



@peach

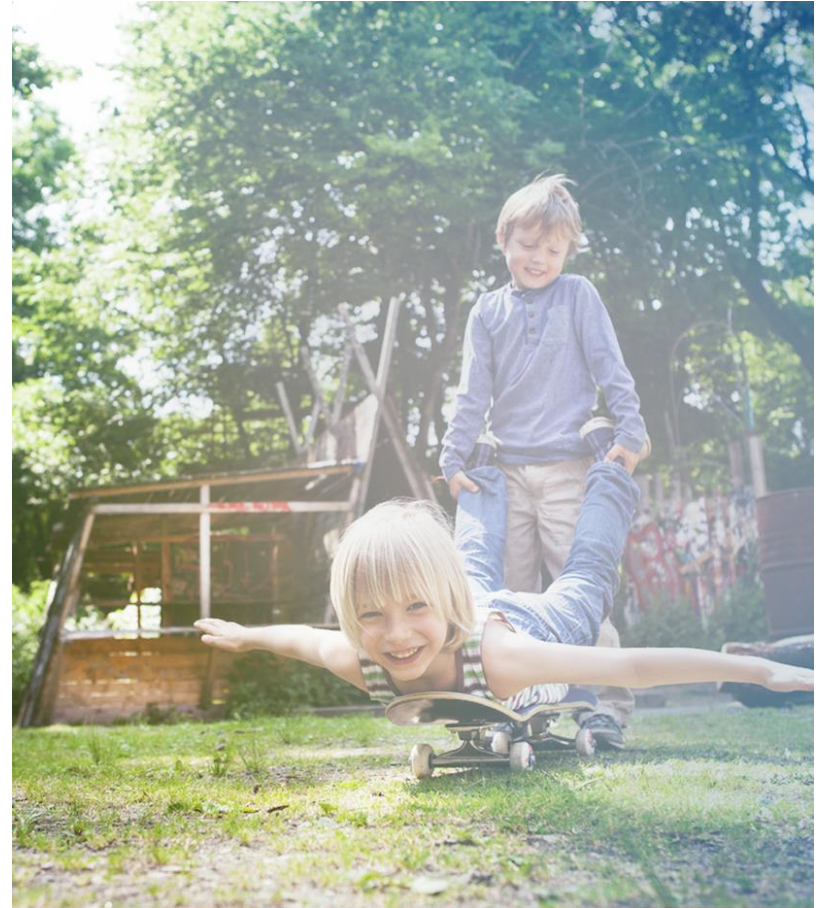
PROPERTY GROUP

Company Presentation
December 2021

Growing
with values



These materials contain forward-looking statements based on the currently held beliefs and assumptions of the management of **Peach Property Group AG** (hereinafter also referred to as “PPG” or “Peach Property”), 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.



Dr. Thomas Wolfensberger, Chief Executive Officer



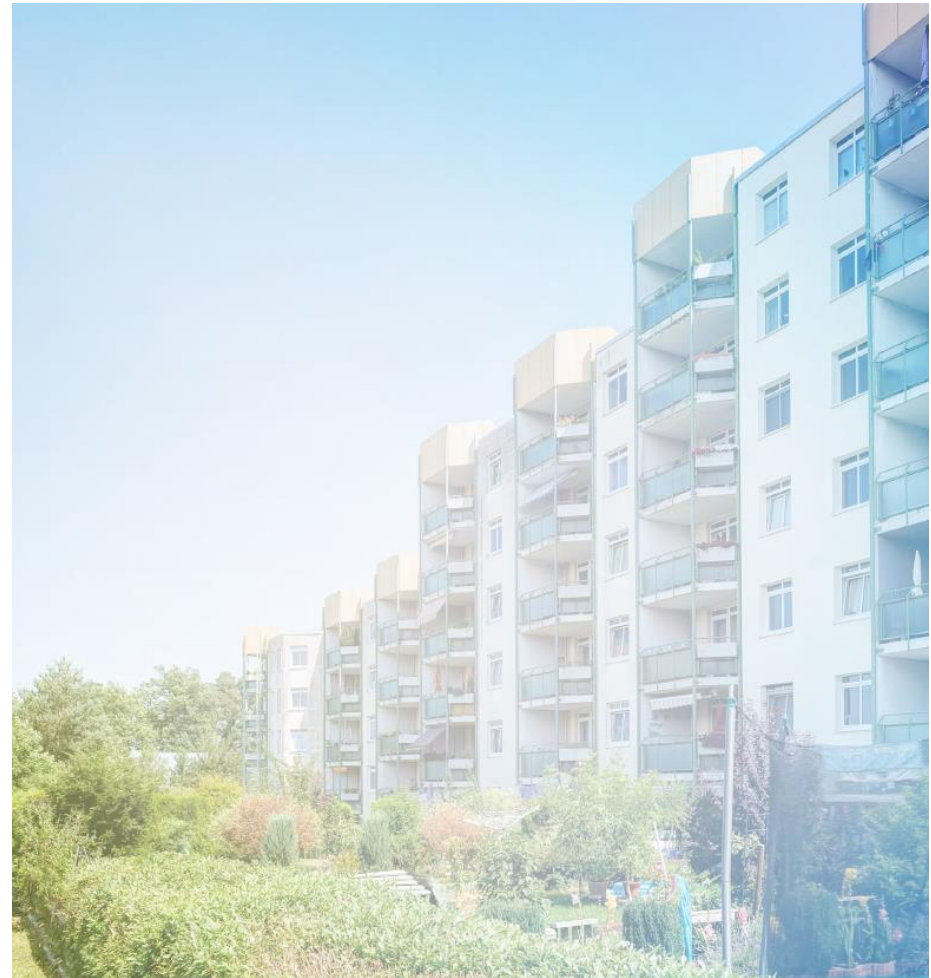
- >20 years of experience, including Project manager for successful IPO, bond issuances and real estate transactions with total volume of more than EUR 3 billion
- Previously formed and later sold an international financial technology company with 120 employees and a global client base
- Holds a doctorate in economics from the University of Zurich

Thorsten Arsan, Chief Financial Officer



- >19 years of experience in the German residential real estate market; overseeing Equity and Debt Capital Markets transactions, credit ratings, and financing structures
- Former Head of Corporate Finance/Deputy Head of Finance & Treasury at Vonovia SE and former Senior Vice President for Finance, Controlling, Investor Relations and M&A at Adler Group SA

1. Introduction and strategy
2. Portfolio as of June 30, 2021
3. Half year results, 2021
4. Outlook



Peach Property Group at a glance

Peach Property Group as of half year 2021

- Active real estate investor within the attractive German residential market, with a clear focus on secondary (“B”) cities.
- Satisfaction of our tenants represents the core of our business model, as tenants that are respected and taken seriously. E.g., final resolution of tenant inquiries within 5 days.
- Our portfolio grew to approx. 27,500 residential units in 2021, a total floor space of approx. 1.8 million sqm. Our portfolio is located predominantly in North Rhine Westphalia, Rhineland-Palatinate and Lower Saxony.
- Established management structure with a proven transaction track record and headcount of around 160 employees, mainly in Cologne, Berlin, and Zurich.

Key Financials

	HY 2021	FY 2021 Guidance
Portfolio market value ¹	CHF 2.6bn	
Rental income	CHF 50mm	CHF 108-112mm
l-f-l rent growth	4.4%	3.5%
FFO I	CHF 5.1mm	CHF 14-18mm
LTV	54.5%	<55%
Dividend		50% of FFO I
EPRA NTA per share	CHF 63.60	
Current market cap ²	CHF 1 bn	

Well-located portfolio with relevant scale

- Investment Portfolio
- Peach Point
- New Peach Point 2022



Why invest in Peach Property Group?

Experienced team with a proven transaction track record

- > CHF 3.8 billion worth of successful transactions since 2013
- Strong asset management platform
- Acquisition department with significant pipeline
- 160 real estate professionals in Cologne, Berlin and Zurich

Germany: attractive real estate market with very good perspectives

- Growing number of households
- Annual additional unmet demand of 350,000 apartments
- B-cities with significant yield compression anticipated

Successful investment strategy

- Low risk: >95% of rental income from residential properties
- Portfolio value of CHF 2.6 billion
- Active asset management led to significant outperformance vs. peers¹
- Portfolio gross yield of 4.9% HY 2021

Long term growth and value orientation

- 53% average annual portfolio growth since 2011
- Expected rental income 2021 between CHF 108 and CHF 112 million
- Number of residential units: >27,400

Sound equity basis

- CHF 1,013 Mio. of IFRS Equity
- LTV: 54.5% HY 2021 with a new target LTV of maximum 50%

Attractive investment case

- 16% rent increase potential to market rent over the portfolio
- Average value of ~EUR 1.330 per sqm residential area
- EPRA NTA of CHF 63.60 per share

¹ Share price development Peach Property: YTD: +33%; 3y: +119%; 5y: +281% (as per 30.11.2021)

Peach's portfolio has grown to CHF 2.6 bn with EAGLE transaction

	Peach Portfolio as of HY 2020	Peach Portfolio as of YE 2020	Peach Portfolio as of HY 2021
Residential units	12,906	23,201	27,497 (+19%)
Lettable area	848,224 sqm	1,505,900 sqm	1,777,254 (+18%)
Market value ¹	CHF 1.12 bn	CHF 2.04 bn	CHF 2.60 bn (+27%)
Target rent p.a.	CHF 63.3 mm	CHF 112.3 mm	CHF 139.0 mm (+24%)
Rental income	CHF 27.4 mm	CHF 54.7 mm	CHF 50.2 mm (+83.2%)
Gross rental yield ²	5.1%	5.0%	4.9%
Vacancy residential units	8.2%	7.9%	7.5%
Adjusted EBITDA	CHF 15.7 mm	CHF 25.7 mm	CHF 27.5 mm

¹ Based on valuation by Wüest Partner.

² Annualized actual rental income Jan 1 to Jun 30, 2021 (net cold, excl. incidental expenses) in relation to the average value of the portfolio.

