peach
PROPERTY GROUP

Growing with values.

Annual Report 2020

peachproperty.com

Key Figures

Peach Property Group AG is a real estate investor with its investment focus on residential real estate in Germany. Our tenants are at the center of our activities. With innovative solutions for modern living needs, we offer clear added value. Our portfolio comprises high yielding investment properties, typically in German Tier II cities in the commuter belt of metropolitan areas. In addition, we are developing selected projects to be sold as condominiums. Our services span the entire value chain, from location evaluation and acquisition to active asset management and the rental or sale of our properties. We have our registered office in Zurich; our German headquarters are based in Cologne.

The shares of Peach Property Group AG are listed on the SIX Swiss Exchange.

Peach Property Group (consolidated)		**Dec 31, 2020**	Dec 31, 2019
Operating income	in CHF thousands	213 584	160 734
EPRA like-for like rental income	in %	4.7	4.5
Operating result	in CHF thousands	178 563	129 827
Result before tax	in CHF thousands	153 354	109 675
Result after tax	in CHF thousands	127 282	91 004
NAV IFRS	in CHF thousands	754 862	389 564
NAV Market Value	in CHF thousands	762 459	401 298
Equity ratio (IFRS)	in %	33.9	32.3
Equity ratio (NAV market value) [1]	in %	34.2	32.9
Real estate portfolio at market values (incl. right-of-use assets) [1]	in CHF thousands	2 112 450	1 130 696
Number of FTEs		119	78
Number of shares (nominal value of CHF 1.00 each)		12 494 751	6 601 474
Share capital	in CHF thousands	12 495	6 601
Diluted earnings per share	in CHF	14.30	12.06
Diluted FFO II per share [2]	in CHF	0.60	-0.35
NAV IFRS per share [3]	in CHF	50.70	43.34
NAV market value per share [1,3]	in CHF	51.31	45.11
EPRA NTA per share	in CHF	57.29	50.63
Share price as of December 31	in CHF	46.00	39.50
Market capitalization as of 31 December [4]	in CHF thousands	574 497	260 719

1 NAV market value based on the independent appraisal of Wüest Partner incl. assets held for sale.
2 Excluding the dilutive effect in the current and previous year.
3 Excluding hybrid capital and non-controlling interests.
4 Excluding treasury shares.

Content

Reto A. Garzetti
Chairman of the Board of Directors

Dr. Thomas Wolfensberger
Chief Executive Officer

Dear shareholder,

Due to the prevailing extraordinary circumstances, 2020 proved to be challenging for all of us, yet it was a very successful year for Peach Property Group AG from a business standpoint. We consistently implemented our strategy as a highly digitized, tenant-centric, and high-growth real estate Group, achieving record business results in the process. A 40 percent increase in profit after tax to CHF 127.3 million speaks for itself. We maintained the successful trends of recent years while accelerating momentum. Against this backdrop and with an additional, active, and strong anchor shareholder at our side, we believe we are ideally positioned for our next growth steps.

Digital platform as success factor

Our digital platform has once again proven its efficiency. During this financial year, we acquired around 10 800 new apartments in Germany and integrated them smoothly. By expanding our residential portfolio by 87 percent to 23 200 units, while overhead costs rose by only 14 percent, we converted economies of scale into an above-average contribution to earnings. Accordingly, we further improved our operating margin from around 73 percent to 75 percent. During the financial year, we successfully implemented SAP S/4HANA in the Group, a uniform and integrated system for rental accounting, financial accounting, and CAPEX management. We further increased our added value with continued insourcing. In 2020, Peach Property Group has thus once again demonstrated, under extraordinary circumstances, that digitalization, increased efficiency, and tenant-oriented actions can be a fruitful symbiosis in the German real estate industry.

Portfolio expanded to a market value over CHF 2 billion – vacancy rate down despite COVID-19

As planned, we dynamically increased our residential portfolio over the financial year. As a result of two large-volume acquisitions, we expanded our total floor space by 82 percent to around 1.5 million square meters. At just under CHF 2.1 billion, the market value of our real estate portfolio as of December 31, 2020 was 86.3 percent higher than one year before. As a result, we were able to achieve our medium-term goals of portfolio value and the number of residential units, which we set only during the year, already by the end of the year. We did not need to compromise on our return targets even in the context of accelerated growth, as illustrated by a gross return of 5.0 percent, very attractive by industry standards. Our portfolio volumes allowed us to reach new levels of attention among investors and transaction partners and allowed us access to international investors. Against this backdrop, we are also reporting selected key figures according to the EPRA standard for the first time for the 2020 financial year.

In line with our strategy, the focus of Peach Property Group's growth in 2020 was on locations where we already had a presence. We formed clusters, leveraged synergies, and generated economies of scale. The new portfolios are located primarily in the Rhine-Ruhr metropolitan region. We were able to significantly expand our number of residential units in the Kaiserslautern area as well.

Our portfolio generated net rental income of CHF 54.7 million in 2020, an increase of 40.7 percent over the same period last year. The residential units acquired over the course of the year contributed to the increase, as did prudent rent increases, aligning with market levels and a reduction in vacancies. On a like-for-like basis, our rental income grew by 4.7 percent. Despite the COVID-19 pandemic we reduced vacancies by about a quarter, from 9.3 percent at the end of 2019 to 7.0 percent at the end of 2020, by means of active asset management and intensive leasing activities, many of them digital. The portfolios newly acquired at the end of the year had an average vacancy rate of 8.6 percent at the time of acquisition.

Financial figures once again significantly improved

In addition to the aforementioned increase in our net profit, we were able to significantly improve our result before tax by 39.8 percent to CHF 153.4 million. At CHF 0.59 per share, FFO I was significantly higher than the negative figure for the previous year. The NAV per share at market values of CHF 51.31, an increase of around 14 percent compared to the previous year, also illustrates the value-creating business development of Peach Property Group. At the same time, we almost doubled our equity to CHF 754.9 million within 12 months and further increased our equity ratio at market values from 32.9 percent to over 34 percent – despite the significant increase in total assets. As announced, we have further reduced our leverage and, with an LTV of 57.8 percent (previous year 59.6 percent), we are on course to further improve our rating.

Additional major shareholder and strong financial basis accompany growth

As in previous years, we have built our growth on a solid financial basis with a balanced mix of equity and debt, attracting strong interest from international investors. In addition to issuing an unsecured Euro corporate bond of EUR 300 million, we successfully carried out a capital increase through the issuance of a mandatory convertible bond for CHF 230 million. In this context, the global investor Ares Management Corporation joined the company as a new anchor shareholder, with a stake of around 30 percent. The Extraordinary General Meeting also elected Klaus Schmitz, Managing Director of Ares Real Estate Group, to the Board of Directors of Peach Property Group AG. With this financially strong and extremely well-connected partner by our side, we are optimally positioned for further growth.

Sustainable focus and tenant-centered philosophy

We see our focus on the needs of our tenants and sustainable management as important prerequisites for success that will last for many decades and years. This credo was also uncompromisingly applied during the pandemic. Despite the COVID-19 pandemic, we have opened four more tenant shops, our so-called Peach Points, at locations in Essen, Dortmund, Recklinghausen, and Helmstedt. The decisive factor in this move was the excellent experience we have had with our existing Peach Points. Through our stores, we are in direct contact with our tenants and can react quickly and flexibly to their needs. The Peach Points are building blocks in our comprehensive multi-channeled tenant communication: a personal visit to one of our Points, telephone, email, WhatsApp, our self-service website, or the tenant app, which is free to download, represents everything a tenant might need to exchange information with us – seven days a week. It allows us to solve problems together and promptly, with response times that are outstanding by industry standards. Our sustainability focus is guided by the Sustainable Development Goals defined by the United Nations. The aim is to establish sustainable action in various fields in the interests of the environment, shareholders, and tenants as well as society and employees.

Positive perspectives

From a business standpoint, the year 2020 was the most successful in the company's history. We would therefore like to thank our shareholders as well as our employees, business partners, tenants, and customers for the trust they have placed in us. Together, we see excellent prospects for 2021 and beyond. With a highly profitable residential portfolio, a strategy pursued consistently for years, our excellent digital platform, and strong partners by our side, we intend to play an even more active role in the German residential real estate market in the future. Join us on our journey!

Reto A. Garzetti
President of the Administrative Board

Dr. Thomas Wolfensberger
Chief Executive Officer

Business Model

Peach Property Group is a publicly traded investor with its focus on residential property portfolios in Germany. Courtesy of numerous acquisitions in recent years, combined with active asset management, we have established a position of relevance in the German residential real estate market — especially in our focus markets of North Rhine-Westphalia, Lower Saxony and Rhineland-Palatinate. Meanwhile, we own more than 23 200 residential units with a market value of over CHF 2 billion.

Our portfolio consists of high-yielding investment properties, typically in so-called B-cities in the commuter belt of metropolitan areas. In addition, we develop selected properties for our own portfolio or for condominium ownership, thus covering a broad value chain.

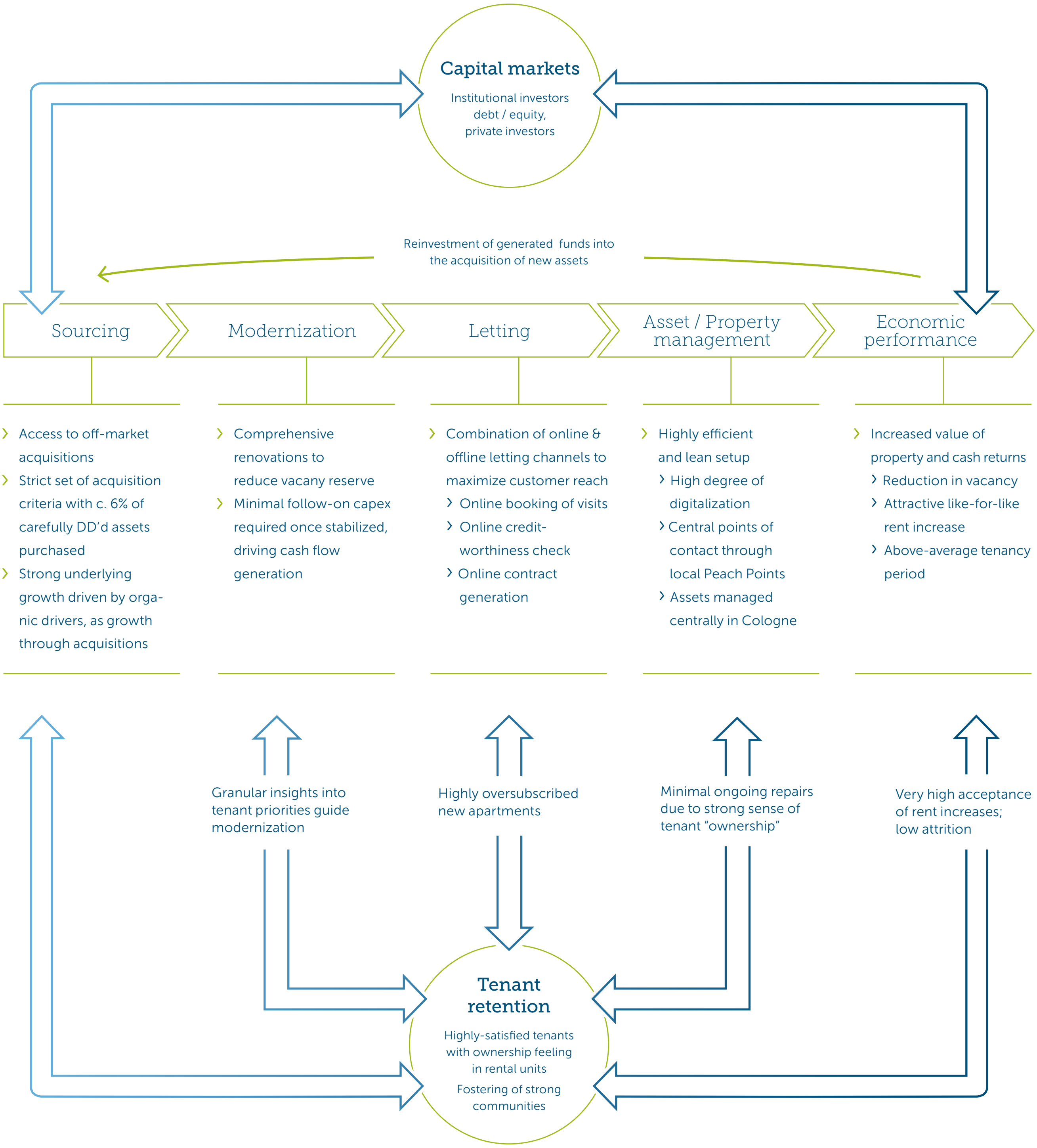
The satisfaction of our tenants represents the core of our business model. With Peach's direct support approach, for example in the form of tenant stores— called Peach Points — or our digital platform, we can communicate directly with our tenants ensuring that we are always aligned. In the digital age this works virtually without any problems. For example, we provided around-the-clock advice and support to our tenants during the multi-phased lockdowns in the wake of the COVID-19 pandemic, which was enabled through our multiple digital tools. Whether by e-mail, via our web-based tenant portal, the specially developed tenant app, or via WhatsApp: We quickly process inquiries or damage reports received from our tenants. On average, we respond within 18 hours and problems or defects are corrected within seven days — despite the challenges brought about by the pandemic.

The topic of digitization will play an even greater role for us in the future: For example, in the financial year 2021 we have completely switched to SAP S/4HANA in the Group and implemented a uniform and end-to-end back-office system for the areas of rental accounting, financial accounting, and CAPEX measures. This allows us to manage real estate even more efficiently and serves as the basis for further digital services to our tenants (read more about this in the chapter "Digitalization in focus", Page 10).

Tenant satisfaction, digitization, and efficiency are therefore the basis of our success. This sets us apart from our competitors in the real estate market. Our successful business model is also reflected in the development of our vacancy rate which we were able to further reduce by around 25 percent to 7.0 percent in 2020 (previous year: 9.3 percent) – on a like-for-like basis (i.e. purely operational) and despite COVID-19.

Efficiency is highly relevant to us, especially when acquiring new real estate. For example, when acquiring new properties, we ensure that they are located in close proximity to our existing properties. This means we can achieve significant synergies in the management of our properties. The close proximity saves time and money through reduced travel times and simplified processes in property maintenance, which generates significant economies of scale. Furthermore, synergies can be leveraged through the uniform management of properties via our SAP platform. Clever portfolio management thus goes hand-in-hand with an optimized IT infrastructure.

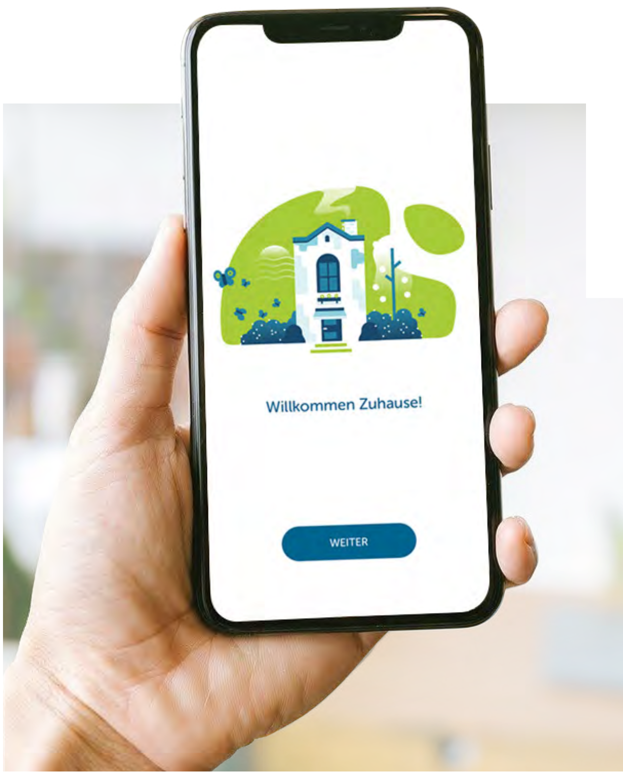
In addition, the properties we acquire must have high appreciation and returns potential. Before completing an acquisition, potential properties are carefully reviewed — properties where it is doubtful whether our criteria are met, are consistently filtered out. Courtesy of our experienced, highly qualified and well-coordinated team, which now numbers around 170 staff members, we can ensure that identifying suitable properties functions smoothly.

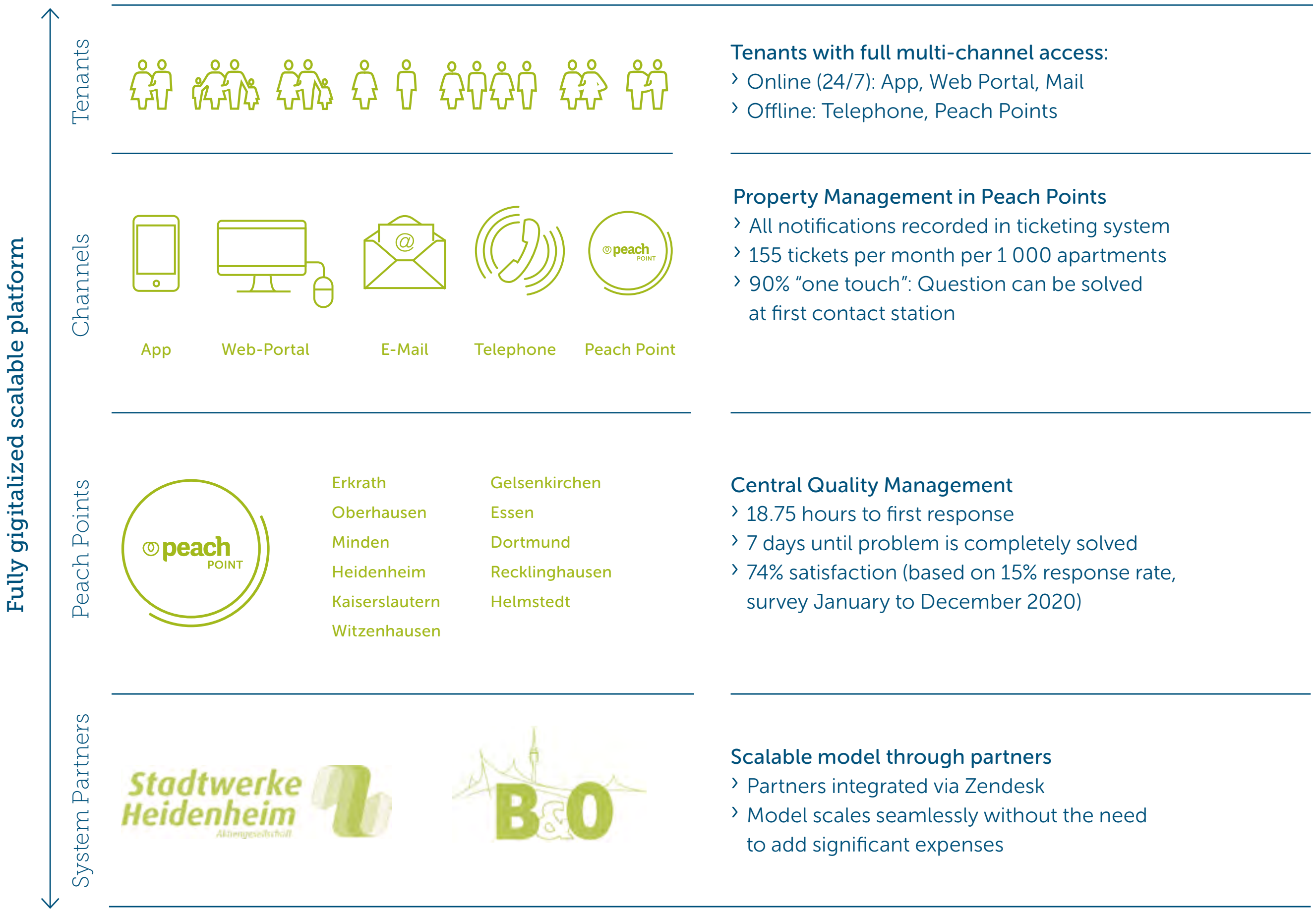

Capital markets
Institutional investors
debt / equity,
private investors
Reinvestment of generated funds into
the acquisition of new assets
Sourcing
Modernization
Letting
Asset / Property management
Economic performance
› Access to off-market acquisitions
› Strict set of acquisition criteria with c. 6% of carefully DD'd assets purchased
› Strong underlying growth driven by orga-nic drivers, as growth through acquisitions
› Comprehensive renovations to reduce vacany reserve
› Minimal follow-on capex required once stabilized, driving cash flow generation
› Combination of online & offline letting channels to maximize customer reach
› Online booking of visits
› Online credit-worthiness check
› Online contract generation
› Highly efficient and lean setup
› High degree of digitalization
› Central points of contact through local Peach Points
› Assets managed centrally in Cologne
› Increased value of property and cash returns
› Reduction in vacancy
› Attractive like-for-like rent increase
› Above-average tenancy period
Granular insights into tenant priorities guide modernization
Highly oversubscribed new apartments
Minimal ongoing repairs due to strong sense of tenant "ownership"
Very high acceptance of rent increases; low attrition
Tenant retention
Highly-satisfied tenants with ownership feeling in rental units
Fostering of strong communities

Milestones 2020 – Focus on digitalization

A central pillar of Peach Property Group's successful business model is digitalization. In this area we already positioned ourselves for the future years ago, and we now have a fully integrated platform that renders multiple work processes easier and more efficient. At the beginning of 2020, we consolidated all our existing back-office systems on to a uniform SAP S/4HANA platform – into which we also integrated portfolios that were previously managed externally – fully connected to our existing front-office systems. This gives us a uniform and consistent system for rental accounting, financial accounting as well as CAPEX management, and further expands our digital competence with one of the most modern and scalable technology platforms in this area. This platform also allowed us to smoothly and quickly integrate the more than 10 800 new apartments acquired during the year into the platform – for example, portfolios acquired on December 31, 2020 were fully implemented starting January 3, 2021 and our Peach Points were fully operational from day one and able to provide comprehensive support to our new tenants. This results in significant synergy effects and increases in efficiency – considering our systems can process far more than our current total of more than 23 200 rental units with no significant adaptation needed. Likewise, our technology provides the basis for innovative future services and automation – including the use of artificial intelligence. Initial tests to this end have already started. We are thus ideally equipped for further efficient growth of our portfolio. This efficiency is already reflected in the 2020 financial year: Despite the increase in rental income of more than 40 percent, administrative expenses rose by only around 14 percent in the year under review, a disproportionately low increase.

The digital platform connects the regional Peach Points with the service offering to our tenants. Peach Points can be reached around the clock: by phone, email, WhatsApp, through our tenant portal, tenant app, or in person, which will be hassle-free again once the COVID-19 pandemic is over. If a tenant reports damage to their home to a Peach Point employee by phone or email, the employee can immediately enter this in the system and transmit it digitally to connected tradesmen. From the start of this year, tenants receive a link from one of our partners immediately after receipt of a damage report, which allows them not only to provide further details on the damage,





including photos, but also immediately arranges an appointment for the repair with only a few clicks. This digital offering has been very well received and is a basic building block for further increasing tenant satisfaction. Damage in the home, whether it be repairs to the heating system or to the kitchen faucet, is almost always repaired within 8 days. We guarantee a response to a problem report from our service staff within 24 hours – on average in 2020 (even on weekends) we did not even need 18 hours.

Platform proves itself in the pandemic

The COVID-19 pandemic has especially highlighted the strengths of the digital platform: our employees were able to switch flexibly to a home office or pursue a hybrid home office or office model without any changes needed to our IT systems – with absolutely no restrictions on accessibility for our tenants. The releasing of our residential properties has also been unproblematic during the lockdown thanks to our tried and tested digital system. We were able to offer virtual apartment tours, which allowed potential tenants to get a "true" impression of their new apartment without being on-site.

The reduction in vacancies by approximately 25 percent to 7.0 percent in 2020 demonstrates that our model, with its strong digital tenant focus, was exceptionally successful in these unusual times. During the height of the pandemic, this allowed us to respond quickly and continue to fully maintain our business operations without drastic restrictions. Working from home also worked smoothly for our employees, resulting in the majority of our staff being able to work safely from home without any additional effort, thanks to the already existing technical equipment and our tried-and-tested workflow. Even after the pandemic is over, digitalization with a tenant focus will remain a key success factor in the real estate industry – Peach Property Group is excellently positioned in this regard and is one of the pioneers in the German market.

Peach Property Group – growing with values – residential portfolio reaches 23 200 units



Acquisition of two portfolios in Düsseldorf-Erkrath with **142 apartments** and of two buildings in Dortmund

Acquisition of a portfolio in Nordhessen with **336 apartments** and a hotel in Bad Reichenhall

2011 2012 2013 2014 2015

Acquisition of residential portfolio in Munster with **376 apartments**

Acquisition of **Gretag-Areal** near Zurich

Acquisition of almost **570 apartments** in Neukirchen-Vluyn




2016

Acquisition of almost **1 700 apartments**: Rhineland, Eschwege, Fassberg and Kaiserslautern; sale of Erkrath Retail and Gretag-Areal

2017

Acquisition of more than **2 400 apartments**, among others in Oberhausen, Nordhessen and Bochum; sale of the property in Bad Reichenhall

2018

Acquisition of **2 899 apartments:** including 1 247 units around Bielefeld, 1 061 units in Heidenheim, 273 units in Kaiserslautern and Saarbrücken and 213 units in Bochum

Expansion of tenant communication: Opening of Peach Points in Heidenheim and Oberhausen, further development of tenant app, launch of tenant internet portal

2019

Portfolio increases to around 13 000 residential units with a market value of over CHF 1.1 billion

Acquisition of 3 672 apartments in the Ruhr area, Bielefeld and Kaiserslautern as well as a portfolio of **528 apartments** in North Rhine-Westphalia

Transfer of ownership of **421 apartments** in Marl and Kaiserslautern

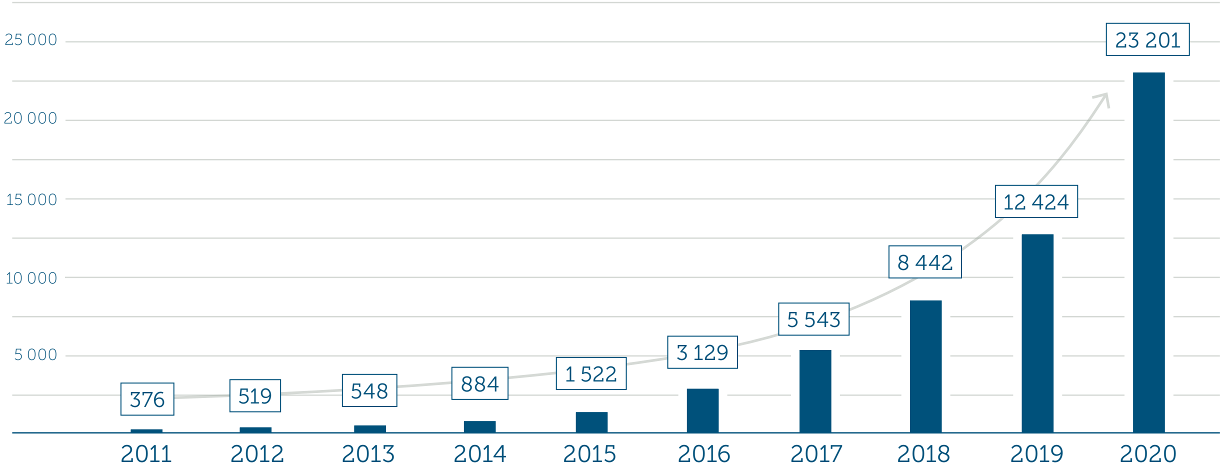
Opening of three further Peach Points in Nordhessen, Ostwestfalen and Kaiserslautern

2020

Portfolio increases to around 23 200 residential units with a market value of over CHF 2 billion. Expansion mainly in existing locations through the **acquisition of around 10 800 apartments** in North Rhine-Westphalia, Lower Saxony and Rhineland-Palatinate.

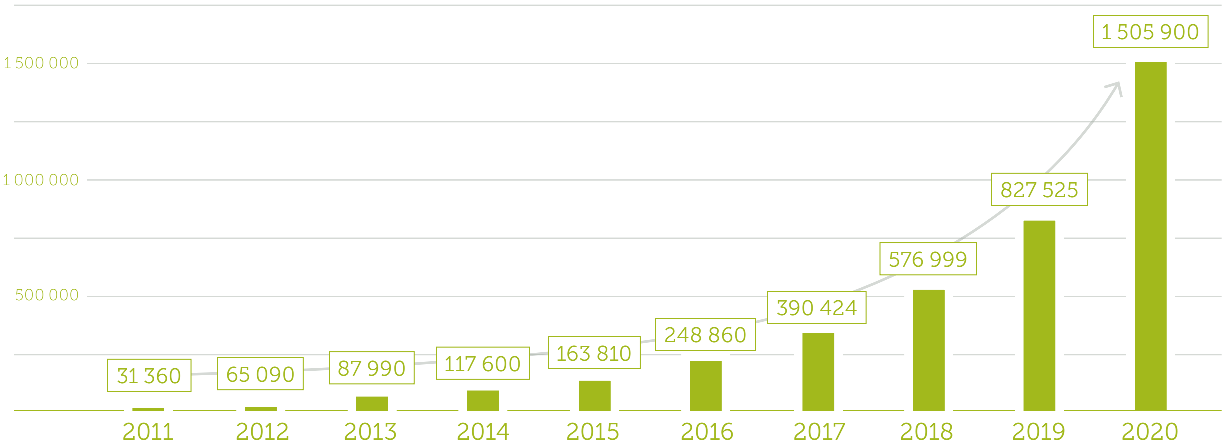
A further **5 new Peach Points** were opened.

Number of residential units



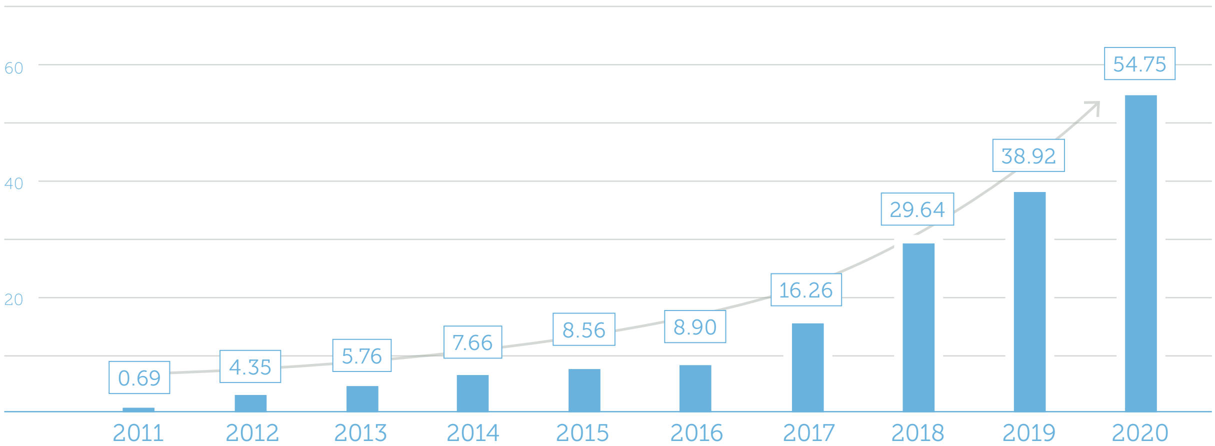
Total floor space in the real estate portfolio considerably expanded

Total area in m²



Actual rental income increased significantly

Actual rental income in CHF million



Peach Property Group places a strong focus on sustainable corporate governance

For us as Peach Property Group, sustainable corporate governance has always been central to our actions. We understand sustainability in its comprehensive sense and strive to implement it as comprehensively as possible. The following aspects are important to us:

The needs of our investors, the comprehensive satisfaction of our tenants, a working environment that offers our employees security and the opportunity for innovation, the sustainable use of our environment and the role of Peach Property Group as an active and constructive member of our society. Many of these elements have been the focus for years and we have produced innovations that set standards in our industry. Examples of this include our Peach Points as tenant shops, our planting festivals and our food truck tours, which were all brought to life in order to communicate with our tenants as often as possible within a casual environment. Other elements were added for the first time: For example, this year — despite the growth of our portfolio by almost 90% — we prepared a comprehensive measurement of our environmental footprint in accordance with the EPRA sBPR criteria to provide a baseline for future improvements and to measure changes. From this, the advantages of a focus on sustainable buildings were already apparent: For example, our CO_2-efficiency is on average 15 percent below our peer group in the German real estate industry.

We will be expanding our efforts in this area through setting clear goals for the next few years and, starting next year, we will report our progress comprehensively based on the international standards of the Global Reporting Initiative (GRI) and the European Public Real Estate Association (EPRA). We also use the 17 Sustainable Development Goals (SDGs) of the United Nations (UN) as the basis for our sustainable actions.

1 Business performance — value-creating business development

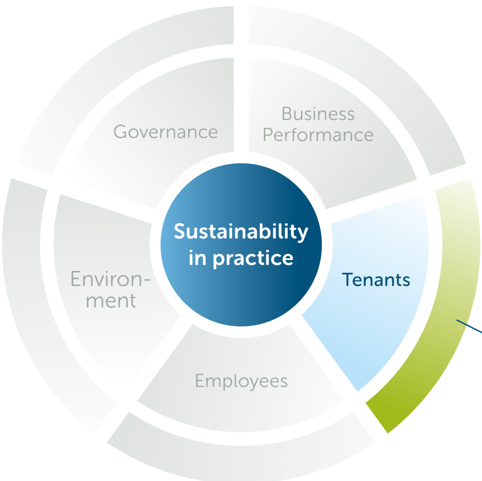
- EPRA NTA per share: CHF 57.29 (plus 13%)
- FFO I per share: CHF 0.59 (negative value in 2019)
- Equity ratio (NAV market value): 34.2% (plus 4%)
- LTV: 57.8% (following 59.6% in 2019)

We understand entrepreneurially sustainable action as demonstrating responsibility towards all of our shareholders. We achieve this by ensuring a strong financial foundation. We are committed to our investors to sustainably increase the value of Peach Property Group, which we underpinned very clearly in the 2020 financial year. The value-creating business development of Peach Property Group is reflected, among other, in the development of FFO I in the reporting period: At CHF 0.59 per share, this was significantly above the negative value in the previous year. The NAV per share of over CHF 51.31 increased by 14 percent compared to the previous year. The positive development of equity, which we were able to almost double to CHF 754.9 million within 12 months, is also a pleasing development for our shareholders. We were therefore able to increase our equity ratio at market values to 34.2 percent from 32.9 percent at the end of 2019. We have also further reduced our leverage which is below the previous year's value with an LTV of 57.8 percent (59.6 percent at the end of 2019). This LTV ratio helps us to continuously improve our rating and as a result guarantee an attractive investment to bond investors.

On an operational level, we were also able to prove to our investors that we are right on track: By expanding our residential units by 87 percent to currently 23 200 units, we were able to continue our dynamic growth while simultaneously reducing our vacancy rate. Due to the ongoing insourcing and the associated synergy effects and economies of scale, we were able to increase the operating margin from around 73 to 75 percent. It is encouraging that the overhead only increased by around 14 percent, despite increased rental income and a significantly larger real estate portfolio.

Source: United Nations

2 Tenants — the focus of our business model



- Number of Peach Points: 12 (2019: 7)
- Vacancy rate (LFL): 7.0% (2019: 9.3%)
- Tenant satisfaction after damage report: 74% (2019: 73%)
- Time until 1st response to inquiries: 18.75 hr (2019: 22.80 hr)
- Time until final problem solution: 7 days (2019: 8 days)

The satisfaction of our tenants is for us a key component of our business model. Housing is a fundamental human need. It is for this obvious reason that we want to satisfy our tenants. The basis for this is functioning tenant communication. We continuously measure tenant satisfaction through surveys and feedbacks with the aim of continuously improving it through various measures. Regardless of the communication channel, it takes an average of just 18.75 hours for an employee to contact the affected tenant after a damage report. It only takes a little more than 7 days to solve the problem and the tenant has the opportunity to evaluate the performance. For every 1 000 apartments, around 155 tickets with different inquiries or deficiency reports are opened per month and we always ask our tenants for feedback after completion. Around 15 percent of all tenants contacted respond and, in some cases, provide very extensive feedback. This feedback is very important to us since it is the only way we can continuously improve our service and show appreciation to our tenants.

Peach Points are very important for the direct contact with tenants. They are the central point of contact for all rental and administrative questions and a meeting point for tenants on site. Currently, we have set up Peach Points at 12 locations. Around 80 percent of our tenants have direct access to their personal contact — often within walking distance. In 2020, as part of preventive healthcare measures against the pandemic, the Peach Points had to be closed to the public for 7 weeks. However, COVID-19 did not prevent us from opening new Peach Points as planned at the beginning of 2021, including in Essen, Dortmund, Recklinghausen, Ludwigshafen and Helmstedt — albeit initially only for customer contact by phone, email, etc.

Our successes in promoting tenant satisfaction are also illustrated by the continuous reduction in vacancy rates, which was reduced by around 25 percent in 2020. Tenants live in Peach apartments for around nine years on average, which is slightly longer than the eight-year average in Germany. The low fluctuation underlines that our tenant-centered strategy is paying off. Satisfied tenants remain in their apartments for the long term, resulting in less turnover and thus even more stable rental income.

Tenant parties in the form of our food truck tours and our spring planting parties, where we donated 15 000 plants to our tenants in 2019, were routine events before the pandemic and will again be a component of our support concept in the future.

3 Employees — reliable employees and diverse teams are the key to success

- Total proportion of women: 56%
- Proportion of women in managerial positions: 31%
- Share of women on the board of directors and in executive management: 0%
- Female-male wage ratio: 1.0: 1.0*
- Turnover rate: 8%
- Average sick days per year: 8 days

We owe our successful business development and our strong growth primarily to our committed and reliable employees. Due to our significant growth, we have also grown significantly in terms of personnel. As of January 1, 2021, including the increase in staff following the 2020 acquisitions, we now employ almost 170 staff members. In 2019 Peach Property Group employed 78 employees. In order to retain employees over the long term, respectful interaction with one another with flat hierarchies is just as important to us as a safe working atmosphere with an optimal technical infrastructure.

For us, a key indicator in measuring employee satisfaction is the employee turnover rate: With 57 new hires in the 2020 financial year and a further 50 in the first few weeks of 2021, only 8 percent of all employees left the Group. This represents an absolute record rate in our industry.

Diverse teams work evidently more efficiently and creatively, which is why it is very important to us as Peach Property Group to employ balanced teams in terms of gender, age and cultural background. Overall, the proportion of women working for Peach Property Group is 56 percent. The proportion of female executives at Peach Property Group was 31 percent in the reporting period. Regarding the wage ratio for non-managerial employees, we are at the optimal ratio of 1:1 — equal opportunities with the same qualifications for men and women is not just a catchphrase in our sustainable personnel development, but we actively practice it. In terms of top management, the female share of zero percent is not yet what we would like it to be — accordingly, there is still a less than optimal wage ratio of 1: 1.76 among executives. We will have to work on this in the coming years to see women represented proportionally in top management positions.

With respect to the age profile, we have found that a healthy mix of different age groups leads to more agility within teams. The age group between 29 and 48 years with-in most strongly represented among our employees. Around 14 percent of women and 4 percent of men are younger than 28 years. 18 percent of women and 9 percent of men are older than 49.

Employing healthy employees in a safe working atmosphere a given to us. We did not have a single work-related accident in 2020 and the days of absence were also moderate, with an average of 8 days. This means that the absence rate is well below the 18.4 days in Germany or 12 days in Switzerland. This comparison indicates a high level of health and a healthy working atmosphere.

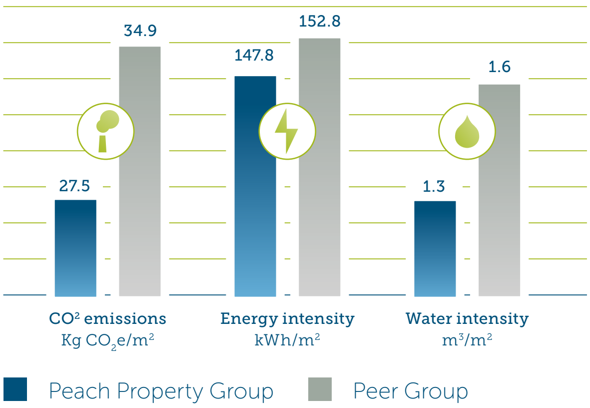
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY

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

4 Environment — responsible property management for a healthy environment

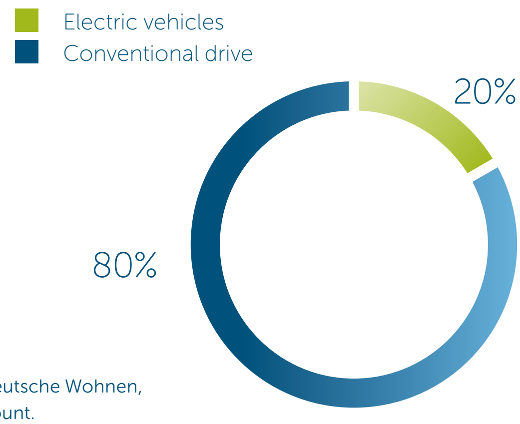
- CO_2 emissions: 27.5 kg/m² (peer comparison*: 34.9 kg/m²)
- Total energy intensity: 147.8 kWh/m² (peer comparison*: 152.8 kWh/m²)
- Waste recycling rate: 30%
- Share of electric vehicles in the total fleet: 20%

We are aware that we have an environmental responsibility in managing our properties. Accordingly, we use resources sparingly and work on continuously limiting the emission of greenhouse gases. To this end, we continuously measure and analyze important environmental related KPIs related to our residential units. The relevant data is collected and evaluated in accordance with EPRA sBPR. This provides us with a basis for strategic sustainability management. The disclosed figures are based on a population consisting of all properties that were owned by Peach Property Group for the full year of 2019 and for which we have concrete consumption data. This represented 404 properties with a total floor space of 520 038 square meters.



The total carbon dioxide emissions in the year (Scope 1 and Scope 2) were 8 067 tCO_2e. An average property of Peach Property Group with 20 residential units of 65m² each therefore emits 19 967 tCO_2 per year. The GHG intensity was 27.5 kg CO_2e/ m² (Peer Group*: 34.9 kg CO_2e /m²). The energy intensity of residential units in the period was 147.8 kWh/m² (Peer group*: 152.8 kWh/m²). The water intensity of residential units was 1.31 m³/m² (Peer group*: 1.60 m³/m²). The waste intensity of residential units was 12.4 kg/m². Overall, we have a recycling rate of 30 percent for waste (recycling & compost). All of these values demonstrate that we have a high-quality portfolio in our segment which is already very competitive in comparison with our German peers. Nonetheless, we still see significant room for improvement over the next few years. For this purpose, we created a comprehensive heating system register for our portfolio in 2020, on the basis of which we can calculate and implement measures to reduce CO_2 emissions by our portfolio. We have been gradually converting consumption recording to smart meters over the past 14 months, digitizing it this way and making the sub-meters readable remotely. We are thus building the basis for numerous new online services that help our tenants reduce CO_2 emissions while simultaneously saving them money. In addition, at the beginning of 2021 we switched the general electricity of our entire portfolio to green electricity and also implemented this for the power supply of our Peach Points – a measure that will save 1 980 tons of CO_2 through 2024.

Our focus on sustainability in not limited to heating and electricity only. Since 2019, we have 3 electric vehicles in daily operation and after some very positive first experiences gained, we started to gradually convert our vehicle fleet to electric mobility in 2020 - by the end of 2020 we already had 20% electric vehicles in operation.



* Peer group comprises apartment-weighted values from Adler Group, Deutsche Wohnen, Grand City and Vonovia. Last available figures have been taken into account.

Depending on the availability of certain types of vehicles, such as small delivery trucks, at least 75% of our fleet should be converted to e-mobility by 2023. At the same time, we have started to set up charging stations for electric vehicles at our portfolio locations. A corresponding charging infrastructure has already been created at five locations.

