

**SWISS PRIME SITE**

# **RESULTS FINANCIAL YEAR 2021**

**ZÜRICH, 17 FEBRUARY 2022**

# SWISS PRIME SITE

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## AGENDA



**1 HIGHLIGHTS FINANCIAL YEAR 2021**

**2 KEY RESULTS AND PROJECT PIPELINE**

**3 FINANCIALS**

**4 EXPECTATIONS 2022 AND OUTLOOK**

# Investment Platform 2021: outperformance on all levels

SWISS PRIME SITE		<div>AKARA</div> <div> Swiss Prime Site Solutions <small>REAL ESTATE ASSET MANAGERS</small></div>			 wincasa	
	SHARES	BONDS	FUNDS	SPIF	THIRD-PARTY MANDATES	WINCASA
	#7 listed real estate company in the European market (CHF 7 billion capitalisation)	Straight bonds, convertible bonds and green bonds	Non-listed funds for qualified Swiss investors; (open-ended and closed-ended) and FINMA-regulated	Swiss Prime Investment Foundation (SPIF) for Swiss pension funds; tax-exempt and regulated	Asset management advice for third-party customers	Real estate services for direct real estate investors
AuM (in CHF billion)	12.8	2.6	2.5	3.0	1.0*	76
2021	SPSN: +7.0% (REAL: +4.4%)  Total return since IPO: 7.3% p.a.	2nd Green Bond of CHF 300 million  Total Green Bonds: CHF 600 million	1st fund launched with CHF 220 mn  Acquisition of Akara with CHF 2.3 bn AuM	SPIF: CHF 340 mn capital raised  SPIF yield: 6.4% (KGAST: 5.04%)	New pension fund mandate won  3 mandates: Volume of CHF ~ 1.0 billion	AuM increased to CHF 76 billion  Growth of CHF ~ 4 billion

\* current &amp; secured

# Results exceed set targets (1/2)



## MAJOR GROWTH IN OPERATING INCOME

- Rose by +5.1%\* to CHF 744.9 million
- Positive contribution from both segments



## SIGNIFICANT INCREASE IN RENTAL INCOME

- Rental income rose by 3.1%\* (target: +2.5%) to CHF 426.7 million (L4L: 0.5%)
- Vacancies reduced from 5.1% to 4.6% (target: 4.6-4.8%)



## LIMITED IMPACT OF PANDEMIC

- Decrease of CHF 7.9 million (previous year: CHF 12.7 million)
- Rent waivers of CHF 4.8 million and lower turnover-linked and parking rental income of CHF 3.1 million



## ATTRACTIVE PROPERTY PORTFOLIO

- Growth in property portfolio to CHF 12.8 billion (+3.8%) incl. revaluation gains of CHF 318.8 million
- Stable attractive net yields on property of 3.2%



## STRONG SERVICES PERFORMANCE

- Swiss Prime Site Solutions grew AuM to CHF 3.6 billion, increased operating income by 38.9%.
- Received FINMA authorisation, launched SPSS IF Commercial and purchased Akara Group



## DISCIPLINED COST MANAGEMENT

- Rise in profitability due to stable personnel costs
- Operating result (EBIT) before revaluations increased significantly by 12.5% (target: +5.0%) to CHF 396.6 million

\* on a like-for-like basis (i.e. without impact of sale of Tertium)



## Results exceed set targets (2/2)

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### SIGNIFICANT RISE IN PROFIT

- Company profit rose to CHF 507.4 million (25.2%\*)
- CHF 6.68 per share [CHF 5.33 per share]



### STRONG BALANCE SHEET AND FFO

- Equity ratio rose to 48.3%, LTV reduced to 40.2% (net 39.3%)
- EPRA NTA rose to CHF 100.84 per share (+4.8%)
- FFO I per share increased from CHF 3.59\* to CHF 3.96 in 2021



### OPTIMISED FINANCING

- Cleared bank mortgages and signed two unsecured credit facilities for CHF 2.6 billion
- Significantly strengthened financial flexibility
- Reduced average interest rate from 1.1% to 0.75%



### SUSTAINABLE MANAGEMENT

- Started sustainable projects and modifications of buildings (e.g. Müllerstrasse, Zurich and Route de Meyrin, Geneva)
- Using funds from issued Green Bonds (CHF 600 million) leads to significant CO<sub>2</sub> savings

\* on a like-for-like basis (i.e. without impact of sale of Tertium)

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**1 HIGHLIGHTS FINANCIAL YEAR 2021**

**2 KEY RESULTS AND PROJECT PIPELINE**

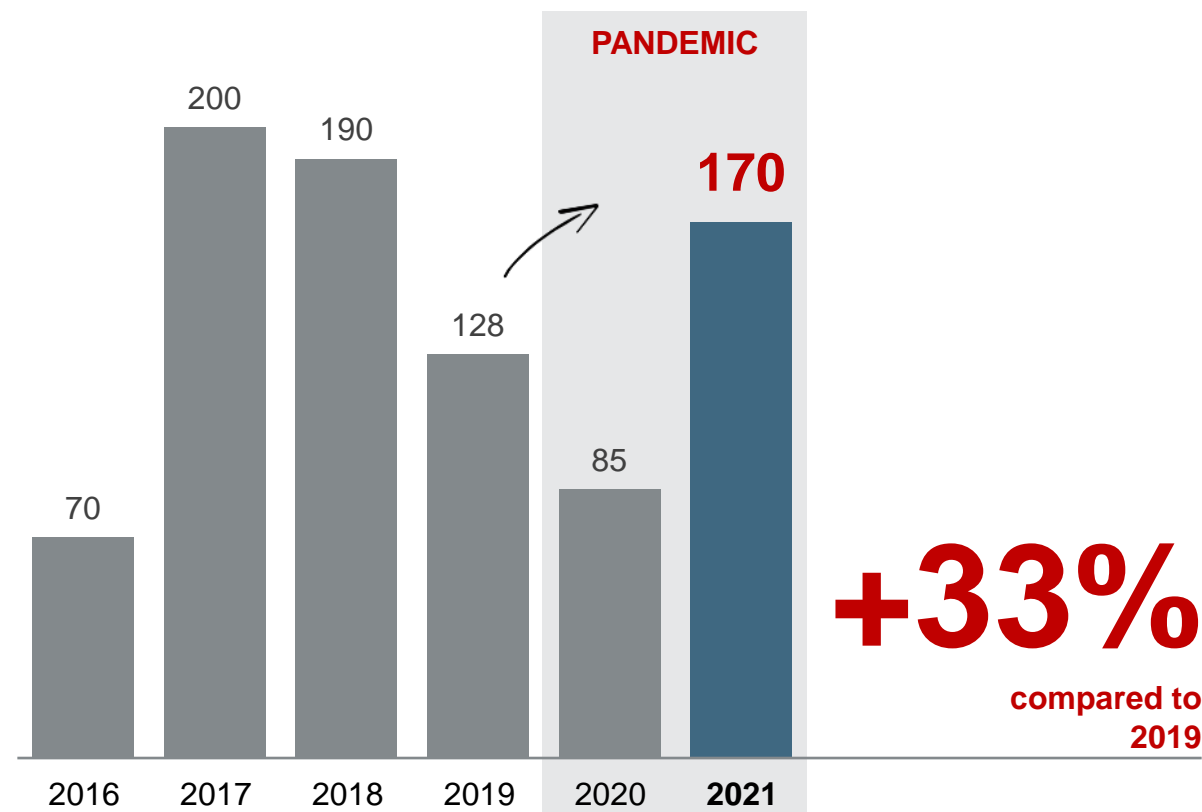
**3 FINANCIALS**

**4 EXPECTATIONS 2022 AND OUTLOOK**

# Real Estate: rental success and attractive transactions

## NEWLY LET AND RE-LET SPACES

in thousand m<sup>2</sup>



- Around 170 000 m<sup>2</sup> [FY 2020: 85 000 m<sup>2</sup>] of office and retail space newly let or re-let; of which 23 000 m<sup>2</sup> reduction in vacancies
- Google as sole tenant of Müllerstrasse in Zurich; Zalando, HDI (both in Prime Tower) and Aquilas (Stücki Park, Basel) also significant new major tenants
- CMS, Westhive and another anchor tenant increases pre-letting in the largest current development project of Alto Pont-Rouge in Lancy to 50%
- Worked with Superlab Suisse to create a total of 10 000 m<sup>2</sup> of lab and research space in Stücki Park Basel and JED Schlieren
- Purchased attractive plot in Zurich-Altstetten with high development potential (near West-Log logistics real estate)
- Sold a property in Zurich (Stadelhofen) and another building (E) in the Espace Tourbillon project in Plan-les-Ouates to the Hans Wilsdorf Foundation; 96% of building A already sold into freehold ownership or reserved



# Attractive portfolio: high revaluation gains and low vacancies

## PROPERTY PORTFOLIO

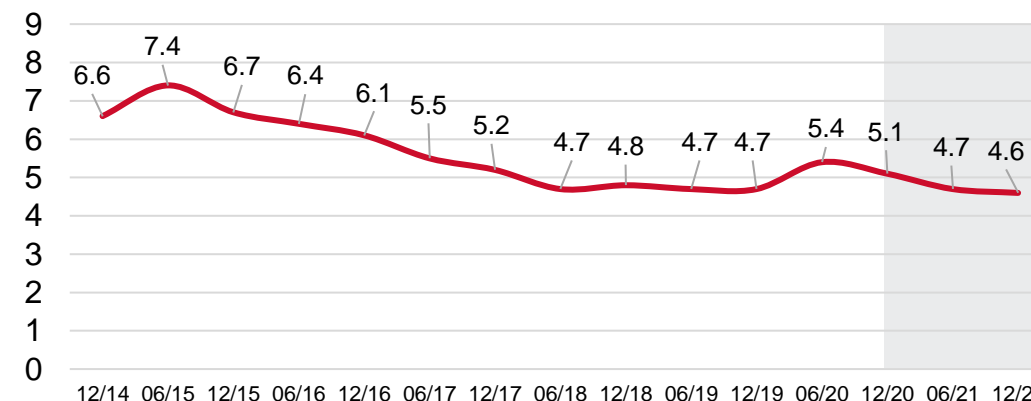
in CHF million

	2020*	2021
Total	12 322.6	12 793.5
of which projects   developments	829.5	1 006.9
Properties (number)	185	184
Rental income	413.7	426.7
Revaluation gain	203.4	318.8
Net yield on property (in %)	3.2	3.2
Discount rate, real (in %), avg.	2.91	2.75

