



SWISS PRIME SITE

— SEMI-ANNUAL REPORT

REPORT

2023



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Reporting structure

The report consists of the semi-annual report and the short report for the first half of 2023 (PDF available to download from www.sps.swiss).

Selected group key figures

	in	01.01.– 30.06.2022 or 30.06.2022	01.01.– 31.12.2022 or 31.12.2022	01.01.– 30.06.2023 or 30.06.2023
Continuing operations				
Rental income from properties	CHF m	214.9	432.8	218.9
EPRA like-for-like change relative	%	2.1	2.0	3.4
Income from real estate developments	CHF m	8.4	9.1	–
Income from asset management	CHF m	272	52.0	22.2
Income from retail	CHF m	57.4	132.1	59.7
Total operating income	CHF m	310.6	646.6	307.6
Revaluation of investment properties, net	CHF m	166.6	169.7	–98.8
Result from investment property sales, net	CHF m	14.7	50.9	9.8
Operating result before depreciation and amortisation (EBITDA)	CHF m	365.4	591.3	99.0
Operating result (EBIT)	CHF m	358.6	549.7	95.7
Profit	CHF m	262.1	397.1	65.9
Return on equity (ROE)	%	8.1	6.1	2.0
Return on invested capital (ROIC)	%	4.2	3.2	1.4
Earnings per share (EPS)	CHF	3.42	5.18	0.86
Continuing and discontinued operations excluding revaluations effects				
Operating result before depreciation and amortisation (EBITDA)	CHF m	210.8	448.6	351.6
Operating result (EBIT)	CHF m	198.8	389.6	345.1
Profit	CHF m	158.0	300.6	298.9
Return on equity (ROE)	%	5.0	4.7	9.0
Return on invested capital (ROIC)	%	2.6	2.6	4.8
Earnings per share (EPS)	CHF	2.06	3.92	3.90
Funds from operations per share (FFO I)	CHF	2.09	4.26	2.01
Key balance sheet figures				
Shareholders' equity	CHF m	6 427.2	6 569.3	6 530.3
Equity ratio	%	46.6	47.7	47.4
Liabilities	CHF m	7 357.9	7 201.9	7 240.5
Loan-to-value ratio of property portfolio (LTV) ¹	%	40.2	38.8	39.7
NAV before deferred taxes per share ²	CHF	100.95	102.96	102.32
NAV after deferred taxes per share ²	CHF	83.80	85.64	85.12
EPRA NTA per share	CHF	100.78	102.69	101.40
Real estate portfolio				
Fair value of real estate portfolio	CHF m	13 066.4	13 087.7	13 064.5
of which projects/development properties	CHF m	997.7	1 117.3	1 093.9
Number of properties	number	179	176	168
Rental floor space	m ²	1 681 690	1 653 456	1 685 947
Vacancy rate	%	4.4	4.3	4.1
Average discount rate	%	2.71	2.69	2.73
Net property yield	%	3.1	3.1	3.1
Employees				
Number of employees as at balance sheet date	persons	1 722	1 779	700
Full-time equivalents as at balance sheet date	FTE	1 529	1 567	609

¹ Receivables secured by bank guarantees were deducted from financial liabilities in the first half of 2023

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

The dawn of a new era

We can look back on an eventful and in many ways extraordinary first half of 2023. With the repositioning of the Jelvoli building and the sale of Wincasa, we completed our strategic realignment to focus on our core business of real estate investing. This has significantly streamlined our business model and increased efficiency in what remains a challenging environment for real estate companies. As the industry prepares for higher capital costs and lower valuations, it is all the more important that we create value and contribute to society in areas where we are market leaders, i.e. real estate management and development – both for our own portfolio and for third parties.

In view of the challenging environment, we are very happy with our results in the first half of the year and we are looking to the rest of the year with confidence. In fact, rental income rose to CHF 219 million (+3.4% on a comparable basis) despite numerous sales under the capital recycling programme, and our assets under management increased by around CHF 500 million (+6.5%) to CHF 8.2 billion despite the challenging environment. Net profit excluding revaluations came in at CHF 299 million, or CHF 3.90 per share (+89%), with gains of around CHF 146 million from the sale of Wincasa making a considerable contribution. The high quality of our properties, the steady demand for attractive spaces, and the success of our sales activities all confirm the value of our portfolio. With two strong pillars – our own properties and asset management – we are very solidly positioned and on course for further growth.

Strategic realignment

We started our strategic realignment as a focused real estate company around three years ago with the sale of Tertianum and have been pursuing it consistently and purposefully since then. After significantly expanding our asset management platform with the acquisition of the asset manager Akara, we shifted our strategic focus towards the two operational companies Jelvoli and Wincasa. For both companies, the known steps were preceded by a broad and thorough market review.

With retail floor space of 24 000 m², the Jelvoli department store was ultimately too big to sustain as a retail operation in Zurich city centre and there were no suitable buyers interested in taking over the business. We will now transform the property into a unique destination in the city. Catering to various uses, including office, retail and entertainment, it will be a lively hub throughout the day

and week. Once the conversion is complete, the Jelvoli site will stand as an open urban venue that exudes charm and appeal. Preliminary discussions with the building authorities have already taken place, and we are planning to start the modification work in 2025. With the employees in mind, we consciously announced the strategic decision well in advance and have worked with them to develop a redundancy plan, which we managed to sign before the start of the summer holidays.

In April, we sold Wincasa, the separately held property management company, to Implenia at a substantial profit. With these two steps, we have focused our company's activities on the core competencies. Going forward, we will concentrate on the optimum management of our first-class property portfolio and on prominent development projects. We will also leverage our asset management expertise to create value for third parties. We are industry leaders in Switzerland in both of these domains.

«With our two strong pillars – real estate and asset management – we are very solidly positioned and are fit for future growth.»

Defensive profile

In recent months, a sense of caution has prevailed in the real estate market overall. Higher interest rates in particular have dampened activity in the transaction market and inhibited new investments. But it is precisely in an environment like this that our portfolio stands out as a highly resilient investment, with its prime locations, top-quality properties and strong tenants. This is also evident in the wide range of uses within our portfolio. The office segment remains our primary focus. However, we are also creating additional market potential and resilience on the revenue side with substantial spaces and strong tenants in the retail, city logistics/life science, hospitality/gastronomy and senior living segments. We are financing the portfolio conservatively with a high equity ratio, while we have reduced the leverage ratio considerably in recent years (currently below 40%) and used a broad range of financing instruments to give us extra flexibility. Our business with third-party funds which we manage under investment mandates with our clients is both attractive and defensive, and consumes very little capital. This allows us to apply our expertise more broadly and boost the return on equity thanks to its high profitability.

Strong rental market

In the first six months of 2023, we had considerable success with annual contract extensions and re-lets in the portfolio of existing properties, as well as with first-time lettings in the development pipeline. We managed to reduce the vacancy rate even further, bringing it down to 4.1%. In our marketing activities, we have found that demand in the rental market far outstrips supply. This is particularly true for prime locations and high-quality commercial spaces – tenants are optimising their locations to increase productivity and also offer their employees an attractive workplace. Our portfolio is very well positioned for this.

«The office segment remains our primary focus.»

A portfolio with enduring value

Higher interest rates in the first half of the year affected the appraisal value of our portfolio (CHF 13.1 billion as at the reporting date). The value has remained relatively stable, with only marginal devaluations of around CHF 99 million (-0.7%). The negative effects of higher discount rates were largely offset by higher rents and new developments. Here too, our prime locations, the high fit-out standard of our properties and sites, and our demand-oriented property strategy are paying off. Through our developments, we are further modernising and expanding our portfolio to add value, financed through sales under our capital recycling strategy. Since the start of the year, we have sold ten properties worth a total of CHF 148 million, with some of these transactions only completed after the balance sheet date. The sales mostly involved properties used for retail and senior living. In all cases, the locations of these properties meant they were no longer an optimum fit for our focused portfolio. Overall, the average selling price was around 10% higher than the last appraisal value. These transaction figures in particular reflect the resilience of our portfolio.

Significant progress in the development business

As a leading Swiss real estate company, we are particularly proud of the progress we have made with our development projects. We will be handing over two major projects to new tenants this year: in Zurich, the circular economy-based building on Müllerstrasse to Google, and in Geneva, the large new build Alto Pont-Rouge to the major French bank BNP Paribas and other tenants. In addition, the developments in Basel (Stücki Park), Schlieren (JED Neubau) and Lugano/Olten (both Tertianum senior living) will be completed as planned in the next 18 months. We are expecting this to generate additional rental income of at least CHF 50 million,

which will more than offset the lost revenue from property sales from next year onwards. We see our development business as a growth and value driver, since the return on investment in this area is well above our portfolio return.

Thank you

On behalf of our colleagues on the Board of Directors and the Executive Management, we would like to extend our heartfelt thanks to our clients for their loyalty and their confidence in our products – especially in times like these, when the end of the low interest rate era has made the markets more challenging for everyone. Every single tenant, client and investor matters to us, and we try to show our appreciation every day. We would also like to thank our employees for their extraordinary day-to-day commitment and their unwavering dedication to achieving the best outcomes for both our company and our clients – all this at a time when we are repositioning ourselves. Last but not least, we would like to thank you, our esteemed shareholders, for the trust you continue to place in us and for your support in the development of our company.



Ton Büchner
Chairman of the Board
of Directors

René Zahnd
CEO

Strong operating results in a challenging environment

Swiss Prime Site closed the first half of 2023 with strong operating results. Rental income was up by 3.4% on a comparable basis over the same period last year. This was due to a very strong rental market, considerable success with lettings, and indexation in existing rental contracts. Assets under management increased by around 6.5% to CHF 8.2 billion in a very challenging market environment. Along with strict cost discipline, funds from operations (FFO I) remained almost constant at CHF 2.01 per share despite a significant increase in interest expense. Based on current market visibility, Swiss Prime Site is on course to meet its targets for the 2023 financial year.

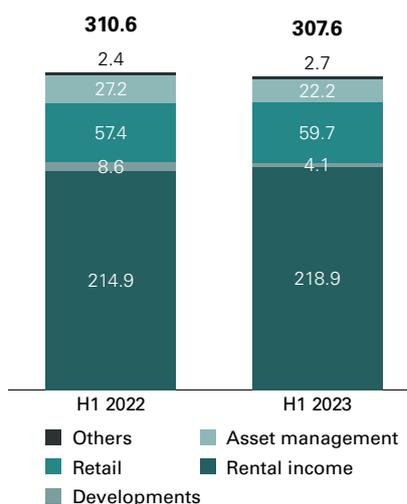
Following the sale of Wincasa, we have adjusted the financial reporting at the half-year point in accordance with IFRS 5 by reporting Wincasa separately as a discontinued operation and have adjusted the previous years accordingly. This allows for optimal comparability. To improve clarity around the performance of the two core business areas of real estate and asset management, we have also enhanced the segment reporting and are now disclosing these two areas separately for the first half of 2023. For the next two years until the closure of the Jelmoli department store, we will also report a third segment, «Retail», to enable full transparency here as well.

Rental income up, vacancies at a record low

Swiss Prime Site demonstrated strong operating performance in the first half of 2023. Operating income across the continued business areas reached CHF 307.6 million. In our core business of real estate, we were able to let or relet over 40000m². We acquired some strong rental partners in this segment, including the University of Zurich, the insurance company Zurich and the expanding workplace company Flexoffice. This pushed our vacancy rate down to a record low of 4.1% [4.3% end of 2022]. In our marketing activities, we are seeing sustained high demand for centrally located spaces fitted out to a high standard. The high indexation rate of around 90% for our rental spaces also had a positive effect on rental income, which rose to CHF 218.9 million as a whole (+1.9% or +3.4% growth on a comparable basis). Overall, successful letting activities, rent indexation and the completion of development projects meant we managed to more than compensate for lost rental income from sales under the capital recycling strategy, as planned. The weighted average unexpired lease term (WAULT) for our properties was stable at a comfortable 5.2 years [5.3 years end of 2022].

Operating income

in CHF million



Minor revaluations due to higher discount rates

The much higher interest rates compared to 2022 had a significant impact on the assumed discount rates in the models of our external valuation expert Wüest Partner. The average nominal discount rate increased by around 21 bps to 3.93% as at 30 June [3.72% end of 2022]. Thanks to an increase in new rentals, comprehensive rent indexation and strict cost discipline, we managed to significantly cushion the negative valuation effects caused by the discount rate. Overall, the revaluation effect for our portfolio amounted to CHF -98.8 million [CHF +166.6 million H1 2022]. This represents a relative reduction of -0.7% in fair value compared to the end of 2022. On the balance sheet date, the total value of our property portfolio stood at CHF 13.1 billion. The figure after investments has therefore remained stable compared to the end of last year. This development confirms our conviction at the beginning of the year that potential negative valuation effects could be largely offset through successful rental activities, rent indexation and our real estate developments.

Robust transaction market

Contrary to the lower estimated fair value in our portfolio of existing properties, we were able to achieve significant gains on property sales of around 10% above fair value at the end of 2022 – this more or less corresponds to the sales performance in previous years. Since the beginning of the year, we have sold ten properties with a total transaction volume of CHF 148 million; two of these sales occurred after the balance sheet date. Under our capital recycling strategy, the profit from these transactions is being re-invested in current development projects.

The sales included a senior citizens' residence in Berlingen and eight retail and mixed-use properties outside the metropolitan regions of Zurich, Geneva and Basel. In addition, a development plot with building authorisation for a residential project was sold in Wangen bei Olten. In recent sales processes, we have noticed renewed interest from larger institutional buyers such as insurers and real estate companies, who are making competitive bids. We are taking this as an initial sign that confidence in the real estate market overall is rising, buoyed by falling inflation in Switzerland and abroad and a stabilising interest rate environment.

Less growth in asset management but greater market share

In the area of asset management, where we operate under the strong brand «Swiss Prime Site Solutions», the market environment proved to be very challenging in the first half of the year due to subdued investor appetite, especially among pension funds. Despite attractive acquisition opportunities, we were unable to carry out all capital increases in the planned amounts. We believe the main obstacle is the relatively high investment concentration of pension fund investors in real estate due to the negative performance of alternatives such as equities and bonds over the past year, coupled with uncertainties about the performance of potential portfolio acquisitions. The positive performance of alternative markets in recent months, a continuous inflow of money from pension funds and insurance companies, and greater clarity around expected interest rate developments all give us confidence that investor appetite will improve and our strong market position will enable us to benefit from this. But from an overall market perspective, our performance in asset management demonstrates the stability of our business. In fact, our assets under management (AUM) increased by around 6.5% to CHF 8.2 billion [CHF 7.7 billion end of 2022] in the first half of the year – this was largely due to real estate contributions in kind from partners wanting to benefit from our extensive real estate expertise. This has enabled us to grow faster than the market and further enhance our position as an independent real estate asset manager. Due to the low funding volume, income from asset management fell to CHF 22.2 million [CHF 27.2 million H1 2022] and EBIT reached CHF 11.3 million

[CHF 17.1 million]. This resulted in a lower EBIT margin of 51.1% [63.1%]. However, due to the low capital intensity, we were still able to achieve an attractive return on equity of 23.3% [36.7%] – this with an increased ratio of recurring fees (78% vs. 53% 2022). Again, this illustrates the resilience of our asset management business. Based on the aforementioned market developments, we are confident of achieving a good result in this challenging environment.

Strict cost control continues

Through very tight cost control, real estate costs decreased slightly despite the inflationary environment and higher rental income. We are expecting a further decrease in the second half of the year. We are now starting to see the effects of streamlining the group structure, with other operating expenses down by around 15%. In contrast, personnel costs increased marginally due to the internalisation of resources – especially in the area of development, where we are now handling some of the tasks internally after the sale of Wincasa. Offset against the higher own services capitalised, this has resulted in a slight decrease of around 2%.

After streamlining the corporate structure, we also implemented measures in June to sustainably reduce operating costs. These mainly relate to the corporate group and comprise personnel costs, consultancy expenditure (including IT) and other operating expenses. We expect the savings to amount to around 10% of operating costs (excluding Jelvoli), which equates to around CHF 7.5 million per year. We should start to see the effects in 2024.

Favourable financing market but higher costs

We made use of our existing sources of funding in the first half of the year. In June, we were in the market to place a convertible bond of CHF 275 million at an attractive 1.625%, mainly to refinance an expiring convertible bond. The placement was carried out on the Swiss and international capital markets and was significantly oversubscribed, indicating strong demand for real estate bonds.

In addition, we repeatedly refinanced on the money market at very attractive terms – we have recently been taking advantage of our A3 Moody's rating to tap into this market as an additional source of funding and further diversify our capital base.

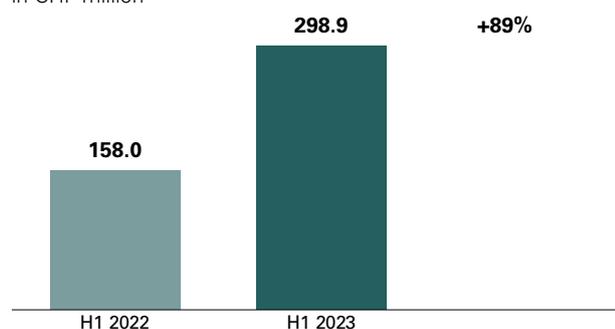
However, refinancing was subject to higher base rates due to interest rate hikes by the Swiss National Bank, which caused net financial expenses to increase to CHF 28.1 million in the first half of 2023 [CHF 21.4 million H1 2022]. Average interest cost is currently 1.2% (+30 bps compared to the end of 2022).

Profit up after sale of Wincasa

Profit excluding revaluations increased to CHF 298.9 million [CHF 158.0 million H1 2022], significantly boosted by the CHF 145.9 million gain from the sale of Wincasa. Excluding this one-off effect and adjusted for other Wincasa earnings, profit excluding revaluations amounted to CHF 149.2 million [CHF 152.6 million; -2.2%]. The slight decrease, driven mainly by higher financing costs and lower earnings in the area of asset management, was cushioned by higher profits in the rental business.

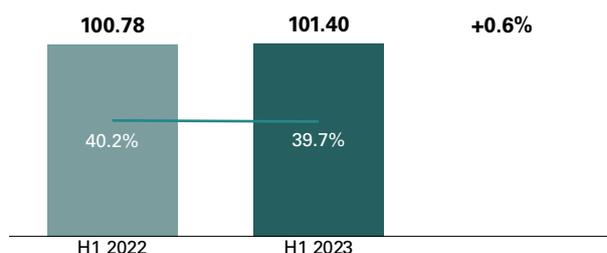
Profit (excl. revaluations)

in CHF million



EPRA NTA per share and LTV

in CHF resp. %



On course to meet targets for the 2023 financial year

In the first half of the year, we demonstrated the resilience of our business and achieved a strong operating result despite various challenges. We expect our streamlining measures to make us even more agile and efficient. Based on the current market conditions, we have a positive outlook for the second half of the year. We are anticipating a further rise in rental income, which, despite higher financing costs, should contribute to a largely stable FFO I and thus a stable dividend basis.

Stable FFO I and slightly higher LTV due to seasonal effects

The FFO I (funds from operations before disposal gains) underlying our dividend strategy remained largely stable at CHF 2.01 per share [CHF 2.09 H1 2022]. Due to the dividend paid out in the first half of the year, the loan-to-value ratio for the property portfolio increased slightly to 39.7% compared to the end of 2022 [38.8% end of 2022]. However, there was a further reduction of around 0.5 percentage points compared to the first half of 2022 [40.2% end of H1 2022]. The average residual term to maturity of interest-bearing financial liabilities remained stable, coming in at 4.8 years on the balance sheet date [5.0 years end of 2022]. At CHF 101.40, the net asset value (EPRA NTA) per share was slightly higher than in the previous year (+0.6% compared to H1 2022). However, it was down by around 1.3% compared to the end of 2022 due to the higher dividend of CHF 3.40 in the first half of the year [CHF 3.35]. The Swiss Prime Site share reached a closing price of CHF 77.65 on 30 June 2023 and a total return of +1.1% for the first half of the year (REAL: +0.2%, SPI: +8.2%, EPRA: -10.2%).

Biodiversity in the property portfolio



The development and implementation of a promising sustainability strategy stands and falls by the identification of the topics critical to a particular business. For Swiss Prime Site, these are the reduction of CO₂ emissions and closed loops in the construction and operation of buildings. The aspect of biodiversity is likewise growing in importance, and is increasingly being prioritised at the political and economic levels. Our contribution to that goal should be viewed in the context of a comprehensive sustainability strategy and extends far beyond individual measures.

