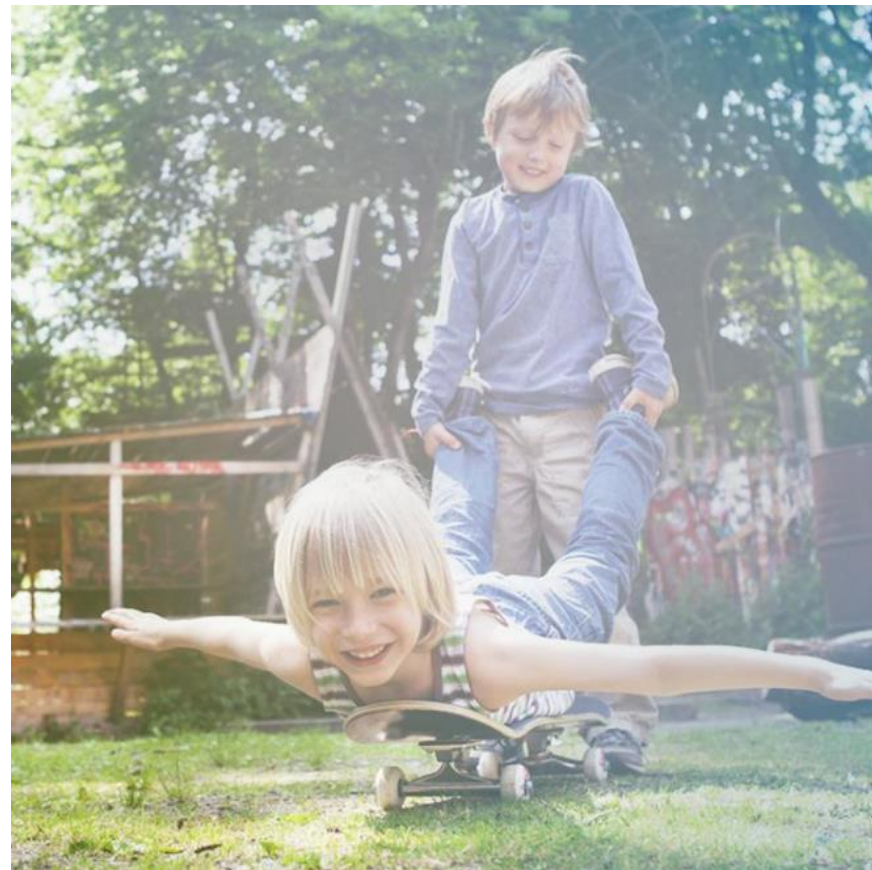




## Company Presentation

November 2019

These materials contain forward-looking statements based on the currently held beliefs and assumptions of the management of **Peach Property Group AG**, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of **Peach Property Group AG**, or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. **Peach Property Group AG** disclaims any obligation to update these forward-looking statements to reflect future events or developments.







# **1. Introduction to Peach Property**

2. Company highlights

3. Financials

4. Appendix

# German residential player in B-cities with market value >EUR 1bn and unique tenant management

## About Peach Property Group

- Peach is a Swiss-listed company investing in real estate with a **focus on residential property** in Germany (98% of residential units by market value)
- Focus on **strong B locations** in the catchment area of larger urban regions with **low/moderate vacancies** and good **rental upside**.
- Acquisition of GRANDE assets brings Peach's portfolio from ~CHF 0.8bn to a total **~12,450 units** and **~CHF 1.1bn** (~EUR 1bn)

## Stable shareholder structure (as of 30.09.2019)



Company to further diversify shareholder base after disposal of Swiss development (restricts share of foreign investors)

## Key financial data

CHF mm	30.06.2019 PF GRANDE	30.06.2019	31.12.2018
Number of residential units	12,450	8,775	8,442
Total area in sqm ('000)	830.0	600.0	577.0
Rental income (annualized)	53.2 <sup>1</sup>	38.6 <sup>1</sup>	29.6
Target rental income (annualized) <sup>2</sup>	63.5	46.4	43.9
Adj. EBITDA <sup>3</sup>	28.3	18.8	16.3
Vacancies (incl. redevelopment objects)	10.2%	10.7%	-
Market value	1,117.6	793.3	747.2
Gross rental return <sup>4</sup>	5.2%	5.4%	5.6%
Number of employees (FTE)	78	66	51

Source: Company information. FX EUR/CHF of 1.1104 per June 2019

(1) GRANDE portfolio metrics translated with average EUR/CHF FX for H1 2019 of 1.1292. Rental income for the six months ended 30.06.2019 annualized. Excluding heating

(2) Assumes no vacancy and no collection losses

(3) EBITDA adjusted for valuation result of investment properties and disposal of investment properties. Pro-forma adjusted EBITDA defined as pro-forma EBITDA as adjusted for pro-forma valuation result of investment properties. Adjusted EBITDA for the six months ended 30.06.2019 annualized

(4) Excluding redevelopment objects

(5) Kreissparkasse Biberach subscribed to 164k new shares through a subordinated mandatory convertible bond and will acquire another 11k shares directly from the holdings of the Group. Following the conversion and the transfer of additional shares, its stake will increase to 10.96% (based on the current number of shares)





German residential properties in carefully selected locations

# Strong track record and history as a German residential player

## Evolution of Peach

### Developer focus

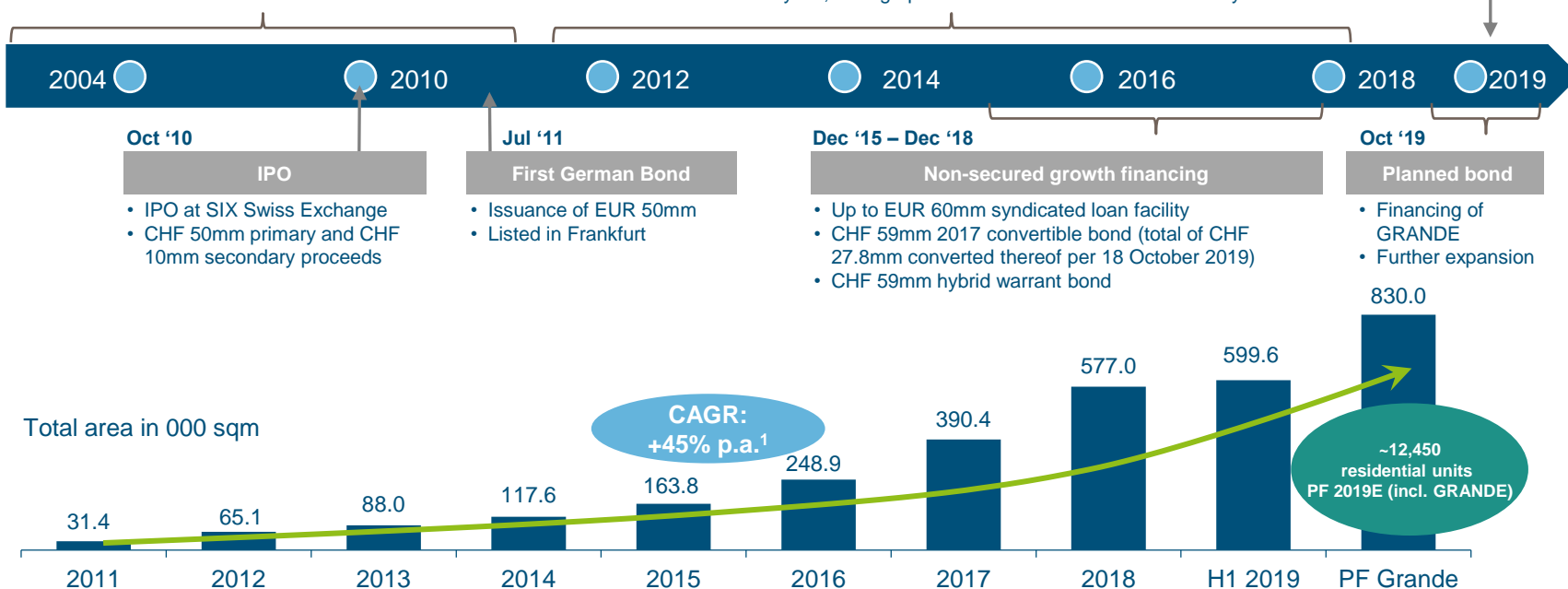
- 1999: Foundation through Wolfensberger family
- 2005: First development project, Schooren Kilchberg
- 2009/2010: Foundation of Peach Germany & acquisition of 5 development projects

### Gradual shift towards investment portfolios in German residential real estate

- 2011: Acquisition of first investment portfolio in Munster
- Strategy shift towards cherry-picked residential real estate assets in Western Germany
- ✓ Strong micro locations in German B-cities, sourced off-market
- ✓ Attractive cash-on-cash yield, through potential of rent increase and vacancy reduction

### GRANDE acquisition

- First large-scale acquisition that will increase total portfolio value to CHF 1.1bn



Continued growth of portfolio supported by strong development platform and active capital management

# GRANDE acquisition bolsters Peach's strong portfolio to > CHF 1bn

	Peach per 30.6.2019	PF GRANDE per 30.06.2019	Acq. parameters
Apartments	8,775 apartments	12,450 apartments (+42%)	✓ Peach made an <b>unsolicited offer</b> for subportfolios of sellers which are a strategic fit for Peach
Lettable area	599,600 sqm	830,000 sqm (+39%)	
Market value	CHF 793mm	c. CHF 1.1bn (+41%)	✓ Off-market transaction with <b>price agreed in Feb. 2019</b>
Target rent p.a.	CHF 46.4mm	CHF 63.5mm (+37%)	
Rental income <sup>1</sup>	CHF 38.6mm	CHF 53.2mm (+38%)	✓ Subsequent investments by seller
Gross rental yield <sup>2</sup>	5.4%	5.2% <div> <div> Increase in actual rents to c. CHF 60mm p.a. in mid-term </div> </div>	✓ Peach <b>appraiser not aware of agreed purchase price</b> ; appraisal used as a cross-check on transaction value accretion by Peach
Vacancy	H1 2019 (as reported) : 10.7% H1 2019 (normalized) <sup>2</sup> : 7.2% Mid-term goal: c. 5-6%	Estimate (as reported): 10.2% Estimate (normalized) <sup>2</sup> : 7.7% Mid-term goal: c. 5-6%	
Illustrative EPRA NAV <sup>3</sup>	CHF 220mm <sup>4</sup>	CHF 318mm <sup>5</sup>	

## Substantial improvement of revenue and cash flow generation with GRANDE

Source: Company information

(1) Rental income for the six months ended 30.06.2019 annualized. GRANDE portfolio metrics translated with average EUR/CHF FX for H1 2019 of 1.1292. Excluding heating

