

Special real estate fund Helvetica Swiss Opportunity Fund starts the second half of 2020 well positioned with a newly opened school building and a new pharmaceutical logistics property

Zurich, 31 August 2020 - The Helvetica Swiss Opportunity Fund (HSO Fund) has built a selected special real estate portfolio with an occupancy rate of 98.2% in the first half of 2020. The HSO Fund starts the second half of 2020 with a new pharma logistics property acquired on 10 August 2020 and a resulting expanded real estate portfolio of around CHF 66 million.

- **Development of the HSO Fund through acquisition of three special properties in the first half of 2020**
- **Value of the real estate portfolio of CHF 51.1 million as of 30 June 2020**
- **Total fund assets at CHF 67.0 million**
- **Target rental income (annualised) of CHF 3.6 million**
- **Very high occupancy rate of 98.2%**
- **Net asset value of CHF 103.85 per share as of 30 June 2020**
- **New school building of the Zurich cantonal school Zimmerberg opened as planned in August 2020**
- **Canton of Zurich as stable and long-term anchor tenant in the portfolio**
- **Transfer of ownership of a pharmaceutical logistics property on 10 August 2020 expands real estate portfolio to around CHF 66 million**

The Helvetica Swiss Opportunity Fund (HSO Fund) was launched in the fourth quarter of 2019 following a successful initial issue and payment on 29 November 2019. The first extended half-year 2020 therefore covers the period from 29 November 2019 to 30 June 2020. With the funds from the initial issue of CHF 50 million, three special properties in Wädenswil, Rümlang and Schaffhausen were acquired at the end of November and mid-December 2019 respectively.

Special properties with attractive cash flows and yields

In the first half of 2020, the rental space of a property formerly used as an office property in Wädenswil/ZH was converted for school use for the cantonal school. The Zimmerberg cantonal school was able to start the school year 2020/2021 as planned on 17 August 2020. The Canton of Zurich is the largest tenant in the property with around 92% of rental income, the rest of the rental space is comprised of apartments and parking spaces. The long-term rental agreement with the Canton of Zurich runs until 2030 and the property will generate a target rental income of CHF 1.4 million from 2021 onwards (in the 2020 financial year, rental income of CHF 1.1 million from mid-March). The commercial property in Rümlang/ZH is located in an industrial zone and comprises a rental area of almost 6,000 square meters. The property is fully let and generates rental income of around CHF 0.7 million per year. In a further

commercial property (Lipo Park) in Schaffhausen/SH, the shell use was acquired in condominium ownership, which amounts to a ratio of 71.5%. The property has approximately 9,300 square metres of rental space, is also fully let and generates annual rental income of approximately CHF 1.6 million.

In total, these three properties were valued at a market value of CHF 51.1 million as of 30 June 2020. The gross yield amounts to 6.9%.

Through the transfer of ownership of a special logistics property worth CHF 15.2 million on 10 August 2020, the portfolio was expanded to around CHF 66 million after the balance sheet date. The property is let long-term and 100% to NextPharma Logistics GmbH, who uses the building as a pharmaceutical distribution warehouse for Switzerland. The additional property increases the target rental income of the portfolio to approximately CHF 4.3 million per annum.

Half-year results 2020 in detail

Income statement 29.11.2019 – 30.06.2020

Rental income amounted to CHF 1.6 million in the first half of 2020. The occupancy rate as of 30 June 2020 amounted to a very high 98.2%. Overall, the impact of the COVID-19 pandemic and the subsequent lockdown had little impact on the rental income of the HSO Fund. According to the fund management company, around 26% of the HSO Fund tenants' rental income was directly affected by the lockdown. However, around 88% of this is from large tenants with a relatively high credit rating, who will be able to absorb the impact of the pandemic. Only 12% of the affected rental income (3% of the portfolio) comes from smaller tenants who are more difficult to assess. If the HSO Fund were to offer a proposal to all tenants affected by COVID-19 - regardless of their rent size and thus regardless of any legal entitlement - that would comply with the new legal framework adopted by the Swiss Parliament, this would result in a one-off provision of around CHF 0.12 million for the 2020 annual results. However, this estimate also includes those tenancies which, under the expected new legal framework conditions, would not be entitled to a rent reduction (i.e. rents above CHF 20,000 per month). Adjusted by these leases, the HSO Fund has an even lower provisioning requirement of around CHF 10,000, which was taken into account in the half-yearly financial statements 2020. This corresponds to approximately 0.3% of the total annual target rental income of the fund (portfolio basis as of 30 June 2020).

