

Semi-annual report 2022

Key Figures

Peach Property Group AG is a real estate investor with an investment focus on residential real estate in Germany. Our tenants are at the center of our activities. With innovative solutions for modern living needs, we offer clear added value.

Our portfolio comprises high yielding investment properties, typically in German Tier II cities in the commuter belt of metropolitan areas. In addition we are developing selected projects to be sold as condominiums. Our services span the entire value chain, from location evaluation and acquisition to active asset management and the 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)		Jun 30, 2022	Dec 31, 2021	Jun 30, 2021
Operating income	CHF thousands	138 065	397 838	177 139
EPRA like-for-like rental income	in %	3.6	4.0	4.4
Operating result	CHF thousands	104 298	340 662	151 651
Result before taxes	CHF thousands	63 082	259 490	131 435
Result after taxes	CHF thousands	47 015	201 198	110 096
Funds from operations (FFO I)	CHF thousands	9 047	11 058	4 697
NAV IFRS	CHF thousands	1 152 107	1 120 427	1 052 850
Equity ratio (IFRS)	in %	40.6	40.1	37.4
Real estate portfolio at market values (incl. right-of-use assets) ¹	CHF thousands	2 722 406	2 713 802	2 678 600
Number of employees		219	194	160
Number of shares		16 882 373	16 882 373	13 593 678
Share capital	CHF thousands	506 471	16 882	13 593
Diluted earnings per share	in CHF	2.53	12.38	7.96
Diluted FFO I per share	in CHF	0.53	0.72	0.36
NAV IFRS per share ²	in CHF	62.30	60.38	57.07
EPRA NTA per share	in CHF	69.50	68.56	63.60
Share price	in CHF	35.35	63.40	55.00
Market capitalization ³	CHF thousands	596 397	1 069 852	747 644

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

Editorial	4
Portfolio	7
Investor information	14
Consolidated semi-annual financial statements	21
Consolidated statement of income for the period	22
Consolidated statement of comprehensive income	23
Consolidated statement of financial position	24
Consolidated statement of cash flows	26
Consolidated statement of changes in shareholders' equity	28
Notes to the consolidated semi-annual financial statements	32
Review Report of the auditor on the consolidated semi-annual financial statements	53
EPRA Reporting	54
Contact / Events / Imprint	63

Dear shareholder,

We continued to prove ourselves as a reliable player in the residential real estate market during the first half-year of 2022. Operationally, we improved many of our key performance indicators. We achieved a new letting record in newly concluded rental contracts, while we further delivered on our modernization program. In tenant communication, we made further progress by again reducing the reaction time for tenant matters. In the first half-year we were heavily engaged in the active management of our portfolio and in particular integrated the 4 300 units acquired at the end of the previous period, to our in-house administration.

The operating result decreased to CHF 104.3 million for the first half-year of 2022, compared to CHF 151.7 million in the previous period. The operating result for the previous period includes an initial valuation gain of CHF 63.8 million from the acquisition in June 2021. Excluding this impact, our operating result increased year-on-year, with the main drivers being the operating result generated from acquired properties at the end of the previous period and further operational progress made during the reporting period.

Increased new letting, higher rental income, efficient platform, LTV further decreased

We concluded approximately 1 800 new rental contracts during the first half-year of 2022 - a new letting success that we have never achieved before. Letting successes noticeably influence the vacancy rate, which reduced from 8.0 percent as of December 31, 2021, to 7.6 percent as of June 30, 2022. Our letting successes also extend to increasing the rent charged in new rental contracts. The average rent per square meter from new rental contracts concluded is more than 15 percent above the average rent as of year-end 2021. We furthermore concluded rental charge adjustments for approximately 5 000 units during the reporting period. Rental income increased by 3.4 percent on a like-for-like basis in the reporting period. The full impact of rental charge increases concluded during the first half-year of 2022 will be realized during the second half-year of 2022. On the back of these operational actions and the impact of the acquisition at the end of the previous period, rental income increased to CHF 59.3 million in the reporting period, compared to CHF 50.2 million in the previous period. Our focus however remains on supplying the market with affordable housing solutions. With an average rental charge of EUR 5.87 per square

meter across our portfolio, we remain below the average market rent in German cities of approximately EUR 6.90 per square meter.

The total market value of our portfolio (including development projects and right-of-use assets) at the end of the reporting period is CHF 2.72 billion. EPRA NTA of CHF 69.50 per share increased from CHF 68.56 at year-end 2021 despite a substantial weakening of the Euro against the Swiss franc. The increase is attributable to valuation gains in the existing portfolio of approximately 3 percent as well as operational progress which is evident from a more than 90 percent increase in FFO I (CHF 9.0 million). Operational progress was achieved through various refinancing measures, the reduction in the vacancy rate, and in receivables management. As an outflow from the improved financing structure, LTV improved from 51.9 percent at year-end 2021, to 51.7 percent as of the end of the reporting period, while interest coverage bettered from 1.38 in the previous period, to 1.53 in the reporting period.



Reto Garzetti
Chairman of the Board of Directors



Dr. Thomas Wolfensberger
Chief Executive Officer

Record number of refurbishments, focus on energy-related refurbishments, flexibility when in relation to financing

We delivered a record number of 1 400 units refurbished in the reporting period. Approximately 15 percent of the refurbished units underwent energy-related renovations which not only reduces our ecological footprint but also benefits our tenants considering the recent developments in energy markets. In the interest of our tenants and the environment, we will continue to prioritize a significant reduction in the carbon footprint of our properties. Our declared goal from the previous financial year, which was developed based on our decarbonization plan, remains a climate-neutral property portfolio by 2050. We are working towards our intermediate goal of reducing the CO₂ intensity of our portfolio to well below 30 kg CO₂ per square meter per year by 2030. Currently, this measurement is reported as 35 kg CO₂ per square meter per year.

Following on from the 2021 financial year, we further optimized our financing structure in the first half-year of 2022. Through buyback offers in the reporting period and at the beginning of July, we early settled approximately EUR 70 million of a bond maturing in February 2023 with an original volume of EUR 250 million. We furthermore successfully issued a bonded loan of EUR 55 million and concluded a revolving credit facility of EUR 100 million. In August 2022 we signed a secured financing of EUR 100 million, the funds from which will also be utilized to repay the bond due in February 2023. Further financing optimizations are currently being assessed. As a result of the financing measures, we reduced our average interest costs in June 2022 to 2.5 percent in the reporting period, from 2.7 percent per year-end 2021.

High-quality tenant service and faster defect repairs, Peach Property as a strong partner in challenging times

Our tenants value direct contact with us, a prompt resolution of defects, and the solving of problems. Despite an increased ticket volume from a larger portfolio, we maintained high service levels enabled by our digital platform. The "one-touch" rate in processing tenant tickets remained stable at approximately 90 percent. We again improved the average time required to resolve a tenant report from 26.8 hours in 2021 to approximately 20 hours in the first half-year of 2022.

The geopolitical crises since the beginning of the year, particularly the tragic events in Ukraine, have in recent months once again confirmed how great responsibility we, as a residential real estate company, bear for society. We consider supporting people in need with safe accommodation as self-evident. Shortly after the outbreak of the war in Ukraine, we acted swiftly and contacted respon-

sible municipalities, primarily in the Ruhr area, to support with providing accommodation for Ukrainian refugees. In cooperation with the municipalities, we provided accommodation for approximately 50 refugee families. We were able to draw from our experience gained during the refugee crisis in 2015, which helped us to act quickly and offer practical solutions.

The anticipated soaring energy prices during the upcoming heating period are expected to have a drastic impact on social life, and result in finances being thinly spread in many private households. In these challenging times, we remain at our tenants' disposal through personal meetings at our Peach Points as well as by telephone or e-mail. We are happy to provide tips and advice on how to save energy and offer support, if necessary, when applying for relief measures.

Forecast 2022: First half-year lays the foundation for a successful full financial year

The performance in the first half-year of 2022 demonstrates our solid and sustainable business model. With our successful first half-year, we have laid the foundation for a strong second half-year. We expect net rental income for the current financial year to be between CHF 113 million and CHF 118 million. FFO I is forecasted to be between CHF 18 million and CHF 21 million. The interest coverage ratio will also continue to improve, as the favorable new financing agreements concluded in the first months of the

year, will have contributed to the full second half of the year. Our forecast is supported by the continued strong demand for affordable accommodation in German cities. Due to the significantly increased construction and energy costs, we expect that fewer new construction projects will be completed, which will increase demand in the existing market. As a result, we consider ourselves well prepared for the immediate future with our real estate portfolio in Germany's important metropolitan areas.

Yours



Reto Garzetti
Chairman of the Board of Directors



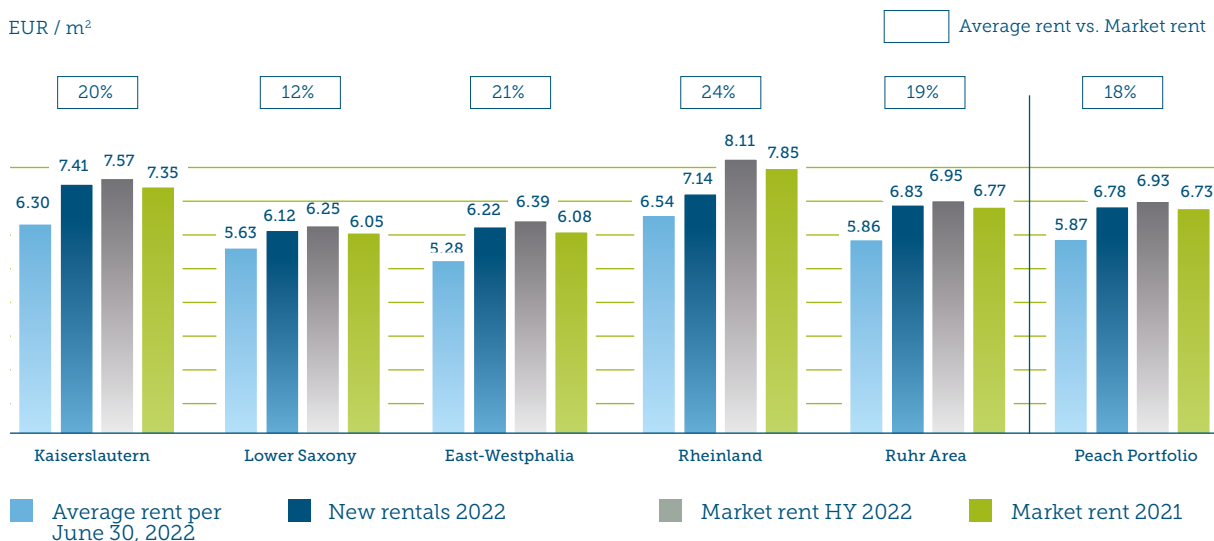
Dr. Thomas Wolfensberger
Chief Executive Officer

Portfolio

Peach Property Group is an investor with a focus on residential property portfolios in Germany. Our portfolio consists of investment properties typically located in so-called B-cities within the commuter belt of metropolitan areas. In total, we hold approximately 27 400 residential units across eight German Federal States with approximately 1.7 million square meters of affordable lettable floor space. The focal point of our investment portfolio remains the Rhine-Ruhr metropolitan area (in North Rhine-Westphalia) with approximately 15 000 units. The Ruhr area is economically strong and accordingly remains an important investment focus area for Peach.

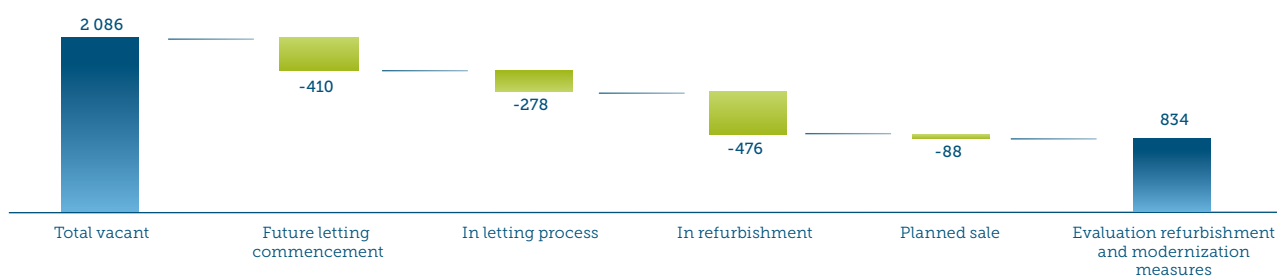
Following our significant growth in recent years, coupled with our active asset management approach, we increased rental income in the first half-year while further reducing the vacancy rate. Rental income increased from CHF 50.2 million in the first half-year of 2021, to CHF 59.3 million in the reporting period – an increase of 18 percent compared to the previous period. Although like-for-like rental income increased by approximately 3.4 percent, a significant price gap remains between the average rental income in our portfolio, and market rent.

Letting potential in core portfolio



We achieved a new letting record with the conclusion of approximately 1 800 new rental contracts during the first half-year of 2022. The vacancy rate for residential units decreased from 8.0 percent as of December 31, 2021, to 7.6 percent as of June 30, 2022.

Number of vacant residential units per June 30, 2022



We manage our portfolio intending to satisfy the needs of our tenants. Through our Peach Points model, we offer our tenants an easy point of contact, where our reliable service staff can be reached with any tenant concerns, problems, or general matters. We operated 15 Peach Points in the reporting period – an increase of 25 percent compared to the previous period.

To ensure that our rental units continuously meet current standards, we completed more refurbishments than ever before during the first half-year of 2022. Approximately 1 400 units were refurbished; more than 200 thereof underwent energy-related renovations. Thermal insulation and the replacement of heating systems returned a positive impact on the CO₂ balance of our existing properties, in line with our sustainability strategy. Our tenants in return are also benefiting from energy-related renovations through lower heating costs - especially relevant in these times of sharply rising energy costs.

