takes non-financial aspects as well as financial goals into account. In light of this, Swiss Prime Site takes account of its environmental and social responsibility when pursuing its corporate interests and has declared sustainability to be a focus of its corporate strategy.

The focus is on the long-term alignment of the business model with its two strategic pillars: real estate (owned property portfolio) and real estate asset management (the investment foundation's property portfolio plus funds and third-party mandates). These elements cover the entire value chain throughout the real estate life cycle.

Real estate investment platform

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. In addition to the owned property portfolio, the range also includes real estate investment vehicles and real estate mandates. 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 throughout the real estate life cycle.

Real estate portfolio

Swiss Prime Site invests in high-quality properties in the best locations in Switzerland that are occupied by commercial tenants in particular. Its other main focus is developing entire sites.

Real estate asset management

The services offered for investment vehicles and mandates cover the full value creation chain throughout the real estate life cycle. This includes acquiring a property or site, project development and project execution (construction), portfolio and asset management, property management, the divestment of properties and capital procurement.

Value creation

(GRI 2-6) The aim of Swiss Prime Site’s business model is to generate value in the long term for shareholders, customers, the environment and society. The value chain within the corporate group starts with the identification of suitable investment opportunities. 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 real estate asset manager Swiss Prime Site Solutions, real estate service provider Wincasa and premium department store Jelmoli, Swiss Prime Site has a powerful services portfolio that covers the entire property life cycle.

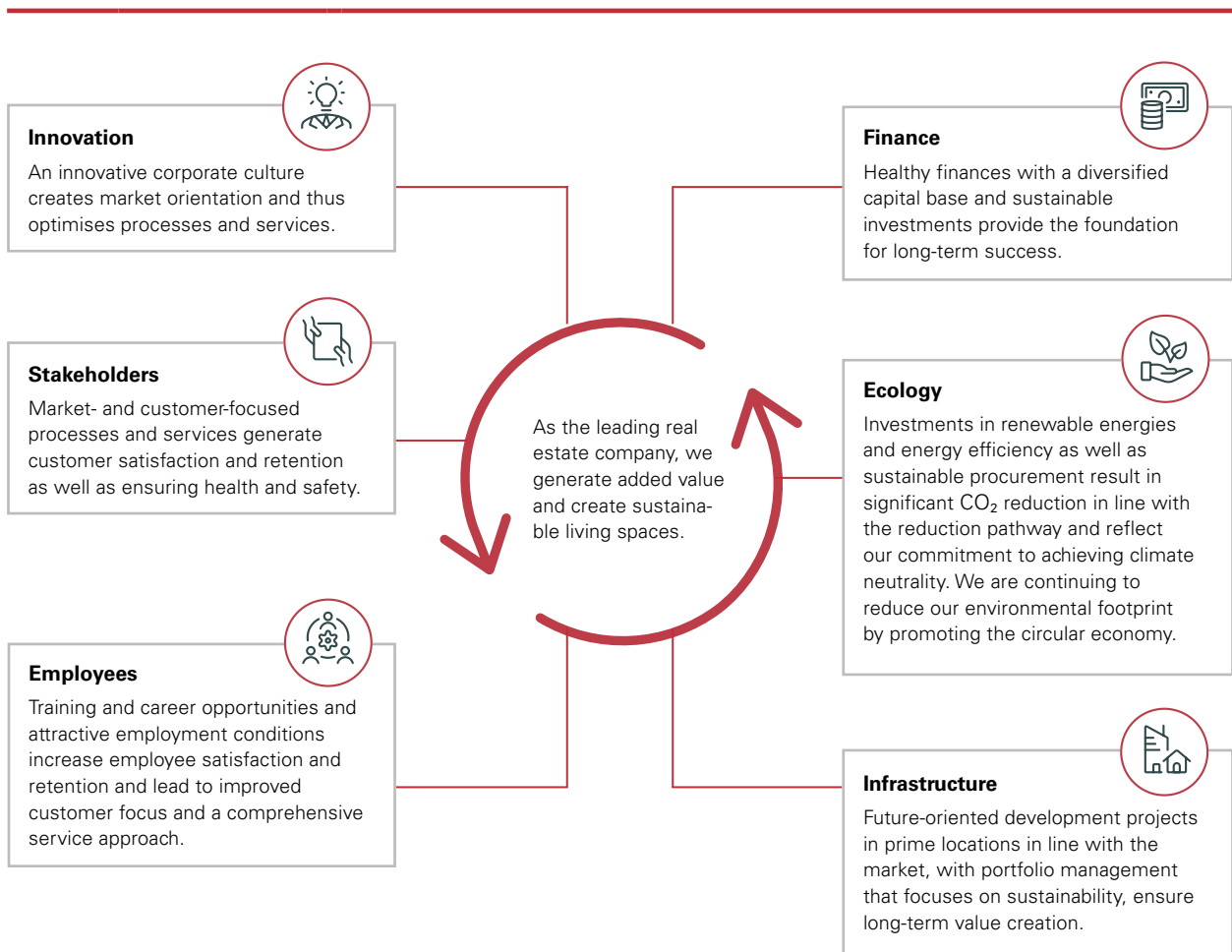


Areas of action, material topics and objectives

(GRI 225) Our areas of action are based on the six capitals of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework. To create value, priorities are set alongside the areas of action. The following diagram shows a corresponding summary. Additional information on these priorities can be found in the subsequent sections.

Areas of action

In its value creation model, Swiss Prime Site focuses on the following six key areas of action.



Material topics

(GRI 3-1) Swiss Prime Site regularly reviews which elements are most important for the long-term sustainable development of the Company. The materiality analysis is conducted by management and the Board of Directors. The analyses are based on the core elements of the corporate strategy and long-term planning, as well as on comprehensive stakeholder surveys.

Inclusion of stakeholders in the materiality analysis

Swiss Prime Site conducted its materiality analysis in line with the principle of double materiality. This means that, on the one hand, there is an assessment of how important the particular topic is in terms of impact on the sustainable development of the Company. On the other hand, management and stakeholders have assessed how relevant a topic is for Swiss Prime Site's long-term value creation.

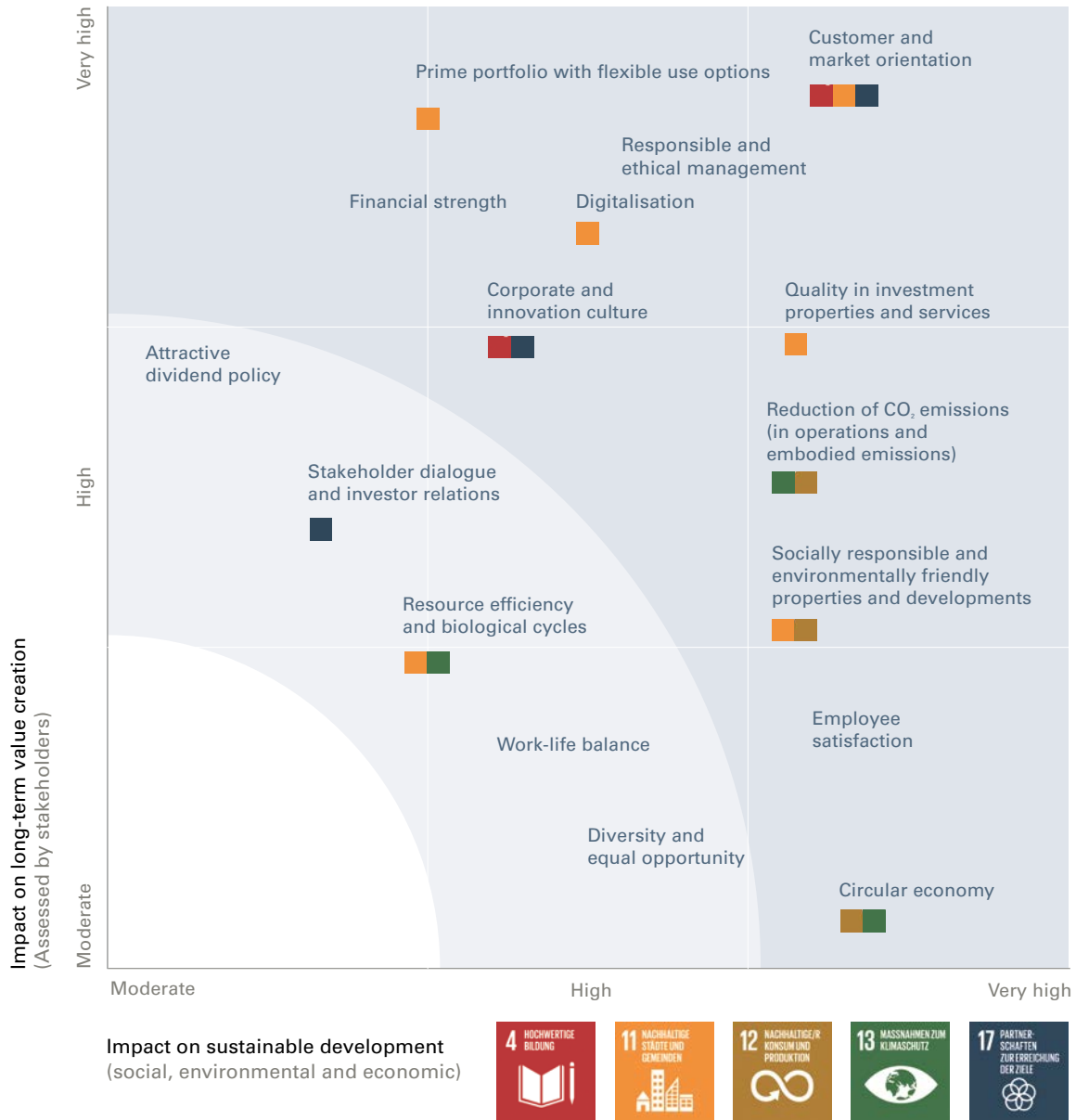
The material topics were identified in 2021 as part of a comprehensive survey of almost 130 investors, analysts, tenants, members of the Board of Directors, members of the Executive Board and the senior management team of group companies and other members of management. In 2022, an internal validation was carried out as part of the reporting process. It found that the existing assessment can be maintained.

Evaluation of material sustainability aspects

Swiss Prime Site aspires to create sustainable value in its six areas of action. Within these areas of action, value creation is measured in the associated material topics; a material topic can contribute to several areas for action. The table on page 10 describes the correlations between areas of action, material topics and parameters used for monitoring.


























This perspective identifies to Swiss Prime Site which financial and non-financial aspects should be prioritised in the ongoing development of its management. The material topics also form the basis for the overarching group goals.

Materiality index



Comments on materiality index:

- A derivation of the material topics from the key areas of action for Swiss Prime Site (GRI 3-1) can be found on page 8.
- List of material topics (GRI 3-2): Customers and market orientation, financial strength, Responsible management, Quality in investment properties and services, Prime portfolio with flexible use options, Corporate and innovation culture, Socially responsible and environmentally friendly properties and developments, Reduction of CO₂ emissions, Circular economy, Employee satisfaction, Diversity and equal opportunity.
- Sustainability reporting focuses on these material topics.

Area of action	Material topic	Parameters
Stakeholders 	Customer and market orientation 	<ul style="list-style-type: none"> – Customer survey results – Renewal rate for expiring rental contracts – Internal partnerships with subsidiaries or external partners
Finance 	Financial strength <hr/> Responsible and ethical management	<ul style="list-style-type: none"> – EBIT – Equity ratio – Loan-to-value – Proportion of group financing linked to sustainability criteria – Transparent financial and non-financial reporting
Infrastructure 	Quality in investment properties and services  <hr/> Prime portfolio with flexible use options 	<ul style="list-style-type: none"> – GRESB score (Standing Investments) – Proportion of certified existing properties/spaces – Vacancy rate – Weighted average unexpired lease term (WAULT)
Innovation 	Socially beneficial and environmentally friendly properties and developments  	<ul style="list-style-type: none"> – GRESB score (Development) – Proportion of development projects/spaces with a sustainability label
Innovation 	Customer and market orientation   <hr/> Corporate and innovation culture  	<ul style="list-style-type: none"> – Innovation and accelerator workshops – Investments in start-ups – Proportion of actioned ideas from internal Future Boards
Ecology 	Reduction of CO ₂ emissions (from operations and construction)   <hr/> Circular economy  	<ul style="list-style-type: none"> – Progress along the CO₂ reduction pathway (operations) – Degree of target achievement for lifecycle assessment of embodied energy use (construction)
Ecology 	Circular economy  	<ul style="list-style-type: none"> – Level of implementation of sustainability criteria, requirements and exclusion criteria in procurement – Proportion of cradle-to-cradle building materials – Proportion of disassemblable and reusable materials at the end of the life cycle
Employees 	Employee satisfaction <hr/> Diversity and equal opportunity	<ul style="list-style-type: none"> – Staff turnover rate – Result of regular employee surveys – Investment in training and development; support through time and money
Employees 	Customer and market orientation 	<ul style="list-style-type: none"> – Diversity in the workforce, gender quota, employee length of service, employment models – Evaluation of employee surveys – Number of dedicated training courses (face-to-face communication skills, storytelling, negotiation training)

Objectives







Swiss Prime Site sets itself long-term goals. In the area of sustainability, the Company is primarily guided by the Swiss Government’s Energy Strategy 2050, the Paris Climate Agreement and the Sustainable Development Goals (SDGs) of the United Nations.

Group objectives

Swiss Prime Site’s group objectives are aligned with the material topics and are also guided by the six areas of action. Swiss Prime Site has set medium-term objectives alongside these areas of action. The corresponding progress in these targets is monitored constantly. Where these objectives affect stakeholder groups, continuous dialogue is maintained with the groups.






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 for action. These individual objectives also contribute towards the overall group objectives.

Swiss Prime Site has identified appropriate key figures that can be used to monitor medium-term objectives. Due to the progress in the reporting year, Swiss Prime Site decided to raise the medium-term targets in the finance and infrastructure areas of action. The corresponding progress is shown in the sections on the fields of action.

Area of action (capital)	Medium-term group sustainability objectives
 Stakeholders	Increase customer satisfaction to over 80%
 Finance	More than 75% of group financing to relate to sustainability criteria
 Infrastructure	GRESB score higher than Leading Group
 Innovation	Targeted investments in start-ups Implemented initiatives from Future Board
 Ecology	Climate-neutral property portfolio by 2040
 Employees	Increase employee satisfaction to over 80%

Relevance to the United Nations Sustainability Development Goals (UN SDGs)

Swiss Prime Site uses the 17 United Nations Sustainable Development Goals (UN SDGs) as a system of reference in order to integrate its commitment into the context of global sustainable development. The focus is on five goals to which Swiss Prime Site can contribute significantly by fulfilling its responsibilities. SDGs 11 and 13 have particular relevance in the context of Swiss Prime Site's core business.

SDG	Relevance to Swiss Prime Site
 <p>4 HOCHWERTIGE BILDUNG</p>	<p>Relevance to SDG 4: Quality education</p> <p>Swiss Prime Site's employees are key to the Company's success and constitute the foundation on which all further development is built. By investing time and money in developing employees, motivation, know-how and innovative spirit can be improved across the board.</p>
 <p>11 NACHHALTIGE STÄDTE UND GEMEINDEN</p>	<p>Relevance to SDG 11: Sustainable cities and communities</p> <p>Swiss Prime Site creates attractive, sustainable and flexible living spaces as part of urban and district development projects and sees its responsibility particularly in building sustainable cities and communities, in line with SDG 11: «Make cities and communities inclusive, safe, resilient and sustainable». Swiss Prime Site sees the Swiss Sustainable Building Standard SNBS as a guiding framework to help clarify this commitment.</p>
 <p>12 NACHHALTIGE/R KONSUM UND PRODUKTION</p>	<p>Relevance to SDG 12: Responsible consumption and production</p> <p>Given its business model, Swiss Prime Site is in a position to promote sustainability throughout the real estate value chain and contribute towards SDG 12 «Responsible consumption and production» – and recognises its responsibility to do so. The topic of the circular economy is constantly growing in importance.</p>
 <p>13 MASSNAHMEN ZUM KLIMASCHUTZ</p>	<p>Relevance to SDG 13: Climate action</p> <p>Swiss Prime Site is aware of its responsibility on the issue of 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.</p>
 <p>17 PARTNERSCHAFTEN ZUR ERREICHUNG DER ZIELE</p>	<p>Relevance to SDG 17: Partnerships for the goals</p> <p>In addition to protecting the climate, the circular economy also 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»).</p>



Sustainability facts and figures

13075

t CO₂ emissions
(property portfolio, Scope 1/2)
-9.2% year-on-year

1779

Employees
+6.7% year-on-year

85

GRESB score
Standing Investments
Previous year: 74

16.9

kg CO₂e/m² emission intensity
(property portfolio, Scope 1/2/3)
Previous year: 19.6 kg CO₂e/m²

73

% satisfied employees
Medium-term target: > 80%

88

GRESB score
Development
Previous year: 78

177

kWh/m² energy intensity
(property portfolio)
Previous year: 174 kWh/m²

20

% women on the Executive Board
Previous year: 17%

73

% certified spaces
Previous year: 20%

56

% renewable energy
(property portfolio)
Previous year: 46%

0.7

% wages invested in training &
development
Previous year: 0.8%

111

Certified properties
Previous year: 12

16

Number of photovoltaic systems
+1 compared to previous year

74

% satisfied tenants
Previous year: 72%

600

CHF million Green Bonds
fully allocated

Performance in the material topics

Stakeholders area of action

Key stakeholder groups in Swiss Prime Site's value creation model include customers, tenants, investors, rating agencies, analysts, suppliers and employees. The Company therefore invests heavily in maintaining these relationships, which vary in relevance and impact depending on the group company.

For Swiss Prime Site, regular communication with its key stakeholders is a core element of its forward-looking management. In line with the corporate strategy, this allows the challenges, needs and expectations identified from this dialogue to be taken into account when further developing business activities.

Swiss Prime Site's most important customer group is commercial tenants. They generate around 98 percent of operating income.

Group objective

Swiss Prime Site has set itself the objective for the areas of action of increasing customer satisfaction to above 80 percent in the medium term. In progressing towards this objective, Swiss Prime Site and its group companies regularly survey the satisfaction of their customers. The findings serve to identify measures to increase customer satisfaction and reduce negative effects.

Material topics

Within the «stakeholders» area of action, value creation is primarily influenced in the material topic of «customer and market orientation».

Material topic of customer and market orientation

For Swiss Prime Site, customer and market orientation means that tailor-made products and solutions are developed and made available to meet our customers' needs in the long term, increase their satisfaction and strengthen our relationship with them.

Management approach (GRI 3-3)

(GRI 2-29) 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.

Swiss Prime Site conducts a stakeholder dialogue every two years in which the materiality analysis for the Company is discussed with a selected stakeholder group and adjusted if necessary. Building on this, current topics are explored together from an opportunity and risk perspective. In line with the corporate strategy, this allows the challenges, needs and expectations identified from this dialogue to be taken into account when further developing business activities.

In addition to the shareholders, analysts, rating agencies and other finance-focussed stakeholder groups catered for at group level, there are two other stakeholder groups that are key for the entire value creation process: employers and customers. They are of particular importance for the entire group.

The customer segments of Swiss Prime Site's individual group companies vary:

- Swiss Prime Site Immobilien: tenants (companies and private individuals)
- Swiss Prime Site Solutions: real estate owners in the sense of grantors of mandates (Swiss Prime Investment Foundation and institutional investors) and investors in the investment vehicle (institutional investors and private individuals). Within the investment vehicle, tenants (companies and private individuals) are additional customers.
- Wincasa: real estate owners and institutional investors, tenants (companies and private individuals)
- Jelmoli: consumers

Swiss Prime Site and its group companies regularly survey the level of customer satisfaction. The findings serve to identify measures to increase the figure and reduce negative effects. In the medium term, the intention is to increase customer satisfaction at Swiss Prime Site and its group companies to over 80 percent.

Key stakeholders	Methods of exchanging information	Key concerns	
Swiss Prime Site Group			
– Shareholders	– Conferences and roadshows for investors and analysts	– Course of business	
– Analysts		– Current developments	
– Investors	– Regular discussions with analysts and voting rights advisers via the Board of Directors, Executive Board and Investor Relations	– Strategy	
– Proxy advisors		– ESG performance	
– Employees			
– Media			
		– 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	
	– Tenant survey		
	– Materiality survey		
	– Stakeholder dialogue		

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien focuses on tenants and potential tenants in dialogue with its stakeholders. Regular dialogue with them helps Swiss Prime Site adapt to the future wishes of customers in an even more targeted way and to offer properties in line with customer and market requirements. The company also ensures this with regular surveys on preferred locations, floor space requirements, moving-in dates and specific requirements for tenant fit-out. Satisfaction surveys are conducted regularly with existing tenants. The renewal rate for expiring rental contracts is an additional indicator of customer focus. With major tenants, Swiss Prime Site Immobilien maintains a regular and constructive dialogue that benefits both sides and makes day-to-day business easier. The focus here is on topics such as properties, rental space or sustainability.

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 local conditions and requirements at an early stage when planning developments and thus ensures that the environs benefit from new properties and negative impacts are avoided as far as possible.

Key stakeholders	Methods of exchanging information	Key concerns
– Tenants and potential tenants	– Regular dialogue with tenants and potential tenants	– Supply of floor space and property services
– Construction project partners	– Property-specific information events and viewings	– Sustainable construction and certification
– Authorities	– Surveys on location preferences, space requirements, moving-in dates or specific requirements for tenants' improvements	– Consideration of local circumstances relating to development projects
– Local stakeholders (neighbouring residents, associations, political representatives)		
– Suppliers and business partners	– Satisfaction survey	
	– Regular discussions	
	– Stakeholder dialogue	

Swiss Prime Site Solutions

Swiss Prime Site Solutions offers three services: fund management, asset management and real estate services. Swiss Prime Site Solutions is conscious of its great responsibility for the pension assets entrusted to its client. This is also reinforced by the signing of the UN Principles for Responsible Investment (PRI), as an investment manager and service provider.

In future, fund products will grow in importance. The FINMA licence required by law for this business field guarantees investors the application of an industry-wide standard. In addition, Swiss Prime Site Solutions differentiates itself by its custom investment solutions and services for the real estate sector.

The sale or offering of financial instruments is an important function in Swiss Prime Site Solutions’ business model because it represents the direct interface with investors. The aim of offering collective investment schemes is to ensure that a high standard of quality is maintained when providing advice and passing on information to investors. By issuing directives on specific topics, Swiss Prime Site Solutions ensures compliance with the requirements specified in the Swiss Financial Services Act (FinSA). This particularly applies to the duties to act in good faith, exercise due diligence and provide information.

Wincasa

Wincasa manages both residential properties and office, commercial, retail and shop space. Its most important stakeholders are institutional real estate owners and the many tenants.

Regular dialogue with customers helps the company to adapt to tenants’ future wishes in an even more targeted way, to offer properties in line with customer market requirements and hence make a positive contribution to the real estate market. Wincasa’s customer advisers’ tasks therefore include surveying customer satisfaction. Wincasa focuses on two measures here: An informal «pulse monitor» is an integral part of the monthly coordination meetings with customer representatives. The aim is to solve any problems immediately. In addition, Wincasa conducts a comprehensive, structured online survey to assess customer satisfaction once a year. Wincasa determines its approach through regular meetings and reviews the measures and progress. Strategic topics are defined at the start of each calendar year. In addition to monthly coordination meetings, meetings are held annually in the fourth quarter at the highest management level to address the most important challenges, customer satisfaction and the development of customer relationships. Surveys are also conducted individually on behalf of customers.

Key stakeholders	Methods of exchanging information	Key concerns
– Grantors of mandates	– Discussion with executive management	– Swiss Prime Foundation
– Investors	– Monthly discussion with the foundation board	– Investment decisions
– Supervisory authorities	– Events, roadshows and individual portfolio meetings	– Range of services
– Tenants and potential tenants	– Annual investors’ conference	– Project developments and acquisitions
	– Annual reporting	– Corporate organisation
	– Website and social media channels	– Authority of key individuals

Key stakeholders	Methods of exchanging information	Key concerns
– Major commercial tenants and around 70 000 residential tenants	– Regular dialogue and coordination meetings with the management teams of major customers	– Issues regarding commercial and infrastructure-related building management
– Owners and institutional investors	– Annual CEO meetings with key customers	– Improving business processes
– Suppliers	– Discussion about the Customer Value Center	– Requirements relating to specialist expertise and availability of services
	– Tenant portal	– Sustainable use of properties
	– Owner portal	
	– Website and social media channels	

Guidelines and directives

- «Code of conduct for asset management, investment advice and provision of financial services» directive
- «Offers and advertising for financial instruments» directive

Jelmoli

Consumers are the key stakeholder group for Jelmoli. Meeting their requirements takes a deep understanding of changes in consumer behaviour, knowledge about developments and market trends in the industry and close cooperation with suppliers and partners.

Jelmoli’s vision is to reinvent the department store and encourage conscious consumption. Jelmoli achieves this in the product range through high quality and sustainability standards, with ranges that extend the life cycle of products and thus promote circularity and with new services in the fields of culture, health and education.

The sustainability strategy and, for the most part, the defined core elements were reviewed and refined in the reporting year. Jelmoli focuses all its activities on inspiring people to live sustainably – customers, employees and suppliers.

→ [JELMOLI.CH/THE-GREEN-ACT](https://www.jelmoli.ch/the-green-act) (IN GERMAN)

Key stakeholders	Methods of exchanging information	Key concerns
– Customers	– Daily dialogue with customers in store	– Range and product quality
– Suppliers	– Information desk	– Customer support
– Retail floor space tenants	– Mystery shopping	– Linguistic and intercultural skills
	– Website, social media channels and newsletter	– Revenue and profitability
	– Regular dialogue with suppliers and retail floor space tenants	– Declaration requirement, sustainability certificates
	– Stakeholder dialogue in connection with the sustainability strategy	– Combination of good for sale on proprietor-managed and let retail floor spaces
	– Customer satisfaction surveys	

Relevance to the SDGs

SDG 17: Partnerships for the goals



Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

Doing business sustainably requires 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). Suitable partners for developing the impacts of the business activities of Swiss Prime Site and its group companies positively and entrepreneurially can be found in the Group’s own value creation chain. The reason is that if the group’s own products and services are developed in dialogue and collaboration with customers – particularly the owners and users of the properties and investors – this is positive not only for the business environs, but is also highly likely to influence Swiss Prime Site’s market position and business success.

Progress and contributions to the SDGs

Swiss Prime Site Immobilien

«Green leases» at the centre of communication

Swiss Prime Site Immobilien maintains active press relations through specialist articles and has informed the media and public about its projects and topics such as decarbonisation, existing property certification, locations and flexible space. One important communication topic was the sustainability building blocks for rental contracts, known as «green leases», which were developed in the reporting year. These are about covering sustainability aspects in the rental agreement and implementing them together with tenants.

Offerings for new customer groups thanks to partnership with Superlab Suisse

At the end of 2021, Swiss Prime Site Immobilien entered into a partnership with Superlab Suisse, an innovative provider of laboratory and research spaces. The company provides turnkey, fully equipped research and laboratory spaces and also offers operational support and other important services. In 2022, Swiss Prime Site Immobilien and Superlab Suisse began developing locations in Basel and Schlieren with a total space of more than 10 000 square metres. This partnership addresses the growing demand for flexible spaces and uses of space and opens up a new customer group thanks to a specialist offering.

The majority of tenants would currently extend their rental agreement

In the reporting year, Swiss Prime Site Immobilien conducted an online survey of its tenants. The result was that tenant satisfaction is at a high level and has actually increased further since the previous year. Three-quarters of tenants would extend their rental agreement. In the reporting year, Swiss Prime Site Immobilien took measures to further improve tenant satisfaction and also sought dialogue on current topics such as energy-saving opportunities. Swiss Prime Site Immobilien is in regular communication with major tenants. These conversations are about individual properties and overarching topics such as sustainability, construction activities, contractual matters and tenant satisfaction. The major tenants greatly appreciate these conversations, and they are also beneficial for Swiss Prime Site Immobilien because they make day-to-day business easier. Useful suggestions often result from these constructive conversations.

For local residents, interested parties and media representatives, information events were primarily held in connection with current development projects. Highlights include neighbourhood information events on Maaglive in Zurich and a neighbourhood festival for this project, the foundation stone ceremony for the JED new building in Schlieren and information events in connection with commissioned studies in the Dreispitz university district.

Swiss Prime Site Solutions

Tenant survey for Swiss Prime Investment Foundation provides insight into aspects of well-being

In the reporting year, Swiss Prime Site Solutions, together with Wincasa, conducted an initial survey among the tenants of properties of Swiss Prime Investment Foundation (SPA). Around half of the approximately 1 100 tenants from German-speaking Switzerland and Western Switzerland participated in the online survey and answered questions about their home, the property management and the property maintenance. The main finding of this survey was that the tenants are more satisfied with their homes than with the management or property maintenance. Swiss Prime Site Solutions gained important insights about the individual aspects of well-being in the home – from the lighting conditions to the maintenance and lighting of the external areas in Basel.

Swiss Prime Site Solutions signs UN Principles for Responsible Investment

The UN Principles for Responsible Investment (UN PRI) are an investor initiative in partnership with the Finance Initiative of the UN Environment Programme (UNEP) and the UN Global Compact. The PRI encompasses six principles for responsible investments, and by taking these into consideration, the signatories can contribute to a more sustainable global financial system. Swiss Prime Site Solutions signed the PRI in November 2022 as an investment manager and as a service provider.

→ [UNPRI.ORG](https://www.unpri.org)

Wincasa

Digitalisation as a central topic

Real estate services provider Wincasa also conducted its annual customer survey in 2022. Reference values are from 70 to 75 out of 100 points. Customer satisfaction is also reflected in the various contract extensions.

In order to strengthen contact and collaboration, Wincasa organised events with customer representatives. With the largest customers, the Company has also defined a strategy in connection with digital tools and activities, including supplier and tenant portals. Digitalisation, including switching to digital invoicing, was a focus of Wincasa's activities in the reporting year. In connection with the digitalisation projects, the rules on data protection and data processing were also adjusted.

Jelmoli

Jelmoli's customers want to be even better informed

In the reporting year, Jelmoli conducted both a customer survey and a supplier survey and developed measures in light of the findings. From the customer survey, Jelmoli concluded that visions and values need to be communicated even more strongly both internally and externally. Customers should also be even better informed about services. Since the end of 2022, a net promoter score (NPS) has been recorded after each purchase. This key figure measures the extent to which customers would recommend a service.

Sustainability is increasing in importance for suppliers

The survey of suppliers showed that sustainability is a very important topic for the vast majority of them (93%). However, no compromises on customer satisfaction should be made in connection with this, according to the findings of the survey. For almost all of Jelmoli's suppliers, sustainability is an extremely important aspect of their collaboration. Almost 70% of suppliers value the personal dialogue and want to carry on communicating directly in the future.

Finance area of action

Stable, resilient and future-oriented companies are based on financially sustainable management. This is why Swiss Prime Site created new capital management principles in 2021. These include:

- Optimisation of the equity and borrowed capital ratios (LTV)
- Increasing financial flexibility
- Ensuring the homogeneity of financing sources
- Reduction of refinancing risks and minimisation of financing costs

Detailed information on the financial management of the Swiss Prime Site Group can be found in investor communications.

- [SWISS PRIME SITE REPORT 2022 \(AVAILABLE AT SPS.SWISS > INVESTORS\)](#)
- [PRESENTATION ON CAPITAL MARKETS DAY 2022 \(AVAILABLE AT SPS.SWISS > INVESTORS > PRESENTATIONS\)](#)

Group objectives

Swiss Prime Site Group's key financial figures are:

- Operating income
- EBIT
- Equity and debt ratio
- Payout ratio
- Proportion of group financing linked to sustainability criteria

The targets for the group companies' key financial figures are based on their respective core business. From a sustainability perspective, group financing linked to sustainability criteria is particularly relevant among the key financial figures. The medium-term target here is a share of more than 75 %.

Material topics

Within the «Finance» area of action, sustainability aspects are to be found particularly in the material topics of «financial strength» and «responsible and ethical management».

Material topic of financial strength

A strong financial basis enables the Company to plan for the long term and to invest in a sustainable future. Conversely, the Company's financial basis can be strengthened with a credible sustainability strategy and demonstrable progress in this area – firstly through the associated success and secondly through special financial instruments geared to ESG criteria.

Management approach (GRI 3-3)

Swiss Prime Site is the largest real estate company in Switzerland and the second largest independent real estate asset manager. Swiss Prime Site is one of only a few real estate companies to have an A3 rating from Moody's. This outstanding rating simplifies and reduces the cost of Swiss Prime Site's financing.

- [«MOODY'S ASSIGNS A3 RATING TO SWISS PRIME SITE» MEDIA RELEASE OF 15.02.2022 \(AVAILABLE AT SPS.SWISS > MEDIA\)](#)

The capital market increasingly also offers opportunities for companies to finance themselves by means of instruments designed to meet ESG criteria. Based on the example of Swiss Prime Site's bank financing, the costs for such financing depend on, among other things, the development of independent ESG ratings. This enables Swiss Prime Site to further link financial and non-financial corporate performance.

As part of its commitment to sustainability, Swiss Prime Site had published a Green Bond Framework in 2020, according to which green bonds can be issued for the purpose of financing or refinancing sustainable projects. The Swiss Prime Site Green Bond Framework has a Second Party Opinion from ISS ESG confirming that the framework is aligned with the ICMA Green Bond Principles. Consistent with Swiss Prime Site's sustainability goals, the framework defines how the funds from relevant bonds can be used to finance and/or refinance eligible sustainable assets. Swiss Prime Site considers assets or project investments to be suitable if they meet certain criteria. In autumn 2020, Swiss Prime Site issued its first green bond in the amount of CHF 300 million in accordance with the criteria of this Green Bond Framework. A second green bond, likewise in the amount of CHF 300 million, followed in 2021. These bonds support the sustainability efforts of both Swiss Prime Site and investors.





- [GREEN BOND REPORT 2022 \(AVAILABLE AT SPS.SWISS > SUSTAINABILITY\)](#)



In accordance with the ambition to make all the Company’s financing sustainable, the Green Finance Framework was introduced in the reporting year, likewise with a Second Party Opinion from ISS ESG. In contrast to the Green Bond Framework from 2020, the new dynamic framework model also covers sustainability-linked loans and other financial instruments in addition to green bonds. Making financing more flexible in this way and the current operating measures such as portfolio-wide certification of the existing properties in accordance with BREEAM In-Use, an international certification system, or the certification of development projects in accordance with the Swiss Sustainable Building Standard (SNBS) contribute significantly to achieving Swiss Prime Site’s ambitious goals.

→ GREEN FINANCE FRAMEWORK (AVAILABLE AT SPS.SWISS)

Progress

Improved ESG ratings

Rating agency & benchmark	Rating	Date
 SUSTAINALYTICS	13.3 Low Risk 0–10: Negligible 10–20: Low 20–30: Medium 30–40: High	July 2022
 MSCI	A (AAA to CCC)	May 2022
 ISS ESG	C– (A+ to D–)	December 2022
 Inrate	A– (A+ to D–)	June 2022

Rating agency & benchmark	Rating	Date
 G R E S B	4 stars Standing Investments: 85	October 2022
 G R E S B	4 stars Development: 88	October 2022

→ OVERVIEW OF RATINGS AND BENCHMARKS (AVAILABLE ON SPS.SWISS > INVESTORS)

At the end of 2022, 100 percent of the funds raised in connection with green bonds were invested in development projects, investments to increase energy efficiency and photovoltaic systems.

→ GREEN BOND REPORT 2022 (AVAILABLE AT SPS.SWISS > SUSTAINABILITY)

Admission to the SXI Switzerland Sustainability 25® Index

The Swiss Prime Site share (SPSN) was newly admitted to the Swiss stock exchange’s SXI Switzerland Sustainability 25® Index on 19 September 2022. The basis for the admission is membership of the SMI Expanded Index and the highest possible sustainability rating from Inrate, the rating provider defined by SIX Swiss Exchange. This is assessed on the basis of more than 100 quantitative and qualitative factors.

→ «SWISS PRIME SITE (SPS) ADMITTED TO SXI SWITZERLAND SUSTAINABILITY 25® INDEX» MEDIA RELEASE OF 08.09.2022 (AVAILABLE AT SPS.SWISS > MEDIA)

Additional information

GRI 201: Economic performance

GRI 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.

→ TCFD REPORT, P. 73FF

GRI 201-4: Financial assistance received from government

Swiss Prime Site received compensation in the reporting year from the redistribution of revenue from the CO₂ levy on companies.

In the reporting year, Swiss Prime Site Immobilien received occasional contributions from the buildings programme for construction measures that reduce energy consumption or CO₂ emissions, as well as funding for the installation of photovoltaic systems or investments in e-charging stations.

Material topic of responsible and ethical management

Swiss Prime Site is committed to the responsible, value-oriented management and supervision of the Company. The Company understands this to mean that issues that are key to ensuring ethically sound business management are set out in writing and made publicly accessible as part of reporting – completely in keeping with transparent governance. In addition, regular internal training ensures that these fundamental values are known and practised.

Swiss Prime Site pays particular attention, given the industry in which it operates, to avoiding corruption and anti-competitive behaviour. Swiss Prime Site also sets great store by handling security topics in an exemplary way in all areas of the business model – whether it be in relation to the properties, for employees or for customers. Swiss Prime Site also includes IT security here.

Management approach (GRI 3-3)

Swiss Prime Site is one of the largest real estate companies listed on the stock exchange in Switzerland. Responsible and ethical management is therefore of key importance and a relevant factor for the success of the business. In selected areas, Swiss Prime Site deliberately takes on a pioneering role but is aware of the broad responsibility and attention this entails.

Swiss Prime Site uses a set of guiding principles to anchor the values of respect, integrity, responsibility, ambition and innovation and define them more precisely in a company-specific manner. 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 Swiss Prime Site Group's Code of Conduct is based on these corporate values. All employees in all group companies are expected to adhere to it. It is made available to all new employees with the employment contract, and all new employees are trained in it. Each group company has supplemented these principles with specific directives and incorporated them into its processes.

In 2016, the corporate values and the Code of Conduct were introduced in the individual group companies, where they have since become an integral part of corporate culture through regular information events and ad hoc advice sessions. Since 2019, the entire system of policies and procedures has also been revised at group level and made available to the group companies for individual implementation. A Code of Conduct for Suppliers and the Environmental Policy Concept entered into force in 2021.

Combating corruption

(GRI 205-2) 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, which 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.

→ [INTEGRITY PLATFORM \(ACCESS VIA SPS.SWISS > GOVERNANCE > POLICIES\)](#)

The Company has a strict set of rules on favours and gifts. Employees are not allowed to accept gifts or other benefits from third parties in connection with their work for the business either for themselves or others, except minor, customary gifts or benefits. Nor may they accept promises of such gifts or benefits. 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 connection 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 analogously to the provision of gifts or other benefits as well as to invitations by employees.

The welcome day for new managers takes place twice a year. At this event, the general counsel addresses the topics of corruption and bribery and dealing with conflicts of interest.

No cases of corruption have been observed since Swiss Prime Site was founded. (GRI 205-3)

Competitive business activities

Anti-competitive practices are avoided through clear responsibilities and authorisations. All contracts must be reviewed by the relevant legal department. There is a group-wide requirement for documents to be signed by two authorised persons in each case, thus implementing an effective dual control principle. 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. This explicitly makes reference to 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 competent 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 set out in FINMA Circular 13/8 «Market conduct rules». The circular specifies what market conduct is not permissible under supervisory law. It prohibits the exploitation of insider information and market manipulation and sets out requirements that are intended to prevent or detect prohibited market conduct.

There were no legal actions for anti-competitive behaviour, anti-trust and monopoly practices in the reporting year. (GRI 2-27, 206-1)

Whistle-blowing

(GRI 2-26) Swiss Prime Site has an established notification system for whistle-blowing 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. They report these incidents in anonymised form to the CEO and the Board of Directors.

→ [INTEGRITY PLATFORM \(ACCESS VIA SPS.SWISS > POLICIES\)](#)

Environmental compliance

Swiss Prime Site's commitment to responsible management also covers environmental topics and is anchored in the group-wide Environmental Policy Concept, which is mandatory for all the group companies. Swiss Prime Site strives to use resources responsibly in all its activities, to pay attention to regenerative capacity and environmental compatibility and to foster ecological diversity. Swiss Prime Site also takes all measures necessary to meet the needs of society and, in particular, of future generations including in those areas not subject to regulation. The certification strategy included in the concept is the key element with respect to the development and property portfolio. In addition to location-specific building laws and any special construction regulations, new build and modification projects must also comply with various legal requirements relating to the proportion of open and green space, biodiversity, water retention and leaching. Certain requirements must also be observed when cleaning up contaminated sites and disposing of waste. Since all new build projects have been developed in line with Swiss Sustainable Building Standard (SNBS) criteria, they have had to comply with a range of requirements, including requirements that go beyond the applicable laws and regulations.

In the reporting year, there were no legal actions due to non-compliance with environmental laws and regulations. (GRI 2-27, 307-1)

Customer safety

For Swiss Prime Site, the 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. Both building-specific tenant handbooks and also building operations contracts include sections on health and safety aspects, amongst others. The topic of customer safety also includes protecting tenants and users from the consequences of climate change. Natural and environmental risks in particular must be considered here. Swiss Prime Site assesses these risks by region and property and insures them where possible. 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. In addition, the importance of indoor climate, comfort and health in buildings and premises is constantly increasing.

→ [RISK MANAGEMENT AND REPORTING ON CLIMATE-RELATED FINANCIAL RISKS \(TCFD REPORT\), PP. 67–78](#)

Jelmoli

Jelmoli additionally needs to deal with the aspect of quality assurance and proper declaration for the products offered. Providing erroneous or insufficient product information would negatively impact customers and thus represents a serious risk to Jelmoli's reputation. Correct labelling is regularly reviewed as part of checks by local authorities.

At Jelmoli, articles subject to declaration requirements include food, bodycare products and household appliances. 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 declarations 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 product categories, to take appropriate preventive measures. As a last resort, in the event of non-compliance or only partial compliance with the declaration requirement, Jelmoli is also prepared to consider cancelling 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 become even more pronounced, and is accordingly making preparations for proactive communication to guarantee the required transparency at all times.

INFORMATION SECURITY AND DATA PROTECTION

All group companies of Swiss Prime Site collect personal and confidential data of customers, partners and employees 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. Out of conviction, Swiss Prime Site assumes responsibility in the field of data protection in the form of a dedicated organisational structure. For each group company, a company data protection officer (DPO) is obliged to implement the legal requirements. A group-wide data protection officer (DPO) ensures overall coordination and makes the decisions relevant to the group. Moreover, an external data protection consultant safeguards all public interests and performs all public duties relevant to data protection for Swiss Prime Site.

Information security encompasses all organisational and technical measures required to prevent data from being lost, falsified or accessed without proper authorisation. In the group-wide information security and data protection concept and detailed usage directives, the Company defines how information security and comprehensive data protection can be maintained and continuously improved at all times. The roles, processes and controls of all group companies are guided by the ISO 27001 standard in this

context. One aspect of this is a risk-based approach that ensures the protection of the data processed by the group companies. This approach includes regular reviews and assessments by executive management with the aim of continuous improvement.

To further increase all employees' awareness of cyber risks, regular phishing tests are carried out and any areas requiring improvement are communicated to employees. Employees also regularly 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 24/7 monitoring (recognition and reaction) of information security incidents and keep reaction times as short as possible.

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 data subject accordingly.

On 1 September 2023, a new Data Protection Act (FADP) and ordinances (DPO) will enter into force. Swiss Prime Site will adopt the standards of this legislative foundation. The requirement documentation will be adjusted accordingly in all group companies, including guidelines and directives. Swiss Prime Site Immobilien's property portfolio is also screened for any items of building infrastructure relevant to data protection, such as entry systems or CCTV, in order to formally define the respective data processing processes for each property.

In the General Employment Conditions, Swiss Prime Site explicitly commits to data protection and the confidentiality of its contractual partners' and 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 processed 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 an external integrity line at any time.

No breaches of data security or data protection have been observed since Swiss Prime Site was founded. (GRI 2-27, 418-1)

Guidelines, directives and policies

- Code of Conduct (available at [sps.swiss > Governance > Policies](#))
- Code of Conduct for Suppliers (available at [sps.swiss > Governance > Policies](#))

Progress

Swiss Prime Site Solutions

Commitment to the UN Principles for Responsible Investment

The UN Principles for Responsible Investment (UN PRI) are an investor initiative in partnership with the Finance Initiative of the UN Environment Programme (UNEP) and the UN Global Compact. The PRI encompasses six principles for responsible investments, and by taking these into consideration, signatories can contribute to a more sustainable global financial system. Swiss Prime Site Solutions signed the PRI in November 2022 as an investment manager and as a service provider.

→ [UNPRI.ORG](#)

Dedicated sustainability role

In order to manage the central sustainability aspects in Swiss Prime Site Solutions' business model in a more targeted and efficient way, the new role of Head of Sustainability for Swiss Prime Site Solutions was created.

Wincasa

Sustainable supplier management integrated

Wincasa has ensured more transparency towards stakeholders through its new collaboration with Jarowa, a digital transaction platform. Jarowa creates an overview of which suppliers have accepted the sustainability requirements and confirmed their implementation. This means that in future it will be possible to assess the number of sustainability-compliant suppliers, their industry and their owner.

→ [JAROWA.CH](#)

Jelmoli

Communicating sustainability know-how to employees

No one knows a company, its strengths and its weaknesses better than its employees. Jelmoli wants to use this insider knowledge to further develop its commitment to sustainability. In the reporting year, sustainability communication was therefore significantly expanded. In internal communication, «Sustainability» has now been set up on the intranet (J Net). This allows employees to find information on the sustainability strategy, find out about milestones, executed and planned projects, and gives them the

opportunity to contact the sustainability officers directly. Employees can record and discuss their own sustainability ideas in an idea pool.

Making sustainability an event

In March, the Green Act month, Jelmoli put sustainability at the centre of its marketing activities and held a Green Act Day with more than 30 activities from brands and partners. Jelmoli set up an additional section of the website for The Green Act, where customers can view the strategy, objectives and standards in a transparent manner at all times. Products for sale that meet the standards can be identified by special sustainability labels.

→ [JELMOLI.CH/THE-GREEN-ACT \(IN GERMAN\)](#)

Manifesto for sustainable consumption

In the autumn of the reporting year, Jelmoli launched a manifesto and campaign for sustainable consumption. The 12-point manifesto is a playful instruction manual for conscious, holistic consumption and enjoyment. The campaign makes people aware of their own pattern of behaviour and, without finger-pointing, encourages them to question it.

→ [JELMOLI.CH/MANIFEST](#)

Additional information

GRI 308: Supplier environmental assessment

308-1: New suppliers that were screened using environmental criteria

Swiss Prime Site has group-wide guidelines concerning environmental policy and a Code of Conduct for Suppliers.

At Swiss Prime Site Immobilien, the guidelines and requirements apply to suppliers in the operation of the properties and in construction. For example, the corresponding guidelines and requirements are an integral part of management contracts and framework agreements (facility management providers). The guidelines are also included in planning contracts and works contracts (TC/GC).

Wincasa enters into the majority of its contracts in a fiduciary capacity for its customers and takes account of the customer-specific requirements in this regard accordingly. Suppliers directly mandated by Wincasa have to comply with the Swiss Prime Site Group's «Environmental Policy Concept» and «Code of Conduct for Suppliers». In the reporting year, the relevant checks were carried out on a random basis in connection with the conclusion of contracts with ten suppliers of varying sizes.

Suppliers' collaboration with Jelmoli is conditional on the suppliers accepting the Swiss Prime Site Group's Code of Conduct. Brand suppliers additionally have to sign the amfori Code of Conduct. For brand suppliers, Jelmoli also requires certifications in sustainability at brand and product level.

Jelmoli defined sustainability criteria and certificates for suppliers in 2021 and checks whether the certificates exist. At product level too, from 2023 the department store intends to declare certifications for the attributes «resource-friendly», «animal-friendly», «organic», «vegan» and «natural cosmetics».

GRI 414: Supplier social assessment

414-1: New suppliers that were screened using social criteria

Suppliers directly mandated by Wincasa have to comply with the «Environmental Policy Concept» and the «Code of Conduct for Suppliers». This was audited in the reporting year in connection with the conclusion of contracts with ten suppliers of varying sizes.

Jelmoli made an assessment of suppliers on the basis of social criteria in the reporting year. Sustainability criteria and certificates for suppliers were defined in 2021. Jelmoli is checking whether the relevant certificates exist. The system will be adjusted by 2023 to also file certificates at product level. For the 2023 reporting year, a Jelmoli trading partner will be evaluated in order to prepare a risk assessment with regard to child labour and conflict minerals as part of corporate responsibility.

GRI 417: Marketing and labeling

417-1: Requirements for product and service information and labeling

At Swiss Prime Site Immobilien, product and service information and their labelling are defined by contractual provisions in the areas of planning, construction and use of a property. The sustainability certificates are a key element with regard to sustainability at product level (property). The planning contract, works contract, project manual, project requirements specification and rental agreement, including provisions on green leases, are relevant in this regard.

Swiss Prime Site Solutions ensures compliance with the requirements specified in FinSA for providing financial instruments through the «Offers and advertising for financial instruments» regulations. The sale or offering of financial instruments is an important function in Swiss Prime Site Solutions' business model because it represents the direct interface to investors. The aim of offering collective investment schemes is to ensure that a high standard of quality is maintained when providing advice and passing on information to investors. The information content on product distribution is regulated here as follows: «An offer within the meaning of Art. 3 g. FIDLEG exists in a communication of any type

that contains sufficient information on the terms of the offer and the financial instrument and usually aims to attract attention to and sell a particular financial instrument.»

Wincasa records the products and services in customer contracts. Further services or services that are requested after signature of the original contract are recorded in appendices to the initial contract between Wincasa and the customer.

At Jelmoli, articles subject to declaration requirements include food, bodycare products and household appliances. 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 product categories, 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 become even more pronounced, and is accordingly making preparations for proactive communication to guarantee the required transparency at all times.

417-2: Incidents of non-compliance concerning product and service information and labelling

In the reporting year, there were no incidents of non-compliance concerning product and service information and labelling.