We see our efforts to use resources in a sustainable and careful manner as an ongoing process. We are planning more CO_2-effective optimization of the heating equipment spread across our residential units in the coming years by converting the heating of previously oil and coal-fired properties to more resource-efficient fuels by 2025. At the same time we are analyzing the CO_2 risk in the portfolio to develop a decarbonization path both at portfolio and property level. At the end of 2021, we will present a corresponding report with specific goals. Further specific measures are continuously developed in internal working groups and in dialog with external experts.

5 Governance - basic ethical values in daily dealings with one another

- Proportion of employees with Code of Conduct training: 100%
- Violations of the Code of Conduct: 1
- Regional sponsoring projects: 1

We adhere to strict rules for ethical behavior, including combating corruption, avoiding conflicts of interest, avoiding bribery and anti-discrimination. These are basic values that we represent to our customers, business partners and employees alike. These values also form the basis for our internal corporate governance structures, which we have implemented in our daily work. Treating each other fairly and free from discrimination in the team and at management level, is particularly important to us. Our employees follow a strict code of conduct, especially when dealing with our tenants. In addition, each of our employees is made aware of and sensitive to the subjects of bribery and corruption through special training and knows how to behave in accordance with the rules. Our Group has had established a clear zero tolerance policy for years. The disclosure of possible conflicts of interest, especially at management level, is also very important to us.

The sensitive handling of the data of our tenants, business partners and employees is guaranteed. With a secure IT infrastructure and highly qualified IT employees, we ensure that this data does not reach third parties to be misused for other purposes. As a real estate Group with a focus on residential real estate, people are always our focus, which is why we hold human rights in a particularly high regard.

We therefore want to contribute also outside of our business model, thus promoting equal opportunities through social engagement in clubs in several cities in which we have real estate portfolios. In Heidenheim, for example, we sponsor a local sports club to provide children from economically disadvantaged backgrounds free access to sports activities. Projects like these are particularly important to us and we want to expand them even more in the future.

Appendix on the ESG topic

Indicator	EPRA	Units of measure	Boundaries		
			Male	**Female**	**Coverage**
Gender diversity		% of Total employees	100%	0%	Board of Directors
			100%	0%	Executive Management
			42%	58%	Other direct employees
			44%	56%	Total
			Male	**Female**	**Coverage**
Personnel distribution by age and categories	Diversity-Emp	% of Employees	4%	14%	< 28 yrs
			31%	25%	29-48 yrs
			9%	17%	> 49 yrs
		% Executive	0%	0%	< 28 yrs
			66%	0%	29-48 yrs
			34%	0%	> 49 yrs
		% Board	0%	0%	< 28 yrs
			40%	0%	29-48 yrs
			60%	0%	> 49 yrs
			Base remuneration	**Total compensation**	**Coverage**
Gender pay ratio	Diversity-Pay	Ratio	74%	59%	Mgmt Team
			98%	100%	Peach Total Germany excl. Management Team
			2020		**Coverage**
Performance appraisals	Emp-Dev	% of total workforce	100%		Direct employees
			2019	**2020**	**Coverage**
Headcount		Total employees	78	119	Peach Total
			2020		**Coverage**
New hires	Emp-Turnover	Total hire number	57		Peach Total
		Rate	56%		Peach Total
Turnover		Total leavers number	8		Peach Total
		Rate	8%		Peach Total
Injury rate	H&S-Emp	Days per FTE	8 days		Direct employees
Lost day rate		Days per FTE	8 days		
Fatalities		Total number	0		

EPRA sBPR Sustainability Performance Measures 2019 - Environment

					Whole Portfolio 2019				
Indicator	EPRA-Code	GRI-Code	Boundaries	Unit of measure	2019	Lettable area of applicable properties	Number of applicable properties	Coverage of lettable area	% Estimation
Total number of applicable properties				#	404				
Total number of rental units				#	8 031				
Total lettable area of applicable properties				m^2	520 038				
Total electricity consumption	Elec-Abs	302-1	Total energy consump-tion from electricity	kWh	1 680 123	455 376 m^2	319 out of 404	87.6%	44.7%
			Landlord obtained, common areas/shared services		1 680 123	455 376 m^2	319 out of 404	87.6%	44.7%
			Landlord obtained, tenant areas		-	0 m^2	0 out of 0	N/A	N/A
			Tenant obtained, tenant areas		-	0 m^2	0 out of 404	0.0%	N/A
Total energy consumption from district heating and cooling	DH&C-Abs		Whole building, Landlord obtained		15 431 396	116 425 m^2	45 out of 67	79.3%	2.3%
Total energy consumption from fuel	Fuels-Abs		Whole Building, Tenant obtained		-	0 m^2	0 out of 0	N/A	N/A
			Whole building, Landlord obtained		40 555 520	279 706 m^2	206 out of 302	71.4%	24.5%
			Whole Building, Tenant obtained		-	0 m^2	0 out of 9	0.0%	N/A
Building energy intensity landlord-obtained energy			Whole building	kWh/m^2	147.76	361 411 m^2	223 out of 360	74.8%	20.4%
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	305-1	Whole Building	$kgCO_2e$ (location based)	7 643	271 179 m^2	207 out of 304	71.7%	26.2%
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	305-2	Whole Building		3 307	455 376 m^2	319 out of 404	87.6%	9.9%
Indirect GHG emission (total) Scope 3.13	GHG-Indir-Abs	305-3	Whole Building		-	0 m^2	0 out of 404	0.0%	N/A
GHG Intensity Scope 1 & 2	GHG-Int		Whole Building	$kgCO_2e/m^2$	27.49	361 411 m^2	223 out of 404	74.8%	21.3%

	Segmental Analysis by region							Segmental Analysis by property type		
Renewable Sources	Baden-Württemberg	Hesse	Lower Saxony	North Rhine-Westphalia	Rhineland-Palatinate	Saarland	Thuringia	Residential	Commercial	Mixed use: Commercial/ Residential
	54	26	83	201	28	1	11	383	7	14
	654	841	788	3 974	1 327	47	400	7 334	26	671
	42 818	53 744	52 801	263 594	84 951	1 029	21 102	468 765	3 033	48 240
0.0%	199 087	168 421	284 161	579 856	396 267	4 013	48 317	1 445 810	6 980	227 333
0.0%	199 087	168 421	284 161	579 856	396 267	4 013	48 317	1 445 810	6 980	227 333
N/A	-	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-	-
0.0%	219 278	818 306	-	4 703 655	7 804 017	219 926	1 666 214	13 369 725	-	2 061 671
N/A	-	-	-	-	-	-	-	-	-	-
0.0%	3 278 579	6 579 941	10 725 688	16 472 360	2 953 028	-	545 924	38 903 122	319 004	1 333 395
N/A	-	-	-	-	-	-	-	-	-	-
0.0%	111.77	178.91	212.74	119.48	180.66	217.63	107.12	159.28	112.51	79.13
N/A	603	1 210	1 972	3 204	554	-	100	7 339	59	245
N/A	109	203	100	1 032	1 513	40	310	2 862	2	443
N/A	-	-	-	-	-	-	-	-	-	-
N/A	14.71	32.08	39.24	10.71	19.48	39.00	19.08	17.48	14.65	9.82

					Whole Portfolio 2019				
Indicator	EPRA-Code	GRI-Code	Boundaries	Unit of measure	2019	Lettable area of applicable properties	Number of applicable properties	Coverage of lettable area	% Estimation
Total water consumption	Water-Abs	303-1	Whole building, municipal supply	m^3	580 498	443 857 m^2	321 out of 404	85.4%	44.5%
Building water consumption intensity	Water-Int		Whole Building	m^3/m^2	1.31	443 857 m^2	321 out of 404	85.4%	44.5%
Total waste			Whole Building	Tonnes	3 946				
Weight of waste by disposal route (total)	Waste-Abs		Landfill with or without energy recovery	Tonnes	0				
			Incineration with or without energy recovery		2 671				
			Reuse		-				
			Recycling		763				
			Materials Recovery Facility		-				
			Compost		410				
		306-2	Other		101	319 146 m^2	238 out of 404	61.4%	23.0%
Weight of waste by disposal route (%)	Waste-Abs		Landfill with or without energy recovery	% disposal route	0%				
			Incineration with or without energy recovery		68%				
			Reuse		0%				
			Recycling		19%				
			Materials Recovery Facility		0%				
			Compost		10%				
			Other		3%				
Waste Intensity			Whole Building	kg/m^2	12 363				
Type and number of assets certified	Cert-Tot			% of portfolio certified					

	Segmental Analysis by region							Segmental Analysis by property type		
Renewable Sources	Baden-Württemberg	Hesse	Lower Saxony	North Rhine-Westphalia	Rhineland-Palatinate	Saarland	Thuringia	Residential	Commercial	Mixed use: Commercial/ Residential
N/A	39 515	62 089	46 783	314 895	107 124	772	9 320	490 821	1 558	88 120
N/A	1.17	1.19	0.89	1.50	1.30	0.75	0.79	1.21	0.59	2.47
	-	63	177	2 224	1 253	26	201	3 721	3	221
	-	0	0	0	0	0	0	0	0	0
	-	50	86	1 592	759	21	162	2 532	2	137
	-	-	-	-	-	-	-	-	-	-
	-	10	56	349	311	4	33	715	0	48
	-	-	-	-	-	-	-	-	-	-
	-	1	32	223	154	-	-	379	-	31
N/A	-	2	3	60	29	1	6	96	0	5
	N/A	0%	0%	0%	0%	0%	0%	0%	0%	0%
	N/A	79%	49%	72%	61%	81%	81%	68%	81%	62%
	N/A	0%	0%	0%	0%	0%	0%	0%	0%	0%
	N/A	16%	31%	16%	25%	16%	16%	19%	16%	22%
	N/A	0%	0%	0%	0%	0%	0%	0%	0%	0%
	N/A	2%	18%	10%	12%	0%	0%	10%	0%	14%
	N/A	3%	2%	3%	2%	3%	3%	3%	3%	2%
	N/A	1 909	6 310	12 300	17 834	25 227	34 960	12.332	22.024	12 832

Methodology for determining key figures

The GHG Protocol Corporate Standard Version 3.5.1 and the EPRA sBRP Guidelines (Third Version, September 2017) were used as the basis for the key figures determined in this report.

Report boundaries

The operational control approach was defined as the organizational boundary according to the GHG protocol. Properties where Peach Property Group, as part of a homeowners association, has residential units, are considered to be beyond the control of Peach Property Group, in accordance with the definition of reporting boundaries. The proportion of these residential units in the total rental floor space is less than 4% in the year under review.

Reporting period

The reporting on the consumption and environmental key figures of the Peach Property Group's portfolio relates to the 2019 calendar year, as consumption data for the 2020 calendar year was not yet available to the extent that a comprehensive evaluation was possible by the editorial deadline for the report. The size of the portfolio that the key figures are based upon has been shown so that the key figures determined can be adequately assessed, especially against the background of the strong growth of the Peach Property Group. In the 2020 calendar year, the number of residential units rose to 23 200 units with a total floor space of 1 500 000 square meters.

Cover

For each key figure, separate disclosure is made with respect to:

› Which rental space it is based on,
› What proportion it represents of the total rental floor space that is to be used for the respective key figure
› How many properties (business units) were recorded and
› How high the total number of properties (business units) is to be used for the respective key figure.

All evaluated consumption data refer to services (energy and water supply, waste disposal) that were procured by Peach Property Group. Energy purchased directly by the tenants of Peach Property Group was not considered.

Emission factors

To calculate greenhouse gas emissions based on energy consumption data, conversion factors from the International Energy Agency (IEA) and the UK Department for Environment, Food & Rural Affairs (DEFRA) were used. Individual emission figures of the contractual partners of Peach Property Group were not considered separately. The representation of the emissions corresponds to the operational boundaries of the GHG Protocol. Due to the calculation method, the greenhouse emissions are location-based emissions.

Estimates

Where estimates were necessary to close data gaps, such estimates were carried out taking into account the requirements that must be observed in accordance with the framework used for this report (see methodology and determination of key figures). The share of consumption values determined by estimates was shown separately for each key figure.
Waste data in volumetric units has been converted to tons using conversion factors published by the UK Environmental Agency. The proportionate amount of waste that is supplied to the different types of disposal or recovery is determined on the basis of the data from the Federal Statistical Office (waste balance at federal level) upon disposal or recovery for each waste fraction.

Segment analysis

A segment analysis was carried out on the basis of the geographical location and the type of use. The analysis according to geographical location makes a subdivision according to federal states. The analysis according to type of use differentiates between pure residential properties, purely commercial properties and mixed-use properties.

Normalization

To display the intensity indicators, a normalization was carried out based on area-related consumption indicators (intensity indicators), as this represents the predominant method in the business area of Peach Property Group for reporting intensity indicators and allows an appropriate assessment.

Own-used office space

For the office space used by Peach Property Group, consumption data was not available to the extent required for a substantiated analysis for the period under review.

Highlights 2020

Portfolio

23 200
Residential units (+87% compared to previous year)

1 500 000 m²
Floor space (+82% compared to 2019)

>CHF 2 billion
Market value of existing portfolio (CHF 1.1 billion in 2019)

CHF 112.3 million
Target rental income in 2021 (+81% compared to 2020)

12
Peach Points (following 7 at the same time last year)

CHF 55 million
Actual rental income in 2020 (previous year: CHF 39 million)

75%
Operating margin (following 73% in 2019)

93%
Occupancy rate (following 91% in 2019)

Corporate

CHF 230 million
New mandatory convertible bond issued (of which 87% already converted into equity as of the reporting date)

CHF 153 million
Results before tax (+40% compared to previous year)

EUR 300 million
New Eurobond issued

CHF 51.31
NAV per share at market values (+14% compared to previous year)

34.2%
Equity ratio at market values (following 32.9% in previous year)

57.8%
LTV (Loan-to-value) – following 59.6% in previous year

CHF 127 million
Result after tax (+40% compared to previous year)

CHF 755 million
Equity (+94%)

18.75 hours
Average response time on damage reports by tenants

27.5 kg CO_2e / m^2
CO_2 intensity portfolio (vs. 34.9 kg in comparison with German peer benchmark)

Portfolio of holdings

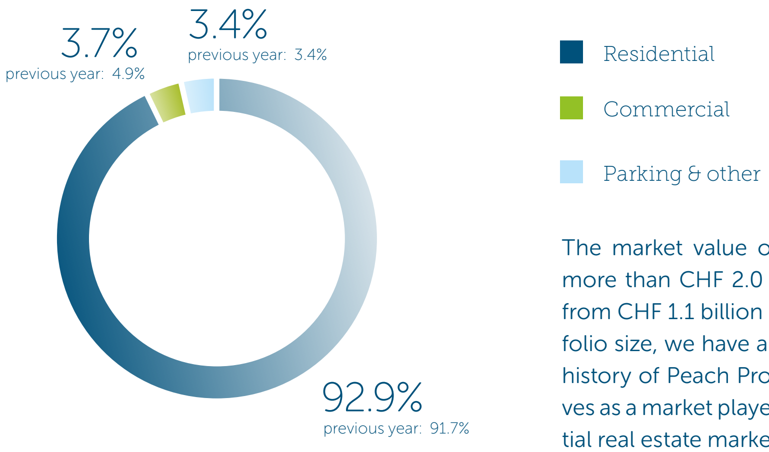
At Peach Property Group, we specialize in the management of residential property portfolios in Germany. The focus of our business is to provide affordable and modern housing in German secondary centers ("B-cities"). Of importance to us is to consistently reduce vacancies, increase tenant satisfaction and as a result increase the length of tenancy and the average rent.

The past financial year was primarily characterized by the acquisition of two large portfolios in Germany — both with a focus on North Rhine-Westphalia and further focal points in Lower Saxony and Ludwigshafen/Kaiserslautern. In total, we acquired more than 10 800 apartments in 2020, increasing our portfolio by 87 percent to more than 23 200 residential units by the end of the year. The vast majority of our acquisitions were residential units with only a few commercial units — mostly on the ground floor, which enhances the appeal of our apartment complexes as a whole. Accordingly, the residential share of target rental income rose from around 95.1 to a high 96.3 percent.

Portfolio structure

Rental income by use category as of December 31, 2020

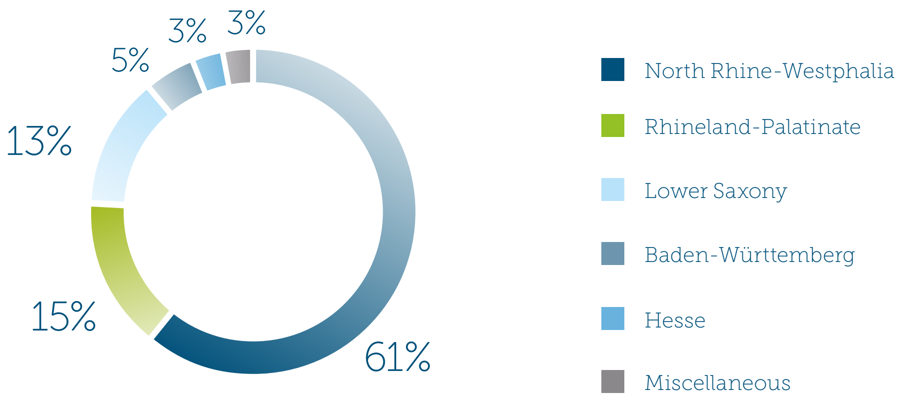
% Actual rental income



The market value of the current portfolio increased to more than CHF 2.0 billion in the 2020 financial year, up from CHF 1.1 billion at year-end 2019. With the new portfolio size, we have achieved a milestone in the corporate history of Peach Property Group and established ourselves as a market player of relevance in the German residential real estate market.

Breakdown by federal state as of December 31, 2020

% Annualized target rental income



The majority of our real estate portfolio is located in North Rhine-Westphalia, followed by Rhineland-Palatinate and Lower Saxony. In total, we are represented in six German federal states — with a few exceptions exclusively in the west of Germany. The heart of our portfolio is located in the Rhine-Ruhr metropolitan region. This region is characterized by a high density of economically strong companies and counts as one of the most populous areas in Germany. Another large residential portfolio, including certain new properties acquired during the reporting year, is located in the Rhineland-Palatinate city of Kaiserslautern, which has always been a major industrial city in Germany. Due to the Technical University, it has developed into a relevant technology location in recent years, with many highly innovative IT companies based here. Finally, in 2020, we also added another focal point in the dynamic Braunschweig/Wolfsburg/Magdeburg triangle.

In 2020, the total rental floor space increased by approximately 82 percent year-over-year to more than 1.5 million square meters. Many of the newly acquired properties are located in close proximity to existing real estate holdings, allowing us to manage the portfolio much more efficiently and generate economies of scale. This is particularly reflected, for example, in the disproportionately low growth in direct administrative costs of 21 percent.

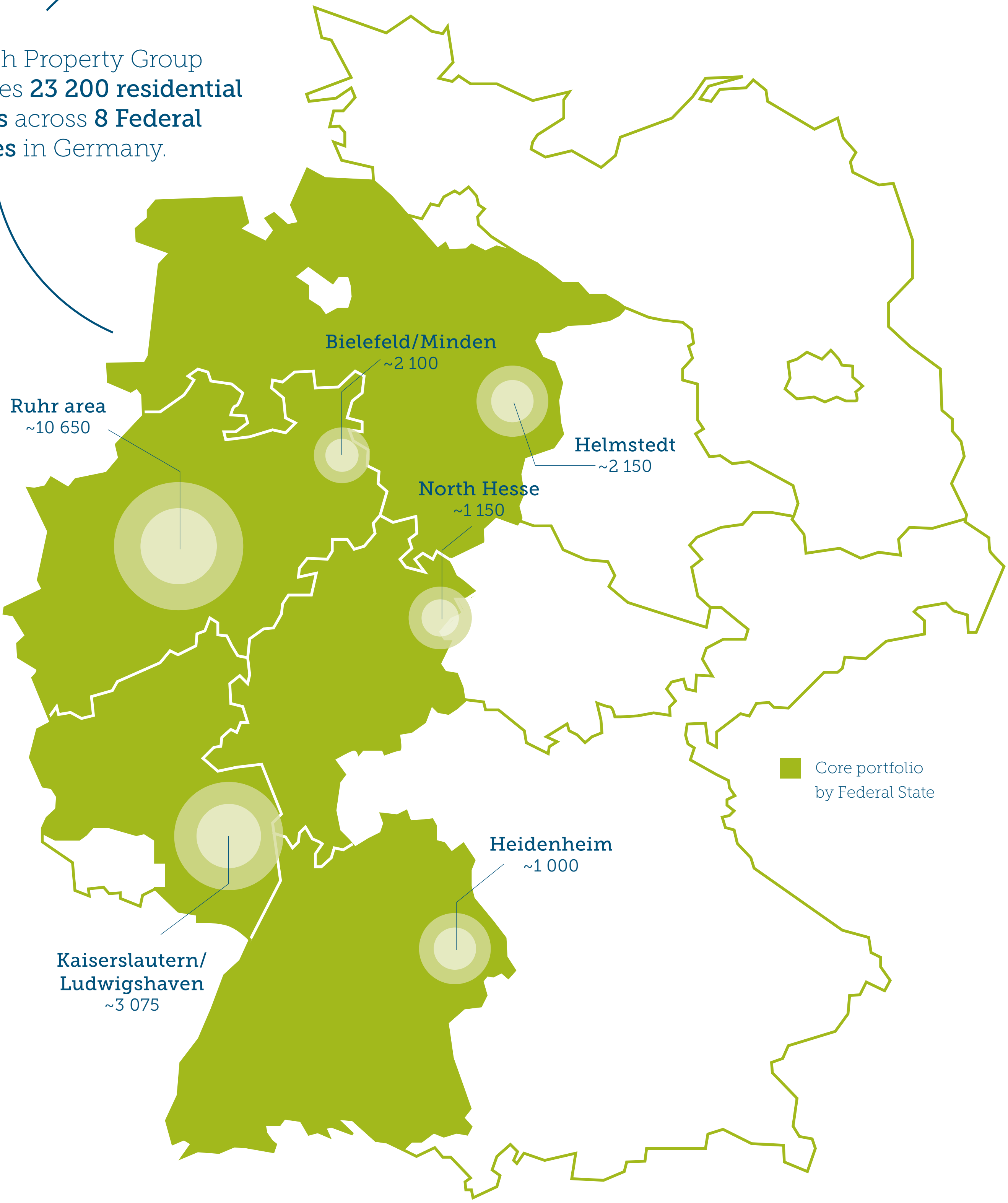
Portfolio key figures

	Dec 31, 2020		Dec 31, 2019	
Number of residential units		23 201		12 424
Total floor space in m²		1 505 900		827 525
Living space in m²		1 436 857		786 287
Commercial space in m² (GF DIN 277)		69 043		41 238
Actual rental income in TCHF*		54 748		38 915
Maintenance costs in TCHF*		7 467		5 275
Administrative and operating costs in TCHF*		4 294		3 555
Vacancy costs in TCHF*		2 423		1 917
Target rental income in TCHF p. a.		112 271		62 059
Vacant residential units (# of residential units as a percentage of all residential units)	1 842	7.9%	1 158	9.3%
Average rental potential total as a percentage of target rental income*		11.6%		12.6%
Market value in TCHF		2 039 007		1 071 465
Gross rental yield*		5.0%		5.4%
Net rental income/Cash flow yield*		3.1%		3.5%

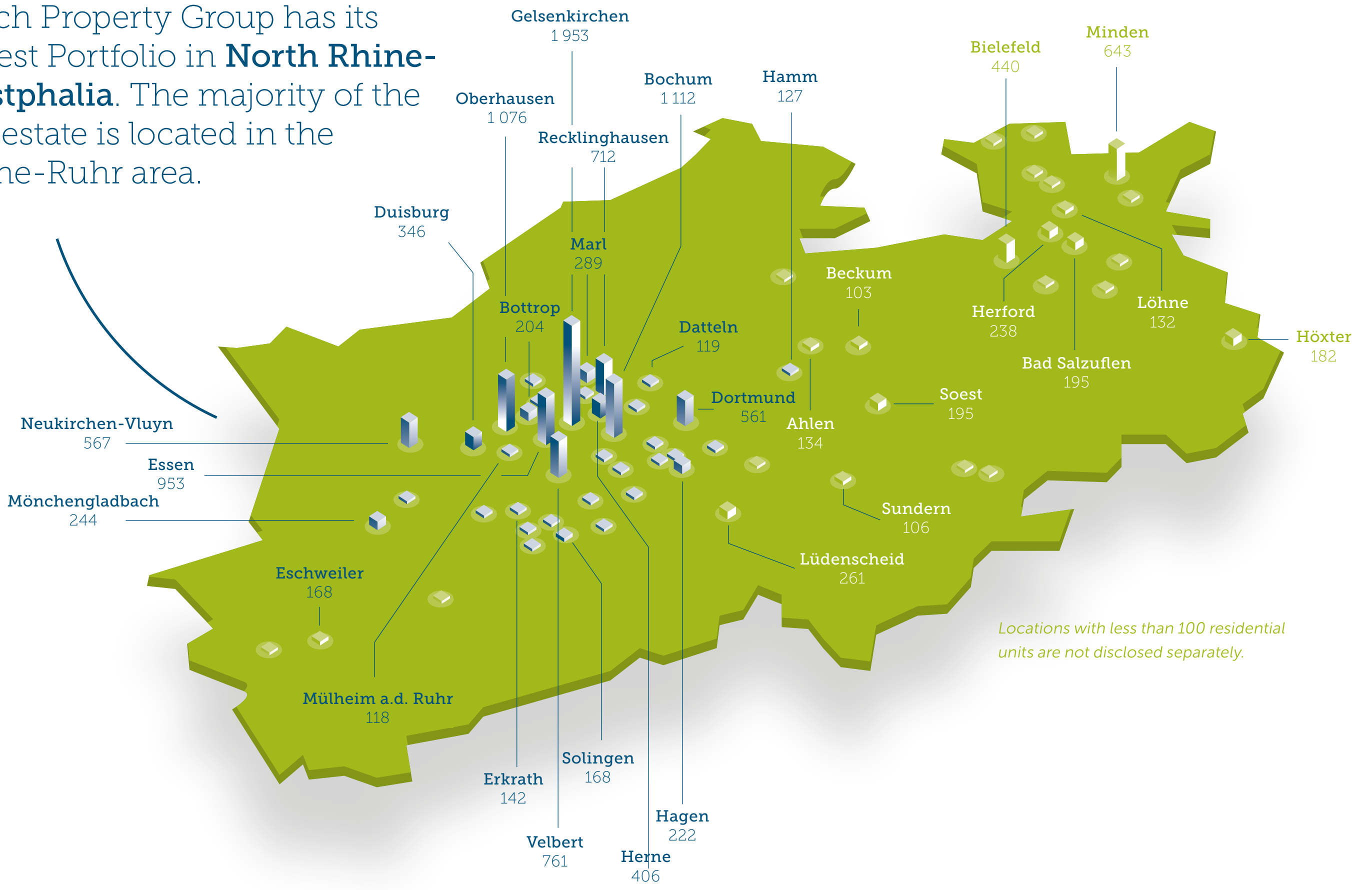
* Excluding portfolios acquired as of December 31, 2020 or December 31, 2019.

Clustered portfolios of Peach Property Group

Peach Property Group ownes **23 200 residential units** across **8 Federal States** in Germany.

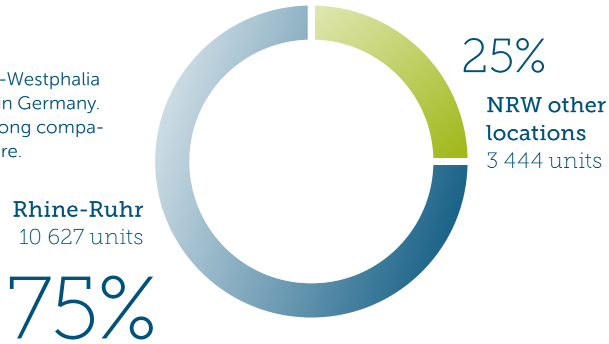


With ~ **14 000 residential units**, Peach Property Group has its largest Portfolio in **North Rhine-Westphalia**. The majority of the real estate is located in the Rhine-Ruhr area.



Locations with less than 100 residential units are not disclosed separately.

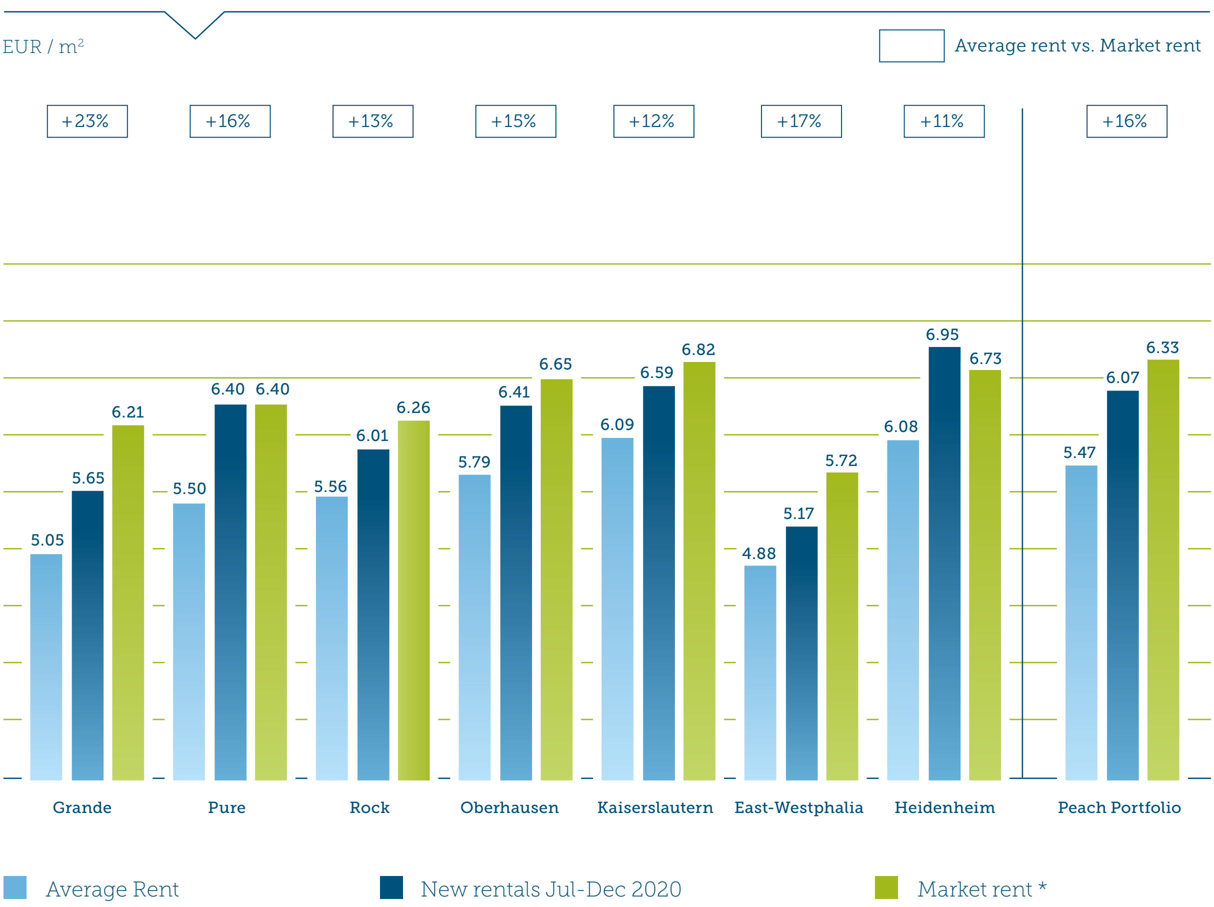
The Rhine-Ruhr area in North Rhine-Westphalia is one of the most populuous areas in Germany. A number of large, economically strong companies, listed on the DAX, are based here.



The consistent expansion of our residential portfolio in the 2020 financial year had a noticeably positive effect on our rental income: In the reporting period, we generated rental income of CHF 55 million – an increase of 41 percent compared to the same period of the previous year. For the 2021 financial year, we expect the integration of the 10 200 residential units acquired at the end of 2020 to result in an additional growth spurt in our rental income to over CHF 95 million.

The central focus of our business model remains the importance of our tenants. We maintain this focus through a combination of being physically close to them through 12 Peach Points whilst operating with a high degree of digitalization. This allows us to respond efficiently and in an uncomplicated manner at all levels in order to address tenant concerns quickly, ensuring that our tenants feel important and taken seriously. On the one hand, this is reflected in the high satisfaction rates in the ongoing tenant surveys, but in particular also in hard facts. For example, we have reduced the number of vacant residential units on a comparable basis by 25 percent to 7 percent since the end of 2019. Including the newly acquired portfolio, the vacancy rate is 7.9 percent. We were also able to increase rental income on a like-for-like basis by 4.7 percent year-on-year – an absolute record in the industry that confirms our long-term strategy of prioritizing tenant satisfaction and addressing concerns such as maintenance and repairs that reach us among other, via our digital channels, promptly. We expect to see attractive rental potential and development also in the future. Compared to the average rent achieved in 2020, we have an average upside potential of 16 percent compared to market rent, as evaluated by our appraisers.

Rental income potential in core portfolios



* According to Wüest Partner valuation as per December 31, 2020.

in CHF thousands Dec 31, 2020

Location	Number of residential units	Area in m²	Year of construction (renovation)	Market value [1]	Target rent p.a. net cold	Letting potential	Rental gross return [2]	Rental net return [3]
Bakery, Wädenswil	0	4 401	1833 (1966)	9 784	651	2.9%	6.4%	4.4%
Mews, Wädenswil	16	1 100	1874 (1991)	7 767	307	9.4%	3.6%	2.8%
Gardens, Wädenswil	13	769	1874 (1991)	5 953	200	3.7%	3.3%	3.0%
Munster	377	25 784	1959 / 1967	26 928	1 728	6.9%	6.2%	4.9%
Fassberg	283	19 880	1958	15 135	1 288	21.6%	7.4%	2.3%
Helmstedt/Schöningen/Esbeck [4]	2 135	124 940	1952 - 1970	124 040	9 015	n.a.	n.a.	n.a.
Erkrath	194	17 008	1978	31 955	1 595	5.5%	4.7%	3.9%
Dortmund Rheinische Str. 167 - 171	0	2 502	1922 (1997)	2 293	209	9.8%	8.2%	6.8%
Neukirchen-Vluyn L	513	34 821	1974 / 1981	36 017	2 853	48.9%	4.5%	1.1%
Neukirchen-Vluyn S	54	3 114	1974 / 1981	2 968	199	7.0%	6.9%	3.6%
Oberhausen	1 972	130 323	1899 - 1990	197 884	10 340	5.3%	5.0%	3.1%
Bochum II	172	11 079	1958 - 1999	19 372	958	3.7%	4.8%	4.0%
Bochum III	463	6 466	1973	18 218	473	17.5%	2.1%	-1.7%
Gelsenkirchen I	973	67 654	1921 - 1978	82 329	4 531	7.2%	5.2%	3.3%
Gelsenkirchen II	134	8 685	1920 - 1952	13 104	651	25.0%	3.8%	1.4%
Gelsenkirchen III	71	4 929	1949 - 1971	5 767	329	17.6%	4.8%	2.5%
Gelsenkirchen IV	82	5 407	1902 - 1954	6 203	400	23.1%	5.0%	2.0%
Essen I	68	5 725	1962 - 1964	8 761	389	6.5%	4.1%	3.2%
Essen II	107	6 680	1976	11 487	475	4.9%	4.0%	2.8%
Essen III	14	3 542	1982	2 966	230	18.9%	6.4%	4.1%
Rhein Ruhr [4]	353	23 703	1956	28 766	1 782	n.a.	n.a.	n.a.
Ruhr	528	36 215	1905 - 1990	51 784	2 733	11.9%	5.0%	3.5%
Ruhr II [4]	348	23 515	1932	27 613	1 704	n.a.	n.a.	n.a.
Ruhr III [4]	969	60 123	1961	83 161	4 373	n.a.	n.a.	n.a.
Ruhr IV [4]	262	15 111	1963	18 331	1 146	n.a.	n.a.	n.a.
Ruhr V [4]	173	18 310	1904	22 021	1 397	n.a.	n.a.	n.a.
Ruhr VI [4]	64	3 732	1959	5 709	292	n.a.	n.a.	n.a.
Velbert	761	53 358	1967 - 1975	71 623	3 409	14.2%	4.1%	2.2%
Marl	221	16 120	1966 / 1978	21 612	1 287	13.9%	5.3%	3.2%
Bielefeld I	212	15 045	1969 / 1938	20 227	768	8.5%	3.6%	1.6%
Bielefeld II	144	10 447	1970 - 1973	14 103	595	5.2%	4.1%	2.3%
Dorsten [4]	57	4 120	1900	3 929	251	n.a.	n.a.	n.a.
Beckum [4]	103	6 277	1961	7 970	596	n.a.	n.a.	n.a.
Lüdenscheid [4]	146	9 054	1952	9 286	619	n.a.	n.a.	n.a.
Herne [4]	165	12 931	1976	15 884	953	n.a.	n.a.	n.a.
Ahlen [4]	134	9 908	1956	10 773	638	n.a.	n.a.	n.a.
Mönchengladbach [4]	244	4 239	1975	12 453	816	n.a.	n.a.	n.a.
Hagen [4]	36	5 033	1984	3 395	258	n.a.	n.a.	n.a.
Portfolio Deutschland I [4]	2 137	135 117	1978	179 962	9 471	n.a.	n.a.	n.a.
East-Westphalia	1 741	115 069	1923 - 1975	126 449	6 988	5.4%	6.1%	4.2%
Rheinland	378	27 794	1960 - 1978	53 736	2 470	13.0%	4.3%	3.2%
Rheinland Pfalz [4]	369	20 323	1954 - 1973	32 765	1 538	n.a.	n.a.	n.a.
Kaiserslautern I	23	3 318	1950 / 1966	4 672	363	49.0%	3.6%	2.6%
Kaiserslautern II	1 143	72 173	1973	106 910	5 737	10.5%	5.1%	3.8%
Kaiserslautern III	200	11 381	1926 - 1950	22 377	1 064	11.1%	4.3%	3.0%
KL Betzenberg IV	343	25 945	1970	42 094	1 902	11.5%	4.1%	2.8%
KL Betzenberg V	242	13 591	1972 - 1973	25 156	1 166	13.8%	4.1%	3.2%
Kaiserslautern VI	59	2 105	1972	5 366	315	27.6%	4.3%	3.1%
Kaiserslautern VII [4]	195	11 929	1954	21 877	930	n.a.	n.a.	n.a.
Ludwigshafen [4]	492	35 584	1900 - 1960	80 539	3 501	n.a.	n.a.	n.a.
Northern Hesse	336	22 830	1974	21 316	1 396	14.1%	6.0%	3.1%
Northern Hesse II	796	44 134	1950 - 1979	41 927	2 912	9.4%	6.5%	4.0%
Eschwege	116	8 309	1994	10 384	616	3.0%	5.8%	4.8%
Heidenheim I	918	63 875	1821 - 2006	107 555	5 165	8.5%	4.5%	3.1%
Heidenheim II WEG Verkauf	49	3 798	1958 - 2004	5 782	134	9.4%	4.7%	1.9%
Wertgrund / Small-scale letting	1 103	76 574	1920 - 2017	92 571	6 166	4.3%	4.7%	0.3%
Total	**23 201**	**1 505 900**		**2 039 007**	**112 271**	**11.6%**	**5.0%**	**3.1%**

1 Based on the valuation by Wüest Partner as of Dec 31, 2020.
2 Annualized actual rental income Jan. 1 to Dec 31, 2020 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.
3 Annualized actual rental income Jan. 1 to Dec 31, 2020 (net cold, excl. incidental expenses) less administration and maintenance costs in relation to the average value of the portfolios.
4 Purchase as of Dec 31, 2020.

Interview with Management Team

Dr. Thomas Wolfensberger, Chief Executive Officer (CEO)
Dr. Marcel Kucher, Chief Financial Officer (CFO and COO)
Dr. Andreas Steinbauer, Head of Letting and Sales
Nicole Grau, Head of Group Accounting
Marc Sesterhenn, Head of Asset and Property Management
Christoph Kattenfeld, Head of Acquisitions

It's almost impossible to avoid the issue: 2020 will definitely go down in history as the year of coronavirus. How did you experience the COVID-19 crisis, as heads of Peach Property Group?

Dr. Thomas Wolfensberger: First and foremost, as a residential property investor specializing in portfolio management with more than 23 200 apartments in Germany, our tenants' wellbeing was paramount. The pandemic underlined the importance of personal living space and so it was even more vital to us that our tenants felt safe and happy at home. Home-schooling, remote working and general concerns about the pandemic are factors that can cause stress. This was very true for our tenants as well. In such cases, we really wanted to deal with people directly. Sometimes just having a sympathetic ear can help in these circumstances. This worked out well for us in the past year. Not least but also because of the many digital options that enabled tenants to communicate with us quickly and simply. COVID-19 has claimed many victims worldwide. It was essential for us to take a respectful and thoughtful approach with our tenants.

To what extent did the pandemic have an operational impact on your business model?

Dr. Marcel Kucher: Our business model, with a focus on residential real estate, proved very resilient in the crisis. Demand for housing in the commuter belt of metropolitan areas has already been consistently high for years in Germany. This did not change with COVID-19. Quite the opposite: living space became even more important because staying at home was vital during the pandemic.

Marc Sesterhenn: We also offer comparatively affordable housing, which is a great advantage in economically uncertain times. People that only spend a small proportion of their monthly disposable income on rent are of course financially better equipped for times of crisis when individuals may have to deal with reduced working hours or similar issues. This means that demand for affordable accommodation is currently strong, which we can see very clearly in the high number of new rentals. In November and December 2020, despite numerous lockdown restrictions, we reached a new record high for monthly rental agreements. We were able to increase rental income in 2020 by more than 41 percent year-on-year. Only in our day-to-day business activities we feel the effects of the pandemic. For some time already, most of our employees have been working from home and we mainly use video calls for important meetings. We also had to hold our 2020 Annual General Meeting virtually for the first time. Technically, we are very well equipped, so everything worked seamlessly.

Above all, you expanded your existing portfolio significantly over the financial year – do you also want to increase it further going forwards?

Nicole Grau: The newly acquired portfolio of more than 10 800 residential units in the 2020 financial year gave us great potential to unlock value through economies of scale: we generate much higher cashflows, with only marginally higher platform costs. This highlighted our efficient business model. This efficiency will allow further growth in the future as well, which is still a clear goal for us.

Dr. Thomas Wolfensberger: With a portfolio market value of more than CHF 2 billion, we have now reached an appreciable size in the German residential property market and we grew much faster in 2020 than originally planned. Nonetheless, we are not going to sit back, but rather plan for further growth in the future. But as before, this should be proportional and not come at any given cost. If market opportunities arise, we will explore them and if considered fitting, execute on them.


Dr. Thomas Wolfensberger


Dr. Marcel Kucher


Dr. Andreas Steinbauer


Nicole Grau


Marc Sesterhenn


Christoph Kattenfeld

Will it not now be increasingly hard to acquire suitable and cheap real estate with growth potential on the market?

Christoph Kattenfeld: In recent years we have seen continuous price increases on the German residential property market, even in the Tier II cities on which we have focused. This suggests there are many investors interested in this segment. It makes it all the more important to stand out with special characteristics. A central, unique selling point is our extensive network that will continue to enable us to acquire residential portfolios in „off-market" situations and thereby enhance appreciation potential. Despite rising residential property prices and our portfolio size, we still see enough opportunities to make acquisitions along our acquisition criteria and to keep growing profitably.

Dr. Andreas Steinbauer: Another unique selling point is definitely also our tenant-centric and digital focus, which is part of our DNA. In order to buy good real estate, you also need to have a plan as to what you will do with it so that its available potential is fully leveraged. These special features in particular distinguish us from larger institutional residential property investors that often do not consider such issues as strongly.

Since autumn 2020, you have had a new key shareholder in Ares Management Corporation, which holds about 30 percent of the equity. Why did you decide to take this step?

