

## MEDIA RELEASE

### Ad hoc announcement

Zurich, 24 February 2023

#### **SenioResidenz AG – Successful continuation of the growth strategy in 2022**

- Value of the real estate portfolio increased by 7% to CHF 228.4 million as at 31 December 2022
- Target rental income increased by 5% to CHF 11.1 million
- Earnings including revaluation result of CHF 3.1 million
- Proposal of cash distribution of CHF 1.90 per registered shares in the form of a par value reduction

SenioResidenz AG (BX Swiss AG: SENIO) further expanded its real estate portfolio in the 2022 reporting year and successfully continued its growth strategy. The value of the real estate portfolio increased to CHF 228.4 million (31.12.2021: CHF 213.9 million), in particular due to the acquisition of the new construction project "Croix Blanche" in Aigle/VD and the investment activities in the new construction project "Leuenegg" in Oberdiessbach/BE. Earnings including revaluations were CHF 3.1 million in 2022 (2021: CHF 4.3 million), while earnings excluding revaluations increased by approximately 24% to CHF 5.0 million (2021: CHF 4.1 million). The Board of Directors will propose to the ordinary General Meeting on 29 March 2023 a cash distribution of CHF 1.90 per registered share in the form of a par value reduction.

#### **Three new construction projects, completion scheduled in 2023**

In April 2022, SenioResidenz AG acquired the new construction project "Croix Blanche" in Aigle/VD. A new building will be completed by spring 2023 comprising 26 apartments, 13 of which are reserved for people with disabilities or age-related limitations. At the balance sheet date of 31 December 2022, the project is valued at CHF 8.2 million. The total investment costs for the project amount to about CHF 16.2 million. Letting activities are in full swing and the project is attracting strong demand from potential tenants.

The new building project "Leuenegg" in Oberdiessbach/BE was valued at CHF 10.1 million at 31 December 2022. There will be 24 new senior-friendly apartments in "Leuenegg". The historic restaurant Löwen was also refurbished and became already operational at the end of 2022. The apartments are scheduled for completion by autumn 2023. Payments of about CHF 3.6 million are still due from the construction works contract until completion of the project.

The DOMUM housing cooperative building project in Bad Zurzach/AG is also proceeding according to plan. DOMUM is building a development with 97 attractive and barrier-free apartments. SenioResidenz AG is taking over one of the three buildings with 29 apartments as a turnkey property at total investment costs of about CHF 14.7 million. Completion of the project is scheduled for the second quarter of 2023. A secured down payment already made is reflected in the balance sheet at CHF 1.7 million under balance sheet item down payments in non-current assets. All apartments in the development were built and fitted out according to construction standard LEA Silver. Furthermore, DOMUM housing cooperative is acting as tenant and manager of the SenioResidenz apartments, and has already been able to announce the letting of all 97 apartments.

#### **Details on the financial results 2022**

##### Target rental income of CHF 11.1 million per annum

Compared to the previous year, target rental income for the investment properties was up 5% to CHF 11.1 million, mainly due to a contractually agreed increase in rent for the rehabilitation centre property in Leukerbad. The portfolio expansion through the completion of the three new building projects in Aigle/VD, Oberdiessbach/BE and Bad Zurzach/AG will increase the portfolio's annual target rental income by an extra CHF 1.5 million in 2023.

##### Income statement for the 2022 financial year

Rental income increased by 13% in the 2022 reporting year to CHF 10.9 million (2021: CHF 9.6 million). The increase relative to the previous year is mainly attributable to the acquisition of the three properties in Court (Rue

du Temple 1) and Couvet (Rue du Parc 19) in September 2021 as well as Illnau-Effretikon (Brandrietstrasse 36) in November 2021. Moreover, rental income from the rehabilitation centre property in Leukerbad increased due to a contractually agreed rise in rent. An agreement was also made with the Canton of Zurich with effect from 1 June 2022 to use the hospital property of the former Paracelsus-Spital in Richterswil and the adjoining villa as a transit centre on an interim basis for war refugees from the Ukraine. The portfolio's vacancy rate was 0.4% as at the balance sheet date (31.12.2021: 0.3%). Gross and net yields were at 5.3% and 4.9%, respectively (31.12.2021: 5.0% and 4.6%, respectively).

Direct operating expenses for investment properties increased by CHF 0.2 million to CHF 1.1 million (2021: CHF 0.9 million). Consulting expenses were lower than in the prior period, in line with expectations, at CHF 0.8 million (2021: CHF 1.1 million). The cost increase in the previous year was due to higher expenses for legal advice including provisions for legal advice in connection with the bankruptcy of Paracelsus-Spital Richterswil (PSR). Administrative expenses were at the same level as in the previous year at CHF 2.0 million, and included in particular the management fee paid to Cura Management AG of CHF 1.2 million (2021: CHF 1.2 million) and capital taxes of CHF 0.3 million (2021: CHF 0.5 million).

