



Executive Summary 2021

for the Annual Report as of 31.12.2021

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For our shareholders

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MURTEN (FR)

SBB Training centre “Centre Loewenberg”



Extensively refurbished and modernised

The SBB training centre “Centre Loewenberg” was extensively refurbished and modernised in 2021. The aim was to take into account both sustainability and the protection of historical monuments. The interior of the buildings was not only modernized, but also digitalised. Thanks to these investments, the future energy consumption of the buildings will be reduced and, according to SBB estimates, an annual energy requirement of around 600,000 kWh will be saved. A newly installed photovoltaic system covers the entire cooling requirements of the Centre Loewenberg. Surplus energy is fed into the public energy grid. During the conversion, 98% of the concrete and metal parts

of the building structure and shells were reused. Today, the restaurant operations as well as state-of-the-art seminar rooms and bedrooms are ready for internal or external guests and seminar participants.

Residential/commercial property with 168 rooms and residential area of 3,949 m² in total, office and training areas 12,956 m²

Land area 117,957 m²

Total rentable space 18,495 m²

Target rental income TCHF 2,774 p.a.

Year of construction / renovations Several years of construction for the different buildings / extensive refurbishment in 2021

Key Figures

Income Statement		01.01. - 31.12.2021	01.01. - 31.12.2020
Earnings from rental activities ¹⁾	in TCHF	22,210	20,719
Earnings from sale of investment properties	in TCHF	0	149
Earnings from revaluation	in TCHF	21,769	8,323
Earnings before interests and taxes (EBIT)			
	in TCHF	39,143	22,873
Earnings incl. revaluation / deferred taxes			
	in TCHF	29,306	17,841
Earnings excl. revaluation / deferred taxes ²⁾			
	in TCHF	11,721	11,081
Return on equity incl. revaluations ³⁾			
	in %	10.1%	7.0%
Return on equity excl. revaluations ⁴⁾			
	in %	4.1%	4.3%
Balance Sheet		31.12.2021	31.12.2020
Total assets	in TCHF	751,145	666,666
Equity	in TCHF	335,798	291,916
Equity ratio	in %	44.7%	43.8%
Total mortgage liabilities	in TCHF	380,177	351,796
Leverage ratio	in %	55.3%	56.2%
Loan-to-value ratio of properties	in %	51.3%	54.5%
Net gearing ⁵⁾	in %	112.3%	115.4%
Portfolio		31.12.2021	31.12.2020
Total real estate portfolio	in TCHF	741,279	645,388
Gross yield ⁶⁾	in %	4.1%	4.5%
Net yield ⁷⁾	in %	3.3%	3.7%
Vacancy rate excluding projects	in %	3.7%	4.0%
Average discount rate for valuations at market value	in %	2.8%	3.0%
Average interest rate financial liabilities	in %	0.8%	0.8%
Average term to maturity of financial liabilities	in years	3.7	3.7
Information per share		31.12.2021	31.12.2020
Share price on stock exchange	in CHF	46.50	44.00
Net asset value (NAV) per share	in CHF	43.55	41.30
Earnings per share incl. revaluation (EPS) ⁸⁾	in CHF	3.97	2.76
Earnings per share excl. revaluation (EPS) ⁹⁾	in CHF	1.59	1.71

Definitionen:

¹⁾ Rental income minus direct operating expenses for investment properties

²⁾ Earnings before taxes (EBT) minus revaluation result, minus deferred taxes plus deferred taxes attributable to revaluation result

³⁾ Earnings incl. revaluations/deferred taxes in relation to average weighted equity

⁴⁾ Earnings excl. revaluations/deferred taxes in relation to the average weighted equity

⁵⁾ Net debt (current and non-current mortgage liabilities minus cash and cash equivalents) in relation to equity as of balance sheet date

⁶⁾ 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

⁷⁾ Net yield reflects net rental income (actual rental income based on annual rents of investment properties as of balance sheet date less operating and maintenance costs for the reporting year) in percentage of the market value (fair value) of the investment properties

⁸⁾ Earnings incl. revaluation / deferred taxes divided by average number of registered shares outstanding

⁹⁾ Earnings excl. revaluation / deferred taxes divided by average number of registered shares outstanding

For a glossary with further definitions of key figures, please refer to page 22.

Portfolio information

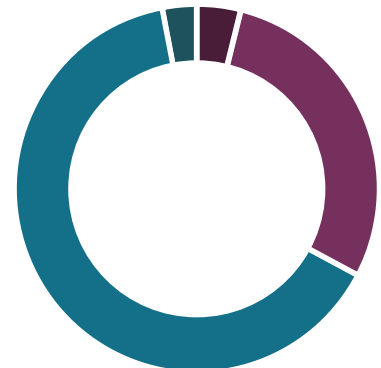
Total portfolio

Investment categories
TCHF 741,279 at 31.12.2021



Residential	37%
Residential/Commercial	54%
Commercial	6%
Projects	3%

Investment size
TCHF 741,279 at 31.12.2021



Properties < CHF 5 m	4%
Properties CHF 5 – 15 m	29%
Properties > CHF 15 m	64%
Projects	3%

