

Company Presentation

April, 2023

 **peach**
PROPERTY GROUP



Agenda

1. Peach Property & the German real estate market

2. Business Performance FY 2022

3. Financial Performance FY 2022

4. ESG Update

5. Guidance & mid-term financial targets

6. Appendix

- *Portfolio details*
- *ESG*
- *Share data & financial calendar*

Peach Property Group at a glance



Active real estate investor in the attractive German residential market

27 549
residential
units

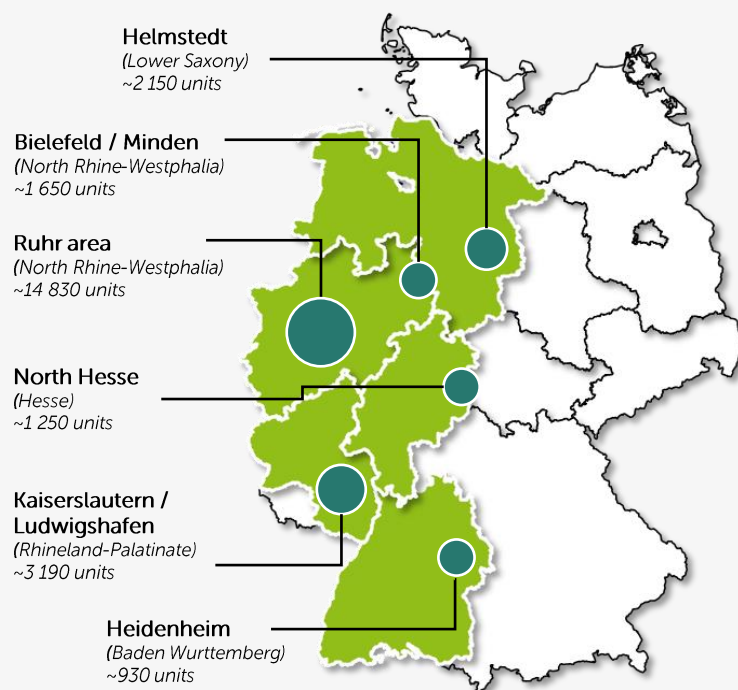
1 712 431
sqm
rental space

Spread across
8 federal states
in Germany

Clear focus
on Tier-2
(«B») cities

>90%
residential
rental income

>200
employees
in DE and CH



As of December 31, 2022



Tenants at the centre

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



Key figures

Figures in €m (unless otherwise stated)	FY 2022	Δ vs. Dec 31, 2021
FFO I	19.2	+88%
Rental income	116.5	+16%
<i>l-f-l rental growth</i>	5.1%	
Portfolio market value	2 603	+2.4%
LTV	54.7%	+2.8pp
EPRA NTA per share in EUR	64.90	-2.3%

Effect of new MCB (pro forma based on FY 2022)

LTV	~ 52%	-2.7pp
EPRA NTA per share in EUR	~ 55	-€ 9.9 per share

PEAN share price in CHF	12.28	as of 11 Apr 2023
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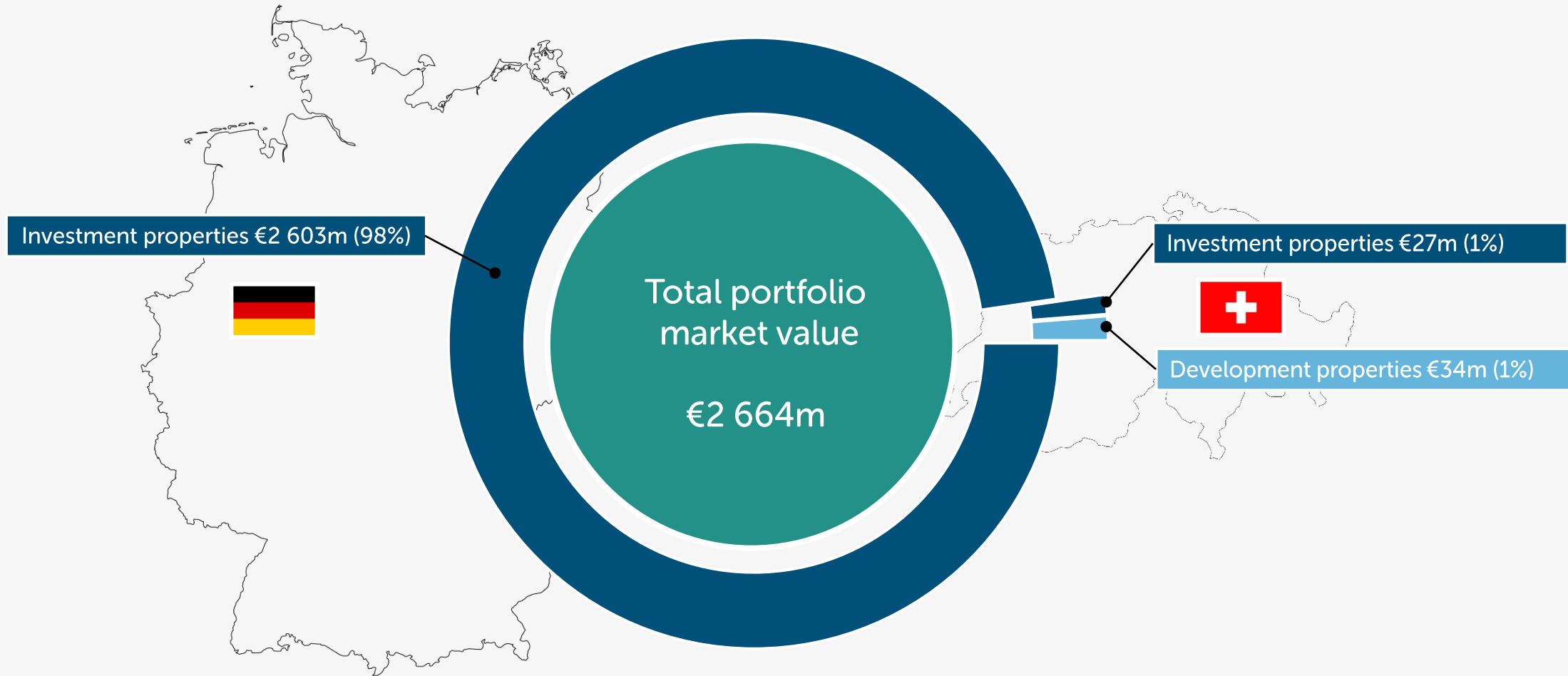
ESG

First ESG risk rating for Peach Property



11.5
«Low Risk»
November 2022*

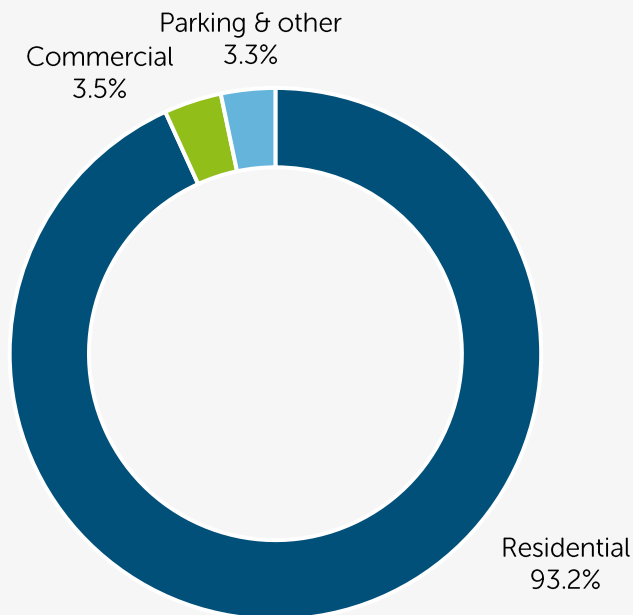
Portfolio structure as of December 31, 2022



Portfolio fully focused on residential space

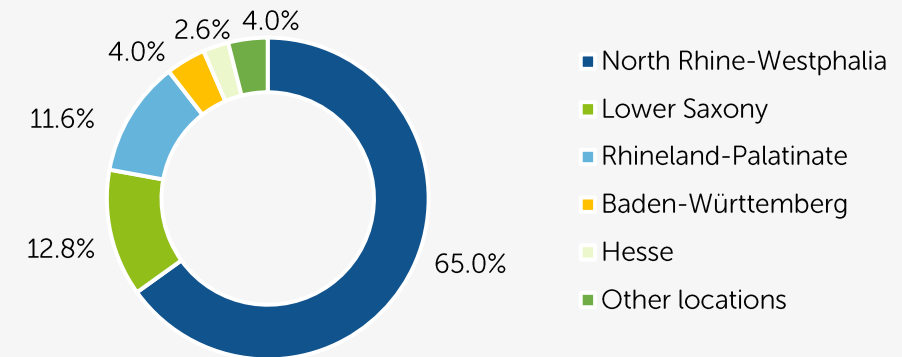
Rental income by use category as of Dec 31, 2022

In % of total rental income

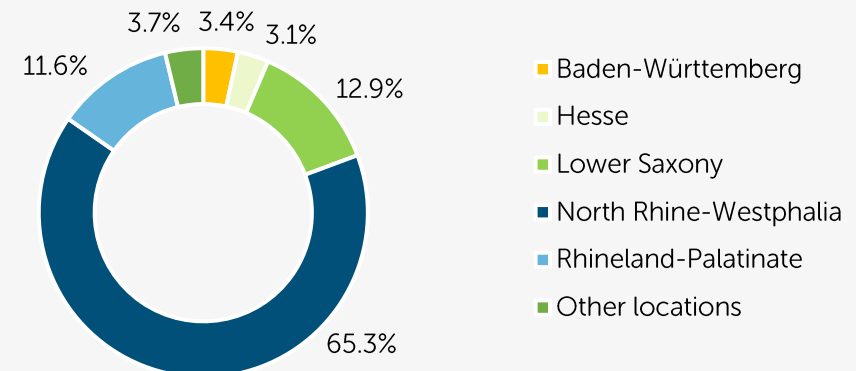


Breakdown by federal state as of Dec 31, 2022

In % of target rental income



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



Typical properties in Peach's portfolio



Affordable German residential properties in carefully selected B-cities

Peach Points – our regional tenant shops



15 Peach Points at all major Peach locations

Cornerstone
of direct
dialogue with
our tenants

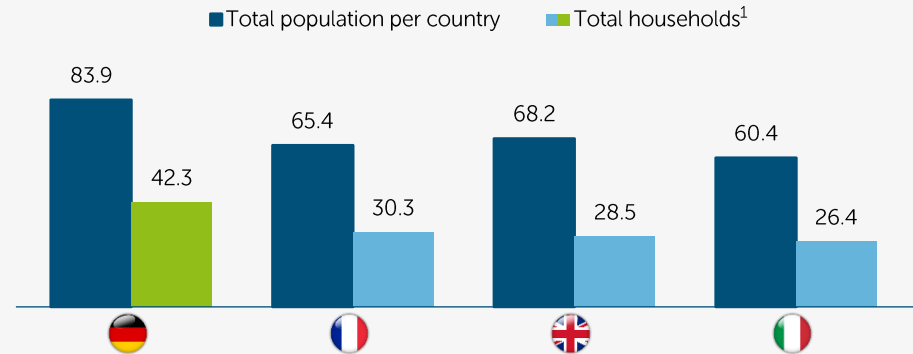
Central
point of
contact for
rental and
administrative
matters



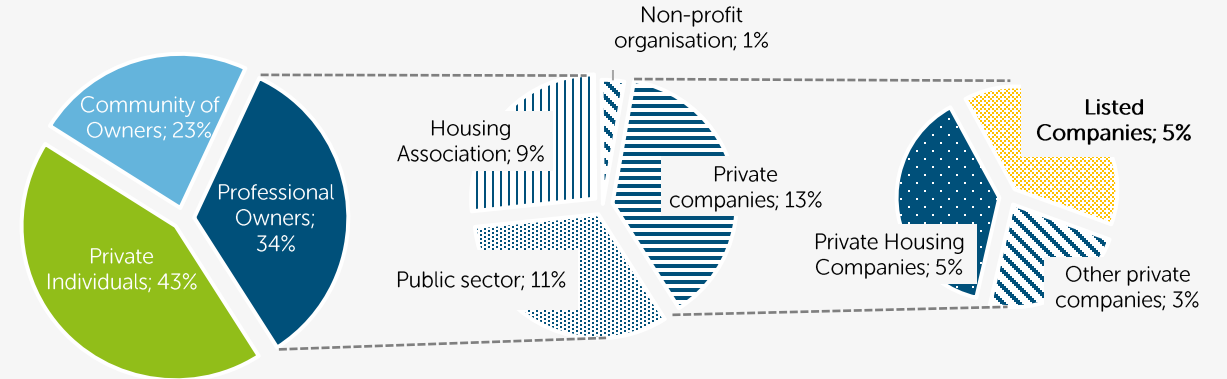
Within
walking
distance for
80% of our
tenants

Overview German real estate market

Germany is the largest housing market in Europe...