The valuation of the real estate portfolio by the independent real estate valuer Wüest Partner AG led to a revaluation loss of CHF 2.4 million (2021: profit of CHF 0.2 million). The revaluation effect is directly connected to the operations-specific, long-term investment requirements of the rehabilitation and hospital buildings in Leukerbad and Richterswil.

EBIT, including the revaluation loss, came to CHF 4.6 million (2021: CHF 5.9 million). After taking into account the financial expenses of CHF 0.7 million (2021: CHF 0.7 million) and income tax expenses of CHF 0.7 million (2021: CHF 1.0 million), the company achieved a profit, including the revaluation result, of CHF 3.1 million (2021: CHF 4.3 million). The profit excluding the revaluation result increased by 24% to CHF 5.0 million (2021: CHF 4.1 million).

Earnings per share for the 2022 financial year therefore amounted to CHF 1.23 including revaluation and CHF 1.97 excluding revaluation (2021: earnings of CHF 2.06 including revaluation or CHF 1.96 excluding revaluation). The average number of outstanding registered shares used to calculate profit per share increased, as a result of the capital increase in the prior year 2021, to 2 555 472 shares (2021: 2 072 383 shares).

#### Balance sheet as at 31 December 2022

As at 31 December 2022, total assets amounted to CHF 233.9 million, an increase of 1% compared with the end of 2021 (31 December 2021: CHF 231.6 million).

On the assets side of the balance sheet, cash and cash equivalents amounted to CHF 3.2 million. Non-current assets of CHF 230.5 million consisted of the value of investment properties (CHF 209.9 million), projects (CHF 18.5 million), advance payments (CHF 1.7 million) and deferred income tax assets (CHF 0.4 million).

On the liabilities side of the balance sheet, mortgage liabilities totalled CHF 96.1 million (2021: CHF 91.6 million). The loan-to-value ratio for the properties was 42.1% as at the balance sheet date of 31 December 2022. The average interest rate on mortgage liabilities was 0.7% (2021: 0.8%). The duration of the financial liabilities at the end of 2022 was 3.7 years (2021: 4.5 years).

As at 31 December 2022, equity amounted to CHF 129.3 million (31.12.2021: CHF 131.0 million). The change is attributable to the par value repayment of CHF 4.9 million (CHF 1.90 per registered share) paid out in June 2022 and the earnings contribution of CHF 3.1 million in 2022. The equity ratio as at 31 December 2022 remained extremely solid at 55.3%. As at 31 December 2022, the net asset value was CHF 50.60 (31.12.2021: CHF 51.27).

#### **Proposals to the 2023 Annual General Meeting**

The Board of Directors will propose a distribution in the form of a par value reduction of CHF 1.90 to the ordinary General Meeting. Based on the closing price of the registered share on 31 December 2022, the yield on the proposed distribution equals 4.6%.

As already announced, Michel Vaclair will not stand for re-election at the General Meeting on 29 March 2023. The Board of Directors will propose to the shareholders the election of Ms Nathalie Bourquenoud as a new, independent and non-executive member of the Board of Directors. Ms Bourquenoud (born in 1970) started her career in the fiduciary sector before holding various management positions at Raiffeisenbank from 1995 to 2004. From 2005 to 2014, she initially worked as Head of Finance & Controlling and member of the Executive Board at PaketPost and then as Head of Work Environment and Executive Board member at PostFinance AG. She also had managerial

responsibility from 2014 to 2021 as Head of Human Development and Executive Board member at the Swiss Mobiliar Group. In 2022, Ms Bourquenoud has founded the management consultancies oxadi AG and Bourquenoud Consulting GmbH. She is a federally certified accountant; holder of a postgraduate FH Integrated Management Executive MBA from Freiburg and Bern universities of applied sciences; and graduate of the Advanced Executive Program at the Swiss Finance Institute, Zurich.

The current Directors Arthur Ruckstuhl, Peter Mettler, Patrick Niggli and Thomas Sojak will stand for re-election at the ordinary General Meeting. Thomas Sojak will be proposed as Chairman of the Board of Directors. Arthur Ruckstuhl and Patrick Niggli will be proposed as members of the Compensation Committee.

The company plans to issue a mandatory convertible bond to the value of about CHF 20 to 30 million with a term of about two years to maintain financial flexibility for the further expansion of the portfolio and earnings. Details of this convertible bond will be disclosed as part of a separate ad hoc announcement. The Board of Directors will present a proposal to the ordinary General Meeting to introduce conditional capital with a maximum amount of 650 000 fully paid-up registered shares, so that all shares required for a conversion will be covered by issuing them out of the conditional capital. Advance subscription rights of the shareholders to subscribe to the mandatory convertible bond will be granted.