Dr. Thomas Wolfensberger: With the new anchor shareholder, Ares, we have had a new strategic investor on board since the second half of 2020, which is a very important move for the Group's further growth. Ares is very well connected within the German residential property market, allowing us many synergies and increased potential. The entry of Ares and related capital increase have also given us new financial leeway. This is key to reducing our debt ratio and driving our dynamic growth. By the end of 2020, we were already able to reduce our LTV (loan-to-value) ratio further, from 59.6 percent to 57.8 percent, and the equity ratio increased to more than 34 percent. This improves our chances of significantly reducing borrowing costs in future.

You have already briefly discussed the topic of digitalization, and this plays a major role at Peach Property Group. What advantages did your fully integrated platform have during the coronavirus pandemic and how do you want to develop the platform even further going forwards?

Marc Sesterhenn: We invested in a well-equipped digital infrastructure some years ago, and this has proved its worth lately with the COVID-19 pandemic. With many digital processes, such as digital communication with our builders on maintenance issues or our fully digital SAP S/4H-based platform, we are among Germany's leading companies, which gives us great efficiency. This helped us tremendously during the multi-phased lockdowns in spring 2020 and winter

2020/21 in switching, for instance, to fully online communication with tenants or a completely digital approval process for invoices, which went very smoothly. With lettings for example, we conducted viewings virtually which also worked very well. The huge potential of our modern, fully integrated platform will of course continue regardless of COVID-19. And with this modern set-up, we see many opportunities for automation or new digital opportunities in the future. Once again, this shows that innovating at the right time creates long-term value.

You mainly use Peach Points for contact with tenants – do you plan to open more tenant shops soon and how happy are you with their impact to date?

Dr. Andreas Steinbauer: At the start of 2021, we were able to open five new Peach Points near our newly acquired assets, including in Essen, Dortmund and Helmstedt. We operate a total of twelve Peach Points across Germany, which are all located in the heart of the respective real estate. This means that 80 percent of our tenants have direct access, often by foot, to these tenant shops. We thereby offer tenants clear added value, because if there are problems such as damages to their apartment, they have a direct contact person on site that also knows the property as opposed to ending up in an anonymous call center. Peach Points are therefore very popular with our tenants. Peach Points staff could of course be reached at any time during the COVID-19 pandemic, either digitally or by telephone. In more normal times, tenants could also drop in without an appointment and use the stores as a meeting point with other tenants. We also benefited from the direct contact, as we could tailor our offer specifically to tenants' needs. A win-win situation for everyone involved.

Sustainability has now become a key component for most listed companies. How does Peach Property Group contribute to the topic of ESG?

Dr. Thomas Wolfensberger: ESG has always been a vital issue for Peach Property Group. In particular the "S" which stands for the social aspect of sustainability in ESG, has been a key factor for us for many years. As already mentioned, tenant satisfaction is at the core of our business model, and we regularly evaluate this. We take critical feedback from our tenant surveys very seriously and try to find individual solutions to problems. I think this is really unusual in our sector, and larger real estate firms do not often take such a differentiated view of their tenant survey results. But it goes without saying that for us, our tenants are our greatest asset. Living space is a fundamental human need, and we therefore have a responsibility to meet this basic need for around 23 200 families who live in our real estate.

Dr. Marcel Kucher: Alongside social criteria, environmental factors also play an important part at our firm. We focus on the resource-saving and energy-efficient renovation of our real estate, for example by installing new windows or ongoing heating improvements. We also want to set a good example internally as an environmentally conscious firm and plan to convert around 75 percent of our vehicle fleet of currently around 50 vehicles, to electric mobility by 2023 – currently we are already at 20 percent. The switch to sustainable technology is facilitated by charging stations at Peach Points, which, of course our tenants may also use. These are just a few examples that show how important environmentally and socially sustainable operations are for us. The topic is multi-faceted and close to our hearts in many ways.

In operational terms, 2020 was a successful year for Peach Property Group. What will 2021 have in store?

Dr. Thomas Wolfensberger: We have a very optimistic view about the current financial year. In 2020, we recognized the newly acquired residential real estate fully on our balance sheet, as planned, and rapidly integrated it into the digital platform. As already mentioned, we also opened new Peach Points at the start of the year, which guarantee round-the-clock service to our tenants. Moreover, we have further built up our workforce and now have almost 170 employees. Active work on our residential portfolio will continue as well. Around 230 apartments are currently undergoing planned renovation. Around 40 percent of these come from newly acquired holdings. So, 2021 has already started on a successful note for us. Hopefully, this will continue.

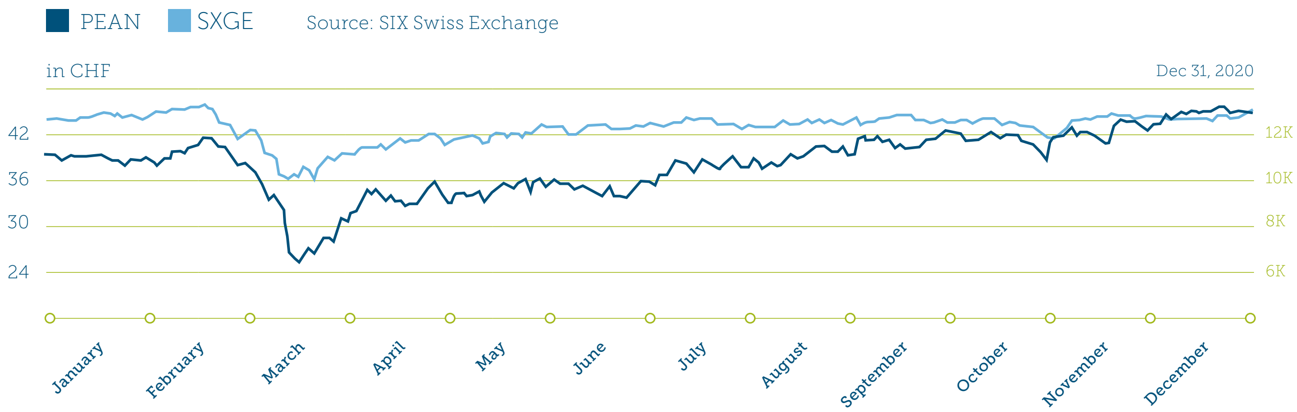
Investor information

The registered shares of the parent company of our Group, Peach Property Group AG, Zurich (PEAN, ISIN CH0118530366), are listed on the SIX Swiss Exchange. As of July 1, 2019, EU trading centers are no longer allowed to offer trading in Swiss equity instruments, as the EU Commission did not extend the stock exchange equivalence of the Swiss stock exchanges for the period after June 30, 2019.

The performance of our shares in 2020 developed largely in parallel with the Swiss Performance Index (SPI), which comprises almost all listed Swiss stock corporations, including the share price fall as a result of the COVID-19 crisis in March 2020 and the subsequent recovery. The recovery of our share price was stronger in the second half of the year compared to the SPI, and the 2020 trading year closed with a 16.5 percent increase in value for our stock; the SPI gained around 3.8 percent during this period. The development of our Company's market value on the stock exchange was uneven due to the issuance of around 90 percent more shares. Market capitalization increased by about 120 percent compared to the previous year.

In 2020, an average of 8 876 shares per day (previous year: 7 487 shares) in Peach Property Group AG were traded on the Zurich stock exchange (SIX Swiss Exchange).

In comparison with the Swiss Performance Index (SPI), our registered share developed as follows during the reporting period from January to December 2020:



1 Information about the share

1.1. Number of shares

As at December 31	2020	2019
Share capital in CHF	12 494 751	6 601 474
Number of shares issued	12 494 751	6 601 474
Nominal value per share in CHF	1.00	1.00
Number of treasury shares	5 682	986
Number of outstanding shares	12 489 069	6 600 488

1.2. Key stock exchange data

Security no.: 11 853 036 ISIN: CH0118530366 Ticker symbol: PEAN | Bloomberg: PEAN:SW | Reuters: PEAN	**2020**	2019
High in CHF	46.30	39.50
Low in CHF	24.80	26.70
Closing rate in CHF	46.00	39.50
Market capitalization (excluding treasury shares) at year-end in CHF	574 497 174	260 719 276

1.3. Key share data

As at December 31	**2020**	2019
Basic earnings per share in CHF	15.26	14.68
Diluted earnings per share in CHF	14.30	12.06
Basic FFO I per share in CHF [1]	0.59	-0.43
Diluted FFO I per share in CHF [1]	0.55	-0.43
NAV/IFRS per share in CHF [2]	50.70	43.34
NAV market value per share in CHF [2]	51.31	45.11

1 In the previous year, excluding the dilutive effect.
2 Excluding hybrid capital and minority shareholdings.

1.4. Significant shareholders

The following shareholders held three percent or more of all issued shares of Peach Property Group AG as at December 31, 2020:

Shareholders		**Number of shares**	**Percentage of all shares**
Ares Management Corporation, USA, through:Peak Investment S.à r.l, Luxembourg [1]		3 647 058	29.19
Dr. Thomas Wolfensberger, Switzerland		718 175	5.75
Franciscus Zweegers, Monaco, through: ZBG Capital N.V., The Netherlands [1]		705 822	5.65
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands		664 314	5.32
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH [2], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [3], Germany	 *426 627* *175 013*	601 640	4.82
Other		*6 157 742*	*49.27*
Total shares issued		**12 494 751**	100.00

1 As at December 31, 2020 shares are not entered in the share register.
2 The investment is held in the two special funds LBBW AM-WWH and LBBW AM-WSG. The management and independent exercise of voting rights (if exercisable) are both performed by the capital management company LBBW Asset Management Investmentgesellschaft mbH. Of the 426 627 shares, 310 000 are entered in the share register with voting rights and 116 627 without voting rights.
3 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are carried out by BayernInvest Kapitalverwaltungsgesellschaft mbH. The 175 013 shares are entered in the share register with voting rights.

The notional free float based on the shares issued on December 31, 2020 is 83.29 percent. The shares held by Peak Investment S.à r.l for Ares Management Corporation and by LBBW Asset Management Investmentgesellschaft mbH and BayernInvest Kapitalverwaltungsgesellschaft mbH for Kreissparkasse Biberach are counted as part of the free float due to the exemption for investment companies in accordance with section 5.1.2 of the Rules Governing The SPI Index Family (link to the Rules: www.six-swiss-exchange.com/downloads/indexinfo/online/share_indices/spi/spifamily_rules_de.pdf).

1.5. Overview of shareholders

As at December 31[1]	2020	2019
Registered shareholders	836	649
Registered shares	5 002 074	3 789 964
With voting rights	4 725 899	3 445 428
Shareholders with 1 to 1 000 shares	495	382
Shareholders with 1 001 to 10 000 shares	274	223
Shareholders with over 10 000 shares	67	44

1 According to the share register of Peach Property Group AG.

2 Information about the bonds

Peach Property Group AG is represented on the SIX Swiss Exchange AG Swiss stock exchanges with several listed bonds. As at December 31, 2020 we have two hybrid bonds outstanding: a convertible hybrid bond issued on October 4, 2017 PEA22 (ISIN CH0381952255) with an outstanding amount of CHF 1.61 million and a hybrid warrant bond issued on June 25, 2018 PEA23 (ISIN CH0417376024) with an outstanding amount of CHF 58.57 million.

In addition, in October 2020 we issued a subordinated 2.5% mandatory convertible bond (PEA20, ISIN CH0570347390) with a placed issue amount of CHF 230 million listed on SIX Swiss Exchange AG. The bond will run until June 30, 2021 and, unless previously voluntarily converted, must be converted into shares in the Peach Property Group AG (PEAN, ISIN CH0118530366) by this date, at the latest. The conversion price is CHF 42.50. From November 3, 2020 to December 4, 2020 and then again from December 28 to 31, 2020, it was permissible for the bonds to be converted prematurely on a voluntary basis. The outstanding bond amount at the end of 2020 was CHF 33.59 million.

In addition to the CHF bonds, we have two Eurobonds listed on The International Stock Exchange, TISE, outstanding: in the 2019 financial year, we issued a corporate bond for EUR 250 million via our subsidiary Peach Property Finance GmbH. The interest rate is 3.5%. The bond will mature on February 15, 2023. The obligations of the issuer of the bond are guaranteed by Peach Property Group AG.

Finally, we issued a further corporate bond for EUR 300 million with an interest rate of 4.375% on October 26, 2020 through our subsidiary Peach Property Finance GmbH. The bond will mature on November 15, 2025. The obligations of the issuer of the bond are guaranteed by Peach Property Group AG.

2.1. Convertible hybrid bond 2017

Issuer	Peach Property Group AG, Zurich
Outstanding amount (after conversions)	CHF 1.61 million
Denomination	CHF 1 000
Interest rate p.a.	3.00% until September 30, 2022 / 3-month LIBOR +9.25% from October 1, 2022
Term	Unlimited; first callable by the issuer on September 30, 2022
Conversion period	October 16, 2017 to December 30, 2020 (lapsed)
Conversion price	CHF 29.50
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA22
Security number	38195225
ISIN	CH0381952255
Further information	https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valorId=CH0381952255CHF4#/

2.2. Hybrid warrant bond 2018

Issuer	Peach Property Group AG, Zurich
Outstanding amount (after exercise)	CHF 58.57 million
Denomination	CHF 1 000
Interest rate p.a.	1.75% until June 22, 2023 / capital market interest rate +9.25% from June 23, 2023
Term	Unlimited; first callable by the issuer on June 22, 2023
Warrant	Four (4) warrants per bond with a nominal value of CHF 1 000 to purchase registered shares of the issuer
Option right	Each warrant entitles the holder to purchase one share of the issuer
Exercise period	June 25, 2018 to June 25, 2021
Exercise price	CHF 25.00
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA23
Security numbers	41737602 (bond cum) 41737604 (bond ex) 41737606 (warrants)
ISIN	CH0417376024 (bond cum) CH0417376040 (bond ex) CH0417376065 (warrants)
Further information	https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valorId=CH0417376024CHF4#/

2.3. Mandatory convertible bond 2020

Issuer	Peach Property Group AG, Zurich
Outstanding amount (after conversions)	CHF 33.59 million
Denomination	CHF 5 000
Interest rate p.a.	2.50%
Term	October 16, 2020 to June 30, 2021 (inclusive)
Conversion period	For premature conversion: November 3, 2020 to December 4, 2020 and from December 28 to 31, 2020 (lapsed) Mandatory conversion: June 30, 2021
Conversion price	CHF 42.50
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA20
Security number	57034739
ISIN	CH0570347390
Further information	https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valorId=CH0570347390CHF4#/

2.4. EURO-Bond 2019

Issuer	Peach Property Finance GmbH, Bonn
Guarantee	The obligations of the issuer under the bond are guaranteed by Peach Property Group AG
Outstanding amount	EUR 250 million
Denomination	Minimum denomination of EUR 100 000 and then a multiple of EUR 1 000
Interest rate p.a.	3.50%
Term	November 15, 2019 to February 15, 2023
Listing	The International Stock Exchange, TISE
ISIN	XS2010038060 (Reg S) / XS2010038656 (144A)
Further information	https://www.tisegroup.com/market/securities/11337

2.5. EURO-Bond 2020

Issuer	Peach Property Finance GmbH, Bonn
Guarantee	The obligations of the issuer under the bond are guaranteed by Peach Property Group AG
Outstanding amount	EUR 300 million
Denomination	Minimum denomination of EUR 100 000 and then a multiple of EUR 1 000
Interest rate p.a.	4.375%
Term	October 26, 2020 to November 15, 2025
Listing	The International Stock Exchange, TISE
ISIN	XS2247301794 (Reg S) / XS2247302099 (144A)
Further information	https://www.tisegroup.com/market/securities/12315

Further information about the bonds and the current prices can be found on the website of Peach Property Group at https://www.peachproperty.com/en/investoren/anleihe/.

3 Information on the Annual General Meeting and Extraordinary General Meeting of 2020

The Annual General Meeting of our Company was held in Zurich on May 27, 2020. Due to the situation with regards to COVID-19, shareholders and shareholder representatives were unable to attend the General Meeting in person. Based on Article 6a of Ordinance 2 on Measures to Fight the Coronavirus (COVID-19), the Board of Directors has decided that shareholders can only be permitted to exercise their rights at the General Meeting through the independent proxy. In total, around 40 percent of the total share capital or 72 percent of the voting rights were represented. All the motions put forward by the Board of Directors were approved by a clear majority, including the increase of conditional capital to CHF 3.30 million and the carry forward of the balance sheet result to the new account in order to use the financial resources for further expansion of the portfolio in Germany. In addition, the General Meeting approved the remuneration of the Board of Directors and the Executive Management and re-elected the President of the Board of Directors Reto Garzetti and the other members of the Board, Peter Bodmer, Dr. Christian De Prati and Kurt Hardt for another year.

An Extraordinary General Meeting was also held on October 12, 2020, again without shareholders and shareholder representatives in physical attendance. In total, 37.5 percent of the issued share capital or 68 percent of the voting rights were represented by the independent proxy. Among other, the shareholders agreed to establish new authorized capital with a nominal amount of CHF 3.3 million as the basis for the planned issue of mandatory convertible bond PEA20. Other business included the election of the shareholder representative for Ares Management Corporation, Klaus Schmitz, to the Board of Directors and the Compensation Committee.

The minutes of the Annual General Meeting and the Extraordinary General Meeting with details of the votes can be found on the Company website at the following link: https://www.peachproperty.com/en/investoren/corporate-governance/.

4 Capital market communication

We provide important and comprehensive information on the Company, its development, shares, and bonds via www.peachproperty.com/en. In addition, we issue important corporate news and information on the performance of the business on an ongoing basis via press releases. Interested shareholders and third parties can subscribe to our press releases by clicking on the following link on our website: https://www.peachproperty.com/en/newsletter-anmeldung.

Every six months we publish annual financial statements and half-yearly reports in accordance with International Financial Reporting Standards (IFRS) – each with an integrated portfolio section that provides comprehensive information on the development of our real estate portfolio.

In addition, the Board of Directors and Executive Management of our Company maintain contact with investors, analysts, and business journalists in Switzerland and Germany. Due to the current COVID-19 restrictions, we attend most capital market conferences and road shows in virtual form, explaining our Group's business model, as well as the medium and long-term prospects.

We are planning to hold a virtual press conference on the financial results in English and German for March 30, 2021.

Corporate Governance and Remuneration Report 2020

The Peach Property Group acts in accordance with the principles of good corporate governance. We regard these as a core element of responsible business management and transparency toward our investors, tenants, and employees.

The Corporate Governance and Remuneration Report is based on the structure of the Directive on Information Relating to Corporate Governance (RLCG) of SIX Exchange Regulation and complies with the requirements of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (VegüV).

Section 1 - Corporate Governance

1 Corporate structure and shareholders

1.1. Corporate structure

We are an investor that specializes in portfolio management in Germany with a focus on residential real estate. Our Group consists of the parent company, Peach Property Group AG, Zurich (the “Company”), and several direct and indirect subsidiaries (“Group companies”).

The Board of Directors of the Company comprises of Reto Garzetti (Chairman), Peter Bodmer, Dr. Christian De Prati, and Kurt Hardt and, since the Extraordinary General Meeting of October 12, 2020, Klaus Schmitz. The Executive Management is made up of Dr. Thomas Wolfensberger (Chief Executive Officer), Dr. Marcel Kucher (Chief Financial Officer and Chief Operating Officer), and Dr. Andreas Steinbauer (Head of Letting and Sales).

The Company has been listed on the SIX Swiss Exchange in Zurich since November 12, 2010.

Company name and registered office	Peach Property Group AG, Zurich
Business ID (UID)	CHE-101.066.456
Listing	SIX Swiss Exchange, Zurich
Trading currency	Swiss franc (CHF)
Market capitalization as of December 31, 2020	TCHF 574 497
Ticker symbol	PEAN
Security number	11 853 036
ISIN	CH0118530366

The Group companies are not listed on the stock exchange. A list of our Group companies can be found in note 21 to the consolidated financial statements. A diagrammatic overview of the Peach Group is available on our website www.peachproperty.com at the following link: https://www.peachproperty.com/en/about-us/organisation-struktur/.

1.2. Significant shareholders

The following shareholders held 3% or more of the issued shares of the Company as of December 31, 2020:

Shareholders		Number of shares	Percentage of all shares
Ares Management Corporation, USA, through: Peak Investment S.à r.l, Luxembourg [1]		3 647 058	29.19
Dr. Thomas Wolfensberger: Switzerland		718 175	5.75
Franciscus Zweegers, Monaco, through: ZBG Capital N.V., The Netherlands [1]		705 822	5.65
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands		664 314	5.32
Kreissparkasse Biberach, Deutschland, through: LBBW Asset Management Investmentgesellschaft mbH [2], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [3], Germany	 *426 627* *175 013*	601 640	4.82
Other		*6 157 742*	*49.27*
Total shares issued		**12 494 751**	**100.00**

1 As of December 31, 2020 there were no shares entered in the share register.
2 The investment is held in the two special funds LBBW AM-WWH and LBBW AM-WSG. The management and independent exercise of voting rights (if exercisable) are both performed by the capital management company LBBW Asset Management Investmentgesellschaft mbH. Of the 426 627 shares, 310 000 are entered in the share register with voting rights and 116 627 without voting rights.
3 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both carried out by BayernInvest Kapitalverwaltungsgesellschaft mbH. The 175 013 shares are entered in the share register with voting rights.

As of December 31, 2020, no lock-up agreements existed.

According to the applicable capital market regulations, shareholdings in companies domiciled in Switzerland whose shares are at least partially listed on the SIX Swiss Exchange must be reported to the Company concerned and to the Disclosure Office of the SIX Swiss Exchange if limits of 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50%, or 66 2/3% of the voting rights are exceeded, fallen below, or reached. The positions to be reported, in accordance with Article 14 (2) of the FINMA Financial Market Infrastructure Ordinance (FinfraV-FINMA), are to be calculated based on the total number of voting rights according to the entry in the Commercial Register (as of December 31, 2020: 11 038 777 registered shares at CHF 1.00 each). Upon receipt of such a notification, the Company then publishes the change in the shareholder base via the SIX Exchange Regulation publication platform.

In the reporting year, we published 22 notifications in accordance with Articles 120 ff. of the Financial Market Infrastructure Act (FinfraG). This and other notifications from previous financial years can be found on the SIX Exchange Regulation website at https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/.

As of December 31, 2020, the following persons held 3% or more of the voting rights of the Company entered in the Commercial Register and were considered significant shareholders in accordance with applicable capital market regulations:

		Number of voting rights that are exercisable and non-exercisable	Voting rights as percentage of Commercial Register entry
Total according to Commercial Register [1]		**11 038 777**	**100.00**
Thereof held by significant shareholders			
Ares Management Corporation, USA, through: Peak Investment S.à r.l, Luxembourg		3 647 058	33.04
Dr. Thomas Wolfensberger: Switzerland		718 175	6.51
Franciscus Zweegers, Monaco, through: ZBG Capital N.V., Netherlands		705 822	6.39
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands		664 314	6.02
Kreissparkasse Biberach, Deutschland, through: LBBW Asset Management Investmentgesellschaft mbH, Germany BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany	 *426 627* *175 013*	601 640	5.45

1 The number of voting rights entered in the Commercial Register considers the capital increases from conditional capital until October 31, 2020 as well as the capital increase from authorized capital on November 11, 2020.

The above table does not include the Company itself, which, in addition to the 5 682 treasury shares held as purchase positions from the issued conversion and option rights as well as employee participation programs, holds sale positions of approximately 12% of the voting rights entered in the Commercial Register. The exercise of conversion or option rights by the beneficiaries reduces the proportion of the Company's sale positions. Our latest disclosure notice of the year under review is dated December 31, 2020 and can be accessed via the following link: https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/shareholder-details/TAKCT00034

Once we register the capital increases from conditional capital effected from November 2020 to February 2021 in the Commercial Register, the proportion of voting rights of the significant shareholders is reduced ceteris paribus, which may result in a disclosure requirement for individual significant shareholders.

1.3. Cross-shareholdings

There are no cross-shareholdings.

2 Capital structure

2.1. Capital

Capital as of December 31, 2020	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital	12 494 751	12 494 751	1.00
Authorized capital	0	0	n.a.
Conditional capital	721 298	721 298	1.00

2.2. Authorized and conditional capital

Authorized capital

The authorized capital of CHF 3 300 000 approved by the Extraordinary General Meeting of October 12, 2020 was fully utilized in the reporting year through the exercise of a conversion right under the mandatory convertible bond PEA20 with security number 57034739. In the authorized capital increase of November 11, 2020, a claim from the mandatory convertible bond in the amount of CHF 140 250 000 was offset, for which 3 300 000 registered shares at CHF 1.00 each were issued. In this regard Article 3b of the Articles of Association of October 12, 2020 was deleted.

Our Company had no authorized capital at its disposal as of December 31, 2020.

Conditional capital

As of December 31, 2020, Peach Property Group AG had conditional capital of CHF 721 298. In accordance with Article 3a of the Articles of Association as amended by the declaratory resolution of the Board of Directors on November 11, 2020, the conditional capital may be used as a) up to an amount of CHF 101 498 for the exercise of conversion and/or option rights granted to employees of the Peach Group and as b) up to an amount of CHF 2 075 774 for the exercise of conversion and/or option rights in connection with convertible bonds, warrant bonds, and similar bonds.

The conditional capital according to b) in the amount of CHF 2 075 774 is available for the provision of registered shares of Peach Property Group AG upon exercise of conversion rights under the 3% convertible hybrid bond PEA22 issued in October 2017 and of options under the 1.75% hybrid warrant bond PEA23 issued in June 2018 as well as for the conversion rights of the 2.5% mandatory convertible bond PEA20 issued in October 2020. Due to the exercise of conversion rights and options, the conditional capital was reduced by CHF 1 455 974 to CHF 619 800 in November and December 2020.

The acquisition of registered shares through the exercise of option or conversion rights and the further transfer of registered shares are subject to the transfer restrictions set out in Article 5 of our Articles of Association.

In the Commercial Register and in the Articles of Association, we register the conditional capital retroactively once a year by March 31 at the latest (in accordance with Articles 653g and 653h of the Swiss Code of Obligations). In the reporting year, the conditional capital was amended twice, once in March, as of February 29, 2020, and once in November, as of October 31, 2020.

2.3. Capital changes

Capital and changes in capital	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital as of December 31, 2017	5 443 388	5 443 388	1.00
Capital increases in 2018 financial year [1]	44 239	44 239	1.00
Share capital as of December 31, 2018	5 487 627	5 487 627	1.00
Capital increases in 2019 financial year [2]	1 113 847	1 113 847	1.00
Share capital as of December 31, 2019	6 601 474	6 601 474	1.00
Capital increases in 2020 financial year [3]	5 893 277	5 893 277	1.00
Share capital as of December 31, 2020	12 494 751	12 494 751	1.00

1 Of which 24 153 exercises of conversion and option rights under the bond.
2 Of which 973 747 exercises of conversion and option rights under the bond as well as 112 000 exercises under the 2016-2018 PSU program.
3 Of which 2 494 775 exercises of conversion and option rights under the bond as well as 3 300 000 shares from the authorized capital as well as 71 000 exercises under the 2017-2019 PSU program.

Further information on equity is given in note 7 to the consolidated financial statements.

2.4. Shares and participation certificates

The share capital of Peach Property Group AG amounts to CHF 12 494 751 and consists of 12 494 751 fully paid-up registered shares with a nominal value of CHF 1.00 each. The shares carry equal rights. Each share carries an entitlement to one vote at the General Meeting.

As of December 31, 2020, we held 5 682 treasury shares (previous year: 986). Treasury shares are subject to voting and dividend rights restriction.

We have not issued any participation certificates.

2.5. Dividend rights certificates

We have not issued any dividend rights certificates.

2.6. Restriction on transferability and nominee registrations

The restriction on transferability or registration in the share register is regulated in Article 5 of the Articles of Association. At the Extraordinary General Meeting of October 12, 2020, Article 5 of the Articles of Association was amended and foreign control as a reason for refusing to register a foreign shareholder was removed.

The full text of the current Articles of Association can be found on our website at https://www.peachproperty.com/en/investoren/corporate-governance/.

Further details, in particular on the registration restrictions, are provided under "Shareholders' participation rights" in section 6.

2.7. Convertible bonds and options

Convertible bonds

As of December 31, 2020, we had one convertible hybrid bond (PEA22, ISIN CH0381952255) of originally CHF 59 million with a conversion price of CHF 29.50 outstanding, which can be converted accordingly into a maximum of two million new shares. In the period from October 2, 2019 to October 18, 2019, the conversion price was reduced by CHF 1.00 from CHF 29.50 to CHF 28.50. The conversion period ended on December 30, 2020. In 2018 and 2019, conversion rights of CHF 28 101 000 bonds for 983 680 shares were exercised and in the reporting year until the end of the conversion period, conversion rights of further CHF 29 292 000 bonds for 992 857 shares were exercised. A total of CHF 57 393 000 convertible hybrid bonds were converted into 1 976 537 shares during the conversion period. The outstanding bond amount as of the end of the year was CHF 1.607 million.

In October 2020, we issued a subordinated 2.5% mandatory convertible bond (PEA20, ISIN CH0570347390) with an originally planned issue amount of CHF 150 000 000, with the option to increase it to CHF 250 000 000. Due to high demand, we were able to place mandatory convertible bond for CHF 230 million, which was significantly above the planned target volume. The global investor Ares Management Corporation, USA, subscribed via Peak Investment S.à r.l, Luxembourg, in amount of CHF 155 million. The bond matures on June 30, 2021 and - unless voluntarily converted beforehand - will be mandatorily converted into shares of Peach Property Group AG (PEAN, ISIN CH0118530366) no later than this date. The conversion price is CHF 42.50. From November 3, 2020 through December 4, 2020, and then again from December 28 through December 31, 2020, bonds could be voluntarily converted early. A total of CHF 196 410 000 in bonds were converted into 4 621 401 shares during the early conversion period. The outstanding bond amount as of the end of the year was CHF 33.59 million

.

Further information on the convertible hybrid bond PEA22 and the mandatory convertible bond PEA20 can be found in note 7 to the consolidated financial statements or on page 40 under "Information for investors".

Options

As of December 31, 2020, we had one hybrid warrant bond outstanding (PEA23, ISIN CH0417376024) with an original listed amount of CHF 60 million and the possibility of a further increase to CHF 100 million. With each bond with a nominal value of CHF 1 000, the bondholder receives four warrants to purchase shares of Peach Property Group AG. Each warrant entitles the holder to subscribe to one share at a price of CHF 25. For the listed amount of CHF 60 million, there are therefore 240 000 option rights to subscribe to 240 000 new shares. The exercise period runs up to and including June 25, 2021. In previous years, a total of 14 220 warrants were exercised, and a further 16 504 warrants were exercised in the reporting year. Further information on the hybrid warrant bond can be found in note 7 to the consolidated financial statements or on page 40 under "Information for investors".

We also have an employee option plan and other employee participation plans. Information on the option plan and the participation plans can be found below in the Remuneration Report under section 3.4 and in note 14 to the consolidated financial statements.

3 Board of Directors

3.1. Members of the Board of Directors

The Board of Directors of Peach Property Group AG, including the Chairman, consists of a minimum of three and a maximum of five members (Article 13 of the Articles of Association). At the 2020 Ordinary General Meeting held on May 27, 2020, the shareholders confirmed the four existing members in office. At the Extraordinary General Meeting held on October 12, 2020, a fifth member, Klaus Schmitz, was elected to the Board of Directors. From then, the Board of Directors has been made up of the following five members:

First name, last name	Position	On the Board of Directors since	Elected until
Reto Garzetti	Chairman	2015	2021 General Meeting
Peter Bodmer	Member	2009	2021 General Meeting
Dr. Christian De Prati	Member	2011	2021 General Meeting
Kurt Hardt	Member	2018	2021 General Meeting
Klaus Schmitz	Member	2020 (EGM of 10/12/2020)	2021 General Meeting

Reto Garzetti (Chairman)

Born in 1960
Swiss and
Italian citizen

Education

Business Administration at the University of Zurich, Master's Degree in Business Administration (lic. oec. publ.), and MBA

Professional history

Reto Garzetti has over 30 years of experience in the financial sector, specializing in reorganizations, mergers, M&A, analyses, and investment banking.

Since 1999 Partner at the Zurich investment advisory firm SE Swiss Equities AG.

.

Peter Bodmer

Born in 1964
Swiss citizen

Education

Business Administration at the University of Zurich and MBA from IMD Lausanne, Master's Degree in Business Administration (lic. oec. publ.), and MBA

Professional history

Peter Bodmer has extensive national and international experience with various companies in the engineering, automotive supply, construction, and real estate industries.

Since 2011 Director of Beka-Küsnacht AG, which specializes in real estate services and business development.

Until end of 2012 Senior Advisor for Implenia.

Until end of 2011 Member of the Group Executive Management and Director of Implenia Industrial Construction.

Dr. Christian De Prati

Born in 1970
Swiss citizen

Education

Economics at the University of Zurich, Doctorate in Economics (Dr. oec. publ.)

Professional history

Dr. Christian De Prati has had a lengthy career in investment banking.

Since 2017 Member of the Advisory Committee of SSVL (Monaco) SAM.

2011 to 2017 Supervisory Board Member of the investment company Sterling Strategic Value Ltd.

2009 to 2011 Country Head Switzerland at Bank of America Merrill Lynch.

1998 to 2008 CEO Merrill Lynch Capital Markets AG.

Kurt Hardt

Born in 1966
German citizen

Education

Banking apprenticeship at Kreissparkasse Biberach, Verwaltungs- und Wirtschaftsakademie (VWA), Business Administration (VWA)

Professional history

Kurt Hardt has worked for Kreissparkasse Biberach since 1989.

2017 Bank Board Member responsible for corporate customers and capital market business.

Previously Appointed Substitute for the Chairman of the Board (2015) and Deputy Board Member (2008).

1998 to 2008 Director of Capital Markets.

Klaus Schmitz

Born in 1982
German citizen

Education

Economics and philosophy at the London School of Economics (LSE) and an MBA from Harvard Business School

Professional history

Klaus Schmitz has already had a long career in investment banking and private equity with main focus on real estate.

Since 2016 at Ares Management as Managing Director responsible for real estate investments and management in Germany, Austria and Switzerland (DACH region).

Previously with Starwood Capital Group and Rothschild, London.

Mandates outside Peach Group

Reto Garzetti

Chairman of the Board of Directors

- AGI AG für Isolierungen, Dällikon, Switzerland
- Pioria SA, Zug, Switzerland
- Verlag Garzetti & Staiger AG, Zollikon, Switzerland

Member of the Board of Directors

- Chairos AG, Zumikon, Switzerland
- Lescan Immobilien AG, Zug, Switzerland [1]
- MiniNaviDent AG, Liestal, Switzerland
- Neugass Kino AG, Zurich, Switzerland
- Occlutech Holding AG, Schaffhausen, Switzerland
- Regar Immobiliare AG, Zug, Switzerland [1]
- RH Immobau AG, Baden, Switzerland [1]
- SE Swiss Equities AG, Zurich, Switzerland
- Siegfried Holding AG, Zofingen, Switzerland
- Silver Reel Pictures AG, Wollerau, Switzerland
- Südpack Medica AG, Baar, Switzerland [2]

Deputy Chairman of the Supervisory Board

- MS Industrie AG, Munich, Germany

Member of the Advisory Board

- Südpack Verpackungen & Co. KG, Ochsenhausen, Germany [2]

Reto Garzetti also has mandates outside Europe.

Peter Bodmer

Chairman of the Board of Directors

- Beka-Küsnacht AG, Küsnacht, Switzerland

Vice-Chairman of the Board of Directors

- Helvetica Property Investors AG, Zurich, Switzerland

Member of the Board of Directors

- Arbonia AG, Arbon, Switzerland
- Arealentwicklung IPZ AG, Dübendorf, Switzerland [3]
- Brütsch/Rüegger Holding AG, Urdorf, Switzerland
- Inovetica Holding AG, Baar, Switzerland
- Klinik Schloss Mammern AG, Mammern, Switzerland
- Kuratle Group AG, Leibstadt, Switzerland
- Nüssli (Schweiz) AG, Hüttwilen, Switzerland

President of the Board of Trustees

- Profond Anlagestiftung, Zurich, Switzerland [4]
- Profond Vorsorgeeinrichtung, Zurich, Switzerland [4]
- Stiftung Innovationspark Zürich, Zurich, Switzerland [3]

Member of the Board of Trustees

- Wilhelm Schulthess - Stiftung, Zurich, Switzerland
- UZH Foundation, Zurich, Switzerland

Chairman of the Board

- Profond Vereinigung, Zurich, Switzerland [4]

Managing Director

- BB's Pure GmbH, Küsnacht, Schweiz

Member

- Board of the University of Zurich, Zurich, Switzerland

Dr. Christian De Prati

Member of the Board of Directors

- Cornèr Banca SA, Lugano, Switzerland
- Rothschild & Co. Bank AG, Zurich, Switzerland

Geschäftsführer

- dP Capital GmbH, Freienbach, Switzerland

Member of the Advisory Committee

- SSVL (Monaco) SAM, Monaco

Kurt Hardt

Member of the Board

- Kreissparkasse Biberach, Biberach an der Riss, Germany

Member of the Supervisory Board

- Genossenschaft für Wohnungsbau Oberschwaben eG (GWO), Laupheim, Germany

Managing Director

- Chancenkapital Beteiligungs-GmbH, Biberach an der Riss, Germany
- Chancenkapitalfonds der Kreissparkasse Biberach GmbH, Biberach an der Riss, Germany

Klaus Schmitz

Managing Director

- Ares Real Estate Group of Ares Management Corporation, Los Angeles, USA (head office)

1 - 4 Count as one mandate according to the provisions of the Articles of Association (affiliated companies, Article 20(3) of the Articles of Association).

None of the members of the Board of Directors is a member of the Executive Management of Peach Property Group AG or any Group company. Reto Garzetti, Peter Bodmer, and Dr. Christian De Prati form the Supervisory Board of Peach Property Group (Deutschland) AG, based in Cologne, Germany. Reto Garzetti is the Chairman.

3.2. Additional activities and interests

With the exception of the positions mentioned in section 3.1 "Members of the Board of Directors," the members of the Board of Directors do not perform any activities in management and supervisory bodies or permanent management and advisory roles for key interest groups.

The members of the Board of Directors are obliged to abstain from voting if business is being discussed that affects their own interests or the interests of persons closely linked to them. See also section 7.2 of the Organizational Regulations. The current Organizational Regulations dated October 12, 2020 can be found on our website at http://www.peachproperty.com/en/investoren/corporate-governance/.

3.3. Number of activities permitted under Article 12(1)(1) VegüV

Pursuant to Article 20 of the Articles of Association, each member of the Board of Directors may hold outside the Group a total of no more than 15 mandates in the highest management or administrative bodies of non-charitable legal entities which are required to be registered in a commercial register, of which no more than five mandates may be held in legal entities whose equity securities are listed on a stock exchange. The number of additional mandates in legal entities not registered in a commercial register is limited to 15. Mandates in affiliated companies are regarded as one mandate.

3.4. Election and term of office

The members of the Board of Directors and the Chairman of the Board of Directors are elected individually by the General Meeting for a term of office of one year. Re-election is possible. According to the new paragraph 3 of Article 13 of the Articles of Association, shareholders or groups of shareholders with a shareholding of more than 15% have a binding right to propose a representative to the Board of Directors, also known as a shareholder representative. Furthermore, pursuant to section 2.6 of the Organizational Regulations, such shareholders or groups of shareholders have the right to appoint, in addition to or instead of the shareholder representative, a person to attend the meetings of the Board of Directors and committees as an observer with no voting rights.

If a member of the Board of Directors is replaced before his or her term of office ends, his or her successor will be appointed for the remainder of this term. If the office of Chairman of the Board of Directors is vacant, the Board of Directors will appoint a new Chairman from among its members for the remaining term of office.

In addition, the General Meeting elects the members of the Compensation Committee individually for a period of one year. Re-election is possible. This Committee consists of at least two members of the Board of Directors. The Chairman of the Compensation Committee is appointed by the Board of Directors.

In addition, the General Meeting elects the independent proxy annually. The proxy may be an individual or a legal entity or partnership. Re-election is possible. The independent proxy is obliged to exercise the voting rights assigned to him or her by the shareholders in accordance with their instructions. If the independent proxy has not received any instructions, he or she abstains from voting. If the Company does not have an independent proxy, or if the proxy is unavailable due to a lack of independence or for other reasons, the Board of Directors will appoint one ad interim for the period up to and including the next General Meeting; powers of attorney and instructions already given will remain valid for the new independent proxy, unless the shareholder has expressly instructed otherwise.

According to section 2.2 of the Company's Organizational Regulations, an upper age limit of 70 years applies to members of the Board of Directors. The Board of Directors shall not propose to the General Meeting for election or re-election any person who has reached the age of seventy. The

Board of Directors may resolve to make an exception for the Chairman of the Board of Directors. Otherwise, there are no restrictions on the term of office for the Board of Directors.

3.5. Internal organization

With the exception of the Chairman and members of the Compensation Committee, the Board of Directors organizes itself. Pursuant to section 4.1 of the Organizational Regulations, the shareholder representative is entitled to sit on all existing and future committees or, with regard to the Compensation Committee, to be proposed for election at the General Meeting. The Board of Directors appoints its own secretary, who need not be a member of the Board.

Reto Garzetti was re-elected as Chairman by the Ordinary General Meeting held on May 27, 2020. In this position, he is responsible, among other things, for convening and preparing the meetings of the Board of Directors and the General Meeting, as well as for chairing the meetings. The Board of Directors is convened as often as business requires, but at least three times a year. In addition, any member of the Board of Directors and the Chief Executive Officer of the Executive Management may request that a meeting be convened, stating the reasons.
The Board of Directors has a quorum as long as at least two thirds of its members are present (Article 18 of the Articles of Association). To be adopted, resolutions require a majority of the participating members of the Board of Directors, subject to the following provision recently added to the Organizational Regulations on October 12, 2020. In the event that the votes are tied, the person chairing the meeting casts the deciding vote. Circular resolutions require the unanimity of the participating members. No quorum is required for resolutions relating to a capital increase report or for decisions amending and confirming resolutions in connection with capital increases.

Since October 12, 2020, the following resolutions also require the approval of the shareholder representative or, if there are more than two shareholder representatives, of the shareholder representative representing the shareholder or shareholder group with the largest shareholding in the Company:

1. To approve or amend the annual budget and business planning
2. To exceed the loan-to-value ratio of the existing portfolio by more than 60%
3. To apply for the delisting of the shares
4. To change the number of members of the Board of Directors in Article 13 paragraph 1 of the Articles of Association
5. To dispose of assets from the portfolio in excess of CHF 250 million
6. To execute transactions with related natural persons or legal entities and with significant shareholders (shareholders with shareholding of 3% or more)
7. To amend the current Organizational Regulations with regard to the above list of resolutions requiring the approval of the shareholders' representative

The following major resolutions require the approval of two-thirds of the members participating in the meeting or conference call:

1. To amend the dividend policy
2. To perform significant equity or equity-related financings and re-financings
3. To enter into strategic partnerships
4. To perform investments and divestments of more than 5% of consolidated shareholders' equity
5. To apply for the delisting of the shares
6. To propose the election or re-election of the members of the Board of Directors, with the exception of the shareholder representative
7. To appoint the members of the Executive Management
8. To dispose of assets from the portfolio in excess of CHF 5 million up to and including CHF 250 million
9. To dismiss or terminate members of the Executive Management and other key employees of the wider management team
10. To amend the current Organizational Regulations with regard to the above list of resolutions requiring two-thirds approval

The Company has Organizational Regulations, which were last amended on October 12, 2020. The regulations can be viewed at http://www.peachproperty.com/en/investoren/corporate-governance/. The Organizational Regulations govern the duties and powers of the bodies entrusted with the management of the Company.

The Board of Directors may entrust its individual members with the supervision and monitoring of certain specialist areas in a committee. These committees consist exclusively of members of the Board of Directors. Provided he or she is professionally qualified, the shareholder representative is entitled to sit on all existing and future committees. The Board of Directors had three committees in the reporting year:

- The **Audit and Risk Committee** (ARC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with supervision of the accounting and financial reporting processes, the internal control system (ICS), and the audit firm (external auditors) as well as with monitoring compliance with legal requirements, as described in detail in the description of duties in the Organizational Regulations. The Audit and Risk Committee meets at least three times a year, including once to discuss the annual financial statements with the auditors.
- The **Compensation Committee** (CC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with determining and implementing the remuneration policy and system as well as in human resources, as described in detail in Article 22 of the Articles of Association and in the description of duties in the Organizational Regulations. The Compensation Committee meets at least twice a year. The Chairman of the Board of Directors and the Chief Executive Officer attend the meetings ex officio in an advisory capacity.
- The **Investment Committee** (IC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with all investment matters and with assessing the associated risks, as described in detail in the description of duties and powers in the Organizational Regulations. The Investment Committee has decision-making authority primarily for investments and divestments of between CHF 1 million and CHF 5 million in equity capital. It meets as often as business requires. The Chief Executive Officer attends the meetings ex officio in an advisory capacity.