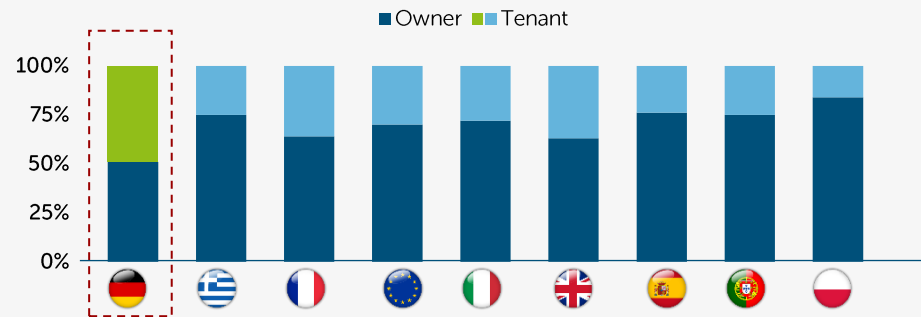


Listed companies have only small share of the residential rental market²



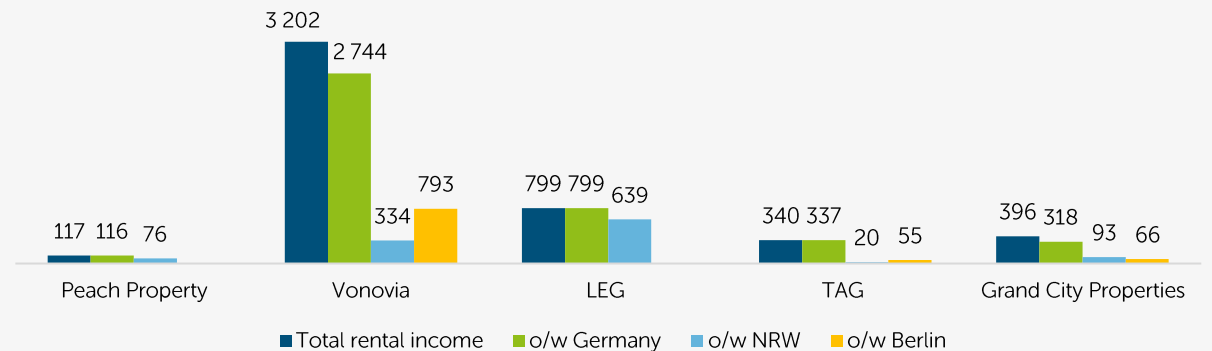
...with a strong rental culture...

Distribution of population between owner occupiers and tenant³



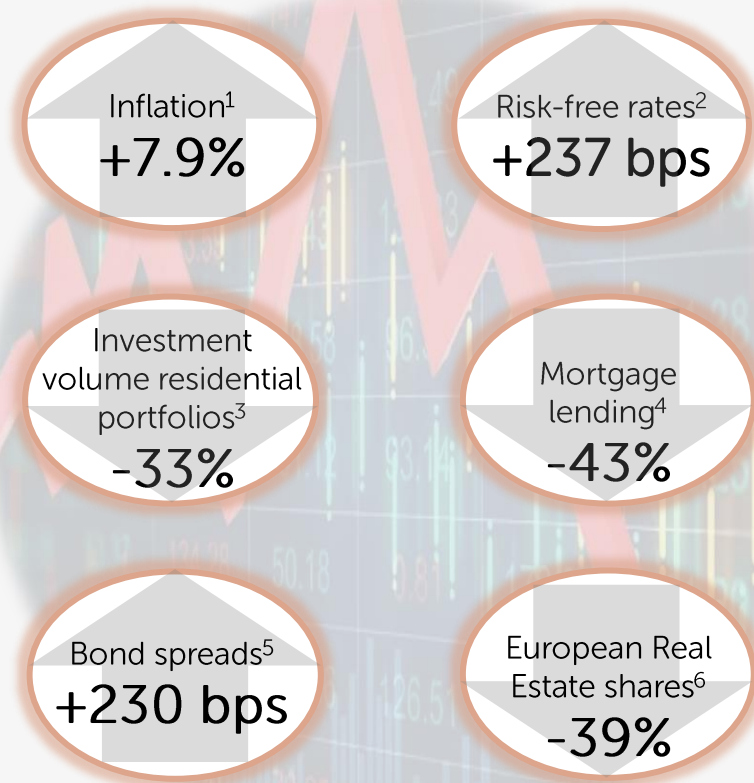
Peach in comparison to listed German peers

FY 2022 rental income in EURm⁴



The environment in 2022

Challenging market conditions in German real estate market...



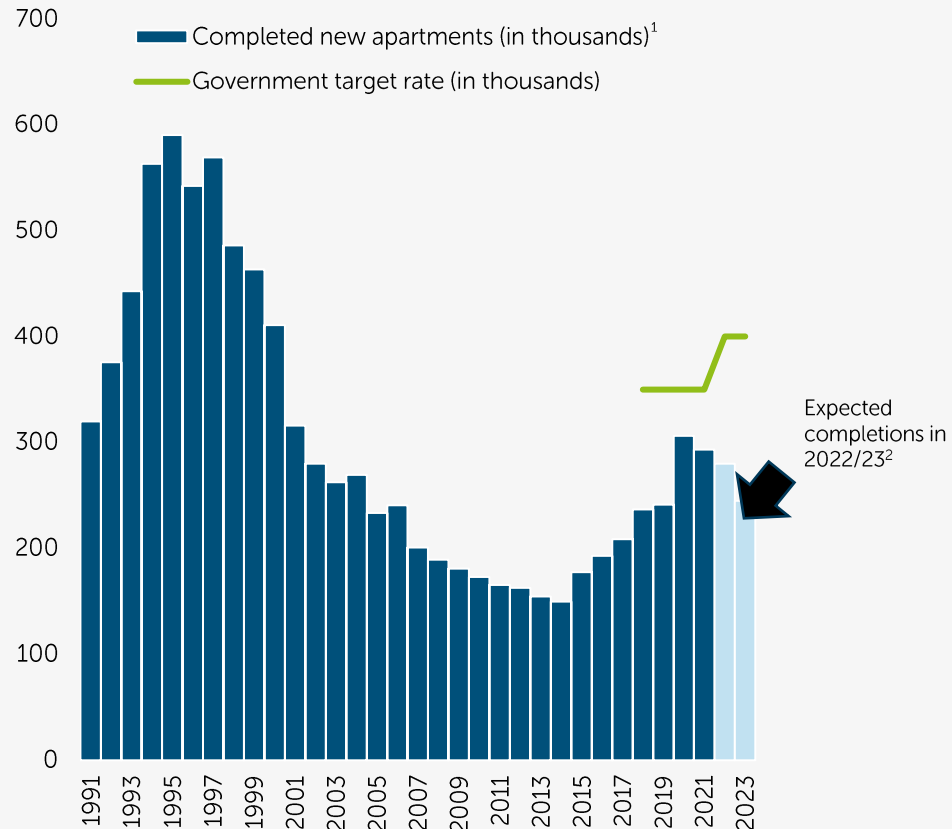
... but fundamentals for existing assets developing positively



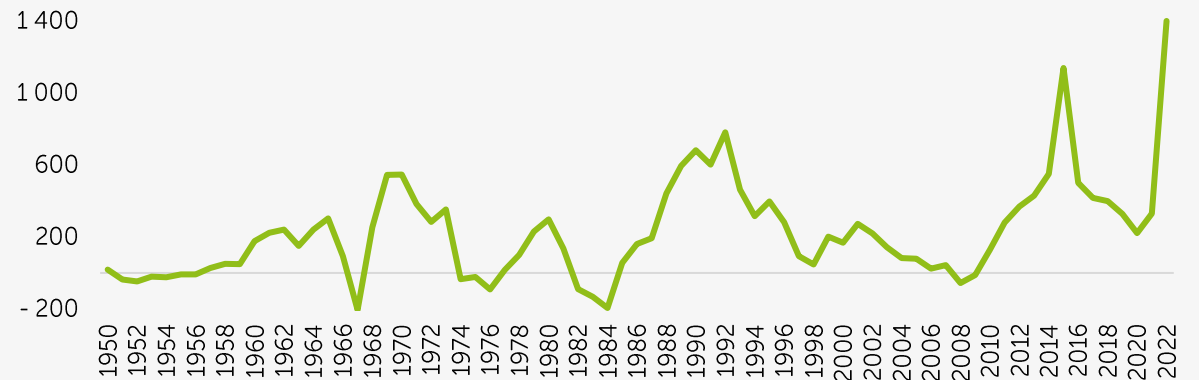
(1) Destatis; harmonized CPI 2022 average vs. 2021 average; January 17, 2023; (2) Yield 10y German government bond; Deutsche Bundesbank; (3) BNP Paribas Real Estate; German Residential investment market at a glance, Q4 2022; (4) New mortgage lending Dec 2022 vs. Dec 2021; Barkow Consulting; February 6, 2023; (5) ITRAXX EUR XOVER; (6) FTSE NAREIT Europe Index 2022 performance; (7) Destatis; construction price index for residential building; Q4 2022 y-o-y change; (8) Destatis; Building permit apartments y-o-y change; (9) Estimate Zentralverband Deutsches Baugewerbe, December 2022; (10) Lack of apartments; estimate by German Property Federation (ZIA), February 2023; (11) Destatis; January 2023; (12) 2022 y-o-y change of median net cold rents German average; rent data according to Engel & Völkers Investment Consulting; March 2023

Structural undersupply of housing in Germany is increasingly evident

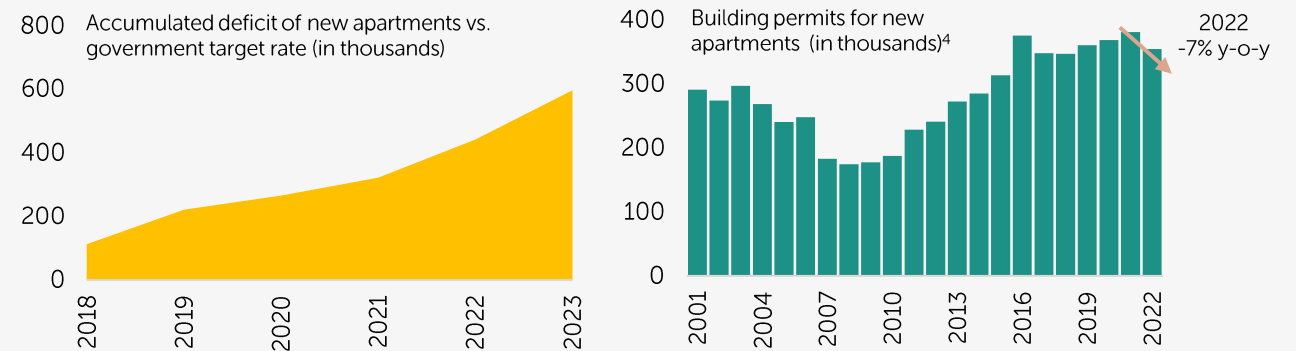
Structural undersupply in German housing market



