

HOUSING FOR YOUNG AND OLD



Information brochure
on the planned merger

Letter to our shareholders

Dear Shareholders,

Novavest Real Estate AG and SenioResidenz AG, two real estate companies that are very well established in the Swiss market, are proposing to combine their portfolios and move forward as a single entity.

On 23 January 2024 we announced that the Boards of Directors of both companies were examining the possibility of a merger. In the weeks that followed, we moved forward quickly with the corresponding negotiations. With the signing of the merger agreement by our two Boards of Directors on 17 April 2024, we have reached a positive conclusion. Of course, this requires your approval, both from shareholders of Novavest as well as shareholders of SenioResidenz. We will therefore ask you to approve the negotiated merger agreement at Extraordinary General Meetings of each company, on 28 May 2024 for SenioResidenz AG and on 29 May 2024 for Novavest Real Estate AG.

For us, “housing for young and old” takes centre stage. Our two companies are very well positioned in the Swiss real estate market and have high-quality portfolios in their respective investment segments. The merger will create an extremely attractive and economically resilient real estate portfolio.

Novavest has a portfolio focused on residential use, which will be complemented by the merger with SenioResidenz, whose portfolio is mainly focused on senior-friendly and assisted living, senior residences and care facilities. The combined real estate portfolio will result in optimal diversification in terms of uses as well as macro- and micro-locations in Switzerland.

The demand for housing by the younger generations, which is affected by immigration trends but also by relatively low levels of new building activities, and the demographic changes due to the ageing population, support the medium- and long-term investment strategy of the combined company.

With the merger of the two companies, the real estate portfolio and combined company will reach a size that will increase its attractiveness for investors and open up new growth and financing opportunities. In addition, the risk profile of the combined portfolio will be significantly reduced, in terms of individual properties and the largest individual tenants, and the merger will also make it possible to exploit potential synergies.

In recent years, both companies have made a clear commitment to a focussed sustainability strategy, which will continue to be pursued by the merged company with the emphasis on long-term reduction of greenhouse gas emissions.

Moreover, the merged Novavest Real Estate AG will aim to achieve further growth in the medium- to long-term and continue its previous attractive dividend policy.

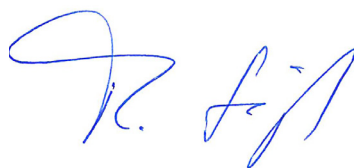
This brochure provides further information on the rationale for the merger and the future opportunities the merger offers for both companies and for you as shareholders. It also contains details of the individual steps of the merger and the agreed exchange ratio of the shares.

We would like to thank you for the trust you have placed in us and your support in the merger. We look forward to continuing to successfully develop the new, merged Novavest Real Estate AG together with you.

Yours sincerely,



Gian Reto Lazzarini
Chairman of the Board of Directors
Novavest Real Estate AG



Thomas Sojak
Chairman of the Board of Directors
SenioResidenz AG

Good reasons to merge

- Novavest and SenioResidenz are two real estate companies that are **very well established** in the Swiss market. Both companies have **high-quality real estate portfolios** in their respective investment segments.
- The merger will create an **extremely attractive and economically resilient portfolio** with a **combined market value of CHF 1.02 billion** and a pro forma **combined residential share of 59%**.
- The composition of the **combined real estate portfolio** will result in **optimal diversification in terms of uses** as well as **macro- and micro-locations in Switzerland**.
- The merger of the two companies also creates opportunities to exploit **sustainable synergies of around CHF 0.9 million** (compared to the pro forma financials 2023 of the merged company). The full positive impact on profit can be expected from the 2025 financial year onwards.
- The merger **will significantly reduce the risk profile** of the portfolio, **in terms of individual properties and the largest individual tenants** in the combined portfolio.
- The two companies will combine their **sustainability strategy** and continue to focus on the **long-term reduction of greenhouse gas emissions**. The ESG reporting under GRI standards already implemented by Novavest Real Estate AG will be maintained for the combined company. The same applies to participation in the UN PRI.

