

SWISS PRIME SITE



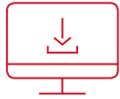
2020

— ANNUAL REPORT

Reporting 2020

Our Integrated Report has been created using the Integrated Reporting (IR) Framework of the International Integrated Reporting Council (IIRC) and follows the Global Reporting Initiative (GRI) standards.

Reporting consists of the online report (www.sps.swiss/reporting), and the separate sub-reports (PDF download). For reasons of sustainability, only the short report is available as a printed version.



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SWISS PRIME SITE

2020

— INTEGRATED REPORT

Integrated Report

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Key figures

792.9

million CHF operating income¹
–37.0% year-on-year

1728

employees¹
–73.4% year-on-year

15.3

billion CHF real estate assets
under management
+9.3% year-on-year

610.4

million CHF profit
+0.3% year-on-year

28.6

percentage of women on
the Board of Directors,
unchanged year-on-year

1.7

million m² rental space
+4.3% year-on-year

47.8

Equity ratio
+7.7% year-on-year

20.0

percentage of women on the
Executive Board
+20.0% year-on-year

5.1

percent vacancy rate
+8.5% year-on-year

19.9

kg CO₂e/m² emission
intensity of the property
portfolio (Scope 1–3)
–7.0% year-on-year

3.0

absentee rate
–44.4% year-on-year

2.0

billion CHF project pipeline
unchanged year-on-year

¹ Sale of the Tertianum Group on 28 February 2020

Our strengths at a glance



Integrated business model

Swiss Prime Site invests in high-quality land, properties and locations. These, together with conversions and developments of entire sites, make up the Company's core business. We create living spaces for our customers and society as a whole that are future-proof and in line with market requirements.



First-class locations

The fair value of our high-quality properties is CHF 12.3 billion. The portfolio consists of properties with a stable value in prime locations, primarily with office and retail floor space in the most densely populated regions and cities in Switzerland. The vacancy rate is 5.1%.



Generating sustainable value

As a company focused on the long-term, we invest across the group and at all levels of value creation in innovation, with the aim of a sustainable reduction in our resource use and a long-term increase in our financial success.



Attractive profitability

The existing property portfolio shows an attractive net yield of 3.2%. Swiss Prime Site achieves a return on equity of 10.6%. The project pipeline for the coming years comprises numerous projects with an investment volume of around CHF 2 billion.



Focusing on the customer

For Swiss Prime Site, our customers and their needs are at the centre of our business. The Company develops tailor-made products and solutions that continue to meet our customers' needs, thereby increasing their satisfaction and strengthening our relationship.



High share liquidity

Swiss Prime Site is the largest stock exchange-listed real estate company in Switzerland, with market capitalisation of over CHF 6 billion. The approximately 76 million registered shares have a free float of 100% and high liquidity on the SIX Swiss Exchange.



Stable financing

The Company has stable, long-term financing through debt and shareholders' equity. The equity ratio is 47.8%. Borrowed capital is composed of a balance of different instruments including mortgages, loans and traditional and long-term bonds. The loan-to-value ratio is 41.9%.



Equitable dividend policy

The Board of Directors pursues an equitable dividend policy. The target range of the payout ratio is between 80–100% of the adjusted EPRA EPS. In special situations, the Board of Directors may deviate from this policy.



Dear Shareholders,

Almost exactly a year ago, a challenging time began for us all. In the middle of lockdown, I became Chairman of the Swiss Prime Site Board of Directors. The social and political uncertainties brought about by COVID-19 have not made it easy to weather the crisis. For the management and Board of Directors, the wellbeing and safety of our employees and customers was our priority. Despite not being physically together, we created momentum and successfully coped with this extraordinary year. Swiss Prime Site ends the year with a positive operating result of CHF 762.3 million. Profit was CHF 610.4 million. The Board of Directors will propose to the 2021 Annual General Meeting a dividend of CHF 3.35.

At the beginning of the crisis, the entire Board of Directors held a weekly conference call with the management team. In early summer, we adjusted the pace in view of the slightly more relaxed situation. Swiss Prime Site's management has successfully guided the core Real Estate business and the group companies Swiss Prime Site Solutions, Wincasa and Jelmoli through this period.

In the second half of 2020, the Board of Directors tackled Swiss Prime Site's key strategic topics, taking into account the change in market conditions. They looked at issues around corporate structure, portfolio size and profitability as well as hurdles and opportunities for the business. Together with management, they developed a strategy based on the two strong company pillars – Real Estate and Services.

We are not seeking to materially change the size of the property portfolio from its current CHF 12 billion. However, we do want to increase profitability through targeted initiatives. This resulted in four strategic priorities. Firstly, the attractive project pipeline will continue to be implemented. This includes leveraging the potential of densification and land reserves as well as divesting projects, or parts of them, by way of «capital recycling». Secondly, the composition of types of use in the portfolio will be adjusted. The objective is to minimise risks and remain agile in the face of market changes. Thirdly, the portfolio will be actively optimised. This includes developing real estate or divesting properties and sites in less optimal locations in order to release capital. Fourth, vacancies will continue to be kept at a low level.

These initiatives will make a substantial contribution towards further increasing the net yield of the core business and increasing the resilience of the portfolio in question.

After the successful divestment of Tertianum, the Services business will look at further honing its profile. The most important strategic decision here will relate to the group company Swiss Prime Site Solutions. The real estate asset manager will expand its business model to include fund products, thereby significantly extending its range of services. This strategy will result in significant growth. Wincasa will continue to press forward with the transformation towards a digital business model and will be able to significantly increase profitability once again in the medium term. At Jelmoli, a range of strategic options have been reviewed and measures defined to enable the group company to achieve a break-even result by 2023.

Five years ago, Swiss Prime Site started a process of renewal within the Board of Directors. My nomination and election, like that of other colleagues on the Board, has been the result of this process, which is still ongoing. We are pleased to propose to the shareholders at the forthcoming Annual General Meeting that Barbara A. Knoflach be accepted onto the Board as a replacement for Rudolf Huber.

I am thrilled to have been Chairman of such a dynamic and innovative company for the last year. It fills me with particular confidence that Swiss Prime Site is so committed to sustainability and is embedding this principle across different levels of the value-added process. An excellent example of this is the green bond, launched in autumn 2020. Both our business areas provide us with good long-term potential and a robust business model that remains resilient even in difficult times, such as those we have experienced in 2020. I therefore look to the future with optimism and confidence.

I would like to thank you, our valued shareholders, customers and partners, for your trust and support. My thanks also go to all employees and the management across the entire Swiss Prime Site Group.



Ton Büchner
Chairman of the Board of Directors



A successful year marked by the pandemic

2020 was a year that demanded much from us, both as people and as a community, and presented us with many challenges. The COVID-19 pandemic and its implications significantly impacted our social lives and our economy. The resulting «quake» was clearly and immediately felt both by the Swiss real estate industry and by us – the country's largest listed real estate company. However, the crisis also presented us with opportunities: Swiss Prime Site worked with its customers to take swift and efficient action and find solutions. Internal processes were optimised with and for employees and real estate projects were advanced well, despite the tough conditions.

Despite the adverse circumstances, the 2020 financial year was successful for Swiss Prime Site, with overall positive results. One important milestone was the strategic sale of the Tertianum Group, completed in the first quarter of the reporting year. The impact of this structural change within the group resulted in an operating income of CHF 792.9 million [CHF 1 258.8 million]. EBIT, however, rose by 21.3% to CHF 762.3 million. The sale of Tertianum contributed significantly to the pleasing result, adding CHF 204.2 million. This includes real estate portfolio revaluations of CHF 203.4 million [CHF 203.4 million]. Considering the economic and social uncertainties, this is an impressive result and reflects the high-quality locations in the portfolio. The total fair value of all properties held by Swiss Prime Site as at the end of 2020 is CHF 12.3 billion. The Company generated a profit of CHF 610.4 million [CHF 608.5 million]. While in 2019 the release of deferred tax liabilities due to cantonal tax rate reductions still had a significant impact totalling CHF 172.5 million, this value was only CHF 7.1 million in 2020. Excluding the effect of revaluations and deferred taxes, the group's profit rose by 51.0% to CHF 476.6 million compared with the previous year.

Coronavirus and its consequences

The 2020 financial year started with positive signs. Reports of the new «coronavirus» in Asia increased significantly only as it started to spread in Europe, and then in our close neighbour, Italy. The virus, case numbers and the potential impact on the Swiss economy and society were the key topic of discussion in the media when the first infections appeared in Ticino at the end of February. The measures to protect the population declared a few weeks later by national and international gov-

ernments had far-reaching consequences for Switzerland's economic growth and the real estate market. Bans on gatherings, school and shop closures and the urgent recommendation to stay at home, and work from home, brought public life to a standstill for two months. Relaxations to the restrictions did not come into effect until the end of April, with further steps in the middle of May and then the beginning of June. These ushered in the first, tentative «normalisation phase». The pandemic and the associated government directives, however, had a severe impact on the country's economic performance. Many companies, and particularly the self-employed, needed emergency loans from the government to keep their head above water.

Swiss Prime Site and its group companies Swiss Prime Site Immobilien, Swiss Prime Site Solutions, Wincasa and Jelmoli were strongly impacted by the strict measures. The main impact was on work processes and general procedures, some of which needed to be completely restructured. On the other hand, Jelmoli, for example, had to shut down almost its entire operations during lockdown. Government directives had a significant impact on individual group companies as well as the group's operating result. After the first few cases appeared in Switzerland, Swiss Prime Site formed the «Corona» working group. It included decision makers from Swiss Prime Site Immobilien, Swiss Prime Site Solutions, Wincasa, Jelmoli and key departments. The group's aim is to safeguard the health of all employees while still ensuring that business processes can continue. To that end, the group companies' work force were recommended or in some cases instructed to work fully or partly from home where possible. Due to the lockdown, Swiss Prime Site Immobilien, Swiss Prime Site Solutions and Wincasa received a total of more than 3000 tenant enquiries; despite the challenging political circumstances, these were nearly all dealt with individually and a solution found that satisfied all parties. The majority of the enquiries were from tenants in the non-food retail, gastronomy and hotel sectors. Most customers were offered the option of deferring their rent, giving them some extra time. Customers with monthly rent up to CHF 5000 or CHF 15000 respectively were offered substantial support in the form of gradual rent waivers or reductions. In the process, Swiss Prime Site waived rental income, providing support in a difficult time to key tenant groups who were significantly affected. Across the group, almost all requests were resolved individually. Jelmoli had to shut all spaces except the food department and put all sales employees on short-time working hours. The almost total closure of the premium department store for two months had far-reaching consequences on revenue and results. Even though there was a significant recovery effect from the middle of the year, it was not possible to offset the deficit caused by the closure in the reporting year.

«Despite the adverse circumstances, the 2020 financial year was successful for Swiss Prime Site, with overall positive results.»

In autumn 2020, the «second wave» of the pandemic arrived. For some regions (particularly Western Switzerland) and branches of industry (sporting and cultural events), this had drastic consequences. Generally speaking, due to the relatively reasonable restrictions on public life, economic prospects were not further dampened, with mid-year results in line with expected results for the reporting year.

Real Estate segment

In view of the circumstances, the Real Estate segment performed well in the reporting year. Operating income was CHF 482.9 million [CHF 519.5 million]. The fall in rental income to CHF 431.0 million (–1.4%) is due to the concessions granted to tenants who were significantly impacted by the pandemic. In terms of the operating result, the segment reported EBIT of CHF 555.0 million [CHF 572.9 million]. This includes profits from sold portfolio and development properties amounting to CHF 34.8 million. The fair value of the property portfolio rose to CHF 12.3 billion. The increase of CHF 557.2 million is due to completed projects added to the stock and the significant revaluation gains mentioned previously. The vacancy rate increased year on year from 4.7% to 5.1%, although that still marks a substantial improvement compared with the mid-year level of 5.4%. This achieved the subgoal of bringing the vacancy rate back down to within reach of 5%. This is because, despite the lockdown, modern, flexible properties in optimal locations for a range of types of use remained attractive to tenants and were in demand. Overall in 2020, Swiss Prime Site let or re-let around 85 000 m² (5.1% of the total space) and re-negotiated or extended expiring agreements. We also handed over large spaces in completed projects to anchor tenants throughout the year. YOND in Zurich is fully let except for two small spaces. After the hand-over of apartments to over 140 tenants in the Schönburg building in Berne, a hotel, food shop and fitness centre were completed on the site in spring. In the north of Basel city, the major «Stücki Park» project made further important progress. The completion of the Stücki Village, the multiplex cinema, connecting sky walk and the first two new laboratory and office buildings mark milestones that position the site for long-term success. In JED in Schlieren, too, the attractive and modern spaces were handed over as agreed to the two key tenants, Zühlke and Halter. The building permit

has been issued for the new building. To further increase the sustainability of the building, which has been planned without ventilation, cooling or heating, the building will be constructed using the secondary building material «zirkulit». This is the first large-scale production of recycled concrete in Switzerland. To make the JED site even more appealing and further raise its profile, a comprehensive event and gastronomy concept has been developed, and in consultation with the Schlieren authorities, the tram stop next to the site has been renamed «JED». Anchor tenant Elektro-Material AG started business from the West-Log building in Zurich in the second half of the year.

«The portfolio vacancy rate was noticeably reduced over the six months, from 5.4% to 5.1%. This achieved the subgoal of bringing the vacancy rate back down within reach of 5%.»

Despite the unique circumstances in the 2020 financial year, projects under construction continued with almost no delays. At the end of the reporting year, the project pipeline included projects under construction with an investment volume (including land) of CHF 1 080 million. Further projects with an investment volume (including land) of CHF 640 million are in development. Building permits have been issued for the projects Alto Pont-Rouge in Geneva, the JED new build in Schlieren, Stücki Park II in Basel and Tertianum in Lugano-Paradiso. Due to the unusual situation, marketing activities in 2020 could not be carried out in full. Based on the attractiveness of the properties and sites, Swiss Prime Site expects good market take-up of the spaces. The planning application for the modification of the building on Müllerstrasse in Zurich, which is already let, has been submitted. The architecture competition for the new development at the Maag site in Zurich has taken place. Two entries are now being thoroughly assessed, with a decision expected in the first half of 2021.

Services segment

The cumulative operating income of the segment, comprising the group companies Swiss Prime Site Solutions, Wincasa and Jelmoli and, for two months, Tertianum, amounted to CHF 378.2 million. The significant difference compared to the previous year is due to two special effects. Firstly, Tertianum was sold and deconsolidated at the end of February 2020. Secondly, Jelmoli's revenue was significantly impacted by the pandemic and the associated lockdown and closure of the premium department store. The operating result (EBIT) was CHF 207.3 million compared to CHF 55.5 million in 2019. This exceptionally positive result was due to the profit of divestment of CHF 204.2 million from the Tertianum Group transaction.

In the reporting year, the real estate asset manager Swiss Prime Site Solutions significantly enhanced its profile, strengthened its organisation with the addition of more experts and started the gradual expansion of planned services for existing customers. The decision was also taken to further expand the product range. Three capital increases and associated acquisitions and the consolidation of immoveris increased the assets under management from CHF 2.3 billion at the end of 2019 to CHF 3.0 billion.

In a tight market, the integrated real estate services provider Wincasa increased assets under management to CHF 72.0 billion. In light of the current situation, this is a considerable achievement. The pandemic also left behind clear traces in the group company's income statement. Handling more than 2000 tenant enquiries resulted in significant additional expenses and personnel costs. At the same time, the whole organisation is involved in the ongoing transformation and digitalisation of the business model. This has two key objectives. Firstly, to significantly simplify, modernise and automate residential services. Secondly, to expand the range of services for major customers in the area of sites and centre management.

«The changes effected in the autumn are intended to make the Swiss Prime Site Group more sustainable and more resilient to market distortions and possible further exceptional events.»

In addition to coping with the pandemic, Jelmoli conducted a review of their strategy and, as a result, worked more on their range, customer focus and presence. Major changes have taken place under the new management, the impact of which should already be felt in 2021. As well as the main location in Zurich, Jelmoli has also operated two smaller locations at Zurich Airport since 2020. Due to the pandemic, these were either closed shortly after they had started operating (Airside) or fully opened after a delay (Circle). The planned opening of the new online store was postponed to spring 2021. Jelmoli's management hopes that these three new «locations» will give the business significant momentum and bring positive results.

Strategic adaptation

The Board of Directors of Swiss Prime Site worked with the management to adapt the group's strategic alignment. This adaptation was clearly necessary after the successful sale of Tertianum and has gained momentum over the course of an exceptional 2020. The changes effected in the autumn are intended to make the Swiss Prime Site Group more sustainable and more resilient to market distortions and further exceptional events. Specifically, it was agreed that the portfolio of first-class, value-retaining and attractive properties should remain stable at around CHF 12 billion and the quality of yields should be increased through a range of measures. In terms of the core business, the pipeline will be implemented according to plan. Most projects will be included in the portfolio in order to increase rental income. Where the opportunity presents itself, developments and properties that no longer suit the portfolio will be sold and the resulting capital «recycled» more profitably. Two further initiatives relate to the composition of type of use (reduction in retail proportion) and the medium-term significant reduction in vacancies. In the Services segment, in future there will be a greater focus on real estate asset management and the Swiss Prime Site Solutions group company. Growing the existing investment products and expanding the product range should significantly increase the contribution to the group over the next few years. The transformation of Wincasa and the resulting improvements in operational excellence should return the service provider to its customary profitability. Expanding the Jelmoli locations and further operational steps will lead to a break-even result for the premium department store in the medium term.

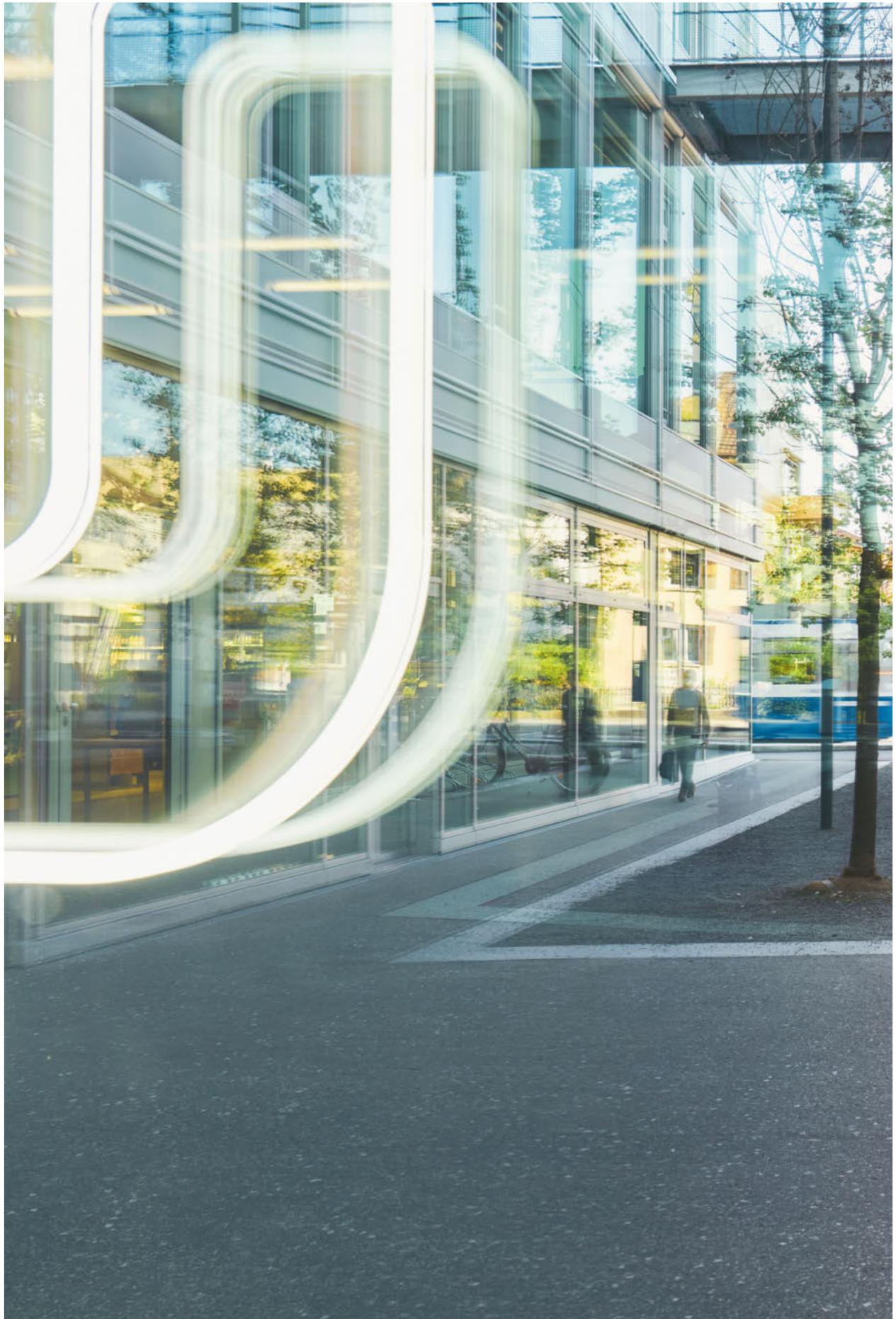
«For the 2021 financial year and beyond, the management of Swiss Prime Site expects market opportunities for office floor space to remain sound.»

Outlook

For the 2021 financial year and beyond, the management of Swiss Prime Site expects market opportunities for office floor space to remain sound. This assessment for Switzerland is based on the shortest commuter times in Europe, an occupancy rate for office floor space that was adapted to new working models even before the pandemic and the need for more distancing and common areas. The situation for retail remains challenging. Here, Swiss Prime Site expects continued positive demand for bricks-and-mortar retail in good locations. The retail space portfolio is primarily situated in premium locations. If the general situation for tourism returns to normal in the medium term, there will be good opportunities once again for hotels and events. In view of the development projects that were completed in 2020 and are largely fully let, Swiss Prime Site expects rental income to rise in 2021, subject to unforeseeable upheaval linked to the coronavirus pandemic. The vacancy rate in the portfolio will be reduced to below 5%. On a medium-term horizon, Swiss Prime Site is standing by the targets communicated in October 2020.



René Zahnd, CEO



Board of Directors



Ton Büchner

Chairman

Independent member since 24.03.2020 ³



Mario F. Seris

Vice-Chairman

Independent member since 27.04.2005 ³



Dr. Barbara Frei-Spreiter

Independent member since 27.03.2018 ²



Thomas Studhalter

Independent member since 27.03.2018 ¹



Christopher M. Chambers

Independent member since 22.10.2009 ^{1,2}



Dr. Rudolf Huber

Independent member since 29.04.2002 ¹



Gabrielle Nater-Bass

Independent member since 26.03.2019 ²

Swiss Prime Site's Board of Directors comprises key figures from Switzerland's economy. The years of extensive experience of the individual board members in various fields paves the way for a balanced, long-term-oriented body.

¹ Audit Committee

² Nomination and Compensation Committee

³ Investment Committee

Executive Board



René Zahnd
CEO Swiss Prime Site



Markus Meier
CFO Swiss Prime Site



Peter Lehmann¹
CEO Swiss Prime Site Immobilien



Anastasius Tschopp²
CEO Swiss Prime Site Solutions



Oliver Hofmann
CEO Wincasa



Nina Müller
CEO Jelmoli

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

¹ until 31.12.2020
² as of 01.01.2021



Martin Kaleja²
CEO Swiss Prime Site Immobilien

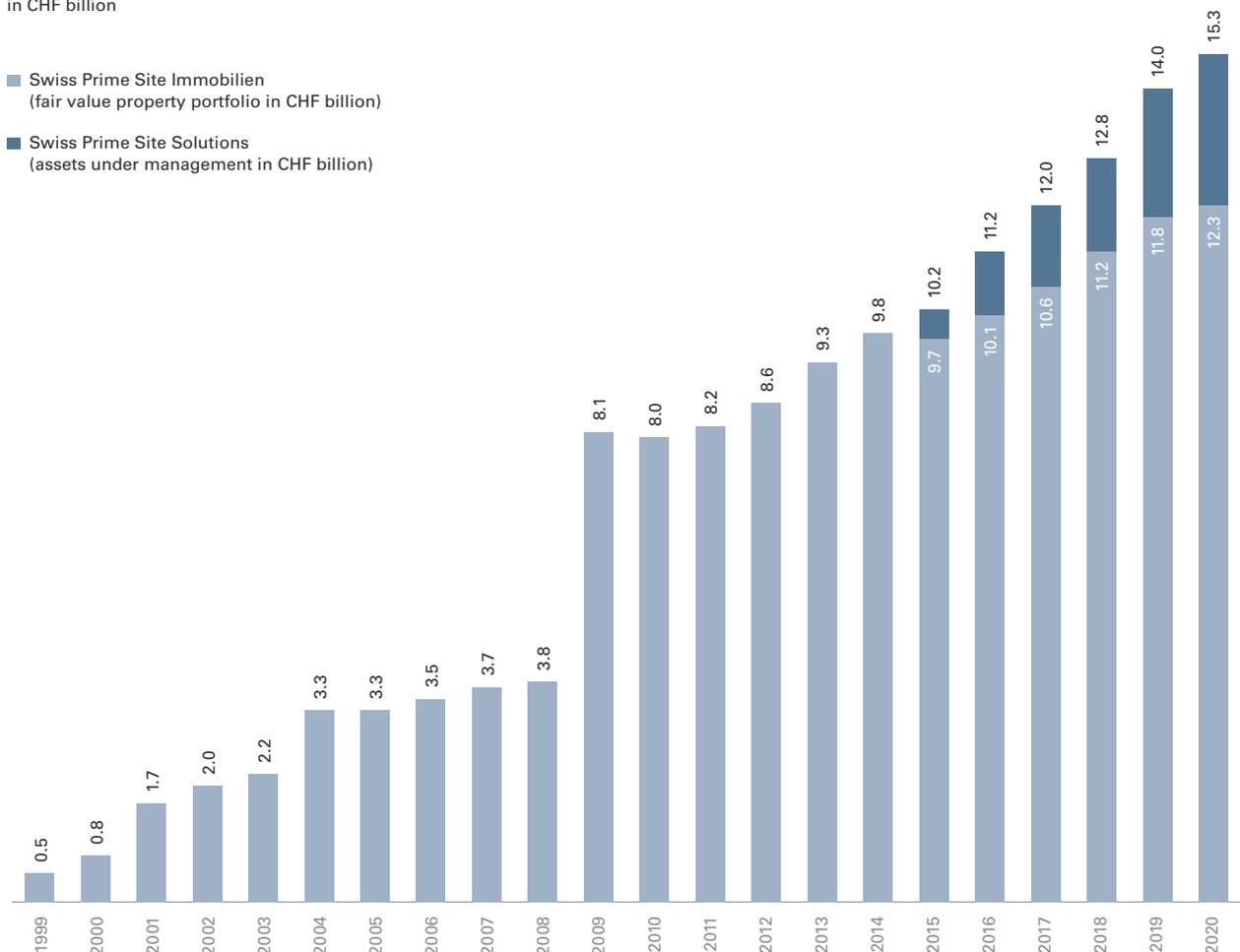
Our success story

Swiss Prime Site was founded in 1999. The Company is the largest stock exchange-listed real estate firm in Switzerland and has a property portfolio currently valued at CHF 12.3 billion. Including Swiss Prime Site Solutions, the real estate assets under management total CHF 15.3 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. Swiss Prime Site has also generated additional growth and created premium properties by means of significant developments – such as YOND in Zurich and EspacePost Berne – and conversions of former office floor space, such as Motel One in Zurich and the Schönburg site in Berne. Together with Swiss Prime Site Solutions (real estate asset management for third parties), Swiss Prime Site manages real estate assets amounting to CHF 15.3 billion (as at 31 December 2020).

Real estate assets under management
in CHF billion

- Swiss Prime Site Immobilien
(fair value property portfolio in CHF billion)
- Swiss Prime Site Solutions
(assets under management in CHF billion)





Prime Tower, Zurich



Jelmoli, Zurich



SkyKey, Zurich



YOND, Zurich



Opus, Zug



Stückli Park, Basel



EspacePost, Berne



Schönburg, Berne



Rue du Rhône 48-50, Geneva



**Our markets,
our engagement,
our material issues**

Our markets

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

Rental market

Due to short commuter times, the mobility of the Swiss population recovered extremely quickly after the 2020 spring lockdown compared to Europe. Over the course of the year, office floor space enjoyed brisk use. Increasing space requirements for each employee and more common areas will offset the higher proportion of home workers in the future. This is why the Swiss office market should remain stable. Swiss Prime Site holds retail properties in well-frequented central locations that will continue to enjoy high frequencies and strong demand. Jelmoli's retail floor space was expanded with locations at Zurich Airport and in «The Circle» that will be attractive in the long term. Due to the pandemic and low numbers of tourists, however, the situation for gastronomy spaces and Swiss Prime Site's six city hotels is challenging. Solutions are being sought in close consultation with the tenants. The demand for the urban micro-distribution of goods is likely to increase, creating additional opportunities for Swiss Prime Site. The Company sees great opportunities in urban logistics and is already investing in two promising projects in Geneva and Zurich.

Transactions market

In recent years, the strong demand for investment properties has resulted in significant increases in the value of existing properties, accompanied by compression of yields on the transactions market. In 2020, yields for prime office properties fell further, while remaining stable for retail properties. The main reason for the continuing high level of transaction readiness lies in national and international monetary policy, which reacted to COVID-19 with a range of measures and base rate reductions. Swiss Prime Site took advantage of the considerable interest in investment properties, achieving profitable sales. The Company also invested in its own real estate development projects that, unlike the embattled transactions market, generate above-average net yields of around 5%.

Capital market

In contrast to direct real estate investments, indirect investments suffered a sharp decline due to COVID-19 and have only partly recovered over the course of the year. The pandemic also impacted share prices. Over the course of the year, Swiss Prime Site shares, like many others, suffered losses, ending the year down –19.2% [2019: +47.0%]. In the long term, Swiss Prime Site shares have generated an average annual performance of +7.3% since listing in 2000 – an above-average yield both in the sector and when compared to the market. The fourth quarter of 2020 saw an improvement in the capital market environment following the announcement of the first effective vaccine. Swiss Prime Site used this time to issue a sustainable bond in the amount of CHF 300 million. The bond was issued as a «green bond». This enabled Swiss Prime Site to achieve attractive long-term refinancing, while at the same time further diversifying their financing structure.

Real estate asset management

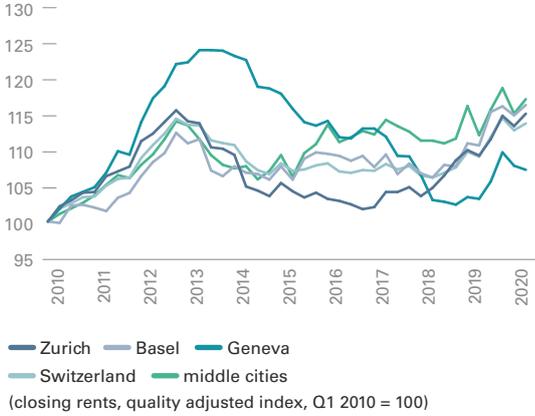
The sale of real estate asset management services remains a structural growth market. The already low interest rate environment should remain at this level for some time due to the central banks continuing their expansive monetary policy. This should further boost demand for innovative, high-yield investment solutions in the real estate sector. Swiss Prime Investment Foundation, whose assets are managed by Swiss Prime Site Solutions, completed a range of capital increases for national and international investments over the past financial year. This enabled the real estate asset manager to significantly expand not only the assets under management, but also the product range and the investor base.

Property management

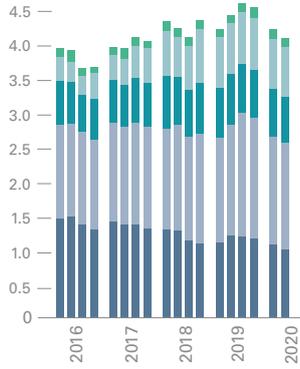
Successful integrated real estate services providers offer solutions throughout the entire real estate life cycle. Opportunities present themselves for agile property managers who demonstrate a high level of automation and digitalisation. Owner portals and tenant or site apps are part of a modern, attractive product range. Wincasa is working with streamnow to drive these developments forward. At the same time, experiences from the current pandemic show that direct contact, both with property owners and tenants, is crucial to finding individual solutions. This calls for an optimum balance between standardisation and individual solutions, to strengthen trust and ensure sustainable profitability.

Rental market: trend in prices and commercial space on offer

Office space: rental prices



Office



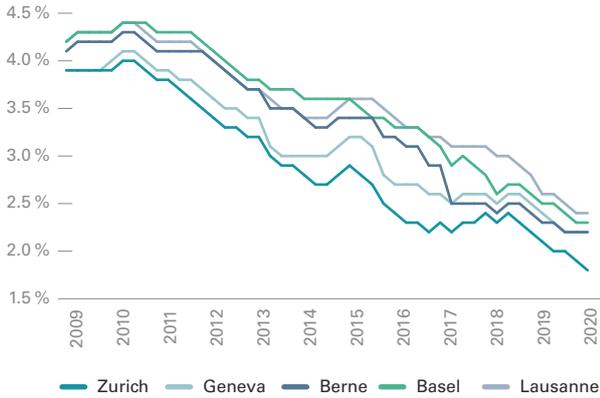
Retail



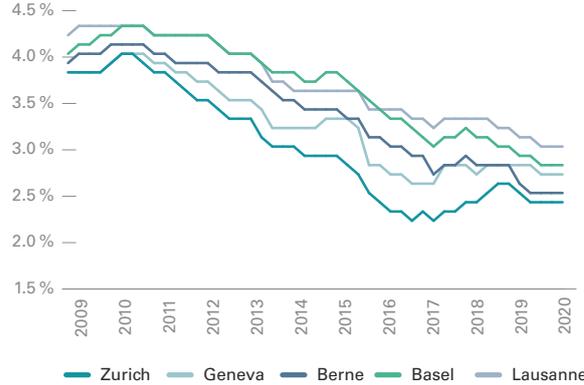
space on offer (in million sqm per quarter)

Transactions market: trend in prime initial yields

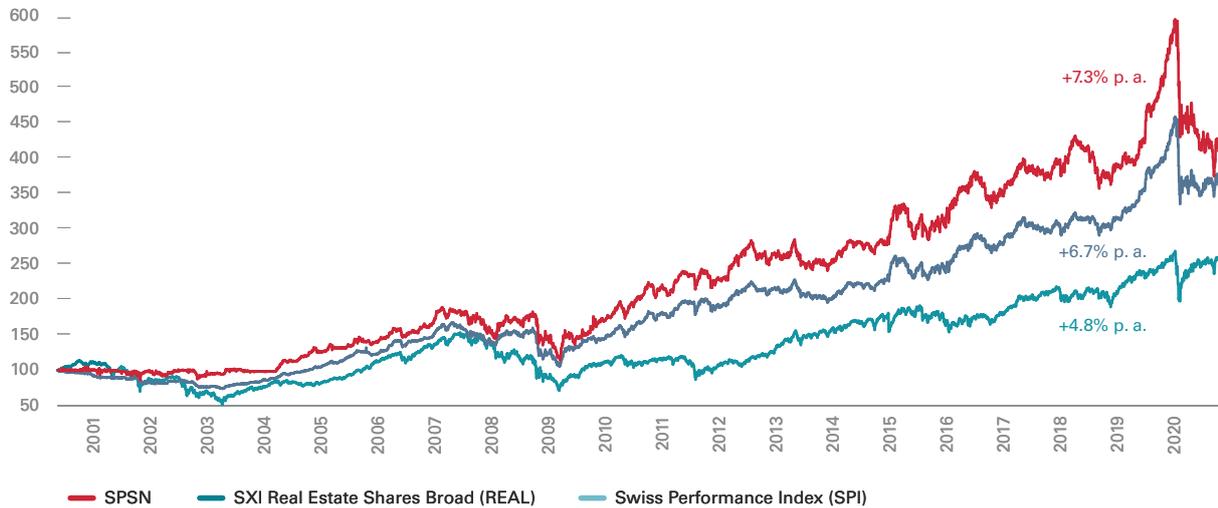
Office



Retail



Capital market: Swiss Prime Site share price performance versus sector and market



Sources: Credit Suisse, Wüest Partner, Swiss Prime Site, Thomson Datastream

Engagement and responsibility

Sustainability is an integral element of Swiss Prime Site’s corporate strategy. As part of their business activities, the Company is committed to the transformation into an economy and society that builds on the partnerships between different stakeholders and in which commercial success, human well-being and a careful use of natural resources go hand in hand.

Swiss Prime Site appreciates that a meaningful contribution to SDG 11 can only be made if the Company builds on its strengths. This includes having a clear focus on clients’ needs, supporting employees, encouraging an innovative work culture and making investments that increase energy efficiency and reduce CO₂ emissions. Based on these pillars, Swiss Prime Site has developed group-wide, strategic objectives that will be further operationalised within the group companies, leading the way to a successful, sustainable future.

Long-term alignment with the Sustainable Development Goals (SDGs)

Swiss Prime Site sets itself long-term goals based on the Swiss government’s Energy Strategy 2050, the Paris Climate Accord and the Sustainable Development Goals (SDGs) of the United Nations. Swiss Prime Site uses the 17 SDGs as a system of reference in which to embed their engagement in the context of global sustainable development. The focus is on seven key objectives to which Swiss Prime Site can contribute by fulfilling its responsibilities in the core business: SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 17 (Partnerships for the Goals).

The relevant Sustainable Development Goals are also reflected in the material issues defined by Swiss Prime Site that form the basis for the integrated management of financial and non-financial aspects as well as integrated reporting.

Assuming responsibility for safe, resilient and sustainable cities and settlements

Swiss Prime Site considers SDG 11 (Sustainable Cities and Communities) as an appropriate guiding principle for their commercial responsibilities and is committed to safe, resilient and sustainable cities and settlements. This reflects the corporate vision of creating sustainable living spaces, as well as integrating several trends that have a significant impact on the core business. Among others, these include urbanisation, intergenerationality and climate-adapted design of living spaces.

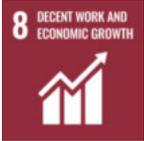


«The integration of key sustainability aspects in the business model not only makes commercial sense, it also reflects Swiss Prime Site’s understanding when it comes to recognising the cross-generational responsibility to create and design sustainable living spaces!»

Martin Pfenninger
Head Group Sustainability Swiss Prime Site



READ MORE ABOUT THE
LIVING SPACES OF TOMORROW

SDG	UN goal description	Capital	Material issues Swiss Prime Site
	Ensure inclusive, fair and high-quality education and promote opportunities for lifelong learning for all	Employees	<ul style="list-style-type: none"> – Employee development and satisfaction – Health, safety and well-being
	Promote inclusive and sustainable economic growth, employment and decent work for all	Finance	<ul style="list-style-type: none"> – Risk management and responsible governance – Earnings growth and attractive share
	Build resilient infrastructure, promote sustainable industrialisation and foster innovation	Innovation	<ul style="list-style-type: none"> – Corporate culture, reputation and image – Market orientation – Innovation culture and partnerships – Data use & data protection
	Make cities inclusive, safe, resilient and sustainable	Infrastructure	<ul style="list-style-type: none"> – Contribution to sustainable urban development – Optimum connection of properties – Process optimisation and cost reduction
	Ensure sustainable consumption and production patterns	Ecology	<ul style="list-style-type: none"> – Sustainable procurement/supply chains – Circular economy
	Develop measures to combat climate change and its effects as a matter of urgency	Ecology	<ul style="list-style-type: none"> – Resource consumption and CO₂ emissions – Building certifications and climate-adapted construction
	Revitalise the global partnership for sustainable development	Stakeholders	<ul style="list-style-type: none"> – Customer orientation – Investor relations management

Material issues

In 2019, as part of a comprehensive materiality analysis, Swiss Prime Site determined for the second time since 2017 which issues are particularly important for the further development of integrated management. This enabled the Company to create the basis for the integration of important financial and non-financial issues into the management of the group and defined the strategic focus of integrated reporting (GRI 102-49).

Process for determining the material issues

In the materiality analysis, the aim was to assess how important the particular issue is to the different stakeholders, and to the business success of Swiss Prime Site, and also how important the issue is with regard to the Company's impact on sustainable development. Assessing business relevance as the third dimension ensures that the material issues are closely related to the core business and can be integrated into strategic management.

Swiss Prime Site arranged the issues in order of materiality according to the six capitals of the International Integrated Reporting Council (IIRC). Adopting the capital-based approach reflects the Company's wide-ranging aspiration to create sustainable value for the various stakeholder groups from a wide range of resources.

Integration of internal and external stakeholders

In particular, Swiss Prime Site used the materiality analysis to enter into an ongoing dialogue with different internal and external stakeholders. In addition to management representatives, business partners and clients were also consulted about their priorities. Swiss Prime Site also took into account the findings of the 2019 Stakeholder Panel. The next materiality review is scheduled for 2021 (GRI 102-46).

Inclusion of material issues in goal-setting

The materiality analysis serves as a starting point for Swiss Prime Site to make further improvements to the integrated management of financial and non-financial aspects. In the reporting year, the Company – drawing on the material issues amongst others – defined overall corporate goals, from which they derived measures for the group companies (see Strategy/Sustainability goals). The materiality analysis also defines the focus of this integrated reporting.



«JED has been designed according to our current and future requirements: workstations, work lounges and creative zones.

Between the workstations, we install breakout areas and facilities that can be used spontaneously. All the large conference rooms will be located in «The Branch», our co-working space that outside companies will also be able to book.»

Andreas Hänsenberger
Concept Developer, Halter AG



READ MORE ABOUT THE OFFICE
SPACES OF THE FUTURE

Results of the materiality analysis¹

Relevance for stakeholders



Impact on sustainable development ● Moderate ● High ● Very high

Relevance for long-term value creation

¹ A detailed determination of the material issues can be found in the Integrated Annual Report 2019, on page 38–41 (GRI 102-47).

**Our strategy,
our business model,
our value creation**

Strategy

The Swiss Prime Site Group is pursuing its vision of creating sustainable living spaces for society as a whole and for its customers. With its first-class property portfolio worth CHF 12.3 billion and a comprehensive range of services along the real estate life cycle, the company is uniquely positioned to turn this vision into reality, thereby meeting the needs of its customers and society in the long term.

Sustainability as an integral part of the corporate strategy

As Switzerland's largest listed real estate company, Swiss Prime Site is aware of its responsibilities to its customers, employees, the environment and long-term urban development. Sustainability is therefore an integral part of its corporate strategy and business activities, both in the Real Estate and Services segments.

Real Estate: implementing the project pipeline and optimising the portfolio

Investing in properties in prime locations and developing attractive and sustainable sites are Swiss Prime Site's core business. Swiss Prime Site has four strategic priorities for its property portfolio.

Implement and renew the project pipeline

The goal is to implement the attractive project pipeline with an investment volume of around CHF 2 billion.

Adapt the mix of uses

The goal is to significantly adapt the mix of types of use. The target is to increase the share of office use from 44% to around 50% in the medium term, while reducing retail space from 26% to approximately 20%. Other types of use, such as hotel and gastronomy, logistics and industry, and assisted living including residential, are each to account for around 10% of the whole portfolio.

Optimise the portfolio

Swiss Prime Site intends to make even better use of the potential offered by its portfolio. Properties and sites will therefore be improved, repositioned or sold if they lack potential. With the size of the property portfolio at around CHF 12 billion, Swiss Prime Site does not aim for any significant changes.

Vacancy management

Through active vacancy management, Swiss Prime Site aims to achieve a vacancy rate towards 4% in the medium term.

Services: growth in assets under management and profitability

With its group companies Swiss Prime Site Solutions, Wincasa and Jelmoli, the company has strong providers of services that are in high demand within the environment of its real estate core business, the group as well as third-party customers and that strengthen its business model.

Grow existing and develop new investment products

In the medium term, Swiss Prime Site Solutions is aiming to achieve significant growth in asset management for third-party customers. The product range is to be expanded and assets under management increased to around CHF 7 billion by 2025. At the same time, the aim is to increase the EBIT contribution to CHF 30 million. The announcement of the new «Living+ Europe» investment group for the customer Swiss Prime Investment Foundation is the first step towards implementing the necessary measures.

Successfully transform the business model

The focus for Wincasa is on transforming its business model. The services for residential uses are to be digitalised and therefore mostly automated, while the services in business with major customers are to be expanded to include site and centre management.

Best ownership and break-even operating result

Jelmoli is aiming to achieve a break-even operating result in the challenging retail business by 2023.

This means that, following the sale of Tertianum, the Services segment will again contribute a significant operating result to the group in the medium term.

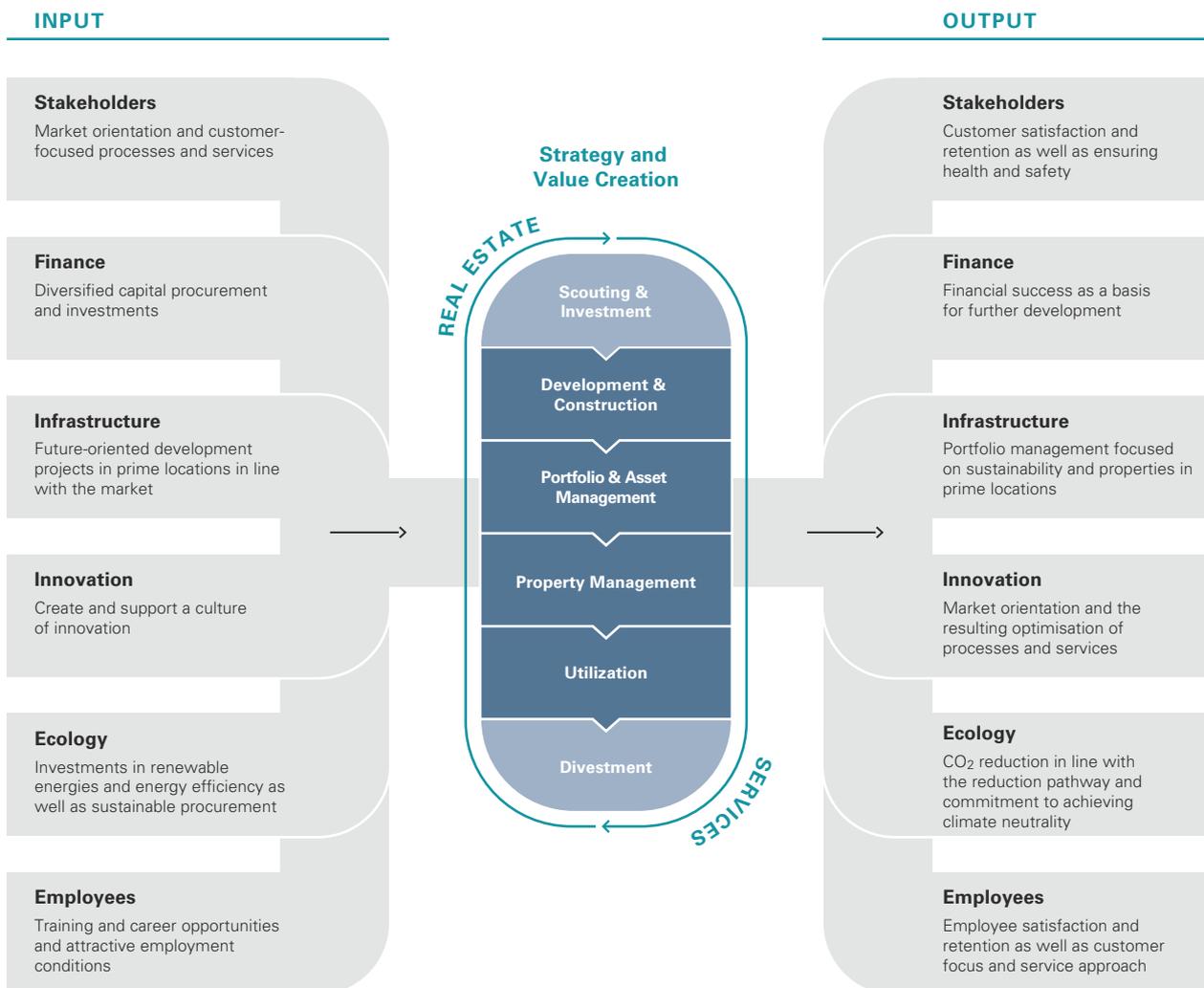
Business model

Swiss Prime Site’s business model is based on the vision of creating innovative and sustainable living spaces. It covers the entire value chain along the real estate life cycle. This includes successfully investing in or acquiring a property or site, project development and project realisation, portfolio and asset management, property management and, if necessary or beneficial, divesting properties, sites or parts thereof. Swiss Prime Site works to the highest quality standards and systematically focuses on current and future market needs. Its goal is to ensure long-term, multi-dimensional value generation.

Focussing of the business model

In the reporting year, Swiss Prime Site sold the Tertianum Group to the Swiss investment company Capvis. The sales encompasses the operation of over 80 residential and geriatric care centres as well as residences distributed throughout Switzerland. Fifteen properties already in the Swiss Prime Site portfolio, with Tertianum as tenant, will stay in the Company’s ownership. With the sale of its group company Tertianum, Swiss Prime Site is further focusing its business model and the associated real estate-focused value creation.

Swiss Prime Site’s integrated business model



Optimisation of value creation along six capitals

Swiss Prime Site considers value creation a comprehensive concept in which non-financial aspects are also taken into account rather than simply meeting financial goals. The added value for shareholders, customers, employees and suppliers is just as crucial as treating the environment in a responsible manner, making advances through innovation and maintaining good relations with other stakeholder groups. Swiss Prime Site aims to optimise value creation via its business model along six influencing variables known as «capitals»:

Stakeholders

The relationship with customers, employees, investors and business partners is the key to business success. All group companies maintain a close dialogue with their respective stakeholders, ensuring they are satisfied and giving them the ability to react quickly to new needs.

Finance

A stable and future-oriented company is based on financially sustainable management. In addition to income from operating activities, financial capital includes funds released from targeted divestment and funds raised on the capital markets. This includes raising capital to fund clearly defined, certified real estate projects and also climate protection and climate adaptation projects within a green bond framework.

Infrastructure

The infrastructure of the Swiss Prime Site Group encompasses the 200 or so properties in the portfolio that are held, developed, upgraded, rented or sold, as well as all the resources that are used to provide our 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.

Innovation

Swiss Prime Site is committed to growing and developing the company by building on its knowledge and cooperating with partners in order to make use of intangible assets such as patents, brands, software, rights and licences. Scientific, social and environmental developments and trends are analysed across all business fields and the findings are applied to existing properties or in various development projects.

Ecology

Swiss Prime Site acts to protect the environment and conserve resources, whether in its daily operations or in investments in real estate and its management. At the same time, the focus is clearly directed at the property portfolio, where invested capital realises the greatest impact. This mainly includes the responsible use of natural resources and taking greater account of the circular economy.

Employees

Our employees' knowledge, skills and experience are the very essence of our ability to provide customer-focused and market-driven services. The motivation and innovative spirit of the people who work for the company are intrinsically linked to the implementation of our strategy and the success of our products and services. The success of the business depends on how well it manages to retain and attract qualified employees and promote and expand their skills.



«We regard sustainability as an integral part of our business model. The six capitals of the International Integrated Reporting Framework allow us to comprehensively present the many foundations our success is built on.»

Mladen Tomic
Head Group Communications



READ MORE ABOUT SWISS PRIME
SITE'S REPORTING PRINCIPLES

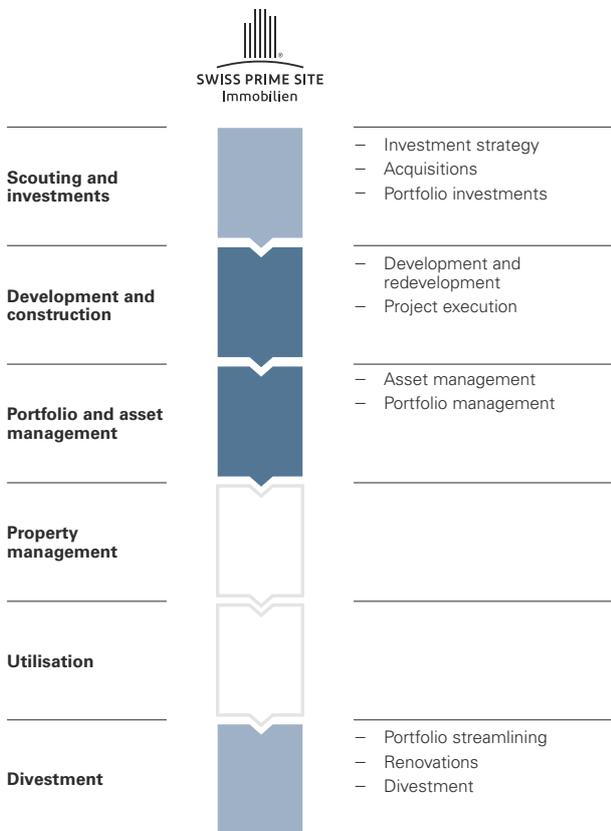
Real Estate segment

Swiss Prime Site Immobilien is a real estate investment company focusing on Swiss property. As at the end of 2020, the portfolio had a total value of CHF 12.3 billion. It consists of prime properties, mainly occupied by commercial tenants.

Business model

Swiss Prime Site Immobilien initiates the group’s value-generation process by acquiring commercial properties, sites or real estate. Swiss Prime Site Immobilien’s primary business focus is portfolio and asset management. Developing and realising real estate projects and converting and modernising entire sites are also very important ways of creating value. The prime property portfolio is strategically optimised on a continuous basis (see Strategy).

Swiss Prime Site Immobilien value-generation processes



Property portfolio

Swiss Prime Site’s property portfolio contains high-quality property and locations. The portfolio as a whole also has a good sustainability balance sheet. To optimise this further, targeted measures are being taken and investments made as part of Swiss Prime Site’s CO₂ reduction pathway. The aim is to continuously improve resource consumption and achieve climate neutrality in the property portfolio by 2040 (see CO₂ reduction pathway).

As at the end of 2020, the portfolio comprised 185 properties in total. Total floor space increased to 1 673 005 m², while the vacancy rate was kept at 5.1 % through proactive management despite the difficult environment.

Geographic allocation

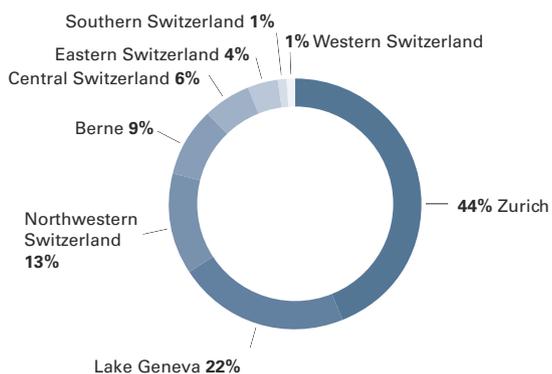
According to Wüest Partner, roughly 80% of the group’s properties rank in the quadrants with the highest quality based on the overall market. The majority of properties (76%) are located in German-speaking Switzerland. In this context, the canton of Zurich and particularly Zurich City account for the main share in this region with 44%. Another important region is the Lake Geneva basin with a share of 22%.

Utilisation

Swiss Prime Site has mainly geared its portfolio to the needs of commercial and services businesses. Currently 44% is let as offices and 26% as retail units. The property portfolio’s maturity profile is long-term and thus attractive. Roughly 21% of net rental income is generated with rental agreements with a term of ten years or more. Another 34% of the portfolio is due for renewed leasing at terms of between four and nine years.

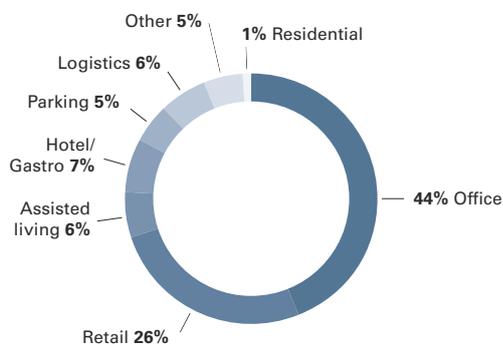
Portfolio split by region

Basis: Fair value as at 31.12.2020



Portfolio split by type of use¹

Basis: Net rental income as at 31.12.2020



¹ Real Estate segment

Highlights from the reporting year

In 2020, Swiss Prime Site Immobilien continued with the targeted growth of its portfolio. Major milestones were reached at Stücki Park in Basel, where the company is expanding floor area by more than 70 000 m² (laboratories and offices) by 2023. Tenants have moved into the first units. The multiplex cinema, which was completed in autumn 2020, did not open its doors until 2021 because of the pandemic. The «West-Log» project in Zurich-Altstetten and JED (existing building) in Schlieren are close to completion in early 2021. Elektro-Material moved into the «West-Log» logistics building as an anchor tenant. The two anchor tenants in JED, Halter and Zühlke, also moved into their rental space. As the buildings are flexible and can be used for a wide variety of office and commercial purposes, the new and future tenants will be able to structure the space perfectly for their activities. The Schönburg project in Berne and the YOND project in Zurich were awarded international architectural prizes in the reporting year.