Target rental income investment properties

Use
TCHF 29,370 (annualised)



Residential	63%
Commercial	37%

Cantons
TCHF 29,370 (annualised)



AG	4%	SG	13%
BE	12%	SH	4%
BL	3%	SO	8%
BS	9%	TG	10%
FR	9%	ZH	26%
LU	2%		

Management report for 2021 financial year

Dear Shareholders,

We are delighted to be able to report an extremely successful result for the 2021 financial year. Our business model with its focus on the residential sector once again proved its worth in the second year of the COVID-19 pandemic. In the reporting year, operational highlights with regard to the construction activities in our real estate portfolio included the comprehensive refurbishment and modernisation of Centre Loewenberg in Murten and the completion of the construction project at Badenerstrasse 701 in Zurich. Both of these completed projects had a correspondingly positive impact on the increase in the value of the portfolio.

Thanks to investments into the investment properties and projects, targeted acquisitions of three residential properties and one residential/commercial property as well as positive revaluation effects, the total value of the real estate portfolio grew once again and stood at CHF 741.3 million at the end of 2021, 15% up on the previous year (31.12.2020: CHF 645.4 million).

The financial result showed a significant increase in earnings before interest and taxes (EBIT) of +71 % to CHF 39.1 million (2020: CHF 22.9 million) and a rise in profit including revaluation gains by +64 % to CHF 29.3 million (2020: CHF 17.8 million). Thanks to this result, the Board of Directors will again propose a cash distribution in the form of a par value repayment of CHF 1.65 per registered share to the Annual General Meeting of 23 March 2022.

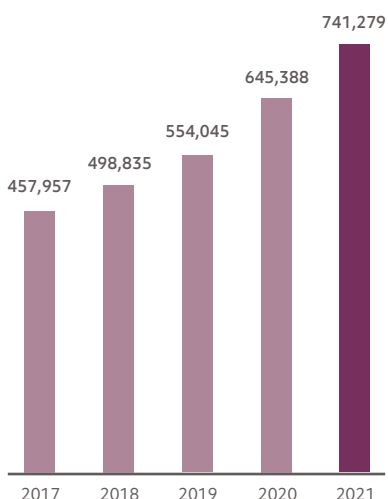
“Real estate portfolio +15 % to CHF 741.3 million.”

Well-diversified portfolio

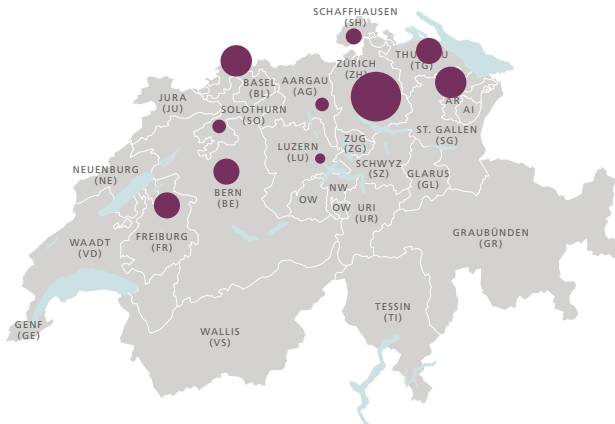
At the end of 2021, the real estate portfolio comprised a total of 50 investment properties with a market value of CHF 719.8 million and 3 projects (5 properties) worth CHF 21.5 million. The portfolio is well diversified and, in line with the investment strategy, the properties are primarily located in the areas of the centres of Zurich, Basel, Bern, Winterthur, Lucerne, St. Gallen and Aarau and on their axes. The properties are spread across 11 cantons.

Total portfolio

TCHF



► You can find selected properties and projects on pages 3, 16, 17, 26.



Total portfolio 31.12.2021

Investment properties	Value
Total Switzerland	CHF 719.8 m

Projects

Projects	Value
Lucerne	CHF 13.8 m
Neuhausen	CHF 4.5 m
St. Gallen (3 properties)	CHF 3.2 m
Total projects	CHF 21.5 m

Total Portfolio	CHF 741.3 m
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Target rental income from investment properties rose in the 2021 financial year to CHF 29.4 million per annum (31.12.2020: CHF 26.2 million). The change is primarily attributable to the acquisition of three residential properties and one residential/commercial property as well as the reclassification of the property at Badenerstrasse 701, Zurich from projects to investment properties. The share of rental income from properties with residential use was 63% at the end of 2021.

