



SWISS PRIME SITE

— ANNUAL MAGAZINE

REVIEW

2023

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This annual magazine provides an insight into the development of our company and shows how we created long-term, sustainable value for our stakeholders in 2023.

Cover photo

28 000 square metres of services space on 15 floors: the Alto Pont-Rouge, designed by Geneva architects Brodbeck-Roulet and located right by Lancy-Pont-Rouge railway station, is one of the first buildings in Geneva to be certified under the Swiss Sustainable Building Standard (SNBS). The building was awarded the Western Switzerland Real Estate Prize in the «Activity and Administration» category.

Dear Shareholders, dear Readers,

«Today, we present Swiss Prime Site to you as a focused real estate company.»

Ton Büchner

Chairman of the Board of Directors
Swiss Prime Site

The past year has been challenging in many respects. But Swiss Prime Site has taken important strategic steps in this tough environment and achieved positive results – clear testament to the resilience of our company and our business model.

Transformative year

Early on in the year, we announced we would wind down operations at Jelmoli – a very emotional moment and a difficult decision. At the heart of our considerations, besides the economic perspective, were our concerns about how the employees would adapt to the new circumstances and around the loyalty from many of our customers. But we are firmly convinced that the Jelmoli building will benefit from the realignment and will retain its role as a particularly vibrant meeting place in the city. We are aware of the unique significance of the property for the city centre of Zurich and will ensure it maintains this status. The second big step took place shortly afterwards when we sold our property management business Wincasa to Implen. Both Wincasa and the Implen Group are strategic partners for our business and we look forward to seamless continuation of our positive partnership.

Today, we present Swiss Prime Site to you as a focused real estate company. Since the sale of Tertium in 2020, we have been transforming ourselves from a conglomerate with over 6 000 employees into a specialised, agile company, which will soon have around 200 employees and focus on our core competence: the real estate business.

This will allow us to fully align our expertise with our portfolio and realise synergies with third-party investors. This focus will make our operations more effective and efficient, creating a more distinctive business profile. Our properties are in prime locations with a high degree of versatility and flexibility in usage types, which means they attract a particularly robust tenant base with a long-term focus. We generate growth primarily through our high-quality developments and with additional external capital in the Asset Management division.

Exciting environment

Regrettably, this past year was once again dominated by global geopolitical tensions. We are deeply shaken by the conflicts in Ukraine and the Middle East and we earnestly hope these situations will be resolved as quickly as possible. In our day-to-day operations in Switzerland, these ongoing conflicts have had little effect thus far. Our tenants and customers often tell our employees that they increasingly appreciate Switzerland as a place to live and do business. The strong Swiss franc, low inflation, and an economic environment that remains robust are certainly a testament to that. Switzerland is once again living up to its reputation as a «safe haven», where the majority of economic indicators point to a significantly better situation than in the rest of Europe.

The changing inflation and interest rate environment has had a major impact on expectations in the real estate sector over the past year and contributed to a high level of uncertainty. But the end of the year brought

«Despite the challenging environment, our Asset Management division realised growth in 2023.»

Ton Büchner

Chairman of the Board of Directors
Swiss Prime Site

signs of change, with inflation slipping back considerably. We believe that the market sentiment is improving markedly and we are seeing real estate investors becoming more active in the market again.

Significant milestones

Swiss Prime Site has posted good operational results in this highly eventful year. Despite significantly higher interest rates, we could even slightly increase our comparable operating cash flow (FFO I CHF 4.05 per share vs 4.00 in 2022). Thanks to our strong financial position, we can propose a dividend of CHF 3.40 per share to the Annual General Meeting.

We continued to benefit from our fundamentally new financing strategy implemented in 2021. With a strong balance sheet, low levels of debt, and a high share of unencumbered assets, Swiss Prime Site has greatly improved its profile in the credit market: in 2023, we successfully placed CHF 425 million in bonds within our «Green Finance Framework» on the capital markets and also extended our credit lines with a sustainability link despite the challenging situation in the banking market.

We are particularly proud to have delivered two projects to new tenants in the most important Swiss business centres in 2023: in Zurich, Google took over a fully renovated

office building, our first major circular building project, while the new Alto Pont-Rouge building in Geneva welcomed the French bank BNP Paribas along with other tenants. Both projects were completed within budget and on time, proof of our exceptional development expertise.

We once again actively managed and further improved the real estate portfolio last year, resulting in a record low vacancy rate of 4%. Under our capital recycling strategy, we have also sold older buildings and properties outside of economic centres. We are primarily reinvesting the proceeds in our growth through the developments mentioned above and other construction projects. Overall, our development focus is on centrally located offices, laboratories and logistics buildings – it is in our DNA to aim for the highest sustainability standards.

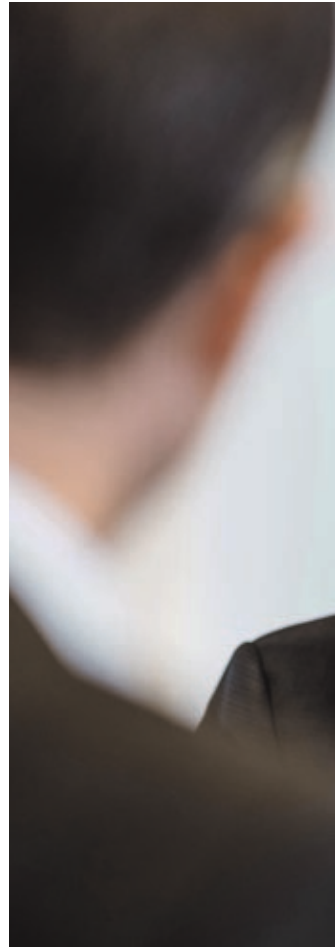
Our Asset Management division felt the uncertainty on the investor side, especially in the first half of the year. There was a lack of appetite anywhere in the market for new investment, which meant very limited new funds for acquisitions in the portfolio. In this environment, Swiss Prime Site Solutions stood out even more and increased managed assets by close to 9% to CHF 8.4 billion. Our team excels in the market with its real estate expertise and top-notch fund and investment products. Our extensive experi-

ence makes us the preferred partner for more complex transactions, such as contributions in kind from pension funds and sale & lease-back transactions for commercial properties.

Strategic outlook

Swiss Prime Site is very well positioned with its implemented focus on the two pillars of «Real Estate» and «Asset Management» and we look to the future with confidence. After a transformative 2023, we will be focusing even more on fully tapping the potential in our own portfolio and in the Asset Management division. Our strategic priorities are the following.

Rental growth: We see further potential here in terms of our lettable areas as well as rental rates and will become more efficient by focusing on our portfolio.





Developments: We are creating landmarks in Switzerland – the new Jelmoli building is just another example. In 2024 and 2025, we will hand over several large buildings which have already been let, and we are planning more projects such as Grand Passage in the centre of Geneva.

Asset Management: Our goal is to further broaden and diversify our Asset Management business. We aim to expand our product range, tap into new groups of investors, and foster partnerships.

Sustainability: We aspire to be a leader in sustainability. Our teams work day in and day out on innovative concepts for saving resources and promoting renewable energy with an eye to the future. Our CO₂-reduction pathway and circular construction are the main steering elements.

I personally feel very proud to be representing Swiss Prime Site and working with such a professional and motivated team. On behalf of the entire Board of Directors, I would like to thank you, our shareholders, for your trust and support. Together with our tenants, customers, employees and partners, we will continue to create sustainable value with living spaces that meet the needs of our modern society.

Ton Büchner
Chairman of the Board of Directors



Swiss Prime Site's Annual Report is published as an online report and as a digital report in document form. «Review», our printed summary report, provides insights into the year just ended. This allows us to engage with our stakeholders through different media.



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THE PUBLICATIONS

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«We're feeling the synergy between the two segments even more.»

René Zahnd, CEO of Swiss Prime Site, on the company's development and the future of the Swiss real estate landscape.





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Resources in mind – sustainable investing in circular buildings

Properties are long-term investments that stand for decades and therefore have a major impact on our environment.



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Alto Pont-Rouge – new spaces in Geneva to work and live

Alto Pont-Rouge. This is the next major milestone for Geneva's significant Praille-Acacias-Vernets (PAV) development project, where a new district is emerging across 230 hectares.

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Compilation of the company's most important financial and non-financial figures.

Key figures

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**Largest real estate company
in Switzerland**

13.1

CHF billion
property portfolio

8.4

CHF billion of
assets under management

159

Buildings

438

CHF million
rental income

50

CHF million of
fee-based income

2040

Climate neutrality target

94

percent
of floor space certified

55

percent
of floor space under green leases

>2000

Tenants

4.0

percent
vacancy rate

39.8

percent
loan-to-value ratio
in property portfolio

403

CHF million
EBIT before revaluations

3.40

CHF
distributed per share in 2023¹

6.9

CHF billion
market capitalisation on SIX Swiss
exchange

¹ Proposal to the Annual General Meeting.

Ratings and benchmarks

Swiss Prime Site is evaluated and rated by leading rating providers in the areas of creditworthiness, ESG and sustainability as well as corporate culture.

Credit rating/creditworthiness

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

MOODY'S

A3/stable (Scale: Aaa to C)

Real estate assessment

GRESB evaluates the sustainability of global real estate investments. In the 2023 assessment, Swiss Prime Site Immobilien ranks among the international leaders in the categories «Standing Investments» and «Development» with excellent results. In addition, the GRESB scores are embedded in the Executive Board's variable remuneration as ESG targets and thereby directly influencing the company's directive.



G R E S B
★★★★★ 2023

5 Stars (Standing Investments)

5 Stars (Development)

ESG ratings

The ratings issued for Swiss Prime Site by the ESG ratings providers Inrate, ISS ESG, MSCI and Sustainalytics were enhanced again in 2023. Since 2021, margins in the credit agreements have also been linked to the ISS ESG rating, so the progress we make has a direct impact on interest costs and profit. This ensures financial and non-financial targets are aligned, in accordance with our corporate mission of sustainable value generation.

MSCI



AA (Scale: AAA to CCC)

ISS ESG



C «Prime» (Scale: A+ to D-)

Inrate

A- (Scale: A+ to D-)



SUSTAINALYTICS

Low Risk

Corporate culture

Swiss Prime Site also received a «Great Place to Work» award. This certification acknowledges the company's outstanding corporate culture and was awarded through a validated process with evidence-based standards.



Great Place to Work

«We're feeling the synergy between the two segments even more.»

2023 proved to be one of the most challenging years in the real estate sector in a long time – rising interest rates, far fewer transactions, and valuation corrections were just some of the headline issues. In spite of this, Swiss Prime Site ended the year with a strong operational result. René Zahnd, Swiss Prime Site CEO, looks back on the financial year.