German net immigration on the highest level since WW II³

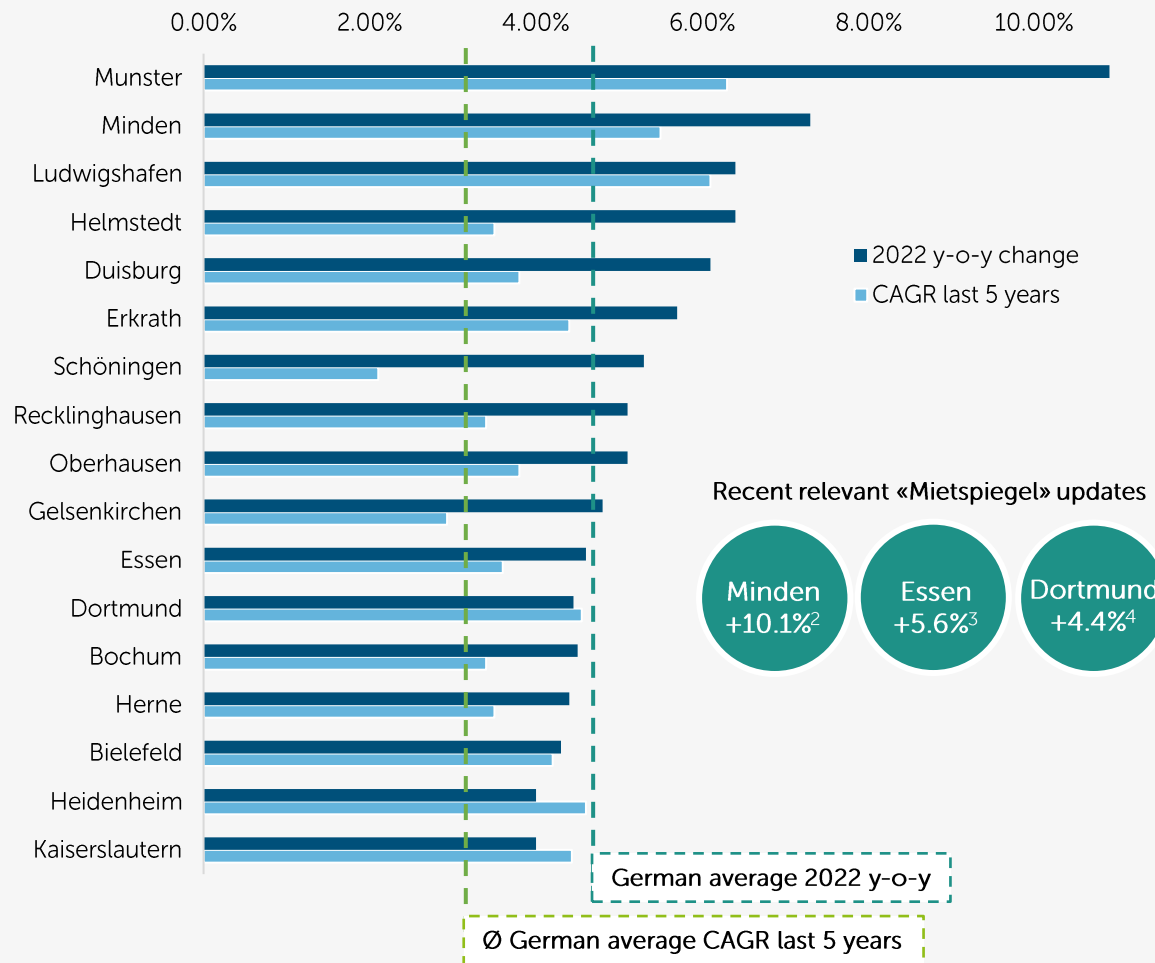


Housing deficit exceeds 500k apartments while building permits fall

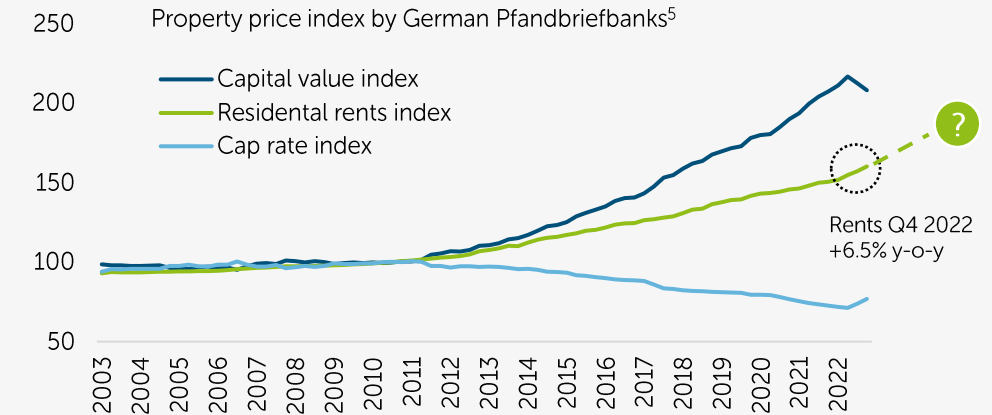


Inflation and scarcity drive market rents

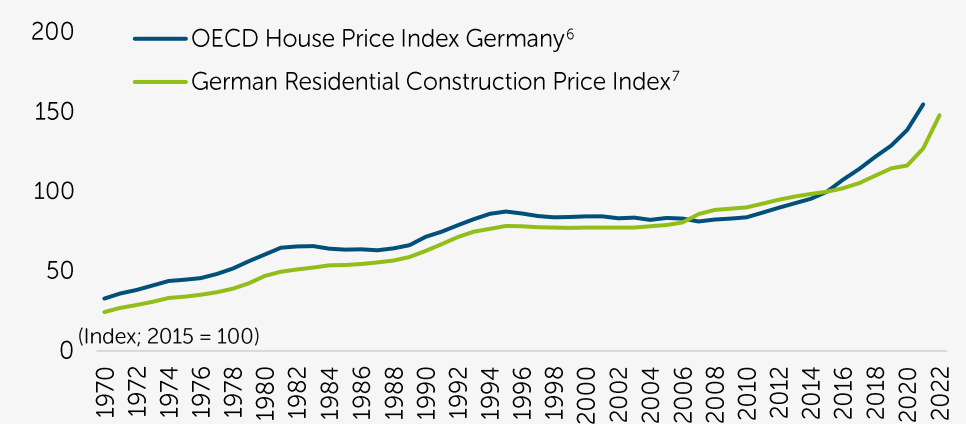
Relevant Peach cities show strong market rent growth¹



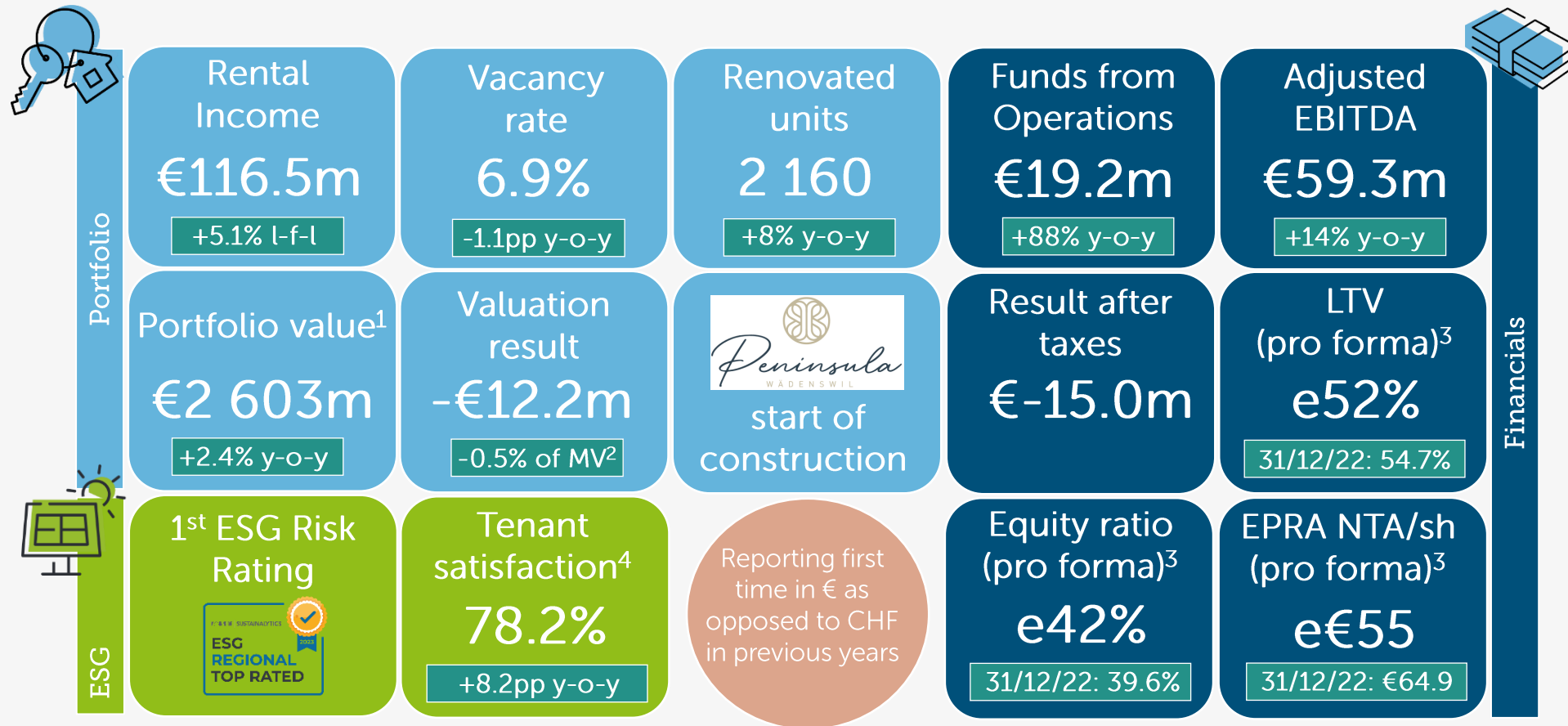
Rent growth counteracts value correction



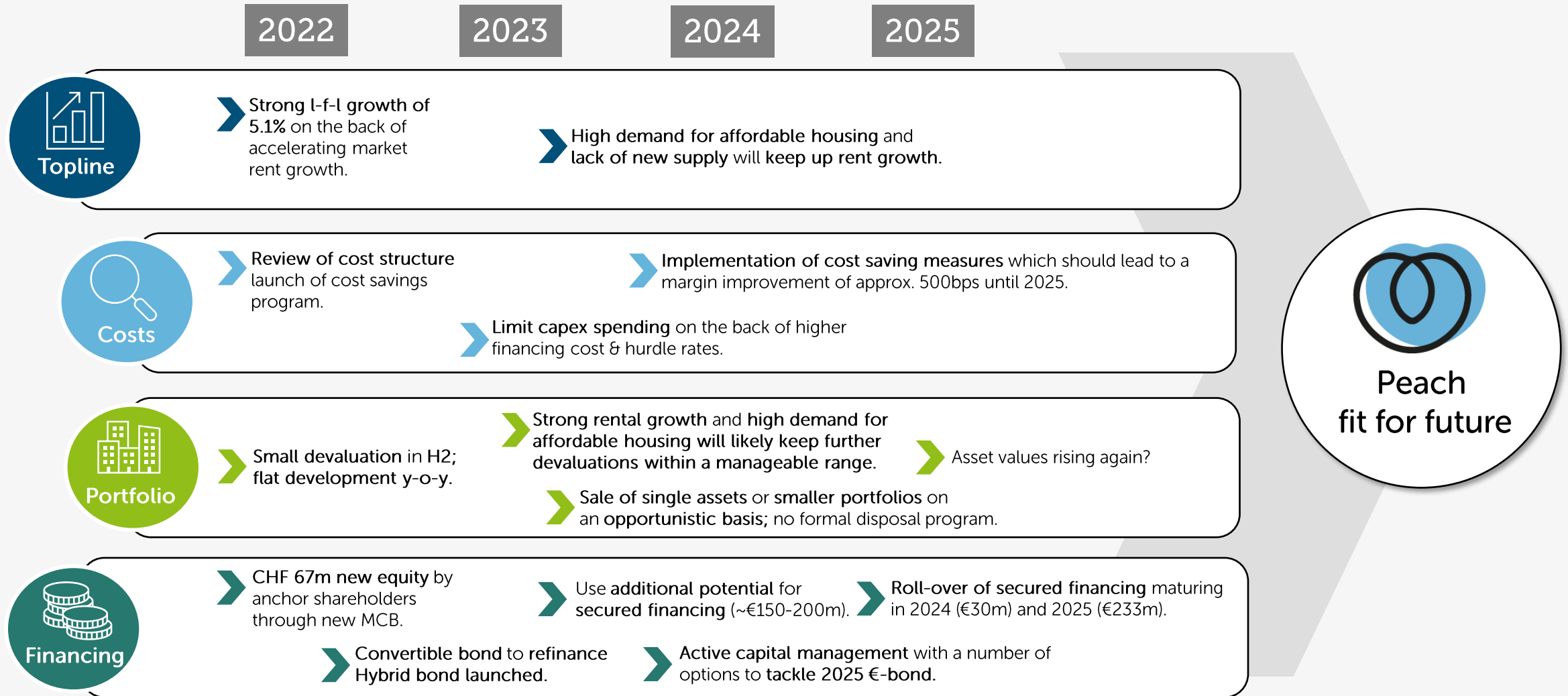
House prices and construction costs strongly correlated



FY 2022 – highest operating profit in history



Peach adapts to the new environment



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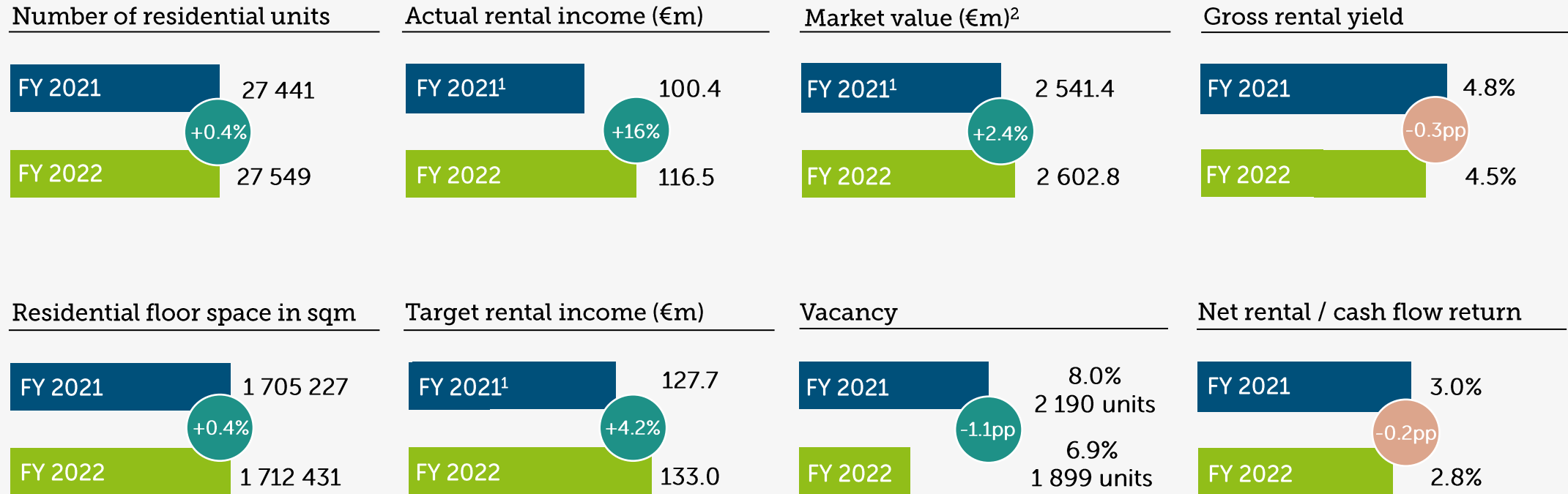
5. Guidance & mid-term financial targets