Net income for the reporting period amounted to CHF 0.7 million. The valuation of the portfolio by the independent valuation expert Wüest Partner AG resulted in an unrealized gain of CHF 1.8 million due to investments and a higher valuation. Total income for the first half of 2020 amounted to CHF 1.9 million.

Balance sheet as of 30.06.2020

Total fund assets as of 30 June 2020 amounted to CHF 67.0 million, reflecting the capital raised and the three property purchases in the first half of the year. The value of the real estate portfolio amounted to CHF 51.1 million and the debt financing ratio reached 22.7%. The net asset value amounted to CHF 51.9 million as of 30 June 2020. The net asset value per share reached CHF 103.85 as of 30 June 2020, representing an increase of 3.85% since the initial issue.

Outlook

The effects of the COVID-19 crisis on the global and Swiss economy cannot be clearly assessed yet, as the pandemic is not yet over. However, the fund management company Helvetica Property Investors AG remains convinced of the potential of the Swiss real estate market. Based on the solid half-year results, the expansion of the portfolio through the special logistics property and assuming that further attractive properties can be acquired in the fourth quarter of 2020, the fund management company currently expects a distribution for the 2020 financial year in the range of CHF 4.50 to 4.75 per share.

In order to further diversify the HSO Fund and to react quickly to attractive investment opportunities, the fund management company is considering a capital increase, expected in October 2020. Details of such a capital increase will be published in a separate media release in due course.

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KEY FINANCIAL FIGURES HSO Fund 1 st half year 2020 (29.11.2019-30.06.2020)		
Balance sheet		As of 30.06.2020
Market value of the properties	CHF	51 140 000
Weighted real discount rate	%	3.83
Gross asset value (GAV)	CHF	67 032 648
Net asset value (NAV)	CHF	51 925 967
Debt financing ratio	%	22.68
Debt ratio	%	22.54
Interest rate debt financing	%	0.55
Residual term debt financing	Years	1.53
Net asset value per share	CHF	103.85
Outstanding shares	Number	500 000
Income statement		29.11.2019.-30.06.2020
Rental income	CHF	1 551 333
Rental income loss rate	%	19.56
Net income	CHF	732 172
Total income	CHF	1 925 967
Weighted average unexpired lease term (WAULT)	Years	6.90
Operating profit margin	%	47.65

The semi-annual report 2020 of HSO Fund is available on the fund management company's website at <https://www.helvetica.com/en/products/helvetica-swiss-opportunity-fund/publications> or also under www.swissfunddata.ch

All press releases can be found under
www.Helvetica.com

About Helvetica

Helvetica Property Investors AG is a leading Real Estate Fund and Asset Management firm. We deliver sustainable value to our clients through active, long-term ownership of safe and stable real estate investments. With a fully integrated real estate investment platform, we are able to provide both standardized investment products and customized investment plans. We are proud of our longstanding reputation for outstanding client service and

dedication to responsible ownership. Our Firm is approved and regulated by the Swiss Financial Market Supervisory Authority FINMA.

About Helvetica Swiss Opportunity Fund

The HSO Fund is a Swiss real estate fund open exclusively to qualified investors. The HSO Fund invests in special purpose properties in the Swiss economic centres. The focus is on fully let properties with long-term leases and few tenants generating stable income. The investment objective is mainly the long-term preservation of value and the distribution of reasonable profits. The fund shares units can be traded over the counter through Bank J. Safra Sarasin. The HSO Fund is approved by the Swiss Financial Market Supervisory Authority, FINMA.

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