The coming into force of the new Swiss Code of Obligations on 1 January 2023 entails various amendments to the company's current Articles of Association. The Board of Directors thus proposes comprehensive changes to the Articles of Association to the 2023 General Meeting, the wording of which will be published as part of the invitation to the 2023 General Meeting.

#### **Outlook**

The year 2022 was heavily influenced by political and economic uncertainty. An assessment of economic development in Switzerland remains difficult due to the unresolved conflict situation in Ukraine and its associated geopolitical risks. For 2023, the State Secretariat for Economic Affairs (SECO) and the Swiss National Bank (SNB) are expecting below-average economic growth. The Board of Directors and the Executive Board of SenioResidenz AG are convinced that demographic development and the strong increase in life expectancy will further boost the need for attractive retirement homes and care facilities as well as for affordable and attractive living space for old people over the medium and long term. Our investment strategy as a pure player with a special focus on real estate meeting the residential needs of senior citizens, new forms of housing for the third phase of life and care facilities thus remains unchanged.

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## Key figures

Income statement in CHF	01.01.-31.12.2022	01.01.-31.12.2021
Rental income	10 850 786	9 583 880
Other income	30 263	225 925
<b>Total operating income</b>	<b>10 881 049</b>	<b>9 809 805</b>
Direct operating expenses for investment properties	-1 113 311	-895 370
Consulting expenses	-775 212	-1 069 779
Administrative expenses	-1 969 772	-1 959 623
<b>Total operating expenses</b>	<b>-3 858 294</b>	<b>-3 924 772</b>
<b>Total earnings from revaluation of real estate investments</b>	<b>-2 380 272</b>	<b>204 447</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>4 554 608</b>	<b>5 930 021</b>
Financial expenses	-686 038	-670 824
Income taxes	-730 409	-988 340
<b>Earnings incl. effects from revaluation / deferred taxes</b>	<b>3 138 161</b>	<b>4 270 857</b>
<b>Earnings excl. effects from revaluation / deferred taxes <sup>1)</sup></b>	<b>5 045 242</b>	<b>4 070 803</b>
Earnings per share incl. effects from revaluation/deferred taxes (EPS)	1.23	2.06
Earnings per share excl. effects from revaluation/deferred taxes (EPS)	1.97	1.96
<b>Balance sheet in CHF or %</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Total assets	233 920 451	231 619 958
Equity	129 297 488	131 027 905
Equity ratio	55.3%	56.6%
Total mortgage liabilities	96 075 000	91 560 000
Leverage ratio	44.7%	43.4%
Loan-to-value ratio of properties	42.1%	42.8%
Net Gearing <sup>2)</sup>	71.8%	58.7%
Net Asset Value (NAV) <sup>3)</sup>	50.60	51.27
Cash distribution in form of a nominal value reduction (proposal to AGM) in CHF	1.90	1.90
<b>Portfolio</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Total real estate portfolio in CHF	228 425 749	213 920 376
Number of investment properties	18	18
Number of projects	3	2
Gross yield <sup>4)</sup>	5.3%	5.0%
Net yield <sup>5)</sup>	4.9%	4.6%
Vacancy rate	0.4%	0.3%
Average discount rate for revaluation	3.3%	3.4%
Average interest rate financial liabilities	0.7%	0.8%
Average remaining term of financial liabilities	3.7 years	4.5 years

<sup>1)</sup> Earnings before taxes (EBT) minus revaluation result, minus deferred taxes plus deferred taxes attributable to revaluation result

<sup>2)</sup> Net debt (current and non-current mortgage liabilities minus cash and cash equivalents) in relation to equity as of balance sheet date

<sup>3)</sup> Total equity per registered share issued at balance sheet date

<sup>4)</sup> Gross yield reflects target rental income (target rental income based on annual rents of investment properties as of balance sheet date) in percentage of the market value (fair value) of the investment properties

<sup>5)</sup> Net yield reflects annualised net rental income (actual rental income less operating and maintenance costs for the reporting year) in percentage of the market value (fair value) of the investment properties

The Annual Report 2022 (in German) as well as an Executive Summary for the Annual Report 2022 (in English) can be viewed on the Company's website under Investor Relations - Financial Reports <https://www.senio.ch/en/investor-relations/financial-reports/>

**SenioResidenz AG**

SenioResidenz AG is active in the real estate sector with its registered office in Zurich. SenioResidenz AG activities are focused on investments in selected properties which are primarily for seniors' living and care facilities. This includes apartments for the elderly, properties that enable assisted, self-determined, senior-friendly living and housing, as well as retirement and nursing homes, clinics and medical centers. As a secondary strategy, the Company may also invest in other types of non-permanent housing, such as furnished and unfurnished student apartments, business apartments and/or staff apartments and houses. The Company's registered shares are listed on the BX Swiss AG: Ticker SENIO, Valor 38462993, ISIN CH0384629934. [www.senio.ch](http://www.senio.ch)

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