GRI 417-3: Incidents of non-compliance concerning marketing communications

In the reporting year, there were no incidents of non-compliance concerning marketing communications.

GRI 419: Socioeconomic compliance

419-1: Non-compliance with laws and regulations in the social and economic area

In the reporting year, there were no incidents of non-compliance with laws and regulations in the social and economic area.

Infrastructure area of action

Swiss Prime Site's infrastructure comprises, firstly, 175 properties in the portfolio and, secondly, 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 owned portfolio of first-class, attractive properties with good value retention is currently worth over CHF 13 billion. Future investments in the project pipeline total around CHF 2.2 billion.

Group objective

The Global Real Estate Sustainability Benchmark GRESB assesses the sustainability performance of real estate assets in the portfolio and for developments globally. Because sustainability is a key element of Swiss Prime Site's business model, the GRESB scores (Standing Investments and Development) are anchored in the Executive Board's objectives as ESG goals to be achieved and thus have a direct influence on the compensation paid annually to management.

Swiss Prime Site considers the GRESB scores to be a suitable measurement for assessing the quality of the management, the property portfolio (Standing Investments) and development activities (Development) and aims to achieve above-average GRESB scores.

Material topics

The relevant aspects of the «infrastructure» area of action are located in the material topics of «quality in investment properties and services», «prime portfolio with flexible use» and «socially beneficial and environmentally friendly properties and development projects».

Material topics of quality in investment properties and services and prime portfolio with flexible use options

Quality is an important distinguishing feature for Swiss Prime Site: the property portfolio consists of sustainable properties with a stable value in prime locations, primarily with office and services space in the most densely populated regions and cities in Switzerland and a sustainability-oriented development pipeline. One important aspect of the stable value of properties is their flexibility in keeping up with changed living and working conditions or urban development. It is therefore essential to be constantly prepared for changes in trends in property use and to anticipate new developments as far as possible.

Management approach (GRI 3-3)

Properties with flexible use options are a high-value asset for any property owner – whether Swiss Prime Site itself or its customers in real estate asset management. It is also advantageous for users of the properties in question if a property can be adapted to meet new needs and requirements for life and work. Environmental protection and protection from climate risks are also becoming increasingly important for property users. The circular economy is an environmental aspect that Swiss Prime Site increasingly considers with regard to its properties.

Flexible-use, sustainable properties are in demand and therefore have a positive impact on the development of a neighbourhood. However, Swiss Prime Site not only uses this opportunity with new builds but also with existing properties, which are repositioned and converted as needed.

Quality in investment properties

As its core business, Swiss Prime Site invests in high-value land, properties and sites in prime locations in Switzerland that retain their value. In the sustainability context, these investments are not only valuable but also socially beneficial and environmentally friendly. Swiss Prime Site measures the quality of its infrastructure (existing properties and development projects) using GRESB ratings from the Standing Investment and Development benchmark categories and with real-estate-related certification systems and certificates of existing properties and development projects.

When it comes to the certification of existing properties, Swiss Prime Site is a frontrunner in the market, having had its first properties certified around 15 years ago.

Swiss Prime Site's current environmental policy stipulates that all new-build, modification and repositioning projects have to be certified under a nationally or internationally recognised sustainability label. For existing properties, the company uses BREEAM In-Use, an international certification system.

For development projects, the focus is on certification under the Swiss Sustainable Building Standard (SNBS). The use of the SNBS ensures that a holistic view of sustainability is taken throughout the development process and, in addition to the ecology and profitability of the building to be constructed, health and safety are also ensured during the construction process and the building's later operation. In particular, the choice of materials and the exclusion of materials with a negative impact make a significant contribution to this.

In addition to certifications, Swiss Prime Site creates a potential analysis for each certified property, which results in concrete measures for increasing sustainability performance.

Other parameters for Swiss Prime Site's performance include the results of the tenant survey (→ [Stakeholders area of action, pp. 15–20](#)) and the weighted average unexpired lease term (WAULT). This indicates the average remaining lease term of a commercial property portfolio. SBy actively managing major tenants and putting its ethos of customer focus into practice, focus Swiss Prime Site ensures that rental contracts can be extended early or concepts for re-letting can be developed early.

Swiss Prime Site measures the success of its quality assurance measures on the basis of business success and also on the basis of the vacancy rate, which has been further reduced from an already low level.

Construction activities entail inconveniences such as noise and site traffic or use restrictions for tenants and local residents. In the reporting year, Swiss Prime Site continued to endeavour to keep these negative impacts as low as possible. Tenants and local residents affected were informed of construction work early, the majority of loud work was carried out outside business opening hours and construction site logistics were optimised so that local traffic was affected as little as possible.

Quality in services

Swiss Prime Site Solutions

To assure quality, Swiss Prime Site Solutions signed the Principles for Responsible Investment (PRI). In addition, sustainability aspects are part of contracts with suppliers, partners and tenants.

Swiss Prime Site measures the success of these quality assurance steps on the basis of business success and financial and ESG ratings, including the GRESB benchmark (Management Score).

Wincasa

The business model of Swiss Prime Site and its group companies also includes service components. Real estate services provider Wincasa sees adherence to deadlines, accuracy, the level to which customer requirements are met and correct, transparent reporting as key elements of its own service quality. It checks these systematically through regular customer surveys, and also in day-to-day dialogue with customers.

Jelmoli

At Jelmoli, meeting customer requirements is the yardstick for the quality of services. To this end, those responsible always keep an eye on developments in the local and global market environment. Another key factor is customer care. To achieve a high quality of customer care, employees must have enough time to dedicate to individual customers. This is why it is important for Jelmoli that employees know the processes and can apply them without losing time. The increasing importance of sustainability aspects in purchase decisions has also led to adjustments in services at Jelmoli. For example, the department store offers a textile cleaning service and the repair and alteration of clothes, suitcases, shoes and skis in its own workshop under the name «Repair & Care». This extends the service life of goods and promotes the circular economy.

Jelmoli measures its service quality using a number of forms of reporting, which are regularly evaluated. All customer feedback is collected and categorised centrally before it is sent to the appropriate place for processing. In each case, after the processing is completed, Jelmoli evaluates how quickly the feedback was processed and how satisfied the customer was with the processing.

As part of the sustainability strategy, a stakeholder survey with customer-relationship-management customers is conducted every two years.

Relevance to the SDGs

SDG 11: Sustainable cities and communities



Make cities and communities inclusive, safe, resilient and sustainable

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».

C1.4 Progress and contributions to the SDGs

Swiss Prime Site Immobilien

Improving GRESB scores

Swiss Prime Site improved its GRESB score in both categories (Standing Investments and Development).

In the Standing Investments category, Swiss Prime Site improved by eleven points to **85 out of 100 points**.

- In the Management score, the rating increased from 24 to 28 points (out of a maximum of 30 points).
- The Performance score improved from 50 to 56 points.
- The GRESB rating in Standing Investments is now **four stars**.

The GRESB score in the Development category improved by 10 points in the reporting year to **88 out of 100 points**.

- In the Management score, the rating increased from 24 to 28 points.
- Swiss Prime Site Immobilien increased its Development score from 53 to 60 points.
- The GRESB rating in the Development category is now **four stars**.

Additional BREEAM certifications and a marked increase in certified space

The decision was taken in the reporting year to expand the 16 pilot BREEAM In-Use certifications carried out in 2021 to the entire portfolio. In the reporting year, this certification of existing properties and a potential analysis with measures for future improvement of the sustainability performance were implemented for an additional 88 properties.

Swiss Prime Site's stated goal was for three-quarters of all space from the portfolio to have a sustainability certificate by the end of 2022. Swiss Prime Site achieved this goal in the reporting year. At the end of 2022, 111 buildings or 73% of the space were certified, which represents a year-on-year increase of 265%.

Pilot projects for improving air quality

The topic of air quality in buildings has increased massively in importance in the last two years in the context of Covid. In response to these needs, several pilot projects using various different sensor systems were run in the reporting year. The focus was on measuring air quality depending on the use of the various spaces. The aim is to improve indoor air quality for users through the targeted use of sensor technology in connection with air conditioning systems.

Jelmoli

Survey confirms top customer care

In the reporting year, Jelmoli conducted a comprehensive customer survey with existing customers and GfK Consumer Panel customers. Jelmoli did well in the net promoter score (NPS), which measures customer satisfaction. In the customer sample, Jelmoli performed impressively with the best score in comparison with competitors. The department store achieved first place in customer relationship management (CRM).

Material topic of socially beneficial and environmentally friendly properties and developments

Swiss Prime Site's properties should not only be valuable but also socially beneficial and environmentally friendly. To achieve this goal, future-proof living spaces in line with market requirements are created for customers and society as a whole, partly by means of conversions and developments.

Management approach (GRI 3-3)

All Swiss Prime Site's group companies strive to offer products and services with specific social or environmental added value.

Suppliers

Swiss Prime Site is aware that sustainability in procurement is key to living up to a comprehensive approach to corporate responsibility. Swiss Prime Site takes account of social and environmental aspects throughout the supply chain by carefully selecting suppliers and through contractual obligations. Swiss Prime Site Immobilien's general terms of business for suppliers include requirements relating to quality management, safety at work and other 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.

Swiss Prime Site Immobilien

The Environmental Policy Concept and the Code of Conduct for Suppliers are integral parts of contracts concluded by Swiss Prime Site Immobilien. Proof of origin is required for all materials used, particularly for critical products such as natural materials. Swiss Prime Site Immobilien takes steps to ensure that all construction materials are also produced in accordance with human rights conventions, the group's Code of Conduct and the Code of Conduct for Suppliers. By signing the contract, suppliers agree to procure raw materials and resources that have been produced locally where possible. This requirement is set down in the Environmental Policy Concept of Swiss Prime Site Immobilien. In addition, suppliers must prove that unethical behaviour such as child labour is excluded throughout the production and procurement chain.

Clear-cut guidelines on sustainable operation and construction are defined throughout the value chain from acquisition, portfolio management and asset management to development projects and are integrated into the relevant processes and tools. This includes performing an SNBS pre-check in the acquisition audit, guidelines regarding energy management, energy procurement and energy production with a focus on renewable energy in operation and comprehensively addressing the topic of sustainability in the wording of orders and specifications for construction and development projects in line with the certification strategy.

Wincasa

At Wincasa, around 10% of suppliers are assessed by the Purchasing department based on social and environmental criteria in centrally managed framework agreements. The quality management system will be redesigned due to the new data protection regulations and, if possible, included in the new ERP system. Further measures with external partners will also be reviewed. The rest of procurement is not carried out centrally and so is not checked by the Purchasing department.

Jelmoli

Jelmoli department store is a member of the amfori BSCI/BEPI initiative. This commits Jelmoli to complying with the amfori Code of Conduct. This code is based on international conventions and lays down certain environmental and social standards which themselves are based on the conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights of the United Nations, the UN Global Compact and the OECD guidelines. Jelmoli must involve suppliers in the amfori BSCI process and conduct regular progress checks. Moreover, sustainable brands are assessed according to environmental criteria. Attributes of the product or production, such as being environmentally friendly, animal friendly, social/fair, natural cosmetics, vegan or made in Switzerland, are decisive here.

Service providers

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien fully transfers the obligation to comply with statutory occupational health and safety requirements and ethical procurement criteria to the relevant construction service providers and their subcontractors. Before construction starts, a safety plan to prevent accidents on the construction site (for example, in accordance with OHSAS 18001) must be drawn up and then approved by Swiss Prime Site Immobilien. No complaints regarding infringements of statutory requirements were recorded at any Swiss Prime Site Immobilien construction sites in the reporting year.

Wincasa

Wincasa has a quality management system for technical and skilled manual work, which requires some suppliers (such as painters, flooring contractors, lift engineers) to hold certifications for quality management (ISO 9001), environmental management (ISO 14000) and occupational health and safety (OHSAS 18001). Depending on the type of work, there are also specific certifications for fire safety, lift systems and refrigeration systems. These requirements also apply to procurement in construction management.

Real estate and developments

Swiss Prime Site is very conscious of its corporate responsibilities regarding the social, environmental and economic framework surrounding its properties. The Company views real estate (projects) not just as individual properties 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. In the construction and service sectors, properties secure local and regional jobs and trainee positions in the value chain.

As its core business, Swiss Prime Site invests in high-quality, socially beneficial and environmentally friendly sites and properties. Swiss Prime Site's business model focuses on commercial properties. Just 1% of rental income is 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 through appropriate offerings 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.

In order to ensure that each property and each new build or modification project creates added value for the users, residents and the local economy, a detailed analysis of the specific characteristics of the location in dialogue with local residents, interested users, authorities and representatives of the business community represents the starting point for further measures. Depending on the project and the requirements, this analysis may also include a consultation on environmental, health and safety aspects. Employees in the Development and Asset Management departments of the Swiss Prime Site Group are responsible for this.

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

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 that standard where possible. Specific systems and labels – such as Cradle-to-Cradle® or Madaster – are also applied in connection with the circular economy.

In addition to designing the buildings in accordance with requirements, Swiss Prime Site contributes to the design of public spaces, green areas and mobility services and facilitates creative temporary uses 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

When investing in socially beneficial and environmentally friendly products, Swiss Prime Site Solutions follows the customer's specifications but provides suggestions, for example for a good mix of tenants, for a range of use options and for promoting urban life. These suggestions may include, for example, properties for student living or in the education sector.

Guidelines, directives and policies

- **Code of Conduct for Suppliers** (available at sps.swiss > Governance > Policies)
- Environmental Policy Concept (available at sps.swiss > Sustainability)
- Real estate sustainability requirements
- Investment regulations

Relevance to the SDGs

SDG 11: Sustainable cities and communities



Make cities and the communities inclusive, safe, resilient and sustainable

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».

SDG 12: Responsible consumption and production



Ensure sustainable consumption and production patterns

Given its business model, Swiss Prime Site is in a position to promote sustainability throughout the real estate value chain and contribute towards SDG 12 – Responsible consumption and production – and recognises its responsibility to do so.

Progress and contributions to the SDGs

Swiss Prime Site Immobilien

Acquisitions with potential

In the reporting year, the project pipeline was further strengthened by several acquisitions. In Berne, a project with planning permission to build a commercial and services building was acquired. The hybrid wood building and the photovoltaic modules installed on the roof and parts of the façade each make their contribution to a very sustainable building concept. The purchase of an existing property in the centre of Basel was made on the premise that the retail space would be transformed into living space in accordance with the principles of the circular economy. This project and a newly acquired land reserve in Zurich-Oerlikon are a prime example of the objective of pursuing sustainable development in cities and creating added value through responsible production.

Progress according to plan on certifications (CRE8)

At the end of 2022, 13 development projects were in the process of certification or were planned accordingly:

Description	Label	Status
Stücki Park 1st stage, Basel	SGNI	Planned
Stücki Park 2nd stage, Basel	SGNI	Planned
Tertianum Olten, Olten	Minergie	Pre-certified
Alto Pont-Rouge, Geneva	SNBS, Minergie	Pre-certified
JED new build, Schlieren	SNBS	Planned
maaglive, Zurich	SNBS	Planned
Uster urban area, Uster	SNBS	Planned
Müllerstrasse, Zurich	SNBS, Minergie	Pre-certified (SNBS), planned (Minergie)
Dreispietz Mitte, Münchenstein	SNBS	Planned
Rheinstrasse, Augst	SNBS	Planned
Rte de Meyrin 49, Geneva	SNBS	Planned
Steinenvorstadt, Basel	SNBS	Planned
Bern 131, Berne	SNBS, Energy Plus	Planned

Swiss Prime Site Solutions**Commitment to the Principles for Responsible Investment**

In November 2022, Swiss Prime Site Solutions signed the UN's six principles for responsible investment (UN PRI). The goal of the PRI is to create a better understanding of the impact of investment on environment, social and governance topics and support the signatories of the principles in integrating sustainability topics in their investment decisions.

Additional information**GRI 203: Indirect economic impacts****203-1: Infrastructure investments and services supported**

With its business activities, Swiss Prime Site contributes to economic and social development in many different ways. One strategy particularly worth mentioning here is the development of districts through rental properties that are tailored to the needs of users. Swiss Prime Site supports the mobility transition through charging stations for electric vehicles and promotes local procurement and business, for example trades businesses or property management.

The Company is also committed to training young people and supports social and cultural organisations and projects. As part of 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 around CHF 500 000 that is devoted to innovation, research and teaching. The satellite initiatives have an annual budget of around CHF 500 000 that supports

smaller-scale projects in the areas of youth initiatives, sport and culture. In 2022, Swiss Prime Site supported events such as the NZZ Real Estate Days, Sustainable Switzerland's Swiss Sustainability Forum 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 and Athletics Network. The Company also made charitable donations to SOS Kinderdorf and Orphanhealthcare. The group companies directly pledge smaller charitable commitments.

Innovation area of action

Swiss Prime Site relies on continuous corporate development through the internal expansion of knowledge and an open innovation approach to profitably employ intangible assets, culture, know-how and technologies for the purpose of value creation. Social, scientific, technological and environmental developments and trends are analysed across all business fields on the basis of leading indicators, and corresponding findings are taken into account in the development of all the group companies. For example, Swiss Prime Site regularly uses innovative solutions originating from its structured innovation screening for existing properties and in development projects (e.g. sustainable materials or digital services for improving tenant satisfaction). To identify innovations that are relevant for its business model, Swiss Prime Site conducts regular innovation workshops and start-up accelerator programmes. In these programmes, Swiss Prime Site collaborates with up-and-coming technology and innovation companies and thus gains early access to market-changing concepts and new business models, which can be used to constantly improve its own value creation. The focus here is on start-ups in the areas of proptech, construction tech, cleantech, retailtech and fintech.

As part of its innovation management, Swiss Prime Site addresses disruptive megatrends such as climate change and changing values, the future of work, the circular economy and the energy transition/ decarbonisation. The Company uses the skills of employees from various group companies and areas to develop user-centred services that can help resolve social, environmental and economic social challenges.

Group objective

Swiss Prime Site sees itself as part of a widespread innovation network. This is why the Company has set itself the objective of making targeted investments in start-ups to promote the development of innovative companies and potentially profit from this from the front row at a later stage. Furthermore, it is important to Swiss Prime Site that innovative ideas should be tried and tested in practice, and the company therefore monitors the initiatives from the Future Boards that are implemented.

Material topics

Two aspects of innovation are particularly relevant at Swiss Prime Site. Firstly as an «output», in the form of customer- and market-oriented products and services (→ [material topic of customer and market orientation, p. 36](#)). Secondly as part of the corporate culture and thus as a foundation for the development of the Company and its products and services (→ [material topic of corporate and innovation culture, p. 38](#)).

Material topic of customer and market orientation

Swiss Prime Site encourages innovation in order to expand its range of services at an early stage with a focus on customers and market needs, to make it more sustainable, to expand value creation potential and to create long-term competitive advantages.

Swiss Prime Site's innovation plans are based on understanding today's customer and user needs and anticipating the needs of tomorrow at an early stage in order to proactively make appropriate changes to the corporate culture and products and services. Swiss Prime Site observes the market as well as economic and social trends to develop solutions that, for example, also focus on the needs of users that fall under the heading of space as a service.

Management approach (GRI 3-3)

In the competitive market of real estate companies, Swiss Prime Site wishes to differentiate itself above all by innovative products and services.

Swiss Prime Site relies on four fields of innovation to offer its customers sustainable and innovative products and services with the greatest possible added value:

- Operational excellence in all core processes through digitalisation
- Servitisation of property sites for the best possible tenant experience
- Increasing sustainability and the health and wellbeing of the property user
 - «THE HEALTHY BUILDING» STORY OF 17.2.2022 (AVAILABLE AT [SPS.SWISS > STORIES](#))
- Creation of new business models and diversification of revenue sources

Innovation partnerships

Swiss Prime Site nurtures its innovation culture and furthermore maintains partnerships with start-ups and research institutions. Through the activities of its Corporate Ventures & Innovation group, Swiss Prime Site seeks out innovative technologies and products and new scalable business models. To this end, the Company collaborates with Venturelab, 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 and scaled within the operations of the Swiss Prime Site group companies.

Since 2018, several start-up accelerator programmes have been run each year, and the resulting projects have been implemented (on a trial basis) or rolled out to the portfolio. Building and expanding a long-term, constructive business relationship is of primary importance here, as it allows both parties to develop sustainably, paving the way to stable competitive advantages. In these workshops, start-ups work together with specialists from Swiss Prime Site and network partners for two days and develop new ideas and solutions. The up-and-coming technology companies benefit from individual coaching and can further develop their business cases. In the final presentation, the start-ups present the concrete use cases and business cases developed to Swiss Prime Site's Executive Board and make an offer for upcoming collaboration.

→ [SPS.SWISS > COMPANY > INNOVATION](#)

Relevance to the SDGs

SDG 11: Sustainable cities and communities



Make cities and the communities inclusive, safe, resilient and sustainable

Innovative products and concepts help make it possible to continuously increase the attractiveness, sustainability and flexibility of living spaces. For Swiss Prime Site, the focus of improving living spaces is not just the interests of direct stakeholders. Instead, the Company always keeps the holistic development of the district, community or town in mind.

SDG 4: Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Innovation in the context of Swiss Prime Site doesn't just represent a contribution to the development of the Swiss real estate sector. Rather, the people in and around this sector also grow with it. They benefit from it or make a contribution to the development or implementation of innovations. This involves experiences and learning processes that are not linked to traditional education and training.

Progress and contributions to the SDGsAccelerator programs on the topic of proptech

Swiss Prime Site has been looking for start-up ideas in the field of proptech and associated disruptive approaches for existing business models and new value creation opportunities in the real estate sector, from performance materials, BIM and asset management software to Smart Building and Smart City solutions (e.g. mobility) that improve sustainability in core processes.

→ [VENTURELAB.SWISS](#)

Accelerator workshop on«Net zero buildings/decarbonisation»

Decarbonisation in the real estate sector requires far-reaching measures. A range of innovations in energy supply and energy management will be used to achieve them. This requires innovative technologies that make the switch from fossil fuels to renewables possible in the first place. The idea is that buildings should – almost as a secondary function, and as a way of contributing to the smart cities of tomorrow – become actual power stations, capable of producing energy for tenants and, in an ideal scenario, neighbours, too.

A large number of applications from interested parties were considered in advance of the workshop and nearly a dozen were invited to pitch. Five finalists were selected to present concrete applications and collaboration potential to Swiss Prime Site's Executive Board:

- Enerdrape develops prefabricated geothermal panels with a modular system that makes them easy to install.
- The team at Evodrop provides a water treatment system that dispenses with the use of salt and preserves minerals essential for drinking water (such as calcium and magnesium).

- TVP Solar produces solar thermal high-vacuum flat-plate collectors for industrial uses.
- NewGreenTec generates green energy with small hybrid, distributed wind-solar power stations.
- SoHHytec offers a system based on solar technology for the on-site production of hydrogen, heat and electricity.

→ [SPS.SWISS > SUSTAINABILITY > AREA OF ACTION INNOVATION](#)

Accelerator workshop on retailtech

Swiss Prime Site and, in particular, group companies Wincasa and Jelmoli have been looking for ground-breaking start-up ideas in retailtech. These include solutions that help optimise the use of retail spaces to improve customer retention, time spent in the store, the conversion rate, loyalty and the general customer experience. In addition, they are looking for technologies in the fields of data analytics, e-commerce, omnichannel retail and improvements at the point of sale.

→ [VENTURELAB.SWISS](#)

Innovations workshop on urban mining

In Switzerland, the construction sector is responsible for 65 percent of waste. Although 80 percent of it is recycled, significant landfill volumes of around 3 million tonnes per year remain (more than non-recyclable household waste). In addition, the recycling mainly takes place as value-reducing downcycling and does not lead to closed material cycles. Urban mining can lead to improvements here. The term refers to recovering raw materials and reusing them in products and infrastructure after their initial use has ended. Resources from existing buildings are retained or are fed back into the value chain and can be used again. The workshop resulted in recommendations for action for the entire industry. These were subsequently thought through in concrete terms and modelled for the development of the Iseli site – expected to be a prototype for urban mining – in Regendorf.

Material topic of corporate and innovation culture

As part of its innovation management, Swiss Prime Site addresses disruptive megatrends such as climate change and changing values, the future of work, the circular economy and the energy transition/ decarbonisation. So as to be able to deal with these complex topics and associated questions, Swiss Prime Site wants innovation to be understood not only as a market- and customer-oriented goal, but also as a key value and part of corporate culture.

Management approach (GRI 3-3)

Swiss Prime Site's innovation strategy is integrated into the corporate strategy, for which a central unit reporting to the Group 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. 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 and user-focused thinking in Swiss Prime Site's corporate culture.

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. Together with the associated processes, innovation is part of the business strategy and the sustainability strategy. This makes it possible to take an integrated approach to innovation across all business fields and promote an innovative corporate culture.

Swiss Prime Site is open to the practical testing of new approaches. A well-structured, iterative sourcing and test process for new technologies and innovative solutions has been established. This often gives rise to creative and market-leading collaboration, e.g. with providers of space-as-a-service solutions and multimodal mobility companies. It is particularly important to the Company to engage employees from all the group companies and divisions in these processes and to stimulate and develop internal skills through knowledge exchange with external sources.

Investments in innovative start-ups

The accelerator workshops, which Swiss Prime Site holds several times a year, aim not only to find concrete ideas that can be implemented within the operations of Swiss Prime Site's group companies but also to identify opportunities to invest in innovative start-ups. In addition, Swiss Prime Site has been a partner of Swiss Startup Days since 2021.

Relevance to the SDGs

SDG 17: Partnerships for the goals



Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

Innovation drives sustainable management. As part of a collaborative network, Swiss Prime Site supports the development of innovations by financial means and also provides the opportunity to test innovative products and concepts in practice.

SDG 4: Quality education



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Innovation in the context of Swiss Prime Site doesn't just represent a contribution to the development of the Swiss real estate sector. Rather, the people in and around this sector also grow with it. They benefit from it or make a contribution to the development or implementation of innovations. This involves experiences and learning processes that are not linked to traditional education and training.

Progress and contributions to the SDGs

Equity investment in Urban Connect

Urban Connect made it to the final round of a Swiss Prime Site accelerator programme in 2021. The result was a pilot project in Stücki Park in Basel. Sustainability has been front and centre for all site users and tenants of Stücki Park since Urban Connect provided a fleet of 40 e-bikes and five electric cars in summer 2022.

Real estate services provider Wincasa also makes e-vehicles from Urban Connect available to its employees in the Zug and St. Gallen branches.

In future, it will also be possible to generate statistics for reporting Scope 2/Scope 3 emissions via the multi-modal platform (including public transport integration).

Swiss Prime Site has chosen to make a strategic investment in Urban Connect in order to be able to provide new, integrated mobility services on its sites in the future.

→ [URBAN-CONNECT.COM](https://urban-connect.com)

Increased collaboration with Memox

Memox Innovations offers collaboration spaces and Conferencing as a Service at dedicated sites in Zurich and Basel and provides an important response to new needs in the context of New Work. The start-up's services increase the attractiveness of multi-tenant properties and help in the modernisation of existing properties. Memox's modular collaboration spaces primarily increase tenants' productivity and creativity and promote collaboration in the context of work. Together with Memox, Swiss Prime Site is opening new locations at Elisabethenstrasse and in Peter Merian Haus in Basel.

→ [MEMOX.COM](https://memox.com)

Development of additional FlexOffice locations

FlexOffice provides its members with managed enterprise offices in central locations in Zurich, Basel, Geneva and Berne. In 2022, Swiss Prime Site strengthened its strategic collaboration and investment and also planned additional FlexOffice locations – in JED Schlieren and in Prime Tower in Zurich. Swiss Prime Site is thus meeting a rapidly growing market need for servitised office floor space, which works along the lines of a plug and play model and is ready for use immediately.

→ [FLEXOFFICE.SWISS/EN](https://flexoffice.swiss/en)

Collaborations in the context of the circular economy

Jelmoli deliberately maintains collaborations with start-ups in connection with the circular economy to gather knowledge on how these services are received by customers and to work out future directions for the development of its own business model on the basis of this knowledge. In 2022, Jelmoli worked with the following start-ups:

- KURATO: which sells quality second-hand furniture
→ [KURATO.CH](https://kurato.ch)
- OIOIOI: a rental subscription model for sustainable baby clothes
→ [OIOIOI.RENT](https://oioioi.rent)
- RAGFAIR: another collaboration on clothing rental for evening wear
→ ragfair.ch/en
- SHARELY: Jelmoli products can be rented on the online platform
→ [SHARELY.CH/EN](https://sharely.ch/en)

Additional information

GRI 203: Indirect economic impacts

203-1: Infrastructure investments and services supported

In 2022, Swiss Prime Site invested a total of around CHF 3.5 million in projects and partnerships with start-ups.

In addition, Swiss Prime Site spent around CHF 100 000 on sponsoring start-up events (including Startup Days Berne, START Summit St. Gallen, etc.).

Ecology area of action

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 the operation of the property portfolio it owns itself climate neutral by 2040. To achieve this goal, Swiss Prime Site is taking targeted measures to increase energy efficiency and investing in renewable energy. The focus is on the part of the property portfolio that is largely responsible for resource consumption and emissions, which is where the capital employed will have the greatest impact. The sustainability-oriented procurement policy imposes ecological criteria and supports circular-economy approaches wherever possible (→ material topic of the circular economy, p. 51).

Group objective

Swiss Prime Site is aiming for a climate-neutral property portfolio by 2040. Another overarching objective with significant ecological aspects is the continuous improvement of the GRESB rating (Management, Performance and Development score).

Material topics

Within the «ecology» area of action, the material topics of «reducing CO₂ emissions during operation and construction» and «circular economy» play a pivotal role. In addition, Swiss Prime Site reports extensive data on energy and water management.

Sustainability principles and requirements in Swiss Prime Site's own property portfolio

In 2021, Swiss Prime Site formulated comprehensive requirements for sustainability in its own property portfolio that contribute to the three overarching objectives. These sustainability principles and requirements cover Acquisition, Development & Construction and Portfolio & Asset Management. The certification strategy drawn up in 2021 and the objective of climate neutrality by 2040 are at the heart of the requirements. All new build and redevelopment projects therefore have to be certified with a nationally or internationally recognised sustainability label. The choice of label is based primarily on the certifiability of property-specific use or, in some cases, also on regulatory requirements or tenant expectations. An SNBS pre-check with a focus on the location indicators and an assessment of the quality and the certifiability is made for all properties to be purchased. Where possible, existing buildings not yet certified are also certified in a property-specific process and with a particular focus on their operation. All new build and redevelopment projects within Swiss Prime Site's own property portfolio must, where possible, be operated emission-free or designed as an Energy Plus building – «building as a power plant».

Guidelines, directives and policies

- **Environmental Policy Concept** (available at sps.swiss > Sustainability)
- Wincasa's directive on sustainability management
- Sustainability principles and requirements in Swiss Prime Site's own property portfolio

Material topic of reduction of CO₂ emissions

The real estate industry is responsible for a significant proportion of emissions and consumption of energy and resources. In real estate, around two-thirds of emissions can be attributed to the use phase. To decarbonise a property portfolio, it is therefore essential to understand the components of the environmental footprint. In addition to reducing CO₂ emissions within our own value chain, we must not disregard indirect emissions. Around 30 percent of these emissions currently occur during the production of raw materials, along the supply chain and in the materials cycle in the construction process. This proportion is constantly increasing with the steady decarbonisation of operations.

Management approach (GRI 3-3)

Swiss Prime Site aims to make the operation of its own property portfolio climate neutral by 2040. To achieve this objective, the Company takes targeted measures to increase energy efficiency and the proportion of renewable energy. The key element in the battle against climate change is the reduction of greenhouse gas emissions.

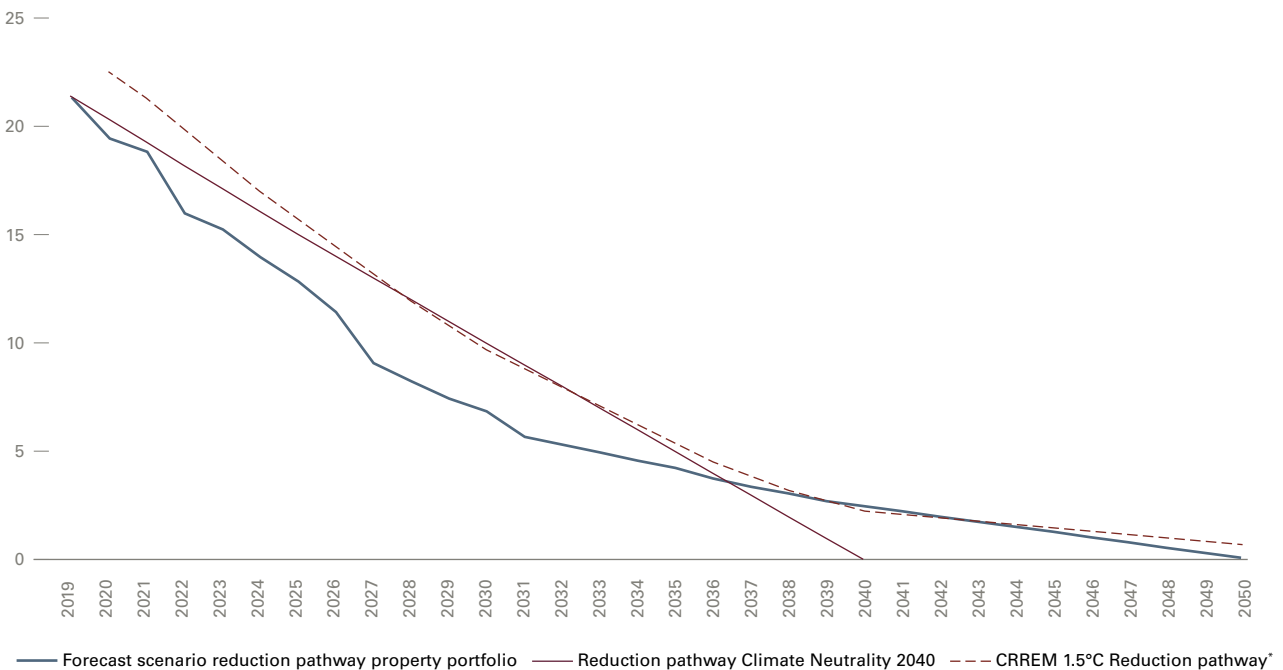
The Swiss Prime Site Group is committed to the 1.5-degree reduction pathway and climate neutrality by 2040

Swiss Prime Site’s greenhouse gas figures show that, at around 90.2%, the biggest leverage factor for reducing greenhouse gas emissions is in the operation of the group’s own property portfolio. As a result of this and in reaction to the Swiss Federal Government’s «Net Zero Goal», back in 2019 Swiss Prime Site developed a detailed CO₂ reduction pathway for its entire property portfolio, which is valued at around 13 billion. A specific methodology was developed for this purpose for the first time in Switzerland, which includes Scope 1 and 2 and, in some cases, Scope 3 emissions and clarifies which parts of emissions caused by tenants will be included 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 its calculations.

→ NOTES ON COLLECTION OF ENVIRONMENTAL FIGURES (AVAILABLE AT SPS.SWISS > SUSTAINABILITY)

CO₂ reduction pathway for property portfolio and climate goal 2040

kg CO₂-eq/m²a



* Carbon Risk Real Estate Monitor (CRREM): portfolio of Swiss Prime Site reduction pathway weighted according to use type. Data from January 2023 at <https://www.crrem.org/pathways/>

The aim of the property portfolio's reduction pathway is for the CO₂ intensity per square metre to remain below the 1.5-degree reduction scenario defined by the CRREM (Carbon Risk Real Estate Monitor). Swiss Prime Site will thereby make a significant contribution to achieving the goals of the Paris Climate Accord. As the property portfolio is comparatively modern and equipped with state-of-the-art technology, energy consumption and CO₂ emissions are already at a promising level compared with the rest of the market. Although the starting point is therefore favourable, the goal is no less challenging.

Swiss Prime Site plans to invest around CHF 650 million in measures to achieve climate neutrality by 2040. 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 emissions are unavoidable, we will evaluate additional measures that would help the portfolio achieve climate neutrality by 2040.

The reduction pathway requires active management and continuous adaptation to the property portfolio's current data. The plan will be regularly updated and published as part of annual reporting. The previous illustration shows the results as at 31.12.2022. The new reference figures for Swiss building stock published by CRREM in January 2023 are already being used here as the reference for the 1.5-degree reduction pathway. The CRREM reduction pathway is working towards Net Zero by 2050. The roadmap towards climate neutrality by 2040 defined by Swiss Prime site is even more ambitious by comparison. Compared with reporting in previous years, an adjustment has been made in respect of the future development of the underlying mix of energy sources for district heating and electricity for simulation of the portfolio reduction pathway. The assumption applied in previous years, that the electricity and district heating mix will remain at the current level in respect of CO₂ intensity until 2050, is judged to be too conservative. Although the CO₂ intensity, through construction measures alone, will reach 6.74 kg CO₂eq/m²a (representing a 68% reduction compared to the 2019 reference year), realistically there is still further potential for reduction in relation to the future development of the electricity and district heating mix. For that reason, the assumption is now being made in the reduction pathway forecast that all electricity and district heating suppliers will implement net zero by 2050 in line with the Federal Council's target. This means that with the same construction measures, by 2040 a CO₂ intensity of 2.41 kg CO₂eq/m²a will be reached, which corresponds to a reduction of 88% compared with the 2019 reference year. The targeted objectives are thus largely already being achieved.

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 strategy 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.

In 2019, Swiss Prime Site analysed 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, 20 properties were identified where additional photovoltaic systems could be installed. 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. 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 assessment and the calculation of the purchase price.

All new build and redevelopment projects must, where possible, be operated emission-free or designed as an Energy Plus building. The cornerstones of this strategy are the complete avoidance 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.

Swiss Prime Site Immobilien

Ongoing 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 continuously digitally records the energy consumption of 153 properties. This corresponds to 96 percent 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 should not be optimised as individual properties but be seen as part of a system that needs to be improved as a whole. Swiss Prime Site Immobilien is therefore focusing 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.

Swiss Prime Site Solutions

Swiss Prime Site Solutions develops needs-based sustainability strategies for all services (investment management, real estate services). It also supports the various real estate vehicles with their sustainability efforts, in particular optimising their energy consumption and reducing CO₂ emissions. For its customer Swiss Prime Investment Foundation, Swiss Prime Site Solutions developed a CO₂ reduction pathway as the core element of climate protection measures so as to achieve the targets set out in the Paris Climate 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 embodied energy will be optimised on a project-specific basis until further notice.

Wincasa

Wincasa has been supporting its clients on the topic of sustainability for many years with a dedicated consultancy team. Property and environmental experts advise property owners and clients at portfolio and property level, and offer services for reducing energy consumption and CO₂ emissions. Central services at portfolio level include:

- developing and implementing sustainability strategies and reporting 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 is 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 and certification. 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. Additional expert staff were recruited in the reporting year to advise customers on photovoltaic systems.

Jelmoli

Jelmoli is committed to climate protection and has been working with the foundation myclimate since autumn 2022. Together with Jelmoli, myclimate is identifying improvement potential and developing concrete measures to reduce CO₂ and efficiently use energy and resources within the value chain. The main change introduced is that the whole supply chain (Scope 3) is considered.

The myclimate foundation and Jelmoli are developing a reduction pathway together. Jelmoli has thereby taken the key steps to avoid or minimise its CO₂ emissions wherever possible in order to achieve the defined climate goal of climate neutrality by 2040.

Guidelines, directives and policies

- Environmental Policy Concept (available at [sps.swiss](https://www.sps.swiss) > Sustainability)

Relevance to the SDGs

SDG 13: Climate action



Take urgent action to combat climate change and its impacts

Swiss Prime Site 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 (SDG 13).

SDG 12: Responsible consumption and production



Ensure sustainable consumption and production patterns

Swiss Prime Site believes it is in a position to promote sustainability throughout the property value chain and contribute towards SDG 12 – responsible consumption and production.

Progress and contributions to the SDGs

Swiss Prime Site Immobilien

Substitution of fossil fuels

The Bahnhofplatz/Neumattstrasse property in Dietikon was connected to the Limeco regional district heating grid to replace its gas heating. The property in Rue du Rhône in Geneva has been heated with a heat pump and cooled with the water from the Rhône since October 2022.

New photovoltaic systems

In the reporting year, a photovoltaic system – in Hagenholzstrasse in Zurich-Oerlikon – with a total capacity of 100 KWp and a module surface of 500 m² was installed and put into operation. Further projects are planned for installation in 2023.

→ [SUSTAINABILITY KEY INDICATORS \(AVAILABLE AT SPS.SWISS > SUSTAINABILITY\)](#)

New system provider for portfolio-wide energy management

The energy requirements and greenhouse gas emissions are compiled at property level for Swiss Prime Site's entire property portfolio. This data is collected centrally in an energy management system and analysed, and measures for reducing the energy requirements and greenhouse gas emissions are defined. In 2022, Swiss Prime Site Immobilien evaluated a new energy management system provider. It will replace the old system at the beginning of 2023. The providers of facility management will now also be held more accountable and will be given professional support from an external partner in optimising the operation of their managed properties. The aim is to operate properties with optimum energy efficiency.

Increased energy saving efforts

Due to the geopolitical situation and the related energy crisis, the portfolio has been analysed for opportunities to save energy. A multi-stage roadmap has been prepared for each property. The relevant measures have already been implemented.

Information on correct behaviour in the event of a power shortage

Swiss Prime Site Immobilien has proactively informed tenants and users of the properties about possible scenarios concerning a power shortage, thus preparing for any orders that may be officially imposed.

Energy saving with liquid crystal glass façade in the environmental flagship project in Müllerstrasse

The property at Müllerstrasse 16/20 in Zurich, which is currently undergoing extensive renovation, is a flagship project for sustainable, circular construction and will be SNBS-certified following its completion at the end of 2023. In addition, eyrise's liquid crystal glazing is being used on this scale for the first time in the project and will mean no separate sun protection is needed.

→ «SWISS PRIME SITE IMMOBILIEN TO DEVELOP GOOGLE'S NEW ZURICH OFFICE» MEDIA RELEASE OF 01.06.2021 (AVAILABLE AT [SPS.SWISS > MEDIA](#))

Airlite paint technology used in more properties

The volatile organic compounds (VOC) found in conventional paint products can harm human health. Airlite is a natural paint product that uses nanoparticles instead of toxic chemicals. These reduce volatile organic compounds and air pollutants and also repel bacteria, viruses and mould spores. The paint's ability to reflect heat from sunlight also reduces the energy costs associated with cooling during hot weather by up to a third. In the reporting year, Airlite was used on Prime Tower and Müllerstrasse 16/20.

Swiss Prime Site Solutions

Management of sustainability in the real estate vehicles

The topic of sustainability plays a key role for Swiss Prime Site Solutions' own products (IFC & Akara Swiss Diversity PK), the managed property portfolio of Swiss Prime Investment Foundation (SPIF) and for third-party mandates. Swiss Prime Site Solutions systematically accelerates the progress of sustainability strategies in its own products and supports its clients in the development and implementation of individual strategies.

→ [SWISS PRIME SITE SOLUTIONS INVESTMENT FUND \(SPSS IF\) COMMERCIAL ANNUAL REPORT \(AVAILABLE AT \[SPSSOLUTIONS.SWISS > SERVICES\]\(#\)\)](#)

→ [AKARA SWISS DIVERSITY PROPERTY FUND PK ANNUAL REPORT \(AVAILABLE AT \[SPSSOLUTIONS.SWISS > SERVICES\]\(#\)\)](#)

Development of a CO₂ reduction pathway for Swiss Prime Investment Foundation

Swiss Prime Investment Foundation (SPIF) is conscious of its responsibility for climate action and sets itself goals to enable it to contribute to the Paris Climate Agreement's 1.5-degree goal and the Swiss Federal Council's goal of achieving climate neutrality by 2050. Swiss Prime Site solutions developed the e3m energy management system for systematic collection of consumption data for SPIF. Detailed floor space data, energy consumption and meter data and the technical condition of the respective properties. Using this robust survey of the current situation, it has been possible to identify improvement potential and calculate an ambitious but also realistic reduction pathway for the property portfolio.

Energy-saving measures for client properties

Swiss Prime Investment Foundation (SPIF) implemented numerous energy-reduction measures in its managed property portfolio in the reporting year. Currently, 11 heating renovation systems, 12 photovoltaic projects and six e-mobility facilities are at the detailed planning or implementation stage. Furthermore, 5 properties were switched to LED lighting in the reporting year.

Automated reading of consumption data

Precise information on the space, energy-consuming area and consumption data are essential to ensuring that sustainability measures are implemented efficiently and data quality is high. With this in mind, the energy management system implemented has been further developed for SPIF and an initial CO₂ reduction pathway has been devised. A pilot project to automatically read consumption data at the Rudolph-Diesel-Strasse property in Winterthur has been initiated for the IFC. A pilot scheme with various partners on how to measure areas has also been approved in order to find the most suitable product. Another pilot project at the Kirchgasse 20 property in Dietikon combines the ten-year planning and the CO₂ reduction pathway with each other. The pilot projects are being rolled out to the entire portfolio and will be completed in 2023. Investment planning and the operation of the properties in line with the CO₂ reduction pathway will therefore be possible from 2024.

→ [SPIF 2022 ANNUAL REPORT](#)

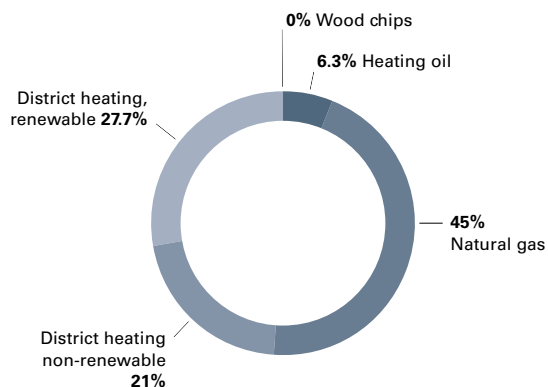
Key environmental indicators¹ (GRI 302-3, 305-1, 305-2, 305-3, 305-4, 305-5)

Swiss Prime Site property portfolio

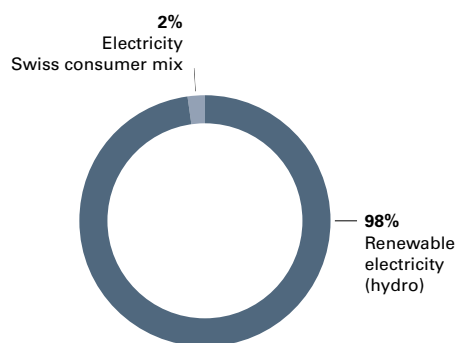
	in	2021	2022
Properties	Number	160	153
Usable floor space	m ²	1 590 270	1 604 846
Total energy consumption	MWh	206 343	217 122
Share renewable	MWh	94 883	121 695
Share non-renewable	MWh	111 460	95 427
Electricity	MWh	74 987	98 868
Share renewable (hydro)	MWh	68 379	96 795
Share non-renewable (standard Swiss consumer mix)	MWh	6 608	2 073
Heating energy	MWh	131 356	118 254
Heating oil	MWh	6 657	7 400
Natural gas	MWh	71 162	53 161
District heating	MWh	53 251	57 693
Share renewable	MWh	26 218	24 899
Share non-renewable	MWh	27 033	32 794
Wood chips	MWh	286	0
Energy intensity ²	kWh/m ²	173.5	177
Electricity intensity ³	kWh/m ²	79.9	93.4
Heat intensity ⁴	kWh/m ²	94.8	84.1
CO ₂ emissions ⁵	tCO ₂ e	25 064	21 300
CO ₂ emissions Scope 1	tCO ₂ e	10 696	9 303
CO ₂ emissions Scope 2	tCO ₂ e	3 697	3 773
CO ₂ emissions Scope 3	tCO ₂ e	10 671	8 224
CO ₂ intensity ⁶	kgCO ₂ e/m ²	19.6	16.9
Share of CO ₂ emissions of portfolio relative to total emissions of Swiss Prime Site Group	%	91.7	90.2
Water consumption	m ³	580 564	669 566

¹ For explanations, see: Notes on collection of 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 1 226 731 m².
³ The electricity intensity refers to an area of 1 058 175 m².
⁴ The heat intensity refers to an area of 1 405 893 m².
⁵ CO₂ emissions are reported separately for the real estate and services segments, as emissions from the services segment (see pp. 48–49) are negligible compared with emissions from the property portfolio (3.35% of total emissions in the reporting year).
⁶ The CO₂ intensity refers to an area of 1 260 331 m². This corresponds to a calculated area averaged from the areas to which the energy consumption relates.

Breakdown of CO₂ emissions by heating energy source 2022

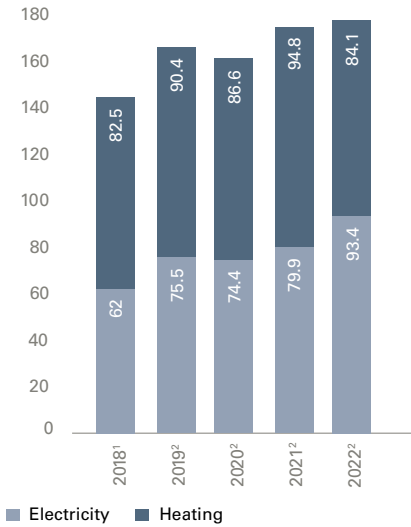


Breakdown by electricity source 2022



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

kWh/m²



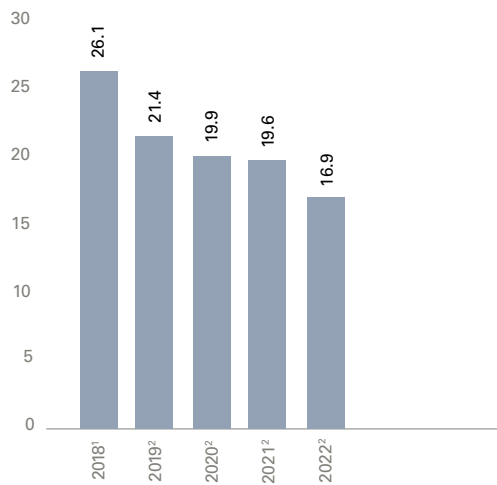
■ Electricity ■ Heating

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 specific usage of 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



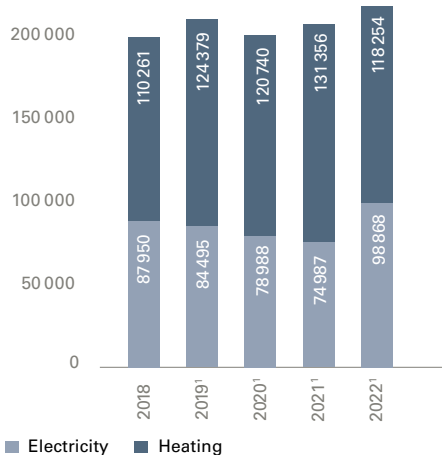
¹ Since 2019, heating consumption has no longer been adjusted based on heating degree days. Total energy consumption relates to the total area of the properties (see Notes on collection of environmental figures (accounting concept), available to download on www.sps.swiss under Sustainability).