Well-maintained surroundings contribute to the well-being of our tenants. Accordingly, we attach great importance to well-maintained surroundings for the residential complexes in our portfolio, which offer an attractive and safe living environment, especially for families. Examples are the installation of play or fitness equipment in the surroundings of individual portfolios.

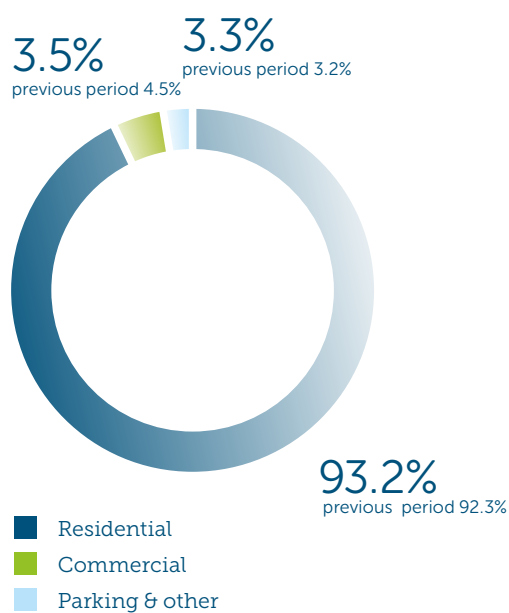
Direct exchanges with our tenants beyond the usual communication channels, and an active contribution to creating a tenant community is important to us. For this reason, we hold regular tenant festivals or sponsor campaigns such as the planting festival in the past. Tenants get to congregate and design their living surroundings together according to their needs and ideas. After a longer pandemic enforced break, we held the first tenant's festival in Kaiserslautern again in June. Peach board members, employees, and tenants exchanged ideas in a relaxed and conducive atmosphere accompanied by delicious food from the barbecue stand.



Portfolio structure

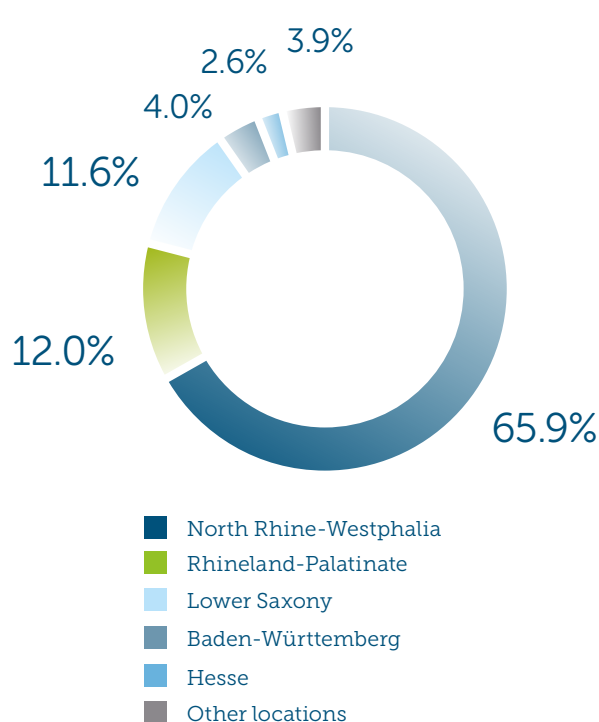
Rental income by use category
as of Jun 30, 2022

% Actual rental income



Breakdown by federal state
as of Jun 30, 2022

% Annualized target rental income



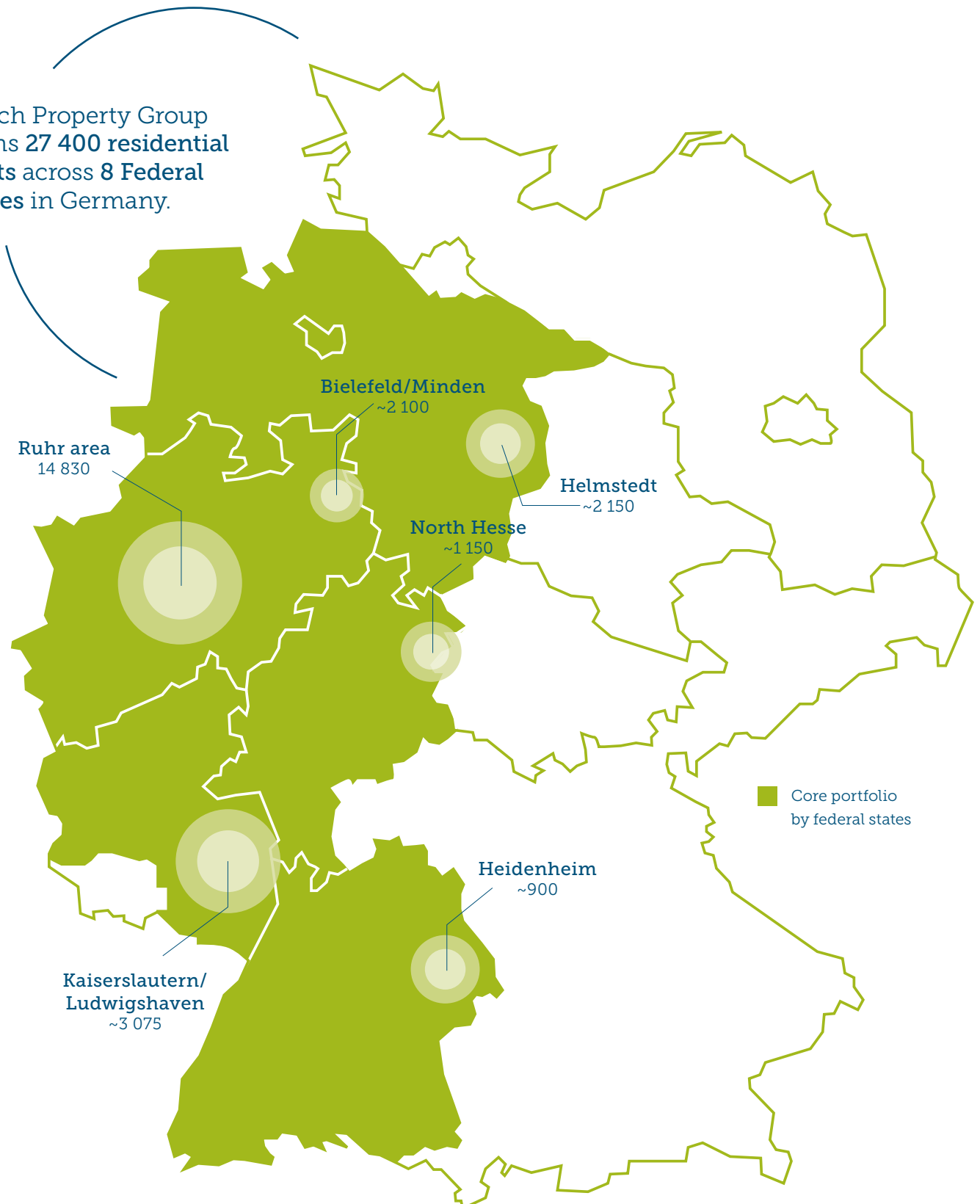
Portfolio key indicators

	Jun 30, 2022		Dec 31, 2021	
Number of residential units		27 398		27 441
Total rental space in m ²		1 771 450		1 773 980
Thereof residential space in m ²		1 702 827		1 705 227
Thereof commercial space in m ² (GF DIN 277)		68 623		68 753
Rental income in CHF thousand*		59 250		108 601
Maintenance costs CHF thousand*		8 375		12 926
Administrative and operating costs CHF thousand*		3 762		10 625
Vacancy costs CHF thousand*		3 146		5 232
Target rental income in CHF thousand p. a.		134 943		138 086
Vacant residential units (number of residential units as a percentage of all residential units)	2 086	7.6%	2 190	8.0%
Average total rental potential, as a percentage of target rental income*		11.1%		11.4%
Market value in CHF thousand		2 640 456		2 633 670
Gross rental yield*		4.6%		4.8%
Net rental income / Cash flow yield*		2.9%		3.0%

* Disclosures as per December 31, 2021 include only 6 months of the results from the acquisition per June 30, 2021.

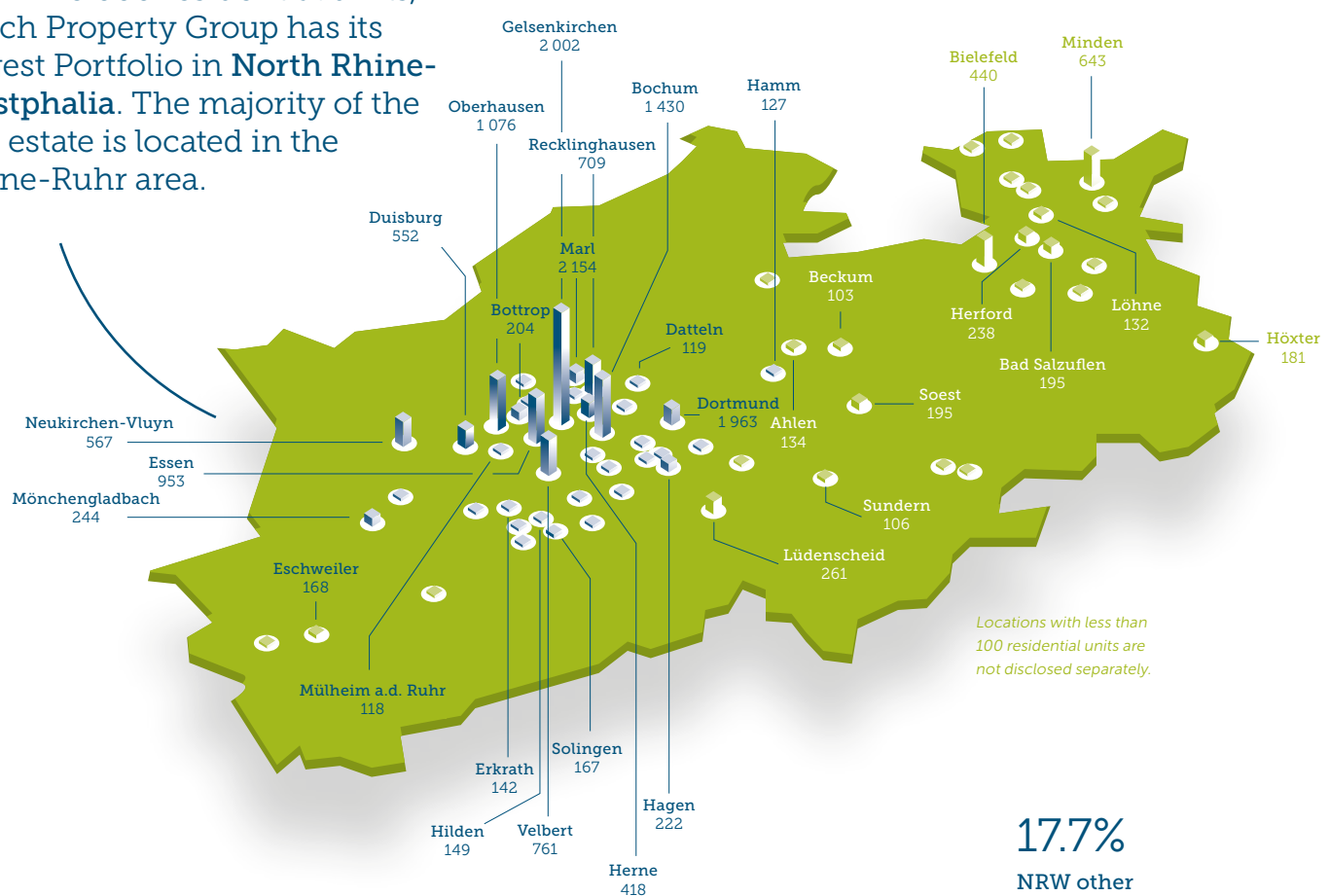
Core portfolios of Peach Property Group

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



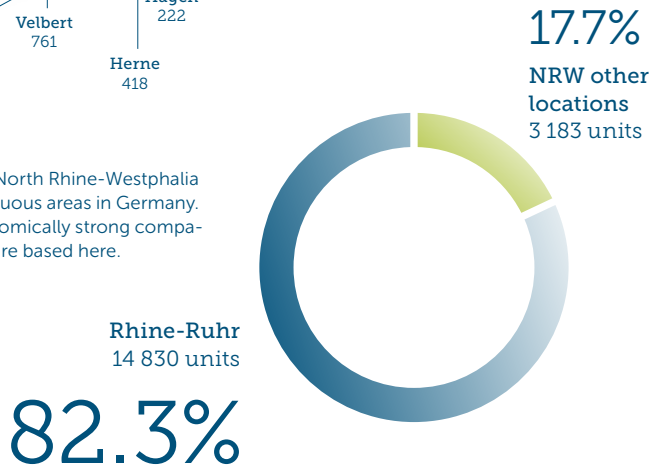


With ~ 18 000 residential units, Peach Property Group has its largest Portfolio in **North Rhine-Westphalia**. The majority of the real estate is located in the Rhine-Ruhr area.