How would you sum up 2023, René?

Of course, one major impact on the year was the difficult decision at the start of the year to wind down operational business activities at Jelvoli by the end of 2024. It wasn't an easy decision for us, but it became the only economically viable option after we were turned down by a large number of potential partners. The sale of Wincasa in May was another key milestone on the group's journey to becoming a «pure play» real estate company. Here, I'm pleased that we've come up with a solution that will provide the Wincasa team with new opportunities and give us the scope to focus.

In a challenging market environment, we've achieved good operational results in our core business, Real Estate, which once again demonstrates the resilience of our business model. I'm always delighted by the success of our asset managers in the area of new rentals, where we have managed to attract top-notch tenants such as Zurich Insurance and the Canton of Bern. By completely implementing the rent indexations, we achieved rental growth of 4.3% on a like-for-like basis. This allowed us to keep our

operating cash flow (FFO I) stable despite increasing interest rates and asset disposals. We also completed the major projects Alto Pont-Rouge in Geneva and Müllerstrasse in Zürich, which will generate around CHF 26 million in additional rental income for us in 2024. On top of that, we achieved 10% growth in Asset Management and we are now, for the first time ever, closing out the year with more than CHF 8 billion in assets under management – an impressive achievement in my opinion, and one which truly underscores the strength of our team and the Swiss Prime Site brand.

Swiss Prime Site looks significantly different today than it did five years ago. What led to this development?

This is a question we hear often. The original reason for expanding into new business areas was to diversify revenues. But we realised diversification did not really have much of an impact when it was supposed to; for example, during the pandemic, when things weren't going well for Jelvoli. In fact, the relative complexity of the different business models proved an obstacle to further

engagement for many who were involved with Swiss Prime Site. We're now focusing on what we excel at: developing and letting prime real estate – for ourselves and for third parties. This has gone down very well with our shareholders.

How are things at Jelvoli heading into the closure at the end of 2024?

After the expected initial upheaval, things are running very smoothly eyeing the last year in operation. Such a closure is very hard on the employees, but we're pulling out all the stops to find a solution which works for everyone. We celebrated the 190th anniversary of the Jelvoli building in 2023 with various campaigns. We deeply appreciate the loyalty of our customers and employees, so we are returning the favour. After the end of the 2024 Christmas season, we will cease operations. The planning and preparatory work for the conversion is in full swing, and we have submitted the application for the building permit. The construction work will begin in 2025, and we are in various initial discussions regarding the letting.

Interest rates have dominated sentiment in the real estate market of late. What's your assessment of the current situation?

I think there was a certain period of the market finding its feet as far as property investment is concerned. The elevated uncertainty in the interest and inflation environment has been challenging for development projects and transactions. We're witnessing increased activity in both these areas again, a trend no doubt due to the stabilisation if not fall in interest rates. Clearly capital has become more expensive,



René Zahnd, CEO Swiss Prime Site
© KEYSTONE/Gaetan Bally

but it's also clear that modern properties in desirable locations are always in demand. And in Switzerland, we'll be experiencing an excess in demand for the foreseeable future.

Which brings us to the rental market. How has it been doing?

We've seen a clear polarisation in terms of location and quality. Modern buildings in very good locations are easy to let, while lower-quality properties in decentralised locations with poor connections are harder to let. This is especially true for office properties; companies are investing more and more in their employees, especially in a tight labour market. In the retail market, we're generally seeing a stabilisation, if not a slight improvement – even compared with before the pandemic. We've also been expanding our infrastructure segment for some time and focusing on laboratory spaces, which are still in high demand in Basel and the Zurich region. Switzerland as a location is benefiting overproportionately from the growth in the life sciences sector. We can also see, through our Asset Management business, that the residential property

market is doing very well. People are renting more again, and so we were able to very successfully let apartments in the residential «Akara-Tower» in Baden, which opened recently.

And what about the transaction market?

We are seeing clear signs that things are steadily improving. First, after a low point in volumes around the turn of 2022/23, sales and purchases are significantly higher again. Second, more institutional buyers are active on the market again, whereas before it was more local buyers with specific property strategies. Third, transactions are getting bigger. This is something we're observing and also contributing to, with a targeted acquisition alongside the Prime Tower. It's always important to closely observe what is motivating sales. It's largely portfolio optimisation – and that goes for us as well – rather than emergency sales for liquidation. Sellers are not willing to make major concessions on prices. This also explains why transactions are continuing at about the same level as the last appraiser estimates. We're a net

seller in the market and in 2023 we again sold buildings for a total of CHF 280 million, with proceeds 7% above the last appraisal value.

The bulk of Swiss Prime Site's portfolio is in the office and retail sectors. What's your view of this focus?

We believe that our focus is very well suited to the Swiss market and the current environment, that it's diversified, and that it allows for growth. The services sector, which is where the majority of jobs are created, generates the highest added value in this country. And here we offer modern office spaces in very good locations – exactly what the market wants. Historically, our portfolio had a significant retail share due to the acquisition of Jelmoli Holding in 2009. We have reduced this over recent years and we anticipate a share of around 20% once the Jelmoli building in Zurich is repositioned. And to be honest, we think this share is attractive: it's lucrative, defensive, with a lot of retail space for day-to-day needs, and when we talk about our retail, we're mostly talking

«We're now focusing on what we excel at: developing and letting property in prime locations.»

René Zahnd

CEO Swiss Prime Site

about prime locations, particularly in Zurich and Geneva. And in newer types of use, we've been very successful with infrastructure properties such as logistics and laboratory spaces. Here, we typically work with major tenants with very specific requirements, and we've demonstrated that we're a customer-oriented partner.

How is work from home evolving in working life and what impact is it having on office occupancy?

Naturally, this is a topic that we frequently discuss with all stakeholders. The world of work has become more flexible and certainly more work is being done from home than before the pandemic. But we're also seeing that well-connected, high-quality office spaces are more sought after than ever. What is the reason for this? In my opinion, there are several reasons. First, culturally, Switzerland is a highly consensus-oriented country and this is also seen in the fact that employees enjoy coming to the office and engaging in dialogue there. And then there's the fact that commuting times are relatively short, averaging less than 30 minutes, making the journey to the office relatively hassle-free. Third, demand for space is moving away from individual workstations towards communal spaces like meeting rooms, workshops and other shared spaces. Effectively, this often means that more space is needed, not less. And lastly, it's more important than ever that companies create incentives through good locations with spaces that appeal to employees so that as much work as possible is done on site. Every year, we survey our tenants about the importance of location and quality – in 2023, the figures reached a record high. Interestingly, tenants are talking to us about expansion, even though we know they are simultaneously considering reducing their floor space elsewhere. This is also a reflection of the polarisation taking place in the lettings market. At Swiss Prime Site, we can consider ourselves lucky that we have the right properties in our portfolio.

Let's move on to Asset Management. Growth there was lower in 2023.

How is this business doing?

Overall, we're extremely satisfied with how our Asset Management department has been performing. We mustn't forget that the market in 2023 was dominated by restraint and anxiety. Of course, we had higher expectations at the start of the year following a record-breaking 2022. But in a contracting market, we managed to grow our AuM by 9% to CHF 8.4 billion and maintain high levels of profitability with 77% of recurring income. We've built a business area which has reached a critical mass with a high level of recurring business. It shows how resilient we are even in a more challenging environment, and that we can still grow.

What products do investors want in Asset Management and which ones are they steering clear of?

What was interesting last year was a certain level of restraint, not only in absolute investment appetite but also in relative preferences. Products for residential properties were in greater demand than those for commercial properties, even though cash flow returns for residential properties were often significantly lower. Pension funds make up a very high proportion of investors in this sector – where it appears the risk profile outweighs the need for distributions. But from conversations with these investors, we're noticing a change in sentiment, which is becoming stronger and which we think is mainly due to the stabilising interest rate environment. We believe improving sentiment will have a positive impact on the overall investment appetite in the current year – for products in both the residential and commercial sectors.

Where do you see the growth opportunities for new money in Asset Management?

We strongly believe that structural trends will drive further increases in new money. The most important factor here is the growth in population and labour force with an impact on the pension fund system. Most forecasts in both areas are pointing to a growth rate of close to the 1% mark over the coming years. In a country with a high per capita income, this translates to significantly higher membership contributions that have to be invested. Here we're talking around CHF 20 billion each year, with an upwards trend. We're also expecting a wide range of players

such as pension funds, family offices and institutional investors to increasingly outsource the management of their real estate investments. Investing in property is becoming increasingly complex due to tightening of sustainability standards and the resulting reporting obligations, coupled with a more challenging market environment overall. This is evident in several in-kind contributions from pension funds that we implemented last year, for instance. I'm particularly pleased that all of these processes were professionally led by advisors and that we prevailed in a competitive environment thanks to our expertise and our combined experience.

How is the real estate fund landscape shaping up after the Credit Suisse takeover?

Concentrated and fragmented at the same time. On the one hand you have UBS, now the only major bank, with a market share of more than 40% in property funds and investment foundations. If you were to focus solely on high-quality properties, the percentage would probably be even higher. This means a concentration on one asset manager, which will prompt many investors to consider the risks involved. On the other hand, the landscape is highly fragmented. Over time, numerous small funds have emerged, largely due to negative interest rates. Now, when higher interest rates mean you need more expertise to make money with real estate, these funds will have less chance of winning over investors. As an independent asset manager, we believe we're very well positioned to gain market share, both from portfolio reallocations due to concentration and from reallocations due to better returns.

How would you characterise the overall interplay between the two segments, your own Real Estate portfolio and Asset Management?

After focusing on the real estate business this year, we're feeling the synergy from both segments even more. We can effectively leverage our experience and expertise in markets, property strategies and construction projects. Through our Asset Management business, we also have the opportunity of adding value without requiring additional capital of our own. It's great to see this in the development of the former industrial site in Zuchwil. We can showcase our extensive expertise in the real estate life cycle here by creating a modern residential and commer-



René Zahnd, CEO Swiss Prime

cial district idyllically located on the Aare river. Swiss Prime Investment Foundation is the owner and is letting the first units to a very diverse set of families, working professionals, and local and national companies. Besides our expertise in real estate, we can also build on common structures in the back-office area; utilising economies of scale from the group means we can offer our services in a highly efficient manner.

Swiss Prime Site is one of the largest real estate companies in Switzerland. How are the construction projects and their marketing going?