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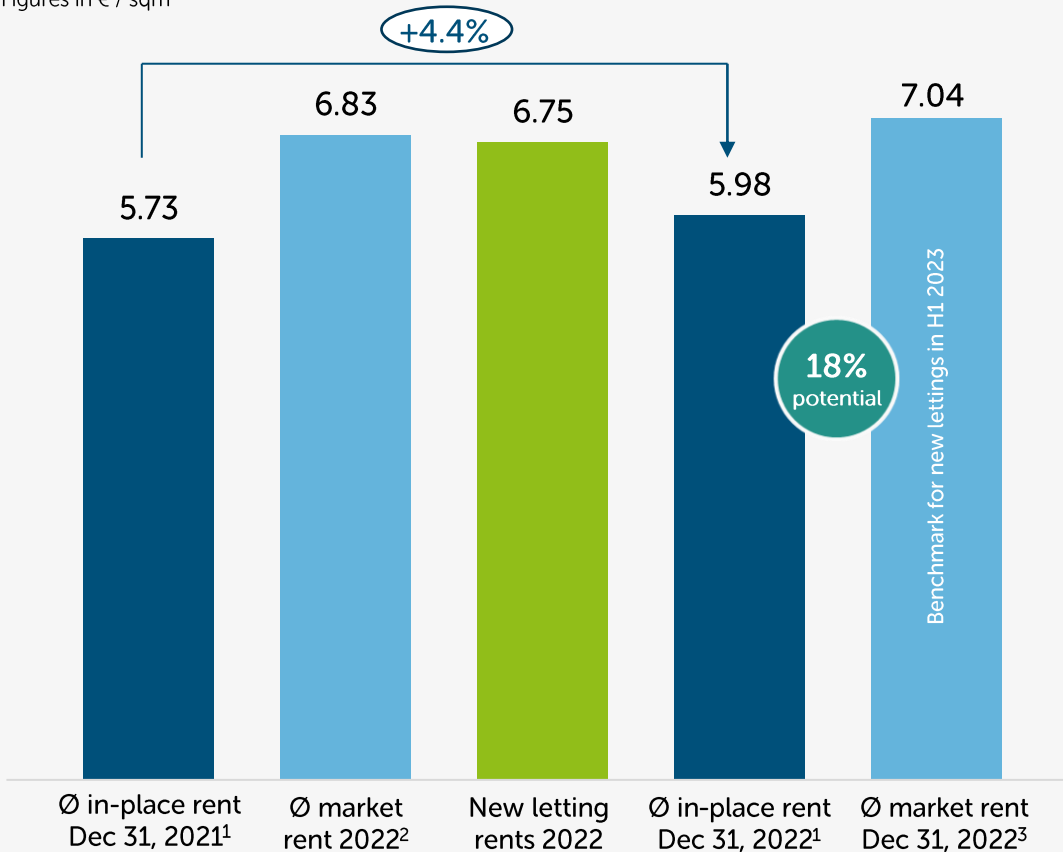
Overview investment properties



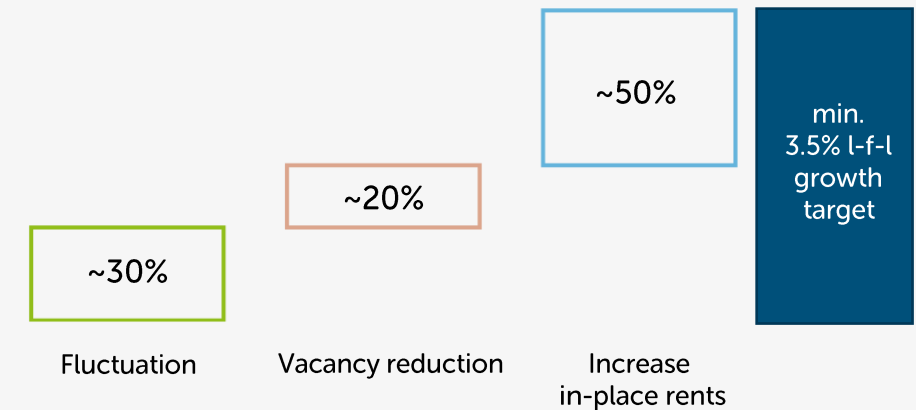


Strong rental growth with further potential

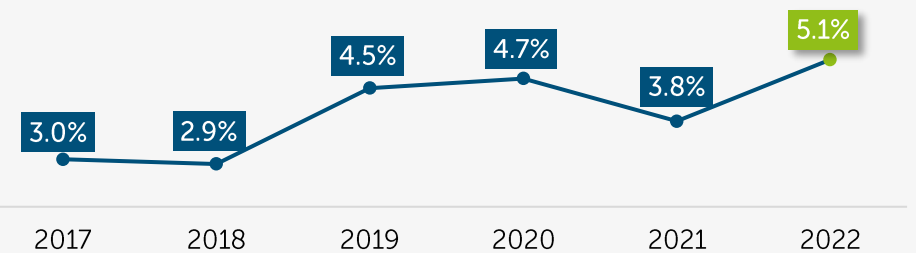
Figures in € / sqm



Sources of rental growth target



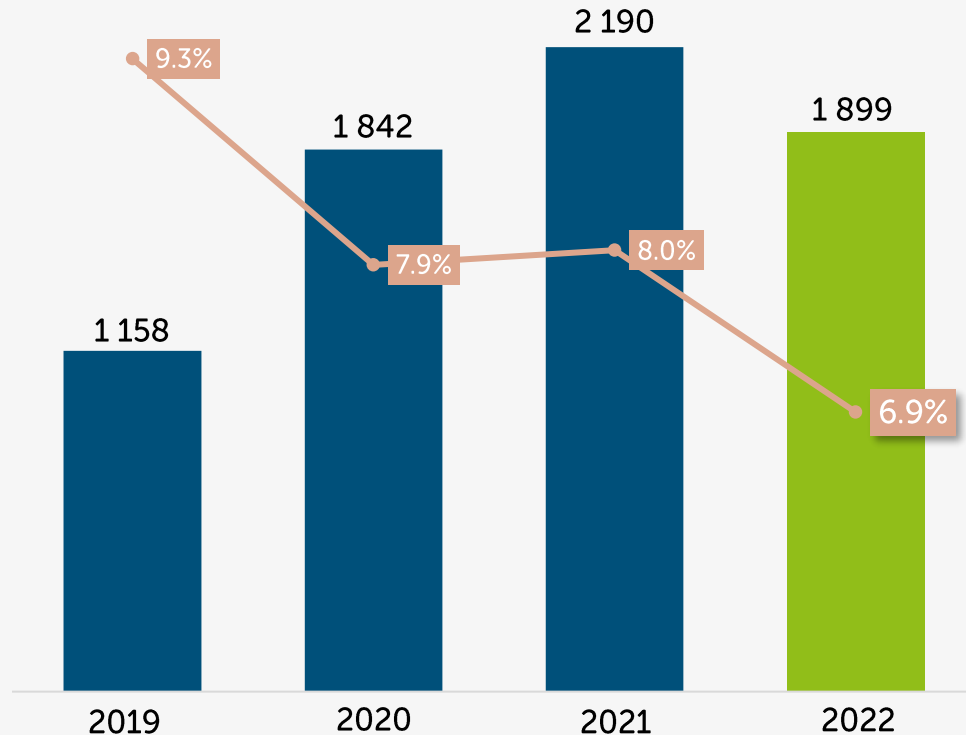
Our l-f-l rental growth track-record





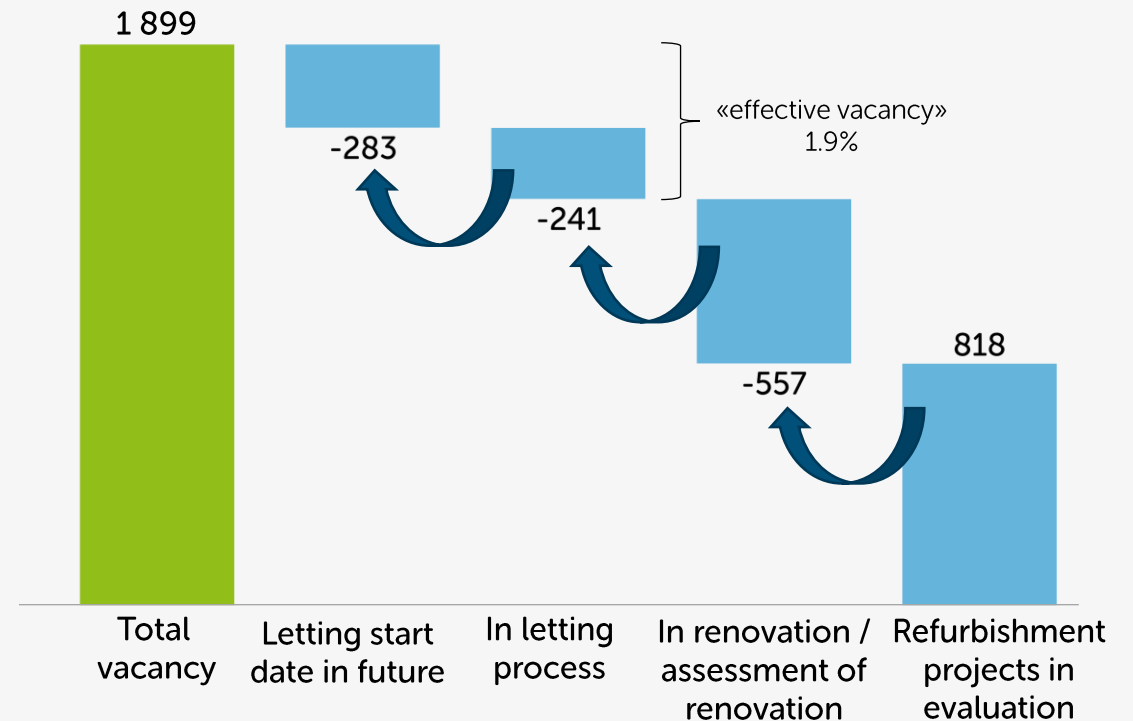
Lower vacancy driven by strong demand

Development of vacant residential units and vacancy ratio



- New lettings (approx. 3 700 new contracts concluded) at record level in 2022 with noticeable impact on vacancy rate.

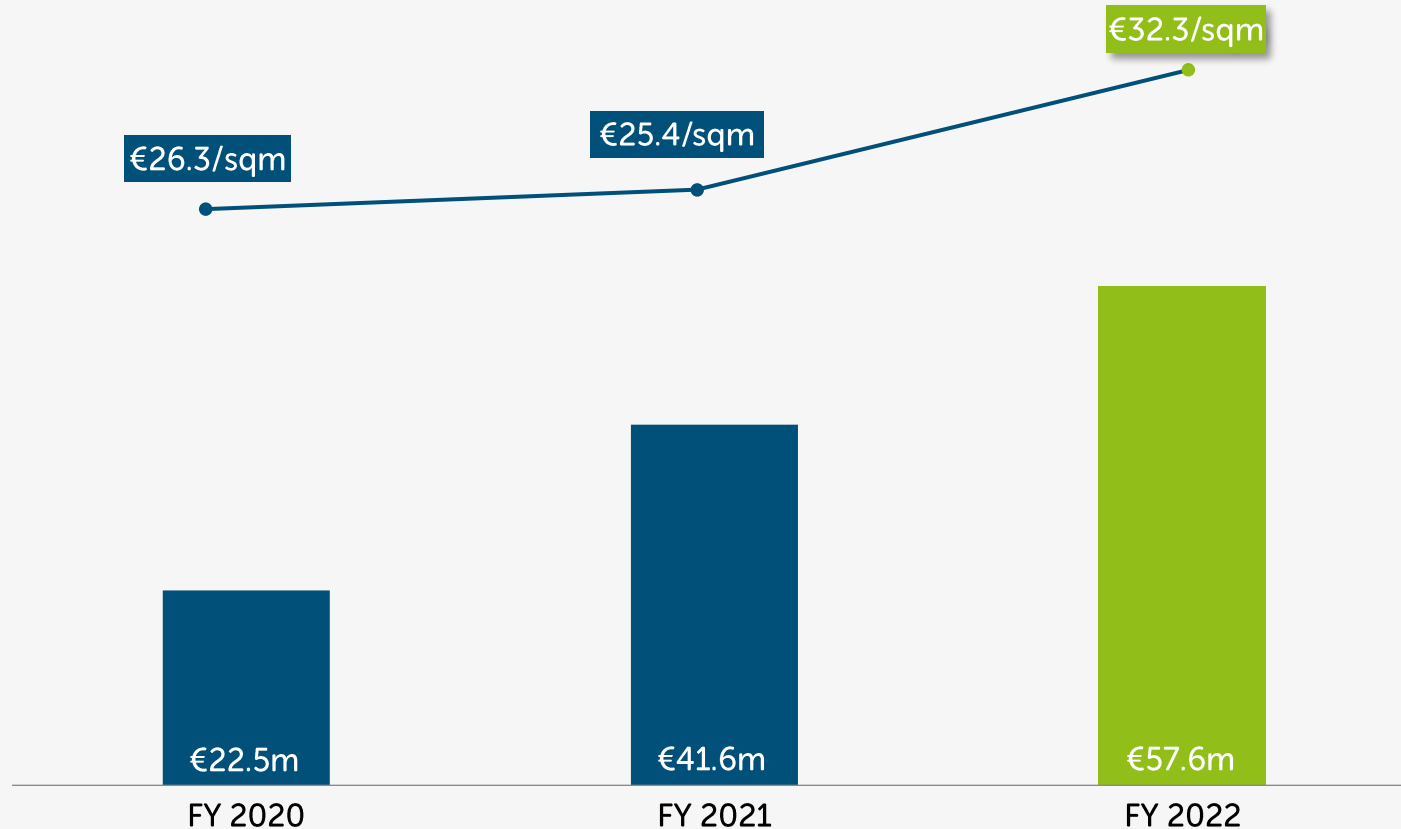
Vacant residential units by vacancy category