Existential significance for us all

Biodiversity refers to the diversity of various ecosystems, the highest possible number of different species and strong genetic abundance. It is not just a basic need of humans, animals and nature. According to the Swiss Federal Office of Agriculture, biodiversity has existential significance for our collective survival. According to the Federal Office for the Environment (FOEN), biodiversity in Switzerland has suffered heavy losses over the past 200 years and is under extreme threat. At the political level, some steps have been taken of late to better address this situation and to strategically promote species diversity across the various ecosystems. In 2020, a national people's initiative was launched to advance that goal. In 2023, Parliament will debate an indirect counter-proposal on the

issue and demand that the Federal Council take stronger measures to protect diversity and the environment. So the creation of awareness in Swiss society is gaining momentum.

Promotion of biodiversity

A great deal of action still needs to be taken by Swiss industry in relation to biodiversity and measures to combat climate change. The management of Swiss Prime Site is conscious of the responsibility that the real estate and construction sector bears in this respect, and it intends to improve biodiversity in its building stock faster and more effectively. Swiss Prime Site owns around 170 investment properties in the most densely populated centres of Switzerland. It is our aspiration to continuously increase the quality of this portfolio and the sites and properties it contains. The systematic sustainability certification of the properties creates the transparency required for the various areas of potential. This includes gaining additional green space and increasing ecological diversity on the grounds of all our properties. The corresponding signals and requests from tenants on this issue are pointing in the same direction. They expect nothing less than compliance with increasingly higher standards of sustainability in the buildings in which they rent and use their offices or commercial spaces. Hence, when it comes to demand and willingness to pay, the logic is simple: the higher quality the fit-out standard, the more sustainable the energy supply, the greater the feel-good factor and the higher the certification level of a building, the better the long-term rentability of the spaces. Improved biodiversity around buildings should not be underestimated as a criterion for successful letting. We are also addressing this issue, along with other important topics such as the circular economy, in our development projects or renovation plans. It is our goal to promote biodiversity both individually and as part of a holistic sustainability policy.

Swiss Prime Site fulfills its responsibilities towards employees, clients, the environment and society. Our vision is to generate value and create sustainable living spaces. Sustainability is part of our value creation model and has been an integral component of our strategy for some time. In this way, we are increasing our resilience and are convinced that we are creating long-term added value for our stakeholders and society.



MORE ABOUT
SUSTAINABILITY AT
SWISS PRIME SITE

Wincasa sold to Implenia

Swiss Prime Site has sold the group company Wincasa to Implenia for an enterprise value of CHF 235 million. The transaction was completed in the second quarter of 2023 and was recognised retroactively as at 1 January 2023. The sale of Wincasa and the discontinuation of Jelmoli's operations from the end of 2024 will significantly streamline Swiss Prime Site's business model.



MORE ABOUT THE SALE

HDI – a perfect match!

HDI moved into its new Swiss headquarters inside the Prime Tower around six months ago. The flexible offices feature an open layout and various zones for group meetings and informal encounters. This gives the industrial insurance company's 90 employees space to work

together efficiently and dynamically in a prime location in the heart of Zurich.



MORE ABOUT HDI



Reto Conrad appointed to the Board of Directors

At this year's Annual General Meeting in Zug, the shareholders appointed Reto Conrad to the Board of Directors. He will become a member of the Audit and Investment Committee. The Board of Directors is now composed of Ton Büchner, Thomas Studhalter, Barbara A. Knoflach, Gabrielle Nater-Bass, Brigitte Walter, Christopher M. Chambers and Reto Conrad.



MORE ABOUT THE ANNUAL GENERAL MEETING



Ranking: Construction & real estate reputation study 2023

Swiss Prime Site has the second-best reputation out of all Swiss real estate companies. This comes from the latest benchmark study by the Swiss Reputation Group, which analysed impressions of the company in Swiss media, social

media and other online sources. Thank you for the excellent rating and your trust in us. We look forward to your future support, and remember: We create living spaces!



MORE ABOUT THE STUDY



JED new build with Zirkulit

The JED new build in Schlieren is being constructed with Zirkulit® concrete. Swiss Prime Site is the first building contractor in Switzerland to use the sustainable Swiss cement. With this innovative building material we have saved 10000 tonnes of primary resources and absorbed 83 tonnes of CO₂ in total. Using Zirkulit® supports the transition to the circular economy and underlines our commitment to environmental protection and sustainability. JED will serve as a centre for innovation and knowledge transfer and will also offer attractive workspaces.



MORE ABOUT JED

Modernisation and repositioning of the Jelmoli building

The Jelmoli building on Zurich's Bahnhofstrasse will be converted and sustainably developed starting in 2025. In this context, the plan is to adapt the retail floorspace to the current market demand and reposition the building. Jelmoli will remain anchored in Zurich as a destination with a diverse mix of uses, including retail, food, gastronomy, office and fitness. The re-opening of the renovated property is planned for early 2027.



MORE ON THE MODERNISATION

Consolidated financial statements

Consolidated income statement

in CHF 1 000	Notes	01.01.– 30.06.2022 ¹	01.01.– 30.06.2023
Rental income from properties	4	214 920	218 900
Income from sale of trading properties	4	203	4 123
Income from real estate developments	4	8 435	–
Income from asset management	4	27 162	22 191
Income from retail	4	57 392	59 738
Other operating income	4	2 444	2 682
Operating income		310 556	307 634
Revaluation of investment properties, net	5.2	166 585	–98 816
Result from investments in associates		500	423
Result from investment property sales, net	5.3	14 654	9 815
Real estate costs	5.4	–33 411	–33 260
Cost of trading properties sold		–103	–3 797
Cost of real estate developments		–7 661	–
Cost of goods sold		–30 038	–30 589
Personnel costs	7.1	–40 981	–41 455
Other operating expenses	7.2	–15 974	–13 585
Depreciation, amortisation and impairment		–6 811	–3 268
Capitalised own services		1 273	2 600
Operating expenses		–133 706	–123 354
Operating result (EBIT)		358 589	95 702
Financial expenses		–21 607	–28 584
Financial income		190	445
Profit before income taxes		337 172	67 563
Income taxes	7.3	–75 090	–1 677
Profit from continuing operations		262 082	65 886
Profit after tax from discontinued operations	8.2	5 325	149 584
Profit attributable to shareholders of Swiss Prime Site AG		267 407	215 470
Earnings per share (EPS) from continuing operations, in CHF	3.1	3.42	0.86
Diluted earnings per share from continuing operations, in CHF	3.1	3.21	0.82
Earnings per share (EPS), in CHF	3.1	3.49	2.81
Diluted earnings per share, in CHF	3.1	3.28	2.64

¹ The comparative figures have been split into continuing and discontinued operations and restated in accordance with the requirements of IFRS 5. Further disclosures required by IFRS 5 are shown in Note 8.2.

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

Consolidated statement of comprehensive income

in CHF 1 000	Notes	01.01.– 30.06.2022	01.01.– 30.06.2023
Profit		267 407	215 470
Revaluation of owner-occupied properties, net	5.2	8 217	1 415
Deferred taxes on revaluation of owner-occupied properties		–1 619	–279
Remeasurement of net defined benefit assets		–78 624	5 424
Deferred taxes on remeasurement of net defined benefit assets		15 725	–1 084
Items that will not be reclassified subsequently to profit or loss		–56 301	5 476
Items that will be reclassified subsequently to profit or loss		–	–
Other comprehensive income after income taxes		–56 301	5 476
Comprehensive income attributable to shareholders of Swiss Prime Site AG		211 106	220 946

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

Consolidated balance sheet

in CHF 1 000	Notes	31.12.2022	30.06.2023
Assets			
Cash		21 201	30 506
Securities		1 130	1 268
Accounts receivable		42 659	34 921
Other current receivables		2 638	74 964
Current income tax assets		3 731	3 732
Inventories		28 004	31 469
Trading properties	5.2	73 959	81 512
Accrued income and prepaid expenses		39 816	19 671
Assets held for sale	5.2	109 073	190 937
Total current assets		322 211	468 980
Net defined benefit assets		5 752	12 342
Non-current financial assets		9 501	9 696
Investments in associates		53 948	52 218
Investment properties	5.2	12 587 234	12 479 781
Owner-occupied properties	5.2	572 645	565 896
Tangible assets		3 892	699
Right-of-use assets		30 737	5 747
Goodwill		152 849	152 849
Intangible assets		32 267	17 494
Deferred income tax assets		186	5 074
Total non-current assets		13 449 011	13 301 796
Total assets		13 771 222	13 770 776
Liabilities and shareholders' equity			
Accounts payable		43 641	17 018
Current financial liabilities	6.1	355 867	159 388
Other current liabilities		110 145	15 541
Advance payments		31 080	21 883
Current income tax liabilities		44 375	40 015
Accrued expenses		138 940	156 961
Total current liabilities		724 048	410 806
Non-current financial liabilities	6.1	5 149 557	5 510 454
Deferred tax liabilities		1 328 320	1 319 263
Total non-current liabilities		6 477 877	6 829 717
Total liabilities		7 201 925	7 240 523
Share capital		153 437	153 437
Capital reserves		995 605	864 644
Treasury shares		-1 374	-6
Revaluation reserves		19 627	18 726
Retained earnings		5 402 002	5 493 452
Shareholders' equity attributable to shareholders of Swiss Prime Site AG		6 569 297	6 530 253
Total liabilities and shareholders' equity		13 771 222	13 770 776

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

Consolidated cash flow statement

in CHF 1 000	Notes	01.01.– 30.06.2022	01.01.– 30.06.2023
Profit		267 407	215 470
Depreciation, amortisation and impairment		12 004	6 524
Revaluation of investment properties, net		– 166 585	98 816
Result from investment property sales, net	5.3	– 14 654	– 9 815
Result from sales of participations, net		–	– 145 948
Result from investments in associates		– 500	– 423
Other non-cash items affecting net income		2 863	3 079
Financial expenses		21 846	28 553
Financial income		– 272	– 541
Income tax expenses	7.3	76 403	2 777
Change in accounts receivable		16 715	– 3 366
Change in inventories		– 938	– 3 465
Change in trading properties and real estate developments		– 1 763	– 7 553
Change in net defined benefit assets		24	– 1 164
Change in other receivables and accrued income and prepaid expenses		– 2 494	– 6 988
Change in accounts payable		– 14 843	11 194
Change in other current liabilities and accrued expenses		– 19 259	30 122
Income tax payments		– 34 821	– 20 987
Cash flow from operating activities		141 133	196 285
Investments in investment properties		– 167 812	– 97 243
Divestments of investment properties		94 420	84 408
Investments in owner-occupied properties		– 1 289	– 1 442
Investments in tangible assets		– 2 266	– 140
Acquisitions of group companies, less acquired cash		– 58 732	–
Divestments of group companies, less disposed cash		–	– 66 766
Investments in financial investments and shares in associated companies		– 5 998	– 1 000
Divestments of financial investments and shares in associated companies		610	804
Investments in intangible assets		– 3 597	– 2 094
Interest payments received		104	80
Dividends received		1 506	2 284
Cash flow from investing activities		– 143 054	– 81 109
Distribution to shareholders		– 256 975	– 260 794
Purchase of treasury shares		– 3 088	– 2 277
Issuance of convertible loan		–	270 863
Repayment of convertible bond		–	– 247 026
Issuance of financial liabilities		520 726	329 000
Repayment of financial liabilities		– 320 722	– 166 457
Interest paid		– 19 581	– 29 180
Cost capital increase and nominal value reduction		– 712	–
Cash flow from financing activities		– 80 352	– 105 871
Change in cash		– 82 273	9 305
Cash at beginning of period		114 656	21 201
Cash at end of period		32 383	30 506

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

Consolidated statement of changes in shareholders' equity

in CHF 1 000	Notes	Share capital	Capital reserves	Treasury shares	Revaluation reserves	Retained earnings	Total shareholders' equity
Total as at 01.01.2022		1 162 347	50 016	- 58	12 008	5 185 369	6 409 682
Profit		-	-	-	-	267 407	267 407
Revaluation of owner-occupied properties, net	5.2	-	-	-	8 217	-	8 217
Deferred taxes on revaluation of owner-occupied properties		-	-	-	- 1 619	-	- 1 619
Remeasurement of net defined benefit assets		-	-	-	-	- 78 624	- 78 624
Deferred taxes on remeasurement of net defined benefit assets		-	-	-	-	15 725	15 725
Other comprehensive income		-	-	-	6 598	- 62 899	- 56 301
Comprehensive income		-	-	-	6 598	204 508	211 106
Capital increase (acquisition Akara Group)		11 448	54 316	-	-	-	65 764
Dividend to shareholders		-	-	-	-	- 128 504	- 128 504
Nominal value reduction – Distribution to shareholders		- 128 471	-	-	-	-	- 128 471
Nominal value reduction – transfer to reserves		- 891 887	891 600	-	-	261	- 26
Share-based compensation		-	- 637	3 500	-	-	2 863
Purchase of treasury shares		-	-	- 5 179	-	-	- 5 179
Total as at 30.06.2022		153 437	995 295	- 1 737	18 606	5 261 634	6 427 235
Total as at 01.01.2023		153 437	995 605	- 1 374	19 627	5 402 002	6 569 297
Profit		-	-	-	-	215 470	215 470
Revaluation of owner-occupied properties, net	5.2	-	-	-	1 415	-	1 415
Deferred taxes on revaluation of owner-occupied properties		-	-	-	- 279	-	- 279
Remeasurement of net defined benefit assets		-	-	-	-	5 424	5 424
Deferred taxes on remeasurement of net defined benefit assets		-	-	-	-	- 1 084	- 1 084
Other comprehensive income		-	-	-	1 136	4 340	5 476
Comprehensive income		-	-	-	1 136	219 810	220 946
Distributions to shareholders		-	- 130 397	-	-	- 130 397	- 260 794
Share-based compensation		-	- 564	3 645	-	-	3 081
Purchase of treasury shares		-	-	- 2 277	-	-	- 2 277
Reclassification of owner-occupied properties		-	-	-	- 2 037	2 037	-
Total as at 30.06.2023		153 437	864 644	- 6	18 726	5 493 452	6 530 253

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

Notes to the consolidated financial statements

1 Introduction

Our strategy is based on two pillars: firstly, direct investments in high-quality properties in prime locations, primarily with commercial floor space, complemented by selective development projects. The focus of investment is properties and projects with sustainable, attractive returns and long-term potential for value growth. Secondly, we focus on the management of external real estate assets via funds, asset management mandates and external asset management for third-party clients.

The following changes with significance for financial reporting took place in the reporting period:

- Sale of the Wincasa Group to Implenia (see note 8.2)
- Issuance of a convertible loan of CHF 275 million (see note 6.1)

The structure of the notes is aligned to readers' interests, and important assumptions are explained in the individual notes.

The note sections are as follows:

- Performance; explains our performance per share
- Segments; shows our balance sheet and income statement by segment
- Real estate; provides information about our investment properties and owner-occupied properties
- Financing; provides details of our capital structure
- Platform costs; includes salaries, other operating expenses and taxes
- Other disclosures; discloses other relevant information

2 Accounting and significant principles

2.1 Principles of consolidated reporting

We have prepared the semi-annual report as at 30 June 2023 in accordance with IAS 34 «Interim Financial Reporting» and Article 17 of the Directive on Financial Reporting of the Swiss stock exchange (SIX Swiss Exchange). These semi-annual financial statements do not contain all the information and disclosures that are published in the annual consolidated financial statements. They should therefore be read in conjunction with the consolidated financial statements as at 31 December 2022.

The consolidated financial statements were prepared in Swiss francs (CHF). All amounts, except for the figures per share, have been rounded to CHF 1 000. All group companies maintain their accounts in Swiss francs. Transactions denominated in foreign currencies are immaterial. The figures for the comparative period are shown in the text in square brackets [].

The sale of the Wincasa Group in the reporting year represents a discontinued operation under IFRS 5. In accordance with the requirements of IFRS 5, we have restated the figures for the comparative period in the income statement items and separated the results from continuing and discontinued operations. Other disclosures required under IFRS 5 are included in note 8.2.

2.2 Changes to IFRS accounting principles

We applied the following new or revised standards and interpretations for the first time in the financial statements:

Standard/ interpretation	Title
IAS 1 rev.	Disclosure of Accounting Policies
IAS 8 rev.	Definition of Accounting Estimates
IFRS 17	Insurance Contracts
IAS 12 rev.	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction
IAS 12 rev.	International Tax Reform – Pillar Two Model Rules

The introduction of new or revised standards and interpretations did not lead to any significant changes to the financial statements.

The following new and revised standards and interpretations have not yet entered into force and have not been applied in advance in these consolidated financial statements.

Standard/ interpretation	Title	Entering into force	Planned application by Swiss Prime Site
IAS 1 rev.	Classification of Liabilities	01.01.2024	Fiscal year 2024
IFRS 16 rev.	Lease Liability in Sale and Leaseback	01.01.2024	Fiscal year 2024
IAS 7 rev. / IFRS 7 rev.	Supplier Finance Arrangements	01.01.2024	Fiscal year 2024

The adoption of the new standards and interpretations is not expected to have a material impact on the consolidated financial statements.

2.3 Accounting estimates

Preparing the financial statements in accordance with the IFRS accounting principles necessitates the use of accounting estimates that affect the reported amounts for assets and liabilities, the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported income and expenses for the reporting period. Although these accounting estimates have been determined by the Executive Board in good faith based on their knowledge of current events and possible future measures of Swiss Prime Site, the actual results may differ from these values.

2.3.1 Fair value measurement

When measuring the fair value of an asset or liability, we use observable market data whenever possible. Based on the inputs used in the valuation techniques, we assign the fair values to different levels of the fair value hierarchy:

Fair value hierarchy	
Level 1	The fair value has been determined on the basis of listed prices on active markets for identical assets and liabilities.
Level 2	In contrast to level 1, the fair value has been determined using inputs other than listed prices. For financial assets and liabilities, the inputs must be observable on markets directly (e.g. listed prices) or indirectly (e.g. derived from listed prices).
Level 3	The fair value has been determined using inputs that are not based on observable market data.

In the fair value measurement, different parameters on different hierarchies can be applied at the same time. We classify the entire valuation according to the lowest level of the fair value hierarchy in which the significant valuation parameters are located.

2.3.2 Impairment of goodwill

- In the impairment tests, which are performed at least once a year, we use assumptions to calculate the value in use.
- Two key factors for which assumptions are made are growth rate and discount rate. It is possible that these assumptions will prove to be inaccurate in the future. Likewise, the actual cash flows may differ from the discounted projections.
- For the first half of 2023, there were no indicators identified that would suggest any impairment of goodwill.

2.3.3 Deferred taxes

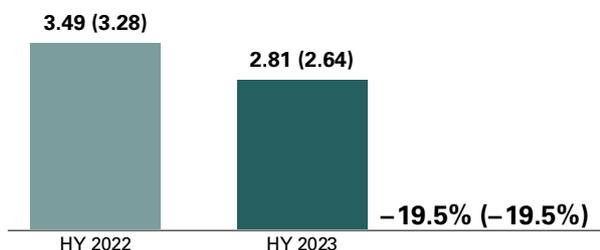
- Deferred tax liabilities are calculated based on the temporary valuation difference between the book value and the tax base of a balance sheet item («balance sheet liability method»).
- Deferred taxes on temporary valuation differences in the property portfolio are calculated per property in accordance with the cantonal legislation. We review the calculation parameters applied (especially the tax rates) at least once a year and adapt them if necessary.
- Cantons with a one-tier tax system charge a separate property gains tax. In addition to ordinary property gains tax, this includes speculative surcharges or complemented ownership deductions (based on the effective holding period). The longer the duration of ownership, the lower the property gains tax.
- In the case of properties held for sale, we use the effective holding period in the calculation. For other types of properties, we assume a duration of ownership of 20 years or use the effective holding period if it is more than 20 years. Estimating the minimum holding period is subject to considerable discretion.
- Where the valuation difference of properties according to IFRS versus the tax bases are due to recaptured and previously claimed depreciation, the taxes are allocated per property after the deduction of property gains tax and taken into account separately.

