



Executive Summary 2022

for the Annual Report as of 31.12.2022

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For our shareholders

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Extract Annual Financial Statements in accordance with SWISS GAAP FER

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BASEL (BS)

Johanniterstrasse 5, 11



Beautiful, central location in Basel-Stadt

The residential property at Johanniterstrasse 5, 11 is located in the attractive St. Johann district, within easy reach of the Rhine and the old town centre of Basel. The district has a very good infrastructure - with schools, shopping facilities, bus/tram stops as well as cultural facilities located in the immediate vicinity. The apartment building comprises 57 apartments (1- to 4-room flats).

Residential property with 57 apartments

Land area 1 016 m²

Total rental space 3 739 m²

Target rental income TCHF 889 p.a.

Year of construction/renovation 1964 / 2014

➤ Please also refer to the Sustainability Report page 34 of the Annual Report 2022 (in German).

Key Figures

| Income Statement | | 01.01. - 31.12.2022 | 01.01. - 31.12.2021 |
|---|----------|----------------------------|----------------------------|
| Earnings from rental activities ¹⁾ | in TCHF | 24 286 | 22 210 |
| Earnings from sale of investment properties | in TCHF | 0 | 0 |
| Earnings from revaluation | in TCHF | 11 942 | 21 769 |
| Earnings before interests and taxes (EBIT) | in TCHF | 30 704 | 39 143 |
| Earnings incl. revaluation / deferred taxes | in TCHF | 22 403 | 29 306 |
| Earnings excl. revaluation / deferred taxes ²⁾ | in TCHF | 12 740 | 11 721 |
| Return on equity incl. revaluations ³⁾ | in % | 6.8% | 10.1% |
| Return on equity excl. revaluations ⁴⁾ | in % | 3.9% | 4.1% |
| Balance Sheet | | 31.12.2022 | 31.12.2021 |
| Total assets | in TCHF | 823 240 | 751 145 |
| Equity | in TCHF | 345 477 | 335 798 |
| Equity ratio | in % | 42.0% | 44.7% |
| Total mortgage liabilities | in TCHF | 439 767 | 380 177 |
| Leverage ratio | in % | 58.0% | 55.3% |
| Loan-to-value ratio of properties | in % | 54.2% | 51.3% |
| Net gearing ⁵⁾ | in % | 126.0% | 112.3% |
| Portfolio | | 31.12.2022 | 31.12.2021 |
| Total real estate portfolio | in TCHF | 811 818 | 741 279 |
| Gross yield ⁶⁾ | in % | 4.0% | 4.1% |
| Net yield ⁷⁾ | in % | 3.2% | 3.3% |
| Vacancy rate excluding projects | in % | 4.6% | 3.7% |
| Average discount rate for valuations at market value | in % | 2.7% | 2.8% |
| Average interest rate financial liabilities | in % | 0.9% | 0.8% |
| Average term to maturity of financial liabilities | in years | 2.6 | 3.7 |
| Information per share | | 31.12.2022 | 31.12.2021 |
| Share price on stock exchange | in CHF | 40.80 | 46.50 |
| Net asset value (NAV) per share | in CHF | 44.80 | 43.55 |
| Earnings per share incl. revaluation (EPS) ⁸⁾ | in CHF | 2.91 | 3.97 |
| Earnings per share excl. revaluation (EPS) ⁹⁾ | in CHF | 1.65 | 1.59 |

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 20.

