



## Semi-annual report 2021

## Key Figures

Peach Property Group AG is a real estate investor with an 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)		Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Operating income	in CHF thousands	177 139	213 584	49 362
EPRA Like-for-like rental income	in %	4.4	4.7	n.a.
Operating result	in CHF thousands	151 651	178 563	33 330
Result before tax	in CHF thousands	131 435	153 354	17 050
Result after tax	in CHF thousands	110 096	127 282	14 892
NAV IFRS	in CHF thousands	1 052 850	754 862	399 539
Equity ratio IFRS	in %	37.4	33.9	31.8
NAV NTA	in CHF thousands	1 072 352	772 378	n.a.
Real estate portfolio at market values (incl. right-of-use assets) <sup>1</sup>	in CHF thousands	2 678 600	2 112 450	1 176 794
Number of FTEs		160	119	99
Number of shares (nominal value of CHF 1.00 each)		13 593 678	12 494 751	6 873 128
Share capital	in CHF thousands	13 593	12 495	6 873
Diluted earnings per share	in CHF	7.96	14.30	1.75
Diluted FFO II per share	in CHF	0.41	0.60	0.88
EPRA NTA per share	in CHF	63.60	57.29	n.a.

<sup>1</sup> NAV market value based on the independent appraisal of Wüest Partner, incl. assets held for sale.

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## Dear shareholder

We reflect on the most successful half-year in our corporate history which is characterized by a further expansion of our real estate portfolio. We were able to sustain our growth trend and momentum from the 2020 financial year throughout the first half of 2021, despite several pandemic enforced lockdowns. Following the acquisition of around 4 300 residential units in June 2021, we have increased our overall property portfolio to around 27 500 residential units. Despite our significant portfolio growth, we were able to structurally improve our financial position through the issuance of mandatory convertible bonds, with our Loan-to-Value ratio (LTV) further reducing. We are thus combining value-oriented operational expansion with improved stability in our financial position.

We remained true to our investment strategy in our latest acquisition, with the vast majority of newly acquired residential units in, or with proximity to, already existing locations, mainly in the Ruhr Area of North Rhine-Westphalia. A number of residential units were acquired in the Bremen metropolitan area. Our extensive local expertise and established networks in our existing locations provide

a strong foundation to leverage synergies, achieve further efficiency gains and unlock economies of scale benefits from acquisitions.

The market value of our portfolio increased more than twofold compared to the market value at the end of the comparative period, to CHF 2.6 billion. Our portfolio, with a total lettable floor space of more than 1.7 million square meters, achieved a gross return of 4.9 percent as of the period end date.

Operational successes achieved in the first half of 2021 are reflected in our key financial figures. In comparison to the first half of 2020, we increased our profit before tax to CHF 131.4 million, representing an almost eightfold increase. Our operating margin improved from 74.9 percent in 2020 to 76.5 percent in the first half of 2021. Net rental income increased from CHF 27.4 million in the first half of 2020 to CHF 50.2 million in the first half of 2021, reflecting the rental income generation by the residential units acquired at the end of 2020.

### Increased efficiency through an intelligent platform

Our modern and digital platform facilitated the quick and smooth integration of the more than 10 000 residential units acquired during 2020 into our existing portfolio. Efficient integration represents the return on our investments made in recent years where we set up our service center in Berlin and implementing the SAP S/4 HANA platform.

Through our planned expansion of, and integration of further automated processes, including using artificial intelligence, we expect to generate further efficiency gains in the future.

### Tenant focus as part of our DNA - digital channels and new Peach Points

A further advantage of our digital platform is that it links our regional tenant stores, called Peach Points, with the service offering available to our tenants. A Peach Point is continuously reachable by phone, email, via the tenant

portal, or can be visited in person. When a tenant reports damages directly at a Peach Point, the Peach Point employee can send a repair request directly to the appropriate craftsman thanks to intelligent technology.



Reto Garzetti  
President of the Board of Directors



Dr. Thomas Wolfensberger  
Chief Executive Officer

As an investor with its focus on residential property portfolios, we have a tenant-orientated focus which makes the availability of tenant support 24/7 paramount. Our tenant-orientated focus extends further to the well-being of our tenants in the current, very challenging pandemic phase.

Active communication and exchanges with our tenants during the lockdowns at the start of 2021 were very important. In this respect, our various digital channels underlined their value in that we were able to maintain close contact with our tenants despite our Peach Points being physically closed to the public due to COVID-19. In order to extend our proven quality of service to the tenants from the real estate portfolio acquired at the end of 2020, we

opened a further four Peach Points during the first half of 2021, increasing the total number of tenant stores to twelve as of June 30, 2021.

All these elements demonstrate that the success of our business activities is not measured solely on the usual financial indicators. The satisfaction of our tenants is central to our success and is the measure that drives us to constantly question our model, identify weak points, and take remedial action. Ultimately, tenant satisfaction achieved is reflected in our vacancy rate. Our vacancy rate continued its downward trend over the past years and reduced further, from 7.9 percent at the end of 2020, to 7.5 percent as of June 30, 2021.

## Optimized capital structure and reduced interest expenses

The first half of 2021 was characterized by a large expansion in our operational business. In parallel, we optimized our capital structure in line with our strategy. We were able to reduce our LTV from 57.5 percent at the end

of 2020 to 54.5 percent as of June 30, 2021. In doing so, we achieved our target of a maximum LTV of 55 percent. The average interest rate reduced from 2.9 percent at the end of 2020 to 2.7 percent at the end of the report-

ing period. The average interest rate reduction, coupled with further operational efficiency, led to an increase in the ICR (Interest Coverage Ratio) from 1.24x at the end of 2020 to 1.40x at the end of the reporting period. These improvements represent an improved starting position with respect to future capital market transactions.

We financed the acquisition in the first half of 2021 with the proceeds from the 2.5 percent mandatory convertible bond issued in June 2021, in the amount of CHF 180 million. Investor interest in the mandatory convertible bond was extremely high, which once again allowed us

to increase the volume of the issue from the originally targeted volume. In addition to our anchor investor Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l., other renowned national and international investors have now joined the group of shareholders of Peach Property Group AG.

Further highlights on the capital market in the first half of 2021 were the inclusion in the FTSE EPRA Nareit Index, and the MSCI Global Small Cap Index.

## Outlook - Increase in FFO I and increasing net rental income

In the first half of 2021, we laid a solid foundation to continue our successful growth through the second half of the year. We are currently benefiting from the unchanged, positive sentiment on the German residential property market. The COVID-19 pandemic continues to highlight how essential high living quality, and 24/7 access to service, are to our tenants.

We expect further improvements in the group result for the year as a whole considering the impact from the acquisition made in the first half of 2021. FFO I for the full

financial year 2021 is forecasted to be at least CHF 14 million to CHF 18 million, in comparison to CHF 4.6 million in 2020. Net rental income for the full financial year 2021 is forecasted to be at least CHF 108 million to CHF 112 million, in comparison to CHF 54.7 million in 2020. Our expectation of a stable dividend of 50 percent of FFO I remains unchanged.

Accordingly, we look forward to further developing the operational skills and values within Peach Property Group and thank all partners accompanying us.

Yours



Reto Garzetti  
President of the Board of Directors



Dr. Thomas Wolfensberger  
Chief Executive Officer



## Property portfolio

Peach Property Group is an investor with its focus on residential property portfolios in Germany. Our portfolio consists of investment properties typically located in so-called B-cities within the commuter belt of metropolitan areas. The first half of 2021 was largely characterized by the integration of the real estate portfolio acquired at the end of 2020, and further acquisition activities. Following the successful acquisition of around 4 300 residential units in the first half of 2021, we have increased our investment portfolio to around 27 500 residential units with a total lettable floor space of more than 1.7 million square meters. This represents an increase of 113 percent in comparison to the first half of 2020. The overall market value of our portfolio as of June 30, 2021, amounted to CHF 2.6 billion compared to CHF 1.1 billion as of June 30, 2020. The recent and significant growth in our investment portfolio contributed to an almost twofold increase in total rental income, from CHF 27.4 million during the first half of 2020 to CHF 50.2 million in the first half of 2021.

Our mission is to offer affordable and modern living space in Germany, while the satisfaction of our tenants represents the core of our business model. Active exchanges with our tenants, utilizing all available communication channels, are essential to our activities. Tenants can continuously communicate with us through our fully integrated digital platform, whether to report damages or to lodge a general inquiry. Tenants can also engage with us in person through our tenant stores, called Peach Points. Due to the COVID-19 pandemic, our Peach Points were reachable only by phone and e-mail during the first half of 2021.

Considering the appreciation of our tenant stores by our tenants, and in order to extend our proven quality of service to the tenants from the real estate portfolio acquired at the end of 2020, we opened a further four Peach Points during the first half of 2021, increasing the total number of tenant stores to twelve as of June 30, 2021. Whether through our web-based tenant portal, via a Peach Point, WhatsApp, or a telephone call – we maintain proximity to our tenants and their needs, which increases tenant satisfaction and in turn reduces tenant turnover. Our success is reflected in a continuously decreasing vacancy rate of 7.5 percent as of June 30, 2021, compared to 7.9 percent as of December 31, 2020.

A substantial part of our investment portfolio is in the Ruhr area in the German Federal State of North Rhine-Westphalia. Booming population growth and a high density of economically strong companies, many of which are listed on the DAX, characterize the Rhine-Ruhr metropolitan area. We are furthermore strongly represented in the German Federal States of Rhineland-Palatinate and Lower Saxony. In total, we have real estate portfolios in eight German Federal States. Our strategy is to increase our presence in existing locations through acquisitions. This allows us to leverage synergies and unlock economies of scale benefits. Our investment focal point remains the Rhine-Ruhr area.

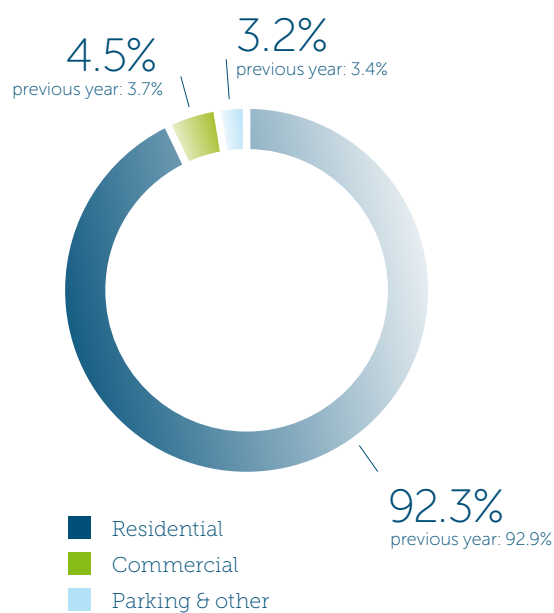
Our active management strategy extends beyond keeping our rental units in a good condition through modernization, to also tending to the surroundings of the residential areas, for example, through our planting campaigns or the playvan for children. The COVID-19 pandemic has shown, more than ever, that high living quality is one of the basic human needs. Our long-term strategy, which clearly focuses on the needs of our tenants, has thus once again vindicated itself in the first half of 2021.



## Portfolio structure

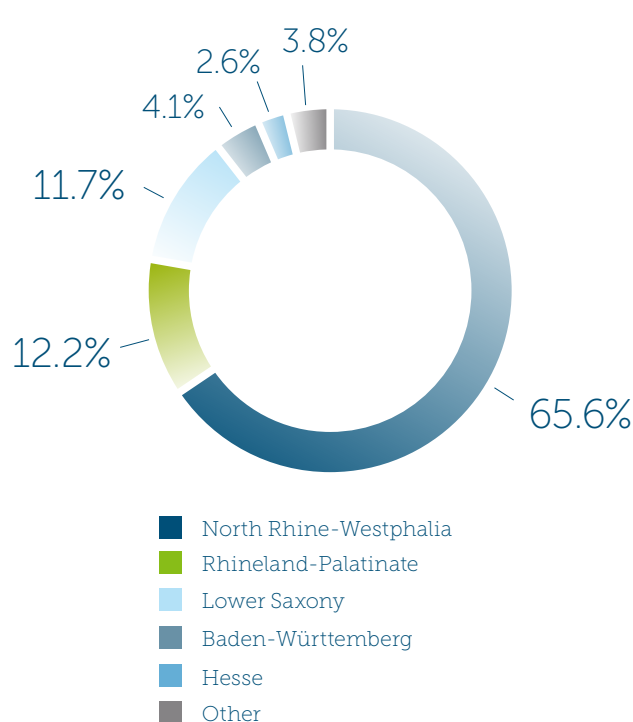
### Rental income by use category as of Jun 30, 2021

