

MEDIA RELEASE

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SenioResidenz AG – Successful expansion of the real estate portfolio in 2023

- Value of the real estate portfolio increased to CHF 240.6 million as at 31 December 2023 compared to CHF 228.4 million in the previous year
- Target rental income from investment properties at CHF 11.8 million (2022: CHF 11.1 million)
- Revaluation effects have a negative impact on the result and lead to a loss including revaluations of CHF -13.3 million (2022: profit of CHF 3.1 million)
- Profit excluding revaluations amounts to CHF 4.9 million (2022: CHF 5.0 million)
- Proposal for a cash distribution of CHF 1.90 per registered share in the form of a par value reduction, corresponding to 100% payout ratio on the shares entitled to dividends for 2023
- Nomination of Ms Claudia Suter to the Board of Directors
- Merger with Novavest Real Estate AG under review

SenioResidenz AG (BX Swiss AG: SENIO) further expanded its property portfolio in a challenging market environment and increased the value of the property portfolio. In operational terms, the future earnings base was further strengthened with the completion and acquisition of the new construction projects "Croix Blanche" in Aigle/VD, "Leuenegg" in Oberdiessbach/BE and "DOMUM Saline II" in Bad Zurzach/AG as well as the acquisition of a property in Salmsach/TG.

Expansion of the real estate portfolio

The total value of the real estate portfolio as at 31 December 2023 increased to CHF 240.6 million (31.12.2022: CHF 228.4 million). The increase in value is primarily due to the acquisitions of the properties in Salmsach and Bad Zurzach (CHF +22.9 million) and the investments in the completed new construction projects in Aigle and Oberdiessbach (CHF +11.4 million). Annual target rental income from investment properties increased by 6% to CHF 11.8 million (2022: CHF 11.1 million). In the reporting period, a small property in Court/BE was sold for CHF 0.2 million at a profit of TCHF 50.

In February 2024, a new, long-term rental agreement (until 2038) was concluded for the clinic property in Leukerbad, thereby also ending the debt-restructuring moratorium proceedings for Leukerbad Clinic AG. The new contract came into force retroactively to 1 May 2023 and includes an annual base rent of CHF 1.44 million as well as a potential revenue rent.

Details on the financial result 2023

Income statement

Rental income in the 2023 reporting year amounted to CHF 10.8 million (2022: CHF 10.9 million). The new construction project in Aigle completed in the first quarter of 2023, as well as the property in Salmsach acquired in the second quarter of 2023, contributed to the increases in rental income from the time of their addition to the portfolio. For the property in Bad Zurzach, a reduced rent was agreed for the first year, and for the property in Leukerbad, a bad debt allowance of CHF 0.2 million was recognised on the outstanding rent receivables from the clinic as at 31 December 2023 due to the terms of the new contract with the tenant Leukerbad Clinic AG.

The portfolio's vacancy rate was 0.5% as at 31 December 2023. The gross yield achieved was 4.9% and the net yield 4.7%.

Direct expenses for rented investment properties amounted to CHF 1.3 million (2022: CHF 1.1 million). Consulting expenses were reduced year-on-year and amounted to CHF 0.4 million (2022: CHF 0.8 million). The decrease is

mainly due to lower legal and consultancy costs in connection with the ongoing bankruptcy proceedings involving Paracelsus-Spital. Administrative expenses amounted to CHF 1.9 million (2022: CHF 2.0 million) and included in particular the management fee paid to Cura Management AG of CHF 1.3 million (2022: CHF 1.2 million), fees for members of the Board of Directors and auditing costs totalling CHF 0.3 million (2022: CHF 0.2 million) and capital taxes and other administrative expenses totalling CHF 0.3 million (2022: CHF 0.5 million).

The valuation of the real estate portfolio by the independent real estate valuer Wüest Partner AG led to a revaluation result of CHF -22.6 million (2022: CHF -2.4 million). More than half of this revaluation effect is attributable to the valuation adjustment made to the property in Leukerbad/VS, while the remaining change is due to an increase in the discount rates for the existing investment properties as a result of the higher interest rate environment and the operations-specific investment requirements of the property in Richterswil/ZH as well as an extraordinary valuation adjustment to the property in Couvet/NE.

