PEACH PROPERTY GROUP

Growing with values.

Annual Report 2021

peachproperty.com

Key Figures

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

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

Peach Property Group (consolidated)		**Dec 31, 2021**	Dec 31, 2020
Operating income	CHF thousands	397 838	213 584
EPRA Like-for Like rental income	in %	4.0	4.7
Operating result	CHF thousands	340 662	178 563
Result before tax	CHF thousands	259 490	153 354
Result after tax	CHF thousands	201 198	127 282
NAV IFRS	CHF thousands	1 120 427	754 862
Equity ratio (IFRS)	in %	40.1	33.9
Real estate portfolio at market values (incl. right-of-use assets) [1]	CHF thousands	2 713 802	2 112 450
Number of employees		194	119
Number of shares (nominal value of CHF 1.00 each)		16 882 373	12 494 751
Share capital	CHF thousands	16 882	12 495
Diluted earnings per share	in CHF	12.38	14.30
Diluted FFO I per share	in CHF	0.72	0.55
NAV IFRS per share [2]	in CHF	60.38	50.70
EPRA NTA per share	in CHF	68.56	57.29
Share price as of December 31	in CHF	63.40	46.00
Market capitalization as of December 31 [3]	CHF thousands	1 069 852	574 497

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

Content

Reto Garzetti
Chairman of the Board of Directors

Dr. Thomas Wolfensberger
Chief Executive Officer

Dear shareholder,

The concluded financial year is characterized by the continuation of our growth strategy. We expanded our portfolio while strengthening our position on real estate and capital markets. Despite the various COVID-19-related lockdowns, we were able to further expand our real estate portfolio in Germany by acquiring around 4 300 new residential units in early summer 2021. With more than 27 400 residential units in our portfolio, and a total market value of CHF 2.7 billion, compared to CHF 2.1 billion in the previous year, we have achieved a new highest value. The value increase of our portfolio resulted from both acquisitions, and revaluations. We are an established and relevant player in the German residential real estate market and are increasingly being noticed by international investors.

Our actions are consistently geared towards satisfying the needs of our tenants and contributing to their well-being. Our business model further points at meeting our environmental, economic and social responsibilities.

Significant increase in key indicators, successful bond issue, and improved credit ratings

In addition to our portfolio expansion, which we have delivered successfully over the past years, we again markedly improved our key indicators in 2021. In this regard, we achieved the highest earnings before taxes in our history of CHF 259 million (increase of 69 percent year-on-year) in 2021. Earnings after taxes similarly increased by around 58 percent year-on-year, to CHF 201 million. Funds from operations (FFO I) increased more than twofold, from CHF 4.6 million in the previous year, to CHF 11.1 million in the current financial year. Rental income was CHF 108.6 million, which likewise represents an almost twofold increase year-on-year. The decisive contributors to our performance were the results from acquisitions made at the end of 2020, and in June 2021, and the resulting economies of scale. We remained true to our investment strategy, 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. Our proximity strategy allows us to unlock economies of scale from the management of our portfolio.

Capital markets represented an important pillar in financing our growth in 2021. In June 2021, we successfully completed the placement of a 2.5 percent CHF mandatory convertible bond with an issue amount of CHF 180 million. We were able to increase the volume during the offer period, from the original CHF 120 million, to CHF 180 million, on the back off strong investor demand. Most of the net issue proceeds were used to finance our newly acquired real estate portfolio. With the mandatory conversion date at the end of the current financial year, the bond was fully converted into Peach Property Group AG shares. Following the strengthening of our equity base, we reduced our Loan-to-Value ratio (LTV) from 57.5 percent in the previous year, to 51.9 percent in 2021.

The improvement in our credit ratings in 2021 is an expression of our continuously improving financial structure, which in turn, allows us to explore more beneficial conditions when raising capital. Moody's upgraded both our corporate rating, and the rating on our subordinated unsecured bonds from Ba3 to Ba2. Fitch Ratings upgraded our corporate rating from BB- to BB, and our unsecured bond rating from BB to BB+, one notch below investment grade. S&P Global Ratings also upgraded its corporate rating from B+ to BB-, and its senior unsecured bond issue ratings from BB- to BB.

High returns courtesy of a smart acquisition policy – balanced and sustainable growth - communication with tenants expanded during the pandemic

With our established focus on residential real estate in German metropolitan regions, and Tier II cities, we are active in a dynamically growing, and continued important market environment. Through leveraging our many years of experience, and our solid network, we are positioned to acquire real estate under favorable conditions. With efficient and tenant-oriented real estate management practices, we further increase the value of our portfolios.

We aim for continued future growth in our core markets, enabled by our acquisition strategy which seeks for a clear expected return on investment. As of December 31, 2021, the return on our portfolio is 4.8 percent - significantly higher than the industry comparison. Our aim is to continue our balanced and sustainable growth also in the future.

To facilitate the best exchange possible with our tenants, we opened three Peach Points at the beginning of 2021, and three more at the beginning of 2022. This brings our total number of tenant shops to fifteen, all in the immediate vicinity of our core portfolio. Through our Peach Points, we can contact our tenants directly, and provide them with quick, unbureaucratic support. Digital channels such as e-mail, WhatsApp, or our tenant platform provide further options for quick and efficient contact with us. We want to expand and optimize our digital processes in the future, and by doing so, offer our tenants an even more efficient service.

Tenant satisfaction and environmental responsibility in focus – reducing the carbon footprint

Tenant satisfaction is our top priority. To ensure that tenants are happy in our apartments, we continuously modernize our properties and their surroundings. In this regard we invested around CHF 45 million in our portfolio during the financial year, and even slightly increased the investment measured per square meter, when compared to the previous year. Our investment focus was on energy and environmental related renovations. Measured on a Like-for-Like basis (excluding units acquired at the end of the previous year, and in the current financial year), the number of vacant apartments decreased by approximately 1 percent - from 7.3 percent in 2020, to 6.1 percent in 2021.

Overall, the vacancy rate in the current financial year was 8.0 percent, compared to 7.9 percent in the previous year. A slightly higher vacancy rate than expected in the portfolios acquired in the previous year is one of the main drivers in this regard. The vacancy rate in the approximately 15 000 apartments acquired in the previous year, and the current financial year, was around 9.5 percent. Based on our active, and tenant-oriented real estate management practices, we are confident that we can quickly reduce this vacancy rate in line with normal Peach levels.

As a real estate investor, we see an inherent obligation to society to conduct our operations in an environmentally responsible manner. In the current financial year, we executed on our sustainability strategy, while further developing concrete elements to our strategy.

For the first time we developed a decarbonization plan for our portfolio. We have committed ourselves to the climate neutrality of our real estate portfolio by 2050. As an intermediate goal, we aim to reduce the CO_2 intensity of our portfolio to well below 30 kg CO_2 per square meter by 2030. To reduce our environmental footprint, we will intensify modernization and renovation activities, and accordingly launched a corresponding investment program for this purpose.

Well positioned for the future

To embed ESG even more prominently in our business model, an evaluation by an ESG rating agency is planned for first time in 2022. This important step is anticipated to create a stronger perception of Peach Property Group in the market, especially among ESG investors. More importantly, based on the current strategy, we will make an active and positive contribution to climate protection. The energy-focused refurbishments of our apartments are set to continue in the 2022 financial year. We will further enable tenant communication by expanding our Peach Points as the first contact point for our tenants, while also intensifying the use of our digital ticketing system. With our planned activities, we will continue to create attractive living spaces with sustainable values.

The sustainable strengthening of our financial structure in 2021 provides us with flexibility in relation to our continued future growth strategy. Our financial stability, which is underpinned by the improved credit rating structure, offers us an opportunity to optimize credit conditions in our upcoming refinancing. This should be reflected in reducing interest expenses and increasing FFO I over the next two years.

For a very successful 2021, we would like to thank our tenants, investors, and above all our employees who have done an outstanding job despite difficult pandemic conditions.

With our tenant-centered philosophy; efficient, digitally equipped, and well-developed real estate management; yield-oriented acquisition policy; and our strong awareness of sustainability, we consider ourselves as a modern real estate company in the best possible position for the future. We look forward to your continued accompanying as an investor on our journey.

Yours

Reto Garzetti
Chairman of the Board of Directors

Dr. Thomas Wolfensberger
Chief Executive Officer

Highlights 2021

Portfolio

27 400
Residential units (+ 18 % compared to previous year)

1.8 million m^2
Floor space (compared to 1.5 million m^2 in 2020)

CHF 2.7 billion
Market value of existing portfolio (+ 29 % compared to previous year)

12
Peach Points

CHF 138.1 million
Annualized rental income (+ 23 % compared to 2020)

92 %
Occupancy rate total portfolio (compared to 93 % 2020)

CHF 109 million
Actual rental income in 2021 (almost a doubling compared to 2020)

Corporate

CHF 180 million
New mandatory convertible bond issued (fully converted as of reporting date)

CHF 201 million
Results after tax (+58 % compared to previous year)

CHF 259 million
Results before tax (+ 69 % compared to previous year)

CHF 68.56
EPRA NTA per share (compared to 57.29 in previous year)

40.1 %
Equity ratio at market values (compared to 33.9 % in previous year)

51.9 %
LTV (Loan-to-Value) – compared to 57.5 % in previous year

17.96 hours
Average response time on damage reports by tenants

45 %
Proportion of electric vehicles

CHF 1.1 billion
Equity (+ 48 %)

CHF 45 million
Total investment costs of refurbishments

28.6 kg CO_2e/m^2
CO_2-emissions

Business Model

Peach Property Group AG is a real estate investor and developer with a focus on high-yielding residential real estate in Germany. Our investment focus is on real estate located in the commuter belt of metropolitan regions, in Tier II cities. Digital solutions, tenant satisfaction, operational efficiency, sustainability, and a strong partnering with our network form the pillars of our business model.

Through numerous acquisitions in recent years, combined with an active asset management approach, we have become a relevant player in the German residential real estate market. Following our latest acquisition of over 4 300 units, we own more than 27 400 units with a total market value of over CHF 2.7 billion.

The focal point of our real estate portfolio is located in the populous, and economically strong Rhine-Ruhr area in North Rhine-Westphalia. With 14 605 residential units, just over half of our portfolio is located here.

In addition to North Rhine-Westphalia, we have a real estate portfolio presence in other federal states such as Lower Saxony, Bremen, Rhineland-Palatinate, Baden-Württemberg, Hesse and Thuringia.

Real estate in Tier II cities carry an attractive yield potential for investors. The gross return for our portfolio in 2021 was 4.8 percent. In comparison, observable gross yields in the Tier I-city market are around 3 percent, significantly lower than Tier II cities. [1]

We carefully evaluate the location of acquisition targets with the pre-requisite that the assessed targets are in the vicinity of our existing residential complexes. This enables us to achieve significant synergies in the management of real estate, and at the same time, allows us to increase efficiency as we are physically close to tenants through our Peach Points model.

A high approval from our tenants is an essential component of our business model, and a central focus in the management of our properties. This is also evident from the average rental period in our portfolio of 10.1 years, which is above the Germany average of 8.9 years.

A high degree of approval is based on functioning communication channels, which allows us to react quickly and reliably to any matter. We measure tenant approval continuously through surveys and feedback loops, with the aim of constantly improving our service offering through targeted measures.

The cornerstone of functioning communication is our Peach Points model which we have established over the past years. Peach Points are special tenant shops, usually within walking distance of the core portfolios, or integrated into our residential complexes. Here tenants have a designated and permanent contact person from our property management teams, on site. Our staff are available to receive questions or concerns, and to action solutions. Peach Points also promote exchanges between tenants by doubling up as a meeting place for tenants. As of writing, we are present in fifteen locations though Peach Points. Like in 2021, we opened three more Peach Points at the beginning of 2022 – all within the vicinity of our newly acquired portfolios. Throughout the COVID-19 pandemic enforced lockdown phases over several months, Peach Point staff always remained available by telephone, e-mail or WhatsApp.

Tenants also have the possibility to report defects in and damages to their apartments quickly, and easily via our digital platform. Through the efficient connection of the digital platform to our tradesman network, a faster repair service is guaranteed. On average, it took us around 18 hours in 2021 to respond to requests. Damages are usually completely repaired within just under five days.

As landlord, we naturally value a high living quality in our apartments where our tenants feel comfortable, and at home. Environmental considerations also play a major role in our business activities.

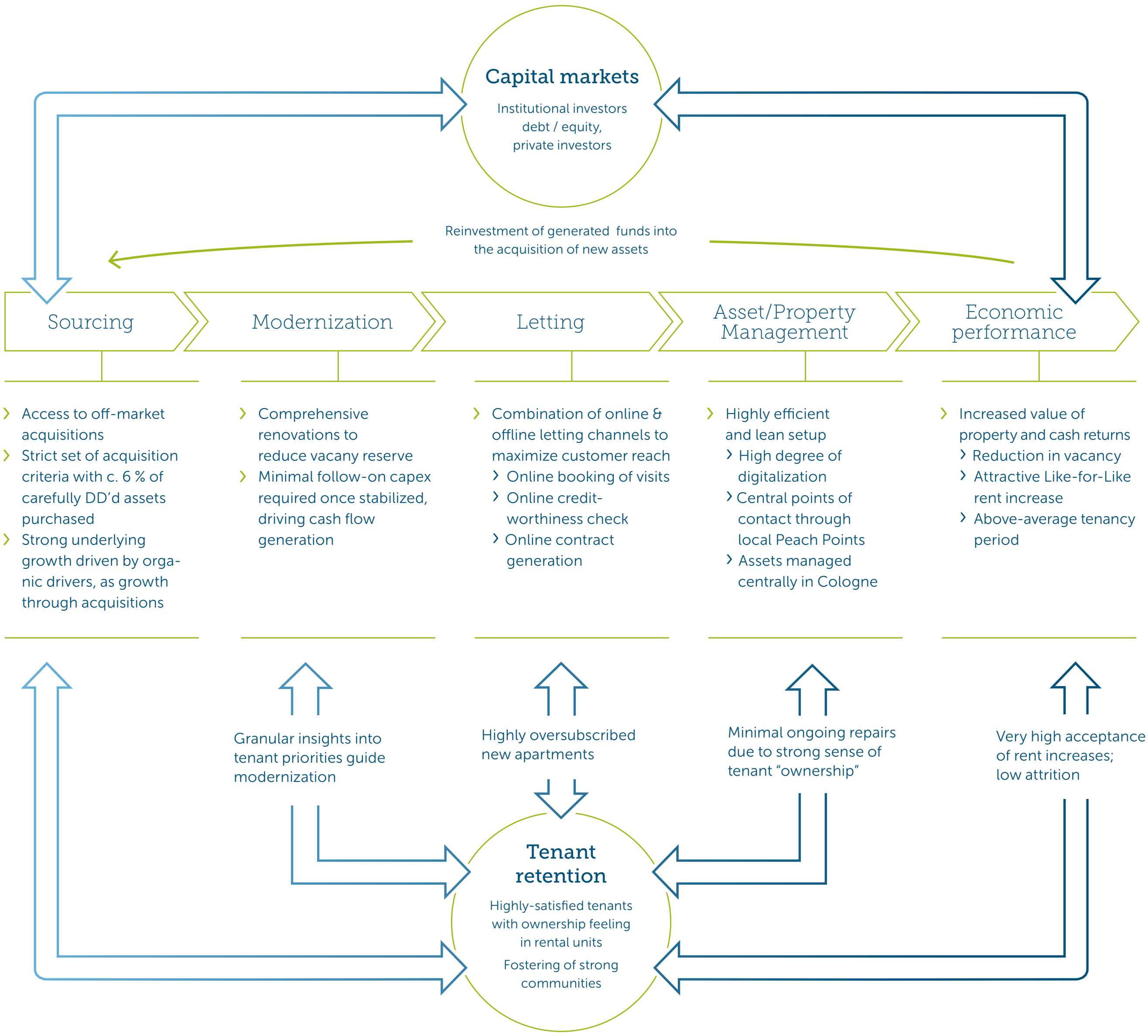
As a responsible real estate company, we are fully aware of the impact of our operations on the environment. Coherently we aim to reduce the CO_2 emissions by our property portfolio through targeted energy-efficiency related renovations. Many rental units will be furnished with modern equipment courtesy of this sustainability focused renovation drive, which we also aim to gradually expand in the coming years. Next to reducing the CO_2 intensity of our properties, energy-related measures such as thermal insulation and the renovation of the heating systems can also reduce long-term ancillary costs. We are aiming for a climate-neutral property portfolio by 2050.

1 Source: bulwengiesa, https://www.bulwiengesa.de/sites/default/files/bulwiengesa_studie_rendite-risiko-verhaeltnis_final-komprimiert.pdf

The upkeep of the surroundings to our real estate portfolios through active management is furthermore of great relevance to us. This includes the improvement and maintenance of green areas and playgrounds around our properties. Examples from last summer include the revival of the Spielmobil campaign for children and the opening of an outdoor physical activity pathway in Kaiserslautern that, for the first time, provides our tenants the opportunity to do sports in the fresh air while remaining on site. Before the start of the COVID-19 pandemic, regular tenant parties with food trucks, and special planting campaigns contributed to an open atmosphere in our residential property blocks. Here, our top priority too was the exchange with our tenants.

Due to our fully integrated digital platform, we have been well positioned in terms of digitalization for many years.

The platform enables more efficient and uniform real estate management. In addition to digital communication with our tenants via various channels, internal processes such as rental accounting or financial accounting are integrated in this platform. We aim to expand our digital processes even further in the future. Examples include our current evaluation around the digitalization of rental contracts, and the further development of our Peach Property App which is used by tenants, employees, and service providers alike. This provides us with another useful digital tool that enables smooth and efficient collaboration between all relevant parties.



Peach Property Group – growing with values – residential portfolio reaches 27 400 units






2011
Acquisition of residential portfolio in Munster with **376 apartments**

2012
Acquisition of two portfolios in Düsseldorf-Erkrath with **142 apartments** and of two buildings in Dortmund

2013
Acquisition of **Gretag-Areal** near Zurich

2014
Acquisition of a portfolio in Nordhessen with **336 apartments** and a hotel in Bad Reichenhall

2015
Acquisition of almost **570 apartments** in Neukirchen-Vluyn

2016
Acquisition of almost **1 700 apartments**: Rhineland, Eschwege, Fassberg and Kaiserslautern; sale of Erkrath Retail and Gretag-Areal






2017

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

2018

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

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

2019

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

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

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

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

2020

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

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

2021

Further expansion of the portfolio to over 27 400 units. Total market value of the existing portfolio increases significantly to over CHF 2.7 billion.

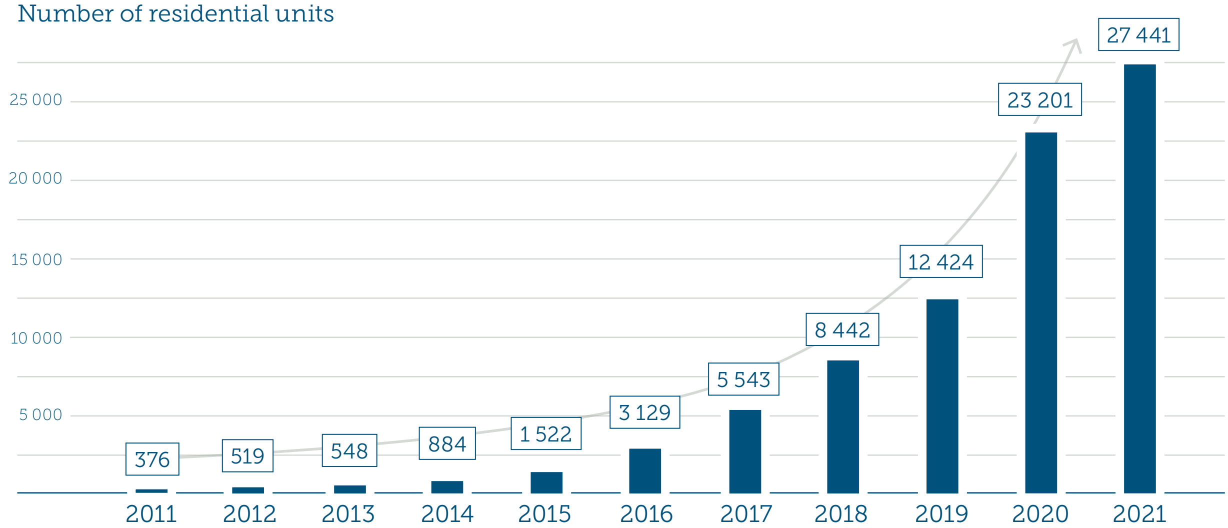
Regional focus of the 4 300 newly acquired apartments, mainly in the federal state of North Rhine-Westphalia.

Focus on energy efficiency and environment related refurbishment of existing properties as well as improvements in the surroundings, e.g. the opening of an outdoor physical activity pathway („Trimm Dich Pfad") in Kaiserslautern.



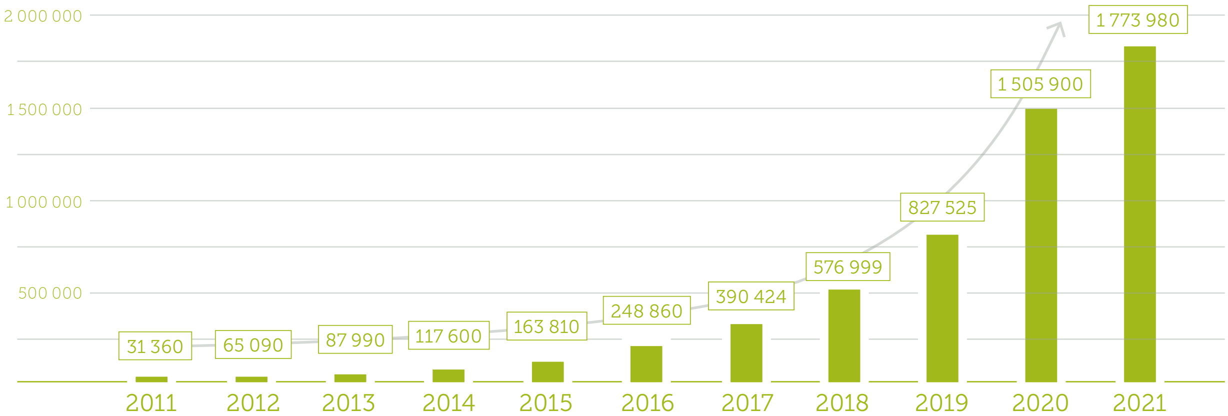


Number of residential units



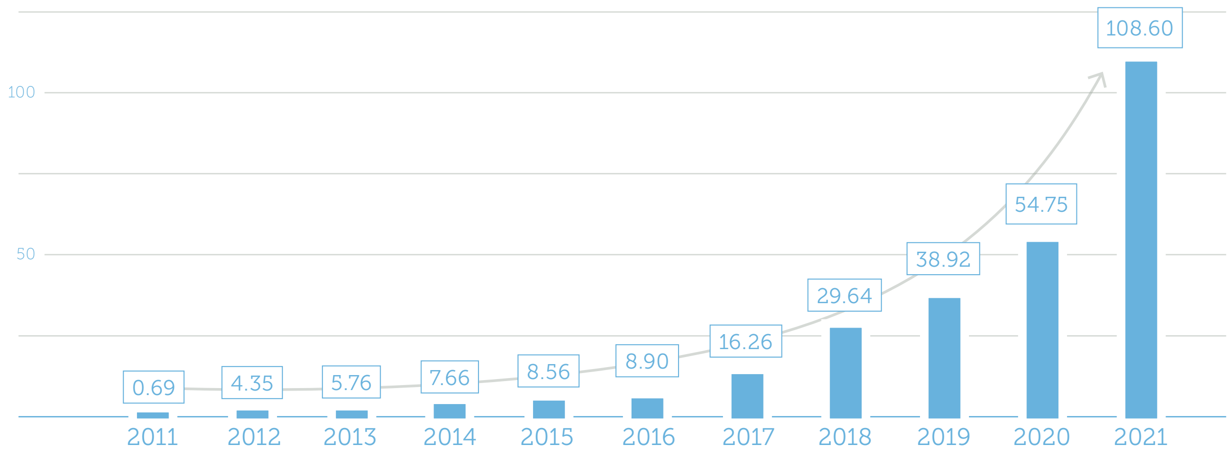
Total floor space in the real estate portfolio considerably expanded

Total area in m²



Actual rental income increased significantly

Actual rental income in CHF million



Portfolio

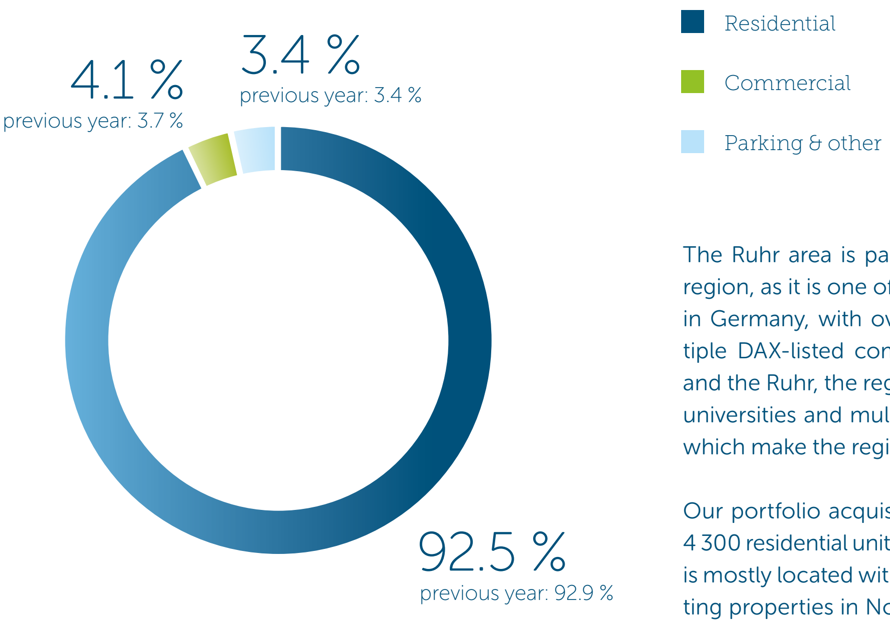
Peach Property Group is an investor in, and portfolio holder of residential real estate in Germany. Our portfolio consists of high-yielding real estate assets located in Tier II cities within the commuter belt of metropolitan areas. Our operations are focused on providing affordable and modern living spaces with tenant satisfaction representing our top priority.

We achieve this through an emphasis on service delivery, continuous dialogue and communication with tenants, and targeted measures aimed at constantly improving the living quality on offer, as well as the surroundings. To a lesser extent, we also hold a small number of commercial and office properties.

Portfolio structure

Rental income by use category as of December 31, 2021

% of total rental income



We continued our growth agenda through 2021, with our portfolio expanding by approximately 18 percent to 27 400 residential units. Except for a small number of residential units in Bremen, the expansion of our real estate portfolio was primarily in North Rhine-Westphalia, within the Rhine-Ruhr metropolitan area. Almost two-thirds of our portfolio is located in North Rhine-Westphalia, followed by Lower Saxony, Rhineland-Palatinate, Baden-Württemberg, Hesse, Thuringia, and small portfolios in Mecklenburg-Western Pomerania, Switzerland and, recently in Bremen.

The Ruhr area is particularly attractive as an investment region, as it is one of the most populous metropole areas in Germany, with over 10 million inhabitants. With multiple DAX-listed companies located between the Rhine and the Ruhr, the region is strong in innovation, has many universities and multiple production sites available, all of which make the region economically attractive.

Our portfolio acquisition in summer 2021, of more than 4 300 residential units totaling over 275 000 square meters, is mostly located within the immediate vicinity of our existing properties in North Rhine-Westphalia. This allows us to increase efficiency and generate economies of scale. In line with our investment strategy, the portfolio has solid growth and appreciation potential. The gross yield across our full real estate portfolio was 4.8 percent as of December 31, 2021, which is shown to be extremely attractive in comparison to the sector.

Following our strong portfolio growth at the end of the previous year, and in June 2021, our rental income increased almost twofold, from CHF 54.7 million in 2020, to CHF 108.6 million in the financial year. Total lettable space increased by 18 percent, or almost 1.8 million square meters in 2021 compared with the previous financial year. Including the expansion of our portfolio, the total market value (including right-of-use assets) increased by 28 percent, from CHF 2.1 billion in 2020 to CHF 2.7 billion in 2021.

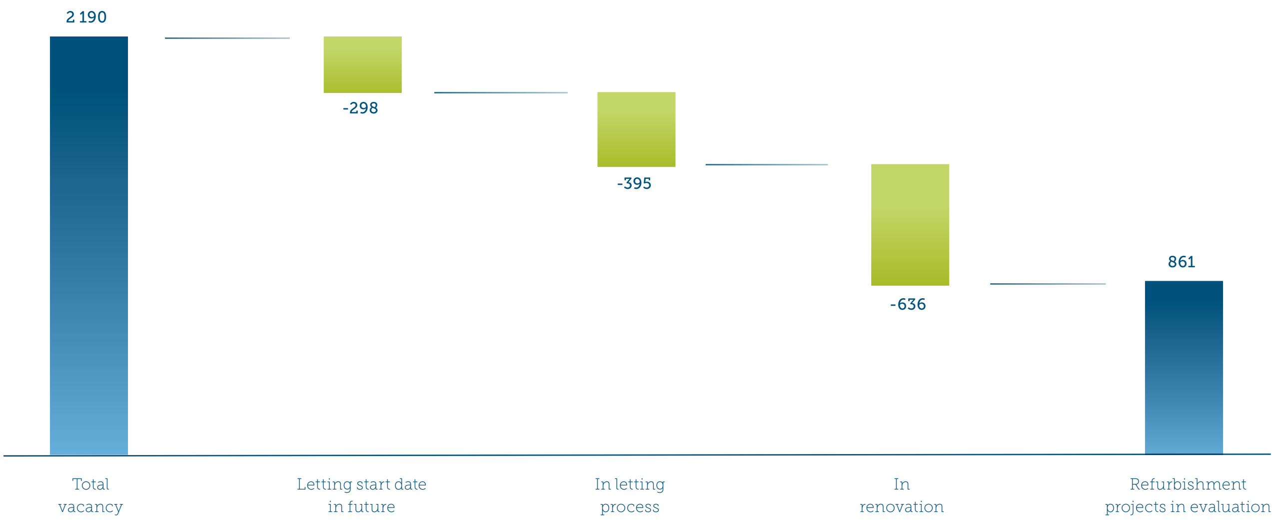
As a portfolio owner, we consider the modernization of our properties essential to creating an attractive living space – also from an environmental point of view. Targeted energy-efficiency related renovations and thermal insulations not only make a positive contribution in reducing the CO_2 footprint of the Peach Property Group, but also benefit our tenants in the form of lower heating costs, and an improved quality of life. Through our decarbonization plan, we have committed ourselves to the climate neutrality of our real estate portfolio by 2050. As action, we intensified our focus on targeted refurbishments of our properties in the current financial year.

In this regard we invested around CHF 45 million in our portfolio during the financial year. Excluding the portfolio acquired in June 2021, we intensified investment activities from CHF 27.36 per square meter in the previous year, to CHF 27.56 per square meter in the current financial year.

Vacant residential units at the end of the reporting year represented 8.0 percent of the total portfolio. Of these vacant units, almost 300 units have already concluded letting agreements, that will commence in the future, around 400 units are in the letting process, and over 600 units are currently undergoing minor, or major renovations. A further 860 units are identified refurbishment projects where we are currently analyzing and planning suitable modernization measures.

Our EPRA Like-for-Like vacancy rate in residential units is 9.0 percent in 2021, compared to 9.1 percent in the previous year.

Number of vacant units as of December 31, 2021

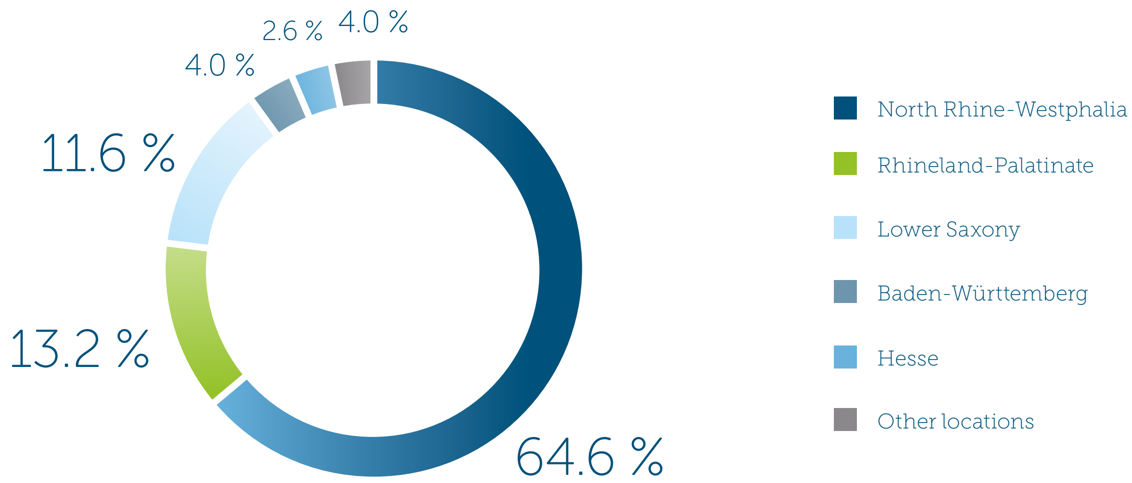


Despite the challenges caused by the COVID-19 pandemic, we opened three Peach Points at the beginning of the 2021 financial year, and three at the beginning of the 2022 financial year. These actions provide further direct communication channels to our tenants. Important to us is not only the continuous improvement of the living quality in our units, but also that of the surroundings, while remaining available for the needs and requests of our tenants.

We already have Peach Points in fifteen locations throughout Germany as of December 31, 2021. Our tenants have the opportunity for personal exchanges with us, most within a walking distance from their homes. Tenants may further use the tenant shops as a meeting place with other tenants. A great living environment worth living in, is equally important to us. This includes the maintenance of surroundings such as green areas, house entrances, and common areas such as playgrounds around our properties so that they appeal to all our tenants and are inviting to use.