They're on track. Last year, we completed two projects that were exemplary in terms of sustainability and neighbourhood development: the Müllerstrasse project in Zurich and the Alto Pont-Rouge project in Geneva. It's worth noting that we were within our estimates both in terms of timing and costs – a quantitative demonstration of our development expertise. This year, we will conclude additional projects in Basel, Schlieren near Zurich, and in Lugano. We're now almost 100%

let on all projects, which once again demonstrates the current strength of the rental market at our central locations. One project development of major importance to us is Maaglive, a residential tower and community centre next to the Prime Tower in Zurich. Currently, there are two appeals pending against the building permit, but we're confident we can mount a successful defence without making significant concessions.

The real estate sector will play a crucial role in meeting climate targets. What progress did Swiss Prime Site's properties make in 2023 in terms of sustainability?

We've achieved a great deal in the past year in this area and we are on track for our long-term goals. Almost all eligible space is covered by environmental certificates issued by external assessors, and we've reduced the emission intensity of our portfolio by 10%; it currently stands at 15.2 kg CO₂/m². This is well below the linear pathway to net zero by 2040. We've thoroughly planned our upgrade and renovation measures and we are already anticipating

a significant improvement in 2024. Last year, we attracted scores of tenants for green leases – leases with mutual commitment to climate-friendly measures – and we are currently at 55% of our total space, with the aim of reaching 100% by 2025. In the circular economy, naturally we're aware of our particular responsibility as a major developer and we have also made significant progress here. The Müllerstrasse renovation project gave us the chance to demonstrate what is possible with circular construction: we recycled 90% of the concrete, which alone saved 2 600 tonnes of CO₂ emissions.

You made another purchase for your own portfolio in 2023 after a long pause. Is Swiss Prime Site now becoming more active in this space?

The purchase of the state-of-the-art office property near the Prime Tower was a unique opportunity. We've always said we would evaluate acquisitions very selectively, to complement our growth from developments. The Fifty-One building fits perfectly into our portfolio near the Maag site, and we're always

optimising our portfolio in terms of location and building standard. Along with the Maag-live development project, we are creating a unique campus here with a blend of sustainable living and working spaces, and attractive green and recreational areas. But this transaction doesn't signal a strategic shift. We will continue to focus largely on the sales side and we will only consider very selective purchases of additional assets for our own portfolio. With Swiss Prime Site Solutions on the Asset Management side, we will, of course, become more active again with fresh capital.

Where do you see risks in the portfolio? And where are the biggest opportunities?

The biggest risk for us at the moment would be a general recession with high levels of unemployment, a significant loss of purchasing power, and a decline in industrial output. But we currently consider such a scenario to be relatively unlikely. Economic activity in

Switzerland is proving itself highly resilient, if somewhat subdued. And because our portfolio is so well diversified, with a wide range of industries and more than 2 000 tenants, we consider ourselves very well positioned even in the event of a downturn in individual sectors. On the other hand, we see the much-discussed «10-million Switzerland» as a very realistic scenario in the not-so-distant future. We consider this to be a major opportunity for Swiss Prime Site. Ten million people will need space for living, working, shopping and going out. Space here is limited by the topography, so we simply need to make better use of what we have. Existing sites will become more valuable and development of new sites will bring us growth. And that brings us back to our core competency: we create living spaces! —

«We offer modern office spaces in very good locations – exactly what the market wants.»

René Zahnd
CEO Swiss Prime Site

The Fifty-One, next to the Prime Tower site in Zurich, is a perfect addition to the Swiss Prime Site portfolio.



Stable results, promising outlook

2023 was a successful financial year for Swiss Prime Site. We further improved our operating performance and mitigated the impact of higher interest rates thanks to our prime portfolio and strong financial position. We also streamlined the portfolio, laying the strategic foundations for a promising outlook, which will also simplify and improve the comparability of our financial data. Ongoing high demand for modern, centrally located spaces remains the driving force of our success. We are delighted to have successfully completed our largest projects in the pipeline, further strengthening our position in the market.



Marcel Kucher
CFO Swiss Prime Site

In the 2023 financial year, we resolutely pushed ahead with the implementation of our strategic goals – particularly the focus on our core competency in the real estate business. One important step was the sale of Wincasa, our property management company. This meant financial reporting had to be modified in accordance with IFRS 5 («discontinued operations»). As Wincasa is no longer part of ongoing operations, the income statement for 2023 will be disclosed separately and the figures of the previous year adjusted accordingly. This makes it

easier to compare our financial figures. We also introduced segment reporting for the core areas of Real Estate and Asset Management. A third segment, «Retail», is added until Jelmoli winds down operations at the end of 2024.

Steady increase in rental income

In the reporting year, there was significant like-for-like (LfL) growth in income from property rentals of 4.3% driven in particular by indexation, successful re-lettings and a further reduction in vacancies. On an absolute basis, too, we increased rental income to a record high of CHF 438 million in 2023, despite divestments under our capital recycling strategy (effect of sales CHF –9.9 million). Strong demand for modern, central office buildings ensured a good uptake of new leases in sites such as the Prime Tower, the Medienpark in Zurich and the Messeturm in Basel. We attracted numerous first-class tenants from the private and public sectors, such as Zurich Insurance and the cantonal administration in Bern, Google in Zurich,

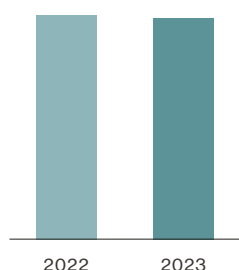
and BNP Paribas in Geneva. This further strengthened our portfolio of tenants. The vacancy rate fell again to a record low of 4.0% [4.3% in the previous year] while the weighted average unexpired lease term (WAULT) remained broadly stable at 5.0 years at 2023 year-end.

Resilient portfolio

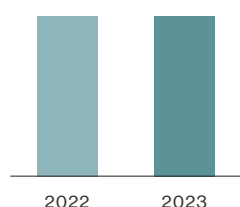
On a fair value basis, our portfolio boasted a stable value of CHF 13.1 billion as at the end of 2023 [13.1 in the previous year] and comprised a total of 159 [176] properties. The share of development properties amounted to CHF 0.9 billion [1.1]. In 2023, we had to undertake negative revaluations of CHF –250 million [+170], which corresponds to 1.9% of the starting basis for the year. Devaluations were seen in most areas of the portfolio, driven by higher discount rates. We mitigated the negative discount rate effects through improved rentals in most properties. In our development projects, we achieved value growth of CHF 19 million. In the fourth quarter of 2023, we handed over our largest

EPRA NTA

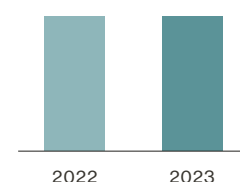
in CHF per share

102.69 **101.52****FFO I****(continuous operations)**

in CHF per share

4.00 **4.05****Proposed****dividend**

in CHF per share

3.40 **3.40**

development projects – the Alto Pont-Rouge office buildings in Geneva and Müllerstrasse in Zurich – to the tenants as planned and in 2024 we expect them to start making a significant contribution to rental income.

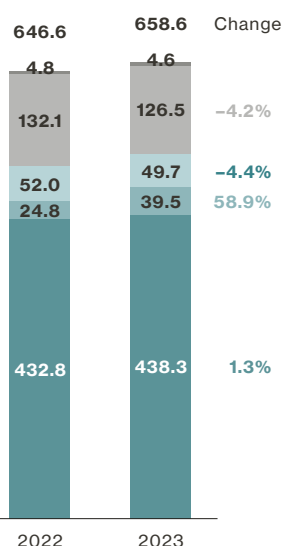
In the course of the year, we sold 16 properties and campuses that no longer fit our portfolio, with the largest of them located in Olten and Berlingen. We sold the properties for a total of CHF 280 million, resulting

in an average profit of 7% above the last appraisal value. After a long period without any purchases, we made two selective property acquisitions towards the end of the year: a smaller building in Basel, adjacent to an existing property, and the «Fifty-One» building in Zurich-West. Through this active portfolio management, we are further improving our real estate holdings and focusing on new, centrally located, sustainable and larger properties that allow for optimal property management.

and economies of scale, we compensated for a good proportion of this decline and this segment's contribution to EBIT decreased by less than 10%. The great resilience of Asset Management is also reflected in the greater stability that has come with our growth in size: 77% of earnings are now recurring income [63%].

Operating income

in CHF million



Other
Retail
Asset Management
Developments
Rental income

Asset Management: growth in assets despite general restraint

In the first half of the year in particular, there was clear restraint on the part of investors in the Asset Management division. With the downturn in the stock and bond markets the preceding year, coupled with relatively stable property prices, many institutional investors had an increased weighting in real estate and made very few new investments. Despite these challenges, we increased our assets under management (AuM) by 9% to CHF 8.4 billion [7.7 in the previous year]. We achieved this primarily through organic growth and reinvestments as well as contributions in kind from pension funds and other investors.

In the reporting year, revenues from Asset Management decreased by 4.4% to CHF 49.7 million [52.0]. This decline was mainly due to lower new issue volumes as well as fewer transactions than in the previous year. Recurring fees from construction development and other consultancy services only partially offset this decline. Through cost optimisation

Strong financial indicators

The consolidated EBIT excluding revaluations reached CHF 403 million [380 in the previous year]. Operating expenses reduced significantly to CHF 269 million with lower real estate, personnel and other costs. The Asset Management business at Swiss Prime Solutions contributed CHF 27 million to the consolidated EBIT, while Jelmolli's retail business incurred a small loss of CHF –1 million due to reduced consumer confidence, especially in the fourth quarter. The interest expenses on our financial liabilities rose to CHF 58.5 million [40.1], driven by higher reference interest rates and regular refinancing. Total net financial expenses were CHF 76.3 million, CHF 14.3 million of which was the result of fair value adjustments to our convertible bonds due to the higher share price at the end of the year. This resulted in a consolidated profit after revaluations of CHF 236.0 million [404.4], CHF –250.5 million of which was due to revaluations and CHF 149.3 million to the one-off profit from the sale of Wincasa. FFO I (operating cash flow before divestment effects) rose by 1.3% to CHF 4.05 per share [4.00]. The intrinsic value (EPRA NTA) per share fell marginally to CHF 101.52 (–1.1%).

«There was significant like-for-like growth in income from property rentals of 4.3%.»

Marcel Kucher
CFO Swiss Prime Site

The Board of Directors will propose a distribution of a dividend of CHF 3.40 per share, which remains unchanged to the previous year, to the Annual General Meeting on 19 March 2024. The amount represents 82% of the realised FFO I and, based on our year-end closing stock price, the resulting dividend yield is an attractive 3.8%.