(2) Excludes renovation projects Neukirchen L and Fassberg

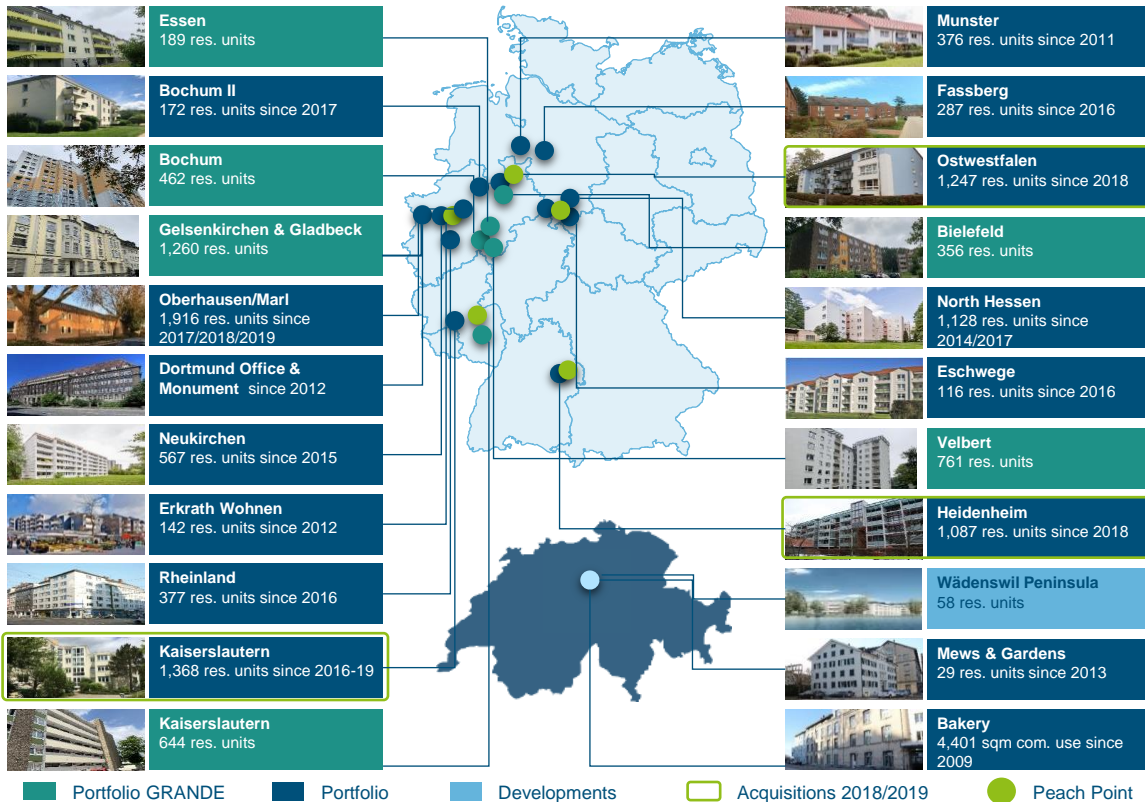
(3) Excludes fair value gain from Peninsula development part of approximately CHF 15mm (market value approx. CHF 48mm vs. book value of CHF 33mm)

(4) IFRS NAV attributable to equity holders of Peach Property Group AG (CHF 308mm) net of hybrid loans (CHF 113mm) and deferred tax assets (CHF 21mm), plus deferred tax liabilities (CHF 32mm) and fair value of financial instruments (CHF 14mm)

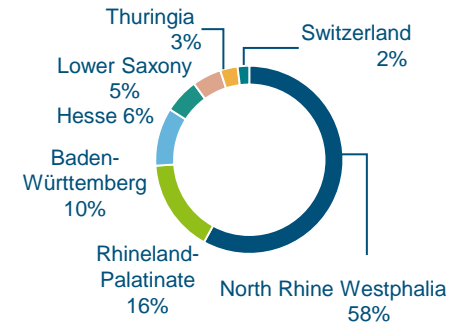
(5) Based on IFRS NAV attributable to equity holders of Peach Property Group AG PF GRANDE as per 30.06.2019 (CHF 365.3mm) net of hybrid loans and deferred tax assets PF GRANDE, plus deferred tax liabilities PF GRANDE (CHF 45mm) and fair value of financial instruments, including CHF 27.1mm conversion of hybrid bonds as of October 18, 2019



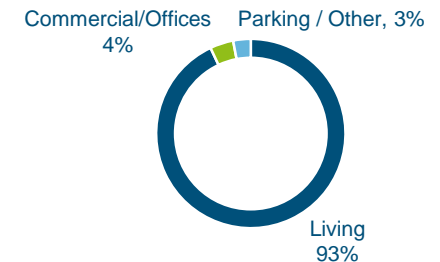
# Pro-forma portfolio is well-located and with relevant scale



## Split by location (PF GRANDE)<sup>1</sup>



## Split by usage (PF GRANDE)<sup>1</sup>



### • GRANDE complementary to existing locations

- Focus on Ruhr region with the cities of Gelsenkirchen, Essen, Velbert and Bochum
- Supplements Kaiserslautern (to c. 2,000 apartments) and Bielefeld/Ostwestfalen (to c. 1,600 apartments)

### • Leverage existing service organisation

- Integration in Peach Points Kaiserslautern and Minden
- New structuring of service organisation with 2 new Peach Points in Erkrath and Gelsenkirchen

Source: Company information; Note: Data as of June 2019, PF GRANDE

(1) Based on PF target rent



- 
1. Introduction to Peach Property
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1

Focus on **highly resilient German residential property market**, with our focus markets exhibiting solid growth and low rent volatility

2

Attractive and diversified portfolio with **market value of CHF 1.1 billion** following the GRANDE acquisition

3

**Stringent investment criteria and acquisition process** focusing on off-market situations

4

**Focus on tenant satisfaction** through interwoven **digital and physical service delivery** as driver to unlock rental potential

5

Track record of **growth and performance improvements**

6

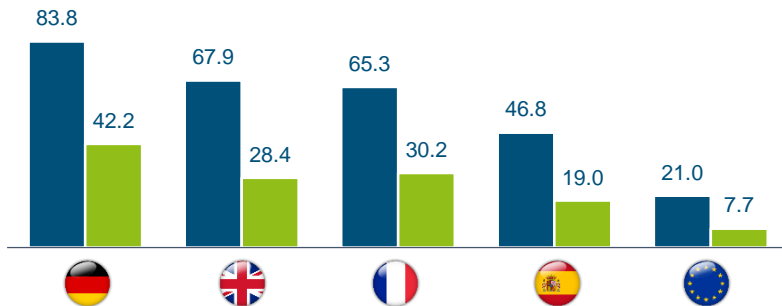
**Strong operational platform** managed by an **experienced team** with a long track record



## Real estate specific

### Largest housing market in Europe...

- Forecast of total population per country in 2020 (mm)<sup>1</sup>
- Forecast of total households per country in 2020 (mm)



### Strong shortage in housing market...

- Limited amount of suitable development land available in German metropolitan regions
- Cumbersome multi-stage approval process slows down development activity
- Natural timing delay between building permit and completions

Unmatched demand through 2020: **88,000 units<sup>3</sup>**

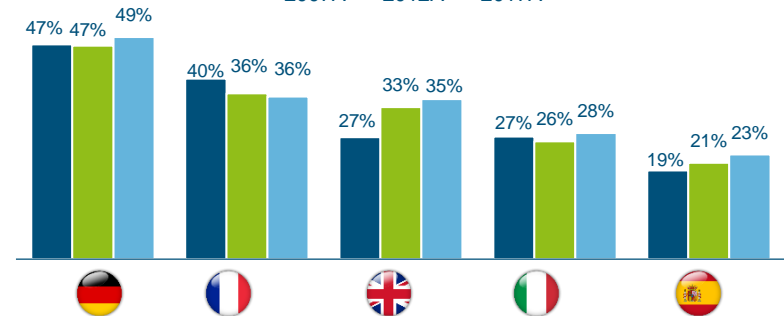
Supply of new build units through 2020: **297,000 units<sup>3</sup>**



### ...with a strong rental culture

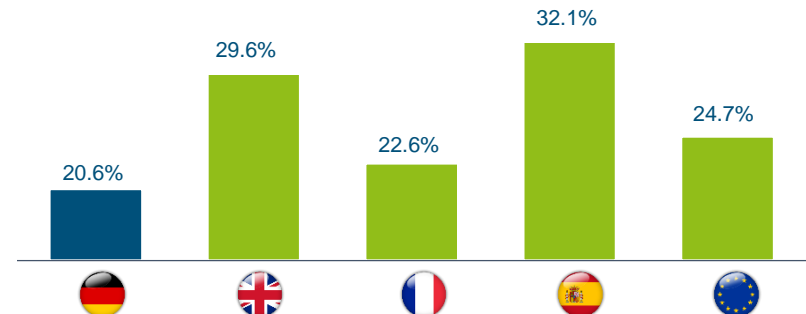
#### Percentage of rented apartments as % of total stock<sup>2</sup>

- 2007A
- 2012A
- 2017A



### ...while rent affordability remains healthy

#### Share of rent in disposable household income as % (2017)<sup>2</sup>



(1) BMI  
(2) Eurostat  
(3) CBRE



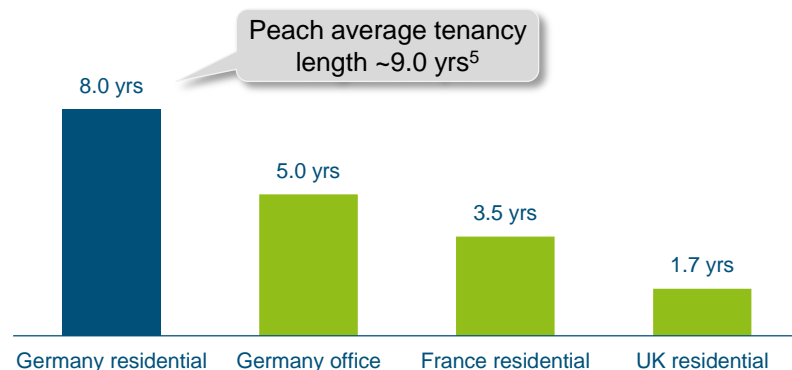
# German affordable housing is an extremely stable market...

