

Baader Swiss Equities Conference

January 13, 2023



Agenda

1. Peach Property at a glance

2. Business Update

3. Financial Update

4. ESG Update

5. Guidance Update & Conclusion

6. Appendix

- *Portfolio details*
- *ESG*
- *Capital market data & financial calendar*

Peach Property Group at a glance



Active real estate investor in the attractive German residential market

27 398
rental units

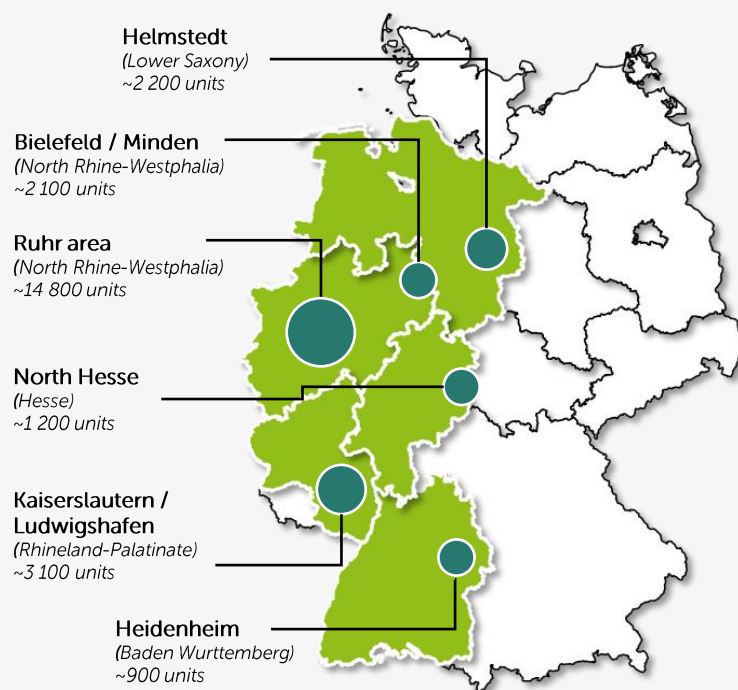
1 702 827
sqm
rental space

Spread across
8 federal states
in Germany

Clear focus
on Tier-2
«B» cities

>90%
residential
rental income

>200
employees
in DE and CH



As of June 30, 2022



Tenants at the centre

- 15 tenant shops ("Peach Points") as the cornerstone for direct dialogue with our tenants.
- Tenants are respected and taken seriously. E.g., final resolution of tenant inquiries within 3 days.
- All tenant interaction in unified ticketing system.



Key figures

Figures in CHFmm (unless otherwise stated)	Jun 30, 2022	Δ vs. H1 2021
FFO I	9.0	+93%
Rental income	59.3	+18%
<i>l-f-l rental growth</i>	3.4%	
Δ vs. Dec 31, 2021		
Portfolio market value	2 696	+0.3%
LTV	51.7%	-0.2pp
Equity ratio	40.6%	+0.5pp
EPRA NTA per share in CHF	69.50	+1.4%
Effect of new MCB (pro forma based on H1 2022)		
LTV	49.4%	-2.3%
EPRA NTA per share in CHF	62.28	-7.2
PEAN share price in CHF	17.08	as of 10 Jan 2023



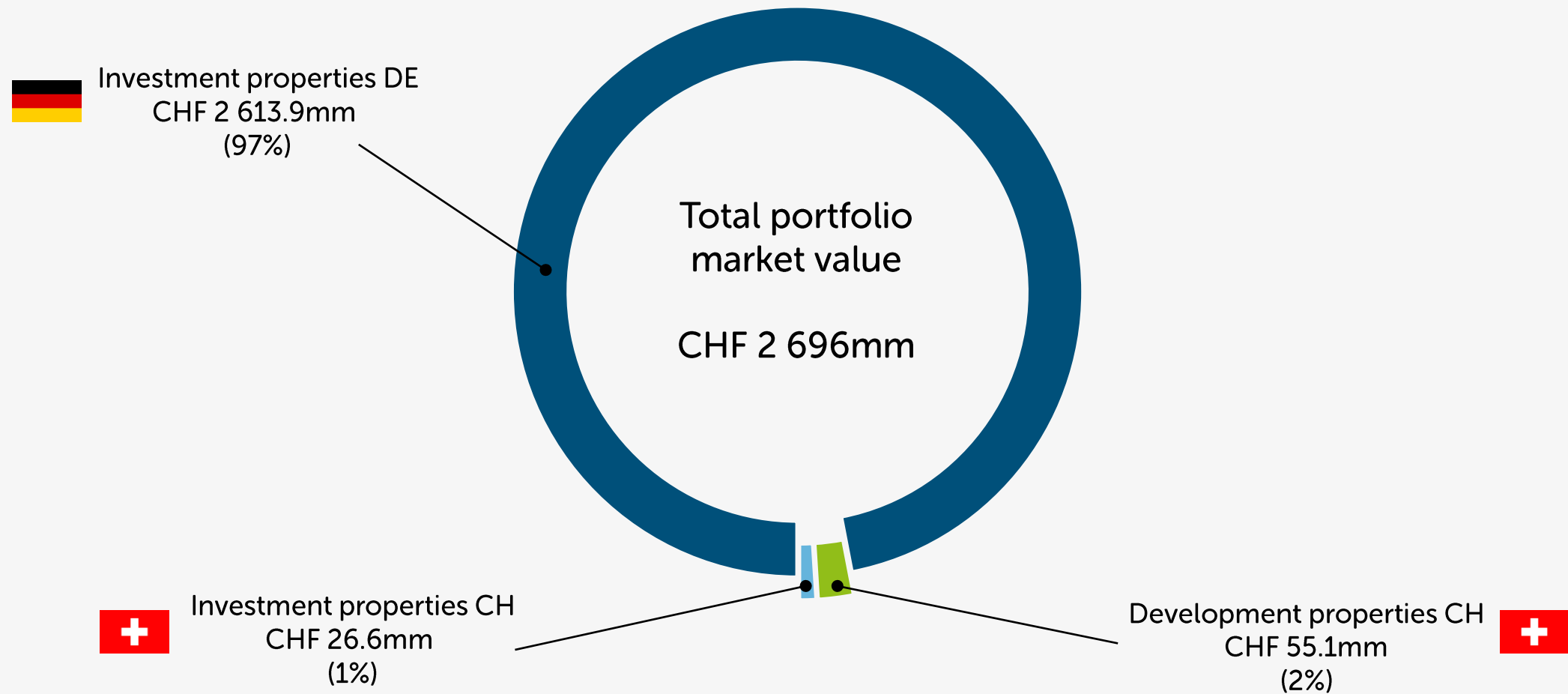
ESG

First ESG risk rating for Peach Property



11.5
«Low Risk»
November 2022*

Portfolio structure as of June 30, 2022



Typical properties in Peach's portfolio



Affordable German residential properties in carefully selected B-cities

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Main items on investors' agenda

Is my investment protected against inflation ?



- **Market rents are accelerating;** all major Peach locations show growth above German average.
- Historically, **German CPI and rents move evenly.**¹
=> *almost perfect inflation protection in the medium term.*
- **Gap of PPG's in-place to market rents and increasing market rents** offers potential for **further growth.**

Are valuations sustainable?



- Based on initial feedback from our external valuer **we expect stable values** of our investment portfolio vs. beginning of 2022.
- Market dynamics driven by supply/demand imbalances much more important for valuations than risk-free interest rates; **market rents to accelerate with inflation.**

How about demand for affordable housing?



- **Rising cost of living drives demand for affordable housing.**
- **Persistent undersupply** of new apartments; rising construction costs prevent supply at affordable costs / rent levels.
- Affordability of rents in Peach locations at a very healthy level.

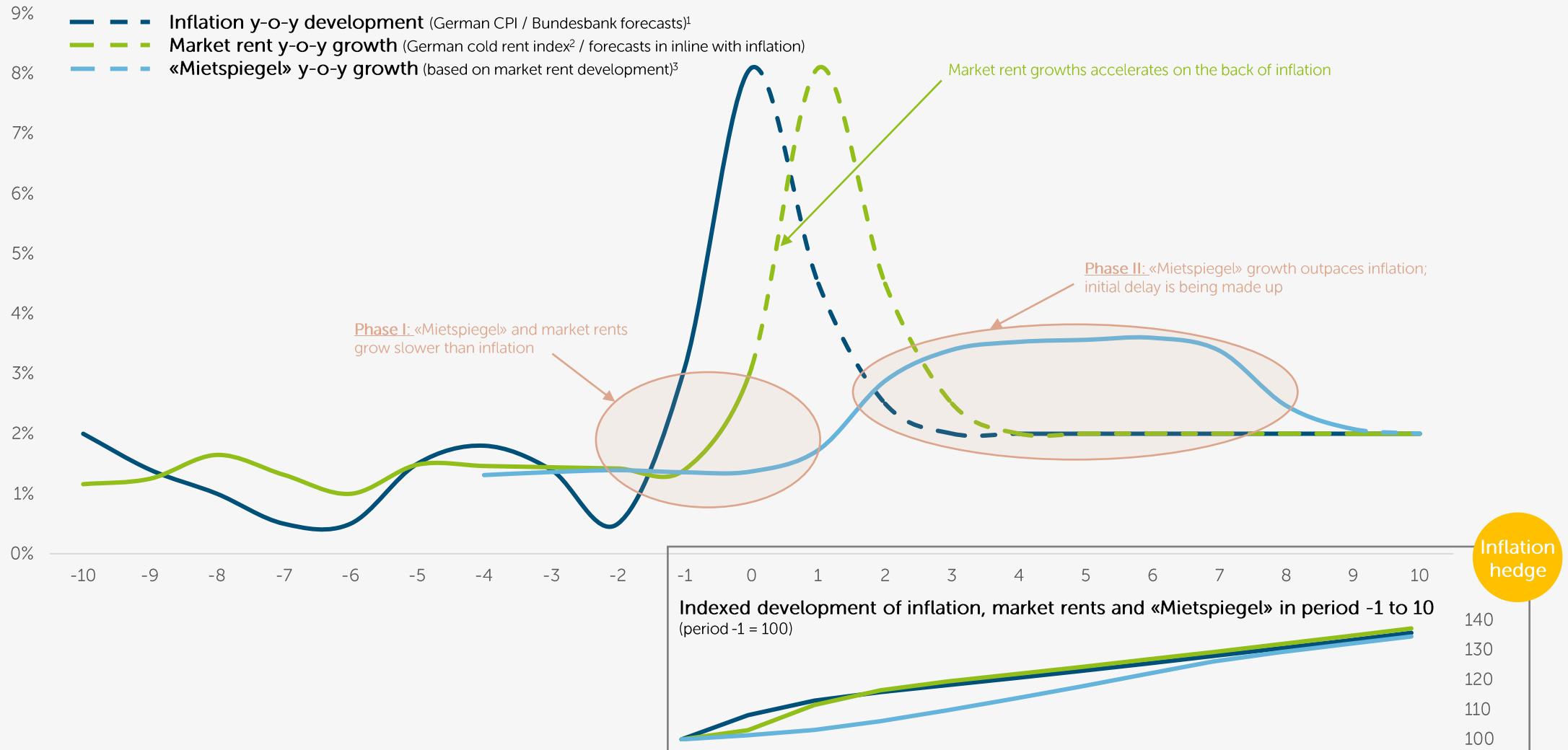
What about liquidity & upcoming debt maturities?