- **Revaluation gain:** CHF 318.8 million net; this includes revaluations of CHF 310.0 million for existing properties and CHF 8.8 million for development projects
- **Net property yield:** A stable and attractive 3.2% compared to the market despite high revaluations

## VACANCY RATE

in % (Group)



- **Vacancy rate:** Lowest level since 2014; significant drop from 5.1% (2020) to 4.6% (2021)
- **Future plans:** Stabilise at the current level; reduce further in the medium-term

\* on a like-for-like basis (i.e. without impact of sale of Tertianum)

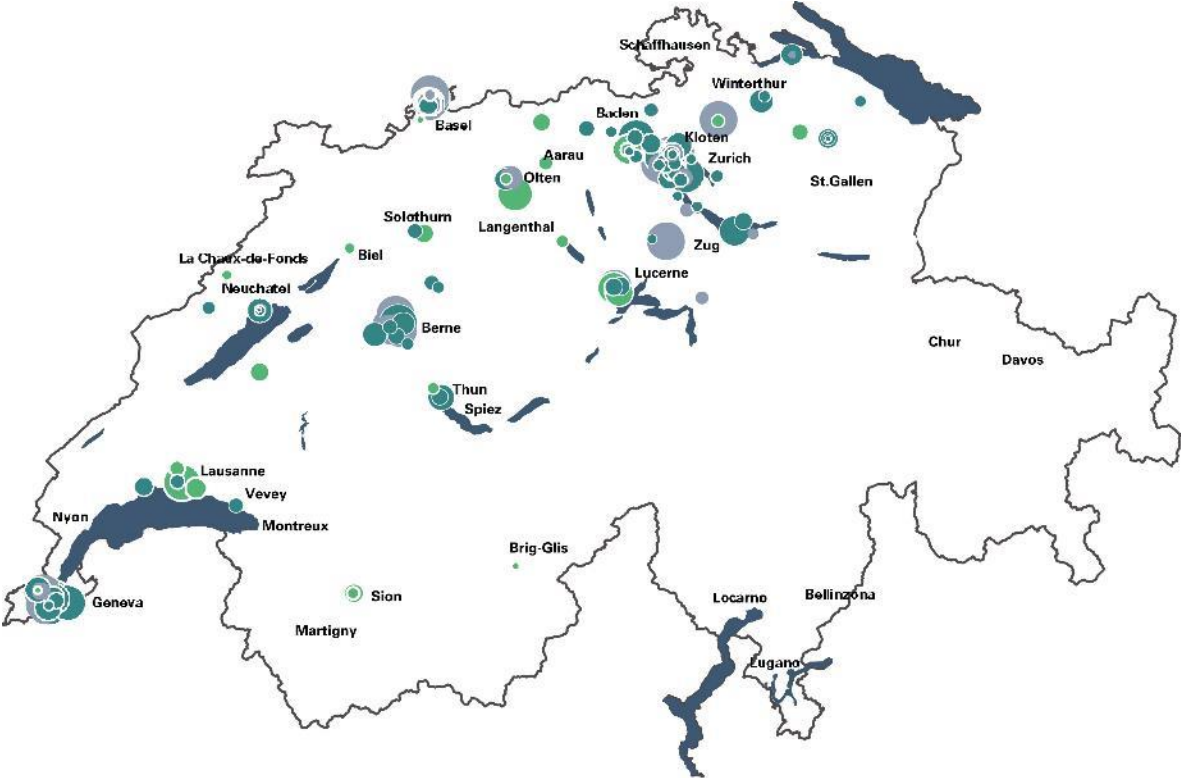
KEY RESULTS

# Portfolio focused on centres, office and commercial use

**CHF 12.8 bn**  
Property portfolio

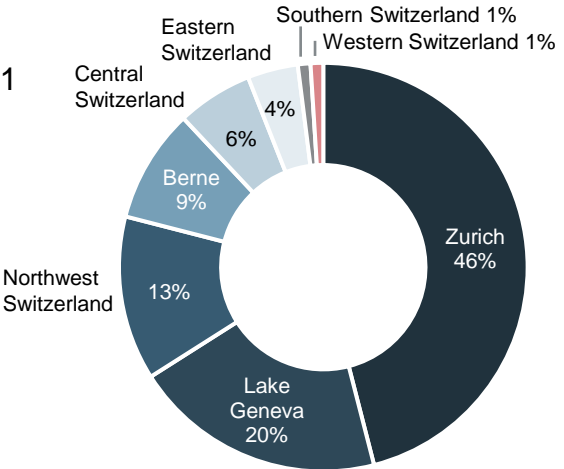
**184**  
# of properties

**1.7 million m<sup>2</sup>**  
Rental floor space



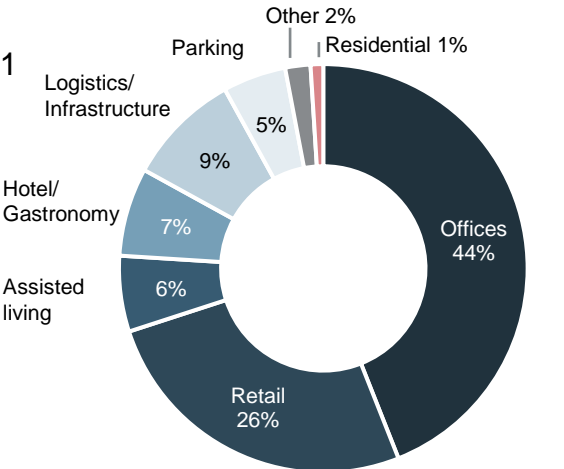
REGIONS

as at 31 December 2021



TYPES OF USE

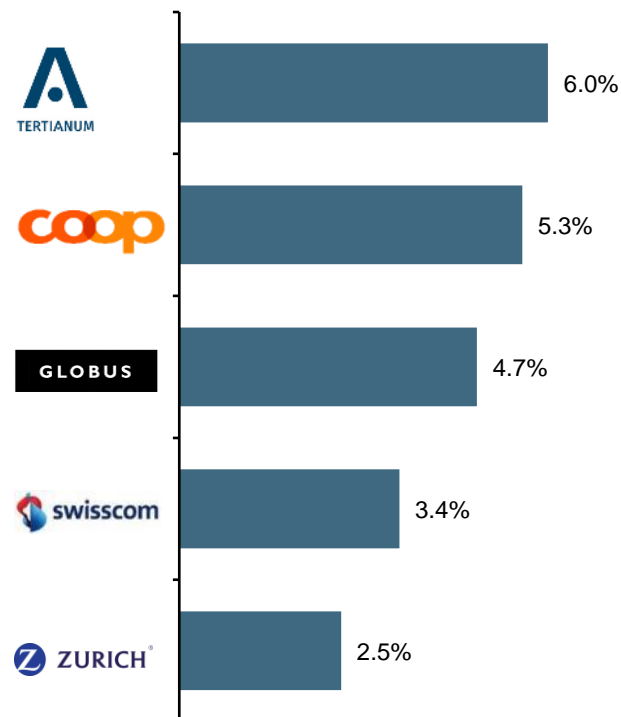
as at 31 December 2021



# Major tenants and balanced lease expiry structure of contracts

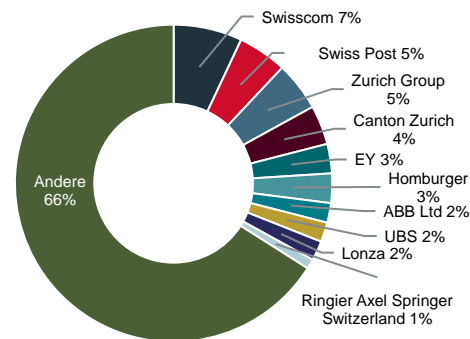
## MAJOR TENANTS

in % rental income as at 31/12/2021



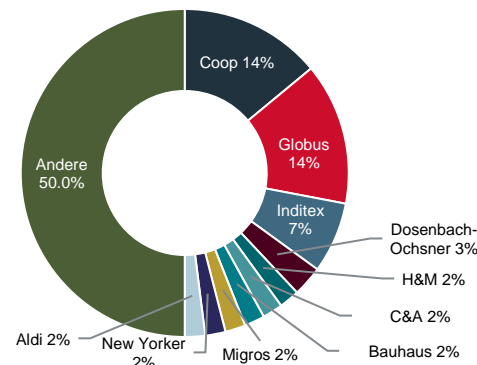
## MAJOR OFFICE TENANTS

in % rental space as at 31/12/2021



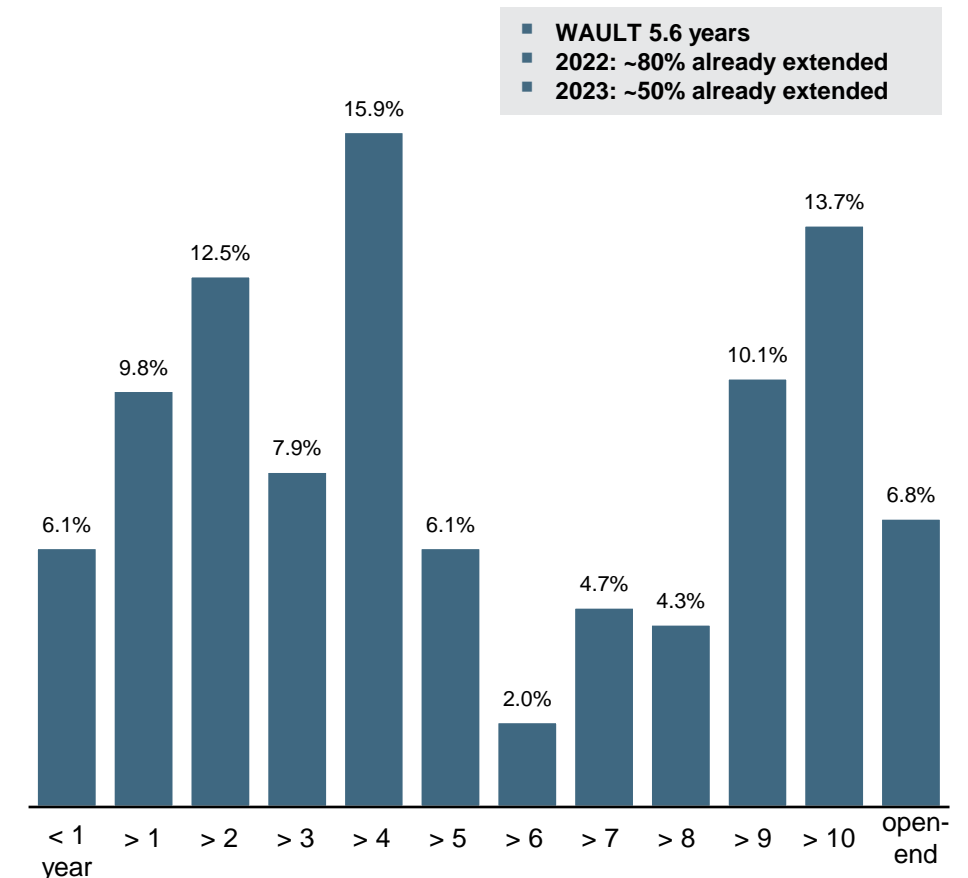
## MAJOR RETAIL TENANTS

in % rental space as at 31/12/2021



## LEASE EXPIRY OF RENTAL CONTRACTS

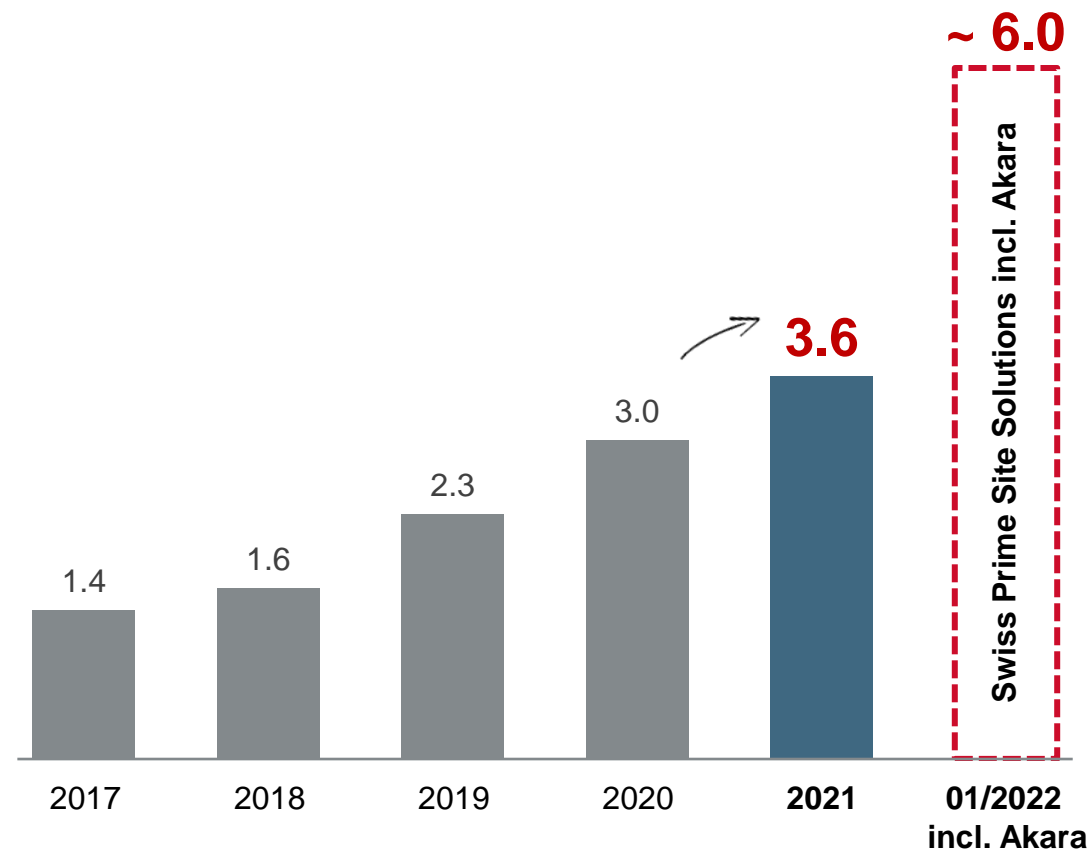
as at 31/12/2021



# Significant expansion of Asset Management

## ASSETS UNDER MANAGEMENT

in CHF billion



Assets under management increased organically by 20% from CHF 3.0 billion to CHF 3.6 billion:

### SPIF Real Estate Switzerland (AuM CHF 3.0 billion)

- Two capital increases of around CHF 340 million
- Reduction in vacancy rate to 3.44% [4.02%]
- Increase in investment yield to 6.40% [3.68%]
- Development pipeline of CHF 600 million

### SPA Living+ Europe (AuM EUR 43.6 million)

- Purchase of first assets for the new investment group

### Fund business

- Launched first fund with equity of CHF 144 million
- Purchased real estate worth CHF 220 million (01/2022)
- Second capital increase in March 2022 of around CHF 145 million

### Mandates (AuM ~CHF 0.5 billion)

- Won new customer mandate of up to CHF 1 billion



# Acquisition of Akara Group: expansion of product range

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Visualisation: Akara Tower project, Baden

