Semi-annual report 2023

Growing with values

peach
PROPERTY GROUP

Key Figures

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

Our portfolio comprises high yielding investment properties, typically in German Tier II cities in the commuter belt of metropolitan areas. In addition we are developing selected projects to be sold as condominiums. Our services span the entire value chain, from location evaluation and acquisition to active asset management and the letting or sale of our properties.

We have our registered office in Zurich; our German headquarters are based in Cologne. The shares of Peach Property Group AG are listed on the SIX Swiss Exchange.

Peach Property Group (consolidated)		**Jun 30, 2023**	**Dec 31, 2022**	**Jun 30, 2022**
Rental income	in EUR thousands	59 848	116 497	57 393
EPRA like-for-like rental income growth	in %	5.9	5.0	3.6
Funds from operations I (FFO I)	in EUR thousands	9 541	19 207	8 784
Result before taxes	in EUR thousands	-92 054	-19 967	61 166
Result after taxes	in EUR thousands	-76 125	-15 031	45 602
NAV IFRS	in EUR thousands	1 084 989	1 107 822	1 151 689
Equity ratio (IFRS)	in %	40.1	39.6	40.6
Real estate portfolio at market values (incl. right-of-use assets) [1]	in EUR thousands	2 570 133	2 663 089	2 721 045
Number of employees		232	233	219
Number of shares		20 740 918	16 882 373	16 882 373
Nominal value in CHF		1	30	30
Share capital	in EUR thousands	19 095	455 597	455 597
Diluted earnings per share	in EUR	-3.60	-0.97	2.45
Diluted FFO I per share	in EUR	0.47	1.14	0.52
NAV IFRS per share [2]	in EUR	48.62	60.17	62.62
EPRA NTA per share	in EUR	51.88	64.88	69.82
Share price	in CHF	13.28	16.40	35.35
Market capitalization [3]	in CHF thousands	275 429	276 688	596 397

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

Content

Editorial

Dear shareholder,
The first half-year of 2023 was characterized by a continuation of rising interest and inflation rates, and unprecedented construction material price increases across the entire real estate sector. The operations of Peach Property Group were equally impacted by the prevailing macroeconomic challenges in the German real estate market, as is temporarily visible from our results for the first half-year of 2023. Our robust business model of providing affordable housing in German Tier II locations means we supply a highly sought-after product to a market with strong and continuous demand. Higher borrowing costs resulted in an increased focus on our capital structure in order to rebalance our mix of debt and equity to the changed interest rate environment. In this regard, a mandatory convertible bond was issued in January 2023 that was fully converted into shares of the Company in April 2023. Additionally, a convertible bond was issued in May 2023. Operationally, we reduced other operating expenses. A tenant-focused service approach and efficiency in asset management practices represent our DNA. Therefore, we see ourselves well positioned in the market, also in challenging times.

In the medium term, we will focus more on modernizing our property portfolio and progress on our decarbonization path. In doing so, we will play an active role in the real estate sector repositioning itself as ESG compliant.

Continued high demand for affordable housing: increased rental income, stable vacancy development, increase in FFO I

Total rental income increased compared to the previous period due to rental charge adjustments backed by continued strong demand for affordable housing in the German residential real estate market. Rental income after collection losses increased to EUR 59.8 million, following EUR 57.4 million in the previous period. The vacancy rate decreased to 7.2 percent as of June 30, 2023, following 7.6 percent as of June 30, 2022. Compared to December 31, 2022, the vacancy rate increased by 0.3 percent, with the number of units entering the renovation phase before re-letting increasing with a similar number. FFO I increased by approximately 9 percent compared to the previous period, to EUR 9.5 million.

In the medium term, we will focus more on modernizing our property portfolio and progress on our decarbonization path. In doing so, we will play an active role in the real estate sector repositioning itself as ESG compliant.

The continuous rise in borrowing costs and high inflation rates created uncertainties in the German real estate market which resulted in real estate prices falling further. These factors also impacted the valuation of our property portfolio, where we recorded a non-cash devaluation charge of around EUR 98 million, or 3.8 percent of the portfolio value during the first half-year of 2023.

The total value of our real estate portfolio was around EUR 2.5 billion as of June 30, 2023, following EUR 2.6 billion as of December 31, 2022. The operating result was EUR -70.2 million, following EUR 101.0 million for the comparative period. The result before taxes was EUR -92.1 million, following EUR 61.2 million for the first half-year of 2022.

Successful refinancing of the first Euro bond, issuance of a convertible bond, cost efficiency and reduced other operating expenses

We focused on our capital structure and the related financing and capital costs during the first half-year of 2023, to rebalance our mix in line with the significantly changed interest rate environment. In January 2023, we issued a mandatory convertible bond with a nominal value of CHF 112.4 million (EUR 113.9 million). We repaid a Euro bond due in February 2023 early at the end of January 2023 with the proceeds from the mandatory convertible bond. In order to strengthen our equity mix, we issued an additional convertible bond of CHF 50 million (EUR 51.1 million) and an interest coupon of 3.0 percent p.a. in May 2023. Our equity ratio was 40.1 per-

Reto Garzetti
Executive Chairman of the Board of Directors

Thorsten Arsan
Chief Financial Officer

cent as of June 30, 2023, following 39.6 percent as of December 31, 2022. Although the LTV ratio was, at 55.0 percent as of June 30, 2023, slightly higher than the 54.7 percent as of December 31, 2022, we remain committed to reducing the LTV ratio in the medium term.

Other operating expenses decreased by more than 15 percent in the first half-year of 2023 compared to the previous period, showcasing our efficiency gains. Overall, the adjusted EBITDA margin improved by around 3.7 percent compared to the previous period to 53.7 percent.

Focus on digitalization, improved service delivery to tenants and high tenant satisfaction

In the first half-year of 2023, we achieved a strong tenant satisfaction rate of more than 79 percent across all tenant feedback received through our digital ticketing platform. We successfully closed over 81 545 tickets in the first half-year of 2023, with the majority of the reported matters closed with the first interaction leading to a "one-touch rate" of 91.7 percent. Our digital ticketing platform enables us to resolve tenant matters such as a damage reports in a timely and effective manner. We launched our digital rental agreement project in 2022 and rolled out the digitalized functionality in the first half-year of 2023. This innovation promotes more efficient handling between us and new tenants and increases flexibility as tenants can newly sign rental agreements online, without time or location constraints. This innovation decreases the time required to let vacant apartments while the efficiency gains translate into cost savings.

Progress on ESG strategy, focus on modernization measures, high political relevance of energetically renovated apartments

Higher construction and financing costs resulted in a lower capital expenditure budget for the first half-year of 2023. Despite a significantly lower budget, we continued to modernize our properties with a focus on less capital-intensive measures that will still generate significant energy savings. Among other things, we launched a project to expand the smart meter infrastructure in our

Editorial

portfolio. Smart meters allow tenants to see and manage their real-time electricity or heating consumption and will provide our tenants with an opportunity to reduce energy consumption and save costs.