## Real estate specific

### Low, stable vacancy rate through the cycle...



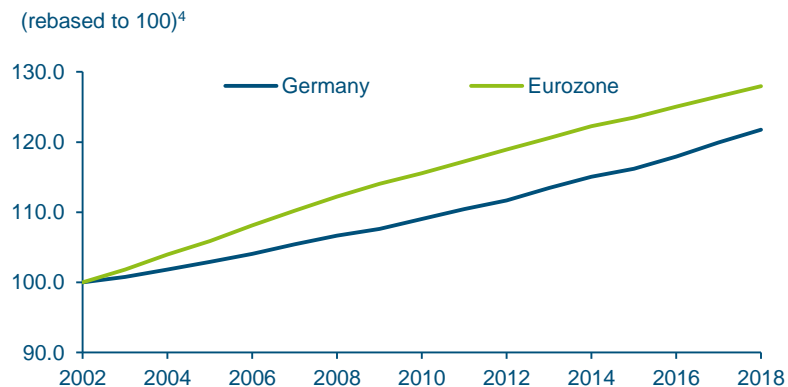
### ... with exceptionally high average tenancy length<sup>3</sup>



### Rent evolution has virtually no volatility...



### ... and lags the average rent growth in the Eurozone



(1) CBRE; median for Berlin, Munich, Frankfurt and Hamburg

(2) GreenStreet, CBRE (median of Berlin, Munich, Frankfurt, Hamburg and Dusseldorf), EIU

(3) CBRE (median of Berlin, Munich, Frankfurt and Hamburg), Haus&Grund, Clameur, Your Move

(4) CBRE (median of Berlin, Munich, Frankfurt, Hamburg and Dusseldorf), Eurostat HICP

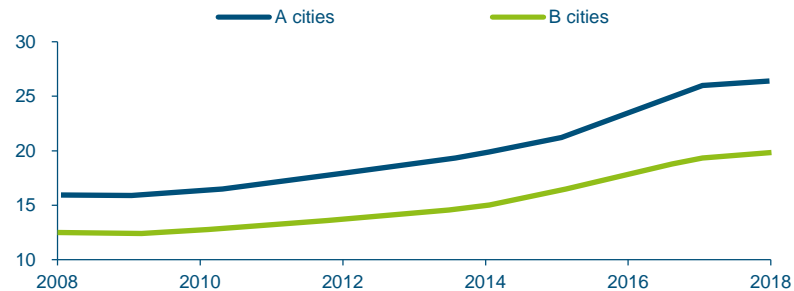
(5) As of 31.12.2018

# ... especially in B-cities that offer an attractive risk/return profile

■ ■ ■ B-cities

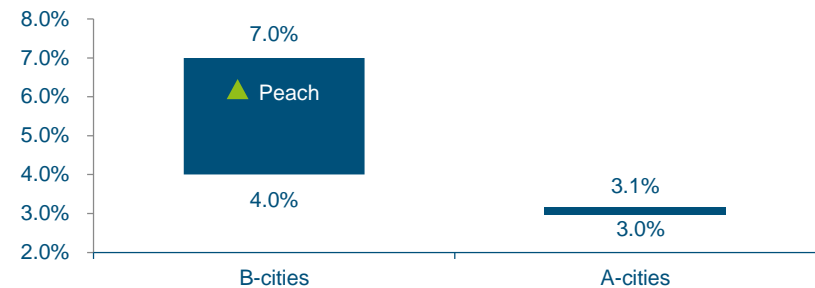
## Multiplier in B-cities significantly lower...

### Average multiplier multi-family buildings<sup>1</sup>



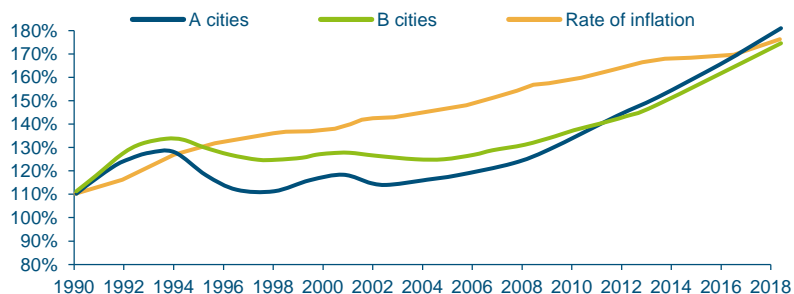
## ... offering an attractive initial return profile

### Net initial yield 2017/2018 in German Secondary Locations<sup>1</sup>



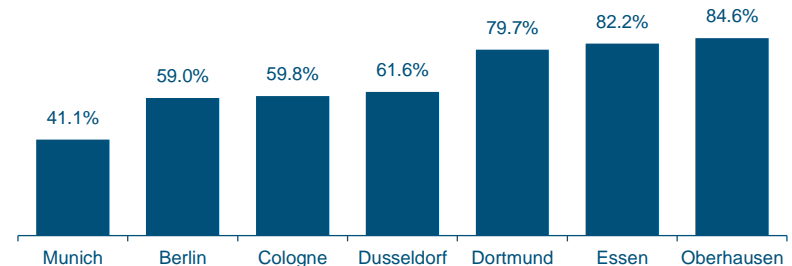
## Rent increase in B/C-cities historically below inflation...

### Rental price and inflation index in Germany<sup>2</sup>



## ... resulting in high affordability in German B-cities<sup>3</sup>

### Percentage of housing units that costs <26% of average disposable income



- B-cities with attractive yields
- Positive growth prospects on the basis of population growth and space consumption
- Lower exposure to external shocks due to significantly lower cost ratios

(1) Bulwiengesa

(2) Bulwiengesa, Statista

(3) German Economic Institute

# Almost 60% of portfolio in NRW – Germany's economic engine

■ ■ ■ NRW deep dive

## NRW as key economic regions in Germany...

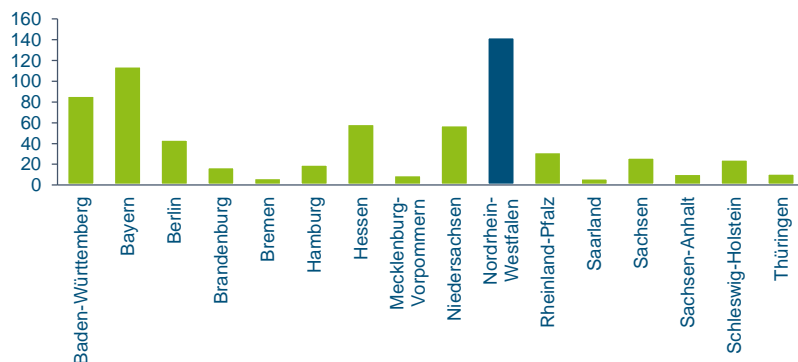
- **Key metropolitan area in Germany, and one of the largest in Europe** (17.9m inhabitants)
- **Germany's economic hub**, generating approx. 21% of German GDP<sup>1</sup>
- **More than one third of the largest companies in Germany are based in NRW**, and **highest number of new business registrations**
- **Robust labour market** with decreasing rate of unemployment **down from >10% (2006) to 6.8% (2018)**<sup>2</sup>

## ...and home to a high number of large German corporates



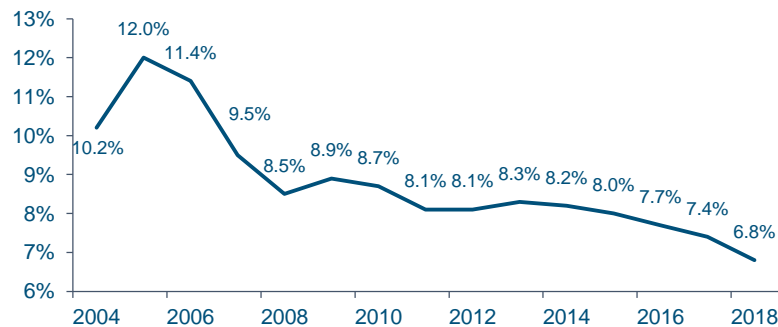
## Highest number of new German business establishments...

Business registrations in 2018 ('000)<sup>2</sup>



(1) Unicredit  
(2) Destatis

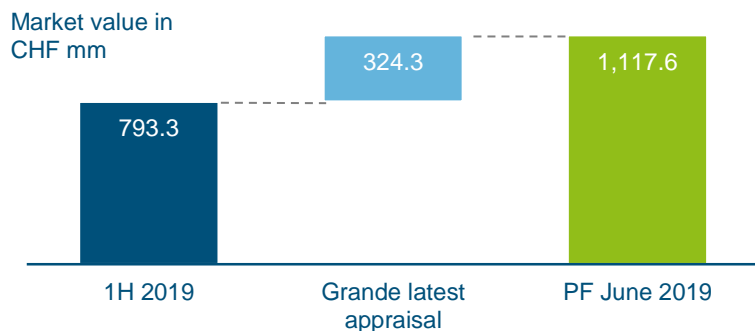
## ... coupled with decreasing unemployment in NRW<sup>2</sup>





# Sizeable high-quality platform with market value in excess of ~EUR 1bn

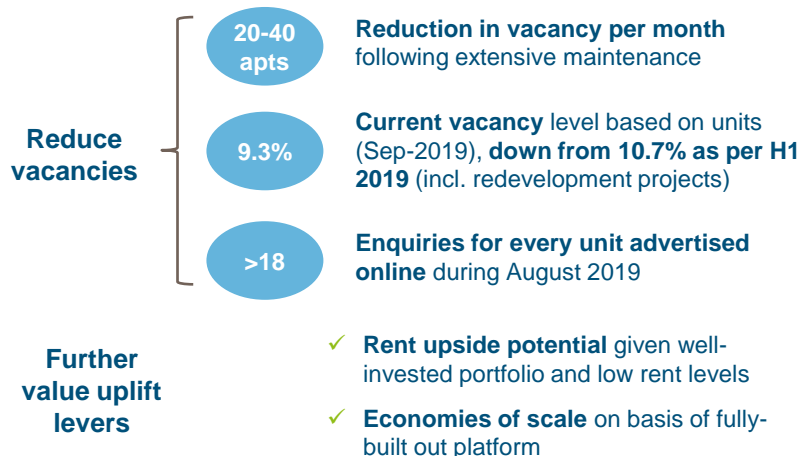
## Isolated effect of GRANDE acquisition<sup>1</sup>