- Acquisition of the owner-managed real estate asset manager Akara
- AuM: CHF 2.3 billion in assets under management (growth 2021: CHF ~ 0.7 billion)
- Signing: 15 December 2021
- Closing: 10 January 2022
- **Customers:** rapidly expanding customer segments with more than 100 new investors
- **Products:** expansion of product range with two new funds for qualified investors:  
Akara Diversity PK – open-ended fund with focus on residential  
Akara Property Development I KmGK – closed-ended fund

# Asset management: attractive asset-light business model



## Swiss Prime Investment Foundation (SPIF)

- SPIF Real Estate Switzerland: CHF 3.0 billion
- SPIF Living+ Europe launched in 2021



## Real estate funds (open- and closed-ended)

- Swiss Prime Site Solutions IF Commercial: CHF 220 million
- Akara Diversity PK: CHF 2.3 billion
- Akara Property Development I KmGK



## Mandates and services for pension funds

- Two customers with a volume of CHF 0.4 billion
- One customer with a mandate of up to CHF 1 billion

EBIT  
contribution of  
CHF 27–28  
million from  
2022

# Sustainability: our responsibility

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## STAKEHOLDERS

- Rent waivers of CHF -4.8 million granted in 2021
- Conducted 3<sup>rd</sup> stakeholder dialogue
- Code of Conduct for Suppliers and Environmental Policy implemented



## EMPLOYEES

- Employee survey with high response rate (80%) and positive results
- Focus on the sites in Zurich, Zug and Geneva



## FINANCE

- Issue of the 2<sup>nd</sup> Green Bond with a volume of CHF 300 million (75% market share in real estate)
- Credit margins linked to ISS ESG rating for new syndicated loans



## ECOLOGY

- Climate neutral by 2040 (Scope 1–3)
- Implementing a range of measures across existing properties (e.g. doubling photovoltaic systems) and projects (circular economy)



## INFRASTRUCTURE

- Cataloguing and re-use of materials in line with circular economy principle – pilot project Müllerstrasse, Zurich
- Continuous expansion of investment property certifications



## INNOVATION

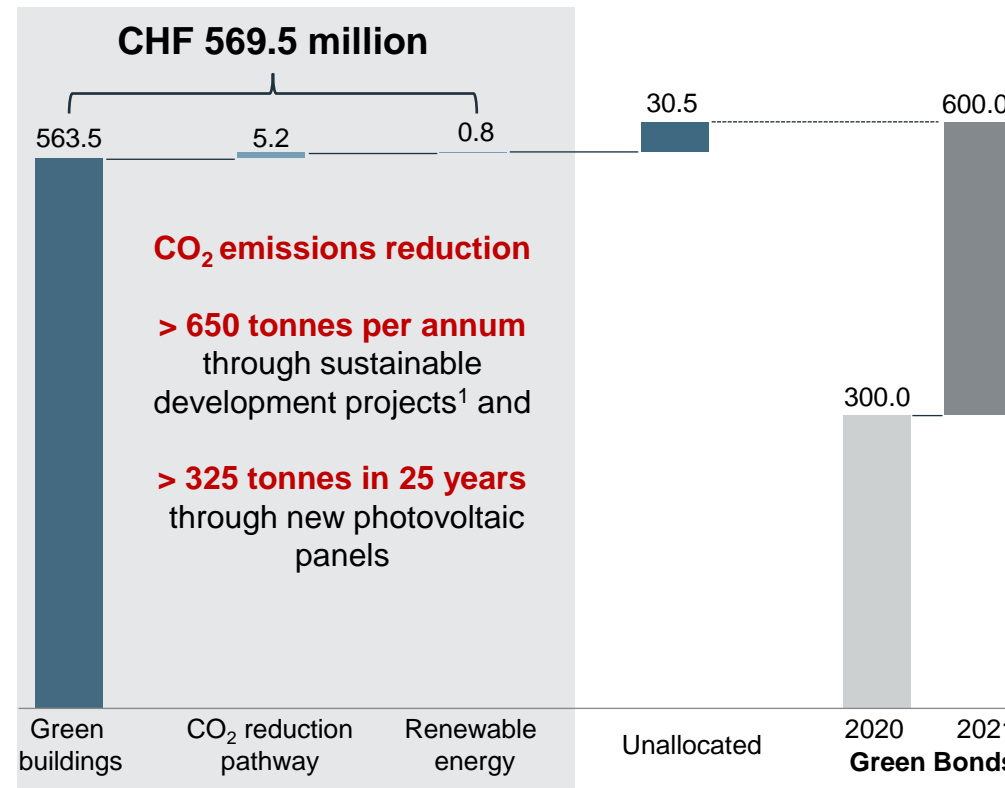
- Conducting accelerator programme on the topics of «New Work», «Healthy Building», «Servitisation» and «Enterprise Tech»
- Collaborating with various partners

