

Media Release, 18 December 2023
Ad hoc announcement pursuant to Art. 53 LR

Swiss Central City Real Estate Fund implements strategic portfolio optimisation with divestments in a challenging market environment

- **Strategic optimisation of real estate portfolio with divestment of nine properties in Basel and St. Gallen**
- **Reduction of the fund's borrowing ratio**
- **Annual results to be impacted by lower valuations and divestments**
- **Transaction fees reduced to 1.2%**

The fund management of Swiss Central City Real Estate Fund (SIX Swiss Exchange: CITY) has decided to optimise the property portfolio through strategic divestments despite a challenging market environment. The total volume of the divestments amounts to about CHF 43.3 million and includes nine smaller, mostly investment-intensive properties in Basel and St. Gallen¹. The transaction fees were investor-friendly reduced to 1.2% (vs. usually 1.5%).

The divestment of all nine properties for sale will lead to realised capital losses of about CHF 9.8 million in the annual financial statements 2023 and CHF 3.8 million in the annual financial statements 2024, provided that transfers of ownership will take place as planned. The contracts have already been notarised. The sale of the properties in Basel in particular will improve the fund's risk profile by reducing rental risks and by the divestment of a specialised property (hotel). The transfers of ownership are scheduled for six properties in December 2023, for two properties in January 2024 and for one property until the end of the second quarter 2024, at the latest.

The liquidity from the divestments will reduce the fund's borrowing ratio to about 28-29% by year-end 2023. The fund is thus well prepared for future challenges and can take advantage of opportunities in the real estate market. The divestments will also secure the liquidity required for renovation and refurbishment projects, which will significantly improve the attractiveness and rental opportunities of the property portfolio in the long term. In addition, the administrative expenses of the property portfolio can be sustainably reduced by disposing these smaller properties. In summary, the strategic portfolio optimisation allows the fund to position itself for the next growth phase and the focus on properties in prime locations.

The Swiss Central City Real Estate Fund will publish the detailed annual results and the annual report 2023 on 15 March 2024. In line with the fund's high sustainability standards, a GRESB² sustainability rating will be published for the first time in 2024.

Contacts:

Marcel Schneider
CEO

marcel.schneider@novaproperty.ch

Marcel Denner
COO

marcel.denner@novaproperty.ch

¹ Properties in St. Gallen: Aepliistrasse 4 / Altmannweg 1, 3 / Burgstrasse 134 / Schlösslistrasse 13, 15 / Zürcherstrasse 55, 57;
in Basel: Haltingerstrasse 63 / Haltingerstrasse 102 / Hammerstrasse 98 / Sundgauerstrasse 11, 13

² Global Real Estate Sustainability Benchmark

Nova Property Fund Management AG

Zentrum Staldenbach 3

8808 Pfäffikon SZ

+41 58 255 37 37

info@novaproperty.ch

www.novaproperty.ch

Swiss Central City Real Estate Fund

The Swiss Central City Real Estate Fund invests in properties in prime locations in the major economic centres in Switzerland. The key criteria are centrality of the property, good accessibility, stable cash flows and a product profile geared to the needs of the tenants.

SIX Swiss Exchange listed; Security number 44414255; ISIN CH0444142555; Symbol CITY

Nova Property Fund Management AG

Nova Property Fund Management AG is a fund management company authorised by the Swiss Financial Market Supervisory Authority FINMA on 5 November 2018 with its registered office in Pfäffikon SZ and has been active in the fund business since that date. This includes the establishment, management and administration of collective investment schemes under Swiss law and the distribution of the self-managed funds. In addition, the company provides investment advice to real estate investment companies and investment foundations with a focus on real estate. With its five portfolios, the owner-managed fund management company currently covers the entire Swiss real estate market for residential and commercial properties. These portfolios include Novavest Real Estate AG (SIX Swiss Exchange: NREN), SenioResidenz AG (BX Swiss AG: SENIO), Swiss Central City Real Estate Fund (SIX Swiss Exchange: CITY), 1291 Die Schweizer Anlagestiftung (KGAST member) and Central Real Estate Holding AG (including its subsidiary Rhystadt AG), which together hold about CHF 3.8 billion in Swiss real estate assets.

Disclaimer

This media release constitutes neither a prospectus nor a basic information leaflet within the meaning of the Swiss Financial Services Act (FIDLEG), nor a simplified prospectus or key investor information pursuant to the final provisions of the Swiss Collective Investment Schemes Ordinance (CISO). It constitutes neither an offer nor a recommendation to subscribe to or redeem fund units or to purchase or sell other financial instruments or services, but is intended solely for information purposes. This media release may contain forward-looking statements that are subject to uncertainties and risks and may change. Historical performance is no indicator of current or future performance. All statements relating to the future are based on data available to the fund management company Nova Property Fund Management AG at the time this media release was prepared. Nova Property Fund Management AG assumes no obligation whatsoever to revise and update any forward-looking statements in this media release at a later date as a result of new information, future events or the like. Decisions to purchase or subscribe to new units of the Swiss Central City Real Estate Fund should be made exclusively on the basis of the relevant prospectus and the integrated fund contract (both available in German), which can be ordered free of charge from the fund management company.

This media release is intended for the territory of Switzerland only.