

Media Release

HSC Real Estate Fund with good half-year results 2019

Zurich, 19. August 2019 – The Helvetica Swiss Commercial (HSC) fund breaks the 500 million Swiss franc barrier with total fund assets of 513 million Swiss francs. With increased income and profit, the HSC Fund successfully closed the first six months.

In the first half of 2019, the HSC Fund continued to grow. The significantly oversubscribed capital increase in March generated equity proceeds of 76 million Swiss francs, of which the majority has already been invested in two attractive properties. With the two recent acquisitions, the portfolio grew from 22 to 24 properties. The total fund assets amounted to 513 million Swiss francs (30 June 2018: 373 million Swiss francs). The market value of the portfolio as at 30 June 2019 was 487 million Swiss francs (30 June 2018: 264 million Swiss francs). The average lease duration was increased by 37% from 3.3 years to 4.5 years as a result of acquisitions, new lettings and lease extensions. The HSC Fund portfolio continues to generate solid revenue which supports the long-term dividend strategy of the HSC Fund.

Half-year results 2019 in detail

Income statement

Net income before liquidation taxes was 8.9 million Swiss francs (30 June 2018: 7.4 million Swiss francs). The increase of 1.5 million Swiss francs (19.6%) compared to the same period last year was primarily due to higher rental income from the acquisition of new properties. Due to the acquisitions in the second quarter, the liquidation tax provisions were increased by 1.9 million Swiss francs. Total comprehensive income for the period ended 30 June 2019 amounted to 11 million Swiss francs, an increase of 1.9 million Swiss francs (21.1%) over the same period last year.

The operating profit margin decreased by 11.2% from 77.6% as of 30 June 2018 to 66.4% due to accumulated investments. In the first half of the year, 1.5 million Swiss francs were invested in maintenance and repairs (30 June 2018: 0.1 million Swiss francs). Increased investments in tenant improvements, tenant fittings and maintenance enabled new tenants to be acquired and existing leases to be extended.

Balance sheet

As a result of the capital increase and the resulting acquisitions, total fund assets increased by 140 million Swiss francs to 513 million Swiss francs compared to previous period. The portfolio was expanded from 13 to 24 properties between 30 June 2018 and 30 June 2019. Net fund assets rose from 298 million Swiss francs to 379 million Swiss francs in the reporting period. This corresponds to an increase of 27.1%. The increase resulted mainly from the capital increase in March and rental income. The debt financing ratio increased slightly from 22.72% as of 30 June 2018 to 23.40% as of 30 June but is still below the limit of 33% in the fund agreement. Provisions for deferred liquidation taxes increased from 5.6 million Swiss francs to 9.7 million Swiss francs in the reporting period.

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Authorised by the Swiss Financial Market Supervisory Authority FINMA.



Events after the balance sheet date

In July, the property in Vevey, which was acquired in July 2018 for 6.2 million Swiss francs, was sold for 8.9 million Swiss francs. This results in a profit of 2.6 million Swiss francs, which was included in the valuation as at 30 June.

Outlook 2019

The fund management company aims to further expand and diversify the portfolio in line with the investment strategy. The growth plan also provides for a further capital increase in September 2019 to acquire additional assets. Listing on the SIX -Swiss Exchange is planned for the fourth quarter. In the meantime, the fund will continue to be traded over the counter by Banque Cantonale Vaudoise, Lausanne.

Details of the capital increase will be provided in a separate announcement.

FOR MORE INFORMATION

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All press releases can be found at www.HelveticaProperty.com

Financial reports are available on the Fund Management Company's website www.HelveticaProperty.com or www.swissfunddata.ch.



Key financial figures

Key data		30.06.2019	30.06.2018
Securities number		33550793	33550793
Initiation date		09.12.2016	09.12.2016
Issued shares	Number	694 856	1 544 125
Outstanding shares	Number	3 474 281	2 779 425
Redeemed shares	Number	-	-
NAV per share	CHF	109.16	107.33
Weighted real discount rate	%	4.01	4.16

Statement of assets			
Market value of the properties	CHF	487 109 000	264 060 000
Gross Asset Value (GAV)	CHF	513 325 580	373 215 448
Debt financing ratio	%	23.40	22.72
Debt ratio	%	26.12	20.07
Residual term debt financing	Years	1.39	3.43
Interest rate debt financing	%	0.63	0.79
Net Asset Value NAV)	CHF	379 247 802	298 308 331

Income statement			
Rental Income	CHF	12 936 360	6 874 612
Net Income	CHF	8 877 165	7 421 064
Rental income loss rate	%	7.56	7.91
Weighted average unexpired lease term (WAULT)	Years	4.50	3.29
Maintenance and repairs	CHF	1 457 704	121 350
Operating profit margin	%	66.36	77.59



About Helvetica Property Investors AG

Helvetica Property Investors is an independent partner-owned and managed real estate fund management company regulated by the Swiss Financial Market Supervisory Authority FINMA. Helvetica Property Investors offers the full spectrum of real estate investments, including investment strategies, investment property selection, deal structuring, acquisitions, financing, portfolio management and sales. The firm offers both direct and indirect real estate investments in Switzerland on behalf of its clients. Helvetica Property Investors acts as fund and asset manager for the Helvetica Swiss Commercial real estate fund.



About Helvetica Swiss Commercial Real Estate Fund

The Helvetica Swiss Commercial real estate fund («HSC») and is an open contractual real estate investment fund under Swiss law open to all investors. The fund is suited for long-term value investors interested in a stable and consistent cash-flow. The fund invests in commercial properties with value appreciation potential across the most dynamic economic regions in Switzerland. The focus is on potentially undervalued properties with an attractive cash-flow yield. The fund manager pursues an active hands-on management approach to unlock and realize hidden potential in the properties by means of revitalization, renovations, vacancy reductions and lease extensions. The long-term goal is to build a broadly diversified portfolio by region, type of use, object size and tenant mix.