Breakdown by federal state as of December 31, 2021

% Annualized target rental income



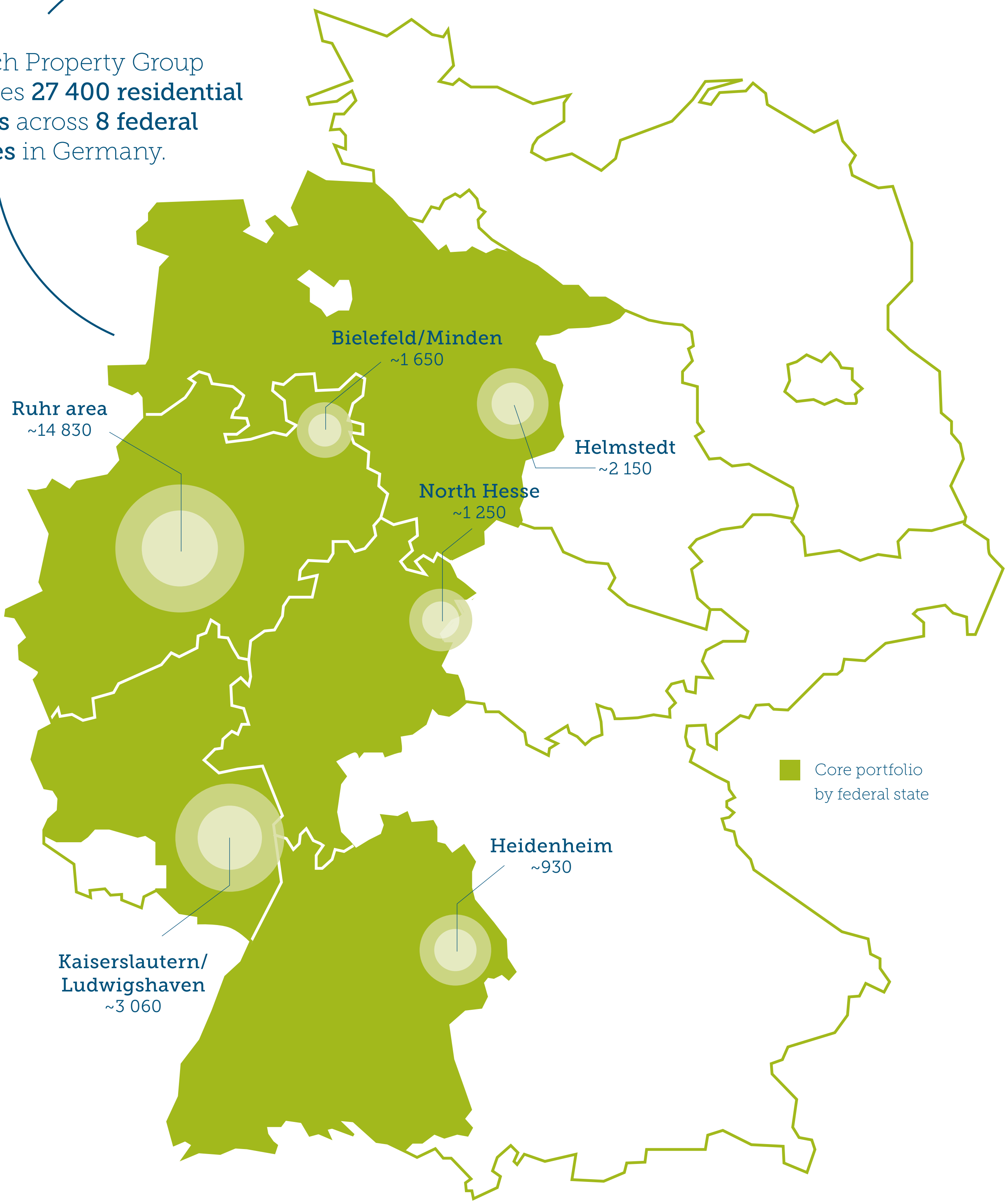
Portfolio key indicators

		Dec 31, 2021		Dec 31, 2020
Number of residential units		27 441		23 201
Total rental space in m²		1 773 980		1 505 900
Thereof residential space in m²		1 705 227		1 436 857
Thereof commercial space in m² (GF DIN 277)		68 753		69 043
Rental income in CHF thousand*		108 601		54 748
Maintenance costs in CHF thousand*		12 926		7 467
Administrative and operating costs in CHF thousand*		10 625		4 294
Vacancy costs in CHF thousand*		5 233		2 423
Target rental income in CHF thousand p. a.		138 086		112 271
Vacant residential units (number of residential units as a percentage of all rental units)	2 190	8.0 %	1 842	7.9 %
Average total rental potential, as a percentage of target rental income*		11.4 %		11.6 %
Market value in CHF thousand		2 633 670		2 039 007
Gross rental yield*		4.8 %		5.0 %
Net rental income / Cash flow yield*		3.0 %		3.1 %

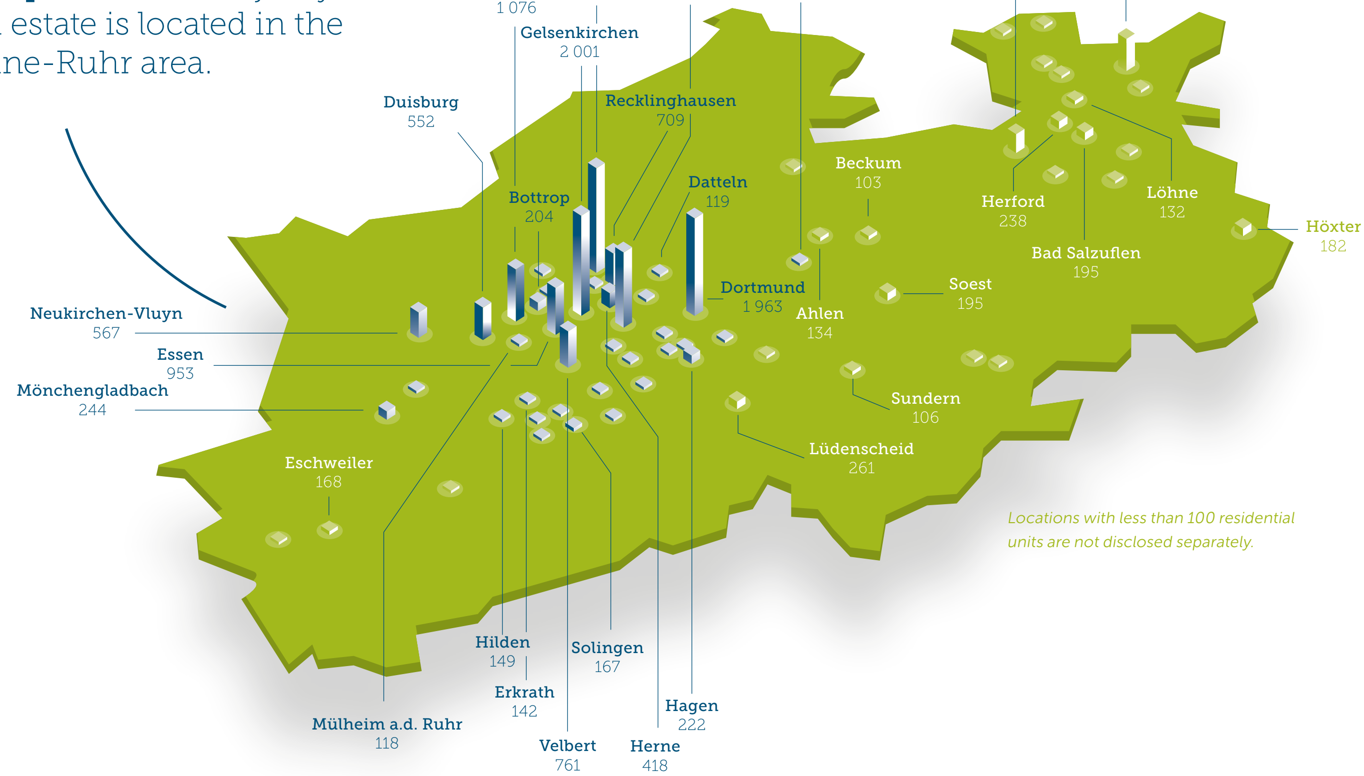
* Current financial year indicators include six months' results from the acquisition in June 2021. Previous year indicators include no results from the acquisitions made as of December 31, 2020.

Core portfolios of Peach Property Group

Peach Property Group ownes **27 400 residential units** across **8 federal states** in Germany.

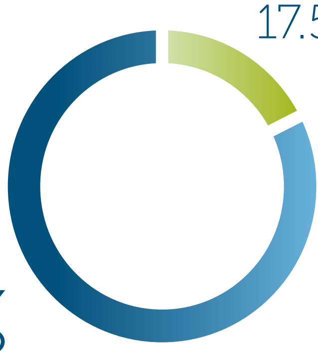


With ~ **18 000 residential units**, Peach Property Group has its largest Portfolio in **North Rhine-Westphalia**. The majority of the real estate is located in the Rhine-Ruhr area.

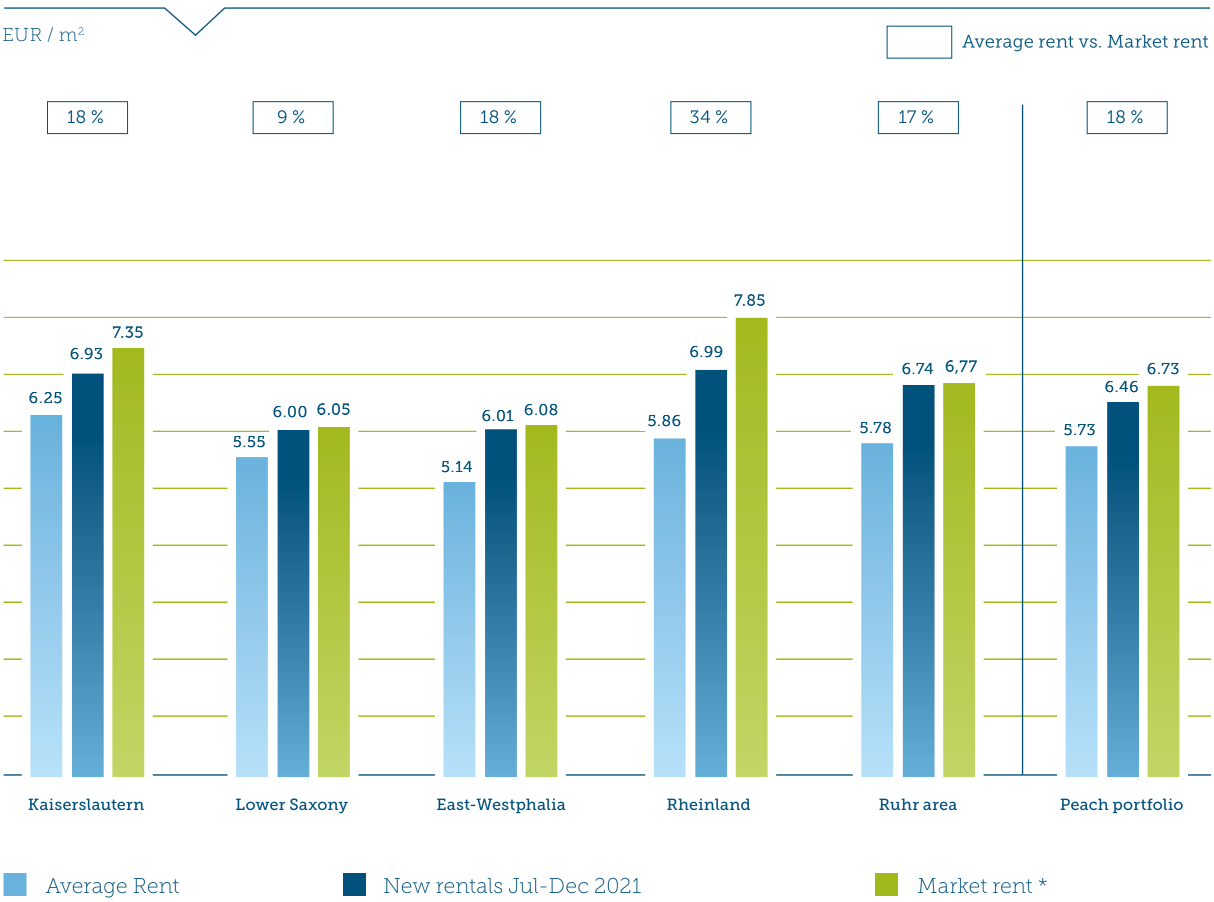


Locations with less than 100 residential units are not disclosed separately.

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



Rental income potential in core portfolios



* Based on the valuation by Wüest Partner as of Dec 31, 2021.

in CHF thousands | Dec 31, 2021

Location	Number of residential units	Area in m²	Year of construction (renovation)	Market value [1]	Target rent p.a. net cold	Letting potential	Rental gross return [2]	Rental net return [3]
Bakery, Wädenswil	0	4 401	1833 (1966)	10 840	576	3.3 %	5.4 %	3.5 %
Mews, Wädenswil	16	1 100	1874 (1991)	8 080	316	16.1 %	3.2 %	2.8 %
Gardens, Wädenswil	13	769	1874 (1991)	6 435	202	5.2 %	3.0 %	2.6 %
Munster	377	25 784	1959 - 1967	30 008	1 809	5.1 %	6.1 %	4.4 %
Fassberg	283	19 656	1958 - 1961	20 157	1 356	7.3 %	7.3 %	4.6 %
Rock Helmstedt/Schöningen/Esbeck	2 133	124 946	1952 - 1970	129 466	9 277	14.8 %	6.2 %	3.6 %
Erkrath	194	17 008	1970 / 1978	37 570	1 610	7.5 %	4.2 %	3.4 %
Dortmund Rheinische Strasse 167 - 171	0	2 502	1922 (1997)	2 422	201	16.3 %	7.1 %	6.5 %
Neukirchen-Vluyn L	513	34 821	1974 / 1981	42 712	2 949	37.9 %	4.2 %	1.7 %
Neukirchen-Vluyn S	54	3 114	1974 / 1981	3 778	211	3.5 %	5.9 %	2.3 %
Oberhausen	1 955	129 052	1869 - 2001	203 600	10 657	7.5 %	3.3 %	3.5 %
Bochum II	172	11 079	1958 - 1999	20 461	976	5.0 %	4.7 %	3.7 %
Bochum III	463	6 466	1972	18 861	26	16.5 %	0.1 %	-2.3 %
Bochum-Herne [4]	330	23 670	1920 - 1980	37 830	1 880	5.6 %	4.0 %	2.6 %
Gelsenkirchen I	972	67 634	1921 - 1968	86 412	4 687	6.6 %	5.1 %	3.3 %
Gelsenkirchen II	136	8 595	1920 - 1957	12 892	670	17.7 %	4.3 %	2.4 %
Gelsenkirchen III	66	4 745	1950 - 1971	5 667	332	18.5 %	4.4 %	1.6 %
Gelsenkirchen IV	81	5 706	1902 - 1956	6 508	421	17.5 %	5.0 %	2.2 %
Essen I	68	5 725	1962 - 1964	9 774	398	5.3 %	4.1 %	2.5 %
Essen II	107	6 680	1976	12 498	481	3.0 %	4.0 %	3.1 %
Essen III	14	2 387	1972	3 391	239	18.5 %	5.3 %	1.8 %
Duisburg [4]	207	12 838	1950 - 1972	17 433	1 017	10.8 %	5.1 %	3.1 %
Dortmund [4]	1 403	91 328	1950 - 1970	166 309	6 779	7.6 %	3.9 %	2.4 %
Rhein Ruhr	352	23 661	1900 - 1983	29 519	1 792	17.6 %	5.0 %	3.6 %
Ruhr	528	36 215	1905 - 1990	56 861	2 799	8.1 %	4.7 %	3.1 %
Ruhr II	347	23 440	1900 - 2015	28 613	1 739	11.7 %	5.2 %	3.9 %
Ruhr III	968	60 123	1900 - 1990	88 354	4 467	10.0 %	4.5 %	2.9 %
Ruhr IV	262	15 107	1920 - 1978	20 002	1 076	9.0 %	5.0 %	3.2 %
Ruhr V	172	18 409	1899 - 1973	22 504	1 386	17.5 %	4.9 %	3.5 %
Ruhr VI	64	3 732	1905 - 1960	5 805	293	10.4 %	4.3 %	2.3 %
Velbert	761	53 358	1972 - 1978	75 375	3 547	11.8 %	4.4 %	2.6 %
Marl	221	16 120	1966 - 1990	24 535	1 347	13.5 %	5.0 %	3.5 %
Marl II [4]	1 865	121 081	1939 - 1972	177 444	9 926	6.5 %	5.3 %	4.1 %
Bielefeld I	212	15 045	1969 / 1978	22 146	801	8.7 %	3.6 %	2.3 %
Bielefeld II	144	10 447	1969/70/73	15 462	610	3.1 %	4.2 %	3.5 %
Dorsten	57	4 108	1970	4 136	265	26.9 %	4.7 %	1.7 %
Beckum	103	6 277	1960 - 1975	8 948	427	6.8 %	4.6 %	3.0 %
Lüdenscheid	146	9 054	1910 - 1969	9 598	646	22.4 %	5.0 %	2.3 %
Herne	165	12 931	1976	16 736	962	18.2 %	4.5 %	1.5 %
Ahlen	134	9 908	1956	11 679	647	3.1 %	5.5 %	4.2 %
Mönchengladbach	244	4 239	1975	12 726	819	27.4 %	4.6 %	-1.0 %
Hagen	36	5 033	1985	3 510	280	42.6 %	4.6 %	1.9 %
Bremen, Gelsenkirchen & Hilden	517	25 680	1954 - 1996	54 946	2 556	5.5 %	4.6 %	2.5 %
Portfolio Deutschland I	2 134	135 071	1926 - 1995	193 183	9 760	11.5 %	4.6 %	2.8 %
Ostwestfalen	1 739	114 954	1800 - 2002	139 483	7 943	10.9 %	0.0 %	3.4 %
Rheinland	378	27 794	1900 - 1963	59 913	2 536	10.8 %	4.1 %	3.1 %
Kaiserslautern I	22	3 318	1928-38/1950	4 822	328	54.9 %	3.2 %	1.2 %
Kaiserslautern II	1 144	72 198	1931 - 2000	116 915	5 751	0.0 %	4.6 %	3.3 %
Kaiserslautern III	200	11 381	1926 - 1961	23 496	1 109	11.8 %	4.4 %	2.9 %
KL Betzenberg IV	343	25 896	1972	43 027	1 973	13.3 %	3.9 %	2.4 %
KL Betzenberg V	242	13 591	1972-1973	26 768	1 190	11.3 %	3.8 %	1.9 %
Kaiserslautern VI	59	2 365	1972	5 291	308	45.8 %	2.6 %	-0.5 %
Kaiserslautern VII	195	11 929	1954 - 1961	22 978	958	7.7 %	3.8 %	3.0 %
Kaiserslautern & Ausserhalb	369	20 323	1952 - 1973	36 038	1 616	18.7 %	3.8 %	2.1 %
Ludwigshafen	492	35 571	1920 -1987	82 284	3 668	9.2 %	4.0 %	3.0 %
Nordhessen	336	22 830	1966 - 1976	24 284	1 500	8.2 %	6.0 %	3.2 %
Nordhessen II	796	44 134	1929 - 1979	47 548	3 043	5.5 %	6.3 %	4.0 %
Eschwege	116	8 309	1994	11 731	660	3.5 %	5.9 %	5.0 %
Heidenheim I	918	63 768	1896 - 2006	116 768	5 332	9.0 %	4.3 %	3.0 %
Wertgrund / Kleinteilige Vermietung	1 103	76 574	1973 - 1994	97 138	6 956	14.2 %	5.0 %	3.3 %
Total	**27 441**	**1 773 980**		**2 633 670**	**138 086**	**11.4 %**	**4.8 %**	**3.0 %**

1 Based on the valuation by Wüest Partner as of Dec 31, 2021.
2 Annualized actual rental income Jan. 1 to Dec 31, 2021 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.
3 Annualized actual rental income Jan. 1 to Dec 31, 2021 (net cold, excl. incidental expenses) less administration and maintenance costs in relation to the average value of the portfolios.
4 Purchase as of Jun 30, 2021.

Peach Property Group: sustainability in practice on all levels

For us at Peach Property Group, sustainability is central to our actions. Our holistic approach embeds sustainability in all areas of our business operations. This starts with recognizing the needs of our investors and our tenants.

We create a working environment where our employees feel secure and comfortable, and where there is room for innovation. As a responsible real estate investor, we are fully aware of the impact of our operations on our environment, and we work to reduce our environmental impacts through the implementation of energy-saving measures. We want to deliver a constructive contribution in the sustainable use of our environment, and as a member of our society. Many of these aspects have been central to our operational actions for years. In this sustainability context, we have delivered unparalleled innovations that have set standards in the residential real estate industry.

Our Peach Points, where tenants can meet physically with us, are unique in their form. Events with our tenants such as planting festivals, and food truck tours form an integral part of our efforts to build a common understanding, and create a strong tenant community where dialogue with one another is promoted. We successfully rolled out this community model to our recently acquired real estate portfolio and opened further Peach Points at the start of 2022.

We moved ahead with our efforts in relation to the environmental sustainability of our real estate portfolio during the financial year. We updated the measurement criteria of our environmental footprint to be in line with the criteria developed by the European Public Real Estate Association (EPRA). Following the introduction of a decarbonization tracking tool, we are now able to analyze the energy and CO_2 intensity of our properties in detail while we can also measure the influence of renovation measures aimed at reducing CO_2 emissions. From this base we developed a decarbonization plan for the first time with specific targets for reducing CO_2 intensity. This is a decisive forward step in our journey to own a climate-neutral real estate portfolio.

The Sustainable Development Goals of the United Nations (UN) remain the basis for our ESG activities. Of the 17 goals in total, we identified 9 as particularly relevant to our business. For these goals, we have defined concrete KPIs against which we will measure our progress.

In 2022, we will undergo an external evaluation by an ESG rating agency of our corporate management practices with respect to sustainability.

1 Business performance — responsibility through a strong financial foundation

We see operational sustainability as understanding our responsibility towards all our stakeholders. In this regard, a strong financial foundation is paramount. We also recognize our obligation towards investors to continually increase the overall value of the Peach Property Group. We performed strongly in this regard in the current financial year. The value-creating business developments of Peach Property Group is reflected, among other, in the diluted FFO I for the financial year of CHF 0.72 per share, an increase of around 31 percent year-on-year. EPRA NTA per share of CHF 68.56 increased by nearly 20 percent year-on-year. The positive development of equity is a pleasing factor for our shareholders - at CHF 1 120 million, the Group’s equity exceeded CHF 1 billion for the first time

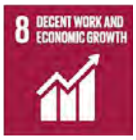
- EPRA NTA per share: CHF 68.56 (+ 20 %)
- Diluted FFO I per share: CHF 0.72 (+ 31 %)
- IFRS equity ratio: 40.1 % (33.9 % in 2020)
- LTV: 51.9 % (57.5 % in 2020)

in history. As a result, we were able to increase our equity ratio to 40.1 percent, from 33.9 percent at the end of 2020. We continued to reduce our leverage to a Loan-to-Value ratio (LTV) of 51.9 percent, almost 10 percent lower than the 57.5 percent in the previous year. This satisfactory development is further underpinned by our improved credit ratings in the 2021 financial year. We have laid the foundation for favorable refinancing conditions, which in turn will continue to deliver a positive impact on FFO I.

On an operational level we continued to push our growth agenda forward. By increasing our rental units by a further 18 percent to more than 27 400 units, we demonstrated to our investors that we are still firmly on course.

Our operating margin remained stable at around 75 percent. The under proportional increase in overhead costs, compared to the increase in rental income for the current financial year is a satisfying trend. Both personnel costs and other operating expenses have decreased when measured in relation to rental income. This demonstrates the scalability of our platform and the synergy potential.

This business development is also mirrored in an above-average share price development - from December 2020 to December 2021, Peach shares outperformed both the FTSE-EPRA Germany Index, which tracks listed German real estate companies, and the SPI Index. Also in a direct peer group comparison, we delivered a consistent performance.



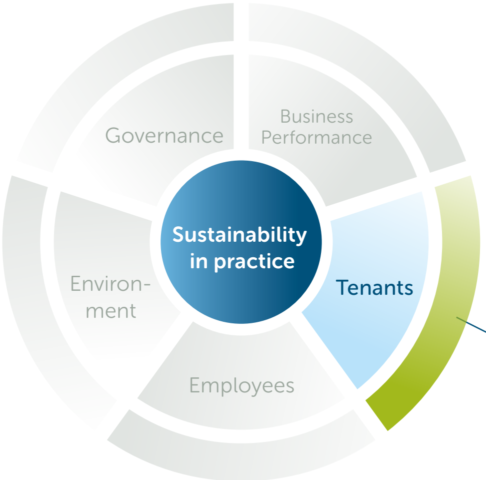
Source: United Nations

2 Tenant approval — the DNA of our business model

Having a home is a fundamental human need. Offering a safe home where our tenants feel happy is an elementary deliverable of our business. The key for providing this service offering is functioning communication channels, which allow us to react quickly and reliably to any tenant matter. We measure tenant approval continuously through surveys and feedback loops, with the aim of constantly improving our service offering through specifically targeted measures.

Regardless of the communication channel utilized, it takes an average of just under 18 hours for a tenant to receive personal feedback to an inquiry, or a damage report. Matters that can be resolved directly by our Peach Point staff are processed quickly, and efficiently. On average we require just under 27 hours to resolve a tenant matter.

Where we need to engage external service providers, the time to resolve a matter is naturally slightly longer. Our average, of less than five days to resolve a tenant matter, however, remains very competitive when compared to the industry. For every 1 000 apartments, around 284 tickets (155 tickets in 2020) with various inquiries or deficiency reports were opened per month. Around 91.4 percent of these tickets were closed without any time delays or further action from the tenant. We always request feedback from our tenants after closing a ticket. Around 23 percent of all tenants contacted (15 percent in 2020) respond, and in some cases provide very extensive feedback. This important feedback forms the basis of our continuous service improvement, which we will continue to expand in 2022 by extending ticket evaluation.



- Number of Peach Points: 12 (2020: 9)
- Vacancy rate: 8.0 % (2020: 7.9 %)
- Tenant approval after report resolution by external partners: 70 % (2020: 74 %)
- Time lapse until 1st response to damage report: 18 hrs (2020: 19 hrs)
- Time lapse until final report resolution by Peach Points (excl. external partners): 26.8 hrs
- Time lapse until final report resolution (incl. external partners): 5 day (2020: 7 days)

Creating a network for tenants

The cornerstone for direct dialogue with our tenants is our Peach Points model. A Peach Point represents the central point of contact for all rental and administrative matters. Peach Points also promote exchanges between tenants by doubling up as a meeting place for tenants. In total, we are present in twelve locations though Peach Points at the end of 2021. Around 80 percent of our tenants have direct access, often within walking distance, to our Peach Point staff.

Despite the pandemic-related lockdown phases, the Peach Points were open to the public throughout, with the exception of a few weeks, in compliance with strict hygiene measures. The pandemic did not stop us from opening additional Peach Points in Ludwigshafen, Helmstedt and Minden in 2021. In 2022 we contnued the expansion of our Peach Point network; at the beginning of the year, we opened a second location in Dortmund, and new Peach Points in Marl and Fassberg/Munster.

A reliable indicator of tenant approval is the average portfolio rental period. On average, tenants live in a Peach apartment for around 10.1 years, which is above the Germany average of 8.9 years. The low turnover confirms our tenant-focused strategy - satisfied tenants remain in their apartments for a longer time and tenant turnover reduces.

Tenant parties in the form of our food truck tours, and our spring planting campaigns were routine events before the pandemic and are set to again be a component of our tenant-focused strategy going forward. We also continued our tradition of gifting Christmas calendars and distributed over 20 000 calendars to our tenants in 2021.

We constantly strive to improve the surroundings to our properties to the benefit of our tenants. For example, we opened an outdoor physical activity pathway in Kaiserslautern that, for the first time, provides our tenants the opportunity to do sports in the fresh air while still remaining on site. If this initiative is well received by our tenants, we plan to roll it out to other locations as well.

3 Employees — satisfied employees contribute to the employer’s success

- Total female proportion of workforce: 51 % (2020: 56 %)
- Proportion of female managers: 36 % (2020: 31 %)
- Proportion of females on the Board of Directors and in Executive Management: 0 % (2020: 0 %)
- Female:Male wage ratio: 84 % (2020: 100 %)
- Employee turnover rate: 18 % (2020: 8 %)
- Absentee rate: 10 days (2020: 8 days)
- Lost days rate: 0 (2020: 0)
- Social engagement projects: 2 (2020: 1)

We owe our successful business development and our strong growth primarily to our committed and reliable staff. Next to our significant portfolio expansions, we have also grown in terms of number of people employed. As of the end of 2021, Peach Property Group employs almost 200 staff compared to less than 120 at of the end of 2020. To support our future growth, we will need to recruit more qualified professionals and are therefore constantly in the talent acquisition process.

Happy employees are often the most persuasive ambassadors in recruiting new employees. To leverage this, we launched an employee referral program in 2021 under the banner „Give friends the chance to become a Peachie“. Staff who successfully place an applicant are rewarded with a cash bonus when the applicant starts work, and after the successful completion of the probation period.

Key to us in retaining talent over the long term is a respectful interaction, with flat hierarchies and a secure working environment where optimal technical infrastructure is readily available. We offer fair and market-oriented remuneration, which usually consists of a base salary, and a bonus component. The bonus component is based on the achievement of individual and Group targets. In addition, selected employees participate in Performance Stock Units (PSU) programs and are granted the opportunity to participate in the long-term success of the Peach Property Group. The PSUs are entitlements to Peach Property Group AG shares and are dependent on the achievement of Group targets over a three-year performance period. We review our compensation model on an ongoing basis and make adjustments as deemed necessary. The remuneration of our employees is not subject to any collective agreements.

We consciously strive to create a pleasant working environment. Flat hierarchies and clear communication make it easy for everyone to contribute new ideas and have a creative impact in our rapidly growing Group. We ensure a secure environment where staff feel comfortable. We furthermore offer our employees a modern, digital and mobile infrastructure that allows them to work flexibly, and from any location.

During the difficult phases of the pandemic, many of our employees used the opportunity to work from home. Employees who are tenant facing, such as janitors, or our property managers stationed in the Peach Points continued work on site. We fully support a flexible working time model that is adapted to the unique circumstances of our employees. In the current financial year, around 15 percent of our employees throughout the Group worked part-time and were able to balance their professional and family obligations.

We value regular exchanges between employees and supervisors. Regular department or site assessments, briefings in connection with performance, and downloads around the general state of mind of our employees increase motivation and bring more structure to an average workday.

We again managed to carry out personal performance reviews in 2021 with all our employees despite the increase in employed staff. We are convinced that an integrated and tangible feedback culture is an important tool for measuring employee approval and it enables us to identify potential conflicts at an early stage which allows us time to defuse such potential conflicts through appropriate cooperative measures. We prioritize the further skills development of our employees. In this context, we support our staff in adding to their professional, social or methodical skills. We are convinced that the individual development of each employee is beneficial for the entire Group and that our tenants equally benefit from it. Concretely, we support our employees in further training and development by assuming the training costs, usually up to 80 percent.

The fact that our employee approval remains very high, even in the midst of a very challenging growth phase, is evident from our low turnover rate. Although the turnover rate increased in the current financial year compared to the previous year, our turnover rate of around 18 percent remains well below the Germany average of around 30 percent [1]. Diverse teams are known to work in a more efficient and creative manner. Diversity is valued at Peach Property Group and we employ balanced teams in terms of gender, age and cultural backgrounds. Inclusion is furthermore an integral part of our human resources policy. Handicapped individuals do not experience disadvantages either in the application process or as employees in teams. From October 2021, we have employed five employees with handicaps in Germany.[2]

Overall, female staff represent 51 percent of the Peach Property Group workforce. In 2021, 36 percent of managers were female. In terms of Executive Management, the female proportion of zero percent is well short of the target ratio. We are striving for, and willing to create more gender diversity on our Board of Directors, and Executive Board over the next years.

We have set the goal of ensuring equal compensation opportunities, with equal qualifications for men and women as part of our sustainable personnel development. At 84 percent (total remuneration) and 86 percent (basic salary), the wage ratio between female and male staff across the entire workforce is still slightly below the target range of 100 percent. At management level [3], the ratio is slightly higher at around 93 percent, measured both in terms of base salary and overall remuneration.

With respect to the age profile of our workforce, we have found that a healthy mix of different age groups leads to more agility within teams. The age group of between 29 and 48 years is best represented among our employees. Around 15 percent of females and 7 percent of males are younger than 28 years. 14 percent of females and 13 percent of males are older than 49. The average age of our workforce in the current financial year was just below 40 for both female and male staff.

Having healthy employees that are working in a secure environment is our top priority, regardless of the recent focus brought by the pandemic. In 2021, as in 2020, we report no occupational accidents at work. A further measure of employee approval is days lost due to absentees. With around 4 percent in 2021 our absentee rate is low. Group-wide, this translates to an average of around 10.4 days lost per employee. We remain below the Germany average absentee rate of 11.2 days [4].

Our employees are free to join worker's unions and have full freedom of association in accordance with the applicable legal framework.

We are furthermore socially engaged outside of the Group and promote equal opportunities through social commitments in clubs located in some of our local communities. In Heidenheim, for example, we have been sponsoring a local sports club to provide children from economically disadvantaged backgrounds free access to sports activities. With free access to sport activities, we encourage participation in regional social structures and the community. In the current financial year, we made a similar commitment by supporting the women's handball club in Ludwigsburg. We value these projects and aim to increase our involvement in similar projects even more in the future. The impact of our commitments is not yet being measured.

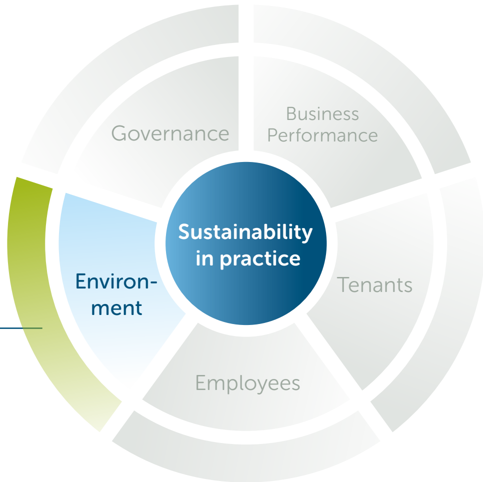
Reference to EPRA Sustainability Performance Measures - Social

EPRA Code	Description	Reference
Diversity-Emp	Employee gender diversity	Appendix to ESG Topic, p. 33, rows 1 and 2 in the table
Diversity-Pay	Gender pay ratio	Appendix to ESG Topic, p. 33, row 3 in the table
Emp-Dev	Employee performance appraisals	Appendix to ESG Topic, p. 33, row 4 in the table
Emp-Turnover	Employee turnover and retention	Appendix to ESG Topic, p. 33, rows 6 and 7 in the table
H&S-Emp	Employee health and safety	Appendix to ESG Topic, p. 33, rows 8 through 11 in the table

1 Source: https://www.iwkoeln.de/studien/joerg-schmidt-arbeitskraeftefluktuation-im-jahr-2020-pandemie-hinterlaesst-spuren.html
2 In accordance with the Ninth Book of the Social Code, DGB IX.
3 Excl. Executive Management
4 Statista

4 Environment — reduction of carbon footprint through responsible real estate management

- CO_2 emissions: 28.6 kg/m² (2020: 27.5 kg/m²)
- Energy intensity: 152.4 kWh/m² (2020: 147.8 kWh/m²)
- Waste recycling rate: 33 % (2020: 30 %)
- Proportion of electric vehicles deployed in the fleet: 45 % (2020: 20 %)

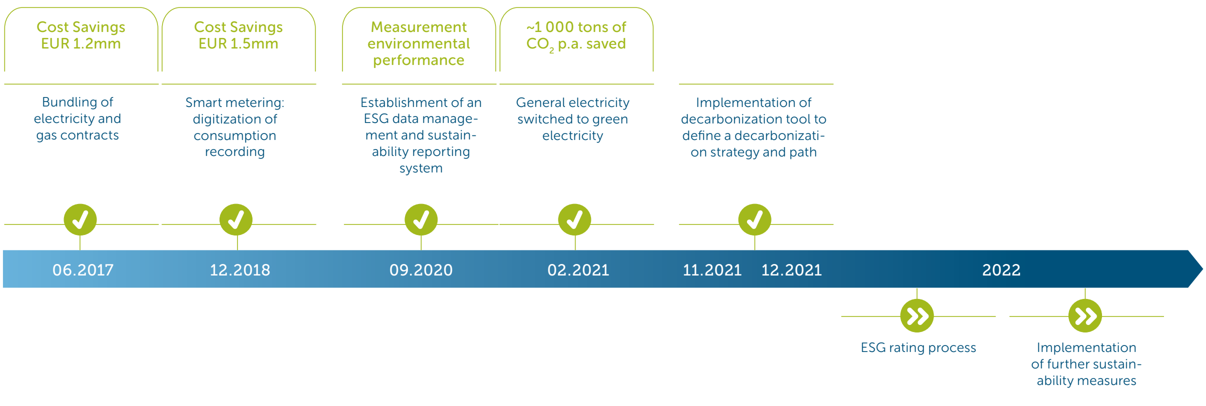


As a real estate investor, we have a unique responsibility with regards to the protection of our environment, and the achievement of national and international climate targets.

The real estate sector accounts for around 40 percent of current CO_2 emissions worldwide. It is therefore important to identify, and implement sustainable solutions to decrease the CO_2 emission, and increase energy efficiency of our real estate portfolio. We have been working tirelessly since 2017 on measures to optimize the use of natural resources in our real estate portfolio. In this regard we converted to smart meters for consumption measurement a couple of years ago, with the sub-meters readings made remotely accessible. We plan to also implement this initiative in our newly acquired portfolios. Tenants can see their monthly consumption via an online portal, or via a smartphone app, and have full transparency to monitor their personal consumption trends. Consequently, tenants have the direct opportunity to assess and reduce their own CO_2 emissions which translates to a reduction in their ancillary costs. In summary, we have established measures early in the process, with the foresight that these will become mandatory in Germany from 2026, as part of the new heating cost ordinance. Tenant interests and environmental aspects go hand-in-hand.

At the beginning of 2021, we converted the general power supply of our entire portfolio, the Peach Points, our offices, and the electric vehicle charging stations to green electricity. We expect that this block of measures to save around 1 000 tons of CO_2 annually from 2021 onwards.

ESG-Roadmap der Peach Property Group



In order to further reduce greenhouse gas emissions, we continuously measure and analyze important environmental KPIs from our rental units. The data is collected and evaluated in accordance with EPRA sBPR. This provides us with a base for strategic sustainability management.

The population reported on is that of all properties that Peach Property Group owned in 2020, where we have specific and attributable consumption data. The relevant portfolio size considered in our ESG reporting, according to EPRA sBPR is as follows:

	ESG Report 2021	ESG Report 2020
Number of rental units	12 096	8 031
Rental space in square meters	768 987	520 038

Like-for-Like comparisons are measurements of the year-on-year change in key indicators in a consistent rental unit portfolio, across the current and previous financial year.

CO_2 emissions from Peach owned properties

Carbon dioxide emissions from our portfolio measured according to EPRA sBPR (Scope 1 and Scope 2) were 16 815 tCO_2e. An average property from the Peach Property Group portfolio, with 21 residential units of 64 m^2 emits 39.04 tCO_2 per year. In total, direct greenhouse gas emissions (Greenhouse Gas („GHG"), Scope 1) amounted to 9 790 kg CO_2e. The indirect GHG emissions (Scope 2) measured 7 025 kg CO_2e. We have not yet recorded our Scope 3 emissions due to a lack of available data. GHG intensity (Scope 1&2) was 28.6 kg CO_2e/m^2.

Energy needs of Peach owned properties

The energy intensity of residential units during the year was measured 152.4 kWh/m^2. The electricity needs of residential units included in the assessment were 2.94 million kWh in the financial year. Here we consider only general electricity, and not the electricity used directly by our tenants. In a Like-for-Like comparison, electricity needs increased by around 16 percent. This trend is further explained by an increase in the time spent at home by our tenants in the wake of COVID-19 restrictions. With the conversion to green electricity, the electricity needs of the future will be fully satisfied by regenerative forms of energy generation. Energy needs satisfied by district heating amounted to 28.8 million kWh in the financial year. In a Like-for-Like comparison, this is an increase of around 1 percent.