- ~ 2 200 units renovated in 2022.
- 1 500 – 2 000 units planned for 2023.
- Mid-term, we aim to achieve a «normalized» vacancy ratio of <4%.



Capex development



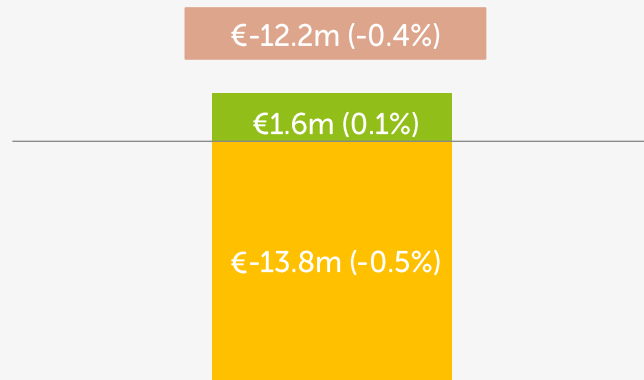
- Record number of 2 160 units renovated in 2022.
- Of which around 110 rental units underwent substantial energy-related renovations such as replacing windows or thermal insulation.
- In addition, approx. 40 heating systems for around 700 rental units renovated.
- To preserve our liquidity, we're planning with a reduced capex budget for FY 2023 of approx. €40m and 1 500 – 2 000 renovated units.
- «Yield on cost» of approx. 8-10% expected (hurdle rate: 6%).



Portfolio value stable year-on-year

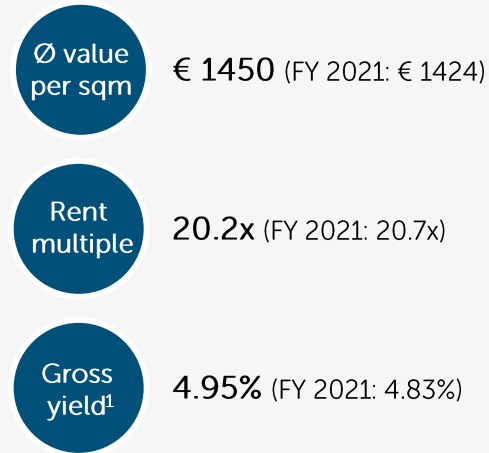
Valuation result 2022

- Operational progress & discount rate
- Initial valuation
- Total revaluation gain as % of investment properties



Dec 31, 2022

Key valuation indicators





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

Construction start &
groundbreaking ceremony in H2 2022

Construction in 2023 & 2024
handover of condominiums 2024/2025 planned



57 condominiums
in 5 buildings

60% of units notarized or
reserved

Total sales volume
CHF 130-140m

Single-digit developer
margin expected¹

10-15% project completion
expected by end 2023



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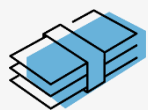
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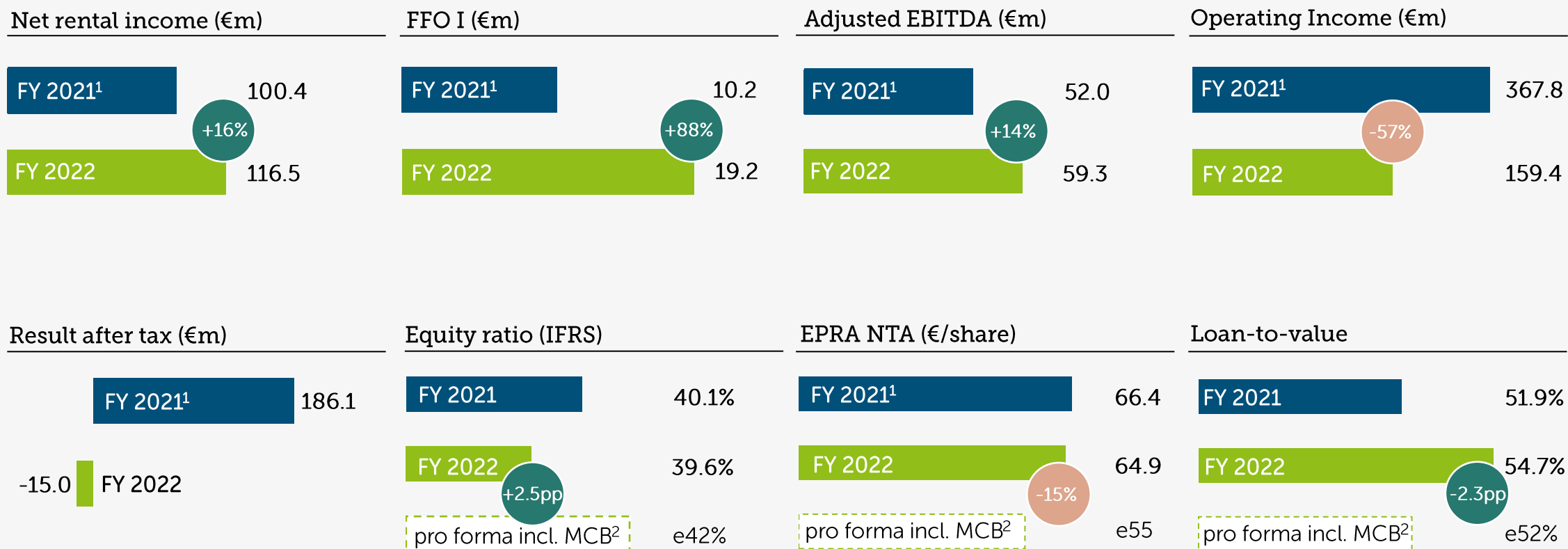
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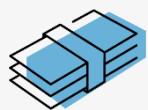
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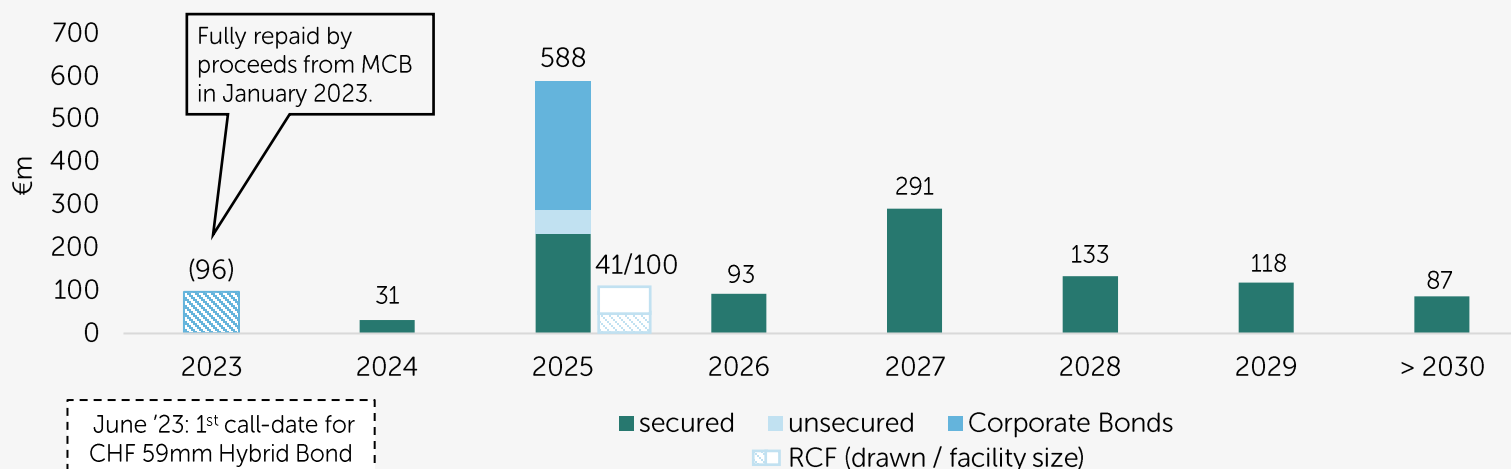
Financial performance in FY 2022





Debt structure as of December 31, 2022

Maturity profile¹



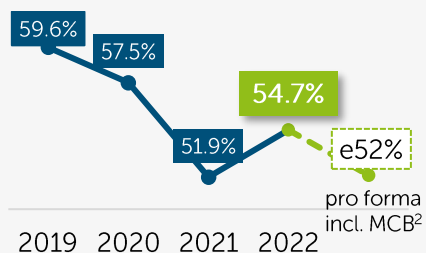
		Amount €m	Ø interest rate	Fixed rate
Unsecured	33%	396	4.16%	100%
		96	3.39%	20%
Secured	66%	987	2.06%	94%*
Total		1 479	2.71%	91%

*incl. hedges

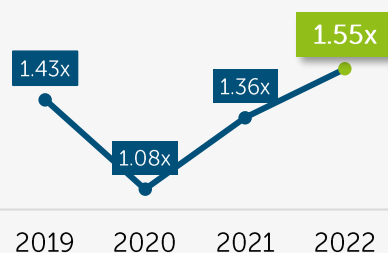
Unencumbered assets: €484.2m

As of December 31, 2022

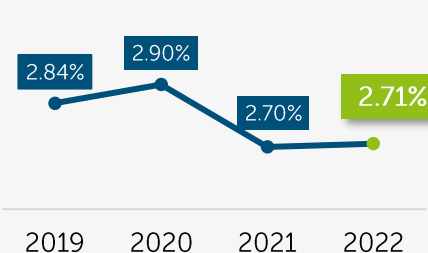
Loan-to-value (net)