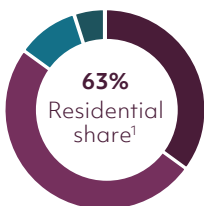
Two attractive portfolios merging into one

Novavest Real Estate AG



Focus residential properties

Very well positioned in the market with 1,140 residential units
Solid long-term commercial tenants with high credit ratings
Market value of portfolio CHF 783.6 million as at 31.12.2023



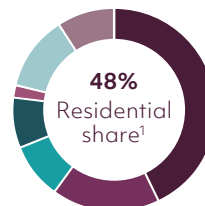
Residential	35%
Residential/Commercial	50%
Commercial	10%
Projects	5%

SenioResidenz AG



Focus senior residences and care facilities

Portfolio with **560 residential/retirement and care places**
Diversified operator base
Market value of portfolio CHF 240.6 million as at 31.12.2023



Senior residences, care centres	43%
Living for the elderly	17%
Assisted living	9%
Appartments for students	8%
Medical centres	2%
Hospitals*	12%
Rehabilitation centres	9%

¹ Residential share as a percentage of target rental income

* SenioResidenz: share of hospitals incl. interim utilisation by the Canton of Zurich.

Novavest has a clear focus on residential properties and is very well positioned in the market with 1 140 residential units. The portfolio also includes solid long-term commercial tenants with high credit quality. The portfolio's market value reached a total of CHF 783.6 million as at 31 December 2023.

SenioResidenz focuses on properties for senior residences and care facilities and currently has 560 residential, senior living and nursing care units. The portfolio has a diversified operator base and is geographically well diversified across 10 cantons in Switzerland. As at 31 December 2023, the portfolio's market value amounted to CHF 240.6 million.

The merger will create a real estate portfolio with a market value of CHF 1.02 billion with broad regional diversification throughout Switzerland.

1. Strategic focus – tenant needs

We create living space for young and old and provide attractive living spaces with individual rental apartments, senior or assisted living units. We focus on affordable housing (no luxury properties).

The merger creates an interesting portfolio mix of residential properties for everyone and commercial properties with high tenant credit quality.

2. Strategic focus – portfolio diversification

Together we will build a broad and solid earnings base through diversified uses as well as macro- and micro-locations. Demographic developments and the housing shortage are supportive of portfolio growth going forward.

The merger will strengthen the portfolio's economic resilience.

3. Strategic focus – operational excellence

Potential and sustainable synergies and economies of scale of around CHF 0.9 million were identified as part of the merger project (compared to the pro forma financials 2023 of the merged company). These can be implemented operationally in the course of 2024 following the merger and we expect a positive impact on profit from 2025 onwards.

As a merged company, we will strive for further growth in our property portfolio.

4. Strategic focus – ESG

Sustainability is much more than just a keyword for us. Together we will continue our current ESG strategy, which focuses on the long-term reduction of greenhouse gas emissions. Reporting in accordance with the GRI Standards offers continuity and transparency and will be maintained.

The merger will further strengthen the "social" topics of ESG.