We remain committed to our decarbonization path with the goal of operating a climate-neutral real estate portfolio by 2050. We will achieve this through CO_2-neutral heating systems serving our properties and through improved building insulation. MSCI ESG also awarded our sustainability activities with satisfactory grade of "A".

The new heating law amendments passed by the German coalition government is in line with our sustainability strategy and underlines the high relevance of ESG-compliant real estate in a future Germany.

Strong management and outlook 2023

In the first half-year of 2023, the Company underwent a partial repositioning in the C-suite and the Board of Directors. Reto Garzetti, President of the Board of Directors, assumes operative management functions as Executive Chairman of the Board of Directors after Dr. Thomas Wolfensberger stepped down from his position as Chief Executive Officer, at his own request. We thank Dr. Wolfensberger for his long-standing commitment and his great achievements. From July 2023, the management team in Germany has been strengthened by Marcus Schmitt, who is appointed as Chief Operating Officer (COO).

Despite the current challenges facing the real estate sector, we confirm the previously issued guidance for 2023, provided that there is no further weakening in the market environment. Accordingly, we expect full year rental income of between EUR 121 million and EUR 123 million. We expect full year FFO I to close at the lower end of the range of between EUR 21 million and EUR 23 million. We aim to achieve additional efficiency gains and drive cost reductions in the second half-year of 2023. Should opportunities to dispose real estate portfolios located outside of our core portfolio locations arise, such opportunities will be considered carefully against the backdrop of efficiency in asset management and optimizing our capital structure.

The demand for affordable housing, especially in German metropolitan areas, will remain high. At the same time, it is expected that new construction activity will remain low due to high borrowing and construction costs. Current studies also show that the demand to buy real estate has fallen due to high interest costs [1], which in turn has a positive effect on the rental market for existing properties.

We would like to thank our shareholders and employees for their commitment to Peach Property Group.

Sincerely

Reto Garzetti
Executive Chairman of
the Board of Directors

Thorsten Arsan
Chief Financial Officer

1 Klimaschutz-Investitionen und Finanzierungssorgen halten Interessenten vom Immobilienkauf ab - ImmoScout24 (immobilienscout24.de)

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. With reference to our ESG strategy our focus extends to targeted energy-related renovations aimed at reducing our carbon footprint.

Investment properties portfolio

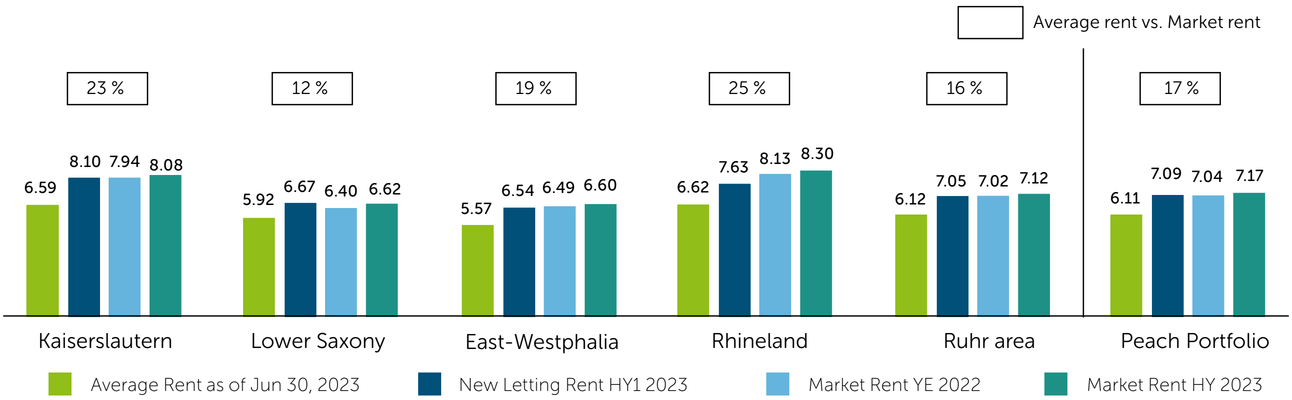
Our investment property portfolio consists of 27 541 units located across eight German federal states, with a lettable area of around 1.8 million square meters. The market value of our portfolio is EUR 2.5 billion as of the June 30, 2023.

The focal point of our real estate investments is the Rhine-Ruhr metropolitan region in North Rhine-Westphalia. We own approximately 14 800 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.

We increased our rental income by more than 4 percent year-on-year, from EUR 57.4 million as of June 30, 2022, to EUR 59.8 million as of June 30, 2023. The year-on-year increase results mainly from rental charge adjustments assisted by continuously strong demand for affordable housing throughout the reporting period. The gross rental yield from our property portfolio for the first half-year of 2023 is 4.7 percent compared to 4.5 percent in the 2022 financial year.

In comparison to the market, our rental charges remain affordable, and we are confident about our ability to further increase rental income through selective rental charge increases. We expect the continued decline in new construction activity in Germany to influence achievable rents in the medium to long term due to demand outweighing supply. This trend is expected to lead to increased demand in the existing property market and thus our rental income development.

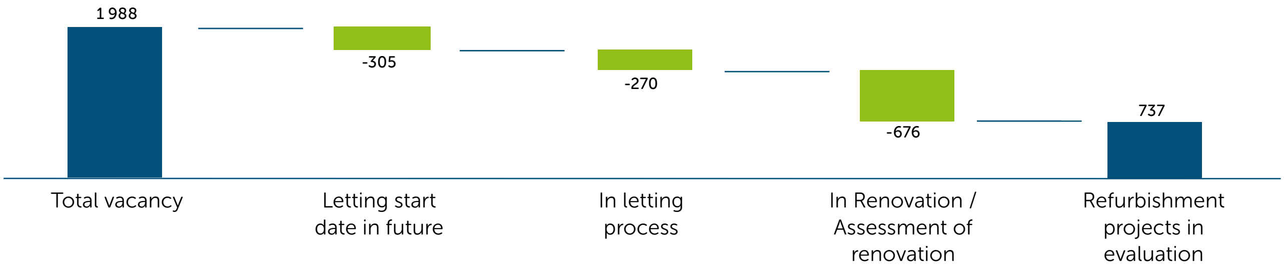
Rental income potential in core portfolios



Portfolio

The letting potential decreased from 10.6 percent as of December 31, 2022, to 9.8 percent as of June 30, 2023. The number of vacant units increased from 1 899 units as of December 31, 2022, to 1 988 units as of June 30, 2023. The number of vacant units for which the refurbishment measures are currently being analyzed, or for which renovations have already begun, increased by a comparable number.