Energy needs satisfied through fuel were measured at 52.9 million kWh in the financial year. In a Like-for-Like comparison, we achieved a reduction of 8 percent year-on-year. Considering the negating impact of tenants being physically present for longer times in our properties due to COVID-19 restrictions, the reduction in consumption demonstrates the success of our measures to increase energy efficiency.

Water consumption and waste generation by Peach owned properties

The water intensity of analyzed portfolio was measured at 1.32 m^3/m^2. The total water needs amounted to 0.9 million m^3. In a Like-for-Like comparison, we achieved a reduction of 7 percent year-on-year. Water consumed is from the municipal water supply.

Waste intensity was measured at 15.9 kg/m^2 for our residential properties, which corresponded to around 9 000 tons in the financial year. In a Like-for-Like comparison, waste intensity increased with 30 percent. Similarly, this trend is explained by an increase in the time spent at home by our tenants in the wake of COVID-19 restrictions. On the upside, the recycling rate of our waste is 33 percent (recycling & compost). A high proportion (67 percent) of the non-recycled waste is used for thermal generation (waste incineration to generate energy). This results in a recycling rate of waste of over 99 percent for the Peach Property Group portfolio.

For the financial year, the necessary data required to report on the energy consumption in owner-occupied offices was not available. Through our planned update of the database in 2022, we are endeavoring to collect the necessary data in relation to office spaces that we occupy.

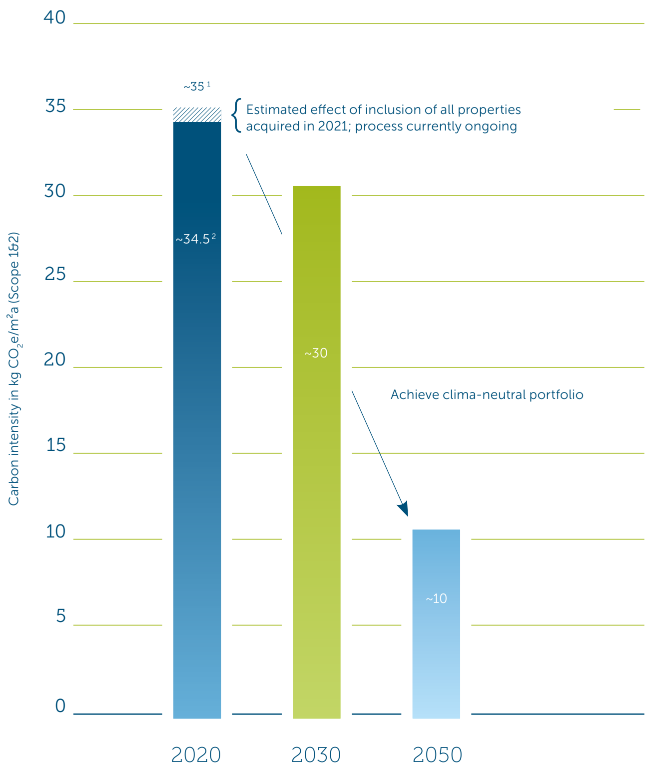
Decarbonization roadmap – climate neutral property portfolio by 2050

As a further step in our journey, we implemented a decarbonization tool based on the energy certificates of our properties in 2021, in cooperation with external specialists. This tool forms the base for scenario planning of our decarbonization measures. We can readily calculate and present the costs associated with, and the expected CO_2 reductions anticipated from, our decarbonization measures. We furthermore have the flexibility to holistically assess renovation and refurbishment measures by also taking the remaining useful life of properties into account. We are well positioned to implement accurate measures with respect to external partner contracting, and materials and products used when considering the entire potential future life cycle of the planned measure. In addition, we will increasingly include considerations relating to the life cycle of a property and the impact on our environmental risk profile when assessing potential acquisitions.

Based on the analysis carried out in the financial year, we have defined a decarbonization roadmap for our real estate portfolio towards a climate-neutral portfolio by 2050. In addition to the data analysis according to EPRA sBPR, the calculation of our starting point also includes properties that we acquired in 2021, for which energy certificates were already available.

A total of 18 917 residential units and 14 commercial units, with a total rental space of 1.2 million square meters were included in the decarbonization analysis. This results in a CO_2 intensity (Scope 1 and 2) of 34.5 kg CO_2e/m^2. We are currently working on collecting and evaluating data for other properties acquired in 2021. Based on initial estimates, we anticipate that this will increase the CO_2 intensity of our entire portfolio towards 35 kg CO_2e/m^2 This value, which should be available by the end of 2022 at the latest, represents the starting point of our decarbonization roadmap. On this basis, we are committed to reducing the CO_2 intensity of our portfolio to below 30 kg CO_2e/m^2 by 2030.

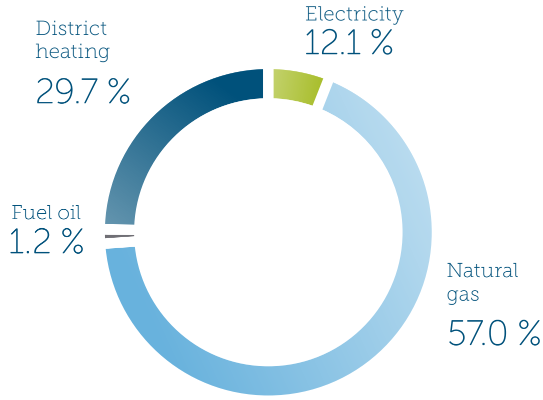
Decarbonization path of Peach Property Group



[1] Estimate includes all properties in PPG's German portfolio with an available energy performance certificate (total 3 159 properties).
[2] Based on properties with available energy performance certificate (2 317 properties); includes part of 2021 acquired properties.

This represents an important intermediate milestone in the journey towards climate neutrality by 2050. With this objective, we are guided by the political and social frameworks for climate neutrality as set out by the Sciences-Based-Targets Initiative („SBTi" „), the Carbon Risk Real Estate Monitor ("CRREM") or the "Wohnen.2050" ("IW.2050") initiative.

In our ESG evaluation, we found that 88 percent of emissions are from the energy sources natural gas, fuel oil, and district heating.



Against this background, our decarbonization strategy focuses on the energy consumption from heating. The most important measures will therefore be the conversion to a CO_2-neutral heat supply, and improving energy efficiency through building insulation.

Conversion to CO_2-neutral heat supply

Largest impact from
- Conversion to district heating
- Conversion to modern condensing technology and reduction of oil-dependent heating systems
- Replacing CO_2-intensive energy sources with renewable energy sources

An important measure in this context is the replacement of the oil-dependent heating systems in our real estate portfolio. We plan to reduce the proportion of properties heated with oil-dependent heating systems by substituting these systems with less CO_2-intensive heating alternatives. This measure contributes to the reduction of CO_2 emissions, helps to reduce operating costs, increases efficiency, and aligns well to the expected tightening of regulations in the future. Next to optimizing the source of heating, it is equally important to reduce heat lost due to bad insulation, and consequently lower our CO_2 intensity.

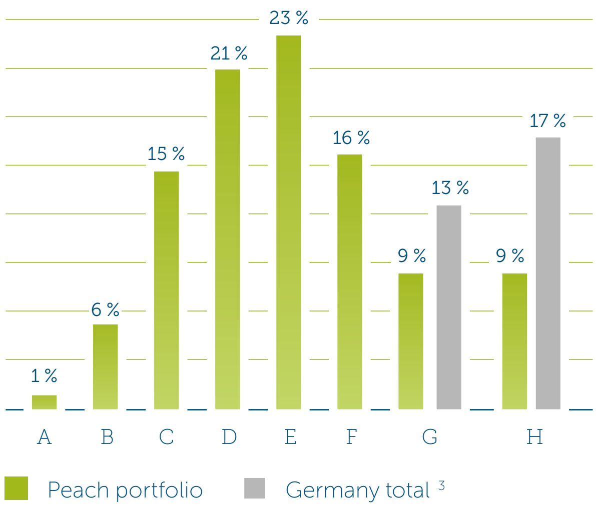
Improvement in building insulation

Largest impact from
- Replacement of materials such as windows
- Additional insulation layers

These renovations too fall within the scope of prioritizing an energy-focused renovation program for our properties, based on the decarbonization tool.

In the execution, we focus on properties that have the biggest impact on the carbon footprint of our portfolio. Around 18 percent of our properties are currently classified in energy efficiency classes G and H. In comparison, around 30 percent of all residential real estate in Germany is classified in this lowest energy efficiency class [3].

Spread of properties per energy efficiency class



Our refurbishment-focus on energy classes G and H, where we can achieve the biggest impact on the carbon footprint of our portfolio, aligns with tightening regulations of the EU directive on the overall energy efficiency of buildings. The EU directive requires all buildings to be classified as at least energy efficiency class F by 2030.

Case Study – Energy efficiency measures

Case Study Schöningen

- 2 properties with 14 apartments
- Construction year 1953; owned by Peach since 2021
- Capex: EUR 1.02 million
- Subsidies: EUR 74 thousand

Added value for our tenants...

Energy efficiency measures
- Renewal heating system
- Renewal windows
- Insulation of attic
- Facade insulation

...and the environment

Energy efficiency class

G

CO_2 emissions 147.2 kg CO_2e/m^2a

Reduction of CO_2 emissions by 80 %

D

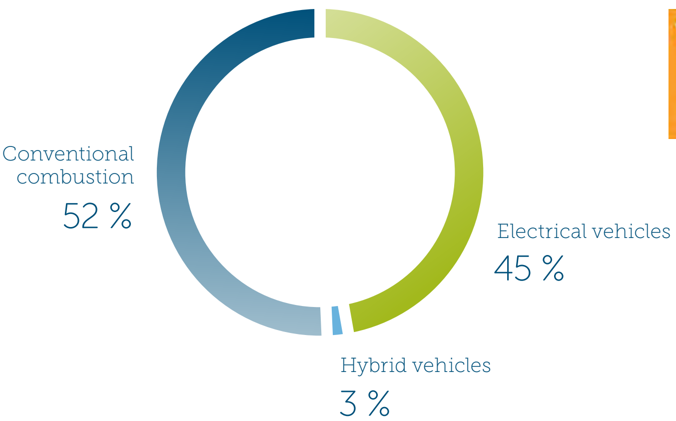
CO_2 emissions: 31.1 kg CO_2e/m^2a

3 Allocation of German residential properties per energy efficiency class – Source: dena/ifeu/prognos et al. 2019

We believe that increasing regulatory pressure to decarbonize the real estate sector will also lead to favorable opportunities on the market for owners who respond actively, and early on with the appropriate measures. In this context, we expect that property portfolios will enter the market where owners are unable to implement the required measures. We also anticipate that the energy-efficiency upgrade of Peach Property Group's portfolio will be positively received among ESG investors on capital markets.

Green mobility

Decarbonization in our fleet is set to continue. After three electric vehicles were introduced as company cars in 2019, the fleet of electric vehicles doubled in the current financial year - 45 percent of our vehicles are now emission-free. Together with the hybrid vehicles, around half of our fleet is equipped with alternative powered engines. Depending on the availability of certain types of vehicles, such as small delivery trucks, at least 75 % of our fleet should be converted to e-mobility by 2023. At the same time, we continued the installation of charging stations for electric vehicles at our portfolio locations which increased from five in 2020, to sixteen in 2021. The charging infrastructure is also available to our tenants.



Reference to EPRA Sustainability Performance Measures - Environment

EPRA Code	Description	Verweis
Elect-Abs	Total electricity consumption	Appendix to ESG Topic, p. 34, row 1 in the table
Elect-LfL	Like-for-Like total electricity consumption	Appendix to ESG Topic, p. 34, row 2 in the table
DH&C-Abs	Total district heating & cooling consumption	Appendix to ESG Topic, p. 34, row 3 in the table
DH&C-LfL	Like-for-like total district heating & cooling consumption	Appendix to ESG Topic, p. 34, row 4 in the table
Fuels-Abs	Total fuel consumption	Appendix to ESG Topic, p. 34, row 5 in the table
Fuels-LfL	Like-for-Like total fuel consumption	Appendix to ESG Topic, p. 34, row 6 in the table
Energy-Int	Building energy intensity	Appendix to ESG Topic, p. 34, row 7 in the table
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	Appendix to ESG Topic, p. 36, row 8 in the table
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	Appendix to ESG Topic, p. 36, row 9 in the table
GHG-Int	Greenhouse (GHG) emissions intensity from building energy consumption	Appendix to ESG Topic, p. 36, row 11 in the table
Water-Abs	Total water consumption	Appendix to ESG Topic, p. 36, row 12 in the table
Water-LfL	Like-for-Like total water consumption	Appendix to ESG Topic, p. 36, row 13 in the table
Water-Int	Building water intensity	Appendix to ESG Topic, p. 36, row 14 in the table
Waste-Abs	Total weight of waste by disposal route	Appendix to ESG Topic, p. 36 and 38, rows 16 and 17 in the table
Waste-LfL	Like-for-Like total weight of waste by disposal route	Appendix to ESG Topic, p. 38, rows 19 through 21 in the table

5

Governance – sound corporate governance underpinned by core ethical values in daily dealings with one another

- Proportion of employees with Code of Conduct training: 100 % (2020: 100 %)
- Violations of the Code of Conduct: 0 (2020: 1)

For us, ethical corporate management practices form the basis of our operational actions. These include combating corruption, avoiding conflicts of interest, avoiding bribery and anti-discrimination. These values form the basis for our internal corporate governance structures, and our Group-wide Code of Conduct while they provide a tangible guideline for operating within the legal boundaries applicable to us. We adhere to these basic values when dealing with employees, business partners, and tenants alike. Treating each other fairly, free from discrimination within the team context, and at management level, is particularly important to us. Responsible for this are not only our management, our Legal team, and Executive Management, but also all our employees. Our Code of Conduct is regularly reviewed and further developed. Considering our recent increase in staff, it is important that all of our new colleagues know and follow our guidelines. Accordingly, receipt and acknowledgment of our Code of Conduct must be confirmed when joining the Peach Property Group. Our management are also mandated to raise awareness among their staff in relation to ethical conduct.

In addition, we plan the implementation of training courses to raise employees' awareness of our compliance principles, and provide them with guidelines to fall back on in the course of their day-to-day activities. Our Legal team provides timely information about significant changes in the relevant legal regulations and remains available to our employees as a contact for compliance-related questions. The Legal team should also be contacted when indicators of compliance violations arise. We raise awareness among our employees with respect to the risk of bribery and corruption through special training programs. Due to the pandemic, we conducted these training sessions virtually during the financial year. Participation in the training courses is mandatory and is verified and recorded by the Legal team.

Our Group has an established a zero-tolerance policy with respect to compliance with legal and internal regulations. We are pleased to report that we had no violations of our Code of Conduct in the financial year.

Disclosure of potential conflicts of interest, especially at management level, is a matter of particular importance to us. Members of the Board of Directors and Executive Management are required to disclose any mandates outside of Peach Property Group. See the relevant disclosure included in the Corporate Governance section of the Annual Report on page 55.

Following the significant expansion of our German property portfolio, we are aware that future acquisitions may also give rise to antitrust issues. Should such issues arise, we will clarify and understand them in detail and, if necessary, obtain the necessary approvals from the responsible antitrust authority.

As a real estate investor with a focus on residential real estate, we consider the non-violation of human dignity and privacy as non-negotiable basic principles which must be adhered to. The sensitive handling of the data of our tenants, business partners and employees as well as compliance with data protection regulations are to be understood within this context. We consider the Swiss Federal Data Protection Act (DSG), the German Federal Data Protection Act (BDSG), and the General Data Protection Regulation (GDPR) of the European Union as our guiding principles with respect to data protection. The GDPR results in stricter requirements for companies regarding the handling of personal data, which can result in substantial fines in the event of violation.

Accordingly, we have appointed a data protection officer within the Group who, together with the Legal team and with the involvement of external specialists, is responsible for maintaining data protection throughout the Group.

In this digital age, it is very important to handle the personal data of our tenants, employees, and business partners responsibly and discreetly. With a secure IT infrastructure and highly qualified employees in data processing, we ensure that this data does not reach third parties and is not misused. Parallel to our strong growth, we are continuously enhancing our IT infrastructure. In the 2021 financial year, we made further progress in this regard, such as the company-wide introduction of multi-factor authentication, and network monitoring at our Peach Points. This allows us to act proactively and quickly in the event of network problems, or potential cyber-attacks.

Peach Property Group was a member of the European Public Real Estate Association (EPRA) during the current financial year, but did not join any other industry associations, and did not incur any expenditure in connection with political consulting services. There were also no expenses in the form of party donations.

Reference to EPRA Sustainablity Performance Measures - Governance

EPRA Code	Description	Reference
Gov-Board	Composition of the highest governance body	Corporate Governance and Remuneration Report, Section 3.1, from p.53
Gov-Selec	Nominating and selecting the highest governance body	Corporate Governance and Remuneration Report, Section 3.4, p.56
Gov-Col	Process for managing conflicts of interest	Corporate Governance and Remuneration Report, Section 3.2, p.56 Organizational Regulations https://www.peachproperty.com/en/investoren/corporate-governance/

Appendix on the ESG topic

Indicator	EPRA	Units of measure	Boundaries		
			Male	**Female**	**Coverage**
Gender diversity		% of Total employees	100 %	0 %	Supervisory Board
			100 %	0 %	Executive Board
			48 %	52 %	Other direct employees
			49 %	51 %	Total
			Male	**Female**	**Coverage**
Personnel distribution by age and categories	Diversity-Emp	% of Employees	7 %	15 %	≤ 28 yrs
			29 %	22 %	29-48 yrs
			13 %	14 %	≥ 49 yrs
		% Executive	0 %	0 %	≤ 28 yrs
			67 %	0 %	29-48 yrs
			33 %	0 %	≥ 49 yrs
		% Board	0 %	0 %	≤ 28 yrs
			20 %	0 %	29-48 yrs
			80 %	0 %	≥ 49 yrs
			Base remuneration	**Total compensation**	**Coverage**
Gender pay ratio	Diversity-Pay	Ratio	86 %	84 %	Total salary ratio (women/men)[1] (average)
			92 %	91 %	Total salary ratio (women/men)[1] (mean)
			93 %	93 %	Management level[1] total salary ratio (women/men) (average)
			67 %	60 %	Management level[1] total salary ratio (women/men) (mean)
			2021		**Coverage**
Performance appraisals	Emp-Dev	% of Total workforce	100 %		Direct employees
			2021	**2020**	**Coverage**
Headcount	Emp-Turnover	Total employees	194	119	Peach Total
			2021		**Coverage**
New hires		Total hire number	104		Peach total
		Rate	65 %		Peach total
Turnover		Total leavers number	29		Peach total
		Rate	18 %		Peach total
Absentee rate	H&S-Emp	Days lost as % of total working days per employees	4.4 %		Direct employees
Lost day rate		Total lost days relative to total hours worked	0 days		
Injury rate		Number of injuries per multiple of hours worked	0		
Fatalities		Total number	0		

1 Exluding Executive Board

EPRA sBPR Sustainability Performance Measures 2020 - Environment

					Whole Portfolio 2020				
Indicator	EPRA-Code	GRI-Code	Boundaries	Unit of measure	2020	Lettable area of applicable properties	Number of units of applicable properties	Coverage of lettable area	% Estimation
Total number of rental units							12 096		
Total lettable area of applicable properties							768 987		
Total electricity consumption	Elec-Abs	302-1	Total energy consumption from electricity	kWh	2 939 032	759 942 m²	11 971.0 out of 12 096.0	99 %	57.52 %
			Landlord obtained, common areas/shared services		2 939 032	759 942 m²	11 971.0 out of 12 096.0	99 %	9.95 %
			Tenant obtained, tenant areas		-	0 m²	0 out of 12 096.0	0 %	0.00 %
Like-for-Like electricity consumption	Elec-LfL		Total energy consumption from electricity		1 935 252	446 877 m²	6 824.0 out of 6 824.0	100 %	51.42 %
			Landlord obtained, common areas/shared services		1 935 252	446 877 m²	6 824.0 out of 6 824.0	100 %	15.11 %
			Tenant obtained, tenant areas		-	0 m²	0 out of 6 824.0	0 %	0.00 %
Total energy consumption from district heating and cooling	DH&C-Abs		Whole building, Landlord obtained		28 883 442	207 645 m²	3 208.0 out of 4 636.0	74 %	6.10 %
			Whole building, Tenant obtained		-	0 m²	0 out of 0	100 %	0.00 %
Like-for-Like energy consumption from district heating and cooling	DH&C-LfL		Whole building, Landlord obtained		14 769 184	107 927 m²	1 757.0 out of 1 757.0	100 %	3.20 %
			Whole building, Tenant obtained		-	0 m²	0 out of 0	N/A	0.00 %
Total energy consumption from fuel	Fuels-Abs		Whole building, Landlord obtained		52 892 778	380 189 m²	5 405.0 out of 7 542.0	76 %	4.78 %
			Whole building, Tenant obtained		-	0 m²	0 out of 426.0	0 %	0.00 %
Like-for-Like energy consumption from fuel	Fuels-LfL		Whole building, Landlord obtained		36 504 542	271 207 m²	3 937.0 out of 3 937.0	100 %	6.32 %
			Whole building, Tenant obtained		-	0 m²	0 out of 0	N/A	0.00 %
Building energy Intensity landlord-obtained energy	Energy-Int		Whole building	kWh/m²	152.42	549 497 m²	8 454.0 out of 12 096.0	71 %	5.44 %

	Segmental Analysis by region							Segmental Analysis by property type		
Renewable Sources	Baden-Württemberg	Hessen	Nieder-sachsen	Nordrhein-Westfalen	Rheinland-Pfalz	Saarland	Thüringen	Residential	Commercial	Mixed use: Commercial/Residential
	681	715	786	7 624	1 834	48	408	9 579	222	2 295
	45 354	45 246	52 801	486 091	116 909	1 057	21 529	615 081	18 663	135 242
0.00 %	177 094	111 184	160 320	1 802 887	632 571	4 024	50.951	1 814 629	86 489	1 037 914
0.00 %	177 094	111 184	160 320	1 802 887	632 571	4 024	50 951	1 814 629	86 489	1 037 914
N/A	-	-	-	-	-	-	-	-	-	-
0.00 %	165 829	94 495	160 320	995 667	471 590	4 024	43 326	1 562 009	26 131	347 111
0.00 %	165 829	94 495	160 320	995 667	471 590	4 024	43 326	1 562 009	26 131	347 111
N/A	-	-	-	-	-	-	-	-	-	-
0.00 %	3 505 030	-	-	16 116 814	7 495 670	142 749	1 623 179	19 262 555	2 017 143	7 603 744
N/A	-	-	-	-	-	-	-	-	-	-
0.00 %	383 269	-	-	5 546 328	7 495 670	142 749	1 201 168	12 835 726	-	1 933 458
N/A	-	-	-	-	-	-	-	-	-	-
0.00 %	1 581 684	5 722 279	9 301 007	29 585 575	5 980 943	-	721 289	46 658 769	324 385	5 909 624
N/A	-	-	-	-	-	-	-	-	-	-
0.00 %	1 503 479	5 661 091	9 041 956	17 108 449	2 468 278	-	721 289	34 100 337	324 385	2 079 820
N/A	-	-	-	-	-	-	-	-	-	-
0.00 %	145.26	172.64	181.68	148.96	152.81	138.86	111.26	159.39	138.54	128.02

Indicator	EPRA-Code	GRI-Code	Boundaries	Unit of measure	Whole Portfolio 2020: 2020	Lettable area of applicable properties	Number of units of applicable properties	Coverage of lettable area	% Estimation
Total number of rental units					12 096				
Total lettable area of applicable properties					768 987				
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	305-1	Whole building	kg CO_2e (location based)	9 790	380 189 m²	5 765.0 out of 7 542.0	76 %	4.74 %
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	305-2	Whole building	kg CO_2e (location based)	7 025	760 559 m²	11 983.0 out of 12096.0	99 %	10.63 %
Indirect GHG emission (total) Scope 3.13	GHG-Indir-Abs	305-3	Whole building	kg CO_2e (location based)	-	0 m²	0 out of 12 096.0	0 %	0.00 %
GHG Intensity Scope 1 & 2	GHG-Int		Whole building	kg CO_2e/m²	28.58	549 497 m²	11 988.0 out of 12 096.0	71 %	7.20 %
Total water consumption	Water-Abs	303-1	Whole building, municipal supply	m³	888 294	671 197 m²	8 635.0 out of 12 096.0	87 %	2.79 %
Like-for-Like water consumption	Water-LfL	303-1	Whole building, municipal supply	m³	529 275	435 358 m²	6 674.0 out of 6 674.0	100 %	3.74 %
Building water consumption intensity	Water-Int		Whole building	m³/m²	1.32	671 197 m²	8 635.0 out of 12 096.0	87 %	2.79 %
Total waste		306-2	Whole building	Tonnes	8 966	564 930 m²	8 635.0 out of 12 096.0	73 %	11.43 %
Weight of waste by disposal route (total)	Waste-Abs	306-2	Landfill with or without energy recovery	Tonnes	3				
			Incineration with or without energy recovery	Tonnes	5 993				
			Reuse	Tonnes	-				
			Recycling	Tonnes	2 312				
			Materials Recovery Facility	Tonnes	-				
			Compost	Tonnes	658				
			Other	Tonnes	-				

	Segmental Analysis by region							Segmental Analysis by property type		
Renewable Sources	Baden-Württemberg	Hessen	Nieder-sachsen	Nordrhein-Westfalen	Rheinland-Pfalz	Saarland	Thüringen	Residential	Commercial	Mixed use: Commercial/ Residential
	681	715	786	7 624	1 834	48	408	9 579	222	2 295
	45 354	45 246	52 801	486 091	116 909	1 057	21 529	615 081	18 663	135 242
N/A	291	1 052	1 710	5 499	1 105	-	133	8 636	60	1 094
N/A	697	39	55	4 395	1 516	26	298	4 969	379	1 677
N/A	-	-	-	-	-	-	-	-	-	-
N/A	22.06	24.12	33.43	20.67	22.42	24.65	20.01	22.41	23.48	20.49
N/A	55 880	45 633	49 890	565 817	151 587	774	18 714	716 233	23 994	148 067
N/A	45 649	44 446	49 420	270 192	107 991	774	10 804	488 463	972	39 841
N/A	1.32	1.01	0.94	1.43	1.36	0.73	0.87	1.33	1.31	1.32
	21	506	539	5 570	2 154	19	158	7 239	227	1 500
	0	0	0	2	0	0	1	3	0	0
	16	294	263	4 190	1 136	16	78	4 740	144	1 109
N/A	-	-	-	-	-	-	-	-	-	-
	5	130	123	1 129	856	3	68	1 894	68	350
	-	-	-	-	-	-	-	-	-	-
	1	82	153	249	161	-	12	603	15	40
	-	-	-	-	-	-	-	-	-	-

					Whole Portfolio 2020				
Indicator	EPRA-Code	GRI-Code	Boundaries	Unit of measure	2020	Lettable area of applicable properties	Number of units of applicable properties	Coverage of lettable area	% Estimation
Total number of rental units							12 096		
Total lettable area of applicable properties							768 987		
Weight of waste by disposal route (%)	Waste-Abs	306-2	Landfill with or without energy recovery	% disposal route	0 %	564 930 m²	8 635.0 out of 12 096.0	73 %	11.43 %
			Incineration with or without energy recovery		67 %				
			Reuse		0 %				
			Recycling		26 %				
			Materials Recovery Facility		0 %				
			Compost		7 %				
			Other		0 %				
Waste Intensity			Whole building	kg/m²	15 871	564 930 m²	8 635.0 out of 12 096.0	73 %	11.43 %
Like-for-Like waste		306-2	Whole building	Tonnes	5 129	310 648 m²	4 772.0 out of 4 772.0	100 %	0.96 %
Like-for-Like weight of waste by disposal route (total)	Waste-LfL		Landfill with or without energy recovery	Tonnes	2				
			Incineration with or without energy recovery		3 463				
			Reuse		-				
			Recycling		1 279				
			Materials Recovery Facility		-				
			Compost		385				
			Other		-				
Like-for-Like weight of waste by disposal route (%)	Waste-LfL		Landfill with or without energy recovery	% disposal route	0 %				
			Incineration with or without energy recovery		68 %				
			Reuse		0 %				
			Recycling		25 %				
			Materials Recovery Facility		0 %				
			Compost		8 %				
			Other		0 %				

	Segmental Analysis by region							Segmental Analysis by property type		
Renewable Sources	Baden-Württemberg	Hessen	Nieder-sachsen	Nordrhein-Westfalen	Rheinland-Pfalz	Saarland	Thüringen	Residential	Commercial	Mixed use: Commercial/ Residential
	681	715	786	7 624	1 834	48	408	9 579	222	2 295
	45 354	45 246	52 801	486 091	116 909	1 057	21 529	615 081	18 663	135 242
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
N/A	73 %	58 %	49 %	75 %	53 %	84 %	49 %	65 %	63 %	74 %
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
	23 %	26 %	23 %	20 %	40 %	16 %	43 %	26 %	30 %	23 %
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
	4 %	16 %	28 %	4 %	7 %	0 %	7 %	8 %	7 %	3 %
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
N/A	1 490	11 544	10 203	16 555	19 731	17 774	21 223	16 090	14 393	15 113
	-	332	245	2 978	1 487	19	69	4 942	-	187
	-	0	0	1	0	0	1	2	-	0
	-	173	118	2 308	808	16	41	3 337	-	126
	-	-	-	-	-	-	-	-	-	-
	-	106	86	514	554	3	16	1 240	-	40
	-	-	-	-	-	-	-	-	-	-
N/A	-	53	41	154	125	-	12	363	-	22
	-	-	-	-	-	-	-	-	-	-
	N/A	0 %	0 %	0 %	0 %	0 %	1 %	0 %	N/A	0 %
	N/A	52 %	48 %	78 %	54 %	84 %	59 %	68 %	N/A	67 %
	N/A	0 %	0 %	0 %	0 %	0 %	0 %	0 %	N/A	0 %
	N/A	32 %	35 %	17 %	37 %	16 %	23 %	25 %	N/A	21 %
	N/A	0 %	0 %	0 %	0 %	0 %	0 %	0 %	N/A	0 %
	N/A	16 %	17 %	5 %	8 %	0 %	17 %	7 %	N/A	12 %
		0 %	0 %	0 %	0 %	0 %	0 %	0 %	N/A	0 %

Methodology for determining key figures

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

Report boundaries

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

Reporting period

The reporting on the consumption and environmental key figures of the Peach Property Group's portfolio relates to the 2020 calendar year, as consumption data for the 2021 calendar year was not yet available to the extent that a comprehensive evaluation was possible by the editorial deadline for the report. The size of the portfolio that the key figures are based upon has been shown so that the key figures determined can be adequately assessed, especially against the background of the strong growth of the Peach Property Group. In the 2020 calendar year, the number of residential units rose to 27 400 units with a total floor space of 1 700 000 square meters.

Cover

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

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

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

Emission factors

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

Estimates

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

Segment analysis

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

Normalization

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

Own office space occupied

For the office space occupied by Peach Property Group, consumption data was not available to the extent required for a substantiated analysis in the year reported on.

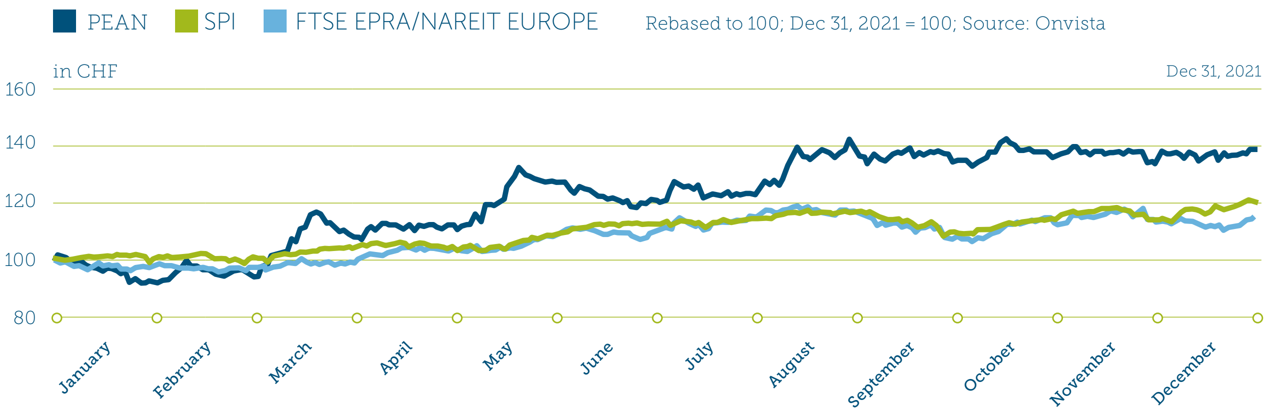
Investor information

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.

Our share price performed strongly in 2021. We noticeably outperformed both the Swiss Performance Index (SPI), which comprises almost all listed Swiss stock corporations, and the FTSE EPRA/NAREIT Europe, a benchmark comprised of listed European real estate stocks. Our share price gained 38 percent by the end of the financial year, while the SPI gained around 20 percent over the same period. The FTSE/NAREIT Europe gained around 15 percent. Capital measures implemented in 2021 furthermore increased our outstanding shares by around 35 percent. The increase in outstanding shares, coupled with the share price increase, resulted in our market capitalization nearly doubling compared with the previous year, and exceeded CHF 1 billion for the first time during the current financial year.

The liquidity of our shares also trended upwards in 2021. With an average of 16 435 Peach Property Group AG shares traded per day on the SIX Swiss Exchange in 2021 (previous year: 8 876 shares), the traded volume almost doubled. In total, a volume of CHF 230 million was traded in 2021.

In comparison to the Swiss Performance Index (SPI) and the FTSE EPRA/NAREIT Europe, our registered share developed as follows during the reporting period from January through December 2021:



1 Information on the share

1.1. Number of shares

As of December 31	2021	2020
Share capital in CHF	16 882 373	12 494 751
Number of shares issued	16 882 373	12 494 751
Nominal value per share in CHF	1.00	1.00
Number of treasury shares	7 741	5 682
Number of outstanding shares	16 874 632	12 489 069

1.2. Key stock exchange data

Security no.: 11 853 036 ISIN: CH0118530366 Ticker symbol: PEAN | Bloomberg: PEAN:SW | Reuters: PEAN	**2021**	2020
High in CHF	66.60	46.30
Low in CHF	41.80	24.80
Closing rate at the end of the year, in CHF	63.40	46.00
Market capitalization (excluding treasury shares) at the end of the year, in CHF	1 069 851 669	574 497 174

1.3. Key share data

As of December 31	**2021**	2020
Basic earnings per share in CHF	12.50	15.26
Diluted earnings per share in CHF	12.38	14.30
Basic FFO I per share in CHF	0.73	0.59
Diluted FFO I per share in CHF	0.72	0.55
NAV/IFRS per share in CHF [1]	60.38	50.70
NAV market value per share in CHF [1]	68.56	57.29

1 Excluding hybrid capital and non-controlling interest.

1.4. Significant shareholders

The following shareholders held three percent or more of all issued shares of Peach Property Group AG as at December 31, 2021:

Aktionäre		**Number of shares**	**Percentage of all shares**
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg [1]		4 410 694	26.13
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg, the Netherlands		1 279 675	7.58
Kreissparkasse Biberach, Deutschland, through: LBBW Asset Management Investmentgesellschaft mbH [2], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [3], Germany	 *426 627* *311 533*	738 160	4.37
Dr. Thomas Wolfensberger, Switzerland		733 321	4.34
Gerd Schepers, Switzerland, through:Val Global Inc., Marshall Islands		619 754	3.67
Marius Barnett, London, through: Victoria Park Peaky S.à.r.l, Luxembourg		526 481	3.12
Other		*8 574 288*	*50.79*
Total shares outstanding		**16 882 373**	100.00

1 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.
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 carried out by the capital management company LBBW Asset Management Investmentgesellschaft mbH. The 426 627 shares are entered in the share register with voting rights.
3 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both carried out by BayernInvest Kapitalverwaltungsgesellschaft mbH. Of the 331 533 shares, 175 013 shares are entered in the share register with voting rights. 136 520 shares are not entered in the share register.

The notional free float based on the shares issued on December 31, 2021, is 92.42 percent. The shares held by Peak Investment S.à.r.l for Ares Management Corporation are counted as part of the free float due to the exemption for investment companies in accordance with section 6.1.2 of the Rules Governing The SPI Index Family (See https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/indices/index-operation/reporting-free-float.html.

1.5. Overview of shareholders

As of December 31 [1]	2021	2020
Registered shareholders	1 098	836
Registered shares	10 591 782	5 002 074
With voting rights	9 762 910	4 725 899
Shareholders with 1 to 1 000 shares	719	495
Shareholders with 1 001 to 10 000 shares	300	274
Shareholders with over 10 000 shares	79	67

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

2 Information about the bonds

Peach Property Group AG is represented on the SIX Swiss Exchange AG Swiss stock exchanges with several listed bonds. With notice on June 30, 2021, the convertible hybrid bond issued on October 4, 2017, PEA22 (ISIN CH0381952255) with an outstanding amount of CHF 1 607 thousand was repaid early as of July 30, 2021, at 100 % nominal plus accrued interest.