- **Strengthen balance sheet with new mandatory convertible bond;** 2023 bond maturity covered.
- **LTV <50% for the first time** (pro forma based on H1 2022)
- **No further significant maturities until 2025.**
- **Measurements to further strengthen liquidity position:**
 - Limit capex spending in FY 2023
 - No dividend payment for FY 2022



«Mietspiegel» follows inflation over time





Scarcity leads to rising rent levels

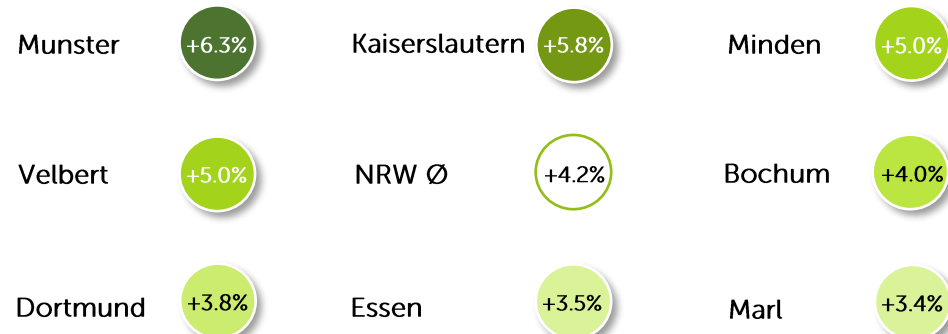
Market rent levels accelerate growth

German Bundesinstitut für Bau-, Stadt- und Raumforschung (BBSR), October 2022

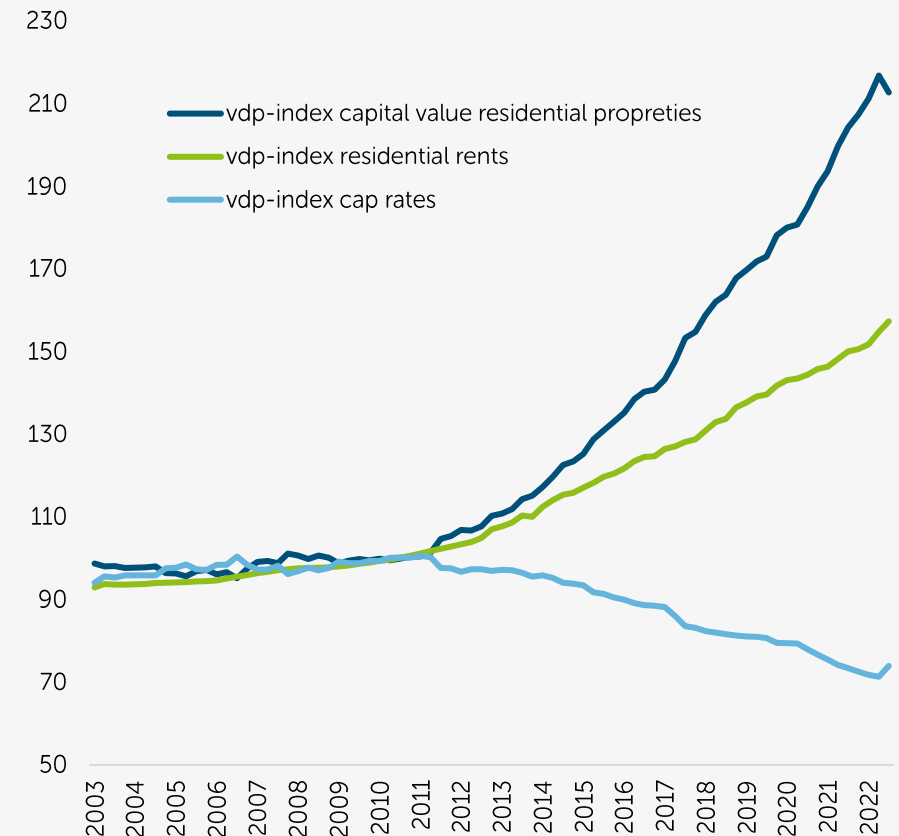
«An evaluation of advertisements from real estate portals and newspapers shows **cold rents in Germany increased in average 3% within one year**; in some locations, especially in smaller cities, the increase has been significantly higher.»

ImmScout24: y-o-y increase of asking-rent levels (Q3 2022 vs. Q3 2021)¹:

Selection of relevant Peach locations



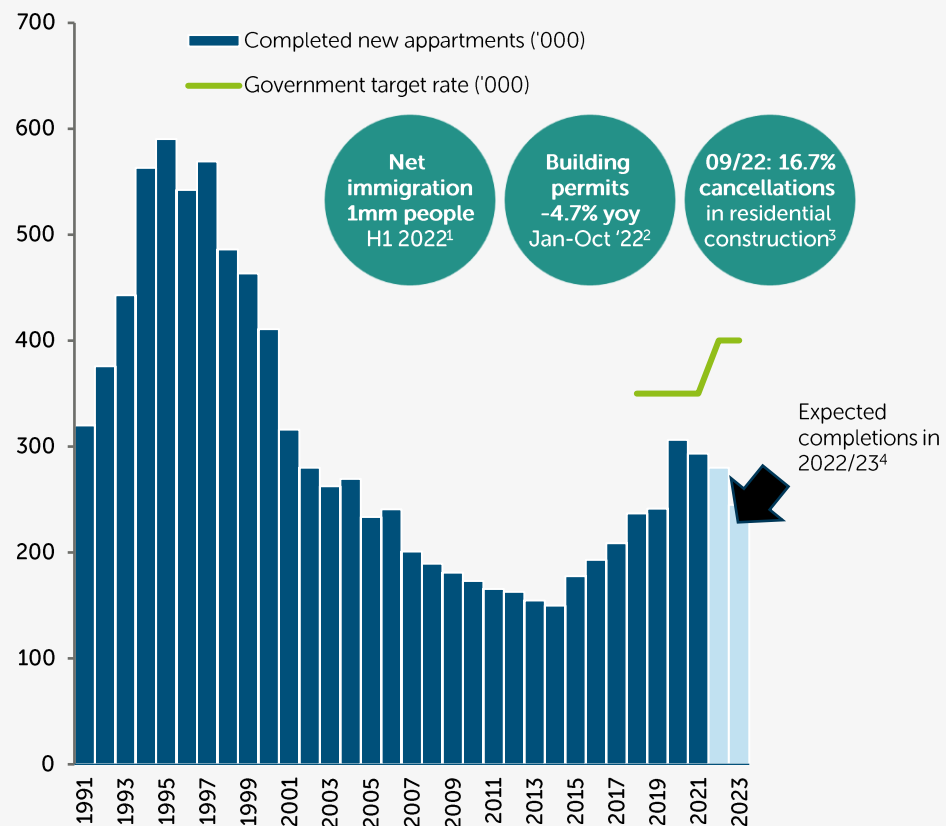
German vdp property price index development²



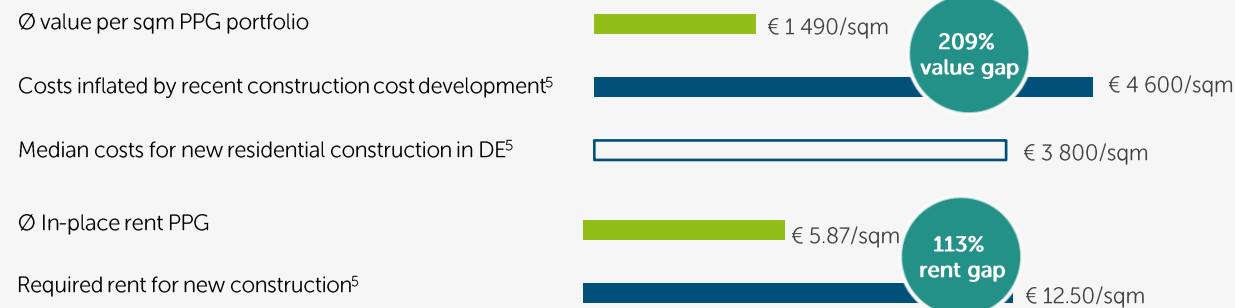


Structural undersupply cannot be addressed by new construction

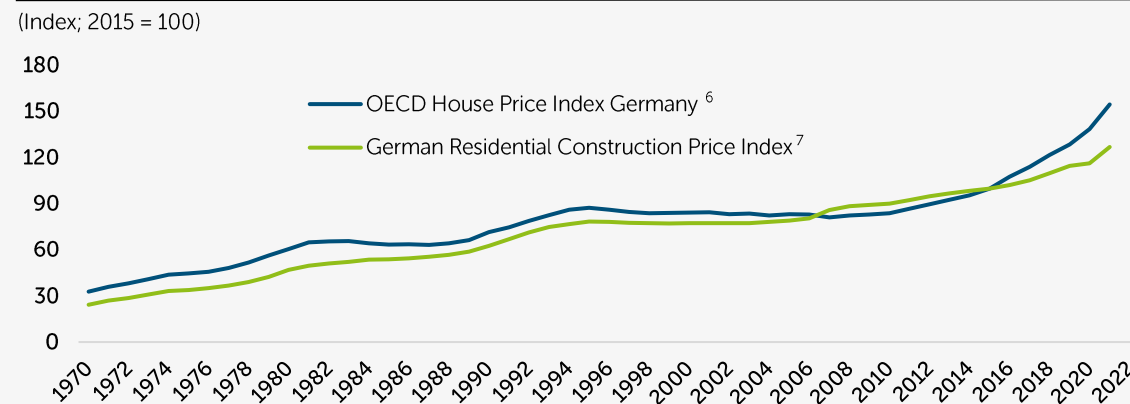
Structural undersupply in German housing market



Cost of new construction well above Peach's valuation and rent levels



House prices and construction costs strongly correlated

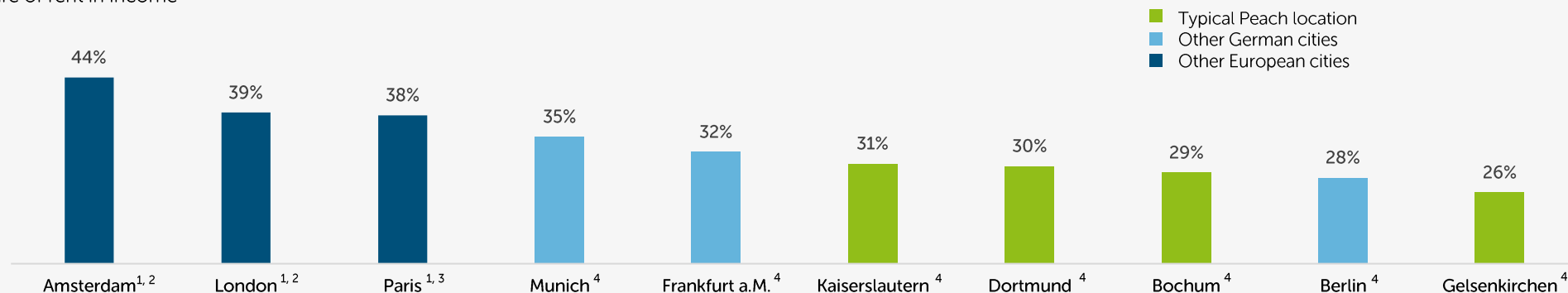




Peach locations with healthy rent levels and attractive valuations

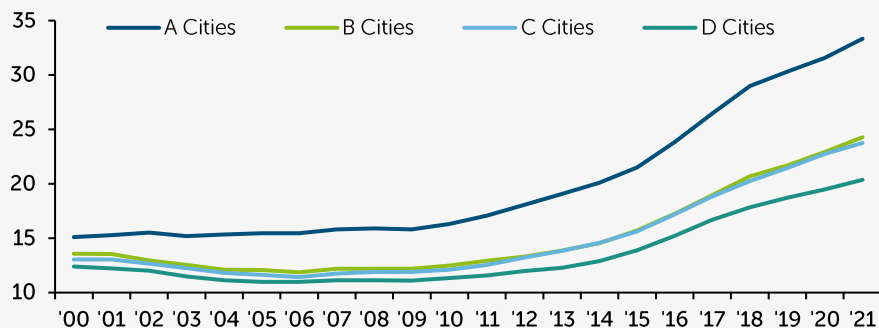
Affordability of rents in typical Peach locations at a healthy level

