Growing with values.







Annual Report 2022

Key Figures

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

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

Peach Property Group (consolidated)		**Dec 31, 2022**	Dec 31, 2021
Rental income	in EUR thousands	116 497	100 409
EPRA like-for-like rental income	in %	5.0	4.0
Funds from operations I (FFO I)	in EUR thousands	19 207	10 208
Result before taxes	in EUR thousands	-19 967	239 997
Result after taxes	in EUR thousands	-15 031	186 102
NAV IFRS	in EUR thousands	1 107 822	1 081 273
Equity ratio (IFRS)	in %	39.6	40.1
Real estate portfolio at market values (incl. right-of-use assets) [1]	in EUR thousands	2 663 089	2 618 742
Number of employees		233	194
Number of shares (nominal value of CHF 30.00 each)		16 882 373	16 882 373
Share capital	in EUR thousands	455 597	14 510
Diluted earnings per share	in EUR	-0.97	11.45
Diluted FFO I per share	in EUR	1.14	0.67
NAV IFRS per share [2]	in EUR	60.17	58.50
EPRA NTA per share [2]	in EUR	64.88	66.40
Share price as of December 31	in CHF	16.40	63.40
Market capitalization as of December 31 [3]	in CHF thousands	276 688	1 069 852

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

Content

Reto Garzetti
Chairman of the Board of Directors

Dr. Thomas Wolfensberger
Chief Executive Officer

Dear shareholder,

The world is reflecting on a very challenging 2022. The war in Ukraine caused tragic human suffering and brought with it significant challenges for the global economy. Energy prices and inflation reached their highest levels in more than 70 years.

Despite these turbulent factors, Peach Property Group demonstrated its operational robustness. Our business concept and the demand for our highly sought-after product of affordable housing in vibrant metropolitan areas proved extremely resilient against external factors.

Operating profit I (FFO I) in 2022 reached the highest value in our corporate history at more than EUR 19 million. The decisive contributing factor was the active, efficient asset management whereby among others, the portfolio of approximately 4 300 rental units acquired in the first half-year of 2021 was fully integrated into our management, vacancies were successfully reduced, and further optimizations of operational processes were rolled out.

We continued to progress our sustainability strategy in 2022 and reached an important milestone when we received our first ESG risk assessment from Morningstar Sustainalytics, with a low risk rating.

There is also a fundamental change in our 2022 reporting. For the first time, we are reporting our annual financial statements in Euro, which represents a more appropriate reflection of our underlying operations in Germany. The currency conversion should also be helpful to investors concerning the comparability of our key figures.

Stable overall real estate portfolio value, record FFO I result, strengthening of financial position through mandatory convertible bond

The stable framework conditions prevailing in the real estate sector have changed drastically over the past year, mainly by way of high inflation and unprecedented rising interest rates. The sharp rise in borrowing costs reduced the demand for mortgage loans, resulting in real estate prices falling in Germany for the first time since the reunification in 1990. Our real estate portfolio was not spared, and we recorded a slight devaluation of approximately EUR 12 million. The total value of our real estate portfolio was around EUR 2.6 billion as of December 31, 2022, and remained virtually unchanged compared to the previous year due to our renovation and modernization investments and a small acquisition concluded in the second half-year. The result before taxes was EUR -20 million, which includes net foreign exchange losses of EUR 30 million. Excluding the impact of net foreign exchange losses, we report a profit before taxes of EUR 10 million.

Our operating profit I (FFO I) increased by almost 90 percent compared with the previous year, to the highest value in our corporate history. Our operating success results primarily from the integration of our acquisitions in previous years and the associated efficiency potential we unlocked, the successful progress made in reducing vacancies, and the further optimization and automation of operating processes.

As a result of the significant change in interest rates offered and the capital market environment, borrowing costs for financing rose sharply. Through our refinancing actions and accompanying interest rate hedging measures during the first half-year, we reduced our average financing costs slightly from 2.8 percent to 2.6 percent despite the unfavorable market conditions.

The average residual term of all financing is 3.7 years and remained virtually unchanged from the previous financial year.

With a focus on strengthening our equity, we announced in December 2022 the issuance of a short-termed mandatory convertible bond with an issue date in January 2023. We received net issue proceeds of around EUR 68 million in January 2023 and used them in full to repay borrowings. As a result, our capital structure mix significantly improved. This measure translated into a pro-forma leverage ratio (LTV) of 52 percent in January 2023. As of December 31, 2022, our leverage ratio was around 54 percent. The new mandatory convertible bond was subscribed to by a large majority of our anchor shareholders and will be fully converted into Peach Property Group AG shares on April 12, 2023. The mandatory convertible bond transaction underpins the confidence of our shareholders in our robust business model and the positive assessment of its potential.

We achieved another important operational milestone in the reporting year with our last remaining development project in Wädenswil, Switzerland where we held the official groundbreaking ceremony in December 2022. Of the 57 high-end residential units being built in a sought-after location on the shore of Lake Zurich, around 60 percent were already sold or reserved well before the groundbreaking ceremony. In total, the construction project has an estimated market value of around CHF 138 million.

Strong demand for affordable housing, vacancy rate reduced through active portfolio management, rental income significantly increased

Our focus on real estate in Tier II locations puts us in a market with continued strong demand for housing despite the challenging environment. This is not least evident from increases in rental income in 2022, which saw us increase like-for-like rental income by around 5 percent. At the same time, we have reduced vacant rental units from 8.0 percent in the previous year to 6.9 percent by year-end 2022.

As a result of Russia's war of aggression, energy, and electricity costs increased significantly over the 2022 financial year. However, thanks to the conclusion of forward-looking hedging transactions, we were able to avoid an increase in ancillary costs for many of our tenants. Our business focus will remain on affordable housing. Even though we made selective rent adjustments in 2022, our average rents charged remain below the German average. This further ties into our sustainability strategy which is not only aimed at environmental aspects, but also focuses on society.

Social responsibility towards tenants and society, first ESG rating with low-risk rating

In these current uncertain times characterized by significant cost increases, we remain committed to providing our tenants with secure and affordable housing. We advise and support our tenants in person at our Peach Points, by telephone, by e-mail, and online. For example, we advise on energy-saving practices in a household and support tenants in applying for government assistance.

In addition to our social responsibility towards our tenants, we are pursuing the goal of continuously reducing the CO_2 emissions of our real estate portfolio and making our contribution to climate protection. Based on our decarbonization path, which we defined for the first time in the 2022 financial year, we aim to operate a climate-neutral real estate portfolio by 2050.

In 2022, we renovated around 2 160 individual rental units, among which around 110 rental units underwent substantial energy-related renovations, such as replacing the windows or the thermal insulation of the walls. We further renewed or renovated around 40 heating systems serving around 700 rental units. These efforts reduce our carbon footprint while also reducing ancillary costs over the long term.

Our clearly formulated sustainability strategy delivered satisfying insights during the 2022 financial year. We obtained our first ESG risk rating from Morningstar Sustainalytics. Our rating score of 11.5 is classified as low risk and is among the top four percent of the more than 15 000 companies rated globally. We value the excellent rating obtained from one of the most renowned ESG rating providers, as it confirms the success of our ESG activities to date with measurable progress. The rating determination particularly considered our regular tenant satisfaction surveys, our dealing with tenant matters, and the life cycle analyses we perform on newly acquired properties.

Continued high demand for housing in Tier II locations expected in 2023, positive operational growth in 2023

The robustness of our business model lies in our focus on residential real estate in German Tier II locations, especially those in the western German federal states. Recent surveys done by the Federal Institute for Population Research suggest that major German cities lost more inhabitants in 2021 than at any other time over the last 30 years. Surrounding metropolitan areas and smaller cities, effectively many of them Peach locations, benefited from the suburbanization.

We expect the current decline in newly erected housing in Germany to continue through 2023 and beyond due to increases in construction and financing costs. This trend will directly benefit the existing real estate market and our operations. In addition, we expect the demand for affordable housing in Germany to remain very high in the medium to long term and that new construction in this segment will not be able to meet the rising demand. The anticipated excess demand over the supply of affordable housing should lead to increases in rental charges in the coming years. This trend was already evident in the 2022 financial year, where market rents in many key Peach locations increased more than the Germany-wide average, and by more than we have seen in the past 20 years.

Overall, we are optimistic about the 2023 financial year and anticipate positive operating developments. The focus will remain on optimizing our costs and financial position in the future.

Yours

Reto Garzetti
Chairman of the Board of Directors

Dr. Thomas Wolfensberger
Chief Executive Officer

Highlights 2022

27 549
Residental units (compared to 27 441 in 2021)

1.784 million m²
Floor space (compared to 1.774 million m² in 2021)

Portfolio

EUR 2 663 million
Market value of real estate portfolio
(+ 1.7% compared to 2021)

EUR 133.0 million
Annualized rental income (+ 4.2 % compared to 2021)

15
Peach Points
(compared to 12 in 2021)

93 %
Occupancy rate total portfolio
(compared to 92 % in 2021)

EUR 116.5 million
Actual rental income (+ 16 % compared to 2021)

EUR 58 million
Investments eligible for capitalization
(compared to EUR 42 million in 2021)

Corporate

EUR 19.2 million
FFO I (+ 88 % compared to 2021)

EUR 64.88
EPRA NTA per share
(compared to EUR 66.40 in 2021)

2.6 %
Average interest rate total (compared to 2.8 % in 2021)

3.7 years
Average term (compared
to 3.8 years in 2021)

14.2 h
Average response time tenant tickets
(3.7 h faster than in 2021)

78 %
Tenant satisfaction rate
(compared to 70 % in 2021)

2.85 days
Average time to resolve tenant tickets
(2 days faster than in 2021)

EUR 1 108 million
Equity (compared to EUR 1 081 million in 2021)

39.6 %
Equity ratio IFRS (compared to 40.1 % in 2021)

Business Model

Peach Property Group is a real estate investor with an investment focus on residential real estate in Germany. Our investment strategy focuses on high-yielding real estate assets, typically located in Tier II cities or with-in the commuter belt of German metropolitan areas.

Following our extensive acquisition activities in recent years, we now own a real estate portfolio of more than 27 500 rental units in Germany, with a market value of EUR 2.6 billion. With our portfolio size, we have a strong market presence in the German residential real estate market.

As a real estate developer, we have one last remaining development project in Wädenswil, Switzerland. In this project, we are developing exclusive apartments on the sought-after Lake Zurich shore. We achieved an important milestone in 2022 in that around 60 percent of the high-end residential units were sold or reserved well before the groundbreaking ceremony in December 2022.

Our sustainable business model is based on the core elements of tenant-centricity, digitalization, sustainability, efficiency, and a strong partner network.

A key measurable component of our business model is tenant satisfaction. Long-term rental relationships and low vacancy periods due to tenant turnover demonstrate tenant satisfaction and significantly improve revenue. On average, tenants live in a Peach apartment for 9.8 years, while the German average is only 8.9 years.

We also monitor tenant satisfaction through regular surveys with the aim of continuous improvement. A key contributor to tenant retention is a constant exchange with our tenants. Through various communication channels we are notified of tenant matters to which we can respond swiftly and efficiently. Tenants may contact us directly through our Peach Points, for example. Peach Points are tenant shops usually within walking distance of our core portfolios or integrated into our residential complexes. Peach Points have permanent Peach staff that are available to provide tenants with advice and assistance (more insights into a typical workday of a Peach Point employee are included on page 26 of the Annual Report). It is of great concern to us as a residential real estate Group to always have an open ear for our tenants, particularly in the current challenging times characterized by inflation and high energy prices. In cases of financial hardship, we develop solutions with our tenants. To proactively assist our tenants in avoiding financial challenges due to rising energy costs, we provided practical energy-saving tips. We operate Peach Points in 15 locations across Germany, and our tenant shop model is very popular among our tenants.

In addition to our on-site presence, we are continuously improving our digital service offerings. Damage reports can be lodged quickly and easily via our specially developed digital platform. The platform is linked to our well-established network of tradesmen, which ensures a short turnaround between report and repair. Reported damages in an apartment are usually fully repaired in less than three days.

We are constantly expanding our digital platform. An exciting new tool, which will launch soon, will use artificial intelligence to provide external service providers with more detailed information concerning a damage. This will enable the faster arranging of appointments between tenants and tradesmen, and a more targeted use of the time spent on site.

During the year, we further simplified the feedback process by integrating it directly into our ticketing system. The integration newly allows our tenants the opportunity to submit direct feedback on closed tenant reports and to provide us with quick and quantified feedback, which we can use for ongoing service improvements.

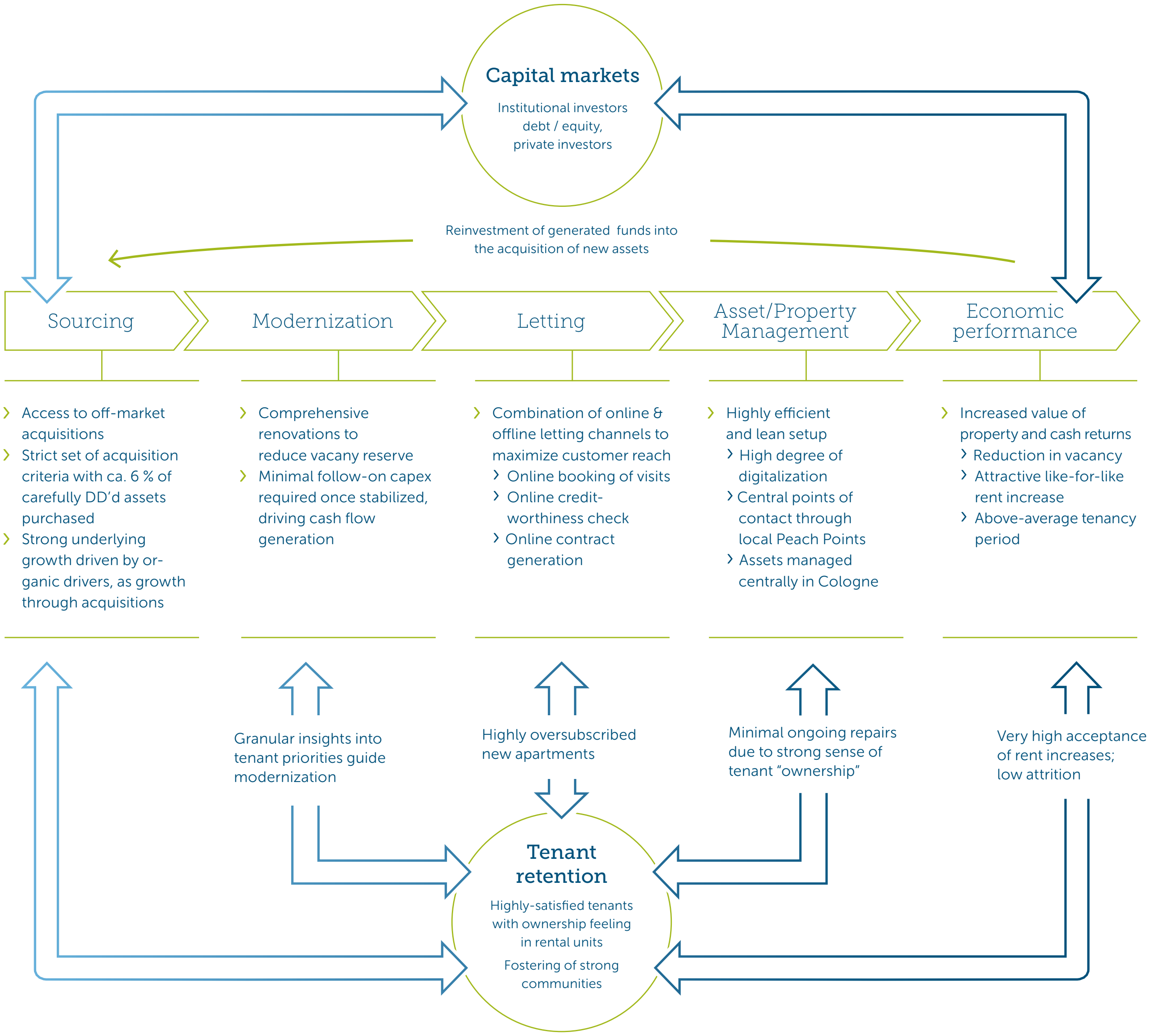
Through the various communication channels with tenants, our digital platform facilitates efficient and uniform property management practices. Our platform further extends to internal processes such as rental or financial accounting. Our digital rental agreement was rolled out in 2022. This innovation enables more efficient handling between us and tenants. Administration becomes leaner, the onboarding process faster, and management is more efficient.

Well-maintained real estate assets translate into higher-valued assets while contributing to tenant satisfaction. Asset maintenance includes among other things, regular modernization, protection, and the general upkeep of the various core elements of a valuable building. To this end, we continuously carry out refurbishments in our portfolio. The current focus is on renewing heating systems that are based on obsolete technology, or energy-related renovations, such as thermal insulations of walls or roofs. The current energy crisis has shown the importance of renovating existing properties to improve their energy efficiency more than ever. As a real estate Group, we have a social and environmental responsibility towards tenants and society to reduce the CO_2 emissions from our real estate, which we honor through targeted measures. Our efforts not only relieve the environment but also support our tenants through a reduction in ancillary costs in the medium to long term. This in turn makes our service of-

fering more attractive to prospective tenants, and in total a value-preserving effect is created across the portfolio. Based on our decarbonization path we aim to operate a climate-neutral real estate portfolio by 2050.

Through activities such as the tenant festival in Kaiserslautern in the early summer, we again demonstrated how much we value direct, personal exchanges with tenants. At the event, Peach management members, employees, and tenants celebrated together in a familiar and exuberant atmosphere while getting to know each other better and informally exchanging thoughts.

We want families in particular feel at home in our properties, which is why we build or regularly modernize playgrounds or outdoor fitness equipment. This small measure also contributes to an attractive living environment.



Peach Property Group reduces vacancy rate and celebrates the official groundbreaking in Wädenswil






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

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

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

2012 — 2013 — 2014 — 2015 — 2016 — 2017

Acquisition of **Gretag-Areal** near Zurich

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

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




2018

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

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

2019

Portfolio increases to around 13 000 residential units with a market value of over EUR 1 billion

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

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

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

2020

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

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

2021

Further expansion of the portfolio to over 27 400 units. Total market value of the existing portfolio increases significantly to over EUR 2.6 billion.

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

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

2022

Vacancy rate reduced from 8 % in the previous year, to **6.9 %** in the reporting year.

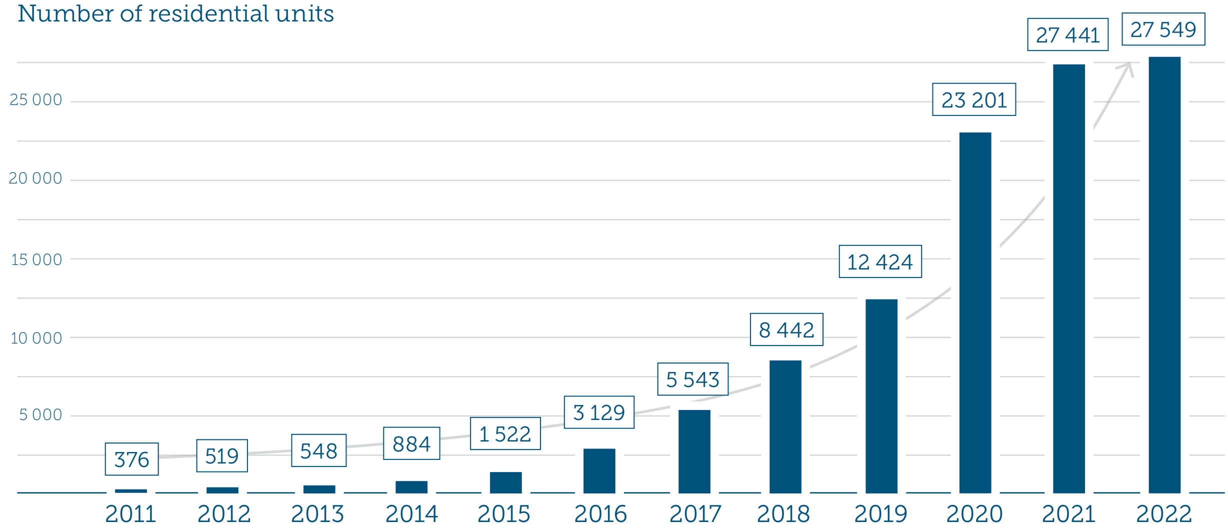
Integration of the portfolio of the approximately **4 300 residential units** acquired in the previous year into own management.

First-ever ESG risk rating by Morningstar Sustainalytics of 11.5 in the "low" risk category - placing Peach Property in the **top 4 % of all 15 000 plus companies** assessed.

Advancing its sustainability strategy: **more than 2 160 residential refurbishments carried out in 2022,** of which around 810 were energy-related refurbishments.

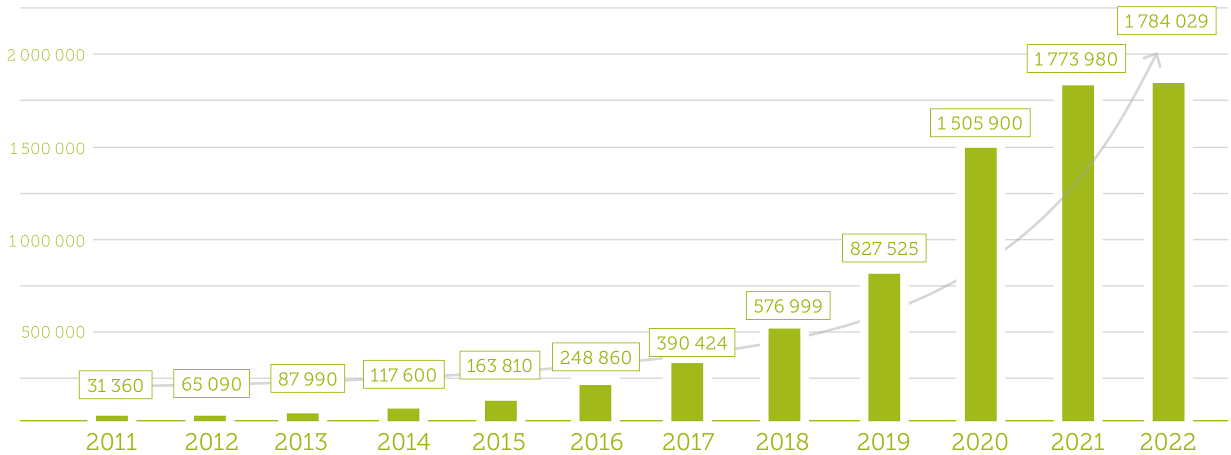
Groundbreaking in Wädenswil on Lake Zurich in December 2022: **57 exclusive apartments are being built in a sought-after location, of which almost 60 % have been sold or reserved.**

Number of residential units



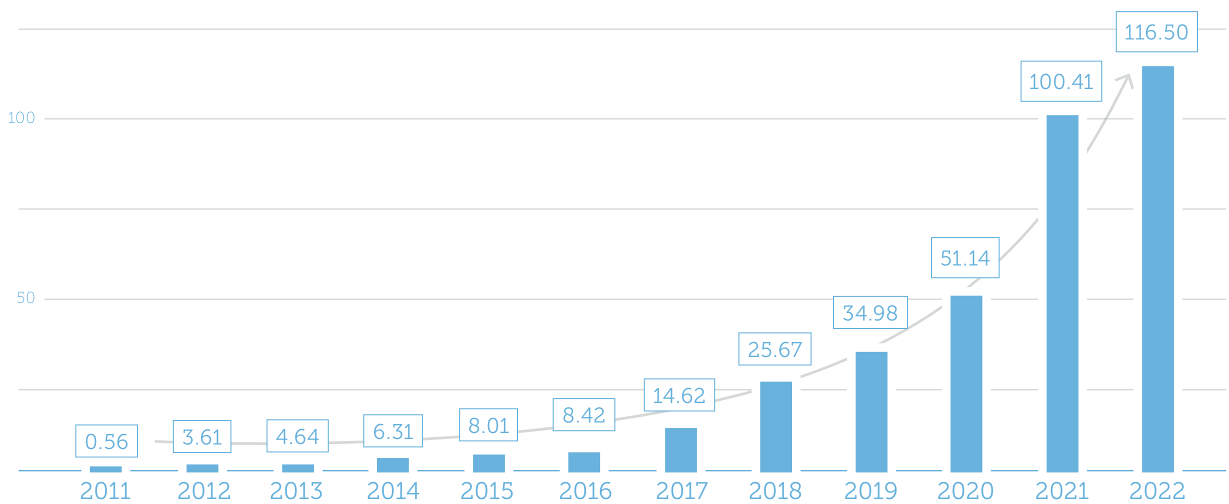
Total floor space in the real estate portfolio considerably expanded

Total area in m²



Actual rental income increased significantly

Actual rental income in EUR million



Portfolio

Peach Property Group is a real estate investor with an investment focus on residential real estate in Germany. Our portfolio consists of high-yielding real estate assets located in Tier II locations within the commuter belt of metropolitan areas. Our operations focus on providing affordable housing, with tenant well-being representing our leading priority.

We achieve this through an emphasis on service delivery, continuous dialogue and communication with tenants, and targeted measures aimed at continuously improving the offered living quality as well as the general state of the surroundings. In Switzerland, we are finalizing our last development property project which is held for trading.

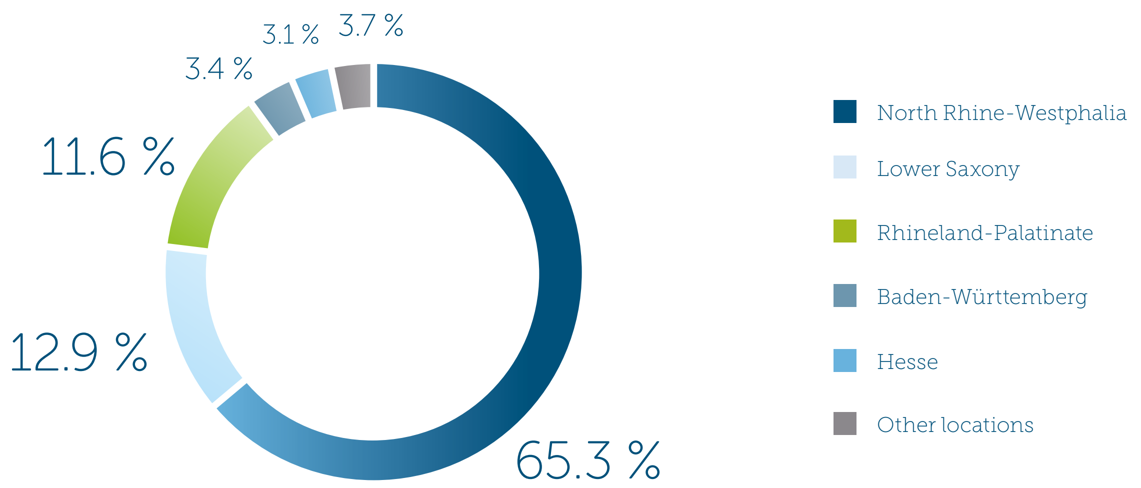
Investment properties portfolio

Following our strong and sustained growth in recent years, the 2022 financial year is characterized by consolidation efforts. We integrated the approximately 4 300 residential units acquired in the first half-year of 2021 into our management, intensified the revitalization work on vacant properties, and reinforced targeted energy-related renovations. Operationally we optimized processes that again contributed to the improvement in our operating performance.

After acquiring a small property portfolio in Saarbrücken during the second half-year of 2022, our investment properties portfolio grew to more than 27 500 residential units, located across eight German federal states, with a total lettable area of approximately 1.8 million square meters. The market value of our portfolio is EUR 2.6 billion as of the 2022 financial year-end.

The focal point of our real estate investments is the Rhine-Ruhr metropolitan region in North Rhine-Westphalia. We own approximately 15 000 residential units in this economically strong region, which counts multiple highly capitalized German companies among its residents. Other significant locations are the Kaiserslautern/Ludwigshafen, as well as the Helmstedt/Schöningen areas.

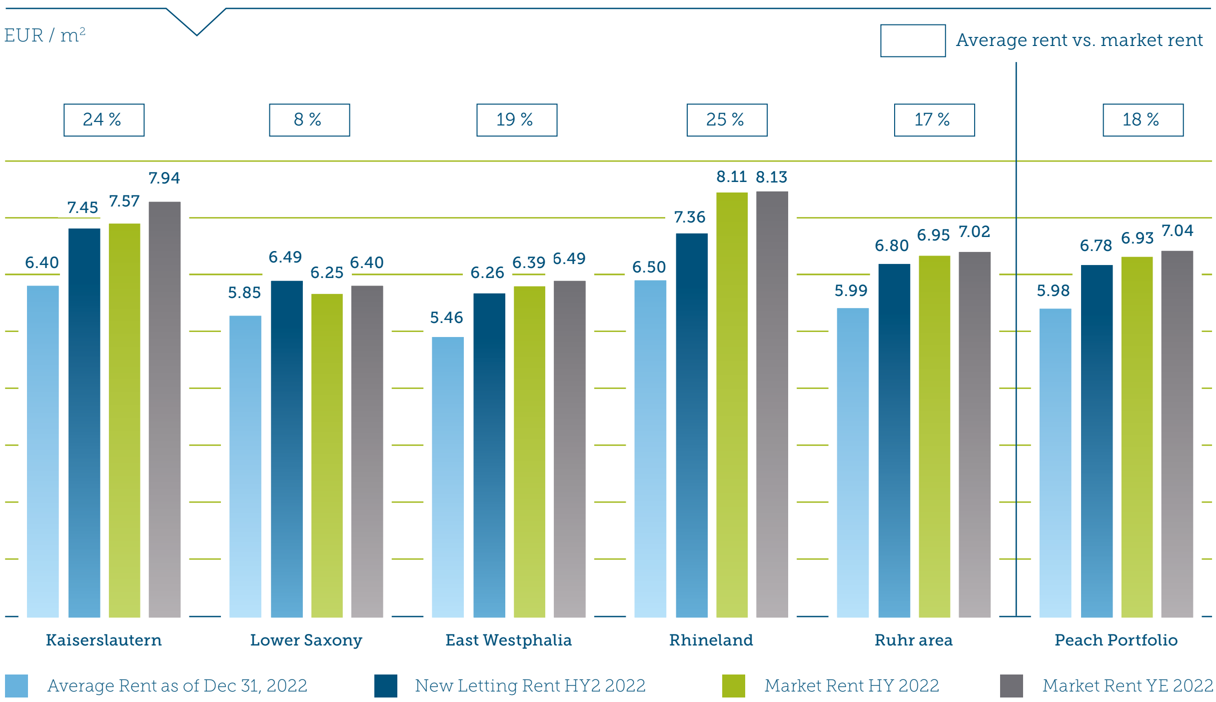
Breakdown of residential units by federal state as of December 31, 2022



We increased our rental income by 16 percent year-on-year, from EUR 100 million in 2021, to EUR 116 million in 2022. Thereof, around EUR 9 million result from the annualized effect of rental income generated by the approximately 4 300 residential units acquired in June 2021. Measured on a like-for-like basis, rental income before collection losses increased by around 5 percent.

We are convinced about the potential of passing further rental increases in the future. Despite selective rent adjustments in 2022, our charged rents remain below the German average. We expect the noticeable decline in new construction activity in Germany to influence achievable rents in the medium to long term due to demand outweighing supply. When comparing our current, very affordable rents to market rents, we see significant upside potential from our property portfolio.

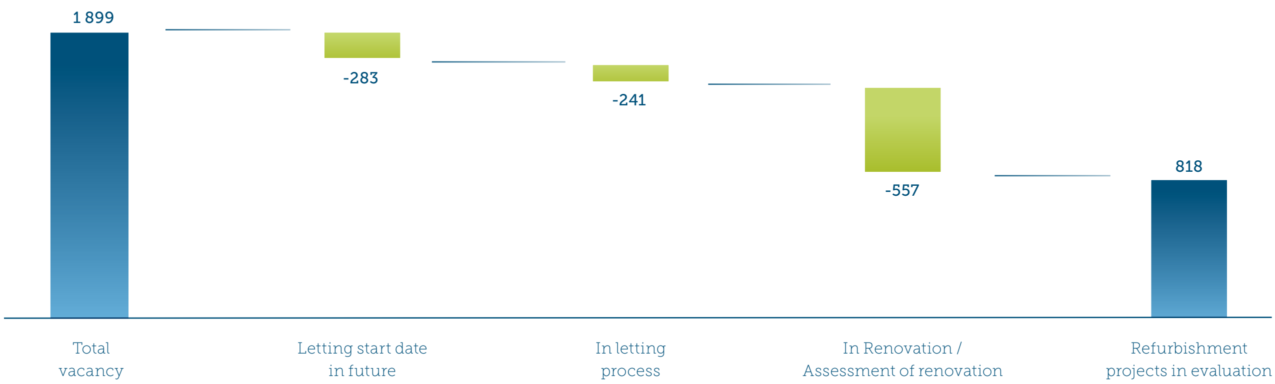
Rental income potential in core portfolios



With more than 3 600 new rental agreements concluded in 2022, the new rental rate for 2022 was 13.3 percent of the average number of lettable units, almost one percent higher than the rental termination rate of 12.4 percent. The rental termination rate, excluding landlord-initiated terminations, was almost 11 percent.

The termination rate development is further seen in the positive development of vacancy rates. We reduced the number of vacant residential units from 8 percent at the end of the previous year, to 6.9 percent as of year-end 2022. With more rental units occupied, the average letting potential reduced from 11.4 percent in 2021, to 10.6 percent in 2022.

Number of vacant units as of December 31, 2022



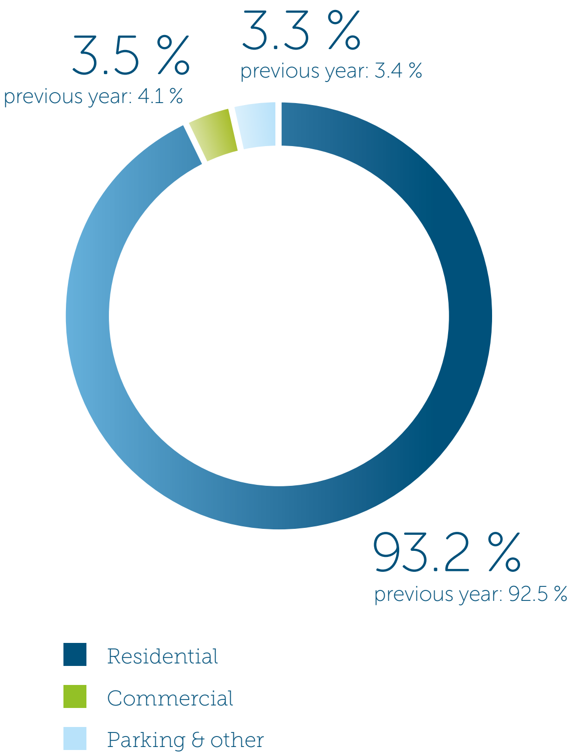
The reduction in vacancies in 2022 was achieved, among other things, through investments made into our portfolio to renovate and modernize rental units and increase their appeal to prospective tenants. In this regard, we capitalized investments of approximately EUR 58 million (previous year EUR 42 million), representing an average investment per square meter of EUR 32.30 and an increase of 27 percent compared to the previous year.

As a real estate Group, we are fully aware of our environmental responsibility to operate a portfolio with energy-efficient rental units of a modern standard – even more so in these current times of rising energy costs. In 2022, we renovated around 2 160 individual rental units, among which around 110 rental units underwent substantial energy-related renovations, such as replacing the windows or the thermal insulation of the walls. We further renewed or renovated around 40 heating systems serving around 700 rental units. These efforts represent the highest number of renovations per annum in our corporate history. The replacement of heating systems that are based on obsolete technology and the renewal of thermal insulation particularly have positive impacts on the CO_2 intensity of our portfolio. We are increasingly focusing on these two components. Despite a shrinking investment budget, we will continue to invest in the modernization of our rental portfolio in the short- and medium-term and continue our decarbonization journey to reach our decarbonization goals. Our efforts not only relieve the environment but also support our tenants given the current energy markets price developments while creating sustainable values.