As part of the further development of its portfolio, Swiss Prime Site Immobilien placed great emphasis in the reporting year on reducing heat and electricity consumption. To increase its own production of renewable electricity, it identified 18 properties in which additional photovoltaic systems could be installed. Of these, four facilities with a total installed capacity of around 380 kWp were put into operation in the reporting year. More projects will be completed in 2021. More information on reducing the ecological footprint can be found in the CO₂ reduction pathway.

Project pipeline

One of Swiss Prime Site Immobilien’s strengths is its ability to develop its own projects. This means the company can operate with a high degree of autonomy from market cycles while at the same time improving the level of sustainability within the portfolio.

Development projects are based on the group’s strategic targets of boosting organic growth and increasing corporate profitability and renewing the portfolio through sustainable building materials and structures. Earnings from completed projects accrue in the form of revaluation gains, rising rental income and sales proceeds. New projects developed by Swiss Prime Site Immobilien generally exhibit above-average net yields compared to both the market and the existing portfolio and the highest sustainability standards.

The investment volume of Swiss Prime Site Immobilien’s project pipeline amounted to around CHF 2 billion as at the end of 2020.

Projects under construction

The construction projects have an investment volume (including land) of around CHF 1080 million. With a volume of CHF 300 million, the largest single project is Alto Pont-Rouge in Lancy. The project plays a significant role for the Geneva region due to its character and location, since another transportation juncture and economic hub will be created for the city as a result. Shortly after construction began in the second half of 2017, two of the five properties to be built at the large Espace Tourbillon development in Plan-les-Ouates were sold. Two other buildings are in the process of being sold, one of them in condominium ownership. The fifth building (CHF 85 million investment) will be added to the existing portfolio. Projects under construction exhibit an average net yield that exceeds the current portfolio average.

Projects in planning

At the end of 2020, projects in the planning phase had an estimated investment volume (including land) of around CHF 640 million. With a volume of CHF 222 million, the largest single project is Müllerstrasse in Zurich. This involves the large-scale modernisation of the existing office building. Four projects for the construction of new residential and geriatric care centres (Monthey, Olten and Richterswil) and a residence (Paradiso) for Tertianum are currently also in the planning stage or already under construction.

In addition, Swiss Prime Site Immobilien has land reserves and considerable reserves of usable floor space in its stock.

Highlights from the reporting year

Swiss Prime Site also believes in the importance of having development projects that are sustainable. Since 2019, the company has been guided by the Swiss Sustainable Building Standards (SNBS) criteria and is also moving into new territory with regard to the topic of the circular economy. In what is a first, the Company is using circular concrete produced by the company Eberhard for the new JED building in Schlieren. This means it can massively reduce the primary resources of sand and grit and also store CO₂ in the granulate of the secondary building material over a long period.



«We're able to further strengthen and continuously rejuvenate the quality of our property portfolio thanks to our well-filled development pipeline. Properties that become part of the portfolio after completion must be continuously replaced by adding value from reserves in the portfolio or through strategic acquisitions.»

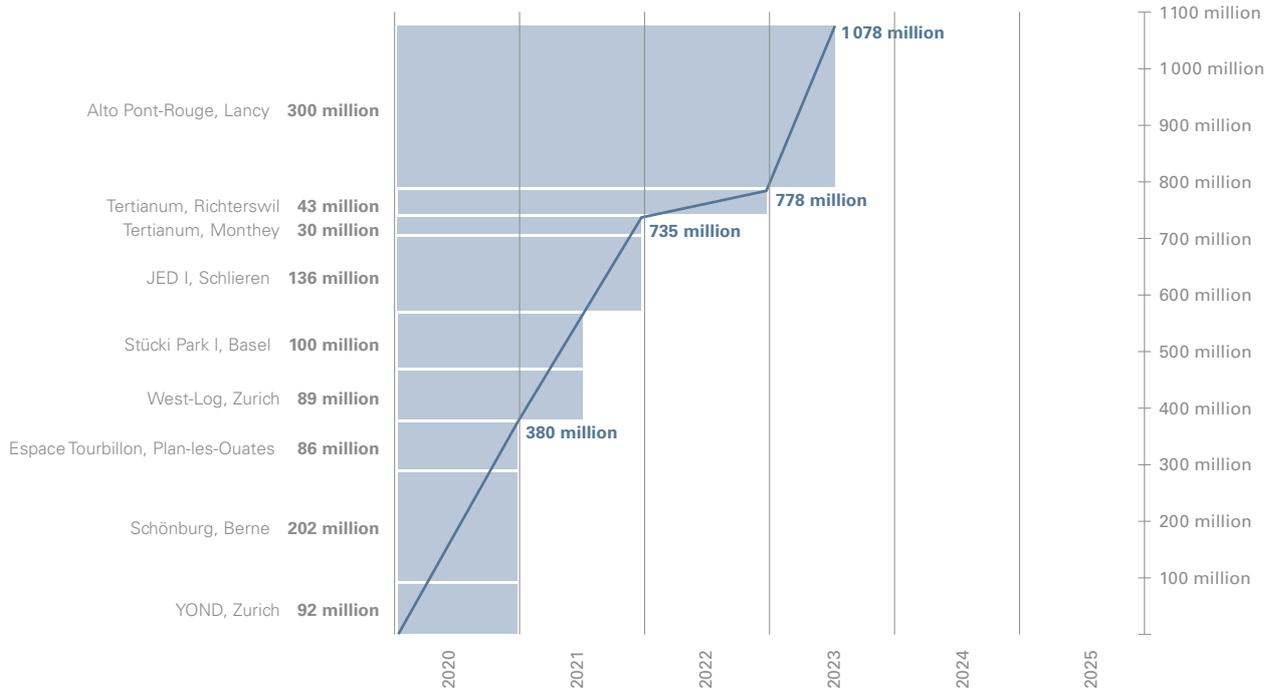
Urs Baumann
Head of Development, Swiss Prime Site Immobilien



FIND OUT MORE
ABOUT SWISS PRIME SITE'S
PROJECTS HERE

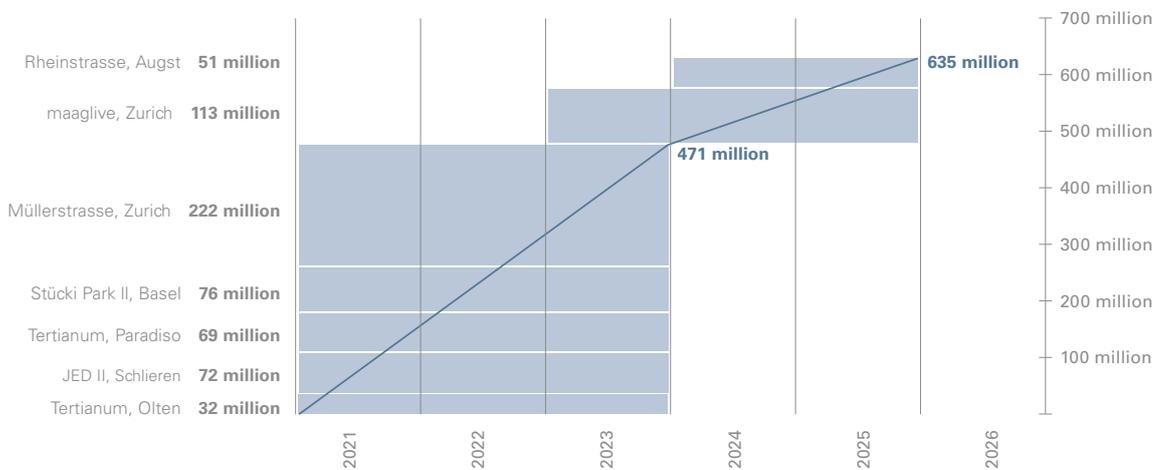
Projects under construction

Value in CHF



Projects in planning

Value in CHF



Services segment

Swiss Prime Site Solutions is the group company specialising in asset management for third parties. It manages CHF 2.6 billion of assets under management throughout Switzerland for its customer Swiss Prime Investment Foundation. The total assets under management increased to CHF 3.0 billion.

Business model

Swiss Prime Site Solutions provides comprehensive services at portfolio and asset management level throughout the full real estate life cycle. The services offered in portfolio and asset management, capital procurement, development & construction and acquisition & sales include preparing acquisitions and sales strategies, potential analyses within the existing portfolio, managing and monitoring real estate developments, carrying out capital increases and developing customer-specific strategies to increase efficiency and market penetration. From 2021, Swiss Prime Site Solutions will expand its value creation with services in the area of fund products. This will significantly increase the growth of assets under management and the profits from the group company.

Highlights from the reporting year

Although achieving growth through acquisitions with appealing returns was challenging in the reporting year, Swiss Prime Site Solutions managed to expand the project pipeline for the Swiss Prime Investment Foundation (SPIF). The company acquired attractive properties and successfully pressed on with existing projects. The «SPIF Real Estate Switzerland» investment group closed the reporting year with an increased return on investment.

Besides reporting further successes with the existing investment group, Swiss Prime Site Solutions created a new foreign investment product for the SPIF, which was approved by the Occupational Pension Supervisory Commission (OPSC) in the reporting year and launched before the end of 2020. The new «SPIF Living+ Europe» investment group allows Swiss pension funds to invest in sought-after European residential real estate. The launch of the SPIF investment product will allow Swiss Prime Site Solutions to build on its customer base and create valuable cross-border partnerships. It also is planned to expand the range of services in 2021 in the form of funds.

The newly created position of Chief Investment Officer will complement the team around the strategic customer Swiss Prime Investment Foundation. Besides expanding the customer base and acquiring new mandates, the broader executive management team will also devote more of its attention to the topic of sustainability. In the reporting year, the company began developing and implementing strategic initiatives, the key component of which is to develop a CO₂ reduction pathway for the SPIF.

To further strengthen and expand their market position in asset management and services, the two companies immoveris and Swiss Prime Site Solutions, which are part of the Swiss Prime Site Group, merged on 1 January 2021. By pooling resources and consolidating expertise, Swiss Prime Site Solutions will be able to respond even better to the specific needs of its customers.

Swiss Prime Site Solutions value creation processes



Wincasa is the leading integrated real estate services provider in Switzerland. The company offers its customers a comprehensive, cross-life cycle service portfolio – with the expertise of almost 1 000 specialists at 24 locations in all regions of the country, making Wincasa one of the largest and most influential operators in the Swiss real estate market.

Business model

Wincasa’s business model is based on the two central value-added pillars of «property management and centre & mixed-use site management» and «construction & facility management». The services offered to corporate customers range from management, owner representation and construction management through to revitalisation and re-letting of properties and strategic consulting.

Highlights from the reporting year

The complexity of real estate services increased during the reporting year, especially as a result of the COVID-19 pandemic. Processing rent requests in accordance with the different stipulations of the various owners took up a great deal of time and effort. Wincasa also had to act swiftly and with agility due to (partial) closures and re-openings of shopping centres. As a crisis team was set up early on, protective measures could be brought in quickly and stakeholders proactively updated. As a result, over 1 000 homes were handed over during the lockdown and a high level of customer satisfaction was achieved.

Wincasa launched a new service in the field of electric mobility in the reporting year. Working with partners, the company advises property owners about how to deal with increasing market requirements and develops property-specific electric mobility concepts with them.

Among its internal restructuring measures, Wincasa consolidated three locations in the Zurich and Winterthur area and rented them out to third parties, or re-purposed part of the space as a training centre for its own purposes. Following on from this, 350 employees moved into the new headquarters at YOND in Zurich-Albisrieden where they benefit from an innovative workspace design that supports time- and location-independent work. A mobility concept was also implemented for the Zurich and Winterthur locations, promoting the use of public transport and car sharing.

Wincasa value-generation processes



«With our commitment to tenant-friendly charging infrastructure, we are making a contribution to achieving sustainable mobility, an area we strongly believe in. We anticipate around 10 000 to 15 000 charging points can be installed in the managed property portfolio by 2030. We have used this development as an opportunity to create an end-to-end electric mobility service for the tenant market.»

Matthias Schmid
Project Manager Electromobility, Wincasa



READ MORE ABOUT
E-MOBILITY

Jelmoli is the leading premium department store in Zurich’s top location. Its high-quality products and the expert advice and first-class service provided by its staff ensure that its customers enjoy an exclusive shopping experience. In 2020, Jelmoli’s range included items from around 2 200 exclusive brands.

Business model

Jelmoli offers customers an innovative gastronomy and event experience in addition to a varied brand mix. By letting floorspace to third parties, Jelmoli has also been able to further optimise its value chain. To that end, Jelmoli also uses a first-class property from Swiss Prime Site Immobilien, located directly on Bahnhofstrasse in the centre of Zurich.

Highlights from the reporting year

A big highlight for Jelmoli in the reporting year was its expansion at Zurich Airport, which was implemented as planned. Jelmoli is expecting economies of scale and synergy effects from the opening in the Airside Center and «The Circle». The focus is on brand positioning and presence among international and Swiss clientele. Assuming a return to normal airport operations, the desired increase in efficiency requires various improvements in the process landscape. As part of Project 2025, Jelmoli therefore pushed ahead with digitalisation. With the introduction of the new ERP system, a new IT system landscape was created to realise cross-divisional optimisation and efficiency improvements.

This process was supported by «transformation agents». This also resulted in new areas of activity which have changed the demands on employees’ skills. In the reporting year, Jelmoli therefore once again channelled more investment into the skills required for digitalisation. The topic of integrated sustainability was also more firmly anchored at Jelmoli in the reporting year. With consumers increasingly questioning the environmental and social acceptability of brands, it is particularly important in the retail business to have supplier management. In 2020 Jelmoli therefore joined the amfori BSCI/BEPI initiative. This commits Jelmoli to complying with the amfori Code of Conduct, which lays down certain environmental and social standards. Accordingly, the new supplier conditions were adopted in September 2020. These must be signed by the majority of suppliers, for example in fashion, home and living, lingerie, children, sports and beauty.

Lastly, new organisational structures were brought in at Jelmoli during the reporting year, and there was a change in management. The new CEO, Nina Müller, took up her position during the lockdown in spring 2020. When she took over the management of Jelmoli, she also became a member of the Executive Board of the Swiss Prime Site Group. In the reporting year, the Swiss Prime Site Group also carried out a strategic review of different options for the «Jelmoli» property. In the process, approval was given to optimise operations while preserving existing sales areas and a clear commitment to Jelmoli adopted.

Jelmoli value-generation process



Our objectives, our measures

Group objectives and roadmap

Our achievements in 2020

In addition to the corporate objectives communicated in last year’s Annual Report, other objectives were added during the year due to COVID-19.

The Swiss Prime Site Immobilien asset management team received more than 500 tenant requests; these needed to be processed and concluded before the end of the year. More than 2000 additional tenant requests were processed and concluded by Wincasa on behalf of third-party customers.

Despite the challenging year, it is important not to lose sight of the objectives set out in the 2019 Integrated Report. The first GRESB submission for the existing and development properties



«Sustainable success is based on medium- and long-term objectives being systematically rooted in the business plan and reflected as measurable indicators in the management’s annual objectives.»

René Zahnd
CEO Swiss Prime Site



READ MORE ABOUT SWISS PRIME SITE’S ATTITUDE AND GOALS REGARDING SUSTAINABILITY

Specific group objectives and KPIs

Category	Group objectives	Associated issues	Lead KPIs
Stakeholders	Focus on the satisfaction and wellbeing of our customers.	Ensure customer satisfaction and safety and promote wellbeing	– Investment in customer health and safety
		Customer satisfaction and retention	– Evaluation of customer surveys – Net promoter score
Finance	Create sustainable value.	Financing strategy Dividend policy	– Equity ratio – Dividends
Infrastructure	Investment in socially acceptable and environmentally friendly properties and infrastructure in prime locations.	Sustainable property and asset management	– GRESB performance score – Vacancy rate
		Future-oriented new builds and renovation projects in line with market requirements	– GRESB development score – Yield
Innovation	Further development of the business model and promotion of an innovative corporate culture.	Market orientation	– Re-letting – Innovative energy perceived by customers
		Innovative corporate culture	– Innovative energy perceived by employees
Ecology	Ongoing optimisation of resource use and long-term objective of climate neutrality.	2-degree objective (science-based targets)	– Level of objective attainment CO ₂ reduction pathway
		Sustainable procurement	– Level of implementation: sustainability criteria and exclusion criteria in procurement
Employees	Strengthening the employer brand and encouraging the customer focus of our employees.	Employee development and retention	– Fluctuation rate – Employee satisfaction – Investment in training and development
		Responsibility, customer focus and service approach	– Evaluation of employee surveys – Internal training based on customer feedback

portfolio and the launch of the first green bond in accordance with the criteria of the framework drawn up for that purpose enabled two key milestones to be reached in environmental terms.

Despite all efforts, only the objectives relating to the fluctuation of employees, particular in the group companies Wincasa and Jelmoli, with high numbers of employees, were once again missed by a clear margin. It is therefore imperative that there is renewed intensification of measures in this area.

Group objectives in more detail

Under the supervision of the Sustainability Board, set up in 2019, Swiss Prime Site enhanced its long-term, strategic sustainability objectives in the reporting year. Leadership ambitions for targets and action programmes are based on three areas which are key for the whole Swiss Prime Site Group, derived from the vision and mission, material issues and the six capitals: customers, employees and environment. Innovative development of the business model, the provision of infrastructure that is fit for the future and sustainable financial success are part of the integrated range of objectives.

While the formulation of objectives regarding climate neutrality and the related CO₂ reduction pathway are already well established and embedded in the strategy, objectives and measures relating to customers and employees need to be further specified for the group companies in question.

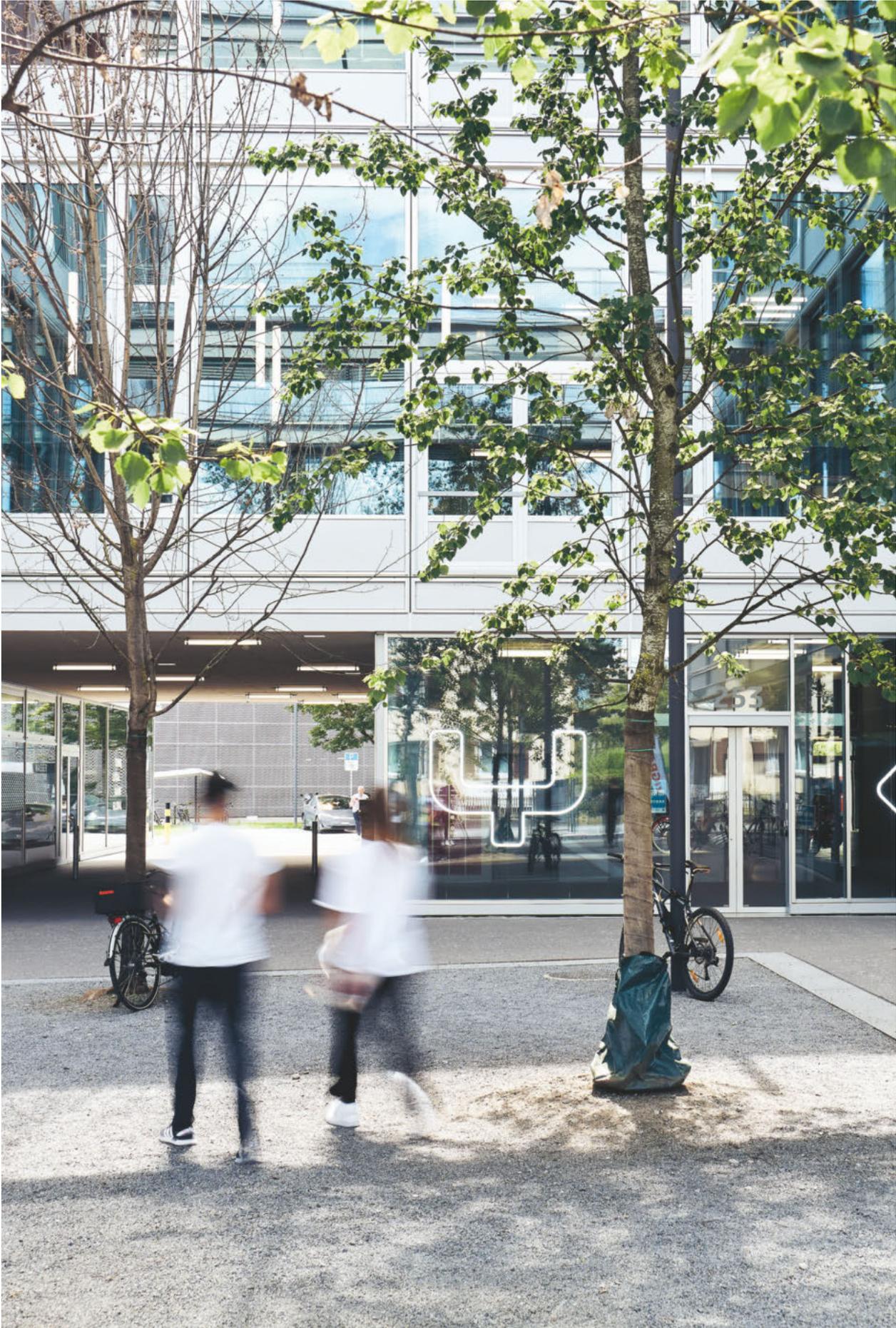
Implementation in the group companies

As part of the business plan and budgeting processes, the group objectives need to be broken down to the individual group companies. The group companies can then define additional objectives and measures and assign them to the relevant capitals. It is important that at least one objective per capital contributes to the achievement of the overall group objectives.

This will help to streamline the group companies' roadmaps, which to date have been created bottom-up. In addition, the KPIs, which are set top-down, will further improve the measurability of progress toward the objectives across the group.

Medium-term objectives

	Stakeholders	Continuous increase in customer satisfaction
	Finance	Increase of eligible properties according to Green Bond Framework
	Infrastructure	GRESB Score > peer average
	Innovation	Targeted investments in start-ups
	Ecology	Climate-neutral property portfolio by 2040
	Employees	Continuous increase in employee satisfaction



Stakeholders

For Swiss Prime Site, regular dialogue with all stakeholders is a key element of sustainable leadership. The Company seeks to identify needs and expectations in dialogue and focus business activities towards meeting these in harmony with the corporate strategy. This particularly applies to the needs and issues of customers. All group companies are in constant communication with them, whether as part of daily business interaction, through dedicated feedback conversations or the usual information channels.

Strengthen customer focus

The increased customer interaction during the exceptional reporting year caused by the pandemic showed that dialogue with different customer groups should be intensified in future and business process re-designed to be more customer-centred. Feedback should be gathered more systematically using regular surveys and should flow directly into improving products, services and processes and employee training. Dialogue with customers and business partners can vary widely across the different group companies.

Overcome current challenges using external input

In addition to different types of customer interaction, Swiss Prime Site uses its dialogue with other stakeholder groups to gather input on current issues and challenges and use these to further develop the Company. To this end, the Company holds a stakeholder panel with external stakeholders every two years, in addition to its ongoing interactions with them. In addition to experts, a selection of tenants and business partners are also invited to the panel to represent the different client relations.

More information on this can be found in the GRI Report.



«Nearly all of us are currently working from home. However, despite digitalisation and remote working, it is clear that innovation and good ideas also come from personal and physical interaction in teams. JED offers the perfect conditions for developing new ideas through to market success with our customers.»

Nicolas Durville
CEO and Partner Zühlke Group



READ MORE ABOUT THE INNOVATIVE
«JED» PROJECT



READ MORE ABOUT THE CUSTOMER
FOCUS OF SWISS PRIME SITE

Ecology

Swiss Prime Site is aware of its responsibility when it comes to climate protection and has been committed for some time to contributing towards the 2-degree goal of the Paris Climate Accord and the Swiss Federal Council’s climate neutrality goal. Taking both these targets into account, in 2019 the Company developed a CO₂ reduction pathway for the whole property portfolio. Swiss Prime Site plans to invest around CHF 650 million by 2050 to ensure that the group can also reach the long-term objective of climate neutrality.

More information on group-wide procedures can be found in the Environmental Policy.

Property portfolio focus

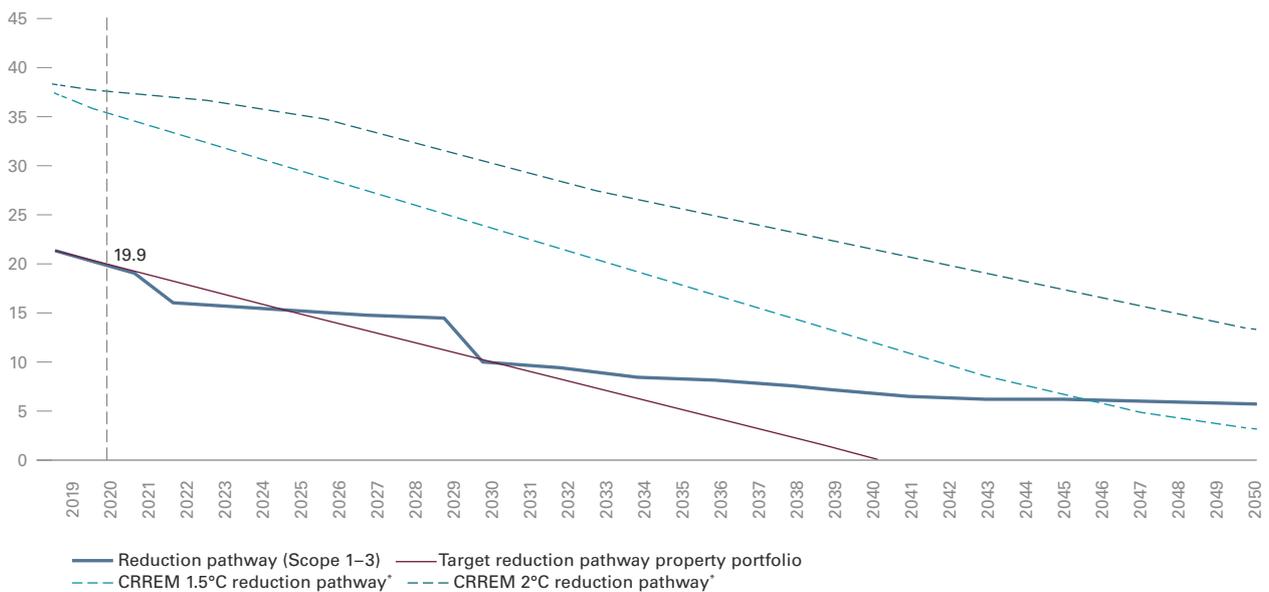
The focus of the CO₂ reduction pathway lies on the energy consumption of the property portfolio. By comparison, the CO₂ emissions from the Services segment are negligible (8.8% of total emissions in the reporting year). As Swiss Prime Site’s property portfolio is comparatively young and technologically advanced, energy consumption and CO₂ emissions are already relatively low.

In the reporting year, Swiss Prime Site’s Sustainability Board further tightened the reduction target for the property portfolio. The aim is now to achieve climate neutrality in the operation of the portfolio by 2040. The current CO₂ reduction pathway (plan as at 31.12.2020) factors in Scope 1, 2 and 3 emissions and is based on investment costs of around CHF 610 million for cladding renovations and CHF 40 million for heating replacement measures. As the illustration below shows, Swiss Prime Site is thus significantly exceeding sector-specific reduction scenarios and is making a significant contribution to achieving the goals of the Paris Climate Accord. However, the reduction pathway shows that the climate neutrality target will require further measures. The efforts intensified in the reporting year form the basis on which to move the plan further in the direction of climate neutrality. The plan will be regularly updated and published as part of annual reporting.

The standards for development projects and full renovations of existing properties necessary to achieve the current CO₂ pathway have applied since the reporting year and are set out in detail in the Integrated Report 2019. Detailed information on the calculation methodology can be found in the CO₂ accounting concept.

CO₂ reduction pathway property portfolio and climate goal 2040

[kg CO₂-eq/m²a]



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

Measures in the reporting year

In order to plan the measures covering the three action areas – energy, heat and cladding renovation – holistically and co-ordinate them with each other, in the reporting year Swiss Prime Site integrated the requirements of the CO₂ reduction pathway into the property strategies for each individual property in the portfolio. 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. This enables Swiss Prime Site to plan upcoming investments with a long-term focus and in a targeted manner. However, this means that the requirements in all affected business areas have to be taken into account and all those involved along the process chain – from acquisition to development and construction and through to portfolio and asset management – need to be made aware of them. Accordingly, in the reporting year the employees of Swiss Prime Site Immobilien and representatives of Wincasa received training informing them about the relevant process requirements.

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

More information on this can be found in the GRI Report.



«Our proprietary ESG analysis indicates Swiss Prime Site as one of the favoured companies in the future, as the company makes big efforts to reduce its ecological footprint. The planned strategic steps will help further to improve the sustainability of the portfolio and avoid potential future costs (e.g. CO₂ taxes).»

Pascal Boll
Equity Research Analyst Stifel Schweiz (21.10.2020)



YOU CAN FIND SWISS PRIME SITE'S
KEY STRENGTHS HERE

Employees

The success of the Swiss Prime Site Group is founded on highly competent and committed employees. They contribute their knowledge and ability to develop sustainable living spaces and render high-quality services. Swiss Prime Site entrusts them with important responsibilities and offers an attractive working environment characterised by flexible working-time models and comprehensive training and development opportunities. In doing so, Swiss Prime Site hopes to strengthen employee loyalty and ensure a strong customer focus across all processes.

More information on group-wide procedures can be found in the Code of Conduct for employees.

Leadership programme

The leadership programme is an important pillar of the group-wide roadmap to achieve these objectives. The programme has been running since 2017 for all employees in management roles in the Swiss Prime Site Group. It gives talent in all group companies and roles the opportunity to develop into leaders or to develop further as leaders. The programme establishes a common understanding of leadership and encourages mutual dialogue beyond the boundaries of the individual group companies. The Company also uses cross-group events, job rotations and interdisciplinary collaboration to strengthen knowledge transfer, networking, team-building and an understanding of changing customer requirements. In the future, Swiss Prime Site will strive to gather customer feedback more systematically and use it to develop training and development packages.

Real Passion 4 Real Estate

In addition to supporting employees with high potential, Swiss Prime Site prioritises helping young talent to enter the real estate business. As part of the traineeship programme «Real Passion 4 Real Estate», every year four graduates gain a detailed insight into the exciting world of real estate. Over 18 months at Swiss Prime Site, they learn about the different facets throughout the whole real estate life cycle. The aim is for the participants to gain experience, enhance their skills and establish the foundation for a successful professional or leadership career in the real estate industry. The programme enables Swiss Prime Site to obtain direct access to new young talent.

In addition to the group-wide programme, the group companies of the Swiss Prime Site Group are continuously investing to improve employee development and retention.

More information can be found in the GRI Report.



«After several years at Wincasa, I can now contribute my knowledge to facility management at Swiss Prime Site and in turn I can learn from my colleagues every day. Learning and developing within the Swiss Prime Site Group offer exciting prospects.»

Michael Strebel
Asset Manager Swiss Prime Site Immobilien



READ MORE ABOUT OPPORTUNITIES
FOR EMPLOYEES AT SWISS PRIME
SITE

Risk management, Reporting on climate-related financial risks (TCFD)

Risk management

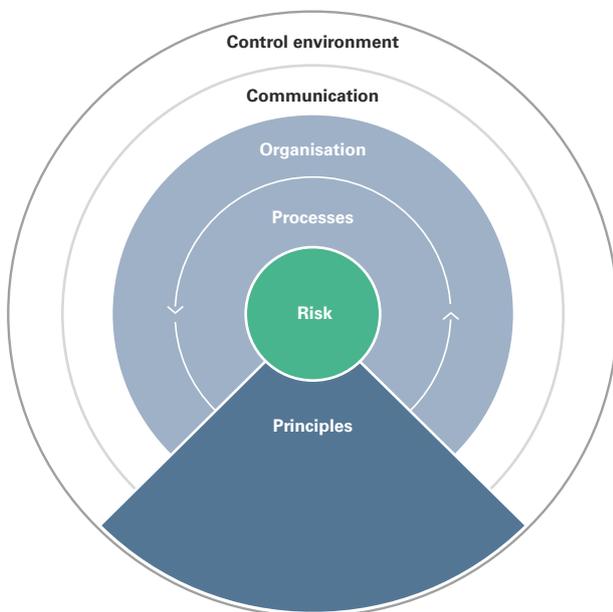
Ensuring continuity and exploiting opportunities

Swiss Prime Site is exposed to a broad spectrum of opportunities and risks. To achieve its long-term corporate goals, it is crucial to recognise changes in the economic, social, regulatory, technological and ecological environment early on. Managing opportunities and risks is therefore a high priority at Swiss Prime Site. The Company has put in place a systematic process for this which is an important foundation for ensuring that the business continues to successfully grow and develop.

Swiss Prime Site's risk management is based on the group-wide risk policy. It establishes a homogeneous, responsible approach to tackling opportunities and risks and promotes a uniform understanding of risk management within the Swiss Prime Site Group. Each group company also issues further specific requirements and measures.

Systematic risk management process at all levels

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



The principles ensure 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.

The control environment is based on the sense of responsibility demonstrated by the Board of Directors and the Executive Board, their awareness of risk and organisational measures for ensuring the proper conduct of business. This is supplemented by the Company's basic ethical values, the organisational structure, rules of conduct and clear allocation of responsibilities.

One crucial factor in risk management is transparent communication with internal and external stakeholders. All employees are required to maintain an ongoing dialogue about opportunities and risks.

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, whereby all employees contribute towards a considered approach in dealing with opportunities and risks.

The risk management process encompasses all activities for the management of opportunities and risks. Swiss Prime Site identifies risks within the framework of annual risk meetings. These take place between the Executive Board and the Risk & Audit Committee of the respective group company on the one hand, and between the risk owners and the Group Risk Management department on the other. Based on the risk analysis and assessment of specific systems and processes, group company-specific risk inventories are drawn up and then consolidated into Swiss Prime Site's overarching risk landscape.

The identified risks are assessed in relation to their causes and impact and assigned to appropriate risk categories (strategic, external, operational, financial and compliance risks) and risk owners. Swiss Prime Site also assesses its financial loss potential (impact) and the probability of occurrence. Depending on the risk profile, the necessary risk management measures are defined, also with a view to protecting the group's reputation.

At the Swiss Prime Site Group, risk reporting takes place yearly to the Board of Directors and Executive Board. This consists of a consolidated risk report and a risk inventory. At the individual group companies, similar reports are submitted to the responsible Board of Directors and Executive Management.

Most important risks in the various business fields

In the real estate sector, the COVID-19 pandemic increased the risk of rent defaults due to payment difficulties or bankruptcies compared with the previous year. The pandemic also had a negative impact on the vacancy risk. However, by proactively keeping in contact with tenants, Swiss Prime Site was able to respond very quickly to tenant requests and find amicable solutions. In addition, the revaluation of real estate, changes in interest rates and general financial market risk were still among the most important risks with medium loss potential and an average probability of occurrence in the real estate sector.

As in the previous year, the main challenges faced by group companies in the services sector were changes in customer requirements due to the digital transformation and competition in their respective markets.

Comprehensive assessment of cyber and climate risks

In light of the ongoing digital transformation, Swiss Prime Site attaches great importance to the topic of cyber risks. The Company therefore maintains a specific risk inventory and updates it annually. The effectiveness of the defined measures is reviewed regularly.

The same is true for climate risks, which have been mapped in a dedicated risk inventory since 2019. The corresponding updates were also reflected in this year’s reporting on climate-related financial risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For detailed information, refer to the TCFD Report of Swiss Prime Site.



«It’s crucial for Swiss Prime Site’s resilience that new and future-related risks are identified and managed early on. For example, we consider cyber and climate risks to be very important and analyse them annually in our risk management processes.»

Nicola Romaneschi
Head Group Internal Audit & Risk



READ MORE ABOUT
RISK MANAGEMENT AT SWISS PRIME
SITE

Reporting on climate-related financial risks

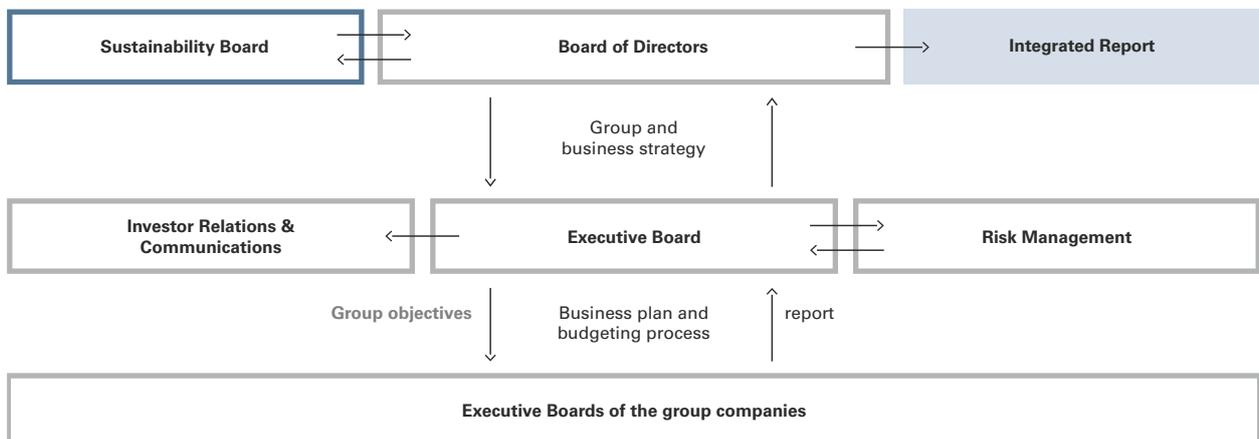
Since the 2019 financial year, Swiss Prime Site has been reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines on the impact of climate-related financial risks on the Company’s business activities and the measures taken to proactively manage these risks. In 2020, Swiss Prime Site strengthened sustainability-related governance within the Company, updated the climate risk assessment and adopted new measures in four strategic areas of action.

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 the Company and its shareholders and stakeholders. For Swiss Prime Site, it is clear that climate change and the opportunities and risks associated with it play an extremely important role. Put simply, the real estate industry has a significant impact on greenhouse gas emissions and is itself directly affected by climate change. Swiss Prime Site therefore takes its responsibilities as the largest listed real estate company in Switzerland seriously.

In 2019, the Board of Directors decided to set up a Sustainability Board reporting directly to the Board of Directors. The Board is responsible for managing climate-related opportunities and risks, defining and reviewing the sustainability strategy (including the CO₂ reduction pathway) and specifying suitable framework conditions for group companies in the form of overarching policies. In 2020, Swiss Prime Site further strengthened its sustainability governance. The previous Head Sustainability of the group com-

Governance on opportunities and risks in the area of sustainability



pany Wincasa, also on the Sustainability Board, was appointed Head Group Sustainability. He is responsible for implementing the group-wide sustainability strategy and therefore plays a big role in ensuring that financial and non-financial success factors and risks are managed in an even more integrated manner.

Strategy

Climate-related risks and opportunities

Under the TCFD guidelines, Swiss Prime Site makes a distinction between physical and transitional risks. Physical risks arise from extreme weather events, for instance, and directly impact the property portfolio, while transitional risks arise from the decarbonisation of the economy and new legal, social, economic and technological framework conditions. Swiss Prime Site considers the following risks in particular to be significant and takes account of them in its group-wide risk management:

<u>Physical risks</u>	<u>Transitional risks</u>
Increasing summer temperatures, more heatwaves 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 strong 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 following a proactive approach with 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 its 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 action area is the property portfolio, which is managed by the group company Swiss Prime Site Immobilien. By comparison, the CO₂ emissions of the Services segment are negligible (8.8% of total emissions in the reporting year). Swiss Prime Site has been following an ambitious CO₂ reduction pathway since 2019. In the reporting year, the Company tightened its reduction target and aims to have a climate-neutral property portfolio by 2040. The reduction pathway is therefore far more ambitious than the 2-degree target set out in the Paris Agreement. Examples of current measures carried out in the reporting year to achieve this goal are summarised in the section on the CO₂ reduction pathway. In addition, the other group companies are also reviewing significant investments and new services for their impact on climate change. Current examples can be found in the environmental section of the GRI Report.

2. Awareness-raising, further training and incentives

Swiss Prime Site is placing ever greater importance on the topic of climate change in its internal communications and the further training of its employees. In 2020, for example internal training sessions on the CO₂ reduction pathway were provided to the employees of group company Swiss Prime Site Immobilien and the Construction & Facility Management department at the group company Wincasa. The discussions carried out in the risk management process also help ensure all employees pay more attention to climate-related opportunities and risks.

By establishing new sustainability goals and applying them throughout the group, sustainability aspects will also become part of the business plan process of all group companies in the future, which the Company expects will further raise awareness (see the section on goals and measures).

Swiss Prime Site also plans to review the extent to which sustainability-related performance indicators ought to be embedded in the compensation guidelines in the future. Including more figures in compensation calculations could help the Company to integrate sustainability goals even more systematically into corporate processes.

3. Innovation management

Within its innovation management, Swiss Prime Site deals with disruptive topics such as climate change or trends that are gaining in importance in the context of climate change. The Company uses the skills of employees from various areas to help develop services that can help resolve social challenges. In 2020, for example, Swiss Prime Site examined the topic of the circular economy in detail. Circular principles are already being applied in a number of development and refurbishment projects. Some examples can be found in the section on the strategy and business model.

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 2020, for example Swiss Prime Site reported on its commitment to climate protection at the annual Capital Markets Day. The stakeholder event, which takes place every two years, also regularly examines climate-relevant topics.

Risk management

Swiss Prime Site has integrated climate-related risks into its group-wide risk management process since 2019. In assessing the risks, the Company uses an event-based scenario analysis and science-based modelling of the «Climate Value-at-Risk» of the entire property portfolio.

In the event-based scenario analysis, Swiss Prime Site assesses physical and transitional climate risks every year using qualitative scenarios. As part of this process, potential events are evaluated based on their probability of occurrence and the scale of their impact on the Company's value and 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» of Swiss Prime Site's property portfolio. The analysis 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.



«Constructing, maintaining and operating real estate is one of the main sources of greenhouse gases worldwide. However, this sector also offers some of the greatest opportunities for reducing emissions and is therefore fertile ground for our engagement. We have been invested in Swiss Prime Site for several years. In implementing our ESG concept, we initiated our active engagement to the topic of climate change in 2019 and looked into how much this important aspect is already being integrated into the Company's operations, in areas such as strategy and risk management.»

Dominik Scheck
Head ESG, Credit Suisse Asset Management



READ MORE ABOUT HOW
SWISS PRIME SITE
SUSTAINABLY IMPROVES
ITS PROPERTY PORTFOLIO

The following are events with the highest risk potential:

Physical risks

Potential events caused by climate change	Impact on Swiss Prime Site	Measures
<ul style="list-style-type: none"> - Increasing summer temperatures - More heatwaves - Long-lasting periods of heat 	<ul style="list-style-type: none"> - Rising (ancillary) costs due to higher energy requirements for cooling - Potential falls in net rental income due to higher ancillary costs (gross rent perspective) - Lower rentability/higher vacancies (cost factor/unfavourable climate conditions of the property) - More stringent requirements on cladding and housing technology - Complying with promised indoor climate conditions <p>Horizon for action in the event of occurrence:</p>	<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 strong 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>	<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

- Negative impact on the health and mortality rates of individuals

- Stricter requirements on comfort and indoor climate (e.g. GI certifications)
- Lower attractiveness or rentability of «warm» spaces
- Sick building syndrome

Horizon for action in the event of occurrence:



- Location and use of the buildings must be factored in
- Factoring in the effect of rising temperatures on living and working comfort in properties, particularly in cities
- If necessary, identification and implementation of preventive measures, e.g. increase in proportion of green spaces
- Project-specific consideration through the use of suitable materials
- Property-specific consideration through the use of suitable materials in renovations
- Prevention through suitable insurance

Metrics:

- Number of tenant complaints
- Total costs of special measures to prevent situations injurious to health

- Changes in customer focus

- 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)

Horizon for action in the event of occurrence:



- Factoring in sustainability criteria for existing stock and new build projects
- Additional sustainability requirements for suppliers
- Comprehensive and integrated reporting

Metrics:

- Demand for certifications of buildings and rented spaces
- Enquiries by tenants/the public/investors on properties' sustainability

Regulatory changes

- Regulations on the use of renewable energies and energy efficiency

- 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)

Horizon for action in the event of occurrence:



- Portfolio analysis to identify risks
- Implementation of requirements for new construction projects
- Implementation of requirements for existing properties
- Factoring in of sustainability criteria for existing stock 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

Metrics:

- Energy management (current efficiency and energy mix)

Potential events caused by climate change	Impact on Swiss Prime Site	Measures
<ul style="list-style-type: none"> Requirements for the reuse/recycling of materials (circular economy) 	<ul style="list-style-type: none"> Additional requirements for building planning, development and demolition (e.g. minimum quotas for recycling and recyclability of building materials) Rising construction costs and longer planning phases due to increased planning and building requirements <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> Implementation of requirements for new construction projects Implementation of requirements for existing real estate Active monitoring of technical and regulatory developments, if necessary deriving requirements for Swiss Prime Site and suppliers Supplier management Operationalise Madaster <p>Metrics:</p> <ul style="list-style-type: none"> Being developed

Expectations about sustainability information

<ul style="list-style-type: none"> Investors, regulators and the public are stepping up the debate about sustainability 	<ul style="list-style-type: none"> Attractiveness to investors falls, with potential impact on share price and financing Further integration of sustainability into the business model necessary Impact on fair value; higher valuation expenses Sustainable investments in properties necessary to boost valuations (long investment cycles vs short-term valuation) Increased relevance of reporting Increased expense of gathering and maintaining relevant data Additional expense of identifying and gathering relevant data across the whole value chain <p>Horizon for action in the event of occurrence:</p> <p>1 year 3 years 10 years</p>	<ul style="list-style-type: none"> Integration of sustainability requirements into property strategies Targeted increase in investment in sustainability of real estate Timely responses to questionnaires from institutional investors and leading rating providers (MSCI, ISS ESG, Sustainalytics, GRESB) Separate sustainability roadshows with ESG managers of institutional investors Monitoring of ESG KPIs in business processes and property strategies Annual integrated reporting <p>Metrics:</p> <ul style="list-style-type: none"> Investor relations enquiries Sustainability ratings (e.g. ESI) for real estate and companies Total investment in sustainability of real estate
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Measures launched or being prepared
 Measures partially addressed
 No measures launched yet



**GRI Report,
key figures of the
group companies,
GRI content index**

GRI Report

Universal Standards

102-9 Supply chain

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

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

Category	Purchasing volume 2020 (CHF million)
Total	435.6
Development investments	182.3
Follow-up investments in standing investment properties	162.5
Investments in proof of concept projects	36.3
Maintenance and repairs	13.4
Property & facility management	41.3

Swiss Prime Site Solutions' purchasing is limited almost exclusively to consultancy services, since all procurement in facility management or construction services relating to the managed property portfolio is approved as a general rule by the owner (executive management or the Foundation Board of the Swiss Prime Investment Foundation).

Wincasa purchases products and services in the mandate business for property owners, as well as for its own operations. In its mandate business, Wincasa applies ecological and social criteria that go beyond the legal requirements if requested by the property owner. In 2020, the company purchased some CHF 28 million worth of goods and services for its own operations from more than 200 direct suppliers.

The Jelmoli range includes around 2200 brands; in the reporting year, the company purchased goods worth approximately CHF 58 million. A large proportion of the products fall into the fashion, beauty, sport, food and home living categories. Since 1 August 2020, Jelmoli has been a member of amfori BSCI/BEPI – an initiative that promotes transparency, ecology and fairness in supply chains. As a result, in September 2020, the new supplier terms regarding environmental and social standards were sent out; these have to be signed by most suppliers.

102-12 External initiatives

Swiss Prime Site recognises the dangers associated with ongoing climate change and has committed itself to achieving the 2-degree goal of the Paris Agreement. The Company has adopted the target as a yardstick for its own climate goals and initiatives. It aims to have a climate-neutral property portfolio by 2040 and contributes as a group to climate neutrality by 2050. When evaluating and disclosing the risks arising from climate change, Swiss Prime Site follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). More information can be found in the TCFD Report.

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

102-13 Membership of associations

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

Swiss Prime Site Immobilien is represented on the supervisory board of Verband Immobilien Schweiz (VIS) that, among other things, is concerned with creating liberal market and competitive conditions. The company is also represented on the board of directors of Madaster, a platform aimed at improving resource efficiency in the construction and real estate sectors.

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

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

Jelmoli attaches importance to maintaining good relations with its neighbours and is therefore a member of the Bahnhofstrasse Association that aims to preserve and promote the Bahnhofstrasse in Zurich as an attractive retail thoroughfare. As a member of the Swiss Retail Federation, Jelmoli works to further the interests of the retail sector. The company is also a founding member of the IGDS (Intercontinental Group of Department Stores), enabling it to maintain a close dialogue with other leading department stores across the globe. Since August 2020, Jelmoli has been a member of amfori BSCI/BEPI – an initiative that promotes transparency, ecology and fairness in supply chains. In addition, Jelmoli joined the Textil Alliance Suisse 2020 in the reporting year and supported their manifesto on the future of the Swiss textile industry, «Zukunft Textilbranche Schweiz», that is committed to seasonal ranges, shorter sales periods and products with a higher value.

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

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

In 2016, the corporate values and the Code of Conduct were introduced in the individual group companies, where they have since been embedded in the corporate culture through regular information events and ad hoc advice sessions. In addition, new management staff are made aware of the values and the Code of Conduct at Welcome Days. As a further measure in 2019, the entire policies and procedures system was revised at group level and prepared for the group companies to implement individually.

The decision was taken in the reporting year to publish additional group-wide standards from 1 January 2021: Supplier Code of Conduct, Environmental Policy.

102-40 List of stakeholder groups

102-42 Identifying and selecting stakeholders

102-43 Approach to stakeholder engagement

102-44 Key topics and concerns raised

Key stakeholders	Methods of exchanging information	Key issues
Swiss Prime Site Group		
– Shareholders	– Conferences and roadshows	– Course of business
– Analysts	– Regular discussions with analysts via the Board of Directors, Executive Board and Investor Relations	– Current developments
– Investors	– Annual investors' day (Capital Markets Day)	– Strategy
– Proxy advisors	– Annual General Meeting	– ESG performance
	– Half-yearly financial results press conferences	
	– Half-yearly reporting (incl. short report)	
	– Website and social media channels	
Swiss Prime Site Immobilien		
– 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 (residents, associations, political representatives)	– Satisfaction surveys (next survey planned for 2021)	
Swiss Prime Site Solutions		
– Swiss Prime Investment Foundation (as sole current customer)	– Weekly discussion with executive management	– Investment decisions
– Investors	– Monthly discussion with the foundation board	– Range of services
– Supervisory authorities	– Events, roadshows and individual portfolio meetings	– Project developments and acquisitions
	– Annual investors' meeting	– Corporate structure
	– Annual reporting	– Authority of key individuals
	– Website and social media channels	

Key stakeholders	Methods of exchanging information	Key issues
Wincasa		
– Major commercial tenants and around 68 000 residential tenants	– Regular dialogue and coordination meetings with the management of major customers	– Issues on commercial and infrastructure 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	
Jelmoli		
– Customers	– Daily dialogue with customers in store	– Range and product quality
– Suppliers	– Information desk	– Customer support
– Retail floor space tenants	– Mystery tests	– Linguistic and intercultural skills
	– Regular dialogue with suppliers and retail floor space tenants	– Revenue and profitability
	– Website and social media channels	– Declaration obligations
		– Combination of supply of proprietor-managed and let retail floor spaces

102-41 Collective bargaining agreements

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

Topic-specific standards

Economic topics

201 Economic performance

103-1 Management approach

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Swiss Prime Site Group

With a comprehensive approach to sustainable value creation, Swiss Prime Site is confident it will be able to achieve long-term growth that will be of economic benefit to its various stakeholders and will enable it to provide its shareholders with appropriate dividends. The principles of sustainable company management are clearly defined as part of the business plan and budget process, in which the opportunities, challenges and objectives for the next three-year and five-year periods are considered. The business plan is revised each year. Since 2018, it has included a scenario analysis that examines the potential development of the business in light of various economic and regulatory changes. The business plan and outlook must be approved by the Board of Directors.

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

Swiss Prime Site Immobilien

The group company focuses on continuously improving its portfolio – not least through a range of new build developments and redevelopments of standing investment properties as well as sales of properties that are no longer strategically relevant. In addition, asset management focuses on reducing vacancies and operating costs and optimising heat and electricity consumption to reduce CO₂ emissions.

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

In 2020, many tenants were directly affected to a greater or lesser degree by the impact of COVID-19. The asset management team at Swiss Prime Site Immobilien was in direct contact with the

companies and processed their requests for rent reductions or extensions. With these measures, Swiss Prime Site Immobilien was able to maintain the vacancy rate at around 5%. There will continue to be a focus on reducing vacancies in the future.

In the reporting year, several construction projects were successfully completed and handed over to tenants according to schedule, including the A1 revitalisation project in Oftringen and the Schönbürg project in Berne. In the JED project in Schlieren, the West Log project in Zurich Altstetten and in Stücki Park in Basel, Swiss Prime Site Immobilien also handed over the first rental spaces to key tenants.

Swiss Prime Site Solutions

Swiss Prime Site Solutions has been the real estate asset manager for the Swiss Prime Investment Foundation (SPIF) since 2017. Since then, the property assets of the Swiss Prime Investment Foundation have grown from CHF 1.4 billion to CHF 3.0 billion. On the back of this success, the Swiss Prime Investment Foundation decided in 2019 to extend its asset management contract with Swiss Prime Site Solutions until 2023.

In the reporting year, Swiss Prime Site Solutions propelled SPIF along its growth course as planned. The company successfully realised ongoing construction projects and acquired several properties. In addition, SPIF Real Estate Switzerland raised over CHF 160 million as part of two capital increases, which also expanded the investor base.

In 2020, emphasis was placed on the design and launch of SPIF's new investment product. This new product, «SPA Living+ Europe», invests in European real estate with various attractive residential uses. The product has a particular focus on the Senior Living segment. Student housing, service apartments, micro living and other forms of use provide diversification.

The expansion of the customer base is to continue in the future. To this end, in the reporting year Swiss Prime Site Solutions worked on additional investment products that were first announced as part of the Capital Markets Day 2020; these will be available to both domestic and foreign investors from 2021.

Wincasa

In a commercially challenging services environment, it is essential that Wincasa retains its high level of competitiveness and quality. To that end, the company employs clearly structured processes, the efficiency of which are constantly monitored and improved. In 2019, the company introduced several new IT systems during the course of changing its ERP system, contributing to further increases in efficiency in 2020.

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

With the aim of becoming even more customer-centric, the Wincasa Customer Value Center (CVC) was further developed in 2019 as the central interface for property management issues. In 2020, the CVC handled around 435 000 enquiries (phone and email), with the proportion of contacts shifting further in favour of email enquiries. As a result, the speed at which enquiries were processed increased even further.

In addition to making process improvements, Wincasa won new mandates in 2020 and extended existing ones. As of July 2020, the property portfolio of the Bern-Lötschberg-Simplon railway (BLS) was fully integrated and the agreement with the Swiss Prime Investment Foundation (SPIF) was renewed for another three years, until 2024.

Jelmoli

In the reporting year, Jelmoli’s main focus was on further improving its range of products and services. In a challenging market environment with strong competition from online retailers, it is even more important to offer customers in bricks-and-mortar retail a special shopping experience. In 2019, Jelmoli rebuilt almost the entire ground floor area, which makes a lasting, positive impression upon first entering the building. The continually expanded and strengthened partnerships with national and international suppliers show that the differentiation strategy and positioning as the largest omnichannel premium department store in Switzerland, which places profitability ahead of high sales figures, is highly effective.

