

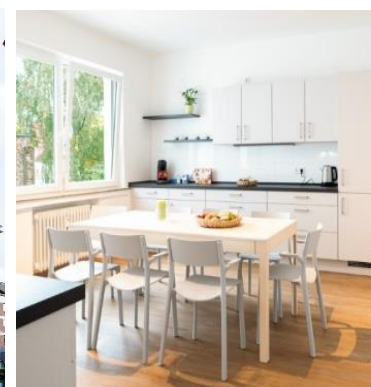


Company Presentation

Half-year 2020

August 25, 2020

Wachsen
mit Werten.



Disclaimer

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





Dr. Thomas Wolfensberger

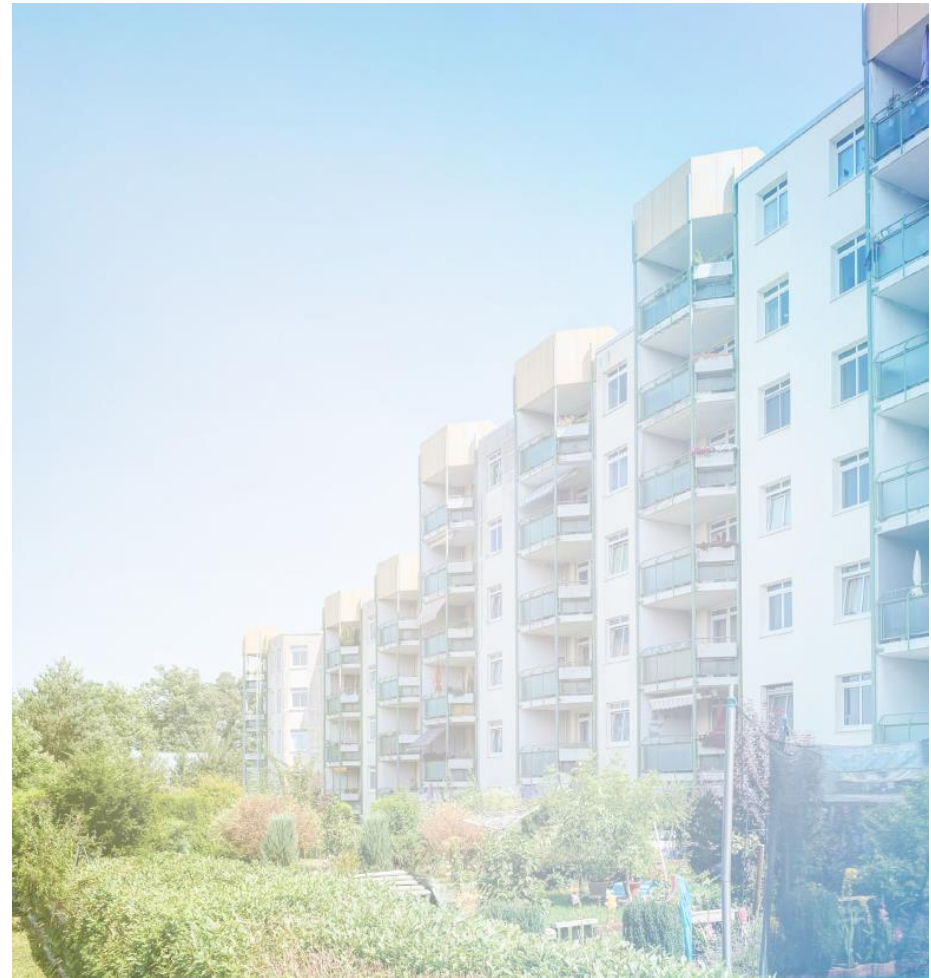
Chief Executive Officer



Dr. Marcel Kucher

Chief Financial Officer /
Chief Operating Officer

- 1. Introduction and strategy**
2. Portfolio as of June 30, 2020
3. Half-year result 2020
4. Outlook
5. Corona Update



Overview of Peach Property Group

Peach Property as of half year 2020

- We are an active real estate investor engaged in the **attractive German residential market** – with a **clear focus on secondary ("B") cities**.
- Our tenants are at the core of what we do: **satisfied tenants who are taken seriously** support the local community and allow us to generate attractive rent levels – hence creating a win-win situation.
- Our portfolio consists of high-yielding investment properties with a market value of **CHF 1,132 mm** (including right-of-use assets) **and an equity (NAV IFRS) of CHF 399.5 mm** (June 30, 2020).
- As of June 30, 2020 the portfolio included **12,906 residential units** and a lettable space (residential, office and commercial spaces) of **around 848,200 sqm** with a focus on North Rhine Westphalia, Baden-Württemberg and Rhineland-Palatinate.
- PPG has **an established management structure** with a proven transaction track record with **99 employees**, mainly in Cologne, Berlin, and Zurich.

Highlights 2020

- **Increase of annualized target rent by 36.3%** to around **CHF 63.3 mm**
- **Increase of actual rent as per half year 2020 by 41.9%** to **CHF 27.4 mm**; **"like-for-like" rental growth of 5.4%**
- **Reduction of vacancy rate to 8.2%** (9.3% by the end of 2019)
- **Significant economies of scale** with an increase in **operating margin of 77%** (71% by the end of 2019)
- **Signing of purchase agreement for 5,449 apartments in July** (expected closing by December 2020) leading to an increase of investment portfolio to **CHF 1.5 bn**

Acquisitions have increased portfolio market value to significantly more than CHF 1 bn

	Peach as of 30.06.2019	Peach as of 31.12.2019	Peach as of 30.06.2020
Apartments	8,775	12,424	12,906
Lettable area	599,596 sqm	827,525 sqm	848,224 sqm
Market value	CHF 746.2 mm	CHF 1.07 bn	CHF 1.12 bn
Target rent p.a.	CHF 46.4 mm	CHF 62.1 mm	CHF 63.3 mm
Rental income p.a.	CHF 19.3 mm	CHF 38.9 mm*	CHF 27.4 mm
Gross rental yield	5.3%	5.4%	5.1%
Vacancy	10.7%	9.3%	8.2%
Adjusted EBITDA	CHF 11.0 mm	CHF 17.5 mm*	CHF 15.7 mm

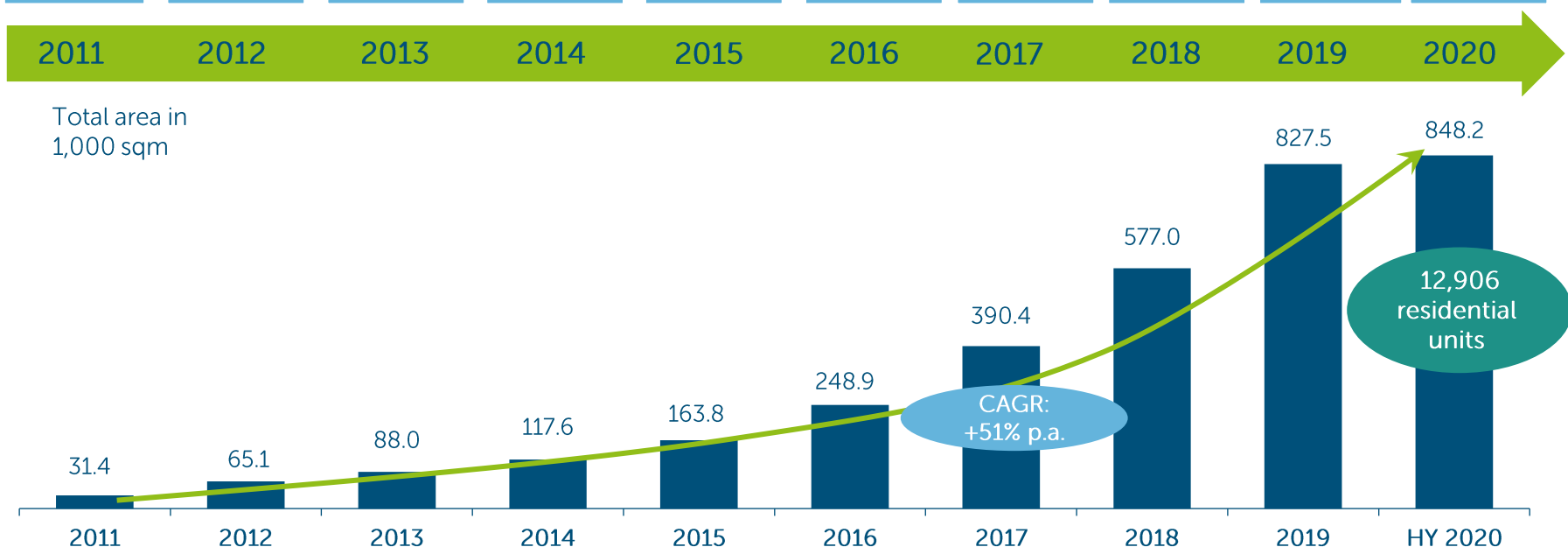
Substantial improvement of revenues and cash flow generation

* Full year



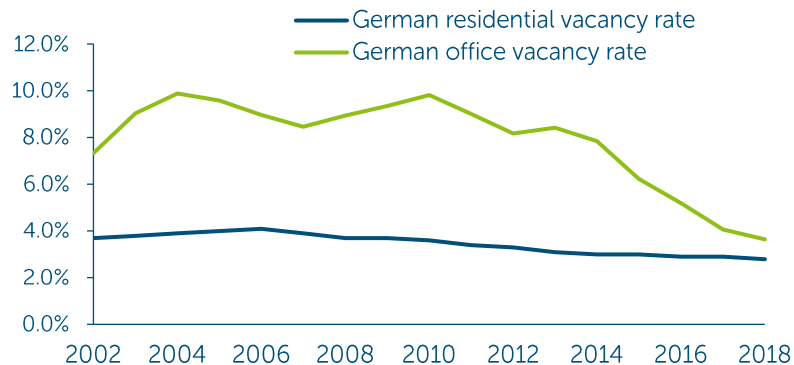
Affordable German residential properties in carefully selected B-cities

Strong track record in growing portfolio

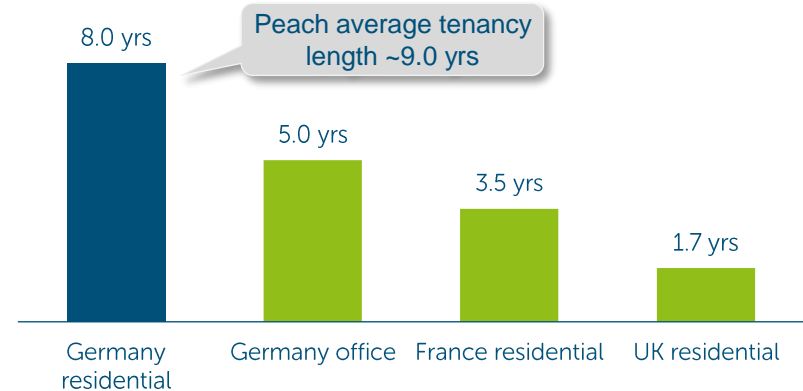


Rental apartments in Germany are an extremely stable market...