² Since 2019, total energy consumption has been recorded based on the specific usage of 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
(GRI 302-1, 302-4)**

MWh

250 000



■ 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	2021	2022
CO ₂ emissions	tCO ₂ e	53	138
CO ₂ emissions Scope 1	tCO ₂ e	0	2
CO ₂ emissions Scope 2	tCO ₂ e	0	0
CO ₂ emissions Scope 3 ³	tCO ₂ e	53	136

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	2021	2022
Usable floor space	m ²	905	1315
Total operational energy consumption (rented areas)	MWh	26	91
Share renewable	MWh	6	52
Share non-renewable	MWh	20	39
Electricity	MWh	7	52
Share renewable	MWh	6	52
Share non-renewable	MWh	1	0
Heating energy	MWh	19	39
Natural gas	MWh	0	39
Heating oil	MWh	19	0
CO ₂ emissions	tCO ₂ e	23	92
CO ₂ emissions Scope 1	tCO ₂ e	5	8
CO ₂ emissions Scope 2	tCO ₂ e	0	0
CO ₂ emissions Scope 3 ³	tCO ₂ e	18	84
Total water use (rented areas) ⁴	m ³	64	N/A

¹ The energy consumption reported occurs on leased space of 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.

⁴ Due to the dissolution of previous locations and the new office space in Zug, no data on water consumption is available this year.

Operational resource consumption and operational CO₂ emissions Wincasa¹

	in	2021	2022
Usable floor space	m ²	19 435	19 370
Total operational energy consumption (rented areas)	MWh	2 271	2 212
Share renewable	MWh	808	971
Share non-renewable	MWh	1 463	1 241
Electricity	MWh	812	972
Share renewable	MWh	618	816
Share non-renewable	MWh	194	156
Heating energy	MWh	1 459	1 240
Heating oil	MWh	45	65
Natural gas	MWh	1 028	815
District heating	MWh	386	360
Share renewable	MWh	190	155
Share non-renewable	MWh	196	205
CO ₂ emissions	tCO ₂ e	1 385	1 195
CO ₂ emissions Scope 1	tCO ₂ e	220	175
CO ₂ emissions Scope 2	tCO ₂ e	73	32
CO ₂ emissions Scope 3 ²	tCO ₂ e	1 092	988
Total water use (rented areas)	m ³	11 490	10 143

¹ The energy consumption reported occurs on leased space of 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 Jelmolli¹

	in	2021	2022
Usable floor space	m ²	39 036	47 334
Total operational energy consumption (rented areas)	MWh	298	703
Share renewable	MWh	0	319
Share non-renewable	MWh	298	384
Electricity	MWh	103	355
Share renewable	MWh	0	0
Share non-renewable	MWh	103	355
Heating energy	MWh	195	348
District heating	MWh	0	319
Heating oil	MWh	195	29
CO ₂ emissions	tCO ₂ e	821	882
CO ₂ emissions Scope 1	tCO ₂ e	69	31
CO ₂ emissions Scope 2	tCO ₂ e	11	48
CO ₂ emissions Scope 3 ²	tCO ₂ e	741	804
Total water use (rented areas)	m ³	955	962

¹ The energy consumption reported occurs on leased space of 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.

Material topic of the circular economy

The real estate industry consumes half of all natural resources. At the other end of the material flow, 80% of the waste generated in Switzerland stems from the real estate sector. Construction excavation and demolition materials account for the largest share of the waste. To this day, the economic system is largely linear, including in the real estate industry. For example, in Europe only 12% of all construction materials are obtained from secondary sources. The opportunities of the circular economy are still underutilised.

Swiss Prime Site supports the transformation towards the circular economy. It strives for circular strategies and business models that factor in sustainability, generate added financial value for the Company and promote innovation.

Management approach (GRI 3-3, 306-1, 306-2)

Swiss Prime Site considers itself responsible for reducing waste, energy and resource consumption and the associated emissions. The sustainable and responsible use of resources is therefore an integral part of Swiss Prime Site's sustainability goals. Scarcity of raw materials, limited living space and, above all, the initiative to reduce CO₂ are currently key drivers in the real estate market. An environmentally friendly and resource-conserving approach in the construction and operation of buildings is thus a key factor in generating a positive impact.

For investment in and use of real estate, Swiss Prime Site uses sustainable materials where possible. During the disposal of waste and the recycling of materials, all relevant legal requirements are met. Wherever possible, waste products are recycled.

Sustainability and the circular economy are becoming drivers of value and innovation. It is not just a matter of minimising the ecological footprint but rather of targeted innovations – such as urban mining – and new business opportunities as a result of the transformation of the Company's own business and value creation models and new and more intensive collaboration models with stakeholders across the entire supply chain.

The circular economy in the field of buildings touches on aspects such as the preservation of the existing fabric of buildings, long-term value preservation (including flexibility of use, dismantling and longevity), efficiency and materials. This means materials should be recyclable and the environment and climate should be harmed as little as possible. Closed loops also support the local economy, since part of the collection, preparation and reintroduc-

tion process takes place at a local, regional or at least national level. The circular economy in the real estate industry of course presupposes compliance with all legal requirements and the exemplary disposal of waste.

Swiss Prime Site also uses the opportunity to remind suppliers of their obligations. For example, the approaches for circular buildings are already integrated in the specifications for architecture competitions and in contracts for work, rental contracts (green leases) and facility management framework agreements. 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 is 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.

Guidelines, directives and policies

- **Code of Conduct for Suppliers** (available at sps.swiss > Governance > Policies)

Swiss Prime Site Immobilien

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, for example as a member of the Board of Directors of Madaster Switzerland, the online Swiss library for materials used in construction, where Swiss Prime Site Immobilien is committed to increasing the efficient use of resources and to a gradual transition to a circular economy. Madaster Switzerland wants transparency regarding materials used in construction because this is essential for making targeted recovery and recycling possible in the future. Swiss Prime Site is also a partner of the Swiss Sustainability Forum's Sustainable Switzerland platform.

In the reporting year, Swiss Prime Site Immobilien was actively involved in the development of a charter for circular construction, which will define ambitions and visions for the topic more precisely and include concrete actions. Signing is scheduled for 2023.

Guidelines, directives and policies

- Madaster process guidelines
- Madaster catalogue of requirements

Swiss Prime Site Solutions

Expertise relating to the circular economy is used across the group. For example, Swiss Prime Site Solutions used it for the development of a sustainability strategy for Swiss Prime Investment Foundation. As a service provider on behalf of various institutional investors, Swiss Prime Site uses its room for manoeuvre to raise awareness of the circular economy and environmental topics among both owners and tenants.

Swiss Prime Site Solutions aims to achieve the Swiss Sustainable Building Standard (SNBS) for all development projects. The requirements for sustainable procurement and the resource-efficient use of materials are also taken into account, such as the use of recycled concrete or deconstructability of the building shell. When disposing of waste, one of the requirements is waste separation systems for fractional collection and recycling.

Wincasa

Wincasa believes that long-term success can only be ensured if the environmental and social responsibility associated with the business activity is fulfilled. Wincasa assumes responsibility for avoiding waste as part of its own corporate responsibility and the services it offers.

As an integrated real estate services provider, Wincasa provides owners with support and advice across many different stages in the life cycle of their buildings and is able to exercise an influence on the topic of the circular economy at these stages: At the strategic stage, Wincasa advises builders on the topic of the circular economy and sustainable construction. Standardised building data collection is carried out. This requires measurements to be comparable. During the planning stage, Wincasa provides the builder and the planner with advice and support focusing on resource conservation in the construction and use of the building. During the construction stage, the focus is on recycling building components and materials wherever this is possible and sensible. In addition to energy used in the operation of properties, embodied energy is also taken into account. In the operation stage, Wincasa offers regular, standardised building data collection and value-preserving measures so that resources can be used carefully and responsibly while a property is in use.

Wincasa supports modern waste management through additional products and services such as ESG reporting initiatives, in which data on quantities of waste is collected. The aim here is to create a basis for avoiding waste and for setting the corresponding targets. In consulting projects with strategic facility management, optimising waste management is often a key concern. If operating facility management is put out to tender on behalf of the client, the waste

disposal conditions are stipulated in the contract. The services frequently requested include disposal and operational concepts for various waste streams, central collection points and the measurement and recording of a property's total waste. However, the property's users are also sensitised to the need to keep the quantity of waste as low as possible and recycle as much as possible. Occasionally, Wincasa checks whether the waste is being correctly separated at various properties. The real estate service provider also prepares an annual report and recommends improvements.

Jelmoli

Jelmoli created a comprehensive analysis on sustainable business models with a focus on circular approaches for the department store. This analysis shows possible directions for the next phase of the company's transformation from 2023 to 2030. For Jelmoli, the circular economy is an important aspect for encouraging and shaping conscious consumption. In addition, strong EU regulations on the circulation of resources are expected by 2030. Trade and industry must prepare for this and develop and adjust their business models and product ranges accordingly.

Jelmoli recognises and uses the opportunities offered by the circular economy both in operations and for its business model. The department store particularly tries to time the market launch of circular products sensibly and show alternative options for managing the spaces in the Jelmoli building.

Jelmoli is active in the fight against food waste. In the self-service restaurant, Jelmoli measured food waste and was able to reduce the proportion of food it threw away. The initiative is being extended to its Food Market in 2023. The «Recycling» project group is concerned with Jelmoli's own waste management.

As part of the sustainability strategy, Jelmoli set the goal of ensuring that at least 25% of the range should consist of sustainable products by 2027. As part of special campaigns, for example «The Green Act», Jelmoli offers customers the opportunity to bring back used clothes, shoes and bedclothes. Some of these goods are donated to social projects. Customers can also return packaging in the course of campaigns. At the same time, Jelmoli increasingly offers cosmetics and body care products in refill packs. In the food segment, the disposable packaging materials used by Jelmoli are 90% organic.

Relevance to the SDGs

SDG 12: Responsible consumption and production



Ensure sustainable consumption and production patterns

The real estate industry traditionally has a linear structure and therefore causes a significant amount of consumption of natural resources and waste generation. Swiss Prime Site therefore aims for circular strategies and business models throughout the group that factor in sustainability and generate added financial value for the Company.

SDG 13: Climate action



Take urgent action to combat climate change and its impacts

Around a quarter of greenhouse gas emissions in Switzerland are attributable to the building sector. A large proportion of these emissions arise during construction. The situation changes if reusable components are used in construction. This eliminates energy-intensive phases, and, as a result, a great deal of greenhouse gas emission can be saved. To make its property portfolio climate neutral, Swiss Prime Site therefore needs to consistently use a circular approach to construction and also incorporate corresponding considerations in demolition.

Progress and contributions to the SDGs

Swiss Prime Site Immobilien

Circular approaches integrated in the Maaglive project

Swiss Prime Site Immobilien has been guided by the circular economy in various projects, for example in the Maaglive project in Zurich, where a building is being preserved, a residential tower is being built using timber construction methods and a pavilion is being constructed with a focus on the circular economy.

→ [MAAGLIVE.CH](https://www.maaglive.ch)

The circular economy implemented in Müllerstrasse

The topic of the circular economy played a key role at the Müllerstrasse property in Zurich and can be measured using the Madaster platform for reusable materials. At the property, the fabric of the building was preserved and the components recycled. For example, demolished concrete balustrades are being turned into benches, concrete debris is being made into terrazzo floors, waste glass is being turned into lamps and the aluminium façade is being reconditioned.

→ [MEDIA RELEASE «SWISS PRIME SITE IMMOBILIEN TO DEVELOP GOOGLE'S NEW ZURICH OFFICE» \(01.06.2021\) \(AVAILABLE AT SPS. SWISS > MEDIA\)](#)

Circular concrete in the JED new build

Around 8300 cubic metres of Zirkulit were used in the JED new build. This circular concrete consists of 75% secondary raw materials and stores 10 kilograms of CO₂ per cubic metre.

Cradle-to-Cradle at Messeturm in Basel

Messeturm in Basel exemplifies sustainability in the modification of buildings. The new office floor space was modified into ecological and healthy office environments with environmentally friendly pollutant-free materials in accordance with the Cradle to Cradle® principle. This means that all materials used are kept in circulation and can be recycled. All the bathrooms in the building – more than 60 – were also renovated along these lines.

→ [MESSETURMBASEL.CH](https://www.messeturmbasel.ch)

Prime Tower expansion in accordance with circular principles

In the reporting year, the office space used by Swiss Prime Site in Prime Tower was modified and expanded taking account of principles of circularity. This included floor and wall coverings that are not only made of recycled materials but, as upcycling products, have a particularly high value in the materials cycle.

First ever collection of waste data in the property portfolio

In the reporting year, Swiss Prime Site Immobilien collected waste data in the property portfolio for the first time. To obtain the waste data, the facility management providers responsible on site were involved in addition to the disposal partners and the relevant management. Likewise, the topic of waste is being integrated into newly concluded rental contracts «green leases» and in this way collaboration with tenants is also being strengthened in this area.

Jelmoli

Second life for quality fashion

Jelmoli has worked together with quality second-hand provider Reawake since 2020 and with clothing rental company Ragfair since 2021. In 2022, Jelmoli began a cooperation with KURATO, a provider of quality second-hand designer furniture, and a pop-up with OiOiOi, a rental subscription model for baby clothes.

Circular economy addressed with suppliers

Jelmoli holds workshops on sustainable procurement with the people responsible for procuring food and non-food products. In the reporting year, one of the focuses was the topic of the circular economy.

Circular approaches implemented in Jelmoli's own operations

Jelmoli's «Recycling» project group expanded the recycling concept in 2022. In order to obtain as much recyclable material as possible, waste is now sorted in the offices and on all floors of the department store. In the warehouse in Otelfingen, a machine has been installed to bale plastic scraps and recycle them. Hangers are given to a social welfare institution, which dismantles and recycles them.

Less food waste in the food market

Jelmoli was also successful in reducing food waste in the self-service restaurant in the reporting year. Now the options for reducing waste in the restaurant have been trialled with good results, Jelmoli also wants less food to be thrown away in its Food Market.

Water

(GRI 303-1, 303-2, 303-5)

In actual operations, water use is comparatively low at Swiss Prime Site and its group companies. Because these are not production businesses, the water use is largely limited to sanitary facilities and cleaning the offices and site. In addition, Jelmoli's restaurants and the Food Market also use water.

The users of the properties consume a significant quantity of water and produce an equivalent amount of waste water. To reduce use, Swiss Prime Site measures each property's use and installs water-saving taps and efficient appliances 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 modification projects or new builds. These are based on the standards issued by certification organisation SNBS (the Swiss Sustainable Building Network).

Total water use	2021	2022
	in m ³	In m ³
Swiss Prime Site property portfolio	580 564	669 566
Swiss Prime Site Solutions (rented areas)	64	N/A
Wincasa (rented areas)	11 490	10 143
Jelmoli (rented areas)	955	962

Employees area of action

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

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

Group objective

Swiss Prime Site has set itself the objective of increasing employee satisfaction in all group companies to more than 80 per cent. For 2023, it aims to achieve Great Place to Work certification.

Material topics

Within the «employees» area of action, the topics of «employee satisfaction», «diversity and equal opportunity» and «customer and market orientation» are particularly important.

Material topic of employee satisfaction

Swiss Prime Site's success largely depends on the performance and engagement of its employees. At the same time, Swiss Prime Site is conscious of the importance of job satisfaction for individuals' general state of mind and their immediate environment. The relevance of this topic is accordingly high for Swiss Prime Site.

Management approach (GRI 3-3)

The satisfaction of employees with their work and the work environment is strongly influenced by personal expectations. For this reason, no company can completely influence employee satisfaction. However, living up to values, a fair management culture, individual advancement and generally treating each other with respect definitively have a positive impact on employee satisfaction. Swiss Prime Site conducts a group-wide employee survey every two years. The topic of satisfaction plays an important role here and is comprehensively surveyed and evaluated. The findings of the surveys are used to derive and implement measures with the involvement of employees. Individual indicators that permit additional conclusions to be drawn about satisfaction are measured every six months, for example absences and staff turnover. The findings of these analyses are also used to work out the measures necessary.

Swiss Prime Site focuses on six components that particularly influence employee satisfaction:

- Monetary benefits paid by the employer
- Flexible, mobile working
- Opportunities for co-determination and flexibility
- Individual advancement and development opportunities
- Practising diversity
- Occupational physical and mental health and safety

In addition to quantitative targets, the annual target agreement meeting («management by objectives» process) allows sufficient room for discussing skills and values, which are recorded in a separate section. A personal focus topic from the area of «skills and values» on which dedicated work is to be done can be defined here.

Since it is becoming increasingly challenging to recruit qualified, ambitious employees, all group companies make a special effort to create an attractive working environment and position themselves as an interesting employer.

Benefits

With its attractive salary models and generous fringe benefits, Swiss Prime Site offers favourable conditions of employment. There are no benefits that are reserved exclusively for full-time employees. All employees receive social benefits over and above the statutory minimum. Additional benefits for Swiss Prime Site employees also include discounts at Jelmoli or other fringe benefits that cover a wide range of perks. In addition, Swiss Prime Site has a number of models for variable compensation and offers additional days off as length-of-service awards or additional days of leave awarded on a case-by-case basis over Christmas. Swiss Prime Site grants additional paid leave for events such as weddings, moving house, legally required care or bereavement. In addition, it is important to Swiss Prime Site to support employees' personal involvement in volunteer work, which is why an additional day of leave is granted for this annually.

Flexible and mobile working

The working conditions at Swiss Prime Site are based on the industry-specific, contractual terms of employment. These are based on the Swiss Employment Act. In addition, Swiss Prime Site endeavours to offer employees the best possible work-life balance and places considerable trust in them in that regard. Flexible and independent allocation of working hours is possible. Providing that data-protection and confidentiality requirements are met and the reaction time to customers and other stakeholders is ensured at all times, fundamentally there is flexibility regarding the choice of work location, although the Company welcomes direct sharing of information and physical presence in the office as an important part of the culture. Part-time work is possible at all hierarchy levels, as is job sharing, depending on the situation. 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 that maximum working hours and break times are always complied with. Depending on an employee's management level, overtime may be compensated by time off in consultation with line managers.

In accordance with the General Employment Conditions, 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.

Guidelines and directives

– General Employment Conditions

Occupational health and safety

(GRI 403-1, 403-2, 403-6) 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. If employees have any grievances about safety at work or a breach of personal integrity, they can contact their line managers or Human Resources. An integrity line, which employees can contact anonymously if preferred, is also available through an external application.

Line managers, the Human Resources department and health & safety officers within the company are responsible for protecting employees health at work. However, Swiss Prime Site also appeals to the personal responsibility of all employees. They are encouraged to actively seek to talk to someone if problems occur. Professional absence management helps to identify possible cases of long-term absences in good time and, if possible, to avoid them. In the event of long-term illnesses, employees have the opportunity to use the insurer's case management services. If the employee faces problems in their private sphere (e.g. bereavement, divorce, care responsibilities in the family, etc.), there is also an external support organisation available to them that can be used without charge.

Occupational health and safety management is the responsibility of the group companies.

Among the group of companies, Swiss Prime Site Immobilien has particular responsibility. As a building contractor, it is concerned with occupational health and safety on building sites. The occupational safety monitoring that is contractually required by all construction service providers is carried out using the following metrics:

- Preventive measures (safety check)
- Accidents with absence/accidents without absence

Review of the management approach

In order to check that the management approach in human resources work is effective, Swiss Prime Site and its group companies conduct employee surveys every two years. The next is in 2023. In future, these will be conducted with the company Great Place to Work so that it will also be possible to display a recognised, well-respected label.

In addition, Swiss Prime Site’s Human Resources department also regularly records the usual key performance indicators (KPIs), for example on the rate of absence and staff 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 review options for reducing the high rate of staff turnover that is common in some parts of their industries.

Progress and contribution to the SDGs

Well-considered integration of Akara into

Swiss Prime Site Solutions

The integration of the asset manager Akara into Swiss Prime Site Solutions was the primary focus in 2022. Swiss Prime Site Solutions took on all 50 employees of the Akara Group in this acquisition. Their integration into the Swiss Prime Site Group, its culture and its complex, multifaceted business model is being closely monitored and is a focus for management.

Training partnerships to deal with the skills shortage

Professional, industry-related training are essential to deal with the skills shortage. Together with Zurich University of Applied Sciences in Business Administration (HWZ) and real estate manager Livit, Wincasa has designed a new certificate of advanced studies (CAS) in real estate accounting. Nine people took part in the first training course, eight of whom were employees of Wincasa.

Managers from Wincasa’s own ranks

182 new management employees attended the Wincasa internal leadership programme in 2022. Wincasa was able to recruit 60 percent of these new managers internally, which is a mark of the success of Wincasa’s internal talent management.

Key occupational health and safety indicators (GRI 403-9, 403-10)

Rates in %	2020			2021			2022		
	Accident	Illness	Absence	Accident	Illness	Absence	Accident	Illness	Absence
Swiss Prime Site Immobilien	0	1.5	1.6	0.2	1	1.2	0	1.3	1.3
Swiss Prime Site Solutions	0	2.5	2.5	0	0.4	0.4	0	0.2	0.2
Wincasa	0.2	2.6	2.8	0.2	3.2	3.4	0.2	3.6	3.8
Jelmoli	0.5	3.2	3.6	0.5	4.1	4.6	0.6	4.6	5.2

Turnover rates in % (GRI 401-1)	2020	2021	2022
	Swiss Prime Site Immobilien	16.3	25.1
Swiss Prime Site Solutions	15.4	29.6	13.1
Wincasa	27.3	29.0	24.1
Jelmoli	19.3	23.9	27.1
Swiss Prime Site Group	23.9	27.1	24.3

Wincasa makes additional leave possible

In the reporting year, for the fourth time in a row, Wincasa offered its employees the option of buying additional holiday leave. Employees appreciate this option and are increasingly using it (+50% year-on-year).

Safety training at Jelmoli

Some of Jelmoli’s retail floor space is very highly frequented. Being able to deal professionally with incidents that present a health risk in a potentially hectic environment requires good basic training and routine. For this reason, Jelmoli regularly trains selected employees on topics relevant to health and safety. In the reporting year, the four first aid officers conducted a first aid function test each month, the two safety officers passed a two-day fire protection training course and the security staff organised monthly training.

Material topic of diversity and equal opportunity

Diversity and equal opportunity promote successful business and lay the foundation stone for an inclusive corporate culture with which all employees can identify. Diversity and equal opportunity are important to Swiss Prime Site. Swiss Prime Site understands the principle of non-discrimination to mean giving all employees equal opportunities and the same framework conditions. 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.

Management approach (GRI 3-3)

Open and respectful interactions are fundamental to successful collaboration, both within the Company and with third parties.

Non-discrimination and equal opportunities

Swiss Prime Site’s Executive Board and senior Human Resources personnel are responsible for ensuring a fair working environment. The principle of non-discrimination is set out in the group-wide Code of Conduct at Swiss Prime Site. This code goes beyond the applicable laws and regulations. The principle of non-discrimination applies to all areas, including recruitment, promotion, training and development and equal pay. The principle of equal pay was reviewed in accordance with the statutory requirements, was met by all group companies and confirmed by an independent auditor. (GRI 405-1)

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).

Swiss Prime Site did not identify any cases of discrimination across the group in 2022. (406-1)

Guidelines and directives

- Swiss Prime Site Code of Conduct (available at sps.swiss > Governance > Policies)
- General Employment Conditions

Diversity

The group promotes diversity among its employees and diversity of opinions and experiences. The group-wide corporate values and the Code of Conduct serve as binding guidelines for interaction between employees. 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.

With regard to diversity in the workforce, Swiss Prime Site's main focuses are increasing the proportion of women in executive positions, employing people over the age of 50 and facilitating part-time working for managers. The corresponding aspects of workforce structure are therefore surveyed every six months. Swiss Prime Site does not currently consider specific measures to be a priority, however, as the existing recruitment, salary, nomination and bonus processes are demonstrably sufficient to ensure equality of opportunity and diversity.

ProgressGender-free publications at Jelmolli

All job vacancies are advertised in a gender-neutral way at Jelmolli. The Marketing & Communication department has drawn up guidelines for gender-neutral language in communication at Jelmolli, and these have been available to the whole company.

Information session on diversity for Jelmolli's employees

At the end of May 2022, an information event was held for all employees where the topic of diversity was discussed. The group's senior Human Resources manager shed light on diversity from the group's perspective. Jelmolli defined what diversity means for it, and employees were given information about possible courses of action in the event of offensive behaviour.

Jelmolli became a «house of diversity»

In June 2022, to coincide with pride month, Jelmolli launched the campaign «Love him. Love her. Love them!» making a clear statement of respect and appreciation for diversity. Among other initiatives, that month all employees wore the diversity pin created for the purpose.

Material topic of customer and market orientation

The service Swiss Prime Site provides is the sum of the services of its employees. Their knowledge, skills and experiences form the basis of customer-focused and market-driven services and products.

Management approach (GRI 3-3)

The performance and innovative spirit of the people who work for the Company are intrinsically linked to the implementation of its strategy and the success of its 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. Employees naturally also benefit from staff development because this increases their own employability.

Training and development

Employee training and development is fundamental to advancing Swiss Prime Site's strategic development and strengthening its employer brand. Constant change in the workplace requires a wide range of training and development products. Swiss Prime Site therefore invests heavily in the individual and systematic development of its employees. To encourage emerging talent, Wincasa and Jelmolli provide apprenticeships and support talent with specific programmes and career planning tools.

A trainee programme in the core business offers graduates an entry to the world of real estate and an insight into the various group companies on a rotational basis. In addition, Swiss Prime Site supports the Swiss education system by having qualified staff supervise bachelor's or master's theses. In this way, Swiss Prime Site facilitates the transfer between theory and practice and promotes an educational environment with a practical orientation.

Swiss Prime Site identifies training and development needs among its employees depending on the Company's objectives and the future need for skills. In doing so, Swiss Prime Site always takes into account employees' personal development goals. Annual target-agreement and development meetings help the Company to ensure that the development measures are tailored as individually as possible to employees' needs and their roles. The employer grants employees time off and financial support for training and development, both of which are agreed in individual training and development agreements. The Human Resources department and line managers are responsible for training and development.

In addition, employees have access to attractive online development opportunities. LinkedIn Learning is available to most employees for additional individual training.

Participant feedback on the courses is evaluated to check the quality of the training and development provided. 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 speakers.

Swiss Prime Site also offers older employees retirement preparation courses to help them with the transition from their professional life into their new life stage. This option is provided in the spirit of comprehensive responsibility for employees.

Relevance to the SDGs

SDG 4: Quality education



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

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.

Swiss Prime Site invests a considerable amount in its employees' training and development. As part of its support for the next generation of managers and its responsibility as a significant employer, the Company makes positions available for basic vocational training.

Progress and contribution to the SDGs

Investments in training and development

Swiss Prime Site invested 0.7% of its overall salary budget in training and development in the reporting year (previous year: 0.8%).

Assuming responsibility in basic vocational training

As part of its support for the next generation of managers and their responsibility as a significant employer, the Company makes positions available for basic vocational training. In 2022, Swiss Prime Site and its group companies employed 30 new apprentices (2021: 30). 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 departments of group companies – rotating between them every six months. In 2022, Swiss Prime Site and its group companies employed 9 new apprentices (2021: 9).

Using personal relationships in the battle for skilled workers

Due to changing geopolitical circumstances, in the last few years the labour market has increasingly turned into an employee's market, which is expressed through very high expectations of applicants. Depending on the vacancy, the response rate for applications varies significantly. In order to spur employees into action as ambassadors for the Company and also to appeal to people passively seeking jobs, SPS has increased the internal referral award payment for employees from CHF 1 500 to 5 000.

Additional information

GRI 404: Training and 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.

Employee figures Swiss Prime Site Group

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees^{1,2}	635	994	1 629	624	945	1 569	678	1 002	1 680
Trainees	41	58	99	45	53	98	44	55	99
Apprentices	37	47	84	42	47	89	38	51	89
Interns	4	11	15	3	6	9	6	4	10
Total	676	1 052	1 728	669	998	1 667	722	1 057	1 779
Full time/part time^{1,2}									
Full time	579	589	1 168	572	581	1 153	610	583	1 193
Part time < 50%	23	127	150	21	99	120	16	84	100
Part time 50%–79%	24	166	190	23	158	181	31	205	236
Part time 80%–99%	50	170	220	53	160	213	65	185	250
Total	676	1 052	1 728	669	998	1 667	722	1 057	1 779
Age distribution^{1,2}									
Employees < 25 years	93	182	275	109	143	252	108	156	264
Employees 25–35 years	222	374	596	224	360	584	234	361	595
Employees 36–45 years	159	210	369	143	203	346	169	224	393
Employees 46–55 years	117	160	277	126	180	306	130	193	323
Employees > 55 years	85	126	211	67	112	179	81	123	204
Total	676	1 052	1 728	669	998	1 667	722	1 057	1 779
Permanent/temporary¹									
Permanent staff	635	994	1 629	624	945	1 569	722	1 057	1 779
of which members of the management	16	6	22	13	3	16	15	4	19
Trainees (apprentices/interns)	41	58	99	45	53	98	44	55	99
Supernumerary staff (temporary)	0	8	8	9	55	64	5	59	64
Janitors	6	8	14	3	11	14	0	7	7
Other temporary staff	2	2	4	10	20	30	11	18	29
Total	684	1 070	1 754	691	1 084	1 775	782	1 196	1 978

¹ Members of the Board of Directors are not included.

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

Key figures of the group companies

Swiss Prime Site Group

	in	2021	2022
Stakeholders			
Registered shareholders at year end	Number	11 536	11 365
Acceptance of agenda items at AGM	%	100	100
Finance			
Shareholders' equity	CHF million	6 410	6 569
Investments	CHF million	319	410
Interest expenses (borrowed capital)	CHF million	72	45
Interest rate borrowed capital (weighted average)	%	0.75	0.91
Operating income	CHF million	750	774
Operating result (EBIT)	CHF million	707	559
Portfolio value	CHF million	12 794	13 088
Investments in training and development	% of total payroll	0.8	0.7
Earnings per share (EPS)	CHF	6.57	5.27
Credit rating		N/A	A3
Infrastructure (property portfolio)			
Portfolio properties with environmental indicators	Number	160	153
Usable floor space	m ²	1 590 270	1 604 846
Vacancy rate	%	4.6	4.3
Ecology (property portfolio)			
Energy consumption	MWh	206 343	217 122
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	25 064	21 300
CO ₂ intensity	kg CO ₂ e/m ²	19.6	16.9
Water consumption	m ³	580 564	669 566
Investments in renewable energies	CHF million	0.8	0.2
Investments in building shell renovations	CHF million	3.5	2.8
Investments in replacement heating measures	CHF million	1.7	3.4
Ecology (services)			
Energy consumption	MWh	2 595	3 032
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	2 282	2 307
CO ₂ intensity	kg CO ₂ /FTE	838	1 463
Water consumption	m ³	12 509	11 105
Employees			
Employees	Number	1 667	1 779
Turnover rate	%	27.1	24.3
Absentee rate	%	3.6	3.9
Women in the workforce	%	59.9	59.2
Innovation			
Investments – core (innovation, research, training)	CHF million	0.5	0.5
Investments – satellite (supporting smaller projects)	CHF million	0.4	0.5
Investments in start-ups	CHF million	5	3.5

Swiss Prime Site Immobilien

	in	2021	2022
Stakeholders			
Tenants	Number	2 230	2 050
Documented tenant meetings	Number	103	115
Political contributions (industry associations)	CHF	50 000	0
Finance			
Operating income (Real Estate segment)	CHF million	499	467
Investments in training and development	% of total payroll	0.8	1.2
Portfolio value	CHF million	12 794	13 088
Real estate costs	CHF million	64	65
Investments in projects and development	CHF million	148	230
Total services purchased	CHF million	333	374
Revaluation gains	CHF million	302	170
Net rental income	CHF million	444	449
Infrastructure (property portfolio)			
Properties	Number	160	153
Usable floor space	m ²	1 590 270	1 604 846
Vacancy rate	%	4.6	4.3
Ecology (property portfolio)			
Energy consumption	MWh	206 343	217 122
Energy intensity	kWh/m ²	173.5	177
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	25 064	21 300
CO ₂ intensity	kg CO ₂ e/m ²	19.6	16.9
Water consumption	m ³	580 564	669 566
Properties with contaminated soil	ha	32.4	37.5
Decontamination measures	CHF million	2.5	0.7
Ecology (services)			
Energy consumption (rented areas)	MWh	0	26
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	53	138
CO ₂ intensity	kg CO ₂ e/FTE	741.8	1 584
Total water use (rented areas)	m ³	0	N/A
Employees			
Employees	Number	76	87
Turnover rate	%	25.1	17.3
Absentee rate	%	1.2	1.3
Women in the workforce	%	46	41.5
Women in management positions	%	31.1	38.7

Swiss Prime Site Solutions

	in	2021	2022
Stakeholders			
Pension funds/investors of Swiss Prime Investment Foundation	Number	312	524
Finance			
Operating income (Services segment)	CHF million	18	52
Investments in training and development	% of total payroll	0.8	0.9
Infrastructure			
Assets under management	CHF billion	5.9	7.7
Acquisitions during the reporting year	Number of properties	11	108
Value of the development pipeline	CHF million	257	4 383
Ecology (services)			
Energy consumption (rented areas)	MWh	26	91
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	23	92
CO ₂ intensity / FTE	kg CO ₂ e/FTE	807	1 108
Total water use (rented areas)	m ³	64	N/A
Employees			
Employees	Number	30	83
Turnover rate	%	29.6	13.1
Absentee rate	%	0.4	0.2
Women in the workforce	%	43.3	41
Women in management positions	%	23.8	33.3

Wincasa

	in	2021	2022
Stakeholders			
Branches	Number	19	31
Direct suppliers	Number	200	1 000
Proportion of Top 3 clients	%	74	67.6
Finance			
Operating income (Services segment)	CHF million	146	153
Investments in training and development	% of total payroll	0.4	0.4
Assets under management	CHF billion	76	81.1
Rental income for clients	CHF million	3 376	3 596
Infrastructure			
Properties managed	Number	238 046	245 798
Construction projects	Number	651	760
Share of residential in portfolio	%	30	34
Share of office and retail in portfolio	%	70	66
Ecology (services)			
Energy consumption (rented areas)	MWh	2 271	2 212
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	1 385	1 195
CO ₂ intensity	kg CO ₂ e/FTE	387.7	1 309
Total water use (rented areas)	m ³	11 490	10 143
Employees			
Employees	Number	982	1 022
Turnover rate	%	29	24.1
Absentee rate	%	3.4	3.8
Women in the workforce	%	60.1	59.5
Women in management positions	%	41.1	43.4

Jelmoli

	in	2021	2022
Stakeholders			
Customers with J-Card	Number	300 000	309 165
Customer satisfaction (word of mouth n = 100)	NPS%	N/A	65
Finance			
Operating income (Services segment)	CHF million	120	132
Investments in training and development	% measured against total payroll	0.5	0.7
Infrastructure			
Retail floor space (total floor space 33 000 m ²)	m ²	25 996	25 996
Items sold per sales receipt	Number	2	2
Brands in product range	Number	923	1 652
Ecology (services)			
Energy intensity (rented areas)	MWh	298	703
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	821	882
CO ₂ intensity	kg CO ₂ e/FTE	1 688	1 786
Total water use (rented areas)	m ³	955	962
Employees			
Employees	Number	579	587
Turnover rate	%	23.9	27.1
Absentee rate	%	4.6	5.2
Women in the workforce	%	62.2	64.2
Women in management positions	%	28.6	25.8



We create
living spaces.

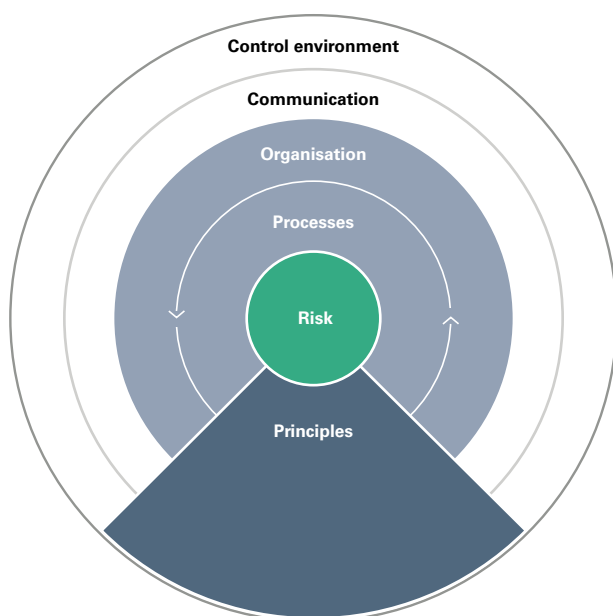
Risk management

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 a high priority at Swiss Prime Site. To this end, the Company has put in place a systematic process that forms the foundation for ensuring its continued growth and long-term success.

Systematic risk management at all levels

Swiss Prime Site's risk management system 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 Swiss Prime Site. The risk policy comprises the following elements: principles, control environment, communication, organisation and processes.



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.

Communication

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

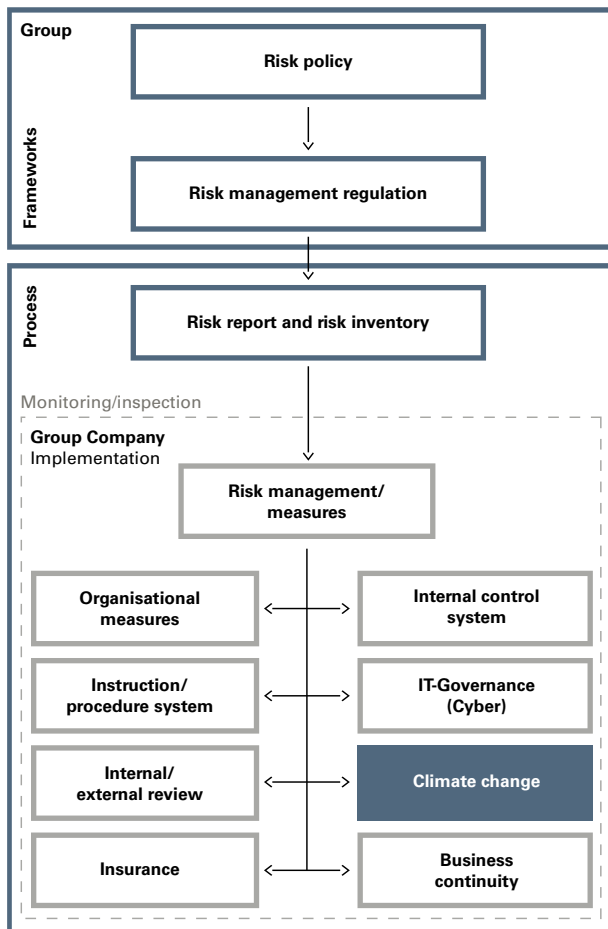
In the Company's risk organisation structure, the Board of Directors takes overall responsibility within the scope of its supervisory duties by defining the risk strategy. The Executive Board is responsible for operational implementation. It is supported in that role by the Group Risk Management department. 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 opportunities and risks 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 risk management process is described in the group-wide risk management regulations. These define the minimum rules and requirements for the risk management process.



The annual risk meetings are a key element of the risk management process. In a first step, these meetings are held between the executive management and the board of directors of the group company in question. The focus here is on existing and future opportunities and challenges. Subsequently, risk meetings are held between the risk owners and the Group Risk Management department with a focus on concrete identification and assessment and the definition of measures. 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 on this basis. These are then consolidated into the overarching risk landscape of Swiss Prime Site and presented in the annual risk report.

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 areas/ 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.

Valuation

The risks identified are assessed using quantitative and qualitative criteria according to the three dimensions of financial impact (loss potential/impact), 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.

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 through 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). The formal risk reporting to the Board of Directors and Executive Board, which takes place annually, is important for this process. It 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 Risk Management, 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.

– **IT governance (cyber)**

The constant, rapid development of IT technologies, such as digitalisation, dependency on information and communication infrastructures and the interconnectedness of business and society, present a growing threat. At the same time, there are great opportunities. Swiss Prime Site has identified this development and addressed it in a group-wide IT governance system. Organisational, process-related and technical measures are implemented to increase resilience (the ability to withstand IT security incidents) and to avoid serious financial and non-financial consequences (reputational risks). These cover the following aspects in particular:

- Clear organisation and definition of tasks, powers and responsibilities (governance) for controlling and monitoring the risk situation and implementing measures.
 - Ongoing use of frameworks, in particular the framework for monitoring and managing cyber risks, and adaptation to new circumstances.
 - Annual preparation of a dedicated cyber risk report by Group Risk Management and Group IT. The report is discussed and analysed in the Audit Committee and by the Executive Board. The report is also read by Swiss Prime Site's Board of Directors.
 - Systematic and formal identification and assessment of cyber threats and risks on the basis of a specific cyber risk inventory. Scenarios are developed for the identified risks and appropriate countermeasures are defined in the process.
 - IT security concept for determining the IT security policy and as a basis for the security guidelines and the measures to execute them, and ongoing maintenance of the security level in the area of information technology.
 - Roles, processes and controls in IT based on the ISO 27001 standard. These include a risk-based approach that guarantees the necessary protection for the data processed by the group companies and includes regular reviews and assessments by executive management. Swiss Prime Site ensures ISO 27001-compliant IT operation by outsourcing the IT infrastructure to ISO 27001-certified companies.
 - Outsourcing the CISO (Chief Information Security Officer) role to an external professional company to ensure the highest possible professionalism in IT security.
 - Monitoring relevant indicators of IT security in the five control/measure areas of the IT security concept based on the NIST Cyber Security Framework. This results in the ongoing 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 with this. Taking out cyber insurance for all group companies.

– **Climate change**

Opportunities and risks arising from climate change are of great significance to Swiss Prime Site and are accordingly mapped in a dedicated risk inventory, which takes into account both physical risks and transitional risks. The corresponding updates were reflected in the reporting on climate-related financial risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

→ TCFD REPORT, P. 73

– **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 Risk Management 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

A number of key issues confronting Swiss Prime Site were identified in the annual risk assessment. Some of these have a higher-level, group-wide nature because all group companies face these. By contrast, other important issues specifically affect the real estate division. All these topics constitute a risk for Swiss Prime Site. At the same time, significant opportunities also arise if they are addressed in good time with comprehensive measures.

Group-wide risks

Business partners/outsourcing

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.

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.

Sustainability/climate change

→ SUSTAINABILITY CHAPTER: TCFD REPORT, P. 73

Cyber risks/data protection

Swiss Prime Site addresses the growing threat in relation to cyber crime and data security through organisational, process-related and technical measures. The overarching goal is to guarantee the availability, integrity, confidentiality and transparency of data and applications and ensure compliance with all legal requirements and recommendations, including data protection. The data and systems need to be constantly protected against outages and internal and external attacks, i.e. cyber risks such as sabotage, data theft, etc. At the same time, the potential opportunities from digitalisation are addressed in various initiatives (transformation projects) in order to create future competitive advantages, for instance automation, process efficiency, service quality and transparency.

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-specific risks**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 market downturn are 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 has also formulated capital management principles in order to take advantage of the opportunities available on the financial markets as well as possible. 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 2.2 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/property strategy

A clear, formalised portfolio strategy is in place, with specific details set out in the respective property 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 property strategy.

→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, ECOLOGY AREA FOR ACTION, MATERIAL TOPIC OF REDUCTION OF CO₂ EMISSIONS, P. 41

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 13.1 billion is subject to a range of external (e.g. market, interest rates) and internal (vacancy, property strategies) 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.

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. Since then, Swiss Prime Site has endeavoured to constantly further strengthen sustainability-related governance in the Company. This includes regularly updating the climate risk assessment and defining, optimising and implementing existing and new measures.

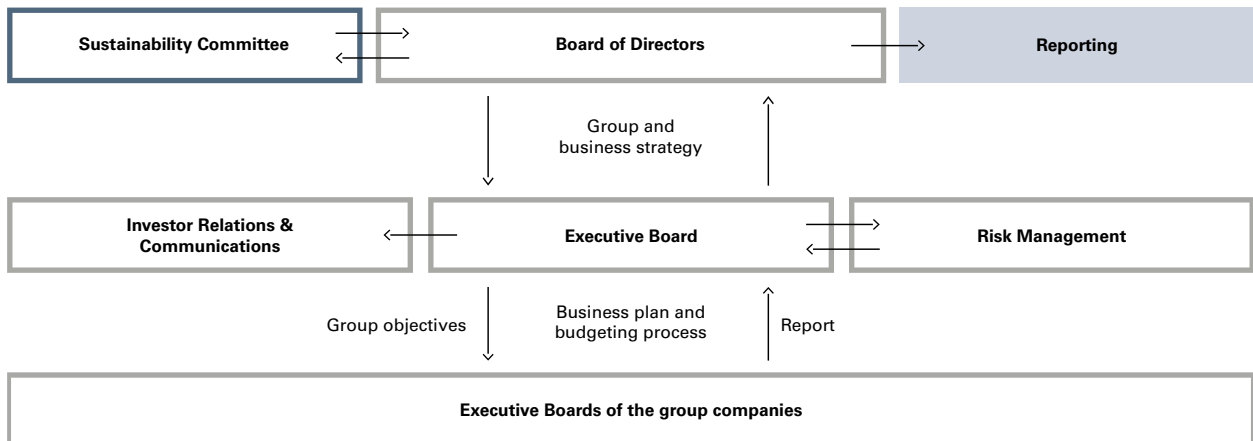
Governance

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.

- The Sustainability Committee, which consists of members of the Board of Directors and reports directly to the full Board of Directors, responsible for defining and reviewing the sustainability strategy (including the CO₂ reduction pathway), is for managing climate-related opportunities and risks, for the content of the sustainability reporting and for specifying suitable framework conditions (governance) for the group companies in the form of overarching policies and objectives.
- The Audit Committee of the Board of Directors is responsible, in collaboration with the Sustainability Committee, for defining and reviewing the KPIs/figures section of ESG reporting and for supervising the group-wide internal control system in connection with climate risks and ESG KPIs/figures.
- The Head of Group Sustainability is responsible for the operational implementation of the group-wide sustainability strategy and therefore plays a crucial role in ensuring that financial and non-financial success factors and risks are managed in an even more integrated manner.

→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, ECOLOGY AREA OF ACTION, MATERIAL TOPIC OF REDUCTION OF CO₂ EMISSIONS, P. 41

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 as an integral part of its regular, group-wide risk management:

Physical risks	Transitional risks
Increasing summer temperatures, more heat waves and long-lasting periods of heat	Social effects of climate change: <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
Increase in extreme weather events such as very high winds and heavy rainfall with flooding	
	Regulatory changes: <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)
	Expectations about sustainability information: <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 its 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 action areas

1. Investments in line with the CO₂ reduction target

The most important area of action is the property portfolio, which is held by group company Swiss Prime Site Immobilien. By comparison, the CO₂ emissions of the Services segment are negligible (9.8% 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 Material topic of reduction of CO₂ emissions (p. 41). 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 chapter Material topic of reduction of CO₂ emissions (p. 41).

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, regular internal training sessions on sustainability and the CO₂ reduction pathway were provided to the employees of group company Swiss Prime Site Immobilien and the Construction & Facility Management department at group company Wincasa. Discussions carried out as part of the risk management process also help ensure that all employees take climate-related opportunities and risks into account.

As a result of establishing group-wide sustainability goals, sustainability aspects are considered an integral part of the business plan of all group companies.

→ SUSTAINABILITY CHAPTER: AREAS OF ACTION, MATERIAL TOPICS AND OBJECTIVES, P. 7

Swiss Prime Site also incorporated sustainability-related performance indicators in the compensation guidelines in the reporting year. Establishing compensation-related sustainability goals will help the Company integrate non-financial aspects even more systematically into its corporate processes.

→ COMPENSATION POLICY, P. 5

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 develop services that can help resolve social challenges. In 2022, 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.

→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, ECOLOGY AREA OF ACTION, MATERIAL TOPIC OF THE CIRCULAR ECONOMY, P. 50

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 the reporting year, Swiss Prime Site once again reported on its commitment to climate protection and sustainability at the annual Capital Markets Day. The stakeholder dialogue, which takes place every two years, also regularly examines issues relating to corporate responsibility in the face of climate change.

Risk management

Climate-related risks are an integral part of the group-wide risk management process. In assessing these specific 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 (loss potential) 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 events with the highest risk potential and corresponding measures for risk minimisation are listed below:

Physical risks

Potential events caused by climate change	Impact on Swiss Prime Site	Measures
<ul style="list-style-type: none"> - Increasing summer temperatures - More heat waves - 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 building services engineering - 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

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, identify and implement preventive measures, e.g. increase 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 Project-specific consideration 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 Operationalisation of 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
--	--	--

About this report

(GRI 2-3) This Sustainability Report was published on 9th February 2023 as the «Sustainability» section of the Swiss Prime Site Annual Report. The reporting for 2022 is being carried out in accordance with the GRI Standards 2021 for the first time.

(GRI 2-2) Reporting in the sustainability report – unless otherwise noted – is consistent with the scope of consolidation of financial reporting.

→ FINANCIAL REPORT: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, P. 46

(GRI 2-3) The contact person for this sustainability report is Martin Pfenninger (MARTIN.PFENNINGER@SPS.SWISS)

General Disclosures (GRI)

The organisation and its reporting practices

See above on this page.