Number of vacant residential units per June 30, 2023



Higher construction and financing costs meant we had to adjust our capital expenditure budget for the first half-year of 2023. We refocused our attention on less capital-intensive measures while remaining focused on still generating energy savings with our investments, in line with our ESG strategy. Among other things, we launched a project to expand the smart meter infrastructure in our portfolio. Smart meters allow tenants to see and manage their real-time electricity or heating consumption and will provide our tenants with an opportunity to reduce energy consumption and save costs. We remain committed to our decarbonization path with the goal of operating a climate-neutral real estate portfolio by 2050. We will achieve our mid-term emission goals by, among others, continuing to replace heating systems that are based on obsolete technology and replacing windows and thermal insulation of walls.

In line with our corporate strategy, which emphasizes a high degree of tenant satisfaction, we focus on providing our tenants with affordable, attractive housing as an enabler. We collect tenant feedback through our ticketing system where tenants may submit feedback directly in relation to a closed ticket. In the first half-year of 2023, we achieved a strong tenant satisfaction rate of more than 79 percent across the tickets where we received feedback, while we successfully closed over 81 545 tickets in the same period. Most of the reported matters were closed with the first interaction leading to a "one-touch rate" of approximately 91.7 percent. The one-touch rate confirms our efforts to resolve tenant matters such as a damage report timely and effective manner. The time required to resolve a tenant matter directly by Peach Points was 17.5 hours on average in the first half-year of 2023 compared to 18 hours on average in 2022.

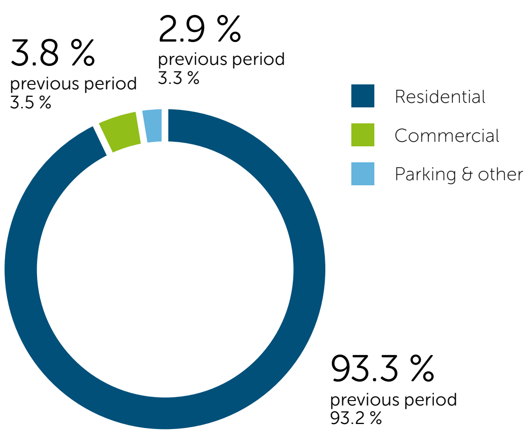
We launched our digital rental agreement project in 2022 und rolled out the digitalized functionality in the first half-year of 2023. This innovation promotes more efficient handling between us and new tenants, increases flexibility and decreases the time required to let vacant apartments.

We support our tenants in the current challenging times characterized by inflation and high energy prices. Following gas and electricity hedging transactions concluded in previous years, we relieved many of our tenants from drastic ancillary cost increases and unanticipated financial pressure in the first half-year of 2023. 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 operated 15 Peach Points all within walking distance of our core portfolios or integrated into our residential complexes during the first half-year of 2023.

Portfolio structure

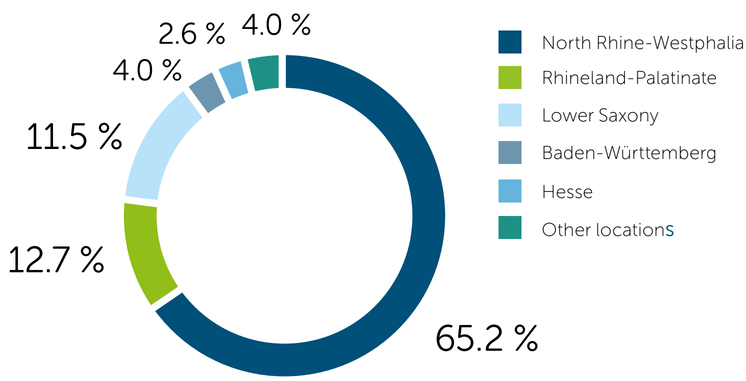
Rental income by use category as of Jun 30, 2023