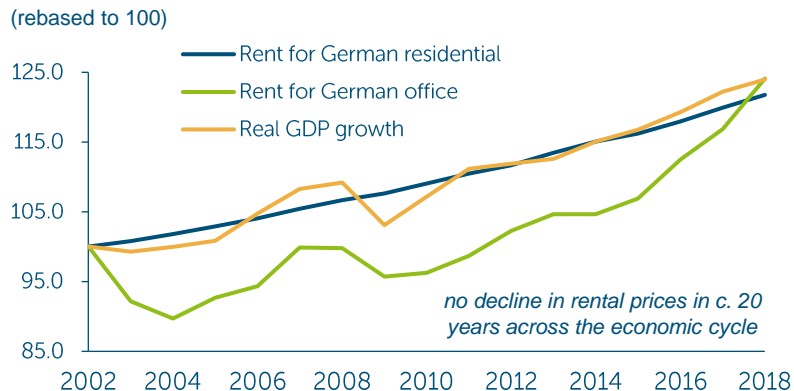
Low, stable vacancy rate through the cycle...



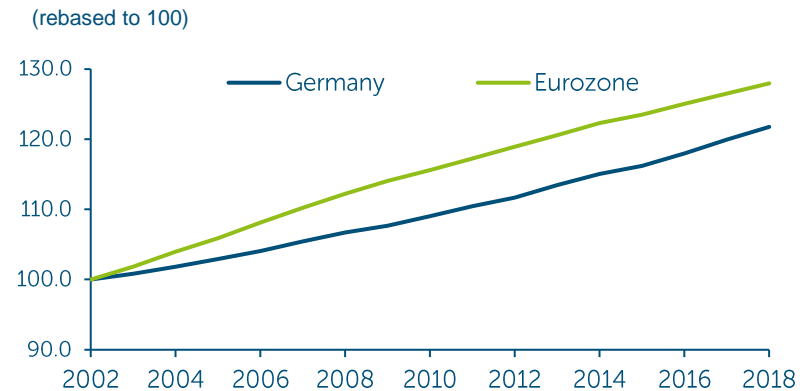
... with exceptionally high average tenancy length



Rent evolution has virtually no volatility...



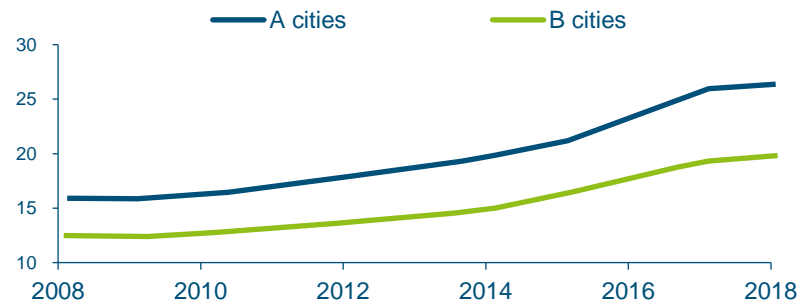
... and lags the average rent growth in the Eurozone



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

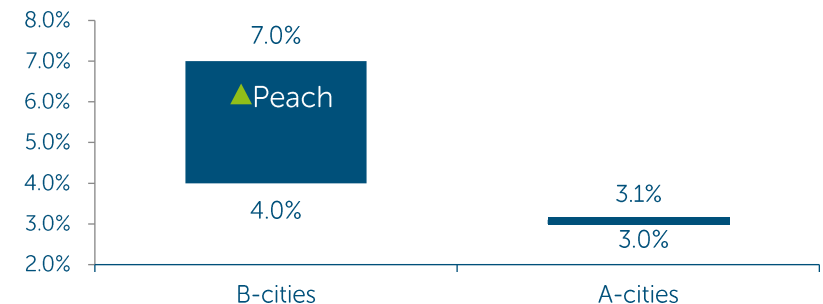
Multiplier in B-cities significantly lower...

Average multiplier multi-family buildings¹



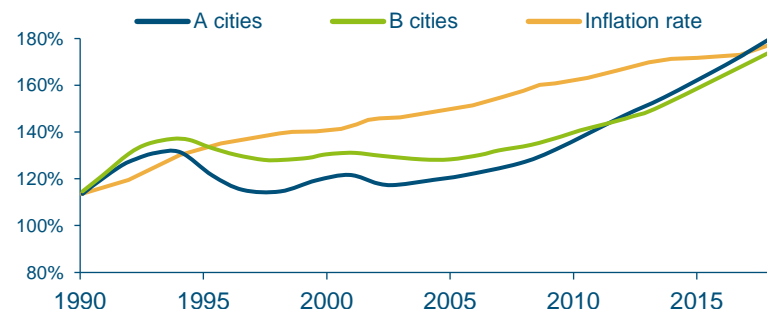
... offering an attractive initial return profile

Net initial yield 2017/2018 in German secondary locations¹



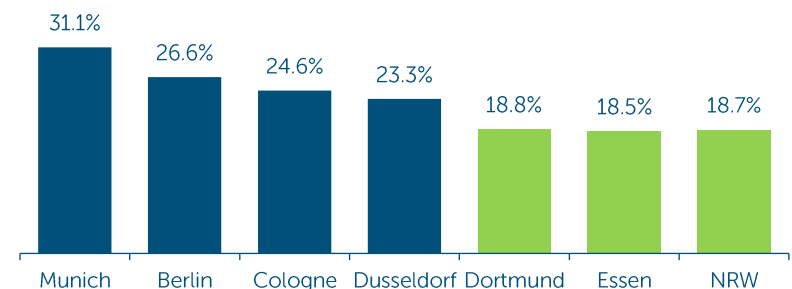
Rent increase in B/C-cities historically below inflation...

Rental price and inflation index in Germany²



... resulting in high affordability in German B-cities³

Percentage of disposable household income spent on rent



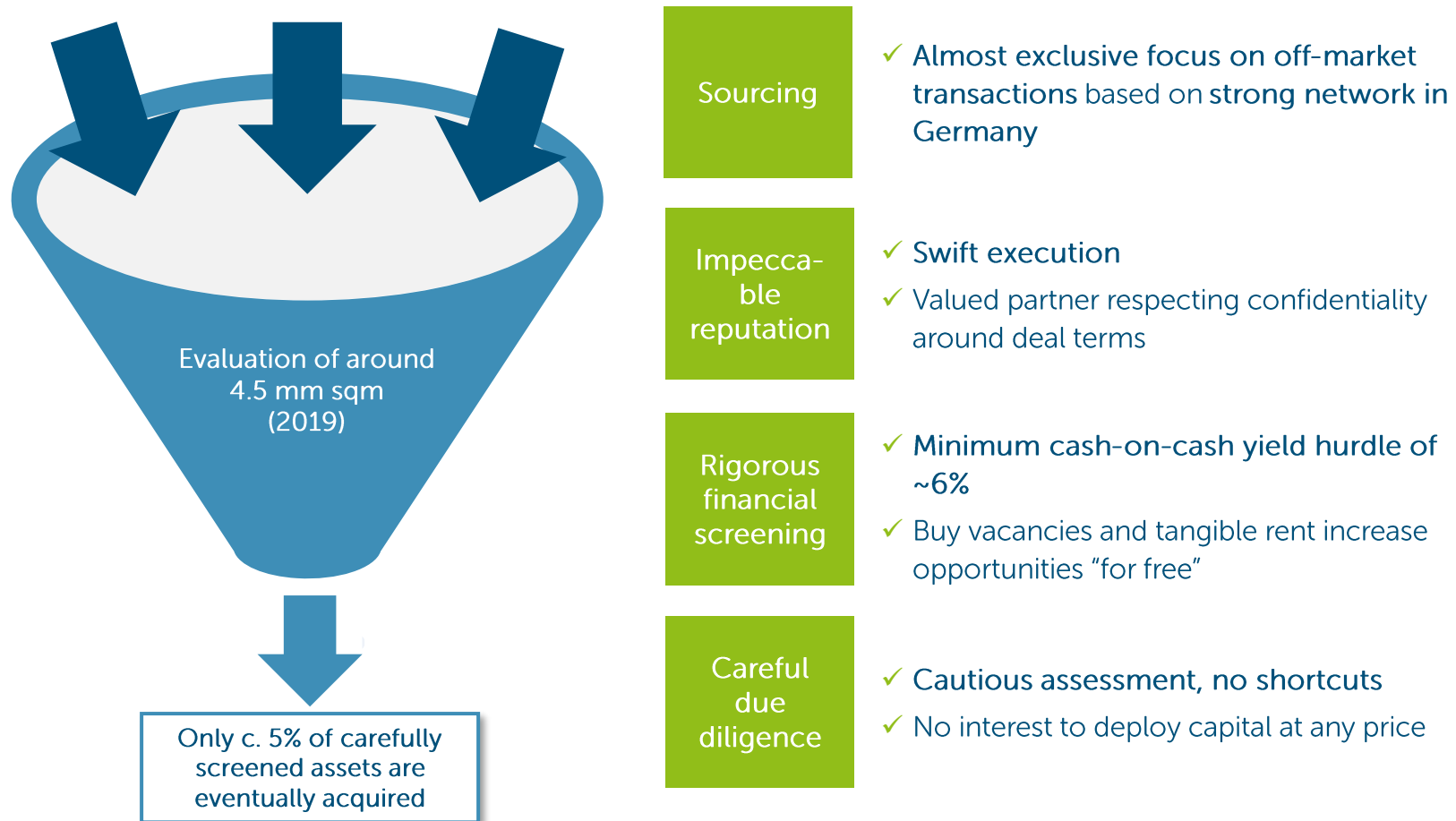
- B-cities with attractive yields
- Positive growth prospects on the basis of population growth and space consumption
- Lower exposure to external shocks due to significantly lower cost ratios