Share of rent in income



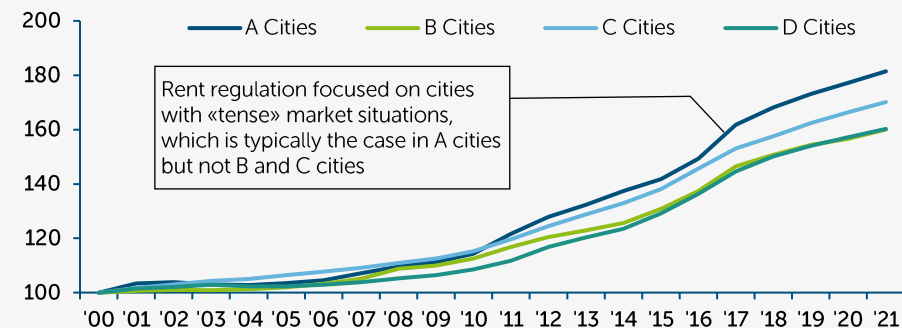
Multiplier in German B, C and D-cities significantly lower

Average multiplier multi-family buildings⁵



Rent increase in A/B/C/D-cities historically stable

Rental prices in Germany (indexed to 100)⁶

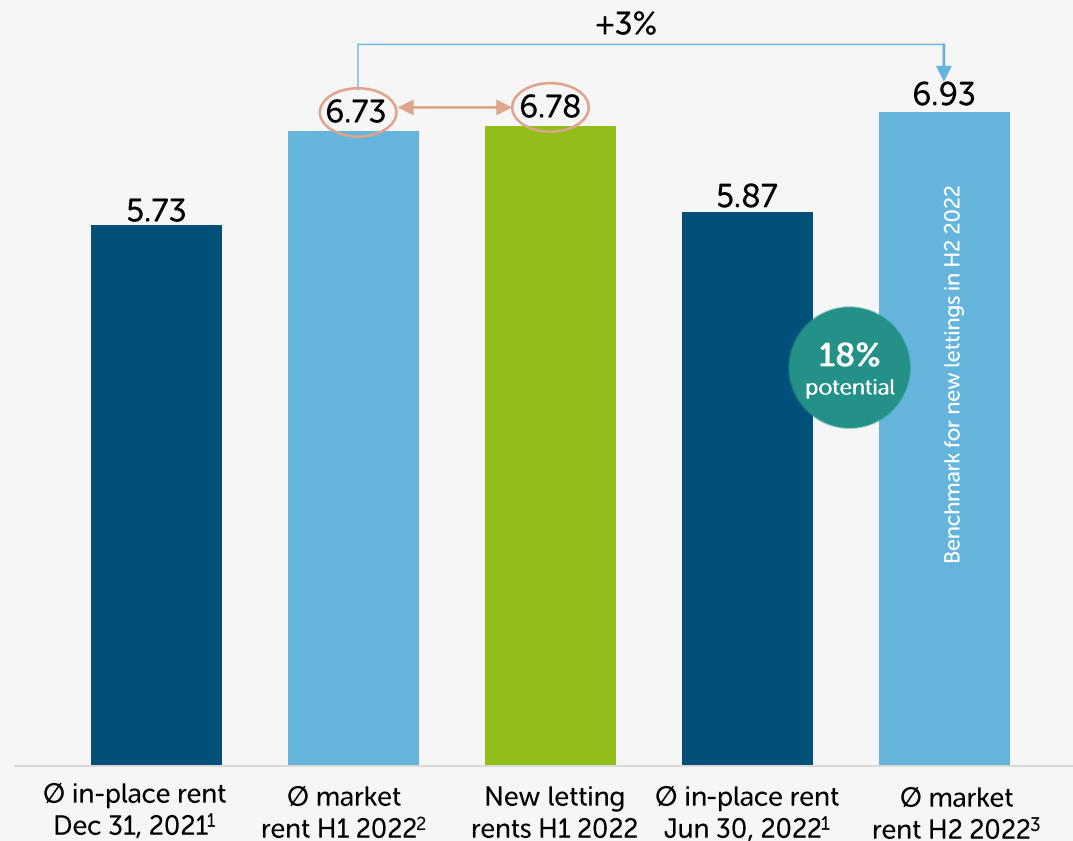


Sources: (1) Own calculation based on a rent for 65sqm apartment; rent/sqm according to Deloitte Property Index 11th Edition, August 2022; (2) Income data: Statista (2022); (3) Income data: salaryexplorer.com; (4) Share of rent to income: <https://www.immobilienscout24.de/wissen/mieten/verhaeltnis-einkommen-und-miete-in-staedten.html>; (5) Bulwiengesa, Yield in A, B, C and D cities (2021, Multifamily house-apartment building rent multiplier reciprocal); (6) Bulwiengesa, Rental prices indexed to 100 in A, B, C and D cities (2000-2020); Definitions A, B, C and D cities as per Bulwiengesa; see: https://www.rivw.de/online_test/info.php3?cityid=6info_topic=allg

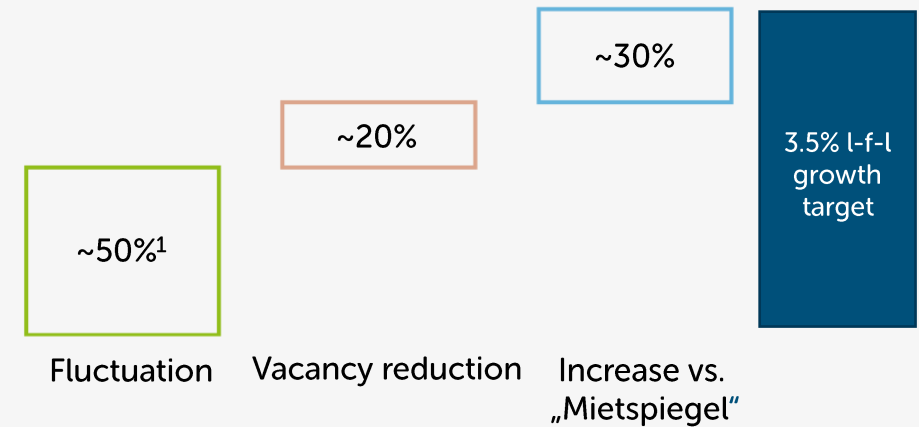


Attractive potential for further rent growth

Figures in EUR / sqm

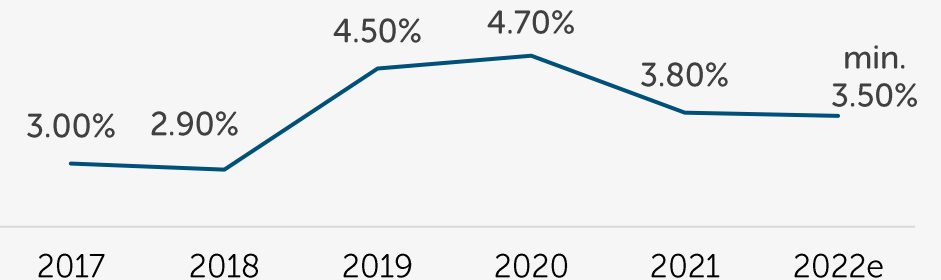


Sources of rental growth target



(1) Based on an estimated 10% annual fluctuation rate and a rent increase potential of 18%

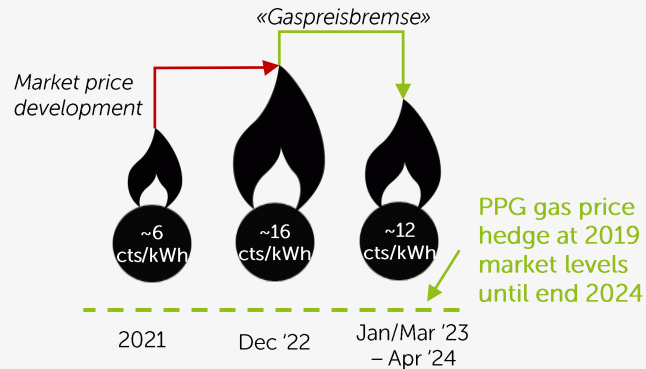
Our l-f-l rental growth track-record



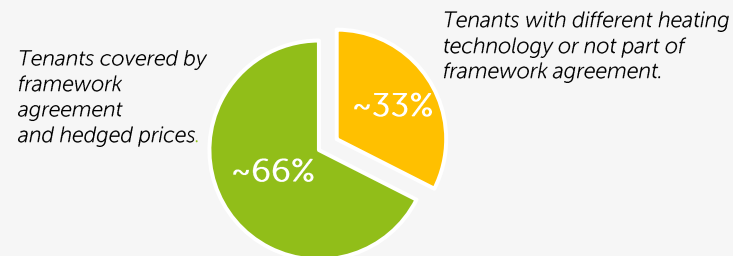


Burden of rising energy prices manageable

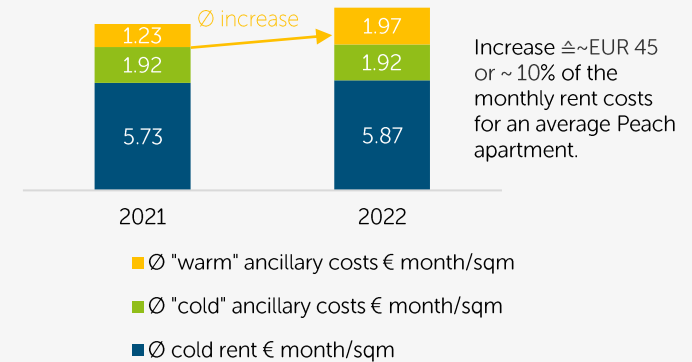
Gas price development for DE households¹...



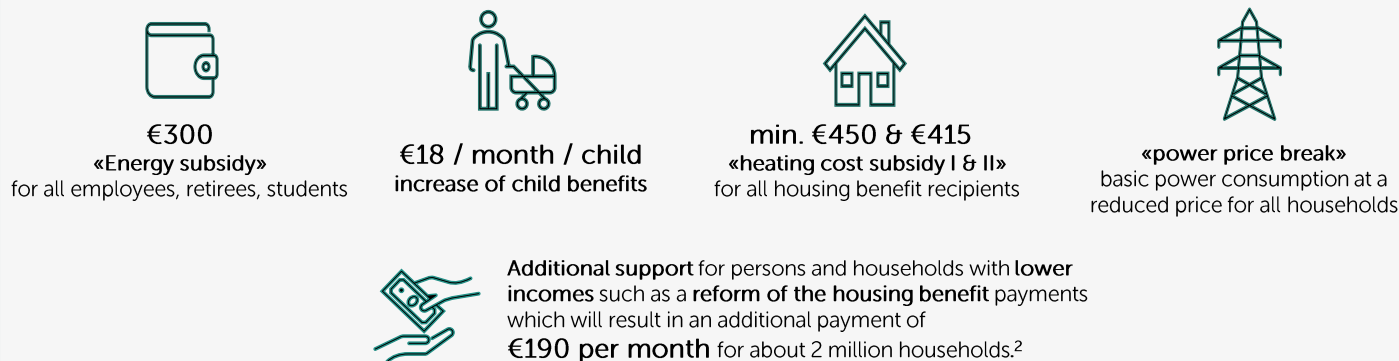
... has no impact for majority of Peach tenants



Increase of «warm» ancillary cost for impacted tenants



Support through German «energy relief packages I – III»²



- Experience shows that the **payment morale of tenants is good** and bad debt levels developed stable; even during the Covid pandemic.
- **Healthy affordability of Peach's cold rent level** is helpful in this respect.
- We further **assist our tenants with personal support at our Peach points** and provide hints for energy savings.



