

## MEDIA RELEASE

### Ad hoc announcement pursuant to article 16 listing rules of BX Swiss

Zurich, 18 August 2023

#### SenioResidenz AG – Successful strategic growth steps in H1 2023

- **Expansion of real estate portfolio by 13% to CHF 258.3 million through completed new building-projects and acquisitions**
- **Target rental income of investment properties increased by 17% to CHF 13.0 million p.a. as at 30 June 2023**
- **Earnings from rental activities rose to CHF 5.0 million; increase by 7% compared to prior year period**
- **Revaluation effects of CHF -3.4 million impact earnings including revaluation, which amounts to CHF 0.3 million compared to CHF 2.4 million in prior year period**
- **Earnings excluding revaluations significantly increased to CHF 3.1 million (+35%)**

SenioResidenz AG (BX Swiss AG: SENIO) further expanded its real estate portfolio in the first half of 2023 and successfully continued its long-term growth strategy. Operationally, the future revenue base was further strengthened with the completion and acquisition of the new-building projects “Croix Blanche” in Aigle/VD and “DOMUM Saline II” in Bad Zurzach/AG as well as the acquisition of a property in Salmsach/TG. In addition, the new-building project in Oberdiessbach/BE with 24 residential units for “barrier-free and senior-friendly living” was completed after the balance sheet date and was ready for occupancy as of 1 August 2023. Due to the expansion of the portfolio and the completion of the new-building projects, the company expects a significant contribution to the total rental income in the second half of 2023.

#### Real estate portfolio valued at CHF 258.3 million as of 30 June 2023

The total value of the real estate portfolio increased by 13% to CHF 258.3 million as of 30 June 2023 (31.12.2022: CHF 228.4 million). The increase in value is primarily attributable to the acquisitions of the properties in Salmsach and Bad Zurzach (CHF +22.1 million) and investments in the Aigle and Oberdiessbach new-building projects (CHF +11.2 million). Target rental income for investment properties rose by 17% to CHF 13.0 million on an annualised basis as of 30 June 2023 (31.12.2022: CHF 11.1 million).

#### Details on the half-year 2023 results

##### Income statement

Net rental income increased by 7% to CHF 5.7 million in the first half of 2023 (H1 2022: CHF 5.3 million). As of 30 June 2023, the portfolio's vacancy rate was 2.9%. Gross yield in the first half of 2023 was 5.3%, the net yield 4.7% (each annualised).

Direct expenses for rented investment properties came to CHF 0.7 million (H1 2022: CHF 0.6 million). Earnings from rental activities therefore increased by 7% to CHF 5.0 million (H1 2022: CHF 4.7 million). Consulting expenses and administrative expenses amounted to a total of CHF 1.2 million (H1 2022: CHF 1.5 million). The decrease is mainly due to lower legal costs in connection with the ongoing bankruptcy proceedings relating to the former Paracelsus-Spital.

The valuation of the real estate portfolio by the independent real estate valuer Wüest Partner AG led to a result from revaluation of CHF -3.4 million (H1 2022: CHF 0.1 million). The revaluation effect is attributable, on the one hand, to an increase in the discount rates for the existing investment properties due to the higher interest rate environment and, on the other hand, to operations-specific investment requirements associated with the long-term planning for the properties in Leukerbad and Richterswil.

As a result of the revaluation loss, earnings before interest and taxes (EBIT) declined to CHF 0.9 million for the first half of 2023 (H1 2022: CHF 3.3 million). Earnings including effects from revaluation of real estate investments stood at CHF 0.3 million (H1 2022: CHF 2.4 million). Earnings excluding effects from revaluation of real estate investments rose by 35% to CHF 3.1 million (H1 2022: CHF 2.3 million).

### Solidly financed

SenioResidenz AG continues to be solidly financed with an equity ratio of 47.8% and a loan-to-value ratio of the properties of 49.0% as of 30 June 2023 (31.12.2022: equity ratio 55.3%; loan-to-value ratio 42.1%). The average interest rate in the first half of 2023 was 1.6% (31.12.2022: 0.7%). The duration of the financial liabilities as of 30 June 2023 was 2.6 years (31.12.2022: 3.7 years).

Equity amounted to CHF 124.8 million as of the balance sheet date (31.12.2022: CHF 129.3 million). The change in equity is due to the profit contribution in the first half of 2023 of CHF 0.3 million as well as the par value repayment of CHF 1.90 per registered share, in a total of CHF 4.9 million, which was paid-out in June 2023. Net asset value as of 30 June 2023 was CHF 48.82 (31.12.2022: CHF 50.60).

### **Extension of rental contract with Canton of Zurich**

The fact that the rental agreement with the Canton of Zurich for the interim use of two buildings at Bergstrasse 16 and Bodenstrasse 10 in Richterswil/ZH was extended ahead of schedule until the end of 2024 is also very pleasing, as it increases planning certainty for the Canton of Zurich as well as for SenioResidenz AG as the landlord.