However, the COVID-19 pandemic and the closures ordered by the government and likely continued restrictions have been a major setback for the retail industry as a whole, and Jelmoli’s efforts in recent years in particular. The expansion into Zurich Airport has therefore been put on the back burner. Since March 2020, Jelmoli has had a presence in the Airside Center and since November 2020 in the landside Circle – two different formats in two attractive spaces at Zurich Airport. Jelmoli expects the opening of a further foothold in the Zurich area will give rise to economies of scale and synergy effects. At the same time, the ever-increasing use of Zurich Airport expected from 2021 can be used to strengthen Jelmoli’s market presence and brand positioning among international and Swiss customers. However, this branch expansion calls for system-related improvements within the process landscape. Jelmoli is therefore planning to release a new ERP system in spring 2021. After the ERP system goes live, a major re-launch of the online shop is also planned.

201-1 Direct economic value generated and distributed

For detailed financial figures, see the Financial Report.

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 their risk management process. Detailed information on this can be found in the TCFD Report.

201-4 Financial assistance received from government

Swiss Prime Site Group

In 2020, Swiss Prime Site’s income statement was positively impacted by tax rate reductions relating to the implementation of Swiss tax reform (STAF), amounting to some CHF 7 million.

Swiss Prime Site Immobilien

Swiss Prime Site Immobilien receives occasional contributions from the buildings programme for construction measures that reduce energy consumption or CO₂ emissions, as well as one-off payments for the installation of photovoltaic systems. In the reporting year, the company received a one-off subsidy of CHF 500 000 for the Minergie certification of the Schönburg project in Berne.

Jelmoli

During the lockdown in spring 2020, full or partial short-time working hours were announced for 65% of Jelmoli’s employees. The Board of Directors and Executive Board of Swiss Prime Site Group decided to set up a solidarity fund for Jelmoli employees. This was intended to provide quick and effective help to sales employees who had to reduce their working hours due to COVID-19 and the closure of the premium department store, and suffered a loss in wages as a result.

The fund was endowed with CHF 450 000 and was financed equally from the Board of Directors’ fees and Executive Board members’ salaries.

203 Indirect economic impacts

103-1 Management approach

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

In order to ensure that each property and each new build or renovation project creates added value for the users, residents and the local economy, every project begins with a detailed analysis of the specific characteristics of the location in dialogue with residents, interested users, local authorities and representatives

of the business community, from which further measures are then derived. Depending on the project and the requirements, this analysis may also include a consultation on environmental, health and safety aspects. These discussions are initiated by employees in the development, asset management and communication departments of the Swiss Prime Site Group.

The priority of all stakeholders is to create added value from a range of different perspectives, for example by providing an attractive range of bars and restaurants or on-site childcare facilities. For the new building project YOND in Zurich Albisrieden, for example, there was a special focus on making the building attractive for small businesses by maximising the flexibility of available space. The rental space for the JED project in Schlieren, on the other hand, is primarily aimed at innovative companies and so focuses on active community-building. By encouraging a diverse range of tenants, Swiss Prime Site also ensures that risks are diversified and long-term rental income is secured.

In addition to designing the buildings in accordance with requirements, Swiss Prime Site always contributes to the design of public spaces, green areas and mobility services and comes up with creative ways to make temporary use of vacant properties. In 2020, for example, the Company supported the continuation of a pilot project to establish a shuttle bus service from Basel railway station to Stücki Park, intended for use primarily by employees of the laboratories based there. For the YOND project, Swiss Prime Site Board designed a comprehensive mobility concept aimed at reducing the environmental impact of commuter traffic. Further measures to complement public infrastructure are developed on a project-specific basis in collaboration with the authorities, tenants and local residents involved.

203-1 Infrastructure investments and services supported

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

In 2020, Swiss Prime Site supported events such as the NZZ Real Estate Days, CE2 Day held by Circular Economy Switzerland, and the Top 100 Startup Award. Further 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 the Tonhalle Orchestra. By making contributions to a number of institutions in the Olten region, the Company also demonstrates its commitment to the area in which its head office is located. The group companies can directly pledge smaller charitable commitments.

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

Innovation culture and partnerships

103-1 Management approach

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Innovation culture

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

Swiss Prime Site's innovation strategy is embedded in the corporate strategy, for which a central unit reporting to the CEO is responsible. A group-wide trend survey forms the basis for the innovation capacity of Swiss Prime Site. Early signals and market trends are systematically recorded and analysed by the Future Board and the Retail Board. In addition, Swiss Prime Site organises regular interdisciplinary workshops on megatrends and future-relevant issues. In 2020, these included logistics and the circular economy. The aim of the workshops is to develop specific ideas and establish innovative thinking in Swiss Prime Site's corporate culture.

Innovation partnerships

In addition to fostering a culture of innovation, partnerships with start-ups and research organisations are seen as very important. As part of the corporate ventures, Swiss Prime Site looks to develop innovative products and seeks out new scalable business models. To this end, the Company collaborates with Venture Lab, a Swiss institution for the promotion of start-ups. The aim of the partnership is to work with young companies to develop specific business ideas that can then be implemented within the operations of the Swiss Prime Site group companies. Since 2017, three or four Accelerator Workshops have been held each year and a total of around twenty projects that emerged have been implemented.

Climate-adapted construction

Innovation plays an important role in making buildings and settlements resilient in the context of climate change. Swiss Prime Site Immobilien therefore devotes considerable effort to finding new approaches to climate-adapted construction. Studies associated with the «maaglive» project combine building densification with the creation of improved outdoor green space that is intended to ensure a good standard of living and provide resistance against weather extremes in urban areas.

Another example of climate-friendly construction is the JED project in Schlieren that can be seen as a counterproposal to high-tech real estate development. The solid construction design uses particularly thick external walls and a sensor-controlled ventilation system for the windows to ensure a pleasant indoor temperature between 22 and 26°C without using any heating in winter or mechanical cooling in summer. Building authorisation has been granted and construction is scheduled to begin in 2021.

- 205 Anti-corruption**
- 206 Anti-competitive behaviour**
- 103-1 Management approach**
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Combating corruption

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

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

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

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

Competitive business activities

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

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

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

In 2020, training material on the Code of Conduct was issued to new managers at the Welcome Day. The material covered corruption and bribery and how to deal with conflicts of interest. In ad-

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

205-3 Confirmed incidents of corruption and actions taken

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

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

There were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2020.

Environmental topics

302 Energy

305 Emissions

103-1 Management approach

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Swiss Prime Site Group

Swiss Prime Site is committed to protecting the environment and conserving resources, be it in relation to investments in real estate, the management and use of properties, or any other associated services. The overarching aims and obligations of the Company are set out in the group-wide environmental policy. The Company gathers detailed key figures on energy consumption and greenhouse gas emissions across the group and uses these as a basis for continuously improving its environmental performance. Swiss Prime Site is pursuing ambitious energy consumption and emission goals that go far beyond the goals of the Paris Agreement and contribute to the Federal Council's goal of achieving climate neutrality by 2050. Detailed information can be found in the section on the CO₂-reduction pathway.

Swiss Prime Site Immobilien

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

Across all its operations, the company has made greater use of renewable energy a key priority. In a portfolio analysis completed in 2019, the replacement of fossil-fuel heating systems in more than 40 properties was checked against the planned refit schedules on the basis of various building parameters. In the reporting year,

two existing properties were connected to the district heating network and three new builds with renewable heat energy were put into operation. In a range of properties, Swiss Prime Site Immobilien also benefited from the increased ecological quality of district heating. Further connections to the district heating network are planned from 2022. In addition, the multi-year plans drafted in the reporting year to renovate the shells of buildings in the portfolio will make a major contribution to achieving the goals of the reduction pathway.

In 2019, Swiss Prime Site Immobilien assessed the entire property portfolio to determine its suitability for the installation of photovoltaic systems, with the aim of increasing its own production of renewable electricity in the future. During this process, 18 properties were identified where additional photovoltaic systems could be installed. Four systems were already fitted in the reporting year. More projects will be completed in 2021. Furthermore, the company assessed all development projects to determine whether there was potential to install a photovoltaic system. The willingness of future tenants to purchase electricity generated on-site is also a factor in the investment decision. In some properties, the purchase of electricity produced on-site is stipulated in the rental contracts.

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

In order to achieve the ambitious goals of increasing energy efficiency and cutting greenhouse gas emissions, it is essential that real estate is not optimised as individual properties but is seen as part of a system that needs to be improved as a whole. Swiss Prime Site Immobilien therefore focuses increasingly on promoting and tapping into climate-friendly mobility services. For example, the company has already carried out several projects to install and run electric charging stations. At the end of 2020, the property portfolio had 33 electric charging stations with 48 charging points.

Swiss Prime Site Solutions

As a service company, Swiss Prime Site Solutions follows the guidelines of their customer, the Swiss Prime Investment Foundation, when optimising energy consumption and reducing CO₂

emissions. In the reporting year, the SPIF started developing a sustainability strategy. In this way the SPIF is also responding to the expectations of investors, who are now clearly attaching more importance to sustainability. As a first step, Swiss Prime Site Solutions was commissioned to implement an energy controlling system for the SPIF property portfolio. Similar to the Swiss Prime Site Immobilien portfolio, this will identify potential for optimisation across operations and implement measures over the next few years.

Wincasa

When it comes to energy and emissions, it is important to differentiate between the company's own energy consumption and emissions and potential in property portfolios managed for customers. Within the company, around 50% of CO₂ emissions are caused by its own employees' mobility. In the reporting year, the company's mobility plan was further developed and measures implemented to promote mobile working and non-motorised transport. The SBB Business Travel tool and an intermodal route planner were also introduced in the reporting year. In addition, at the headquarters in Zurich, the use of Mobility hire vehicles was tested and the option of booking available parking spaces via the streamnow app was set up.

In the managed property portfolio, Wincasa has worked for years with a dedicated consultancy team, advising on the issue of sustainability within construction and facility management. Property and environmental experts advise property owners and customers about their portfolio and properties. Central services at a portfolio level include: developing and implementing sustainability strategies for property portfolios, implementing energy management systems and managing energy controlling and operational optimisation mandates, supporting involvement in benchmark initiatives (e.g. GRESB), developing and operationalising CO₂ reduction strategies for property portfolios (CO₂ reduction pathway) and (structured) energy procurement.

At a property level, Wincasa supports owners with the certification of properties and the development and implementation of property strategies. 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. In the reporting year, Wincasa launched a new service relating to electric mobility. The service includes advising property owners on developing property-specific electric mobility concepts. As part of this, a separate position was created for electric mobility, responsible for supporting the projects and expanding the service.

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

Jelmoli

As a tenant of retail and storage space, Jelmoli has limited influence over energy consumption and the associated CO₂ emissions. However, with Swiss Prime Site Immobilien as an owner, the company can count on energy improvements being actively driven as part of the CO₂ reduction pathway. The owner has a ten-year plan for the property on Bahnhofstrasse in Zurich. This includes improvements to the building shell and air conditioning systems. In addition to the retail floor spaces, storage facilities are also being continuously improved. In the reporting year, the lighting in the rental space of the goods storage facility in Otelfingen was switched to LED lighting. In 2021, the same upgrade will be carried out on Jelmoli's rental spaces.

Jelmoli is also endeavouring to reduce the CO₂ emissions of their logistics operations, specifically for the last mile of B2B and B2C deliveries. To achieve this goal, in 2020 Jelmoli started using a truck powered by natural gas. In 2021, the company will also renew its delivery fleet by replacing worn-out vehicles. An analysis was therefore carried out in the reporting year to assess whether electric or fuel cell vehicles should be used. A definitive decision has not yet been made. Furthermore, all of Jelmoli's logistics partners must now guarantee that their deliveries are emissions-free or that they make appropriate compensation payments.

302-1 Energy consumption within the organisation

302-3 Energy intensity

302-4 Reduction of energy consumption

305-1 Direct (Scope 1) GHG emissions

305-2 Energy indirect (Scope 2) GHG emissions

305-3 Other indirect (Scope 3) GHG emissions

305-4 GHG emissions intensity

305-5 Reduction of GHG emissions

See key environmental metrics and the CO₂ accounting concept

303 Water, effluents and waste

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103-1 Management approach

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Swiss Prime Site Group

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

Swiss Prime Site Immobilien

To reduce the quantity of water consumed, Swiss Prime Site Immobilien measures the water use of each property and installs water-saving taps and efficient devices in all common areas. For rental spaces, it is only possible to formulate recommendations. The development & construction teams have standards governing irrigation systems and rain and grey water usage, particularly for major renovation or new build projects. These are based on the standards issued by the certification organisation SNBS (the Swiss Sustainable Building Network). Operating buildings and producing construction material both use a lot of water. Swiss Prime Site Immobilien therefore intends to encourage producers and suppliers to take more responsibility for this by including appropriate requirements in contracts.

As a member of the board of directors of Madaster Switzerland, Swiss Prime Site Immobilien is committed to increasing the efficient use of resources and a gradual transition to a circular economy. Circular elements have already been implemented in several new build and full renovation projects, so that as much as possible of the material used in construction can be recycled. To improve understanding of a circular economy, in the reporting year Swiss Prime Site Immobilien, together with representatives of other group companies, took part in an innovation workshop on the

subject of the circular economy and developed specific solutions to gradually increase circularity. This included thinking about how construction and demolition rubble is handled. To standardise the approach across the company, in 2020 Swiss Prime Site Immobilien developed specific standards for new build and renovation projects. Detailed information is available on the company website.

Swiss Prime Site Solutions

In the reporting year, Swiss Prime Site Solutions helped the SPIF to develop a sustainability strategy in which the central topic was the optimisation of resource use. The strategy is scheduled to be operationalised from 2021.

Wincasa

As Wincasa manages properties as a service provider on behalf of the owners, the company only has limited influence on resource use. However, Wincasa seeks where possible to raise the awareness of both owners and tenants and reduce both water use and waste production. For instance, the company launched a campaign to install water-saving shower heads, with the goal of saving both water and energy. As at the middle of 2020, more than 10000 aerated shower heads had been installed in around 100 properties. This is estimated to save around 73 million litres of water and around 1.8 million kWh per year (550 tCO₂).

Jelmoli

Reducing waste or the optimal recycling of waste is a key priority for Jelmoli. For example, the company has a successful concept for reducing food waste in their food segment. The company's own restaurants use food from the FOOD MARKET that is still fresh but no longer looks perfect enough to be sold. This not only helps to reduce the amount of food thrown away, it also helps to cut costs. In addition, on the Too Good To Go portal between 7:00 and 7:30 pm, people can place orders at reduced prices for a variety of dishes that would otherwise have to be thrown away at closing time.

Under the waste management concept, the reusable materials and waste generated in sales and logistics and the corresponding processes are continuously checked and optimised in line with current recovery, recycling and waste disposal practices. All reusable material is collected and recycled daily.

To make the packaging used in the department store more sustainable, all plastic carrier bags were replaced with more sustainable paper bags in 2019. And in the online shop, packaging material was selected based on sustainability criteria and produced entirely in Switzerland. Online shop customers can also choose whether they agree to goods being sent in used packaging boxes. All other packaging material has ecological labels and the majority of it is produced in Europe.

303-5 Water use

306-2 Waste by type and disposal method

See key environmental metrics.

CRE5 Land degradation, contamination and remediation

Swiss Prime Site Immobilien

Checking land and buildings for hazardous materials and, if necessary, safely removing them is a routine procedure for Swiss Prime Site Immobilien. If there appears to be a potential danger to tenants, immediate measures are taken to eliminate the risk. In the reporting year, CHF 0.55 million was spent on cleaning up contaminated sites as part of construction work.

Swiss Prime Site Solutions

The same approach applies at Swiss Prime Site Solutions. In 2020, the company disposed of all hazardous land waste at the Neugstadig new build project in Liestal. The site could then be removed from the register of contaminated sites.

Environmental key performance indicators¹

Swiss Prime Site real estate portfolio

	Unit	2019	2020
Properties	number	164	159
Usable floor space	m ²	1 522 650	1 549 743
Total energy consumption	MWh	208 874	199 728
Share renewable	MWh	95 080	90 541
Share non-renewable	MWh	113 794	109 187
Electricity	MWh	84 495	78 988
Share renewable (hydro)	MWh	66 482	62 641
Share non-renewable (standard Swiss consumer mix)	MWh	18 013	16 347
Heating energy	MWh	124 379	120 740
Heating oil	MWh	6 875	5 538
Natural gas	MWh	70 898	68 626
District heating	MWh	46 318	46 288
Share renewable	MWh	28 310	27 612
Share non-renewable	MWh	18 008	18 676
Wood chips	MWh	288	288
Total energy intensity ²	kWh/m ²	163.8	158.4
Electricity intensity ³	kWh/m ²	75.5	74.4
Heating energy intensity ⁴	kWh/m ²	90.4	86.6
Total CO ₂ emissions ⁵	tCO ₂ e	25 361	24 041
Scope 1 emissions	tCO ₂ e	14 733	13 029
Scope 2 emissions	tCO ₂ e	4 016	4 260
Scope 3 emissions	tCO ₂ e	6 612	6 752
CO ₂ intensity ⁶	kgCO ₂ e/m ²	21.4	19.9
Total water use	m ³	855 734	618 056

¹ For explanations of the accounting concept, see pp. 96–98.

² Energy consumption (electricity and heating energy) is measured at meter level and allocated to different types of floor space for balancing purposes. The individual areas do not add up to the total usable floor space. This applies accordingly to the electricity intensity, the heat intensity and the CO₂ intensity. The energy intensity refers to an area of 1 261 188 m².

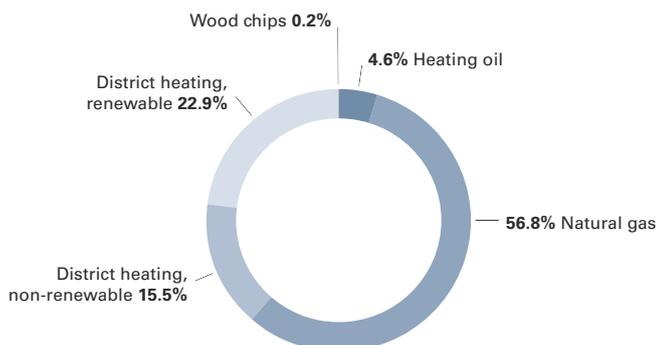
³ The electricity intensity refers to an area of 1 061 839 m².

⁴ The heat intensity refers to an area of 1 393 840 m².

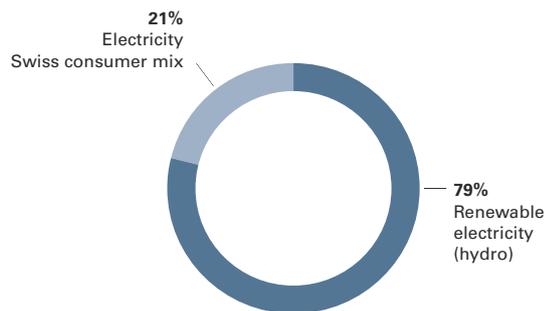
⁵ CO₂ emissions are reported separately for the real estate and services segments, as emissions from the services segment (see pp. 69–70) are negligible compared with the emissions from the property portfolio (8.8% of total emissions in the reporting year).

⁶ The CO₂ intensity refers to an area of 1 208 088 m².

Breakdown by heating energy source

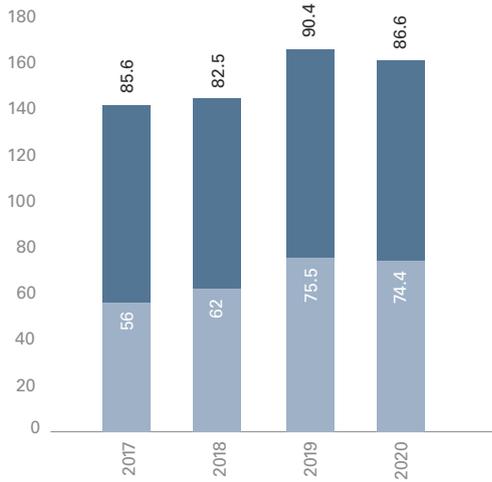


Breakdown by electricity source



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

kWh/m²



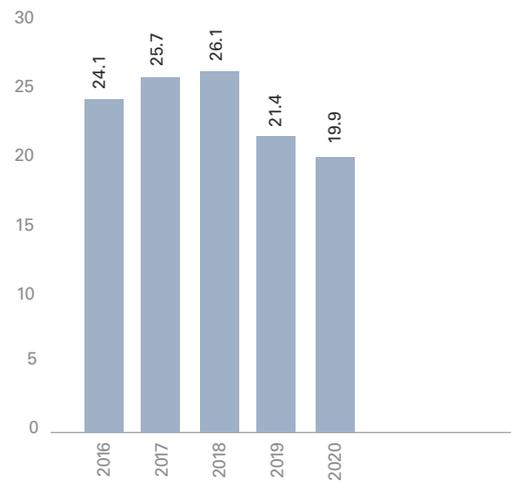
■ Electricity ■ Heating

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 accounting concept, p. 96–98).

² Since 2019, the total energy consumption has been recorded based on the usage of specific areas (total area, common area and tenant area) (see accounting concept, p. 96–98).

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

kg CO₂e/m²

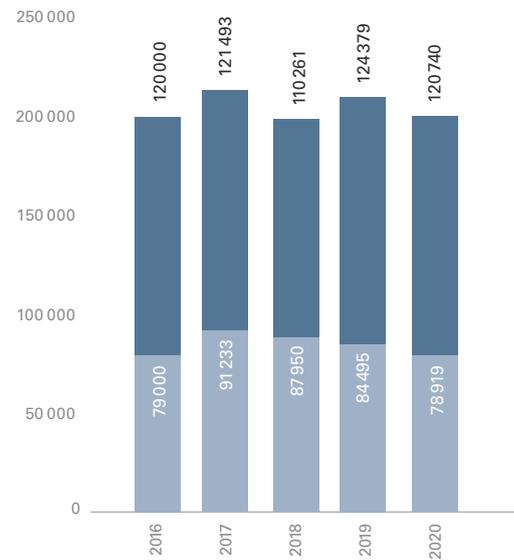


¹ Since 2019, heating consumption has no longer been adjusted based on heating degree days. Total energy consumption relates to the total area of the properties (see accounting concept, p. 96–98).

² Since 2019, the total energy consumption has been recorded based on the usage of specific areas (total area, common area and tenant area) (see accounting concept, p. 96–98).

Total energy demand¹

MWh



■ Electricity ■ Heat

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}

	Unit	2019	2020
Total CO ₂ emissions	tCO ₂ e	140	76
Scope 1 emissions	tCO ₂ e	0	0
Scope 2 emissions	tCO ₂ e	0	0
Scope 3 emissions ³	tCO ₂ e	140	76

¹The data covers Swiss Prime Site Management AG as well as the group companies Swiss Prime Site Immobilien and Swiss Prime Site Solutions.

²As the companies included 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. 67) in accordance with the accounting concept. For further explanations of the accounting concept, see pp. 96–98.

³Scope 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 Wincasa¹

	Unit	2019	2020
Usable floor space	m ²	22 769	22 769
Operational energy consumption	MWh	3 397	2 306
Share renewable	MWh	1 198	865
Share non-renewable	MWh	2 199	1 441
Electricity	MWh	1 376	936
Share renewable	MWh	1 039	718
Share non-renewable	MWh	337	218
Heating energy	MWh	2 021	1 370
Heating oil	MWh	9	6
Natural gas	MWh	1 525	916
District heating	MWh	488	448
Share renewable	MWh	160	147
Share non-renewable	MWh	328	302
Energy intensity	kWh/m ²	0.1	0.1
CO ₂ emissions	tCO ₂ e	2 386	1 717
Scope 1 emissions	tCO ₂ e	336	201
Scope 2 emissions	tCO ₂ e	107	81
Scope 3 emissions ²	tCO ₂ e	1 943	1 436
Water use	m ³	17 912	12 414

¹The energy consumption reported is generated on leased space from third-party suppliers. For explanations of the accounting concept, see pp. 96–98.

²Scope 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 CO₂ emissions Jelvoli¹

	Unit	2019	2020
CO ₂ emissions	tCO ₂ e	869	533
Scope 1 emissions	tCO ₂ e	0	0
Scope 2 emissions	tCO ₂ e	0	0
Scope 3 emissions ²	tCO ₂ e	869	533

¹ As the company does 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. 67) in accordance with the accounting concept. For further explanations of the accounting concept, see pp. 96–98.

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

Social topics

401 Employment

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Competent and committed employees are key to mastering future challenges. Over the medium and long term, the success of Swiss Prime Site depends on how effectively the Company can recruit and retain qualified employees, foster the development of their skills, assign responsibility to them and encourage their commitment to their day-to-day duties and the objectives they share with their colleagues.

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

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

Employee surveys are carried out regularly to check that the management approach is effective. However, a survey was not conducted in the reporting year. The next survey is scheduled for 2021.

Swiss Prime Site Immobilien

There were changes in personnel announced in the reporting year at Swiss Prime Site Immobilien. As of 1 January 2021, Dr Martin Kaleja assumes the post of CEO, taking over from Peter Lehmann. He also represents Swiss Prime Site Immobilien on the Swiss Prime Site Executive Board.

Swiss Prime Site Solutions

In the reporting year, Swiss Prime Site Solutions further professionalised the organisation and filled the new role of Chief Investment Officer (CIO), who will be responsible for the property portfolio and development projects of Swiss Prime Investment

Foundation. In addition, the role of Chief Financial Officer (CFO) was advertised and will be filled in 2021. Further positions in sales and investor relations are planned. From 2021, the CEO of Swiss Prime Site Solutions will also be represented on the Swiss Prime Site Executive Board. As of 1 January 2021, employees of immov-eris will be taken on as part of the merger with the group company Swiss Prime Site Solutions.

Wincasa

In the reporting year, there was a particular focus on the implementation of measures derived from the results of the satisfaction survey conducted in 2019. The goal was to embed the culture of trust and feedback more deeply in the company, as part of the #weworksmart initiative. One example of this was a management meeting focusing on improving the work culture with regard to mobile working.

Enabling employees to participate in the digital and mobile workplace was also a key issue. As part of the move to the new headquarters in Zurich Albisrieden, a professional change management team supported the introduction of a new workplace concept that promotes flexible working hours and locations. Wincasa showcased the modern workplace in the YOND building both via the intranet and on social networks including LinkedIn and Xing. Employees were also able to share their own experiences with each other. Furthermore, Wincasa expanded their training and development with courses on the topics of «Mobile collaboration culture», «Leadership in a virtual environment» and «Self-management».

Jelmoli

In the reporting year, Jelmoli made further efforts to drive forward the digitalisation of the company. As part of «Project 2025» and the planned introduction of the new ERP system, a new IT system landscape will be created to achieve cross-divisional optimisation and efficiency improvements. At the same time, employees were recruited to be trained as «transformation agents» who will facilitate this process with a goal-oriented, efficient approach. There was also a change in senior management at Jelmoli in the reporting year. The new CEO, Nina Müller, increases the proportion of women on the Executive Board at Jelmoli to 25%.

401-1 New employee hires and employee turnover

By focusing on long-term corporate goals, Swiss Prime Site strives to ensure job security and create attractive working conditions. The group companies regularly assess which measures could be implemented to lower the employee turnover rate. High rates of employee turnover are a particular challenge for Wincasa and Jelmoli. At Jelmoli, reducing employee turnover has been part of sales managers' agreed targets since 2016.

Changes to organisational structures are planned and carried out with a significant sense of responsibility and duty of care and an awareness of individual employees' situations. Fixed-term contracts are used on the trainee programme or, in rare cases, as a temporary solution if there is an unexpected reduction or shortage in personnel. In the reporting year, six trainees were employed in different areas across Swiss Prime Site. As part of the trainee programme, they rotate every six months between Swiss Prime Site Immobilien, Swiss Prime Site Solutions and Wincasa. At Jelmoli, eight fixed-term employees helped out during the pre-Christmas period. All other fixed-term contracts will be transferred into permanent contracts where possible.

For more details, see the sections on employee figures and the key figures of the group companies.

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

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

There are currently no official childcare benefits available. However, in the event of private emergencies, it may be possible to agree a solution with the individual employee, for example where there are caring responsibilities. Mobile working and flexible working hours also help to make situations easier for employees.

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

- 1–3 days in case of the death of a family member, care services required by law, but also for weddings or registering a partnership, moving house or duties connected to military and community service.
- Maternity leave at Swiss Prime Site is 16 weeks, and 14 weeks at Jelmoli. Wincasa grants all female employees six months' maternity leave upon request. In the first to the end of the fourth year of service, Wincasa will pay the employee's full

salary for 16 weeks. Employees with more than 4 years of service will receive their full salary for 6 months. Holiday entitlement is not reduced during this period. For the remainder of the maternity leave period, holiday entitlement is reduced by one twelfth (1/12) for each full month of absence. If the reduction cannot be deducted from the holiday balance, it will be settled through payroll.

- From 2021, paternity leave is 10 days across the Group.

Short absences such as doctor's or dentist's appointments or meetings with authorities should be made outside working hours or during non-core hours. Some medically prescribed treatments are counted as work time.

The Swiss Prime Site Group offers its employees an external point of contact for help and support with private issues. In the event of a temporary predicament relating to childcare or care for relatives, employees can make use of up to three days of special leave. Operational requirements apply here to both full-time and part-time employees.

After every ten years of service, Swiss Prime Site employees receive a one-off payment equivalent to one month's (gross fixed) salary. Alternatively, employees can agree with their line manager to take a sabbatical of four consecutive weeks within 24 months of their application being approved.

In the reporting year, for the second time, Wincasa offered its employees the option of buying additional holiday leave. This was taken up by a total of 41 employees. In 2019, the offer had been taken up by 112 employees. This year's lower number is due to the travel restrictions in the reporting year.

403 Occupational health and safety

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Swiss Prime Site places significant value on employees' health and their safety at work, as individual skills are very hard to replace, particularly in small teams. The rules and regulations customary in the industry are substantiated and supplemented by internal regulations.

All workplaces at Swiss Prime Site are designed to be as ergonomic as possible. Employees who wish to do so can get free flu vaccinations or claim discounts for gym subscriptions. Regular evacuations are also practised to increase awareness of safety in the workplace.

Should employees have any grievances about safety at work or a breach of personal integrity, they can seek advice from internal bodies or contact the anonymous integrity line. All staff can also avail themselves of the services of AXA Care Management if they fall ill. Line managers, the Human Resources department and health & safety officers within the company are responsible for protecting employees' health at work. Regular discussions with employees and monitoring of the absentee rate enable the company to assess whether measures in place are adequate.

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

Swiss Prime Site Immobilien

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

Wincasa

Wincasa bases its approach on the guidelines issued by the Federal Coordination Commission for Occupational Safety (FCOS) and aims for an absence rate of under 3%. As part of achieving this goal and optimising absence management, the company offered training to all managers on internal processes, the role of management and the preventive aspects of health-focused leadership. Employees can also access a range of online courses, videos and articles as part of the internal #weworksmart initiative on topics such as occupational health and safety and self-management. Employees also receive regular information about health campaigns such as bike2work and the current preferential conditions at fitness centres located nearby.

Jelmoli

At Jelmoli, occupational health & safety is regularly assessed by the City of Zurich Labour Inspectorate. These assessments include fire safety, evacuation plans, emergency policies and escape routes. In addition to specific statutory requirements relating to health and safety at work as part of facility management, the Human Resources department has a standardised absence and case management process as part of promoting health at work; this ensures that line managers can identify early on any employ-

ees who may be impacted and take preventive action. Jelmoli also offers free annual flu vaccinations and contributes towards the costs of fitness centre services.

403-9 Work-related injuries

403-10 Work-related illnesses

See employee figures.

404 Training and development

103-1 Management approach

103-2

103-3

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

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

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

Swiss Prime Site Immobilien

In the reporting year, in addition to the ongoing programme for managers, Swiss Prime Site Immobilien offered seminars on negotiation, courses on the Swiss sustainable building standard (SNBS) and individual training. Individual training from LinkedIn Learning is always available to all employees.

Wincasa

After moving into its modern premises at the new headquarters in Zurich, the company opened the newly created Wincasa Studio – an important interface for winning and developing talent. As part of this internal training centre, the training and development products were designed so that the elements essential to the successful management of the transformation phase – technology, leadership, culture and self-management – are all connected. Employees can use the learning management system to find out about the current programme, sign themselves up for courses and use their LinkedIn Learning license to suit their needs.

Individual areas also benefited from bespoke programmes in the reporting year. For example, the Management, Transformation, IT & Corporate Finance departments conducted successful specific training on handling change. In addition, the monthly Welcome Day was designed to be a key element of onboarding and a way of providing new employees with comprehensive information about the Wincasa organisation, the transformation journey, the culture and the mobile use of resources. Wincasa aims to increase the number of annual training hours available to a minimum of eight hours per FTE.

404-1 Average hours of training per year per employee

See key figures of the group companies.

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

Swiss Prime Site Group

Each year, two Welcome Days are held for new managers. Swiss Prime Site also organises an annual Management Day for all managers. These events give the group companies the opportunity to introduce themselves to new employees. They also promote awareness of the group’s diversity and offer the opportunity to establish informal networks. The courses «The first 100 days in a new job» and «The first 100 days as a manager» help managers to settle into their new position. Swiss Prime Site also offers older employees retirement preparation courses to help them with the transition from their professional life into retirement.

Since 2017, there has been a group-wide leadership programme to establish common understandings of leadership and promote mutual exchanges of knowledge and support. This programme

communicates and embeds corporate values and positive leadership styles as well as practical leadership tools. Emerging training needs are met in line with the situation. To help with this, all employees have access to the LinkedIn Learning platform that offers individual learning in multiple languages and on a range of topics, available at any time and from any location.

Swiss Prime Site Solutions

Swiss Prime Site Solutions supports their employees’ training objectives with the aim of further improving the quality of service. In the reporting year, measures focused particularly on specialist and management skills as well as language skills, with individual interests taken into consideration. Swiss Prime Site Solutions supports employees’ participation in external training courses at universities and technical colleges.

Wincasa

The opening of the Wincasa Studio in October 2020 now enables Wincasa to offer a modern training centre. In addition to subject-specific, technology and leadership courses, it also offers training on management that reflects the specifics of real estate management in the future. This ties digital procedures in with analogue workflows in property management. Specialists of the future will be trained in a model apartment on how to manage digital rental applications and physical apartment handovers and manage digital customer support. Face-to-face training will be increasingly replaced by blended and e-learning. In the reporting year, Wincasa increased the number of digital courses from 21 to 89, while internal face-to-face courses fell by more than 50%, partly because of the COVID-19 pandemic.

Jelmoli

At Jelmoli, the focus in the reporting year was on establishing digital expertise as well as on the role of expert host, with a number of seminars conducted in collaboration with the Belvoirpark hotel management school in Zurich.

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

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

405 Diversity and equal opportunity

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

Equal treatment and equality of opportunity form the basis of a respectful and productive working environment. Diversity – of people, opinions and experience – is actively supported throughout the Group. The guiding principles for interaction between employees are defined by the group-wide corporate values and the Code of Conduct. Swiss Prime Site also supports the United Nations' «Women's Empowerment Principles» and details its activities relating to the different principles in the GRI Report (see GRI 401, 404, 405 and 406).

In the reporting year, Swiss Prime Site Immobilien and Wincasa's level of equal pay between men and women was assessed using the Swiss federal government's Logib tool and implemented in accordance with statutory requirements. Appropriate measures are being taken where necessary. In order to ensure full equality of opportunity, however, there are other key factors such as fair recruitment processes and the provision of flexible working models (see GRI 401). In addition, when recruiting for open positions, mobility between group companies is also facilitated.

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

Swiss Prime Site does not consider that further specific measures are currently required, as the existing recruitment, salary, nomination and bonus processes are sufficient to ensure equality of opportunity and diversity. Should employees have a grievance or wish to report an irregularity, they can make an anonymous call to the integrity line. They can also direct grievances to their line manager or the Human Resources department.

Wincasa

The regional and structural salary adjustments, based on the 2019 salary analysis, were implemented as part of the 2020 wage round. In the reporting year, Wincasa reviewed the level of equal pay between men and woman using the Swiss federal government's Logib tool and found a small variation compared to the prescribed 5% gap limit. However, this variation can be explained due to differences in qualifications and professional experience. Nevertheless, new measures were implemented in the reporting year to bring salaries in line with the federal government's requirements.

Wincasa is keen to increase the proportion of women in leadership positions. To facilitate this, Wincasa recruits based on qualifications and suitability, regardless of gender. The gender split on the Executive Board is already 50:50.

405-1 Diversity of governance bodies and among employees

See employee figures.

406 Non-discrimination

103-1 Management approach

103-2

103-3

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

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

In the group-wide 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.

406-1 Incidents of discrimination and corrective actions taken

Swiss Prime Site did not identify any cases of discrimination across the group in 2020.

308 Supplier environmental assessment

414 Supplier social assessment

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

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

Swiss Prime Site Immobilien

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

The origin of all materials used in a project, especially critical products such as carpets, natural stone and premium wood panelling, must be certified, and Swiss Prime Site Immobilien takes steps to ensure that all construction materials are produced in accordance with human rights conventions and its Code of Conduct. In signing an agreement, suppliers are obligated to procure raw materials and resources that have been made locally where possible. Suppliers are compelled to show that products that cannot be sourced in Switzerland have appropriate certification. In addition, they must show that there is no unethical behaviour such as child labour anywhere in the production and procurement chain.

Wincasa

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

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

Jelmoli

Jelmoli's food procurement policies are primarily focused on environmental considerations, while its purchases of textiles and household products are mainly guided by its social priorities. This latter policy reflects the fact that working conditions in textile-producing countries are often problematic. Its position at the higher end of the textiles market enables Jelmoli to be in direct contact with both suppliers and their manufacturers based in Europe. A system to standardise and simplify purchasing negotiations and factor in sustainability and ethical considerations was introduced in 2019. All suppliers are now routinely questioned on their partnerships with NGOs and their sustainability and codes of ethics. Jelmoli regularly gathers data about which labels are used by the individual brands, such as «Fair Trade» or «FSC». In the reporting year, Jelmoli also joined the amfori BSCI/BEPI initiative. This commits Jelmoli to complying with the amfori Code of Conduct, which is based on international conventions and lays down certain environmental and social standards which themselves are based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights of the United Nations, the UN Global Compact and the OECD guidelines. Joining the initiative also commits Jelmoli to involving suppliers in the amfori BSCI process and conducting regular progress checks. Suppliers are then audited accordingly.

308-1 New suppliers that were screened using environmental criteria

414-1 New suppliers that were screened using social criteria

At Wincasa, around 10% of suppliers are assessed based on social and environmental criteria in centrally managed framework agreements. The new quality management system can help raise this quota to over 50% of suppliers. The quality management system will be redesigned due to the new data protection regulations and, if possible, included in the new ERP system. Relevant measures with external partners will also be reviewed. The rest of procurement is not carried out centrally and so cannot be checked by the Purchasing department.

416 Customer health and safety

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

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

In connection with the COVID-19 pandemic, a crisis committee was formed of members from all group companies to provide advice on the necessary hygiene and safety measures and any organisational adjustments needed to protect customers and employees. Communication about measures adopted was conducted centrally and tailored to its recipients.

Swiss Prime Site Immobilien

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

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

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

Wincasa

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

Jelmoli

Jelmoli places enormous emphasis on the health and safety of its customers. The design of the building itself and the quality of their products both reflect this priority. Responsibility for safety at Jelmoli does not rest solely with its six internally trained paramedics and the security staff on each floor; all employees accept responsibility for looking after their customers and are fully trained in the company's safety policy. Jelmoli has annual spot checks by the local authorities, during which the quality of individual products is also checked. Jelmoli also carries out their own review of the quality, health and safety of products using their supplier code.

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

Swiss Prime Site Immobilien

In 2020, authorities conducted checks on several construction sites in connection with the safety measures introduced by the Swiss Federal Office of Public Health. No complaints were raised as a result of the checks.

Wincasa

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

Jelmoli

Four successful practice evacuations were carried out at Jelmoli in the reporting year. Employees who are responsible for a specific area in the event of an evacuation are trained and tested four times a year.

417 Marketing and labelling

103-1 Management approach

103-2

103-3

Swiss Prime Site Group

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

Swiss Prime Site Solutions

Swiss Prime Site Solutions ensures that its stakeholders always have sufficient information to make sound investment decisions. Information is provided on its website, in presentations, through brochures and in reports, all with the aim of maximising transparency.

Jelmoli

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

417-1 Requirements for product and service information and labelling

Jelmoli

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

CRE8 Product and service labelling

Swiss Prime Site Immobilien

To satisfy the demand for energy-efficient, environmentally sound real estate and achieve the ambitious reduction goals (see the Reduction Pathway section), Swiss Prime Site Immobilien applies the comprehensive set of criteria in the Swiss sustainable building standard (SNBS) to all projects. In addition, the company assesses each property individually to establish which label it is appropriate to aim for.

At the end of 2020, nine properties had a sustainability label, corresponding to around 14% of the space in the portfolio. Properties certified to Minergie®, LEED or DGNB standards include the headquarters of the Swiss Post (EspacePost) and the Schönburg project in Berne completed in 2020, the Prime Tower and the Platform, the SkyKey property, the Medienpark in Zurich, the Opus 1 and Opus 2 buildings in Zug and the Riantbosson Centre in Meyrin. For the largest development project in Geneva, Alto Pont Rouge, the company adhered to SNBS requirements and is hoping to receive certification after completion by 2023.

Other socially beneficial and environmentally friendly products and services

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

When investing in socially beneficial and environmentally friendly products and services, Swiss Prime Site Solutions follows the guidelines issued by the Swiss Prime Investment Foundation as well as the demands of the market. For larger residential construction projects such as the Riverside superstructure in Zuchwil in Solothurn, the company aims for a good mix of tenants and therefore offers residential properties for people and families with lower incomes. Swiss Prime Site Solutions also invests in a variety of property uses and promotes urban living. This may include, for example, properties for student living or in the educational sector.

Wincasa is working together with the Domicil Foundation, which organises housing for socially and economically disadvantaged people and acts as guarantor if necessary.

Jelmoli is also planning to expand its range of environmentally friendly products, but is restricted to the selection available from individual brands. Many brands are working to expand the sustainability of their product range, so Purchasing also has the task of re-structuring their selection of sustainable brands.

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

Swiss Prime Site Group

All group companies of Swiss Prime Site capture personal and confidential data of tenants and customers as part of their business activities. Swiss Prime Site is extremely vigilant in protecting this data and is very aware of the increasing challenges in this area. Data protection encompasses all organisational and technical measures required to prevent data from being lost, falsified or accessed without proper authorisation. As part of their information security and data protection concept, the Company defines how security and protection in these two areas can be maintained and continuously improved.

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

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

Wincasa

In 2020, Wincasa made further investments in information security and implemented a range of measures. One of these measures was the introduction of two-factor authentication to counteract the increased risks connected to mobile working. Monitoring of information security incidents was also significantly increased and the reaction time improved by working with an external «Security Operations Centre» (SOC). An analysis of current procedures conducted as a result of this measure showed that Wincasa has a highly secure network. The introduction of an «Identity & Access Management» (IAM) system centralised both authorisations and access to applications, functions and data. In the reporting year, Wincasa also transferred their server infrastructure to two modern, security-certified data centres in Zurich.

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

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

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

- 307 Environmental compliance**
- 419 Socioeconomic compliance**
- 103-1 Management approach**
- 103-2**
- 103-3**

Swiss Prime Site Group

Swiss Prime Site is committed to conducting its business responsibly and with integrity. Besides complying with statutory requirements and regulatory standards, this also means adhering to the internal directives and principles that the Company has defined itself. The Company’s corporate values and the group-wide Code of Conduct (see GRI 102-16) form the basis of its compliance policies. Naturally, Swiss Prime Site is fully compliant with Swiss law and the requirements of the SIX Swiss Exchange.

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

For more information on compliance issues, please see GRI 205, 206, 406, 416, 417, 418.

307-1 Non-compliance with environmental laws and regulations

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

No infringements of environmental laws or other legislative requirements were identified in 2020.

**Employee figures
Employees by group company**



Swiss Prime Site Group

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees^{1,2}	1 494	4 284	5 778	1 556	4 324	5 880	635	994	1 629
Trainees	149	394	543	186	440	626	41	58	99
Apprentices	115	279	394	159	373	532	37	47	84
Interns	34	115	149	27	67	94	4	11	15
Total	1 643	4 678	6 321	1 742	4 764	6 506	676	1 052	1 728
Full time/part time^{1,2}									
Full time	1 218	1 839	3 057	1 398	2 007	3 405	579	589	1 168
Part time < 50%	122	586	708	59	490	549	23	127	150
Part time 50%–79%	87	994	1 081	89	962	1 051	24	166	190
Part time 80%–99%	216	1 259	1 475	196	1 305	1 501	50	170	220
Total	1 643	4 678	6 321	1 742	4 764	6 506	676	1 052	1 728
Age distribution^{1,2}									
Employees < 25 years	302	901	1 203	278	795	1 073	93	182	275
Employees 25–35 years	353	957	1 310	450	1 143	1 593	222	374	596
Employees 36–45 years	348	843	1 191	386	913	1 299	159	210	369
Employees 46–55 years	400	1 229	1 629	400	1 137	1 537	117	160	277
Employees > 55 years	240	748	988	228	776	1 004	85	126	211
Total	1 643	4 678	6 321	1 742	4 764	6 506	676	1 052	1 728
Fixed term/permanent^{1,2}									
Permanent staff	1 494	4 284	5 778	1 556	4 324	5 880	635	994	1 629
Members of the Executive Board ³	25	12	37	18	8	26	16	6	22
Trainees	149	394	543	186	440	626	41	58	99
Supernumerary staff	17	40	57	0	30	30	0	8	8
Janitors	15	17	32	5	7	12	6	8	14
Other temporary staff	n.a.	n.a.	n.a.	10	11	21	2	2	4
Total	1 675	4 735	6 410	1 757	4 812	6 569	684	1 070	1 754

¹ Members of the Board of Directors are not included.

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

³ The five members of the Group Executive Board are not included.

Key occupational health and safety indicators

Rates in %	2018			2019			2020		
	Accident	Illness	Absen- tee	Accident	Illness	Absen- tee	Accident	Illness	Absen- tee
Swiss Prime Site Immobilien	n.a.	n.a.	0.9	0	1.3	1.4	0.0	1.5	1.6
Swiss Prime Site Solutions	n.a.	n.a.	0.3	0	0.6	0.6	0.0	2.5	2.5
Wincasa	n.a.	n.a.	2.8	0.3	3.4	3.7	0.2	2.6	2.8
Jelmoli	n.a.	n.a.	4.5	0.4	2.8	3.2	0.5	3.2	3.6
Tertianum ¹	n.a.	n.a.	5.7	0.9	5.2	6.1	–	–	–

Staff fluctuation rate by group company

Rates in %	2018	2019	2020
Swiss Prime Site Immobilien	8.3	6.4	16.3
Swiss Prime Site Solutions	0	12.1	15.4
Wincasa	21.5	24.1	27.3
Jelmoli	28.4	26.3	19.3
Tertianum ¹	26.6	28.0	–
Group average	25.9	26.9	23.9

¹ Due to the divestment of the Tertianum Group, no more data are available for the company in the reporting year.



Key figures of the group companies

Swiss Prime Site Group

	Unit	2019	2020
Stakeholders			
Registered shareholders at year end	number	11 266	11 687
Acceptance of agenda items at AGM	%	100	100
Finance			
Shareholders' equity	CHF million	5 459	6 086
Investments	CHF million	521	465
Interest expenses (borrowed capital)	CHF million	71	61
Interest rate borrowed capital (weighted average)	%	1.2	1.1
Operating income	CHF million	1 259	793
Operating result (EBIT)	CHF million	628	762
Fair value of real estate portfolio	CHF million	11 765	12 323
Investments in training and development	% of total payroll	1.4	0.7
Earnings per share (EPS)	CHF	8.00	8.04
Bank rating		BBB/BBB+	BBB+
Infrastructure			
Properties	number	187	185
Rental floor space	m ²	1 604 451	1 673 005
Vacancy rate	%	4.7	5.1
Ecology (property portfolio)			
Energy consumption	MWh	208 874	199 728
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	25 361	24 041
CO ₂ intensity	kg CO ₂ e/m ²	21.4	19.9
Water use	m ³	855 734	618 056
Ecology (services)			
Energy consumption	MWh	3 397	2 306
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	3 395	2 327
CO ₂ intensity	kg CO ₂ /FTE	2 328	1 547
Water use	m ³	17 912	12 414
Employees			
Employees	number	6 506	1 728
Fluctuation rate	%	26.9	23.9
Absentee rate	%	5.4	3.0
Women in the workforce	%	73.1	60.9

Swiss Prime Site Immobilien

	Unit	2019	2020
Stakeholders			
Tenants	number	ca. 2 000	2 020
Documented tenant meetings	number	40	40
Finance			
Operating income (segment Real Estate)	CHF million	519	483
Investments in training and development	% of total payroll	0.8	0.6
Portfolio value	CHF million	11 765	12 323
Real estate costs	CHF million	65	69
Investments in projects and development	CHF million	288	209
Revaluation gains	CHF million	204	203
Net rental income	CHF million	437	431
Infrastructure			
Properties	number	187	185
Usable floor space	m ²	1 604 451	1 673 005
Vacancy rate	%	4.7	5.1
Ecology (property portfolio)			
Energy consumption	MWh	208 874	199 728
Energy intensity	kWh/m ²	163.8	158.4
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	25 361	24 041
CO ₂ intensity	kg CO ₂ e/m ²	21.4	19.9
Water use	m ³	855 734	618 056
Properties with contaminated soil	ha	32.4	32.4
Decontamination measures	Mio. CHF	1.1	0.6
Ecology (services)			
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	140	76
CO ₂ intensity	kg CO ₂ e/FTE	1 476.1	804.1
Employees			
Employees	number	70	69
Fluctuation rate	%	6.4	16.3
Absentee rate	%	1.4	1.6
Women in executive positions	%	40	32

Swiss Prime Site Solutions

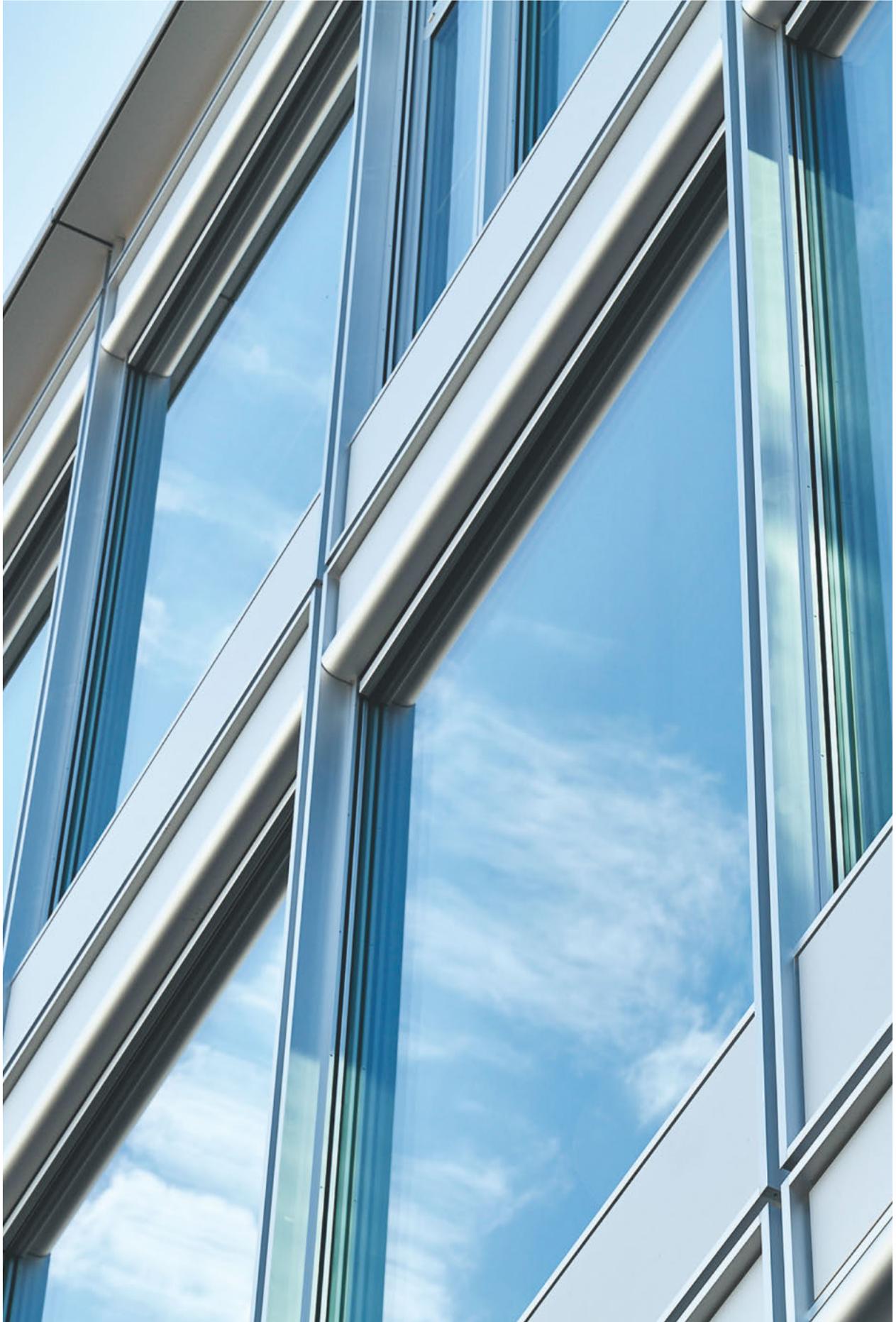
	Unit	2019	2020
Stakeholders			
Pension funds/investors of Swiss Prime Investment Foundation	number	280	291
Finance			
Operating income (segment Services)	CHF million	13.5	13.1
Investments in training and development	% of total payroll	1.0	0.6
Infrastructure			
Assets under management	CHF billion	2.3	3.0
Acquisitions in the reporting year	number of objects	25	9
Value of the development pipeline	CHF million	161	267
Employees			
Employees	number	10	14
Fluctuation rate	%	12.1	15.4
Absentee rate	%	0.6	2.5
Women in executive positions	%	16.7	9.1

Wincasa

	Unit	2019	2020
Stakeholders			
Branches	number	28	28
Direct suppliers	number	>200	>200
Proportion of Top 3 clients	%	74	73
Finance			
Operating income (segment Services)	CHF million	148	146
Investments in training and development	% of total payroll	0.8	0.5
Assets under management	CHF billion	71	72
Rental income for clients	CHF million	3294	3293
Volume of transactions advised	CHF million	440	0
Monetary value of Kaizen	CHF million	0.05	0.05
Infrastructure			
Properties managed	number	240350	233051
Construction projects	number	1634	595
Share of residential in portfolio	%	44	30
Share of office and retail in portfolio	%	56	70
Ecology			
Energy consumption	MWh	3397	2306
Energy intensity	kWh/m ²	0.1	0.1
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	2386	1717
CO ₂ intensity	kg CO ₂ e/FTE	2964.2	1933.9
Water use	m ³	17912	12414
Employees			
Employees	number	915	984
Fluctuation rate	%	24.1	27.3
Absentee rate	%	3.7	2.8
Women in executive positions	%	37.1	38.4

Jelmoli

	Unit	2019	2020
Stakeholders			
Customers with J-Card	number	300 740	300 000
Customer satisfaction (word of mouth n = 100)	Net Promoter Score (NPS), %	n.a.	18
Finance			
Operating income (segment Services)	CHF million	128	111
Investments in training and development	% of total payroll	0.5	0.3
Infrastructure			
Retail floor space (total floor space 33 000 m ²)	m ²	25 000	25 000
Items sold per sales receipt	number	2.01	2.05
Ecology			
CO ₂ emissions (Scope 1, 2, 3)	tCO ₂ e	869	533
CO ₂ intensity	kg CO ₂ e/FTE	1 487.7	1 023.1
Employees			
Employees	number	624	640
Fluctuation rate	%	26.3	19.3
Absentee rate	%	3.2	3.6
Women in executive positions	%	50.0	47.9



GRI content index



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

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

Universal Standards

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GRI 101: 2016	Foundation	
GRI 102: 2016	General disclosures	
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102-4	Location of operations	16–17
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102-46	Defining report content and topic boundaries	24
102-47	List of material topics	25

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102-48	Restatements of information	Are explained at the relevant place in the report.
102-49	Changes in reporting	None
102-50	Reporting period	01.01.2020–31.12.2020
102-51	Date of most recent report	February 2020
102-52	Reporting cycle	annually
102-53	Contact point for questions regarding the report	103
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GRI 103: 2016 103-1/103-2/103-3	Management approach	58	
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201-4	Financial assistance received from government	60	
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GRI 103: 2016 103-1/103-2/103-3	Management approach	60	
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GRI 103: 2016 103-1/103-2/103-3	Management approach	64	
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GRI 305: 2016	Emissions		
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GRI 103: 2016 103-1/103-2/103-3	Management approach	64	
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GRI 103: 2016 103-1/103-2/103-3	Management approach	76	
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Accounting concept, report of the statutory auditor

Notes on collection of environmental figures

Property portfolio and other group companies in the Services segment

The environmental figures relate to all business segments of the Swiss Prime Site Group – the property portfolio of Swiss Prime Site and the fully consolidated companies in the Services segment. Total energy consumption (and associated emissions) and total water use of the group companies of Swiss Prime Site that occur in the property portfolio’s physical spaces are recognised in the property segment. The group companies’ consumption that occurs in other areas is recognised in the Services segment.