in % of total rental income



Breakdown of residential units by federal state as of June 30, 2023

% annualized target rental income



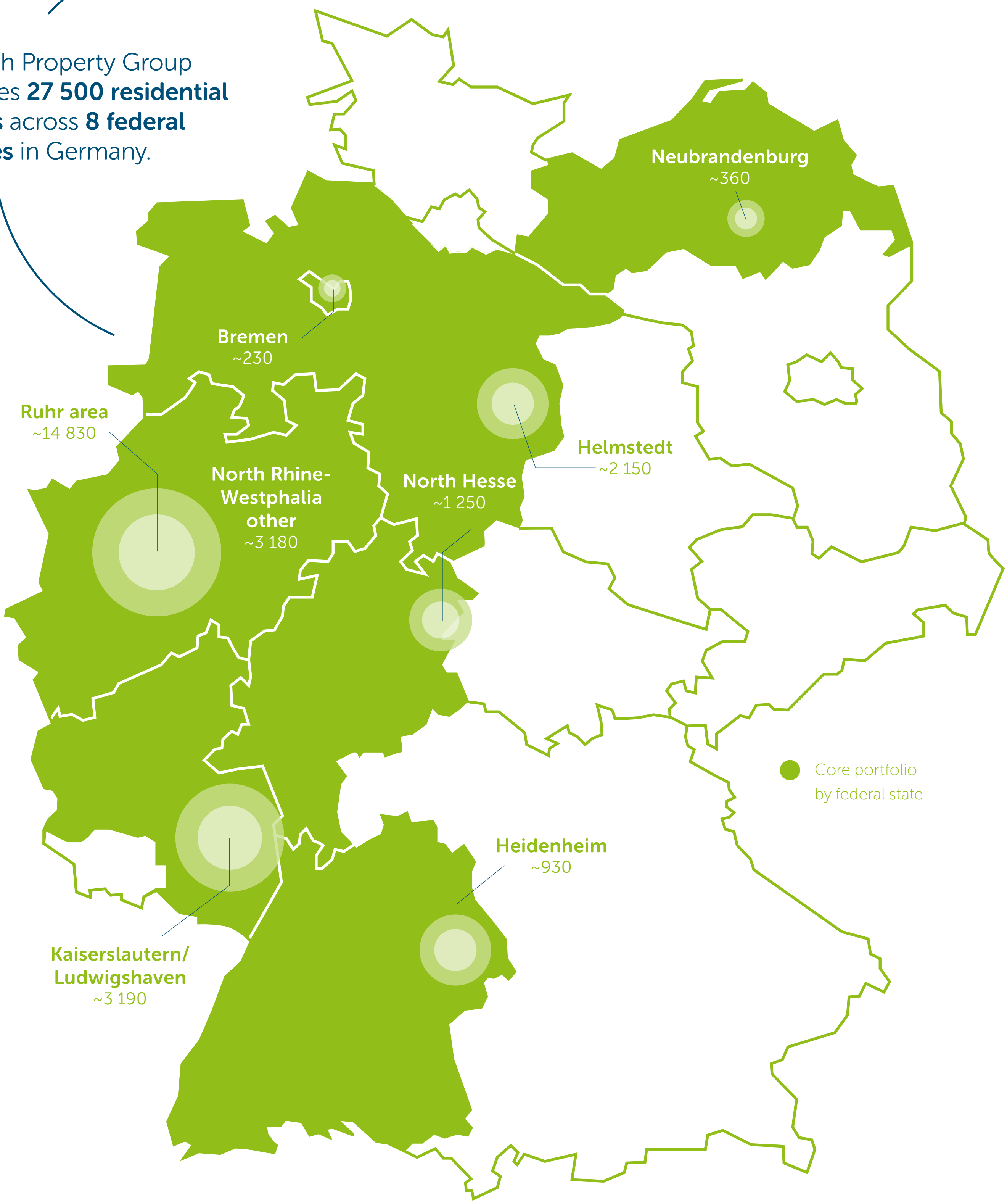
Portfolio key indicators

	Jun 30, 2023		Dec 31, 2022	
Number of residential units		27 541		27 549
Total rental space in m²		1 783 564		1 784 029
thereof residential space in m²		1 712 257		1 712 431
thereof commercial space in m² (GF DIN 277)		71 307		71 598
Rental income in EUR thousands		59 848		116 497
Maintenance costs in EUR thousands		8 132		14 879
Administrative and operating costs in EUR thousands		2 701		8 891
Vacancy costs in EUR thousands		3 083		6 248
Target rental income in EUR thousands p.a.		136 373		132 996
Vacant residential units (number of residential units as a percentage of all rental units)	1 988	7.2 %	1 899	6.9 %
Average total rental potential as a percentage of target rental income		9.8 %		10.6 %
Market value in EUR thousands [1]		2 515 336		2 602 837
Gross rental yield [2]		4.7 %		4.5 %
Net rental income / cash-flow yield [3]		2.9 %		2.8 %

1 Based on the valuation by Wüest Partner as of June 30, 2023.
2 Annualized actual rental income January 1 to June 30, 2023 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.
3 Annualized actual rental income January 1 to June 30, 2023 (net cold, excl. incidental expenses) less administration and maintenance costs in relation to the average value of the portfolios.

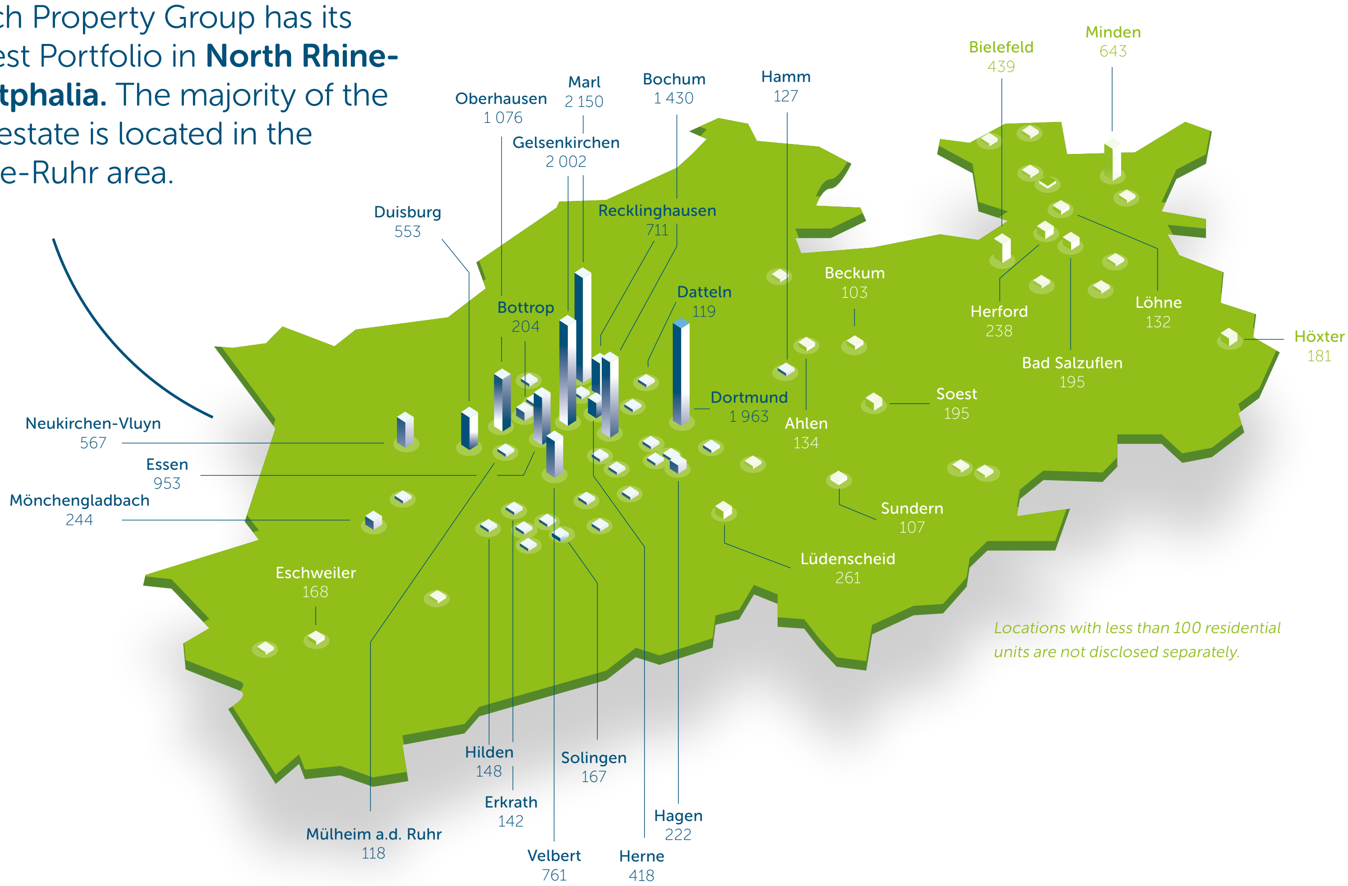
Portfolio
Core portfolios of Peach Property Group

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

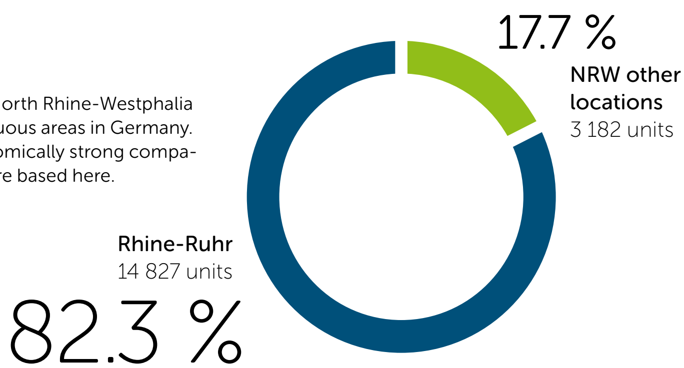




With ~ **18 000 residential units,** Peach Property Group has its largest Portfolio in **North Rhine-Westphalia.** The majority of the real estate is located in the Rhine-Ruhr area.



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.