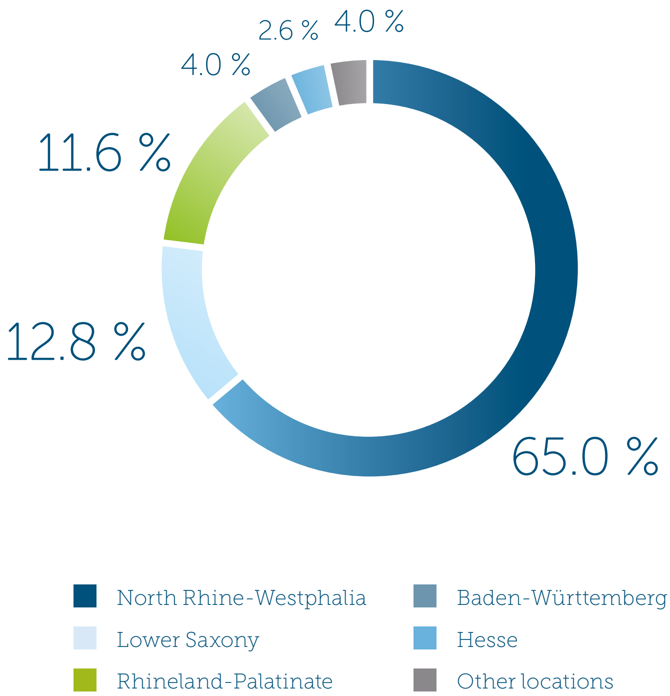
In line with our corporate strategy, which emphasizes a high degree of tenant satisfaction, and we focus on providing our tenants with affordable, attractive housing as an enabler. In previous years we already concluded gas and electricity hedging transactions which reduce the risk of uncontrolled increases in energy costs as a result of Russia's war of aggression. Through our actions drastic ancillary cost increases and unanticipated financial pressure on many of our tenants are avoided.

Direct exchanges with our tenants beyond the usual communication channels, and an active contribution to creating a tenant community, is important to us. To this end we hold regular tenant events or sponsor campaigns. After a longer pandemic-enforced break, we hosted the first such tenant event in Kaiserslautern again in June 2022.

Rental income by use category
as of December 31, 2022
In % of total rental income



Rental income breakdown by federal state
as of December 31, 2022
% Annualized target rental income



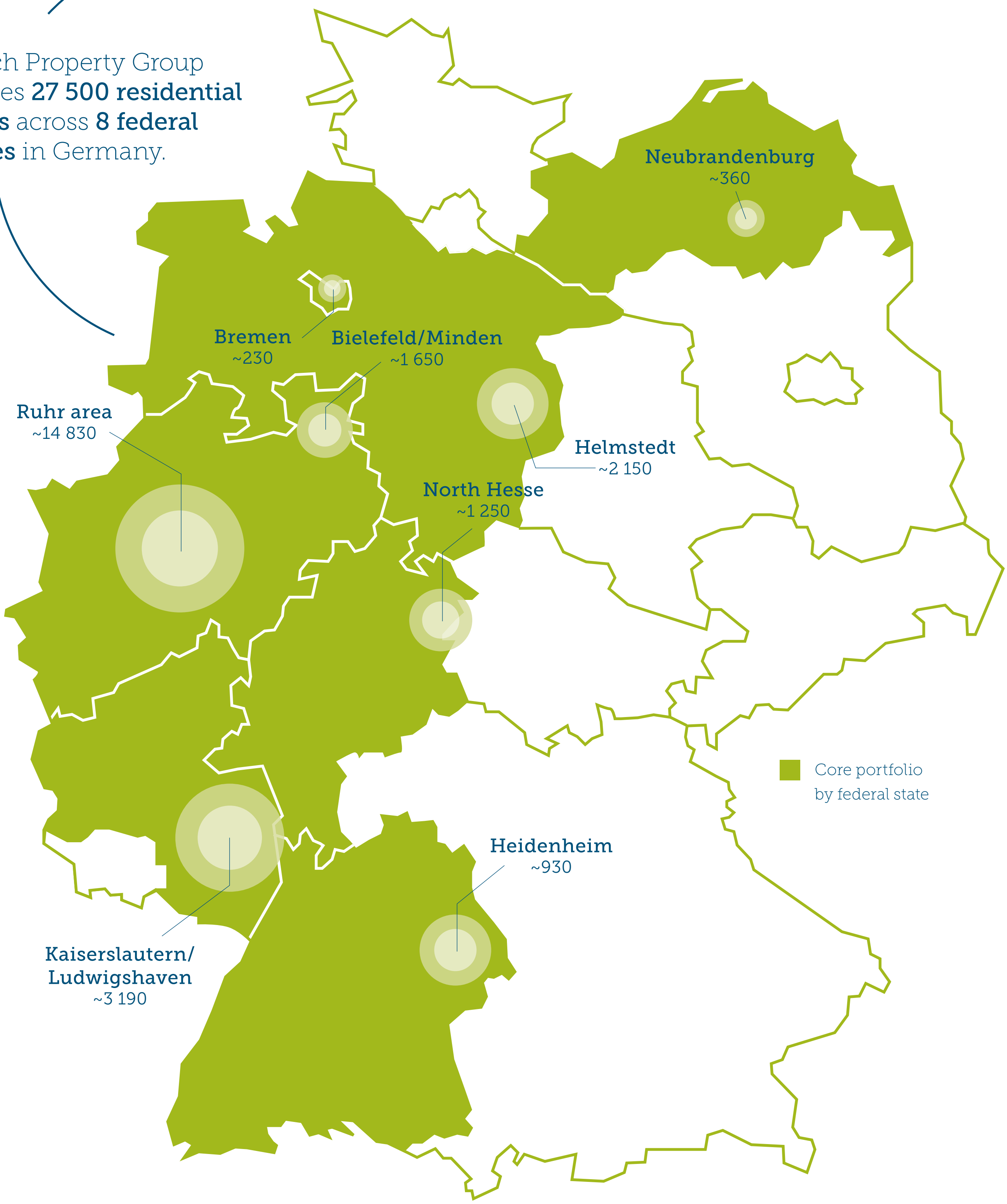
Portfolio key indicators

		Dec 31, 2022		Dec 31, 2021
Number of residential units		27 549		27 441
Total rental space in m²		1 784 029		1 773 980
thereof residential space in m²		1 712 431		1 705 227
thereof commercial space in m² (GF DIN 277)		71 598		68 753
Rental income in EUR thousands *		116 497		100 409
Maintenance costs in EUR thousands *		14 879		11 951
Administrative and operating costs in EUR thousands *		8 891		9 824
Vacancy costs in EUR thousands *		6 248		4 838
Target rental income in EUR thousands p.a.		132 996		127 668
Vacant residential units (number of residential units as a percentage of all rental units)	1 899	6.9 %	2 190	8.0 %
Average total rental potential as a percentage of target rental income *		10.6 %		11.4 %
Market value in EUR thousands		2 602 837		2 541 417
Gross rental yield *		4.5 %		4.8 %
Net rental income / cash-flow yield *		2.8 %		3.0 %

* Previous financial year indications include only six months' results from the acquisitions in June 2021.

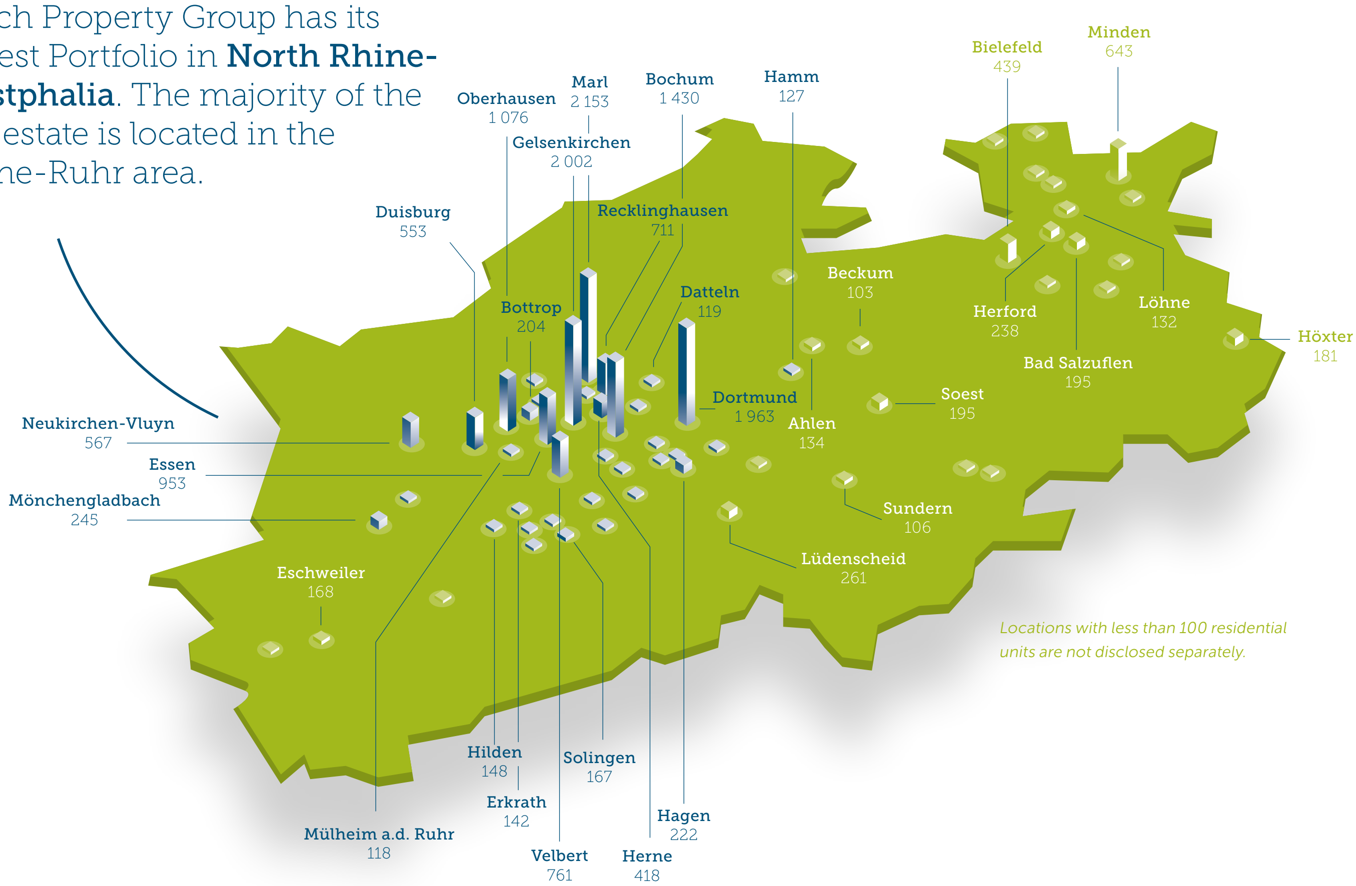
Core portfolios of Peach Property Group

Peach Property Group ownes **27 500 residential units** across **8 federal states** in Germany.



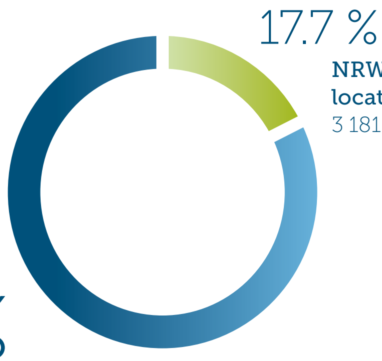


With ~ **18 000 residential units**, Peach Property Group has its largest Portfolio in **North Rhine-Westphalia**. The majority of the real estate is located in the Rhine-Ruhr area.



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

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



in EUR thousands Dec 31, 2022

Location	Number of residential units	Area in m²	Year of construction (renovation)	Market value [1]	Target rent p.a. net cold	Letting potential	Rental gross return [2]	Rental net return [3]
Bakery, Wädenswil	0	6 370	1833 (1966)	10 531	548	1.0 %	5.0 %	4.1 %
Mews, Wädenswil	16	1 100	1874 (1991)	8 886	292	40.6 %	2.0 %	1.6 %
Gardens, Wädenswil	13	769	1874 (1991)	7 230	223	23.0 %	2.5 %	2.3 %
Munster	377	25 810	1959 - 1967	29 887	1 769	2.7 %	5.9 %	4.7 %
Fassberg	280	19 242	1958 - 1961	19 660	1 322	3.3 %	6.5 %	4.1 %
Rock Helmstedt/Schöningen/Esbeck	2 133	124 946	1952 - 1970	127 119	8 792	16.6 %	5.9 %	3.7 %
Erkrath	194	17 059	1970 / 1978	37 166	1 498	5.8 %	3.8 %	2.9 %
Dortmund Rheinische Strasse 167 - 171	0	2 502	1922 (1997)	2 355	194	0.0 %	8.4 %	8.3 %
Neukirchen-Vluyn L	513	34 821	1974 / 1981	42 071	2 889	31.6 %	4.1 %	1.3 %
Neukirchen-Vluyn S	54	3 114	1974 / 1981	3 756	219	4.5 %	5.2 %	4.1 %
Oberhausen	1 957	129 648	1869 - 2001	201 127	10 126	5.6 %	4.7 %	3.3 %
Bochum II	172	11 079	1958 - 1999	19 601	920	5.0 %	4.4 %	3.2 %
Bochum III	463	6 466	1972	18 520	24	6.0 %	0.1 %	-2.8 %
Bochum-Herne [4]	330	23 670	1920 - 1980	37 125	1 784	8.8 %	4.4 %	3.1 %
Gelsenkirchen I	972	67 634	1921 - 1968	84 909	4 492	4.8 %	5.0 %	3.5 %
Gelsenkirchen II	136	8 595	1920 - 1957	12 240	641	13.2 %	4.8 %	3.0 %
Gelsenkirchen III	66	4 736	1950 - 1971	5 518	323	13.3 %	5.0 %	2.7 %
Gelsenkirchen IV	81	5 706	1902 - 1956	6 259	407	14.7 %	5.0 %	2.3 %
Essen I	68	5 725	1962 - 1964	9 854	378	6.6 %	3.7 %	2.8 %
Essen II	107	6 680	1976	12 890	450	1.0 %	3.6 %	2.7 %
Essen III	14	2 387	1972	3 248	223	11.9 %	7.5 %	5.7 %
Duisburg [4]	207	12 838	1950 - 1972	17 008	957	6.5 %	5.2 %	3.3 %
Dortmund [4]	1 403	91 328	1950 - 1970	167 400	6 686	7.7 %	3.7 %	2.4 %
Rhein Ruhr	352	23 661	1900 - 1983	28 845	1 702	14.9 %	4.9 %	2.7 %
Ruhr	528	36 215	1905 - 1990	54 972	2 770	8.0 %	4.4 %	2.6 %
Ruhr II	346	23 400	1900 - 2015	27 936	1 678	11.2 %	5.2 %	3.0 %
Ruhr III	968	60 114	1900 - 1990	85 696	4 368	11.2 %	4.6 %	2.8 %
Ruhr IV	262	15 107	1920 - 1978	19 916	1 036	7.1 %	4.5 %	2.4 %
Ruhr V	172	18 210	1899 - 1973	22 146	1 298	14.8 %	5.1 %	3.6 %
Ruhr VI	64	3 732	1905 - 1960	5 753	298	8.2 %	4.6 %	2.3 %
Velbert	761	53 358	1972 - 1978	75 209	3 482	8.2 %	4.4 %	3.0 %
Marl	221	16 120	1966 - 1990	22 969	1 297	16.7 %	4.5 %	2.6 %
Marl II [4]	1 864	120 993	1939 - 1972	167 503	9 270	10.0 %	4.9 %	3.4 %
Bielefeld I	211	15 045	1969 / 1978	23 130	858	5.6 %	3.6 %	2.1 %
Bielefeld II	144	10 447	1969/1970/1973	15 110	629	1.8 %	4.0 %	3.0 %
Dorsten	57	4 108	1970	4 258	238	15.9 %	4.8 %	3.0 %
Beckum	103	6 277	1960 - 1975	9 167	422	3.4 %	4.4 %	3.2 %
Lüdenscheid	146	9 054	1910 - 1969	9 753	621	18.3 %	5.3 %	2.7 %
Herne	165	12 931	1976	16 240	926	19.0 %	4.3 %	1.2 %
Ahlen	134	9 908	1956	11 320	628	4.0 %	5.4 %	3.7 %
Mönchengladbach	245	4 255	1975	12 140	644	53.3 %	1.8 %	-1.1 %
Hagen	36	5 033	1985	3 409	269	37.8 %	4.7 %	2.3 %
Bremen, Gelsenkirchen & Hilden [4]	517	25 665	1954 - 1996	53 289	2 439	11.5 %	3.9 %	2.6%
Portfolio Deutschland I	2 136	135 140	1926 - 1995	188 796	9 513	9.5 %	4.5 %	2.7%
Ostwestfalen	1 737	114 839	1800 - 2002	141 140	7 537	9.3 %	4.9 %	2.8%
Rheinland	377	27 727	1900 - 1963	58 550	2 443	12.4 %	3.8 %	2.6%
Kaiserslautern I	17	2 971	1928-1938/1950	3 701	287	71.1 %	1.8 %	-0.3%
Kaiserslautern II	1 300	83 298	1931 - 2000	135 818	6 290	6.9 %	4.4 %	3.0%
Kaiserslautern III	201	11 378	1926 - 1961	22 122	1 049	11.7 %	4.0 %	2.3%
KL Betzenberg IV	343	25 896	1972	43 070	1 898	16.9 %	3.4 %	1.6%
KL Betzenberg V	242	13 591	1972-1973	26 370	1 131	9.8 %	3.6 %	2.0%
Kaiserslautern VI	59	2 365	1972	4 376	286	62.7 %	1.6 %	-1.4%
Kaiserslautern VII	175	10 776	1954 - 1961	20 783	844	7.2 %	3.6 %	1.9%
Kaiserslautern & Agglomeration	369	20 323	1952 - 1973	35 556	1 612	23.5 %	3.4 %	1.8%
Ludwigshafen	492	35 581	1920 -1987	78 885	3 372	6.4 %	4.0 %	3.4%
North Hessen	336	22 830	1966 - 1976	24 051	1 441	10.6 %	5.3 %	2.4%
North Hessen II	796	44 134	1929 - 1979	45 617	2 905	6.6 %	5.8 %	3.0%
Eschwege	116	8 309	1994	11 170	615	5.7 %	5.2 %	3.0%
Heidenheim I	900	62 597	1896 - 2006	114 312	5 099	7.9 %	4.1 %	2.9%
Valuebasis/small-scale rental	1 101	76 418	1973 - 1994	95 397	6 645	9.2 %	5.0 %	2.8%
Total	**27 549**	**1 784 029**		**2 602 837**	**132 996**	**10.6 %**	**4.5 %**	**2.8%**

1 Based on the valuation by Wüest Partner as of December 31, 2022.
2 Annualized actual rental income January 1 through December 31, 2022 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.
3 Annualized actual rental income January 1 through December 31, 2022 (net cold, excl. incidental expenses) less administration and maintenance costs in relation to the average value of the portfolios.
4 Acquisition as of June 30, 2021.

Development properties portfolio

In Switzerland, construction work on our last remaining development project, “Peninsula Wädenswil” commenced in the 2022 financial year. Here we are developing a unique residential mix of loft-design apartments, historical buildings, and modern architecture all located on the peninsula in Wädenswil. The development is embedded in a park landscape directly on the left shore of Lake Zurich.

Since the start of notarizations in July 2022, approximately 60 percent of the planned total of 57 residential units, with a volume of around CHF 77 million, have already been sold or reserved.

ESG Summary

At Peach Property Group, sustainability is central to our actions. As a real estate investor, we are fully aware of the impact of our operations on our environment. We believe it is our responsibility to reduce CO_2 emissions generated by our operations, by implementing appropriate energy-saving measures. Beyond the environment, tenant satisfaction is an important part of our corporate DNA. Through affordable, sustainable housing and customer-focused management practices, we build strong relationships with our tenants and promote their well-being. Our employees represent our foundation. We foster an environment where our employees feel secure and valued, with open communication and opportunities for personal development. We operate our business with core ethical values that we extend to our suppliers and partners. With a strong financial base, we create added value for our tenants, employees, society in general, and our investors.

Materiality analysis carried out for first sustainability report in accordance with GRI standards

To further embed, and actively pursue the principles of our sustainability efforts, a materiality analysis was carried out for the first time in the 2022 financial year. The subject of the analysis was the impact of Peach Property Group's operating activities on the environment, the economy, and society. The main impacts were grouped and summarized into ten material topics, which were endorsed by the Executive Management and the Board of Directors.

We will report in detail on these key topics in our 2022 Sustainability Report, which we will prepare for the first time in accordance with the GRI standards and publish as a separate report in spring 2023.

Environment - work on heating strategy and decarbonization path continues

With the significant increase in the cost of fossil fuels, the relevance of modern and efficient heating systems has increased again. We continued to renew heating systems that are based on obsolete technology and renewed or modernized around 40 heating systems serving around 700 rental units during the 2022 financial year. Wherever possible and sensible, we invest in decentralized heating systems using district heating.

We further developed the decarbonization path presented for the first time in the 2022 financial year. We improved the quality of our database which was captured in the digital decarbonization tool. For the first time we were also able to include consumption data for the residential units acquired in 2021. We have thus established the starting point for our decarbonization path with a CO_2 intensity of around 34 kg CO_2e/m^2a [1]. We aim to reduce this to below 30 kg CO_2e/m^2a by 2030 and to below 10 kg CO_2e/m^2a by 2050. These targets are supported by our digital decarbonization tool which allows us to simulate and plan specific measures for each property, and then move on to concrete implementation planning. Switching to CO_2-neutral heating systems and improving building insulation will continue to be key measures.

1 Data collection based on consumption data and projections according to GRI and EPRA standards for around 16 500 rental units.

Tenants - personal exchange as the key to satisfied tenants

Peach Points prove their value in challenging times

Russia's war of aggression against Ukraine resulted in a wave of refugees of around 1 000 000 Ukrainians immigrating to Germany in the spring.

Based on our previous experience with refugee waves, and our local presence through 15 Peach Points, we acted swiftly and provided accommodation solutions to municipalities and cities.

In the initial migration phase, we provided homes for over 50 families. As the year progressed, many immigrants entered the open housing market, which further increased the demand for affordable housing in Germany.

The sharp rise in electricity and gas prices as a consequence of the war in Ukraine represented a major challenge for tenants. Following gas and electricity hedging transactions concluded in previous years, we avoided an immediate increase in utility costs in many cases. Our tenant-focused service approach again proved its value also in this situation. The Peach Points provided tenants with energy-saving tips. In cases of hardship, concrete and pragmatic solutions were discussed and evaluated. Tenants were additionally assisted in applying for government assistance.

Tenant satisfaction continues to be promoted and measured

Tenant satisfaction remains a leading priority. Due to the pandemic, the popular tenant festivals had to be canceled. We were pleased to host the first such event again after the pandemic-enforced break in early summer in Kaiserslautern. We got to know our tenants over a shared meal or drink.

We promote a pleasant living environment with attractive outdoor facilities that invite tenants to linger and be active. In this regard, we continued to invest in outdoor facilities, for example, by completely renovating and modernizing the playground at one of our properties in Munster. So far, we have over 250 playgrounds in our portfolio.

As part of our continuous improvement process, we continually seek feedback from our tenants. Through our ticketing system, we have a constant overview of open tenant reports and the response times of Peach Points and our external tradesmen partners. During the year, we further simplified the feedback process by integrating it directly into our ticketing system. The integration newly allows our tenants the opportunity to submit direct feedback on closed reports. Feedback may concern the performance and quality of the work carried out, or the timeliness thereof. 24 hours after a ticket is closed, the tenant receives a link to an evaluation and feedback form, which also directly informs the responsible employee should feedback be submitted. Since the introduction of the system, we have measured a satisfaction rate of over 78 percent.

During the year, we integrated most the properties acquired in recent years into our management processes, demonstrating the scalability of our service model. As a result of this integration, the number of tickets increased by over 43 percent to 112 922 (previous year: 79 221). A very high proportion of tickets continued to be resolved with the first interaction. The "one touch" rate was measured at 90.1 percent, compared to 91.4 percent in the previous year. We continued to improve in the time needed to resolve a tenant matter. Queries that could be resolved directly by Peach Points were dealt with on average in 18 hours (previous year: 26.8 hours). Where our external partners were involved, it took less than 3 days to resolve. This is a significant improvement on the previous year's measurement of just under 5 days.

Employees - focus on safety, health, and an open feedback culture

At the beginning of the year 2022, we faced another wave of the COVID-19 pandemic. As always, our priority was to protect our employees. We were able to draw on proven, established protection concepts, and most of our staff worked from home. Employees in direct contact with tenants - such as our janitors or property managers in Peach Points - continued to work in the field in accordance with protection plans and hygiene measures.

Having healthy employees that are working in a secure environment is our top priority. Despite the pandemic, the absentee rate due to illness and accidents rose only slightly to an average of 12 days (previous year: 10 days) and remained below the German average of 18.2 absent days [2].

Dialogue between managers and employees is particularly important in challenging times. Performance reviews were again carried out with all employees. These discussions provide an opportunity for employees and managers to exchange views on the achievement of personal and company-specific goals and to set mutual expectations and objectives for the next financial year. Peach Property Group values an open feedback culture and flat hierarchies. We believe that treating each other with respect is crucial to motivating employees and creating a pleasant working environment.

Our workforce continued to grow during the year. At the end of 2022, Peach Property Group employed 233 people, of which 114 were female.

2 Sick days in Germany in 2021; Source: The information service of the Institute of the German Economy, iwd, https://www.iwd.de/artikel/krankenstand-in-deutschland-498654/

Governance - further improving our processes

During the year, we took further steps to embed responsible corporate governance throughout our value chain and to integrate sustainability matters into our business processes. For example, we updated our Code of Conduct, redrafted several complementary policies such as an anti-corruption policy, and trained our employees on these matters.

Last year we developed a Code of Conduct for Business Partners. This document describes the standards of business integrity and ethics, labor and social standards, environmental protection, and general business principles that Peach Property Group expects from its business partners. These standards must be explicitly acknowledged by business partners.

In collaboration with an external service provider, we further developed our whistleblower system during the year. Our employees, as well as third parties that interact with us in the capacity of tenants, or during their professional activities, can use the whistleblowing system to report violations of the law or our Code of Conduct. Reports can be made anonymously and are treated in the strictest confidence by an external ombudsman. As in the previous year, no violations of our Code of Conduct were recorded this year.

In 2022, we made further efforts to protect our own and our tenants' data. By expanding our internal IT department, we were able to internalize measures relating to the security of our system landscape and the defense against cyber-attacks. We also improved our data protection efforts and further strengthened the independence of data protection by hiring an external data protection officer.

Finally, in 2022 we created a cross-functional committee, the Peach Sustainability Committee. This committee is responsible for managing and developing our ESG strategy and monitoring the achievement of its objectives. The Sustainability Committee is chaired by our Chief Financial Officer. He also liaises with the Executive Management, which has overall responsibility for the ESG strategy and related targets.

Business Performance - Climate risks as part of our risk management process

The Peach Sustainability Committee acts as the risk owner for climate-related physical and transitory risks in our Group-wide risk management process. To reflect the increasing importance of climate change and its potential risks, we have defined climate-related risks as a new main risk category in 2022. In this risk category, we capture and monitor physical risks caused by climate change and transitory risks that may arise from the transition to a low-carbon economy.

Recognition of our sustainability efforts

During the year, we benchmarked our sustainability efforts externally for the first time and underwent the Morningstar Sustainalytics ESG risk rating process. We obtained an ESG risk assessment of 11.5, which Sustainalytics classifies as a low risk (10 to 20) of material financial impact from ESG factors. This places Peach Property Group in the top 11 percent of the more than 1 000 property companies rated globally by Sustainalytics, and in the top four percent of all rated companies (15 400 companies) globally. In the more narrowly defined segment of portfolio holders (property management), Sustainalytics ranks Peach Property Group 21st out of more than 150 companies. The rating positively highlighted the Group's regular tenant satisfaction surveys, product governance, i.e., how the Group treats its tenants, and the implementation of life cycle analyses for newly acquired properties.

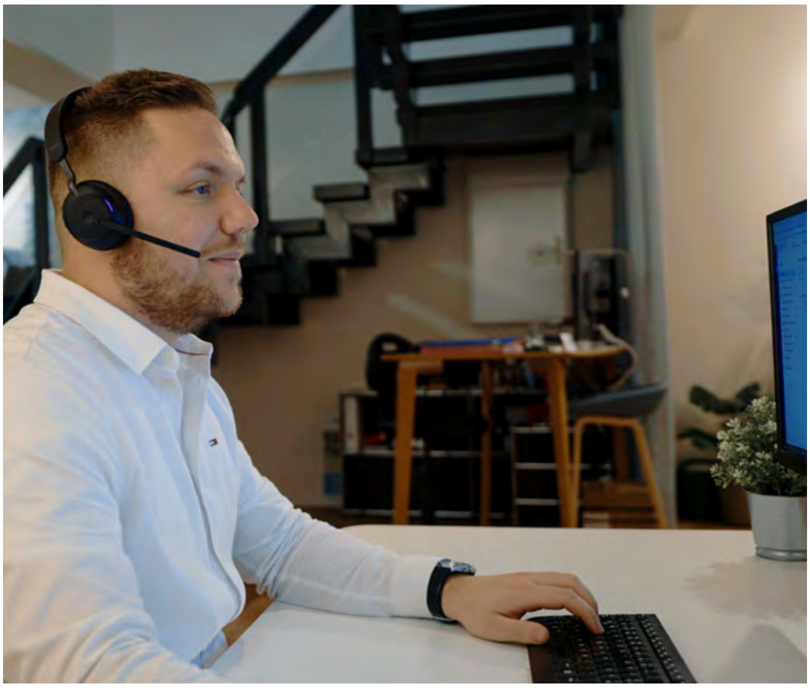
In addition, the European Public Real Estate Association (EPRA) evaluated our 2021 Sustainability Report and awarded us with the EPRA sBPR Bronze Award.

In the reporting year, the shares of Peach Property Group AG were included in the SPI ESG Index of the SIX Swiss Exchange. The SPI ESG Index allows investors to invest in Swiss equities with a sound sustainability profile. Inclusion in the index requires a positive sustainability rating from Inrate, the rating provider appointed by the SIX Swiss Exchange.

Insights into the Peach World

Dany Teerling:

First point of contact for tenants with first-class service



Anyone who steps onto the Peach Point Oberhausen pedestrian zone as a tenant, or prospective tenant of an apartment, immediately feels at home.

This is mainly due to the warm welcome and the feel-good atmosphere in the modern premises of Peach Property Group's tenant shop: smiling and self-confident, Dany Teerling, who as the team assistant for the property managers is responsible, among other things, for customer reception at Peach Point Oberhausen, greets visitors. Whether you are a tenant in a Peach portfolio in this Ruhr city and have defects in your apartment, want to sign a new rental agreement on the spot, or want to discuss any other concerns, just come see Dany and discuss your issue. "When tenants come by and want to talk, I first offer them a cup of coffee to relax," Dany says. "I even know most of the tenants by name and vice versa. We have a good relationship with each other. That's important to me," the 30-year-old emphasizes.

Friendliness and composure in the DNA

Service is in Dany's blood: he worked in the hotel industry for 12 years before joining Peach Property Group. Most recently, he worked for a large hotel chain. Then came the COVID-19 pandemic and Dany was looking for a new professional challenge. The fact that he ended up at Peach was pure coincidence. His grandfather, who now lives in Gran Canaria, rented a garage from Peach Property Group. After he relocated, Dany had to terminate the lease on his behalf at the Peach Point. He was immediately impressed by the friendly service, which left a lasting impression on the native of Oberhausen. He successfully applied for a job at Peach: Since August 2021, he has been the permanent contact person for all tenant matters at the Oberhausen Peach Point. There are seven employees in Oberhausen including Dany. He particularly appreciates the variety in his job and the fact that no two days are the same. There is no such thing as a classic workday. Normally, his day starts at 8:30 a.m., followed by a briefing with the entire team. The Peach Point serves as a central contact point, for example, also for the janitors who are out and about in the apartment locations for the rest of the day. He then checks all new incoming notifications in the Zendesk online ticketing system and takes calls. Most of the time, tenants use the convenient online tool or the phone to report defects, such as clogged drains, or maybe there are inquiries about the ancillary cost bills. This is a particularly important issue in times of high energy prices.

If Dany is not able to independently solve a report with the first take (the "one-touch rate" at Peach, which is measured at 90 percent), e.g., with the help of our standard practices, he either assigns the ticket to the corresponding property manager of the respective object or forwards it directly to a tradesman. Tradesmen are Peach partners that are directly connected to the ticket system. Dany and the property managers are informed immediately of the external tradesmen's availability to repair the damage. The tenants are thus spared annoying phone calls to agree on appointments with the tradesmen. Another advantage is

CSAT - Good satisfaction ratings

Ticket-ID	Ticketgruppe	Ticketzufriedenheit – Bewertung	Ticketzufriedenheit – Kommentar
214261	Dortmund 2	Good	Mit dem beider seitigen schriftlichen Austausch bin ich pers. zufrieden!
214446	Dortmund 2	Good	😊
214871	Dortmund 2	Good	Wir baten Gott um Hilfe. Er hat uns zu dir gebracht. Seine Wahl ist die beste! Wir kennen das - unsere Lebenserfahrung. Möge der Herr Ihnen helfen und Ihre Familie und Freunde bewahren.
215277	Marl	Good	Sehr zufrieden nette Mitarbeiter
215449	Dortmund	Good	Schnelle Antwort, Frage wurde zufriedenstellend beantwortet
215635	Essen	Good	Ich bedanke mich bei Frau [redacted] für die schnelle Rückmeldung. Sie ist immer behilflich.
215666	Gelsenkirchen	Good	Sehr gut - Nichts zu beanstanden.
217004	Ludwigshafen	Good	sehr freundlich und nett warten auf gute Ergebnisse
217447	Nordhessen	Good	Vielen Dank. Gut gemacht
217666	Marl	Good	Super Team. Kompetente Abwicklung bei schwiengen Anliegen. Rund um zufrieden
217670	Essen	Good	Sehr schnelle und gute Bearbeitung und Antwort
217757	Gelsenkirchen	Good	Der Hausmeister hat sich sehr viel Mühe gegeben. Leider war aber kein Anschluss zu finden, der dem gesuchten Anschluss entspricht.

that the ticket system is structured transparently and efficiently so that every Peach employee has access to all tickets. This is particularly advantageous when an employee is ill or on vacation. This guarantees that the wheels never stop turning.

More tickets with improved service and new rating system

Despite the increased ticket volume - particularly due to many queries from concerned tenants about energy costs, energy supply, and rising inflation - the response time in customer service was improved in 2022. This is even more remarkable when considering the integration of the 4 300 residential units acquired in the previous year into the Group's management. The integration is reflected in the total number of tenant tickets. More than 112 900 tickets were sent to Peach Property Group between January and December 2022. This represents an increase of more than 43 percent compared to 2021. It takes less than three days for a report to be finally resolved if a tradesman is involved – in the previous year, it took just under five days. Matters that can be handled specifically via Peach Points have even been resolved in less than 20 hours. This is mainly courtesy of dedicated employees like Dany, who always take tenants' matters seriously.

To bring the highest possible transparency to the ticket system and improve service, Peach Property Group implemented a new rating system in the fall of 2022. Tenants can rate how satisfied they are with the service. The results so far are impressive: since its launch, Peach's customer service has achieved a satisfaction rate of more than 78 percent. The new rating system also encourages employees to improve continuously and to "challenge" each other in a collegial manner - without any competitive intentions. "It's simply fun to see our joint successes and to get direct feedback from the tenants. It's incredibly motivating," says Dany, greeting the next visitor with a coffee and a smile.

Staying calm in stressful situations

While Dany processes tickets and calls during the workday, there are also "walk-in" customers to serve. Sometimes more than 10 people come by in Oberhausen on any given day. It can get stressful at times. But his motto is always to keep a cool head, even in challenging situations. "Of course, there are sometimes tenants who are annoyed and unfriendly". Here however his years of customer experience in the hotel industry come in handy. His guiding principle: always remain friendly and, above all, never take anything personally.

"My colleagues sometimes admire me for getting along with every tenant - no matter how difficult some situations occasionally are", says the man from Oberhausen. Dany also wants to continually develop himself: "Recently, I received a not-so-good evaluation via the ticket system. I followed up immediately and asked the tenant personally where the problem was. We were able to quickly find a solution." Strong communication skills, and a solution and service orientation are therefore the key drivers of success for Dany. "At many large real estate companies, tenants are just a number. Yet it is so important, especially in the current times, to have a fixed contact person for one's concerns and needs", reflects Dany.

Putting the tenant as a person at the center is just not a phrase for Dany but he truly lives it out. This is also experienced by the tenants who drop by the Oberhausen Peach Point and usually leave with satisfied smiles on their faces.

Marius Mnich:

The eyes and ears of the Peach portfolio

Peach janitor Marius Mnich is usually out in the field on an ordinary working day. But for him, the Peach Point is a regular port of call.