Activities and workers

GRI disclosure	Title
2-6	<p>Activities, value chain and other business relationships</p> <p><u>Sector</u>: real estate, real estate asset management for third-party customers, real estate management, retail</p> <p><u>Value chain</u>: scouting and investment, development and construction, portfolio and asset management, management, use, divestment</p> <p>There were no relevant changes in the value chain in the reporting year.</p> <p>→ SUSTAINABILITY CHAPTER: BUSINESS MODEL AND VALUE CREATION, P. 5</p>
2-7	<p>Employees</p> <p>→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, EMPLOYEE AREA OF ACTION, EMPLOYEE FIGURES SWISS PRIME SITE GROUP, P. 60</p>
2-8	<p>Workers who are not employees</p> <p>→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, EMPLOYEE AREA OF ACTION, EMPLOYEE FIGURES SWISS PRIME SITE GROUP, P. 60</p>

Governance

GRI disclosure	Title
2-9	<p>Governance structure and composition</p> <p>Responsibility in the area of ESG/sustainability in committees: Sustainability Committee</p> <p>The committee has no decision-making powers. The committee handles all activities of the Board of Directors in the area of sustainability-oriented management as well as additional activities of the Board of Directors that require specific sustainability expertise. It has the right to submit proposals to the Board of Directors in an advisory capacity. It monitors the implementation of the resolutions of the Board of Directors in this area. The committee submits the necessary proposals to the Board of Directors with regard to:</p> <p><u>Sustainability strategy</u></p> <ol style="list-style-type: none"> 1. Approval of the principles and material sustainability topics, and integration of these into the strategy, structure and culture of the group 2. Definition of the group’s sustainability goals (ESG goals) and the frameworks/benchmarks to be taken into account 3. Monitoring the sustainability goals and inter-group sustainability initiatives <ol style="list-style-type: none"> a. Risk management/governance 4. Approval, adoption or integration of further procedures, regulations and directives that are, in the committee’s view, necessary or expedient for the due fulfilment of its duties 5. Oversight of climate risks and taking these into account in the group-wide internal control system 6. Advising the Board of Directors and the executive management on questions of corporate responsibility 7. Review and discussion of new trends in the area of corporate responsibility <ol style="list-style-type: none"> a. Reporting 8. Approval of the section on sustainability in the Annual Report 9. Approval of the reporting on climate risks <p>→ CORPORATE GOVERNANCE REPORT: BOARD OF DIRECTORS, P 8 FF</p>
2-10	<p>Nomination and selection of highest governance body</p> <p>The nomination and selection of the members of the Board of Directors is based on individuals with core skills and independence and expertise in</p> <ul style="list-style-type: none"> – management – strategy – ESG/sustainability – sales & marketing – operation – M&A – risk management – research & development – digitalisation – real estate – asset management – human resources – law – finance – IT/cyber security <p>→ CORPORATE GOVERNANCE REPORT, P 8</p>
2-11	<p>Chair of the highest governance body</p> <p>→ CORPORATE GOVERNANCE REPORT, P 8</p>

GRI disclosure	Title
2-12	<p>Role of the highest governing body in overseeing the management of impacts</p> <p>The Board of Directors has a Sustainability Committee as a standing committee that handles all activities of the Board of Directors in the area of sustainable management and other activities of the Board of Directors that require specific sustainability expertise.</p> <p>The responsibilities, duties and authority of the Sustainability Committee are set out in separate regulations. The committee submits the necessary proposals to the Board of Directors with regard to:</p> <p><u>Sustainability strategy</u></p> <ol style="list-style-type: none"> 1. Approval of the principles and material sustainability topics, and integration of these into the strategy, structure and culture of the group 2. Definition of the group's sustainability goals (ESG1 goals) and the frameworks/benchmarks to be taken into account 3. Monitoring the sustainability goals and inter-group sustainability initiatives <p><u>Risk management/governance</u></p> <ol style="list-style-type: none"> 4. Approval, adoption or integration of further procedures, regulations and directives that are, in the committee's view, necessary or expedient for the due fulfilment of its duties 5. Oversight of climate risks and taking these into account in the group-wide internal control system 6. Advising the Board of Directors and the Executive Board on questions of corporate responsibility 7. Review and discussion of new trends in the area of corporate responsibility <p><u>Reporting</u></p> <ol style="list-style-type: none"> 8. Approval of the section on sustainability in the Annual Report 9. Approval of the reporting on climate risks <p>→ CORPORATE GOVERNANCE REPORT: BOARD OF DIRECTORS, P. 10</p>
2-13	<p>Delegation of responsibility for managing impacts</p> <p>→ CORPORATE GOVERNANCE REPORT: BOARD OF DIRECTORS, P. 10</p>
2-14	<p>Role of the highest governance body in sustainability reporting</p> <p>In addition to the Sustainability Committee, the Board of Directors also has an Audit Committee as a standing committee, that handles the activities of the Board of Directors in the area of ESG reporting (numbers, audit aspects).</p> <p>The committee submits the necessary proposals to the Board of Directors with regard to:</p> <p><u>ESG reporting</u></p> <ul style="list-style-type: none"> – Approval of all the ESG reporting in collaboration with the Sustainability Committee – Approval of the KPIs/figures sections of ESG reporting – Oversight of the group-wide internal control system in connection with climate risks and ESG KPI/figures
2-15	<p>Conflicts of interest</p> <p>→ CORPORATE GOVERNANCE REPORT: BOARD OF DIRECTORS, P. 8</p>
2-16	<p>Communication of critical concerns</p> <ul style="list-style-type: none"> – The Executive Board informs the Board of Directors at each of its sessions about the ongoing course of business, deviations from budget, important business transactions and major development projects. – Following the end of each reporting period, the Executive Board is to submit interim reports containing statements on the course of business and the risk situation to the members of the Board of Directors without delay, at least quarterly. The Executive Board is to immediately notify the Board of Directors of any extraordinary incidents. – For all transactions to be reviewed by the Board of Directors, the Executive Board will generally draw up a written report that contains a proposal for a decision by the Board of Directors. It will provide verbal updates on the course of these transactions; for major projects it will draw up a written final report. – The Executive Board can delegate reporting in whole or in part to the Chief Executive Officer (CEO) or members of the Executive Board for their sections. – Beyond normal reporting, the CEO and in the absence of the CEO another member of the Executive Board is to immediately inform the Chair of the Board of Directors and in the absence of the Chair the Deputy Chair on important business transactions that are material to the Company on a financial, reputational or other basis. The Chair or Deputy Chair of the Board of Directors decides without delay when and how the entire Board of Directors is to be informed. <p>→ CORPORATE GOVERNANCE REPORT: BOARD OF DIRECTORS, P. 19</p>

GRI disclosure	Title
2-17	<p>Collective knowledge of the highest governance body</p> <p>Two members of the Board of Directors form the Sustainability Report together with experts. As a result, the Board of Directors is up to speed and is informed about ongoing developments concerning this topic and can take these to the entire Board of Directors.</p> <p>→ CORPORATE GOVERNANCE REPORT: BOARD OF DIRECTORS, P. 10</p>
2-18	<p>Evaluation of the performance of the highest governance body</p> <p>→ COMPENSATION REPORT: COMPENSATION OF THE BOARD OF DIRECTORS, P. 5</p>
2-19	<p>Remuneration policies</p> <p>→ COMPENSATION REPORT: GOVERNANCE, P. 5</p>
2-20	<p>Process to determine remuneration</p> <p>→ COMPENSATION REPORT: GOVERNANCE, P. 9</p>
2-21	<p>Annual total compensation ratio</p> <p>The ratio of the annual remuneration of the highest-paid individual to the median annual remuneration of all employees (excluding the highest-paid individual) in the Group companies Swiss Prime Site Immobilien AG, Swiss Prime Site Solutions AG, Swiss Prime Site Management AG) was 9.37 in the year under review.</p> <p>The calculation includes the total, maximum remuneration including variable components.</p>

Strategy, guidelines and practices

GRI disclosure	Title
2-22	<p>Statement on sustainable development strategy</p> <p>→ ANNUAL REVIEW: EDITORIAL, P. 3</p>
2-23	<p>Policy commitments</p> <p>→ SUSTAINABILITY CHAPTER: SETTING AN EXAMPLE OF SUSTAINABILITY, P. 3 F.</p>
2-24	<p>Embedding policy commitments</p> <p>Swiss Prime Site AG has an Environmental Policy Concept: this concept applies to the Swiss Prime Site Group and all its group companies, and their directly or indirectly held or controlled subsidiaries (referred to here as «Swiss Prime Site companies»). All Swiss Prime Site companies are obliged to adopt this approach, and to issue any regulations, directives and measures necessary for its implementation.</p> <p>Moreover, Swiss Prime Site AG has a Code of Conduct for Suppliers: this code applies to all suppliers of the Swiss Prime Site Group, and to all its group companies and their directly or indirectly controlled subsidiaries (referred to here as «SPS companies»). They are required to make proactive, systematic efforts to ensure compliance, including by subcontractors providing a service, directly or indirectly, on the suppliers' behalf, for the Swiss Prime Site Group.</p> <p>→ SUSTAINABILITY CHAPTER: SETTING AN EXAMPLE OF SUSTAINABILITY, P. 3 F.</p>
2-25	<p>Processes to remediate negative impacts</p> <p>Swiss Prime Site believes that long-term economic success can only be ensured if the environmental and social responsibility associated with the business and value creation activities is fulfilled. 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. Accordingly, Swiss Prime Site endeavours to take account of its environmental and social responsibility when pursuing its corporate interests and has declared sustainability to be one of the strategic focuses of its corporate strategy.</p> <p>The focus is on the long-term alignment of the business model and the sustainability performance of the property portfolio held to avoid direct or indirect negative impacts but also to create positive impact for the Company and for society. In operational implementation, this is given tangible form in the risk management framework, where the relevant impacts are identified and evaluated and measures are derived from this.</p> <p>→ SUSTAINABILITY CHAPTER: AREAS FOR ACTION, MATERIAL TOPICS AND OBJECTIVES, P. 7 FF.</p>

GRI disclosure	Title
2-26	<p>Mechanisms for seeking advice and raising concerns</p> <p>As well as their line managers, employees can also report incidents to the Human Resources department and the secure integrity platform. Confidentiality is always guaranteed.</p> <p>→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, FINANCE AREA OF ACTION, MATERIAL TOPIC OF RESPONSIBLE AND ETHICAL MANAGEMENT, P. 24</p> <p>→ ACCESS TO INTEGRITY LINE: SPS.SWISS > GOVERNANCE</p>
2-27	<p>Compliance with laws and regulations</p> <p>In the reporting year, there were no material breaches of laws or regulations.</p> <p>→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, FINANCE AREA OF ACTION, MATERIAL TOPIC OF RESPONSIBLE AND ETHICAL MANAGEMENT, P. 26 FF.</p>
2-28	<p>Membership associations</p> <p>Verband Immobilien Schweiz (VIS), Entwicklung Schweiz, Greater Zurich Area, Avenir Suisse</p>

Stakeholder engagement

GRI disclosure	Title
2-29	<p>Approach to stakeholder engagement</p> <p><u>Most important stakeholders:</u> Customers/tenants, investors, analysts, voting rights advisers, employees, suppliers, authorities</p> <p><u>Identification of stakeholders:</u> The stakeholders are identified at group level and at the level of the individual group company and are categorised (contractual relationships, impact on Swiss Prime Site's target achievement, similar interests, dependencies on or affected by Swiss Prime Site's operations). Based on this, their individual requirements are identified (e.g. employee and customer surveys, stakeholder dialogue, tenant meetings) and the specific forms of the exchange are defined.</p> <p><u>Interaction with stakeholders:</u> Swiss Prime Site sees regular communication with key stakeholders as a core element of its forward-looking management. In line with the corporate strategy, this allows the challenges, needs and expectations identified from this dialogue to be taken into account when further developing business activities. Important methods of exchanging information are listed below:</p> <ul style="list-style-type: none"> – Conferences and roadshows for investors and analysts – Regular discussions with analysts by the Board of Directors – Executive management and investor relations – 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 – Customer surveys – Materiality survey – Stakeholder dialogue <p>→ SUSTAINABILITY CHAPTER: PERFORMANCE IN THE MATERIAL TOPICS, STAKEHOLDERS AREA OF ACTION, MATERIAL TOPIC OF CUSTOMER AND MARKET ORIENTATION, P. 16 FF.</p>
2-30	<p>Collective bargaining agreements</p> <p>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.</p>

GRI content index



2023

Swiss Prime Site reported in accordance with GRI Standards for the period from 1 January 2022 to 31 December 2022. For the Content Index – Essentials service, GRI Services reviewed whether the GRI content index is presented clearly and in accordance with the standards and whether the disclosures 2-1 to 2-5, 3-1 and 3-2 correspond to the relevant sections in the main body of the report. This service was provided for the German version of the report.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	none

Allgemeine Angaben

GRI Standard/ other source	Disclosure	Reference/information	Omission
1. The organisation and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organisational details	Swiss Prime Site AG 6300 Zug Switzerland → SPS.SWISS > COMPANY > ABOUT US	
	2-2 Entities included in the organization's sustainability reporting	Sustainability Chapter: p. 79	
	2-3 Reporting period, frequency and contact point	Sustainability Chapter: p. 79	
	2-4 Restatements of information	None	
	2-5 External assurance	Sustainability Chapter: p. 93	
2. Operations and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Sustainability Chapter: p. 79	
	2-7 Employees	Sustainability Chapter: p. 79	
	2-8 Workers who are not employees	Sustainability Chapter: p. 79	

3. Governance

GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Sustainability Chapter: p. 80
	2-10 Nomination and selection of the highest governance body	Sustainability Chapter: p. 80
	2-11 Chair of the highest governance body	Sustainability Chapter: p. 80
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Chapter: p. 81
	2-13 Delegation of responsibility for managing impacts	Sustainability Chapter: p. 81
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Chapter: p. 81
	2-15 Conflicts of interest	Sustainability Chapter: p. 81
	2-16 Communication of critical concerns	Sustainability Chapter: p. 81
	2-17 Collective knowledge of the highest governance body	Sustainability Chapter: p. 81
	2-18 Evaluation of the performance of the highest governance body	Sustainability Chapter: p. 82
	2-19 Remuneration policies	Sustainability Chapter: p. 82
	2-20 Process to determine remuneration	Sustainability Chapter: p. 82
2-21 Annual total compensation ratio	Sustainability Chapter: p. 82	

4. Strategy, guidelines and practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Sustainability Chapter: p. 82
	2-23 Policy commitments	Sustainability Chapter: p. 82
	2-24 Embedding policy commitments	Sustainability Chapter: p. 82
	2-25 Processes to remediate negative impacts	Sustainability Chapter: p. 82
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Chapter: p. 83
	2-27 Compliance with laws and regulations	Sustainability Chapter: p. 83
	2-28 Membership associations	Sustainability Chapter: p. 83

5. Stakeholder engagement

GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Sustainability Chapter: p. 83
	2-30 Collective bargaining agreements	Sustainability Chapter: p. 83

Material topics

GRI Standard/ other source	Disclosure	Reference/ information	Omission
Materiality analysis and list of material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Chapter: p. 8	
	3-2 List of material topics	Sustainability Chapter: p. 9	
Stakeholders area of action			
Material topic of customer and market orientation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 15 ff.	
Finance area of action			
Material topic of financial strength			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 21 f.	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Report p. 3	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Chapter: p. 22	
	201-4 Financial assistance received from government	Sustainability Chapter: p. 22	
Material topic of responsible and ethical management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 23 ff.	
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Chapter: p. 23	
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Chapter: p. 24	
GRI 206: Anti- competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Sustainability Chapter: p. 24	
GRI 307: Environ- mental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Sustainability Chapter: p. 24	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Chapter: p. 26	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability Chapter: p. 27	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Sustainability Chapter: p. 27	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Sustainability Chapter: p. 27	
	417-3 Incidents of non-compliance concerning marketing communications	Sustainability Chapter: p. 27	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Chapter: p. 26	
GRI 419: Socioeco- nomic Compliance 2016	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	Sustainability Chapter: p. 27	

GRI Standard/ other source	Disclosure	Reference/ information	Omission
Infrastructure area of action			
Material topic of quality in investment properties and services			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 28 f.	
Material topic of prime portfolio with flexible use options			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 28 f.	
Material topic of socially beneficial and environmentally friendly properties			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 31	
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	Sustainability Chapter: p. 34	
GRI G4	CRE8 Product and service labeling	Sustainability Chapter: p. 34	
Innovation area of action			
Material topic of customer and market orientation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p.36	
Material topic of corporate and innovation culture			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 38	
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	Sustainability Chapter: p. 39	
Material topic of reduction of CO₂ emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 41 ff.	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainability Chapter: p. 47	
	302-3 Energy intensity	Sustainability Chapter: p. 46	
	302-4 Reduction of energy consumption	Sustainability Chapter: p. 47	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Chapter: p. 46	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Chapter: p. 46	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Chapter: p. 46	
	305-4 GHG emissions intensity	Sustainability Chapter: p. 46	
	305-5 Reduction of GHG emissions	Sustainability Chapter: p. 46	

GRI Standard/ other source	Disclosure	Reference/ information	Omission
Material topic of the circular economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 50 ff.	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Chapter: p. 53	
	303-2 Management of water discharge-related impacts	Sustainability Chapter: p. 53	
	303-5 Water consumption	Sustainability Chapter: p. 53	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Chapter: p. 50	
	306-2 Management of significant waste-related impacts	Sustainability Chapter: p. 50	
GRI G4	CRE 5 Land degradation, contamination, and remediation	Sustainability Chapter: p. 62	
Employees area of action			
Material topic of employee satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 54 ff.	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Chapter: p. 56	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	None	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Chapter: p. 55	
	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Chapter: p. 55	
	403-6 Promotion of worker health	Sustainability Chapter: p. 55	
	403-9 Work-related injuries	Sustainability Chapter: p. 56	
	403-10 Work-related ill health	Sustainability Chapter: p. 56	
Material topic of diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 57 f.	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Report: p. 7, 14 Corporate Governance Report: p. Sustainability Chapter: p. 61 ff.	
	405-2 Ratio of basic salary and remuneration of women to men	Sustainability Chapter: p. 57	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Chapter: p. 57	
Material topic of customer and market orientation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Chapter: p. 58 f.	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Chapter: p. 59	
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Chapter: p. 59	

EPRA mapping

EPRA Sustainability Performance Measures

Environmental Sustainability Performance Measures

Code	Performance measure	GRI Standard and CRES D indicator code	Unit(s) of measure	References
Elec-Abs	Total electricity consumption	302-1	annual kWh	chapter sustainability: p. 46
Elec-LfL	Like-for-like total electricity consumption	302-1	annual kWh	N/A
DH&C-Abs	Total district heating & cooling consumption	302-1	annual kWh	chapter sustainability: p. 46
DH&C-LfL	Like-for-like total district heating & cooling consumption	302-1	annual kWh	N/A
Fuels-Abs	Total fuel consumption	302-1	annual kWh	chapter sustainability: p. 46
Fuels-LfL	Like-for-like total fuel consumption	302-1	annual kWh	N/A
Energy-Int	Building energy intensity	CRE1	kWh/appropriate denominator	chapter sustainability: p. 46
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	305-1	annual metric tonnes CO ₂ e	chapter sustainability: p. 46
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	305-2	annual metric tonnes CO ₂ e	chapter sustainability: p. 46
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	CRE3	tonnes CO ₂ e/appropriate denominator	chapter sustainability: p. 46
Water-Abs	Total water consumption	303-1	annual cubic metres (m ³)	chapter sustainability: p. 46
Water-LfL	Like-for-like total water consumption	303-1	annual cubic metres (m ³)	Sustainability Key Indicators: environmental section ¹
Water-Int	Building water intensity	CRE2	m ³ /appropriate denominator	Sustainability Key Indicators: environmental section ¹
Waste-Abs	Total weight of waste by disposal route	306-2	annual metric tonnes and proportion by disposal route	chapter sustainability: p. 39
Waste-LfL	Like-for-like total weight of waste by disposal route	306-2	annual metric tonnes and proportion by disposal route	N/A
Cert-Tot	Type and number of sustainably certified assets	CRE8	Total number by certification/rating/labelling scheme	Sustainability Key Indicators: environmental section ¹

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

² EPRA Sustainability Performance Measures, Definitions, Issues and Rationale are based on the GRI Standards (2016 edition) and CRES D; hence reference to the GRI Standards and CRES D is used throughout the EPRA SBPR.

Social Performance Measures

Code	Performance measure	GRI Standard and CRES D indicator code	Unit(s) of measure	References
Diversity-Emp	Employee gender diversity	405-1	Percentage of employees	Corporate Governance Report: p. 7, 14 sustainability chapter: p. 61 ff
Diversity-Pay	Gender pay ratio	405-2	Ratio	chapter sustainability: p. 57
Emp-Training	Employee training and development	404-1	Average hours	chapter sustainability: p. 59
Emp-Dev	Employee performance appraisals	404-3	Percentage of employees	chapter sustainability: p. 59
Emp-Turnover	New hires and turnover	401-1	Total number and rate	chapter sustainability: p. 56
H&S-Emp	Employee health and safety	403-2	Injury rate, absentee rate and number of work related fatalities	chapter sustainability: p. 56
H&S-Asset	Asset health and safety assessments	416-1	Percentage of assets	N/A
H&S-Comp	Asset health and safety compliance	416-2	Number of incidents	N/A
Comty-Eng	Community engagement, impact assessments and development programs	413-1	Percentage of assets	N/A

Governance Performance Measures

Code	Performance measure	GRI Standard and CRES D indicator code	Unit(s) of measure	References
Gov-Board	Composition of the highest governance body	2-9 (102-22)	Total number	chapter sustainability: p. 80
Gov-Selec	Process for nominating and selecting the highest governance body	2-10 (102-24)	Narrative on process	chapter sustainability: p. 80
Gov-Col	Process for managing conflicts of interest	2-15 (102-25)	Narrative on process	chapter sustainability: p. 81

² EPRA Sustainability Performance Measures, Definitions, Issues and Rationale are based on the GRI Standards (2016 edition) and CRES D; hence reference to the GRI Standards and CRES D is used throughout the EPRA SBPR.

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 Sustainability Information of Swiss Prime Site AG

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

We have undertaken a limited assurance engagement on the selected Sustainability Information set out below, which are presented in the Report according to GRI Standards in the annual report "Report 2022" of the Swiss Prime Site Group (hereinafter "SPS") for the year ended December 31, 2022 (hereinafter "Sustainability Information"):

GRI 302-1 Energy consumption within the organization	page 46-49
GRI 302-3 Energy intensity	page 46-49
GRI 303-5 Water consumption	page 46-49
GRI 305-1 Direct GHG emissions (Scope 1)	page 46-49
GRI 305-2 Indirect energy-related GHG emissions (Scope 2)	page 46-49
GRI 305-3 Other indirect GHG emissions (Scope 3)	page 46-49
GRI 305-4 GHG emissions intensity.	page 46-49

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the annual report 2022 or linked to from the Sustainability Information or from the annual report 2022, including any images, audio files or embedded videos.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that SPS's Sustainability Information in the above-mentioned sections of the annual report 2022 for the year ended December 31, 2022 is not prepared, in all material respects, in accordance with the GRI Sustainability Standards (GRI SRS).

We do not express an assurance conclusion on information in respect of earlier periods or to any other information included in the annual report 2022 or linked to from the Sustainability Information or from the annual report 2022, including any images, audio files or embedded videos.

Understanding how SPS has Prepared the Sustainability Information

The GRI SRS, have been used as criteria references for the disclosures. Consequently, the Sustainability Information needs to be read and understood together with the GRI SRS.

Inherent Limitations in Preparing the Sustainability Information

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



Swiss Prime Sites Responsibilities

The Board of Directors of SPS is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- The preparation of the Sustainability Information in accordance with the criteria of the GRI SRS;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our opinion to the Board of Directors of Swiss Prime Site AG.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of 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 system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected 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 on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures for the disclosures included in the scope of the limited assurance engagement;
- Assessment of the consistency of the disclosures applicable to Swiss Prime Site AG with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Report according to GRI Standards in the annual report 2022.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Silvan Jurt
Licensed audit expert

Cyrill Kaufmann
Licensed audit expert

Zurich, 7 February 2023

SWISS PRIME SITE

— CORPORATE GOVERNANCE

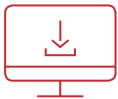
REPORT

2022



Corporate Governance

- 3** Group structure
- 5** Shareholders
- 6** Capital structure
- 8** Board of Directors
- 15** Executive Board
- 19** Shareholder participation rights
- 20** Statutory auditor and information policy



Swiss Prime Site – the real estate investment platform

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

Reporting structure

Our stakeholder-oriented 2022 reporting consists of the online report and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2022». 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 Zug, Switzerland – are listed on the SIX Swiss Exchange under securities number 803838 and ISIN number CH0008038389. On 31 December 2022, the market capitalisation of Swiss Prime Site AG was CHF 6 149.0 million [CHF 6 810.7 million].

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 AG, Zug
- Swiss Prime Site Immobilien AG, Zurich
- Swiss Prime Site Finance AG, Zug
- Swiss Prime Site Management AG, Zug
- Zimmermann Vins SA, Carouge

Services

- Swiss Prime Site Solutions AG, Zug
- Wincasa AG, Winterthur
- Jelmoli AG, Zurich
- Akara Property Development AG, Zug
- streamnow ag, Zurich

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2021 Capital in CHF 1 000	Shareholding in %	31.12.2022 Capital in CHF 1 000	Shareholding in %
Akara Funds AG, Zug ²	Asset management	n.a.	n.a.	n.a.	n.a.
Akara Holding AG, Zug ²	Asset management	n.a.	n.a.	n.a.	n.a.
Akara Property Development AG, Zug ¹	Asset management	n.a.	n.a.	100	100.0
Akara Real Estate Management AG, Zug ²	Asset management	n.a.	n.a.	n.a.	n.a.
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
Swiss Prime Site Dreispitz AG, Zurich ³	Real estate	5 295	100.0	n.a.	n.a.
streamnow ag, Zurich	Real estate services	100	100.0	100	100.0
Swiss Prime Site Finance AG, Zug	Financial services	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Zurich	Real estate	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Zug	Services	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zug	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 acquisition as at 10.01.2022

² acquisition as at 10.01.2022, merger in Swiss Prime Site Solutions AG as at 01.07.2022

³ merger in Swiss Prime Site Immobilien AG as at 01.07.2022

Investments in associates valued according to the equity method

	Field of activity	31.12.2021 Capital in CHF 1 000	Shareholding in %	31.12.2022 Capital in CHF 1 000	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
Flexoffice Schweiz AG, Zurich	Office services	111	10.0	124	27.2

Shareholder structure

Shareholders as at 31.12.2022

Number of shares	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in % ¹
1 to 1 000	9 580	84.3	2 571 866	3.4
1 001 to 10 000	1 434	12.6	3 945 620	5.1
10 001 to 100 000	264	2.3	7 870 118	10.3
100 001 to 1 000 000	79	0.7	20 766 714	27.1
1 000 001 and above	8	0.1	15 080 030	19.7
Total registered shareholders/shares	11 365	100.0	50 234 348	65.6
Unregistered shares			26 484 256	34.4
Total shares issued			76 718 604	100.0

¹ as % of shares issued

Countries/regions	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Switzerland	10 514	92.5	35 261 288	70.2
Europe (excluding Switzerland)	719	6.3	12 219 063	24.3
Other countries	132	1.2	2 753 997	5.5
Total registered shareholders/shares	11 365	100.0	50 234 348	100.0

Shareholder categories	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Natural persons	10 346	91.0	7 469 465	14.9
Legal entities	442	3.9	16 538 992	32.9
Pension funds	179	1.6	8 307 168	16.5
Insurance companies	176	1.5	12 929 207	25.7
Funds	31	0.3	1 835 993	3.7
Other	191	1.7	3 153 523	6.3
Total registered shareholders/shares	11 365	100.0	50 234 348	100.0

Major shareholders (shareholding interest >3%)	31.12.2021 Shareholding interest in %	31.12.2022 Shareholding interest in %
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.7	8.0
UBS Fund Management (Switzerland) AG, Basel	3.8	4.5
State Street Corporation, Boston	>3.0	n.a.

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 reaches 3, 5, 10, 15, 20, 25, 33 $\frac{1}{3}$, 50 or 66 $\frac{2}{3}$ 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 in accordance with Article 120 ff. 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 76 718 604 registered shares at a nominal value of CHF 2.00. 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, total share capital (authorised and conditional capital) may be increased by a maximum of CHF 12.455 million or 8.1% of existing share capital.

Authorised and conditional capital

The authorised and conditional capital comprises 6 227 745 [6 975 985] registered shares amounting to CHF 12.455 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 are to 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 (available to 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 have their name be entered in the share register. The Articles of Association are available for download on the website www.sps.swiss under Governance. In relation to the Company, only those persons whose names appear in the share register and who have acquired shares in their own name and for their own account are recognised as usufructuaries or shareholders with voting rights. The Company acknowledges only one beneficiary per share.

Each share entitles the holder to one vote at the Annual General Meeting. The Board of Directors is entitled to refuse the admission of foreign purchasers of registered shares as voting shareholders to the extent that and as long as their acceptance could prevent the Company from filing the evidence under federal laws required regarding the composition of the shareholders. Otherwise, there are no restrictions on registration or voting rights. The Annual General Meeting may resolve to remove these restrictions on transferability with a majority of votes validly cast 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 31.12.2022

Capital	Number of registered shares	Nominal per share in CHF	Total in CHF 1 000
Share capital	76 718 604	2.00	153 437
Authorised and conditional capital	6 227 745	2.00	12 455

Share capital changes over the last three years

Changes	Number of registered shares	Nominal per share in CHF	Nominal value in CHF 1 000
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
Capital increase on 04.01.2022	748 240	15.30	11 448
Nominal value reduction on 13.06.2022	76 699 051	13.30	–1 020 098
Nominal value reduction on 13.06.2022 - treasury shares	19 553	13.30	–260
Share capital as at 31.12.2022	76 718 604	2.00	153 437

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Nominal value as at 31.12.2022	CHF m	247.500	296.630
Book value as at 31.12.2022	CHF m	247.026	295.652
Book value as at 31.12.2021	CHF m	245.990	295.175
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 12.455 million. This is equal to 8.1% of share capital prior to the convertible bond issue.

No conversions took place in the reporting year. Further information on the convertible bonds can be found in the notes to 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 within the meaning 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
Barbara A. Knoflach, 1965	Member	AT	2021
Thomas Studhalter, 1969	Member	CH	2018
Gabrielle Nater-Bass, 1968	Member	CH	2019
Brigitte Walter, 1959	Member	DE	2022

Departures during the reporting period

Barbara Frei-Spreiter as at 23 March 2022

Additions during the reporting period

Brigitte Walter as at 23 March 2022.

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 associations, organisations and foundations are not subject to any restrictions. The Board of Directors currently has four committees (an Audit Committee, a Nomination and Compensation Committee, an Investment Committee and a Sustainability Committee), 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 Annual General Meeting in the year in which they reach the age of 70.

Division of authority and duties of the Board of Directors

The basic principles and the division of responsibilities and authority 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 overall management of the Company as well as supervising and monitoring 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 joint body. Unless otherwise provided for in the resolutions of the Board of Directors and the organisational regulations, its members do 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 made use of this option and formed an Audit Committee, an Investment Committee, a Nomination and Compensation Committee and a Sustainability Committee. 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 must ensure appropriate reporting to its members. In the reporting period, the Board of Directors formed two non-permanent committees to support projects.

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 at minimum once per quarter. Seven meetings took place in the

reporting period, including five meetings with all members physically present, one video conference meeting 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 regarding the ongoing course of business and significant business transactions by the Chief Executive Officer and the Chief Financial Officer at each meeting and by the other members of the Executive Board at selected meetings. 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, Nomination and Compensation Committee and Sustainability Committee perform monitoring and information functions with respect 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, Nomination and Compensation Committee and Sustainability 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 chair 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 with a process landscape. A risk inventory is used to identify, analyse and evaluate risks and manage them 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 monitored 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 with regard 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: Christopher M. Chambers, Brigitte Walter

The responsibilities, duties and authority of the Audit Committee are set out in separate regulations. 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. Five meetings of the Audit Committee took place within the reporting period, including one video conference meeting and four 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: Gabrielle Nater-Bass; members: Christopher M. Chambers, Barbara A. Knoflach

Swiss Prime Site's Nomination and Compensation Committee assumes the relevant responsibilities in accordance with the Ordinance Against Excessive Compensation in Listed Companies (the Ordinance) and the Articles of Association amended to accord with the Ordinance. The responsibilities, duties and authority of the Nomination and Compensation Committee are set out in separate regulations. 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 and two hybrid meetings (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: Barbara A. Knoflach; members: Mario F. Seris, Brigitte Walter

The responsibilities, duties and authority of the Investment Committee are set out in separate rules. The Investment Committee manages all of the Board of Directors' business activities in the areas of real estate and real estate investments as well as additional business activities of the Board of Directors 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 minimum twice per year. Seven meetings of the Investment Committee took place within the reporting period, including three meetings with all members physically present, three hybrid meetings (physical and video) and one video

conference meeting. The Investment Committee reports regularly on its activities to the Board of Directors and Executive Board and submits the necessary proposals.

Sustainability Committee

Chair: Ton Büchner; member: Barbara A. Knoflach.

The Sustainability Committee addresses high-level, group-wide issues regarding sustainable management. The responsibilities, duties and authority of the Sustainability Committee are set out in separate rules. The Sustainability Committee manages all business activities of the Board of Directors in the area of sustainability-oriented management as well as additional business activities of the Board of Directors that require specific sustainability expertise. The Sustainability 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 Sustainability Committee has the right to submit proposals to the full Board of Directors. Three meetings of the Sustainability Committee took place within the reporting period, including one meeting with all members physically present and two hybrid meetings (physical and video).

Meetings

Committee	Meetings	Duration (average)	Attendance
Board of Directors	7	5:44 hours	100%
Audit	5	3:48 hours	100%
Nomination & Compensation	4	2:00 hours	91.7%
Investment	7	1:36 hours	100%
Sustainability	3	2:00 hours	100%

Each individual member was present at a minimum of 75% or more of the meetings scheduled.

In 2022, the Board of Directors conducted a self-evaluation that assessed the work of the Board of Directors and its individual committees. The evaluation covered purpose, scope, composition, committees, committee briefings to the whole Board of Directors, responsibilities, processes, governance and dynamics. 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 and improvement measures were defined.



Ton Büchner

1965, Altendorf

Position

Chairman of the Board of Directors,
independent member since 2020

Committees

Sustainability Committee: Chair

Education

Master of Science in Civil Engineering, Delft University of Technology, the 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, which is listed on the stock exchange, and was its 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: Member

Education

Lic. phil. I; English and Education, 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



Gabrielle Nater-Bass

1968, Meilen

Position

Member of the Board of Directors,
independent member since 2019

Committees

Nomination and Compensation: Chair

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 conducting proceedings 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/Cyber-security, 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 at BDO in Switzerland since 2014 and became its CEO on 1 January 2021. 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 (comprising Kamillo Eisner-Stiftung, Hergiswil, Eisner-Stiftung, Hergiswil, Stiftung Eranaika, 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 of the Royal Society of Arts (FRSA), UK

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, DE

Position

Member of the Board of Directors,
independent member since 2021

Committees

Investment: Chair
Nomination and Compensation: Member
Sustainability: 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 a 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 LifeWork-Space, DealEvolution and tinyBE.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Chairwoman and Senior Independent Member of CTP NV, Amsterdam, Deputy Chairperson of the Supervisory Board of Aareal Bank AG, Wiesbaden

Unlisted companies: Managing Director of LifeWork-Space GmbH, Hofheim am Taunus; member of the Supervisory Board of Landmarken AG, Aachen

Key skills

Leadership, Strategy, Real Estate, Asset Management, ESG, Finance, M&A, Risk Management



Brigitte Walter

1959, Feldkirchen-Westerham, DE

Position

Member of the Board of Directors,
independent member since 2022

Committees

Audit: Member

Investment: Member

Education

Diploma in Savings Banking Administration

Professional activity

Brigitte Walter has more than 40 years' expertise in all areas of banking and in real estate. She was on the Board of REAL I.S. AG Gesellschaft für Immobilien Assetmanagement until mid-2019. Most recently, she was responsible for asset and fund management following a number of years working in the areas of finance and risk (including research, compliance and auditing).

Mandates outside Swiss Prime Site

Stock exchange-listed companies: none

Unlisted companies: Member of the Advisory Board of ASSIDUUS Development GmbH, Berlin; member of the Advisory Board of TME Associates GmbH, Munich; representative for the southern region (Bavaria) for the German Property Federation (ZIA), Berlin

Key skills

Leadership, Strategy, Real Estate, Asset and Fund Management, Finance, Risk Management, Regulatory Matters

Executive Board

The Executive Board is responsible for the operational management of Swiss Prime Site and represents the group publicly. The Executive Board corresponds to the «executive management» according to the Articles of Association of Swiss Prime Site AG and the Ordinance Against Excessive Compensation in Listed Companies (Ordinance).

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	Nation-ality	Member since
René Zahnd, 1966	CEO, CEO of Swiss Prime Site Immobilien AG	CH	2015
Marcel Kucher, 1971	CFO	CH	2021
Anastasius Tschopp, 1979	Member, CEO of Swiss Prime Site Solutions AG	CH	2021
Oliver Hofmann, 1970	Member, CEO of Wincasa AG	CH	2013
Nina Müller, 1969	Member, CEO of Jelmoli AG	AT	2020

Departures during the reporting period

Martin Kaleja, CEO of Swiss Prime Site Immobilien AG, as at 25 August 2022.

Additions during the reporting period

René Zahnd, CEO, additionally took on the role of CEO of Swiss Prime Site Immobilien AG as at 1 September 2022.

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 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 performance-based compensation and the allocation of shares, as well as an additional amount for compensation of members of the Executive Board appointed 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 and 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 notes to the financial statements of Swiss Prime Site AG on page 82.



René Zahnd

1966, Berne

Position

Member of the Executive Board
 Chief Executive Officer
 Chief Executive Officer of Swiss Prime Site
 Immobilien AG

Education

Lawyer

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: from 1996 to 1998 in Legal Services at BEKB and Dezenium AG; from 1998 to 2009 head of Legal Services and director of Project Development and member of the Executive Management at general contractor Losinger Marazzi; from 2009 to 30 October 2015 at Implenia, first as Head of Implenia Real Estate and from February 2014 as Head of Modernisation & Development, previously from 2010 as member of the Executive Management and from 2013 as a member of the Group Executive Board of Implenia AG.

Mandates within Swiss Prime Site

Chairman of the Board of Directors of the following group companies: Jelmoli AG, Zurich; Swiss Prime Site Finance AG, Zug; Swiss Prime Site Immobilien AG, Zurich; Swiss Prime Site Management AG, Zug; Wincasa AG, Winterthur; Zimmermann Vins AG, Carouge

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Supervisory Board of DIC Asset AG, Frankfurt



Marcel Kucher

1971, Zurich

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 graduated with a doctorate in economics from the University of Zurich in 2000 before starting his professional career at McKinsey & Company. 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 Finance AG, Zug; Swiss Prime Site Immobilien AG, Zurich; Swiss Prime Site Management AG, Zug; Swiss Prime Site Solutions AG, Zug; Wincasa AG, Winterthur; Zimmermann Vins AG, Carouge; Akara Property Development AG, Zug; streamnow ag, Zurich

Mandates outside Swiss Prime Site

None



Anastasius Tschopp

1979, Hünenberg

Position

Member of the Executive Board
Chief Executive Officer of Swiss Prime Site
Solutions AG

Education

Master in Real Estate Management and 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 Port-
folio Management and a member of the Management
Board of Swiss Prime Site Immobilien AG, where he
shaped a portfolio worth CHF 10 billion. Prior to this, his
career path led him via the development department
of Zurich Airport to Credit Suisse. As Head Property
Marketing Real Estate Asset Management there, he
assumed management and specialist responsibility
for marketing across Switzerland.

Mandates outside Swiss Prime Site

None



Oliver Hofmann

1970, Richterswil

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 Wincasa AG since 1 January
2013 and member of the Executive Board of Swiss
Prime Site AG since 1 June 2013. In addition to spend-
ing 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-Unterneh-
mungen, Zurich



Nina Müller

1969, Zurich

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 general meeting (Article 8)
- Convening/agenda of the general meeting (Article 9, para. 4 and Article 10)
- Voting rights and adoption of resolutions, independent proxy and issuing instructions (Articles 12 and 13)
- Special quorum (Article 14)
- Compensation of the Board of Directors and Executive Board (Article 28 et seq.), see 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 general meeting is only permissible with a written authorisation. The Chairman of the general 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 also issue authorisations and instructions to the independent proxy by electronic means.
- ³ The general meeting passes its resolutions and carries out its elections with a majority of the valid votes cast, unless Swiss law or the Articles of Association specify otherwise. Abstentions shall not be counted. In the event of a tie, the Chairman shall have the casting vote for resolutions, while elections shall be decided by lot.
- ⁴ Elections and resolutions are effected in an open ballot or electronically, unless the general meeting resolves that an election or resolution shall be effected 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 7 March 2023 (effective date) is eligible to vote at the Annual General Meeting of 21 March 2023. Shareholders who sell their shares after this date are not eligible to participate in the Annual General Meeting. No entries are recorded in the share register from 8 March up to and including 21 March 2023.

Special quorum

According to Article 14 of the Articles of Association:

«A resolution of the 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:

- a) amending the Company's purpose;
- b) creating voting stock;
- c) transfer restrictions on registered shares;
- d) an increase to authorised or conditional capital;
- e) capital increases by way of conversion of equity, against contribution in kind or for the purpose of acquiring assets, as well as the granting of special benefits;
- f) the restriction or repeal of subscription rights;
- g) a change to 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 general meeting pursuant to items i, k and l above.»

Convening of the Annual General Meeting

According to Article 10 of the Articles of Association:

- «¹ The general meeting shall be convened by the Board of Directors, or, if necessary, by the Auditor.
- ² The 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 a general meeting shall state the agenda items and motions of the Board of Directors and of the shareholders who requested agenda items or the convening of a general meeting.
- ³ Subject to the provisions regarding the universal meeting, no resolutions can be passed on matters not thus announced, other than regarding an application to convene an extraordinary general meeting or to conduct a special audit. Discussion of motions made after the general meeting has been convened, or during the general meeting, may be permitted if the general meeting so decides. However, resolutions in relation to such proposals may not be made until the next general meeting.
- ⁴ However, no prior notification is required for submitting proposals in the context of agenda items and for discussing matters without passing a resolution.

- ⁵ The annual report, compensation report and the corresponding appraisal report, the audit 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 Annual General Meeting. The invitation must refer to this fact and to the right of every shareholder to request copies of these documents.»

Agenda

According to Article 9, para. 4 of the Articles of Association, shareholders representing at least 0.25% of the share capital or voting rights may demand that an item be put on the agenda. The agenda item and shareholder's motions must be specified in writing no later than 40 days before the date of the general meeting.

Share register and registration restrictions

According to Article 5 of the Articles of Association:

- «¹ A 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 (if legal entities, the registered office). In the event of a change to the 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 as shareholders or usufructuaries those persons/entities entered in the share register. The Company only acknowledges one beneficiary per share.
- ² Upon request, those who acquire registered shares are entered into the share register as shareholders with the right to vote, providing they expressly declare that they have acquired these registered shares in their own name and on their own behalf. Art. 685d (3) CO remains reserved.
- ³ Following consultation with the registered shareholder, the Board of Directors may delete, with retroactive effect as of the date of the entry, an entry from the share register that 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 entitled to refuse the admission of foreign purchasers of registered shares as voting shareholders to the extent that and as long as their recognition could prevent the Company from filing the evidence required under federal laws regarding the composition of the shareholders. There are no other restrictions on registration or voting rights.»

Independent proxy

The Articles of Association provisions regarding the independent proxy correspond to the regulations according to the Ordinance Against Excessive Compensation in Listed Companies (Ordinance). The Board of Directors ensures that shareholders can issue proxies and instructions to the independent proxy 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, Badenerstrasse 172, 8036 Zürich. 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.

As announced at the 2022 Annual General Meeting, Swiss Prime Site put the audit mandate out to tender. After analysing the bids and presentations in detail, the Board of Directors decided to propose PricewaterhouseCoopers AG, Zurich for election as statutory auditor at the Annual General Meeting.

Fees

For the current reporting period, audit fees (including services relating to capital market transactions) of CHF 0.987 million [CHF 0.652 million] and CHF 0.021 million [CHF 0.186 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 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 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 accounts comply with the provisions of Swiss company law, the Listing Rules of the SIX Swiss Exchange and IFRS 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 re-

leases 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, Subscription service. Further information about the group can be found on the website at www.sps.swiss.

Contact address:

Swiss Prime Site AG

Alpenstrasse 15

CH-6300 Zug

Telephone +41 58 317 17 17

Email info@sps.swiss

www.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 all 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 Swiss Prime Site media release or another source – they are generally 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

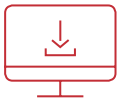
REPORT

2022



Compensation

- 3** Governance
 - 3** Provisions on compensation in the Articles of Association
 - 4** Nomination and Compensation Committee
 - 5** Method of determination of compensation
 - 5** Compensation of the Board of Directors
- 7** Compensation of the Executive Board
 - 7** Executive Board compensation system
 - 7** Annual base salary
 - 7** Short-term incentive with ESG targets
 - 7** Long-term incentive (from 2023 with ESG targets)
 - 7** Bonus repayment (clawback clause)
 - 7** Minimum shareholding (Share Ownership Guidelines)
 - 10** Target weighting and target achievement 2022
- 12** Report of the statutory auditor



Swiss Prime Site – the real estate investment platform

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

Reporting structure

Our stakeholder-oriented 2022 reporting consists of the online report and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2022». In this way, we create added multimedia value.

Governance

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 SIX Swiss Stock Exchange directive relating to information on corporate governance and the principles of the Swiss Code of Best Practice for Corporate Governance issued by *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 the Executive Board in the financial year 2022.

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. Furthermore, shareholders approve the Articles of Association that outline the principles of

compensation and also 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 compensation actually paid out is therefore likely to be below the approved maximum amounts. The actual 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 future 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:

Principles of compensation of the Board of Directors Article 28	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.
Principles of compensation of the Executive Board Articles 30 and 31	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.
Approval of compensation by shareholders Articles 29 and 32	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 actually paid to the Board of Directors and the Executive Board is disclosed in the Compensation Report, which is subject to consultative vote by the shareholders.
Additional compensation for new Executive Board members Article 32	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 at the last Annual General Meeting of the previous financial year.

Nomination and Compensation Committee

The Board of Directors has a Nomination and Compensation Committee (NCC) to provide support in compensation matters. Gabrielle Nater-Bass (Chair), Barbara A. Knoflach 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) and 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 principles 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 2022. 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 or part of 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.

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 – generally conducted every two to three years – of the compensation of similar positions in other stock exchange-listed companies that are comparable in size (market capitalisation, revenue, 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 1 700 employees – has a higher degree of complexity than pure real estate companies.

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 study conducted in 2021 by the independent consulting firm Agnès Blust Consulting showed that, in particular, the fee for the Chairman of the Board of Directors is significantly below the benchmark median, the median being CHF 489 498. Therefore, this fee was increased by CHF 100 000 to CHF 450 000 in 2022.

Fixed annual fee for members of the BoD 2022

Chairman of the Board of Directors	CHF 450 000
Vice-Chairman of the Board of Directors	CHF 190 000
Member of the Board of Directors	CHF 180 000
Additional fee for the Chair of the Audit Committee	CHF 10 000
Expense allowance	CHF 6 000

The total compensation of the Board of Directors amounts to CHF 1.575 million [2021: CHF 1.465 million] and is therefore less than the compensation proposed at the Annual General Meeting of 23 March 2022. The shareholding of the Board of Directors is stated on page 11.

01.01.–31.12.2022

in CHF 1 000	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	225	203	6	25	460	6
Mario F. Seris, Vice-Chairman of the BoD	95	86	5	9	194	6
Christopher M. Chambers, member of the BoD	90	81	6	–	177	6
Barbara Frei-Spreiter, member of the BoD ³	21	19	6	2	47	1
Barbara A. Knoflach, member of the BoD	90	81	6	–	177	6
Gabrielle Nater-Bass, member of the BoD	90	81	6	5	182	6
Thomas Studhalter, member of the BoD	95	86	6	5	192	6
Brigitte Walter, member of the BoD ⁴	69	62	–	13	144	5
Total compensation to the Board of Directors 2022 (gross)	775	700	41	59	1575	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 23.03.2022

⁴ since 23.03.2022

01.01.–31.12.2021

in CHF 1 000	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
Barbara Frei-Spreiter, member of the BoD	90	80	6	5	181	6
Rudolf Huber, member of the BoD ³	21	21	5	2	49	1
Barbara A. 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

Compensation of the Executive Board

Executive Board compensation system

The compensation system for the Executive Board comprises an annual base salary plus a variable component 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 the 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 Executive Board member's own business area, which are formative and typical for the industry and also take into account ESG targets, among other things. The current ESG targets include, for example, the analysis of customer satisfaction, GRESB ratings and the expansion of sustainable business models.

The profitability and growth targets include EBIT as well as another company-specific relevant key figure such as sales growth, assets under management or ROIC, all of which are designed to ensure sustainable and successful business operations.

Long-term incentive (with ESG targets from 2023 on)

The long-term incentive takes the form of performance share units (PSUs). 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 Board'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. From 1 January 2023, the LTI will include a new ESG component of 25% along with the EPS. We chose GRESB Scores because they represent an independent rating system for measuring the sustainability performance of real

estate companies and real estate funds. The metric chosen was half each (12.5%) of the GRESB Development Score and the GRESB Performance Score, which also include peer comparisons. The GRESB Score is obtained by weighting seven different aspects – management, policy & disclosure, risks & opportunities, monitoring, building certification, performance indicators and stakeholder engagement – which contributes significantly to the transparency of the real estate industry on sustainability issues.