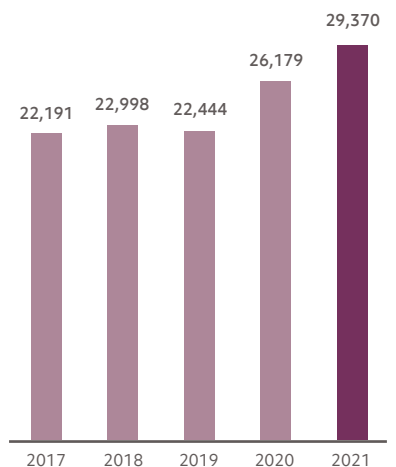
“63% residential share of target rental income”

Development project in St. Gallen on track

In the development project “Rorschacherstrasse 133, 135, 137 in St. Gallen”, three formerly detached buildings are being demolished. The resulting gap between two other investment properties also owned by Novavest Real Estate AG can subsequently be filled with a new three- to five-storey building. Following a 2020 study assignment, the application for a building permit was submitted in mid-March 2021. The building permit has been granted in January 2022. This new construction project includes apartments as well as service areas. Its realisation is planned by autumn 2024. The recognised market value as at 31 December 2021 for the three “old” properties (including plots) amounted to CHF 3.2 million. The estimated remaining investment volume for this project is around CHF 14-15 million.

Target rental income

TCHF



Sustainability case Centre Loewenberg

In 2021, the SBB's Centre Loewenberg for training and education was comprehensively refurbished and modernised. The aim was to combine sustainability and heritage conservation. For example, 98% of the concrete and metal parts of the building structure and building shells were reused during the conversion. In addition, the support structures of the façades were renovated and then reused. The refurbishment and modernisation of the training campus will reduce the future energy consumption of the buildings – resulting in an estimated annual saving of 600,000 kWh in energy requirements. A new photovoltaic system also covers the entire cooling needs of the Centre Loewenberg.

“98% of concrete and metal parts reused”

Economic and market environment

Following the previous year's pandemic-induced economic slump, the Swiss economy recovered noticeably in 2021 as a large number of the severely restrictive health policy measures in Switzerland and many other countries was eased over the course of the year. As a result of this economic recovery, employment prospects have also improved again. Despite signs of rising inflation, mainly as a result of global supply and capacity bottlenecks and significantly higher prices for raw materials, the Swiss National Bank is likely to maintain its expansionary monetary policy, also in view of the strong Swiss franc.

In this market environment with strong economic growth, extremely low interest rates and a lack of investment alternatives in some cases, interest in Swiss real estate investments, particularly among institutional investors, remained very lively.

Given the ongoing high level of new construction activity, the risk of vacancies and regional excess capacity in the property sector has not decreased in the short term. However, high-quality rental properties and apartments in central locations offering affordable living space continue to meet very high demand from tenants. Novavest Real Estate AG is very well positioned with its broad portfolio and supply of over 1,120 apartments (77% of 1- to 3½-room apartments). The high proportion of rental income from residential properties of 63% also illustrates the company's investment strategy, which is geared towards security.

Although the market for commercially used rental properties remained challenging in 2021, the situation eased somewhat over the course of the year compared with the previous year. Following the easing of pandemic-related restrictions, more and more employees have returned to work after months of working from home, meaning that the demand for office space is relatively stable or growing slightly. Demand for retail space remained subdued in 2021, even though the retail sector benefited from a lively need to catch up among consumers. The share of online shopping in the retail market increased again in 2021 and ensures that demand for retail space will remain under pressure.

When it comes to the commercial space in its real estate portfolio, Novavest Real Estate AG always attaches great importance to the creditworthiness of its tenants and the long-term nature of the rental agreements. This strategic approach is highlighted by the main commercial tenants SBB, BMW (Schweiz) AG, Kantonsspital St. Gallen, LIDL Schweiz AG, Raiffeisenbank Oberes Rheintal, SBW Haus des Lernens Management AG and Coop Genossenschaft.

Management commentary on the 2021 annual result¹

Income statement

Net rental income rose by 10% to CHF 26.7 million in 2021 (2020: CHF 24.3 million). This growth is largely attributable to the additional rental income from the properties in St. Gallen, Obernau, Basel and Dietikon acquired during 2020, which demonstrated their full profitability in the 2021 reporting year. The acquisitions in 2021 of the four properties in Moosseedorf, Ostermundigen, Schaffhausen and St. Gallen also contributed to rental income growth from the date of acquisition. As in the previous year, the COVID-19 pandemic had only a minor impact on rental income. The company was able to find individual solutions (such as temporary rent reductions, rental waivers with extensions or rent deferrals) with various smaller commercial tenants who are still affected by the pandemic and to enter into corresponding agreements. A total of CHF 0.3 million in rent reductions was taken into account in the 2021 financial year, corresponding to around 1% of target rental income.

The net yield generated on the investment properties amounted to 3.3% in the 2021 reporting year (2020: 3.7%). The vacancy rate for investment properties (excluding projects) was 3.7% (31.12.2020: 4.0%).