Portfolio information

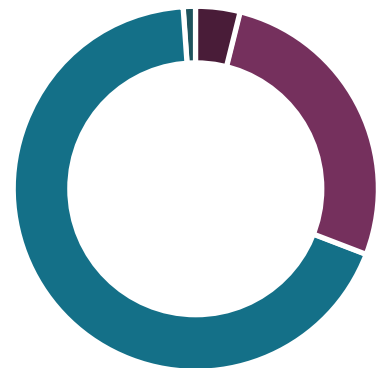
Total portfolio

Investment categories
TCHF 811 818 at 31.12.2022



| | |
|------------------------|-----|
| Residential | 39% |
| Residential/Commercial | 50% |
| Commercial | 10% |
| Projects | 1% |

Investment size
TCHF 811 818 at 31.12.2022



| | |
|-------------------------|-----|
| Properties < CHF 5 m | 4% |
| Properties CHF 5 – 15 m | 27% |
| Properties > CHF 15 m | 68% |
| Projects | 1% |

Target rental income investment properties

Use
TCHF 32 096 (annualised)



| | |
|-------------|-----|
| Residential | 61% |
| Commercial | 39% |

Cantons
TCHF 32 096 (annualised)



| | | | |
|----|-----|----|-----|
| AG | 4% | SG | 12% |
| BE | 11% | SH | 3% |
| BL | 3% | SO | 9% |
| BS | 8% | TG | 9% |
| FR | 9% | ZH | 28% |
| LU | 4% | | |

Management report for 2022 financial year

Dear Shareholders,

Novavest Real Estate AG again achieved a pleasing operating result for the 2022 financial year in an environment heavily influenced by political and economic uncertainty. The real estate portfolio was expanded further through the acquisition of two investment properties and remains strategically well positioned with a residential share of 61% of target rental income at the end of 2022.

“61% residential share of target rental income”

The value of the real estate portfolio rose by 10% to CHF 811.8 million (31 December 2021: CHF 741.3 million). The acquisition of a residential property in Kappel (Solothurn) and a commercial property in Volketswil (Zurich) (CHF +42.2 million), investment activities in existing properties and projects (CHF +16.4 million) as well as positive revaluation effects (CHF +11.9 million) contributed to this. As expected, the revaluation gains in the 2022 financial year were slightly lower compared to the previous year, when we were able to post revaluation gains of CHF 21.8 million.

Earnings including revaluation gains in the 2022 reporting year were CHF 22.4 million (2021: CHF 29.3 million). Earnings excluding revaluation gains, however, rose by about 9% year-on-year to CHF 12.7 million (2021: CHF 11.7 million), which underlines the operational profitability of the portfolio. On the basis of this result, the Board of Directors will propose a cash distribution in the form of a par value repayment of CHF 1.25 per registered share to the General Meeting on 22 March 2023.

Sustainability

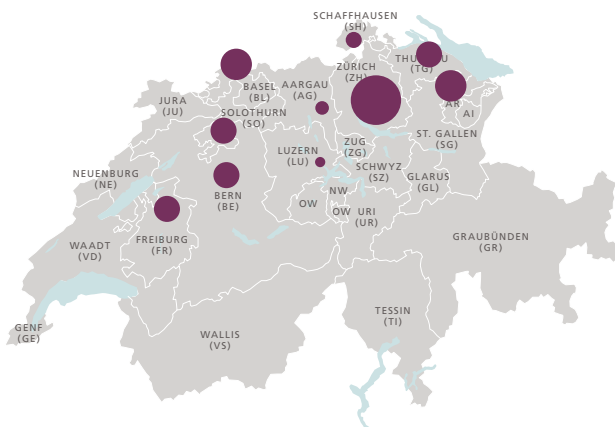
In its sustainability strategy, Novavest Real Estate AG acknowledges the UN Sustainable Development Goals and its ecological, economic, social and corporate responsibility along the real estate investment cycle. We have greatly expanded our reporting in the Annual Report 2022 and publish our second sustainability report in accordance with the GRI standards.

Furthermore, this year's sustainability report includes, for the first time, consumption data for the entire real estate portfolio as well as strategic scenarios for the greenhouse gas emission reduction path up to 2050. Novavest Real Estate AG will also sign the UN PRI (Principles for Responsible Investment) in early 2023 and will register its participation. We thereby commit to the six principles for responsible investments by UN PRI.

Broadly diversified real estate portfolio

By the end of 2022, the real estate portfolio comprised a total of 53 investment properties with a market value of CHF 799.6 million and two projects worth CHF 12.2 million. Following completion of the modernisation of the apartments at Voltastrasse 2 in Lucerne, this property was again reclassified from projects to investment properties at the end of 2022.