Bonus repayment (clawback clause)

The bonus regulations for the Executive Board mean 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 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 came 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

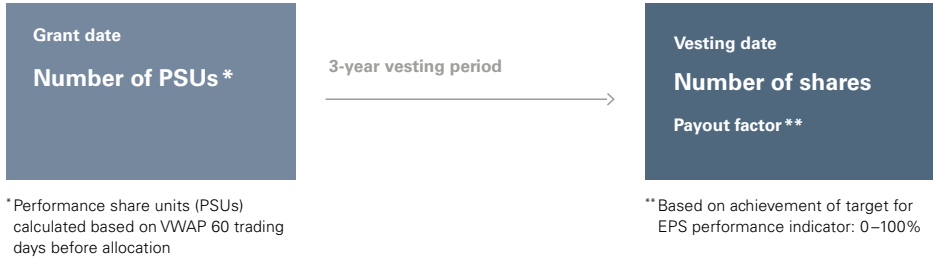
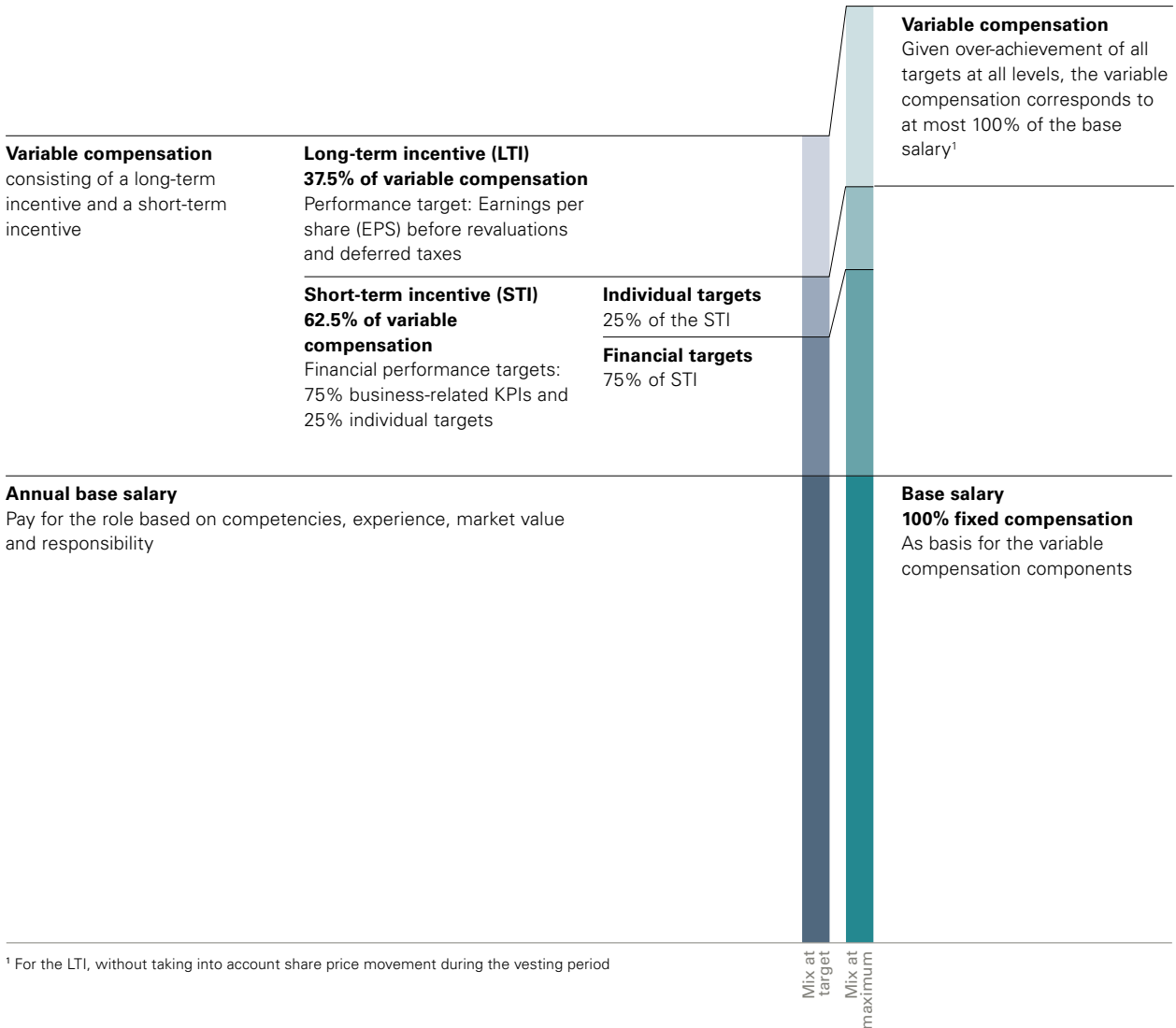


Illustration of the compensation system for the Executive Board



Notes on the compensation table

At the end of 2022, the Executive Board comprised five members. Martin Kaleja left the company at his own request at the end of August 2022. René Zahnd has since served in a dual role as Group CEO and CEO of Swiss Prime Site Immobilien AG.

The variable compensation in 2022 was 84% of the fixed compensation for the CEO and between 51% and 100% of the fixed compensation for the other members of the Executive Board. The compensation paid to the Executive Board for the 2022 financial year of CHF 7.301 million [2021: CHF 7.253 million] is less than the maximum amount of CHF 8.3 million approved at the Annual General Meeting on 23 March 2022.

01.01.–31.12.2022

in CHF 1 000	Total Group Executive Board	of which René Zahnd (CEO) ¹
Fixed compensation in cash (gross)	3 371	750
Variable compensation in cash (gross)	1 648	351
Share-based variable compensation ²	1 313	281
Other compensation components ³	38	6
Pension fund contributions	554	89
Other social security contributions	363	91
Total compensation to the Group Executive Board 2022 (gross)	7 287	1 568
Expense allowance	102	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.–31.12.2021

in CHF 1 000	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

Target weighting and target achievement 2022

	Total variable compensation, maximum 100% of base salary				
	62.5% short-term				37.5% long-term ²
	25% individual targets ¹	75% business-related KPIs		Achievement of targets in % of maximum variable compensation for the STI	number of PSUs based on VWAP in 2019
CEO	25%	75% EBIT	25% LTV	75%	100% EPS ³
CFO	25%	75% EBIT	25% LTV	75%	100% EPS ³
CEO of Swiss Prime Site Solutions	25%	50% EBIT margin	50% ROIC	100%	100% EPS ³
CEO of Wincasa	25%	75% EBIT	25% sales growth	67%	100% EPS ³
CEO of Jelmoli	25%	75% EBIT	25% inventory turnover	36%	100% EPS ³

¹ Typically KPIs for the business area as well as ESG-targets (see also page 7)

² From 2023 with ESG-targets

³ Swiss Prime Site Group, before revaluations and deferred taxes

Executive Board target achievement

The 2022 target achievement rates for the short-term incentive (STI) ranged from 36% to 100%. The target achievement of the LTI plan due in 2023 was 103.11% (payout factor: 100%). EPS target achievement for 2022 was 101.29%.

Benefits and fringe benefits

Benefits consist mainly of retirement and insurance 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 various pension plans within the SPS and Jelmoli pension funds for all employees of the Swiss Prime Site Group. 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 current employment contracts of the members of the Executive Board are open-ended and include notice periods of six to twelve 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	31.12.2021	31.12.2022
Board of Directors		
Ton Büchner, Chairman of the BoD	6 716	9 305
Mario F. Seris, Vice-Chairman of the BoD	16 172	17 265
Christopher M. Chambers, member of the BoD	44 620	45 655
Barbara Frei-Spreiter, member of the BoD ¹	3 967	n.a.
Barbara A. Knoflach, member of the BoD	754	1 789
Gabrielle Nater-Bass, member of the BoD	2 820	3 855
Thomas Studhalter, member of the BoD	4 141	5 234
Brigitte Walter, member of the BoD ²	n.a.	818
Executive Board		
René Zahnd, member of the Executive Board (CEO)	12 894	17 067
Marcel Kucher, member of the Executive Board (CFO)	5 150	5 150
Martin Kaleja, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG ³	–	n.a.
Anastasius Tschopp, member of the Executive Board and CEO of Swiss Prime Site Solutions AG	581	581
Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG	1 830	3 285
Nina Müller, member of the Executive Board and CEO of Jelmolli AG	–	–
Total share ownership	99 645	110 004

¹ until 23.03.2022² since 23.03.2022³ until 25.08.2022**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 2022, and there were no loans or credits outstanding as at 31 December 2022.

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 or 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 2022.

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 2022 other than that referred to in the previous sections.



Report of the Statutory Auditor

To the General Meeting of Swiss Prime Site AG, Zug

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Swiss Prime Site AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on Compensation, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Compensation in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in 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.

In our opinion, the information on Compensation, loans and advances in the Compensation Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

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

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections audited in the Compensation Report, the consolidated financial statements, the financial statements and our auditor’s reports thereon.

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



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

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

Board of Directors' Responsibilities for the Compensation Report

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

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information on Compensation, loans and advances pursuant to Art. 14-16 VegÜV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

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

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

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



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

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 7. February 2023

Enclosure:
- Compensation Report

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

© 2023 KPMG AG, a Swiss corporation, is a subsidiary of KPMG Holding AG, which is a member of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

SWISS PRIME SITE

FINANCE

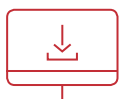
REPORT

2022



Finance

- 2** Selected group key figures
- 3** Consolidated financial statements
 - 3** Consolidated income statement
 - 4** Consolidated statement of comprehensive income
 - 5** Consolidated balance sheet
 - 6** Consolidated cash flow statement
 - 7** Consolidated statement of changes in shareholders' equity
- 8** Notes to the consolidated financial statements
 - 8** Introduction
 - 8** Accounting and significant principles
 - 13** Performance
 - 15** Segment reporting
 - 18** Real estate
 - 26** Financing
 - 33** Platform costs
 - 36** Financial risk management
 - 38** Other disclosures
 - 50** Definition of alternative performance indicators
- 52** Report of the valuation expert
- 65** Report of the statutory auditor (group)
- 70** EPRA reporting
- 77** Financial statements of Swiss Prime Site AG
- 85** Report of the statutory auditor (separate financial statements)
- 88** Five-year summary of key figures
- 90** Property details



Reporting structure

Our stakeholder-oriented 2022 reporting consists of the online report and other stock exchange-related chapters as PDF downloads, as well as the printed annual magazine «Review 2022». In this way, we create added multimedia value.

Selected group key figures

Key financial figures	in	01.01.–	01.01.–	Change
		31.12.2021	31.12.2022	
		or 31.12.2021	or 31.12.2022	in %
Rental income from properties	CHF m	426.7	431.3	1.1
EPRA like-for-like change relative	%	1.3	1.9	37.3
Income from real estate developments	CHF m	52.0	9.1	–82.4
Income from asset management	CHF m	18.2	52.0	185.6
Income from real estate services	CHF m	119.4	125.6	5.1
Income from retail	CHF m	119.5	132.1	10.5
Total operating income	CHF m	749.5	774.4	3.3
Revaluation of investment properties, net	CHF m	301.9	169.7	–43.8
Result from investment property sales, net	CHF m	39.9	50.9	27.5
Operating result before depreciation and amortisation (EBITDA)	CHF m	730.0	618.4	–15.3
Operating result (EBIT)	CHF m	706.7	559.4	–20.9
Profit	CHF m	498.9	404.4	–18.9
Return on equity (ROE)	%	8.0	6.2	–22.5
Return on invested capital (ROIC)	%	4.3	3.3	–23.3
Earnings per share (EPS)	CHF	6.57	5.27	–19.8
Funds from operations per share (FFO I)	CHF	4.01	4.26	6.2
Financial figures excluding revaluations and all deferred taxes				
Operating result before depreciation and amortisation (EBITDA)	CHF m	428.1	448.6	4.8
Operating result (EBIT)	CHF m	404.8	389.6	–3.8
Profit	CHF m	293.7	300.6	2.4
Return on equity (ROE)	%	4.8	4.7	–2.1
Return on invested capital (ROIC)	%	2.8	2.6	–7.1
Earnings per share (EPS)	CHF	3.87	3.92	1.3
Key balance sheet figures				
Shareholders' equity	CHF m	6 409.7	6 569.3	2.5
Equity ratio	%	47.5	47.7	0.4
Liabilities	CHF m	7 089.7	7 201.9	1.6
Loan-to-value ratio of property portfolio (LTV)	%	40.2	38.9	–3.2
NAV before deferred taxes per share ¹	CHF	101.22	102.96	1.7
NAV after deferred taxes per share ¹	CHF	84.37	85.64	1.5
EPRA NTA per share	CHF	100.93	102.69	1.7
Real estate portfolio				
Fair value of real estate portfolio	CHF m	12 793.5	13 087.7	2.3
of which projects/development properties	CHF m	1 006.9	1 117.3	11.0
Number of properties	number	184	176	–4.3
Rental floor space	m ²	1 677 027	1 653 456	–1.4
Vacancy rate	%	4.6	4.3	–6.5
Average discount rate	%	2.75	2.69	–2.2
Net property yield	%	3.2	3.1	–3.1
Employees				
Number of employees as at balance sheet date	persons	1 667	1 779	6.7
Full-time equivalents as at balance sheet date	FTE	1 474	1 567	6.3

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS.

¹ Services segment (real estate-related business fields) included at book values and not at fair values

Consolidated financial statements

Consolidated income statement

in CHF 1 000	Notes	01.01.– 31.12.2021	01.01.– 31.12.2022
Rental income from properties	4	426 692	431 324
Income from sale of trading properties	4	–	15 702
Income from real estate developments	4	51 964	9 132
Income from asset management	4	18 215	52 016
Income from real estate services	4	119 426	125 562
Income from retail	4	119 540	132 124
Other operating income	4	13 666	8 566
Operating income		749 503	774 426
Revaluation of investment properties, net	5.2	301 882	169 739
Result from investments in associates		909	2 540
Result from investment property sales, net	5.3	39 916	50 877
Real estate costs	5.4	–52 702	–55 760
Cost of trading properties sold		–	–13 616
Cost of real estate developments		–33 377	–8 051
Cost of goods sold		–63 726	–75 219
Personnel costs	7.1	–176 889	–189 415
Other operating expenses	7.2	–43 945	–51 321
Depreciation, amortisation and impairment		–23 233	–59 013
Capitalised own services		8 379	14 167
Operating expenses		–385 493	–438 228
Operating result (EBIT)		706 717	559 354
Financial expenses	6.2	–75 807	–45 217
Financial income	6.2	2 687	485
Profit before income taxes		633 597	514 622
Income taxes	7.3	–134 705	–110 193
Profit attributable to shareholders of Swiss Prime Site AG		498 892	404 429
Earnings per share (EPS), in CHF	3.1	6.57	5.27
Diluted earnings per share, in CHF	3.1	6.17	4.97

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

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

Consolidated statement of comprehensive income

in CHF 1 000	Notes	01.01.– 31.12.2021	01.01.– 31.12.2022
Profit		498 892	404 429
Revaluation of owner-occupied properties	5.2	14 954	9 489
Deferred taxes on revaluation of owner-occupied properties		–2 946	–1 870
Remeasurement of net defined benefit assets	9.7	22 090	–74 441
Deferred taxes on remeasurement of net defined benefit assets		–4 417	14 888
Items that will not be reclassified subsequently to profit or loss		29 681	–51 934
Items that will be reclassified subsequently to profit or loss		–	–
Other comprehensive income after income taxes		29 681	–51 934
Comprehensive income attributable to shareholders of Swiss Prime Site AG		528 573	352 495

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

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

Consolidated balance sheet

in CHF 1 000	Notes	01.01.2021	31.12.2021	31.12.2022
Assets				
Cash		142 750	114 656	21 201
Securities		602	1 351	1 130
Accounts receivable	9.1	56 748	39 349	42 659
Other current receivables		5 098	6 268	2 638
Current income tax assets		13 151	3 868	3 731
Inventories	9.2	30 786	33 263	28 004
Real estate developments		23 925	–	–
Trading properties	5.2	–	53 466	73 959
Accrued income and prepaid expenses		19 959	27 141	39 816
Assets held for sale	5.2	216 401	250 124	109 073
Total current assets		509 420	529 486	322 211
Net defined benefit assets	9.7	59 648	80 239	5 752
Non-current financial assets		4 060	4 285	9 501
Investments in associates		51 487	50 800	53 948
Investment properties	5.2	11 826 478	12 131 001	12 587 234
Owner-occupied properties	5.2	521 437	597 611	572 645
Tangible assets	9.3	25 956	23 620	3 892
Right-of-use assets	9.4	48 944	43 132	30 737
Goodwill	9.5	–	–	152 849
Intangible assets	9.3	25 450	32 243	32 267
Deferred income tax assets	7.3	5 404	6 919	186
Total non-current assets		12 568 864	12 969 850	13 449 011
Total assets		13 078 284	13 499 336	13 771 222
Liabilities and shareholders' equity				
Accounts payable		8 436	25 297	43 641
Current financial liabilities	6.1	1 346 369	14 519	355 867
Other current liabilities		114 996	129 937	110 145
Real estate developments		4 742	–	–
Advance payments		29 319	30 984	31 080
Current income tax liabilities		21 159	36 182	44 375
Accrued expenses	9.6	134 890	157 484	138 940
Total current liabilities		1 659 911	394 403	724 048
Non-current financial liabilities	6.1	4 108 572	5 415 515	5 149 557
Deferred tax liabilities	7.3	1 174 214	1 279 736	1 328 320
Net defined benefit liabilities	9.7	151	–	–
Total non-current liabilities		5 282 937	6 695 251	6 477 877
Total liabilities		6 942 848	7 089 654	7 201 925
Share capital	6.4	1 162 347	1 162 347	153 437
Capital reserves	6.4	177 198	50 016	995 605
Treasury shares	6.4	–161	–58	–1 374
Revaluation reserves		–	12 008	19 627
Retained earnings		4 796 052	5 185 369	5 402 002
Shareholders' equity attributable to shareholders of Swiss Prime Site AG		6 135 436	6 409 682	6 569 297
Total liabilities and shareholders' equity		13 078 284	13 499 336	13 771 222

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

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

Consolidated cash flow statement

in CHF 1 000	Notes	01.01.– 31.12.2021	01.01.– 31.12.2022
Profit		498 892	404 429
Depreciation, amortisation and impairment		23 233	59 013
Revaluation of investment properties, net	5.2	–301 882	–169 739
Result from investment property sales, net	5.3	–39 916	–50 877
Result from investments in associates		–909	–2 540
Other non-cash items affecting net income		2 021	3 544
Financial expenses	6.2	75 807	45 217
Financial income	6.2	–2 687	–485
Income tax expenses	7.3	134 705	110 193
Change in accounts receivable		17 399	13 696
Change in inventories and real estate developments		16 706	152
Change in trading properties		–	–3 241
Change in net defined benefit assets		1 348	–2 029
Change in other receivables and accrued income and prepaid expenses		–6 753	389
Change in accounts payable		16 956	18 221
Change in other current liabilities and accrued expenses		20 616	–22 932
Income tax payments		–13 153	–38 160
Cash flow from operating activities		442 383	364 851
Investments in investment properties		–274 422	–378 777
Divestments of investment properties		186 295	302 974
Investments in owner-occupied properties	5.2	–2 224	–2 863
Investments in tangible assets	9.3	–5 064	–4 012
Divestments of tangible assets	9.3	–	128
Acquisitions of group companies, less acquired cash	9.10	–	–118 732
Investments in financial investments and shares in associated companies		–2 436	–9 383
Divestments of financial investments and shares in associated companies		2 970	1 795
Investments in intangible assets	9.3	–15 774	–7 446
Interest payments received		228	153
Dividends received		1 709	1 883
Cash flow from investing activities		–108 718	–214 280
Distribution to shareholders		–254 496	–256 975
Purchase of treasury shares	6.4	–2 904	–3 088
Issue of bonds	6.1	449 878	–
Redemption of bond	6.1	–300 000	–
Issuance of financial liabilities	6.1	1 804 503	472 000
Repayment of financial liabilities	6.1	–1 980 487	–412 062
Interest paid		–78 253	–43 179
Cost capital increase and nominal value reduction		–	–722
Cash flow from financing activities		–361 759	–244 026
Change in cash		–28 094	–93 455
Cash at beginning of period		142 750	114 656
Cash at end of period		114 656	21 201

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

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	Revaluation reserves	Retained earnings	Total shareholders' equity
Total as at 31.12.2020 (as reported according to FER)		1 162 347	177 198	- 161	-	4 746 245	6 085 629
Reconciliation from Swiss GAAP FER to IFRS	2.4	-	-	-	-	49 807	49 807
Total as at 01.01.2021 (IFRS)		1 162 347	177 198	- 161	-	4 796 052	6 135 436
Profit		-	-	-	-	498 892	498 892
Revaluation of owner-occupied properties	5.2	-	-	-	14 954	-	14 954
Deferred taxes on revaluation of owner-occupied properties		-	-	-	-2 946	-	-2 946
Remeasurement of net defined benefit assets	9.7	-	-	-	-	22 090	22 090
Deferred taxes on remeasurement of net defined benefit assets		-	-	-	-	-4 417	-4 417
Other comprehensive income		-	-	-	12 008	17 673	29 681
Comprehensive income		-	-	-	12 008	516 565	528 573
Distribution to shareholders		-	-127 248	-	-	-127 248	-254 496
Share-based compensation		-	66	3 007	-	-	3 073
Purchase of treasury shares	6.4	-	-	-2 904	-	-	-2 904
Total as at 31.12.2021		1 162 347	50 016	-58	12 008	5 185 369	6 409 682
Total as at 31.12.2021 (as reported according to FER)		1 162 347	50 016	-58	0	5 126 374	6 338 679
Reconciliation from Swiss GAAP FER to IFRS	2.4	0	0	0	12 008	58 995	71 003
Total as at 01.01.2022 (IFRS)		1 162 347	50 016	-58	12 008	5 185 369	6 409 682
Profit		-	-	-	-	404 429	404 429
Revaluation of owner-occupied properties	5.2	-	-	-	9 489	-	9 489
Deferred taxes on revaluation of owner-occupied properties		-	-	-	-1 870	-	-1 870
Remeasurement of net defined benefit assets	9.7	-	-	-	-	-74 441	-74 441
Deferred taxes on remeasurement of net defined benefit assets		-	-	-	-	14 888	14 888
Other comprehensive income		-	-	-	7 619	-59 553	-51 934
Comprehensive income		-	-	-	7 619	344 876	352 495
Capital increase (acquisition Akara Group)		11 448	54 316	-	-	-	65 764
Dividend to shareholders		-	-	-	-	-128 504	-128 504
Nominal value reduction – distribution to shareholders		-128 471	-	-	-	-	-128 471
Nominal value reduction – transfer to reserves		-891 887	891 590	-	-	261	-36
Share-based compensation		-	-317	3 863	-	-	3 546
Purchase of treasury shares	6.4	-	-	-5 179	-	-	-5 179
Total as at 31.12.2022		153 437	995 605	-1 374	19 627	5 402 002	6 569 297

The consolidated financial statements have been prepared in accordance with IFRS since the beginning of 2022. The previous year's figures are presented in accordance with IFRS. Further information can be found in note 2.4 «Conversion to IFRS».

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

Notes to the consolidated financial statements

1 Introduction

Our strategy is based on two central pillars: firstly, direct investments in high-quality properties in prime locations, primarily with commercial floor space, complemented by selective development projects. The focus of investment is properties and projects with sustainable, attractive returns and long-term potential for value growth. Secondly, we focus on the management of external real estate assets via funds, asset management mandates and external asset management for third-party clients. In addition to these two pillars, we operate in business areas related to real estate (particularly real estate management) with the aim of strengthening and broadening our earnings base and managing risks.

The following changes with significance for financial reporting took place in the reporting period:

- Acquisition/integration of the Akara Group into Swiss Prime Site Solutions (see note 9.10)
- New Moody's rating (see note 6.1)
- Introduction of International Financial Reporting Standards (IFRS) (see note 2.4)

In connection with introducing IFRS, we have made our reporting clearer for the recipients of the report. The structure of the notes is aligned to readers' interests, and important assumptions and specific accounting principles are explained in the individual notes.

The note sections are as follows:

- Performance; explains our performance per share
- Segments; shows our balance sheet and income statement by segment
- Real estate; provides information about our investment properties and owner-occupied properties
- Financing; provides details of our capital structure
- Platform costs; includes salaries, other operating expenses and taxes
- Financial risk management; describes our measures for financial risks
- Other disclosures; discloses other relevant information

In addition, we relocated the head office of Swiss Prime Site AG from Frohburgstrasse 1 in 4600 Olten to Alpenstrasse 15 in 6300 Zug in the 2022 financial year.

2 Accounting and significant principles

2.1 Principles of consolidated reporting

We have been reporting our results in accordance with the International Financial Reporting Standards (IFRS) since 1 January 2022. Until 31 December 2021, we still prepared the consolidated financial statements in accordance with Swiss GAAP FER. The effects of applying the new accounting principles for the first time are described in note 2.4. We also report in compliance with article 17 of the Directive on Financial Reporting of the Swiss stock exchange (SIX Swiss Exchange) and statutory requirements.

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. The figures for the comparative period are shown in the text in square brackets [].

2.2 Changes to IFRS accounting principles

We applied the following new or revised standards and interpretations for the first time in the financial statements:

Standard/ interpretation	Title
IFRS 3 rev.	IFRS 3 «Recognition of Specific Liabilities and Contingent Liabilities in a Business Combination» (amendment to IFRS 3 – Business Combinations), applicable from 1 January 2022
IAS 16 rev.	IAS 16 «Proceeds before Intended Use» (amendment to IAS 16 – Property, Plant and Equipment), applicable from 1 January 2022
IAS 37 rev.	IAS 37 «Onerous Contracts – Cost of Fulfilling a Contract» (amendment to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets), applicable from 1 January 2022

The following new and revised standards and interpretations have not yet entered into force and have not been applied in advance in these consolidated financial statements.

Standard/ interpretation	Title	Impact ¹	Entering into force	Planned application by Swiss Prime Site
IAS 1 rev.	Classification of liabilities	1	01.01.2023	Fiscal year 2023
IAS 1 rev.	Disclosure of accounting policies	1	01.01.2023	Fiscal year 2023
IAS 8 rev.	Definition of accounting estimates	1	01.01.2023	Fiscal year 2023
IFRS 17	Insurance contracts	1	01.01.2023	Fiscal year 2023
IAS 12 rev.	Deferred tax related to assets and liabilities arising from a single transaction	1	01.01.2023	Fiscal year 2023

¹ 1 No or no significant impact on the consolidated financial statements is anticipated

2 The effects on the consolidated financial statements cannot yet be determined with sufficient certainty

3 The effects on the consolidated financial statements are described below

2.3 Accounting estimates

Preparing the annual financial statements in accordance with the IFRS accounting principles necessitates the use of accounting estimates that affect the reported amounts for assets and liabilities, the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported income and expenses for the reporting period. Although these accounting estimates have been determined by the Executive Board in good faith based on their knowledge of current events and possible future measures of Swiss Prime Site, the actual results may differ from these values.

2.3.1 Fair value measurement

When measuring the fair value of an asset or liability, we use observable market data whenever possible. Based on the inputs used in the valuation techniques, we assign the fair values to different levels of the fair value hierarchy:

Fair value hierarchy

Level 1	The fair value has been determined on the basis of listed prices on active markets for identical assets and liabilities.
Level 2	In contrast to level 1, the fair value has been determined using inputs other than listed prices. For financial assets and liabilities, the inputs must be observable on markets directly (e.g. listed prices) or indirectly (e.g. derived from listed prices).
Level 3	The fair value has been determined using inputs that are not based on observable market data.

- In the fair value measurement, different parameters on different hierarchies can be applied at the same time. We classify the entire valuation according to the lowest level of the fair value hierarchy in which the significant valuation parameters are located.

2.3.2 Impairment of goodwill

- In the impairment tests, which are performed at least once a year, we use assumptions to calculate the value in use.
- Two key factors for which assumptions are made are growth rate and discount rate. It is possible that these assumptions will prove to be inaccurate in the future. Likewise, the actual cash flows may differ from the discounted projections.

2.3.3 Deferred taxes

- Deferred tax liabilities are calculated based on the temporary valuation difference between the book value and the tax base of a balance sheet item («balance sheet liability method»).
- Deferred taxes on temporary valuation differences in the property portfolio are calculated per property in accordance with the cantonal legislation. We review the calculation parameters applied (especially the tax rates) at least once a year and adapt them if necessary.
- Cantons with a one-tier tax system charge a separate property gains tax. In addition to ordinary property gains tax, this includes speculative surcharges or complemented ownership deductions (based on the effective holding period). The longer the duration of ownership, the lower the property gains tax.
- In the case of properties held for sale, we use the effective holding period in the calculation. For other types of properties, we assume a duration of ownership of 20 years or use the effective holding period if it is more than 20 years. Estimating the minimum holding period is subject to considerable discretion.
- Where the valuation difference of properties according to IFRS versus the tax bases are due to recaptured and previously claimed depreciation, the taxes are allocated per property after the deduction of property gains tax and taken into account separately.

2.4 Conversion to IFRS

We have been reporting our results in accordance with the IFRS accounting principles since the 2022 financial year. We have adjusted the comparative figures to the new standards, which means that IFRS was first applied as at 1 January 2021. The accounting principles applied to the preparation and presentation of the 2022 consolidated annual financial statements according to IFRS deviate from the 2021 consolidated financial statements prepared according to the Swiss GAAP FER principles in the following points:

2.4.1 Properties

Investment properties are valued at fair value in accordance with the requirements of IAS 40 «Investment Property». Properties used by the owner itself (e.g. office and retail) are now reported as owner-occupied properties in accordance with IAS 16 and IAS 40.10 (pro rata). Owner-occupied properties and owner-occupied properties under construction are valued at fair value in accordance with IAS 16 «Property, Plant and Equipment» on the basis of the revaluation model. After ordinary depreciation has been recognised in the income statement, a positive revaluation is credited to other comprehensive income, unless it involves the reversal of earlier impairments. In the case of a negative revaluation, the earlier value increases in consolidated shareholders' equity are reversed first until the corresponding revaluation reserve is released. Other devaluations are charged to the consolidated income statement. Properties under construction for future use as owner-occupied properties are dealt with in the same manner. Under IFRS, owner-occupied and investment properties are shown separately in the balance sheet.

2.4.2 Goodwill, brand names and customer base from acquisitions

Capital consolidation is carried out using the acquisitions method. Goodwill from acquisitions is recognised at the residual value (difference between the purchase price and the fair value of the acquired net assets) in accordance with IFRS 3. It is not amortised, but is impairment tested annually or more frequently if there are indications of impairment. Goodwill that was previously offset directly against shareholders' equity under Swiss GAAP FER is not recognised retrospectively. No other intangible assets that need to be recognised separately under IAS 38 were identified.

2.4.3 Pension plans

Under IFRS, defined benefit plans are accounted for according to the projected unit credit method pursuant to IAS 19 «Employee Benefits», whereas previously the standards according to Swiss GAAP FER 16 «Pension benefit obligations» applied. The present value of benefit obligations from defined benefit plans is determined by external experts. The actuarial appraisals are prepared separately for the individual benefit plans. Actuarially calculated surpluses are only recognised as net pension assets to the extent to which a future economic benefit arises for the Group in the form of lower contributions within the meaning of IFRIC 14. Under IFRS, this results in a liability or an asset in the consolidated financial statements, whereas there was no item to be recognised under Swiss GAAP FER. In addition, reported personnel costs from pension plans are different under IFRS than under Swiss GAAP FER.

2.4.4 Right-of-use, leases

Previously, lease liabilities were treated as operational leases in accordance with Swiss GAAP FER 13 «Leases». Under IFRS, the right-of-use for leased properties and land leases are recognised and the corresponding lease liabilities are recorded as liabilities, unless the term of the agreement is twelve months or less, or if it involves a low-value asset. Application of IFRS 16 «Leases» results in an increase in total assets and liabilities. In the income statement, there is a shift in expenses from real estate expenses (third-party rents and land lease payments) to depreciation and financial expenses (interest expense).

In accordance with IFRS 16 and IAS 40.50d, the right-of-use assignable to investment properties and owner-occupied properties (rental and land lease contracts) are reported gross by adding the fair value of the lease liability to the fair value of the property.

The other right-of-use (e.g. Wincasa office floor space and Jelmoli retail floor space) are recognised at fair value and amortised over the term using the straight line method.

2.4.5 Long-term construction contracts

Long-term construction contracts are now evaluated in accordance with IFRS 15 «Revenue from Contracts with Customers». Under Swiss GAAP FER 22 «Long-term contracts», the income from the Espace Tourbillon project (buildings C and D) was divided into two components (land/project and construction contract) with separate margins. According to IFRS 15, there is only one performance obligation (sale of a turnkey property consisting of the sale of land and the construction of buildings), which means that there is no need to separate the transaction under IFRS. Because the buildings were completed in 2021 and there has no longer been any difference between Swiss GAAP FER and IFRS since then, this change in the current consolidated financial statements relates exclusively to the opening balance sheet as at 1 January 2021 and the income statement of the previous year.

2.4.6 Financial assets / financial liabilities / derivative financial instruments

Under IFRS 9, financial assets are classified according to their characteristics. Loans receivable are held to maturity and are recognised in the balance sheet at amortised cost. Other financial assets are valued at fair value. Financial liabilities are initially recognised in the balance sheet at cost less transaction costs in accordance with IFRS 9. In subsequent periods, they are recognised at amortised cost, whereby the effective interest rate method is used to amortise the difference between the book value and the redemption value. Derivative financial instruments are measured at fair value. When they have a positive fair value, they are recognised in the balance sheet as financial investments, and when they have a negative fair value, they are recognised in the balance sheet as financial liabilities.

2.4.7 Capitalised own services

Capitalised own services are reported under operating expenses as a separate expense item (expense reduction). It includes work related to the Group's own development projects and construction projects, as well as internal services for construction management and software development.

2.4.8 Deferred income taxes

The aforementioned valuation and balance sheet adjustments result in corresponding effects on deferred taxes in the balance sheet as well as in the income statement.

The changes relating to the IFRS accounting principles were implemented retrospectively as at 1 January 2021 (first-time application). The following tables show the effects of the conversion from Swiss GAAP FER to IFRS on profit and shareholders' equity:

in CHF 1 000	01.01.– 31.12.2021
Profit according to FER	507 377
Reconciliation to IFRS:	
Depreciation owner-occupied properties (IAS 16)	–1 041
Elimination revaluation of owner-occupied properties (IAS 16)	–13 913
Adjustment expenses of net defined benefit assets (IAS 19)	–1 436
Interest income on net defined benefit assets (IAS 19)	88
Revaluation right-of-use assets investment properties (IFRS 16)	–3 019
Depreciation right-of-use assets (IFRS 16)	–5 811
Interest expenses lease liabilities (IFRS 16)	–4 059
Elimination rental expenses (IFRS 16)	12 731
Adjustment income from real estate developments (IFRS 15)	3 703
Deferred taxes and other effects	4 272
Total adjustments to profit	–8 485
Total profit according to IFRS	498 892

in CHF 1 000	01.01.2021	31.12.2021
Shareholders' equity according to FER	6 085 629	6 338 679
Reconciliation to Swiss GAAP FER:		
Reclassification investment properties to owner-occupied properties (IAS 16)	-521 437	-597 611
Reclassification owner-occupied properties to investment properties (IAS 16)	521 437	597 611
Net defined benefit assets (IAS 19)	59 648	80 239
Net defined benefit liabilities (IAS 19)	-151	-
Right-of-use assets investment properties (IFRS 16)	241 696	238 702
Right-of-use assets (IFRS 16)	48 944	43 132
Current lease liabilities (IFRS 16)	-12 593	-13 661
Non-current lease liabilities (IFRS 16)	-278 047	-268 331
Real estate developments (IFRS 15)	-3 703	-
Deferred taxes and other effects	-5 987	-9 078
Total adjustments to shareholders' equity	49 807	71 003
Total shareholders' equity according to IFRS	6 135 436	6 409 682

The aforementioned effects have a corresponding influence on the individual items in the cash flow statement. Applying IFRS 16 moves the cash flows from leasing activities, amounting to CHF 12.731 million, from cash flow from operating activities to cash flow from financing activities. There are no other changes to the reported cash flows (cash flow from operating activities, cash flow from investing activities, cash flow from financing activities).

3 Performance

3.1 Key figures per share

Earnings per share (EPS)

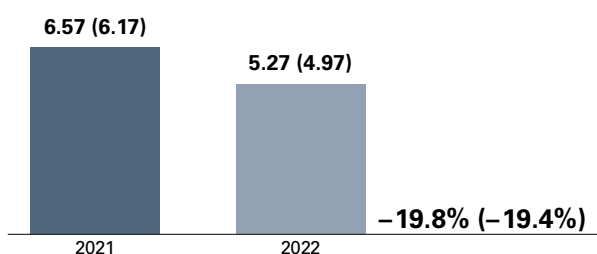
Basic earnings per share are determined by dividing the consolidated profit attributable to shareholders of Swiss Prime Site AG by the weighted average number of outstanding shares. Diluted earnings per share are determined by deducting expenses in connection with the convertible bonds, such as interest (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.

NAV (net asset value) per share

Shareholders' equity (attributable to shareholders of Swiss Prime Site AG) divided by the number of issued shares on the balance sheet date (excluding treasury shares).

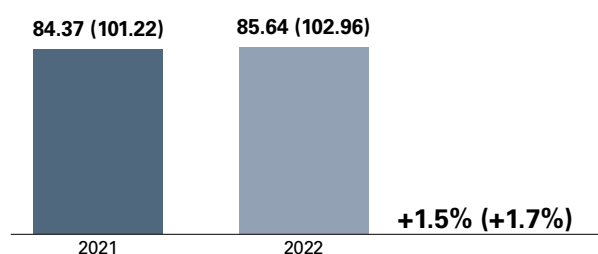
Earnings per share (diluted earnings per share)

in CHF resp. %



NAV after deferred taxes (NAV before deferred taxes)

in CHF resp. %



Earnings and net asset value (NAV) per share

in CHF	01.01.– 31.12.2021	01.01.– 31.12.2022
Earnings per share (EPS)	6.57	5.27
Diluted earnings per share	6.17	4.97
Shareholders' equity per share (NAV) before deferred taxes ¹	101.22	102.96
Shareholders' equity per share (NAV) after deferred taxes ¹	84.37	85.64

¹ Services segment (real estate-related business fields) included at book values and not at fair values

Basis for calculation of diluted earnings per share

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Profit attributable to shareholders of Swiss Prime Site AG	498 892	404 429
Interests on convertible bonds, amortisation of proportional costs and tax effects	3 096	3 096
Relevant profit for calculation of diluted earnings per share	501 988	407 525

Weighted average number of shares

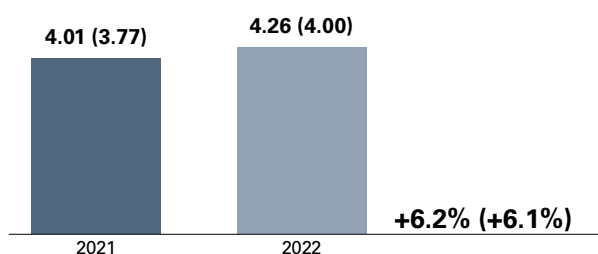
	01.01.– 31.12.2021	01.01.– 31.12.2022
Shares issued as at 01.01.	75 970 364	75 970 364
Weighted number of shares on capital increase on 04.01.2022	–	739 926
Average number of treasury shares (360 days)	–2 260	–132 16
Total weighted average number of shares 01.01.–31.12. (360 days)	75 968 104	76 697 074
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	81 302 264	82 031 234

3.2 Funds from operations (FFO)

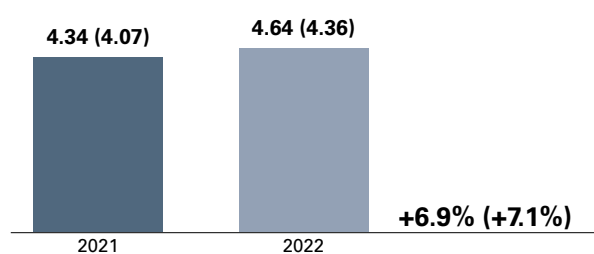
Funds from operations (FFO) indicates cash flow from operations (FFO I). FFO II also includes cash income from property sales.

FFO I per share (FFO I per share diluted)

in CHF resp. %

**FFO II per share (FFO II per share diluted)**

in CHF resp. %



	01.01.– 31.12.2021	01.01.– 31.12.2022
in CHF 1 000		
Operating result (EBIT)	706 717	559 354
Depreciation, amortisation and impairment ¹	23 233	66 097
Revaluation from investment properties, net	–301 882	–169 739
Result from investment property sales, net	–39 916	–50 877
Result from investments in associates	–909	–2 540
Revaluation of net defined benefit assets (IAS 19)	1 348	–829
Payments from leasing contracts	–12 731	–14 028
Cash effective interest expenses ²	–50 148	–39 921
Cash effective interest income and dividends	1 937	2 036
Current taxes without investment property sales	–23 075	–23 065
FFO I	304 574	326 488
Result from investment property sales, net	39 916	50 877
Current taxes from investment property sales	–14 985	–21 221
FFO II	329 505	356 144
Total weighted average number of shares	75 968 104	76 697 074
FFO I per share in CHF	4.01	4.26
FFO II per share in CHF	4.34	4.64
Total weighted average number of shares diluted	81 302 264	82 031 234
FFO I per share in CHF diluted	3.77	4.00
FFO II per share in CHF diluted	4.07	4.36

¹ In the reporting period, included is the additional value adjustment of inventory Jelvoli of CHF 7084 million

² In the prior year, not included are the early repayment penalties (non-recurring expenses) of CHF 24.913 million paid due to the refinancing

4 Segment reporting

Our core business involves buying, selling, managing, letting and developing properties. We are also active in other real estate-related business fields. The segment structure is based on internal reporting (management approach).

We divide the consolidated financial data into the following segments:

- Real Estate comprises the purchase, sale, lease and development of properties as well as central group functions
- Services consists of the real estate-related services of asset management, real estate services and retail trade

Performance key figures 01.01.–31.12.2022

	Real Estate segment	Services segment	Total segments	Eliminations	01.01.–31.12.2022 Total group
Loan-to-value ratio of property portfolio (LTV)	38.9%	n.a.	n.a.	n.a.	n.a.
Return on equity (ROE)	6.6% ¹	26.7% ¹	n.a.	n.a.	6.2%
Return on invested capital (ROIC)	3.5% ¹	5.5% ¹	n.a.	n.a.	3.3%
Full-time equivalents as at balance sheet date	81	1 486	1 567	–	1 567

¹ Not included are the capitalised tax effects from taxable losses carried forward from previous periods of CHF 6.733 million as well as the impairment on tangible assets Jelmoli and the additional value adjustment of the Jelmoli inventory after tax effects totaling CHF 32.925 million.

Segment income statement 01.01.–31.12.2022

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.–31.12.2022 Total group
Rental income from properties	448 816	13 218	462 034	–30 710	431 324
thereof from third parties	418 106	13 218	431 324	–	431 324
thereof from other segments	30 710	–	30 710	–30 710	–
Income from sale of trading properties	15 702	–	15 702	–	15 702
Income from real estate developments	–	9 132	9 132	–	9 132
Income from asset management	–	52 016	52 016	–	52 016
Income from real estate services	–	152 636	152 636	–27 074	125 562
Income from retail	–	132 141	132 141	–17	132 124
Other operating income	2 637	9 615	12 252	–3 686	8 566
Operating income	467 155	368 758	835 913	–61 487	774 426
Revaluation of investment properties, net	169 739	–	169 739	–	169 739
Result from investments in associates	2 540	–	2 540	–	2 540
Result from investment property sales, net	50 877	–	50 877	–	50 877
Real estate costs	–65 361	–40 607	–105 968	50 208	–55 760
Cost of trading properties sold	–13 616	–	–13 616	–	–13 616
Cost of real estate developments	–	–8 051	–8 051	–	–8 051
Cost of goods sold	–	–75 219	–75 219	–	–75 219
Personnel costs	–25 851	–163 884	–189 735	320	–189 415
Other operating expenses	–17 752	–35 627	–53 379	2 058	–51 321
Depreciation, amortisation and impairment	–12 791	–46 222	–59 013	–	–59 013
Capitalised own services	3 127	2 139	5 266	8 901	14 167
Operating expenses	–132 244	–367 471	–499 715	61 487	–438 228
Operating result (EBIT)	558 067	1 287	559 354	–	559 354
Operating result before depreciation and amortisation (EBITDA)	570 858	47 509	618 367	–	618 367

Balance sheet items as at 31.12.2022

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2022 Total group
Real estate portfolio (without leasing)	13 087 715	–	13 087 715	–	13 087 715
Right-of-use assets	256 705	29 228	285 933	–	285 933
Other assets	208 822	440 089	648 911	–251 337	397 574
Total assets	13 553 242	469 317	14 022 559	–251 337	13 771 222
Financial liabilities (without leasing)	5 094 709	124 676	5 219 385	–	5 219 385
Lease liabilities	256 712	29 327	286 039	–	286 039
Other liabilities	1 710 172	237 666	1 947 838	–251 337	1 696 501
Total liabilities	7 061 593	391 669	7 453 262	–251 337	7 201 925
Total shareholders' equity	6 491 649	77 648	6 569 297	–	6 569 297
Total investments	378 955	183 858	562 813	–	562 813

Performance key figures 01.01.–31.12.2021

	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2021 Total group
Loan-to-value ratio of property portfolio (LTV)	40.2%	n.a.	n.a.	n.a.	n.a.
Return on equity (ROE)	8.0%	6.5% ¹	n.a.	n.a.	8.0%
Return on invested capital (ROIC)	4.3%	1.8% ¹	n.a.	n.a.	4.3%
Full-time equivalents as at balance sheet date	71	1 403	1 474	–	1 474

¹ Not included are the capitalised tax effects from taxable losses carried forward of CHF 1.543 million.

Segment income statement 01.01.–31.12.2021

in CHF 1 000	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	51 964	-	51 964	-	51 964
Income from asset management	-	18 215	18 215	-	18 215
Income from real estate services	-	146 157	146 157	-26 731	119 426
Income from retail	-	119 553	119 553	-13	119 540
Other operating income	2 174	13 501	15 675	-2 009	13 666
Operating income	498 558	310 379	808 937	-59 434	749 503
Revaluation of investment properties, net	301 882	-	301 882	-	301 882
Result from investments in associates	909	-	909	-	909
Result from investment property sales, net	39 916	-	39 916	-	39 916
Real estate costs	-64 462	-39 706	-104 168	51 466	-52 702
Cost of real estate developments	-33 377	-	-33 377	-	-33 377
Cost of goods sold	-	-63 726	-63 726	-	-63 726
Personnel costs	-22 391	-154 902	-177 293	404	-176 889
Other operating expenses	-18 945	-27 101	-46 046	2 101	-43 945
Depreciation, amortisation and impairment	-5 900	-17 333	-23 233	-	-23 233
Capitalised own services	-	2 916	2 916	5 463	8 379
Operating expenses	-145 075	-299 852	-444 927	59 434	-385 493
Operating result (EBIT)	696 190	10 527	706 717	-	706 717
Operating result before depreciation and amortisation (EBITDA)	702 090	27 860	729 950	-	729 950

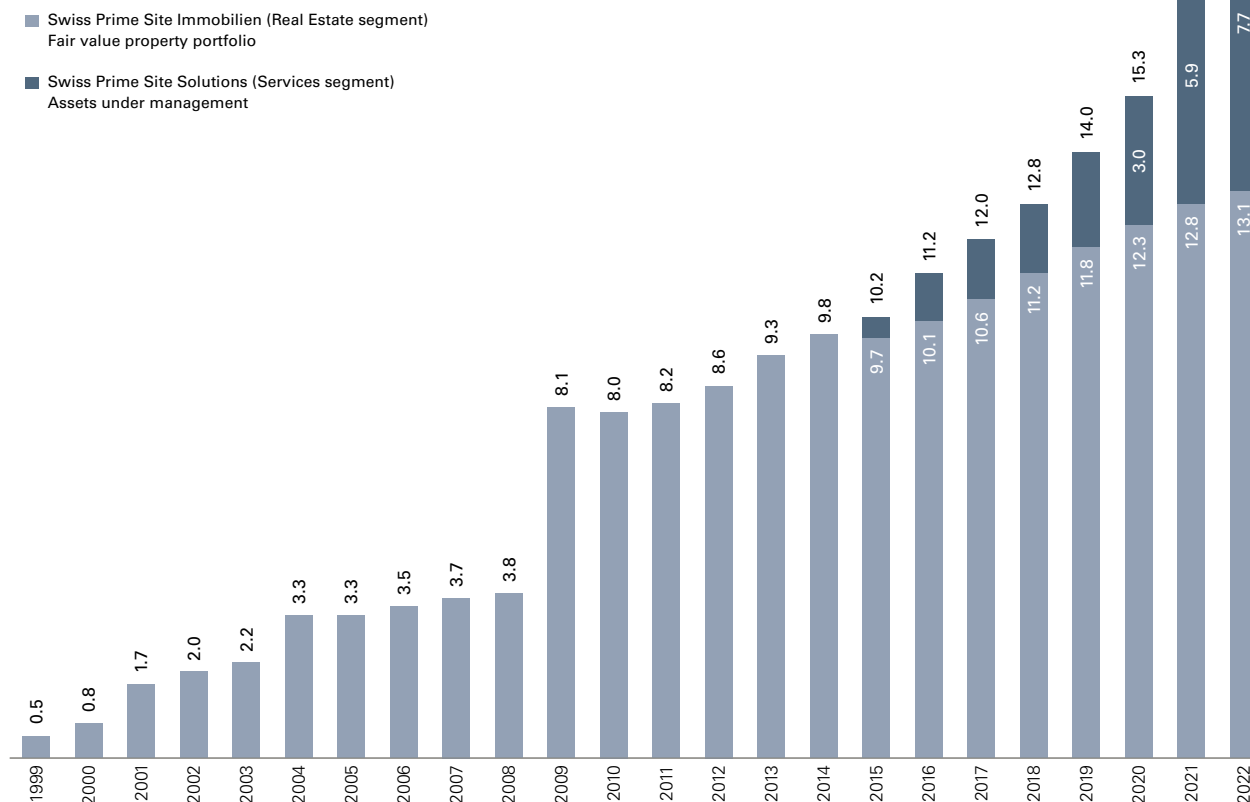
Balance sheet items as at 31.12.2021

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	31.12.2021 Total group
Real estate portfolio (without leasing)	12 793 500	-	12 793 500	-	12 793 500
Right-of-use assets	238 701	43 133	281 834	-	281 834
Other assets	191 247	319 796	511 043	-87 041	424 002
Total assets	13 223 448	362 929	13 586 377	-87 041	13 499 336
Financial liabilities (without leasing)	5 148 042	-0	5 148 042	-	5 148 042
Lease liabilities	238 701	43 291	281 992	-	281 992
Other liabilities	1 516 234	230 427	1 746 661	-87 041	1 659 620
Total liabilities	6 902 977	273 718	7 176 695	-87 041	7 089 654
Total shareholders' equity	6 320 471	89 211	6 409 682	-	6 409 682
Total investments	303 180	16 103	319 283	-	319 283

5 Real estate

5.1 Assets under management

Real estate assets under management in CHF billion



5.2 Properties

Valuation approach

We have our properties valued at fair value by property valuation company Wüest Partner AG in accordance with IFRS accounting principles. The valuation is performed using the discounted cash flow method (DCF), under which future cash flows are discounted, taking into account the market situation and risks. The inputs used are determined by Wüest Partner AG on the basis of its in-depth market knowledge, and we then critically review them and discuss them with the valuers. Further information can be found in Wüest Partner's report.