Peach Points: Client service excellence delivered through regional tenant stores



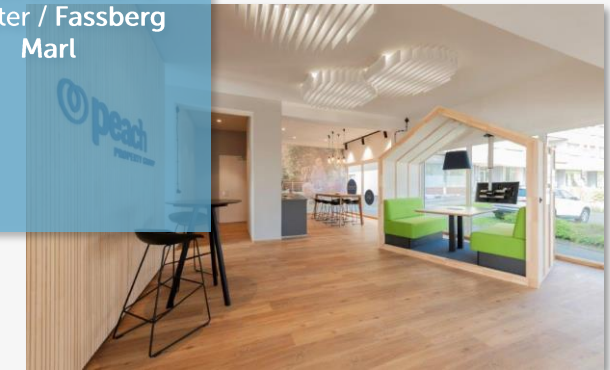
Existing Peach Points

Dortmund
Erkrath
Essen
Gelsenkirchen
Heidenheim
Helmstedt
Kaiserslautern
Ludwigshafen
Minden
Oberhausen
Recklinghausen
Witzenhausen



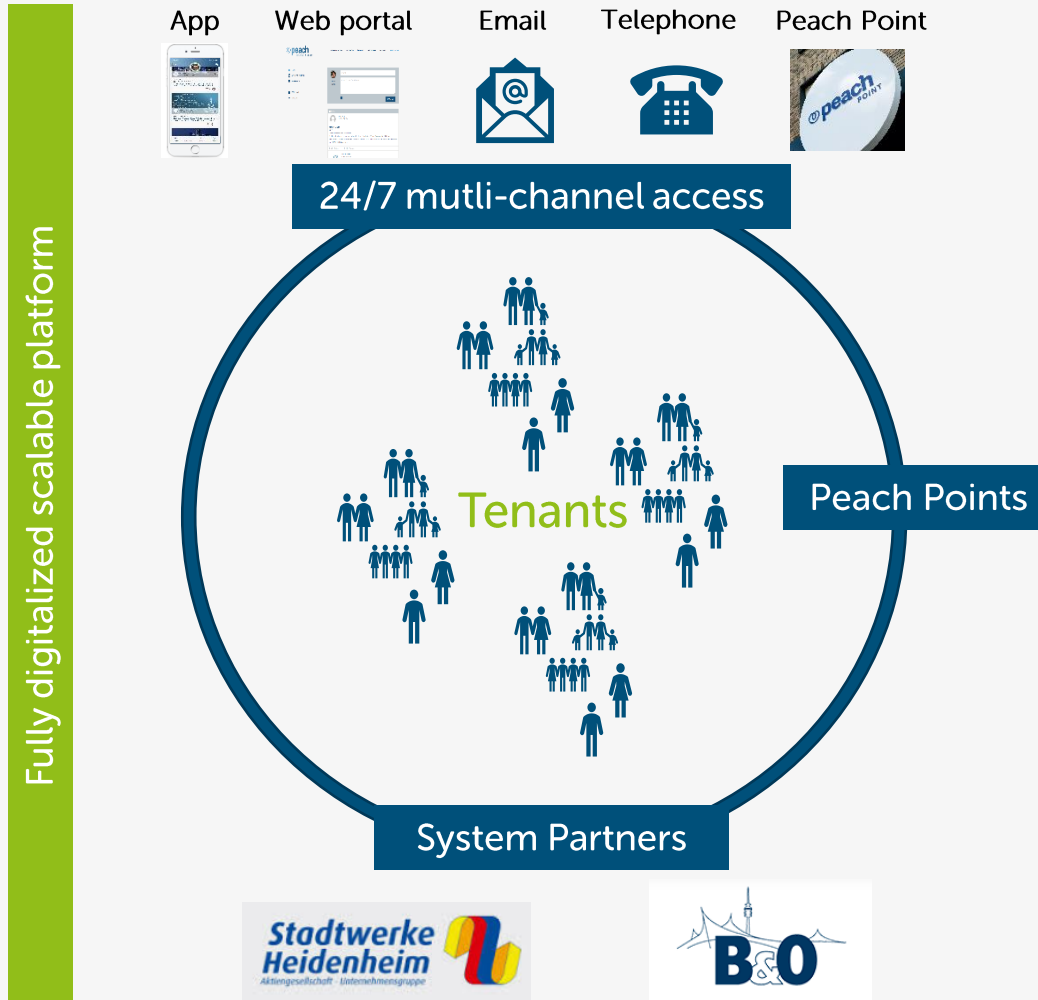
New Peach Points (opened beginning 2022)

2nd in Dortmund
Munster / Fassberg
Marl





360-degree tenant service model



Property Management at Peach

- All tenant interaction in unified ticketing system.
- Central quality management.

Scalable and fully digital partner engagement

- Partners integrated via Zendesk (e.g., online damage reporting).
- Model adapts to scale seamlessly, without additional expenses.

KPIs ticketing system: 1 January 2022 – 30 June 2022

Created tickets

53 630
+49% yoy

Tickets per month &
1 000 apartments

325
+26% yoy

Days to resolve issue¹

3.1 days
-2.3 days yoy

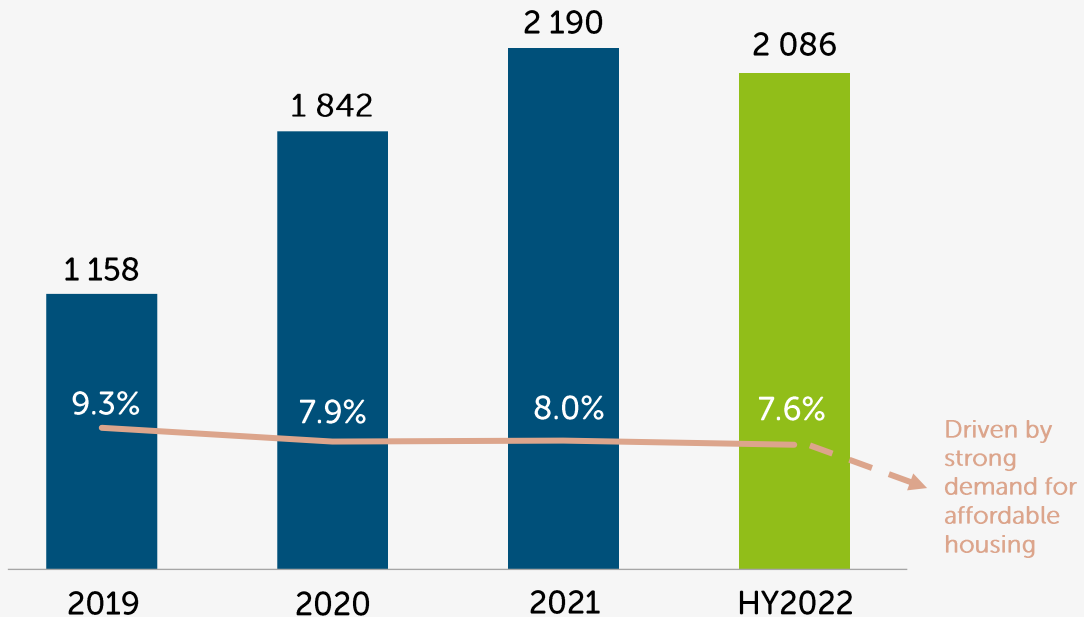
«One Touch»² rate

90.1%
-1% yoy



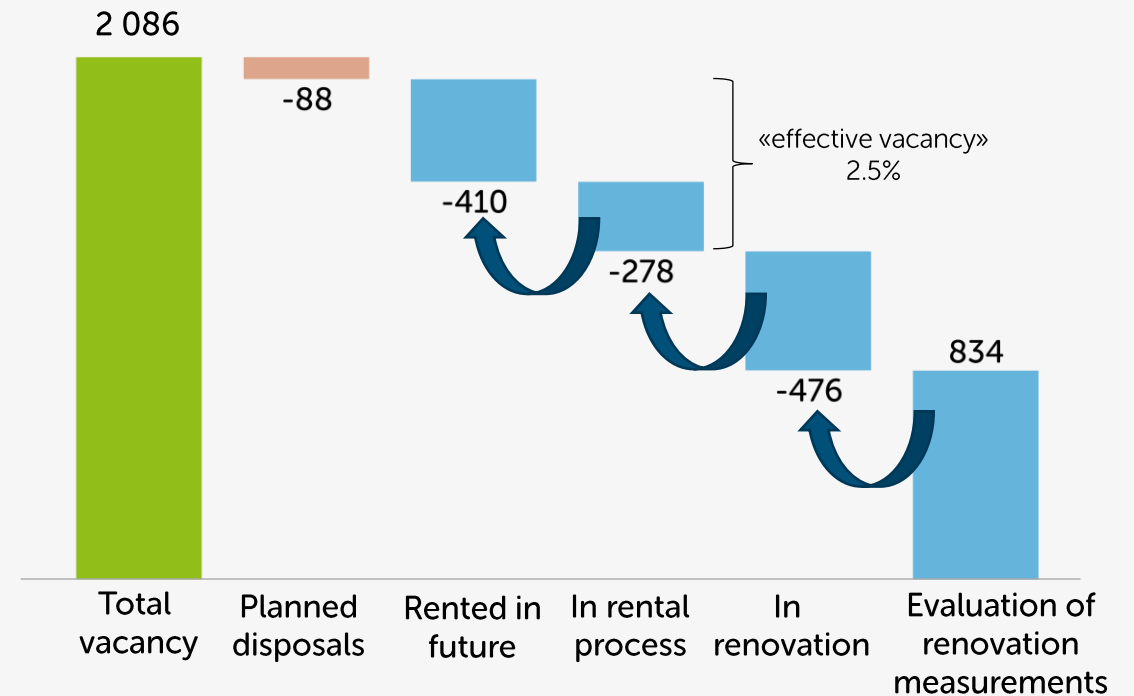
Vacancy driven by renovation measures

Development of vacant residential units and vacancy ratio



- New lettings (approx. 1 800 new contracts concluded) at record level in H1 2022 with noticeable impact on vacancy rate.
- Positive trend continued in H2 2022.

Vacant residential units by vacancy category



- Renovated ~ 1 400 units in H1 2022; 2 500 – 3 000 units planned for 2022.
- With current pace of renovation, we aim to achieve a «normal» vacancy ratio <4%.



Remaining development project in CH - Peninsula Wädenswil at Lake of Zurich



Groundbreaking ceremony took place in Dec 2022

- Development project with 56 condominiums in 4 buildings, combination of redevelopment and new construction; investment properties with 29 rental units and 5 600 sqm commercial space.
- The project has been legally approved as of February 2020; construction started in Q2 2022, first notarized sales agreements in July 2022 and condominium handover planed by end of 2024.
- Successful sales start of condominiums; notarized over CHF 40mm (~26%); reserved ~30%.