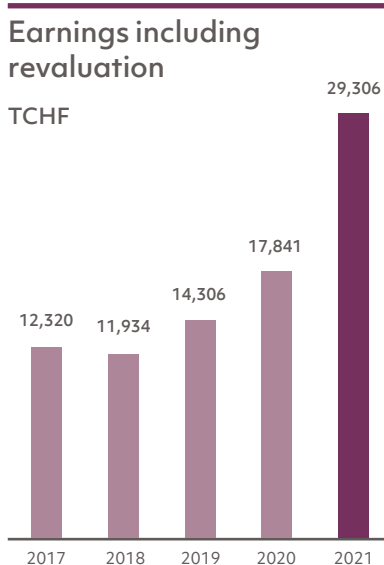
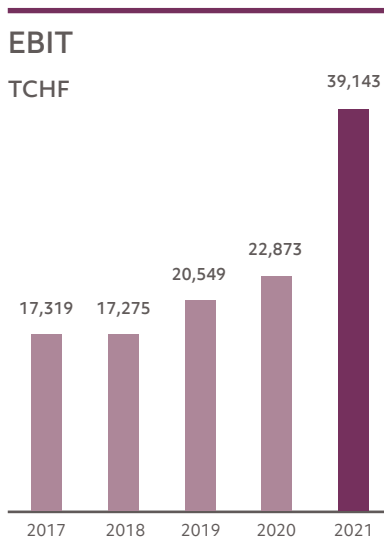
¹ A glossary of various key performance indicators can be found on pages 22/23 of this executive summary.

Direct operating expenses for investment properties rose to CHF 4.5 million (2020: CHF 3.6 million). Measured against net rental income, direct operating expenses for investment properties amounted to 16.9% (2020: 14.7%). Personnel expenses amounted to CHF 0.8 million (2020: CHF 0.8 million) and, as in the previous year, comprised compensation for the CEO and CFO management positions. Consulting expenses amounted to CHF 0.9 million (2020: CHF 1.0 million). Administrative expenses came to CHF 3.2 million (2020: CHF 3.0 million) and comprised the management fee paid to Nova Property Fund Management AG of CHF 2.9 million as well as capital taxes and other administrative expenses totalling CHF 0.3 million. Transaction commissions of CHF 0.5 million related to the purchase of the properties (2020: CHF 0.9 million) were recognised as acquisition costs, and compensation for builder-owner representation and project management of CHF 0.1 million (2020: CHF 0.2 million) was capitalised as project costs rather than being recognised in the income statement.

The market valuation of the real estate portfolio by the independent real estate valuation expert Wüest Partner AG led to revaluation gains of CHF 21.8 million (2020: CHF 8.3 million). The revaluation gains are attributable to the higher valuations of various investment properties as well as targeted investments and rental measures in the properties. Wüest Partner AG valued the real estate portfolio at CHF 741.3 million using the discounted cash flow method (31.12.2020: CHF 645.4 million).

Earnings before interest and taxes (EBIT) rose by 71% to CHF 39.1 million (2020: CHF 22.9 million). At around CHF 2.6 million, net financial expenses were on a par with the previous year (2020: CHF 2.5 million). The average interest rate on mortgage liabilities was 0.8% (2020: 0.8%).

Earnings including revaluation rose to CHF 29.3 million (2020: CHF 17.8 million), while earnings excluding revaluation reached CHF 11.7 million (2020: CHF 11.1 million). The earnings per share including revaluation are CHF 3.97 and excluding revaluation CHF 1.59 (2020: CHF 2.76 incl. revaluation or CHF 1.71 excluding revaluation). Following the successful capital increase in June 2021 to further implement the growth strategy, the average number of outstanding registered shares for calculating the earnings per share for the 2021 financial year was 7,390,125 registered shares, compared to 6,465,261 in the previous year.



Balance sheet

Compared to the end of 2020, total assets increased by CHF 84.5 million to CHF 751.1 million (31.12.2020: CHF 666.7 million). Some of the funds raised through the capital increase were used to temporarily repay mortgages, bringing cash and cash equivalents to CHF 3.0 million as at 31 December 2021. Non-current assets of CHF 742.2 million consisted of investment properties (CHF 719.8 million), the projects in Lucerne, Neuhausen and St. Gallen (total of CHF 21.5 million) and the long-term portion of the pre-financed tenant fittings in two properties in Frauenfeld and Altstätten (CHF 0.9 million).

On the liabilities side of the balance sheet, current and non-current mortgage liabilities amounted to CHF 380.2 million as at 31 December 2021 (31.12.2020: CHF 351.8 million). As at the reporting date, 58% of the mortgage liabilities have fixed-interest periods of more than three years (31.12.2020: 53%). Mortgages are well diversified at first-class creditor banks (mainly cantonal banks). As at 31 December 2021, the average remaining term of the financial liabilities was 3.7 years (31.12.2020: 3.7 years).

“Equity ratio of 44.7%”

Equity as at 31 December 2021 amounted to CHF 335.8 million (31.12.2020: CHF 291.9 million). The change is attributable to the net increase in equity resulting from the capital increase in June 2021 of CHF 26.2 million, the profit contribution of CHF 29.3 million and the par value repayment of CHF 11.7 million (CHF 1.65 per registered share) in June 2021. The equity ratio rose to 44.7% as at 31 December 2021 (31.12.2020: 43.8%). Despite the distribution of CHF 1.65 to shareholders through the par value reduction, the net asset value increased by CHF 2.25 to CHF 43.55 in the 2021 financial year (31.12.2020: CHF 41.30).