### **Sustainability**

SenioResidenz AG signed the Principles for Responsible Investment (UNPRI) in spring 2023, thereby committing to follow the Principles for Responsible Investment and thus taking ESG issues into account in its investment policy and practice. Integrating sustainability into the entire value chain is an ongoing process, the progress of which will be reported in detail in the 2023 Annual Report.

### **Outlook**

The first half of 2023 saw incremental interest rate hikes by the Swiss National Bank (SNB). Economic experts from the SNB and SECO (State Secretariat for Economic Affairs) expect below-average economic growth for 2023 as a whole, with GDP growth of around 1%<sup>1</sup>. With its most recent interest rate hike on 22 June 2023, the SNB also announced that "it cannot be ruled out that additional interest rate rises will be necessary to ensure price stability over the medium term". The SNB is currently expecting an inflation rate of 2.2% for 2023 as a whole, which is still slightly above the price stability level it is aiming for of less than 2% as an annual average.

The transaction market for Swiss real estate is challenging due to the higher interest rate environment. From the company's perspective, however, the pressure on transaction prices remains limited, in particular, due to continued population growth and relatively low levels of construction activity.

In view of the fact that both life expectancy and demand for senior-friendly housing are rising among the Swiss population, the Board of Directors and Executive Board of SenioResidenz AG are convinced that the demand for future-oriented accommodation in the area of "senior living" and affordable housing for elderly people will continue to increase. The investment strategy as a pure player with a special focus on real estate for retirement homes / senior residences, new forms of housing for the third phase of life and nursing facilities will therefore remain unchanged.

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<sup>1</sup> Source: Press releases SECO dated 15 June 2023 and SNB dated 22 June 2023, respectively



## Key figures

Income statement in CHF	01.01.-30.06.2023	01.01.-30.06.2022
Rental income	5 694 139	5 314 733
Profit from the sale of projects	49 769	0
Other income	371 289	10 185
<b>Total operating income</b>	<b>6 115 198</b>	<b>5 324 918</b>
Direct operating expenses for investment properties	-663 408	-624 227
Consulting expenses	-135 667	-400 533
Administrative expenses	-1 032 360	-1 069 203
<b>Total operating expenses</b>	<b>-1 831 436</b>	<b>-2 093 963</b>
<b>Total earnings from revaluation of real estate investments</b>	<b>-3 376 964</b>	<b>113 089</b>
Depreciation and impairment of intangible assets (goodwill)	0	-143 170
Dissolution of negative goodwill (badwill)	42 294	63 441
<b>Earnings before interests and taxes (EBIT)</b>	<b>949 092</b>	<b>3 264 315</b>
Financial expenses	-611 249	-302 214
Income taxes	7 427	-573 742
<b>Earnings incl. effects from revaluation / deferred taxes</b>	<b>345 270</b>	<b>2 388 359</b>
<b>Earnings excl. effects from revaluation / deferred taxes <sup>1)</sup></b>	<b>3 108 281</b>	<b>2 297 506</b>
Earnings per share incl. effects from revaluation / deferred taxes (EPS)	0.14	0.93
Earnings per share excl. effects from revaluation / deferred taxes (EPS)	1.22	0.90
<b>Balance sheet</b> in CHF or %	<b>30.06.2023</b>	<b>31.12.2022</b>
Total assets	260 810 461	233 920 451
Equity	124 763 302	129 297 488
Equity ratio	47.8%	55.3%
Total mortgage liabilities	126 667 500	96 075 000
Leverage ratio	52.2%	44.7%
Loan-to-value ratio of properties	49.0%	42.1%
Net Gearing <sup>2)</sup>	100.5%	71.8%
Net Asset Value (NAV) <sup>3)</sup>	48.82	50.60
<b>Portfolio details</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Total real estate portfolio in CHF	258 314 237	228 425 749
Number of investment properties	21	18
Number of properties in projects	1	3
Gross yield <sup>4)</sup>	5.3%	5.3%
Net yield <sup>5)</sup>	4.7%	4.9%
Vacancy rate	2.9%	0.4%
Average discount rate for revaluation	3.3%	3.3%
Average interest rate financial liabilities	1.6%	0.7%
Average remaining term of financial liabilities	2.6 years	3.7 years

<sup>1)</sup> Earnings before taxes (EBT) minus revaluation result, minus deferred taxes plus deferred taxes attributable to revaluation result

<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 market value (fair value) of the investment properties

<sup>5)</sup> Net yield reflects annualised net rental income (actual rental income 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 2023 (in German) as well as an Executive Summary for the Half-Year Report 2023 (in English) are available on the Company's website under Investor Relations – Financial Reports <https://www.senio.ch/en/investor-relations/financial-reports/>

**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)

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