



SF Urban Properties Ltd



# SF Urban Properties Ltd

## 2019 Annual Report

11 March 2020 - Publication

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# 1. Retrospective and key figures

# Key figures

as at 31 December 2019

## PORTFOLIO VALUE INVESTMENT PROPERTIES

**647.8** m CHF

The portfolio value grew by 0.4% in 2019, up from CHF 645.3 m to CHF 647.8 m

## VACANCY RATE AS AT REPORTING DATE

**1.7** %

The vacancy rate decreased from 3.8% to 1.7% during the reporting year

## EBIT

**27.0** m CHF

Earnings rose to CHF 27.0 m from the previous year's figure of CHF 21.9 m

## PROPERTY INCOME

**27.3** m CHF

Rental income increased by 2.3% year-on-year. Like-for-like Growth in actual rental income stands at 1.8% and target rental income fell by 0.2% compared to 2018

## EQUITY RATIO

**46.6** %

The equity ratio decreased from 47.2% to 46.6% in the reporting year.

## SHARE PRICE AS AT 31 DECEMBER 2019

**98.50** CHF

The share price rose by 14.5% during the reporting period

# Key events in 2019

Milestones as at 31 December 2019

## Major milestones

1

Earning power was secured in the long term due to successful early contract extensions

2

Proactive marketing strategy at an individual property level with viewings in person, selective refurbishments and professional photos; additional resources for Asset Management

3

Ongoing development of the 10-year plan (harmonised with WP valuations) and identification of property-specific strategies to ensure stable dividend

4

First sustainability analysis with path to CO<sub>2</sub> reduction, carried out in cooperation with WP

# Target attainment (1/2)

Since 30 June 2019

	Targets	Progress since 30 June 2019	
Portfolio in general	Investment options for portfolio properties are under review: – <i>Neptunstrasse 57, ZH</i> – <i>Niederdorfstrasse 70, ZH</i>	– <i>Neptunstrasse 57</i> : planning work for the refurbishment project was continued, termination notices issued – <i>Niederdorfstrasse 70</i> : new operator, full refit of bar by tenant	✓
	Stable dividend of CHF 3.60 targeted	Dividend of CHF 3.60 as at 31 December 2019	✓
	Retention of vacancy rate of <3%	Vacancy rate was 1.68% as at 31 December 2019	✓
Rentals	Reduction of vacant apartments around the Badischer Bahnhof (railway station) in Basel	Year-on-year improvement in vacancy rate	✓
	Expiring commercial rental contracts should be renewed early	Four early extensions of rental contracts for restaurant businesses in Basel and St. Gallen	✓
	Reduction of vacant ancillary buildings in the portfolio targeted	Referral agreement concluded with agent; first successful rentals	✓
	Extension of both rental contracts for Gerbergasse 48, Gerbergässlein 15, Basel	Both contracts were extended	✓
	Retention of full occupancy at Walzwerk, Münchenstein/Arlesheim	The Walzwerk site is fully rented	✓
	Rental of ground floor space at Asylstrasse 68, Zurich	Repositioning of entire ground floor (smaller sub-areas), fully rented	✓

# Target attainment (2/2)

Since 30 June 2019

	Targets	Progress since 30 June 2019	
Developments	Elsässerstrasse 1+3, Basel: submission of planning application in 3rd quarter of 2019	Planning application submitted	✓
	Walzwerk, Münchenstein/Arlesheim: focus on development in the existing portfolio	Identify and develop first projects	✓
	Badenerstrasse 425-431, Zurich: decision of the public permit board by end of the year	Decision of the public permit board obtained	✓
	Klusstrasse 38, Zurich: submission of planning application in 3rd quarter	Planning application submitted	✓
Acquisition and sales	Acquisition activities continue to focus on the economic areas of Zurich and Basel	No additional purchases in the 2nd half of the year	✗
	Sale scenarios can be considered if individual properties no longer match the portfolio strategy	No sales in the 2nd half of the year	✗
	Parco d'Oro, Ascona: sale of last apartment.	The apartment is still for sale	✗

**Unforeseen events** Bankruptcies at Steinenvorstadt 67 (formerly Desperado) and Binningerstrasse 15 (formerly Birseckerhof) in Basel. Fortunately, the 990 m<sup>2</sup> space at Steinenvorstadt 67 could be re-rented within 2 months to Remimag AG, the Swiss company ("La Cucaracha" concept) at the same net annual rent of CHF 400,000 (security of 6 gross monthly rent payments).



## 2. Portfolio



# Portfolio statistics

as at 31 December 2019

## NUMBER OF INVESTMENT PROPERTIES

**47** properties

2 properties were purchased and 2 properties were sold during the reporting period. In addition, 2 properties were reclassified as development properties

## REAL DISCOUNT RATE

**3.08** %

The real discount rate stood at 3.21% in the previous year, what is equivalent to a reduction of 0.13%

## NOMINAL DISCOUNT RATE

**3.56** %

The nominal discount rate stood at 3.72% in the previous year, what is equivalent to a reduction of 0.12%

## GROSS YIELD

**4.27** %

The gross yield stood at 4.41% in the previous year, what represents a decrease of 0.14%

## VACANCY RATE AT REPORTING DATE

**1.7** %

The vacancy rate at the reporting date was reduced significantly, from 3.8% to 1.7%

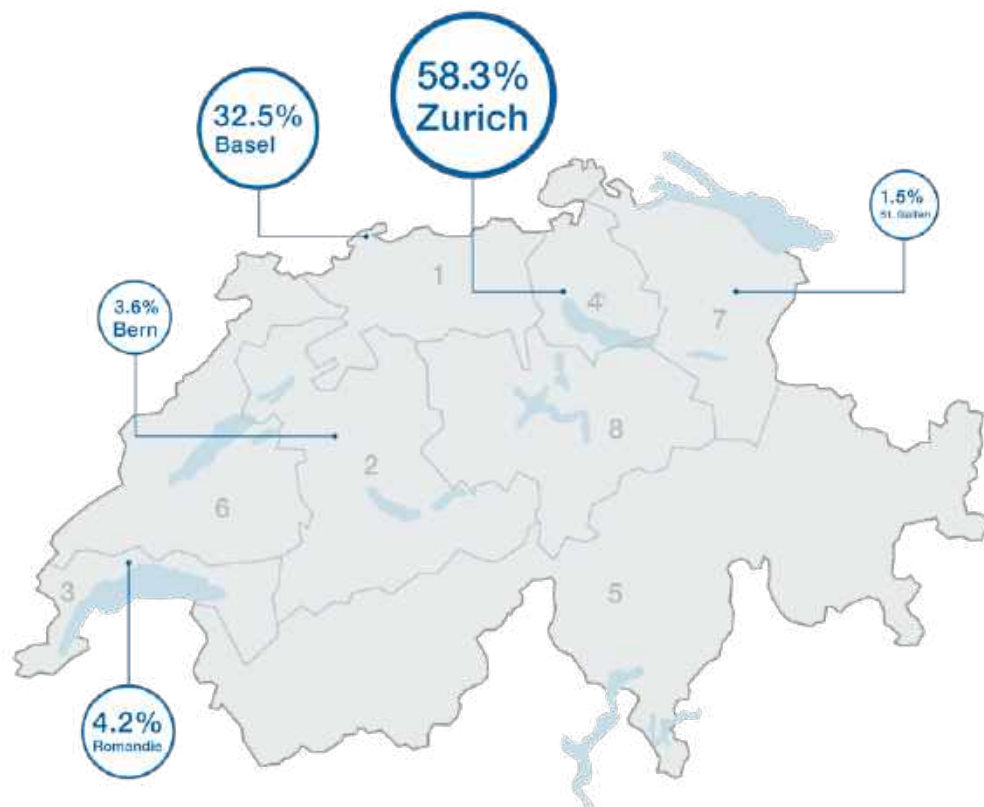
## VACANCY RATE FOR REPORTING PERIOD

**2.6** %

It was also possible to reduce the vacancy rate for the reporting period (previous year: 3.9%)

# Market value by region

as at 31 December 2019



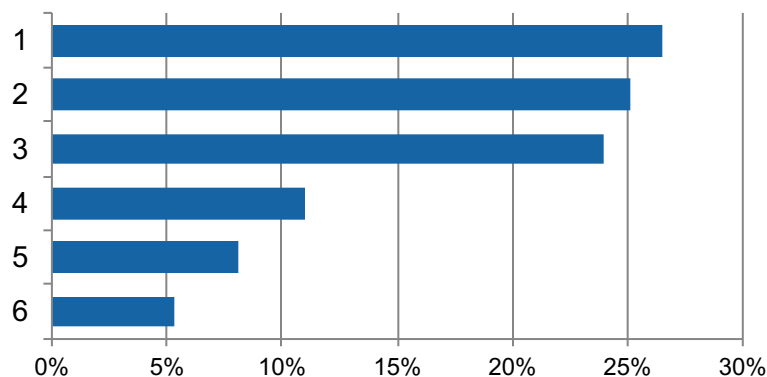
Region	Market value in CHF	Market value in %
Zurich	377 555 000	58.3%
Basel	210 410 000	32.5%
Romandie	27 320 000	4.2%
Bern	23 095 000	3.6%
Other regions	9 400 000	1.5%
<b>Total</b>	<b>647 780 000</b>	<b>100.0%</b>

Source: Wüest Partner

# Portfolio structure

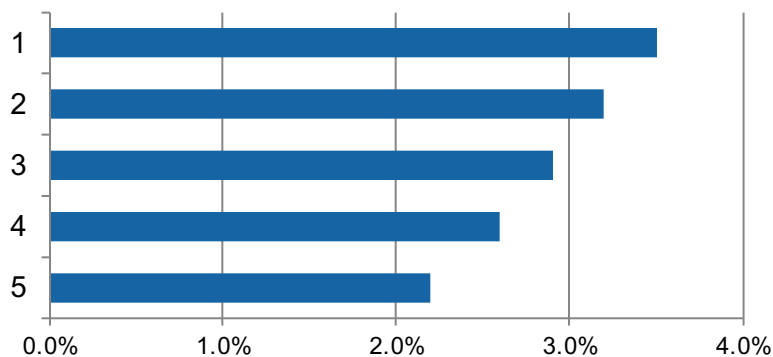
as at 31 December 2019

## Usage as at 31 December 2019



1	Commercial, 26.5%	(previous year: 24.0%)
2	Residential, 25.1%	(previous year: 25.0%)
3	Office, 24.0%	(previous year: 24.4%)
4	Gastronomy, 11.0%	(previous year: 11.1%)
5	Retail space, 8.1%	(previous year: 7.9%)
6	Other, 5.3%	(previous year: 7.6%)