“Net asset value of CHF 43.55 per share”

As at 31 December 2021, the share capital amounted to CHF 207.4 million, divided into 7,711,434 registered shares with a par value of CHF 26.90 each. At a closing price of CHF 46.50 at the end of 2021, Novavest Real Estate AG's market capitalisation reached CHF 358.6 million.

Proposals to the 2022 Annual General Meeting

Planned expansion of the Board of Directors

The Board of Directors will propose to the Annual General Meeting on 23 March 2022 that Floriana Scarlato, an expert in compliance and risk management, be elected as an independent and non-executive member of the Board of Directors. The Board of Directors will thus be expanded to five members. The current members of the Board of Directors are all standing for re-election at the Annual General Meeting. Assuming the re-election of Messrs Lazzarini, Hiestand, Ménard and Neff and the election of Ms Scarlato by the Annual General Meeting on 23 March 2022, the Board of Directors is planning to appoint an Audit Committee with effect from 1 April 2022. The plan is also to assign nomination tasks to the Compensation Committee. Floriana Scarlato and Stefan Hiestand are planned as members of the Audit Committee. Markus Neff and Daniel Ménard are proposed for election as members of the Compensation Committee and Gian Reto Lazzarini as Chairman of the Board of Directors.

Distribution of CHF 1.65 per registered share

Given the good results achieved in 2021, the Board of Directors will propose a cash distribution in the form of a par value reduction of CHF 1.65 per registered share to the Annual General Meeting of Shareholders to be held on 23 March 2022. Based on the closing price of the registered share on 31 December 2021, the distribution yield equals 3.5%.

“Par value distribution of CHF 1.65 per share proposed”

Creation of new authorised capital

Following the successful capital increase in June 2021, the remaining authorised capital of the company now totals only 63,381 registered shares. The Board of Directors will therefore ask the Annual General Meeting to create new authorised capital to the order of 763,000 registered shares, i.e. less than 10 % of the ordinary share capital.

Outlook

Following the two years 2020 and 2021, which were heavily influenced by the COVID-19 pandemic and could not have been more different with regard to business performance, a degree of normalisation in both the global and the Swiss economy is expected in 2022. As a sharp global economic slump was followed by a rapid economic recovery, Switzerland can be expected to experience a somewhat more moderate economic growth in 2022. Given the strength of the Swiss franc, it should be possible to cushion some of the price pressure resulting from supply and capacity bottlenecks so that a more restrictive approach by the Swiss National Bank is not expected for the time being.

Novavest Real Estate AG has a robust business model with its portfolio focused on residential properties earning more than 60% of target rental income. The strong credit rating of the largest tenants (SBB, BMW (Schweiz) AG, Kantonsspital St. Gallen, LIDL Schweiz AG) also contributes to the stability of rental income and the portfolio.

The Board of Directors decided at a strategy meeting to grow the portfolio organically and implement certain portfolio optimisation for the next twelve months. Any acquisition opportunities along the investment strategy can still be taken advantage of.

Thank you

2021 was another challenging year for all of us, but there are signs that we can gradually return to normality. On behalf of the entire Board of Directors and the Executive Board, we would like to thank you, our valued shareholders and our business partners, for the great trust and active support that we have experienced in 2021 as well as in previous years.

We look forward to successfully developing Novavest Real Estate AG over the coming years in line with our defined growth strategy.



Gian Reto Lazzarini
Chairman of the Board of Directors



Peter Mettler
Chief Executive Officer

Investment strategy and guidelines¹

Novavest Group aims to generate long-term capital and earnings growth for its investors by investing in selected residential and commercial properties throughout Switzerland. The Group's subsidiaries may invest directly in real estate and/or acquire participating interests in other real estate and management companies. We strive for a balanced and optimal income and risk structure by diversifying by property and type of use, location, position, size and structure.

The following information is an extract from the investment regulations¹ of Novavest Real Estate AG.

Real estate investments

Investment properties are generally subject to the following investment restrictions:

- The focus of the property portfolio is on investment properties intended exclusively for residential use (rental apartments), whereby both apartment buildings and condominiums are eligible.
- Investments may also be made in investment properties for office and commercial use.
- The share of rental income from residential use accounts for at least 50% of total rental income.
- New-building projects are allowed for up to 30% of the most recent property portfolio value (biannual evaluation), whereby the construction of residential properties for sale as condominiums is also permitted.
- Up to 15% of the most recent real estate portfolio value may be invested in special properties such as shopping centres, cinemas, hotels or industrial facilities.
- Up to 20% of the most recent real estate portfolio value may be invested in independent and permanent rights entered in the land register or in developed building land with an approved construction project.
- Up to 15% of the most recent property portfolio value may comprise properties for which there are approved conversion or extensive renovation projects.

The Group companies may acquire co-ownership shares in such properties and acquire mortgage-backed claims on such properties that are held by third parties (up to a maximum of 10 % of the most recent real estate portfolio value).