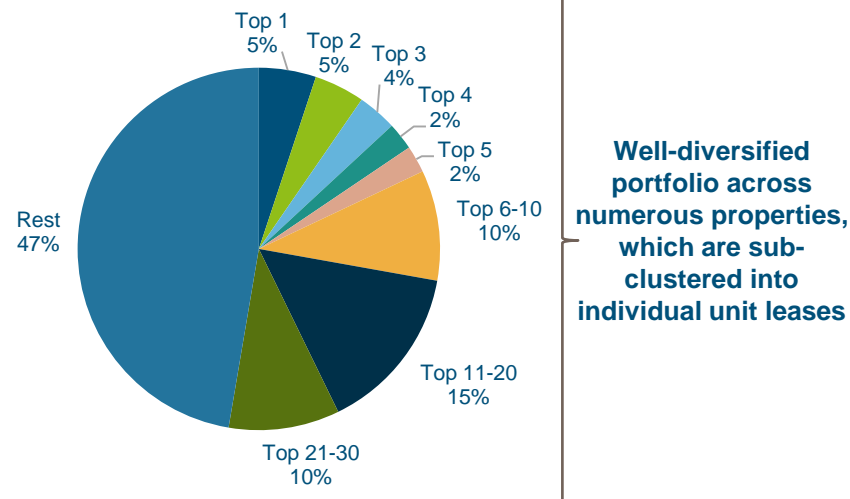
## Portfolio appraisal metrics (H1 2019)

Gross yield at target rent	6.37%
Discount rate <sup>2</sup>	4.01%
Monthly market rent	EUR 6.02 per sqm (vs. EUR 5.08 current)

## Defined strategy to optimise portfolio



## Portfolio valuation breakdown per cluster (by market value)<sup>3</sup>



A well-invested portfolio spread across numerous cities and assets; significant potential for vacancy reduction and rent increases

Source: Company information

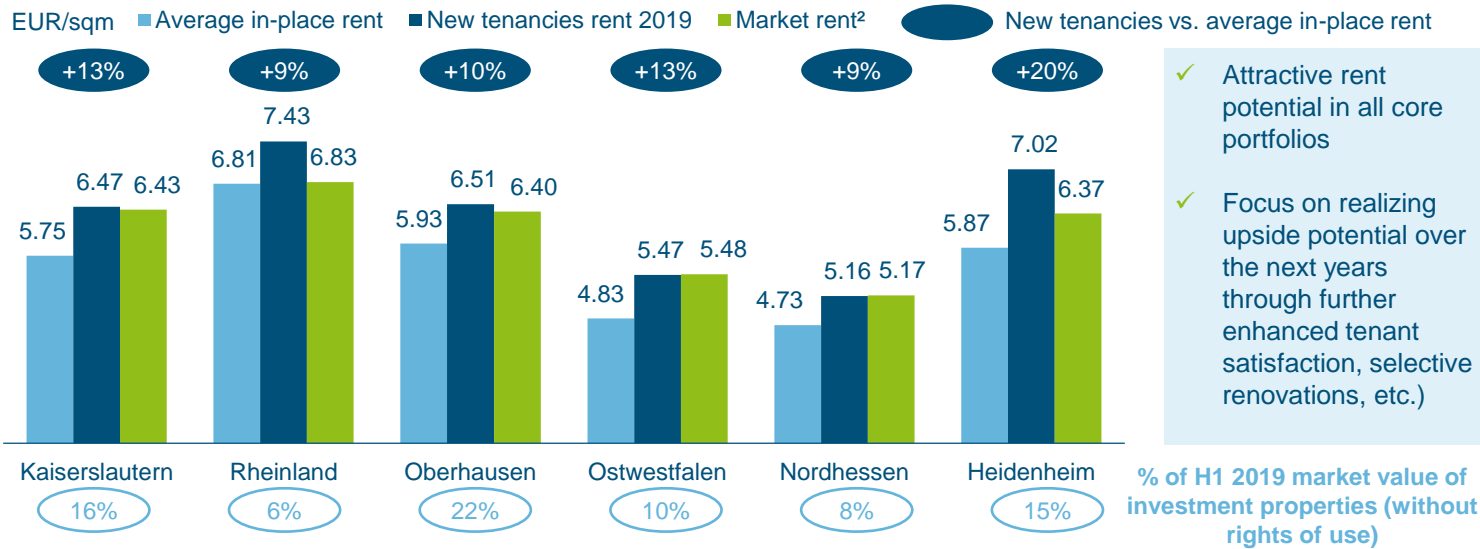
(1) Purchase price GRANDE converted to CHF at FX rate of EUR/CHF 1.1104 (June 2019). Revaluation gain (pre tax) based on latest valuation report of EUR 292.1mm

(2) Average of discount rates, weighted by market value

(3) Chart refers to Peach portfolio clusters. Each of these contains up to 100 individual houses, which in turn consist of individual rental leases

# Portfolio exhibits attractive rent increase potential...

## Potential for increasing rents in existing portfolio (excl. GRANDE)<sup>1</sup>



## Publicly supported apartments within GRANDE

City	# Units	Expiry	Vacancy (in m <sup>2</sup> )	Apartment rent / m <sup>2</sup>	New letting 2019	Upside	50% percentile On-Geo <sup>3</sup>	Upside
Bielefeld	356	2020	2%	4.04	4.01	(1%)	4.82	19%
Essen	161		1%	5.20	5.47	5%	5.78	11%
Gelsenkirchen	77		9%	4.47	4.50	1%	5.00	12%
Velbert	388	2022	9%	4.05	4.11	2%	5.73	42%
<b>Total</b>	<b>982</b>		<b>5%</b>	<b>4.27</b>	<b>4.32</b>	<b>1%</b>	<b>5.36</b>	<b>26%</b>

- ✓ 50% plus percentile applicable based on Peach tenant focus as well as planned investments
- ✓ 20% rent increase over following 3 years possible and achievable

Source: Company information

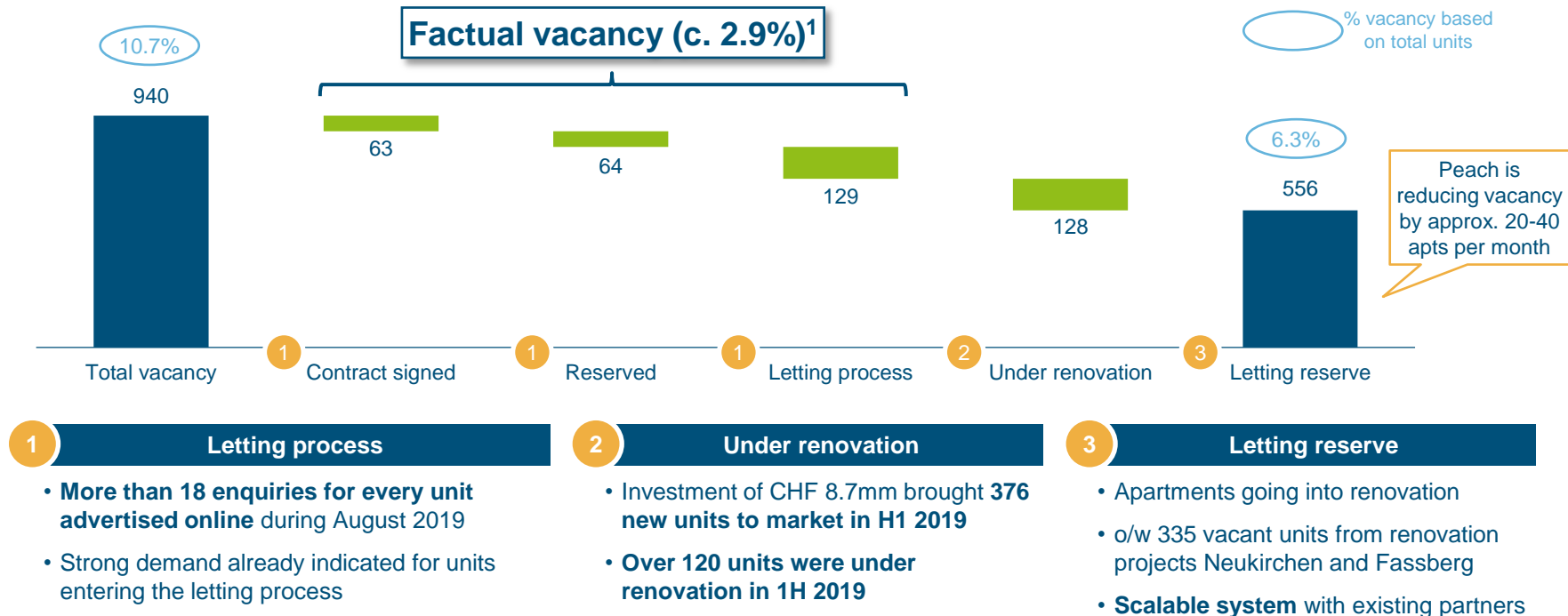
(1) As at H1 2019

(2) According to appraiser Wüest Partner as at 30.06.2019

(3) On-Geo stands for live georeferenced market data. Peach typically uses ~100m around an apartment building

# ... allowing for significant rent upside from the market placement of Peach's strategical vacancies

## Breakdown of vacant apartments (as of H1 2019, excl. GRANDE)



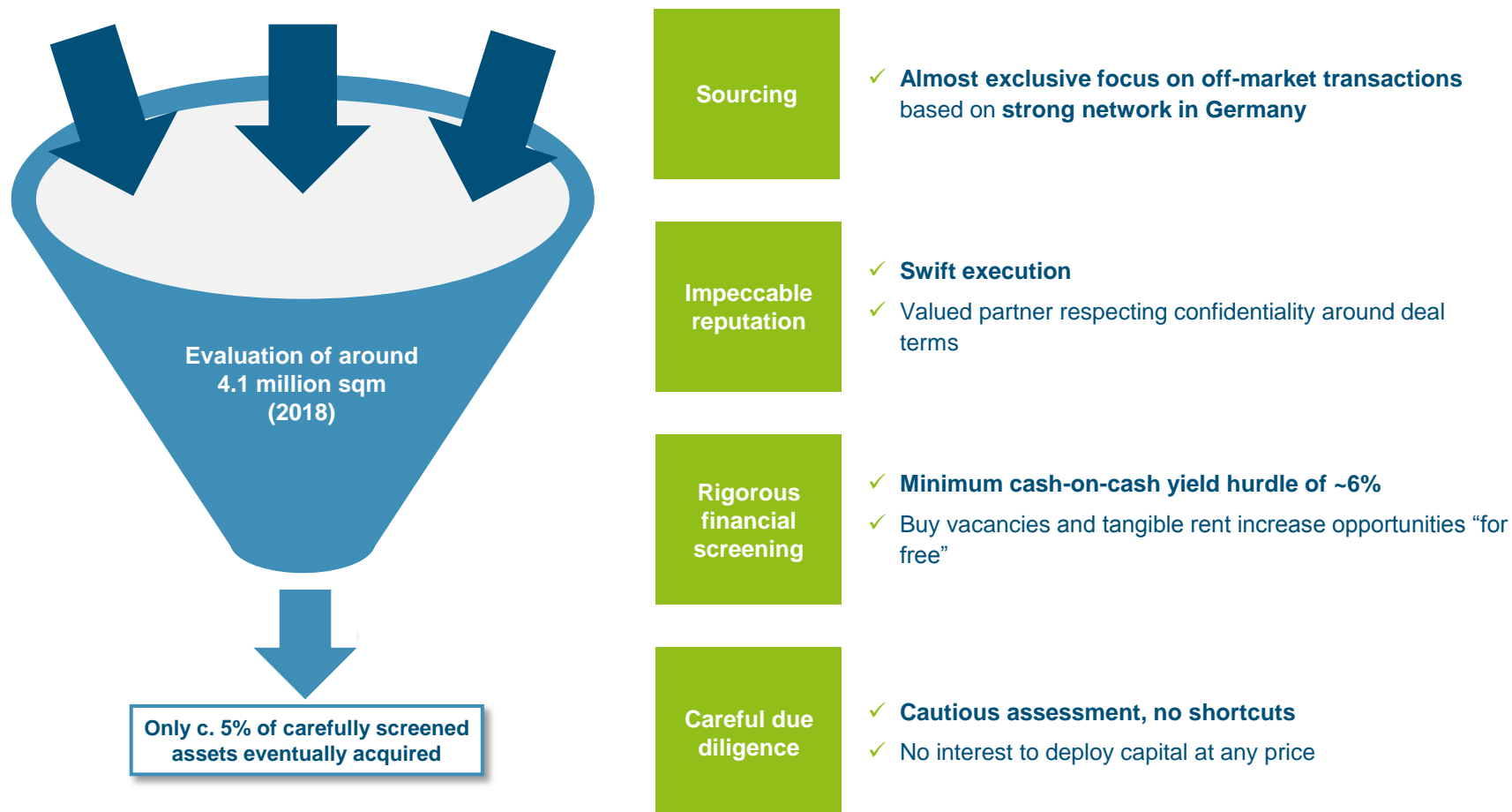
**Minimal incremental yield on cost requirement of 6% for renovations, which lies above our in-place portfolio yield**

