

HSC Fund - Successful business year 2020 with a return on investment of 6.9%

Zurich, 31 March 2021 – The Helvetica Swiss Commercial Fund (HSC Fund) grew its real estate portfolio to CHF 744 million in the 2020 business year and generated an investment return of 6.9%. In April 2021, a distribution of CHF 5.10 per share will be paid, corresponding to a distribution yield of 4.7%.

- Real estate portfolio expanded by +18% to CHF 743.9 million
- Total fund assets rose by +18% to CHF 770.1 million
- Target rental income p.a. increased by +16% to CHF 45.4 million
- High occupancy rate of 94.6% as of 31 December 2020; +0.5 percentage points compared to 31.12.2019
- Investment return of 6.9% for 2020
- Net asset value per share at CHF 115.17 as of 31 December 2020
- Distribution of CHF 5.10 per share corresponds to 4.7% distribution yield

Details to the financial year 2020

The HSC Fund successfully expanded its real estate portfolio in the 2020 financial year - despite the COVID-19 pandemic and the weak economy that arose as a result - and reported a favorable result for 2020. The portfolio was expanded by over CHF 110 million through the acquisition of five attractive properties in the cantons of Geneva, Fribourg and Thurgau. This further improved the already good diversification of the portfolio and rental income. The market value of the portfolio increased by 18% year-on-year and stood at CHF 743.9 million as of 31 December 2020 (31 December 2019: CHF 628.9 million). Annual target rental income increased by 16% to CHF 45.4 million (31.12.2019: CHF 39.0 million). The real estate portfolio reflects a high occupancy rate of 94.6%, compared to 94.1% in the previous year.

Income statement

Rental income increased by 33% to CHF 38.7 million in the financial year 2020 (FY 2019: CHF 29.2 million). The increase is mainly due to the acquisitions made in the reporting years 2019 and 2020. Three of the properties acquired in 2020 in Versoix/GE, Arbon/TG and Fribourg/FR with an annual target rental income of approximately CHF 5.0 million were added to the portfolio as of 1 May, 1 July and 1 October 2020 and contributed a total of CHF 2.1 million to the rental income since acquisition. These three properties will only develop their full earnings potential (for 12 months) in the reporting year 2021.

Net income amounted to CHF 27.3 million (FY 2019: CHF 23.0 million). The portfolio valuation by the valuation expert Wüest Partner AG resulted in an unrealized gain of CHF 8.7 million (FY 2019: CHF 4.9 million), which is mainly due to valuation gains on some of the properties acquired in 2020 and on positive revaluations of various other existing

properties. The total comprehensive income in the reporting period increased by 11% to CHF 32.4 million (FY 2019: CHF 29.1 million, including realized capital gain of CHF 2.3 million from the sale of a property).

Balance sheet

Total fund assets as of 31 December 2020 amounted to CHF 770.1 million (31.12.2019: CHF 654.7 million), in which the properties reflect a value of CHF 743.9 million (31.12.2019: CHF 628.9 million). After deducting liabilities of CHF 255.0 million (31.12.2019: CHF 153.8 million) and estimated liquidation taxes of CHF 15.0 million (31.12.2019: CHF 11.4 million), the net asset value amounted to CHF 500.2 million (31.12.2019: CHF 489.5 million). The debt financing ratio amounted to 30.5% (31.12.2019: 20.9%). The net asset value per share reached CHF 115.17, which after the distribution of CHF 5.00 for the financial year 2019 in April 2020 represents an increase of CHF 2.46 compared to year-end 2019 (31.12.2019: CHF 112.71).

Distribution of CHF 5.10 per share

For the financial year ending on 31 December 2020, a total amount of CHF 22.1 million will be distributed, corresponding to CHF 5.10 per share and a distribution yield of 4.7% on the Swiss Exchange market price as of 31 December 2020. Compared to the previous year, distribution increased by CHF 0.10 per share, with the distribution for 2019 including a special effect from the sale of a property in Vevey of CHF 0.54 per share. The payout ratio for the financial year 2020 is 83.2%. The ex-date for the distribution is 27 April 2021 and the distribution will be paid out on 29 April 2021.