Earnings before interest and taxes (EBIT) in the 2023 reporting year amounted to CHF -14.8 million (2022: CHF 4.6 million). After deducting financial expenses of CHF 1.8 million (2022: CHF 0.7 million) and positive income taxes of CHF 3.3 million (2022: CHF -0.7 million), the company recorded a loss including effects from revaluation of real estate investments of CHF -13.3 million in the 2023 reporting year (2022: profit of CHF 3.1 million) and earnings excluding effects from revaluation of real estate investments of CHF 4.9 million (2022: CHF 5.0 million).

Earnings per share (EPS) are thus CHF -5.07 incl. revaluation and CHF 1.85 excl. revaluation for the fiscal year 2023 (2022: profit of CHF 1.23 incl. and CHF 1.97 excl. revaluation). The average number of registered shares outstanding for the calculation of earnings per share in the 2023 reporting year also takes into account the average number of shares outstanding from the mandatory convertible bond (total of 2,626,297 registered shares for calculation of EPS) compared to 2,555,472 registered shares in the previous year. However, these additional shares will only be created upon mandatory conversion of the bond and are not yet entitled to dividends for the 2023 financial year (number of shares entitled to dividends 2,555,472).

Balance sheet as at 31 December 2023

As at 31 December 2023, total assets stood at CHF 245.8 million (31.12.2022: CHF 233.9 million). Non-current assets of CHF 244.2 million consisted of the value of investment properties (CHF 240.6 million) and deferred income tax assets (CHF 3.1 million).

On the liabilities side of the balance sheet, mortgage liabilities amounted to CHF 119.7 million (31.12.2022: CHF 96.1 million). The loan-to-value ratio for the properties was 49.8% as at the balance sheet date of 31 December 2023. The average interest rate on mortgage liabilities as at 31 December 2023 was 1.6% (31.12.2022: 0.7%). The duration of the financial liabilities as at 31 December 2023 was 2.6 years (31.12.2022: 3.7 years).

Equity amounted to CHF 117.0 million as at the balance sheet date (31.12.2022: CHF 129.3 million). The change in equity is attributable to the loss in the 2023 reporting year of CHF 13.3 million and the par value repayment of CHF 1.90 per registered share totalling CHF 4.9 million. To further expand the portfolio, a mandatory convertible bond in the amount of CHF 6.1 million with a coupon of 3.5% and a term of one year was placed at the beginning of July 2023. With an equity ratio of 47.6% as at 31 December 2023 (31.12.2022: 55.3%), the company still has a solid balance sheet structure. The net asset value as at 31 December 2023 was CHF 45.78 (31.12.2022: CHF 50.60).

Board of Directors examines merger with Novavest Real Estate AG

On 22 January 2024, the Board of Directors of SenioResidenz AG decided to examine a merger with Novavest Real Estate AG. Both companies are very well established in the Swiss real estate market and have high-quality real estate portfolios in their respective investment segments. The merger would result in an extremely attractive and resilient portfolio – with a mix of properties owned by SenioResidenz AG, the majority of which are focused on seniors' living and care facilities, and those owned by Novavest Real Estate AG, which are primarily for residential use. The composition of the joint property portfolio would result in optimal diversification in terms of uses as well as macro- and micro-locations. A merger of the two companies would result in a combined real estate portfolio in excess of CHF 1 billion.

The assessments and discussions between SenioResidenz AG and Novavest Real Estate AG regarding a potential merger are still at a relatively early stage. The Board of Directors has formed an independent committee consisting of Board members Thomas Sojak and Arthur Ruckstuhl for specific tasks within this merger project. The company will announce the results of the merger talks and the next steps in the negotiations in due course.

Proposals to the Annual General Meeting

Based on the operational outlook for the portfolio, the Board of Directors will propose a distribution in the form of a par value repayment of CHF 1.90 to the Annual General Meeting on 27 March 2024. This corresponds to a payout ratio of 100% for the shares entitled to dividends for the 2023 financial year. Subject to approval of the proposed par value reduction by the General Meeting on 27 March 2024, the capital reduction in the commercial register is scheduled for the beginning of April and payment in mid-April 2024.