# Green Bond investments with CO<sub>2</sub> savings



## GREEN BOND FUNDS USE 2021

in CHF million



- **Green Bond Report:** publication of the first report on the use of Green Bond funds totalling CHF 600 million
- **Allocated funds:** more than 94% of funds have already been included in development projects, investments to increase energy efficiency and photovoltaic systems
- **Impact:** developments with 60–80% lower emission coefficients than comparable new buildings and around 325 tonnes CO<sub>2</sub> reduction with new PV systems over 25 years

\* Source: Project-specific calculation of emission coefficients as benchmarks by TEP Energy, January 2022

<sup>1</sup> Calculated project coefficients compared to comparable new buildings in Switzerland as of 2016



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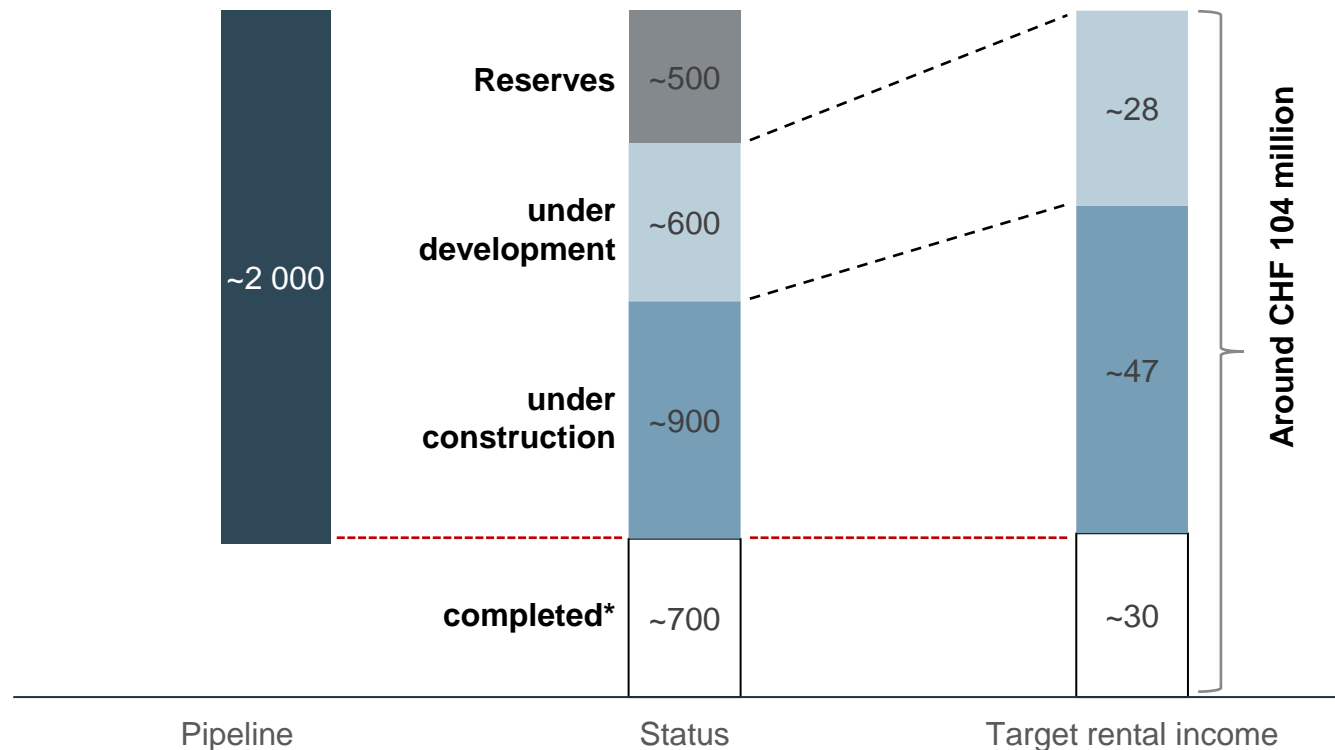
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# Significant potential through densification, utilisation and landbanking

## PROJECT PIPELINE






in CHF million



- **Completed projects:** projects completed totalling around CHF 700 million; target rental income per annum of around CHF 30 million.
- **Projects under construction:** projects totalling around CHF 900 million and target rental income totalling around CHF 47 million
- **Projects in development:** attractive development projects totalling around CHF 600 million and target rental income totalling CHF 28 million
- **Pipeline:** high densification potential and utilisation reserves within the existing portfolio (e.g. Route de Meyrin, Geneva; Poststrasse, Uster) and ongoing «refreshment» of the land bank through acquisitions

\* completed projects 2019-2021: JED modification, YOND, Schönbürg, West-Log, Espace Tourbillon, Monthey

# Scheduled projects under construction with high levels of pre-letting

						
<b>Construction status</b>	scheduled	scheduled	scheduled	scheduled	scheduled	Construction started
<b>Occupancy rate</b>	100%	70%	50%	100%	100%	100%
<b>Investments*</b>	CHF 47 million	CHF 226 million	CHF 306 million	CHF 74 million	CHF 222 million	CHF 35 million
<b>Target rental income p.a.</b>	CHF 2.1 million	CHF 14.3 million	CHF 15.6 million	CHF 3.2 million	CHF 10.7 million**	CHF 1.3 million
<b>Project realisation***</b>	2020 – 2022	2020 – 2023	2020 – 2023	2021 – 2023	2021 – 2023	2021 – 2023

\* including land | \*\* of which CHF 4 million additional rent p.a. | \*\*\* basic fit-out



# Planned projects with attractive uses

						
<b>Design plan/building and zoning regulations (BZO)</b>	JED new build Schlieren	Route de Meyrin 49 Geneva	Poststrasse Uster	maaglive Zurich	Rheinstrasse Augst	Dreispietz Mitte Münchenstein
	BZO	District plan final	BZO	Design plan final	Zone plan authorised	District plan process
<b>Competitive process &amp; building application/permit</b>	Building permit issued; construction due to commence mid-2022	under development	Architectural competition concluded	Architectural competition concluded	Two-step architectural competition under way	Urban planning competition under way
<b>Pre-letting status</b>	50%	interim letting	interim letting	interim letting	interim letting	interim letting
<b>Investments*</b>	CHF 95 million	CHF 114 million	CHF 46 million	CHF 116 million	CHF 58 million	CHF 170 million
<b>Target rental income p.a.</b>	CHF 4.4 million	CHF 4.5 million	CHF 1.6 million	CHF 6.6 million	CHF 2.3 million	CHF 8.4 million
<b>Project realisation**</b>	2022 – 2024	2024 – 2026	2024 – 2026	2024 – 2027	2025 – 2027	2028 – 2030

\* incl. land | \*\* basic fit-out



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# Swiss Prime Site capital management

## CAPITAL MANAGEMENT



- **Balance sheet structure:** optimisation of capital structure using clearly defined capital management principles
- **Key indicators**
  - Reduction of debt (LTV)
  - Decrease in proportion of secured financing
  - Increase in interest coverage ratio (ICR)
- **Growth:** the principles are the basis for financing organic growth and refinancing acquisitions

**OPTIMISED  
BALANCE  
SHEET**



**INCREASED  
STABILITY**



## CAPITAL RECYCLING



- **Market environment:** leveraging current market opportunities to sharpen portfolio focus (prime locations and real estate)
- **Optimised stock:** sales of non-core assets (size, development potential, location, retail, etc.)  
→ CHF 200–250 million p.a.)
- **Development pipeline:** investment of sales proceeds in current projects and future developments; production at ~4.5% of return on cost implies leveraging of significant valuation reserves
- **Portfolio:** investment properties are more focused, more sustainable and more contemporary  
→ Improve income potential







# Improve financial agility and strengthen balance sheet flexibility

## PRINCIPLES

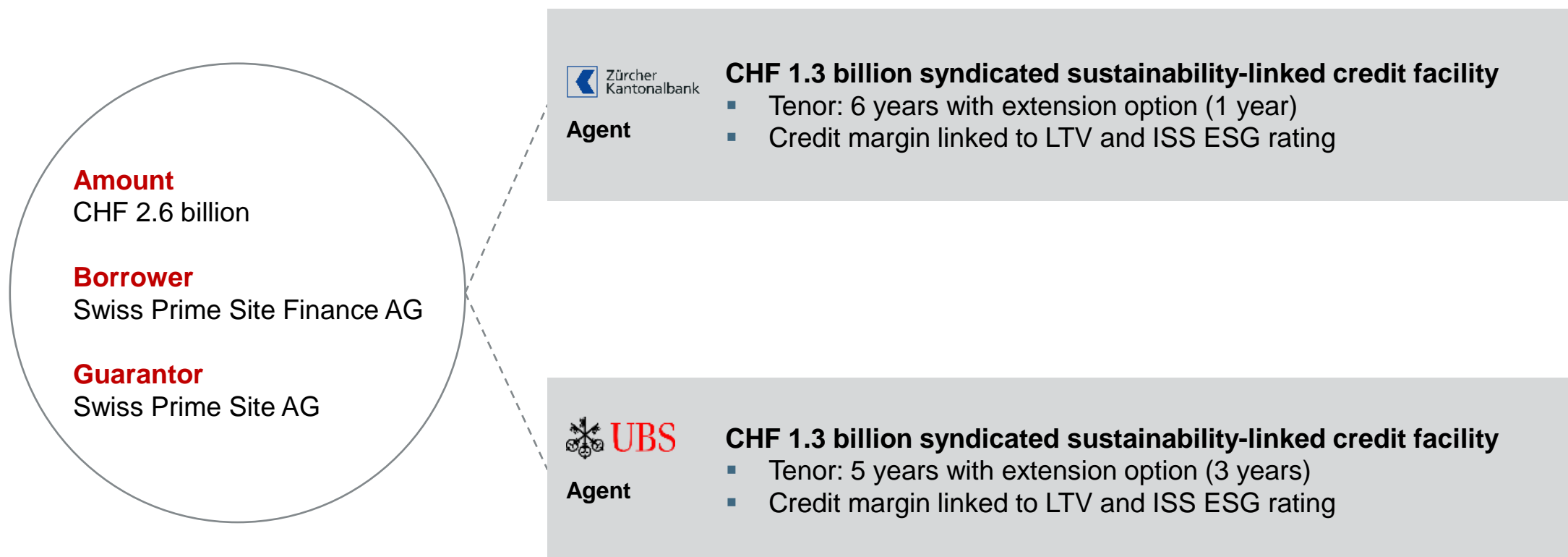
<b>1</b> <b>Balanced mix</b> of equity and borrowed capital in the interests of all stakeholders	<b>2</b> <b>Flexibility</b> by diversifying sources of financing	<b>3</b> <b>Financing costs</b> at the lower end of the market	<b>4</b> <b>Homogeneity</b> – bank/capital market financing (avoiding structural subordination)	<b>5</b> <b>Refinancing risks</b> – minimise or avoid where possible	<b>6</b> <b>Best-in-class IR</b> for all investor segments
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## KEY INDICATORS AND TRENDS