## Largest tenants as at 31 December 2019



1	Ecole de la transition (EdT)	3.5%
2	Brunschwig & Cie. SA	3.2%
3	Witel Ltd (previously Renova Management Ltd)	2.9%
4	Dipl. Ing. Fust Ltd	2.6%
5	Swiss Capital Alternative Investments Ltd	2.2%

# Transactions 2019

## Acquisitions and divestments

### Acquisitions

Property	Registration as of	Transfer of ownership as of	Market value in CHF	Purchase price in CHF	Difference in CHF	Difference in relation to purchase price	Gross yield in relation to market value	Gross yield in relation to purchase price
Zurich, Schaffhauserstr. 6	29 March 2019	1 April 2019	13 850 000	13 000 000	+ 850 000	6.5%	3.2%	3.4%
Riehen, Sandreuterweg 39	27 November 2017	4 January 2019	7 500 000	7 500 000		0.0%	-	-
<b>Total</b>			<b>21 350 000</b>	<b>20 500 000*</b>	<b>+ 850 000</b>			

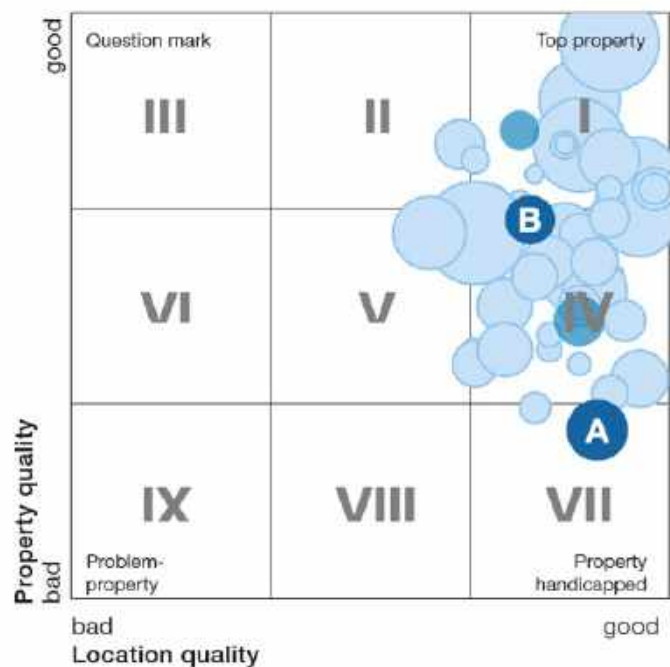
### Divestments

Property	Registration as at	Transfer of ownership as of	Market value in CHF	Sale price in CHF	Difference in CHF	Difference in relation to sale price	Gross yield in relation to market value	Gross yield at sale price
Zumikon Chapfstrasse 48	20 December 2018	3 April 2019	5 288 000	5 700 000	+ 412 000	7.8%	1.1%	1.0%
Zurich, Universitätsstr. 51	19 December 2018	7 January 2019	8 739 000	9 050 000	+ 311 000	3.6%	3.1%	3.0%
<b>Total</b>			<b>14 027 000</b>	<b>14 750 000*</b>	<b>+ 723 000</b>			

\*before transaction costs

# Quality of properties and locations

as at 31 December 2019



**A** Schaffhauserstrasse 6, Zurich

**B** Sandreuterweg 39, Riehen

Source: Wüest Partner

## A) Schaffhauserstrasse 6, Zurich



Rentable floor space in m<sup>2</sup>

**1 707**

Target rent in CHF

**429 000**

Purchase price / market value

**13.0|13.8<sub>m</sub>**

Motivation

- Top location
- Optimization of rent
- Development potential

## B) Sandreuterweg 39, Riehen



Site area m<sup>2</sup>

**4 271**

Purchase price in m

**7.5**

Motivation

- Development project
- Condominium sale

Visualisation as at December 2019

# Case study: Schaffhauserstrasse 6, Zurich

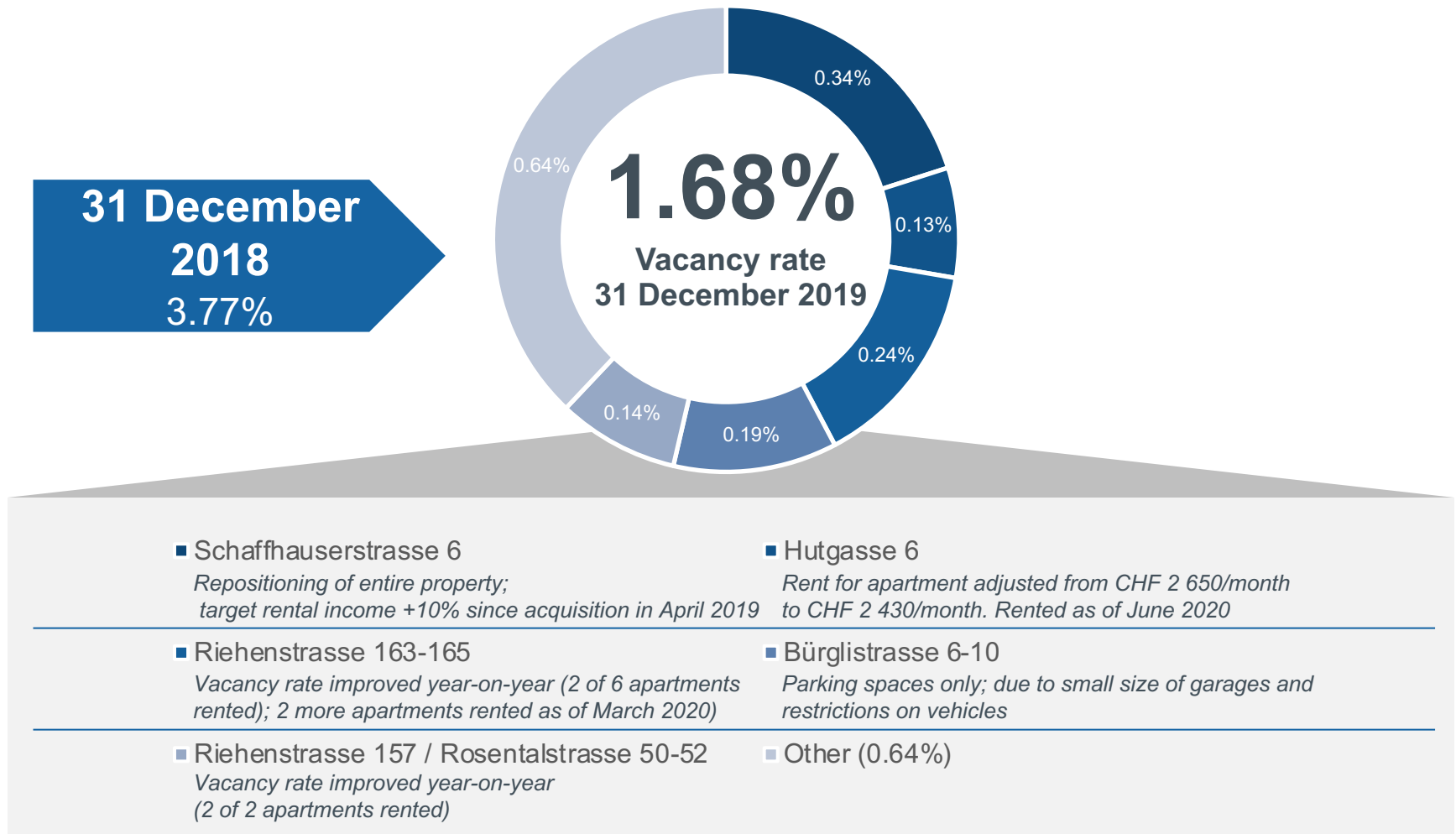
Realisation of major rental potential by refurbishing apartments

- Rent analysis during the due diligence procedure in the purchase process indicated considerable rental potential
- Purchase valuation: modelling of gradual rental increases after terminations, based on refurbishment and subsequent re-rental
- Since purchase in April 2019: 8 terminations implemented out of a total of 14 main leases; faster terminations allowed earlier realisation of rental potentials
- Scope of refurbishment, as required in each case: paintwork, electrical installations, floor coverings, new kitchens to identical standard
- Investments in 2019: CHF 98 000; increase in target rents by CHF 38 000 p.a. to the new figure of CHF 429 000 p.a.
- Vacancy rate as at 31 December 2019: 22.7%
- Vacancy rate as at 1 March 2020: 8.8% (1 office room on 3rd floor; currently being repurposed as an apartment)



# Internal portfolio evaluations

Distribution of vacancies as at the reporting date (31 December 2019), year-on-year



# Re-rentals and reduction of vacancy rate

## Key events in 2019

▪ <b>Witikonerstrasse 15, Zurich</b>	Rental of ground floor areas totalling 490 m <sup>2</sup>
▪ <b>Chasseralstrasse 156, Spiegel b. Bern</b>	New restaurant operator, 440 m <sup>2</sup>
▪ <b>Zollikerstrasse 6, Zurich</b>	Fixed lease with temporary user. Restaurant "50zu5", 210 m <sup>2</sup>
▪ <b>Rue de Lausanne 29/31, Morges</b>	Rental of a small area of 90 m <sup>2</sup>
▪ <b>Militärstrasse 114, Zurich</b>	Change of operator, "Sansibar", 190 m <sup>2</sup>
▪ <b>Bürglistrasse 10, Zurich</b>	Rental of vacant 8.5 room apartment, new vacancy of 7 room apartment prevented by re-renting 290 m <sup>2</sup>
▪ <b>Malerweg 4, Thun</b>	Rental of ground floor area to Universal Supermarket, 525 m <sup>2</sup>
▪ <b>Asylstrasse 68, Zurich</b>	Repositioning of entire ground floor with 220 m <sup>2</sup>
▪ <b>Schaffhauserstrasse 6, Zurich</b>	Re-rental of more than half of the apartments at higher market rates since transfer of ownership in April 2019