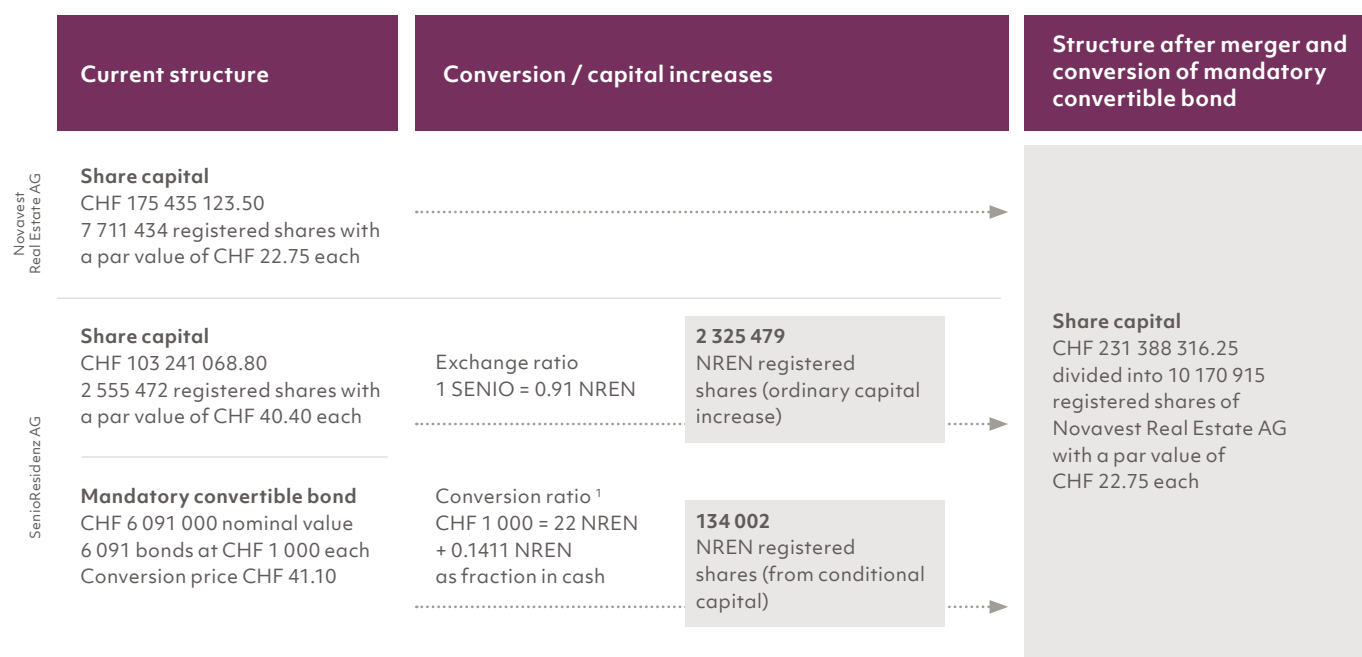


Explanation of the transaction

The Boards of Directors of the two real estate companies Novavest Real Estate AG and SenioResidenz AG signed a merger agreement on 17 April 2024. At their respective Extraordinary General Meetings on 28 May 2024 (SenioResidenz) and 29 May 2024 (Novavest), they will request shareholders' approval for the merger agreement and the merger of the two companies by means of a merger by absorption.

The merger process

1. Increase of the share capital of Novavest Real Estate AG through an ordinary capital increase to formally create 2 325 479 fully paid-in Novavest registered shares with a par value of CHF 22.75 each.
2. In addition, to its outstanding share capital of 2 555 472 registered shares with a par value of CHF 40.40 each, SenioResidenz AG has a mandatory convertible bond with a nominal value of CHF 6.091 million and a current conversion price of CHF 41.10 outstanding. Creation of conditional capital of Novavest Real Estate AG, from which 134 002 Novavest registered shares with a par value of CHF 22.75 will be issued to convert the mandatory convertible bond.
3. As exchange ratio, shareholders of SenioResidenz AG will receive 0.91 registered shares of Novavest with a par value of CHF 22.75 for each SenioResidenz share with a par value of CHF 40.40. The financial appropriateness of the exchange ratio was confirmed by an independent fairness opinion prepared by IFBC AG, Zurich.
4. For each bond with a nominal value of CHF 1 000, bondholders of the SenioResidenz AG's mandatory convertible bond will receive 22 registered shares of Novavest with a par value of CHF 22.75 each and the equivalent of 0.1411 Novavest registered shares as a settlement in cash.
5. Following the exchange of the shares and the conversion of the mandatory convertible bond as part of the merger, the share capital of Novavest will amount to CHF 231 388 316.25, divided into 10 170 915 registered shares with a nominal value of CHF 22.75 each. The SenioResidenz registered shares will be delisted from BX Swiss in the course of the merger. The newly issued Novavest registered shares will be listed on SIX Swiss Exchange. All new Novavest registered shares are fully entitled to dividends for the first time for the 2024 financial year.



¹ (CHF 1 000.00 / CHF 41.10) x 0.91

Effects of the merger by absorption

The existing shareholder base of Novavest Real Estate AG will be increased by the shareholder base of SenioResidenz AG as a result of the merger.