The portfolio is broadly diversified with properties primarily located in the areas of the centres of Zurich, Basel, Bern, Winterthur, Lucerne, St. Gallen and Aarau, as well as on their axes. The properties are spread over 11 cantons in total.



Total portfolio 31.12.2022

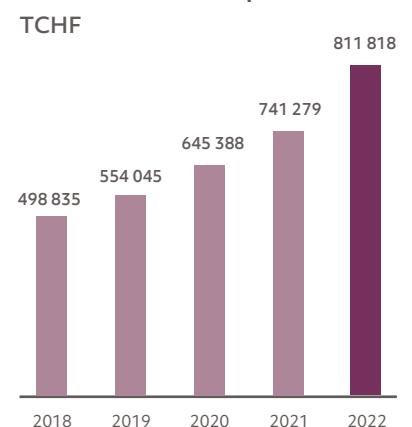
| Investment properties | Value |
|-----------------------|-------------|
| Total Switzerland | CHF 799.6 m |

| Projects | Value |
|----------------|------------|
| Neuhausen | CHF 5.6 m |
| St. Gallen | CHF 6.6 m |
| Total projects | CHF 12.2 m |

| | |
|------------------------|--------------------|
| Total Portfolio | CHF 811.8 m |
|------------------------|--------------------|

The expansion of the investment property portfolio by the two acquisitions in Kappel and Volketswil as well as the reclassification of the property in Lucerne resulted in the target rental income for investment properties rising by 9% to CHF 32.1 million per annum (31 December 2021: CHF 29.4 million). The share of rental income from properties with residential use is 61% as mentioned above.

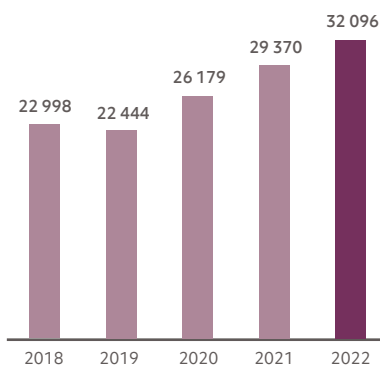
Market value of portfolio



“Real estate portfolio of CHF 881.8 million, +10% over the previous year”

Target rental income

TCHF



Economic and market environment

Following two years of corona pandemic and the knock-on economic effects, the international community was surprised by the Russian invasion of Ukraine in February 2022. As a result, we now face political changes affecting not only Europe but the entire world. Drastic commodity price increases, global supply chain issues and geopolitical uncertainties are leading to inflation rates well above levels seen over the past 20 years. For example, inflation in the US came to 6.5% in December 2022 (following a 9.1% peak in June) and 9.2%¹ in the eurozone. Inflation in Switzerland was relatively low by international standards at 2.8% by the end of 2022, although it was still higher than in the past and above the Swiss National Bank (SNB) target range. In 2022, the SNB responded relatively quickly to the rise in inflation and increased the interest rate from minus 0.75% in mid-June 2022 to 1.0% in December 2022.

The Swiss real estate market has responded relatively moderately so far to these interest rate changes. High immigration to Switzerland, a low unemployment rate as well as rather restrained new construction activity relative to population growth are supporting the current, robust demand, especially for rental apartments. High-quality rental properties and apartments in central locations or in good peripheral areas offering affordable living space remain in very high demand by tenants. Novavest Real Estate AG is very well positioned in the market in this regard with its broad portfolio and supply of apartments including over 1 150 residential units (75% of which are 1 to 3½-room apartments). The high proportion of rental income from residential properties also reflects the company's investment strategy, which is geared towards security.

Regarding commercially used properties, the return of many employees to their usual working environment after almost two years of working from home due to the corona measures eased pressure on the office space market as demand increased slightly. This revival in demand for space coincided with restrained new construction activity in the office space segment. In the retail sector, we find the trend towards online shopping confirmed and expect the structural change to persist in stationary trade and retail space, especially with non-food offerings.