Portfolio

Details portfolio

in EUR thousands **Jun 30, 2023**

Ort	Number of residential units	Area in m²	Year of construction (renovation)	Market value [1]	Target rent p.a. net cold	Letting potential	Gross rental yield [2]	Net rental income / cash-flow yield [3]
Bakery, Wädenswil	0	6 370	1833 (1966)	10 355	648	0.0 %	6.2 %	5.6 %
Mews, Wädenswil	16	1 100	1874 (1991)	8 791	304	30.2 %	2.4 %	1.4 %
Gardens, Wädenswil	13	769	1874 (1991)	7 112	234	16.0 %	2.8 %	2.2 %
Munster	377	25 810	1959 - 1967	29 605	1 810	6.1 %	5.5 %	4.2 %
Fassberg	280	19 242	1958 - 1961	18 510	1 347	7.8 %	6.4 %	4.0 %
Rock Helmstedt/Schöningen/Esbeck	2 128	124 963	1952 - 1970	123 372	8 992	16.5 %	5.6 %	3.0 %
Erkrath	194	17 059	1970 / 1978	36 159	1 617	5.3 %	4.1 %	3.2 %
Dortmund Rheinische Strasse 167 - 171	0	2 502	1922 (1997)	2 244	181	12.5 %	6.3 %	5.7 %
Neukirchen-Vluyn L	513	34 821	1974 / 1981	43 358	2 882	22.2 %	4.5 %	2.4 %
Neukirchen-Vluyn S	54	3 114	1974 / 1981	3 704	222	2.2 %	6.2 %	4.8 %
Oberhausen	1 957	129 648	1869 - 2001	192 707	10 250	4.8 %	4.9 %	3.4 %
Bochum II	172	11 079	1958 - 1999	18 544	929	3.3 %	4.8 %	3.4 %
Bochum III	463	6 466	1972	18 490	27	7.6 %	0.1 %	-2.4 %
Bochum-Herne	330	23 670	1920 - 1980	35 242	1 805	6.4 %	4.5 %	2.7 %
Gelsenkirchen I	972	67 634	1921 - 1968	83 416	4 648	4.9 %	5.4 %	3.8 %
Gelsenkirchen II	136	8 595	1920 - 1957	11 940	671	9.1 %	5.1 %	3.0 %
Gelsenkirchen III	66	4 736	1950 - 1971	5 331	330	10.9 %	5.7 %	2.9 %
Gelsenkirchen IV	81	5 706	1902 - 1956	6 074	393	10.7 %	5.7 %	2.3 %
Essen I	68	5 725	1962 - 1964	9 841	429	4.1 %	3.9 %	2.8 %
Essen II	107	6 680	1976	12 620	506	3.3 %	3.7 %	2.9 %
Essen III	14	2 387	1972	3 080	208	-28.0 %	6.0 %	4.0 %
Duisburg	207	12 838	1950 - 1972	16 946	969	6.7 %	5.4 %	3.1 %
Dortmund	1 403	91 328	1950 - 1970	160 114	6 740	5.3 %	3.8 %	2.4 %
Rhein Ruhr	352	23 661	1900 - 1983	27 980	1 744	10.9 %	5.3 %	3.0 %
Ruhr	528	36 215	1905 - 1990	53 112	2 836	11.2 %	4.1 %	2.6 %
Ruhr II	346	23 400	1900 - 2015	26 921	1 742	11.4 %	5.4 %	3.1 %
Ruhr III	968	60 114	1900 - 1990	82 840	4 556	8.2 %	4.8 %	2.9 %
Ruhr IV	262	15 107	1920 - 1978	19 345	1 061	4.8 %	5.0 %	2.9 %
Ruhr V	172	18 210	1899 - 1973	21 290	1 337	12.6 %	5.4 %	3.8 %
Ruhr VI	64	3 732	1905 - 1960	5 497	300	6.3 %	4.5 %	2.7 %
Velbert	761	53 358	1972 - 1978	71 239	3 371	7.8 %	3.9 %	2.3 %
Marl	221	16 120	1966 - 1990	22 177	1 307	18.1 %	4.7 %	3.0 %
Marl II	1 861	120 781	1939 - 1972	159 933	9 381	11.8 %	4.9 %	3.2 %

in EUR thousands								Jun 30, 2023
Ort	Number of resi-dential units	Area in m²	Year of construction (renovation)	Market value [1]	Target rent p.a. net cold	Letting poten-tial	Gross rental yield [2]	Net rental income / cash-flow yield [3]
Bielefeld I	211	15 045	1969 / 1978	21 640	878	7.6 %	3.7 %	2.6 %
Bielefeld II	144	10 447	1969/1970/1973	14 190	644	3.4 %	4.2 %	3.2 %
Dorsten	57	4 108	1970	4 224	258	11.4 %	5.5 %	3.3 %
Beckum	103	6 277	1960 - 1975	8 807	451	5.5 %	3.3 %	1.0 %
Lüdenscheid	146	9 054	1910 - 1969	9 556	641	15.3 %	5.5 %	2.9 %
Herne	165	12 896	1976	15 840	969	15.7 %	5.2 %	2.5 %
Ahlen	134	9 908	1956	10 770	650	2.8 %	5.5 %	3.6 %
Mönchengladbach	244	4 239	1975	11 580	567	54.1 %	1.7 %	-3.4 %
Hagen	36	5 033	1985	3 276	280	34.8 %	5.2 %	1.0 %
Bremen, Gelsenkirchen & Hilden	517	25 665	1954 - 1996	52 235	2 486	8.8 %	4.1 %	2.5 %
Portfolio Deutschland I	2 136	135 140	1926 - 1995	182 971	9 876	8.6 %	4.7 %	2.8 %
Ostwestfalen	1 737	114 839	1800 - 2002	135 891	7 761	9.4 %	5.0 %	3.3 %
Rheinland	377	27 727	1900 - 1963	56 354	2 456	10.6 %	3.8 %	2.6 %
Kaiserslautern I	17	2 971	1928-1938/1950	3 548	277	89.1 %	0.8 %	-1.2 %
Kaiserslautern II	1 300	83 298	1931 - 2000	133 460	6 443	7.3 %	4.4 %	3.0 %
Kaiserslautern III	201	11 124	1926 - 1961	21 534	1 036	9.9 %	4.2 %	3.1 %
KL Betzenberg IV	343	25 896	1972	42 890	1 954	15.8 %	3.9 %	2.4 %
KL Betzenberg V	242	13 591	1972-1973	25 260	1 146	6.3 %	4.0 %	2.7 %
Kaiserslautern VI	59	2 365	1972	4 047	350	80.2 %	1.5 %	-1.5 %
Kaiserslautern VII	175	10 776	1954 - 1961	20 735	839	5.2 %	3.9 %	2.6 %
Kaiserslautern & Agglomeration	369	20 323	1952 - 1973	34 687	1 679	15.7 %	4.0 %	2.1 %
Ludwigshafen	492	35 581	1920 -1987	73 619	3 593	6.8 %	4.3 %	3.0 %
North Hesse	336	22 830	1966 - 1976	23 651	1 515	7.3 %	5.8 %	3.4 %
North Hesse II	796	44 134	1929 - 1979	44 429	2 984	7.1 %	6.0 %	3.5 %
Eschwege	116	8 309	1994	10 980	620	4.6 %	5.4 %	4.0 %
Heidenheim I	900	62 597	1896 - 2006	109 136	5 283	7.2 %	4.4 %	2.9 %
Valuebasis/small-scale rental	1 102	76 454	1973 - 1994	92 137	6 960	9.6 %	5.2 %	3.5 %
Total	**27 541**	**1 783 564**		**2 515 336**	**136 373**	**9.8 %**	**4.7 %**	**2.9 %**

1 Based on the valuation by Wüest Partner as of June 30, 2023.
2 Annualized actual rental income January 1 to June 30, 2023 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.
3 Annualized actual rental income January 1 to June 30, 2023 (net cold, excl. incidental expenses) less administration and maintenance costs in relation to the average value of the portfolios.