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

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



Details Portfolio

in CHF thousands

Jun 30, 2022

Location	Num- ber of resi- dential units	Area in m ²	Year of con- struction (reno- vation)	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	558	2.0%	5.0%	4.1%
Mews, Wädenswil	16	1 100	1874 (1991)	8 392	295	20.7%	2.9%	2.3%
Gardens, Wädenswil	13	769	1874 (1991)	7 327	220	2.2%	3.1%	2.8%
Munster	377	25 797	1959 - 1967	29 987	1 791	2.5%	5.9%	4.5%
Fassberg	280	19 242	1958 - 1961	19 950	1 365	2.7%	7.0%	4.4%
Rock Helmstedt/Schöningen/Esbeck	2 133	124 946	1952 - 1970	132 173	8 958	16.8%	6.1%	3.7%
Erkrath	194	17 008	1970 / 1978	37 694	1 539	6.8%	3.8%	3.0%
Dortmund Rheinische Strasse 167 - 171	0	2 502	1922 (1997)	2 399	206	15.9%	7.0%	6.7%
Neukirchen-Vluyn L	513	34 821	1974 / 1981	42 401	2 983	34.0%	4.0%	1.5%
Neukirchen-Vluyn S	54	3 114	1974 / 1981	3 783	225	4.5%	5.6%	3.4%
Oberhausen	1 956	129 610	1869 - 2001	203 552	10 352	6.5%	4.8%	3.4%
Bochum II	172	11 079	1958 - 1999	20 053	946	6.2%	4.5%	3.4%
Bochum III	463	6 466	1972	18 609	27	3.1%	0.2%	-1.4%
Bochum-Herne	330	23 670	1920 - 1980	38 250	1 831	9.1%	4.3%	3.0%
Gelsenkirchen I	972	67 634	1921 - 1968	86 205	4 620	4.9%	5.3%	3.5%
Gelsenkirchen II	136	8 595	1920 - 1957	12 516	656	11.1%	4.9%	3.6%
Gelsenkirchen III	66	4 736	1950 - 1971	5 699	334	17.0%	4.7%	2.2%
Gelsenkirchen IV	81	5 686	1902 - 1956	6 462	420	16.1%	4.7%	1.8%
Essen I	68	5 725	1962 - 1964	9 960	384	6.5%	3.7%	2.7%
Essen II	107	6 680	1976	12 416	457	0.7%	3.8%	2.8%
Essen III	14	2 387	1972	3 486	227	12.5%	7.4%	5.9%
Duisburg	207	12 838	1950 - 1972	17 418	987	9.1%	4.8%	3.2%
Dortmund	1 403	91 328	1950 - 1970	170 013	6 843	8.8%	3.6%	2.4%
Rhein Ruhr	352	23 661	1900 - 1983	29 373	1 729	16.1%	4.8%	2.4%
Ruhr	528	36 215	1905 - 1990	57 140	2 842	8.2%	4.3%	2.7%
Ruhr II	346	23 400	1900 - 2015	28 516	1 697	12.4%	5.0%	3.1%
Ruhr III	968	60 129	1900 - 1990	88 179	4 381	10.0%	4.5%	2.9%
Ruhr IV	262	15 107	1920 - 1978	20 292	1 062	9.5%	4.5%	2.6%
Ruhr V	172	18 310	1899 - 1973	22 232	1 335	18.6%	5.2%	4.4%

¹ Based on the valuation by Wüest Partner as of Jun 30, 2022.

² Annualized actual rental income Jan 1 to Jun 30, 2022 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.

³ Annualized actual rental income Jan 1 to Jun 30, 2022 (net cold, excl. incidental expenses less administration and maintenance costs) in relation to the average value of the portfolios.

in CHF thousands

Jun 30, 2022

Location	Num- ber of resi- dential units	Area in m ²	Year of con- struction (reno- vation)	Market value ¹	Target rent p.a. net cold	Letting potential	Rental gross return ²	Rental net return ³
Ruhr VI	64	3 732	1905 - 1960	5 724	317	8.5%	4.8%	2.9%
Velbert	761	53 358	1972 - 1978	74 736	3 514	8.0%	4.5%	3.0%
Marl	221	16 120	1966 - 1990	23 940	1 327	17.6%	4.3%	2.7%
Marl II	1 865	121 077	1939 - 1972	174 865	9 533	9.2%	5.0%	3.5%
Bielefeld I	212	15 045	1969 / 1978	22 811	854	8.0%	3.6%	1.5%
Bielefeld II	144	10 447	1969/1970/1973	15 858	631	0.7%	4.0%	3.2%
Dorsten	57	4 108	1970	4 232	254	25.8%	4.7%	2.4%
Beckum	103	6 277	1960 - 1975	9 156	411	3.3%	4.4%	2.7%
Lüdenscheid	146	9 054	1910 - 1969	9 838	627	20.2%	4.9%	2.5%
Herne	165	12 931	1976	16 588	938	19.8%	3.9%	1.0%
Ahlen	134	9 908	1956	11 656	630	3.3%	5.3%	3.5%
Mönchengladbach	244	4 239	1975	12 206	744	49.5%	2.5%	-3.6%
Hagen	36	5 033	1985	3 518	271	38.5%	4.6%	1.8%
Bremen, Gelsenkirchen & Hilden	517	25 680	1954 - 1996	54 872	2 487	11.2%	3.8%	3.0%
Portfolio Deutschland I	2 134	135 071	1926 - 1995	194 079	9 604	11.0%	4.4%	2.6%
Ostwestfalen	1 737	114 839	1800 - 2002	144 490	7 685	9.7%	4.9%	2.5%
Rheinland	378	27 794	1900 - 1963	59 994	2 505	13.6%	3.7%	2.7%
Kaiserslautern I	22	3 318	1928-1938/1950	4 777	306	61.5%	2.5%	1.3%
Kaiserslautern II	1 144	72 198	1931 - 2000	116 965	5 543	7.0%	4.5%	3.1%
Kaiserslautern III	200	11 381	1926 - 1961	23 353	1 087	11.4%	4.1%	2.7%
KL Betzenberg IV	343	25 896	1972	43 992	1 934	17.5%	3.2%	1.4%
KL Betzenberg V	242	13 591	1972-1973	26 503	1 148	12.8%	3.5%	2.0%
Kaiserslautern VI	59	2 365	1972	5 117	300	57.7%	1.8%	-1.3%
Kaiserslautern VII	175	10 776	1954 - 1961	21 168	886	8.3%	3.8%	2.4%
Kaiserslautern & Ausserhalb	369	20 323	1952 - 1973	36 369	1 672	24.9%	3.4%	2.1%
Ludwigshafen	492	35 581	1920 -1987	82 293	3 485	5.7%	4.1%	3.3%
Nordhessen	336	22 830	1966 - 1976	24 482	1 444	12.5%	5.1%	2.2%
Nordhessen II	796	44 134	1929 - 1979	47 227	2 965	6.0%	6.0%	3.5%
Eschwege	116	8 309	1994	11 526	633	5.8%	5.2%	3.6%
Heidenheim I	900	62 574	1896 - 2006	115 631	5 150	8.8%	4.1%	2.9%
Wertgrund / Small-scale letting	1 103	76 505	1973 - 1994	97 172	6 790	9.7%	5.1%	3.1%
Total	27 398	1 771 450		2 640 456	134 943	11.1%	4.6%	2.9%

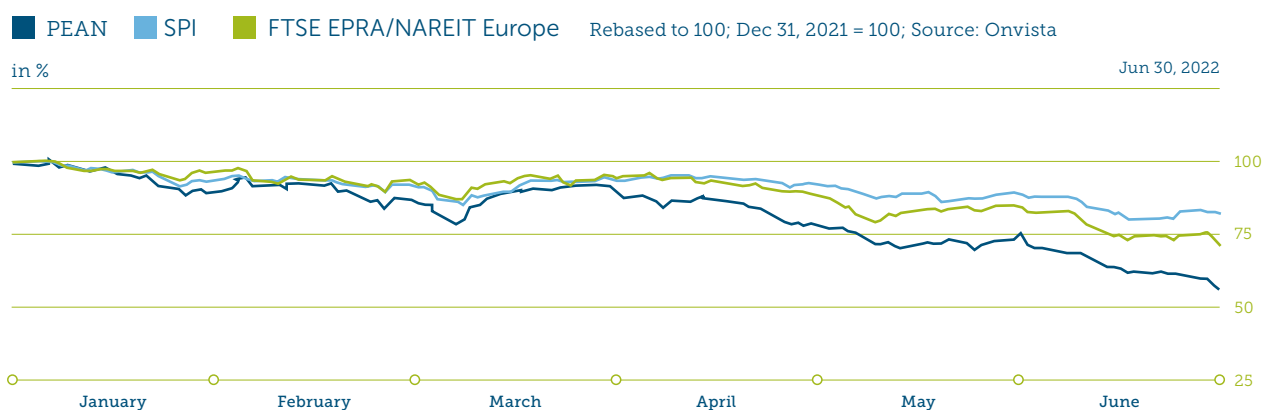
Investor information

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.

After a strong performance by our share in the financial year 2021, the share price came under pressure during the first half-year of 2022. The war in Ukraine, high inflation rates, problems in global supply chains, and rising interest rates resulted in distortions on the global financial markets in the first half-year of 2022. Real estate stocks in particular were impacted, which is reflected both in the development of the benchmark index FTSE EPRA/NAREIT Europe, which comprises listed European real estate stocks, and in the development of the Peach Property Group share price. FTSE EPRA/NAREIT Europe lost approx. 29 percent of its value between January 1 and June 30, 2022, while Peach Property Group shares lost approx. 44 percent of its value over the same period. Given the focus of our real estate portfolio on Germany, the share performance was comparable with that of German residential real estate companies. In comparison, the Swiss Performance Index (SPI), which comprises almost all listed Swiss stock corporations, lost around 25 percent of its value in the first half-year of 2022.

The liquidity of our share remained stable in the first half-year of 2022. With an average of 16 118 shares, a similar number of shares were traded on a daily basis as in the previous period (16 654), and for the full year 2021 (16 435).

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 June 2022:



1

Information on the share

1.1. Number of shares

	Jun 30, 2022	Dec 31, 2021
Share capital in CHF	506 471 190	16 882 373
Number of shares issued	16 882 373	16 882 373
Nominal value per share in CHF	30.00	1.00
Number of treasury shares	11 183	7 741
Number of outstanding shares	16 871 190	16 874 632

1.2. Key stock exchange data

Security no.: 11 853 036		
ISIN: CH0118530366		
Ticker symbol: PEAN Bloomberg: PEAN:SW Reuters: PEAN		
	1st half-year 2022	2021
High in CHF	64.60	66.60
Low in CHF	35.00	41.80
Closing rate at the end of the reporting period, in CHF	35.35	63.40
Market capitalization (excluding treasury shares) at the end of the reporting period, in CHF	596 396 567	1 069 851 669

1.3. Key share data

	1st half-year 2022	2021
Basic earnings per share in CHF	2.54	12.50
Diluted earnings per share in CHF	2.53	12.38
Basic FFO I per share in CHF	0.54	0.73
Diluted FFO I per share in CHF	0.53	0.72
NAV/IFRS per share in CHF ¹	62.30	60.38
NAV market value per share in CHF ¹	69.50	68.56

1 Excluding hybrid capital and minority shareholdings.

1.4. Significant shareholders

The following shareholders held three percent or more of all issued shares of Peach Property Group AG as of June 30, 2022, based on the published disclosure notifications ¹ of significant shareholders, and the share register of Peach Property Group AG:

Shareholders		Number of shares	Percentage of all shares
Ares Management Corporation, USA, through: Peak Investment S.à.r.l. ² , Luxembourg		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
Dr. Thomas Wolfensberger, Switzerland		754 713	4.47
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH ³ , Germany	426 627	738 160	4.37
BayernInvest Kapitalverwaltungsgesellschaft mbH ⁴ , Germany	311 533		
Marius Barnett, London, through: Victoria Park Peaky S.à.r.l, Luxembourg		526 481	3.12
Other		9 172 650	54.33
Total shares outstanding		16 882 373	100.00

1 <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/>

2 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.

3 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.

4 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both carried out by BayernInvest Kapitalverwaltungsgesellschaft mbH.

The notional free float based on the shares issued on June 30, 2022, is 92.42%. 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/dam/download/market-data/indices/equity-indices/six-methodology-smi-equity-and-re-en.pdf>).

1.5. Overview of shareholders

According to the share register of Peach Property Group AG	Jun 30, 2022	Dec 31, 2021
Registered shareholders	1 101	1 098
Registered shares	10 099 605	10 591 782
With voting rights	8 820 590	9 762 910
Shareholders with 1 to 1 000 shares	733	719
Shareholders with 1 001 to 10 000 shares	288	300
Shareholders with over 10 000 shares	80	79

2

Information about the bonds

During the first half year of 2022, Peach Property Group AG was represented on the SIX Swiss Exchange with one listed bond. A hybrid warrant bond, issued on June 25, 2018, PEA23 (ISIN CH0417376024) is outstanding in the amount of CHF 58.57 million as of June 30, 2022. The exercise period closed on June 25, 2021, and options not exercised by this time expired without compensation. The issuer holds a call option of 100% for the first time from June 22, 2023, and on each subsequent coupon date.

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

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 March 2022, we offered the bondholders a partial early repayment. Through this process we reduced, as of March 31, 2022, the outstanding amount to EUR 200.496 million.

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.

Subject to market conditions, we may initiate further repurchases of our issued bonds in the future.

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	41737602 (bond cum)
ISIN	CH0417376024 (bond cum)
Further information	https://www.six-group.com/de/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.html?valorId=CH-0417376024CHF4#/

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 200.496 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/investor-relations-en/>.

3

Information on the Annual General Meeting of 2022

The Annual General Meeting of our Company was held in Zurich on May 20, 2022. To protect the health of our shareholders, this year's Annual General Meeting was once again held without physical attendance by shareholders and shareholder representatives. 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 56% of the total issued share capital, or 87% of the voting rights were represented. All the motions put forward by the Board of Directors were approved by clear majorities. The General Meeting resolved among others, a dividend payment of CHF 0.33 per share with more than 97 percent of the votes cast. The dividend, increased by 10 percent compared with the previous year, was paid entirely out of statutory capital contributions, and will be exempt from withholding tax. In addition, the shareholders approved the ordinary capital increase from statutory capital contributions by increasing the nominal value of shares from CHF 1.00 to CHF 30.00. This does not change shareholders' voting rights and capital

share. Furthermore, no new shares will be created, and no additional funds inflow will occur. By taking this step, Peach Property Group AG aims for greater flexibility with regards to future dividend payments to shareholders. As in the previous year, the shareholders resolved to increase the existing conditional capital by approximately CHF 250 million to a new total of CHF 252 million, and to approve an authorized capital with a maximum of CHF 252 million. Peach Property Group can thus continue to act swiftly and flexibly on acquisition opportunities, and further pursue its value-creating growth strategy. In addition, the General Meeting approved the remuneration of the Board of Directors and the Executive Management, and re-elected the President of the Board of Directors Reto Garzetti and the other members of the Board, Peter Bodmer, Dr Christian De Prati, 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/investor-relations-en/>.