Typical properties in Peach's portfolio



Affordable German residential properties in carefully selected B-cities

Impressions of portfolio expansion 2021

Marl
North Rhine-
Westphalia



Dortmund
North Rhine-
Westphalia



Bremen,
Delmenhorst,
Ganderkesee
Bremen/ Lower Saxony



Bochum
North Rhine-
Westphalia



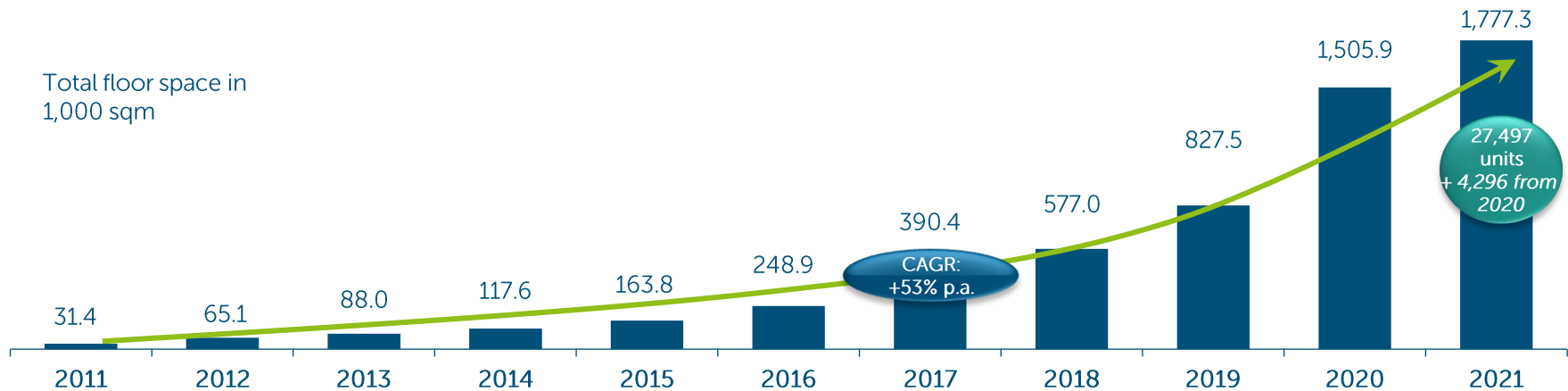
Gelsenkirchen
North Rhine-
Westphalia



Strong track record in growing portfolio



Total floor space in 1,000 sqm



Source: Company information as of June 30, 2021

German Coalition Agreement 2021 from a real estate perspective



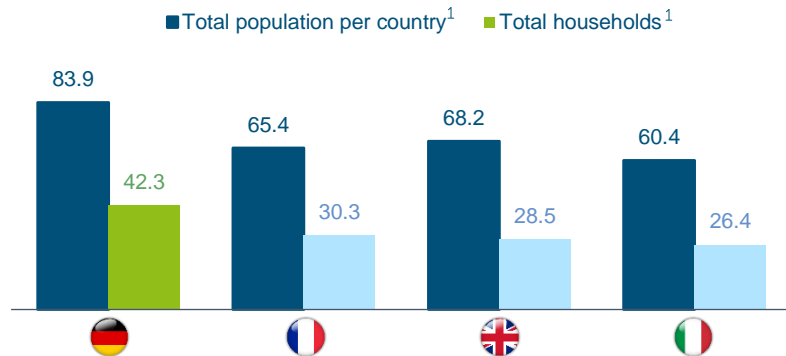
Image: Andreas Prott - stock.adobe.com

Coalition Agreement draft foresees for the real estate sector the following key points:

- **Rent cap to 11% in 3 years** (from 20%/15%) which does not affect modernization but “tenant rotation” uplift only; 2) **extension of “Mietspiegel”** lookback period to 7 years (from 6)
 - ▶ **Currently evaluating impact in detail**; but given our **rent increase potential is based on 3 sources** (close gap to market rent, tenant fluctuation and modernization) we don’t see any major impact on our l-f-l rental growth outlook
- **New construction** should increase to 400k units per year
- For **CO₂ costs** a differentiated burden for landlords based on building energy efficiency shall be implemented. If no agreement on a system, then costs will be split 50/50

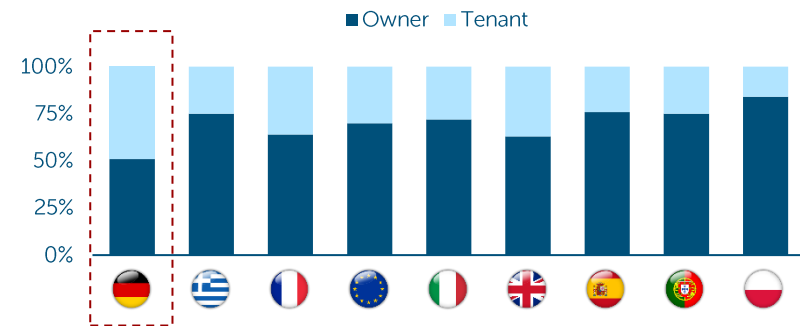
Germany has the largest housing market in Europe and is structurally undersupplied

Largest housing markets in Europe...



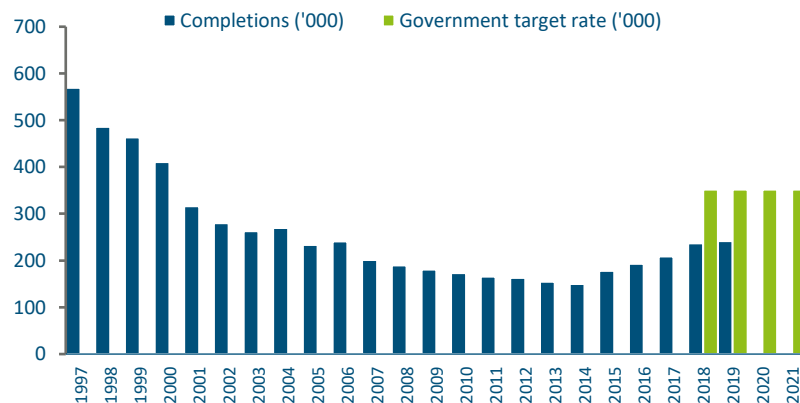
...with a strong rental culture...

Distribution of population between owner occupiers and tenant³



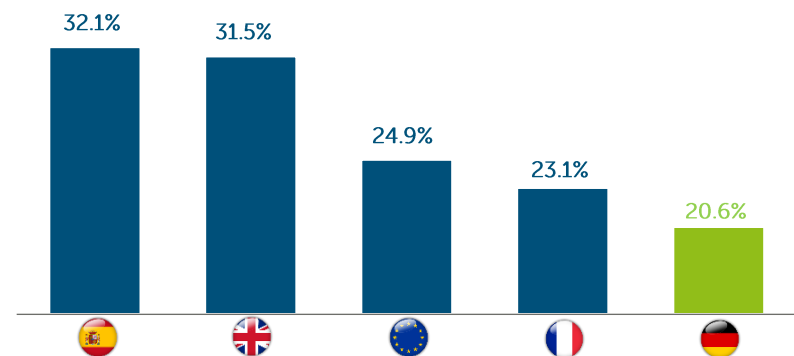
...in which demand is structurally undersupplied..

Structural supply/demand imbalance for residential stock²



...while rent affordability remains healthy

Share of rent as % of disposable household income⁴



Sources:

(1) BMI Research; Population (2021E), Number of households (2021E)

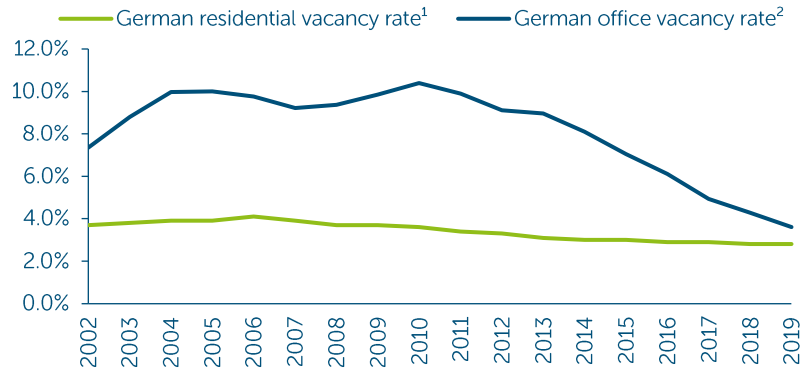
(2) Federal Statistics Office (Completions 1991-2019), German Government (Target 2018-2021; Federal Ministry of the Interior, Building and Community)

(3) BMI Research; Distribution of population between owner occupiers and tenants (2021F); Europe refers to average of DE, FR, GR, UK, PL, PT, ES, IT.

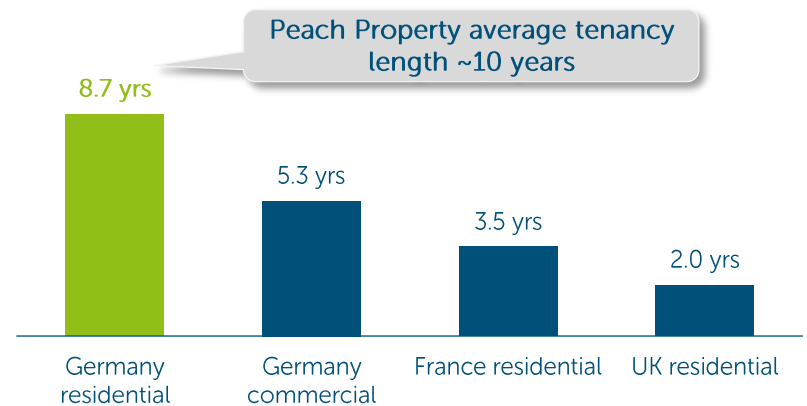
(4) Eurostat, Share of rent as % of disposable household income (2019, 2018 last available for UK); Europe refers to European Union countries.

Germany's affordable housing segment is extremely stable...

Low, stable vacancy rate through the cycle...

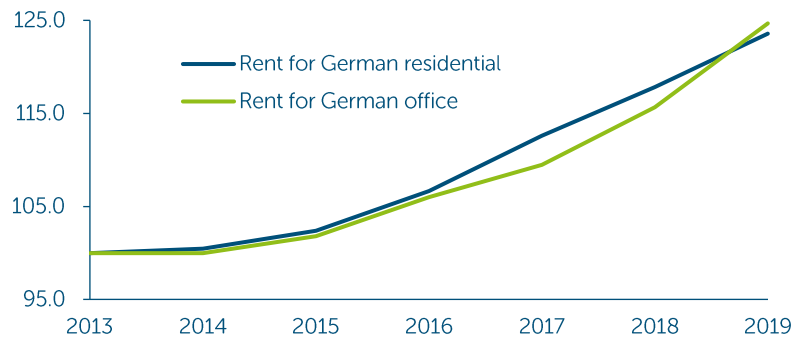


... with exceptionally high average tenancy length³



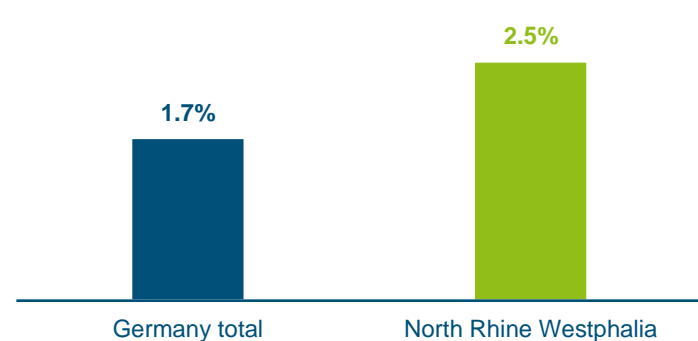
Rent evolution has virtually no volatility...