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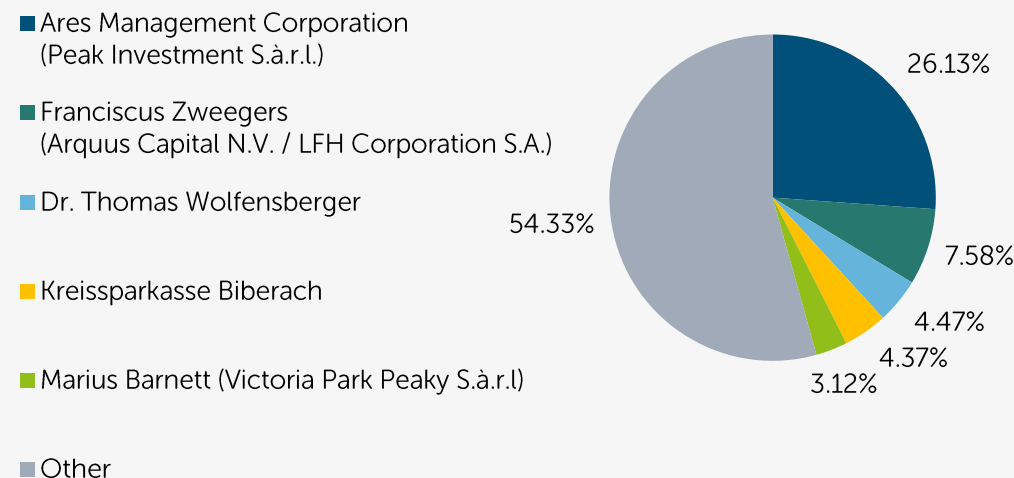
PPG 2023 MCB: Strong commitment by Peach's anchor shareholders

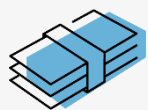
Key terms

	PPG 2023 MCB
Net proceeds	CHF 112.3mm
Issuance volume	CHF 67.4mm
Issuance price	60%
Coupon (paid in shares)	5% p.a.
Issuance date	12 January 2023
Mandatory conversion date	12 April 2023
Conversion price	CHF 30.00

- Commitments to subscribe primarily by PPG's anchor shareholders.
- The conditions of the instrument correspond economically to an issue price of the new shares of around CHF 18.

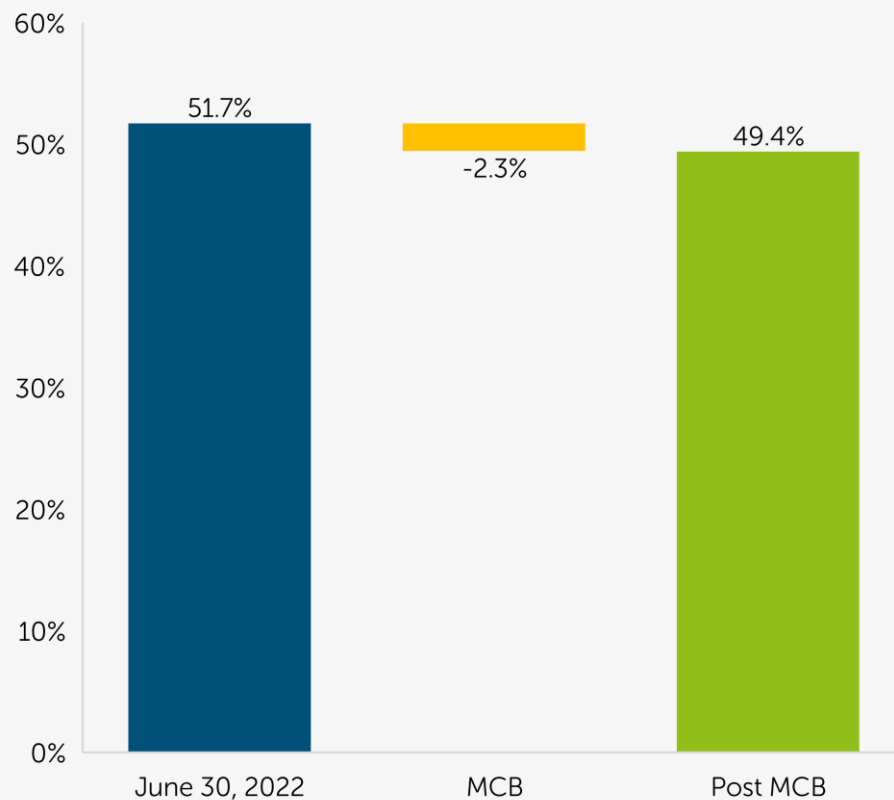
Significant shareholders as of June 30, 2022 (pre MCB)



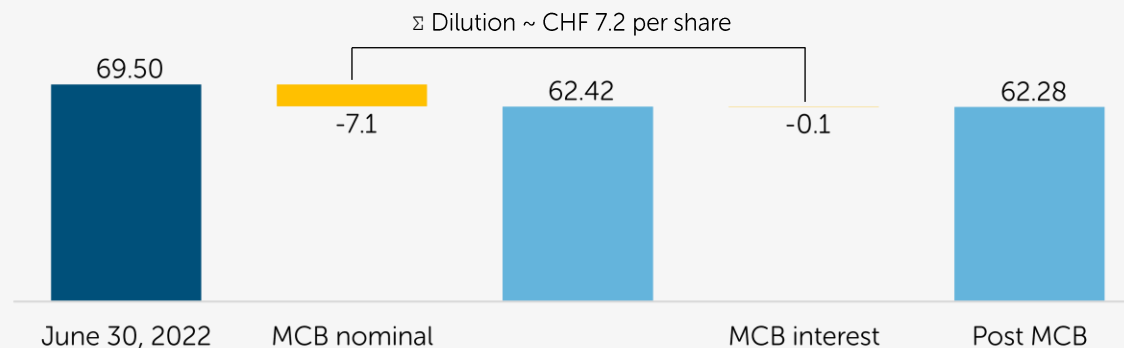


2023 MCB will reduce LTV to below 50%

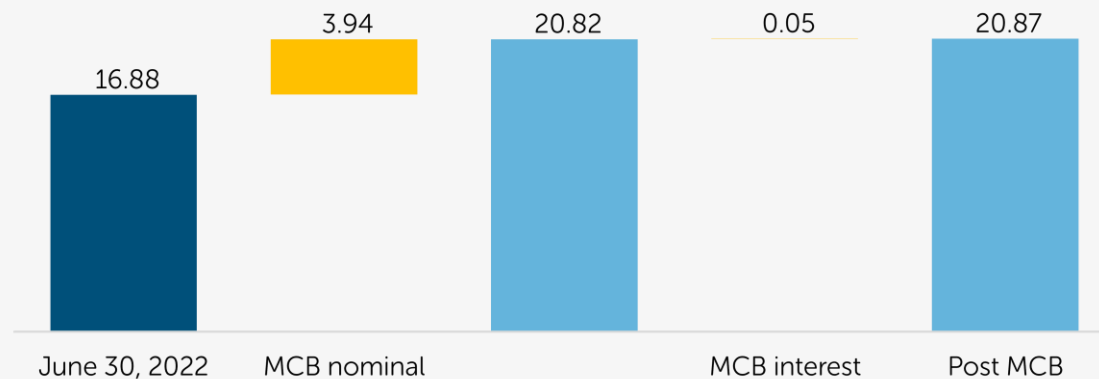
LTV development (pro forma based on H1 2022)



Development EPRA NTA per share (pro forma based on H1 2022)

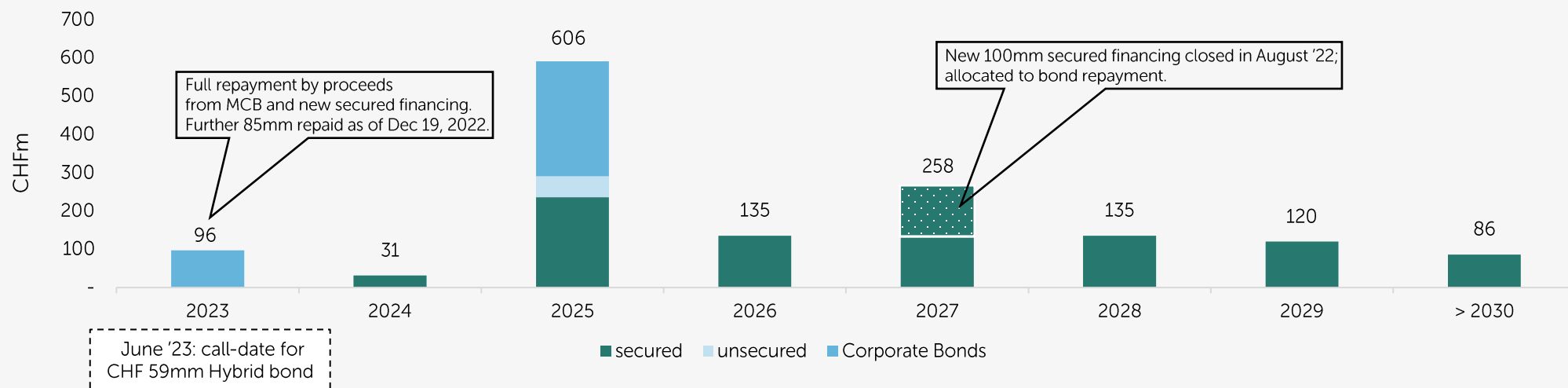


Development number of shares (in million shares)



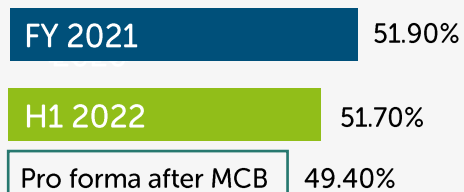
Debt structure

Maturity¹



Debt KPIs as of June 30, 2022

Loan-to-value (net)



ICR

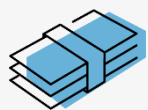


WACD



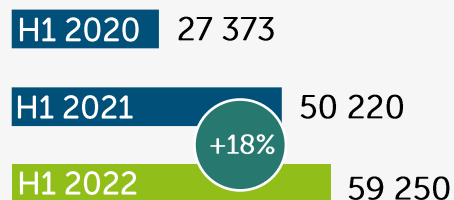
Weighted average maturity



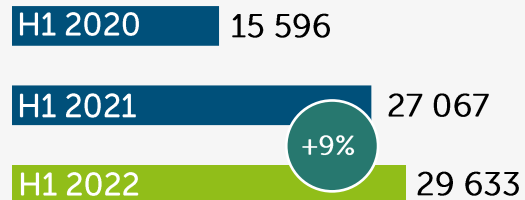


Financial performance in H1 2022

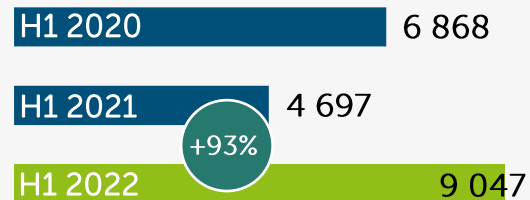
Net rental income (CHFmm)



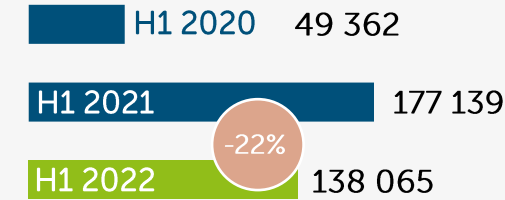
Adjusted EBITDA (CHFmm)