Novavest Real Estate AG has a concentrated tenant portfolio for the commercially used space in its real estate portfolio and attaches great importance to high tenant creditworthiness in addition to good location quality. With a share exceeding 52% of the commercial rental income, SBB, BMW (Schweiz) AG, Kantonsspital St. Gallen, Hotel Bahnhof AG (Best Western Hotel), LIDL Schweiz AG, Raiffeisenbank Oberes Rheintal, SBW Haus des Lernens Management AG, Coop Genossenschaft und McDonalds Restaurants (Suisse) AG are the biggest commercial tenants in the portfolio, which underlines the strategic emphasis on creditworthiness.

¹ Source: USA Bureau of labor statistics; Euro area: European Commission, Eurostat; Switzerland: Federal Statistical Office

Management commentary on the 2022 annual result²

Income statement

Net rental income was CHF 29.2 million in the 2022 reporting year, which corresponds to 9% growth year-on-year (2021: CHF 26.7 million). The increase in rental income is due in part to the acquisition of the property in Volketswil/ZH in mid-June 2022 and also to the properties acquired during the previous year 2021 in Moosseedorf/BE, Ostermundigen/BE, Schaffhausen/SH and St. Gallen/SG, which reached full profitability in the 2022 reporting year. The property in Kappel/SO was added to the portfolio on 19 December 2022 and will therefore only make a material contribution to rental income in the 2023 reporting year.

The net yield generated on the investment properties amounted to 3.2% in the 2022 reporting year (2021: 3.3%). The vacancy rate for investment properties (excluding projects) was 4.6% (31.12.2021: 3.7%). The increase results mainly from the residential/commercial property in Bülach, which was sold in December 2022 with transfer of ownership on 1 March 2023 (see also following comments on balance sheet). Excluding this property, the vacancy rate was 4.0% for the reporting year.

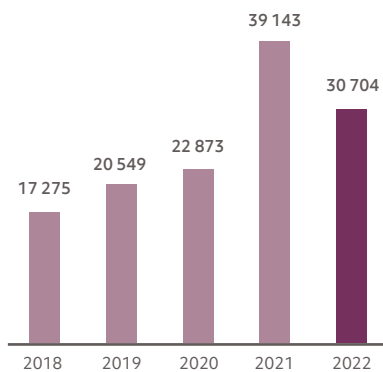
Direct expenses for rented investment properties rose to CHF 4.9 million (2021: CHF 4.5 million). Measured against net rental income, direct expenses for rented investment properties were similar to the previous year at 16.7% (2021: 16.9%). Personnel expenses amounted to CHF 0.8 million (2021: CHF 0.8 million) and, as in the previous year, comprised compensation for the CEO and CFO management positions. Consulting expenses amounted to CHF 1.1 million (2021: CHF 0.9 million). Administrative expenses came to CHF 3.6 million (2021: CHF 3.2 million) and comprised the management fee paid to Nova Property Fund Management AG of CHF 3.1 million as well as capital taxes and other administrative expenses totalling CHF 0.5 million. Transaction commission of CHF 0.4 million related to the purchase of the properties (2021: CHF 0.5 million) was capitalised as acquisition costs rather than being recognised in the income statement.

The market valuation of the real estate portfolio by the independent real estate valuer Wüest Partner AG led to revaluation gains of CHF 11.9 million, somewhat lower than in the previous year (2021: CHF 21.8 million). The repeated earnings from revaluation were achieved despite higher interest rates, with factors such as location quality and high tenant demand (also because of immigration) as well as higher valuations of various investment properties having a positive effect on the valuations. Wüest Partner AG valued the real estate portfolio at CHF 811.8 million using the discounted cash flow method (31.12.2021: CHF 741.3 million).

² A glossary of various key performance indicators can be found on pages 20/21 of this Executive Summary.