<b>Total debt/total assets (LTV)</b> <ul style="list-style-type: none"> <li>Optimal use of borrowed capital to withstand market shocks and leverage the low interest rate environment</li> <li>Limited risk of high debt accumulation</li> </ul>	<b>Unencumbered assets/total assets</b> <ul style="list-style-type: none"> <li>Transfer from asset lending to cashflow lending</li> <li>Diversified property portfolio as collateral for bank and capital market financing</li> </ul>	<b>Secured debt/total debt</b> <ul style="list-style-type: none"> <li>Mortgages are replaced by unsecured loans or repaid more rapidly</li> <li>No new mortgages (except if taken over as part of purchases)</li> </ul>	<b>Gross rental income/interest expense (interest coverage ratio – ICR)</b> <ul style="list-style-type: none"> <li>To ensure sufficient cash inflow in relation to interest charges</li> </ul>
<b>TARGET</b>  <b>&lt; 40%</b>	<b>TARGET</b>  <b>&gt; 80%</b>	<b>TARGET</b>  <b>&lt; 20%</b>	<b>TARGET</b>  <b>&gt; 7x</b>



# Sustainability-linked credit facilities totalling CHF 2.6 billion signed



# Swiss Prime Site: Moody's assigns A3 rating with a stable outlook

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MOODY'S  
**A3/stable**

**Swiss Prime Site AG:** long-term issuer rating **A3 with stable outlook**

## Rating justification

- **High quality real estate portfolio** of CHF 12.8 Mrd. in central business locations with good diversification of types of use
- **Switzerland (Aaa/stable) offers strong foundation** for a stable real estate market with good access to equity and debt capital
- **Diversified business model** with recurring asset management income
- **Financial flexibility** due to high unencumbered asset base, good liquidity and long remaining term of financial liabilities

**Conclusion:** With the agency rating, Swiss Prime Site increases its room for potential refinancing in Switzerland and on international financial markets

**SWISS PRIME SITE**

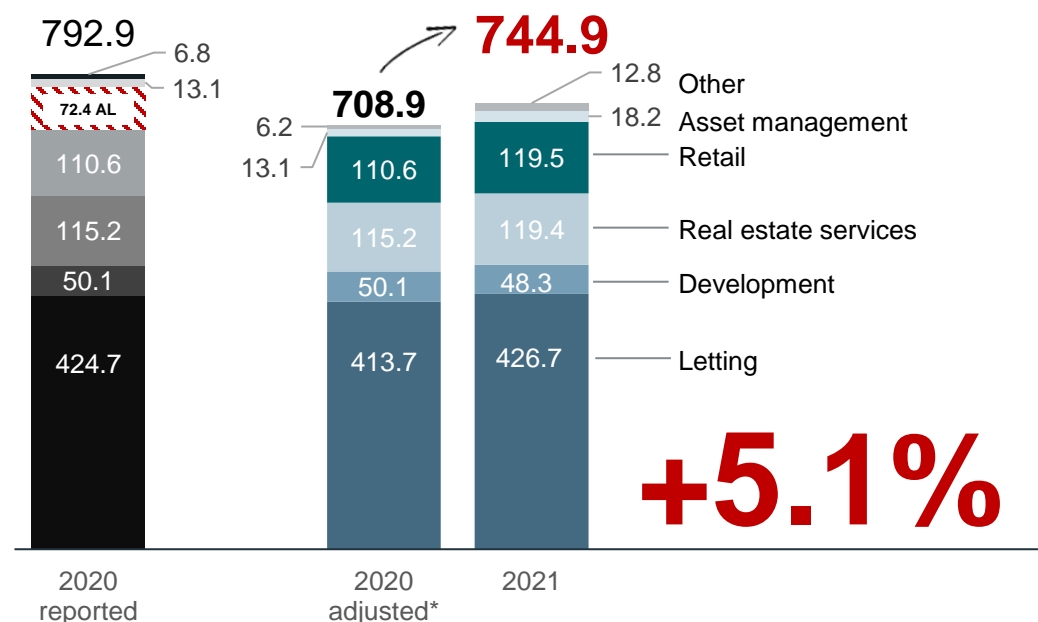
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# Strong results financial year 2021 (1/2)

## OPERATING INCOME

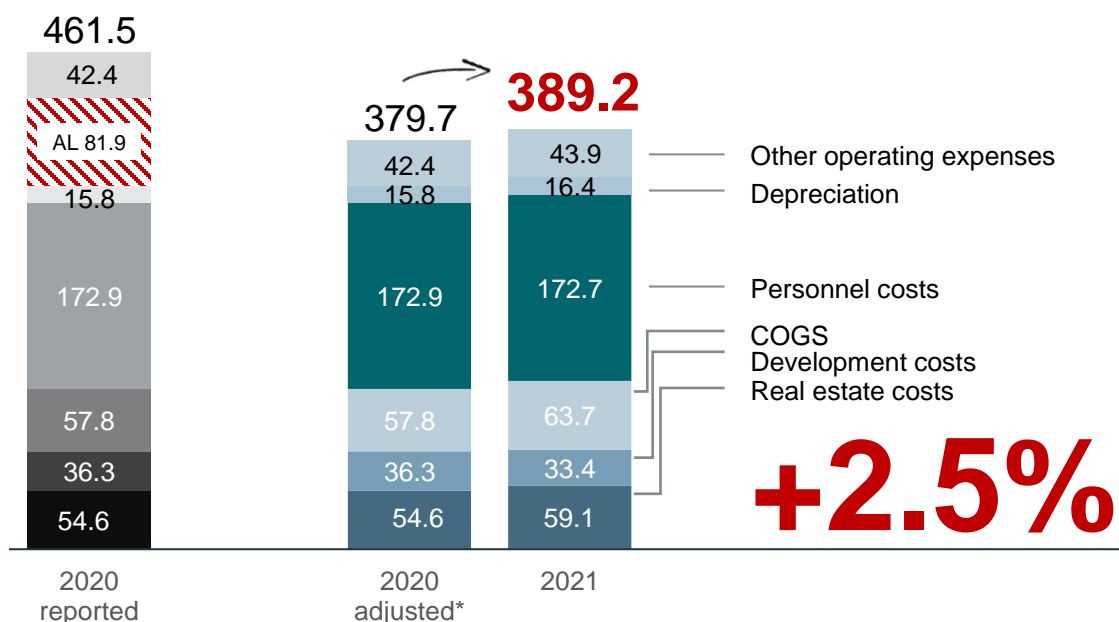
in CHF million



- Significant increase in operating income (adjusted) of 5.1%
- Growth across all group companies (Immobilien +3.1%, Solutions +38.8%, Wincasa +3.7% and Jelmoli +8.1%)

## OPERATING EXPENSES

in CHF million



- Below average rise in costs leads to increase in profitability and EBIT margin
- Stable expense ratio of real estate and steady personnel costs

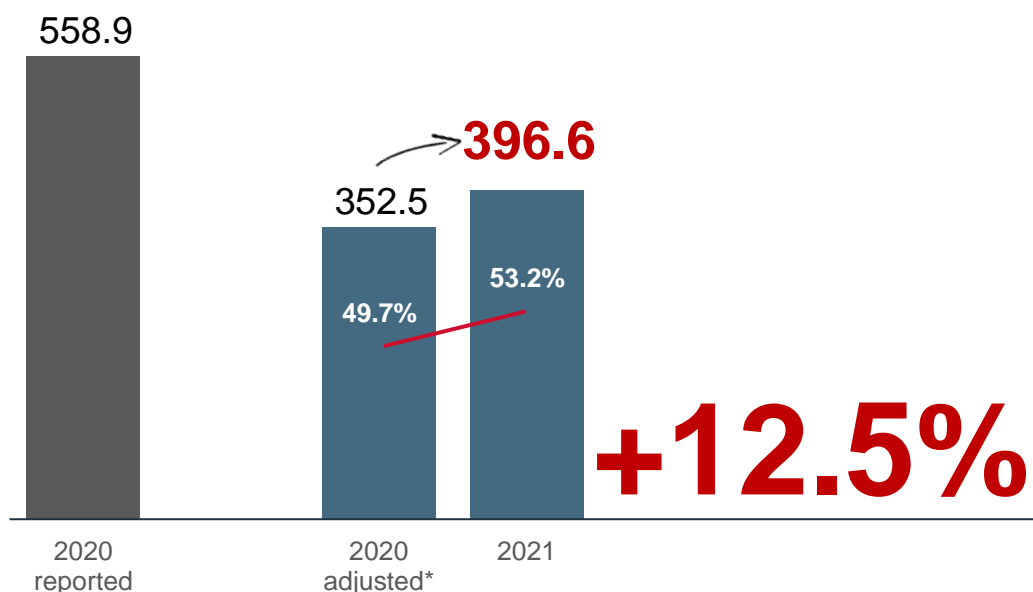
\* adjustment: includes income from assisted living and letting (Tertianum) for two months in the financial year 2020