3 Performance

3.1 Key figures per share

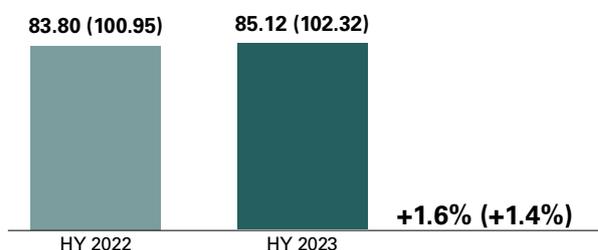
Earnings per share (diluted earnings per share)

in CHF resp. %



NAV after deferred taxes (NAV before deferred taxes)

in CHF resp. %



Earnings and net asset value (NAV) per share

in CHF	01.01.– 30.06.2022	01.01.– 30.06.2023
Earnings per share (EPS) from continuing operations	3.42	0.86
Diluted earnings per share from continuing operations	3.21	0.82
Earnings per share (EPS)	3.49	2.81
Diluted earnings per share	3.28	2.64
Shareholders' equity per share (NAV) before deferred taxes ¹	100.95	102.32
Shareholders' equity per share (NAV) after deferred taxes ¹	83.80	85.12

¹ Asset Management, Retail and Corporate & Shared Services segments are included at book values and not at fair values

Basis for calculation of diluted earnings per share

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Profit from continuing operations	262 082	65 886
Interests on convertible bonds / loans, amortisation of proportional costs and tax effects	1 542	1 895
Relevant profit from continuing operations for calculation of diluted earnings per share	263 624	67 781
Profit attributable to shareholders of Swiss Prime Site AG	267 407	215 470
Interests on convertible bonds / loans, amortisation of proportional costs and tax effects	1 542	1 895
Relevant profit for calculation of diluted earnings per share	268 949	217 365

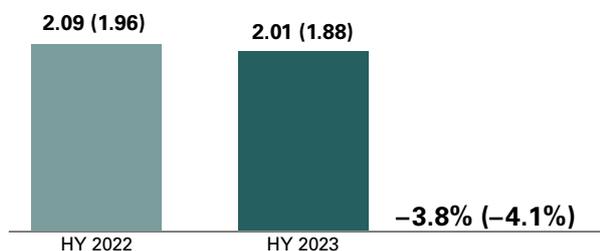
Weighted average number of shares

	01.01.– 30.06.2022	01.01.– 30.06.2023
Shares issued as at 01.01.	75 970 364	76 718 604
Weighted number of shares on capital increase on 04.01.2022	731 612	–
Average number of treasury shares (180 days)	–7 246	–8 007
Total weighted average number of shares 01.01.–30.06. (180 days)	76 694 730	76 710 597
Weighted number of shares that can be issued on conversions	5 334 160	5 705 331
Basis for calculation of diluted earnings per share	82 028 890	82 415 928

3.2 Funds from operations (FFO)

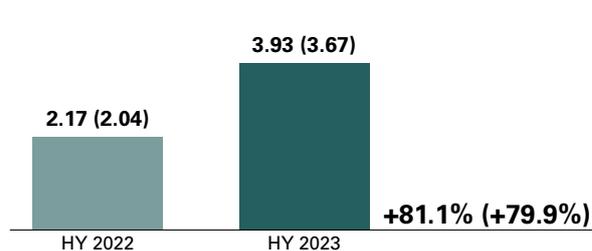
FFO I per share (FFO I per share diluted)

in CHF resp. %



FFO II per share (FFO II per share diluted)

in CHF resp. %



in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Operating result (EBIT)	358 589	95 702
Depreciation and amortisation	6 811	3 268
Revaluation from investment properties, net	- 166 585	98 816
Result from investment property sales, net	- 14 654	- 9 815
Result from investments in associates	- 500	- 423
Revaluation of net defined benefit assets (IAS 19)	359	- 518
Payments from leasing contracts	- 4 577	- 4 972
Cash effective interest expenses	- 19 109	- 26 362
Cash effective interest income and dividends	1 527	2 364
Current taxes without investment property sales	- 9 742	- 8 899
FFO I from continuing operations	152 119	149 161
Result from investment property sales, net	14 654	9 815
Current taxes from investment property sales	- 8 227	- 8 253
FFO II from continuing operations	158 546	150 723
From continuing operations		
Total weighted average number of shares	76 694 730	76 710 597
FFO I per share in CHF	1.98	1.94
FFO II per share in CHF	2.07	1.96
Total weighted average number of shares diluted	82 028 890	82 415 928
FFO I per share in CHF diluted	1.86	1.82
FFO II per share in CHF diluted	1.94	1.84
From continuing and discontinued operations		
FFO I per share in CHF	2.09	2.01
FFO II per share in CHF	2.17	3.93
FFO I per share in CHF diluted	1.96	1.88
FFO II per share in CHF diluted	2.04	3.67

4 Segment reporting

At its core, our strategy involves actively investing in real estate. The segment structure is based on internal reporting (management approach). With the sale of the Wincasa Group, the repositioning of Jelmoli and the strategy focus on direct and indirect real estate investments, we have redefined our segments. The figures for the comparative period have also been adjusted to reflect the new segmentation.

- Real Estate comprises the purchase, sale, lease and development of properties, as well as the financing of these activities
- Asset Management includes the fund business, asset management and investment consulting
- Retail consists of the operation of department stores
- Corporate and Shared Services includes the central group functions as well as internal services that are provided centrally

Key performance figures 01.01.–30.06.2023

	Real Estate segment	Asset Management segment	Retail segment	Corporate & Shared Services segment	Total segments	Eliminations	01.01.–30.06.2023 Total group
Loan-to-value ratio of property portfolio (LTV)	39.7% ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Return on equity (ROE)	1.9%	23.3%	n.a.	n.a.	n.a.	n.a.	6.6%
Return on invested capital (ROIC)	1.3%	8.9%	-18.8% ²	n.a.	n.a.	n.a.	3.5%
Full-time equivalents as at balance sheet date	47	72	446	44	609	–	609

¹ Receivables secured by bank guarantees were deducted from financial liabilities

² Not included is the adjustment of tax losses capitalised from previous periods of CHF -4.888 million

Segment income statement 01.01.–30.06.2023

in CHF 1 000	Real Estate segment	Asset Management segment	Retail segment	Corporate & Shared Services segment	Total segments	Eliminations	01.01.–30.06.2023 Total group
Rental income from properties	227 954	–	6 721	–	234 675	-15 775	218 900
thereof from third parties	211 676	–	6 721	–	218 397	–	218 397
thereof from discontinued operations	503	–	–	–	503	–	503
thereof from other segments	15 775	–	–	–	15 775	-15 775	–
Income from sale of trading properties	4 123	–	–	–	4 123	–	4 123
Income from asset management	–	22 191	–	–	22 191	–	22 191
Income from retail	–	–	59 760	–	59 760	-22	59 738
Other operating income	185	–	2 730	8 070	10 985	-8 303	2 682
Operating income	232 262	22 191	69 211	8 070	331 734	-24 100	307 634
Revaluation of investment properties, net	-98 816	–	–	–	-98 816	–	-98 816
Result from investments in associates	–	–	–	423	423	–	423
Result from investment property sales, net	9 815	–	–	–	9 815	–	9 815
Real estate costs	-31 551	-399	-16 144	-1 348	-49 442	16 182	-33 260
Cost of trading properties sold	-3 797	–	–	–	-3 797	–	-3 797
Cost of goods sold	–	–	-30 589	–	-30 589	–	-30 589
Personnel costs	-5 616	-7 859	-21 028	-7 085	-41 588	133	-41 455
Other operating expenses	-10 176	-1 997	-5 068	-4 129	-21 370	7 785	-13 585
Depreciation, amortisation and impairment	-1 179	-594	-1 386	-109	-3 268	–	-3 268
Capitalised own services	2 600	–	–	–	2 600	–	2 600
Operating expenses	-49 719	-10 849	-74 215	-12 671	-147 454	24 100	-123 354
Operating result (EBIT)	93 542	11 342	-5 004	-4 178	95 702	–	95 702
Operating result before depreciation and amortisation (EBITDA)	94 721	11 936	-3 618	-4 069	98 970	–	98 970

Balance sheet items as at 30.06.2023

in CHF 1 000	Real Estate segment	Asset Management segment	Retail segment	Corporate & Shared Services segment	Total segments	Eliminations	30.06.2023 Total group
Real estate portfolio (without leasing)	13 064 492	–	–	–	13 064 492	–	13 064 492
Right-of-use assets	253 634	477	3 870	1 400	259 381	–	259 381
Other assets	82 204	204 903	47 464	216 448	551 019	–104 116	446 903
Total assets	13 400 330	205 380	51 334	217 848	13 874 892	–104 116	13 770 776
Financial liabilities (without leasing)	5 285 753	124 676	–	–	5 410 429	–	5 410 429
Lease liabilities	253 634	478	3 894	1 407	259 413	–	259 413
Other liabilities	1 553 282	10 624	89 514	21 377	1 674 797	–104 116	1 570 681
Total liabilities	7 092 669	135 778	93 408	22 784	7 344 639	–104 116	7 240 523
Total shareholders' equity	6 307 661	69 602	–42 074	195 064	6 530 253	–	6 530 253
Total investments	153 837	–	95	–	153 932	–	153 932

Performance key figures 01.01. – 30.06.2022

	Real Estate segment	Asset Management segment	Retail segment	Corporate & Shared Services segment	Total segments	Eliminations	01.01.–30.06.2022 Total group
Loan-to-value ratio of property portfolio (LTV)	38.8% ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Return on equity (ROE)	8.5%	36.7%	n.a.	n.a.	n.a.	n.a.	8.3%
Return on invested capital (ROIC)	4.4%	13.2%	–16.7% ²	n.a.	n.a.	n.a.	4.2%
Full-time equivalents as at balance sheet date	38	73	480	41	632	n.a.	632

¹ LTV as at 31.12.2022

² Not included is the adjustment of tax losses capitalised from previous periods of CHF 6.919 million

Segment income statement 01.01.–30.06.2022

in CHF 1 000	Real Estate segment	Asset Management segment	Retail segment	Corporate & Shared Services segment	Total segments	Eliminations	01.01.–30.06.2022 Total group
Rental income from properties	224 058	–	6 716	–	230 774	–15 854	214 920
thereof from third parties	207 466	–	6 716	–	214 182	–	214 182
thereof from discontinued operations	738	–	–	–	738	–	738
thereof from other segments	15 854	–	–	–	15 854	–15 854	–
Income from sale of trading properties	203	–	–	–	203	–	203
Income from real estate developments	–	8 435	–	–	8 435	–	8 435
Income from asset management	–	27 162	–	–	27 162	–	27 162
Income from retail	–	–	57 404	–	57 404	–12	57 392
Other operating income	214	72	2 267	9 347	11 900	–9 456	2 444
Operating income	224 475	35 669	66 387	9 347	335 878	–25 322	310 556
Revaluation of investment properties, net	166 585	–	–	–	166 585	–	166 585
Result from investments in associates	–	–	–	500	500	–	500
Result from investment property sales, net	14 654	–	–	–	14 654	–	14 654
Real estate costs	–31 688	–453	–16 010	–1 399	–49 550	16 139	–33 411
Cost of real estate developments	–	–7 661	–	–	–7 661	–	–7 661
Cost of trading properties sold	–103	–	–	–	–103	–	–103
Cost of goods sold	–	–	–30 038	–	–30 038	–	–30 038
Personnel costs	–5 433	–8 035	–20 708	–6 936	–41 112	131	–40 981
Other operating expenses	–13 293	–2 131	–5 159	–4 443	–25 026	9 052	–15 974
Depreciation, amortisation and impairment	–3 018	–260	–3 450	–83	–6 811	–	–6 811
Capitalised own services	1 273	–	–	–	1 273	–	1 273
Operating expenses	–52 262	–18 540	–75 365	–12 861	–159 028	25 322	–133 706
Operating result (EBIT)	353 452	17 129	–8 978	–3 014	358 589	–	358 589
Operating result before depreciation and amortisation (EBITDA)	356 470	17 389	–5 528	–2 931	365 400	–	365 400

Balance sheet items as at 31.12.2022

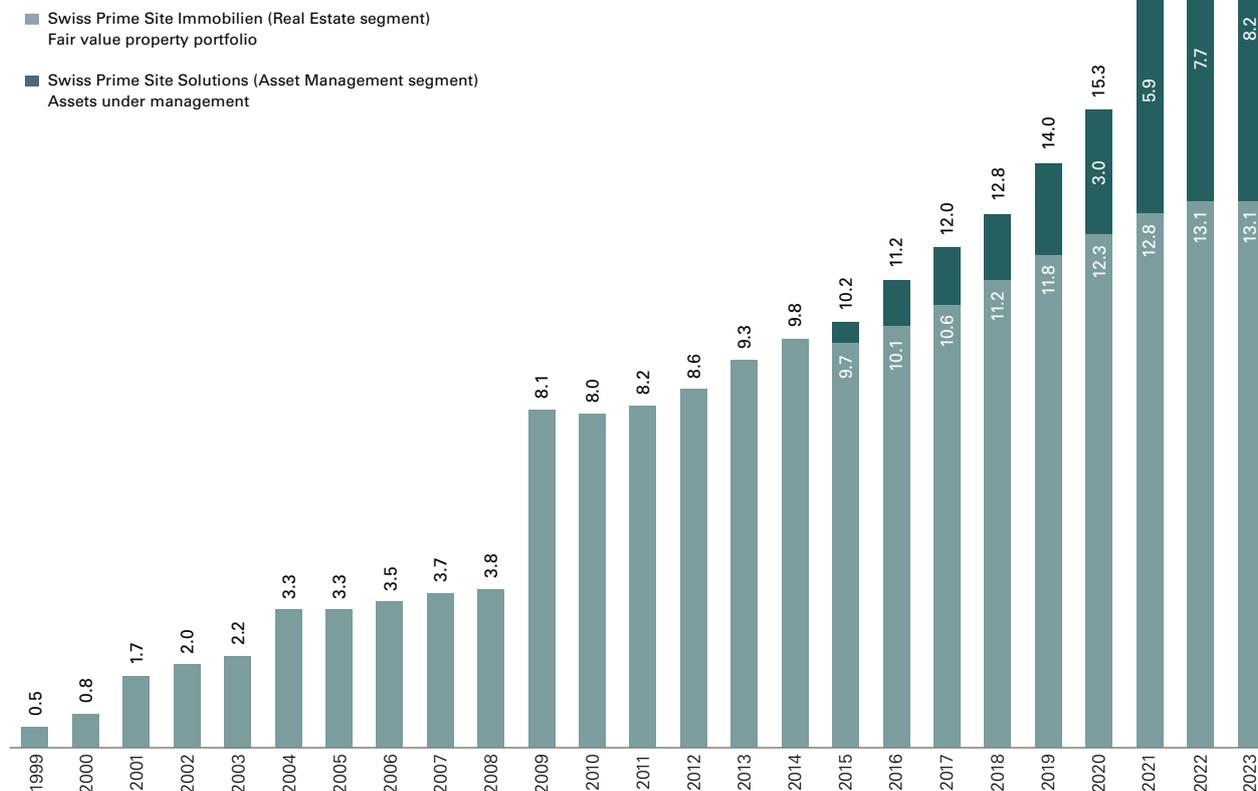
in CHF 1 000	Real Estate segment	Asset Management segment	Retail segment	Corporate & Shared Services segment	Total segments	Eliminations	31.12.2022 Total group
Real estate portfolio (without leasing)	13 087 715	–	–	–	13 087 715	–	13 087 715
Right-of-use assets	255 197	–	5 160	1 508	261 865	–	261 865
Other assets	155 561	235 073	47 197	144 779	582 610	–211 001	371 609
Total assets	13 498 473	235 073	52 357	146 287	13 932 190	–211 001	13 721 189
Financial liabilities (without leasing)	5 094 709	124 676	–	–	5 219 385	–	5 219 385
Lease liabilities	255 197	–	5 184	1 513	261 894	–	261 894
Other liabilities	1 703 662	12 493	92 781	98 028	1 906 964	–211 001	1 695 963
Total liabilities	7 053 568	137 169	97 965	99 541	7 388 243	–211 001	7 177 242
Total shareholders' equity	6 444 905	97 904	–45 608	46 746	6 543 947	–	6 543 947
Total investments	378 955	172 632	4 534	–	556 121	–	556 121

The balance sheet items of the discontinued operation (Wincasa Group) are no longer recognised in the segment financial statements. More information on the discontinued operation can be found in note 8.2.

5 Real estate

5.1 Assets under management

Real estate assets under management in CHF billion



5.2 Properties

We have our properties valued at fair value by property valuation company Wüest Partner AG in accordance with IFRS accounting principles. The valuation is performed using the discounted cash flow method (DCF), under which future cash flows are discounted, taking into account the market situation and risks. The inputs used are determined by Wüest Partner AG on the basis of its in-depth market knowledge, and we then critically review them and discuss them with the valuers.

Further information can be found in Wüest Partner's report.

Changes to properties

in CHF 1 000	Properties (incl. building land)	Properties under con- struction/ develop- ment sites	Total investment properties	Owner- occupied properties	Properties held for sale	Trading properties	Total portfolio
	IAS 40	IAS 40		IAS 16	IFRS 5	IAS 2	
Total as at 01.01.2022 (according to valuation expert)	11 044 259	848 040	11 892 299	597 611	250 124	53 466	12 793 500
Right-of-use assets	238 702		238 702				238 702
Total book value as at 01.01.2022	11 282 961	848 040	12 131 001	597 611	250 124	53 466	13 032 202
Purchases	19 529	41 695	61 224	–	–	–	61 224
Investments	115 120	161 039	276 159	2 863	17 167	16 838	313 027
Capitalised borrowing costs	–	4 046	4 046	–	427	–	4 473
Reclassifications	26 518	–51 280	–24 762	–36 199	43 709	17 252	–
Disposal by sale	–50 356	–	–50 356	–	–201 740	–13 597	–265 693
Positive fair value adjustment	212 990	54 351	267 341	–	140	–	267 481
Negative fair value adjustment	–79 384	–14 529	–93 913	–	–754	–	–94 667
Fair value adjustment¹	133 606	39 822	173 428	–	–614	–	172 814
Depreciation owner-occupied properties				–1 119			–1 119
Revaluation owner-occupied properties, net				9 489			9 489
Total as at 31.12.2022 (according to valuation expert)	11 288 676	1 043 362	12 332 038	572 645	109 073	73 959	13 087 715
Right-of-use assets	255 196		255 196				255 196
Total book value as at 31.12.2022	11 543 872	1 043 362	12 587 234	572 645	109 073	73 959	13 342 911
Investments	27 765	110 182	137 947	1 442	248	11 350	150 987
Capitalised borrowing costs	–	2 583	2 583	–	–	–	2 583
Reclassifications	2 503	–145 010	–142 507	–8 680	151 187	–	–
Disposal by sale	–9 178	–	–9 178	–	–67 053	–3 797	–80 028
Positive fair value adjustment	54 576	4 129	58 705	–	–	–	58 705
Negative fair value adjustment	–150 555	–2 886	–153 441	–	–2 518	–	–155 959
Fair value adjustment¹	–95 979	1 243	–94 736	–	–2 518	–	–97 254
Depreciation owner-occupied properties				–926			–926
Revaluation owner-occupied properties, net				1 415			1 415
Total as at 30.06.2023 (according to valuation expert)	11 213 787	1 012 360	12 226 147	565 896	190 937	81 512	13 064 492
Right-of-use assets	253 634		253 634				253 634
Total book value as at 30.06.2023	11 467 421	1 012 360	12 479 781	565 896	190 937	81 512	13 318 126

¹ Not included is the revaluation of IFRS 16 right-of-use from building rights of CHF –1.562 million [CHF –3.075 million]

We reclassified the following properties in the first half of 2023:

- We are planning to sell nine existing properties and two development plots and are reclassifying these from existing properties to properties held for sale.
- One construction project is complete and we are reclassifying this from properties under construction/development sites to existing properties.
- The decrease in the space used for own operations in the properties Zurich, Albisriederstrasse, YOND and Zurich, Hardstrasse 201, Prime Tower led to reclassifications of holdings from owner-occupied properties to existing properties. The increase in the space used for own operations in the property Zurich, Seidengasse 1, Jelmoli, led to reclassifications of holdings from existing properties to owner-occupied properties.