A hybrid warrant bond, issued on June 25, 2018, PEA23 (ISIN CH0417376024) is outstanding in the amount of CHF 58.57 million as of December 31, 2021. The exercise period closed on June 25, 2021, and options not exercised by this time expired without compensation.

In October 2020, we placed a 2.5% mandatory convertible bond (PEA20, ISIN CH0570347390) listed on the SIX Swiss Exchange AG with an issue amount of CHF 230 million and term through June 30, 2021. The bond was mandatorily converted into Peach Property Group AG (PEAN, ISIN CH0118530366) shares at the end of the term, at a conversion price of CHF 42.50.

In addition to the CHF bonds, we have two Eurobonds listed on The International Stock Exchange, TISE, outstanding:

In June 2021, we placed a subordinated 2.5% mandatory convertible bond (PEA21, ISIN CH1119120751) listed on the SIX Swiss Exchange AG with an issue amount of CHF 180 million. The coupon was paid on December 23, 2021. Each bond was mandatorily converted into Peach Property Group AG (PEAN, ISIN CH0118530366) shares, at the conversion price of CHF 55.00 as of December 23, 2021.

In the 2019 financial year, we issued a corporate bond of 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.

In the 2020 financial year, we issued a further corporate bond of EUR 300 million via our subsidiary Peach Property Finance GmbH. The interest rate is 4.375 %. 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. 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, through June 25, 2021 (closed)
Exercise price	CHF 25.00
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA23
Security numbers	41737604 (bond)
ISIN	CH0417376040 (bond)
Further information	https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.CH0417376024CHF4.html#/

2.2. EURO-Bond 2019

Issuer	Peach Property Finance GmbH, Bonn
Guarantee	The obligations of the issuer under the bond are guaranteed by Peach Property Group AG
Outstanding amount	EUR 250 million
Denomination	Minimum denomination of EUR 100 000 and then a multiple of EUR 1 000
Interest rate p.a.	3.5 %
Term	November 15, 2019, through February 15, 2023
Listing	The International Stock Exchange, TISE
ISIN	XS2010038060 (Reg S) / XS2010038656 (144A)
Further information	https://www.tisegroup.com/market/securities/11337

2.3. EURO-Bond 2020

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

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 in Zurich on May 27, 2021. Due to the coronavirus situation, shareholders and shareholder representatives could not physically attend the General Meeting. Based on Article 27 of Ordinance 3 on Measures to Combat the Coronavirus (COVID-19), the Board of Directors resolved that shareholders may exercise their rights at the General Meeting exclusively through the independent proxy. In total, around 63 percent of the total share capital, or 87 percent of the voting rights were represented. All the motions put forward by the Board of Directors were approved by a clear majority, including the increase of conditional capital to CHF 6.275 million, and the distribution of a total dividend of CHF 0.30 gross, per registered share. The distribution is made from retained earnings (50 % or CHF 0.15 per share), and from tax-privileged capital contribution reserves (50 % or CHF 0.15 per share). In addition, the General Meeting approved the remuneration of the Board of Directors and the Executive Management, and re-elected the Chairman of the Board of Directors Reto Garzetti and the other members of the Board, Peter Bodmer, Dr Christian De Prati, Kurt Hardt and Klaus Schmitz for another year.

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

4 Capital market communication

We provide important and comprehensive information on the Company, its development, share, and bonds via https://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 at: https://www.peachproperty.com/en/newsletter-registration/.

Every six months we publish annual and semi-annual financial statements 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, Executive Management and investor relations representative of our Company maintain contact with investors, analysts, and business journalists in Switzerland and Germany. Due to the current COVID-19 restrictions, we again attend most capital market conferences and road shows in virtual form, explaining our Group's business model, as well as the medium and long-term prospects.

We are planning a virtual analyst and press conference on the financial results in English for March 29, 2022.

Corporate Governance and Remuneration Report 2021

Section 1 - Corporate Governance

Section 2 - Remuneration Report

Peach Property Group conducts its business in accordance with the principles of sound corporate governance. We regard these principles as a core elements of responsible business management, and transparency toward our investors, tenants, and employees.

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

Section 1 - Corporate Governance

1 Corporate structure and shareholders

1.1. Corporate structure

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

The Board of Directors of the Company comprises Reto Garzetti (Chairman), Peter Bodmer, Dr. Christian De Prati, and Kurt Hardt and Klaus Schmitz. The Executive Management comprises Dr. Thomas Wolfensberger (Chief Executive Officer), Thorsten Arsan (Chief Financial Officer from June 1, 2021), and Dr. Andreas Steinbauer (Head of Letting and Sales). Dr. Marcel Kucher held the position of Chief Financial Officer and Chief Operating Officer until May 31, 2021).

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

Company name and registered office	Peach Property Group AG, Zurich
Business ID (UID)	CHE-101.066.456
Listing	SIX Swiss Exchange, Zurich
Trading currency	Swiss franc (CHF)
Market capitalization as of December 31, 2021	CHF 1 069 852 (closing share price of CHF 63.40 per share)
Ticker symbol	PEAN
Security number	11 853 036
ISIN	CH0118530366

Group companies are not listed on the stock exchange. A list of our Group companies is disclosed in note 19 to the consolidated financial statements. A diagrammatic overview of the Peach Group is available on our website https://www.peachproperty.com/en/, at https://www.peachproperty.com/en/about-us/organisation-struktur/.

1.2. Significant shareholders

The following shareholders held 3 percent, or more than 16 882 373 of the issued shares of the Company, as of December 31, 2021:

Shareholders		Number of share	Percentage of all share
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg[1]		4 410 694	26.13
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg, the Netherlands		1 279 675	7.58
Kreissparkasse Biberach, Deutschland, through: LBBW Asset Management Investmentgesellschaft mbH [2], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [3], Germany	 *426 627* *331 533*	738 160	4.37
Dr. Thomas Wolfensberger, Switzerland		733 321	4.34
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands		619 754	3.67
Marius Barnett, London, through: Victoria Park Peaky S.à.r.l, Luxembourg		526 481	3.12
Other		*8 574 288*	*50.79*
Total shares issued		**16 882 373**	100.00

1 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.
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 carried out by the capital management company LBBW Asset Management Investmentgesellschaft mbH. The 426 627 shares are entered in the share register with voting rights.
3 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both carried out by BayernInvest Kapitalverwaltungsgesellschaft mbH. Of the 331 533 shares, 175 013 shares are entered in the share register with voting rights. 136 520 shares are not entered in the share register.

No lock-up arrangements are in place as of December 31, 2021.

Under the applicable capital market regulations, shareholdings in companies domiciled in Switzerland, where the company's shares are at least partially listed on the SIX Swiss Exchange, must be reported to that company, as well as to the Disclosure Office of the SIX Swiss Exchange, when limits of 3 %; 5 %; 10 %; 15 %; 20 %; 25 %; 33⅓ %; 50 %; or 66⅔ % of the voting rights are exceeded; fallen below, or reached.

The holdings to be reported, in accordance with Article 14(2) of the FINMA Financial Market Infrastructure Ordinance (FinfraV-FINMA), is calculated based on the total number of voting rights according to the entry in the Commercial Register (as of December 31, 2021: 14 852 314 registered shares at CHF 1.00 each). Upon receipt of such a notification, the company publishes the change in shareholding base via the SIX Exchange Regulation publication platform.

Including 2 notifications published in January 2022 in relation to the financial year 2021, we have published a total of 28 notification in accordance with Articles 120 ff. FinfraG. for the financial year 2021. These and other notifications from previous financial years can be viewed on the SIX Exchange Regulation website at at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/.

As of December 31, 2021, the following shareholders held 3 percent or more of the Company's voting rights, as entered in the Commercial Register. These shareholders are considered significant shareholders in accordance with applicable capital market regulations:

		Number of voting rights that are exercisable and non-exercisable	Voting rights as percentage of Commercial Register entry
Total according to Commercial Register [1]		**14 852 314**	**100.00**
Thereof held by significant shareholders			
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg[2]		4 410 694	29.70
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg, the Netherlands		1 279 675	8.62
Kreissparkasse Biberach, Deutschland, through: LBBW Asset Management Investmentgesellschaft mbH, Germany BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany	 *426 627* *331 533*	738 160	4.97
Dr. Thomas Wolfensberger: Switzerland		733 321	4.94
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands		619 754	4.17
Marius Barnett, London, through: Victoria Park Peaky S.à.r.l, Luxembourg		526 481	3.54
BlackRock Inc., USA		439 013	3.05

1 The number of voting rights entered in the commercial register reflects the capital increases from conditional capital through July 31, 2021.
2 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.

Capital increases from the conditional capital entered into the commercial register from August 2021 through February 2022 reduces the proportional voting right of significant shareholders relevant for disclosure, while the number of voting rights remains the same. This may result in a disclosure obligation for individual significant shareholders.

1.3. Cross-shareholdings

There are no cross-shareholdings.

2 Capital structure

2.1. Capital

Capital as of December 31, 2021	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital	16 882 373	16 882 373	1.00
Authorized capital	0	0	n.a.
Conditional capital	1 947 410	1 947 410	1.00

2.2. Authorized and conditional capital

Authorized capital

Our Company had no authorized capital at its disposal as of December 31, 2021.

Conditional capital

As of December 31, 2021, Peach Property Group AG had conditional capital of CHF 1 947 410 at its disposal. In accordance with Article 3a of the Articles of Association, as amended by the declaratory Board of Directors resolution on August 19, 2021, the conditional capital may be used a) up to an amount of CHF 195 566 for the exercise of conversion and/or option rights granted to employees of the Peach Group; and b) up to an amount of CHF 3 781 903 for the exercise of conversion and/or option rights in connection with convertible bonds, warrant bonds, and similar bonds.

The conditional capital in a) was reduced by CHF 16 000 to CHF 179 566 following the exercise of conversion rights in connection with the PSU program 2018-2020, in September 2021.

The conditional capital in b) was reduced by CHF 2 014 059 to CHF 1 767 844 following the exercise of conversion rights in connection with the subordinated 2.5 % mandatory convertible bond (PEA21, ISIN CH1119120751), issued in June 2021 and listed on the SIX Swiss Exchange AG.

The acquisition of registered shares through the exercising of options or conversion rights, and the further transfer of the registered shares, are subject to the transfer restrictions in accordance with Article 5 of our Articles of Association.

We enter conditional capital in the commercial register, and the Articles of Association annually, by March 31 at the latest (Articles 653g and 653h OR). In the current financial year, conditional capital was entered twice, once in March, effective per February 28, 2021 (following the declaratory Board of Directors resolution of March 17, 2021), and again in August, effective July 31, 2021 (following the declaratory Board of Directors resolution of August 19, 2021).

2.3. Capital changes

Capital and changes in capital	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital as of December 31, 2018	5 487 627	5 487 627	1.00
Capital increases in 2019 financial year [1]	1 113 847	1 113 847	1.00
Share capital as of December 31, 2019	6 601 474	6 601 474	1.00
Capital increases in 2020 financial year [2]	5 893 277	5 893 277	1.00
Share capital as of December 31, 2020	12 494 751	12 494 751	1.00
Capital increases in 2021 financial year [3]	4 387 622	4 387 622	1.00
Share capital as of December 31, 2021	16 882 373	16 882 373	1.00

1 Of which 973 747 exercises of conversion and option rights from bonds, and 112 000 exercises from the 2016-2018 PSU program.
2 Of which 2 494 775 exercises of conversion and option rights from bonds, 3 300 000 shares from the authorized capital, and 71 000 exercises from the 2017-2019 PSU program.
3 Of which 4 252 188 exercises of conversion and option rights from bonds, and 73 000 exercises from the 2018-2019 PSU program.

Further information on equity is given in note 6 to the consolidated financial statements.

2.4. Shares and participation certificates

The share capital of Peach Property Group AG amounts to CHF 16 882 373 and consists of 16 882 373 fully paid-up registered shares with a nominal value of CHF 1.00 each. The shares carry equal rights. Each share carries an entitlement to one vote at the General Meeting.

As of December 31, 2021, we held 7 741 treasury shares (previous year: 5 682). Treasury shares are subject to voting and dividend rights restriction.

We have not issued any participation certificates.

2.5. Dividend rights certificates

We have not issued any dividend rights certificates.

2.6. Restriction on transferability and nominee registrations

The restriction on transferability, or registrations in the share register is regulated by Article 5 of the Articles of Association.

The Articles of Association are available, in full, on our website at https://www.peachproperty.com/en/investoren/corporate-governance/.

Further information, in particular regarding registration restrictions, is provided in Section 6 "Shareholders' participation rights".

2.7. Convertible bonds and options

Convertible bonds

In October 2017, we issued a convertible hybrid bond (PEA22, ISIN CH0381952255) of originally CHF 59 million, with a conversion price of CHF 29.50. The conversion period closed on December 31, 2020. The unconverted bond at the beginning of the financial year, after the conversion period had closed, was CHF 1 607 thousand. Through a notification dated June 30, 2021, we used a clean-up call (as more than 85 % of the total issue volume was converted), and prepaid the entire outstanding amount as of July 30, 2021, at 100 % nominal plus accrued interest.

In October 2020, we issued a subordinated 2.5 % mandatory convertible bond (PEA20, ISIN CH0570347390) with an original issue amount of CHF 230 million. The bond had a term through June 30, 2021, and was mandatorily converted into Peach Property Group AG (PEAN, ISIN CH0118530366) shares during two early conversion windows in 2020, with the remaining amount mandatorily converted as of June 30, 2021.

In June 2021, we placed a subordinated 2.5 % mandatory convertible bond (PEA21, ISIN CH1119120751) listed on the SIX Swiss Exchange AG with an issue amount of CHF 180 million. The bond bore interest at 2.5 % p.a. from June 23, 2021, through December 23, 2021. The coupon was paid on December 23, 2021. The bonds were converted into Peach Property Group AG (PEAN, ISIN CH0118530366) shares at the conversion price of CHF 55.00 in two early conversion windows, with the remaining amount mandatorily converted as of December 23, 2021.

Further information in relation to the convertible hybrid bond PEA22, and the mandatory convertible bonds PEA20 and PEA21 is provided in note 6 of the consolidated financial statements, or on page 43 under "Investor information".

Options

As of December 31, 2021, we had one hybrid warrant bond (PEA23, ISIN CH0417376024), with an original listed amount of CHF 60 million, and an outstanding amount of CHF 58.57 million. Each bond with a nominal value of CHF 1 000, entitled the bondholder to four warrants to purchase Peach Property Group AG shares. Each warrant entitles the holder to subscribe to one share, at a price of CHF 25 per share. The exercise period closed on June 25, 2021, and options not exercised by this time expired without compensation.

Further information in relation to the hybrid warrant bond is provided in note 6 of the consolidated financial statements, or on page 44 under "Investor information".

We also have an employee option plan and other employee participation plans. Further information in relation to the option plan and the participation plans is provided in note 13 to the consolidated financial statements, and in the Remuneration Report in Section 3.4.

3 Board of Directors

3.1. Members of the Board of Directors

The Board of Directors of Peach Property Group AG, including the Chairman, consists of a minimum of three and a maximum of five members (Article 13 of the Articles of Association). At the 2021 Ordinary General Meeting held on May 27, 2021, the shareholders confirmed the existing members in office. The Board of Directors is made up of the following five members:

First name, last name	Position	On the Board of Directors since	Elected until
Reto Garzetti	Chairman	2015	2022 General Meeting
Peter Bodmer	Member	2009	2022 General Meeting
Dr. Christian De Prati	Member	2011	2022 General Meeting
Kurt Hardt	Member	2018	2022 General Meeting
Klaus Schmitz	Member	2020	2022 General Meeting

Reto Garzetti (Chairman)	**Peter Bodmer**	**Dr. Christian De Prati**	**Kurt Hardt**	**Klaus Schmitz**
Born in 1960 Swiss and Italian citizen	Born in 1964 Swiss citizen	Born in 1970 Swiss citizen	Born in 1966 German citizen	Born in 1982 German citizen
				
Education				
Business Administration at the University of Zurich, Master's Degree in Business Administration (lic. oec. publ.), and MBA	Business Administration at the University of Zurich and MBA from IMD Lausanne, Master's Degree in Business Administration (lic. oec. publ.), and MBA	Economics at the University of Zurich, Doctorate in Economics (Dr. oec. publ.)	Banking apprenticeship at Kreissparkasse Biberach, Verwaltungs- und Wirtschaftsakademie (VWA), Business Administration (VWA)	Economics and philosophy at the London School of Economics (LSE) and an MBA from Harvard Business School
Professional history				
Reto Garzetti has over 30 years of experience in the financial sector, specializing in reorganizations, mergers, M&A, analyses, and investment banking. Since 1999 Partner at the Zurich investment advisory firm SE Swiss Equities AG.	Peter Bodmer has extensive national and international experience with various companies in the engineering, automotive supply, construction, and real estate industries. Since 2011 Director of Beka-Küsnacht AG, which specializes in real estate services and business development. Until end of 2012 Senior Advisor for Implenia. Until end of 2011 Member of the Group Executive Management and Director of Implenia Industrial Construction.	Dr. Christian De Prati has had a lengthy career in investment banking. Since 2017 Member of the Advisory Committee of SSVL (Monaco) SAM. 2011 to 2017 Supervisory Board Member of the investment company Sterling Strategic Value Ltd. 2009 to 2011 Country Head Switzerland at Bank of America Merrill Lynch. 1998 to 2008 CEO Merrill Lynch Capital Markets AG.	Kurt Hardt has worked for Kreissparkasse Biberach since 1989. 2017 Bank Board Member responsible for corporate customers and capital market business. Previously Appointed Substitute for the Chairman of the Board (2015) and Deputy Board Member (2008). 1998 to 2008 Director of Capital Markets.	Klaus Schmitz has a long career in investment banking and private equity with, a main focus on real estate. Since 2016 at Ares Management as Managing Director responsible for real estate investments and management in Germany, Austria and Switzerland (DACH region). Previously with Starwood Capital Group and Rothschild, London.

Mandates outside Peach Group

Reto Garzetti

Chairman of the Board of Directors

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

Member of the Board of Directors

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

Deputy Chairman of the Supervisory Board

- MS Industrie AG, Munich, Germany

Member of the Advisory Board

- Südpack Verpackungen & Co. KG, Ochsenhausen, Germany [1]

Reto Garzetti also has mandates outside Europe.

Peter Bodmer

Chairman of the Board of Directors

- Beka-Küsnacht AG, Küsnacht, Switzerland

Vice-Chairman of the Board of Directors

- Helvetica Property Investors AG, Zurich, Switzerland

Member of the Board of Directors

- Arbonia AG, Arbon, Switzerland
- Arealentwicklung IPZ AG, Dübendorf, Switzerland [2]
- Brütsch/Rüegger Holding AG, Urdorf, Switzerland
- Inovetica Holding AG, Baar, Switzerland
- Klinik Schloss Mammern AG, Mammern, Switzerland
- Kuratle Group AG, Leibstadt, Switzerland
- Nüssli (Schweiz) AG, Hüttwilen, Switzerland

President of the Board of Trustees

- Profond Anlagestiftung, Zurich, Switzerland [3]
- Profond Vorsorgeeinrichtung, Zurich, Switzerland [3]
- Stiftung Innovationspark Zürich, Zurich, Switzerland [2]

Member of the Board of Trustees

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

Chairman of the Board

- Profond Vereinigung, Zurich, Switzerland [3]

CEO a.i.

- RUAG MRO Holding AG, Bern, Switzerland

Managing Director

- BB's Pure GmbH, Küsnacht, Switzerlandz

Member

- Board of the University of Zurich, Zurich, Switzerland

Dr. Christian De Prati

Member of the Board of Directors

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

Managing Director

- dP Capital GmbH, Freienbach, Switzerland

Member of the Advisory Committee

- SSVL (Monaco) SAM, Monaco

Kurt Hardt

Member of the Board

- Kreissparkasse Biberach, Biberach an der Riss, Germany

Member of the Supervisory Board

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

Managing Director

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

Klaus Schmitz

Managing Director

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

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

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

3.2. Additional activities and interests

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

Members of the Board of Directors are obliged to abstain from voting when business matters arise, which may affect their interest, or the interest of people close to them. The Board of Directors decides whether a conflict of interest is identified. The affected member of the Board of Directors, or Executive Board does not take part in the discussion, or in the decision concerning the relevant matter. The affected member however has the right to make a personal statement before the discussion (see also Section 7.2 of the Organizational Regulations). The current organizational regulations were published on October 12, 2020, and can be found on our website at https://www.peach-property.com/en/investoren/corporate-governance/.

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

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

3.4. Election and term of office

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

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

In addition, the General Meeting elects the members of the Compensation Committee individually for a period of one year.

Re-election is also possible. This Committee consists of at least two members of the Board of Directors. The Chairman of the Compensation Committee is appointed by the Board of Directors.

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

According to Section 2.2 of the Company's Organizational Regulations, an upper age limit of 70 years applies to members of the Board of Directors. The Board of Directors shall not propose to the General Meeting for election or re-election any person who has reached the age of seventy. The Board of Directors may resolve to make an exception for the Chairman of the Board of Directors. Otherwise, there are no restrictions on the term of office for the Board of Directors.

3.5. Internal organization

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

Reto Garzetti was re-elected as Chairman by the Ordinary General Meeting on May 27, 2021. In this position, he is responsible, among other things, for convening and preparing the meetings of the Board of Directors and the General Meeting, as well as for chairing the meetings. The Board of Directors is convened as often as business requires, but at least three times a year. In addition, any member of the Board of Directors and the Chief Executive Officer of the Executive Management may request that a meeting be convened, stating the reasons.

The Board of Directors has a quorum as long as at least two thirds of its members are present (Article 18 of the Articles of Association). To be adopted, resolutions require a majority of the participating members of the Board of Directors, subject to the prevailing Organizational Regulations. In the event that the votes are tied, the person chairing the meeting casts the deciding vote. Circular resolutions are permissible unless a member requests oral deliberation. No quorum is required for resolutions relating to a capital increase report or for decisions amending and confirming resolutions in connection with capital increases.

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

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

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

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

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

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

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

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

The committees had the following members in the current financial year:

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

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

Meeting title	Nature	BoD	ARC	CC	IC	Duration in min.	Attendance
ARC 01	Meeting		X			65	Full attendance
BoD 01 / CC 01	Meeting [1]	X		X		205	Full attendance
BoD 02	Circular resolution	X				n.a.	Full attendance
BoD 03	Circular resolution	X				n.a.	Full attendance
BoD 04 / ARC 02 / CC 02	Meeting [1]	X	X	X		345	Full attendance
BoD 05 and IC	Meeting [1]	X			X	65	P. Bodmer excused
BoD 06 / CC 03	Meeting [1]	X		X		190	Full attendance
BoD 07	Conference call	X				55 [2]	Full attendance
related to BoD 07	Circular resolution	X				n.a.	Full attendance
without designation	Circular resolution	X				n.a.	Full attendance
BoD 08 / ARC 03 / CC 04	Meeting [1]	X	X	X		380	Full attendance
BoD 09	Meeting	X				80	Full attendance
BoD 10 / ARC 04 / CC 04	Meeting [1]	X	X	X		105	Full attendance
Total number of meetings, conference calls, and circular resolutions		**12**	**4**	**5**	**1**	**1.490**	
Average duration (excl. circular resolutions)						**166**	

1 Session with telephone dial-in.
2 Estimated duration.

The meetings were attended, without voting rights, by Dr. Thomas Wolfensberger (Chief Executive Officer), Dr. Marcel Kucher (Chief Financial and Operating Officer until May 31, 2021), Thorsten Arsan (Chief Financial Officer from June 1, 2021), and, as Secretary to the Board of Directors, Peter Slongo (General Counsel). Dr. Andreas Steinbauer (Head of Letting and Sales), Nicole Grau (Head of Group Accounting), and representatives of the external auditors and the property appraiser also attended, as required. A representative of our anchor shareholder also attended several meetings as an observer, within the meaning of Section 2.6 of the Organizational Regulations.

3.6. Powers

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

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

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

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

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

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

4 Executive Management

4.1. Members of the Executive Management

On May 31, 2021, Dr. Marcel Kucher (CFO and COO) resigned from the Peach Group. Thorsten Arsan was appointed as CFO of Peach Property Group AG from June 1, 2021, from which point onwards the Executive Management of Peach Property Group AG was as follows:

First name, last name	Position	With Peach since
Dr. Thomas Wolfensberger	Chief Executive Officer	2006
Thorsten Arsan	Chief Financial Officer	since June 1, 2021
Dr. Andreas Steinbauer	Head of Letting and Sales	2009

Dr. Thomas Wolfensberger (Chief Executive Officer)	Thorsten Arsan (Chief Financial Officer)	Dr. Andreas Steinbauer (Head of Letting and Sales)
Born in 1972 Swiss citizen	Born in 1974 German citizen	Born in 1975 Swiss and German citizen
		
Education		
Economics at the University of Zurich / Doctorate in Economics (Dr. oec. publ.)	Degree in business administration with a focus on real estate and construction from the Biberach University of Applied Sciences / MBA program International Real Estate Management at the South Bank University in London	Degree in Business Administration from Georg-Simon-Ohm University in Nuremberg / Master's Degree in Real Estate and Doctorate in International Real Estate Markets from University of Kingston
Professional history		
With the Peach Group since 2006, as CEO since 2007. 2000 to 2006 Founder and CEO of Swissrisk, a financial software provider, and active in due diligence appraisals for real estate funds. He was previously employed by companies including Accenture and IBM.	From June 1, 2021, the CFO of the Peach Group. Previously he was Head of Corporate Finance/Deputy Head of Finance & Treasury at Vonovia SE (2013 – 2020) and the former Senior Vice President for Finance, Controlling, Investor Relations and M&A at Adler Group SA. (2020 – 2021).	With the Peach Group since 2009, as Head of Sales and Marketing since 2013, as Head of Letting and Sales from Q4/2018. Until 2009 he was responsible for the portfolio of luxury project developments of the Orco Property Group in Berlin.
Mandates outside Peach Group		
None	None	None

4.2. Additional activities and interests

As of December 31, 2021, the members of the Executive Management did not perform any activities in management and supervisory bodies or permanent management and advisory roles for key interest groups.

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

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

4.4. Management contracts

We have not concluded any management contracts with third parties.

5 Remuneration, shareholdings, and loans

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

6 Shareholders' participation rights

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

6.1. Proxy voting and voting restrictions

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

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

In accordance with Article 5 of the Articles of Association, the Board of Directors may only refuse to approve the transfer of shares to an acquirer or usufructuary and/or to register the new acquirer if the acquirer, despite a request from the Company, does not expressly declare that he or she has acquired the shares in his or her own name and for his or her own account or, in the case of an application for registration as a nominee, does not expressly declare his or her willingness to disclose the names, addresses, and shareholdings of the persons for whose account he or she holds the shares (beneficial owners).

6.2. Quorums prescribed by the Articles of Association

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

6.3. Convocation of the General Meeting

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

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

In the current year, the Ordinary General Meeting of our Company was held in Zurich on May 27, 2021. Due to the coronavirus situation, shareholders and shareholder representatives could not physically attend the General Meeting, as in the previous year. Based on Article 27 of Ordinance 3 on Measures to Combat the Coronavirus (COVID-19), the Board of Directors has decided that shareholders may exercise their rights at the General Meeting exclusively through the independent proxy.

6.4. Putting items on the agenda

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

6.5. Entries in the share register

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

7 Change of control and defensive measures

7.1. Obligation to make an offer

According to the applicable financial market regulations, a person who directly, indirectly, and/or together with third parties acquires shares in a company listed in Switzerland and thereby exceeds the limit of $33^1/_3$ % of the voting rights of the company must submit a takeover bid for the acquisition of all shares.

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

7.2. Change of control clauses

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

8 Auditors

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

The auditors are elected annually by the General Meeting. Since the 2006 financial year, PricewaterhouseCoopers AG, Zurich, has acted as the statutory and Group auditor of Peach Property Group AG. The lead auditor from the 2021 financial year is Mr. Patrick Balkanyi.

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

8.2. Auditor's fee

For the current financial year, we expect audit fees of CHF 917 thousand (previous year: CHF 917 thousand). These consist of the examination and review of annual, group and semi-annual reports, as well as audit services in connection with capital market transactions (corporate bonds/mandatory convertible bonds). All referenced amounts are excluding value-added taxes.

8.3. Additional fees

In the current financial year, additional fees were incurred towards PricewaterhouseCoopers AG for consulting services of CHF 781 thousand (previous year: CHF 874 thousand). The fees relate to ongoing tax advice (e.g. tax returns) and tax advice in connection with acquisition activities (tax due diligence).

Fees totaling CHF 775 thousand (previous year: CHF 1 343 thousand) were incurred in 2021 towards the independent real estate appraiser Wüest Partner AG, Zurich, and W&P Immobilienberatung GmbH, Frankfurt.

All referenced amounts are excluding value-added taxes.

8.4. Information tools pertaining to the external audit

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

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

9 Information policy

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

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

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

10 Blocking periods for trading

During trading blocking periods, members of the Board of Directors, management and employees are prohibited from trading in Peach Group securities. A normal trading blocking period begins five trading days prior to the end of the Company's reporting period and ends with the public announcement of the financial results. No exceptions are made to normal trading blocking periods. The General Counsel notifies of trading blocking periods. In addition, the Chairman of the Board of Directors may, together with the CEO or CFO, instate extraordinary blocking periods for certain connected persons. Persons subject to such extraordinary blocking periods are notified by email.

Contacts

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Dr Thomas Wolfensberger, Chief Executive Officer and Thorsten Arsan, Chief Financial Officer
Telephone +41 44 485 50 00 | investors@peachproperty.com

Important dates
- General Meeting 2021: Friday, May 20, 2022, in Zurich, likely without shareholders and shareholder representatives physically attending due to the COVID-19 restrictions
- Publication of 2022 half-year results: Tuesday, August 30, 2022

Section 2 - Remuneration Report

1 Introduction

The remuneration policy is part of corporate governance. Both the Board of Directors, and Executive Management are committed to sound corporate governance to facilitate the sustainable development of the Group. This includes a balanced and fair performance- and success-orientated remuneration policy.

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

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

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

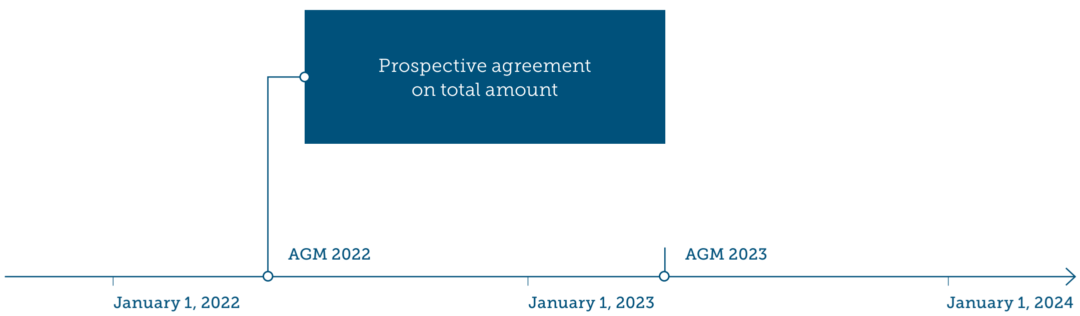
2 Responsibilities and determination procedures

In collaboration with the Chief Executive Officer, the Compensation Committee prepares a proposal for the remuneration of the Board of Directors, and Executive Management. Based on the proposal, the Board of Directors resolves on the total remuneration for its members, and the members of the Executive Management, upon which a motion is put to the General Meeting.

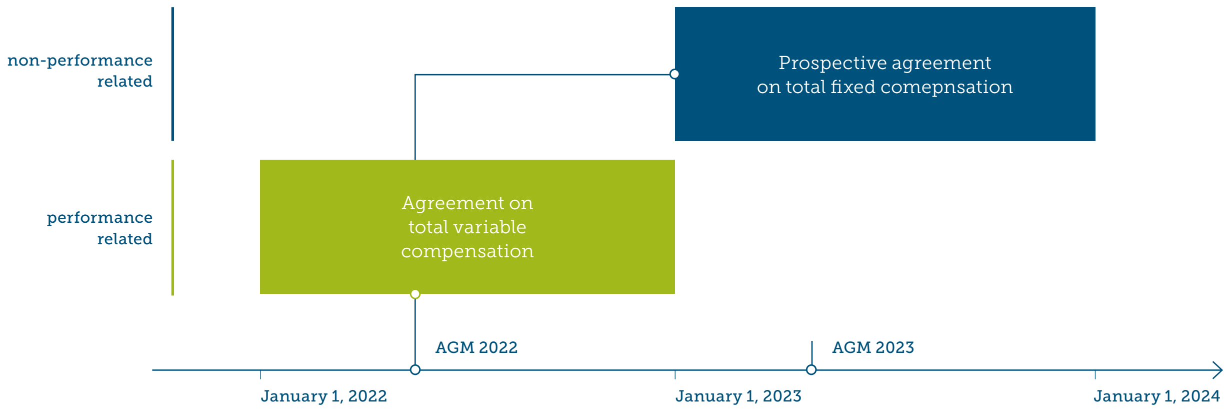
The General Meeting in turn votes annually to approve the total remuneration to members of the Board of Directors and Executive Management. The General Meeting approves, in accordance with Article 26(1) of the Articles of Association, the maximum total amounts of:

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

Remuneration of the Board of Directors



Remuneration of the Executive Management



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

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

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

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

3 Remuneration system

3.1. General principles

The remuneration system within our Group is intended to deliver a competitive and performance-oriented remuneration policy. Our aim with this is to promote long-term management of the Group and sustainable business success. The remuneration of the Board of Directors and the Executive Management should be in line with the market, commensurate with the effort and responsibility involved, and appropriate to the size of the Group. The Board of Directors, and management should duly share in the success of our Company. The Compensation Committee continuously monitors the development of salaries in comparable companies, and reports on this to the Board of Directors.

3.2. Remuneration of the Board of Directors

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

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

b) variable remuneration dependent on the achievement of Company targets

plus the Company's social security contributions.

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

Members of the Board of Directors receive a portion of their remuneration described in a) in shares of the Company, blocked for one year. For the 2021 financial year, the Board of Directors resolved on a share component of 50 percent (previous year: 50 percent). The number of shares is determined based on the average share price of the last ten trading days in the financial year and the first ten trading days in the new financial year ("allotment price"). For the calculation of the amount of the remuneration according to VegüV, the number of shares determined by means of the allotment price is multiplied by the closing price of the allotment according to the allotment decision of the Board of Directors ("price at allotment"). The relevant prices for the 2021 compensation are: allotment price CHF 62.61, and price at allotment CHF 58.60.

In the current financial year, as in previous years, the members of the Board of Directors were also allotted Performance Stock Units ("PSUs"). PSUs are entitlements to shares and represent variable remuneration dependent on the achievement of Group targets. Information on the PSU programs can be found in Section 3.4 and in note 13 to the consolidated financial statements.

Klaus Schmitz, who acts as a shareholder representative within the meaning of Article 13(3) of the Articles of Association, does not receive any remuneration or PSUs.

3.3. Remuneration of the Executive Management

In accordance with Article 31 of the Articles of Association, the remuneration of the members of the Executive Management is composed of a non-performance-based basic remuneration, and a performance-based remuneration plus the Company's contributions to social security and occupational pension schemes, as well as other fringe benefits provided by the Company (in particular, company cars).

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

The variable, performance-based remuneration paid to the members of the Executive Management depends on the achievement of both Group, and individual targets. These are based on the qualitative and quantitative goals and parameters set by the Board of Directors. Group targets (corporate KPIs of the group) are based on the respective budgets and are set annually by the Board of Directors for the entire Group. Group targets in the current financial year were set for the share price, net income and FFO I, all three with an equal weighting. At the request of the Compensation Committee of the Board of Directors, individual goals or targets for Executive Management are agreed annually, and in line with the Group's strategic goals. In principle, no more than five individual goals are agreed, the majority of which should be quantitatively measurable.

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

According to the bonus policy of the Group, up to 60 percent, and up to 50 percent of the bonus of the Chief Executive Officer, and other members of Executive Management, respectively, may be paid in the form of shares in the Company - blocked for one year.

The Board of Directors resolved to uniformly settle 50 percent of the 2021 bonuses in shares for all members of Executive Management active at the end of the financial year. The portion of bonus settled through shares to the Head of Letting and Sales, Dr. Andreas Steinbauer, amounts to 35 percent. As with the Board of Directors, the number of shares is determined using the allotment price, and the number of shares thus determined is multiplied by the price at the time of allotment to calculate the amount of the remuneration in accordance with VegüV. The previous Chief Financial and Operating Officer until May 31, 2021, Dr. Marcel Kucher, received a bonus pro rata temporis in cash, without shares.

The members of the Executive Management can then participate in option and participation plans. In the financial year, members of the Executive Management were allotted PSUs under a further PSU program. Further information is provided in Section 3.4, and in note 13 to the consolidated financial statements.

3.4. Option plans and other employee participation plans

Option plans

In 2014, the Board of Directors adopted an option plan for three members of the Executive Management. The allotment was performed free of charge. In early 2021, the last remaining 40 000 options from this plan were exercised. No more options from the 2014 option plan remained at the end of the financial year. A new option plan was not launched.