% Actual rental income



### Breakdown by federal state as of Jun 30, 2021

% Annualized target rental income



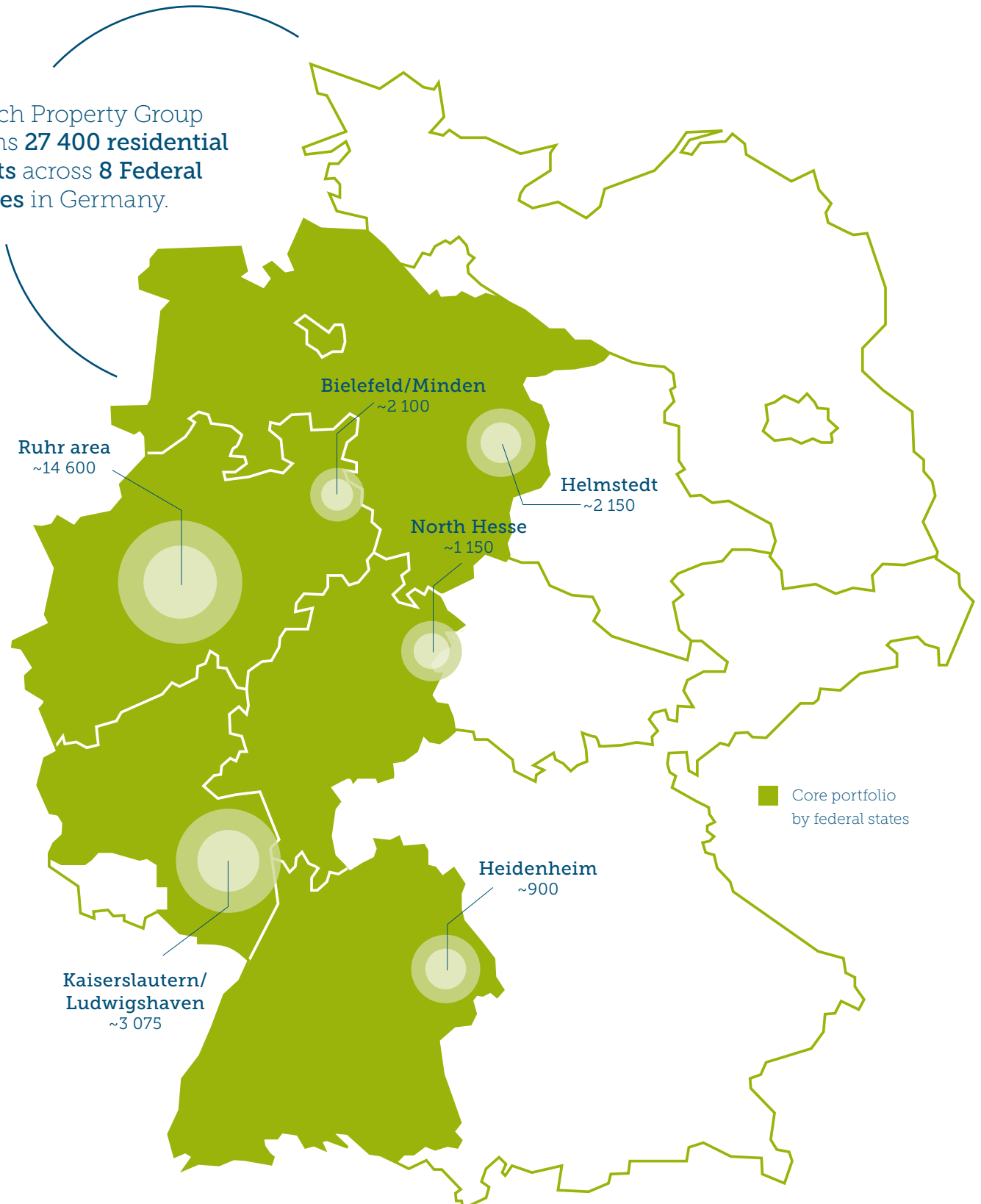
## Portfolio key figures

	Jun 30, 2021	Dec 31, 2020
Number of residential units	27 497	23 201
Total floor space in m <sup>2</sup>	1 777 254	1 505 900
Living space in m <sup>2</sup>	1 708 497	1 436 857
Commercial space in m <sup>2</sup> (GF DIN 277)	68 757	69 043
Actual rental income in TCHF*	50 220	54 748
Maintenance costs in TCHF*	7 084	7 467
Administrative and operating costs in TCHF*	2 666	4 294
Vacancy costs in TCHF*	2 367	2 423
Target rental income in TCHF p. a.	138 969	112 271
Vacant residential units (as a percentage of all residential units)	2 067 7.5%	1 842 7.9%
Market value in TCHF	2 599 243	2 039 007
Gross rental yield*	4.9%	5.0%
Net rental income/Cash flow yield*	3.1%	3.1%

\* Disclosures as per June 30, 2021 and December 31, 2020 excluding portfolios acquired per closing date.

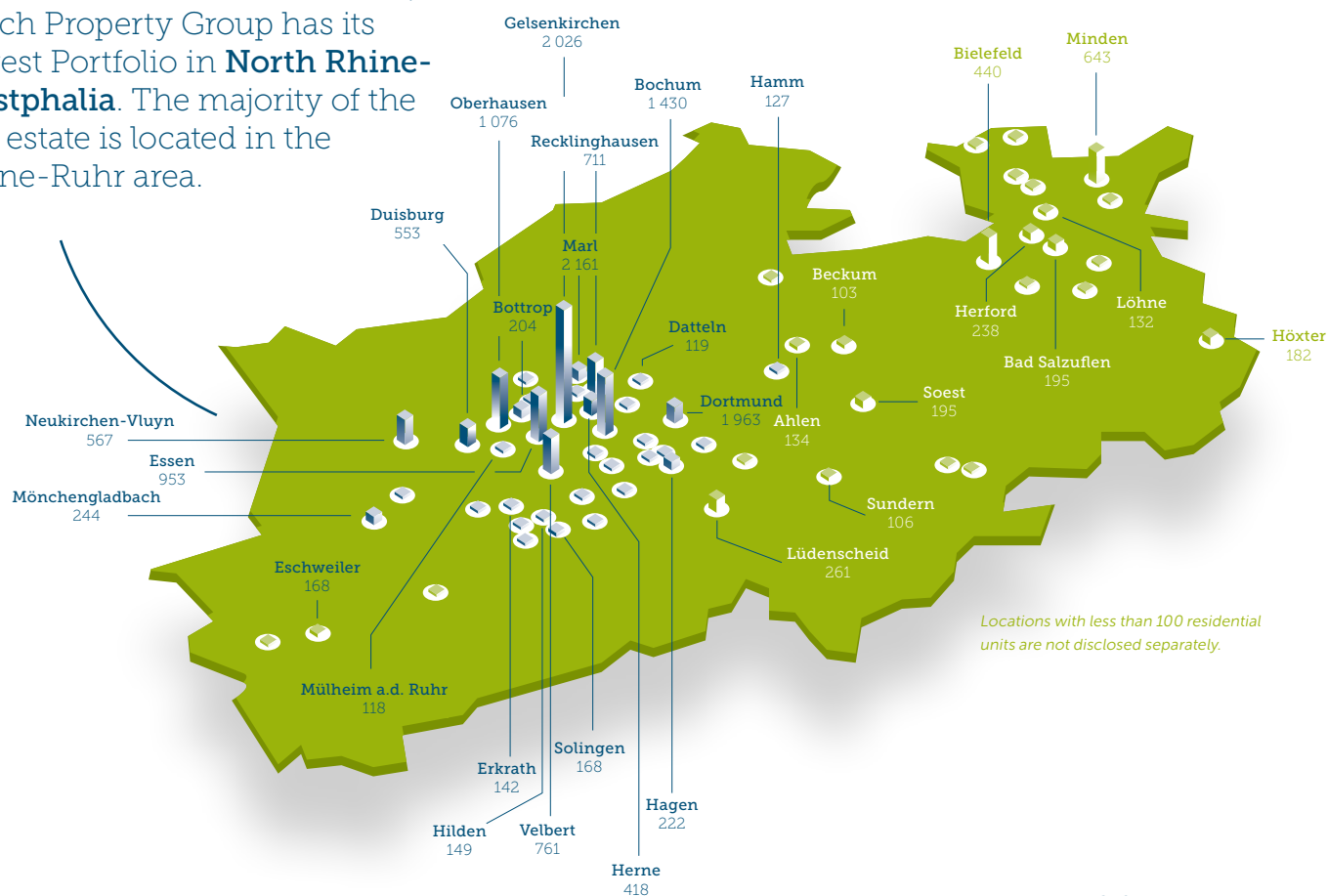
## Clustered portfolios of Peach Property Group

Peach Property Group owns **27 400 residential units** across **8 Federal States** in Germany.

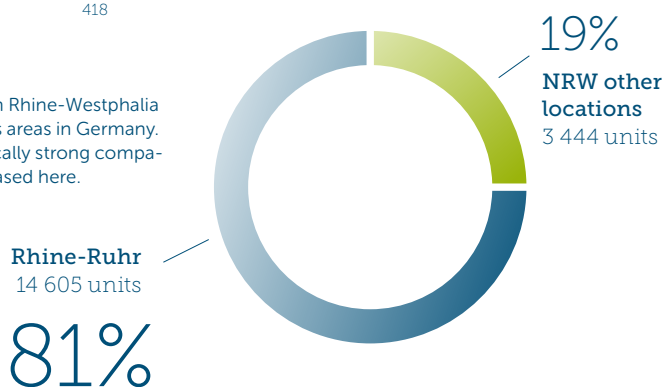




With ~ **18 000 residential units**, Peach Property Group has its largest Portfolio in **North Rhine-Westphalia**. The majority of the real estate is located in the Rhine-Ruhr area.



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



## Details Portfolio

in CHF thousands

Jun 30, 2021

Location	Number of residential units	Area in m <sup>2</sup>	Year of construction (renovation)	Market value <sup>1</sup>	Target rent p.a. net cold	Letting potential	Rental gross return <sup>2</sup>	Rental net return <sup>3</sup>
Bakery, Wädenswil	0	4 401	1833 (1966)	10 240	574	3.2%	5.6%	4.5%
Mews, Wädenswil	16	1 100	1874 (1991)	7 891	323	14.4%	3.5%	3.0%
Gardens, Wädenswil	13	769	1874 (1991)	6 058	202	5.2%	3.2%	2.8%
Munster	377	25 784	1959 - 1967	29 531	1 818	6.8%	6.0%	4.0%
Fassberg	283	19 656	1958 - 1961	17 248	1 318	6.5%	7.6%	4.9%
Helmstedt/Schöningen/Esbeck	2 135	124 940	1952 - 1970	131 271	9 335	13.6%	6.3%	4.2%
Erkrath	194	17 008	1970 / 1978	33 917	1 659	9.7%	4.5%	3.5%
Dortmund Rheinische Strasse 167 - 171	0	2 502	1922 (1997)	2 316	204	14.2%	7.5%	6.6%
Neukirchen-Vluyn L	513	34 820	1974 / 1981	42 868	2 947	39.6%	4.5%	2.2%
Neukirchen-Vluyn S	54	3 114	1974 / 1981	3 261	207	1.3%	6.5%	4.7%
Oberhausen	1 972	130 313	1869 - 2001	202 662	10 779	8.2%	4.9%	3.5%
Bochum II	172	11 079	1958 - 1999	19 594	986	5.3%	4.8%	3.8%
Bochum III	463	6 466	1972	18 706	25	8.8%	0.1%	-3.1%
Bochum-Herne <sup>4</sup>	330	23 670	1920 - 1980	38 549	1 903	0.0%	n.a.	n.a.
Gelsenkirchen I	973	67 651	1921 - 1968	87 087	4 716	7.0%	5.2%	3.5%
Gelsenkirchen II	135	8 595	1920 - 1957	13 235	680	16.1%	4.3%	2.7%
Gelsenkirchen III	71	4 936	1950 - 1971	5 874	346	19.8%	4.7%	1.8%
Gelsenkirchen IV	82	5 407	1902 - 1956	6 436	419	17.7%	5.4%	3.4%
Essen I	68	5 725	1962 - 1964	8 848	400	3.7%	4.4%	3.0%
Essen II	107	6 680	1976	11 623	486	2.7%	4.1%	3.2%
Essen III	14	2 387	1972	3 137	233	9.8%	6.9%	2.2%
Duisburg <sup>4</sup>	207	12 838	1950 - 1972	17 294	1 003	0.0%	n.a.	n.a.
Dortmund <sup>4</sup>	1 403	91 328	1950 - 1970	166 449	6 695	0.0%	n.a.	n.a.
Rhein Ruhr	353	23 703	1900 - 1983	29 898	1 806	17.1%	5.1%	3.1%
Ruhr	528	36 215	1905 - 1990	55 274	2 811	8.5%	4.8%	3.4%
Ruhr II	348	23 495	1900 - 2015	28 547	1 754	11.5%	5.5%	3.2%
Ruhr III	968	60 123	1900 - 1990	87 853	4 460	10.9%	4.6%	2.7%
Ruhr IV	262	15 107	1920 - 1978	19 081	1 077	9.4%	5.2%	2.5%
Ruhr V	173	18 409	1899 - 1973	22 926	1 402	14.8%	5.3%	3.4%
Ruhr VI	64	3 732	1905 - 1960	5 842	300	13.7%	4.5%	2.6%

1 Based on the valuation by Wüest Partner as of Jun 30, 2021.

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

3 Annualized actual rental income Jan 1 to Jun 30, 2021 (net cold, excl. incidental expenses less administration and maintenance costs) in relation to the average value of the portfolios.

4 Purchase per Jun 30, 2021.

in CHF thousands

Jun 30, 2021

Location	Number of resi- dential units	Area in m <sup>2</sup>	Year of construc- tion (renovation)	Market value <sup>1</sup>	Target rent p.a. net cold	Letting potential	Rental gross return <sup>2</sup>	Rental net return <sup>3</sup>
Velbert	761	53 358	1972 - 1978	75 396	3 553	14.2%	4.1%	2.6%
Marl	221	16 120	1966 - 1990	22 503	1 375	14.2%	5.3%	4.0%
Marl II <sup>4</sup>	1 872	121 593	1939 - 1972	182 100	9 955	0.0%	n.a.	n.a.
Bielefeld I	212	15 045	1969 / 1978	21 119	785	9.3%	3.4%	2.1%
Bielefeld II	144	10 447	1969/1970/1973	14 627	601	2.8%	4.0%	2.0%
Dorsten	57	4 108	1970	4 065	268	30.1%	4.7%	2.1%
Beckum	103	6 277	1960 - 1975	8 251	429	8.3%	4.8%	1.9%
Lüdenscheid	146	9 054	1910 - 1969	10 050	652	23.5%	5.1%	2.8%
Herne	165	12 931	1976	16 634	962	16.6%	4.9%	1.6%
Ahlen	134	9 908	1956	11 140	650	3.2%	5.7%	4.1%
Mönchengladbach	244	4 239	1975	12 577	843	18.4%	5.5%	-0.6%
Hagen	36	5 033	1985	3 552	282	42.4%	4.7%	1.9%
Bremen, Gelsenkirchen & Hilden <sup>4</sup>	517	25 680	1954 - 1996	56 277	2 561	0.0%	n.a.	n.a.
Portfolio Deutschland I	2 136	135 157	1926 - 1995	186 401	9 814	11.1%	4.7%	3.0%
Ostwestfalen	1 741	115 069	1800 - 2002	133 543	8 013	10.8%	5.5%	3.6%
Rheinland	379	27 794	1900 - 1963	58 962	2 560	11.5%	4.0%	3.1%
Kaiserslautern I	22	3 318	1928 - 1938/1950	4 952	333	54.3%	3.1%	1.7%
Kaiserslautern II	1 144	72 198	1931 - 2000	113 255	5 789	7.1%	4.9%	3.5%
Kaiserslautern III	200	11 381	1926 - 1961	23 637	1 110	11.9%	4.2%	2.8%
KL Betzenberg IV	343	25 896	1972	43 690	1 971	10.1%	4.1%	2.9%
KL Betzenberg V	242	13 591	1972 - 1973	26 206	1 196	12.4%	4.1%	2.6%
Kaiserslautern VI	59	2 366	1972	5 422	320	43.5%	3.3%	1.4%
Kaiserslautern VII	195	11 929	1954 - 1961	20 953	964	8.4%	4.1%	2.5%
Kaiserslautern & Ausserhalb	369	20 323	1952 - 1973	35 602	1 635	17.7%	3.9%	2.3%
Ludwigshafen	493	35 638	1920 - 1987	81 503	3 715	7.7%	4.2%	3.2%
Nordhessen	336	22 830	1966 - 1976	23 285	1 508	8.1%	6.2%	3.3%
Nordhessen II	796	44 133	1929 - 1979	45 196	3 063	6.4%	6.6%	4.2%
Eschwege	116	8 309	1994	10 608	668	1.9%	6.2%	4.8%
Heidenheim I	918	63 767	1896 - 2006	115 837	5 382	9.1%	4.4%	3.0%
Heidenheim II Sale of WEG	15	1 235	1973 - 1994	2 051	177	16.3%	5.2%	2.6%
Wertgrund / Small-scale letting	1 103	76 574	1830 - 1995	96 335	6 964	14.3%	5.0%	3.6%
<b>Total</b>	<b>27 497</b>	<b>1 777 254</b>		<b>2 599 243</b>	<b>138 969</b>	<b>11.8%</b>	<b>4.9%</b>	<b>3.1%</b>

