



Executive Summary 2023

for the Annual Report as of 31.12.2023

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For our shareholders

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Burgdorf (BE) Gyrischachenstrasse 53, 55, 59



Living next to the neighbouring forest/recreational area and yet centrally located.

The residential development of three apartment buildings is located within walking distance of the city centre and railway station. Surrounded by greenery and with a neighbouring forest/recreational area, the property offers its residents affordable living space in a well-kept and quiet environment. The development comprises 54 flats (studios, 2.5- to 5.5-room flats) and a car park with 54 parking spaces.

Residential property with 54 apartments

Land area 2 087 m²

Total rental space 4 990 m²

Target rental income TCHF 725 p.a.

Year of construction / renovation 1978, 2006, 2008, 2017

Key Figures

Income Statement		01.01. - 31.12.2023	01.01. - 31.12.2022
Earnings from rental activities ¹⁾	in TCHF	24 670	24 286
Earnings from sale of investment properties	in TCHF	538	0
Earnings from revaluation	in TCHF	- 20 595	11 942
Earnings before interests and taxes (EBIT)	in TCHF	- 563	30 704
Earnings incl. revaluation / deferred taxes	in TCHF	- 3 969	22 403
Earnings excl. revaluation / deferred taxes ²⁾	in TCHF	12 701	12 740
Return on equity incl. revaluations ³⁾	in %	-1.2%	6.8%
Return on equity excl. revaluations ⁴⁾	in %	3.7%	3.9%
Balance Sheet		31.12.2023	31.12.2022
Total assets	in TCHF	793 705	823 240
Equity	in TCHF	331 869	345 477
Equity ratio	in %	41.8%	42.0%
Total mortgage liabilities	in TCHF	427 165	439 767
Leverage ratio	in %	58.2%	58.0%
Loan-to-value ratio of properties	in %	54.5%	54.2%
Net gearing ⁵⁾	in %	127.9%	126.0%
Portfolio		31.12.2023	31.12.2022
Total real estate portfolio	in TCHF	783 619	811 818
Gross yield ⁶⁾	in %	4.1%	4.0%
Net yield ⁷⁾	in %	3.3%	3.2%
Vacancy rate excluding projects	in %	4.1%	4.6%
Average discount rate for valuations at market value	in %	2.8%	2.7%
Average interest rate financial liabilities	in %	1.2%	0.9%
Average term to maturity of financial liabilities	in Jahren	2.3	2.6
Information per share		31.12.2023	31.12.2022
Share price on stock exchange	in CHF	36.40	40.80
Net asset value (NAV) per share	in CHF	43.04	44.80
Earnings per share incl. revaluation (EPS) (EPS) ⁸⁾	in CHF	-0.51	2.91
Earnings per share excl. revaluation (EPS) ⁹⁾	in CHF	1.65	1.65

Definitions:

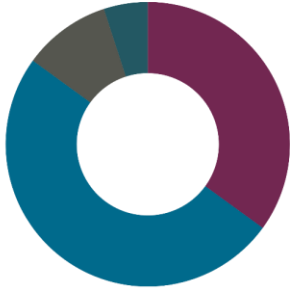
- 1) Rental income minus direct operating expenses for investment properties
- 2) Earnings before taxes (EBT) minus revaluation result, minus deferred taxes plus deferred taxes attributable to revaluation result
- 3) Earnings incl. revaluations / deferred taxes in relation to average weighted equity (annualised)
- 4) Earnings excl. revaluations / deferred taxes in relation to the average weighted equity (annualised)
- 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 18.

Portfolio information

Total portfolio

Investment categories
TCHF 783 619 at 31.12.2023



- Residential, 35%
- Residential/Commercial, 50%
- Commercial, 10%
- Project, 5%

Investment size
TCHF 783 619 at 31.12.2023



- Properties < CHF 5 m, 4%
- Properties CHF 5 – 15 m, 29%
- Properties > CHF 15 m, 62%
- Projects, 5%

Target rental income investment properties

Use
TCHF 30 813 (annualised)



- Residential, 63%
- Commercial, 37%

Cantons
TCHF 30 813 (annualised)



- AG , 4%
- BE , 12%
- BL , 3%
- BS , 5%
- FR , 9%
- LU , 4%
- SG , 12%
- SH , 4%
- SO , 10%
- TG , 10%
- ZH , 27%

Management report for 2023 financial year

Dear shareholders,

Novavest Real Estate AG once again achieved a solid operating result in a challenging market environment characterised by sustained political and economic uncertainties. Earnings excluding revaluation effects amounted to CHF 12.7 million, on a par with the previous year.

