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NOVAVEST Real Estate AG – Process for the sustainable conversion of the Paracelsus site

Novavest Real Estate AG («NOVAVEST», SIX Swiss Exchange: NREN) has launched a new process for the subsequent use of the Paracelsus site in Richterswil. After numerous discussions with potential operators in the medical and nursing sectors remained unsuccessful, NOVAVEST is now focusing on a sustainable conversion of the site. As owner of the property, NOVAVEST is aware that the Paracelsus site is of great importance to the municipality of Richterswil due to its location and history.

The coronavirus crisis had a severe impact on the former Paracelsus Hospital in Richterswil (PSR), forcing it to file for a debt-restructuring moratorium in October 2020, to subsequently close the hospital and file for bankruptcy in February 2021. In recent years, the previous owner of the PSR properties, SenioResidenz AG, which merged with Novavest Real Estate AG in June 2024, had been intensively seeking a long-term solution in the medical or nursing sectors. During this time, a comprehensive dossier was created for the Paracelsus property and a large number of contacts were established in the medical/therapeutic fields.

No interest from the healthcare industry in the location

Despite various discussions, it ultimately proved impossible to find a long-term interested new tenant from the healthcare industry. Further use of the site as a hospital or care institution is therefore no longer feasible from today's perspective. Reasons for this include the changed hospital landscape, the decentralised location in the Canton of Zurich, the location away from a train station and the high price of land.

To avoid leaving the site empty for a long period of time, an agreement was signed with the Canton of Zurich in May 2022 for the interim use of the buildings as a cantonal transit centre for refugees from Ukraine. The centre currently houses asylum seekers from various countries. The corresponding rental agreement with the Canton of Zurich was extended in 2024 with a minimum term until the end of 2025 followed by an open-ended tenancy, in order to be able to continue the ongoing search for a follow-up solution.

Sustainable conversion in planning

The process for the conversion of the Paracelsus site is in progress. Clarifications are currently being carried out at the planning level and with various authorities. The focus at the moment is on residential use. This could provide a sustainable long-term solution for the historic site and create added value for the municipality of Richterswil. Since the Paracelsus site is located in the zone for public buildings and facilities, this would require a rezoning. In addition, a quality-assuring development plan could be useful. At least the rezoning and possibly also the development plan would have to be approved by the Richterswil municipal assembly. Such a vote would probably take place in the second half of 2026.

As soon as the ongoing clarifications regarding the long-term conversion of the Paracelsus site have led to further specific results, Novavest Real Estate AG will provide the relevant information.

Contacts:

Peter Mettler, CEO / Fabio Gmür, CFO
Novavest Real Estate AG
Feldeggstrasse 26
8008 Zurich
+41 (0)44 276 40 40
info@novavest.ch
www.novavest.ch

NOVAVEST Real Estate AG

www.novavest.ch

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