EBIT

TCHF

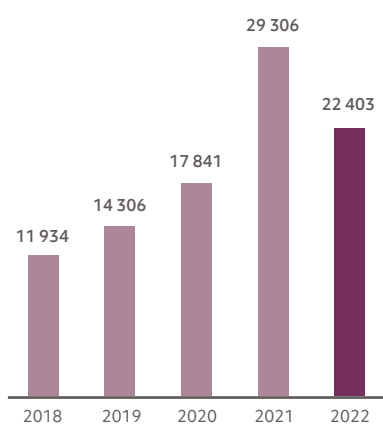


Earnings before interest and taxes (EBIT) were down to CHF 30.7 million due to the lower revaluation gains in the 2022 reporting year (2021: CHF 39.1 million). Excluding the revaluation gains, the operating result nonetheless increased by 8% to CHF 18.8 million (2021: CHF 17.4 million). Net financial expenses came to CHF 3.1 million (2021: CHF 2.6 million), reflecting the portfolio expansion and a slightly higher debt financing ratio. The average interest rate on mortgage liabilities was 0.9% (2021: 0.8%).

Earnings including revaluation gains amounted to CHF 22.4 million (2021: CHF 29.3 million), while earnings excluding revaluation gains rose by 9% to CHF 12.7 million (2021: CHF 11.7 million). The earnings per share are CHF 2.91 including revaluation gains, or CHF 1.65 excluding revaluation gains (2021: CHF 3.97 including revaluation gains and CHF 1.59 excluding revaluation gains). Following the 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 2022 reporting year was 7 711 434 registered shares, compared to 7 390 125 in the previous year.

Earnings including revaluation

TCHF

**Balance sheet**

Compared to the end of 2021, total assets increased by CHF 72.1 million to CHF 823.2 million (31.12.2021: CHF 751.1 million). Cash and cash equivalents were CHF 4.3 million as at 31 December 2022 (31.12.2021: CHF 3.0 million). In December 2022, as part of a portfolio optimisation, a contract of sale was signed for the predominantly commercially used residential and commercial property in Bülach (Schlosserstrasse 4). However, the transfer of ownership is not until 1 March 2023, which is why this property was entered in the balance sheet as at 31 December 2022 as a current asset under "Investment properties held for sale" with a value of CHF 15.3 million. Non-current assets of CHF 797.9 million comprised the other 52 investment properties (CHF 784.3 million), the two current projects in Neuhausen and St. Gallen (total of CHF 12.2 million) and the long-term portion of the pre-financed tenant fittings in two properties in Frauenfeld and Altstätten (CHF 1.4 million).

On the liabilities side of the balance sheet, current and non-current mortgage liabilities amounted to CHF 439.8 million as at 31 December 2022 (31.12.2021: CHF 380.2 million). As at the reporting date, 48% of the mortgage liabilities were hedged with fixed-interest periods of more than three years (31.12.2021: 58%). Mortgages are well diversified at first-class creditor banks (mainly cantonal banks). As at 31 December 2022, the average remaining term of the financial liabilities was 2.6 years (31.12.2021: 3.7 years).

"Equity ratio of 42.0%"

Equity as at 31 December 2022 amounted to CHF 345.5 million (31 December 2021: CHF 335.8 million). The change is attributable to the profit contribution of CHF 22.4 million as well as the par value repayment of CHF 12.7 million (CHF 1.65 per registered share) in June 2022. As at 31 December 2022, the equity ratio came to a solid 42.0% (31.12.2021: 44.7%). Despite the distribution of CHF 1.65 per share to shareholders through the par value reduction, the net asset value increased by CHF 1.25 to CHF 44.80 per share in the 2022 reporting year (31 December 2021: CHF 43.55).

“Net asset value of CHF 44.80 per share”

The company's share capital amounted to CHF 194.7 million as at 31 December 2022, divided into 7 711 434 registered shares with a par value of CHF 25.25 each. At a closing price of CHF 40.80 at the end of 2022, Novavest Real Estate AG's market capitalisation came to CHF 314.6 million.