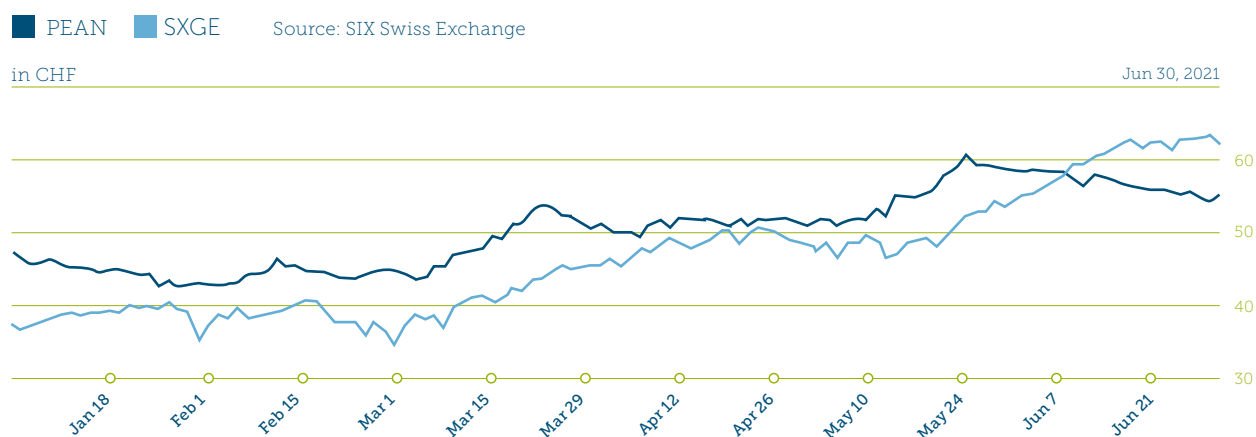
## Investor information

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 during the first half of 2021 remained largely consistent with the Swiss Performance Index (SPI), which comprises almost all listed Swiss stock corporations. Our share price increased by 19.57 percent compared to the 15.15 percent achieved by the SPI. The development of our market value on the stock exchange was even more noteworthy following the issuance of 9 percent more shares, combined with the increase in our share price. Market capitalization increased by around 30 percent compared to the end of 2020.

During the first half-year of 2021, an average of 16 654 Peach Property Group AG shares per day (financial year 2020: 8 876 shares per day) were traded on the Zurich stock exchange (SIX Swiss Exchange).

In comparison with the Swiss Performance Index (SPI), our registered shares developed as follows during the reporting period from January through June 2021:



### 1

## Information on the share

### 1.1. Number of shares

	Jun 30, 2021	Dec 31, 2020
Share capital in CHF	13 593 678	12 494 751
Number of shares issued	13 593 678	12 494 751
Nominal value per share in CHF	1.00	1.00
Number of treasury shares	155	5 682
Number of outstanding shares	13 593 523	12 489 069

## 1.2. Key stock exchange data

Security no.: 11 853 036		
ISIN: CH0118530366		
Ticker symbol: PEAN   Bloomberg: PEAN:SW   Reuters: PEAN		
	<b>1st half-year 2021</b>	<b>2020</b>
High in CHF	60.60	46.30
Low in CHF	41.80	24.80
Closing rate at the end of the reporting period, in CHF	55.00	46.00
Market capitalization <sup>1</sup> at the end of the reporting period, in CHF	747 643 765	574 497 174
1 Excluding own shares.		

## 1.3. Key share data

	<b>Jun 30, 2021</b>	<b>Dec 31, 2020</b>
Undiluted earnings per share in CHF	8.14	15.26
Diluted earnings per share in CHF	7.96	14.30
Undiluted FFO I per share in CHF	0.40	0.59
Diluted FFO I per share in CHF	0.39	0.55
NAV/IFRS per share in CHF <sup>1</sup>	57.07	50.70
NAV market value per share in CHF <sup>1</sup>	57.76	51.31
1 Excluding hybrid capital and non-controlling interests.		

## 1.4. Significant shareholders

The following shareholders held three percent or more of all issued shares of Peach Property Group AG as of June 30, 2021:

Shareholders		Number of shares	Percentage of all shares
Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l		3 647 058	26.83
Dr. Thomas Wolfensberger, Switzerland <sup>1</sup>		733 321	5.39
Franciscus Zweegers, Monaco, through: ZBG Capital N.V., The Netherlands		705 822	5.19
Kreissparkasse Biberach, Germany, through:		672 228	4.95
LBBW Asset Management Investmentgesellschaft mbH <sup>2</sup> , Germany	426 627		
BayernInvest Kapitalverwaltungsgesellschaft mbH <sup>3</sup> , Germany	245 601		
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands <sup>4</sup>		619 754	4.56
Other		7 215 495	53.08
<b>Total shares issued</b>		<b>13 593 678</b>	<b>100.00</b>

1 As of June 30, 2021, 160 000 of the 733 321 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.

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.

4 As of June 30, 2021, not entered in the share register.

The notional free float based on the shares issued on June 30, 2021, is 89.41 percent. The shares held by Peak Investment S.à.r.l for Ares Management and by LBBW Asset Management Investmentgesellschaft mbH and Bayern-Invest 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 Methodology Rulebook Governing Equity and Real Estate Indices (link to the Rules: <https://www.six-group.com/dam/download/market-data/indices/equity-indices/six-methodology-smi-equity-and-re-en.pdf>).

### 1.5. Overview of shareholders

As per the share register of Peach Property Group AG

	Jun 30, 2021	Dec 31, 2020
Registered shareholders	1 021	836
Registered shares	8 669 844	5 002 074
With voting rights	8 323 168	4 725 899
Shareholders with 1 to 1 000 shares	678	495
Shareholders with 1 001 to 10 000 shares	276	274
Shareholders with over 10 000 shares	67	67

## 2

### Information on the bonds

Peach Property Group AG is represented on the Swiss stock exchange, SIX Swiss Exchange AG, through several listed bonds. As of June 30, 2021, we have two hybrid bonds outstanding: a 3% convertible hybrid bond issued on October 4, 2017, PEA22 (ISIN CH0381952255) with an outstanding amount of CHF 1.61 million and a 1.75% hybrid warrant bond issued on June 25, 2018, PEA23 (ISIN CH0417376024) with an outstanding amount of CHF 58.57 million.

With notice on June 30, 2021 we have repaid the convertible hybrid bond, PEA22, early as of July 30, 2021, at 100% nominal plus accrued interest. The requirements for early repayment by the Company specified in Section 6.3 of the bond conditions, are met in that at least 85% of the total issue volume was converted, and the corresponding convertible bonds were redeemed.

In June 2021, we issued a new, subordinated 2.5% mandatory convertible bond (PEA21, ISIN CH1119120751) listed on the SIX Swiss Exchange AG with a placed issue amount of CHF 180 million. The bond bears interest from June 23, 2021, at 2.5% p.a. and the interest-earn-

ing period ends on December 23, 2021, with the coupon due on December 23, 2021. Each bond will be converted into Peach Property Group AG (PEAN, ISIN CH0118530366) shares on the mandatory conversion day of December 23, 2021, at the conversion price of CHF 55.00. Each bond may be early converted starting from July 19, 2021, up to and including July 23, 2021, and starting from September 20, 2021, up to and including September 24, 2021; Adjustments to the conversion price follow the bond conditions. In the first conversion window from July 19 to 23, 2021, bonds in the amount of CHF 69.225 million were converted early into 1 258 636 Peach Property Group AG shares.

The subordinated 2.5% mandatory convertible bond (PEA20, ISIN CH0570347390) with placed issue amount of CHF 230 million, and a term until June 30, 2021, became mandatorily convertible on this date into Peach Property Group AG (PEAN, ISIN CH0118530366) shares. The conversion price was CHF 42.50. The outstanding bond amount of CHF 33.59 million was converted into 790 317 shares in Peach Property Group AG at the end of the term (final expiry).

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.

Lastly, 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; with notice from June 30, 2021, repaid early on July 2021 (Clean-Up-Call)
Conversion period	October 16, 2017, through December 30, 2020 (lapsed)
Conversion price	CHF 29.50
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA22
Security number	38195225
ISIN	CH0381952255
Further information	<a href="https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/notice-details/261207">https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/notice-details/261207</a>

## 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 (lapsed)
Exercise price	CHF 25.00
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA23
Security numbers	41737602 (bond cum) 41737604 (bond ex)
ISIN	CH0417376024 (bond cum) CH0417376040 (bond ex)
Further information	<a href="https://www.six-group.com/de/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valord=CH0417376024CHF4#/">https://www.six-group.com/de/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valord=CH0417376024CHF4#/</a>

### 2.3. Mandatory convertible bond 2021

Issuer	Peach Property Group AG, Zurich
Outstanding amount (as of June 30, 2021, before conversions in July, 2021)	CHF 180 million
Denomination	Minimum denomination of CHF 100 000; thereafter a multiple of CHF 1 000
Interest rate p.a.	2.5 %
Term	June 23, 2021 through December 23, 2021
Conversion period	For premature conversion: July 19, 2021 through July 23, 2021 (lapsed); and September 20 through September 24, 2021 Mandatory conversion: December 23, 2021
Conversion price	CHF 55.00
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA21
Security number	111912075
ISIN	CH1119120751
Further information	<a href="https://www.six-group.com/de/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valorId=CH1119120751CHF4#/bond-details">https://www.six-group.com/de/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valorId=CH1119120751CHF4#/bond-details</a>

### 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; thereafter a multiple of EUR 1 000
Interest rate p.a.	3.5%
Term	November 15, 2019, through February 15, 2023
Listing	The International Stock Exchange, TISE
ISIN	XS2010038060 (Reg S) / XS2010038656 (144A)
Further information	<a href="https://www.tisegroup.com/market/securities/11337">https://www.tisegroup.com/market/securities/11337</a>

### 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; thereafter a multiple of EUR 1 000
Interest rate p.a.	4.375%
Term	October 26, 2020, through November 15, 2025
Listing	The International Stock Exchange, TISE
ISIN	XS2247301794 (Reg S) / XS2247302099 (144A)
Further information	<a href="https://www.tisegroup.com/market/securities/12315">https://www.tisegroup.com/market/securities/12315</a>

Current trading information, as well as further information on the bonds, can be found on the Peach Property Group website at <https://www.peachproperty.com/en/investoren/bond/>.

## 3

## Information on the Annual General Meeting of 2021

The Annual General Meeting of our Company was held virtually in Zurich on May 27, 2021. Due to the COVID-19 situation, shareholders and shareholder representatives were not able to attend the General Meeting in person. The Board of Directors decided, based on Article 27 of Ordinance 3 on Measures to Fight the Coronavirus (COVID-19), that shareholders can only be permitted to exercise their rights at the General Meeting through the independent proxy. In total, around 65.3 percent of the total share capital or 86.8 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 payment of a dividend of CHF 0.30 per share (approved by more than 99 percent of the casted votes). The dividend was paid out of retained earnings and statutory capital contribution reserves, in equal parts. The shareholders

further approved an increase of the existing conditional capital by around CHF 5.61 million to CHF 6.275 million in order to meet the prerequisites for the issuance of the new mandatory convertible bond 2021 (PEA21) described above, with an issue volume of CHF 180 million, laying the foundation for future growth. 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 as well as the other members of the Board, Peter Bodmer, Dr Christian De Prati, Kurt Hardt and Klaus Schmitz for another year.

The invitations to, the minutes of and information on attendance at the General Meetings can be found on the Company website at the following link: <https://www.peachproperty.com/investoren/corporate-governance/>.

## 4

## Capital market communication

We provide important and comprehensive information on the Company, its development, share, and bonds via [www.peachproperty.com/en/](http://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/newsletteranmeldung>.

We publish annual financial statements and half-yearly reports every six months based on the 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. We attend most capital market conferences and road shows, presenting and explaining our Group's business model, as well as our medium and long-term prospects.



# Consolidated semi-annual financial statements of Peach Property Group AG as of June 30, 2021

In accordance with International  
Financial Reporting Standards (IFRS)

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## Consolidated statement of income for the period

in CHF thousands	Notes	1st half-year 2021 unaudited	1st half-year 2020 unaudited
Rental income	2	50 220	27 373
Valuation gains from investment properties	4	126 379	21 376
Profit on disposal of investment properties		307	120
Income from development properties		0	180
Other operating income		233	313
<b>Operating income</b>		<b>177 139</b>	<b>49 362</b>
Expenses from letting of investment properties	2	-12 117	-6 255
Valuation losses from investment properties	4	-220	-2 208
Expenses from development properties		246	1 320
Expenses from development and construction management services		-15	500
Personnel expenses	9	-8 486	-5 782
Sales and marketing expenses		-97	-129
Other operating expenses	11	-4 101	-3 039
Depreciation and amortization		-698	-439
<b>Operating expenses</b>		<b>-25 488</b>	<b>-16 032</b>
<b>Operating result</b>		<b>151 651</b>	<b>33 330</b>
Financial income	7	4 739	495
Financial expenses	7	-24 955	-16 775
<b>Result before taxes</b>		<b>131 435</b>	<b>17 050</b>
Income taxes	12	-21 339	-2 158
<b>Result after taxes</b>		<b>110 096</b>	<b>14 892</b>
– attributable to Peach Property Group AG equity holders		105 029	14 870
– attributable to non-controlling interests		5 067	22
<b>Basic earnings per share in CHF</b>	1	<b>8.14</b>	<b>1.98</b>
<b>Diluted earnings per share in CHF</b>	1	<b>7.96</b>	<b>1.75</b>

The disclosures provided in the Notes form an integral part of these semi-annual financial statements.

## Consolidated statement of comprehensive income

in CHF thousands	1st half-year 2021 unaudited	1st half-year 2020 unaudited
<b>Result after taxes</b>	<b>110 096</b>	<b>14 892</b>
<b>Other comprehensive income:</b>		
<b>Items that may subsequently be reclassified to profit or loss</b>		
Result from cash flow hedges	3 769	-3 885
Currency translation differences	2 748	-2 345
Tax effects	-582	621
<b>Other comprehensive result that may subsequently be reclassified to profit or loss</b>	<b>5 935</b>	<b>-5 609</b>
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of post-employment benefit obligations	220	-8
Tax effects	-30	2
<b>Other comprehensive result that will not be reclassified to profit or loss</b>	<b>190</b>	<b>-6</b>
<b>Total comprehensive income</b>	<b>116 221</b>	<b>9 277</b>
– attributable to Peach Property Group AG equity holders	110 821	9 499
– attributable to non-controlling interests	5 400	-222

The disclosures provided in the Notes form an integral part of these semi-annual financial statements.