Committee meetings can be integrated into the meetings of the Board of Directors.

The committees had the following members in the year under review:

Audit and Risk Committee, ARC	Compensation Committee, CC	Investment Committee, IC
Peter Bodmer (Chairman) Reto Garzetti Klaus Schmitz (from 10/12/2020)	Dr. Christian De Prati (Chairman) Kurt Hardt Klaus Schmitz (from 10/12/2020)	Kurt Hardt (Chairman) Reto Garzetti Peter Bodmer Dr. Christian De Prati Klaus Schmitz (from 10/12/2020)

Calendar of meetings of the Board of Directors and committees, with details of duration and attendance

Meeting title	Nature	BoD	ARC	CC	IC	Duration in min.	Präsenz
ARC 01	Meeting		X			70	Full attendance
BoD 01 / CC 01	Meeting	X		X		255	P. Bodmer excused
BoD 02 / ARC 02 / CC 02	Conference call	X	X	X		285	Full attendance
BoD 03	Conference call	X			X	70	Full attendance
BoD 04	Circular resolution	X				n.a.	Full attendance
BoD 05 / CC 03	Meeting [1]	X		X	X	215	Full attendance
BoD 06 / CC 04	Circular resolution	X		X		n.a.	Full attendance
BoD 07	Conference call	X			X	80	Full attendance
BoD 08	Circular resolution	X				n.a.	Full attendance
BoD 09 / ARC 03	Meeting [1]	X	X		X	270	Full attendance
BoD 10	Conference call	X				30 [2]	P. Bodmer excused
BoD 11	Conference call	X			X	105	Full attendance
BoD 12	Meeting [1]	X				6 [3]	Full attendance
BoD 13	Conference call	X				35	P. Bodmer excused
BoD 14	Circular resolution	X				n.a.	Full attendance
BoD 15	Circular resolution	X				n.a.	Full attendance
BoD 16	Conference call	X				15	K. Schmitz excused
BoD 17	Conference call	X				20 [2]	Full attendance
BoD 18 / ARC 04	Conference call	X	X			165	Full attendance
Total number of meetings, conference calls, and circular resolutions		18	4	4	5	1 621	
Average duration (excl. circular resolutions)						116	

1 Session with telephone dial-in.
2 Estimated duration.
3 Constituent meeting after EGM.

The meetings were attended, without voting rights, by Dr. Thomas Wolfensberger (Chief Executive Officer), Dr. Marcel Kucher (Chief Financial and Operating Officer), and, as Secretary to the Board of Directors, Peter Slongo (General Counsel). Dr. Andreas Steinbauer (Head of Letting and Sales), Nicole Grau (Head of Group Accounting), and representatives of the external auditors and the property valuer also attended as required. Since October 12, 2020, a representative of the new anchor shareholder Ares Management Corporation also took part as an observer within the meaning of section 2.6 of the Organizational Regulations.

3.6. Powers

The Board of Directors is the highest management body of the Company. In accordance with the Organizational Regulations, it may delegate some or all of its duties and powers to its individual members or to third parties, unless otherwise provided by law (in particular Article 716a of the Swiss Code of Obligations) or the Articles of Association.

The current Articles of Association and Organizational Regulations can be found on our website peachproperty.com at the following link http://www.peachproperty.com/en/investoren/corporate-governance/.

The Board of Directors has delegated the operational management of the Company and the related management duties to the Executive Management within the limits of the law, the Articles of Association, and the Organizational Regulations, as described in detail in the description of duties and powers in the Organizational Regulations. Within this framework, the day-to-day business is managed by the Executive Management. The Executive Management also manages the Group companies. The Executive Management elected by the Board of Directors consists of at least a Chief Executive Officer (CEO) and a Chief Financial Officer (CFO). However, other persons may also be elected to the Executive Management.

The Board of Directors may at any time, on a case-by-case basis or within the framework of a general reservation of powers, intervene in the duties and powers of the Executive Management and take charge of business.

3.7. Information and monitoring instruments vis-à-vis the Executive Management

The Chairman of the Board of Directors meets regularly with the CEO and the CFO/COO. Additional members of the Board of Directors or the Executive Management participate as required. In addition, the Executive Management informs the Board of Directors about developments with the investment properties by means of a periodic portfolio report. The Board of Directors is also informed at least quarterly, via a Management Information System (MIS), about the following in particular: liquidity trends, progress with the investment properties, sales performance, and budget achievement. The Chief Executive Officer and the Chief Financial and Operating Officer attend the meetings of the Board of Directors and provide comprehensive information on the performance of the business and any events, report on matters on the agenda, and are available to answer questions and provide information.

4 Executive Management

4.1. Members of the Executive Management

The Executive Management of Peach Property Group AG has been unchanged since the end of April 2016:

First name, last name	Position	With Peach since
Dr. Thomas Wolfensberger	Chief Executive Officer	2006
Dr. Marcel Kucher	Chief Financial Officer and Chief Operating Officer	2011
Dr. Andreas Steinbauer	Head of Letting and Sales	2009

Dr. Thomas Wolfensberger (Chief Executive Officer)

Born in 1972
Swiss citizen

Education

Economics at the University of Zurich / Doctorate in Economics (Dr. oec. publ.)

Professional history

With the Peach Group since 2006, as CEO since 2007.

2000 to 2006 Founder and CEO of Swissrisk, a financial software provider, and active in due diligence appraisals for real estate funds.

He was previously employed by companies including Accenture and IBM.

Mandates outside Peach Group

None

Dr. Marcel Kucher (Chief Financial Officer and Chief Operating Officer)

Born in 1971
Swiss citizen

Education

Economics at the University of Zurich / Doctorate in Macroeconomics from the University of Zurich/LSE London

Professional history

With the Peach Group since 2011, as CFO since 2012, and additionally as COO since 2015.

2004 to 2011 CFO and Head of Corporate Development at the staffing company a-connect.

He was previously employed by companies including McKinsey & Company and the Credit Suisse Group.

Mandates outside Peach Group

None

Dr. Andreas Steinbauer (Head of Letting and Sales)

Born in 1975
Swiss and German citizen

Education

Degree in Business Administration from Georg-Simon-Ohm University in Nuremberg / Master's Degree in Real Estate and Doctorate in International Real Estate Markets

Professional history

With the Peach Group since 2009, as Head of Sales and Marketing since 2013, as Head of Letting and Sales from Q4/2018.

Until 2009 he was responsible for the portfolio of luxury project developments of the Orco Property Group in Berlin.

Mandates outside Peach Group

None

4.2. Additional activities and interests

As of December 31, 2020, the members of the Executive Management did not perform any activities in management and supervisory bodies or permanent management and advisory roles for key interest groups.

4.3. Number of activities permitted under Article 12(1)(1) VegüV

Pursuant to Article 24 of the Articles of Association, each member of the Executive Management may hold outside the Group a total of no more than three mandates in the highest management or administrative bodies of non-charitable legal entities which must be registered in a commercial register, of which no more than one mandate may be held in legal entities whose equity securities are listed on a stock exchange. The number of additional mandates in legal entities not registered in a commercial register is limited to ten. Mandates in affiliated companies are regarded as one mandate.

4.4. Management contracts

We have not concluded any management contracts with third parties.

5 Remuneration, shareholdings, and loans

All information and explanations relating to the remuneration and shareholdings of the members of the Board of Directors and Executive Management can be found in the separate Remuneration Report, the second part of this Corporate Governance and Remuneration Report.

6 Shareholders' participation rights

The applicable Articles of Association can be found on our website at http://www.peachproperty.com/en/investoren/corporate-governance/.

6.1. Proxy voting and voting restrictions

In relation to the Company, only the person or entity entered in the share register is recognized as the shareholder or usufructuary. Each share entitles the holder to one vote, and only those who are entered in the share register with voting rights can also exercise their voting rights at the General Meeting. Shareholders registered with voting rights may be represented at the General Meeting by another shareholder, a third party, or the independent proxy under a written power of attorney. Shareholders can also issue powers of attorney and voting instructions to the independent proxy electronically. Powers of attorney and instructions may only be issued for the upcoming General Meeting.

Article 5 of the Articles of Association sets out restrictions on transfer and registration. For example, no entries are generally made in the share register from the 15th day before the General Meeting up to and including the day of the General Meeting. The voting rights of acquirers and related rights remain suspended during this period.

At the Extraordinary General Meeting of October 12, 2020, the shareholders approved a new version of Article 5 of the Articles of Association. As a result, the Board of Directors may now only refuse to approve the transfer of shares to an acquirer or usufructuary and/or to register the new acquirer if the acquirer, despite a request from the Company, does not expressly declare that he or she has acquired the shares in his or her own name and for his or her own account or, in the case of an application for registration as a nominee, does not expressly declare his or her willingness to disclose the names, addresses, and shareholdings of the persons for whose account he or she holds the shares (beneficial owners); The previous second reason for refusal to prevent possible foreign control within the meaning of the FLA was repealed in the revision of the Articles of Association of October 12, 2020.

6.2. Quorums prescribed by the Articles of Association

Our Articles of Association do not provide for any special quorums beyond the legal requirements for passing resolutions (Articles 703 and 704 of the Swiss Code of Obligations).

6.3. Convocation of the General Meeting

The Ordinary General Meeting of our Company is held annually within six months of the close of the financial year. Extraordinary General Meetings can be convened at any time as required. A General Meeting may be convened by the Board of Directors, auditors, or liquidators. The Board of Directors also convenes a General Meeting if shareholders who together represent at least 10% of all shares request it, stating the items on the agenda and the motions (Article 7 of the Articles of Association).

General Meetings are convened at least 20 days prior to the date of the General Meeting, stating the agenda and the motions submitted, by means of a single publication in the Swiss Official Gazette of Commerce and in writing to all shareholders entered in the share register (Article 8(1) of the Articles of Association).

In the year under review, the Ordinary General Meeting of our Company was held in Zurich on May 27, 2020. Due to the COVID-19 situation, shareholders and shareholder representatives could not physically attend the General Meeting. Based on Article 6a of Ordinance 2 on Measures to Combat the Coronavirus (COVID-19), the Board of Directors has decided that shareholders may exercise their rights at the General Meeting exclusively through the independent proxy.

An Extraordinary General Meeting was then held on October 12, 2020, again without shareholders and shareholder representatives physically attending. Based on Article 27 of Ordinance 3 on Measures to Combat the Coronavirus (COVID-19), the Board of Directors has decided that shareholders may again exercise their rights at the General Meeting exclusively through the independent proxy. Items on the agenda of the Extraordinary General Meeting were partial amendments to the Articles of Association and the election of the shareholder representative of Ares Management Corporation, Klaus Schmitz, to the Board of Directors and the Compensation Committee.

6.4. Putting items on the agenda

Shareholders who together represent at least 3% of all shares may request that items be included on the agenda. The request for inclusion on the agenda must reach the Company at least 45 days before the General Meeting (Article 8(2) of the Articles of Association).

6.5. Entries in the share register

See section 6.1. “Proxy voting and voting restrictions”.

7

7. Change of control and defensive measures

7.1. Obligation to make an offer

According to the applicable financial market regulations, a person who directly, indirectly, and/or together with third parties acquires shares in a company listed in Switzerland and thereby exceeds the limit of 33¹/₃% of the voting rights of the company must submit a takeover bid for the acquisition of all shares.

Our Articles of Association do not provide for any relaxation of or exceptions to the obligation to make an offer (no opting-up or opting-out clause).

7.2. Change of control clauses

In the event of a change of majority control over our Company, there are no agreements that confer preferential treatment on the members of the Board of Directors and the Executive Management.

8

Auditors

8.1. Duration of mandate and period of office of the lead auditor

The auditors are elected annually by the General Meeting. Since the 2006 financial year, PricewaterhouseCoopers AG, Zurich, has been the statutory and Group auditor of Peach Property Group AG. The lead auditor since the 2020 year under review has been Mr. Philipp Gnädinger.

The Audit and Risk Committee assesses the performance and independence of the auditors annually and periodically invites tenders for the mandate. In doing so, the Audit and Risk Committee is guided by statutory requirements, current corporate governance recommendations and European practice. The most recent invitation to tender was issued in financial year 2013 with three leading providers. PricewaterhouseCoopers AG, Zurich, won the tender due to its tailor-made audit approach. There is also a legal obligation that the lead auditor must be replaced after seven years, which took place in the year under review with the changeover from René Rausenberger to Philipp Gnädinger.

8.2. Auditor’s fee

For the year under review we are anticipating auditing costs in the amount of CHF 917 thousand (previous year: CHF 733 thousand). These consist of the audit and review of annual, group and half-year reports as well as audit work in the context of capital market transactions (corporate bond), which account for the majority of the change compared with the previous year.

All amounts are exclusive of value-added tax.

8.3. Additional fees

In the year under review, additional costs arose in terms of fees payable to PricewaterhouseCoopers AG for consulting services in the amount of CHF 874 thousand, (previous year: CHF 621 thousand). The costs are related to ongoing tax advice (e.g. tax returns), tax support for the reorganization of the Group structure, and tax advice for acquisitions (tax due diligence).

Fees totaling CHF 1 343 thousand (previous year: CHF 748 thousand) were incurred in 2020 and 2019 for the independent real estate valuers Wüest Partner AG, Zurich, and W&P Immobilienberatung GmbH, Frankfurt, respectively.

All amounts are exclusive of value-added tax.

8.4. Information tools pertaining to the external audit

The Audit and Risk Committee's responsibilities include regular and effective monitoring of the effectiveness, activity, and reporting of the external auditors. It assesses the scope of the external audit by the auditors and the relevant procedures, and discusses the audit results with the external auditors. Representatives of the external auditors attend meetings of the Audit and Risk Committee at least once a year, in particular to discuss the annual financial statements, explain their activities, and are available to answer questions.

The Audit and Risk Committee annually assesses the performance, remuneration, and independence of the external auditors. Based on its recommendation, the Board of Directors submits a proposal to the General Meeting for the election of the external auditors.

9 Information policy

We provide our shareholders and the capital market with open, timely, and transparent information. Financial reporting takes the form of annual and semi-annual reports. We prepare these in accordance with the International Financial Reporting Standards (IFRS). They comply with Swiss law and the regulations of the SIX Swiss Exchange.

We publish facts relevant to the share price in fulfillment of the obligation to provide ad hoc publicity in accordance with the provisions of the Listing Rules and the Directive on Ad Hoc Publicity (RLAhP). Our press releases can be viewed at any time on our website under the heading "Investors" or the link https://www.peachproperty.com/en/investoren/investor-news/. This section contains further continuously updated information about our Company and the Group. Ad hoc announcements and other press releases are also sent to interested parties by email on request. To register, visit our website at http://www.peach-property.com/en/newsletteranmeldung/.

All communications from the Company to shareholders are sent in writing by ordinary letter to the last address of the shareholder, or of the person authorized to receive documents, as entered in the share register. The Swiss Official Gazette of Commerce is the Company's official publication medium (Article 38 of the Articles of Association).

Contacts
Peach Property Group AG
Neptunstrasse 96 | 8032 Zurich | Switzerland

Dr. Thomas Wolfensberger, Chief Executive Officer and
Dr. Marcel Kucher, Chief Financial Officer/Chief Operating Officer
Telephone +41 44 485 50 00 | investors@peachproperty.com

Important dates
- General Meeting 2021: Thursday May 27, 2021, in Zurich, probably without shareholders and shareholder representatives physically attending due to the COVID-19 restrictions
- Publication of 2021 half-year results: Tuesday, August 31, 2021

Section 2 - Remuneration Report

1 Introduction

The remuneration policy is part of corporate governance. Both the Board of Directors and the Executive Management are committed to good corporate governance to ensure the sustainable development of the Group. This includes a balanced and fair remuneration policy.

This Remuneration Report contains an overview of the content and procedures for determining the remuneration and the shareholding programs of the Board of Directors and Executive Management as well as statements on the remuneration for the year under review and in comparison with the previous year.

The Remuneration Report complies with the provisions of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (VegüV) and the Directive on Information Relating to Corporate Governance (RLCG) of the SIX Exchange Regulation, and is based in particular on the provisions of Articles 26 to 35 of the Articles of Association.

The Articles of Association can be viewed on our website at http://www.peachproperty.com/en/investoren/corporate-governance/.

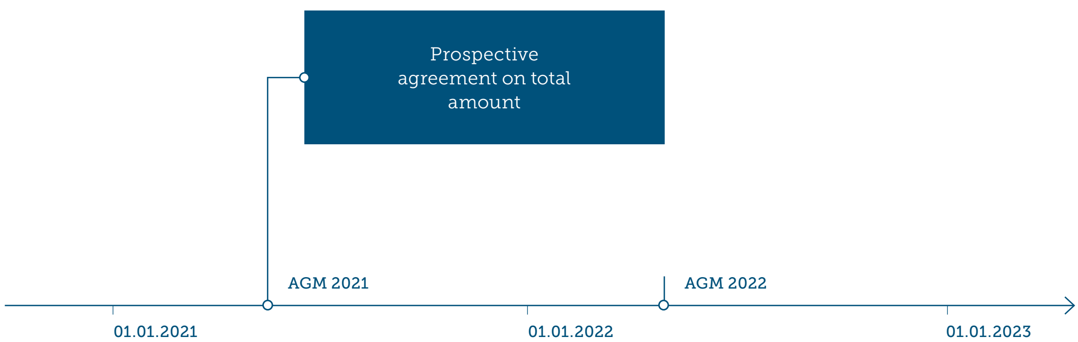
2 Responsibilities and determination procedures

In collaboration with the Chief Executive Officer, the Compensation Committee prepares a proposal for the remuneration of the Board of Directors and the Executive Management. On this basis, as a motion to put to the General Meeting, the Board of Directors decides on the total amount of the remuneration for its members and the members of the Executive Management.

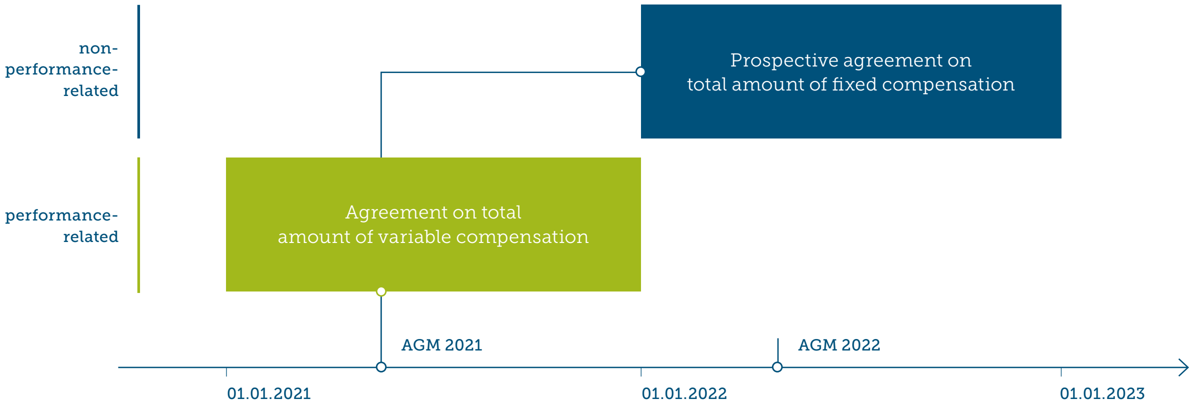
The General Meeting then, in accordance with Article 26(1) of the Articles of Association, approves the maximum total amounts for

- the remuneration of the Board of Directors for the period up until the next Ordinary General Meeting and
- the non-performance-related remuneration of the Executive Management for the next financial year as well as
- the performance-related remuneration of the Executive Management for the financial year in which the General Meeting is held.

Remuneration of the Board of Directors



Remuneration of the Board of Directors



If the General Meeting rejects a motion by the Board of Directors, the Board of Directors may, pursuant to Article 26(5) of the Articles of Association

- either submit a new motion to the same General Meeting or
- convene an Extraordinary General Meeting within three months and submit a new motion or
- determine a maximum total amount or several maximum partial amounts, taking into account all relevant factors, and submit this or these to the next Ordinary General Meeting for approval.

On the basis of the proposal by the Chief Executive Officer and the motion by the Compensation Committee, the Board of Directors draws up the Remuneration Report on the remuneration paid and submits this to the General Meeting for consultative approval (Article 26(3) of the Articles of Association).

For details of the scope of the duties of the Compensation Committee and the allocation of powers, see also the Organizational Regulations, available at http://www.peachproperty.com/en/investoren/corporate-governance/.

3 Remuneration system

3.1. General principles

The remuneration system within our Group is intended to deliver a competitive and performance-oriented remuneration policy. Our aim is to promote long-term management of the Group and sustainable business success. The remuneration of the Board of Directors and the Executive Management should be in line with the market, commensurate with the effort and responsibility involved, and appropriate to the size of the Group.

3.2. Remuneration of the Board of Directors

In accordance with Article 28 of the Articles of Association, the remuneration of the members of the Board of Directors is made up of

a) modular remuneration based on position on the Board of Directors and membership of committees and

b) variable remuneration dependent on the achievement of Company targets

plus the Company's social security contributions.

As in the previous year, the basic pay is CHF 160 000 for the President of the Board of Directors and CHF 50 000 for a member of the Board of Directors. The pay for chairing a committee remains unchanged at CHF 30 000 and the pay for committee membership remains unchanged at CHF 20 000. All amounts are per year of office and exclude social security contributions.

The members of the Board of Directors receive between 20% and 50% of remuneration mentioned in a), in the form of shares in the Company, blocked for one year. For the 2020 financial year, the Board of Directors has decided on a share component of 50% (previous year: 50%). The number of shares is determined on the basis of the average share price of the last ten trading days in the past financial year and the first ten trading days in the new financial year ("allotment price"). For the calculation of the amount of the remuneration according to VegüV, the number of shares determined by means of the allotment price is multiplied by the closing price of the allotment according to the allotment decision of the Board of Directors ("price at allotment"). The relevant prices for the 2020 compensation are: allotment price CHF 45.67 and price at allotment CHF 45.20.

In the year under review, as in the previous year, the members of the Board of Directors were also allotted Performance Stock Units ("PSUs"). PSUs are entitlements to shares and represent variable remuneration dependent on the achievement of Group targets. Information on the PSU programs can be found in section 3.4 and in note 14 to the consolidated financial statements.

Klaus Schmitz, who was recently elected to the Board of Directors at the Extraordinary General Meeting of October 12, 2020 as a shareholder representative within the meaning of Article 13(3) of the Articles of Association for Ares Management Corporation, does not receive any remuneration or PSUs.

3.3. Remuneration of the Executive Management

The remuneration of members of Executive Management is set in accordance with Article 31 of the Articles of Incorporation, being a non-performance-related base salary, performance-related remuneration, contributions from the company to social security and occupational benefits and other fringe benefits of the company (in particular company vehicles).

The fixed, non-performance-related part of the remuneration corresponds to the basic salary agreed in the employment contract or the annual remuneration notification. The basic salary takes into account the aspects of position, powers, degree of responsibility, and individual experience as well as the market and internal wage structure.

The variable, performance-related remuneration paid to the members of the Executive Management depends on the achievement of both Group and personal targets. These are based on the qualitative and quantitative goals and parameters set by the Board of Directors.

The variable remuneration is limited to no more than 150% of the fixed remuneration in total. In justified cases, the Board of Directors may also decide on a higher proportion for the variable remuneration. For Dr. Andreas Steinbauer, Head of Letting and Sales, a special rule applies with a lower fixed salary and commissions dependent on sales successes, which can be more than one and a half times the fixed salary. The commission model is based primarily on a share of one month's rent for newly letted apartments, where the percentage varies depending on whether the rental is a fluctuation rental (rental of a previously letted apartment after the tenants have left) or a rental to reduce vacancy (rental of an apartment not previously rented). Furthermore, Dr. Andreas Steinbauer receives a bonus for the reduction of lost income due to collection risk. Added to this are sales commissions for apartments (few in number) sold. In Dr. Steinbauer's case, the bonus that is dictated by the success of the Group and the continued achievement of personal targets is proportionally relatively low.

For the Chief Executive Officer up to 60%, and for the other members of the Executive Management up to 50%, of the bonus may be paid in the form of shares in the Company blocked for one year. The Board of Directors has decided on a uniform shareholding of 50% for the 2020 bonus for the Chief Executive Officer and the Chief Financial and Operating Officer. The Head of Letting and Sales' shareholding is 50% for the bonus and 35% for the commission. As with the Board of Directors, the number of shares is determined using the allotment price, and the number of shares so determined is multiplied by the price at the time of allotment to calculate the amount of the remuneration in accordance with VegüV.

The members of the Executive Management can then participate in option and participation plans. At the end of the financial year, one member of the Executive Management was entitled to participate in an option plan. In the year under review, the members of the Executive Management were allotted PSUs under a further PSU program. Further information is provided in section 3.4 below and in note 14 to the consolidated financial statements.

3.4. Option plans and other employee participation plans

Option plans

In 2014, the Board of Directors adopted an option plan for three members of the Executive Management. The allotment was performed free of charge. The allotted options are fulfilled upon their exercise by means of the transfer of registered shares (delivery to a securities account designated by the beneficiary) or posting as book-entry securities in accordance with the Swiss Intermediated Securities Act (BEG) concurrently with payment of the strike price in cash. The subscription ratio is 1:1, and one option entitles the holder to purchase one share. The strike price is CHF 11.00.

The options will expire on October 1, 2025 at the latest. Options that are not exercised by the day before the expiry date will expire without further notice and without compensation on the expiry date. Likewise, options will expire without further notice and without compensation if the contractual relationship with the beneficiary ends before the exercise date, where options that have not yet been exercised will remain exercisable for the limited period of time specified in the option plan.

As of December 31, 2020, 40 000 options from the 2014 option plan were open, which were exercised at the beginning of 2021. As of the date of this annual report, no options from the 2014 option plan remain.

Performance Stock Unit programs

In the year under review, the Board of Directors approved a further framework plan for share-based payment compensation: the "2020 – 2022 PSU program".

Under the new program, as with the earlier PSU programs, entitlements were allotted to program participants in the form of PSUs (Performance Stock Units). The maximum number of PSUs that are allotted to program participants is determined by the Board of Directors. The PSUs are entitlements to up to two shares per PSU, depending on the achievement of corporate objectives over the performance period, provided that the beneficiary is still employed by the Peach Property Group at the time of vesting.

Vesting for the PSU program 2017 – 2019 took place in the reporting year with the approval of the 2019 annual financial statements by the General Meeting 2020. Vesting for the other programs will take place for the PSU program 2018 – 2020 with the General Meeting 2021, for the PSU program 2019 – 2021 with the General Meeting 2022 and for the new PSU program 2020 – 2022 with the General Meeting 2023. The share allocation will be made no later than six months after the respective vesting.

The Group has no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.

The targets to be achieved under the PSU programs are all corporate targets, namely the capital market and the consolidated earnings sub-target. These two sub-targets are weighted at 50% each.

The capital market sub-target measures the share price three days after publication of the provisional annual results of the last financial year of the performance period (not counting the day of publication). For the new 2020 – 2022 PSU program, an annual TSR (Total Shareholder Return, i.e. share price development plus any dividends or other benefits paid) of 12% p.a. over the performance period was set as the target value, in line with the previous programs. The consolidated earnings sub-target measures the cumulative consolidated result after tax compared to the budget and business plan over the entire performance period.

Under the 2020 – 2022 PSU program, 42 000 PSUs were allocated. The allocation was made on June 2, 2020. As of December 31, 2020, 500 entitlements under this program were forfeited.

In the previous year, under the 2019 – 2021 PSU program 41 500 PSUs had been allotted as of May 10, 2019.

Under the 2017 – 2019 PSU program, 35 500 PSUs vested at the General Meeting on May 27, 2020. In June and September 2020, a total of 71 000 registered shares in Peach Property Group AG were allocated to the beneficiaries.

Further information on the PSU program can be found in note 14 to the consolidated financial statements.

3.5. Fringe benefits

Fringe benefits include, in particular, company cars which may also be used privately. All members of the Executive Management are entitled to a company car.

3.6. Pension benefits

The occupational pension benefits to which the members of the Executive Management are entitled are based on the internal pension regulations applicable to all management employees. The Company as employer makes the usual equal contribution in the area of compulsory contributions. For voluntary retirement savings, the employer's contribution made by the Company to the savings contributions is 60%. The risk contributions as well as the contributions for the other costs are funded entirely by the Company.

Where members of the Board of Directors receive remuneration in person, the Company pays the usual employer's contributions to the social security schemes. Director Peter Bodmer earns his Board of Directors remuneration through a company, which is why it is not subject to social security contributions. Director Kurt Hardt, who is resident in Germany, is exempt of paying any social security contributions in Switzerland. Director Klaus Schmitz does not receive remuneration and therefore no social security contributions are made.

3.7. Notice period for employment contracts involving the Executive Management / severance payments

The notice period for members of the Executive Management is three months.

There are no agreements related to severance pay for the members of either the Executive Management or the Board of Directors.

4 Remuneration in the 2020 financial year

4.1. Remuneration paid to the Board of Directors

The remuneration paid to the members of the Board of Directors for the reporting year, including social security contributions and a valuation of the share component at the price upon allotment (closing price on February 12, 2021, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 770 thousand and is broken down as follows:

Name, position	**2020 remuneration**					**2019 remuneration**				
in CHF	Remuneration in cash	Remuneration in shares [2]	PSUs at fair value [3]	Social sec [4]	**Total**	Remuneration in cash	Fee in shares	PSUs at fair value	Social sec. [4]	**Total**
Reto Garzetti, Chairman	100 000	98 982	80 370	20 324	**299 676**	100 000	105 128	62 940	18 920	**286 988**
Peter Bodmer, Member	50 000	49 491	53 580	0 [5]	**153 071**	50 000	52 564	41 960	0 [5]	**144 524**
Dr. Christian De Prati, Member	50 000	49 491	53 580	11 394	**164 465**	50 000	52 564	41 960	10 404	**154 928**
Kurt Hardt, Member	50 000	49 491	53 580	0 [6]	**153 071**	50 000	52 564	41 960	0 [6]	**144 524**
Klaus Schmitz, Member [1]	0	0	0	0	**0**	n.a.	n.a.	n.a.	n.a.	n.a.
					770 283					**730 964**

1 As of the Extraordinary General Meeting of October 12, 2020. Klaus Schmitz does not receive remuneration.
2 Valuation at closing price on February 12, 2021 of CHF 45.20 per share, share component 50%.
3 Valuation at allotment on June 2, 2020 of CHF 26.79 per PSU.
4 Contributions by the Company.
5 Settlement via a company / no social security contributions.
6 No social security contributions are incurred in Switzerland.

The total remuneration of the Board of Directors is slightly higher compared with the previous year, mainly due to a higher fair value of the PSUs of CHF 26.79 (previous year: CHF 20.98).

One member of the Board of Directors received compensation at arm's length in the amount of CHF 385 thousand for services rendered in connection with the placement of the mandatory convertible bond PEA20.

No other non-arm's length remuneration was paid to members of the Board of Directors and/or to persons closely linked to them.

4.2. Remuneration paid to members of the Executive Management.

The remuneration paid to the members of the Executive Management for the year under review, including fringe benefits (company cars), commissions, social security contributions, and a valuation of the share component of the bonus at the price upon allotment (closing price on February 12, 2021, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 2 957 thousand and is broken down as follows:

Name, position	2020 remuneration								
in CHF	Fixed remuneration in cash	Variable remuneration in cash	*of which commissions*	Variable remuneration in shares [1]	*of which commissions*	PSUs Fair value [2]	Fringe benefits [3]	Social sec. and occ. pension [4]	**Total**
Dr. Thomas Wolfensberger, CEO	400 000	235 000		232 607		200 925	10 733	140 710	**1 219 975**
Dr. Marcel Kucher, CFO and COO	300 000	135 000		133 625		160 740	8 024	116 836	**854 225**
Dr. Andreas Steinbauer, Head of Letting and Sales	180 000	320 898	*371 098*	172 768	*169 006*	80 370	9 165	119 511	**882 712**
									2 956 912

1 Valuation at closing price of February 12, 2021 of CHF 45.20 per share, shareholding 50% of the bonus for Dr. Thomas Wolfensberger and Dr. Marcel Kucher or 50% of the bonus and 35% of the commission for Dr. Andreas Steinbauer.
2 Valuation at allotment on June 2, 2020 of CHF 26.79 per PSU.
3 Company cars.
4 Contributions by the Company.

The highest individual compensation in the year under review, in the amount of CHF 1 220 thousand, was received by Chief Executive Officer, Dr. Thomas Wolfensberger (previous year: Chief Executive Officer Dr. Thomas Wolfensberger, CHF 1 187 thousand).

In the previous year, the remuneration paid to the members of the Executive Management totaled CHF 2 750 thousand and is broken down as follows:

Name, position	2019 remuneration							
in CHF	Fixed remuneration in cash	Variable remuneration in cash	*of which commissions*	Variable remuneration in shares [1]	PSUs Fair value [2]	Fringe benefits [3]	Social sec. and occ. pension [4]	**Total**
Dr. Thomas Wolfensberger, CEO	400 000	235 000		247 051	157 350	10 733	137 033	**1 187 167**
Dr. Marcel Kucher, CFO and COO	300 000	131 625		138 375	125 880	8 024	110 412	**814 316**
Dr. Andreas Steinbauer, Head of Letting and Sales	180 000	395 946	*390 946*	5 256	62 940	9 165	95 670	**748 977**
								2 750 460

1 Valuation at closing price on February 14, 2020 of CHF 41.00 per share, share component 50% of the bonus.
2 Valuation at allotment on May 10, 2019 of CHF 20.28 per PSU.
3 Company cars.
4 Contributions by the Company.

The total remuneration of Executive Management increased compared with the previous year, partly due to a higher fair value of the PSUs of CHF 26.79 (previous year: CHF 20.98) and partly due to higher commissions to the Head of Letting and Sales, which also reflects good performance in renting.

No other remuneration was paid to members of the Executive Management and/or to persons closely linked to them.

4.3. Loans and credits to the Board of Directors and Executive Management

We have not granted any loans, credits, or similar instruments to any member of the Board of Directors or the Executive Management or to persons closely linked to them.

4.4. Comparison of remuneration paid with remuneration approved by the General Meetings

For a comparison of the remuneration paid in the reporting year to the one approved by the General Meeting, a pro-rata calculation is required for the Board of Directors, of the portion of the year in office from January 1, 2020 to the 2020 Annual General Meeting and from the 2020 Annual General Meeting to December 31, 2020. No such conversion is required for the remuneration paid to the Executive Management, as here, the Annual General Meeting approves the remuneration per financial year.

in CHF	Remuneration paid in the 2020 financial year	Remuneration approved for the 2020 financial year
Remuneration of the Board of Directors	**770 283**	**900 000**
Remuneration of the Executive Management		
Non-performance-related remuneration (fixed pay)	1 170 432	1 400 000
Performance-related remuneration (variable pay)	1 786 480	2 400 000
Total remuneration of the Executive Management	**2 956 912**	**3 800 000**

All of the remuneration paid to the Board of Directors and the Executive Management in the 2020 financial year is below the approved maximum amounts (Board of Directors – 14%, fixed Executive Management pay – 16%, and variable Executive Management pay – 26%).

4.5. Remuneration paid to the Advisory Board

The Company does not have any advisory boards within the meaning of the VegüV.

5 Shareholdings of the Board of Directors and Executive Management

5.1. Rights to option plans and other participation plans

As of December 31, 2020, the members of the Board of Directors and Executive Management were entitled to the following option plans and other participation plans:

Name, position	Number of options [1]	Number of PSUs [2]
Reto Garzetti, Chairman of the Board of Directors	0	9 000
Peter Bodmer, Member of the Board of Directors	0	6 000
Dr. Christian De Prati, Member of the Board of Directors	0	6 000
Kurt Hardt, Member of the Board of Directors	0	6 000
Klaus Schmitz. Member of the Board of Directors	0	0
Dr. Thomas Wolfensberger, CEO	0	22 500
Dr. Marcel Kucher, CFO and COO	**40 000** [3]	18 000
Dr. Andreas Steinbauer, Head of Letting and Sales	0	6 000
Total	**40 000**	**73 500**

1 From option plan 2014.
2 After vesting of the 2017 – 2019 PSU program, PSUs under the 2018 – 2020, 2019 – 2021, and 2020 – 2022 PSU programs.
3 Exercised at beginning of 2021.

5.2. Share ownership

The members of the Board of Directors and the Executive Management directly and indirectly held the following number of shares in the Company as of December 31, 2020:

Name, Funktion	Number of shares	As a % of all shares
Reto Garzetti, Chairman of the Board of Directors	135 225 [1]	1.08
Peter Bodmer, Member of the Board of Directors	23 512 [2]	0.19
Dr. Christian De Prati, Member of the Board of Directors	32 213	0.26
Kurt Hardt, Member of the Board of Directors	5 701	0.04
Klaus Schmitz, Member of the Board of Directors	0	0
Dr. Thomas Wolfensberger, CEO	718 175	5.75
Dr. Marcel Kucher, CFO and COO	60 672	0.49
Dr. Andreas Steinbauer, Head of Letting and Sales	5 946	0.05
Total	**981 444**	**7.86**

1 Shareholding of a closely linked person totaling 108 357 shares.
2 Shareholding of a closely linked person totaling 12 697 shares.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zürich

We have audited the remuneration report of Peach Property Group AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) in paragraph 4 on pages 68 to 70 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

Opinion

In our opinion, the remuneration report of Peach Property Group AG for the year ended 31 December 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Philipp Gnädinger	Michael Keel
Audit expert Auditor in charge	Audit expert

Zürich, 25 March 2021


24-32

Consolidated financial statements of Peach Property Group AG 2020

In accordance with International Financial Reporting Standards (IFRS)

Consolidated financial statements

Notes to the consolidated financial statements

Consolidated statement of income

in CHF thousands	Note	2020	2019
Rental income	2	54 748	38 915
Valuation gains from investment properties	5	157 786	113 565
Profit on disposal of investment properties	5	387	472
Income from development properties	3	180	7 255
Other operating income		483	527
Operating income		**213 584**	**160 734**
Expenses from leasing of investment properties	2	-14 184	-10 747
Valuation losses from investment properties	5	-1 594	-141
Expenses from development properties	3	1 115	-1 765
Expenses from development and construction management services		500	0
Personnel expenses	12	-13 424	-11 322
Sales and marketing expenses		-310	-287
Other operating expenses	16	-6 248	-6 079
Depreciation and amortization		-876	-566
Operating expenses		**-35 021**	**-30 907**
Operating result		**178 563**	**129 827**
Financial income	10	4 389	115
Financial expenses	10	-29 598	-20 267
Share in the result of associates	20	0	0
Result before taxes		**153 354**	**109 675**
Income taxes	17	-26 072	-18 671
Result after taxes		**127 282**	**91 004**
– Equity holders of Peach Property Group AG		119 432	87 682
– Non-controlling interests		7 850	3 322
Basic earnings per share in CHF	1	**15.26**	**14.68**
Diluted earnings per share in CHF	1	**14.30**	**12.06**

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

in CHF thousands	Note	2020	2019
Result after taxes		**127 282**	**91 004**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Result on cash flow hedges	8	-3 589	-6 793
Currency translation differences		1 279	-5 838
Tax effects	17	574	1 091
Total other comprehensive result that may be reclassified to profit or loss, net of taxes		**-1 736**	**-11 540**
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	13	-115	-340
Tax effects	17	24	72
Total other comprehensive result that will not be reclassified to profit or loss, net of taxes		**-91**	**-268**
Total comprehensive income		**125 455**	**79 196**
– Equity holders of Peach Property Group AG		117 829	76 057
– Non-controlling interests		7 626	3 139

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Consolidated statement of financial position

in CHF thousands	Note	Dec 31, 2020	Dec 31, 2019
Assets			
Current assets			
Cash and cash equivalents	18	67 656	46 248
Trade receivables	18	7 346	4 977
Other receivables	18	15 269	9 141
Current financial receivables	18	5 851	6 934
Development properties	6	38 969	33 757
Investment properties held for sale	5	1 743	7 909
Total current assets		**136 834**	**108 966**
Non-current assets			
Investment properties	5	2 063 302	1 074 149
Advance payments for investment properties		61	1 977
Equipment		2 842	2 020
Intangible assets		921	675
Non-current financial receivables	19	99	92
Investments in associates	20	1	1
Deferred tax assets	17	20 427	18 497
Total non-current assets		**2 087 653**	**1 097 411**
Total assets		**2 224 487**	**1 206 377**

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Consolidated statement of financial position (continued)

in CHF thousands	Note	Dec 31, 2020	Dec 31, 2019
Liabilities			
Current liabilities			
Trade payables	18	3 885	4 222
Other payables and advance payments	18	35 186	17 704
Current income tax liabilities		3 398	612
Current financial liabilities	8	177 354	37 869
Current provisions	22	2 159	4 349
Total current liabilities		**221 982**	**64 756**
Non-current liabilities			
Non-current financial liabilities	8	1 169 279	703 446
Non-current provisions	22	375	607
Employee benefit obligations	13	4 564	1 274
Deferred tax liabilities	17	73 425	46 730
Total non-current liabilities		**1 247 643**	**752 057**
Total liabilities		**1 469 625**	**816 813**
Equity			
Share capital	7	12 495	6 601
Treasury shares	7	-219	-29
Share premium	7	347 273	120 217
Hybrid capital	7	90 682	91 696
Other reserves		-10 274	-7 248
Currency translation differences		-11 403	-12 858
Retained earnings		295 660	179 398
Equity attributable to the equity holders of Peach Property Group AG		**724 214**	**377 777**
Equity attributable to non-controlling interests		30 648	11 787
Total equity		**754 862**	**389 564**
Total liabilities and equity		**2 224 487**	**1 206 377**

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

in CHF thousands	Note	2020	2019
Result before taxes		**153 354**	**109 675**
Adjustment of non-cash expenses/income			
– Depreciation and amortization		876	566
– Valuation result of investment properties	5	-156 192	-113 424
– Result on disposal of investment properties	5	-387	-472
– Reversal of impairment losses on development properties	3	0	-2 456
– Adjustment of bad debt allowance	18	778	706
– Adjustment of lease liabilities	24	-188	125
– Financial income (without adjustment of lease liabilities)	10	-4 201	-115
– Financial expenses (without change in bad debt allowance and adjustment of lease liabilities)	10	29 598	20 142
– Share-based payment compensation	14	1 601	1 940
– Changes in provisions	22	-2 462	-169
– Other non-cash items		1 439	1 184
Changes in working capital:			
– Trade receivables	18	-666	-554
– Other receivables	18	-3 584	-805
– Development properties	6	-5 140	6 018
– Trade payables	18	-1 230	1 727
– Contract liabilities	3	0	-861
– Other liabilities and advance payments	18	5 227	-2 823
Interest and other financial expenses paid		-22 655	-12 984
Taxes paid		1 645	-4 447
Net cash flows from/-used in operating activities		**-2 187**	**2 973**

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows (continued)

in CHF thousands	Note	2020	2019
Acquisition of real estate companies	5	-507 124	-253 161
Payments for equipment		-1 373	-574
Payments for intangible assets		-510	-512
Investments in investment properties	5	-208 177	-20 210
Advance payments for investment properties		-60	-1 493
Disposal of investment properties	5	7 591	5 035
Financial receivables granted	18	0	-5 518
Repayment of financial receivables	18	5 615	0
Interest income received		303	18
Cash used in investment activities		**-703 735**	**-276 415**
Proceeds from current financial liabilities	8	145 044	234
Repayment of current financial liabilities	8	-14 163	-28 726
Proceeds from non-current financial liabilities	8	371 099	292 928
Lease payments – amortization share	24	-499	-456
Proceeds from issues of hybrid capital	7	228 015	5 568
Acquisition of treasury shares	7	-190	-343
Sale of treasury shares	7	0	363
Capital increase	7	119	185
Distributions to hybrid equity investors [1]	7	-1 922	-2 731
Cash flow from financing activities		**727 503**	**267 022**
Change in cash and cash equivalents		**21 581**	**-6 420**
Cash and cash equivalents at January 1		46 248	53 484
Currency exchange impact on cash and cash equivalents		-173	-816
Cash and cash equivalents at December 31		**67 656**	**46 248**

[1] In the previous year: Value less withholding tax not yet paid.