# Strong results financial year 2021 (2/2)

## EBIT AND EBIT MARGIN (EXCLUDING REVALUATIONS)

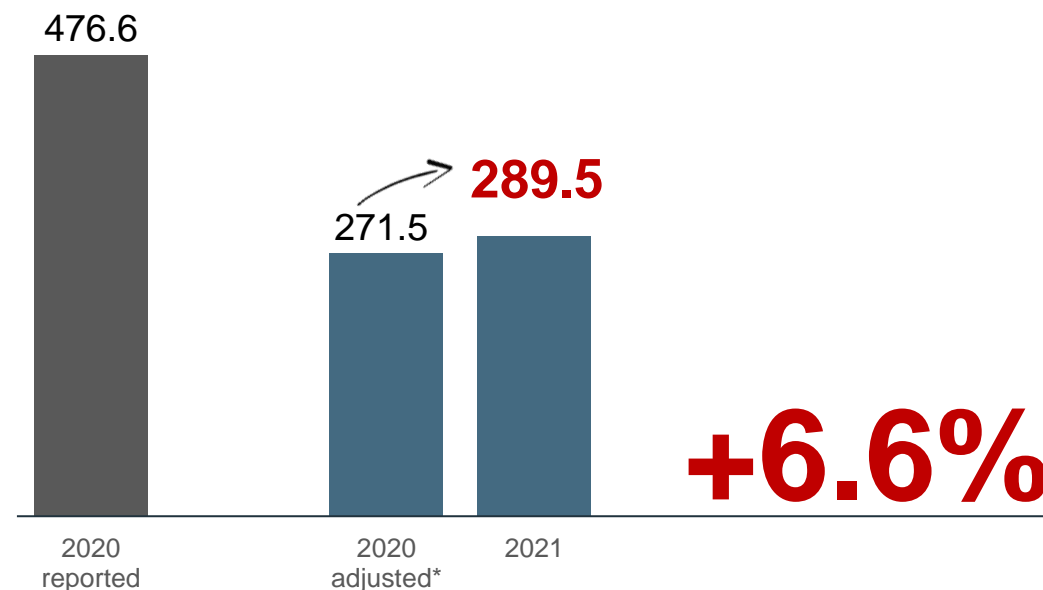
in CHF million and %



- The Group's operating result (EBIT) excluding revaluations increased by an impressive 12.5% (target: +5.0%) to CHF 396.6 million
- Even excluding the effect of sales, this resulted in an above-average increase of 8.0%

## PROFIT (EXCLUDING REVALUATIONS AND ALL DEFERRED TAXES)

in CHF million



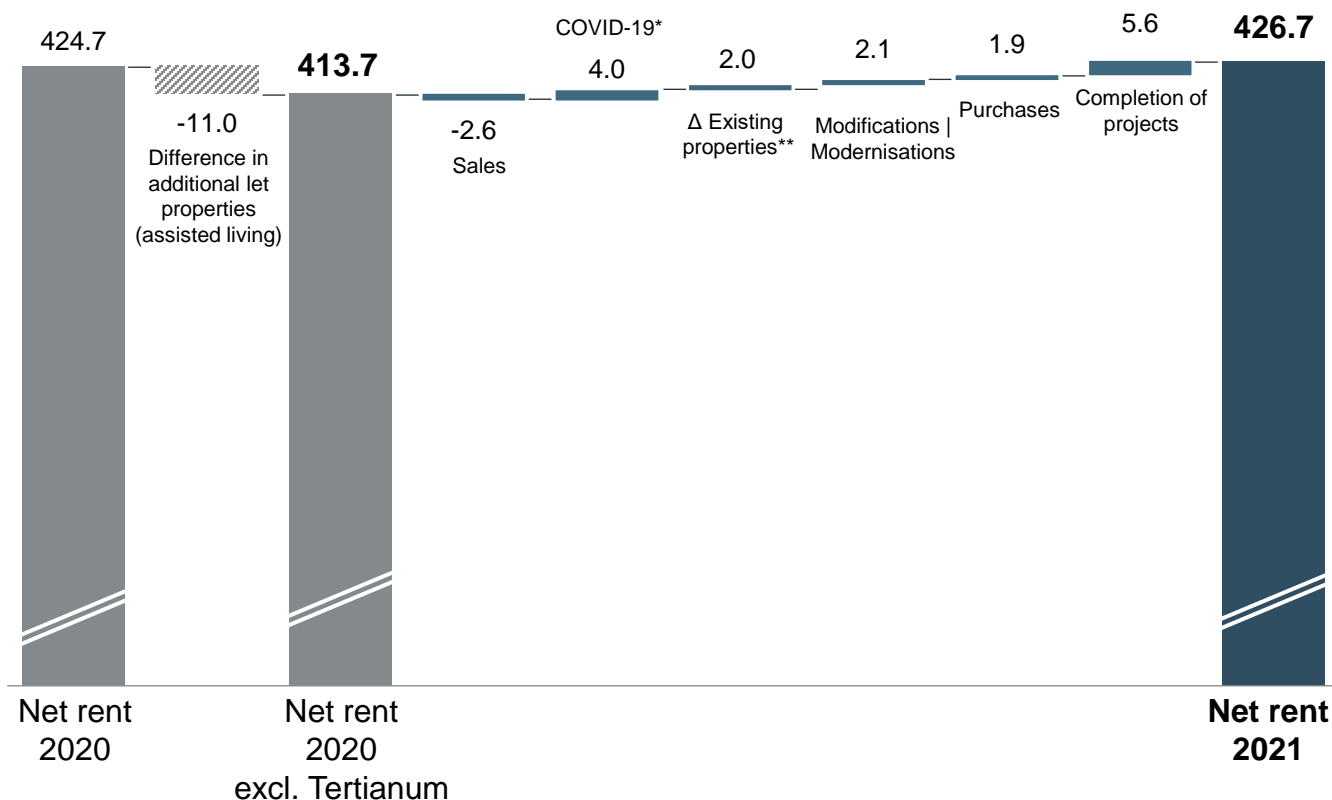
- Lower net financial expenses (CHF 46.9 mn after CHF 59.8 mn) and better operational growth more than compensate for one-off early repayment premiums of CHF 24.9 mn
- EPS total CHF 3.81 compared to CHF 3.57 in the previous year

\* adjustments: proceeds from sale of Tertium of CHF 204.2 million in 2020 and Tertium results January and February 2020

# Increase in rental income of 3.1% (L4L 0.5%)

## CHANGE IN GROUP NET RENTAL INCOME

in CHF million



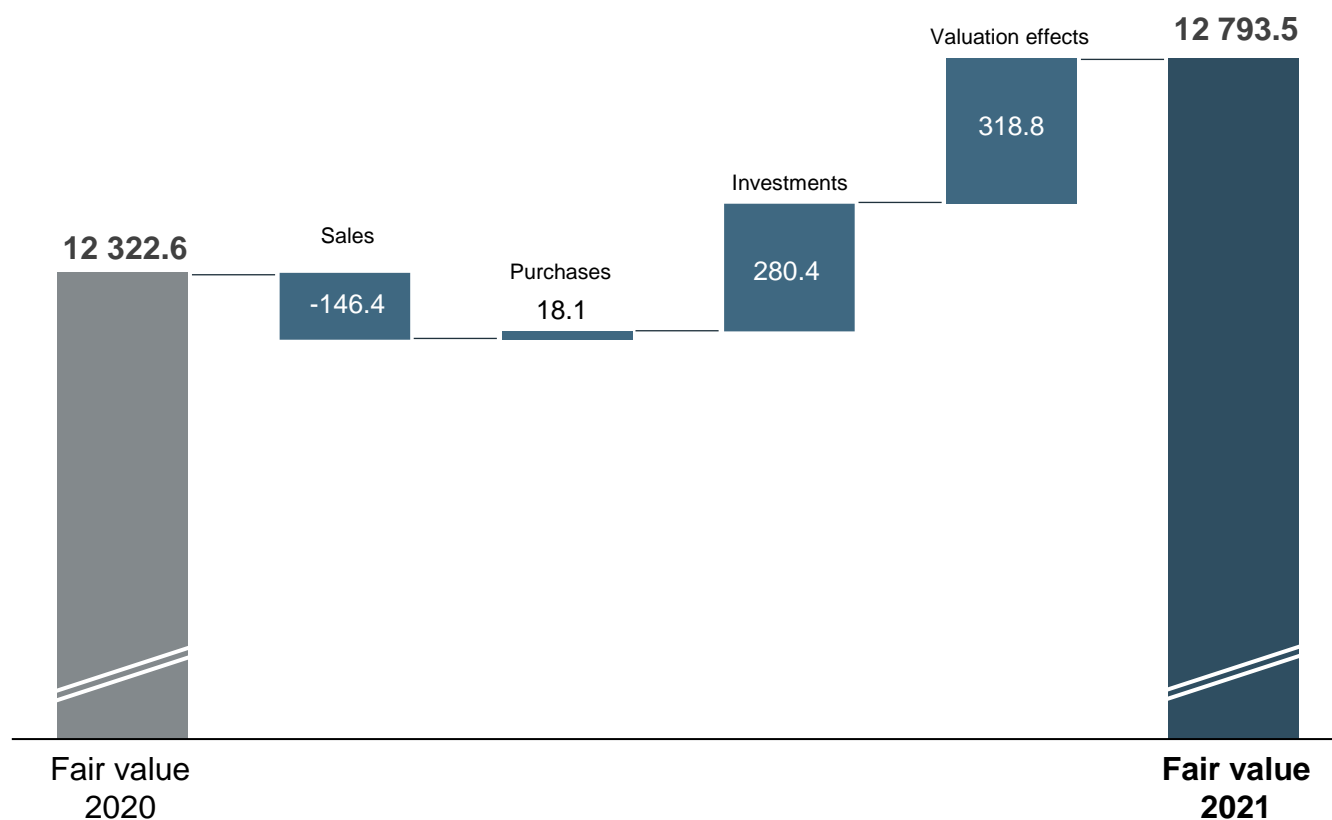
- Adjusted for Tertianum (January and February 2020), increase in rental income of 3.1% or CHF 13.0 million
- This was driven by lower than expected rent waivers in connection with the pandemic, the completion of significant modification and new build projects and a reduction in vacancies of 0.5 percentage points compared to end of 2020
- COVID-19 impact totalling CHF –7.9 million of rent waivers and loss of turnover-linked and parking rents
- Like-for-like rental increase excl. COVID-19 impact of +0.5%; EPRA L4L growth +1.3%