This is also the case today, where he meets with the Peach team from Oberhausen, like he does several times a week, to discuss current topics relating to apartments in the region.

When people think of the job of a janitor, they usually have certain stereotypes in mind: gray coat, older age, and the janitor's apartment right next to the entrance. The 37-year-old Marius Mnich does not fit to this stereotype in any way and also immediately puts this prejudice to bed: "We do not only sweep the street, but we are the first point of contact on-site for our tenants and provide for the all-inclusive care of the property", says Marius. He is one of more than 40 Peach janitors employed directly by the Group. Only about 30 percent of the portfolio is still managed by external janitors. Until about a year ago, Marius worked for such an external service provider. But then Peach Property Group convinced him to join the team because of his good work and reliable nature. Since then, he has been responsible for the safety, cleanliness, and functionality of a total of around 500 Peach properties. His territory covers the region around Krefeld. As a janitor, he also partakes in the tenant consultation hour, which takes place twice a week, together with the property managers at the Peach Point in Neukirchen-Vluyn.

Quality control is the be-all and end-all

In addition to the property management itself, Marius also keeps an eye on the outdoor facilities and the playgrounds of the residential complexes. If there are any defects or conspicuous features, Marius is on the spot immediately. Marius carries out minor repairs on his own thanks to his skill set. This also happens sometimes outside of the classic working hours, which do not exist in this job anyway. "We don't watch the clock and don't just work to the rule" says the Essen native. For him, the focus is always on the well-being of the tenants, regardless of the days of the week or the time of day. "Sometimes we would even drive to a hardware shop shortly before closing time to be able to repair a defect in an apartment. To find a solution is just part of the job."

In the case of more complex repairs, the damage is reported via the digital system, which Marius can easily access and operate via his mobile. He also checks and manages the cleaning service; here he has assembled a select, reliable team. If there is a complaint about a lack of cleanliness at a property, Marius can follow up directly and resolve the situation. "It's a big advantage that my team and I are not employed by an external janitorial service. This automatically makes us feel much more connected to the tenants and the property." He can also transparently outline for tenants when, for example, hallways are cleaned. "If you only leave that to external parties, it can quickly lead to deficiencies. Working together as a team is much better, and the commitment is higher."

In addition to internal quality control, for example, the maintenance of green and gray surroundings of the portfolios, Marius also assists with the acceptance and handover of apartments.

Visibility on-site through corporate identity

In addition, his notable presence in the portfolio means that he is always also visible to tenants, in the truest sense of the word: For example, he wears appropriate work clothes with the Peach logo during his working hours in line with the corporate identity and also drives a company car with the Peach logo. For the tenants, he is therefore the first point of contact in the event of problems - even if it is very briefly in front of a building if they happen to meet. Communication skills and openness are key for the job. "Of course, I also talk to tenants independent of problems in the apartment, for example, about private topics as this is usual in a neighborly relationship. I also know most of the tenants by name, and they see us all as a community." Marius' day-to-day work is varied and diverse, just like his biography. Before joining Peach Property Group, he gained professional experience in several industries, including being a key account manager for a limousine company and a stonemason in his family's business. He has internalized a customer-oriented approach and a confident manner. In addition, Marius also attaches great importance to continuing his education. He will soon complete a qualified advanced training course at TÜV Rheinland to become a certified playground inspector. Three new playgrounds are soon to be completed in the portfolio under Marius' care. Marius appreciates very much that Peach Property Group makes such further training possible and feels extremely comfortable in the team in other respects. "There is an appreciative, family atmosphere at Peach. We can manage our responsibilities independently and, conversely, we are still involved in important, strategic decisions."

Marius is the eyes and ears of the Peach portfolio in the Ruhr region. Through him, not only is it ensured that the properties and the exterior are in a tidy condition, but he also makes tenants feel at home. Thanks to his constant presence in the residential quarters, tenants always have a reliable and competent contact person - even if it's about something completely unrelated. That's part of it.

Carina Zahradnik:

Sustainability and cost efficiency are not opposites

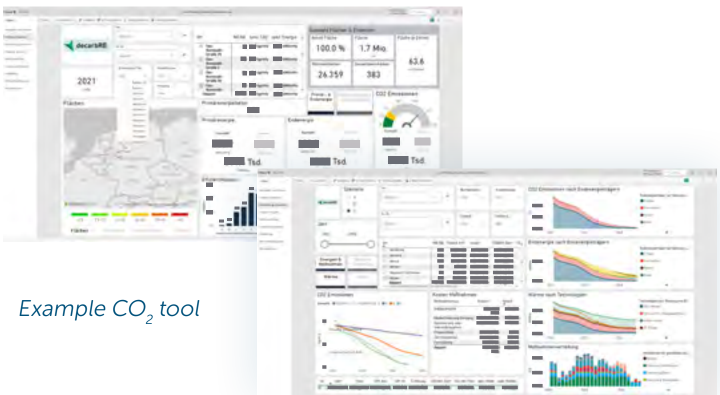
After focusing in recent years on portfolio growth and their optimal integration, the focus now shifts to increasing the full earnings power and optimizing the expense structure in a market environment that has been fundamentally changed by a turnaround in interest rates.

This means having a clear view of the expenses, being as efficient as possible, and using the value levers of the portfolios. The Group's dedicated Asset Managers ensure that this runs smoothly. One of the analytical heads in the Asset Management team is Carina Zahradnik, who works at Peach's German headquarters in Cologne.

Being loyal since studies

Carina is a genuine home-grown Peach employee. In 2015, she started as an intern at Peach Property Group. The cooperation went so well that Carina completed her bachelor's and master's degrees in real estate while working for Peach Property Group. Now, eight years later, and only 27 years old, Carina is one of Peach Property Group's longest-serving employees. And not only that, thanks to her commitment during her studies and graduation, she got to know so many areas of the Group, that Carina is the best connected employee in the Peach network. She utilizes her connections daily in her current role as an asset manager.

A key topic that determines Carina's everyday work is ESG. With an innovative CO_2 tool, the different properties can be classified in terms of their CO_2 emissions. That is the basis for identifying an efficient renovation and optimization strategy for the buildings. It helps to determine the highest possible impact on tenants and the environment, with the lowest possible expenses and resources used through specific measures. For 2023, the focus will initially be on the heating strategy - i.e., optimization in the heating landscape of our properties. An important innovation in the 2022 financial year was the implementation of an energy certificate management process. The data from energy certificates of the properties are evaluated by Peach Property Group at least on an annual basis. Corresponding analysis results in clustering in the related energy classes; on this basis, optimization measures and updates can be addressed. In respect of the developments in CO_2 taxation, which is based on the energy classes, it is important for the future to get this process right.



Example CO_2 tool

Carina's main tasks are furthermore the management of various measures to increase the value of the real estate. "We asset managers are always in close contact with construction managers, property managers, and letting teams, and at Peach Property Group, we have very short communication channels. It is important, for example, that we optimallyrenovate in terms of the cost and benefit ratio, and that we discuss our considerations in the team accordingly," says Carina. Before a renovation starts, the asset managers verify that all resources are optimally allocated, and the planned measures correspond to our economic goals. Since Carina and her team are also responsible for the budget, the renovation of the respective property can only begin when Carina and her team give the green light.

Major project accomplished with high additional effort

In order to make the workflow and approval process more effective and digital in the future, Carina has been working on a large project over the past few months. She looked after this project in addition to her regular daily routine - and with great success. The approval process for Capex expenditures and tenant improvement measures is now fully digitalized. All relevant information required to assess an investment can be displayed via the application software. For example, the return on investment, the amortization of the investment, how long a property was occupied, or when the last renovation occurred. The system completely maps all essential data on each object and its relative condition, thus creating more efficiency and faster decision-making options within the different teams. When asked why Carina dedicates herself to this major project in addition to her regular work her high level of commitment and her connection to the Group becomes visible. "It is a pleasure to further develop processes and thus get the best out of it for everyone involved. Our goal is to continue investing in the modernization of our residential portfolio over the next few years and to continue our decarbonization path, despite the shrinking investment budget. That is how the tenants benefit from lower ancillary costs, the environment from lower emissions, and we from a higher return."

Another essential focus for increasing profitability is rent increases. Here too there have recently been significant innovations that Carina has accompanied. Rents in the Peach portfolios can now be automatically compared with the rent index through a digital simulation. This allows us to calculate the potential rent increase that can potentially be passed. "Despite the data and preceding processes, we discuss the planned rent increases with the property managers and letting teams, as we as Peach Property Group also have a social responsibility towards our tenants, which we want to live up to. Nobody should be pushed out of their home. That would be contrary to Peach's corporate goals."

Pleasure in real estate

Carina also has a great passion for real estate in her private life. "I really like looking at properties, for example, when I go for a walk, or visit a city. You can easily assess how much effort and attention the respective object will require. And my friends sometimes tease me about it", says Carina.

Carina notably reflects joy in her job and a high commitment to her employer. For Carina it is not only the financial aspect of the real estate business, but also the social and ecological asset management aspects that matter.

Chris Schmitz:

Peach Property Group`s Power Landlord

Not many people have mastered the art of letting their own portfolio sustainably while at the same time achieving a very high number of new rentals.

Peach Letting Manager, Chris Schmitz however manages this with passion and expertise. The 37-year-old manages around 2 700 Peach apartments in Oberhausen, Duisburg, Essen, and Mühlheim. His workplace is at the Oberhausen Peach Point, where he is also the office manager.

A high number of new letting and a feeling for the right tenant

Mass visiting, impersonal questionnaires, no contact persons – this is what many prospective tenants are familiar with when they go apartment hunting in major German cities. With Chris Schmitz, the complete opposite is true: He takes time for potential tenants, conducts one-on-one interviews, and selects tenants according to transparent criteria. In addition to the hard elements, such as income and creditworthiness, soft elements such as the external appearance and body language of the prospective tenant also play a decisive role. The property in question is also considered: "In an apartment complex where only pensioners live, for example, I wouldn't put a family with small children. That would quickly lead to conflict. It has to suit everyone so that the parties in the house feel comfortable together," the family man reflects.

2022 was a particularly successful year for Chris and his colleagues: Many apartments were handed over to new tenants - despite an uncertain economic environment characterized by inflation and rising energy prices - issues that really complicate new letting. The fact that the monthly letting rates sometimes decline, does not happen with this dedicated employee. On average, Chris rents out at least one apartment every working day. In 2022, Peach Property Group set a new record in new letting. In 2023, the aim is to repeat this success. To this end, Peach rolled out the digital rental agreement project. Tenants will then be able to sign the rental agreement at the viewing for example, and of course with legal effect and authorization. Due to the strong demand for affordable housing and continuous upgrading of the properties, rent earned from new letting is on average 18 percent higher than existing rents.

Reduce vacancies with sustainable letting

For Chris and his colleagues, it is important to let sustainably and not just to generate a minimum number of new lettings. Achieving tenant loyalty for as long as possible is therefore the top priority. This keeps the vacancy rate at a low level. In the Group, this was reduced from 8 percent to 6.9 percent during the reporting year. Chris benefits in this regard above all from his judgment of human nature and a good nose for finding a suitable tenant. "Over time, you learn to read people. That is extremely beneficial for the job. In private, however, it can sometimes be exhausting," Chris explains with a laugh. But also, the accurate advertising of the apartment on the corresponding online rental portals is crucial for attracting the correct tenant and for rental success. This includes informative photos, a correct representation of the floor plan, and relevant information about the rental property. A task that Chris, as an all-rounder, also takes care of - and thus assumes the brokerage function.

But Chris measures his success not only in numbers but also by the appreciation he receives from tenants. "It was especially nice at Christmas time when a new tenant and single mother brought us a small gift. It was her way of saying thank you because she finally found a new home through us after a very long search."

In general, the social component of the job plays an important role for Chris. After Russia invaded Ukraine, Chris worked with local authorities to provide housing for Ukrainian war refugees, giving them a new perspective on life. Since the outbreak of war, Peach has continued to partner with cities to provide housing for Ukrainians.

High personal responsibility and work-life balance

At Peach since June 2018, Chris was the first employee at the Oberhausen location. Previously, the trained real estate agent worked for a real estate agency. The team spirit at Peach convinced him to make the career change. As the father of small twins, Chris finds it important to balance family and career - and at Peach, he can ideally combine both thanks to flexible working hours. Even when he has to work "night shifts" to look after his children, it works well in the Peach team. Everyone helps and supports each other. And after work, he and his colleague Dany Teerling sometimes go to the gym together. In addition to a strong sense of personal responsibility, Chris also appreciates the fact that his expertise is actively used and that he can contribute to innovations. For example, in the introduction of the digital rental agreement this year. A win-win situation for everyone. Because this makes contract processing quick and easy for the new tenants, Chris, and the Group.

Lisa Schneider:

With courage and perseverance, she drives new projects in digital tenant service

Peach Property Group's property managers are not only responsible for ensuring that properties remain in good shape but are also the direct contacts for tenants in the event of problems.

Lisa Schneider is one of currently about 50 Property Managers in the Peach Property Group and is responsible for looking after properties around Dortmund.

A lot of variety, a great team spirit, and a high level of personal responsibility. These are the characteristics Lisa uses to describe the job of a property manager. Her classic workday takes place not only in the office but also increasingly "outside", directly on-site at the property. For example, when a tenant has moved out, Lisa does an all-round check of the property. After all, the apartment should be rented out again as quickly as possible. A constant exchange with the janitors and the Peach letting team is therefore essential for the job. Otherwise, she is responsible for all tenant concerns such as repair requests, neighborhood conflicts, or general damage reports, as well as for managing the service providers and capex op-

timization measures in collaboration with Peach's own asset management. The list is long and varied. The team of around 5 at the Dortmund site handles tenant inquiries either by phone or via the Zendesk ticketing system. Lisa maintains a personal relationship with the tenants which is important as she accompanies many residents for several years.

Peach offers employees room for innovation

The fact that the Peach team works very closely together means that tasks can be flexibly taken over from each other, also through the transparent and easily accessible ticket system. "If an employee is ever sick or has too much on the plate, we support colleagues wherever we can. Facilitated by the IT systems we all work with, the handover goes smoothly". What makes it special: Each property manager works independently and bears a high level of responsibility without being "trapped" in a hierarchical system. Another motivating factor is the opportunity for further development within the team. Peach recognizes talent within the Group and promotes it. Jobs are advertised transparently; employees can apply and are encouraged to fully develop their strengths. The example of Lisa makes this very clear: she has worked her way up at Peach Property Group in a very short time. She started as a Peach Point employee in 2021 and has since become a team leader.

What is particularly stimulating in the working atmosphere is that employees can contribute fresh ideas and drive innovation without fear of making mistakes. "We get the opportunity to try things out without getting in trouble if something should go wrong. This makes you much more motivated to challenge the status quo, try new things more often, and also learn from mistakes."

Further development of the digital tenant service with AI

Lisa has been working with the IT team to further develop the digital platform, which will go live soon. This will enable tenant reports to be processed even faster and more efficiently in the future. With the further enhanced tool, the external tradesman can be provided with more detailed information on the respective damage using artificial intelligence (AI). This means that the tenant and the tradesmen get an appointment set up even faster, and the tradesmen receive the most important detailed information about the damage, so that they can, for example, directly have the necessary spare parts with them and repair the damage in one trip. In just a few steps, the AI queries the essential parameters of the specific defect and, depending on the nature, automatically formulates further questions if the provided information is insufficient. Lisa worked on the project in addition to her usual day-to-day responsibilities. Lisa has no reservations about trying out new things on the job. "It's important for me to get involved and work on new things. Such projects are a lot of fun, even if they are challenging. The time invested is worth it if we can achieve real progress that helps everyone."

Initiative and commitment are important qualities that Lisa brings to her job as a property manager. But she also needs stamina, discipline, and motivation in her private life when it comes to her hobby of mammoth marching. Last summer, she took part in the mammoth march in Wuppertal, hiking 100 kilometers in 24 hours. "Sport offers a good balance to the daily work routine," Lisa finds. Testing her own limits and training her own endurance - all qualities that also help Lisa in her job as a property manager/office manager, which is evident in her project work to further develop the digital tenant service.

In addition, she also enjoys meeting up with her colleagues after office hours: many of her colleagues have developed close friendships over the years. Good team spirit is promoted above all by team-building measures. Through the annual summer and Christmas parties, as well as a regular employee breakfast, Lisa also gets to know co-workers outside of her team. "It is very important to have a private exchange with other employees from time to time. In conversation, we find common ground and when colleagues become friends, it naturally becomes easier to put ourselves in each others' shoes. We now know each other so well that we can support each other in the best possible way. In this way, we all help each other to develop further every day on the job," says the 30-year-old.

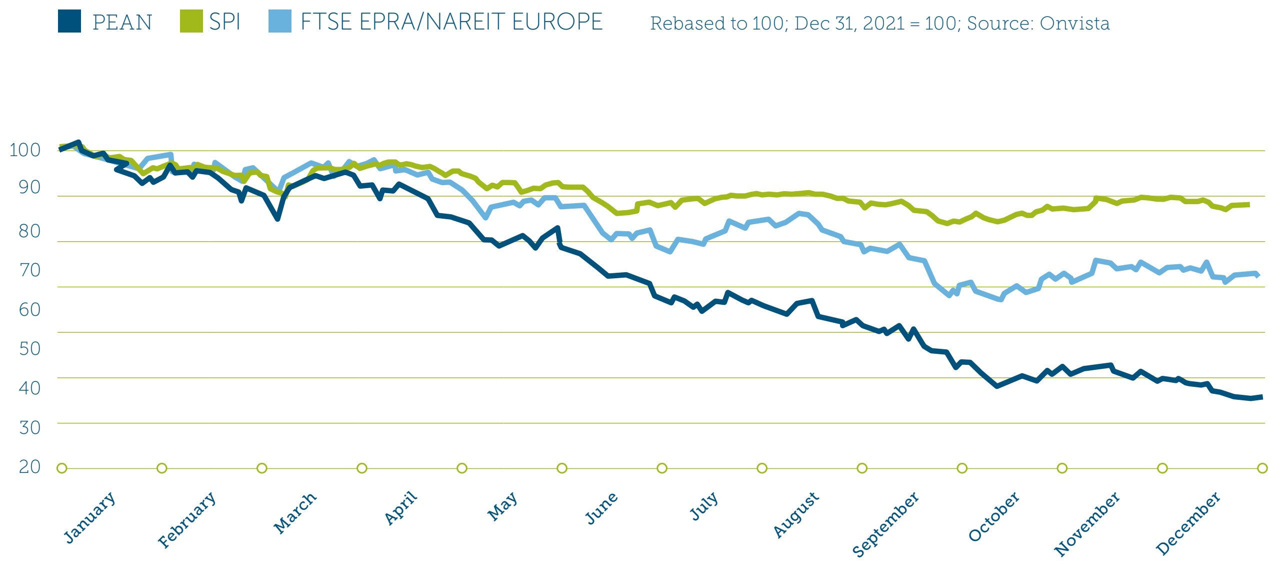
With their courage to innovate, employees like Lisa ensure that processes for a smooth tenant service continue to evolve.

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 2021 financial year, the share price came under pressure in 2022. The war in Ukraine, high inflation rates, problems in global supply chains, and rising interest rates resulted in distortions in global financial markets. Real estate stocks were particularly impacted as reflected by the development of the FTSE EPRA/NAREIT Europe benchmark index, which comprises listed European real estate stocks, and by the development of the Peach Property Group AG share price. The FTSE EPRA/NAREIT Europe lost approx. 39 percent of its value in the 2022 reporting year, while Peach Property Group AG shares lost approx. 74 percent of its value over the same period. Our real estate portfolio is mainly located in Germany, and accordingly, the share performance was comparable with that of German residential real estate companies. German real estate stocks have been negatively impacted as investors are concerned about the further development of the German real estate market and the development of the German economy. By comparison, the Swiss Performance Index (SPI PR), which comprises almost all listed Swiss stock corporations, lost around 19 percent of its value in 2022. The liquidity of our shares increased in 2022. With an average of 21 761, the number of shares traded was more than 30 percent higher than in the 2021 financial year (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 December 2022:



1 Information on the share

1.1. Number of shares

As of December 31	2022	2021
Share capital in CHF	506 471 190	16 882 373
Share capital in EUR	455 596 592	14 510 214
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	**2022**	2021
High in CHF	64.40	66.60
Low in CHF	15.42	41.80
Closing rate at the end of the year, in CHF	16.40	63.40
Market capitalization (excluding treasury shares) at the end of the year, in CHF	276 687 516	1 069 851 669

1.3. Key share data

	2022	2021
Basic earnings per share in EUR	-0.97	11.56
Diluted earnings per share in EUR	-0.97	11.45
Basic FFO I per share in EUR	1.14	0.67
Diluted FFO I per share in EUR	1.14	0.67
NAV/IFRS per share in EUR [1]	60.17	58.50
EPRA NTA per share in EUR [1]	64.88	66.40

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 December 31, 2022, based on the published disclosure notifications[1] of significant shareholders, and the share register of Peach Property Group AG. These shareholdings do not consider subscriptions to the Mandatory Convertible Bond, ISIN CH1234612187 (as announced on December 9, 2022, settled on January 12, 2023, and with the maturity date of April 12, 2023).

Shareholders		**Number of shares**	**Percentage of all shares**
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg [2]		4 520 368	26.78
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium and LFH Corporation S.A., Luxembourg		1 279 675	7.58
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH [3], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [4], Germany	 *426 627* *321 533*	748 160	4.43
Dr. Thomas Wolfensberger, Switzerland		721 713	4.27
Marius Barnett, Great Britain, through: Victoria Park Peaky S.à.r.l, Luxembourg		577 239	3.42
BlackRock Inc., USA, with: equity securities or equity related securities and voting rights that can be exercised at one's own discretion	 *330 244* *200 552*	530 769	3.14
Swisscanto Fondsleitung AG, Switzerland		510 203	3.02
Other		*7 994 219*	*47.36*
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. The 426 627 shares are not entered in the share register.
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 321 533 shares are not entered in the share register.

The notional free float based on the shares issued on December 31, 2022, is 92.42 percent. The shares held by Peak Investment S.à.r.l for Ares Management Corporation, USA, are counted as part of the free float due to the exemption for investment companies in accordance with section 5.1.2 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

	Dec 31, 2022	Dec 31, 2021
Registered shareholders	1 177	1 098
Registered shares	10 958 638	10 591 782
With voting rights	9 723 005	9 762 910
Shareholders with 1 to 1 000 shares	782	719
Shareholders with 1 001 to 10 000 shares	308	300
Shareholders with over 10 000 shares	87	79

2 Information about the bonds

During the of the 2022 financial year, Peach Property Group AG was represented on the SIX Swiss Exchange with one listed bond. A hybrid warrant bond, issued on June 25, 2018, PEA231 (ISIN: CH0417376040) is outstanding in the amount of CHF 58.57 million as of December 31, 2022. The exercise period closed on June 25, 2021, and options not exercised by this date expired without compensation. The issuer holds a call option of 100 percent, first exercisable on June 22, 2023, and on each subsequent coupon date.

In addition to the CHF hybrid warrant 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. Through partial early repayments offered to bondholders in March and July 2022, we reduced the outstanding amount to EUR 200.496 million as of March 31, 2022, and to EUR 181.287 million as of July 19, 2022. As of December 19, 2022, we used the par-call feature incorporated in the bond documentation to repay a further EUR 85 million and reduced the outstanding amount to EUR 96.287 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
Ticker symbol	PEA231
Security numbers	41737604 (bond ex)
ISIN	ISIN: CH0417376040 (bond ex)
Further information	https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.CH0417376040CHF4.html#/

2.2. EURO-Bond 2019

Issuer	Peach Property Finance GmbH, Bonn
Guarantee	The obligations of the issuer under the bond are guaranteed by Peach Property Group AG
Outstanding amount	EUR 96.287 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	Repaid in January 2023

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

Further information on the bonds can be found on the Peach Property Group website at https://www.peachproperty.com/en/investor-relations-en/#creditorrelations.

3 Information on the Annual General Meeting of 2022

The Annual General Meeting of our Company took place in Zurich on May 20, 2022. To protect the health of our shareholders, the Annual General Meeting again took place without the physical attendance of 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.

Around 56 percent of the total issued share capital or 87 percent 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, which increased by 10 percent compared with the previous year, was paid entirely out of statutory capital contributions and is 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 did not change shareholders' voting rights or capital share. Furthermore, no new shares were created, and no additional funds inflow occurred. By taking this step, Peach Property Group AG aims to create greater flexibility regarding 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-elect-ed the President of the Board of Directors Reto Garzetti alongside other Board Members Peter Bodmer, Dr. Christian De Prati, Kurt Hardt, and Klaus Schmitz, for another year.

The minutes of the General Meetings 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/investor-relations-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/#publikationen.

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 2022, our management presented our Group's business model and medium- to long-term prospects at seven capital market conferences and three roadshows. In addition, many one-on-one meetings were held with equity and bond investors. While in the first few months of the year these events and discussions still took place largely in virtual form, in the second half-year of 2022 in-person meetings returned and we attended meetings and conferences in Switzerland, Germany and the UK. Planned participation in future investor conferences can be found in the financial calendar at: https://www.peachproperty.com/en/news-en/#finanzkalender.

In addition, various press articles about Peach Property Group were published in Swiss and German media in 2022.

At the end of 2022 seven equity analysts covered Peach Property Group and publish regular research notes and price targets. The current overview of the analysts' view can be found at: https://www.peachproperty.com/en/investor-relations-en/#aktie.

We are planning a virtual analyst and press conference on the financial results in English for March 21, 2023.

Corporate Governance and Remuneration Report 2022

Section 1 - Corporate Governance

Section 2 - Remuneration Report

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

The Corporate Governance and Remuneration Report is based on the structure in the Directive on Information relating to Corporate Governance (RLCG) of the SIX Exchange Regulation and complies with the requirements of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (VegüV), which was absorbed in Articles 734 et seqq. of the Swiss Code of Obligations from January 1, 2023. For the 2022 financial year, the provisions of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (VegüV) were still in force and applicable to the renumeration reported in Section 2 of this Corporate Governance and Remuneration Report.

Section 1 - Corporate Governance

1 Corporate structure and shareholders

1.1. Corporate structure

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

The Board of Directors of the Company comprises of Reto Garzetti (Chairman), Peter Bodmer, Dr. Christian De Prati, Kurt Hardt and Klaus Schmitz. The Executive Management comprises of Dr. Thomas Wolfensberger (Chief Executive Officer), Thorsten Arsan (Chief Financial Officer), and Dr. Andreas Steinbauer (Head of Letting and Sales).

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

Company name and registered office	Peach Property Group AG, Zurich
Business ID (UID)	CHE-101.066.456
Listing	SIX Swiss Exchange
Trading currency	Swiss franc (CHF)
Market capitalization as of December 31, 2022	CHF 276 688 thousand (closing share price of CHF 16.40 per share)
Ticker symbol	PEAN
Security number	11 853 036
ISIN	CH0118530366

Our Group companies are not listed on the stock exchange. A list of our Group companies is disclosed in Note 20 to the consolidated financial statements.

A diagrammatic overview of Peach Property Group is available on our website www.peachproperty.com, at: https://www.peachproperty.com/en/about-peach/.

1.2. Significant shareholders

As of December 31, 2022, the following shareholders hold three percent, or more of the 16 882 373 issued shares of the Company (without consideration of subscriptions under the current Mandatory Convertible Bond, ISIN CH1234612187, as announced on December 9, 2022, settled on January 12, 2023, with the maturity date of April 12, 2023):

Shareholders		Number of share	Percentage of all share
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg[1]		4 520 368	26.78
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg		1 279 675	7.58
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH [2], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [3], Germany	 *426 627* *321 533*	748 160	4.43
Dr. Thomas Wolfensberger, Switzerland		721 713	4.27
Marius Barnett, Great Britain, through: Victoria Park Peaky S.à.r.l, Luxembourg		577 239	3.42
BlackRock Inc., USA, with: equity securities or equity related securities and voting rights that can be exercised at one's own discretion	 *330 244* *200 552*	530 796	3.14
Swisscanto Fondsleitung AG, Switzerland		510 203	3.02
Other		7 994 219	47.36
Total shares issued		**16 882 373**	100.00

1 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.
2 The investment is held in the two special funds LBBW AM-WWH and LBBW AM-WSG. The management, and independent exercise of voting rights (if exercisable), are both carried out by the capital management company LBBW Asset Management Investmentgesellschaft mbH. The 426 627 shares are not entered in the share register.
3 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both carried out by BayernInvest Kapitalverwaltungsgesellschaft mbH. The 321 533 shares are not entered in the share register.

No lock-up arrangements are in place as of December 31, 2022.

Under the applicable capital market regulations, shareholdings in companies domiciled in Switzerland, where the company's shares are at least partially listed on the SIX Swiss Exchange, must be reported to that company, as well as to the Disclosure Office of the SIX Swiss Exchange, when limits of 3 %; 5 %; 10 %; 15 %; 20 %; 25 %; 33 $^{1}/_{3}$ %; 50 %; or 66 $^{2}/_{3}$ % of the voting rights are exceeded; fallen below, or reached.

The holdings to be reported, in accordance with Article 14(2) of the FINMA Financial Market Infrastructure Ordinance (FinfraV-FINMA), are calculated based on the total number of voting rights according to the entry in the Commercial Register (as of December 31, 2022: 16 882 373 registered shares at CHF 30.00 each). Upon receipt of such a notification, the Company publishes the change in shareholding base via the SIX Exchange Regulation publication platform.

In the 2022 financial year, we published a total of 18 notifications in accordance with Articles 120 ff. FinfraG. These and other notifications from previous financial years can be viewed on the SIX Exchange Regulation website at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/.

As of December 31, 2022, the following shareholders hold three percent or more of the Company's voting rights (voting rights equaling the total of all equity securities or equity-related securities, number of voting rights that can be exercised at one's own discretion, and derivative holdings). The basis of the calculation is the total number of voting rights pursuant to the entry in the commercial register as of December 31, 2022. These shareholders are considered significant shareholders in accordance with applicable capital market regulations:

	Future shares from sub-scription of MCB[1]	Current shareholding	Number of voting rights that are exercisable and non-exercisable	Voting rights as percentage of Commercial Register entry
Total according to Commercial Register			16 882 373	100.00
Thereof held by significant shareholders				
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg[2]	1 687 500	4 520 368	6 207 868	36.77
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg	421 875	1 279 675	1 701 550	10.08
Rainer-Marc Frey, Switzerland, through: H21 Marco Limited, Cayman Islands	1 120 500	0	1 120 200	6.64
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH, Germany BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany	168 749	748 160	916 909	5.43
Dr. Thomas Wolfensberger: Switzerland	0	721 713	721 713	4.27
Marius Barnett, Great Britain, through: Victoria Park Peaky S.à.r.l, Luxembourg	0	577 239	577 239	3.42
BlackRock Inc., USA	0	530 796	530 796	3.14
Swisscanto Fondsleitung AG, Switzerland	0	510 203	510 203	3.02

1 Mandatory Convertible Bond, ISIN CH1234612187, as announced on December 9, 2022, settled on January 12, 2023, with the maturity date of April 12, 2023.
2 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.

Capital increases from the conditional capital entered into the commercial register, in particular after conversion of the Mandatory Convertibly Bond with its maturity date of April 12, 2023, reduces the proportional voting right of significant shareholders relevant for disclosure, while the number of voting rights remains the same. This may result in a disclosure obligation for individual significant shareholders.

1.3. Cross-shareholdings

There are no cross-shareholdings.

2 Capital structure

2.1. Capital

Capital as of December 31, 2022	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital	506 471 190.00	16 882 373	30.00
Authorized capital	252 000 000.00	8 400 000	30.00
Conditional capital	252 000 000.00	8 400 000	30.00

2.2. Authorized and conditional capital

Authorized capital

As of December 31, 2022, Peach Property Group AG possesses authorized capital of CHF 252 000 000, divided into 8 400 000 shares of CHF 30 each, in accordance with article 3b of the articles of association. The authorized capital expires on April 30, 2024.

Conditional capital

As of December 31, 2022, Peach Property Group AG has conditional capital of CHF 252 000 000 at its disposal. In accordance with Article 3a of the Articles of Association, as amended by the 2022 Annual General Meeting from May 20, 2022, the conditional capital may be used as a) up to an amount of CHF 6 000 000 for the exercise of conversion and/or option rights granted to employees of the Group; and b) up to an amount of CHF 246 000 000 for the exercise of conversion and/or option rights in connection with convertible bonds, warrant bonds, and similar bonds.

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

We annually enter the new shares issued from conditional capital in the commercial register and amend the Articles of Association accordingly (Article 653g OR). In the 2022 financial year, conditional capital was entered in March, following the declaratory Board of Directors resolution of March 16, 2022. Thereafter no capital increase from conditional capital took place. The next capital increase from conditional capital is expected following the exercise of conversion rights under the current Mandatory Convertible Bonds, ISIN CH1234612187 (as announced on December 9, 2022, settled on January 12, 2023, with the maturity date of April 12, 2023). According to the decision of the Swiss Takeover Board on January 4, 2023, the new shares created following the conversion of the Mandatory Convertible Bonds are to be registered in the commercial register within three months after the conversion (see also the Company's ad hoc announcement of January 5, 2023, which can be found on our website at https://www.peachproperty.com/en/news-en/#adhocnews.

2.3. Capital changes

Capital and changes in capital	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital as of December 31, 2018	5 487 627	5 487 627	1.00
Capital increases in 2019 financial year [1]	1 113 847	1 113 847	1.00
Share capital as of December 31, 2019	6 601 474	6 601 474	1.00
Capital increases in 2020 financial year [2]	5 893 277	5 893 277	1.00
Share capital as of December 31, 2020	12 494 751	12 494 751	1.00
Capital increases in 2021 financial year [3]	4 387 622	4 387 622	1.00
Share capital as of December 31, 2021	16 882 373	16 882 373	1.00
Capital increase in 2022 financial year [4]	489 588 817	n.a.	30.00
Share capital as of December 31, 2022	506 471 190	16 882 373	30.00

1 Of which 973 747 exercises of conversion and option rights from bonds, and 112 000 exercises from the 2016-2018 PSU program.
2 Of which 2 494 775 exercises of conversion and option rights from bonds, 3 300 000 shares from the authorized capital, and 71 000 exercises from the 2017-2019 PSU program.
3 Of which 4 252 188 exercises of conversion and option rights from bonds, and 73 000 exercises from the 2018-2020 PSU program.
4 By ordinary capital increase from statutory capital contributions by increasing the nominal value of shares from CHF 1.00 to CHF 30.00, in accordance with the Articles of Association, as amended by the Annual General Meeting on May 20, 2022.

Further information on equity is provided in Note 7 to the consolidated financial statements.

2.4. Shares and participation certificates

The share capital of Peach Property Group AG amounts to CHF 506 471 190 and consists of 16 882 373 fully paid-up registered shares with a nominal value of CHF 30.00 each. The shares carry equal rights. Each share carries an entitlement to one vote at the General Meeting.

As of December 31, 2022, we held 11 183 treasury shares (previous year: 7 741). Treasury shares are subject to voting and dividend rights restriction.

We have not issued any participation certificates.

2.5. Dividend rights certificates

We have not issued any dividend rights certificates.

2.6. Restriction on transferability and nominee registrations

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

The Articles of Association are available, in full, on our website at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance.

Further information, regarding registration restrictions, is provided in Section 6 “Shareholders’ participation rights”.

2.7. Convertible bonds and options

Convertible bonds

In December 2022, our subsidiary, Peach Property Finance GmbH, placed a non-listed 5.0 % guaranteed senior unsecured mandatory convertible bond (ISIN CH1234612187) due April 12, 2023. The issue date was January 12, 2023, with an issue amount of CHF 113.7 million nominal. The issue price was 60 % of the nominal value, which arithmetically means an issue price of CHF 18 per share upon conversion in April 2023. Peach Property Group AG is the bond guarantor. Each bond will cease to bear interest from the end of the calendar day immediately preceding the conversion due date. All coupon settlements payable, will be settled through the delivery of Peach Property Group AG shares. The conversion price for the conversion of the bonds, and coupon settlement, is CHF 30.00.

Further information in relation to the mandatory convertible bonds is provided in Note 7 of the consolidated financial statements.

Options

As of December 31, 2022, we had a hybrid warrant bond (PEA231; ISIN CH0417376040), with an original listed amount of CHF 60 million, and an outstanding amount of CHF 58.57 million. Each bond with a nominal value of CHF 1 000, entitled the bondholder to four warrants to purchase Peach Property Group AG shares. Each warrant entitled the holder to subscribe to one share, at a price of CHF 25 per share. The exercise period closed on June 25, 2021, and options not exercised by this time expired without compensation.