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in shareholders' equity

in CHF thousands	Note	Share capital	Treasury shares	Share premium
January 1, 2020		**6 601**	**-29**	**120 217**
Total comprehensive income				
Result after taxes		0	0	0
Total comprehensive result		0	0	0
Total comprehensive income		**0**	**0**	**0**
Transactions with owners in their capacity as owners				
Changes in the scope of consolidation	21	0	0	0
Acquisition of non-controlling interests	21	0	0	0
Mandatory convertible bond I – conversions	7	164	0	5 255
Mandatory convertible bond II – addition	7	0	0	0
Mandatory convertible bond II – conversions	7	4 621	0	191 789
Mandatory convertible bond II – accrued interest	7	0	0	0
Hybrid warrant bond – exercise of warrants	7	17	0	396
Hybrid warrant bond – distribution	7	0	0	0
Hybrid convertible bond – conversions	7	993	0	28 296
Hybrid convertible bond – distribution	7	0	0	0
Bonds – buy-back / redemption		0	0	0
Bonds – issue costs	7	0	0	-1 057
Share-based compensation – increase of reserve	14	0	0	0
Share-based compensation – exercise of options	7	28	0	1 045
Share-based compensation – exercise of Plan 2017	14	71	0	1 332
Total transactions with owners in their capacity as owners		**5 894**	**0**	**227 056**
Treasury shares				
Acquisition of treasury shares	7	0	-190	0
Total treasury shares		**0**	**-190**	**0**
December 31, 2020		**12 495**	**-219**	**347 273**

* Equity holders of Peach Property Group AG.

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Hybrid capital	Other reserves	Currency translation differences	Retained earnings	Total equity holders *	Non-controlling interests	Total equity
91 696	**-7 248**	**-12 858**	**179 398**	**377 777**	**11 787**	**389 564**
0	0	0	119 432	119 432	7 850	127 282
0	-3 058	1 455	0	-1 603	-176	-1 827
0	**-3 058**	**1 455**	**119 432**	**117 829**	**7 626**	**125 455**
0	0	0	0	0	10 937	10 937
0	0	0	-538	-538	298	-240
-5 419	0	0	0	0	0	0
230 000	0	0	0	230 000	0	230 000
-196 410	0	0	0	0	0	0
545	0	0	0	545	0	545
96	-96	0	0	413	0	413
0	0	0	-1 025	-1 025	0	-1 025
-29 292	0	0	3	0	0	0
0	0	0	-897	-897	0	-897
-7	0	0	0	-7	0	-7
-527	0	0	-713	-2 297	0	-2 297
0	1 531	0	0	1 531	0	1 531
0	0	0	0	1 073	0	1 073
0	-1 403	0	0	0	0	0
-1 014	**32**	**0**	**-3 170**	**228 798**	**11 235**	**240 033**
0	0	0	0	-190	0	-190
0	**0**	**0**	**0**	**-190**	**0**	**-190**
90 682	**-10 274**	**-11 403**	**295 660**	**724 214**	**30 648**	**754 862**

Consolidated statement of changes in shareholders' equity (continued)

in CHF thousands	Note	Share capital	Treasury shares	Share premium
December 31, 2018		5 487	-14	90 973
Adjustment due to adoption of IFRS 16		0	0	0
January 1, 2019		**5 487**	**-14**	**90 973**
Total comprehensive income				
Result after taxes		0	0	0
Total comprehensive result		0	0	0
Total comprehensive income		**0**	**0**	**0**
Transactions with owners in their capacity as owners				
Changes in the scope of consolidation	21	0	0	0
Mandatory convertible bond I – addition	7	0	0	0
Hybrid warrant bond – addition	7	0	0	0
Hybrid warrant bond – exercise of warrants	7	13	0	307
Hybrid warrant bond – distribution	7	0	0	0
Hybrid convertible bond – conversions	7	961	0	26 468
Hybrid convertible bond – distribution	7	0	0	0
Bonds – issue costs	7	0	0	-134
Share-based compensation – increase of reserve	14	0	0	0
Share-based compensation – options exercised	7	28	0	729
Share-based compensation – exercise of Plan 2016	14	112	0	1 839
Total transactions with owners in their capacity as owners		**1 114**	**0**	**29 209**
Treasury shares				
Acquisition of treasury shares	7	0	-343	0
Disposal of treasury shares	7	0	328	0
Result on disposal	7	0	0	35
Total treasury shares		**0**	**-15**	**35**
December 31, 2019		**6 601**	**-29**	**120 217**

* Equity holders of Peach Property Group AG.

The disclosures provided in the Notes form an integral part of the consolidated financial statements.

Hybrid capital	Other reserves	Currency translation differences	Retained earnings	Total equity holders *	Non-controlling interests	Total equity
112 841	-1 275	-5 783	97 324	299 553	1 699	301 252
0	0	0	-3 631	-3 631	-11	-3 642
112 841	**-1 275**	**-5 783**	**93 693**	**295 922**	**1 688**	**297 610**
0	0	0	87 682	87 682	3 322	91 004
0	-5 950	-7 075	1 400	-11 625	-183	-11 808
0	**-5 950**	**-7 075**	**89 082**	**76 057**	**3 139**	**79 196**
0	0	0	0	0	6 957	6 957
5 419	0	0	0	5 419	0	5 419
241	6	0	0	247	0	247
75	-75	0	0	320	0	320
0	0	0	-1 025	-1 025	0	-1 025
-27 431	0	0	0	-2	0	-2
0	0	0	-1 723	-1 723	0	-1 723
551	0	0	-629	-212	0	-212
0	1 997	0	0	1 997	3	2 000
0	0	0	0	757	0	757
0	-1 951	0	0	0	0	0
-21 145	**-23**	**0**	**-3 377**	**5 778**	**6 960**	**12 738**
0	0	0	0	-343	0	-343
0	0	0	0	328	0	328
0	0	0	0	35	0	35
0	**0**	**0**	**0**	**20**	**0**	**20**
91 696	**-7 248**	**-12 858**	**179 398**	**377 777**	**11 787**	**389 564**

Notes to the consolidated financial statements

A About us

Peach Property Group AG (the "Company"; together with our subsidiaries "Peach" or the "Group") is a real estate investor with an investment focus on residential real estate in Germany.

Our portfolio comprises high-yielding investment properties, typically in German Tier II cities in the commuter belt of metropolitan areas. Our tenants are at the center of our activities. We want to create an attractive living experience for our tenants, and our services therefore span the entire value chain, from location evaluation and acquisition to active asset management and the rental or sale of our properties. In addition, with the Peninsula Project we are developing a final project to be sold as condominiums.

We have been listed on the SIX Swiss Exchange since November 12, 2010 (PEAN, ISIN CH0118530366) and have our registered office in Zurich, Switzerland. Our German group company, Peach Property Management GmbH & Co. KG, and the majority of our German property companies have their registered offices in Cologne, Germany. The majority of our employees, totaling 119 at the end of the year, work there as well as in our local Peach Points and our Service Center in Berlin.

B Preparation of financial statements

We structured the financial statements around topics that we feel are of central importance to our investors: performance, our real estate portfolio, financing and capital structure, operating platform costs and other mandatory disclosures.
The accounting principles and estimates relevant to the reader are presented briefly at the beginning of each note. Policies are shown in blue, key assumptions and estimates in green.
The different sections of the report provide the following information:

› Performance provides disclosures on key figures per share, proceeds and information on segment reporting.
› Real estate portfolio provides information on changes in investment and development properties.
› Capital structure and risk management comprises disclosures on equity, financing and information regarding risk management.
› Platform costs covers personnel, other operating expenses and taxes.
› Further relevant information is provided under other disclosures.

We have applied the following significant accounting policies in the preparation of these consolidated financial statements:

B.1. Basis of preparation

- We have prepared the consolidated financial statements for the Group in accordance with the International Financial Reporting Standards (IFRS) and Interpretations (IFRIC) as issued by the International Accounting Standards Board (IASB). They comply with Swiss law.
- The Board of Directors approved the consolidated financial statements at its meeting on March 25, 2021 and released them for publication on March 30, 2021. The report is subject to approval by the Annual General Meeting on May 27, 2021.
- The consolidation is based on the separate individual financial statements of the Group companies prepared in accordance with uniform accounting policies. The reporting date for all Group companies is December 31.
- The consolidated financial statements were prepared under the historical cost convention and under the assumption that the company's ability to continue as a going concern is not impaired. Departures from this principle include, in particular, investment properties and derivative financial instruments which are measured at market value.
- Key estimates and assumptions used for the valuation of assets and liabilities are disclosed in the following notes:

	Note
Investment properties and revaluation result	5
Development properties	6
Employee benefit obligations	13
Taxes	17
Provisions	22

- The COVID-19 pandemic did not have any material impact on the valuation of the investment properties or the amount of outstanding trade receivables during the reporting year.

B.2. Changes in the accounting principles applied in financial year 2020

We have adopted the following amended IFRS standards that took effect at the beginning of the 2020 financial year. These had no material impact on our results of operations or the financial position of the Group:

- Amendments to IFRS 3 – "Definition of a business"
- Amendments to IAS 1 and IAS 8 – "Definition of materiality"
- Amendments to IFRS 9, IAS 39 and IFRS 7 – "Interest rate benchmark reform"
- Amendments to the Conceptual Framework

Structure of the consolidated statement of financial position

We now combine the line items other receivables and prepaid expenses and only disclose other receivables in the consolidated statement of financial position. The same applies to other liabilities and accrued expenses. We have adjusted the previous year's figures accordingly.

B.3. Upcoming changes in accounting policies

The following standards, amendments to standards and interpretations have been published, but are not yet effective and we have not adopted them early. We do not expect them to have any material effect on the consolidated financial statements of the Group:

Standards/interpretations	Impact	Entry into force	Planned application
Amendments to IAS 16 – "Proceeds before intended use"	No significant effects are expected.	Jan. 1, 2022	Financial year 2022
Amendments to IAS 37 – "Onerous Contracts - Cost of fulfilling a contract"	No significant effects are expected.	Jan. 1, 2022	Financial year 2022
Annual Improvements to IFRS Standards 2018-2020	No significant effects are expected.	Jan. 1, 2022	Financial year 2022
Amendments to IAS 1 – "Classification of liabilities as current or non-current"	No significant effects are expected.	Jan. 1, 2023	Financial year 2023

B.4. Foreign currency translation

- Separate financial statements are prepared in the currency of the primary economic environment (functional currency). We prepare our consolidated financial statements in Swiss francs (CHF), which is our reporting currency.
- Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing at the end of the reporting year (closing rate) and any change is charged to profit or loss. We show foreign exchange differences from cash flow hedges and intercompany loans with equity characteristics (net investments in a foreign business operation) in the consolidated statement of comprehensive income.
- We use the modified closing rate method for the translation of foreign Group companies. Assets and liabilities are translated at the closing rate, equity at the historical rate, and income and expenses at the average rate. Translation differences are carried forward in the statement of comprehensive income until disposal.

We used the following exchange rates for currency translations:

CHF/EUR	**Dec 31, 2020**	Dec 31, 2019
Closing rate	1.0857	1.0854
Average rate	1.0705	1.1125

Performance

1 Performance per share

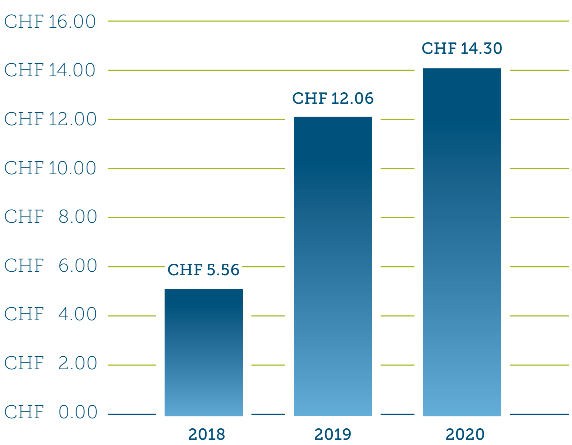
How we calculate the figures:

The result of the reporting year attributable to the shareholders of Peach was adjusted for the effects of the hybrid convertible bond and hybrid warrant bond.

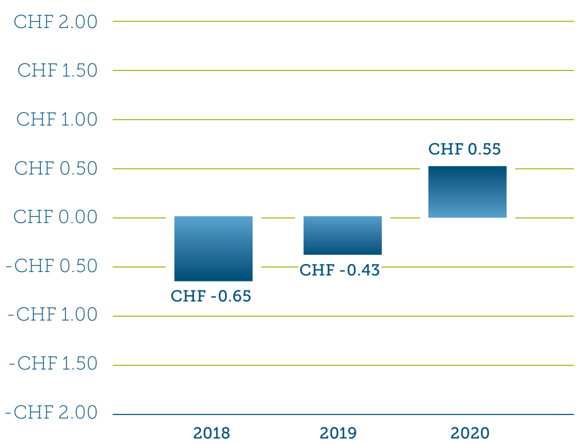
We took all outstanding warrants into account when calculating diluted earnings per share. There are further dilutive effects due to the hybrid convertible, hybrid warrant and mandatory convertible bonds issued.

We calculate operating results I and II (Funds from Operation – FFO I and II) based on operating cash flows and results including interest on hybrid capital. FFO II includes the result from the disposal of investment properties.

Diluted earnings per share



Diluted FFO I per share



1.1. Earnings per share

in CHF thousands	2020	2019
Result attributable to the equity holders of Peach	119 432	87 682
Payment of hybrid convertible bond coupon	-720	-1 359
Payment of hybrid warrant bond coupon	-823	-808
Adjusted net profit or loss for the period attributable to Peach equity holders	**117 889**	**85 515**
Adjustments for diluted earnings		
Accumulated unrecognized hybrid capital coupon (convertible bond)	720	1 359
Adjusted net profit or loss for the period attributable to Peach equity holders including expected conversions	**118 609**	**86 874**
Average number of outstanding shares	**7 725 498**	**5 825 416**
Adjustment based on options issued [1]	208 811	209 450
Adjustment based on hybrid convertible bond issued [2]	54 441	1 047 424
Adjustment based on hybrid warrant bond issued [3]	71 108	52 253
Adjustment based on mandatory convertible bonds issued [4]	233 723	71 193
Diluted average number of outstanding shares	**8 293 581**	**7 205 736**
Basic earnings per share in CHF	**15.26**	**14.68**
Diluted earnings per share in CHF	**14.30**	**12.06**

1 Options from 2014, 2018, 2019 and 2020 option programs (previous year: 2014, 2017, 2018 and 2019).
2 Shares from hybrid convertible bond after conversion of CHF 57 215 thousand (previous year: CHF 28 101 thousand).
3 203 524 (previous year: 220 052) options that have not yet been exercised from hybrid warrant bond.
4 Proportional shares of the mandatory convertible bond II issued in the reporting year (previous year: mandatory convertible bond I).

1.2. FFO per share

in CHF thousands	2020	2019
Operating result (EBIT)	178 563	129 827
Depreciation and amortization	876	566
EBITDA	**179 439**	**130 393**
Reversal of impairment loss on development properties	0	-2 456
Valuation result of investment properties	-156 192	-113 424
Disposal of investment properties	-387	-472
Share-based compensation	1 601	1 940
Other non-cash personnel expenses	1 281	1 061
Adjusted EBITDA	**25 742**	**17 042**
Interest paid	-20 426	-11 687
Interest paid on hybrid capital	-1 922	-2 748
Lease payments	-762	-709
Interest income received	303	18
Taxes paid and reimbursed	1 645	-4 447
Operating result I (FFO I)	**4 580**	**-2 531**
Result on disposals of investment properties	387	472
Operating result II (FFO II)	**4 967**	**-2 059**
Basic FFO I per share in CHF	**0.59**	**-0.43**
Basic FFO I per share in CHF [1]	**0.55**	**-0.43**
Undiluted FFO II per share in CHF	**0.64**	**-0.35**
Diluted FFO II per share in CHF [1]	**0.60**	**-0.35**

1 In the previous year, excluding the dilutive effect.

› Interest paid does not include any other financial expenses, as the latter arise mainly in connection with financing activities and are, as such, one-off in nature and do not follow a clear pattern. We have adjusted the previous year's disclosure accordingly.

› Taxes paid in the reporting year relate to a reimbursement of state and municipal taxes for Gretag AG in the amount of CHF 2 878 thousand for the year 2016. In the previous year, the taxes paid in the amount of CHF 4 132 thousand related to an additional payment of property gains taxes for the "Gretag Areal" from 2016.

2 Result from letting of investment properties:

How we calculate the figures:

The letting of our investment properties leads to a large number of rental agreements which all qualify as "operating leases". Income is recognized on a straight-line basis over the term of the lease in accordance with IFRS 16. Any rent-free periods are distributed on a straight-line basis over the contractual term.

We recognize collection losses from the letting of investment properties as a deduction from the rental income, since most of the corresponding rental income to be paid in advance is classified as non-recoverable at the time of recognition.

How we calculate the key figures:

The gross return corresponds to the target rental income from letting less lost income due to vacancies in relation to the average value of the portfolio.

The net return corresponds to the target rental income from letting less lost income due to vacancies, administrative and maintenance costs in relation to the average value of the portfolio.

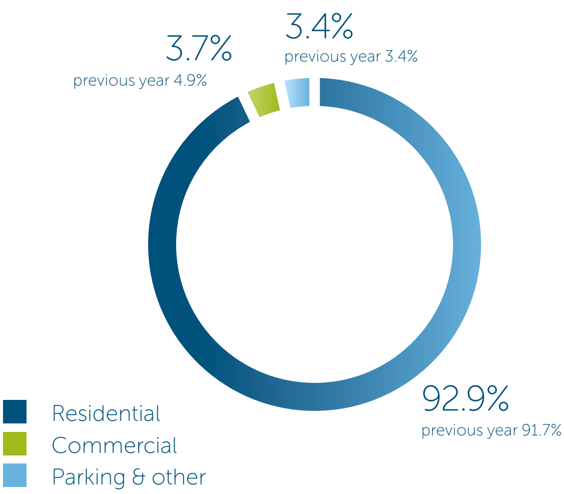
The average rental potential corresponds to the lost income due to vacancies in relation to the target rental income from leasing of investment properties.

The vacancy rate corresponds to the number of vacant residential units at the end of the reporting year in relation to the total residential units.

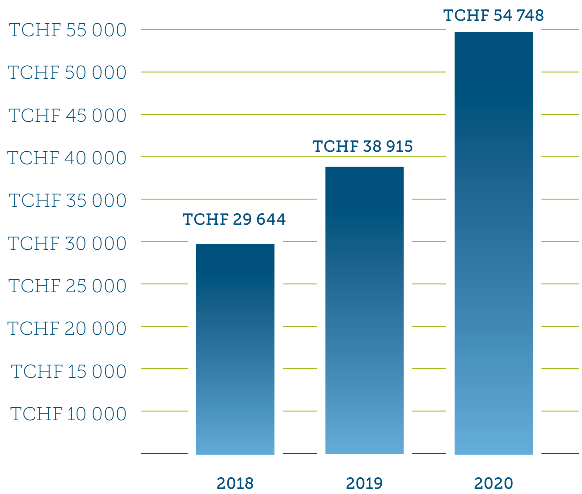
in CHF thousands	**2020**	2019
Target rental income from leasing of investment properties	63 911	46 107
Lost income due to vacancies	-7 412	-5 793
Lost income due to collection risks	-1 751	-1 399
Total rental income	**54 748**	**38 915**
Expense from leasing of investment properties	-11 761	-8 830
– of which ongoing maintenance expenses	*-7 467*	*-5 275*
– of which ongoing administrative expenses	*-4 294*	*-3 555*
Expenses from unrented investment properties (vacancies)	-2 423	-1 917
Total expenses from leasing of investment properties	**-14 184**	**-10 747**
Gross return [1]	5.0%	5.4%
Net return [1]	3.1%	3.5%
Average rental potential [1]	11.6%	12.6%
Vacancy rate based on units at December 31 – with/without acquisitions as per year end [1]	7.9% / 7.0%	9.3% / 8.5%

1 In the previous year calculation excluding the "RS 173" development project in Dortmund.

Rental income by use category



Rental income



- The increase in rental income compared with the previous year is largely due to the acquisition of 3 672 residential units by the end of 2019 and the closing of the Ruhr Portfolio transaction in the first half of 2020. We boosted earnings further by reducing vacancies and raising rents in the existing portfolios: "like-for-like" rental income increased by 4.7% (previous year: 4.5%).
- Around 98% of our units are apartments or parking spaces (previous year: 99%) – i.e. rental contracts that do not include variable rent components. Commercial leases sometimes include index adjustments, but otherwise they have no other variable rent components.
- Resulting from a revision of the value adjustment approach by means of taking into account existing rental deposits in light of the introduction of SAP S/4HANA, lost income due to collection risk was at 3.1% during the reporting year (previous year: 3.5%).
- Further insourcing and efficiency gains helped reduce direct administrative expenses in relation to the previous year, down from 8.8% to 7.6% of net rental income before collection losses (target rental income less lost income due to vacancies). The cost for maintenance expenses remained largely unchanged at 13.2% compared to 13.1% in the previous year.
- Overall, total direct expenses before collection losses decreased to 25.1% compared to 26.7% in the previous year.

Future rental income from fixed-term rental agreements

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Up to 1 year	3 267	1 994
1 - 5 years	4 116	1 800
More than 5 years	1 675	372
Total	**9 058**	**4 166**

- We generate most of our rental income by renting residential units. The contracts are concluded for an unlimited term and can be terminated at short notice, usually within 3 months.
- The increase in future rental income from fixed-term rental agreements results from the commercial ground floor uses of the portfolios newly acquired at the end of December 2020.
- Considered individually, there is only one significant commercial lease contract for the "Bakery" property in Wädenswil with a share of about 20% of the future rental income from fixed-term rental agreements.

3 Result from development properties

How we calculate the figures:

- Income from the sale of units under construction is generally recognized on a pro rata basis over the construction period as construction progresses.
- We measure construction progress according to input factors based on costs incurred.
- The investment costs are allocated proportionally to the units based on the co-ownership share. The costs incurred for the units sold are charged to the consolidated statement of income.
- A contract asset arises for development properties sold while under construction when the construction progress exceeds the advance payment received. If the advance payment is higher than the progress of construction, a contract liability is recognized.
- Due to payment guarantees for contract assets (condominiums), there is no default risk.
- If the conditions for recognition over time are not met, we recognize revenue in the same way as for completed units.
- Income from the sale of completed units is recognized at the time of ownership transfer.

in CHF thousands	**2020**	2019
Income from development properties – completed units	180	3 987
Income from development properties – sold units under construction	0	3 281
Reductions in income	0	-13
Total income from development properties	**180**	**7 255**
Expenses from development properties – completed units	975	-2 801
Expenses from development properties – sold units still under construction	140	-1 420
Reversal of impairment losses	0	2 456
Total expenses from development properties	**1 115**	**-1 765**

3.1. Sales of completed units

- In the previous year, the proceeds and expenses from completed units pertained to the sale of the last unit for "yoo berlin" and the last unit for "Seelofts" in Rorschach. These two projects had been completed and all apartments had been sold. The sale of the last parking spaces of the "Wollerau Park" project is included in the reporting year.
- In the "H36" development project, which was completed in 2014, we achieved milestones in the reporting year regarding claimed defects. While, on the one hand, a partial agreement with the owners was reached, another shortcoming was resolved in an evidence preservation process in our favor. Based on these new facts, we reassessed the provision and reversed a CHF 1 022 thousand portion of the provision. A provision of CHF 711 thousand remains in place.

3.2. Sales of units under construction

- The previous year's sales related entirely to the "Wollerau Park" project in Switzerland, including the "Wollerau Lofts" and "Wollerau Residenzen" subprojects.
- After receiving the final accounts of the total contractor in the reporting year unused accruals were reversed, which resulted in a positive expense.

3.3. Reversal of impairment loss on development properties

- In the previous year, we reversed an existing impairment in the value of CHF 2 456 thousand when the building permit for the "Peninsula" project was granted.

4 Segments

We have only one operating segment, which comprises investment activities in real estate for our portfolio or for further sale. It was defined on the basis of internal reporting to the Board of Directors, which is the chief decision-maker of our Company. Its main activities include site and portfolio evaluation, structuring and financing of the purchase, active asset management (including technical asset management to improve the quality or development of a site) and rentals and sales.

As in the previous year, there were no individual customers that made a significant contribution to sales.

Geographical breakdown of income

in CHF thousands				2020				2019
	Income from investment properties	Income from development properties	Other income	Total	Income from investment properties	Income from development properties	Other income	Total
Germany	211 671	0	0	211 671	150 910	3 204	17	154 131
Switzerland	1 250	180	483	1 913	2 042	4 051	510	6 603
Total	212 921	180	483	213 584	152 952	7 255	527	160 734

Geographical breakdown of non-current assets

in CHF thousands				Dec 31, 2020				Dec 31, 2019
	Investment properties [1]	Equipment and intangible assets	Investments in associates	Total	Investment properties [1]	Equipment and intangible assets	Investments in associates	Total
Germany	2 039 859	2 429	0	2 042 288	1 060 675	1 497	0	1 062 172
Switzerland	23 504	1 334	1	24 839	23 360	1 198	1	24 559
Total	2 063 363	3 763	1	2 067 127	1 084 035	2 695	1	1 086 731

1 Including advance payments for investment properties.

Real estate portfolio

5 Investment properties and revaluation result

How we calculate the figures:

Our investment properties are residential and commercial properties that we either construct ourselves or acquire and which are held to earn long-term rental income and achieve capital appreciation and which we do not use ourselves. Investment properties also include properties that we develop or convert with the goal of renting them out later.

Investment properties are initially measured at cost, including directly attributable transaction costs. Subsequent measurement is at market value; value adjustments are recognized through profit or loss.

Investment properties under development are properties that are currently being planned for conversion and do not yet generate any rental income.

We do not depreciate right-of-use assets from the leasehold agreements, rather we revalue them semi-annually together with the investment properties. In doing so, we apply the discount rate defined by Wüest Partner for the respective investment properties.

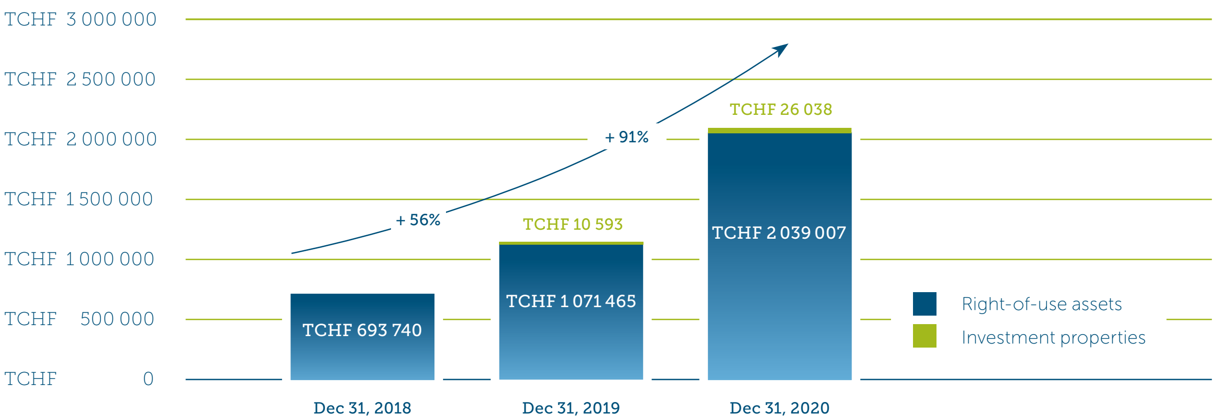
Key assumptions and estimates:

The market value of our investment properties is determined semi-annually by the external property appraiser Wüest Partner using the "highest and best use" concept based on the discounted cash flow method (DCF method). With this method, all expected future net income is discounted to its present value. Net income is discounted individually for each contiguous property cluster in line with market conditions and on a risk-adjusted basis, commensurate with the respective local and structural opportunities and risks.

The performance of the properties depends on various factors such as the local real estate market (rents, vacancies), changes in the capital markets (discount rate), management (renewal of rental income, vacancies, operating and maintenance costs) and value-enhancing investments (higher rental income, positive impact on vacancies).

The key input factors and assumptions used by Wüest Partner are reviewed by our Investment Management team and the CFO and discussed in detail with the independent appraiser.

5.1. Trend in fair value of investment properties and right-of-use assets for leasehold agreements



in CHF thousands	Invest-ment properties	Right-of-use assets	2020 Total	Invest-ment properties	Right-of-use assets	2019 Total
Market value as at January 1	**1 071 465**	**10 593**	**1 082 058**	**693 740**	**10 445**	**704 185**
Additions from purchases of real estate companies	594 449	11 757	606 206	276 082	114	276 196
Additions from purchases	188 496	3 800	192 296	0	0	0
Transfer from advance payments for investment properties	1 950	0	1 950	9 287	0	9 287
Transfer to receivables for maintenance reserves	-202	0	-202	-770	0	-770
Additions from investments eligible for capitalization	24 100	0	24 100	20 210	0	20 210
Disposals from sales	-11 637	0	-11 637	-5 662	0	-5 662
Valuation gains	157 786	0	157 786	113 138	427	113 565
Valuation losses	-1 263	-331	-1 594	-141	0	-141
Foreign currency translation	13 863	219	14 082	-34 419	-393	-34 812
Market value as at December 31	**2 039 007**	**26 038**	**2 065 045**	**1 071 465**	**10 593**	**1 082 058**
of which investment properties held for sale	1 743	0	1 743	7 909	0	7 909
of which investment properties under development [1]	0	0	0	5 970	0	5 970

1 This applied to the "RS 173" property in Dortmund in the previous year.

5.2. Changes in portfolio in 2020

Purchases:

- February 1, 2020 and April 1, 2020: 528 residential units mainly in Essen and Dortmund. Target rental income of around CHF 2 733 thousand per year.
- December 31, 2020: 5 449 residential units in predominantly in Recklinghausen, Bochum, Essen and Gelsenkirchen as well as in Kaiserslautern and Neubrandenburg through the purchase of 89.9% of the shares in the holding companies (see Note 21). Target rental income of around CHF 25 298 thousand per year.
- December 31, 2020: 4 838 apartments in Lower Saxony, North Rhine Westphalia as well as Rhineland-Palatinate. Acquisition of 2 933 of these units through the purchase of 89.9% of the shares in the holding companies (see Note 21). Target rental income of around CHF 22 920 thousand per year.

Investments eligible for capitalization:

- Repair and modernization amounting to CHF 24 100 thousand, of which CHF 5 147 thousand for the portfolios that were acquired at the end of 2019 and in the course of the first half-year of 2020 as well as CHF 3 779 thousand for the "Neukirchen L" renovation project.

Sales:

- April 30, 2020: Sale of the "RS 173" property in Dortmund.
- January to December 2020: Sale of 34 units in Heidenheim and 8 units in Kaiserslautern.
- Total sales profit of CHF 387 thousand.

5.3. Changes in portfolio in 2019

Purchases:

- January 1, 2019: 221 units in Marl through the purchase of 94.9% of the shares of the holding company (see Note 21). Target rental income of around CHF 1 325 thousand per year.
- January 1, 2019: 200 units in Kaiserslautern through the purchase of 94.9% of the shares of the holding company (see Note 21). Target rental income of around CHF 1 088 thousand per year.
- December 31, 2019: 3 672 units in Gelsenkirchen, Kaiserslautern, Velbert, Bochum, Bielefeld and Essen through the purchase of 94.9% of the shares of the holding companies (see Note 21). Target rental income of around CHF 15 951 thousand per year.

Investments eligible for capitalization:

- Renovation costs of CHF 20 130 thousand, of which CHF 9 544 thousand are for the "Neukirchen L", "Kaiserslautern II" and "Rheinland" portfolios.

Sales:

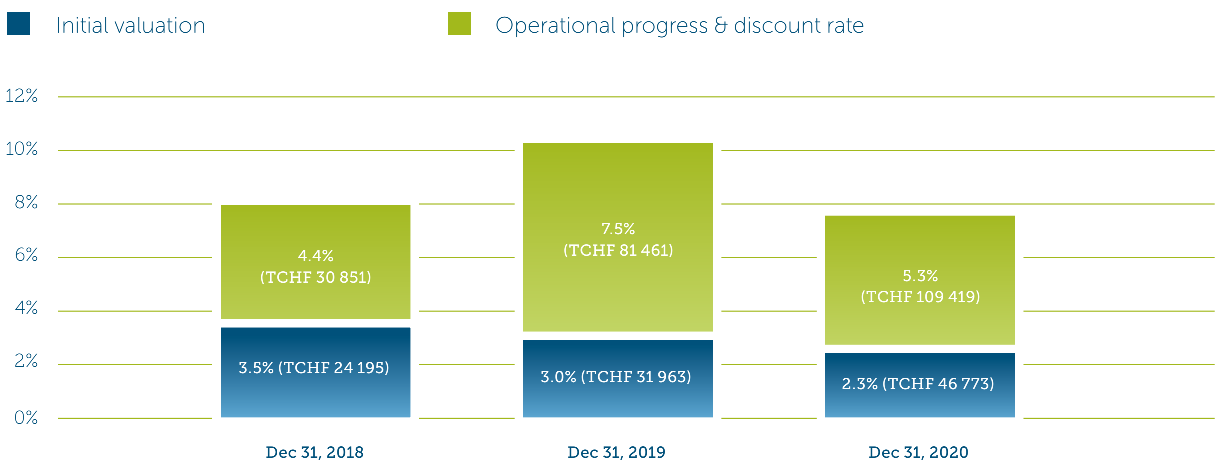
- January to December 2019: Sale of 33 units from the "Heidenheim II" portfolio. Profit of CHF 453 thousand.
- March 26, 2019: Sale of the "Bad Grund" sub-portfolio with 79 units. Profit of CHF 19 thousand.
- Compared with the statement of financial position values, we achieved a profit of 8.3% from the sales.

5.4. Non-current assets held for sale

- Sale agreements or reservation agreements for 12 units (previous year: 14 units) from the "Heidenheim II" portfolio. We expect the handover or sale of units to take place in the first quarter of 2021.
- In the reporting year we sold the "RS 173" property included in the previous year.

5.5. Revaluation

Revaluation in proportion to the total value of portfolio of investment properties and right-of-use assets



- We list the valuation results of investment properties newly purchased in the reporting year as initial valuation profits. The differential amount from the valuation result gives the effect from operational progress and discount rate.
- All newly acquired properties were from off-market situations with favorable terms and conditions, which resulted in a large portion of the revaluation gains being from initial valuation.

5.6. Sensitivity analysis

Key assumptions and estimates:

Significant input factors for valuations include the discount rate and expected rents.

- The discount rate is based on a risk-adjusted real interest rate. The rate is determined starting from a risk-free interest rate and then adjusting for property-related risk factors such as the property risk (capital immobility), location and quality of the property and other allowances as appropriate.
- The rent applied reflects the average achievable rent at the respective location.

					Unobservable input factors 2020			Unobservable input factors 2019		
	Market value Dec 31, 2020 in CHF thousands	**Av. discount rate Dec 31, 2020**	Market value Dec 31, 2019 in CHF thousands	Av. discount rate Dec 31, 2019	Discount rate in %	Rent CHF per m²/mth	Vacancy in %	Discount rate in %	Rent CHF per m²/mth	Vacancy in %
North Rhine-Westphalia	1 267 929	3.89%	630 055	3.92%	2.4 - 5.5	5.4 - 15.2	0.0 - 16.2	2.7 - 5.9	4.5 - 14.0	0.0 - 10.3
Rhineland-Palatinate	345 242	3.65%	204 360	3.79%	3.2 – 4.4	5.4 - 10.9	1.0 - 7.2	3.6 - 4.3	4.8 - 9.8	2.0 - 6.1
Lower Saxony	212 464	4.47%	43 215	4.89%	3.5 - 4.9	5.6 - 8.3	1.8 - 15.0	2.7 - 5.1	5.0 - 5.6	2.0 - 14.9
Baden-Württemberg	117 367	3.59%	113 228	3.60%	2.6 - 4.8	4.7 - 13.9	0.0 - 6.0	2.6 - 5.9	4.5 - 12.5	2.0 - 4.1
Hesse	51 618	4.33%	46 961	4.56%	4.1 - 4.7	5.2 - 6.3	4.0 - 6.0	4.4 - 5.0	4.5 - 5.8	4.0 - 6.0
Other locations	70 425	3.91%	44 239	3.94%	2.6 - 4.4	6.3 - 24.7	3.1 - 7.1	2.7 - 5.5	5.5 - 14.7	3.1 - 8.9
	2 065 045	**3.90%**	**1 082 058**	**3.93%**						

There is market value sensitivity in particular with regard to the real discount rate and the achievable rents:

in CHF thousands — 2020

			Rent						
			7.5%	5.0%	2.5%	0.0%	-2.5%	-5.0%	-7.5%
Discount rate	-0.40%	3.50%	2 471 473	2 413 997	2 356 521	2 299 045	2 241 569	2 184 093	2 126 617
	-0.20%	3.70%	2 338 955	2 284 560	2 230 166	2 175 772	2 121 378	2 066 983	2 012 589
	0.00%	3.90%	2 219 924	2 168 298	2 116 672	2 065 045	2 013 419	1 961 793	1 910 167
	0.20%	4.10%	2 112 422	2 063 295	2 014 169	1 965 043	1 915 917	1 866 791	1 817 665
	0.40%	4.30%	2 014 850	1 967 993	1 921 136	1 874 279	1 827 422	1 780 565	1 733 708

in CHF thousands — 2019

			Rent						
			7.5%	5.0%	2.5%	0.0%	-2.5%	-5.0%	-7.5%
Discount rate	-0.40%	3.50%	1 295 022	1 264 905	1 234 788	1 204 671	1 174 554	1 144 438	1 114 321
	-0.20%	3.70%	1 225 583	1 197 081	1 168 579	1 140 078	1 111 576	1 083 074	1 054 572
	0.00%	3.90%	1 163 213	1 136 161	1 109 110	1 082 058	1 055 007	1 027 955	1 000 904
	0.20%	4.10%	1 106 883	1 081 141	1 055 400	1 029 658	1 003 917	978 175	952 434
	0.40%	4.30%	1 055 757	1 031 204	1 006 652	982 099	957 547	932 994	908 442

- We have allocated all investment properties held at market value to Level 3 of the hierarchy, as some of the information used in the DCF valuations cannot be observed directly on the market.
- There were no transfers between the individual levels in either the reporting year or in the previous year.

6 Development properties

How we calculate the figures:

Development properties include building conversions and construction of new buildings in which we develop property for residential and commercial use. The majority of the properties are sold as condominiums. Development properties are valued as inventory at cost.

Development properties are valued as inventories at acquisition cost.

Capitalized development costs include both third-party services and our own work. Costs incurred in connection with projects for which we act as developers on a contractual basis but for which there is not yet a definitive sales contract or general contractor's agreement are capitalized if realization is probable. The capitalized costs are tested for impairment every six months.

We capitalize direct financing costs for development properties in the planning stage. The same applies to indirect financing costs, which are also capitalized on a pro-rata basis according to their relationship with the development properties.

Key assumptions and estimates:

The recoverable market values of the development properties are determined by the external property appraiser Wüest Partner. Wüest Partner appraises all projects as residual values using the discounted cash flow (DCF) method. The residual value is the value resulting from the difference between the discounted realizable sales proceeds (cash-in) less all outstanding production costs (cash-out) on the measurement date.

The valuation takes into account factors such as macrolocation (location, prices per m2), microlocation, strategy (sale or rental) and basic data verified by the appraiser such as utilization, deadlines and the development process. Construction costs are accounted for based on the planner, general contractor or technical contractor agreements concluded and other mandates awarded (if already available). Otherwise, the cost estimates are checked against a comparable value (in the appraiser's database). Own work budgeted and sale costs are included.

The discount rate is based on a risk-adjusted real interest rate. The rate is determined starting from a risk-free interest rate and then adjusting for property-related risk factors such as the property risk (capital immobility), location and quality of the property and any other allowances as appropriate.

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Projects in the planning phase	38 969	33 619
Completed units	0	138
Total development properties	**38 969**	**33 757**

6.1. Portfolio

- In the reporting year and in the previous year, the only project in the planning phase was the "Peninsula" project in Wädenswil. The building permit was granted in December 2019 and became legally binding in the first quarter of 2020. Based on legal force, we have initiated preparative work particularly with building site preparation for future use.

6.2. Capitalized interest expenses

- Cumulated interest and financing costs of CHF 3 642 thousand (previous year: CHF 3 569 thousand) were capitalized in development properties. In the reporting year, interest on projects in planning amounted to CHF 73 thousand (previous year: CHF 81 thousand). In the previous year, we derecognized capitalized interest of CHF 158 thousand in connection with the sales.
- The average interest rate for interest capitalized in 2020 was 0.7% (previous year: 0.7%).

Capital structure & risk management

7 Equity

7.1. Share capital and treasury shares

How we calculate the figures:

Share capital comprises all registered shares issued. Dividends are recognized when the right to receive payment is established. External transaction costs directly related to the issuance of new shares are deducted directly from the share premium, net of income tax effects.

Acquired treasury shares are recognized at cost (purchase price including directly attributable transaction costs), disposals at average value. Any gains or losses are recorded in the share premium.

	Number of shares issued	Share capital in CHF thousands	Outstanding shares
January 1, 2019	**5 487 627**	**5 487**	**5 486 721**
Capital increase through conversions of hybrid convertible bond	960 971	961	960 971
Options exercised from hybrid warrant bond	12 776	13	12 776
Issue of shares from conditional capital for options exercised from option programs	112 000	112	112 000
Issue of shares from conditional capital for bonus entitlements	20 128	20	20 128
Issue of shares from conditional capital for entitlements related to Board of Directors' fees	7 972	8	7 972
Acquisition of treasury shares			-11 080
Disposal of treasury shares			11 000
December 31, 2019	**6 601 474**	**6 601**	**6 600 488**
Capital increase through conversions of hybrid convertible bond	992 857	993	992 857
Capital increase through conversion of mandatory convertible bond I	164 013	164	164 013
Capital increase through conversion of mandatory convertible bond II	4 621 401	4 621	4 621 401
Options exercised from hybrid warrant bond	16 504	17	16 504
Issue of shares from conditional capital for options exercised from option programs	71 000	71	71 000
Issue of shares from conditional capital for bonus entitlements	21 092	21	21 092
Issue of shares from conditional capital for entitlements related to Board of Directors' fees	6 410	7	6 410
Acquisition of treasury shares			-4 696
December 31, 2020	**12 494 751**	**12 495**	**12 489 069**

7.2. Authorized and conditional capital

	2020 Number of shares	2020 Share capital in CHF thousands	2019 Number of shares	2019 Share capital in CHF thousands
Authorized capital at January 1	**0**	**0**	**0**	**0**
Formation by the extraordinary General Meeting	3 300 000	3 300	0	0
Conversion of mandatory convertible bond II	-3 300 000	-3 300	0	0
Authorized capital at December 31	**0**	**0**	**0**	**0**

	2020 Number of shares	2020 Share capital in CHF thousands	2019 Number of shares	2019 Share capital in CHF thousands
Conditional capital at January 1	**1 626 153**	**1 626**	**2 655 761**	**2 656**
Increase by the Annual General Meeting	1 688 422	1 688	84 239	84
Conversions of hybrid convertible bond	-992 857	-993	-960 971	-961
Conversion of mandatory convertible bond I	-164 013	-164	0	0
Conversion of mandatory convertible bond II	-1 321 401	-1 321	0	0
Options exercised from hybrid warrant bond	-16 504	-17	-12 776	-13
Capital increase through the exercise of options from option programs	-71 000	-71	-112 000	-112
Settlement of bonus entitlements and Board of Directors' fees	-27 502	-27	-28 100	-28
Conditional capital at December 31	**721 298**	**721**	**1 626 153**	**1 626**

7.3. Hybrid capital

How we recognize the figures:

Hybrid capital comprises financing instruments with no repayment obligation. The obligation to pay interest arises for the hybrid warrant and hybrid convertible bond only if dividends are distributed to shareholders for the corresponding period. Interest payments are reported in equity as “distributions” to hybrid equity investors. Transaction costs are presented as a deduction from hybrid bonds. In the event of repayment or conversion, we reclassify the (pro rata) costs to retained earnings.

