

Media release

for immediate publication

11 March 2020

Stable financial year 2019

- **Net profit excluding revaluations CHF 12.4 million (-3.6%)**
- **Net profit including revaluations CHF 18.5 million (+38.4%)**
- **Portfolio expanded by 1.0% to CHF 651.4 million**
- **Vacancy rate at very low 1.66% (31 December 2019)**
- **Unchanged cash dividend of CHF 3.60 per ordinary share**

SF Urban Properties AG can look back on a stable financial year in 2019. Although the operating result fell slightly, higher revaluations and lower taxes resulted in a significantly higher profit than the previous year. The Board of Directors is proposing an unchanged cash distribution of CHF 3.60 in the form of a par value reduction per listed ordinary share with a nominal value of CHF 12.60. This gives a dividend yield of 3.65% based on the share price on 31 December 2019.

Annual results 2019

SF Urban Properties AG (SIX Swiss Exchange: SFPN) ended the 2019 financial year with a slight decline in operating profit. Net profit excluding revaluation effects/deferred tax was down by CHF 463,000 (-3.6%) year on year at CHF 12.4 million, due mainly to increased maintenance expenses and a more defensive accounting for the investments made in the portfolio. Revaluations accounted for a positive CHF 9.4 million contribution to the result. Earnings before interest and tax (EBIT) rose from CHF 21.9 million to CHF 27 million, and net profit including revaluations increased from CHF 13.4 million to CHF 18.5 million (+38.4%). Earnings per share excluding revaluation effects amounted to CHF 3.70 (previous year CHF 3.83), equity capital (NAV) per listed share as at 31 December 2019 CHF 95.22 (previous year CHF 95.65) and the EPRA NAV CHF 114.92 (previous year CHF 111.35).

Real estate portfolio

The strategy of focusing on good locations in Zurich and Basel was continued in the 2019 financial year. The property at Schaffhauserstr. 6 in Zurich was acquired and that at Klusstr. 38 notarised. The Sandreuterweg development project in Riehen was also added to the portfolio. Overall, the value of the portfolio (incl. development properties) rose by CHF 20.6 million (3.2%) to CHF 670.4 million in total as at 31 December 2019. The vacancy rate as at 31 December 2019 fell to a very low 1.66% (previous year 3.84%).

Current projects

In the 2019 financial year, the main focus was on expanding lettable spaces at Walzwerk Münchenstein and planning the Riehen development project. Added to this was the development of a building project for Klusstr. 38, for which the planning application was already submitted in 4Q 2019. After approval by the Cityscape Committee, planning application for the promotion project at Elsässerstr. 1+3 in Basel was also submitted in 4Q 2019.

Solid financing

The company is robustly financed with an equity ratio of 46.5% (previous year 47.2%). The average interest rate including swaps on interest-bearing loans was 1.52% (previous year 1.86%). The average fixed interest period rose substantially to 9.20 years (previous year 7.93 years).

Outlook for 2020

Given the low level of interest rates, institutional demand for investment properties will continue to be strong. The focus of acquisitions is still on the dynamic economic areas of Zurich and Basel. In view of the promising ongoing development projects, the Board of Directors and management are again expecting a convincing result for 2020 that secures the current attractive and stable dividend policy. Due to the current uncertainties, the focus remains on letting. The goal is to keep the vacancy rate below 3% for 2020.

Proposals to the Annual General Meeting on 7 April 2020

The Board of Directors is proposing a distribution of CHF 3.60 in the form of a par value reduction per registered share of nominal value CHF 12.60 and of CHF 0.72 per registered share of nominal value CHF 2.52. This gives a dividend yield of 3.65% for the registered shares of nominal value CHF 12.60 listed on SIX Swiss Exchange based on the share price as at 31 December 2019.

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For comprehensive reporting and the Annual Report 2019, please visit:

<http://www.sfup.ch/investoren/reporting>

Due to the current situation regarding the coronavirus, individual events of SF Urban Properties AG will take place in the form of a live broadcast. This applies to the following event:

Wednesday, 11 March 2020 - Zunfthaus zur Saffran in Zurich

The management team of SF Urban Properties AG presents the annual results 2019 as follows:

Live transmission on:

Wednesday, 11 March 2020 - 11:00 a.m.