The real estate investments are to be spread across at least 15 properties.

Location investment criterion

The focus is on properties throughout German-speaking Switzerland, primarily in the wider areas of the centres of Zurich, Basel, Bern, Winterthur, Lucerne, St. Gallen and Aarau and on their axes. In this category, properties may be purchased that are located in the city or conurbation and/or have good public transport links (near the station/S-Bahn station) or good accessibility for private motorised transport (motorway/major transport axes).

Properties in rural areas that do not meet any of these criteria may not account for more than 10% of the value of the portfolio properties.

¹ The complete investment regulations, as amended on 20 December 2021, are available on the company's website in German via the following link: www.novavest.ch/en/investor-relations/?section=investor-relations__investment-regulations

Participating interests in real estate and management companies

The Group companies may seek equity investments of any type in real estate and management companies, whereby the aim is generally to hold at least 35% of the capital and voting rights, which allows to participate actively in the management of the target company. In the case of such participating interests, the properties in question are to be accounted for pro rata in order to monitor compliance with the investment guidelines (see "Real estate investments" above).

Valuation

The market value of the entire investment portfolio is determined every six months by an independent, recognised valuation expert using the acknowledged discounted cash flow method. Wüest Partner AG, Zurich, currently serves as an independent real estate evaluator.

Financing principles

In order to optimise earnings, the individual Group companies may raise medium or long-term debt to finance the property investments. A maximum debt financing ratio of up to 75% of the value of the entire real estate portfolio is permitted. Real estate may be pledged to secure corresponding loans. The company's target equity ratio is currently around 40%.

Deviations from investment restrictions

Short-term deviations from the investment restrictions and risk distribution guidelines are permissible if, in the opinion of the Board of Directors, they are reasonable, namely because they are in the interests of the Group companies and the Novavest Group as a whole and the restoration of the regulatory situation to an acceptable degree is foreseeable. In the event of deviations exceeding this, the measures required to restore a situation in accordance with the regulations must be initiated and implemented immediately.

Zurich (ZH) Badenerstrasse 701



Living in an attractive city location

The newly built property at Badenerstrasse 701 in Zurich comprises 57 apartments (1½- to 3½-room flats) with a total of 3,676 m² of rentable space. The new and attractive rental flats were ready for occupancy as of September 2021 and the property is fully let as of year-end 2021. Originally, there was a commercial property on the plot, which was converted into a modern residential property during a construction phase of about three years. Thus, a property from the 1960s was converted into an environmentally friendly property.

Residential property with 57 apartments

Land area 1,596 m²

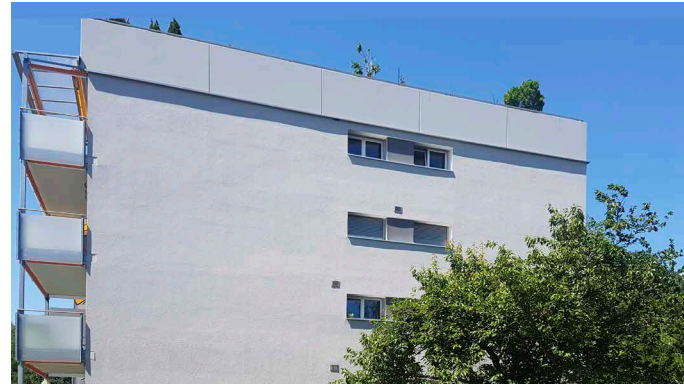
Total rentable space 3,676 m²

Target rental income TCHF 1,592 p.a.

Year of construction 2021

KIRCHBERG (BE)

Eigerweg 7/9



Nice flats for families

The two apartment buildings at Eigerweg 7 and 9 in Kirchberg comprise 17 rental flats with 4½- to 5½-rooms. The residential property is located close to the city centre and the corresponding infrastructure with shopping facilities, schools and public transport. The property offers families an affordable and well-maintained place to live.

Residential property with 17 apartments

Land area 3,730 m²

Total rentable space 1,896 m²

Target rental income TCHF 302 p.a.

Year of construction / renovations 1980 / 2016

BALANCE SHEET

Amounts in CHF	31.12.2021	31.12.2020
Cash and cash equivalents	3,044,029	15,050,183
Trade receivables	4,767,565	4,559,002
Other current receivables	992,738	526,414
Pre-financed tenant fittings third parties	107,968	117,493
Accrued income and prepaid expenses	56,914	20,000
Total current assets	8,969,214	20,273,092
Investment properties	719,790,000	586,542,000
Projects	21,489,300	58,846,300
Pre-financed tenant fittings third parties	896,663	1,004,631
Total non-current assets	742,175,963	646,392,931
Total assets	751,145,177	666,666,023
Trade payables	1,463,485	124,642
Other current liabilities	6,492,996	6,455,993
Accrued expenses and deferred income	4,821,400	1,307,212
Current mortgage liabilities	45,956,000	81,612,000
Total current liabilities	58,733,880	89,499,847
Other non-current liabilities	763,200	0
Non-current mortgage liabilities	334,221,250	270,184,250
Provision for deferred income tax liabilities	21,628,826	15,065,946
Total non-current liabilities	356,613,276	285,250,196
Total liabilities	415,347,156	374,750,043
Share capital	207,437,575	201,814,668
Treasury shares	0	0
Capital reserves	31,865,908	22,913,095
Retained earnings	96,494,538	67,188,217
Total equity	335,798,021	291,915,980
Total liabilities and equity	751,145,177	666,666,023

