

## Media release

Zurich, 15 March 2022

Ad hoc announcement pursuant to Art. 53 LR

### Encouraging financial year 2021

- Net profit excluding revaluations of CHF 13.5 million (-43.5%)
- Net profit including revaluations of CHF 40.5 million (+76.5%)
- Sharp rise in property income to CHF 27.1 million (+2.4%)
- Value of portfolio (including building rights) up 12.4% to CHF 721.5 million
- Vacancy rate still low at 2.6% (balance sheet date: 31 December 2021)
- Unchanged cash dividend of CHF 3.60 per listed registered share

SF Urban Properties Ltd can look back on an encouraging financial year 2021. Property income rose from CHF 26.5 million in the previous year to CHF 27.1 million. The Board of Directors is proposing a cash dividend of CHF 3.60 in the form of a distribution from the capital contribution reserves for each listed registered share with a nominal value of CHF 9.00. This gives a dividend yield of around 3.6% based on the share price on 31 December 2021.

#### Annual results 2021

SF Urban Properties Ltd (SIX Swiss Exchange: SFPN) closed financial year 2021 with a strong operating result. Earnings before interest and tax (EBIT) rose from CHF 32.0 million to CHF 57.8 million and net profit attributable to the shareholders of SF Urban Properties Ltd increased from CHF 23.0 million to CHF 40.5 million (+76.5%).

Revaluations rose sharply to CHF 36.8 million (previous year: CHF 3.3 million). Net profit excluding revaluation effects and deferred taxes fell by CHF 10.4 million (-43.5%) year-on-year to CHF 13.5 million. This can mainly be attributed to the profit of the sale of the properties at Badenerstrasse 425–431 in Zurich in the previous year. Net profit per share excluding revaluation effects amounted to CHF 4.03 (previous year: CHF 7.14), and the equity capital (NAV) per listed registered share as at 31 December 2021 was CHF 108.36 (previous year: CHF 97.69).

### **Impact of COVID-19**

The rent reductions due to official closures in 2020 and 2021, up to the balance sheet date of 31 December 2021, is estimated to be CHF 1.9 million at most. The rent reductions effectively granted and recognised in the income statement since the start of the pandemic in March 2020 amounted to CHF 1.4 million as of 31 December 2021, with the first lockdown accounting for CHF 0.5 million (about 1.7% of the actual net annual rental income for 2020) and the second accounting for CHF 0.9 million (roughly 3.2% of the annualised actual net annual rental income for 2021). As the company has now responded to and processed all enquiries from tenants relating to the financial year, CHF 0.6 million of the existing provision is being reversed as of 31 December 2021.

### **Real estate portfolio**

The strategy of focusing on central locations in Zurich and Basle continued to pay off in the 2021 financial year. During the reporting year, the company acquired the properties Tramstrasse 53 in Münchenstein for CHF 1.3 million, Riehentorstrasse 28 / Kirchgasse 2-2A in Basle for CHF 18.0 million and Hegenheimerstrasse 62 in Basle for CHF 9.2 million. In addition to this, the property at Binnigerstrasse 7 in Basle for CHF 11.3 million was consolidated.

Important new lease agreements were entered into for Witikonstrasse 15, Militärstrasse 114 and Asylstrasse 68 in Zurich and for Binnigerstrasse 15 in Basle. Overall, the value of the portfolio excluding building rights rose from CHF 638.3 million to a total of CHF 718.2 million (+12.5%) as at 31 December 2021. The vacancy rate remained low at 2.6% as at 31 December 2021.

### **Development projects**

No portfolio properties were sold during the period under review, but the company successfully registered all the condominiums in the "Kluspark" and "Sandreutergarten" reference projects in Zurich and Riehen.

The company is planning to use the plot at Minervastrasse 124 in Zurich with an existing multi-family home that it acquired in March 2021 to develop a replacement new build with eight apartments and an underground car park with five parking spaces as a reference property. The construction project was fleshed out in the second half of 2021.

