



Letter to Shareholders

regarding Extraordinary General Meeting
of 17 January 2025

Letter to our shareholders

Zurich, 10 December 2024

Dear Shareholders,

In mid-November 2024, the Board of Directors of NOVAVEST Real Estate AG (NOVAVEST) was unexpectedly confronted with a request by a shareholder (MV Immoextra Schweiz Fonds) to convene an Extraordinary General Meeting for the purpose to remove three of the five members of the NOVAVEST Board of Directors. The request constitutes a hostile attempt for a cold takeover of control of our company by this single minority shareholder, who at the time of the submission of the request held 15.24% of the capital and voting rights in NOVAVEST, by him claiming a majority on the Board of Directors.

According to the request filed by the Fund Management Company CACEIS (Switzerland) SA, which requested the convening of the Extraordinary General Meeting on behalf of the MV Immoextra Schweiz Fonds, the three elected members of the Board of Directors (Thomas Sojak, Stefan Hiestand, Daniel Ménard) as well as Thomas Sojak as Chairman of the Board of Directors and Daniel Ménard as member of the Compensation Committee should be removed. In their place, three new members should be elected to the Board of Directors (Cyrill Schneuwly, Ueli Kehl, Roland Vögele) and the capital band mentioned in Art. 3a of the Articles of Association should be amended.

Clear NO to the cold takeover of control

The Board of Directors of NOVAVEST unanimously and firmly rejects this aggressive attempt by a minority shareholder to gain power over the company through a cold takeover of control in the Board of Directors.

Acceptance of the merger over 96% at NOVAVEST, over 94% at SenioResidenz

Statement by the Board of Directors

NOVAVEST and SenioResidenz AG successfully completed their merger on 14 June 2024. The shareholders of both companies approved the proposals in relation to the merger by an overwhelming majority (NOVAVEST over 96%; SenioResidenz over 94%) at the respective Extraordinary General Meetings at the end of May 2024. The merger of the two companies strategically created a strong, residential-focused real estate portfolio with a market value of over CHF 1 billion, which has the potential for further development and substantial profits.

The three current members of the Board of Directors of NOVAVEST, whose removal is being requested by MV Immoextra Schweiz Fonds, were either re-elected or elected as new members to the Board of Directors at the Annual General Meeting in March 2024 or at the Extraordinary General Meeting in May 2024, with quotas of over 99% each. The entire Board of Directors currently in office consists of five independent members who fit well together in terms of age, gender, education, skills and professional experiences. It consists of individuals of integrity who, unlike the requesting shareholder, are not committed to their own interests but to the interests of the company and its stakeholders, and who stand for the equal treatment of all shareholders.

The synergies identified prior to the merger have been implemented on an ongoing basis since the merger was completed in June 2024. Integrating the two companies to achieve sustainable synergies and efficiency gains requires a comprehensive, structured transformation process. The newly composed Board of Directors resulting from the merger has reviewed the strategy and is revising the governance in line with the new organisational structure. The aim of this revision is to ensure continuity and the continuation of the active and value-oriented portfolio and asset management for the now significantly larger company, coupled with a resilient financial and risk framework. In this context, the management structure at the level of the Board of Directors and the Executive Board is also being reviewed.

The change of control in the Board of Directors requested by a minority shareholder prevents this desired continuity in the management and development of NOVAVEST and thus jeopardises the independence of the company. This directly poses a threat for the successful achievement of the strategic objectives of the merger. This is not in the interest of the company and all its stakeholders.

The Board of Directors also rejects the proposals for election of new Board members by CACEIS (Switzerland) SA and MV Immoextra Schweiz Fonds for the following reasons:

1. The takeover of control in the Board of Directors by a minority shareholder clearly contradicts corporate governance principles for the composition of boards of directors of publicly traded companies. The majority of the company's owners, who hold about 85% of the company's capital and voting rights, would be dominated by one minority shareholder.