Further, the Board of Directors will propose to the Annual General Meeting the election of Ms Claudia Suter as a new, independent and non-executive member of the Board of Directors. Ms Suter (born in 1981) has been a partner at the law firm Homburger since 2018, where she had previously worked as an associate since 2010. She was admitted to the bar in 2008 and is also a Dr iur. from the University of St. Gallen and a certified tax expert.

Peter Mettler, member of the Board of Directors (Delegate) and Chief Executive Officer since the company was founded in 2017, will not stand for re-election at the Annual General Meeting. However, he will continue to act as CEO of the company. The other current members of the Board of Directors, Thomas Sojak, Arthur Ruckstuhl, Patrick Niggli and Nathalie Bourquenoud are standing for re-election. Thomas Sojak is proposed once again as Chairman of the Board of Directors and Arthur Ruckstuhl and Patrick Niggli are proposed as members of the Compensation Committee.

Outlook

The transaction market for Swiss real estate is challenging due to the higher interest rate environment and remains challenging in view of the subdued demand for investment properties. In view of the fact that both life expectancy and demand for specific housing for elderly people are rising among the Swiss population, the Board of Directors and Executive Board of SenioResidenz AG are convinced that the demand and need for accommodation in the area of retirement / senior residences and affordable housing for elderly people will continue to increase.

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Key figures

Income statement in CHF	01.01.-31.12.2023	01.01.-31.12.2022
Rental income	10 845 562	10 850 786
Success from the sale of projects	49 769	0
Other income	423 890	30 263
Total operating income	11 319 221	10 881 049
Direct operating expenses for investment properties	-1 345 894	-1 113 311
Consulting expenses	-399 544	-775 212
Administrative expenses	-1 873 574	-1 969 772
Total operating expenses	-3 619 012	-3 858 294
Total earnings from revaluation of real estate investments	-22 573 888	-2 380 272
Earnings before interest and taxes (EBIT)	-14 831 385	4 554 608
Financial expenses	-1 763 721	-686 038
Income taxes	3 284 887	-730 409
Loss / Earnings incl. effects from revaluation / deferred taxes	-13 310 220	3 138 161
Earnings excl. effects from revaluation / deferred taxes ¹⁾	4 855 427	5 045 242
Loss/Earnings per share incl. effects from revaluation/deferred taxes (EPS) ²⁾	-5.07	1.23
Earnings per share excl. effects from revaluation/deferred taxes (EPS) ²⁾	1.85	1.97
Average number of outstanding registered shares for EPS calculation	2 626 297	2 555 472
Balance sheet in CHF or %	31.12.2023	31.12.2022
Total assets	245 821 124	233 920 451
Equity	116 985 558	129 297 488
Equity ratio	47.6%	55.3%
Total mortgage liabilities	119 713 500	96 075 000
Leverage ratio	52.4%	44.7%
Loan-to-value ratio of properties	49.8%	42.1%
Net Gearing ³⁾	101.3%	71.8%
Net Asset Value (NAV) ⁴⁾	45.78	50.60
Cash distribution in form of a nominal value reduction (proposal to AGM) in CHF, with 2 555 472 registered shares entitled to dividends	1.90	1.90
Portfolio	31.12.2023	31.12.2022
Total real estate portfolio in CHF	240 611 900	228 425 749
Number of investment properties	22	18
Number of projects	0	3
Gross yield ⁵⁾	4.9%	5.3%
Net yield ⁶⁾	4.7%	4.9%
Vacancy rate	0.5%	0.4%
Average discount rate for revaluation	3.2%	3.3%
Average interest rate financial liabilities	1.6%	0.7%
Average remaining term of financial liabilities	2.6 years	3.7 years

¹⁾ Earnings before taxes (EBT) minus revaluation result, minus deferred taxes plus deferred taxes attributable to revaluation result

²⁾ Profit (or loss) divided by average number of registered shares outstanding (for 2023 including average number of shares outstanding from mandatory convertible bond)

³⁾ Net debt (current and non-current mortgage liabilities minus cash and cash equivalents) in relation to equity as of balance sheet date

⁴⁾ Total equity per registered share issued at balance sheet date

⁵⁾ 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

⁶⁾ 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 Annual Report 2023 (in German) as well as an Executive Summary for the Annual Report 2023 (in English) can be viewed 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

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