Unobservable inputs applied as at 30.06.2023

	in	Building land	Commercial properties (continuation of use) ¹	Commercial properties (highest and best use) ²	Properties under construction/development sites
Fair value as at balance sheet date	CHF m	58.480	9 076.409	2 835.731	1 093.872
Unobservable input factors					
Average discount rate	%	2.95	2.77	2.61	2.95
Maximum discount rate	%	4.95	5.00	4.70	4.10
Minimum discount rate	%	2.30	1.70	1.90	2.35
Rental income residential	CHF per m ² p.a.	–	70 to 692	120 to 1 318	648 to 816
Rental income offices	CHF per m ² p.a.	–	55 to 960	90 to 1 000	250 to 535
Rental income retail/gastro	CHF per m ² p.a.	–	90 to 9 220	120 to 5 000	390 to 950
Rental income commercial	CHF per m ² p.a.	–	55 to 380	80 to 250	220 to 280
Rental income storage	CHF per m ² p.a.	–	20 to 300	40 to 200	100 to 170
Rental income parking inside	CHF per piece and month	–	60 to 650	80 to 600	150 to 635
Rental income parking outside	CHF per piece and month	–	40 to 400	40 to 160	75 to 200

¹ Commercial properties for which the valuation was based on the assumption of continuation of current use, as well as properties held for sale

² Commercial properties for which the valuation was based on highest and best use (the current use does not correspond to the best use)

Unobservable inputs applied as at 31.12.2022

	in	Building land	Commercial properties (continuation of use) ¹	Commercial properties (highest and best use) ²	Properties under construction/development sites
Fair value as at balance sheet date	CHF m	63.191	10 671.805	1 235.398	1 117.321
Unobservable input factors					
Average discount rate	%	3.06	2.69	2.67	2.96
Maximum discount rate	%	4.95	4.95	4.60	4.00
Minimum discount rate	%	2.20	1.65	2.15	2.35
Rental income residential	CHF per m ² p.a.	–	70 to 692	120 to 530	648 to 816
Rental income offices	CHF per m ² p.a.	–	75 to 1 000	90 to 780	180 to 535
Rental income retail/gastro	CHF per m ² p.a.	–	80 to 9 000	120 to 1 190	390 to 950
Rental income commercial	CHF per m ² p.a.	–	55 to 380	50 to 200	220 to 280
Rental income storage	CHF per m ² p.a.	–	20 to 300	50 to 180	90 to 170
Rental income parking inside	CHF per piece and month	–	50 to 650	100 to 600	90 to 635
Rental income parking outside	CHF per piece and month	–	40 to 400	40 to 160	75 to 200

¹ Commercial properties for which the valuation was based on the assumption of continuation of current use, as well as properties held for sale

² Commercial properties for which the valuation was based on highest and best use (the current use does not correspond to the best use)

- The fair value of the entire property portfolio is determined by applying the «highest and best use» concept. Highest and best use is the utilisation of a property that maximises its value. This assumes a use that is technically/physically possible, legally permitted and financially feasible. The non-observable inputs for properties for which the highest and best use differs from the actual or planned use of a property are shown separately in the above tables.

Sensitivity of existing properties' fair value as at 30.06.2023

Change in fair value in %	with changed market rents of				
	-4%	-2%	+/-0%	+2%	+4%
Average real discount rate					
2.41%	8.50%	11.40%	14.10%	17.00%	19.90%
2.52%	3.70%	6.30%	9.00%	11.70%	14.40%
2.63%	-0.80%	1.80%	4.30%	6.90%	9.50%
2.73% (valuation as at 30.06.2023)	-4.90%	-2.50%	-	2.50%	4.90%
2.84%	-8.70%	-6.40%	-4.00%	-1.60%	0.70%
2.95%	-12.20%	-10.00%	-7.70%	-5.40%	-3.20%
3.05%	-15.50%	-13.30%	-11.10%	-9.00%	-6.80%
3.16%	-18.50%	-16.40%	-14.30%	-12.30%	-10.20%

Sensitivity of existing properties' fair value as at 31.12.2022

Change in fair value in %	with changed market rents of				
	-4%	-2%	+/-0%	+2%	+4%
Average real discount rate					
2.37%	8.10%	10.70%	13.50%	15.80%	18.40%
2.48%	3.50%	5.90%	8.60%	10.80%	13.20%
2.58%	-0.70%	1.80%	4.10%	6.50%	8.80%
2.69% (valuation as at 31.12.2022)	-4.40%	-2.20%	-	2.20%	4.50%
2.80%	-8.20%	-5.90%	-3.80%	-1.70%	0.50%
2.90%	-11.60%	-9.30%	-7.30%	-5.30%	-3.20%
3.01%	-14.70%	-12.50%	-10.60%	-8.60%	-6.70%
3.11%	-17.50%	-15.50%	-13.60%	-11.70%	-9.90%

Details on future rental income under existing contracts

The following table breaks down the future net annual rental income and land lease income from properties (excluding properties under construction and development sites, and excluding leased properties) by the end dates of individual rental contracts as at 30 June 2023:

End of contract	30.06.2022 Future rental income in CHF 1 000	Share in %	30.06.2023 Future rental income in CHF 1 000	Share in %
Indefinite (residential, parking facilities, commercial properties, etc.)	26 486	5.8	24 681	5.4
Under 1 year	30 288	6.6	30 831	6.8
Over 1 year	59 046	12.9	64 394	14.2
Over 2 years	46 885	10.3	53 484	11.8
Over 3 years	50 055	11.0	65 977	14.5
Over 4 years	61 901	13.6	33 507	7.4
Over 5 years	26 261	5.8	28 892	6.4
Over 6 years	16 213	3.6	23 436	5.2
Over 7 years	21 057	4.6	13 836	3.0
Over 8 years	14 013	3.1	36 578	8.1
Over 9 years	37 080	8.1	32 680	7.2
Over 10 years	67 411	14.6	45 769	10.0
Total	456 696	100.0	454 065	100.0

– We have presented the currently contractually secured future rental income from the perspective of the Real Estate segment and it is based on the rental contracts of the group's properties as at 30 June 2023 [30 June 2022].

Largest external tenants

in % of future annual net rental and land lease income	30.06.2022	30.06.2023
Tertianum	6.5	6.6
Coop	5.0	4.8
Magazine zum Globus	4.6	4.6
Swisscom	3.4	3.4
Zurich Insurance Group	2.5	2.6
Total	22.0	22.0

Current development and new building projects

Basel, Hochbergerstrasse 60: Stücki Park

Project description	Construction of three laboratory buildings and one office property and transformation of the area into a centre for innovation, entertainment and health. Investment volume: approx. CHF 250 million (full fit-out) Further information: stueckipark.ch
Project status	First stage completed, second stage being executed
Letting status	Building F (office) being marketed, buildings H, G and I (laboratory and office) fully let
Completion	First stage: 2021, second stage: 2024

Basel, Steinenvorstadt 5

Project description	Total renovation and conversion of a retail property to residential with services, gastronomy and retail use on the ground floor and basement floor. The property has six full floors, an attic, a service floor and five basement floors in total. Investment volume: approx. CHF 52 million.
Project status	In planning
Letting status	Interim letting
Completion	Q1 2026

Berne, Stauffacherstrasse 131: Berne 131

Project description	Flexible office and commercial space in timber hybrid construction using solar panels on the roof and façade. Investment volume: approx. CHF 79 million. Further information: bern131.ch
Project status	Project being executed
Letting status	Currently being marketed
Completion	Q1 2025

Lancy, Esplanade de Pont-Rouge 5, 7, 9: Alto Pont-Rouge

Project description	Construction of a new services building with 15 upper floors and flexible use areas. Investment volume: approx. CHF 306 million. Further information: alto-pont-rouge.ch
Project status	Project being executed
Letting status	Currently being marketed
Completion	2023

Olten, Solothurnerstrasse 201a: USEGO-Park

Project description	Construction of a new residential and care facility for Tertianum on the USEGO site in Olten. Investment volume: approx. CHF 34 million
Project status	Project being executed
Letting status	100% let
Completion	Q1 2024

Paradiso, Riva Paradiso 3, 20: Tertianum Residenz Du Lac

Project description	New senior citizens' residence with 60 apartments and a geriatric care centre with 40 beds. Investment volume: approx. CHF 73 million
Project status	Project being executed
Letting status	100% let
Completion	Q1 2024

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

Project description	Construction of a new building on the building land reserve to complete the site development. Large contiguous areas on five floors, including laboratory uses on the ground floor/first floor. Investment volume: approx. CHF 105 million (full fit-out) Further information: jed.swiss
Project status	Project being executed
Letting status	95% let, 5% reserved
Completion	2024

Zurich, Müllerstrasse 16, 20

Project description	Total renovation of an office property. The property has six full floors, an attic, a service floor and three basement floors. Investment volume: approx. CHF 222 million.
Project status	Project being executed
Letting status	100% let
Completion	2023

A more detailed description of the development and new construction projects has been published on our website at www.sps.swiss/ developments.

5.3 Result from investment property sales

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Gains from sales of properties	–	3 616
Gains from sales of properties held for sale	14 654	6 717
Losses from sales properties held for sale	–	– 518
Total result from investment property sales, net	14 654	9 815

We sold eight properties in the first half of 2023:

- An existing property in each of the following: Conthey (Route Cantonale 2), Frauenfeld (Zürcherstrasse 305), Frick (Hauptstrasse 132), Meyrin (Route de Meyrin 210), Sursee (Moosgasse 20), Wabern (Nesslerenweg 30), Wil (Obere Bahnhofstrasse 40)
- Building land in Wangen bei Olten (Rickenbacherfeld 11, 13, 15)

We sold the following properties in the first half of 2022:

- Seven existing properties to Swiss Prime Site Solutions Investment Fund Commercial as part of the launch (seed portfolio). The transaction with a total value of around CHF 80 million was completed under market conditions based on appraisals of independent valuation experts and was approved by FINMA.
- Two existing properties in St. Gallen (Spisergasse 12 and Turmgasse)

5.4 Real estate costs

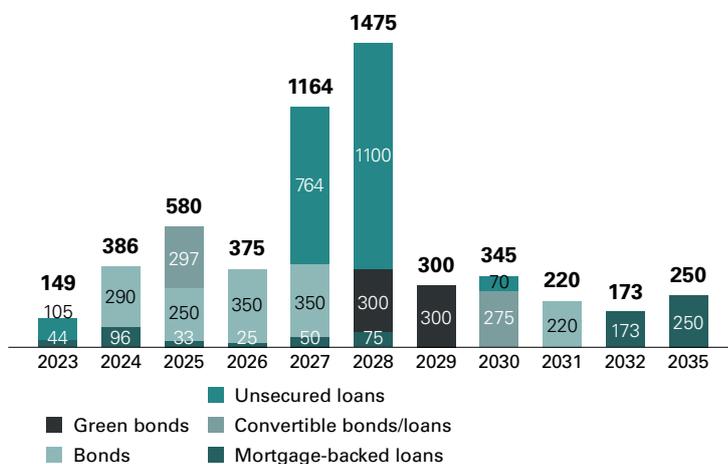
in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Maintenance and repair costs	– 8 355	– 7 575
Ancillary costs borne by the owner	– 9 244	– 8 576
Property-related insurance costs and fees	– 3 878	– 3 944
Costs for cleaning, energy and water	– 1 452	– 1 593
Expenses for third-party services	– 10 482	– 11 572
Total real estate costs	– 33 411	– 33 260

6 Financing

6.1 Financial liabilities

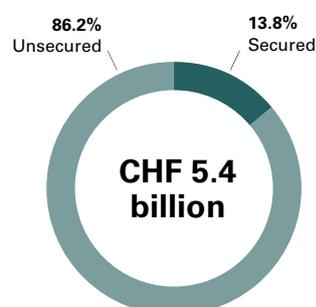
Maturity profile (without leasing)

Nominal values in CHF million
as at 30.06.2023



Financial structure (without leasing)

as at 30.06.2023



in CHF 1 000

	31.12.2022	30.06.2023
Mortgage-backed loans	44 520	44 507
Unsecured loans (private placement)	50 000	105 000
Convertible bonds/loans	247 026	–
Current lease liabilities	14 321	9 881
Total current financial liabilities	355 867	159 388
Mortgage-backed loans	701 000	701 000
Unsecured loans	1 822 000	1 934 000
Convertible bonds/loans	295 652	566 801
Bonds (incl. green bonds)	2 059 187	2 059 121
Non-current lease liabilities	271 718	249 532
Total non-current financial liabilities	5 149 557	5 510 454
Total financial liabilities	5 505 424	5 669 842

- Based on the financial liabilities (excluding leases) of the Real Estate segment, the loan-to-value ratio of the property portfolio was 39.7% [38.8% as at 31 December 2022].
- As at 30 June 2023, we had committed, undrawn credit facilities (RCF) of CHF 666.000 million [CHF 778.000 million]. The two agreements have a term to maturity of five and six years respectively, with an option to extend. The most important financial covenants relate to the loan-to-value ratio (LTV) and the interest coverage ratio. The loan-to-value ratio (financial liabilities as a percentage of total assets) may not exceed 50% over a six-month period and must never exceed 55%. The interest coverage ratio is calculated by dividing income from the rental of properties by interest expense, and must be at least 4.0. As at the balance sheet date, the loan-to-value ratio was 40.1% [38.7% as at 31 December 2022] and the interest coverage ratio was 8.3 [10.8 as at 31 December 2022]. All covenants were consistently adhered to.

Bonds

		CHF 190 m 2024	CHF 100 m 2024	CHF 250 m 2025	CHF 350 m 2026
Issuing volume, nominal	CHF m	190.000	100.000	250.000	350.000
Book value as at 30.06.2023	CHF m	189.976	99.879	249.977	351.077
Book value as at 31.12.2022	CHF m	189.964	99.838	249.972	351.263
Interest rate	%	1.0	2.0	0.5	0.825
Term to maturity	years	6	10	9	9
Maturity	date	16.07.2024	10.12.2024	03.11.2025	11.05.2026
Securities number		39 863 325 (SPS181)	25 704 217 (SPS142)	33 764 553 (SPS161)	36 067 729 (SPS17)
Fair value as at 30.06.2023	CHF m	187.492	99.430	241.000	335.475
Fair value as at 31.12.2022	CHF m	186.390	99.900	240.000	331.975

		CHF 350 m 2027	Green Bond CHF 300 m 2028	Green Bond CHF 300 m 2029	CHF 220 m 2031
Issuing volume, nominal	CHF m	350.000	300.000	300.000	220.000
Book value as at 30.06.2023	CHF m	351.072	299.500	299.477	218.163
Book value as at 31.12.2022	CHF m	351.214	299.446	299.437	218.053
Interest rate	%	1.25	0.375	0.65	0.375
Term to maturity	years	8	7	9	12
Maturity	date	02.04.2027	11.02.2028	18.12.2029	30.09.2031
Securities number		41 904 099 (SPS19)	58 194 781 (SPS21)	58 194 773 (SPS200)	48 850 668 (SPS192)
Fair value as at 30.06.2023	CHF m	334.600	272.700	265.650	184.140
Fair value as at 31.12.2022	CHF m	331.450	266.250	260.100	177.100

Convertible bonds/loans

		CHF 250 m 2023	CHF 300 m 2025	CHF 275 m 2030
Issuing volume, nominal	CHF m	250.000	300.000	275.000
Nominal value as at 30.06.2023	CHF m	0.000	296.630	275.000
Book value as at 30.06.2023	CHF m	0.000	295.889	270.912
Book value as at 31.12.2022	CHF m	247.026	295.652	0.000
Conversion price	CHF	104.07	100.35	85.16
Interest rate	%	0.25	0.325	1.625
Term to maturity	years	7	7	7
Maturity	date	16.06.2023	16.01.2025	31.05.2030
Securities number		32 811 156 (SPS16)	39 764 277 (SPS18)	XS2627116176
Fair value as at 30.06.2023	CHF m	0.000	288.176	271.425
Fair value as at 31.12.2022	CHF m	245.619	287.731	0.000

- In the reporting period, we issued a convertible loan of CHF 275.000 million to a Dutch financing company owned by a foundation (repacking vehicle). In turn, the financing company issued a seven-year exchangeable bond secured by the convertible loan. The instrument bears interest at a rate of 1.625% p.a. The initial conversion price is CHF 85.16.
- We repaid the convertible bond at maturity on 16 June 2023.

Conversion price and number of possible shares given 100% conversion

	31.12.2022 Conversion price in CHF	Number of possible shares	Weighted number of possible shares	30.06.2023 Conversion price in CHF	Number of possible shares	Weighted number of possible shares
Convertible bonds/loans						
0.25%-convertible bond 16.06.2016– 16.06.2023, issuing volume CHF 250.000 million, nominal value CHF 247.500 million	104.07	2 378 206	2 378 206	n.a.	–	2 193 234
0.325%-convertible bond 16.01.2018– 16.01.2025, issuing volume CHF 300.000 million, nominal value CHF 296.630 million	100.35	2 955 954	2 955 954	100.35	2 955 954	2 955 954
1.625%-convertible loan 29.05.2023– 31.05.2030, issuing volume CHF 275.000 million, nominal value CHF 275.000 million	n.a.	–	–	85.16	3 229 215	556 143
Total number of possible shares		5 334 160	5 334 160		6 185 169	5 705 331

- Creditors of the convertible bond in the amount of CHF 300.000 million and the convertible loan of CHF 275.000 million who exercise their conversion right will receive the nominal value of the convertible bond/loan in cash and any additional amount in the form of registered shares of the Company, subject to Swiss Prime Site AG exercising its right to choose, at its discretion, any combination of cash and shares to settle the bond conversions. Based on the Company's option right, no conditional capital is reserved for potential conversions. Because of the current structure of the conversion option, it does not constitute an equity instrument and is therefore not separated.

Current and non-current financial liabilities excluding lease liabilities, categorised by interest rate

in CHF 1 000	31.12.2022 Total nominal value	30.06.2023 Total nominal value
Financial liabilities up to 1.00%	3 216 450	2 968 130
Financial liabilities up to 1.50%	1 718 000	546 000
Financial liabilities up to 2.00%	254 700	983 700
Financial liabilities up to 2.50%	32 500	918 308
Total financial liabilities	5 221 650	5 416 138

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

in CHF 1 000	30.06.2023 Book value	Future cash outflows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Nominal	Inter- est	Nominal	Inter- est	Nominal	Interest	Nominal	Interest	Nominal
Current financial liabilities without leasing	149 507	150 331	824	149 507	-	-	-	-	-	-	-	-
Accounts payable	17 018	17 018	-	17 018	-	-	-	-	-	-	-	-
Accrued expenses without capital taxes	155 096	155 096	-	155 096	-	-	-	-	-	-	-	-
Other current liabilities	15 541	15 541	-	15 541	-	-	-	-	-	-	-	-
Non-current financial liabilities without leasing	5 260 922	5 566 349	27 376	-	33 272	-	56 227	682 630	135 549	2 146 500	47 295	2 437 500
Leasing liabilities	259 413	410 420	1 976	3 015	1 962	3 030	3 882	4 949	11 457	10 271	131 730	238 148
Total financial liabilities	5 857 497	6 314 755	30 176	340 177	35 234	3 030	60 109	687 579	147 006	2 156 771	179 025	2 675 648

in CHF 1 000	31.12.2022 Book value	Future cash outflows	<6 months		6 to 12 months		1 to 2 years		2 to 5 years		>5 years	
			Inter- est	Nominal	Inter- est	Nominal	Inter- est	Nominal	Interest	Nominal	Interest	Nominal
Current financial liabilities without leasing	341 546	342 824	803	298 320	1	43 700	-	-	-	-	-	-
Accounts payable	43 641	43 641	-	43 641	-	-	-	-	-	-	-	-
Accrued expenses without capital taxes	136 536	136 536	-	136 536	-	-	-	-	-	-	-	-
Other current liabilities	110 145	110 145	-	110 145	-	-	-	-	-	-	-	-
Non-current financial liabilities without leasing	4 877 839	5 120 889	23 655	-	22 229	-	44 590	386 000	104 829	2 066 130	45 956	2 427 500
Leasing liabilities	286 039	440 186	2 085	5 151	2 061	5 167	4 055	10 100	11 792	20 100	134 154	245 521
Total financial liabilities	5 795 746	6 194 221	26 543	593 793	24 291	48 867	48 645	396 100	116 621	2 086 230	180 110	2 673 021

- Due to the contractual maturities, the weighted average residual term to maturity of all interest-bearing financial liabilities was 4.8 years [5.0 years as at 31 December 2022].