Further information in relation to the hybrid warrant bond is provided in Note 7 of the consolidated financial statements, or on page 36 under “Investor information”.

We also have various employee participation plans called “Performance Stock Unit program”. Further information in relation to these participation plans is provided in Note 14 to the consolidated financial statements, and in the Remuneration Report in Section 3.4.

3 Board of Directors

3.1. Members of the Board of Directors

The Board of Directors of Peach Property Group AG, including the Chairman, consists of a minimum of three and a maximum of five members (Article 13 of the Articles of Association). At the 2022 Annual General Meeting held on May 20, 2022, the shareholders confirmed the existing members in office. The Board of Directors consists of the following five members:

First name, last name	Position	On the Board of Directors since	Elected until
Reto Garzetti	Chairman (since 2015)	2015	2023 General Meeting
Peter Bodmer	Member	2009	2023 General Meeting
Dr. Christian De Prati	Member	2011	2023 General Meeting
Kurt Hardt	Member	2018	2023 General Meeting
Klaus Schmitz	Member	2020	2023 General Meeting

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

Mandates outside Peach Property Group

Reto Garzetti

Chairman of the Board of Directors
- AGI AG für Isolierungen, Dällikon, Switzerland
- Pioria SA, Zug, Switzerland
- Verlag Garzetti & Staiger AG, Zollikon, Switzerland

Member of the Board of Directors
- Chairos AG, Zumikon, Switzerland
- HK Real Estate AG, Wollerau, Switzerland
- Lescan Immobilien AG, Zug, Switzerland
- MiniNaviDent AG, Liestal, Switzerland
- Neugass Kino AG, Zurich, Switzerland
- RH Immobau AG, Baden, Switzerland
- SE Swiss Equities AG, Zurich, Switzerland
- Silver Reel Pictures AG, Wollerau, Switzerland
- Südpack Medica AG, Baar, Switzerland [1]

Deputy Chairman of the Supervisory Board
- MS Industrie AG, Munich, Germany

Member of the Advisory Board
- Südpack Verpackungen & Co. KG, Ochsenhausen, Germany [1]

Managing Director
- Clepsidra srl., Milano, Italy

Peter Bodmer

Chairman of the Board of Directors
- Beka-Küsnacht AG, Küsnacht, Switzerland

Vice-Chairman of the Board of Directors
- Helvetica Property Investors AG, Zurich, Switzerland

Member of the Board of Directors
- Arbonia AG, Arbon, Switzerland
- Brütsch/Rüegger Holding AG, Urdorf, Switzerland [4]
- Inovetica Holding AG, Baar, Switzerland
- IPZ Property AG, Dübendorf, Switzerland [2]
- Klinik Schloss Mammern AG, Mammern, Switzerland
- Kuratle Group AG, Leibstadt, Switzerland
- Novus Holding AG, Urdorf, Switzerland [4]
- Nüssli (Schweiz) AG, Hüttwilen, Switzerland

President of the Board of Trustees
- Profond Anlagestiftung, Zurich, Switzerland [3]
- Profond Vorsorgeeinrichtung, Zurich, Switzerland [3]
- Stiftung Innovationspark Zürich, Zurich, Switzerland [2]

Member of the Board of Trustees
- Wilhelm Schulthess - Stiftung, Zurich, Switzerland

Chairman of the Board
- Profond Vereinigung, Zurich, Switzerland [3]

Managing Director
- BB's Pure GmbH, Küsnacht, Switzerlandz

Dr. Christian De Prati

Member of the Board of Directors
- Cornèr Banca SA, Lugano, Switzerland
- Rothschild & Co. Bank AG, Zurich, Switzerland

Managing Director
- dP Capital GmbH, Freienbach, Switzerland

Member of the Advisory Committee
- SSVL (Monaco) SAM, Monaco

Kurt Hardt

Member of the Board
- Kreissparkasse Biberach, Biberach an der Riss, Germany

Vice-Chairman of the Supervisory Board
- Genossenschaft für Wohnungsbau Oberland eG (GWO), Laupheim, Germany

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

Member of the Advisory Board
- Chancenkapital Deutsche Leasing AG, Bad Homburg vor der Höhe, Germany
- BW Global Versicherungsmakler GmbH, Stuttgart, Germany

Klaus Schmitz

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

1 - 4 Considered as one mandate according to the provisions of the Articles of Association (affiliated companies, Article 20(3) of the Articles of Association).

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

Areas of expertise and competencies

The following table shows what we consider to be the relevant expertise and competencies for the business activities of Peach Property Group and how they are covered by the members of our Board of Directors.

Expertise	BoD members covering the expertise
Acquisitions	5/5
Capital markets	5/5
Financing	5/5
Further board experience	4/5
Human Resources and Compensation	4/5
Management of larger organisations	5/5
Real estate asset and property management	2/5
Real estate Germany	4/5
Real estate Switzerland	3/5
Regulatory and Juridical	2/5
Sustainability and ESG	2/5
Technology and Digitization	3/5

Definition of independence in relation to the Board of Directors members

For us at Peach Property Group, independence requires that the respective member of the Board of Directors is a non-executive member who has either never, or at least not within the last three years, been a member of the Company's Executive Management. The member has also not been an employee or partner in our external auditors' audit engagement team during the last three years. Furthermore, an independent member has no or only minor business relations (< CHF 250 000 p.a.) with the Company or its Group companies. Neither the duration of the term of office nor the position as a significant shareholder are criteria for the independence of a Board of Directors member if the respective member does not directly or indirectly hold or represent more than 15 percent of the share capital. The Board of Directors may define further criteria for the independence of its members.

As of December 31, 2022, the Board of Directors considers 4 of its 5 members as independent. The exception is Klaus Schmitz who acts as a shareholder representative within the meaning of Article 13(3) of the Articles of Association.

3.2. Additional activities and interests

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

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

3.3. Number of activities permitted under Article 12(1)(1) VegüV (as from January 1, 2023, Articles 626(2)(1) and 734e of the Swiss Code of Obligations)

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

3.4. Election and term of office

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

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

In addition, the General Meeting elects the members of the Compensation Committee individually for a period of one year. Re-election is also possible. This Committee consists of at least two members of the Board of Directors. The Chairman of the Compensation Committee is appointed by the Board of Directors.

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

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

Selection criteria for new members of the Board of Directors

When proposing new members for election to the Board of Directors at the General Meeting, care is taken to ensure that the skills and expertise of the candidates align to the strategically relevant areas of the Peach Property Group in a broad and balanced manner. In addition, we strive for a balanced composition in terms of age and length of board membership. We are committed to having more diversity on the board in the future and therefore aim to propose a female candidate for election.

3.5. Internal organization

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

Reto Garzetti was first elected as Chairman by the 2015 Annual General Meeting, held on May 8, 2015, and last re-elected as Chairman by the 2022 Annual General Meeting, held on May 20, 2022. In this position, he is responsible, among other things, for convening and preparing the meetings of the Board of Directors and the General Meeting, as well as for chairing the meetings.

The Board of Directors is convened as often as business requires, but at least three times a year. In addition, any member of the Board of Directors and the Chief Executive Officer of the Executive Management may request that a meeting be convened, stating the reasons.

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

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

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

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

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

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

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

- The **Audit and Risk Committee** (ARC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with supervision of the accounting and financial reporting processes, the internal control system (ICS), and the audit firm (external auditors) as well as with monitoring compliance with legal requirements, as described in detail in the description of duties in the Organizational Regulations. The Audit and Risk Committee meets at least three times a year, including once to discuss the annual financial statements with the auditors.

- The **Compensation Committee** (CC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with determining and implementing the remuneration policy and system as well as in human resources, as described in detail in Article 22 of the Articles of Association and in the description of duties in the Organizational Regulations. The Compensation Committee meets at least twice a year. The Chairman of the Board of Directors and the Chief Executive Officer attend the meetings ex officio in an advisory capacity.

- The **Investment Committee** (IC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with all investment matters and with assessing the associated risks, as described in detail in the description of duties and powers in the Organizational Regulations. The Investment Committee has decision-making authority primarily for investments and divestments of between CHF 1 million and CHF 5 million in equity capital. It meets as often as business requires. The Chief Executive Officer attends the meetings ex officio in an advisory capacity.

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

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

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

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

Meeting title	Nature	BoD	ARC	CC	IC	Duration in min.	Attendance
ARC 01	Meeting [1]		X			65	P. Bodmer excused
BoD 01 / CC 01	Meeting [1]	X		X		210	Full attendance
without designation	Circular resolution	X		X		n.a.	Full attendance
related to BoD 01	Circular resolution	X				n.a.	Full attendance
IC 01	Circular resolution				X	n.a.	Full attendance
BoD 02 / ARC 02 / CC 02	Meeting [1]	X	X	X		370	Full attendance
BoD 03	Circular resolution	X				n.a.	Full attendance
without designation	Circular resolution	X				n.a.	Full attendance
BoD 05 and CC 03	Meeting [1]	X		X		205	Full attendance
BoD 06	Meeting [1]	X				110	Full attendance
BoD 07	Circular resolution	X				n.a.	Full attendance
BoD 08 / ARC 03	Meeting [1]	X	X			395	Full attendance
BoD 09	Meeting [1]	X				55	Full attendance
BoD 10	Meeting [1]	X				265	Full attendance
BoD 11	Meeting [1]	X				100	Full attendance
BoD 12	Meeting [1]	X				70	Full attendance
BoD 13	Meeting [1]	X				55	Full attendance
BoD 14	Meeting [1]	X				120 [2]	P. Bodmer excused
BoD 15	Circular resolution	X				n.a.	Full attendance
BoD 16 / ARC 04	Meeting [1]	X	X			290	Full attendance
Total number of meetings and circular resolutions		18	4	4	1		
Total duration (excl. circular resolutions)						2.310	
Average duration (excl. circular resolutions)						178	

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

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

3.6. Powers

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

The current Articles of Association and Organizational Regulations can be found on our website peachproperty.com at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance.

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

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

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

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

4 Executive Management

4.1. Members of the Executive Management

In the 2022 financial year, the Executive Management of Peach Property Group AG was as follows:

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

Dr. Thomas Wolfensberger
(Chief Executive Officer)

Born in 1972
Swiss citizen

Thorsten Arsan
(Chief Financial Officer)

Born in 1974
German citizen

Dr. Andreas Steinbauer
(Head of Letting and Sales)

Born in 1975
Swiss and German citizen

Education

Dr. Thomas Wolfensberger: Economics at the University of Zurich / Doctorate in Economics (Dr. oec. publ.)

Thorsten Arsan: Degree in business administration with a focus on real estate and construction from the Biberach University of Applied Sciences / MBA program International Real Estate Management at the South Bank University in London

Dr. Andreas Steinbauer: Degree in Business Administration from Georg-Simon-Ohm University in Nuremberg / Master's Degree in Real Estate and Doctorate in International Real Estate Markets

Professional history

Dr. Thomas Wolfensberger:

With Peach Property Group since 2006, as CEO since 2007.

2000 to 2006 Founder and CEO of Swissrisk, a financial software provider, and active in due diligence appraisals for real estate funds.

He was previously employed by companies including Accenture and IBM.

Thorsten Arsan:

From June 1, 2021, the CFO of Peach Property Group.

Previously he was Head of Corporate Finance/Deputy Head of Finance & Treasury at Vonovia SE (2013 – 2020) and the former Senior Vice President for Finance, Controlling, Investor Relations and M&A at Adler Group SA. (2020 – 2021).

Dr. Andreas Steinbauer:

With Peach Property Group since 2009, as Head of Sales and Marketing since 2013, as Head of Letting and Sales from Q4/2018.

Until 2009 he was responsible for the portfolio of luxury project developments of the Orco Property Group in Berlin.

Mandates outside Peach Property Group

Dr. Thomas Wolfensberger: None

Thorsten Arsan: None

Dr. Andreas Steinbauer: None

4.2. Additional activities and interests

As of December 31, 2022, the members of the Executive Management did not perform any activities in management and supervisory bodies or permanent management and advisory roles for key interest groups.

4.3. Number of activities permitted under Article 12(1)(1) VegüV (as from January 1, 2023, Articles 626(2)(1) and 734e of the Swiss Code of Obligations)

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

4.4. Management contracts

We have not concluded any management contracts with third parties.

5 Remuneration, shareholdings, and loans

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

6 Shareholders' participation rights

The applicable Articles of Association can be found on our website at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance.

6.1. Proxy voting and voting restrictions

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

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

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

6.2. Quorums prescribed by the Articles of Association

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

6.3. Convocation of the General Meeting

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

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

In the 2022 financial year, the Annual General Meeting of our Company was held in Zurich on May 20, 2022. Due to the coronavirus situation, shareholders and shareholder representatives could not physically attend the General Meeting, as in the previous years. Based on Article 27 of Ordinance 3 on Measures to Combat the Coronavirus (COVID-19), the Board of Directors has decided that shareholders may exercise their rights at the General Meeting exclusively through the independent proxy.

6.4. Putting items on the agenda

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

6.5. Entries in the share register

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

7 Change of control and defensive measures

7.1. Obligation to make an offer

According to the applicable financial market regulations, a person who directly, indirectly, and/or together with third parties acquires shares in a company listed in Switzerland and thereby exceeds the limit of 33 $^{1}/_{3}$ % of the voting rights of the company must submit a takeover bid for the acquisition of all shares.

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

7.2. Change of control clauses

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

8 Auditors

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

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

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

8.2. Auditor's fee

For the current financial year, we expect audit fees of CHF 792 thousand (previous year: CHF 949 thousand). These consist of the examination and review of annual, group and semi-annual reports, as well as audit services in connection with capital market transactions (corporate bonds/mandatory convertible bonds). The decrease compared to the previous year is mainly explained by non-recurring events in the previous year. All referenced amounts are including value-added taxes.

8.3. Additional fees

In the current financial year, additional fees were incurred towards PricewaterhouseCoopers for consulting services in the amount of CHF 521 thousand (previous year: CHF 781 thousand). The fees related to ongoing tax advice (e.g. tax returns) and tax advice in connection with acquisition activities (tax due diligence).

Fees totaling CHF 681 thousand (previous year: CHF 775 thousand) related to the independent real estate appraiser Wüest Partner AG, Zurich, and W&P Immobilienberatung GmbH, Frankfurt.

All referenced amounts are including value-added taxes.

8.4. Information tools pertaining to the external audit

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

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

9 Information policy

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

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

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

10 Blocking periods for trading

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

Contacts

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

Important dates
- General Meeting 2023: Wednesday, May 24, 2023, in Zurich.
- Publication of 2023 half-year results: Wednesday, August 23, 2023

Section 2 - Remuneration Report

1 Introduction

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

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

The Remuneration Report complies with the provisions of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (VegüV), which was absorbed in Articles 734 et seqq. of the Swiss Code of Obligations from January 1, 2023 (for the 2022 financial year, the provisions of the VegüV were still in force and applicable to the renumeration reported in this Remuneration Report); the Directive on Information Relating to Corporate Governance (DCG) of the SIX Exchange Regulation AG; and is based in particular on the provisions of Articles 26 to 35 of the Articles of Association.

The Articles of Association can be viewed on our website at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance.

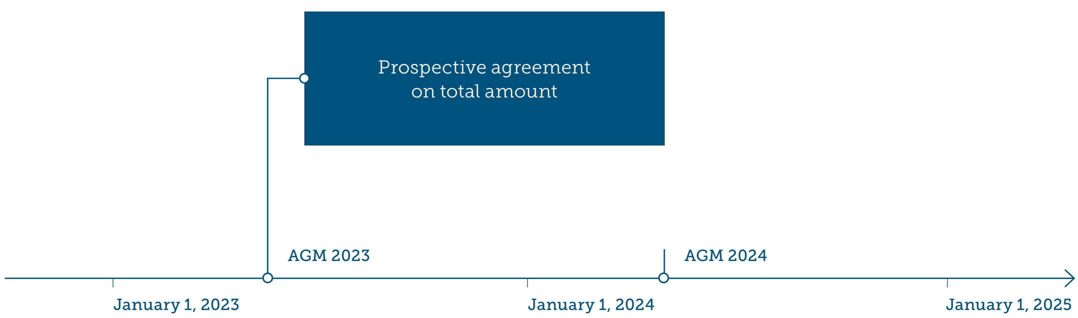
2 Responsibilities and determination procedures

In collaboration with the Chief Executive Officer, the Compensation Committee prepares a proposal for the remuneration of the Board of Directors and Executive Management. Based on the proposal, the Board of Directors resolves on the total remuneration for its members, and the members of the Executive Management, and requests approval in the upcoming General Meeting.

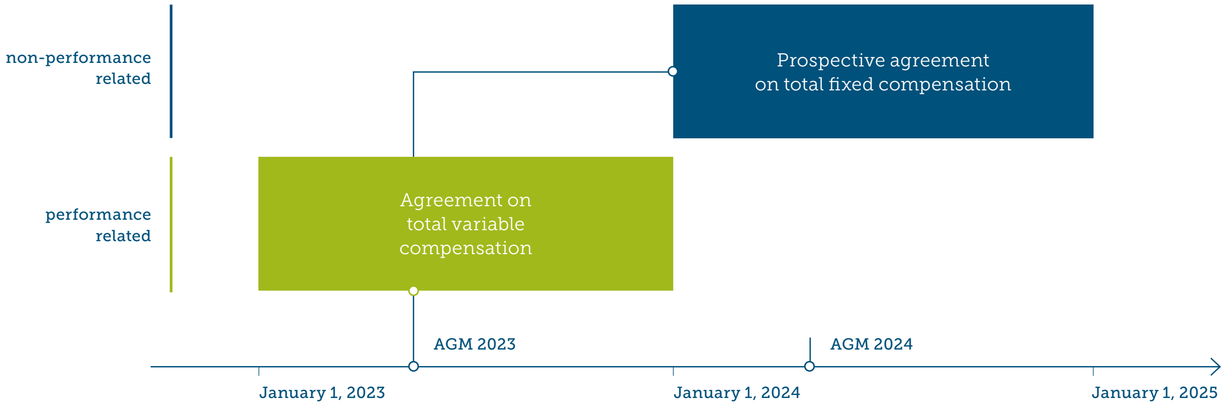
The General Meeting approves, in accordance with Article 26(1) of the Articles of Association, the maximum total amounts of:

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

Remuneration of the Board of Directors



Remuneration of the Executive Management



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

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

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

For details of the scope of duties of the Compensation Committee and the allocation of powers, see also the Organizational Regulations at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance.

3 Remuneration system

3.1. General principles

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

3.2. Remuneration of the Board of Directors

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

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

b) variable remuneration dependent on the achievement of Company targets plus the Company's social security contributions.

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

Members of the Board of Directors receive a portion of their remuneration described in a) in shares of the Company, blocked for one year. For the 2022 financial year, the Board of Directors approved a share component of 50 % (previous year: 50 %). The number of shares is determined based on the average share price of the last ten trading days in the financial year and the first ten trading days in the new financial year ("allotment price"). For the calculation of the amount of the remuneration in this remuneration report, the number of shares determined for the allotment price is multiplied by the closing price of the allotment according to the allotment decision of the Board of Directors ("price at allotment"). The relevant prices for the 2022 compensation are: allotment price CHF 17.06, and price at allotment CHF 21.05.

In the current financial year, as in previous years, members of the Board of Directors were also allotted Performance Stock Units ("PSUs"). PSUs are entitlements to shares and represent variable remuneration dependent on the achievement of Group targets. Information on the PSU programs can be found in Section 3.4 and in Note 14 to the consolidated financial statements.

Klaus Schmitz, who acts as a shareholder representative within the meaning of Article 13(3) of the Articles of Association, does not receive any remuneration or PSUs. Furthermore, Kurt Hardt does not participate in the current and future PSU programs either.

3.3. Remuneration of the Executive Management

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

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

The variable, performance-based remuneration paid to the members of the Executive Management depends on the achievement of both Group, and individual targets. These are based on the qualitative and quantitative goals and parameters set by the Board of Directors.

Group targets (corporate KPIs of the Group) are based on the respective budgets and are set annually by the Board of Directors for the entire Group. Group targets in the current financial year were set for the share price, net income and FFO I, all three with an equal weighting. For 2022 financial year, these goals have not been met.

At the request of the Compensation Committee of the Board of Directors, individual goals or targets for Executive Management are agreed annually, and in line with the Group's strategic goals. In principle, no more than five individual goals are agreed, the majority of which should be quantitatively measurable.

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

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

The Board of Directors decided to uniformly settle 50 % of the 2022 bonuses in shares for all members of Executive Management. The portion of commissions for the Head of Letting and Sales, Dr. Andreas Steinbauer, settled through shares amounts to 35 %. As with the Board of Directors, the number of shares is determined using the allotment price, and the number of shares is multiplied by the price at the time of allotment to calculate the amount of the remuneration.

The members of the Executive Management can participate in option and participation plans. In the current financial year, all members of the Executive Management were allotted PSUs under a further PSU program. Further information is provided in Section 3.4, and in Note 14 to the consolidated financial statements.

3.4. Option plans and other employee participation plans

Performance Stock Unit programs

In the 2022 financial year, the Board of Directors approved a framework for share-based payment compensation, called "2022 – 2024 PSU program".

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

The vesting period for the PSU program 2019 – 2021 ended as per the 2021 financial year and was approved as part of the annual financial statements 2021 in the General Meeting 2022. Approval of the PSU program 2020 – 2022 will take place in the General Meeting 2023, for the PSU program 2021 – 2023 at the General Meeting 2024, and for the PSU program 2022 – 2024 in the General Meeting 2025. The share allocation will be made no later than six months after the respective vesting.

The Group has no legal or constructive obligation to repurchase or settle the entitlements in cash. In the event of a change of control at the Company, the Board of Directors can adapt the outstanding programs to the new circumstances while safeguarding the interests of the beneficiaries as best as possible, in particular by shortening the performance period by adjusting the targets.

The targets to be achieved under the PSU programs are all Group targets. Through the PSU program 2020 – 2022, two sub-targets are to be achieved, each with a weighting of 50 %, namely the capital market and the consolidated earnings sub-target. From the PSU program 2021 – 2023 onwards, the average interest rate on external borrowings is added as a further sub-target to the existing sub-targets, with all three carrying an equal weighting of 33 $^1/_3$ %.

The capital market sub-target measures the share price three days after publication of the provisional annual results of the last financial year of the performance period (not counting the day of publication). As price target (capital market sub-target), an annual TSR (Total Shareholder Return, i.e. share price development plus any dividends or other benefits paid) of 8 % p.a. over the performance period was set for the latest program. The consolidated earnings sub-target measures the cumulative consolidated result after tax compared to the budget and business plan over the entire performance period. The average interest rate on external borrowings for the Group in the last year of the performance period is relevant with respect to the third sub-target.

Under the 2022 – 2024 PSU program, 24 700 PSUs were allocated. The allocation was made on April 1, 2022. Under this program 500 entitlements were forfeited as of December 31, 2022.

In the 2021 financial year, under the 2021 – 2023 PSU program, 43 000 PSUs were allotted as of April 1, 2021, of which 3 500 entitlements were forfeited as of December 31, 2022.

In the 2020 financial year, under the 2020 – 2022 PSU program, 42 000 PSUs were allotted as of June 2, 2020, of which 10 500 entitlements were forfeited as of December 31, 2022.

Under the 2019 – 2021 PSU program, 31 500 PSUs vested at the General Meeting on May 20, 2022. In June 2022, a total of 63 000 registered shares in Peach Property Group AG were allocated to the beneficiaries.

Further information on the PSU program can be found in Note 14 to the consolidated financial statements.

3.5. Fringe benefits

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

3.6. Pension benefits

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

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

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

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

There are no agreements relating to sign-on bonuses, severance pay or clawback provisions for the members of either the Executive Management or the Board of Directors.

4 Remuneration in the 2022 financial year

4.1. Remuneration paid to the Board of Directors

The remuneration paid to the members of the Board of Directors for the 2022 financial year, including social security contributions and a valuation of the share component at the price upon allotment (closing price on February 3, 2023, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 822 thousand and is broken down as follows:

Name, position	2022 remuneration					2021 remuneration				
in CHF	Fee in cash	Fee in shares [2]	PSUs at fair value [3]	Social sec. [4]	**Total**	Fee in cash	Fee in shares	PSUs at fair value	Social sec. [4]	**Total**
Reto Garzetti, Chairman	100 000	123 374	97 000	23 110	**343 484**	100 000	93 584	139 860	24 053	**357 497**
Peter Bodmer, Member	50 000	61 698	65 475	0 [5]	**177 173**	50 000	46 821	93 240	0 [5]	**190 061**
Dr. Christian De Prati, Member	50 000	61 698	65 475	12 970	**190 143**	50 000	46 821	93 240	13 913	**203 974**
Kurt Hardt, Member	50 000	61 698	0 [6]	0 [7]	**111 698**	50 000	46 821	93 240	0 [7]	**190 061**
Klaus Schmitz, Member [1]	0	0	0	0	**0**	0	0	0	0	0
					822 498					**941 593**

1 Shareholder representative Klaus Schmitz does not receive a fee.
2 Valuation at closing price on February 3, 2023, of CHF 21.05 per share, share component 50 %.
3 Valuation at allotment on April 1, 2022, of CHF 48.50 per PSU.
4 Contributions by the Company.
5 Settlement via a company / no social security contribution.
6 Kurt Hardt does not participate in the current and future PSU-programs.
7 No social security contributions are incurred in Switzerland.

The total remuneration of the Board of Directors decreased compared to the previous year mainly due to a reduction of PSUs allotted to the Board of Directors (4 700 PSUs in the 2022 financial year vs. 9 000 PSUs in the previous year). The fair value of the PSUs is determined by a specialized external office, using the Monte Carlo method, and increased slightly from CHF 46.62 (previous year) to CHF 48.50 in the current financial year.

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

4.2. Remuneration paid to members of the Executive Management.

The remuneration paid to the members of the Executive Management for the 2022 financial year, including fringe benefits (company cars), commissions, social security contributions, and a valuation of the share component of the bonus at the price upon allotment (closing price on February 3, 2023, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 2 758 thousand and is broken down as follows:

Name, position	2022 remuneration								
in CHF	Fixed remu-neration in cash	Variable remu-neration in cash	*of which commis-sions*	Variable remu-neration in shares [1]	*of which commis-sions*	PSUs fair value [2]	Fringe benefits [3]	Social sec. and occ. pension [4]	**Total**
Dr. Thomas Wolfensberger, CEO	450 000	92 400	*0*	114 007	*0*	194 000	14 830	128 031	**993 268**
Thorsten Arsan, CFO	275 000	43 005	*0*	53 067	*0*	145 500	7 906	85 934	**610 412**
Dr. Andreas Steinbauer, Head of Letting and Sales	180 000	452 337	*450 337*	301 668	*299 205*	72 750	9 577	138 400	**1 154 732**
									2 758 412

1 Valuation at closing price of February 3, 2023, of CHF 21.05 per share, share component 50 % of the bonus for all members of the Executive Management and 35 % of the commissions for Head of Letting and Sales, Dr. Andreas Steinbauer.
2 Valuation at allotment on April 1, 2022, of CHF 48.50 per PSU.
3 Company cars.
4 Contributions by the Company.

The highest individual remuneration in the current financial year, in the amount of CHF 1 155 thousand, was earned by Dr. Andreas Steinbauer, Head of Letting and Sales (previous year: Chief Executive Officer, Dr. Thomas Wolfensberger, CHF 1 452 thousand).

In the previous year, the remuneration paid to the members of the Executive Management totalled CHF 3 397 thousand and is broken down as follows:

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

1 Fixed and variable remuneration pro rata temporis
2 Valuation at closing price of February 7, 2022, of CHF 58.60 per share, shareholding 50 % of the bonus for Dr. Thomas Wolfensberger and Thorsten Arsan, and 50 % of the bonus and 35 % of the commissions for Dr. Andreas Steinbauer.
3 Valuation at allotment on April 1, 2021, of CHF 46.62 per PSU.
4 Company cars.
5 Contributions by the Company.

The total remuneration of the Executive Management decreased compared with the previous year, partly due to lower bonuses as part of the Executive Management's variable renumeration (CHF 307 thousand for the 2022 financial year vs. CHF 810 thousand for the previous year; amounts exclusive social security contribution by the Company), and partly due to a reduction of PSUs allotted to the Executive Management (8 500 PSUs in the 2022 financial year vs. 15 500 PSUs in the previous year). The fair value of the PSUs is determined by a specialized external office, using the Monte Carlo method, and increased slightly from CHF 46.62 (previous year) to CHF 48.50 in the current financial year.

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

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

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

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

A comparison of the remuneration paid in the reporting year with the one approved by the General Meeting requires a pro rata calculation, for the Board of Directors, of the share of the year of office from January 1, 2022, through the 2022 Annual General Meeting, and from the 2022 Annual General Meeting through December 31, 2022. No such conversion is required for the remuneration paid to the Executive Management, as here the Annual General Meeting approves the remuneration per financial year.

in CHF	Remuneration paid in the 2022 financial year	Remuneration approved for the 2022 financial year[1]
Remuneration of the Board of Directors	822 498	1 000 000
Remuneration of the Executive Management		
Non-performance-related remuneration (fixed pay)	1 187 472	1 400 000
Performance-related remuneration (variable pay)	1 570 940	2 600 000
Total remuneration of the Executive Management	**2 758 412**	**3 800 000**

1 In principle, a comparison of the remuneration of the Board of Directors paid in the current financial year with the one approved by the General Meeting requires a pro rata calculation as the General Meeting approves the remuneration of the Board of Directors for a term of office until the next General Meeting. No such conversion is required for the remuneration paid to the Executive Management, as here the Annual General Meeting approves the remuneration per financial year.

All of the remuneration paid to the Board of Directors and the Executive Management in the 2022 financial year is below the approved maximum amounts (Board of Directors -18%, fixed Executive Management remuneration -15%, and variable Executive Management remuneration -40%).

4.5. Remuneration paid to the Advisory Board

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

5

Shareholdings of the Board of Directors and Executive Management

5.1. Rights to option plans and other participation plans

As of December 31, 2022, the members of the Board of Directors and Executive Management were entitled to the following participation plans:

Name, position	Number of PSUs [1]
Reto Garzetti, Chairman of the Board of Directors	8 000
Peter Bodmer, Member of the Board of Directors	5 350
Dr. Christian De Prati, Member of the Board of Directors	5 350
Kurt Hardt, Member of the Board of Directors	0 [2]
Klaus Schmitz, Member of the Board of Directors	0
Dr. Thomas Wolfensberger, Chief Executive Officer	19 000
Thorsten Arsan, Chief Financial Officer	8 000
Dr. Andreas Steinbauer, Head of Letting and Sales	7 500
Total	**53 200**

1 After vesting of the 2019 – 2021 PSU program, PSUs under the 2020 – 2022, 2021 – 2023, and 2022 – 2024 PSU programs.
2 Kurt Hardt has waived the PSUs previously allotted to him.

5.2. Share ownership

The members of the Board of Directors and the Executive Management directly and indirectly hold the following number of shares in the Company as of December 31, 2022:

Name, position	Number of shares	As a % of all shares
Reto Garzetti, Chairman of the Board of Directors	151 831 [1]	0.90
Peter Bodmer, Member of the Board of Directors	33 406 [2]	0.20
Dr. Christian De Prati, Member of the Board of Directors	79 000 [3]	0.47
Kurt Hardt, Member of the Board of Directors	11 595	0.07
Klaus Schmitz, Member of the Board of Directors	0	0.00
Dr. Thomas Wolfensberger, Chief Executive Officer	721 713	4.27
Thorsten Arsan, Chief Financial Officer	1 025	0.01
Dr. Andreas Steinbauer, Head of Letting and Sales	19 162	0.11
Total	**1 017 732**	**6.03**

1 Shareholding of a closely linked person totalling 108 357 shares.
2 Shareholding of a closely linked person totalling 26 591 shares.
3 Shareholding of a closely linked person totalling 36 893 shares.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Peach Property Group AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in paragraph 4 on pages 62 to 64 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 62 to 64) complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

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Telephone: +41 58 792 44 00, www.pwc.ch

Auditor’s responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Patrick Balkanyi	Philipp Gnädinger
Licensed audit expert Auditor in charge	Licensed audit expert

Zurich, 17 March 2023

Consolidated financial statements of Peach Property Group AG 2022

In accordance with International Financial Reporting Standards (IFRS)

Consolidated financial statements

Notes to the consolidated financial statements

Consolidated statement of income

in EUR thousands	Note	2022	Restated [1] 2021
Rental income	2	116 497	100 409
Valuation gains from investment properties	5	22 101	266 571
Profit on disposal of investment properties	5	6	408
Income from development properties	3	20 516	0
Other operating income		298	440
Operating income		**159 418**	**367 828**
Expenses from letting of investment properties	2	-30 018	-26 613
Valuation losses from investment properties	5	-34 338	0
Loss on disposal of investment properties	5	-152	0
Expenses from development properties	3	-20 733	215
Personnel expenses	12	-17 480	-16 724
Sales and marketing expenses		-1 049	-191
Other operating expenses	16	-10 055	-7 989
Depreciation and amortization		-1 907	-1 560
Operating expenses		**-115 732**	**-52 862**
Operating result		**43 686**	**314 966**
Financial income	10	16 816	1 603
Financial expenses	10	-80 469	-76 572
Result before taxes		**-19 967**	**239 997**
Income taxes	17	4 936	-53 895
Result after taxes		**-15 031**	**186 102**
– attributable to Peach Property Group AG equity holders		-15 327	176 344
– attributable to non-controlling interests		296	9 758
Basic earnings per share in EUR	1	**-0.97**	**11.56**
Diluted earnings per share in EUR	1	**-0.97**	**11.45**

1 See Note B.2. for details regarding the restatement following a change in accounting policy.

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

Consolidated statement of comprehensive income

in EUR thousands	Note	2022	Restated [1] 2021
Result after taxes		**-15 031**	**186 102**
Other comprehensive income:			
Items that may subsequently be reclassified to profit or loss			
Result from cash flow hedges	8	23 439	7 434
Currency translation changes		31 764	28 191
Tax effects	17	-4 067	-1 172
Other comprehensive result that may subsequently be reclassified to profit or loss		**51 136**	**34 453**
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	13	1 258	619
Tax effects	17	-140	-84
Other comprehensive result that will not be reclassified to profit or loss		**1 118**	**535**
Total comprehensive income		**37 223**	**221 090**
– attributable to Peach Property Group AG equity holders		36 599	211 261
– attributable to non-controlling interests		624	9 829

1 See Note B.2. for details regarding the restatement following a change in accounting policy.

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

Consolidated statement of financial position

in EUR thousands	Note	Dec 31, 2022	Restated [1] Dec 31, 2021	Restated [1] Jan 1, 2021
Assets				
Current assets				
Cash and cash equivalents		31 223	35 896	62 316
Trade receivables	18	11 158	7 384	6 766
Other receivables	18	24 018	18 830	14 064
Current financial receivables		384	384	5 389
Contract assets	3	10 106	0	0
Development properties	6	34 031	42 602	35 893
Investment properties held for sale	5	1 192	3 151	1 606
Total current assets		**112 112**	**108 247**	**126 034**
Non-current assets				
Investment properties	5	2 627 866	2 564 144	1 900 435
Advance payments for investment properties		0	0	56
Equipment		3 451	3 618	2 618
Intangible assets		1 132	1 430	848
Financial assets	19	40 561	1 972	91
Investments in associates		1	1	1
Deferred tax assets	17	12 836	16 896	18 945
Total non-current assets		**2 685 847**	**2 588 061**	**1 922 994**
Total assets		**2 797 959**	**2 696 308**	**2 049 028**

1 See Note B.2. for details regarding the restatement following a change in accounting policy.

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

Consolidated statement of financial position (continued)

in EUR thousands	Note	Dec 31, 2022	Restated [1] Dec 31, 2021	Restated [1] Jan 1, 2021
Liabilities and equity				
Current liabilities				
Trade payables		6 820	3 554	3 578
Other payables and advance payments	18	29 606	35 760	32 410
Current income tax liabilities		1 902	4 758	3 129
Current financial liabilities	8	133 300	87 386	163 354
Current provisions	21	1 112	1 324	1 989
Total current liabilities		**172 740**	**132 782**	**204 460**
Non-current liabilities				
Non-current financial liabilities	8	1 400 711	1 360 592	1 076 966
Non-current provisions	21	102	229	345
Employee benefit obligations	13	2 176	3 560	4 204
Deferred tax liabilities	17	114 408	117 872	67 760
Total non-current liabilities		**1 517 397**	**1 482 253**	**1 149 275**
Total liabilities		**1 690 137**	**1 615 035**	**1 353 735**
Equity				
Share capital	7	455 597	14 510	10 450
Treasury shares	7	-514	-455	-203
Share premium		53 420	499 544	307 327
Hybrid capital	7	51 556	51 556	82 684
Other reserves		15 861	-3 719	-9 253
Currency translation changes		62 707	30 943	2 752
Retained earnings		428 787	446 828	273 307
Equity attributable to Peach Property Group AG equity holders		**1 067 414**	**1 039 207**	**667 064**
Equity attributable to non-controlling interests		40 408	42 066	28 229
Total equity		**1 107 822**	**1 081 273**	**695 293**
Total liabilities and equity		**2 797 959**	**2 696 308**	**2 049 028**