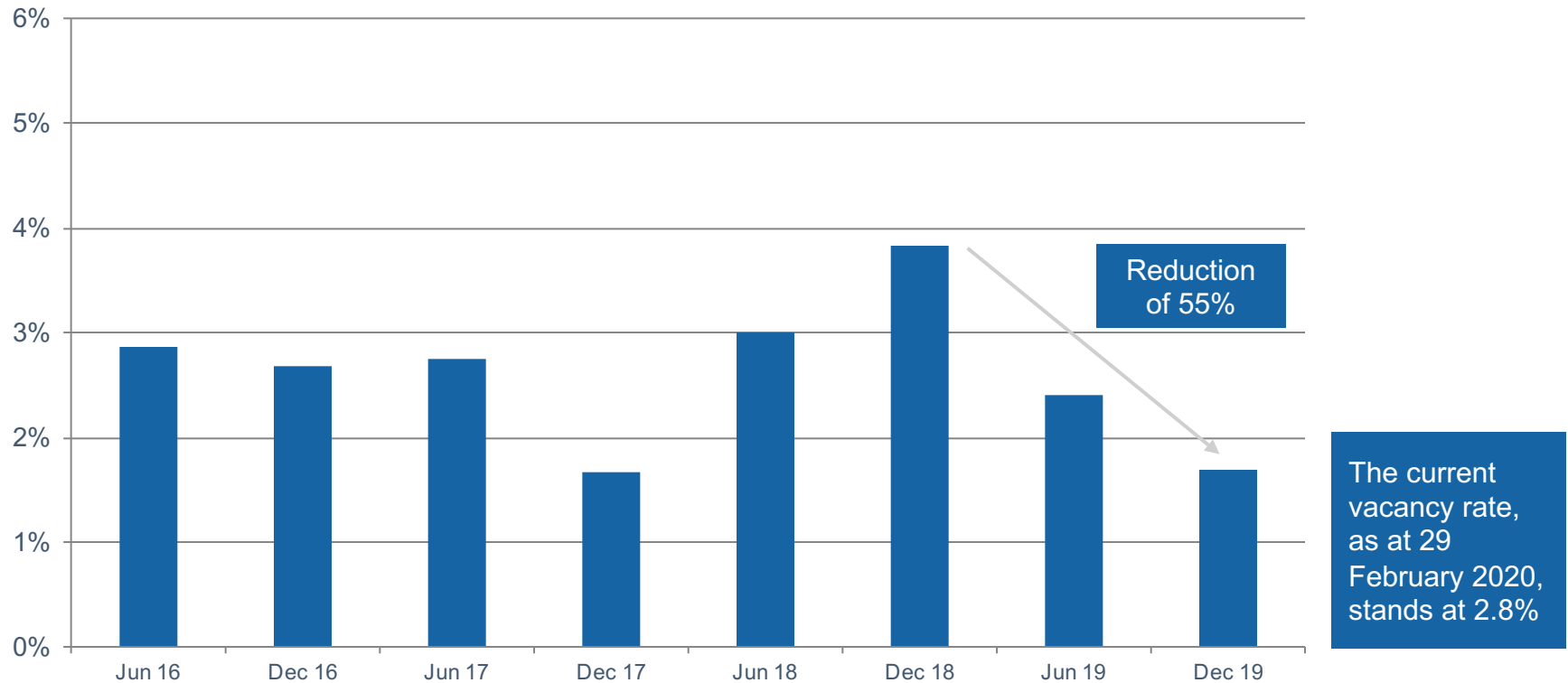


All the above rentals were concluded at or above the market rate, taking account of usual market incentives. Across the portfolio, this yields like-for-like rental growth of +1.8% at actual level (target: -0.2%) in the reporting period.



# Vacancy rate trend 2016-2019

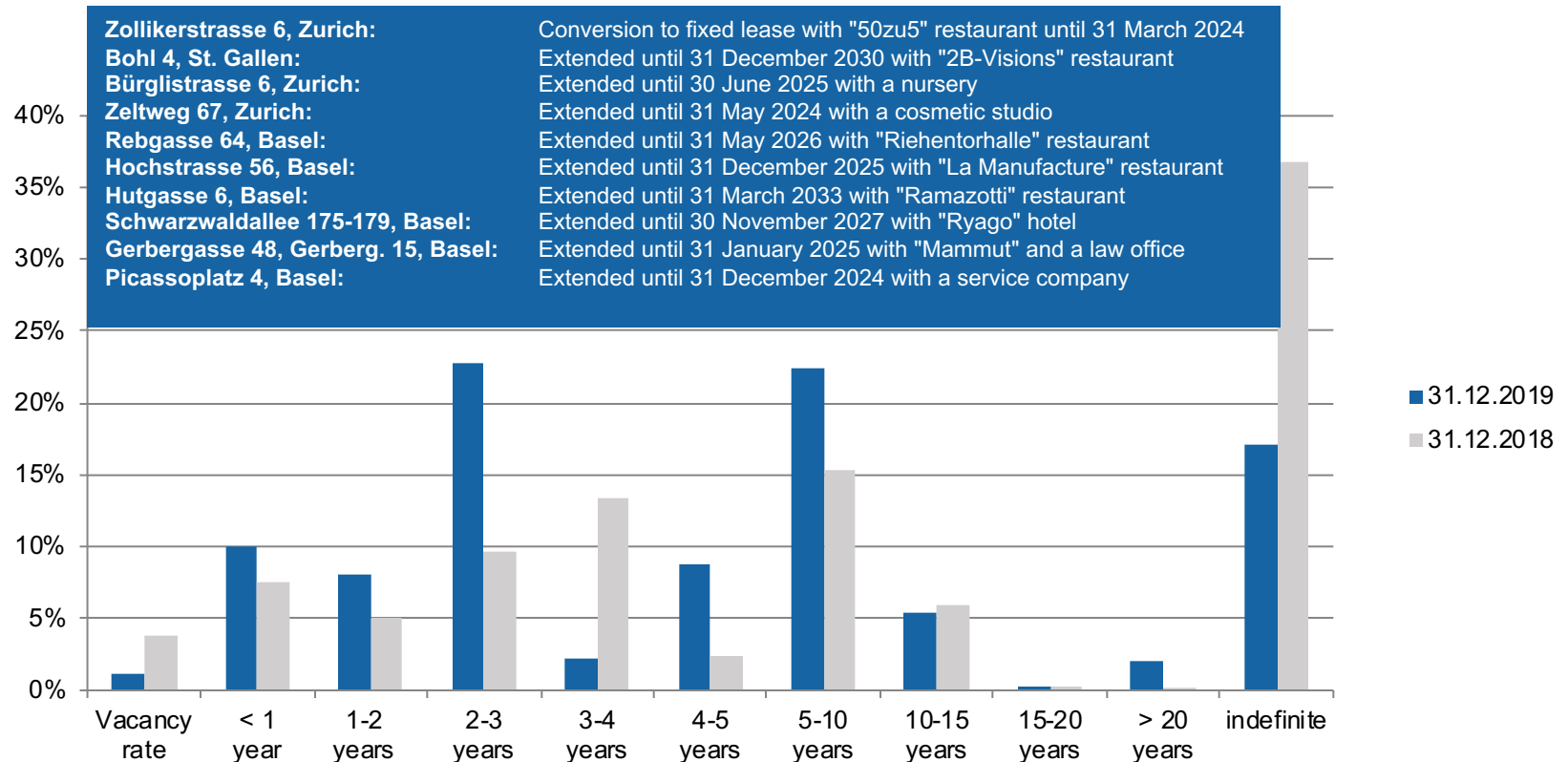
Vacancy rate trend at end of period



- The period-based vacancy rate for 2019 was at 2.6%
- The budgeted vacancy rate for 2019 was at 3.1%
- The current vacancy rate as at the reporting date is 2.8% (end of February 2020); the office space at Zeltweg 67 (460 m<sup>2</sup>) which is vacant, for rental accounts for 35% of all vacancies

# Leases for commercial properties

## Weighted expiry dates



- It was possible to reduce the open-ended contracts during the reporting period as planned
- In addition, it was possible to agree early extensions to the rental contracts thanks to active asset management
- The WAULT improved year-on-year from 4.11 years to 4.30 years

# Sustainability

## Measurement and reduction of environmental footprint

### Relevance of the issue

- Responsibility towards the environment
- Conserve resources by reducing the environmental footprint
- Growing need on the part of investors
- Ensure sustainable real estate investments and long-term returns
- Create quantitative added value in connection with environmental measures

### Approach SF Urban Properties Ltd

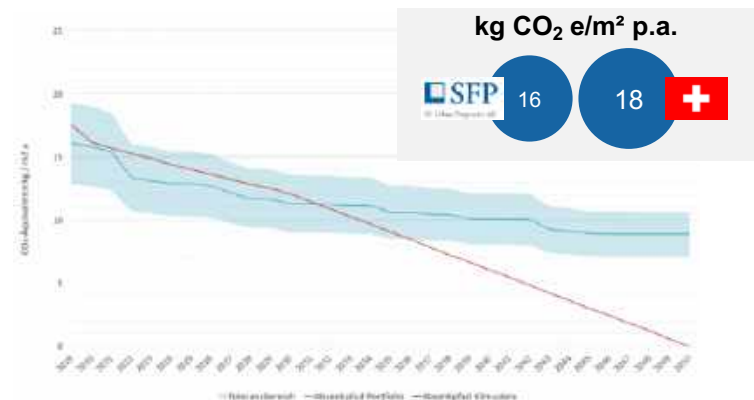
- Engage Wüest Partner AG to determine the path to reducing CO<sub>2</sub>
- Target: indicative classification of the portfolio as compared to the overriding climate targets
- Regular publication of key figures in future to assess the situation
- Take account of the sustainability issue in upcoming major cyclical refurbishments