Proposals to the 2023 Annual General Meeting

Re-election of members of the Board of Directors

The Board was increased by a fifth, independent member with the election of Ms Floriana Scarlato at the General Meeting of 23 March 2022. The Board of Directors also strengthened the governance structures in 2022 by founding an Audit Committee and extending the duties of the Compensation Committee in the field of nomination.

All current members of the Board of Directors are standing for re-election at the ordinary General Meeting of 22 March 2023. Gian Reto Lazzarini is again being proposed for election by the General Meeting as Chairman of the Board of Directors. Markus Neff and Daniel Ménard are proposed for election as members of the Compensation Committee.

Distribution of CHF 1.25 per registered share

On the basis of the 2022 annual result, the Board of Directors proposes to the General Meeting a cash distribution in the form of a par value reduction of CHF 1.25 per registered share. Based on a benchmarking, the Company has determined that most real estate companies have a payout ratio of 70% to 85%. Therefore, Novavest Real Estate AG is adjusting its cash distribution to a payout ratio of 75% and is thus also prepared if the interest rate level should continue to rise, contrary to the expectations of the Company.

Based on the closing price of the registered share on 31 December 2022, the yield on the proposed distribution equals 3.1%.

“Par value distribution of CHF 1.25 per share proposed”

Comprehensive amendment of the Articles of Association due to the new Code of Obligations

The coming into force of the new Code of Obligations on 1 January 2023 entails various amendments to the Company's current Articles of Association. The Board of Directors thus proposes a comprehensive review of the Articles of Association to the 2023 ordinary General Meeting, the wording of which will be published as part of the invitation to the 2023 General Meeting. The invitation to the General Meeting will be published on 24 February 2023 in the Swiss Official Commercial Gazette and will appear on the company website on the same day.

► GM invitation available from 24 February 2023 at www.novavest.ch – Link Investor Relations – General Meetings

Outlook

Economic development in Switzerland remains hard to assess due to the unresolved conflict situation in Ukraine and its associated geopolitical risks. Gross domestic product (GDP) in Switzerland most likely grew by about 2% in 2022. For 2023, the State Secretariat for Economic Affairs (SECO) and the Swiss National Bank are working on the assumption of below-average economic growth of 1.0% or 0.5%³ respectively. Over the medium term, the inflation rate will probably also be at a higher level than in previous years.

Due to the increase in interest rates, the transaction market for Swiss real estate remains challenging. However, the expected sustained immigration and limited construction activity will probably result in continued high demand for rental apartments. In the Company's view, real estate in Switzerland remains interesting for owners and as an investment category to investors, offering a certain level of protection against inflation at the same time.

Novavest Real Estate AG has a robust business model with its portfolio focused on residential properties, which account for more than 60% of 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. Our long-term growth strategy focusing on rental income from residential use thus remains unchanged.

³ Source: press releases by SECO on 13 December 2022 and the SNB on 15 December 2022

Thank you

2022 was another highly challenging year for us all. On behalf of the Board of Directors and the Executive Board, we would like to thank you, our valued shareholders, and our business partners for the support and trust that we experienced in 2022 as well as in previous years.

Novavest Real Estate AG is well positioned and will continue to develop successfully in line with the 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.