Property segment system boundaries

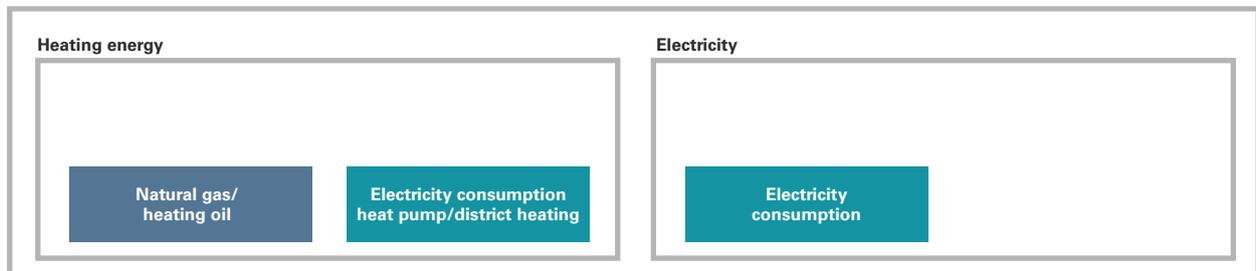
The property portfolio’s environmental figures relate to the 185 properties that were under the operational control of Swiss Prime Site Immobilien in 2020. They do not include properties that were purchased or sold during the reporting year. This means that the consumption values of 159 properties are included in the balance sheet. The resulting variations are negligible in relation to the overall values. When analysing the portfolio, the areas are divided

according to the property inventory into overall, common and tenant areas. The areas used by the group companies in the services segment (owner-used areas) are treated as common areas for the purposes of allocating greenhouse gas emissions. This also includes single-tenant properties. It excludes, however, properties over which Swiss Prime Site has no operational control (e.g. minority holdings). Information on the type of use can be found in the property inventory.

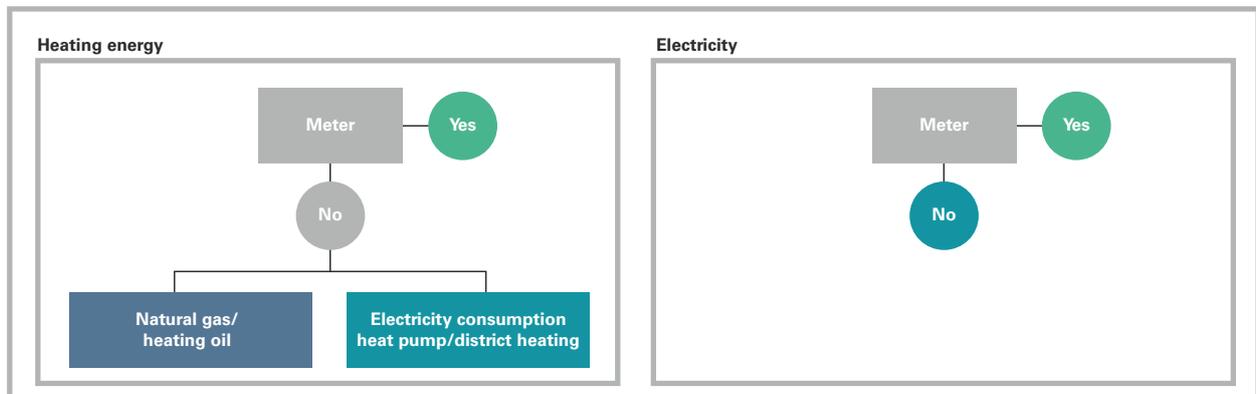
The procedure for allocating CO₂ emissions is based on the principle of responsibility. This means that energy consumption and the resulting CO₂ emissions are assigned to the parties – Swiss Prime Site or the tenant – that have control over the consumption and can influence it using ecological measures.

Allocation of emissions to Scopes 1–3 (property portfolio)

Common areas and owner-used areas



Tenant areas



Key



Services segment system boundaries

In the Services segment, Swiss Prime Site recognises the total energy consumption, associated emissions and total water use of the group companies Swiss Prime Site Immobilien, Swiss Prime Site Solutions, Wincasa and Jelmoli that occur in areas outside their own property portfolio. Emissions that arise through employees’ own mobility and the group companies’ office equipment consumption are also recognised in the Services segment. This therefore captures both direct (Scope 1) and indirect (Scope 2) emissions and some Scope 3 emissions.

Property portfolio methodology

The procedure for calculating the environmental figures for the property portfolio were amended in the 2020 reporting year based on the European Public Real Estate Association (EPRA) standard. When allocating greenhouse gas emissions to Scopes 1–3, Swiss Prime Site Immobilien also uses the Jones Lang LaSalle best practice guide (2011). This guide states that consumption values should be allocated in accordance with controlling principles. The allocation of greenhouse gas emissions to Scopes 1–3 is done at a property level (see illustration on the property portfolio). Total energy consumption is separated into both common and tenant areas, and into measured and prorated total energy consumption.

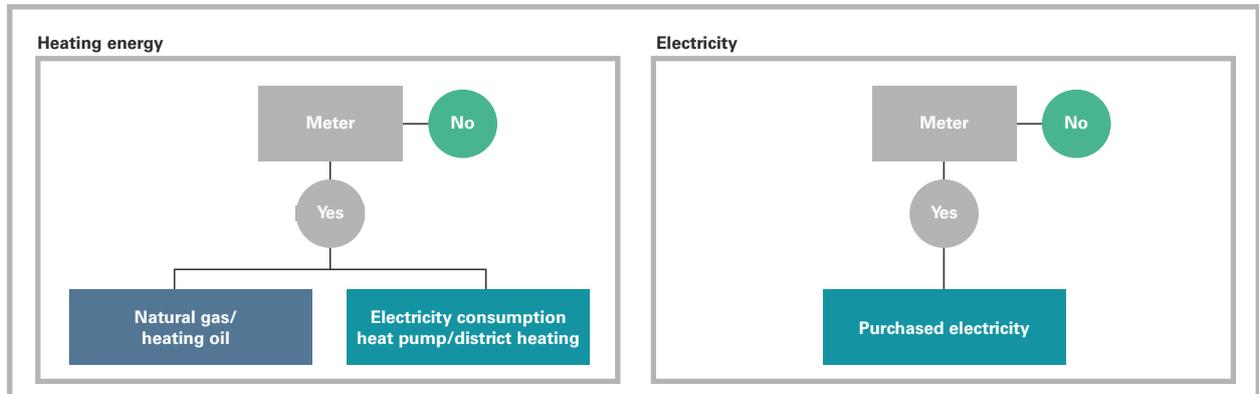
Consumption associated with running the properties in the property portfolio is also recorded. This includes the provision and use of electricity, heat, air conditioning and water and the greenhouse gas emissions resulting from electricity and heat consumption.

The total energy consumption includes the total heat consumption within the property portfolio and common and owner electricity (e.g. parking garages). Where the total energy consumption of tenants is known, this is also included.

In cases where energy purchased by Swiss Prime Site Immobilien is allocated to specific tenants (using dedicated electricity meters), the greenhouse gas emissions are recognised as Scope 3 emissions. In situations where no specific consumption is measured and is instead calculated based on the area distribution, the resulting greenhouse gas emissions are recognised as Scope 1 (for natural gas consumption) or Scope 2 (for electricity and district heating consumption). If a tenant gets their energy directly from an energy supplier and the consumption is known, the resulting emissions are recognised as Scope 3. Greenhouse gas emissions resulting from on-site production of solar electricity provided to tenants are recognised as Scope 3 emissions.

Allocation of emissions to Scopes 1–3 (on rented areas)

Consumption on rented areas



Key



CO₂ reduction pathway

To help define its climate-related goals, Swiss Prime Site developed a CO₂ reduction pathway in 2019. The goals are based on the CO₂ intensity at a property level, with no differentiation between the scopes. The CO₂ reduction pathway relates to the property portfolio system boundaries described above. 2019 will continue to be used as a baseline year for the CO₂ reduction pathway. This is possible because the new methodology only changes the allocation of the greenhouse gas emissions to Scopes 1–3, not the calculation of the total greenhouse gas emissions on which the reduction pathway is based.

Services segment methodology

The Scope 1, 2 and 3 emissions are calculated using the consumption of the group companies that occurs on floor space rented by third-party providers. They also include emissions resulting from employee mobility and the consumption of office materials (paper, toner, operational water use). Regular surveys are conducted about employee mobility. Swiss Prime Site uses Smart3 software from myclimate to calculate Scope 3 emissions.

Periods and baseline year

Data about consumption of resources is gathered annually and, unless otherwise stated, is per calendar year. The baseline year for the CO₂ emissions reduction pathway is 2019.

Differences to 2019 reporting*

In 2020, due to the sale of the group company Tertianum, the accounting method used for CO₂ emissions was updated. The measurement of CO₂ data was refined and the allocation of total energy consumption defined according to the methods mentioned. The key figures for the 2019 financial year were also re-calculated and stated without Tertianum.

In contrast to the methodology used in the previous year, the processes described are used to allocate the greenhouse gas emissions resulting from the total energy consumption of the common areas (e.g. lighting, lifts) and from the operation of the HVAC systems to the owner (Swiss Prime Site Immobilien) (Scope 1 and 2). However, the updated calculation method does not affect the CO₂ reduction pathway and its baseline year.

These figures were not adjusted to reflect heating degree days.

Data quality

Where possible, the calculation of CO₂ emissions is based on the actual energy consumption values in the reporting year. Occasionally, however, not all consumption values may be available at the end of the year. When this happens, the missing values are modelled on the previous year's values and benchmarks.

Data sources and emission factors

The property portfolio's energy consumption data is taken from the Siemens Navigator System and invoice documents. Where consumption data or invoice documents are not available at the end of the year, consumption is estimated. These consumption estimates are based on the previous year's figures from the same period. Consumption estimates are also based on internal portfolio benchmarks according to type of use.

To calculate the greenhouse gas emissions resulting from energy consumption, Swiss Prime Site Immobilien used the emission factors differentiated by source of energy in the «KBOB Ökobilanzdaten im Baubereich 2009/1:2016» guidelines, and those provided by treeze GmbH and the energy suppliers themselves. To calculate the Scope 2 emissions, the company used the market-based method in accordance with the Greenhouse Gas Protocol.

The greenhouse gas emissions recognised in the balance sheet are aggregated and stated as CO₂ equivalents (CO_{2e}). This is based on the IPCC AR5 report that assumes a Global Warming Potential time horizon of 100 years. The accounting includes the following greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

GRI standards covered

The statements include information on the GRI standards on energy (GRI 302), water (GRI 303) and emissions (GRI 305).

* The following situations require the CO₂ emissions to be recalculated: Structural changes to the Company that have a significant impact on the emissions and the baseline year, e.g. mergers, acquisitions, the sale of group companies or departments; outsourcing and insourcing of emission-generating activities and material changes to business activities. Furthermore, material changes to the calculation methodology and the improvement of more specific emission factors or consumption data result in the need for a recalculation if they have a significant impact on emissions data. Additional reasons include the discovery of relevant errors or a series of cumulative errors that, when combined, are significant.





Independent Limited Assurance Report on selected GRI Disclosures

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

We were engaged to carry out a limited assurance engagement on the selected GRI disclosures set out below, which are disclosed in the GRI report in the appendix of the integrated annual report 2020 of Swiss Prime Site Group (hereafter "company") on the pages 64-70.

Our independent assurance engagement to obtain limited assurance covers the following GRI disclosures (hereafter "selected GRI disclosures") for the business year ended 31 December 2020:

- GRI 302:2016 Energy: 302-1 Energy consumption within the organization page 64; 67-69
- GRI 302:2016 Energy: 302-3 Energy intensity page 64; 67-69
- GRI 303:2018 Water and Effluents: 303-5 Water consumption page 66; 67-69
- GRI 305:2016 Emissions: 305-1 Direct (Scope 1) GHG emissions page 64; 67-70
- GRI 305:2016 Emissions: 305-2 Energy indirect (Scope 2) GHG emissions page 64; 67-70
- GRI 305:2016 Emissions: 305-3 Other indirect (Scope 3) GHG emissions page 64; 67-70
- GRI 305:2016 Emissions: 305-4 GHG emissions intensity page 64; 67-70

Our engagement neither covers GRI disclosures not set out above, nor prior-year disclosures, forward-looking information, information from external documentation sources or expert opinions.

Board of Directors' Responsibility

The Board of Directors of Swiss Prime Site AG is responsible for the preparation and presentation of the GRI disclosures 2020 in accordance with the reporting criteria. The company applies the GRI Standards of the Global Reporting Initiative (GRI Standards), option "core" as reporting criteria and publishes the report under the title „GRI Report“.

This responsibility includes the selection and application of appropriate methods for the integrated annual report (in particular the selection of material topics) as well as the use of assumptions and estimates for individual sustainability disclosures that are appropriate under the circumstances. Furthermore, the responsibility includes the design, implementation and maintenance of systems, processes and internal controls to enable the preparation and presentation of an integrated annual report that is free from material misstatement whether due to fraud or error.

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 selected GRI disclosures have not been prepared, in all material respects, in accordance with the GRI Standards (option "core").

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 selected GRI disclosures of the company are presented in accordance with the GRI Standards (option "core") 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:

- Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on sustainability performance, including the consolidation of the data;
- Inquiries with staff at group level responsible for the collection and consolidation as well as the performance of internal control procedures with regard to the disclosures;
- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is supported by appropriate evidence and presented in an accurate and balanced manner;
- Assessment of data collection, validation and reporting processes as well as of the reliability of the reported data on the basis of sample testing and the examination of selected calculations;
- Analytical evaluation of the quantitative data and development of the selected GRI disclosures in scope, which were submitted for consolidation at group level;
- Evaluation of the consistency of the requirements applicable to the company for the selected GRI disclosures with other disclosures and key figures in the integrated annual report 2020;
- Evaluation of the overall presentation of the disclosures by critical reading of the integrated annual report 2020.

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

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the selected GRI disclosures may occur and not be detected. Our engagement is not designed to detect all weaknesses in internal controls over the preparation and presentation of the selected GRI disclosures, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

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 selected GRI disclosures of the company for the business year ended 31 December 2020 are not presented, in all material respects, in accordance with the GRI Standards (option "core").

KPMG AG

Silvan Jurt
Licensed Audit Expert

Clemens Scherrer
Licensed Audit Expert

Zurich, 23 February 2021



Information policy

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

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

23 March 2021

Annual General Meeting financial year 2020

26 August 2021

Semi-annual report 2021 with financial results press conference



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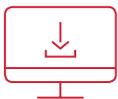
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— CORPORATE GOVERNANCE REPORT

Corporate Governance Report

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Reporting structure

Reporting consists of the online report (www.sps.swiss/reporting) and the separate sub-reports (PDF download). For reasons of sustainability, only the short report is available as a printed version.

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 were fully consolidated and non-controlling interests are recognised. The registered shares of the holding company – Swiss Prime Site AG with headquarters in Olten, Switzerland – are listed on the SIX Swiss Exchange under securities number 803838 and ISIN number CH0008038389. The market capitalisation Swiss Prime Site AG was CHF 6601.8 million [CHF 8498.4 million] as at 31 December 2020.

During the reporting year, the group implemented the following changes:

Merger	01.01.2020	SPS Beteiligungen Alpha AG, Olten, was absorbed into Swiss Prime Site AG, Olten
Sale of 100% of the shares	28.02.2020	Tertianum Group

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2019 Capital in CHF 1 000	Shareholding in %	31.12.2020 Capital in CHF 1 000	Shareholding in %
EMS Chantevent SA, La Grande Béroche ¹	Assisted living	100	100.0	n.a.	n.a.
Home Les Lauriers S.A., Saint-Imier ¹	Assisted living	100	100.0	n.a.	n.a.
Hôtel Résidence Bristol SA, Montreux ¹	Assisted living	100	100.0	n.a.	n.a.
immoveris ag, Bern	Real estate services	200	100.0	200	100.0
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
La Fontaine SA, Court ¹	Assisted living	100	100.0	n.a.	n.a.
Leben im Alter AG, Zurich ¹	Assisted living	600	100.0	n.a.	n.a.
Le Manoir AG, Gampelen ¹	Assisted living	100	100.0	n.a.	n.a.
Leora S.à r.l., Villeneuve ¹	Assisted living	140	100.0	n.a.	n.a.
Les Tourelles S.à r.l., Martigny ¹	Assisted living	20	100.0	n.a.	n.a.
Quality Inside SA, Crissier ¹	Assisted living	150	100.0	n.a.	n.a.
Résidence de la Jardinerie SA, Delémont ¹	Assisted living	100	100.0	n.a.	n.a.
Résidence Joli Automne SA, Ecublens ¹	Assisted living	100	100.0	n.a.	n.a.
Résidence le Pacific SA, Etoy ¹	Assisted living	150	100.0	n.a.	n.a.
Résidence l'Eaudine SA, Montreux ¹	Assisted living	100	100.0	n.a.	n.a.
Swiss Prime Site Dreispitz AG, Olten ²	Real estate	5 295	100.0	5 295	100.0
SPS Beteiligungen Alpha AG, Olten ³	Investments	450 000	100.0	n.a.	n.a.
streamnow ag, Zurich	Real estate services	100	100.0	100	100.0
Swiss Prime Site Finance AG, Olten ⁴	Financial services	100	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Olten	Real estate	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Olten	Services	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zurich	Asset management	1 500	100.0	1 500	100.0
Tertianum AG, Zurich ¹	Assisted living	9 562	100.0	n.a.	n.a.
Tertianum Gruppe AG, Zurich ¹	Assisted living	50 000	100.0	n.a.	n.a.
Tertianum Management AG, Zurich ¹	Assisted living	500	100.0	n.a.	n.a.
Tertianum Romandie SA, Crissier ¹	Assisted living	100	100.0	n.a.	n.a.
Tertianum Romandie Management SA, Crissier ¹	Assisted living	100	100.0	n.a.	n.a.
Tertianum Vaud SA, Crissier ¹	Assisted living	50	100.0	n.a.	n.a.
Wincasa AG, Winterthur	Real estate services	1 500	100.0	1 500	100.0
Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden ¹	Assisted living	1 000	51.0	n.a.	n.a.
Zentrum Schönberg AG, Bern ¹	Assisted living	1 000	51.0	n.a.	n.a.
Zimmermann Vins SA, Carouge	Real estate	350	100.0	350	100.0

¹ sale of Tertianum Group as at 28.02.2020² rebranded from SPS Baselland Dreispitz AG, Münchenstein, to Swiss Prime Site Dreispitz AG, Olten, as at 16.12.2020³ merger of SPS Beteiligungen Alpha AG in Swiss Prime Site AG as at 01.01.2020⁴ capital increase as at 24.06.2020 (contribution in kind from Swiss Prime Site AG)

Investments in associates valued according to the equity method

	Field of activity	31.12.2019 Capital in CHF 1 000	Shareholding in %	31.12.2020 Capital in CHF 1 000	Shareholding in %
INOVIL SA, Lausanne ¹	Parking	5 160	27.1	5 160	27.1
Parkgest Holding SA, Geneva	Parking	4 750	38.8	4 750	38.8

¹ rebranded from Parking Riponne S.A. to INOVIL SA as at 30.07.2020

Segments

Swiss Prime Site consists of two segments: Real Estate and Services. Investments in subsidiaries in these segments are allocated as follows:

Real Estate

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Employees

Swiss Prime Site Immobilien AG, Olten

- Swiss Prime Site AG, Olten
- Swiss Prime Site Dreispitz AG, Olten
- Swiss Prime Site Finance AG, Olten
- Swiss Prime Site Management AG, Olten
- Zimmermann Vins SA, Carouge

Services

1 659

Employees

Jelmoli AG, Zurich
Wincasa AG, Winterthur
Swiss Prime Site Solutions AG, Zurich

- immoveris ag, Berne
- streamnow ag, Zurich

Shareholder structure

Shareholders as at 31.12.2020

Number of shares	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in % ¹
1 to 1 000	9 758	83.5	2 796 260	3.7
1 001 to 10 000	1 576	13.5	4 301 009	5.7
10 001 to 100 000	271	2.3	8 359 333	11.0
100 001 to 1 000 000	75	0.6	20 592 019	27.0
1 000 001 and above	7	0.1	14 865 545	19.6
Total registered shareholders/shares	11 687	100.0	50 914 166	67.0
Unregistered shares			25 056 198	33.0
Total shares issued			75 970 364	100.0

¹ as % of shares issued

Countries/regions	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Switzerland	10 828	92.6	35 560 258	69.8
Europe (excluding Switzerland)	686	5.9	12 358 211	24.3
Other countries	173	1.5	2 995 697	5.9
Total registered shareholders/shares	11 687	100.0	50 914 166	100.0

Shareholder categories	Number of registered shareholders	Registered shareholders in %	Number of registered shares	Registered shares in %
Natural persons	10 627	90.9	7 330 706	14.4
Legal entities	475	4.1	16 971 877	33.3
Pension funds	196	1.7	8 145 415	16.0
Insurance companies	33	0.3	2 152 844	4.2
Funds	189	1.6	13 670 838	26.9
Other	167	1.4	2 642 486	5.2
Total registered shareholders/shares	11 687	100.0	50 914 166	100.0

Major shareholders (shareholding interest >3%)	31.12.2019 Shareholding interest in %	31.12.2020 Shareholding interest in %
BlackRock Inc., New York	>10.0	<10.0
Credit Suisse Funds AG, Zurich	6.1	7.8
State Street Corporation, Boston	3.7	>3.0
UBS Fund Management (Switzerland) AG, Basel	3.0	4.3

Disclosure notifications of major shareholders

Information regarding major shareholders is based on the register of shareholders or the notifications received by Swiss Prime Site AG. The obligation to disclose investments exists when a person or group subject to this obligation has 3, 5, 10, 15, 20, 25, 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 – according to article 120 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 75 946 349 registered shares at a nominal value of CHF 15.30. All outstanding shares are entitled to voting rights and dividends. There are no preferential rights. In accordance with articles 3a and 3b of the Articles of Association, share capital (authorised and conditional capital) may be increased by a maximum of CHF 106.733 million or 9.2% of existing share capital.

Authorised and conditional capital

The authorised and conditional capital comprises 6 975 985 [7 000 000] registered shares amounting to CHF 106.733 million [CHF 107.100 million].

The Board of Directors is authorised to increase the share capital within the aforementioned limits at any time until 26 March 2021. The Board of Directors is entitled to exclude shareholders' subscription rights in favour of third parties, in the event that the new shares should be utilised for acquiring other companies, stakes in companies, investments or real estate, or for financing or re-financing such transactions. Additional details on the changes in capital can be found in note 20 «Shareholders' equity» of the consolidated financial statements on page 47 of the Financial Report. Swiss Prime Site AG has no equity instruments (e.g. participation or profit share certificates) outstanding other than registered shares.

The precise wording regarding authorised and conditional capital can be found in articles 3a and 3b of Swiss Prime Site AG's Articles of Association (download at www.sps.swiss under Governance).

Restrictions on transferability and nominee registrations

Pursuant to article 5 of the Articles of Association, every shareholder and usufructuary may request to be registered in the share register. The Articles of Association are available for download on the website www.sps.swiss under Governance. Only those persons whose names appear in the share register and who have acquired shares in their own name and on their own account are registered as shareholders or usufructuaries by the Company. The Company acknowledges only one beneficiary per share.

Each share is entitled to a vote at the Annual General Meeting. The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as, and as long as, their recognition can prevent the Company from providing the verification governing the composition of its shareholders, which is required by federal law. Otherwise, there are no restrictions on registration or voting rights. The Annual General Meeting may resolve to suspend these restrictions on transferability with a majority of valid votes according to article 12, paragraph 3 of the Articles of Association (available to download at www.sps.swiss under Governance).

Shareholdings not subject to notification held by nominees and fiduciaries are entered into the register without voting rights.

Capital structure as at 31.12.2020

Capital	Number of registered shares	Nominal per share in CHF	Total in CHF 1000
Share capital	75 970 364	15.30	1 162 347
Authorised and conditional capital	6 975 985	15.30	106 733
of which for exercising options and/or conversion rights granted with bonds or similar issues	6 975 985	15.30	106 733

Share capital changes over the last three years

Changes	Number of registered shares	Nominal per share in CHF	Nominal value in CHF 1000
Share capital as at 31.12.2017	71 478 917	15.30	1 093 627
Capital increase on 28.09.2018	4 467 432	15.30	68 352
Share capital as at 31.12.2018	75 946 349	15.30	1 161 979
Share capital as at 31.12.2019	75 946 349	15.30	1 161 979
Conversion of 500 units of the CHF 250.00 million convertible bond	23 983	15.30	367
Conversion of 674 units of the CHF 300.00 million convertible bond	32	15.30	–
Share capital as at 31.12.2020	75 970 364	15.30	1 162 347

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Nominal value as at 31.12.2020	CHF m	247.500	296.630
Book value as at 31.12.2020	CHF m	244.954	294.697
Book value as at 31.12.2019	CHF m	246.380	297.560
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)

Each convertible bond with a nominal value of CHF 0.005 million can be converted into registered shares of the Company at any time. New shares will be guaranteed using conditional capital of CHF 106.733 million. This is equal to 9.2% of share capital prior to the convertible bond issue.

Conversions of nominal CHF 5.870 million took place in the reporting year. Further information on convertible bonds is included in note 18 «Financial liabilities», on page 44 of the Financial Report.



Board of Directors

As at the balance sheet date, the Board of Directors of Swiss Prime Site AG comprised seven members. All members are non-executive and independent Board of Directors members in the context of the Swiss Code of Best Practice for Corporate Governance. None of the members of the Board of Directors maintains any significant business relationship with Swiss Prime Site AG or the Swiss Prime Site Group.

Composition of the Board of Directors

Name, Born	Position	Nationality	Member since
Ton Büchner, 1965	Chairman	CH/NL	2020
Mario F. Seris, 1955	Vice-Chairman	CH	2005
Christopher M. Chambers, 1955	Member	CH/UK	2009
Dr. Barbara Frei-Spreiter, 1970	Member	CH	2018
Dr. Rudolf Huber, 1955	Member	CH	2002
Thomas Studhalter, 1969	Member	CH	2018
Gabrielle Nater-Bass, 1968	Member	CH	2019

Departures during the reporting period

Prof. em. Dr. Hans Peter Wehrli as at 24 March 2020.

Additions during the reporting period

Ton Büchner as at 24 March 2020.

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, of which no more than four in listed entities.

Several mandates within the same group of companies and mandates carried out as part of the member's position on the Board of Directors or the executive management or a supreme managing or supervisory body (including in pension funds, joint ventures and legal entities in which the company has a substantial investment) are counted as one mandate. Activities in non-profit-oriented associations, organisations and foundations are not subject to any restrictions.

The Board of Directors currently has three committees (Audit Committee, Nomination and Compensation Committee and Investment Committee) and a Sustainability Board, which are described in more detail in the following sections.

Elections and period of office

The respective Chairman as well as members of the Board of Directors and Nomination and Compensation Committee are individually elected by the Annual General Meeting for a one-year term of office.

Members of the Board of Directors place their mandate at the disposal of the ordinary Annual General Meeting in the year in which they reach the age of 70.

Regulation of the powers and duties of the Board of Directors

The basic principles and the separation of the functions and powers between the Board of Directors and Executive Board are stipulated in the organisational (download at www.sps.swiss under Governance) and competence regulations as well as in the Executive Board regulations.

The Board of Directors is responsible for the general management of the Company as well as supervising and controlling the Executive Board. The Board of Directors makes the fundamental decisions that determine the activity of the Company. Within the framework of its activities, the Board of Directors ensures profit-focused and competent management of the Company by its Executive Board, according to the provisions of the Articles of Association, the regulations and the applicable legislation.

The Board of Directors acts as a collective body. Unless otherwise provided in the resolutions of the Board of Directors and the organisational regulations, its members may not have any personal authority over the Company and therefore cannot issue any instructions of their own accord.

As required, the Board of Directors can form committees from among its members and allocate powers to these committees in separate sets of regulations, or by amending the existing organisational regulation. The Board of Directors has taken advantage of this option and formed an Audit Committee, Investment Committee and Nomination and Compensation Committee as well as a Sustainability Board. The Board of Directors can delegate the preparation and implementation of its resolutions or the monitoring of activities to one or more committees or to individual members or the Executive Board. It ensures appropriate reporting to its members. The Board of Directors formed two non-permanent committees in the reporting period, one to prepare the strategy for Jelmoli AG and one for Swiss Prime Site Solutions AG.

The Board of Directors delegates all executive management activities to the Executive Board unless otherwise provided by law, the Articles of Association or the organisational regulations. It issues directives on the business and investment policy and keeps itself regularly informed of the course of business. The Board

of Directors holds meetings as often as business requires, but a minimum of once per quarter. During the reporting period, six meetings and nine phone or video conferences of the Board of Directors took place.

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 right of inspection of business procedures and business transactions.

The Board of Directors is briefed by the Chief Executive Officer and the Chief Financial Officer as well as by the other Executive Board members at each meeting regarding the ongoing course of business and significant business transactions. At these meetings, members of the Board of Directors can request any information regarding the Swiss Prime Site Group from other members of the Board of Directors or Executive Board that they require to fulfil their duties. Members of the Board of Directors must be immediately notified of any extraordinary incidents.

The internal auditor, risk management and external auditors provide support to the Board of Directors in exercising its monitoring and controlling functions. In addition, the Audit Committee, Investment Committee and Nomination and Compensation Committee oversee the control and information functions relative to the Executive Board. These functions are coordinated with the Board of Directors and defined in the relevant regulations and records.

The Audit Committee, Investment Committee and Nomination and Compensation Committee are informed about the relevant issues by means of corresponding reports and analyses. These reports are discussed in detail and relevant proposals are submitted to the Board of Directors. The reports and analyses are then presented by the 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 in 2016 with a process landscape. By means of a risk inventory, risks are identified, analysed, evaluated and managed according to the group's targets and sustainability roadmap. The Audit Committee assesses the group's risk situation through risk reporting. Risk management is subsequently assessed, approved and controlled in terms of implementation by the Board of Directors based on the request of the Audit Committee. The Board of Directors is also supported by the internal and external auditors. The internal auditors receive audit and analysis assignments from the Board of Directors. Internal auditors have

an unrestricted right to information and right of inspection of records relative to all group companies and positions. Moreover, the Executive Board in consultation with the Audit Committee can assign internal auditors tasks outside the scope of the planned auditing activities, such as executing special investigations and analyses. The internal auditor in charge reports to the Audit Committee.

Audit Committee

Chair: Thomas Studhalter; members: Rudolf Huber, Christopher M. Chambers.

The functions, duties and powers of the Audit Committee are set out in separate rules. The Audit Committee manages all business activities of the Board of Directors in the areas of financial management (such as accounting, finance control and financial planning), assurance (risk management, internal control system, compliance and internal audit), external audit. It also manages additional business activities of the Board of Directors that require specific financial expertise (for example, regarding taxes and dividend policy).

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 a minimum of twice per year. During the reporting period, three meetings and five phone or video conferences of the Audit Committee took place.

Each year, at least one meeting is held with the external auditors. On the basis of this meeting, the Audit Committee forms an in-depth picture of the activities of the auditors and informs the Board of Directors about its findings.

The Audit Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Audit Committee has a right of proposal to the Board of Directors. The Audit Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.

Nomination and Compensation Committee

Chair: Barbara Frei-Spreiter; members: Gabrielle Nater-Bass, Christopher M. Chambers.

Swiss Prime Site's Nomination and Compensation Committee assumes the relevant responsibilities in accordance with the Ordinance Against Excessive Compensation in Listed Companies (Ordinance) and the Articles of Association amended based on this Ordinance.

The functions, duties and powers of the Nomination and Compensation Committee are set out in separate rules. The Nomination and Compensation Committee manages all of the Board of Directors' business activities in the areas of nomination for the highest level managing body (members of the Executive Board and Management Boards of the group companies) as well as proposals for members of the Board of Directors and for compensation.

The Nomination and Compensation Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Nomination and Compensation Committee has the right to submit proposals to the full Board of Directors.

The Nomination and Compensation Committee holds meetings as often as business requires, but a minimum of twice per year. During the reporting period, four meetings and one phone or video conference of the Nomination and Compensation Committee took place.

The Nomination and Compensation Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.

Investment Committee

Chair: Mario F. Seris; members: Ton Büchner, René Zahnd, Peter Lehmann, Markus Meier.

The functions, duties and powers of the Investment Committee are set out in separate rules. The Investment Committee manages all Board of Directors' business activities in the areas of real estate and real estate investments as well as additional Board of Directors' business activities that require specific expertise in the real estate field.

The Investment Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Investment Committee has the right to submit proposals to the Executive Board or Board of Directors. The Investment Committee holds meetings as often as business requires, but a minimum of twice per year. During the reporting period, four meetings and one phone or video conference of the Investment Committee took place.

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

Sustainability Board

Chair: Ton Büchner, Chairman of the Board of Directors; members: Barbara Frei-Spreiter, member of the Board of Directors; René Zahnd, CEO; Urs Baumann, Head Sustainability & Innovation and Martin Pfenninger, Head Group Sustainability. The Board manages high-level, group-wide issues regarding sustainable management. The Board discussed and approved the strategy and objectives regarding sustainability, particularly reporting and further action to be taken in connection with the CO₂ reduction pathway. In the reporting period, three meetings took place.

Meetings

Committee/ Board	Meetings and phone/video conferences (calls)	Duration (average)	Attendance
Board of Directors	15 (of which 9 calls)	3:47 hours	97.1 %
Audit	8 (of which 5 calls)	2:28 hours	91.5%
Nomination & Compensation	5 (of which 1 call)	2:03 hours	100%
Investment	5 (of which 1 call)	1:48 hours	100%
Sustainability	3	2:00 hours	100%

Board of Directors self-evaluation

In 2020, the Board of Directors conducted a self-evaluation looking at the work of the Board of Directors and its individual committees. The evaluation covered purpose, scope, composition and responsibilities, and was conducted with an external party, Russell Reynolds. As part of the evaluation, each member of the Board completed a questionnaire and had a private conversation with Russell Reynolds. In addition, the CEO and the CFO were interviewed to find out their opinion about the Board of Directors and its work with management. A summary was presented to the Board of Directors, discussed with Russell Reynolds and improvement measures were defined.



Ton Büchner

1965, Altendorf

Position

Chairman of the Board of Directors, independent member since 2020

Committees

Investment: Member

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, listed on the stock exchange, and was their CEO from 2007 to 2011. Between 2012 and 2017, he was CEO and Chairman of the Management Board at AkzoNobel NV, a Dutch company listed on the stock exchange.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Board of Directors of Novartis AG, Basel, Chairman of the Board of Directors of Burckhardt Compression AG, Winterthur

Unlisted companies: Consultant to Ammega

Key skills

Leadership, Strategy, ESG, Sales & Marketing, Operations, M&A, Risk Management, R&D, Digitalisation



Mario F. Seris

1955, Klosters-Serneus

Position

Vice-Chairman of the Board of Directors, independent member since 2005

Committees

Investment: Chair

Education

Lic. phil. I; English and Education at the University of Zurich

Professional activity

From 1978 to the beginning of 2013, Mario F. Seris held various national and global management positions at Credit Suisse AG, including as Chief Executive Officer of Credit Suisse Asset Management, Switzerland from 2002 to 2005. He was also Global Head of Real Estate Asset Management at Credit Suisse AG from 2005 to 2010. He represented Credit Suisse AG as senior adviser 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 within Swiss Prime Site

Member of the advisory board of Wincasa AG, Winterthur

Mandates outside Swiss Prime Site

None

Key skills

Leadership, Strategy, Real Estate, Asset Management, Risk Management, Human Resources



Dr. Barbara Frei-Spreiter

1970, Männedorf

Position

Member of the Board of Directors, independent member since 2018

Committees

Nomination and Compensation: Chair

Education

Degree in Mechanical Engineering, Swiss Federal Institute of Technology; Dr. sc. Techn., Swiss Federal Institute of Technology;

Master of Business Administration, IMD Lausanne

Professional activity

Between 1998 and 2016, Barbara Frei held several senior roles in the ABB Group, most recently as Head of Strategic Portfolio Reviews for the Power Grids division. Since January 2019, Barbara Frei has been Executive Vice President Europe Operations for Schneider Electric.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Board of Directors of Swisscom AG, Berne

Unlisted companies: Mandates due to her roles in the Schneider Electric Group: Chair (Formand) of Schneider Nordic Baltic A/S, Ballerup, DK; Member of the Board of Directors of Schneider Electric Industries SAS, Rueil-Malmaison, F

Key skills

Leadership, Strategy, ESG, Real Estate, Sales & Marketing, M&A, R&D, Digitalisation, IT/Cybersecurity, Human Resources



Thomas Studhalter

1969, Horw

Position

Member of the Board of Directors, independent member since 2018

Committees

Audit: Chair

Education

Business Economist, Certified Public Accountant

Professional activity

Thomas Studhalter has been CEO of BDO in Switzerland since 1 January 2021. Until 31 December 2020, he was a partner and member of the Regional Board of Management for Central Switzerland at BDO. Before joining BDO, Thomas Studhalter was a partner at KPMG.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Member of the Board of Directors of Datacolor AG, Lucerne

Unlisted companies: Member of the Board of Directors of Bataillard AG, Rothenburg; Eisner Holding AG, Hergiswil (and its subsidiary Inhag AG, Hergiswil)

Key skills

Leadership, Strategy, Finance, M&A, Risk Management, Digitalisation, Human Resources



Christopher M. Chambers

1961, London, UK

Position

Member of the Board of Directors, independent member since 2009

Committees

Audit: Member
 Nomination and Compensation: Member

Education

Life Fellow Royal Society of Arts (FRSA); United Kingdom

Professional activity

Christopher M. Chambers began his professional career in investment banking, before becoming Chief Executive Officer of global hedge fund Man Investments, which he left in 2005.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: Chairman of the Board of Directors of Leonteq AG, Zurich

Unlisted companies: Chairman of the Board of Directors of Lonrho Ltd., London, UK; Chairman of the Board of Directors of Oxford Sciences Innovation PLC, Oxford, UK

Key skills

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



Dr. Rudolf Huber

1955, Pfäffikon SZ (Freienbach)

Position

Member of the Board of Directors, independent member since 2002

Committees

Audit: Member

Education

Dr. oec. publ.; University of Zurich

Professional activity

Member and Chairman of the Executive Board of various internationally active industrial companies, including member of the Executive Board and Chief Financial Officer of the Geberit Group, Rapperswil-Jona from 1992 to 2004. As CEO of Axega GmbH, Rudolf Huber subsequently assumed various board of director, advisory, teaching and interim management mandates. From 2015 to the end of 2016, he held the position of acting CEO of Looser Holding AG.

Mandates within Swiss Prime Site

Member of the advisory board of Jelmoli AG, Zurich

Mandates outside Swiss Prime Site

Stock exchange-listed companies: none

Unlisted companies: Chairman of the Board of Directors of Fageb Verwaltungs AG, Rapperswil-Jona; member of the Board of Directors of Hoerbiger Holding AG, Zug; member of the Board of Directors of Allco AG, Zurich; member of the Board of Trustees of the Hoerbiger Foundation, Zug

Key skills

Leadership, Strategy, Real Estate, Finance, M&A, Risk Management, IT/Cybersecurity, Human Resources



Gabrielle Nater-Bass

1968, Meilen

Position

Member of the Board of Directors, independent member since 2019

Committees

Nomination and Compensation: Member

Education

Lic. iur., University of Zurich; admitted to the Zurich bar; LL.M., University of Virginia School of Law

Professional activity

Gabrielle Nater-Bass has been working for Homburger, a leading Swiss corporate law firm, since 1997. She became a partner in 2006. She has many years' experience appearing before national courts and courts of arbitration, both in Switzerland and abroad. As a member of Homburger's specialist real estate team, she has extensive knowledge of infrastructure projects and real estate transactions.

Mandates outside Swiss Prime Site

Stock exchange-listed companies: none

Unlisted companies: Member of the Board of Directors of LGT Bank AG and LGT Bank (Schweiz) AG

Key skills

Legal, M&A, Risk Management, Strategy, IT/Cybersecurity, Human Resources

Executive Board

The Executive Board is responsible for the operational management of Swiss Prime Site and represents the group publicly. The Executive Board corresponds to the «executive management» according to the Articles of Association of Swiss Prime Site AG and Swiss 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	CH	2015
Markus Meier, 1964	CFO	CH	2015
Peter Lehmann, 1958	Member, CEO Swiss Prime Site Immobilien AG	CH	2002
Oliver Hofmann, 1970	Member, CEO Wincasa AG	CH	2013
Nina Müller, 1969	Member, CEO Jelvoli AG	AT	2020

Departures during the reporting period

Dr. Luca Stäger, CEO Tertium Gruppe AG, as of 28 February 2020.

Additions during the reporting period

Nina Müller, CEO Jelvoli AG, as of 1 April 2020.

Articles of Association provisions regarding the number of permitted activities

Members of the Executive Board may simultaneously carry out no more than five additional mandates outside the group in the supreme managing or supervising body of legal entities that are required to be entered in the commercial register or an equivalent foreign register, of which no more than one in a listed entity.

Several mandates within the same group of companies and mandates carried out as part of the member's position on the Board of Directors or the executive management or a supreme managing or supervisory body (including in pension funds, joint ventures and legal entities, in which the company has a substantial investment) are counted as one mandate. Activities in non-profit-oriented associations, organisations and foundations are not subject to any restrictions.

Management contracts

There are no management contracts.

Compensation, shareholdings and loans

The following information is provided in the Compensation Report on pages 5 to 19: Articles of Association provisions regarding the principles governing profit-based compensation and the allocation of shares, as well as an additional amount for compensation of those members of the Executive Board who are designated as such following the vote by the Annual General Meeting on compensation; Articles of Association provisions regarding loans, credit and pension benefits to members of the Board of Directors and the Executive Board; Articles of Association provisions regarding the vote by the Annual General Meeting on compensation.

Shareholdings in Swiss Prime Site AG held by members of the Board of Directors and Executive Board are reported in the Company's notes to the financial statements of Swiss Prime Site AG on page 68.





René Zahnd

1966, Berne

«Turn challenges into opportunities.»

Position

Member of the Executive Board, Chief Executive Officer

Committees

Investment: Member

Education

Attorney at Law

Professional activity

Chief Executive Officer of Swiss Prime Site AG since 1 January 2016. René Zahnd began his professional career at Bratschi Emch & Partner Attorneys at Law in Berne and Zurich from 1994 to 1996. Thereafter, he held the following positions: co-head of Legal Services at BEKB and Dezennium AG from 1996 to 1998; head of Legal Services as well as Director of Project Development and member of the Executive Management at general contractor Losinger/Marazzi from 1998 to 2009; Implenia AG from 2009 to 30 October 2015 – as member of the Executive Management from 2010 and member of the Group Executive Board of Implenia AG from 2013 – first as director of Implenia Real Estate and thereafter as director of Modernisation & Development from February 2014.

Mandates within Swiss Prime Site

Chairman of the Board of Directors of the following group companies: Jelmolli AG, Zurich; Swiss Prime Site Immobilien AG, Olten; Swiss Prime Site Finance AG, Olten; Swiss Prime Site Management AG, Olten; Swiss Prime Site Solutions AG, Zurich; Wincasa AG, Winterthur; immoveris ag, Berne

Mandates outside Swiss Prime Site

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



Markus Meier

1964, Winterthur

«Being successful on the market also means utilising resources in the right place.»

Position

Member of the Executive Board, Chief Financial Officer

Committees

Investment: Member

Education

Business Economist FH and Certified Public Accountant

Professional activity

Markus Meier has been Chief Financial Officer of Swiss Prime Site AG since 1 June 2015 and previously ad interim Chief Financial Officer from 1 January 2015. From 2009 to 31 December 2014, he held positions at Swiss Prime Site AG in the areas of Finance, Accounting and Investor Relations. Prior to that, he was Chief Financial Officer of Jelmolli AG and Mobimo AG as well as Head of Corporate Accounting and Tax at Ascom. He was also group controller at BZ Group after years of employment at Arthur Andersen (today Ernst & Young).

Mandates within Swiss Prime Site

Member of the Board of Directors of the following group companies: Jelmolli AG, Zurich; Swiss Prime Site Immobilien AG, Olten; Swiss Prime Site Finance AG, Olten; Swiss Prime Site Management AG, Olten; Swiss Prime Site Solutions AG, Zurich; Wincasa AG, Winterthur; immoveris ag, Berne; streamnow ag, Zurich; member of the foundation board of the SPS and Jelmolli pension fund, Zurich; member of the foundation board of the SPS and Jelmolli welfare foundation, Zurich

Mandates outside Swiss Prime Site

None



Peter Lehmann

1958, Wilen bei Wollerau

*«We don't buy locations.
We make them.»*

Position

Member of the Executive Board, Chief Executive Officer of Swiss Prime Site Immobilien AG (until 31 december 2020, as of 1 January 2021: Dr. Martin Kaleja)

Committees

Investment: Member

Education

Construction planner

Professional activity

Peter Lehmann has been Chief Executive Officer of Swiss Prime Site Immobilien AG since 1 March 2017; previously he was Chief Investment Officer of Swiss Prime Site AG from 1 March 2002. He was head of various departments within real estate asset management at Credit Suisse AG, Zurich (managing director) from 1991 to the end of 2012. From 2004 to 2009, he was head of development, and prior to that head of construction and acquisitions & sales Switzerland, at Credit Suisse AG. Previously, he worked in the construction sector for the fund management of a big bank and as architectural project manager at a general contractor.

Mandates within Swiss Prime Site

Member of the Investment Committee of the SPS and Jelmoli pension fund

Mandates outside Swiss Prime Site

Stock exchange-listed companies: none

Unlisted companies: Chairman of the Board of Directors of DUK AG, Freienbach

Activities in non-profit-oriented associations, organisations and foundations: Member of the Executive Board of Verband Immobilien Schweiz (VIS)



Oliver Hofmann

1970, Richterswil

*«Pursuing efficiency and focusing
on the essentials are what make our
business model successful.»*

Position

Member of the Executive Board, Chief Executive Officer of Wincasa AG

Education

Banking studies, Bachelor in Economics and Business Administration, Master of Science in Real Estate of CUREM (University of Zurich)

Professional activity

Oliver Hofmann has held the positions of Chief Executive Officer of real estate services company Wincasa AG since 1 January 2013 as well as member of the Executive Board of Swiss Prime Site AG since 1 June 2013. In addition to spending a few years of his professional career in the finance department of IBM (Switzerland) Ltd, he previously worked at UBS AG for more than 15 years with other intermittent activities (investment advisor in Wealth Management, Corporate Finance, build-up of Swiss real estate advisory services). From 2007 to 2012, he held the position of head of Real Estate Advisory Switzerland at UBS AG. From 2010 to September 2013, he served as Chairman of RICS Switzerland – Royal Institution of Chartered Surveyors. Oliver Hofmann is also a member of «G15 – Group of Fifteen».

Mandates within Swiss Prime Site

Chairman of the Board of Directors of streamnow ag, Zurich

Mandates outside Swiss Prime Site

Stock exchange-listed companies: none

Unlisted companies: Vice-Chairman of the Board of Directors of H Invest & Consult AG, Freienbach; Member of the Board of Directors of Crédit Agricole next bank (Suisse) SA, Lancy; member of the Board of Directors of the cooperative society ZFV-Unternehmungen, Zurich



Nina Müller

1969, Zurich

«We create encounters.»

Position

Member of the Executive Board, Chief Executive Officer of Jelmoli 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 provisions (article 5)
- Powers of the Annual General Meeting (article 8)
- Convening/agenda of the Annual General Meeting (article 9, para. 4 and article 10)
- Voting rights and adoption of resolutions, independent shareholder representative and issuing instructions (article 12 and article 13)
- Special quorums (article 14)
- Compensation of the Board of Directors and Executive Board (article 28 et seq.), see the Compensation Report

The wording of some provisions of the Articles of Association is provided in the following section:

Voting rights and adoption of resolutions

According to article 12 of the Articles of Association:

«¹ Each share entitles the holder to one vote.

² Representation by proxy at the Annual General Meeting is only permissible with a written power of attorney. The chairman of the shareholders' meeting decides on the recognition of proxies. The Board of Directors may issue rules on the participation, representation and the issuing of voting instructions. The Board of Directors ensures that shareholders can grant a power of attorney and issue their instructions to the independent proxy electronically.

³ The Annual General Meeting passes its resolutions and effects its elections with a majority of the validly cast votes, unless the law or the Articles of Association provide otherwise. Abstentions shall not be counted. In the event of a tie vote, the chairman shall have the casting vote for resolutions, while elections shall be decided by lot.

⁴ Elections and resolutions are taken in an open ballot or electronically, unless the Annual General Meeting resolves that an election or resolution shall be taken in writing or the Chairman decides to do so. The Chairman may always have an open or electronic ballot repeated as a written ballot if in his opinion there are doubts as to the result of the vote. In such a case the previous open or electronic election or vote is considered not to have occurred.»

Any shareholder entered in the share register on 9 March 2021 (effective date) is eligible to vote at the ordinary Annual General Meeting of 23 March 2021. Shareholders who sell their shares after this date are not eligible to participate in the ordinary Annual General Meeting. No entries are recorded in the share register from 10 March up to and including 23 March 2021.

Special quorums

According to article 14 of the Articles of Association:

«A resolution of the Annual General Meeting with at least two-thirds of the represented votes and with the absolute majority of the represented nominal value is required for the following:

- a) amendment of the Company's purpose;
- b) creation of shares with voting rights;
- c) transfer restrictions on registered shares;
- d) authorised or conditional capital increase;
- e) capital increases from shareholders' equity, against contribution in kind or for the purpose of acquiring assets as well as granting of special rights;
- f) restriction or cancellation of subscription rights;
- g) change of the Company's registered office;
- h) dissolution of the Company without liquidation;
- i) dissolution of the Company with liquidation;
- k) conversion of bearer shares into registered shares;
- l) conversion of registered shares into bearer shares;
- m) the abolishment of statutory restrictions regarding the adoption of resolutions at the Annual General Meeting pursuant to the above subsections i, k and l.»

Convening the Annual General Meeting

According to article 10 of the Articles of Association:

«¹ The Annual General Meeting shall be convened by the Board of Directors or, if necessary, by the auditors.

² The Annual General Meeting shall be called no less than 20 days before the date of the meeting by publication in the Swiss Official Gazette of Commerce. Shareholders recorded in the share register may also be invited by letter. The notice of an Annual General Meeting shall state the agenda items and the proposals of the Board of Directors and of the shareholders who requested that items be put on the agenda or that an Annual General Meeting be convened.

³ Subject to the provisions regarding universal meetings of shareholders, no resolutions can be passed on matters not thus announced except with respect to the application to convene an extraordinary shareholders' meeting or to conduct a special audit. Proposals made after convening or during the Annual General Meeting may be allowed for discussion if the Annual General Meeting so decides. However, resolutions in relation to such proposals may only be made at the next Annual General Meeting.

⁴ No prior notification is required for submitting proposals in the context of agenda items and for the discussion of matters without the passing of a resolution.

⁵ The Annual Report, Compensation Report and corresponding audit report, the auditor's report and the auditor's report for the group of companies must be made available to the shareholders at the Company's registered office no less than 20 days before the ordinary shareholders' meeting. The invitation to the Annual General Meeting must refer to this fact and to the right of every shareholder to request that copies of these documents be sent to them.»

Agenda

According to article 9, para. 4 of the Articles of Association, shareholders representing shares with a nominal value of half a million Swiss francs may demand that an item be put on the agenda. Such demand must be made in writing, specifying the agenda item and the proposals, no later than 40 days before the date of the shareholders' meeting.

Share register and registration provisions

According to article 5 of the Articles of Association:

«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 (in case of legal entities, the registered office). In the event of a change of place of residence, the Company must be notified in writing of the new place of residence, failing which the former place of residence continues to be relevant for the purpose of the relationship with the Company. The Company only acknowledges a person as a shareholder or usufructuary if such person is entered in the share register. The Company acknowledges only one beneficiary per share.

² Upon request, those acquiring registered shares are entered into the share register as shareholders with the right to vote if they expressly declare to have acquired these registered shares in their own name and for their own account. Art. 685d(3) CO remains reserved.

³ After having heard the registered shareholder, the Board of Directors may delete an entry in the share register with retroactive effect as of the date of that entry if such entry was based on false information. The respective shareholder must be informed immediately about the deletion.

⁴ The Board of Directors takes the necessary steps and makes the necessary arrangements in order to comply with the above provisions.

⁵ The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as, and as long as, their recognition can prevent the Company from providing the verification governing the composition of its shareholders, which is required by Swiss federal law. Otherwise, there are no restrictions on registration or voting rights.»

Independent shareholder representative

The Articles of Association provisions regarding independent shareholder representatives correspond to the regulations according to the Ordinance Against Excessive Compensation in Listed Companies (OAEC). The Board of Directors ensures that shareholders can issue authority and instructions to the independent shareholder representative electronically as well. Detailed information and instructions are provided to shareholders together with the invitation documentation for attendance of the Annual General Meeting. These are also published on the Company's website.

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 as well as 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, Raffelstrasse 28, Postfach, 8036 Zurich. KPMG AG also acts as independent auditor for all significant fully consolidated group companies. The auditors are elected each year by the Annual General Meeting.

The auditor in charge has been in this role since the financial year 2020.

After a 20-year mandate term with KPMG, Swiss Prime Site put the audit mandate out for tender in 2019, with four audit companies taking part in the selection procedure. After analysing the bids and presentations in detail, the Board of Directors recommended to the Annual General Meeting in 2020 that KPMG Zurich be re-elected as auditors. The selection process looked at criteria including relevant experience in auditing and real estate valuation, the audit team, independence, the use of audit tools and details of fees.

Fees

For the current reporting period, audit fees (including services relating to capital market transactions) of CHF 0.663 million [CHF 0.843 million] and CHF 0.032 million [CHF 0.048 million] for consulting 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 a view toward any special events. The Audit Committee decides whether the individual and consolidated financial statements can be submitted

to the Board of Directors for approval and publication, before the Board of Directors actually approves and publishes these. The Audit Committee discusses with the external auditors any significant problems that emerge within the scope of the audit as well as the complete report and the responses by the Executive Board to the facts therein. The Audit Committee also submits proposals to the Board of Directors, as required, for appropriate solutions and monitors the implementation of measures.

The Audit Committee discusses with the Executive Board and external auditors their assessment of the general quality of Swiss Prime Site's accounting standards policy that is applied to the financial reporting, carries out a critical analysis and reports to the Board of Directors.

Information policy

The Swiss Prime Site Group's detailed financial reporting occurs in the form of semi-annual and annual reports. The published accounting standards comply with the provisions of Swiss Stock Exchange Act, Listing Rules of the SIX Swiss Exchange and Swiss GAAP FER regulations. Swiss Prime Site presents the Semi-Annual and Annual Reports at the half-yearly and annual financial results press conferences as well as at the Annual General Meeting. Swiss Prime Site conducts its reporting within the scope of the disclosure obligations according to the Financial Market Infrastructure Act (FMIA) as well as the ad hoc publicity of the SIX Swiss Exchange. The ad hoc releases can be retrieved concurrently with the reports to the SIX Swiss Exchange at www.sps.swiss under Media. In addition, media releases are published as required, which can also be subscribed to on www.sps.swiss under Media. Further information about the group can be found on the website at www.sps.swiss. Contact address:

Swiss Prime Site AG
Frohburgstrasse 1
CH-4601 Olten
Telephone: +41 58 317 17 17
Email: info@sps.swiss

Significant changes since the balance sheet date

No significant changes have taken place since the balance sheet date.

SWISS PRIME SITE

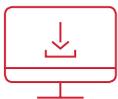
2020

— COMPENSATION REPORT



Compensation Report

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Reporting structure

Reporting consists of the online report (www.sps.swiss/reporting) and the separate sub-reports (PDF download). For reasons of sustainability, only the short report is available as a printed version.



Agility, flexibility and responsibility in the new normal

The past 12 months have strongly influenced our perception of the world. As a society, we have had to restrict ourselves and partially and temporarily give up freedoms we took for granted. This is in order to protect ourselves but also others. Agility and flexibility are two important virtues, especially in these times, to deal with changing circumstances.