(Rebased to 100)⁴



.. while population growth in Peach regions has been stronger than national average

Population growth (2009-2019) in selected metropolitan regions⁵



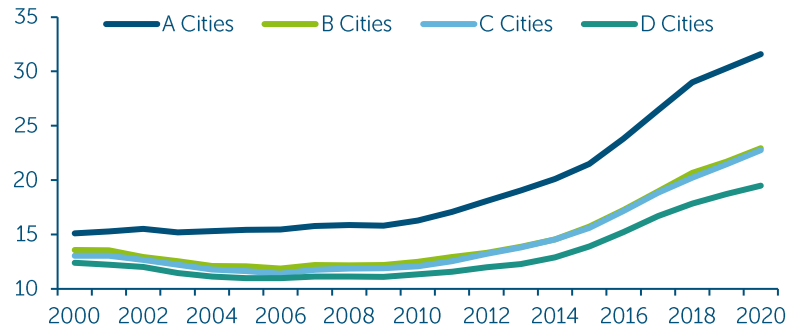
Sources:

(1) Statista (2019); (2) CBRE (median of Berlin, Munich, Frankfurt, Hamburg and Dusseldorf); (3) German residential refers to average of Vonovia, Grand City Properties and Aroundtown (residential portfolio only); German commercial refers to average of Aroundtown (office portfolio only), Covivio (office portfolio only), alstria, Demire and DIC (commercial portfolio only); French residential refers to average duration of leases in France (Clameur, 2020); UK residential refers to average tenancy length for Grainger properties; (4) CBRE (Rents as median of Berlin, Munich, Frankfurt, Hamburg, Cologne and Dusseldorf); (5) Destatis, Population growth (2009-2019); North Rhine Westphalia includes: Düsseldorf, Duisburg, Essen, Mönchengladbach, Mülheim, Oberhausen, Wuppertal, Bonn, Cologne, Leverkusen, Aachen, Gelsenkirchen, Münster, Bielefeld, Gütersloh, Minden-Lübbecke, Paderborn and Dortmund

... especially in secondary ("B")-cities that offer an attractive risk/return profile

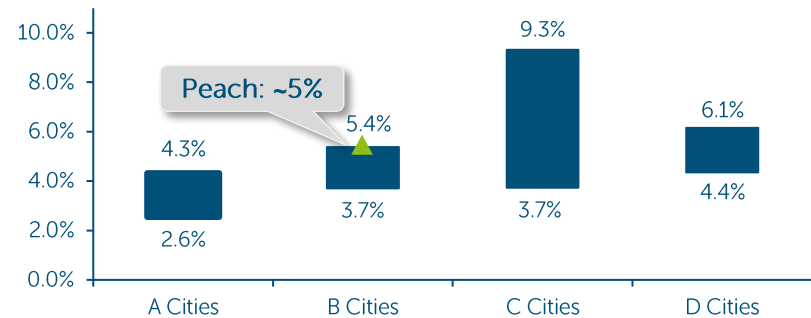
Multiplier in B, C and D-cities significantly lower...

Average multiplier multi-family buildings¹



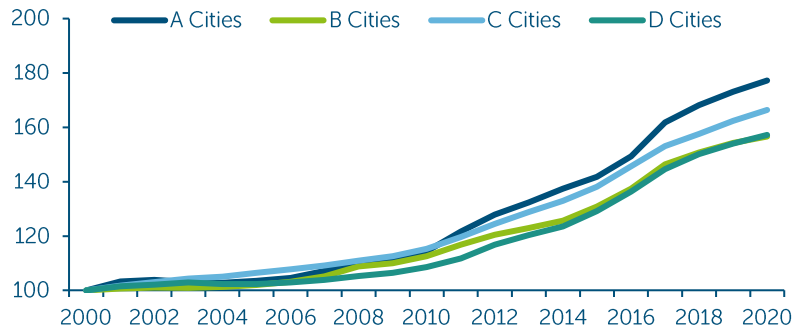
... offering an attractive initial return profile

Yield 2020 in German Secondary Locations²



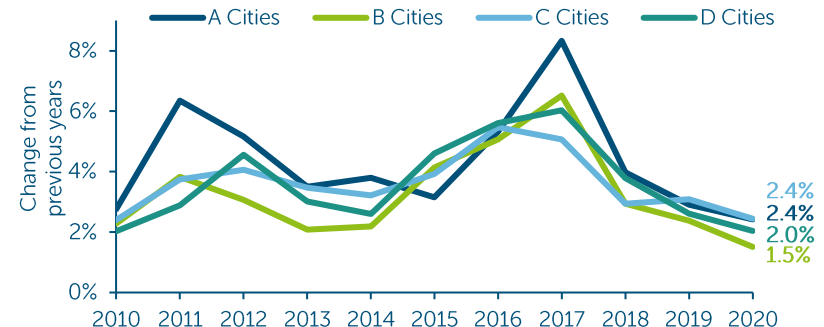
Rent increase in A/B/C/D-cities historically stable...

Rental prices in Germany (indexed to 100)³



... resulting in a consistent price momentum

Strong price momentum in the German residential market⁴



- 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

Sources:

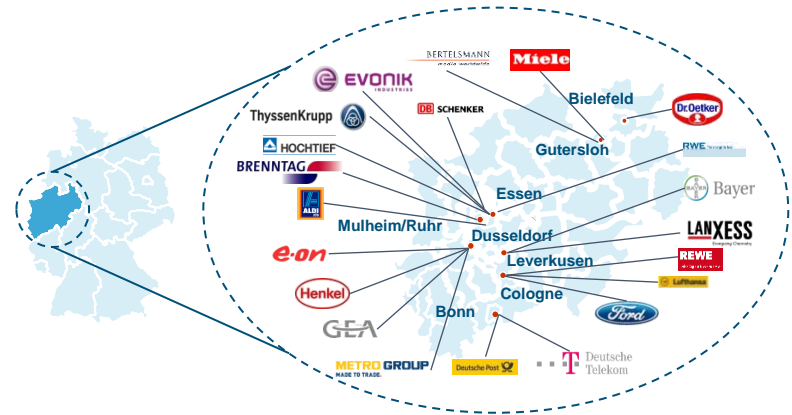
- (1) Bulwiengesa, Multifamily house, apartment building, average (weighted average);
- (2) Bulwiengesa, Yield in A, B, C and D cities (2020, Multifamily house-apartment building rent multiplier reciprocal)
- (3) Bulwiengesa, Rental prices indexed to 100 in A, B, C and D cities (2000-2020);
- (4) Bulwiengesa, Rental prices year on year change in A, B, C and D cities (2010-2020).

More than 60% of portfolio in NRW – Germany's economic engine

Key economic regions in Germany...

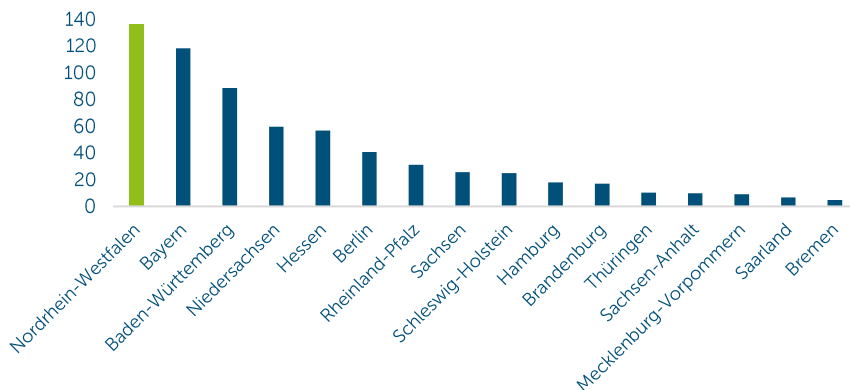
- Key metropolitan area in Germany, and one of the largest in Europe (17.9m inhabitants¹)
- Germany's economic hub, generating approx. 21% of German GDP²
- More than one third of the largest companies in Germany are based in NRW, and highest number of new business registrations
- Robust labour market with decreasing rate of unemployment since 2004 until COVID-19 impact in 2020
- NRW receives 24.2%⁴ of foreign investments into Germany

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

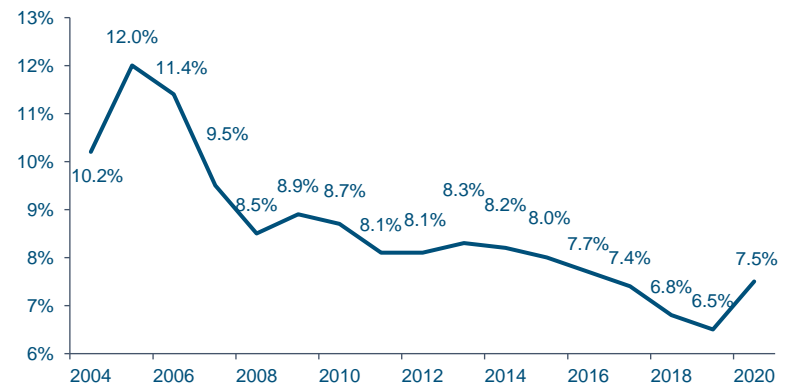


Highest number of new German business establishments...

Business registrations in 2020 (000's)³



... coupled with low unemployment in NRW¹



Sources:

- (1) Federal Statistical Office, Wiesbaden 2021;
- (2) Arbeitskreis "Volkswirtschaftliche Gesamterhebungen der Länder", Berechnungsstand (August 2020/Februar 2021);
- (3) Federal Statistical Office, Wiesbaden 2021;
- (4) NRW Global Business "2020, Foreign Direct Investment (FDI) in North Rhine-Westphalia".

Structured acquisition process that results in strategically sound acquisitions



200 deal proposals, 25 detailed deal reviews and one acquisition
Selective acquisitions of properties (100,000 – 250,000 sqm/year (= 2%-5%))

Peach Points: Client service excellence delivered through regional tenant stores

Digital capabilities

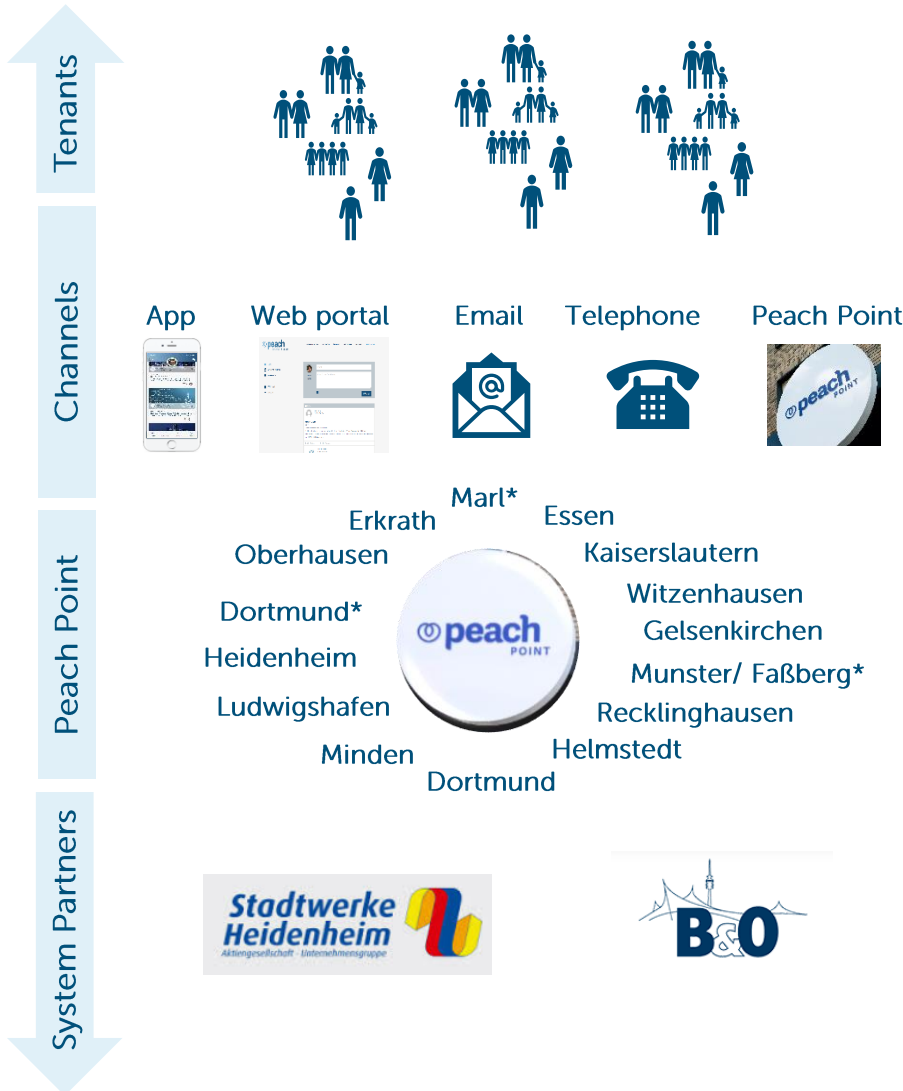


Regional tenant stores

Tried and tested service model that forms the basis for Peach Property Group's high regard by tenants, ultimately resulting in vacancy reduction and rent optimization