## Consolidated statement of financial position

in CHF thousands	Notes	Jun 30, 2021 unaudited	Dec 31, 2020 audited
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		76 101	67 656
Trade receivables		7 012	7 346
Other receivables	13	24 203	15 269
Current financial receivables	13	11 112	5 851
Development properties		41 303	38 969
Investment properties held for sale	4	2 405	1 743
<b>Total current assets</b>		<b>162 136</b>	<b>136 834</b>
<b>Non-current assets</b>			
Investment properties	4	2 623 830	2 063 302
Advance payments for investment properties		47	61
Equipment		3 286	2 842
Intangible assets		1 152	921
Non-current financial receivables		837	99
Investments in associates		1	1
Deferred tax assets	12	22 655	20 427
<b>Total non-current assets</b>		<b>2 651 808</b>	<b>2 087 653</b>
<b>Total assets</b>		<b>2 813 944</b>	<b>2 224 487</b>

The disclosures provided in the Notes form an integral part of these semi-annual financial statements.

## Consolidated statement of financial position (continued)

in CHF thousands	Notes	Jun 30, 2021 unaudited	Dec 31, 2020 audited
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade payables		4 722	3 885
Other payables and advance payments	13	42 886	35 186
Current income tax liabilities		5 215	3 398
Current financial liabilities	6	106 732	177 354
Current provisions		1 801	2 159
<b>Total current liabilities</b>		<b>161 356</b>	<b>221 982</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	6	1 500 416	1 169 279
Non-current provisions		142	375
Employee benefit obligations		4 282	4 564
Deferred tax liabilities	12	94 898	73 425
<b>Total non-current liabilities</b>		<b>1 599 738</b>	<b>1 247 643</b>
<b>Total liabilities</b>		<b>1 761 094</b>	<b>1 469 625</b>
<b>Equity</b>			
Share capital	5	13 593	12 495
Treasury shares		-6	-219
Share premium	5	382 129	347 273
Hybrid capital	5	236 764	90 682
Other reserves		-8 718	-10 274
Currency translation differences		-8 958	-11 403
Retained earnings		397 760	295 660
<b>Equity attributable to the equity holders of Peach Property Group AG</b>		<b>1 012 564</b>	<b>724 214</b>
Equity attributable to non-controlling interests		40 286	30 648
<b>Total equity</b>		<b>1 052 850</b>	<b>754 862</b>
<b>Total liabilities and equity</b>		<b>2 813 944</b>	<b>2 224 487</b>

The disclosures provided in the Notes form an integral part of these semi-annual financial statements.

## Consolidated statement of cash flows

in CHF thousands	Notes	1st half-year 2021 unaudited	1st half-year 2020 unaudited
<b>Result before taxes</b>		<b>131 435</b>	<b>17 050</b>
<b>Adjustment for non-cash expenses/income:</b>			
– Depreciation and amortization		698	439
– Valuation result from investment properties	4	-126 159	-19 168
– Result on disposal of investment properties	4	-307	-120
– Change in bad debt allowance		588	6
– Valuation result from lease liabilities	7	416	-17
– Financial income (without valuation result from lease liabilities)	7	-4 716	-478
– Financial expenses (without change in bad debt allowance and valuation result from lease liabilities)	7	24 050	16 775
– Share-based compensation	10	798	827
– Changes in provisions		-607	-2 105
– Other non-cash charges		-560	966
<b>Changes in working capital:</b>			
– Trade receivables		324	391
– Other receivables	13	-8 371	-3 577
– Development properties		-2 290	-799
– Trade payables		54	-976
– Other liabilities and advance payments	13	4 038	228
Interest and other financial expenses paid		-21 978	-11 132
Taxes paid and reimbursed		-1 100	2 682
<b>Cash flows from operating activities</b>		<b>-3 687</b>	<b>992</b>

The disclosures provided in the Notes form an integral part of these semi-annual financial statements.

## Consolidated statement of cash flows (continued)

in CHF thousands	Notes	1st half-year 2021 unaudited	1st half-year 2020 unaudited
Payments for real estate companies	14	-142 987	0
Payments for equipment		-941	-213
Payments for intangible assets		-414	-191
Investments in investment properties	4	-23 011	-55 353
Advance payments for investment properties		-47	-71
Proceeds from disposal of investment properties	4	4 095	3 862
Financial receivables advanced	13	-7 904	-9
Repayment of financial receivables	13	2 793	1 182
Interest income received		42	108
<b>Cash used in investment activities</b>		<b>-168 374</b>	<b>-50 685</b>
Proceeds from current financial liabilities	6	486	927
Repayment of current financial liabilities	6	-162 260	-7 035
Proceeds from non-current financial liabilities	6	163 089	53 210
Bond transaction costs paid	6	0	-2 338
Lease payments – amortization share		-339	-250
Proceeds from issuance of hybrid capital	5	179 680	0
Repayment of hybrid capital	5	0	-1
Capital increase and issuance costs	5	3 503	-198
Distributions to hybrid equity investors <sup>1</sup>	5	-668	-1 025
Dividends paid <sup>1</sup>	5	-3 142	0
<b>Cash flows from financing activities</b>		<b>180 349</b>	<b>43 290</b>
<b>Change in cash and cash equivalents</b>		<b>8 288</b>	<b>-6 403</b>
Cash and cash equivalents as of January 1		67 656	46 248
Currency exchange impact on cash and cash equivalents		157	-542
<b>Cash and cash equivalents as of June 30</b>		<b>76 101</b>	<b>39 303</b>

<sup>1</sup> In the current period less withholding tax not yet paid.

## Consolidated statement of changes in shareholder's equity

in CHF thousands	Note	Share capital	Treasury shares	Share premium
<b>January 1, 2021</b>		<b>12 495</b>	<b>-219</b>	<b>347 273</b>
<b>Total comprehensive income</b>				
Result after taxes		0	0	0
Total comprehensive result		0	0	0
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions with owners in their capacity as owners</b>				
Changes in the scope of consolidation		0	0	0
Transactions with non-controlling interests		0	0	0
Mandatory convertible bond III – issue	5	0	0	0
Mandatory convertible bond III – purchase	5	0	0	0
Mandatory convertible bond II – conversions	5	790	0	32 798
Mandatory convertible bonds – interest	5	0	0	0
Hybrid warrant bond – exercise of warrants	5	189	0	4 540
Hybrid warrant bond – reclass of expired options	5	0	0	0
Hybrid warrant bond – interest paid	5	0	0	0
Issue costs	5	0	0	-3 388
Share-based compensation – increase of reserve	10	0	0	0
Share-based compensation – exercise of options	5	22	213	1 041
Share-based compensation – exercise of SBP 2014 & 2018	10	97	0	1 769
Dividends paid	5	0	0	-1 904
<b>Total transactions with owners in their capacity as owners</b>		<b>1 098</b>	<b>213</b>	<b>34 856</b>
<b>June 30, 2021</b>		<b>13 593</b>	<b>-6</b>	<b>382 129</b>
1 Equity holders of Peach Property Group AG..				

The disclosures provided in the Notes form an integral part of these semi-annual financial statements.

Hybrid capital	Other reserves	Currency translation differences	Retained earnings	Total equity holders <sup>1</sup>	Non-controlling interests	Total equity
90 682	-10 274	-11 403	295 660	724 214	30 648	754 862
0	0	0	105 029	105 029	5 067	110 096
0	3 347	2 445	0	5 792	333	6 125
0	3 347	2 445	105 029	110 821	5 400	116 221
0	0	0	0	0	7 773	7 773
0	0	0	0	0	-3 535	-3 535
180 000	0	0	0	180 000	0	180 000
-320	0	0	0	-320	0	-320
-33 588	0	0	0	0	0	0
-445	0	0	0	-445	0	-445
1 105	-1 105	0	0	4 729	0	4 729
85	-85	0	0	0	0	0
0	0	0	-1 025	-1 025	0	-1 025
-755	0	0	0	-4 143	0	-4 143
0	824	0	0	824	0	824
0	0	0	0	1 276	0	1 276
0	-1 425	0	0	441	0	441
0	0	0	-1 904	-3 808	0	-3 808
146 082	-1 791	0	-2 929	177 529	4 238	181 767
236 764	-8 718	-8 958	397 760	1 012 564	40 286	1 052 850

## Consolidated statement of changes in shareholder's equity (continued)

in CHF thousands	Share capital	Treasury shares	Share premium
<b>January 1, 2020</b>	<b>6 601</b>	<b>-29</b>	<b>120 217</b>
<b>Total comprehensive income</b>			
Result after taxes	0	0	0
Total comprehensive result	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions with owners in their capacity as owners</b>			
Mandatory convertible bond – conversions	164	0	5 255
Hybrid warrant bond – exercise of warrants	4	0	91
Hybrid warrant bond – distribution	0	0	0
Hybrid warrant bond – conversions	21	0	608
Hybrid warrant bond – purchase	0	0	0
Issue costs	0	0	-293
Share-based compensation – increase of reserve	0	0	0
Share-based compensation – allocation of bonus and board fee	28	0	1 045
Share-based compensation – exercise of Plan 2017	55	0	992
<b>Total transactions with owners in their capacity as owners</b>	<b>272</b>	<b>0</b>	<b>7 698</b>
<b>June 30, 2020</b>	<b>6 873</b>	<b>-29</b>	<b>127 915</b>

1 Equity holders of Peach Property Group AG.

Hybrid capital	Other reserves	Currency translation differences	Retained earnings	Total equity holders <sup>1</sup>	Non-controlling interests	Total equity
91 696	-7 248	-12 858	179 398	377 777	11 787	389 564
0	0	0	14 870	14 870	22	14 892
0	-3 226	-2 145	0	-5 375	-244	-5 619
0	-3 226	-2 145	14 870	9 499	-222	9 277
-5 419	0	0	0	0	0	0
22	-22	0	0	95	0	95
0	0	0	-1 025	-1 025	0	-1 025
-595	0	0	-34	0	0	0
-1	0	0	0	-1	0	-1
0	0	0	0	-293	0	-293
0	846	0	0	846	3	849
0	0	0	0	1 073	0	1 073
0	-1 047	0	0	0	0	0
-5 993	-223	0	-1 059	695	3	698
85 703	-10 697	-15 003	193 209	387 971	11 568	399 539

# Notes to the consolidated semi-annual financial statements

## A

### About us

Peach Property Group AG (the "Company"; when referred to together with its 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 of our properties. In addition, we develop selected properties in Switzerland to be sold as condominiums.

We are listed on the SIX Swiss Exchange since November 12, 2010 (PEAN, ISIN CH0118530366) and have our registered office in Zurich. Our German group companies have their registered office in Cologne. The majority of our employees, totaling 160 are based in Cologne 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 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 comprise 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 semi-annual consolidated financial statements:

#### B.1. Basis of preparation

- › These unaudited semi-annual financial statements as of June 30, 2021 were prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the consolidated financial statements as of December 31, 2020.
- › The Board of Directors approved the unaudited consolidated semi-annual financial statements at its meeting on August 27, 2021 and released them for publication on August 31, 2021.
- › In the preparation of these semi-annual financial statements in accordance with IAS 34, the key assessments made by management with regard to the application of accounting policies and significant sources of risk and uncertainties were consistent with those used in the preparation of the consolidated financial statements for 2020, with the exception of the differences described in B.3.

## B.2. Effects of the COVID-19 pandemic

- › The COVID-19 pandemic did not have a material impact on the valuation of investment properties or the amount of outstanding rent receivables in the reporting period.

## B.3. Changes in accounting principles applied in financial year 2021

We have adopted the following new or amended IFRS standards which took effect at the beginning of the 2021 financial year. These had no material impact on our result for the period or the financial position of the Group.

- › Amendments to IFRS 16 – "Rent reduction in connection with COVID-19"
- › Amendments to IFRS 9, IAS 39 and IFRS 7 – "Interest rate benchmark reform – phase 2"

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

Standards/interpretations	Impact	Entry into force	Planned application
Amendments to IFRS 3 – "Reference to the Conceptual Framework"	No significant effects are expected.	Jan 1, 2022	Financial year 2022
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
Amendments to IAS 12 – "Deferred Tax related to assets and liabilities arising from a single Transaction"	No significant effects are expected.	Jan 1, 2023	Financial year 2023

## B.4. Seasonal factors

The letting of investment properties is not subject to seasonal influences. The development and sale of completed properties do not generate steady income over the

course of the year. Higher revenues may be generated in the first or second half of the year, depending on transfers of ownership.

## B.5. Currency translation

The following exchange rates were applied in currency translations:

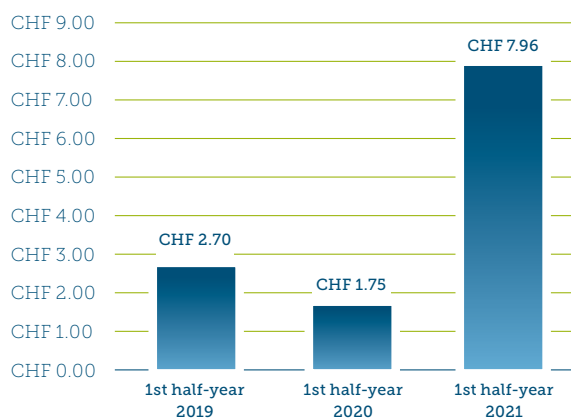
CHF/EUR	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Closing rate	1.0965	1.0857	1.0669
Average rate	1.0945	1.0705	1.0641

## Performance

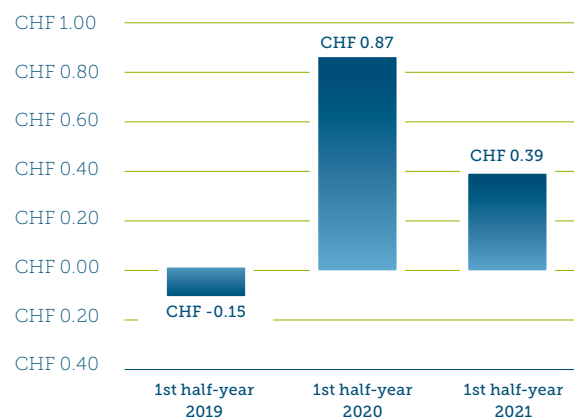
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### Performance per share