Income Statement

Amounts in CHF	01.01. - 31.12.2021	01.01. - 31.12.2020
Rental income	26,731,294	24,278,134
Earnings from sale of investment properties	0	149,217
Total operating income	26,731,294	24,427,351
Direct operating expenses for investment properties	-4,521,587	-3,559,243
Personnel expenses	-767,561	-821,251
Consulting expenses	-893,448	-951,659
Administrative expenses	-3,175,066	-2,994,061
Total operating expenses	-9,357,662	-8,326,213
Profits from revaluation of real estate investments	26,625,188	16,043,649
Losses from revaluation of real estate investments	-4,855,848	-7,721,045
Earnings from revaluation	21,769,340	8,322,604
Depreciation and impairment on intangible assets (goodwill)	0	-2,174,536
Dissolution of negative goodwill (badwill)	0	623,674
Earnings before interests and taxes (EBIT)	39,142,971	22,872,880
Financial income	247,164	362,187
Financial expenses	-2,861,699	-2,866,092
Earnings before taxes (EBT)	36,528,436	20,368,974
Income taxes	-7,222,116	-2,527,538
Earnings	29,306,322	17,841,437
Earnings per share (diluted/basic)	3.97	2.76

Cash flow statement

Amounts in CHF	2021	2020
Earnings	29,306,322	17,841,437
Earnings from revaluation of investment properties	-18,249,958	-7,558,922
Earnings from revaluation of projects	-3,519,382	-763,681
Depreciation and impairment on intangible assets (goodwill)	0	2,174,536
Dissolution of negative goodwill (badwill)	0	-623,674
Other non-cash related expenses/earnings	158,192	161,606
Changes in trade receivables	-208,563	-1,369,604
Changes in other receivables and accrued income and prepaid expenses	-503,237	-331,544
Changes in trade payables	933,454	58,071
Changes in other payables and accrued expenses and deferred income	1,253,580	415,865
Changes in provision for deferred income tax liabilities	6,562,880	2,365,933
Cash flow from operating activities	15,733,287	12,220,807
Investments in investment properties	-66,249,275	-81,217,811
Investments in projects	-4,371,179	-8,605,518
Amortisation of pre-financed tenant fittings	117,493	114,137
Divestment of investment properties	-146,983	7,699,615
Cash flow from investing activities	-70,649,944	-82,009,577
Proceeds from capital increases	26,193,047	25,617,907
Capital reduction through repayment of nominal value	-11,663,545	-10,622,156
Repayment of current financial liabilities	-47,184,000	-1,346,750
Proceeds from non-current financial liabilities	75,565,000	47,724,500
Cash flow from financing activities	42,910,502	61,373,501
Change in cash and cash equivalents	-12,006,154	-8,415,268
Verification		
Cash and cash equivalents at beginning of period	15,050,183	23,465,451
Cash and cash equivalents at end of period	3,044,029	15,050,183
Change in cash and cash equivalents	-12,006,154	-8,415,268

Changes in Equity

01.01. – 31.12.2021

Amounts in CHF	Share capital	Capital reserves	Retained earnings	Total
Total 31 December 2020	201,814,668	22,913,095	67,188,216	291,915,980
Repayment of nominal value	-11,663,545			-11,663,545
Capital increases	17,286,451	9,735,678		27,022,129
Equity transaction costs		-782,865		-782,865
Earnings			29,306,322	29,306,322
Total 31 December 2021	207,437,575	31,865,908	96,494,538	335,798,021

The equity transaction costs of TCHF 782 relate to the costs of raising capital for the capital increase, taking into account tax effects.

01.01. – 31.12.2020

Amounts in CHF	Share capital	Capital reserves	Retained earnings	Total
Total 31 December 2019	194,417,634	15,413,297	49,346,779	259,177,710
Repayment of nominal value	-10,622,156			-10,622,156
Earnings			17,841,437	17,841,437
Capital increases	18,019,190	8,299,557		26,318,747
Equity transaction costs		-799,759		-799,759
Total 31 December 2020	201,814,668	22,913,095	67,188,216	291,915,980

The equity transaction costs of TCHF 800 relate to the costs of raising capital for the capital increase, taking into account tax effects.