360 degree tenant service model: strong digital capabilities embedded in regional tenant stores

FULLY DIGITALIZED SCALABLE PLATFORM



Tenants with full, multi-channel access:

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

Property Management in Peach Points

- All tenant interaction in unified ticketing system
- 257 tickets per month per 1,000 apartments (as of June 30, 2021); 58% increase following the recent acquisitions
- 91% "one touch": queries solved during first interaction (88% as of December 31, 2020)

Central Quality Management

- 12.6 hours on average to first response (-67%)
- 5 days until problem is solved completely (-28%)
- 74% satisfaction (based on 15% response rate, survey 2020)

Scalable and fully digital partner engagement

- Partners integrated via Zendesk (e.g. online damage reporting)
- Model adapts to scale seamlessly, without additional expenses

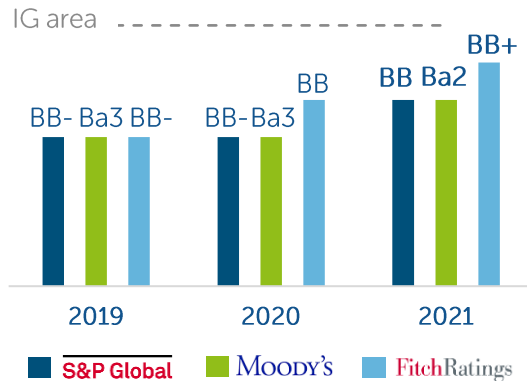
Source: Company information
 * New Peach Points opening in January 2022

Satisfied tenants as central focus point



Rating upgrades following H1 figures

Credit ratings (Instrument Rating)



Most recent capital market transactions

June 2021	Mandatory convertible bond 2.5% CHF 180 million; conversion price CHF 55.00
Oct 2020	EuroBond 4.375% EUR 300 million; maturity 5 years
Oct 2020	Mandatory convertible bond 2.5% CHF 230 million, conversion price CHF 42.50
Nov 2019	EuroBond 3.5% EUR 250 million; maturity 3 ¼ years
Oct 2019	Mandatory convertible bond 2.5% CHF 5.419 million, option price CHF 33.04

Analyst Coverage



Buy / PT CHF 74.40

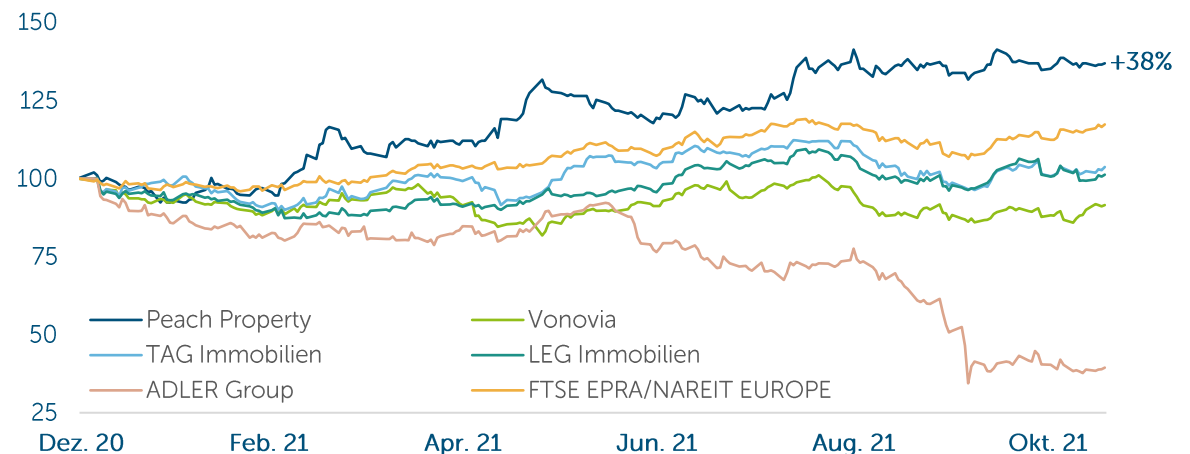
Buy / PT CHF 70.00

Buy / PT CHF 70.00

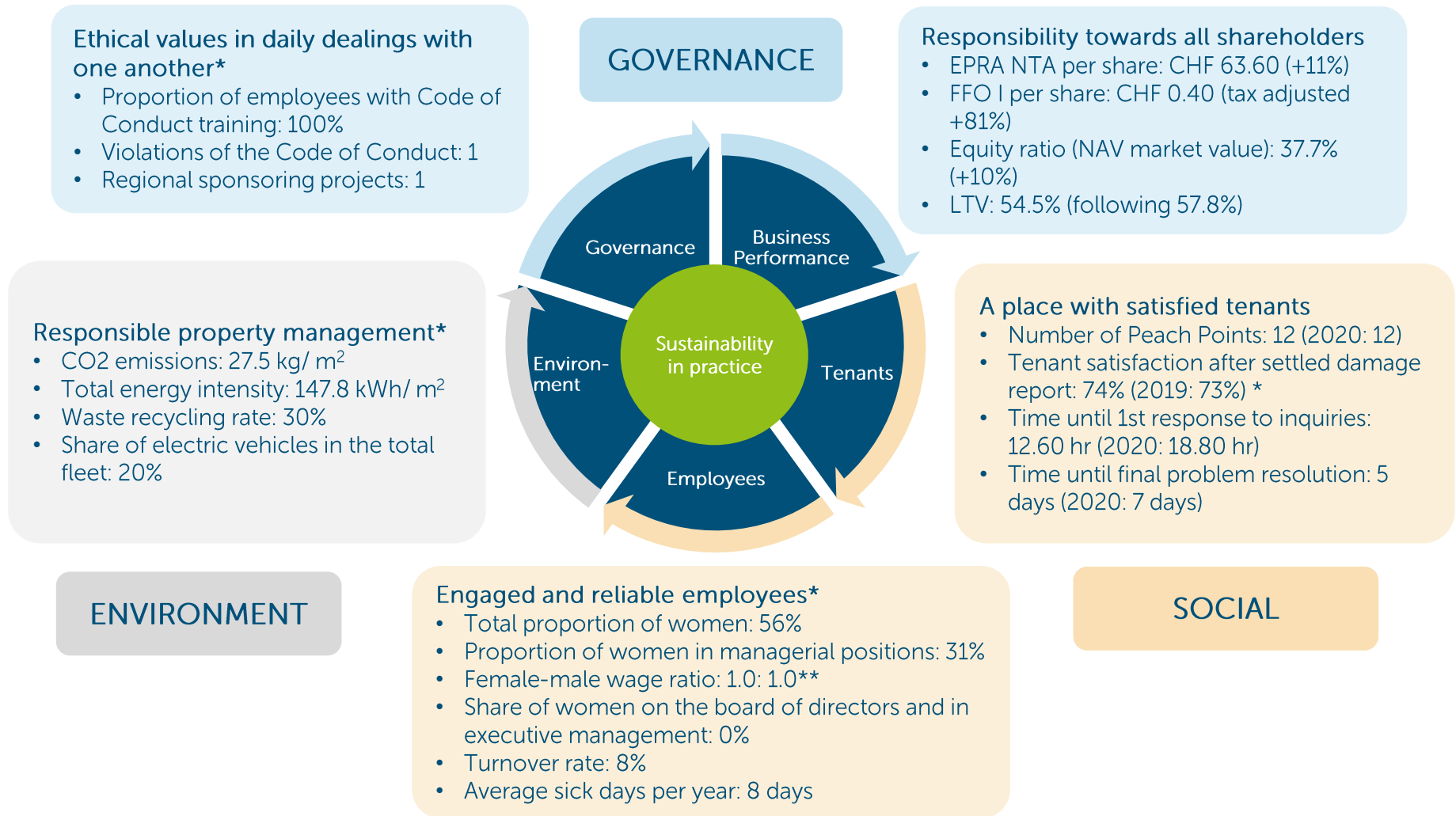
Buy / PT CHF 71.00

Buy / PT CHF 70.00

YTD share price performance (rebased to 100)



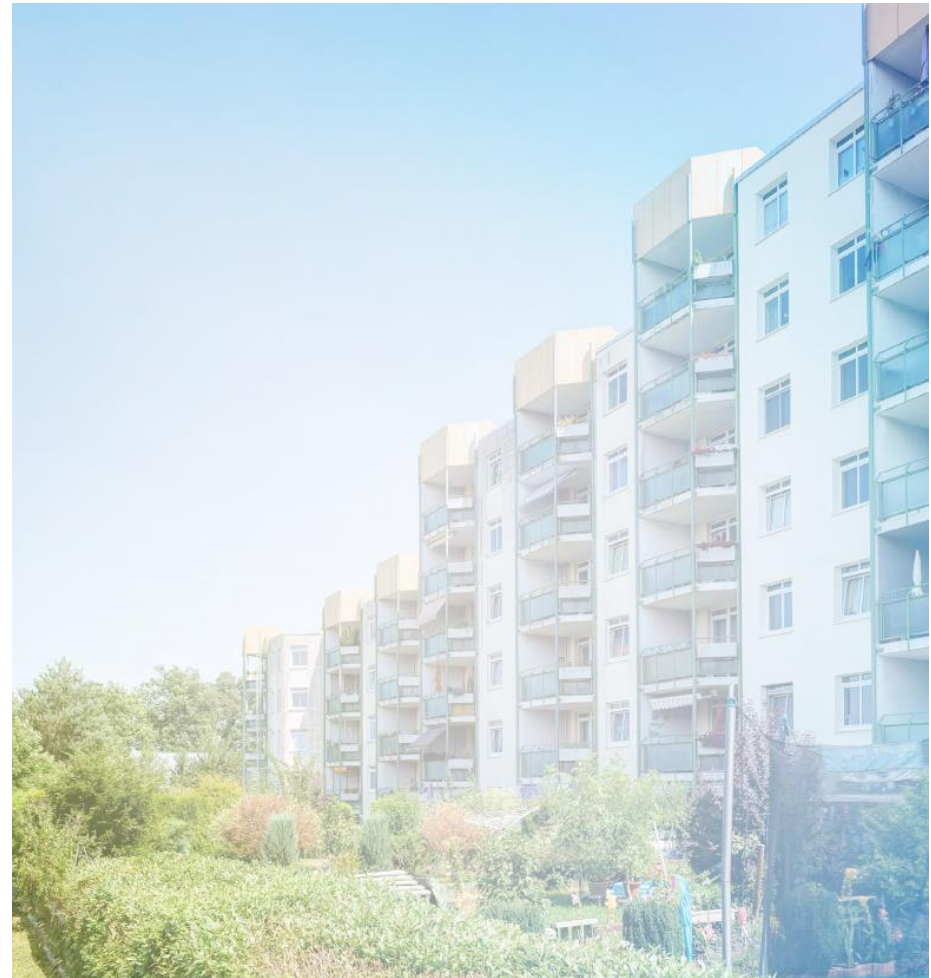
Per 18.11.2021; indexed; 31.12.2021 = 100