#### Diluted earnings per share



#### Diluted FFO I per share



#### 1.1. Earnings per share

in CHF thousands

	1st half-year 2021	1st half-year 2020
Result attributable to the Equity holders of Peach	105 029	14 870
Payment of hybrid warrant bond coupon	-1 025	-1 025
Hybrid warrant bond coupon not recognized in the statement of financial position, share attributable to the period	-36	-685
<b>Adjusted net profit or loss for the period attributable to Peach Equity holders</b>	<b>103 968</b>	<b>13 160</b>
<b>Adjustments for diluted earnings</b>		
Accumulated unrecognized hybrid capital coupon (convertible bond)	36	685
<b>Adjusted net profit or loss for the period attributable to Peach Equity holders including conversions</b>	<b>104 004</b>	<b>13 845</b>
<b>Average number of outstanding shares</b>	<b>12 773 791</b>	<b>6 634 053</b>
Adjustment based on options issued <sup>1</sup>	162 947	199 636
Adjustment based on hybrid convertible bond issued <sup>2</sup>	0	1 026 102
Adjustment based on hybrid warrant bond issued <sup>3</sup>	0	61 127
Adjustment based on mandatory convertible bonds issued <sup>4</sup>	127 273	0
<b>Diluted average number of outstanding shares</b>	<b>13 064 011</b>	<b>7 920 918</b>
<b>Basic earnings per share in CHF</b>	<b>8.14</b>	<b>1.98</b>
<b>Diluted earnings per share in CHF</b>	<b>7.96</b>	<b>1.75</b>

1 Options from 2018, 2019, 2020 and 2021 remuneration plans (prior periods: 2014, 2017, 2018, 2019 and 2020).

2 Number of shares from hybrid convertible bond.

3 Warrants from hybrid warrant bond.

4 Pro-rata shares of the mandatory convertible bond III issued in the reporting period.

## 1.2. Funds from operations (FFO) per share

in CHF thousands	1st half-year 2021	1st half-year 2020
Operating result	151 651	33 330
Depreciation and amortization	698	439
<b>EBITDA</b>	<b>152 349</b>	<b>33 769</b>
Valuation result of investment properties	-126 159	-19 168
Disposal of investment properties	-307	-120
Valuation result of lease liabilities	416	0
Share-based compensation	798	827
Other non-cash accrued personnel expenses	386	288
<b>Adjusted EBITDA</b>	<b>27 483</b>	<b>15 596</b>
Interest paid	-19 838	-10 035
Interest paid on hybrid capital <sup>1</sup>	-668	-1 025
Lease payments	-806	-458
Interest income received	42	108
Taxes paid and reimbursed	-1 100	2 682
<b>Operating result I (FFO I)</b>	<b>5 113</b>	<b>6 868</b>
Result on disposals of investment properties	307	120
<b>Operating result II (FFO II)</b>	<b>5 420</b>	<b>6 988</b>
<b>Basic FFO I per share in CHF</b>	<b>0.40</b>	<b>1.04</b>
<b>Diluted FFO I per share in CHF</b>	<b>0.39</b>	<b>0.87</b>
<b>Basic FFO II per share in CHF</b>	<b>0.42</b>	<b>1.05</b>
<b>Diluted FFO II per share in CHF</b>	<b>0.41</b>	<b>0.88</b>

<sup>1</sup> In the reporting period excluding withholding tax not yet paid.

- › Interest paid does not include other financial expenses which are mainly, one-off in nature, and concerns financing activities, which do not follow a clear pattern.
- › Taxes paid and reimbursed in the previous period related to a reimbursement of state- and municipal taxes in favor of Gretag AG of CHF 2 878 thousand, related to the year 2016.
- › Excluding the out-of-period tax effects related to Gretag AG, the undiluted and diluted FFO I amount to CHF 0.60 and CHF 0.50, respectively in the previous period.

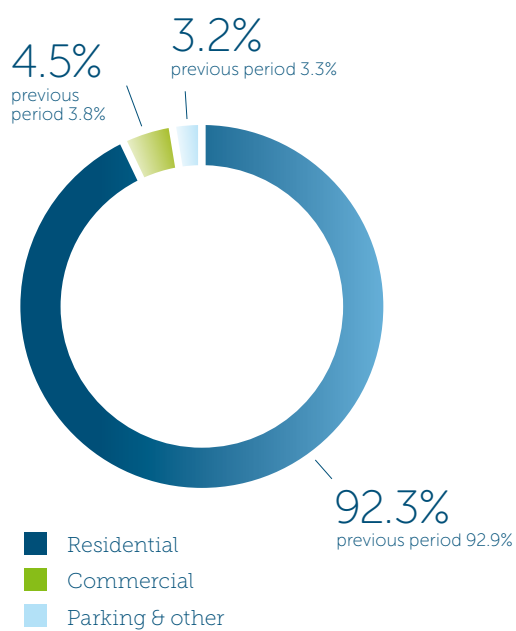
## 2

## Result from letting of investment properties

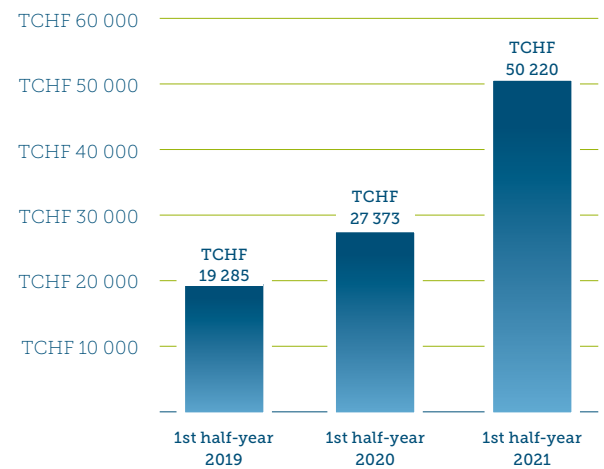
in CHF thousands	1st half-year 2021	1st half-year 2020
Target rental income from letting of investment properties	58 426	31 469
Lost income due to vacancies	-6 898	-3 741
Lost income due to collection risks	-1 308	-355
<b>Total rental income</b>	<b>50 220</b>	<b>27 373</b>
Expense from letting of investment properties	-9 750	-4 966
– of which ongoing maintenance expenses	-7 084	-3 541
– of which ongoing administrative expenses	-2 666	-1 425
Expenses related to unoccupied investment properties (vacancies)	-2 367	-1 289
<b>Total expenses from letting of investment properties</b>	<b>-12 117</b>	<b>-6 255</b>
Gross return <sup>1</sup>	4.9%	5.1%
Net return <sup>1</sup>	3.1%	3.5%
Average rental potential <sup>1</sup>	11.8%	11.9%
Vacancy rate as of June 30 (absolute / in %)	2 067 / 7.5%	1 057 / 8.2%

<sup>1</sup> Without the development project "RS 173" in Dortmund.

## Rental income by use category



## Rental income



- › The increase in rental income compared to the previous period is mainly due to the acquisition of 10 287 residential units at the end of 2020 and the closing of the Ruhr Portfolio transaction in the first half of 2020 (528 residential units). We achieved further growth in earnings by reducing vacancies and increasing rents in the existing portfolios: Like-for-like rental income increased by 3.5%.
- › Lost income due to collection risk is at 2.5% during the reporting period (previous period: 1.3%; 2020 financial year: 3.1%).
- › Ongoing administrative expenses as a percentage of the net rental income before collection losses is almost unchanged at 5.2% compared to the previous period (5.1%) and well below the 2020 year-end value of 7.6%. Maintenance costs as a percentage of net rental income before collection losses is 13.8% compared to 12.8% in the previous period and 13.2% in the 2020 financial year.
- › Overall, total expenses from letting of investment properties in percentage of total rental income are at 23.5% compared to 25.1% at the end of 2020 and 22.6% at half-year 2020.

## 3

## Segments

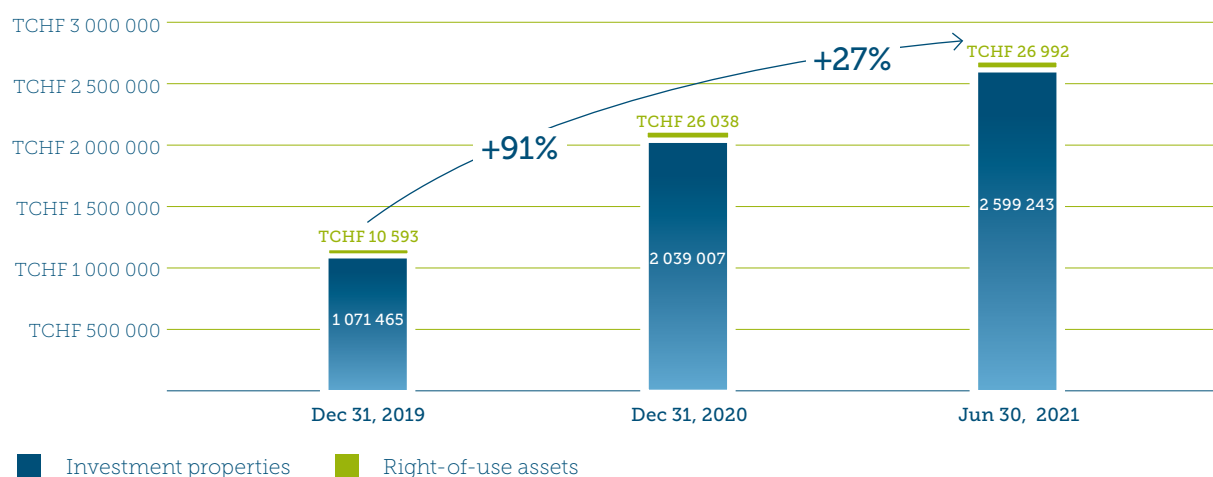
- › We have one operating segment, investment activities in real estate for the portfolio or for further sale, which has been defined on the basis of internal reporting to the Board of Directors, the chief decision-maker of the Company. Its main activities include site and portfolio evaluation, structuring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

## Real estate portfolio

4

### Investment properties and revaluation result

#### 4.1. Fair value development of investment properties and right-of-use leasehold assets



in CHF thousands	Investment properties	Right-of-use assets	2021 Total	Investment properties	Right-of-use assets	2020 Total
<b>Fair value as of January 1</b>	2 039 007	26 038	2 065 045	1 071 465	10 593	1 082 058
Additions through acquisition of real estate companies	396 013	0	396 013	0	0	0
Additions through acquisitions	676	0	676	42 295	1 990	44 285
Transfer from advance payments for investment properties	0	0	0	1 796	0	1 796
Transfer to receivables for maintenance reserves	0	0	0	-201	0	-201
Additions through investments eligible for capitalization	20 817	0	20 817	11 068	0	11 068
Disposals	-3 788	0	-3 788	-8 131	0	-8 131
Valuation gains	125 644	735	126 379	21 370	6	21 376
Valuation losses	-176	-44	-220	-2 152	-56	-2 208
Currency translation changes	21 050	263	21 313	-17 674	-175	-17 849
<b>Fair value as of June 30</b>	<b>2 599 243</b>	<b>26 992</b>	<b>2 626 235</b>	<b>1 119 836</b>	<b>12 358</b>	<b>1 132 194</b>
of which investment properties held for sale	2 405	0	2 405	1 030	0	1 030

#### 4.2. Change in portfolio

##### *Acquisitions:*

- June 30, 2021: acquisition of 4 329 rental units mainly in Dortmund, Marl, Duisburg and Bremen. Target rental income of CHF 22 117 thousand per year from the acquisition of 94.9% shareholding in the property holding companies. Refer to Note 14.

##### *Investments eligible for capitalization:*

- Repair and modernization amounting to CHF 20 817 thousand, of which CHF 3 537 thousand for the two renovation projects Neukirchen-Vluyn and Fassberg as well as CHF 7 487 thousand for the new portfolios acquired at the end of 2020.

##### *Disposals:*

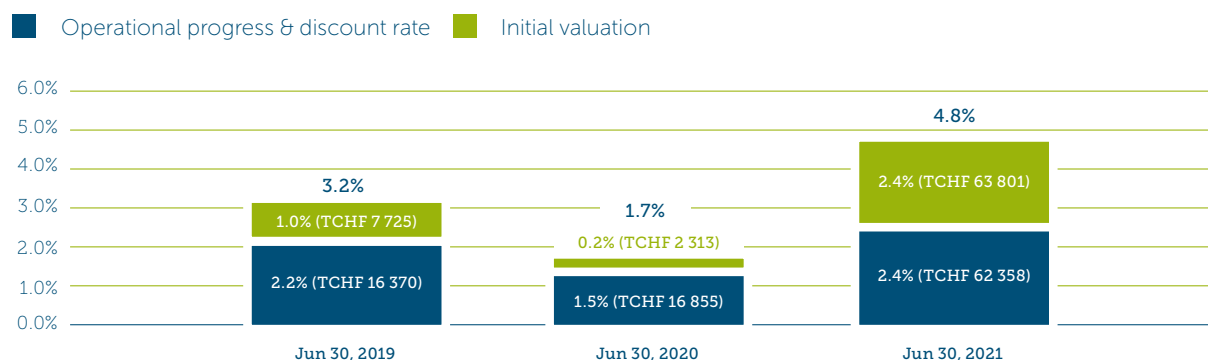
- Sale of 34 units in Heidenheim.

#### 4.3. Non-current assets held for sale

- Sale or reservation agreements for 6 units from the "Heidenheim II" and 2 buildings from the "Oberhausen" portfolios. We expect the handover or sale to take place in the third quarter of 2021.

#### 4.4. Revaluation

Revaluation as a percentage of the portfolio of investment properties and right-of-use assets



Total valuation gain in the reporting period resulted from lower discount rates across the full portfolio, and the impact of operational progress. Properties newly acquired

in the first half of 2021 were from off-market situations with favorable terms and conditions, which resulted in the initial valuation gain.