Performance Stock Unit programs

In the year under review, the Board of Directors approved a further framework plan for share-based payment compensation: the "2021 – 2023 PSU program".

Under the new program, as with the earlier PSU programs, entitlements were allotted to program participants in the form of PSUs (Performance Stock Units). These PSU programs, designed as long-term incentive programs, allow us to attract the best talent to Peach, and motivate and keep them focused on the Group's long-term success. The maximum number of PSUs that are allotted to program participants is determined by the Board of Directors. The PSUs are entitlements to up to two shares per PSU, depending on the achievement of corporate objectives over the three-year vesting performance period, provided that the beneficiary is still employed by the Peach Group at the time of vesting.

Vesting for the PSU program 2018 – 2020 took place in the current financial year with the approval of the annual financial statements 2020 by the General Meeting 2021. Vesting for the other programs will take place for the PSU program 2019 – 2021 with the General Meeting 2022, for the PSU program 2020 – 2022 with the General Meeting 2023, and for the PSU program 2021 – 2023 with the General Meeting 2024. The share allocation will be made no later than six months after the respective vesting.

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

The targets to be achieved under the PSU programs are all Group targets. Through the PSU program 2020 – 2022, two sub-targets are to be achieved, each with a weighting of 50 %, namely the capital market and the consolidated earnings sub-target. From the PSU program 2021 – 2023 the average interest rate on external borrowings is added as a further sub-target to the existing sub-targets, with all three carrying an equal weight of 33 ⅓ %.

The capital market sub-target measures the share price three days after publication of the provisional annual results of the last financial year of the performance period (not counting the day of publication). As price target (capital market sub-target), an annual TSR (Total Shareholder Return, i.e. share price development plus any dividends or other benefits paid) of 11 percent p.a. over the performance period was set. The consolidated earnings sub-target measures the cumulative consolidated result after tax compared to the budget and business plan over the entire performance period. The average interest rate on external borrowings for the Group in the 2023 financial year is relevant with respect to the new sub-target included in the PSU program 2021 – 2023.

Under the 2021 – 2023 PSU program, 43 500 PSUs were allocated. The allocation was made on April 1, 2021. Under this program 1 500 entitlements were forfeited as of December 31, 2021.

In the previous year, under the 2020 – 2022 PSU program, 42 000 PSUs were allotted as of June 2, 2020, of which 500 entitlements expired at the end of the previous year, and a further 7 000 PSUs in the current financial year.

Under the 2018 – 2020 PSU program, 36 500 PSUs vested at the General Meeting on May 27, 2021. In June and September 2021, a total of 73 000 registered shares in Peach Property Group AG were allocated to the beneficiaries.

Further information on the PSU program can be found in note 13 to the consolidated financial statements.

3.5. Fringe benefits

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

3.6. Pension benefits

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

In the case of the members of the Board of Directors, who settle accounts in person, the Company pays the usual employer's contributions to the social security schemes. Director Peter Bodmer settles his Board of Directors' fee through a company, which is why his fee is not subject to social security contributions. Director Kurt Hardt, who is resident in Germany, does not have to pay any social security contributions in Switzerland. Director Klaus Schmitz does not receive a fee and therefore no social security contributions arise.

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

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

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

4 Remuneration in the 2021 financial year

4.1. Remuneration paid to the Board of Directors

The remuneration paid to the members of the Board of Directors for the year under review, including social security contributions and a valuation of the share component at the price upon allotment (closing price on February 7, 2022, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 942 thousand and breaks down as follows:

Name, position	2021 remuneration					2020 remuneration				
in CHF	Fee in cash	Fee in shares [2]	PSUs at fair value [3]	Social sec. [4]	**Total**	Fee in cash	Fee in shares	PSUs at fair value	Social sec. [4]	**Total**
Reto Garzetti, Chairman	100 000	93 584	139 860	24 053	**357 497**	100 000	98 982	80 370	20 324	**299 676**
Peter Bodmer, Member	50 000	46 821	93 240	0 [5]	**190 061**	50 000	49 491	53 580	0 [5]	**153 071**
Dr. Christian De Prati, Member	50 000	46 821	93 240	13 913	**203 974**	50 000	49 491	53 580	11 394	**164 465**
Kurt Hardt, Member	50 000	46 821	93 240	0 [6]	**190 061**	50 000	49 491	53 580	0 [6]	**153 071**
Klaus Schmitz, Member [1]	0	0	0	0	**0**	n.a.	0	0	0	0
					941 593					**770 283**

1 As of the Extraordinary General Meeting of October 12, 2020. Klaus Schmitz does not receive a fee.
2 Valuation at closing price on February 7, 2022, of CHF 58.60 per share, share component 50 %.
3 Valuation at allotment on April 1, 2021, of CHF 46.62 per PSU.
4 Contributions by the Company.
5 Settlement via a company / no social security contribution.
6 No social security contributions are incurred in Switzerland.

The total remuneration of the Board of Directors increased compared to the previous year due to an increase in the fair value of the PSUs. The increase in the fair value of PSUs is driven in part by the increase in the Peach share price. The fair value of the PSUs is determined by a specialized external office, using the Monte Carlo method, and increased from CHF 26.79 (previous year) to CHF 46.62 in the current financial year. The number of PSUs granted remained unchanged at 3 000 PSUs for the Chairman, and 2 000 PSUs for a Member of the Board of Directors.

One member of the Board of Directors received compensation at arm's length in the amount of CHF 222 thousand for services rendered in connection with the placement of the mandatory convertible bond PEA21.

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

4.2. Remuneration paid to members of the Executive Management.

The remuneration paid to the members of the Executive Management for the year under review, including fringe benefits (company cars), commissions, social security contributions, and a valuation of the share component of the bonus at the price upon allotment (closing price on February 7, 2022, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 3 397 thousand and is broken down as follows:

Name, position	**2021 remuneration**								
in CHF	Fixed remuneration in cash	Variable remuneration in cash	*of which commissions*	Variable remuneration in shares [2]	*of which commissions*	PSUs Fair value [3]	Fringe benefits [4]	Social sec. and occ. pension [5]	**Total**
Dr. Thomas Wolfensberger, CEO	400 000	275 000		257 371		349 650	13 183	156 636	**1 451 840**
Dr. Marcel Kucher, CFO und COO *(until May 31, 2021)*[1]	125 000	145 833		0		0	3 305	46 834	**320 972**
Thorsten Arsan, CFO *(from June 1, 2021)*[1]	160 417	64 167		60 065		213 270	3 359	72 638	**573 916**
Dr. Andreas Steinbauer, Head of Letting and Sales	180 000	391 401	*387 551*	198 888	*195 314*	139 860	8 513	131 557	**1 050 219**
									3 396 947

1 Fixed and variable remuneration pro rata temporis
2 Valuation at closing price of February 7, 2022 of CHF 58.60 per share, shareholding 50 % of the bonus for Dr. Thomas Wolfensberger and Thorsten Arsan, and 50 % of the bonus and 35 % of the commissions for Dr. Andreas Steinbauer.
3 Valuation at allotment on April 1, 2021 of CHF 46.62 per PSU. For Thorsten Arsan, CFO, another 1 000 PSUs from the 2020 - 2022 program is added, with a valuation of CHF 26.79 per PSU, as of June 2, 2020.
4 Company cars.
5 Contributions by the Company.

The highest individual remuneration in the current financial year, in the amount of CHF 1 452 thousand, was earned by Chief Executive Officer, Dr. Thomas Wolfensberger (previous year: Chief Executive Officer Dr. Thomas Wolfensberger, CHF 1 220 thousand).

In the previous year, the remuneration paid to the members of the Executive Management totalled CHF 2 957 thousand and is broken down as follows:

Name, position	2020 remuneration								
in CHF	Fixed remuneration in cash	Variable remuneration in cash	*of which commissions*	Variable remuneration in shares [1]	*of which commissions*	PSUs Fair value [2]	Fringe benefits [3]	Social sec. and occ. pension [4]	**Total**
Dr. Thomas Wolfensberger, CEO	400 000	235 000		232 607		200 925	10 733	140 710	**1 219 975**
Dr. Marcel Kucher, CFO und COO	300 000	135 000		133 625		160 740	8 024	116 836	**854 225**
Dr. Andreas Steinbauer, Head of Letting and Sales	180 000	320 898	*317 098*	172 768	*169 006*	80 370	9 165	119 511	**882 712**
									2 956 912

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

The total remuneration of the Executive Management increased compared with the previous year, partly due to a higher fair value of the PSUs of CHF 45.62 (previous year: CHF 26.79), and partly due to higher commissions for the Head of Letting and Sales, which is also reflects the sales and letting success.

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

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

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

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

A comparison of the remuneration paid in the reporting year with the one approved by the General Meeting it requires a pro rata calculation, for the Board of Directors, of the share of the year of office from January 1, 2021, through the 2020 Annual General Meeting, and from the 2021 Annual General Meeting through December 31, 2021. No such conversion is required for the remuneration paid to the Executive Management, as here the Annual General Meeting approves the remuneration per financial year.

in CHF	Remuneration paid in the 2021 financial year	Remuneration approved for the 2021 financial year
Remuneration of the Board of Directors	941 593	959 726
Remuneration of the Executive Management		
Non-performance-related remuneration (fixed pay)	1 157 311	1 400 000
Performance-related remuneration (variable pay)	2 239 636	2 600 000
Total remuneration of the Executive Management	**3 396 947**	**3 800 000**

All of the remuneration paid to the Board of Directors and the Executive Management in the 2021 financial year is below the approved maximum amounts (Board of Directors – 2 percent, fixed Executive Management remuneration – 17 percent, and variable Executive Management remuneration – 14 percent).

4.5. Remuneration paid to the Advisory Board

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

5 Shareholdings of the Board of Directors and Executive Management

5.1. Rights to option plans and other participation plans

As of December 31, 2021, the members of the Board of Directors and Executive Management were entitled to the following under option plans and other participation plans:

Name, position	Number of PSUs [1]
Reto Garzetti, Chairman of the Board of Directors	9 000
Peter Bodmer, Member of the Board of Directors	6 000
Dr. Christian De Prati, Member of the Board of Directors	6 000
Kurt Hardt, Member of the Board of Directors	6 000
Klaus Schmitz. Member of the Board of Directors	0
Dr. Thomas Wolfensberger, Chief Executive Officer	22 500
Thorsten Arsan, Chief Financial Officer	5 000
Dr. Andreas Steinbauer, Head of Letting and Sales	9 000
Total	**63 500**

1 After vesting of the 2018 – 2020 PSU program, PSUs under the 2019 – 2021, 2020 – 2022, and 2021 – 2023 PSU programs.

5.2. Share ownership

The members of the Board of Directors and the Executive Management directly and indirectly held the following number of shares in the Company as of December 31, 2021:

Name, position	Number of shares	As a % of all shares
Reto Garzetti, Chairman of the Board of Directors	143 415 [1]	0.85
Peter Bodmer, Member of the Board of Directors	28 607 [2]	0.17
Dr. Christian De Prati, Member of the Board of Directors	37 308	0.22
Kurt Hardt, Member of the Board of Directors	10 796	0.06
Klaus Schmitz, Member of the Board of Directors	0	0.00
Dr. Thomas Wolfensberger, Chief Executive Officer	733 321	4.34
Thorsten Arsan, Chief Financial Officer	0	0.00
Dr. Andreas Steinbauer, Head of Letting and Sales	9 768	0.06
Total	**963 215**	**5.70**

1 Shareholding of a closely linked person totalling 108 357 shares.
2 Shareholding of a closely linked person totalling 21 792 shares.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

We have audited the remuneration report of Peach Property Group AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) in paragraph 4 on pages 70 to 73 of the remuneration report.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the remuneration report of Peach Property Group AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Patrick Balkanyi	Philipp Gnädinger
Audit expert Auditor in charge	Audit expert

Zurich, 25 March 2022

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Consolidated financial statements of Peach Property Group AG 2021

In accordance with International Financial Reporting Standards (IFRS)

Consolidated financial statements

Notes to the consolidated financial statements

Consolidated statement of income

in CHF thousands	Note	2021	2020
Rental income	2	108 601	54 748
Valuation gains from investment properties	4	288 319	157 786
Profit on disposal of investment properties	4	441	387
Income from development properties		0	180
Other operating income		477	483
Operating income		**397 838**	**213 584**
Expenses from letting of investment properties	2	-28 784	-14 184
Valuation losses from investment properties	4	0	-1 594
Expenses from development properties		232	1 115
Expenses from development and construction management services		0	500
Personnel expenses	11	-18 089	-13 424
Sales and marketing expenses		-206	-310
Other operating expenses	15	-8 641	-6 248
Depreciation and amortization		-1 688	-876
Operating expenses		**-57 176**	**-35 021**
Operating result		**340 662**	**178 563**
Financial income	9	1 735	4 389
Financial expenses	9	-82 907	-29 598
Result before taxes		**259 490**	**153 354**
Income taxes	16	-58 292	-26 072
Result after taxes		**201 198**	**127 282**
– attributable to Peach Property Group AG equity holders		190 643	119 432
– attributable to non-controlling interests		10 555	7 850
Basic earnings per share in CHF		**12.50**	**15.26**
Diluted earnings per share in CHF		**12.38**	**14.30**

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

Consolidated statement of comprehensive income

in CHF thousands	Note	2021	2020
Result after taxes		**201 198**	**127 282**
Other comprehensive income:			
Items that may subsequently be reclassified to profit or loss			
Result from cash flow hedges	7	8 059	-3 589
Currency translation changes		-21 552	1 279
Tax effects	16	-1 286	574
Other comprehensive result that may subsequently be reclassified to profit or loss		**-14 779**	**-1 736**
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	12	669	-115
Tax effects	16	-91	24
Other comprehensive result that will not be reclassified to profit or loss		**578**	**-91**
Total comprehensive income		**186 997**	**125 455**
– attributable to Peach Property Group AG equity holders		178 490	117 829
– attributable to non-controlling interests		8 507	7 626

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

Consolidated statement of financial position

in CHF thousands	Note	Dec 31, 2021	Dec 31, 2020
Assets			
Current assets			
Cash and cash equivalents		37 199	67 656
Trade receivables	17	7 652	7 346
Other receivables	17	19 514	15 269
Current financial receivables	17	398	5 851
Development properties	5	44 149	38 969
Investment properties held for sale	4	3 265	1 743
Total current assets		**112 177**	**136 834**
Non-current assets			
Investment properties	4	2 657 222	2 063 302
Advance payments for investment properties		0	61
Equipment		3 749	2 842
Intangible assets		1 482	921
Non-current financial receivables	18	2 044	99
Investments in associates		1	1
Deferred tax assets	16	17 368	20 427
Total non-current assets		**2 681 866**	**2 087 653**
Total assets		**2 794 043**	**2 224 487**

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

Consolidated statement of financial position (continued)

in CHF thousands	Note	Dec 31, 2021	Dec 31, 2020
Liabilities and equity			
Current liabilities			
Trade payables		3 684	3 885
Other payables and advance payments	17	37 058	35 186
Current income tax liabilities		4 930	3 398
Current financial liabilities	7	90 558	177 354
Current provisions	20	1 372	2 159
Total current liabilities		**137 602**	**221 982**
Non-current liabilities			
Non-current financial liabilities	7	1 410 078	1 169 279
Non-current provisions	20	236	375
Employee benefit obligations	12	3 690	4 564
Deferred tax liabilities	16	122 010	73 425
Total non-current liabilities		**1 536 014**	**1 247 643**
Total liabilities		**1 673 616**	**1 469 625**
Equity			
Share capital	6	16 882	12 495
Treasury shares	6	-492	-219
Share premium	6	555 000	347 273
Hybrid capital	6	57 412	90 682
Other reserves		-4 440	-10 274
Currency translation changes		-30 830	-11 403
Retained earnings		483 295	295 660
Equity attributable to Peach Property Group AG equity holders		**1 076 827**	**724 214**
Equity attributable to non-controlling interests		43 600	30 648
Total equity		**1 120 427**	**754 862**
Total liabilities and equity		**2 794 043**	**2 224 487**

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

Consolidated statement of cash flows

in CHF thousands	Note	2021	2020
Result before taxes		**259 490**	**153 354**
Adjustment for non-cash expenses/income:			
– Depreciation and amortization		1 688	876
– Valuation result from investment properties	4	-288 319	-156 192
– Result on disposal of investment properties	4	-441	-387
– Change in bad debt allowance	17	2 231	778
– Valuation result from lease liabilities	22	1 137	-188
– Financial income (without valuation result from lease liabilities)	9	-1 713	-4 201
– Financial expenses (without change in bad debt allowance and valuation result from lease liabilities)	9	80 783	29 598
– Share-based compensation	11	1 532	1 601
– Changes in provisions	20	-871	-2 462
– Other non-cash charges		336	1 439
Changes in working capital:			
– Trade receivables	17	-2 592	-666
– Other receivables	17	-5 890	-3 584
– Development properties	5	-5 092	-5 140
– Trade payables		361	-1 230
– Other liabilities and advance payments	17	-3 027	5 227
Interest and other financial expenses paid		-45 128	-22 655
Taxes paid and reimbursed		-1 099	1 645
Cash used in operating activities		**-6 614**	**-2 187**

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

Consolidated statement of cash flows (continued)

in CHF thousands	Note	2021	2020
Payments for real estate companies	4	-145 579	-507 124
Payments for equipment		-1 725	-1 373
Payments for intangible assets		-1 163	-510
Investments in investment properties	4	-42 453	-208 177
Advance payments for investment properties		0	-60
Proceeds from disposal of investment properties	4	7 660	7 591
Financial receivables advanced	17	-73	0
Repayment of financial receivables	17	5 487	5 615
Interest income received		313	303
Cash used in investment activities		**-177 533**	**-703 735**
Proceeds from current financial liabilities	7	1 198	145 044
Repayment of current financial liabilities	7	-182 877	-14 163
Proceeds from non-current financial liabilities	7	162 313	371 099
Lease payments – amortization share	22	-413	-499
Proceeds from issuance of hybrid capital	6	180 000	228 015
Acquisition of treasury shares	6	-1 607	0
Sale of treasury shares	6	-486	-190
Capital increase	6	1 100	119
Distributions to hybrid equity investors	6	-1 065	-1 922
Dividends paid		-3 808	0
Cash flow from financing activities		**154 355**	**727 503**
Change in cash and cash equivalents		**-29 792**	**21 581**
Cash and cash equivalents as of January 1		67 656	46 248
Currency exchange impact on cash and cash equivalents		-665	-173
Cash and cash equivalents as of December 31		**37 199**	**67 656**

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

Consolidated statement of changes in shareholders' equity

in CHF thousands	Note	Share capital	Treasury shares	Share premium
January 1, 2021		**12 495**	**-219**	**347 273**
Total comprehensive income				
Result after taxes		0	0	0
Total comprehensive result		0	0	0
Total comprehensive income		**0**	**0**	**0**
Transactions with owners in their capacity as owners				
Changes in the scope of consolidation	19	0	0	0
Transactions with non-controlling interests	19	0	0	0
Mandatory convertible bond II – conversions	6	790	0	32 798
Mandatory convertible bond III – addition	6	0	0	0
Mandatory convertible bond III – conversions	6	3 273	0	176 726
Mandatory convertible bonds –interest	6	0	0	0
Hybrid warrant bond – exercise of options	6	189	0	4 540
Hybrid warrant bond – reclass of expired options	6	0	0	0
Hybrid warrant bond – distribution	6	0	0	0
Hybrid warrant bond – sale	6	0	0	0
Hybrid convertible bond – repayment	6	0	0	0
Hybrid convertible bond – distribution	6	0	0	0
Bond issuance costs	6	0	0	-7 685
Share-based compensation – increase of reserve	13	0	0	0
Share-based compensation – exercise of options	6	22	213	1 041
Share-based compensation – exercise of SBP 2014 & 2018	13	113	0	2 211
Dividends paid		0	0	-1 904
Acquisition of treasury shares		0	-486	0
Total transactions with owners in their capacity as owners		**4 387**	**-273**	**207 727**
December 31, 2021		**16 882**	**-492**	**555 000**

* Peach Property Group AG. equity holders

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

Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders*	Non-controlling interests	Total equity
90 682	**-10 274**	**-11 403**	**295 660**	**724 214**	**30 648**	**754 862**
0	0	0	190 643	190 643	10 555	201 198
0	7 274	-19 427	0	-12 153	-2 048	-14 201
0	**7 274**	**-19 427**	**190 643**	**178 490**	**8 507**	**186 997**
0	0	0	0	0	8 036	8 036
0	0	0	0	0	-3 591	-3 591
-33 590	0	0	0	-2	0	-2
180 000	0	0	0	180 000	0	180 000
-180 000	0	0	0	-2	0	-2
-545	0	0	0	-545	0	-545
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
7	0	0	0	7	0	7
-1 607	0	0	0	-1 607	0	-1 607
0	0	0	-40	-40	0	-40
1 275	0	0	-39	-6 449	0	-6 449
0	1 631	0	0	1 631	0	1 631
0	0	0	0	1 277	0	1 277
0	-1 881	0	0	443	0	443
0	0	0	-1 904	-3 808	0	-3 808
0	0	0	0	-486	0	-486
-33 270	**-1 440**	**0**	**-3 008**	**174 123**	**4 445**	**178 568**
57 412	**-4 440**	**-30 830**	**483 295**	**1 076 827**	**43 600**	**1 120 427**

Consolidated statement of changes in shareholders' equity (continued)

in CHF thousands	Note	Share capital	Treasury shares	Share premium
January 1, 2020		**6 601**	**-29**	**120 217**
Total comprehensive income				
Result after taxes		0	0	0
Total comprehensive result		0	0	0
Total comprehensive income		**0**	**0**	**0**
Transactions with owners in their capacity as owners				
Changes in the scope of consolidation	19	0	0	0
Purchase of non-controlling interests	19	0	0	0
Transactions with non-controlling interests	19	0	0	0
Mandatory convertible bond I - conversions	6	164	0	5 255
Mandatory convertible bond II – addition	6	0	0	0
Mandatory convertible bond II - conversions	6	4 621	0	191 789
Mandatory convertible bond II – accrued interest	6	0	0	0
Hybrid warrant bond – exercise of warrants	6	17	0	396
Hybrid warrant bond – distribution	6	0	0	0
Hybrid convertible bond – conversions	6	993	0	28 296
Hybrid convertible bond – distribution	6	0	0	0
Bonds – buy-back / redemption		0	0	0
Bonds – issue costs	6	0	0	-1 057
Share-based compensation – increase of reserve	13	0	0	0
Share-based compensation – exercise of options	6	28	0	1 045
Share-based compensation – exercise of Plan 2017	13	71	0	1 332
Acquisition of treasury shares	6	0	-190	0
Total transactions with owners in their capacity as owners		**5 894**	**-190**	**227 056**
December 31, 2020		**12 495**	**-219**	**347 273**

* Peach Property Group AG equity holders

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

Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders*	Non-controlling interests	Total equity
91 696	**-7 248**	**-12 858**	**179 398**	**377 777**	**11 787**	**389 564**
0	0	0	119 432	119 432	7 850	127 282
0	-3 058	1 455	0	-1 603	-176	-1 827
0	**-3 058**	**1 455**	**119 432**	**117 829**	**7 626**	**125 455**
0	0	0	0	0	31 760	31 760
0	0	0	-538	-538	298	-240
0	0	0	0	0	-20 823	-20 823
-5 419	0	0	0	0	0	0
230 000	0	0	0	230 000	0	230 000
-196 410	0	0	0	0	0	0
545	0	0	0	545	0	545
96	-96	0	0	413	0	413
0	0	0	-1 025	-1 025	0	-1 025
-29 292	0	0	3	0	0	0
0	0	0	-897	-897	0	-897
-7	0	0	0	-7	0	-7
-527	0	0	-713	-2 297	0	-2 297
0	1 531	0	0	1 531	0	1 531
0	0	0	0	1 073	0	1 073
0	-1 403	0	0	0	0	0
0	0	0	0	-190	0	-190
-1 014	**32**	**0**	**-3 170**	**228 608**	**11 235**	**239 843**
90 682	**-10 274**	**-11 403**	**295 660**	**724 214**	**30 648**	**754 862**

Notes to the consolidated 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 letting or sale of our properties. In addition, we develop selected properties in Switzerland to be sold as condominiums of which our Peninsula Project is our final development project.

We are listed on the SIX Swiss Exchange since November 12, 2010 (PEAN, ISIN CH0118530366) and have our registered office in Zurich, Switzerland. Our German group company, Peach Property Management GmbH & Co. KG, and our German property holding companies have their registered offices in Cologne, Germany. The majority of our employees, totaling 194 at the end of the year, are based in Cologne, 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.

Accounting principles and estimates relevant to the reader of the financial statements are summarized at the start of each section. Accounting principles applied are shown in blue, and central assumptions and estimates in green.

The various sections of the report provide the following information:

› Performance provides disclosures of performance per share, income, and segment reporting information.
› Real estate portfolio provides information in connection with changes in investment and development properties.
› Capital structure and risk management comprise disclosure of equity, financing, and risk management information.
› Platform costs comprise Personnel expenses, Other operating expenses, and Taxes.
› Further relevant information is provided within Other disclosures.

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

B.1. Basis of preparation

- We prepared the consolidated financial statements for the Group in accordance with the International Financial Reporting Standards (IFRS) and Interpretations (IFRIC), as issued by the International Accounting Standards Board (IASB). They comply with Swiss law.
- The Board of Directors approved the consolidated financial statements on March 25, 2022, with the release for publication following on March 29, 2022. The report is subject to approval by the Annual General Meeting which takes place on May 20, 2022..
- The consolidation is based on the separate individual financial statements of our Group companies prepared in accordance with uniformed accounting policies. The reporting date for all Group companies is December 31.
- The consolidated financial statements were prepared under the historical cost convention, and under the assumption that the company's ability to continue as a going concern is not impaired. Departures from this principle include investment properties and derivative financial instruments, which are measured at market value.
- Key estimates and assumptions used in the valuation of assets and liabilities are disclosed in the following notes:

	Note
Investment properties and revaluation result	4
Development properties	5
Employee benefit obligations	12
Taxes	16
Provisions	20

B.2. Impact of the COVID-19 pandemic

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

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

We 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 year 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, and amendments to standards and interpretations were published, but are not yet effective. These standards were not early adopted by Peach. We do not expect any material effect on the consolidated financial statements of the Group upon adoption:

Standards/interpretations	Impact	Entry into force	Planned application
Amendments to IFRS 3 - "Reference to the Conceptual Framework"	No significant effects are expected.	Jan 01, 2022	Financial year 2022
Amendments to IAS 16– "Proceeds before intended use"	No significant effects are expected.	Jan 01, 2022	Financial year 2022
Amendments to IAS 37– "Onerous Contracts - Cost of fulfilling a contract"	No significant effects are expected.	Jan 01, 2022	Financial year 2022
Annual Improvements to IFRS Standards 2018-2020	No significant effects are expected.	Jan 01, 2022	Financial year 2022
Amendments to IAS 1 – "Classification of liabilities as current or non-current"	No significant effects are expected.	Jan 01, 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 01, 2023	Financial year 2023

B.4. Foreign currency translation

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

The following exchange rates were applied in currency translations:

EUR/CHF	Dec 31, 2021	Dec 31, 2020
Closing rate	1.0363	1.0857
Average rate	1.0816	1.0705

Performance

1 Performance per share

How we calculate the figures:

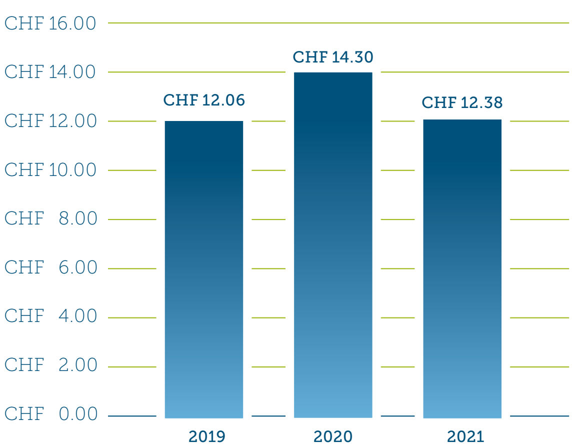
The result for the year attributable to Peach Property Group AG equity holders was adjusted for the effects of the hybrid convertible bond and hybrid warrant bond.

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

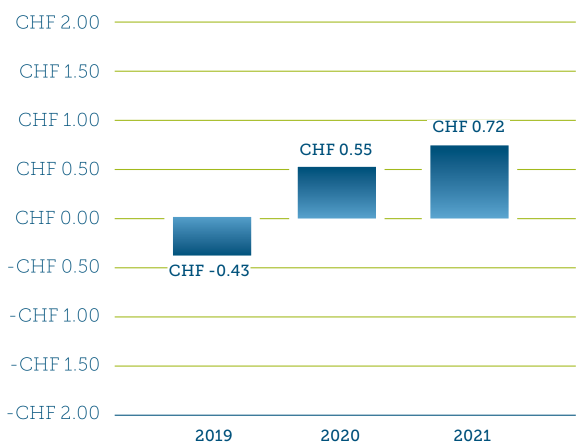
We calculate operating results I and II (Funds from Operation – FFO I and II) based on operating cash flows and results including interest on hybrid capital.

Other financial expenses paid are not considered in calculating FFO, as these are mostly one-off expenses incurred in connection with financing activities, and do not follow a consistent trend. Interest paid in connection with hybrid equity capital is however included. FFO II furthermore includes the realized results from the sale of investment properties.

Diluted earnings
per share



Diluted FFO I
per share



1.1. Earnings per share

in CHF thousands	2021	2020
Result attributable to the Peach Property Group AG equity holders	190 643	119 432
Payment of hybrid convertible bond coupon	-1 025	-720
Payment of hybrid warrant bond coupon	-40	-823
Adjusted net profit or loss for the year attributable to Peach Property Group AG equity holders	**189 578**	**117 889**
Adjustments for diluted earnings		
Accumulated unrecognized hybrid capital coupon (convertible bond)	0	720
Adjusted net profit or loss for the year attributable to Peach Property Group AG equity holders, including expected conversions	**189 578**	**118 609**
Average number of outstanding shares	**15 166 562**	**7 725 498**
Adjustment based on options issued	149 585	208 811
Adjustment based on convertible bond issued	0	288 164
Adjustment based on hybrid warrant bond issued	0	71 108
Diluted average number of outstanding shares	**15 316 147**	**8 293 581**
Basic earnings per share in CHF	**12.50**	**15.26**
Diluted earnings per share in CHF	**12.38**	**14.30**

1.2. Funds from operations (FFO) per share

in CHF thousands	2021	2020
Operating result	340 662	178 563
Depreciation and amortization	1 688	876
EBITDA	**342 350**	**179 439**
Valuation result from investment properties	-288 319	-156 192
Disposal of investment properties	-441	-387
Share-based compensation	1 532	1 601
Other non-cash accrued expenses positions	1 134	1 281
Adjusted EBITDA	**56 256**	**25 742**
Interest paid	-41 936	-20 426
Interest paid on hybrid capital	-1 065	-1 922
Lease payments	-1 411	-762
Interest income received	313	303
Taxes paid and reimbursed	-1 099	1 645
Operating result I (FFO I)	**11 058**	**4 580**
Result on disposals of investment properties	441	387
Operating result II (FFO II)	**11 499**	**4 967**
Basic FFO I per share in CHF	**0.73**	**0.59**
Diluted FFO I per share in CHF	**0.72**	**0.55**
Basic FFO II per share in CHF	**0.76**	**0.64**
Diluted FFO II per share in CHF	**0.75**	**0.60**

› Taxes reimbursed in the previous year relate to a reimbursement of state and municipal taxes to Gretag AG in the amount of CHF 2 878 thousand, for the year 2016.

2 Result from letting of investment properties

How we calculate the figures:

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

We recognize collection losses from the letting of investment properties as a deduction from rental income. Rental payments are to be received in advance. Trade receivables exist generally due to rental payments not collected in advance and are predominantly considered to be non-recoverable at the time of recognition of a trade receivable position.

How we calculate the key figures:

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

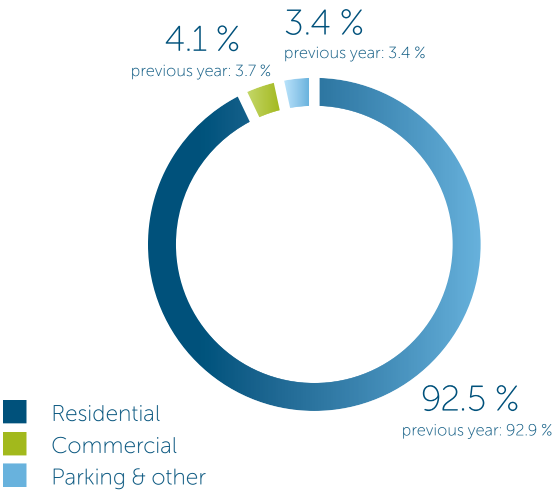
The net return corresponds to the target rental income from letting less administrative and maintenance costs in relation to the average value of the portfolio.

The average rental potential represents lost income due to vacancies at market value in relation to the target rental income from the letting of investment properties.

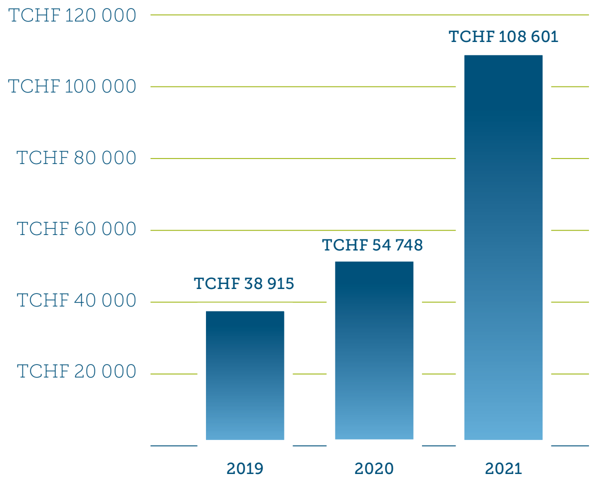
The vacancy rate represents the number of vacant residential units at the end of the reporting year in relation to the total residential units.

in CHF thousands	2021	2020
Target rental income from letting of investment properties	127 146	63 911
Lost income due to vacancies	-14 491	-7 412
Lost income due to collection risks	-4 054	-1 751
Total rental income	**108 601**	**54 748**
Expense from letting of investment properties	-23 551	-11 761
– of which ongoing maintenance expenses	*-12 926*	*-7 467*
– of which ongoing administrative expenses	*-10 625*	*-4 294*
Expenses from unoccupied investment properties (vacancies)	-5 233	-2 423
Total expenses from letting of investment properties	**-28 784**	**-14 184**
Gross return	4.8 %	5.0 %
Net return	3.0 %	3.1 %
Average rental potential	11.4 %	11.6 %
Vacancy rate based on units as of December 31	8.0 %	7.9 %

Rental income by use category



Rental income



- The increase in rental income compared to the previous year is mainly due to the acquisition of around 10 800 and 4 300 residential units at the end of 2020, and June 2021, respectively. We achieved further growth in earnings by raising rents charged and reducing vacancies in the existing portfolios: "Like-for-Like" rental income (excluding lost income due to collection risks) increased by 3.8 % (previous year: 4.7 %).
- Approximately 96 % of our rental units are residential units, or parking spaces (previous year: 96 %) with no variable lease components in the rental agreements. Commercial leases partially include index adjustments as the only variable lease component.
- Lost income due to collection risks is at 3.6 % during the reporting year (previous year: 3.1 %). The increase is mainly due to the newly acquired portfolios at the end of 2020 and per June 2021, where lost income due to collection risks is 4.6 %. In the recurring portfolio, lost income due to collection risks is at 2.9 %.
- Direct administrative expenses in relation to net rental income before collection losses (target rental income less lost income due to vacancies) increased from 7.6 % to 9.6 %. The increase is mainly due to third party administration cost incurred with respect to the portfolio acquired in June 2021, as well as higher costs in connection with integration, and the 2020 ancillary cost settlements for the portfolios acquired at the end of 2020.
- Maintenance expenses decreased from 13.2 % in the previous year to 11.5 % in the reporting year.
- Overall, total direct expenses before collection losses increased to 25.6 % compared to 25.1 % in the previous year.

Target rental income from fixed-term rental agreements

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Up to 1 year	4 644	3 267
1 - 5 years	6 823	4 116
More than 5 years	2 071	1 675
Total	**13 538**	**9 058**

- We generate most of our rental income through the letting of residential units. The contracts are open-ended, and can be terminated at short notice, usually within 3 months.
- The increase in future rental income from fixed-term rental agreements is mainly due to rental space located on the ground floor of buildings in the portfolios acquired at end of December 2020 and June 2021, where we have commercial rental agreements in place.
- We have only one significant commercial rental agreement for the “Bakery” property in Wädenswil which represents approximately 8.5 % (previous year: 20 %) of the target rental income from fixed-term rental agreements.