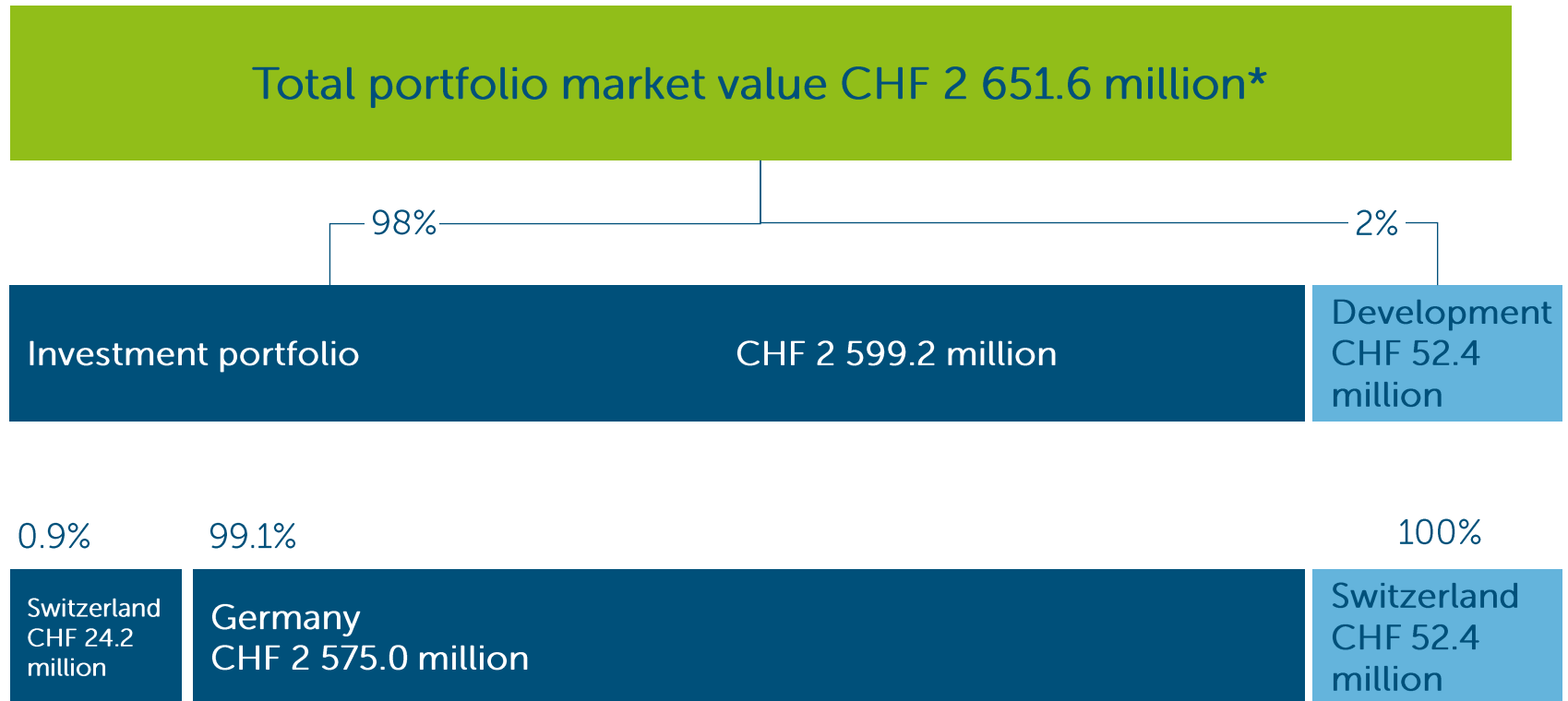
* Based on December 31, 2020.

** Total compensation (incl. Bonus) Germany, excluding Management Team

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Portfolio structure as of Jun 30, 2021

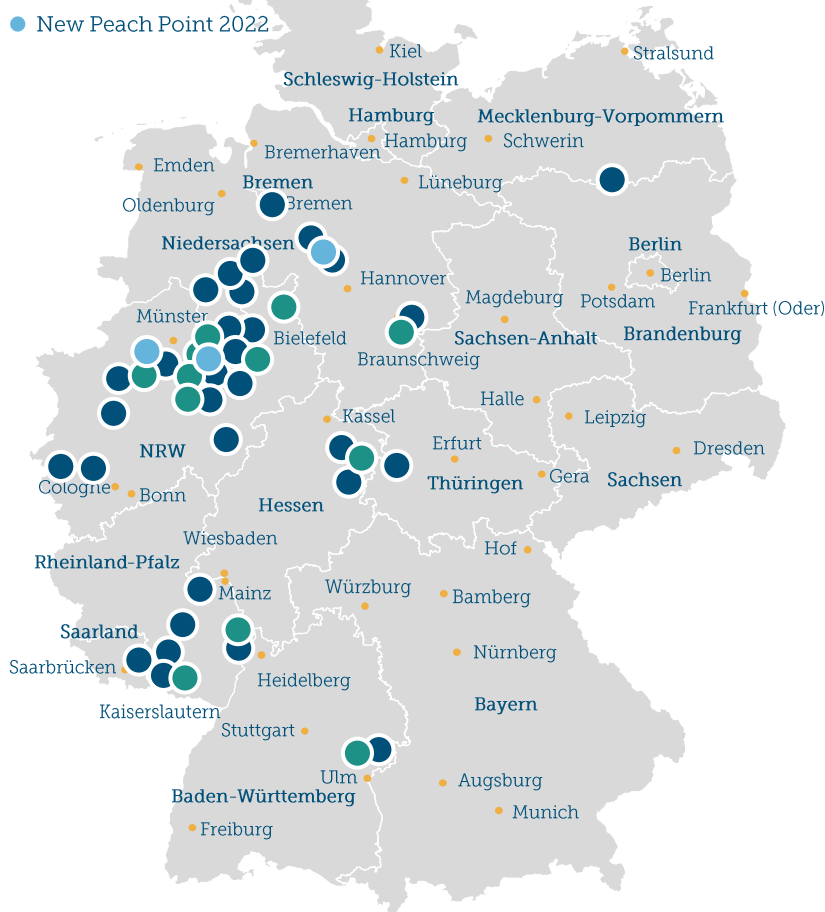


* Market values determined by Wüest Partner AG as of Jun 30, 2021, excluding right-of-use assets.

Acquisitions complement existing local areas and strengthen market position in core regions

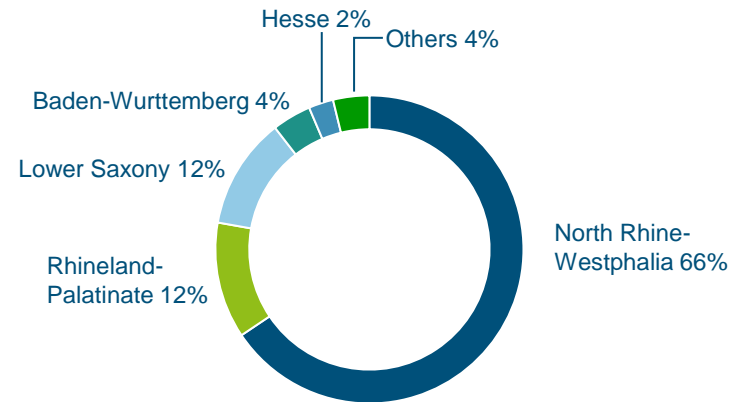
Well-located portfolio with relevant scale

- Investment Portfolio
- Peach Point
- New Peach Point 2022

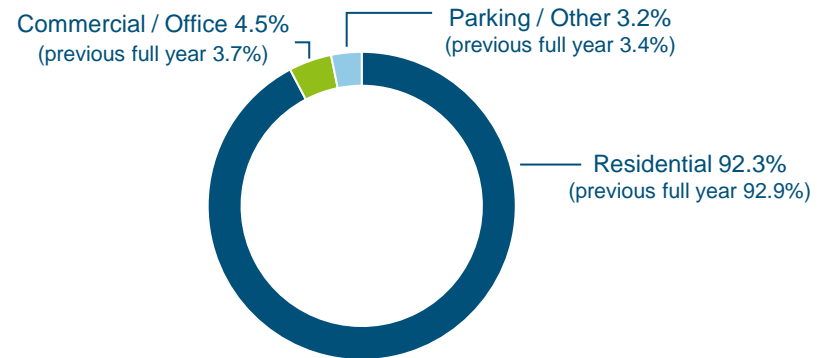


Optimum supplement for existing locations

Split by location (% of market value)



Split by usage (% of rental income)



Overview investment properties as of June 30, 2021

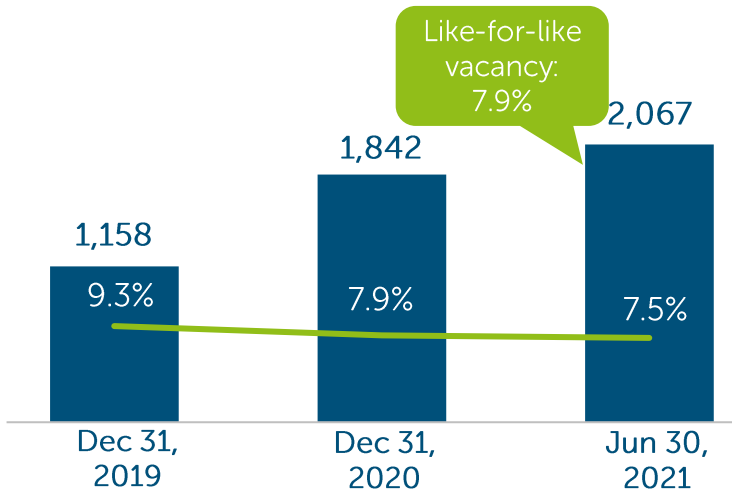
	Jun 30, 2021	Dec 31, 2020		
Number of residential units	27,497	23,201		
Total floor space in sqm	1,777,254	1,505,900		
Residential floor space in sqm	1,708,497	1,436,857		
Commercial floor space (DIN 277) in sqm	68,757	69,043		
Actual rental income in TCHF *	50,220	54,748		
Maintenance costs in TCHF *	7,084	7,467		
Administrative and operating costs in TCHF *	2,666	4,294		
Vacancy costs *	2,367	2,423		
Operating Margin*	76.5%	74.9%		
Target rent in TCHF p.a.	138,969	112,271		
Vacancies residential units in percent of all residential units)	2,067	7.5%	1,842	7.9%
Market value in TCHF	2,599,243	2,039,007		
Gross rental return *	4.9%	5.0%		
Net rent / cashflow return *	3.1%	3.1%		

- Vacancy ratio residential units reduced by around 5% to 7.5%
- Market value of portfolio rises to CHF 2.6 billion (27% value growth) with gross yield of 4.9%
- Increase in operating margin from 74.9% at year-end 2020, to 76.5% at half-year 2021, as a result of economies of scale