## 4.5. Sensitivity analysis

The following material input factors were used to estimate market value in the reporting period:

in CHF thousands			Market value Dec 31, 2020	Discount rate Dec 31, 2020	Unobservable input factors Jun 30, 2021			Unobservable input factors Dec 31, 2020		
	Market value Jun 30, 2021	Discount rate Jun 30, 2021			Discount rate in %	Rent CHF per m <sup>2</sup> /mth	Vacancy rate in %	Discount rate in %	Rent CHF per m <sup>2</sup> /mth	Vacancy rate in %
North Rhine-Westphalia	1 752 497	3.77%	1 267 929	3.88%	2.2-5.5	5.4 -15.3	0.0-10.6	2.4-5.5	5.4-15.2	0.0-16.2
Rhineland-Palatinate	359 890	3.59%	345 242	3.65%	3.2-4.1	6.3 -10.9	1.6-7.1	3.2-4.4	5.4-10.9	1.0-7.2
Lower Saxony	240 116	4.27%	212 464	4.49%	3.5-4.8	5.7-7.5	2.0-15.0	3.5-4.9	5.6-8.3	1.8-15.0
Baden-Württemberg	122 245	3.49%	117 367	3.59%	2.6-4.8	6.9-9.5	0.0-5.3	2.6-4.8	4.7-13.9	0.0-6.0
Hesse	55 795	4.22%	51 618	4.33%	4.1-4.5	5.5-6.3	4.0-6.0	4.1-4.7	5.2-6.3	4.0-6.0
Other locations	95 692	3.84%	70 425	3.91%	2.6-4.3	6.3-24.7	3.1-7.1	2.6-4.4	6.3-24.7	3.1-7.1
	<b>2 626 235</b>	<b>3.79%</b>	<b>2 065 045</b>	<b>3.90%</b>						

Market value sensitivity exists, in particular concerning the real discount rate, and achievable rents:

in CHF thousands			Rent						Jun 30, 2021
			7.5%	5.0%	2.5%	0.0%	-2.5%	-5.0%	-7.5%
Discount rate	-0.40%	3.39%	3 156 324	3 082 921	3 009 519	2 936 116	2 862 713	2 789 310	2 715 907
	-0.20%	3.59%	2 980 485	2 911 171	2 841 857	2 772 544	2 703 230	2 633 917	2 564 603
	0.00%	3.79%	2 823 203	2 757 547	2 691 891	2 626 235	2 560 579	2 494 924	2 429 268
	0.20%	3.99%	2 681 689	2 619 324	2 556 959	2 494 594	2 432 230	2 369 865	2 307 500
	0.40%	4.19%	2 553 685	2 494 297	2 434 909	2 375 521	2 316 133	2 256 745	2 197 357

in CHF thousands			Rent						Jun 30, 2020
			7.5%	5.0%	2.5%	0.0%	-2.5%	-5.0%	-7.5%
Discount rate	-0.40%	3.53%	1 355 024	1 323 512	1 292 000	1 260 488	1 228 976	1 197 463	1 165 951
	-0.20%	3.73%	1 282 369	1 252 546	1 222 724	1 192 901	1 163 079	1 133 256	1 103 434
	0.00%	3.93%	1 217 109	1 188 804	1 160 499	1 132 194	1 103 889	1 075 584	1 047 279
	0.20%	4.13%	1 158 169	1 131 234	1 104 300	1 077 366	1 050 432	1 023 498	996 564
	0.40%	4.33%	1 104 674	1 078 983	1 053 293	1 027 603	1 001 913	976 223	950 533

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

## Capital structure & risk management

### 5

#### Equity

##### 5.1. Share capital

- As of June 30, 2021, the share capital amounted to CHF 13 593 thousand and consisted of 13 593 678 shares with a nominal value of CHF 1.00 each.
- The following transactions led to an increase in share capital from conditional capital in the first half of 2021:
  - Conversion of the mandatory convertible bond II – 790 317 shares
  - Warrants exercised from hybrid warrant bond – 189 176 shares
  - Exercise of option rights of the 2014 option plan and 2018 PSU program (2 shares per entitlement) – 97 000 shares
  - Bonus entitlements and entitlements related to Board of Directors' fees – 22 434 shares
- The 2021 Annual General Meeting resolved to increase conditional capital to 6 275 000 shares. After the issuance of shares from bonus entitlements, share allocations from the 2014 option plan and 2018 PSU program, conversion of the mandatory convertible bond, and warrants exercised, conditional capital totaled 5 236 105 shares as of June 30, 2021.

##### 5.2. Share premium

- The allocations related to the conditional capital increase amounted to CHF 32 798 thousand from the conversion of the mandatory convertible bond II, CHF 4 540 thousand from warrants exercised in connection with the hybrid warrant bonds, CHF 1 769 thousand from the 2014 option plan and 2018 PSU program, as well as CHF 1 041 thousand related to bonus entitlements and Board of Directors' fees and. Emission tax of CHF 3 388 thousand and CHF 1 904 thousand of dividends paid were additionally charged to the account.

##### 5.3. Mandatory convertible bond III

On June 23, 2021, we issued a subordinated mandatory convertible bond with the following key figures:

Volume:	CHF 180 000 thousand
Interest rate:	2.50% p.a., from June 23, 2021
Maturity:	December 23, 2021
Conversion price:	CHF 55.00
Convertible:	July 19, 2021, through July 23, 2021; and September 20, 2021, through September 23, 2021; or December 23, 2021 (mandatory conversion)
ISIN:	CH1119120751

- We have capitalized transaction costs in the amount of CHF 1 997 thousand.
- We charged accumulated interest of CHF 100 thousand to the consolidated statement of income.

##### 5.4. Hybrid warrant bond

- Warrants exercised in the amount of CHF 1 196 thousand (189 176 warrants).
- The option period expired in the reporting period; 14 372 options were not exercised. We have transferred option rights of CHF 85 thousand from Other reserves to the Hybrid capital.
- Distribution of CHF 1 025 thousand.
- Accumulated and unrecognized coupon portion of hybrid warrant bond of CHF 23 thousand.

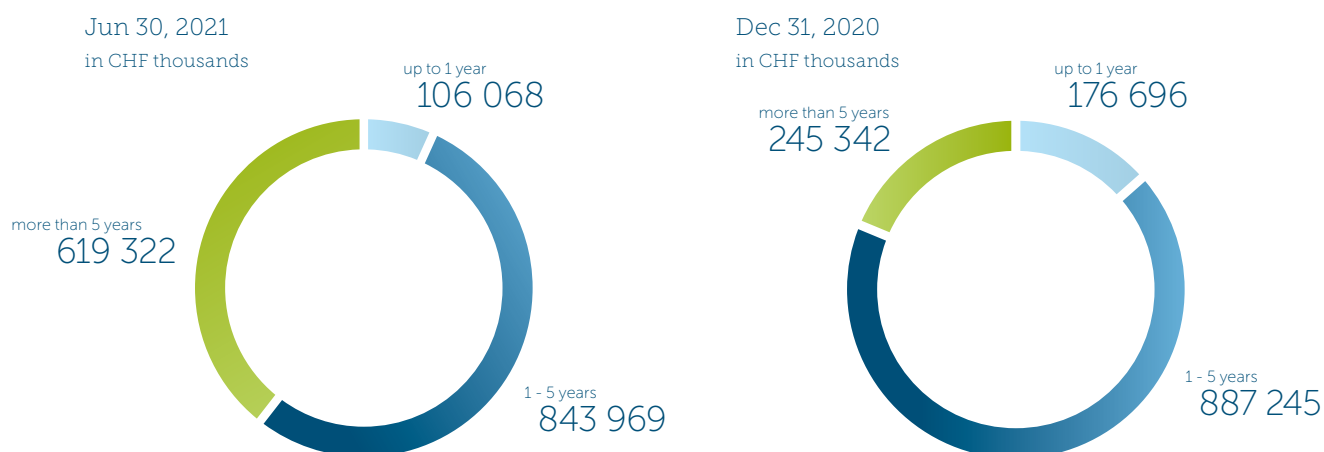
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## Mortgages, financial liabilities &amp; derivative financial instruments

in CHF thousands	Jun 30, 2021			Dec 31, 2020		
	Current financial liabilities	Non-current	Total	Current financial liabilities	Non-current financial liabilities	Total
Amounts due to banks	65	0	65	146 201	0	146 201
Mortgages and building loans	30 495	833 389	863 884	20 466	446 197	466 663
Bonds	0	593 554	593 554	0	586 276	586 276
Syndicated loan and other property financing	74 310	0	74 310	9 000	64 492	73 492
Derivative financial instruments	0	11 865	11 865	0	14 828	14 828
<b>Total property financing liabilities</b>	<b>104 870</b>	<b>1 438 808</b>	<b>1 543 678</b>	<b>175 667</b>	<b>1 111 793</b>	<b>1 287 460</b>
Lease liabilities	664	37 125	37 789	658	36 692	37 350
Other non-current financial liabilities	1 198	24 483	25 681	1 029	20 794	21 823
<b>Total other financial liabilities</b>	<b>1 862</b>	<b>61 608</b>	<b>63 470</b>	<b>1 687</b>	<b>57 486</b>	<b>59 173</b>
<b>Total financial liabilities</b>	<b>106 732</b>	<b>1 500 416</b>	<b>1 607 148</b>	<b>177 354</b>	<b>1 169 279</b>	<b>1 346 633</b>

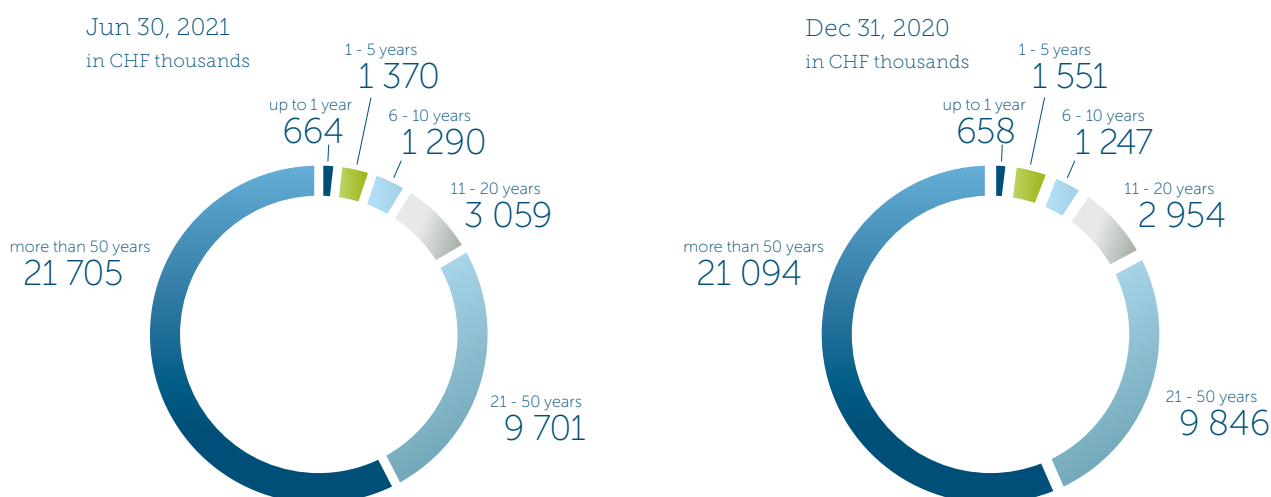
## 6.1. Maturity structure

Maturities of financial liabilities, excluding lease liabilities



- Consistent with the associated investment horizon, 93.4% of all financial liabilities are non-current in nature at the end of the reporting period (year-end 2020: 86.5%). The comparative increase in non-current financial liabilities is primarily due to the replacement of bridge financing with mortgage loans that carry an average term of 4.9 years. The ageing bucket "up to 1 year" includes the syndicated loan; negotiations to extend the financing are currently ongoing.
- The average residual term is 3.9 years at the period end date (year-end 2020: 3.6 years). We strive for a minimum average term of 4 years.
- Mortgages have an average term of 4.9 years (year-end 2020: 4.9 years).
- Our mortgages carry an average interest rate of 1.8% (previous year: 2.0%), other property financing liabilities were charged an average interest of 4.0% (previous year: 3.5%).
- The overall average interest rate is 3.0% for the first half of 2021 (previous year: 3.0%). At the end of the reporting period, the overall average interest rate is at 2.7%.

#### Maturities of lease liabilities



- The lease liabilities largely comprise leasehold agreements.
- The average residual term as of June 30, 2021 is 114 years (year-end 2020: 115 years) for leasehold agreements and 2.0 years (year-end 2020: 2.5 years) for other leases.
- The average interest rate for leasehold agreements is 2.54% (year-end 2020: 2.54%).

## 7

## Financial result

in CHF thousands	1st half-year 2021	1st half-year 2020
<b>Financial expenses</b>		
Interest expenses – third parties	-19 979	-10 348
Loss from changes in the fair value of financial instruments	0	-24
Interest expenses related to lease liabilities	-467	-208
Valuation loss on lease liabilities	-438	0
Foreign exchange losses	-205	-4 112
Other financial expenses	-3 866	-2 083
<b>Total financial expenses</b>	<b>-24 955</b>	<b>-16 775</b>
<b>Financial income</b>		
Interest income – third parties	144	127
Interest income – related parties	0	46
Gain from changes in the fair value of financial instruments	25	0
Valuation gain on lease liabilities	22	17
Foreign exchange gains	4 542	302
Other financial income	6	3
<b>Total financial income</b>	<b>4 739</b>	<b>495</b>

- › The increase in third-party interest expenses compared to the previous period is attributable to additional property financing following new acquisitions, as well as the EUR bond II issued in October 2020.
- › Currency effects (net) are positive of CHF 4 337 thousand, compared to a negative effect of CHF 3 810 thousand in the previous period. This positive earnings contribution in the current period relates primarily to a higher CHF/EUR closing exchange rate compared to the comparative period.

## 8

## Financial risk management

## 8.1. 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	1st half-year of 2021	1st half-year of 2020
Operating result (EBIT)	151 651	33 330
Depreciation and amortization	698	439
Valuation result of investment properties	-126 159	-19 168
Adjustment of lease liabilities	416	0
Share-based payment compensation	798	827
Other non-cash accrued expense positions	386	288
<b>Adjusted operating result</b>	<b>27 790</b>	<b>15 716</b>
Net interest expense	19 835	10 221
<b>Interest coverage ratio</b>	<b>1.40</b>	<b>1.54</b>

- › The interest coverage ratio decreased primarily due to the EUR bond II issued in October 2020.
- › Due to economies of scale and efficiency gains during the first half of 2021, the interest coverage ratio has al-

ready improved significantly compared to the year-end value of 1.24 (December 31, 2020). Following the acquisitions as per period end, we expect to achieve the targeted ratio by the end of the year.

## 8.2. Loan-to-Value

To ensure that the financial liabilities are always sufficiently secured, even with potentially falling values in our real estate portfolio, we strive, after having reached our previ-

ous loan-to-value target of a maximum of 55%, for a value of less than 50%. For the reporting period and the previous period, the corresponding ratios were:

in CHF thousands	Jun 30, 2021	Dec 31, 2021
Total market value of real estate portfolio (investments and development properties) incl. advance payments for investment properties <sup>1</sup>	2 651 655	2 086 473
Total net financial liabilities without lease liabilities and market value of derivative financial instruments <sup>2</sup>	1 444 604	1 199 125
<b>Loan-to-value ratio</b>	<b>54.5%</b>	<b>57.5%</b>
Total market value of real estate portfolio (investments and development properties without right-of-use assets) incl. advance payments for investment properties <sup>1</sup>	2 651 655	2 086 473
Total net financial liabilities secured by mortgages <sup>2</sup>	764 805	378 328
<b>Secured loan-to-value ratio</b>	<b>28.8%</b>	<b>18.1%</b>

- 1 Market value for development properties amounts to CHF 52 365 thousand according to valuation as of Jun 30, 2021.
- 2 Less cash and cash equivalents and current financial receivables.

### 8.3. Lending arrangement clauses

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

### 8.4. Financial instruments at fair value

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 period end.

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 DCF calculations.

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).

The following table shows the financial liabilities measured at fair value at the end of the period:

in CHF thousands	Jun 30, 2021	Dec 31, 2020
	Level 2	Level 2
<b>Assets</b>		
– Derivatives held for trading purposes	738	0
<b>Liabilities</b>		
– Derivatives held for trading purposes	73	101
– Derivatives held as hedging instruments	11 792	14 727

The decrease in liabilities resulted primarily from value adjustments made to existing hedging transactions due to higher interest rates.