7 Platform costs

7.1 Personnel costs

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Wages and salaries	-33 487	-34 295
Social security expenses	-2 346	-2 298
Pension plan expenses	-3 600	-3 103
Other personnel expenses	-1 548	-1 759
Total personnel costs	-40 981	-41 455
Number of employees as at 30.06.	726	700
Number of full-time equivalents as at 30.06.	632	609

7.2 Other operating expenses

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Expenses for tangible assets and IT	-3 775	-4 651
Non-life insurance, fees	-796	-407
Capital taxes	-1 320	-1 080
Administrative expenses	-3 668	-4 013
Consultancy and audit costs	-3 573	-3 561
Marketing	-2 203	-1 878
Collection and bad debt-related losses	-639	2 005
Total other operating expenses	-15 974	-13 585

7.3 Income taxes

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Current income taxes of the reporting period	-17 882	-17 245
Adjustments for current income taxes of other accounting periods	-87	93
Total current income taxes	-17 969	-17 152
Deferred taxes resulting from revaluation and depreciation	-56 503	3 218
Deferred taxes resulting from the sale of investment properties	5 940	6 787
Deferred taxes resulting from tax rate changes	361	582
Deferred taxes resulting from losses carried forward	-6 919	4 888
Total deferred taxes	-57 121	15 475
Total income taxes	-75 090	-1 677

8 Other disclosures

8.1 Future obligations

Swiss Prime Site entered into agreements with various general contractors for the construction of new and modified buildings within the scope of new construction activities and for the restructuring and renovation of existing properties. The due dates for the respective residual payments for these general contractor agreements are as follows:

in CHF 1 000	31.12.2022	30.06.2023
2023	235 575	85 414
2024	87 914	98 881
2025	9 933	14 009
2027	3 000	3 000
Total future obligations based on total contractor agreements	336 422	201 304

8.2 Scope of consolidation

Discontinued operations

The group companies Wincasa AG and streamnow ag were sold to Implenia. The sale was announced in a press release on 30 March 2023. The closing of the contract and derecognition took place on 4 May 2023. Wincasa AG and streamnow ag are therefore still included for four months in the consolidated financial statements of the reporting year.

The assets and liabilities of the Wincasa Group as at the divestment date of 4 May 2023 were as follows:

in CHF 1 000	04.05.2023
Assets	
Cash	160 461
Receivables and short-term loans	11 104
Other current assets	26 618
Total current assets	198 183
Tangible assets	2 622
Right-of-use assets	22 581
Intangible assets	14 893
Other non-current assets	14
Total non-current assets	40 110
Total assets	238 293
Liabilities	
Accounts payable	37 818
Accrued expenses and deferred income	7 465
Lease liabilities	22 684
Other liabilities	150 979
Total liabilities	218 946
Net assets sold	19 347
Sales price in cash and cash equivalents	170 500
Transaction costs	-5 205
Sales result	145 948

The following earnings and cashflows were generated from discontinued operations:

in CHF 1 000	01.01.– 30.06.2022	01.01.– 04.05.2023
Earnings from discontinued operations		
Income from real estate services	73 181	51 457
Other operating income	3 520	2 055
Operating income	76 701	53 512
Real estate costs	–3 475	–3 472
Personnel costs	–54 076	–37 197
Other operating expenses	–8 251	–5 746
Depreciation and amortisation	–5 192	–3 256
Capitalised own services	1 088	768
Operating expenses	–69 906	–48 903
Operating result (EBIT)	6 795	4 609
Financial expenses	–293	–8
Financial income	136	135
Profit before income taxes	6 638	4 736
Income taxes	–1 313	–1 100
Profit after income taxes	5 325	3 636
Gain on the disposal from discontinued operations before taxes	–	145 948
Profit attributable to shareholders of Swiss Prime Site AG from discontinued operations	5 325	149 584
Earnings per share (EPS) from discontinued operations, in CHF	0.07	1.95
Diluted earnings per share from discontinued operations, in CHF	0.06	1.81
Cash flow from operating activities, net	12 748	57 261
Cash flow from investing activities, net	–92 843	111 068
Cash flow from financing activities, net	–12 376	–11 523

Fully consolidated investments in group companies (direct or indirect)

	Field of activity	31.12.2022 Capital in CHF 1 000	Shareholding in %	30.06.2023 Capital in CHF 1 000	Shareholding in %
Akara Property Development AG, Zug	Asset management	100	100.0	100	100.0
Jelmoli AG, Zurich	Retail	6 600	100.0	6 600	100.0
streamnow ag, Zurich ¹	Real estate services	100	100.0	n.a.	n.a.
Swiss Prime Site Finance AG, Zug	Financial services	100 000	100.0	100 000	100.0
Swiss Prime Site Immobilien AG, Zurich	Real estate	50 000	100.0	50 000	100.0
Swiss Prime Site Management AG, Zug	Services	100	100.0	100	100.0
Swiss Prime Site Solutions AG, Zug	Asset management	1 500	100.0	1 500	100.0
Wincasa AG, Winterthur ¹	Real estate services	1 500	100.0	n.a.	n.a.
Zimmermann Vins SA, Carouge	Real estate	350	100.0	350	100.0

¹ Sale of Wincasa AG and streamnow ag as at 04.05.2023

Investments in associates valued according to the equity method

	Field of activity	31.12.2022 Capital in CHF 1 000	Shareholding in %	30.06.2023 Capital in CHF 1 000	Shareholding in %
INOVIL SA, Lausanne	Parking	5 160	27.1	5 160	27.1
Parkgest Holding SA, Geneva	Parking	4 750	38.8	4 750	38.8
Flexoffice Schweiz AG, Zurich	Office services	124	27.2	124	27.2

8.3 Classification and fair value of financial instruments

in CHF 1 000	Fair value level 1	Fair value level 2	Fair value level 3	Total levels	30.06.2023 Book value
Financial assets at amortised cost					
Cash					30 506
Receivables					109 885
Accrued income and prepaid expenses without capital tax assets					19 671
Non-current financial assets			548	548	548
Financial assets at fair value					
Securities	1 268			1 268	1 268
Non-current financial assets			9 148	9 148	9 148
Financial liabilities at amortised cost					
Payables					32 559
Accrued expenses without capital tax liabilities					155 096
Mortgage-backed loans		681 336		681 336	745 508
Unsecured loans		1 996 213		1 996 213	2 039 000
Convertible bonds/loans	559 601			559 601	566 801
Bonds	1 920 487			1 920 487	2 059 121

in CHF 1 000	Fair value level 1	Fair value level 2	Fair value level 3	Total levels	31.12.2022 Book value
Financial assets at amortised cost					
Cash					21 201
Receivables					45 297
Accrued income and prepaid expenses without capital tax assets					39 816
Non-current financial assets			1 324	1 324	1 352
Financial assets at fair value					
Securities	1 130			1 130	1 130
Non-current financial assets			8 149	8 149	8 149
Financial liabilities at amortised cost					
Payables					153 786
Accrued expenses without capital tax liabilities					136 536
Mortgage-backed loans		671 885		671 885	745 520
Unsecured loans		1 819 033		1 819 033	1 872 000
Convertible bonds/loans	533 350			533 350	542 678
Bonds	1 893 165			1 893 165	2 059 187

8.4 Major shareholders

	31.12.2022 Shareholding interest in %	30.06.2023 Shareholding interest in %
Major shareholders (shareholding interest >3%)		
BlackRock Inc., New York	<10.0	>10.0
Credit Suisse Funds AG, Zurich	8.0	6.2
UBS Fund Management (Switzerland) AG, Basel	4.5	4.5

8.5 Events after the balance sheet date

The consolidated financial statements were approved for publication by the Board of Directors on 22 August 2023.

No events occurred between 30 June 2023 and the date of approval of these consolidated financial statements that would result in adjustment of the carrying amounts of the Group's assets and liabilities as at 30 June 2023, or that would need to be disclosed at this point.

Definition of alternative performance measures

Cash yield

Distribution per share as a percentage of the share price at the end of the period.

Operating profit before depreciation and amortisation (EBITDA)

Operating profit (EBIT) plus depreciation, amortisation and impairments on tangible assets as well as depreciation, amortisation and impairments on intangible assets.

Operating profit (EBIT) excluding revaluations

Operating profit (EBIT) less revaluations of investment properties.

Equity ratio

Total shareholders' equity as a percentage of total assets.

Return on equity (ROE)

Profit (attributable to shareholders of Swiss Prime Site AG) divided by average equity (attributable to shareholders of Swiss Prime Site AG).

Return on equity (ROE) excluding revaluations and deferred taxes

Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations and deferred taxes, divided by average equity (attributable to shareholders of Swiss Prime Site AG).

EPRA like-for-like rental change

Shows the development of net rental income from the stock of investment properties that were under our operational control within two balance sheet dates. Changes from purchases, sales and developments are not taken into account.

EPRA NDV (net disposal value)

Determines equity per share based on a sales scenario. Deferred taxes are therefore recognised as they are under IFRS.

EPRA NRV (net reinstatement value)

Determines equity per share based on the assumption that no properties are ever sold. The NAV is therefore adjusted for deferred taxes and the necessary incidental purchase expenses are added back. Captures the value of the assets that would be needed to rebuild Swiss Prime Site.

EPRA NTA (net tangible asset)

Determines equity per share on the assumption that properties are bought and sold in the same volumes as before. Some of the deferred taxes will therefore be crystallised through sales. However, based on our Company performance to date and our planning, the share of sales is low. Besides expected sales, intangible assets are fully excluded from the NTA.

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

Current and non-current financial liabilities (without lease liabilities) of the Real Estate segment as a percentage of the property portfolio (without right-of-use) at fair value. Cash is deducted from financial liabilities.

Funds from operations (FFO)

This key figure is a measure of cash flow from operations (FFO I). FFO II additionally includes cash effective income from property sales. See note 3.2 to the consolidated financial statements for the calculation.

Profit excluding revaluations and deferred taxes

Profit less revaluations of investment properties and deferred taxes.

Earnings per share (EPS) excluding revaluations and deferred taxes

Profit (attributable to shareholders of Swiss Prime Site AG) less revaluations and deferred taxes, divided by the weighted average number of outstanding shares.

Return on invested capital (ROIC)

Profit (attributable to shareholders of Swiss Prime Site AG) plus financial expenses divided by the average total assets.

Return on invested capital (ROIC) excluding revaluations and deferred taxes

Profit (attributable to shareholders of Swiss Prime Site AG) plus financial expenses less revaluations and deferred taxes, divided by the average total assets.

Vacancy rate

Rental income from vacancies as a percentage of target rental income from the rental of investment properties.

NAV (net asset value) after deferred taxes per share

Equity (attributable to shareholders of Swiss Prime Site AG) divided by the number of shares issued on the balance sheet date (excluding treasury shares).

NAV (net asset value) before deferred taxes per share

Shareholders' equity (attributable to shareholders of Swiss Prime Site AG) plus deferred tax liabilities, divided by the number of issued shares at the balance sheet date (excluding treasury shares).

Net property yield

Real estate income as a percentage of the property portfolio at fair value as at the balance sheet date.

Employees and full-time equivalents (FTE)

Number of persons contractually employed by a group company as at the balance sheet date. Multiplied by the percentage level of employment shows the number of full-time equivalents (FTE).

Interest-bearing financial liabilities

Current and non-current financial liabilities less derivative financial instruments (other non-current financial liabilities).

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

Report of the valuation expert

The properties of Swiss Prime Site Immobilien AG are valued semi-annually by Wüest Partner AG at their current values. The present valuation is valid as of 30 June 2023.

Valuation standards and principles

The market values determined as of 30 June 2023 are in line with the **«Fair Value»**, as defined in the International Financial Reporting Standards (IFRS) in accordance with **IAS 40** (Investment Property) and **IFRS 13** (Fair Value Measurement). The fair value corresponds to the price that independent market participants would receive under normal market conditions on the valuation date when selling an asset (exit price).

An **exit price** is the sales price postulated in the purchase contract, to which the parties have mutually agreed. Transaction costs, usually consisting of brokerage commissions, transaction taxes as well as land registry and notary costs, are not taken into account when determining the fair value. Thus, in accordance with paragraph 25 IFRS 13, the fair value is not adjusted for the transaction costs incurred by the acquirer in a sale (**«Gross Fair Value»**). This is in line with Swiss valuation practice.

The valuation at fair value assumes that the hypothetical transaction for the asset to be valued takes place in the market with the largest volume and the largest business activity (**principal market**) and that transactions of sufficient frequency and volume occur so that sufficient price information is available for the market (active market). If such a market cannot be identified, the principal market for the asset is assumed to be the one that maximises the selling price on disposal of the asset.

The fair value is determined on the basis of the best possible use of a property (**«Highest and best use»**). The best use is the use of a property that maximises its value. This assumes a use that is technically/physically possible, legally permitted and financially feasible. Since maximisation of use is assumed when determining the fair value, the best possible use may deviate from the actual or planned use. Future capital expenditures to improve or increase the value of a property are taken into account accordingly in the fair value measurement. The application of the highest and best use approach is based on the principle of the **materiality** of the potential difference in value of the best possible use compared with the continuing use.

Wüest Partner further confirms that the valuations have been carried out in accordance with national and international standards and guidelines, in particular in accordance with the **International Valuation Standards (IVS)** and the **RICS** guidelines (Red Book).

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

Determination of fair value

The fair value is determined depending on the quality and reliability of the valuation parameters, with decreasing quality or reliability: Level 1 market price, Level 2 modified market price and Level 3 model-based valuation. In the fair value measurement of a property, different parameters can be applied simultaneously on different hierarchies. The entire valuation is classified according to the lowest level of the fair value hierarchy in which the significant valuation parameters are located.

The value of the properties of Swiss Prime Site Immobilien AG is determined using a model-based valuation in accordance with Level 3 on the basis of input parameters that are not directly observable on the market, whereby adjusted Level 2 input parameters are also applied here (for example, market rents, operating/maintenance costs, discount/capitalisation rates, proceeds from the sale of residential property). Unobservable inputs are only used if relevant observable inputs are not available. Valuation techniques are applied that are appropriate in the circumstances and for which sufficient data are available to determine fair value, maximising the use of relevant observable inputs and minimising unobservable inputs.

The investment properties are valued according to the discounted cash flow method (DCF), which corresponds to international standards and is also used for company valuations. It is recognised as "best practice" - with fundamental freedom of method in real estate valuation. With the DCF method, the current fair value of a property is determined by the sum of all expected future net earnings discounted to the present time (before interest payments, taxes, depreciation and amortisation = EBITDA), while taking investments and maintenance costs into account. The net earnings (EBITDA) are discounted individually per property, depending on the respective opportunities and risks, in line with the market and risk-adjusted. All expected cash flows are disclosed in a detailed report for each property, thus creating the greatest possible transparency. In the report, reference is made to the significant changes since the last valuation.

Properties under construction and development sites with future use as investment properties are valued as project market values, taking into account current market conditions, outstanding investment costs and a risk premium commensurate with the progress of the project (IAS 40/IFRS 13).

Properties under construction intended for later sale (for example condominium flats) are valued at construction cost (IAS 40.9), i.e. ongoing work and construction costs are activated and the subsequent valuation is at the lower value in accordance with IAS 2.

Transparency, uniformity, timeliness and completeness are ensured in the valuation. The relevant legal provisions and specific national and international standards are complied with (SIX regulations for listed real estate companies, IFRS and others).

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

In order to guarantee the independence of the valuations and thus ensure the highest possible degree of objectivity, the business activities of Wüest Partner AG exclude trading and the associated commission business as well as the management of properties. The valuation is always based on the latest information about the properties and the property market. The data and documents relating to the properties are provided by the owner. It is assumed that they are correct. All property market data is taken from the continuously updated databases of Wüest Partner AG (Immo-Monitoring 2023).

Development of the real estate portfolio

In the reporting period from 01.01.2023 to 30.06.2023, no property was acquired and eight properties were sold. Furthermore, condominium units of building A of the property "Plan-les-Ouates, Route de la Galaise 11A et 11B - Espace Tourbillon" were sold.

In addition, the property "Schlieren, Zürcherstrasse 39 - JED conversion" is listed in the inventory for the first time after completion.

Furthermore, twelve properties in the portfolio are now listed as the initial valuation of the portfolio including development projects. These properties are within the development planning at the preliminary project level and the valuations take this planning status into account for the first time.

Furthermore, the following properties with values as at 31 December 2022 were sold during the reporting period:

– Wangen, Rickenbacherfeld:	CHF 5'339'000
– Wabern bei Bern, Nesslerenweg 30 - «Chly Wabere»	CHF 9'178'000
– Wil, Obere Bahnhofstrasse 40	CHF 16'730'000
– Frauenfeld, Zürcherstrasse 305	CHF 8'180'000
– Meyrin, Route de Meyrin 210	CHF 2'091'000
– Frick, Hauptstrasse 132 - Fricktal-Center A3	CHF 19'800'000
– Sursee, Moosgasse 20	CHF 8'694'000
– Conthey, Route Cantonale 2	CHF 6'219'000
– Plan-les-Ouates, Route de la Galaise 11A et 11B – Espace Tourbillon, Condominium Units Building A:	CHF 3'797'000

(Sale of building land 1, existing properties 7 & partial sale of project 1 (share of 74/1000))

The total market value of the sold properties as of 31 December 2022 was CHF 80.028 million.

The real estate portfolio of Swiss Prime Site Immobilien AG thus consists of 168 properties in the first half of 2023 and is made up of 137 existing investment properties, 9 plots of building land, 12 initial valuations of existing properties including development projects, 1 initial valuation of existing property after completion and 9 development sites.

The following 9 development properties are currently under construction:

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

- At Hochbergerstrasse 60 F-I - "Stücki Park II" in Basel, the existing office and laboratory space of the property Hochbergerstrasse 60 - "Stücki Park A-E" is being expanded by around 27,000 m² in two stages from 2018 to 2024.
- At Steinenvorstadt 5 in Basel, the building, which has been vacant since the end of 2022, will be partially converted into managed residential and retail space after an interim use phase from 2024 until approximately the beginning of 2026.
- At the Stauffacherstrasse 131 in Bern, the "BERN 131" plus-energy building is being built in the centre of the Wankdorf transport hub. It will have a usable floor space of 13,900 m² and will be ready for occupation by the beginning of 2025.
- At Esplanade de Pont-Rouge 5, 7, 9 - "Alto Pont-Rouge" in Lancy, a commercial building will be realized by mid-2023 within a development area with four construction sites.
- On the property "USEGO-Park - Tertianum Olten" in Olten, a project with residential use for senior citizens (nursing home and flats for senior citizens) is planned. This property should be completed beginning of 2024.
- At Riva Paradiso - "Du Lac" in Paradiso, a new replacement building is being constructed on the lakeshore, with construction having started in 2021. This future retirement home is expected to be completed beginning of 2024.
- The Chemin des Aulx - "Espace Tourbillon" development project in Plans-les-Ouates comprises five buildings with office, commercial and retail space, four of which have been completely sold. Moreover, the Building A is continuously being sold in co-ownership.
- Zürcherstrasse 39 - "JED New Building", a new office / laboratory building without conventional heating technology has been under construction since autumn 2022 and is expected to be completed at the end of 2024.
- A new site for Google Switzerland is being developed at Müllerstrasse 16/20 in Zurich. Google will move into the building as sole tenant from 2023, after extensive interior and exterior renovation and works to bring up the property to the highest possible standard in terms of sustainability and technology. The conversion of the existing building began when the previous tenant moved out mid-2021.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

Valuation results as of 30 June 2023

As of 30 June 2023, the current value of the total property portfolio of Swiss Prime Site Immobilien AG (168 properties in total) is valued at CHF 13,064.492 million. This means that the current value of the portfolio has declined by CHF -23.223 million, or -0.18%, compared to 31 December 2022. Details on the performance can be found in the table below.

SPS Portfolio as of 31.12.2022	CHF 13'087.715	Mio.
- Existing properties	-CHF 82.429	Mio.
+ Initial valuations of existing properties incl. development projects	CHF 13.248	Mio.
- Initial valuation of existing property after completion	-CHF 1.390	Mio.
- Sales building land	-CHF 5.339	Mio.
- Sales existing properties	-CHF 70.892	Mio.
- Partial sales of existing properties for sale	-CHF 3.797	Mio.
+ Building sites	CHF 0.628	Mio.
+ Projects	CHF 115.398	Mio.
+ Properties for sale	CHF 11.350	Mio.
SPS Portfolio as of 30.06.2023	CHF 13'064.492	Mio.
Delta	-CHF 23.223	Mio.

The gross change in value on the 137 investment properties compared to 1 January 2023 was -0.9% (excluding initial valuations after completion (1), initial valuations of existing properties including development project (12), building land parcels (9), properties at the planning stage or under construction (9), - a total of 31 properties), 33 properties were valued higher, 1 property was valued the same and 103 properties were valued lower than on 1 January 2023.