Source: Company information

(1) As of June 30, 2019, we had 256 vacant apartments, representing a vacancy rate of 2.9% based on currently marketable apartments (excluding apartments currently under renovation and as letting reserve to be renovated)



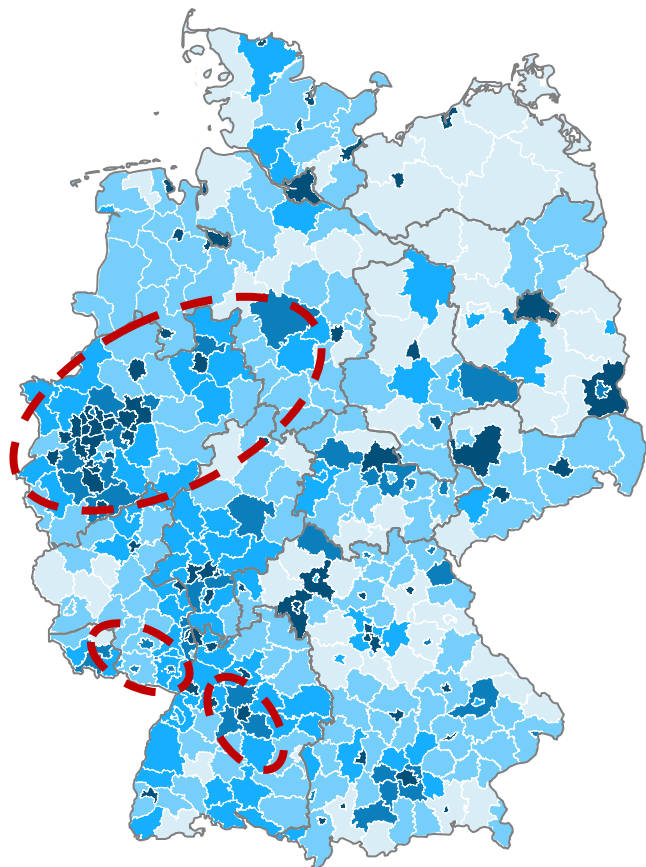
# Structured acquisition process that result in strategically sound acquisitions...



Selective acquisitions of properties (100,000 – 200,000 sqm/year (= 3-5%)) going forward

# ... within a defined acquisition strategy that leverages on local expertise

## Population density Germany (2017)<sup>1</sup>



### Inhabitants per sqkm (2017)

Below 100    100–200    200–500    500–1,000    Above 1,000



Peach focus areas

Source: Company information  
(1) Destatis

- ✓ Portfolios with 300 – 1,000 apartments, **frequently below “radar screen” of large REITs or institutional buyers**, offering limited competitive tension
- ✓ Focus on **NRW and adjacent federal states**
- ✓ B-cities with **attractive yields** and potential for **vacancy reduction through targeted asset management**
- ✓ Urban areas in a **highly stable economic region** based on population growth as well as strong rental market
- ✓ **Favourable micro locations with good transportation links**
- ✓ **Rent per sqm below market level**; purchase price below replacement cost and market value
- ✓ Selective **expansion of local “Peach Points”** to provide local tenant interaction
- ✓ **Leverage of existing management platform** and services offering enables economies of scale and **management efficiency**

# Peach Points: Client service excellence delivered through regional service hubs

Digital capabilities



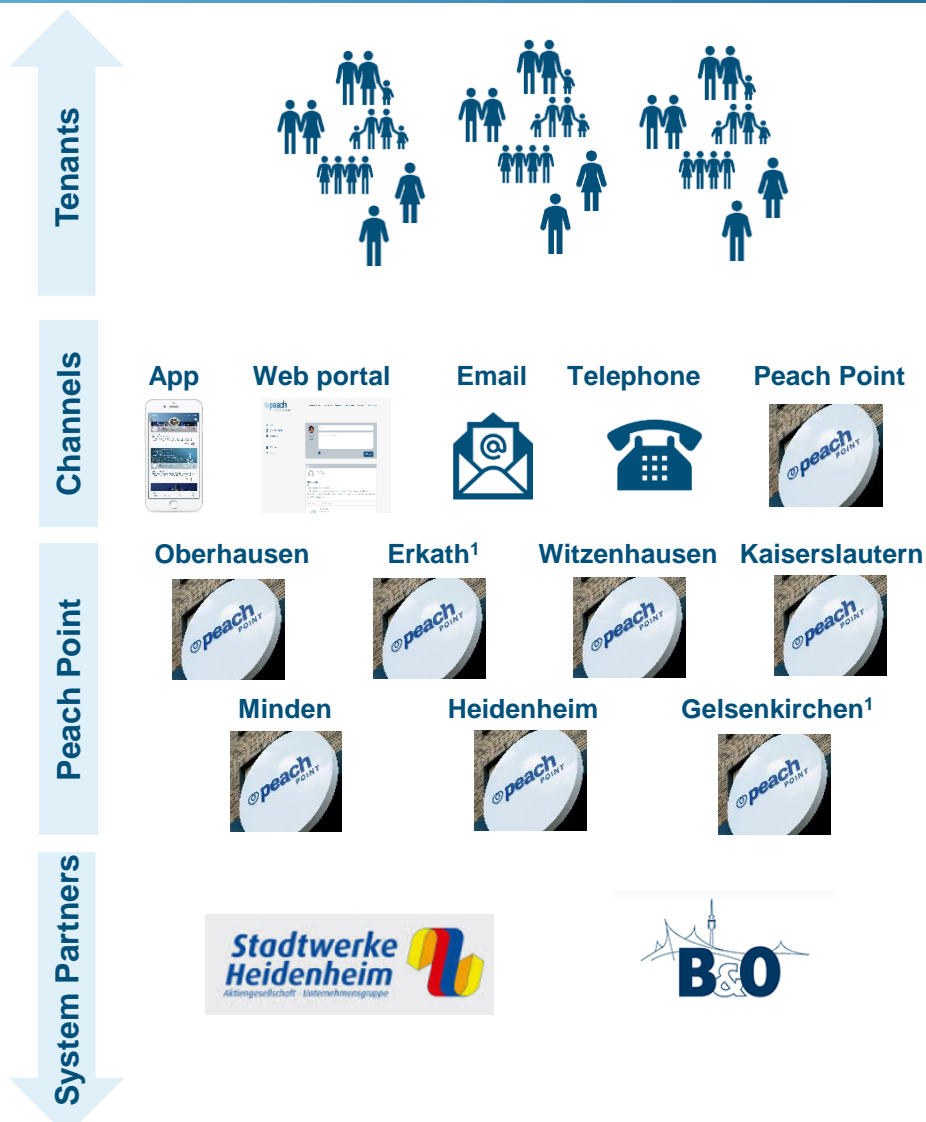
Regional service hubs

Proven and time-tested service model that forms the basis for Peach's strong perception by tenants, ultimately resulting in vacancy reduction and rent optimisation



# 360 degree tenant service model: strong digital capabilities embedded in multi-region service hubs

## FULLY DIGITALIZED SCALABLE PLATFORM



### Tenants with full multi-channel access:

- Online (24/7): App, Web Portal, Mail
- Offline: Telephone, Peach Points

### Property Management in Peach Points

- All notifications recorded in ticketing system
- 120 tickets per month per 1,000 apartments (as of June 30, 2019)
- 88% "one touch": Question can be solved at first contact station

### Central Quality Management

- 20.9 hours to first response
- 6.8 days to full solution of the problem
- 88% satisfaction (based on 11% response rate, survey April to June 2019)

### Scalable model through partners

- Partners integrated via Zendesk
- Model scales seamlessly without the need to add significant expenses

### Peach closely measures and tracks its success

# Strong track record of delivery and performance improvements...

Financial values in CHF mm

Portfolio KPIs	Portfolio KPIs FY 2017	Portfolio KPIs FY 2018	Portfolio KPIs H1 2019	Portfolio KPIs H1 2019 (incl. GRANDE)	Change since FY 2017	
Market Value (in CHF mm)	520.3 (13% development)	747.2 (7% development)	793.3 (6% development)	1,117.6 (4% development)	+ 115%	↑
Lettable Area ('000 sqm.)	390.4	577.0	599.6	830.0	+ 113%	↑
Vacancy (units, incl. investment properties in renovation)	15.0%	12.4%	10.7%	10.2%	- 32%	↓
Target net rental income p.a.	28.6	43.9	46.4	63.5	+ 122%	↑
Net market value LTV <sup>1</sup>	49.6%	54.4%	54.0%	60.4% <sup>2</sup>		
Avg. Interest Rate	2.48%	2.54%	2.35%			

Includes 335 units from renovation projects Neukirchen and Fassberg

Reduced to 9.3% as of September 2019

Mid-term target of 55%

Peach outperformed all relevant key metrics and has a clear de-levering strategy in place