« Solid operating result in a challenging environment »

Two properties were sold in the reporting year to optimise the portfolio structure: a smaller residential property in Wil/SG and an older residential/commercial property in Bülach/ZH. Both properties were sold at a profit (total profit of CHF 0.5 million).

The value of the real estate portfolio amounted to CHF 783.6 million as at 31 December 2023, a reduction of about 3.5% compared to year-end 2022 (31 December 2022: CHF 811.8 million). The change in the portfolio value is due to the two properties sold (CHF -19.0 million), portfolio revaluation effects (CHF -20.6 million) and investments in existing properties and conversion projects (CHF +11.4 million).

With residential properties accounting for 63% of target rental income, the strategic focus on the residential segment was expanded by about 2 percentage points compared to the end of 2022. The growing housing shortage in Switzerland, caused among other things by sustained net immigration and rather restrained new construction activity, encourages the Board of Directors to pursue its long-term strategy of creating attractive and at the same time affordable housing opportunities for young and old and to maintain the residential focus of the real estate portfolio.

« 63% residential share of target rental income »

Based on the solid operating result with earnings excluding revaluation effects amounting to CHF 12.7 million, the Board of Directors will propose a cash distribution to the ordinary General Meeting on 20 March 2024 in the form of a par value repayment of CHF 1.25 per registered share.

Economic and market environment

Following the significant rise in global inflation rates in 2022 and the corresponding reaction of central banks of drastically raising key interest rates to curb inflation, the situation normalised somewhat during the 2023 reporting year. The average inflation rate in Switzerland came to 2.1% for the year 2023 (2.8% on average in 2022). In the US and the eurozone, inflation rates were also significantly lower year-on-year and in December 2023, came to 3.4% in the US (December 2022: 6.5%) and to 2.9% in the eurozone (December 2022: 9.2%)¹. In autumn and towards the end of 2023, the Swiss National Bank, the European Central Bank and the US Federal Reserve therefore left their key rates at 1.75% (SNB), 4.5% (ECB) and 5.5% (Fed). At the time of publication of the Annual Report, the capital markets anticipate further interest pauses or a downward tendency for interest rates in 2024.

The turnaround in interest rates that began in 2022 had an impact on real estate markets worldwide and also had an impact on the discounting models used for real estate valuations. Following a significant slowdown in 2022, the volume of transactions in the Swiss real estate market increased slightly again during the 2023 reporting year, although prices, especially in the residential area, remained virtually unchanged. Initial yields for attractive residential properties in good locations remain low – despite the higher interest rate environment.

¹ Sources: USA: U.S. Bureau of labor statistics; eurozone: Eurostat; Switzerland: Federal Statistical Office FSO

High-quality properties and apartments in central locations or in good peripheral areas offering affordable living space remain highly popular among tenants. Novavest Real Estate AG is very well positioned in the market with its broad portfolio and supply of 1 140 residential units. The high proportion of rental income from residential properties reflects the company's long-term, conservative investment strategy.

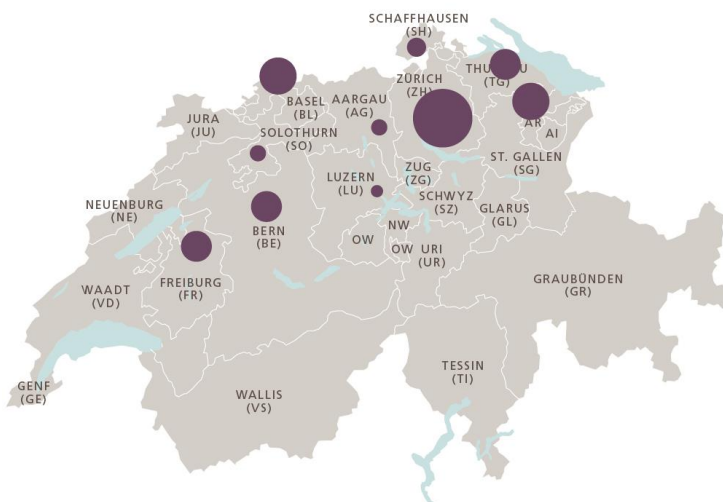
The trends for commercial and office space have not changed significantly compared to the previous year. In terms of office space, low levels of new-building activity were recorded, while general demand continued to increase – despite the scope for working from home and hybrid working models. In our view, regular meetings and discussions among employees at the workplace are essential, which is why we remain positive about office space in good locations. With regard to retail space, structural changes in stationary trade and retail space, especially with non-food offers, will continue and the pressure on rents for retail space is likely to increase further.