3 Segments

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

As in the previous year, there were no individual customers that made a significant contribution to total rental income

Geographical breakdown of income

in CHF thousands				2021				2020
	Income from investment properties	Income from development properties	Other income	Total	Income from investment properties	Income from development properties	Other income	Total
Germany	394 910	0	51	**394 961**	211 671	0	0	**211 671**
Switzerland	2 451	0	426	**2 877**	1 250	180	483	**1 913**
Total	**397 361**	**0**	**477**	**397 838**	**212 921**	**180**	**483**	**213 584**

Geographical breakdown of non-current assets

in CHF thousands				Dec 31, 2021				Dec 31, 2020
	Investment properties	Equipment and intangible assets	Investments in associates	Total	Investment properties [1]	Equipment and intangible assets	Investments in associates	Total
Germany	2 631 867	3 674	0	**2 635 541**	2 039 859	2 429	0	**2 042 288**
Switzerland	25 355	1 557	1	**26 913**	23 504	1 334	1	**24 839**
Total	**2 657 222**	**5 231**	**1**	**2 662 454**	**2 063 363**	**3 763**	**1**	**2 067 127**

1 Including advance payments for investment properties.

Real estate portfolio

4 Investment properties and revaluation result

How we calculate the figures:

Our investment properties are residential and commercial properties that we either construct ourselves, or acquire, and are held to earn long-term rental income and achieve capital appreciation. We do not occupy our investment properties. Investment properties also include properties that we develop or convert with the goal of letting in the future.

Investment properties are initially measured at cost, including directly attributable transaction costs. Subsequent measurement is at market value; value adjustments are recognized in the consolidated statement of income.

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

Valuation results from newly acquired properties are reported as initial valuation results in the year of acquisition. Valuation results from our existing portfolio are reported as the result of operational progress, and discount rate changes.

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

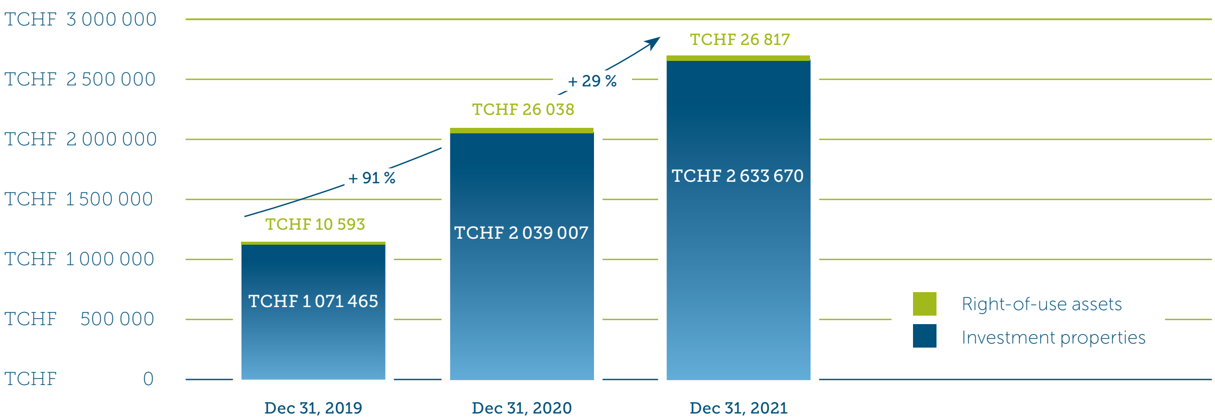
Key assumptions and estimates:

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

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

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

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



in CHF thousands	Investment properties	Right-of-use assets	Total 2021	Investment properties	Right-of-use assets	Total 2020
Market value as of January 1	**2 039 007**	**26 038**	**2 065 045**	**1 071 465**	**10 593**	**1 082 058**
Additions through acquisition of real estate companies	391 092	0	391 092	594 449	11 757	606 206
Additions through acquisitions	1 183	0	1 183	188 496	3 800	192 296
Transfer from advance payments for investment properties	0	0	0	1 950	0	1 950
Transfer to receivables for maintenance reserves	0	0	0	-202	0	-202
Additions from investments eligible for capitalization	44 953	0	44 953	24 100	0	24 100
Disposals	-7 218	0	-7 218	-11 637	0	-11 637
Valuation gains	286 272	2 047	288 319	157 786	0	157 786
Valuation losses	0	0	0	-1 263	-331	-1 594
Currency translation changes	-121 619	-1 268	-122 887	13 863	219	14 082
Market value as of December 31	**2 633 670**	**26 817**	**2 660 487**	**2 039 007**	**26 038**	**2 065 045**
of which investment properties held for sale	3 265	0	3 265	1 743	0	1 743

4.2. Changes in portfolio in 2021

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 19.

Investments eligible for capitalization:

- Repair and modernization amounting to CHF 44 953 thousand, of which CHF 4 815 thousand in relation to the renovation project Neukirchen-Vluyn, and CHF 16 355 thousand in relation to the new portfolios acquired at the end of 2020 and June 2021.

Disposals:

- Disposal of 49 units in Heidenheim, profit on disposal of CHF 131 thousand.
- Disposal of 2 buildings in Oberhausen, profit on disposal of CHF 17 thousand.
- Disposal of vacant land in Bielefeld, profit on disposal of CHF 293 thousand.

4.3. Changes in portfolio in 2020

Acquisitions:

- February 1, 2020, and April 1, 2020: 528 residential units mainly in Essen and Dortmund. Target rental income of around CHF 2 733 thousand per year.
- December 31, 2020: 5 449 residential units predominantly in Recklinghausen, Bochum, Essen and Gelsenkirchen, as well as in Kaiserslautern and Neubrandenburg through the purchase of 89.9 % of the shares in the holding companies (see Note 19). Target rental income of around CHF 25 298 thousand per year
- December 31, 2020: 4 838 apartments in Lower Saxony, North Rhine Westphalia as well as Rhineland-Palatinate. Acquisition of 2 933 of these units through the purchase of 89.9 % of the shares in the holding companies (see Note 19). Target rental income of around CHF 22 920 thousand per year.

Investments eligible for capitalization:

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

Disposals:

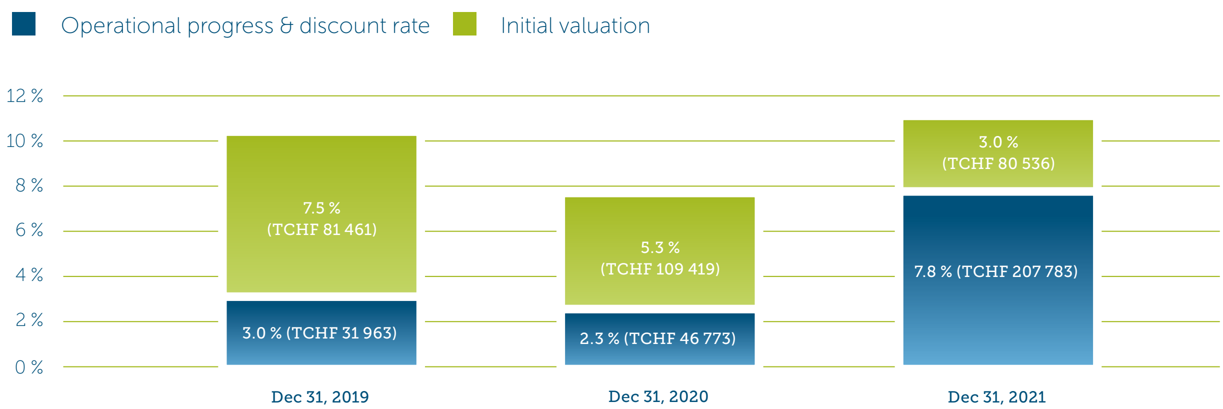
- April 30, 2020: Disposal of the "RS 173" property in Dortmund.
- January through December 2020: Disposal of 34 units in Heidenheim and 8 units in Kaiserslautern.
- Total profit on disposal of CHF 387 thousand.

4.4. Non-current assets held for sale

- Sale agreements or reservation agreements for 2 buildings from the portfolio "Heidenheim I", 1 building from the portfolio "Fassberg", and 10 rental units from the portfolio "Kaiserslautern VII". We expect the handover or sale of units to take place in the first quarter of 2022.
- As of December 31, 2020, 12 rental units from the portfolio "Heidenheim II" were classified as held for sale and subsequently sold in 2021.

4.5. Revaluation

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



- All newly acquired properties were from off-market situations with favorable terms and conditions, which resulted in a large portion of the revaluation gains being from initial valuation.

4.6. Sensitivity analysis

Key assumptions and estimates:

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

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

					Unobservable input factors 2021 [1]			Unobservable input factors 2020 [1]		
	Market value Dec 31, 2021 in CHF thousands	Av. discount rate Dec 31, 2021	Market value Dec 31 2020 in CHF thousands	Av. discount rate Dec 31, 2020	Discount rate in %	Rent CHF per m²/ mth	Vacancy in %	Discount rate in %	Rent CHF per m²/ mth	Vacancy in %
North Rhine-Westphalia	1 774 023	3.67 %	1 267 929	3.88 %	2.2 - 5.1	5.5 - 10.1	0.0 - 9.8	2.4 - 5.5	5.4 - 10.0	0.0 - 10.6
Rhineland-Palatinate	366 514	3.50 %	345 242	3.65 %	3.2 - 3.8	6.0 - 9.2	1.6 - 6.8	3.2 - 4.4	5.4 - 9.5	1.6 - 7.2
Lower Saxony	241 964	4.21 %	212 464	4.49 %	3.3 - 4.8	5.7 - 7.0	1.8 - 10.7	3.5 - 4.9	5.7 - 6.8	1.8 - 15.0
Baden-Wuerttem-berg	121 174	3.44 %	117 367	3.59 %	2.6 - 4.6	7.0 - 9.0	0.0 - 6.0	2.6 - 4.8	6.2 - 9.0	0.0 - 6.0
Hesse	59 551	4.02 %	51 618	4.33 %	3.9 - 4.3	5.2 - 6.2	4.0 - 5.9	4.1 - 4.7	5.2 - 6.2	4.0 - 6.0
Other locations	97 261	3.74 %	70 425	3.91 %	2.4 - 4.2	6.0 - 24.8	3.1 - 7.1	2.6 - 4.4	6.2 - 24.7	3.1 - 7.1
	2 660 487	**3.70 %**	**2 065 045**	**3.90 %**						

1 Disclosure in connection with unobservable input factors in the previous year was adjusted for immaterial outliers.

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

in CHF thousands — Dec 31, 2021

			Rent						
			7.5 %	5.0 %	2.5 %	0.0 %	-2.5 %	-5.0 %	-7.5 %
Discount rate	-0.40 %	3.30 %	3 206 693	3 132 119	3 057 545	2 982 970	2 908 396	2 833 822	2 759 248
	-0.20 %	3.50 %	3 023 453	2 953 141	2 882 828	2 812 515	2 742 202	2 671 889	2 601 576
	0.00 %	3.70 %	2 860 024	2 793 511	2 726 999	2 660 487	2 593 975	2 527 463	2 460 950
	0.20 %	3.90 %	2 713 356	2 650 254	2 587 153	2 524 052	2 460 950	2 397 849	2 334 748
	0.40 %	4.10 %	2 580 997	2 520 974	2 460 950	2 400 927	2 340 904	2 280 881	2 220 858

in CHF thousands — Dec 31, 2020

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

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

5 Development properties

How we calculate the figures:

Development properties include building conversions and the construction of new buildings where we develop property for residential and commercial use. The majority of the properties are sold as condominiums.

Development properties are accounted for as inventory, at cost.

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

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

Key assumptions and estimates:

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

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

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

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Projects in the building preparation phase	44 149	38 969
Total development properties	**44 149**	**38 969**

5.1. Portfolio

- The only project in the building preparation phase in the reporting and previous year, is the "Peninsula" project in Wädenswil. After our building permit became legally effective in 2020, we started preparatory work for future use notably with the development.
- We commenced with pre-construction sale of units during the year. By the end of the year, reservation agreements were concluded for around 30 % of the units.
- Construction will commence during the first half of 2022.

5.2. Capitalized interest expenses

- Cumulated interest and financing costs of CHF 3 729 thousand (previous year: CHF 3 642 thousand) are capitalized in development properties.
- The average interest rate for interest capitalized in 2021 was 0.7 % (previous year: 0.7 %).

Capital structure and risk management

6 Equity

6.1. Share capital and treasury shares

How we calculate the figures:

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

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

	Number of shares issued	Share capital in CHF thousands	Outstanding shares
January 1, 2020	**6 601 474**	**6 601**	**6 600 488**
Capital increase through conversions of hybrid convertible bond	992 857	993	992 857
Capital increase through conversion of mandatory convertible bond I	164 013	164	164 013
Capital increase through conversions of mandatory convertible bond II	4 621 401	4 621	4 621 401
Options exercised from hybrid warrant bond	16 504	17	16 504
Issue of shares from conditional capital for options exercised from option programs	71 000	71	71 000
Issue of shares from conditional capital for bonus entitlements	21 092	21	21 092
Issue of shares from conditional capital for entitlements related to Board of Directors' fees	6 410	7	6 410
Purchase of treasury shares			-4 696
December 31, 2020	**12 494 751**	**12 495**	**12 489 069**
Capital increase through conversion of mandatory convertible bond II	790 317	790	790 317
Capital increase through conversions of mandatory convertible bond III	3 272 695	3 273	3 272 695
Options exercised from hybrid warrant bond	189 176	189	189 176
Issue of shares from conditional capital for options exercised from option programs	113 000	113	113 000
Issue of shares from conditional capital for bonus entitlements	22 434	22	22 434
Purchase of treasury shares	0	0	-7 586
Issue of treasury shares for entitlements related to Board of Directors' fees and bonus	0	0	5 527
December 31, 2021	**16 882 373**	**16 882**	**16 874 632**

6.2. Authorized and conditional capital

	2021 Number of shares	2021 Share capital in CHF thousands	2020 Number of shares	2020 Share capital in CHF thousands
Authorized capital as of January 1	**0**	**0**	**0**	**0**
Formation by the extraordinary General Meeting	0	0	3 300 000	3 300
Conversions of mandatory convertible bond II	0	0	-3 300 000	-3 300
Authorized capital as of December 31	**0**	**0**	**0**	**0**

	2021 Number of shares	2021 Share capital in CHF thousands	2020 Number of shares	2020 Share capital in CHF thousands
Conditional capital as of January 1	**721 298**	**721**	**1 626 153**	**1 626**
Increase by the Annual General Meeting	5 613 734	5 614	1 688 422	1 688
Conversions of hybrid convertible bond	0	0	-992 857	-993
Conversion of mandatory convertible bond I	0	0	-164 013	-164
Conversions of mandatory convertible bond II	-790 317	-790	-1 321 401	-1 321
Conversions of mandatory convertible bond III	-3 272 695	-3 273	0	0
Options exercised from hybrid warrant bond	-189 176	-189	-16 504	-17
Capital increase through the exercise of options from option programs	-113 000	-113	-71 000	-71
Settlement of bonus entitlements and Board of Directors' fees	-22 434	-22	-27 502	-27
Conditional capital as of December 31	**1 947 410**	**1 948**	**721 298**	**721**

6.3. Hybrid capital

How we calculate the figures:

Hybrid capital comprises financing instruments with no repayment obligation. The obligation to pay interest arises for hybrid bonds only if dividends are distributed to shareholders for the corresponding period. Interest payments are reported in equity as "distributions" to hybrid equity investors.

Transaction costs are accounted for as a deduction for hybrid bonds. In the event of repayment or conversion, we reclassify the (pro rata) costs to retained earnings.

Option rights are reported under "other reserves." When the options are exercised, they are reclassified on a pro-rata basis to hybrid capital.

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

in CHF thousands	Mandatory convertible bond III	Mandatory convertible bond II	Mandatory convertible bond I	Hybrid warrant bond	Hybrid convertible bond	**Total hybrid capital**
Hybrid capital as of January 1, 2020	**0**	**0**	**5 399**	**56 126**	**30 171**	**91 696**
Cash-effective increase	0	230 000	0	-7	0	229 993
Conversions	0	0	-5 399	0	-29 292	-34 691
Exercise of options – option right reclassifications	0	-196 410	0	96	0	-196 314
Transaction costs	0	-1 236	0	0	0	-1 236
Accrued interest	0	545	0	0	0	545
Reclassifications to retained earnings	0	0	0	0	690	690
Hybrid capital as of December 31, 2020	**0**	**32 899**	**0**	**56 215**	**1 569**	**90 682**
Cash-effective increase	180 000	0	0	7	0	180 007
Conversions	-180 000	-33 590	0	0	0	-213 590
Exercise of options – option right reclassifications	0	0	0	1 190	0	1 190
Repayments	0	0	0	0	-1 607	-1 607
Transaction costs	-4 212	-8	0	0	0	-4 220
Accrued interest	0	-545	0	0	0	-545
Reclassifications to retained earnings	4 212	1 244	0	0	38	5 494
Hybrid capital as of December 31, 2021	**0**	**0**	**0**	**57 412**	**0**	**57 412**

6.3.1. Mandatory convertible bond III

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

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 24, 2021; or December 23, 2021 (mandatory conversion)
ISIN:	CH1119120751

- Bonds were fully converted in the reporting year.
- We have capitalized transaction costs in the amount of CHF 4 212 thousand within capital reserves.
- We charged accumulated interest of CHF 1 061 thousand to the consolidated statement of income.

6.3.2. Mandatory convertible bond II

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

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

- Bonds were fully converted in the reporting year.
- We have reclassed transaction costs in relation to converted bonds in the amount of CHF 1 244 thousand (previous year: CHF 741 thousand) to capital reserves.
- We charged accumulated interest of CHF 546 (previous year: CHF 545 thousand) to the consolidated statement of income

6.3.3. Mandatory convertible bond I

The subordinated mandatory convertible bond issued on October 14, 2019, and matured April 14, 2020, was fully converted at conversion price CHF 33.04. We charged interest of CHF 68 thousand to the previous year consolidated statement of income.

6.3.4. Hybrid warrant bond

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

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

- We made an interest payment of CHF 1 025 thousand in June 2021 (previous year: voluntary interest payment of CHF 1 025 thousand).
- Accumulated and unrecognized coupon component amounted to CHF 535 thousand per December 31, 2021 (previous year: CHF 535 thousand).
- 189 176 options were exercised in the financial year (previous year: 16 504 options).
- The option exercise period lapsed in the reporting year with 14 372 option rights not exercised.
- We have transferred option rights of CHF 85 thousand from Other reserves to Hybrid Capital.

6.3.5. Hybrid convertible bond

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

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

- We repaid the non-converted bonds of CHF 1 607 thousand early in July 2021.
- We made an interest payment of CHF 40 thousand (previous year: voluntary interest payment of CHF 896 thousand).

6.4. Capital risk management

Due to the defensive nature of our real estate portfolio (share of residential property of > 90 %), and our strong recent growth, we are aiming for an equity ratio of > 35 % in order to achieve an optimal balance between growth and security. We monitor this indicator closely, as the lower limit is also partly included as a condition in unsecured credit agreements.

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Based on IFRS values		
Total equity	1 120 427	754 862
Total assets	2 794 043	2 224 487
Equity ratio IFRS	**40.10 %**	**33.93 %**
Target value according to Audit & Risk Committee investment guideline	>35 %	30 % - 40 %

7 Mortgages, financial liabilities & derivative financial instruments

How we calculate the figures:

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

Derivatives are measured at fair value through the consolidated statement of income.

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

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

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

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

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

in CHF thousands			Dec 31, 2021			Dec 31, 2020
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Amounts due to banks	0	0	0	146 201	0	146 201
Mortgages and building loans	17 845	780 215	798 060	20 466	446 197	466 663
Bonds	0	563 041	563 041	0	586 276	586 276
Syndicated loan and other property financing	70 946	0	70 946	9 000	64 492	73 492
Derivative financial instruments	0	7 142	7 142	0	14 828	14 828
Total property financing liabilities	**88 791**	**1 350 398**	**1 439 189**	**175 667**	**1 111 793**	**1 287 460**
Lease liabilities	681	35 826	36 507	658	36 692	37 350
Other non-current financial liabilities	1 086	23 854	24 940	1 029	20 794	21 823
Total other financial liabilities	**1 767**	**59 680**	**61 447**	**1 687**	**57 486**	**59 173**
Total financial liabilities	**90 558**	**1 410 078**	**1 500 636**	**177 354**	**1 169 279**	**1 346 633**

7.1. Bridge financing

We concluded an unsecured bridge financing in the amount of EUR 135 000 thousand in connection with the portfolio acquisitions completed at the end of 2020. The bridge financing was replaced by mortgage loans in March 2021.

7.2. EUR bond II

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

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

› The total bond issuance costs amounted to CHF 8 496 thousand (EUR 8 198 thousand).

7.3. EUR bond I

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

Volume:	EUR 250 000 thousand
Issue price:	99.238 %
Interest rate:	3.50 % p.a.
Interest payment:	semi-annually on May 15 and November 15
Maturity:	November 15, 2019, through February 15, 2023, buy-back opportunity from November 15, 2022, at 100 % plus accrued interest
Listing:	The International Stock Exchange (Official List)
ISIN:	XS2010038060 (Reg. S) / XS20110038656 (144A)

- The total bond issuance costs amounted to CHF 6 487 thousand (EUR 6 260 thousand).
- We record the value of the below-par issue as interest expenses over the term of the bond.

7.4. Lease liabilities

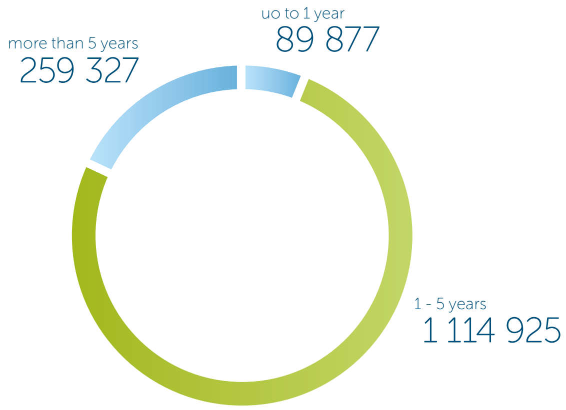
- Lease liabilities consist primarily of leasehold agreements.
- The average interest rate remained unchanged at 2.54 %.
- Also included are rental contracts for our office premises, which amount to CHF 1 039 thousand as of the end of the reporting year (previous year: CHF 1 096 thousand). The average interest rate amounts to 3.1 % (previous year: 3.2 %).

7.5. Other non-current financial liabilities

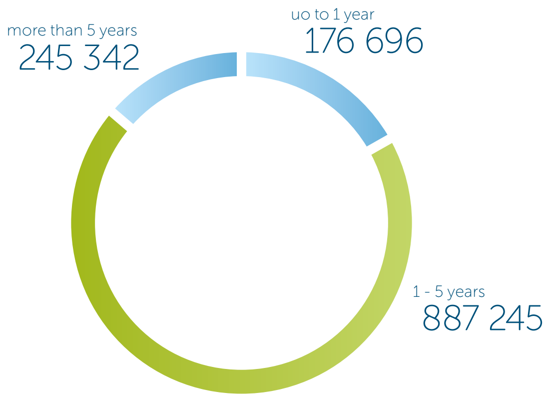
- Other non-current financial liabilities comprise mainly our minimum dividend obligations to minority shareholders of portfolio companies acquired in the reporting year and previous year (see also Note 19).

7.6. Maturity structure

Maturities of financial liabilities 2021
(without lease liabilities)
CHF thousands

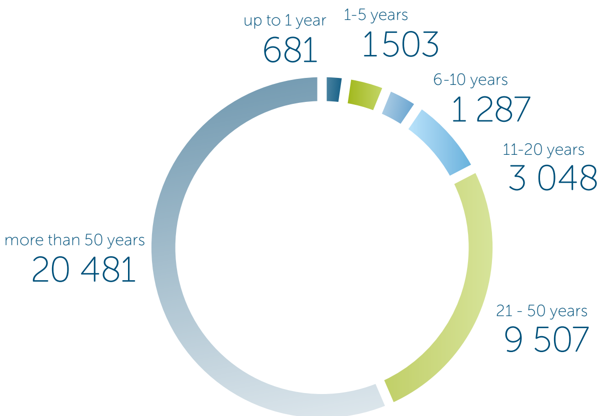


Maturities of financial liabilities 2020
(without lease liabilities)
CHF thousands

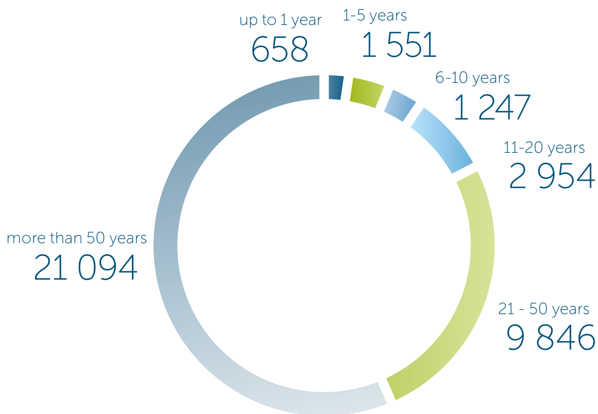


- 93.9 % of all financial liabilities are non-current at the end of the reporting year (previous year: 86.5 %).
- The average residual term is 3.8 years (previous year: 3.6 years) at the end of the reporting year.
- Mortgages have an average term of 4.9 years (previous year: 4.9 years).
- The mortgages bear an average interest rate of 1.8 % (previous year: 2.0 %), other property financing liabilities were charged with an average interest of 4.0 % (previous year: 3.5 %). The overall average interest rate was 2.8 % (previous year: 3.0 %).

Maturities of lease liabilities 2021
CHF thousands



Maturities of lease liabilities 2020
CHF thousands



- The average residual term is 114 years (previous year: 115 years) for leasehold agreements, and 2.3 years (previous year: 2.5 years) for other lease agreements.

7.7. Changes in financial liabilities

in CHF thousands			2021			2020
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Financial liabilities as of January 1	**177 354**	**1 169 279**	**1 346 633**	**37 869**	**703 446**	**741 315**
Cash-effective additions and disposals	-181 679	162 313	-19 366	130 881	371 099	501 980
Change in scope of consolidation – non-cash	4 932	234 678	239 610	1 070	47 510	48 580
Change in lease liabilities – non-cash	160	0	160	59	15 942	16 001
Amortization of lease liabilities	-413	0	-413	-499	0	-499
Adjustment of lease liabilities	24	1 113	1 137	62	-250	-188
Reclassification between non-current/current	93 572	-93 572	0	4 852	-4 852	0
Deferred interest and financing costs	749	4 213	4 962	55	6 110	6 165
Fair value adjustment of derivatives	0	-7 687	-7 687	0	3 668	3 668
Currency translation changes	-4 169	-64 359	-68 528	1 973	6 609	8 582
Other non-cash movements	28	4 100	4 128	1 032	19 997	21 029
Financial liabilities as of December 31	**90 558**	**1 410 078**	**1 500 636**	**177 354**	**1 169 279**	**1 346 633**

7.8. Derivative financial instruments

in CHF thousands	2021	2020
Carrying amount of hedges – net liabilities	5 204	14 828
Nominal value of hedges	504 132	346 386
Term	2024 - 2030	2024 - 2030
Hedge ratio	1:1	1:1
Change in carrying amount recognized through the statement of comprehensive income (hedge accounting) – swaps	8 386	-3 647
Change in carrying amount recognized through the consolidated statement of income – caps	1 238	-21
Effectiveness (hedge accounting) - swaps	100 %	100 %
Rate of return on underlying	3-month Euribor	3-month Euribor
Rate of return on hedge	+0.39 % / +1.54 %	-0.18 % / +1.04 %
Hedge ratio of variable-interest financing at year-end	99 %	99 %

- Derivative financial instruments consist exclusively of interest rate hedges for investment property financing entered in accordance with our risk management strategy (see Note 10).
- As in the previous year, we did not reclassify any reserves from other comprehensive income to the consolidated statement of income for the reporting year.

8 Assets pledged as collateral for own commitments

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Cash and cash equivalents	353	370
Development properties	16 569	16 569
Investment properties	793 128	458 057

- The figures shown above indicate the degree to which assets are pledged as security for mortgages and building loans. The book value of the assets effectively pledged amounts to CHF 2 131 079 thousand (previous year: CHF 1 162 538 thousand).

9 Financial result

in CHF thousands	2021	2020
Financial expenses		
Interest expenses – third parties	-41 946	-24 133
Unwinding of discount effects in relation to minimum dividend obligations	-608	0
Loss from changes in the fair value of financial instruments	0	-21
Interest expenses related to lease liabilities	-965	-464
Adjustment of lease liabilities	-1 159	0
Foreign exchange losses	-30 843	-368
Other financial expenses	-7 386	-4 612
Total financial expenses	**-82 907**	**-29 598**
Financial income		
Interest income – third parties	338	353
Gain from changes in the fair value of financial instruments	1 237	0
Foreign exchange gains	22	188
Adjustment of lease liabilities	138	3 831
Other financial income	0	17
Total financial income	**1 735**	**4 389**

- The increase in interest expenses is mainly due to financing with respect to the newly acquired portfolios at the end of the previous year, and during the reporting year, as well as the EUR bond issued at the end of October 2020.
- Other financial expenses include mainly the non-cash depreciation of the capitalized issuing costs related to financing (EUR bonds and mortgages).
- Negative currency effects amount to CHF 30 705 thousand compared to positive currency effects of CHF 3 463 thousand in the previous year. The negative earnings contribution resulted from the weakening of the EUR against the CHF in the last months of 2021.
- We designated Group loans in the amount of EUR 104 000 thousand (previous year: EUR 104 000 thousand) as net investments in a foreign business operation. The positive foreign currency effects recognized in the consolidated statement of comprehensive income amounted to CHF 5 138 thousand (previous year: negative currency effects of CHF 33 thousand).

10 Financial risk management

10.1. Financial risk factors

Our activities expose us to a variety of financial risks.

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

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

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

10.1.1. Foreign exchange risks

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Group-wide financial receivables with CHF/EUR risk	723 732	572 536
Group-wide financial liabilities with CHF/EUR risk	2 348	7 972
Net risk exposure	**721 384**	**564 564**
Impact of a 5 % strengthening of the EUR (positive) / 5 % weakening of the EUR (negative)		
Consolidated statement of income	30 680	22 582
Consolidated statement of comprehensive income	5 389	5 646
Effect on total equity	**36 069**	**28 228**

10.1.2. Interest rate risk

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

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Fixed-rate financial liabilities	851 134	922 428
Unhedged variable-rate financial liabilities	5 091	0
Hedged variable-rate financial liabilities, without hedge accounting	175 241	5 166
Hedged variable-rate financial liabilities, with hedge accounting	400 581	345 038
Non-interest-bearing financial liabilities	24 940	21 823
Financial liabilities and mortgages	**1 456 987**	**1 294 455**

Interest rate sensitivities:

- We do not recognize any fixed-rate financial liabilities at fair value, so that a change in the interest rate environment does not affect the consolidated statement of comprehensive income.
- We use hedge accounting for the majority of our derivative financial instruments. We assumed additional caps trough the portfolios acquired during the reporting year with our caps and collar holdings amounting to CHF 175 241 thousand as of the end of the reporting year (previous year: CHF 5 166 thousand).
- All calculations are based on the carrying amounts of the financial instruments as of the respective reporting dates.

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Change in interest rate	+ / - 0.5 %	+ / - 0.5 %
Impact on interest expenses	**856**	**0**

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

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Non-interest-bearing financial liabilities	24 940	21 823
Financial liabilities up to and including 1.00 %	26 525	26 525
Financial liabilities up to and including 2.00 %	492 707	396 167
Financial liabilities up to and including 3.00 %	287 829	198 417
Financial liabilities up to and including 4.00 %	319 066	331 917
Financial liabilities up to and including 5.00 %	305 920	319 606
Total interest-bearing financial liabilities and mortgages	**1 456 987**	**1 294 455**

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	2021	2020
Operating result (EBIT)	340 662	178 563
Depreciation and amortization	1 688	876
Valuation result of investment properties	-288 319	-156 192
Share-based compensation	1 532	1 601
Other non-cash accrued expense positions	1 134	1 281
Adjusted operating result	**56 697**	**26 129**
Net interest paid	41 608	23 780
Interest coverage ratio	**1.36**	**1.10**

- Our interest coverage ratio was below our target interest coverage ratio in the reporting and previous year.
- The low interest coverage ratio in the previous year is mainly due to timing impacts from the issuance of the EUR bonds (October 26, 2020), and the mandatory convertible bond (October 16, 2020) compared to the completion of the acquisition of around 10 300 units (December 31, 2020). When excluding interest expenses of CHF 3 078 thousand for the 65-, and 75-day mismatches respectively, the interest coverage ratio at the end of the previous year was 1.26.

10.1.3. Liquidity risk

Contractual maturities:

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

in CHF thousands	0 - 3 months	4 - 6 months	7 - 12 months	1 - 5 years	> 5 years	Total
Dec 31, 2021						
Trade and other payables [1, 2]	27 983	2 210	6 277	0	0	**36 470**
Financial liabilities	8 955	82 088	36 961	1 193 060	276 979	**1 598 043**
Dec 31, 2020						
Trade and other payables [1, 2]	29 974	976	4 438	10	0	**35 398**
Financial liabilities	14 480	165 709	35 795	999 598	248 740	**1 464 322**

1 Excluding advance payments and prepaid rents.
2 Items not impacting liquidity in the amount of CHF 1,134 thousand are not included (previous year: CHF 1,281 thousand).

- The table above is based on the terms contractually agreed with the lending banks; implicit agreements regarding extensions are in place in some instances but are not taken into account.
- Financial liabilities due within 4 - 6 months consist of a syndicated loan of CHF 61 946, as well as interest and amortization payments. A bridge financing agreement of CHF 146 570 thousand as well as interest and amortization payments are included within financial liabilities due within 4 - 6 months in the previous year.
- The category "1 - 5 years" includes both EUR bonds of CHF 563 041 thousand (previous year: CHF 597 135 thousand). The increase is mainly due to mortgage financing agreements for the portfolios acquired during the reporting year.

Loan-to-value ratio:

- To ensure that the financial liabilities are always sufficiently secured, even with potentially falling values of our real estate portfolio, we strive, after having reached our previous loan-to-value target of a maximum of 55 %, for a value of less than 50 % in the mid-term.
- For the reporting and previous year, the corresponding ratios were:

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Total market value of real estate portfolio (investments and development properties) incl. advance payments for investment properties [1]	2 686 985	2 086 473
Total net financial liabilities without lease liabilities and market value of derivative financial instruments [2]	1 394 450	1 199 125
Loan-to-value ratio	**51.9 %**	**57.5 %**
Total market value of real estate portfolio (investments and development properties without right-of-use assets) incl. advance payments for investment properties [1]	2 686 985	2 086 473
Total net financial liabilities secured by mortgages [2]	760 463	393 156
Secured loan-to-value ratio	**28.3 %**	**18.8 %**

1 Market value of development properties as per external valuation per December 31, 2021, of CHF 53,315 thousand (previous year: CHF 47,405 thousand).
2 Less cash and cash equivalents and current financial receivables.

Lending arrangement clauses:

- Lending arrangement clauses exist for certain financing arrangements, particularly for the EUR bonds, and the syndicated loan. We complied with these clauses during the reporting year and the previous year.

10.2. Determination of fair value

We determine the fair value of financial instruments traded on active markets based on the closing price at the end of the reporting year.

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

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

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).

10.2.1. Financial instruments at fair value

The following table shows the financial assets and liabilities measured at fair value as of December 31:

in CHF thousands	Dec 31, 2021	Dec 31, 2020
	Level 2	Level 2
Assets		
– Derivatives held for trading purposes	1 834	0
– Derivatives held as hedging instruments	104	0
Liabilities		
– Derivatives held for trading purposes	44	101
– Derivatives held as hedging instruments	7 098	14 727

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

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

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

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

in CHF thousands		Dec 31, 2021		Dec 31, 2020
	Market value	Carrying amount	Market value	Carrying amount
Non-current financial liabilities measured at amortized cost				
Non-current mortgages	780 877	780 215	446 066	446 197
Non-current financial liabilities excluding lease liabilities, Level 1	577 631	563 041	616 292	586 276
Non-current financial liabilities excluding lease liabilities, Level 2	0	0	64 238	64 492
Total	**1 358 508**	**1 343 256**	**1 126 596**	**1 096 965**

- There are no material differences between the market value and the carrying amount of non-current financial receivables and other non-current financial liabilities
- 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 year or the previous year.
- There were no netting agreements to be reported as of December 31, 2021, as in the previous year.