Due to the investments made, the net change in value of the 137 existing properties in the same period was slightly lower at -1.0%.

The negative performance of the Swiss Prime Site Immobilien AG portfolio is due to the properties in the portfolio and the sales. The properties in the planning stage or under construction and the initial valuations in the existing properties, including the development project, had a particularly positive effect on value. In general, the higher interest rate environment and the weakening sales market pushed investors' yield expectations slightly higher and also justified the devaluation in the portfolio. Viewed over the entire portfolio, the net change in value (after deduction of the investments made) is negative.

On the other hand, the initial consideration of the development projects on the 12 properties in the portfolio, completed investments, new contracts concluded at a higher level, index adjustments and extensions of existing rental contracts, slightly lower vacancy rates and generally the high quality of the properties in desirable locations contributed to a positive value development. The declines in value are mainly related to changes in rental potential, new contracts signed at a lower level, adjusted sales forecasts and higher estimated costs for future maintenance.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

Market Report

Trends

Change compared to the last portfolio valuations:

Segment	Subsegment	Market rents	Vacancy	Market value
Residential	City	↗	↘	→ / ↘
	Agglomeration	↗	↘	→ / ↘
	Rural area	↗ →	↘	↘
Office	City	↗ →	→ ↘	→ / ↘
	Agglomeration	→ ↘	↗ →	↘ / ↓
Sale	City	↗ →	↘	↘
	Agglomeration	↘	↗	↘ / ↓

Economic development

The Swiss economy grew by 2.1 percent in real terms in 2022. Private consumption (+4.0 percent) and exports (+5.8 percent) in particular provided impetus for growth. The strong momentum was also maintained in the first quarter of 2023. For 2023 as a whole, however, SECO expects economic growth to be well below average at 1.1 per cent, followed by 1.5 per cent in 2024. Furthermore, there is still an increased risk of an economic setback.

The main risk for the Swiss economy is a pronounced economic downturn abroad. Dampened demand from abroad, together with inflation-related losses in purchasing power and more restrictive financing conditions, could significantly impact further economic development.

The labour market was able to benefit from dynamic economic growth last year. Employment grew by 2.4 percent (in full-time equivalents). In May 2023, the unemployment rate was at a historically low level of 1.9%. In view of the expected cooling of the economy, unemployment is likely to rise slightly with a certain delay in the course of the year and reach an average of 2.0 per cent according to SECO.

Inflation fell significantly in recent months, but remained at an elevated level of 2.2 percent in May 2023. The decline is mainly due to lower energy prices. In addition, the appreciation of the Swiss franc has had a dampening effect on the prices of imported goods. Core inflation, which measures inflation excluding volatile goods such as energy and food, was only slightly below 2 per cent in May 2023 despite a slight decline and points to a somewhat more broadly based inflation process. According to the SNB's June forecast, inflation is likely to average 2.2 per cent for the year in 2023 and 2.1 per cent in 2024. Second-round effects, higher electricity prices and rents as well as inflationary pressures from abroad are likely to keep inflation high.

In this context, the SNB raised the policy rate by a further 0.25 percentage points to 1.75 per cent in June 2023. The policy rate increases are reflected in the rise in the interest rate environment, which dampens inflation, but also purchasing power, and increases debt levels.

The economy got off to a buoyant start in 2023, but the outlook is subdued

Weak global economy, increased inflation and restrictive monetary policy could dampen growth

Very good situation on the labour market, but with slower dynamics in 2023

Despite renewed monetary tightening in June 2023, inflation is expected to remain just above 2 per cent in 2023 and 2024

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

Policy rates have risen to 1.75 per cent

Construction market

Investments in Swiss building construction are currently stagnating, but workload is high and the medium-term outlook is intact. Based on building applications and building permits issued, nominal growth of around 2.4 percent in the segment of new construction and growth of 8.8 percent in the segment of conversions is expected for building construction investments in 2023. Adjusted for inflation, this means zero real growth for new construction and a strong increase in investment for conversions. The differing development of the two segments has thus intensified further. The reasons for the conversion boom are, on the one hand, increasing investments in sustainability, mostly in the form of energy-efficient renovations (heating replacement, insulation, photovoltaics, etc.), but on the other hand also the forced densification.

Cautious optimism in the construction market thanks to growing conversion investments

Market for investment properties

In the second half of 2022, the median net initial yields of residential properties increased by 24 basis points compared to the corresponding period of the previous year, adjusted for quality; the yields of commercial properties even increased by 56 basis points, adjusted for quality. The increased yield expectations put pressure on property values and tend to lead to devaluations. For the coming months, it can be assumed that initial yields will tend to rise further.

The direct investment market is increasingly affected by the higher interest rates

In comparison with other European countries, however, the local real estate market is significantly more robust. Prime yields in countries such as Germany and France rose by up to 80 basis points, while the increase in Zurich's prime residential segment was only 15 basis points. The continuing strong demand for office and residential space and the low vacancy rates, which in some cases have reached historic lows, make Swiss real estate a still attractive investment.

Nevertheless, the Swiss real estate market seems to be more robust in the face of the interest rate turnaround compared to other countries

After significant declines in 2022, the performance of indirect real estate investments stabilised in the first half of 2023. In the first five months, real estate stock corporations recorded a minus of 1.9 percent, while funds were even 1.5 percent higher than at the beginning of the year (according to WUPIX-A and WUPIX-F). The stabilisation occurred on the one hand because the premiums have normalised after last year's price corrections and on the other hand the earnings prospects are promising, especially in the residential segment, thanks to rising rents and low vacancy risks.

After the high losses in 2022, the indirect investment market has stabilised

Housing market

The Swiss rental housing market remains very tight. The supply rate fell again to 5.5 per cent in the first quarter of 2023. One of the main reasons for the shortage of flats is the decline in new construction activity, with the number of new building permits already decreasing since 2018. In addition to higher construction prices and rising interest rates, high requirements for new construction projects due to building regulations as well as objections and lengthy approval procedures are hindering the construction of large projects.

The rental housing market is very tight due to the low level of new construction activity

The strong demand for housing further exacerbates the housing shortage. Two thirds of the additional households are due to migration. Other factors are the ageing of society and individualisation trends.

Demand for housing also continues to rise, mostly due to strong immigration to Switzerland

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

The growing discrepancy between the decreasing housing supply and the additional demand is likely to further support the upward trend in asking rents (2022: +1.6 per cent; 2023 +3.2 per cent). In addition, most existing rental contracts will also be affected by rent increases in the current year, as the reference interest rate was raised in June 2023.

Both supply rents and existing rents are expected to rise in 2023

Office space market

The office space market continues to develop very dynamically. This is due to both the strong demand for space as a result of strong employment growth and the low level of new construction activity. Despite this positive development, structural changes are likely to dominate the office market in the longer term.

Strong demand for office space thanks to strong employment growth

Structural change affects the demand side in particular. The number of people in employment is likely to decline in the future due to demographic developments. This is likely to affect employment growth as an important demand driver. In addition, there is great potential for space savings. With an optimal combination of desk sharing and home office, around half of the office space could be saved.

Structural changes likely to reduce demand growth in the future

As a result of the current high demand and limited supply, vacancy rates on the market remain relatively low. Rents have risen significantly in nominal terms. In addition to the reasons mentioned, this was also due to inflation. The central locations, above all the cities of Zurich and Geneva, benefited most from this. The same trend is likely to continue in 2023: Asking rents are likely to increase by 1.0 per cent in nominal terms. In real terms, however, this means a slight decline, except in central locations, where rents should remain stable after adjustment for inflation.

Rising nominal office rents and low vacancy rates, stable development also in 2023

Retail space market

The retail space market was confronted with various challenges in 2022: high inflation, the strong franc and considerable international uncertainties. Despite the extremely strong growth in private household consumption of 4.0 percent, sales in the retail business - starting from a high level - developed slightly negatively (-0.7 percent, real, unadjusted, excluding petrol stations). Personal services such as the hotel and restaurant industry were the main beneficiaries of consumption.

Despite very high consumption growth, retail sales declined slightly

An improvement in sales in the retail business is not expected in the near future. According to SECO, consumer sentiment remains at a low level, albeit with a certain improvement since the end of 2022. Households would like to wait especially for larger purchases. In addition, the stationary retail trade will not be able to win back the shares lost to online trade during the pandemic.

Despite very high consumption growth, sales in retail business fell slightly

Thanks to the low level of construction activity, the supply of retail space fell by 12 per cent last year, which slowed the decline in asking rents in the economic centres. However, supply rents continued to decline across Switzerland, and this is not expected to change in 2023 (-1.6 per cent).

Average asking rents continue to fall, with the exception of prime locations

Market for retirement living

Analogous to the housing market, market rents for retirement flats are expected to rise in 2023. Higher prices are expected in the cities in particular, while prices in the countryside are likely to rise only slightly or remain stable.

Rents for retirement homes are likely to rise in 2023

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

In the medium to long term, the market for retirement flats offers great opportunities for growth. The reason for this is the strongly growing number of people of retirement age. By 2030, the number of people over 65 is expected to increase by a quarter, which corresponds to around 420,000 people. This should significantly increase the demand for properties for senior citizens.

The demand for retirement flats will increase strongly

On the one hand, there is a demand for customisable forms of housing with modular and flexible services as well as simple forms of care (e.g. concierge service or ambulant care) that enable self-determined living in old age. On the other hand, more care places are also needed. Ideal are concepts that cover all needs and can thus offer a seamless transition from self-determined to assisted living. Another need is affordable housing in old age.

From simple forms of care to nursing places, the whole spectrum is needed

Hospitality

The robust recovery of the tourism industry in 2022 and early 2023 shows that the Corona pandemic has largely been overcome. According to the FSO, the Swiss hotel industry recorded an increase of 29.4 percent in the number of overnight stays and a rise of 10.9 percentage points to an average room occupancy rate of 45.5 percent in 2022. The start to 2023 was also very positive thanks to strong domestic demand in winter.

Swiss tourism is developing very well

The signs are therefore good for a new record year. In its tourism forecast, KOF expects strong growth in overnight stays (+10.5 percent) for 2023 thanks to domestic demand and returning tourists from China and Southeast Asia. Swiss tourism has shown itself to be robust in the face of the challenges posed by the weakening global economy and continued high inflation.

New record year expected in 2023

The value of Swiss hotel properties is not quite as resilient to persistently high inflation. With the increased inflation, investors' interest rates and return expectations have also risen. These expectations are taken into account in the market value assessment through higher discount rates. Together with slightly higher costs, this led to a decline in value of 2.1 per cent per hotel room in 2022 despite slightly higher market rents. Thanks to the increased number of rooms (+3.4 per cent) on the Swiss hotel market, the total property value nevertheless grew by 1.2 percent compared to the previous year.

The total hotel property value increased slightly in 2022 only thanks to the increased number of rooms

In 2023, the market values of hotel properties are likely to fall slightly again. As in 2022, the slightly rising rents will likely not be sufficient to compensate for the higher yield expectations.

The value of hotel properties is likely to decline slightly again in 2023

Valuation assumptions as of 30 June 2023

In addition to the above comments on valuation standards and methods, the main general valuation assumptions used in the present valuations are listed below.

Investment properties including building land

The properties are generally valued on a going concern basis and on the basis of the best possible use of a property. The current rental situation and the current condition of the property form the starting point. After expiry of the existing rental contracts, the current market level is included in the income forecast.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

On the cost side, the maintenance and repair costs necessary to achieve sustainable income as well as the ongoing management costs are taken into account.

In principle, an average and obvious management strategy is assumed. Specific scenarios of the owner are not taken into account or are only taken into account to the extent that they are agreed upon in the rental contract or to the extent that they also appear plausible and practicable for third parties. Possible optimisation measures in line with the market - such as improved letting in the future - are taken into account.

In the valuation or observation period of the DCF method, a more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are made for the subsequent remaining term.

An annual inflation rate of 1.25% is implicitly assumed in the valuation. However, the cash flows as well as the discount rates are generally shown on a real basis in the valuation reports.

The specific indexation of the existing leases is taken into account. After expiry of the contracts, an average indexation rate of 80% is assumed, with the rents being adjusted to the market level every five years. Payments are generally assumed as advanced monthly after expiry of the leases.

On the side of operating costs (owner's charges), it is generally assumed that completely separate ancillary cost accounts are kept and thus ancillary and operating costs are outsourced as far as legally permissible. Maintenance costs (repair and maintenance costs) are determined using benchmarks and model calculations. Based on a rough estimate of the condition of the individual components, their remaining service life is inferred, the periodic renewal is modelled and the annual annuities are determined from this. The calculated values are checked for plausibility using benchmarks collected by Wüest Partner AG and comparable properties. In the first ten years, 100% of the maintenance costs are included in the calculation, taking into account any possible rent surcharges in the income forecast. From year eleven onwards, maintenance costs are taken into account at 50% to 70% (only value-preserving portions), without modelling possible rent premiums. Contaminated sites are not quantified in the individual valuations; they are to be considered separately by the client.

The discount rate applied is based on continuous observation of the real estate market and is derived from a model and checked for plausibility on the basis of a real interest rate, which is composed of the risk-free interest rate (long-term federal government bonds) plus general real estate risks plus property-specific surcharges and is determined on a risk-adjusted basis per property. The average real discount rate weighted by the market value of the investment properties (150 investment properties, including initial valuations after completion, initial valuations of existing properties including development project, excluding building land parcels, properties at the planning stage or under construction) is 2.73% in the current valuation. Assuming an inflation rate of 1.25%, this corresponds to a nominal discount rate of 3.93%. The lowest real discount rate selected for an individual property is now 1.70%, the highest 5.00%.

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

The valuations are based on the rent rolls of the administrations as of 1 July 2023 and on the area information provided by the clients/administrations.

Credit risks of the respective tenants are not explicitly taken into account in the valuation, as it is assumed that corresponding contractual hedges will be concluded.

Wüest Partner AG
Zurich, 06 July 2023



Andrea Bernhard
Director



Gino Fiorentin
Partner

Swiss Prime Site Immobilien AG – Update Real Estate Valuations as of 30.06.2023

Disclaimer

The valuations carried out by Wüest Partner AG represent an economic assessment based on the available information, the majority of which was provided by the client. Wüest Partner AG has not undertaken or commissioned any legal, construction-related, or other specific clarifications. Wüest Partner AG assumes that the information and documents received are correct; however, no guarantee can be given for this. Value and price may differ. Specific circumstances affecting the price cannot be taken into account in the valuation. The valuation made as at the valuation date is only valid at this specific point in time and may be influenced by later or not yet known events; in this case a new valuation would be necessary.

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

Zurich, 06 July 2023

Report on the Review

of Consolidated financial statements to the Board of Directors of Swiss Prime Site AG

Zug

Introduction

We have reviewed the consolidated financial statements (Consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in shareholders' equity and notes to the consolidated financial statements) (pages 11 to 39) of Swiss Prime Site AG for the period ended 30 June 2023. The Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Other Matter

The consolidated financial statements of the Swiss Prime Site AG for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 7 February 2023.

PricewaterhouseCoopers AG

Patrick Balkanyi

Philipp Gnädinger

Zürich, 22 August 2023

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EPRA Reporting

EPRA performance key figures

The EPRA performance key figures of Swiss Prime Site were prepared in accordance with EPRA BPR (February 2022).

Summary table EPRA performance measures

		in	01.01.– 30.06.2022 or 31.12.2022	01.01.– 30.06.2023 or 30.06.2023
A.	EPRA earnings	CHF 1 000	122 820	139 909
	EPRA earnings per share (EPS)	CHF	1.60	1.82
B.	EPRA Net Reinstatement Value (NRV)	CHF 1 000	8 956 893	8 831 428
	EPRA NRV per share	CHF	109.18	106.53
	EPRA Net Tangible Assets (NTA)	CHF 1 000	8 424 808	8 406 586
	EPRA NTA per share	CHF	102.69	101.40
	EPRA Net Disposal Value (NDV)	CHF 1 000	7 378 078	7 319 822
	EPRA NDV per share	CHF	89.93	88.29
C.	EPRA NIY	%	3.1	3.2
	EPRA topped-up NIY	%	3.2	3.2
D.	EPRA vacancy rate	%	3.6	3.6
E.	EPRA cost ratio (including direct vacancy costs)	%	22.3	19.4
	EPRA cost ratio (excluding direct vacancy costs)	%	20.5	17.5
F.	EPRA LTV	%	39.4	39.8
G.	EPRA like-for-like change relative	%	2.1	3.4
H.	EPRA capital expenditure	CHF 1 000	177 278	153 570

A. EPRA earnings

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Earnings per consolidated income statement	267 407	215 470
Exclude:		
Revaluations of investment properties	- 166 585	98 816
Profit on disposal of real estate developments and trading properties	- 100	- 326
Profit on disposal of investment properties	- 14 654	- 9 815
Profit on disposal of participations, net	-	- 145 948
Tax on profits on disposals	2 323	1 609
Negative goodwill/goodwill impairment	n.a.	n.a.
Transaction costs on acquisitions of group companies and associated companies	365	-
Deferred tax in respect of EPRA adjustments	34 064	- 19 897
Adjustments in respect of joint ventures	n.a.	n.a.
Adjustments in respect of non-controlling interests	n.a.	n.a.
EPRA earnings	122 820	139 909
Average number of outstanding shares	76 694 730	76 710 597
EPRA earnings per share in CHF	1.60	1.82
Adjustment profit on disposal of real estate developments and trading properties (core business)	100	326
Tax on profit on disposal of real estate developments and trading properties	- 14	- 46
Adjusted EPRA earnings	122 906	140 189
Adjusted EPRA earnings per share in CHF	1.60	1.83

B. EPRA net asset value (NAV) metrics

in CHF 1 000	EPRA NRV		EPRA NTA		EPRA NDV	
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
Equity attributable to shareholders	6 569 297	6 530 253	6 569 297	6 530 253	6 569 297	6 530 253
Include / Exclude:						
i) Hybrid instruments	542 678	566 801	542 678	566 801	542 678	566 801
Diluted NAV	7 111 975	7 097 054	7 111 975	7 097 054	7 111 975	7 097 054
Include:						
ii.a) Revaluation of investment properties ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.b) Revaluation of investment properties under construction ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ii.c) Revaluation of other non-current investments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iii) Revaluation of tenant leases held as finance leases	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
iv) Revaluation of trading properties	-	-	-	-	-	-
Diluted NAV at Fair Value	7 111 975	7 097 054	7 111 975	7 097 054	7 111 975	7 097 054
Exclude:						
v) Deferred tax in relation to fair value gains of investment properties	1 328 135	1 314 189	1 320 011	1 301 924		
vi) Fair value of financial instruments	-	-	-	-		
vii) Goodwill as a result of deferred tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
viii.a) Goodwill as per IFRS balance sheet ²			-	-	-	-
viii.b) Intangibles as per IFRS balance sheet			- 32 267	- 17 494		
Include:						
ix) Fair value of fixed interest rate debt					266 103	222 768
x) Revaluation of intangibles to fair value ³	387 682	290 931				
xi) Real estate transfer tax	129 101	129 254	25 089	25 102		
EPRA NAV	8 956 893	8 831 428	8 424 808	8 406 586	7 378 078	7 319 822
Fully diluted number of shares	82 038 045	82 903 703	82 038 045	82 903 703	82 038 045	82 903 703
EPRA NAV per share in CHF	109.18	106.53	102.69	101.40	89.93	88.29

¹ If IAS 40 cost option is used² Only related to Real Estate segment³ Include off balance sheet intangibles of the Asset Management segment. Prior year also includes off balance sheet intangibles of Wincasa. Basis of the valuation: business plan for the next four years approved by the BoD, average DCF and EBITDA-multiples based on comparable transactions. 9.8% average discount rate [9.5%], 1.0% terminal growth [1.0%]

C. EPRA NIY and EPRA «topped-up» NIY (net initial yield) on rental income

in CHF 1 000		31.12.2022	30.06.2023
Investment property – wholly owned		13 013 756	12 982 980
Investment property – share of joint ventures/funds		n.a.	n.a.
Trading properties		73 959	81 512
Less: properties under construction and development sites, building land and trading properties		-1 175 173	-1 152 352
Value of completed property portfolio		11 912 542	11 912 140
Allowance for estimated purchasers' costs		n.a.	n.a.
Gross up value of completed property portfolio	B	11 912 542	11 912 140
Annualised rental income		442 227	444 861
Property outgoings		-67 280	-66 312
Annualised net rental income	A	374 947	378 549
Add: notional rent expiration of rent-free periods or other lease incentives		7 120	1 955
Topped-up net annualised rental income	C	382 067	380 504
EPRA NIY	A/B	3.1%	3.2%
EPRA topped-up NIY	C/B	3.2%	3.2%