Link: <https://live.starleaf.com/ODM5NzI6MTkyMjI5>

Adrian Schenker (CEO) and Reto Schnabel (CFO) will comment on the business results.

The recording will be posted on our website www.sfp.ch after the presentation. We thank you for your understanding.

Agenda: Annual General Meeting April 7, 2020

Key financial figures (as at 31.12.2019)

Income statement	Unit	1.1. - 31.12.2019	1.1. - 31.12.2018
Property earnings	CHF 1 000	27 284	26 680
Total income from sale of investment properties	CHF 1 000	517	0
Total operating income before revaluation	CHF 1 000	28 030	36 092
Revaluation of investment properties	CHF 1 000	9 369	3 236
Operating result (EBIT)	CHF 1 000	26 971	21 895
EBIT margin	%	72.12	55.67
Net profit ¹	CHF 1 000	18 527	13 387
Net income attributable to shareholders of SF Urban Properties Ltd ¹	CHF 1 000	18 549	13 387
Net profit excluding revaluation effects, their and other tax effects ¹	CHF 1 000	12 387	12 850

Balancesheet		31.12.2019	31.12.2018
Total assets	CHF 1 000	686 026	679 107
Equity capital	CHF 1 000	319 259	320 604
Equity ratio	%	46.54	47.21
Interest-bearing debt	CHF 1 000	280 684	283 872
Interest-bearing debt in % of total assets	%	40.91	41.80
Leverage	%	53.46	52.79
Debt ration per property ²	%	41.87	43.68
Return on equity including valuation results ³	%	5.79	4.19
Return on equity, valuation results excluded ⁴	%	3.87	4.02

Key Figures per Share		1.1. - 31.12.2019	1.1. - 31.12.2018
Net Asset value (NAV) per share of CHF 2.52	CHF	19.04	19.13
Net Asset Value (NAV) per share of CHF 12.60	CHF	95.22	95.65
Net Asset Value (NAV) per share of CHF 2.52 before deferred taxes	CHF	21.04	21.08
Net Asset Value (NAV) per share of CHF 12.60 before deferred taxes	CHF	105.21	105.42
Share price	CHF	98.50	86.00
Premium (+) and discount (-) on NAV	%	3.44	(10.09)

		1.1. - 31.12.2019	1.1. - 31.12.2018
Earnings per share (EPS) of CHF 2.52 nominal including revaluation ¹	in CHF	1.11	0.80
Earnings per share (EPS) of CHF 12.60 nominal including revaluation ¹	in CHF	5.53	3.99
Earnings per share (EPS) of CHF 2.52 nominal excluding revaluation ¹	in CHF	0.74	0.77
Earnings per share (EPS) of CHF 12.60 nominal excluding revaluation ¹	in CHF	3.70	3.83

Portfolio data		31.12.2019	31.12.2018
Number of properties	Quantity	47	50
Development properties intended for sale	Quantity	4	0
Investment properties incl. building rights	CHF 1 000	651 445	645 274
Development properties intended for sale	CHF 1 000	18 974	4 546
Gross return ⁵	%	4.27	4.41
Portfolio valuation's weighted real discount rate	%	3.08	3.21
Vacancy rate at the end of the period	%	1.66	3.84
Current vacancies in the reporting period ⁶	%	2.64	3.88
Average interest rate (exclusive swaps) of interest-bearing debt	%	0.58	0.64
Average interest rate (inclusive swaps) of interest-bearing debt	%	1.52	1.86
Average fixed interest in years	years	9.20	7.93

¹ See Annual Report 2019 note 21 Key figures per share and note 22 Reconciliation, pages 43-44.

² Interest-bearing debt in relation to investment properties including investment and development properties earmarked for sale

³ Profit in relation to average equity

⁴ Net profit excluding revaluation effects, their tax effects and other tax effects in relation to average equity - See Financial Report 2019 note 22 Reconciliation, page 43

⁵ Gross yield corresponds to the rental income (target) as a percentage of the market value (fair value)

⁶ Vacancies excluding inconsistencies, rent reductions and discounts in relation to target net letting at full occupancy

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