The option right is reported under “Other reserves“. When the options are exercised, they are reclassified on a pro-rata basis to hybrid capital.

The mandatory convertible bond includes financial instruments with a fixed defined conversion date and price in registered shares of Peach. The interest to be paid is charged to the consolidated statement of income.

in CHF thousands	Mandatory convertible bond II	Mandatory convertible bond I	Hybrid warrant bond	Hybrid convertible bond	**Total hybrid capital**
Hybrid capital at January 1, 2019	**0**	**0**	**55 886**	**56 955**	**112 841**
Cash-effective increase	0	5 419	241	0	5 660
Conversions	0	0	0	-27 431	-27 431
Exercise of options – option right reclassifications	0	0	75	0	75
Transaction costs	0	-20	-76		-96
Reclassifications to retained earnings	0	0	0	647	647
Hybrid capital at December 31, 2019	**0**	**5 399**	**56 126**	**30 171**	**91 696**
Cash-effective increase	230 000	0	-7	0	229 993
Conversions	0	-5 399	0	-29 292	-34 691
Exercise of options – option right reclassifications	-196 410	0	96	0	-196 314
Transaction costs	-1 236	0	0	0	-1 236
Accrued interest	545	0	0	0	545
Reclassifications to retained earnings	0	0	0	690	690
Hybrid capital at December 31, 2020	**32 899**	**0**	**56 215**	**1 569**	**90 682**

7.3.1. Mandatory convertible bond II

On October 16, 2020, we issued a subordinated mandatory convertible bond with the following key figures:

Volume:	CHF 230 000 thousand
Interest rate:	2.50% p.a., from October 16, 2020
Maturity:	June 30, 2021
Conversion price:	CHF 42.50
Convertible:	November 3 to December 4 and December 28 to 31, 2020 or June 30, 2021
ISIN:	CH0570347390

- We have charged transaction costs of converted bonds in the amount of CHF 741 thousand directly to capital reserves.
- Conversion of CHF 196 410 thousand in the reporting year.
- We charged accumulated interest of CHF 545 thousand to the consolidated statement of income.

7.3.2. Mandatory convertible bond I

On October 14, 2019, we issued a subordinated mandatory convertible bond with the following key figures:

Volume:	CHF 5 419 thousand
Interest rate:	2.50% p.a., from October 14, 2019
Maturity:	April 14, 2020
Conversion price:	CHF 33.04
Convertible:	April 14, 2020
ISIN:	CH0504274447

- The mandatory convertible bond was fully converted at the end of the term.
- We charged interest of CHF 68 thousand (previous year: CHF 29 thousand) to the consolidated statement of income.

7.3.3. Hybrid warrant bond

On June 22, 2018, we issued a perpetual, subordinated hybrid convertible bond with the following parameters:

Volume:	CHF 50 000 thousand with the option of raising this to CHF 100 000 thousand
Interest rate:	1.75% p.a., as of June 23, 2023, the capital market rate then prevailing + 9.25% p.a.
Maturity:	Unlimited; first callable by Peach on June 22, 2023
Option right:	4 option rights per bond of CHF 1 000. One registered share may be acquired per option right at a subscription price of CHF 25.
Exercise period:	From June 25, 2018, up to and including June 25, 2021
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA23/CH0417376024

- We made a voluntary interest payment of CHF 1 025 thousand in June 2020 (previous year: CHF 1 025 thousand).
- On December 31, 2020, the accumulated and unrecognized coupon component amounted to CHF 535 thousand (previous year: CHF 535 thousand).
- 16 504 options were exercised in the financial year 2020 (previous year: 12 776 options).
- 203 524 option rights remained as per year end.

7.3.4. Hybrid convertible bond

On October 4, 2017, we issued a perpetual, subordinated hybrid convertible bond with the following key figures:

Volume:	CHF 59 000 thousand
Interest rate:	3.00% p.a., as of October 1, 2022, 3-month LIBOR + 9.25% p.a.
Maturity:	unlimited; first callable by Peach on September 30, 2022
Conversion price:	CHF 29.50
Convertible: par	From October 16, 2017, up to and including December 30, 2020 against registered shares with a value of CHF 1.00 each
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA22 / CH0381952255

- The nominal value of the outstanding bonds as per year end totalled CHF 1 607 thousand (previous year: CHF 30 899 thousand).
- We made a voluntary interest payment of CHF 896 thousand in September 2020 (previous year: CHF 1 723 thousand).
- As of December 31, 2020, the cumulated and unrecognized coupon component amounted to CHF 12 thousand (previous year: CHF 232 thousand).

7.4. Capital risk management

Due to the defensive nature of the real estate portfolio with a residential share of > 90% and strong growth, we are aiming for an equity ratio of 30-40% in order to strike the best possible balance between growth and security. We monitor this value closely, as the lower limit is also partly included as a condition in unsecured credit agreements.

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Based on IFRS values		
Total equity	754 862	389 564
Total assets	2 224 487	1 206 377
Equity ratio IFRS	**33.93%**	**32.29%**
Target value according to Audit & Risk Committee investment guideline	30%-40%	30%- 40%
Based on market values		
Market value adjustment		
Difference market values / book values development properties	*8 436*	*14 881*
Tax effect	*-839*	*-3 147*
Total market value adjustment	***7 597***	***11 734***
Equity at market values	762 459	401 298
Total assets at market values	2 232 084	1 218 110
Equity ratio at fair value	**34.16%**	**32.94%**
Target value according to Audit & Risk Committee investment guideline	30%-40%	30%-40%

8 Mortgages, financial liabilities & derivative financial instruments

How we calculate the figures:

We report financial liabilities, mortgages and building loans at amortized cost. Fees for the establishment of lines of credit are, in the case of loans for investment properties, recognized as a deduction from the loan and amortized over the term of the loan using the effective interest rate method. We record effective interest components (paid interest, disagio) in interest expenses; we charge financing costs to the remaining financial expenses. Building loans for development projects are reported as current liabilities with matching maturities.

Derivatives are measured at fair value through profit or loss.

We designate derivative financial instruments as hedges against fluctuating cash flows (cash flow hedges). These are hedges of variable interest rates on financing for investment properties. We recognize the spread from variable interest loans hedged with interest rate swaps in the consolidated statement of income under financial expenses.

We calculate the lease liabilities of the leasehold agreements by discounting the accumulated leasehold payments using the long-term interest rate for corresponding mortgage-backed financing in Germany.

We value other lease liabilities using the average corporate interest rate of the respective company.

We discount non-interest-bearing financial liabilities (fixed dividend obligations) at the average corporate interest rate of the Group over the term.

Non-controlling interests for the GmbH & Co. KGs do not qualify as equity due to the termination options of the minority shareholders and the associated potential severance pay entitlements. These non-interest-bearing financial liabilities are reclassed from equity to other non-current financial liabilities.

in CHF thousands			Dec 31, 2020			Dec 31, 2019
	current financial liabilities	non-current financial liabilities	Total	current financial liabilities	non-current financial liabilities	Total
Amounts due to banks	146 201	0	146 201	0	0	0
Mortgages and building loans	20 466	446 197	466 663	28 358	348 554	376 912
Bonds	0	586 276	586 276	0	263 959	263 959
Syndicated loan ond other property financing	9 000	64 492	73 492	9 000	64 070	73 070
Derivative financial instruments	0	14 828	14 828	0	11 160	11 160
Total property financing liabilities	**175 667**	**1 111 793**	**1 287 460**	**37 358**	**687 743**	**725 101**
Lease liabilities	658	36 692	37 350	511	15 187	15 698
Other non-current financial liabilities	1 029	20 794	21 823	0	516	516
Total other financial liabilities	**1 687**	**57 486**	**59 173**	**511**	**15 703**	**16 214**
Total financial liabilities	**177 354**	**1 169 279**	**1 346 633**	**37 869**	**703 446**	**741 315**

8.1. Bridge financing

In connection with the portfolio acquisitions completed at the end of the year, we concluded an unsecured bridge financing that will be replaced by mortgage loans by the 2nd quarter of 2021:

Volume:	EUR 135 000 thousand
Interest rate:	1.50% p.a.
Term:	December 28, 2020 through April 30, 2021

› The total costs for the bridge financing amounted to CHF 377 thousand.

8.2. EUR bond II

On October 26, 2020, we issued a bond with the following key figures:

Volume:	EUR 300 000 thousand
Issue price:	100%
Interest rate:	4.375% p.a.
Interest payment:	semi-annually on May 15 and November 15
Term:	October 26, 2020 through November 15, 2025
	buy-back opportunity prior to November 15, 2022 at market value
	buy-back opportunity on or after November 15, 2022 at 100% plus accrued interest
Listing:	The International Stock Exchange (Official List)
ISIN:	XS2247301794 (Reg S) / XS2247302099 (144A)

› The total costs for issuance of the bond amounted to CHF 8 966 thousand.

8.3. EUR bond I

On November 15, 2019, we issued a bond with the following key figures:

Volume:	EUR 250 000 thousand
Issue price:	99.238%
Interest rate:	3.50% p.a.
Interest payment:	semi-annually on May 15 and November 15
Term:	November 15, 2019 through February 15, 2023, buy-back opportunity from November 15, 2020 at 100% plus accrued interest
Listing:	The International Stock Exchange (Official List)
ISIN:	XS2010038060 (Reg. S) / XS20110038656 (144A)

- The total costs for issuance of the bond amounted to CHF 6 850 thousand.
- We record the value of the below-par issue as interest expenses over the term of the bond.

8.4. Lease liabilities

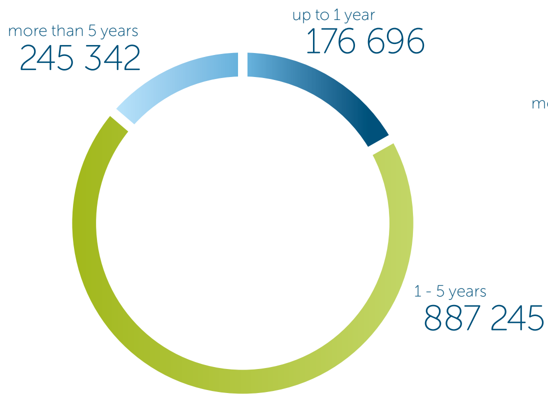
- Lease liabilities consist primarily of leasehold agreements.
- The increase in lease liabilities resulted from the long-term leasehold agreements that have been acquired as part of the portfolios purchases in the reporting year.
- The average interest rate amounted to 2.54% (previous year: 2.50%).
- Also included are the rental contracts for our office premises. These amount to CHF 1 096 thousand as at the end of the reporting year (previous year: CHF 1 353 thousand). The average interest rate amounts to 3.2% (previous year: 3.2%).

8.5. Other non-current financial liabilities

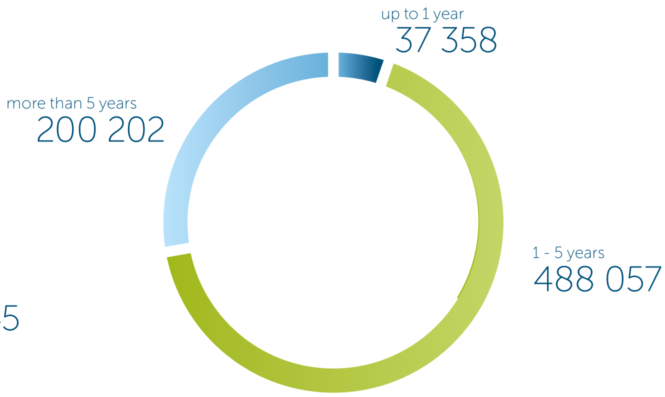
- The increase is explained by the minimum dividend obligations to the minority shareholders of the portfolio companies acquired in the reporting year (see also Note 21).

8.6. Maturity structure

Maturities of financial liabilities 2020
(without lease liabilities)
in CHF thousands

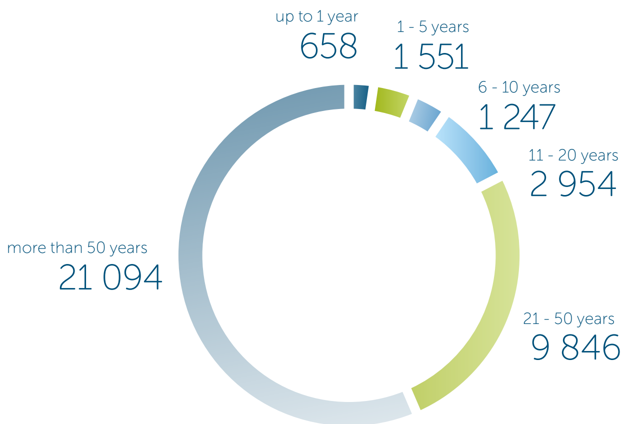


Maturities of financial liabilities 2019
(without lease liabilities)
in CHF thousands

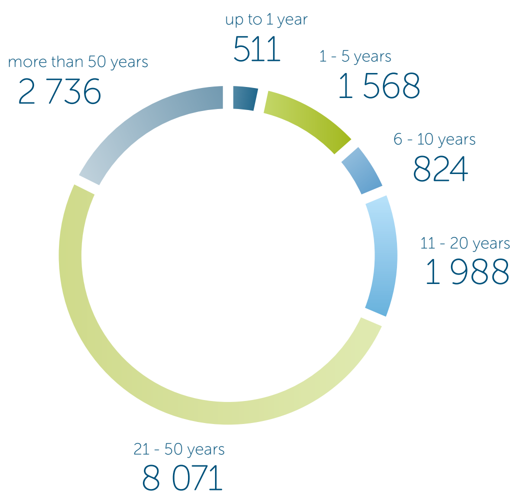


- 86.5% of all financial liabilities were non-current in nature at the end of 2020 (previous year: 94.9%).
- The average residual term is 3.6 years (previous year: 4.2 years) at the end of the reporting year.
- The mortgages have an average term of 4.9 years (previous year: 5.6 years).
- After the bridge financing has been replaced my mortgages by the 2nd quarter of 2021, the share of non-current financial liabilities as well as the average term will return to previous year's levels and reach the targeted minimum average term of 4 years, respectively.
- The mortgages bear an average interest rate of 2.0% (previous year: 2.2%), other property financing liabilities have been charged with an average interest of 3.5% (previous year: 3.6%). The overall average interest rate was 3.0% (previous year: 2.8%).

Maturities of lease liabilities 2020
in CHF thousands



Maturities of lease liabilities 2019
in CHF thousands



- The average residual term is 115 years (previous year: 65 years) for leasehold agreements and 2.5 years (previous year: 3.5 years) for other lease agreements.
- The increase in the average residual term of leasehold agreements relates to leasehold rights acquired through acquisitions in the current year.

8.7. Changes in financial liabilities

in CHF thousands			2020			2019
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Financial liabilities at December 31	37 869	703 446	741 315	38 507	424 402	462 909
IFRS 16 Adjustment - lease liabilities	0	0	0	452	15 554	16 006
Financial liabilities at January 1	**37 869**	**703 446**	**741 315**	**38 959**	**439 956**	**478 915**
Cash-effective additions and disposals	130 881	371 099	501 980	-28 492	292 928	264 436
Change in scope of consolidation – non-cash	1 070	47 510	48 580	8 371	5 289	13 660
Additions lease liabilities – non-cash	59	15 942	16 001	81	379	460
Amortization of lease liabilities	-499	0	-499	-456	0	-456
Adjustment of lease liabilities	62	-250	-188	0	125	125
Reclassification between non-current/current	4 852	-4 852	0	21 047	-21 047	0
Deferred interest and financing costs	55	6 110	6 165	-613	1 018	405
Fair value adjustment of derivatives	0	3 668	3 668	0	6 499	6 499
Foreign currency translation	1 973	6 609	8 582	-1 028	-21 768	-22 796
Other non-cash movements	1 032	19 997	21 029	0	67	67
Financial liabilities at December 31	**177 354**	**1 169 279**	**1 346 633**	**37 869**	**703 446**	**741 315**

8.8. Derivative financial instruments

in CHF thousands	2020	2019
Carrying amount of hedges – liabilities	14 828	11 160
Nominal value of hedges	346 386	250 676
Term	2024 - 2028	2024 - 2028
Hedge ratio	1:1	1:1
Change in carrying amount recognized through the statement of comprehensive income (hedge accounting) – swaps	-3 647	-6 793
Change in carrying amount recognized through the consolidated statement of income – cap	-21	-41
Effectiveness (swaps)	100%	100%
Rate of return on underlying	3-Monats-Euribor	3-Monats-Euribor
Rate of return on hedge	-0.18% / +1.04%	+0.05% / +1.04%
Hedge ratio of variable-interest financing at year-end	99%	97%

› Derivative financial instruments consist exclusively of interest rate hedges for investment property financing entered into in accordance with our risk management strategy (see Note 11).

› As in the previous year, we did not reclassify any reserves from other comprehensive income to the consolidated statement of income in the reporting year.

9 Assets pledged as collateral for own commitments

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Cash and cash equivalents	370	1 208
Development properties	16 569	16 569
Investment properties	458 057	371 033

› The figures shown above indicate the effective charge on the assets pledged for mortgages and building loans. The book value of the of the underlying pledged assets amounts to CHF 1 162 538 thousand (previous year: CHF 750 484 thousand).

10 Financial result

in CHF thousands	2020	2019
Financial expenses		
Interest expenses – third parties	-24 133	-12 229
Interest expenses – related parties	0	-13
Loss from changes in the fair value of financial instruments	-21	-41
Interest expenses related to lease liabilities	-464	-379
Adjustment of lease liabilities	0	-125
Foreign exchange losses	-368	-5 945
Other financial expenses	-4 612	-1 535
Total financial expenses	**-29 598**	**-20 267**
Financial income		
Interest income – third parties	353	44
Foreign exchange gains	3 831	70
Adjustment of lease liabilities	188	0
Other financial income	17	1
Total financial income	**4 389**	**115**

- The increase in interest expenses is largely attributable to financing for the newly acquired portfolios concluded during the reporting year and over the course of the previous year, as well as the EUR bonds issued at the end of October 2020 and in mid-November 2019.
- Other financial expenses include mostly non-cash depreciation of the capitalized issuing costs of financing (EUR bonds and mortgages).
- The positive currency effects amount to CHF 3 463 thousand compared to negative currency effects of CHF 5 875 thousand in the previous year. Currency fluctuations resulted from the strengthening of the EUR against the CHF in the last months of 2020.
- We designated Group loans in the amount of EUR 104 000 thousand (previous year: EUR 104 000 thousand) as net investments in a foreign business operation. The positive foreign currency effects recognized in the consolidated statement of comprehensive income amounted to CHF 33 thousand (previous year: negative currency effects of CHF 4 259 thousand).

11 Financial risk management

11.1. Financial risk factors

Our activities expose us to a variety of financial risks.

Our Group's Audit and Risk Committee and the Board of Directors observe the principles of risk management and monitor to ensure compliance with those principles. Our risk management focuses on the identification, description, management, monitoring and control of default, interest rate, foreign exchange and liquidity risks.

Identified risks	Risk	Risk management
Foreign exchange risk	Fluctuations in the CHF/EUR exchange rate lead to: › Transaction and valuation risks, mainly related to Group loans granted in EUR. › Translation risks of companies with EUR as their functional currency.	› Denomination of revenue in the same currency in which the costs are incurred and denomination of financing in the currency of the asset ("natural hedging"). › Designation of individual long-term Group loans as a net investment in a business operation in order to minimize fluctuations in the consolidated statement of income. › Foreign exchange risks are not hedged by derivative instruments.
Interest rate risk	› Rising interest rates make financing for investment and development properties more expensive.	On the basis of our risk management strategy, we generally finance investment properties at fixed interest rates for 4 - 6 years. › Concluding long-term fixed-rate financing and monitoring of average maturities. › Hedging variable-rate mortgages and building loans by means of interest rate swaps or collars. › We refrain from speculative trading in derivative financial instruments. › Loans from and to associates and related parties have fixed interest rates.

Credit risk	› Default risk on rent and trade receivables, financial receivables and cash and cash equivalents.	› Obtaining creditworthiness information (e.g. SCHUFA, debt collection register extracts and information on income) for new rentals. › Timely management of outstanding amounts, generally passing these on to a lawyer or debt collection agency after the second reminder. › Payment guarantees from banks for the sale of condominiums; units are generally only transferred after full payment has been rendered or the purchase price has been deposited on a notary escrow account. › Bank balances invested with good to top-rated counterparties (banking institutions with ratings of BBB+ to AAA). › Financial receivables: Continuous monitoring of recoverability. Impairments are made in line with the expected losses. › Details on losses on receivables are given in the disclosures for the respective balance sheet items.
Liquidity risk	› Insufficient cash and cash equivalents to service and repay liabilities. › Lines of credit insufficient for financing further growth.	› Short- and medium-term rolling planning of cash and cash equivalents at Group level. › Availability of sufficient liquid funds. › Ongoing monitoring of amortization, reporting and repayment obligations at Group level. › Early involvement of financing institutions in the new property acquisition process. › Securing lines of credit at Group level.

11.1.1. Foreign exchange risks

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Group-wide financial receivables with CHF/EUR risk	572 536	323 944
Group-wide financial liabilities with CHF/EUR risk	7 972	2 342
Net risk exposure	**564 564**	**321 602**
Impact of a 5% strengthening of the EUR (positive) / 5% weakening of the EUR (negative)		
Consolidated statement of income	22 582	10 436
Consolidated statement of comprehensive income	5 646	5 644
Effect on total equity	**28 228**	**16 080**

11.1.2. Interest rate risk

We have concluded both fixed-rate and variable-rate financing. We generally use interest rate swaps or collars with fixed rates to hedge variable-rate financing for a period of 4 to 6 years:

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Fixed-rate financial liabilities	922 428	457 239
Unhedged variable-rate financial liabilities	0	7 384
Hedged variable-rate financial liabilities, without hedge accounting	5 166	5 268
Hedged variable-rate financial liabilities, with hedge accounting	345 038	244 050
Non-interest-bearing financial liabilities	21 823	516
Financial liabilities and mortgages	**1 294 455**	**714 457**

Interest rate sensitivities:

- We do not recognize any fixed-rate financial liabilities at fair value, so that a change in the interest rate environment does not affect the consolidated statement of comprehensive income.
- We use hedge accounting for all derivative financial instruments, with the exception of a collar for CHF 5 166 thousand (previous year: CHF 5 268 thousand). The impact of market value adjustments on the consolidated statement of income is therefore immaterial.
- All calculations are based on the carrying amounts of the financial instruments on the balance sheet date.

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Change in interest rate	+ / - 0.5%	+ / - 0.5%
Impact on interest expenses	**0**	**37**

Interest payments (pure interest charge without reversing transaction costs) for financial liabilities (including hedges) break down as follows:

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Non-interest-bearing financial liabilities	21 823	516
Financial liabilities up to and including 1.00%	26 525	23 810
Financial liabilities up to and including 2.00%	396 167	158 522
Financial liabilities up to and including 3.00%	198 417	193 786
Financial liabilities up to and including 4.00%	331 917	337 823
Financial liabilities up to and including 5.00%	319 606	0
Total interest-bearing financial liabilities	**1 294 455**	**714 457**

Interest coverage ratio:

To ensure that liabilities can always be serviced, even with rising interest rates, we strive to maintain an interest coverage ratio of at least 1.5. With the exclusion of proceeds and expenses that do not impact liquidity, the corresponding ratios are as follows:

in CHF thousands	**2020**	2019
Operating result (EBIT)	178 563	129 827
Depreciation and amortization	876	566
Valuation result of investment properties	-156 192	-113 424
Reversal of impairment loss on development properties	0	-2 456
Share-based payment compensation	1 601	1 940
Other non-cash personnel expenses	1 281	1 061
Adjusted operating result	**26 129**	**17 514**
Interest expense	24 133	12 242
Interest coverage ratio	**1.08**	**1.43**
Adjusted interest coverage ratio	**1.24**	**1.60**

- In the reporting year as well as the previous year we fell short of the targeted interest coverage ratio due to the time mismatches between the issue of the EUR bonds (October 26, 2020 and November 15, 2019) as well as the mandatory convertible bond (October 16, 2020) and the completion of the purchases of the 10 287 and 3 672 residential units (December 31, 2020 and 2019). Excluding the interest expense of CHF 3 078 thousand for the 65- and 75-day mismatches in the reporting year (previous year: CHF 1 304 thousand for 45 days) the interest coverage ratio was at 1.24 (previous year: 1.60).
- The integration of the new acquisitions at the end of 2020 will significantly increase rental income. Together with the resulting economies of scale, we expect the targeted interest coverage ratio to be achieved again in 2021.

11.1.3. Liquidity risk

Contractual maturities: The following table shows the undiscounted contractual maturity dates of our financial liabilities, trade payables and other payables:

in CHF thousands	0 - 3 Monate	4 - 6 Monate	7 - 12 Monate	1 - 5 Jahre	> 5 Jahre	Total
December 31, 2020						
Trade and other payables [1, 2]	29 974	976	4 438	10	0	**35 398**
Financial liabilities	14 480	165 709	35 795	999 598	248 740	**1 464 322**
December 31, 2019						
Trade and other payables [1, 2]	15 821	2 555	1 149	0	0	**19 525**
Financial liabilities	21 523	19 975	13 532	539 087	200 471	**794 588**

1 Excluding advance payments.
2 Items not impacting liquidity in the amount of CHF 1 281 thousand are not included (previous year: CHF 1 061 thousand).

- The table above is based on the terms contractually agreed with the lending banks; implicit agreements regarding extensions are in place in some cases but are not taken into account here.
- Financial liabilities due within 4 - 6 months mainly consist of a bridge financing agreement in the amount of CHF 146 570 thousand as well as interest and amortization payments. In the previous year, these were mainly a mortgage financing agreement in the amount of CHF 7 384 thousand as well as interest and amortization payments.
- The "1 - 5 years" category includes a syndicated loan of CHF 65 142 thousand (previous year: CHF 65 123 thousand) and the EUR bonds of CHF 597 135 thousand (previous year: 271 344 thousand).

Loan-to-value-ratio:

- To ensure that the financial liabilities are always sufficiently secured, even with potentially falling values of our real estate portfolio, we strive for a maximum loan-to-value (LTV) ratio of 60% and a maximum secured LTV ratio of 40%. In the mid-term, the total LTV ratio should fall to 55%.
- For the last two years, the corresponding ratios were as follows:

in CHF thousands	**2020**	2019
Total market value of real estate portfolio (investments and development properties) incl. advance payments for investment properties [1]	2 086 473	1 120 493
Total net financial liabilities without lease liabilities and market value of derivative financial instruments [2]	1 204 976	668 209
Loan-to-value ratio	**57.8%**	**59.6%**
Total market value of real estate portfolio (investments and development properties without right-of-use assets) incl. advance payments for investment properties [1]	2 086 473	1 120 493
Total net financial liabilities secured by mortgages [2]	399 007	330 664
Secured loan-to-value-ratio	**19.1%**	**29.5%**

1 Market value for development properties as per Note 7.4.
2 Less cash and cash equivalents.

Lending arrangement clauses:

- For the EUR bonds as well as for the syndicated loan, there are lending arrangement clauses based on the interest coverage ratio and loan-to-value ratio. We complied with these clauses in the reporting as well as in the previous year. However, some of the lending agreement clauses may restrict us from raising additional funds over the next few years.

11.2. Determination of fair value

We determine the fair value of financial instruments traded on active markets based on the closing price at the balance sheet date.

For financial instruments that are not traded on active markets, we determine fair value using other appropriate valuation methods, which may include current transactions of similar financial instruments, quoted market prices for similar financial instruments or discounted cash flow (DCF) calculations.

The only financial instruments held at fair value relate to derivative financial instruments used to hedge interest rate risks. The market values are based on the current yield curves of the forward interest rates and correspond to the bank valuations available at the balance sheet date.

Valuations of financial instruments are shown according to the following hierarchy:

(1) market prices quoted in active markets for identical assets or liabilities (Level 1);
(2) information that does not correspond to Level 1 information, but is directly or indirectly observable on the market (Level 2);
(3) information that cannot be observed on the market (Level 3).

11.2.1. Financial instruments at fair value

The following table shows the financial liabilities measured at fair value at December 31:

in CHF thousands	**Dec 31, 2020**	Dec 31, 2019
	Level 2	**Level 2**
Liabilities		
– Derivatives held for trading purposes	101	76
– Derivatives held as hedging instruments	14 727	11 084

11.2.2. Financial instruments measured at amortized cost and their market values

We hold financial instruments that are not measured at fair value. For the majority of these instruments, the fair values do not differ materially from the carrying amounts, as the interest receivable/payable is either largely equivalent to the market values or they are short-term instruments.

We determine the market values of non-current, fixed-rate financial liabilities (mortgages, loans) by discounting future cash flows at the current interest rate available for similar instruments.

Unrecognized differences were identified for the following instruments as of December 31:

		Dec 31, 2020		Dec 31, 2019
in CHF thousands	Market value	Carrying amount	Market value	Carrying amount
Non-current financial liabilities measured at amortized cost				
Non-current mortgages	446 066	446 197	347 306	348 554
Non-current financial liabilities excluding lease liabilities	676 335	671 562	330 272	328 545
Non-current lease liabilities	37 410	36 692	15 971	15 187
Total	1 159 811	1 154 451	693 549	692 286

- There are no differences between the market value and the carrying amount of non-current financial receivables.
- All financial instruments are assigned to Level 2.
- There were no transfers between the individual levels in either the reporting year or the previous year.
- There were no netting agreements to be reported at December 31, 2020, as in the previous year.

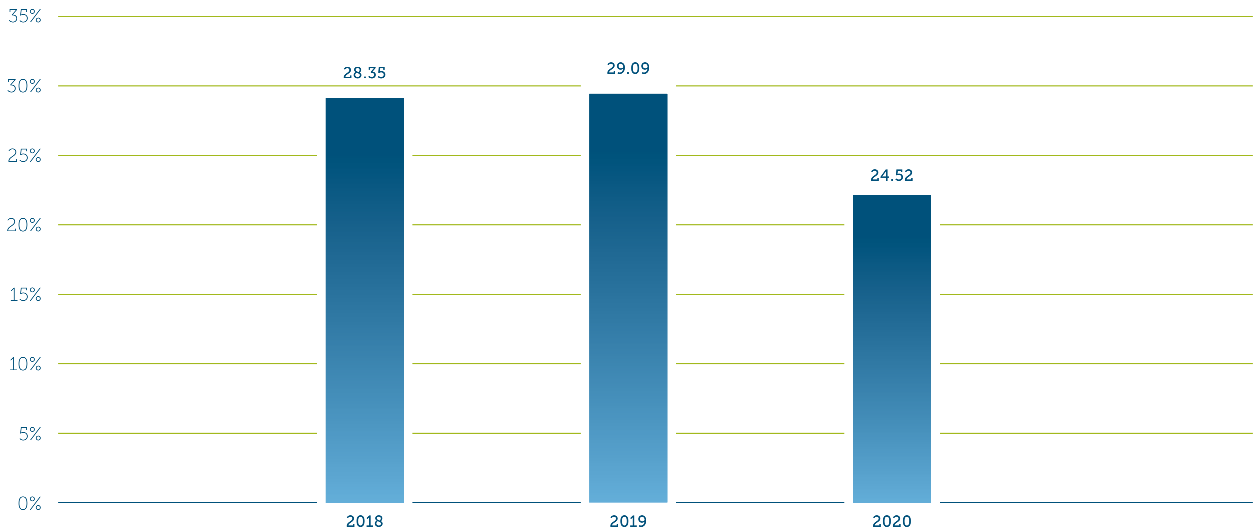
Platform costs

12 Personnel expenses

How we calculate the figures:

Personnel expenses comprise all costs incurred, including social insurance and pension costs. Share-based compensation is recognized over the vesting period. We capitalize our own services for properties under development as own work based on hourly reports and current hourly rates.

Personnel expenses as a% of the rental income



in CHF thousands	2020	2019
Salaries	-9 652	-7 742
Social insurance cost	-1 567	-1 331
Employee benefits – defined benefit plan	7	-99
Employee benefits – defined contribution plan	-200	-180
Share-based compensation	-1 601	-1 940
Other personnel expenses	-620	-544
Capitalized own services	209	514
Total personnel expenses	**-13 424**	**-11 322**
Headcount as of December 31	119	78

- The decrease in personnel expenses in relation to the rental income mainly resulted from the acquisition of 3 672 residential units at the end of the previous year and the economies of scale and efficiency gains achieved.
- The absolute increase in personnel expenses is largely due to the increase in the number of employees due to the further growth and insourcing of administrative expenses.

13 Employee benefit obligations

How we calculate the figures:

We have both defined benefit and defined contribution plans.

All employees in Germany are covered by a state-run defined contribution plan. The German Group companies do not offer any occupational pension plan. The employer's contributions are paid into the statutory pension scheme. Employees have no direct entitlements from the employer.

Employees in Switzerland are affiliated with a collective foundation for the mandatory portion of pension provision up to an insured salary of CHF 147 thousand. This plan is accounted for as a defined benefit plan in accordance with IAS 19. The non-mandatory portion of pension provision on insured salary exceeding CHF 147 thousand is insured by a collective foundation for non-mandatory occupational benefits. This plan is not accounted for as a defined benefit plan, since an actuarial valuation in accordance with IAS 19 would not lead to any significant adjustments due to the risk structure (investment risk fully borne by the employee, longevity risk mainly borne by the foundation, no contractual or factual additional funding obligations). The materiality of unrecognized effects is reviewed periodically.

Key assumptions and estimates:

We are exposed to a number of potential risks related to the defined benefit plan in Switzerland due to post-employment benefits:

Discount rate
The actuarial calculation uses a discount rate based on the interest rate on corporate bonds with good credit ratings. A change in the discount rate has a direct impact on the employee benefit obligations.

Inflation risk
Pension benefits are linked to inflation, and higher inflation will lead to higher liabilities. In Switzerland, the inflation rate deviates only marginally from the long-term average rate. Furthermore, there is either little correlation between major asset classes and fluctuations in inflation rates (stocks) or no correlation (fixed-rate bonds), so that an increase in inflation will not lead to major fluctuations.

Life expectancy
The plan includes the obligation to pay the benefits for the remainder of the member's life, meaning that an increase in life expectancy results in an increase in the plan's liabilities.

The pension liabilities shown in the Consolidated statement of financial position are measured as follows:

in CHF thousands			Dec 31, 2020	Dec 31, 2019
	Swiss employee benefit plan	German Pension Plan	Total	Swiss employee benefit plan
Fair value of plan assets	3 104	957	4 061	2 953
Present value of employee benefit obligations	-4 406	-4 219	-8 625	-4 227
Funded status	**-1 302**	**-3 262**	**-4 564**	**-1 274**

› In the year under review, we assumed pension obligations in the amount of CHF 3 262 thousand as part of the acquisitions made, which were accounted for as a defined benefit plan.

Movement in the employee benefit obligations and plan assets:

in CHF thousands			2020	2019
	Swiss employee benefit plan	German Pension Plan [1]	Total	Swiss employee benefit plan
Present value of the obligation at January 1	**-4 227**	**-4 217**	**-8 444**	**-3 616**
Current service cost	-122	0	-122	-99
Interest expense	-13	-41	-54	-33
Past service cost from changes in the plan and settlements	129	0	129	0
Total pension benefits	**-4 233**	**-4 258**	**-8 491**	**-132**
Actuarial gains and losses due to changes in financial assumptions	-103	-117	-220	-364
Experience-based adjustments	-45	-35	-80	-69
Total revaluations	**-4 381**	**-4 410**	**-8 791**	**-433**
Employer contributions	-84	0	-84	-77
Paid out benefits	59	191	250	31
Present value of the obligation at December 31	**-4 406**	**-4 219**	**-8 625**	**-4 227**

in CHF thousands			2020	2019
	Swiss employee benefit plan	German Pension Plan [1]	Total	Swiss employee benefit plan
Fair value of plan assets at January 1	**2 953**	**991**	**3 944**	**2 712**
Interest income	9	10	19	25
Return on plan assets (less interest income)	33	-44	-11	93
Employee contributions	84	0	84	77
Employer contributions	84	0	84	77
Paid out benefits	-59	0	-59	-31
Fair value of plan assets at December 31	**3 104**	**957**	**4 061**	**2 953**

1 Increase in scope as per December 31, .2020. The development of the fair value of plan assets and pension obligation is disclosed for the full reporting year and has no impact on the consolidated statement of income or the consolidated statement of comprehensive income.

We have made the following actuarial assumptions:

Actuarial assumptions	Dec 31, 2020		Dec 31, 2019
	Swiss employee benefit plan	German Pension Plan	Swiss employee benefit plan
Discount rate	0.15%	0.78%	0.30%
Inflation	1.00%	1.00%	1.00%
Expected salary increases	1.50%	2.35%	1.50%
Expected increase in pension benefits	0.00%	1.60%	0.00%
Biometric assumptions	BVG 2015 (GT)	Reference guidelines 2018 G	BVG 2015 (GT)

› For 2021, we expect contributions of CHF 83 thousand (previous year: CHF 83 thousand).

The sensitivity of employee benefit obligations to changes in the weighted main assumptions is as follows:

in CHF thousands		Dec 31, 2020		Dec 31, 2019	
		Impact on obligation		Impact on obligation	
	Change Assumption	Increase Assumption	Decrease Assumption	Increase Assumption	Decrease Assumption
Discount rate	0.50%	0.65%/1.28%	-0.35%/0.28%	0.80%	-0.20%
Effect on the employee benefit obligations		-573	757	-307	410
Salary increases (only Swiss employee benefit plan)	0.50%	2.00%	1.00%	2.00%	1.00%
Effect on the employee benefit obligations		56	-52	54	-51
Rent increases (only Pensioners plan)	0.25%	1.85%	1.35%	n.a.	n.a.
Effect on the employee benefit obligations		43	-42	n.a.	n.a.

The sensitivity analysis is based on the assumption that one component changes while all others remain constant. Sensitivities were calculated using the same method that was used to determine the employee benefit obligations in the consolidated statement of financial position. We have not made any changes to the methods and types of assumptions used in the previous year.

The plan assets are broken down as follows:

Asset allocation in %			Dec 31, 2020		Dec 31, 2019	
	Swiss employee benefit plan	German Pension Plan	Total	Total		
(Quote prices in active markets)	in CHF thousands	in CHF thousands	in CHF thousands	in%	in CHF thousands	in%
Cash and cash equivalents	22	48	70	2	21	1
Equities	965	86	1 051	26	1 314	44
Bonds	1 381	823	2 204	54	918	31
Real estate	587	0	587	14	558	19
Other	149	0	149	4	142	5
Total	**3 104**	**957**	**4 061**	**100**	**2 953**	**100**

- The plan assets do not include any financial instruments or real estate belonging to Peach Property Group. Assets and liabilities are managed at the pension plan level in accordance with Swiss BVG law or enacted German law.
- The weighted average duration of defined benefit plans is 21.5 years (previous year: 21.7 years).

14 Option programs

How we calculate the figures:

The following employee participation plans exist:

- Plans 2018, 2019 and 2020, which were designed to attract and retain selected members of the Board of Directors, Executive Management and senior management.
- Plan 2014, which was used to grant stock to three members of the Executive Committee in order to satisfy employment contract entitlements.
- Plan 2017 was exercised after the Annual General Meeting in 2020
- Plan 2016 was exercised after the Annual General Meeting in 2019.

The plans constitute additional compensation in the form of stock granted at reduced prices. All plans are equity settled.

Costs incurred in connection with the option plans are recognized in the consolidated statement of income over the vesting period under personnel expenses with a contra entry in equity. The vesting period is the period during which an unrestricted right is acquired to the options granted. The value of the stock options equals the fair value of the option on the date of granting. Vesting conditions that do not depend on the market value are included in the assumption about the number of options that are expected to vest. The assumptions are reviewed at the end of each period and an adjustment is recognized in the consolidated statement of income if necessary. Conditions that depend on a market value are factored into the fair value on the issue date.

When the options are exercised, the Company issues new shares or transfers treasury shares. The proceeds received from the issue of shares, net of any directly attributable transaction costs, are credited to share capital (nominal value) and capital reserves (share premium) when the options are exercised.

The social insurance contributions that become due in connection with the granting of options are treated as part of the grants, and the expense is recorded as cash-settled compensation transactions.

14.1. Plans 2020, 2019, 2018, 2017 and 2016

- In the reporting year and the previous year, the Board of Directors approved new performance stock unit plans (PSU) for share-based compensation (Plan 2020 or Plan 2019, respectively). Decisions regarding the granting of stock are made by the Board of Directors. Cumulated maximum rights to stock shall not exceed 3% of the Company's total issued capital stock as measured based on the respective holdings at any one time.
- Under the PSU programs, entitlements are granted to program participants in the form of PSUs (performance stock units), which represent an entitlement of up to two shares per PSU, depending on the level of target achievement over the performance period (share price and cumulated Group earnings over 3 years in equal parts), provided the beneficiary is still employed by the Peach Property Group at the time of vesting at the end of the performance period (Annual General Meeting for last year of the performance period). We have no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.
- The shares are allocated no later than six months after vesting without any further action on the part of the beneficiaries.
- With the approval of the 2019 financial statements by the Annual General Meeting in 2020, the vesting took place and closed the period for Plan 2017. All PSUs were exercised with a factor of 2.
- With the approval of the 2018 financial statements by the Annual General Meeting in 2019, the vesting took place and closed the period for Plan 2016. All PSUs were exercised with a factor of 2.

The fair value was calculated using a Monte Carlo model for the sub-target "market capitalization". The following material calculation parameters were used:

	Plan 2020	Plan 2019	Plan 2018	Plan 2017	Plan 2016
Issue date	June 2, 2020	May 10, 2019	Aug. 31, 2018	May 16, 2018	May 12, 2017
Measurement years for accumulated Group result	2020 - 2022	2019 - 2021	2018 - 2020	2017 - 2019	2016 - 2018
End of performance period	2023 AGM	2022 AGM	2021 AGM	2020 AGM	2019 AGM
Effective date share price	Feb. 6, 2023	Feb. 4, 2022	Feb. 4, 2021	Feb. 5, 2020	n.a.
Effective date market capitalization	n.a.	n.a.	n.a.	n.a.	Jan. 31, 2019
End of blocking period	2023 AGM	2022 AGM	2021 AGM	2020 AGM	2019 AGM
Accumulated Group result before tax	n.a.	n.a.	approved long-term plan	approved long-term plan	approved long-term plan
Accumulated Group result after taxes	approved long-term plan	approved long-term plan	n.a.	n.a.	n.a.
Number of stocks at the time of issue	n.a.	n.a.	n.a.	n.a.	5 414 477
Share price when issued in CHF	36.40	29.60	33.50	29.90	22.30
Risk-free interest rate	-0.62%	-0.57%	-0.41%	-0.40%	-0.60%
Volatility	28.67%	25.04%	24.42%	24.68%	24.75%
Market value of PSUs on date of issue in CHF	26.79	20.98	32.37	32.05	23.69

14.2. Plan 2014

The allocation was made free of charge and entitles the beneficiaries to acquire a registered share of Peach Property Group AG upon payment of the exercise price of CHF 11.00 per option. The options can be exercised after the vesting periods have expired, provided that the beneficiaries are still working for the Group on the exercise date. No performance conditions or objectives were agreed.

The options expire 11 years after the grant date (i.e. in 2025) or 30 days after termination of the employee's contract. We have no legal or constructive obligation whatsoever to repurchase or settle the options in cash.