(1) Bulwiengesa

(2) Bulwiengesa, Statista

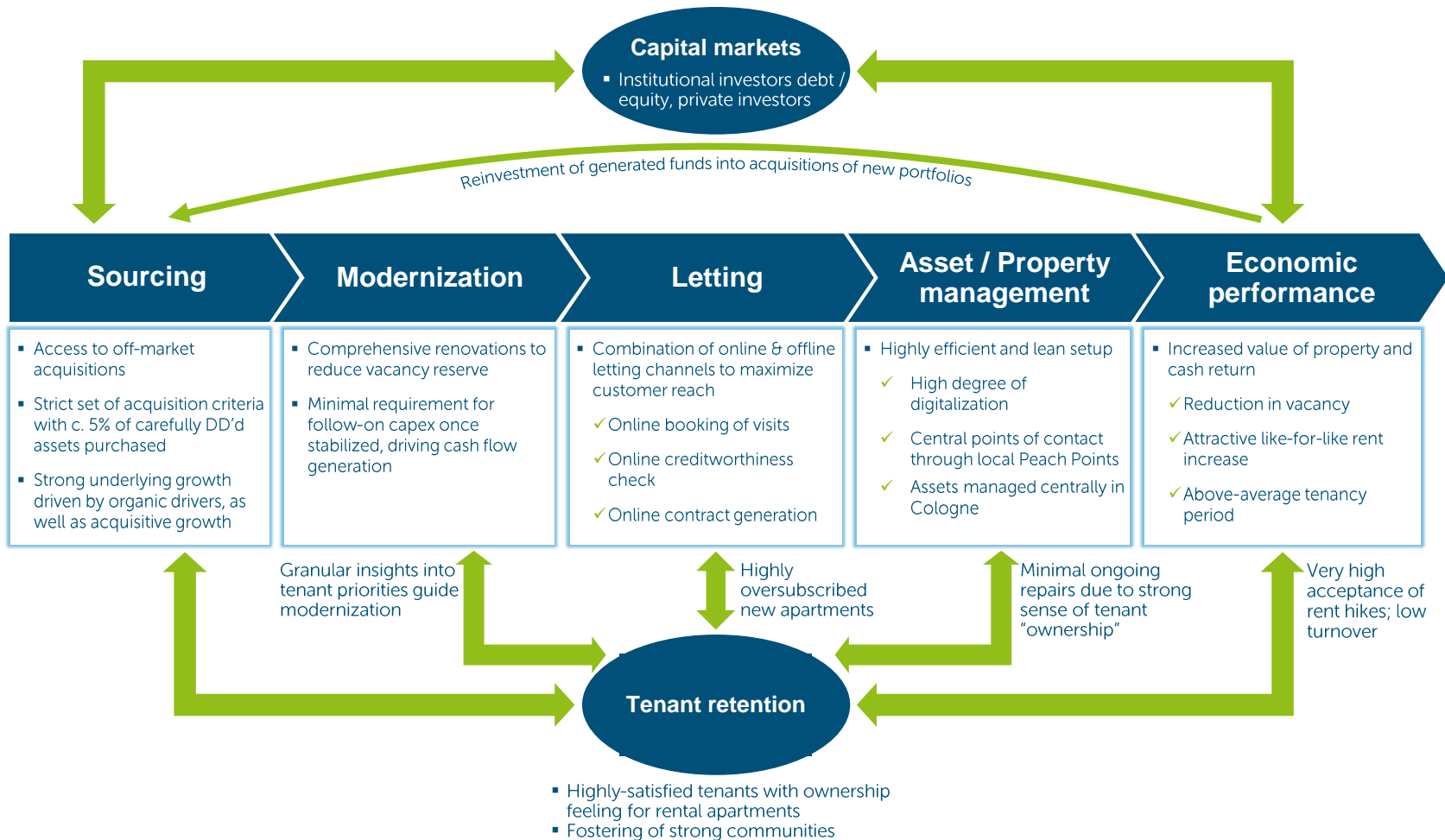
(3) German Economic Institute

Structured acquisition process that results in strategically sound acquisitions...

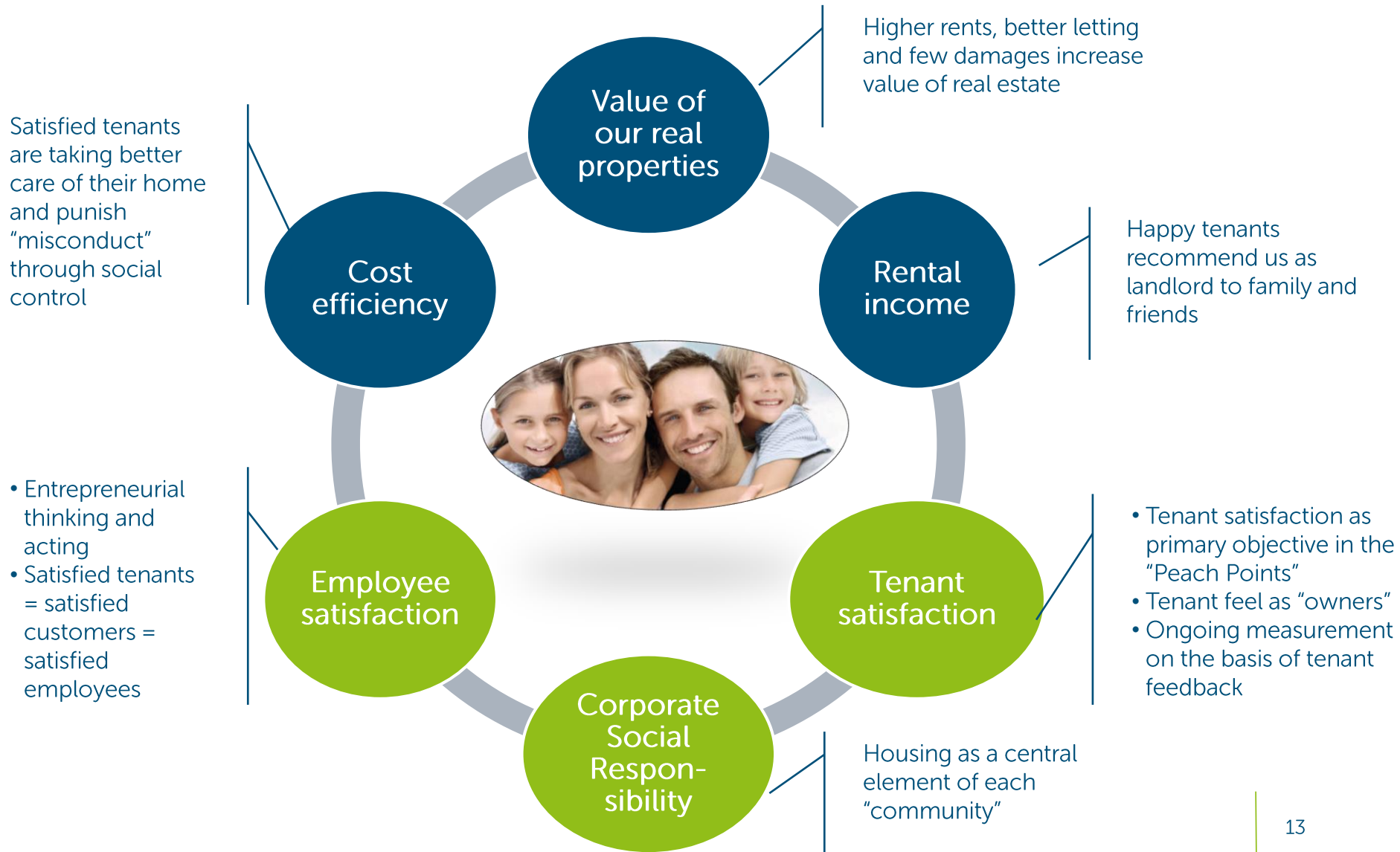


Selective acquisitions of properties (100,000 – 250,000 sqm/year (= 2-5%))

... building on a strong digital platform...



... with satisfied tenants in the center of our focus



Peach Points: Client service excellence delivered through regional service hubs



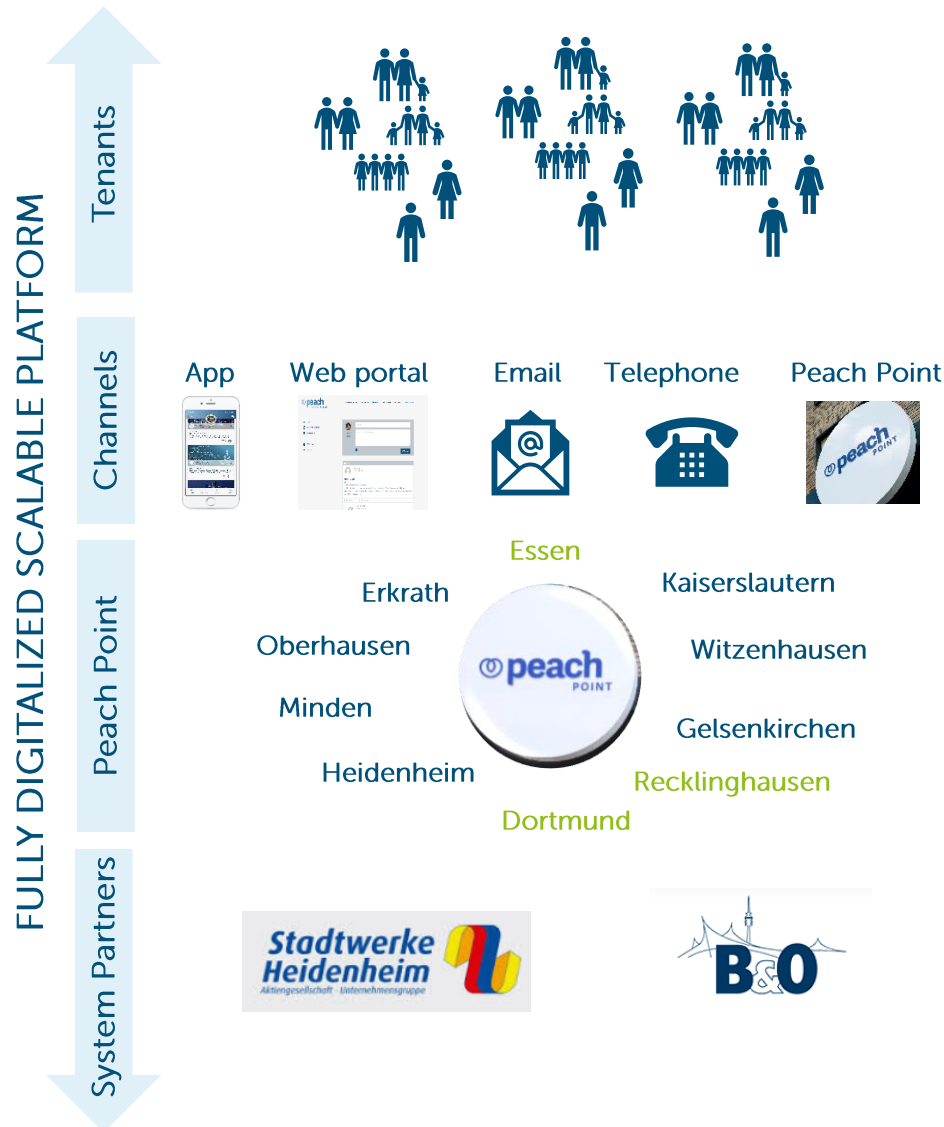
Digital capabilities



Regional service hubs

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

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



Tenants with full multi-channel access:

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

Property Management in Peach Points

- All notifications recorded in ticketing system
- 80 tickets per month per 1,000 apartments (as of June 30, 2020)
- 88% "one touch": Question can be solved at first contact station

Central Quality Management

- 19.8 hours to first response
- 7 days until problem is solved completely
- 74% satisfaction (based on 17% response rate, survey H1 2020)

Scalable model through partners

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

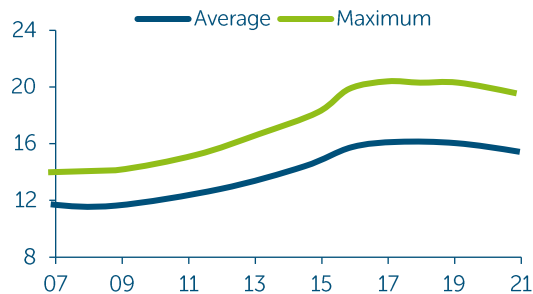
Finding opportunities in tightening asset markets

Asset market keeps tightening...