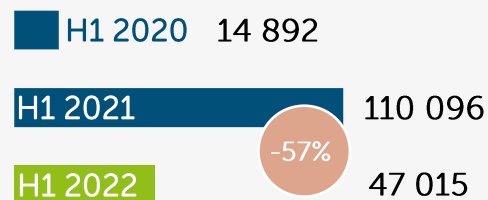
FFO I (CHFmm)



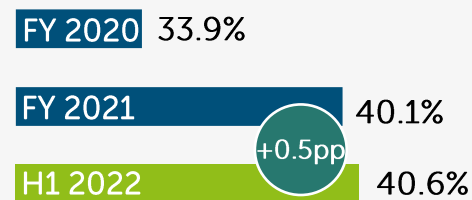
Operating Income (CHFmm)



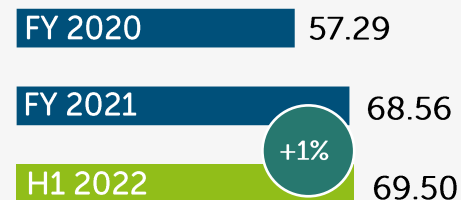
Result after tax (CHFmm)



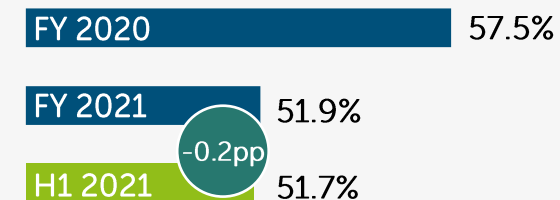
Equity ratio (IFRS)



EPRA NTA (CHF/share)



Loan-to-value

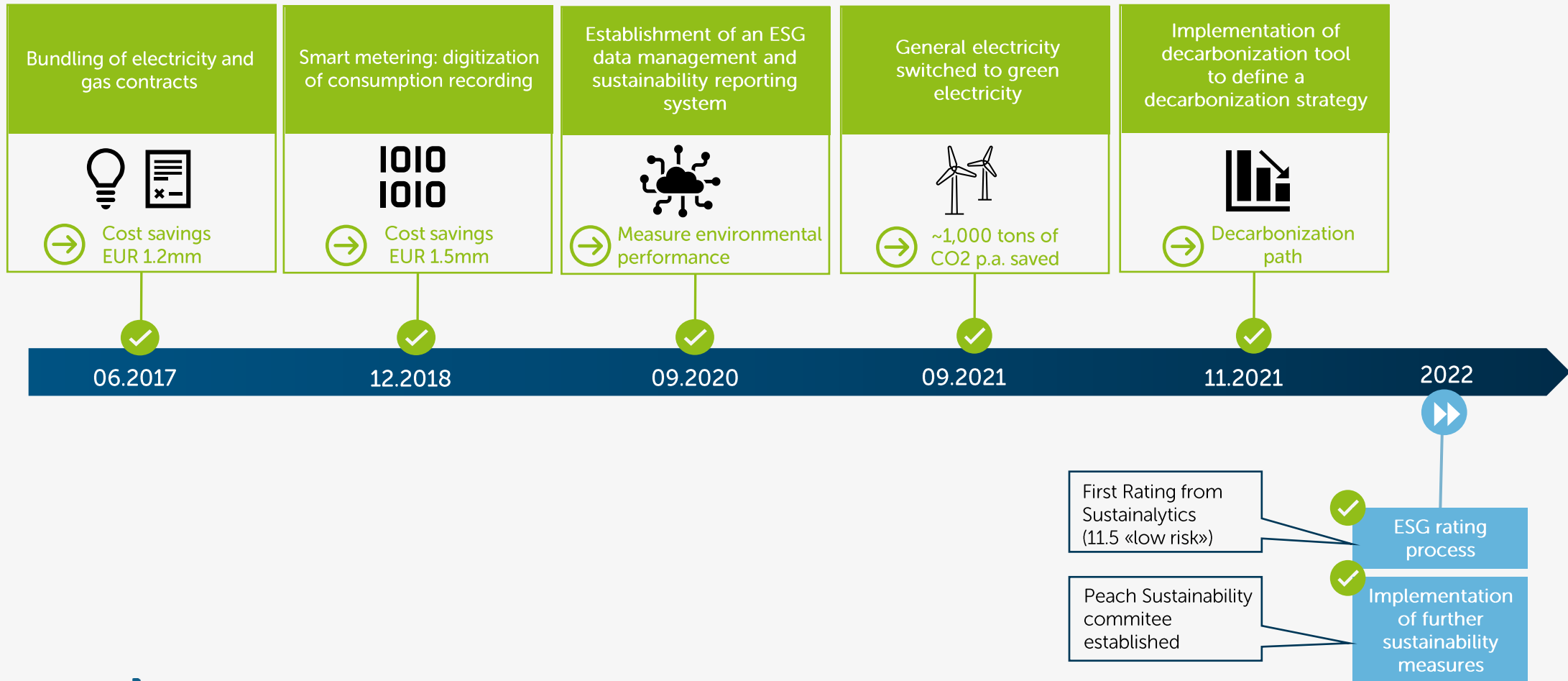


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Peach's ESG Roadmap





First ESG Risk Rating for Peach

11.5

«low risk»

November 2022



Assessed to be at «low risk» of experiencing material financial impacts from ESG factors

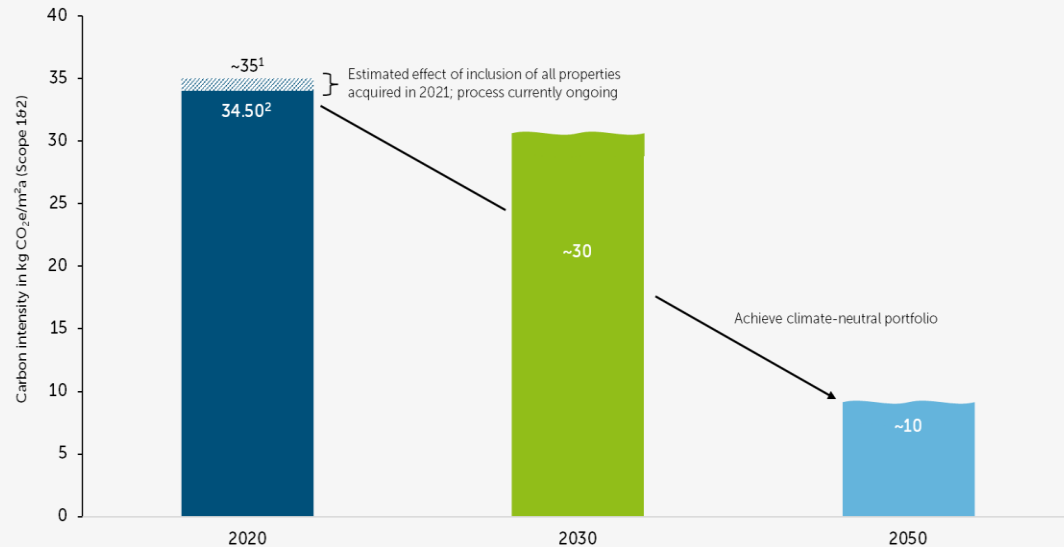
- The ESG Risk Rating places Peach in the top eleven percent of over 1 000 real estate companies assessed globally by Morningstar Sustainalytics.
- In the more narrowly defined segment real estate management, Peach is ranked 21st out of over 150 companies.
- In the top four percent of over 15 400 companies assessed by Sustainalytics globally.

Key positives highlighted by Sustainalytics

- Regular tenant satisfaction surveys.
- Product governance – i.e., how Peach interacts and deals with its tenants.
- Conducting lifecycle assessments for newly acquired properties.



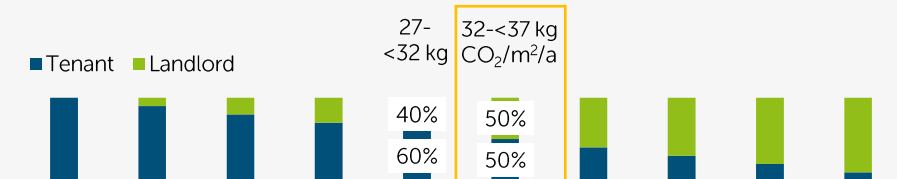
Peach's decarbonization path



- Committed to climate neutrality of our real estate portfolio latest by 2050.
- Intermediate goal: reduce CO₂ intensity of our portfolio to well below 30 kg CO₂e/m²a by 2030.

Expected costs of decarbonization path

- At the current state of knowledge, we expect investments of approx. EUR 300-350mm until 2050.
- This estimate is **before subsidy measures or modernization charges**. Accordingly, the costs to be borne by Peach will be lower, but difficult to predict how subsidy measures will develop over the next few years.
- Due to the **current challenging environment** (material and workforce shortage, price increases), the **current cost estimates are subject to great uncertainty**.
- The CO₂ **levy** in Germany, may result in further costs. Based on current discussions we assume that **approx. 50% of the cost will have to be borne by Peach³**, which is at the current CO₂ pricing level in DE ~EUR 1mm p.a.



Expected CO₂ pricing in DE⁴

	2022	2023	2024	2025	2026	2027+
CO ₂ price EUR/t	30	30	35	45	55	55-65

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Guidance FY 2022 – Update

	Previous FY 2022 Guidance	Update December 9, 2022
Net Rental Income	CHF 113-117mm ¹	Upper end of range
l-f-l rental growth	3.5%	minimum 3.5%
FFO I	CHF 18 - 21mm	~CHF 16mm
Dividend	50% of FFO I	No dividend for FY 2022

Why invest in Peach Property Group?



Scarce product with high & increasing demand

Demand for affordable housing will continue to rise against a backdrop of growing population, high and rising new construction costs and an economically challenging environment.



Rising rents and lower vacancy

- Market rents are accelerating growth; will outpace inflation at some point.
- Rental growth as inflation protection.
- Peach demonstrated ability to increase rent levels and lower vacancy; with further potential.



Balance sheet strengthened by additional equity

- 2023 bond maturity refinanced.
- Potential for additional secured financing.
- No further significant maturities until 2025.