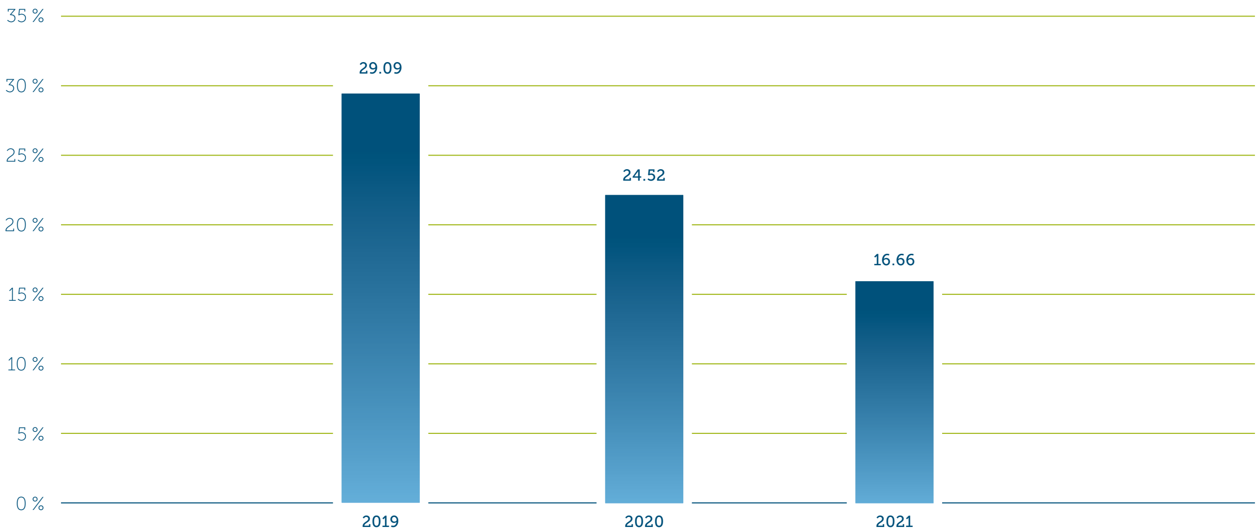
Platform costs

11 Personnel expenses

How we calculate the figures:

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

Personnel expenses as a % of the rental income



in CHF thousands	2021	2020
Salaries	-13 812	-9 652
Social insurance cost	-2 239	-1 567
Employee benefits – defined benefit plan	-194	7
Employee benefits – defined contribution plan	-158	-200
Share-based compensation	-1 532	-1 601
Other personnel expenses	-1 106	-620
Capitalized own services	952	209
Total personnel expenses	**-18 089**	**-13 424**
Headcount as of December 31	194	119

- The decrease in personnel expenses in relation to the rental income is mainly due to the acquisition of more than 15 000 residential units at the end of the previous year, and in June 2021 and the resulting economies of scale and efficiency gains achieved.
- The absolute increase in personnel expenses is largely due to an increase in the number of employees required to support our continued growth.

12 Employee benefit obligations

How we calculate the figures:

We account for defined benefit and defined contribution plans.

All employees in Germany are subscribed to a state-run defined contribution plan. The German Group companies do not offer any occupational pension plans. Employer's contributions are paid into the statutory pension scheme. Employees have no direct claims against the employer.

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

We assumed pension obligations as part of an acquisition. These are also accounted for as defined benefit plans in accordance with IAS 19.

Due to the insignificance of the amounts recorded in the consolidated statement of financial position, the consolidated statement of income and other comprehensive income, we refrain from full IAS 19 disclosures.

Key assumptions and estimates:

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

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

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

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

The pension liabilities shown in the consolidated statement of financial position are broken down as follows:

in CHF thousands			Dec 31, 2021			Dec 31, 2020
	Swiss employee benefit plan	German pensioners plan	Total	Swiss employee benefit plan	German pensioners Plan	Total
Fair value of plan assets	3 621	931	4 552	3 104	957	4 061
Present value of employee benefit obligations	-4 434	-3 808	-8 242	-4 406	-4 219	-8 625
Funded status	**-813**	**-2 877**	**-3 690**	**-1 302**	**-3 262**	**-4 564**

Movements in the employee benefit obligations and plan assets are as follows:

in CHF thousands			2021			2020
	Swiss employee benefit plan	German pensioners plan	Total	Swiss employee benefit plan	German pensioners plan	Total
Present value of the obligation as of January 1	**-4 406**	**-4 219**	**-8 625**	**-4 227**	**-4 217**	**-8 444**
Current service cost	-128	0	-128	-122	0	-122
Interest expense	-7	-32	-39	-13	-41	-54
Past service cost from plan changes and settlements	0	0	0	129	0	129
Currency translation changes	0	193	193	0	0	0
Total pension benefits	**-4 541**	**-4 058**	**-8 599**	-4 233	-4 258	**-8 491**
Actuarial gains and losses from changes in demographic assumptions	209	0	209	0	0	0
Actuarial gains and losses from changes in financial assumptions	131	104	235	-103	-117	-220
Experience-based adjustments	-216	-37	-253	-45	-35	-80
Currency translation changes	0	-2	-2	0	0	0
Total revaluations	**-4 417**	**-3 993**	**-8 410**	-4 381	-4 410	**-8 791**
Employee contributions	-73	0	-73	-84	0	-84
Benefits paid	56	193	249	59	191	250
Currency translation changes	0	-8	-8	0	0	0
Present value of the obligation as of December 31	**-4 434**	**-3 808**	**-8 242**	-4 406	-4 219	**-8 625**
Fair value of plan assets as of January 1	**3 104**	**957**	**4 061**	**2 953**	**991**	**3 944**
Interest income	5	7	12	9	10	19
Return on plan assets (less interest income)	422	51	473	33	-44	-11
Employee contributions	73	0	73	84	0	84
Employer contributions	73	0	73	84	0	84
Benefits paid	-56	-40	-96	-59	0	-59
Currency translation changes	0	-44	-44	0	0	0
Fair value of plan assets as of December 31	**3 621**	**931**	**4 552**	3 104	957	**4 061**

We have made the following actuarial assumptions:

Actuarial assumptions	Dec 31, 2021		Dec 31, 2020	
	Swiss employee benefit plan	German pensioners plan	Swiss employee benefit plan	German pensioners plan
Discount rate	0.35 %	1.00 %	0.15 %	0.78 %
Inflation	1.00 %	1.00 %	1.00 %	1.00 %
Expected salary increases	1.50 %	2.35 %	1.50 %	2.35 %
Expected increase in pension benefits	0.00 %	1.60 %	0.00 %	1.60 %
Biometric assumptions	BVG 2020 (GT)	Reference guidelines 2018 G	BVG 2015 (GT)	Reference guidelines 2018 G

13 Option programs

How we calculate the figures:

We account for the following employee participation plans:

- Plans 2019, 2020 and 2021, which were designed to attract and retain selected members of the Board of Directors, Executive Management and Senior Management.
- Plan 2014, which was used to grant shares to three members of the Executive Committee in order to satisfy employment contract entitlements, was exercised in 2021.
- Plan 2018 was exercised after the Annual General Meeting in 2021.
- Plan 2017 was exercised after the Annual General Meeting in 2020.

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

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

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

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

13.1. Plans 2021, 2020, 2019, 2018 and 2017

- In the reporting year, and the previous year, the Board of Directors approved new performance stock unit plans (PSU) for share-based compensation (Plan 2021 and Plan 2020, respectively). The granting of shares is resolved by the Board of Directors. The cumulated maximum rights to shares shall not exceed 3 % of the Company's total issued share capital, as measured based on the respective holdings, at any point of time.
- Under the PSU programs, entitlements are granted to program participants in the form of PSUs (performance stock units), which represent an entitlement of up to two shares per PSU, depending on the degree of target achievement over the performance period (share price and cumulated Group earnings over 3 years in equal parts), provided the beneficiary is still employed by us at the time of vesting, at the end of the performance period (Annual General Meeting for last year of the performance period). We have no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.
- The shares are allocated no later than six months after vesting, without any further action on the part of the beneficiaries.
- With the approval of the 2020 financial statements by the Annual General Meeting in 2021, vesting took place and closed the period for Plan 2018. All PSUs were exercised with a factor of 2.
- With the approval of the 2019 financial statements by the Annual General Meeting in 2020, vesting took place and closed the period for Plan 2017. All PSUs were exercised with a factor of 2.

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

	Plan 2021	Plan 2020	Plan 2019	Plan 2018	Plan 2017
Issue date	01.04.2021	02.06.2020	10.05.2019	31.08.2018	16.05.2018
Measurement years for accumulated Group result	2021 - 2023	2020 - 2022	2019 - 2021	2018 - 2020	2017 - 2019
End of performance period	GV 2024	GV 2023	GV 2022	GV 2021	GV 2020
Effective date share price	06.02.2024	06.02.2023	04.02.2022	04.02.2021	05.02.2020
End of blocking period	GV 2024	GV 2023	GV 2022	GV 2021	GV 2020
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

13.2. Plan 2014

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

The options were fully exercised in January 2021.

13.3. Outstanding and exercisable options of Plans 2014-2021

	Plan 2021	Plan 2020	Plan 2019	Plan 2018	Plan 2017	Plan 2014
Outstanding options/PSUs as of January 1, 2020	**0**	**0**	**41 500**	**36 500**	**35 500**	**40 000**
Exercisable options/PSUs as of January 1, 2020	**0**	**0**	**0**	**0**	**0**	**40 000**
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
Outstanding options/PSUs as of December 31, 2020	**0**	**41 500**	**41 500**	**36 500**	**0**	**40 000**
Exercisable options/PSUs as of December 31, 2020	**0**	**0**	**0**	**0**	**0**	**40 000**
Options allocated	43 000	1 000	0	0	0	0
Options exercised	0	0	0	-36 500	0	-40 000
Options forfeited	-1 500	-8 000	-7 000	0	0	0
Outstanding options/PSUs as of December 31, 2021	**41 500**	**34 500**	**34 500**	**0**	**0**	**0**
Exercisable options/PSUs as of December 31, 2021	**0**	**0**	**0**	**0**	**0**	**0**

› We charged CHF 1 532 thousand (excluding social insurance benefits) to the consolidated statement of income for Plans 2017-2021 during the reporting year (previous year: CHF 1 601 thousand).

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

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

in CHF thousands			2021			2020
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Fixed remuneration, cash	250	865	1 115	250	880	1 130
Variable remuneration, cash	0	876	876	0	691	691
Fixed remuneration, stock	234	0	234	247	0	247
Variable remuneration, stock	0	516	516	0	539	539
Options	378	515	893	356	593	949
Social insurance and fringe benefits	92	561	653	15	424	439
Total	954	3 333	4 287	868	3 127	3 995

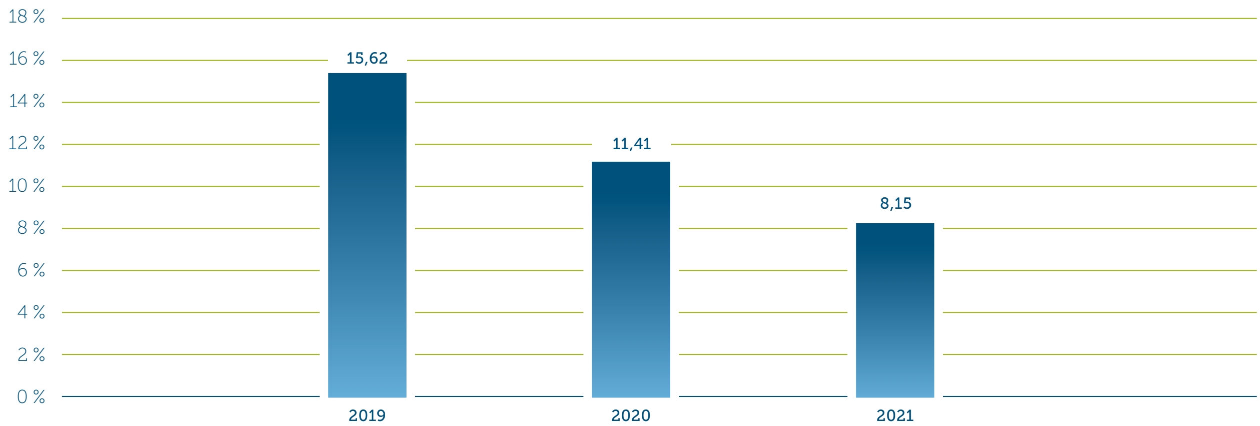
14.2. Shares and options held

			Dec 31, 2021			Dec 31, 2020
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Number of shares	220 126	743 089	963 215	196 651	784 793	981 444
Number of options	27 000	36 500	63 500	27 000	86 500	113 500

- Senior office staff act as managing directors in some of our property holding companies. These individuals are however not members of the Group's executive management. Members of the Boards of Directors of subsidiaries do not receive any remuneration for their activities.
- There are no post-employment benefit obligations to (former) members of the Board of Directors or Executive Management, nor are there any obligations to them in the event of termination of employment.
- No loans were granted to members of the Board of Directors or Executive Management.
- In the reporting year, we paid Dr. Christian De Prati an arrangement fee of CHF 222 thousand for outlays in connection with the mandatory convertible bond III placements, which is customary on the market. In the previous year the compensation amounted to CHF 385 thousand in connection with the mandatory convertible bond II.

15 Other operating expenses

Other operating expenses as a % of rental income



in CHF thousands	2021	2020
Fees and legal expenses, third parties	-3 483	-2 012
Fees and legal expenses, related parties	-526	-515
IT expenses	-1 684	-1 162
Capital taxes, input tax deductions and other taxes	-520	-174
Other operating expenses	-2 428	-2 385
Total other operating expenses	**-8 641**	**-6 248**

- Total other operating expenses increased at a lower rate than rental growth.
- The increase in fees and legal expenses, third parties is mainly due to higher property valuation costs, and expenses in relation to the integration of the newly acquired units and companies.
- The increase in IT expenses is mainly due to additional license fees, miscellaneous expenses, and support costs related to the increase in units, and employees.
- As in the previous year, Fees and legal expenses, related parties, include the fees to the Board of Directors.

16 Taxes

How we calculate the figures:

Income taxes include current and deferred income taxes. Income taxes are recorded in the consolidated statement of income, except for income tax on transactions directly recorded in other comprehensive income or directly in equity.

The current income tax charge is calculated as the expected income tax due on the relevant taxable income. The calculation is based on the tax rates applying or announced at of reporting date.

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

Key assumptions and estimates:

Income tax
Certain group companies are only assessed through 2017. There is a risk that assessments deviate from our tax calculations, and lead to higher tax burdens or lower loss carryforwards.

Deferred taxes
Significant deferred tax assets from loss carryforwards exist in our service and investment companies. We capitalize deferred tax credits from loss carryforwards if we expect future profits in the respective companies or the tax group up to the total, and not exceeding credit temporary differences.

Due to the current organizational and financing structure, there are interest carryforwards in the German tax group. We capitalize interest carryforwards if future use is foreseeable.

16.1. Income tax

in CHF thousands	2021	2020
Current income taxes	-3 406	-1 627
Deferred taxes	-54 886	-24 445
Total income tax expenses	**-58 292**	**-26 072**

Result before taxes	**259 490**	**153 354**
Income taxes at a rate of 18.5 % (2020: 17.0 %)	-48 006	-26 070
Not-capitalized interest carryforwards / reversal of capitalized loss carry forwards	-9 067	0
Adjustments for final assessments of previous years and provisional findings from tax audits	-1 621	0
Non-capitalized loss carryforwards / reversal of capitalized loss carryforwards	-170	-360
Capitalized loss carryforwards from previous years	386	545
Use of non-capitalized loss carryforwards	138	0
Other effects	48	-187
Total income tax expenses	**-58 292**	**-26 072**

- The effective tax rate increase is mainly due to the acquisition of a portfolio company where we cannot claim any trade tax exemptions.
- We concluded profit and loss transfer agreements for a large number of group companies in order to have a joint assessment for German corporation tax. Under the interest barrier regulation (tax-deductible net interest only up to 30 % of EBITDA), there is only a one-time exemption limit for interest expenses of EUR 3 million for the whole tax group. In combination with the current financing structure, this gave rise to significant interest carryforwards. We have not capitalized the interest carryforwards arising in the 2021 financial year and derecognized the interest carryforwards capitalized in previous years, in the reporting year.
- The adjustments for previous years include provisional findings from the 2014 – 2016 tax audit of the German group in the amount of CHF 1 068 thousand. Further effects resulted from the final assessment of property gains tax for the „Wollerau Park“ project, and final assessments and tax audits of the Swiss group companies.

16.2. Deferred taxes

in CHF thousands		Dec 31, 2021		Dec 31, 2020
	Assets	Liabilities	Assets	Liabilities
Development properties	0	1 805	0	1 784
Investment properties	4	129 027	0	79 063
Other assets	35	196	27	307
Lease liabilities	3 087	15	3 362	0
Derivative financial instruments	1 076	335	2 371	0
Other liabilities and provisions	107	423	656	830
Loss carryforwards	22 850	0	22 570	0
Total	**27 159**	**131 801**	**28 986**	**81 984**
Amounts netted	-9 791	-9 791	-8 559	-8 559
Deferred tax assets	**17 368**		**20 427**	
Deferred tax liabilities		**122 010**		**73 425**

in CHF thousands		2021		2020
	Assets	Liabilities	Assets	Liabilities
Deferred taxes as of January 1	20 427	73 425	18 497	46 730
Recognized in the consolidated statement of income	-2 396	52 515	1 277	27 072
Recognized in other total comprehensive income	0	1 377	598	0
Currency translation changes	-663	-5 307	55	-377
Deferred taxes as of December 31	**17 368**	**122 010**	**20 427**	**73 425**

16.3. Loss and interest carryforwards

- Non-capitalized interest carryforwards amount to CHF 51 965 thousand
- Loss carryforwards that are not capitalized relate mainly to Group companies without profit and loss transfer agreements, where the loss carryforwards exceed the credit temporary differences, as well as loss carryforwards that are locked due to the conclusion of profit and loss transfer agreements.

Loss carryforwards will expire as follows:

		Dec 31, 2021		Dec 31, 2020
in CHF thousands	Total	of which non-capitalized	Total	of which non-capitalized
Expiration in 4-7 years	4 392	0	470	0
Expiration after more than 7 years / no expiration	196 498	59 036	146 945	9 210
Total	**200 890**	**59 036**	**147 415**	**9 210**

16.4. Unrecognized permanent differences

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

Other disclosures

17 Working capital

How we calculate the figures:

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

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

The expected loss over the entire term is calculated on outstanding rent receivables based on the actual rent per portfolio, or profit center. The impairment rates are between 0.5 % and 12.5 % in the reporting year.

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

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

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

We recognize impairments of rent receivables as a deduction from income from the letting of investment properties, as most of the corresponding rental income is to be received in advance. When no advance payment is received, receivables are recognized. At the same time, these receivables are generally not considered to be recoverable upon recognition. Impairments for other trade and other receivables are recognized within other operating expenses, and impairments for financial receivables are recognized under financial expenses.

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

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

17.1. Trade receivables

Amounts due from, and impairment of trade receivables:

in CHF thousands	Due per Dec 31, 2021					Due per Dec 31, 2020				
	Not due	1-4 months	5-12 months	More than 12 months	Total	Not due	1-4 months	5-12 months	More than 12 months	Total
Trade receivables from third parties	5 091	2 879	2 740	1 884	12 594	3 696	3 455	1 561	1 572	10 284
Bad debt allowance	-362	-828	-1 954	-1 798	-4 942	-30	-587	-824	-1 497	-2 938
Total trade receivables, net	**4 729**	**2 051**	**786**	**86**	**7 652**	**3 666**	**2 868**	**737**	**75**	**7 346**
Bad debt allowance as of January 1					-2 938					-2 148
Increase in bad debt allowance					-3 959					-1 916
Losses from trade receivables					1 551					1 031
Reversal of bad debt allowance					177					107
Currency translation changes					227					-12
Bad debt allowance as of December 31					**-4 942**					**-2 938**

- The increase in trade receivables is mainly due to the portfolios acquired at the end of the previous year and during the current reporting year.
- Trade receivables from third parties mainly comprise receivables from tenants, amounting to CHF 5 061 thousand (previous year: CHF 4 504 thousand) and receivables from the sale of condominiums amounting to CHF 2 573 thousand (previous year: CHF 2 776 thousand).
- Most of the outstanding receivables from condominiums are deposited in notary escrow accounts and are not due, since actions to rectify deficiencies are still ongoing.
- Trade receivables from third parties that are not due include ancillary cost receivables of CHF 1 975 thousand (due on January 1, and February 1, 2022), and the not yet due portions of instalment payment arrangements.
- Lost income due to collection risks amounted to CHF 4 054 thousand (previous year: CHF 1 751 thousand) and corresponds to 3.6 % (previous year: 3.1 %) of actual rental income. The increase in the bad debt allowance in both years relates entirely to rent receivables from third parties.

17.2. Other receivables

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Receivables from ancillary costs	10 321	5 657
Maintenance reserve	2 382	2 778
Amounts receivable / not yet settled credits from suppliers	2 206	1 221
Current tax receivables	2 137	2 973
Other receivables from third parties	2 468	2 640
Total other receivables	**19 514**	**15 269**

- The increase in other receivables is mainly due to the acquisitions in the reporting year, as well as at the end of the previous year.
- In the reporting year, the tax receivables mostly contain an expected reimbursement from the final assessment of property gains tax "Wollerau Park" of CHF 1 663 thousand (previous year: CHF 2 410 thousand).
- Due to the structure of receivables, no impairments were recorded in the reporting year or in the previous year.

17.3. Current financial receivables

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Current financial receivables from third parties	398	5 851
Total current financial receivables	**398**	**5 851**

- The two mortgage-backed seller loans outstanding at the end of the previous year were fully settled during the reporting year. As of December 31, 2021, only one current financial receivable from a third party is accounted for, with an interest rate of 5.1 %.
- No impairment is recorded for any current financial receivables based on credit-risk estimates carried out.

17.4. Other payables and advance payments

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Accrued construction and renovation costs	12 187	5 149
Liabilities from ancillary costs	5 536	4 567
Liabilities from overpaid and other rent	4 986	4 023
Prepaid rent	3 693	2 392
Accrued personnel expenses, third parties	1 861	1 937
Accrued personnel expenses, related parties	1 548	1 595
Accrued transaction costs	1 000	11 661
Reservation fee	975	125
Other accruals, third parties	3 131	2 023
Other payables, third parties	2 141	1 714
Total other payables	**37 058**	**35 186**

› Accrued transaction costs from the previous year (real estate transfer taxes and bond issuance costs) were largely settled during the reporting year.

› The increase in the other accruals and payables relates mainly to the portfolio acquisitions at the end of the previous year, and during the reporting year.

18 Non-current financial receivables

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Non-current financial receivables, third parties	106	99
Non-current derivative financial instrument	1 938	0
Non-current financial receivables from associates	12 769	12 769
Valuation adjustment	-12 769	-12 769
Total non-current financial receivables	**2 044**	**99**

› For both years, receivables from associates comprise both the vender loan and further loan receivables from the associated company Beach House AG. We fully impaired these loans as in the previous year due to the negative results of equity valuation in 2021.

19 Scope of consolidation

How we calculate the figures:

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

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

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

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

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

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

Germany	Ref.	Registered office	Share capital in EUR thousands	Held by parent company in %	Held by Group in %	Held by non-controlling interests in %
Peach Property Management GmbH & Co. KG	1/4	Cologne	1		100.0	
PPM Verwaltung GmbH	5	Cologne	25		100.0	
Peach Property Group (Deutschland) AG	2/4	Cologne	5 000		100.0	
Munster Portfolio GmbH	2	Cologne	25		100.0	
Portfolio Fassberg I GmbH & Co. KG	2	Cologne	50		94.9	5.1
Portfolio Helmstedt GmbH	2	Cologne	1 176		89.9	10.1
Portfolio Erkrath Wohnen GmbH	2	Cologne	25		100.0	
Portfolio Neukirchen L GmbH	2	Cologne	25		94.9	5.1
Portfolio Neukirchen S GmbH	2	Cologne	25		94.9	5.1
Portfolio Oberhausen GmbH	2	Cologne	25		100.0	
Portfolio Bochum II GmbH	2	Cologne	25		94.9	5.1
AG Bochum B.V. *	2	Amsterdam	1		94.9	5.1
Blendersia Limited *	2	Larnaca CY	0.1		94.0	6.0
WBG Duisburg GmbH	2	Cologne	25		94.9	5.1
WBG Lanstrop GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen I GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen II GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen III GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen IV GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen I GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen II GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen III GmbH	2	Cologne	25		94.9	5.1
Portfolio Rhein Ruhr GmbH *	2	Copenhagen	21		89.9	10.1
Portfolio Ruhr GmbH	2	Cologne	25		100.0	
Portfolio Ruhr II GmbH *	2	Copenhagen	21		89.9	10.1
Portfolio Ruhr III GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr IV GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr V GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr VI GmbH	2	Cologne	25		89.9	10.1
Portfolio Velbert GmbH	2	Cologne	25		94.9	5.1
Portfolio Marl GmbH	2	Cologne	25		94.9	5.1
Portfolio Marl II GmbH	2	Cologne	1 280		94.9	5.1
Portfolio Bielefeld I GmbH	2	Cologne	25		94.9	5.1
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	5.1
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1
Portfolio Ahlen GmbH *	2	Copenhagen	21		89.9	10.1

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company
5 Management company / general partner

* Rebranding and relocation to Germany in progress

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling interests
Germany (continued)			in EUR thousands	in %	in %	in %
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1
Portfolio Deutschland I GmbH	2	Cologne	313		89.9	10.1
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0	
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0	
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0	
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1
Yoo Düsseldorf Verwaltungs GmbH	5	Cologne	25		100.0	
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0	
Portfolio Eschwege GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0	
Peach Wertgrund GmbH	2	Cologne	25		100.0	
Richmond PropCo 1 B.V. *	2	Amsterdam	10		94.9	5.1
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0	
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0	
Zymma Living GmbH	1	Cologne	25		100.0	
Peach Cenda Hausverwaltungen GmbH	1	Cologne	25		100.0	
Domibus Facility Services GmbH	1	Cologne	25		100.0	
Domibus Baumanagement GmbH	1	Cologne	25		100.0	
Peach Property Finance GmbH	4	Bonn	25		100.0	
Associated companies			in CHF thousands	in %		
Beach House AG	5	Wädenswil	100	46,6		

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

5 Management company / general partner

* Rebranding and relocation to Germany in progress

19.1. Financial year 2021

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 the final asset and liability values acquired. Deviations to the disclosed amounts in our semi-annual report represent true-up values:

in CHF thousands	Eagle Transaction
Assets	
Investment properties	390 237
Other assets	9 861
Total assets	**400 098**
Liabilities	
Financial liabilities	239 610
Other liabilities	5 595
Total liabilities	**245 205**
Total equity	**154 893**
of which Peach Property Group AG equity holders	146 992
of which non-controlling interests	7 901
Paid purchase price for shares	146 922
Paid purchase price for financing	249
Less assumed upstream loan	-4 501
Less advance payments from previous year	0
Less cash and cash equivalents acquired	-2 544
Total cash outflow	**140 126**
Open purchase price settlement	**0**

- 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 cost of CHF 1 201 thousand were allocated and capitalized within investment properties.
- As part of the transactions, dividend obligations of CHF 2 934 thousand towards minority shareholders were established and accounted for as transactions with non-controlling interests.

19.2. Financial year 2020

Domibus Baumanagement GmbH

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

Peach Hausverwaltungen GmbH (formerly Peach Cenda Hausverwaltungen GmbH)

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

Pure Transaction

- On December 31, 2020, Peach Property Group (Deutschland) AG acquired 89.9 % of the shares in 13 portfolio companies, that hold portfolios mainly in Recklinghausen, Gelsenkirchen, Essen, Dortmund, Herne and Kaiserslautern. We renamed these companies immediately after purchase and relocated the registered office of the German companies to Cologne. The relocation process of the Danish companies has commenced and is expected to be finalized during Q2 2022.

Rock Transaction

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

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

in CHF thousands	Pure Transaction	Rock Transaction	Total assets and liabilities acquired
Assets			
Investment properties	411 455	194 751	606 206
Other assets	9 007	2 568	11 575
Total assets	**420 462**	**197 319**	**617 781**
Liabilities			
Financial liabilities	270 999	28 515	299 514
Other liabilities	3 775	5 159	8 934
Total liabilities	**274 774**	**33 674**	**308 448**
Total equity	**145 688**	**163 645**	**309 333**
of which shareholders of Peach Property Group AG	133 477	144 541	278 018
of which non-controlling interests	12 211	19 104	31 315
Paid purchase price for shares	133 455	145 197	278 652
Paid purchase price for financing	204 028	25 880	229 908
less cash and cash equivalents acquired	-4 710	-1 395	-6 105
Total cash outflow	**332 773**	**169 682**	**502 455**
Open purchase price settlement	389	-263	126
of which shares	22	-655	-633
of which financing	367	392	759

- None of these acquisitions qualify as business combinations under IFRS 3 and were recognized as asset and liability purchases. We did not take on any employees or business processes at the time of the purchase.
- We have allocated transaction costs of CHF 4 434 thousand to the investment properties.
- As part of the transactions, dividend obligations of CHF 20 823 thousand towards minority shareholders were established and accounted for as transactions with non-controlling interests.

20 Provisions

Key assumptions and estimates:

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

			2021			2020
in CHF thousands	Development warranties	Other provisions	Total	Development warranties	Other rovisions	Total
Opening balance as of January 1	**1 904**	**630**	**2 534**	**3 900**	**1 056**	**4 956**
Addition from change in scope of consolidation	0	0	0	0	64	64
Provision increases	173	396	569	169	180	349
Provisions used	-583	-456	-1 039	-859	-95	-954
Reversal of provisions in profit or loss	-358	-43	-401	-1 281	-575	-1 856
Currency translation changes	-44	-11	-55	-25	0	-25
Closing balance as of December 31	**1 092**	**516**	**1 608**	**1 904**	**630**	**2 534**
Current provisions	992	380	1 372	1 629	530	2 159
Non-current provisions	100	136	236	275	100	375

- As in the previous year, the development warranty provision mainly relates to the "H36", "yoo berlin", "Am Zirkus 1" and "Wollerau Park" projects.
- In the "H36" development project, which was completed in 2014, we were able to conclude one of the deficiency claims throughs a payment which was made from the provision already raised. We furthermore expect resolution of the last remaining dispute in the next financial year - still within the amount already provided.
- After the warranty period of 2 years lapsed, we released development warranty provisions of CHF 358 thousand in relation to the project "Wollerau Park".

21 Contingent liabilities

- None

22 Leasing

How we calculate and report the figures:

- Lease liabilities from leasehold agreements are calculated by discounting the accumulated leasehold payments using the long-term interest rate for financing secured by mortgages in Germany. We value other lease liabilities using the average corporate interest rate for the respective company. For the disclosures on terms and maturities, we refer to Note 7.
- We revalue rights-of-use assets from the leasehold agreements semi-annually together with the investment properties. We apply the discount rate defined by Wüest Partner for the respective investment properties. Changes in value are recognized in the consolidated statement of income. For the specific corresponding disclosures, we refer to Note 4.
- We recognize the right-of-use asset from other leases (currently only rental agreements) at the value of the lease liability and list it together with the equipment. They are depreciated on a straight-line basis over their contract duration.
- We take into account extension options as soon as it is probable that they will be used.
- With rental agreements, we make use of the accounting option and do not eliminate associated non-leasing components.
- Interest expenses and value adjustments from lease liabilities are included in financial expenses in Note 10.
- Short-term leases of less than one year and low-value contracts are recorded on a straight-line basis within other operating expenses.

in CHF thousands			Dec 31, 2021			Dec 31, 2020
	Leasehold	Other	Total	Leasehold	Other	Total
Right-of-use assets	26 817	988	**27 805**	26 038	1 044	**27 082**
Lease liabilities	35 469	1 038	**36 507**	36 254	1 096	**37 350**
Lease payments	-1 164	-214	**-1 378**	-563	-406	**-969**
Interest expenses	-932	-33	**-965**	-425	-38	**-463**
Value adjustment / depreciation of right-of-use assets	2 047	-446	**1 601**	-331	-305	**-636**
Valuation adjustment of lease liabilities	-1 134	-3	**-1 137**	298	-110	**188**
Short-term leases in other operating expenses	0	-103	**-103**	0	-47	**-47**
Low-value leases in other operating expenses	0	-56	**-56**	0	-47	**-47**

- There are no initial direct costs or reinstatement costs affecting the value of right-of-use assets.
- We do not hold any leases with variable lease payments, nor do we have any purchase options, residual value guarantees, or sale and leaseback transactions.
- There are no encumbering leases.
- The average term of the leases is approximately 114 years (previous year: 115 years) for leaseholds and 2 years (previous year: 2.5 years) for rental agreements.

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

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Up to 1 year	38	75
1–5 years	27	15
Total short-term and low-value leases	**65**	**90**

23 Subsequent events

- No significant events are known to have occured after the end of the reporting date.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Peach Property Group AG and its subsidiaries (the Group), which comprise the consolidated statement of income and the consolidated statement of comprehensive income for the period, the consolidated statement of financial position as at 31 December 2021, the consolidated statement of cash flows for the period and the consolidated statement of changes in shareholders' equity, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 75 to 141) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

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

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

Our audit approach

Overview

Overall Group materiality: CHF 11'200'000

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

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

Valuation of investment properties

Assets from tax loss carry-forwards

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Materiality

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

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

Overall Group materiality	CHF 11'200'000
Benchmark applied	Net assets (equity)
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is a common industry benchmark for materiality considerations in the real estate business.

Audit scope

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

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

Key audit matters

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

Valuation of investment properties

Key audit matter	How our audit addressed the key audit matter
Investment properties amounting to CHF 2'660 million (95 % of total assets) as of 31 December 2021 represent a significant balance sheet item for the Group. They are measured at fair value in accordance with IAS 40 and IFRS 13. Please refer to note 4 in the notes to the consolidated financial statements (from page 95). We consider the testing of the valuation of investment properties to be a key audit matter due to the size of the balance sheet item, the significance of the appropriateness of the valuation model and the underlying assumptions used in the valuation. Fair values are determined using the discounted cash flow model (DCF model). The most relevant assumptions are the discount rate, the achievable rents per square meters and the vacancy rate. The assumptions are determined on the basis of market comparisons and are disclosed in note 4. In the case of investment properties under development or renovation, significant assumptions are also made with regard to repair or maintenance costs. In addition, a period for letting or for reducing vacancies must also be taken into account. The Group had all its investment properties valued by an independent property appraiser as at 31 December 2021.	We assessed and tested the design and existence of the controls relating to the property valuation process. In particular, we performed the following audit procedures: • We assessed the professional competence, independence and appointment of the property appraiser. To this end, we inspected the corresponding engagement letter and assessed the appropriateness of the assignment, examined the curricula vitae of the persons in charge and interviewed the expert in charge. • We reconciled the valuation report of the property appraiser to the accounting details. • With the support of our subject matter experts, we tested samples of valuations in terms of valuation methodology, assumptions and results. The subject matter experts assessed the changes in valuations and the assumptions on the overall portfolio. The valuations were discussed with the property appraiser, management and audit risk committee. We consider the valuation method applied by management and the parameters used to be an appropriate and sufficient basis for the valuation of investment properties.

Assets from tax loss carry-forwards

Key audit matter	How our audit addressed the key audit matter
The Group has tax loss carry-forwards of CHF 201 million and has capitalised deferred tax assets of CHF 23 million in that respect. Deferred tax assets from loss carry-forwards represent a significant balance sheet item. As explained in note 16 to the notes to the consolidated financial statements (from page 126), the capitalization of loss carry-forwards is applied in accordance with IAS 12. The Group plans the ability to use the loss carry-forwards for each company and it must make assumptions about current income and future realizable profits from letting and sale of investment or development properties and about the time of the realization. There is a risk that loss carry-forwards will expire unused if planned profits cannot be realized in a timely manner.	We assessed and tested the design and existence of the relevant controls. In addition, we examined the following in particular for the significant deferred tax assets from tax loss carry-forwards: • We discussed with management the ability to capitalize the loss carry-forwards and their recoverability at the company level. • On the basis of current and future expected tax results, we assessed the ability to capitalize the loss carry-forwards and their recoverability. In particular, we compared the assumed future profits with those from the development and investment property portfolios. • The current assumptions were compared with the expectations of use in prior years. This enables us to identify any time lags and assumptions that are too optimistic. • In consultation with our subject matter experts in Germany and Switzerland, we assessed the existence of loss carry-forwards and the ability to use them from a tax perspective. Our audit results support management's assumptions regarding the ability to capitalize loss carry-forwards and their recoverability.

Other information in the annual report

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

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

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

Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Patrick Balkanyi	Philipp Gnädinger
Audit expert Auditor in charge	Audit expert

Zurich, 25 March 2022

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

Peach Property Group AG
Executive Board
Neptunstrasse 96
8032 Zurich I Switzerland

Zurich/Hamburg, 8th of March 2022

Report by the independent Appraisal Expert

To the Senior Management of Peach Property Group AG

Referenz Nummer:
102079.0063 / 106128.0026

Assignment
On behalf of the executive board of Peach Property Group AG (hereinafter "Peach Property Group"), Wüest Partner AG, Zurich, or W&P Immobilienberatung GmbH, Hamburg, (hereinafter "Wüest Partner") have appraised the property clusters owned by Peach Property Group for accounting purposes as at 31 December 2021. All investment and development property clusters were valued.

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

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

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

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

Implementation of Fair Value

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

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

The valuation of the real estate owned by Peach Property Group employs a model-based valuation pursuant to Level 3 based on input parameters not directly observable on the market, but also considers adjusted market price (Level 2) input parameters (such as market rents, operating/running costs, discount/capitalisation rates, proceeds from condominium sales). Unobservable inputs are used only in cases where no relevant observable inputs are available. For specific assumptions, confer Annex 4 of the Consolidated Financial Statements.

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

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

Valuation Method

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

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

The property clusters are visited by Wüest Partner at the time of their acquisition and subsequently in intervals of three years at the latest or after the completion of major alterations. During the period between 1 January 2021 and 31 December 2021, 155 investment property clusters in Germany (including the 55 clusters of the acquired Portfolio Eagle) were visited.