...requiring operational improvements together with financial structuring...

...with focus on lasting tenant satisfaction.

Multiplier multi-stock buildings, B cities



Strong, sustainable results

- ✓ Significant vacancy reduction
- ✓ Minimal tenant turnover
- ✓ Increasing rents

Investment portfolio

- Acquisition of 496 apartments in the Ruhr area
- Increase of Portfolio size to 12,906 apartments (+47% compared to previous year period) with a clear focus on five clusters
- Annualized target rent at CHF 63.3 mm, plus 36% vs. previous year period
- Rental income increased by 42% to CHF 27.4 mm compared to previous year period; „like-for-like“ increase of 5.4%
- Reduction of vacancy by 23.4% compared to the previous year period to 8.2%
- Investment portfolio market value increased to c. CHF 1.12 bn (excl. right-of-use assets)
- CAPEX spent of CHF 11.1 mm
- Opening of Peach Points in Gelsenkirchen and Erkrath at the beginning of 2020, bringing total to seven
- Introduction of SAP S4H – significant increase in digital service options

Development portfolio

- Legally binding building permit received for Peninsula Wädenswil, in 1Q 2020 preparatory work for future development started

Impressions of last portfolio acquisitions

Bielefeld, NRW



Essen, NRW



Gelsenkirchen and Gladbeck, NRW



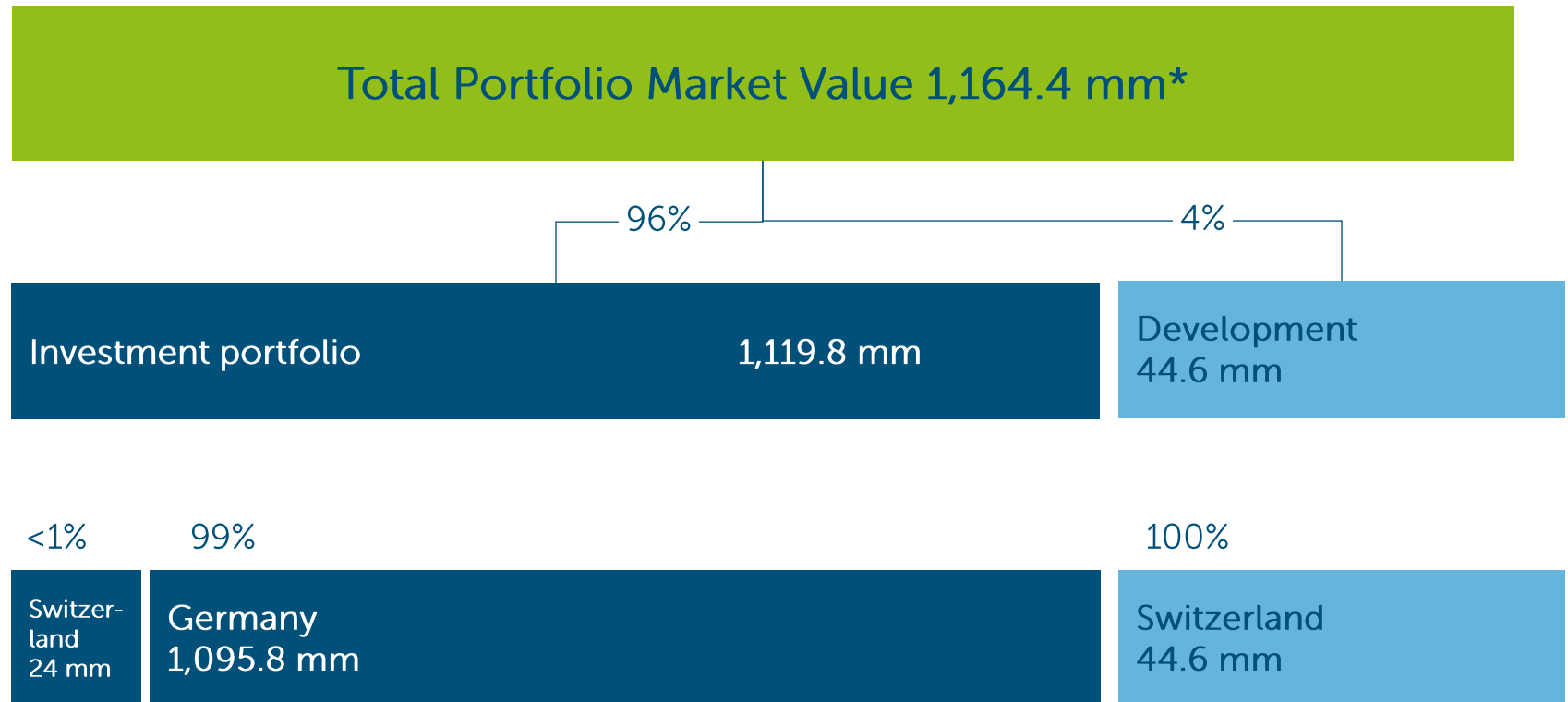
Velbert, NRW



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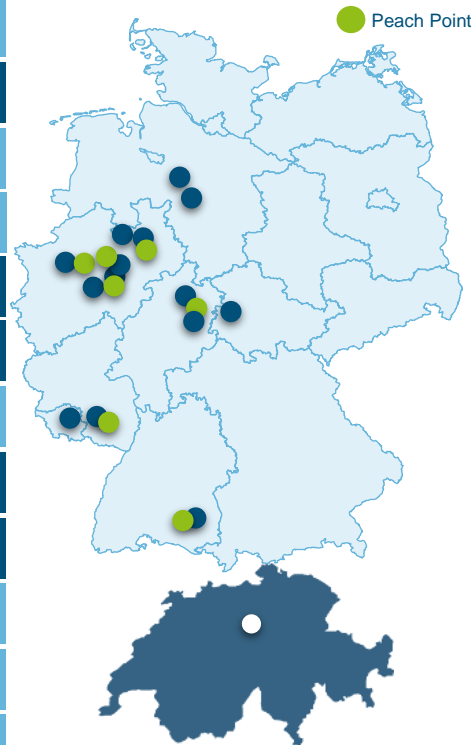
Portfolio structure as of June 30, 2020



* Market values determined by Wüest Partner AG as at 30.06.2020, excluding right-of-use assets.

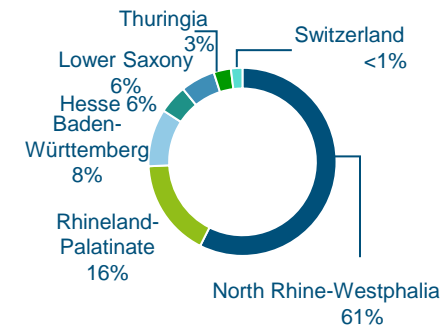
Portfolio as of June 30, 2020: 12,906 apartments and CHF 1.12 bn total asset value

	Gelsenkirchen 1,260 apartments
	Oberhausen 1,067 apartments
	Bochum 1,047 apartments
	Velbert 761 apartments
	Minden 638 apartments
	Neukirchen-Vluyn 567 apartments
	Bielefeld 358 apartments
	Herford 238 apartments
	Düsseldorf 224 apartments
	Marl 277 apartments
	Essen 441 apartments
	NRW – Other 944 apartments

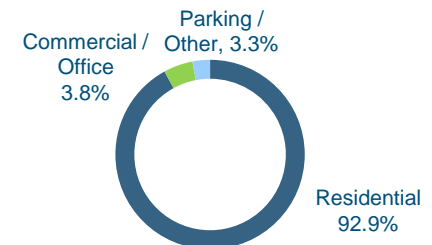


	Münster 376 apartments
	Fassberg 287 apartments
	Lower Saxony – Other
	Eschwege 250 apartments
	Bebra 251 apartments
	Hesse – Other 336 apartments
	Kaiserslautern 1,964 apartments
	Saarbrücken 46 apartments
	Thuringia 407 apartments
	Heidenheim 1,013 apartments
	Switzerland 29 apartments

Split by location (incl. acquisitions)



Split by usage (incl. acquisitions)



- **Acquisitions complementary to existing locations**
 - Extended focus on NRW region with the cities of Gelsenkirchen, Essen, Velbert and Bochum
 - Additions to Kaiserslautern (to c. 2,000 apartments) and Bielefeld / East-Westphalia (to c. 1,600 apartments)
- **Leverage of existing management clusters**
 - Integration into Peach Points Kaiserslautern, Minden and Oberhausen
 - Two new Peach Points in Erkath and Gelsenkirchen

Overview investment properties as of June 30, 2020

	30.06.2020	31.12.2019
Number of residential units	12,906	12,424
Total area in sqm	848,224	827,525
Residential area in sqm	819,262	786,287
Commercial area in sqm (floor space DIN 277)	26,460	38,736
Office space in sqm (floor space DIN 277)	2,502	2,502
Actual rental income in TCHF ¹	27,373	38,915
Maintenance costs in TCHF ¹	3,541	5,275
Administrative and operating costs in TCHF ¹	1,426	3,555
Vacancy costs ¹	1,289	1,917
Target rent in TCHF p.a.	63,294	62,059
Vacancies residential units (# residential units in percent of all residential units)	1,057 8.2%	1,158 9.3%
Market value in TCHF ²	1,119,837	1,071,465
Gross rental yield ¹	5.1%	5.4%
Net rental yield ^{1, 3}	3.5%	3.5%

- Vacancy further reduced to 8.2%
- Vacancy excluding Neukirchen and Fassberg unchanged at 6.1% - despite integration of new portfolio Grande with vacancy rate of 8.6%
- Reduction of gross yield due to Grande integration – constant “like-for-like” yield
- Significant increase in margin - thus constant net return despite integration Grande

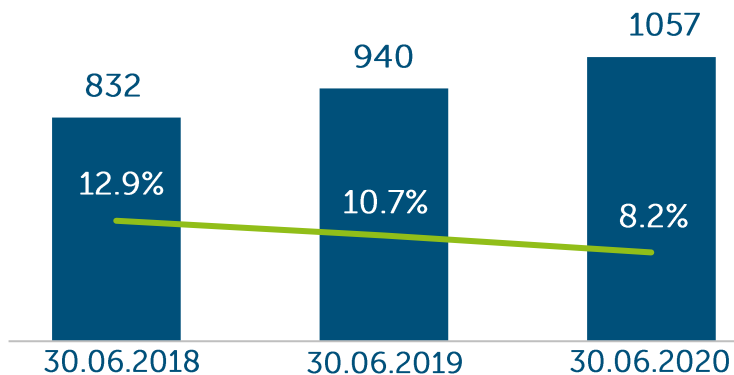
¹ In prior year excluding Acquisition Portfolio that has been acquired effective December 31, 2019.