The company is planning to use the plot at Fuederholzstrasse 8 in Herrliberg with an existing detached property that it acquired in October 2020 to develop a replacement new build with six apartments and an underground car park with a total of twelve parking spaces as a reference property. The planning application was submitted at the end of the second quarter of 2021. The building permit was granted at the end of the fourth quarter of 2021.

The residential and commercial property at Elsässerstrasse 1+3 in Basle was reclassified as a development property in 2019. In the suburb of St. Johann, in a location with a view of the Rhine and the park, the company is planning to construct a replacement new build with 14 condominiums and a ground floor that is used for commercial purposes. The building permit became legally effective in the second quarter of 2021. A tender process for general contractors was held in the first half of 2021, and marketing activities started in November 2021.

### **Solid financing**

The company is robustly financed with an equity ratio of 45.9% (previous year: 46.4%). The average interest rate including swaps on interest-bearing loans was 1.35% (previous year: 1.62%). The average fixed interest period fell slightly to 7.72 years (previous year: 8.02 years).

### **Sustainability**

SF Urban Properties Ltd's business activities centre around real estate. The company fulfils its responsibility towards society accordingly, and carries out active sustainability and transformation management with respect to greenhouse gas emissions and energy in order to achieve the Swiss Federal Council's climate targets for 2030 and 2050.

### **Outlook for 2022**

Work will continue on the renovation and conversion of selected properties in 2022 as part of the updated property strategies.

The pressure from institutional investors remains unchanged due to the low interest rates. The company does not see any indications that the real estate market is losing any of its appeal, and therefore expects the transaction market to remain competitive in 2022. The real estate market will be dealing with the consequences of the pandemic beyond 2022 as a result of changes in demand. Commercial spaces, and hospitality and retail spaces in particular, are likely to continue to prove difficult to let out.

Net migration to Switzerland is still positive, and SF Urban Properties Ltd expects this to continue to benefit the housing market. The company also expects overall demand for office space, and contemporary attractive spaces in central locations in particular, to improve. These factors give the company grounds for optimism with regard to 2022.

### **Distribution proposed to the Annual General Meeting on 12 April 2022**

The Board of Directors is proposing a net withholding tax-free distribution from the capital contribution reserves of CHF 3.60 per registered share with a nominal value of CHF 9.00 and of CHF 0.72 per registered share (voting share) with a nominal value of CHF 1.80. This gives a dividend yield of 3.6% for the registered shares listed on the SIX Swiss Exchange with a nominal value of CHF 9.00, based on the share price as at 31 December 2021.

### **Further information**

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## Key figures 2021

<b>Income statement</b>	<b>Unit</b>	<b>1 Jan. – 31 Dec. 2021</b>	<b>1 Jan. – 31 Dec. 2020</b>
Property earnings	CHF 1 000	27 123	26 499
Total income from sale of investment properties	CHF 1 000	0	12 512
Total operating income before revaluation	CHF 1 000	49 683	44 738
Revaluation of investment properties	CHF 1 000	36 755	3 260
Operating result (EBIT)	CHF 1 000	57 800	31 954
EBIT margin	%	66.87	66.57
Net profit	CHF 1 000	41 887	22 834
Net income attributable to shareholders of SF Urban Properties Ltd	CHF 1 000	40 534	22 966
Net income attributable to shareholders of SF Urban Properties Ltd excluding revaluation effects <sup>1</sup>	CHF 1 000	13 511	23 926

<b>Balancesheet</b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Total assets	CHF 1 000	793 664	704 674
Equity capital	CHF 1 000	364 511	327 386
Equity ratio	%	45.93	46.46
Financial liabilities	CHF 1 000	327 475	279 608
Debt financing ratio	%	41.26	39.66
Outside capital	CHF 1 000	429 153	377 289
Debt financing ratio	%	54.07	53.54
Third-party loan-to-value ratio of the properties <sup>2</sup>	%	44.00	43.10
Return on equity <sup>3</sup>	%	12.11	7.06
Return on equity excluding revaluation effects <sup>1</sup>	%	3.91	7.40