## 8.5. 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 June 30, 2021:

in CHF thousands	Jun 30, 2021		Dec 31, 2020	
	Market value	Carrying amount	Market value	Carrying amount
<b>Non-current financial liabilities measured at amortized cost</b>				
Non-current mortgages	834 040	833 389	446 066	446 197
Non-current financial liabilities excluding lease liabilities, Level 1	625 312	593 554	616 292	586 276
Non-current financial liabilities excluding lease liabilities, Level 2	0	0	64 238	64 492
<b>Total</b>	<b>1 459 352</b>	<b>1 426 943</b>	<b>1 126 596</b>	<b>1 096 965</b>

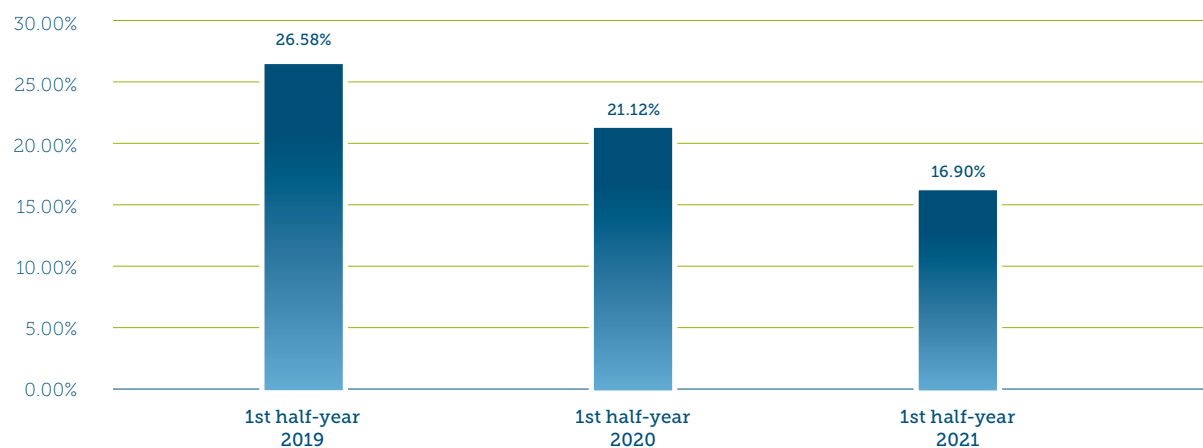
- › There are no differences between the market value and the carrying amount of long-term financial receivables.
- › The bonds are assigned to Level 1, all other financial instruments are in Level 2.
- › There were no transfers between the individual levels in either the reporting period or the previous period.
- › As in the previous year, there were no netting agreements to be reported as of June 30, 2021.

## Platform costs

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### Personnel expenses

Personnel expenses as a % of the rental income



in CHF thousands

	1st half-year 2021	1st half-year 2020
Salaries	-6 771	-3 956
Social insurance cost	-1 063	-593
Employee benefits – defined benefit plan	-48	-42
Employee benefits – defined contribution plan	-98	-98
Share-based compensation	-798	-827
Other personnel expenses	-582	-275
Capitalized own services	874	9
<b>Total personnel expenses</b>	<b>-8 486</b>	<b>-5 782</b>
Headcount as of June 30	160	99

› The decrease in personnel expenses in relation to the rental income relates primarily to the acquisition of around 10 300 rental units at the end of the previous year and the economies of scale and efficiency gains realized as a result.

› The absolute increase in personnel expenses is largely due to the increase in the number of employees from 99 as of June 30, 2020 to 160 as of June 30, 2021 (December 31, 2020: 119 employees) following our continued growth.

## Option programs

- › The Board of Directors approved a new Performance Stock Unit Program (2021 - 2023 PSU program, Plan 2021) for share-based compensation in the second quarter of 2021.
  - › Under the PSU program, 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, accumulated Group earnings after taxes for the years 2021 - 2023 and the average interest expense, in equal parts), provided the beneficiary is still employed by the Group at the end of the performance period.
- The Group has no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.
- › With the approval of the 2020 financial statements by the 2021 Annual General Meeting, the performance period for Plan 2018 closed. 28 500 PSUs have been exercised with a factor of 2. The exercise of the remaining 8 000 PSUs will take place in the third quarter with a factor of 2.
  - › Additionally, at the beginning of 2021, a member of the executive board exercised the 40 000 options from the 2014 plan.

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

	Plan 2021	Plan 2020	Plan 2019	Plan 2018	Plan 2017
Issue date	Apr 1, 2021	Jun 2, 2020	May 10, 2019	Aug 31, 2018	May 16, 2018
Measurement years for accumulated group result	2021 - 2023	2020 - 2022	2019 - 2021	2018 - 2020	2017 - 2019
End of performance period	2024 AGM	2023 AGM	2022 AGM	2021 AGM	2020 AGM
Effective date share price	Feb 6, 2024	Feb 6, 2023	Feb 4, 2022	Feb 4, 2021	Feb 5, 2020
End of blocking period	2024 AGM	2023 AGM	2022 AGM	2021 AGM	2020 AGM
Accumulated Group result before tax	n.a.	n.a.	n.a.	approved long-term plan	approved long-term plan
Accumulated Group result after taxes	approved long-term plan	approved long-term plan	approved long-term plan	n.a.	n.a.
Average interest expense	approved long-term plan	n.a.	n.a.	n.a.	n.a.
Share price when issued in CHF	49.70	36.40	29.60	33.50	29.90
Risk-free interest rate	-0.55%	-0.62%	-0.57%	-0.41%	-0.40%
Volatility	28.77%	28.67%	25.04%	24.42%	24.68%
Market value of PSUs on date of issue in CHF	46.62	26.79	20.98	32.37	32.05

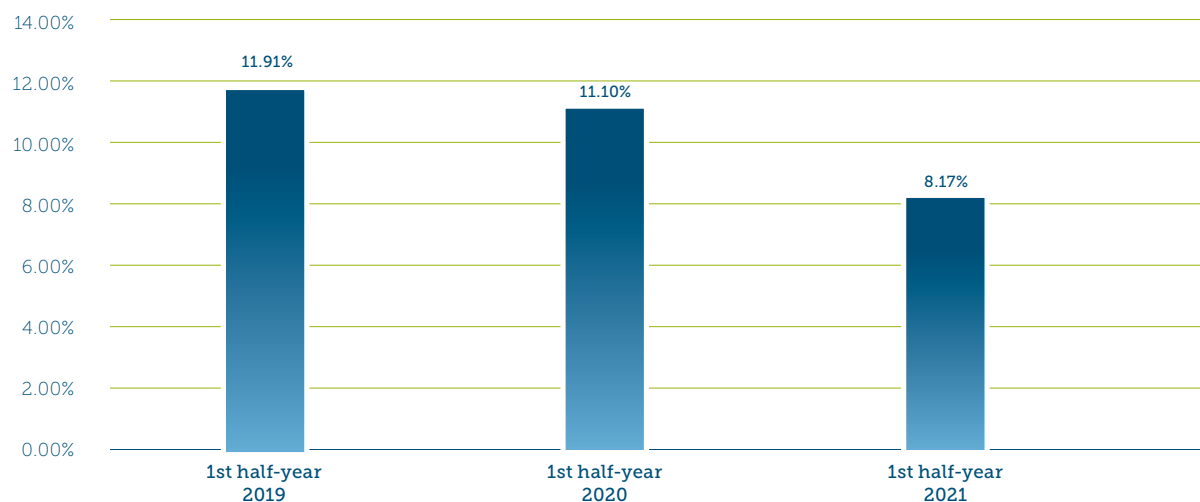
	Plan 2021	Plan 2020	Plan 2019	Plan 2018	Plan 2017	Plan 2014
<b>Outstanding options/PSUs as of January 1, 2020</b>	<b>0</b>	<b>0</b>	<b>41 500</b>	<b>36 500</b>	<b>35 500</b>	<b>40 000</b>
<b>Exercisable options/PSUs as of January 1, 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40 000</b>
Options allocated	0	42 000	0	0	0	0
Options exercised	0	0	0	0	-35 500	0
Options forfeited	0	-500	0	0	0	0
<b>Outstanding options/PSUs as of December 31, 2020</b>	<b>0</b>	<b>41 500</b>	<b>41 500</b>	<b>36 500</b>	<b>0</b>	<b>40 000</b>
<b>Exercisable options/PSUs as of December 31, 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40 000</b>
Options allocated	43 000	0	0	0	0	0
Options exercised	0	0	0	-28 500	0	-40 000
Options forfeited	0	-6 000	-6 000	0	0	0
<b>Outstanding options/PSUs as of June 30, 2021</b>	<b>43 000</b>	<b>35 500</b>	<b>35 500</b>	<b>8 000</b>	<b>0</b>	<b>0</b>
<b>Exercisable options/PSUs as of June 30, 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8 000</b>	<b>0</b>	<b>0</b>

In the reporting period, we charged CHF 798 thousand (previous period: CHF 827 thousand) to the consolidated statement of income for the PSU plans (both including social benefits).

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## Other operating expenses

Other operating expenses as a % of the rental income



- › In absolute terms, other operating expenses increased by CHF 1 062 thousand compared to the previous period.
- › The absolute increase is primarily due to higher costs incurred in relation to the semi-annual valuation of our investment properties, higher consulting costs in con-

nection with the tax integration of companies newly acquired at the end of the previous year, and higher IT costs as a result of an increased personnel headcount.

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## Taxes

in CHF thousands

	1st half-year 2021	1st half-year 2020
<b>Income taxes</b>		
Result before taxes	131 435	17 050
Income taxes	-21 339	-2 158
Tax rate	16.24%	12.66%

in CHF thousands

	Jun 30, 2021	Dec 31, 2020
Deferred tax assets	22 655	20 427
Deferred tax liabilities	94 898	73 425

- › The tax rate for companies owning investment properties in Germany is 15.83% in most cases (trade tax exemption), while Swiss companies are subject to rates of 13%, and Peach Property Management GmbH & Co. KG is subject to a tax rate of 32.45%. Excluding non-recurring effects, we expect a tax rate of between 16% and 18%.
- › The change in deferred tax assets mainly resulted from further capitalized losses carried forward in Peach Property Group AG and Peach Property Management GmbH & Co. KG. The increases in deferred tax liabilities were the result of revaluation gains and/or depreciation under the prevailing statutory regulations.

## Other disclosures

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### Working capital

#### 13.1. Other receivables

The increase in the other receivables of CHF 8 934 thousand is primarily due to:

- › Increase in ancillary cost claims of CHF 7 490 thousand since the ancillary costs have not yet been billed for 2020.
- › Purchase price adjustments in relation to the Eagle transaction of CHF 1 194 thousand.

#### 13.2. Current financial receivables

The increase of CHF 5 261 thousand is primarily due to:

- › Partial repayment of seller loans in the amount of CHF 2 793 thousand.
- › Granting of a loan in the amount of CHF 7 900 thousand with a term until November 15, 2021, and an interest rate of 4.5%.

#### 13.3. Other payables

The increase in the other payables of CHF 7 700 thousand is primarily due to:

- › Decrease of accrued transaction costs in the amount of CHF 5 068 thousand.
- › Increase in ancillary cost claims of CHF 4 975 thousand as the ancillary costs have not yet been billed for 2020.
- › Increase of accrued construction and renovation costs of CHF 3 993 thousand.
- › Increase due to withholding tax liabilities of CHF 1 413 thousand.

14

### Change in scope of consolidation

#### *Eagle Transaction*

- › As of June 30, 2021, Peach Property Group (Germany) Ltd. acquired a 94.9% stake in 5 portfolio companies, which own property portfolios in Dortmund, Marl, Duisburg and Bremen.

› The following table provides an overview of assets and liabilities acquired:

in CHF thousands	Eagle Transaction
<b>Assets</b>	
Investment properties	396 013
Other assets	5 182
<b>Total assets</b>	<b>401 195</b>
<b>Liabilities</b>	
Financial liabilities	242 464
Other liabilities	6 604
<b>Total liabilities</b>	<b>249 068</b>
<b>Total equity</b>	<b>152 127</b>
of which shareholders of Peach Property Group AG	144 369
of which non-controlling interests	7 758
Paid purchase price for shares	145 563
Paid purchase price for financing	253
Less cash and cash equivalents acquired	-2 576
<b>Total cash out/inflow</b>	<b>143 240</b>
<b>Open purchase price settlement</b>	<b>-1 194</b>

› Through this acquisition, no employees or business processes were acquired at the time of the acquisition. In accordance with the accounting guidance in IFRS 3, the acquisition does not fall within the scope of a business

combination and, accordingly, we accounted for the transaction as the acquisition of assets and liabilities.

› Transaction costs of CHF 1 636 thousand were allocated and capitalized within investment properties.

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### Subsequent events

#### *Mandatory convertible bond III*

› In the first conversion window from July 19, 2021 through July 23, 2021, CHF 69.2 million bonds were converted into 1 258 636 shares in the Company.

#### *Severe weather conditions in Germany*

› The heavy rainfall and flooding in North Rhine-Westphalia and Rhineland-Palatinate in July 2021 had little impact on our property portfolio. With the exception of holdings in Eschweiler and two other individual properties in the Ruhr area, we do not have any major damages to report. After initial verifications, the impacted holdings are fully covered by our insurance.

# Report on the Review

## on the Consolidated semi-annual financial statements to the Board of Directors of Peach Property Group AG

### Zürich

#### Introduction

We have reviewed the consolidated semi-annual financial statements (consolidated statement of income for the period, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and notes to the consolidated semi-annual financial statements) pages 22 to 53 of Peach Property Group AG for the period ended 30 June 2021. The Board of Directors is responsible for the preparation and presentation of these consolidated semi-annual financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated semi-annual financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated semi-annual financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers AG

Patrick Balkanyi

Philipp Gnädinger

Zürich, 27 August 2021

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# EPRA Reporting

## 1

### How EPRA is applied

Peach Property Group became a member of EPRA (European Public Real Estate Association) in November 2020 and is disclosing Performance Measures in line with the EPRA Reporting and Accounting Committee's Best Practices Recommendations (BPR) guidelines from October 2019 since year-end 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.

Peach Property Group's business is almost exclusively focused on residential properties while rental agreements are almost all open-ended. For this reason, no separate disclosure of rental contract terms is made.