² Based on the valuation by Wüest Partner as at 30.06.2020 (net without heating, excluding ancillary expenses).

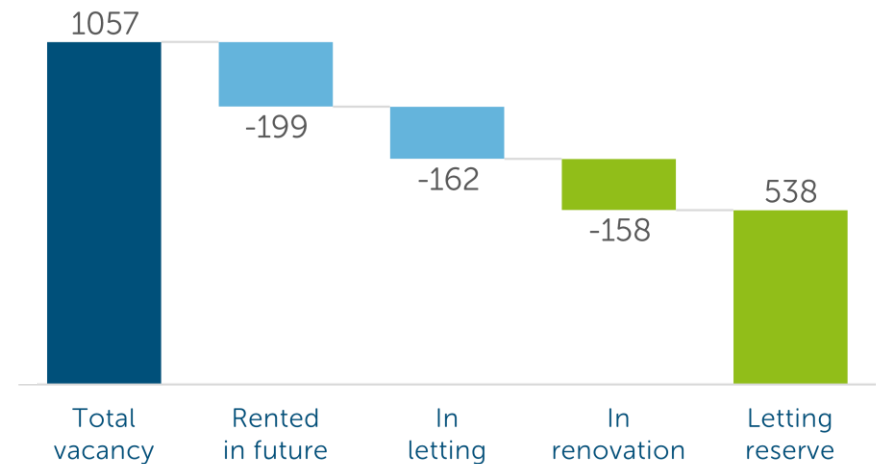
³ Actual rental income (net without heating, excluding ancillary expenses) less administrative and maintenance costs compared to the average value of the portfolio.

Significant reduction of vacancy ratio

Development of vacant apartments and vacancy ratio

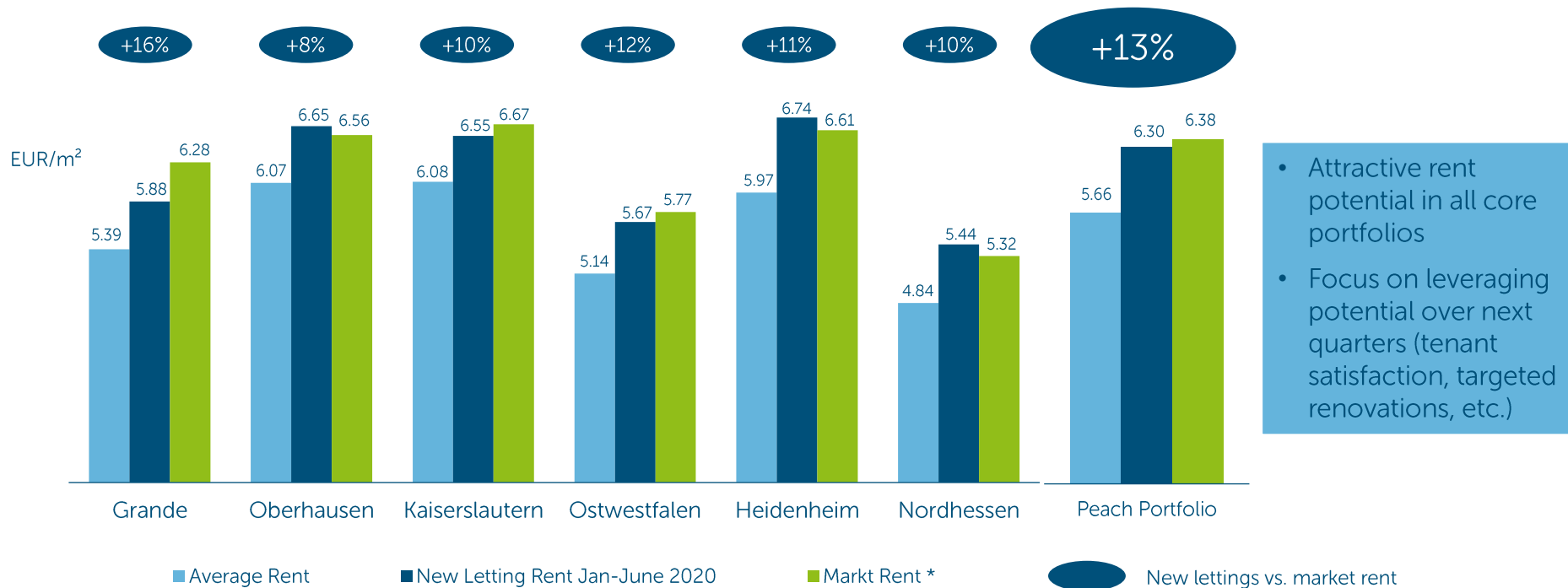


Split of vacant apartments



- Significant reduction in vacancy rate over the last 12 months (-23.4%)
- Actual vacancy of around 2.7% (rented in the future, reserved & in letting process)
- Letting reserve of 538 apartments, 168 of them in Neukirchen
- Approx. 100 apartments of letting reserve will be put on market in 2020

Attractive potential to increase rent



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

- **"Like-for-like" rental increase of 5.4%** over the last 12 months
- Current portfolio exhibits attractive **rent potential of 13%**.
- Growth potential in addition to market growth of 3 to 4% p.a.

* According to Wüest Partner valuation as of June 30, 2020

· Non-subsidized apartments only; consideration of Zymma new lettings with the assumption of a 25% fluctuation

Remaining development project in Switzerland, Wädenswil on Lake Zurich

Peninsula, Wädenswil



- Peninsula on Lake Zurich with 17,837 sqm land
- 5,600 sqm commercial space plus 29 rented apartments as investment properties
- Additionally, 56 condominiums in planning stage; combination of renovating existing buildings and constructing new ones
- The construction project has been **legally approved since February 2020**
- Development planning is currently being pursued
- **Approx. CHF 1.5 mm rental income p.a.** for yield properties and «interim usage» of development properties

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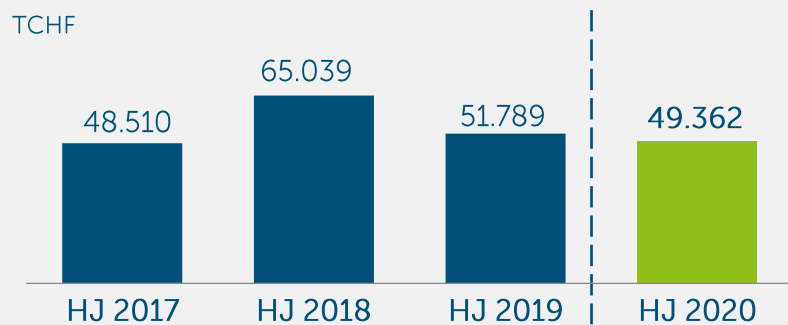