Before the merger at the end of 2023, the total value of Novavest's real estate portfolio amounted to CHF 783.6 million and the value of SenioResidenz's portfolio was CHF 240.6

million. The merger will create a real estate portfolio of CHF 1.02 billion. Novavest and SenioResidenz generated combined target rental income of CHF 42.6 million, and earnings from rental activities of CHF 34.2 million in the 2023 financial year on a pro forma basis. Based on the combined pro forma portfolio, the gross yield amounts to 4.2% and the net yield to 3.5%. The pro forma vacancy rate is 3.1% for 2023.

Financial Year 2023

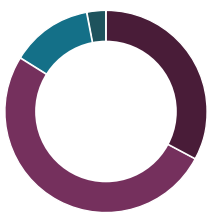
In CHF thousands

	Novavest Real Estate AG	SenioResidenz AG	Merged Novavest Real Estate AG Pro forma
Property portfolio as at 31 Dec 2023	783 619	240 611	1 024 230
Target rental income investment properties	30 813	11 784	42 597
Earnings from rental activities	24 670	9 500	34 170
Gross yield	4.1%	4.9%	4.2%
Net yield	3.3%	4.7%	3.5%
Vacancy rate	4.1%	0.5%	3.1%

A glossary of other key figures can be found on page 18 of the Executive Summary on the Annual Report 2023 of Novavest Real Estate AG and page 14 of the Executive Summary on the Annual Report 2023 of SenioResidenz AG.

Combined company profile (pro forma 2023)

Combined real estate portfolio CHF 1 024 million



Residential	33%
Residential/Commercial	51%
Commercial	13%
Projects	3%

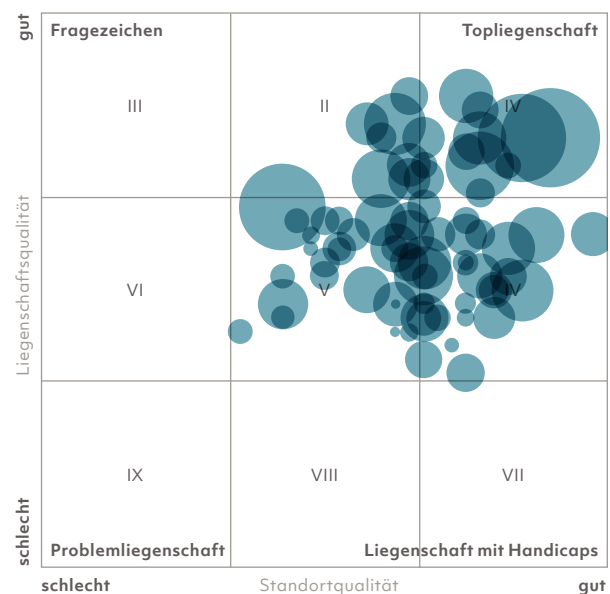
Market value portfolio CHF 1 024 million by investment category as at 31.12.2023 pro forma



Residential	59%
Commercial	41%

Target rental income from investment properties CHF 42.6 million by use as at 31.12.2023 pro forma

High quality of location and property¹



¹ Source: Wüest Partner AG, Nova Property Fund Management AG.

Indicative timetable

18 April 2024	<ul style="list-style-type: none">• Announcement of the merger• Conference call for media, analysts and investors• Publication of pro forma financials 2023 and fairness opinion• Publication of merger agreement and report, merger balance sheet
26 April 2024	<ul style="list-style-type: none">• Publication of invitation to the Extraordinary General Meeting of Novavest Real Estate AG• Publication of invitation to the Extraordinary General Meeting of SenioResidenz AG
28 May 2024	<ul style="list-style-type: none">• SenioResidenz AG Extraordinary General Meeting<ul style="list-style-type: none">– Approval of the merger and merger agreement
29 May 2024	<ul style="list-style-type: none">• Novavest Real Estate AG Extraordinary General Meeting<ul style="list-style-type: none">– Approval of the merger and merger agreement– Approval of ordinary capital increase as part of the merger– Creation of conditional capital to convert the mandatory convertible bond– Election of acting members of the Board of Directors of SenioResidenz AG to the Board of Directors of the merged Novavest Real Estate AG
14 June 2024	<ul style="list-style-type: none">• Legal completion of the merger• Last trading day for the registered shares of SenioResidenz AG on BX Swiss• Conversion of the nominal CHF 6.091 million mandatory convertible bond into 134 002 newly issued registered shares of Novavest Real Estate AG
17 June 2024	<ul style="list-style-type: none">• Publication prospectus• First day of trading for the new registered shares of Novavest Real Estate AG on SIX Swiss Exchange