Source: Company information

(1) Based on net debt (excluding financial liabilities due to related parties, lease liabilities and derivative financial instruments), excluding hybrids

(2) Defined as PF net debt divided by PF market value, net of issuance costs

## PF GRANDE



Asset acquisition of CHF  
253mm



Debt

CHF 278mm new bond



## Q4 2019

FY19 profit and revaluation



Net debt



Assets

Expected CHF 20-40mm mostly due  
to realised rent increases (and  
through revaluation gains)

## H1 2020

Sale of development assets (SUI)  
~CHF 70mm (including existing debt)



Net debt



Assets

Building permit expected Q4 2019;  
LOI signed October 2019; ~CHF  
70mm (including existing debt)

## PF GRANDE

Ordinary course of business

H1 2020 profit and  
revaluation

Significant top line growth  
through vacancy reduction  
and rent increase

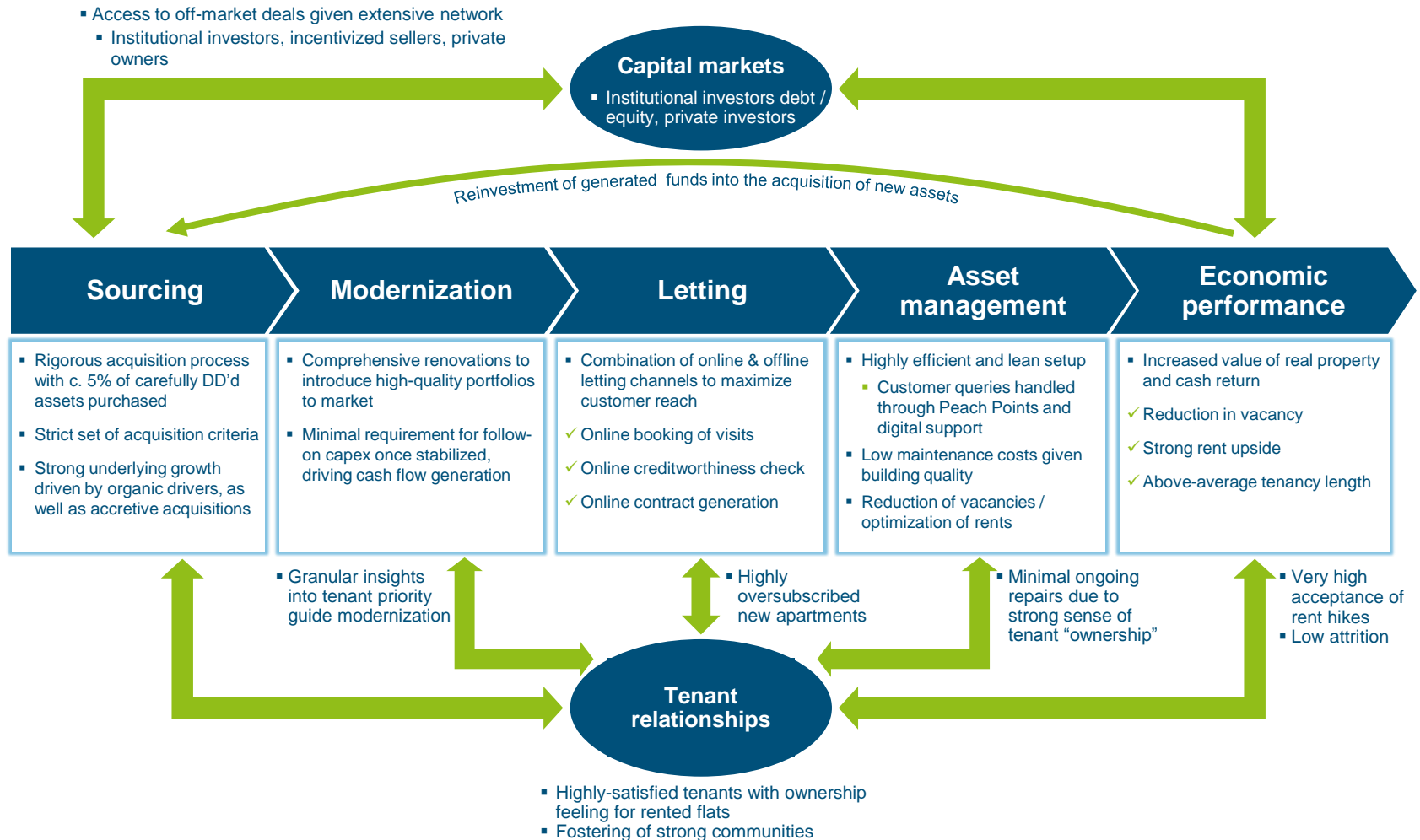


Net debt



Assets

Deleveraging expected through a combination of strong rental income growth, operating margin improvement, revaluation gains, Swiss development asset sale as well as acquisitions financed through a balanced mix of debt and equity





## Dr. Thomas Wolfensberger



### Chief Executive Officer

- Responsible for corporate strategy, capital markets, portfolio management and projects located in Switzerland
- > 15 years of experience with capital markets and real estate transactions
- Doctorate in economics (PhD)

## Dr. Andreas Steinbauer



### Head of Letting and Sales

- Responsible for the sale and letting activities
- >15 years of experience in real estate development
- Previously worked at Orco Property Group, responsible for the entire portfolio
- Holds a PhD in International Real Estate Markets

## Christoph Kattenfeld



### Head of Acquisitions

- Responsible for acquisitions at Peach Property Group
- > 15 years of experience in corporate finance / real estate as head of acquisitions at Round Hill Capital / Vitus Group
- MBA from Wharton School of Business and a BSc. in business administration

## Frank Gieshold



### Head of Technical Installations

- Responsible for technical installations for all German assets
- >25 years of experience in technical real estate management
- Diploma in construction engineering and certified industrial engineer

## Dr. Marcel Kucher



### Chief Financial Officer / Chief Operating Officer

- Responsible for finance, operations, legal, investor relations and IT
- > 15 years of experience as CFO of growth companies
- PhD in Economics

## Marc Sesterhenn



### Head of Asset Management

- Leads German rental property entities and is responsible for asset management
- >11 years of experience in controlling and project development at LEG / Goldman Sachs
- Certified Real Estate Asset Manager (IREBS)

## Nicole Grau



### Head of Group Accounting

- Responsible for responsible for the Group's accounting, consolidation, taxes and internal controlling
- > 18 years of experience in finance, incl. 12 years as auditor at PwC with specialization on international accounting
- Diploma in management and certified accountant

## Susanne Hünemann



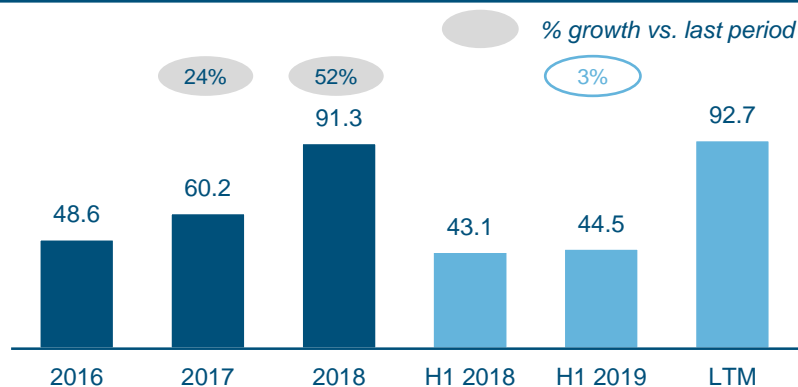
### Legal Counsel

- Responsible for legal matters concerning the Group's subsidiaries in Germany
- >12 years of experience in real estate law
- Degree in law from the University of Cologne; specialized lawyer for letting ("Mietrecht") and "WEG-Recht" in Germany

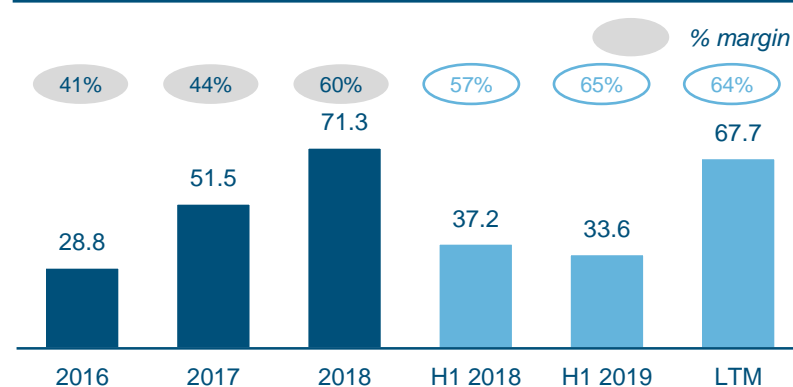
- 
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# Historical financial evolution

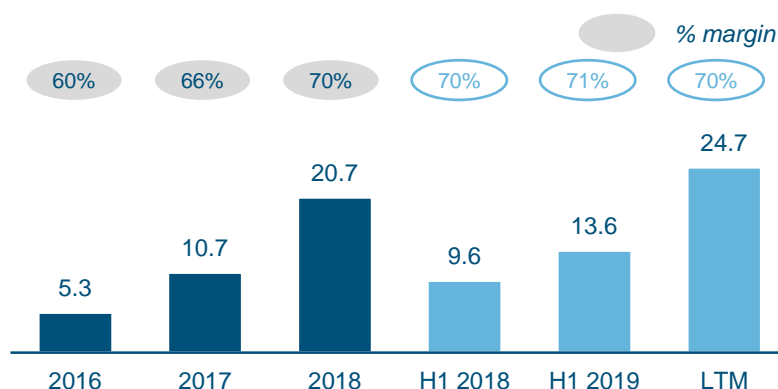
**Total revenue (CHF mm)<sup>1</sup>**



**EBITDA (CHF mm)<sup>3</sup>**

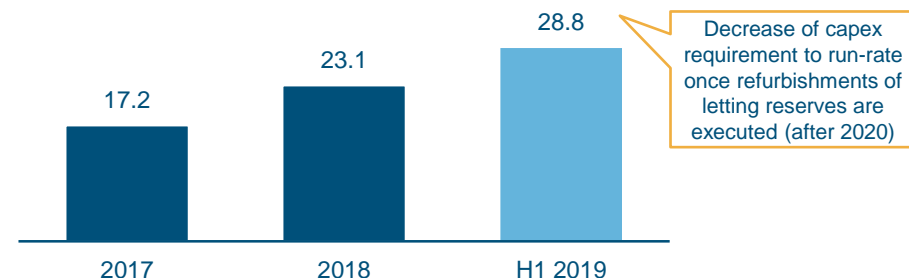


**Gross profit – rental business (CHF mm)<sup>2</sup>**



**Capital expenditures (per sqm)**

Maintenance expenses run through P&L as repairs and maintenance while cash flow capex shown here helps Peach reduce vacancy rates and raise rent levels