Swiss Prime Site succeeded well in this in 2020. Despite some major restrictions, the company was able to continue working towards the goals it had set thanks to the adaptability of its processes and the open-mindedness of its employees. At the beginning of 2020, the group company Tertianum was successfully transferred into new hands. It was important that the approximately 5000 employees continue to be employed by the new owner.

Especially in 2020, the commitment towards a range of stakeholders was fundamental, while protecting the employees was top priority. It is only by having highly-qualified experts that we were able to safeguard our business processes despite the altered, and significantly more challenging, circumstances. In addition, the Board of Directors and Executive Board decided to set up a solidarity fund to help those employees particularly affected by the coronavirus. In the first instance, this was intended to provide quick and effective help to Jelmoli sales staff, who were on short-time work due to the crisis and the prescribed closure of the premium department store, and suffered a loss in wages as a result. The fund was endowed with CHF 450000 and was financed equally from the Board of Directors' fees and Executive Board members' salaries. It was also important to assist our tenants with personal and financial resources and provide them with as much support as possible during this crisis. Many hospitality companies, event organisers, retailers and independent businesses were severely impacted by lockdown and had to stop trading for a period. By offering payment extensions, rent waivers and individual solutions, Swiss Prime Site managed to help nearly all its clients.

The renewal of the executive committees within Swiss Prime Site continued. Since the 2020 Annual General Meeting, Ton BÜchner has been the new Chairman of the Board of Directors. As part of the renewal process, the aim is to fill the announced vacant position of Rudolf Huber in the Board of Directors with a suitable successor at the 2021 Annual General Meeting. With Barbara A. Knoflach, the ideal candidate will be proposed to the Annual General Meeting. At the Executive Board level, there has been a change in the leadership of the core real estate business, with Dr. Martin Kaleja chosen as the ideal appointment. Anastasius Tschopp (CEO Swiss Prime Site Solutions) joined the Executive Board from 2021, reflecting the future strategic importance of real estate asset management for third-parties.

Regarding compensation and incentivisation of the Board of Directors and Executive Board, several key plans were implemented in 2020. One of these was to conduct an external benchmarking analysis. This revealed that, in the context of the size and structure of our company, and in the real estate industry, Swiss Prime Site is within the standard market range. In addition, amendments and clarifications to the management compensation regulations have been made. From 2021, clawback clauses will be introduced for members of the Executive Board. Regarding the compensation of the Board of Directors, the 10% discount for allocated shares has been cancelled and the blocking period has been adjusted from four to the standard three years.

When I write these lines again in a year's time, agility, flexibility and responsibility will still be at the top of my list of priorities. Nonetheless, my wish for all of us is that we will have passed a bit of the «new normal» and will be able to pursue our tasks again with a little more ease.



Dr. Barbara Frei-Spreiter
Member of the Swiss Prime Site AG Board of Directors and
Chair of the Nomination and Compensation Committee

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 guidelines regarding corporate governance information of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*. The Compensation Report describes the governance framework, the compensation principles and programmes as well as the compensation awarded to the members of the Board of Directors and of the Executive Board in the financial year 2020.

Shareholders approve the maximum amount of compensation of the Board of Directors and the Executive Board by way of a binding vote at the Annual General Meeting. Shareholders also approve the Articles of Association that outline the principles of compensation and approve the Compensation Report by way of a consultative vote. The proposed maximum amounts of compensation submitted to shareholders' vote are maximum figures that are paid out in case of substantial over-achievement of all relevant performance targets. The effective compensation paid out is therefore likely to be below the approved maximum amounts. The effective compensation is reported in the Compensation Report, which is subject to a consultative vote by the shareholders at the Annual General Meeting. The combination of the prospective binding vote on the maximum amounts of compensation and retrospective consultative vote on the Compensation Report gives shareholders a say in decisions regarding compensation. Swiss Prime Site will continue to present the Compensation Report to the Annual General Meeting for a consultative vote in 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 effectively paid to the Board of Directors and the Executive Board is disclosed in the Compensation Report, which is subject to a consultative vote by the shareholders.
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 in the last ordinary shareholders' 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. Barbara Frei-Spreiter (Chair), Gabrielle Nater-Bass and Christopher M. Chambers are the current members of the Nomination and Compensation Committee.

The responsibilities of the Nomination and Compensation Committee are defined in a separate regulation. In summary, this includes:

- Preparation of proposals to the Board of Directors regarding the compensation principles, including the design of variable compensation
- Preparation of proposals to the Board of Directors regarding the maximum amounts of compensation of the members of the Board of Directors and the Executive Board to be submitted to shareholders' vote at the Annual General Meeting
- Preparation of proposals to the Board of Directors regarding the individual compensation of the members of the Board of Directors and the Executive Board within the limits approved by the shareholders
- Preparation of proposals to the Board of Directors on the performance targets relevant for the determination of the variable compensation
- Evaluation of the achievement of the performance targets for the calculation of the variable compensation and preparation of the corresponding proposals to the Board of Directors
- Monitoring compliance of the compensation principles with the law, the Articles of Association and internal regulations as well as the resolutions of the Annual General Meeting regarding compensation
- Preparation of the Compensation Report
- Preparation of the guidelines and proposals for the nomination (including authority to sign) for the compensation payable to the Board of Directors, the Executive Board, employees of Swiss Prime Site AG and its group companies, real estate asset managers, property/facility managers, related persons and external valuation experts

- Monitoring of compliance with the compensation and nomination policy determined by the Board of Directors, the Committee itself and the Executive Board

- 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.

Authority levels in compensation matters

	CEO	NCC	BoD	AGM
Compensation principles and variable compensation design		Proposes	Approves	
Maximum amounts of compensation of 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

The Nomination and Compensation Committee held five meetings in 2020, of which one was a phone/video conference. Over the course of the year, the Nomination and Compensation Committee reviewed the appropriateness of the compensation of the Board of Directors and the compensation structure for the Executive Board. Furthermore, the Nomination and Compensation Committee performed its regular activities throughout the year, such as the performance target setting at the beginning of the year and the performance assessment following the year-end, the annual review and determination of the individual compensation of the members of the Board of Directors and the Executive Board, as well as the preparation of the Compensation Report and of the say-on-pay compensation votes for the Annual General Meeting.

The Chair of the Nomination and Compensation Committee reports the activities of the committee to the Board of Directors after each meeting. The minutes of the committee meetings are available to the members of the Board of Directors. As a general rule, the Chairman of the Board of Directors and CEO attend the meetings in an advisory capacity. They do not attend the meeting when their own compensation and/or performance are being discussed. The Nomination and Compensation Committee may consult an external advisor from time to time regarding special compensation issues. In 2020, Agnès Blust Consulting AG was commissioned as an independent, external consultancy firm on matters of compensation. This company has no other consultancy mandate from Swiss Prime Site AG.

Method of determination of compensation

The Nomination and Compensation Committee periodically reviews the compensation of the Board of Directors and Executive Board. This includes the regular benchmarking analysis – approximately every two to three years – of the compensation of similar positions in other stock exchange-listed companies that are comparable in size (market capitalisation, revenues, headcount). However, it is worth noting that Swiss Prime Site’s business model – with operating group companies in real estate-related business fields and a total workforce of more than 1 700 employees – has a higher degree of complexity than pure real estate companies.

In 2020, the consultancy firm Agnès Blust Consulting AG conducted two comparative analyses. To review the compensation of the Executive Board and the Board of Directors, the same companies were included in the comparison. The companies in the comparison group were selected based on market capitalisation, revenues and headcount. They included: Adecco, Barry Callebaut, Belimo, BKW, Clariant, Emmi, EMS-Chemie, Galenica, Geberit, Idorsia, Logitech, PSP Swiss Property, SIG Combibloc, Sonova, Straumann, Swatch, Swisscom, Tecan, Temenos, VAT and Vifor Pharma.

Compensation principles

Compensation of the Board of Directors

To help ensure that the Board of Directors perform their supervisory activities independently, they only receive a fixed compensation. This is paid partly in cash, and partly in restricted shares, with the intention of more closely linking the interests of the Board members with those of shareholders.

In 2020, the Nomination and Compensation Committee reviewed the structure and amount of the compensation of the Board of Directors. While the total compensation of the Board of Directors is comparatively low as no committee fees are usually paid (except for the Chair of the Audit Committee), the structure of the compensation generally corresponds to market practice. The Board of Directors concluded that the overall concept for the compensation of the Board of Directors is generally appropriate, with a few amendments: the 10% discount granted on allocated shares was cancelled. The use of a 60-day VWAP of the share price, instead of the closing price from the previous year, is intended to result in a price that is closer to the market. In line with common market practice, the vesting period was amended to three years.

Compensation of the Executive Board

The compensation principles for the Executive Board of Swiss Prime Site reflect the Company's commitment to attract, develop and retain qualified and talented executives. Compensation drives performance, rewards the achievement of business and individual targets and supports the long-term creation of value for the shareholders. In order to ensure market competitiveness, the compensation structure and levels are subject to regular reviews.

The compensation programme of the Executive Board was reviewed with regard to current guidelines by a number of stakeholder groups and points of criticism from investors. The compensation system for the Executive Board generally corresponds to market practice, and is structured quite conservatively. The compensation principles are outlined as follows.

Pay for performance	Compensation of the Executive Board is directly linked to the Company's financial results and individual performance. Both the annual performance and sustainable success of Swiss Prime Site are rewarded through a well-balanced combination of performance targets.
Alignment with shareholders' interests	A portion of the compensation of the Board of Directors is paid in the form of shares, for members of the Executive Board in the form of performance share units (PSUs). In this way, alignment with the interests of the shareholders is ensured.
Competitiveness	Compensation is benchmarked against that of comparable companies at regular intervals in order to ensure market competitiveness.
Internal equity and fairness	Compensation decisions are based on objective factors such as scope of responsibility of the position, external value of the position and individual performance. Compensation decisions are communicated in an open and transparent way.

The actual compensation paid to the individual members of the Executive Board in a given year depends on the Company's results and individual performance. Individual performance is assessed through the annual performance management process. The Company's targets and individual targets are determined at the beginning of the financial year. Achievement of targets is assessed at the end of the year. In discussing the individual performance of the members of the Executive Board, the Nomination and Compensation Committee considers the achievement of the individual

performance targets pre-determined during the performance management process as well as the extent to which the members of the Executive Board have conducted themselves in line with Swiss Prime Site's DNA. The Company's DNA includes Swiss Prime Site's vision, the corporate culture, the Company's values and its commitment toward sustainability. The performance assessment is the basis for determining the actual level of compensation.

Compensation system for the Board of Directors

In order to ensure their independence in exercising their supervisory duties toward the Executive Board – and to strengthen their focus on the long-term strategy and good corporate governance of the Company – the members of the Board of Directors receive a fixed annual fee only, reflecting the respective member's role on the Board of Directors, as well as a lump-sum expense allowance.

Half of the compensation of the members of the Board of Directors is paid in cash and the other half is paid in the form of restricted Swiss Prime Site AG shares. This reinforces the alignment of their interests with those of the shareholders.

The comparative study conducted in the reporting year on the total compensation of the Board of Directors revealed that the total amount of compensation for the Board of Directors is quite low compared to market practice. However, the Board of Directors will abstain from making any adjustments at present.

The 10% discount granted up until now on allocated shares has been cancelled. In line with common market practice, the vesting period has been amended to three years. This vesting period also applies to members who depart the Board of Directors. To ensure that the Swiss Prime Site share price is current, the Board of Directors' fee will now be paid half-yearly using the volume-weighted average share price (VWAP) of the 60 trading days prior to the shares being granted.

The compensation levels of the Board of Directors are shown in the following table.

Compensation levels of the Board of Directors

Fixed annual retainer for members of the Board of Directors	CHF
Chairman of the Board of Directors	350 000
Vice-Chairman of the Board of Directors	190 000
Member of the Board of Directors	180 000
Additional compensation	CHF
Additional fee for the Chair of the Audit Committee	10 000
Expense allowance	6 000

Compensation system for the Executive Board

The compensation system for the Executive Board is based on the business strategy, medium-term financial planning and the long-term interests of the Company's shareholders. The current compensation system has been in force since 2017 and is characterised by various elements.

- According to the performance-related remuneration approach, compensation consists of three elements: fixed base salary, short-term and long-term variable compensation.
- Split of the variable compensation into two components: 62.5% is awarded as a short-term incentive (STI) in cash and 37.5% delivered in the form of performance share units under the long-term incentive plan (LTI). STI and LTI together can at best achieve a maximum of 100% of the fixed base salary (for the LTI, this is without taking into account any changes in the share price during the vesting period).
- Direct link to the business strategy: The STI rewards the annual financial performance of the business for which responsibility is held and the individual performance, while the LTI rewards the performance of Swiss Prime Site as a whole over a performance period of several years. Therefore, the performance of Swiss Prime Site as a group and the performance of the individual operating group companies are rewarded in a balanced manner.

- Direct link to the mid-term financial planning: All performance indicators are determined on the basis of the Company's three-year rolling financial planning. This ensures that performance measurement is robust, transparent and sustainable. There is no possibility for the Board of Directors to apply management discretion in the determination of the effective variable compensation awarded.
- Direct link to shareholders' interests: In the case of long-term compensation (LTI), members of the Executive Board receive performance-related entitlements, so-called Performance Share Units (PSUs). After three years, the degree of target achievement is measured retroactively and the PSUs are converted into a corresponding number of shares. The performance target was defined as earnings per share (EPS) before revaluations and deferred taxes, which also serves as the basis for dividend payments to shareholders. In this way, we ensure that the interests of the Executive Board and those of the shareholders are aligned.

The compensation system for the Executive Board is well balanced: the system is performance-oriented with a larger portion of variable compensation, and it reflects the business strategy by rewarding Swiss Prime Site's profitability. In addition, the system incorporates the top-line and bottom-line contributions of the operating group companies.

Compensation structure of the Executive Board in the financial year 2020

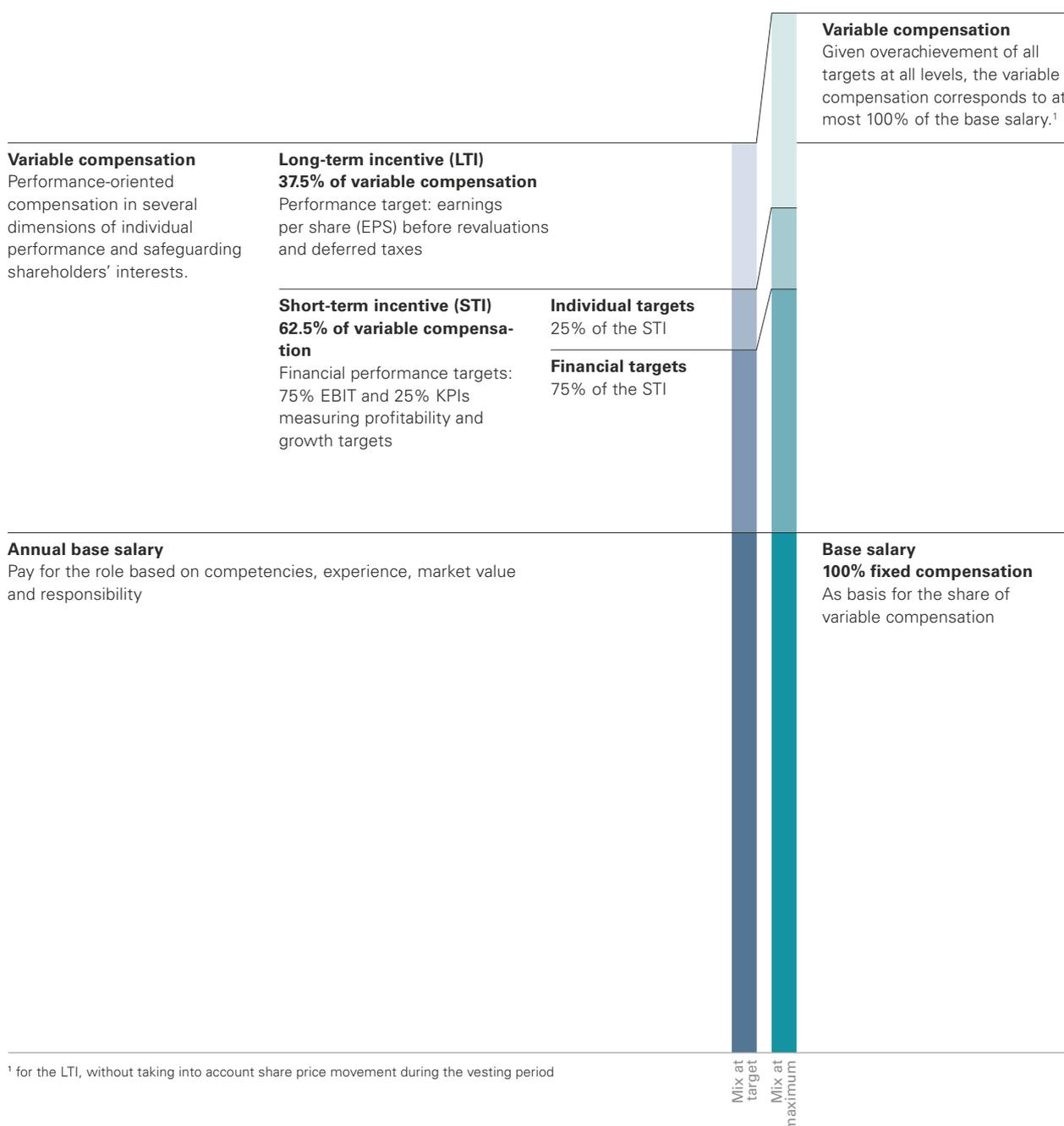
	Element	Purpose	Drivers	Performance indicators
Base salary	Monthly cash payments	Pay for the role; attracting and retaining talent	Market value of position, skills and experience	
Variable compensation	STI (in cash)	Pay for performance	Achievement of annual business and individual targets	EBIT, ROIC, revenue and other key market-specific figures
	LTI (performance share units)	Pay for performance and alignment with shareholders' interests	Group performance over three years and continuous employment	Earnings per share (EPS) before revaluations and deferred taxes
Benefits	Social contributions, retirement plans and fringe benefits	Risk coverage	Market practice, function and local regulations	

Annual base salary

The annual base salary is part of the compensation. The amount of the base salary is determined particularly by individual competencies, experience, market value and responsibility of the respective Executive Board member. The base salary also serves to ensure a certain attractiveness of the Company's public image.

Variable compensation

The total variable compensation amounts to a maximum of 100% of the annual base salary; in the case of the STI, achievement of 100% of all targets results in a variable compensation of 75% of the base salary. The variable compensation is split into short-term incentive (STI) and long-term incentive (LTI), as shown in the following illustration.



¹ for the LTI, without taking into account share price movement during the vesting period

Short-term incentive (STI): in cash

The STI constitutes 62.5% of the total variable compensation. It represents a reward for the business and the individual performance over a time horizon of one year.

The business-related objectives make up 75% of the STI. For the members of the Executive Board employed by Swiss Prime Site, business objectives include earnings before interest and tax (EBIT excluding revaluations) of Swiss Prime Site weighted at 75%, and return on invested capital (ROIC) of Swiss Prime Site weighted at 25%. For the members of the Executive Board who manage Jelmoli and Wincasa – and are employed by the respective operating group company – business objectives include EBIT of the respective operating company as well as profitability and growth targets in the specific market.

For each business objective, a target is set corresponding to the expected level of performance that will generate a payout if achieved. Given achievement of 100% of all the targets, a payout of 75% of variable compensation applies. Individual objectives are weighted at 25% of the STI, consisting of annual personal objectives that are determined and agreed upon within the scope of the performance management process:

- For the CEO: Implementation of innovation and sustainability initiatives, strategic management of the operating group companies and perception of Swiss Prime Site as a leading real estate firm according to the Company's vision.
- For the other members of the Executive Board: Risk management, reduction of fluctuation and vacancy rates, customer satisfaction, contract renewals and personnel management.

The business objectives and the target level of performance are determined on the basis of the mid-term financial planning, making the target setting very robust and ambitious. These objectives represent business-critical information. Communication of these objectives would grant an insight into Swiss Prime Site's strategy and, under certain circumstances, could result in a competitive disadvantage for the Company. The decision was therefore made not to publish any details of the objectives when they are decided, but to comment in general terms on performance at the end of the period. The maximum limit for the payout of variable compensation amounts to 100% of the fixed salary.

Long-term incentive (LTI): performance share units

The LTI constitutes 37.5% of the total variable compensation and is granted in the form of performance share units (PSUs) that reward the long-term performance of Swiss Prime Site. It ensures that the interests of the members of the Executive Board align with those of the shareholders.

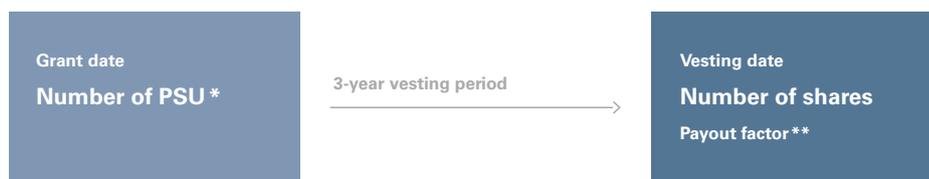
On the date of allocation, the individual LTI amount is converted to PSUs based on the volume-weighted average share price of the last 60 trading days prior to the allocation date.

The PSUs are subject to a three-year vesting period, conditional upon fulfilment of the performance indicators and continued employment relationship during the vesting period. Swiss Prime Site's earnings per share (EPS) before revaluations and deferred taxes constitutes the performance indicator and is a suitable overarching group performance indicator due to the diverse nature of Swiss Prime Site's individual business fields. The EPS target for the three-year vesting period is predetermined based on Swiss Prime Site's ambitious medium-term financial planning.

At the vesting date, the number of allocated PSUs is multiplied by the payout factor in order to determine the number of Swiss Prime Site shares that are definitively transferred out. The payout factor depends on the achievement of the EPS target and hovers in a range between 0% and 100%.

The performance share units are subject to forfeiture clauses in case of termination of employment during the vesting period. In case of termination for cause, all PSUs are forfeited. In case of resignation or termination (not for cause), all PSUs granted in the year of termination are forfeited. PSUs granted in previous years are subject to the regular vesting periods. In cases of retirement, disability or death of the participant, the PSUs are subject to a pro-rata vesting for the number of full months of employment in the respective vesting periods that have expired by the termination date. The determination of the payout factor and the vesting date remain unchanged (no acceleration of vesting). In case of change of control, the PSUs are subject to an accelerated pro-rata vesting process for the number of full months of the respective vesting periods that have expired by the date of change of control. The decisive factor here is the effective EPS performance at the date of change of control as determined by the Board of Directors.

Mechanism of the performance share units (PSUs) within the scope of the long-term incentive (LTI) plan



* Performance share units (PSUs) calculated based on VWAP 60 trading days before allocation

** Based on achievement of target for EPS performance indicator: 0–100%

Benefits and fringe benefits

Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable 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 by the respective pension plans of the employing company. There are three pension plans within the SPS and Jelmoli pension funds for the employees of Swiss Prime Site Management AG, Jelmoli AG and Wincasa AG. The employer contributions are graduated in a range between 10% and 14% depending on age and/or position.

In addition, all members of the Executive Board are entitled to a lump-sum expense allowance, according to the regulations approved by the relevant tax authorities that are applicable to all Executive Board members. No other fringe 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 one year. The compensation corresponds to the maximum amount of the last effected fixed annual compensation in proportion to the duration.

The current employment contracts of the members of the Executive Board are indefinite and include notice periods of six to twelve months. These contracts contain no unusual provisions, in particular no severance pay, no extraordinary clauses in the event of change of control over the Company and no non-competition clause.

Compensation in 2020

The compensation is disclosed in gross terms and according to the accrual principle: contributions made by the employer to pension funds are considered an integral part of compensation and disclosed as such.

During the reporting year, the Board of Directors and the members of the Executive Board voluntarily and unanimously agreed to contribute equally to a fund of CHF 450 000 and to give this amount to employees who had been particularly impacted by COVID-19, especially those working in sales and gastronomy. For the Board of Directors, the amount will be deducted from their total fee.

Compensation to the Board of Directors

In 2020, the total compensation of the Board of Directors amounted to CHF 1.3 million [2019: CHF 1.8 million] comprising: cash compensation of CHF 0.6 million [2019: CHF 0.7 million], restricted shares worth CHF 0.6 million [2019: CHF 1.0 million], social contributions and other forms of compensation amounting to CHF 0.1 million [2019: CHF 0.1 million].

The total compensation of CHF 1.3 million paid to the Board of Directors in 2020 is 28% less than the previous year's and below the maximum amount of compensation of CHF 1.8 million for the financial year 2020 approved by the shareholders at the Annual General Meeting on 24 March 2020.

01.01.–31.12.2020

in CHF 1 000	Compensation in cash	Share-based compensation ¹	Other compensation components ²	Employer social security contributions	Gross compensation	Expense allowance
Ton Büchner, Chairman of the BoD ³	116	103	6	13	238	5
Mario F. Seris, Vice-Chairman of the BoD	82	73	5	7	167	6
Christopher M. Chambers, member of the BoD	78	69	6	–	153	6
Dr. Barbara Frei-Spreiter, member of the BoD	78	69	6	5	158	6
Dr. Rudolf Huber, member of the BoD	78	69	6	7	160	6
Gabrielle Nater-Bass, member of the BoD	78	69	6	5	158	6
Thomas Studhalter, member of the BoD	82	73	6	5	166	6
Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD ⁴	43	44	–	4	91	2
Total compensation to the Board of Directors 2020, gross	635	569	41	46	1 291	43
Compensation approved by the Annual General Meeting					1 800	

¹ the shares are subject to blocking for three years, fair value upon transfer of shares

² services and benefits in kind (provision of Swiss federal railways (SBB) general pass, gross)

³ since 24.03.2020

⁴ until 24.03.2020

At the end of 2019, the Board of Directors comprised seven members. At the 2020 Annual General Meeting, a new Chairman of the Board of Directors was chosen to replace the Chairman who had stepped down, so the Board of Directors still comprised seven members at the end of 2020.

01.01. – 31.12.2019

in CHF 1 000	Compensation in cash	Share-based compensa- tion ¹	Other compensation components ²	Employer social security contributions	Gross compensation	Expense allowance
Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD	175	239	5	24	443	6
Mario F. Seris, Vice-Chairman of the BoD	95	130	6	16	247	6
Christopher M. Chambers, member of the BoD	90	123	6	–	219	6
Dr. Barbara Frei-Spreiter, member of the BoD	90	123	6	8	227	6
Dr. Rudolf Huber, member of the BoD	90	123	6	15	234	6
Gabrielle Nater-Bass, member of the BoD ³	68	92	6	6	172	5
Thomas Studhalter, member of the BoD	95	130	6	9	240	6
Klaus R. Wecken, member of the BoD ^{4, 5}	–	–	–	–	–	3
Total compensation to the Board of Directors 2019, gross	703	960	41	78	1 782	44
Compensation approved by the Annual General Meeting					1 800	

¹ the shares are subject to blocking for four years, fair value upon transfer of shares

² services and benefits in kind (provision of Swiss federal railways (SBB) general pass, gross)

³ since 26.03.2019

⁴ until 26.03.2019

⁵ waived the annual fee and received a CHF 12 000 lump-sum expense allowance

Benefits and compensation to the Executive Board

In 2020, the members of the Executive Board received total compensation of CHF 6.6 million [2019: CHF 6.7 million]. This amount comprised a fixed compensation of CHF 3.1 million [2019: CHF 3.2 million], a variable compensation component in cash of CHF 1.6 million [2019: CHF 1.5 million], performance share units amounting to CHF 1.1 million [2019: CHF 1.1 million], as well as other social insurance components totalling CHF 0.8 million [2019: CHF 0.8 million].

Notes on the compensation table

During the reporting year, the Board of Directors and the members of the Executive Board voluntarily and unanimously agreed to contribute equally to a fund of CHF 450 000 and to give this amount to employees who had been particularly impacted by COVID-19, especially those working in sales and gastronomy.

The target achievement rates for the short-term incentive (STI) were within the range of 63% to 79% (see table on page 18). The variable compensation in 2020 was 82% of the fixed compensation for the CEO and between 76% and 86% of the fixed compensation for the other members of the Executive Board.

The long-term incentive (LTI) comprises performance share units (PSUs) whose number is based on the volume-weighted average share price (VWAP) calculated from the last 60 trading days in the previous year. Due to the three-year vesting period, these entitlements (PSUs) will only result in a transfer of shares at a later date and only if the target has been achieved accordingly (measured value EPS).

The target achievement of the LTI plan due in 2021 was 101.43%. (Payout factor: 100%). Accordingly, on 19 February 2021 (vesting date) a total of 10 673 shares will be transferred to the Executive Board.

The total compensation of CHF 6.6 million effected to the Executive Board for the financial year 2020 fell far short of the maximum amount of CHF 8.3 million approved by the Annual General Meeting on 24 March 2020.

At the end of 2019, the Executive Board comprised five members, as Franco Savastano (CEO of Jelmoli) left the Company on 30 September 2019 and resigned from the Executive Board. Following the sale of Tertium, Dr Luca Stäger resigned from the Executive Board on 28 February 2020. As of 1 April 2020, Nina Müller took over as CEO of Jelmoli, so the Executive Board comprised five members as at the end of 2020.

01.01.–31.12.2020

in CHF 1 000	Total Group Executive Board	of which René Zahnd (CEO) ¹
Fixed compensation in cash, gross	3 051	900
Variable compensation in cash, gross	1 611	401
Share-based variable compensation ²	1 050	338
Other compensation components ³	32	6
pension fund contributions	466	96
Other social security contributions	365	107
Total compensation to the Group Executive Board 2020, gross	6 575	1 848
Expense allowance	87	18
Compensation approved by the Annual General Meeting	8 300	

¹ highest compensation to the Executive Board

² performance share units (LTI) with three-year vesting period

³ includes all compensation components not separately reported according to art. 14, para. 2 of the Swiss Ordinance Against Excessive Compensation in Listed Companies, e.g. provision of Swiss federal railways (SBB) general pass

01.01.–31.12.2019

in CHF 1 000	Total Group Executive Board	of which René Zahnd (CEO) ¹
Fixed compensation in cash, gross	3 208	900
Variable compensation in cash, gross	1 518	381
Share-based variable compensation ²	1 088	338
Other compensation components ³	23	6
pension fund contributions	529	96
Other social security contributions	299	74
Total compensation to the Group Executive Board 2019, gross	6 665	1 795
Expense allowance	98	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 2020

Total variable compensation, maximum 100% of base salary					
	62.5% short term			Achievement of targets in % of maximum variable compensation for the STI	37.5% long-term number of PSUs based on VWAP in 2017
	25% individual objectives	75% EBIT and growth targets			
CEO	25%	75%	25% ROIC	71%	100% EPS ^{1,2}
CFO	25%	75%	25% ROIC	79%	100% EPS ^{1,2}
CEO Swiss Prime Site Immobilien	25%	75%	25% ROIC	78%	100% EPS ^{1,2}
CEO Wincasa	25%	75%	25% AuM	66%	100% EPS ^{1,2}
CEO Jelvoli	25%	50%	50% strategy	63%	n.a.

¹ Before revaluations and deferred taxes

² Swiss Prime Site Group

Shareholding rights for Board of Directors and Executive Board

Number of shares	31.12.2019	31.12.2020
Board of Directors		
Ton Büchner, Chairman of the BoD ¹	n.a.	4 809
Mario F. Seris, Vice-Chairman of the BoD	14 190	15 138
Christopher M. Chambers, member of the BoD	42 742	43 640
Dr. Barbara Frei-Spreiter, member of the BoD	2 089	2 987
Dr. Rudolf Huber, member of the BoD	21 071	15 969
Gabrielle Nater-Bass, member of the BoD	942	1 840
Thomas Studhalter, member of the BoD	2 159	3 107
Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD ²	45 096	n.a.
Executive Board		
René Zahnd, member of the Executive Board (CEO)	4 535	9 680
Markus Meier, member of the Executive Board (CFO)	6 451	8 754
Peter Lehmann, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG	11 845	15 069
Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG	–	400
Dr. Luca Stäger, member of the Executive Board and CEO of Tertianum Gruppe AG ³	1 387	n.a.
Nina Müller, member of the Executive Board and CEO of Jelvoli AG ⁴	n.a.	–
Total share ownership	152 507	121 393

¹ since 24.03.2020

² until 24.03.2020

³ until 28.02.2020

⁴ since 01.04.2020

Loans and credits to members of the Board of Directors and Executive Board

No loans or credits were granted to current members of the Board of Directors or the Executive Board in 2020, and there were no loans or credits outstanding as at 31 December 2020.

Compensation, loans and credits to former members and related persons

No compensation was paid nor loans or credits granted to former members of the Board of Directors and the Executive Board, or related persons of members of the Board of Directors or Executive Board. There were no such loans or credits or compensation outstanding as at 31 December 2020.

Business relations of Board of Directors members

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 2020 other than that referred to in the previous sections.



Report of the Statutory Auditor

To the General Meeting of Shareholders of Swiss Prime Site AG, Olten

We have audited the accompanying compensation report of Swiss Prime Site AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections "Compensation to the Board of Directors", "Benefits and compensation to 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 14 to 19 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the compensation report.

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

Opinion

In our opinion, the compensation report for the year ended 31 Dezember 2020 of Swiss Prime Site AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 23 February 2021

KPMG AG, Rffelstrasse 28, PO Box , CH-8036 Zurich

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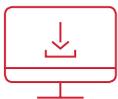
SWISS PRIME SITE

2020

— FINANCIAL REPORT

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Reporting structure

Reporting consists of the online report (sps.swiss/reporting), and the separate sub-reports (PDF download). For reasons of sustainability, only the short report is available as a printed version.

Selected group key figures

Key financial figures	in	01.01.– 31.12.2019 or 31.12.2019	01.01.– 31.12.2020 or 31.12.2020	Change in %
Rental income from properties	CHF m	486.9	424.7	-12.8
Income from real estate developments	CHF m	79.8	50.1	-37.2
Income from real estate services	CHF m	117.5	115.2	-2.0
Income from retail	CHF m	127.8	110.6	-13.5
Income from assisted living	CHF m	423.9	72.4	-82.9
Income from asset management	CHF m	13.5	13.1	-3.1
Total operating income	CHF m	1 258.8	792.9	-37.0
Revaluation of investment properties, net	CHF m	203.4	203.4	-0.0
Result from investment property sales, net	CHF m	20.8	22.2	7.1
Result from sale of participations, net	CHF m	-	204.2	n.a.
Operating result (EBIT)	CHF m	628.3	762.3	21.3
Profit	CHF m	608.5	610.4	0.3
Cash flow from operating activities	CHF m	406.6	298.5	-26.6
Shareholders' equity	CHF m	5 459.2	6 085.6	11.5
Equity ratio	%	44.4	47.8	7.7
Borrowed capital	CHF m	6 841.7	6 640.6	-2.9
Loan-to-value ratio of property portfolio (LTV)	%	45.7	41.9	-8.3
Return on equity (ROE)	%	11.5	10.6	-7.8
Return on invested capital (ROIC)	%	5.6	5.4	-3.6
NAV before deferred taxes per share ¹	CHF	86.34	95.41	10.5
NAV after deferred taxes per share ¹	CHF	71.87	80.11	11.5
Earnings per share (EPS)	CHF	8.00	8.04	0.5
Financial figures excluding revaluations and all deferred taxes				
Operating result (EBIT)	CHF m	424.9	558.9	31.5
Profit	CHF m	315.7	476.6	51.0
Return on equity (ROE)	%	6.3	8.5	34.9
Return on invested capital (ROIC)	%	3.2	4.3	34.4
Earnings per share (EPS)	CHF	4.14	6.27	51.4
Real estate portfolio				
Fair value of real estate portfolio	CHF m	11 765.4	12 322.6	4.7
of which projects/development properties	CHF m	684.5	829.5	21.2
Number of properties	number	187	185	-1.1
Rental floor space	m ²	1 604 451	1 673 005	4.3
Vacancy rate	%	4.7	5.1	8.5
Average discount rate	%	3.06	2.91	-4.9
Net property yield	%	3.5	3.2	-8.6
Employees				
Number of employees as at balance sheet date	persons	6 506	1 728	-73.4
Full-time equivalents as at balance sheet date	FTE	5 402	1 505	-72.1

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

Annual Report for the year 2020

2020 will enter the history books as an unprecedented financial year. The pandemic had a major social and economic impact in 2020, one that was felt by both the Swiss real estate sector and the Swiss Prime Site Group. However, despite the challenging situation, the Company still managed to meet many of its targeted goals and achieve good results in the end. In 2020, Swiss Prime Site generated an operating income of CHF 792.9 million [CHF 1 258.8 million] and an operating result (EBIT) of CHF 762.3 million [CHF 628.3 million]. The differences on both levels are mainly attributable to the sale of the group company Tertianum on 28 February 2020. EBIT for the core Real Estate business amounted to CHF 555.0 million [CHF 572.9 million]. This included revaluation gains of CHF 203.4 million in the property portfolio at a fair value of CHF 12.3 billion [CHF 11.8 billion]. The Services segment generated EBIT of CHF 207.3 million [CHF 55.5 million]. This big increase was due to the profit from the sale of Tertianum, which amounted to CHF 204.2 million. The result at profit level was CHF 610.4 million [CHF 608.5 million]. In contrast to the previous year, this value only includes a marginal positive tax effect of CHF 7.1 million [CHF 172.5 million] from the reversal of deferred tax liabilities arising from cantonal reductions in tax rates. Excluding revaluations and all deferred taxes, profit rose to CHF 476.6 million [CHF 315.7 million]. In all, Swiss Prime Site boosted its equity ratio to 47.8% [44.4%], thereby significantly strengthening the balance sheet.

Business performance

Swiss Prime Site's core Real Estate business performed well despite the many challenges thrown up by the pandemic. Renewals and first-time lettings for a total of 85 000 m² were secured in 2020. Although lower than the previous year (128 000 m²), this is still a solid figure under the circumstances. Realisation of the project pipeline proceeded according to plan in the reporting year. Major property developments were completed and handed over to anchor tenants. This included YOND in Zurich, Schönburg in Berne and West-Log in Zurich-Altstetten, as well as the first phases of Stücki Park in Basel and JED in Schlieren. The projects under construction are on schedule. They currently constitute an investment volume (including land) of CHF 1 080 million. Further projects with an investment volume of CHF 640 million (including land) are being planned. Building permits have been issued for the projects Alto Pont-Rouge in Geneva, the new build JED in Schlieren, Stücki Park II in Basel and Tertianum Lugano-Paradiso. The planning application for the building on Müllerstrasse in Zurich, which has already been let, was submitted. The potential projects that emerged from an architecture competition for the maaglive new build on the Prime Tower site are currently being assessed. A decision is expected in the coming months.

In the Services segment, the effects of the pandemic were felt to differing degrees by the individual group companies Swiss Prime Site Solutions, Wincasa and Jelmoli. Real estate asset manager Swiss Prime Site Solutions processed a high volume of tenant enquiries for its client Swiss Prime Investment Foundation. In addition, new and promising investment vehicles were launched or prepared for investors. In the fourth quarter of 2020, immoveris was merged with Swiss Prime Site Solutions, which increased the assets under management to CHF 3.0 billion [CHF 2.3 billion]. Despite the tough market, Wincasa was able to increase the size of managed investment properties to CHF 72.0 billion [CHF 71.0 billion]. The real estate service provider received more than 2 000 tenant requests associated with the pandemic, which it was only able to process by incurring huge additional costs on its income statement. Nevertheless, it continued to press forward with the transformation to a digital business model. Like many retailers, Jelmoli was not able to recover to the previous year's level after being hit hard by the lockdown in the first half of the year. Performance during the second half of the year and during the Christmas period in particular was pleasing, and there were even some considerable improvements on the previous year.



Operating income

in CHF m	01.01.– 31.12.2019	01.01.– 31.12.2020	Change in %
Real Estate segment	519.5	482.9	–7.1
Rental income from properties	437.3	431.0	–1.4
Income from real estate developments	79.8	50.1	–37.2
Other operating income	2.4	1.8	–25.0
Services segment	828.4	378.2	–54.4
Rental income from properties	106.0	28.6	–73.1
Income from real estate services	148.1	146.2	–1.3
Income from retail	127.8	110.6	–13.4
Income from assisted living	423.9	72.4	–82.9
Income from asset management	13.5	13.1	–3.1
Other operating income	9.0	7.3	–19.7
Eliminations	–89.0	–68.1	–23.5
Total group	1 258.8	792.9	–37.0

Swiss Prime Site generated operating income of CHF 792.9 million [CHF 1 258.8 million] in 2020. The difference in comparison to the previous year is mostly attributable to the sale and deconsolidation of the group company Tertianum on 28 February 2020.

In a challenging market environment, the Real Estate segment generated rental income of CHF 431.0 million (–1.4%). On a like-for-like basis, there was a fall of 3.7%. This takes into account a CHF 12.7 million reduction in income caused by the effects of the coronavirus pandemic. Around CHF 4.0 million of this figure was due to lower than planned sales and parking rental income, and around CHF 9.0 million was attributable to the rent waivers granted. Operating income came in at CHF 482.9 million [CHF 519.5 million]. Despite the difficult market conditions, it was possible to bring vacancies in the portfolio back down to 5.1% [4.7%] after they had risen to 5.4% in the first half of 2020. The property portfolio grew by CHF 557.2 million (+4.7%) to CHF 12.3 billion. This increase was due to revaluation gains and the completion of the Company's own project developments. At 3.2% [3.5%], the net yield on property on the real estate portfolio is at an attractive level in the market for prime properties.

The Services segment generated operating income of CHF 378.2 million [CHF 828.4 million]. In comparison to the previous year, this only includes two months of results for Tertianum, which largely explains the difference. Capital increases enabled Swiss Prime Site Solutions to generate new funds totalling CHF 160 million for its client Swiss Prime Investment Foundation and thereby finance some attractive transactions. Income from asset management amounted to CHF 13.1 million [CHF 13.5 million]. Wincasa generated income from real estate services amounting to CHF 146.2 million [CHF 148.1 million]. With the digital rental agreement for ancillary space, the transformation of the group company's business model began to bear fruit. Jelmoli was heavily affected by the government-imposed lockdown in March, April and May. It was also hit hard by the partial restriction of Sunday shopping in the fourth quarter, which is traditionally the busiest period of the year for retailers. Income from retail was CHF 110.6 million, down by a considerable 13.4% on the previous year.

Operating result (EBIT)

in CHF m	01.01.– 31.12.2019	01.01.– 31.12.2020	Change in %
Real Estate segment	572.9	555.0	–3.1
Services segment	55.5	207.3	273.7
Total group	628.3	762.3	21.3

In 2020, Swiss Prime Site increased its operating result (EBIT) by a considerable margin of 21.3% to CHF 762.3 million [CHF 628.3 million]. Income from the sale of Tertianum contributed substantially to this rise.

The core Real Estate business generated EBIT of CHF 555.0 million [CHF 572.9 million]. The 3.1% difference to the previous year was attributable to the impact of the coronavirus crisis. On the one hand, rental income dropped by CHF 12.7 million as a result of the pandemic. On the other hand, the costs involved in handling tenant enquiries increased. The operating result includes net revaluation gains of CHF 203.4 million [CHF 204.4 million]. The major part of these gains, CHF 164.5 million, relates to existing properties. Projects under construction made up the remaining CHF 38.9 million. The average real discount rate as at 31 December 2020 was 2.91%, 15 basis points lower than at the end of 2019. Excluding revaluations, the Real Estate segment generated EBIT of CHF 351.6 million [CHF 368.4 million]. The pro rata pre-tax profits from sold development projects (Espace Tourbillon and Weltpost Park) and the sale of existing property in Berne and Zurich during the year contributed a total of CHF 36.1 million [CHF 37.6 million] to the result.

The Services segment generated EBIT of CHF 207.3 million [CHF 55.5 million]. The significant increase is attributable to the profit of CHF 204.2 million from the sale of Tertianum.

The operating result excluding the profit of sale was CHF 3.1 million. EBIT was considerably lower due to the compulsory closure of Jelmoli for several months, as well as other pandemic-related costs incurred by Wincasa. Despite the lower income from transactions, Swiss Prime Site Solutions was able to achieve a result in line with expectations. At CHF 375.0 million [CHF 771.9 million], the operating expenses of the Service segment for 2020 were down significantly, due to lower personnel costs following the sale of Tertianum. The Swiss Prime Site Group employed a workforce totalling 1 728 persons [6 506] on the balance sheet date.

Profit

in CHF m	01.01.– 31.12.2019	01.01.– 31.12.2020	Change in %
Operating result (EBIT)	628.3	762.3	21.3
Financial expenses	–70.7	–60.5	–14.4
Financial income	1.9	1.7	–10.6
Income tax expenses / income	49.0	–93.1	–290.0
Profit	608.5	610.4	0.3
Profit excluding revaluations and deferred taxes	315.7	476.6	51.0

Swiss Prime Site generated a profit of CHF 610.4 million [CHF 608.5 million] in 2020. In contrast to the previous year, this value only includes a marginal positive tax effect of CHF 7.1 million [CHF 172.5 million] from the reversal of deferred tax liabilities arising from cantonal reductions in tax rates. Excluding revaluations and all deferred taxes, profits rose significantly to CHF 476.6 million [CHF 315.7 million]. This figure takes into account the profit of CHF 204.2 million resulting from the sale of Tertianum. Financial expenses were reduced to CHF 60.5 million [CHF 70.7 million] through new, long-term refinancing. EPS (earnings per share) was CHF 8.04 [CHF 8.00]. Excluding revaluations and all deferred taxes, EPS was CHF 6.27 [CHF 4.14].

Balance sheet figures

	in	31.12.2019	31.12.2020	Change in %
Equity ratio	%	44.4	47.8	7.7
Return on equity (ROE)	%	11.5	10.6	-7.8
Net property yield	%	3.5	3.2	-8.6
Weighted average interest rate on financial liabilities	%	1.2	1.1	-8.3
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.2	4.8	14.3
Loan-to-value ratio of property portfolio (LTV)	%	45.7	41.9	-8.3
NAV before deferred taxes per share ¹	CHF	86.34	95.41	10.5
NAV after deferred taxes per share ¹	CHF	71.87	80.11	11.5

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

In the fourth quarter of 2020, Swiss Prime Site successfully issued a green bond with a value of CHF 300 million, a term of nine years and a coupon of 0.65%. Due to attractive refinancing, the weighted average residual term to maturity of interest-bearing financial liabilities increased significantly to 4.8 years [4.2 years] and the interest rate on financial liabilities fell to 1.1% [1.2%]. In comparison to the somewhat lower net yield of 3.2% [3.5%] on the property portfolio, this implies a very attractive interest rate spread of 2.1% [2.3%].

The sale of Tertianum led to a cash inflow of CHF 600.4 million and a total profit of CHF 508.7 million. Of this figure, CHF 304.5 million was a repayment of goodwill recorded directly as equity and CHF 204.2 million was recorded as profit of the sale in EBIT. In addition, conversions of convertible bonds resulted in a marginal increase in shares issued to 75970364 [2019: 75946349] and thus a slight rise in equity by CHF 2.4 million. These effects led to a clear increase in the equity ratio to 47.8% [44.4%] and a reduction in the loan-to-value ratio of the property portfolio to 41.9% [45.7%]. NAV after deferred taxes rose significantly to CHF 80.11 per share (+11.5%). This takes into account the dividend payout of CHF 3.80 per share in April 2020. Swiss Prime Site generated a return on equity of 10.6% [11.5%]. Due to the profit of sale, this was significantly higher than the company's long-term target of 6–8%.

Outlook

In view of the development projects that were completed in 2020 and are largely fully let, Swiss Prime Site expects rental income to rise in 2021, subject to unforeseeable upheaval linked to the coronavirus pandemic. The vacancy rate in the portfolio will be reduced to below 5%. On a medium-term horizon, Swiss Prime Site is standing by the targets communicated in October 2020.

Valuation Expert’s Report

The properties of Swiss Prime Site AG are valued by Wüest Partner AG on a half-yearly basis at their fair values. The present valuation is valid as at 31 December 2020.

Valuation standards and principles

The fair values determined as at the balance sheet date 31 December 2020 coincide with the fair values as they are outlined in Swiss GAAP FER 18 sec. 14. In this context, fair value corresponds to the particular price that an independent market participant would receive for the sale of an asset under normal market conditions at the relevant valuation date (i.e. exit price).

COVID-19 pandemic disclaimer

The impact of the COVID-19 pandemic on Swiss Prime Site AG’s property portfolio, to the extent that this was known and could be estimated at the time of valuation, is reflected in the valuations. The negatively affected properties were above all those with a large share of income from retail (non-food) or hospitality. The assumption from today’s standpoint is that some types of use (e.g. city hotels) will continue to experience a difficult market environment.

Definition of fair value

The exit price is the sales price stated in the purchase agreement to which the parties have mutually agreed. Transaction costs, usually consisting of brokerage commissions and transaction taxes as well as land register and notary costs, are not taken into account in determining current value. The fair value is therefore not adjusted for the transaction costs incurred by the purchaser at the time of sale (gross fair value). No liabilities on the part of Swiss Prime Site AG regarding potential taxes (with the exception of ordinary property taxes) and financing costs are taken into account either, which corresponds with valuation practice in Switzerland.

The valuation at fair value implies that the hypothetical transaction for the asset subject to valuation would take place on the market with the largest volumes and highest level of business activity (principal market) – as well as the market where transactions are executed with sufficient frequency and volume – so enough price information is available for that relevant market (active market). In the case that such a market cannot be identified, the principal market for the asset is assumed that maximises the sales price for the divestment of the particular asset.

Implementation of fair value

Fair value was determined on the basis of applying the highest-and-best-use standard for a property. Highest-and-best-use is the utilisation of a property that maximises its value. This assumption implies use that is technically/physically feasible, legally permissible and financially realisable. Since the measurement of fair value implies maximised utilisation, the highest and best use can deviate from the actual or planned use of a property. Future capital expenditures that improve or enhance the value of a property are accordingly taken into account in the fair value measurement.

Application of the highest-and-best-use approach is based on the principle of materiality of possible difference in value relative to the value of the particular property and total real estate assets, as well as relative to possible absolute difference in value. A property’s potential added value, which fluctuates within the normal assessment tolerance of an individual valuation, is viewed as insignificant here and consequently disregarded.

Determining the value of Swiss Prime Site AG’s real estate portfolio is carried out with a model-based valuation based on input parameters that are not directly observable on the market, whereby adapted, observable input parameters may be applied here as well

(for example, market rents, operating/maintenance costs, discount/capitalisation rates, proceeds from the sale of owner-occupied residential property). Unobservable input factors are applied only when relevant observable input factors are unavailable.

Valuation techniques are used that are appropriate for the given circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The relevant valuation technique used here is an income-based approach, modelled on the basis of the discounted cash flow valuation method widely applied in Switzerland.

Properties under construction and development sites designed for future use as investment properties are valued at project fair values, taking into account current market conditions, still-outstanding investment costs and a risk premium according to the progress of the project, according to Swiss GAAP FER 18. Any profit is taken into account on a pro rata basis, insofar as its realisation can be determined with sufficient certainty.

Properties under construction that are designated for future divestment (for example condominiums) are recognised in the balance sheet at the lower of cost or investment costs and net realisable value, according to Swiss GAAP FER 17. Consequently, current activities and investment costs are recognised and the subsequent valuation carried out at the lower value.

The valuation guarantees a high degree of transparency, uniformity, relevance and completeness. The relevant legal provisions, as well as the specific national and international standards, are complied with (i.e. regulations for real estate companies listed on SIX, Swiss GAAP FER and others). In order to ensure an independent valuation and thus the highest possible degree of objectivity, the business activity of Wriest Partner AG excludes both trading and related transactions on a commission basis, as well as the management of properties. The valuation principles are always based on the most recent information regarding the properties and the real estate market. The data and documents pertaining to the properties are provided by the owner and are assumed to be accurate. All real estate market data is derived from continuously updated databases held by Wüest Partner AG (Immo-Monitoring 2020).

Valuation method

Investment properties are generally valued by Wüest Partner AG according to the discounted cash flow (DCF) method, which corresponds to national and international standards and is also used in company valuations. The method is recognised – within the scope of general freedom of choice real estate valuations – in the context of best practice. According to the DCF method, the current fair value of a property is determined through deriving the sum of all future estimated net earnings (before interest, taxes, depreciation and amortisation = EBITDA) and discounting to the present, taking into consideration of investments or future repair costs. The net earnings (EBITDA) per property are individually discounted taking into account any relevant opportunities and threats, adjusting for the current market situation and risks. A detailed report for each property discloses all expected cash flows, therefore providing the greatest degree of transparency possible. In the report, attention is drawn to substantial changes compared with the previous valuation.

Trend in the real estate portfolio

In the reporting period from 1 January to 31 December 2020 three properties were acquired and five properties were divested. In addition, two plots of building land were acquired and integrated into an existing property. Furthermore, one property was divided and two properties were combined into one. Swiss Prime Site AG's overall real estate portfolio therefore changed on a net basis by minus two properties and now comprises a total of 185 properties.

Details of the five existing properties sold during the reporting period with values as at 31 December 2019 are as follows: Zurich, Stadelhoferstrasse 22: CHF 38.100 million, Stadel, Buechenstrasse 80 «Zur Heimat»: CHF 14.340 million, Berne, Laupenstrasse 6: CHF 13.170 million, Les Ponts-de-Martel, Rue de la Prairie 17: CHF 12.130 million, St-Imier, Rue de la Clef 36: CHF 8.275 million, Plan les Ouates, Chemin des Aulx/Espace Tourbillon Building A: CHF 3.394 million. The total market value of the five sold properties and the two sold STOWE units as at 31 December 2019 was CHF 89.409 million.

In the reporting period, purchases of the three following existing properties were completed: Zollikofen, Industriestrasse 21: CHF 37.910 million, Uster, Poststrasse 12: CHF 5.900 million, Buchs, Mülibachstrasse 41: CHF 36.400 million. The total market value of the three purchased properties as at 31 December 2020 was CHF 80.210 million.

The total portfolio therefore comprises 166 existing investment properties, nine plots of building land and eleven development sites.

The following ten properties are currently in the construction phase:

- At Hochbergerstrasse 60 F-I «Stückli Park II» in Basel, existing office and laboratory space on the «Stückli Park A-E» property situated there is being expanded by roughly 27 000 square metres in two phases from 2018 to 2023.
- Construction of a commercial building is planned at «Alto Pont-Rouge», Esplanade de Pont-Rouge 5, 7, 9 in Lancy for 2023, as part of a development project with four construction sites.
- A residential and care centre is planned at Rue de Venise 5-7/Avenue de la Plantaud 4 «Venise» in Monthey, which is to be operated by Tertianum AG as the general tenant. The building is intended to house 50 geriatric care beds and 30 to 35 apartments for seniors. Construction is expected to be completed in 2021.
- At the Riva Paradiso 3, 20 «Du Lac» property, a new replacement building is envisaged on the lakefront in Paradiso; the start of construction has been further delayed. This care home is expected to be completed in 2025.
- The Chemin des Aulx «Espace Tourbillon» development project in Plan-les-Ouates involves five buildings with office, commercial and retail space, two of which have already been divested. Construction of the property should be carried out in several phases by 2021.
- A project involving residences suitable for seniors (geriatric care centre and apartments for seniors), and possibly condominium units in the existing buildings, is planned for the two properties at Gartenstrasse 7/17 and 15 as part of the «Etzelblick» project in Richterswil. Construction is expected to be completed by spring 2022.
- The «JED» property at Zürcherstrasse 39 in Schlieren is the former home of the NZZ printing facility with a reserve of building land. It is to be converted, with the work expected to be completed by the beginning of 2021 (JED conversion). Meanwhile, a new office building without conventional heating, cooling or ventilation technology will be constructed on the building land from the beginning of 2021 (JED new build 2226).
- The «West-Log» building under construction at Juchstrasse 3 in Zurich is envisaged as a logistics and office building, with Elektro-Material AG leasing most of the space. Completion is planned for the beginning of 2021.

The former development property at Spitalweidstrasse 1 in Oftringen was completed by the end of 2020 and is now classified as an existing property.

Valuation results as at 31 December 2020

As at 31 December 2020, the fair value of Swiss Prime Site AG’s total real estate portfolio (total 185 properties) amounted to CHF 12 322.62 million. The fair value of the portfolio therefore increased by CHF 557.19 million or 4.736% compared with the value at 31 December 2019. Details regarding the trend in value are depicted in the following table.