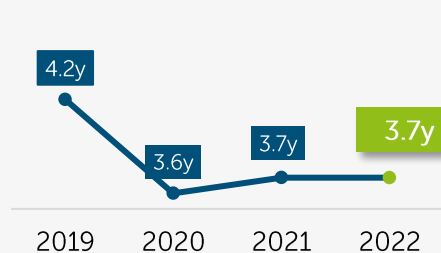
ICR



WACD



Weighted average maturity





Launch of Convertible Bond & Exchange Offer to refinance Hybrid Bond

Terms & offer period
amended on April 11, 2023

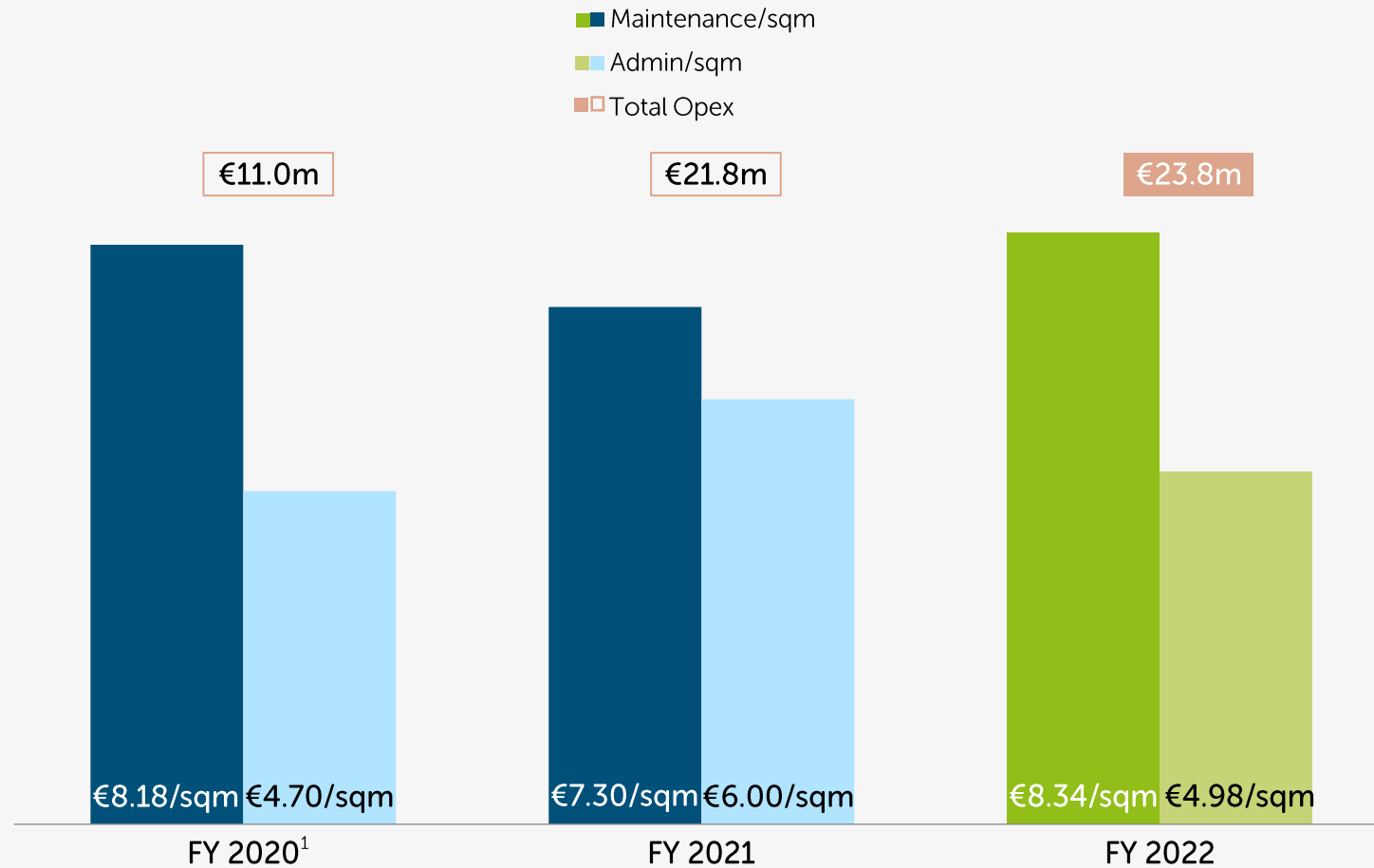
Key Terms of new Convertible Bond

Issuer	Peach Property Group AG
Nominal amount	Up to CHF 50 000 000 Right to increase amount up to CHF 65 000 000
Coupon	3.00% p.a. from issue date until 15 May 2026 (incl.); payable annually.
Issue price	100%
Denomination	CHF 1 000 principal amount per Bond
new Offer period	Expected from 12 April 2023 to 9 May 2023, 12.00 CET; the Issuer reserves the right to accelerate or extend the offer period.
Issue date	16 May 2023
Maturity	15 May 2026
new Conversion Price	CHF 15.00
Listing	SIX Swiss Exchange
Governing Law	Swiss law

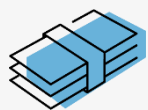
- Proceeds earmarked to refinance outstanding Hybrid Bond with first call date on June 22, 2023.
- Exchange offer for all investors in the Hybrid bond during the offer period at 1:1 plus accrued interest.
- Board of Directors decided on March 17, 2023, to propose to the AGM (to be held on May 24, 2023) an adjustment of the nominal value per share from CHF 30.00 to CHF 1.00.
- Depending on final issuance volume and actual conversion; up to 3.33 million additional shares will be issued for the Convertible Bond; which corresponds to approx. 16% of outstanding shares following the conversion of the Mandatory Convertible Bond on 12 April 2023).



Opex development



- Higher maintenance costs driven by higher number of tenant tickets (legacy from acquisitions in 2020 and 2021) and higher material and 3rd party services costs.
- Reduction of administration costs reflects normalized level following integration of 2021 acquired rental units into our management.



Our cost structure under review

Operational cost structure FY 2022

Rental income	€116.5m
./. Ongoing maintenance expenses	€14.9m
./. Ongoing management expenses	€8.9m
./. Expenses from vacancies	€6.2m
./. Personnel expenses	€17.5m
./. Other operating expenses	€10.1m
./. Other items	+€0.4m
Adjusted EBITDA	€59.3m

Margin
50.90%

- Scrutinize costs and expenses incurred in case of tenant turnover.
- Review contracts with service providers.
- Improve processes and efficiency.

- Review needs for replacement of vacancies.
- Process improvements / automations.

- Reduce spending on external advisory fees / insourcing of certain services.

Target to be achieved by FY 2025

- Reduce operating cost base by annualized €2-3 million, despite inflationary pressure on external costs and salaries.
- Improvement of adjusted EBITDA margin by approx. 500bps vs. FY 2022 level.

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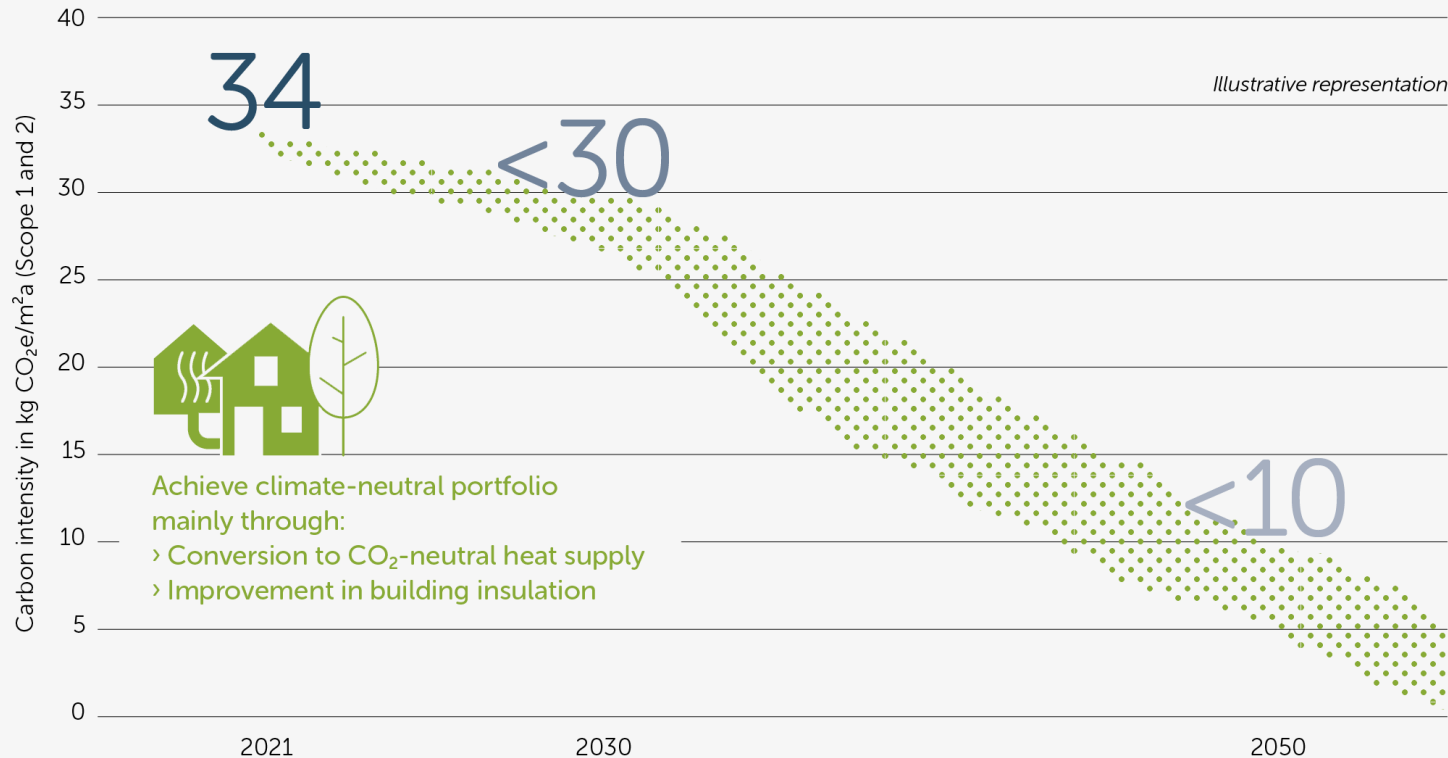
Sustainability is central to our actions

Peach Sustainability Report 2022 for the first time in accordance with GRI standards; to be published in May 2023





Work on decarbonization path continued



Targets correspond to²

- Annual reduction of 8 600t of CO₂ emission until 2030 and 41 000t until 2050.
- Total reduction of ~60 000t of CO₂ emissions until 2030 and >800 000t until 2050.

2022

- Further improved the quality of our decarbonization database.
- Inclusion of consumption data for rental units acquired in 2021 for the first time.
- **Starting point of decarbonization path** with a CO₂ intensity of ~34 kg CO₂e/m²a¹ established/verified.

2023

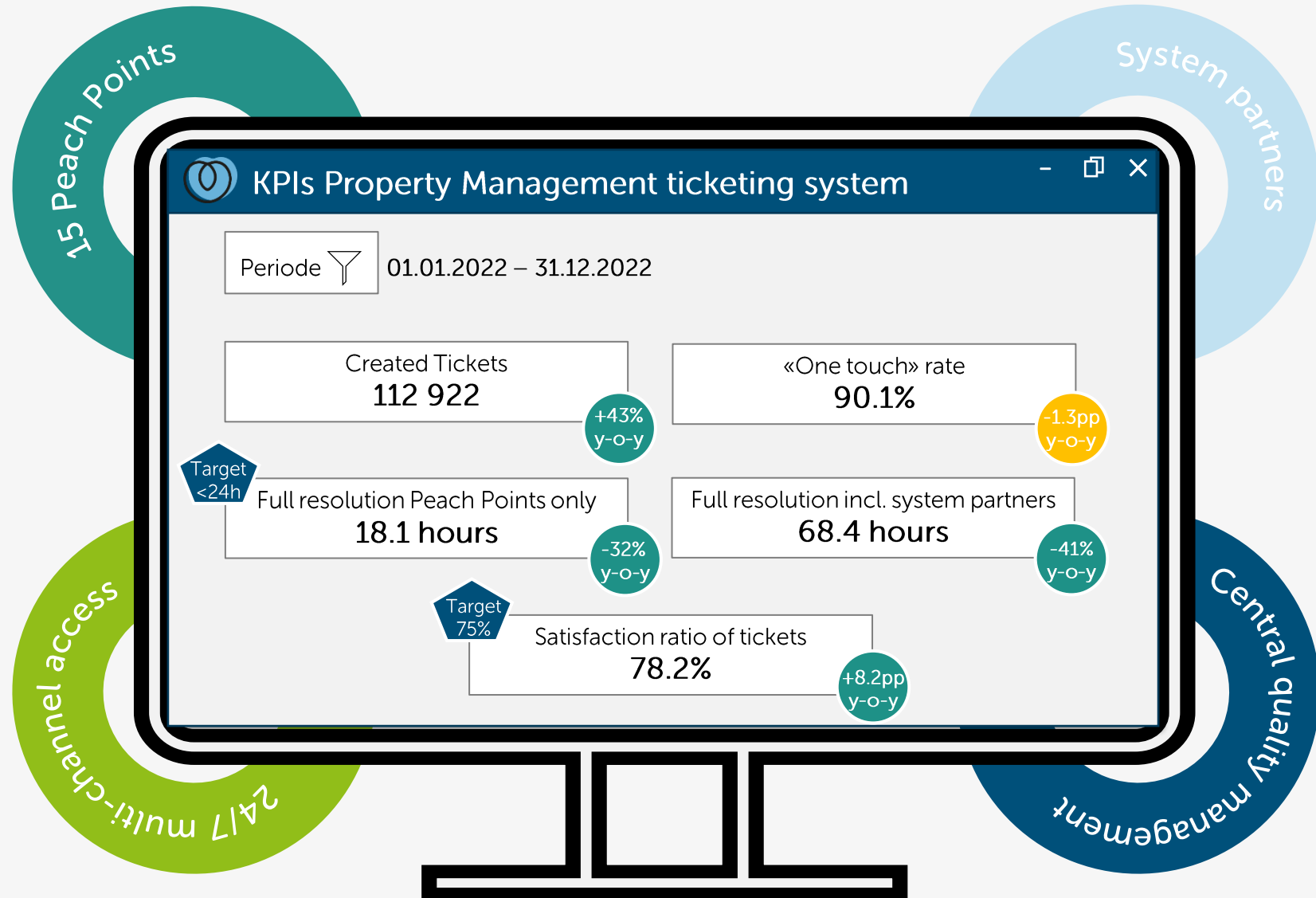
- **Current work streams** focused on **planning and evaluating** concrete measurements; the lower capex budget for FY2023 does not directly affect our decarbonization path.
- Further improvement of **smart metering solutions** to **improve the quality and availability** of climate data and rising tenant awareness.