Outstanding and exercisable options of Plans 2014-2020

	Plan 2020	Plan 2019	Plan 2018	Plan 2017	Plan 2016	Plan 2014 [1]
Outstanding options/PSUs on January 1, 2019	**0**	**0**	**36 500**	**35 500**	**56 000**	**40 000**
Exercisable options/PSUs on January 1, 2019	**0**	**0**	**0**	**0**	**0**	**40 000**
Options allocated	0	41 500	0	0	0	0
Options exercised	0	0	0	0	-56 000	0
Options forfeited	0	0	0	0	0	0
Outstanding options/PSUs on December 31, 2019	**0**	**41 500**	**36 500**	**35 500**	**0**	**40 000**
Exercisable options/PSUs on December 31, 2019	**0**	**0**	**0**	**0**	**0**	**40 000**
Options allocated	42 000	0	0	0	0	0
Options exercised	0	0	0	-35 500	0	0
Options forfeited	-500	0	0	0	0	0
Outstanding options/PSUs on December 31, 2020	**41 500**	**41 500**	**36 500**	**0**	**0**	**40 000**
Exercisable options/PSUs on December 31, 2020	**0**	**0**	**0**	**0**	**0**	**40 000**

[1] On December 21, 2020, the eligible member of the Executive Board exercised his options. Settlement did not take place until January 3, 2021, therefore the options were not derecognized at year end.

› We charged CHF 1 601 thousand (excluding social insurance benefits) to the consolidated statement of income for Plans 2016-2020 during the reporting year (previous year: CHF 1 940 thousand).

15 Compensation of members of the Board of Directors and Executive Management

15.1. Remuneration and compensation of members of the Board of Directors and the Executive Management

in CHF thousands	2020			2019		
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Fixed remuneration, cash	250	880	1 130	250	880	1 130
Variable remuneration, cash	0	691	691	0	763	763
Fixed remuneration, stock	247	0	247	263	0	263
Variable remuneration, stock	0	539	539	0	391	391
Options	356	593	949	430	759	1 189
Social insurance and fringe benefits	15	424	439	43	473	516
Total	**868**	**3 127**	**3 995**	**986**	**3 266**	**4 252**

15.2. Shares and options held

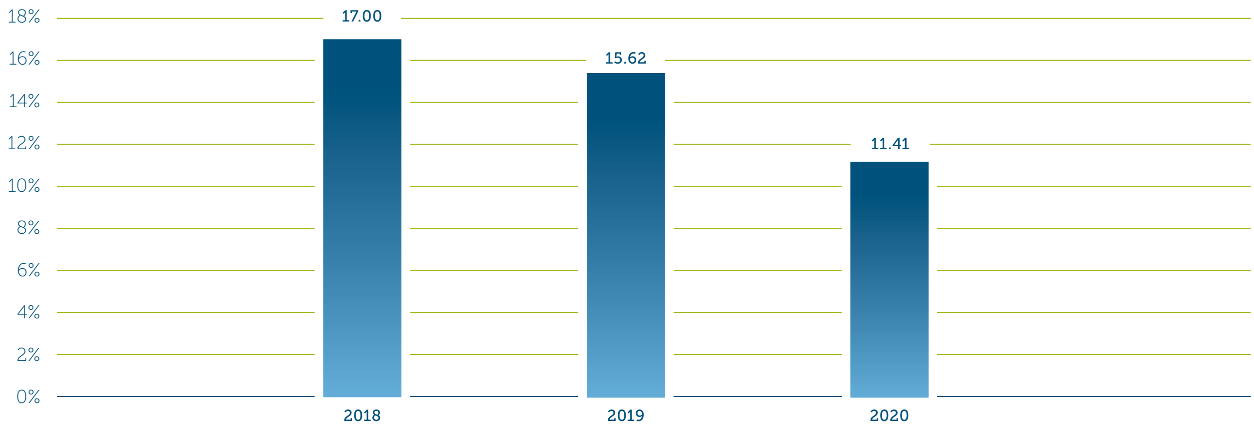
	Dec 31, 2020			Dec 31, 2019		
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Number of shares	196 651	784 793	981 444	172 140	808 264	980 404
Number of options [1]	27 000	86 500	113 500	26 000	83 500	109 500

[1] On December 21, 2020, the eligible member of the Executive Management exercised his options. Settlement did not take place until January 3, 2021, therefore the options are not included in the options held at the end of 2020.

- Senior office staff act as managing directors in some of the property companies. However, these individuals are not members of the Group's Executive Management. Members of the Boards of Directors of subsidiaries do not receive any remuneration for their activities.
- There are no post-employment benefit obligations to (former) members of the Board of Directors or Executive Management, nor are there any obligations to them in the event of termination of employment.
- We have not granted any loans to members of the Board of Directors or Executive Management.
- In the reporting year, we paid Dr. Christian De Prati an arrangement fee of CHF 385 thousand for outlays in connection with the mandatory convertible bond placements, which is customary. No such compensation arose in the previous year.

16 Other operating expenses

Other operating expenses as a% of rental income



in CHF thousands	2020	2019
Fees and consulting expenses, third parties	-2 012	-1 946
Fees and consulting expenses, related parties	-515	-517
IT expenses	-1 162	-712
Capital taxes, input tax deductions and other taxes	-174	-542
Other operating expenses, third parties	-2 385	-2 224
Other operating expenses, related parties (occupancy costs)	0	-138
Total other operating expenses	**-6 248**	**-6 079**

- Despite the significant growth, other operating expenses remained largely unchanged in the reporting year.
- The fees and consulting expenses mainly include the costs for the semi-annual property valuation as well as expenses for ongoing tax advice and declarations and the auditing of the annual accounts. In the previous year, this also included the costs in connection with the reorganization of the corporate structure and the tax audit of various German Group companies
- As in the previous year, the fees and consulting expenses, related parties include the fees for the Board of Directors.

17 Taxes

How we calculate the figures:

Income taxes include current and deferred income taxes. Income taxes are recorded in the consolidated statement of income, except for income tax on transactions directly recorded in other comprehensive income or directly in equity.
The current income tax charge is calculated as the expected income tax due on the relevant taxable income. The calculation is based on the tax rates applying or announced at the balance sheet date.

Measurement of deferred income tax takes into account the expected timing, nature and manner of realization or repayment of the corresponding assets and liabilities. The tax rates applied are those prevailing or announced at the reporting date. Deferred income tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Key assumptions and estimates:

Income taxes
Corresponding collateral was provided for property gains taxes incurred in connection with the sale of the condominium units of the "Wollerau Park" project. The final assessment is however still pending. It is possible that the final assessment could differ from the amounts taken into account in the reporting year (expected credit of CHF 2 410 thousand).

Deferred taxes
There are material deferred tax assets from tax loss carryforwards for the service and investment companies. Deferred tax assets from accumulated losses carried forward are recognized if we expect future earnings in the respective companies. In the case of development companies in particular, if the sale of the current property does not result in the use of all the existing losses brought forward, we analyze whether a new property from the acquisition pipeline should be sold into the company in question. If so, we capitalize losses carried forward within the scope of the expected profit or in the amount of the temporary differences.

Gains from the sale of real estate are subject to real estate gains tax in various cantons in Switzerland. The amount of this tax expense is significantly affected by the length of time the property was held. We estimate the holding period for each investment property as well as the applicable tax rate in the event of a sale and then calculate the deferred taxes on this basis. If the effective holding period differs from the estimated period, the tax burden in the event of the sale of a property may differ significantly from the deferred taxes recorded.

2019 reorganization of our corporate structure

We received a positive response to our ruling request regarding the tax-neutral reorganization of the German corporate structure on August 1, 2019. This ruling enabled us to merge the former German development company Yoo Berlin GmbH & Co. KG with its sister companies VD Harvestehuder Weg I GmbH & Co. KG, VD Harvestehuder Weg II GmbH & Co. KG, VD Berlin Chausseestrasse 106 GmbH & Co. KG and Am Zirkus 1 GmbH & Co. KG in a way that is tax neutral and without reducing the existing loss carryforwards, and as a result significantly streamline the corporate structure (for further details, see Note 21). Through the sale of the stake in Peach Property Group (Deutschland) AG by Peach German Properties AG to Yoo Berlin GmbH & Co. KG, which has rebranded as Peach Property Management GmbH & Co. KG, as well as the transfer of the operating business from Peach Property Group (Deutschland) AG to Peach Property Management GmbH & Co. KG, it has become possible to combine all German Group companies under one holding company.

In the previous year, the reorganization had the following key effects on the current and deferred taxes for the Group:

- Under commercial law, the sale of the stake in Peach Property Group (Deutschland) AG was at market value plus transaction costs. As a result, non-capitalized tax losses totaling CHF 18 856 thousand were used in Peach German Properties AG. For the profit exceeding the loss carryforwards, a 100 per cent participation deduction took effect.
- Impairments of loans and equity investments required under commercial law with regard to the merged German GmbH & Co. KGs (limited partnerships with limited liability companies as the general partner) in the sum of CHF 48 889 thousand at the level of the Peach Property Group AG, Peach German Properties AG and the Peach Property Group (Deutschland) AG were reversed, as these are recoverable in terms of income value in the new structure. This reversal reduced the loss carryforwards available in the companies.
- We assessed the differences between financial statements based on local GAAP and IFRS that resulted from the impairment of equity investments and loans as permanent. The reversal of the impairments thus did not lead to a reversal of any deferred tax liabilities.
- At the Peach Property Group Management GmbH level, we capitalized non-capitalized loss carryforwards from the previous years, which led to a reduction in the tax expenses.

Tax Reform 17

- The Tax Reform 17 led to a reduction in corporate income tax rates for the Swiss Group companies and to cuts in capital taxes at Peach Property Group AG and Gretag AG. Gretag AG was also able to claim an imputed interest deduction. The total impact amounted to CHF 599 thousand.

17.1. Income taxes

in CHF thousands	2020	2019
Current income taxes	-1 627	1 257
Deferred taxes	-24 445	-19 928
Total income tax expenses	**-26 072**	**-18 671**

Result before taxes	**153 354**	**109 675**
Income taxes at a rate of 17.0% (2019: 17.0%)	-26 070	-18 645
Tax rate differences	76	0
Participation reduction	0	323
Adjustment of final assessment 2013 - 2016 / property gains taxes for Gretag AG	0	2 451
Capitalized loss carryforwards from previous years	545	1 994
Use of non-capitalized loss carryforwards	0	2 734
Non-capitalized loss carryforwards / reversal of capitalized loss carryforwards	-360	-172
Reversal of permanent differences	0	-8 704
Other effects	-264	1 348
Total income tax expenses	**-26 072**	**-18 671**

- Due to the positive valuation results and final tax assessments, we were able to capitalize additional loss carryforwards from prior years.
- We released capitalized loss carryforwards in the amount of CHF 360 thousand to the consolidated statement of income following transfer agreements which were concluded that in effect trap existing loss carryforwards.
- The other effects mainly relate to adjustments of tax accruals based on tax assessments received.
- In the previous year, we received the final assessments for Gretag AG for the years 2013 - 2016. This resulted in a credit amounting to CHF 2 451 thousand.
- The prior year effects of the items Capitalized loss carryforwards from previous years, Use of non-capitalized loss carryforwards, and Reversal of permanent differences, relate mainly to the reorganization of the German Group structure explained in detail above.

17.2. Deferred taxes

in CHF thousands	Dec 31, 2020 Assets	Dec 31, 2020 Liabilities	Dec 31, 2019 Assets	Dec 31, 2019 Liabilities
Development properties	0	1 784	0	1 764
Investment properties	0	79 063	0	49 813
Other assets	27	307	24	330
Lease liabilities	3 362	0	2 523	0
Derivative financial instruments	2 371	0	1 785	0
Other liabilities and provisions	656	830	269	242
Loss carryforwards	22 570		19 315	
Total	**28 986**	**81 984**	**23 916**	**52 149**
Amounts to be netted	-8 559	-8 559	-5 419	-5 419
Deferred tax assets	**20 427**		**18 497**	
Deferred tax liabilities		**73 425**		**46 730**

in CHF thousands	2020 Assets	2020 Liabilities	2019 Assets	2019 Liabilities
Deferred taxes at January 1	18 497	46 730	19 552	30 442
Recognized in the income statement for the period	1 277	27 072	-1 635	17 618
Recognized in other total comprehensive income	598	0	1 162	0
Foreign currency translation	55	-377	-582	-1 330
Deferred taxes at December 31	**20 427**	**73 425**	**18 497**	**46 730**

17.3. Loss carryforwards

› Non-capitalized loss carryforwards mainly relate to loss carryforwards from Group companies without profit and loss transfer agreements, where the loss carryforward exceeds the temporary difference liability.

Loss carryforwards expire as follows:

		Dec 31, 2020		Dec 31, 2019
in CHF thousands	Total	thereof not capitalized	Total	thereof not capitalized
Expiration in 1-3 years	0	0	3 984	0
Expiration in 4-7 years	470	0	6 821	0
Expiration after more than 7 years / no expiration	146 945	9 210	116 646	10 215
Total	**147 415**	**9 210**	**127 451**	**10 215**

17.4. Unrecognized permanent differences

› Due to the reorganization of the German Group structure, differences estimated as permanent were reversed to the amount of CHF 49 167 thousand in the previous year.

› Due to participation deductions and profit transfer agreements, no deferred taxes were recognized on profits carried forward.

Other disclosures

18 Working Capital

How we calculate the figures:

Cash and cash equivalents:
Current account liabilities due to banks are reported under current financial liabilities.

Trade and other receivables:
We measure trade receivables and other receivables at amortized cost, as only the contractually agreed cash flows and interest are recognized (SPPI test).

There are no factoring or other agreements for trade receivables under which receivables are resold. We apply the simplified approach for these items and recognize the expected loss over the entire term.

The expected loss over the entire term is calculated for outstanding rent receivables on the basis of the actual rent per portfolio or profit center. The impairment rates amounted to between 0.5% and 12.5% in the reporting year.

We define the loss rates for actual rents on the basis of historical loss rates, the tenant structure (current payment and eviction disputes) and expected economic developments at the respective locations of the portfolios.

Due to existing payment guarantees and the fact that condominiums are only handed over after payment has been rendered or the purchase price has been deposited in a notary escrow account, trade receivables related to the sale of condominiums or contract assets do not have an effect on impairments.

In the case of other receivables, we recognize a 12-month ECL (expected credit loss), provided the credit risk has not deteriorated since initial recognition. The items mainly comprise receivables from VAT and income taxes, receivables from insurance companies and expected settlement amounts from future utilities statements. Based on the risk profile, we do not expect any losses.

We recognize impairments for rent receivables as a deduction from rental income from investment properties, since most of the corresponding rental income to be paid in advance is no longer classified as recoverable at the time of recognition. Impairments for other trade and other receivables are recognized under other operating expenses, and impairments for financial receivables are recognized under financial expenses.

Financial receivables:
We measure financial receivables at amortized cost as only the contractual cash flows are recognized. We recognize a 12-month ECL, provided the credit risk has deteriorated since initial recognition. Non-current receivables from the associated company Beach House AG are recognized at amortized cost and, based on the company's financial situation, losses expected over the entire term are taken into account as in previous years.

Trade and other payables:
Trade payables and other current liabilities are recognized at amortized cost. They generally match the nominal value of the payables.

18.1. Cash and cash equivalents

- Cash and cash equivalents comprise current account balances with Swiss and German banks.
- Rent and CAPEX accounts in the amount of CHF 370 thousand (previous year: CHF 1 208 thousand) were pledged in favor of the lending banks and their use restricted.

18.2. Trade receivables

Amounts due and impairment of trade receivables:

in CHF thousands					Dec 31, 2020					Dec 31, 2019
	Not due	1-4 months	5-12 months	More than 12 months	Total	Not due	1-4 months	5-12 months	More than 12 months	Total
Trade receivables from third parties	3 696	3 455	1 561	1 572	10 284	2 372	3 221	939	593	7 125
Bad debt allowance	-30	-587	-824	-1 497	-2 938	-3	-616	-936	-593	-2 148
Total trade receivables, net	**3 666**	**2 868**	**737**	**75**	**7 346**	**2 369**	**2 605**	**3**	**0**	**4 977**
Bad debt allowance at January 1					-2 148					-1 364
Addition arising from change in scope of consolidation					0					-149
Increase in bad debt allowance					-1 916					-1 413
Losses from trade receivables					1 031					705
Reversal of bad debt allowance					107					3
Foreign currency translation					-12					70
Bad debt allowance at December 31					**-2 938**					**-2 148**

- The increase in customer receivables is mainly explained by the acquired portfolios at the end of the reporting year and the ancillary cost settlements that were made later – only as per the end of the reporting year - compared to the previous year.
- Trade receivables from third parties mainly comprise receivables from tenants amounting to CHF 4 504 thousand (previous year: CHF 1 935 thousand) and receivables from the sale of condominiums amounting to CHF 2776 thousand (previous year: CHF 3 042 thousand).
- Most of the outstanding receivables from condominiums are deposited in notary escrow accounts and are not due, since efforts to rectify deficiencies are still ongoing.
- Lost income due to collection risks amounted to CHF 1 751 thousand (previous year: CHF 1 399 thousand) and corresponds to 3.1% (previous year: 3.5%) of actual rental income.
- The increase in the bad debt allowance in both years related entirely to rent receivables from third parties.

18.3. Other receivables

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Receivables from utilities costs	5 657	1 691
Current tax receivables	2 973	4 212
Other receivables from third parties	2 940	1 032
Maintenance reserves	2 778	1 994
Receivables from insurance	463	0
VAT and withholding tax credits	458	212
Total other receivables	**15 269**	**9 141**

- The increase in the positions can be largely explained by the acquisitions in the reporting year and in the previous year.
- Current tax receivables consist primarily of an expected reimbursement from the final assessment of the property gains tax “Wollerau Park” of CHF 2 410 thousand (previous year: CHF 2 659 thousand). In the previous year, a tax refunds from final assessments amounting to CHF 1 334 thousand was additionally included.
- Due to the nature of the receivables, no impairments were recorded, in the reporting year or in the previous year.

18.4. Current financial receivables

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Current financial receivables from third parties	5 851	6 934
Total current financial receivables	**5 851**	**6 934**

- The current financial receivables contain two mortgage-secured seller loans, each of which has an interest rate of 4.0% from the 2021 financial year. The 4.5% interest loan contained in the previous year and the listed 4.125% interest bond of CHF 3 304 thousand were repaid in the reporting year.
- No impairment was recognized for any current financial receivables based on credit-risk estimates carried out.

18.5. Trade payables

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Trade payables to third parties	3 885	4 222
Total trade payables	**3 885**	**4 222**

- Trade payables mainly consist of the ongoing costs not yet paid at the end of the reporting year as well as transaction costs related to acquisitions and the bond issuance of CHF 1 411 thousand (previous year: CHF 2 122 thousand).

18.6. Other payables and advance payments

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Accrued transaction costs for portfolio acquisitions and bonds	11 661	2 281
Accrued construction and renovation costs	5 149	3 868
Liabilities from utilities	4 567	2 657
Liabilities from rent receivables	4 023	1 967
Prepaid rent	2 392	1 340
Accrued personnel expenses, third parties	1 937	1 733
Accrued personnel expenses, related parties	1 595	1 332
Other payables to third parties	1 839	1 091
Other accrued expenses, third parties	2 023	1 435
Total other payables	**35 186**	**17 704**

- The accrued transaction costs contain invoices for the portfolio purchases made at the end of the reporting year and the bonds issued in the fourth quarter, in particular real estate transfer taxes in the amount of CHF 8 336 thousand. Also included are accruals for agency commissions payable to a related party of CHF 385 thousand.
- The increase in the other items is largely due to the portfolio acquisitions in the previous and in the reporting year.

19 Non-current financial receivables

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Non-current financial receivables from third parties	99	92
Non-current financial receivables from associates	12 769	12 769
Valuation adjustment	-12 769	-12 769
Total non-current financial receivables	**99**	**92**

- For both years, receivables from associates comprise both the vendor loan and further loan receivables from the associated company Beach House AG. We fully impaired these loans in 2020 and 2019 following the equity valuation of Beach House AG in both years.

20 Investments in associates

Associates are accounted for using the equity method. Reporting date is December 31.

	Beach House AG	
in CHF thousands	**Dec 31, 2020**	Dec 31, 2019
Current assets	366	758
Current liabilities	-27	-416
Non-current financial liabilities	-24 121	-23 503
Net assets	**-23 782**	**-23 161**
Reconciliation of net assets		
Opening balance at January 1	-23 161	-22 863
Net income	-622	-298
Closing balance at December 31	**-23 783**	**-23 161**
Reconciliation of participating interests		
Shareholding in%	46.6%	46.6%
Pro rata amount in CHF thousands	-11 083	-10 793
No additional funding obligation, additional impairment of non-current financial receivables	11 084	10 794
Participating interest reported at December 31	**1**	**1**
Total comprehensive income of separate financial statements	**2020**	2019
Operating income	0	99
Operating expenses	-3	207
Financial expenses	-619	-604
Net income	**-622**	**-298**
Other comprehensive result	0	0
Total comprehensive result	**-622**	**-298**
Reconciliation of results		
Shareholding in%	46.6%	46.6%
Pro rata amount in CHF thousands with an effect on the consolidated statement of income	-290	-139
No additional funding obligation, additional impairment of non-current financial receivables	290	139
Earnings of associates at December 31	**0**	**0**

- Beach House AG held the “Peninsula Beach House” development project in Wädenswil via Condominium Beach House AG. The two companies were merged in the previous year.
- Financial expenses extinguished income during the reporting year and the previous year.
- There is no additional funding obligation. We have impaired the non-current financial receivables in the amount of the expected total loss. See Note 19 for details.
- The company is privately held; there are no market values.

21 Scope of consolidation

How we calculate the figures:

Group companies
Companies that are directly or indirectly controlled by us as a Group are fully consolidated in the consolidated financial statements. Capital is consolidated on the acquisition date using the purchase method of accounting.

Transactions and non-controlling interests
Changes in the amount of proportionate interest that do not lead to loss of control are treated as transactions with equity owners. Any difference between the purchase price paid or the consideration received and the amount by which the minority interests are impaired is recognized directly in equity.

Associated companies
Investments and associates are measured and accounted for using the equity method.

We allocate losses to the consolidated statement of income until such time as the share of the losses has reduced the value of the investment to zero. Once the share of the investment has been reduced to zero, we only recognize additional losses to the extent that we as a Group have entered into legal or constructive obligations or have made payments or there are financial receivables.

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling interests
Switzerland			in CHF thousands	in%	in%	in%
Peach Property Group AG	1/4	Zurich	6 601			
Peach German Properties AG	4	Stansstad	100	100.0		
WSZ Residential Development AG	3	Lachen	100	100.0		
Gretag AG	2/3	Zurich	500	100.0		
Austria			in EUR thousands			
East West Wohnbau GmbH in liquidation	3	Innsbruck	18	99.0		1.0

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling interests
Germany			in EUR thousands	in%	in%	in%
Peach Property Management GmbH & Co. KG	1/4	Cologne	1		100.0	
PPM Verwaltung GmbH	5	Cologne	25		100.0	
Peach Property Group (Deutschland) AG	4	Cologne	5 000		100.0	
Munster Portfolio GmbH	2	Cologne	25		100.0	
Portfolio Fassberg I GmbH & Co. KG	2	Cologne	50		94.9	5.1
Portfolio Helmstedt GmbH	2	Cologne	1 176		89.9	10.1
Portfolio Erkrath Wohnen GmbH	2	Cologne	25		100.0	
Portfolio Neukirchen L GmbH	2	Cologne	25		94.9	5.1
Portfolio Neukirchen S GmbH	2	Cologne	25		94.9	5.1
Portfolio Oberhausen GmbH	2	Cologne	25		100.0	
Portfolio Bochum II GmbH	2	Cologne	25		94.9	5.1
Blendersia Limited *	2	Larnaca CY	0.1		94.0	6.0
Portfolio Gelsenkirchen I GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen II GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen III GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen IV GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen I GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen II GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen III GmbH	2	Cologne	25		94.9	5.1
Portfolio Rhein Ruhr GmbH *	2	Copenhagen	21		89.9	10.1
Portfolio Ruhr GmbH	2	Cologne	25		100.0	
Portfolio Ruhr II GmbH *	2	Copenhagen	21		89.9	10.1
Portfolio Ruhr III GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr IV GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr V GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr VI GmbH	2	Cologne	25		89.9	10.1
Portfolio Velbert GmbH	2	Cologne	25		94.9	5.1
Portfolio Marl GmbH	2	Cologne	25		94.9	5.1
Portfolio Bielefeld I GmbH	2	Cologne	25		94.9	5.1
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	5.1
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1
Portfolio Ahlen GmbH *	2	Copenhagen	21		89.9	10.1
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1
Portfolio Deutschland I GmbH	2	Cologne	313		89.9	10.1
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0	
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0	
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0	

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company
* Rebranding and relocation to Germany in progress

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling interests
Germany (continued)			in EUR thousands	in%	in%	in%
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1
Yoo Düsseldorf Verwaltungs GmbH	5	Cologne	25		100.0	
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0	
Portfolio Eschwege GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0	
Peach Wertgrund GmbH	2	Cologne	25		100.0	
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0	
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0	
Zymma Living GmbH	1	Cologne	25		100.0	
Peach Cenda Hausverwaltungen GmbH	1	Cologne	25		100.0	
Domibus Facility Services GmbH	1	Cologne	25		100.0	
Domibus Baumanagement GmbH	1	Cologne	25		100.0	
Peach Property Finance GmbH	1	Bonn	25		100.0	
Associated companies			in EUR thousands	in%		
Beach House AG	5	Wädenswil	100	46.6		

1 Service company   2 Project company, investment properties   5 Management company / general partner

21.1. Financial year 2020

Domibus Baumanagement GmbH

- Founded in March 2020 with a share capital of EUR 25 thousand.

Peach Hausverwaltungen GmbH (formerly Peach Cenda Hausverwaltungen GmbH)

- Acquisition of the 49% non-controlling interests in October 2020 for CHF 239 thousand with subsequent change of name.

Pure Transaction

- On December 31, 2020, Peach Property Group (Deutschland) AG acquired 89.9% of the shares in 13 portfolio companies, that hold portfolios mainly in Recklinghausen, Gelsenkirchen, Essen, Dortmund, Herne and Kaiserslautern. We renamed these companies immediately after acquisition and relocated the registered office of the German companies to Cologne. The relocation of the Danish companies will take place in the course of 2021.

Rock Transaction

- On December 31, 2020, Peach Property Group (Deutschland) AG acquired 89.9% of the shares in 5 portfolio companies, that hold portfolios in Helmstedt, Schöningen, Ludwigshafen, Lüdenscheid, Beckum and Dorsten. We renamed these companies immediately after acquisition and relocated their registered office to Cologne.

The following table shows the values acquired during the reporting year:

in CHF thousands	Pure Transaction	Rock Transaction	Total assets and liabilities acquired
Assets			
Investment properties	411 455	194 751	606 206
Other assets	9 007	2 568	11 575
Total assets	**420 462**	**197 319**	**617 781**
Liabilities			
Financial liabilities	279 632	40 704	320 336
Other liabilities	3 775	5 159	8 934
Total liabilities	**283 407**	**45 863**	**329 270**
Total equity	**137 055**	**151 456**	**288 511**
of which shareholders of Peach Property Group AG	133 477	144 542	278 018
of which non-controlling interests	3 578	6 914	10 493
Paid purchase price for shares	133 455	145 197	278 652
Paid purchase price for financing	204 028	25 880	229 908
less cash and cash equivalents acquired	-4 710	-1 395	-6 105
Total cash outflow	**332 773**	**169 682**	**502 455**
Open purchase price settlement	**389**	**-263**	**126**
of which shares	22	-655	-633
of which financing	367	392	759

- None of these acquisitions qualify as business combinations under IFRS 3, and they were recognized as purchases of assets and liabilities. We did not take on any employees or business processes at the time of the transaction.
- The financial liabilities and non-controlling interests include dividend obligations of CHF 20 819 thousand.
- We have allocated transaction costs of CHF 4 434 thousand to the investment properties.

21.2. Financial year 2019

Domibus Facility Services GmbH,
Peach Property Finance GmbH
- Founded in January 2019 with share capital of EUR 25 thousand.

VD Berlin Chausseestrasse 106 GmbH & Co. KG,
VD Harvestehuder Weg I GmbH & Co. KG,
VD Harvestehuder Weg II GmbH & Co. KG
and Am Zirkus 1 GmbH & Co. KG
- Merger of the companies as of January 1, 2019 with Yoo Berlin GmbH & Co. KG (now Peach Property Management GmbH & Co. KG).

VD Berlin Chausseestrasse 106 Verwaltungs GmbH,
VD Harvestehuder Weg I Verwaltungs GmbH,
VD Harvestehuder Weg II Verwaltungs GmbH
and Am Zirkus 1 Berlin Verwaltungsgesellschaft mbH
- Merger of the companies as of July 1, 2019 with Yoo Berlin Verwaltung GmbH (now PPM Verwaltung GmbH)

Peach Property Management GmbH & Co. KG
(formerly Yoo Berlin GmbH & Co. KG)
- Rebranding and change of purpose of Yoo Berlin GmbH & Co. KG to Peach Property Group Management GmbH & Co. KG. The company took over the commercial functions of Peach Property Group (Deutschland) AG as of December 1, 2019.

Portfolio Dortmund RS 167 GmbH & Co. KG
and Portfolio Dortmund RS 173 GmbH & Co. KG

- As of December 1, 2019, the companies were merged with Peach Property (Deutschland) AG. We are using the former general partner Portfolio Dortmund Verwaltungs GmbH as a reserve company for further growth.

Portfolio Marl GmbH

- Peach Property Group (Deutschland) AG acquired 94.9% of the shares in the company on January 1, 2019.

Portfolio Kaiserslautern III GmbH

- Peach Property Group (Deutschland) AG acquired 94.9% of the shares in the company on January 1, 2019.

Grande transaction

- On December 31, 2019, Peach Property Group (Deutschland) AG took over 94.9% or 94.0% of the shares of 14 portfolio companies in Bochum, Gelsenkirchen, Essen, Bielefeld, Velbert and Kaiserslautern. We renamed these immediately after acquisition and relocated their registered office to Cologne.

The following table shows the values acquired during the previous year:

in CHF thousands	Grande transaction	Portfolio Marl GmbH	Portfolio Kaiserslautern III GmbH	Total assets and liabilities acquired
Assets				
Investment properties	252 391	17 818	15 274	285 483
Other assets	8 724	636	147	9 507
Total assets	**261 115**	**18 455**	**15 421**	**294 991**
Liabilities				
Financial liabilities	127 174	13 735	7 989	148 898
Other liabilities	5 464	282	948	6 694
Total liabilities	**132 638**	**14 017**	**8 937**	**155 592**
Total equity	**128 477**	**4 438**	**6 484**	**139 399**
of which shareholders of Peach Property Group AG	121 925	4 210	6 153	132 288
of which non-controlling interests	6 552	228	331	7 111
Paid purchase price for shares	121 804	4 210	6 153	132 167
Paid purchase price for financing	127 511	5 473	2 288	135 272
less advance payments from previous year	0	-9 287	0	-9 287
less cash and cash equivalents acquired	-6 068	-616	-20	-6 704
Total cash out/inflow	**243 247**	**-220**	**8 420**	**251 447**
Open purchase price settlement	**-209**	**0**	**0**	**-209**
of which shares	121	0	0	121
of which financing	-330	0	0	-330

- None of these acquisitions qualify as business combinations under IFRS 3, and they were recognized by us as purchases of assets and liabilities. We did not acquire any employees or business processes at the time of the transaction.
- We have allocated transaction costs of CHF 3 949 thousand to the investment properties.

22 Provisions

Key assumptions and estimates:

Provisions for development warranties are based on estimates and assumptions regarding future costs that cannot be passed on to the responsible sub-, general or total contractors. Should these assumptions prove incorrect, the actual cash outflows may deviate significantly from the values recognized.

in CHF thousands	2020 Development warranties	2020 Other provisions	2020 Total	2019 Development warranties	2019 Other provisions	2019 Total
Opening balance at January 1	**3 900**	**1 056**	**4 956**	**4 307**	**955**	**5 262**
Addition from change in scope of consolidation	0	64	64	0	0	0
Provision increase	169	180	349	200	199	399
Provisions used	-859	-95	-954	-482	-10	-492
Reversal of provisions in profit or loss	-1 281	-575	-1 856	0	-77	-77
Foreign currency translation	-25	0	-25	-125	-11	-136
Closing balance at December 31	**1 904**	**630**	**2 534**	**3 900**	**1 056**	**4 956**
Current provisions	1 629	530	2 159	3 489	860	4 349
Non-current provisions	275	100	375	411	196	607

- As in the previous year, the provision in relation to development warranties mainly relates to the “H36”, “yoo berlin”, “Am Zirkus 1” and “Wollerau Park” projects.
- In the “H36” development project, which was completed in 2014, we reached milestones in the reporting year with regard to deficiency claims raised by the acquirers. While, on the one hand, an extensive agreement was reached with the owners for certain areas, another point of deficiency was decided in our favor in an evidence preservation procedure. Based on these new facts, we reassessed the provision and reversed a portion amounting to CHF 1 022 thousand. A provision of CHF 711 thousand remains in place.
- We were also able to reverse a provision for development and construction management services in the amount of CHF 500 thousand after expiration of terms.

23 Contingent liabilities

- None

24 Leasing

How we calculate and report the figures:

- Lease liabilities from leasehold agreements are calculated by discounting the accumulated leasehold payments using the long-term interest rate for financing secured by mortgages in Germany. We value other lease liabilities using the average corporate interest rate for the respective company. For the disclosures on terms and maturities, we refer to Note 8.
- We revalue rights-of-use assets from the leasehold agreements semi-annually together with the investment properties. We apply the discount rate defined by Wüest Partner for the respective investment properties. Changes in value are recognized in the consolidated statement of income. For the specific corresponding disclosures, we refer to Note 5.
- We recognize the right-of-use asset from other leases (currently only rental agreements) at the value of the lease liability and list it together with the equipment. They are depreciated on a straight-line basis over their contract duration.
- We take into account extension options as soon as it is probable that they will be used.
- With rental agreements, we make use of the accounting option and do not eliminate associated non-leasing components.
- Interest expenses and value adjustments from lease liabilities are included in financial expenses in Note 10.
- Short-term leases of less than one year and low-value contracts are recorded on a straight-line basis within other operating expenses.

in CHF thousands			Dec 31, 2020			Dec 31, 2019
	Leasehold	Other	Total	Leasehold	Other	Total
Right-of-use asset	26 038	1 044	**27 082**	10 593	1 345	**11 938**
Lease liabilities	36 254	1 096	**37 350**	14 345	1 353	**15 698**
Lease payments	563	406	**969**	497	344	**841**
Interest expenses	-425	-38	**-463**	-358	-21	**-379**
Value adjustment / depreciation of right-of-use asset	-331	-305	**-636**	427	-331	**96**
Adjustment of lease liabilities	298	-110	**188**	-125	0	**-125**
Short-term leases in other operating expenses	0	-47	**-47**	0	-177	**-177**
Low-value leases in other operating expenses	0	-47	**-47**	0	-107	**-107**

- The significant increase in rights-of-use assets and lease liabilities results from the portfolio acquisitions in the reporting year.
- There are no initial direct costs or reinstatement costs affecting the value of the right-of-use assets.
- We do not hold any leases with variable lease payments, nor do we have any purchase options, residual value guarantees, or sale and leaseback transactions to be taken into account.
- There are no encumbering leases.
- The average term of the leases is approximately 115 years (previous year: 65 years) for leaseholds and 2.5 years (previous year: 3.5 years) for rental agreements.

Future lease liabilities from short-term and low-value leases:

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Up to 1 year	75	98
1–5 years	15	89
Total short-term and low-value leases	**90**	**187**

25 Events after the balance sheet date

- We signed mortgage contracts worth EUR 161 million in February / March 2021. The majority of these funds will be received in March and April 2021 and will be used to replace the bridge financing and other short-term loans, which will increase the average term of the financial liabilities to well over 4 years.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Peach Property Group AG and its subsidiaries (the Group), which comprise the consolidated statement of income and the consolidated statement of comprehensive income for the period, the consolidated statement of financial position as at 31 December 2020, the consolidated cash flow statement for the period and the consolidated statement of changes in shareholders' equity, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 75 to 146) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: CHF 7'500'000

We performed the audit of the Group with a core audit team in Germany and in Switzerland. Our audit addresses all of the Group's operating income, assets and liabilities.

As key audit matters the following areas of focus have been identified:

Valuation of investment properties

Assets from tax loss carry-forwards

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 7'500'000
How we determined it	1 % of net assets (equity)
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is a common industry benchmark for materiality considerations in the real estate business.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Key audit matter	How our audit addressed the key audit matter
Investment properties amounting to around CHF 2'065 million (93 % of total assets) as of 31 December 2020 represent a significant balance sheet item for the Group. They are measured at fair value in accordance with IAS 40 and IFRS 13. Please refer to note 5 in the notes to the consolidated financial statements (from page 97). We consider the testing of the valuation of investment properties to be a key audit matter due to the size of the balance sheet item, the significance of the appropriateness of the valuation model and the underlying assumptions used in the valuation. Fair values are determined using the discounted cash flow model (DCF model). The most relevant assumptions are the discount rate, the achievable rents per square meters and the vacancy rate. The assumptions are determined on the basis of market comparisons and are disclosed in note 5. In the case of investment properties under development or renovation, significant assumptions are also made with regard to repair or maintenance costs. In addition, a period for letting or for reducing vacancies must also be taken into account. The Group had all its investment properties valued by an independent property appraiser as at 31 December 2020.	We assessed and tested the design and existence of the controls relating to the property valuation process. In particular, we performed the following audit procedures: • We assessed the professional competence, independence and appointment of the property appraiser. To this end, we inspected the corresponding engagement letter and assessed the appropriateness of the assignment, examined the curricula vitae of the persons in charge and interviewed the expert in charge. • We reconciled the valuation report of the property appraiser to the accounting details. • With the support of our subject matter experts, we tested samples of valuations in terms of valuation methodology, assumptions and results. The subject matter experts assessed the changes in valuations and the assumptions on the overall portfolio. The valuations were discussed with the property appraiser, management and risk committee. We consider the valuation method applied by management and the parameters used to be an appropriate and sufficient basis for the valuation of investment properties.

Assets from tax loss carry-forwards

Key audit matter	How our audit addressed the key audit matter
The Group has tax loss carry-forwards of CHF 147 million and has capitalised deferred tax assets of CHF 23 million in that respect. Deferred tax assets from loss carry-forwards represent a significant balance sheet item. As explained in note 17 to the notes to the consolidated financial statements (from page 129), the capitalization of loss carry-forwards is applied in accordance with IAS 12. The Group plans the ability to use the loss carry-forwards for each company and it must make assumptions about current income and future realizable profits from letting and sale of investment or development properties and about the time of the realization. There is a risk that loss carry-forwards will expire unused if planned profits cannot be realized in a timely manner.	We assessed and tested the design and existence of the relevant controls. In addition, we examined the following in particular for the significant deferred tax assets from tax loss carry-forwards: • We discussed with management the ability to capitalize the loss carry-forwards and their recoverability at the company level. • On the basis of current and future expected tax results, we assessed the ability to capitalize the loss carry-forwards and their recoverability. In particular, we compared the assumed future profits with those from the development and investment property portfolios. • The current assumptions were compared with the expectations of use in prior years. This enables us to identify any time lags and assumptions that are too optimistic. • In consultation with our subject matter experts in Germany and Switzerland, we assessed the existence of loss carry-forwards and the ability to use them from a tax perspective. Our audit results support management's assumptions regarding the ability to capitalize loss carry-forwards and their recoverability.

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and the remuneration report of Peach Property Group AG and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Philipp Gnädinger	Michael Keel
Audit expert Auditor in charge	Audit expert

Zurich, 25 March 2021

Wüest Partner AG, Zürich / W&P Immobilienberatung GmbH, Hamburg

Peach Property Group AG
Senior Management
Neptunstrasse 96
8032 Zurich I Switzerland

Zurich/Hamburg, 11th February 2021

Report by the independent Appraisal Expert

Referenz Nummer:
102079.0059

To the Senior Management of Peach Property Group AG

Assignment
On behalf of the senior management of Peach Property Group AG (hereinafter "Peach Property"), Wüest Partner AG, Zurich, or W&P Immobilienberatung GmbH, Hamburg, (hereinafter "Wüest Partner") have appraised the property clusters owned by Peach Property for accounting purposes as at 31 December 2020. All investment and development property clusters were valued.

Valuation Standards
Wüest Partner confirms that the valuations were performed within the framework of domestically and internationally recognised standards and guidelines, specifically in accordance with the International Valuation Standards (IVS and RICS/Red Book). They moreover complied with the requirements of the SIX Swiss Exchange.

Accounting Standards
The measured market values of the investment properties represent the fair value as defined in the International Financial Reporting Standards (IFRS) pursuant to the International Account Standard IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).
The accounts presentation of Peach Property recognises development properties earmarked for future use as investment properties in accordance with IAS 40 while recognising sites and development properties held for sale in accordance with IAS 2 (Inventories).

Definition of «Fair Value»
The «fair value» represents the price that completely unrelated market participants would receive if they sold a given asset on arm's length terms on the valuation date or, inversely, that they would pay to transfer a liability (debt) on that date (the exit price).

Wüest Partner AG
Alte Börse
Bleicherweg 5
CH-8001 Zurich
Switzerland
T +41 44 289 90 00
wuestpartner.com
Regulated by RICS

W&P Immobilienberatung GmbH
Hanse Contor Esplanade
Stephansplatz 6
D-20354 Hamburg
Germany
T +49 40 2106 9024
wuestpartner.com
Regulated by RICS

An exit price is the selling price specified in a sale and purchase agreement as jointly agreed by the parties to the contract. Transaction costs, normally including estate agent fees, transaction taxes as well as land register fees and notarial charges, are ignored when measuring the fair value. This means that pursuant to paragraph 25, IFRS 13, the fair value is not adjusted for transaction costs on the buyer that arise if the asset is sold (gross fair value).

Implementation of Fair Value

The fair value of a property is appraised on the basis of its highest and best use. The highest and best use is that use of a property that maximises its value. The assumption imputes a use that is technically/physically feasible, lawful and financially realistic. Future capital expenditures to upgrade a property or cause it to appreciate will be factored in on the basis of the fair value appraisal.

The application of the highest-and-best-use approach orients itself to the principle of materiality of the possible difference in value in relation to the value of the individual property and the entire portfolio of real estate assets as well as in relation to the absolute difference in value, if any. Any value-add potential of a property that remains within the standard appraisal tolerance of a separate valuation is dismissed as immaterial and subsequently neglected.

The valuation of the real estate owned by Peach Property employs a model-based valuation pursuant to Level 3 based on input parameters not directly observable on the market, but also considers adjusted market price (Level 2) input parameters (such as market rents, operating/running costs, discount/capitalisation rates, proceeds from condominium sales). Unobservable inputs are used only in cases where no relevant observable inputs are available. For specific assumptions, confer Annex 5 of the Consolidated Financial Statements.

Factors defined as essential inputs include market rents, vacancies and discount interest rates. The degree to which market developments impact them varies from one factor to the next. Whenever the inputs change, so will the fair value of the respective property. These changes are simulated by running sensitivity analyses on each input.

The valuation techniques applied are the ones most appropriate for the given circumstances and for which sufficient data is available to appraise the fair value, with relevant observable inputs used as much as possible and unobservable inputs considered no more than necessary.

Valuation Method

Wüest Partner appraised the real estate of Peach Property using the discounted cash flow (DCF) method. Under this approach, the fair market value of a given real estate is valued via the sum total of its net earnings to be expected in future, discounted to the valuation date. Depending on the specific opportunities and risks, the net earnings are individually discounted per property cluster in a market-consistent and risk-adjusted manner.

Bases of Valuation

Wüest Partner is familiar with all of the property clusters because it conducted viewings of them and because of the records made available. They were analysed with respect to their qualities and risks (attractiveness and lettability of the rental properties, type of construction and state of repair, micro- and macro-environment, et al.). Valuations of rental properties that are currently vacant took the market consistent marketing period for each property into account.

The property clusters are visited by Wüest Partner at the time of their acquisition and subsequently in intervals of three years at the latest or after the completion of major alterations. During the period between 1 January 2020 and 31 December 2020, 317 investment property clusters in Germany (including the 262 clusters of the acquired Portfolios Pure and Rock) were visited.