\* CHF 12.7 million in 2021 | \*\* based on Real Estate segment

# Growth in property portfolio due to prime locations

## PROPERTY PORTFOLIO GROWTH (FAIR VALUE)

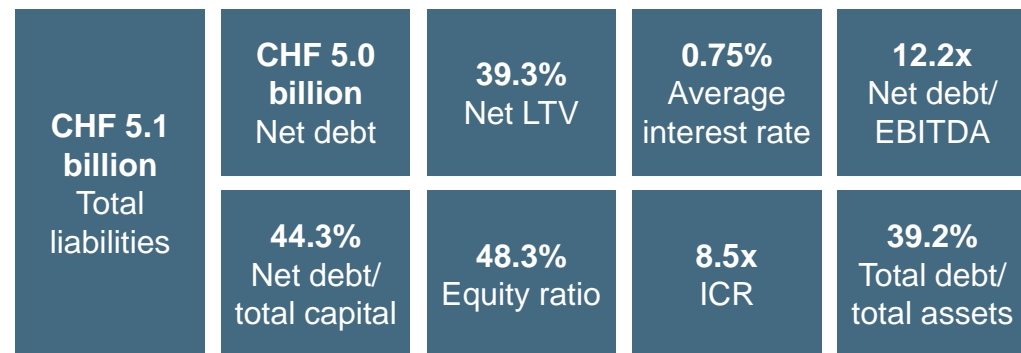
in CHF million



- Total 184 properties (end of 2020: 185) with a total value of CHF 12.8 billion
- Revaluation gains of CHF 318.8 million or 2.6% of the portfolio value compared to the end of 2020
- Consistent attractive net yield of 3.2% for prime investment properties
- Significant improvement in vacancy rate to 4.6% compared to 5.1% in 2020

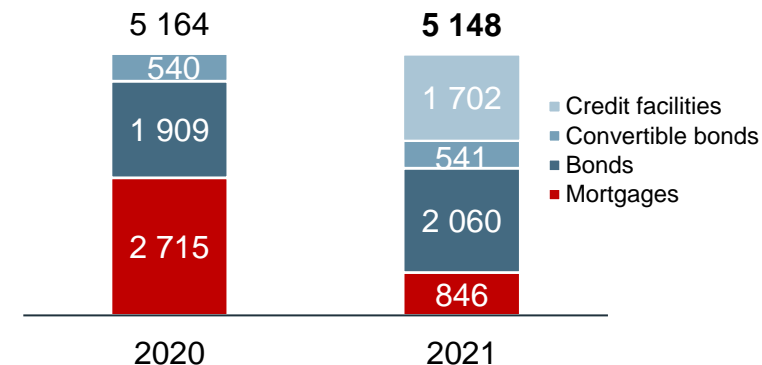
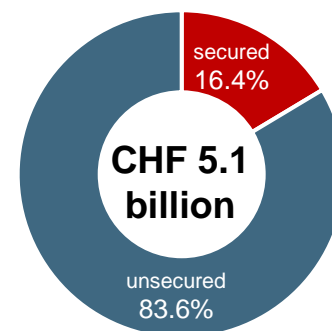
# Extension of duration with lower interest charges and improved LTV

## KEY BALANCE SHEET FIGURES 2021



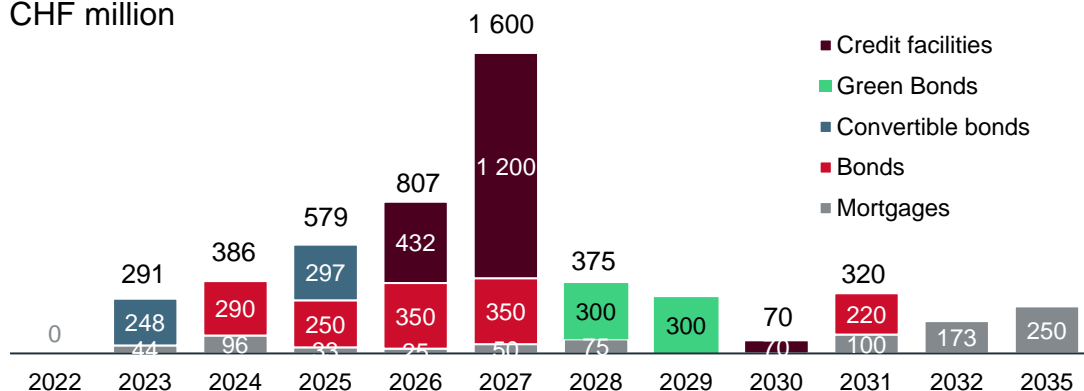
## FINANCING STRUCTURE

in CHF million



## EXPIRY PROFILE

in CHF million



## KEY FIGURES

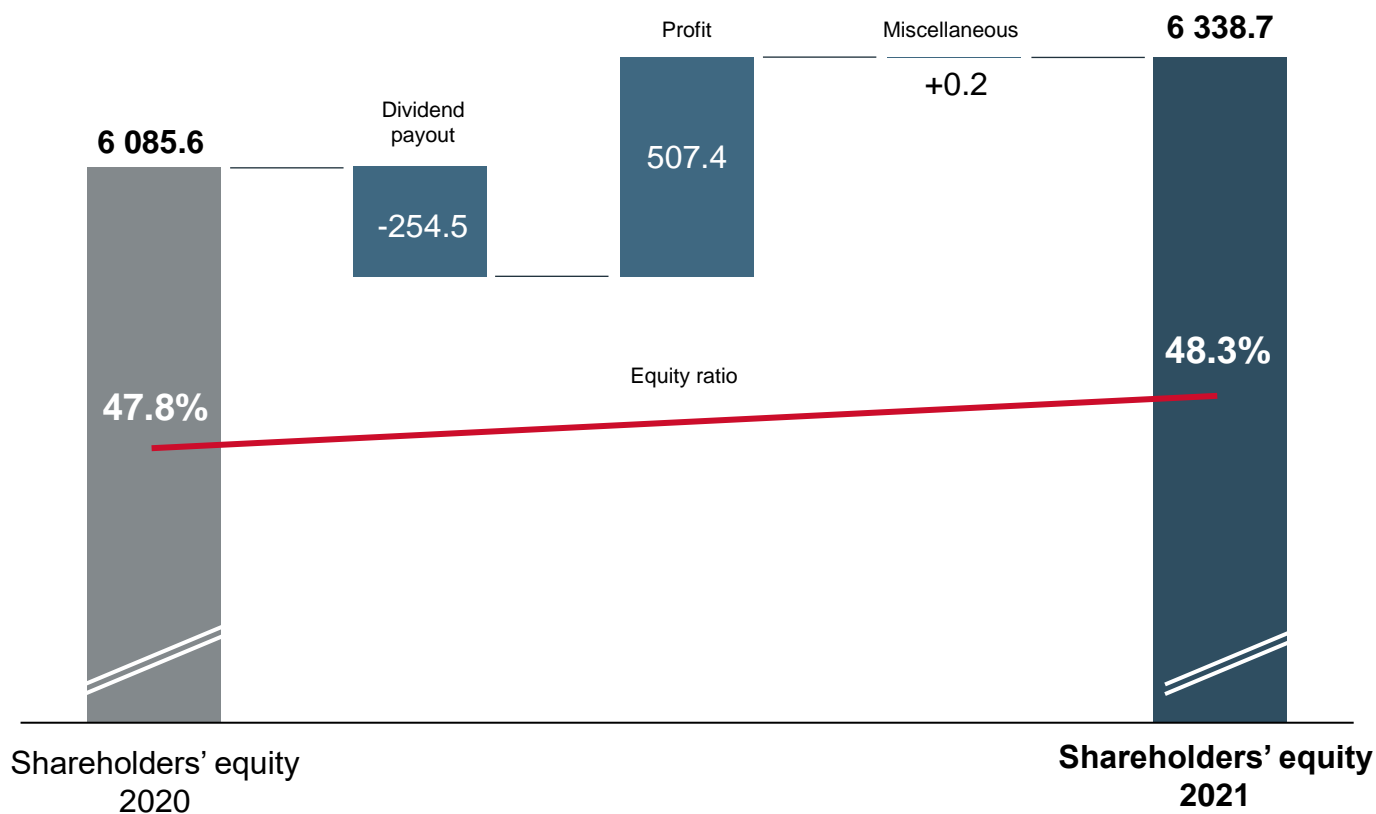
Financial year	2020	2021
Average interest rate	1.1%	0.75%
Average term to maturity	4.8 years	5.8 years
Net LTV	40.7%	39.3%



# Significant increase in equity ratio and strong ROE of 8.2%

## CHANGE IN SHAREHOLDERS' EQUITY

in CHF million

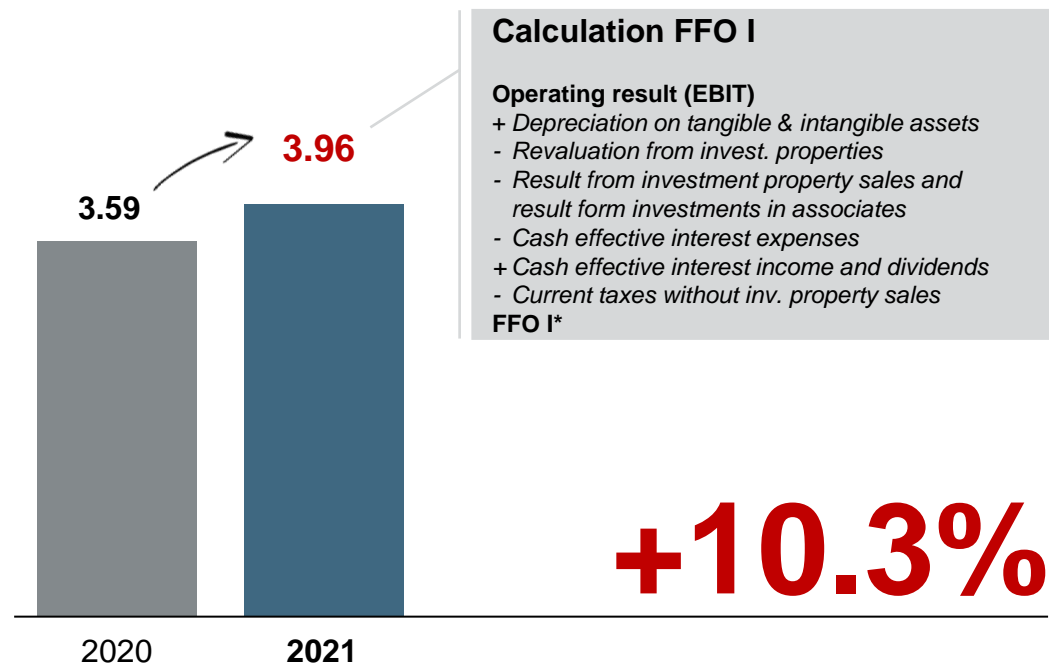


- Strong increase in equity despite dividend payout of CHF 3.35 per share in March 2021 (total CHF 254.5 million)
- Increase in the equity ratio of 0.5 percentage points to 48.3%
- EPRA NTA rises to CHF 100.84 per share (+4.8%)
- ROE of 8.2% (target: 6–8%) above Swiss Prime Site's long-term objectives