Overview half year result 2020

Revenues

HY 2017 – HY 2020

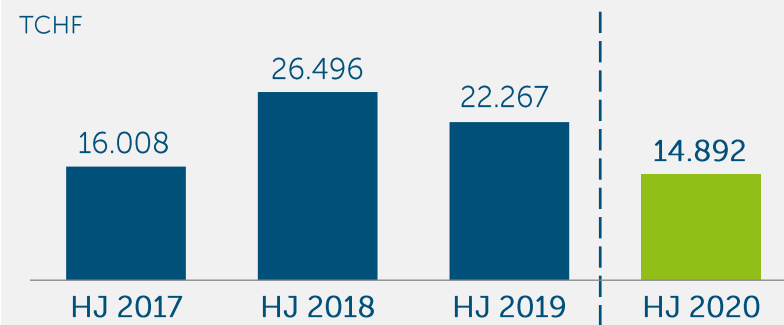
TCHF



Result after tax

HY 2017 – HY 2020

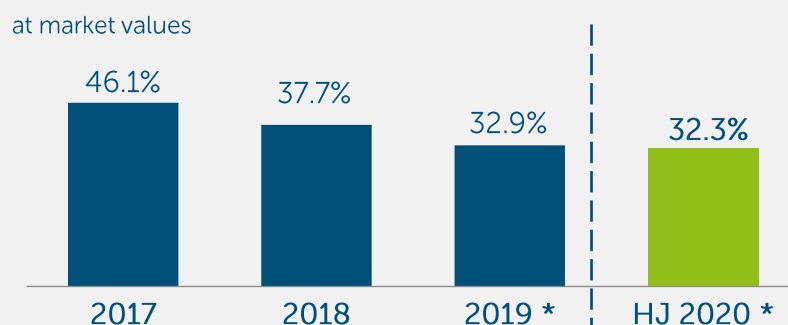
TCHF



Equity ratio

2017 – HY 2020

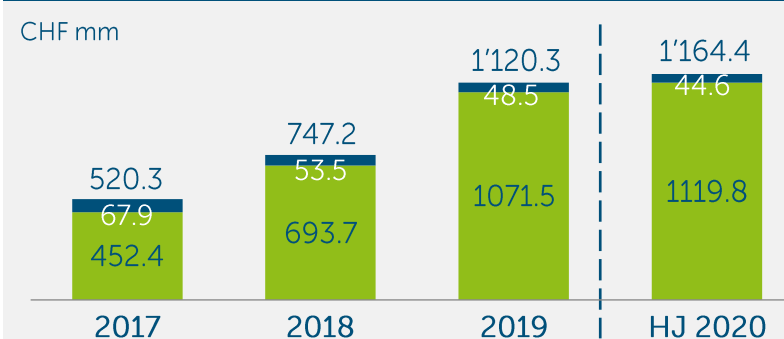
at market values



Portfolio at market values

2017 – HY 2020

CHF mm



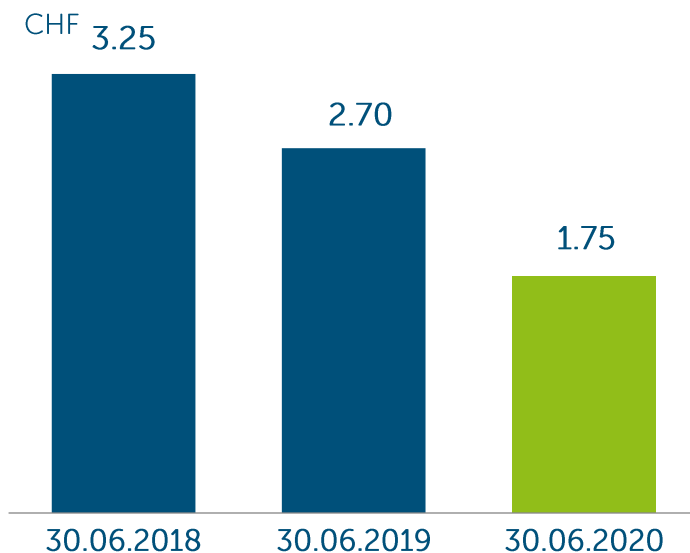
* Adjusted for IFRS 16

Development properties
Investment properties

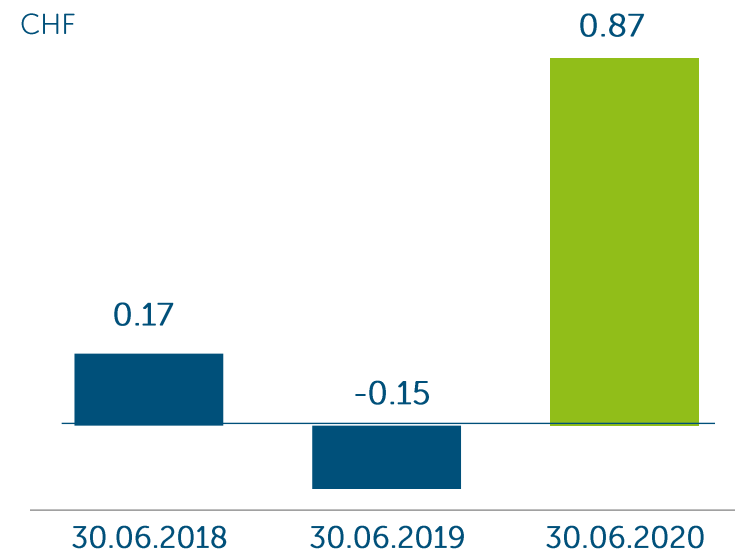
Overview Key Performance Indicators

TCHF	HY 2020	HY 2019	Delta
Rental income	27,373	19,285	+42%
Margin	77.1%	70.5%	
Valuation gains from investment properties	19,168	24,095	-20%
Income from development properties	180	7,302	-98%
Margin	n/a	75.7%	
Personnel expenses	-5,782	-5,125	+13%
Other operating expenses & marketing	-3,168	-2,564	+24%
EBIT	33,330	33,309	+0.1%
Financial income	495	213	+132%
Financial expenses	-16,775	-8,171	+105%
Income taxes	-2,158	-3,084	-30%
Tax rate	12.7%	12.2%	
Result after taxes	14,892	22,267	-33%
Adjusted EBITDA	15,596	10,931	+43%
FFO I	6,868	-853	n.a.

Diluted earnings per share



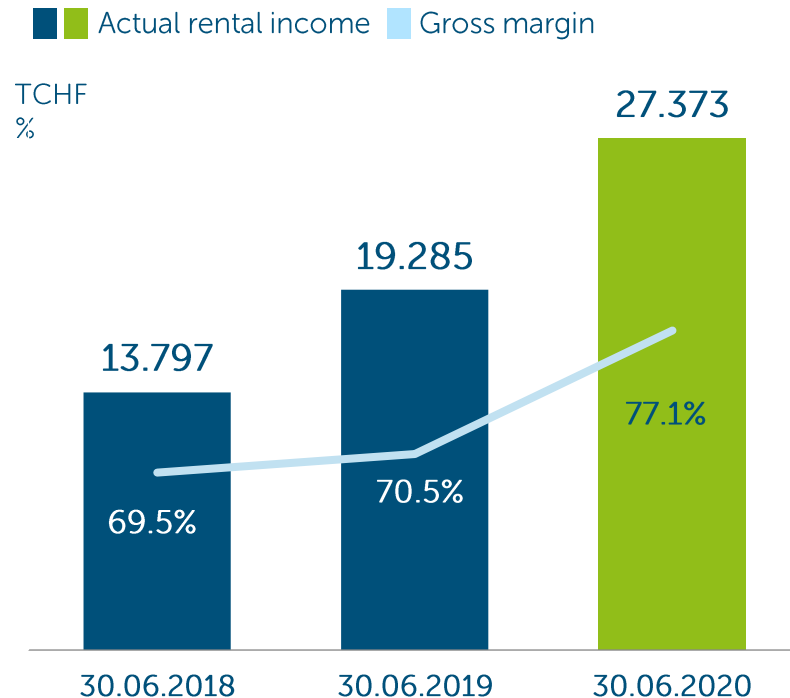
Diluted FFO I per share



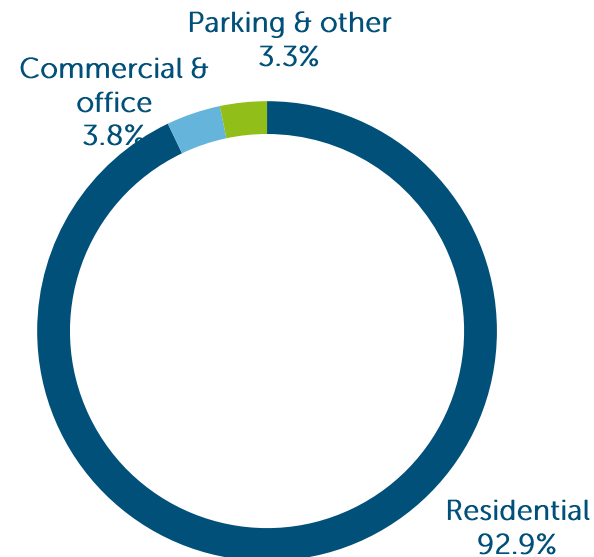
- Reduction in diluted earnings per share due to shift to income from investment properties, reduced earnings from revaluation, higher FX expenses and higher other financial expenses
- Diluted FFO I per share, excluding the "Gretag" tax effect unrelated to the accounting period, amounts to CHF 0.50 per share

Rental income investment properties

Development rental income and gross margin



Rental income by type of use

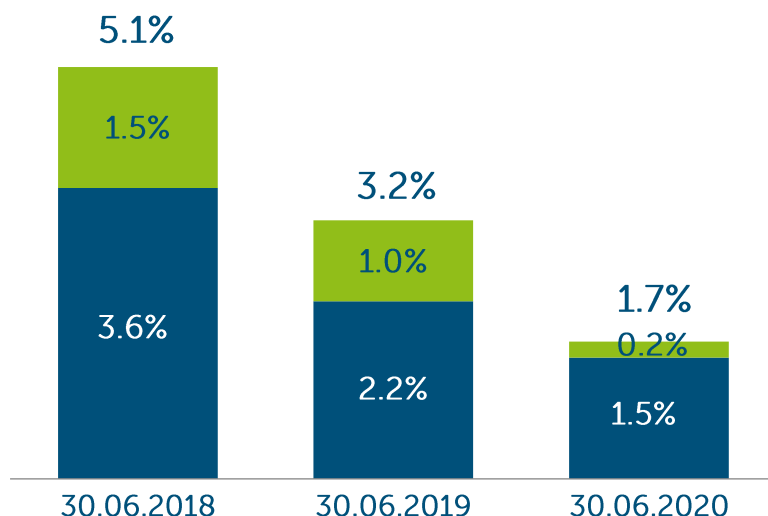


- Actual rental income increased by 41.9%, compared to previous year period
- Simultaneously gross margin increased by 9.4% due to economies of scale and in-sourcing
- Very high revenue quality due to 96% of rents stemming from residential units (95% in previous year)

Investment property valuation gains

Valuation gains and gross rental yield in % of investment properties

■ Initial valuation ■ Operational progress & discount rate



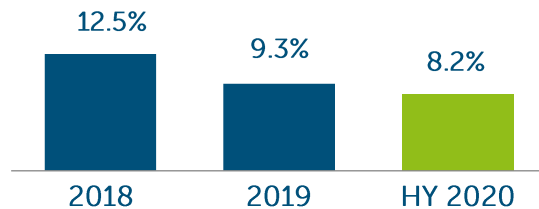
Core valuation assumptions

	Market value 30.06.2020 in CHF Mio.	Discount rate 30.06.2020	Market value 31.12.2019 in CHF Mio.	Discount rate 31.12.2019
North Rhine-Westphalia	674	3.93%	630	3.92%
Rhineland-Palatinate	205	3.79%	204	3.79%
Baden-Württemberg	112	3.58%	113	3.60%
Hesse	48	4.60%	47	4.56%
Lower Saxony	46	4.81%	43	4.89%
Other locations	47	3.93%	44	3.94%
	1,132	3.93%	1,082	3.93%

- Valuation result for H1, 2020 purely based on operational progress, especially regarding new lettings and vacancy reductions
- Discount rate unchanged for H1, 2020

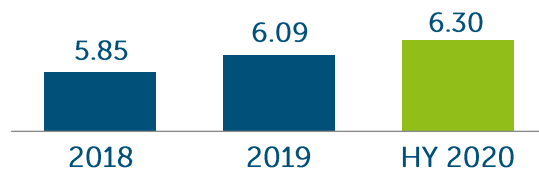
Investment property KPIs

Vacancy (residential units)



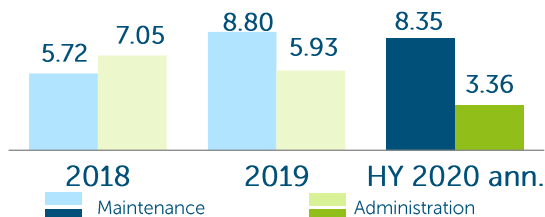
- Reduction of vacancy by around 12%
- The central speed inhibitor stems from tense construction market which prohibits faster renovations
- 2.7% effective vacancy on rentable apartments

Letting price (per sqm)



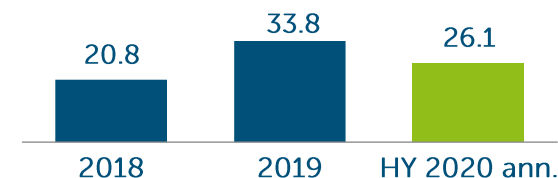
- A total of 865 leases signed by June 30, 2020
- Increase of new letting rent to EUR 6.30
- Like-for-like rent increases of Peach Portfolio: 5.4%

OPEX (per sqm)



- Maintenance costs at the previous year's level
- Lower administrative and operating costs due to insourcing
- Gross margin increased from 71% to 77%