BALANCE SHEET

| Amounts in CHF | 31.12.2022 | 31.12.2021 |
|---|--------------------|--------------------|
| Cash and cash equivalents | 4 324 136 | 3 044 029 |
| Trade receivables | 5 253 418 | 4 767 565 |
| Other current receivables | 26 052 | 992 738 |
| Pre-financed tenant fittings third parties | 136 963 | 107 968 |
| Investment properties held for sale | 15 290 000 | 0 |
| Accrued income and prepaid expenses | 260 000 | 56 914 |
| Total current assets | 25 290 569 | 8 969 214 |
| Investment properties | 784 346 000 | 719 790 000 |
| Projects | 12 182 000 | 21 489 300 |
| Pre-financed tenant fittings third parties | 1 421 570 | 896 663 |
| Total non-current assets | 797 949 570 | 742 175 963 |
| Total assets | 823 240 139 | 751 145 177 |
| Trade payables | 981 488 | 1 463 485 |
| Other current liabilities | 7 441 684 | 6 492 996 |
| Accrued expenses and deferred income | 3 614 300 | 4 821 400 |
| Current mortgage liabilities | 133 424 250 | 45 956 000 |
| Total current liabilities | 145 461 722 | 58 733 880 |
| Other non-current liabilities | 381 600 | 763 200 |
| Non-current mortgage liabilities | 306 343 000 | 334 221 250 |
| Provision for deferred income tax liabilities | 25 576 946 | 21 628 826 |
| Total non-current liabilities | 332 301 546 | 356 613 276 |
| Total liabilities | 477 763 268 | 415 347 156 |
| Share capital | 194 713 709 | 207 437 575 |
| Treasury shares | 0 | 0 |
| Capital reserves | 31 865 908 | 31 865 908 |
| Retained earnings | 118 897 254 | 96 494 538 |
| Total equity | 345 476 871 | 335 798 021 |
| Total liabilities and equity | 823 240 139 | 751 145 177 |

Income Statement

| Amounts in CHF | 01.01. - 31.12.2022 | 01.01. - 31.12.2021 |
|---|---------------------|---------------------|
| Rental income | 29 158 903 | 26 731 294 |
| Total operating income | 29 158 903 | 26 731 294 |
| Direct operating expenses for investment properties | -4 873 040 | -4 521 587 |
| Personnel expenses | -756 697 | -767 561 |
| Consulting expenses | -1 136 241 | -893 448 |
| Administrative expenses | -3 631 660 | -3 175 066 |
| Total operating expenses | -10 397 638 | -9 357 662 |
| Profits from revaluation of real estate investments | 17 803 925 | 26 625 188 |
| Losses from revaluation of real estate investments | -5 861 437 | -4 855 848 |
| Earnings from revaluation | 11 942 488 | 21 769 340 |
| Earnings before interests and taxes (EBIT) | 30 703 754 | 39 142 971 |
| Financial income | 22 890 | 247 164 |
| Financial expenses | -3 121 808 | -2 861 699 |
| Earnings before taxes (EBT) | 27 604 836 | 36 528 436 |
| Income taxes | -5 202 120 | -7 222 116 |
| Earnings | 22 402 716 | 29 306 322 |
| Earnings per share (diluted/basic) | 2.91 | 3.97 |

Cash flow statement

| Amounts in CHF | 01.01. - 31.12.2022 | 01.01. - 31.12.2021 |
|--|---------------------|---------------------|
| Earnings | 22 402 716 | 29 306 322 |
| Earnings from revaluation of investment properties | -14 043 807 | -18 249 958 |
| Earnings from revaluation of projects | 2 101 319 | -3 519 382 |
| Other non-cash related expenses/earnings | 0 | 158 192 |
| Changes in trade receivables | -485 853 | -208 563 |
| Changes in other receivables and accrued income and prepaid expenses | 763 600 | -503 237 |
| Changes in trade payables | -199 762 | 933 454 |
| Changes in other payables and accrued expenses and deferred income | 1 461 989 | 1 253 580 |
| Changes in provision for deferred income tax liabilities | 3 948 120 | 6 562 880 |
| Cash flow from operating activities | 15 948 321 | 15 733 287 |
| Investments in investment properties | -52 516 563 | -66 249 275 |
| Investments in projects | -8 091 382 | -4 371 179 |
| Pre-financed tenant fittings third parties | -667 669 | 0 |
| Amortisation of pre-financed tenant fittings | 113 767 | 117 493 |
| Divestment of investment properties | 0 | -146 983 |
| Cash flow from investing activities | -61 161 848 | -70 649 944 |
| Proceeds from capital increases | -372 500 | 26 193 047 |
| Capital reduction through repayment of nominal value | -12 723 866 | -11 663 545 |
| Proceeds from/repayment of current financial liabilities | 41 261 000 | -47 184 000 |
| Proceeds from non-current financial liabilities | 18 329 000 | 75 565 000 |
| Cash flow from financing activities | 46 493 634 | 42 910 502 |
| Change in cash and cash equivalents | 1 280 107 | -12 006 154 |
| Verification | | |
| Cash and cash equivalents at beginning of period | 3 044 029 | 15 050 183 |
| Cash and cash equivalents at end of period | 4 324 136 | 3 044 029 |
| Change in cash and cash equivalents | 1 280 107 | -12 006 154 |