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/news-en/>.

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 the investor relations department of our Company maintain contact with investors, analysts, and business journalists in Switzerland and abroad. In the first half-year of 2022, our management presented our Group's business model and medium- to long-term prospects at four capital market conferences and two roadshows. In addition, many one-on-one meetings were held with equity and bond investors. Due to the COVID-19 situation, these events and discussions still took place largely in virtual form. In addition, various press articles about Peach Property Group were published in Swiss and German media in the first half-year of 2022.

We are planning a virtual analyst and press conference on the financial results in English for August 30, 2022.





Consolidated semi-annual financial statements of Peach Property Group AG as of June 30, 2022

In accordance with International Financial Reporting Standards (IFRS)

Consolidated semi-annual financial statements

Consolidated statement of income for the period	22
Consolidated statement of comprehensive income	23
Consolidated statement of financial position	24
Consolidated statement of cash flows	26
Consolidated statement of changes in shareholders' equity	28

Notes to the consolidated semi-annual financial statements

About us	32
Preparation of financial statements	32

Performance

1 Performance per share	34
2 Result from letting of investment properties	36
3 Segments	37

Platform costs

10 Personnel expenses	48
11 Option programs	49
12 Other operating expenses	50
13 Taxes	50

Real estate portfolio

4 Investment properties and revaluation result	38
5 Development properties	41

Other disclosures

14 Working Capital	52
15 Events after the balance sheet date	52

Capital structure & risk management

6 Equity	42
7 Mortgages, financial liabilities & derivative financial instruments	42
8 Financial result	44
9 Financial risk management	45

Consolidated statement of income for the period

in CHF thousands	Note	1st half-year 2022 unaudited	1st half-year 2021 unaudited
Rental income	2	59 250	50 220
Valuation gains from investment properties	4	78 715	126 379
Profit on disposal of investment properties		6	307
Income from development properties		-63	0
Other operating income		157	233
Operating income		138 065	177 139
Expenses from letting of investment properties	2	-15 283	-12 117
Valuation losses from investment properties	4	-1 616	-220
Loss on disposal of investment properties		-157	0
Expenses from development properties		-5	246
Expenses from development and construction management services		0	-15
Personnel expenses	10	-9 810	-8 486
Sales and marketing expenses		-97	-97
Other operating expenses	12	-5 847	-4 101
Depreciation and amortization		-952	-698
Operating expenses		-33 767	-25 488
Operating result		104 298	151 651
Financial income	8	7 395	4 739
Financial expenses	8	-48 611	-24 955
Result before taxes		63 082	131 435
Income taxes	13	-16 067	-21 339
Result after taxes		47 015	110 096
– attributable to Peach Property Group AG equity holders		43 794	105 029
– attributable to non-controlling interests		3 221	5 067
Basic earnings per share in CHF	1	2.54	8.14
Diluted earnings per share in CHF	1	2.53	7.96

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

Consolidated statement of comprehensive income

in CHF thousands	1st half-year 2022 unaudited	1st half-year 2021 unaudited
Result after taxes	47 015	110 096
Other comprehensive income:		
Items that may subsequently be reclassified to profit or loss		
Result from cash flow hedges	15 823	3 769
Currency translation changes	-18 373	2 748
Tax effects	-2 605	-582
Other comprehensive result that may subsequently be reclassified to profit or loss, after taxes	-5 155	5 935
Items that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit obligations	1 557	220
Tax effects	-152	-30
Other comprehensive result that will not be reclassified to profit or loss, after taxes	1 405	190
Total comprehensive income	43 265	116 221
– attributable to Peach Property Group AG equity holders	41 372	110 821
– attributable to non-controlling interests	1 893	5 400

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

Consolidated statement of financial position

in CHF thousands	Note	Jun 30, 2022 unaudited	Dec 31, 2021 audited
Assets			
Current assets			
Cash and cash equivalents		42 133	37 199
Trade receivables		5 685	7 652
Other receivables	14	27 668	19 514
Current financial receivables		384	398
Development properties	5	47 258	44 149
Investment properties held for sale	4	5 031	3 265
Total current assets		128 159	112 177
Non-current assets			
Investment properties	4	2 662 275	2 657 222
Advance payments for investment properties		1 224	0
Equipment		3 932	3 749
Intangible assets		1 337	1 482
Non-current financial receivables	9	21 319	2 044
Investments in associates		1	1
Deferred tax assets	13	18 732	17 368
Total non-current assets		2 708 820	2 681 866
Total assets		2 836 979	2 794 043

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

Consolidated statement of financial position (continued)

in CHF thousands	Note	Jun 30, 2022 unaudited	Dec 31, 2021 audited
Liabilities and equity			
Current liabilities			
Trade payables		5 858	3 684
Other payables and advance payments	14	37 608	37 058
Current income tax liabilities		4 329	4 930
Current financial liabilities	7	247 974	90 558
Current provisions		1 007	1 372
Total current liabilities		296 776	137 602
Non-current liabilities			
Non-current financial liabilities	7	1 249 460	1 410 078
Non-current provisions		116	236
Employee benefit obligations		1 896	3 690
Deferred tax liabilities	13	136 624	122 010
Total non-current liabilities		1 388 096	1 536 014
Total liabilities		1 684 872	1 673 616
Equity			
Share capital	6	506 471	16 882
Treasury shares	6	-531	-492
Share premium	6	57 953	555 000
Hybrid capital		57 412	57 412
Other reserves		9 435	-4 440
Currency translation changes		-47 668	-30 830
Retained earnings		526 064	483 295
Equity attributable to Peach Property Group AG equity holders		1 109 136	1 076 827
Equity attributable to non-controlling interests		42 971	43 600
Total equity		1 152 107	1 120 427
Total liabilities and equity		2 836 979	2 794 043

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

Consolidated statement of cash flows

in CHF thousands	Note	1st half-year 2022 unaudited	1st half-year 2021 unaudited
Result before taxes		63 082	131 435
Adjustment for non-cash expense/income:			
– Depreciation and amortization		952	698
– Valuation result from investment properties	4	-77 099	-126 159
– Result on disposal of investment properties		151	-307
– Change in bad debt allowance		853	588
– Valuation result from lease liabilities	8	898	416
– Financial income (without valuation result from lease liabilities)	8	-7 395	-4 716
– Financial expenses (without change in bad debt allowance and valuation result from lease liabilities)	8	47 257	24 050
– Share-based compensation	11	694	798
– Changes in provisions		-452	-607
– Other non-cash charges		1 405	-560
Changes in working capital:			
– Trade receivables		1 008	324
– Other receivables	14	-11 503	-8 371
– Development properties	5	-3 073	-2 290
– Trade payables		2 364	54
– Other liabilities and advance payments	14	1 683	4 038
Interest and other financial expenses paid		-27 551	-21 978
Taxes paid and reimbursed		-282	-1 100
Cash flows from operating activities		-7 008	-3 687

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

Consolidated statement of cash flows (continued)

in CHF thousands	Note	1st half-year 2022 unaudited	1st half-year 2021 unaudited
Payments for real estate companies		-1 765	-142 987
Payments for equipment		-1 008	-941
Payments for intangible assets		-121	-414
Investments in investment properties	4	-28 349	-23 011
Advance payments for investment properties	4	-1 263	-47
Proceeds from disposal of investment properties	4	4 194	4 095
Financial receivables advanced		0	-7 904
Repayment of financial receivables		0	2 793
Interest income received		43	42
Cash used in investment activities		-28 269	-168 374
Proceeds from current financial liabilities	7	25 012	486
Repayment of current financial liabilities	7	-223 195	-162 260
Proceeds from non-current financial liabilities	7	250 279	163 089
Lease payments – amortization share		-328	-339
Proceeds from issuance of hybrid capital		0	179 680
Acquisition of treasury shares	6	-4 296	0
Capital increase and issuance costs	6	-44	3 503
Distributions to hybrid equity investors ¹		-668	-668
Dividends paid ²	6	-5 545	-3 142
Cash flow from financing activities		41 215	180 349
Change in cash and cash equivalents		5 938	8 288
Cash and cash equivalents as of January 1		37 199	67 656
Currency exchange impact on cash and cash equivalents		-1 004	157
Cash and cash equivalents as of June 30		42 133	76 101

1 In the reporting as well as in the previous period excluding withholding tax not yet paid.

2 In the the previous period excluding withholding tax not yet paid.

Consolidated statement of changes in shareholder's equity

in CHF thousands	Note	Share capital	Treasury shares	Share premium
January 1, 2022		16 882	-492	555 000
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				
Increase nominal value	6	489 589	0	-489 589
Transactions with non-controlling interest (Purchase price adjustment)		0	0	0
Hybrid warrant bond – distribution		0	0	0
Bond issuance costs		0	0	-43
Share-based compensation – increase of reserve	11	0	0	0
Share-based compensation – exercise of options	6	0	1 015	174
Share-based compensation – exercise of SBP 2019	11	0	3 242	-2 044
Dividend payment	6	0	0	-5 545
Acquisition of treasury shares	6	0	-4 296	0
Total transactions with owners in their capacity as owners		489 589	-39	-497 047
June 30, 2022		506 471	-531	57 953

1 Equity holders of Peach Property Group AG.

Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders ¹	Non-controlling interests	Total equity
57 412	-4 440	-30 830	483 295	1 076 827	43 600	1 120 427
0	0	0	43 794	43 794	3 221	47 015
0	14 416	-16 838	0	-2 422	-1 328	-3 750
0	14 416	-16 838	43 794	41 372	1 893	43 265
0	0	0	0	0	0	0
0	0	0	0	0	-2 522	-2 522
0	0	0	-1 025	-1 025	0	-1 025
0	0	0	0	-43	0	-43
0	657	0	0	657	0	657
0	0	0	0	1 189	0	1 189
0	-1 198	0	0	0	0	0
0	0	0	0	-5 545	0	-5 545
0	0	0	0	-4 296	0	-4 296
0	-541	0	-1 025	-9 063	-2 522	-11 585
57 412	9 435	-47 668	526 064	1 109 136	42 971	1 152 107

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

in CHF thousands	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	0	0	0
Transactions with non-controlling interests	0	0	0
Mandatory convertible bond III - issue	0	0	0
Mandatory convertible bond III - purchase	0	0	0
Mandatory convertible bond II - conversions	790	0	32 798
Mandatory convertible bonds - interest	0	0	0
Hybrid warrant bond – exercise of warrants	189	0	4 540
Hybrid warrant bond – reclass of expired options	0	0	0
Hybrid warrant bond – interest paid	0	0	0
Issue costs	0	0	-3 388
Share-based compensation – increase of reserve	0	0	0
Share-based compensation – exercise of options	22	213	1 041
Share-based compensation – exercise of SBP 2014 & 2018	97	0	1 769
Dividends paid	0	0	-1 904
Total transactions with owners in their capacity as owners	1 098	213	34 856
June 30, 2021	13 593	-6	382 129

1 Equity holders of Peach Property Group AG.

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

Notes to the consolidated semi-annual financial statements

A

About us

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

Our portfolio comprises high yielding investment properties, typically in German Tier II cities in the commuter belt of metropolitan areas. Our tenants are at the center of our activities. We want to create an attractive living experience for our tenants, and our services therefore span the entire value chain, from location evaluation and acquisition to active asset management and the letting 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. The majority of our German group companies have their registered office in Cologne. The majority of our employees, totaling 219 are based in Cologne as well as in our local Peach Points and our Service Center in Berlin.

B

Preparation of financial statements

We structured the financial statements around topics that we feel are of central importance to our investors: performance, our real estate portfolio, financing and capital structure, operating platform costs and other mandatory disclosures.

The 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 have applied the following significant accounting policies in the preparation of these semi-annual consolidated financial statements:

B.1. Basis of preparation

- › These unaudited semi-annual financial statements as of June 30, 2022 were prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the consolidated financial statements as of December 31, 2021.
- › The Board of Directors approved the unaudited consolidated semi-annual financial statements at its meeting on August 29, 2022 and released them for publication on August 30, 2022.
- › In the preparation of these semi-annual financial statements in accordance with IAS 34, the key assessments made by management with regard to the application of accounting policies and significant sources of risk and uncertainties were consistent with those used in the preparation of the consolidated financial statements for 2021, with the exception of the differences described in B.3.

B.2. Effects of the COVID-19 pandemic and war in Ukraine

- › The COVID-19 pandemic did not have a material impact on the valuation of investment properties or the amount of outstanding tenant receivables in the reporting period.
- › The first few moderate effects from the war in Ukraine are reflected in the 2022 semi-annual financial statements, particularly in energy costs and costs for modernization, and repair and maintenance.

B.3. Changes in accounting principles applied in financial year 2022

We adopted the following new or amended IFRS standards which took effect at the beginning of the 2022 financial year. These had no material impact on our result for the period or the financial position of the Group.