Broadly diversified residential portfolio; strong commercial tenants

As at 31 December 2023, Novavest Real Estate AG's real estate portfolio comprised a total of 51 investment properties with a market value of CHF 745.3 million and two projects valued at CHF 38.3 million. Following the completion of a project to convert former office space into residential space in the property at Zentralstrasse 2, 4, 6 in Neuhausen, it was reclassified from projects back to investment properties during the 2023 reporting year. The Company began renovating and adding another storey to the property at Johanniterstrasse 5, 11 in Basel, and this property was reclassified from investment properties to projects in the second half of 2023.

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

Locations of our properties as at 31 December 2023



Note re. map: circle sizes reflect market values of the properties

In terms of commercial space, Novavest Real Estate AG has a concentrated tenant portfolio and, in addition to good location quality, always attaches great importance to tenant creditworthiness. With a share of around 59% of the commercial rental income, SBB, BMW (Schweiz) AG, Kantonsspital St. Gallen, Hotel Bahnhof AG (Best Western Hotel), Raiffeisenbank Oberes Rheintal, LIDL Schweiz AG, SBW Haus des Lernens AG and McDonalds Restaurants (Suisse) AG are the largest commercial tenants in the portfolio and underline this creditworthiness approach in our strategy.

Management comments to the annual results 2023²

Target rental income of CHF 30.8 million per annum

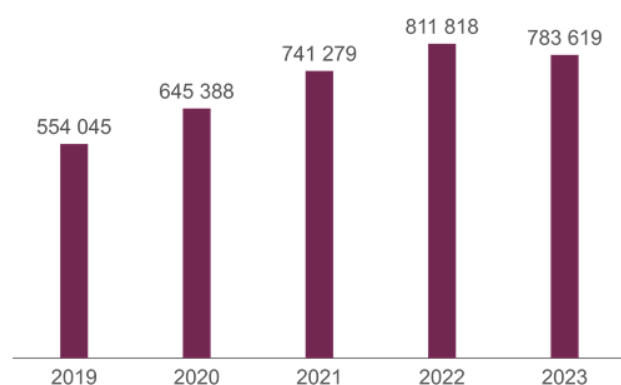
The market value of the real estate portfolio was impacted by the sale of the two properties in Wil and Bülach with a combined value of CHF 19.0 million. The portfolio valuation carried out by the external real estate valuer Wüest Partner resulted in a moderate revaluation loss of 2.6% (CHF 20.6 million) for the portfolio as at 31 December 2023. Investments in existing properties and projects totalled CHF 11.4 million in the year under review.

Target rental income for the investment properties (excluding projects) reflected as at 31 December 2023 amounted to CHF 30.8 million. The two properties sold reduced target rental income by around CHF 1.2 million compared to the previous year, while the reclassified investment/project properties had a net effect of around CHF 0.6 million. Target rental income increased by around CHF 0.6 million due to rent adjustments based, among other things, on index and reference interest rate increases.

Future additional target rental income from the two current conversion projects at Johanniterstrasse 5, 11 in Basel and Rorschacherstrasse 135 in St. Gallen is expected to amount to over CHF 0.8 million, once the projects are completed.

