

SWISS PRIME SITE

PRESS RELEASE

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Swiss Prime Site signs credit facilities totalling CHF 2.6 billion

- **Redemption of bank mortgages and signing of two unsecured credit facilities**
- **Significant reduction in ongoing interest costs and increase in financial flexibility**
- **Refinancing in line with capital management principles and linked to ESG rating**

Redemption of bank mortgages and signing of two unsecured credit facilities

On its Capital Markets Day at the end of October 2021, Swiss Prime Site introduced its capital management principles for the future. The key principles include optimising the mix of equity and borrowed capital, increasing financial flexibility, ensuring homogeneity of financing sources, reducing refinancing risks and minimising financing costs. Building on these principles, yesterday Swiss Prime Site concluded a deal with 11 Swiss banking institutions for two unsecured credit facilities with an amount of CHF 2.6 billion. First, Swiss Prime Site redeems with a volume of CHF 1.8 billion the vast majority of its bank mortgages, which as at 30 June 2021 were mostly secured with real estate. Second, Swiss Prime Site is securing a committed revolving credit facility (RCF) in the amount of CHF 0.8 billion. The two agreements have respective tenors of five and six years and feature three and one extension option, respectively. This development will increase the proportion of properties not secured by mortgages in Swiss Prime Site's entire portfolio from just under 30 percent to more than 80 percent and will ensure that the vast majority of the providers of borrowed capital are treated equally.

Significant reduction in interest costs and increase in financial flexibility

This early redemption of the bank mortgages will affect Swiss Prime Site's 2021 income statement by approximately CHF 24 million. The costs are in line with a significant reduction of the interest hedging expenses contractually incurred over the next few years in any case. By contrast, ongoing interest costs of the redeemed mortgages will see a reduction of approximately 50 percent, or CHF 10 to 12 million per year. Moreover, there will be a significant extension of the weighted term to maturity. Marcel Kucher, CFO of Swiss Prime Site, says: «We are very pleased that we have been able to efficiently implement this strategic financing decision with our banks. Not only will there be significant savings in ongoing interest costs, but we are also improving our financial agility and making our balance sheet considerably more flexible.»

Refinancing in line with capital management principles and linked to ESG rating

Swiss Prime Site's move represents a significant first step towards implementing the capital management principles introduced on its Capital Markets Day 2021. The concrete objectives are an LTV ratio (based on total debt/total assets) of less than 40 percent (previously 45 percent), an interest coverage ratio of above seven (7x) and an unencumbered asset ratio of greater than 80 percent. Swiss Prime Site expects that these objectives will be achieved by 2022 thanks to the recently implemented adjustment and its focused capital recycling strategy. The banks involved also support the strategy and have agreed to reduce interest margins when the targets have been achieved. Furthermore, the new financing approach is also directly linked to Swiss Prime Site's comprehensive sustainability objectives. The credit margin to be paid is dependent on both the LTV ratio and the development of the company's external ISS ESG rating. This enables Swiss Prime Site to further integrate financial and non-financial performance, building on the green bonds already issued. «Through this significant optimisation of our capital structure, we increase our comparability with European and global competitors. In the medium term, this should also lead to an improvement in our credit rating», adds René Zahnd, CEO of Swiss Prime Site.

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Swiss Prime Site

Swiss Prime Site AG is the leading listed real estate company in Switzerland. Its high-quality real estate portfolio is worth over CHF 12.5 billion and consists of properties with good value retention in prime locations, which predominantly comprise office and retail floor space. Swiss Prime Site Immobilien invests in high-quality buildings and land, which together with conversion, modernisation and development of entire sites form the company's core business. In doing this, the Group creates market-compliant, sustainable living spaces for customers and society as a whole. The Services business segment comprises the real estate-related Group companies Swiss Prime Site Solutions, Wincasa and Jelmoli. Swiss Prime Site Solutions is an asset manager focused on the property sector and develops tailor-made services and investment products. Wincasa is the biggest and most important integral real estate service provider in Switzerland and encompasses the entire property life cycle. Jelmoli is the leading omnichannel premium department store in Switzerland. This gives Swiss Prime Site a unique positioning to meet customers' needs in the long term, increase their satisfaction and strengthen their loyalty. In addition, the company invests in innovation across the Group and wherever possible at all levels of the value chain in order to sustainably reduce the consumption of resources and ensure the long-term increase of financial success.

Swiss Prime Site is distinguished by its experienced management team, high earnings continuity and outstanding risk-return profile. The company has been listed on the SIX Swiss Exchange since 2000 and has a market capitalisation of over CHF 6 billion.

SIX Swiss Exchange | Symbol SPSN | Securities number 803 838

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