

Media Release

Helvetica Swiss Commercial Fund: successful financial year 2019; investment return of 6.3%

- Real estate portfolio +47% to CHF 628.9 million
- Total fund assets +47% to CHF 654.7 million
- Rental income +58% to CHF 29.3 million
- Investment return 2019 of 6.3%
- Distribution of CHF 5.00 per share corresponds to payout yield of 4.06%
- HSC Fund listed on SIX Swiss Exchange since 11 November 2019

Zürich, 16 March 2020 – The Helvetica Swiss Commercial Fund (HSC Fund) reports a very successful financial year 2019. The high-quality real estate portfolio was further diversified through the acquisition of 9 properties and reached a value of CHF 628.9 million by year-end 2019. The investment return in 2019 reached 6.3%. The distribution of CHF 5.00 per share, which will be paid out in April 2020, corresponds to a payout yield of 4.06% with a corresponding payout ratio of 87.6%.

Details to the results for financial year 2019

Income statement

Rental income increased by 58% to CHF 29.3 million in the reporting period 2019 (FY 2018: CHF 18.5 million). The occupancy rate as at 31 December 2019 remained stable compared to the previous year and amounted to 94.1% (FY 2018: 94.2%). Net income was increased to CHF 23.0 million (FY 2018: CHF 14.3 million). The divestment of a property in Vevey resulted in a non-recurring profit of CHF 2.3 million. The valuation of the portfolio by Wüest Partner AG, the independent real estate evaluator, led to a non-realised profit of CHF 4.9 million (FY 2018: CHF 3.3 million). Total comprehensive income for the reporting period 2019 rose by 77% to CHF 29.1 million (FY 2018: CHF 16.5 million).

Balance sheet

Total fund assets were CHF 654.7 million as of 31 December 2019 (31.12.2018: CHF 444.9 million). The value of the real estate portfolio was CHF 628.9 million as of year-end 2019 (31.12.2018: CHF 427.1 million). The increase of 47% is due to the acquisition of 9 attractive properties, located in Bischofszell/TG, Ittigen/BE, Lyssach/BE, Rorschach/SG, Thun/BE, Triengen/LU, Villars-sur-Glane/FR and Winterthur/ZH. After deduction of liabilities in the amount of CHF 153.8 million (31.12.2018: CHF 131.4 million) and estimated liquidation taxes of CHF 11.4 million (31.12.2018: CHF 7.7 million), the Net Asset Value increased by 60% to CHF 489.5 million (31.12.2018: CHF 305.7 million). The NAV per share amounted to CHF 112.71 as of 31 December 2019 (31.12.2018: CHF 110.00). The number of shares was increased during 2019 by 1,563,426 to 4,342,851 shares as a result of the capital increases in March and September 2019.

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Authorised by the Swiss Financial Market Supervisory Authority FINMA.



Distribution of CHF 5.00 per share

For the financial year ending 31 December 2019, a total amount of CHF 21.7 million will be distributed, representing CHF 5.00 per share and a distribution yield on the share price of 4.06%. The distribution for the financial year 2019 includes a one-off effect from the sale of a property in Vevey of CHF 0.54 per share. The total distribution is thus CHF 1.00 or 25% higher than in the previous year. The payout ratio is 87.6%. Without the one-off effect, the payout ratio is 84.1%. The ex-date is 27 April 2020 and the payout will take place on 29 April 2020.

Outlook

The fund management company is convinced about the attractiveness of the real estate market Switzerland and plans to further develop the portfolio during 2020 in accordance with the investment strategy. The focus continues to be on properties with value appreciation potential in the most dynamic economic regions in Switzerland. Further capital increases to enable the purchase of additional, attractive properties are also planned in line with the growth strategy.

KEY FIGURES FINANCIAL YEAR 2019			
Key data		As of 31.12.2019	As of 31.12.2018
Market value of the properties	CHF	628 944 000	427 121 000
Weighted real discount rate	%	4.01	4.11
Total fund assets	CHF	654 729 403	444 909 081
Net asset value	CHF	489 475 302	305 729 749
Debt financing ratio	%	20.87	28.33
Debt ratio	%	25.24	31.28
Net asset value (NAV) per share	CHF	112.71	110.00
Return on equity (ROE)	%	6.18	5.62
Return on invested capital (ROIC)	%	4.73	4.29
Investment return	%	6.33	5.70
Rental income	CHF	29 292 317	18 539 626
Vacancy rate	%	8.10	7.75
Net income	CHF	23 032 696	14 282 138
Weighted average unexpired lease term (WAULT)	Years	4.40	4.00
Operating profit margin	%	68.60	68.56
Distribution	CHF	5.00 *	4.00
Payout yield	%	4.06	3.64
Payout ratio	%	87.58	77.62

* including non-recurring effect from sale of property in Vevey

FOR MORE INFORMATION

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The Annual Report 2019 is available on the website of the fund management company at <https://www.helveticaproperty.com/fonds/hsc/> Section "Publikationen" and can also be found at www.swissfunddata.ch



About Helvetica Property

Helvetica Property is an independent partner-owned and managed real estate Fund Management Company regulated by the Swiss Financial Market Supervisory Authority FINMA. Helvetica Property 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.



About Helvetica Swiss Commercial Fund

Helvetica Swiss Commercial Fund (HSC Fund) is a contractual investment fund under Swiss law approved by the Swiss Financial Market Supervisory Authority (FINMA) and **open to all investors**. The HSC Fund is listed at SIX Swiss Exchange. The fund is suited for investors with a long-term investment horizon who are 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 Management Company pursues an active hands-on management in order to exploit hidden potential of the properties by means of revitalization, renovations, vacancy reductions as well as lease extensions and to increase the value in the long-term. The aim is to diversify the portfolio according to region, type of use, size and tenant mix.

Listing at SIX Swiss Exchange; Ticker Symbol HSC; Valor 33 550 793; ISIN CH0335507932

The prospectus as well as the simplified prospectus can be obtained free of charge at the Fund Management Company.

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