### Findings



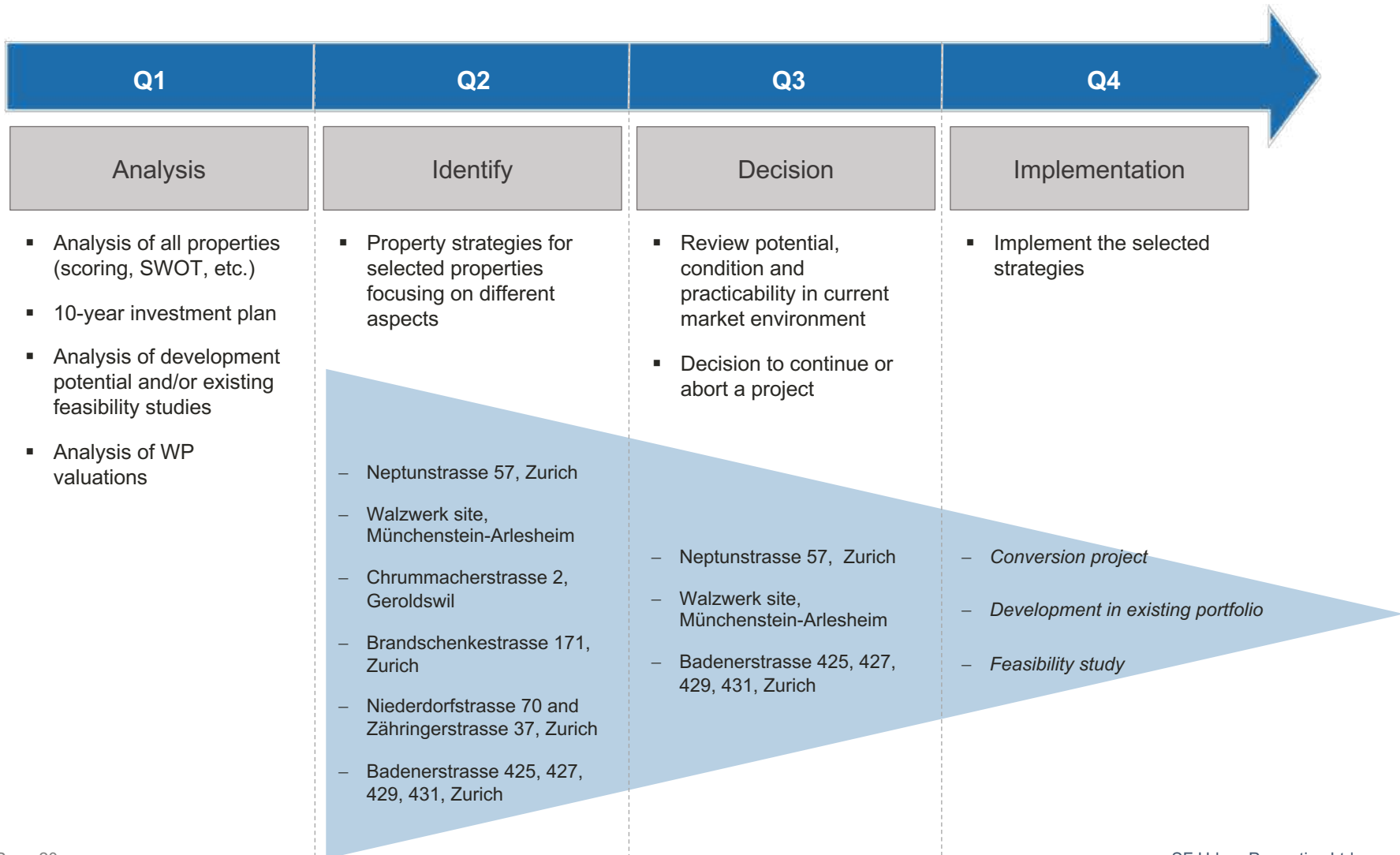
Thanks to district heating and the small number of oil heating systems, greenhouse gas emissions are below the average for Switzerland's building stock

### Path to CO<sub>2</sub> reduction, portfolio vs. climate agreement



# Progression of portfolio strategy in 2019

From portfolio strategy to property strategy



# Property strategy 1: Neptunstrasse 57

Property at Neptunstrasse 57, 8032 Zurich

## Background

- Purchased in October 2011
- Refurbishment requirement → conversion project
- Building permit 14 February 2018 (valid 3 years)

2019

Analysis of project in current market environment

**Change of concept** from 15 to 9 apartments

Planning of **measures to improve energy consumption**

Completion of **preliminary project**

**Notices of termination** for apartments

2020

February: construction project and submission of planning application

March: tendering process triggered

May/June: building permit to be obtained (estimated)

July: building permit becomes legally effective

End of summer: likely start of construction

The need for a major cyclical refurbishment was used as an opportunity to adapt the apartment floor plans to changed market requirements



Investment volume:  
Rent after refurbishment:

CHF 2 m  
CHF 346 000 (+CHF 40 000)

Example: 2nd floor



- More attractive apartments
- Low rental expenditure
- Upgraded façade
- Lower costs
- Circulation areas reduced to the minimum

# Property strategy 2: Walzwerk site (1/4)

## Events to date

### Background

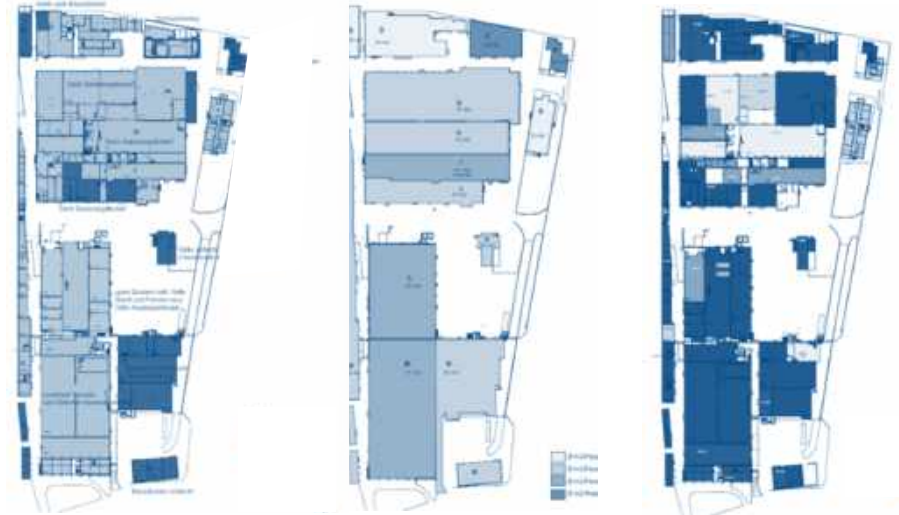
- Site acquired by SFUP in July 2017
- Extensive exploitation potential available
- Current income p.a. approx. CHF 2.8 m
- Gross yield 5.3%
- Usage/zone commercial
- Site area approx. 40,000 m<sup>2</sup>



### Milestones in 2019

- Steering committee and SFUP project team set up
- Analyses of market, location and **surrounding environment**
- Contact established with neighbours (BLT, Halter, Staehlin)
- **Positioning** and development of the Walzwerk brand
- Definition of first **key development points**
- Definition of first **cooperation partnerships**

*Analysis of existing construction: building stock, earning level and contract term*





# Property strategy 2: Walzwerk site (2/4)

## Analysis of surrounding environment / neighbouring sites

### Transport / access

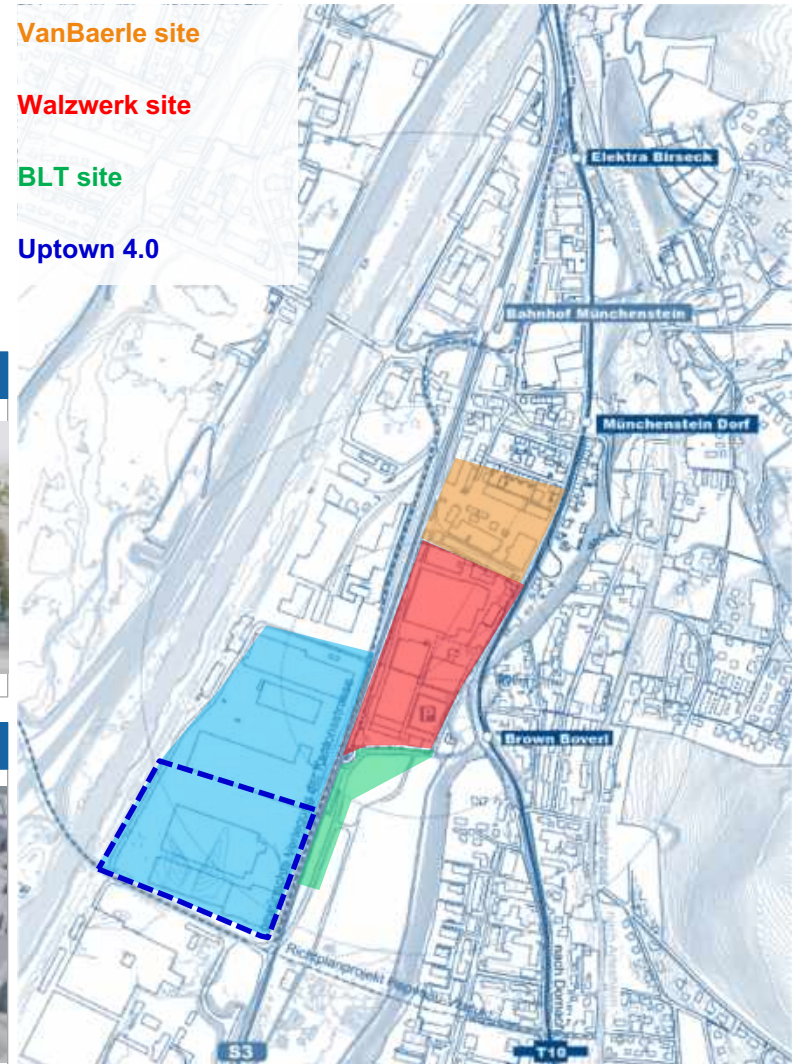
Public transport	Münchenstein railway station Münchenstein village tram stop Brown Boveri tram stop
MIT	A18 motorway: Reinach North exit

VanBaerle site

Walzwerk site

BLT site

Uptown 4.0



### Uptown 4.0 (Competence Centre for Industry 4.0 / High-Tech)

Owner:	Thomas Staehlin
Residential usage:	None
Jobs:	approx. 2,000
Schedule:	(25,000 m <sup>2</sup> usable area) 2021 (10,000 m <sup>2</sup> usable area) 2021 (50,000 m <sup>2</sup> usable area) 2024



### VanBaerle site (residential district with convenience stores)

Owner:	Rietpark Immobilien Ltd
Residential use:	approx. 400 apartments
Jobs:	n/a
Schedule:	2021 - 2027



# Property strategy 2: Walzwerk site (3/4)

Results of positioning, key development aspects and first cooperation partnerships

## Results of positioning

### TODAY

*"Laissez-faire"*

→ factory yard, canteen, warehouse hall, outdoor area, etc.