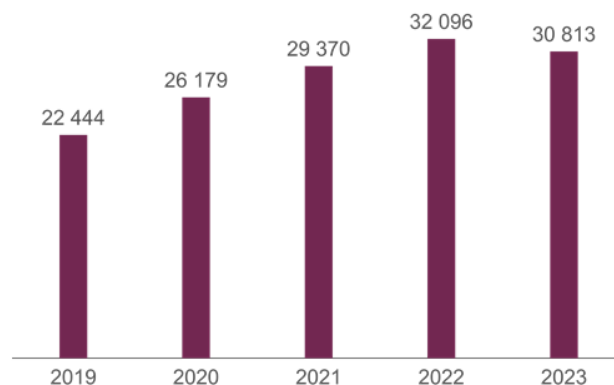
Market value of portfolio

TCHF



Target rental income

TCHF



Income statement

Net rental income increased by more than 2% in the 2023 reporting year to CHF 29.9 million (2022: CHF 29.2 million). The increase in rental income is largely due to the acquisitions in the previous year of the properties in Volketswil/ZH (June 2022) and Kappel/SO (December 2022) as well as to the completed conversion projects in Lucerne/LU (2022) and Neuhausen/SH (2023) and, to a lesser extent, to the additional income generated since November 2023 due to rent adjustments caused by index and reference interest rate increases.

The net yield on investment properties in 2023 amounted to 3.3% (2022: 3.2%). The vacancy rate for investment properties (excluding projects) was 4.1% (31 December 2022: 4.6%). The reduction in the vacancy rate is largely attributable to the sale of the residential/commercial property in Bülach. The company generated a one-off profit of CHF 0.5 million from the sale of the properties in Wil and Bülach.

Direct expenses for investment properties rose to CHF 5.2 million (2022: CHF 4.9 million). Measured against net rental income, direct expenses for investment properties were slightly up on the previous year at 17.4% (2022: 16.7%), which is primarily related to higher ancillary costs and maintenance and repair costs.

² For a glossary of various performance key figures please see pages 18/19 of this executive summary.

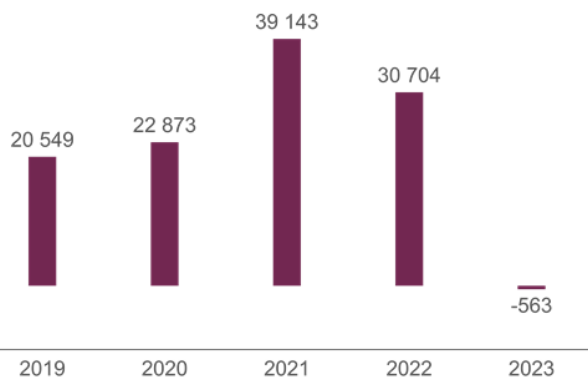
Personnel expenses remained unchanged at CHF 0.8 million (2022: CHF 0.8 million) and, as in the previous year, comprised compensation for the CEO and CFO management positions. Consulting expenses were lowered to CHF 0.9 million through various measures (2022: CHF 1.1 million). Administrative expenses came to CHF 3.6 million (2022: CHF 3.6 million) and include the management fee paid to Nova Property Fund Management AG of CHF 3.0 million (2022: CHF 3.1 million) as well as capital taxes and other administrative expenses totalling CHF 0.5 million. Transaction commissions of CHF 0.2 million in connection with the sale of the properties were reflected in the income statement position "Income from the sale of investment properties" (2022: Transaction commissions of CHF 0.4 million in connection with the purchase of properties were capitalized rather than being recognised in the income statement).

As already mentioned, the market valuation of the real estate portfolio by the independent real estate valuer Wüest Partner AG led to a revaluation loss of CHF 20.6 million (2022: appreciation of CHF 11.9 million), mainly due to higher discount rates caused by the changed interest rate environment.

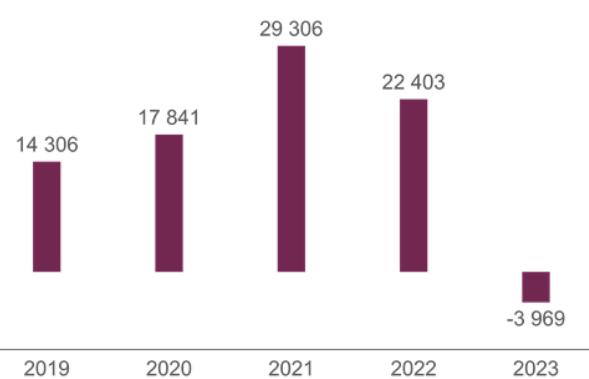
Earnings before interest and taxes (EBIT) amounted to CHF -0.6 million in the 2023 reporting year due to the portfolio depreciation (2022: CHF 30.7 million). Excluding the effects of revaluation and the one-off profit from the sale of investment properties, operating profit nonetheless increased by 4% to CHF 19.5 million (2022: CHF 18.8 million). Net financial expenses came to CHF 4.6 million (2022: CHF 3.1 million) and reflect the higher interest rate environment and therefore a higher average interest rate on financial liabilities, which was 1.2% in the 2023 reporting year (2022: 0.9%).