Glossary of key figures

Earnings from rental activities	Rental income (income statement) minus direct operating expenses for investment properties (income statement)
Earnings from the sale of investment properties	See the same item in the income statement
Earnings from revaluation	See the same item in the income statement
Earnings before interest and taxes (EBIT)	See the same item in the income statement
Earnings incl. revaluation/deferred taxes	Corresponds to "Earnings" in the income statement
Earnings excl. revaluation/deferred taxes	Earnings before taxes (EBT) minus revaluation result, minus deferred taxes plus deferred taxes attributable to revaluation result
Earnings per share (EPS) incl. revaluation	Earnings incl. revaluations/deferred taxes divided by the average number of registered shares outstanding
Earnings per share (EPS) excl. revaluation	Earnings excl. revaluations/deferred taxes divided by the average number of registered shares outstanding
Return on equity incl. revaluations	Earnings incl. revaluations/deferred taxes in relation to average weighted equity (the weighting takes account of changes in capital, such as par value repayments and capital increases)
Return on equity excl. revaluations	Earnings excl. revaluations/deferred taxes in relation to average weighted equity (the weighting takes account of changes in capital, such as par value repayments and capital increases)
Total assets	Total assets and/or total liabilities and equity in the balance sheet
Equity	Corresponds to "Total equity" in the balance sheet
Equity ratio	Total equity in relation to total liabilities and equity
Total mortgage liabilities	Current and non-current mortgage liabilities
Leverage ratio	Total liabilities in relation to total liabilities and equity
Loan-to-value ratio of properties	Current and non-current mortgage liabilities in relation to total property portfolio
Net gearing	Net debt (current and non-current mortgage liabilities minus cash and cash equivalents) in relation to equity as at the balance sheet date
Total property portfolio	Investment properties plus projects in the balance sheet

Gross yield	Gross yield corresponds to target rental income (target rental income based on annual rents for investment properties as at the balance sheet date) as a percentage of the fair value of the investment properties
Net yield	Net yield corresponds to net income (actual rental income based on annual rents of investment properties as at the balance sheet date less operating and maintenance costs for the year under review) as a percentage of the fair value of the investment properties
Vacancy rate excluding projects	Difference (in percent) in actual rental income for investment properties based on annual rents relative to target rental income for investment properties based on annual rents (actual and target rental income relate to the investment properties as at the balance sheet date)
Average discount rate for valuations at market value	Weighted average of the discount rate applied by the independent real estate evaluator (weighted on the basis of the market value of the properties)
Average interest rate for financial liabilities	Weighted average of interest rates on current and non-current mortgage liabilities as at the balance sheet date (weighted on the basis of the outstanding amount of mortgage liabilities)
Average term to maturity of financial liabilities	Weighted average remaining term of current and non-current mortgage liabilities as at the balance sheet date (weighting based on the outstanding amount of mortgage liabilities)
Net asset value (NAV) per share	Total equity per registered share issued as at the balance sheet date

Further information

Reconciliation for earnings excl. revaluation / deferred taxes

all amounts in CHF	2021	2020
Earnings before taxes (EBT)	36,528,436	20,368,974
Earnings from revaluation	-21,769,340	-8,322,604
Deferred taxes	-7,222,116	-2,527,538
Tax effect on revaluation gains	+4,184,069	+1,562,154
Earnings excl. revaluation/deferred taxes	11,721,049	11,080,986

Investor Relations Information

Important dates

22 February 2022	Publication Annual Results and Annual Report Fiscal Year 2021
23 March 2022	Ordinary General Meeting of Shareholders 2022
11 August 2022	Publication Half-Year Results and Half-Year Report 2022

Information regarding registered shares (as of 31 December 2021)

Number of outstanding shares	7,711,434 registered shares with nominal value of CHF 26.90 each
Listing	SIX Swiss Exchange
Swiss valor number	21 218 624
ISIN number	CH0212186248
Ticker symbol	NREN
Market capitalisation	CHF 358.6 million
Closing price year-end 2021	CHF 46.50

Other information

Accounting standard	Swiss GAAP FER
Auditors	PricewaterhouseCoopers Ltd, CH-St. Gallen
Independent real estate evaluator	Wüest Partner Ltd, CH-Zurich
Share register	Computershare Switzerland Ltd, CH-Olten

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Disclaimer

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Novavest Real Estate AG assumes no obligation to update forward-looking statements in the reports at a later date as a result of new information, future events or the like.

Website

The Annual Report 2021 as well as the executive summary reports thereof in German, English and French are available online at www.novavest.ch – Investor Relations – Financial Reports / Presentations.

Concept, design and realisation

bbv nuber, visual communication, DE-Konstanz
Tolxdorff Eicher, CH-Horgen

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BERIKON (AG) Corneliastrasse 8a, 8b



Comfortable living for seniors

The „Belano Zuhause Berikon“ offers 35 senior-friendly and obstacle-free rental flats that are specially designed to meet the needs of older people (1½- to 4½-room flats). The property is located south of the centre of Berikon in the immediate vicinity of the railway station. A medical centre with 10 practicing doctors is adjacent to the residential complex. A shopping centre opposite completes the superior offer for the tenants.

Residential/commercial property with 35 apartments, office/medical practice area 254 m²

Land area 3,308 m²

Total rentable space 2,906 m²

Target rental income TCHF 813 p.a.

Year of construction 2017