Existing properties including building land

We classify our existing properties, including building land, in accordance with IAS 40 «Investment Property», and they are thus initially recognised in the balance sheet at cost, including directly attributable transaction costs. The subsequent periodic measurements are at fair value through profit or loss. We recognise replacement and expansion investments when it is probable that we will obtain a resulting future economic benefit.

Properties under construction / development sites

Even before their construction is finished, we recognise properties under construction/development sites with future use as existing properties in accordance with IAS 40 «Investment Property» if their fair value can be reliably calculated, in the same way as existing properties that have already been occupied. An important factor for this reliable determination is the existence of a valid building permit. If a reliable determination is not possible, we recognise the properties under construction/development sites at cost. Directly attributable borrowing costs for properties under construction are recognised as capitalised interest expenses.

Insofar as the following criteria are fulfilled on a cumulative basis, we reclassify existing properties in the portfolio as properties under construction/development sites as at the realisation date:

- 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

Owner-occupied properties

We recognise properties we use ourselves as owner-occupied properties in accordance with IAS 16 and IAS 40.10 (pro rata in proportion to the target rental income). Owner-occupied properties are subsequently measured in accordance with the revaluation model. After ordinary depreciation has been recognised in the income statement, a positive revaluation is credited to other comprehensive income, unless it involves the reversal of earlier impairments. In the case of a negative revaluation, the earlier value increases in consolidated shareholders' equity are reversed first until the corresponding revaluation reserve is released. Any further devaluations are charged to the consolidated income statement.

Properties held for sale

We classify properties, the sale of which is likely but has not been completed, as properties held for sale in accordance with IFRS 5 «Non-Current Assets Held for Sale and Discontinued Operations». In accordance with IFRS 5.5, the properties continue to be measured at fair value in accordance with IAS 40.

Trading properties

Properties under construction that are intended for future sale are recognised at the lower of cost or net realisable value in accordance with IAS 2 «Inventories». The recognised costs are reported as expense from the sale of trading properties in operating expenses upon realisation of sales.

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, and which are developed or completed on behalf of the buyer. The purchase contract is notarised after it is concluded. The ownership of the respective property is usually transferred after construction work is finished. Recognition of these real estate developments is carried out according to the percentage-of-completion method (POCM) in accordance with IFRS 15 «Revenue from Contracts with Customers». 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.

Right-of-use from leases

In accordance with IFRS 16 and IAS 40.50d, the right-of-use assignable to investment properties and owner-occupied properties (rental and land lease contracts) are reported gross by adding the fair value of the lease liability to the fair value of the property.

Capitalised borrowing costs

Interest on loans and land lease interest for qualifying properties under construction/development sites and trading properties are capitalised, and added to the actual costs.

Changes to properties

in CHF 1 000	Properties (incl. building land)	Properties under con- struction/ develop- ment sites	Total investment properties	Owner- occupied properties	Properties held for sale	Trading properties	Total portfolio
	IAS 40	IAS 40		IAS 16	IFRS 5	IAS 2	
Total as at 01.01.2021 (according to valuation expert)	10 863 133	721 649	11 584 782	521 437	216 401	–	12 322 620
Purchases	18 082	–	18 082	–	–	–	18 082
Investments	119 643	128 748	248 391	2 224	23 338	–	273 953
Capitalised borrowing costs	533	5 438	5 971	–	439	–	6 410
Reclassifications	–257 844	–14 952	–272 796	60 037	159 293	53 466	–
Disposal by sale	–	–1 609	–1 609	–	–144 770	–	–146 379
Positive fair value adjustment	469 388	18 680	488 068	–	167	–	488 235
Negative fair value adjustment	–168 676	–9 914	–178 590	–	–4 744	–	–183 334
Fair value adjustment¹	300 712	8 766	309 478	–	–4 577	–	304 901
Depreciation owner- occupied properties				–1 041			–1 041
Revaluation owner- occupied properties (OCI)				14 954			14 954
Total as at 31.12.2021 (according to valuation expert)	11 044 259	848 040	11 892 299	597 611	250 124	53 466	12 793 500
Right-of-use assets	238 702		238 702				238 702
Total book value as at 31.12.2021	11 282 961	848 040	12 131 001	597 611	250 124	53 466	13 032 202
Purchases	19 529	41 695	61 224	–	–	–	61 224
Investments	115 120	161 039	276 159	2 863	17 167	16 838	313 027
Capitalised borrowing costs	–	4 046	4 046	–	427	–	4 473
Reclassifications	26 518	–51 280	–24 762	–36 199	43 709	17 252	–
Disposal by sale	–50 356	–	–50 356	–	–201 740	–13 597	–265 693
Positive fair value adjustment	212 990	54 351	267 341	–	140	–	267 481
Negative fair value adjustment	–79 384	–14 529	–93 913	–	–754	–	–94 667
Fair value adjustment¹	133 606	39 822	173 428	–	–614	–	172 814
Depreciation owner- occupied properties				–1 119			–1 119
Revaluation owner- occupied properties (OCI)				9 489			9 489
Total as at 31.12.2022 (according to valuation expert)	11 288 676	1 043 362	12 332 038	572 645	109 073	73 959	13 087 715
Right-of-use assets	255 196		255 196				255 196
Total book value as at 31.12.2022	11 543 872	1 043 362	12 587 234	572 645	109 073	73 959	13 342 911

¹ Not included is the revaluation of IFRS 16 right-of-use from building rights of CHF –3.075 million [CHF –3.019 million]

- The reclassification of investment properties to owner-occupied properties and of owner-occupied properties to investment properties is carried out on a half-yearly basis using current target rental income. If the owner-occupied properties had been valued using the cost model, the book value as at the balance sheet date would have been CHF 545.973 million [CHF 578.121 million].

We reclassified the following properties in the financial year:

- From existing properties to properties held for sale (Conthey, Route Cantonale 2; Frauenfeld, Zürcherstrasse 305; Frick, Hauptstrasse 132; Meyrin, Route de Meyrin 210; Meyrin, Route de Pré-Bois 14; Wangen bei Olten, Rickenbacherfeld; Wil, Obere Bahnhofstrasse 40)

- From properties held for sale to existing properties (Dietikon, Bahnhofplatz 11, Neumattstrasse 24; Gossau, Wilerstrasse 82)
- From properties under construction/development sites to trading properties (Olten, Solothurnerstrasse 201a: USEGO-Park)
- From properties under construction/development sites to existing properties (Richterswil, Gartenstrasse 7)
- The reduction of the space used for own operations in the properties Olten, Frohburgstrasse 1; Zurich, Hardstrasse 201, Prime Tower and Zurich, Seidengasse 1, Jelmoli led to reclassifications from owner-occupied properties to existing properties.

Unobservable inputs applied as at 31.12.2022

	in	Building land	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	63.191	10 671.805	1 235.398	1 117.321
Unobservable input factors					
Average discount rate	%	3.06	2.69	2.67	2.96
Maximum discount rate	%	4.95	4.95	4.60	4.00
Minimum discount rate	%	2.20	1.65	2.15	2.35
Rental income residential	CHF per m ² p.a.	–	70 to 692	120 to 530	648 to 816
Rental income offices	CHF per m ² p.a.	–	75 to 1 000	90 to 780	180 to 535
Rental income retail/gastro	CHF per m ² p.a.	–	80 to 9 000	120 to 1 190	390 to 950
Rental income commercial	CHF per m ² p.a.	–	55 to 380	50 to 200	220 to 280
Rental income storage	CHF per m ² p.a.	–	20 to 300	50 to 180	90 to 170
Rental income parking inside	CHF per piece and month	–	50 to 650	100 to 600	90 to 635
Rental income 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 properties held for sale

² Commercial properties for which the valuation was based on highest and best use (the current use does not correspond to the best use)

Unobservable inputs applied as at 31.12.2021

	in	Building land	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	%	3.42	2.76	2.70	3.10
Maximum discount rate	%	4.95	4.85	4.75	4.05
Minimum discount rate	%	3.10	1.70	2.15	2.35
Rental income residential	CHF per m ² p.a.	–	80 to 692	120 to 530	255 to 285
Rental income offices	CHF per m ² p.a.	–	80 to 930	90 to 780	180 to 535
Rental income retail/gastro	CHF per m ² p.a.	–	60 to 9 000	120 to 1 190	240 to 395
Rental income commercial	CHF per m ² p.a.	–	55 to 380	80 to 210	220 to 280
Rental income storage	CHF per m ² p.a.	–	25 to 500	48 to 200	90 to 170
Rental income parking inside	CHF per piece and month	–	50 to 650	100 to 600	90 to 635
Rental income 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 properties held for sale

² Commercial properties for which the valuation was based on highest and best use (the current use does not correspond to the best use)

- The fair value of the entire property portfolio is determined by applying the «highest and best use» concept. 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. The non-observable inputs for properties for which the highest and best use differs from the actual or planned use of a property are shown separately in the above tables.

Sensitivity of existing properties' fair value in terms of discount rates as at 31.12.2022

Average discount rate	Change in fair value in %	Change in fair value in CHF 1 000	Fair value in CHF 1 000
2.26%	18.90%	2 254 400	14 161 600
2.37%	13.50%	1 611 000	13 518 200
2.48%	8.60%	1 025 800	12 933 000
2.58%	4.10%	491 100	12 398 300
2.69% (valuation as at 31.12.2022)	-	-	11 907 200
2.80%	-3.80%	-452 700	11 454 500
2.90%	-7.30%	-871 600	11 035 600
3.01%	-10.60%	-1 260 600	10 646 600
3.11%	-13.60%	-1 622 700	10 284 500
3.22%	-16.50%	-1 961 000	9 946 200
3.33%	-19.10%	-2 277 500	9 629 700

Sensitivity of existing properties' fair value in terms of discount rates as at 31.12.2021

Average discount rate	Change in fair value in %	Change in fair value in CHF 1 000	Fair value in CHF 1 000
2.33%	18.00%	2 113 700	13 857 200
2.44%	12.80%	1 498 800	13 242 300
2.54%	8.10%	954 500	12 698 000
2.65%	3.80%	448 000	12 191 500
2.75% (valuation as at 31.12.2021)	-	-	11 743 500
2.86%	-3.80%	-449 000	11 294 500
2.96%	-7.20%	-848 300	10 895 200
3.07%	-10.30%	-1 214 500	10 529 000
3.17%	-13.30%	-1 566 200	10 177 300
3.28%	-16.10%	-1 890 200	9 853 300
3.38%	-18.70%	-2 193 900	9 549 600

- The above sensitivities only show the effect of a change in the discount rates. Depending on the scenario, other parameters could also change, with opposing effects in some cases (e.g. indexing), and influence the valuation accordingly.
- A change of $\pm 2.0\%$ [$\pm 2.0\%$] in market rent prices would have an impact of $+2.2\%$ [$+2.2\%$] or an impact of -2.2% [-2.5%] on the fair value of the existing properties.

Details on future rental income 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 contracts as at 31 December 2022:

End of contract	31.12.2021 Future rental income in CHF 1 000	Share in %	31.12.2022 Future rental income in CHF 1 000	Share in %
Indefinite (residential, parking facilities, commercial properties, etc.)	30 942	6.8	31 013	6.8
Under 1 year	27 814	6.2	24 886	5.4
Over 1 year	44 525	9.8	64 209	14.2
Over 2 years	56 761	12.5	44 034	9.7
Over 3 years	35 777	7.9	75 188	16.6
Over 4 years	72 020	15.9	40 214	8.9
Over 5 years	27 654	6.1	17 152	3.8
Over 6 years	9 261	2.0	22 668	5.0
Over 7 years	21 324	4.7	18 051	4.0
Over 8 years	19 256	4.3	43 744	9.6
Over 9 years	45 556	10.1	6 402	1.4
Over 10 years	61 869	13.7	66 176	14.6
Total	452 759	100.0	453 737	100.0

– We have presented future rental income from the perspective of the Real Estate segment and based on the rental contracts of the group's properties as at 31 December 2022 [31 December 2021].

Largest external tenants

in % of future annual net rental and land lease income	31.12.2021	31.12.2022
Tertianum	6.0	6.5
Coop	5.3	5.1
Magazine zum Globus	4.7	4.6
Swisscom	3.4	3.5
Zurich Insurance Group	2.5	2.5
Total	21.9	22.2

Current development and new building projects**Basel, Hochbergerstrasse 60: Stücki Park**

Project description	Construction of three laboratory buildings and one office property and transformation of the area into a centre for innovation, entertainment and health. Investment volume: approx. CHF 250 million (full fit-out) Further information: stueckipark.ch
Project status	First stage completed, second stage being executed
Letting status	Building F (office) being marketed, buildings H, G and I (laboratory and office) fully let
Completion	First stage: 2021, second stage: 2024

Basel, Steinenvorstadt 5

Project description	Total renovation and conversion of a retail property to residential with services, gastronomy and retail use on the ground floor and basement floor. The property has six full floors, an attic, a service floor and five basement floors in total. Investment volume: approx. CHF 56 million
Project status	In planning
Letting status	Interim letting
Completion	Q1 2026

Berne, Stauffacherstrasse 131: Berne 131

Project description	Flexible office and commercial space in timber hybrid construction using solar panels on the roof and façade. Investment volume: approx. CHF 79 million. Further information: bern131.ch
Project status	Project being executed
Letting status	Currently being marketed
Completion	Q1 2025

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 use areas. Investment volume: approx. CHF 306 million. Further information: alto-pont-rouge.ch
Project status	Project being executed
Letting status	Currently being marketed
Completion	2023

Olten, Solothurnerstrasse 201a: USEGO-Park

Project description	Construction of a new residential and care facility for Tertianum on the USEGO site in Olten. Investment volume: approx. CHF 35 million
Project status	Project being executed
Letting status	100% let
Completion	Q1 2024

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
Letting status	100% let
Completion	Q1 2024

Schlieren, Zürcherstrasse 39: JED modification – Join. Explore. Dare.

Project description	Conversion of the former printing centre into a location for knowledge transfer, innovation and entrepreneurship. Investment volume: approx. CHF 145 million (full fit-out) Further information: jed.swiss
Project status	Basic fit-out completed
Letting status	Currently being marketed
Completion	Q1 2023

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

Project description	Construction of a new building on the building land reserve to complete the site development. Large contiguous areas on five floors, including laboratory uses on the ground floor/first floor. Investment volume: approx. CHF 105 million (full fit-out) Further information: jed.swiss
Project status	Project being executed
Letting status	95% let, 5% reserved
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
Letting status	100% let
Completion	2023

A more detailed description of the development and new construction projects has been published on our website at www.sps.swiss/developments.

5.3 Result from investment property sales

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Gains from sales of properties	–	2 866
Gains from sales of properties held for sale	39 916	48 011
Total result from investment property sales, net	39 916	50 877

We sold 13 properties in the 2022 financial year:

- Seven existing properties to Swiss Prime Site Solutions Investment Fund Commercial as part of the launch (seed portfolio). The transaction with a total value of around CHF 80 million was completed under market conditions based on appraisals of independent valuation experts and was approved by FINMA.
- Two existing properties in St. Gallen (Spisergasse 12 and Turmgasse)
- Three existing properties in Neuchâtel (Rue de l’Ecluse 19/parking, Rue du Temple-Neuf 11 and Rue du Temple-Neuf 14)
- An existing property in Plans-les-Ouates (Espace Tourbillon – building B)

We sold the following properties in the 2021 financial year:

- Geneva, Espace Tourbillon – individual units in building A
- Plan-les-Ouates, Espace Tourbillon – building E
- Richterswil, Gartenstrasse 15
- Zurich, Stadelhoferstrasse 18/20

5.4 Real estate costs

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Maintenance and repair costs	–13 891	–16 018
Ancillary costs borne by the owner	–16 249	–17 393
Property-related insurance costs and fees	–7 922	–7 839
Costs for cleaning, energy and water	–4 045	–4 556
Expenses for third-party services	–5 813	–5 769
Expenses for real estate services	–4 782	–4 185
Total real estate costs	–52 702	–55 760

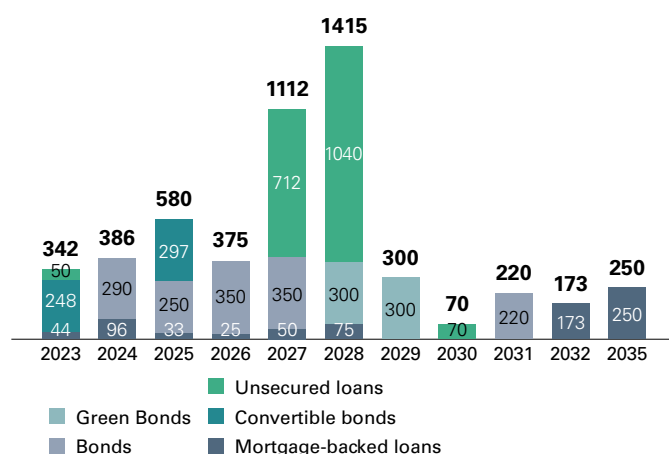
6 Financing

6.1 Financial liabilities

Financial liabilities are initially recognised in the balance sheet at cost less transaction costs in accordance with IFRS 9. In subsequent periods, they are recognised at amortised cost, whereby the effective interest rate method is used to amortise the difference between the book value and the redemption value.

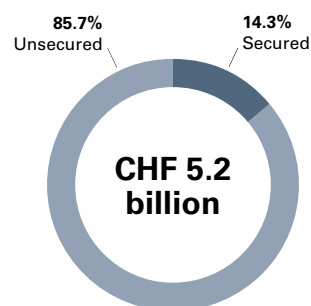
Maturity profile (without leasing)

Nominal values in CHF million
as at 31.12.2022



Financial structure (without leasing)

as at 31.12.2022



in CHF 1 000	31.12.2021	31.12.2022
Mortgage-backed loans	858	44 520
Unsecured loans (private placement)	–	50 000
Convertible bonds	–	247 026
Current lease liabilities	13 661	14 321
Total current financial liabilities	14 519	355 867
Mortgage-backed loans	844 700	701 000
Unsecured loans	1 702 000	1 822 000
Convertible bonds	541 165	295 652
Bonds (incl. green bonds)	2 059 319	2 059 187
Non-current lease liabilities	268 331	271 718
Total non-current financial liabilities	5 415 515	5 149 557
Total financial liabilities	5 430 034	5 505 424

- Based on the financial liabilities (excluding leases) of the Real Estate segment, the loan-to-value ratio of the property portfolio was 38.9% [40.2%].
- Our solid financial structure is one of several key reasons why Moody's gave us an A3 long-term issuer rating with a stable outlook in January 2022. As at September 2022, Moody's renewed and confirmed our rating.
- 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 other hand, Swiss Prime Site is securing committed credit facilities, which are subject to a commitment fee.
- As at 31 December 2022, we had committed, undrawn credit facilities (RCF) of CHF 778.000 million [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 total assets) 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 be at least 4.0. As at the balance sheet date, the loan-to-value ratio was 38.7% [39.2%] and the interest coverage ratio was 10.8 [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 previous 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%. The criteria for classification as a green bond are set out in our Green Bond Framework and are reviewed annually.

Bonds

		CHF 190 m 2024	CHF 100 m 2024	CHF 250 m 2025	CHF 350 m 2026
Issuing volume, nominal	CHF m	190.000	100.000	250.000	350.000
Book value as at 31.12.2022	CHF m	189.964	99.838	249.972	351.263
Book value as at 31.12.2021	CHF m	189.940	99.755	249.962	351.639
Interest rate	%	1.0	2.0	0.5	0.825
Term to maturity	years	6	10	9	9
Maturity	date	16.07.2024	10.12.2024	03.11.2025	11.05.2026
Securities number		39 863 325 (SPS181)	25 704 217 (SPS142)	33 764 553 (SPS161)	36 067 729 (SPS17)
Fair value as at 31.12.2022	CHF m	186.390	99.900	240.000	331.975
Fair value as at 31.12.2021	CHF m	194.370	105.350	252.625	358.750

		CHF 350 m 2027	Green Bond CHF 300 m 2028	Green Bond CHF 300 m 2029	CHF 220 m 2031
Issuing volume, nominal	CHF m	350.000	300.000	300.000	220.000
Book value as at 31.12.2022	CHF m	351.214	299.446	299.437	218.053
Book value as at 31.12.2021	CHF m	351.499	299.338	299.356	217.830
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 (SPS200)	48 850 668 (SPS192)
Fair value as at 31.12.2022	CHF m	331.450	266.250	260.100	177.100
Fair value as at 31.12.2021	CHF m	364.525	299.100	302.550	213.730

Convertible bonds

We issued our convertible bonds under conditions differing from those for bonds without conversion rights. We therefore divide the convertible bonds at the date of issue into debt and equity components. In the event of a conversion, we calculate the number of shares to be issued using the conversion price. We credit the nominal value of the shares issued to the share capital and credit the remainder to the capital reserve.

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Nominal value as at 31.12.2022	CHF m	247.500	296.630
Book value as at 31.12.2022	CHF m	247.026	295.652
Book value as at 31.12.2021	CHF m	245.990	295.175
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 31.12.2022	CHF m	245.619	287.731
Fair value as at 31.12.2021	CHF m	248.861	301.821

Conversion price and number of possible shares given 100% conversion

	31.12.2021 Conversion price in CHF	Number of possible shares	31.12.2022 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	104.07	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

- Creditors of the convertible bond in the amount of CHF 300.000 million who exercise their conversion right will receive the nominal value of the convertible bond in cash and any additional amount in the form of registered shares of the Company, subject to Swiss Prime Site AG exercising its right to choose, at its discretion, any combination of cash and shares to settle the bond conversions. Based on the Company's option right, no conditional capital is reserved for potential conversions. Because of the current structure of the conversion option, it does not constitute an equity instrument and is therefore not separated.

Current and non-current financial liabilities excluding lease liabilities, categorised by interest rate

in CHF 1 000	31.12.2021 Total nominal value	31.12.2022 Total nominal value
Financial liabilities up to 1.00%	4 238 488	3 216 450
Financial liabilities up to 1.50%	576 000	1 718 000
Financial liabilities up to 2.00%	284 700	254 700
Financial liabilities up to 2.50%	32 500	32 500
Financial liabilities up to 3.00%	–	–
Financial liabilities up to 3.50%	–	–
Financial liabilities up to 4.00%	20 000	–
Total financial liabilities	5 151 688	5 221 650

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

in CHF 1 000	31.12.2022 Book value	Future cash outflows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Nominal	Inter- est	Nominal	Inter- est	Nominal	Interest	Nominal	Interest	Nominal
Current financial liabilities without leasing	341 546	342 824	803	298 320	1	43 700	–	–	–	–	–	–
Accounts payable	43 641	43 641	–	43 641	–	–	–	–	–	–	–	–
Accrued expenses without capital taxes	136 536	136 536	–	136 536	–	–	–	–	–	–	–	–
Other current liabilities	110 145	110 145	–	110 145	–	–	–	–	–	–	–	–
Non-current financial liabilities without leasing	4 877 839	5 120 889	23 655	–	22 229	–	44 590	386 000	104 829	2 066 130	45 956	2 427 500
Leasing liabilities	286 039	440 186	2 085	5 151	2 061	5 167	4 055	10 100	11 792	20 100	134 154	245 521
Total financial liabilities	5 795 746	6 194 221	26 543	593 793	24 291	48 867	48 645	396 100	116 621	2 086 230	180 110	2 673 021

in CHF 1 000	31.12.2021 Book value	Future cash outflows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Nominal	Inter- est	Nominal	Inter- est	Nominal	Interest	Nominal	Interest	Nominal
Current financial liabilities without leasing	858	862	4	858	-	-	-	-	-	-	-	-
Accounts payable	25 297	25 297	-	25 297	-	-	-	-	-	-	-	-
Accrued expenses without capital taxes	150 801	150 801	-	150 801	-	-	-	-	-	-	-	-
Other current liabilities	129 937	129 937	-	129 937	-	-	-	-	-	-	-	-
Non-current financial liabilities without leasing	5 147 184	5 336 855	18 084	-	15 131	-	30 735	291 200	69 487	1 772 130	52 588	3 087 500
Leasing liabilities	281 992	426 610	2 008	4 788	1 985	5 022	3 902	10 103	11 182	25 340	125 541	236 739
Total financial liabilities	5 736 069	6 070 362	20 096	311 681	17 116	5 022	34 637	301 303	80 669	1 797 470	178 129	3 324 239

- The weighted average residual term to maturity of all interest-bearing financial liabilities was 5.0 years due to the contractual maturities [5.8 years].

Reconciliation of cash flow from financing activities

in CHF 1 000	31.12.2021	Issuance	Repayment	No cash effect	31.12.2022
Mortgage-backed loans	845 558	-	- 100 038	-	745 520
Unsecured loans (incl. private placements)	1 702 000	472 000	-302 000	-	1 872 000
Convertible bonds	541 165	-	-	1 513	542 678
Bonds (incl. green bonds)	2 059 319	-	-	-132	2 059 187
Lease liabilities	281 992	-	- 10 024	14 071	286 039
Total financial liabilities	5 430 034	472 000	-412 062	15 452	5 505 424

in CHF 1 000	31.12.2020	Issuance	Repayment	No cash effect	31.12.2021
Mortgage-backed loans	2 714 870	102 503	- 1 971 815	-	845 558
Unsecured loans (incl. private placements)	-	1 702 000	-	-	1 702 000
Convertible bonds	539 651	-	-	1 514	541 165
Bonds (incl. green bonds)	1 909 442	449 878	-300 000	-1	2 059 319
Lease liabilities	290 640	-	-8 672	24	281 992
Other financial liabilities	338	-	-	-338	-
Total financial liabilities	5 454 941	2 254 381	-2 280 487	1 199	5 430 034

- The borrowing and redemption of current financial liabilities (less than three months) was shown net. In the 2022 semi-annual report, this was still shown gross.

6.2 Financial result

We recognise in profit or loss borrowing costs that do not qualify for capitalisation, using the effective interest rate method.

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Interest expenses financial liabilities	–50 148	–39 921
Interest expenses leasing	–4 059	–4 005
Early repayment charges	–24 913	–
Amortisation of issue expenses bonds and convertible bonds	–1 514	–1 381
Capitalised borrowing costs ¹	6 410	4 473
Other financial expenses	–1 583	–4 383
Total financial expenses	–75 807	–45 217

¹ An average financing cost rate of 0.78% [0.98%] was used for capitalised borrowing costs

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Interest income	198	157
Dividend income on securities and financial investments	113	95
Other financial income	2 376	233
Total financial income	2 687	485

6.3 Pledged assets

in CHF 1 000	31.12.2021	31.12.2022
Fair value of affected investment properties	2 102 027	1 928 011
Nominal value of pledged mortgage notes	1 011 386	875 134
Current claim (nominal)	845 558	745 520

6.4 Shareholders' equity**Shareholders' equity**

We divide shareholders' equity into share capital, capital reserves, revaluation reserves and retained earnings. We recognise the nominal share capital in share capital. We recognise revaluation gains of owner-occupied properties in the revaluation reserves to the extent they exceeded previous impairments. Impairments of owner-occupied properties first reduce the revaluation reserves; impairments in excess of this are recognised affecting net income. We recognise gains/losses in retained earnings. Remeasurements of net defined benefit assets / obligations recognised in other comprehensive income and the related deferred taxes are charged/credited to retained earnings. We charge dividend payments to retained earnings. We offset all other changes in capital with the capital reserves.

Treasury shares

We measure treasury shares at cost and recognise them as a negative item in shareholders' equity. Following initial measurement, we do not undertake any subsequent measurement of our treasury shares. We book any profit of sale to the capital reserves.

Share capital

	Number of registered shares issued	Nominal value in CHF	in CHF 1 000
Share capital as at 01.01.2021	75 970 364	15.30	1 162 347
Share capital as at 31.12.2021	75 970 364	15.30	1 162 347
Capital increase (acquisition Akara Group)	748 240	15.30	11 448
Nominal value reduction – payment to shareholders	76 699 051	1.675	–128 471
Nominal value reduction – transfer to reserves	76 699 051	11.625	–891 627
Nominal value reduction – treasury shares	19 553	13.30	–260
Share capital as at 31.12.2022	76 718 604	2.00	153 437

- The 14 719 [655] treasury shares held at 31 December 2022 were not entitled to dividends. As at the balance sheet date, the dividend-entitled share capital of CHF 153.408 million [CHF 1 162.337 million] therefore comprised 76 703 885 [75 969 709] registered shares.

Authorised and conditional capital

	Number of registered shares	Nominal value in CHF	in CHF 1 000
Authorised and conditional capital as at 01.01.2021	6 975 985	15.30	106 733
Authorised and conditional capital as at 31.12.2021	6 975 985	15.30	106 733
Appropriation of authorised capital due to capital increase (acquisition Akara Group)	– 748 240	15.30	–11 448
Nominal value reduction – authorised and conditional capital	6 227 745	–13.30	–82 830
Authorised and conditional capital as at 31.12.2022 ¹	6 227 745	2.00	12 455

¹ Due to the issue of a convertible bond, 2 378 206 shares (CHF 4.756 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 7.699 million, which corresponds to 3 849 539 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 12.455 million. The precise wording regarding authorised and conditional capital can be found in the Company's Articles of Association.

Capital reserves

	in CHF 1 000
Capital reserves as at 01.01.2021	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 increase on 04.01.2022	54 316
Nominal value reduction – transfer to reserves	891 590
Share-based compensation	–397
Income from delivery of treasury shares relating to share-based compensation	80
Capital reserves as at 31.12.2022	995 605

- 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 30.687 million (CHF 232.470 million).

Treasury shares

	in CHF 1 000
Treasury shares as at 01.01.2021	- 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
Purchase of treasury shares, 57 949 shares, CHF 89.37 average transaction price ¹	-5 179
Share-based compensation, 43 885 shares, CHF 89.85 average transaction price	3 943
Income from delivery of treasury shares relating to share-based compensation	-80
Treasury shares as at 31.12.2022	- 1 374

¹ Includes the non-cash addition of 23 549 registered shares (CHF 2.091 million) from the capital increase.

- As at the balance sheet date, the group companies held 14 719 shares [655 shares] and the group's employee pension fund foundations held 225 946 shares [228 946 shares] in Swiss Prime Site AG.

7 Platform costs

7.1 Personnel costs

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Wages and salaries	– 144 482	– 154 659
Social security expenses	– 9 619	– 12 069
Defined benefit cost	– 16 862	– 15 972
Other personnel expenses	– 5 926	– 6 715
Total personnel costs	– 176 889	– 189 415
Number of employees as at 31.12.	1 667	1 779
Number of full-time equivalents as at 31.12.	1 474	1 567

7.2 Other operating expenses

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Expenses for tangible assets and IT	– 14 309	– 17 420
Non-life insurance, fees	– 748	– 1 759
Capital taxes	– 3 824	– 2 082
Administrative expenses	– 9 756	– 12 539
Consultancy and audit costs	– 6 571	– 10 562
Marketing	– 5 535	– 5 937
Collection and bad debt-related losses	– 3 202	– 1 022
Total other operating expenses	– 43 945	– 51 321

7.3 Income taxes

Income taxes

We recognise current income taxes and deferred taxes under income 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 based on the temporary valuation differences between the book value and the tax base of a balance sheet item (balance sheet liability method). In the calculation, we take account of the expected date of reconciliation of the temporary differences and use the tax rates applicable or determined at the balance sheet date.

We calculate deferred taxes on temporary valuation differences in the property portfolio per property in accordance with the cantonal legislation. We review the applied calculation parameters (especially the tax rates) at least once a year and adapt them if necessary. Cantons with a one-tier tax system charge a separate property gains tax. In addition to ordinary property gains tax, this includes speculative surcharges or complemented ownership deductions (based on the effective holding period). The longer the duration of ownership, the lower the property gains tax. In the case of properties held for sale, we use the effective holding period in the calculation. For other types of properties, we assume a duration of ownership of 20 years or use the effective holding period if it is more than 20 years. Estimating the minimum holding period is subject to considerable discretion.

Where the positive revaluations of properties according to IFRS versus the tax bases are due to recaptured depreciation, the taxes are calculated separately for each property after the deduction of property gains tax and using cantonal tax rates. In the case of positive revaluations exceeding the recapturable depreciation, in cantons with a one-tier tax system the taxes are calculated with property gains tax rates including surcharges and discounts. For cantons that do not levy any special taxes, the taxes are calculated at cantonal rates.

We recognise tax effects from losses carried forward and tax credits as deferred tax assets if it is likely that the losses carried forward can be offset against future profits within the stipulated statutory periods.

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Current income taxes of the reporting period	–39 528	–41 701
Adjustments for current income taxes of other accounting periods	1 468	–2 585
Total current income taxes	–38 060	–44 286
Deferred taxes resulting from revaluation and depreciation	–115 430	–76 978
Deferred taxes resulting from real estate developments (long-term contracts)	7 729	–
Deferred taxes resulting from the sale of investment properties	7 865	13 857
Deferred taxes resulting from tax rate changes	1 648	3 947
Deferred taxes resulting from losses carried forward	1 543	–6 733
Total deferred taxes	–96 645	–65 907
Total income taxes	–134 705	–110 193

Numerical reconciliation of income taxes

Factors leading to the deviation of the effective tax burden from the average tax rate of 20% [20%]:

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Profit before income taxes	633 597	514 622
Income taxes at average tax rate of 20%	–126 719	–102 924
Taxes at other rates (including property gains taxes)	–11 241	5 424
Tax effect due to investment deduction	198	378
Deferred taxes resulting from tax rate changes	1 648	3 947
Adjustment for current income taxes for other accounting periods	1 468	–2 585
Effect of unrecognised losses carried forward	–59	–14 433
Total income taxes	–134 705	–110 193

Deferred income tax assets

in CHF 1 000	31.12.2021	31.12.2022
Taxable losses carried forward of group companies	36 639	75 140
Possible tax effect on taxable losses carried forward at expected tax rate	7 328	15 028
Losses carried forward which can in all probability be offset with future profits	–34 594	–928
Total recognised deferred tax assets at expected tax rate	–6 919	–186
Total deferred tax assets not recognised at expected tax rate	409	14 842
Total deferred income tax assets	6 919	186

- In the previous year, deferred tax liabilities of CHF 16.048 million were created with the IAS 19 pension assets of CHF 80.239 million (see note 7.3). In connection with this, deferred tax assets were recognised from losses carried forward of CHF 6.919 million that would not have been capitalised without the corresponding deferred tax liabilities (criteria for capitalisation not met). In the reporting year, the pension assets (see note 9.7) were reduced to CHF 5.752 million and the related deferred tax liabilities to CHF 0.910 million. Most of the capitalised losses carried forward were therefore also released.

Expiring taxable loss carryforwards

The expiry of taxable loss carryforwards of group companies for which no deferred tax assets were recognised is as follows:

in CHF 1 000	31.12.2021	31.12.2022
After 1 year	1	7 125
After 2 years	3	203
After 3 years	203	4 236
After 4 years	205	934
After 5 years	661	15 871
After 6 years	424	8 268
After 7 or more years	548	37 575
Total expiring taxable losses carried forward	2 045	74 212

- The change between the reporting year and previous period is due to the partial release of the capitalised losses carried forward in the current financial year.

Deferred tax liabilities

in CHF 1 000	2021	2022
Deferred tax liabilities as at 01.01.	1 174 214	1 279 736
Change due to acquisitions/divestments of group companies	–	2 428
Change due to real estate developments (long-term contracts)	–7 729	–
Change due to revaluation and depreciation, net, recognised in income statement	115 430	76 978
Change due to revaluation, net, recognised in other comprehensive income	7 363	–13 018
Change through property disposals	–7 865	–13 857
Tax rate changes	–1 648	–3 947
Other changes	–29	–
Deferred tax liabilities as at 31.12.	1 279 736	1 328 320

- We calculated deferred taxes on temporary valuation differences in the property portfolio using cantonal tax rates of 4.4% to 14.4% [4.4% to 14.3%] and property gains tax rates surcharges and discounts of 4.0% and 26.0% [11.1% and 27.0%].
- We calculated deferred taxes on properties based on the assumption that the minimum duration of ownership is 20 years. Given a holding period of 15 years, the relevant deferred tax liabilities on future property gains would have been roughly 2.2% higher. Given a reduction of the holding period to ten years, deferred tax liabilities would have been around 4.1% higher.

Origin of deferred tax assets and liabilities

in CHF 1 000	Asset 31.12.2021	Liability 31.12.2021	Asset 31.12.2022	Liability 31.12.2022
Valuation differences properties	–	1 261 968	–	1 323 029
Net defined benefit assets / liabilities	–	16 048	–	910
Taxable losses carried forward capitalised	6 919	–	186	–
Fund contract	n.a.	n.a.	–	2 654
Other	–	1 720	–	1 727
Total deferred tax asset / liability	6 919	1 279 736	186	1 328 320

8 Financial risk management

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks, and we have implemented systematic and continuous risk management processes for dealing with these. The following notes should be read as an addition to risk management and climate-related financial risks, which we disclose in the appendix to the Sustainability Report.

We focus here on financial risks according to IFRS 7 and allocate the risks to the following categories:

Risk category	General description of the risk category
Market risk	We understand market risk to mean the risk that the future cash flows or fair value will change due to market changes
Liquidity risk	We understand liquidity risk to mean the risk that we cannot meet our financial obligations
Default risk	We understand default risk to mean the risk that our business partners cannot meet their contractual obligations and we suffer a financial loss

Risk	Measures	Financial impact
– Rising discount rates have a significant negative impact on the fair value of our properties (market risk)	<ul style="list-style-type: none"> – To limit the impact, we attach importance to having a strong financing structure – In most cases, we enter into indexed rental contracts with our tenants 	– We disclose the financial impact on our property portfolio of changes in discount rates in the sensitivity analyses in the Financial Report, in section 5.2 Properties
– Rising interest rates adversely affect our income statement (market risk)	– The balanced maturity profile of our financial liabilities enables us to smooth out interest rate fluctuations. We also ensure a safe mix between variable and fixed interest financial liabilities	<ul style="list-style-type: none"> – If the interest rate changes by +/- 0.5% for variable interest financial liabilities, the future annual interest expense will change by +/- CHF 5.610 million [CHF 4.610 million]. – We disclose financial liabilities broken down by interest rate in the financial report, in section 6.1. Financial liabilities
– Market changes make it harder to refinance our financial liabilities / We cannot meet the covenants of our financing (liquidity risk)	<ul style="list-style-type: none"> – Our capital management principles include measures for the ongoing optimisation of the equity and debt mix. – We are increasing financial flexibility by replacing secured borrowing with unsecured. – We plan our financial liabilities with a balanced maturity profile and diversification of lenders. – We regularly review whether we are meeting the agreed financial covenants for the financing raised and take account of them in our business planning 	<ul style="list-style-type: none"> – Important financial covenants for our financing are the loan-to-value ratio (LTV), the interest coverage ratio and the proportion of secured borrowing (permitted security). The loan-to-value ratio must not exceed 50% over a six-month period and must never exceed 55%. The interest coverage ratio must be at least 4.0 and the proportion of secured borrowing must not be more than 20%. As at the balance sheet date, the loan-to-value ratio was 38.7% [39.2%], the interest coverage ratio was 10.8 [8.5] and the proportion of secured borrowing was 14.3% [16.4%] – We disclose the future cash outflows from financial liabilities in the «Financial Report» in section 6.1. Financial liabilities
– Short-term capital requirement is not covered (liquidity risk)	– We have committed, undrawn credit facilities that we can draw on any time	– We disclose the current committed, undrawn credit facilities in the financial report in section 6.1. Financial liabilities
– Our tenants cease to meet their contractual obligations (default risk)	– A balanced tenant mix, avoiding dependency on major tenants, active credit control and the obtaining of security deposits reduce the default risk	<ul style="list-style-type: none"> – Our tenants pay us the rent in five [five] days on average – In addition, we only need to recognise impairments for 0.2% [0.7%] of our rent receivables
– Our other customers cease to meet their contractual obligations (default risk)	– In the case of other receivables, we largely work on a long-term basis with institutional clients, for which we also often handle treasury operations. Other customers often pay for our service with credit cards or directly at checkouts	– No material financial impact
– Our partner banks cease to meet their contractual obligations (default risk)	– Cash is only invested with first-class Swiss banking institutions regulated by FINMA	– No material financial impact

We have the following maximum default risk:

in CHF 1 000	31.12.2021	31.12.2022
Bank deposit	113 161	19 508
Receivables	45 617	45 297
Accrued income and prepaid expenses without capital tax assets	27 110	39 816
Non-current financial assets	4 285	9 500
Total risk	190 173	114 121

- We are not exposed to any material currency risk because we only operate in Switzerland and do not conduct transactions in foreign currency. In addition, we do not currently hold any derivative financial instruments. We would only enter into these in the future for the purpose of hedging interest risks.

9 Other disclosures

9.1 Accounts receivable

We measure accounts receivable at amortised cost, which is usually the nominal value. We assess the individual receivables for their collectibility and recognise any necessary loss allowances. The loss allowances are calculated in the extent of the expected credit losses.

in CHF 1 000	31.12.2021	31.12.2022
Accounts receivable (gross)	45 949	49 620
Impairments	-6 600	-6 961
Total accounts receivable	39 349	42 659

– Most of the accounts receivable related to claims for rent and ancillary costs.

Maturities of receivables

in CHF 1 000	31.12.2021		31.12.2022	
	Gross receivables	Impairments	Gross receivables	Impairments
Not yet due	34 257	-841	36 612	-100
Due between 1 and 30 days	3 625	-269	4 366	-1 307
Due between 31 and 90 days	1 875	-1 206	2 014	-1 273
Due between 91 and 120 days	414	-404	390	-343
Due for more than 120 days	5 778	-3 880	6 238	-3 938
Total gross receivables and impairments	45 949	-6 600	49 620	-6 961

9.2 Inventories

We recognise inventories at average cost, but no higher than the net realisable value. We additionally write down goods that are hard to sell or have a long storage period.

in CHF 1 000	31.12.2021	31.12.2022
Merchandise	35 482	36 672
Other inventories	13	70
Impairments	-2 232	-8 738
Total inventories	33 263	28 004

– The impairments in the reporting period include additional impairments on the Jelmoli inventory in the amount of CHF 7.084 million.

9.3 Tangible assets and intangible assets

Tangible assets

We recognise tangible assets at acquisition or production cost less accumulated depreciation and any impairments. We charge expenses for repairs and maintenance directly to the consolidated income statement.

Intangible assets

We recognise intangible assets at cost less accumulated amortisation and any impairments.

Depreciation and amortisation

We allocate depreciation and amortisation on a straight-line basis over the economically useful life. We depreciate tenants' improvements and furniture over eight years and hardware over five years. Software is amortised over five years or over the economically useful life, if shorter. The fund contract is amortised over 20 years.

Impairments

We assess the recoverability of tangible assets and intangible assets whenever changed circumstances or events indicate the possibility of an overvaluation of the carrying amount. If the carrying amount exceeds the recoverable amount, we recognise an impairment.

in CHF 1 000	Tenants' improvements	Moveable assets	Total tangible assets	Fund contract	Software	Total intangible assets
Cost as at 01.01.2022	36 389	51 508	87 897	–	70 582	70 582
Additions	2 959	1 053	4 012	–	7 446	7 446
Additions from acquisitions	732	427	1 159	18 624	–	18 624
Disposals	–	–745	–745	–	–	–
Cost as at 31.12.2022	40 080	52 243	92 323	18 624	78 028	96 652
Cumulative depreciation, amortisation and impairment as at 01.01.2022	18 389	45 888	64 277	–	38 339	38 339
Depreciation and amortisation	3 992	2 713	6 705	931	9 725	10 656
Disposals	–	–617	–617	–	–	–
Impairment	15 514	2 552	18 066	–	15 390	15 390
Cumulative depreciation, amortisation and impairment as at 31.12.2022	37 895	50 536	88 431	931	63 454	64 385
Total as at 31.12.2022	2 185	1 707	3 892	17 693	14 574	32 267

- The fund contract in the reporting year was capitalised in connection with the acquisition of the Akara Group (see note 9.10).
- In the reporting period, Wincasa (Services segment) restarted the ERP project. This resulted in an impairment of software amounting CHF 6.238 million.
- The operating business of Jelmoli will no longer be continued by Swiss Prime Site from the end of 2024 (further information see note 9.13). As a consequence, the non-current assets have to be valued against this background. Accordingly we recognised impairments of CHF 18.066 million on tangible assets (Services segment) and of CHF 9.152 million on software (CHF 6.896 million in the Real Estate segment and CHF 2.256 million in the Services segment).

in CHF 1 000	Tenants' improvements	Moveable assets	Total tangible assets	Fund contract	Software	Total intangible assets
Cost as at 01.01.2021	32 102	50 731	82 833	–	54 808	54 808
Additions	4 287	777	5 064	–	15 774	15 774
Cost as at 31.12.2021	36 389	51 508	87 897	–	70 582	70 582
Cumulative depreciation, amortisation and impairment as at 01.01.2021	14 435	42 442	56 877	–	29 358	29 358
Depreciation and amortisation	3 954	3 446	7 400	–	8 981	8 981
Cumulative depreciation, amortisation and impairment as at 31.12.2021	18 389	45 888	64 277	–	38 339	38 339
Total as at 31.12.2021	18 000	5 620	23 620	–	32 243	32 243

9.4 Leasing**Swiss Prime Site as lessor**

As a rule, property leases and land lease contracts are operating lease contracts, which are generally recognised in the consolidated income statement over the duration of the contract. In some of the rental contracts, target turnovers have been agreed upon with the tenants (i.e. turnover 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

Our right-of-use that are recognised can be broken down into two categories: Right-of-use from land lease contracts and right-of-use from the leasing of office space.

For low-value assets and leases with terms of less than 12 months, no right-of-use or lease liabilities were recognised in the balance sheet.

The right-of-use from office space are depreciated on a straight line basis over their economically useful life. In accordance with IFRS 16 and IAS 40.50d, the rights of use from land leases are reported gross by adding the fair value of the lease liability to the fair value of the property. The lease liabilities represent the present value of the expected future lease payments and are calculated using the effective interest rate method.

The right-of-use where we are a lessee have changed as follows:

in CHF 1 000	Land lease	Office Space	Total
Total as at 01.01.2021	241 696	48 944	290 640
Depreciation / revaluation	-3 019	-5 812	-8 831
Additions	25	-	25
Total as at 31.12.2021	238 702	43 132	281 834
Depreciation / revaluation	-725	-14 121	-14 846
Additions	17 219	1 726	18 945
Total as at 31.12.2022	255 196	30 737	285 933

- The interest expenses from lease liabilities recognised in the reporting period were CHF 4.005 million [CHF 4.059 million].
- The cash flow from leasing contracts amounted to CHF 14.028 million [CHF 12.731 million].

9.5 Goodwill

We recognise goodwill from acquisitions at the residual value (difference between the purchase price and the fair value of the net assets acquired in accordance with IFRS 3). We do not periodically amortise goodwill. However, it is tested for impairment at least once a year. This impairment test is based on assumptions for calculating the value in use, such as growth rates and discount rates, and is based on the smallest identifiable cash generating unit (CGU) in accordance with IAS 36. It is possible that these assumptions will prove to be inaccurate in the future. Likewise, the actual cash flows may differ from the discounted projections.

in CHF 1 000	2021	2022
Cost as at 01.01.	-	-
Additions	-	152 849
Cost as at 31.12.	-	152 849
Cumulative impairment as at 01.01.	-	-
Impairment	-	-
Cumulative impairment as at 31.12.	-	-
Total goodwill as at 31.12.	-	152 849

The goodwill is to be allocated in full to the CGU Swiss Prime Site Solutions AG (part of the Services segment). The CGU's recoverable amount is based on value in use.

The key assumptions underlying value in use are as follows:

- The cash flows are based on the business plan for the next five years, taking account of past experience. A constant growth rate of 2.5% [n/a] was used for the cash flows of the periods following the detailed outlook.
- A pre-tax discount rate of 10.6% [n/a] is applied for the CGU.

The CGU's value in use is significantly higher than the corresponding carrying amount as at the balance sheet date. In the Executive

Board's view, as at the balance sheet no realistically expectable changes in the key assumptions made could lead to the CGU's carrying amount exceeding the value in use. The impairment test was conducted in the fourth quarter of 2022.

The goodwill recognised in the reporting period is due to the acquisition of the Akara Group (see note 9.10).

9.6 Accrued expenses

in CHF 1 000	31.12.2021	31.12.2022
Renovation and project costs	112 764	103 863
Cost of goods sold	3 664	1 064
Other operating expenses	34 352	31 609
Current capital taxes	6 683	2 404
Interests	21	–
Total accrued expenses	157 484	138 940

9.7 Pension plans

Our group companies maintain different pension fund schemes, which are legally independent and financed from employer and employee contributions. In accordance with IAS 19, we treat all pension plans as defined benefit pension plans and have the present value of the pension plans calculated by external experts in accordance with the projected unit credit method. These actuarial appraisals are prepared separately for the individual pension plans. We record the difference between the fair value of the plan assets and the present value of benefit obligations in our balance sheet. We only recognise surpluses as net pension assets to the extent to which a future economic benefit arises for the Group in the form of lower contributions within the meaning of IFRIC 14.