The lower portfolio valuation also influenced the final result, with a loss including effects from the revaluation of real estate investments, which amounted to CHF -4.0 million in the 2023 reporting year (2022: earnings of CHF 22.4 million). Excluding the effects from revaluation of real estate investments, the earnings excluding revaluation gains were at the same level as in the previous year, amounting to CHF 12.7 million (2022: CHF 12.7 million). Based on earnings per share, this results in a loss per share including revaluation effects of CHF -0.51 and earnings excluding revaluation effects of CHF 1.65 (2022: profit of CHF 2.91 including revaluation and CHF 1.65 excluding revaluation effects).

EBIT TCHF



Earnings including revaluation TCHF



Balance sheet

Compared to the end of 2022, total assets declined by CHF 29.5 million to CHF 793.7 million (31 December 2022: CHF 823.2 million). Current assets as at 31 December 2023 amounted to CHF 8.6 million (31 December 2022: CHF 25.3 million including the property in Bülach that was held for sale at the time). Non-current assets of CHF 785.1 million comprise 51 investment properties (CHF 745.3 million), the two ongoing projects in St. Gallen and Basel (CHF 38.3 million) and the long-term portion of the pre-financed tenant fittings at two properties in Frauenfeld and Altstätten (CHF 1.4 million).

On the liabilities side of the balance sheet, current and non-current mortgage liabilities stood at CHF 427.2 million as at 31 December 2023 (31 December 2022: CHF 439.8 million). Mortgages are well diversified at first-class creditor banks (mainly cantonal banks). As at 31 December 2023, the average remaining term of the financial liabilities was 2.3 years (31 December 2022: 2.6 years).

« Solid equity ratio of 41.8% »

Equity as at 31 December 2023 changed to CHF 331.9 million (31 December 2022: CHF 345.5 million). This was mainly due to the par value repayment of CHF 9.6 million (CHF 1.25 per registered share) paid out in June 2023 and the loss of CHF 4.0 million. As at 31 December 2023, the Company still had a very solid equity ratio of 41.8% (31 December 2022: 42.0%). As at 31 December 2023, the net asset value per registered share amounted to CHF 43.04 (31 December 2022: CHF 44.80).

« Net Asset Value of CHF 43.04 per registered share »

Expansion of sustainability reporting

The development and management of sustainable residential real estate is part of the business model and value creation of Novavest Real Estate AG. In its sustainability strategy, the company is committed to the United Nations' Sustainable Development Goals and to environmental, economic, social and corporate responsibility throughout the real estate investment cycle. It is also a signatory of the UN PRI (Principles for Responsible Investment) and took part in the initiative for the first time in 2023.

In the Annual Report 2023, the sustainability reporting has been expanded and refined compared to the previous year. For example, the portfolio's consumption data was upgraded in accordance with SIA and REIDA and the reduction path for greenhouse gas emissions was recalculated up to 2050. The report was again prepared in accordance with the GRI Standards.

Company examines merger with SenioResidenz AG

On 22 January 2024, the Board of Directors of Novavest Real Estate AG resolved to examine the possibility of a merger with SenioResidenz AG. Both companies are very well established in the Swiss real estate market and have high-quality real estate portfolios in their respective investment segments.

The merger would result in an extremely attractive and resilient portfolio, as the properties of SenioResidenz AG are primarily focussed on senior's living and care facilities, while those of Novavest Real Estate AG are primarily for residential use. Combining it into a joint property portfolio would result in optimal diversification in terms of uses as well as macro- and micro-locations. The value of the combined real estate portfolio would exceed CHF 1 billion, increasing its investor appeal and offering expanded financing options as well as opportunities for synergies and economies of scale.