1 See Note B.2. for details regarding the restatement following a change in accounting policy.

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

Consolidated statement of cash flows

in EUR thousands	Note	2022	Restated [1] 2021
Result before taxes		**-19 967**	**239 997**
– Depreciation and amortization		1 907	1 560
– Valuation result from investment properties	5	12 237	-266 571
– Net result on disposal of investment properties	5	146	-408
– Change in bad debt allowance	18	587	2 062
– Valuation result from lease liabilities	10	870	1 052
– Financial income	10	-16 816	-1 583
– Financial expenses (excluding adjustments from lease liabilities)	10	78 688	74 608
– Share-based compensation	14	516	1 417
– Changes in provisions	21	-362	-806
– Other non-cash charges		2 239	378
Changes in working capital:			
– Trade receivables	18	-4 363	-2 396
– Other receivables	18	-6 535	-5 447
– Trade payables		3 190	334
– Other payables and advance payments	18	-7 242	-2 308
– Development properties	6	10 626	-4 708
– Contract assets	3	-9 906	0
Interest and other financial expenses paid		-49 344	-41 724
Taxes paid and reimbursed		-482	-1 016
Net cash flow from operating activities		**-4 011**	**-5 559**

1 See Note B.2. for details regarding the restatement following a change in accounting policy.

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

Consolidated statement of cash flows (continued)

in EUR thousands	Note	2022	Restated[1] 2021
Payments for real estate companies	5	-1 941	-134 595
Payments for equipment		-1 199	-1 595
Payments for intangible assets		-176	-1 075
Investments in investment properties	5	-76 349	-39 842
Proceeds from disposal of investment properties	5	4 158	7 082
Financial receivables advanced		0	-67
Repayment of financial receivables		0	5 073
Interest income received		44	289
Cash used in investment activities		**-75 463**	**-164 730**
Proceeds from current financial liabilities	8	0	1 108
Repayment of current financial liabilities	8	-384 949	-169 082
Proceeds from non-current financial liabilities	8	469 662	150 070
Lease payments – amortization share	8	-656	-382
Proceeds from issuance of hybrid capital	7	0	166 423
Repayment of hybrid capital	7	0	-1 486
Purchase of treasury shares	7	-4 159	-448
Capital increase	7	0	1 016
Mandatory convertible bond issuance costs	7	-41	0
Distributions to hybrid equity investors	7	-962	-1 000
Dividends paid		-4 996	-3 475
Cash flow from financing activities		**73 899**	**142 744**
Change in cash and cash equivalents		**-5 575**	**-27 545**
Cash and cash equivalents as of January 1		35 896	62 316
Currency exchange impact on cash and cash equivalents		902	1 125
Cash and cash equivalents as of December 31		**31 223**	**35 896**

1 See Note B.2. for details regarding the restatement following a change in accounting policy.

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

Consolidated statement of changes in shareholders' equity

in EUR thousands	Note	Share capital	Treasury shares	Share premium
January 1, 2022		**14 510**	**-455**	**499 544**
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	7	441 087	0	-441 087
Transactions with non-controlling interests (Purchase price adjustments)	20	0	0	0
Hybrid warrant bond – distribution	7	0	0	0
Mandatory bond issuance costs		0	0	-41
Share-based compensation – increase of reserve	14	0	0	0
Share-based compensation – exercise of options	7	0	978	0
Share-based compensation – exercise of SBP 2019	14	0	3 122	0
Dividend payment		0	0	-4 996
Purchase of treasury shares	7	0	-4 159	0
Total transactions with owners in their capacity as owners		**441 087**	**-59**	**-446 124**
December 31, 2022		**455 597**	**-514**	**53 420**

1 Peach Property Group AG equity holders

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

Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders [1]	Non-controlling interests	Total equity
51 556	**-3 719**	**30 943**	**446 828**	**1 039 207**	**42 066**	**1 081 273**
0	0	0	-15 327	-15 327	296	-15 031
0	20 162	31 764	0	51 926	328	52 254
0	**20 162**	**31 764**	**-15 327**	**36 599**	**624**	**37 223**
0	0	0	0	0	0	0
0	0	0	0	0	-2 282	-2 282
0	0	0	-962	-962	0	-962
0	0	0	0	-41	0	-41
0	620	0	0	620	0	620
0	0	0	168	1 146	0	1 146
0	-1 202	0	-1 920	0	0	0
0	0	0	0	-4 996	0	-4 996
0	0	0	0	-4 159	0	-4 159
0	**-582**	**0**	**-2 714**	**-8 392**	**-2 282**	**-10 674**
51 556	**15 861**	**62 707**	**428 787**	**1 067 414**	**40 408**	**1 107 822**

Consolidated statement of changes in shareholders' equity (continued)

in EUR thousands	Note	Share capital	Treasury shares	Share premium
January 1, 2021 [2]		**10 450**	**-203**	**307 327**
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	20	0	0	0
Transactions with non-controlling interests	20	0	0	0
Mandatory convertible bond II – conversions	7	738	0	30 638
Mandatory convertible bond III – additions	7	0	0	0
Mandatory convertible bond III – conversions	7	3 026	0	163 395
Mandatory convertible bonds – interest	7	0	0	0
Hybrid warrant bond – exercise of options	7	175	0	4 198
Hybrid warrant bond – reclass of expired options	7	0	0	0
Hybrid warrant bond – distribution	7	0	0	0
Hybrid warrant bond – sales	7	0	0	0
Hybrid convertible bond – repayment	7	0	0	0
Hybrid convertible bond – distribution	7	0	0	0
Bond issuance costs	7	0	0	-7 245
Share-based compensation – increase of reserve	14	0	0	0
Share-based compensation – exercise of options	7	21	196	979
Share-based compensation – exercise of SBP 2014 & 2016	14	100	0	1 939
Dividends paid	7	0	0	-1 687
Purchase of treasury shares	7	0	-448	0
Total transactions with owners in their capacity as owners		**4 060**	**-252**	**192 217**
December 31, 2021 [2]		**14 510**	**-455**	**499 544**

1 Peach Property Group AG equity holders
2 See Note B.2. for details regarding the restatement following a change in accounting policy.

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

Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders [1]	Non-controlling interests	Total equity
82 684	**-9 253**	**2 752**	**273 307**	**667 064**	**28 229**	**695 293**
0	0	0	176 344	176 344	9 758	186 102
0	6 726	28 191	0	34 917	71	34 988
0	**6 726**	**28 191**	**176 344**	**211 261**	**9 829**	**221 090**
0	0	0	0	0	7 332	7 332
0	0	0	0	0	-3 324	-3 324
-31 378	0	0	0	-2	0	-2
166 423	0	0	0	166 423	0	166 423
-166 423	0	0	0	-2	0	-2
-494	0	0	0	-494	0	-494
991	-991	0	0	4 373	0	4 373
76	-76	0	0	0	0	0
0	0	0	-963	-963	0	-963
6	0	0	0	6	0	6
-1 486	0	0	0	-1 486	0	-1 486
0	0	0	-37	-37	0	-37
1 157	0	0	-35	-6 123	0	-6 123
0	1 507	0	0	1 507	0	1 507
0	0	0	0	1 196	0	1 196
0	-1 632	0	0	407	0	407
0	0	0	-1 788	-3 475	0	-3 475
0	0	0	0	-448	0	-448
-31 128	**-1 192**	**0**	**-2 823**	**160 882**	**4 008**	**164 890**
51 556	**-3 719**	**30 943**	**446 828**	**1 039 207**	**42 066**	**1 081 273**

Notes to the consolidated financial statements

A About us

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

Peach Property Group is a real estate investor with an investment focus on residential real estate in Germany. We stand for many years of experience, competence, and quality. Innovative solutions that cater to tenants' needs, strong partnerships, and a broad value chain round off the profile while digitalization and sustainability underpin the operational activities. The portfolio consists of high-yield properties, typically in German Tier II cities in the commuter belt of metropolitan areas. The activities, therefore, span the entire value chain, from location evaluation and acquisition to active asset management and the letting or sale of properties. In addition, we develop selected properties in Switzerland to be sold as condominiums, of which the "Peninsula Wädenswil" development project is the final such development project.

We are listed on the SIX Swiss Exchange since November 12, 2010 (PEAN, ISIN CH0118530366) and have our registered office in Zurich, Switzerland. Our German group company, Peach Property Management GmbH & Co. KG, and our German property holding companies have their registered offices in Cologne, Germany. The majority of our employees, totaling 233 at the end of the year, are based in Cologne, our local Peach Points and our Service Center in Berlin.

B Preparation of financial statements

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

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

The various sections of the report provide the following information:

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

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

B.1. Basis of preparation

- We prepared the consolidated financial statements of the Group in accordance with the International Financial Reporting Standards (IFRS) and Interpretations (IFRIC), as issued by the International Accounting Standards Board (IASB). They comply with Swiss law.
- The Board of Directors approved the consolidated financial statements on March 17, 2023, with the release for publication following on March 21, 2023. The report is subject to approval by the Annual General Meeting which takes place on May 24, 2023.
- The consolidation is based on the separate individual financial statements of our Group companies prepared in accordance with uniformed accounting policies. The reporting date for all Group companies is December 31.
- The consolidated financial statements were prepared under the historical cost convention, and under the assumption that the companies' ability to continue as a going concern is not impaired. Departures from this principle include investment properties and derivative financial instruments, which are measured at market value.
- Key estimates and assumptions used in the valuation of assets and liabilities are disclosed in the following notes:

	Note
Investment properties and revaluation result	5
Development properties	6
Employee benefit obligations	13
Taxes	17
Provisions	21
Contingent liabilities	22

B.2. Changes in the accounting principles applied in the 2022 financial year

We are operating almost exclusively in Germany. Our German properties are valued in Euro, rental income is earned in Euro, and operating expenses are incurred in Euro. Reporting in Euro provides a more appropriate reflection of the Groups underlying business, and for this reason, we changed our presentation currency from Swiss Francs to Euro in the 2022 financial year. The change in presentation currency is a change in accounting policy which was accounted for retrospectively as if Euro had always been the reporting currency. The information included in Swiss Francs within the consolidated financial statements for the year ended December 31, 2021, was restated into Euro. The restated statement of financial position as of January 1, 2021, is also being disclosed. Restatements into Euro were made in accordance with the following procedures:

Restatements into Euro were made in accordance with the following procedures:

- Assets and liabilities were translated at the closing exchange rate, for each respective year.
- Income and expenses were translated at the average exchange rate for each respective period.
- Additions to equity classes were translated at the average exchange rate for each respective period in which the addition took place.
- Reductions of, or reclassifications between equity classes were translated at the prevailing weighted average historical exchange rate for that equity class, immediately before the reduction or reclassification took place.
- All resulting currency exchange differences were recorded in the statement of other comprehensive income, within the Currency translation changes reserve.

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

Standards/interpretations	Impact	Entry into force	Planned application
Amendments to IAS 1 – "Classification of liabilities as current or non-current"	No significant effects are expected.	Jan 1, 2023	2023 Financial year
Amendments to IAS 1 –"Disclosure of accounting policies"	No significant effects are expected.	Jan 1, 2023	2023 Financial year
Amendments to IAS 8– "Definition of accounting estimates"	No significant effects are expected.	Jan 1, 2023	2023 Financial year
Amendments to IAS 12 – "Deferred tax related to assets and liabilities arising from a single transaction"	No significant effects are expected.	Jan 1, 2023	2023 Financial year
Amendments to IAS 1 – "Non-current liabilities with covenants"	No significant effects are expected.	Jan 1, 2024	2024 Financial year
Amendments to IFRS 16 - "Lease liability in a sale and leaseback"	No significant effects are expected.	Jan 1, 2024	2024 Financial year

B.3. Foreign currency translation

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

The following exchange rates were applied in currency translations:

CHF/EUR	Dec 31, 2022	Dec 31, 2021
Closing rate	1.0155	0.9650
Average rate	0.9954	0.9246

Performance

1 Performance per share

How we calculate the figures:

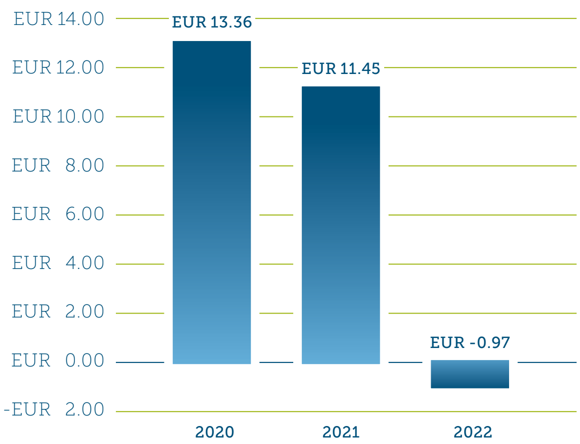
The result for the year attributable to Peach Property Group AG equity holders was adjusted for the effects from the hybrid convertible bond and hybrid warrant bond.

We took all outstanding warrants into account in calculating diluted earnings per share.

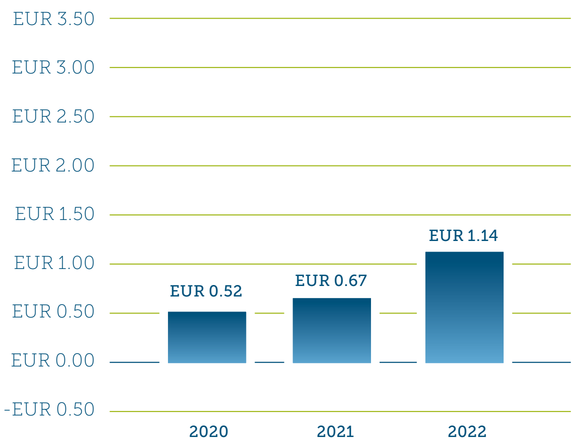
We calculate operating results I and II (funds from operations – FFO I and II) based on operating cash flows and results including interest on hybrid capital.

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

Diluted earnings
per share



Diluted FFO I
per share



1.1. Earnings per share

in EUR thousands	2022	2021
Result attributable to Peach Property Group AG equity holders	-15 327	176 344
Payment of hybrid convertible bond coupon	0	-37
Payment of hybrid warrant bond coupon	-962	-963
Adjusted net result for the year attributable to Peach Property Group AG equity holders	**-16 289**	**175 344**
Adjustments for diluted earnings		
Accumulated unrecognized hybrid capital coupon (convertible bond)	0	0
Adjusted net result for the year attributable to Peach Property Group AG equity holders, including expected conversions	**-16 289**	**175 344**
Average number of outstanding shares	**16 863 160**	**15 166 562**
Adjustment based on options issued [1]	0	149 585
Diluted average number of outstanding shares	**16 863 160**	**15 316 147**
Basic earnings per share in EUR	**-0.97**	**11.56**
Diluted earnings per share in EUR	**-0.97**	**11.45**

1 We excluded 45 669 shares from the diluted EPS calculation, as the impact of the shares are considered antidilutive for the year ended December 31, 2022.

1.2. Funds from operations (FFO) per share

in EUR thousands	2022	2021
Operating result	43 686	314 966
Depreciation and amortization	1 907	1 560
EBITDA	**45 593**	**316 526**
Valuation result from investment properties	12 237	-266 571
Net result on disposal of investment properties	146	-408
Share-based compensation	516	1 417
Other non-cash accrued expenses positions	823	1 049
Adjusted EBITDA	**59 315**	**52 013**
Interest paid	-37 141	-38 773
Interest paid on hybrid capital	-962	-1 000
Lease payments	-1 567	-1 305
Interest income received	44	289
Taxes paid and reimbursed	-482	-1 016
Operating result I (FFO I)	**19 207**	**10 208**
Net result on disposal of investment properties	-146	408
Operating result II (FFO II)	**19 061**	**10 616**
Basic FFO I per share in EUR	**1.14**	**0.67**
Diluted FFO I per share in EUR	**1.14**	**0.67**
Basic FFO II per share in EUR	**1.13**	**0.70**
Diluted FFO II per share in EUR	**1.13**	**0.69**

2 Result from letting of investment properties

How we calculate the figures:

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

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

How we calculate the key figures:

The gross return corresponds to total rental income in relation to the average value of the portfolio.

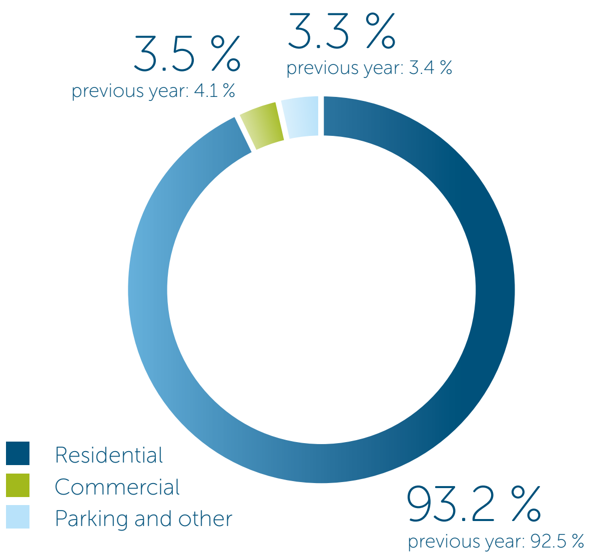
The net return corresponds to total rental income less administrative and maintenance costs in relation to the average value of the portfolio.

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

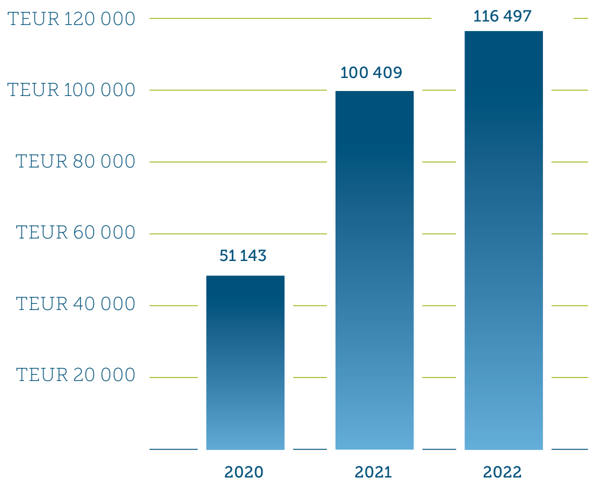
The vacancy rate represents the number of vacant residential units at the end of the reporting year in relation to the total residential units.

in EUR thousands	**2022**	**2021**
Target rental income from letting of investment properties	132 406	117 555
Lost income due to vacancies	-14 003	-13 398
Lost income due to collection risks	-1 906	-3 748
Total rental income	**116 497**	**100 409**
Expense from letting of investment properties	-23 770	-21 775
– of which ongoing maintenance expenses	*-14 879*	*-11 951*
– of which ongoing management expenses	*-8 891*	*-9 824*
Expenses from unoccupied investment properties (vacancies)	-6 248	-4 838
Total expenses from letting of investment properties	**-30 018**	**-26 613**
Gross return	4.5 %	4.8 %
Net return	2.8 %	3.0 %
Average rental potential	10.6 %	11.4 %
Vacancy rate as of December 31	6.9 %	8.0 %

Rental income by use category



Rental income



- The increase in rental income compared to the previous year results mainly from the acquisition of around 4 300 residential units in June 2021, which generated a full year of rental income in 2022. We achieved further growth in earnings by raising rental charges and reducing vacancies in the existing portfolios: like-for-like rental income (excluding lost income due to collection risks) increased by 5.1 % (previous year: 3.8 %).
- Approximately 96.5 % of our rental units are residential units, or parking spaces (previous year: 95.9 %) with no variable lease components in the rental agreements. Commercial rental agreements partially include index adjustments as the only variable lease component.
- Lost income due to collection risks is 1.6 % during the reporting year (previous year: 3.6 %). The decrease represents the continued successful resolution of loss-making contracts.
- Direct management expenses in relation to net rental income before collection losses (target rental income less lost income due to vacancies) decreased from 9.6 % to 7.5 %. The decrease is mainly due to third party management cost incurred in 2021 in relation to the portfolio acquired in June 2021, as well as associated integration costs. In 2022, management expenses normalized after integration.
- Maintenance expenses increased from 11.5 % in the previous year to 12.6 % in the reporting year.
- Overall, total direct expenses before collection losses decreased to 25.4 % compared to 25.6 % in the previous year.

Target rental income from fixed-term rental agreements

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Up to 1 year	3 431	4 329
1-5 years	7 059	6 334
More than 5 years	2 155	1 914
Total	**12 645**	**12 577**

- We generate most of our rental income through the letting of residential units. The contracts are open-ended, and can be terminated at short notice, usually within 3 months.
- The future rental income from fixed-term rental agreements is mainly related to commercial rental space located on the ground floor of buildings.

3 Result from development properties

How we calculate the figures:

- Income from the sale of units under construction is generally recognized on a pro rata basis over the construction period as the construction progresses.
- We measure construction progress according to input factors based on costs incurred.
- The investment costs are allocated proportionally to the units based on the co-ownership share. The costs incurred for the units sold, where the services are transferred, are charged to the profit and loss for the respective period.
- Due to the early stage of construction of the project and the fact that subtasks have not been fully awarded yet, the project margin cannot be measured reliably, and no margin is recorded.
- A contract asset arises for development properties sold while under construction when the construction progress exceeds the advance payment received. If the advance payment is higher than the progress of construction, a contract liability is recognized.
- If the conditions for recognition over time are not met, we recognize revenue in the same way as for completed units.
- Income from the sale of completed units is recognized at the time of ownership transfer.

Key assumptions and estimates:

In the pro-rata recognition of income over time, we estimate total costs on the basis of continuously updated forecasts. Although general contractor agreements guarantee a high degree of cost certainty, we cannot rule out that the actual costs will deviate from the forecast.

3.1. Sales of units under construction

Construction at the "Peninsula Wädenswil" development project started towards the end of the second quarter of 2022. The first purchase agreements were notarized in July 2022.

- Notarization of 19 units (previous year: 0), representing 38.2 % of the expected sales volume.
- Stage of completion of 3.3 % (previous year: 0.0 %).

in EUR thousands	2022	2021
Income from development properties – completed units	-61	0
Income from development properties – sold units still under construction	20 577	0
Total income from development properties	**20 516**	**0**
Expenses from development properties – completed units	-156	215
Expenses from development properties – sold units still under construction	-20 577	0
Total expenses from development properties	**-20 733**	**215**

in EUR thousands	Dec 31, 2022	Change	Dec 31, 2021
Accumulated income from development properties – sold units still under construction	20 577	20 577	0
Accumulated expenses from development properties – sold units still under construction	-20 577	-20 577	0
Accumulated result from ongoing projects	**0**	**0**	**0**
Down payments received			
Net amount of contract asset / contract liability	10 106	10 106	0
of which			
Contract asset	10 106	10 106	0

Reconciliation of capitalized/capitalizable development costs:

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Total project costs incurred	53 934	n.a.
– of which share of units sold to date	20 577	n.a.
Total expected capitalizable project costs outstanding	75 499	n.a.
– of which share of units sold to date	28 805	n.a.
Total expected overall project costs	129 433	n.a.
– of which share of units sold to date	49 382	n.a.

- In the 2022 financial year we capitalized development costs of EUR 12 422 thousand.
- EUR 20 577 thousand of the total capitalized development cost of EUR 53 934 thousand was charged to the consolidated statement of income, representing the sales quote of 38.2 %.
- The contract asset of EUR 20 993 thousand was offset by the advance payments received in the amount of EUR 10 887 thousand.

4 Segments

We have only one operating segment, which comprises investment in and selling of real estate. Our operating segment was defined on the basis of internal reporting to the Board of Directors, which represents the chief decision-maker of our Company. Its main activities include site and portfolio evaluation, structuring and financing of purchases, active asset management (including technical asset management to improve the quality or development of a site) letting and further on selling. As in the previous year, there were no individual customers that made a significant contribution to total rental income.

Geographical breakdown of income

in EUR thousands				2022				2021
	Income from investment properties	Income from development properties	Other income	Total	Income from investment properties	Income from development properties	Other income	Total
Germany	136 921	-61	109	**136 969**	365 121	0	46	**365 167**
Switzerland	1 683	20 577	189	**22 449**	2 267	0	394	**2 661**
Total	**138 604**	**20 516**	**298**	**159 418**	**367 388**	**0**	**440**	**367 828**

Geographical breakdown of non-current assets

in EUR thousands				Dec 31, 2022				Dec 31, 2021
	Investment properties	Equipment and intangible assets	Investments in associates	Total	Investment properties	Equipment and intangible assets	Investments in associates	Total
Germany	2 601 219	3 562	0	**2 604 781**	2 539 677	3 546	0	**2 543 223**
Switzerland	26 647	1 021	1	**27 669**	24 467	1 502	1	**25 970**
Total	**2 627 866**	**4 583**	**1**	**2 632 450**	**2 564 144**	**5 048**	**1**	**2 569 193**

Real estate portfolio

5 Investment properties and revaluation result

How we calculate the figures:

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

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

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

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

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

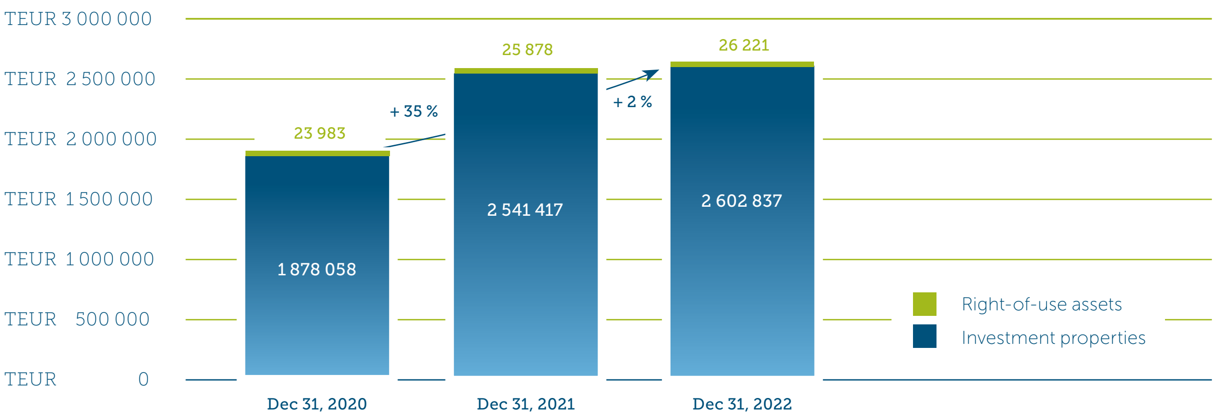
Key assumptions and estimates:

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

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

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

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



in EUR thousands			2022			2021
	Investment properties	Right-of-use assets	Total	Investment properties	Right-of-use assets	Total
Market value as of January 1	**2 541 417**	**25 878**	**2 567 295**	**1 878 058**	**23 983**	**1 902 041**
Additions through acquisition of real estate companies	-169	0	-169	361 592	0	361 592
Additions through acquisitions	19 590	0	19 590	1 094	0	1 094
Additions from investments eligible for capitalization	57 583	0	57 583	41 562	0	41 562
Disposals	-4 304	0	-4 304	-6 674	0	-6 674
Valuation gains	21 623	478	22 101	264 676	1 895	266 571
Valuation losses	-34 203	-135	-34 338	0	0	0
Currency translation changes	1 300	0	1 300	1 109	0	1 109
Market value as of December 31	**2 602 837**	**26 221**	**2 629 058**	**2 541 417**	**25 878**	**2 567 295**
of which investment properties held for sale	1 192	0	1 192	3 151	0	3 151

5.2. Changes in portfolio in 2022

Acquisitions:

- September 1, 2022: Purchase of 156 residential units in Saarbrucken. Target rental income of approx. EUR 932 thousand per year.

Investments eligible for capitalization:

- Repair and modernization amounting to EUR 57 583 thousand, of which EUR 6 269 thousand relates to the renovation project Neukirchen-Vluyn and EUR 9 945 thousand in relation to the new portfolios acquired at the end of June 2021.

Disposals:

- Sale of 20 residential units in Frankenthal, loss on disposal of EUR 152 thousand.
- Sale of 1 commercial and 3 residential units in Fassberg, profit on disposal of EUR 6 thousand.
- Sale of 18 residential units in Heidenheim and 1 residential unit in Marl.

5.3. Changes in portfolio in 2021

Acquisitions:

- June 30, 2021: acquisition of 4 329 rental units mainly in Dortmund, Marl, Duisburg and Bremen. Target rental income of EUR 20 449 thousand per year from the acquisition of 94.9 % shareholding in the property holding companies. Refer to Note 20.

Investments eligible for capitalization:

- Repair and modernization amounting to EUR 41 562 thousand, of which EUR 4 452 thousand in relation to the renovation project Neukirchen-Vluyn, and EUR 15 121 thousand in relation to the new portfolios acquired at the end of 2020 and June 2021.

Disposals:

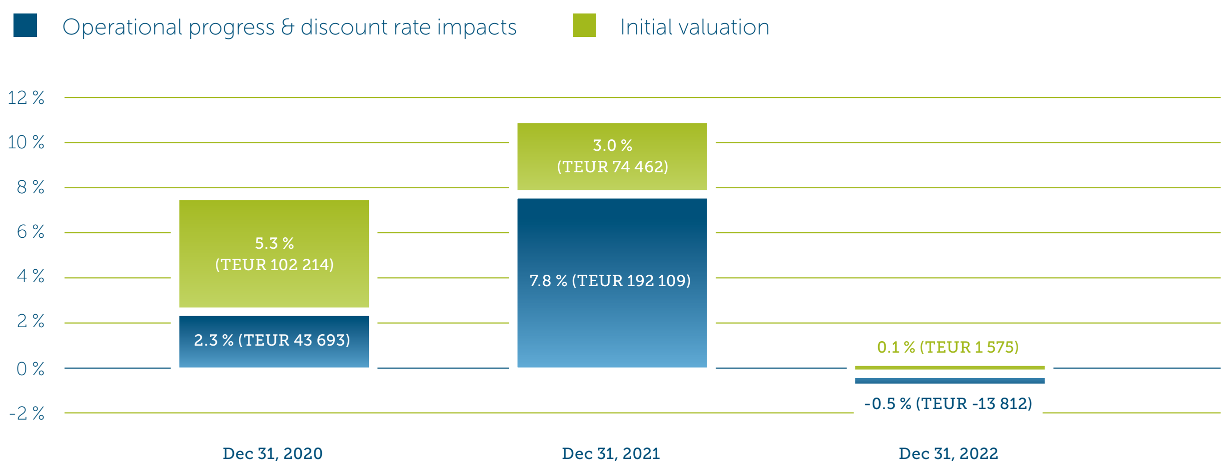
- Disposal of 49 units in Heidenheim, profit on disposal of EUR 121 thousand.
- Disposal of 2 buildings in Oberhausen, profit on disposal of EUR 16 thousand.
- Disposal of vacant land in Bielefeld, profit on disposal of EUR 271 thousand.

5.4. Non-current assets held for sale

- The units classified as held for sale at year-end 2021 were sold during the reporting year (see Note 5.2).
- As of December 31, 2022, 20 residential units in Marl are accounted for as held for sale investment properties. We expect the sale of these properties to conclude within the next twelve months.

5.5. Revaluation

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



› The valuation loss results mainly from a general negative property market development which outweighs the positive effect from our capital investments and in turn results in increases in discount rates. Further impacts include negative localized market developments and the negative impact from foregone earnings due to vacancies created by refurbishment projects.

5.6. Sensitivity analysis

Key assumptions and estimates:

Significant input factors for valuations include the discount rate and expected rents. The discount rate is based on a risk-adjusted real interest rate. The rate is determined starting from a risk-free interest rate and then adjusting for property-related risk factors such as:

- the property risk (capital immobility),
- location considerations,
- the relative quality and physical state of the property,
- the average earning expectation of market participants for a similar property,
- and other allowances, as appropriate.

The rent applied reflects the average achievable rent in the respective location, based on market benchmarked data.

					Unobservable input factors 2022			Unobservable input factors 2021		
	Market value Dec 31, 2022 in EUR thousands	Av. discount rate Dec 31, 2022	Market value Dec 31, 2021 in EUR thousands	Av. discount rate Dec 31, 2021	Discount rate in %	Rent EUR per m²/ mth	Vacancy in %	Discount rate in %	Rent EUR per m²/ mth	Vacancy in %
North Rhine-Westphalia	1 743 824	3.65 %	1 711 883	3.67 %	2.4 - 5.0	5.5 - 10.3	2.0 - 10.1	2.2 - 5.1	5.3 - 9.8	0.0 - 9.8
Rhineland-Palatinate	375 229	3.52 %	353 675	3.50 %	3.2 - 4.1	6.3 - 9.3	1.5 - 6.6	3.2 - 3.8	5.8 - 8.9	1.6 - 6.8
Lower Saxony	238 364	4.17 %	233 489	4.21 %	3.3 - 4.7	5.5 - 6.8	1.5 - 10.6	3.3 - 4.8	5.5 - 6.8	1.8 - 10.7
Baden-Württemberg	118 801	3.43 %	116 929	3.44 %	2.7 - 4.5	7.3 - 8.8	3.4 - 6.0	2.6 - 4.6	6.8 - 8.7	0.0 - 6.0
Hesse	57 763	3.93 %	57 465	4.02 %	3.8 - 4.2	5.5 - 6.3	4.0 - 6.2	3.9 - 4.3	5.0 - 6.0	4.0 - 5.9
Other locations	95 077	3.67 %	93 854	3.74 %	2.4 - 4.1	5.8 - 25.7	2.2 - 7.1	2.4 - 4.2	5.8 - 23.9	3.1 - 7.1
	2 629 058	**3.68 %**	**2 567 295**	**3.70 %**						

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

in EUR thousands **Dec 31, 2022**

			Rent						
			7.5 %	5.0 %	2.5 %	0.0 %	-2.5 %	-5.0 %	-7.5 %
Discount rate	-0.40 %	3.28 %	3 170 900	3 097 158	3 023 416	2 949 674	2 875 933	2 802 191	2 728 449
	-0.20 %	3.48 %	2 988 664	2 919 161	2 849 657	2 780 153	2 710 649	2 641 145	2 571 641
	0.00 %	3.68 %	2 826 237	2 760 510	2 694 784	2 629 058	2 563 331	2 497 605	2 431 878
	0.20 %	3.88 %	2 680 555	2 618 216	2 555 878	2 493 539	2 431 201	2 368 862	2 306 524
	0.40 %	4.08 %	2 549 155	2 489 872	2 430 590	2 371 307	2 312 024	2 252 742	2 193 459

in EUR thousands **Dec 31, 2021**

			Rent						
			7.5 %	5.0 %	2.5 %	0.0 %	-2.5 %	-5.0 %	-7.5 %
Discount rate	-0.40 %	3.30 %	3 094 369	3 022 407	2 950 445	2 878 483	2 806 521	2 734 559	2 662 596
	-0.20 %	3.50 %	2 917 548	2 849 698	2 781 848	2 713 998	2 646 148	2 578 298	2 510 448
	0.00 %	3.70 %	2 759 842	2 695 660	2 631 478	2 567 295	2 503 113	2 438 931	2 374 748
	0.20 %	3.90 %	2 618 312	2 557 421	2 496 530	2 435 639	2 374 748	2 313 857	2 252 966
	0.40 %	4.10 %	2 490 590	2 432 669	2 374 748	2 316 828	2 258 907	2 200 986	2 143 065

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

6 Development properties

How we calculate the figures:

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

Development properties are accounted for as inventory, at cost.

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

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

Key assumptions and estimates:

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

The valuation takes into account factors such as macro location (location, prices per m^2), micro location, strategy (sale or rental) and basic data verified by the appraiser such as utilization, deadlines and the development process. Construction costs are accounted for based on the planner, general contractor or technical contractor agreements concluded and other mandates awarded (if already available). Otherwise, the cost estimates are compared to a comparable value (in the appraiser's database). Own work budgeted and sale costs are included.