Source: Company information, excluding GRANDE portfolio

(1) Excluding revenue from development properties

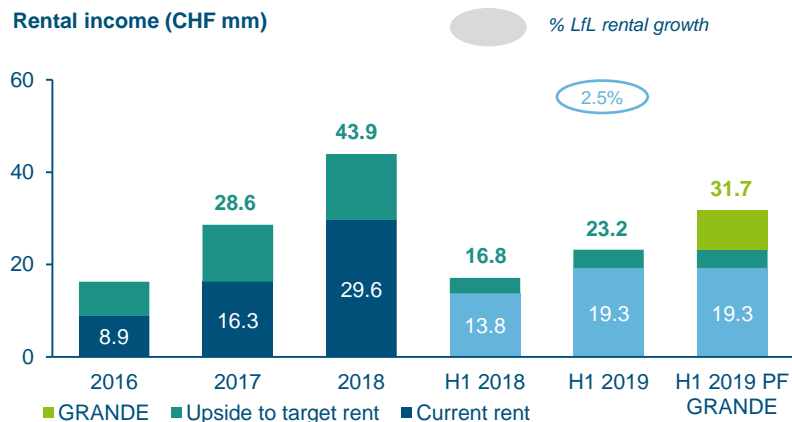
(2) Rental income minus direct rental expenses

(3) Unadjusted for revaluation gains/losses

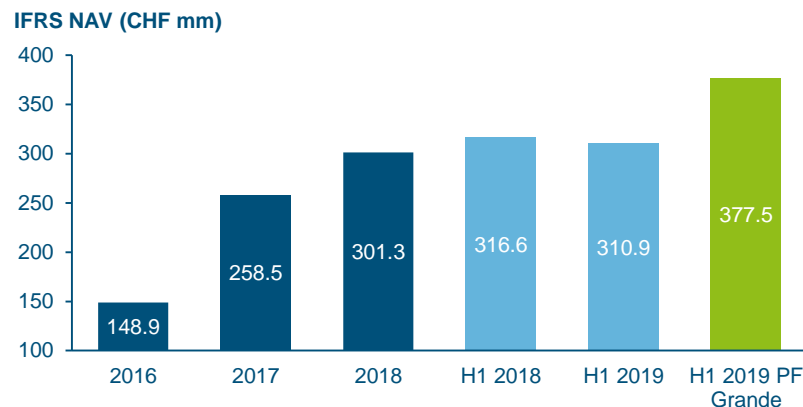
Note: LTM calculated as H1 2019 figure plus FY 2018 figure minus H1 2018 figure

# Robust financial development driven by operational and financial restructuring

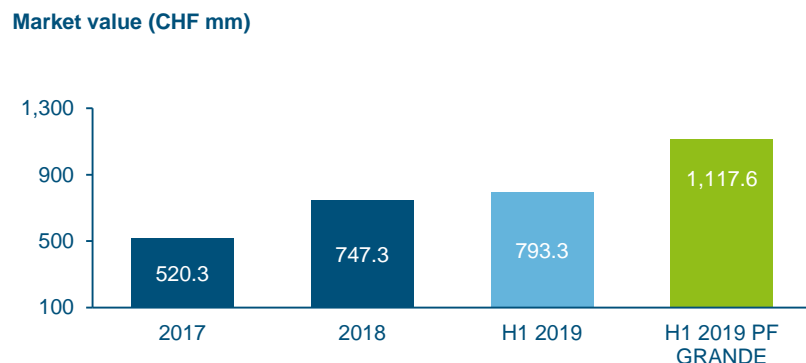
## Stable rental income profile...



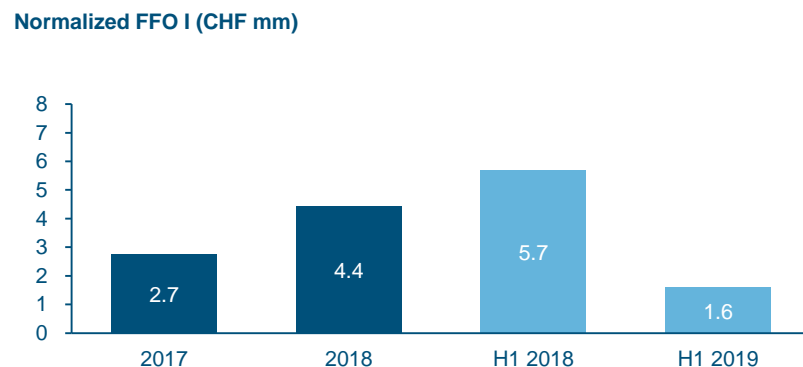
## ... as well as NAV growth...



## ... and portfolio valuation uplift...



## ... driving overall FFO I generation<sup>1</sup>



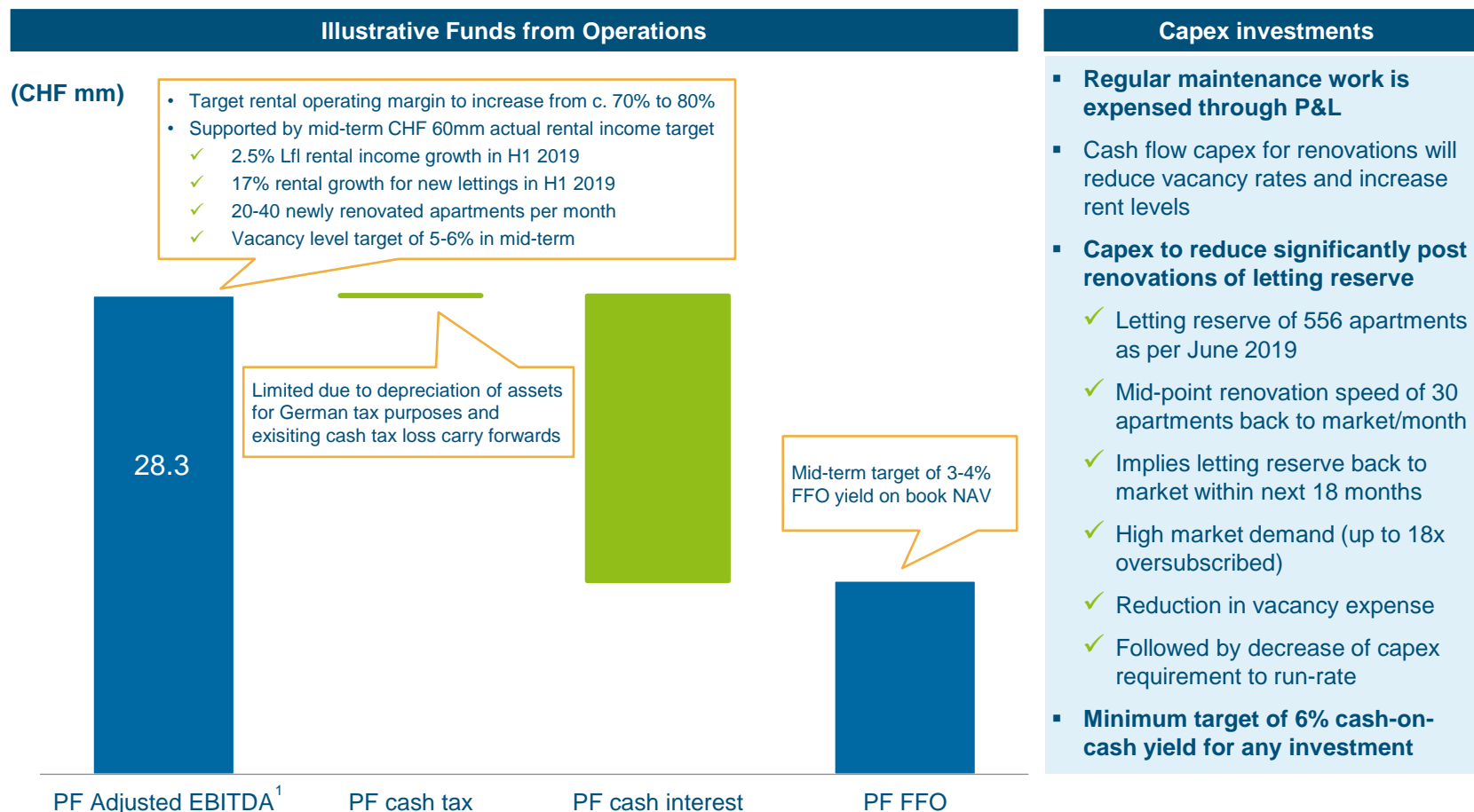
Combination of enhanced profitability, optimized financing structure as well as inorganic growth through acquisitions leading to improved FFO profile

Source: Company information

(1) In 2018 and H1 2019, Peach paid off-period taxes relating to the one-off sale of Gretag AG in 2016 which are added back to provide normalized FFO. Further, one-off tax prepayments relating to the sale of Wollerau Park in H1 2018 are also added back. Normalized FFO in 2017 deducts received cash from tax authorities. In addition, as per FY18, Peach has CHF 165mm of tax loss carry-forwards (CHF 3.4m in the next 3 years, >CHF 40mm in the next 7 years) and deferred tax assets of CHF 21mm



# Illustrative Funds from Operations



Source: Company information

(1) EBITDA adjusted for valuation result of investment properties and disposal of investment properties. Pro-forma adjusted EBITDA defined as pro-forma EBITDA as adjusted for pro-forma valuation result of investment properties, including contribution from development activities. Adjusted EBITDA for the six months ended 30.06.2019 annualized

## FINANCIAL POLICY CONSIDERATIONS

- **Mid-term target 55% net market value LTV**
- **Mid-term guidance FFO I yield of 3-4% on IFRS NAV**
- **Target average debt maturity profile > 4 years**
- **Maintain ample liquidity with minimum CHF 20mm cash on balance sheet**
- **We will consider issuing equity to fund our growth strategy**

- 
1. Introduction to Peach Property
  2. Company highlights
  3. Financials
  4. **Appendix**