Green refinancing and growth funded through capital recycling

We have diligently maintained our conservative financing strategy with a strong equity base. The financing ratio of the real estate portfolio (loan-to-value, LTV) was 39.8% as at the end of the year [38.8% in the previous year]. The slight increase was mainly due to the revaluation of the real estate portfolio as well as the two acquisitions at the end of the year. Under our capital recycling strategy, funds freed up from property sales and the sale of Wincasa were used for our development projects and the targeted acquisition in Zurich-West. Interest-bearing borrowed capital without leasing stood at CHF 5.4 billion as at the balance sheet date and was comprised of a broad range of sources in the banking and capital market. The average term reduced slightly to 4.6 years [5.0]. The average interest rate increased to 1.2% [0.9%] as at the balance sheet date, with 87% [78%] of the interest fixed. 86% of our assets were unencumbered as at the balance sheet date, which, together with the low financing ratio, was the basis for our A3 credit rating from the rating agency Moody's. As at the end of the year, we had unused, contractually

guaranteed financing lines of CHF 819 million which allows us to continue operating with a very high level of operational and financial flexibility.

In 2023, we successfully refinanced or extended CHF 2.9 billion of our borrowed capital with a sustainability link. Each extension of our banking facilities was set at one year. This means they are now extended until 2028 and 2029, with an additional extension option of one year each. Under our «Green Finance Framework», we also successfully placed CHF 425 million of bonds on the Swiss and international capital markets, and with record low credit spreads for our company.

Optimistic outlook

For 2024, we are optimistic about our high-quality real estate portfolio and leading asset management franchise.

In the Real Estate segment, we handed over our building on Müllerstrasse as well as a large proportion of the spaces in Alto Pont-Rouge to the tenants by the end of 2023. In 2024, the last two new laboratory buildings in Stücki Park in Basel will also be completed, and we expect Tertianum to move into the Lugano site by the end of the first quarter. Meanwhile, we will maintain our capital recycling strategy and sell more properties to finance our growth investments without using borrowed capital. This will allow us to continue focusing our portfolio on prime locations with modern, sustainable spaces.

We are anticipating further profit growth for our Asset Management area. Our teams

have noted a more positive tone in discussions with investors, fuelled by the renewed decline in long-term interest rates, and we expect this attitude to be reflected in a stronger appetite for investing. At the same time, we are confident that as a strong independent asset manager, we can gain market share.

Throughout the company, we will continue to significantly cut back our cost base with our leaner structure, as announced. Based on the current yield curve and expiring financing, we expect financing costs to rise only marginally in 2024.

In summary, we are expecting a vacancy rate of less than 4% and the LTV to remain below 40% for the real estate portfolio for financial year 2024, a further increase in assets under management at Swiss Prime Site Solutions to more than CHF 9 billion, and further growth in FFO I from continuous operations to CHF 4.10–4.15 per share. We are confident we can achieve these goals for our shareholders as a basis for an attractive, self-financed dividend. —

Board of Directors

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



Ton Büchner

Chairman

Independent member
since 2020 ^S



Thomas Studhalter

Vice Chairman

Independent member
since 2018 ^A



Christopher M. Chambers

Independent member since
2009 ^{NC, 1}



Gabrielle Nater-Bass

Independent member
since 2019 ^{NC}

Barbara A. Knoflach

Independent member since
2021 ^{NC, I, S}

Brigitte Walter

Independent member
since 2022 ^{A, I}

Reto Conrad

Independent member since
2023 ^{A, I}

Note: Ordered by chair then length
of membership

A Audit Committee
NC Nomination and Compensation Committee
I Investment Committee
S Sustainability Committee

1 Not standing for re-election in the Annual
General Meeting.

Executive Board

Swiss Prime Site's Executive Board consists of the CEO, the CFO and the CEO of Swiss Prime Site Solutions' Asset Management business area.



René Zahnd

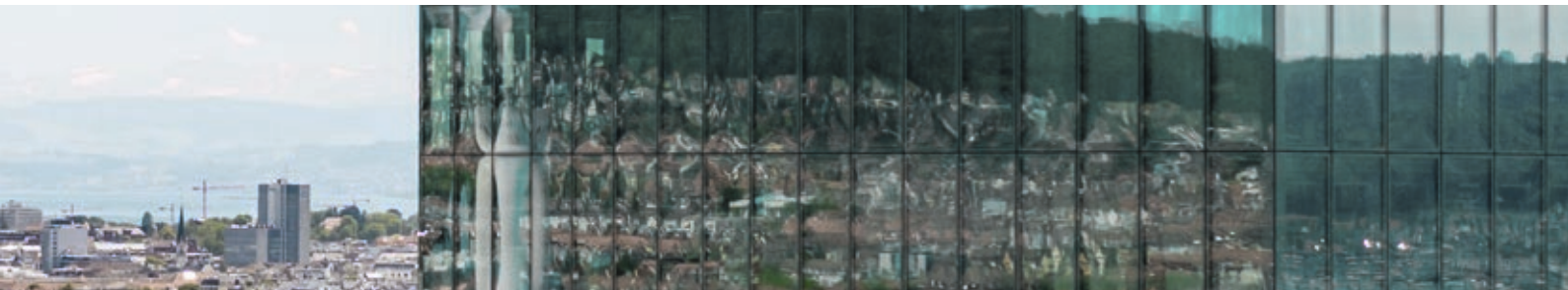
CEO Swiss Prime Site
CEO Swiss Prime Site Immobilien

Marcel Kucher

CFO Swiss Prime Site

Anastasius Tschopp

CEO Swiss Prime Site Solutions



Our strategy

For the past 25 years, Swiss Prime Site has been synonymous with the creation and design of living, working and leisure spaces. Today, we are the leading real estate company in Switzerland, with the experience and size to facilitate a more sustainable and value-oriented use of buildings in the future.

Our extensive experience in property development and letting has resulted in enduring relationships with our tenants and partners. It forms the foundation for our detailed understanding of market needs, both now and in the future, and gives us the ability to anticipate and shape trends.

We have around CHF 21 billion in property assets and this scale gives us a decisive advantage in extensively leveraging our experience and expertise. Our size means we can drive innovation in construction and building operations, develop large sites, offer a wide range of products and solutions, and set standards for sustainable buildings. Through our actions, we create long-term,

sustainable value for our customers and society as a whole.

Our aim is to use our expertise as widely as possible – which is why we have created a platform that allows us to invest our own capital as well as external capital in property assets. Our strategy is based on two strong pillars: the Real Estate business area, in which we invest our own funds in commercial real estate, and the Asset Management business area, in which we invest external funds from investors, particularly in residential real estate. Here, our size offers us advantages over other market players and we serve a particularly broad spectrum of investors and customers. Our specialist expertise in active

portfolio management, in development and in sustainability can be applied across our entire portfolio to realise synergies. We also benefit from economies of scale in centralised functions such as finance and IT.

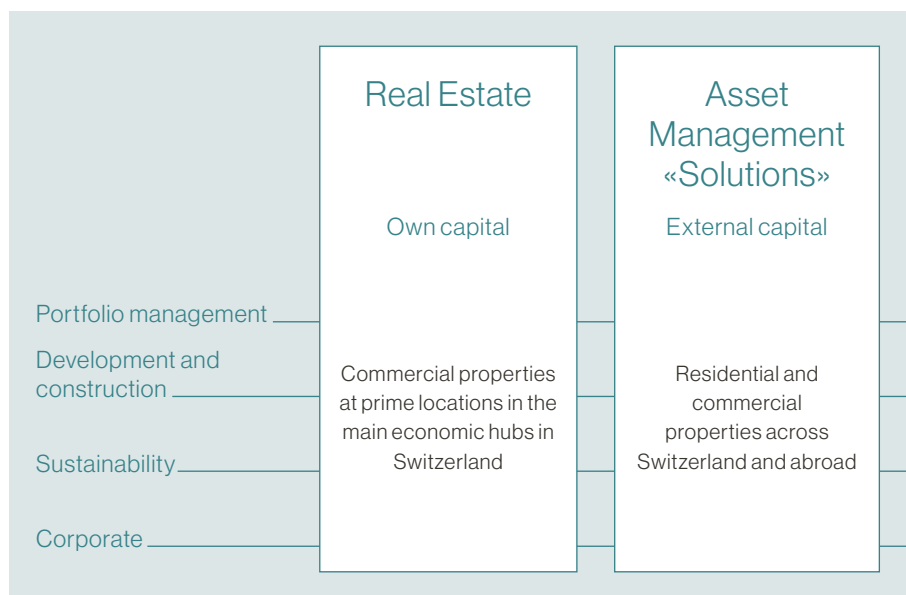
Real Estate business area

The Real Estate business area, which is consolidated into Swiss Prime Site Immobilien, lets and invests in commercial properties, chiefly in prime locations in the major Swiss economic centres of Zurich, Geneva, Basel and Bern. The real estate holdings are currently valued at CHF 13 billion and have a broad range of usage types. The largest share is office properties, followed by retail, logistics, infrastructure properties and other types of use.

We mainly invest in larger buildings and sites in central locations, where we cater to a very broad range of tenants through mixed use. Our tenant base, consisting of around 2000 individual tenants, is highly diverse, and the concentration of properties and sites allows for efficient management of the portfolio.