Changes in the real estate portfolio

in CHF m	
Fair value as at 31.12.2019	11 765.43
+ changes in value of existing properties	306.92
+ changes in value of initial valuation after completion	15.27
+ acquisitions of existing properties	80.21
+ partial acquisitions of building land	3.83
– divestments of existing properties	–86.02
– partial divestments of projects	–3.40
+ changes in value of building land	0.83
+ changes in value of projects	239.55
Fair value as at 31.12.2020	12 322.62

The change in value of the 161 existing properties compared to 1 January 2020 was +2.80% (excluding acquisitions of existing properties (3), plots of building land (8), partial purchase of plots of building land (1), co-ownership of property (1), split stock (2), initial valuation after completion (1) and properties under planning or construction (10) – total 24 properties), with 98 properties having a higher value, no property having the same value and 63 properties having a lower value than as at 1 January 2020.

The growth in the value of the Swiss Prime Site portfolio is due to the existing properties, acquisitions and the properties in planning or under construction. Only the sales resulted in a drop in value. In general, the prolonged period of very low interest rates and investors' subsequent expectations of low returns continued to impact revaluation. Furthermore, completed investments and the generally high quality of the properties situated in prime locations contributed to the increase in value. Value losses can be attributed primarily to changed rental potential, a temporary and structural rise in vacancies, lower levels of newly concluded contracts, adjusted revenue forecasts and higher cost estimates for future repair work.

Economic outlook

The coronavirus pandemic is severely testing the Swiss economy. The overall economic picture was slightly brighter in the months after the first lockdown, but this recovery was not spread equally across all sectors. While the strong pharmaceutical industry and many financial and insurance service providers published positive figures, the current situation continues to be an existential threat for other businesses. In hospitality, the entertainment industry, transport and the export-focused manufacturing industry, the fall in demand has not yet been offset, causing significant issues for many organisations.

The KOF Economic Barometer, based partly on the results of surveys conducted in Swiss companies, recently rose back above the long-term average. In November, however, the barometer fell for the second time in succession and currently stands at 103.5 points, 2.8 points lower than in October (as at November 2020). In light of the current pandemic situation, therefore, the outlook for the Swiss economy remains cautious.

Consumer sentiment, measured by the State Secretariat for Economic Affairs (SECO), has remained generally stagnant since the summer. In October, the index stood at –13 points, almost at the same level as in July (–12 points), and significantly below the long-term average of –5 points. The sentiment therefore remains subdued. Expectations regarding general economic development have made little improvement compared to July, with the situation on the job market viewed as very unfavourable. Respondents to the survey tended to make more negative statements about their own budget situation than in the summer, with the likelihood of making major purchases remaining below average.

There is still much uncertainty about how the Swiss economy will fare. Coronavirus case numbers have risen sharply and remain high at the end of the year, with the government's aid programme making a significant contribution to the economy's rapid recovery. Further rises in unemployment are expected, which may put domestic consumption under pressure.

The government's Expert Group is predicting a 3.3% fall in GDP adjusted for sporting events (as at December 2020), which would be the steepest drop since 1975. For 2021, the Expert Group is expecting GDP to rise by 3.0%. This forecast is based on the expectation that the epidemiological situation will gradually stabilise from spring 2021, if the coronavirus vaccine programme is widely rolled out.

According to surveys carried out by the State Secretariat for Economic Affairs (SECO), the unemployment rate in October 2020 was 3.3%. In their forecast dated 12 October 2020, the government's Expert Group estimates an average unemployment rate for 2020 of 3.2%. The situation on the job market is only expected to improve slowly in the coming year; according to forecasts, unemployment in 2021 will rise to an average over the year of 3.4%, reflecting only a slight rise in employment.

The uncertain outlook for the job market has resulted in a fall in immigration this year, with the temporary border closure also impacting the population growth caused by immigration. On the other hand, fewer Swiss nationals and foreigners left Switzerland, resulting in net migration between January and July that was 10% higher than the same period last year. Wüest Partner estimates that the permanent resident population will rise by 0.7%, corresponding to around 60 000 people.

The Swiss Consumer Price Index declined by 0.2% in November 2020 compared with the previous month, and by 0.7% compared to November 2019. The fall is due to a number of factors, including lower prices for package holidays and hotel accommodation. Rent prices and some others, however, rose.

Interest rates are expected to remain low in many countries in the short and medium term. This can be concluded from the low inflation figures and the measures and announcements of several central banks. As a consequence, the yields on government bonds in Germany and the United States, for example, declined in 2020 by more than their Swiss counterparts. Yields for German 10-year government bonds are currently even below the yield level for Swiss 10-year government bonds, making the Swiss option a more attractive purchase and thereby strengthening the Swiss franc. The current situation limits the options of the Swiss National Bank (SNB) for stopping the current extremely expansive monetary policy. If the bank introduced a more restrictive policy, the Swiss franc would appreciate, creating a significant competitive disadvantage for the local economy.

Construction market

Even before the coronavirus pandemic arrived, the steady growth in construction investments that began in 2007 was coming to an end; investments in the construction market are likely to have peaked, even if the total volume ends up being considerable. The total investment volume relating to building permits during the last four quarters fell and was 4.2% below the previous year's figure in the middle of 2020, with no recovery expected next year. In addition, growing uncertainty and restrictions affecting construction work due to the coronavirus pandemic have put a halt to some areas of construction. For 2020, Wüest Partner therefore predicts a fall in overall construction investment of 1.1% (new builds: -1.8%; modifications of buildings: +0.5%), with a further fall in spending on new builds likely in 2021.

Due to continuing investment pressure, large sums continue to be invested in the construction of apartment blocks, although this shifted down a gear recently. This was reflected in the number of building permits issued within the year for new rental and owner-occupied apartments: in the third quarter of 2020, there were 41 700 permits – 13% fewer than two years ago. The number of new planning applications within the year also fell. In the third quarter of 2020, they were 14% below the average of the previous three years. In addition, the coronavirus resulted in less construction work being done on the many large projects already under way than in normal circumstances, leading to a predicted 2.5% drop in investments in new apartment blocks. Wüest Partner is predicting a further fall of 1.5% in 2021.

In the commercial properties market, new build investments for the whole of 2020 are expected to decrease by 4.5% (2021: +0.5%). Over the past few months, the volume of building permits for office, retail and restaurant space has risen slightly and, in the third quarter of 2020, was 13% above the average of the last five years, highlighting that there is a considerable investment volume in the development pipeline in this segment. Due to the current economic slowdown, however, fewer companies are prepared to tackle an approved new build and when it comes to medium-term new build projects, there is a noticeable reticence among investors, as demonstrated by the volume of planning applications submitted. Their annual total fell steadily over the last few months and in August 2020 was already more than 22% below the level of previous years.

Office property market

The Swiss office space market is fundamentally in a stable condition. Despite the extremely brisk rate of new build construction in many places over the last few years, the number of offices fell further. On the one hand, demand over the past decade was primarily driven by a rise in employment – in the third sector, this increased by an average of 1.6% per year – with many new jobs created by service providers with office space. On the other hand, major centres have recently seen more office space being created through replacement building projects, making net additions lower than the new build figures suggest. As the office floor space market is also considered to be extremely sluggish – partly caused by the frequency of multi-year rental contracts – it has not been visibly impacted by the coronavirus pandemic. Rents in the third quarter of 2020 therefore rose very slightly again, up 1.4% across Switzerland for advertised spaces compared to the third quarter of 2019.

In future, working from home is likely to be more important than it was before the coronavirus pandemic, with around 44% of companies in traditional office-based industries expecting their employees to work more from home. Specifically, over the next two years employers are estimating that home-working for office jobs will rise from 8–12% of working hours before COVID-19 to 25–30%. This data was gathered from an «Office space barometer», a survey of around 500 companies across Switzerland conducted by Wüest Partner in June 2020. On average, employees stated a desire to work from home for between 30 and 35% of their hours, so slightly above employers' expectations. An increase in working from home could lead to a fall in the amount of office space needed, although space requirements elsewhere should offset this. On the other hand, the companies surveyed anticipate a growing need for spaces for meeting rooms and customer areas and break-out spaces for employees.

Despite the overall stability, the outlook for landlords is more challenging than ever, with demand for spaces expected to fall further. Information and technology companies and consulting firms may expand further over the coming months, but this growth might only partially offset the falls in other office industries. The amount of available space, however, recently increased slightly: in the third quarter of 2020, 4.08 million square metres of space were advertised, 13% more than in the previous quarter. This resulted in an availability rate of 7.1%, slightly above the ten-year average of 6.7%. In addition, any slowdown in new build production will not yet be noticeable. Despite the reduction in new build activity, however, a substantial number of new spaces are still being produced for which there will only be a few customers. A 1.5% decline in advertised rents is therefore predicted for 2021.

Retail property market

Since shops and restaurants were fully re-opened on 11 May 2020, the Swiss retail trade has recovered extremely well, contributing significantly to the recovery of overall Swiss economic development. Measured by the volume of cash, debit and credit card payments, the Swiss population has spent an average of 7% per week more since then than in the first eleven weeks of this year. Even taking into account the seasonality of consumer spending – from January to the middle of March, cash and debit card payments are almost 6% less than the annual average – this results in a rise of over 2%. Specific classes of goods benefited in particular from this year's

extraordinary situation, with retailers who offer IT and communication equipment seeing sales rise by 12.4%. Sales of household equipment, textiles, DIY items and furnishings also rose by 10%. Losses, however, were recorded by clothing, jewellery and watch stores (-8.8%) and publications, sports equipment and toys (-3.3%).

Bricks-and-mortar retail has so far come through the coronavirus pandemic without any severe losses, primarily because private consumption has mostly taken place this side of national borders. Fewer goods were ordered from foreign online retailers, with spending via that channel 29% less than before the crisis. In addition, less was purchased from foreign bricks-and-mortar retailers, as shopping tourism was sometimes not possible and the Swiss took fewer holidays abroad this year.

Despite the growth in bricks-and-mortar business, the retail trade is experiencing a structural change and the coronavirus crisis may well have accelerated the shift to online business; the market volume of online trade will have increased even more as a result of the pandemic. In addition, people who only started shopping online in the last few months will continue to do so more regularly, thereby driving additional growth in online business. Challenges around extending rental contracts and marketing retail floor space that is ready for occupation will remain significant. From a national perspective, rental prices were already under pressure even before the coronavirus and this is not going to change for the time being. Wüest Partner predicts a further fall in asking rents of 3.1% in 2021.

Market for senior housing

The two main characteristics of the market for senior housing are firstly, that the market can be considered as an extremely promising market of the future given anticipated growth due to demographic trends. The Swiss resident population is still undergoing demographic change: currently, the number of people aged 80 and over is around 454 000 (in 2019), 2.3% higher than the previous year. Secondly, operating senior housing facilities requires significant numbers of personnel.

The FSO's employment statistics show that the range of services on offer has expanded in recent years. In the third quarter of 2020, 204 000 people were employed in healthcare homes (employees, seasonally adjusted). This corresponds to an increase of 2.9% on the same quarter of the previous year and an increase of 28.3% compared with the first quarter of 2010. The residential and care services on offer for the elderly currently include some 1 553 care and nursing homes across Switzerland (in 2018). Of those facilities, 503 are privately operated and 394 are public, while the remainder are primarily owned by foundations and associations. These homes provided around 95 900 beds for long-term residency and generated income estimated at CHF 10.2 billion in 2018. These figures are based on the statistics published by social-medical institutes and the Swiss Federal Office of Public Health.

Hotel industry

The hotel industry in Switzerland is one of the industries most heavily affected by the coronavirus pandemic. Between the fourth quarter of 2019 and the third quarter of 2020, the seasonally adjusted number of employees in hospitality and catering businesses fell by around 29 700 (-11.1%).

Between January and October of this year, the Swiss hotel industry recorded around 21 185 000 overnight stays, 38.8% less than in the same period last year. Foreign guests in particular stayed away: in this period from January to October 2020, the number of overnight stays by foreign guests was only a third of the previous year's figure. This trend is expected to continue or even intensify over the winter months, especially as Switzerland is on most European countries' quarantine lists due to the high level of infections in the second coronavirus wave, making a holiday to Switzerland an unattractive prospect.

There are, however, regional differences: while many Alpine tourism destinations (Valais, Ticino and Graubünden) have benefited from domestic tourism, with many Swiss people spending their holidays in their own country, overnight stays in the cities fell significantly. This is partly due to the reduction in business trips and conferences and partly to the cross-border tourism that has temporarily come to a standstill. In some segments – such as conference tourism, which was responsible for around a third of overnight stays in cities – the medium-term outlook is still subdued.

Summary – Investor market for commercial properties

Low interest rates continue to stimulate investors' and project developers' interest in real estate investments. As a result, transaction prices for apartment blocks have risen again: from the middle of 2019 to the middle of 2020, quality-adjusted transaction prices for residential properties increased by 4.1%, with a significant rise in the second quarter of 2020 in particular. In view of the continuing strong demand for investment properties it is not surprising that initial yields are falling further. In the second quarter of 2020, prime yields (residential properties, net) were 1.4% in Zurich and 1.9% in Geneva. This was linked to a fall of 20 and 30 basis points respectively. By contrast, between the middle of 2019 and the middle of 2020, transaction prices for commercial properties fell by 0.8%, with the drop occurring exclusively in the second quarter of 2020. In the second quarter of 2020, prime yields (office properties, net) were 1.8% in Zurich and 2.2% in Geneva, representing a fall of 20 and 10 basis points respectively.

Further falls were recorded in the spreads of Swiss gross initial yields after the outbreak of the coronavirus pandemic (reference date: declaration on 16 March 2020 of the extraordinary situation). Averaged over all monitored transactions of investment properties, they are currently around 3.3%. In addition to the tightened low interest rate policy, this fall is also due to the fact that more «high value» properties were transacted over the last few months than in the previous year. Properties with stable cash flows are the focus of much interest, particularly in uncertain times, so there has been a corresponding rise recently in the willingness to pay for these properties. As the demand for investment properties is expected to remain high, so too are transaction prices in the foreseeable future, with the result that initial yields will remain low. There are currently relatively few transactions for investment properties with spaces whose operators are battling falls in revenue due to the pandemic and whose future is uncertain.

The performance of indirect investment properties can be used to gauge the development of investor interest in real estate investments. In listed real estate investments, Swiss real estate funds in particular have recently recovered better from the upheaval on the financial markets, only recording a fall of 2.2% over the course of the year.

Listed real estate stock corporations have so far recovered less well. As at the end of August, the WUPIX-A (index for Swiss real estate stock corporations) was still recording a fall of 12.5% since the beginning of the year. For comparison, traditional shares, measured against the Swiss Performance Index, have only fallen by 2.2%. Here, however, it is important to note that 2019 was a particularly successful year for co-owners of listed real estate instruments. The WUPIX-A rose by 36.1% in 2019, which puts this year’s fall in prices in perspective. In addition, there was considerable uncertainty due to potential losses of rent caused by companies whose activity was restricted. Real estate stock corporations are particularly exposed to this risk because they mostly invest in commercial properties (office, retail, hotel and catering spaces etc.). Some investors also fear that the demand for office space will fall due to the increase in home working.

Wüest Partner AG
Zurich, 29 December 2020

Andreas Ammann
Partner

Gino Fiorentin
Partner

Further real estate information is available in note 14 (page 36) and in the property details (page 79).

Annex:

Valuation assumptions

Valuation assumptions as at 31 December 2020

In addition to the previous comments on the valuation standards and methods, the most significant general valuation assumptions for the present valuations are presented in the following section.

Investment properties including building land

Property valuations are fundamentally determined on a going-concern basis applying the «highest and best use» standards. At the same time, the valuation is based on the current rental situation and present condition of the property. Beyond the expiry of the existing rental agreements, earnings forecasts are based on the current market level.

On the cost side, repair and maintenance costs as well as recurring property management costs are taken into account that are required to ensure realisation of sustainable income.

The valuation assumption is based on an average and expedient property management strategy. The specific scenarios of the owner are disregarded, or taken into account only to the extent that specific rental agreements had been made, or as far as they also seem plausible and practical to a third party. Possible optimisation measures consistent with the market – such as an improved rental situation in the future – are taken into account.

In the valuation period or period under review (DCF method), a more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are made for the remainder of the term.

The valuation implicitly assumes an annual inflation rate of 0.5%. However, cash flows and discount rates are generally reported on a real basis in the valuation reports.

The specific indexing of the existing rental agreements is taken into account. Following expiry of the agreements, an average indexing rate of 80% is used for the calculation, and rents are adjusted to the market level once every five years. Payments are generally assumed to be made monthly in advance after expiry of the rental agreements.

At the operating cost (owner's cost) level, it is generally assumed that completely separate ancillary cost accounts are maintained, and that ancillary and operating costs are outsourced, insofar as this is permitted by law. Maintenance costs (repair and maintenance costs) are determined on the basis of benchmarks and model calculations. The residual lifetime of the individual parts of the buildings is determined on the basis of a rough estimate of their condition, the regular renewal is modelled and the resulting annuities are calculated. The calculated values are subjected to a plausibility check based on benchmarks set by Wüest Partner AG and figures for comparable properties. Repair costs are included in the calculation at 100% for the first ten years, while the earnings forecast takes into account, where appropriate, possible increases in rent. From the 11th year, repair costs of up to 50% to 70% are allowed (value-preserving components only) without including possible rent increases. Costs for cleaning up contaminated sites are not quantified in the individual valuations and are to be considered separately by the Company.

The applied discounting method is based on ongoing monitoring of the real estate market and is derived from models with plausibility checks on the basis of a real interest rate that consists of the risk-free interest rate (long-term government bonds) plus general real estate-related risks in addition to property-specific premiums and is determined on a risk-adjusted basis per property. The average real discount rate, weighted by fair value, applied to investment properties (161 existing properties) amounts to 2.91% in the current valuation. Assuming an inflation rate of 0.5%, this rate corresponds to a nominal discount rate of 3.42%. The new lowest real discount rate selected for an individual property is 1.95%, while the highest is 4.90%.

The valuations are based on the rental tables of the property managers as at 1 January 2021. The valuations are based on the floor space details provided by the Company/property managers.

Risks relating to credit ratings of individual tenants are not explicitly taken into account in the valuation since it is assumed that appropriate contractual safeguards were concluded.

Properties under construction and development sites

Properties under construction and development sites with future utilisation as investment properties are recognised at project fair value according to Swiss GAAP FER 18. In this context, planned or possible construction development as at the balance sheet date is therefore valued on the basis of the same assumptions and methods used for investment properties. To determine the current fair value as at the balance sheet date, the still-outstanding investment costs are taken into account in the cash flows, and the additional risks are reported as a return premium on the discount rate or as development risk. Information regarding projected construction work, schedules, building costs and future rentals is obtained from Swiss Prime Site AG insofar as it is specifically available (building permits, plans, cost calculations/investment applications, etc.) or appears to be plausible. Any profit is taken into account on a pro rata basis, insofar as its realisation can be determined with sufficient certainty.

Properties under construction that are designated for future divestment (e.g. condominiums) are recognised in the balance sheet at the lower of cost or investment costs and net realisable value according to Swiss GAAP FER 17, i.e. current activities and investment costs are recognised and the subsequent valuation carried out at the lower value.

Disclaimer

The valuations carried out by Wriest Partner AG represent an economic assessment based on available information, most of which was provided by Swiss Prime Site AG. Wriest Partner AG did not conduct or commission any legal, structural engineering or other specific clarifications. Wriest Partner AG assumes that the information and documents received are accurate. However, no guarantee can be provided in this respect. Value and price may deviate from each other. Specific circumstances that influence the price cannot be taken into account when making a valuation. The valuation performed as at the reporting date is only valid at that specific point in time and may be affected by subsequent or yet unknown events, in which case a revaluation would be necessary.

Since the accuracy of valuation results cannot be guaranteed objectively, no liability can be derived from it for Wüest Partner AG and/or the author.

Zurich, 29 December 2020

Consolidated financial statements

Consolidated income statement

in CHF 1 000	Notes	01.01.– 31.12.2019	01.01.– 31.12.2020
Rental income from properties	5	486 912	424 723
Income from real estate developments	5	79 789	50 099
Income from real estate services	5	117 523	115 164
Income from retail	5	127 811	110 606
Income from assisted living	5	423 863	72 420
Income from asset management	5	13 542	13 126
Other operating income	5	9 407	6 778
Operating income		1 258 847	792 916
Revaluation of investment properties, net	14	203 412	203 406
Result from investments in associates		1 000	1 000
Result from investment property sales, net	6	20 777	22 243
Result from sale of participations, net	3	–	204 181
Real estate costs	7	–139 012	–71 739
Cost of real estate developments		–62 927	–36 268
Cost of goods sold		–106 631	–65 567
Personnel costs	8	–457 264	–222 777
Depreciation on tangible assets	15	–16 120	–8 446
Amortisation on intangible assets	15	–8 882	–9 138
Other operating expenses	9	–64 852	–47 520
Operating expenses		–855 688	–461 455
Operating result (EBIT)		628 348	762 291
Financial expenses		–70 681	–60 511
Financial income		1 878	1 679
Profit before income taxes		559 545	703 459
Income taxes	10	48 972	–93 052
Profit		608 517	610 407
Attributable to shareholders of Swiss Prime Site AG		607 586	610 510
Attributable to non-controlling interests		931	–103
Earnings per share (EPS), in CHF	21	8.00	8.04
Diluted earnings per share, in CHF	21	7.51	7.55

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

Consolidated balance sheet

in CHF 1 000	Notes	31.12.2019	31.12.2020
Assets			
Cash		173 065	142 750
Securities		557	602
Accounts receivable	11	95 447	56 729
Other current receivables		14 784	5 005
Inventories	12	34 789	30 786
Real estate developments	13	19 650	27 628
Accrued income and prepaid expenses		37 819	33 109
Assets held for sale	14	94 136	216 401
Total current assets		470 247	513 010
Investment properties	14	11 671 294	12 106 219
Tangible assets	15	71 083	25 956
Investments in associates		52 231	51 487
Deferred income tax assets	10	1 634	60
Other financial investments		6 535	4 060
Intangible assets	15	27 880	25 450
Total non-current assets		11 830 657	12 213 232
Total assets		12 300 904	12 726 242
Liabilities and shareholders' equity			
Current financial liabilities			
Accounts payable		32 623	8 341
Other current liabilities		149 919	144 315
Real estate developments	13	–	4 742
Accrued expenses and deferred income	17	179 058	156 051
Total current liabilities		1 621 477	1 647 225
Non-current financial liabilities			
Deferred tax liabilities	10	1 099 397	1 162 863
Total non-current liabilities		5 220 240	4 993 388
Total liabilities		6 841 717	6 640 613
Shareholders' equity			
Share capital	20	1 161 979	1 162 347
Capital reserves	20	320 629	177 198
Treasury shares	20	–106	–161
Retained earnings	20	3 975 536	4 746 245
Shareholders' equity attributable to shareholders of Swiss Prime Site AG		5 458 038	6 085 629
Non-controlling interests	20	1 149	–
Total shareholders' equity		5 459 187	6 085 629
Total liabilities and shareholders' equity		12 300 904	12 726 242

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

Consolidated cash flow statement

in CHF 1 000	Notes	01.01.– 31.12.2019	01.01.– 31.12.2020
Profit		608 517	610 407
Depreciation and amortisation	15	25 002	17 584
Revaluation of investment properties, net	14	–203 412	–203 406
Result from investment property sales, net	6	–20 777	–22 243
Result from sales of participations, net	3	–	–204 181
Result from investments in associates		–1 000	–1 000
Other non-cash items affecting net income		3 446	3 783
Financial expenses		70 681	60 511
Financial income		–1 878	–1 679
Income tax expenses / income	10	–48 972	93 052
Change in accounts receivable		–11 547	–12 275
Change in inventories and real estate developments		–13 515	–1 710
Change in other receivables and accrued income and prepaid expenses		–7 930	–2 460
Change in accounts payable		19 525	–12 994
Change in other current liabilities and accrued expenses and deferred income		16 329	29 603
Income tax payments		–27 849	–54 500
Cash flow from operating activities		406 620	298 492
Investments in investment properties	14	–413 204	–409 974
Divestments of investment properties	14	145 954	76 907
Investments in tangible assets	15	–17 605	–6 813
Acquisitions of group companies, less acquired cash	3	–36 738	–
Divestments of group companies, less disposed cash	3	–	571 394
Investments in financial investments		–410	–7 601
Divestments of financial investments		1 881	24 690
Investments in intangible assets	15	–20 918	–14 787
Interest payments received		244	288
Dividends received		2 201	1 923
Cash flow from investing activities		–338 595	236 027
Distribution to shareholders	20	–288 591	–288 678
Purchase of treasury shares	20	–2 503	–4 976
Issue of bonds	18	521 727	299 272
Redemption of bond	18	–200 000	–230 000
Redemption of convertible bond	18	–	–3 277
Issuance/repayment of current financial liabilities		–37 370	–538 772
Issuance/repayment of non-current financial liabilities		–1 811	267 579
Interest paid		–70 946	–65 982
Cash flow from financing activities		–79 494	–564 834
Change in cash		–11 469	–30 315
Cash at beginning of period		184 534	173 065
Cash at end of period		173 065	142 750

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

Consolidated statement of changes in shareholders' equity

in CHF 1 000	Notes	Share capital	Capital reserves	Treasury shares	Retained earnings	Shareholders' equity attributable to shareholders of Swiss Prime Site AG	Non-controlling interests	Total shareholders' equity
Total as at 01.01.2019		1 161 979	608 218	-47	3 374 742	5 144 892	218	5 145 110
Profit		-	-	-	607 586	607 586	931	608 517
Goodwill		-	-	-	-6 792	-6 792	-	-6 792
Distribution to shareholders	20	-	-288 591	-	-	-288 591	-	-288 591
Share-based compensation	20	-	1 002	2 444	-	3 446	-	3 446
Purchase of treasury shares	20	-	-	-2 503	-	-2 503	-	-2 503
Total as at 31.12.2019		1 161 979	320 629	-106	3 975 536	5 458 038	1 149	5 459 187
Profit		-	-	-	610 510	610 510	-103	610 407
Sale of a majority shareholding with non-controlling interests	3	-	-	-	-	-	-1 046	-1 046
Goodwill	3/16	-	-	-	304 538	304 538	-	304 538
Distribution to shareholders	20	-	-144 339	-	-144 339	-288 678	-	-288 678
Conversion of convertible bonds into registered shares	18	368	2 046	-	-	2 414	-	2 414
Share-based compensation	20	-	-1 138	4 921	-	3 783	-	3 783
Purchase of treasury shares	20	-	-	-4 976	-	-4 976	-	-4 976
Total as at 31.12.2020		1 162 347	177 198	-161	4 746 245	6 085 629	-	6 085 629

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

Notes to the consolidated financial statements

1 Business activities

Swiss Prime Site's strategy is based on investments in high-quality properties situated in prime locations, primarily with commercially utilised floor space, as well as in development projects. The focus of investment is properties and projects with sustainable, attractive returns and long-term value-boosting potential. The real estate portfolio is actively managed. Swiss Prime Site also operates in real estate-related business fields with the aim of strengthening and broadening the earnings base, in addition to diversifying risks and exploiting synergies.

Further information regarding the individual business fields can be found in note 5 «Segment reporting».

2 Summary of significant accounting principles

2.1 Principles of consolidated reporting

The consolidated financial statements of Swiss Prime Site AG were prepared in accordance with Swiss GAAP FER (Generally Accepted Accounting Principles FER) and correspond to article 17 of the Directive on Financial Reporting of the Swiss stock exchange (SIX Swiss Exchange). The consolidated financial statements comprise the holding company as well as its subsidiaries (hereinafter jointly referred to as «group companies»).

The consolidated financial statements are generally based on the historical cost principle. Deviations from this principle are set out in notes 2.6 to 2.35. These apply to investment properties (undeveloped properties, existing properties, properties under construction and development sites (except those designated for sale), which are assessed at fair value. In addition, securities and derivatives are recognised at stock-exchange prices or at fair values as at the balance sheet date. The significant accounting principles are explained in the following section.

The consolidated financial statements were prepared in Swiss francs (CHF). All amounts, except for the figures per share, have been rounded to CHF 1 000. All group companies maintain their accounts in Swiss francs as well. Transactions denominated in foreign currencies are immaterial.

2.2 Comparative figures of the previous period

The presentation of the comparative periods and figures is carried out in accordance with the Swiss GAAP FER framework. The figures for the comparative period are shown in the text in brackets [].

2.3 Scope of consolidation and consolidation methods

The consolidated financial statements of Swiss Prime Site comprise Swiss Prime Site AG and all its group companies, controlled directly or indirectly or under a single management. These group companies are included in the financial statements within the scope of full consolidation.

The scope of consolidation comprises 11 [33] companies (including the Holding Company). An overview of the group companies is provided in note 24 «Group companies and associates».

The consolidation is based on the audited annual financial statements of the group companies as at 31 December 2020, which were prepared applying uniform accounting principles. All significant transactions and balances between the individual group companies as well as intercompany profits have been eliminated.

Investments in associates in which Swiss Prime Site exercises a decisive influence, but which it does not control, are valued according to the equity method. Recognition in the balance sheet is carried out at cost at the time of acquisition. In subsequent reporting periods after the acquisition, this value is adjusted to reflect Swiss Prime Site's share in the additional equity generated or net income earned. All balances/transactions with investments valued according to the equity method are reported separately as items with associates.

Companies in which Swiss Prime Site holds an investment of less than 20% are recognised at fair value (provided that this value can be reliably determined), either as securities or as non-current financial investments.

Investments in group companies and associates are included in the consolidated financial statements from the time when control is assumed – or when significant influence is gained – and excluded from the time when control is relinquished or significant influence is lost. These two dates are not necessarily identical to the date of acquisition or sale.

2.4 Capital consolidation

Capital consolidation is carried out using the purchase method. The difference between the purchase price of an acquired company and the fair value of the resulting net assets acquired is set off against shareholders' equity (retained earnings) as goodwill from acquisitions. Any negative goodwill is offset against shareholders' equity (retained earnings). Acquisition costs are recognised in the income statement. The effects of theoretical recognition and amortisation of goodwill are disclosed in the notes to the consolidated financial statements. Given divestment of investments in group companies, the difference between the sales proceeds and pro rata book value including historical goodwill is reported as profit or loss in the income statement.

2.5 Segment reporting

Segment reporting is carried out according to Swiss GAAP FER 31 sec. 8 «Segment reporting» in conjunction with the Company's internal financial reporting to the Executive Board and Board of Directors (i.e. management approach). The group's business activities are divided into two segments that are subject to reporting requirements: the Real Estate segment comprises the core real estate business (purchase, sale, lease and development of properties) as well as central group functions. Real estate-related services – i.e. the real estate services, retail and asset management businesses – are incorporated into the Services segment.

2.6 Cash

Cash comprises cash in hand and sight deposits held at financial institutions. Cash also consists of time deposits held at financial institutions as well as short-term money market investments with a residual term to maturity of maximum three months. They are recognised at nominal value.

2.7 Securities

Securities include tradable equities held on a short-term basis that are valued at fair value, as well as term deposits with a residual term to maturity of more than three months that are recognised at nominal value. Unrealised and realised gains as well as income from securities are recognised as financial result in the income statement.

2.8 Accounts receivable

Accounts receivable and other receivables are valued at amortised cost, which generally corresponds to the nominal value, less any requisite impairments for non-collectable receivables. Receivables can be short term (as a rule) or long term. The receivables in the Real Estate segment as well as in the real estate services and asset management business fields are subject to individual valuation with strict credit-rating guidelines.

2.9 Impairments on receivables

To cover debtor risk, outstanding receivables are evaluated at the end of the reporting period by means of maturity lists and legal case reporting with respect to collectability. The necessary impairments are formed, and impairments that are no longer necessary are released. Forming/releasing these impairments is recognised in other operating expenses.

2.10 Inventories

Inventories are valued at average cost price, but not exceeding the net realisable value. Discounts are treated as reductions in acquisition price. The value of inventories with long storage periods and goods that are hard to sell is impaired.

2.11 Trading properties

Properties under construction that are intended for future sale (for example condominiums) are recognised in the balance sheet at the lower of investment cost or net realisable value, according to Swiss GAAP FER 17 «Inventories». The realisation of sales is recorded in operating income as «Income from sale of trading properties» at the time of transfer to ownership (transfer of benefits and risks). The recognised costs are reported as expense from the sale of trading properties in operating expenses upon realisation of sales.

2.12 Real estate developments

Real estate developments (long-term contracts) comprise construction projects that are sold to third parties either prior to or during the construction phase, which are developed or completed on behalf of the buyer. Notarisation of the purchase agreement is carried out following the conclusion of the contract. Transfer of ownership for the respective property generally takes place after construction is completed. Recognition in the balance sheet of real estate developments is carried out according to the percentage-of-completion method (POCM) in accordance with Swiss GAAP FER 22 «Long-term contracts». Depending on how the project is structured, the percentage of completion is determined based on the cost-to-cost method or based on building assessments and project planning (milestone approach). The method applied in each case is the method by which the percentage of completion can be determined most reliably. The cumulative costs and realised sales proceeds according to the percentage-of-completion method are reported in the income statement on an ongoing basis.

Advance payments received are recognised in the balance sheet without affecting income. They are offset against the relevant long-term contracts for which the advance payment was made. Reporting in the balance sheet is carried out on a net basis as «real estate developments» on the assets or liabilities side. Insofar as the result of a long-term contract cannot be reliably estimated, only the amount of income equal to the amount of incurred contract costs is recognised that would probably be realisable, with concurrent reporting of the contract costs incurred as expense in the corresponding period. This corresponds to a valuation at actual costs. If there is a probability that total contract costs could exceed total contract income, the expected losses are immediately recorded as expense and provision, respectively.

2.13 Assets held for sale

These are assets or groups of assets held for sale that have not yet been sold, but the sale of which is highly probable. Classifying such a divestment as highly probable necessitates the fulfilment of various criteria, including that the competent management level has determined a plan for divesting the asset (or group of assets) and actively commenced the process of searching for a buyer and executing the plan. Furthermore, the asset (or group of assets) must be actively offered for acquisition at a price that is appropriately relative to the current fair value. The divestment should also take place within a one-year period as expected. These assets are valued at the lower of book value or fair value less sales costs. Investment properties held for sale fall in this category only with respect to classification, but not for valuation purposes and are therefore recognised at fair value according to Swiss GAAP FER 18 «Tangible fixed assets».

2.14 Non-current financial investments

Non-current financial investments comprise loans with a residual term to maturity of more than one year and are valued at amortised cost less any requisite impairments. Impairments are recognised in the income statement. Under financial investments, free capital can be invested in Swiss francs and euros. Investments in first-class, stock exchange-listed shares, in bonds with a minimum rating by a leading rating agency of «A» and money market paper are permitted. These financial investments are valued similar to securities (see note 2.7 «Securities»).

2.15 Existing properties and undeveloped properties (investment properties)

The valuation at the time of initial classification is carried out at cost, taking into account directly accountable transaction costs. Thereafter, the valuation is carried out at fair value in accordance with Swiss GAAP FER 18 sec. 14. Replacement and expansion investments are recognised at the book value of the properties when it is probable that Swiss Prime Site will obtain a resulting future economic benefit. Swiss Prime Site's real estate portfolio comprises exclusively properties that are held for investment purposes in accordance with the core business.

The change in fair value is recognised in the income statement. Related deferred tax liabilities or assets on such sums are debited, or credited, to the consolidated income statement as deferred tax expense or deferred tax income, respectively. For further information regarding the calculation of the fair value, see note 14 «Investment properties».

2.16 Properties under construction and development sites (investment properties)

Properties under construction and development sites with future utilisation as existing properties are recognised at fair value already during construction – the same as other existing properties – provided that the fair value can be reliably determined. The existence of a legally valid building permit is therefore an important indicator for Swiss Prime Site to reliably determine the fair value of a property under construction or a development site. The change in fair value is recognised in the income statement.

If a reliable valuation of the fair value of properties under construction and development sites is not possible, they are recognised at cost less any required impairments.

Directly attributable borrowing costs for properties under construction are recognised as capitalised interest expenses. The relevant calculation is carried out based on actual costs starting from construction start-up date until initial operation at the average interest rate of all interest-bearing financial liabilities.

If all of the following criteria are fulfilled on a cumulative basis, existing properties are reclassified as properties under construction and development sites at the time of construction:

- Total depletion of the property (elimination of the property's usefulness)
- Planned investments of more than 30% of fair value
- Duration of renovation longer than 12 months

Following completion of the development or total modification, these properties are classified as existing properties. Existing properties are maintained under their category for the duration of modification or renovation, insofar as the aforementioned criteria are unfulfilled.

2.17 Tangible assets

Tangible assets are recognised at acquisition or production costs less cumulated depreciation and impairment. Expenses for repairs and maintenance are charged directly to the consolidated income statement. Depreciation is calculated according to the straight-line method based on the economically useful life.

2.18 Intangible assets

Intangible assets are recognised at cost less amortisation and any impairments and include software for which a license was obtained from third parties or which was developed by third parties or within the group. The depreciation period for software amounts to five years (straight line).

2.19 Depreciation and amortisation

Useful life of assets

Asset categories	Years
Equipment	20
Furniture and tenants' improvements	8
Hardware and software	5

2.20 Impairment of tangible and intangible assets including goodwill

The value of tangible and intangible assets (including goodwill) is always reviewed if changed circumstances or events indicate the possibility of an overvaluation in the book values. If the book value exceeds the realisable value (fair value less disposal costs or higher value in use), an impairment is applied to the realisable value.

Since goodwill is already offset against shareholders' equity at the time of acquisition, any impairment of goodwill does not result in a negative effect on net income, but rather in disclosure in the notes. In the case of divestment of a group company, the goodwill that was offset against shareholders' equity at a previous point in time is also taken into account when determining the profit or loss affecting net income.

2.21 Leasing

Swiss Prime Site as lessor

Property leases and land lease contracts are basically operating lease contracts, which are generally recognised in the consolidated income statement using the straight line method over the duration of the contract. In some of the rental agreements, target turnovers have been agreed upon with the tenants (i.e. turnover-based rents). If these are exceeded on an annual basis, the resulting rental income is booked or accrued in the reporting year.

Swiss Prime Site as lessee

Contracts relating to the use of land and properties, for which land lease or right of use payments are effected, should be subject to review in terms of whether they are to be classified as operating or finance lease.

Payments within the scope of operating leases are recognised in the income statement on a straight-line basis over the term of the lease or rental agreement, or duration of the land lease. Land lease payments during construction of new buildings are recognised as assets in the balance sheet.

Given finance lease transactions, the asset and leasing liability are recognised in the balance sheet.

2.22 Income taxes

Income taxes consist of current income taxes and deferred taxes.

Current income taxes comprise the expected tax liability on the taxable profit calculated at the tax rates applicable on the balance sheet date, property gains taxes on real estate sales and adjustments to tax liabilities or tax assets for previous years.

Deferred taxes are calculated on temporary valuation differences between the book value of an asset or a liability in the consolidated balance sheet and its corresponding tax base (i.e. balance sheet liability method). Determination of the deferred taxes takes into account the expected date of settlement of the temporary differences. In this regard, the tax rates used are those applicable or determined at the balance sheet date. The calculation of deferred taxes on real estate assets was based on the assumption of a holding period of minimum 20 years.

Tax effects from losses carried forward and tax credits are recognised as deferred tax assets if it seems likely that the losses carried forward can be offset against future profits within the stipulated statutory periods.

2.23 Financial liabilities

Financial liabilities include current financial liabilities that fall due for redemption within the year and non-current financial liabilities with residual terms to maturity of more than 12 months. Financial liabilities can consist of loans secured by real estate, borrowed capital components of convertible bonds, bonds and other financial debts. All loans were granted to Swiss Prime Site in Swiss francs. A maximum loan-to-value ratio of 65% of the fair value of the entire real estate portfolio is permitted. Financial liabilities are recognised in the balance sheet at cost.

2.24 Derivative financial instruments

Derivative financial instruments can be utilised within the scope of ordinary business activities (for example, to hedge interest risks). No hedge accounting in the context of Swiss GAAP FER 27 «Derivative financial instruments» is used. Derivative financial instruments are reported at fair value and, given positive or negative fair value, recognised in the balance sheet as financial investments or other financial liabilities respectively. They can be short or long term in nature. Profits and losses are reported in the financial result. Further information is provided in note 18 «Financial liabilities».

2.25 Provisions

Provisions comprise liabilities that are uncertain because of their due date or amount. A provision is set up if a past event creates a legal or constructive obligation, and if future outflows of resources can be reliably estimated. Given any legal disputes, the amount of the provisions recognised for obligations is based on how the Executive Board judges the outcome of the dispute in good faith, according to the facts known at the balance sheet date. Expenses relating to a provision are recognised in the income statement.

2.26 Convertible bonds

The full amount of a convertible bond is recognised as a liability. If the convertible bond is issued on conditions that differ from a bond without conversion rights, it is divided into borrowed capital and equity components. The issuing costs are attributed to the borrowed capital and equity component based on their initial book values. Given premature redemption, the purchase price (less paid accrued interest) is compared with the pro rata book value. The loss or income attributable to the borrowed capital component from the redemption is recognised in the financial result. Given a conversion, the number of shares to be issued based on the conversion is determined by using the conversion price. The nominal value of the converted shares is credited to share capital and the residual amount to capital reserves.

2.27 Shareholders' equity

Shareholders' equity is subdivided into share capital, capital reserves, treasury shares, retained earnings and non-controlling interests. The nominal share capital of the Company is stated in share capital. Nominal value changes are recognised in share capital. Dividend payments are debited to retained earnings. Goodwill resulting from acquisitions is set off against shareholders' equity (retained earnings) as at the time of acquisition. Any negative goodwill is offset against shareholders' equity (retained earnings). All other changes in capital are recorded in capital reserves.

2.28 Treasury shares

Treasury shares are valued at acquisition cost and reported in shareholders' equity as a debit item. No subsequent valuations are carried out following the initial valuation. Proceeds from the sale of treasury shares are offset directly against capital reserves.

2.29 Dividends

In compliance with Swiss statutory provisions and the Company's Articles of Association, dividends are treated as an appropriation of profit in the financial year in which they were approved by the Annual General Meeting and subsequently paid out.

2.30 Pension plans

The group companies maintain different pension fund schemes, which are legally independent and financed from employer and employee contributions. Determination of overfunding or underfunding is carried out based on the prepared financial statements of the pension fund scheme, according to Swiss GAAP FER 26. The group's pension plan expense comprises the employer contributions accrued for the relevant period as well as any economic effects from overfunding or underfunding and change in employer contribution reserves. An economic obligation is recognised as a liability, insofar as the prerequisites for forming a provision are fulfilled. Recognition in the balance sheet of economic benefits is carried out insofar as these can be used for the group's future pension plan contributions. Freely disposable employer contribution reserves are recognised as cost in the balance sheet.

2.31 Share-based compensation

The variable compensation of the members of the Executive Board is designated at 37.5% as performance-based entitlements to shares (performance share units or PSUs). The PSUs are subject to a three-year vesting period, conditionally upon fulfilment of the defined conditions. The payout on the vesting date is effected in the form of Swiss Prime Site AG shares. The performance share units are valued at the current value at the time of allocation according to the principles of Swiss GAAP FER 31 sec. 3 «Share-based payments» and recognised as personnel costs and shareholders' equity (capital reserves) over the three-year vesting period. No subsequent valuations are carried out except given any changes in the relevant payout indicators.

The fees paid to the Board of Directors and the variable compensation paid to the executives employed by Swiss Prime Site Management AG as well as executive management members of the group companies are effected at a certain percentage in the form of Swiss Prime Site AG shares. The fair value of these shares on the date they are granted is recognised as personnel costs.

2.32 Operating income and realisation of income

Operating income includes all rental income from properties, income from sale of trading properties, income from real estate developments, income from real estate services, income from retail, income from assisted living and income from asset management as well as other operating income. Vacancy costs are deducted directly from the target rental income. Operating income is recorded upon maturity or upon provision of services.

Profits from the divestment of properties and investments are reported on a net basis, taking into account any incidental selling expenses incurred, after operating income. In this context, the gain or loss of sale of investment properties is calculated as the difference between the net sales price and the carrying amount of the investment property, according to the consolidated balance sheet of the past financial year plus any investments.

Realisation of income is generally recognised upon transfer of benefits and risks to the customer. Income from retail trade activities is recognised at the date of delivery of the goods, or in services operations in accordance with the extent of the services provided. For the divestment of properties, this date is designated in the sales contract (generally transfer of ownership).

Income from real estate developments (long-term contracts) is not oriented toward transfer of benefits and risks, but rather recognised according to the percentage-of-completion method (see note 2.12 «Real estate developments»).

2.33 Interest

Interest on loans as well as land lease interest for qualified properties under construction and development sites, in addition to trading properties, are attributed to cost. With this method, financial expenses or real estate costs are relieved but, at the same time, the revaluation gain is reduced accordingly.

Other interest on borrowed capital is recognised in the income statement using the effective interest rate method. Interest expense and interest income are apportioned as set out in the loan agreements and accordingly directly debited or credited, respectively, to the financial result.

2.34 Transactions with related parties

The Board of Directors, Executive Board, group companies, pension fund foundations of the group, associates and their subsidiaries as well as the Swiss Prime Investment Foundation are all regarded as related parties. All transactions with related parties are presented and broken down in note 23 «Transactions with related parties».

2.35 Earnings per share (EPS)

Basic earnings per share are determined by dividing the consolidated profit attributable to shareholders of Swiss Prime Site AG by the weighted average number of outstanding shares. Diluted earnings per share are determined by deducting expenses in connection with the convertible bonds, such as interest (coupon), amortisation of the proportional costs and tax effects. The potential shares (options and the like) that might lead to a dilution of the number of shares must be taken into account when determining the average number of outstanding shares.

3 Changes in scope of consolidation

3.1 Sale of the Tertianum Group

The Tertianum Group was sold to the Capvis Equity V LP fund advised by the investment firm Capvis AG. The sale was announced in a press release on 13 December 2019. The closing of the contract and derecognition took place on 28 February 2020. The Tertianum Group has therefore been included in the consolidated financial statements for the reporting period for two months.

The Tertianum Group comprises the entire assisted living business, i.e. the operational management of 80 residential and care centres as well as residences in all parts of Switzerland. The purchase agreement covers all operational management and therefore all group companies in the field of assisted living. Information on all of the 21 companies is provided in note 24 «Group companies and associates».

The Tertianum Group has around 4 900 employees, who have been transferred to the new owner along with existing management. The 19 properties held by Swiss Prime Site Immobilien AG were not part of the sale and have therefore stayed under the ownership of the Swiss Prime Site Group.

Assets and liabilities of the Tertianum Group as at the divestment date of 28 February 2020 were as follows:

in CHF 1 000	28.02.2020
Assets	
Cash	5 896
Accounts receivable	50 998
Other current assets	24 291
Total current assets	81 185
Investment properties	34 745
Tangible assets	43 494
Other non-current assets	16 798
Total non-current assets	95 037
Total assets	176 222
Liabilities and shareholders' equity	
Current financial liabilities	977
Other current liabilities	68 631
Non-current financial liabilities	32 122
Other non-current liabilities	4 875
Total liabilities	106 605
Non-controlling interests in equity	1 046
Total non-controlling interests in equity	1 046
Net assets sold	68 571
Return of goodwill to income statement (recycling)	304 538
Sales price less transaction costs	577 290
Sales result	204 181

3.2 Acquisitions during the reporting year

None.

3.3 Acquisitions during the previous year

The group acquired 100% of the shares in ACRON HELVETIA V Immobilien AG, Münchenstein (Real Estate segment) as at 1 July 2019 and then rebranded it to Swiss Prime Site Dreispitz AG. The Company's assets include two logistics properties in Münchenstein, which are fully let. The purchase price of CHF 16.905 million includes properties valued at CHF 29.400 million, other assets of CHF 0.352 million, short-term mortgages of CHF 12.150 million and other liabilities of CHF 1.627 million. The goodwill of CHF 0.930 million resulting from the acquisition was offset directly against shareholders' equity.

Further acquisitions during the previous year were Zimmermann Vins SA, Carouge, in the Real Estate segment as well as EMS Le Martagon SA, Les Ponts-de-Martel, EMS Chantevent SA, La Grande Béroche, and Home Les Lauriers S.A., Saint-Imier, in the Services segment. The goodwill of CHF 5.862 million resulting from these acquisitions was offset directly against shareholders' equity.

3.4 Group internal mergers during the reporting year

In the Real Estate segment, SPS Beteiligungen Alpha AG, Olten, was merged into Swiss Prime Site AG, Olten, as at 1 January 2020.

3.5 Group internal mergers during the previous year

In the Services segment, EMS Le Martagon S.A., Les Ponts-de-Martel, was merged into Leben im Alter AG, Zurich, as at 1 July 2019.

4 Effects of the coronavirus pandemic

The coronavirus pandemic has had a significant social and economic impact, and this clearly fed through to the Swiss real estate sector and the Swiss Prime Site Group in 2020. Shortly after the WHO declared a global pandemic in spring 2020, the Swiss government took far-reaching decisions, including banning gatherings and closing schools and shops. These government orders had a significant impact on ways of working, the operation of some group companies and, not least, the Swiss Prime Site Group's operating result. Jelmoli, for example, had to shut down almost its entire operations during lockdown. Swiss Prime Site Immobilien, Swiss Prime Site Solutions and Wincasa had to field and individually respond to around 3 000 enquiries from tenants. The Company was able to support the majority of customers through rent deferrals, waivers or reductions. Swiss Prime Site consciously forwent rental income in the interests of its customers. Rent waivers that have already been granted and confirmed, in the amount of CHF 9.532 million, are included in rental income from properties.

The impact of the coronavirus pandemic on Swiss Prime Site AG's property portfolio, to the extent that this was known and could be estimated at the time of valuation, is reflected in the valuations. The negatively affected properties were mainly those with a large share of income from retail (non-food) or hospitality. The assumption from today's standpoint is that some types of use (e.g. city hotels) will continue to experience a difficult market environment.

5 Segment reporting

Swiss Prime Site is a group that primarily operates a real estate business (core business) comprising buying and selling, managing and developing investment properties. Swiss Prime Site also operates in real estate-related business fields.

The consolidated financial data are subdivided into the segments subject to mandatory reporting, as follows:

- Real Estate comprises the purchase, sale, lease and development of properties as well as central group functions
- Services consists of the real estate-related real estate services, assisted living (up to 28 February 2020), retail and asset management

Segment income statement 01.01.–31.12.2020

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2020 Total group
Rental income from properties	430 964	28 554	459 518	–34 795	424 723
thereof from third parties	396 169	28 554	424 723	–	424 723
thereof from other segments	34 795	–	34 795	–34 795	–
Income from real estate developments	50 099	–	50 099	–	50 099
Income from real estate services	–	146 157	146 157	–30 993	115 164
Income from retail	–	110 632	110 632	–26	110 606
Income from assisted living	–	72 426	72 426	–6	72 420
Income from asset management	–	13 126	13 126	–	13 126
Other operating income	1 799	7 258	9 057	–2 279	6 778
Operating income	482 862	378 153	861 015	–68 099	792 916
Revaluation of investment properties, net	203 406	–	203 406	–	203 406
Result from investments in associates	1 000	–	1 000	–	1 000
Result from investment property sales, net	20 929	–	20 929	1 314	22 243
Result from sale of participations, net	–	204 181	204 181	–	204 181
Real estate costs	–69 413	–66 275	–135 688	63 949	–71 739
Cost of real estate developments	–36 268	–	–36 268	–	–36 268
Cost of goods sold	–	–65 567	–65 567	–	–65 567
Personnel costs	–21 987	–201 242	–223 229	452	–222 777
Depreciation on tangible assets	–452	–7 994	–8 446	–	–8 446
Amortisation on intangible assets	–4 170	–4 968	–9 138	–	–9 138
Other operating expenses	–20 923	–28 981	–49 904	2 384	–47 520
Operating expenses	–153 213	–375 027	–528 240	66 785	–461 455
Operating result (EBIT)	554 984	207 307	762 291	–	762 291

Segment income statement 01.01.–31.12.2019

in CHF 1 000	Real Estate segment	Services segment	Total segments	Eliminations	01.01.– 31.12.2019 Total group
Rental income from properties	437 299	106 019	543 318	-56 406	486 912
thereof from third parties	380 893	106 019	486 912	-	486 912
thereof from other segments	56 406	-	56 406	-56 406	-
Income from real estate developments	79 789	-	79 789	-	79 789
Income from real estate services	-	148 065	148 065	-30 542	117 523
Income from retail	-	127 823	127 823	-12	127 811
Income from assisted living	-	423 909	423 909	-46	423 863
Income from asset management	-	13 542	13 542	-	13 542
Other operating income	2 399	9 034	11 433	-2 026	9 407
Operating income	519 487	828 392	1 347 879	-89 032	1 258 847
Revaluation of investment properties, net	204 442	-1 030	203 412	-	203 412
Result from investments in associates	1 000	-	1 000	-	1 000
Result from investment property sales, net	19 326	-	19 326	1 451	20 777
Real estate costs	-65 007	-159 780	-224 787	85 775	-139 012
Cost of real estate developments	-62 927	-	-62 927	-	-62 927
Cost of goods sold	-	-106 631	-106 631	-	-106 631
Personnel costs	-22 544	-435 190	-457 734	470	-457 264
Depreciation on tangible assets	-603	-15 517	-16 120	-	-16 120
Amortisation on intangible assets	-2 822	-6 060	-8 882	-	-8 882
Other operating expenses	-17 483	-48 705	-66 188	1 336	-64 852
Operating expenses	-171 386	-771 883	-943 269	87 581	-855 688
Operating result (EBIT)	572 869	55 479	628 348	-	628 348

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

6 Result from investment property sales

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Gains from sales of properties	12 694	15 591
Gains from sales of properties held for sale	4 745	6 652
Gains from properties under construction and development sites	3 338	–
Total result from investment property sales, net	20 777	22 243

Two [nine] properties and two [four] condominium units in Building A, Espace Tourbillon in Geneva were sold in the reporting year. Building A in the Espace Tourbillon is under construction; the individual units are being sold on an ongoing basis and will be completed in 2021. The transactions have therefore been split into two parts: the sale of storeys under construction and the continuation of construction activity as a service. The sale includes the land portion, the project costs incurred and the construction work carried out up to the date of sale and the transfer of ownership. It was recognised as the sale of investment properties (Swiss GAAP FER 18). The service includes the completion of the condominiums up to turnkey handover. This is recognised in the consolidated financial statements as real estate development based on construction progress (Swiss GAAP FER Framework 11 and 12).

7 Real estate costs

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Property expenses	–46 120	–34 888
Third-party rents	–76 436	–20 274
Expenses for third-party services	–6 103	–6 073
Expenses for real estate services	–4 589	–4 283
Land lease expenses	–5 764	–6 221
Total real estate costs	–139 012	–71 739

Property expenses included maintenance and repair costs of CHF 8.393 million [CHF 13.232 million], ancillary costs borne by the owner of CHF 12.419 million [CHF 8.463 million] and property-related insurance costs and fees of CHF 7.530 million [CHF 7.410 million] as well as costs for cleaning, energy and water of CHF 6.546 million [CHF 17.015 million].

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

8 Personnel costs

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Wages and salaries	–375 329	–181 598
Social security expenses	–34 594	–13 305
Pension plan expenses	–27 523	–18 693
Other personnel expenses	–19 818	–9 181
Total personnel costs	–457 264	–222 777
Number of employees as at 31.12.	6 506	1 728
Number of full-time equivalents as at 31.12.	5 402	1 505

9 Other operating expenses

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Expenses for tangible assets and IT	–27 451	–15 859
Non-life insurance, fees	–2 766	–1 103
Capital taxes	–2 494	–4 079
Administrative expenses	–16 116	–11 875
Audit and consultancy costs	–8 068	–5 919
Marketing	–8 368	–6 035
Collection and bad debt-related losses	411	–2 650
Total other operating expenses	–64 852	–47 520

Capital taxes were calculated according to the effective tax rates on the basis of intercantonal tax allocation.

Administrative expenses included costs incurred for the reporting process, other administrative expenses and costs for various services provided by third parties, such as management fees and communication.

Audit and consultancy expenses comprised consulting fees of CHF 5.256 million [CHF 7.225 million] and audit fees of CHF 0.663 million [CHF 0.843 million].

Collection and bad debt-related losses consisted mainly of impairments for forecast rent losses as a result of business closures during the lockdowns. Further information can be found in note 4 «Effects of the coronavirus pandemic».

