

## MEDIA RELEASE

### Ad hoc announcement

Zurich, 19 August 2021

#### SenioResidenz AG – Solid results in first half-year 2021

- Real estate portfolio at CHF 186.84 million as of 30 June 2021; roughly unchanged from end 2020
- Net rental income increased by +12% to CHF 4.79 million compared to the same period last year
- Profitability impacted by higher legal fees and provisions due to PSR bankruptcy
- EBIT of CHF 2.76 million compared to CHF 3.00 million in previous year period
- Earnings including revaluation effects of CHF 2.02 million (H1 2020: CHF 2.05 million)
- Net asset value of CHF 50.36 as of 30 June 2021 (30 June 2020: CHF 50.33)
- Portfolio expansion prepared; execution planned in second half of 2021
- Capital increase planned in September 2021 to continue growth strategy

SenioResidenz AG (BX Swiss AG: SENIO) achieved a solid result in the first half of H1 2021, which was roughly on par with the prior-year period. Earnings before interest and taxes (EBIT) amounted to CHF 2.76 million (H1 2020: CHF 3.00 million). Earnings including effects from revaluation of real estate investments reached CHF 2.02 million (H1 2020: CHF 2.05 million). The distribution of CHF 1.90 per registered share by repayment of nominal value, which was approved by the Annual General Meeting 2021, was executed in the commercial register on 9 June 2021 and paid out to shareholders on 14 June 2021. The company plans to carry out a capital increase in September 2021, with a subscription period from 13 September to 24 September 2021, in order to expand the existing real estate portfolio through further acquisitions.

#### Half-year results 2021 in detail

##### Real estate portfolio of CHF 186.84 million as at 30 June 2021

The **real estate portfolio** was valued by Wüest Partner AG at CHF 186.84 million as at 30 June 2021, which is approximately the same level as at the end of 2020 (31.12.2020: CHF 186.62 million). The target rental income, viewed on an annualized basis, amounted to CHF 9.59 million (H1 2020: CHF 8.59 million). As of 30 June 2021, 90% of the target rental income of the real estate portfolio is invested in properties within the main strategy (senior citizen properties, care facilities, etc.) and 10% in properties within the secondary strategy (residential forms such as student apartments, business apartments, staff apartments).

##### Impact of COVID-19 pandemic on business activities

COVID-19 continued to pose major challenges for operators of retirement and nursing homes, rehabilitation clinics and hospital management in the first half of 2021, although the situation eased somewhat year-on-year due to vaccination campaigns by the cantons and institutions. COVID-19 remains a situation which could continue to have an impact on the organization and on the operation of healthcare facilities into the future.

As already mentioned in the Annual Report 2020, bankruptcy was declared against a tenant of SenioResidenz AG, Paracelsus-Spital Richterswil AG (PSR), on 9 February 2021. For the impacted properties, possible new tenants who will utilize the premises as a hospital or care facility are still being sought. At the same time, however, alternative scenarios are also being examined. As of 30 June 2021, current valuations of the properties Bergstrasse 16 (hospital building), Bodenstrasse 10 (PSR Villa) and Bodenstrasse 1 (PSR Göldi Pavillon) in Richterswil are based on the assumption that the properties will continue to be operated as a hospital. In the 2021 half-year financial statements, value adjustments (for possible conversion measures and adjusted rental expectations) of CHF 1.27 million were taken into account by the independent valuation expert Wüest Partner AG for these three properties. Should it not be possible in the longer term to find another hospital or care facility as a new tenant and should alternative scenarios have to be considered - in particular any outside the currently valid building and zoning regulations - this could lead to further value adjustments.

SenioResidenz AG had secured extensive rent guarantees totaling two years' rent in the original lease contract for the PSR properties. These rent guarantees were drawn on the PSR after the bankruptcy proceedings were opened and the amounts were collected by SenioResidenz in the first half of 2021. The rental income for the affected properties on the PSR site is thus covered until 31 January 2023. In the reporting period, there were therefore no negative effects in terms of rental income, nor any loss of rental income from tenants.

#### Income statement H1 2021

**Rental income** was CHF 4.79 million (H1 2020: CHF 4.29 million), with the increase mainly due to the acquisition of a property in Hergiswil in the second half of 2020. The recorded vacancy rate of the properties in the portfolio was 1.0%. In this context, the three properties of the PSR in Richterswil, whose rents up until 31 January 2023 are already with SenioResidenz due to the drawn rent guarantees, are considered fully let in the vacancy assessment. The gross yield achieved in the first half of 2021 was 5.1%, the net yield 4.9% (annualized).