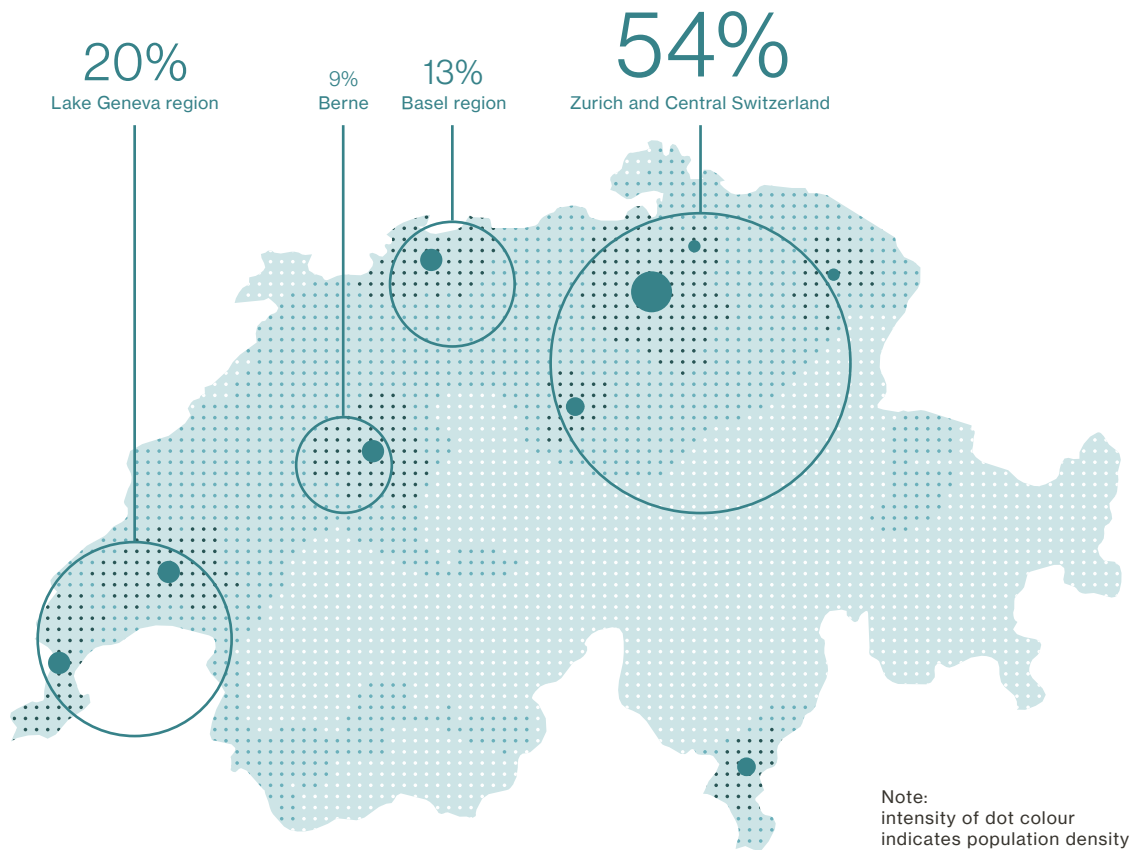
By continuously implementing new development projects, tailored to each market, we can simultaneously generate added value for our stakeholders in the area and for our investors. With our developments, our portfolio is continuously held up to date and boasts particularly high building quality. To minimise risks, we only develop real estate for our own portfolio, work with general contractors, and start constructing new developments only when pre-letting reaches at least 50%.

One platform. Two pillars.



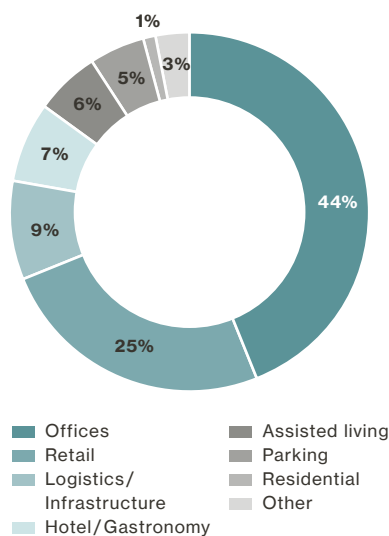
Portfolio split by region

Basis: fair value as at 31.12.2023



We manage our portfolio proactively and have a solid equity base. This means that we mainly finance our growth through our own funds and make acquisitions and divestments where they enhance the portfolio. Our key evaluation criteria are the potential for income and value accretion, location, and type of use. Under our disciplined investment strategy, we also sell properties of limited potential that do not make an optimal fit for the portfolio as a whole. Overall, we aim to finance our developments and acquisitions through sales so that we always have a strong equity base. We call this strategy «capital recycling».

Portfolio split by type of use



Basis: rental income as at 31.12.2023

Portfolio in figures

CHF 13.1 billion

Real estate assets

159

Number of properties

1.7 million m²

Rental space

~ 2000

Tenants

Asset Management business area



The Asset Management business area, which is consolidated into Swiss Prime Site Solutions, has managed assets of CHF 8.4 billion and a development pipeline of CHF 1.1 billion. Swiss Prime Site Solutions is the leading independent asset manager in Switzerland with a fund management licence from the Financial Market Supervisory Authority (FINMA).

Our range of products includes (1) various (open- and closed-ended) fund solutions, (2) investment foundations for pension funds and (3) advisory services for external investors. The managed portfolio, with a diversified investment allocation focusing on residential properties, covers the whole of Switzerland and select regions abroad.

Through our wide range of products and services, we cater to various investor types and their preferences. The primary external sources of capital are institutional investors and pension funds. The Asset Management business area generates profitable growth through fee-related earnings without the need for us to invest our own capital.

Also within this business area, we provide comprehensive real estate services and cover the entire real estate life cycle including purchasing, development and construction management, rental and property management, and sales.

The products are largely invested in residential real estate. For pension funds, the risk-return profile makes this a favoured category. In contrast to the Real Estate business area, we also develop and acquire properties located outside the major economic hubs where potential income can be particularly attractive.

In the past three years, we have focused Swiss Prime Site's business activities on

our core business of real estate investments. We have sold off the areas that are not related to our core business. For example, in 2020 we sold the Tertium Group, which specialises in assisted living, and in 2023 Wincasa, which focuses on property management. We also announced we will no longer be operating the Jelmoli department store after 2024 and will be repositioning the building.

Asset Management in figures

CHF 8.4 billion

Assets under management (AuM)

5

Funds

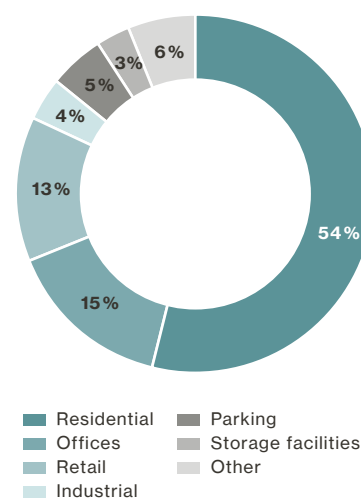
~ 400

Number of properties

~ 600

Investors

AuMs by type of use



Basis: rental income as at 31.12.2023

Sustainability

Sustainability has been an integral part of our strategy and key to our business and value creation model since the early years of Swiss Prime Site. Our vision is to create sustainable living spaces. We believe that only buildings which can be built and operated sustainably will have a future. As a real estate company, we can make a significant contribution to mitigating climate change and we are aware of this responsibility. Our key priorities here are sustainable construction & development as well as sustainable use and operations. In both areas, we have set clear, ambitious goals – for example, using more than 50% renewable resources in construction by 2030, and achieving climate-neutral operations by 2040. Our dedicated employees strive every day to systematically implement the necessary measures.

We regularly validate and calibrate our sustainability strategy with a materiality analysis in which all our stakeholders are involved. The main topics here also span the social, economic and governance dimensions, and we take a specific, targeted approach in each case.

We provide comprehensive information about our sustainability strategy, progress, and achievements in our Sustainability Report.

Financing strategy

Real estate is a capital-intensive business, so a solid financing base is essential for our operational activities. Our focus here is on achieving a high degree of flexibility, minimising risks, optimising costs, while also focusing on sustainability.

Our approach is:

- To keep debt ratios low
- To have a high share of unencumbered assets
- To maintain a high liquidity reserve
- To have a wide range of financing sources
- To fully link long-term financing to the sustainable use of funds

We aim to be an attractive investment for our shareholders, and payment of ongoing dividends is one way we achieve this. Our dividend policy provides for the annual payment of dividends equal to 80–90% of our operating cash flows (as measured using the FFO I metric), with the aim of maintaining or growing its absolute level. —

Alto Pont-Rouge, Geneva



STORIES THAT MOVE US





View of the lake and city centre of Geneva. In the foreground, the Alto Pont-Rouge completed in autumn 2023, located right by Lancy-Pont-Rouge station.

Alto Pont-Rouge – new spaces in Geneva to work and live

Right by Lancy-Pont-Rouge train station, on the Esplanade 4 plot, a services building boasting 28 000 square metres across 15 upper floors has been taking shape over the last three years: Alto Pont-Rouge. This is a major milestone for the important Geneva development site Praille-Acacias-Vernets (PAV), where a new district is emerging in an area of 230 hectares. Alto Pont-Rouge was completed in autumn.



Lancy Pont-Rouge railway station was inaugurated in late 2017, laying the foundation stone for the regeneration of this area. Geneva's city centre is just six minutes away by train, and there is also a direct train connection five times an hour across the border to Annemasse in France. Part of the «Esplanade de Pont-Rouge» project, the former industrial area has transformed into a mixed-use urban centre. The centre is of great importance to the Geneva region because of its character and location: its construction is creating an additional transit and business hub for the city, comparable in importance with Bahnhof Hardbrücke in Zurich-West.

«Alto», a major project by Swiss Prime Site, is positioned in an ideal location at the centre of the action. The building, designed by Geneva architectural practice Brodbeck-Roulet, fits in well with the architectural lines of the emerging urban district, while simultaneously standing out through its design accents, such as its innovative interpretation of the façade configuration stipulated in the design plan. Alto's more refined façade enables significantly better use of daylight in the office space. And thanks to the use of switchable electrochromic glass, no additional sun protection is needed. The glass, which can be dimmed at the push of a button, makes it possible to achieve an ideal internal temperature while providing high light penetration. The centrepiece of the project is an expansive central atrium, which provides a unique and exclusive reception area in a lofty space. This is also reflected in the quality and interplay of the timeless stone, glass and aluminium materials which together lend the building a remarkable overall character.

Prestigious major project: the «Alto» in the city centre of Geneva



Great Place to Work

We are delighted that Swiss Prime Site has been certified as a Great Place to Work®. We are well above the Swiss average overall, with workplace satisfaction at a very high level (SPS 81% vs 61% benchmark). The certification is based on independent, anonymous feedback from all employees. The Great Place to Work certification acknowledges the company's outstanding workplace culture and was awarded through a secure process with evidence-based standards.



MORE ON THE
CERTIFICATION

There are plenty of seating options available in the courtyard of this business district.





The light-flooded atrium
in the centre of the building.

«In choosing Alto Pont-Rouge, tenants are opting for a building of a very high standard.»

Jorge Guillen

Associate Architect
Brodbeck-Roulet

«In choosing Alto Pont-Rouge, tenants are opting for a building of a very high standard», says Jorge Guillen, Associate Architect at Brodbeck-Roulet. That is because the building is impressive not just for its architecture, but also for its sustainability credentials. Environmental demands on properties have grown enormously over recent years. In part, of course, this is due to regulations covering construction and operation. But it is also because of corporate tenants who bring new demands to bear in relation to sustainability and social responsibility, and that includes

workplaces. Alto Pont-Rouge is one of the first buildings in Geneva to have been certified under the SNBS (the Swiss Sustainable Building Standard). This label, which is only granted after a complex and demanding procedure over several stages that involves all the parties participating in the project, provides unparalleled proof of quality. SNBS takes into account both the property itself and the context into which it is integrated. The standard also comprehensively balances and reflects the needs of society, business and the environment in the planning, construction and operation of the building.