- › Amendments to IFRS 3 – "Reference to the Conceptual Framework"
- › Amendments to IAS 16 – "Proceeds before intended use"
- › Amendments to IAS 37 – "Onerous Contracts - Cost of fulfilling a contract"
- › Annual Improvements to IFRS Standards 2018-2020

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 annual or semi-annual financial statements of the Group upon adoption:

Standards/interpretations	Impact	Entry into force	Planned application
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 1 – "Disclosure of accounting policies"	No significant effects are expected.	Jan 01, 2023	Financial year 2023
Amendments to IAS 8 – "Definition of accounting estimates"	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. Seasonal factors

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

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

B.5. Currency translation

The following exchange rates were applied in currency translations:

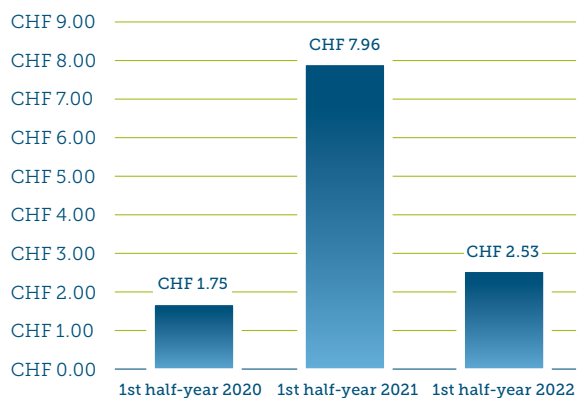
EUR/CHF	Jun 30, 2022	Dec 31, 2021	Jun 30, 2021
Closing rate	1.0005	1.0363	1.0965
Average rate	1.0325	1.0816	1.0945

Performance

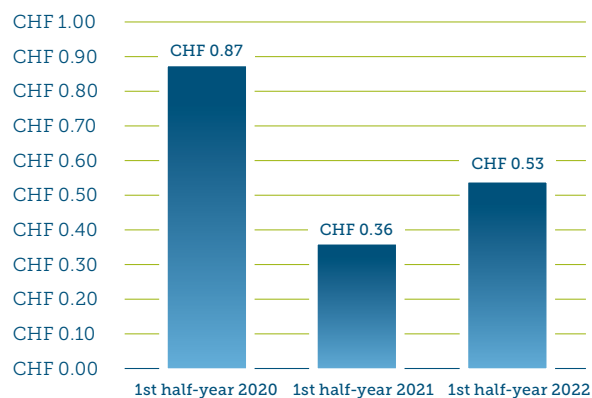
1

Performance per share

Diluted earnings per share



Diluted FFO I per share



1.1. Earnings per share

in CHF thousands

	1st half-year 2022	1st half-year 2021
Result attributable to Peach Property Group AG equity holders	43 794	105 029
Payment of hybrid warrant bond coupon	-1 025	-1 025
Hybrid warrant bond coupon not recognized in the statement of financial position, share attributable to the period	0	-36
Adjusted net result for the period attributable to Peach Property Group AG equity holders	42 769	103 968
Adjustments for diluted earnings		
Accumulated unrecognized hybrid capital coupon (convertible bond)	0	36
Adjusted net result for the period attributable to Peach Property Group AG equity holders, including expected conversions	42 769	104 004
Average number of outstanding shares	16 854 998	12 773 791
Adjustment based on options issued	79 237	162 947
Adjustment based on mandatory convertible bonds issued	0	127 273
Diluted average number of outstanding shares	16 934 235	13 064 011
Basic earnings per share in CHF	2.54	8.14
Diluted earnings per share in CHF	2.53	7.96

1.2. Funds from operations (FFO) per share

in CHF thousands	1st half-year 2022	1st half-year 2021
Operating result	104 298	151 651
Depreciation and amortization	952	698
EBITDA	105 250	152 349
Valuation result of investment properties	-77 099	-126 159
Disposal of investment properties	151	-307
Share-based compensation	694	798
Other non-cash accrued expenses positions	637	386
Adjusted EBITDA	29 633	27 067
Interest paid	-18 896	-19 838
Interest paid on hybrid capital ¹	-668	-668
Lease payments	-783	-806
Interest income received	43	42
Taxes paid and reimbursed	-282	-1 100
Operating result I (FFO I)	9 047	4 697
Result on disposals of investment properties	-151	307
Operating result II (FFO II)	8 896	5 004
Basic FFO I per share in CHF	0.54	0.37
Diluted FFO I per share in CHF	0.53	0.36
Basic FFO II per share in CHF	0.53	0.39
Diluted FFO II per share in CHF	0.53	0.38

¹ In the reporting as well as in the previous period excluding withholding tax not yet paid

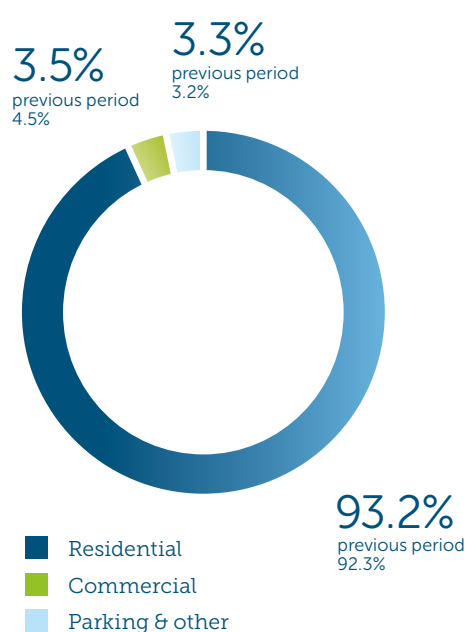
- › Interest paid does not include other financial expenses which are mainly, one-off in nature, and concerns financing activities, which do not follow a clear pattern.

2

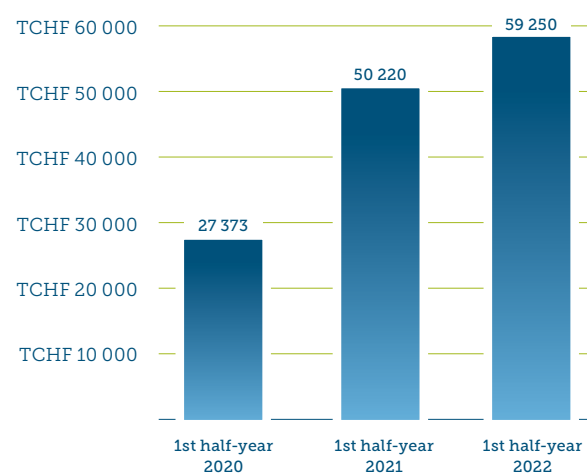
Result from letting of investment properties

in CHF thousands	1st half-year 2022	1st half-year 2021
Target rental income from letting of investment properties	67 472	58 426
Lost income due to vacancies	-7 488	-6 898
Lost income due to collection risks	-734	-1 308
Total rental income	59 250	50 220
Expense from letting of investment properties	-12 137	-9 750
– of which ongoing maintenance expenses	-8 375	-7 084
– of which ongoing administrative expenses	-3 762	-2 666
Expenses from unoccupied investment properties (vacancies)	-3 146	-2 367
Total expenses from letting of investment properties	-15 283	-12 117
Gross return	4.6%	4.9%
Net return	2.9%	3.1%
Average rental potential	11.1%	11.8%
Vacancy rate based on units as of June 30	2 086 / 7.6%	2 067 / 7.5%

Rental income by use category



Rental income



- › The increase in rental income compared to the previous period is mainly due to the acquisition of approx. 4 300 residential units at the end of June 2021. We achieved further growth in earnings by reducing vacancies and increasing rental charges in the existing portfolios: like-for-like rental income increased by 3.4% (previous period 3.5%; 2021 financial year 3.8%).
- › Lost income due to collection risk is 1.2% during the reporting period (previous period: 2.5%; 2021 financial year: 3.6%).
- › Ongoing administrative expenses as a percentage of net rental income before collection losses is 6.3% compared to 5.2% in the previous period and well below the 2021 year-end ratio of 9.6%.
- › Maintenance costs as a percentage of net rental income before collection losses is 14.0% compared to 13.8% in the previous period and 11.5% in the 2021 financial year.
- › Overall, total expenses from letting of investment properties as a percentage of net rental income before debt collection losses is 25.5% compared to 23.5% at half-year 2021 and 25.6% at the end of 2021.

3

Segments

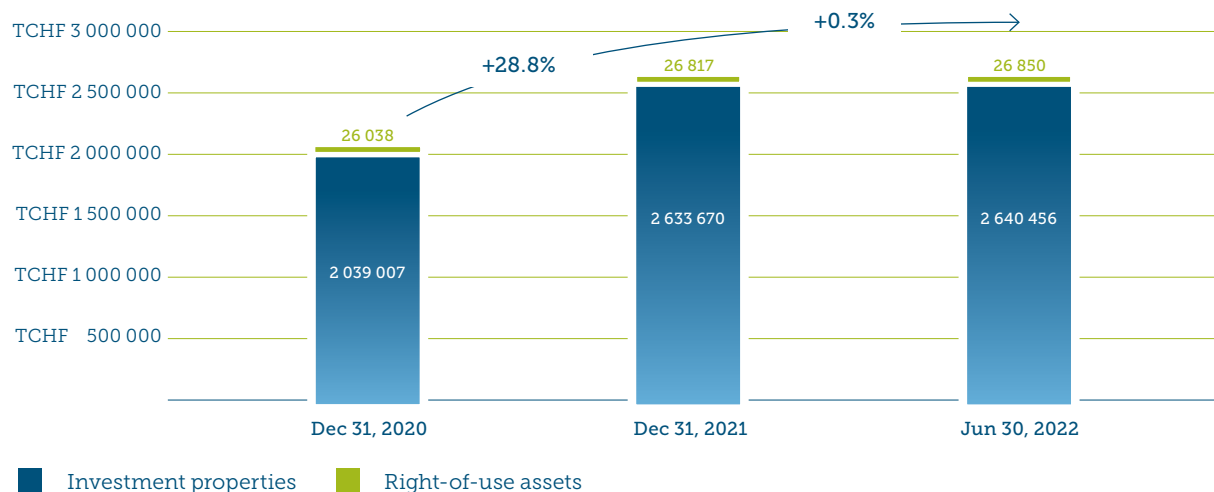
- › We have only one operating segment, which comprises investment activities in real estate to optimize our portfolio, or for further on selling. Our operating segment was defined on the basis of internal reporting to the Board of Directors, which represents the chief decision-maker of our Company. 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.

Real estate portfolio

4

Investment properties and revaluation result

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



in CHF thousands	Investment properties	Right-of-use assets	2022 Total	Investment properties	Right-of-use assets	2021 Total
Market value as of January 1	2 633 670	26 817	2 660 487	2 039 007	26 038	2 065 045
Additions through acquisition of real estate companies	-175	0	-175	396 013	0	396 013
Additions through acquisitions	62	0	62	676	0	676
Additions through investments eligible for capitalization	28 287	0	28 287	20 817	0	20 817
Disposals	-4 345	0	-4 345	-3 788	0	-3 788
Valuation gains	77 725	990	78 715	125 644	735	126 379
Valuation losses	-1 616	0	-1 616	-176	-44	-220
Currency translation changes	-93 152	-957	-94 109	21 050	263	21 313
Market value as of June 30	2 640 456	26 850	2 667 306	2 599 243	26 992	2 626 235
of which investment properties held for sale	5 031	0	5 031	2 405	0	2 405

4.2. Change in portfolio

Acquisitions:

- › A purchase agreement for approx. 150 residential units with advance payment of CHF 1 224 thousand was notarized during the first half-year of 2022. The transaction is expected to be fully executed during the third quarter of 2022.

Investments eligible for capitalization:

- › Refurbishing and modernization investments amounted to CHF 28 287 thousand, of which CHF 2 407 thousand relates to the renovation project Neukirchen-Vluyn and CHF 4 658 thousand in relation to the new portfolios acquired at the end of June 2021.

Disposals:

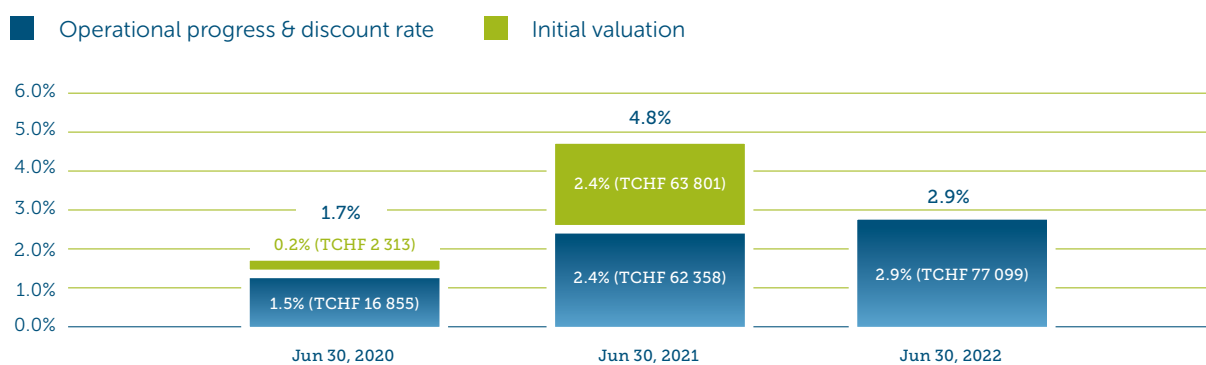
- › Sale of 20 residential units in Frankenthal.
- › Sale of 1 commercial and 3 residential units in Fassberg.
- › Sale of 18 residential units in Heidenheim.

4.3. Non-current assets held for sale

- › The units classified as held for sale at the 2021 year-end were sold during the reporting period (see paragraph 4.2.).
- › At the end of the reporting period, two subportfolios in Hameln and Marl are accounted for as held for sale investment properties. We expect to sale of these properties to conclude within the next 12 months.

4.4. Revaluation

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



All valuation gains in the reporting period resulted from lower discount rates across the full portfolio, and the impact of operational progress.