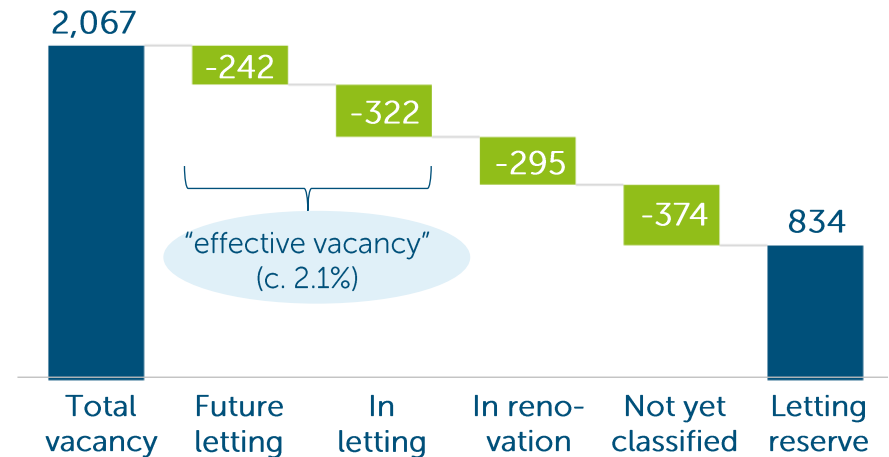
* Excluding portfolios acquired as of Jun 30, 2021, respectively as of Dec 31, 2020

Vacancy ratio has been further reduced

Development of vacant residential units and vacancy ratio

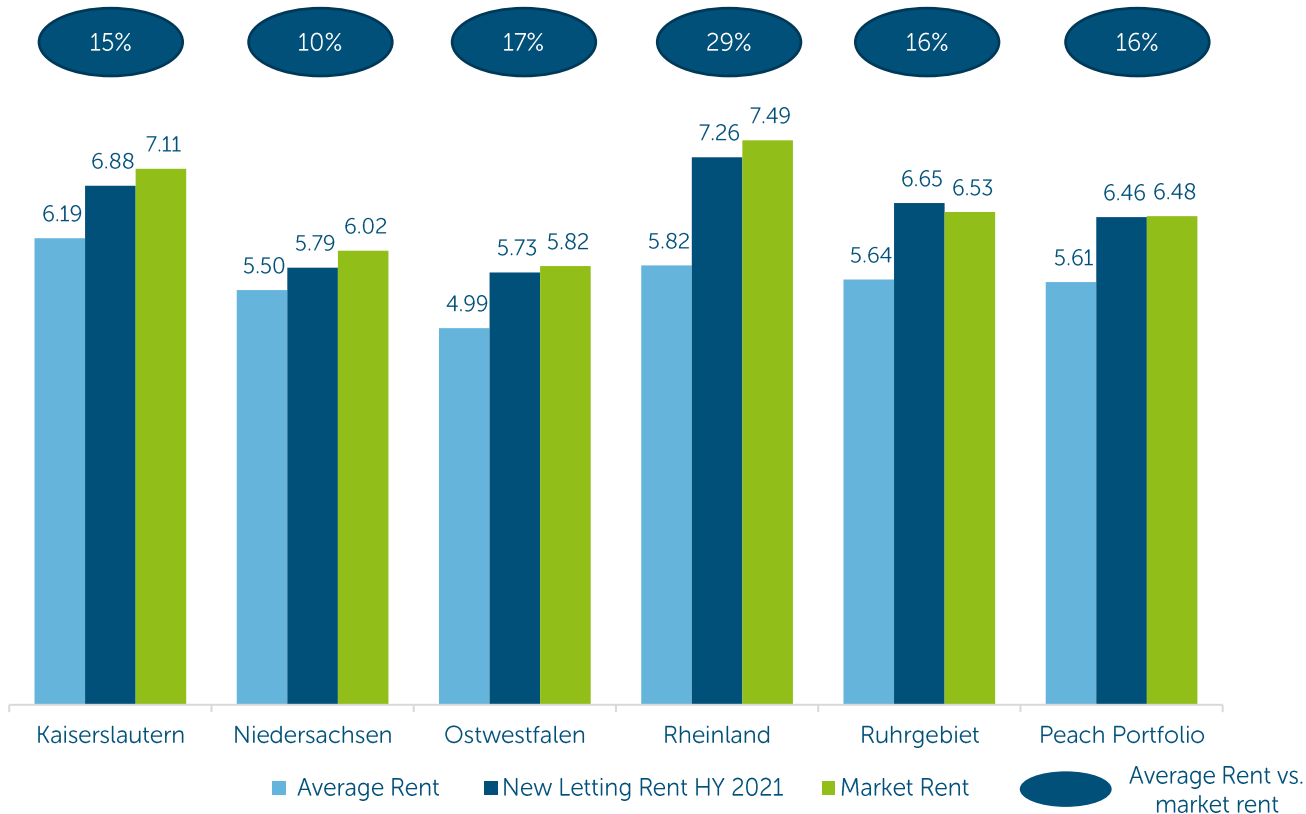


Vacant residential units by vacancy category



- Vacancy rate reduced significantly in existing portfolio over the past 12 months (-19%)
- Eagle portfolio has a vacancy of 5.5%
- Effective vacancy of around 2.1% (rented in the future and in letting process)
- Letting reserve of 834 apartments; around 3.0%

Attractive potential to further increase rent



- Attractive rent potential in all core portfolios
- Focus on leveraging potential over next quarters (tenant satisfaction, targeted renovations, etc.)

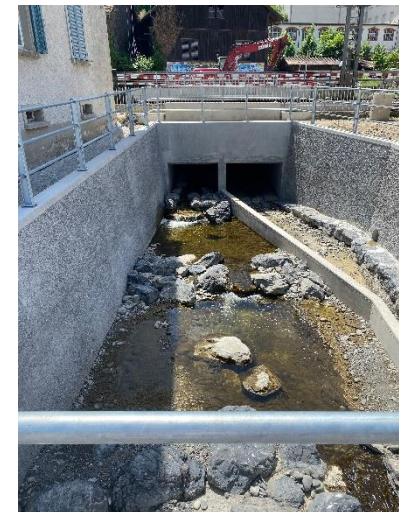
- Like-for-like rental increase of 4.4% for residential units
- Current portfolio has an attractive rent increase potential of 16%
- Excluding future market growth

Remaining development project in Switzerland, Wädenswil on Lake Zurich

PENINSULA, Wädenswil



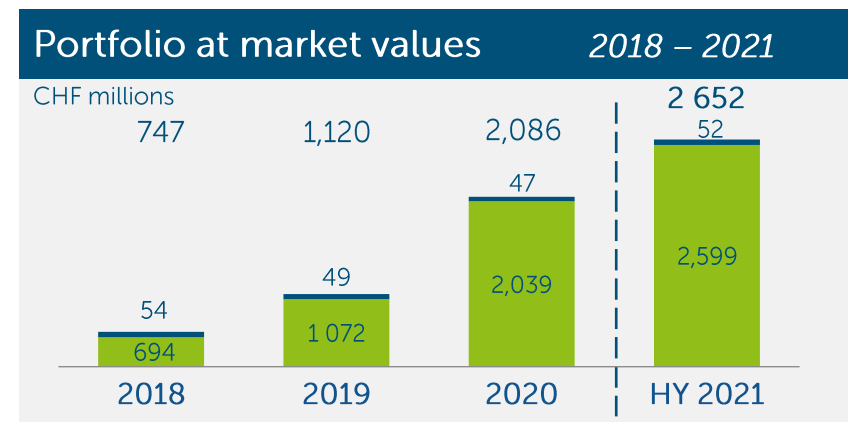
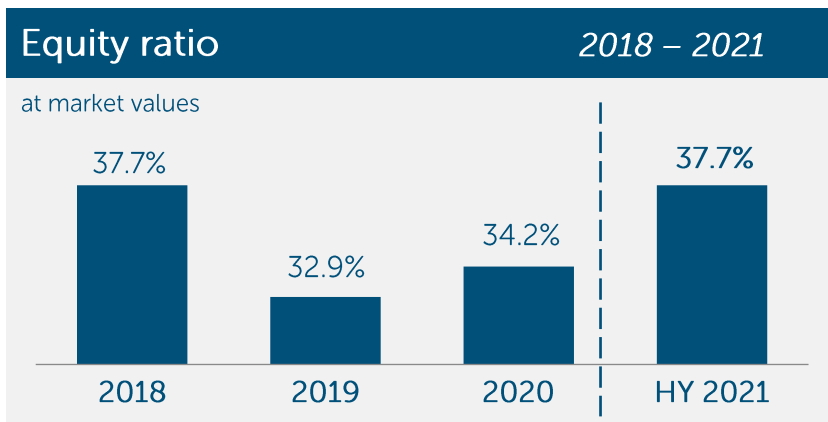
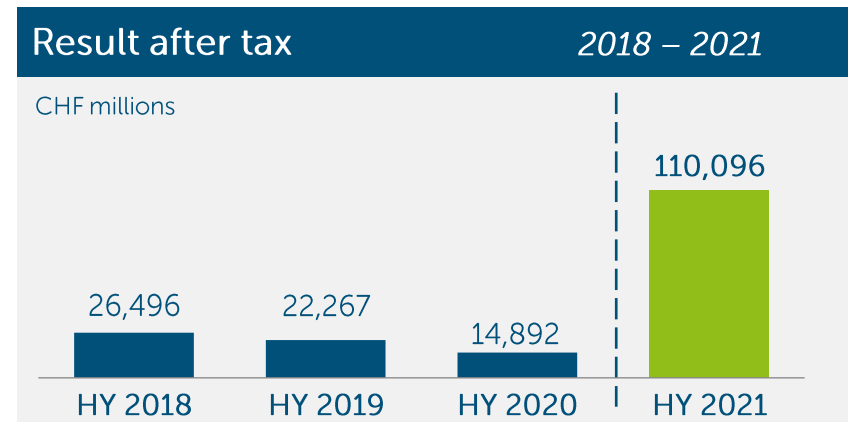
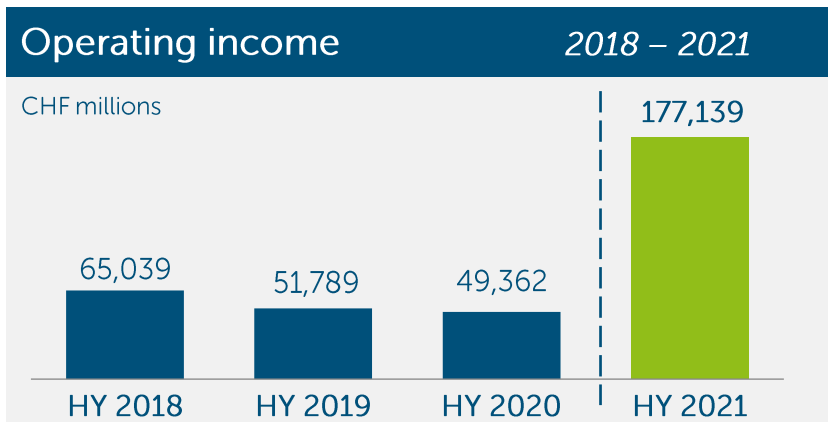
- Peninsula on Lake Zurich with 17,837 sqm of land
- 5,600 sqm commercial space plus 29 rental apartments as investment properties
- Additionally, 56 condominiums in planning stage; combination of redevelopment and new construction
- The project has been legally approved as of February 2020
- Through April 2021 building site preparation (Reidbach, Bypass)
- Start of construction planned for 2022; successful pre-sales of condominiums launched in Q2 2021
- Approx. CHF 1 million rental income p.a. during the development phase