Along with its winning aesthetics, Alto Pont-Rouge also stands out for its social values – in particular for its integration into the local economic fabric, its range of external and internal spaces for coming together and exchanging ideas, the various services offered on site, and the energy efficiency and very low carbon footprint that come with the high-quality insulation and use of geo-thermal heat. —



GRESB rating

We are delighted that our commitment to our ESG performance has been validated by our annual participation in the Global Real Estate Sustainability Benchmark (GRESB). Swiss Prime Site achieved an outstanding 5-star rating in both the «Standing Investments» and «Development» categories in this year's evaluation. By securing first place in the «Development» category, we have also achieved an unmatched ranking, further solidifying our status as the premier real estate company in the area of sustainability.



MORE ABOUT
OUR RATINGS

Generous outdoor spaces invite residents to linger.

Resources in mind – sustainable investing in circular buildings

Properties are long-term investments that stand for decades and therefore have a major impact on our environment. With this in mind, Swiss Prime Site pursues a sustainability strategy that covers the most important environmental, social and governance (ESG) aspects.



Urs Baumann
Chief Investment Officer
Swiss Prime Site Immobilien



Müllerstrasse is located right by the barracks site in the heart of Zurich city centre.

Buildings account for approximately 40% of global CO₂ emissions each year, making them the largest emitter alongside the transport sector and other industries. They have a substantial impact on the environment both during their construction and their subsequent operation. It is therefore essential that the environmental strategy of a real estate company always covers the entire life cycle of a building, so

that the effectiveness of eco-friendly solutions can be proven.

Real estate is also a highly capital-intensive business. Investments require a lot of capital, whether for buying properties or building them. Swiss Prime Site is currently investing around CHF 1 billion in first-class new build and refurbishment projects over a five-year period. It is important that these investments are selected and structured

in a way that not only generates financial returns but also contributes as much as possible towards achieving climate targets and creating benefits for society.

Circular construction

Throughout the entire life cycle, an estimated 90% of avoidable greenhouse gas emissions can be prevented in the development and execution phases, but only around 10% in



A project constructed under circular economy principles, with features such as a fully recycled exterior façade.

When it comes to carbon emissions, the goal is always clearly in sight: net zero by 2040.

the operational phase. This means that those who do not consider the environment until a building is in use are too late, as decisions made during the planning phase have long-term implications. As a result, the circular economy is rapidly growing in importance in the real estate sector, not least due to the high consumption of resources and the large volumes of waste. As a signatory to the «Circular Building Charta», Swiss Prime Site is aiming to reduce the use of non-renewable primary raw materials to 50% of the total volume by 2030. Resource consumption and waste can be minimised by carefully planning the deconstruction of buildings, promoting long-term construction, reducing overall material usage and recycling existing materials. By consciously opting to use environmentally friendly materials such as wood, buildings can be turned into long-term, eco-friendly material depositories.

One successful example of this concept is the refurbishment of the ageing office building on Müllerstrasse in Zurich city centre, which was completed in autumn 2023. The existing structure has been preserved and the aluminium cast façade reused. In particular, the demolition of the building shell was kept to a minimum, allowing more than 90 percent of the concrete (one of the most carbon-intensive materials in the real estate sector) to be reused. This alone prevented 2 600 tonnes of CO₂ emissions.

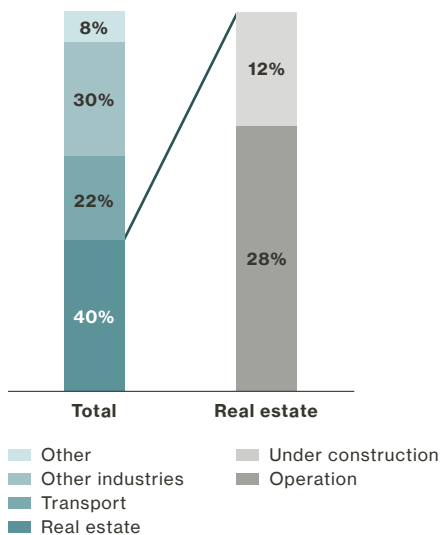
Low-emission operation

Swiss Prime Site's property portfolio is geared toward sustainable utilisation. The aim is for optimal resource efficiency in usage which ensures low-emission operations of buildings over the long term. When it comes to carbon emissions, the goal is always clearly in sight: net zero by 2040. There are numerous measures that are greatly contributing to this goal: efficient energy and resource management aimed at reducing consumption and increasing the efficiency of buildings; building strategies aligned with the «CO₂ reduction pathway» (e.g. heat pumps or district heating); procurement of renewable energy; generation and use of own renewable energy (e.g. photovoltaic systems). Swiss Prime Site had already made significant progress by 2022, cutting its CO₂ emissions per square metre by 25% compared to 2019. This puts the company well ahead on its initial road-map for becoming climate neutral by 2040.

Certifications for greater transparency in sustainable investing

Swiss Prime Site aims to deliver on its promises to stakeholders, with transparency around its progress. By the end of 2023, nearly all of the company's buildings had sustainability certifications from recognised institutes, which will also make the progress measurable. Each development project is already certified and buildings are planned and constructed in accordance with the most stringent sustainability standards – in particular the «Swiss Sustainable Building Standard» (SNBS). For existing buildings in the portfolio, certification is based on the established «BREEAM In-Use» standard to confirm and continuously improve the sustainability and environmental compatibility of the buildings.

CO₂ emissions by industry 2023¹



¹ based on IEA2022. Adapted from «Tracking Clean Energy Progress» (IEA 2022f)

Given the high capital injection, borrowed capital is another key aspect for all real estate companies. In parallel with its activities on the investment side, Swiss Prime Site has developed the «Green Finance Framework» to use capital specifically for environmentally friendly projects and connect sustainable investments with corresponding sources of finance. The clear strategy here is to use all significant new funding within the context of the sustainability strategy. This means that funds will be used for specific sustainable purposes related to the financing and promotion of (1) certified real estate, (2) energy efficiency and (3) renewable energy. This in turn gives investors a direct, meaningful and



Signing of the Circular Building Charta

We are moving forward with the circular economy in construction! In 2023, we signed and launched the Circular Building Charta. Together with 11 other of Switzerland's most important developers, we have pledged to reduce the use of non-renewable primary raw materials to 50% of the total volume, to record and significantly reduce grey greenhouse gas emissions, and to measure and improve the circular potential of renovations and new builds. Currently, too many raw materials are irretrievably lost during construction. Reducing the use of on-renewable resources and energy will make the construction industry significantly more sustainable and future-proof.



TO THE VIDEO



Capital Markets Day

At Capital Markets Day, we provided our investors and other stakeholders with an update on our strategy as a pure play real estate platform. We used our development projects as illustration of our growth ambitions and discussed current market developments at length. During this event, we visited two of our most exclusive properties in the Zurich city centre: Müllerstrasse, a flagship project in the field of circular construction, and Jelmoli, with its future as a new destination for shopping, work and leisure. We are proud to offer our tenants such first-class spaces!



TO THE PRESENTATION

long-term impact on the environment. Here, too, use of the funds will be externally validated to guarantee that the projects meet the highest sustainability standards and achieve the desired goals.

With its comprehensive approach to circular building, which considers resources during both construction and operation, Swiss Prime Site fulfils its social responsibility and, thanks to its size, can make a positive

and meaningful contribution towards sustainability in Switzerland. At the same time, this strategy also offers investors the opportunity to focus on sustainable investments and make a direct and far-reaching contribution toward environmental protection.



A partial in-kind capital contribution of the SPSS Investment Fund Commercial in Stabio (TI), which is the headquarters of VF Corporation.

Contributions in kind – the ideal solution for property owners

Direct property investment can be challenging for property owners. The kind of detailed knowledge of regional markets and specific real estate expertise that Swiss Prime Site Solutions offers is essential. Many different factors need to be considered in an existing portfolio, such areas as sustainability, vacancy reduction, renovation backlogs and utilisation of potential, as well as regulatory and political challenges. Economies of scale are also an important consideration here.



«Our decision to enter into a transaction with the Swiss Prime Investment Foundation was influenced not only by the investment group's strong portfolio, but also by its professional approach.»

Antonio Sacco
Managing Director
of the Ringier Group's pension fund

Diversification is of central importance in optimising the risk-return profile of a property portfolio. Since direct real estate investment by pension funds has historically grown regionally, contribution-in-kind transactions allow greater geographical and use-specific diversification. Furthermore, the considerations around sustainability are crucially important.

Implementing a contribution in kind is a multi-step process which usually comprises five key milestones. Firstly, the owners need to be willing to sell the properties. The fund management company or investment foundation then checks whether the property is suitable for acquisition, while the custodian bank verifies the eligibility of the investors. The third step involves a thorough inspection of the property, in which the purchase price is determined by a valuation expert, and a purchase price indication is given. The fourth step involves the payment of the purchase price, which is made in the form of share certificates and, if applicable, cash. In the fifth and final step, the previous property owner becomes the new investor with shares.

Swiss Prime Site Solutions has demonstrated its expertise with contributions in kind several times over recent years. We have successfully completed five such transactions with a value of about CHF 400 million. For example, we were able to take over 33 properties for the Swiss Prime Investment Foundation as part of a contribution in kind from the Ringier Group's pension fund. «Our decision to enter into a transaction with the Swiss Prime Investment Foundation was influenced not only by the investment group's strong portfolio, but also by its

professional approach», says Antonio Sacco, managing director of the Ringier Group's pension fund.

We support our clients throughout the entire contribution-in-kind process with our extensive experience and through access to our nationwide network of experts. Our innovative process for execution of contributions in kind serves as an exemplar. —



Monika Gadola Hug
Head Client Relations
Swiss Prime Site Solutions

The contribution of real estate to an investment vehicle is defined as a contribution in kind. In return, the owner receives shares in the investment vehicle (investment foundation and/or investment fund). The tax-optimised contribution in kind allows the property owner to transfer their directly held property portfolio to an indirect real estate investment. A contribution in kind also gives small and medium-sized pension funds and institutional investors access to larger real estate investment volumes that are professionally and efficiently managed.

Benefits of in-kind contributions

Better performance

Efficient use of capital, potential revaluation gains, tax advantages for investors, asset optimisation

Less risk

Greater diversification effect, stable cash flow, maximum transparency

Optimisation of resources

Assignment of operational property management, efficiency gains, freeing up of resources, succession planning, expertise of Swiss Prime Site Solutions

Greater flexibility

Timing of the contribution in kind independent of issuance windows, greater fungibility (possible tradeability of shares), more decision-making freedom

Green leases

Sustainability and environmental awareness are among Swiss Prime Site's core values. The company aims to achieve climate neutrality in its own portfolio by 2040. Green leases will play a key role in achieving this goal. But what exactly are they?