### FUTURE

1. *"Central functions for Birsstadt"*
2. *"Verticalisation of art / art city"*

## Continuity and appropriate expansion

- Further construction work on the Walzwerk can be continued within the existing zoning code.
- The existing buildings will be complemented as appropriate by **conversions, repurposing and new construction**
- Focus on environment, innovation and culture

Partners

Herzog & De Meuron, Enzo Enea, Terreform One

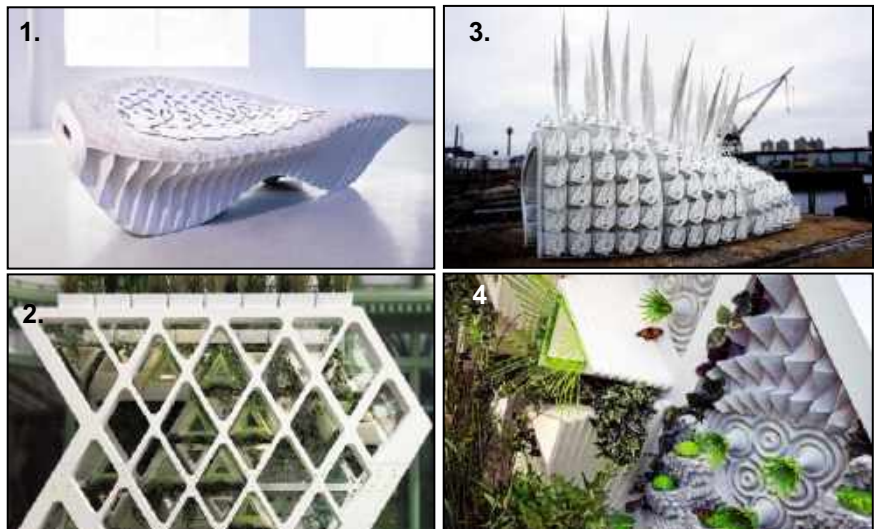
## Future DNA / mood

A "constructed wild environment", a culinary oasis. Various elements are combined: greenery, light and water



## Terreform One (reference projects)

1. Plug-in ecology
2. Butterfly sanctuary prototype
3. Cricket shelter
4. Monarch sanctuary





# Property strategy 2: Walzwerk site (4/4)

## Objectives

### Targets for 2020

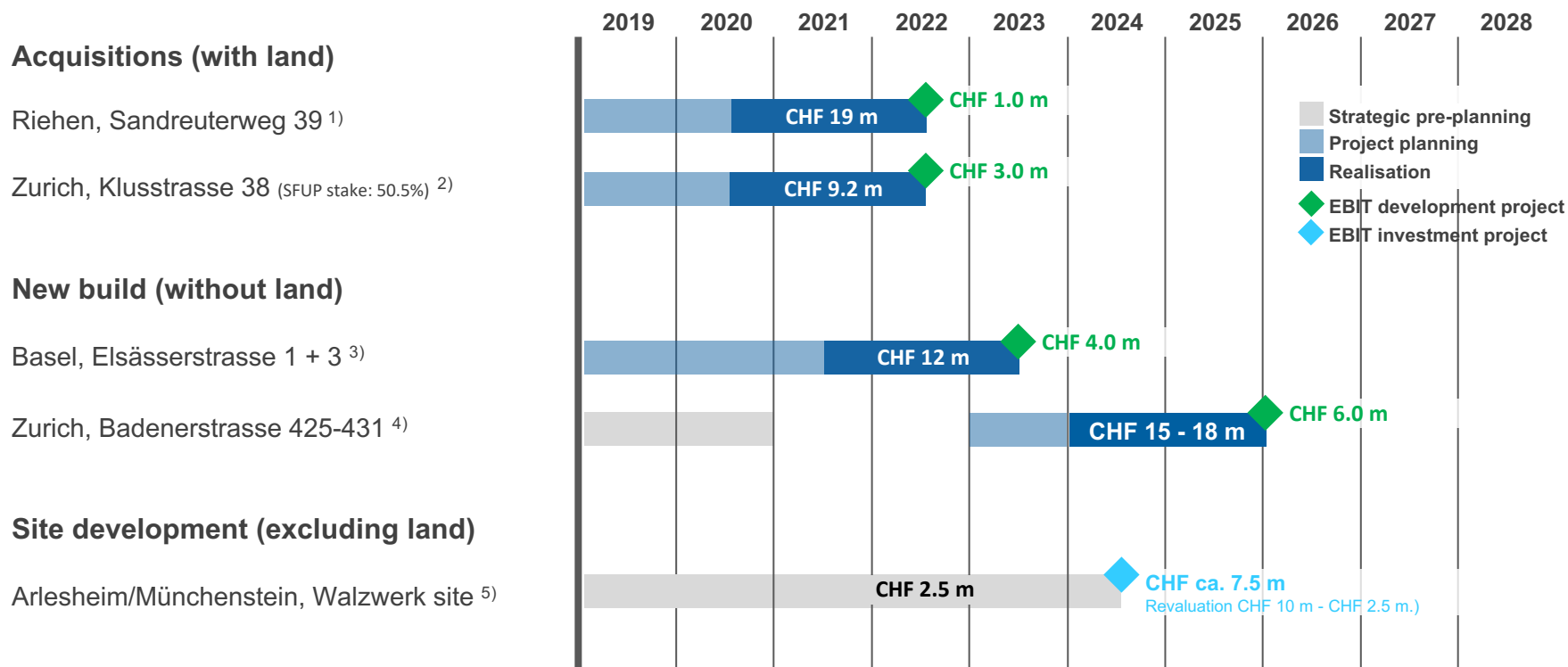
- Various refurbishments of the existing building stock
- Investments in marketing and communication, e.g. new webs social media, events etc.
- Optimisation of the existing portfolio: extend contracts with multiple tenants at a higher rent level (commercial space: currently Ø CHF 93 / m<sup>2</sup> p.a.; target: Ø CHF 130 per m<sup>2</sup> p.a.)
- Higher rent level allows potential for rent increases of >CHF 500 000
- Review establishment of additional usage types
- Initial interventions in the outdoor area
- Generally: new commercial and office space on the site
- Extend the concession for the groundwater capture facility



A photograph of a modern office interior. The space features glass partitions, a wooden wall on the left, and a meeting room with a white table and chairs on the right. A semi-transparent white banner is overlaid in the center, containing the text "3. Developments".

## 3. Developments

# Investment pipeline



- 1) Development project: legally effective building permit available, start of ownership in January 2019, TC submission by end of 2019, marketing as from March 2020, start of construction in autumn 2020, IC with land
- 2) Development project: registration April 2019, transfer of ownership February 2020, start of construction 2nd half of 2020, investment costs / profit only taken into account at 50.5%
- 3) Development project: submission of planning application in Q4 2019, earliest start of construction in Q2 2021, IC excluding land
- 4) Assumption for development project: 50% of investment costs (project partner: Ledermann Entwicklung Ltd.), study mandate planned, planned start of construction 2023-2024, IC excluding land
- 5) Development of district plan, submission by 2021, legal force by 2024, followed by project planning

# Riehen, Sandreuterweg

## Building land with construction project

### Timeline

- Transfer of ownership 4 January 2019
- TC submission 3rd/4th quarter 2019
- Planned marketing launch 1st quarter of 2020
- Planned start of construction 2nd half of 2020
- Planned occupancy end of 2022

### Milestones in 2019

- Land transfer of 257 m<sup>2</sup> site area to Riehen municipality for CHF 77,400
- TC contract placement

### Objectives for 2020

- Sign TC contract for work and services
- Sale of at least 50% of single-family homes and two-family homes
- Start of construction 2nd half of 2020



Visualisation as at December 2019



Visualisation as at December 2019



# Zurich, Klusstrasse 38

## New construction as development project

### Timeline

- |  |                       |
|--|-----------------------|
| - Registration                               | 10 April 2019         |
| - Submission of planning application         | 4th quarter of 2019   |
| - Transfer of ownership                      | 27 February 2020      |
| - Legally effective building permit expected | 2nd quarter of 2020   |
| - Marketing launch becomes legally effective | after building permit |
| - Start of construction, planned             | 3rd quarter of 2020   |
| - Planned occupancy                          | 1st quarter of 2022   |



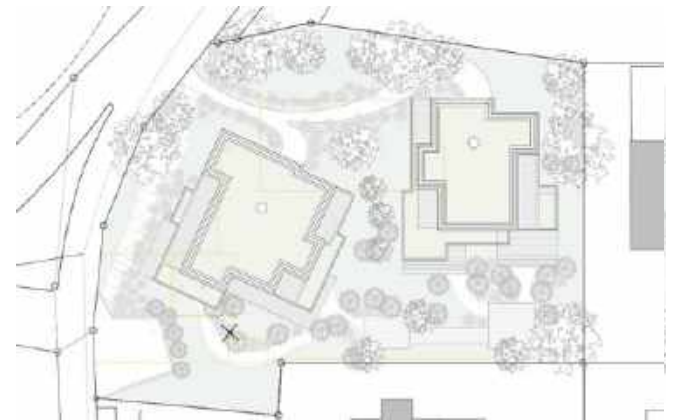
Visualisation as at October 2019

### Milestones in 2019

- |                                  |                            |
|----------------------------------|----------------------------|
| - Planning application submitted | 31 October 2019            |
| - Neighbourhood information 2019 | 3rd + 4th quarters of 2019 |