Portfolio
Development properties portfolio

More than half of the units under development in Switzerland as part of our last remaining development project, "Peninsula Wädenswil" were sold or reserved by June 30, 2023. In this project, 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.

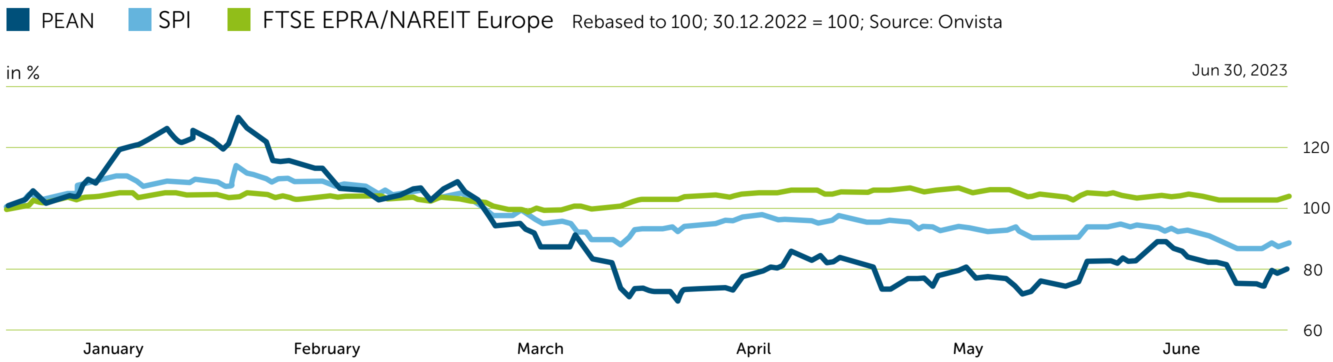
Investor information

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.

Persistent inflationary pressures prompted central banks around the world to continue raising interest rates through the first half-year of 2023. As a result, financing costs increased even further which led to an environment that continued to impact negatively on the performance of real estate stocks. This trend is reflected in the development of the benchmark index FTSE EPRA/NAREIT Europe, which comprises listed European real estate stocks, and in the development of the Peach Property Group share price. FTSE EPRA/NAREIT Europe lost approximately 10 percent of its value between January 1 and June 30, 2023, while Peach Property Group shares lost approximately 19 percent of its value over the same period. With our real estate portfolio located mainly in Germany, the share's performance was comparable with that of German residential real estate companies, which showed a higher interest rate sensitivity than the broader market. In comparison, the Swiss Performance Index (SPI), which comprises almost all listed Swiss stock corporations, gained around 5 percent in value in the first half-year of 2023.

In the first half-year of 2023, the liquidity of our share increased significantly. With an average of 25 524 shares, the daily trading volume was almost 60 % higher than in the previous period (16 118 shares) and about 20 percent higher than in the full year 2022 (21 761 shares).

In comparison to the Swiss Performance Index (SPI) and the FTSE EPRA/NAREIT Europe, our registered share developed as follows during the reporting period from January through June 2023:



1 Information on the share

1.1. Number of shares

	Jun 30, 2023	Dec 31, 2022
Share capital in CHF	20 740 918	506 471 190
Share capital in EUR	19 094 782	455 596 592
Number of shares issued	20 740 918	16 882 373
Nominal value per share in CHF	1.00	30.00
Number of treasury shares	780	11 183
Number of outstanding shares	20 740 138	16 871 190

Investor information

1.2. Key stock exchange data

Security no.: 11 853 036
ISIN: CH0118530366

Ticker symbol: PEAN | Bloomberg: PEAN:SW | Reuters: PEAN	1st half-year 2023	2022
High in CHF	21.75	64.40
Low in CHF	11.50	15.42
Closing rate at the end of the reporting period, in CHF	13.28	16.40
Market capitalization (excluding treasury shares) at the end of the reporting period, in CHF	275 429 033	276 687 516

1.3. Key share data

	1st half-year 2023	2022
Basic earnings per share for loss in EUR	-3.60	-0.97
Diluted earnings per share for loss in EUR	-3.60	-0.97
Basic FFO I per share in EUR	0.47	1.14
Diluted FFO I per share in EUR	0.47	1.14
NAV/IFRS per share in EUR [1]	48.62	60.17
EPRA NTA per share in EUR [1]	51.88	64.88

1 Excluding hybrid capital and minority shareholdings.

1.4. Significant shareholders

The following shareholders held three percent or more of all issued shares of Peach Property Group AG as of June 30, 2023, 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 Convertible Bond, PEA234 (ISIN CH1263282522).

Shareholders	Number of shares	Percentage of all shares
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg [2]	6 207 868	29.93
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg, the Netherlands	1 701 550	8.21
Rainer-Marc Frey, Switzerland, through: H21 Macro Limited, Cayman Islands	1 300 876	6.27
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH, Germany, and BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany	916 909	4.42
Dr. Thomas Wolfensberger, Switzerland	736 629	3.55
Other	9 877 086	*47.62*
Total shares outstanding	**20 740 918**	**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.

The notional free float based on the shares issued on June 30, 2023, is 85.52 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

According to the share register of Peach Property Group AG	Jun 30, 2023	Dec 31, 2022
Registered shareholders	1 207	1 177
Registered shares	12 705 600	10 958 638
With voting rights	10 963 324	9 723 005
Shareholders with 1 to 1 000 shares	786	782
Shareholders with 1 001 to 10 000 shares	335	308
Shareholders with over 10 000 shares	86	87

2 Information about the bonds

During the first half year of 2023, Peach Property Group AG was represented on the SIX Swiss Exchange with two listed bonds.

Following an exchange offer during the reporting period the outstanding amount of the hybrid warrant bond, issued on June 25, 2018, PEA231 (ISIN CHCH0417376040), has been reduced to CHF 45.251 million as of June 30, 2023. The exercise period closed on June 25, 2021, and options not exercised by this time expired without compensation. The issuer decided not to exercise its call option of 100 % on the first call date June 22, 2023. Starting June 23, 2023, the interest rate increased to 3-months-SARON plus 9.25 %. The hybrid warrant bond can be called on a quarterly basis according to the bond terms.