Karin Voigt
Chief Portfolio Officer
Swiss Prime Site Immobilien

Unlike a conventional agreement between a property owner and a tenant, a green lease also sets out terms for the sustainable management of the rental space. In addition to establishing their regular rights and obligations in the contract, the landlord and tenant also agree to share the responsibility for sustainability aspects.

Special characteristics of green leases

Swiss Prime Site has introduced green leases to bring about genuine change and achieve tangible results. In simple terms, a green lease is a commercial lease contract that includes a binding clause setting out specific measures for promoting sustainability and raising awareness of sustainable behaviour among building users and operators. This might include sustainable procurement practices and consumables, environmentally friendly waste management or the creation of suitable habitats to support local wildlife in outdoor spaces. Swiss Prime Site consults its tenants and works closely with them on targets and measures. Regular meetings are held, in which both parties can

review their progress and set new milestones. Properties can thereby be made more sustainable overall through the efforts of tenants on the operation side and through measures taken by the owner on the infrastructure side. The improvements ultimately benefit both parties.

Creating understanding

Green leases are currently being rolled out across the entire portfolio. These partnerships between owners and tenants, which are based on shared goals and open communication, have led to greater trust and transparency. They have also given SPS a better understanding of the needs of its tenants, enabling it to improve its services and tailor them more closely to different needs and preferences. SPS is delighted with the positive response from the tenants. «At Post Immobilien, we attach equal importance to all three sustainability dimensions – economic, environmental and social. That's why we value our future-oriented, straightforward collaboration with Swiss Prime Site. Green leases are helping us to achieve our sustainability targets.» Green leases are also a

valuable tool for Ospena Group AG: «The current green lease fits perfectly into our sustainability strategy and helps us set a benchmark for the rest of the industry.»

Future in mind

A strong relationship between property owners and their tenants is crucial for the future. After all, sustainability is not just an essential consideration in the basic fit-out but also in tenants' improvements and, ultimately, in the operation and use of rental spaces. Swiss Prime Site is playing a pioneering role in this





Alto Pont-Rouge, Geneva:
well-designed greening
concepts establish habitats
for native animal species.



Stakeholder dialogue

At the stakeholder dialogue meeting, our executive management discussed ESG issues with key stakeholders. After a keynote speech by Anna Stünzi – editor of the book «Hinausschauen – 26 globale Entwicklungen und die Schweiz» (Looking Beyond – 26 Global Developments and Switzerland) – participants addressed issues such as responsibility for the environment and living spaces, the future, and transparency. For us, regular dialogue with all stakeholders is a key element of sustainable leadership. The aim of these regular meetings is to discuss perceptions, needs and expectations in dialogue and to incorporate the findings into strategy development and business activities. We would like to thank all participants for the highly interactive and inspiring exchange.



MORE ABOUT
STAKEHOLDER
DIALOGUE

respect as it already integrates sustainability in all aspects of the business relationship. By the end of 2023, 50% of the space was covered by green leases with the aim of reaching 100% by the end of 2024. The long-term goal is also to digitalise all agreed sustainability processes to increase user friendliness and establish green leases as an integral part of portfolio management. Swiss Prime Site is convinced that this approach will not only benefit the tenants but also the environment – fully in line with the goal of net zero by 2040. —

Prime Tower goes metaverse

The growing interest in virtual reality is spreading to the real estate world. In the metaverse, real estate companies can improve their business processes in various ways and explore new business opportunities. With the launch of «Meta Prime Tower», we are digitalising our business and now also offering premier spaces and innovative services virtually.



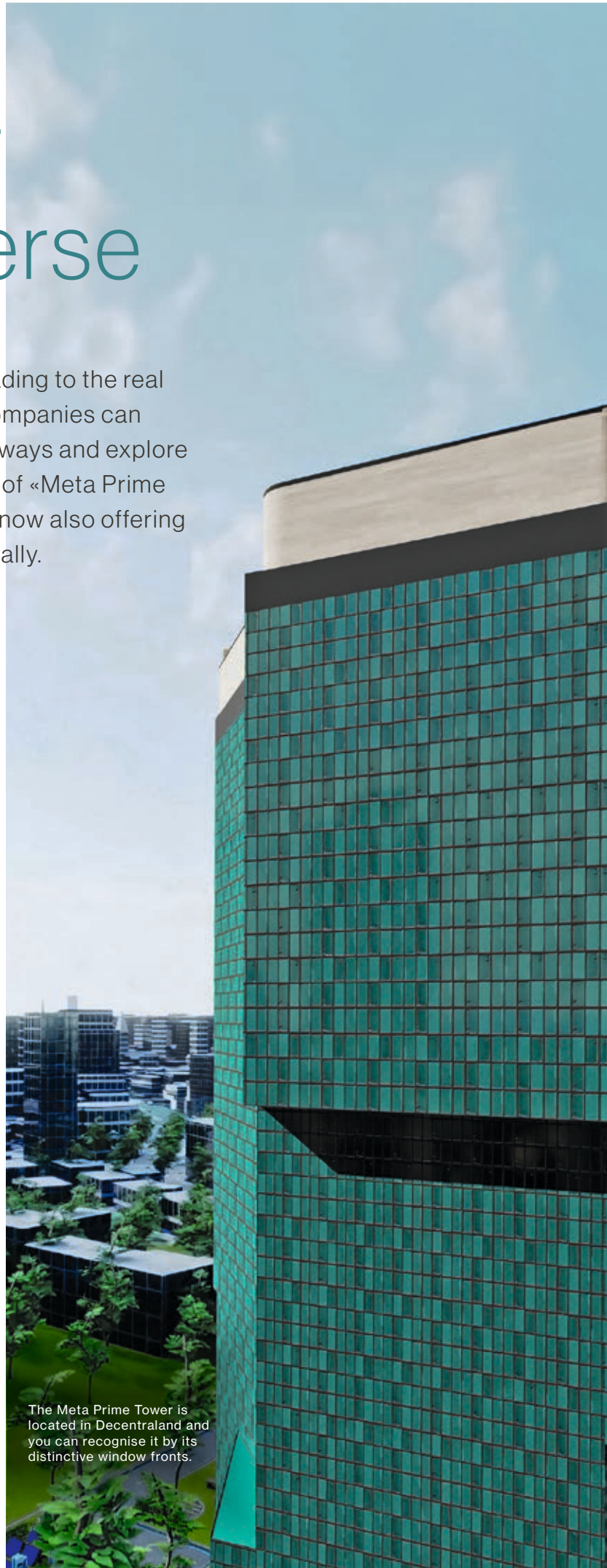
Simon Kaiser
Head Letting & Marketing



Dominik Dobler
Head Group IT

The metaverse is a digital realm consisting of a variety of virtual worlds. It is a place where people can interact and do business. With games, events and other forms of entertainment that help sell goods and services – for example concerts in this space which also promote products – customer engagement is growing rapidly and becoming economically relevant. Business processes such as building and neighbourhood planning, including visits to locations, can also be depicted.

For real estate companies like us, these applications also offer opportunities to let «space» in the metaverse or use the digital twin of a building to support marketing. In the Meta Prime Tower, potential tenants can virtually visit their spaces and customise them remotely in line with their tastes. We support them and offer them a wide range of designs for interior fittings. Corporate customers and



The Meta Prime Tower is located in Decentraland and you can recognise it by its distinctive window fronts.

Digital Top 10 Award

The Meta Prime Tower is one of the most innovative projects in the real estate industry

FIND OUT MORE



other stakeholders can expand their conventional offerings and extend their reach to a wide range of target groups.

Integration of offline and online

Meta Prime Tower offers our customers exciting benefits, such as innovation transfer with easy access to new technology. It also offers an opportunity to take the next step in talent acquisition by reaching a new generation, as well as customer engagement. Virtual representation can help significantly expand target groups. Concerts, exhibitions and other events and activities can be held without physical limitations. Through interaction and gamification in the metaverse, the Meta Prime Tower offers customers a completely new experience with targeted branding and storytelling. This hybrid approach is being fleshed out, with virtual meetings, events and rented spaces providing valuable experience.

Facilities

Meta Prime Tower tenants can customise their space according to their own preferences. The company's proprietary corporate design can be applied to the interior to give identity to the digital spaces. Community spaces, video displays and «quests» offer opportunities for engagement with both employees and external customers. This is

particularly attractive for companies with multiple locations, providing an opportunity to bring together all employees and customers in one place – for example, at a rooftop event. Good to know: a cable car gets you from the rooftop to the ground in just seconds. —



TO THE VIDEO



Stücki Park – the place to be

Join Franky on a tour of Stücki Park Basel! A unique business and innovation location, Stücki Park provides excellent spaces for life sciences, commerce and offices. To this diverse range of spaces Stücki Village adds gastronomy, co-living, entertainment and sports.



TO THE VIDEO

Besides attractive rental space, there are also community zones in the metaverse, such as the rooftop.



Corporate engagement

Swiss Prime Site's vision is to create sustainable living spaces. We do this with passion and we make a further important contribution with our corporate engagement. For us this means, in the broader social context, donations, sponsorships, and other partnerships. In the narrower real estate context, this engagement includes our relations with the local population in the vicinity of our properties which allow for optimal usage and development of these sites. Find out more in our Sustainability Report.

National final of the Company Programme of our partner YES (Young Enterprise Switzerland) at Zurich main station.



Corporate partnership with SOS Children's Villages

For around three years, we have been supporting projects of the SOS Children's Village in Niger in a collaborative partnership. For every square metre of space rented in our buildings each year, Swiss Prime Site donates CHF 1 to needy children. More than CHF 200 000 has already been raised through this innovative concept. Besides renovating school premises, the donation goes towards enrolling children, scholarships for girls, and raising awareness among parents about the importance of education.



MORE ABOUT
OUR COMMITMENTS



Turning words into actions

In autumn 2023, we planted the trees that we collected in the Global Real Estate Run in March in cooperation with the Canton of Zug's Department of Forestry and Wildlife – our contribution to a climate-fit, sustainable forest. With over 30 employees from Swiss Prime Site and Swiss Prime Site Solutions, we benefited from the impressive expertise of Korporation

Walchwil's forestry workers and we are actively involved in protecting the Swiss forest. From logging and wildlife protection to planting young trees, the day was filled with exciting forestry activities.



MORE ABOUT
THE PROJECT



Christmas village «Base Camp»

In December 2023, we laid on a Christmas winter village at the Prime Tower area in Zurich and the Turm site in Winterthur – the first in this form. Mulled wine, fondue and raclette contributed to a unique after-work atmosphere for colleagues, friends and family to get together and socialise.