Results
As of 31 December 2021, Wüest Partner measured the following values for a total of 590 investment properties and investment property clusters as well as for 3 development properties in accordance with IAS 40:

– 587 investment property clusters in Germany [1]: EUR 2.518.296.300 (equals c. CHF 2.609.710.456)
– 3 investment properties in Switzerland: CHF 25.355.000
– 3 development properties in Switzerland: CHF 53.315.000
– total value: c. CHF 2.688.380.456

Changes during the Reporting Period
During the period between 1 January 2021 and 31 December 2021, the following new portfolio was added as a result of an acquisition and was valued by Wüest Partner:

- Portfolio Eagle: 55 property clusters in the cities Bochum, Bremen, Delmenhorst, Dortmund, Duisburg, Ganderkesee, Gelsenkirchen, Herne, Hilden and Marl.

Regarding the existing portfolio (without the before mentioned new portfolio), due to sales of investment property clusters, the number of properties to be valued in Germany has in total decreased by 2 investment property clusters. Several apartments, garages and parking spaces in Heidenheim have been sold and were no longer valued, whereby two property clusters dropped out. In addition, regarding one property in Gelsenkirchen, due to a reassignment because of a right of first refusal for the city of Gelsenkirchen, 16 apartments, one commercial unit and secondary uses were no longer valued.

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

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

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1 In the values above, an CHF/EUR exchange rate of 1.0363 has been adopted.

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

Zurich/Hamburg, 8th of March 2022
Wüest Partner AG / W&P Immobilienberatung GmbH

Jan Bärthel MRICS
Managing Director; Partner

Volker Ottenströer
Branch Manager Hamburg; Director

Mario Huber
Manager

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, from the 2020 financial year.

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	2021	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.	-1.59	0.31
EPRA Net Reinstatement Value (NRV)	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The EPRA NAV performance measures consider certain adjustments to IFRS reported equity in order to provide stakeholders with the clearest and most comparable information concerning the market value of assets and liabilities.	79.67	67.92
EPRA Net Tangible Assets (NTA)	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		68.56	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.		61.73	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.	2.9 %	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).		2.9 %	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 %).	9.0 %	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.	51.5 %	62.4 %
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.	46.7 %	58.0 %

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 year, adjustments 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	2021	2020
Earnings per IFRS consolidated statement of income	**201 198**	**127 282**
Adjustments to calculate EPRA earnings, exclude:		
Valuation changes from investment properties	-288 319	-156 192
Net profit/loss on disposal of investment properties	-441	-387
Net profit/loss generated from development properties held for trading	-232	-1 795
Sales expenses	0	92
Tax on profits or losses on disposals	122	313
Changes in fair value of financial instruments and associated close-out costs	-1 237	21
Deferred tax with respect to EPRA adjustments	52 040	26 700
Non-controlling interests with respect to the above	10 083	7 881
EPRA Earnings	**-26 786**	**3 915**
Number of outstanding shares	16 882 373	12 494 751
Diluted number of outstanding shares at year end	16 882 373	13 482 970
EPRA EPS in CHF	**-1.59**	**0.31**
Diluted EPRA EPS in CHF	**-1.59**	**0.29**
Adjustment for development properties	232	1 703
Adjustment for depreciation	1 688	876
Adjustment for share-based compensation and other non-cash personnel expenses	2 666	2 882
Adjustment for other deferred and non-cash taxes	5 031	705
Interest paid on hybrid capital	-1 065	-1 922
Other financial expenses	7 385	4 612
Non-cash interest and foreign exchange result	33 401	453
Lease payments and valuation result of lease liabilities	-1 411	-762
Non-controlling interests	-10 083	-7 881
Adjusted earnings (FFO I)	**11 058**	**4 581**
Average number of outstanding shares	15 166 562	7 725 498
Diluted average number of outstanding shares at year end	15 316 147	8 293 581
Basic FFO I per share in CHF	**0.73**	**0.59**
Diluted FFO I per share in CHF	**0.72**	**0.55**

- EPRA earnings per share retracted significantly in the financial year compared to the previous year, to a deficit in 2021. The retraction is mainly due to currency developments where the Euro lost value against the Swiss Franc in the fourth quarter of 2021. Closing rate in 2021 was 1 0363 CHF/EUR compared to 1 0857 CHF/EUR in the previous year.
- Net currency losses amounted to CHF 30 805 thousand in the financial year, while the previous financial year included a net currency gain of CHF 3 463 thousand. Excluding the impact from currency effects, EPRA earnings increased year-on-year due to economies of scale benefits realized.
- 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 two small sub-portfolios (in Frankenthal, and Esbeck), which are considered as non-core assets. The deferred tax impact from these sub-portfolios reduces overall deferred tax. Incidental acquisition costs are considered for the 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	EPRA NRV	EPRA NTA	EPRA NDV Dec 31, 2021	EPRA NRV	EPRA NTA	EPRA NDV Dec 31, 2020
Equity attributable to Peach Property Group AG equity holders	1 076 632	1 076 632	1 076 632	724 214	724 214	724 214
Hybrid instruments	-57 412	-57 412	-57 412	-52 696	-52 696	-52 696
Diluted NAV, after the exercise of options, convertibles and other equity interests	**1 019 220**	**1 019 220**	**1 019 220**	**671 518**	**671 518**	**671 518**
Include:						
Revaluation of development properties	7 709	7 709	7 709	7 597	7 597	7 597
Diluted NAV at fair value	**1 026 929**	**1 026 929**	**1 026 929**	**679 115**	**679 115**	**679 115**
Exclude:						
Deferred tax in relation to fair value gains on investment properties	-126 622	-126 342	0	-79 063	-78 792	0
Fair value of derivative financial instruments	-5 204	-5 204	0	-14 828	-14 828	0
Intangibles as per the IFRS statement of financial position	0	1 482	0	0	921	0
Include:						
Fair value of fixed interest rate financial liabilities	0	0	15 252	0	0	-4 642
Acquisition costs (assumption 7 %)	186 234	487	0	142 730	564	0
EPRA NAV	**1 344 989**	**1 157 480**	**1 042 181**	**915 736**	**772 378**	**674 473**
Diluted number of shares	16 882 373	16 882 373	16 882 373	13 482 970	13 482 970	13 482 970
EPRA NAV per share in CHF	**79.67**	**68.56**	**61.73**	**67.92**	**57.29**	**50.02**

- Depending on the viewpoint taken, the EPRA Best Practice Recommendations result in a NAV per share of CHF 80 to CHF 62, compared to IFRS NAV of CHF 60.
- The material increase compared to the previous year is partly due to the newly issued mandatory convertible bond of CHF 180 million issued during the first half of 2021, and an increase in the comparative result for the year.
- 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 69 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	2021	2020
Investment properties and advance payments for investment properties[1]	2 630 405	2 037 325
Investment properties held for sale and development properties	47 414	40 712
Development properties and advance payments for investment properties	-44 149	-39 030
Market value of investment properties	**2 633 670**	**2 039 007**
Allowance for purchasers' costs, estimated at 7.0 %	184 357	142 731
Gross-up market value of investment properties	**2 818 027**	**2 181 738**
Annualized rental income	118 160	100 080
Annualized expenses from leasing of investment properties	-35 887	-30 462
Annualized net rental income from leasing of investment properties	**82 273**	**69 618**
Rent-free periods and other lease incentives	378	394
Topped-up annualized net rent from leasing of investment properties	**82 651**	**70 012**
EPRA NIY in %	**2.9 %**	**3.2 %**
EPRA "topped-up" NIY in %	**2.9 %**	**3.2 %**

1 Excluding right-of-use assets

› The reduction in net initial yields results from significant valuation gains (yield compression) of CHF 288 319 thousand recorded for the 2021 financial year.

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 2021 average rate of 1 0816 for the current, and previous year.

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Annualized lost income due to vacancies from residential units	11 573	9 463
Annualized target rental income from residential units	128 404	104 344
EPRA Vacancy Rate	**9.0 %**	**9.1 %**

- 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 14 600 units acquired at the end of 2020, and in June 2021), increased from 7.8 % to 8.0 %. The increase is mainly attributable to increased vacancies in residential units targeted at student living, following the effects of COVID-19, and the renovation of an entire building with multiple units. Excluding these effects, the vacancy rate reduces to 7.5 %.
- With respect to the units acquired at the end of 2020, and in June 2021, the vacancy rate temporarily increases from 10.8 % to 11.8 %, and 5.3 % to 7.5 %, respectively, mainly due to the discontinued rental management by the seller.

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

in CHF thousands	2021	2020
Expenses from letting of investment properties	28 784	14 184
Personnel expenses	18 089	13 424
Sales and marketing expenses	206	310
Other operating expenses	8 851	6 248
EPRA costs (incl. direct vacancy costs)	**55 930**	**34 166**
Direct vacancy costs	5 232	2 423
EPRA costs (excl. direct vacancy costs)	**50 698**	**31 743**
Gross rental income, net of land rental expenses	108 601	54 748
Gross rental income	**108 601**	**54 748**
EPRA cost ratio (incl. direct vacancy costs)	**51.5 %**	**62.4 %**
EPRA cost ratio (excl. direct vacancy costs)	**46.7 %**	**58.0 %**

- 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 average rate of 1 0816 for the current, and previous year figures.

in CHF thousands				2021		2020	change
	Residential unit	Residential area (in m²)	Residential rental income	Residential rental income in CHF/m²	Residential rental income	Residential rental income in CHF/m²	in %
North Rhine-Westphalia	7 322	461 269	30 497	5.51	29 301	5.29	4.1 %
Rhineland-Palatinate	2 004	122 949	8 902	6.03	8 881	6.02	0.2 %
Baden-Württemberg	944	64 222	4 769	6.19	4 650	6.03	2.6 %
Lower Saxony	785	52 577	3 253	5.16	2 971	4.71	9.5 %
Hesse	841	53 744	3 249	5.04	2 914	4.52	11.5 %
Other	436	27 753	1 934	5.81	1 872	5.62	3.3 %
Total	**12 332**	**782 514**	**52 604**	**5.60**	**50 589**	**5.39**	**4.0 %**

› We achieved a Like-for-Like rental income growth during 2021 of 4.0 % (previous year of 4.7 %)

4.2. Investments in real estate

Investments in portfolio properties during the current and previous year are mainly represented through acquisitions in both years. For increased comparability disclosures are in constant currency, with EUR values converted at the year-end spot rate of 1.0363.

in CHF thousands	2021	2020
Development properties - planning and development costs	5 179	5 350
Investment properties:		
Acquisitions	375 851	749 984
Tenant improvements and other CAPEX measures – existing portfolios	41 324	23 330
Tenant improvements and other CAPEX measures – acquired portfolio	1 747	0
Total capital expenditures	**424 101**	**778 664**

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

in CHF thousands	2021			2020		
	Area in m²	Capex[1]	Capex in CHF per m²	Area in m²	Capex	Capex in CHF per m²
North Rhine-Westphalia	921 854	24 384	26.45	519 347	12 636	24.33
Rhineland-Palatinate	195 644	7 239	37.00	128 512	4 182	32.54
Lower Saxony	211 870	6 159	29.07	53 300	2 236	41.96
Baden-Württemberg	66 994	1 609	24.02	69 971	1 790	25.58
Hesse	53 744	1 102	20.50	53 744	2 034	37.84
Other	49 274	831	16.87	27 799	452	16.27
Total tenant improvements and capital expenditures	**1 499 380**	**41 324**	**27.56**	**852 673**	**23 330**	**27.36**

1 Includes Capex in relation only to the existing Portfolio.

- With an average of CHF 27.56 per square meter of lettable space, we invested slightly more in our portfolio in 2021 than in the previous year. Investments in the portfolio acquired in June 2021 amounted to CHF 1 747 thousand.

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 separately the market value movements attributable to newly acquired properties (demonstrates valuable acquisition activities) and existing properties in our portfolio.

Disclosures are in constant currency, with EUR values converted at the year-end spot rate of 1.0363.

in CHF thousands	2021					2020				
	Market value before valuation adjustment	Initial valuation	Revaluation	Initial valuation in %	Revaluation in %	Market value before valuation adjustment	Initial valuation	Revaluation	Initial valuation in %	Revaluation in %
North Rhine-Westphalia	1 560 885	72 651	121 786	4.7 %	7.8 %	1 103 003	63 057	26 654	5.7 %	2.4 %
Rhineland-Palatinate	330 940	0	28 019	0.0 %	8.5 %	296 222	18 410	8 117	6.2 %	2.7 %
Lower Saxony	218 954	2 446	20 003	1.1 %	9.1 %	180 901	18 244	3 107	10.1 %	1.7 %
Baden-Württemberg	108 111	0	13 063	0.0 %	12.1 %	107 681	182	4 164	0.2 %	3.9 %
Hesse	50 371	0	9 180	0.0 %	18.2 %	46 667	0	2 602	0.0 %	5.6 %
Other	90 062	2 067	5 132	2.3 %	5.7 %	90 062	2 067	763	2.3 %	0.8 %
Total	**2 359 323**	**77 164**	**197 183**	**3.3 %**	**8.4 %**	**1 824 536**	**101 960**	**45 407**	**5.6 %**	**2.5 %**

- Consistent with the previous year, we were once again able to identify favorable 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 8.4 % compared to 2.5 % in the previous year.

Independent Reasonable Assurance Report

on EPRA reporting containing the EPRA performance measures for the period ended 31 December 2021 to the Management of Peach Property Group AG

Zurich

We have been engaged by Management to perform assurance procedures to provide reasonable assurance on the EPRA reporting containing the EPRA performance measures (pages 152 to 159) of Peach Property Group AG for the period ended 31 December 2021 prepared in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA).

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

Management's responsibility

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

Independence and quality control

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

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

Assurance practitioner's responsibility

Our responsibility is to perform an assurance engagement and to express a conclusion on the EPRA reporting containing the EPRA performance measures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information". Those standards require that we plan and perform our procedures to obtain reasonable assurance about whether the EPRA reporting containing the EPRA performance measures was prepared, in all material aspects, in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in version published in October 2019.

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

The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to Peach Property Group AG's preparation of the EPRA reporting containing the EPRA performance measures.

We performed the following procedures amongst others:

- Inquiries with persons responsible for the preparation of the EPRA performance measures.
- Assessing the EPRA performance measures regarding completeness and accuracy of the deductions from the underlying IFRS numbers derived from the consolidated financial statements of Peach Property Group AG as at 31 December 2021 or if applicable other internal source data.

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

Conclusion

In our opinion, the EPRA reporting containing the EPRA performance measures of Peach Property Group AG for the period ended 31 December 2021 is prepared, in all material respects, in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in version published in October 2019.

Intended users and purpose of the report

This report is prepared for, and only for, the Management of Peach Property Group AG, and solely for the purpose of reporting to them on EPRA reporting containing the EPRA performance measures and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the EPRA reporting containing the EPRA performance measures, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of Peach Property Group AG for our work or this report.

PricewaterhouseCoopers AG

Patrick Balkanyi   Philipp Gnädinger

Zurich, 25 March 2022

Individual financial statements of Peach Property Group AG 2021

Statement of financial position

Assets in CHF thousands	Note	Dec 31, 2021	Dec 31, 2020
Current assets			
Cash and cash equivalents		21 974	48 963
Trade receivables			
Group		2 532	5 159
Current financial receivables			
Group	2	45 380	10 134
Other current receivables			
Third parties		247	303
Related parties		0	4
Prepaid expenses			
Third parties		228	138
Total current assets		**70 361**	64 701
Non-current assets			
Financial assets			
Group	3	543 516	398 125
Associates	3	13 798	13 444
Value adjustments	4	-15 137	-14 838
Other non-current receivables			
Third parties		50	50
Investments	5	40 296	40 296
Value adjustments	6	-212	-212
Equipment		53	70
Intangible assets	7	1 280	920
Total non-current assets		**583 644**	**437 855**
Total assets		**654 005**	**502 556**

Statement of financial position (continued)

Liabilities and equity in CHF thousands	Note	Dec 31, 2021	Dec 31, 2020
Liabilities			
Current liabilities			
Trade payables			
Third parties		667	68
Group		28	28
Current financial liabilities			
Third parties	8	9 535	42 445
Group	8	5 521	8 354
Other current liabilities			
Third parties	9	725	95
Group	9	3 369	0
Current income tax liabilities		329	421
Accrued expenses			
Third parties	10	1 867	889
Related parties and bodies		1 645	2 150
Current provisions	12	959	1 390
Total current liabilities		**24 645**	**55 840**
Non-current liabilities			
Non-current financial liabilities			
Third parties	11	58 208	59 062
Group	11	35 000	35 000
Non-current provisions	12	974	766
Total non-current liabilities		**94 182**	**94 828**
Total liabilities		**118 827**	**150 668**
Equity			
Share capital		16 882	12 495
Statutory capital contributions *		537 943	330 215
Statutory retained earnings		5 841	5 522
Retained earnings/-loss carried forward			
Carried forward		1 652	-7 721
Result		-26 648	11 596
Treasury shares	18	-492	-219
Total equity		**535 178**	**351 888**
Total liabilities and equity		**654 005**	**502 556**

* of which CHF 103,147 thousand is confirmed as of December 31, 2019. Further confirmations are pending.

Statement of income

in CHF thousands	Note	Dec 31, 2021	Dec 31, 2020
Income from construction activities and development	13	-402	2 293
Expenses from construction activities and development	13	-2 983	-1 734
Net income from construction activities and development		**-3 385**	**559**
Other operating income	14	10 501	13 315
Operating result (EBIT)		**7 116**	**13 874**
Personnel expenses		-6 302	-5 429
Other operating expenses	15	-3 666	-4 680
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**-2 852**	**3 765**
Value adjustments	4	-298	-343
Depreciation and amortization	7	-627	-298
Earnings before interest and taxes (EBIT)		**-3 777**	**3 124**
Financial income	16	10 094	13 220
Financial expenses	16	-32 965	-4 748
Result before taxes		**-26 648**	**11 596**
Income taxes		0	0
Result after taxes		**-26 648**	**11 596**

Notes to the financial statements

These financial statements have been prepared in accordance with the requirements of Swiss law, in particular the accounting and financial reporting regulations of the Swiss Code of Obligations (Articles 957 to 962).

Peach Property Group AG is the ultimate parent company of the Peach Property Group. We are a stock corporation according to Swiss law, listed on the SIX Swiss Exchange, and prepare the Group financial statements in accordance with the International Financial Reporting Standards (IFRS). We waived the additional disclosures in the Notes in accordance with Art. 961d Para 1 OR as well as the cash flow statement and refer to our Group financial statements in this context.

1 Measurement principles applied

The main items in the financial statements are valued as follows:

1.1 Measurement principles applied

Trade receivables, financial receivables as well as other receivables are recognized at nominal value. Receivables due in more than 12 months after the reporting date are shown as non-current receivables or financial assets. Where necessary, we carry out individual valuation adjustments.

Financial receivables and financial assets include interest-bearing receivables and loans granted.

1.2 Investments

We recognize investments at cost including transaction costs. If the value-in-use of an investment, calculated on a discounted earnings basis, permanently falls below the present book value, we record a value adjustment.

1.3 Equipment and intangible assets

We recognize equipment at cost including transaction costs, and depreciate them over the expected useful life of 3 - 5 years, depending the asset class.

Investments in intangible assets mainly relate to new IT applications. We capitalize these including transaction costs, and amortize over the expected useful life of 5 years.

1.4 Current and non-current liabilities

Liabilities are recognized at nominal value. Liabilities that are due for repayment within a year are shown as current liabilities, while those due in more than 12 months after the reporting date are shown as non-current liabilities.

Financial liabilities include interest-bearing liabilities and loans received.

1.5 Provisions

We raise provisions when we have, or expect an obligation due to past events, which will result in a future cash outflows. The amount is determined as our best possible estimate, taking all material risks and uncertainties into consideration. We offset payments made against the provisions raised.

1.6 Revenue recognition

We determine income from construction activities and development based on the services rendered to customers as of the reporting date. We only recognize revenue when the amount of revenue can be reliably measured, and it is most probable that we will receive the associated economic benefits.

1.7 Foreign currency positions

Receivables and payables in foreign currency are valued at the exchange rate at the reporting date, taking into account the lower of cost or market principle. Transactions in foreign currencies during the year are valued using the prevailing daily rate. We applied the following foreign exchange rates as of the reporting date:

	Dec 31, 2021	Dec 31, 2020
EUR / CHF	1.0363	1.0857

1.8 Statement of positions vis-à-vis participants and bodies

We identify positions vis-à-vis participants, bodies and related parties as follows:

Governing bodies	“Bodies”
Directly and indirectly held Group companies	“Group”
Associates	“Associates”
Other related parties	“Related parties”

2 Current financial receivables

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Peach German Properties AG	1 250	320
Peach Property Group (Deutschland) AG	44 130	9 814
Total current financial receivables from Group	**45 380**	**10 134**

Following the further growth of the Group, we increased the loan granted to Peach Property Group (Deutschland) AG.

3 Financial assets

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Peach German Properties AG	47 050	47 050
East West Wohnbau GmbH in liquidation	1 339	1 394
Peach Property Group (Deutschland) AG	436 282	310 510
Peach Property Management GmbH & Co. KG	58 845	39 171
Group	**543 516**	**398 125**
Beach House AG	13 798	13 444
Associates	**13 798**	**13 444**
Total financial assets	**557 314**	**411 569**

Following the further growth of the Group, we granted additional loans for portfolio financing to Peach Property Group (Deutschland) AG (see also Note 5).

4 Valuation adjustments to financial assets

in CHF thousands	Dec 31, 2021	Dec 31, 2020
East West Wohnbau GmbH in liquidation	1 339	1 394
Group	**1 339**	**1 394**
Beach House AG	13 798	13 444
Associates	**13 798**	**13 444**
Total valuation adjustments to financial assets	**15 137**	**14 838**

As in the previous year, we have completely written down the loans to East West Wohnbau GmbH which is in liquidation and Beach House AG, as we do not expect any repayments from these loans.

5 Investments

Company	Ref.	Registered office	Capital stock	Direct investment	Indirect investments	Non-controlling interests	Closing date
Switzerland			in CHF thousands	in %	in %	in %	
Peach German Properties AG	4	Stansstad	100	100.0			Dec 31
WSZ Residential Development AG	3	Lachen	100	100.0			Dec 31
Gretag AG	2/3	Zurich	500	100.0			Dec 31
Austria			in EUR thousands				
East West Wohnbau GmbH in liquidation	3	Innsbruck	18	99.0		1.0	Dec 31
Germany			in EUR thousands				
Peach Property Management GmbH & Co. KG	1/4	Cologne	1		100.0		Dec 31
PPM Verwaltung GmbH	5	Cologne	25		100.0		Dec 31
Peach Property Group (Deutschland) AG	2/4	Cologne	5 000		100.0		Dec 31
Munster Portfolio GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Fassberg I GmbH & Co. KG	2	Cologne	50		94.9	5.1	Dec 31
Portfolio Helmstedt GmbH	2	Cologne	1 176		89.9	10.1	Dec 31
Portfolio Erkrath Wohnen GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Neukirchen L GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Neukirchen S GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Oberhausen GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Bochum II GmbH	2	Cologne	25		94.9	5.1	Dec 31
AG Bochum B.V. *	2	Amsterdam	1		94.9	5.1	Dec 31
Blendersia Limited *	2	Larnaca CY	0.1		94.0	6.0	Dec 31
WBG Duisburg GmbH	2	Köln	25		94.9	5.1	Dec 31
WBG Lanstrop GmbH	2	Köln	25		94.9	5.1	Dec 31
Portfolio Gelsenkirchen I GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Gelsenkirchen II GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Gelsenkirchen III GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Gelsenkirchen IV GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Essen I GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Essen II GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Essen III GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Rhein Ruhr GmbH *	2	Copenhagen	21		89.9	10.1	Dec 31
Portfolio Ruhr GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Ruhr II GmbH *	2	Copenhagen	21		89.9	10.1	Dec 31
Portfolio Ruhr III GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ruhr IV GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ruhr V GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ruhr VI GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Velbert GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Marl GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Marl II GmbH	2	Cologne	1 280		94.9	5.1	Dec 31

Company	Ref.	Registered office	Capital stock	Direct invest-ment	Indirect invest-ments	Non-controlling interests	Closing date
Portfolio Bielefeld I GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1	Dec 31
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1	Dec 31
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ahlen GmbH *	2	Copenhagen	21		89.9	10.1	Dec 31
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Deutschland I GmbH	2	Cologne	313		89.9	10.1	Dec 31
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0		Dec 31
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0		Dec 31
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1	Dec 31
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1	Dec 31
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1	Dec 31
Yoo Düsseldorf Verwaltungs GmbH	5	Cologne	25		100.0		Dec 31
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1	Dec 31
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Eschwege GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0		Dec 31
Peach Wertgrund GmbH	2	Cologne	25		100.0		Dec 31
Richmond PropCo 1 B.V. *	2	Amsterdam	10		94.9	5.1	Dec 31
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0		Dec 31
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0		Dec 31
Zymma Living GmbH	1	Cologne	25		100.0		Dec 31
Peach Hausverwaltungen GmbH	1	Cologne	25		100.0		Dec 31
Domibus Facility Services GmbH	1	Cologne	25		100.0		Dec 31
Domibus Baumanagement GmbH		Cologne	25		100.0		Dec 31
Peach Property Finance GmbH	1	Bonn	25		100.0		Dec 31
Associated companies			in CHF thousands				
Beach House AG	5	Wädenswil	100	46.6			Dec 31

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

5 Management company/general partner

* Rebranding and relocation to Germany in progress

6 Valuation adjustments to investments

The valuation adjustments relate to the following investments:

in CHF thousands	Dec 31, 2021	Dec 31, 2020
East West Wohnbau GmbH in liquidation	165	165
Beach House AG	47	47
Total valuation adjustments to investments	**212**	**212**

7 Intangible assets

We have capitalized the investments in new IT applications, in particular SAP 4/HANA.

8 Current financial liabilities

8.1 Current financial liabilities due to third parties

Current financial liabilities due to third parties includes a loan from a third party in the amount of CHF 9 million as well as the accrued interest on the hybrid warrant bonds (see Note 11.1). The mandatory convertible bond II issued in the previous year, as well the convertible bond III issued in the acual year were fully converted at the end of the term.

The conditions of the bonds are as follows:

Mandatory convertible bond II (issue 2020)

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

Mandatory convertible bond III (issue 2021)

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 24, 2021; or December 23, 2021 (mandatory conversion)
ISIN:	CH1119120751

8.2 Current financial liabilities due to Group

in CHF thousands	Dec 31, 2021	Dec 31, 2020
WSZ Residential Development AG	3 933	4 019
Gretag AG	1 456	4 195
Other Group loans	132	140
Total current financial liabilities due to Group	**5 521**	**8 354**

The loan due to Gretag AG reduced as a result the charge on of Gretag AG expenses.

9 Other current liabilities

Other current liabilities due to third parties mainly include withholding tax liabilities and bond issuance costs related to the conversion of the mandatory convertible bond III.

Other current liabilities due to group companies mainly include credits due to WSZ Residential Development AG following the final account settlement of the primary contractor for the „Wollerau Park“ project.

10 Accrued expenses

The increase in accrued expenses is mainly due to increased contruction costs in relation to the project „Giessen“ which is managed on behalf of subsidiary Gretag AG.

11 Non-current financial liabilities

11.1 Non-current financial liabilities due to third parties

As in the previous year, the non-current financial liabilities include the hybrid bonds issued.

As in the previous year, long-term financial liabilities due to third parties include the option hybrid bond issued. In the reporting year, we made an early repayment of the convertible hybrid bond that was still outstanding at the end of the previous year in the amount of CHF 1 607 thousand.

The conditions are as follows:

Hybrid warrant bond (issue 2018)

Volume:	CHF 58 568 thousand
Interest rate:	1.75% p.a., from issue date until June 22, 2023 (incl.) Capital market rate (at least 0%) + 9.25% p.a. as of June 22, 2023
Maturity:	unlimited; first callable by Peach on June 22, 2023
Option right:	4 warrants per bond of CHF 1 000.
Exercise period:	June 25, 2018 – June 25, 2021
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA23/CH0417376024
Exercised in 2021:	189 176 warrants (previous year: 16 504)
Open warrants:	0 warrants (previous year: 203 520)

Unexercised warrants expired in the reporting year.

The capitalized issue costs of the hybrid warrant bond amounts to CHF 1 156 thousand. We amortize these costs by using the effective interest rate method over the term of the bond.

11.2 Non-current financial liabilities due to Group

As in the previous year, non-current financial liabilities exist towards Gretag AG.

12 Provisions

CHF thousands	Dec 31, 2021	Dec 31, 2020
Warranties	0	7
Share-based payment compensation	959	1 383
Current provisions	**959**	**1 390**
Share-based payment compensation	974	766
Non-current provisions	**974**	**766**
Total provisions	**1 933**	**2 156**

A participation plan vested in the current financial year. Another plan is due to vest in May 2022. We have reclassified the corresponding portion to current provisions.

13 Income and direct expenses of the completed project volume

Preparatory construction measures in relation to the development project „Giessen", of the subsidiary Gretag AG commenced in the current financial year. Gretag AG was charged for costs incurred in the amount of CHF 2 949 thousand.

Included is also the final account settlement of the primary contractor for the „Wollerau Park" project which was delivered to WSZ Residential Development AG of credit CHF 3 369 thousand.

14 Other operating income

The decrease in service charges to subsidiaries is mainly due to a reduction in acquisition and financing activities, and the corresponding reduction in services rendered compared to the previous year .

15 Other operating expenses

The decrease in other operating expenses is mainly due to lower consulting costs (expenses were incurred in the previous year in relation to the EUR bond issued by a group company) offset by higher IT license costs, and IT maintenance and support expenses, which are reflective of the continued growth of the Group.

16 Financial income and expenses

Due to the weakening of the EUR against the CHF in the current year, net currency losses of CHF CHF 29 195 are recorded compared to net currency gains of CHF 3 204 in the previous year.

Following a revision of interest charged on group loans in the current year, the increase in loans granted had no significant impact on interest income. Financial expenses contains mainly the Financial expenses furthermore contains an additional CHF 1 066 thousand mainly due to the issue of the mandatory convertible bond III.

17 Liabilities in respect of pension funds

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Total liabilities to pension funds	1	5

18 Treasury shares

in CHF thousands	Dec 31, 2021 Number	Dec 31, 2021 Value	Dec 31, 2020 Number	Dec 31, 2020 Value
Opening balance	5 682	219	986	29
Purchases	7 586	486	4 696	190
Allocation	-5 527	-213	0	0
Total treasury shares	**7 741**	**492**	**5 682**	**219**

19 Pledged and otherwise encumbered assets

Subordinated assets	Dec 31, 2021 in EUR thousands	Dec 31, 2021 in EUR thousands	Dec 31, 2020 in EUR thousands
East West Wohnbau GmbH in liquidation	1 284	1 394	1 394
Peach German Properties AG		20 050	20 050
Peach Property Group (Deutschland) AG	20 500	22 250	22 250
Receivables from Group		**43 694**	**43 694**
Beach House AG		13 666	13 317
Receivables from Associates		**13 666**	**13 317**
Total subordinated assets		**57 360**	**57 011**

20 Number of full-time positions

The average number of full time employees was below 50 in the current and previous year.

21 Unrecognized leasing liabilities

in CHF thousands	Dec 31, 2021	Dec 31, 2020
Rental obligations (end dates to Dec 31, 2023)	238	357
Vehicles	58	32
Total unrecognized leasing liabilities	**296**	**389**

22 Sureties, contingent liabilities and guarantee obligations towards third parties

		Dec 31, 2021	Dec 31, 2020
	EUR thousands	CHF thousands	CHF thousands
Syndicated loan Peach Property Group (Deutschland) AG	62 000	64 251	67 313
Refinancing Portfolio Rheinland GmbH	4 200	4 352	4 560
Corporate bond 2019 Peach Property Finance GmbH	250 000	259 075	271 425
Corporate bond 2020 Peach Property Finance GmbH	300 000	310 890	325 710
Guarantees for financing		**638 568**	**669 008**
Mortgage loan Gretag AG (Giessen Areal, Wädenswil)		20 000	20 000
Mortgage loan Portfolio Erkrath Wohnen GmbH	2 000	2 073	2 171
Mortgage loan Portfolio Neukirchen L GmbH and Portfolio Neukirchen S GmbH	0	0	8 686
Mortgage loan Portfolio Oberhausen GmbH	8 040	8 332	9 815
Mortgage loan Portfolio Kaiserslautern I GmbH & Co. KG and Portfolio Kaiserslautern II GmbH & Co. KG	5 350	5 544	5 808
Mortgage loan Portfolio Kaiserslautern III GmbH	750	777	814
Mortgage loan Portfolio KL Betzenberg IV GmbH and Portfolio KL Betzenberg V GmbH	1 650	1 710	1 791
Mortgage loan Portfolio Bochum II GmbH	2 650	2 746	2 877
Mortgage loan Portfolio Nordhessen II GmbH	2 200	2 280	2 389
Mortgage loan Portfolio Heidenheim I GmbH and Portfolio Heidenheim II GmbH	12 000	12 436	13 028
Sureties for financing		**55 898**	**67 379**
Indemnification of former owner of the Giessen Areal (Wädenswil) with regard to soil and underground pollution		250	250
Other sureties		**250**	**250**

		Dec 31, 2021	Dec 31, 2020
	EUR thousands	CHF thousands	CHF thousands
Reidbach project (Giessen Areal development project) to the City of Wädenswil		1 500	6 000
Rent obligation of Peach Property Group (Deutschland) AG	53	55	58
Obligations in connection with the sale of the «Am Zirkus 1» project	500	518	543
Mortgage loan Portfolio Essen I GmbH, Portfolio Essen II GmbH, Portfolio Essen III GmbH, Portfolio Ruhr GmbH	73 000	75 650	0
Payment obligations of East West Wohnbau GmbH in liquidation	65	67	71
Overindebtedness Peach Property Management GmbH & Co. KG	125 000	129 538	113 999
Overindebtedness Peach Property Finance GmbH	2 150	2 228	2 334
Letters of comfort		**209 556**	**123 004**
Member of a Swiss VAT Group		p.m.	p.m.
Total sureties, guarantees and letters of comfort		**904 272**	**859 641**

23 Holding values and options held by the Board of Directors, Executive Committee and employees

in units			Dec 31, 2021			Dec 31, 2020
	Shares	Options	of which PSUs	Shares	Options	davon PSUs
Board of Directors	220 126	27 000	27 000	196 651	27 000	27 000
Executive Committee	743 089	36 500	36 500	784 793	86 500	46 500
Employees	25 856	16 500	16 500	21 865	17 000	17 000
Total	**963 215**	**80 000**	**80 000**	**1 003 309**	**130 500**	**90 500**

24 Significant events after the end of the reporting year

No significant events are known to have occured after the end of the reporting date.

Proposed appropriation of retained earnings / loss

in CHF	Dec 31, 2021	Dec 31, 2020
Earnings/-loss carried forward	1 652 191	-7 720 945
Result after taxes	-26 647 645	11 595 537
Retained earnings available for distribution	**-24 995 454**	**3 874 592**

The Board of Directors proposes the appropriation of available retained earnings as follows:

in CHF		Dec 31, 2021	Dec 31, 2020
Dividend distribution of CHF 0.33 per share	5 568 628.56		
distributed from statutory capital contribution	100 %	5 568 629	1 904 007
distributed from retained earnings	0 %	0	1 904 007
Allocation to statutory retained earnings		0	318 394
Retained earnings / loss to be carried forward		**-24 995 454**	**1 652 191**

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Peach Property Group AG, which comprise of the statement of financial position as at 31 December 2021, the statement of income and notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 163 to 178) as at 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

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

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 6'500'000

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

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries and group receivables

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Materiality

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

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

Overall materiality	CHF 6'500'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the company mainly holds investments in subsidiaries and group receivables. Total assets is a common benchmark for materiality for holding companies.

Audit scope

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

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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

Valuation of investments in subsidiaries and group receivables

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries and group receivables amounting to CHF 630 million are the biggest part of the assets. The investments in subsidiaries and group receivables are valued at acquisition costs respectively nominal value or lower market value. Please refer to the notes to the financial statements (from page 167). We consider the testing of the recoverability of the investments in subsidiaries and group receivables to be a significant matter, because of the high value and the judgement of the management involved.	• We tested the design and existence of the key controls regarding the valuation of investments in subsidiaries and group receivables. • We tested all material investments in subsidiaries and group receivables and evaluated the allowance for each position. • We tested the valuation of the investments in subsidiaries and group receivables considering the net asset value and the operating business (value in use). This includes the comparison of the book value to the net assets, market value of the investment properties, inquiries with management and review of business plans. • Especially for portfolio companies the external valuation of the investment and development properties were taken into account, to identify any potential difference between book and market value, and to consider it in the impairment assessment. • We tested the allocated allowance on investments in subsidiaries and group receivables whether the necessary allowances were booked against the investments in subsidiaries first and afterwards against the group receivables as well as if the allowances are sufficient. The results from our audit procedures support the recoverability assumptions from the management and board of directors.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi	Philipp Gnädinger
Audit expert Auditor in charge	Audit expert

Zurich, 25 March 2022

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Share register

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Events

Publication of annual results 2021:
March 29, 2022

Annual general meeting:
May 20, 2022 in Zurich,
due to the COVID-19 situation,
preliminary not with the physical
attendance of shareholders or
their representatives

Publication of half-year results 2022:
Tuesday, August 30, 2022

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They are available on the internet at
www.peachproperty.com.

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