Direct operating expenses for investment properties doubled to CHF 0.50 million compared to the prior-year period (H1 2020: CHF 0.25 million). This is largely due to the portfolio expansion in the previous year 2020. Consulting expenses amounted to CHF 0.82 million (H1 2020: CHF 0.25 million), with the increase mainly due to increased legal fees including provisions for legal advice in connection with the bankruptcy of PSR. Administrative expenses amounted to CHF 0.81 million (H1 2020: CHF 0.56 million) and included in particular the management fee to Cura Management AG of CHF 0.52 million (H1 2020: CHF 0.44 million) as well as capital taxes and other administrative expenses totaling CHF 0.29 million (H1 2020: CHF 0.12 million). The valuation of the real estate portfolio by the independent real estate valuation expert Wüest Partner AG resulted in earnings from revaluation of real estate investments of CHF 0.18 million (H1 2020: CHF -0.14 million).

**Earnings before interest and taxes (EBIT)** was CHF 2.76 million and was, as already mentioned, burdened by increased legal costs (H1 2020: CHF 3.00 million). In the first half of 2021, the company achieved a **profit including revaluation gains** of CHF 2.02 million (H1 2020: CHF 2.05 million) and a profit excluding revaluation gains of CHF 1.86 million (H1 2020: CHF 2.13 million). **Earnings per share (EPS)** are CHF 1.06 including revaluation gains and CHF 0.97 excluding revaluation gains (H1 2020: CHF 1.55 including and CHF 1.61 excluding revaluation gains, respectively). Due to the capital increase on 17 June of the previous year 2020 to implement the long-term growth strategy, the average number of registered shares outstanding in the reporting period amounts to 1,916,604 registered shares (H1 2020: 1,323,122 registered shares).

#### Balance sheet as of 30 June 2021

**Total assets** as of 30 June 2021 amounted to CHF 198.60 million (31.12.2020: CHF 201.20 million). Assets: cash and cash equivalents amounted to CHF 10.77 million. Non-current assets totaling CHF 187.69 million consisted mainly of the value of investment properties (CHF 186.84 million), goodwill (CHF 0.36 million) and deferred income taxes (CHF 0.50 million).

Liabilities and equity: mortgage liabilities totaled CHF 93.26 million (31.12.2020: CHF 97.46 million). The loan-to-value ratio of the properties as of 30 June 2021 was 49.9%. The average interest rate in the first half of 2021 was 0.8% (H1 2020: 1.0%). The average remaining term of financial liabilities as of 30 June 2021 was 5.3 years (31.12.2020: 4.2 years).

**Equity** amounted to CHF 96.51 million as of the balance sheet date (31.12.2020: CHF 98.13 million). The change in equity is due to the contribution in net earnings of CHF 2.02 million for the first half of 2021 and the nominal value repayment of CHF 1.90 per registered share totaling CHF 3.64 million. With an equity ratio of 48.6% as of 30 June 2021 (31.12.2020: 48.8%), the company has a very solid balance sheet structure. The net asset value as of 30 June 2021 was CHF 50.36 (31.12.2020: CHF 51.20 / 30.06.2020: CHF 50.33).

#### **Portfolio expansions prepared; execution planned for second half of 2021**

SenioResidenz was able to prepare various property acquisitions in the first half of 2021, which will be completed in the second half of 2021.

In **Bad Zurzach, AG**, a mixed-generation development is being built by the DOMUM housing cooperative to provide attractive living space for residents from the region aged 60-plus. The development is comprised of three houses of which SenioResidenz is taking over one with 29 senior-friendly apartments and with a floor space of around 1,960 m<sup>2</sup>. The tenant and operator of the apartments is "DOMUM Wohnbaugenossenschaft", with which the company has concluded a 20-year lease agreement, starting in 2023 and ending in 2043. The agreed target rental income amounts to around CHF 0.4 million per annum. SenioResidenz will take over the new property on a

turnkey basis in spring 2023 at a total investment cost of approximately CHF 14.7 million. It has already made a secured down payment of CHF 1.4 million. The remaining amount will be due upon completion and transfer of ownership. The notarization of the purchase agreement took place on 27 July 2021.

SenioResidenz acquired another property, which houses the "La Fontaine" retirement and nursing home in **Court, BE**, at a total investment cost of around CHF 4.4 million. The care home with 14 single rooms and 5 double rooms is operated by Tertianum Romandie SA, which has been committed to providing a life of dignity in old age for over 35 years. SenioResidenz has taken over a lease contract with Tertianum for 15 years at a target rental income of about CHF 0.3 million per annum. The notarization of the purchase agreement took place on 23 July 2021. The transfer of ownership is scheduled to take place in the coming months.

The third property is the "Foyer le Parc" care home in **Couvet, NE**. SenioResidenz acquired this property at a total investment cost of around CHF 7.1 million. The center is used as a psychiatric care center and offers 16 single rooms and 8 double rooms. It is operated by Fondation Espace, which has been active in this field for over 25 years. The lease contract for the property runs for 15 years and generates annual target rental income of approximately CHF 0.3 million. The notarization of the purchase agreement also took place on 23 July 2021 and the transfer of ownership is also planned in the coming months.