- In the period up to 2050, we expect total costs of **€300-350m** (corresponds roughly to EUR 6-7 EUR/m² and year).
- This estimate is **before subsidy measures or modernization charges**; estimates with significant uncertainties due to the current environment.



Tenant satisfaction as a leading priority





Our ESG Awards

ESG Risk Rating

MORNINGSTAR SUSTAINALYTICS

11.5
«low risk»



2022

- First active participation in rating process.
- In 4th percentile of global rating universe (> 1 500 companies).

ESG Rating



2022

- Upgrade to «A» from «BBB».

Award for ESG reporting



2022

- First award for Peach Sustainability Reporting.

ESG Equity Index



2022

- Index inclusion in September 2022 for the first time.
- Inclusion is subject to positive sustainability rating from «Inrate».

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Guidance & mid-term financial targets

Guidance FY 2023

Net Rental Income	€121 - 123m
l-f-l rental growth	~4%
FFO I	€21 - 23m

Financial targets for the period until 2025

l-f-l rental growth	min. 3.5% p.a.
Adj. EBITDA Margin	+500bps vs. FY 2022 ¹
FFO I growth	CAGR ~15% ²
LTV	~50%

Dividend Policy	50% of FFO I subject to conditions of financing markets
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Key takeaways

Operationally and financially sound business with attractive growth prospects...



Scarce product with high & increasing demand

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



Rising rents and lower vacancy

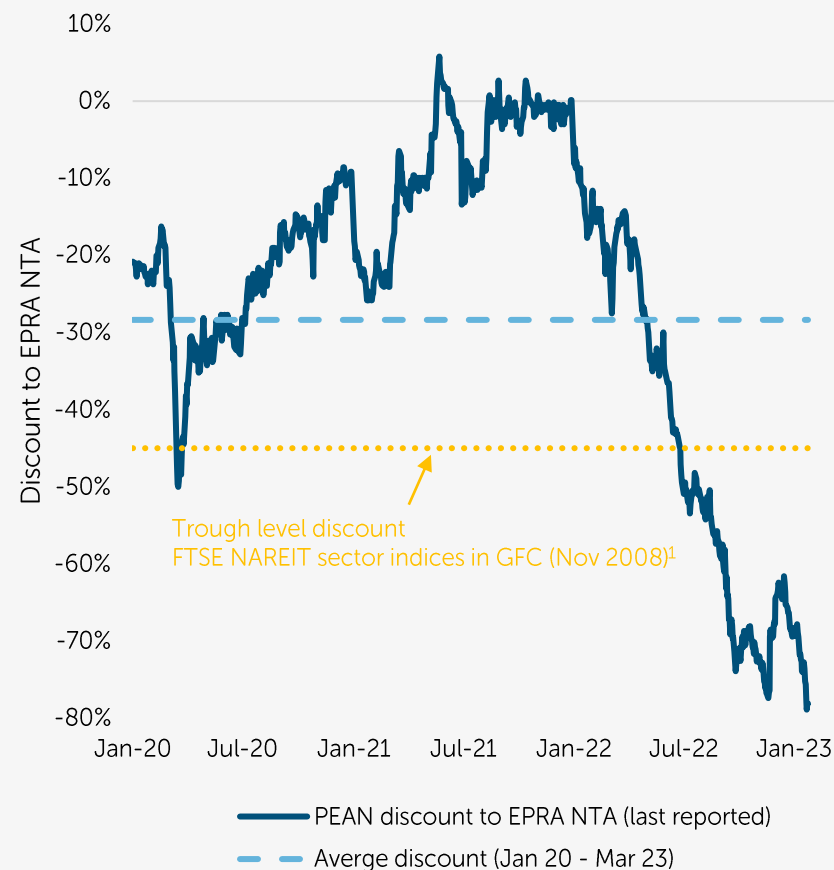
- Market rents accelerating growth; will outpace inflation at some point.
- Rental growth as inflation protection.
- Peach demonstrated ability to increase rent levels and lower vacancy; with further potential.



Balance sheet strengthened by additional equity

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

... trades at a historic high discount to EPRA NTA¹



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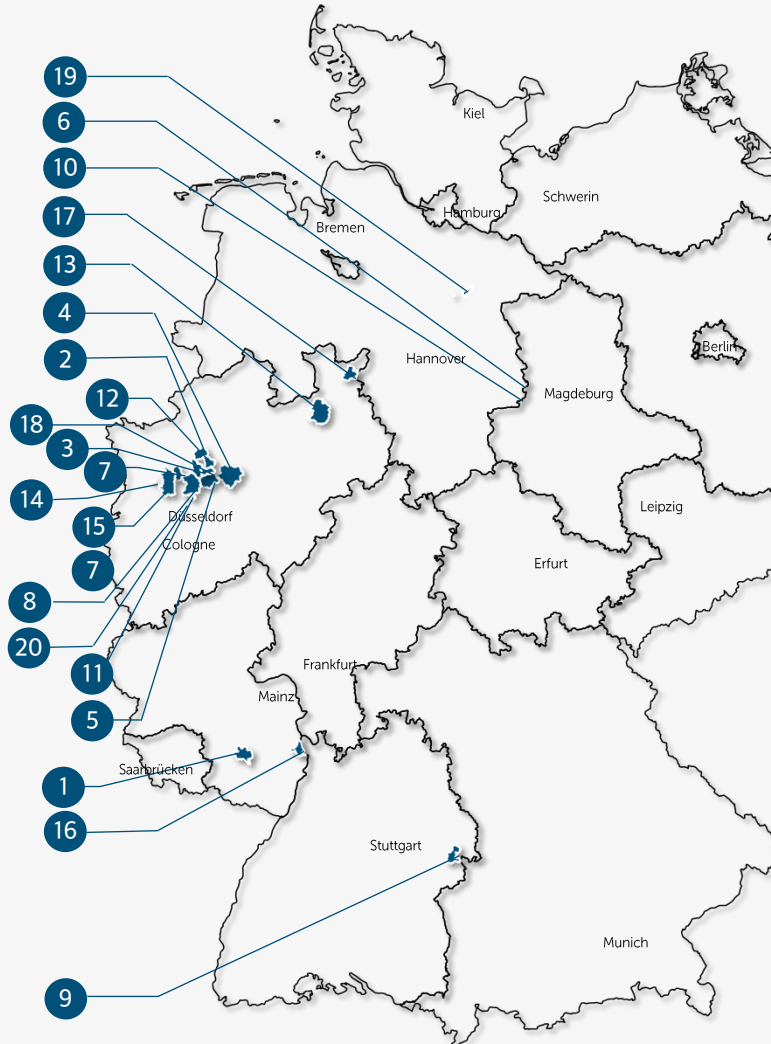
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Portfolio details



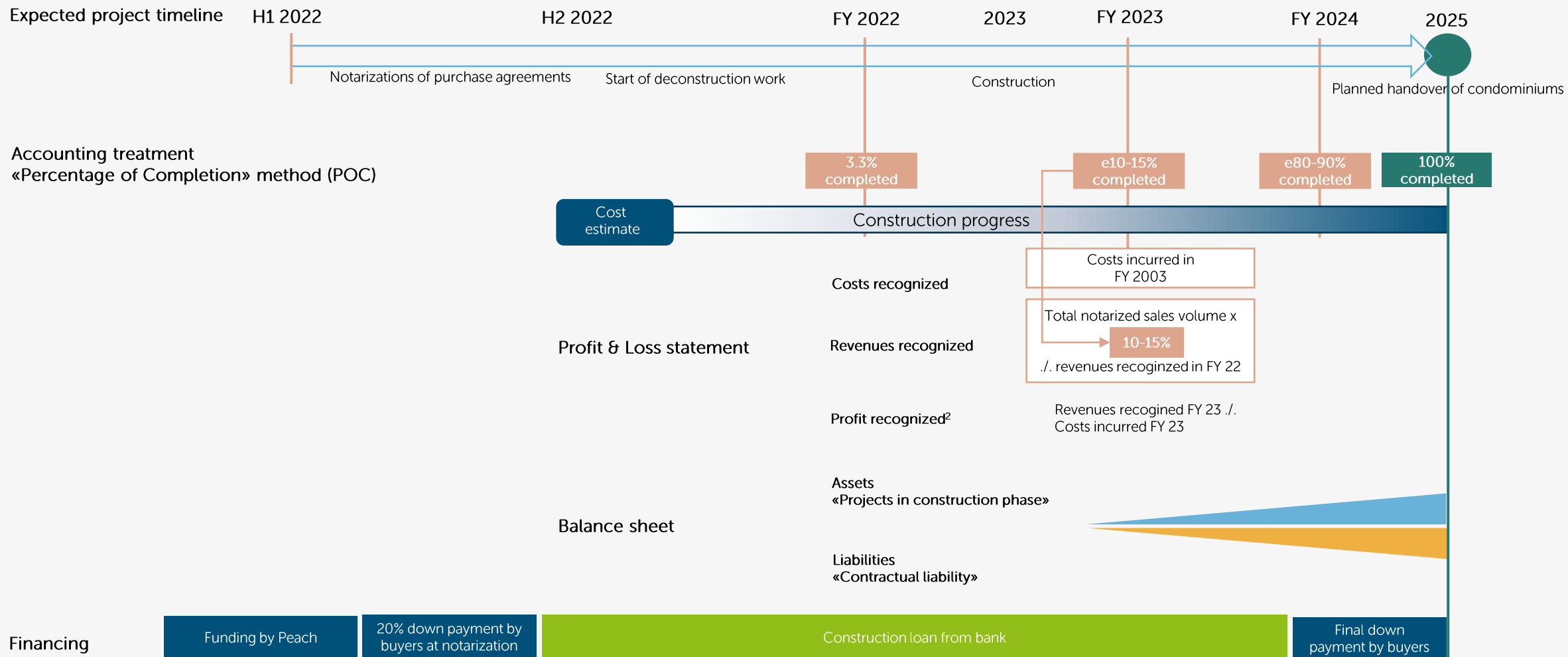
Top 20 locations of the Peach portfolio



	Location	State	# of units	Space in ksqm	Construction years	Valuation in €m ¹
1	Kaiserslautern	Rhineland-Palatinate	2 294	140.2	1926-2000	242.6
2	Marl	NRW	2 153	142.2	1939-1990	196.5
3	Gelsenkirchen	NRW	2 001	128.7	1902-2001	168.5
4	Dortmund	NRW	1 963	123.5	1900-1975	228.1
5	Bochum	NRW	1 430	65.1	1920-1999	115.0
6	Helmstedt	Lower Saxony	1 314	76.6	1926-1981	85.7
7	Oberhausen	NRW	1 076	70.0	1869-2001	118.5
8	Essen	NRW	953	59.8	1904-1988	105.0
9	Heidenheim	Baden Wurttemberg	905	61.8	1896-2006	113.7
10	Schöningen	Lower Saxony	844	50.2	1953-1970	46.0
11	Velbert	NRW	761	52.8	1972-1978	75.2
12	Recklinghausen	NRW	710	43.6	1904-1970	58.8
13	Minden	NRW	643	41.5	1893-1973	50.4
14	Neukirchen-Vluyn	NRW	567	37.8	1974-1981	45.8
15	Duisburg	NRW	553	35.6	1915-1978	45.7
16	Ludwigshafen	Rhineland-Palatinate	470	28.2	1920-1987	84.9
17	Bielefeld	NRW	439	30.4	1932-1987	47.1
18	Herne	NRW	418	26.6	1905-1976	36.1
19	Munster	Lower Saxony	377	25.8	1959-1967	29.9
20	Erkrath	NRW	142	10.4	1978	30.3
	Others incl. CH	-	7 536	533.2	1800-2015	740.3
	Total		27 549	1 784		2 664