Members of the Board of Directors elected with more than 99%

The current Board of Directors is committed to the equal treatment and interests of all shareholders

Ongoing transformation process jeopardised by attack of the minority shareholder

The majority of the owners of NOVAVEST would be dominated by one minority shareholder

“Bad governance” practised at MV Immoxtra Schweiz Fonds

2. The proposal by the minority shareholder, MV Immoxtra Schweiz Fonds, not only contradicts the interests of the independent shareholders of NOVAVEST, but it is also against the mandate of the investors of the MV Immoxtra Schweiz Fonds and its governance guidelines. The Fund is set up as a passive investment fund for indirect real estate investments that, in accordance with its own guidelines and Swiss supervisory law, may not exert any significant influence on the management of the investments it holds. However, the MV Immoxtra Schweiz Fonds seeks to take over a dominant role in the Board of Directors and thus in the company, contrary to its assurances to its own investors and in violation of regulatory principles and its own governance requirements.
3. The candidates put forward for election have a variety of conflicts of interest. Roland Vögele (52), who presents himself as the shareholder representative, is CEO and Chairman of the Board of Directors with sole signatory authority of MV Invest AG, which acts as an advisor to the MV Immoxtra Schweiz Fonds and would therefore be in a permanent, obvious conflict of interest between his role as CEO of the fund’s investment advisor and simultaneously as a member of the Board of Directors of NOVAVEST.

Extensive entanglements and conflicts of interest with all proposed candidates

Cyrill Schneuwly (61) is nominated by MV Immoxtra Schweiz Fonds. He is a member of the Board of Directors of Peach Property Group AG, a competitor company which is also focusing on residential real estate. Peach Property has just completed a massive capital increase with a significant discount to the net asset value, which has led to a substantial dilution for the public shareholders. This is a fact that, in the present case of NOVAVEST, is being baselessly denounced by the minority shareholder vis-à-vis the current Board of Directors.

Ueli Kehl (69) is also nominated by MV Immoxtra Schweiz Fonds. Together with Roland Vögele, he sits on the real estate committee of the AXA Investment Foundation Switzerland. Apart from his fiduciary background, he does not have a track record that would justify being a member of a listed real estate company or represent an optimisation of corporate governance.

These entanglements and conflicts of interest illustrate the minority shareholder’s unfounded criticism of the governance and performance of NOVAVEST while at the same time demonstrating the underlying motivation behind the cold takeover of control.

4. In fact, the role of the advisor to the investment fund puts Roland Vögele and MV Invest AG in the position of actively influencing the performance of the share price of NOVAVEST by deploying assets from the MV Immoextra Schweiz Fonds, which is also demonstrably the case. According to the Half-Year Report 2024, the MV Immoextra Schweiz Fonds traded more than 3 million NOVAVEST shares in the first half of 2024. This has no apparent benefit for the fund or the fund's investors. The NOVAVEST shares were both bought and for the most part sold again in the first half-year. The volume of NOVAVEST shares traded as reported in the Half-Year Report was twice as high as the fund's position as at 31 December 2023 and 30 June 2024. The volume also represented around 40% of all outstanding NOVAVEST shares and corresponds to several times the trading volume in NOVAVEST reported on the SIX Swiss Exchange. In this context, the accusation made by MV Immoextra Schweiz Fonds regarding the unsatisfactory share price development of NOVAVEST appears in a completely different light. The fund itself is largely responsible for the corresponding price performance. Roland Vögele's chosen approach and his role as the key driver behind the individual investments of the MV Immoextra Schweiz Fonds document the significant existing conflicts of interest associated with the person of Roland Vögele.
5. In the Board of Directors of a company, the individual members of the Board of Directors constantly have access to insider information (for example, regarding the course of business, strategic or operational measures, personnel changes, etc.), which requires strict compliance with insider regulations. NOVAVEST has issued clear governance regulations for this purpose and implements them without exception. As CEO of MV Invest AG, which manages the MV Immoextra Schweiz Fonds, Roland Vögele would stand in a permanent conflict of interest between his role as fund manager and that as a member of the Board of Directors of the company.
6. In this context, it is also extremely questionable which understanding the other two nominated candidates Cyrill Schneuwly and Ueli Kehl have regarding independence of a Board of Directors, governance issues, equal treatment of shareholders and dealing with insider knowledge, if they let themselves get nominated together with Roland Vögele.