4.5. Sensitivity analysis

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

	Market value Jun 30, 2022		Market value Dec 31, 2021		Unobservable input factors Jun 30, 2022			Unobservable input factors Dec 31, 2021		
	in CHF thousands	Av. discount rate Jun 30, 2022	in CHF thousands	Av. discount rate Dec 31, 2021	Discount rate in %	Rent CHF per m ² /mth	Vacancy in %	Discount rate in %	Rent CHF per m ² /mth	Vacancy in %
North Rhine-Westphalia	1 780 359	3.57%	1 774 023	3.67%	2.2 - 5.0	5.6 - 14.4	0.0 - 12.0	2.2 - 5.1	5.5 - 10.1	0.0 - 9.8
Rhineland-Palatinate	365 170	3.33%	366 514	3.50%	3.0 - 4.1	5.9 - 10.3	1.6 - 7.1	3.2 - 3.8	6.0 - 9.2	1.6 - 6.8
Lower Saxony	244 438	4.03%	241 964	4.21%	3.2 - 4.5	5.4 - 8.0	1.5 - 10.6	3.3 - 4.8	5.7 - 7.0	1.8 - 10.7
Baden-Wuerttemberg	120 205	3.34%	121 174	3.44%	2.5 - 5.2	7.0 - 12.3	0.0 - 11.1	2.6 - 4.6	7.0 - 9.0	0.0 - 6.0
Hesse	59 568	3.87%	59 551	4.02%	3.6 - 4.2	5.4 - 6.5	4.0 - 6.9	3.9 - 4.3	5.2 - 6.2	4.0 - 5.9
Other locations	97 566	3.53%	97 261	3.74%	2.5 - 4.0	5.9 - 23.0	2.2 - 6.5	2.4 - 4.2	6.0 - 24.8	3.1 - 7.1
	2 667 306	3.57%	2 660 487	3.70%						

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

in CHF thousands					Rent				Jun 30, 2022		
					7.5%	5.0%	2.5%	0.0%	-2.5%	-5.0%	-7.5%
Discount rate	-0.40%	3.17%	3 229 165	3 154 068	3 078 971	3 003 875	2 928 778	2 853 681	2 778 584		
	-0.20%	3.37%	3 037 523	2 966 883	2 896 243	2 825 603	2 754 963	2 684 323	2 613 683		
	0.00%	3.57%	2 867 354	2 800 671	2 733 989	2 667 306	2 600 623	2 533 941	2 467 258		
	0.20%	3.77%	2 715 240	2 652 095	2 588 949	2 525 804	2 462 659	2 399 514	2 336 369		
	0.40%	3.97%	2 578 452	2 518 488	2 458 524	2 398 560	2 338 596	2 278 632	2 218 668		
in CHF thousands					Rent				Jun 30, 2021		
					7.5%	5.0%	2.5%	0.0%	-2.5%	-5.0%	-7.5%
Discount rate	-0.40%	3.39%	3 156 324	3 082 921	3 009 519	2 936 116	2 862 713	2 789 310	2 715 907		
	-0.20%	3.59%	2 980 485	2 911 171	2 841 857	2 772 544	2 703 230	2 633 917	2 564 603		
	0.00%	3.79%	2 823 203	2 757 547	2 691 891	2 626 235	2 560 579	2 494 924	2 429 268		
	0.20%	3.99%	2 681 689	2 619 324	2 556 959	2 494 594	2 432 230	2 369 865	2 307 500		
	0.40%	4.19%	2 553 685	2 494 297	2 434 909	2 375 521	2 316 133	2 256 745	2 197 357		

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

5

Development properties

in CHF thousands

	Jun 30, 2022	Dec 31, 2021
Projects in the building preparations phase	0	44 149
Units under construction	47 258	0
Total development properties	47 258	44 149

- › Construction at the "Peninsula" development project started towards the end of the second quarter of 2022. The reservation rate is approximately 36% (end of 2021: 30%). The first purchase agreements were notarized in July 2022.

Capital structure & risk management

6

Equity

6.1. Share capital

- Following the approval of the par value increase from CHF 1 to CHF 30 at the 2022 Annual General Meeting, share capital totals CHF 506 471 thousand as of June 30, 2022 and consists of 16 882 373 shares.
- The 2022 Annual General Meeting further resolved to increase the conditional capital from 1 947 410 shares at the end of the 2021 financial year to 8 400 000 shares, and to create authorized capital of 8 400 000 shares.

6.2. Treasury shares

- A total of 85 434 treasury shares were acquired during the reporting period of which 81 992 shares were utilized to settle bonus entitlements, the share component of the Board of Directors' remuneration and obligations from the 2019 option program.
- At the end of the reporting period, we held a total of 11 183 treasury shares.

6.3. Share premium

- Capital reserves reduced by CHF 489 589 thousand due to the increase in the par value of the registered share from CHF 1 to CHF 30. Further reductions resulted from the dividend payment of CHF 5 545 thousand, the allocation of treasury shares below the average acquisition price in order to settle bonus and share based compensation obligations of CHF 1 870 thousand, and issue taxes of CHF 43 thousand.

7

Mortgages, financial liabilities & derivative financial instruments

in CHF thousands	Jun 30, 2022			Dec 31, 2021		
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Amounts due to banks	15 041	0	15 041	0	0	0
Mortgages and building loans	31 043	840 152	871 195	17 845	780 215	798 060
Bonds	200 114	296 114	496 228	0	563 041	563 041
Syndicated loan and other property financing	105	54 826	54 931	70 946	0	70 946
Derivative financial instruments	0	275	275	0	7 142	7 142
Total property financing liabilities	246 303	1 191 367	1 437 670	88 791	1 350 398	1 439 189
Lease liabilities	655	35 151	35 806	681	35 826	36 507
Other non-current financial liabilities	1 016	22 942	23 958	1 086	23 854	24 940
Total other financial liabilities	1 671	58 093	59 764	1 767	59 680	61 447
Total financial liabilities	247 974	1 249 460	1 497 434	90 558	1 410 078	1 500 636

7.1. Refinancing measures

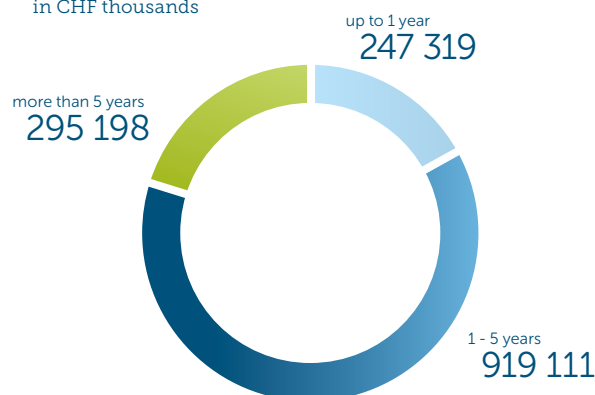
In the first half-year of 2022, we carried out the following key refinancing measures:

- › Repayment of syndicated loan of EUR 60 million (CHF 60 030 thousand), interest rate 3.17%.
- › Partial repayment of the EUR bond I of EUR 49 million (CHF 49 529 thousand), interest rate 3.5%.
- › Early repayment of mortgage loan of EUR 78.6 million (CHF 78 649 thousand) average interest rate including interest rate swaps 2.43%.
- › New revolving facility agreement of EUR 100 million. As of the reporting date, we have drawn CHF 15 041 thousand. Maturity: April 2025.
- › New bonded loan of EUR 55 million, of which CHF 19 009 thousand at an interest rate of 2.21% and CHF 34 051 thousand at interest of 3M Euribor + 1.75%. Maturity: March 2025.
- › New mortgage loan of EUR 40 million (CHF 40 019 thousand), interest rate of 3M Euribor + 1.18% incl. interest rate cap at 1.5%. Maturity: May 2027.
- › New mortgage loan of EUR 90 million (CHF 90 045 thousand), interest rate of 2.07%. Maturity: March 2027.

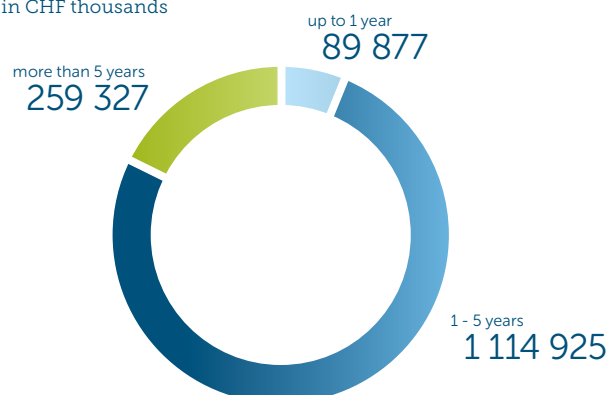
7.2. Maturity structure

Maturities of financial liabilities, excluding lease liabilities

Jun 30, 2022
in CHF thousands

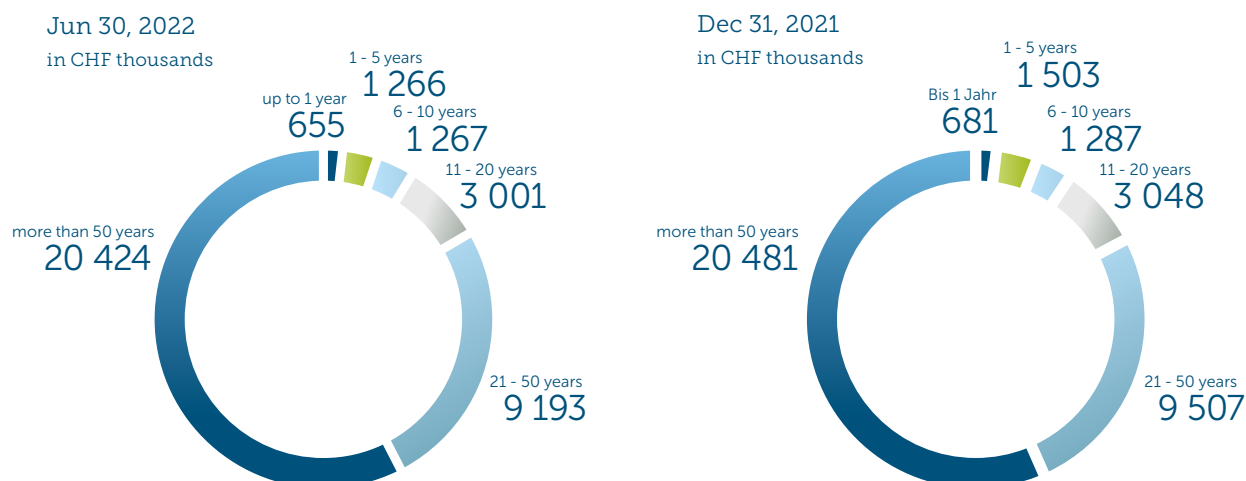


Dec 31, 2021
in CHF thousands



- › Consistent with the associated investment horizon, 83.1% of all financial liabilities are non-current in nature at the end of the reporting period (year-end 2021: 93.9%). The decrease in the ratio results primarily from the EUR bond I which will mature in February 2023. Approximately CHF 50 million were repaid during the reporting period and subsequently another CHF 20 million were redeemed in July 2022. The repayment of the remaining approximately CHF 180 million is planned for the second half-year of 2022 and corresponding negotiations are well-advanced.
- › The average residual term is 3.7 years at the period end date (year-end 2021: 3.8 years). We strive for a minimum average term of 4 years.
- › Mortgages have an average term of 4.5 years (year-end 2021: 4.9 years).
- › Our mortgages bear an average interest rate of 1.6% (year-end 2021: 1.8%), other property financing liabilities were charged an average interest of 3.9% (year-end 2021: 4.0%). The overall average interest rate is 2.6% for the first half-year of 2022 (year-end 2021: 2.8%).

Maturities of lease liabilities



- › The average residual term as of June 30, 2022 is 113 years (year-end 2021: 114 years) for leasehold agreements and 1.8 years (year-end 2021: 2.3 years) for other leases.

8

Financial result

in CHF thousands

	1st half-year 2022	1st half-year 2021
Financial expenses		
Interest expenses – third parties	-19 285	-19 979
Loss from changes in the fair value of financial instruments	-557	0
Interest expenses related to lease liabilities	-456	-467
Valuation loss on lease liabilities	-898	-438
Foreign exchange losses	-21 588	-205
Other financial expenses	-5 827	-3 866
Total financial expenses	-48 611	-24 955
Financial income		
Interest income – third parties	43	144
Gain from changes in the fair value of financial instruments	6 779	25
Valuation gain on lease liabilities	0	22
Foreign exchange gains	573	4 542
Other financial income	0	6
Total financial income	7 395	4 739

- › The net gain from changes in the fair value of financial instruments amounts to CHF 6 222 thousand, compared to a net gain of CHF 25 thousand in the comparative period. The increase results primarily from new interest rate cap agreements in connection with new investment property financing that do not qualify for hedge accounting.
- › Currency effects (net) are negative with CHF 21 015 thousand, compared to a positive effect of CHF 4 337 thousand in the previous period. This positive earnings contribution in the current period relates primarily to a lower EUR/CHF closing exchange rate compared to the comparative period.

9

Financial risk management

9.1. Interest coverage ratio

To ensure that liabilities can always be serviced, even with rising interest rates, we strive to maintain an interest coverage ratio of at least 1.5. With the exclusion of proceeds

and expenses that do not impact liquidity, the corresponding ratios are as follows:

in CHF thousands	1st half-year 2022	1st half-year 2021
Operating result (EBIT)	104 298	151 651
Depreciation and amortization	952	698
Valuation result of investment properties	-77 099	-126 159
Share-based compensation	694	798
Other non-cash accrued expense positions	637	386
Adjusted operating result	29 482	27 374
Net interest expense	19 242	19 835
Interest coverage ratio	1.53	1.38

› The interest coverage ratio was 1.38 at the end of the previous period. Due to lower interest expenses as well as economies of scale and efficiency gains during the

first half-year of 2022, the interest coverage ratio has improved again and reached our targeted minimum ratio.

9.2. Loan-to-Value

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

vious loan-to-value-target of a maximum of 55%, for a value of less than 50% in the mid-term. For the reporting period and the previous year the ratios were as follows:

in CHF thousands	Jun 30, 2022	Dec 31, 2021
Total market value of real estate portfolio (investments and development properties) incl. advance payments for investment properties ¹	2 696 780	2 686 985
Total net financial liabilities without lease liabilities and market value of derivative financial instruments ²	1 394 879	1 394 450
Loan-to-value ratio	51.7%	51.9%
Total market value of real estate portfolio (investments and development properties without right-of-use assets) incl. advance payments for investment properties ¹	2 696 780	2 686 985
Total net financial liabilities secured by mortgages ²	828 679	760 463
Secured loan-to-value ratio	30.7%	28.3%

¹ Market value of development properties amounts to CHF 55 100 thousand as per external valuation per Jun 30, 2022.