10 Income taxes

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Current income taxes of the reporting period	–41 581	–27 018
Adjustments for current income taxes of other accounting periods	1 117	3 518
Total current income taxes	–40 464	–23 500
Deferred taxes resulting from revaluation and depreciation	–90 310	–83 718
Deferred taxes resulting from real estate developments (long-term contracts)	–3 086	1 201
Deferred taxes resulting from the sale of investment properties	14 300	7 425
Deferred taxes resulting from tax rate changes	172 451	7 114
Deferred taxes resulting from losses carried forward	–3 899	–1 554
Other deferred taxes	–20	–20
Total deferred taxes	89 436	–69 552
Total income taxes	48 972	–93 052

The changes in various cantonal income tax rates that took place in the corresponding period resulted in a release of deferred tax liabilities in the amount of CHF 7.114 million [CHF 172.451 million].

Current income taxes were calculated at the effective maximum tax rates. At the same time, agreements with the relevant tax authorities were considered as well.

Reconciliation of income taxes

Factors leading to the deviation of the effective tax burden from the average tax rate of 20% [23%]:

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Profit before income taxes	559 545	703 459
Income taxes at average tax rate of 20% [23%]	– 128 695	– 140 692
Taxes at other rates (including property gains taxes)	4 519	165
Tax effect due to investment deduction	282	41 066
Deferred taxes resulting from tax rate changes	172 451	7 114
Adjustment for current income taxes for other accounting periods	1 117	3 518
Effect of unrecognised losses carried forward	– 702	– 4 223
Total income taxes	48 972	– 93 052

Deferred taxes

Where the revaluations according to Swiss GAAP FER versus the fiscal values were due to recaptured depreciation, the taxes were allocated per property after deduction of any applicable property gains tax and taken into account separately. In this case, tax rates of between 4.4% and 14.3% [4.4% and 15.1%] were applied.

Upward revaluations exceeding the recaptured depreciation are subject to tax using two different systems. Cantons that do not levy any special taxes also calculate taxes at the above rates. The other cantons levy a separate property gains tax using rates of between 5.0% and 25.0% [5.0% and 25.0%], depending on duration of ownership.

Accordingly, property gains taxes are reduced in proportion to the increased duration of ownership of the property. Swiss Prime Site generally assumes ownership for a minimum period of 20 years, meaning that potential speculation premiums are not taken into account.

Deferred income tax assets

Of the total deferred tax assets subject to losses carried forward, only those were recognised that can probably be offset with future profits. The other deferred tax assets on losses carried forward were not recognised due to the insufficient future probability of offsetting losses.

in CHF 1 000	31.12.2019	31.12.2020
Taxable losses carried forward of group companies	12 818	28 084
Possible tax effect on taxable losses carried forward at expected tax rate	2 948	5 617
Losses carried forward which can in all probability be offset with future profits	– 6 757	–
Total recognised deferred tax assets at expected tax rate	– 1 554	–
Total deferred tax assets not recognised at expected tax rate	1 394	5 617
Recognised deferred tax assets on losses carried forward	1 554	–
Other deferred income tax assets	80	60
Total deferred income tax assets	1 634	60

Expiring taxable losses carried forward

Taxable losses carried forward of group companies for which no deferred tax assets were recognised expire as follows:

in CHF 1 000	31.12.2019	31.12.2020
After 1 year	51	11
After 2 years	11	5
After 3 years	5	7 123
After 4 years	481	3
After 5 years	251	4 235
After 6 years	4 784	478
After 7 or more years	478	16 229
Total expiring taxable losses carried forward	6 061	28 084

Deferred tax liabilities

in CHF 1 000	2019	2020
Deferred tax liabilities as at 01.01.	1 188 787	1 099 397
Change due to acquisitions/divestments of group companies	3 954	-4 512
Change due to real estate developments (long-term contracts)	3 086	-1 201
Increase through revaluation and depreciation	90 310	83 718
Change through property disposals	-14 300	-7 425
Tax rate changes	-172 451	-7 114
Other changes	11	-
Deferred tax liabilities as at 31.12.	1 099 397	1 162 863

11 Accounts receivable

in CHF 1 000	31.12.2019	31.12.2020
Accounts receivable, gross	101 288	61 048
Impairments	-5 841	-4 319
Total accounts receivable	95 447	56 729

Most of the accounts receivable relate to claims for rent and ancillary costs, and in the previous year to customer receivables from the Assisted Living segment.

Maturities of receivables

in CHF 1 000	31.12.2019 Gross receivables	Impairments	31.12.2020 Gross receivables	Impairments
Not yet due	67 980	-	39 410	-
Due between 1 and 30 days	14 322	-80	7 478	-520
Due between 31 and 90 days	6 013	-455	5 558	-693
Due between 91 and 120 days	2 504	-126	473	-116
Due for more than 120 days	10 469	-5 180	8 129	-2 990
Total gross receivables and impairments	101 288	-5 841	61 048	-4 319

12 Inventories

in CHF 1 000	31.12.2019	31.12.2020
Merchandise	33 246	32 088
Other inventories	2 495	15
Impairments	-952	-1 317
Total inventories	34 789	30 786

Inventories include merchandise from the retail business and, in the case of the previous year, from the Assisted Living segment, which was recognised in the balance sheet at the lower of average cost and net realisable value.

13 Real estate developments

in CHF 1 000	31.12.2019	31.12.2020
Income from current projects since start of construction	204 300	193 399
Advance payments received	– 184 650	– 170 513
Real estate developments, net	19 650	22 886
of which real estate developments, assets	19 650	27 628
of which real estate developments, liabilities	–	– 4 742
Income from real estate developments of the period	79 789	50 099

The accruals relate to real estate developments sold during the construction phase and completed on behalf of the buyers. In the partial sale of the «Espace Tourbillon» development project in Geneva, two of the total of five buildings under construction were sold in 2017. The turnkey transfer of the two buildings will be carried out upon completion in 2021. The «Weltpost Park» apartment complex in Berne was sold in 2018. The finished three-building complex was handed over to the buyer in turnkey condition in the first half of 2020. In addition, the commercial space in Building A of the Espace Tourbillon development project was also sold as business premises.

14 Investment properties

Change in investment properties

in CHF 1 000	Undeveloped properties	Properties	Properties under construction/development sites	Total investment properties	Properties held for sale	Total
Total as at 01.01.2019	25 473	10 544 450	576 787	11 146 710	57 708	11 204 418
Purchases	12 020	–	–	12 020	–	12 020
Follow-up investments	138	144 383	263 720	408 241	793	409 034
Capitalised borrowing costs	–	1 053	5 665	6 718	–	6 718
Additions from acquisitions	–	55 005	–	55 005	–	55 005
Reclassifications	–	177 930	–260 216	–82 286	82 286	–
Disposal by sale	–	–68 804	–10 578	–79 382	–45 795	–125 177
Positive fair value adjustment	73	318 796	43 408	362 277	–	362 277
Negative fair value adjustment	–206	–142 574	–15 229	–158 009	–856	–158 865
Fair value adjustment	–133	176 222	28 179	204 268	–856	203 412
Total as at 31.12.2019	37 498	11 030 239	603 557	11 671 294	94 136	11 765 430
Purchases	3 441	87 643	37	91 121	–	91 121
Follow-up investments	856	143 516	182 252	326 624	18 106	344 730
Capitalised borrowing costs	–	–	7 342	7 342	–	7 342
Reclassifications	–	–2 116	–106 412	–108 528	108 528	–
Disposal by sale	–	–38 100	–	–38 100	–16 564	–54 664
Disposals from divestments	–	–34 745	–	–34 745	–	–34 745
Positive fair value adjustment	754	362 457	46 862	410 073	12 195	422 268
Negative fair value adjustment	–387	–206 486	–11 989	–218 862	–	–218 862
Fair value adjustment	367	155 971	34 873	191 211	12 195	203 406
Total as at 31.12.2020	42 162	11 342 408	721 649	12 106 219	216 401	12 322 620
Actual costs as at 31.12.2019	29 269	8 165 228	558 431	8 752 928	79 288	8 832 216
Actual costs as at 31.12.2020	33 566	8 380 583	619 200	9 033 349	172 238	9 205 587
Difference between fair value and actual costs as at 31.12.2019	8 229	2 865 011	45 126	2 918 366	14 848	2 933 214
Difference between fair value and actual costs as at 31.12.2020	8 596	2 961 825	102 449	3 072 870	44 163	3 117 033
Fire insurance values on 01.01.2019 ¹	1 956	6 846 615	467 697	7 316 268	79 705	7 395 973
Fire insurance values on 01.01.2020 ¹	12 067	6 947 513	384 939	7 344 519	78 916	7 423 435
Fire insurance values on 31.12.2020¹	11 945	6 946 479	350 734	7 309 158	171 037	7 480 195

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

Details on future rental income from rentals under existing contracts

The following table breaks down the future net annual rental income and land lease income from investment properties (excluding properties under construction and development sites, and excluding leased properties) by the end-dates of individual rental agreements, as at 31 December 2020:

End of contract	31.12.2019 Future rental income in CHF 1 000	Share in %	31.12.2020 Future rental income in CHF 1 000	Share in %
Under 1 year ¹	52 102	11.7	61 207	13.5
Over 1 year	62 481	14.1	63 618	14.0
Over 2 years	48 644	11.0	33 755	7.4
Over 3 years	32 730	7.4	47 268	10.4
Over 4 years	40 189	9.1	34 289	7.6
Over 5 years	23 166	5.2	55 000	12.1
Over 6 years	40 608	9.2	17 899	3.9
Over 7 years	15 874	3.6	8 503	1.9
Over 8 years	8 248	1.9	20 491	4.5
Over 9 years	21 643	4.9	16 829	3.7
Over 10 years	97 813	21.9	94 393	21.0
Total	443 498	100.0	453 252	100.0

¹ includes all indefinite rental agreements (residential, parking facilities, commercial properties etc.) of total CHF 25.140 million [CHF 28.756 million]

Future rental income has been presented from the Real Estate segment perspective and is based on the rental agreements of the group's properties as at 31 December 2020 [31 December 2019].

Rent losses from vacancies

Rent losses from vacancies amounted to CHF 22.232 million [CHF 20.581 million], corresponding to a vacancy rate of 5.1% [4.7%]. Rent losses from vacancies were deducted from target rental income. In the case of existing properties, neither target rental income nor rent loss from vacancies includes areas that are not usable on account of their complete refurbishment. Detailed information can be found under «Property details» from page 79 onwards.

Largest external tenants

As at the balance sheet date, the five largest external tenants accounted for 22.7% [21.3%] of future annual rental income and land lease income (Real Estate segment perspective). The individual tenants have a good credit rating. This relates to the following companies:

in %	31.12.2019	31.12.2020
Tertianum	n.a.	5.6
Coop	5.7	5.5
Swisscom	4.9	4.7
Magazine zum Globus (formerly Migros)	n.a.	4.5
Zurich Insurance Group	2.5	2.4
Migros	5.8	n.a.
Die Schweizerische Post	2.4	n.a.

According to Swiss GAAP FER 13, rental agreements represent leasing transactions. The rental agreements are generally indexed; in the case of retail property, additional turnover-based rents are sometimes agreed. Rental agreements are normally concluded for a term of five to ten years, often with a five-year extension option.

Valuation techniques and significant, unobservable input factors

The properties are valued on a semi-annual basis by an external, independent and qualified valuation expert: Wüest Partner AG, Zurich.

Determining the value of Swiss Prime Site's real estate portfolio is carried out with a model-based valuation based on input parameters that are not directly observable on the market, whereby adapted, observable input parameters may be applied here as well (for example, market rents, operating/maintenance costs, discount/capitalisation rates, proceeds from the sale of owner-occupied residential property). Unobservable input factors are applied only when relevant observable input factors are unavailable.

The individual valuation of properties is carried out by means of the discounted cash flow method (DCF method). A more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are used for the remainder of the term. Fair value is determined by applying the highest-and-best-use concept for a property.

Details on the valuation methods and assumptions can be found in the report of the valuation experts Wüest Partner AG, from page 8.

Applicable unobservable input factors as at 31.12.2020

	in	Undeveloped properties	Commercial properties (continuation of use) ¹	Commercial properties (highest and best use) ²	Properties under construction/development sites
Fair value as at balance sheet date	CHF m	42.162	10 331.966	1 118.970	829.522
Unobservable input factors					
Average discount rate	%	3.49	2.93	2.81	3.48
Maximum discount rate	%	4.95	4.85	4.90	4.15
Minimum discount rate	%	3.20	1.95	2.25	2.80
Residential	CHF per m ² p.a.	–	70 to 692	120 to 447	275 to 325
Offices	CHF per m ² p.a.	–	80 to 920	90 to 845	150 to 550
Retail/gastro	CHF per m ² p.a.	–	60 to 7 450	120 to 1 190	250 to 450
Commercial	CHF per m ² p.a.	–	55 to 380	55 to 250	150 to 280
Storage	CHF per m ² p.a.	–	30 to 550	50 to 180	100 to 175
Parking inside	CHF per piece and month	–	50 to 650	100 to 600	55 to 250
Parking outside	CHF per piece and month	–	40 to 400	40 to 120	60 to 90

¹ commercial properties for which the valuation was based on the assumption of continuation of current use, as well as investment properties held for sale

² commercial properties for which the valuation was based on highest and best use

Applicable unobservable input factors as at 31.12.2019

	in	Undeveloped properties	Commercial properties (continuation of use) ¹	Commercial properties (highest and best use) ²	Properties under construction/development sites
Fair value as at balance sheet date	CHF m	37.498	10 026.819	1 016.590	684.523
Unobservable input factors					
Average discount rate	%	3.80	3.07	3.02	3.64
Maximum discount rate	%	4.95	4.95	4.95	4.15
Minimum discount rate	%	3.20	2.05	2.50	3.10
Residential	CHF per m ² p.a.	–	70 to 692	120 to 447	275 to 325
Offices	CHF per m ² p.a.	–	80 to 920	90 to 900	200 to 550
Retail/gastro	CHF per m ² p.a.	–	60 to 7 500	220 to 1 190	200 to 500
Commercial	CHF per m ² p.a.	–	30 to 560	80 to 250	120 to 280
Storage	CHF per m ² p.a.	–	40 to 560	50 to 180	90 to 175
Parking inside	CHF per piece and month	–	50 to 650	100 to 620	55 to 250
Parking outside	CHF per piece and month	–	40 to 400	40 to 120	60 to 180

¹ commercial properties for which the valuation was based on the assumption of continuation of current use, as well as investment properties held for sale

² commercial properties for which the valuation was based on highest and best use

Sensitivity of fair value measurement to changes in unobservable input factors

An increase in the discount rate reduces fair value, whereas a rise in the market rent price and/or sales proceeds increases fair value. There are correlations between these input factors, since they are to some extent dependent on market data. For properties under construction and development sites, the outstanding investments and time to completion of construction reduce fair value, whereas the incurrence of these costs over the period up until completion increases fair value.

In relation to potential changes in the market environment, sensitivity is significant particularly regarding discount rates. An increase or decrease of 10 basis points [± 10 basis points] in the average discount rate applied of 2.92% [3.06%] would have a positive impact of +3.5% [+3.5%] or a negative impact of -3.6% [-3.2%] on the fair value of the existing properties.

The impact of changes in market rent prices on fair value is also significant. However, substantial changes in rental income over the entire portfolio (with a varying diversity of uses and tenants) in accumulated form and within a shorter period are less probable, whereas more significant effects on the portfolio would occur with a prolonged time lag. A linear correlation between rental income and fair value can be approximately assumed, whereby the rental income forecast in the valuation comprises several components, such as current contractually guaranteed rents and market rental estimates after the present contracts have expired.

A change of $\pm 2.0\%$ [$\pm 2.0\%$] in market rent prices would have a positive impact of +2.2% [+2.3%] or a negative impact of -2.2% [-2.2%] on the fair value of the existing properties.

Amid the current environment of negative interest rates, there is an investment crisis, creating strong demand for real estate investments. Against such a backdrop of negative interest rates, institutional investors in particular are willing to pay high prices for properties situated in prime locations with corresponding low expectations for returns. This can lead to sales prices for individual properties that noticeably deviate from the fair value assessment.

Current development and new building projects**Basel, Hochbergerstrasse 60: Stücki Park**

Project description	Construction of three laboratory buildings and one office. Transformation of the area into a centre for innovation, entertainment and health. Investment volume: approx. CHF 180 million Further information: stueckipark.ch
Project status	First stage in the final phase of implementation, second stage being marketed
Sale/rental status	Building F (office) and Buildings H & I (laboratory) being marketed, Building G (laboratory and office) 100% let
Completion	First stage: 2020/2021, second stage: 2023

Lancy, Esplanade de Pont-Rouge 5, 7, 9: Alto Pont-Rouge

Project description	Construction of a new services building with 15 upper floors and flexible usable areas. Investment volume: approx. CHF 300 million. Further information: alto-pont-rouge.ch
Project status	Project being executed
Sale/rental status	Being marketed; rental contracts for approx. 6000 m ² agreed
Completion	2023

Monthey, Rue de Venise 5–7/Avenue de la Plantaud 4: Tertianum residential and care centre Venise

Project description	New residential and care centre with 50 beds and 39 apartments. Investment volume: approx. CHF 30 million
Project status	Project being executed
Sale/rental status	100% let
Completion	2021

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 70 million
Project status	Execution from the first quarter of 2021
Sale/rental status	100% let
Completion	2023

Plan-les-Ouates, Chemin des Aulx: Espace Tourbillon

Project description	Construction of five new buildings for commercial, trading and service provider companies with underground logistics infrastructure. Investment volume: approx. CHF 86 million (Building B). Further information: espacetourbillon.ch/en
Project status	Project being executed
Sale/rental status	Being marketed; 40% let (Building B)
Completion	2020–2021

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

Project description	Construction of 26 new age-adapted apartments and 64 new care places including dementia care to replace the existing residential and care centre. Investment volume: approx. CHF 43 million
Project status	Project being executed
Sale/rental status	100% let
Completion	2022

Schlieren, Zürcherstrasse 39: JED conversion – Join. Explore. Dare.

Project description	Conversion into a centre for knowledge transfer, innovation and entrepreneurship with workplaces, indoor and outdoor meeting areas, and spaces for events, catering and leisure. Investment volume: approx. CHF 136 million. Further information: jed.swiss
Project status	First and second stages complete; rental space handed over to anchor tenants Zühlke and Halter
Sale/rental status	Being marketed; 75% let
Completion	Third stage including surrounding area: June 2021

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

Project description	Development of building land reserve and new building with the forward-looking 2226 building concept providing a perfect indoor climate without the use of heating, ventilation and cooling systems. Large connected areas for innovative companies and conferencing services. Investment volume: approx. CHF 72 million. Further information: jed.swiss
Project status	Legally valid building permit has been issued; start of construction 2021
Sale/rental status	Currently being marketed
Completion	2023

Zurich, Vulkanstrasse 114, Juchstrasse 3: West-Log

Project description	Construction of a new logistics and office building with extra-high stories for automated storage facilities. Investment volume: approx. CHF 89 million. Further information: west-log.ch
Project status	Project being executed; rental space handed over to anchor tenant EM
Sale/rental status	Being marketed; 85% let
Completion	First quarter of 2021

A more detailed description of the development and new construction projects has been published on the homepage www.sps.swiss/en/real-estate/projects/projects-under-construction.

15 Tangible assets and intangible assets

in CHF 1 000	Equipment	Furniture/ tenants' improve- ments	Total tangible assets	Software	Total intangible assets
Cost as at 01.01.2020	15 068	158 582	173 650	60 846	60 846
Additions	192	6 621	6 813	14 787	14 787
Disposals	–	–20 299	–20 299	–8 890	–8 890
Disposals from divestments	–15 260	–62 071	–77 331	–11 935	–11 935
Cost as at 31.12.2020	–	82 833	82 833	54 808	54 808
Cumulative depreciation and impairment as at 01.01.2020	4 979	97 588	102 567	32 966	32 966
Depreciation	95	8 351	8 446	9 138	9 138
Disposals	–	–20 299	–20 299	–8 890	–8 890
Disposals from divestments	–5 074	–28 763	–33 837	–3 856	–3 856
Cumulative depreciation and impairment as at 31.12.2020	–	56 877	56 877	29 358	29 358
Total as at 31.12.2020	–	25 956	25 956	25 450	25 450

in CHF 1 000	Equipment	Furniture/ tenants' improve- ments	Total tangible assets	Software	Total intangible assets
Cost as at 01.01.2019	12 880	144 041	156 921	39 928	39 928
Additions	2 188	15 417	17 605	20 918	20 918
Additions from acquisitions	–	9	9	–	–
Disposals	–	–885	–885	–	–
Cost as at 31.12.2019	15 068	158 582	173 650	60 846	60 846
Cumulative depreciation and impairment as at 01.01.2019	4 263	83 069	87 332	24 084	24 084
Depreciation	716	15 404	16 120	8 882	8 882
Disposals	–	–885	–885	–	–
Cumulative depreciation and impairment as at 31.12.2019	4 979	97 588	102 567	32 966	32 966
Total as at 31.12.2019	10 089	60 994	71 083	27 880	27 880

16 Goodwill

Goodwill resulting from acquisitions is set off against shareholders' equity as at the time of acquisition. Theoretical recognition of goodwill would have the following effects on the consolidated financial statements, assuming a useful life of five years:

Theoretical statement of changes in goodwill

in CHF 1 000	2019	2020
Cost as at 01.01.	447 501	454 293
Additions	6 792	–
Disposals from divestments	–	–304 538
Cost as at 31.12.	454 293	149 755
Cumulative amortisation as at 01.01.	377 060	430 520
Additions	53 460	2 313
Disposals from divestments	–	–285 767
Cumulative amortisation as at 31.12.	430 520	147 066
Theoretical net book value as at 31.12.	23 773	2 689

Theoretical effect on shareholders' equity

in CHF 1 000	31.12.2019	31.12.2020
Shareholders' equity according to balance sheet	5 459 187	6 085 629
Theoretical recognition of net book value of goodwill in the balance sheet	23 773	2 689
Theoretical shareholders' equity including net book value of goodwill	5 482 960	6 088 318

Theoretical effect on profit

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Profit according to income statement	608 517	610 407
Theoretical amortisation of goodwill	–53 460	–2 313
Adjustment result from sale of participations, net	–	285 767
Theoretical profit including amortisation of goodwill	555 057	893 861

17 Accrued expenses and deferred income

in CHF 1 000	31.12.2019	31.12.2020
Renovation and project costs	77 784	98 078
Cost of goods sold	6 737	4 028
Other operating expenses	41 838	28 031
Current income and capital taxes	52 547	25 216
Interests	152	698
Total accrued expenses and deferred income	179 058	156 051

18 Financial liabilities

in CHF 1 000	31.12.2019	31.12.2020
Mortgage-backed loans	1 027 978	1 033 870
Bonds	229 892	299 906
Other loans	2 007	–
Total current financial liabilities	1 259 877	1 333 776
Mortgage-backed loans	1 950 454	1 681 000
Convertible bonds	543 940	539 651
Bonds	1 609 858	1 609 536
Non-current loans	14 299	–
Other non-current financial liabilities	2 292	338
Total non-current financial liabilities	4 120 843	3 830 525
Total financial liabilities	5 380 720	5 164 301

On 18 December 2020, Swiss Prime Site Finance AG issued a nine-year green bond in the amount of CHF 300.000 million with an interest rate of 0.65%. The CHF 230.000 million bond was repaid on 21 October 2020.

As at the balance sheet date, the loan-to-value ratio of the real estate portfolio was 41.9% [45.7%].

Bonds

		CHF 230 m 2020	CHF 300 m 2021	CHF 190 m 2024	CHF 100 m 2024	CHF 250 m 2025
Issuing volume, nominal	CHF m	230.000	300.000	190.000	100.000	250.000
Book value as at 31.12.2020	CHF m	0.000	299.906	189.917	99.672	249.952
Book value as at 31.12.2019	CHF m	229.892	299.580	189.893	99.588	249.942
Interest rate	%	2.0	1.75	1.0	2.0	0.5
Term to maturity	years	7	7	6	10	9
Maturity	date	21.10.2020	16.04.2021	16.07.2024	10.12.2024	03.11.2025
Securities number		21 565 073 (SPS131)	23 427 449 (SPS14)	39 863 325 (SPS181)	25 704 217 (SPS142)	33 764 553 (SPS161)
Fair value as at 31.12.2020	CHF m	0.000	301.860	196.080	107.350	254.000
Fair value as at 31.12.2019	CHF m	233.473	306.210	198.645	109.300	253.750

		CHF 250 m 2026	CHF 350 m 2027	CHF 300 m 2029	CHF 170 Mio. 2031
Issuing volume, nominal	CHF m	250.000	350.000	300.000	170.000
Book value as at 31.12.2020	CHF m	249.434	351.784	299.275	169.502
Book value as at 31.12.2019	CHF m	249.329	352.071	0.000	169.455
Interest rate	%	0.825	1.25	0.65	0.375
Term to maturity	years	9	8	9	12
Maturity	date	11.05.2026	02.04.2027	18.12.2029	30.09.2031
Securities number		36 067 729 (SPS17)	41 904 099 (SPS19)	58 194 773 (SPS20)	48 850 668 (SPS192)
Fair value as at 31.12.2020	CHF m	257.250	370.475	305.700	167.790
Fair value as at 31.12.2019	CHF m	257.700	371.000	0.000	167.110

Bonds are redeemed at their nominal value.

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Nominal value as at 31.12.2020	CHF m	247.500	296.630
Book value as at 31.12.2020	CHF m	244.954	294.697
Book value as at 31.12.2019	CHF m	246.380	297.560
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)
Fair value as at 31.12.2020	CHF m	247.871	297.223
Fair value as at 31.12.2019	CHF m	267.875	334.950

In the reporting period, convertible bonds from the CHF 250.000 million issue with a nominal value of CHF 2.500 million [none] were converted. This resulted in an increase in share capital of CHF 0.367 million or 23983 registered shares and an addition to capital reserves of CHF 2.046 million.

In the reporting period, a further CHF 300.000 million of convertible bonds with a nominal value of CHF 3.370 million [none] were converted. The nominal value was redeemed in cash and the added value was issued as 32 registered shares. 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. Due to the structure of the conversion option, it does not constitute an equity instrument and is therefore not separated.

Conversion price and number of possible shares given 100% conversion

	31.12.2019 Conversion price in CHF	Number of possible shares	31.12.2020 Conversion price in CHF	Number of possible shares
Convertible bonds				
0.25%-convertible bond 16.06.2016–16.06.2023, issuing volume CHF 250.000 million, nominal value CHF 247.500 million	104.24	2 398 311	104.07	2 378 206
0.325%-convertible bond 16.01.2018–16.01.2025, issuing volume CHF 300.000 million, nominal value CHF 296.630 million	100.51	2 984 777	100.35	2 955 954
Total number of possible shares		5 383 088		5 334 160

Current and non-current financial liabilities categorised by interest rate

in CHF 1 000	31.12.2019 Total nominal value	31.12.2020 Total nominal value
Financial liabilities up to 1.00%	2 120 352	2 489 130
Financial liabilities up to 1.50%	1 291 000	1 196 000
Financial liabilities up to 2.00%	828 732	772 470
Financial liabilities up to 2.50%	987 400	621 400
Financial liabilities up to 3.00%	131 094	70 000
Financial liabilities up to 3.50%	–	–
Financial liabilities up to 4.00%	20 040	20 000
Financial liabilities up to 4.50%	5 134	–
Financial liabilities up to 5.00%	986	–
Total financial liabilities	5 384 738	5 169 000

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

in CHF 1 000	31.12.2020 Book value	Contra- tual cash flows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Amorti- sation	Inter- est	Amorti- sation	Inter- est	Amorti- sation	Inter- est	Amorti- sation	Inter- est	Amorti- sation
Current financial liabilities	1 333 776	1 341 616	6 453	973 870	1 293	360 000	–	–	–	–	–	–
Accounts payable	8 341	8 341	–	8 341	–	–	–	–	–	–	–	–
Other current liabilities	144 315	144 315	–	144 315	–	–	–	–	–	–	–	–
Non-current financial liabilities (without derivatives)	3 830 187	4 065 162	19 031	–	19 031	–	37 031	175 000	84 491	1 524 230	70 448	2 135 900
Total non-derivative financial liabilities	5 316 619	5 559 434	25 484	1 126 526	20 324	360 000	37 031	175 000	84 491	1 524 230	70 448	2 135 900
Derivatives with negative fair value	338	304	–	244	–	60	–	–	–	–	–	–
Total derivative financial liabilities	338	304	–	244	–	60	–	–	–	–	–	–
Total financial liabilities	5 316 957	5 559 738	25 484	1 126 770	20 324	360 060	37 031	175 000	84 491	1 524 230	70 448	2 135 900

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

The weighted average residual term to maturity of all interest-bearing financial liabilities was 4.8 [4.2] years due to the contractual maturities.

19 Pension plans

Employer contribution reserves

There were no employer contribution reserves held in the reporting or previous year.

Economic benefits/obligations and pension benefit expenses

in CHF 1 000	Surplus/deficit	Economical part of the group	Contributions concerning the reporting period	Pension benefit expenses within personnel costs	
	31.12.2020	31.12.2020		01.01.–31.12.2019	01.01.–31.12.2020
Pension institutions without surplus/deficit	–	–	– 1 883	– 10 975	– 1 883
Pension institutions with surplus	40 161	–	– 16 710	– 16 428	– 16 710
Pension institutions with deficit	–	–	– 100	– 120	– 100
Total	40 161	–	– 18 693	– 27 523	– 18 693

No extraordinary recapitalisation contributions were stipulated or provided in the reporting year or the previous year.

20 Shareholders' equity

Share capital

	Number of registered shares issued	Nominal value in CHF	in CHF 1 000
Share capital as at 01.01.2019	75 946 349	15.30	1 161 979
Share capital as at 31.12.2019	75 946 349	15.30	1 161 979
Conversions	24 015	15.30	368
Share capital as at 31.12.2020	75 970 364	15.30	1 162 347

The 1 844 [1 112] treasury shares held at 31 December 2020 were not entitled to dividends. As at the balance sheet date, the dividend-entitled share capital of CHF 1 162.318 million [CHF 1 161.962 million] therefore comprised 75 968 520 [75 945 237] registered shares.

Authorised and conditional capital

	Number of registered shares	Nominal value in CHF	in CHF 1 000
Authorised and conditional capital as at 01.01.2019	2 532 568	15.30	38 748
Approval of increase by Annual General Meeting of 26.03.2019 ¹	4 467 432	15.30	68 352
Authorised and conditional capital as at 31.12.2019	7 000 000	15.30	107 100
Appropriation of conditional capital due to conversions	– 24 015	15.30	– 368
Authorised and conditional capital as at 31.12.2020 ²	6 975 985	15.30	106 733

¹ according to the resolution by the Annual General Meeting of 26 March 2019, share capital from authorised and conditional capital can be increased by a total maximum of CHF 107.100 million respectively 7 000 000 registered shares

² due to the issue of a convertible bond, 2 378 206 shares (CHF 36.387 million) from conditional capital have been reserved for potential conversions. According to article 3a of the Articles of Association, the Board of Directors can therefore only increase the share capital by an amount of CHF 70.346 million, which corresponds to 4 597 779 shares

The Board of Directors is authorised to increase the share capital to the extent mentioned above at any time until 26 March 2021.

According to articles 3a and 3b, para. 1, of the Company's current Articles of Association, overall share capital (authorised and conditional capital) may be increased by a maximum of CHF 106.733 million. The precise wording regarding authorised and conditional capital can be found in the Company's Articles of Association.

Capital reserves

	in CHF 1 000
Capital reserves as at 01.01.2019	608 218
Distribution from capital contribution reserves	–288 591
Share-based compensation	1 008
Income from delivery of treasury shares relating to share-based compensation	–6
Capital reserves as at 31.12.2019	320 629
Distribution from capital contribution reserves	–144 339
Conversion of convertible bonds into registered shares	2 046
Share-based compensation	–518
Income from delivery of treasury shares relating to share-based compensation	–620
Capital reserves as at 31.12.2020	177 198

Capital reserves are based on above-par issues on foundation, capital increases as well as changes from trading with subscription rights, treasury shares and share-based compensation.

As at the balance sheet date, Swiss Prime Site AG's reserves consisted of a non-distributable amount (legal reserves) of CHF 232.470 million [CHF 232.396 million].

Treasury shares

	in CHF 1 000
Treasury shares as at 01.01.2019	–47
Purchase of treasury shares, 26 500 shares, CHF 94.45 average transaction price	–2 503
Share-based compensation, 25 927 shares, CHF 94.03 average transaction price	2 438
Income from delivery of treasury shares relating to share-based compensation	6
Treasury shares as at 31.12.2019	–106
Purchase of treasury shares, 42 900 shares, CHF 115.98 average transaction price	–4 976
Share-based compensation, 42 168 shares, CHF 102.00 average transaction price	4 301
Income from delivery of treasury shares relating to share-based compensation	620
Treasury shares as at 31.12.2020	–161

Treasury shares are valued at acquisition cost and reported in shareholders' equity as a debit item. Income from delivery of treasury shares relating to share-based compensation is set off directly against capital reserves. As at the balance sheet date, the group companies and the group's employee pension fund foundations held 1 844 shares [1 112 shares] and 290 049 shares [290 049 shares] respectively in Swiss Prime Site AG.

Retained earnings

	in CHF 1 000
Retained earnings as at 01.01.2019	3 374 742
Profit	607 586
Compensation of goodwill from acquisitions of group companies	–6 792
Retained earnings as at 31.12.2019	3 975 536
Profit	610 510
Goodwill charged to income on divestment of group companies	304 538
Distribution to shareholders	–144 339
Retained earnings as at 31.12.2020	4 746 245

Non-controlling interests

	in CHF 1 000
Non-controlling interests as at 01.01.2019	218
Profit, attributable to non-controlling interests	931
Non-controlling interests as at 31.12.2019	1 149
Profit, attributable to non-controlling interests	– 103
Sale of a majority shareholding with non-controlling interests	– 1 046
Non-controlling interests as at 31.12.2020	–
Shareholders' equity as at 31.12.2020	6 085 629
Shareholders' equity as at 31.12.2019	5 459 187

Distributions

The Annual General Meeting of 24 March 2020 [26 March 2019] passed the following resolution: A total distribution of CHF 3.80 [CHF 3.80] per share shall be made. The distribution consists of a distribution of CHF 1.90 [CHF 3.80] per share from the capital contribution reserves (exempt from withholding tax) and an ordinary dividend of CHF 1.90 [CHF 0.00] gross per share from balance sheet profit (subject to withholding tax).

The share capital on which the distribution was based consisted of 75 968 018 [75 944 993] shares. The distribution to shareholders with a total value of CHF 288.678 million [CHF 288.591 million] was carried out on 1 April 2020 [4 April 2019].

21 Key figures per share

Profit used to calculate earnings per share or diluted earnings per share was the reported profit attributable to shareholders of Swiss Prime Site AG.

Basis for calculation of diluted earnings per share

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Profit attributable to shareholders of Swiss Prime Site AG	607 586	610 510
Interests on convertible bonds, amortisation of proportional costs and tax effects	3 129	3 100
Relevant profit for calculation of diluted earnings per share	610 715	613 610

Weighted average number of shares

	01.01.– 31.12.2019	01.01.– 31.12.2020
Shares issued as at 01.01.	75 946 349	75 946 349
Weighted number of shares issued on conversions	–	22 207
Average number of treasury shares (360 days)	– 1 114	– 3 693
Total weighted average number of shares 01.01.–31.12. (360 days)	75 945 235	75 964 863
Weighted number of shares issued on conversions	–	– 22 207
Effective number of converted shares	–	24 015
Highest possible number of shares that can be issued on conversions	5 383 088	5 334 160
Basis for calculation of diluted earnings per share	81 328 323	81 300 831

Earnings and net asset value (NAV) per share

in CHF	01.01.– 31.12.2019	01.01.– 31.12.2020
Earnings per share (EPS)	8.00	8.04
Diluted earnings per share	7.51	7.55
Shareholders' equity per share (NAV) before deferred taxes ¹	86.34	95.41
Shareholders' equity per share (NAV) after deferred taxes ¹	71.87	80.11

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

22 Future obligations and pledged assets

Swiss Prime Site concluded agreements with various general contractors for the construction of new and modified buildings within the scope of new construction activities as well as the restructuring and renovation of existing properties. The due dates for the respective residual payments for these general contractor agreements are as follows:

in CHF 1 000	31.12.2019	31.12.2020
2020	303 497	–
2021	85 059	212 824
2022	4 015	106 707
2023	–	53 908
2027	–	3 000
Total future obligations based on total contractor agreements	392 571	376 439

Operating lease agreements

As at the balance sheet date, the following future obligations relating to land lease payments, leasing of office equipment and rental of office, retail and residential floor space sector were in effect:

in CHF 1 000	31.12.2019	31.12.2020
Lease expenses up to 1 year	81 816	12 276
Lease expenses from 1 year up to 5 years	312 347	42 225
Lease expenses over 5 years	763 531	338 112
Total future lease expenses	1 157 694	392 613

Pledged assets

in CHF 1 000	31.12.2019	31.12.2020
Fair value of affected investment properties	8 920 500	8 842 035
Nominal value of pledged mortgage notes	4 567 047	4 291 053
Current claim (nominal)	2 978 431	2 714 870

23 Transactions with related parties

The Board of Directors, Executive Board, group companies, pension fund foundations of the group, associates and their subsidiaries as well as the Swiss Prime Investment Foundation are all regarded as related parties.

Board of Directors and Executive Board

Disclosure of the following fixed compensation to members of the Board of Directors and the fixed and variable compensation to the Executive Board was based on the accrual principle (i.e. recognised in the relevant period, regardless of cash flow).

Compensation paid to the Board of Directors is effected at 50% in the form of Swiss Prime Site AG shares. The shares are blocked for a period of three years [four years]. In the reporting year, 7 370 shares [9 806 shares] at a market value of CHF 0.647 million [CHF 0.960 million] were transferred to the members of the Board of Directors.

The variable compensation of the members of the Executive Board is designated at 37.5% as performance-based entitlements to shares (performance share units or PSUs) within the scope of a long-term incentive plan (LTI). At the grant date, the individual LTI amount is converted to PSUs based on the volume-weighted average share price of the last 60 trading days prior to the grant date. The PSUs are subject to a three-year vesting period, conditionally upon fulfilment of the performance indicators and continued employment relationship during the vesting period. Earnings per share (EPS) excluding revaluations and deferred taxes constitute the performance indicators. The EPS target for the three-year vesting period is predetermined based on Swiss Prime Site's medium-term financial planning. At the vesting date, the number of allocated PSUs is multiplied by the payout factor in order to define the number of Swiss Prime Site shares that are definitively paid out. The payout factor depends on the achievement of the EPS target and hovers in a range between 0% and 100%.

In the reporting year, 10 082 [13 443] performance share units were allocated to the Executive Board. The amount is recognised in the consolidated financial statements at the current price of CHF 94.75 [CHF 87.25] (stock exchange price on the grant date) and spread over the three-year vesting period. The resulting expense booked in the consolidated income statement was CHF 0.988 million [CHF 1.170 million].

Compensation to the Board of Directors and Executive Board

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Fixed compensation in cash, gross	3 910	3 686
Variable compensation in cash, gross	1 518	1 611
Share-based compensation	2 130	1 557
Other compensation components	66	73
Pension fund contributions	529	466
Other social security contributions	376	411
Total compensation to the Board of Directors and Executive Board	8 529	7 804
Expense allowance	141	130

Other related parties

There were current accounts payable to the various pension funds and the SPS and Jelmoli welfare foundation of CHF 0.287 million [CHF 0.324 million]. Accounts receivable from the Swiss Prime Investment Foundation amounted to CHF 0.135 million [none]. Liabilities towards the Swiss Prime Investment Foundation totalled CHF 0.349 million [CHF 0.296 million]. Income from asset management with the Swiss Prime Investment Foundation totalled CHF 12.259 million [CHF 13.145 million]. Income from other real estate services came to CHF 3.020 million [CHF 2.930 million]. CHF 0.008 million [CHF 2.772 million] was recorded for the provision of real estate services as well as other services for related pension fund foundations.

There were no additional transactions with other related parties carried out either in the reporting period or previous year's period.

24 Group companies and associates

Swiss Prime Site AG holds the following investments:

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2019 Capital in CHF 1 000	Shareholding in %	31.12.2020 Capital in CHF 1 000	Shareholding in %
EMS Chantevent SA, La Grande Béroche ¹	Assisted living	100	100.0	n.a.	n.a.
Home Les Lauriers S.A., Saint-Imier ¹	Assisted living	100	100.0	n.a.	n.a.
Hôtel Résidence Bristol SA, Montreux ¹	Assisted living	100	100.0	n.a.	n.a.
immoveris ag, Bern	Real estate services	200	100.0	200	100.0
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
La Fontaine SA, Court ¹	Assisted living	100	100.0	n.a.	n.a.
Leben im Alter AG, Zurich ¹	Assisted living	600	100.0	n.a.	n.a.
Le Manoir AG, Gampelen ¹	Assisted living	100	100.0	n.a.	n.a.
Leora S.à r.l., Villeneuve ¹	Assisted living	140	100.0	n.a.	n.a.
Les Tourelles S.à r.l., Martigny ¹	Assisted living	20	100.0	n.a.	n.a.
Quality Inside SA, Crissier ¹	Assisted living	150	100.0	n.a.	n.a.
Résidence de la Jardinerie SA, Delémont ¹	Assisted living	100	100.0	n.a.	n.a.
Résidence Joli Automne SA, Ecublens ¹	Assisted living	100	100.0	n.a.	n.a.
Résidence le Pacific SA, Etoy ¹	Assisted living	150	100.0	n.a.	n.a.
Résidence l'Eaudine SA, Montreux ¹	Assisted living	100	100.0	n.a.	n.a.
Swiss Prime Site Dreispitz AG, Olten ²	Real estate	5 295	100.0	5 295	100.0
SPS Beteiligungen Alpha AG, Olten ³	Investments	450 000	100.0	n.a.	n.a.
streamnow ag, Zurich	Real estate services	100	100.0	100	100.0
Swiss Prime Site Finance AG, Olten ⁴	Financial services	100	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Olten	Real estate	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Olten	Services	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zurich	Asset management	1 500	100.0	1 500	100.0
Tertianum AG, Zurich ¹	Assisted living	9 562	100.0	n.a.	n.a.
Tertianum Gruppe AG, Zurich ¹	Assisted living	50 000	100.0	n.a.	n.a.
Tertianum Management AG, Zurich ¹	Assisted living	500	100.0	n.a.	n.a.
Tertianum Romandie SA, Crissier ¹	Assisted living	100	100.0	n.a.	n.a.
Tertianum Romandie Management SA, Crissier ¹	Assisted living	100	100.0	n.a.	n.a.
Tertianum Vaud SA, Crissier ¹	Assisted living	50	100.0	n.a.	n.a.
Wincasa AG, Winterthur	Real estate services	1 500	100.0	1 500	100.0
Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden ¹	Assisted living	1 000	51.0	n.a.	n.a.
Zentrum Schönberg AG, Bern ¹	Assisted living	1 000	51.0	n.a.	n.a.
Zimmermann Vins SA, Carouge	Real estate	350	100.0	350	100.0

¹ sale of Tertianum Group as at 28.02.2020

² rebranded from SPS Baselland Dreispitz AG, Münchenstein, to Swiss Prime Site Dreispitz AG, Olten, as at 16.12.2020

³ merger of SPS Beteiligungen Alpha AG in Swiss Prime Site AG as at 01.01.2020

⁴ capital increase as at 24.06.2020 (contribution in kind from Swiss Prime Site AG)

Investments in associates valued according to the equity method

	Field of activity	31.12.2019 Capital in CHF 1 000	Shareholding in %	31.12.2020 Capital in CHF 1 000	Shareholding in %
INOVIL SA, Lausanne ¹	Parking	5 160	27.1	5 160	27.1
Parkgest Holding SA, Geneva	Parking	4 750	38.8	4 750	38.8

¹ rebranded from Parking Riponne S.A. to INOVIL SA as at 30.07.2020

25 Major shareholders

Major shareholders (shareholding interest >3%)	31.12.2019 Shareholding interest in %	31.12.2020 Shareholding interest in %
BlackRock Inc., New York	>10.0	<10.0
Credit Suisse Funds AG, Zurich	6.1	7.8
State Street Corporation, Boston	3.7	>3.0
UBS Fund Management (Switzerland) AG, Basel	3.0	4.3

26 Risk management

Ensuring continuity and exploiting opportunities

The Swiss Prime Site Group is exposed to a broad spectrum of opportunities and risks as it progresses towards its strategic goals. To secure long-term success, it is therefore crucial to recognise changes in the economic, social, regulatory, technological and ecological environment early on. The Company places significant emphasis on managing opportunities and risks, for which it has implemented a systematic process. Risk management therefore provides a significant contribution to the continuity and successful development of the Company.

Risk management is based on the group-wide risk policy. It establishes a homogeneous, responsible approach to tackling opportunities and risks and promotes a uniform understanding of risk management within the Swiss Prime Site Group. Each group company also issues further specific requirements.

Systematic risk management process at all levels

The Swiss Prime Site Group's risk management system is made up of the following elements: principles, control environment, communication, organisation and process.

The principles ensure all employees have a uniform understanding of risk and a high level of risk awareness. These are considered when engaging in dialogue with all stakeholders.

The control environment is influenced primarily by the Board of Directors and Executive Board through their responsibilities, risk awareness and organisational measures to safeguard effective business operations. This is supplemented by the Company's basic ethical values, the organisational structure, rules of conduct and clear responsibilities.

One fundamental pillar of risk management is transparent communication with internal and external stakeholders. All employees are required to maintain an ongoing dialogue about opportunities and risks.

In the Swiss Prime Site Group's risk organisation structure, the Board of Directors has 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 this task by the Group Risk Management department, which is responsible for the group-wide coordination and steering of the risk management process. Fundamentally, all employees have a duty to take a considered approach to opportunities and risks.

The risk management process encompasses all activities for the management of opportunities and risks. Risks are identified within the scope of annual risk meetings between the Executive Board and the Risk & Audit Committee of the respective group company and between all risk owners and the Group Risk Management department (top-down). Along with an analysis of individual systems and processes (bottom-up), this produces a risk inventory for each group company.

The identified risks are assessed in relation to their causes and impact and assigned to appropriate risk categories (strategic, external, operational, financial and compliance risks) and risk owners. They are then rated according to their financial loss potential and probability of occurrence. The resulting risk profile also quantifies the effectiveness of the risk management measures that would be required and the effects that adverse media reports would have on the group's reputation.

At group level, risks are reported yearly to the Board of Directors and Executive Board. This consists of a consolidated risk report and risk inventory. At group company level, similar reports are submitted to the relevant Board of Directors and Executive Management.

Most important risks in the various business fields

In the real estate business, the revaluation of properties, changes in interest rates and the general financial market risk when refinancing were among the most important risks, with medium loss potential and an average probability of occurrence. By proactively managing vacancy risk, Swiss Prime Site kept vacancy rates stable despite the difficult market environment.

Comprehensive assessment of cyber and climate risks

The Swiss Prime Site Group focused particular attention on cyber and climate risks. Although the advance of digitalisation is creating many opportunities in the real estate sector, especially in customer interaction and the smart control of processes, new cyber risks such as sabotage or data theft have arisen. This very important issue is addressed by means of a dedicated risk inventory, and appropriate countermeasures based on it have been defined.

Besides digitalisation, climate change is having a significant impact on the business activities of the Swiss Prime Site Group. The Company is clearly committed to the climate targets of the Paris Agreement and is aligning its environmental goals accordingly. In taking a proactive approach to climate risks, the Company is also helping to protect its own business activities. The Swiss Prime Site Group carried out a detailed analysis of climate-related financial risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Detailed information can be found in the TCFD Report of the Swiss Prime Site Group.

27 Events after the balance sheet date

The consolidated financial statements were approved for publication by the Board of Directors on 23 February 2021. They are subject to approval by the Annual General Meeting of Swiss Prime Site AG on 23 March 2021.

There were no other events occurring between 31 December 2020 and the date of publication of these consolidated financial statements that would result in adjustment of the carrying amounts of the group's assets and liabilities as at 31 December 2020, 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.

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.

Equity ratio

Total shareholders' equity as a percentage of balance sheet total.

Interest-bearing financial liabilities

Current and non-current financial liabilities less derivative financial instruments (other non-current financial liabilities).

Loan-to-value (LTV) ratio of the real estate portfolio

Current and non-current financial liabilities as a percentage of the property portfolio at fair value.

NAV (net asset value) after deferred taxes per share

Equity (attributable to shareholders of Swiss Prime Site AG) divided by the number of shares issued on the balance sheet date (excluding treasury shares).

NAV (net asset value) before deferred taxes per share

Equity (attributable to shareholders of Swiss Prime Site AG) plus deferred tax liabilities, divided by the number of shares issued at the balance sheet date (excluding treasury shares).

Net property yield

Real estate income as a percentage of the property portfolio at fair value as at the balance sheet date.

Operating result before depreciation and amortisation (EBITDA)

Operating result before financial result and taxes (EBIT) plus depreciation on tangible assets and amortisation on intangible assets.

Operating result (EBIT) excluding revaluations

Operating result before financial result and taxes (EBIT) excluding revaluation of investment properties.

Profit excluding revaluations and deferred taxes

Profit less revaluations of investment properties and deferred taxes.

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).

Return on invested capital (ROIC)

Profit (attributable to shareholders of Swiss Prime Site AG) plus financial expenses divided by the average balance sheet total.

Return on invested capital (ROIC) excluding revaluations and deferred taxes

Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations, deferred taxes and financial expenses, divided by average balance sheet total.

Vacancy rate

Rental income from vacancies as a percentage of target rental income from the rental of investment properties.



Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Olten

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Swiss Prime Site AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting principles.

In our opinion the consolidated financial statements (pages 17 to 54, 79 to 86) give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange and Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority



Valuation of investment properties



Completeness and accuracy of deferred tax liabilities

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of investment properties

Key Audit Matter

Investment properties form a substantial part of the balance sheet and showed an overall fair value of TCHF 12'106'219 as at 31 December 2020.

The Group's total investment properties are valued at fair value as at the balance sheet date.

The valuation is based on the external valuation expert's report. The fair value estimates performed every six months using the discounted cash flow model are significantly influenced by assumptions and estimates made by the Executive Board and the external valuation expert with regard to the expected future cash flows and the discount rate used for each property depending on its individual rewards and risks.

Our response

In the course of our audit, we assessed the external valuation expert's competence and independence. We met with the external valuation expert regarding the valuation of the investment properties, and discussed the valuation methodology and selected input factors applied in the valuation. We used our own real estate valuation specialists to support our audit procedures.

For a sample identified based on quantitative and qualitative factors, we performed, amongst others, the following audit procedures:

- evaluating the methodical accuracy of the model used to determine the fair value;
- challenging the most important input factors applied in the valuation (such as discount rate, market rents, vacancy rates, overhead / maintenance and renovation expenses) by comparing them with past figures, benchmarks, publicly available data and our own market assessments.
- additionally concerning properties under construction / development sites: assessment of key assumptions related to construction costs, utilisation, date of completion, expected revenues as well as future market outlook and evaluation of recoverability and allocation of investment costs capitalized.

We also considered the appropriateness of disclosures in the consolidated financial statements regarding the sensitivity of the investment properties' fair value to changes in discount rates.

For further information on the valuation of the investment properties refer to the following:

- Note 2 "Summary of significant accounting principles" to the consolidated financial statements
- Note 14 "Investment properties" to the consolidated financial statements
- Valuation Expert's Report, Wüest Partner AG, Zurich



Completeness and accuracy of deferred tax liabilities

Key Audit Matter

As at 31 December 2020, deferred tax liabilities amounted to TCHF 1'162'863.

Deferred taxes arise due to temporary differences between the values in the tax accounts and the consolidated balance sheet. The calculation of deferred taxes takes into account the expected point in time when, and the manner in which, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantively enacted at the respective locations at the balance sheet date. Deferred taxes primarily result from valuation differences between the fair values of investment properties and their values for tax purposes.

In the calculation of the deferred tax liabilities, assumptions and estimates must be made with regards to the fiscally relevant investment costs and the fair values of the properties as well as the tax rates applicable at the time the tax differences are realized. If properties are held for long periods, the fiscally relevant investment costs may be determined using an alternative measure instead of the actual investment costs, depending on the respective cantonal rules (e.g. fair value 20 years ago for Zurich properties). Moreover, in cantons with a separate property gains tax (one-tier system), the residual holding period of the properties has to be estimated, whereby SPS assumes a minimum ownership period of 20 years for properties not held for sale.

Our response

In the course of our audit, we critically assessed the calculation of deferred taxes on investment, development and commercial properties with the support of our tax specialists.

Based on the overall portfolio, we performed, amongst others, the following audit procedures:

- evaluating the calculation method used to determine deferred tax liabilities;
- critically assessing the assumed tax rates applicable to each canton at the time the tax differences are realized.

For a sample identified based on quantitative and qualitative factors, we performed, amongst others, the following audit procedures:

- reconciling the fair value with the valuation documentation and the fiscally relevant investment costs with the fixed asset accounting or the client's detailed records;
- testing the mathematical accuracy of the deferred tax calculation.

For further information on the calculation of deferred tax liabilities refer to the following:

- Note 2 "Summary of significant accounting principles" to the consolidated financial statements
- Note 10 "Income taxes" to the consolidated financial statements



Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER, Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 23 February 2021

KPMG AG, Raffelstrasse 28, PO Box, CH-8036 Zurich

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Financial statements of Swiss Prime Site AG

Income statement

in CHF 1 000	Notes	01.01.– 31.12.2019	01.01.– 31.12.2020
Dividend income	2.2	23 800	166 900
Other financial income	2.3	57 176	13 659
Income from sale of participations	2.4	–	375 096
Other operating income		192	94
Total operating income		81 168	555 749
Financial expenses	2.5	–73 599	–6 419
Personnel costs		–2 172	–1 717
Other operating expenses	2.6	–5 322	–9 670
Depreciation of participations		–	–2 533
Total operating expenses		–81 093	–20 339
Result before taxes		75	535 410
Direct taxes		–6	–70
Profit	4	69	535 340

Balance sheet

in CHF 1 000	Notes	31.12.2019	31.12.2020
Assets			
Cash		321	277
Securities with market price		300	291
Other current receivables	2.7	23 979	167 173
Accrued income and prepaid expenses		1 658	1 792
Total current assets		26 258	169 533
Financial investments	2.8	3 337 369	255 755
Investments in subsidiaries	2.9	4 029 071	2 387 956
Accrued income and prepaid expenses		2 874	2 092
Total non-current assets		7 369 314	2 645 803
Total assets		7 395 572	2 815 336
Liabilities and shareholders' equity			
Current interest-bearing liabilities		1 165 800	–
Other current liabilities	2.10	12 123	1 594
Accrued expenses and deferred income		1 965	5 305
Total current liabilities		1 179 888	6 899
Non-current interest-bearing liabilities	2.11	4 109 000	788 930
Other non-current liabilities		1 144	–
Total non-current liabilities		4 110 144	788 930
Total liabilities		5 290 032	795 829
Share capital	2.12	1 161 979	1 162 347
Statutory reserves			
Statutory reserves from capital contributions		299 740	157 468
Legal retained earnings			
Reserves for treasury shares		57	165
Other legal retained earnings		147 378	147 378
Voluntary retained earnings			
Balance sheet profit	4	335 466	726 467
Merger loss	2.1	–	–335 135
Other voluntary retained earnings		160 968	160 860
Treasury shares	2.13	–48	–43
Total shareholders' equity		2 105 540	2 019 507
Total liabilities and shareholders' equity		7 395 572	2 815 336

1 Accounting principles and valuation

1.1 In general

The financial statements of Swiss Prime Site AG, Frohburgstrasse 1, Olten, were prepared in accordance with the provisions of Swiss accounting law (Section 32 of the Swiss Code of Obligations). The significant valuation principles applied, but not mandatory by law, are described in the following section.

1.2 Securities

Securities held on a short-term basis are valued at stock-exchange prices at the balance sheet date. Formation of a fluctuation reserve has been waived.

1.3 Interest-bearing liabilities

Interest-bearing liabilities are recognised in the balance sheet at nominal value. Premiums and discounts on bonds and convertible bonds, together with issuing costs, are recorded in accrued income and prepaid expenses and amortised over the term to maturity of the bond or convertible bond.

1.4 Treasury shares

Treasury shares are recognised at cost as a minus position in shareholders' equity at the time of acquisition. Given future re-divestment of the shares, the profit or loss is recognised in the income statement and recorded as financial income or expense, respectively.