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5. COVID-19 and flooding update



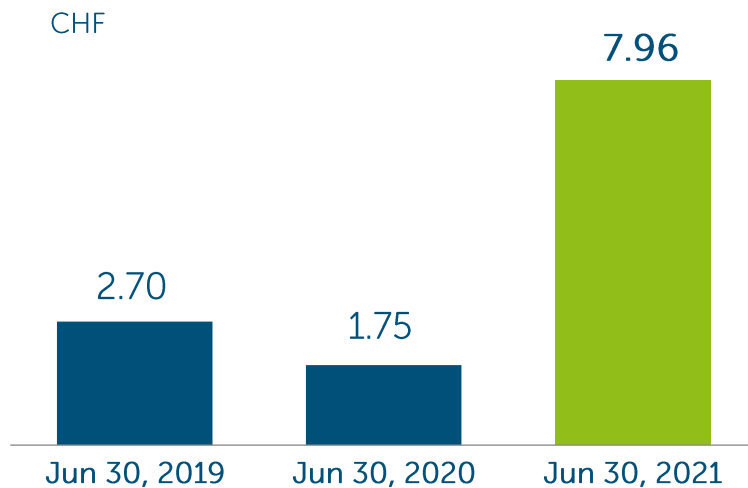
Overview half year result 2021



■ Development properties
■ Investment properties

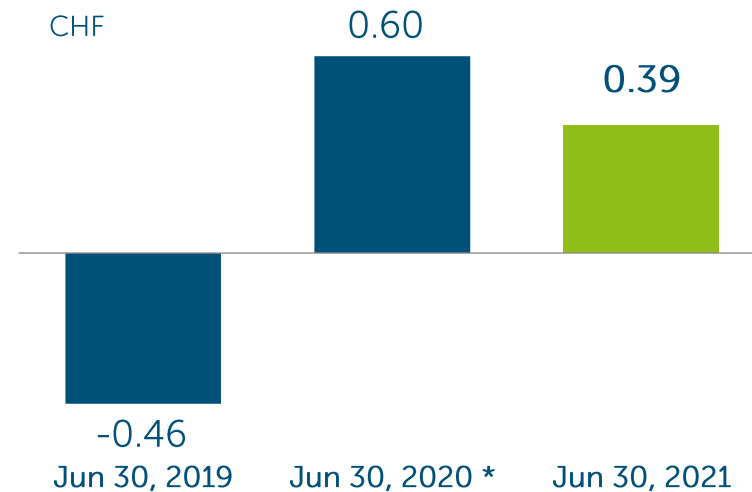
Increase in earnings and FFO I per share

Diluted earnings per share



- **Steep increase** compared to HY 2020 (CHF 14.30 per December 31, 2020)
- **Return on Equity (ROE)** of approx. 27% (annualized) based on NAV market value as of June 30, 2021 (CHF 57.76)

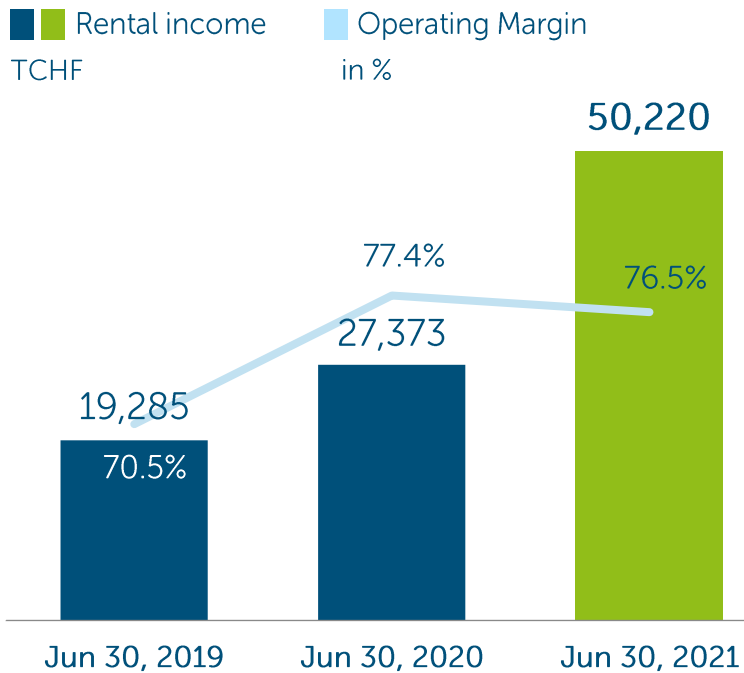
Diluted FFO I per share



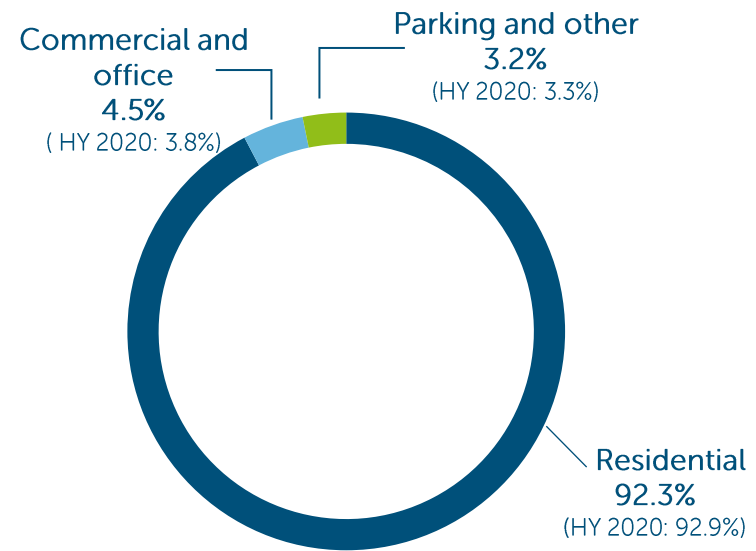
- **Total FFO I** of ~ CHF 14 million – CHF 18 million expected for full year 2021
- FFO I in 2020 at CHF 4.6 million

* Adjusted for tax repayment related to FY 2016.

Development of rental income and operating margin



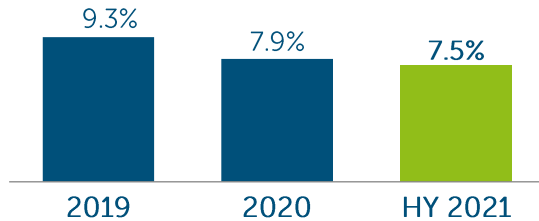
Rental income by nature



- Rental income nearly doubled mainly due to the acquisitions of 2020. Further increase is expected from latest transaction in 2021
- Operating Margin remains steady at 77%
- High quality income with >95% income from residential units

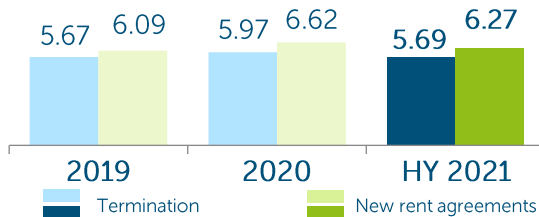
Investment properties' KPIs

Vacancy
(as % of total # apartments)



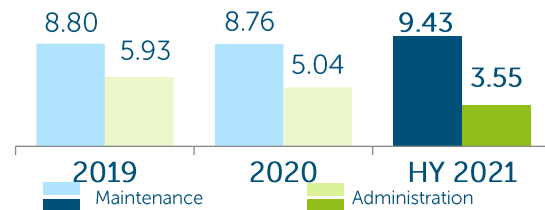
- Vacancy reduction due to Eagle acquisition
- The speed of completing renovations is the main driver for vacancy reduction
- 2.1% effective vacancy on lettable apartments

Letting price
(per sqm)



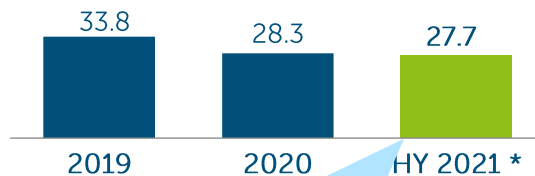
- A total of 1,463 rental agreements concluded in HY 2021 vs. 1,413 terminated contracts
- New rentals approx. 10% higher than terminations
- Like-for-like increase of 4.4% for residential units

OPEX
(per sqm)



- Increase mostly triggered by recent acquisitions due to maintenance backlog
- Lower administrative and operating costs due to economies of scale
- Operating Margin increased from 74.9% at YE 2020, to 76.5%

CAPEX
(per sqm)



> 900 renovated apartments in 2021

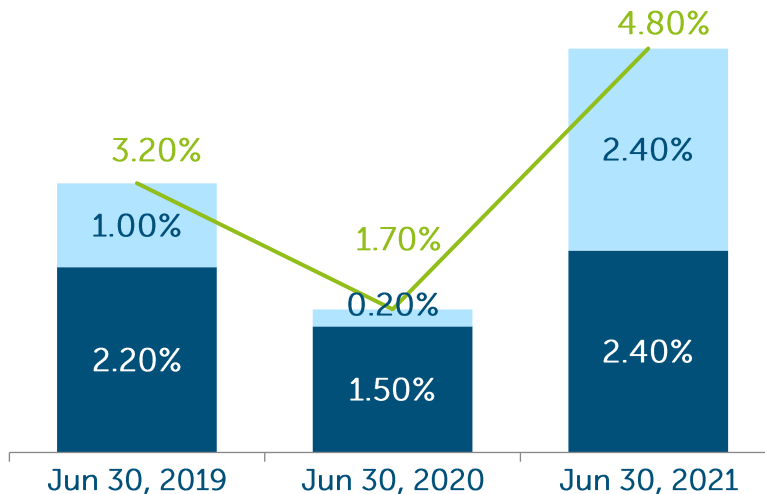
- CAPEX investments of CHF 21 million in apartment renovations and improvements
- Annualized value mostly slightly lower than in previous year due to finalization of Fassberg refurbishment
- Basis for lowering vacancy rate and increasing rents

* annualized

Significant valuation gains and attractive rental yield

Valuation gains as % of investment properties

- Initial valuation
- Total revaluation gain as % of investment properties
- Operational progress & discount rate