MORE ABOUT
PRIME TOWER SITE

Selected group key figures

	in	01.01.–31.12.2022 or 31.12.2022	01.01.–31.12.2023 or 31.12.2023	Change in %
Continuing operations				
Rental income from properties	CHF m	432.8	438.3	1.3
EPRA like-for-like change relative	%	2.0	4.3	115.0
Income from asset management	CHF m	52.0	49.7	-4.4
Income from retail	CHF m	132.1	126.5	-4.2
Total operating income	CHF m	646.6	658.6	1.9
Revaluation of investment properties, net	CHF m	169.7	-250.5	-247.6
Result from investment property sales, net	CHF m	50.9	13.0	-74.4
Operating result before depreciation and amortisation (EBITDA)	CHF m	591.3	158.1	-73.3
Operating result (EBIT)	CHF m	549.7	152.5	-72.3
Profit	CHF m	397.1	86.7	-78.2
Return on equity (ROE)	%	6.1	1.3	-78.7
Return on invested capital (ROIC)	%	3.2	1.2	-62.5
Earnings per share (EPS)	CHF	5.18	1.13	-78.2
Funds from operations per share (FFO I)	CHF	4.00	4.05	1.3
Continuing and discontinued operations excluding revaluations effects				
Operating result before depreciation and amortisation (EBITDA)	CHF m	448.6	562.2	25.3
Operating result (EBIT)	CHF m	389.6	553.3	42.0
Profit	CHF m	300.6	459.8	53.0
Return on equity (ROE)	%	4.7	6.8	44.7
Return on invested capital (ROIC)	%	2.6	3.9	50.0
Earnings per share (EPS)	CHF	3.92	5.99	52.8
Funds from operations per share (FFO I)	CHF	4.26	4.12	-3.3
Key balance sheet figures				
Shareholders' equity	CHF m	6 569.3	6 537.4	-0.5
Equity ratio	%	47.7	47.4	-0.6
Liabilities	CHF m	7 201.9	7 240.9	0.5
Loan-to-value ratio of property portfolio (LTV) ¹	%	38.8	39.8	2.6
NAV before deferred taxes per share ²	CHF	102.96	102.05	-0.9
NAV after deferred taxes per share ²	CHF	85.64	85.21	-0.5
EPRA NTA per share	CHF	102.69	101.52	-1.1
Real estate portfolio				
Fair value of real estate portfolio	CHF m	13 087.7	13 074.6	-0.1
of which projects/development properties	CHF m	1 117.3	853.3	-23.6
Number of properties	number	176	159	-9.7
Rental floor space	m ²	1 653 456	1 678 217	1.5
Vacancy rate	%	4.3	4.0	-7.0
Average nominal discount rate	%	3.72	4.04	8.6
Net property yield	%	3.1	3.1	-
Employees				
Number of employees as at balance sheet date	persons	1 779	674	-62.1
Full-time equivalents as at balance sheet date	FTE	1 567	570	-63.6

¹ Receivables secured by bank guarantees were deducted from financial liabilities in the financial year 2023

² Asset Management, Retail and Corporate & Shared Services segments are included at book values and not at fair values

Consolidated income statements

in CHF 1000	01.01.–31.12.2022 ¹	01.01.–31.12.2023
Rental income from properties	432 797	438 265
Income from sale of trading properties	15 702	39 473
Income from real estate developments	9 132	–
Income from asset management	52 016	49 711
Income from retail	132 130	126 534
Other operating income	4 806	4 595
Operating income	646 583	658 578
Revaluation of investment properties, net	169 739	– 250 493
Result from investments in associates	2 540	796
Result from investment property sales, net	50 877	13 005
Real estate costs	– 68 836	– 64 590
Cost of trading properties sold	– 13 616	– 33 601
Cost of real estate developments	– 8 051	–
Cost of goods sold	– 75 219	– 60 497
Personnel costs	– 82 136	– 79 677
Other operating expenses	– 33 728	– 29 997
Depreciation, amortisation and impairment	– 41 625	– 5 654
Capitalised own services	3 127	4 592
Operating expenses	– 320 084	– 269 424
Operating result (EBIT)	549 655	152 462
Financial expenses	– 44 815	– 77 373
Financial income	354	1 071
Profit before income taxes	505 194	76 160
Income taxes	– 108 122	10 534
Profit from continuing operations	397 072	86 694
Profit after tax from discontinued operations	7 357	149 324
Profit attributable to shareholders of Swiss Prime Site AG	404 429	236 018
Earnings per share (EPS) from continuing operations, in CHF	5.18	1.13
Diluted earnings per share from continuing operations, in CHF	4.88	1.10
Earnings per share (EPS), in CHF	5.27	3.08
Diluted earnings per share, in CHF	4.97	2.95

¹ The comparative figures have been split into continuing and discontinued operations and restated in accordance with the requirements of IFRS 5.

Consolidated balance sheet

in CHF 1000	31.12.2022	31.12.2023
Assets		
Cash	21 201	22 069
Securities	1 130	454
Accounts receivable	42 659	28 532
Other current receivables	2 638	78 083
Current income tax assets	3 731	3 323
Inventories	28 004	36 725
Trading properties	73 959	1 893
Accrued income and prepaid expenses	39 816	19 761
Assets held for sale	109 073	176 634
Total current assets	322 211	367 474
Net defined benefit assets	5 752	16 015
Non-current financial assets	9 501	12 016
Investments in associates	53 948	52 591
Investment properties	12 587 234	12 595 073
Owner-occupied properties	572 645	551 507
Tangible assets	3 892	596
Right-of-use assets	30 737	4 347
Goodwill	152 849	152 849
Intangible assets	32 267	17 542
Deferred income tax assets	186	8 255
Total non-current assets	13 449 011	13 410 791
Total assets	13 771 222	13 778 265
Liabilities and shareholders' equity		
Accounts payable	43 641	33 132
Current financial liabilities	355 867	506 535
Other current liabilities	110 145	18 223
Advance payments	31 080	29 629
Current income tax liabilities	44 375	42 528
Accrued expenses	138 940	131 140
Total current liabilities	724 048	761 187
Non-current financial liabilities	5 149 557	5 176 662
Other non-current financial liabilities	–	9 345
Deferred tax liabilities	1 328 320	1 293 330
Net defined benefit liabilities	–	359
Total non-current liabilities	6 477 877	6 479 696
Total liabilities	7 201 925	7 240 883
Share capital	153 437	153 437
Capital reserves	995 605	865 062
Treasury shares	– 1 374	– 4
Revaluation reserves	19 627	11 412
Retained earnings	5 402 002	5 507 475
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	6 569 297	6 537 382
Total liabilities and shareholders' equity	13 771 222	13 778 265

Key environmental indicators

Swiss Prime Site property portfolio¹

	in	2022	2023
Portfolio properties with environmental key figures	Number	153	139
Energy reference area	m ²	1 604 846	1 728 909
Total energy consumption	MWh	217 122	245 739
Share renewable	MWh	121 695	160 800
Share non-renewable	MWh	95 427	84 939
Electricity	MWh	98 868	145 667
Share renewable	MWh	96 795	128 659
Share non-renewable	MWh	2 073	17 008
Share owner controlled	%	N/A	89
Share tenant controlled	%	N/A	11
Heating	MWh	118 254	100 072
Heating oil	MWh	7 400	4 713
Natural gas	MWh	53 161	45 834
Share renewable (bio gas)	MWh	N/A	1 923
Share non-renewable	MWh	N/A	43 911
District heating	MWh	57 693	49 525
Share renewable	MWh	24 899	30 218
Share non-renewable	MWh	32 794	19 307
Energy intensity	kWh/m ²	177	142
Electricity intensity	kWh/m ²	93.4	84.3
Heat intensity	kWh/m ²	84.1	57.9
CO ₂ emissions	tCO ₂ e	21 300	26 246
CO ₂ emissions Scope 1	tCO ₂ e	9 303	9 461
CO ₂ emissions Scope 2	tCO ₂ e	3 773	5 224
CO ₂ emissions Scope 3	tCO ₂ e	8 224	11 561
CO ₂ intensity	kgCO ₂ e/m ²	16.9	15.2
Total water use	m ³	669 566	699 932

¹ For explanations, see: Notes on environmental key figures, sustainability report p. 75–79.

² The electricity consumption of the heat pump is listed under general electricity as it cannot always be shown separately

Swiss Prime Site is committed to open, transparent communication with all stakeholders, especially investors, financial analysts, media professionals, customers, suppliers and employees.

Swiss Prime Site provides comprehensive, timely information on significant developments in its business activities. Traditional and digital communication channels are used for this purpose. It ensures price-sensitive facts are disclosed in accordance with SIX Swiss Exchange's ad hoc publicity obligation. The Company publishes its official disclosures in the Swiss Official Gazette.

Dialogue with stakeholders takes place principally through the Annual Report (including the Financial Report and the Sustainability Report), the semi-annual report and the Annual General Meeting. Furthermore, Swiss Prime Site maintains contact with its interest groups through events such as conferences, roadshows and individual meetings.

The Communication and Investor Relations departments are responsible for information-related activities directed at stakeholder groups. These and other contacts are listed at www.sps.swiss/contact.

The most important source for all information requests is the Company's website: www.sps.swiss. This also outlines the Company's strategy and corporate governance structure, provides information on business areas, and sheds light on other relevant internal and industry topics. Financial reports, presentations, media releases and all information regarding the Annual General Meeting are also available and can be downloaded. You can register to receive automatic notifications from Swiss Prime Site via www.sps.swiss/subscription.

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Annual General Meeting Financial Year 2023

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Semi-annual report 2024 with financial results
press conference

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This report contains statements regarding future financial and operational developments and results as well as other projections that are forward-looking or contain subjective assessments that are not historical facts. In some cases, these forward-looking statements can be identified by the use of words such as «believe», «estimate», «anticipate», «expect», «intend» and similar expressions as well as their negative equivalent. Such forward-looking statements or subjective assessments (hereinafter referred to as «forward-looking statements») are based on expectations, estimates and assumptions that seem to be appropriate to the Company at the time of the preparation of the report but may prove to be incorrect in retrospect. A number of factors, such as the ability of the management to implement the business strategies of Swiss Prime Site AG, the future conditions and developments in the market in which Swiss Prime Site AG operates, or the market behaviour of other market players, may differ materially from the anticipated results including the actual business situation, result of operations and financial condition of the Company. In addition, past trends are not indicative of any future trends.

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Swiss Prime Site's property portfolio will be climate-neutral by 2040. That's a promise.



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