D. EPRA vacancy rate

in CHF 1 000		31.12.2022	30.06.2023
Estimated rental value of vacant space	A	16 470	16 170
Estimated rental value of the whole portfolio	B	458 616	448 246
EPRA vacancy rate	A/B	3.6%	3.6%

E. EPRA cost ratios

in CHF 1 000		01.01.– 30.06.2022	01.01.– 30.06.2023
Operating expenses per Real Estate segment income statement ¹		52 159	45 922
Net service charge costs/fees		–	–
Management fees less actual/estimated profit element		–	–
Other operating income/recharges intended to cover overhead expenses less any related profits		–	–
Share of Joint Ventures expenses		–	–
Exclude:			
Investment property depreciation		–	–
Ground rent costs		–	–
Service charge costs recovered through rents but not separately invoiced		–	–
EPRA costs (including direct vacancy costs)	A	52 159	45 922
Direct vacancy costs		-4 304	-4 341
EPRA costs (excluding direct vacancy costs)	B	47 855	41 581
Gross rental income less ground rents per IFRS ²		233 389	237 263
Less: service fee and service charge costs components of gross rental income		–	–
Add: share of Joint Ventures (gross rental income less ground rents)		–	–
Gross rental income	C	233 389	237 263
EPRA cost ratio (including direct vacancy costs)	A/C	22.3%	19.4%
EPRA cost ratio (excluding direct vacancy costs)	B/C	20.5%	17.5%
Overhead and operating expenses capitalised		1 273	2 600

¹ Not included are cost of real estate developments and cost of trading properties sold

² Calculated at full occupancy

F. EPRA LTV

in CHF 1 000	Group as reported	Proportionate Consolidation			Combined 30.06.2023
		Share of Joint Ventures	Share of Material Associates	Non-con- trolling Interests	
Include:					
Borrowings from financial institutions	2 784 507	–	–	–	2 784 507
Commercial paper	–	–	–	–	–
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	571 630	–	–	–	571 630
Bond loans	2 060 000	–	–	–	2 060 000
Foreign currency derivatives (futures, swaps, options and forwards)	–	–	–	–	–
Net payables	–	–	–	–	–
Owner-occupied property (debt)	–	–	–	–	–
Current accounts (Equity characteristic)	–	–	–	–	–
Exclude:					
Cash and cash equivalents	–30 506	–	–	–	–30 506
Net Debt (a)	5 385 631	–	–	–	5 385 631
Include:					
Owner-occupied property	565 896	–	–	–	565 896
Investment properties at fair value	11 213 787	–	–	–	11 213 787
Properties held for sale	272 449	–	–	–	272 449
Properties under development	1 012 360	–	–	–	1 012 360
Intangibles ¹	461 273	–	–	–	461 273
Net receivables ²	19 161	–	–	–	19 161
Financial assets	548	–	–	–	548
Total Property Value (b)	13 545 474	–	–	–	13 545 474
LTV (a/b)	39.8%	–	–	–	39.8%

in CHF 1 000	Group as reported	Proportionate Consolidation			Combined 31.12.2022
		Share of Joint Ventures	Share of Material Associates	Non-con- trolling Interests	
Include:					
Borrowings from financial institutions	2 617 520	–	–	–	2 617 520
Commercial paper	–	–	–	–	–
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	544 130	–	–	–	544 130
Bond loans	2 060 000	–	–	–	2 060 000
Foreign currency derivatives (futures, swaps, options and forwards)	–	–	–	–	–
Net payables ²	180 213	–	–	–	180 213
Owner-occupied property (debt)	–	–	–	–	–
Current accounts (Equity characteristic)	–	–	–	–	–
Exclude:					
Cash and cash equivalents	–21 201	–	–	–	–21 201
Net Debt (a)	5 380 662	–	–	–	5 380 662
Include:					
Owner-occupied property	572 645	–	–	–	572 645
Investment properties at fair value	11 288 676	–	–	–	11 288 676
Properties held for sale	183 032	–	–	–	183 032
Properties under development	1 043 362	–	–	–	1 043 362
Intangibles ¹	572 798	–	–	–	572 798
Net receivables	–	–	–	–	–
Financial assets	1 352	–	–	–	1 352
Total Property Value (b)	13 661 865	–	–	–	13 661 865
LTV (a/b)	39.4%	–	–	–	39.4%

¹ Include among others off balance sheet intangibles of the Asset Management segment. Prior year also includes Wincasa. Basis of the valuation: business plan for the next four years approved by the BoD, average DCF and EBITDA-multiples based on comparable transactions. 9.8% average discount rate [9.5%], 1.0% terminal growth [1.0%]

² Net receivables / payables include the following consolidated balance sheet line items: (–) accounts receivable, (–) other current receivables, (–) current income tax assets, (+) accounts payable, (+) other current liabilities, (+) advance payments, (+) current income tax liabilities

G. EPRA like-for-like rental change

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Rental income per Real Estate segment income statement	224 058	227 954
Acquisitions	– 201	– 176
Disposals	– 4 158	– 652
Development and new building projects	– 17 757	– 20 316
Property operating expenses	– 12 030	– 10 518
Property leases	– 3 411	– 3 421
Conversions, modifications, renovations	–	–
Other changes	–	–
Total EPRA like-for-like net rental income	186 501	192 871
EPRA like-for-like change absolute	4 319	6 370
EPRA like-for-like change relative	2.1%	3.4%
EPRA like-for-like change by areas		
Zurich	2.6%	4.8%
Lake Geneva	3.7%	1.8%
Northwestern Switzerland	5.3%	2.8%
Berne	0.4%	3.2%
Central Switzerland	2.4%	4.3%
Eastern Switzerland	– 11.0%	0.1%
Southern Switzerland	– 22.3%	– 7.6%
Western Switzerland	– 2.0%	2.0%

Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described. Like-for-like rental growth 2023 is based on a portfolio of CHF 11 064.582 million [CHF 11 094.142 million] which shrunk in value by CHF 29.560 million [grew in value by CHF 435.598 million].

H. Property-related EPRA CAPEX

in CHF 1 000	01.01.– 30.06.2022	01.01.– 30.06.2023
Acquisitions	56 096	–
Development (ground-up/green field/brown field)	75 229	125 633
Like-for-like portfolio	43 307	25 335
Capitalised interests	2 503	2 583
Other	143	19
Total EPRA capital expenditure	177 278	153 570
Conversion from accrual to cash basis	– 3 934	– 45 200
Total EPRA capital expenditure on cash basis	173 344	108 370

Five-year summary of key figures

	in	Swiss GAAP FER		IFRS		
		30.06.2019	30.06.2020	30.06.2021	30.06.2022	30.06.2023
Fair value of real estate portfolio	CHF m	11 467.8	11 880.9	12 457.6	13 066.4	13 064.5
Rental income from properties	CHF m	239.3	219.9	213.4	214.2	218.4
Vacancy rate	%	4.7	5.4	4.7	4.4	4.1
Net property yield	%	3.5	3.3	3.2	3.1	3.1
Income from real estate developments	CHF m	34.7	22.8	36.3	8.4	–
Income from real estate services	CHF m	57.0	58.6	56.9	59.5	42.5
Income from retail	CHF m	57.2	43.6	46.0	57.4	59.7
Income from assisted living	CHF m	206.1	72.4	–	–	–
Income from asset management	CHF m	8.8	4.8	8.3	27.2	22.2
Total operating income	CHF m	607.7	425.2	365.0	372.2	350.9
Operating result before depreciation and amortisation (EBITDA)	CHF m	297.2	322.6	359.9	377.4	252.8
Operating result (EBIT)	CHF m	286.1	313.6	348.5	365.4	246.3
Profit	CHF m	356.5	269.7	251.5	267.4	215.5
Shareholders' equity	CHF m	5 213.3	5 744.4	6 183.7	6 427.2	6 530.3
Equity ratio	%	43.6	46.0	46.6	46.6	47.4
Borrowed capital	CHF m	6 752.7	6 733.6	7 097.0	7 357.9	7 240.5
Borrowed capital ratio	%	56.4	54.0	53.4	53.4	52.6
Total shareholders' equity and borrowed capital	CHF m	11 966.0	12 478.0	13 280.7	13 785.2	13 770.8
Interest-bearing financial liabilities	CHF m	5 342.5	5 353.3	5 518.9	5 634.5	5 669.8
Interest-bearing financial liabilities in % of balance sheet total	%	44.6	42.9	41.6	40.9	41.2
Loan-to-value ratio of property portfolio (LTV) ¹	%	45.2	42.0	40.9	40.2	39.7
Weighted average interest rate on financial liabilities	%	1.4	1.2	0.9	0.7	1.2
Weighted average residual term to maturity of interest-bearing financial liabilities	years	4.3	4.6	5.1	5.0	4.8
Return on equity (ROE)	%	13.8	9.6	8.2	8.3	6.6
Return on invested capital (ROIC)	%	6.6	4.9	4.2	4.2	3.5
Cash flow from operating activities	CHF m	200.0	132.5	178.1	141.1	196.3
Cash flow from investing activities	CHF m	– 168.1	398.9	36.2	– 143.1	– 81.1
Cash flow from financing activities	CHF m	– 62.3	– 342.7	– 225.6	– 80.4	– 105.9
Key financial figures excluding revaluations and all deferred taxes						
Operating result (EBIT)	CHF m	200.8	361.0	214.2	198.8	345.1
Profit	CHF m	151.3	320.0	164.7	158.0	298.9
Return on equity (ROE)	%	6.1	11.3	5.4	5.0	9.0
Return on invested capital (ROIC)	%	3.2	5.7	2.9	2.6	4.8

¹ Receivables secured by bank guarantees were deducted from financial liabilities in the first half of 2023

Five-year summary of key figures

Key figures per share	in	Swiss GAAP FER		IFRS		
		30.06.2019	30.06.2020	30.06.2021	30.06.2022	30.06.2023
Share price at end of period	CHF	85.25	87.60	91.80	83.75	77.65
Share price, highest	CHF	88.20	123.70	94.65	100.10	90.15
Share price, lowest	CHF	80.20	86.60	85.00	81.50	72.95
Earnings per share (EPS)	CHF	4.69	3.55	3.31	3.49	2.81
Earnings per share (EPS) excluding revaluations and deferred taxes	CHF	1.99	4.21	2.17	2.06	3.90
NAV before deferred taxes ¹	CHF	82.71	90.05	97.67	100.95	102.32
NAV after deferred taxes ¹	CHF	68.64	75.62	81.40	83.80	85.12
Distribution to shareholders	CHF	3.80	3.80	3.35	3.35	3.40
Cash yield on closing price of the previous year	%	4.8	3.4	3.9	3.7	4.2
Share performance (TR) p.a. in the last 12 months	%	-1.5	6.9	8.7	-5.4	-3.0
Share performance (TR) p.a. in the last 3 years	%	3.5	4.8	4.6	3.2	-0.1
Share performance (TR) p.a. in the last 5 years	%	8.0	9.0	5.2	3.4	1.0
Market capitalisation	CHF m	6 474.4	6 655.0	6 974.1	6 425.2	5 957.2
Employees						
Number of employees	people	6 275	1 660	1 677	1 722	700
Full-time equivalents	FTE	5 188	1 482	1 455	1 529	609
Share statistics						
Shares issued	number	75 946 349	75 970 364	75 970 364	76 718 604	76 718 604
Average treasury shares held	number	-1 019	-5 505	-3 520	-7 246	-8 007
Average outstanding shares	number	75 945 330	75 961 244	75 966 844	76 694 730	76 710 597
Treasury shares held	number	-918	-1 801	-1 122	-19 553	-70
Outstanding shares	number	75 945 431	75 968 563	75 969 242	76 699 051	76 718 534

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

Property details

Summary

Property details as at 30.06.2023

Overview of type of use

	Fair value TCHF	Target rental and land lease income TCHF	Vacancy rate %	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Total properties	11 912 140	233 693	4.0	1 102 951	1 598 574	16.5	43.0	7.2	8.2	22.0	3.1
Total building land	58 480	146	-	67 753	19 431	-	1.5	-	-	-	98.5
Total properties under construction and development sites	1 093 872	3 828	11.2	434 116	67 941	10.1	72.2	-	-	17.0	0.7
Overall total	13 064 492	237 667		1 214 120	1 685 946	16.1	43.8	6.8	7.7	21.5	4.1
Rent losses from vacancies		-9 713									
Total segment		227 954	4.1								

Investment properties

Property details as at 30.06.2023

Overview of type of use

	Target rental and land lease income CHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Aarau, Bahnhofstrasse 23	451	9.0	sole ownership	1946	1986	685	1 817	55.2	28.1	–	–	12.4	4.3
Baar, Grabenstrasse 17, 19	612	–	sole ownership	2015		2 084	3 685	–	95.8	–	–	4.2	–
Baar, Zugerstrasse 57, 63	1 258	–	sole ownership	2009		6 029	8 999	–	89.8	–	–	6.7	3.5
Baden, Bahnhofstrasse 2	170	–	sole ownership	1927	1975	212	979	93.4	–	–	–	6.6	–
Baden, Weite Gasse 34, 36	219	–	sole ownership	1953	1975	366	1 377	16.3	30.9	–	–	8.0	44.8
Basel, Aeschenvorstadt 2–4	978	3.3	sole ownership	1960	2005	1 362	6 226	17.1	63.8	–	–	18.6	0.5
Basel, Barfüsserplatz 3	547	0.1	sole ownership	1874	2020	751	3 826	9.7	78.6	–	–	11.6	0.1
				1870/									
Basel, Centralbahnplatz 9/10	444	2.5	sole ownership	2005	2005	403	1 445	6.6	37.9	22.9	–	14.7	17.9
Basel, Elisabethenstrasse 15	701	–	sole ownership	1933	1993	953	4 281	13.0	71.7	7.8	–	7.5	–
Basel, Freie Strasse 26/Falknerstrasse 3	647	4.3	sole ownership	1854	1980	471	2 877	43.5	50.2	–	–	6.3	–
Basel, Freie Strasse 36	775	–	sole ownership	1894	2003	517	2 429	59.4	13.6	–	–	21.5	5.5
					2015/								
Basel, Freie Strasse 68	1 187	–	sole ownership	1930	2016	1 461	8 207	19.4	1.2	62.9	–	16.0	0.5
Basel, Henric Petri-Strasse 9/Elisabethenstrasse 19	809	4.2	sole ownership	1949	1985	2 387	6 695	4.3	76.0	–	–	19.7	–
			sole ownership										
Basel, Hochbergerstrasse 40/parking	295	0.7	land lease	1976		4 209	–	–	–	–	–	–	–
Basel, Hochbergerstrasse 60/building 860	74	30.2	sole ownership	1990		980	897	–	84.1	–	–	14.1	1.8
Basel, Hochbergerstrasse 60/Stücki Park	3 804	–	sole ownership	2008		8 343	37 293	–	80.8	–	–	19.1	0.1
Basel, Hochbergerstrasse 62	212	–	sole ownership	2005		2 680	–	–	–	–	–	–	–
					2019–								
Basel, Hochbergerstrasse 70/Stücki Park (Shopping)	4 401	7.3	sole ownership	2009	2021	46 416	44 079	20.9	15.0	55.7	–	7.9	0.5
			sole ownership										
Basel, Messeplatz 12/Messeturm	4 773	16.5	partial land lease	2003		2 137	23 819	–	53.7	42.7	–	3.6	–
Basel, Peter Merian-Strasse 80	1 083	0.3	freehold property	1999		19 214	8 552	–	80.6	–	–	17.4	2.0
Basel, Rebgrasse 20	1 602	0.7	sole ownership	1973	1998	3 713	8 886	47.2	11.8	14.6	–	15.5	10.9
				1948–									
Berlingen, Seestrasse 83, 88, 101, 154	1 008	–	sole ownership	1998		10 321	8 650	–	–	–	100.0	–	–
Berne, Genfergasse 14	2 268	–	sole ownership	1905	1998	4 602	15 801	–	89.1	–	–	10.9	–
				1969/									
Berne, Mingerstrasse 12–18/PostFinance Arena	3 076	–	sole ownership	2009	2009	29 098	46 298	0.2	33.1	–	–	66.7	–
Berne, Schwarztorstrasse 48	933	0.3	sole ownership	1981	2011	1 959	8 163	–	75.5	–	–	24.3	0.2
				1970/									
Berne, Viktoriastrasse 21, 21a, 21b/Schönburg	3 148	0.6	sole ownership	2020	2020	14 036	20 480	8.1	–	35.3	–	1.3	55.3
Berne, Wankdorfallee 4/EspacePost	4 161	–	sole ownership	2014		5 244	33 647	–	94.2	–	–	4.9	0.9
			land lease										
Berne, Weltpoststrasse 5	2 649	6.0	sole ownership	1985	2013	19 374	25 333	–	71.5	2.3	–	25.2	1.0
			land lease										
Biel, Solothurnstrasse 122	256	–	sole ownership	1961	1993	3 885	3 319	74.9	2.7	–	–	15.3	7.1
Brugg, Hauptstrasse 2	478	8.3	sole ownership	1958	2000	3 364	4 179	42.1	4.2	22.2	–	28.8	2.7
Buchs SG, St. Gallerstrasse 5	207	7.2	sole ownership	1995		2 192	1 685	–	71.8	–	–	19.3	8.9
				2009/									
Buchs ZH, Mülibachstrasse 41	629	–	sole ownership	2020		20 197	10 030	–	17.3	–	–	82.7	–
			sole ownership										
Burgdorf, Industrie Buchmatt	404	–	partial land lease	1973		15 141	11 967	2.9	5.4	–	–	91.3	0.4
Carouge, Avenue Cardinal-Mermillod 36–44	4 740	6.9	sole ownership	1956	2002	14 372	35 035	22.9	56.6	3.5	–	15.8	1.2
			freehold property and co-ownership										
Carouge, Rue Antoine-Jolivet 7	157	–	land lease	1975		3 693	3 515	3.8	0.7	5.0	–	26.1	64.4
Conthey, Route Cantonale 2	99	–	sold 03.04.2023										
Conthey, Route Cantonale 4	417	31.5	sole ownership	2009		7 444	4 830	78.6	–	3.1	–	17.3	1.0
			land lease										
Conthey, Route Cantonale 11	791	20.4	sole ownership	2002		10 537	7 297	62.1	20.5	0.7	–	14.0	2.7
			land lease										
Dietikon, Bahnhofplatz 11/Neumattstrasse 24	278	2.9	sole ownership	1989		1 004	1 793	19.4	55.8	–	–	24.3	0.5
Dübendorf, Bahnhofstrasse 1	208	–	sole ownership	1988		1 308	1 671	5.9	71.1	–	–	23.0	–
			land lease										
Eyholz, Kantonsstrasse 79	144	–	sole ownership	1991		2 719	1 319	92.3	5.6	–	–	1.5	0.6
			land lease										