The assessments and discussions between SenioResidenz AG and Novavest Real Estate AG regarding a potential merger are still at a relatively early stage. The Board of Directors of Novavest Real Estate AG has formed an independent committee consisting of Board members Dr Markus Neff, Floriana Scarlato and Daniel Ménard to carry out specific tasks within this merger project. The Company will announce the results of the merger talks and the next steps in the negotiations in due course. If the negotiations are successfully concluded, the shareholders of both companies will have the opportunity to vote on the potential merger at the respective Extraordinary General Meetings.

Proposals to the AGM 2024

Re-election of acting members of the Board of Directors

All the current members of the Board of Directors are standing for re-election at the Annual General Meeting of 20 March 2024. 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 as members of the Compensation Committee.

The Board of Directors also proposes to the Annual General Meeting a cash distribution in the form of a par value reduction of CHF 1.25 per registered share. Based on the closing price of the registered share on 31 December 2023, the yield of the proposed distribution equals 3.4%. If the General Meeting approves the proposed par value reduction, the capital reduction will be recorded in the commercial register towards the beginning of April and payment scheduled for mid-April 2024.

« Par value distribution of CHF 1.25 per share proposed »

The invitation to the ordinary General Meeting will be published on 23 February 2024 in the official publication of the company, the Swiss Official Gazette of Commerce, and will also be posted on the company website on the same day at www.novavest.ch – Link Investor Relations – General Meetings of Shareholders.

Outlook

The transaction market for Swiss real estate is likely to remain challenging. Novavest Real Estate AG's strategy of focusing on the residential sector has proven its worth in the current environment. Ongoing immigration to Switzerland and limited construction activity are likely to further boost the high demand for rental apartments. From the company's point of view, the business model, which accounts for more than 60% of rental income from residential properties, is on a solid footing and is complemented by strong commercial tenants who contribute to the stability of rental income and the portfolio.

The long-term growth strategy focusing on rental income from residential use therefore remains unchanged and would not change in the event of a potential merger with SenioResidenz AG, as SenioResidenz AG also has a high proportion of residential use with its apartments for the elderly and places in retirement/nursing homes.

Thank you

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 support and great trust you placed in us in the 2023 financial year.

We look forward to working with you to successfully develop the Company in line with our defined growth strategy over the next few years.



Gian Reto Lazzarini
Chairman of the
Board of Directors



Peter Mettler
Chief Executive Officer

Investment strategy and guidelines

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.

Extract annual financial statements Swiss GAAP FER of Novavest Real Estate AG

Balance sheet

Amounts in CHF	31.12.2023	31.12.2022
Cash and cash equivalents	2 559 385	4 324 136
Trade receivables	5 728 607	5 253 418
Other current receivables	10 602	26 052
Pre-financed tenant fittings third parties	157 101	136 963
Investment properties for sale	0	15 290 000
Accrued income and prepaid expenses	183 440	260 000
Total current assets	8 639 135	25 290 569
Investment properties	745 299 000	784 346 000
Projects	38 320 000	12 182 000
Pre-financed tenant fittings third parties	1 446 573	1 421 570
Total non-current assets	785 065 573	797 949 570
Total assets	793 704 708	823 240 139
Trade payables	781 130	981 488
Other current liabilities	7 722 676	7 441 684
Accrued expenses and deferred income	3 575 100	3 614 300
Current mortgage liabilities	85 537 500	133 424 250
Total current liabilities	97 616 406	145 461 722
Other non-current liabilities	0	381 600
Non-current mortgage liabilities	341 627 250	306 343 000
Provision for deferred income tax liabilities	22 592 244	25 576 946
Total non-current liabilities	364 219 494	332 301 546
Total liabilities	461 835 900	477 763 268
Share capital	185 074 416	194 713 709
Capital reserves	31 865 908	31 865 908
Retained earnings	114 928 484	118 897 254
Total equity	331 868 808	345 476 871
Total liabilities and equity	793 704 708	823 240 139