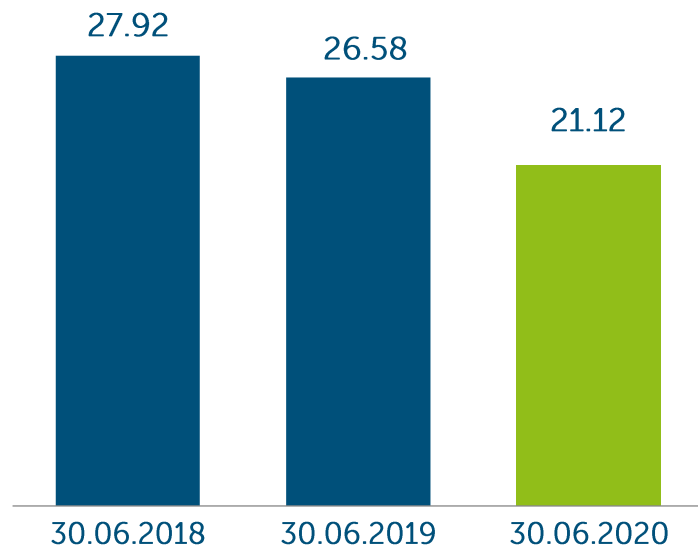
CAPEX (per sqm)



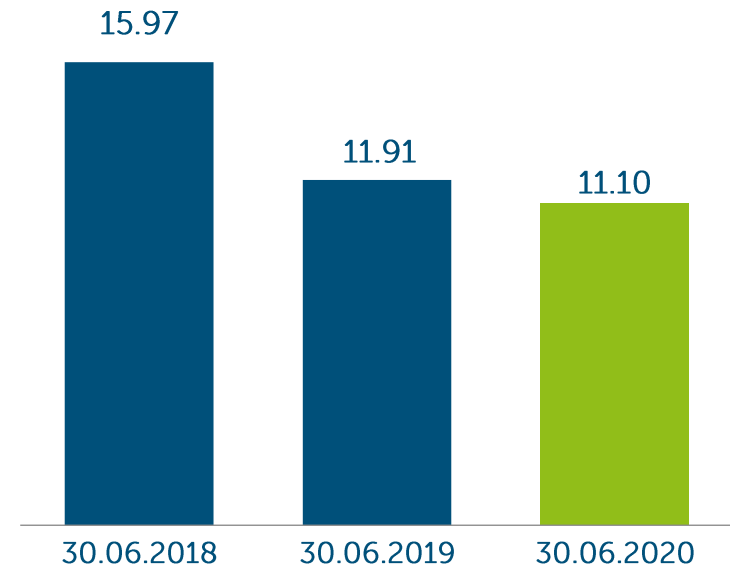
- Per half year total investment of CHF 11.1 mm into apartment renovations and increase of building quality (heatings, staircases, facades, outdoor facilities, etc.)
- Basis for lowering vacancy rate and increasing rents

Development of operational costs

Personnel expenses in % of income from investment properties



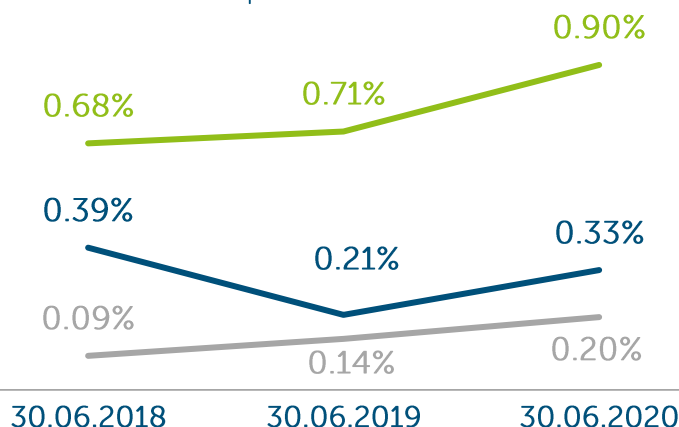
Other operating expenses in % of income from investment properties



- Insourcing of central steps along the value chain (Peach Points, new back-office in Berlin)
- Significant efficiency gains driven by economies of scale

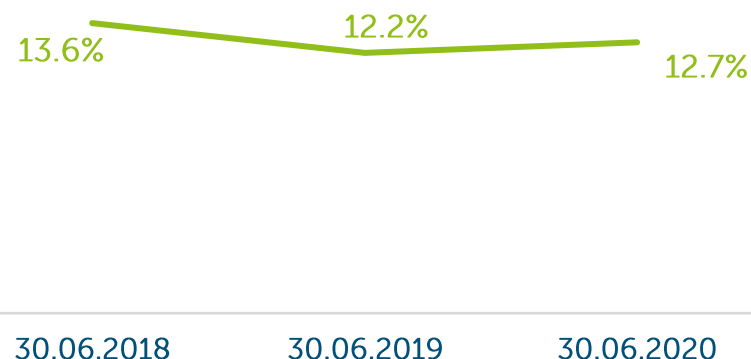
Financial expenses in % of total portfolio value

Interest expenses FX expenses
other fin. expenses



Tax expenses in % of result before tax

Total tax expenses



- Interest expense increased from CHF 5.5 mm to CHF 10.3 mm compared to previous year period
- FX losses increased from CHF 1.6 mm to CHF 3.8 mm compared to previous year period
- Total tax expenses decreased from CHF 3.1 mm to CHF 2.2 mm compared to previous year period

Balance sheet key figures

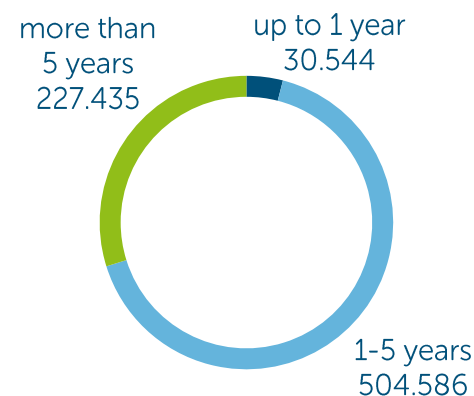
TCHF	30.06.2020	31.12.2019
Cash & cash equivalents	39,303	46,248
Development properties	34,589	33,757
Investment properties (incl. non-current assets held for sale)	1,132,194	1,082,058
Current financial liabilities	31,049	37,869
Non-current financial liabilities	750,514	703,446
Net LTV	59.9%	59.6%
Net secured LTV	31.3%	29.4%

- Ample liquidity to support growth
- Increase of non-current financial liabilities to match maturity structure

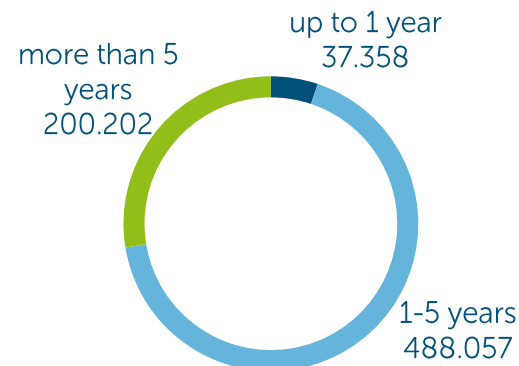
TCHF	30.06.2020	31.12.2019
Current mortgages	21,544	28,358
<i>thereof for development properties</i>	11,928	12,024
Non-current mortgages	392,664	348,554
<i>of it for new investment properties</i>	56,698	11,228
Syndicated loan	63,147	64,070
EUR bond	260,770	263,959
Lease liabilities	18,999	15,698
Other financial liabilities	24,440	20,676
LTV	59.9%	59.6%
Interest coverage ratio	1.52	1.43

- **96% of financial liabilities non-current** in line with investments (current developments, non-current holdings)
- **Average term at 4.1 years** (previous year 4.2) (impact EUR bond)

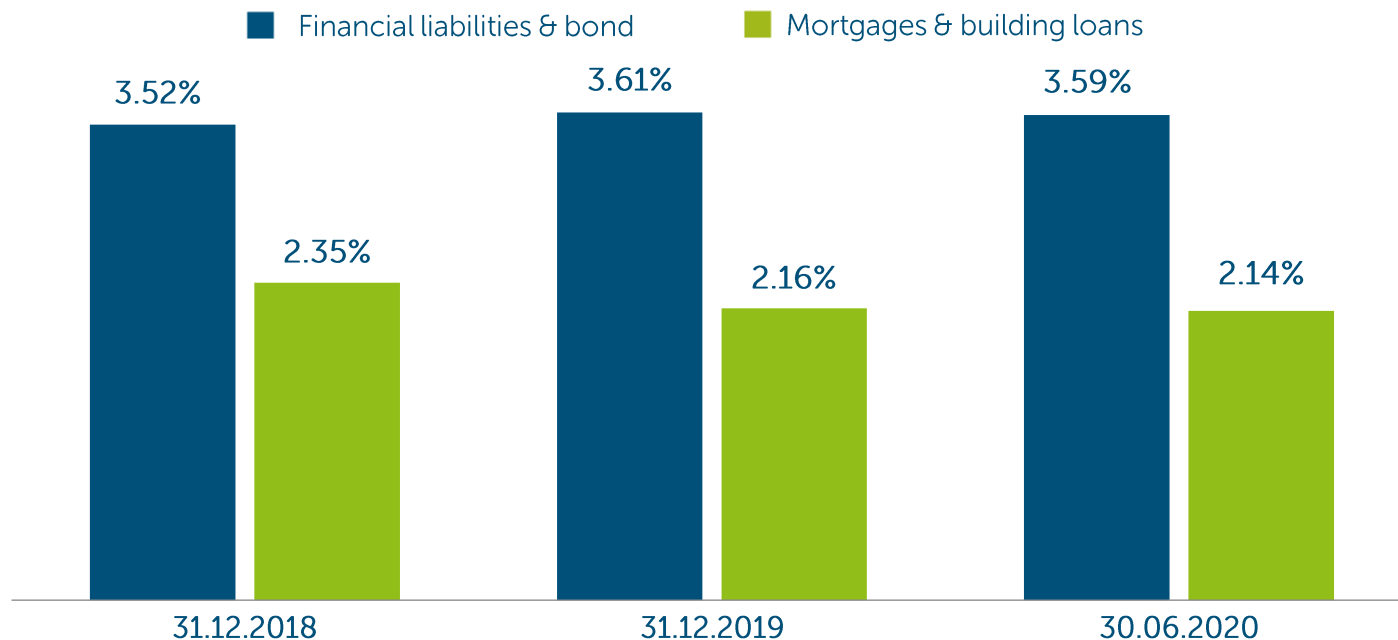
Maturity structure 30.06.2020



Maturity structure 31.12.2019

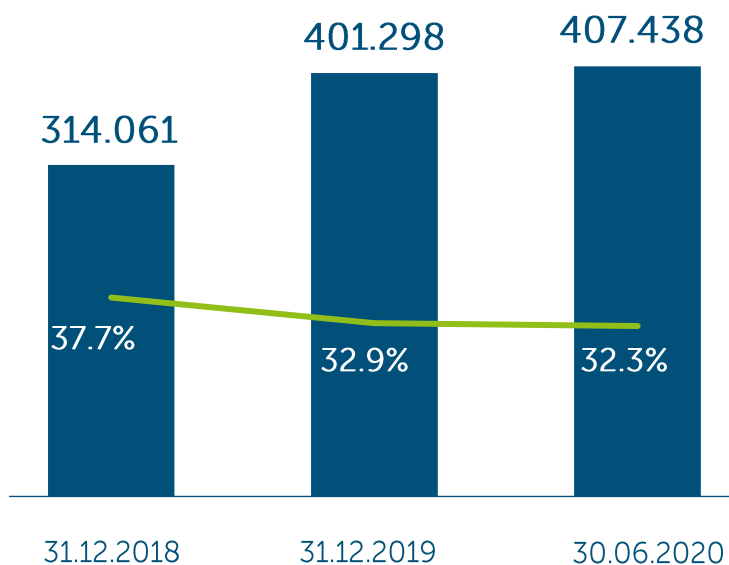


Payment of Interest Liabilities



- Slight decrease of financing cost from approx. 2.81% (2019: 2.84%)
- Rates include interest rate hedges (mostly swaps)
- Financing for German portfolio in EUR