1.5 Share-based compensation

If treasury shares are used for share-based compensation to the Board of Directors and employees, the value of the shares allocated is recognised as personnel costs. Any difference versus book value is posted to the financial result.

1.6 Dispensation of cash flow statement and additional information in the notes

Since Swiss Prime Site AG prepares the consolidated financial statements according to recognised accounting standards (Swiss GAAP FER), the Company has dispensed with providing information in the notes regarding interest-bearing liabilities and audit fees as well as the presentation of a cash flow statement, in accordance with the relevant legal requirements.

2 Information relating to balance sheet and income statement positions

2.1 Merger and restructuring

During the reporting year, the legal structure of the group was simplified and the financing functions were bundled together in a separate financing company. SPS Beteiligungen Alpha AG, Olten, was merged into Swiss Prime Site AG, Olten, with effect from 1 January 2020. The bonds, the majority of the other interest-bearing liabilities and the loans to group companies were transferred to Swiss Prime Site Finance AG with retroactive effect from 1 January 2020 (capital increase on 24 June 2020).

2.2 Dividend income

Dividend income includes the dividends from group companies of CHF 166.900 million [CHF 23.800 million] for the 2020 financial year. The dividends were recorded as receivables. This procedure was permissible since the companies closed their accounts on the same balance sheet date and the resolution on the dividend payment had been passed.

2.3 Other financial income

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Interests on loans from group companies	56 339	11 396
Valuation of financial instruments	744	92
Result from investments in associates	–	1 744
Other financial income	93	427
Total	57 176	13 659

2.4 Income from sale of participations

This was the result of the sale of the Tertianum Group to the Capvis Equity V fund advised by the investment company Capvis AG on 28 February 2020.

2.5 Financial expenses

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Interests on loans	–47 918	–3 469
Interest expenses on bonds and convertible bonds	–23 778	–1 580
Amortisation of cost of bonds and convertible bonds	–1 634	–919
Other financial expenses	–269	–451
Total	–73 599	–6 419

2.6 Other operating expenses

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Administration costs	–3 636	–6 383
Capital taxes	–184	–2 034
Other operating expenses	–1 502	–1 253
Total	–5 322	–9 670

2.7 Other current receivables

in CHF 1 000	31.12.2019	31.12.2020
Other current receivables from third parties	108	247
Other current receivables from group companies	23 871	166 926
Total	23 979	167 173

2.8 Financial investments

in CHF 1 000	31.12.2019	31.12.2020
Loans to group companies	3 337 369	254 668
Participations under 20%	–	1 087
Total	3 337 369	255 755

2.9 Investments**Direct investments**

	31.12.2019 Capital in CHF 1 000	Shareholding interest in %	31.12.2020 Capital in CHF 1 000	Shareholding interest in %
immoveris ag, Bern	n.a.	n.a.	200	100.0
INOVIL SA, Lausanne ¹	n.a.	n.a.	5 160	27.1
Jelmoli AG, Zurich	n.a.	n.a.	6 600	100.0
Parkgest Holding SA, Geneva	n.a.	n.a.	4 750	38.8
SPS Beteiligungen Alpha AG, Olten ²	450 000	100.0	n.a.	n.a.
Swiss Prime Site Finance AG, Olten ³	n.a.	n.a.	100 000	100.0
Swiss Prime Site Immobilien AG, Olten	n.a.	n.a.	50 000	100.0
Swiss Prime Site Management AG, Olten	n.a.	n.a.	100	100.0
Swiss Prime Site Solutions AG, Zurich	n.a.	n.a.	1 500	100.0
Wincasa AG, Winterthur	n.a.	n.a.	1 500	100.0

¹ rebranded from Parking Riponne S.A. to INOVIL SA as at 30.07.2020

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

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

Indirect investments

	31.12.2019 Capital in CHF 1 000	Shareholding interest in %	31.12.2020 Capital in CHF 1 000	Shareholding interest in %
EMS Chantevent SA, La Grande Béroche ¹	100	100.0	n.a.	n.a.
Home Les Lauriers S.A., Saint-Imier ¹	100	100.0	n.a.	n.a.
Hôtel Résidence Bristol SA, Montreux ¹	100	100.0	n.a.	n.a.
immoveris ag, Bern	200	100.0	n.a.	n.a.
INOVIL SA, Lausanne ²	5 160	27.1	n.a.	n.a.
Jelmoli AG, Zurich	6 600	100.0	n.a.	n.a.
La Fontaine SA, Court ¹	100	100.0	n.a.	n.a.
Leben im Alter AG, Zurich ¹	600	100.0	n.a.	n.a.
Le Manoir AG, Gampelen ¹	100	100.0	n.a.	n.a.
Leora S.à r.l., Villeneuve ¹	140	100.0	n.a.	n.a.
Les Tourelles S.à r.l., Martigny ¹	20	100.0	n.a.	n.a.
Parkgest Holding SA, Geneva	4 750	38.8	n.a.	n.a.
Quality Inside SA, Crissier ¹	150	100.0	n.a.	n.a.
Résidence de la Jardinerie SA, Delémont ¹	100	100.0	n.a.	n.a.
Résidence Joli Automne SA, Ecublens ¹	100	100.0	n.a.	n.a.
Résidence le Pacific SA, Etoy ¹	150	100.0	n.a.	n.a.
Résidence l'Eaudine SA, Montreux ¹	100	100.0	n.a.	n.a.
Swiss Prime Site Dreispitz AG, Olten ³	5 295	100.0	5 295	100.0
streamnow ag, Zurich	100	100.0	100	100.0
Swiss Prime Site Finance AG, Olten	100	100.0	n.a.	n.a.
Swiss Prime Site Immobilien AG, Olten	50 000	100.0	n.a.	n.a.
Swiss Prime Site Management AG, Olten	100	100.0	n.a.	n.a.
Swiss Prime Site Solutions AG, Zurich	1 500	100.0	n.a.	n.a.
Tertianum AG, Zurich ¹	9 562	100.0	n.a.	n.a.
Tertianum Gruppe AG, Zurich ¹	50 000	100.0	n.a.	n.a.
Tertianum Management AG, Zurich ¹	500	100.0	n.a.	n.a.
Tertianum Romandie SA, Crissier ¹	100	100.0	n.a.	n.a.
Tertianum Romandie Management SA, Crissier ¹	100	100.0	n.a.	n.a.
Tertianum Vaud SA, Crissier ¹	50	100.0	n.a.	n.a.
Wincasa AG, Winterthur	1 500	100.0	n.a.	n.a.
Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden ¹	1 000	51.0	n.a.	n.a.
Zentrum Schönberg AG, Bern ¹	1 000	51.0	n.a.	n.a.
Zimmermann Vins SA, Carouge	350	100.0	350	100.0

¹ sale of Tertianum Group as at 28.02.2020

² rebranded from Parking Riponne S.A. to INOVIL SA as at 30.07.2020

³ rebranded from SPS Baselland Dreispitz AG, Münchenstein, to Swiss Prime Site Dreispitz AG, Olten, as at 16.12.2020

2.10 Other current liabilities

in CHF 1 000	31.12.2019	31.12.2020
Other current liabilities to group companies	8	35
Other current liabilities to shareholders	212	285
Other current liabilities to third parties	11 903	1 274
Total	12 123	1 594

2.11 Non-current interest-bearing liabilities

in CHF 1 000	31.12.2019	31.12.2020
Convertible bonds	550 000	544 130
Bonds	1 610 000	–
Mortgage-backed loans	1 949 000	244 800
Total	4 109 000	788 930

Maturity structure of non-current interest-bearing liabilities

in CHF 1 000	31.12.2019	31.12.2020
Up to five years	2 010 600	627 030
Over five years	2 098 400	161 900
Total	4 109 000	788 930

Convertible bonds

		CHF 250 m 2023	CHF 300 m 2025
Issuing volume, nominal	CHF m	250.000	300.000
Book value as at 31.12.2020	CHF m	247.500	296.630
Book value as at 31.12.2019	CHF m	250.000	300.000
Conversion price	CHF	104.07	100.35
Interest rate	%	0.25	0.325
Term to maturity	years	7	7
Maturity	date	16.06.2023	16.01.2025
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)

2.12 Share capital and capital contribution reserves

As at the balance sheet date, the share capital comprised 75 970 364 [75 946 349] registered shares with a nominal value of CHF 15.30 per share. In the reporting period, convertible bonds from the CHF 250.000 million issue with a nominal value of CHF 2.500 million [none] were converted. This resulted in an increase in share capital of CHF 0.367 million or 23 983 registered shares and an addition to capital reserves of CHF 2.046 million. Convertible bonds from the CHF 300.000 million issue with a nominal value of CHF 3.370 million [none] were also converted during the reporting period. The nominal value was redeemed in cash and the added value was issued as 32 registered shares.

2.13 Treasury shares

Swiss Prime Site AG held 497 [454] treasury shares on the balance sheet date. As at the balance sheet date, the group companies held an additional 1 347 [658] 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	2019 Number of treasury shares	Volume-weighted average share price in CHF	2020 Number of treasury shares
Holdings of treasury shares on 01.01.	–	260	–	454
Purchases at the volume-weighted average share price	107.41	10 000	87.44	7 413
Share-based compensation	111.90	–9 806	86.90	–7 370
Holdings of treasury shares on 31.12.	–	454	–	497

3 Additional information

3.1 Full-time employees

Swiss Prime Site AG has no employees.

3.2 Security provided for third-party liabilities

The company has provided security in the amount of CHF 4 379.200 million [none]. This takes the form of guarantees for the financial liabilities of the subsidiary Swiss Prime Site Finance AG.

3.3 Shareholding rights for Board of Directors and Executive Board

Number of shares	31.12.2019	31.12.2020
Board of Directors		
Ton Büchner, Chairman of the BoD ¹	n.a.	4 809
Mario F. Seris, Vice-Chairman of the BoD	14 190	15 138
Christopher M. Chambers, member of the BoD	42 742	43 640
Dr. Barbara Frei-Spreiter, member of the BoD	2 089	2 987
Dr. Rudolf Huber, member of the BoD	21 071	15 969
Gabrielle Nater-Bass, member of the BoD	942	1 840
Thomas Studhalter, member of the BoD	2 159	3 107
Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD ²	45 096	n.a.
Executive Board		
René Zahnd, member of the Executive Board (CEO)	4 535	9 680
Markus Meier, member of the Executive Board (CFO)	6 451	8 754
Peter Lehmann, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG	11 845	15 069
Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG	–	400
Dr. Luca Stäger, member of the Executive Board and CEO of Tertianum Gruppe AG ³	1 387	n.a.
Nina Müller, member of the Executive Board and CEO of Jelmoli AG ⁴	n.a.	–
Total share ownership	152 507	121 393

¹ since 24.03.2020

² until 24.03.2020

³ until 28.02.2020

⁴ since 01.04.2020

3.4 Major shareholders

	31.12.2019 Shareholding interest in %	31.12.2020 Shareholding interest in %
Major shareholders (shareholding interest >3%)		
BlackRock Inc., New York	>10.0	<10.0
Credit Suisse Funds AG, Zurich	6.1	7.8
State Street Corporation, Boston	3.7	>3.0
UBS Fund Management (Switzerland) AG, Basel	3.0	4.3

3.5 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 3.35 per share to the Annual General Meeting of 23 March 2021. Based on the total of 75970364 shares issued as at 23 February 2021, the total amount is CHF 254.500 million. The Board of Directors proposes a distribution of CHF 1.675 from the capital contribution reserves (exempt from withholding tax) and CHF 1.675 per share from balance sheet profit (subject to withholding tax).

in CHF 1 000	31.12.2019	31.12.2020
Retained earnings brought forward	335 397	191 127
Clearing merger loss	–	–335 135
Profit	69	535 340
Total balance sheet profit	335 466	391 332
Allocation from capital contribution reserves	144 339	127 250
Distribution to shareholders	–288 678	–254 500
Balance brought forward to new account	191 127	264 082
Total distribution	288 678	254 500
thereof from capital contribution reserves	144 339	127 250
thereof from balance sheet profit	144 339	127 250



Statutory Auditor's Report

To the General Meeting of Swiss Prime Site AG, Olten

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swiss Prime Site AG, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting principles.

In our opinion the financial statements (pages 62 to 69) for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 23 February 2021

KPMG AG, Raffelstrasse 28, PO Box, CH-8036 Zurich

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3

EPRA Reporting

EPRA performance key figures

The EPRA performance key figures of Swiss Prime Site were prepared in accordance with EPRA BPR (October 2019). The BPR introduced three new measures of net asset value: EPRA net tangible assets (NTA), EPRA net reinvestment value (NRV) and EPRA net disposal value (NDV). Swiss Prime Site adopted these new guidelines and applies them in our 2020 Annual Report. The previously reported EPRA Net Asset Value (EPRA-NAV) and EPRA Triple Net Asset Value (EPRA-NNNAV) are also included below for comparative purposes.

Summary table EPRA performance measures

			01.01.– 31.12.2019 or 31.12.2019	01.01.– 31.12.2020 or 31.12.2020
		in		
A.	EPRA earnings	CHF 1 000	418 726	213 111
	EPRA earnings per share (EPS)	CHF	5.51	2.81
B.	EPRA Net Reinstatement Value (NRV)	CHF 1 000	7 102 032	7 788 421
	EPRA NRV per share	CHF	87.33	95.80
	EPRA Net Tangible Assets (NTA)	CHF 1 000	7 107 411	7 777 567
	EPRA NTA per share	CHF	87.39	95.66
	EPRA Net Disposal Value (NDV)	CHF 1 000	5 822 074	6 534 692
	EPRA NDV per share	CHF	71.59	80.37
C.	EPRA NIY	%	3.5	3.3
	EPRA topped-up NIY	%	3.5	3.4
D.	EPRA vacancy rate	%	4.9	5.0
E.	EPRA cost ratio (including direct vacancy costs)	%	22.5	24.5
	EPRA cost ratio (excluding direct vacancy costs)	%	20.6	22.4
F.	EPRA like-for-like change relative	%	0.8	-3.7
G.	EPRA capital expenditure	CHF 1 000	462 272	443 193

A. EPRA earnings

		01.01.– 31.12.2019	01.01.– 31.12.2020
in CHF 1 000			
Earnings per consolidated income statement		608 517¹	610 407
Excluding:			
Revaluations of investment properties		-203 412	-203 406
Result from real estate developments		-16 862	-13 831
Result from investment property sales		-20 777	-22 243
Result from sale of participations, net		-	-204 181
Tax on profits on sales and real estate developments		4 541	6 497
Negative goodwill/goodwill impairment		n.a.	n.a.
Changes in fair value of financial instruments		-703	-812
Transaction costs on acquisitions of group companies and associated companies		486	-
Deferred tax in respect of EPRA adjustments		46 936	40 680
Adjustments in respect of associated companies		n.a.	n.a.
Adjustments in respect of non-controlling interests		n.a.	n.a.
EPRA earnings		418 726	213 111
Average number of outstanding shares		75 945 235	75 964 863
EPRA earnings per share in CHF		5.51	2.81

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

B. EPRA net asset value (NAV) metrics

in CHF 1 000	EPRA NRV		EPRA NTA		EPRA NDV	
	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020
Swiss GAAP FER equity attributable to shareholders	5 458 038	6 085 629	5 458 038	6 085 629	5 458 038	6 085 629
Include / Exclude:						
i) Hybrid instruments	543 940	539 651	543 940	539 651	543 940	539 651
Diluted NAV	6 001 978	6 625 280	6 001 978	6 625 280	6 001 978	6 625 280
Include:						
ii.a) Revaluation of investment properties ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.b) Revaluation of investment properties under construction	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.c) Revaluation of other non-current investments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iii) Revaluation of tenant leases held as finance leases	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iv) Revaluation of trading properties	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Diluted NAV at Fair Value	6 001 978	6 625 280	6 001 978	6 625 280	6 001 978	6 625 280
Exclude:						
v) Deferred tax in relation to fair value gains of investment properties	1 097 762	1 162 803	1 095 783	1 148 612		
vi) Fair value of financial instruments	2 292	338	2 292	338		
vii) Goodwill as a result of deferred tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
viii.a) Goodwill as per Swiss GAAP FER balance sheet			n.a.	n.a.	n.a.	n.a.
viii.b) Intangibles as per Swiss GAAP FER balance sheet			-27 880	-25 450		
Include:						
ix) Fair value of fixed interest rate debt					-179 904	-90 588
x) Revaluation of intangibles to fair value	n.a.	n.a.				
xi) Real estate transfer tax	-	-	-20 522	-22 113		
EPRA NAV	7 102 032	7 788 421	7 051 651	7 726 667	5 822 074	6 534 692
Fully diluted number of shares	81 328 325	81 302 680	81 328 325	81 302 680	81 328 325	81 302 680
EPRA NAV per share in CHF	87.33	95.80	86.71	95.04	71.59	80.37

¹ if FER 18 cost option is used

in CHF 1 000	31.12.2019	31.12.2020
NAV as per consolidated balance sheet	5 458 038	6 085 629
Dilution effects from exercise of options, convertibles and other equity instruments	543 940	539 651
Diluted NAV, after the exercise of options, convertibles and other equity instruments	6 001 978	6 625 280
Excluding:		
Fair value of derivative financial instruments	2 292	338
Deferred tax	1 097 762	1 162 803
EPRA NAV	7 102 032	7 788 421
Number of outstanding shares (diluted)	81 328 325	81 302 680
EPRA NAV per share in CHF	87.33	95.80
in CHF 1 000	31.12.2019	31.12.2020
EPRA NAV	7 102 032	7 788 421
Excluding:		
Fair value of derivative financial instruments	-2 292	-338
Revaluation of financial debts	-179 904	-90 588
Deferred tax	-1 085 169	-1 144 758
EPRA NNNNAV	5 834 667	6 552 737
Number of outstanding shares (diluted)	81 328 325	81 302 680
EPRA NNNNAV per share in CHF	71.74	80.60

C. EPRA NIY and EPRA «topped-up» NIY (net initial yield) on rental income

in CHF 1 000		31.12.2019	31.12.2020
Investment property – wholly owned		11 765 430	12 322 620
Investment property – share of joint ventures/funds		n.a.	n.a.
Less properties under construction and development sites, building land and trading properties		-722 021	-871 684
Value of completed property portfolio		11 043 409	11 450 936
Allowance for estimated purchasers' costs		n.a.	n.a.
Gross up value of completed property portfolio	B	11 043 409	11 450 936
Annualised rental income		442 296	444 546
Property outgoings		-58 264	-64 870
Annualised net rental income	A	384 032	379 676
Add: notional rent expiration of rent-free periods or other lease incentives		3 383	14 021
Topped-up net annualised rental income	C	387 415	393 697
EPRA NIY	A/B	3.5%	3.3%
EPRA topped-up NIY	C/B	3.5%	3.4%

D. EPRA vacancy rate

in CHF 1 000		31.12.2019	31.12.2020
Estimated rental value of vacant space	A	22 907	23 046
Estimated rental value of the whole portfolio	B	467 347	456 946
EPRA vacancy rate	A/B	4.9%	5.0%

E. EPRA cost ratios

in CHF 1 000		01.01.– 31.12.2019	01.01.– 31.12.2020
Operating expenses per Real Estate segment income statement		108 458	116 945
Net service charge costs/fees		-	-
Management fees less actual/estimated profit element		-	-
Other operating income/recharges intended to cover overhead expenses less any related profits		-	-
Share of Joint Ventures expenses		-	-
Excluding:			
Investment property depreciation		-	-
Ground rent costs		-5 764	-6 221
Service charge costs recovered through rents but not separately invoiced		-	-
EPRA costs (including direct vacancy costs)	A	102 694	110 724
Direct vacancy costs		-8 343	-9 474
EPRA costs (excluding direct vacancy costs)	B	94 351	101 250
Gross rental income less ground rents per Swiss GAAP FER		457 034	452 373
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	457 034	452 373
EPRA cost ratio (including direct vacancy costs)	A/C	22.5%	24.5%
EPRA cost ratio (excluding direct vacancy costs)	B/C	20.6%	22.4%
Overhead and operating expenses capitalised		-	-

F. EPRA like-for-like rental change

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Rental income per Real Estate segment income statement	437 299	430 964
Acquisitions	-18 427	-4 290
Disposals	-4 294	-1 503
Development and new building projects	-10 051	-17 012
Property operating expenses	-11 649	-14 478
Property leases	-6 080	-6 269
Conversions, modifications, renovations	-	-
Other changes	-	-
Total EPRA like-for-like rental income	386 798	387 412
EPRA like-for-like change absolute	2 988	-14 521
EPRA like-for-like change relative	0.8%	-3.7%
EPRA like-for-like change by areas		
Zurich	0.8%	-0.3%
Lake Geneva	0.3%	-2.8%
Northwestern Switzerland	-0.8%	-0.2%
Berne	0.5%	-0.2%
Central Switzerland	0.1%	-0.1%
Eastern Switzerland	0.3%	-0.2%
Southern Switzerland	-0.1%	-0.1%
Western Switzerland	0.0%	0.0%

Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described. Like-for-like rental growth 2020 is based on a portfolio of CHF 10 667.707 million [CHF 9 891.452 million] which grew in value by CHF 252.878 million [CHF 187.776 million].

G. Property-related EPRA CAPEX

in CHF 1 000	01.01.– 31.12.2019	01.01.– 31.12.2020
Acquisitions	46 520	91 121
Development (ground-up/green field/brown field)	336 431	268 464
Like-for-like portfolio	71 102	75 978
Capitalised interests	6 718	7 342
Other	1 501	288
Total EPRA capital expenditure	462 272	443 193

Five-year summary of key figures

	in	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
Fair value of real estate portfolio	CHF m	10 092.1	10 633.1	11 204.4	11 765.4	12 322.6
Rental income from properties	CHF m	453.0	469.9	479.4	486.9	424.7
Vacancy rate	%	6.1	5.2	4.8	4.7	5.1
Net property yield	%	3.7	3.7	3.6	3.5	3.2
Income from real estate developments	CHF m	–	51.7	72.8	79.8	50.1
Income from real estate services	CHF m	115.6	120.0	116.7	117.5	115.2
Income from retail	CHF m	133.6	136.2	131.3	127.8	110.6
Income from assisted living	CHF m	328.2	359.9	396.9	423.9	72.4
Income from asset management	CHF m	13.2	9.9	8.5	13.5	13.1
Total operating income	CHF m	1 049.5	1 154.8	1 214.1	1 258.8	792.9
Operating result before depreciation and amortisation (EBITDA)	CHF m	483.4	487.1	501.2	653.4	779.9
Operating result (EBIT)	CHF m	459.4	470.6	478.6	628.3	762.3
Profit	CHF m	311.1	305.5	310.9	608.5	610.4
Shareholders' equity	CHF m	4 746.3	4 777.5	5 145.1	5 459.2	6 085.6
Equity ratio	%	45.0	43.1	43.9	44.4	47.8
Borrowed capital	CHF m	5 811.7	6 317.6	6 564.2	6 841.7	6 640.6
Borrowed capital ratio	%	55.0	56.9	56.1	55.6	52.2
Total shareholders' equity and borrowed capital	CHF m	10 558.0	11 095.1	11 709.3	12 300.9	12 726.2
Interest-bearing financial liabilities	CHF m	4 480.1	4 848.1	5 073.5	5 378.4	5 164.0
Interest-bearing financial liabilities in % of balance sheet total	%	42.4	43.7	43.3	43.7	40.6
Loan-to-value ratio of property portfolio (LTV)	%	44.4	45.6	45.3	45.7	41.9
Weighted average interest rate on financial liabilities	%	1.8	1.5	1.4	1.2	1.1
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.5	4.7	4.3	4.2	4.8
Return on equity (ROE)	%	6.6	6.4	6.4	11.5	10.6
Return on invested capital (ROIC)	%	3.8	3.5	3.4	5.6	5.4
Cash flow from operating activities	CHF m	277.7	458.1	334.4	406.6	298.5
Cash flow from investing activities	CHF m	–365.5	–394.6	–495.6	–338.6	236.0
Cash flow from financing activities	CHF m	13.2	–64.7	186.6	–79.5	–564.8
Key financial figures excluding revaluations and all deferred taxes						
Operating result (EBIT)	CHF m	390.1	404.8	411.1	424.9	558.9
Profit	CHF m	275.6	307.4	287.8	315.7	476.6
Return on equity (ROE)	%	5.9	6.4	5.9	6.3	8.5
Return on invested capital (ROIC)	%	3.5	3.6	3.2	3.2	4.3

Five-year summary of key figures

Key figures per share	in	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
Share price at end of period	CHF	83.35	90.00	79.55	111.90	86.90
Share price, highest	CHF	90.65	91.00	94.30	113.30	123.70
Share price, lowest	CHF	74.95	82.25	77.45	80.20	74.75
Earnings per share (EPS)	CHF	4.41	4.27	4.27	8.00	8.04
Earnings per share (EPS) excluding revaluations and deferred taxes	CHF	3.91	4.30	3.95	4.14	6.27
NAV before deferred taxes ¹	CHF	81.32	82.87	83.40	86.34	95.41
NAV after deferred taxes ¹	CHF	66.41	66.85	67.74	71.87	80.11
Distribution to shareholders ²	CHF	3.70	3.80	3.80	3.80	3.35
Cash yield on closing price of the previous year ²	%	4.4	4.2	4.8	3.4	3.9
Share performance (TR) p.a. in the last 12 months	%	10.9	12.6	-7.1	47.0	-19.2
Share performance (TR) p.a. in the last 3 years	%	12.0	11.6	5.1	15.4	3.3
Share performance (TR) p.a. in the last 5 years	%	8.8	8.4	7.9	14.2	6.6
Market capitalisation	CHF m	59578	6433.1	6041.5	8498.4	6601.8
Employees						
Number of employees	people	5621	5910	6321	6506	1728
Full-time equivalents	FTE	4558	4868	5115	5402	1505
Share statistics						
Shares issued	number	71 478 917	71 478 917	75 946 349	75 946 349	75 970 364
Average treasury shares held	number	-2 098	-980	-377	-1 114	-3 693
Average outstanding shares	number	70 781 230	71 477 937	72 620 217	75 945 235	75 964 863
Treasury shares held	number	-1 336	-39	-539	-1 112	-1 844
Outstanding shares	number	71 477 581	71 478 878	75 945 810	75 945 237	75 968 520

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

² 31.12.2020, according to proposal to Annual General Meeting

Property details

Summary

Property details as at 31.12.2020	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	11 450 936	452 084	4.9	1 124 508	1 610 185	18.0	42.7	7.0	7.8	16.0	8.5
Total undeveloped properties	42 162	231	-	78 003	17 993	-	1.6	-	-	-	98.4
Total properties under construction and development sites	829 522	879	-	79 198	41 763	0.6	59.3	4.3	-	6.0	29.8
Overall total	12 322 620	453 194		1 281 709	1 669 941	17.3	42.8	6.9	7.5	15.6	9.9
Rent losses from vacancies		-22 232									
Consolidated subtotal segment, excluding leased properties		430 962	4.9								
Intercompany eliminations		-34 795									
Rental income from third parties, Services segment		17 647									
Consolidated subtotal, excluding leased properties		413 814	5.1								
Rental income from leased properties, Services segment		10 907									
Consolidated overall total, including leased properties		424 721									

Investment properties

Property details as at 31.12.2020	Overview of type of use												
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Aarau, Bahnhofstrasse 23	827	12.2	sole ownership	1946	1986	685	1817	55.2	28.1	–	–	12.4	4.3
Amriswil, Weinfelderstrasse 74	416	0.4	sole ownership	2004		3672	2772	46.8	0.4	46.0	–	5.4	1.4
Baar, Grabenstrasse 17, 19	1208	–	sole ownership	2015		2084	3685	–	95.8	–	–	4.2	–
Baar, Zugerstrasse 57, 63	2419	–	sole ownership	2009		6029	8999	–	89.8	–	–	6.7	3.5
Baden, Bahnhofstrasse 2	365	–	sole ownership	1927	1975	212	979	93.4	–	–	–	6.6	–
Baden, Weite Gasse 34, 36	376	4.5	sole ownership	1953	1975	366	1377	16.3	30.9	–	–	8.0	44.8
Basel, Aeschenvorstadt 2–4	2049	2.9	sole ownership	1960	2005	1362	6226	17.1	63.8	–	–	18.6	0.5
Basel, Barfüsserplatz 3	898	19.4	sole ownership	1874	1993	751	3827	9.7	78.6	–	–	11.6	0.1
Basel, Centralbahnplatz 9/10	838	2.6	sole ownership	2005	2005	403	1445	6.6	37.9	22.9	–	11.8	20.8
Basel, Elisabethenstrasse 15	1318	0.2	sole ownership	1933	1993	953	4276	13.0	71.4	7.8	–	7.8	–
Basel, Freie Strasse 26/Falknerstrasse 3	1260	4.5	sole ownership	1854	1980	471	2870	43.6	50.3	–	–	6.1	–
Basel, Freie Strasse 36	1491	–	sole ownership	1894	2003	517	2429	59.3	13.6	–	–	11.5	15.6
Basel, Freie Strasse 68	2460	–	sole ownership	1930	2016	1461	8200	19.5	1.2	62.9	–	15.9	0.5
Basel, Henric Petri-Strasse 9/Elisabethenstrasse 19	1535	1.6	sole ownership	1949	1985	2387	6778	4.2	75.1	–	–	20.7	–
Basel, Hochbergerstrasse 40/parking	589	7.1	sole ownership land lease	1976		4209	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 60/building 805 ¹	–	–	–	–	–	–	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 60/building 860	166	5.1	sole ownership	1990		980	897	–	84.1	–	–	14.1	1.8
Basel, Hochbergerstrasse 60/Stücki Park	6849	1.3	sole ownership	2008		8343	37497	–	86.2	–	–	5.4	8.4
Basel, Hochbergerstrasse 62	424	–	sole ownership	2005		2680	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 70/Stücki Park (Shopping)	6280	11.4	sole ownership	2009	2020	46416	44100	21.7	15.0	54.5	–	6.8	2.0
Basel, Messeplatz 12/Messeturm	8877	26.8	sole ownership partial land lease	2003		2137	24024	–	54.3	42.3	–	3.2	0.2
Basel, Peter Merian-Strasse 80	2589	14.4	freehold property	1999		19214	9109	–	85.3	–	–	14.7	–
Basel, Rebgasse 20	2456	2.1	sole ownership	1973	1998	3713	8733	48.0	11.4	14.9	–	14.5	11.2
Berlingen, Seestrasse 83, 88, 101, 154	1970	–	sole ownership	1998		10321	8650	–	–	–	100.0	–	–
Berne, Genfergasse 14	4321	–	sole ownership	1905	1998	4602	15801	–	89.1	–	–	0.7	10.2
Berne, Laupenstrasse 6	–	–	sold 01.01.2020	–	–	–	–	–	–	–	–	–	–
Berne, Mingerstrasse 12–18/PostFinance Arena	5012	–	sole ownership land lease	2009	2009	29098	46348	0.2	17.8	–	–	0.1	81.9
Berne, Schwarztorstrasse 48	2831	–	sole ownership	1981	2011	1959	8148	–	75.7	–	–	23.0	1.3
Berne, Viktoriastrasse 21, 21a, 21b/Schönburg	5108	3.2	sole ownership	2020	2020	14036	20480	8.1	–	35.3	–	–	56.6
Berne, Wankdorfallee 4/EspacePost	8154	–	sole ownership land lease	2014		5244	33647	–	94.2	–	–	4.9	0.9
Berne, Weltpoststrasse 5	5396	8.9	sole ownership land lease	1985	2013	19374	25165	–	68.3	4.4	–	19.8	7.5
Biel, Solothurnstrasse 122	500	0.2	sole ownership land lease	1961	1993	3885	3319	74.9	2.7	–	–	15.3	7.1
Brugg, Hauptstrasse 2	936	8.4	sole ownership	1958	2000	3364	4179	42.1	4.2	22.2	–	28.8	2.7
Buchs SG, St. Gallerstrasse 5	370	6.8	sole ownership	1995		2192	1685	–	71.8	–	–	19.3	8.9
Buchs ZH, Mülibachstrasse 41	275	–	sole ownership bought 15.10.2020	2020		20197	9630	–	18.1	–	–	–	81.9
Burgdorf, Emmentalstrasse 14	506	47.9	sole ownership	1972	1998	1845	2129	20.6	68.2	–	–	9.6	1.6
Burgdorf, Industrie Buchmatt	783	–	sole ownership partial land lease	1973		15141	11967	2.9	5.4	–	–	89.3	2.4
Carouge, Avenue Cardinal-Mermillod 36–44	8973	4.2	sole ownership	1956	2002	14372	35066	23.7	56.8	3.5	–	14.8	1.2
Carouge, Rue Antoine-Jolivet 7	365	28.0	freehold property and co-ownership land lease	1975		3693	2164	6.1	1.2	–	–	29.2	63.5

¹ Property was demolished, land plot integrated into property under construction Basel, Hochbergerstrasse 60/Stücki Park

Investment properties

Property details as at 31.12.2020

Overview of type of use

	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Overview of type of use						
							Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Cham, Dorfplatz 2	247	34.1	sole ownership	1992		523	1 067	11.4	61.5	–	–	27.1	–
Conthey, Route Cantonale 2	370	–	sole ownership	1989		3 057	2 480	71.6	4.6	–	–	19.8	4.0
Conthey, Route Cantonale 4	895	26.0	sole ownership land lease	2009		7 444	4 979	80.2	–	3.0	–	6.1	10.7
Conthey, Route Cantonale 11	1 737	4.1	sole ownership land lease	2002		10 537	7 323	64.8	16.4	0.7	–	14.3	3.8
Dietikon, Bahnhofplatz 11/Neumattstrasse 24	515	0.2	sole ownership	1989		1 004	1 793	19.4	55.8	–	–	24.3	0.5
Dietikon, Kirchstrasse 20	598	0.5	sole ownership	1988		1 033	1 894	4.5	84.0	–	–	11.5	–
Dübendorf, Bahnhofstrasse 1	393	29.9	sole ownership land lease	1988		1 308	1 671	5.9	71.1	–	–	23.0	–
Eyholz, Kantonsstrasse 79	275	–	sole ownership land lease	1991		2 719	1 319	92.3	5.6	–	–	–	2.1
Frauenfeld, St. Gallerstrasse 30–30c	1 715	–	sole ownership	1991		8 842	9 528	–	–	–	100.0	–	–
Frauenfeld, Zürcherstrasse 305	572	32.6	sole ownership	1982	2006	3 866	4 201	39.3	34.5	–	–	22.0	4.2
Frick, Hauptstrasse 132/Fricktal Centre A3	1 044	1.8	sole ownership	2007		13 365	5 011	66.0	–	3.1	–	15.5	15.4
Geneva, Centre Rhône-Fusterie	3 090	–	freehold property	1990		2 530	11 186	76.2	0.3	–	–	23.5	–
Geneva, Place du Molard 2–4 ²	7 513	0.4	sole ownership	1690	2002	1 718	7 267	38.2	56.4	0.5	–	4.1	0.8
Geneva, Route de Malagnou 6/Rue Michel-Chauvet 7	771	17.2	sole ownership	1960/ 1969	1989	1 321	1 602	–	47.0	11.8	–	3.9	37.3
Geneva, Route de Meyrin 49	3 818	42.0	sole ownership	1987		9 890	10 185	–	85.1	–	–	13.0	1.9
Geneva, Rue de la Croix-d'Or 7/Rue Neuve-du-Molard 4–6	2 120	0.2	sole ownership	1974/ 1985	1994	591	3 472	37.9	24.3	0.5	–	3.6	33.7
Geneva, Rue des Alpes 5	913	0.3	sole ownership	1860		747	2 689	9.7	45.2	1.2	–	0.6	43.3
Geneva, Rue du Rhône 48–50 ³	18 565	2.8	sole ownership	1921	2002	5 166	33 414	44.5	33.4	7.2	–	8.9	6.0
Gossau SG, Wilerstrasse 82	1 066	–	sole ownership	2007		13 064	4 688	74.7	5.5	–	–	10.7	9.1
Grand-Lancy, Route des Jeunes 10/CCL La Praille	13 627	1.9	sole ownership land lease	2002		20 597	36 008	52.1	1.0	28.5	–	16.3	2.1
Grand-Lancy, Route des Jeunes 12	1 698	6.8	sole ownership land lease	2003		5 344	12 657	–	39.3	45.0	–	13.6	2.1
Heimberg, Gurnigelstrasse 38	542	0.2	sole ownership land lease	2000		7 484	1 572	82.0	2.8	–	–	6.9	8.3
La Chaux-de-Fonds, Boulevard des Eplatures 44	410	–	sole ownership	1972		3 021	2 506	94.7	1.7	–	–	3.0	0.6
Lachen, Seidenstrasse 2	348	–	sole ownership	1993		708	1 532	–	81.5	–	–	18.5	–
Lausanne, Rue de Sébeillon 9/Sébeillon Centre	967	0.3	sole ownership	1930	2001	2 923	10 116	8.4	54.1	–	–	24.7	12.8
Lausanne, Rue du Pont 5	6 351	2.1	sole ownership	1910	2004	3 884	20 805	50.5	23.3	9.2	–	10.1	6.9
Les Ponts-de-Martel, Rue de la Prairie 17 ⁴	–	–	sold 28.02.2020										
Lutry, Route de l'Ancienne Ciberie 2	1 400	2.1	freehold property	2006		13 150	3 229	70.4	7.7	1.9	–	14.7	5.3
Lucerne, Kreuzbuchstrasse 33/35	1 885	–	sole ownership land lease	2010		14 402	10 533	–	–	–	100.0	–	–
Lucerne, Langensandstrasse 23/Schönbühl	2 705	0.5	sole ownership	1969	2007	20 150	9 418	67.4	10.8	2.3	–	18.1	1.4
Lucerne, Pilatusstrasse 4/Flora	3 219	–	freehold property	1979	2008	4 376	9 906	69.5	12.1	–	–	9.6	8.8
Lucerne, Schwanenplatz 3	734	–	sole ownership	1958	2004	250	1 512	10.8	62.6	–	–	18.7	7.9
Lucerne, Schweizerhofquai 6/Gotthardgebäude	2 096	–	sole ownership	1889	2002	2 479	7 261	6.8	87.9	–	–	5.3	–
Lucerne, Weggisgasse 20, 22	735	–	sole ownership	1982		228	1 285	76.8	–	–	–	23.2	–
Meilen, Seestrasse 545	511	–	sole ownership land lease	2008		1 645	2 458	–	–	–	100.0	–	–
Meyrin, Chemin de Riantbosson 19/Riantbosson Centre	2 328	23.8	sole ownership	2018		4 414	7 609	33.4	38.2	9.8	–	15.6	3.0
Meyrin, Route de Meyrin 210	235	–	sole ownership partial land lease	1979	1999	3 860	1 116	65.7	4.3	–	–	15.7	14.3
Meyrin, Route de Pré-Bois 14/Geneva Business Terminal	1 259	16.7	sole ownership land lease	2003/ 2018		2 156	2 928	6.1	87.7	–	–	6.2	–
Morges, Les Vergers-de-la-Gottaz 1	1 220	–	sole ownership	1795/ 2003	1995	11 537	3 698	–	–	–	100.0	–	–
Münchenstein, Genuastrasse 11	1 478	–	sole ownership land lease	1993/ 1998		7 550	10 109	–	21.5	–	–	32.8	45.7

² 1 241 m² vacant spaces cannot be let due to a conversion project and are therefore not included in the vacancy rate³ 2 789 m² vacant spaces cannot be let due to a conversion project and are therefore not included in the vacancy rate⁴ property included in the Services segment

Investment properties

Property details as at 31.12.2020	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 %
Münchenstein, Helsinkistrasse 12	712	–	sole ownership land lease	1993/1998		4 744	6 592	–	1.4	–	–	90.6	8.0
Neuchâtel, Avenue J.-J. Rousseau 7	501	13.0	sole ownership	1991	1992	1 020	3 255	–	71.2	–	–	21.6	7.2
Neuchâtel, Rue de l'Écluse 19/parking	43	1.0	sole ownership	1960	1997	715	–	–	–	–	–	–	–
Neuchâtel, Rue du Temple-Neuf 11	263	–	sole ownership	1953	1993	262	1 155	14.0	57.3	4.7	–	13.9	10.1
Neuchâtel, Rue du Temple-Neuf 14	2 144	1.9	sole ownership	1902/2014		1 928	6 908	47.6	15.7	–	–	11.1	25.6
Niederwangen b. Bern, Riedmoosstrasse 10	2 283	–	sole ownership	1985	2006	12 709	12 855	33.3	13.2	–	–	45.5	8.0
Oberbüren, Buchental 2	762	–	sole ownership	1980	2007	6 391	6 486	34.3	1.8	–	–	62.4	1.5
Oberbüren, Buchental 3	291	0.3	sole ownership	1964		4 651	2 336	20.8	32.6	–	–	31.6	15.0
Oberbüren, Buchental 3a	238	–	sole ownership	1964		3 613	2 464	–	–	–	–	100.0	–
Oberbüren, Buchental 4	1 455	–	sole ownership	1990		4 963	9 547	38.5	20.3	–	–	41.2	–
Oberbüren, Buchental 5	65	31.2	sole ownership	1920		3 456	1 648	–	12.1	–	–	–	87.9
Oberwil BL, Mühlemattstrasse 23	302	–	freehold property land lease	1986		6 200	1 652	75.9	4.2	–	–	16.3	3.6
Oftringen, Spitalweidstrasse 1/shopping centre a1 ⁵	1 526	–	sole ownership	2006/2020	2020	42 031	19 483	95.9	–	0.6	–	2.4	1.1
Olten, Bahnhofquai 18	1 616	0.7	sole ownership	1996		2 553	5 134	–	93.6	–	–	6.4	–
Olten, Bahnhofquai 20	2 048	–	sole ownership	1999		1 916	7 423	–	84.8	–	–	14.4	0.8
Olten, Frohburgstrasse 1	95	47.4	sole ownership	1899	2009	379	1 196	–	78.3	–	–	21.7	–
Olten, Frohburgstrasse 15	544	1.0	sole ownership	1961	1998	596	1 863	–	78.6	–	–	12.1	9.3
Olten, Solothurnerstrasse 201	333	–	sole ownership	2006		5 156	1 592	62.3	–	–	–	31.5	6.2
Olten, Solothurnerstrasse 231–235/Usego	2 129	15.7	sole ownership	1907	2011	12 922	11 515	2.4	61.1	–	–	10.0	26.5
Opfikon, Müllackerstrasse 2, 4/Bubenholz	2 037	–	sole ownership	2015		6 169	10 802	–	–	–	100.0	–	–
Ostermündigen, Mitteldorfstrasse 16	1 599	–	sole ownership	2009		7 503	10 925	–	–	–	100.0	–	–
Otelfingen, Industriestrasse 19/21	7 170	11.9	sole ownership	1965	2000	101 933	80 512	–	17.2	–	–	77.6	5.2
Otelfingen, Industriestrasse 31	1 443	36.5	sole ownership	1986	1993	12 135	11 828	–	36.1	0.4	–	56.0	7.5
Payerne, Route de Bussy 2	1 224	–	sole ownership	2006		12 400	6 017	84.0	4.4	–	–	7.1	4.5
Petit-Lancy, Route de Chancy 59	7 654	33.6	sole ownership	1990		13 052	22 225	–	68.1	6.1	–	20.6	5.2
Pfäffikon SZ, Huobstrasse 5	2 805	–	sole ownership	2004		7 005	11 660	–	–	–	100.0	–	–
Regensdorf, Riedthofstrasse 172–184/lseil-Areal	1 367	11.2	sole ownership	1962/2009		25 003	11 372	–	19.0	–	–	65.4	15.6
Romanel, Chemin du Marais 8	1 270	36.7	sole ownership	1973	1995	7 264	6 874	87.3	0.2	–	–	11.5	1.0
Schwyz, Oberer Steisteg 18, 20	518	–	sole ownership	1988	2004	1 039	2 669	1.9	65.1	–	–	32.6	0.4
Spreitenbach, Industriestrasse/Tivoli	461	–	freehold property	1974	2010	25 780	980	87.2	–	–	–	12.8	–
Spreitenbach, Müslistrasse 44	243	–	sole ownership	2002		2 856	516	–	6.9	30.3	–	4.0	58.8
Spreitenbach, Pfadackerstrasse 6/Limmatpark	5 344	17.2	sole ownership	1972	2003	10 318	28 437	62.5	27.1	–	–	7.4	3.0
St. Gallen, Spisergasse 12	470	–	sole ownership	1900	1998	208	1 070	82.7	–	–	–	–	17.3
St. Gallen, Spisergasse 12	217	26.0	sole ownership	1423	1984	165	617	31.6	17.7	–	–	24.1	26.6
St. Gallen, Zürcherstrasse 462–464/Shopping Arena	16 413	0.9	sole ownership parking 73/100 co-ownership	2008		33 106	39 751	57.9	9.6	11.4	–	19.4	1.7
St-Imier, Rue de la Clef 36 – Les Lauriers ⁴	–	–	sold 28.02.2020										
Stadel b. Niederglatt, Buechenstrasse 80 ⁴	–	–	sold 28.02.2020										
Sursee, Moosgasse 20	594	0.3	sole ownership	1998		4 171	2 426	82.8	–	–	–	15.0	2.2
Thônex, Rue de Genève 104–108	4 452	0.4	sole ownership	2008		9 224	11 436	54.8	3.1	3.5	–	8.3	30.3
Thun, Bälliz 67	765	12.8	sole ownership	1953	2001	875	3 197	19.9	63.3	2.0	–	11.1	3.7
Thun, Göttibachweg 2–2e, 4, 6, 8	2 227	–	sole ownership land lease	2003		14 520	11 556	–	–	–	100.0	–	–
Uster, Poststrasse 10	377	–	sole ownership	1972	2012	701	1 431	–	78.4	–	–	21.6	–
Uster, Poststrasse 12	156	4.6	sole ownership bought 01.03.2020	1890		478	673	35.7	6.7	–	–	–	57.6

⁴ property included in the Services segment⁵ reclassified from properties under construction to investment properties after new construction

Investment properties

Property details as at 31.12.2020	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 %
Uster, Poststrasse 14/20	657	8.3	sole ownership	1854	2000	2449	3194	63.3	11.7	3.8	–	19.5	1.7
Vernier, Chemin de l'Etang 72/Patio Plaza	4605	8.0	sole ownership	2007		10170	13619	–	81.9	–	–	17.2	0.9
Vevey, Rue de la Clergère 1	735	–	sole ownership	1927	1994	717	3055	–	88.8	–	–	11.2	–
Wabern, Nesslerenweg 30	1012	–	sole ownership	1990		4397	6288	–	–	–	100.0	–	–
Wil, Obere Bahnhofstrasse 40	829	–	sole ownership	1958	2008	1105	2877	80.4	8.6	–	–	7.2	3.8
Winterthur, Theaterstrasse 15a-c, 17	9841	9.9	sole ownership	2004		15069	37068	–	71.4	0.5	–	15.5	12.6
Winterthur, Untertor 24	371	–	sole ownership	1960	2006	290	1364	–	69.9	–	–	30.1	–
Worblaufen, Alte Tiefenaustrasse 6	7472	–	sole ownership	1999		21804	37170	–	87.4	–	–	12.0	0.6
Zollikofen, Industriestrasse 21	1327	–	sole ownership bought 01.03.2020	2003		2906	7263	–	73.6	3.1	–	–	23.3
Zollikon, Bergstrasse 17, 19	592	0.1	sole ownership	1989	2004	1768	2126	–	70.2	–	–	29.8	–
Zollikon, Forchstrasse 452–456	630	–	sole ownership	1998		2626	2251	–	68.4	–	–	31.6	–
Zuchwil, Dorfackerstrasse 45/Birchi Centre	2263	20.6	sole ownership land lease	1997		9563	13271	63.0	1.6	13.0	–	13.3	9.1
Zug, Zählerweg 4, 6/Dammstrasse 19/ Landis + Gyr-Strasse 3/Opus 1	5987	11.0	sole ownership	2002		7400	16035	–	90.5	–	–	9.5	–
Zug, Zählerweg 8, 10/Dammstrasse 21, 23/Opus 2	6685	5.5	sole ownership	2003		8981	20169	–	91.3	–	–	8.7	–
Zurich, Affolternstrasse 52/MFO building	692	–	sole ownership	1889	2012	1367	2776	–	53.1	25.8	–	21.1	–
Zurich, Affolternstrasse 54, 56/Cityport	8719	–	sole ownership	2001		9830	23529	–	92.0	–	–	7.7	0.3
Zurich, Albisriederstrasse 203, 207, 243	2121	32.0	sole ownership	2003		13978	11883	–	60.7	22.2	–	10.2	6.9
Zurich, Albisriederstrasse/Rütiwiesweg/YOND	4340	31.5	sole ownership	2019		9021	20956	3.9	96.0	–	–	–	0.1
Zurich, Bahnhofstrasse 42	2142	–	sole ownership	1968	1990	482	2003	42.7	44.6	–	–	12.7	–
Zurich, Bahnhofstrasse 69	1487	0.4	sole ownership	1898	2007	230	1124	10.8	77.9	–	–	11.0	0.3
Zurich, Bahnhofstrasse 106	1615	–	sole ownership	1958		200	1210	11.7	53.6	–	–	31.7	3.0
Zurich, Beethovenstrasse 33, Dreikönigstrasse 24	3845	–	sole ownership	1968	2016	1347	5811	–	85.6	2.1	–	11.4	0.9
Zurich, Brandschenkestrasse 25	4962	–	sole ownership	1910	2017	3902	17164	–	–	70.6	–	20.4	9.0
Zurich, Carl-Spitteler-Strasse 68/70	4065	–	sole ownership	1993		11732	19343	–	–	–	100.0	–	–
Zurich, Etzelstrasse 14	1205	–	sole ownership	2017		1809	2135	–	–	–	100.0	–	–
Zurich, Flurstrasse 55/Medienpark	6240	4.5	sole ownership	1979	2015	8270	24159	1.7	70.4	4.1	–	22.1	1.7
Zurich, Flurstrasse 89	446	–	sole ownership	1949	2003	2330	3331	–	12.0	–	–	11.3	76.7
Zurich, Fraumünsterstrasse 16	4983	0.3	sole ownership	1901	2017	2475	8597	15.4	73.8	–	–	10.8	–
Zurich, Giesshübelstrasse 15	1339	0.8	sole ownership	1956	1999	1713	2843	–	88.5	–	–	11.5	–
Zurich, Hagenholzstrasse 60/SkyKey	11112	–	sole ownership	2014		9573	41251	–	86.0	9.8	–	4.2	–
Zurich, Hardstrasse 201/Prime Tower	20181	0.4	sole ownership	2011		10451	48138	0.7	87.3	5.5	–	6.4	0.1
Zurich, Hardstrasse 219/Eventblock Maag	1074	1.1	sole ownership	1978		9507	7183	–	21.7	–	–	19.1	59.2
Zurich, Josefstrasse 53, 59	3798	3.0	sole ownership	1972	2001	2931	12072	5.6	78.2	1.4	–	14.3	0.5
Zurich, Jupiterstrasse 15/Böcklinstrasse 19	933	–	sole ownership	1995	1996	1630	1829	–	–	–	100.0	–	–
Zurich, Kappenbühlweg 9, 11/Holbrigstrasse 10/ Regensdorferstrasse 18a	2997	–	sole ownership	1991		9557	14790	–	–	–	100.0	–	–
Zurich, Maagplatz 1/Platform	6974	–	sole ownership	2011		5907	20310	2.1	91.1	0.5	–	4.9	1.4
Zurich, Manessestrasse 85	2793	11.1	sole ownership	1985	2012	3284	8270	–	71.2	–	–	24.9	3.9
Zurich, Müllerstrasse 16, 20	6646	0.1	sole ownership	1980	2006	3864	13692	–	93.1	–	–	5.8	1.1
Zurich, Nansenstrasse 5/7	2236	0.1	sole ownership	1985		1740	5864	39.1	27.0	–	–	6.1	27.8

Investment properties

	Property details as at 31.12.2020						Overview of type of use						
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Zurich, Ohmstrasse 11, 11a	2097	0.1	sole ownership	1927	2007	1970	6031	54.7	23.4	2.2	–	14.7	5.0
Zurich, Querstrasse 6	176	–	sole ownership	1927	1990	280	563	7.6	5.7	–	–	–	86.7
Zurich, Restelbergstrasse 108	353	–	sole ownership	1936	1997	1469	672	–	–	–	100.0	–	–
Zurich, Seidengasse 1/Jelmoli	27300	–	sole ownership	1898	2010	6514	36770	64.6	3.7	13.3	–	12.8	5.6
Zurich, Siewerdtrasse 8	1145	–	sole ownership	1981		1114	3687	–	91.1	–	–	8.9	–
Zurich, Sihlstrasse 24/St. Annagasse 16	1785	–	sole ownership	1885	2007	1155	2858	3.9	71.2	13.6	–	6.5	4.8
Zurich, Stadelhoferstrasse 18	1062	9.3	sole ownership	1983	2004	1046	1906	19.6	48.9	11.9	–	19.0	0.6
Zurich, Stadelhoferstrasse 22	1490		sold 15.12.2020										
Zurich, Steinmühleplatz 1/St. Annagasse 18/Sihlstrasse 20	3841	0.7	sole ownership	1957	1999	1534	6174	10.9	69.0	2.1	–	16.5	1.5
Zurich, Steinmühleplatz/Jelmoli parking	2596	1.1	sole ownership with concession	1972	2009	1970	84	100.0	–	–	–	–	–
Zurich, Talacker 21, 23	2977	0.2	sole ownership	1965	2008	1720	4904	9.6	64.2	–	–	26.2	–
Total properties	452084	4.9				1124508	1610185	18.0	42.7	7.0	7.8	16.0	8.5

Undeveloped properties

	Property details as at 31.12.2020					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	na		10958	1	–	–	–	–	–	100.0
Dietikon, Bodacher	25	–	sole ownership			13615	1 375	–	–	–	–	–	100.0
Dietikon, Bodacher/Im Maienweg	–	–	sole ownership			4249	4 240	–	–	–	–	–	100.0
Dietikon, Bodacher/Ziegelägerten	10	–	sole ownership			3 825	4 324	–	–	–	–	–	100.0
Meyrin, Route de Pré-Bois	24	–	sole ownership			10 183	294	–	100.0	–	–	–	–
Niederwangen b. Bern, Riedmoosstrasse 10	–	–	sole ownership			5 895	–	–	–	–	–	–	–
Oberbüren, Buchental/parking	29	–	sole ownership			1 825	–	–	–	–	–	–	–
Spreitenbach, Joosacker 7	37	–	sole ownership			16 256	7 759	–	–	–	–	–	100.0
Wangen b. Olten, Rickenbacherfeld	–	–	sole ownership			11 197	–	–	–	–	–	–	–
Total undeveloped properties	231	–				78 003	17 993	–	1.6	–	–	–	98.4

Properties under construction and development sites

Property details as at 31.12.2020	Overview of type of use												
	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Basel, Hochbergerstrasse 60/Stücki Park ⁶	500	–	sole ownership			10222	7960	–	48.3	–	–	15.2	36.5
Lancy, Esplanade de Pont-Rouge 5, 7, 9/Alto Pont-Rouge	–	–	sole ownership with 14/100 co-ownership			5170	–	–	–	–	–	–	–
Monthey, Rue de Venise 5–7/Avenue de la Plantaud 4	–	–	sole ownership			1785	–	–	–	–	–	–	–
Paradiso, Riva Paradiso 3, 20/Du Lac	–	–	sole ownership partial land lease			3086	–	–	–	–	–	–	–
Plan-les-Ouates, Chemin des Aulx/Espace Tourbillon	–	–	sole ownership			17768	–	–	–	–	–	–	–
Richterswil, Gartenstrasse 7, 17/Etzelblick	–	–	sole ownership			5197	–	–	–	–	–	–	–
Richterswil, Gartenstrasse 15/Etzelblick	65	–	sole ownership			1553	–	–	–	–	–	–	–
Schlieren, Zürcherstrasse 39/JED	105	–	sole ownership	1992/2003		18787	16460	–	81.6	10.9	–	6.5	1.0
Schlieren, Zürcherstrasse 39/JED new build	–	–	sole ownership			7897	–	–	–	–	–	–	–
Zurich, Juchstrasse 3/West-Log	209	–	sole ownership			7733	17343	1.3	43.2	–	–	1.4	54.1
Total properties under construction and development sites	879	–				79198	41763	0.6	59.3	4.3	–	6.0	29.8
Overall total	453194					1281709	1669941	17.3	42.8	6.9	7.5	15.6	9.9

⁶ Integration of the land plot of the demolished property Basel, Hochbergerstrasse 60/Building 805

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Overall responsibility | Editing

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