Additional information

What are the benefits of the merger for the companies' shareholders?

The merger will result in an extremely attractive portfolio that is resilient to the economic cycle – with a mix of properties owned by SenioResidenz, which are mainly focused on senior residences and care facilities and those owned by Novavest, which are primarily for residential use. The composition of the joint property portfolio will result in optimal diversification in terms of uses as well as macro- and micro-locations. The merger of the two companies will create a combined real estate portfolio of CHF 1.02 billion.

How did the two Board committees ensure that the exchange ratio is appropriate?

The Boards of Directors of both companies formed individual Board committees consisting of independent members of each Board. The two committees negotiated and agreed on the exchange ratio on the basis of a range of relevant valuation data. In addition, a fairness opinion was prepared by IFBC AG, Zurich, which confirms that the exchange ratio is fair and appropriate from a financial perspective.

How will SenioResidenz shares be exchanged for Novavest shares?

If the two Extraordinary General Meetings approve the planned merger and the merger agreement, the Board of Directors of Novavest will propose the creation of 2 325 479 fully paid-in Novavest registered shares with a nominal value of CHF 22.75 each through an ordinary capital increase and the creation of conditional capital, from which 134 002 registered shares with a par value of CHF 22.75 each will be issued for the conversion of the mandatory convertible bond.

As an exchange ratio, SenioResidenz shareholders will receive 0.91 Novavest registered shares with a par value of CHF 22.75 for each SenioResidenz share with a par value of CHF 40.40 held. Any fractions resulting from the exchange will be settled in cash and paid to shareholders by the custodian bank.

What will happen to the SenioResidenz shares?

If the Extraordinary General Meetings approve the merger, the existing SenioResidenz shares will automatically be converted into shares of the merged Novavest once the merger is completed by means of an entry in the Commercial Register.

What will happen to SenioResidenz's outstanding mandatory convertible bond?

The bondholders will receive 22 registered shares of Novavest per bond with a nominal value of CHF 1 000 each and the equivalent of 0.1411 Novavest shares as a cash settlement.

What do SenioResidenz shareholders have to do to become Novavest shareholders?

Shareholders in SenioResidenz AG do not need to do anything, as they will automatically become shareholders in the merged Novavest Real Estate AG. Their shareholding will be registered in the Novavest share register by the relevant custodian bank in accordance with the registration instructions.

What will be the merged Novavest Real Estate AG's dividend policy?

The merged Novavest Real Estate AG intends to continue offering all its shareholders an attractive dividend policy.

Who will be on the Board of Directors and Executive Board of the merged Novavest Real Estate AG?

The Board of Directors of the merged Novavest Real Estate AG will include members of the Board of Directors from both companies: Thomas Sojak (designated Chairman), Floriana Scarlato (member of the Audit Committee), Stefan Hiestand (member of the Audit Committee), Dr Claudia Suter (designated member of the Remuneration Committee) and Daniel Ménard (member of the Remuneration Committee). The members of the Executive Board will remain unchanged with Peter Mettler continuing as CEO and Patrick Hauser as CFO.

Where are detailed documents on the merger available?

As of 18 April 2024, the merger agreement (including merger balance sheet), joint merger report, report of the joint merger auditor, pro forma financials 2023 and the fairness opinion, as well as the annual reports of both companies for the past three years, will be available at the registered offices of both companies (in German). These documents can also be viewed and downloaded on both companies' websites.

Disclaimer/legal notice

Disclaimer

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