² Less cash and cash equivalents and current financial receivables.

9.3. Lending arrangement clauses

- › Lending arrangement clauses exist for certain financing arrangements, particularly for the EUR bonds as well as the bonded loan and the revolving credit facility which were concluded during the reporting period. We complied with these clauses during the reporting and previous period.

9.4. Financial instruments at fair value

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

For financial instruments that are not traded on active markets, we determine fair value using other appropriate valuation methods, which may include current transactions of similar financial instruments, quoted market prices for similar financial instruments, or 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 period end.

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

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

The following table show the financial assets and liabilities measured at fair value at the end of the period:

in CHF thousands	Jun 30, 2022	Dec 31, 2021
	Level 2	Level 2
Assets		
– Derivatives held for trading purposes	8 297	1 834
– Derivatives held as hedging instruments	12 878	104
Liabilities		
– Derivatives held for trading purposes	0	44
– Derivatives held as hedging instruments	275	7 098

The decrease in liabilities and the increase in assets resulted primarily from changes in the fair value of existing hedging instruments due to higher interest rates.

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

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

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

Unrecognized differences were identified for the following instruments as period end:

in CHF thousands	Jun 30, 2022		Dec 31, 2021	
	Market value	Carrying amount	Market value	Carrying amount
Current financial liabilities measured at amortized cost				
Current financial liabilities excluding lease liabilities, Level 1	168 962	200 114	0	0
Non-current financial liabilities measured at amortized cost				
Non-current mortgages	838 669	840 152	780 877	780 215
Non-current financial liabilities excluding lease liabilities, Level 1	259 960	296 114	577 631	563 041
Non-current financial liabilities excluding lease liabilities, Level 2	54 016	54 826	0	0
Total	1 321 607	1 391 206	1 358 508	1 343 256

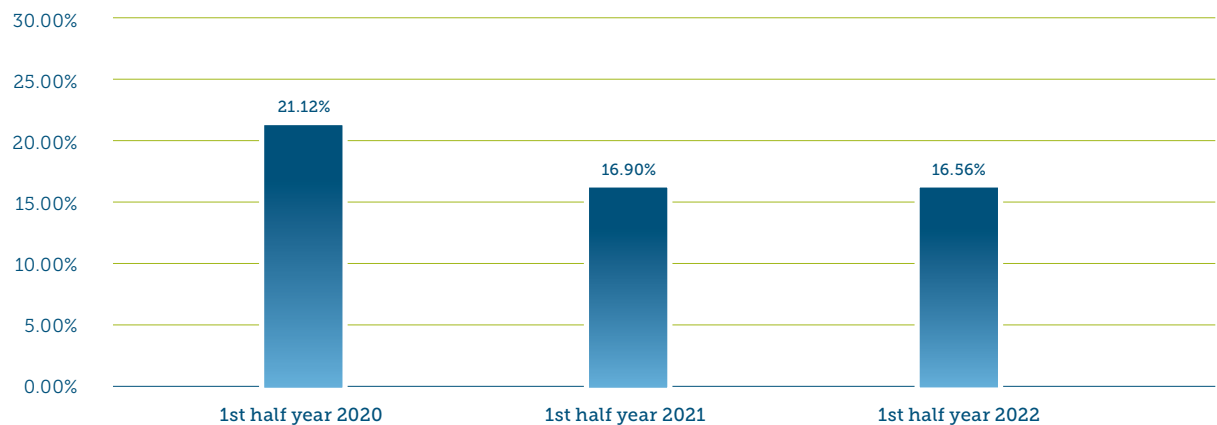
- › There are no material differences between the market value and the carrying amount of non-current financial receivables and other non-current financial liabilities.
- › The bonds are assigned to Level 1, all other financial instruments are in Level 2.
- › There were no transfers between the individual levels in either the reporting period or the previous period.
- › There were no netting agreements to be reported as of June 30, 2022 or December 31, 2021.

Platform costs

10

Personnel expenses

Personnel expenses as a % of rental income



in CHF thousands	1st half-year 2022	1st half-year 2021
Salaries	-8 321	-6 771
Social insurance cost	-1 070	-1 063
Employee benefits – defined benefit plan	-48	-48
Employee benefits – defined contribution plan	-97	-98
Share-based compensation	-694	-798
Other personnel expenses	-263	-582
Capitalized own services	683	874
Total personnel expenses	-9 810	-8 486
Headcount as of June 30	219	160

› The decrease in personnel expenses in relation to the rental income relates primarily to the acquisition of around 4 300 rental units at the end of June 2021 and the economies of scale and efficiency gains realized as a result.

› The absolute increase in personnel expenses is largely due to the increase in the number of employees from 160 as of June 30, 2021, to 219 as of June 30, 2022 (December 31, 2021: 194 employees) following our continued growth, as well as the insourcing of the property management function of the portfolio acquired in June 2021, effective per January 2022.

11

Option programs

- › The Board of Directors approved a new Performance Stock Unit Program (2022-2024 PSU program, Plan 2022) for share-based compensation in the second quarter of 2022.
- › Under the PSU program, entitlements are granted to program participants in the form of PSUs (performance stock units), which represent an entitlement of up to two shares per PSU, depending on the level of target achievement over the performance period (share price, accumulated Group earnings after taxes for the years 2022-2024 and the average interest expense, in equal parts), provided the beneficiary is still employed by the Group at the end of the performance period. The Group has no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.
- › With the approval of the 2021 financial statements by the 2022 Annual General Meeting, the performance period for Plan 2019 closed. 31 500 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 2022	Plan 2021	Plan 2020	Plan 2019
Issue date	April 1, 2022	April 1, 2021	June 2, 2020	May 10, 2019
Measurement years for accumulated group result	2022 - 2024	2021 - 2023	2020 - 2022	2019 - 2021
End of performance period	GV 2025	GV 2024	GV 2023	GV 2022
Effective date share price	Feb 6, 2025	Feb 6, 2024	Feb 6, 2023	Feb 4, 2022
End of blocking period	GV 2025	GV 2024	GV 2023	GV 2022
Accumulated Group result after taxes	approved long-term plan	approved long-term plan	approved long-term plan	approved long-term plan
Average financing costs	approved long-term plan	approved long-term plan	n.a.	n.a.
Share price when issued in CHF	55.90	49.70	36.40	29.60
Risk-free interest rate	0.45%	-0.55%	-0.62%	-0.57%
Volatility	28.06%	28.77%	28.67%	25.04%
Market value of PSUs on date of issue in CHF	48.50	46.62	26.79	20.98

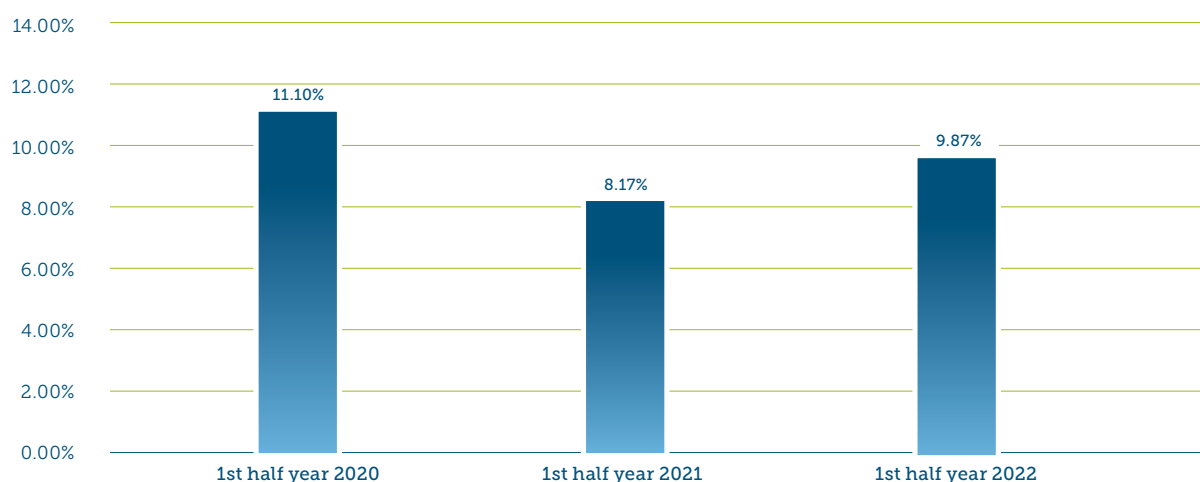
Outstanding PSUs on January 1, 2021	0	0	41 500	41 500
Exercisable PSUs on January 1, 2021	0	0	0	0
Options allocated	0	43 000	1000	0
Options exercised	0	0	0	0
Options forfeited	0	-1 500	-8 000	-7 000
Outstanding PSUs on December 31, 2021	0	41 500	34 500	34 500
Exercisable PSUs on December 31, 2021	0	0	0	0
Options allocated	25 200	0	0	0
Options exercised	0	0	0	31 500
Options forfeited	0	-1 000	-2 000	-3 000
Outstanding PSUs on June 30, 2022	25 200	40 500	32 500	0
Exercisable PSUs on June 30, 2022	0	0	0	0

In the reporting period, we charged CHF 694 thousand (previous period: CHF 798 thousand) to the consolidated statement of income for the PSU plans (both including social benefits).

12

Other operating expenses

Other operating expenses as a % of rental income



› In absolute terms, other operating expenses increased by CHF 1 746 thousand compared to the previous period.

› Key drivers for the increase in operating expenses include, next to the growth in our portfolio, also higher costs in connection with the valuation of our investment properties, higher IT expenditure in connection with the establishment and expansion of our IT infrastructure, and higher minority compensations.

13

Taxes

in CHF thousands

	1st half-year 2022	1st half-year 2021
Income taxes		
Result before taxes	63 082	131 435
Income taxes	-16 067	-21 339
Tax rate	25.47%	16.24%

in CHF thousands

	Jun 30, 2022	Dec 31, 2021
Deferred tax assets	18 732	17 368
Deferred tax liabilities	136 624	122 010

- › The tax rate for companies owning investment properties in Germany is 15.83% in most cases (trade tax exemption), while Swiss companies are subject to varying tax rates of 13% to 21%. Peach Property Management GmbH & Co. KG is subject to a tax at a rate of 32.45%. Excluding non-recurring effects, we expect a tax rate of between 16% and 18%.
- › The increase in the tax rate results primarily from interest carryforwards of Peach Property Group Management GmbH & Co. KG that were not capitalized in the reporting period.
- › The change in deferred tax assets is mainly the result of additional capitalized loss carryforwards at Peach Property Group AG due to the further weakening of the EUR against the CHF. The increases in deferred tax liabilities were the result of revaluation gains and/or depreciation under the prevailing statutory regulations.

Other disclosures

14

Working Capital

14.1. Other receivables

The increase in the other receivables of CHF 8 154 thousand from year-end 2021 is primarily due to:

- › Increase in ancillary cost receivables of CHF 9 128 thousand since the 2021 ancillary costs are yet to be billed, and higher 2022 ancillary costs receivables following growth.
- › Reduction of tax receivables of CHF 1 663 thousand due to a tax reimbursement following the final assessment of the primary contractor for the "Wollerau Park" project.

14.2. Other payables

The net increase in the other payables of CHF 550 thousand from year-end 2021 is primarily due to:

- › Increase in ancillary cost liabilities of CHF 3 035 thousand as the 2021 ancillary costs are yet to be billed; offset by decreases in accrued transaction costs of CHF 696 thousand, prepaid rent of CHF 631 thousand, and receivables in a net credit position of CHF 823 thousand.

15

Events after the balance sheet date

- › Repurchase of a further CHF 19 219 thousand of the EUR bond I in July 2022, at a price of 94%. The outstanding nominal value amounts to EUR 181.3 million.
- › Conclusion of a mortgage loan of EUR 100 million, with a maturity in 2027.

Report on the Review

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

Zürich

Introduction

We have reviewed the consolidated semi-annual financial statements (consolidated statement of income for the period, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and notes to the consolidated semi-annual financial statements) pages 21 to 52 of Peach Property Group AG for the period ended 30 June 2022. The Board of Directors is responsible for the preparation and presentation of these consolidated semi-annual financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated semi-annual financial statements based on our review.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers AG

Patrick Balkanyi

Philipp Gnädinger

Zürich, 29 August 2022

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

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

EPRA Reporting

1

How EPRA is applied

Peach Property Group became a member of EPRA (European Public Real Estate Association) in November 2020. We disclose Performance Measures in line with the EPRA Reporting and Accounting Committee's Best Practices Recommendations (BPR) guidelines from February 2022.

EPRA is a not-for-profit association registered in Brussels and represents the interest of market-leading European real estate companies. To facilitate greater comparability among real estate companies, EPRA established certain uniformed performance reporting measures in addition to conventional IFRS reporting.

