

Press release, 25 March 2022
Ad hoc announcement pursuant to Art. 53 LR

Swiss Central City Real Estate Fund closes financial year 2021 very successfully; ratio of residential use in portfolio increases to 54%

- Real estate portfolio further expanded through the acquisition of 13 attractive properties
- Market value of the portfolio increased by 46% to CHF 479.1 million as at 31 December 2021
- Target rental income from investment properties up 37% to CHF 16.2 million p.a.
- Ratio of residential use in the portfolio increased from 47% to 54% as at 31 December 2021
- Net asset value per fund unit amounts to CHF 109.39 as at 31 December 2021
- Successful listing on SIX Swiss Exchange completed in December 2021
- Distribution of CHF 2.50 per fund unit, to be paid out on 30 March 2022
- Further attractive properties with value of CHF 21 million acquired in Q1 2022

The Swiss Central City Real Estate Fund (SIX Swiss Exchange: CITY) performed very well in the 2021 financial year and achieved again a very good annual result. The real estate portfolio was substantially expanded with the acquisition of nine residential properties, three mixed-use buildings and one commercial property and reached a market value of CHF 479.1 million as at 31 December 2021, a growth of 46% over the previous year (31.12.2020: CHF 327.4 million). The newly acquired properties are in attractive and central city locations in Basel, Lausanne, St. Gallen and Winterthur.

As at 31 December 2021, target rental income for investment properties rose by about 37% to CHF 16.2 million (31.12.2020: CHF 11.8 million). As a result of the investments made in the reporting period, the ratio of residential use in the real estate portfolio increased from 47% to 54%.

Details on the 2021 annual financial statements

Income statement

Due to the significant portfolio expansion also in the previous financial year, rental income increased for the 2021 reporting period by 126% year-on-year to CHF 13.5 million (2020: CHF 6.0 million). This positive development is primarily attributable to the additional rental income from the acquisitions made in 2020. Of the 13 properties acquired in 2021, eight were added to the portfolio in the first half of 2021 and the remaining five in the second half of 2021, contributing a total of CHF 2.7 million to rental income since acquisition. These properties will fully develop their earnings potential (over 12 months) in the 2022 reporting year.

Net income doubled compared to the previous year and reached CHF 9.7 million (2020: CHF 4.9 million). The fund's EBIT margin also increased significantly in 2021 to 70.3% (2020: 56.0%). The rent default rate excluding projects was 6.7% compared with 11.0% in the previous year. The valuation of the portfolio by the independent valuation expert Wüest Partner AG resulted in an unrealised profit of CHF 7.8 million (2020: CHF 4.1 million), mainly due to valuation gains on various acquired properties, a further reduction in discount rates and targeted investments in investment properties. Total income for the 2021 reporting year also doubled to CHF 15.5 million (2020: CHF 7.7 million).

Balance sheet

The gross asset value increased by about 45% to CHF 485.0 million (31.12.2020: CHF 333.8 million). Net fund assets increased to CHF 415.9 million from CHF 244.4 million in the previous year, which corresponds to a net asset value per fund unit of CHF 109.39 as at 31 December 2021 (31.12.2020: CHF 107.15). The borrowing ratio stood at 11.1% at the end of 2021 (31.12.2020: 22.9%). In the 2021 reporting year, the estimated liquidation taxes amounted to CHF 6.0 million or 1.2 % of total assets. Following the capital increases in June and November 2021, the number of fund units rose from 2,281,242 to 3,802,070 in the 2021 reporting year.

Successful listing on SIX Swiss Exchange

As planned, the Swiss Central City Real Estate Fund was listed on SIX Swiss Exchange with the ticker symbol CITY in December 2021. The change into a retail fund made the fund available to all investor classes. As a result of the stock exchange listing, investors also benefit from increased liquidity and visibility of their fund units. As at 31 December 2021, the fund was quoted at a price of CHF 122.80 with a premium of 12.3%.

Distribution of CHF 2.50 per fund unit

A total amount of CHF 9.5 million will be distributed for the 2021 financial year, equal to CHF 2.50 per fund unit (2020: CHF 4.8 million and CHF 2.10 per fund unit). The payout ratio is 97.8%. The payout will occur on 30 March 2022.

Outlook for 2022

The year 2022 started very positively with the acquisition of three residential properties in St. Gallen and one residential property in Basel with a total market value of around CHF 21 million. The fund management company remains convinced of the high attractiveness of the Swiss real estate market, particularly in central locations, and will continue to pursue the expansion of the portfolio through further acquisitions in 2022 in accordance with the investment strategy.

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Key Figures Fiscal Year 2021

Balance Sheet		31.12.2021	31.12.2020	Change
Market value of properties	CHF	479,133,000	327,396,000	+46 %
Average discount rate	%	2.52	2.70	-0.18 PP
Gross asset value (GAV)	CHF	485,032,639	333,785,150	+45 %
Net fund assets (NAV)	CHF	415,926,839	244,427,383	+70 %
Net asset value per fund unit	CHF	109.39	107.15	+2 %
Fund units at the end of the reporting period	Units	3,802,070	2,281,242	+67 %
Borrowing ratio	%	11.10	22.92	-11.82 PP
Gearing	%	14.25	26.77	-12.52 PP
Interest on debt capital	%	0.83	0.40	+0.43 PP
Weighted average term of debt	Years	3.13	1.78	+1.35 years

Income Statement		01.01.-31.12.2021	01.01.-31.12.2020	
Rental income	CHF	13,518,622	5,979,335	+126 %
Total operating income	CHF	16,345,537	8,186,829	+100 %
Total expenses	CHF	6,628,325	3,326,797	+99 %
Net income	CHF	9,717,213	4,860,032	+100 %
Total income	CHF	15,453,074	7,742,238	+100 %

Yields / Margins		31.12.2021	31.12.2020	
EBIT margin	%	70.27	56.05	+14.22 PP
Return on equity (ROE)	%	3.81	3.27	+0.54 PP
Distribution per fund unit	CHF	2.50	2.10	+19 %
Total amount of distribution	CHF	9,505,175	4,790,604	+98 %
Payout ratio	%	97.82	98.57	-0.75 PP

The audited Annual Report 2021 (in German) as well as a Summary Report in English are available on the Nova Property Fund Management AG website under:

<https://www.novaproperty.ch/en/real-estate-fund/swiss-central-city-real-estate-fund/download-center/publications/>

The Annual Report 2021 (German version) is also available on www.swissfunddata.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. 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; Ticker Symbol CITY

Nova Property Fund Management AG

Nova Property Fund Management AG was authorised by the Swiss Financial Market Supervisory Authority FINMA as a fund management company domiciled in Zurich on 5 November 2018 and has been active in fund management since then. 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 well over CHF 2 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. 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.