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

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Projects in the building preparation phase	0	42 602
Units under construction	34 031	0
Total development properties	**34 031**	**42 602**

6.1. Portfolio

- The only project under construction (previous year: building preparation phase) is the "Peninsula Wädenswil" development project.
- After our building permit became legally effective in 2020, we started preparatory work for future use in 2021, construction started towards the end of the second quarter of 2022.
- The project is scheduled to be completed in stages between the end of 2024, and 2025.
- Since July 2022 purchase agreements for 19 units of the total 57 residential and 3 commercial units were notarized amounting to 38 % (end of 2021: 0 %) of the expected sales volume.
- The reservation rate is approximately at 18 % (end of 2021: 30 %).

6.2. Capitalized interest expenses

- Cumulated interest and financing costs of EUR 2 365 thousand (previous year: EUR 3 599 thousand) are capitalized in development properties.
- The average interest rate for interest capitalized in 2021 was 0.7 %. In 2022 interest was only capitalized up to the start of construction, the interest rate was at 0.7 %, unchanged to the previous year.

Capital structure and risk management

7 Equity

7.1. Share capital and treasury shares

How we calculate the figures:

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

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

	Number of shares issued	Share capital in EUR thousands	Outstanding shares
January 1, 2021	**12 494 751**	**10 450**	**12 489 068**
Capital increase through conversion of mandatory convertible bond II	790 317	738	790 317
Capital increase through conversions of mandatory convertible bond III	3 272 695	3 026	3 272 695
Options exercised from hybrid warrant bond	189 176	175	189 176
Issue of shares from conditional capital for options exercised from option programs	113 000	100	113 000
Issue of shares from conditional capital for bonus entitlements	22 434	21	22 434
Purchase of treasury shares	0	0	-7 585
Issue of treasury shares to settle Board of Directors' fees and bonus entitlements	0	0	5 527
December 31, 2021	**16 882 373**	**14 510**	**16 874 632**
Increase nominal value	0	441 087	0
Purchase of treasury shares	0	0	-85 434
Issue of treasury shares to settle Board of Directors' fees and bonus entitlements	0	0	81 992
December 31, 2022	**16 882 373**	**455 597**	**16 871 190**

7.2. Authorized and conditional capital

	2022		2021	
	Number of shares	Share capital in CHF thousands	Number of shares	Share capital in CHF thousands
Authorized capital as of January 1	**0**	**0**	**0**	**0**
Formation by the Annual General Meeting	8 400 000	252 000	0	0
Authorized capital as of December 31	**8 400 000**	**252 000**	**0**	**0**

	2022		2021	
	Number of shares	Share capital in CHF thousands	Number of shares	Share capital in CHF thousands
Conditional capital as of January 1	**1 947 410**	**1 948**	**721 298**	**721**
Increase nominal value	0	56 474	0	0
Increase by the Annual General Meeting	6 452 590	193 578	5 613 734	5 614
Conversions of mandatory convertible bond II	0	0	-790 317	-790
Conversions of mandatory convertible bond III	0	0	-3 272 695	-3 273
Options exercised from hybrid warrant bond	0	0	-189 176	-189
Capital increase through the exercise of options from option programs	0	0	-113 000	-113
Settlement of bonus entitlements and Board of Directors' fees	0	0	-22 434	-22
Conditional capital as of December 31	**8 400 000**	**252 000**	**1 947 410**	**1 948**

7.3. Hybrid capital

How we calculate the figures:

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

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

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

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

in EUR thousands	Mandatory convertible bond III	Mandatory convertible bond II	Hybrid warrant bond	Hybrid convertible bond	**Total hybrid capital**
Hybrid capital as of January 1, 2021	**0**	**30 750**	**50 483**	**1 451**	**82 684**
Cash-effective increase	166 423	0	6	0	166 429
Conversions	-166 423	-31 378	0	0	-197 801
Exercise of options – option right reclassifications	0	0	1 067	0	1 067
Repayments	0	0	0	-1 486	-1 486
Transaction costs	-3 894	-7	0	0	-3 902
Accrued interest	0	-494	0	0	-494
Reclassifications to capital reserves / retained earnings	3 894	1 129	0	35	5 058
Hybrid capital as of December 31, 2021	**0**	**0**	**51 556**	**0**	**51 556**
Hybrid capital as of December 31, 2022	**0**	**0**	**51 556**	**0**	**51 556**

7.3.1. Hybrid warrant bond

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

Volume:	CHF 50 million with the option of raising this to CHF 100 million
Interest rate:	1.75 % p.a.; from June 23, 2023, the capital market rate then prevailing + 9.25 % p.a.
Maturity:	Unlimited; first callable by Peach on June 22, 2023
Option right:	Four (4) warrants per bond of CHF 1 000. One registered share may be acquired per warrant, at a subscription price of CHF 25.
Exercise period:	From June 25, 2018, up to and including June 25, 2021
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA231/CH0417376040

- We made an interest payment of EUR 962 thousand in June 2022 (previous year: EUR 963 thousand).
- Accumulated and unrecognized coupon component amounted to EUR 503 thousand per December 31, 2022 (previous year: EUR 495 thousand).
- The option exercise period lapsed in 2021 with 14 372 option rights not exercised. The value of the option rights not exercised, of EUR 76 thousand, was transferred from Other reserves to Hybrid capital.

7.3.2. Mandatory convertible bond III

- The mandatory convertible bond III issued on June 23, 2021, and matured on December 23, 2021, was fully converted at the conversion price of CHF 55. In 2021 we capitalized transaction costs in the amount of EUR 3 894 thousand within capital reserves and charged interest of EUR 981 thousand to the consolidated statement of income.

7.3.3. Mandatory convertible bond II

- The mandatory convertible bond II issued on October 16, 2020, and matured on June 30, 2021. was fully converted at the conversion price of CHF 42.50. In 2021 we capitalized transaction costs in the amount of EUR 1 129 thousand within capital reserves and charged interest of EUR 505 thousand to the consolidated statement of income.

7.3.4. Hybrid convertible bond

- We repaid the non-converted bonds of EUR 1 486 thousand early, in July 2021. Interest payment for the 2021 financial year amounted to EUR 37 thousand.

7.4. Capital risk management

Due to the defensive nature of our real estate portfolio (share of residential property of > 90 %), we are aiming for an equity ratio of > 40 % in order to achieve an optimal balance between growth and security.

We monitor this indicator closely, as the lower limit is also partly included as a condition in unsecured credit agreements.

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Based on IFRS values		
Total equity	1 107 822	1 081 273
Total assets	2 797 959	2 696 308
Equity ratio IFRS	**39.59 %**	**40.10 %**
Target value according to Audit & Risk Committee investment guideline	>40 %	>40 %

8 Mortgage loans, financial liabilities & derivative financial instruments

How we calculate the figures:

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

We hedge most of our floating rate financial instruments using derivative financial instruments like interest rate swaps, collars, caps or floors. Derivative financial instruments where we do not apply hedge accounting, usually caps, floors and collars, are measured at fair value through the consolidated statement of income. For interest rate swaps we usually apply hedge accounting. Interest rate swaps are measured at fair value through the consolidated statement of comprehensive income.

We recognize the spread from variable interest loans hedged with interest rate swaps in the consolidated statement of income under financial expenses.

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

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

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

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

in EUR thousands		Dec 31, 2022			Dec 31, 2021	
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Revolving credit facility	0	41 047	41 047	0	0	0
Mortgage and building loans	32 429	951 777	984 206	17 220	752 886	770 106
Bonds	98 216	295 103	393 319	0	543 318	543 318
Promissory notes, syndicated loans and other property financing	359	54 801	55 160	68 461	0	68 461
Derivative financial instruments	0	776	776	0	6 892	6 892
Total property financing liabilities	**131 004**	**1 343 504**	**1 474 508**	**85 681**	**1 303 096**	**1 388 777**
Lease liabilities	580	34 872	35 452	658	34 571	35 229
Other non-current financial liabilities	1 716	22 335	24 051	1 047	22 925	23 972
Total other financial liabilities	**2 296**	**57 207**	**59 503**	**1 705**	**57 496**	**59 201**
Total financial liabilities	**133 300**	**1 400 711**	**1 534 011**	**87 386**	**1 360 592**	**1 447 978**

8.1. Changes in financial liabilities

in EUR thousands			2022			2021
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Financial liabilities as of January 1	**87 386**	**1 360 592**	**1 447 978**	**163 354**	**1 076 966**	**1 240 320**
Net proceeds/(repayments)	-384 949	469 662	84 713	-167 974	150 070	-17 904
Change in scope of consolidation – non-cash	0	0	0	4 560	216 976	221 536
Change in lease liabilities – non-cash	0	0	0	148	0	148
Amortization of lease liabilities	-656	0	-656	-382	0	-382
Adjustment of lease liabilities	7	863	870	22	1 115	1 137
Reclassification between non-current/current	426 696	-426 696	0	86 601	-86 601	0
Accrued interest and deferred financing costs	4 247	581	4 828	692	3 896	4 588
Fair value adjustment of derivatives	0	-6 115	-6 115	0	-6 766	-6 766
Currency translation changes	569	1 928	2 497	422	1 148	1 570
Other non-cash movements	0	-104	-104	-57	3 788	3 731
Financial liabilities as of December 31	**133 300**	**1 400 711**	**1 534 011**	**87 386**	**1 360 592**	**1 447 978**

8.2. Revolving credit facility

- Conclusion of a revolving credit facility over EUR 100 million. Maturity: April 2025. As of December 2022, EUR 41 million were outstanding under the credit facility.

8.3. Promissory note

- New promissory note of EUR 55 million, of which EUR 19 705 thousand at 2.21 % and EUR 35 295 thousand at 3M Euribor + 1.75 %. Maturity: March 2025.

8.4. EUR bond II

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

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

- The total bond issuance costs amounted to EUR 8 198 thousand and is released in other financial expenses over the term of the bond.

8.5. EUR bond I

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

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

- We record the value of the below-par issue as interest expenses within financial expenses over the term of the bond.
- The total bond issuance costs amounted to EUR 6 260 thousand and is released in other financial expenses over the term of the bond.
- We early repaid the following partial amounts during the 2022 financial year:
  - EUR 49 504 thousand in June 2022
  - EUR 19 209 thousand in August 2022
  - EUR 85 000 thousand in December 2022
- The remaining outstanding amount will be repaid in January 2023.

8.6. Other refinancing measures of property financing liabilities

- Early repayment of a mortgage loan of EUR 78.7 million in March 2022, and conclusion of a new mortgage loan of EUR 90 million with maturity in March 2027.
- March 2022: New mortgage loan of EUR 45 million and maturity in December 2031.
- April 2022: Early repayment of the syndicated loan of EUR 60 million.
- June 2022: New mortgage loan of EUR 40 million and maturity in May 2027.
- August 2022: New mortgage loan of EUR 100 million, with maturity in August 2025.
- Early repayment of a mortgage loan of EUR 41 million in September 2022, and conclusion of a new mortgage loan of EUR 65 million with maturity in March 2027.

8.7. Lease liabilities

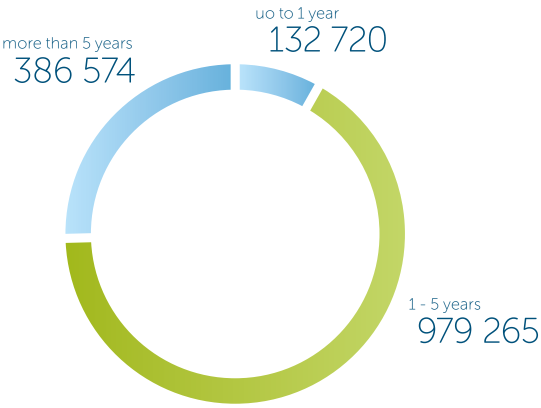
- Lease liabilities consist primarily of leasehold agreements.
- The average interest rate amounts to 2.55 % (previous year 2.54 %).
- Also included are rental contracts for our office premises, which amount to EUR 571 thousand as of December 31, 2022 (previous year: EUR 1 003 thousand). The average interest rate amounts to 3.0 % (previous year: 3.1 %).

8.8. Other non-current financial liabilities

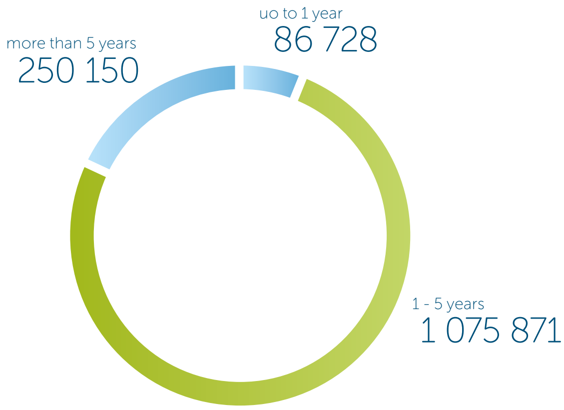
- Other non-current financial liabilities comprise mainly our minimum dividend obligations to non-controlling interest shareholders of portfolio companies acquired in previous years.

8.9. Maturity structure

Maturities of financial liabilities 2022
(excluding lease liabilities)
EUR thousands

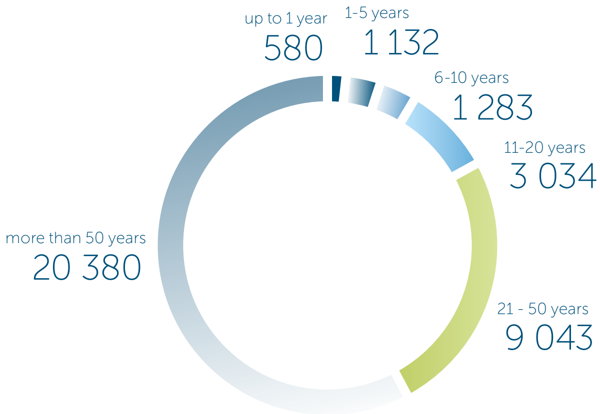


Maturities of financial liabilities 2021
(excluding lease liabilities)
EUR thousands

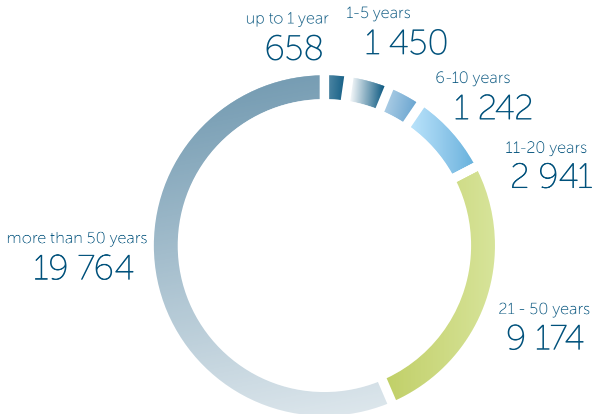


- 91.1 % of all financial liabilities are non-current in nature at the end of the reporting year (previous year: 93.9 %).
- The average residual term is 3.7 years at the end of the reporting year (previous year: 3.8 years).
- Mortgage loans have an average term of 4.4 years (previous year: 4.9 years).
- Mortgage loans bear an average interest rate of 1.7 % (previous year: 1.8 %), other property financing liabilities were charged with an average interest of 3.8 % (previous year: 4.0 %). The overall average interest rate was 2.6 % (previous year: 2.8 %).

Maturities of lease liabilities 2022
EUR thousands



Maturities of lease liabilities 2021
EUR thousands



- The average residual term is 113 years (previous year: 114 years) for leasehold agreements, and 1.2 years (previous year: 2.3 years) for other lease agreements.

8.10. Derivative financial instruments

in EUR thousands	2022			2021		
	Hedge accounted interest rate swap instruments	Not hedge accounted interest rate cap and floor instruments	Total	Hedge accounted interest rate swap instruments	Not hedge accounted interest rate cap and floor instruments	Total
Fair Value – net assets/(liabilities)	18 844	20 795	39 639	-6 749	1 727	-5 022
Nominal value of hedges	262 572	287 872	550 444	321 959	169 114	491 073
Changes in fair value recognized in the consolidated statement of comprehensive income	23 439	0	23 439	7 434	0	7 434
Changes in fair value recognized in the consolidated statement of income	0	14 774	14 774	0	1 144	1 144
Maturity profiles	2023 - 2028	2024 - 2028		2023 - 2028	2024 - 2025	
Hedge ratio	1 : 1	0.95 : 1		1 : 1	1 : 1	
Effectiveness (hedge accounting) - swaps	100 %	n.a.		100 %	n.a.	
Rate of return on underlying	3M-Euribor	3M-Euribor		3M-Euribor	3M-Euribor	
Rate of return on hedge	-1.37 % to +0.04 %	-0.78 % to 0.00 %		+0.39 % to 0.00 %	0.00 % to 0.57 %	

- Derivative financial instruments consist exclusively of interest rate hedges for investment property financing entered in accordance with our risk management strategy (see Note 11).
- As in the previous year, we did not reclassify any reserves from other comprehensive income to the consolidated statement of income for the reporting year.

9 Assets pledged as collateral for own commitments

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Cash and cash equivalents	1 668	340
Development properties	13 710	15 989
Investment properties	973 715	765 346

- The figures shown in this note indicate the degree to which assets are pledged as security for mortgage and building loans. The book value of the assets effectively pledged amounts to EUR 2 175 170 thousand (previous year: EUR 2 056 431 thousand).

10 Financial result

in EUR thousands	2022	2021
Financial expenses		
Interest expenses – third parties	-38 087	-38 781
Unwinding of discount effects in relation to minimum dividend obligations	-645	-557
Interest expenses related to lease liabilities	-911	-892
Valuation adjustment from lease liabilities	-870	-1 072
Foreign exchange losses	-30 802	-28 441
Other financial expenses	-9 154	-6 829
Total financial expenses	**-80 469**	**-76 572**
Financial income		
Interest income – third parties	44	312
Gain from changes in the fair value of financial instruments	14 774	1 144
Valuation adjustment from lease liabilities	0	20
Foreign exchange gains	825	127
Other financial income	1 173	0
Total financial income	**16 816**	**1 603**

- Interest expenses decreased marginally year-on-year. Interest expenses in 2022 additionally include interest from the financing of the portfolio acquired at the end of June 2021, of approximately EUR 2 million. The like-for-like reduction in interest expenses reflects the refinancing measures undertaken in the first half-year of 2022 (see Note 8). Interest expenses in the previous year furthermore include interest on the mandatory convertible bonds II, and III, issued in 2020 and 2021 respectively, and converted into shares of the Company in 2021 (see Note 7).
- Other financial expenses increased compared to the previous year mainly due to one-off costs in relation to refinancing measures and increases in the non-cash amortization of capitalized debt issue costs with financing (EUR bonds and mortgage loans).
- Negative currency effects amount to EUR 29 977 thousand compared to EUR 28 314 thousand in the previous year due to the further weakening of the Euro against the Swiss Franc.
- Other financial income mainly resulted from the early repayment of the EUR-bond I below nominal value.
- We designated Group loans in the amount of EUR 104 000 thousand (previous year: EUR 104 000 thousand) as net investments in a foreign business operation. The positive foreign currency effects recognized in the consolidated statement of comprehensive income amounted to EUR 5 342 thousand (previous year: positive currency effects of EUR 4 750 thousand).

11 Financial risk management

11.1. Financial risk factors

Our activities expose us to a variety of financial risks.

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

Identified risks	Risk	Risk management
Foreign exchange risk	Fluctuations in the CHF/EUR exchange rate lead to: › Transaction and valuation risks, mainly relate to Group loans from Swiss entities granted in EUR. › Translation risks of companies with Swiss Franc as their functional currency.	› Denomination of revenue in the same currency in which the costs are incurred and denomination of financing in the currency of the asset ("natural hedging"). › Designation of individual long-term Group loans as a net investment in a business operation in order to minimize fluctuations in the consolidated statement of income. › Foreign exchange risks are not hedged by derivative instruments.
Interest rate risk	› Rising interest rates make financing for investment and development properties more expensive.	› On the basis of our risk management strategy, we generally finance investment properties at fixed interest rates for 4 - 6 years. › Concluding long-term fixed-rate financing and monitoring of average maturities. › Hedging variable-rate mortgage and building loans by means of interest rate swaps, caps or collars. › We refrain from speculative trading in derivative financial instruments. › Loans from and to associates and related parties have fixed interest rates.
Credit risk	› Default risk on rent and trade receivables, financial receivables and cash and cash equivalents.	› Obtaining creditworthiness information (e.g. SCHUFA, debt collection register extracts and information on income) before concluding new rental agreements. › Timely management of outstanding amounts, generally passing these on to a lawyer or debt collection agency after the second payment reminder. › Payment guarantees from banks for the sale of condominiums; units are generally only transferred after full payment is rendered, or the purchase price has been deposited on a notary escrow account. › Bank balances invested with "good" to "top-rated" counterparties (banking institutions with ratings of BBB+ to AAA). › Financial receivables: Continuous monitoring of recoverability. Impairments are recorded in line with the expected losses. › Details on losses on receivables are given in the disclosures for the respective consolidated statement of financial position items.
Liquidity risk	› Insufficient cash and cash equivalents to service and repay liabilities. › Lines of credit insufficient for financing further growth.	› Short- and medium-term rolling planning of cash and cash equivalents at Group level. › Availability of sufficient liquid funds. › Ongoing monitoring of amortization, reporting and repayment obligations at Group level. › Early involvement of financing institutions in the new property acquisition process. › Securing lines of credit at Group level.

11.1.1. Foreign exchange risks

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Group-wide financial receivables with EUR/CHF risk	739 323	698 381
Group-wide financial liabilities with EUR/CHF risk	43 153	2 265
Net risk exposure	**696 170**	**696 116**
Impact of a 5 % strengthening of the CHF (negative) / 5 % weakening of the CHF (positive)		
Consolidated statement of income	29 608	29 606
Consolidated statement of comprehensive income	5 200	5 200
Effect on total equity	**34 808**	**34 806**

11.1.2. Interest rate risk

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

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Fixed-rate financial liabilities	799 434	821 320
Unhedged variable-rate financial liabilities	111 837	4 912
Hedged variable-rate financial liabilities, without hedge accounting	301 069	169 103
Hedged variable-rate financial liabilities, with hedge accounting	261 392	386 550
Non-interest-bearing financial liabilities	24 051	23 972
Non-interest-bearing financial liabilities	**1 497 783**	**1 405 857**

Interest rate sensitivities:

- We do not recognize any fixed-rate financial liabilities at fair value, so that a change in the interest rate environment does not affect the consolidated statement of comprehensive income.
- Most of our mortgage loans are hedged either with interest rate swaps, caps or collars. We apply hedge accounting to all interest rate swaps. Hedge accounting is not applied to caps and collars.
- Variable rate financial liabilities include the revolving credit facility as well a share of the promissory note.
- All calculations are based on the carrying amounts of the financial instruments as of the respective reporting dates.

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Change in interest rate	+ 1.0 %	+ 1.0 %
Impact on interest expenses	**1 123**	**1 660**
Change in interest rate	- 1.0 %	- 1.0 %
Impact on interest expenses	**-1 720**	**-1 644**

Financial liabilities categorized into the respective interest-bearing category (including hedge spreads), is broken down as follows:

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Non-interest-bearing financial liabilities	24 051	23 972
Financial liabilities up to and including 1.00 %	30 005	25 596
Financial liabilities up to and including 2.00 %	439 604	475 448
Financial liabilities up to and including 3.00 %	513 828	277 747
Financial liabilities up to and including 4.00 %	193 552	307 889
Financial liabilities up to and including 5.00 %	296 743	295 205
Total interest-bearing financial liabilities and mortgage loans	**1 497 783**	**1 405 857**

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 EUR thousands	2022	2021
Operating result (EBIT)	43 686	314 966
Depreciation and amortization	1 907	1 560
Valuation result of investment properties	12 237	-266 571
Share-based payment compensation	516	1 417
Other non-cash accrued expense positions	823	1 049
Adjusted operating result	**59 169**	**52 421**
Net interest	38 080	38 484
Interest coverage ratio	**1.55**	**1.36**

› Due to various refinancing measures undertaken in the first half-year of 2022 (see Note 8) the interest coverage increased to the target value during the year.

11.1.3. Liquidity risk

Contractual maturities:

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

in EUR thousands	0 - 3 months	4 - 6 months	7 - 12 months	1 - 5 years	> 5 years	Total
Dec 31, 2022						
Trade and other payables [1,2]	22 280	3 500	4 349	0	0	**30 129**
Financial liabilities	112 401	16 275	39 447	1 059 354	394 964	**1 622 441**
Dec 31, 2021						
Trade and other payables [1,2]	27 003	2 132	6 057	0	0	**35 192**
Financial liabilities	8 642	79 212	35 666	1 151 269	267 277	**1 542 066**

1 Excluding advance payments and prepaid rents.
2 Items not impacting liquidity in the amount of EUR 716 thousand are not included (previous year: EUR 1 083 thousand).

- The table above is based on the terms contractually agreed with the lending banks; implicit agreements regarding extensions are in place in some instances but are not considered.
- Financial liabilities due within 0 - 3 months include the remaining amount of the EUR bond I of EUR 96 576 thousand, that was repaid in January 2023 (see Note 8) as well as interest and down payments of mortgage loans.
- The category "1 - 5 years" includes the future settlement of borrowings of EUR 979 265 thousand (see Note 8.9) and interest settlements that will fall due in the future of EUR 80 089 thousand.

Loan-to-value ratio:

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

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Total market value of real estate portfolio (investments and development properties) incl. advance payments for investment properties [1]	2 636 868	2 592 864
Total net financial liabilities without lease liabilities and market value of derivative financial instruments [2]	1 442 125	1 345 605
Loan-to-value ratio	**54.7 %**	**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]	2 636 868	2 592 864
Total net financial liabilities secured by mortgage loans [2]	952 599	733 825
Secured loan-to-value ratio	**36.1 %**	**28.3 %**

1 Market value of development properties as per external valuation per December 31, 2022, of EUR 34 031 thousand (previous year: EUR 51 447 thousand).
2 Less cash and cash equivalents and current financial receivables.

Lending arrangement clauses:

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

11.2. Determination of fair value

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

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

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

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

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

11.2.1. Financial instruments at fair value

The following table shows the financial assets and liabilities measured at fair value:

in EUR thousands	Dec 31, 2022	Dec 31, 2021
	Level 2	Level 2
Assets		
Derivatives held for trading purposes - changes in fair value recognized in the consolidated statement of income	20 795	1 770
Derivatives held as hedging instruments - changes in fair value recognized in the consolidated statement of comprehensive income	19 620	100
Liabilities		
Derivatives held for trading purposes - changes in fair value recognized in the consolidated statement of income	0	43
Derivatives held as hedging instruments - changes in fair value recognized in the consolidated statement of comprehensive income	776	6 849

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

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

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

Unrecognized differences were identified for the following instruments:

in EUR thousands	Dec 31, 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	92 066	98 216	0	0
Non-current financial liabilities measured at amortized cost				
Non-current mortgage loans	947 437	951 777	753 524	752 886
Non-current financial liabilities excluding lease liabilities, Level 1	218 640	295 103	557 398	543 318
Non-current financial liabilities excluding lease liabilities, Level 2	95 184	95 848	0	0
Total	1 353 327	1 440 944	1 310 922	1 296 204

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

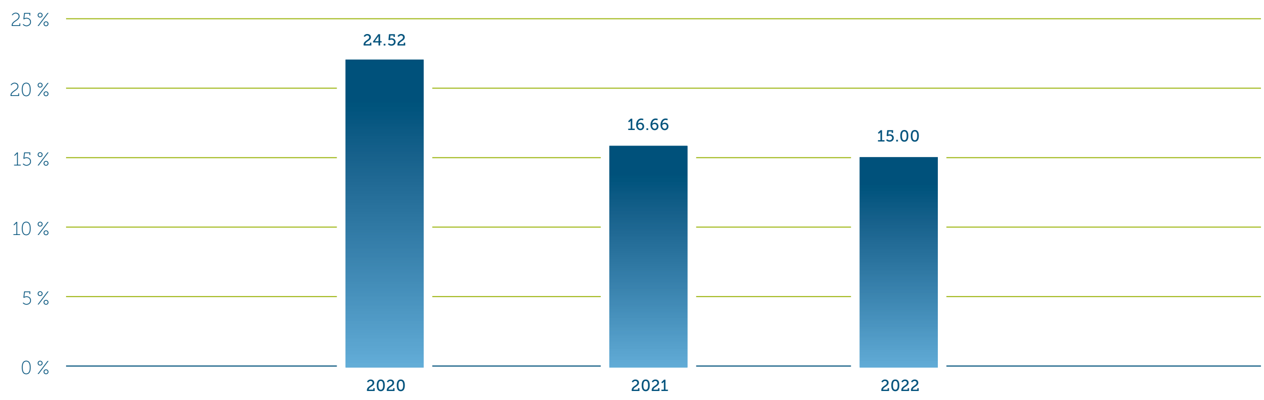
Platform costs

12 Personnel expenses

How we calculate the figures:

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

Personnel expenses as a % of the rental income



in EUR thousands	2022	2021
Salaries	-15 220	-12 770
Social insurance cost	-2 175	-2 070
Employee benefits – defined benefit plan	-204	-179
Employee benefits – defined contribution plan	-195	-146
Share-based compensation	-516	-1 417
Other personnel expenses	-595	-1 022
Capitalized own services	1 425	880
Total personnel expenses	**-17 480**	**-16 724**
Headcount as of December 31	233	194

- The decrease in personnel expenses in relation to the rental income is mainly due to the acquisition of more than 4 300 residential units in June 2021 and the resulting economies of scale and efficiency gains achieved.
- The absolute increase in personnel expenses is largely due to the insourcing of the management of the 4 300 units acquired in June 2021 from January 2022, as well as the insourcing of the tax function in the course of the 2022 financial year.

13 Employee benefit obligations

How we calculate the figures:

We account for defined benefit and defined contribution plans.

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

Employees in Switzerland are affiliated to a collective foundation for the mandatory portion of pension provision up to an insured salary of CHF 151 thousand (EUR 151 thousand). This plan is accounted for as a defined benefit plan in accordance with IAS 19. The non-mandatory portion of pension provision on insured salaries exceeding CHF 151 thousand (EUR 151 thousand) is insured by a collective foundation for non-mandatory occupational benefits. This plan is not accounted for as a defined benefit plan, since an actuarial valuation in accordance with IAS 19 would not lead to any significant adjustments due to the risk structure (investment risk fully borne by the employee, longevity risk mainly borne by the foundation, no contractual or factual additional funding obligations). The materiality of unrecognized effects is reviewed periodically.

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

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

Key assumptions and estimates:

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

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

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

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

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

in EUR thousands			Dec 31, 2022			Dec 31, 2021
	Swiss employee benefit plan	German Pensioners Plan	Total	Swiss employee benefit plan	German Pensioners Plan	Total
Fair value of plan assets	3 339	786	4 125	3 494	899	4 393
Present value of employee benefit obligations	-3 727	-2 574	-6 301	-4 278	-3 675	-7 953
Funded status	**-388**	**-1 788**	**-2 176**	**-784**	**-2 776**	**-3 560**

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

in EUR thousands			2022			2021
	Swiss employee benefit plan	German Pensioners Plan	Total	Swiss employee benefit plan	German Pensioners Plan	Total
Present value of the obligation as of January 1	**-4 278**	**-3 675**	**-7 953**	**-4 058**	**-3 886**	**-7 944**
Current service cost	-149	0	-149	-119	0	-119
Interest expense	-16	-39	-55	-6	-30	-36
Currency translation changes	-228	0	-228	-199	0	-199
Total pension benefits	**-4 671**	**-3 714**	**-8 385**	**-4 382**	**-3 916**	**-8 298**
Actuarial gains/(losses) from changes in demographic assumptions	0	0	0	193	0	193
Actuarial gains/(losses) from changes in financial assumptions	881	889	1 770	121	96	217
Experience-based adjustments	15	76	91	-199	-34	-233
Currency translation changes	18	0	18	5	0	5
Total revaluations	**-3 757**	**-2 749**	**-6 506**	**-4 262**	**-3 854**	**-8 116**
Employees' contributions	-96	0	-96	-67	0	-67
Benefits paid	125	175	300	52	179	231
Currency translation changes	1	0	1	-1	0	-1
Present value of the obligation as of December 31	**-3 727**	**-2 574**	**-6 301**	**-4 278**	**-3 675**	**-7 953**
Fair value of plan assets as of January 1	**3 494**	**899**	**4 393**	**2 859**	**881**	**3 740**
Interest income	13	11	24	4	7	11
Return on plan assets (less interest income)	-410	-124	-534	390	47	437
Employee contributions	96	0	96	68	0	68
Employer contributions	96	0	96	68	0	68
Benefits paid	-125	0	-125	-52	-36	-88
Currency translation changes	175	0	175	157	0	157
Fair value of plan assets as of December 31	**3 339**	**786**	**4 125**	**3 494**	**899**	**4 393**

We have the following actuarial assumptions:

Actuarial assumptions	Dec 31, 2022		Dec 31, 2021	
	Swiss employee benefit plan	German Pensioners Plan	Swiss employee benefit plan	German Pensioners Plan
Discount rate	2.30 %	3.80 %	0.35 %	1.00 %
Inflation	1.00 %	n.a.	1.00 %	n.a.
Expected salary increases	2.00 %	2.35 %	1.50 %	2.35 %
Expected increase in pension benefits	0.25 %	1.60 %	0.00 %	1.60 %
Biometric assumptions	BVG 2020 (GT)	Reference guidelines 2018 G	BVG 2020 (GT)	Reference guidelines 2018 G

14 Option programs

How we calculate the figures:

We account for the following employee participation plans:

- Plans 2020, 2021 and 2022, which were designed to attract and retain selected members of the Board of Directors, Executive Management and Senior Management.
- Plan 2019 was exercised after the Annual General Meeting in 2022.
- Plan 2018 was exercised after the Annual General Meeting in 2021.
- Plan 2014, which was used to grant shares to three members of the Executive Committee in order to satisfy employment contract entitlements, was exercised in 2021.

The plans constitute additional compensation in the form of shares granted for free. All plans are equity settled.

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

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

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

14.1. Plans 2022, 2021, 2020, 2019, and 2018

- In the reporting year, and the previous year, the Board of Directors approved new performance stock unit plans (PSU) for share-based compensation (Plan 2022 and Plan 2021, respectively). The granting of shares is resolved by the Board of Directors. The cumulated maximum rights to shares shall not exceed 3 % of the Company's total issued share capital, as measured based on the respective holdings, at any point of time.
- Under the PSU programs, entitlements are granted to program participants in the form of PSUs (performance stock units), which represent an entitlement of up to two shares per PSU, depending on the degree of target achievement over the performance period. Target achievement for the 2022 and 2021 programs is defined as a target share price, cumulated Group earnings over 3 years, and the average interest expense during the last year of the performance period, all in equal parts. Target achievement for the 2020, 2019 and 2018 programs is defined as a target share price and cumulated Group earnings over 3 years, in equal parts. All programs require the beneficiary to still be in our employ by the time of vesting, at the end of the performance period (Annual General Meeting for last year of the performance period). We have no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.
- The shares are allocated no later than six months after vesting, without any further action on the part of the beneficiaries.
- With the approval of the 2021 financial statements by the Annual General Meeting in 2022, vesting took place and closed the period for Plan 2019. All PSUs were exercised with a factor of 2.
- With the approval of the 2020 financial statements by the Annual General Meeting in 2021, vesting took place and closed the period for Plan 2018. All PSUs were exercised with a factor of 2.

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	Plan 2018
Issue date	Apr 1, 2022	Apr 1, 2021	Jun 2, 2020	May 10, 2019	Aug 31, 2018
Measurement years for accumulated Group result	2022 - 2024	2021 - 2023	2020 - 2022	2019 - 2021	2018 - 2020
End of performance period	2025 AGM	2024 AGM	2023 AGM	2022 AGM	2021 AGM
Effective date share price	Feb 6, 2025	Feb 6, 2024	Feb 6, 2023	Feb 4, 2022	Feb 4, 2021
End of blocking period	2025 AGM	2024 AGM	2023 AGM	2022 AGM	2021 AGM
Accumulated Group result before tax	n.a.	n.a.	n.a.	n.a.	approved long-term plan
Accumulated Group result after taxes	approved long-term plan	approved long-term plan	approved long-term plan	approved long-term plan	n.a.
Average interest expense	approved long-term plan	approved long-term plan	n.a.	n.a.	n.a.
Share price when issued in CHF	55.90	49.70	36.40	29.60	33.50
Risk-free interest rate	0.45 %	-0.55 %	-0.62 %	-0.57 %	-0.41 %
Volatility	28.06 %	28.77 %	28.67 %	25.04 %	24.42 %
Market value of PSUs on date of issue in CHF	48.50	46.62	26.79	20.98	32.37
Market value of PSUs on date of issue in EUR	48.28	43.10	25.03	18.86	28.03

14.2. Plan 2014

The allocation was made free of charge and entitles beneficiaries to acquire a registered share of the Company upon payment of the exercise price of CHF 11 (EUR 10) per option. The options can be exercised after the vesting periods have expired, provided that the beneficiaries are still working for the Group on the exercise date. No performance conditions or objectives were agreed. The options were fully exercised in January 2021.