# Improvement of FFO and EPRA NTA per share

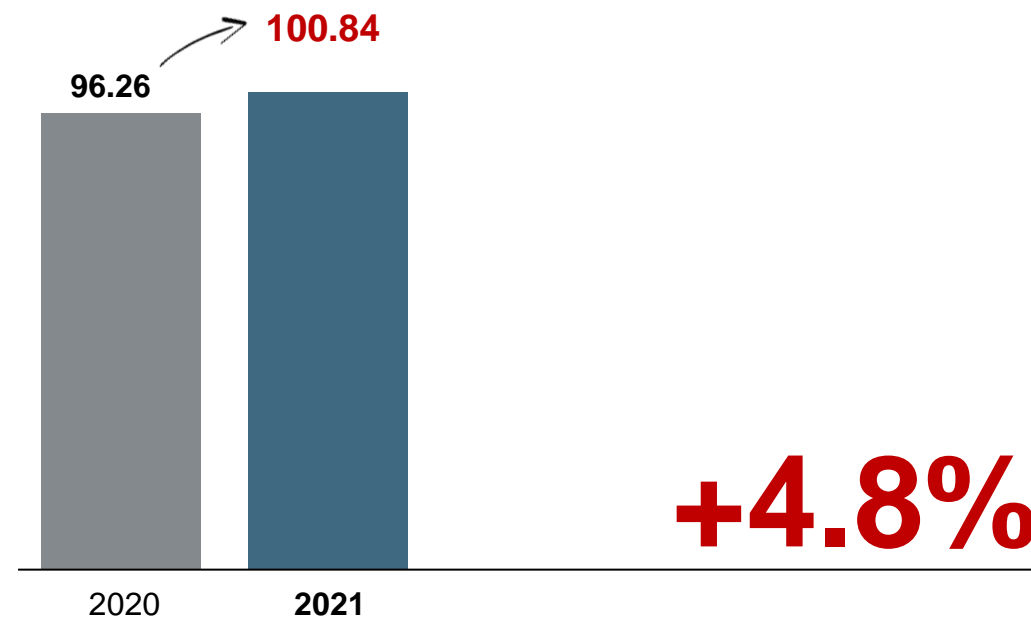
## FUNDS FROM OPERATIONS (FFO)

in CHF per share



## EPRA NTA (NET TANGIBLE ASSETS)

in CHF per share



\* FFO II = FFO I + result from investment property sales (net) – current taxes from investment property sales

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# Income statement – indicative IFRS reconciliation

## INCOME STATEMENT SWISS PRIME SITE GROUP

in CHF million

	2021 FER	IFRS 15 POC	IFRS 16 Leases	IAS 19 Employee benefits	IAS 16 Owner- occupied properties	2021 IFRS
<b>Operating income</b>	<b>744.9</b>	<b>3.7</b>				<b>748.6</b>
<b>Revaluation of investment properties</b>	<b>318.8</b>		<b>-3.3</b>		<b>-14.0</b>	<b>301.5</b>
<b>Operating expenses</b>	<b>-389.2</b>				<b>4.6</b>	<b>-384.6</b>
<i>Real estate costs</i>	<i>-59.1</i>		<i>12.7</i>			<i>-46.4</i>
<i>Personnel costs</i>	<i>-172.6</i>			<i>-1.3</i>		<i>-173.9</i>
<i>Depreciation</i>	<i>-16.4</i>		<i>-5.7</i>		<i>-1.1</i>	<i>-23.2</i>
<b>EBIT</b>	<b>715.4</b>	<b>3.7</b>	<b>3.8</b>	<b>-1.3</b>	<b>-15.1</b>	<b>706.5</b>
<b>Financial result</b>	<b>-69.1</b>		<b>-3.9</b>	<b>0.1</b>		<b>-72.9</b>
<b>Income taxes</b>	<b>-139.0</b>	<b>-0.5</b>		<b>0.2</b>	<b>3.0</b>	<b>-136.3</b>
<b>Profit</b>	<b>507.4</b>	<b>3.2</b>	<b>-0.1</b>	<b>-1.0</b>	<b>-12.1</b>	<b>497.4</b>

- Conversion from 1<sup>st</sup> half-year 2022
- IFRS offers stakeholders a more comprehensive set of information
- Increases transparency and enables comparison with other companies, both within Switzerland and internationally
- Increases attractiveness to a range of investor groups
- Required for EPRA figures
- Conversion only marginally impacts the key figures on the 2021 income statement



# Balance sheet – indicative IFRS reconciliation

## BALANCE SHEET – SWISS PRIME SITE GROUP

in CHF million

	2021 FER	IFRS 16 Leases	IAS 19 Employee benefits	IAS 16 Owner- occupied properties	2021 IFRS
Current assets	529.5			-	529.5
<b>Non-current assets</b>	<b>12 600.9</b>	<b>293.2</b>	<b>80.2</b>		<b>12 974.3</b>
<i>Investment properties</i>	12 489.9	238.2		-597.3	12 130.8
<i>Owner-occupied properties</i>	-			597.3	597.3
<i>Rights of use/lease</i>	-	55.0			55.0
<i>Pension assets</i>	-		80.2		80.2
<b>Total assets</b>	<b>13 130.3</b>	<b>293.2</b>	<b>80.2</b>		<b>13 503.8</b>
<b>Current liabilities</b>	<b>380.7</b>	<b>13.8</b>			<b>394.5</b>
<b>Non-current liabilities</b>	<b>6 410.9</b>	<b>279.6</b>	<b>16.0</b>		<b>6 706.6</b>
<i>Financial liabilities</i>	5 147.2	279.7			5 426.8
<i>Deferred tax liabilities</i>	1 263.7	-0.1	16.0		1 279.7
<b>Shareholders' equity</b>	<b>6 338.7</b>	<b>-0.2</b>	<b>64.2</b>		<b>6 402.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>13 130.3</b>	<b>293.2</b>	<b>80.2</b>		<b>13 503.8</b>

# SWISS PRIME SITE

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## AGENDA

**1 HIGHLIGHTS FINANCIAL YEAR 2021**

**2 KEY RESULTS AND PROJECT PIPELINE**

**3 FINANCIALS**

**4 EXPECTATIONS 2022 AND OUTLOOK**

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# Market overview



## ECONOMY

- **GDP:** SECO is forecasting growth of 3.0% for 2022 and a fall in unemployment
- **PMI:** in January 2022, the PMIs for industry and the services sector were above the growth thresholds and point to further recovery
- **Risks:** pandemic, trade and geopolitical conflicts, supply shortages



## RATES / INFLATION

- **SNB:** the Swiss National Bank is maintaining its expansionary monetary policy (policy rate: -0.75%) and is forecasting inflation of 1.0% (2022) and 0.6% (2023)
- **Interest rates:** return of SNB policy rate to 0% in 2023 expected
- **Eurozone and US:** recording high inflation; investors expect interest rate rises from ECB and FED in 2022



## REAL ESTATE

- **Transaction market:** signalling continuing yield compression
- **Office spaces:** in good locations expected to benefit from continuing economic growth and rise in employment
- **Commercial real estate investments:** offer strong protection against inflation by CPI-linked rents




# Guidance


## EXPECTATIONS FINANCIAL YEAR 2022


**AuM: CHF 19–20 billion**      **Vacancies: < 4.6%**      **Increase in FFO I: 3–5%\***      **LTV: < 40%**

## MEDIUM-TERM OBJECTIVES


### PROPERTY


 **Portfolio** → **Volume** of around CHF 12–13 billion  
**Vacancies 2022+** 4% in the medium term  
**Types of use 2025**  
 Reduced retail to < 20% and increased office and logistics use


 **Pipeline** → **Active volume** CHF ~ 1.5 billion  
**Reserves in the portfolio and project pipeline**  
 Recognition of reserves of CHF ~ 500 million

 **Capital recycling** → **Sales of non-core real estate** to refinance the project pipeline

### SERVICES

 Swiss Prime Site Solutions → Assets under management CHF > 10.0 billion  
 EBIT contribution to the group CHF > 50 million (2025)

 wincasa → Assets under management of CHF > 70 billion  
 Securing an EBIT margin of 12–15% from 2022

 Jelmoli → EBIT operationally «balanced» by 2023

\* Adjusted for early repayment premiums of CHF 24.9 million in 2021

# Proposals to the Annual General Meeting

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## ELECTIONS

- Election of Brigitte Walter (1959, D) as new independent member of the Board of Directors and member of the Audit and Investment Committee
- Barbara Frei-Spreiter no longer stands for election



## RELOCATION

- Relocation of Swiss Prime Site AG headquarters from Olten to Zug
- Following the acquisition of Akara, Swiss Prime Site concentrates on three locations Zurich, Zug and Geneva



## DISTRIBUTION

- CHF 3.35 per share in the form of an ordinary dividend of CHF 1.675 (value date 30 March 2022) and a withholding tax-free nominal value reduction of CHF 1.675 (value date expected on 13 June 2022)
- The distribution corresponds to a payout ratio of 85% based on FFO I and 80% based on FFO II respectively
- Target payout ratio based on new dividend policy: **80-90% of FFO I**



## CAPITAL REDUCTION

- Capital reduction to nominal value of CHF 2.00
- Allocation of CHF 891.9 million to capital contribution reserves

# SWISS PRIME SITE

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## Analyst and investor contact

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## Company calendar

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<b>Annual General Meeting</b>	23 March 2022
<b>1<sup>st</sup> half-year 2022</b>	25 August 2022

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