### Objectives for 2020

- |   |                     |
|---|---------------------|
| - Clarification of objections (if any)      | 2nd quarter of 2020 |
| - Building permit becomes legally effective | 2nd quarter of 2020 |
| - Sale of 50% of condominiums               | by end of 2020      |



Environment plan for planning application

# Basel, Elsässerstrasse 1+3

## New replacement construction as development project

### Timeline

- |   |   |
|---|---|
| - Completion of construction project with KV optimisation | end of July 2019                                |
| - Planning application                                    | 4th quarter of 2019                             |
| - Building permit becomes legally effective, expected     | mid-2020  |
| - Marketing   | after building permit becomes legally effective |
| - Start of construction, planned                          | mid-2021  |
| - Occupancy, planned                                      | start of 2023                                   |

### Milestones in 2019

- |                                      |                            |
|--------------------------------------|----------------------------|
| - Submission of planning application | 30 October 2019            |
| - Neighbourhood information          | 2nd + 3rd quarters of 2019 |
| - Agreement with existing tenants    | 3rd + 4th quarters of 2019 |

### Objectives for 2020

- |   |             |
|---|-------------|
| - Clarification of objections               | mid-2020    |
| - Building permit becomes legally effective | mid-2020    |
| - Sale of 50% of condominiums               | end of 2020 |



Visualisation of construction project



Existing construction at present

# Zurich, Badenerstrasse 425 - 431

## New replacement construction as development project

### Timeline

- Feasibility study September 2018
- Clarify collaboration with Zurich Municipality April 2019
- High-rise enquiry, public permit board September 2019
- Start of construction, planned 2024 - 2025

### Milestones in 2019

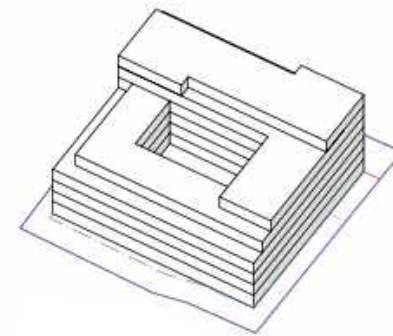
- Decision in principle, typology: standard overbuild

### Objectives for 2020

- Prepare strategy for termination of leases



Aerial view



**Standard  
construction  
method**

Maximum usable  
area: 6,177 m<sup>2</sup>

Feasibility study: Züst Gübeli Gambetti, as at 3 September 2018



## 4. Finances



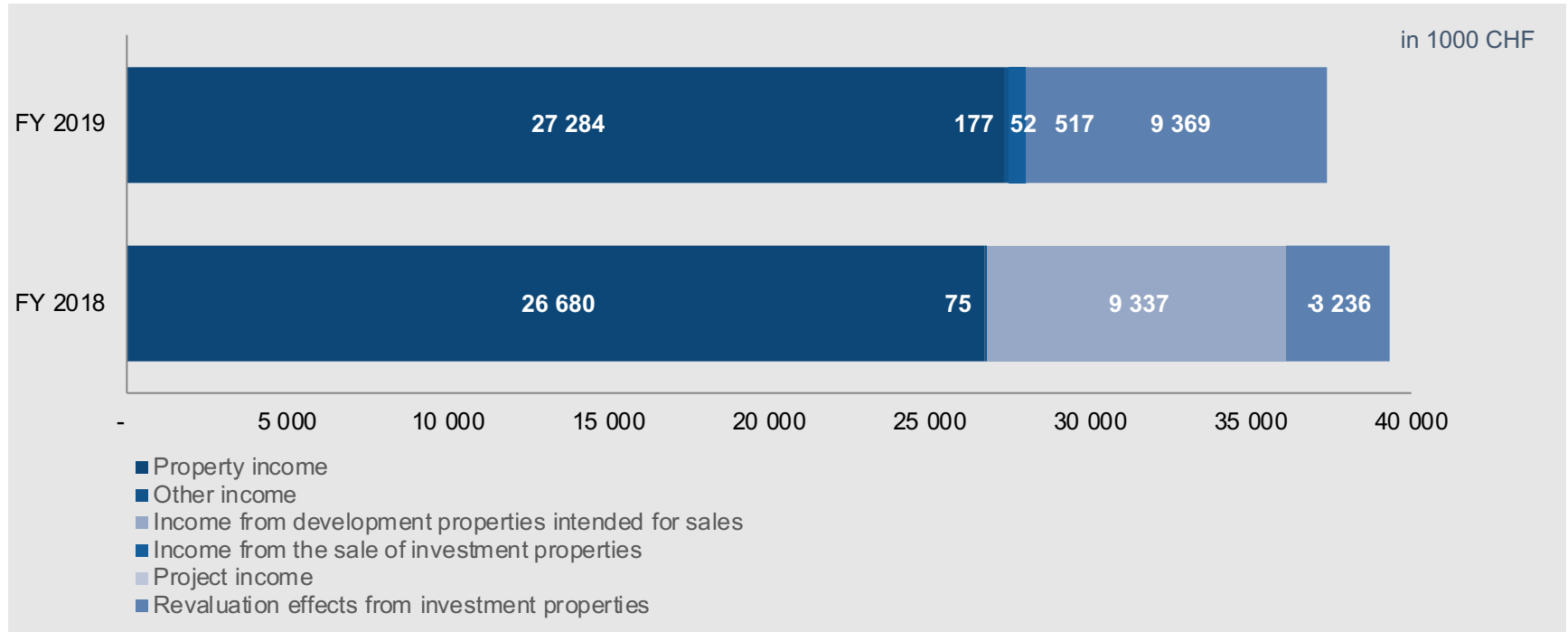


# Key figures relating to the income statement

	Information in	1 January to 31 December 2019	1 January to 31 December 2018	Variation	Change in %
Property income	CHF 1,000	27'284	26'680	604	2.3%
Total operating income before revaluation of investment prop.	CHF 1,000	28'030	36'092	-8'062	-22.3%
Revaluation of investment properties	CHF 1,000	9'369	3'236	6'133	189.5%
Earnings before interest and tax (EBIT)	CHF 1,000	26'971	21'895	5'076	23.2%
EBIT margin	%	72.1	55.7	16.5	29.5%
Net profit	CHF 1,000	18'527	13'387	5'140	38.4%
Net profit excl. revaluation effects as well as their tax effects and further tax effects	CHF 1,000	12'387	12'850	-463	-3.6%

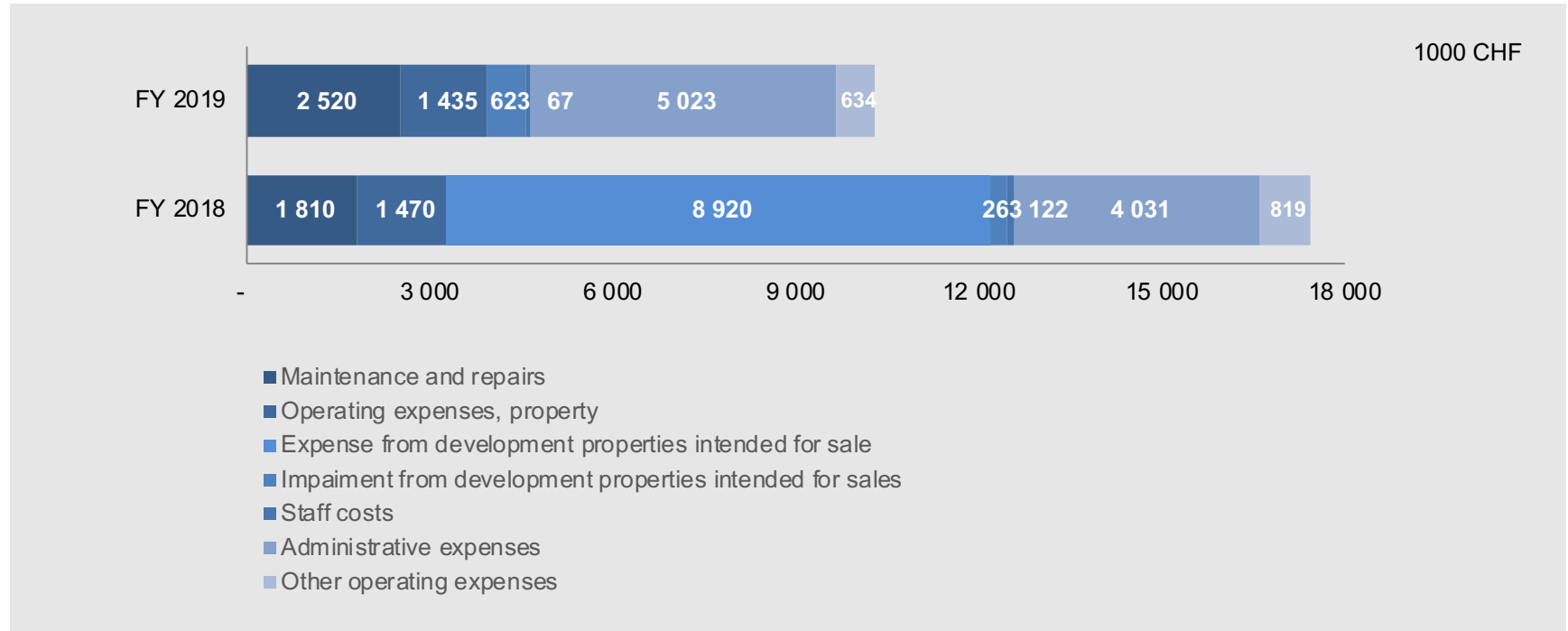
- Increase in rental income by 2.3% to TCHF 27 284 (previous year TCHF 26 680)
- Reduction of total operating income before revaluation by 22.3% to TCHF 28 030 (previous year: TCHF 36 092); reason: no sale of development properties intended for sale (Parco d'Oro) resulted in a reduction of TCHF 9 337 in proceeds and TCHF 8 920 in expenses
- EBIT margin increased from 55.7% to 72.1% due to discontinuation of promotion proceeds and higher revaluations
- The BoD proposes a distribution by means of a nominal value reduction of CHF 3.60 per listed registered share to a new nominal value of CHF 9.00