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6. Appendix

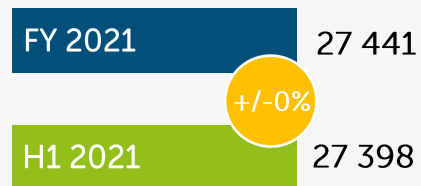
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- *ESG*
- *Capital market data & financial calendar*

Appendix

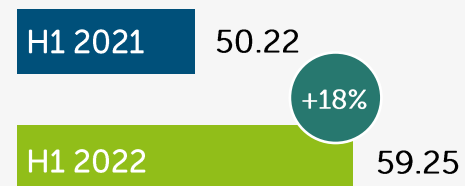
Portfolio details

Overview investment properties

Number of residential units



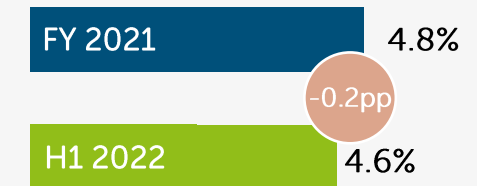
Actual rental income (CHFmm)



Market value (CHFmm)¹



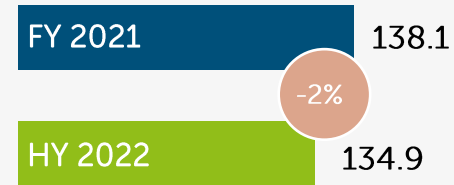
Gross rental return



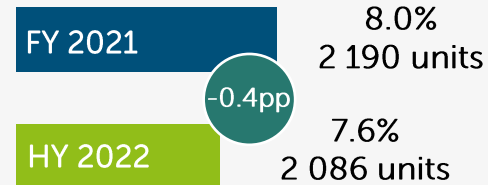
Residential floor space in sqm



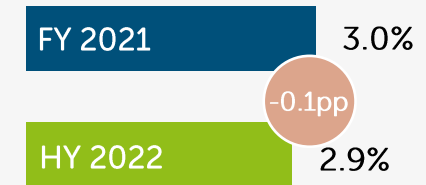
Target rental income (CHFmm)



Vacancy



Net rental / cash flow return

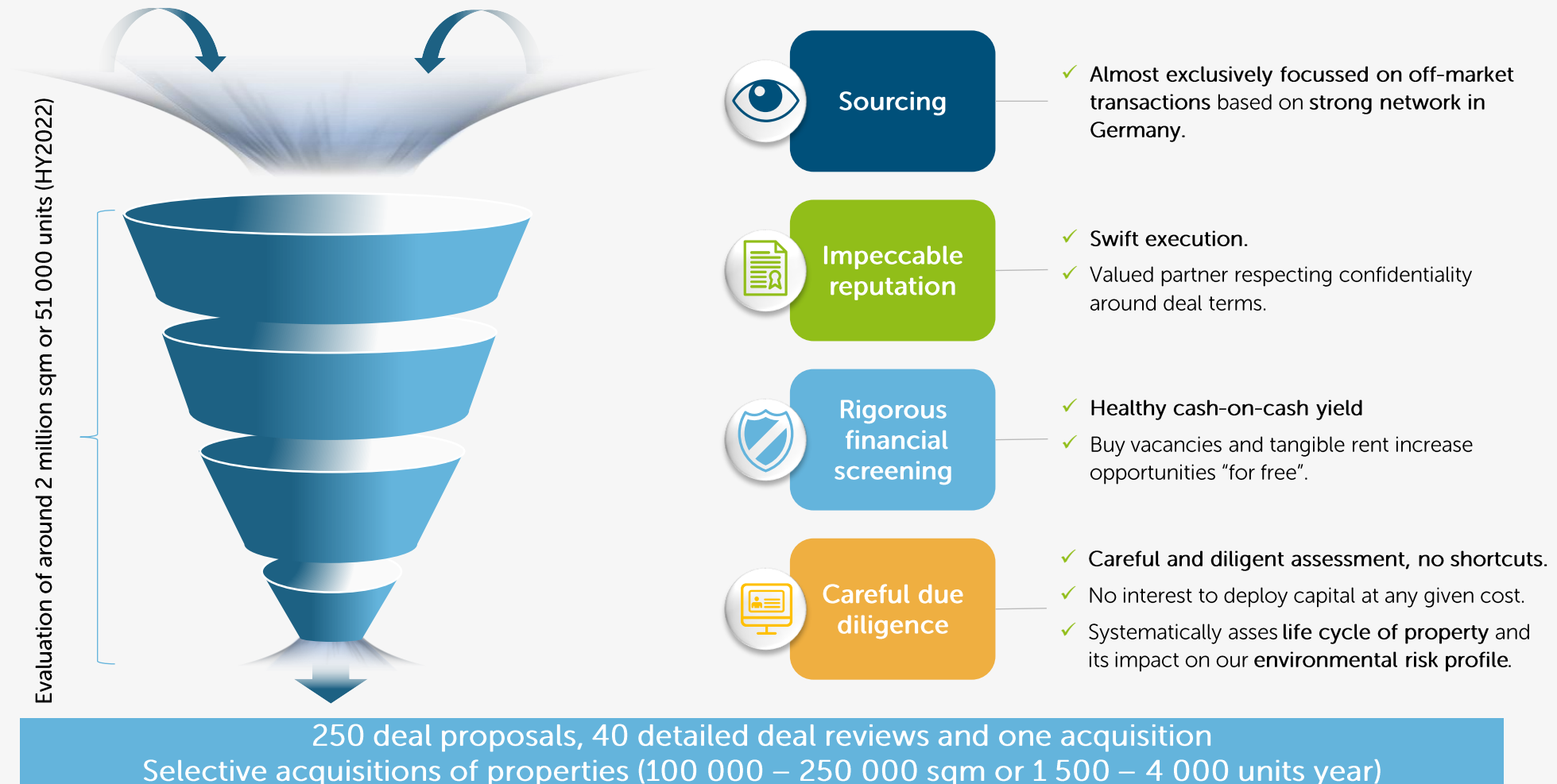


Top 20 locations of the Peach portfolio

	Location	State	# of units	Space in ksqm	Construction years	Valuation in CHFmm ¹
1	Kaiserslautern	Rhineland-Palatinate	2 293	145.3	1926-2000	248.9
2	Marl	NRW	2 154	142.7	1939-1990	205.0
3	Gelsenkirchen	NRW	2 002	136.2	1902-2001	171.9
4	Dortmund	NRW	1 963	134.9	1900-1975	233.3
5	Bochum	NRW	1 430	66.4	1920-1999	117.9
6	Helmstedt	Lower Saxony	1 314	76.6	1926-1981	88.2
7	Oberhausen	NRW	1 076	70.5	1869-2001	118.9
8	Essen	NRW	953	63.3	1904-1988	107.6
9	Heidenheim	Baden Wurttemberg	905	63.6	1896-2006	115.8
10	Schöningen	Lower Saxony	844	50.2	1953-1970	48.2
11	Velbert	NRW	761	53.4	1972-1978	74.7
12	Recklinghausen	NRW	709	45.2	1904-1970	61.0
13	Minden	NRW	643	41.5	1893-1973	52.0
14	Neukirchen-Vluyn	NRW	567	37.9	1974-1981	46.2
15	Duisburg	NRW	552	37.3	1915-1978	46.7
16	Ludwigshafen	Rhineland-Palatinate	470	34.1	1920-1987	79.1
17	Bielefeld	NRW	440	31.1	1932-1987	47.9
18	Herne	NRW	418	30.1	1905-1976	36.5
19	Munster	Lower Saxony	377	25.9	1959-1967	30.0
20	Neubrandenburg	Mecklenburg-Western Pomerania	360	21.5	1969-1976	24.7
	Others incl. CH	-	7 167	466.7	1800-2015	740.9
	Total		27 398	1 774		2 696



Structured acquisition process that results in strategically sound acquisitions



Strong track-record in growing portfolio

2011



Acquisition residential portfolio in Munster

2012



Acquisition of two portfolios in Dusseldorf-Erkrath

2013



Acquisition of two buildings in Dortmund and Gretag portfolio, near Zurich

2014



Acquisition of portfolio in Northern Hesse

2015



Acquisition of two portfolios in Neukirchen-Vluyn

2016



Acquisition of Rheinland, Eschwege, Fassberg & K'lautern; sale of Erkrath Retail & Gretag

2017



Acquisition i.a. of Oberhausen, Bochum II, K'lautern II, Nordhessen II

2018



Acquisitions around Bielefeld, Heidenheim, Kaiserslautern and Saarbrücken

2019



Acquisition of 4 200 units (i.a. Essen, Velbert, Gelsenkirchen, K'lautern)

2020

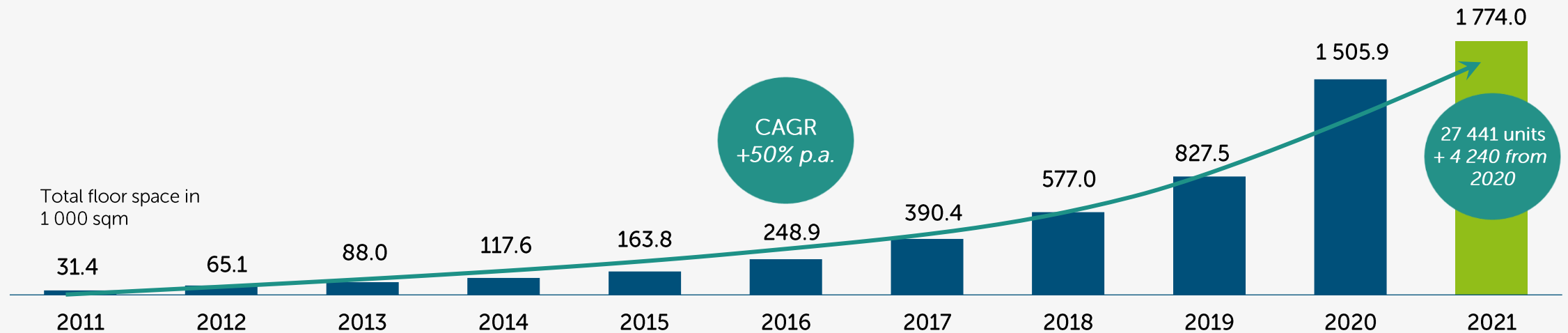


Acquisition of residential portfolios in NRW, Lower Saxony and Rhineland-Palatinate (total of 10 800 units)

2021



Acquisition of residential portfolio Eagle (~ 4 300 units) in NRW



Appendix











ESG

Sustainability in practice on all levels

Our sustainable goals

Our KPIs¹

9 UN SDGs² as particular relevant for our business

ENVIRONMENT Reduction of carbon footprint through responsible real estate management	CO ₂ emissions: 34.5 kg/m ² 3, 4 Total energy intensity: 15.4 kWh/m ² 4 Waste recycling rate: 33% ⁴ Share of electric vehicles in the total fleet: 45% ⁴	  
SOCIAL Tenant satisfaction – the DNA of our business model Satisfied employees contribute to the employer's success	Tenant satisfaction after report resolution by 3 rd parties: 70% ⁴ Time lapse until 1 st response to damage report: 13.6h ⁵ Time lapse until final report resolution by Peach Points: 19.9h ⁵ Time until final problem resolution (incl. 3 rd parties): 3 days ⁵ Total proportion of women employees: 51% ⁴ Employee turnover rate: 18% ⁴ Absentee rate: 10 days ⁴ Social engagement projects: 2 ⁴	    
GOVERNANCE Sound corporate governance underpinned by core ethical values in daily dealings with one another	Proportion of employees with Code of Conduct training: 100% ⁴ Violations of the Code of Conduct: 0 ⁴	
BUSINESS PERFORMANCE Responsibility through a strong financial foundation	EPRA NTA per share: CHF 69.50 ⁵ Diluted FFO I per share: CHF 0.53 ⁵ Equity ratio: 40.6% ⁵ LTV: 51.7% ⁵	

Our strategy to reach our CO₂ targets

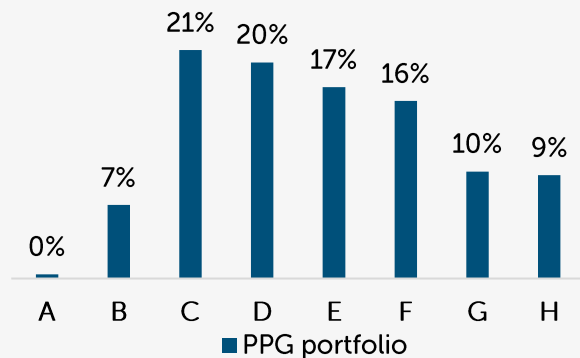
Focus on energy consumption from heating...

- 88 percent of our emissions are from the energy sources **natural gas, fuel oil, and district heating**.
- Against this background, our **decarbonization strategy** focuses on the energy consumption from heating.