Equity and equity ratio at market values



Equity values

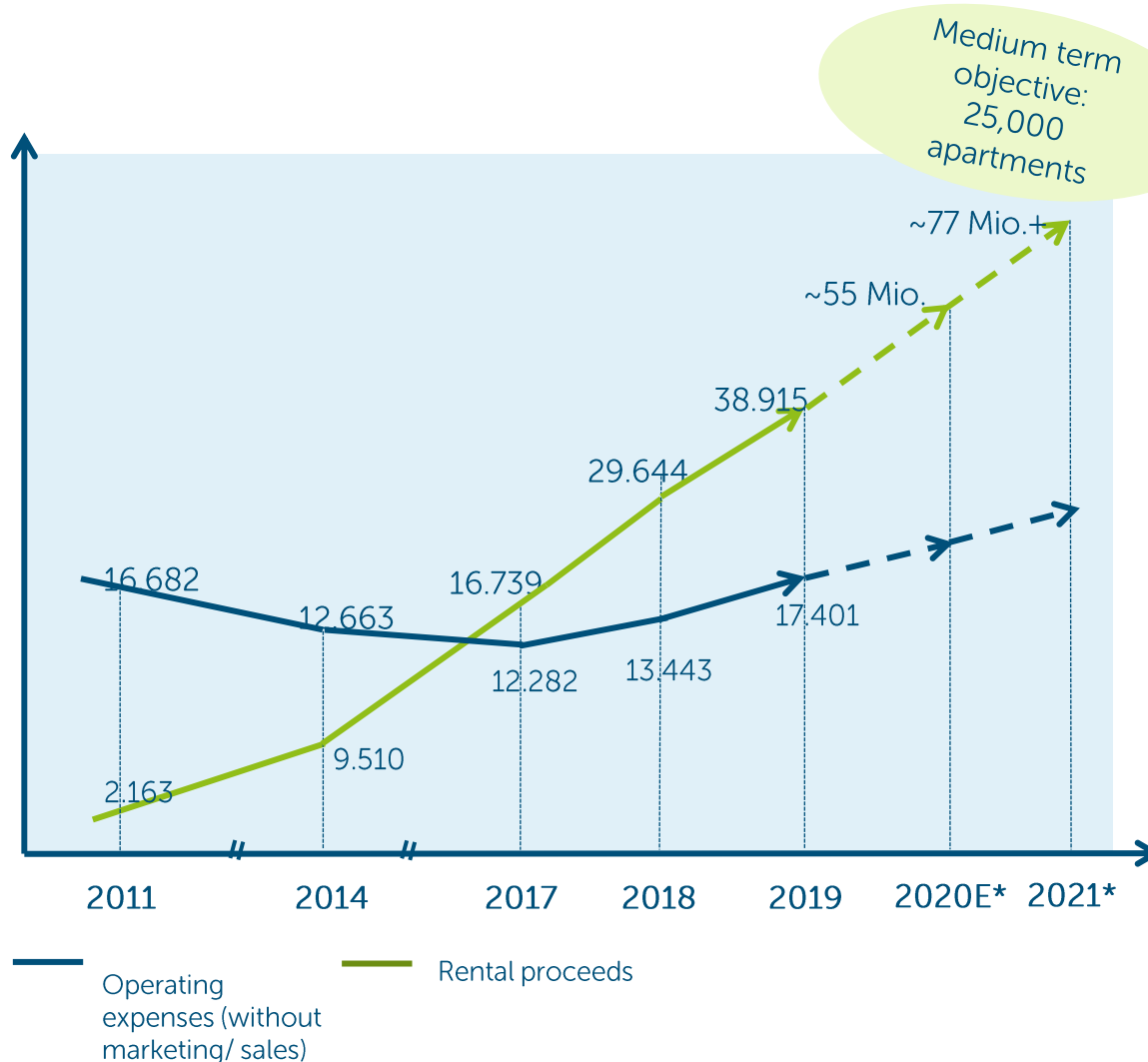
	30.06.2020	31.12.2019
NAV IFRS (TCHF)	399,539	389,564
NAV market value (TCHF)	407,438	401,298
thereof hybrid bonds (equity) (TCHF)	85,703	91,696
Equity ratio (NAV IFRS)	31.8%	32.3%
NAV (IFRS) per share (CHF)	43.98	43.34
Equity ratio (NAV market value)	32.3%	32.9%
NAV (market value) per share (CHF)	45.13	45.11
Last share price (CHF)	34.70	39.50

Agenda

1. Introduction and strategy
2. Portfolio as of June 30, 2020
3. Half-year result 2020
- 4. Outlook**
5. Corona Update



Outlook: further growth in rental income with higher operational efficiency



Optimization of the existing investment portfolio

- Increase of tenant satisfaction
- Further vacancy reduction
- Rent optimization
- Reduction of non-recoverables
- Increase of administrative efficiency (cluster, digitalization,...)

PLUS

Further acquisitions of investment portfolios

- Focus on core regions
- Further portfolios in the pipeline
- Significant progress with remaining development project

* Actual rent, based on all signed acquisitions; annualized after closing assuming constant vacancy

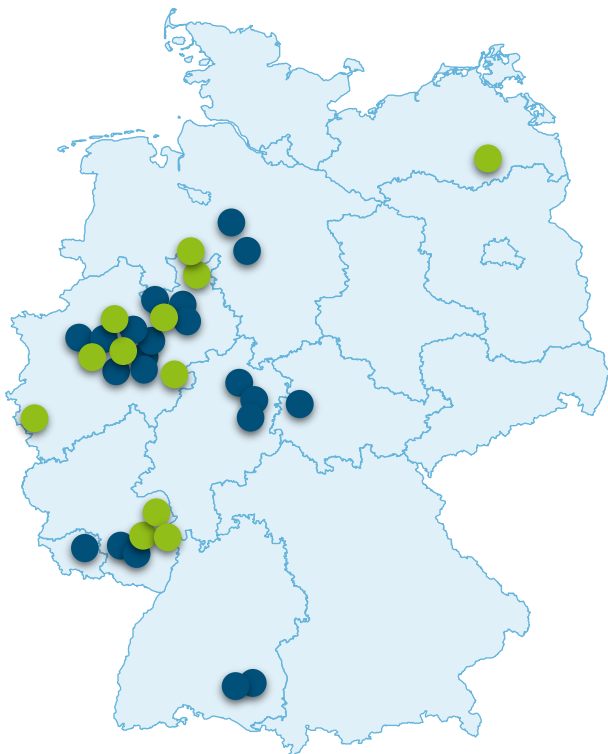
Outlook acquisition of 5,449 apartments

Strategic rationale for acquisition

- Leverage digital platform with significant economies of scale
- Expansion of the Peach Point concept and focus on tenant orientation
- Further scaling and risk diversification

1. Significant increase in target rental income to over CHF 86 mm
2. Maintaining proximity to tenants by opening three new Peach Points; positive effects also for existing portfolio
3. Significant economies of scale
4. Financing adhering to 60% LTV target; strengthening of debt service capacities
5. Additional positive effects through improved size and risk diversification

Optimal addition to the existing portfolio



 Signed Acquisition

 Existing Portfolio

Excellent match with current portfolio

Acquisition optimally extends current portfolio:

- Rhein/Ruhr region (15,150 apartments)
- Kaiserslautern region (2,570 apartments)

Further smaller new clusters include

- Mönchengladbach (250 apartments for Zymma);
- Neubrandenburg (360 apartments)

Portfolio growth

	Portfolio as of H1 2020	Portfolio acquisition	Total Portfolio Peach pro forma
Apartments	12,906 apartments	5,449 apartments	18,355 apartments (+42%)
Lettable space	848,224 sqm	346,268 sqm	1,194,492 (+41%)
Market value	CHF 1.13 Bn.	~CHF 450 Mio.	~CHF 1.6 Bn. (+40%)
Target rent p.a.	CHF 63.3 Mio.	~CHF 24 Mio.	~CHF 87 Mio. (+38%)
Rental income p.a.	CHF 55 Mio.	~CHF 22 Mio.	~CHF 77 Mio. (+40%)
Gross rental yield	5.1%	4.9%	~ 5.0%
Vacancy	8.2%	8.6%	8.3%

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Employee

- So far, **no corona cases at Peach**
- Transition to home office and back worked smoothly

Operations

- **All Peach Points with corresponding protection concepts reopened**
- Availability via Skype/phone/mail/app at any time

Letting

- **Leasing „on track“**; so far August was the best month ever
- **Renovations after minimal downtime back to normal**

Collection losses

- **Hardly any inquiries for rent deferral (well below 1% with focus on retail in Erkrath)**
- **No increased collection losses**

Apart from operational changes, Corona has had little influence on business development

Experienced team with a proven transaction track record

- > CHF 2 bn successful transactions since 2013
- Strong asset management platform
- Acquisition department with significant pipeline
- 90+ real estate professionals in Cologne, Berlin and Zurich

Germany: attractive real estate market with very good perspectives

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

Successful investment strategy

- Low risk: >96% of rental income from residential
- Hence very low default risk
- Value increase through active asset management
- Portfolio gross yield of 5.1%

Long term growth and value orientation

- 51% average annual portfolio growth since 2011
- Target rent (annualized) reaches CHF 63.3 mm p.a.
- Number of residential units: 12,906

Sound equity basis

- Equity (market values) per half year 2020: CHF 407 mm
- Equity ratio (market values): 32.3%
- Net LTV: 59.9%

Attractive investment case

- NAV (market value) of CHF 45.13 per share (plus 92% since beginning of 2017)
- Share price of 41.00 implies discount of 9% relative to NAV H1 2020



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Wachsen
mit Werten.