# Operating income



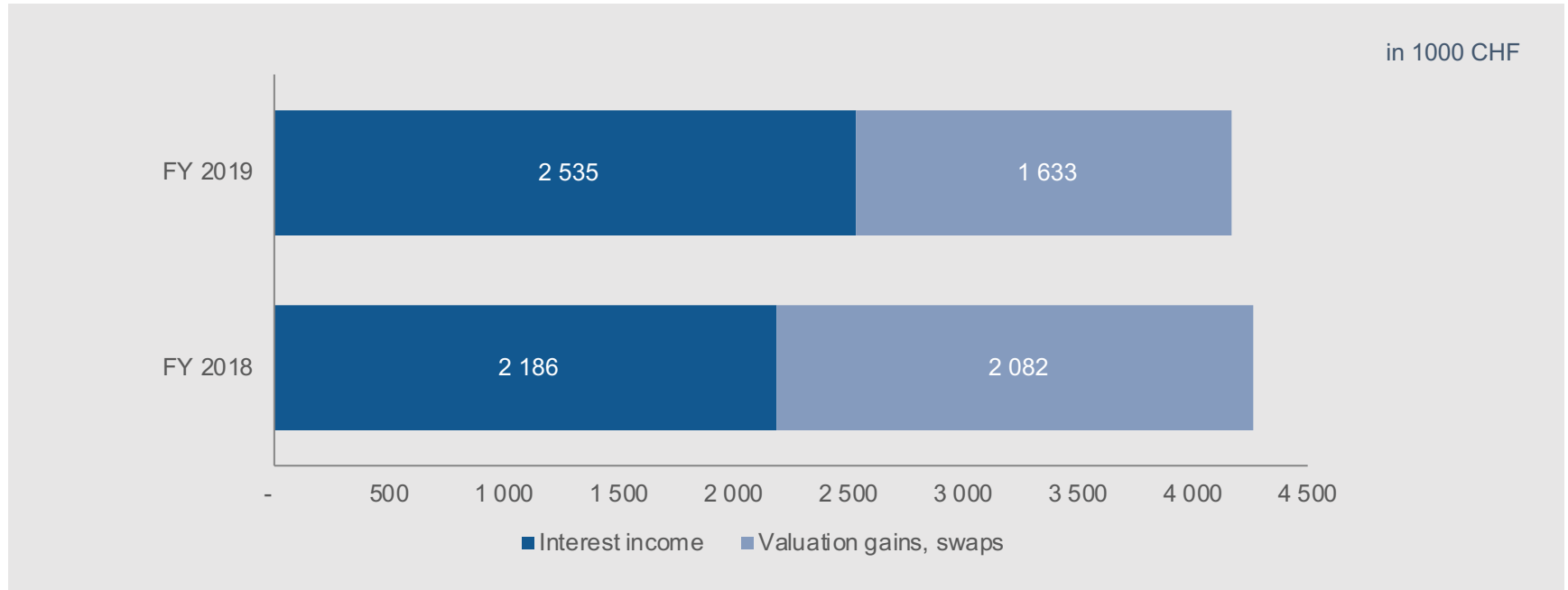
- Increase in rental income to TCHF 27 284 (previous year: TCHF 26 680) due to pro rata effects from acquisitions in 2018 and vacancy reduction
- Discontinuation of sales proceeds from the Parco d'Oro project (previous year: TCHF 9 337)
- Increase in the revaluation result of investment properties from TCHF 3 236 to TCHF 9 369

# Operating expenses



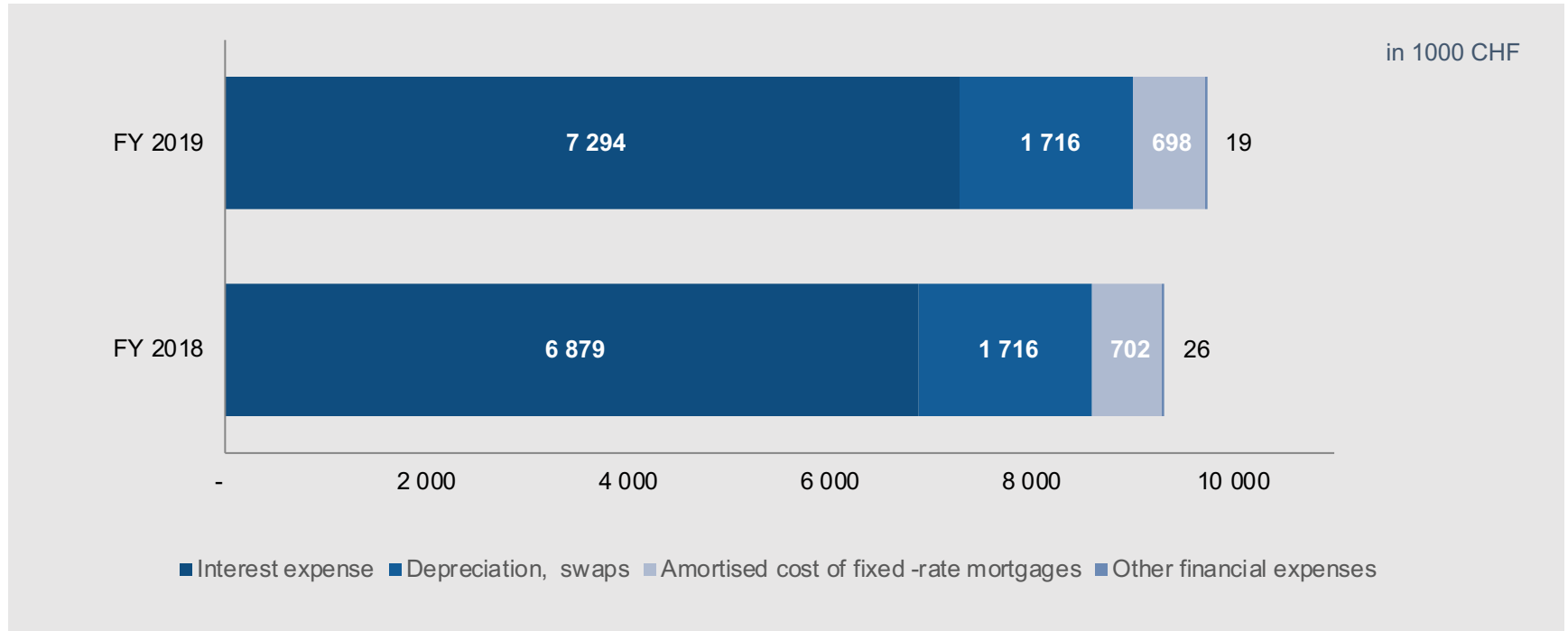
- Increase in maintenance and repair costs according to the 10-year plan to TCHF 2 520 (previous year: TCHF 1 810)
- Stabilisation of real estate operating expenses at TCHF 1 435 (previous year: TCHF 1 470)
- No expenses from development properties held for sale (previous year: TCHF 8 920)
- Increase in administrative expenses due to captured management fee

# Financial income



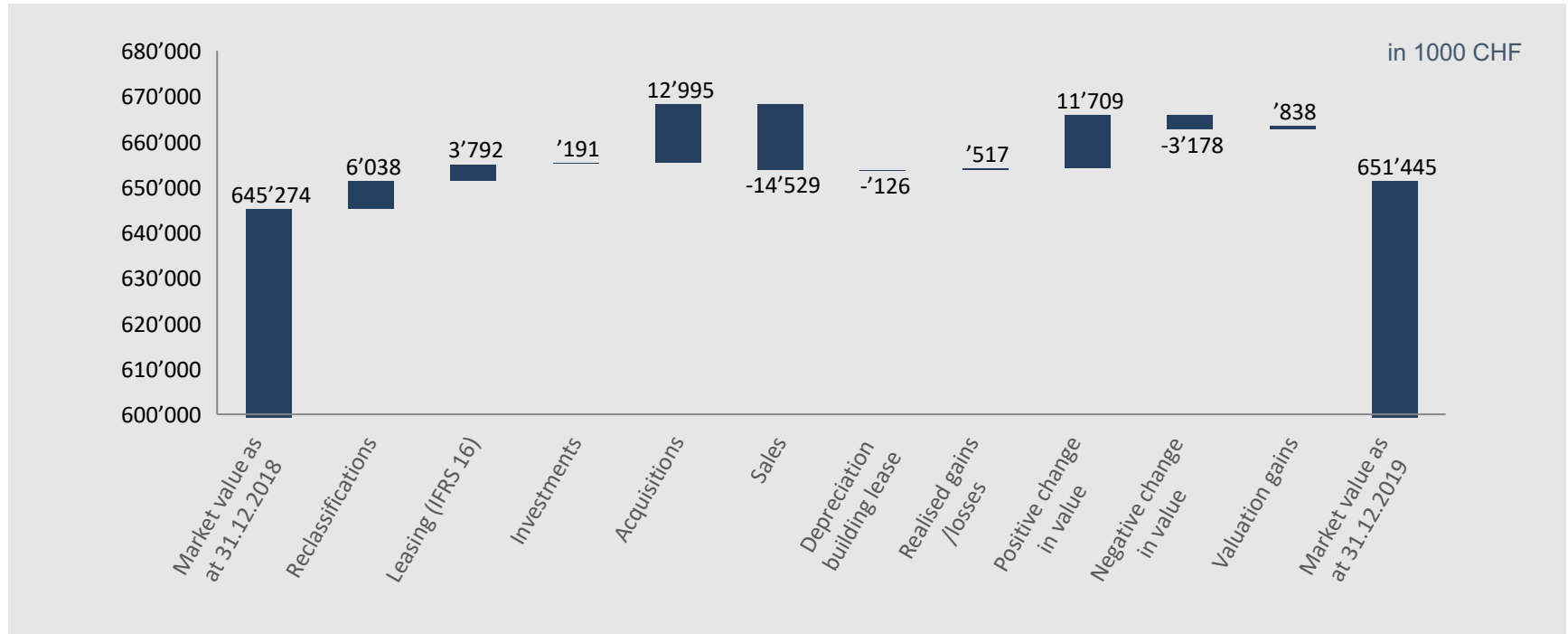
- Increase in interest income from interest rate swaps
- Decreasing valuation result from interest rate swaps