Results

As of 31 December 2020, Wüest Partner measured the following values for a total of 537 investment properties and investment property clusters as well as for 3 development properties in accordance with IAS 40:

— 534 investment property clusters in Germany [1]: EUR 1.857.265.700 (equals c. CHF 2.016.433.400)
— 3 investment properties in Switzerland: CHF 23.504.000
— 3 development properties in Switzerland: CHF 47.405.000
— total value: c. CHF 2.087.342.400

Changes during the Reporting Period

During the period between 1 January 2020 and 31 December 2020, the following two new portfolios were added as a result of acquisitions and were valued by Wüest Partner:

- „Portfolio Pure“: 142 property clusters in the cities Ahlen, Bad Kreuznach, Bestwig, Bielefeld, Bochum, Bottrop, Castrop-Rauxel, Datteln, Dorsten, Dortmund, Duisburg, Eschweiler, Essen, Frankenthal, Gelsenkirchen, Gladbeck, Hagen, Herne, Hüllhorst, Iserlohn, Kaiserslautern, Landstuhl, Ludwigshafen am Rhein, Lübbecke, Marl, Mönchengladbach, Neubrandenburg, Oberhausen, Olsberg, Rahden, Recklinghausen, Rockenhausen, Schwelm, Schwerte, Stemwede, Wetter (Ruhr), Witten, Worms, Wuppertal
- „Portfolio Rock“: 120 property clusters in the cities Aachen, Bad Salzuflen, Beckum, Bergheim, Bielefeld, Detmold, Diepholz, Dorsten, Esbeck, Gelsenkirchen, Goslar, Hameln, Hamm, Hattingen, Helmstedt, Herten, Höxter, Ilvesheim, Ludwigshafen, Lübbecke, Lüdenscheid, Minden, Mülheim an der Ruhr, Nienburg/Weser, Osnabrück, Rahden, Recklinghausen, Remscheid, Rinteln, Schifferstadt, Schöningen, Soest, Sprockhövel, Sundern, Telgte, Willich

Regarding the existing portfolio (without the two before mentioned new portfolios), due to sales and merging of investment property clusters, the number of properties to be valued in Germany has in total decreased by 10 investment property clusters. Several apartments in Heidenheim have been sold and were no longer valued, whereby five property clusters dropped out. Likewise, one residential property in Bebra, one residential property in Kaiserslautern and one commercial property in Dortmund have been sold. Also, the merging of investment clusters, one in Kaiserslautern and one in Heidenheim, has reduced the number of valuations and investment property clusters by two.

---

1 In the values above, an CHF/EUR exchange rate of 1.0857 has been adopted.

There were no sales or acquisitions in the portfolio Switzerland, so that the number of development and investment properties remained constant.

Coronavirus/COVID-19
After the second wave of COVID-19, again significant action has been taken in many countries, including Germany and Switzerland, in connection with the coronavirus and the fight against the pandemic. The consequences of the action taken are difficult to quantify at the moment, as extent and duration of the action taken are not yet known, and so far there have been hardly any comparative transactions with these constraints of the second wave. Accordingly, the valuation uncertainty is currently increased.

Independence and Confidentiality
In accordance with the business policy of Wüest Partner, the properties of Peach Property were subjected to an independent and neutral valuation. The valuation serves exclusively the aforementioned purpose. Wüest Partner assumes no liability vis-à-vis third parties.

Valuation Fee
The remuneration for valuation services is unrelated to the outcome of the valuation. Instead, it is based on the number of valuations to be compiled.

Zurich/Hamburg, 11th February 2021
Wüest Partner AG / W&P Immobilienberatung GmbH

Jan Bärthel MRICS
Managing Director; Partner

Volker Ottenströer
Branch Manager Hamburg; Director

Mario Huber
Manager

wüestpartner

EPRA Reporting

1 How we use EPRA

We are disclosing for the first time this year EPRA Performance Measures in line with the EPRA Reporting and Accounting Committee's Best Practices Recommendations (BPR) guidelines from October 2019.

Peach Property Group became a member of EPRA (European Public Real Estate Association) in November 2020. EPRA is a not-for-profit association registered in Brussels and represents the interest of market-leading European real estate companies. To facilitate greater comparability among real estate companies, EPRA established certain uniformed performance reporting measures in addition to conventional IFRS reporting.

Following our exponential growth over the past years, key performance measures which are based on the consolidated statement of income (EPRA profit and EPRA expense ratios), include large, incomparable expense fluctuations which are abstract to interpret. Accordingly, we have decided to focus our disclosures on the other prescribed key performance measures. From next year we will disclose comprehensive EPRA performance measures.

Our business is almost exclusively focused on residential properties and our rental agreements are almost all open-ended. For this reason we will not disclose an overview of rental contract terms.

Due to varying calculation methods, EPRA performance measures may differ from IFRS performance measures. Performance measures with a year-on-year comparison are furthermore disclosed at constant currency in order to show the underlying performance. This may also result in differences compared to IFRS performance measures.

2 Overview of EPRA Performance Measures

EPRA Performance Measure	Definition	Objective	2020	2019
EPRA Net Reinstatement Value (NRV)	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The EPRA NAV performance measures consider certain adjustments to IFRS reported equity in order to provide stakeholders with the clearest and most comparable information concerning the market value of assets and liabilities.	67.92	60.18
EPRA Net Tangible Assets (NTA)	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		57.29	50.63
EPRA Net Disposal Value (NDV)	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.		50.02	42.89
EPRA Net Initial Yield (NIY) in %	Annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated purchasers' costs.	Comparable benchmark for portfolio evaluation. This performance measure is intended to help investors assess the valuation of different portfolios.	3.2%	3.5%
EPRA 'Topped-up' NIY in %	This measure incorporates an adjustment to the EPRA NIY with respect to the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		3.2%	3.5%
EPRA Vacancy Rate in %	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	Rental value associated with vacant space based on market rental value (in %)	9.1%	9.3%

3 EPRA Performance Measures

3.1 EPRA NAV

EPRA NAV performance measures consider certain adjustments to IFRS reported equity in order to provide stakeholders with the clearest and most comparable information concerning the market value of assets and liabilities.

The *EPRA NRV* (Net Reinstatement Value) performance measure is based on the assumption that real estate will never be sold and represents the value required to rebuild the entity to its existing state. Accordingly, the NAV is adjusted for deferred taxes and the implied incidental acquisition costs are added in.

The *EPRA NTA* (Net Tangible Asset) performance measure is based on the assumption that real estate is bought and sold, and that part of the associated deferred taxes related to real estate assets is realized through sales. At the end of the reporting year, we held only two small sub-portfolios (in Heidenheim and Frankental) which we consider to be non-core assets. The sale of the sub-portfolio in Heidenheim already commenced by selling individual units, while a similar approach (sale of individual units) for the Frankental sub-portfolio is currently being explored. Accordingly, the deferred tax impact is negligent. Incidental acquisition costs are considered for the aforementioned two portfolios. In addition to the expected sale of these non-core portfolios, our intangible assets (primarily our IT systems) are completely excluded from the NTA calculation.

The *EPRA NDA* (Net Disposal Value) performance measure is based on a disposal scenario. Accordingly, consistent with IFRS, deferred taxes as well as the fair values of financial instruments are taken into account.

in CHF thousands	Dec 31, 2020 EPRA NRV	Dec 31, 2020 EPRA NTA	Dec 31, 2020 EPRA NDV	Dec 31, 2019 EPRA NRV	Dec 31, 2019 EPRA NTA	Dec 31, 2019 EPRA NDV
Equity attributable to the equity holders of Peach Property Group AG	724 214	724 214	724 214	377 777	377 777	377 777
Hybrid instruments	-52 695	-52 695	-52 695	-50 625	-50 625	-50 625
Diluted NAV, after the exercise of options, convertibles and other equity interests	**671 518**	**671 518**	**671 518**	**327 152**	**327 152**	**327 152**
Include:						
Revaluation of development properties	7 597	7 597	7 597	11 734	11 734	11 734
Diluted NAV at fair value	**679 115**	**679 115**	**679 115**	**338 886**	**338 886**	**338 886**
Exclude:						
Deferred tax in relation to fair value gains on investment properties	79 063	78 792	–	49 831	49 431	–
Fair value of derivative financial instruments	14 828	14 828	–	11 160	11 160	–
Intangibles as per the IFRS balance sheet	–	-921	–	–	-675	–
Include:						
Fair value of fixed interest rate financial liabilities	–	–	-4 642	–	–	-479
Acquisition costs	142 730	564	–	75 003	733	–
EPRA NAV	**915 737**	**772 378**	**674 473**	**474 862**	**399 536**	**338 407**
Diluted number of shares	13 482 970	13 482 970	13 482 970	7 890 676	7 890 676	7 890 676
EPRA NAV per share in CHF	**67.92**	**57.29**	**50.02**	**60.18**	**50.63**	**42.89**

- Depending on the viewpoint taken, the EPRA Best Practice Recommendations result in a NAV per share of CHF 50 to CHF 68; accordingly, the majority of the values are somewhat higher than the corresponding IFRS values.
- As we have no significant disposal intentions, we are by implication engaged in the residential property market for the long-term. Accordingly, we consider the EPRA NTA with a value of around CHF 57 per share to be a meaningful measure for our shareholders.

3.2 EPRA Net Initial Yield

The *EPRA NIY* (Net Initial Yield) performance measure discloses the ratio of the annualized rental income minus non-allocable costs (i.e. the net rental income) in relation to the market values of our properties. The market values are increased by incidental acquisition costs in order to simulate an expected return for a potential buyer. As for the "topped-up" values, rental incentives granted are eliminated from the net rental income. Since we are almost exclusively focused on residential properties with little rental incentives, the corresponding incentives have a negligible impact on initial returns.

in CHF thousands	2020	2019
Investment properties and advance payments for investment properties	2 037 325	1 065 533
Investment properties held for sale and development properties	40 713	41 666
Development properties and advance payments for investment properties	-39 030	-35 733
Market value of investment properties	**2 039 007**	**1 071 465**
Allowance for purchasers' costs. estimated at 7.0%	142 730	75 003
Gross-up market value of investment properties	**2 181 738**	**1 146 468**
Annualized rental income	100 080	53 623
Annualized expenses from leasing of investment properties	-30 462	-13 447
Annualized net rental income from leasing of investment properties	**69 618**	**40 176**
Rent-free periods and other lease incentives	394	227
Topped-up annualized net rent from leasing of investment properties	**70 012**	**40 403**
EPRA NIY in %	**3.2%**	**3.5%**
EPRA "topped-up" NIY in %	**3.2%**	**3.5%**

- Initial yields have decreased compared to 2019. This is primarily attributable to the doubling of our portfolio through acquisitions and the associated improvement in the quality of the location as well as the parallel increase in the market values of our properties ("Yield Compression")

3.3 EPRA Vacancy

The EPRA vacancy rate performance measure is calculated based on the ratio of the market rents for vacant apartments estimated by our external appraisal specialist Wüest Partner to the projected market rent for the entire portfolio.

For the rented apartments, we use the agreed net cold rent as a basis while market rent values, estimated by our external appraisal specialist (Wüest Partner), are used for vacant apartments. EUR amounts are translated at the December 31, 2020 spot rate of 1.0857 for the current and prior year figures.

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Annualized lost income due to vacancy of residential units	9 499	5 267
Annualized target rental income from residential units	104 741	56 592
EPRA Vacancy Rate	**9.1%**	**9.3%**

- The EPRA vacancy rate reduced despite the acquisition of around 10 200 residential units at the end of 2020 with an average EPRA vacancy rate of 10.7%. On a like-for-like basis, the vacancy rate reduced significantly to 7.8%.
- The EPRA vacancy rate is slightly higher than the reported vacancy rate, as we achieve a premium on the average rent of around 15% for new rentals.

4 EPRA core recommendations: Reporting on investment property

4.1 EPRA Like-for-like rental income

The EPRA like-for-like rent performance measure discloses the rent development of an unchanged portfolio (organic development). To this end, we exclude acquisitions and disposals during the year as well as rental units vacated for renovation purposes; or units newly lettable after the completion of renovation. EUR amounts are translated at the 2020 average rate of 1.0705 for the current and prior year figures.

in CHF thousands	2020				2019		change
	Residential units	Residential area (in m²)	Residential rental income (p.a.)	Residential rental income in CHF/m²	Residential rental income (p.a.)	Residential rental income	in %
North Rhine-Westphalia	4 325	290 011	18 390	5.28	17 613	5.06	4.4%
Rhineland-Palatinate	1 262	79 727	5 824	6.09	5 474	5.72	6.4%
Lower Saxony	758	51 381	2 850	4.62	2 567	4.16	11.0%
Baden-Württemberg	919	63 629	4 493	5.88	4 421	5.79	1.6%
Hesse	852	54 361	2 884	4.42	2 738	4.20	5.3%
Other	436	23 352	1 852	6.61	1 390	5.39	1.9%
Total	**8 552**	**562 461**	**36 292**	**5.38**	**34 204**	**5.14**	**4.7%**

- In 2020, we achieved an attractive organic growth of 4.7%. We consider our consistent tenant focused approach and our fully digital platform as decisive contributing factors.

4.2 Investments in real estate

Investments in our properties during the current and prior year are mainly represented through acquisitions in both years.

For increased comparability, disclosures are at constant currency - EUR values are converted as of the reporting date of December 31, 2020.

in CHF thousands	2020	2019
Development properties - planning and development costs	5 350	1 575
Investment properties – acquisitions	785 736	267 160
Investment properties - tenant improvements and other CAPEX measures	24 442	19 725
Total Investments in real estate	**815 529**	**288 460**

Tenant improvements and other CAPEX measures break down as follows:

in CHF thousands			2020			2019
	Area in m²	Capex in CHF thousands	Capex in CHF per m²	Area in m²	Capex in CHF thousands	Capex in CHF per m²
North Rhine-Westphalia	519 347	13 238	25.49	303 539	11 834	38.99
Rhineland-Palatinate	128 512	4 381	34.09	86 724	2 244	25.87
Lower Saxony	53 300	2 343	43.96	53 128	2 088	39.30
Baden-Württemberg	69 971	1 875	26.80	70 851	1 377	19.44
Hesse	53 744	2 131	39.64	53 551	1 598	29.84
Sonstige	27 799	474	17.05	27 753	584	26.48
Total	**852 673**	**24 442**	**28.67**	**595 546**	**19 725**	**33.12**

› In 2020 we continued to invest significantly in our portfolio at an average of CHF 28.67 per square meter of rental space. The decline in comparison to 2019 is primarily due to a better quality of the portfolios newly acquired in 2019 and the advanced state of renovations in Fassberg and Neukirchen.

4.3 EPRA Change in Market Value

The change in market values discloses the change in the valuation of our portfolio. We adjust the IFRS values for currency effects (disclosed at constant currency). We further subdivide the change in market values into two categories to show separately the market value movements attributable to newly acquired properties (demonstrates valuable acquisition activities) and existing properties in our portfolio.

in CHF thousands	2020					2019				
	Market value before valuation adjust-ment	Initial valua-tion	Revalua-tion	Initial valua-tion in %	Re-valua-tion in %	Market value before valuation adjust-ment	Initial valua-tion	Revalua-tion	Initial valua-tion in %	Revalua-tion in %
North Rhine-Westphalia	1 055 583	66 063	27 925	5.7%	2.4%	564 762	51 760	9 665	9.2%	1.7%
Rhineland-Palatinate	310 343	19 287	8 504	6.2%	2.8%	165 204	27 741	4 935	16.8%	3.0%
Lower Saxony	189 524	19 114	3 255	10.1%	1.8%	41 263	0	1 964	0.0%	4.8%
Baden-Württemberg	112 814	191	4 362	0.2%	3.8%	102 146	0	11 116	0.0%	10.9%
Hesse	48 891	0	2 726	0.0%	5.8%	45 264	0	1 710	0.0%	3.8%
Other	66 470	3 162	793	4.8%	1.2%	42 834	0	1 412	0.0%	3.3%
Total	**1 883 625**	**107 817**	**47 565**	**5.7%**	**2.5%**	**961 473**	**79 501**	**30 802**	**8.3%**	**3.2%**

- Consistent with the previous year, we were once again able to identify attractive off-market scenarios during our 2020 acquisition activities; and recorded a positive fair value adjustments thereon.
- The market value of our existing "like-for-like" portfolio rose by 2.5% (2019: 3.2%).

Independent Reasonable Assurance Report

on EPRA reporting containing the EPRA performance measures for the period ended 31 December 2020 to the Management of Peach Property Group AG

Zurich

We have been engaged by Management to perform assurance procedures to provide reasonable assurance on the EPRA reporting containing the EPRA performance measures (pages 156 to 161) of Peach Property Group AG for the period ended 31 December 2020 prepared in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA).

The EPRA reporting containing the EPRA performance measures was prepared by the Management of Peach Property Group AG based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in Version published in October 2019.

Management's responsibility

The Management of Peach Property Group AG is responsible for preparing the EPRA reporting containing the EPRA performance measures in accordance with Best Practices Recommendations of the European Public Real Estate Association (EPRA) in version published in October 2019. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the EPRA reporting containing the EPRA performance measures that are free from material misstatement, whether due to fraud or error. Furthermore, the Management is responsible for the selection and application of the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in version published in October 2019 and an adequate record keeping.

Independence and quality control

We are independent of the Peach Property Group AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance engagement and to express a conclusion on the EPRA reporting containing the EPRA performance measures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”. Those standards require that we plan and perform our procedures to obtain reasonable EPRA reporting containing the EPRA performance measures was prepared, in all material aspects, in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in version published in October 2019.

The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to Peach Property Group AG's preparation of the EPRA reporting containing the EPRA performance measures.

We performed the following procedures amongst others:

- Inquiries with persons responsible for the preparation of the EPRA performance measures.
- Assessing the EPRA performance measures regarding completeness and accuracy of the deductions from the underlying IFRS numbers derived from the consolidated financial statements of Peach Property Group AG as at 31 December 2020 or if applicable other internal source data.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the EPRA reporting containing the EPRA performance measures of Peach Property Group AG for the period ended 31 December 2020 is prepared, in all material respects, in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in version published in October 2019.

Intended users and purpose of the report

This report is prepared for, and only for, the Management of Peach Property Group AG, and solely for the purpose of reporting to them on EPRA reporting containing the EPRA performance measures and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the EPRA reporting containing the EPRA performance measures , without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of Peach Property Group AG for our work or this report.

PricewaterhouseCoopers AG

Philipp Gnädinger

Michael Keel

Zurich, 25 March 2021

Individual financial statements of Peach Property Group AG 2020

Statement of financial position

Assets			
in CHF thousands	Note	Dec 31, 2020	Dec 31, 2019
Current assets			
Cash and cash equivalents		48 963	17 617
Trade receivables			
Group		5 159	6 738
Current financial receivables			
Third parties	3	0	5 507
Group	3	10 134	78 539
Other current receivables			
Third parties		303	46
Related parties		4	28
Prepaid expenses			
Third parties		138	106
Total current assets		**64 701**	**108 581**
Non-current assets			
Financial assets			
Group	4	398 125	114 121
Associates	4	13 444	13 102
Value adjustments	5	-14 838	-14 495
Other non-current receivables			
Third parties		50	50
Investments	6	40 296	40 296
Value adjustments	7	-212	-212
Equipment		70	53
Intangible assets	8	920	675
Total non-current assets		**437 855**	**153 590**
Total assets		**502 556**	**262 171**

Statement of financial position (continued)

Liabilities and equity

in CHF thousands	Note	Dec 31, 2020	Dec 31, 2019
Liabilities			
Current liabilities			
Trade payables			
Third parties		68	511
Group		28	28
Current financial liabilities			
Third parties	9	42 445	15 195
Group	9	8 354	24 972
Other current liabilities			
Third parties		95	79
Current income tax liabilities		421	354
Accrued expenses			
Third parties	10	889	1 659
Related parties and bodies		2 150	1 479
Current provisions	12	1 390	1 823
Total current liabilities		**55 840**	**46 100**
Non-current liabilities			
Non-current financial liabilities			
Third parties	11	59 062	88 081
Group	11	35 000	19 643
Non-current provisions	12	766	815
Total non-current liabilities		**94 828**	**108 539**
Total liabilities		**150 668**	**154 639**
Equity			
Share capital		12 495	6 601
Statutory capital contributions *		330 215	103 159
Statutory retained earnings		5 522	5 522
Retained earnings/-loss carried forward			
Carried forward		-7 721	-25 949
Result		11 596	18 228
Treasury shares	18	-219	-29
Total equity		**351 888**	**107 532**
Total liabilities and equity		**502 556**	**262 171**

* of which CHF 103 147 thousand is confirmed as of December 31, 2020

Statement of income

in CHF thousands	Note	Dec 31, 2020	Dec 31, 2019
Income from construction activities and development	13	2 293	232
Expenses from construction activities and development	13	-1 734	-54
Net income from construction activities and development		**559**	**178**
Other operating income	14	13 315	8 715
Operating result (EBIT)		**13 874**	**8 893**
Personnel expenses		-5 429	-5 755
Other operating expenses	15	-4 680	-4 588
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**3 765**	**-1 450**
Valuation adjustments	5	-343	20 026
Depreciation and amortization		-298	-118
Earnings before interest and taxes (EBIT)		**3 124**	**18 458**
Financial income	16	13 220	8 721
Financial expenses	16	-4 748	-8 951
Result before taxes		**11 596**	**18 228**
Income taxes		0	0
Result after taxes		**11 596**	**18 228**

Notes to the financial statements

These financial statements have been prepared in accordance with the requirements of Swiss law, in particular the accounting and financial reporting regulations of the Swiss Code of Obligations (Articles 957 to 962).

Peach Property Group AG is the ultimate parent company of the Peach Property Group. We are a stock corporation according to Swiss law listed on the SIX Swiss Exchange, and prepare the Group financial statements in accordance with the International Financial Reporting Standards (IFRS). We waive the additional disclosures in the Notes in accordance with Art. 961d Para 1 OR as well as the cash flow statement and refer to our Group financial statements in this context.

1 Measurement principles applied

The main items in the financial statements are valued as follows:

1.1 Receivables and financial assets

Trade receivables, financial receivables as well as other receivables are recognized at nominal value. Receivables due more than 12 months after the balance sheet date are shown as non-current receivables or financial assets. Where necessary, we carry out individual valuation adjustments.

Financial receivables and financial assets include interest-bearing receivables and loans granted.

1.2 Investments

We recognize investments at cost including transaction costs. If the value-in-use of an investment permanently falls below the present book value, based on future earning value calculations, we record a valuation adjustment.

1.3 Equipment and intangible assets

We recognize equipment at cost including transaction costs and depreciate them over the expected useful life of 3 - 5 years, depending on the asset class.

Investments in intangible assets mainly relate to new IT applications. We capitalize these, including transaction costs, and amortize over the expected useful life of 5 years.

1.4 Current and non-current liabilities

Liabilities are recognized at nominal value. Liabilities which are due for repayment within a year are shown as current liabilities, while those which are due more than 12 months after the balance sheet date are shown as non-current liabilities.

Financial liabilities include interest-bearing liabilities and loans received.

1.5 Provisions

We create provisions if we have, or expect an obligation resulting in a cash outflow based on an event which has occurred. The amount is determined based on the best possible estimate, taking all material risks and uncertainties into consideration. We offset payments made against the provisions created.

1.6 Revenue recognition

We determine income from construction activities and development based on the services performed for customers as of the balance sheet date. We only recognize revenue when the amount can be specified reliably, and it is sufficiently probable that economic benefits will be generated for us.

1.7 Foreign currency positions

The foreign currency positions of receivables and payables are valued at the exchange rate on the balance sheet date taking into account the lower of cost or market principle. Transactions in foreign currencies during the year are valued using the prevailing daily rate. We applied the following foreign exchange rates as of the balance sheet date:

	Dec 31, 2020	Dec 31, 2019
CHF / EUR	1.0857	1.0854

1.8 Statement of positions vis-à-vis participants and bodies

We identify positions vis-à-vis participants, bodies and related parties as follows:

Governing bodies	"Bodies"
Directly and indirectly held Group companies	"Group"
Associates	"Associates"
Other related parties	"Related parties"

2 Reorganization of the German corporate structure

In the previous year, we merged the former development companies VD Harvestehuder Weg I GmbH & Co. KG, VD Harvestehuder Weg II GmbH & Co. KG, VD Berlin Chausseestrasse 106 GmbH & Co. KG and Am Zirkus 1 GmbH & Co. KG with Yoo Berlin GmbH & Co. KG, as well as the corresponding complementary companies VD Berlin Chausseestrasse 106 Verwaltungs GmbH, VD Harvestehuder Weg I Verwaltungs GmbH, VD Harvestehuder Weg II Verwaltungs GmbH and Am Zirkus 1 Berlin Verwaltungs GmbH with Yoo Berlin Verwaltung GmbH, and in the process considerably streamlined the corporate structure. Through the sale of the stake in the Peach Property Group (Deutschland) AG by Peach German Properties AG to Yoo Berlin GmbH & Co. KG, which has rebranded as Peach Property Management GmbH & Co. KG, as well as the transfer of the operating business from Peach Property Group (Deutschland) AG to Peach Property Management GmbH & Co. KG, we were able to combine all German Group companies under one holding company.

3 Current financial receivables

in CHF thousands	Dec 31, 2020	Dec 31, 2019
4.125 % WT 80 Immobilien-Business Deutschland GmbH	0	3 304
4.5 % loan	0	2 203
Total current financial receivables from third parties	**0**	**5 507**
Peach German Properties AG	320	24 237
Peach Property Group (Deutschland) AG	9 814	54 118
Peach Property Management GmbH & Co. KG	0	184
Total current financial receivables from Group	**10 134**	**78 539**

All current financial receivables from third parties were repaid over the course of the reporting year.

The current financial receivables from Group companies include the amounts for which we expect to receive settlement within the next 12 months.

4 Financial assets

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Peach German Properties AG	47 050	20 050
East West Wohnbau GmbH in liquidation	1 394	1 393
Peach Property Group (Deutschland) AG	310 510	71 636
Peach Property Management GmbH & Co. KG	39 171	21 042
Group	**398 125**	**114 121**
Beach House AG	13 444	13 102
Associates	**13 444**	**13 102**
Total financial assets	**411 569**	**127 223**

Financial assets include Group financing, the repayment of which we do not expect within the next 12 months. The share of receivables that is not expected to be repaid within the following 12 months was reclassified from the current financial receivables.

The additional increase in the financial assets of Peach German Properties AG is largely due to additional portfolio financing for Group subsidiaries and sub-subsidiaries.

As part of the further growth of the Group, we also granted additional loans for portfolio financing to Peach Property Group (Deutschland) AG (see also Note 6).

5 Valuation adjustments to financial assets

in CHF thousands	Dec 31, 2020	Dec 31, 2019
East West Wohnbau GmbH in liquidation	1 394	1 393
Group	**1 394**	**1 393**
Beach House AG	13 444	13 102
Associates	**13 444**	**13 102**
Total valuation adjustments to financial assets	**14 838**	**14 495**

As in the previous year, we have completely written down the loans to East West Wohnbau GmbH which is in liquidation and Beach House AG, as we do not expect any returns from these loans.

6 Investments

Company	Ref.	Registered office	Capital stock	Direct investments	Indirect investment	Non-controlling interests	Closing date
Switzerland			in CHF thousands	in %	in %	in %	
Peach German Properties AG	4	Stansstad	100	100.0			Dec 31
WSZ Residential Development AG	3	Lachen	100	100.0			Dec 31
Gretag AG	2/3	Zurich	500	100.0			Dec 31
Austria			in CHF thousands	in %	in %	in %	
East West Wohnbau GmbH in liquidation	3	Innsbruck	18	99.0		1.0	Dec 31
Germany			in CHF thousands	in %	in %	in %	
Peach Property Management GmbH & Co. KG	1/4	Cologne	1		100.0		Dec 31
PPM Verwaltung GmbH	5	Cologne	25		100.0		Dec 31
Peach Property Group (Deutschland) AG	4	Cologne	5 000		100.0		Dec 31

Company	Ref.	Registered office	Capital stock	Direct invest-ments	Indirect invest-ment	Non-controlling interests	Closing date
Munster Portfolio GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Fassberg I GmbH & Co. KG	2	Cologne	50		94.9	5.1	Dec 31
Portfolio Helmstedt GmbH	2	Cologne	1 176		89.9	10.1	Dec 31
Portfolio Erkrath Wohnen GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Neukirchen L GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Neukirchen S GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Oberhausen GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Bochum II GmbH	2	Cologne	25		94.9	5.1	Dec 31
Blendersia Limited *	2	Larnaca CY	0.1		94.0	6.0	Dec 31
Portfolio Gelsenkirchen I GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Gelsenkirchen II GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Gelsenkirchen III GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Gelsenkirchen IV GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Essen I GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Essen II GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Essen III GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Rhein Ruhr GmbH *	2	Copenhagen	21		89.9	10.1	Dec 31
Portfolio Ruhr GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Ruhr II GmbH *	2	Copenhagen	21		89.9	10.1	Dec 31
Portfolio Ruhr III GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ruhr IV GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ruhr V GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ruhr VI GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Velbert GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Marl GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Bielefeld I GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1	Dec 31
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1	Dec 31
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ahlen GmbH *	2	Copenhagen	21		89.9	10.1	Dec 31
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Deutschland I GmbH	2	Cologne	313		89.9	10.1	Dec 31
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0		Dec 31
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0		Dec 31

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company
5 Management company/general partner
* Rebranding and relocation to Germany in progress

Company	Ref.	Registered office	Capital stock	Direct invest-ments	Indirect invest-ment	Non-controlling interests	Closing date
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1	Dec 31
Yoo Düsseldorf Verwaltungs GmbH	5	Cologne	25		100.0		Dec 31
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1	Dec 31
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Eschwege GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0		Dec 31
Peach Wertgrund GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0		Dec 31
Zymma Living GmbH	1	Cologne	25		100.0		Dec 31
Peach Hausverwaltungen GmbH (formerly Peach Cenda Hausverwaltungen GmbH)	1	Cologne	25		100.0		Dec 31
Domibus Facility Services GmbH	1	Cologne	25		100.0		Dec 31
Domibus Baumanagement GmbH		Cologne	25		100.0		Dec 31
Peach Property Finance GmbH	1	Bonn	25		100.0		Dec 31
Associated companies			in CHF thousands	in %	in %	in %	
Beach House AG	5	Wädenswil	100	46.6			Dec 31

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company
5 Management company/general partner
* Rebranding and relocation to Germany in progress

7 Valuation adjustments to investments

The valuation adjustments relate to the following investments:

in CHF thousands	Dec 31, 2020	Dec 31, 2019
East West Wohnbau GmbH in liquidation	165	165
Beach House AG	47	47
Total valuation adjustments to investments	**212**	**212**

8 Intangible assets

We have capitalized the investments in new IT applications, in particular SAP S/4HANA

9 Current financial liabilities

9.1 Current financial liabilities to third parties

This item includes a loan from a third party in the amount of CHF 9 000 thousand, the subordinated mandatory convertible bond II issued in the reporting year in the amount of CHF 32 899 thousand as well as the accrued interest on the hybrid convertible and hybrid warrant bonds (see Note 11.1). The mandatory convertible bond I issued in the previous year in the amount of CHF 5 419 thousand was fully converted at the end of the term.

The conditions of the bonds are as follows:

Mandatory convertible bond II (issue 2020)

Volume:	CHF 230 000 thousand
Interest rate:	2.50 % p.a. from October 16, 2020
Maturity:	June 30, 2021
Conversion price:	CHF 42.50
Convertible:	From November 3 until December 4, 2020; December 28 - 31, 2020 or June 30, 2021
ISIN:	CH0570347390

In the reporting year bonds in the amount of CHF 196 410 thousand were converted.

The amount of CHF 32 899 thousand reported at the end of the year includes transaction costs of CHF 1 236 thousand and accrued interest of CHF 545 thousand.

Mandatory convertible bond I (issue 2019)

Volume:	CHF 5 419 thousand
Interest rate:	2.50 % p.a. from October 14, 2019
Maturity:	April 14, 2020
Conversion price:	CHF 33.04
Convertible:	April 14, 2020
ISIN:	CH 0504274447

9.2 Current financial liabilities to the Group

in CHF thousands	Dec 31, 2020	Dec 31, 2019
WSZ Residential Development AG	4 019	4 829
Gretag AG	4 195	
Other Group loans	140	135
Total current financial liabilities to Group	**8 354**	**24 972**

The loan agreements with Gretag AG were renewed in the reporting year. The maturities were adjusted to the liquidity requirements of the two companies over the next 12 months.

10 Accrued expenses

The decrease is mainly attributable to lower accruals related to WSZ Residential Development AG where the construction project has been completed.

11 Non-current financial liabilities

11.1 Non-current financial liabilities to third parties

As in the previous year, the non-current financial liabilities include the hybrid bonds issued.

The conditions are as follows:

Hybrid warrant bond (issue 2018)

Volume:	CHF 58 562 thousand
Interest rate:	1.75 % p.a., from issue date until June 22, 2023 (incl.) Capital market rate (at least 0 %) + 9.25 % p.a. as of June 22, 2023
Term:	unlimited; first callable by issuer on June 22, 2023
Option right:	4 warrants per bond of CHF 1 000.
Exercise period:	June 25, 2018 – June 25, 2021
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA23/CH0417376024
Exercised in 2020:	16 504 warrants (previous year: 12 776)
Open warrants:	203 520 warrants (previous year: 220 052)

Hybrid convertible bond (issue 2017)

Volume:	CHF 59 000 thousand
Interest rate:	3.00 % p.a., from issue date until September 30, 2022 (incl.) 3-month Libor + 9.25 % p.a. as of October 1, 2022
Term:	unlimited; first callable by issuer on September 30, 2022
Option right:	CHF 29.50
Exercise period:	From October 16, 2017 until December 30, 2020 against registered shares with a par value of CHF 1.00
Listing:	SIX Swiss Exchange AG
Ticker/ISIN:	PEA22 / CH0381952255
Conversions 2020:	CHF 29 292 thousand (previous year: CHF 27 431 thousand)
Outstanding 2020:	CHF 1 607 thousand (previous year: CHF 30 899 thousand)

The capitalized issue costs of the hybrid warrant bond amount to CHF 1 080 thousand, while the hybrid convertible bond issue costs are CHF 1 390 thousand. We amortize these costs by applying the effective interest rate method over the term of the bond.

11.2 Non-current financial liabilities to the Group

As in the previous year, non-current financial liabilities exist to Gretag AG. The funds not required within the next 12 months according to liquidity planning were reclassified to the current financial liabilities (see Note 9.2).

12 Provisions

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Warranties	7	97
Share-based payment compensation	1 383	1 196
Other provisions	0	530
Current provisions	**1 390**	
Share-based payment compensation	766	815
Non-current provisions	**766**	
Total provisions	**2 156**	**2 638**

A participation plan vested in the reporting year. Another plan is due to vest in May 2021. We have reclassified the corresponding portion to current provisions.

13 Income and direct expenses of the completed project volume

Upon receipt of the building permit for the “Giessen-Areal”, Gretag AG, a subsidiary of the Peach Property Group AG, commissioned the Peach Property Group AG with the preparatory construction work. The costs incurred for this assignment were billed to Gretag AG.

In the reporting year we were able to reverse provisions in the amount of CHF 550 thousand after the expiry of terms.

14 Other operating income

In connection with the continued growth of the Group, particularly in the context of the acquisition of two portfolios with over 10 800 apartments and the issuance of a further bond for EUR 300 million, additional services were rendered and expenses incurred, resulting in higher charges to the respective subsidiaries.

15 Other operating expenses

The slight increase in other operating expenses is primarily due to additional consulting costs incurred in relation to the EUR 300 million bond issued by a subsubsidiary in the reporting year, as well as higher, non-capitalizable IT expenses incurred within the scope of implementing SAP S/4HANA.

16 Financial income and expenses

The significantly higher financial income resulted mainly from the exchange rate fluctuations of the CHF against the EUR (CHF 3 650 thousand) as well as higher interest income from the additional loans granted to Group companies.

Financial expenses reduced mainly due to exchange rate fluctuations of CHF 3 458 thousand and lower interest levels on outstanding third-party financing.

17 Liabilities to pension funds

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Total liabilities to pension funds	5	27

18 Treasury shares

	Dec 31, 2020		Dec 31, 2019	
in CHF thousands	Number	Value	Number	Value
Opening balance	986	29	906	14
Purchases	4 696	190	11 080	344
Sales	0	0	-11 000	-329
Total treasury shares	**5 682**	**219**	**986**	**29**

19 Pledged and otherwise encumbered assets

	Dec 31, 2020		Dec 31, 2019
Subordinated assets	in EUR thousands	in CHF thousands	in CHF thousands
East West Wohnbau GmbH in liquidation	1 284	1 394	1 393
Peach German Properties AG		20 050	20 050
Peach Property Group (Deutschland) AG	20 500	22 250	22 250
Receivables from Group		**43 694**	**43 693**
Beach House AG		13 317	13 102
Receivables from Associates		**13 317**	**13 102**
Total subordinated assets		**57 011**	**56 795**

20 Number of full-time positions

The average number of full time employees was below 50 in the current and previous year.

21 Unrecognized leasing liabilities

in CHF thousands	Dec 31, 2020	Dec 31, 2019
Rental obligations (extention of end dates to Dec 31, 2023)	357	494
Vehicles	32	88
Total unrecognized leasing liabilities	**389**	**582**

22 Sureties, contingent liabilities and guarantee obligations to third parties

		Dec 31, 2020	Dec 31, 2019
	in EUR thousands	in CHF thousands	in CHF thousands
Syndicated loan Peach Property Group (Deutschland) AG	62 000	67 313	67 293
Refinancing Portfolio Rheinland GmbH	4 200	4 560	4 559
Corporate bond 2019 Peach Property Finance GmbH	250 000	271 425	271 345
Corporate bond 2020 Peach Property Finance GmbH	300 000	325 710	0
Guarantees for financing		**669 008**	**343 197**
Mortgage loan Gretag AG (Giessen Areal, Wädenswil)		20 000	20 000
Mortgage loan Portfolio Erkrath Wohnen GmbH	2 000	2 171	2 171
Mortgage loan Portfolio Neukirchen L GmbH and Portfolio Neukirchen S GmbH	8 000	8 686	8 683
Mortgage loan Portfolio Oberhausen GmbH	9 040	9 815	9 812
Mortgage loan Portfolio Kaiserslautern I GmbH & Co. KG and Portfolio Kaiserslautern II GmbH & Co. KG	5 350	5 808	5 807
Mortgage loan Portfolio Kaiserslautern III GmbH	750	814	814
Mortgage loan Portfolio KL Betzenberg IV GmbH and Portfolio KL Betzenberg V GmbH	1 650	1 791	0
Mortgage loan Portfolio Bochum II GmbH	2 650	2 877	2 876
Mortgage loan Portfolio Nordhessen II GmbH	2 200	2 389	2 388
Mortgage loan Portfolio Heidenheim I GmbH and Portfolio Heidenheim II GmbH	12 000	13 028	13 025
Sureties for financing		**67 379**	**65 576**
Indemnification of former owner of the Giessen Areal (Wädenswil) with regard to soil and underground pollution		250	250
Other sureties		**250**	**250**

	Dec 31, 2020 in EUR thousands	Dec 31, 2020 in CHF thousands	Dec 31, 2019 in CHF thousands
Reidbach project (Giessen Areal development project) to the City of Wädenswil		6 000	6 000
Rent obligation of Peach Property Group (Deutschland) AG	53	58	58
Obligations in connection with the sale of the "Am Zirkus 1" project	500	543	4 884
Payment obligations of East West Wohnbau GmbH in liquidation	65	71	71
Overindebtedness of Peach Property Management GmbH & Co. KG	105 000	113 999	86 830
Overindebtedness of Peach Property Finance GmbH	2 150	2 334	2 334
Letters of comfort		**123 004**	**100 177**
Member of a Swiss VAT Group		p.m.	p.m.
Joint and several liabilities			
Total sureties, guarantees and letters of comfort		**859 641**	**509 200**

23 Holding values and options held by the Board of Directors, Executive Committee and employees

in units	Dec 31, 2020 Shares	Dec 31, 2020 Options [1]	Dec 31, 2020 of which PSUs [1]	Dec 31, 2019 Shares	Dec 31, 2019 Options [1]	Dec 31, 2019 of which PSUs [1]
Board of Directors	196 651	27 000	27 000	172 140	26 000	26 000
Executive Committee	784 793	86 500	46 500	808 264	83 500	43 500
Employees	21 865	17 000	17 000	13 376	18 000	18 000
Total	**1 003 309**	**130 500**	**90 500**	**993 780**	**127 500**	**87 500**

1 A portion of the options is held in Performance Share Units (PSUs).

24 Significant events after the end of the reporting period

No significant events are known to have occurred after the end of the reporting period.

Proposed appropriation of retained earnings

in CHF	Dec 31, 2020	Dec 31, 2019
Loss carried forward	-7 720 945	-25 949 049
Result after taxes	11 595 537	18 228 104
Total retained earnings/-loss carried forward	**3 874 592**	**-7 720 945**
Retained earnings available for distribution	**3 874 592**	**0**

The Board of Directors proposes the appropriation of available retained earnings as follows:

in CHF			
Dividend distribution of CHF 0.30 per share*	3 822 919		
distributed from statutory capital contribution	50 %	1 911 460	0
distributed from retained earnings	50 %	1 911 460	0
Allocation to statutory retained earnings		318 577	0
Retained earnings to be carried forward		**1 644 556**	**-7 720 945**

* Total shares issued per Dec 31, 2020 and options expected to be exercised considered

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Peach Property Group AG, which comprise of the statement of financial position as at 31 December 2020, the statement of income and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 165 to 181) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 5'000'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries and group receivables

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 5'000'000
How we determined it	1 % of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the company mainly holds investments in subsidiaries and group receivables. Total assets is a common benchmark for materiality for holding companies.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries and group receivables

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries and group receivables amounting to around CHF 452 million are the biggest part of the assets. The investments in subsidiaries and group receivables are valued at acquisition costs respectively nominal value or lower market value. Please refer to the notes in the financial statements (from page 169). We consider the testing of the recoverability of the investments in subsidiaries and group receivables to be a significant matter, because of the high value and the judgement of the management involved.	• We tested the design and existence of the key controls regarding the valuation of investments in subsidiaries and group receivables. • We tested all material investments in subsidiaries and group receivables and evaluated the allowance for each position. • We tested the valuation of the investments in subsidiaries and group receivables considering the net asset value and the operating business (value in use). This includes the comparison of the book value to the net assets, market value of the investment properties, inquiries with management and review of business plans. • Especially for portfolio companies the external valuation of the investment and development properties were taken into account, to identify any potential difference between book and market value, and to consider it in the impairment assessment. • We tested the allocated allowance on investments in subsidiaries and group receivables whether the necessary allowances were booked against the investments in subsidiaries first and afterwards against the group receivables as well as if the allowances are sufficient. The results from our audit procedures support the recoverability assumptions from the management and board of directors.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Philipp Gnädinger	Michael Keel
Audit expert Auditor in charge	Audit expert

Zurich, 25 March 2021

Contacts

Peach Property Group AG

Dr. Thomas Wolfensberger
Chief Executive Officer

Dr. Marcel Kucher
Chief Financial Officer / Chief Operating Officer

Telephone + 41 44 485 50 00
Fax + 41 44 485 50 01
investors@peachproperty.com

Share register

Telephone + 41 62 205 77 00
share.register@computershare.ch

Events

Publication of annual results 2020:
March 30, 2021

Annual general meeting:
May 27, 2021 in Zurich,
due to the COVID-19 situation,
preliminary not with the physical
attendance of shareholders or
their representatives

Publication of half-year results 2021:
Tuesday, August 31, 2021

Imprint

Editor:
Peach Property Group AG, Zurich
Conceptual design / text:
edicto GmbH, Frankfurt /
Peach Property Group AG, Zurich
Realization: edicto GmbH, Frankfurt

The 2020 annual report was published in
in German and English language.
They are available on the internet at
www.peachproperty.com.

Peach Property Group AG
Neptunstrasse 96
8032 Zurich, Switzerland
Tel +41 44 485 50 00
Fax +41 44 485 50 01
www.peachproperty.com