On May 16, 2023, a new convertible bond, PEA234 (ISIN CH1263282522) in the amount of CHF 50 million was issued. The interest rate is 3 % p.a., and unless converted, the bond will mature on May 15, 2026. The bond may be converted twice per year during a period of five business days starting on and including June 15, and December 15, of each year, and for the first time on December 15, 2023. The conversion price is CHF 15.00 per Peach Property Group AG share (ISIN CH0118530366).

In addition to the CHF bonds, as of June 30, 2023, we have one Eurobond listed on The International Stock Exchange, TISE, outstanding. This corporate bond of EUR 300 million was issued in the 2020 financial year via our subsidiary Peach Property Finance GmbH. The interest rate is 4.375 % p.a. and 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 repurchases of our issued bonds in the future.

The remaining outstanding of our first Eurobond, issued in the 2019 financial year, in the amount of EUR 96.287 million was repaid in full on January 26, 2023.

Investor information

2.1. Hybrid warrant bond 2018

Issuer	Peach Property Group AG, Zurich
Outstanding amount (after exercise and repurchase)	CHF 45.251 million
Denomination	CHF 1 000
Interest rate p.a.	1.75 % until June 22, 2023 3 months SARON + 9.25 % from June 23, 2023 (10.6378 % as of June 30, 2023)
Term	Unlimited; callable on a quarterly basis by the issuer; next call date on September 22, 2023.
Warrant	Four (4) warrants per bond with a nominal value of CHF 1 000 to purchase registered shares of the issuer
Option right	Each warrant entitles the holder to purchase one share of the issuer
Exercise period	June 25, 2018, through June 25, 2021 (closed)
Exercise price	CHF 25.00
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA231
Security numbers	41737604 (bond ex)
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. Convertible bond 2023

Issuer	Peach Property Group AG, Zurich
Outstanding amount	CHF 50.00 million
Denomination	CHF 1 000
Interest rate p.a.	3.0 %
Term	May 16, 2023, through May 15, 2026
Initial conversion price	CHF 15.00, subject to adjustments as provided in the Terms of the Bonds
Conversion period	Unless previously repurchased and canceled, the bonds may be converted twice per year for a period of 5 business days starting on and including 15 June, and 15 December of each year, the first time on December 15, 2023.
Listing	SIX Swiss Exchange, Zurich
Ticker symbol	PEA234
Security numbers	126328252
ISIN	CH1263282522
Further information	https://www.six-group.com/de/products-services/the-swiss-stock-exchange/market-data/bonds/bond-explorer/bond-details.CH1263282522CHF4.html#/bond-details

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 2023

The Annual General Meeting of our Company was held in Zurich on May 24, 2023. After an interruption of three years, the General Meeting was again held with shareholders attending in person.

In total, around 44 percent of the total issued share capital, or 72 percent of the registered voting rights were represented. All the motions put forward by the Board of Directors were approved by a clear majority. Among others, the General Meeting resolved not to pay a dividend for the 2022 financial year and to carry forward in full the retained loss of CHF 32 524 440 per the 2022 individual financial statements of Peach Property Group AG.

With 99.7 percent of the votes cast, the shareholders approved the reduction of the share capital from CHF 620 174 850 to CHF 20 672 495 through the reduction of the nominal value of all issued shares from CHF 30.00 to CHF 1.00, and the recording of the transaction. The reduction in share capital is recorded with an equal increase in the legal capital reserves. The total equity base remains unchanged, as does the number of issued shares. The nominal value reduction down to one Swiss franc creates the necessary flexibility for capital market instruments, such as the convertible bond issued on May 16, 2023, as well as for potential future capital measures.

The General Meeting approved various amendments to the Company's articles of association to align them with the revised stock corporation law, which has been in force since January 1, 2023. Furthermore, the shareholders resolved with 89.5 percent of the votes cast to introduce a capital band which authorizes the board of directors increase or decrease the share capital of the Company over a 5-year period and within a defined range of the issued share capital, which may be up to 140 % or 95 %, respectively.

The General Meeting approved the compensation of the Board of Directors and the Executive Committee and granted discharge to all members of both bodies. The President of the Board of Directors Reto Garzetti along with the other Board Members Peter Bodmer, Dr. Christian De Prati, Kurt Hardt, and Klaus Schmitz were re-elected for a further tenure of one year. The General Meeting also bid farewell to Dr. Thomas Wolfensberger, who stepped down from the role of CEO after 16 years of service. He will remain associated with the Company as a consultant and significant shareholder. The President of the Board of Directors, Reto Garzetti, will also assume the operational management responsibilities and the chairmanship of the Executive Management as Executive Chairman of the Board of Directors.

The minutes of the Annual General Meeting with details of the votes can be found on the Company website at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance.

4 Capital market communication

We provide important and comprehensive information on the Company, its development, share, and bonds via https://www.peachproperty.com/en/. In addition, we issue important corporate news and information on the performance of the business on an ongoing basis via press releases. Interested shareholders and third parties can subscribe to our press releases at: https://www.peachproperty.com/en/news-en/.

Every six months we publish annual and semi-annual financial statements based on the International Financial Reporting Standards (IFRS) – each with an integrated portfolio section that provides comprehensive information on the development of our real estate portfolio.

Investor information

In addition, the Board of Directors, Executive Management, and the investor relations department of our Company maintain contact with investors, analysts, and business journalists in Switzerland and abroad. In the first half-year of 2023, our management presented our Group's business model and medium- to long-term prospects at five capital market conferences and a roadshow. In addition, various one-on-one meetings were held with equity and bond investors. During the first half-year of 2023, the meetings took place virtually as well as in person. We attended meetings and conferences in Switzerland, the UK, and the Netherlands. Upcoming participation in 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 the first half-year of 2023.

As of June 30, 2023, 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 first half-year results in English, on August 23, 2023.