- Swiss Prime Site ensures its employees have occupational pension insurance with regard to economic consequences of old age, disability and death within the framework of various pension schemes that are legally and financially separate from the employer.
- The occupational pension scheme operates on a funded basis. Individual retirement assets are saved during a working life, taking account of the insured annual salary and of the annual retirement credits plus interest. The lifelong retirement pension is calculated from the retirement assets available at the time of retirement, multiplied by the currently applicable pension conversion rate of 5.25% [5.4% to 5.5%].
- To finance the benefits, savings and risk contributions are collected from employees and employers as a percentage of the insured salary in accordance with the respective regulations or respective premium invoice of the collective foundation. At least 50% of the financing is provided by the employer.

Calculation assumptions

The following assumptions were used for the valuation of the occupational pension plans (weighted average values):

Assumptions

	in	31.12.2021	31.12.2022
Discount rate	%	0.3	2.2
Future salary increases	% p.a.	1.0	1.5
Future pension increases	% p.a.	–	–
Percentage of retirement benefits as pension upon retirement	%	30.0	30.0
Assumption to longevity of active insured persons with age of 45 (women)	years	45.5	45.7
Assumption to longevity of active insured persons with age of 45 (men)	years	43.8	43.9
Assumption to longevity of retirees with age of 65 (women)	years	24.5	24.6
Assumption to longevity of retirees with age of 65 (men)	years	22.7	22.8

Development of the defined benefit obligations

in CHF 1 000	2021	2022
Present value of defined benefit obligations as at 01.01.	547 725	541 013
Interest expense on defined benefit obligations	821	1 646
Current service cost (employer)	16 571	16 797
Contributions by plan participants	10 283	11 553
Benefits paid	-27 671	-23 400
Past service cost	-	-858
Change in scope of consolidation	-	10 762
Administration cost (excluding cost for managing plan assets)	274	273
Actuarial gain (-)/loss (+) on benefit obligations	-6 990	-96 103
Total present value of defined benefit obligations as at 31.12.	541 013	461 683

- The present value of defined benefit obligations for actively contributing insured persons was CHF 261.060 million [CHF 291.501 million] and for pensioners was CHF 200.623 million [CHF 249.512 million].

Development of the plan assets

in CHF 1 000	2021	2022
Fair value of plan assets as at 01.01.	616 301	659 527
Interest income on plan assets	923	2 001
Contributions by the employer	15 409	18 001
Contributions by plan participants	10 283	11 553
Benefits paid	-27 671	-23 400
Change in scope of consolidation	-	8 687
Return on plan assets excluding interest income	44 282	-58 422
Total fair value of plan assets as at 31.12.	659 527	617 947

- We expect to make contributions of CHF 15.550 million [CHF 14.916 million] to defined benefit pension plans in the 2023 financial year.

Net defined benefit assets

in CHF 1 000	31.12.2021	31.12.2022
Present value of defined benefit obligations	-541 013	-461 683
Fair value of plan assets	659 527	617 947
Overfund as at 31.12.	118 514	156 264
Adjustment due to asset ceiling	-38 275	-150 512
Net defined benefit assets	80 239	5 752

- For various group companies, an asset results as at 31 December 2021 and as at 31 December 2022 that can only be recognised within the framework of the asset ceiling if there is a corresponding economic benefit. In accordance with IFRIC 14, an economic benefit arises when the expected contributions by the employer fall below the following year's service cost. The development of this asset ceiling is presented in the following table.

Development of the effect of the asset ceiling

in CHF 1 000	2021	2022
Asset ceiling as at 01.01.	9 079	38 275
Interest expense on effect of asset ceiling	14	115
Change in effect of asset ceiling excluding interest expense	29 182	112 122
Total asset ceiling as at 31.12.	38 275	150 512

Defined benefit cost / income

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Current service cost (employer)	-16 571	-16 797
Past service cost	-	858
Interest expense on defined benefit obligations	-821	-1 646
Interest income on plan assets	923	2 001
Interest expense on effect of asset ceiling	-14	-115
Administration cost (excluding cost for managing plan assets)	-274	-273
Defined benefit cost (-)/income (+)	-16 757	-15 972

Changes to the plan

There were no changes to the plan in either the reporting year or the previous year.

Remeasurement of net defined benefit obligations

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Actuarial gain (+)/loss(-) on defined benefit obligations	6 990	96 103
Return on plan assets excluding interest income	44 282	-58 422
Change in effect of asset ceiling excluding interest expense	-29 182	-112 122
Remeasurement of net defined benefit obligations recognised in other comprehensive income	22 090	-74 441

Actuarial gains or losses on defined benefit obligations

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Actuarial gain (+)/loss (-) arising from changes in financial assumptions	-13 867	-91 279
Actuarial gain (+)/loss (-) arising from experience adjustments	6 877	-4 824
Total actuarial gain (+)/loss (-) on defined benefit obligations	-6 990	-96 103

Development of the net defined benefit assets

in CHF 1 000	2021	2022
Net defined benefit assets as at 01.01.	59 497	80 239
Defined benefit cost (-)/income (+) recognised in the consolidated income statement	-16 757	-15 972
Remeasurement of net defined benefit obligations recognised in other comprehensive income (OCI)	22 090	-74 441
Contributions by the employer	15 409	18 001
Effect of business combinations and disposals	-	-2 075
Total net defined benefit assets as at 31.12.	80 239	5 752

- Due to higher interest rates in 2022, the discount rate as at 31 December 2022 increased significantly compared with the previous year, from 0.3% to 2.2%. However, in addition to a reduction in obligations, the economic benefit pursuant to IFRIC 14 was also lower. As a result, a large portion of the existing surplus on the IAS 19 balance sheet as at 31 December 2022 could no longer be recognised due to the asset ceiling and thus a significantly lower asset was reported compared with the end of 2021. The value change was recorded in comprehensive income.

Asset structure of the plan assets (asset categories)

in CHF 1 000	31.12.2021	31.12.2022
Cash and cash equivalents with quoted market price	12 847	15 846
Equity instruments with quoted market price	263 488	235 261
Debt instruments (e.g. bonds) with quoted market price	66 003	61 746
Real estate with quoted market price	222 560	210 846
Others with quoted market price	94 629	94 248
Total plan assets at fair value	659 527	617 947

Sensitivity analysis

in CHF 1 000	31.12.2021	31.12.2022
Value of defined benefit obligations as at 31.12.	541 013	461 683
Defined benefit obligations as at 31.12. with discount rate –0.25%	560 302	475 361
Defined benefit obligations as at 31.12. with discount rate +0.25%	522 990	457 691
Defined benefit obligations as at 31.12. with life expectancy +1 year	561 493	475 185
Defined benefit obligations as at 31.12. with life expectancy –1 year	520 283	447 801
Service cost (employer) of next year with discount rate +0.25%	15 021	13 408

in years	31.12.2021	31.12.2022
Weighted average duration of defined benefit obligations	13.8	11.8
Weighted average duration of defined benefit obligations for active members	15.8	12.9
Weighted average duration of defined benefit obligations for pensioners	11.5	10.3

9.8 Future obligations

Swiss Prime Site entered into agreements with various general contractors for the construction of new and modified buildings within the scope of new construction activities and for 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	31.12.2021	31.12.2022
2022	231 332	n.a.
2023	155 835	235 575
2024	32 123	87 914
2025	–	9 933
2027	3 000	3 000
Total future obligations based on total contractor agreements	422 290	336 422

9.9 Transactions with related parties

Related parties are deemed to be the Board of Directors, Executive Board, the Group's pension funds, associates and their subsidiaries, and the investment vehicles of Swiss Prime Site Solutions AG.

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 to the Board of Directors and Executive Board

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Fixed compensation in cash, gross	4 163	4 146
Variable compensation in cash, gross	1 601	1 648
Share-based compensation	1 726	1 754
Other compensation components	90	79
Pension fund contributions	641	554
Other social security contributions	370	422
Total compensation to the Board of Directors and Executive Board	8 591	8 603
Expense allowance	156	144

- The Board of Directors receives 50% of its compensation 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, we transferred 8 914 shares [7 917 shares] at a market value of CHF 0.772 million [CHF 0.715 million] to the members of the Board of Directors.
- The Executive Board receives 37.5% of its variable compensation as performance share units (PSUs) as part 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, condition on fulfilment of the performance indicator and a continued employment relationship during the vesting period. Earnings per share (EPS) excluding revaluations and deferred taxes constitute the performance indicator. 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 finally paid out. The payout factor depends on the achievement of the EPS target and ranges between 0% and 100%.
- In the reporting year, we allocated 12 353 [14 552] performance share units to the Executive Board. Recognition in the consolidated financial statements is spread over the three-year vesting period at the current price of CHF 91.25 [CHF 87.15] (stock exchange price on the grant date). The resulting expense booked in the consolidated income statement was CHF 1.117 million [CHF 1.078 million].

Other related parties

in CHF 1 000	Type	01.01.– 31.12.2021 or 31.12.2021	01.01.– 31.12.2022 or 31.12.2022
Akara Property Development 1 KmGK	Accounts receivable (+)/accounts payable (–)	–	27
	Income from asset management	–	105
Akara Diversity PK	Accounts receivable (+)/accounts payable (–)	–	3 791
	Income from asset management	–	22 092
	Income from real estate developments (net)	–	188
Various pension funds and the SPS and Jelmoli welfare foundation	Accounts receivable (+)/accounts payable (–)	–424	–1 481
Swiss Prime Investment Foundation	Accounts receivable (+)/accounts payable (–)	868	426
	Income from asset management	14 797	17 703
	Income from other real estate services	4 331	4 993
Swiss Prime Site Solutions Investment Fund Commercial	Accounts receivable (+)/accounts payable (–)	1 363	101
	Income from asset management	1 269	6 746
	Income from other real estate services	–	895

- In the 2022 financial year, seven existing properties were sold to Swiss Prime Site Solutions Investment Fund Commercial. The transaction with a total value of around CHF 80 million was completed under market conditions based on appraisals of independent valuation experts and was approved by FINMA.

9.10 Scope of consolidation**Consolidation methods**

In the consolidated financial statements, we consolidate the audited separate financial statements of Swiss Prime Site AG and its directly or indirectly controlled group companies. We have control over companies if we are exposed to variable returns from our involvement with the companies and we have the power to influence the companies. We consolidate these group companies using the full consolidation method. We have eliminated all significant transactions and assets between the individual group companies and any intercompany profits accordingly.

We account for companies that we do not control, but over which we exercise a significant influence, as associates using the equity method.

We measure companies in which we hold less than 20% of the shares at fair value through the income statement and recognise the asset position in securities or non-current financial investments.

- To strengthen the Real Estate Asset Management business area (Services segment), we acquired a 100% stake in the Akara Group on 10 January 2022.
- The Akara Group includes Akara Funds AG (a FINMA-regulated fund provider specialising in residential and commercial properties), Akara Real Estate Management AG (real estate services in the areas of development, execution, management and marketing), Akara Property Development AG (management of a limited partnership for collective investments) and Akara Holding AG.
- The real estate assets under management, totalling around CHF 2.3 billion on the date of acquisition, 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).
- With the purchase of the Akara Group, we also acquired the limited partners' shares in Akara Property Development 1 KmGK for CHF 5 million. The shares are accounted for as non-current financial investments.
- In the financial year 2022, the Akara Group contributed operating income of CHF 32.002 million, EBIT of CHF 11.056 million and profit of CHF 9.748 million towards the Group result.
- Transaction costs amounted to CHF 0.365 million and were recognised in the consolidated income statement in consultancy expenditure under other operating expenses (reported in cash flow from operating activities).
- The acquired companies Akara Holding AG, Akara Funds AG and Akara Real Estate Management AG were merged into Swiss Prime Site Solutions AG on 1 July 2022. This transaction was entered in the commercial register on 9 August 2022.

The fair values of the identifiable assets and liabilities of the Akara Group as at the acquisition date of 10 January 2022 were:

in CHF 1 000	10.01.2022
Cash	944
Receivables and short-term loans (no non-collectable receivables)	17 142
Accrued income and prepaid expenses	9 074
Tangible assets	1 159
Right-of-use assets	1 727
Fund contract	18 624
Total assets	48 670
Accrued expenses and deferred income	9 660
Net defined benefit liabilities	2 074
Other liabilities	4 024
Lease liabilities	1 726
Total liabilities	17 484
Net assets sold	31 186
Purchase price in shares (724 691 shares of Swiss Prime Site AG)	64 359
Purchase price in cash	119 676
Goodwill	152 849

- Goodwill comprises assets that cannot be separately identified or reliably determined, stemming primarily from future estimated earnings. Goodwill is not tax deductible. The acquisition of the Akara Group will enable us to significantly increase our earnings and our assets under management, in addition to strengthening and expanding our strategic market position in the area of asset management (Services segment).

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2021 Capital in CHF 1 000	Shareholding in %	31.12.2022 Capital in CHF 1 000	Shareholding in %
Akara Funds AG, Zug ²	Asset management	n.a.	n.a.	n.a.	n.a.
Akara Holding AG, Zug ²	Asset management	n.a.	n.a.	n.a.	n.a.
Akara Property Development AG, Zug ¹	Asset management	n.a.	n.a.	100	100.0
Akara Real Estate Management AG, Zug ²	Asset management	n.a.	n.a.	n.a.	n.a.
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
Swiss Prime Site Dreispitz AG, Zurich ³	Real estate	5 295	100.0	n.a.	n.a.
streamnow ag, Zurich	Real estate services	100	100.0	100	100.0
Swiss Prime Site Finance AG, Zug	Financial services	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Zurich	Real estate	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Zug	Services	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zug	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 Acquisition as at 10.01.2022

² Acquisition as at 10.01.2022, merger in Swiss Prime Site Solutions AG as at 01.07.2022

³ Merger in Swiss Prime Site Immobilien AG as at 01.07.2022

Investments in associates valued according to the equity method

	Field of activity	31.12.2021 Capital in CHF 1 000	Shareholding in %	31.12.2022 Capital in CHF 1 000	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
Flexoffice Schweiz AG, Zurich	Office services	111	10.0	124	27.2

In the current financial year, we acquired 227 207 registered shares of Flexoffice (Schweiz) AG in two tranches. On 7 March 2022, the purchase of 65 685 registered shares took place and on 8 August 2022 the purchase of 161 522 registered shares. Together with the 111 111 registered shares that we had already acquired in the past, at year-end we held 338 318 registered shares or 27.2% [10.0%] of the share capital. We therefore now value the shareholding interest as an associate using the equity method. In the 2022 semi-annual financial statements, the shares were still reported under non-current financial investments.

9.11 Classification and fair value financial instruments

in CHF 1 000	Fair value level 1	Fair value level 2	Fair value level 3	Total levels	31.12.2022 Book value
Financial assets at amortised cost					
Cash					21 201
Receivables					45 297
Accrued income and prepaid expenses without capital tax assets					39 816
Non-current financial assets			1 324	1 324	1 352
Financial assets at fair value					
Securities	1 130			1 130	1 130
Non-current financial assets			8 149	8 149	8 149
Financial liabilities at amortised cost					
Payables					153 786
Accrued expenses without capital tax liabilities					136 536
Mortgage-backed loans		671 885		671 885	745 520
Unsecured loans		1 819 033		1 819 033	1 872 000
Convertible bonds	533 350			533 350	542 678
Bonds	1 893 165			1 893 165	2 059 187

in CHF 1 000	Fair value level 1	Fair value level 2	Fair value level 3	Total levels	31.12.2021 Book value
Financial assets at amortised cost					
Cash					114 656
Receivables					45 617
Accrued income and prepaid expenses without capital tax assets					27 110
Non-current financial assets			2 616	2 616	2 647
Financial assets at fair value					
Securities	1 351			1 351	1 351
Non-current financial assets			1 638	1 638	1 638
Financial liabilities at amortised cost					
Payables					155 234
Accrued expenses without capital tax liabilities					150 801
Mortgage-backed loans		831 690		831 690	845 558
Unsecured loans		1 689 738		1 689 738	1 702 000
Convertible bonds	550 682			550 682	541 165
Bonds	2 091 000			2 091 000	2 059 319

9.12 Major shareholders

	31.12.2021 Shareholding interest in %	31.12.2022 Shareholding interest in %
Major shareholders (shareholding interest >3%)		
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.7	8.0
UBS Fund Management (Switzerland) AG, Basel	3.8	4.5
State Street Corporation, Boston	>3.0	n.a.

9.13 Events after the balance sheet date

The consolidated financial statements were approved for publication by the Board of Directors on 7 February 2023.

In February 2023, the Board of Directors and the Executive Board of Swiss Prime Site decided to convert the Jelvoli building and sustainably develop it further. In this context, it is planned to adapt the retail floorspace to the current market demand and to add new types of use to the building. Accordingly the Jelvoli department store will no longer be operated by Swiss Prime Site from the end of 2024. The transformation project has a one-time negative impact on EBIT of CHF 34.3 million in the reporting year 2022. This amount includes impairments on tangible assets, software and inventories.

No further events occurred between 31 December 2022 and the date of approval 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 2022, 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 and impairments on tangible assets as well as amortisation and impairments on intangible assets.

Operating Result (EBIT) excluding revaluations

Operating result before financial result and taxes (EBIT) less revaluations of investment properties.

Equity ratio

Total shareholders' equity as a percentage of total assets.

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 like-for-like rental change

Shows the development of net rental income from the stock of investment properties that were under our operational control within two balance sheet dates. Changes from purchases, sales and developments are not taken into account.

EPRA NDV (net disposal value)

Determines equity per share based on a sales scenario. Deferred taxes are therefore recognised as they are under IFRS.

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 are fully excluded from the NTA.

Loan-to-value (LTV) ratio of the property portfolio

Current and non-current financial liabilities (without lease liabilities) of the Real Estate segment as a percentage of the property portfolio (without right-of-use) at fair value.

Funds from operations (FFO)

This key figure is a measure of cash flow from operations (FFO I). FFO II additionally includes cash effective income from property sales. See note 3.2 to the consolidated financial statements 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 total assets.

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 total assets.

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

Shareholders' 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

Shareholders' equity (attributable to shareholders of Swiss Prime Site AG) plus deferred tax liabilities, divided by the number of issued shares at the balance sheet date (excluding treasury shares).

Net yield on property

Real estate income as a percentage of the property portfolio at fair value as at the balance sheet date.

Employees and full-time equivalents (FTE)

Number of persons contractually employed by a group company as at the balance sheet date. Multiplied by the percentage level of employment shows the number of full-time equivalents (FTE).

Interest-bearing financial liabilities

Current and non-current financial liabilities less derivative financial instruments (other non-current financial liabilities).

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Report of the valuation expert

The properties of Swiss Prime Site Immobilien AG are valued semi-annually by Wüest Partner AG at their current values. The present valuation is valid as of 31 December 2022.

Valuation standards and principles

The market values determined as of 31 December 2022 are in line with the **«Fair Value»**, as defined in the International Financial Reporting Standards (IFRS) in accordance with **IAS 40** (Investment Property) and **IFRS 13** (Fair Value Measurement). The fair value corresponds to the price that independent market participants would receive under normal market conditions on the valuation date when selling an asset (exit price).

An **exit price** is the sales price postulated in the purchase contract, to which the parties have mutually agreed. Transaction costs, usually consisting of brokerage commissions, transaction taxes as well as land registry and notary costs, are not taken into account when determining the fair value. Thus, in accordance with paragraph 25 IFRS 13, the fair value is not adjusted for the transaction costs incurred by the acquirer in a sale (**«Gross Fair Value»**). This is in line with Swiss valuation practice.

The valuation at fair value assumes that the hypothetical transaction for the asset to be valued takes place in the market with the largest volume and the largest business activity (**principal market**) and that transactions of sufficient frequency and volume occur so that sufficient price information is available for the market (active market). If such a market cannot be identified, the principal market for the asset is assumed to be the one that maximises the selling price on disposal of the asset.

The fair value is determined on the basis of the best possible use of a property (**«Highest and best use»**). The best use is the use of a property that maximises its value. This assumes a use that is technically/physically possible, legally permitted and financially feasible. Since maximisation of use is assumed when determining the fair value, the best possible use may deviate from the actual or planned use. Future capital expenditures to improve or increase the value of a property are taken into account accordingly in the fair value measurement. The application of the highest and best use approach is based on the principle of the **materiality** of the potential difference in value of the best possible use compared with the continuing use.

Wüest Partner further confirms that the valuations have been carried out in accordance with national and international standards and guidelines, in particular in accordance with the **International Valuation Standards (IVS)** and the **RICS** guidelines (Red Book).

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Determination of fair value

The fair value is determined depending on the quality and reliability of the valuation parameters, with decreasing quality or reliability: Level 1 market price, Level 2 modified market price and Level 3 model-based valuation. In the fair value measurement of a property, different parameters can be applied simultaneously on different hierarchies. The entire valuation is classified according to the lowest level of the fair value hierarchy in which the significant valuation parameters are located.

The value of the properties of Swiss Prime Site Immobilien AG is determined using a model-based valuation in accordance with Level 3 on the basis of input parameters that are not directly observable on the market, whereby adjusted Level 2 input parameters are also applied here (for example, market rents, operating/maintenance costs, discount/capitalisation rates, proceeds from the sale of residential property). Unobservable inputs are only used if relevant observable inputs are not available. Valuation techniques are applied that are appropriate in the circumstances and for which sufficient data are available to determine fair value, maximising the use of relevant observable inputs and minimising unobservable inputs.

The investment properties are valued according to the discounted cash flow method (DCF), which corresponds to international standards and is also used for company valuations. It is recognised as "best practice" - with fundamental freedom of method in real estate valuation. With the DCF method, the current fair value of a property is determined by the sum of all expected future net earnings discounted to the present time (before interest payments, taxes, depreciation and amortisation = EBITDA), while taking investments and maintenance costs into account. The net earnings (EBITDA) are discounted individually per property, depending on the respective opportunities and risks, in line with the market and risk-adjusted. All expected cash flows are disclosed in a detailed report for each property, thus creating the greatest possible transparency. In the report, reference is made to the significant changes since the last valuation.

Properties under construction and development sites with future use as investment properties are valued as project market values, taking into account current market conditions, outstanding investment costs and a risk premium commensurate with the progress of the project (IAS 40/IFRS 13).

Properties under construction intended for later sale (for example condominium flats) are valued at construction cost (IAS 40.9), i.e. ongoing work and construction costs are activated and the subsequent valuation is at the lower value in accordance with IAS 2.

Transparency, uniformity, timeliness and completeness are ensured in the valuation. The relevant legal provisions and specific national and international standards are complied with (SIX regulations for listed real estate companies, IFRS and others).

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

In order to guarantee the independence of the valuations and thus ensure the highest possible degree of objectivity, the business activities of Wüest Partner AG exclude trading and the associated commission business as well as the management of properties. The valuation is always based on the latest information about the properties and the property market. The data and documents relating to the properties are provided by the owner. It is assumed that they are correct. All property market data is taken from the continuously updated databases of Wüest Partner AG (Immo-Monitoring 2023).

Development of the real estate portfolio

In the reporting period from 01.01.2022 to 31.12.2022, three properties were acquired and thirteen properties were sold. Furthermore, condominium units of building A of the property "Plan-les-Ouates, Route de la Galaise 11A et 11B – Espace Tourbillon" were sold.

In addition, the property "Richterswil, Gartenstrasse 7/17 –Etelzblick" is listed in the portfolio for the first time after completion.

Furthermore, three properties under construction are now classified as properties held for sale: In addition to the two properties "Paradiso, Riva Paradiso – Du Lac" and "Plan-les-Ouates, Route de la Galaise 11A et 11B – Espace Tourbillon building A", the property "Olten, Solothurnerstrasse 201a – USEGO-Park" is now also shown with at-cost values as of the year end 2022. The property "Olten, Solothurnerstrasse 231 – USEGO-Areal" was split into two properties for the first time as of the year end, with the latter continuing to be managed as a property in the portfolio.

The real estate portfolio of Swiss Prime Site Immobilien AG thus contains 176 properties as of the 31.12.2022.

In detail, the following properties with values as of 31 December 2021 were sold during the reporting period:

– Amriswil, Weinfelderstrasse 74:	CHF 7'053'000
– Burgdorf, Emmentalstrasse 14:	CHF 5'085'000
– Cham, Dorfplatz 2:	CHF 4'325'000
– Dietikon, Kirchstrasse 20:	CHF 14'570'000
– Neuchâtel, Avenue J.-J. Rousseau 7:	CHF 6'226'000
– Neuchâtel, Rue de l'Ecluse 19 – Parking	CHF 794'000
– Neuchâtel, Rue du Temple-Neuf 11:	CHF 5'467'000
– Neuchâtel, Rue du Temple-Neuf 14:	CHF 43'910'000
– Oberbüren, Buchental 4:	CHF 25'320'000
– Plan-les-Ouates, Route de la Galaise 11A	
– Espace Tourbillon, Building B:	CHF 105'470'000
– Schwyz, Oberer Steisteg 18, 20:	CHF 8'908'000
– St. Gallen, Spisergasse 12:	CHF 4'874'000
– St. Gallen, Spisergasse 12 Turmgasse:	CHF 3'261'000
– Plan-les-Ouates, Route de la Galaise 11A et 11B	
– Espace Tourbillon, Condominium units Building A:	CHF 13'597'000
Sale of 13 existing properties & partial sale of project 1 (265 shares of 1000 sold)	

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

The total market value of the sold properties as of 31 December 2021 was CHF 248.86 million.

In the reporting period, the following purchases of building land and two projects were made, valued as at 31 December 2022:

– Zurich, Oleanderstrasse 1:	CHF 13'300'000
– Basel Steinenvorstadt 5:	CHF 38'980'000
– Bern, Stauffacherstrasse 131, «BERN 131»:	CHF 2'762'000

The total market value of the purchased properties as of 31 December 2022 is CHF 55.042 million.

Hence, the total portfolio consists of 156 existing investment properties, 10 plots of building land and 10 development sites.

The following 10 development properties are currently in planning phase / under construction:

- At Hochbergerstrasse 60 F-I - "Stücki Park II" in Basel, the existing office and laboratory space of the property Hochbergerstrasse 60 - "Stücki Park A-E" is being expanded by around 27,000 m² of space until 2024.
- At Steinenvorstadt 5 in Basel, the building, which has become vacant at the end of 2022, will be partially converted into managed residential and retail space after an interim use phase from 2024 until approximately mid-2025.
- At the Stauffacherstrasse 131 in Bern, the "BERN 131" plus-energy building is being built in the centre of the Wankdorf transport hub. It will have a usable floor space of 13,900 m² and is expected to be ready for occupation by the beginning of 2025.
- At Esplanade de Pont-Rouge 5, 7, 9 - "Alto Pont-Rouge" in Lancy, a commercial building will be realised by 2023 within a larger development area containing a total of four construction sites.
- On the property "USEGO-Park - Tertianum Olten" in Olten, a project with residential use for senior citizens (nursing home and flats for senior citizens) is planned. This property should be completed beginning of 2024.
- At Riva Paradiso - "Du Lac" in Paradiso, a new replacement building is being constructed on the lakeshore, with construction having started in 2021. This future retirement home is expected to be completed beginning of 2024.
- The Chemin des Aulx - "Espace Tourbillon" development project in Plans-les-Ouates comprises five buildings with office, commercial and retail space, four of which have been completely sold. Moreover, the Building A is continuously being sold in co-ownership.
- Zürcherstrasse 39 - "JED" in Schlieren is the former NZZ printing centre with building land reserves, which is being repurposed and is expected to be completed by the beginning of 2023 (JED conversion).
- On the adjacent plot, a new office / hall building (JED new building) without conventional heating technology is being constructed since the beginning of 2021 and expected to be completed in 2024.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

- A new site for Google Switzerland is being developed at Müllerstrasse 16/20 in Zurich. Google will move into the building as sole tenant from 2023, after extensive interior and exterior renovation and works to bring up the property to the highest possible standard in terms of sustainability and technology. The conversion of the existing building began when the previous tenant moved out at the beginning of 2021.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Valuation results as of 30 June 2022

As of 31 December 2022, the current value of the total property portfolio of Swiss Prime Site Immobilien AG (176 properties in total) is valued at CHF 13,087.715 million.

The current value of the portfolio has thus increased by CHF 294.215 million or 2.30% compared to 31 December 2021. Details on the performance can be found in the table below.

SPS Portfolio as of 31.12.2021		CHF 12'793.500 m.
+	Change in value of investment properties	CHF 242.225 m.
+	Change in value of projects after completion	CHF 7.550 m.
+	Purchase of development plots	CHF 13.300 m.
+	Purchase of projects	CHF 41.742 m.
-	Sales of investment properties	-CHF 235.263 m.
-	Partial sales of properties intended for sale	-CHF 13.597 m.
+	Change in value of development plots	CHF 6.858 m.
+	Change in value of projects	CHF 197.310 m.
+	Change in value of properties held for sale	CHF 34.090 m.
SPS Portfolio as of 31.12.2022		CHF 13,087.715 m.
Delta		CHF 294.215 m.

The change in value of the 154 investment properties compared to 1 January 2022 was +2.12% (excluding initial valuations after completion (1), split of investment properties (2), acquisitions (3), development plots (9), properties in planning or under construction (7), - a total of 22 properties), 102 properties were valued higher, 4 properties were valued the same and 50 properties were valued lower than on 1 January 2022.

The positive development in the value of the Swiss Prime Site Immobilien AG portfolio is attributable to the properties in the portfolio, the acquisitions, the building land and the properties in planning or under construction. Only the sales had a negative effect on value. In general, despite the slightly higher interest rate environment, the continuing strong seller's market supported the low yield expectations of investors and therefore also the appreciation. Furthermore, completed investments, new contracts concluded at a higher level, temporarily and structurally slightly lower vacancy rates and overall the high quality of the properties in sought-after locations contributed to the positive value development.

The declines in value are mainly related to changes in rental potential, new contracts signed at a lower level, adjusted sales forecasts and higher estimated costs for future maintenance.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Market Report

Economic development

The Swiss economy continues to develop robustly and grew by 0.5 percent in real terms in the 3rd quarter of 2022 compared to the same quarter of the previous year. The domestic economy in particular supported growth through higher private consumer spending. Expectations for further economic development have recently dimmed. The SECO still expects economic growth of 2.0 percent in 2022, but lowered its forecast for 2023 to 1.0 percent.

An economic slowdown is expected since the global economy is being held back by high global inflation and tighter monetary policy. Lower international demand is likely to have an increasingly negative impact on the Swiss export economy. In addition, high energy prices are weighing on economic activity and the energy situation in Europe remains associated with high risks. The war in Ukraine and the associated uncertainties may also have a negative impact on the economic trend.

Weaker economic growth and global uncertainties are likely to gradually dampen the dynamism of the flourishing labour market somewhat. The SECO continues to record strong employment growth and an unemployment rate of 2.0 percent in November 2022. From this historically low level, unemployment is expected to rise slightly in 2023, reaching 2.3 percent on average.

Inflation has been declining slightly since the summer of 2022, but at 3.0 percent in November it is still above the Swiss National Bank's target value. For this reason, the SNB tightened monetary policy once again and raised the policy rate by 0.5 percentage points to 1.0 percent on 16 December. The price increase in Switzerland is significantly being driven by rising global energy and food prices. Inflation is also likely to remain elevated in the medium term, as inflationary pressures from abroad have intensified and the price increase has spread to other categories of goods. The SNB expects inflation to reach 2.9 percent for the year 2022 as a whole and 2.4 percent in the following year.

The increased inflation and the rising policy rates are also reflected in the yields on 10-year Swiss Confederation bonds and in mortgage rates.

Construction market

The construction market remains relatively stable despite the turbulent environment. In 2022, building construction investments are estimated to have grown nominally by 7.0 percent in the new construction segment and 8.0 percent in the renovation segment. However, if the construction price increase of approximately 8 percent is deducted, it becomes apparent that real investment in building construction is stagnating. In 2023, investment in new construction is likely to weaken (+ 2.7 percent) and develop negatively in real terms, while investment in renovation will grow (+ 8.3 percent). The shortage of building land, the sharp rise in construction prices, supply bottlenecks and capacity problems as well as the uncertain economic environment are weighing on investment. Nevertheless, the workload in the construction market is high and the medium-term outlook remains intact thanks to the strong household growth.

Economic growth continues in Q3 2022

The economic outlook is below average due to the weak global economy and high risks

Labour market remains robust, but with slower dynamism in 2023

Inflation likely to remain elevated for the time being despite renewed monetary tightening in December 2022

Rising bond yields and mortgage rates

Stable construction market in a difficult environment

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Office space market

The demand for office space has been developing extremely dynamically for more than a year. The driving force behind this is the strong growth in employment. Employment in Switzerland, measured in terms of the number of full-time equivalents, rose by 2.4 percent in Q3 2022 compared to the same quarter of the previous year (only 3rd sector: + 2.5 percent). There are still many job vacancies, so the labour market should continue to develop positively in the near future. However, the strong dynamics are weakening slightly, as the catch-up effects following the lifting of the pandemic measures are gradually fading and the economic growth outlook is depressing the general sentiment.

The continuing strong user demand coupled with stagnating new construction led to a further decline in the supply of office space in Q3 2022. On average in Switzerland, the ratio of available space (supply ratio) fell to 6.1 percent. However, there are large regional differences in terms of supply. In the major centres of Basel-Stadt, Zurich, Lausanne and Lucerne there is very little office space available. The oversupply has also reduced in Geneva and Zug. But in the less sought-after small and medium-sized centres, supply remains plentiful. These regional disparities are likely to persist in the coming years.

As a result of the limited supply and high demand, the rents of newly concluded contracts have risen (+ 3.7 percent). Inflation also leads to higher rents, because a large part of the office leases is linked to the national Consumer Price Index. As numerous spaces in good locations could be let at higher rents, the prices for the remaining office spaces on the market have fallen. Wüest Partner expects the office market to show a robust development in 2023 (+ 0.5 per cent) as long as the labour market supports demand.

Retail space market

The outlook for the retail space market remains gloomy, although population growth is supporting sales. Accordingly, adjusted for inflation, there was a downward trend in real retail sales over the last 12 months up to October 2022 (- 2.9 percent, excluding petrol stations), even though real sales rose in certain months.

The reasons for the declining turnover in the retail trade are not only the continuing structural challenges (keyword: e-commerce) but also the economic uncertainties. High inflation, the strong franc and the economic and geopolitical outlook are putting pressure on consumers' propensity to buy. According to the SECO index, consumer sentiment reached its lowest level since the beginning of the survey in 1972. The environment for the retail trade is likely to remain difficult in the coming months.

For the retail space market, this means declining demand. It can be assumed that the supply ratios will increase, to which the expected new construction activity will also contribute. Only in the major cities are vacancy rates expected to fall. Overall, rents for retail space remain under pressure, with the exception of the sought-after prime locations.

Boom in demand for office space thanks to strong employment growth

Declining supply of available office space with large regional differences

Rents rising due to strong demand and inflation, stable development in 2023 as well

Despite some bright spots in the last year, real retail sales are declining overall

Inflation, the strong franc, the uncertain economic and geopolitical situation put pressure on consumer spending

Increasing supply of sales space, rents are likely to generally fall further

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Market for retirement living

The market for retirement flats offers great growth potential in the coming years. The reason for this is the demographic development. By 2030, the number of people over 65 will increase by a quarter, which corresponds to around 420,000 people overall. This should significantly increase the demand for properties for senior citizens.

On the one hand, there is a demand for customisable forms of housing with modular and flexible services as well as simple forms of care (e.g. concierge service or outpatient care) that enable self-determined living in old age. On the other hand, more care places are also needed. Ideal are concepts that cover all needs and can thus offer a seamless transition from self-determined to assisted living. Another need is affordable housing in old age.

The market rents for retirement flats develop in parallel with the asking prices for conventional flats, but with a certain premium. Consequently, rents in the retirement housing segment are expected to rise in 2023.

Hospitality

Already in the winter season 2022/23, overnight stays in Switzerland are expected to exceed the pre-Corona level. In its tourism forecast, the KOF expects a growth in overnight stays by 16 percent this winter. Domestic tourists in particular are responsible for the buoyant recovery.

The summer season was successful as well, with the number of overnight stays in the first 10 months of 2022 increasing by 29.0 percent compared to the same period last year, according to the Federal Statistical Office (FSO). Responsible for the strong increase were in particular foreign guests, as their number of overnight stays more than doubled in the period. Nevertheless, domestic guests are likely to remain one of the most important markets in the longer term, while guests from distant countries such as India and China take longer to return in full. Regardless, the total number of overnight stays in 2022 up to the end of October was a mere 5.0 percent below the level of the record year 2019.

Average bed occupancy has returned to a normal level in recent months. There was movement in hotel room rates, particularly in the first half of 2022. Average room rates in Switzerland rose sharply, peaking at over CHF 220 per night in summer 2022. Since then, the dynamics have slowed slightly, with average prices settling at CHF 210 per night in November. This development was mainly carried by the price increases of hotels in large and small cities.

The reason for the higher room rates is primarily to be found on the cost side of the hotel and spa businesses. Energy costs in particular have risen, but wage costs and prices for food and beverages have also increased. This means that the real estate values of hotels remain stable.

The demand for retirement flats will increase strongly

The whole spectrum is needed, from simple forms of care to nursing places

Rents for retirement living are likely to rise in 2023

Good prospects for the winter season thanks to domestic demand

The buoyant recovery of overnight stays in 2022 continues

Median room rates have increased significantly since the beginning of 2022

Despite higher prices, hotel property values remain stable as costs have increased likewise

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Investor market for investment properties

The interest rate turnaround is leaving its mark on the real estate market, but with varying intensity in the direct and indirect investment market. The effects of the rise in policy rates and bond yields have been particularly noticeable in indirect real estate investments, which performed significantly negatively in 2022.

Indirect real estate investments follow the developments on the global capital markets more closely, which is why they have lost significant value since the beginning of 2022. The real estate stock corporations recorded a minus of 10.9 percent, the funds were even 18.1 percent lower at the end of November than at the beginning of the year (according to WUPIX-A and WUPIX-F). The reasons for the poorer performance of the funds are the increased attractiveness of bonds as an alternative investment to the funds, the previously particularly high premiums for the funds in 2021 and the earlier occurred correction in the real estate stock corporations.

In contrast, the market for direct real estate investments has remained relatively stable, although there has also been a trend reversal here. The transactions of Swiss investment properties observed in 2022 show a stagnation or a slight increase in net initial yields compared to the previous year's level. Prices and valuations thus remained stable for the most part. It should be added that initial property yields typically only fully adjust to a new interest rate environment with a time lag of usually 2 to 4 quarters.

However, there are other reasons for the resilience of real estate prices. The attractiveness of the Swiss real estate market is unbroken because user demand for rental flats and office space continues to exceed supply. This excess demand is likely to continue in the future, which means that the willingness to pay remains high. Rental income is relatively secure, also because vacancy rates are constantly falling. Last but not least, real estate investments offer partial protection in times of increased inflation, at least in the long term.

Valuation assumptions as of 31 December 2022

In addition to the above comments on valuation standards and methods, the main general valuation assumptions used in the present valuations are listed below.

Investment properties including building land

The properties are generally valued on a going concern basis and on the basis of the best possible use of a property. The current rental situation and the current condition of the property form the starting point. After expiry of the existing rental contracts, the current market level is included in the income forecast.

On the cost side, the maintenance and repair costs necessary to achieve sustainable income as well as the ongoing management costs are taken into account.

In principle, an average and obvious management strategy is assumed. Specific scenarios of the owner are not taken into account or are only taken into account to the extent that they are agreed upon in the rental contract or to the extent that they also appear plausible and practicable for third parties. Possible optimisation

Increased interest rates are having an increasing impact on real estate investments, but to different degrees depending on the investment type

The median net initial yields over all investment properties increased slightly

Willingness to pay for real estate investments remains thanks to good fundamental data

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

measures in line with the market - such as improved letting in the future - are taken into account.

In the valuation or observation period of the DCF method, a more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are made for the subsequent remaining term.

An annual inflation rate of 1.0% is implicitly assumed in the valuation. However, the cash flows as well as the discount rates are generally shown on a real basis in the valuation reports.

The specific indexation of the existing leases is taken into account. After expiry of the contracts, an average indexation rate of 80% is assumed, with the rents being adjusted to the market level every five years. Payments are generally assumed as advanced monthly after expiry of the leases.

On the side of operating costs (owner's charges), it is generally assumed that completely separate ancillary cost accounts are kept and thus ancillary and operating costs are outsourced as far as legally permissible. Maintenance costs (repair and maintenance costs) are determined using benchmarks and model calculations. Based on a rough estimate of the condition of the individual components, their remaining service life is inferred, the periodic renewal is modelled and the annual annuities are determined from this. The calculated values are checked for plausibility using benchmarks collected by Wüest Partner AG and comparable properties. In the first ten years, 100% of the maintenance costs are included in the calculation, taking into account any possible rent surcharges in the income forecast. From year eleven onwards, maintenance costs are taken into account at 50% to 70% (only value-preserving portions), without modelling possible rent premiums. Contaminated sites are not quantified in the individual valuations; they are to be considered separately by the client.

The discount rate applied is based on continuous observation of the real estate market and is derived from a model and checked for plausibility on the basis of a real interest rate, which is composed of the risk-free interest rate (long-term federal government bonds) plus general real estate risks plus property-specific surcharges and is determined on a risk-adjusted basis per property. The average real discount rate weighted by the market value of the investment properties (156 investment properties) is 2.69% in the current valuation. Assuming an inflation rate of 1.0%, this corresponds to a nominal discount rate of 3.72%. The lowest real discount rate selected for an individual property is now 1.65%, the highest 4.95%.

The valuations are based on the rent rolls of the administrations as of 1 January 2023 and on the area information provided by the clients/administrations.

Credit risks of the respective tenants are not explicitly taken into account in the valuation, as it is assumed that corresponding contractual hedges will be concluded.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Wüest Partner AG
Zurich, 21 December 2022



Andrea Bernhard
Director



Gino Fiorentin
Partner

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 31.12.2022

Disclaimer

The valuations carried out by Wüest Partner AG represent an economic assessment based on the available information, the majority of which was provided by the client. Wüest Partner AG has not undertaken or commissioned any legal, construction-related, or other specific clarifications. Wüest Partner AG assumes that the information and documents received are correct; however, no guarantee can be given for this. Value and price may differ. Specific circumstances affecting the price cannot be taken into account in the valuation. The valuation made as at the valuation date is only valid at this specific point in time and may be influenced by later or not yet known events; in this case a new valuation would be necessary.

Since the accuracy of the results of a valuation cannot be objectively guaranteed, no liability can be derived from this on the part of Wüest Partner AG and/or the author.

Zurich, 21 December 2022



Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Zug

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 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 3 to 49, 90 to 97) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters



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 12'587'234 as at 31 December 2022.

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 "Accounting and significant principles" to the consolidated financial statements
- Note 5 "Real estate" to the consolidated financial statements



Completeness and accuracy of deferred tax liabilities

Key Audit Matter

As at 31 December 2022, deferred tax liabilities amounted to TCHF 1'328'320.

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.

For further information on the calculation of deferred tax liabilities refer to the following:

- Note 2 "Accounting and significant principles" to the consolidated financial statements
- Note 7.3 "Income taxes" to the consolidated financial statements

Other Information

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

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

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

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

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.



Board of Directors' Responsibilities 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 IFRS 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, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and SA-CH, 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 communicate with them all relationships and other



matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 7 February 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

© 2023 KPMG AG, a Swiss corporation, is a subsidiary of KPMG Holding AG, which is a member of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

EPRA Reporting

EPRA performance key figures

The EPRA performance key figures of Swiss Prime Site were prepared in accordance with EPRA BPR (February 2022).

Summary table EPRA performance measures

			01.01.– 31.12.2021 or 31.12.2021	01.01.– 31.12.2022 or 31.12.2022
		in		
A.	EPRA earnings	CHF 1 000	234 979	223 535
	EPRA earnings per share (EPS)	CHF	3.09	2.91
B.	EPRA Net Reinstatement Value (NRV)	CHF 1 000	8 660 723	8 956 893
	EPRA NRV per share	CHF	106.52	109.18
	EPRA Net Tangible Assets (NTA)	CHF 1 000	8 206 006	8 424 808
	EPRA NTA per share	CHF	100.93	102.69
	EPRA Net Disposal Value (NDV)	CHF 1 000	6 939 687	7 378 078
	EPRA NDV per share	CHF	85.35	89.93
C.	EPRA NIY	%	3.2	3.1
	EPRA topped-up NIY	%	3.3	3.2
D.	EPRA vacancy rate	%	3.8	3.6
E.	EPRA cost ratio (including direct vacancy costs)	%	24.1	23.9
	EPRA cost ratio (excluding direct vacancy costs)	%	22.0	21.9
F.	EPRA LTV	%	39.7	39.4
G.	EPRA like-for-like change relative	%	1.3	1.9
H.	EPRA capital expenditure	CHF 1 000	298 445	378 724

A. EPRA earnings

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Earnings per consolidated income statement	498 892	404 429
Exclude:		
Revaluations of investment properties	-301 882	-169 739
Profit on disposal of real estate developments and trading properties	-18 587	-2 086
Profit on disposal of investment properties	-39 916	-50 877
Tax on profits on disposals	9 697	7 659
Negative goodwill/goodwill impairment	n.a.	n.a.
Changes in fair value of financial instruments	24 575	-
Transaction costs on acquisitions of group companies and associated companies	-	365
Deferred tax in respect of EPRA adjustments	62 200	33 784
Adjustments in respect of joint ventures	n.a.	n.a.
Adjustments in respect of non-controlling interests	n.a.	n.a.
EPRA earnings	234 979	223 535
Average number of outstanding shares	75 968 104	76 697 074
EPRA earnings per share in CHF	3.09	2.91
Adjustment profit on disposal of real estate developments and trading properties (core business)	18 587	2 086
Tax on profit on disposal of real estate developments and trading properties	-2 602	-292
Extraordinary impairment on PPE, software and inventory	-	41 148
Tax on extraordinary impairment	-	-2 748
Adjusted EPRA earnings	250 964	263 729
Adjusted EPRA earnings per share in CHF	3.30	3.44

B. EPRA net asset value (NAV) metrics

in CHF 1 000	EPRA NRV		EPRA NTA		EPRA NDV	
	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022
Equity attributable to shareholders	6 409 682	6 569 297	6 409 682	6 569 297	6 409 682	6 569 297
Include / Exclude:						
i) Hybrid instruments	541 165	542 678	541 165	542 678	541 165	542 678
Diluted NAV	6 950 847	7 111 975	6 950 847	7 111 975	6 950 847	7 111 975
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 ¹	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	-	-	-	-	-	-
Diluted NAV at Fair Value	6 950 847	7 111 975	6 950 847	7 111 975	6 950 847	7 111 975
Exclude:						
v) Deferred tax in relation to fair value gains of investment properties	1 279 768	1 328 135	1 264 108	1 320 011		
vi) Fair value of financial instruments	-	-	-	-		
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 ²			-	-	-	-
viii.b) Intangibles as per IFRS balance sheet			-32 243	-32 267		
Include:						
ix) Fair value of fixed interest rate debt					-11 160	266 103
x) Revaluation of intangibles to fair value ³	300 739	387 682				
xi) Real estate transfer tax	129 369	129 101	23 294	25 089		
EPRA NAV	8 660 723	8 956 893	8 206 006	8 424 808	6 939 687	7 378 078
Fully diluted number of shares	81 303 869	82 038 045	81 303 869	82 038 045	81 303 869	82 038 045
EPRA NAV per share in CHF	106.52	109.18	100.93	102.69	85.35	89.93

¹ If IAS 40 cost option is used² Only related to Real Estate segment³ Include off balance sheet intangibles of the Services segment. Basis of the valuation: business plan for the next four years approved by the BoD, average DCF and EBITDA-multiples based on comparable transactions. 9.5% average discount rate, 1.0% terminal growth

C. EPRA NIY and EPRA «topped-up» NIY (net initial yield) on rental income

in CHF 1 000		31.12.2021	31.12.2022
Investment property – wholly owned		12 740 034	13 013 756
Investment property – share of joint ventures/funds		n.a.	n.a.
Trading properties		53 466	73 959
Less: properties under construction and development sites, building land and trading properties		-1 103 475	-1 175 173
Value of completed property portfolio		11 690 025	11 912 542
Allowance for estimated purchasers' costs		n.a.	n.a.
Gross up value of completed property portfolio	B	11 690 025	11 912 542
Annualised rental income		442 469	442 227
Property outgoings		-67 931	-67 280
Annualised net rental income	A	374 538	374 947
Add: notional rent expiration of rent-free periods or other lease incentives		10 214	7 120
Topped-up net annualised rental income	C	384 752	382 067
EPRA NIY	A/B	3.2%	3.1%
EPRA topped-up NIY	C/B	3.3%	3.2%

D. EPRA vacancy rate

in CHF 1 000		31.12.2021	31.12.2022
Estimated rental value of vacant space	A	17 246	16 470
Estimated rental value of the whole portfolio	B	458 685	458 616
EPRA vacancy rate	A/B	3.8%	3.6%

E. EPRA cost ratios

in CHF 1 000		01.01.– 31.12.2021	01.01.– 31.12.2022
Operating expenses per Real Estate segment income statement ¹		111 698	111 732
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		-	-
Service charge costs recovered through rents but not separately invoiced		-	-
EPRA costs (including direct vacancy costs)	A	111 698	111 732
Direct vacancy costs		-9 403	-9 590
EPRA costs (excluding direct vacancy costs)	B	102 295	102 142
Gross rental income less ground rents per IFRS ²		464 060	467 177
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	464 060	467 177
EPRA cost ratio (including direct vacancy costs)	A/C	24.1%	23.9%
EPRA cost ratio (excluding direct vacancy costs)	B/C	22.0%	21.9%
Overhead and operating expenses capitalised		-	3 127

¹ Not included are cost of real estate developments, cost of trading properties sold and impairment of intangible assets

² Calculated at full occupancy

F. EPRA LTV

in CHF 1 000	Proportionate Consolidation				Combined 31.12.2022
	Group as reported	Share of Joint Ventures	Share of Material Associates	Non-con- trolling Interests	
Include:					
Borrowings from Financial Institutions	2 617 520	–	–	–	2 617 520
Commercial paper	–	–	–	–	–
Hybrids (including Convertibles, preference shares, debt, options, perpetuals)	544 130	–	–	–	544 130
Bond Loans	2 060 000	–	–	–	2 060 000
Foreign Currency Derivatives (futures, swaps, options and forwards)	–	–	–	–	–
Net Payables ¹	180 213	–	–	–	180 213
Owner-occupied property (debt)	–	–	–	–	–
Current accounts (Equity characteristic)	–	–	–	–	–
Exclude:					
Cash and cash equivalents	–21 201	–	–	–	–21 201
Net Debt (a)	5 380 662	–	–	–	5 380 662
Include:					
Owner-occupied property	572 645	–	–	–	572 645
Investment properties at fair value	11 288 676	–	–	–	11 288 676
Properties held for sale	183 032	–	–	–	183 032
Properties under development	1 043 362	–	–	–	1 043 362
Intangibles ²	572 798	–	–	–	572 798
Net Receivables	–	–	–	–	–
Financial assets	1 352	–	–	–	1 352
Total Property Value (b)	13 661 865	–	–	–	13 661 865
LTV (a/b)	39.4%	–	–	–	39.4%

in CHF 1 000	Proportionate Consolidation				Combined 31.12.2021
	Group as reported	Share of Joint Ventures	Share of Material Associates	Non-con- trolling Interests	
Include:					
Borrowings from Financial Institutions	2 547 558	–	–	–	2 547 558
Commercial paper	–	–	–	–	–
Hybrids (including Convertibles, preference shares, debt, options, perpetuals)	544 130	–	–	–	544 130
Bond Loans	2 060 000	–	–	–	2 060 000
Foreign Currency Derivatives (futures, swaps, options and forwards)	–	–	–	–	–
Net Payables ¹	172 915	–	–	–	172 915
Owner-occupied property (debt)	–	–	–	–	–
Current accounts (Equity characteristic)	–	–	–	–	–
Exclude:					
Cash and cash equivalents	–114 656	–	–	–	–114 656
Net Debt (a)	5 209 947	–	–	–	5 209 947
Include:					
Owner-occupied property	597 611	–	–	–	597 611
Investment properties at fair value	11 044 259	–	–	–	11 044 259
Properties held for sale	303 590	–	–	–	303 590
Properties under development	848 040	–	–	–	848 040
Intangibles ²	332 982	–	–	–	332 982
Net Receivables	–	–	–	–	–
Financial assets	2 635	–	–	–	2 635
Total Property Value (b)	13 129 117	–	–	–	13 129 117
LTV (a/b)	39.7%	–	–	–	39.7%

¹ Net payables include the following consolidated balance sheet line items: (–) accounts receivable, (–) other current receivables, (–) current income tax assets, (+) accounts payable, (+) other current liabilities, (+) advance payments, (+) current income tax liabilities

² Include among others off balance sheet intangibles of the Services segment. Basis of the valuation: business plan for the next four years approved by the BoD, average DCF and EBITDA-multiples based on comparable transactions. 9.5% average discount rate, 1.0% terminal growth

G. EPRA like-for-like rental change

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Rental income per Real Estate segment income statement	444 420	448 816
Acquisitions	– 171	– 1 046
Disposals	– 7 407	– 3 569
Development and new building projects	– 13 494	– 14 058
Property operating expenses	– 25 552	– 24 897
Property leases	– 6 641	– 6 850
Conversions, modifications, renovations	–	–
Other changes	–	–
Total EPRA like-for-like net rental income	391 155	398 396
EPRA like-for-like change absolute	5 273	7 242
EPRA like-for-like change relative	1.3%	1.9%
EPRA like-for-like change by areas		
Zurich	0.0%	2.4%
Lake Geneva	3.9%	4.2%
Northwestern Switzerland	2.5%	4.0%
Berne	0.5%	– 1.2%
Central Switzerland	3.7%	3.2%
Eastern Switzerland	– 2.2%	– 8.1%
Southern Switzerland	8.0%	– 16.4%
Western Switzerland	4.2%	– 2.5%

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 2022 is based on a portfolio of CHF 11 787.410 million [CHF 11 542.682 million] which grew in value by CHF 244.728 million [CHF 418.698 million].