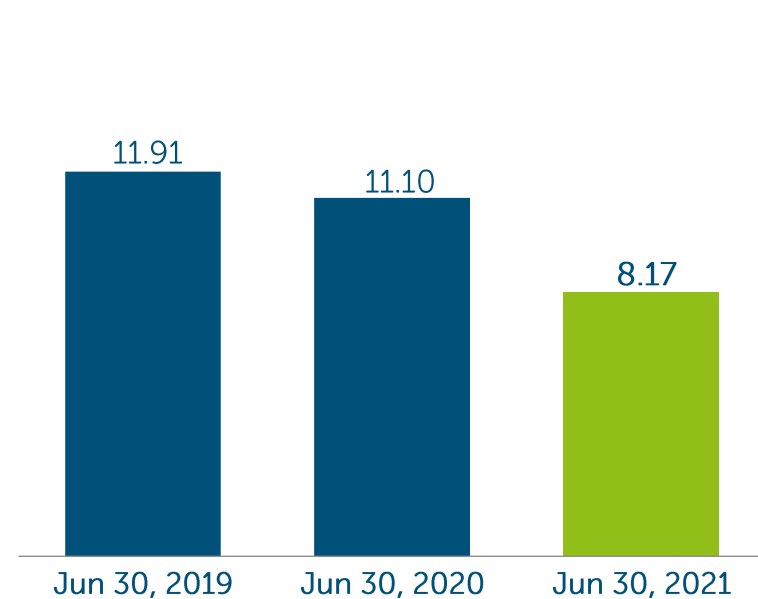
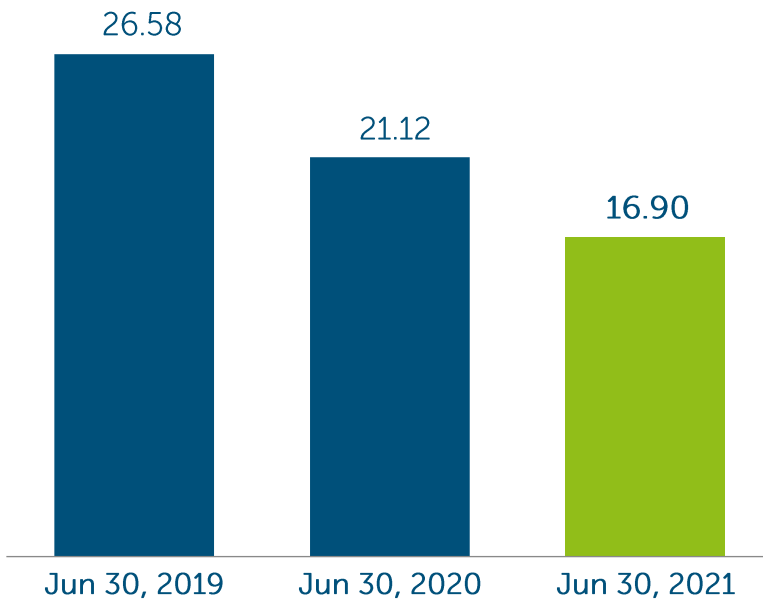
Average discount rate:
2019: 3.9%
2020: 3.9%
HY 2021: 3.8%

- Initial valuation gains as a result of acquisition from off-market situation
- Attractive gross rental yield of 4.9% compared to industry peers
- Average value of ~EUR 1.330 per sqm residential area

Significant economies of scale

Personnel expenses as
% of rental income

Other operating expenses as
% of rental income



- Insourcing of central steps in the value chain (network of 12 Peach Points, facility management, construction management, central back-office in Berlin)
- Increase of employees from 99 per HY 2020 to 160 per HY 2021
- Significant efficiency gains driven by economies of scale

Financial policy on the back of successful portfolio expansion and equity increase

Peach Financial Policy

Maintain a well-balanced maturity profile, with a mix of secured & unsecured funding

Lower weighted average cost of debt to < 2% in the medium term

Maximum LTV of 50% in the medium term

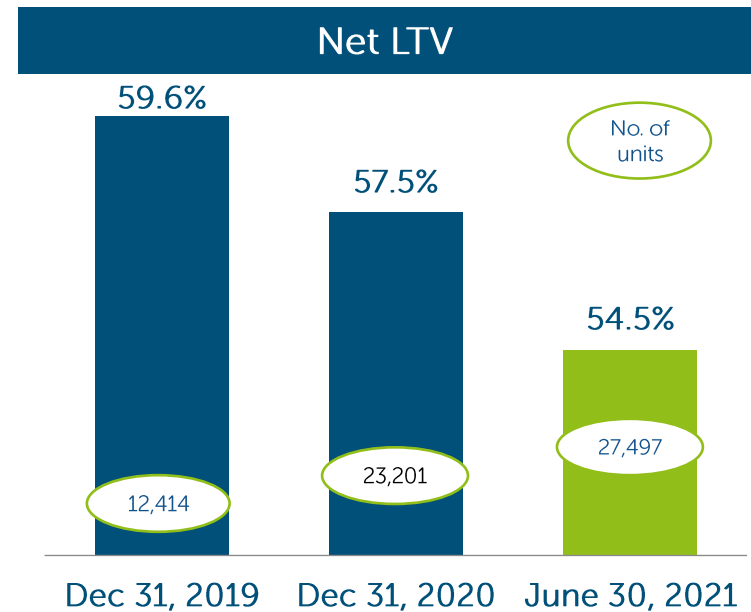
Achieve an investment grade instrument rating for unsecured bond issuances

Dividend policy at 50% of FFO I

Our financial policy is the foundation for the further improvement of our capital structure

Loan-to-value: Deleveraging & growing the group

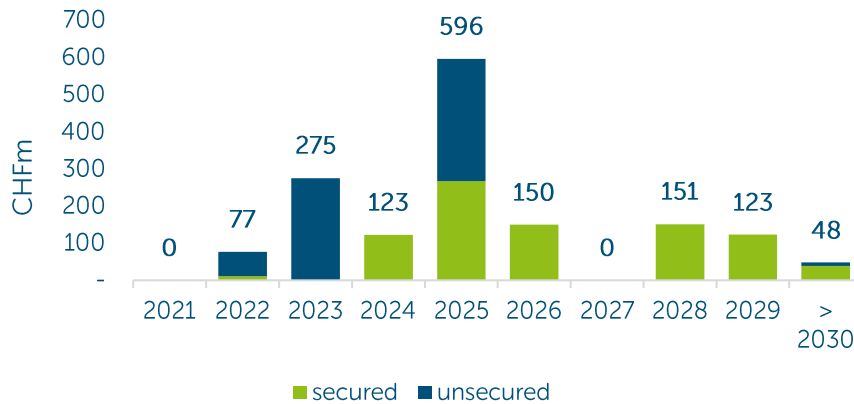
TCHF	Jun 30, 2021	Dec 31, 2020
Property financing liabilities	1,543,678	1,287,460
Excluding market value of derivative financial instruments	11,865	14,828
Excluding cash & cash equivalents (incl. short term financial claims)	87,213	73,507
Net Debt	1,444,600	1,199,125
Market value of development properties	52,365	47,405
Total market value of investments properties without right-of-use assets incl. advance payments	2,599,290	2,039,068
Property values	2,651,655	2,078,037
Loan to Value (LTV) in %	54.5%	57.5%



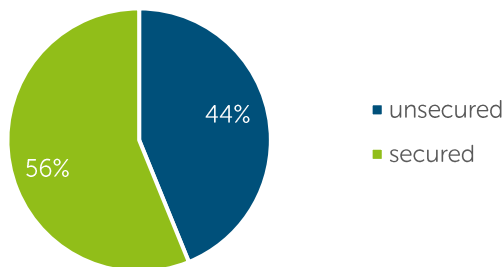
- Sufficient liquidity to support further growth
- Leverage reduced from 57.5% to 54.5% despite further acquisition activities
- Since YE 2019 LTV down from 59.6% to 54.5% => number of units up from 12.414 to 27.497
- Target LTV ratio of 55% reached, new mid-term target at maximum 50%

Maturity profile offers refinancing opportunities

Debt maturity schedule



Sources of funding



Net LTV



ICR (x)



WACD



Weighted average maturity (yrs)



- EUR 250m bond due in Feb 2023 at 3.50%, callable from Nov 15, 22 at par
- EUR 300m bond due in 2025 at 4.375%, callable from Nov 15, 22 at 102.188%; Nov 15, 23 at 101.094%; Nov 15, 24 at par
- CHF 868 million secured at 1.76% and CHF 678 million unsecured at 3.87%
- All financing KPI's improved since the beginning of the financial year 2021

Significant increase in equity

EPRA NTA per share (CHF)



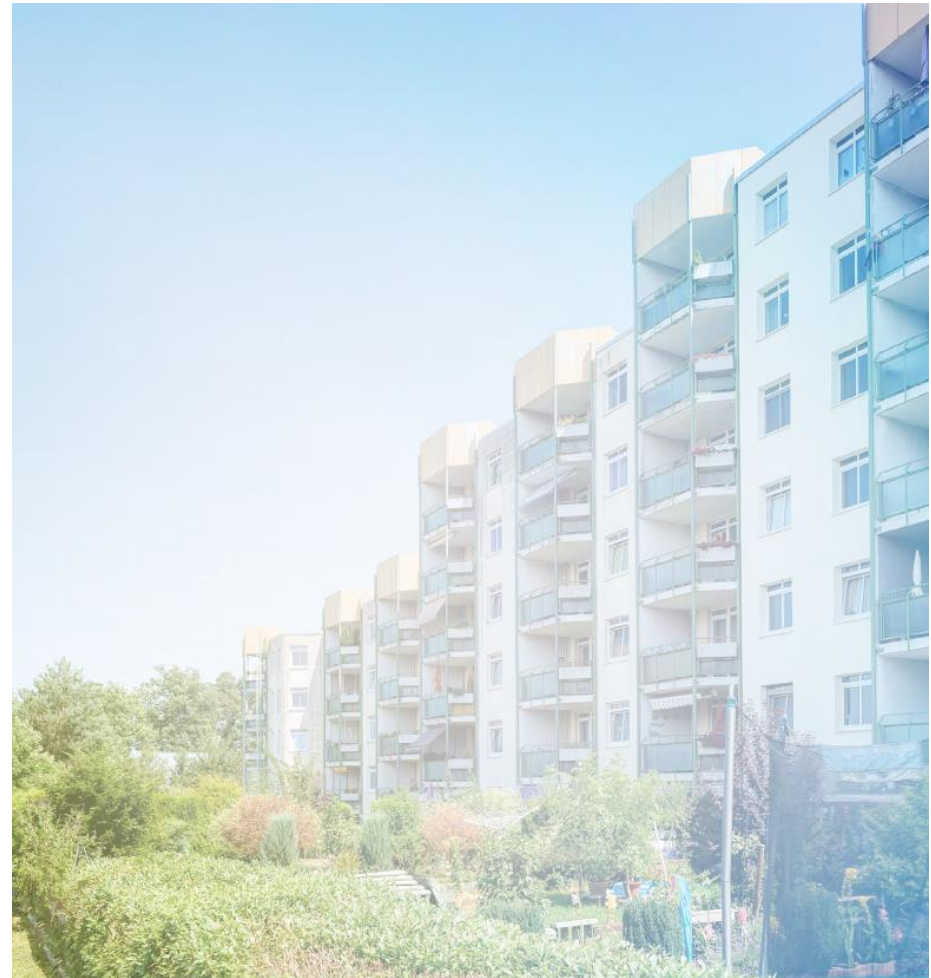
EPRA NAV (TCHF)



Equity values

	Jun 30, 2021	Dec 31, 2020
NAV IFRS (TCHF)	1,052,850	754,862
Equity ratio (NAV IFRS)	37.4%	33.9%
NAV market value (TCHF)	1,062,253	762,459
Equity ratio (NAV market value)	37.7%	34.2%
EPRA NAV (TCHF)	1,072,352	772,378
NAV (IFRS) per share (CHF)	57.07	50.70
NAV (market value) per share (CHF)	57.76	51.31
EPRA NTA per share (CHF)	63.60	57.29
Closing price per date (CHF)	55.00	46.00

1. Introduction and strategy
2. Portfolio as of June 30, 2021
3. Half year results, 2021
4. Outlook



	2021 Guidance	2022 Outlook
Rental income	~ CHF 108 million – CHF 112 million	growing
l-f-l rent growth	~ 3.5%	growing
FFO I	~ CHF 14 million – CHF 18 million	growing
LTV	< 55%	reducing
Dividend	50% of FFO I	stable pay-out ratio



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Wachsen
mit Werten.