# Historical Income Statement

In TCHF	2016	2017	2018	H1 2018 <sup>1</sup>	H1 2019 <sup>1</sup>	LTM <sup>1</sup>
Rental income	8,899	16,264	29,644	13,797	19,285	35,132
Valuation gains from investment properties	33,733	42,620	59,425	27,341	24,866	56,950
Profit on disposal of investment properties	4,529	0	0	0	72	72
Income from development properties	21,918	55,617	28,378	21,908	7,302	13,772
Profit on disposal of subsidiaries	563	0	0	0	0	0
Other operating income	920	1,357	2,260	1,993	264	531
<b>Operating income</b>	<b>70,562</b>	<b>115,858</b>	<b>119,707</b>	<b>65,039</b>	<b>51,789</b>	<b>106,457</b>
Expenses from leasing of investment properties	(3,578)	(5,589)	(8,987)	(4,205)	(5,689)	(10,471.0)
Valuation losses from investment properties	(3,773)	(1,740)	(4,379)	(318)	(771)	(4,832.0)
Losses on disposal of investment properties	0	(200)	0	0	0	0.0
Total development expenses	(23,697)	(44,026)	(21,305)	(17,060)	(4,087)	(8,332.0)
Personnel expenses	(4,400)	(6,020)	(8,403)	(3,852)	(5,125)	(9,676.0)
Marketing and sales expenses	(822)	(525)	(247)	(165)	(268)	(350.0)
Other operating expenses	(5,494)	(6,262)	(5,040)	(2,204)	(2,296)	(5,132.0)
Depreciation & amortization	(177)	(160)	(197)	(125)	(244)	(316.0)
<b>Operating expenses</b>	<b>(41,941)</b>	<b>(64,522)</b>	<b>(48,558)</b>	<b>(27,929)</b>	<b>(18,480)</b>	<b>(39,109.0)</b>
<b>Operating result (EBIT)</b>	<b>28,621</b>	<b>51,336</b>	<b>71,149</b>	<b>37,110</b>	<b>33,309</b>	<b>67,348</b>
Financial income	2,438	11,919	511	208	213	516
Financial expenses	(13,073)	(10,553)	(14,786)	(6,665)	(8,717)	(16,838)
Result from associates and joint ventures	(938)	(1,154)	0	0	0	0
<b>Result before tax</b>	<b>17,048</b>	<b>51,548</b>	<b>56,874</b>	<b>30,653</b>	<b>25,351</b>	<b>51,572</b>
Income tax expenses	(5,462)	(9,624)	(11,555)	(4,157)	(3,084)	(10,482)
<b>Result after tax</b>	<b>11,586</b>	<b>41,924</b>	<b>45,319</b>	<b>26,469</b>	<b>22,267</b>	<b>41,117</b>
– attributable equity holders of Peach Property Group AG	11,224	41,895	45,451	26,389	21,963	41,025
– Attributable to non-controlling interests	362	29	(132)	107	304	65
<b>Undiluted earnings per share in CHF</b>	<b>1.87</b>	<b>7.32</b>	<b>7.48</b>			
<b>Diluted earnings per share in CHF</b>	<b>1.87</b>	<b>6.70</b>	<b>5.56</b>			

Comments	
1	Rental income up 82.3% in 2018 on the back of new acquisition and new letting success; L-f-L rental income growth of 2.9%
2	Development income decreased in FY2018 in line with the company's strategy to gradually withdraw from its development business
3	Significant increase in operating margin from 44.3% in FY2018 to 59.4% in FY2019 due to 1) higher reliance on standing assets, 2) economies of scale and 3) larger in-sourcing of platform
4	Financial income in FY2017 came from currency gains for the vast majority (CHF 10.7mm)

Source: Company information

(1) Unaudited

(2) LTM defined as H1 2019 plus FY 2018 minus H1 2018



# Historical Balance Sheet

In TCHF	2016	2017	2018	H1 2018 <sup>1</sup>	H1 2019 <sup>1</sup>
Cash and cash equivalents	12,952	49,157	53,484	91,573	32,893
Total receivables	13,214	7,586	5,772	5,729	4,783
Prepaid expenses	325	418	765	699	4471
Contract assets	1 492	43,489	0	1671	1352
Development properties	71,124	50,528	37,263	39,874	32,513
Non-current assets held for sale	1,447	0	0	0	0
<b>Current assets</b>	<b>99,554</b>	<b>151,178</b>	<b>97,284</b>	<b>139,546</b>	<b>76,012</b>
Investment properties	2 224,578	452,368	693,740	531,237	756,950
Non-current financial receivables	2,019	1,388	50	493	1134
Investments in associates and joint ventures	43	1	1	1	1
Deferred tax assets	16,135	16,233	19,552	18133	20698
Other assets	285	638	9,938	199	1778
<b>Non-current assets</b>	<b>243,060</b>	<b>470,628</b>	<b>723,281</b>	<b>550,063</b>	<b>780,561</b>
<b>Total assets</b>	<b>342,614</b>	<b>621,806</b>	<b>820,565</b>	<b>689,609</b>	<b>856,573</b>
<b>Liabilities</b>					
Trade payables	2,966	6,031	1,800	3,265	2,010
Other liabilities	10,668	2,703	5,029	4,879	4,415
Accrued expenses	9,523	11,592	10,983	8,789	8,411
Current income tax liabilities	2,545	5,236	1,984	4,507	839
Current financial liabilities	41,366	69,735	38,507	58,770	48,532
Current provisions	2,338	3,937	4,704	4,382	4,541
<b>Total current liabilities</b>	<b>69,406</b>	<b>99,234</b>	<b>63,007</b>	<b>84,592</b>	<b>68,748</b>
Non-current financial liabilities	3 108,679	239,001	424,402	261,485	443,461
Non-current provisions	1,727	2,021	1,462	1,981	1,633
Deferred tax liabilities	13,860	23,044	30,442	24,996	31,782
<b>Total non-current liabilities</b>	<b>124,266</b>	<b>264,066</b>	<b>456,306</b>	<b>288,462</b>	<b>476,876</b>
<b>Total liabilities</b>	<b>193,672</b>	<b>363,300</b>	<b>519,313</b>	<b>373,054</b>	<b>545,624</b>
<b>Equity</b>					
Share capital (excl. treasury stock)	4,991	5,429	5,473	5,457	5,281
Share premium	82,800	89,715	90,973	90,499	93,806
Hybrid capital	49,251	106,822	112,841	138,873	113,059
Retained earnings	15,183	55,655	96,049	81,200	104,374
FX translation	(4,466)	(1,021)	(5,783)	(1,463)	(8,066)
<b>Common equity</b>	<b>147,759</b>	<b>256,600</b>	<b>299,553</b>	<b>314,566</b>	<b>308,454</b>
Equity attributable to non-controlling interests	1,183	1,906	1,699	1,989	2,495
<b>Total equity</b>	<b>148,942</b>	<b>258,506</b>	<b>301,252</b>	<b>316,555</b>	<b>310,949</b>
<b>Total liabilities and equity</b>	<b>342,614</b>	<b>621,806</b>	<b>820,565</b>	<b>689,609</b>	<b>856,573</b>

Comments	
1	Contractual assets of CHF43.5mm in FY2017 in the course of the sale of development project Wollerau Park
2	Acquisition of portfolios in Bielefeld Heidenheim, Bochum, Duisburg, Oerlinghausen
3	Increase in financial liabilities mainly through new secured mortgage loans

Source: Company information

(1) Unaudited

# Historical Cash Flow Statement

In TCHF	2016	2017	2018	H1 2018 <sup>1</sup>	H1 2019 <sup>1</sup>
<b>Result before tax</b>	<b>17,048</b>	<b>51,548</b>	<b>56,874</b>	<b>30,653</b>	<b>25,351</b>
Depreciation & amortization	177	160	197	125	244
Valuation result of investment properties/valuation losses on development	(29,960)	(40,880)	(53,712)	(27,023)	(24,095)
Result on disposal of investment properties/subsidiaries	(5,092)	200	0	0	(72)
Adjustment of bad debt allowance/employee benefit obligations	284	(283)	502	577	636
Financial income	(2,438)	(11,919)	(511)	(208)	(213)
Financial expense (incl. impairment of financial assets)	13,073	10,553	14,786	6,665	8,171
Result from associates and joint ventures	938	1,154	0	0	0
Share-based payment compensation	0	568	1,626	570	1,014
Change in provisions	(1,405)	887	415	(399)	752
Other non-cash effective items	(352)	260	(883)	43,199	(2,043)
(Increase)/decrease in receivables and other assets	9,353	(36,812)	44,200	10,632	4,797
(Increase)/decrease in development properties	1 11,917	20,032	13,187	(3,295)	(3,967)
Increase/(decrease) in payables and other liabilities	(10,622)	(3,802)	(2,116)		
Interest and other financial expenses paid	(6,112)	(6,928)	(8,836)	(4,441)	(6,152)
Taxes paid	2 (13,248)	1,606	(9,940)	(4,479)	(4,347)
<b>Cash flow from operating activities</b>	<b>(14,948)</b>	<b>(12,322)</b>	<b>54,455</b>	<b>52,576</b>	<b>76</b>
Payments for subsidiaries/Investments in investment properties	3 (76,423)	(159,606)	(217,975)	(56,846)	(17,696)
Disposal of subsidiaries/disposal of investment properties	110,895	1,774	0	0	1,858
Acquisition of other property, plant and equipment	(68)	(157)	(497)	(57)	(274)
Financial receivables granted	(140)	(258)	0	(33)	0
Repayment of financial receivables/interest income received	3	16	1,429	848	10
<b>Cash flow from investment activities</b>	<b>34,267</b>	<b>(158,231)</b>	<b>(217,043)</b>	<b>(56,088)</b>	<b>(16,102)</b>
Net proceeds/(cash out) from the issue/(repayment) of financial debt	(36,451)	143,392	162,928	12,607	(3,451)
Net proceeds/(cash out) from the issue/(repayment) of hybrid capital	17,326	57,571	6,275	33,379	167
Net proceeds/(cash out) from the issue/(repayment) of share capital	562	6,883	1	0	(67)
Lease payments	0	0	0	0	(414)
Distributions to hybrid equity investors (less VAT outstanding)	(1,021)	(1,625)	(1,989)	0	(652)
<b>Cash flow from financing activities</b>	<b>(19,584)</b>	<b>206,221</b>	<b>167,215</b>	<b>45,986</b>	<b>(4,417)</b>
<b>Change in cash and cash equivalents</b>	<b>(265)</b>	<b>35,668</b>	<b>4,627</b>	<b>42,474</b>	<b>(20,443)</b>
Cash and cash equivalents at the start of the period (at January 1)	13,281	12,952	49,157	49,157	53,484
Currency exchange impact on cash and cash equivalents	(64)	537	(300)	(58)	(148)
<b>Cash and cash equivalents at the end of the period</b>	<b>12,952</b>	<b>49,157</b>	<b>53,484</b>	<b>91,573</b>	<b>32,893</b>

## Comments

- 1 Improved working capital management through gradual reduction and disposal of development activities
- 2 Cash taxes include one-off expenses with regards to disposal of Gretag portfolio and development project Wollerau Park
- 3 Sale of Gretag portfolio in FY16