H. Property-related EPRA CAPEX

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Acquisitions	18 082	61 224
Development (ground-up/green field/brown field)	178 682	212 552
Like-for-like portfolio	95 129	99 960
Capitalised interests	6 410	4 473
Other	142	515
Total EPRA capital expenditure	298 445	378 724
Conversion from accrual to cash basis	– 15 389	26 092
Total EPRA capital expenditure on cash basis	283 056	404 816



Independent Limited Assurance Report on the EPRA Reporting 2022

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

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 2022, which are disclosed on the pages 70-74 of the financial report 2022.

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 February 2022 ("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 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 IFRS numbers according to the consolidated financial statements of the company as at 31 December 2022 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 2022 is not presented, in all material respects, in accordance with the EPRA Best Practices Recommendations as published in February 2022.

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, 7 February 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

© 2023 KPMG AG, a Swiss corporation, is a subsidiary of KPMG Holding AG, which is a member of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Financial statements of Swiss Prime Site AG

Income statement

in CHF 1 000	Notes	01.01.– 31.12.2021	01.01.– 31.12.2022
Dividend income	2.1	192 683	246 000
Other financial income	2.2	13 290	11 442
Other operating income		193	1 472
Total operating income		206 166	258 914
Financial expenses	2.3	– 13 403	– 5 524
Personnel costs		– 1 754	– 1 901
Other operating expenses	2.4	– 6 481	– 9 376
Depreciation of participations		– 9 311	– 4 502
Total operating expenses		– 30 949	– 21 303
Result before taxes		175 217	237 611
Direct taxes		124	6
Profit	4	175 341	237 617

Balance sheet

in CHF 1 000	Notes	31.12.2021	31.12.2022
Assets			
Cash		39	148
Securities with market price		294	345
Other current receivables	2.5	192 624	247 440
Accrued income and prepaid expenses		1 575	1 427
Total current assets		194 532	249 360
Financial investments	2.6	67 559	82 040
Investments in subsidiaries	2.7	2 378 956	2 566 073
Accrued income and prepaid expenses		1 178	500
Total non-current assets		2 447 693	2 648 613
Total assets		2 642 225	2 897 973
Liabilities and shareholders' equity			
Current interest-bearing liabilities		–	247 500
Other current liabilities	2.8	2 280	4 935
Accrued expenses		4 691	3 049
Total current liabilities		6 971	255 484
Non-current interest-bearing liabilities	2.9	694 862	657 096
Total non-current liabilities		694 862	657 096
Total liabilities		701 833	912 580
Share capital	2.10	1 162 347	153 437
Statutory reserves			
Statutory reserves from capital contributions		30 220	976 126
Legal retained earnings			
Reserves for treasury shares		55	5
Other legal retained earnings		147 378	202 249
Voluntary retained earnings			
Balance sheet profit	4	439 425	493 666
Other voluntary retained earnings		160 970	161 279
Treasury shares	2.11	–3	–1 369
Total shareholders' equity		1 940 392	1 985 393
Total liabilities and shareholders' equity		2 642 225	2 897 973

1 Accounting principles and valuation

1.1 In general

The financial statements of Swiss Prime Site AG, Alpenstrasse 15, 6300 Zug, 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 (IFRS), the Company has dispensed with providing information in the notes regarding 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 Dividend income

Dividend income includes the dividends from group companies of CHF 246.000 million [CHF 192.683 million] for the 2022 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.

2.2 Other financial income

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Interests on loans from group companies	10 657	9 420
Result from investments in associates	1 596	1 788
Other financial income	1 037	234
Total	13 290	11 442

2.3 Financial expenses

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Early repayment penalty mortgages	-7 446	-
Interests on loans	-3 345	-2 909
Interest expenses on convertible bonds	-1 583	-1 583
Amortisation of cost of convertible bonds	-915	-915
Other financial expenses	-114	-117
Total	-13 403	-5 524

2.4 Other operating expenses

in CHF 1 000	01.01.– 31.12.2021	01.01.– 31.12.2022
Administration costs	-3 533	-7 356
Capital taxes	-2 027	-110
Other operating expenses	-921	-1 910
Total	-6 481	-9 376

2.5 Other current receivables

in CHF 1 000	31.12.2021	31.12.2022
Other current receivables from third parties	124	240
Other current receivables from group companies	192 500	247 200
Total	192 624	247 440

2.6 Financial investments

in CHF 1 000	31.12.2021	31.12.2022
Loans to group companies	65 019	78 000
Third loans	500	500
Participations under 20%	2 040	3 540
Total	67 559	82 040

2.7 Investments**Direct investments**

	31.12.2021 Capital in CHF 1 000	Shareholding interest in %	31.12.2022 Capital in CHF 1 000	Shareholding interest in %
Flexoffice (Schweiz) AG, Zurich ¹	111	10.0	124	27.2
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, Zug	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Zurich	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Zug	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zug	1 500	100.0	1 500	100.0
Wincasa AG, Winterthur	1 500	100.0	1 500	100.0

¹ Acquisitions as at 07.03.2022 and as at 08.08.2022 during the current year

Indirect investments

	31.12.2021 Capital in CHF 1 000	Shareholding interest in %	31.12.2022 Capital in CHF 1 000	Shareholding interest in %
Akara Funds AG, Zug ²	n.a.	n.a.	n.a.	n.a.
Akara Holding AG, Zug ²	n.a.	n.a.	n.a.	n.a.
Akara Property Development AG, Zug ¹	n.a.	n.a.	100	100.0
Akara Real Estate Management AG, Zug ²	n.a.	n.a.	n.a.	n.a.
Swiss Prime Site Dreispitz AG, Zurich ³	5 295	100.0	n.a.	n.a.
streamnow ag, Zurich	100	100.0	100	100.0
Zimmermann Vins SA, Carouge	350	100.0	350	100.0

¹ Acquisition as at 10.01.2022

² Acquisition as at 10.01.2022, merger in Swiss Prime Site Solutions AG as at 01.07.2022

³ Merger in Swiss Prime Site Immobilien AG as at 01.07.2022

2.8 Other current liabilities

in CHF 1 000	31.12.2021	31.12.2022
Other current liabilities to group companies	21	2 940
Other current liabilities to shareholders	299	313
Other current liabilities to third parties	1 960	1 682
Total	2 280	4 935

2.9 Non-current interest-bearing liabilities

in CHF 1 000	31.12.2021	31.12.2022
Convertible bonds	544 130	296 630
Mortgage-backed loans	100 000	100 000
Non-current financial liabilities to group companies	50 732	260 466
Total	694 862	657 096

Maturity structure of non-current interest-bearing liabilities

in CHF 1 000	31.12.2021	31.12.2022
Up to five years	619 862	632 096
Over five years	75 000	25 000
Total	694 862	657 096

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Book value as at 31.12.2022	CHF m	247.500	296.630
Book value as at 31.12.2021	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)

2.10 Share capital and capital contribution reserves

As at the balance sheet date, the share capital comprised 76 718 604 [75 970 364] registered shares with a nominal value of CHF 2.00 per share [CHF 15.30]. In the reporting year, there was a nominal value reduction from CHF 15.30 to CHF 2.00. The number of registered shares was increased as part of a capital increase in connection with the acquisition of the Akara Group.

2.11 Treasury shares

Swiss Prime Site AG held 14 665 [30] treasury shares on the balance sheet date. As at the balance sheet date, the group companies held an additional 54 [625] 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	2021 Number of treasury shares	Volume-weighted average share price in CHF	2022 Number of treasury shares
Holdings of treasury shares on 01.01.	–	497	–	30
Purchases at the volume-weighted average share price	92.35	7 450	88.81	23 549
Share-based compensation	89.65	–7 917	81.31	–8 914
Holdings of treasury shares on 31.12.	–	30	–	14 665

3 Additional information

3.1 Full-time employees

Swiss Prime Site AG has no employees.

3.2 Leasing commitments not recognised in the balance sheet

Liabilities arising from leasing commitments that do not expire or cannot be terminated within 12 months of the balance sheet date amount to CHF 0.431 million.

3.3 Security provided for third-party liabilities

The Company has provided security in the amount of CHF 4 577.750 million [CHF 4 506.700 million]. This takes the form of guarantees for the financial liabilities of the subsidiary Swiss Prime Site Finance AG in the amount of CHF 4 576.700 million [CHF 4 506.700 million] and guarantee commitments of the subsidiary Swiss Prime Site Solutions AG in the amount of CHF 1.050 million [CHF 0 million].

3.4 Shareholding rights for Board of Directors and Executive Board

Number of shares	31.12.2021	31.12.2022
Board of Directors		
Ton Büchner, Chairman of the BoD	6 716	9 305
Mario F. Seris, Vice-Chairman of the BoD	16 172	17 265
Christopher M. Chambers, member of the BoD	44 620	45 655
Barbara Frei-Spreiter, member of the BoD ¹	3 967	n.a.
Barbara A. Knoflach, member of the BoD	754	1 789
Gabrielle Nater-Bass, member of the BoD	2 820	3 855
Thomas Studhalter, member of the BoD	4 141	5 234
Brigitte Walter, member of the BoD ²	n.a.	818
Executive Board		
René Zahnd, member of the Executive Board (CEO)	12 894	17 067
Marcel Kucher, member of the Executive Board (CFO)	5 150	5 150
Martin Kaleja, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG ³	–	n.a.
Anastasius Tschopp, member of the Executive Board and CEO of Swiss Prime Site Solutions AG	581	581
Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG	1 830	3 285
Nina Müller, member of the Executive Board and CEO of Jelmolli AG	–	–
Total share ownership	99 645	110 004

¹ until 23.03.2022

² since 23.03.2022

³ until 25.08.2022

3.5 Major shareholders

Major shareholders (shareholding interest >3%)	31.12.2021 Shareholding interest in %	31.12.2022 Shareholding interest in %
BlackRock Inc., New York	<10.0	<10.0
Credit Suisse Funds AG, Zurich	7.7	8.0
UBS Fund Management (Switzerland) AG, Basel	3.8	4.5
State Street Corporation, Boston	>3.0	n.a.

3.6 Significant events after the balance sheet date

There were no 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 3.40 per share to the Annual General Meeting of 21 March 2023. Based on the 76 718 604 shares issued in total as at 7 February 2023, the total amount is CHF 260.844 million. The Board of Directors proposes a distribution of CHF 1.70 from capital contribution reserves (exempt from withholding tax) and CHF 1.70 per share from the balance sheet profit (subject to withholding tax).

in CHF 1 000	31.12.2021	31.12.2022
Retained earnings brought forward	264 084	256 049
Profit	175 341	237 617
Total balance sheet profit	439 425	493 666
Allocation to general statutory reserves	-54 872	-
Allocation from capital contribution reserves	-	130 422
Distribution to shareholders	-128 504	-260 844
Balance brought forward to new account	256 049	363 244
Total distribution	257 008	260 844
thereof from capital contribution reserves	-	130 422
thereof from nominal value reduction	128 504	-
thereof from balance sheet profit	128 504	130 422



Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Zug

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swiss Prime Site AG (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 77 to 84) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

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

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

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of



Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement 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 the Company'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 Company'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 Company 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 7 February 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

© 2023 KPMG AG, a Swiss corporation, is a subsidiary of KPMG Holding AG, which is a member of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Five-year summary of key figures

	in	Swiss GAAP FER			IFRS	
		31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Fair value of real estate portfolio	CHF m	11 204.4	11 765.4	12 322.6	12 793.5	13 087.7
Rental income from properties	CHF m	479.4	486.9	424.7	426.7	431.3
Vacancy rate	%	4.8	4.7	5.1	4.6	4.3
Net property yield	%	3.6	3.5	3.2	3.2	3.1
Income from real estate developments	CHF m	72.8	79.8	50.1	52.0	9.1
Income from real estate services	CHF m	116.7	117.5	115.2	119.4	125.6
Income from retail	CHF m	131.3	127.8	110.6	119.5	132.1
Income from assisted living	CHF m	396.9	423.9	72.4	–	–
Income from asset management	CHF m	8.5	13.5	13.1	18.2	52.0
Total operating income	CHF m	1 214.1	1 258.8	792.9	749.5	774.4
Operating result before depreciation and amortisation (EBITDA)	CHF m	501.2	653.4	779.9	730.0	618.4
Operating result (EBIT)	CHF m	478.6	628.3	762.3	706.7	559.4
Profit	CHF m	310.9	608.5	610.4	498.9	404.4
Shareholders' equity	CHF m	5 145.1	5 459.2	6 085.6	6 409.7	6 569.3
Equity ratio	%	43.9	44.4	47.8	47.5	47.7
Borrowed capital	CHF m	6 564.2	6 841.7	6 640.6	7 089.7	7 201.9
Borrowed capital ratio	%	56.1	55.6	52.2	52.5	52.3
Total shareholders' equity and borrowed capital	CHF m	11 709.3	12 300.9	12 726.2	13 499.3	13 771.2
Interest-bearing financial liabilities	CHF m	5 073.5	5 378.4	5 164.0	5 430.0	5 505.4
Interest-bearing financial liabilities in % of balance sheet total	%	43.3	43.7	40.6	40.2	40.0
Loan-to-value ratio of property portfolio (LTV)	%	45.3	45.7	41.9	40.2	38.9
Weighted average interest rate on financial liabilities	%	1.4	1.2	1.1	0.8	0.9
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.3	4.2	4.8	5.8	5.0
Return on equity (ROE)	%	6.4	11.5	10.6	8.0	6.2
Return on invested capital (ROIC)	%	3.4	5.6	5.4	4.3	3.3
Cash flow from operating activities	CHF m	334.4	406.6	298.5	442.4	364.9
Cash flow from investing activities	CHF m	–495.6	–338.6	236.0	–108.7	–214.3
Cash flow from financing activities	CHF m	186.6	–79.5	–564.8	–361.8	–244.0
Key financial figures excluding revaluations and all deferred taxes						
Operating result (EBIT)	CHF m	411.1	424.9	558.9	404.8	389.6
Profit	CHF m	287.8	315.7	476.6	293.7	300.6
Return on equity (ROE)	%	5.9	6.3	8.5	4.8	4.7
Return on invested capital (ROIC)	%	3.2	3.2	4.3	2.8	2.6

Five-year summary of key figures

Key figures per share	in	Swiss GAAP FER			IFRS	
		31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Share price at end of period	CHF	79.55	111.90	86.90	89.65	80.15
Share price, highest	CHF	94.30	113.30	123.70	99.90	98.32
Share price, lowest	CHF	77.45	80.20	74.75	85.00	73.70
Earnings per share (EPS)	CHF	4.27	8.00	8.04	6.57	5.27
Earnings per share (EPS) excluding revaluations and deferred taxes	CHF	3.95	4.14	6.27	3.87	3.92
NAV before deferred taxes ¹	CHF	83.40	86.34	95.41	101.22	102.96
NAV after deferred taxes ¹	CHF	67.74	71.87	80.11	84.37	85.64
Distribution to shareholders ²	CHF	3.80	3.80	3.35	3.35	3.40
Cash yield on closing price of the previous year ²	%	4.8	3.4	3.9	3.7	4.2
Share performance (TR) p.a. in the last 12 months	%	-7.1	47.0	-19.2	7.0	-7.3
Share performance (TR) p.a. in the last 3 years	%	5.1	15.4	3.3	8.3	-7.1
Share performance (TR) p.a. in the last 5 years	%	7.9	14.2	6.6	5.9	1.8
Market capitalisation	CHF m	6041.5	8498.4	6601.8	6810.7	6149.0
Employees						
Number of employees	people	6321	6506	1728	1667	1779
Full-time equivalents	FTE	5115	5402	1505	1474	1567
Share statistics						
Shares issued	number	75946349	75946349	75970364	75970364	76718604
Average treasury shares held	number	-377	-1114	-3693	-2260	-13216
Average outstanding shares	number	72620217	75945235	75964863	75968104	76697074
Treasury shares held	number	-539	-1112	-1844	-655	-14719
Outstanding shares	number	75945810	75945237	75968520	75969709	76703885

¹ Services segment (real estate-related business fields) included at book values and not at fair values² 31.12.2022, according to proposal to Annual General Meeting

Property details

Summary

Property details as at 31.12.2022

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	11 907 203	456 463	4.2	1 117 985	1 597 163	17.3	41.4	7.1	8.6	22.5	3.1
Total building land	63 191	273	-	78 950	19 431	-	1.5	-	-	-	98.5
Total properties under construction and development sites	1 117 321	11 260	0.1	62 203	36 862	7.2	62.5	5.6	-	22.1	2.6
Overall total	13 087 715	467 996		1 259 138	1 653 456	16.9	41.4	7.0	8.3	22.3	4.1
Rent losses from vacancies		-19 180									
Consolidated subtotal segment		448 816	4.1								
Intercompany eliminations		-30 710									
Rental income from third parties, Services segment		132 18									
Consolidated overall total		431 324	4.3								

Investment properties

Property details as at 31.12.2022

Overview of type of use

	Target rental and land lease income CHF	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	867	9.3	sole ownership	1946	1986	685	1 817	55.2	28.1	–	–	12.4	4.3
Amriswil, Weinfelderstrasse 74	2	–	sold 01.01.2022										
Baar, Grabenstrasse 17, 19	1 172	–	sole ownership	2015		2 084	3 685	–	95.8	–	–	4.2	–
Baar, Zugerstrasse 57, 63	2 419	–	sole ownership	2009		6 029	8 999	–	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	430	2.5	sole ownership	1953	1975	366	1 377	16.3	30.9	–	–	8.0	44.8
Basel, Aeschenvorstadt 2–4	1 994	2.7	sole ownership	1960	2005	1 362	6 226	17.1	63.8	–	–	18.6	0.5
Basel, Barfässerplatz 3	1 218	14.0	sole ownership	1874	2020	751	3 827	9.7	78.6	–	–	11.6	0.1
				1870/									
Basel, Centralbahnplatz 9/10	812	2.7	sole ownership	2005	2005	403	1 445	6.6	37.9	22.9	–	14.7	17.9
Basel, Elisabethenstrasse 15	1 375	–	sole ownership	1933	1993	953	4 281	13.0	71.7	7.8	–	7.5	–
Basel, Freie Strasse 26/Falknerstrasse 3	1 271	4.4	sole ownership	1854	1980	471	2 877	43.5	50.2	–	–	6.3	–
Basel, Freie Strasse 36	1 550	–	sole ownership	1894	2003	517	2 429	59.4	13.6	–	–	21.5	5.5
				2015/									
Basel, Freie Strasse 68	2 349	–	sole ownership	1930	2016	1 461	8 200	19.5	1.2	62.9	–	15.9	0.5
Basel, Henric Petri-Strasse 9/Elisabethenstrasse 19	1 592	1.5	sole ownership	1949	1985	2 387	6 695	4.3	76.0	–	–	19.7	–
Basel, Hochbergerstrasse 40/parking	589	2.7	sole ownership land lease	1976		4 209	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 60/building 860	166	22.8	sole ownership	1990		980	897	–	84.1	–	–	14.1	1.8
Basel, Hochbergerstrasse 60/Stücki Park	7 379	–	sole ownership	2008		8 343	37 293	–	80.8	–	–	19.1	0.1
Basel, Hochbergerstrasse 62	424	–	sole ownership	2005		2 680	–	–	–	–	–	–	–
				2019–									
Basel, Hochbergerstrasse 70/Stücki Park (Shopping)	8 182	8.1	sole ownership	2009	2021	46 416	44 079	20.9	15.0	55.7	–	7.9	0.5
Basel, Messeplatz 12/Messeturm	9 183	16.9	sole ownership partial land lease	2003		2 137	23 797	–	53.9	42.7	–	3.4	–
Basel, Peter Merian-Strasse 80 ¹	441	0.7	freehold property	1999		19 214	8 116	–	81.2	–	–	16.7	2.1
Basel, Rebgrasse 20	2 910	3.2	sole ownership	1973	1998	3 713	8 843	47.3	11.9	14.7	–	15.1	11.0
				1948–									
Berlingen, Seestrasse 83, 88, 101, 154	1 995	–	sole ownership	1998		10 321	8 650	–	–	–	100.0	–	–
Berne, Genfergasse 14	4 344	–	sole ownership	1905	1998	4 602	15 801	–	89.1	–	–	10.9	–
				1969/									
Berne, Mingerstrasse 12–18/PostFinance Arena	6 588	–	sole ownership land lease	2009	2009	29 098	46 298	0.2	17.6	–	–	82.2	–
Berne, Schwarztorstrasse 48	1 817	0.2	sole ownership	1981	2011	1 959	8 163	–	75.5	–	–	24.3	0.2
				1970/									
Berne, Viktoriastrasse 21, 21a, 21b/Schönburg	6 184	0.7	sole ownership	2020	2020	14 036	20 930	7.9	–	34.6	–	3.4	54.1
Berne, Wankdorffallee 4/EspacePost	8 190	–	sole ownership land lease	2014		5 244	33 647	–	94.2	–	–	4.9	0.9
				1975/									
Berne, Weltpoststrasse 5	5 001	10.1	sole ownership land lease	1985	2013	19 374	25 175	–	68.3	4.4	–	25.4	1.9
Biel, Solothurnstrasse 122	500	–	sole ownership land lease	1961	1993	3 885	3 319	74.9	2.7	–	–	15.3	7.1
Brugg, Hauptstrasse 2	922	8.6	sole ownership	1958	2000	3 364	4 179	42.1	4.2	22.2	–	28.8	2.7
Buchs SG, St. Gallerstrasse 5	405	6.7	sole ownership	1995		2 192	1 685	–	71.8	–	–	19.3	8.9
				2009/									
Buchs ZH, Mülibachstrasse 41	1 610	–	sole ownership	2020		20 197	10 030	–	17.3	–	–	82.7	–
Burgdorf, Emmentalstrasse 14	101	–	sold 31.03.2022										
Burgdorf, Industrie Buchmatt	798	–	sole ownership partial land lease	1973		15 141	11 967	2.9	5.4	–	–	91.3	0.4
Carouge, Avenue Cardinal-Mermillod 36–44	9 345	3.9	sole ownership	1956	2002	14 372	35 035	22.9	56.6	3.5	–	15.8	1.2
Carouge, Rue Antoine-Jolivet 7	312	–	freehold property and co-ownership land lease	1975		3 693	3 515	3.8	0.7	5.0	–	26.1	64.4
Cham, Dorfplatz 2	1	–	sold 01.01.2022										
Conthey, Route Cantonale 2	383	–	sole ownership	1989		3 057	2 480	71.6	4.6	–	–	23.0	0.8

¹ Not available for rent between April 2021 and June 2022 due to extensive interior renovations

Existing properties

Property details as at 31.12.2022	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	863	30.4	sole ownership land lease	2009		7444	4979	80.3	–	3.0	–	15.7	1.0
Conthey, Route Cantonale 11	1615	16.1	sole ownership land lease	2002		10537	7297	62.1	20.5	0.7	–	14.0	2.7
Dietikon, Bahnhofplatz 11/Neumattstrasse 24	538	1.0	sole ownership	1989		1004	1793	19.4	55.8	–	–	24.3	0.5
Dietikon, Kirchstrasse 20	–	–	sold 01.01.2022										
Dübendorf, Bahnhofstrasse 1	405	–	sole ownership land lease	1988		1308	1671	5.9	71.1	–	–	23.0	–
Eyholz, Kantonsstrasse 79	289	–	sole ownership land lease	1991		2719	1319	92.3	5.6	–	–	1.5	0.6
Frauenfeld, St. Gallerstrasse 30–30c	1734	–	sole ownership	1991		8842	9528	–	–	–	100.0	–	–
Frauenfeld, Zürcherstrasse 305	581	25.4	sole ownership	1982	2006	3866	4213	39.2	34.4	–	–	22.1	4.3
Frick, Hauptstrasse 132/Fricktal Centre A3	1071	4.6	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	6991	–	sole ownership	1690	2002	1718	7263	38.2	56.5	0.5	–	4.1	0.7
Geneva, Route de Malagnou 6/Rue Michel-Chauvet 7	782	0.4	sole ownership	1969/1960	1989	1321	1602	–	47.0	11.8	–	3.9	37.3
Geneva, Route de Meyrin 49	2627	24.4	sole ownership	1987/1974/		9890	10234	–	85.2	–	–	12.9	1.9
Geneva, Rue de la Croix-d'Or 7/Rue Neuve-du-Molard 4–6	2297	5.4	sole ownership	1985	1994	591	3478	37.8	24.2	0.5	–	3.8	33.7
Geneva, Rue des Alpes 5	914	3.9	sole ownership	1860		747	2704	9.8	45.1	1.4	–	0.6	43.1
Geneva, Rue du Rhône 48–50 ³	17854	1.2	sole ownership	1921	2002	5166	33414	44.4	33.4	7.2	–	12.8	2.2
Gossau SG, Wilerstrasse 82	1057	2.1	sole ownership	2007		13064	4688	74.7	5.5	–	–	17.0	2.8
Grand-Lancy, Route des Jeunes 10/CCL La Praille	15641	1.7	sole ownership land lease	2002		20597	36052	51.5	1.0	29.1	–	16.5	1.9
Grand-Lancy, Route des Jeunes 12	2205	4.7	sole ownership land lease	2003		5344	12723	0.2	38.8	44.8	–	14.1	2.1
Heimberg, Gurnigelstrasse 38	556	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	393	–	sole ownership	1972		3021	2504	96.1	0.6	–	–	3.0	0.3
Lachen, Seidenstrasse 2	350	–	sole ownership	1993		708	1532	–	81.5	–	–	18.5	–
Lausanne, Rue de Sébeillon 9/Sébeillon Centre	1009	0.6	sole ownership	1930	2001	2923	10116	8.4	54.1	–	–	36.1	1.4
Lausanne, Rue du Pont 5	7434	4.3	sole ownership	1910	2004	3884	20805	50.5	23.3	9.2	–	15.3	1.7
Lutry, Route de l'Ancienne Ciblerie 2	1341	–	freehold property	2006		13150	3264	69.6	7.6	1.9	–	18.1	2.8
Lucerne, Kreuzbuchstrasse 33/35	1905	–	sole ownership land lease	2010		14402	10533	–	–	–	100.0	–	–
Lucerne, Langensandstrasse 23/Schönbühl	2813	1.2	sole ownership	1969	2007	20150	9433	65.2	10.8	1.9	–	21.6	0.5
Lucerne, Pilatusstrasse 4/Flora	3446	–	freehold property	1979	2008	4376	9906	69.6	12.1	–	–	15.0	3.3
Lucerne, Schwandenplatz 3	745	1.5	sole ownership	1958	2004	250	1512	10.8	62.6	–	–	18.7	7.9
Lucerne, Schweizerhofquai 6/Gotthardgebäude	2126	–	sole ownership	1889	2002	2479	7261	6.8	87.9	–	–	5.3	–
Lucerne, Weggisgasse 20, 22	607	–	sole ownership	1982		228	1285	76.8	–	–	–	23.2	–
Meilen, Seestrasse 545	516	–	sole ownership land lease	2008		1645	2458	–	–	–	100.0	–	–
Meyrin, Chemin de Riantbosson 19/Riantbosson Centre	2607	19.3	sole ownership	2018		4414	7611	33.3	38.3	9.8	–	15.6	3.0
Meyrin, Route de Meyrin 210	247	–	sole ownership partial land lease	1979/2003/	1999	3860	1116	65.7	4.3	–	–	28.8	1.2
Meyrin, Route de Pré-Bois 14/Geneva Business Terminal	1476	7.2	sole ownership land lease	2018		2156	2929	6.1	87.7	–	–	6.2	–
Monthey, Rue de Venise 5–7/Avenue de la Plantaud 4	1313	–	sole ownership	2021/1795/		1785	3649	–	–	–	100.0	–	–
Morges, Les Vergers-de-la-Gottaz 1	1125	–	sole ownership	2003	1995	11537	3698	–	–	–	100.0	–	–
Münchenstein, Genuastrasse 11	1489	–	sole ownership land lease	1993		7550	10109	–	21.5	–	–	72.1	6.4
Münchenstein, Helsinkistrasse 12	362	–	sole ownership land lease	1998		4744	6592	–	1.4	–	–	90.6	8.0
Neuchâtel, Avenue J.-J. Rousseau 7	–	–	sold 01.01.2022										

² 1464 m² of vacant space cannot be let due to a modification project and is therefore not included in the vacancy rate³ 3598 m² of vacant space cannot be let due to a modification project and is therefore not included in the vacancy rate

Existing properties

Property details as at 31.12.2022	Overview of type of use												
	Target rental and land lease income CHF	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	35		sold 31.10.2022										
Neuchâtel, Rue du Temple-Neuf 11	236		sold 31.10.2022										
Neuchâtel, Rue du Temple-Neuf 14	1 949		sold 31.10.2022										
Niederwangen b. Bern, Riedmoosstrasse 10	2 326	–	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	279	63.6	sole ownership	1964		4 651	2 336	20.8	27.1	–	–	42.1	10.0
Oberbüren, Buchental 3a	239	–	sole ownership	1964		3 613	2 464	–	–	–	–	100.0	–
Oberbüren, Buchental 4	–8		sold 01.01.2022										
Oberbüren, Buchental 5	65	31.2	sole ownership	1920		3 456	1 648	–	12.1	–	–	54.4	33.5
Oberwil BL, Mühlemattstrasse 23	316	–	freehold property land lease	1986		6 200	1 652	75.9	4.2	–	–	18.6	1.3
				2006/									
Ofringen, Spitalweidstrasse 1/shopping centre a1	4 524	–	sole ownership	2020	2020	42 031	23 703	78.8	–	0.5	–	19.8	0.9
Olten, Bahnhofquai 18	1 634	0.7	sole ownership	1996		2 553	5 134	–	93.6	–	–	6.4	–
Olten, Bahnhofquai 20	2 043	–	sole ownership	1999		1 916	7 423	–	84.8	–	–	14.4	0.8
Olten, Frohburgstrasse 1	156	14.4	sole ownership	1899	2009	379	1 199	–	78.3	–	–	21.7	–
Olten, Frohburgstrasse 15	552	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	2 012	16.1	sole ownership	1907	2011	8 493	11 515	–	63.6	–	–	36.3	0.1
Opfikon, Müllackerstrasse 2, 4/Bubenholz	2 059	–	sole ownership	2015		6 169	10 802	–	–	–	100.0	–	–
Ostermündigen, Mitteldorfstrasse 16	1 774	–	sole ownership	2009		7 503	10 925	–	–	–	100.0	–	–
Otelfingen, Industriestrasse 19/21	7 226	10.6	sole ownership	1965	2000	101 933	79 883	–	15.8	–	–	80.9	3.3
Otelfingen, Industriestrasse 31	1 031	17.7	sole ownership	1986	1993	12 135	11 796	–	31.3	0.4	–	66.3	2.0
Payerne, Route de Bussy 2	1 221	–	sole ownership	2006		12 400	6 017	83.9	4.4	–	–	11.0	0.7
Petit-Lancy, Route de Chancy 59	7 040	33.6	sole ownership	1990		13 052	22 023	–	68.8	6.4	–	24.1	0.7
Pfäffikon SZ, Huobstrasse 5	2 835	–	sole ownership	2004		7 005	11 660	–	–	–	100.0	–	–
Plan-les-Ouates, Route de la Galaise 13A, 13B, 15A, 15B/ Espace Tourbillon ⁴	3 714		sold 15.12.2022										
				1962/									
Regensdorf, Riedthofstrasse 172–184/Iseli-Areal	1 591	11.3	sole ownership	2009		25 003	13 499	–	7.5	–	–	71.1	21.4
Richterswil, Gartenstrasse 7, 17/Etzelblick 4 ⁵	1 218	–	sole ownership	2022		6 373	8 167	–	–	–	100.0	–	–
Romanel, Chemin du Marais 8	1 217	18.6	sole ownership	1973	1995	7 264	6 694	88.1	–	–	–	11.3	0.6
Schwyz, Oberer Steisteg 18, 20	–		sold 01.01.2022										
Spreitenbach, Industriestrasse/Tivoli	504	–	freehold property	1974	2010	25 780	980	87.2	–	–	–	12.8	–
Spreitenbach, Müslistrasse 44	257	–	sole ownership	2002		2 856	516	–	6.9	30.3	–	11.4	51.4
Spreitenbach, Pfadackerstrasse 6/Limmatpark	5 137	9.1	sole ownership	1972	2003	10 318	28 437	62.5	27.1	–	–	7.4	3.0
St. Gallen, Spisergasse 12	18		sold 01.02.2022										
St. Gallen, Spisergasse 12	15		sold 01.02.2022										
St. Gallen, Zürcherstrasse 462–464/Shopping Arena	14 975	1.7	sole ownership parking 73/100 co-ownership	2008		33 106	39 379	56.2	9.7	11.3	–	20.2	2.6
Sursee, Moosgasse 20	633	0.3	sole ownership	1998		4 171	2 409	83.4	–	–	–	16.4	0.2
Thônex, Rue de Genève 104–108	4 501	0.7	sole ownership	2008		9 224	11 451	54.7	3.1	3.5	–	13.0	25.7
Thun, Bälliz 67	820	15.6	sole ownership	1953	2001	875	3 128	20.4	62.4	2.1	–	11.3	3.8
Thun, Göttibachweg 2–2e, 4, 6, 8	2 251	–	sole ownership land lease	2003		14 520	11 556	–	–	–	100.0	–	–
Uster, Poststrasse 10	378	0.9	sole ownership	1972	2012	701	1 431	–	78.4	–	–	21.6	–
Uster, Poststrasse 12	196	–	sole ownership	1890		478	673	35.7	6.7	–	–	–	57.6
Uster, Poststrasse 14/20	648	0.7	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	4 063	30.1	sole ownership	2007		10 170	13 563	–	82.0	–	–	17.2	0.8
Vevey, Rue de la Clergère 1	736	1.7	sole ownership	1927	1994	717	3 055	–	88.8	–	–	11.2	–
Wabern, Nesslerenweg 30	1 023	–	sole ownership	1990		4 397	6 288	–	–	–	100.0	–	–

⁴ Reclassified from properties under construction and development sites to existing properties after the new construction. Up to the end of 2021, reported as one project together with Route de la Galaise 11A, 11B in Plan-les-Ouates

⁵ Reclassified from properties under construction and development sites to existing properties after the new construction

Investment properties

Property details as at 31.12.2022

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 %
Wil, Obere Bahnhofstrasse 40	872	–	sole ownership	1958	2008	1 105	2 877	80.4	8.6	–	–	10.5	0.5
				1999/ 2000/									
Winterthur, Theaterstrasse 15a-c, 17	8 318	7.7	sole ownership	2004		15 069	37 215	–	71.3	0.5	–	22.0	6.2
Winterthur, Untertor 24	399	–	sole ownership	1960	2006	290	1 364	–	69.9	–	–	30.1	–
Worblaufen, Alte Tiefenaustrasse 6	7 513	–	sole ownership	1999		21 804	37 170	–	87.4	–	–	12.6	–
Zollikofen, Industriestrasse 21	1 606	–	sole ownership	2003	2016	2 906	7 263	–	73.6	3.1	–	23.3	–
Zollikon, Bergstrasse 17, 19	594	3.0	sole ownership	1989	2004	1 768	2 126	–	70.2	–	–	29.8	–
				1984/									
Zollikon, Forchstrasse 452–456	632	–	sole ownership	1998		2 626	2 251	–	68.4	–	–	31.6	–
			sole ownership land lease	1997		9 563	13 277	62.8	1.4	14.5	–	12.2	9.1
Zuchwil, Dorfackerstrasse 45/Birchi Centre	2 235	19.4											
Zug, Zählerweg 4, 6/Dammstrasse 19/ Landis + Gyr-Strasse 3/Opus 1	5 960	0.1	sole ownership	2002		7 400	16 035	–	90.5	–	–	9.5	–
Zug, Zählerweg 8, 10/Dammstrasse 21, 23/Opus 2	7 602	0.9	sole ownership	2003		8 981	20 108	–	91.2	–	–	8.8	–
Zurich, Affolternstrasse 52/MFO building	44	–	sole ownership	1889	2012	1 367	2 776	–	53.1	25.8	–	21.1	–
Zurich, Affolternstrasse 54, 56/Cityport	9 344	–	sole ownership	2001		9 830	23 529	–	92.0	–	–	7.7	0.3
				1942–									
Zurich, Albisriederstrasse 203, 207, 243	2 136	15.0	sole ownership	2003		13 978	11 623	–	61.3	22.7	–	15.2	0.8
Zurich, Albisriederstrasse/Rütiwiesweg/YOND	5 480	0.3	sole ownership	2019		9 021	19 526	4.2	90.1	–	–	5.5	0.2
Zurich, Bahnhofstrasse 42	2 449	–	sole ownership	1968	1990	482	2 003	42.7	44.6	–	–	12.7	–
Zurich, Bahnhofstrasse 69	1 591	2.4	sole ownership	1898	2007	230	1 127	10.8	77.9	–	–	11.0	0.3
Zurich, Bahnhofstrasse 106	1 605	2.8	sole ownership	1958		200	1 208	11.7	53.3	–	–	35.0	–
				1966–	2013–								
Zurich, Beethovenstrasse 33, Dreikönigstrasse 24	3 886	–	sole ownership	1968	2016	1 347	5 797	–	85.6	2.1	–	11.4	0.9
					2015–								
Zurich, Brandschenkestrasse 25	4 643	–	sole ownership	1910	2017	3 902	17 164	–	–	70.6	–	29.4	–
Zurich, Carl-Spitteler-Strasse 68/70	4 112	–	sole ownership	1993		11 732	19 343	–	–	–	100.0	–	–
Zurich, Etzelstrasse 14	1 216	–	sole ownership	2017		1 809	2 135	–	–	–	100.0	–	–
					2013–								
Zurich, Flurstrasse 55/Medienpark	6 270	4.5	sole ownership	1979	2015	8 270	24 162	1.7	70.4	4.1	–	23.8	–
Zurich, Flurstrasse 89	470	–	sole ownership	1949	2003	2 330	3 331	–	12.0	–	–	88.0	–
Zurich, Fraumünsterstrasse 16	5 113	0.3	sole ownership	1901	2017	2 475	8 588	15.4	73.9	–	–	10.7	–
Zurich, Giesshübelstrasse 15	1 347	0.1	sole ownership	1956	1999	1 713	2 854	–	88.2	–	–	11.8	–
Zurich, Hagenholzstrasse 60/SkyKey	11 239	–	sole ownership	2014		9 573	41 251	–	86.0	9.8	–	4.2	–
Zurich, Hardstrasse 201/Prime Tower	20 626	3.2	sole ownership	2011		10 451	48 097	0.7	87.4	5.5	–	6.3	0.1
				1929–									
Zurich, Hardstrasse 219/Eventblock Maag	1 129	1.9	sole ownership	1978		9 507	7 183	–	21.7	–	–	76.2	2.1
				1962/									
Zurich, Josefstrasse 53, 59	3 924	1.4	sole ownership	1972	2001	2 931	12 122	5.6	78.2	1.4	–	14.3	0.5
Zurich, Juchstrasse 3/West-Log	3 091	16.2	sole ownership	2021		7 733	17 328	1.3	43.2	–	–	54.7	0.8
				1900/									
Zurich, Jupiterstrasse 15/Böcklinstrasse 19	943	–	sole ownership	1995	1996	1 630	1 829	–	–	–	100.0	–	–
Zurich, Kappenbühlweg 9, 11/Holbrigstrasse 10/ Regensdorferstrasse 18a	3 054	–	sole ownership	1991		9 557	14 790	–	–	–	100.0	–	–
Zurich, Maagplatz 1/Plattform	6 988	–	sole ownership	2011		5 907	20 310	2.1	91.1	0.5	–	6.3	–
Zurich, Manessestrasse 85	2 789	6.2	sole ownership	1985	2012	3 284	8 270	–	71.2	–	–	25.8	3.0
Zurich, Nansenstrasse 5/7	2 335	0.1	sole ownership	1985		1 740	5 864	39.1	27.0	–	–	6.2	27.7
Zurich, Ohmstrasse 11, 11a	2 144	–	sole ownership	1927	2007	1 970	6 031	54.7	23.4	2.2	–	15.8	3.9
Zurich, Querstrasse 6	183	0.4	sole ownership	1927	1990	280	563	7.6	5.7	–	–	–	86.7
Zurich, Restelbergstrasse 108	358	–	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	1 147	–	sole ownership	1981		1 114	3 687	–	91.1	–	–	8.9	–
Zurich, Sihlstrasse 24/St. Annagasse 16	1 642	–	sole ownership	1885	2007	1 155	2 837	3.9	71.1	15.3	–	6.1	3.6

Investment properties

Property details as at 31.12.2022

Overview of type of use

	Target rental and land lease income CHF	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, Steinmühleplatz 1/St. Annagasse 18/Sihlstrasse 20	3 782	0.2	sole ownership	1957	1999	1 534	6 277	10.9	67.7	2.2	–	18.0	1.2
Zurich, Steinmühleplatz/Jelmoli parking	2 965	–	sole ownership with concession	1972	2009	1 970	84	100.0	–	–	–	–	–
Zurich, Talacker 21, 23	3 035	1.2	sole ownership	1965	2008	1 720	4 904	9.6	64.2	–	–	26.2	–
Zurich, Vulkanstrasse 126	250	–	sole ownership	1942/ 1972/ 1979		4 298	2 273	–	17.1	–	–	82.9	–
Total properties	456 463	4.2				1 117 985	1 597 163	17.3	41.4	7.1	8.6	22.5	3.1

Building land

Property details as at 31.12.2022

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			10 958	1	–	–	–	–	–	100.0
Dietikon, Bodacher	23	–	sole ownership			13 293	1 375	–	–	–	–	–	100.0
Dietikon, Bodacher/Im Maienweg	–	–	sole ownership			4 249	4 240	–	–	–	–	–	100.0
Dietikon, Bodacher/Ziegelägerten	10	–	sole ownership			3 740	4 324	–	–	–	–	–	100.0
Meyrin, Route de Pré-Bois	35	–	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, Joosäcker 7	37	–	sole ownership			16 256	7 759	–	–	–	–	–	100.0
Wangen b. Olten, Rickenbacherfeld	–	–	sole ownership			11 197	–	–	–	–	–	–	–
Zurich, Oleanderstrasse 1	33	–	sole ownership bought 11.05.2022			1 354	1 360	–	–	–	–	–	100.0
Total building land	273	–				78 950	19 431	–	1.5	–	–	–	98.5

Properties under construction and development sites

Property details as at 31.12.2022

Overview of type of use

	Target rental and land lease income CHF	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	4 186	–	sole ownership			10 222	11 982	–	56.8	0.2	–	43.0	–
Basel, Steinvorstadt 5	764	–	sole ownership bought 15.05.2022	1980		511	4 246	62.6	10.0	–	–	26.5	0.9
Berne, Stauffacherstrasse 131/Bern 131	–	–	sole ownership bought 24.10.2022			8 237	–	–	–	–	–	–	–
Lancy, Esplanade de Pont-Rouge 5, 7, 9/Alto Pont-Rouge	–	–	sole ownership with 14/100 co-ownership			5 170	–	–	–	–	–	–	–
Olten, Solothurnerstrasse 201a/USEGO-Park ⁶	–	–	sole ownership			4 429	–	–	–	–	–	–	–
Paradiso, Riva Paradiso 3, 20/Du Lac ⁶	–	–	sole ownership partial land lease			3 086	–	–	–	–	–	–	–
Plan-les-Ouates, Route de la Galaise 11A, 11B/Espace Tourbillon building A ⁷	–	–	112/1000 co-ownership			–	–	–	–	–	–	–	–
Schlieren, Zürcherstrasse 39/JED	6 269	0.1	sole ownership	1992/ 2003		18 787	20 634	–	76.7	9.9	–	9.0	4.4
Schlieren, Zürcherstrasse 39/JED Neubau	–	–	sole ownership			7 897	–	–	–	–	–	–	–
Zurich, Müllerstrasse 16, 20	41	–	sole ownership	1980		3 864	–	–	–	–	–	–	–
Total properties under construction and development sites	11 260	0.1				62 203	36 862	7.2	62.5	5.6	–	22.1	2.6
Overall total	467 996					1 259 138	1 653 456	16.9	41.4	7.0	8.3	22.3	4.1

⁶ Trading properties⁷ Sale of 265/1000 of building A in 2022, remaining 112/1000 of building A are trading properties

Overall responsibility | Editing

Swiss Prime Site AG
Alpenstrasse 15
CH-6300 Zug
info@sps.swiss
www.sps.swiss

Advisory sustainability

Sustainserv GmbH, Zurich

Design | realisation

Linkgroup AG, Zurich

Translation

Supertext AG, Zurich

Image material

Swiss Prime Site AG, Zug

Disclaimer

This report contains statements regarding future financial and operational developments and results as well as other projections that are forward-looking or contain subjective assessments that are not historical facts. In some cases, these forward-looking statements can be identified by the use of words such as «believe», «estimate», «anticipate», «expect», «intend» and similar expressions as well as their negative equivalent. Such forward-looking statements or subjective assessments (hereinafter referred to as «forward-looking statements») are based on expectations, estimates and assumptions that seem to be appropriate to the Company at the time of the preparation of the report. A number of factors, such as the ability of the management to implement the business strategies of Swiss Prime Site AG, the future conditions and developments in the market in which Swiss Prime Site AG operates, or the market behaviour of other market players, may differ materially from the anticipated results including the actual business situation, result of operations and financial condition of the Company. In addition, past trends are not indicative of any future trends.

Swiss Prime Site AG, its affiliated companies, their employees, their advisors and other people that are involved in the preparation of the report explicitly disclaim any warranty or guarantee that information contained in this report is still correct and complete at any time after its publication. Furthermore, they disclaim any obligation to publish updates or amendments regarding the forward-looking statements made in this report in order to reflect changes in the events or circumstances on which these forward-looking statements are based, except as required by law. Readers of this report should therefore not rely on the forward-looking statements expressed herein.

Swiss Prime Site's
property portfolio will be
climate-neutral by 2040.
That's a promise.

Swiss Prime Site

Headquarters

Swiss Prime Site AG
Alpenstrasse 15
CH-6300 Zug

Zurich Office

Swiss Prime Site AG
Prime Tower, Hardstrasse 201
CH-8005 Zurich

Geneva Office

Swiss Prime Site AG
Rue du Rhône 54
CH-1204 Geneva

Phone +41 58 317 17 17 | info@sps.swiss | www.sps.swiss