Moderate impact from the COVID-19 pandemic

The HSC Fund's properties proved largely resilient during the COVID-19 crisis. Among tenants in the fund, which has nearly no exposure to the catering and tourism sectors, around one-third of the target rental income was affected by the lockdown in spring 2020. In the meantime, agreements have been reached with over 95% of the affected tenants or amicable solutions are expected soon. In the case of some rent reductions, it was possible to agree on lease optimization and term extensions with the concerned parties. For the year under review, rent reductions totaling around CHF 0.9 million were granted, which corresponds to approximately 2% of the target rental income. In addition, there were no tenant bankruptcies or legal disputes in connection with COVID-19.

Outlook

The fund management company is confident about the year 2021. Especially the launched vaccination program gives us hope that the COVID-19 situation will improve in the course of the year. The main focus of our activities will be on value creation in asset management. The goal is to increase the occupancy rate and to enhance the attractiveness of the portfolio through cost-conscious investments. No capital increase is planned for the current financial year.

Peer Kocur new Head Investment Management

Peer Kocur will become the new Head of Investment Management of Helvetica Property Investors AG as of mid-April 2021. In this function, he will strengthen the extended Executive Board. Peer Kocur was Head of Portfolio Management Real Estate Switzerland of the Migros Pension Fund with real estate assets of over CHF 6 billion since December 2016. Prior to that, he was a Director at Wüest Partner AG (2006-2016) and Portfolio Manager at Allianz Real Estate (2003-2006). He brings more than 20 years of experience in the Swiss and international real estate markets to his new role. Peer Kocur is a qualified architect and holds additional degrees from the European Business School and the German Association for Financial Analysis.

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KEY FINANCIAL FIGURES 2020

Balance sheet		31.12.2020	31.12.2019	Change
Market value of the properties	CHF	743 946 000	628 944 000	+18%
Weighted real discount rate	%	3.82	4.01	-0.19 PP
Gross asset value (GAV)	CHF	770 131 664	654 729 403	+18%
Net asset value (NAV)	CHF	500 184 280	489 475 302	+2%
Debt financing ratio	%	30.48	20.87	+9.61 PP
Debt ratio	%	35.37	25.24	+10.13 PP
Interest rate debt financing	%	0.43	0.56	-0.13 PP
Residual term debt financing	Years	0.96	1.39	-0.43 years
Net asset value per share	CHF	115.17	112.71	+2.46 CHF
Outstanding shares	Number	4 342 851	4 342 851	none
Income Statement		01.01.-31.12.2020	01.01.-31.12.2019	Change
Rental income	CHF	38 728 685	29 218 984	+33%
Vacancy rate	%	7.78	8.10	-0.32 PP
Net income	CHF	27 311 568	23 032 696	+19%
Total income	CHF	32 423 233	29 144 239	+11%
Weighted average unexpired lease term (WAULT)	Years	4.50	4.40	+0.1 years
Operating profit margin	%	71.96	68.60	+3.36 PP
Distribution and return		31.12.2020	31.12.2019	Change
Distribution total	CHF	22 148 540	21 714 255	+2%
Distribution per share *	CHF	5.10	5.00	+2%
Distribution yield	%	4.68	4.06	+0.62 PP
Payout ratio	%	83.23	87.58	-4.35 PP
Return on equity (ROE)	%	6.62	6.18	+0.44 PP
Return on investment	%	6.93	6.33	+0.60 PP

* The distribution for the previous year 2019 included a special effect of CHF 0.54 per share from the sale of a property in Vevey.

The audited annual report 2020 of the HSC Fund is available on the fund management company's website at <https://www.helvetica.com/en/products/helvetica-swiss-commercial-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 management company 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 Commercial Fund

The HSC Fund is a Swiss real estate fund listed on the SIX Swiss Exchange and open to all investors. The HSC Fund invests in commercial and industrial properties in the major economic areas of Switzerland. The fund's portfolio is geared towards long-term value preservation and features high location and property quality as well as broad diversification. The investment objective is mainly the long-term preservation of value and the distribution of reasonable profits. The HSC Fund is approved by the Swiss Financial Market Supervisory Authority, FINMA.

Listing SIX Swiss Exchange; ticker symbol HSC; security 33 550 793; ISIN CH0335507932