Changes in Equity

01.01. – 31.12.2022

| Amounts in CHF | Share capital | Capital reserves | Retained earnings | Total |
|-------------------------------|--------------------|-------------------|--------------------|--------------------|
| Total 31 December 2021 | 207 437 575 | 31 865 908 | 96 494 538 | 335 798 021 |
| Repayment of nominal value | -12 723 866 | | | -12 723 866 |
| Capital increases | | | | 0 |
| Equity transaction costs | | | | 0 |
| Earnings | | | 22 402 716 | 22 402 716 |
| Total 31 December 2022 | 194 713 709 | 31 865 908 | 118 897 254 | 345 476 871 |

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.

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 | 2022 | 2021 |
|---|-------------|-------------|
| Earnings before taxes (EBT) | 27 604 836 | 36 528 436 |
| Earnings from revaluation | -11 942 488 | -21 769 340 |
| Deferred taxes | -5 202 120 | -7 222 116 |
| Tax effect on revaluation gains | +2 279 821 | +4 184 069 |
| Earnings excl. revaluation/deferred taxes | 12 740 049 | 11 721 049 |

Investor Relations Information

Important dates

| | |
|------------------|---|
| 22 February 2023 | Publication Annual Results and Annual Report Fiscal Year 2022 |
| 22 March 2023 | Ordinary General Meeting of Shareholders 2023 |
| 16 August 2023 | Publication Half-Year Results and Half-Year Report 2023 |

Information regarding registered shares (as of 31 December 2022)

| | |
|------------------------------|--|
| Number of outstanding shares | 7 711 434 registered shares with nominal value of CHF 25.25 each |
| Listing | SIX Swiss Exchange |
| Swiss valor number | 21 218 624 |
| ISIN number | CH0212186248 |
| Ticker symbol | NREN |
| Market capitalisation | CHF 314.6 million |
| Closing price year-end 2022 | CHF 40.80 |

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 |

Contacts and address

| | |
|-------------------------|---|
| For media and investors | Peter Mettler |
| Address details | Novavest Real Estate AG Feldeggstrasse 26, CH-8008 Zurich +41 (0)44 276 40 40 info@novavest.ch |

ST. GALLEN (SG) Rorschacherstrasse 135



New apartments and service areas are being built

In this development project in the east of St. Gallen, three older, formerly detached buildings were demolished. The resulting gap between two other investment properties also owned by Novavest Real Estate AG (residential/commercial property „Rorschacherstrasse 123, 125, 127“ and commercial property „Rorschacherstrasse 139 / Helvetiastrasse 27“) can be filled with a new five-storey building. Various commercial premises will be built on the ground floor and 69 studios and rooms on the upper floors.

Development project for a modern residential / commercial property

Land area 1 640 m²

Total rentable space plans include up to about 2 150 m² of rentable space

Time schedule the apartments and commercial spaces should be ready for occupation by autumn 2024

➤ Please also refer to the Sustainability Report page 33 of the Annual Report 2022 (in German).

Imprint

PUBLISHER

Novavest Real Estate AG
Feldeggstrasse 26
CH-8008 Zurich
+41 (0)44 276 40 40
info@novavest.ch
www.novavest.ch

Disclaimer

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All such statements are made on the basis of estimates, assumptions and expectations that the company deems reasonable at the present time of preparation of the reports. Such statements may, in retrospect, prove to be erroneous or inaccurate.

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 2022 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

Sustainability Reporting (in German Annual Report):
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