14.3. Outstanding and exercisable options of Plans 2014-2022

	Plan 2022	Plan 2021	Plan 2020	Plan 2019	Plan 2018	Plan 2014
Outstanding options/PSUs as of January 1, 2021	**0**	**0**	**41 500**	**41 500**	**36 500**	**40 000**
Exercisable options/PSUs as of January 1, 2021	**0**	**0**	**0**	**0**	**0**	**40 000**
Options allocated	0	43 000	1 000	0	0	0
Options exercised	0	0	0	0	-36 500	-40 000
Options forfeited	0	-1 500	-8 000	-7 000	0	0
Outstanding options/PSUs as of December 31, 2021	**0**	**41 500**	**34 500**	**34 500**	**0**	**0**
Exercisable options/PSUs as of December 31, 2021	**0**	**0**	**0**	**0**	**0**	**0**
Options allocated	24 700	0	0	0	0	0
Options exercised	0	0	0	-31 500	0	0
Options forfeited	-500	-2 000	-3 000	-3 000	0	0
Outstanding options/PSUs as of December 31, 2022	**24 200**	**39 500**	**31 500**	**0**	**0**	**0**
Exercisable options/PSUs as of December 31, 2022	**0**	**0**	**0**	**0**	**0**	**0**

› We charged EUR 516 thousand (excluding social insurance benefits) to the consolidated statement of income for Plans 2018-2022 during the reporting year (previous year: EUR 1 416 thousand for the plans 2017 – 2021).

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

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

in EUR thousands			2022			2021
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Fixed remuneration, cash	249	901	1 150	231	800	1 031
Variable remuneration, cash	0	585	585	0	810	810
Fixed remuneration, stock	307	0	307	216	0	216
Variable remuneration, stock	0	467	467	0	477	477
Options	115	178	293	350	476	826
Social insurance and fringe benefits	-8	279	271	85	519	604
Total	**663**	**2 410**	**3 073**	**882**	**3 081**	**3 964**

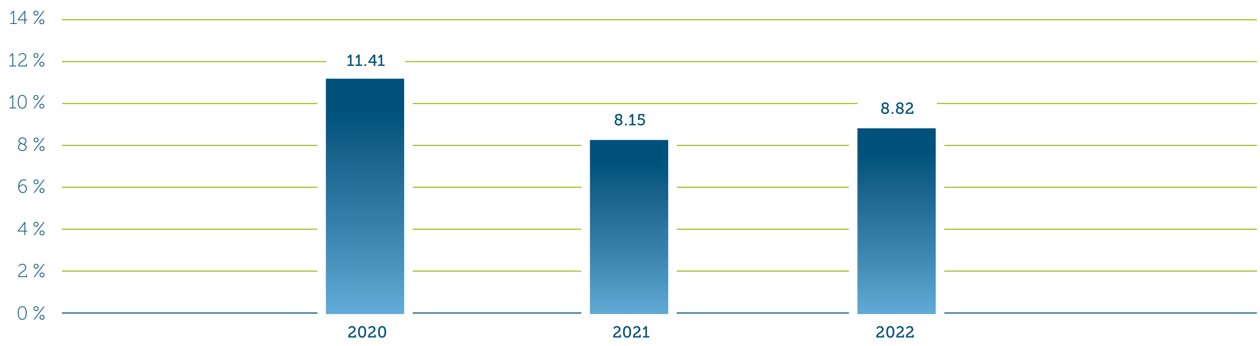
15.2. Shares and options held

			Dec 31, 2022			Dec 31, 2021
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Number of shares	275 832	741 900	1 017 732	220 126	743 089	963 215
Number of options	18 700	34 500	53 200	27 000	36 500	63 500

- Senior office staff act as managing directors in some of our property holding companies. These individuals are however not members of the Group's executive management. Members of the Boards of Directors of subsidiaries do not receive any remuneration for their activities.
- There are no post-employment benefit obligations to (former) members of the Board of Directors or Executive Management, nor are there any obligations to them in the event of termination of employment.
- No loans were granted to members of the Board of Directors or Executive Management.
- In the previous year, we paid Dr. Christian De Prati an arrangement fee of EUR 205 thousand for outlays in connection with the mandatory convertible bond III placements, which is customary on the market.

16 Other operating expenses

Other operating expenses as a % of rental income



in EUR thousands	2022	2021
Fees and legal expenses, third parties	-3 548	-3 220
Fees and legal expenses, related parties	-516	-486
IT expenses	-1 681	-1 557
Capital taxes, input tax deductions and other taxes	-909	-481
Vehicle maintenance	-397	-275
Accounting costs and scanning services	-387	-298
Other operating expenses	-2 617	-1 672
Total other operating expenses	**-10 055**	**-7 989**

- The increase in fees and legal expenses is related to one-off expenses with regard to the property tax reform as well as refinancing and restructuring measures within the reporting year.
- The increase of IT and operating expenses resulted mostly from an increase in the number of staff following the insourcing of the management of the 4 300 units acquired in June 2021.
- As in the previous year, Fees and legal expenses, related parties, include the fees to the Board of Directors.

17 Taxes

How we calculate the figures:

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

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

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

Key assumptions and estimates:

Income tax
Certain group companies are only assessed through 2019. There is a risk that assessments deviate from our tax calculations, and lead to higher tax burdens or lower loss carryforwards.

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

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

17.1. Income tax

in EUR thousands	2022	2021
Current income taxes	1 187	-3 149
Deferred taxes	3 749	-50 746
Total income taxes	**4 936**	**-53 895**
Result before taxes	**-19 967**	**239 997**
Income taxes at a rate of 18.5 % (2021: 18.5 %)	3 694	-44 399
Not-capitalized interest carryforwards / reversal of capitalized interest carryforwards	-3 907	-8 383
Adjustments for final assessments of previous years, from tax audits and change of estimates	5 751	-1 499
Non-capitalized loss carryforwards / reversal of capitalized loss carryforwards	-1 092	-157
Capitalized loss carryforwards from previous years	0	357
Use of non-capitalized loss carryforwards	1 239	128
Other effects	-749	58
Total income taxes	**4 936**	**-53 895**

- We concluded profit and loss transfer agreements for a large number of group companies in order to have a joint assessment for German corporation tax. Under the interest barrier regulation (tax-deductible net interest only up to 30 % of EBITDA), there is only a one-time exemption limit for interest expenses of EUR 3 million for the whole tax group. In combination with the current financing structure, this gave rise to significant interest carryforwards. We have not capitalized the interest carryforwards arising in the 2022 and the 2021 financial years, and derecognized the interest carryforwards capitalized in the years before 2021.
- In the 2022 we received the final assessments for Peach Property Group AG for the years 2019 through 2020, as well as the tax audit outcome for the years 2014 through 2016 of the German group. An adjustment was recorded of EUR 1 140 thousand in our favor. Additionally, we reassessed estimates with regard to German trade tax reductions and released deferred tax liabilities in the amount of EUR 4 611 thousand. The previous year's impact relates to the final assessment of property gains tax for the "Wollerau Park" project, and final assessments and tax audits of the Swiss group companies.

17.2. Deferred taxes

in EUR thousands	Dec 31, 2022		Dec 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Development properties	0	1 427	0	1 742
Investment properties	10	121 496	4	124 507
Derivative financial instruments	1 259	7 183	1 039	324
Other assets	62	24	34	189
Contract liabilities	0	406	0	0
Lease liabilities	3 010	25	2 979	14
Other liabilities and provisions	92	1 113	102	408
Loss carryforwards	25 669	0	22 050	0
Total	**30 102**	**131 674**	**26 208**	**127 184**
Amounts netted	-17 266	-17 266	-9 312	-9 312
Deferred tax assets	**12 836**		**16 896**	
Deferred tax liabilities		**114 408**		**117 872**

in EUR thousands	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Deferred taxes as of January 1	16 896	117 872	18 945	67 760
Recognized in the consolidated statement of income for the year	-4 204	-7 895	-2 216	48 569
Recognized in other total comprehensive income	12	4 219	0	1 256
Currency translation changes	132	212	167	287
Deferred taxes as of December 31	**12 836**	**114 408**	**16 896**	**117 872**

17.3. Loss and interest carryforwards

- Non-capitalized interest carryforwards amount to EUR 73 281 thousand.
- Loss carryforwards that are not capitalized relate mainly to Group companies without profit and loss transfer agreements, where the loss carryforwards exceed the credit temporary differences, as well as loss carryforwards that are locked due to the conclusion of profit and loss transfer agreements.

Loss and interest carryforwards will expire as follows:

in EUR thousands	Dec 31, 2022		Dec 31, 2021	
	Total	of which non-capitalized	Total	of which non-capitalized
Expiration in 4-7 years	12 188	0	4 238	0
Expiration after more than 7 years / no expiration	213 410	83 328	189 615	56 968
Total	**225 598**	**83 328**	**193 853**	**56 968**

17.4. Unrecognized permanent differences

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

Other disclosures

18 Working Capital

How we calculate the figures:

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

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

The expected loss over the entire term is calculated on outstanding rent receivables based on the actual rent per portfolio, or profit center. The impairment rates are between 0.0 % and 20 % in the reporting year.

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

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

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

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

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

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

18.1. Trade receivables

Amounts due from, and impairment of trade receivables:

in EUR thousands	Due per Dec 31, 2022					Due per Dec 31, 2021				
	Not due	1-4 Months	5-12 months	More than 12 months	Total	Not due	1-4 months	5-12 months	More than 12 months	Total
Trade receivables from third parties	6 958	5 097	2 385	2 074	16 514	4 913	2 778	2 644	1 818	12 153
Bad debt allowance	-6	-1 337	-2 012	-2 001	-5 356	-349	-799	-1 886	-1 735	-4 769
Total trade receivables, net	**6 952**	**3 760**	**373**	**73**	**11 158**	**4 564**	**1 979**	**758**	**83**	**7 384**
Bad debt allowance as of January 1					-4 769					-2 707
Increase in bad debt allowance					-3 410					-3 660
Losses from trade receivables					2 697					1 434
Reversal of bad debt allowance					126					164
Bad debt allowance as of December 31					**-5 356**					**-4 769**

- Trade receivables from third parties mainly comprise tenant receivables, amounting to EUR 8 865 thousand (previous year: EUR 4 884 thousand) and receivables from the sale of condominiums amounting to EUR 2 247 thousand (previous year: EUR 2 483 thousand).
- The increase in tenant receivables of EUR 3 981 thousand results mainly from receivables arising from the 2021 ancillary cost settlements that were higher than receivables arising from the previous settlement period.
- Most of the outstanding receivables from condominiums are deposited in notary escrow accounts and are not due, since actions to remediate deficiencies are still ongoing.
- Trade receivables from third parties not due include ancillary cost receivables of EUR 3 893 thousand (previous year: EUR 1 906 thousand) that become due on January 1, 2023, and February 1, 2023, and the not due portions of instalment payment arrangements.
- Lost income due to collection risks amounted to EUR 1 906 thousand (previous year: EUR 3 748 thousand) and corresponds to 1.6 % (previous year: 3.6 %) of actual rental income. The decrease represents the continued successful resolution of loss-making contracts.

18.2. Other receivables

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Receivables from ancillary costs	14 923	9 960
Accounts receivable / not yet settled credits from suppliers	3 371	2 129
Other receivables from third parties	2 643	2 381
Maintenance reserves	2 622	2 298
Current tax receivables	459	2 062
Total other receivables	**24 018**	**18 830**

- The increase in receivables from ancillary costs is due to inflationary cost increases during the 2022 settlement period. The ancillary cost settlements for 2022 will be concluded in 2023.
- The increase in not yet settled credits from suppliers mainly relates to increased insurance receivables.

18.3. Other payables and advance payments

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Accrued construction and renovation costs, third parties	10 935	11 760
Prepaid rent	5 581	3 563
Liabilities from ancillary costs	4 386	5 342
Liabilities from overpaid and other rent	2 288	4 811
Accrued personnel expenses, third parties	1 652	1 796
Accrued expenses, Board of Directors remuneration	1 188	1 494
Reservation fee	584	941
Accrued transaction costs	0	965
Other payables, third parties	1 688	3 022
Other accruals, third parties	1 304	2 066
Total other payables	**29 606**	**35 760**

- After a revision of our planned renovation and refurbishment initiatives during the fourth quarter of 2022 following unprecedented cost increases, the accrued construction and renovation costs accrual reduced in comparison to the previous year.
- The reduction in liabilities from ancillary costs results mainly from the 2021 ancillary cost settlements that have fewer reimbursements payable than in the previous year. Similarly, liabilities from overpaid and other rent also reduced due the allocation of such balances as settlement against ancillary costs receivables.
- Accrued transaction costs in connection with portfolio acquisitions and bonds were settled during the 2022 financial year.
- Further reduction in accrued expenses is attributable to the in-sourcing of the tax function, resulting in lower accruals for the 2022 tax declarations, and tax consulting fees.

19 Financial assets

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Non-current financial receivables from third parties	146	102
Non-current derivative financial instruments	40 415	1 870
Non-current financial receivables from associates	13 071	12 366
Value adjustment	-13 071	-12 366
Total financial assets	**40 561**	**1 972**

› For both years, receivables from associates comprise both the vendor loan and further loan receivables from the associated company Beach House AG. We fully impaired these loans as in the previous year due to the negative results of equity valuation in 2022.

20 Scope of consolidation

How we calculate the figures:

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

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

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

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

Switzerland	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling assets
			in CHF thousands	in %	in %	in %
Peach Property Group AG	1/4	Zurich	506 471			
Peach German Properties AG	4	Stansstad	100	100.0		

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

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling assets
Germany			in EUR thousands		in %	in %
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	5.1
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1
Portfolio Ahlen GmbH	2	Cologne	21		89.9	10.1
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1
Portfolio Deutschland I GmbH	4	Cologne	25		89.9	10.1
Portfolio Deutschland II GmbH & Co. KG	2	Cologne	10		100.0	
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0	
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0	
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0	
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1
Yoo Düsseldorf Verwaltungs GmbH	5	Cologne	25		100.0	
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0	
Portfolio Eschwege GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0	
Peach Wertgrund GmbH	2	Cologne	25		100.0	
Richmond PropCo 1 B.V.	2	Amsterdam	25		94.9	5.1
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0	
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0	
Zymma Living GmbH	1	Cologne	25		100.0	
Peach Hausverwaltungen GmbH	1	Cologne	25		100.0	
Domibus Facility Services GmbH	1	Cologne	25		100.0	
Domibus Baumanagement GmbH	1	Cologne	25		100.0	
Peach Property Finance GmbH	4	Bonn	25		100.0	

Associated companies			in CHF thousands	in %		
Beach House AG	5	Wädenswil	100	46.6		

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company
5 Management company / general partner
* Rebranding and relocation to Germany in progress

20.1. 2022 financial year

Finalization of purchase price calculation and settlements

- In the first half-year, we concluded purchase price allocations between ourselves and non-controlling interest shareholders with respect to the Rock acquisition transaction. As a result, a final settlement of EUR 1 721 thousand was paid to the seller, and transaction costs of EUR 220 thousand were settled. Through allocations and settlements, the non-controlling interest investor's proportion of the acquisition reduced with EUR 2 430 thousand.
- In the second half-year, we concluded purchase price allocations between ourselves and non-controlling interest with respect to the Eagle acquisition transaction. As a result, the non-controlling interest shareholders' proportion of the acquisition increased with EUR 148 thousand.

Merger Peach Property Group AG with Gretag AG and WSZ Residential Development AG

- Effective June 30, 2022, we merged Gretag AG and WSZ Residential Development AG with its direct parent Peach Property Group AG.

Liquidation East West Wohnbau GmbH in liquidation

- The liquidation procedures were completed in the second half-year of 2022.

Relocation of Danish companies

- The relocation process of the Danish companies Portfolio Ahlen ApS, Portfolio Rhein Ruhr ApS and Portfolio Ruhr II ApS was completed in the 2022 financial year.

Relocation of Dutch companies

- The relocation process of the Dutch companies AG Bochum B.V. and Richmond PropCo 1 B.V. was initiated in the year. In the process the share capital of both companies was increased to EUR 25 thousand.

20.2. 2021 financial year.

Eagle Transaction

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

- The following table provides an overview of the final asset and liability values acquired. Deviations to the disclosed amounts in our semi-annual report represent true-up values:

in EUR thousands	Eagle Transaction
Assets	
Investment properties	360 732
Other assets	9 118
Total assets	**369 850**
Liabilities	
Financial liabilities	221 536
Other liabilities	5 174
Total liabilities	**226 710**
Total equity	**143 140**
of which Peach Property Group AG equity holders	135 840
of which non-controlling interests	7 300
Paid purchase price for shares	135 839
Paid purchase price for financing	231
Less assumed upstream loan	-4 161
Less cash and cash equivalents acquired	-2 354
Total cash out/inflow	**129 555**

- Through this acquisition, no employees or business processes were acquired at the time of the acquisition. In accordance with the accounting guidance in IFRS 3, the acquisition does not fall within the scope of a business combination and, accordingly, we accounted for the transaction as the acquisition of assets and liabilities.
- Transaction cost of EUR 1 110 thousand were allocated and capitalized within investment properties.
- As part of the transactions, dividend obligations of EUR 2 831 thousand towards minority shareholders were established and accounted for as transactions with non-controlling interests.

21 Provisions

Key assumptions and estimates:

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

in EUR thousands			2022			2021
	Development warranties	Other provisions	Total	Development warranties	Other provisions	Total
Opening balance as of January 1	**1 053**	**500**	**1 553**	**1 754**	**580**	**2 334**
Provision increases	41	93	134	160	367	527
Provisions used	-90	-185	-275	-539	-422	-961
Reversal of provisions in profit or loss	-167	-53	-221	-331	-39	-370
Currency translation changes	8	13	21	9	14	23
Ending balance as of December 31	**846**	**368**	**1 214**	**1 053**	**500**	**1 553**
Current provisions	744	368	1 112	956	368	1 324
Non-current provisions	102	0	102	97	132	229

- As in the previous year, the development warranty provision mainly relates to the "H36" and "Wollerau Park" projects.
- In the "H36" development project, which was completed in 2014. We expect resolution of the last remaining dispute in the next financial year - still within the amount already provided.

22 Contingent liabilities

Findings of the tax audit regarding real estate transfer tax / pending approval of insurance coverage

- In November 2022 one of our subsidiaries received an assessment concerning the separate determination of the tax base for Real Estate Transfer Tax (RETT) from the respective tax authorities. The assessment relates to a transaction by our subsidiary, which pre-dates our acquisition of the company. Based on the tax authorities' assessment the amount that is due approximates EUR 5 517 thousand. We filed for a suspension of execution which was granted in January 2023 and appealed against the aforementioned tax authorities' assessment. We assess the likelihood of being successful with our appeal in fiscal court proceedings as more probable than not.
- As part of our acquisition protocol, we insured against tax liabilities which includes RETT risks. We have reported the tax authorities' assessment to the insurer. As of the date of this report the corresponding approval is still pending.

23 Leasing

How we calculate the figures:

- Lease liabilities from leasehold agreements are calculated by discounting the accumulated leasehold payments using the long-term interest rate for financing secured by mortgages in Germany. We value other lease liabilities using the average corporate interest rate for the respective company. For the disclosures on terms and maturities, we refer to Note 8.
- We revalue rights-of-use assets from the leasehold agreements semi-annually together with the investment properties. We apply the discount rate defined by Wüest Partner for the respective investment properties. Changes in value are recognized in the consolidated statement of income. For the specific corresponding disclosures, we refer to Note 5.
- We recognize the right-of-use asset from other leases (currently only rental agreements) at the value of the lease liability and list it together with the equipment. They are depreciated on a straight-line basis over their contract duration.
- We take into account extension options as soon as it is probable that they will be used.
- With rental agreements, we make use of the accounting option and do not eliminate associated non-leasing components.
- Interest expenses and value adjustments from lease liabilities are included in financial expenses in Note 10.
- Short-term leases of less than one year and low-value contracts are recorded on a straight-line basis within other operating expenses.

in EUR thousands			Dec 31, 2022			Dec 31, 2021
Right-of-use asset	Leasehold	Other	Total	Leasehold	Other	Total
Lease liabilities	26 221	529	**26 750**	25 878	954	**26 832**
Lease payments	34 881	571	**35 452**	34 226	1 003	**35 229**
Interest expenses	-1 102	-465	**-1 567**	-1 077	-198	**-1 275**
Value adjustment / depreciation of right-of-use asset	-887	-24	**-911**	-862	-30	**-892**
Adjustment of lease liabilities	343	-434	**-91**	1 895	-415	**1 480**
Adjustment of lease liabilities	-870	0	**-870**	-1 049	-3	**-1 052**
Short-term leases in other o perating expenses	0	-77	**-77**	0	-95	**-95**
Low-value leases in other operating expenses	0	-65	**-65**	0	-52	**-52**

- There are no initial direct costs or reinstatement costs affecting the value of right-of-use assets.
- We do not hold any leases with variable lease payments, nor do we have any purchase options, residual value guarantees, or sale and leaseback transactions.
- There are no encumbering leases.
- The average term of the leases is approximately 113 years (previous year: 114 years) for leaseholds and 1 year (previous year: 2 years) for rental agreements.

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

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Up to 1 year	29	35
1–5 years	10	25
Total short-term and low-value leases	**39**	**60**

24 Subsequent events

In December 2022, our subsidiary, Peach Property Finance GmbH, placed a non-listed 5.0 % guaranteed senior unsecured mandatory convertible bond (ISIN CH1234612187) due April 12, 2023. The issue date was January 12, 2023, with an issue amount of CHF 113.7 million nominal and net issue proceeds of approximately CHF 68 million. The bonds will be converted into Peach Property Group AG shares on the due date.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Peach Property Group AG and its subsidiaries (the Group), which comprise the consolidated statement of income and the consolidated statement of comprehensive income for the year ended 31 December 2022, the consolidated statement of financial position as at 31 December 2022, the consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 69 to 132) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and the Swiss Standards on Auditing (SA-CH). Our responsibilities under those regulations and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach

Overview

Overall Group materiality: EUR 11'000'000

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

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

Valuation of investment properties

Assets from tax loss carry-forwards

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Telephone: +41 58 792 44 00, www.pwc.ch

Materiality

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

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

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

Audit scope

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

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

Key audit matters

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

Valuation of investment properties

Key audit matter	How our audit addressed the key audit matter
Investment properties amounting to EUR 2'629 million (94 % of total assets) as of 31 December 2022 represent a significant balance sheet item for the Group. They are measured at fair value in accordance with IAS 40 and IFRS 13. Please refer to note 5 in the notes to the consolidated financial statements (from page 90). We consider the testing of the valuation of investment properties to be a key audit matter due to the size of the balance sheet item, the significance of the appropriateness of the valuation model and the underlying assumptions used in the valuation. Fair values are determined using the discounted cash flow model (DCF model). The most relevant assumptions are the discount rate, the achievable rents per square meters and the vacancy rate. The assumptions are determined on the basis of market comparisons and are disclosed in note 5. In the case of investment properties under development or renovation, significant assumptions are also made with regard to repair or maintenance costs. In addition, a period for letting or for reducing vacancies must also be taken into account. The Group had all its investment properties valued by an independent property appraiser as at 31 December 2022.	We assessed and tested the design and existence of the controls relating to the property valuation process. In particular, we performed the following audit procedures: • We assessed the professional competence, independence and appointment of the property appraiser. To this end, we inspected the corresponding engagement letter and assessed the appropriateness of the assignment, examined the curricula vitae of the persons in charge and interviewed the expert in charge. • We reconciled the valuation report of the property appraiser to the accounting details. • With the support of our subject matter experts, we tested samples of valuations in terms of valuation methodology, assumptions and results. The subject matter experts assessed the changes in valuations and the assumptions on the overall portfolio. The valuations were discussed with the property appraiser, management and audit risk committee. We consider the valuation method applied by management and the parameters used to be an appropriate and sufficient basis for the valuation of investment properties.

Assets from tax loss carry-forwards

Key audit matter	How our audit addressed the key audit matter
The Group has tax loss carry-forwards of EUR 226 million and has capitalised deferred tax assets of EUR 26 million in that respect. Deferred tax assets from loss carry-forwards represent a significant balance sheet item. As explained in note 17 to the notes to the consolidated financial statements (from page 119), the capitalization of loss carry-forwards is applied in accordance with IAS 12. The Group plans the ability to use the loss carry-forwards for each company and it must make assumptions about current income and future realizable profits from letting and sale of investment or development properties and about the time of the realization. There is a risk that loss carry-forwards will expire unused if planned profits cannot be realized in a timely manner.	We assessed and tested the design and existence of the relevant controls. In addition, we examined the following in particular for the significant deferred tax assets from tax loss carry-forwards: • We discussed with management the ability to capitalize the loss carry-forwards and their recoverability at the company level. • On the basis of current and future expected tax results, we assessed the ability to capitalize the loss carry-forwards and their recoverability. In particular, we compared the assumed future profits with those from the development and investment property portfolios. • The current assumptions were compared with the expectations of use in prior years. This enables us to identify any time lags and assumptions that are too optimistic. • In consultation with our subject matter experts in Germany and Switzerland, we assessed the existence of loss carry-forwards and the ability to use them from a tax perspective. Our audit results support management's assumptions regarding the ability to capitalize loss carry-forwards and their recoverability.

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

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

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

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

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

A more detailed description of our responsibilities for the audit of the consolidated financial statements can be found on the EXPERTsuisse website: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Patrick Balkanyi	Philipp Gnädinger
Audit expert Auditor in charge	Audit expert

Zurich, 17 March 2023

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

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

Zurich/Hamburg, 9th of February 2023

Report by the independent Appraisal Expert

To the Senior Management of Peach Property Group AG

Referenz Nummer:
102079.0069 / 106128.0028

Assignment
On behalf of the executive board of Peach Property Group AG (hereinafter "Peach Property Group"), Wüest Partner AG, Zurich, or W&P Immobilienberatung GmbH, Hamburg, (hereinafter "Wüest Partner") have appraised the property clusters owned by Peach Property Group for accounting purposes as at 31 December 2022. All investment and development property clusters were valued.

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

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

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

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

Implementation of Fair Value

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

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

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

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

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

Valuation Method

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

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

The property clusters are visited by Wüest Partner at the time of their acquisition and subsequently in intervals of three years at the latest or after the completion of major alterations. During the period between 1 January 2022 and 31 December 2022, 129 investment property clusters in Germany (including the 9 clusters of the acquired Portfolio Saarbrücken) and all Swiss investment and development properties were visited.

Results
As of 31 December 2022, Wüest Partner measured the following values for a total of 594 investment properties and investment property clusters as well as for one development properties in accordance with IAS 40:
– 590 investment property clusters in Germany [1]: EUR 2.576.262.400
– 4 investment properties in Switzerland: CHF 26.239.000 (equals c. EUR 26.632.600)
– 1 development property in Switzerland: CHF 57.800.000 (equals c. EUR 58.667.000)
– total value: c. EUR 2.661.562.000

Changes during the Reporting Period
During the period between 1 January 2022 and 31 December 2022, the following new portfolio was added as a result of an acquisition and was valued by Wüest Partner:
- Portfolio Saarbrücken: 9 property clusters in the cities Saarbrücken, Völklingen, Dillingen/Saar.

Regarding the existing portfolio (without the before mentioned new portfolio), due to sales of investment property clusters, the number of properties to be valued in Germany has in total decreased by 6 smaller investment property clusters. Few apartments, garages and parking spaces in Heidenheim, Frankenthal und Marl have been sold and were no longer valued.

The number of Swiss investment and development properties has declined from 6 to 5 because the development properties “Aquatica” und “Dockside” have been consolidated.

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

1 In the values above, the following exchange rate has been adopted: 1 CHF = 1,015 EUR

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

Zurich/Hamburg, 9th of February 2023
Wüest Partner AG / W&P Immobilienberatung GmbH

Jan Bärthel MRICS
Managing Director; Partner

Volker Ottenströer MRICS
Branch Manager Hamburg; Director

Mario Huber
Director

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	2022	2021
EPRA Earnings per share in EUR	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.	-1.22	-1.46
EPRA Net Reinstatement Value (NRV) in EUR	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.	75.68	77.02
EPRA Net Tangible Assets (NTA) in EUR	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		64.88	66.40
EPRA Net Disposal Value (NDV) in EUR	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.		54.98	59.81
EPRA Net Initial Yield (NIY)	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.	3.4 %	3.1 %
EPRA 'Topped-up' NIY	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).		3.4 %	3.1 %
EPRA Vacancy Rate	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 %).	7.9 %	9.0 %
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.	50.3 %	51.3 %
EPRA Cost Ratio (excl. cost of direct vacancy)	Administrative and operating costs (excluding costs of direct vacancy) divided by gross rental income.	Measurement of the changes in a company's operating costs.	44.9 %	46.5 %
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.	56.8 %	54.6 %

3 Overview of EPRA Performance Measures

3.1. EPRA Earnings per share

The EPRA Earnings per share performance measure relates to the operating result. It indicates the extent to which current dividend payments are supported by the operating result. Based on the profit for the year, adjustments are made to reflect changes in the value of assets and liabilities affecting net income and to reflect sale effects of, and costs related to acquisition/integration.

in EUR thousands	2022	2021
Earnings per IFRS consolidated statement of income	**-15 031**	**186 102**
Adjustments to calculate EPRA earnings, exclude:		
Valuation changes from investment properties	12 237	-266 571
Net profit/loss on disposal of investment properties	146	-408
Net profit/loss generated from development properties held for trading	217	-215
Tax on profits or losses on disposals	-63	113
Changes in fair value of financial instruments and associated close-out costs	-14 774	-1 144
Deferred tax with respect to EPRA adjustments	-2 274	48 114
Non-controlling interests with respect to the above	-1 023	9 322
EPRA Earnings	**-20 565**	**-24 687**
Number of shares issued	16 882 373	16 882 373
Diluted number of shares issued at year end	16 882 373	16 882 373
EPRA EPS in EUR	**-1.22**	**-1.46**
Diluted EPRA EPS in EUR	**-1.22**	**-1.46**
Adjustment for development properties	-217	215
Adjustment for depreciation	1 907	1 560
Adjustment for share-based compensation and other non-cash personnel expenses	1 339	2 466
Adjustment for other deferred and non-cash taxes	-3 081	4 652
Interest paid on hybrid capital	-962	-1 000
Other financial expenses	7 981	6 829
Non-cash interest and foreign exchange result	33 348	30 800
Lease payments and valuation result of lease liabilities	-1 567	-1 305
Non-controlling interests	1 023	-9 322
Adjusted earnings (FFO I)	**19 206**	**10 208**
Average number of outstanding shares	16 863 160	15 166 562
Diluted average number of outstanding shares	16 908 829	15 316 147
Basic FFO I per share in EUR	**1.14**	**0.67**
Diluted FFO I per share in EUR	**1.14**	**0.67**

- The increase in EPRA earnings per share results from efficient and active asset management whereby the acquired portfolio in first half-year of 2021 was fully integrated into our management, vacancies were successfully reduced, and further optimization of operational processes were rolled out.
- Net currency losses amounted to EUR 29 977 thousand in the 2022 financial year, compared to EUR 28 314 thousand in the previous financial year. Excluding net currency losses in both years, EPRA earnings continues to trend upwards, demonstrating operational successes.
- As far as company-specific adjustments are concerned, earnings contributions from developments are being included. Further adjustments include depreciation, non-cash expenses (personnel expenses, interest, and foreign currency impacts), and interest paid on hybrid equity. Other financial expenses are also adjusted, as these are mostly one-time expenses incurred in connection with financing activities, and do not follow a clear trend, as well as other deferred and non-cash taxes.
- The adjusted earnings correspond to the FFO I of Peach Property Group.

3.2. EPRA NAV

EPRA NAV performance measures consider certain adjustments to IFRS reported equity in order to provide stakeholders with the clearest and most comparable information concerning the market value of assets and liabilities.

The EPRA NRV (Net Reinstatement Value) performance measure is based on the assumption that real estate will never be sold, and it represents the value required to rebuild the entity to its existing state. Accordingly, the NAV is adjusted for deferred taxes, and the implied incidental acquisition costs are added in.

The EPRA NTA (Net Tangible Asset) performance measure is based on the assumption that real estate is bought and sold, and that part of the associated deferred taxes related to real estate assets, is realized through sales. At the end of the reporting year, we held only five small sub-portfolios (located in Bochum, Mönchengladbach, Kaiserslautern, and Marl), which are considered as non-core assets. The deferred tax impact from these sub-portfolios reduces overall deferred tax. Incidental acquisition costs are considered for the portfolios. In addition to the expected sale of these non-core portfolios, intangible assets (primarily IT systems) are completely excluded from the NTA calculation.

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

in EUR thousands		Dec 31, 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	1 067 414	1 067 414	1 067 414	1 039 207	1 039 207	1 039 207
Hybrid instruments	-51 556	-51 556	-51 556	-51 556	-51 556	-51 556
Diluted NAV, after the exercise of options, convertibles and other equity interests	**1 015 858**	**1 015 858**	**1 015 858**	**987 651**	**987 651**	**987 651**
Include:						
Revaluation of development properties	0	0	0	7 439	7 439	7 439
Diluted NAV at fair value	**1 015 858**	**1 015 858**	**1 015 858**	**995 090**	**995 090**	**995 090**
Deduct:						
Deferred tax in relation to fair value gains on investment properties	-119 197	-117 472	0	-122 186	-121 916	0
Fair value of derivative financial instruments	39 639	39 639	0	-5 022	-5 022	0
Intangibles as per the IFRS statement of financial position	0	1 132	0	0	1 430	0
Include:						
Fair value of fixed interest rate financial liabilities	0	0	-87 617	0	0	14 718
Acquisition costs (assumption 7 %)	182 199	2 795	0	177 899	471	0
EPRA NAV	**1 277 615**	**1 095 354**	**928 241**	**1 300 197**	**1 121 069**	**1 009 808**
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 EUR	**75.68**	**64.88**	**54.98**	**77.02**	**66.40**	**59.81**

- Depending on the viewpoint taken, the EPRA Best Practice Recommendations result in a NAV per share of EUR 76 to EUR 55, compared to IFRS NAV of EUR 60.
- 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 EUR 65 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 EUR thousands	2022	2021
Investment properties and advance payments for investment properties [1]	2 601 645	2 538 266
Investment properties held for sale and development properties	35 223	45 753
Development properties and advance payments for investment properties	-34 031	-42 602
Market value of investment properties	**2 602 837**	**2 541 417**
Allowance for purchasers' costs, estimated at 7.0 %	182 199	177 899
Gross-up market value of investment properties	**2 785 036**	**2 719 316**
Annualized rental income	117 322	109 247
Annualized expenses from letting of investment properties	-23 770	-24 393
Annualized net rental income from letting of investment properties	**93 552**	**84 854**
Rent-free periods and other lease incentives	220	349
Topped-up annualized net rent from letting of investment properties	**93 772**	**85 203**
EPRA NIY in %	**3.4 %**	**3.1 %**
EPRA "topped-up" NIY in %	**3.4 %**	**3.1 %**

1 Excluding right-of-use assets

› Net initial yields remained flat year-over-year.

3.4. EPRA Vacancy Rate

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

For the rented apartments, we use the agreed net cold rent as a basis while market rent values, estimated by our external appraisal specialist (Wüest Partner), are used for vacant apartments.

in EUR thousands	Dec 31, 2022	Dec 31, 2021
Annualized lost income due to vacancies from residential units	9 813	10 712
Annualized target rental income from residential units	123 991	118 719
EPRA Vacancy Rate	**7.9 %**	**9.0 %**

› Calculated over the full portfolio, the EPRA Vacancy Rate reduced in comparison to the 2021 year-end vacancy rate. The reduction in vacancy was achieved across the entire portfolio, reflecting our targeted investments to reduce the overall vacancy rate, and a strong performance in new letting.

3.5. EPRA Cost Ratio

The EPRA cost ratio performance measure discloses EPRA costs in relation to rental income. It provides insights into the cost efficiency of the operations of a real estate company. The EPRA cost ratio is disclosed inclusive and excluding direct vacancy costs.

in EUR thousands	2022	2021
Expenses from letting of investment properties	30 018	26 613
Personnel expenses	17 480	16 724
Sales and marketing expenses	1 049	191
Other operating expenses	10 055	7 989
EPRA costs (incl. direct vacancy costs)	**58 602**	**51 517**
Direct vacancy costs	-6 248	-4 838
EPRA costs (excl. direct vacancy costs)	**55 354**	**46 679**
Gross rental income, net of land rental expenses	116 497	100 409
Gross rental income	**116 497**	**100 409**
EPRA cost ratio (incl. direct vacancy costs)	**50.3 %**	**51.3 %**
EPRA cost ratio (excl. direct vacancy costs)	**44.9 %**	**46.5 %**

› The EPRA cost ratio improved year-over-year as a result of increased efficiency in management.