... and assets with weak energy efficiency

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

As of December 31, 2021
Spread of properties per energy efficiency class



Improvement in building insulation



Largest impact from:

- Replacement of materials such as windows
- Additional insulation layers

Conversion to CO₂-neutral heat supply

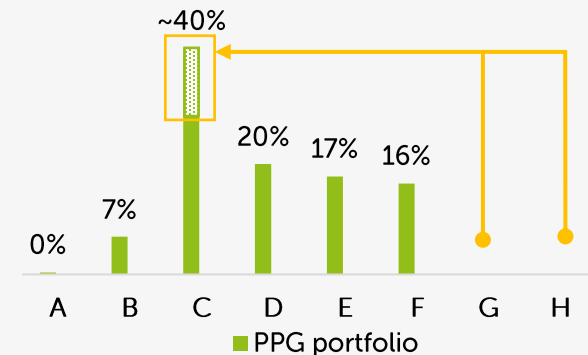


Largest impact from:

- Conversion to district heating
- Conversion to modern condensing technology and reduction of oil-dependent heating systems
- Replacing CO₂-intensive energy sources with renewable energy sources

19% => ~ 5 200 units to be renovated by 2030
~650 units p.a.

As of 2030:
Expected spread of properties per energy efficiency class



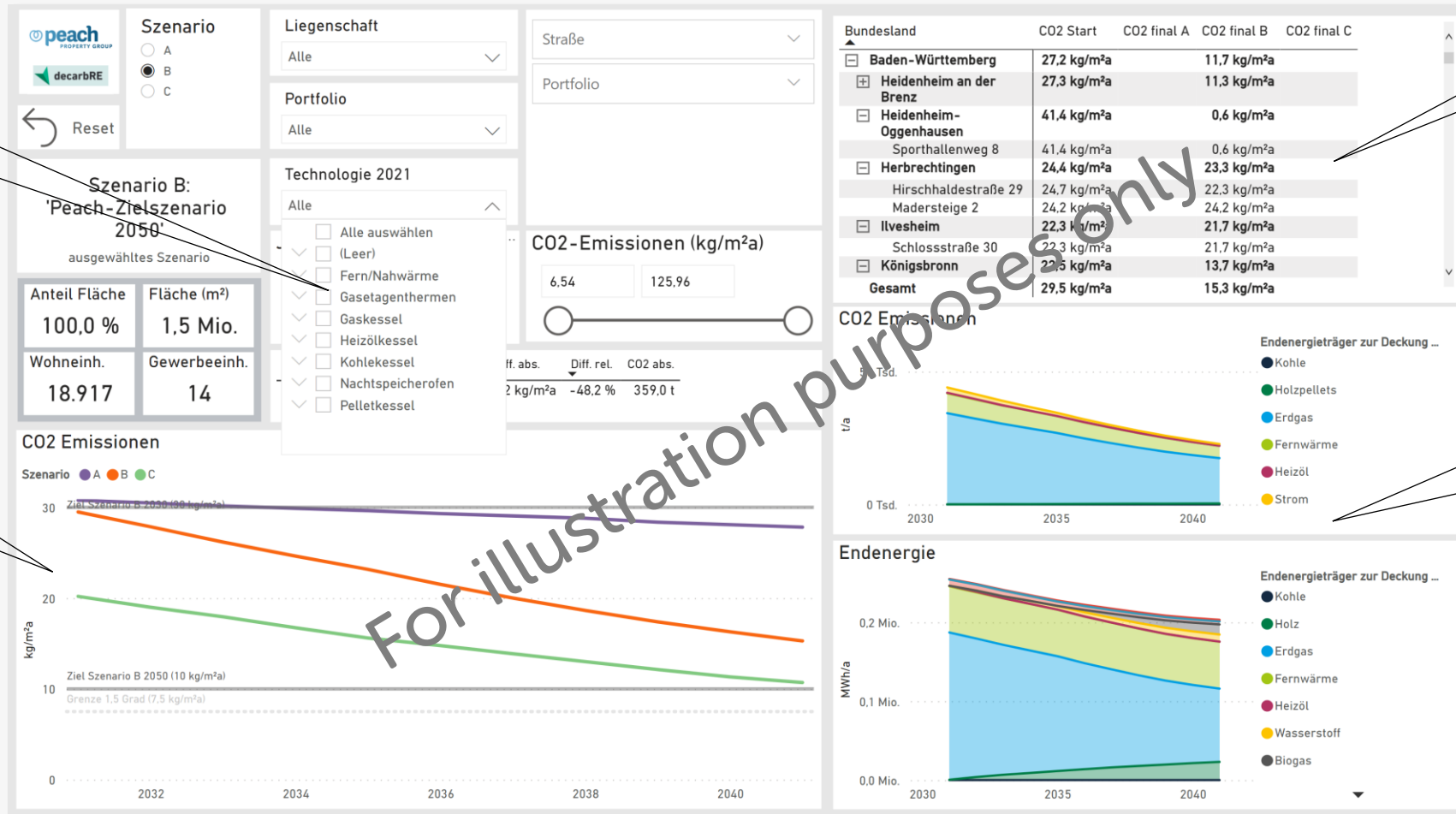
ESG: Peach's decarbonization tool

Analyse impact of various heating technologies on CO2-intensity.

Analyse different paths to climate-neutral portfolio and its impact on costs and investments

Drill-down to individual properties.

Visualize impact of energy sources on overall CO2 impact and energy intensity of portfolio.

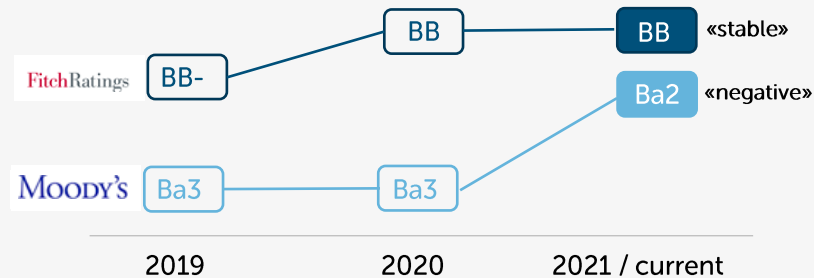


Appendix

Capital market data

Recent capital market development

Credit ratings (Corporate Rating)



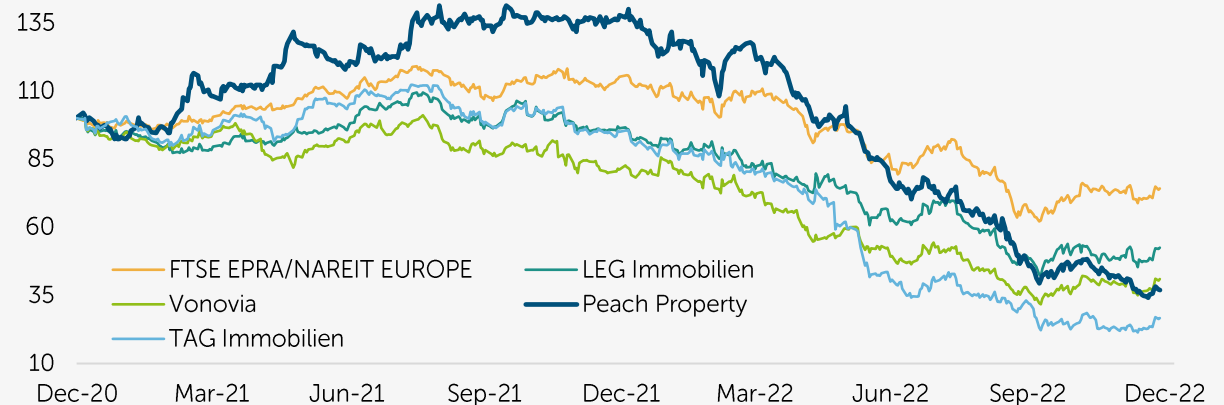
Recent capital market transaction

2022	Buybacks & par call to reduce EuroBond 2023 outstanding to EUR 96 million
Apr 2022	EUR 100 million revolving credit facility; maturity 3 years
Mar 2022	~2% EUR 55 million promissory note (German SSD); maturity 3 years
June 2021	Mandatory convertible bond 2.5% CHF 180 million; conversion price CHF 55.00
Oct 2020	EuroBond 4.375% EUR 300 million; maturity 5 years
Oct 2020	Mandatory convertible bond 2.5% CHF 230 million, conversion price CHF 42.50

Equity analyst coverage

WARBURG RESEARCH	Buy PT CHF 70.40	RESEARCH PARTNERS AG	Buy PT CHF 27.00
QUIRIN PRIVATBANK	Buy PT CHF 70.00	BAADER	Add PT CHF 22.00
SOLVENTIS	Buy PT CHF 49.00	UBS	Neutral PT CHF 18.00
SRC	Buy PT CHF 45.00		

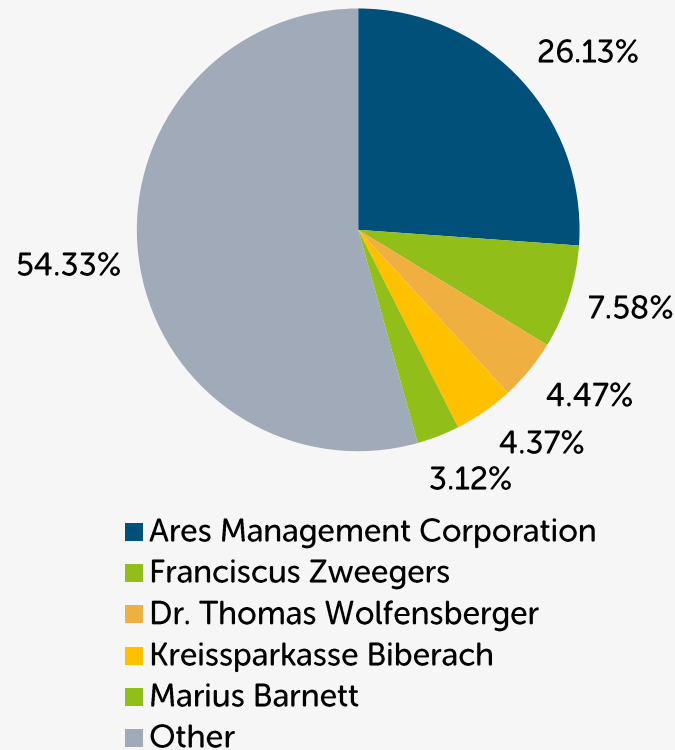
Share price performance since Dec 2020 (rebased to 100)



As of 06.01.2023; indexed; 31.12.2020 = 100; Source: onvista

Share data

Significant shareholders¹ as of June 30, 2022



Note: 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.

Information on the share

	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	16 871 901	16 874 632

Key stock exchange data

Security no.: 11 853 036

ISIN: CH0118530366

Ticker symbol: PEAN | Bloomberg: PEAN:SW | Reuters: PEAN

	Jun 30, 2022	Dec 31, 2021
High in CHF	64.60	66.60
Low in CHF	35.00	41.80
Closing rate at the end of the year, in CHF	35.35	63.40
Market capitalization (excluding treasury shares)	596 396 567	1 069 851 669
Average shares traded per day at SIX Swiss Exchange	16 118	16 435

Appendix

Financial calendar

Financial calendar

Scheduled publications & events



21 March 2023 FY 2022 results



24 May 2023 AGM 2023

Upcoming participation in conferences¹



13 January 2023 Baader Swiss Equity Conference (Bad Ragaz)



23 March 2023 BofA Real Estate CEO Conference (London)

Disclaimer



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

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