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

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

2

Overview of EPRA Performance Measures

EPRA-Performance Measure	Definition	Objective	1st half-year 2022	1st half-year 2021 / Dec 31, 2021
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.	-1.20	0.59
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.	80.63	79.67
EPRA Net Tangible Assets (NTA)	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		69.50	68.56
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.		58.74	61.73
EPRA Net Initial Yield (NIY) in %	Annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with estimated purchasers' costs.	Comparable benchmark for portfolio evaluation. This performance measure is intended to help investors assess the valuation of different portfolios.	3.1%	2.9%
EPRA 'Topped-up' NIY in %	This measure incorporates an adjustment to the EPRA NIY with respect to the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		3.1%	2.9%
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 %).	8.5%	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.	52.4%	49.4%
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.	47.1%	44.7%
EPRA LTV	Debt divided by market value of the property.	Key metric to determine the percentage of debt in comparison to the appraised value of the property.	54.4%	54.7%

3

Overview of EPRA Performance Measures

3.1. EPRA Earnings per share

The EPRA Earnings per share performance measure relates to the operating result. It indicates the extent to which current dividend payments are supported by the operating result. Based on the profit for the period, 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	1st half-year 2022	1st half-year 2021
Earnings per IFRS consolidated statement of income	47 015	110 096
Adjustments to calculate EPRA earnings, exclude:		
Valuation changes from investment properties	-77 099	-126 159
Net profit/loss on disposal of investment properties	151	-307
Net profit/loss generated from development properties held for trading	69	-231
Tax on profits or losses on disposals	-59	87
Changes in fair value of financial instruments and associated close-out costs	-6 222	-25
Deferred tax with respect to EPRA adjustments	13 222	20 056
Non-controlling interests with respect to the above	2 635	4 570
EPRA Earnings	-20 288	8 087
Number of outstanding shares	16 882 373	13 563 523
Diluted number of outstanding shares at period end	16 882 373	16 860 432
EPRA EPS in CHF	-1.20	0.59
Diluted EPRA EPS in CHF	-1.20	0.48
Adjustment for development properties	-69	231
Adjustment for depreciation	952	698
Adjustment for share-based compensation and other non-cash personnel expenses	1 331	1 184
Adjustment for other deferred and non-cash taxes	2 622	95
Interest paid on hybrid capital	-668	-668
Other financial expenses	5 827	3 861
Non-cash interest and foreign exchange result	22 758	-3 415
Lease payments and valuation result of lease liabilities	-783	-806
Non-controlling interests	-2 635	-4 570
Adjusted earnings (FFO I)	9 047	5 113
Average number of outstanding shares	16 854 998	12 773 791
Diluted average number of outstanding shares at period end	16 934 235	13 064 011
Basic FFO I per share in CHF	0.54	0.37
Diluted FFO I per share in CHF	0.53	0.36

- EPRA earnings per share retracted significantly in the first half-year of 2022 to a net deficit. The retraction is mainly due to currency developments where the Euro started to lose value against the Swiss franc in the fourth quarter of 2021. Closing rate in the first half-year 2022 was 1.0005 EUR/CHF compared to 1.0965 EUR/CHF in the previous period.
- Net currency losses amounted to CHF 21 015 thousand in the reporting period, while the previous financial period included a net currency gain of CHF 4 337 thousand.
- 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 period, we held only three small subportfolios (in Hameln, Ludwigshafen and Marl) which intend to sell. The sale of the subportfolio in Marl already commenced by selling individual units. The sale of the subportfolio in Hameln is planned for the third quarter of 2022. The deferred tax impact from these subportfolios 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	Jun 30, 2022			Dec 31, 2021		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to Peach Property Group AG equity holders	1 109 136	1 109 136	1 109 136	1 076 632	1 076 632	1 076 632
Hybrid instruments	-57 412	-57 412	-57 412	-57 412	-57 412	-57 412
Diluted NAV, after the exercise of options, convertibles and other equity interests	1 051 724	1 051 724	1 051 724	1 019 220	1 019 220	1 019 220
Include:						
Revaluation of development properties	6 595	6 595	6 595	7 709	7 709	7 709
Diluted NAV at fair value	1 058 319	1 058 319	1 058 319	1 026 929	1 026 929	1 026 929
Deduct:						
Deferred tax in relation to fair value gains of investment properties	-137 101	-136 722	0	-126 622	-126 342	0
Fair value of derivative financial instruments	20 900	20 900	0	-5 204	-5 204	0
Intangibles as per the IFRS statement of financial position	0	1 337	0	0	1 482	0
Include:						
Fair value of fixed interest rate financial liabilities	0	0	-66 698	0	0	15 252
Acquisition costs (assumption 7%)	186 711	527	0	186 234	487	0
EPRA NAV	1 361 231	1 173 331	991 621	1 344 989	1 157 480	1 042 181
Diluted number of shares	16 882 373	16 882 373	16 882 373	16 882 373	16 882 373	16 882 373
EPRA NAV per share in CHF	80.63	69.50	58.74	79.67	68.56	61.73

- › Depending on the viewpoint taken, the EPRA Best Practice Recommendations result in a NAV per share of CHF 59 to CHF 81 compared to IFRS NAV of CHF 62.
- › 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 70 per share is considered a meaningful indicator for shareholders.

3.3. EPRA Net Initial Yield

The EPRA NIY (Net Initial Yield) performance measure discloses the ratio of the annualized rental income minus non-allocable costs (i.e. the net rental income) in relation to the market values of the properties. The market values are increased by incidental acquisition costs in order to simulate an expected return for a potential buyer. As

for the "topped-up" values, rental incentives granted are eliminated from the net rental income. Since we are almost exclusively focused on residential properties, with few rental incentives, the corresponding incentives have a negligible impact on initial returns.

in CHF thousands	Jun 30, 2022	Dec 31, 2021
Investment properties and advance payments for investment properties ¹	2 635 425	2 630 405
Investment properties held for sale and development properties	52 289	47 414
Development properties and advance payments for investment properties	-47 258	-44 149
Market value of investment properties	2 640 456	2 633 670
Allowance for purchasers' costs, estimated at 7.0%	184 832	184 357
Gross-up market value of investment properties	2 825 288	2 818 027
Annualized rental income	118 498	118 160
Annualized expenses from leasing of investment properties	-30 566	-35 887
Annualized net rental income from letting of investment properties	87 932	82 273
Rent-free periods and other lease incentives	317	378
Topped-up annualized net rent from letting of investment properties	88 249	82 651
EPRA NIY in %	3.1%	2.9%
EPRA "topped-up" NIY in %	3.1%	2.9%

¹ Excluding right-of-use assets

- › The net initial yield at year-end 2021 contains significant valuation gains (yield compression) of CHF 288 319 thousand.
- › Compared to the previous period, the yield increased slightly.

3.4. EPRA Vacancy Rate

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

For the rented apartments, we use the agreed net cold rent as a basis while market rent values, estimated by our external appraisal specialist (Wüest Partner), are used for vacant apartments. EUR amounts are translated at the June 2022 average rate of 1.0325 for the current and prior period figures.

in CHF thousands	Jun 30, 2022	Dec 31, 2021
Annualized lost income due to vacancies from residential units	10 479	10 925
Annualized target rental income from residential units	123 787	120 433
EPRA Vacancy Rate	8.5%	9.1%

- › The EPRA vacancy rate reduced in comparison to year-end 2021 following a strong performance in the conclusion of new rental contracts during the first half-year of 2022.

3.5. EPRA Cost Ratio

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

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

in CHF thousands	1st half-year 2022	1st half-year 2021
Expenses from letting of investment properties	15 283	12 117
Personnel expenses	9 810	8 486
Sales and marketing expenses	97	97
Other operating expenses	5 847	4 101
EPRA costs (incl. direct vacancy costs)	31 037	24 801
Direct vacancy costs	-3 146	-2 367
EPRA costs (excl. direct vacancy costs)	27 891	22 434
Gross rental income, net of land rental expenses	59 250	50 220
Gross rental income	59 250	50 220
EPRA cost ratio (incl. direct vacancy costs)	52.4%	49.4%
EPRA cost ratio (excl. direct vacancy costs)	47.1%	44.7%

- › The EPRA expense ratio increased compared to the previous period mainly due to targeted repairs- and maintenance, and administrative expenditure.

3.6. EPRA LTV

The EPRA Loan-to-Value performance measure discloses net debt incurred in order to finance investment assets in relation to the fair value of the underlying investment assets.

in CHF thousands	Jun 30, 2022			Dec 31, 2021		
	Group EPRA LTV	Non-controlling interests share	Net EPRA LTV	Group EPRA LTV	Non-controlling interests share	Net EPRA LTV
Borrowings from financial institutions and other property financing	941 167	34 482	906 685	869 006	29 247	839 759
Hybrid instruments	57 412	0	57 412	57 412	0	57 412
Bond borrowings	496 228	0	496 228	563 041	0	563 041
Net current payables	14 100	507	13 593	18 002	625	17 377
Deduct:						
Cash and cash equivalents	42 133	518	41 615	37 199	448	36 751
EPRA net debt	1 466 774	34 471	1 432 303	1 470 262	29 424	1 440 838
Investment properties measured at fair value	2 635 155	125 062	2 511 317	2 630 405	124 888	2 505 517
Investment properties held for sale	5 301	0	5 301	3 265	0	3 265
Development properties at market value	55 100	0	55 100	53 315	0	53 315
EPRA property value	2 695 556	125 062	2 571 718	2 686 985	124 888	2 562 097
EPRA Loan-to-Value	54.4%	27.6%	55.7%	54.7%	23.6%	56.2%

LTV calculated according to IFRS (see Note 9.2) is relevant in relation to compliance with our various credit agreement clauses. EPRA LTV is not relevant.

4

EPRA core recommendations: Reporting on investment property

4.1 EPRA like-for-like rental income

The EPRA like-for-like rent performance measure discloses the rental development of an unchanged portfolio (organic development). To this end, acquisitions and disposals during the year and rental units vacated for renovation purposes or units newly lettable after the completion

of renovation are excluded. Like-for-like rental income is calculated at constant currency with EUR amounts converted at the June 30, 2022, average rate of 1.0325 for the current and prior period figures.

in CHF thousands	1st half-year 2022				1st half-year 2021		change
	Residential units	Residential area (in m ²)	Residential rental income	Residential rental income in CHF/m ²	Residential rental income	Residential rental income in CHF/m ²	in %
North Rhine-Westphalia	14 032	872 966	28 038	5.35	26 820	5.12	4.5%
Rhineland-Palatinate	3 040	183 495	6 545	5.94	6 388	5.80	2.5%
Lower Saxony	3 435	210 185	6 281	4.98	6 145	4.87	2.2%
Baden-Württemberg	932	63 713	2 336	6.11	2 280	5.96	2.5%
Hesse	841	53 744	1 542	4.78	1 540	4.78	0.2%
Other	796	44 793	1 633	6.07	1 608	5.98	1.5%
Total	23 076	1 428 896	46 375	5.41	44 781	5.22	3.6%

› We achieved a like-for-like rental income growth during the first half-year of 2022 of 3.6% (previous period of 4.4%)

4.2. Investments in real estate

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

For increased comparability, disclosures are at constant currency with EUR values are converted at the June 30, 2022, spot rate of 1.0005.

in CHF thousands	1st half-year 2022	1st half-year 2021
Development properties - planning and development costs	3 109	2 334
Investment properties:		
Acquisitions	60	362 014
Tenant improvements and other CAPEX measures - existing portfolios	22 756	18 995
Tenant improvements and other CAPEX measures - acquired portfolio per June 21	4 660	0
Total Capital Expenditures	30 585	383 343

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

in CHF thousands	1st half-year 2022			1st half-year 2021		
	Area in m ²	Capex in CHF thousands	Capex in CHF per m ²	Area in m ²	Capex in CHF thousands	Capex in CHF per m ²
North Rhine-Westphalia	922 181	14 743	15.99	922 080	11 780	12.78
Rhineland-Palatinate	211 354	3 685	17.43	211 979	2 713	12.80
Lower Saxony	194 502	2 623	13.49	194 559	3 073	15.79
Baden-Württemberg	65 801	848	12.89	66 033	617	9.53
Hesse	53 744	686	12.76	53 744	468	8.71
Other	49 275	171	3.46	49 275	344	6.98
Total	1 496 857	22 756	15.20	1 497 670	18 995	12.68

- › With an average of CHF 15.20 per square meter of lettable space, we invested significantly more in our portfolio in the first half of 2022 than in the comparative period. This increase results from the delivery on our modernization and energy-related renovations program during the first half-year of 2022.

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) as well as the revaluation effect that resulted from the development progress and the change in market value.

Disclosures are at constant currency with EUR values converted at the June 30, 2022, spot rate of 1.0005.

in CHF thousands	Jun 30, 2022					Jun 30, 2021				
	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	1 713 828	0	47 540	0.0%	2.8%	1 496 587	54 020	31 912	3.6%	2.1%
Rhineland-Palatinate	346 780	0	10 958	0.0%	3.2%	315 769	0	6 008	0.0%	1.9%
Lower Saxony	236 529	0	7 482	0.0%	3.2%	210 584	1 943	8 408	0.9%	4.0%
Baden-Württemberg	116 309	0	3 896	0.0%	3.3%	105 322	0	6 221	0.0%	5.9%
Hesse	58 179	0	1 389	0.0%	2.4%	48 035	0	2 875	0.0%	6.0%
Other	95 033	0	2 533	0.0%	2.7%	82 778	2 360	973	2.9%	1.2%
Total	2 566 658	0	73 798	0.0%	2.9%	2 259 075	58 323	56 397	2.6%	2.5%

- › The market value of our existing "like-for-like" portfolio increased by 2.9% (Comparative period: 2.5%).



Contacts

Peach Property Group AG

Dr. Thomas Wolfensberger

Chief Executive Officer

Thorsten Arsan

Chief Financial Officer

Telephone + 41 44 485 50 00

Fax + 41 44 485 50 01

investors@peachproperty.com

Share register

Telephone + 41 62 205 77 00

share.register@computershare.ch

Events

Publication of annual results 2022:

March 21, 2023

Annual General Meeting:

May 24, 2023

Imprint

Editor:

Peach Property Group AG, Zurich

Conceptual design / text:

edicto GmbH, Frankfurt /

Peach Property Group AG, Zurich

Realization: edicto GmbH, Frankfurt

© Peach Property Group AG, 2022

The 2022 semi-annual report was published
in German and English language.

They are available on the internet
at www.peachproperty.com.

The ad-hoc release in relation to the
semi-annual report is also available here.



Peach Property Group AG

Neptunstrasse 96

8032 Zürich | Schweiz

Tel +41 44 485 50 00

Fax +41 44 485 50 01

www.peachproperty.com