3.6. EPRA Loan-to-Value

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 EUR thousands			Dec 31, 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	1 080 413	36 805	1 043 608	838 566	28 222	810 344
Hybrid instruments	51 556	0	51 556	51 556	0	51 556
Bond borrowings	393 319	0	393 319	543 318	0	543 318
Net current payables	2 622	-35	2 657	17 372	603	16 769
Deduct:						
Cash and cash equivalents	31 223	935	30 288	35 896	433	35 463
EPRA net debt	**1 496 687**	**35 835**	**1 460 852**	**1 414 916**	**28 392**	**1 386 524**
Investment properties measured at fair value	2 601 645	121 947	2 479 698	2 538 266	120 513	2 417 753
Investment properties held for sale	1 192	0	1 192	3 151	0	3 151
Development properties	34 031	0	34 031	51 447	0	51 447
EPRA property value	**2 636 868**	**121 947**	**2 514 921**	**2 592 864**	**120 513**	**2 472 351**
EPRA Loan-to-Value	**56.8 %**	**29.4 %**	**58.1 %**	**54.6%**	**23.6 %**	**56.1%**

› LTV calculated according to IFRS (see Note 11.1.3) 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.

in EUR thousands	2022				2021		Change
	Residential units	Residential area (in m²)	Residential rental income	Residential rental income in EUR/m²	Residential rental income	Residential rental income in EUR/m²	in %
North Rhine-Westphalia	14 040	872 993	55 630	5.31	52 440	5.01	6.1 %
Rhineland-Palatinate	3 036	183 144	12 795	5.82	12 450	5.66	2.8 %
Lower Saxony	3 435	210 197	12 375	4.91	11 869	4.71	4.3 %
Baden-Württemberg	930	63 617	4 673	6.12	4 414	5.78	5.9 %
Hesse	841	53 744	3 080	4.78	3 005	4.66	2.5 %
Other	796	44 793	3 084	5.74	3 127	5.82	-1.4 %
Total	**23 078**	**1 428 488**	**91 637**	**5.35**	**87 305**	**5.09**	**5.0 %**

› We achieved a like-for-like rental income growth during 2022 of 5.0 % (previous year: 4.0 %).

4.2. Investments in real estate

Investments in portfolio properties in 2022 were mainly tenant improvements, refurbishments, and the modernization of the existing portfolio, whereas 2021 is characterized by acquisition activities.

in EUR thousands	2022	2021
Development properties - planning and development costs	10 770	6 709
Investment properties:		
Acquisitions	19 421	362 686
Tenant improvements and other CAPEX measures - existing portfolios	57 583	39 876
Tenant improvements and other CAPEX measures - acquired portfolio	0	1 686
Total capital expenditures	**87 774**	**410 957**

Tenant improvements and other CAPEX measures in the existing portfolio are further broken down as follows:

in EUR thousands			2022			2021
	Area in m²	Capex	Capex in EUR/m²	Area in m²	Capex[1]	Capex in EUR/m²
North Rhine-Westphalia	1 180 508	38 803	32.87	921 854	23 530	25.52
Lower Saxony	218 638	7 253	33.17	211 870	5 943	28.05
Rhineland-Palatinate	194 151	6 214	32.00	195 644	6 985	35.70
Baden-Württemberg	65 823	2 338	35.52	66 994	1 553	23.17
Hesse	53 744	1 988	36.99	53 744	1 063	19.78
Other	60 064	987	16.44	49 274	802	16.28
Total tenant improvements and capital expenditures	**1 772 928**	**57 583**	**32.48**	**1 499 380**	**39 876**	**26.60**

1 Includes Capex in relation only to the existing Portfolio.

› With an average of EUR 32.48 per square meter of lettable space, we invested significantly more in our portfolio in 2022 than in the previous year. Investments were focused on energy-saving and environmental measures as well as measures to reduce vacancy rates.

4.3. EPRA Change in Market Value

The change in market values discloses the change in the valuation of the property portfolio, excluding right-of-use assets. IFRS values are adjusted for currency effects (disclosed at constant currency). Change in market values is further subdivided into two categories to show separately the market value movements attributable to newly acquired properties (demonstrates valuable acquisition activities) and existing properties in our portfolio.

in EUR thousands					2022					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	1 732 275	0	-6 964	0.0 %	-0.4 %	1 506 210	70 107	117 520	4.7 %	7.8 %
Rhineland-Palatinate	369 978	1 575	-3 502	0.4 %	-0.9 %	319 348	0	27 037	0.0 %	8.5 %
Lower Saxony	239 828	0	-1 994	0.0 %	-0.8 %	211 285	2 360	19 302	1.1 %	9.1 %
Baden-Württemberg	117 742	0	1 059	0.0 %	0.9 %	104 324	0	12 605	0.0 %	12.1 %
Hesse	59 452	0	-1 689	0.0 %	-2.8 %	48 607	0	8 858	0.0 %	18.2 %
Other	96 141	0	-1 064	0.0 %	-1. 1 %	86 967	1 995	4 892	2.3 %	5.6 %
Total	**2 615 416**	**1 575**	**-14 154**	**0.1 %**	**-0.5 %**	**2 276 741**	**74 462**	**190 214**	**3.3 %**	**8.4 %**

› Consistent with the previous year, we were once again able to identify favorable off-market scenarios during our 2022 acquisition activities; and recorded a positive fair value adjustment thereon.
› The market value of our existing portfolio increased by 1.6 % (including valuation losses of 0.5 %) driven by tenant improvements, refurbishments, and modernizations.

Independent practitioner's reasonable assurance report

on EPRA reporting containing the EPRA performance measures for the period ended 31 December 2022 to the Management of Peach Property Group AG

Zurich

We have been engaged by Management to perform assurance procedures to provide reasonable assurance on the EPRA reporting containing the EPRA performance measures (pages 142 to 149) of Peach Property Group AG for the period ended 31 December 2022.

The EPRA reporting containing the EPRA performance measures was prepared by the Management of Peach Property Group AG together with to the explanations of the individual EPRA performance measures within the annual report based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in Version published in February 2022 as explained in section "1. How EPRA is applied" in the EPRA reporting on page 142 (the «suitable criteria»).

Inherent limitations

The accuracy and completeness of the EPRA reporting containing the EPRA performance measures are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data, e.g. the IFRS-figures from the consolidated financial statements. In addition, the quantification of some EPRA performance measures is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the EPRA reporting containing the EPRA performance measures and the required values needed for the combination. Our assurance report will therefore have to be read in connection with the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in Version published in February 2022 and the explanations of the individual EPRA performance measures of the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in the annual report 2022.

Management's responsibility

The Management of Peach Property Group AG is responsible for preparing the EPRA reporting containing the EPRA performance measures in accordance with the suitable criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the EPRA reporting containing the EPRA performance measures that is free from material misstatement, whether due to fraud or error. Furthermore, the Management is responsible for the selection and application of the EPRA Best Practices Recommendations containing the EPRA performance measures and making estimates and adaptations from the underlying IFRS-figures in the consolidated financial statements that are reasonable under the given circumstances and maintaining appropriate records.

Independence and quality management

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

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PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance reasonable engagement and to express a conclusion on the EPRA reporting containing the EPRA performance measures. We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'. That standard requires that we plan and perform our procedures to obtain reasonable assurance, on whether the EPRA reporting containing the EPRA performance measures was prepared, in all material aspects, in accordance with the suitable criteria.

We performed audit procedures to obtain sufficient appropriate audit evidence, taking into account risk and materiality considerations. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error within the EPRA reporting containing the EPRA performance measures. In making those risk assessments, we considered internal controls as far as they are relevant for the preparation of the EPRA reporting containing the EPRA performance measures to specify audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of internal controls. Our reasonable assurance engagement also includes:

- assessing the suitability of the suitable criteria in the given circumstances as the basis for preparing the EPRA reporting containing the EPRA performance measures, as mentioned in the chapter «EPRA Reporting» for the individual EPRA performance measures;
- evaluating the appropriateness of quantitative and qualitative methods and reporting policies used, and the reasonableness of estimates made by Peach Property Group AG;
- Inquiries with persons responsible for the preparation of the EPRA performance measures;
- Assessing the EPRA performance measures regarding completeness and accuracy of derivations and calculations from the underlying IFRS-figures according to the audited consolidated financial statements of Peach Property Group AG as at 31 December 2022 or if applicable other internal source data.

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

Conclusion

In our opinion, the EPRA reporting containing the EPRA performance measures (pages 142 to 149) of Peach Property Group AG for the period ended 31 December 2022 is prepared, in all material respects, in accordance with the suitable criteria.

Restriction of use and purpose of the report

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

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

PricewaterhouseCoopers AG

Patrick Balkanyi

Philipp Gnädinger

Zurich, 17 March 2023

'The maintenance and integrity of Peach Property Group AG's website and its content are the responsibility of the Management; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of Peach Property Group AG's website, accordingly, the assurance providers accept no responsibility for any subsequent changes on the website that may have occurred to the EPRA Reporting which contains the EPRA performance measures and the EPRA Best Practices Recommendations, as prescribed in the version from February 2022, of the European Public Real Estate Association (EPRA) since they were initially presented on the website.'

Individual financial statements of Peach Property Group AG

2022

Statement of financial position

Assets in CHF thousands	Note	Dec 31, 2022	Dec 31, 2021
Current assets			
Cash and cash equivalents		9 538	21 974
Trade receivables			
Third parties		23	0
Group	3	1 781	2 532
Current financial receivables			
Group	4	81 693	45 380
Other current receivables			
Third parties		625	247
Development properties	5	46 842	0
Prepaid expenses			
Third parties		1 429	228
Total current assets		**141 931**	**70 361**
Non-current assets			
Financial assets			
Group	6	524 566	543 516
Associates	6	14 161	13 798
Value adjustments	7	-14 161	-15 137
Other non-current receivables			
Third parties		90	50
Investment properties	8	8 033	0
Investments	9	187	40 296
Value adjustments	10	-47	-212
Equipment		70	53
Intangible assets		811	1 280
Total non-current assets		**533 710**	**583 644**
Total assets		**675 641**	**654 005**

Statement of financial position (continued)

Liabilities and equity in CHF thousands	Note	Dec 31, 2022	Dec 31, 2021
Liabilities			
Current liabilities			
Trade payables			
Third parties	11	2 607	667
Group		0	28
Related parties and bodies		23	0
Prepaid rent		47	0
Advance payments	12	10 721	0
Current financial liabilities			
Third parties	13	14 201	9 535
Group	13	127	5 521
Other current liabilities			
Third parties	14	808	725
Group		0	3 369
Current income tax liabilities		0	329
Accrued expenses			
Third parties	15	1 524	1 867
Related parties and bodies	15	1 360	1 645
Current provisions	17	1 079	959
Total current liabilities		**32 497**	**24 645**
Non-current liabilities			
Non-current financial liabilities			
Third parties	16	114 746	58 208
Group	16	0	35 000
Non-current provisions	17	4 389	974
Total non-current liabilities		**119 135**	**94 182**
Total liabilities		**151 632**	**118 827**
Equity			
Share capital	18	506 471	16 882
Statutory capital contributions *	18	42 765	537 943
Statutory retained earnings	18	7 829	5 841
Retained earnings/-loss carried forward			
Carried forward	18	-11 770	1 652
Result	18	-20 755	-26 648
Treasury shares	18	-531	-492
Total equity		**524 009**	**535 178**
Total liabilities and equity		**675 641**	**654 005**

* of which CHF 42 765 thousand is confirmed as of May 27, 2022

Statement of income

in CHF thousands	Note	Dec 31, 2022	Dec 31, 2021
Income from development properties	19	7 802	0
Expenses from development properties	19	-7 845	0
Net income from development properties		**-43**	**0**
Income from construction management services	20	3 027	-402
Expenses from construction management services	20	-3 027	-2 983
Net income from construction management services		**0**	**-3 385**
Rental income	21	390	0
Expenses from letting of investment properties	21	-64	0
Net income from letting of investment properties		**326**	**0**
Other operating income	22	8 878	10 501
Operating result (EBIT)		**9 161**	**7 116**
Personnel expenses	23	-4 472	-6 302
Sales and marketing expenses	24	-882	-15
Other operating expenses	25	-4 393	-3 651
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**-586**	**-2 852**
Value adjustments		-313	-298
Depreciation and amortization		-517	-627
Earnings before interest and taxes (EBIT)		**-1 416**	**-3 777**
Financial income	26	11 716	10 094
Financial expenses	26	-31 229	-32 965
Result before taxes		**-20 929**	**-26 648**
Income taxes		174	0
Result after taxes		-20 755	-26 648

Notes to the financial statements

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

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

1 Measurement principles applied

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

1.1 Receivables and financial assets

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

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

1.2 Development properties

Development properties are valued at the lower of acquisition or production cost and net realizable value. The net realizable value is determined by the external property appraiser Wüest Partner on a bi-annual basis. The production costs include all directly attributable planning, development, material and construction costs incurred to bring the objects into their current condition. The net realizable value corresponds to the estimated selling price less the estimated cost of completion and selling costs. If the cost of completion and selling costs exceed the estimated sales proceeds, value adjustments are recorded.

1.3 Investment properties

Investment properties are valued at the lower of acquisition costs and value-enhancing investments, and market value. The market value is determined by the external property appraiser Wüest Partner on a bi-annual basis. If acquisition costs and value-enhancing investments exceed the market value, a corresponding value adjustment is recorded.

1.4 Investments

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

1.5 Equipment and intangible assets

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

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

1.6 Current and non-current liabilities

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

Financial liabilities include interest-bearing liabilities and loans received.

1.7 Provisions

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

1.8 Revenue recognition

Revenue from development projects is recognized when the risk and reward is transferred. In the case of development projects, this is generally the case after construction is completed and ownership has been transferred in the land registry. Costs incurred and capitalized up to the transfer of ownership are charged to expenses from development properties. In the case of partial handovers (e.g. handover of individual apartments), the proportionate costs are calculated based on the relevant co-ownership share.

Reductions in revenue such as rebates and cash discounts are deducted from the sales proceeds.

Income from the letting of investment properties is recognized on a straight-line basis over the term of the rental agreement. Any rent-free periods are distributed linearly over the contractual term.

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

1.9 Foreign currency positions

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

	Dec 31, 2022	Dec 31, 2021
EUR / CHF	0.9847	1.0363

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

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

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

2 Merger

With effect June 30, 2022, we have merged Gretag AG and WSZ Residential Development AG into Peach Property Group AG to further streamline the Group structure.

As a result of the merger, the development and investment properties previously held by Gretag AG and the corresponding financing were absorbed by the Company.

3 Trade receivables

The decrease in trade receivables resulted mainly from the merger with Gretag AG. In the previous financial year, the position included charges passed on to Gretag AG for TU-services provided in connection with the "Peninsula Wädenswil" development project.

4 Current financial receivables

in CHF thousands	Dec 31, 2022	Dec 31, 2021
Peach German Properties AG	2 316	1 250
Peach Property Group (Deutschland) AG	77 332	44 130
Peach Property Finance GmbH	2 045	0
Total current financial receivables from Group	**81 693**	**45 380**

Additional funds were made available to Peach Property Group (Deutschland) AG and Peach Property Finance GmbH via the Company as part of refinancing measures implemented within the Group. Due to refinancing measures in the reporting year, the current share of the loan granted to Peach Property Group (Deutschland) AG was increased (see also note 6).

5 Development properties

in CHF thousands	Dec 31, 2022	Dec 31, 2021
Property	20 784	0
Development costs	26 058	0
Total development properties	**46 842**	**0**

Development properties only includes the "Peninsula Wädenswil" development project.

After our building permit became legally effective in 2020, we started preparatory work for future use in 2021. Construction started towards the end of the second quarter of 2022. The project is scheduled to be completed in stages between the end of 2024, and 2025.

Since July 2022 purchase agreements for 19 units of the total 57 residential and 3 commercial units were notarized amounting to 38% (end of 2021: 0%) of the expected sales volume. The reservation rate is at 18% (end of 2021: 30%).

The market value amounts to CHF 57 800 thousand based on the appraisal of Wüest Partner as per December 31, 2022.

6 Financial assets

in CHF thousands	Dec 31, 2022	Dec 31, 2021
Peach German Properties AG	47 050	47 050
East West Wohnbau GmbH in liquidation	0	1 339
Peach Property Group (Deutschland) AG	414 559	436 282
Peach Property Management GmbH & Co. KG	62 957	58 845
Group	**524 566**	**543 516**
Beach House AG	14 161	13 798
Associates	**14 161**	**13 798**
Total financial assets	**538 727**	**557 314**

The liquidation procedures of East West Wohnbau GmbH in liquidation were concluded in the course of this financial year. The intercompany loan and the valuation adjustment (see Note 7) were derecognized accordingly.

Due to refinancing measures in the reporting year, the non-current share of the loan granted to Peach Property Group (Deutschland) AG was reduced (see also note 4).

The increase of the loans provided to Peach Property Management GmbH & Co. KG and Beach House AG is mostly due to accrued interests and corporate charges.

7 Valuation adjustments to financial assets

in CHF thousands	Dec 31, 2022	Dec 31, 2021
East West Wohnbau GmbH in liquidation	0	1 339
Group	**0**	**1 339**
Beach House AG	14 161	13 798
Associates	**14 161**	**13 798**
Total valuation adjustments to financial assets	**14 161**	**15 137**

As in the previous year, we have completely written down the loans to Beach House AG, as we do not expect any repayments from these loans.

8 Investment properties

in CHF thousands	Dec 31, 2022	Dec 31, 2021
Peninsula, Wädenswil	8 033	0
Total investment properties	**8 033**	**0**

The investment properties that were transferred to the Company as part of the merger include a commercial building and 29 residential units, all located in Wädenswil.

The market value amounts to CHF 26 239 thousand based on the appraisal of Wüest Partner as per December 31, 2022.

9

Investments

Company	Ref.	Registered office	Share stock	Direct invest-ments	Indirect invest-ments	Non-controlling interests	Closing date
Switzerland			in CHF thousands	in %			
Peach German Properties AG	4	Stansstad	100	100.0			

Company	Ref.	Registered office	Share stock	Direct invest-ments	Indirect invest-ments	Non-controlling interests	Closing date
Germany			in EUR thousands		in %	in %	
Peach Property Management GmbH & Co. KG	1/4	Cologne	1		100.0		Dec, 31
PPM Verwaltung GmbH	5	Cologne	25		100.0		Dec, 31
Peach Property Group (Deutschland) AG	2/4	Cologne	5 000		100.0		Dec, 31
Munster Portfolio GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Fassberg I GmbH & Co. KG	2	Cologne	50		94.9	5.1	Dec, 31
Portfolio Helmstedt GmbH	2	Cologne	1 176		89.9	10.1	Dec, 31
Portfolio Erkrath Wohnen GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Neukirchen L GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Neukirchen S GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Oberhausen GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Bochum II GmbH	2	Cologne	25		94.9	5.1	Dec, 31
AG Bochum B.V. *	2	Amsterdam	25		94.9	5.1	Dec, 31
Blendersia Limited *	2	Larnaca CY	0.1		94.0	6.0	Dec, 31
WBG Duisburg GmbH	2	Cologne	25		94.9	5.1	Dec, 31
WBG Lanstrop GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Gelsenkirchen I GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Gelsenkirchen II GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Gelsenkirchen III GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Gelsenkirchen IV GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Essen I GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Essen II GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Essen III GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Rhein Ruhr GmbH	2	Cologne	21		89.9	10.1	Dec, 31
Portfolio Ruhr GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Ruhr II GmbH	2	Cologne	21		89.9	10.1	Dec, 31
Portfolio Ruhr III GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Ruhr IV GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Ruhr V GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Ruhr VI GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Velbert GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Marl GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Marl II GmbH	2	Cologne	1 280		94.9	5.1	Dec, 31
Portfolio Bielefeld I GmbH	2	Cologne	25		94.9	5.1	Dec, 31

Company	Ref.	Registered office	Share stock	Direct invest-ments	Indirect invest-ments	Non-controlling interests	Closing date
Germany			in EUR thousands		in %	in %	
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	10.1	Dec, 31
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1	Dec, 31
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1	Dec, 31
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Ahlen GmbH	2	Cologne	21		89.9	10.1	Dec, 31
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Deutschland I GmbH	4	Cologne	25		89.9	10.1	Dec, 31
Portfolio Deutschland II GmbH & Co. KG	2	Cologne	10		100.0		Dec, 31
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0		Dec, 31
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0		Dec, 31
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1	Dec, 31
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1	Dec, 31
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1	Dec, 31
Yoo Düsseldorf Verwaltungs GmbH	5	Cologne	25		100.0		Dec, 31
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1	Dec, 31
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Eschwege GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0		Dec, 31
Peach Wertgrund GmbH	2	Cologne	25		100.0		Dec, 31
Richmond PropCo 1 B.V. *	2	Amsterdam	25		94.9	5.1	Dec, 31
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0		Dec, 31
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0		Dec, 31
Zymma Living GmbH	1	Cologne	25		100.0		Dec, 31
Peach Hausverwaltungen GmbH	1	Cologne	25		100.0		Dec, 31
Domibus Facility Services GmbH	1	Cologne	25		100.0		Dec, 31
Domibus Baumanagement GmbH	1	Cologne	25		100.0		Dec, 31
Peach Property Finance GmbH	4	Bonn	25		100.0		Dec, 31
Associated companies			in CHF thousands	in %			
Beach House AG	5	Wädenswil	100	46.6			Dec, 31

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company
5 Management company / general partner
* Rebranding and relocation to Germany in progress

10 Valuation adjustments to investments

The valuation adjustments relate to the following investments:

in CHF thousands	Dec 31, 2022	Dec 31, 2021
East West Wohnbau GmbH in liquidation	0	165
Beach House AG	47	47
Total valuation adjustment on investments	**47**	**212**

The liquidation procedures of East West Wohnbau GmbH in liquidation were concluded in the course of this financial year. The investment and the valuation adjustment was derecognized accordingly.

11 Trade payables

Trade payables significantly increased due to the start of construction on the "Peninsula Wädenswil" development project.

12 Advanced payments

The position includes the advance payments received for the sold units of the "Peninsula Wädenswil" development project, in the amount of 20% of the sales price.

13 Current financial liabilities

13.1 Current financial liabilities due to third parties

Current financial liabilities due to third parties include the construction loan for the "Peninsula Wädenswil" development project in the amount of CHF 13 500 thousand, as well as the accrued interest on the hybrid warrant bond (see Note 16.1), and the mortgage loans on the investment properties.

The third party loan in the amount of CHF 9 000 thousand was repaid in the course of the reporting year.

13.2 Current financial liabilities due to Group

in CHF thousands	Dec 31, 2022	Dec 31, 2021
WSZ Residential Development AG	0	3 933
Gretag AG	0	1 456
Other Group loans	127	132
Total current financial liabilities due to Group	**127**	**5 521**

Due to the merger (see Note 2) the loans from WSZ Residential Development AG and Gretag AG were offset.

14 Other current liabilities

Other current liabilities due to third parties mainly include reservation fees for the “Peninsula Wädenswil” development project in the amount of CHF 450 thousand as well as liabilities to social insurances and value added taxes.

15 Accrued expenses

Accrued expenses towards third parties include accruals for construction costs of the “Peninsula Wädenswil” development project in the amount of CHF 913 thousand (previous year: CHF 1 172 thousand), accruals for bonus, vacation, and audit and consulting fees.

Accruals for expenses payable towards related parties include, as in the previous financial year, the accrued bonus and sales provisions for members of the management as well as Board of Directors fees.

16 Non-current financial liabilities

16.1 Non-current financial liabilities due to third parties

The non-current financial liabilities mainly include the following items:

Revolving facility agreement
The Company concluded a revolving credit facility over EUR 100 000 thousand in the first half-year of 2022, with a term until April 2025. As per December 31, 2022 CHF 40 419 thousand of borrowing were outstanding.

Mortgage loans
The investment properties are financed by a mortgage loan in the amount of CHF 15 800 thousand with an indefinite term contract. The interest amounts to 0.65% + SARON.

Hybrid warrant bond

Volume:	CHF 58 568 thousand
Interest rate:	1.75% p.a., from issue date until June 22, 2023 (incl.) Capital market rate (at least 0%) + 9.25% p.a. from June 23, 2023
Maturity:	unlimited; first callable by the Company on June 22, 2023
Option right:	4 warrants per bond of CHF 1 000
Exercise period:	June 25, 2018, through June 25, 2021 (closed)
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA231/CH04173760240

The capitalized issue costs of the hybrid warrant bond amounts to CHF 1 156 thousand. We amortize these costs by using the effective interest rate method over the term of the bond.

16.2 Non-current financial liabilities due to Group

Due to the merger (see Note 2) the loan from Gretag AG was offset.

17 Provisions

in CHF thousands	Dec 31, 2022	Dec 31, 2021
Warranty provision for development project Wollerau	56	0
Provision for share-based payment compensation	899	959
Other provisions	124	0
Current provisions	**1 079**	**959**
Warranty provision for development project Wollerau	100	0
Provisions for environmental damages project Wädenswil	2 873	0
Provisions for major refurbishments project Wädenswil	1 185	0
Provision for share-based payment compensation	231	974
Non-current provisions	**4 389**	**974**
Total provisions	**5 468**	**1 933**

A participation plan vested in the current financial year. Another plan is due to vest in May 2023. We have reclassified the corresponding portion to current provisions.

18 Equity statement

18.1 Equity

in CHF thousands						2022
	Share capital	Statutory capital contribution	Statutory retained earnings	Retained earnings	Treasury shares	Total equity
Opening balance as of January, 1	16 882	537 943	5 841	-24 996	-492	535 178
Result after taxes 2022	0	0	0	-20 755	0	-20 755
Dividends paid	0	-5 545	0	0	0	-5 545
Capital increase	0	-44	0	0	0	-44
Share-based payments	0	0	0	-1 870	0	-1 870
Increase nominal value	489 589	-489 589	0	0	0	0
Purchases treasury shares	0	0	0	0	-4 296	-4 296
Allocations treasury shares	0	0	0	0	4 257	4 257
Merger Gretag and WSZ	0	0	1 988	15 096	0	17 084
Total equity as of December, 31	**506 471**	**42 765**	**7 829**	**-32 525**	**-531**	**524 009**

18.2 Treasury shares

in CHF thousands	Dec 31, 2022		Dec 31, 2021	
	Number	Value	Number	Value
Opening balance	7 741	492	5 682	219
Purchases	85 434	4 296	7 586	486
Allocations	-81 992	-4 257	-5 527	-213
Total treasury shares	**11 183**	**531**	**7 741**	**492**

19 Result from development properties

Expenses from development properties include expenditures for the "Peninsula Wädenswil" development project incurred after the merger. Most of these costs were capitalized and will be charged to the statement of income with the handover of the units sold.

20 Result from construction management services

Until the merger on June 30, 2022 (see Note 2), the Company acted as total contractor for the "Peninsula Wädenswil" development project. Third party costs incurred were charged in its totality to Gretag AG.

21 Result from letting of investment properties

The position represents the net rental income for the second half-year of 2022 generated by the investment properties taken over from Gretag AG as part of the merger.

22 Other operating income

As in the previous year, other income includes mainly service charges to subsidiaries for acquisition and financing activities. The decrease in this year's service charges is the result of the significantly lower acquisition volume compared to the previous year.

23 Personnel expenses

The reduction of personnel expenses is mainly due to lower bonus accruals for the 2022 financial year (CHF 451 thousands), lower provisions for share based payment plans (CHF 753 thousands), and the corresponding social insurance impacts.

24 Sales and marketing expenses

The position includes non-capitalizable sales and marketing expenses and sales commissions for the "Peninsula Wädenswil" development project.

25 Other operating expenses

The increase of operating expenses is mainly due to higher consulting costs in relation to refinancing activities (CHF 382 thousand), as well as higher capital tax expenses (CHF 90 thousand) following the merger.

26 Financial income and expenses

Compared to the previous year, the financial result improved by CHF 3 358 thousand, mostly triggered by lower currency impacts compared to the previous year.

Due to the further weakening of the EUR against the CHF in the current year, net currency losses of CHF 26 773 thousand (previous year: CHF 29 195 thousand) were charged to the statement of income and thus had a CHF 2 422 thousand lower impact on the currency result.

Additionally, in the previous year, the issue of the mandatory convertible bond III resulted in additional interest expense of CHF 1 607 thousand. This impact was partially offset by the newly concluded revolving credit facility, the construction loan, mortgage loans, and the repayment of a third party loan amounting to CHF 382 thousand.

27 Liabilities towards pension funds

in CHF thousands	Dec 31, 2022	Dec 31, 2021
Total liabilities towards pension funds	9	1

28 Pledged and otherwise encumbered assets

	Dec 31, 2022	Dec 31, 2021
Subordinated assets	in CHF thousands	in CHF thousands
East West Wohnbau GmbH in liquidation [1]	0	1 394
Peach German Properties AG	20 050	20 050
Peach Property Group (Deutschland) AG [1]	20 186	22 250
Receivables from Group	**40 236**	**43 694**
Beach House AG	13 666	13 666
Receivables from Associates	**13 666**	**13 666**
Total subordinated assets	**53 902**	**57 360**

1 Subordinated receivables from Group denominated in Euro was: East West Wohnbau GmbH EUR 0 (2021: 1 284 thousand), Peach Property Group (Deutschland) AG EUR 20 500 thousand (2021: EUR 20 500 thousand).

29 Number of full-time positions

The average number of full time employees was below 50 in the current and previous year.

30 Unrecognized leasing liabilities

in CHF thousands	Dec 31, 2022	Dec 31, 2021
Rental obligations (end dates through Dec 31, 2023)	119	238
Vehicles	40	58
Total unrecognized leasing liabilities	**159**	**296**

31 Sureties, contingent liabilities and guarantee obligations towards third parties

		Dec 31, 2022	Dec 31, 2021
	in EUR thousands	in CHF thousands	in CHF thousands
Syndicated loan Peach Property Group (Deutschland) AG	0	0	64 251
Refinancing Portfolio Rheinland GmbH	4 200	4 136	4 352
Corporate bond 2019 Peach Property Finance GmbH	96 287	94 814	259 075
Corporate bond 2020 Peach Property Finance GmbH	300 000	295 410	310 890
Bonded loan Peach Property Finance GmbH	55 000	54 159	0
Guarantees for financing		**448 518**	**638 568**
Mortgage loan Gretag AG (Giessen Areal, Wädenswil)		0	20 000
Mortgage loan Portfolio Erkrath Wohnen GmbH	2 000	1 969	2 073
Mortgage loan Portfolio Oberhausen GmbH	8 040	7 917	8 332
Mortgage loan Portfolio Kaiserslautern I GmbH & Co. KG and Portfolio Kaiserslautern II GmbH & Co. KG	5 350	5 268	5 544
Mortgage loan Portfolio Kaiserslautern III GmbH	750	739	777
Mortgage loan Portfolio KL Betzenberg IV GmbH and Portfolio KL Betzenberg V GmbH	1 650	1 625	1 710
Mortgage loan Portfolio Bochum II GmbH	2 650	2 609	2 746
Mortgage loan Portfolio Nordhessen II GmbH	2 200	2 166	2 280
Mortgage loan Portfolio Heidenheim I GmbH and Portfolio Heidenheim II GmbH	12 000	11 816	12 436
Sureties for financing		**34 109**	**55 898**
Indemnification of former owner of the Giessen Areal (Wädenswil) with regard to soil and underground pollution	0	0	250

	Dec 31, 2022		Dec 31, 2021
	in EUR thousands	in CHF thousands	in CHF thousands
Other sureties		**0**	**250**
Reidbach project ("Peninsula Wädenswil" development project) to the City of Wädenswil	0	0	1 500
Rent obligation of Peach Property Group (Deutschland) AG	53	52	55
Obligations in connection with the sale of the «Am Zirkus 1» project	500	492	518
Mortgage loan Portfolio Essen I GmbH, Portfolio Essen II GmbH, Portfolio Essen III GmbH, Portfolio Ruhr GmbH	73 000	71 883	75 650
Mortgage loan Portfolio Kaiserslautern VII GmbH and Portfolio Rheinland Pfalz GmbH	17 000	16 740	0
Payment obligations of East West Wohnbau GmbH in liquidation	0	0	67
Overindebtedness Peach Property Management GmbH & Co. KG	145 000	142 782	129 538
Overindebtedness Peach Property Finance GmbH	2 150	2 117	2 228
Letters of comfort		**234 066**	**209 556**
Member of a Swiss VAT Group		p.m.	p.m.
Joint and several liabilities			
Total sureties, guarantees and letters of comfort		**716 693**	**904 272**

32 Holding values and options held by the Board of Directors, Executive Management and employees

in units	Dec 31, 2022			Dec 31, 2021		
	Shares	Options	of which PSUs	Shares	Options	of which PSUs
Board of Directors	275 832	18 700	18 700	220 126	27 000	27 000
Executive Management	741 900	34 500	34 500	743 089	36 500	36 500
Employees	25 133	14 000	14 000	25 856	16 500	16 500
Total	**1 042 865**	**67 200**	**67 200**	**989 071**	**80 000**	**80 000**

33 Subsequent events

In December 2022, our indirect subsidiary, Peach Property Finance GmbH, placed a non-listed 5.0% guaranteed senior unsecured mandatory convertible bond (ISIN CH1234612187) due in April 12, 2023. The issue date was January 12, 2023, with an issue amount of CHF 113.7 million nominal and net issue proceeds of approximately CHF 68 million. The bonds will be converted into shares of the Company on the due date.

Proposed appropriation of retained earnings / loss

in CHF	Dec 31, 2022	Dec 31, 2021
Earnings/-loss carried forward	-11 769 832	1 652 191
Result after taxes	-20 754 608	-26 647 645
Retained earnings available for distribution	**-32 524 440**	**-24 995 454**

The Board of Directors proposes the appropriation of available retained earnings as follows:

in CHF		Dec 31, 2022	Dec 31, 2021
distributed from statutory capital contribution	100%	0	5 568 629
Retained earnings / loss to be carried forward		**-32 524 440**	**-24 995 454**

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Peach Property Group AG (the Company), which comprise the statement of financial position as at 31 December 2022, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 153 to 170) comply with Swiss law and the company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and the Swiss Standards on Auditing (SA-CH). Our responsibilities under these regulations and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach

Overview

Overall materiality: CHF 6'700'000

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

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries and group receivables

PricewaterhouseCoopers AG, Birchstrasse 160, P.O. Box, 8050 Zurich, Switzerland
Telephone: +41 58 792 44 00, www.pwc.ch

Materiality

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

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

Overall materiality	CHF 6'700'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the company mainly holds investments in subsidiaries and group receivables. Total assets is a common benchmark for materiality for holding companies.

Audit scope

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

Key audit matters

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

Valuation of investments in subsidiaries and group receivables

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries and group receivables amounting to CHF 608 million are the biggest part of the assets. The investments in subsidiaries and group receivables are valued at acquisition costs respectively nominal value or lower market value. Please refer to the notes to the financial statements (from page 157). We consider the testing of the recoverability of the investments in subsidiaries and group receivables to be a significant matter, because of the high value and the judgement of the management involved.	• We tested the design and existence of the key controls regarding the valuation of investments in subsidiaries and group receivables. • We tested all material investments in subsidiaries and group receivables and evaluated the allowance for each position. • We tested the valuation of the investments in subsidiaries and group receivables considering the net asset value and the operating business (value in use). This includes the comparison of the book value to the net assets, market value of the investment properties, inquiries with management and review of business plans. • Especially for portfolio companies the external valuation of the investment and development properties were taken into account, to identify any potential difference between book and market value, and to consider it in the impairment assessment. • We tested the allocated allowance on investments in subsidiaries and group receivables whether the necessary allowances were booked against the investments in subsidiaries first and afterwards against the group receivables as well as if the allowances are sufficient. The results from our audit procedures support the recoverability assumptions from the management and board of directors.

Other information

The Board of Directors is responsible for the other information. The other information comprises all information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor’s reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A more detailed description of our responsibilities for the audit of the financial statements can be found on the EXPERTsuisse website: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

We further confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi	Philipp Gnädinger
Audit expert Auditor in charge	Audit expert

Zurich, 17 March 2023

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Events

Publication of annual results 2022:
March 21, 2023
Annual general meeting:
May 24, 2023 in Zurich,
Publication of half-year results 2023:
Wednesday, August 23, 2023

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