«Pensinsula Wädenswil» - "Cost completed" accounting¹



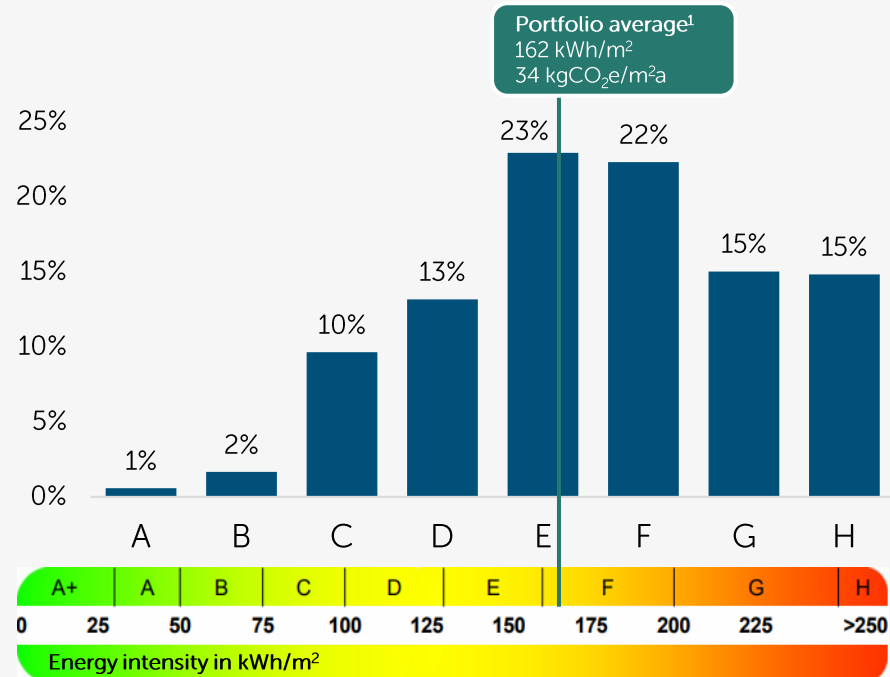
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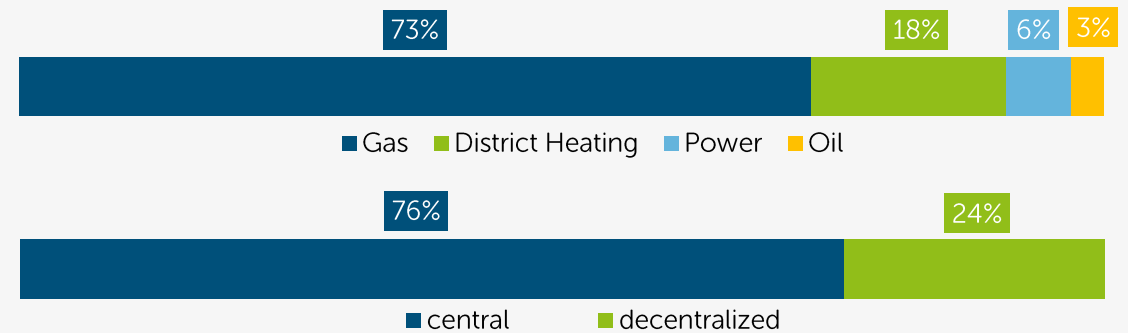


Energy KPIs of Peach Portfolio

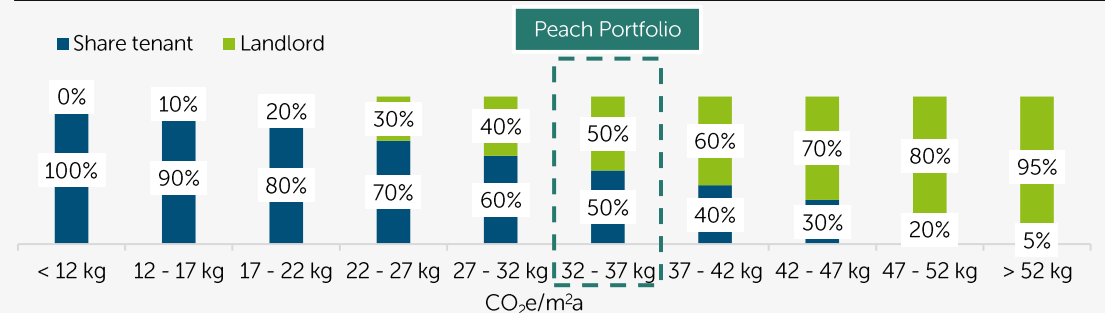
Distribution of energy efficiency classes



Source of heat energy & supply



German CO₂ levy



Expected CO₂ pricing in DE²

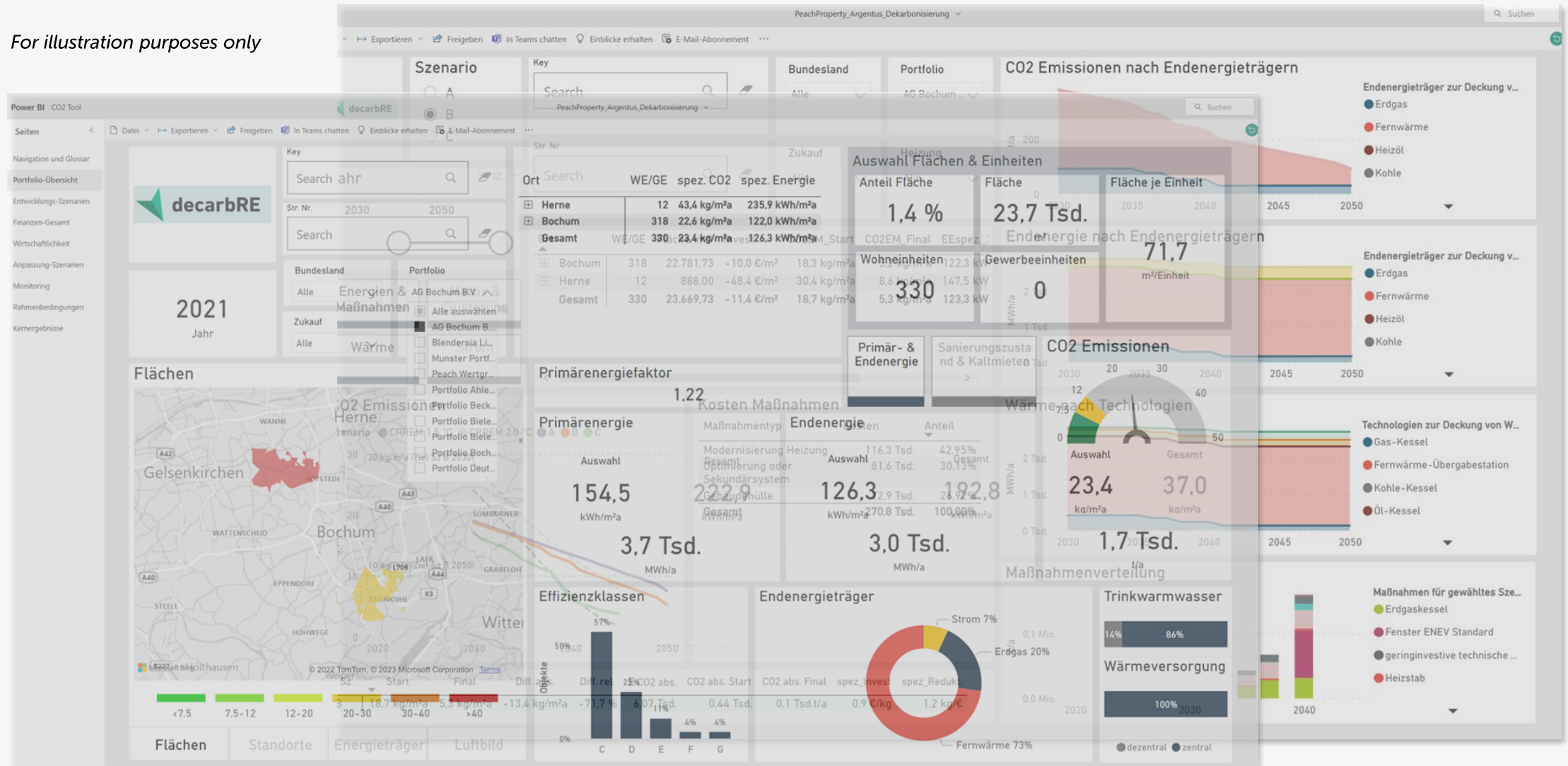
	2023	2024	2025	2026+
CO ₂ price EUR/t	30	35	45	55-65

➡ The cost to Peach is expected to be <€1m per year at current CO₂ price levels.



Peach's decarbonization tool

For illustration purposes only

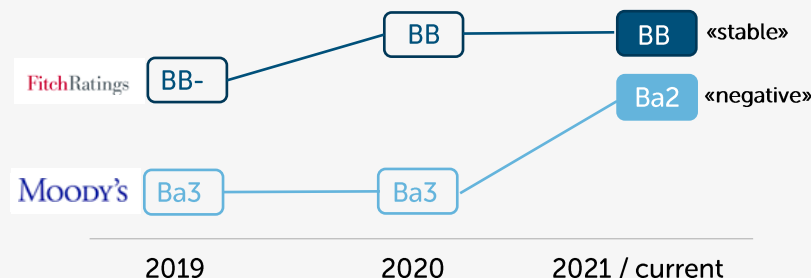


Appendix

Share data

Capital market development

Credit ratings (Corporate Rating)



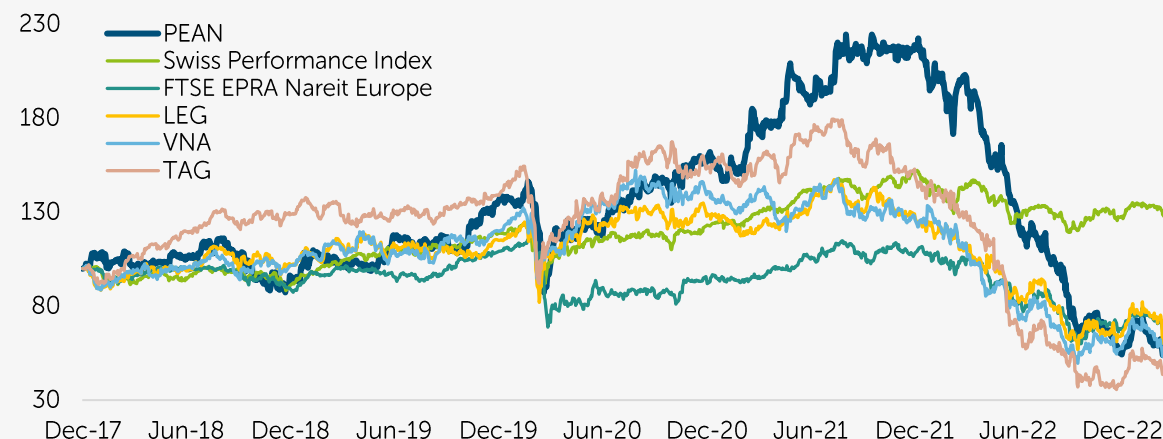
Equity analyst coverage

	Buy PT CHF 70.00		Buy PT CHF 27.00
	Buy PT CHF 38.50		Hold PT CHF 20.00
	Buy PT CHF 36.00		Neutral PT CHF 18.00
	Buy PT CHF 36.00		Reduce PT CHF 14.00

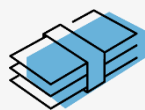
Recent capital market transactions

Jan 2023	Mandatory convertible bond 5% CHF 112.3million; conversion price CHF 30.00
2022 / 2023	Buybacks & par call to repay EUR 250 million EuroBond 2023
Apr 2022	EUR 100 million revolving credit facility; maturity 3 years
Mar 2022	~2% EUR 55 million promissory note (German SSD); maturity 3 years
June 2021	Mandatory convertible bond 2.5% CHF 180 million; conversion price CHF 55.00
Oct 2020	EuroBond 4.375% EUR 300 million; maturity 5 years

5-year share price performance (rebased to 100)

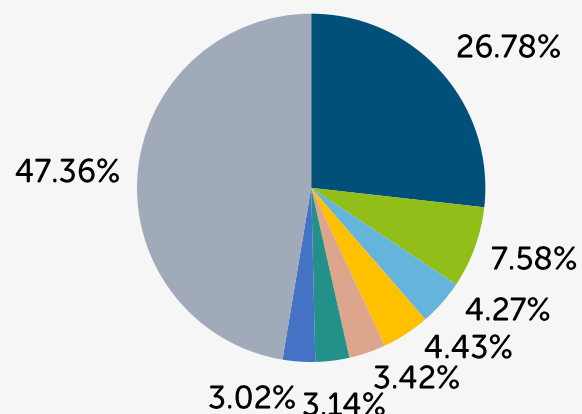


As of 31.03.2023; indexed; 29.12.2017 = 100; Source: Bloomberg



Share data

Significant shareholders¹ as of Dec 31, 2022



- Ares Management Corporation
- Franciscus Zweegers
- Dr. Thomas Wolfensberger
- Kreissparkasse Biberach
- Marius Barnett
- BlackRock Inc.
- Swisscanto Fondsleitung AG
- Other

Note: The notional free float based on the shares issued on Dec 31, 2022, is 92.42 %. The shares held by Peak Investment S.à.r.l for Ares Management Corporation are counted as part of the free float due to the exemption for investment companies in accordance with section 5.1.2 of the Rules Governing the SPI Index Family.

Information on the share

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

Key stock exchange data

Security no.: 11 853 036

ISIN: CH0118530366

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

	Dec 31, 2022	Dec 31, 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)	276 687 516	1 069 851 669
Average shares traded per day at SIX Swiss Exchange	21 761	16 435

(1) Based on the published disclosure notifications of the significant shareholders (<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/>) and the share register of Peach Property Group AG. These shareholdings do not consider subscriptions to the Mandatory Convertible Bond (ISIN CH1234612182) as announced on December 9, 2022, settled on January 12, 2023, and with maturity date of April 12, 2023.

Appendix

Financial calendar

Financial calendar

Scheduled publications & events



24 May 2023 AGM 2023, Zurich



23 August 2023 HY results 2023

Upcoming road shows & participation in conferences¹



25 May 2023 Kempen European Property Seminar (Amsterdam)



12 September 2023 SRC Forum Financials & Real Estate (Frankfurt)



18 September 2023 Baader Investment Conference (Munich)

Disclaimer



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

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