### **Capital increase to continue growth strategy**

As already published in the media release of 27 July 2021, SenioResidenz plans to carry out an ordinary capital increase in the period from 13 September to 24 September 2021, while maintaining the subscription rights of existing shareholders. The subscription ratio is 3:1 (three existing registered shares entitle the holder to subscribe to one new registered share). Within the scope of the capital increase, up to 638,868 new registered shares with a nominal value of CHF 46.10 each will thus be created. The new registered shares will be fully entitled to dividends for the entire financial year 2021. The Board of Directors has convened an Extraordinary General Meeting for 1 September 2021 to propose the creation of these new registered shares. The Board of Directors will determine the issue price per new registered share at a later date, shortly before the start of the subscription period. The settlement of the new registered shares is scheduled for 30 September 2021, with the first trading day on BX Swiss AG planned for 1 October 2021. The new registered shares will be fully entitled to dividends for the entire financial year 2021.

### **Outlook**

The Board of Directors and the Management of SenioResidenz AG are convinced that the company, with its clear focus on real estate for retirement and senior residences, new forms of living in the third phase of life, and care facilities, has a robust business model with extremely interesting long-term potential. Due to the demographic development with higher life expectancy, the demand for attractive senior residences and care facilities as well as for reasonable and affordable living space for people in old age will continue to increase.

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### **SenioResidenz AG**

SenioResidenz AG is active in the real estate sector with its registered office in Zurich. SenioResidenz AG activities are focused on investments in selected properties which are primarily for seniors' living and care facilities. This includes apartments for the elderly, properties that enable assisted, self-determined, senior-friendly living and housing, as well as retirement and nursing homes, clinics and medical centers. As a secondary strategy, the Company may also invest in other types of non-permanent housing, such as furnished and unfurnished student apartments, business apartments and/or staff apartments and houses. The Company's registered shares are listed on the BX Swiss AG: Ticker SENIO, Valor 38462993 ISIN CH0384629934. [www.senio.ch](http://www.senio.ch)

## Key figures

Income statement in CHF	01.01.-30.06.2021	01.01.-30.06.2020
Rental income	4 790 223	4 285 221
<b>Total operating income</b>	<b>4 790 223</b>	<b>4 285 221</b>
Direct operating expenses for investment properties	-501 746	-249 462
Consulting expenses	-824 099	-251 337
Administrative expenses	-805 359	-563 291
<b>Total operating expenses</b>	<b>-2 131 204</b>	<b>-1 064 090</b>
<b>Total earnings from revaluation of real estate investments</b>	<b>176 330</b>	<b>-138 390</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>2 755 619</b>	<b>3 003 011</b>
Financial result	-360 808	-432 509
Income taxes	-370 217	-516 447
<b>Earnings incl. effects from revaluation / deferred taxes</b>	<b>2 024 594</b>	<b>2 054 055</b>
<b>Earnings excl. effects from revaluation / deferred taxes <sup>1)</sup></b>	<b>1 859 332</b>	<b>2 132 515</b>
Earnings per share incl. effects from revaluation/deferred taxes (EPS)	1.06	1.55
Earnings per share excl. effects from revaluation/deferred taxes (EPS)	0.97	1.61
Average number of shares used to calculate EPS	1 916 604	1 323 122
<b>Balance sheet in CHF or %</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
Total assets	198 595 578	201 196 066
Equity	96 514 590	98 131 542
Equity ratio	48.6%	48.8%
Total mortgage liabilities	93 260 000	97 460 000
Leverage ratio	51.4%	51.2%
Loan-to-value ratio of properties	49.9%	52.2%
Net Gearing <sup>2)</sup>	85.5%	85.6%
Net Asset Value (NAV) <sup>3)</sup>	50.36	51.20
<b>Portfolio</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
Total real estate portfolio in CHF	186 838 900	186 620 600
Number of investment properties	15	15
Gross yield <sup>4)</sup>	5.1%	5.1%
Net yield <sup>5)</sup>	4.9%	4.6%
Vacancy rate	1.0%	1.0%
Average discount rate for revaluation	3.6%	3.6%
Average interest rate financial liabilities	0.8%	1.0%
Average remaining term of financial liabilities	5.3 years	4.2 years

<sup>1)</sup> Earnings before taxes (EBT) minus earnings from revaluation of real estate investments, minus deferred taxes plus share of deferred taxes attributable to the earnings from revaluation of real estate investments

<sup>2)</sup> Net debt (current and non-current mortgage liabilities minus cash and cash equivalents) in relation to equity as of balance sheet date

<sup>3)</sup> Total equity per registered share issued at balance sheet date

<sup>4)</sup> Gross yield reflects target rental income (target rental income based on annual rents of investment properties as of balance sheet date) in percentage of the market value (fair value) of the investment properties

<sup>5)</sup> Net yield reflects net rental income (actual rental income based on annual rents of investment properties as of balance sheet date less operating and maintenance costs for the reporting year) in percentage of the market value (fair value) of the investment properties

The Half-year Report 2021 (German version) can be viewed on the Company's website under Investor Relations - Financial Reports. <https://www.senio.ch/en/investor-relations/financial-reports/>