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	1st half-year 2021	1st half-year 2020 / Dec 31, 2020
EPRA Earnings per share	Earnings from operational activities	Measurement of a company's underlying operating results and indication of the extent to which current dividend payments are supported by earnings.	0.59	-0.37
EPRA Net Rein-statement 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.	74.55	67.92
EPRA Net Tangible Assets (NTA)	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		63.60	57.29
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.		56.06	50.02
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%	3.2%
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).		3.3%	3.2%
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%	9.1%
EPRA Cost Ratio (incl. cost of direct vacancy)	Administrative and operating costs (including costs of direct vacancy) divided by gross rental income.	Measurement of the changes in a company's operating costs.	49.4%	55.5%
EPRA Cost Ratio (excl. cost of direct vacancy)	Administrative and operating costs (excluding costs of direct vacancy) divided by gross rental income.	Measurement of the changes in a company's operating costs.	44.7%	50.8%

## 3

## Overview of EPRA Performance Measures

## 3.1 EPRA Earnings per share

The EPRA Earnings per share performance measure relates to the operating result. It indicates the extent to which current dividend payments are supported by the operating result. Based on the profit for the period, ad-

justments are made to reflect changes in the value of assets and liabilities affecting net income and to reflect sale effects of, and costs related to acquisition/integration.

in CHF thousands	1st half-year 2021	1st half-year 2020
<b>Earnings per IFRS consolidated statement of income</b>	<b>110 096</b>	<b>14 892</b>
<b>Adjustments to calculate EPRA earnings, exclude:</b>		
Valuation changes from investment properties	-126 159	-19 168
Net profit/loss on disposal of investment properties	-307	-120
Net profit/loss generated from development properties held for trading	-231	-2 000
Sales expenses	0	68
Tax on profits or losses on disposals	87	260
Changes in fair value of financial instruments and associated close-out costs	-25	24
Deferred tax in respect of EPRA adjustments	20 056	3 383
Non-controlling interests in respect of the above	4 570	181
<b>EPRA Earnings</b>	<b>8 087</b>	<b>-2 480</b>
Number of outstanding shares	13 593 523	6 634 253
Diluted number of outstanding shares	16 860 432	8 114 940
<b>EPRA EPS in CHF</b>	<b>0.59</b>	<b>-0.37</b>
<b>Diluted EPRA EPS in CHF</b>	<b>0.48</b>	<b>-0.31</b>
Adjustment for development properties	231	1 932
Adjustment for depreciation	698	439
Adjustment for share-based compensation and other non-cash personnel expenses	1 184	1 114
Adjustment for other deferred and non-cash taxes	95	1 198
Interest paid on hybrid capital	-668	-1 025
Other financial expenses	3 861	2 083
Non-cash interest and foreign exchange result	-3 415	4 246
Lease payments and valuation result of lease liabilities	-390	-458
Non-controlling interests	-4 570	-181
<b>Adjusted earnings (FFO I)</b>	<b>5 113</b>	<b>6 868</b>
Average number of outstanding shares	12 773 791	6 634 053
Diluted average number of outstanding shares	13 064 011	7 920 918
<b>Basic FFO I per share in CHF</b>	<b>0.40</b>	<b>1.04</b>
<b>Diluted FFO I per share in CHF</b>	<b>0.39</b>	<b>0.87</b>

- › EPRA Earnings increased significantly compared to the previous period, partly due to economies of scale benefits realized from acquisitions made in at the end of 2020, and efficiency gains.
- › As far as company-specific adjustments are concerned, earnings contributions from developments are being included. Further adjustments include depreciation, non-cash expenses (personnel expenses, interest, and foreign currency impacts), and interest paid on hybrid equity. Other financial expenses are also adjusted, as these are mostly one-time expenses incurred in connection with financing activities, and do not follow a clear trend, as well as other deferred and non-cash taxes.
- › The adjusted earnings correspond to the FFO I of Peach Property Group.

### 3.2 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 it 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 three small

sub-portfolios (in Heidenheim, Frankental and Oberhausen) which are considered 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. The sale of the sub-portfolio in Oberhausen is planned for the third Quarter of 2021. Accordingly, the deferred tax impact is negligent. Incidental acquisition costs are considered for the aforementioned three portfolios. In addition to the expected sale of these non-core portfolios, intangible assets (primarily IT systems) are completely excluded from the NTA calculation.

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

in CHF thousands	Jun 30, 2021			Dec 31, 2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to the equity holders of Peach Property Group AG	1 012 564	1 012 564	1 012 564	724 214	724 214	724 214
Hybrid instruments	-58 981	-58 981	-58 981	-52 696	-52 696	-52 696
<b>Diluted NAV, after the exercise of options, convertibles and other equity interests</b>	<b>953 583</b>	<b>953 583</b>	<b>953 583</b>	<b>671 518</b>	<b>671 518</b>	<b>671 518</b>
<b>Include:</b>						
Revaluation of development properties	9 403	9 403	9 403	7 597	7 597	7 597
<b>Diluted NAV at fair value</b>	<b>962 986</b>	<b>962 986</b>	<b>962 986</b>	<b>679 115</b>	<b>679 115</b>	<b>679 115</b>
<b>Exclude:</b>						
Deferred tax in relation to fair value gains of investment properties	-99 060	-98 990	0	-79 063	-78 792	0
Fair value of derivative financial instruments	-11 128	-11 128	0	-14 828	-14 828	0
Intangibles as per the IFRS balance sheet	0	1 152	0	0	921	0
<b>Include:</b>						
Fair value of fixed interest rate financial liabilities	0	0	-17 742	0	0	-4 642
Acquisition costs (assumption 7%)	183 836	400	0	142 730	564	0
<b>EPRA NAV</b>	<b>1 257 010</b>	<b>1 072 352</b>	<b>945 244</b>	<b>915 736</b>	<b>772 378</b>	<b>674 473</b>
Diluted number of shares	16 860 432	16 860 432	16 860 432	13 482 970	13 482 970	13 482 970
<b>EPRA NAV per share in CHF</b>	<b>74.44</b>	<b>63.60</b>	<b>56.06</b>	<b>67.92</b>	<b>57.29</b>	<b>50.02</b>

- › Depending on the viewpoint taken, the EPRA Best Practice Recommendations result in a NAV per share of CHF 56 to CHF 75 compared to IFRS NAV of CHF 57.
- › The material increases compared to the previous period are partly due to the newly issued mandatory convertible bond of CHF 180 million during the second Quarter of 2021, and increased comparative result for the period.
- › We have no significant disposal intentions and are by implication engaged in the residential property market for the long-term. Accordingly, EPRA NTA with a value of around CHF 64 per share is considered a meaningful indicator for shareholders.

### 3.3 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 the 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 few rental incentives, the corresponding incentives have a negligible impact on initial returns.

in CHF thousands	Jun 30, 2021	Dec 31, 2020
Investment properties and advance payments for investment properties <sup>1</sup>	2 596 885	2 037 325
Investment properties held for sale and development properties	43 708	40 712
Development properties and advance payments for investment properties	-41 350	-39 030
<b>Market value of investment properties</b>	<b>2 599 243</b>	<b>2 039 007</b>
Allowance for purchasers' costs, estimated at 7.0%	183 836	142 730
<b>Gross-up market value of investment properties</b>	<b>2 783 079</b>	<b>2 181 737</b>
Annualized rental income	124 936	100 080
Annualized expenses from leasing of investment properties	-34 985	-30 462
<b>Annualized net rental income from letting of investment properties</b>	<b>89 951</b>	<b>69 618</b>
Rent-free periods and other lease incentives	824	394
<b>Topped-up annualized net rent from letting of investment properties</b>	<b>90 775</b>	<b>70 012</b>
<b>EPRA NIY in %</b>	<b>3.2%</b>	<b>3.2%</b>
<b>EPRA "topped-up" NIY in %</b>	<b>3.3%</b>	<b>3.2%</b>

<sup>1</sup> Excluding right-of-use assets.

- › Initial yield remained consistent in comparison with the 2020 year-end initial yield.

### 3.4 EPRA Vacancy Rate

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 June 2021 average rate of 1.0945 for the current and prior period figures.

in CHF thousands	Jun 30, 2021	Dec 31, 2020
Annualized lost income due to vacancies from residential units	11 580	9 575
Annualized target rental income from residential units	127 652	105 582
<b>EPRA Vacancy Rate</b>	<b>9.1%</b>	<b>9.1%</b>

- › Calculated over the full portfolio, the EPRA Vacancy Rate remained unchanged in comparison to the 2020 year-end vacancy rate.
- › The vacancy rate in the existing portfolio (excluding the 10 300 residential units) increased from 7.8% to 8.4%. The increase is mainly attributable to increased vacancies in residential units targeted at student living, fol-

lowing the effects of COVID-19, and the renovation of an entire building with multiple units. Excluding these effects, the vacancy rate reduces to 7.7%. In respect of the units acquired at the end of 2020, we are experiencing a temporary increase in the vacancy rate from 10.8% to 11.7% mostly due to the discontinued rental management of the seller. In respect of asset portfolio acquired on June 30, 2021, the vacancy rate is 5.3%.

### 3.5 EPRA Cost Ratio

The EPRA cost ratio performance measure discloses EPRA costs in relation to rental income. It provides insights into the cost efficiency of the operations of a real estate com-

pany. The EPRA cost ratio is disclosed inclusive and excluding direct vacancy costs.

in CHF thousands	1st half-year 2021	1st half-year 2020
Expenses from letting of investment properties	12 117	6 255
Personnel expenses	8 486	5 782
Sales and marketing expenses	97	129
Other operating expenses	4 101	3 039
<b>EPRA costs (incl. direct vacancy costs)</b>	<b>24 801</b>	<b>15 205</b>
Direct vacancy costs	-2 367	-1 289
<b>EPRA costs (excl. direct vacancy costs)</b>	<b>22 434</b>	<b>13 916</b>
Gross rental income, net of land rental expenses	50 220	27 373
Gross rental income	50 220	27 373
<b>EPRA cost ratio (incl. direct vacancy costs)</b>	<b>49.4%</b>	<b>55.5%</b>
<b>EPRA cost ratio (excl. direct vacancy costs)</b>	<b>44.7%</b>	<b>50.8%</b>

- › The EPRA expense ratio has decreased significantly compared to the previous year due to economies of scale and efficiency gains.

## 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 rental development of an unchanged portfolio (organic development). To this end, acquisitions and disposals during the year and rental units vacated for renovation purposes or units newly lettable after the completion

of renovation are excluded. Like-for-like rental income is calculated at constant currency with EUR amounts converted at the June 30, 2021, average rate of 1.0945 for the current and prior period figures.

in CHF thousands	1st half-year 2021				1st half-year 2020		change
	Residential units	Residential area (in m <sup>2</sup> )	Residential rental income in CHF thousands	Residential rental income in CHF/m <sup>2</sup> /month	Residential rental income in CHF thousands	Residential rental income in CHF/m <sup>2</sup> /month	in %
North Rhine-Westphalia	6 809	450 863	14 631	5.41	14 284	5.28	2.4%
Rhineland-Palatinate	2 004	122 950	4 901	6.64	4 511	6.12	8.6%
Baden-Württemberg	956	65 086	2 458	6.29	2 408	6.17	2.1%
Hesse	841	53 744	1 632	5.06	1 440	4.46	13.4%
Lower Saxony	785	52 576	1 606	5.09	1 476	4.68	8.8%
Other	436	23 352	969	6.91	949	6.77	2.1%
<b>Total</b>	<b>11 831</b>	<b>768 571</b>	<b>26 197</b>	<b>5.68</b>	<b>25 068</b>	<b>5.44</b>	<b>4.4%</b>

› We achieved a Like-for-like rental income growth during the first half-year of 2021 of 4.4% (previous year of 4.7%)

#### 4.2 Investments in real estate

Investments in portfolio properties during the current and prior period are mainly represented through acquisitions in both periods.

For increased comparability, disclosures are at constant currency with EUR values are converted at the June 30, 2021, spot rate of 1.0965.

in CHF thousands	1st half-year 2021	1st half-year 2020
Development properties – planning and development costs	2 334	932
Investment properties – acquisitions	397 425	43 581
Investment properties – tenant improvements and other CAPEX measures	20 856	11 404
<b>Total capital expenditures</b>	<b>420 615</b>	<b>55 917</b>

Tenant improvements and other CAPEX measures are further broken down as follows:

in CHF thousands	1st half-year 2021			1st half-year 2020		
	Area in m <sup>2</sup>	Capex in CHF thousands	Capex in CHF per m <sup>2</sup>	Area in m <sup>2</sup>	Capex in CHF thousands	Capex in CHF per m <sup>2</sup>
North Rhine-Westphalia	923 206	12 929	14.00	513 971	6 280	12.22
Lower Saxony	211 979	2 973	14.03	53 128	1 302	24.51
Rhineland-Palatinate	195 712	3 376	17.25	128 532	1 875	14.59
Baden-Württemberg	68 229	688	10.08	71 288	900	12.62
Hesse	53 744	513	9.54	53 551	943	17.62
Other	43 005	377	8.77	27 754	104	3.74
<b>Total tenant improvements and capital expenditures</b>	<b>1 495 875</b>	<b>20 856</b>	<b>13.94</b>	<b>848 224</b>	<b>11 404</b>	<b>13.44</b>

- With an average of CHF 13.94 per square meter of lettable space, we invested slightly more in our portfolio in the first half of 2021 than in the comparative period. On an annualized basis, CAPEX per square meter is almost 3% lower than in the 2020 financial year, which is primarily due to the advanced state of renovations in Fassberg.

#### 4.3 EPRA Change in Market Value

The change in market values discloses the change in the valuation of the property portfolio, excluding right-of-use assets. IFRS values are adjusted for currency effects (disclosed at constant currency). Change in market values is further subdivided into two categories to show sepa-

ately the market value movements attributable to newly acquired properties (demonstrates valuable acquisition activities) and existing properties in our portfolio. Disclosures are at constant currency with EUR values converted at the June 30, 2021, spot rate of 1.0965.

in CHF thousands	Jun 30, 2021					Jun 30, 2020				
	Market value before valuation adjustment	Initial valuation	Revaluation	Initial valuation in %	Revaluation in %	Market value before valuation adjustment <sup>1</sup>	Initial valuation	Revaluation	Initial valuation in %	Revaluation in %
North Rhine-Westphalia	1 640 187	59 203	34 974	3.6%	2.1%	692 037	2 380	6 818	0.3%	1.0%
Rhineland-Palatinate	346 067	0	6 585	0.0%	1.9%	200 503	0	4 358	0.0%	2.2%
Lower Saxony	230 789	2 130	9 214	0.9%	4.0%	47 793	0	1 890	0.0%	4.0%
Baden-Württemberg	115 427	0	6 818	0.0%	5.9%	115 248	0	2 405	0.0%	2.1%
Hesse	52 645	0	3 151	0.0%	6.0%	49 491	0	1 321	0.0%	2.7%
Other	88 428	2 587	1 039	2.9%	1.2%	45 167	0	610	0.0%	1.3%
<b>Total</b>	<b>2 473 543</b>	<b>63 920</b>	<b>61 781</b>	<b>2.6%</b>	<b>2.5%</b>	<b>1 150 239</b>	<b>2 380</b>	<b>17 402</b>	<b>0.2%</b>	<b>1.5%</b>

- Consistent with the previous year, we were once again able to identify attractive off-market scenarios during our 2021 acquisition activities; and recorded a positive fair value adjustment thereon.
- The market value of our existing Like-for-like portfolio increased by 2.5% (Comparative period: 1.5%).



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