<b>Portfolio data</b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Number of investment properties	Quantity	47	43
Number of development properties	Quantity	5	4
Investment properties incl. building rights	CHF 1 000	721 518	641 813
Development properties	CHF 1 000	31 397	30 154
Gross yield <sup>4</sup>	%	4.00	4.40
Weighted real discount rate of portfolio valuation	%	2.79	2.99
Weighted nominal discount rate of portfolio valuation	%	3.30	3.51
Vacancy rate end of period	%	2.60	2.62
Current vacancies Reporting period <sup>5</sup>	%	2.51	2.68
Average interest rate (excluding swaps) of financial liabilities	%	0.55	0.56
Average interest rate (including swaps) of financial liabilities	%	1.35	1.62
Average fixed interest rate	Years	7.7	8.0

Key Figures per Share	Unit	31 Dec. 2021	31 Dec. 2020
Net Asset value (NAV) per share of CHF 1.80 nominal	CHF	21.67	19.54
Net Asset Value (NAV) per share of CHF 9.00 nominal	CHF	108.36	97.69
Net Asset Value (NAV) per share of CHF 1.80 nominal before deferred taxes	CHF	24.30	21.79
Net Asset Value (NAV) per share of CHF 9.00 nominal before deferred taxes	CHF	121.51	108.94
Share price	CHF	101.00	97.00
Premium (+) and discount (-) on NAV	%	-6.79	-0.70

	Unit	1 Jan. – 31 Dec. 2021	1 Jan. – 31 Dec. 2020
Earnings per share (EPS) of CHF 1.80 nominal	in CHF	2.42	1.37
Earnings per share (EPS) of CHF 9.00 nominal	in CHF	12.09	6.85
Earnings per share (EPS) of CHF 1.80 nominal excluding revaluation <sup>1</sup>	in CHF	0.81	1.43
Earnings per share (EPS) of CHF 9.00 nominal excluding revaluation <sup>1</sup>	in CHF	4.03	7.14

<sup>1</sup> Revaluation effects: revaluations as well as their tax effects and further tax effects

<sup>2</sup> Financial liabilities in relation to the value of investment properties and investments in development properties

<sup>3</sup> Profit in relation to average equity

<sup>4</sup> Gross profit yield equals targeted rental income as a percentage of market value (fair value)

<sup>5</sup> Vacancy rate corresponds to vacancy excluding inconsistencies, rent reductions and discounts / target net rental when fully let

## Lunch Presentation

The management team of SF Urban Properties Ltd are presenting the 2021 annual results as follows:

- **Lunch Presentation on Tuesday 15 March 2022, Park Hyatt Zurich – 12:00 pm**
- **Lunch Presentation on Wednesday 16 March 2022, Pullman Basel Europe – 12:00 pm**

Adrian Schenker (CEO), Reto Schnabel (CFO) and Adrian Murer (CEO of SFP Group) will comment on the company's results.

You can find a comprehensive report and the 2021 annual report at:

<https://www.sfp.ch/en/products/sf-urban-properties-ltd/downloads>

## Agenda

Ordinary Annual General Meeting: 12 April 2022

### **SF Urban Properties Ltd**

SF Urban Properties Ltd (SFUP) is a Swiss real estate company that is headquartered in Zurich. It is active in the development and management of an existing real estate portfolio and in the acquisition of property. Within the scope of its operations, SF Urban Properties Ltd invests in commercial and residential property with potential for development. The company is especially looking for investment property that can be effectively optimised through cost management, repositioning, further development, restructuring of tenant relationships and other measures. SF Urban Properties Ltd has been listed at the SIX Swiss Exchange since 17 April 2012 (Symbol: SFPN, Valor: 003281613, ISIN: CH0032816131). Further information: [www.sfurban.ch](http://www.sfurban.ch)

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