Active influence of the share price shows self-interest

MV Immoextra trades excessively in NOVAVEST shares – approx. 3 million shares traded in H1 2024, a multiple of the trading volume in NOVAVEST shares reported on SIX

Equal treatment of investors jeopardised

Questionable understanding of governance issues – clear red flags

The current lean, effective and efficient organisational structure is in danger of being abolished

7. The governance that NOVAVEST has established and practised in recent years, with an independent Board of Directors, its own dedicated Executive Board (CEO and CFO positions) and an additional resource-focused service contract with Nova Property Fund Management AG (NPFM), has proved its worth over the years. As part of the service contract, NPFM supports the company with comprehensive services in the areas of portfolio management, evaluation of possible investments and divestments, project development and various services in the areas of technical and administrative support, accounting, financial services, budgeting, controlling, etc.

This organisation is efficient and synergies can be exploited in the best possible manner. With this lean solution, NOVAVEST is supported by an entire team of professional specialists, without the company having to maintain a large, expensive administrative apparatus itself. The chosen structure is recognised both nationally and internationally for a portfolio of the size as NOVAVEST's real estate portfolio, and it enables administrative overheads to be spread across a broader base.

NOVAVEST has clear governance rules that ensure a strict separation of responsibilities and competences between the Board of Directors, the Executive Board and the external service provider.

Strategic focus on residential use in Switzerland

The Board of Directors remains convinced of the advantages and attractiveness of the joint, merged real estate portfolio. The strategic priorities that were communicated in conjunction with the merger such as Housing for Young and Old, focus on tenants, portfolio diversification, operational excellence and ESG are consequently being implemented. The strategic focus on the residential sector, with rental income from residential use accounting for at least 50% of total target rental income, will be retained (as at 30 June 2024: 59%). Together with implemented synergies, increases in rental income, portfolio optimisations, cost reductions and efficiency gains, the Board of Directors aims to increase the attractive dividend and distribution policy in the medium term. In addition, the Board also evaluates measures to reduce the loan-to-value ratio of the properties or the possibilities of a share buy-back as of 2025.

MV Invest AG does not have the structure, principles of good governance or the human resources to manage NOVAVEST with its real estate portfolio of over CHF 1 billion or to ensure basic operational activities (asset, portfolio, finance or general management).

CACEIS (Switzerland) SA and MV Immoxtra Schweiz Funds also request that Art. 3a of the Articles of Association concerning the capital band be adjusted. The minority shareholder argues that there is a risk that the current Board of Directors could carry out capital increases despite a low share price and thus significantly dilute existing shareholders.

At no time has the current Board of Directors announced or strategically defined such a consideration. It therefore strongly rejects this accusation. The proposed amendment to the Articles of Association drastically restricts the company's scope for manoeuvre with regard to the capital band in an unusual manner and contrary to the interests of the shareholders, which is why the Board of Directors also recommends that this proposal be rejected.

**No capital increase
and no dilution**

Summary

The plan by MV Immoxtra Schweiz Fonds, being a minority shareholder, to take over control in the Board of Directors of NOVAVEST and thus also take control of the company is contrary to the principles of shareholder democracy in Switzerland. Furthermore, the initiators have not disclosed their specific objectives with NOVAVEST. Their aggressive approach jeopardises the strategic development of the company, curtails the interests of shareholders and recklessly jeopardises the future of NOVAVEST – particularly after the successful merger.

**Unknown plans of the
applicant create a high
degree of uncertainty
for the future development
of NOVAVEST**

The Board of Directors of NOVAVEST therefore unanimously recommends the following to you as the shareholders:

- to firmly reject the actions of the minority shareholder, which are highly detrimental to you as a shareholder and to the company, for the reasons set out above

- to clearly reject the proposed removal of three elected members of the Board of Directors (Thomas Sojak, Stefan Hiestand, Daniel Ménard) as well as Thomas Sojak as Chairman of the Board of Directors and Daniel Ménard as member of the Remuneration Committee and to reject the election of the candidates for the Board of Directors nominated by MV Immoextra Schweiz Fonds
- to reject the proposal to amend Art. 3a of the Articles of Association regarding the capital band

The entire Board of Directors and Executive Board of NOVAVEST are relying on your trust and will continue to ensure that the interests of all shareholders are represented sustainably and comprehensively.

On behalf of the Board of Directors



Thomas Sojak
Chairman



Stefan Hiestand
Vice-Chairman

Hotline for our shareholders

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