Income statement

Amounts in CHF	01.01. - 31.12.2023	01.01. - 31.12.2022
Rental income	29 859 940	29 158 903
Income from the sale of investment properties	537 519	0
Total operating income	30 397 459	29 158 903
Direct operating expenses for investment properties	-5 189 727	-4 873 040
Personnel expenses	-757 225	-756 697
Consulting expenses	-863 532	-1 136 241
Administrative expenses	-3 555 669	-3 631 660
Total operating expenses	-10 366 153	-10 397 638
Profits from revaluation of real estate investments	1 599 990	17 803 925
Losses from revaluation of real estate investments	-22 194 785	-5 861 437
Earnings from revaluation	-20 594 795	11 942 488
Earnings before interests and taxes (EBIT)	-563 489	30 703 754
Financial income	44 206	22 890
Financial expenses	-4 654 392	-3 121 808
Earnings before taxes (EBT)	-5 173 675	27 604 836
Income taxes	1 204 904	-5 202 120
Loss / Earnings	-3 968 770	22 402 716
Earnings per share (diluted/basic)	-0.51	2.91

Cash flow statement

Amounts in CHF	01.01. - 31.12.2023	01.01. - 31.12.2022
Loss / earnings	-3 968 770	22 402 716
Earnings from revaluation of investment properties	18 944 310	-14 043 807
Earnings from revaluation of projects	1 650 485	2 101 319
Earnings from sale of investment properties	- 537 519	0
Changes in trade receivables	- 298 648	- 485 853
Changes in other receivables and accrued income and prepaid expenses	226 510	763 600
Changes in trade payables	- 77 204	- 199 762
Changes in other payables and accrued expenses and deferred income	855 092	1 461 989
Changes in provision for deferred income tax liabilities	-2 984 702	3 948 120
Cash flow from operating activities	13 809 554	15 948 321
Investments in investment properties	-5 234 214	-52 516 563
Investments in projects	-7 615 676	-8 091 382
Pre-financed tenant fittings	- 188 335	- 667 669
Amortisation of pre-financed tenant fittings	143 194	113 767
Divestment of investment properties	19 562 519	0
Cash flow from investing activities	6 667 488	-61 161 848
Payments from capital increases	0	-372 500
Capital reduction through repayment of nominal value	-9 639 293	-12 723 866
Repayment of / proceeds from current financial liabilities	-97 048 750	41 261 000
Proceeds from non-current financial liabilities	84 446 250	18 329 000
Cash flow from financing activities	-22 241 793	46 493 634
Change in cash and cash equivalents	-1 764 751	1 280 107
Verification		
Cash and cash equivalents at beginning of period	4 324 136	3 044 029
Cash and cash equivalents at end of period	2 559 385	4 324 136
Change in cash and cash equivalents	-1 764 751	1 280 107

Changes in equity

01.01. - 31.12.2023

Amounts in CHF	Share capital	Capital reserves	Retained earnings	Total
Total 31 December 2022	194 713 709	31 865 908	118 897 254	345 476 871
Repayment of nominal value	-9 639 293			-9 639 293
Loss			-3 968 770	-3 968 770
Total 31 December 2023	185 074 416	31 865 908	114 928 484	331 868 808

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
Earnings			22 402 716	22 402 716
Total 31 December 2022	194 713 709	31 865 908	118 897 254	345 476 871

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" (or "Loss") 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 (or loss) 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), annualised
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), annualised
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 real estate 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	2023	2022
Earnings before taxes (EBT)	-5 173 675	27 604 836
Earnings from revaluation	+20 594 795	-11 942 488
Deferred taxes	+1 204 904	-5 202 120
Tax effect on revaluation gains	-3 925 368	+2 279 821
Earnings excl. revaluation/deferred taxes	12 700 657	12 740 049

Investor Relations Informationen

Important dates

21 February 2024
20 March 2024
21 August 2024

Publication Annual Results / Annual Report 2023
Ordinary General Meeting 2024
Publication Semi-Annual Results / Semi-Annual Report 2024

Information regarding registered shares (as of 31 Dezember 2023)

Number of outstanding shares	7 711 434 registered shares with nominal value of CHF 24.00 each
Listing	SIX Swiss Exchange
Swiss valor number	21 218 624
ISIN number	CH0212186248
Ticker symbol	NREN
Market capitalisation	CHF 280.7 million
Closing price	CHF 36.40

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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ST. GALLEN (SG) Rorschacherstrasse 135



New flats and service areas are being created

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

Development project for modern residential / commercial property

Land area 1 640 m²

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

The apartments and commercial spaces should be ready for occupation by autumn 2024

Imprint

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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 2023 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, content and realisation

Novavest Real Estate AG, CH-Zurich
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