Investment properties

Property details as at 30.06.2023

Overview of type of use

	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Frauenfeld, St. Gallerstrasse 30–30c	876	1.7	sole ownership	1991		8842	9528	–	–	–	100.0	–	–
Frauenfeld, Zürcherstrasse 305	–	–	sold 01.01.2023										
Frick, Hauptstrasse 132/Fricktal Centre A3	1	–	sold 01.01.2023										
Geneva, Centre Rhône-Fusterie	1 542	–	freehold property	1990		2 530	11 186	76.2	0.3	–	–	23.5	–
Geneva, Place du Molard 2–4 ¹	3 498	0.1	sole ownership	1690	2002	1 718	7 263	38.2	56.5	0.5	–	4.1	0.7
Geneva, Route de Malagnou 6/Rue Michel-Chauvet 7	397	–	sole ownership	1969/1960	1989	1 321	1 602	–	47.0	11.8	–	3.9	37.3
Geneva, Route de Meyrin 49	1 330	20.1	sole ownership	1987/1974/		9 890	10 234	–	85.2	–	–	12.9	1.9
Geneva, Rue de la Croix-d'Or 7/Rue Neuve-du-Molard 4–6	1 152	6.2	sole ownership	1985	1994	591	3 478	37.8	24.2	0.5	–	3.8	33.7
Geneva, Rue des Alpes 5	474	4.2	sole ownership	1860		747	2 704	9.8	45.1	1.4	–	0.6	43.1
Geneva, Rue du Rhône 48–50 ²	9 219	4.4	sole ownership	1921	2002	5 166	33 279	44.1	33.6	7.2	–	12.9	2.2
Gossau SG, Wilerstrasse 82	580	6.3	sole ownership	2007		13 064	4 688	74.7	5.5	–	–	17.0	2.8
Grand-Lancy, Route des Jeunes 10/CCL La Praille	8 181	1.5	sole ownership land lease	2002		20 597	36 154	51.2	1.0	29.1	–	16.7	2.0
Grand-Lancy, Route des Jeunes 12	990	5.0	sole ownership land lease	2003		5 344	13 723	0.2	45.3	41.5	–	13.0	–
Heimberg, Gurnigelstrasse 38	282	0.1	sole ownership land lease	2000		7 484	1 572	82.1	2.8	–	–	8.6	6.5
La Chaux-de-Fonds, Boulevard des Eplatures 44	202	–	sole ownership	1972		3 021	2 504	96.1	0.6	–	–	3.0	0.3
Lachen, Seidenstrasse 2	176	–	sole ownership	1993		708	1 532	–	81.5	–	–	18.5	–
Lausanne, Rue de Sébeillon 9/Sébeillon Centre	512	0.7	sole ownership	1930	2001	2 923	10 116	8.4	54.1	–	–	36.1	1.4
Lausanne, Rue du Pont 5	3 632	5.7	sole ownership	1910	2004	3 884	20 805	50.5	23.3	9.2	–	15.3	1.7
Lutry, Route de l'Ancienne Ciberlie 2	647	–	freehold property	2006		13 150	3 264	69.6	7.6	1.9	–	18.1	2.8
Lucerne, Kreuzbuchstrasse 33/35	963	–	sole ownership land lease	2010		14 402	10 533	–	–	–	100.0	–	–
Lucerne, Langensandstrasse 23/Schönbühl	1 521	6.9	sole ownership	1969	2007	20 150	9 433	65.2	10.8	1.9	–	21.6	0.5
Lucerne, Pilatusstrasse 4/Flora	1 780	–	freehold property	1979	2008	4 376	9 906	69.6	12.1	–	–	15.0	3.3
Lucerne, Schwandenplatz 3	385	–	sole ownership	1958	2004	250	1 512	10.8	62.6	–	–	18.7	7.9
Lucerne, Schweizerhofquai 6/Gotthardgebäude	1 113	–	sole ownership	1889	2002	2 479	7 261	6.8	87.9	–	–	5.3	–
Lucerne, Weggisgasse 20, 22	327	–	sole ownership	1982		228	1 285	76.8	–	–	–	23.2	–
Meilen, Seestrasse 545	261	–	sole ownership land lease	2008		1 645	2 458	–	–	–	100.0	–	–
Meyrin, Chemin de Riantbosson 19/Riantbosson Centre	1 295	19.5	sole ownership	2018		4 414	7 611	33.3	38.3	9.8	–	15.6	3.0
Meyrin, Route de Meyrin 210	63	–	sold 03.04.2023										
Meyrin, Route de Pré-Bois 14/Geneva Business Terminal	748	5.2	sole ownership land lease	2003/2018		2 156	2 929	6.1	87.7	–	–	6.2	–
Monthey, Rue de Venise 5–7/Avenue de la Plantaud 4	658	–	sole ownership	2021		1 785	3 649	–	–	–	100.0	–	–
Morges, Les Vergers-de-la-Gottaz 1	620	–	sole ownership	1795/2003	1995	11 537	3 698	–	–	–	100.0	–	–
Münchenstein, Genuastrasse 11	755	–	sole ownership land lease	1993		7 550	10 109	–	21.5	–	–	72.1	6.4
Münchenstein, Helsinkistrasse 12	187	–	sole ownership land lease	1998		4 744	6 592	–	1.4	–	–	90.6	8.0
Niederwangen b. Bern, Riedmoosstrasse 10	1 179	–	sole ownership	1985	2006	12 709	12 855	33.3	13.2	–	–	51.6	1.9
Oberbüren, Buchental 2	394	–	sole ownership	1980	2007	6 391	6 486	34.3	1.8	–	–	63.5	0.4
Oberbüren, Buchental 3	142	53.7	sole ownership	1964		4 651	2 336	20.8	27.1	–	–	42.1	10.0
Oberbüren, Buchental 3a	123	–	sole ownership	1964		3 613	2 464	–	–	–	–	100.0	–
Oberbüren, Buchental 5	33	31.2	sole ownership	1920		3 456	1 648	–	12.1	–	–	54.4	33.5
Oberwil BL, Mühlemattstrasse 23	163	–	freehold property land lease	1986		6 200	1 652	75.9	4.2	–	–	18.6	1.3
Oftringen, Spitalweidstrasse 1/shopping centre a1	1 797	–	sole ownership	2006/2020	2020	42 031	23 703	78.8	–	0.5	–	19.8	0.9
Olten, Bahnhofquai 18	836	0.7	sole ownership	1996		2 553	5 134	–	93.6	–	–	6.4	–
Olten, Bahnhofquai 20	1 045	0.1	sole ownership	1999		1 916	7 423	–	84.8	–	–	14.4	0.8

¹ 1 464 m² vacant space cannot be let due to a conversion project and are therefore not included in the vacancy rate² 3 733 m² vacant space cannot be let due to a conversion project and are therefore not included in the vacancy rate

Investment properties

Property details as at 30.06.2023

Overview of type of use

	Target rental and land lease income CHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Olten, Frohburgstrasse 1	143	–	sole ownership	1899	2009	379	1 199	–	78.3	–	–	21.7	–
Olten, Frohburgstrasse 15	280	1.2	sole ownership	1961	1998	596	1 863	–	78.6	–	–	21.4	–
Olten, Solothurnerstrasse 201	83	–	sole ownership	2006		5 156	1 592	62.3	–	–	–	32.3	5.4
Olten, Solothurnerstrasse 231–235/Usego	1 013	16.1	sole ownership	1907	2011	8 493	11 520	–	63.6	–	–	36.3	0.1
Opfikon, Müllackerstrasse 2, 4/Bubenholz	1 040	–	sole ownership	2015		6 169	10 802	–	–	–	100.0	–	–
Ostermundigen, Mitteldorfstrasse 16	894	–	sole ownership	2009		7 503	10 925	–	–	–	100.0	–	–
Otelfingen, Industriestrasse 19/21	3 805	10.2	sole ownership	1965	2000	101 933	79 766	–	15.7	–	–	81.0	3.3
Otelfingen, Industriestrasse 31	468	0.1	sole ownership	1986	1993	12 135	11 796	–	31.3	0.4	–	66.3	2.0
Payerne, Route de Bussy 2	623	–	sole ownership	2006		12 400	6 017	83.9	4.4	–	–	11.0	0.7
Petit-Lancy, Route de Chancy 59	3 417	34.9	sole ownership	1990		13 052	22 356	–	69.2	6.3	–	23.8	0.7
Pfäffikon SZ, Huobstrasse 5	1 433	–	sole ownership	2004		7 005	11 660	–	–	–	100.0	–	–
				1962/									
Regensdorf, Riedthofstrasse 172–184/Iseli-Areal	807	10.3	sole ownership	2009		25 003	13 509	–	7.7	–	–	71.0	21.3
Richterswil, Gartenstrasse 7, 17/Etzelblick 4	1 059	–	sole ownership	2022		6 373	8 167	–	–	–	100.0	–	–
Romanel, Chemin du Marais 8	517	–	sole ownership	1973	1995	7 264	6 694	88.1	–	–	–	11.3	0.6
				1992/									
Schlieren, Zürcherstrasse 39/JED ³	3 537	10.5	sole ownership	2003	2021	18 787	24 677	–	76.7	8.3	–	8.7	6.3
				freehold property									
Spreitenbach, Industriestrasse/Tivoli	260	–		1974	2010	25 780	980	87.2	–	–	–	12.8	–
Spreitenbach, Müslistrasse 44	106	–	sole ownership	2002		2 856	516	–	6.9	30.3	–	11.4	51.4
Spreitenbach, Pfadackerstrasse 6/Limmatpark	2 303	10.2	sole ownership	1972	2003	10 318	28 437	62.5	27.1	–	–	7.4	3.0
				sole ownership parking 73/100 co-ownership									
St. Gallen, Zürcherstrasse 462–464/Shopping Arena	7 322	1.4		2008		33 106	39 362	56.3	9.7	11.3	–	20.2	2.5
Sursee, Moosgasse 20	–	–											
				sold 01.01.2023									
Thônex, Rue de Genève 104–108	2 325	0.8	sole ownership	2008		9 224	11 451	54.7	3.1	3.5	–	13.0	25.7
Thun, Bälliz 67	426	15.9	sole ownership	1953	2001	875	3 128	20.4	62.4	2.1	–	11.3	3.8
				sole ownership land lease									
Thun, Göttibachweg 2–2e, 4, 6, 8	1 137	–		2003		14 520	11 556	–	–	–	100.0	–	–
Uster, Poststrasse 10	196	1.1	sole ownership	1972	2012	701	1 431	–	78.4	–	–	21.6	–
Uster, Poststrasse 12	98	3.8	sole ownership	1890		478	673	35.7	6.7	–	–	–	57.6
Uster, Poststrasse 14/20	210	1.4	sole ownership	1854	2000	2 449	3 191	63.4	12.5	3.8	–	19.5	0.8
Vernier, Chemin de l'Etang 72/Patio Plaza	2 004	51.8	sole ownership	2007		10 170	13 563	–	82.0	–	–	17.2	0.8
Vevey, Rue de la Clergère 1	372	–	sole ownership	1927	1994	717	3 055	–	88.8	–	–	11.2	–
Wabern, Nesslerenweg 30	517	–											
				sold 01.06.2023									
Wil, Obere Bahnhofstrasse 40	–	–											
				sold 01.01.2023									
				1999/2000/									
Winterthur, Theaterstrasse 15a-c, 17	4 153	7.4	sole ownership	2004		15 069	37 220	–	71.3	0.5	–	22.0	6.2
Winterthur, Untertor 24	203	–	sole ownership	1960	2006	290	1 364	–	69.9	–	–	30.1	–
Worblaufen, Alte Tiefenaustrasse 6	3 929	–	sole ownership	1999		21 804	37 170	–	87.4	–	–	12.6	–
Zollikofen, Industriestrasse 21	815	–	sole ownership	2003	2016	2 906	7 263	–	73.6	3.1	–	23.3	–
Zollikon, Bergstrasse 17, 19	303	3.4	sole ownership	1989	2004	1 768	2 126	–	70.2	–	–	29.8	–
				1984/									
Zollikon, Forchstrasse 452–456	320	–	sole ownership	1998		2 626	2 251	–	68.4	–	–	31.6	–
				sole ownership land lease									
Zuchwil, Dorfackerstrasse 45/Birchi Centre	1 136	20.0		1997		9 563	13 277	62.8	1.4	14.5	–	12.2	9.1
Zug, Zählerweg 4, 6/Dammstrasse 19/Landis + Gyr-Strasse 3/Opus 1	2 972	0.7	sole ownership	2002		7 400	16 035	–	90.5	–	–	9.5	–
Zug, Zählerweg 8, 10/Dammstrasse 21, 23/Opus 2	3 873	0.9	sole ownership	2003		8 981	20 089	–	91.3	–	–	8.7	–
Zürich, Affolternstrasse 52/MFO building	4 692	–	sole ownership	2001		9 830	23 529	–	92.0	–	–	7.7	0.3
Zürich, Affolternstrasse 54, 56/Cityport	–	–	sole ownership	1889	2012	1 367	2 776	–	53.1	25.8	–	21.1	–
				1942–									
Zürich, Albisriederstrasse 203, 207, 243	982	12.6	sole ownership	2003		13 978	11 623	–	61.3	22.7	–	15.2	0.8
Zürich, Albisriederstrasse/Rütliweg/YOND	2 871	0.2	sole ownership	2019		9 021	19 327	4.2	90.1	–	–	5.5	0.2
Zürich, Bahnhofstrasse 42	1 271	–	sole ownership	1968	1990	482	2 003	42.7	44.6	–	–	12.7	–

³ Reclassified from properties under construction to investment properties after new construction

Investment properties

Property details as at 30.06.2023

Overview of type of use

	Target rental and land lease income CHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Zurich, Bahnhofstrasse 69	926	8.3	sole ownership	1898	2007	230	1 127	10.8	74.9	–	–	14.0	0.3
Zurich, Bahnhofstrasse 106	815	2.9	sole ownership	1958		200	1 208	11.7	53.3	–	–	35.0	–
Zurich, Beethovenstrasse 33, Dreikönigstrasse 24	2 037	–	sole ownership	1966– 1968	2013– 2016	1 347	5 797	–	85.6	2.1	–	11.4	0.9
Zurich, Brandschenkestrasse 25	4 050	–	sole ownership	1910	2017	3 902	17 164	–	–	70.6	–	29.4	–
Zurich, Carl-Spitteler-Strasse 68/70	2 080	–	sole ownership	1993		11 732	19 343	–	–	–	100.0	–	–
Zurich, Etzelstrasse 14	614	–	sole ownership	2017		1 809	2 135	–	–	–	100.0	–	–
Zurich, Flurstrasse 55/Medienpark	3 219	3.4	sole ownership	1979	2015	8 270	24 162	1.7	70.4	4.1	–	23.8	–
Zurich, Flurstrasse 89	243	–	sole ownership	1949	2003	2 330	3 331	–	12.0	–	–	88.0	–
Zurich, Fraumünsterstrasse 16	2 490	0.3	sole ownership	1901	2017	2 475	8 588	15.4	73.9	–	–	10.7	–
Zurich, Giesshübelstrasse 15	686	0.7	sole ownership	1956	1999	1 713	2 854	–	88.2	–	–	11.8	–
Zurich, Hagenholzstrasse 60/SkyKey	5 682	–	sole ownership	2014		9 573	41 251	–	86.0	9.8	–	4.2	–
Zurich, Hardstrasse 201/Prime Tower	12 066	2.5	sole ownership	2011		10 451	48 097	0.7	87.4	5.5	–	6.3	0.1
Zurich, Hardstrasse 219/Eventblock Maag	596	4.2	sole ownership	1929– 1978		9 507	7 183	–	21.7	–	–	76.2	2.1
Zurich, Josefstrasse 53, 59	2 045	0.8	sole ownership	1972	2001	2 931	12 188	5.6	77.8	1.4	–	14.7	0.5
Zurich, Juchstrasse 3/West-Log	1 631	13.2	sole ownership	2021		7 733	17 343	1.3	43.2	–	–	54.7	0.8
Zurich, Jupiterstrasse 15/Böcklinstrasse 19	477	–	sole ownership	1995	1996	1 630	1 829	–	–	–	100.0	–	–
Zurich, Kappenbühlweg 9, 11/Holbrigstrasse 10/ Regensdorferstrasse 18a	1 541	–	sole ownership	1991		9 557	14 790	–	–	–	100.0	–	–
Zurich, Maagplatz 1/Platform	3 595	–	sole ownership	2011		5 907	20 310	2.1	91.1	0.5	–	6.3	–
Zurich, Manessestrasse 85	1 112	18.4	sole ownership	1985	2012	3 284	8 285	–	71.2	–	–	25.7	3.1
Zurich, Nansenstrasse 5/7	1 180	0.1	sole ownership	1985		1 740	5 863	39.1	27.0	–	–	6.2	27.7
Zurich, Ohmstrasse 11, 11a	1 085	–	sole ownership	1927	2007	1 970	6 031	54.7	23.4	2.2	–	15.8	3.9
Zurich, Querstrasse 6	92	–	sole ownership	1927	1990	280	563	7.6	5.7	–	–	–	86.7
Zurich, Restelbergstrasse 108	181	–	sole ownership	1936	1997	1 469	672	–	–	–	100.0	–	–
Zurich, Seidengasse 1/Jelmoli	13 650	–	sole ownership	1898	2010	6 514	36 770	64.6	3.7	13.3	–	12.8	5.6
Zurich, Siewerdstrasse 8	567	–	sole ownership	1981		1 114	3 687	–	91.1	–	–	8.9	–
Zurich, Sihlstrasse 24/St. Annagasse 16	849	–	sole ownership	1885	2007	1 155	2 837	3.9	71.1	15.3	–	6.1	3.6
Zurich, Steinmühleplatz 1/St. Annagasse 18/Sihlstrasse 20	1 914	0.2	sole ownership	1957	1999	1 534	6 277	10.9	67.7	2.2	–	18.0	1.2
Zurich, Steinmühleplatz/Jelmoli parking	1 508	–	sole ownership with concession	1972	2009	1 970	84	100.0	–	–	–	–	–
Zurich, Talacker 21, 23	1 550	2.8	sole ownership	1965	2008	1 720	4 903	9.6	64.2	–	–	26.2	–
Zurich, Vulkanstrasse 126	125	–	sole ownership	1942/ 1972/ 1979		4 298	2 273	–	17.1	–	–	82.9	–
Total properties	233 693	4.0				1 102 951	15 985 74	16.5	43.0	7.2	8.2	22.0	3.1

Building land

Property details as at 30.06.2023

Overview of type of use

	Target rental and land lease income CHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Augst, Rheinstrasse 54	53	-	sole ownership	na		10958	1	-	-	-	-	-	100.0
Dietikon, Bodacher	11	-	sole ownership			13293	1375	-	-	-	-	-	100.0
Dietikon, Bodacher/Im Maienweg	-	-	sole ownership			4249	4240	-	-	-	-	-	100.0
Dietikon, Bodacher/Ziegelägerten	5	-	sole ownership			3740	4324	-	-	-	-	-	100.0
Meyrin, Route de Pré-Bois	17	-	sole ownership			10183	372	-	79.0	-	-	-	21.0
Niederwangen b. Bern, Riedmoosstrasse 10	-	-	sole ownership			5895	-	-	-	-	-	-	-
Oberbüren, Buchental/parking	15	-	sole ownership			1825	-	-	-	-	-	-	-
Spreitenbach, Joosacker 7	19	-	sole ownership			16256	7759	-	-	-	-	-	100.0
Wangen b. Olten, Rickenbacherfeld	-	-	sold 01.01.2023										
Zurich, Oleanderstrasse 1	26	-	sole ownership			1354	1360	-	-	-	-	-	100.0
Total building land	146	-				67753	19431	-	1.5	-	-	-	98.5

Properties under construction and development sites

Property details as at 30.06.2023

Overview of type of use

	Target rental and land lease income TCHF	Vacancy rate %	Ownership status	Built	Year of renovation	Site area m ²	Total m ² commercial units, excluding parking	Retail %	Offices, medical practice premises, etc. %	Hotel / gastronomy	Assisted living %	Storage facilities %	Other %
Basel, Hochbergerstrasse 60/Stückli Park	2 720	15.7	sole ownership			10 222	15 661	–	64.9	0.1	–	35.0	–
Basel, Steinenvorstadt 5	150	–	sole ownership	1980		511	4 246	62.6	10.0	–	–	26.5	0.9
Berne, Stauffacherstrasse 131/Bern 131	–	–	sole ownership			8 237	–	–	–	–	–	–	–
Lancy, Esplanade de Pont-Rouge 5, 7, 9/Alto Pont-Rouge	–	–	sole ownership with 14/100 co-ownership			5 170	32 137	13.0	77.0	–	–	10.0	–
Olten, Solothurnerstrasse 201a/USEGO-Park	–	–	sole ownership			4 429	–	–	–	–	–	–	–
Paradiso, Riva Paradiso 3, 20/Du Lac	–	–	sole ownership partial land lease			3 086	–	–	–	–	–	–	–
Plan-les-Ouates, Route de la Galaise 11A, 11B/Espace Tourbillon building A ⁴	– 18	–	38/1000 co-ownership			–	–	–	–	–	–	–	–
Schlieren, Zürcherstrasse 39/JED Neubau	–	–	sole ownership			7 897	–	–	–	–	–	–	–
Zurich, Müllerstrasse 16, 20	976	–	sole ownership	1980		3 864	15 897	–	86.5	–	–	10.9	2.6
Total properties under construction and development sites	3 828	11.2				43 416	67 941	10.1	72.2	–	–	17.0	0.7
Overall total	237 667					121 412 0	1 685 946	16.1	43.8	6.8	7.7	21.5	4.1

⁴ Sale of 74/1000 of building A in year 2023, remaining 38/1000 of building A are trading properties

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

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