# Financial expenses



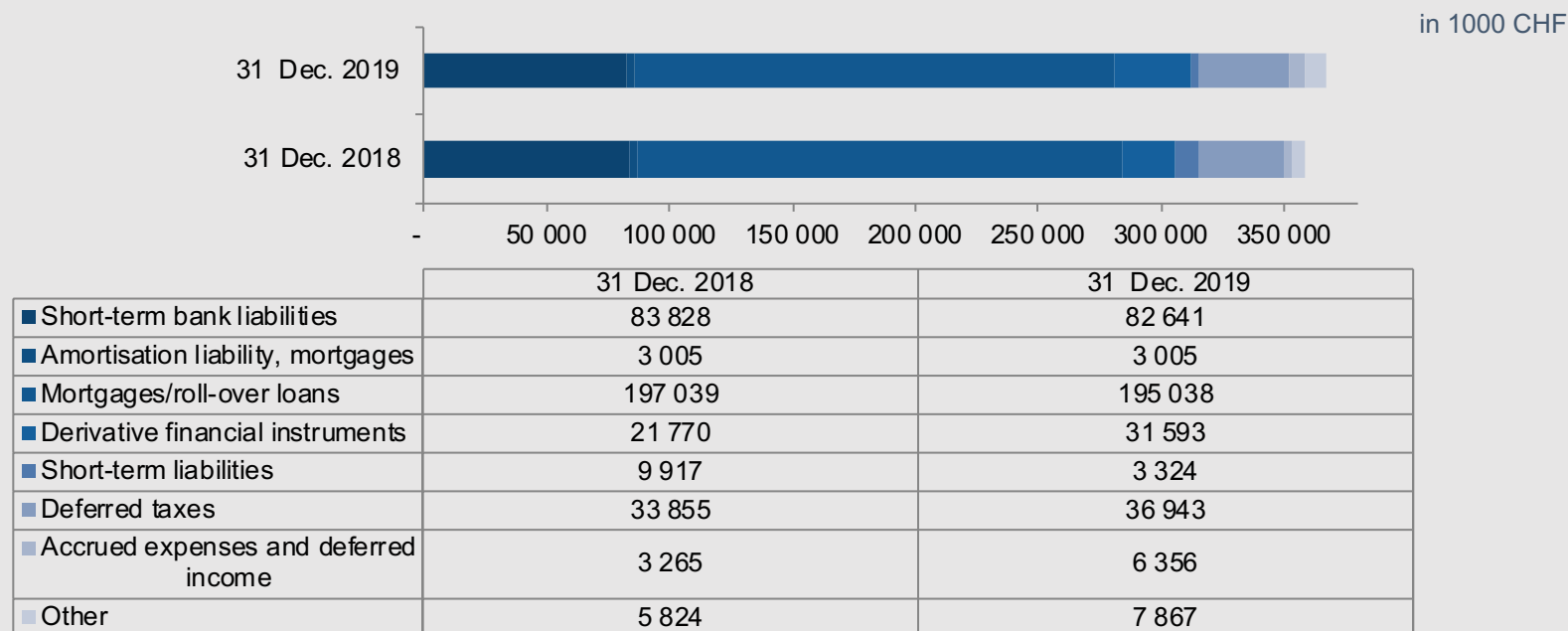
- Average interest rate excl. swaps is further reduced to 0.58% (previous year: 0.64%)
- Average interest rate incl. swaps falls significantly from 1.86% to 1.52
- Average fixed-interest period increases to 9.20 years (previous year: 7.93 years)
- The increase in interest expense is due to the additional interest rate swaps

# Development of investment portfolio



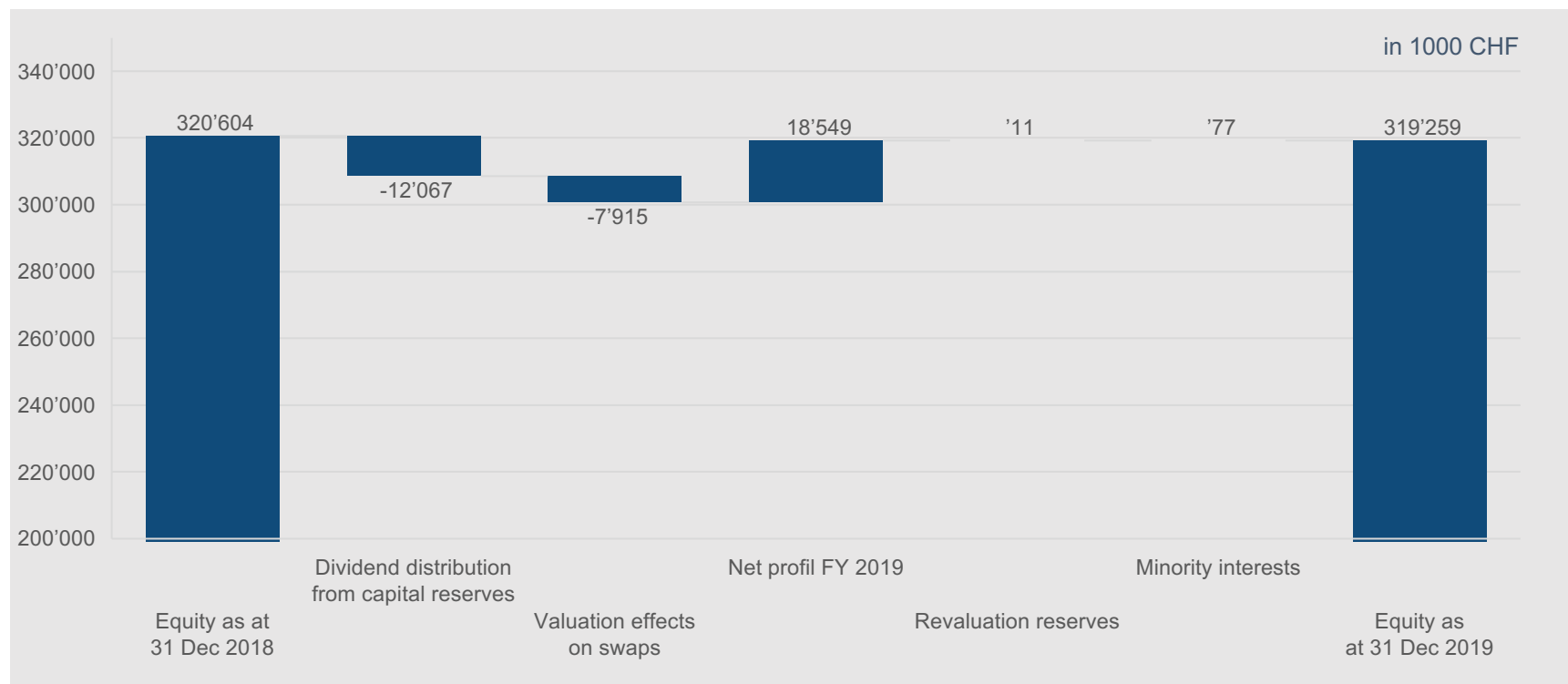
- First-time recognition of building lease obligations of TCHF 3 792 due to the introduction of IFRS 16 (Leases). Depreciation over the term of the lease (2019: TCHF 126)
- Purchase of an investment property in Zurich for TCHF 13 000 and a development property in Riehen for TCHF 7 500
- Net revaluation effects of TCHF 9 369 (previous year: TCHF 3 236)

# Funding structure



- Slight reduction of interest-bearing liabilities from TCHF 283 872 to TCHF 280 684
- Lending against properties by third parties falls from 43.68% to 41.87

# Change in equity



- Distribution of TCHF 12 067 from capital reserves in April 2019 (CHF 3.60/share)
- Change in value of hedges (other comprehensive income; OCI) of -TCHF 7 915 recognised directly in equity



# Key figures per share

in CHF	1 Jan. to 31 Dec. 2019	1 Jan. to 31 Dec. 2018
Earnings per share (EPS) @ CHF 12.60 nominal including revaluation effects	5.53	3.99
Earnings per share (EPS) @ CHF 12.60 nominal excluding revaluation effects	3.70	3.83
EPRA earnings per share (EPS) @ CHF 12.60	3.18	3.20
Net asset value (NAV) per share @ CHF 12.60 after deferred tax	95.22	95.65
Net asset value (NAV) per share @ CHF 12.60 before deferred tax	105.21	105.42
EPRA (NAV) per share @ CHF 12.60	114.92	111.35
Share price	98.50	86.00
Premium (+) / discount (–) compared to NAV in %	3.44	-10.09

- Earnings per share including revaluation effects rose by CHF 1.54 to CHF 5.53 (previous year: CHF 3.99) due to higher appreciation
- Earnings per share excluding revaluation effects was CHF 3.70, exceeding the proposed dividend of CHF 3.60



## 5. Outlook 2020



# Transaction after balance sheet date

## Acquisition of Klusstrasse 38 in Zurich

Property	Registration as at	Transfer of ownership as of	Market value in CHF	Purchase price in CHF	Difference in CHF	Difference in relation to purchase price	Gross yield in relation to market value	Gross yield in relation to purchase price
Zurich, Klusstrasse 38	10 April 2019	27 February 2020	9 967 000	9 000 000	+ 967 000	10.7%	-	-
<b>Total</b>			<b>9 967 000</b>	<b>9 000 000</b>	<b>+ 967 000</b>	<b>10.7%</b>		

Visualisation October 2019



Site area m<sup>2</sup>

**1 802**

### Motivation

- Outstanding location
- Development and sale in condominium ownership

# Outlook for 2020

## Summary of main points

	Targets
Marktumfeld	Due to the current situation, the marketing of space requires even more effort - thanks to the good central locations of the properties this should be possible
Portfolio general	Sustainable investments in the real estate portfolio according to the 10-year plan
	Maintenance of vacancy rate at <3%
	Stable target rental income
Developments	Elsässerstrasse 1+3, Basel: building permit becomes legally effective in mid-2020, marketing: 2nd half of 2020
	Sandreuterweg, Riehen: marketing launch in March 2020, start of construction after sale of 50%, planned for autumn 2020
	Klusstrasse 38, Zurich: building permit becomes legally effective in Q2 2020 and sale of 50% of condominiums
Dividend distribution	Stable distribution of CHF 3.60 is targeted

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