Consolidated semi-annual financial statements of Peach Property Group AG as of June 30, 2023

Consolidated statement of income for the period

in EUR thousands	Note	1st half-year 2023 unaudited	Restated [1] 1st half-year 2022 unaudited
Rental income	2	59 848	57 393
Valuation gains from investment properties	5	1 699	76 249
Profit on disposal of investment properties		9	6
Income from development properties	3	11 405	-62
Other operating income		70	152
Operating income		**73 031**	**133 738**
Expenses from letting of investment properties	2	-13 916	-14 804
Valuation losses from investment properties	5	-99 377	-1 566
Loss on disposal of investment properties		0	-152
Expenses from development properties	3	-11 416	-5
Impairment charge on development properties	3	-2 866	0
Personnel expenses	11	-9 728	-9 502
Sales and marketing expenses		-166	-94
Other operating expenses	13	-4 789	-5 664
Depreciation and amortization		-1 011	-922
Operating expenses		**-143 269**	**-32 709**
Operating result		**-70 238**	**101 029**
Financial income	9	5 218	7 164
Financial expenses	9	-27 034	-47 027
Result before taxes		**-92 054**	**61 166**
Income taxes	14	15 929	-15 564
Result after taxes		**-76 125**	**45 602**
- attributable to Peach Property Group AG equity holders		-72 613	42 481
- attributable to non-controlling interests		-3 512	3 121
Basic earnings per share for loss/profit in EUR	1	**-3.60**	**2.46**
Diluted earnings per share for loss/profit in EUR	1	**-3.60**	**2.45**

1 See Note B.3. for details regarding the restatement following a change in accounting policy in 2022.

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

Consolidated statement of comprehensive income

in EUR thousands	1st half-year 2023 unaudited	Restated [1] 1st half-year 2022 unaudited
Result after taxes	**-76 125**	**45 602**
Other comprehensive income:		
Items that may subsequently be reclassified to profit or loss		
Result from cash flow hedges	-1 433	15 328
Currency translation changes	-4 323	21 360
Tax effects	273	-2 523
Other comprehensive result that may subsequently be reclassified to profit or loss	**-5 483**	**34 165**
Items that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit obligations	-121	1 509
Tax effects	25	-147
Other comprehensive result that will not be reclassified to profit or loss	**-96**	**1 362**
Total comprehensive income	**-81 704**	**81 129**
– attributable to Peach Property Group AG equity holders	-78 144	77 807
– attributable to non-controlling interests	-3 560	3 322

1 See Note B.3. for details regarding the restatement following a change in accounting policy in 2022.

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

Consolidated statement of financial position

in EUR thousands	Note	Jun 30, 2023 unaudited	Dec 31,2022 audited
Assets			
Current assets			
Cash and cash equivalents		20 351	31 223
Trade receivables	15	7 626	11 158
Other receivables	15	29 680	24 018
Current financial receivables		971	384
Contract assets		18 700	10 106
Development properties	6	28 896	34 031
Investment properties held for sale	5	5 083	1 192
Total current assets		**111 307**	**112 112**
Non-current assets			
Investment properties	5	2 536 154	2 627 866
Equipment		5 959	3 451
Intangible assets		891	1 132
Financial assets	10	38 407	40 561
Investments in associates		1	1
Deferred tax assets	14	13 190	12 836
Total non-current assets		**2 594 602**	**2 685 847**
Total assets		**2 705 909**	**2 797 959**

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

Consolidated statement of financial position (continued)

in EUR thousands	Note	Jun 30, 2023 unaudited	Dec 31,2022 audited
Liabilities and equity			
Current liabilities			
Trade payables		3 153	6 820
Other payables and advance payments	15	30 369	29 606
Current income tax liabilities		1 763	1 902
Current financial liabilities	8	52 743	133 300
Current provisions		936	1 112
Total current liabilities		**88 964**	**172 740**
Non-current liabilities			
Non-current financial liabilities	8	1 431 589	1 400 711
Non-current provisions		104	102
Employee benefit obligations		2 186	2 176
Deferred tax liabilities	14	98 077	114 408
Total non-current liabilities		**1 531 956**	**1 517 397**
Total liabilities		**1 620 920**	**1 690 137**
Equity			
Share capital	7	19 095	455 597
Treasury shares	7	-36	-514
Share premium	7	606 656	53 420
Hybrid capital		39 758	51 556
Other reserves		16 352	15 861
Currency translation changes		58 384	62 707
Retained earnings		307 882	428 787
Equity attributable to Peach Property Group AG equity holders		**1 048 091**	**1 067 414**
Equity attributable to non-controlling interests		36 898	40 408
Total equity		**1 084 989**	**1 107 822**
Total liabilities and equity		**2 705 909**	**2 797 959**

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

Consolidated statement of cash flows

in EUR thousands	Note	1st half-year 2023 unaudited	Restated [1] 1st half-year 2022 unaudited
Result before taxes		**-92 054**	**61 166**
– Depreciation and amortization		1 011	922
– Valuation result from investment properties	5	97 678	-74 683
– Impairment charge on development properties		2 866	0
– Net result on disposal of investment properties		-9	146
– Change in bad debt allowance		-56	826
– Valuation result from lease liabilities	9	553	870
– Financial income	9	-5 218	-7 164
– Financial expenses (excluding adjustments from lease liabilities)	9	26 481	46 157
– Share-based compensation	12	317	672
– Changes in provisions		-175	-438
– Other non-cash charges		322	520
Changes in working capital:			
– Trade receivables	15	3 589	976
– Other receivables	15	-5 905	-11 143
– Trade payables		-3 665	2 290
– Other payables and advance payments	15	-1 463	1 631
– Development properties	6	2 452	-2 976
– Contract assets	3	-8 465	0
Interest and other financial expenses paid		-22 215	-26 688
Taxes paid and reimbursed		-468	-273
Net cash used in operating activities		**-4 424**	**-7 189**

1 See Note B.3. for details regarding the restatement following a change in accounting policy in 2022.

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

Consolidated statement of cash flows (continued)

in EUR thousands	Note	1st half-year 2023 unaudited	Restated [1] 1st half-year 2022 unaudited
Payments for real estate companies		0	-1 711
Payments for equipment		-348	-977
Proceeds from disposal of equipment		18	0
Payments for intangible assets		-9	-117
Investments in investment properties	5	-7 716	-27 461
Advance payments for investment properties	5	0	-1 223
Proceeds from disposal of investment properties	5	235	4 063
Interest income received		0	42
Cash used in investment activities		**-7 820**	**-27 384**
Proceeds from current financial liabilities	8	4 054	24 229
Repayment of current financial liabilities	8	-135 596	-216 202
Proceeds from non-current financial liabilities	8	30 594	242 437
Proceeds from issuance of convertible bond	8	36 611	0
Lease payments – amortization share		-307	-317
Proceeds from issuance of mandatory convertible bond	7	66 785	0
Purchase of treasury shares		0	-4 159
Capital increase and issuance costs		0	-42
Distributions to hybrid equity investors [2]	7	-803	-625
Dividends paid		0	-4 996
Cash flow from financing activities		**1 338**	**40 325**
Change in cash and cash equivalents		**-10 906**	**5 752**
Cash and cash equivalents as of January 1		31 223	35 896
Currency exchange impact on cash and cash equivalents		34	464
Cash and cash equivalents as of June 30		**20 351**	**42 112**

1 See Note B.3. for details regarding the restatement following a change in accounting policy in 2022.
2 In the previous period excluding withholding tax not yet paid.

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

Consolidated statement of changes in shareholder's equity

in EUR thousands	Note	Share capital	Treasury shares	Share premium
January 1, 2023		**455 597**	**-514**	**53 420**
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				
Decrease nominal value	7	-551 794	0	551 794
Transactions with non-controlling interests		0	0	0
Mandatory convertible bond IV – issuance and conversion	7	115 225	0	0
Mandatory convertible bond IV – issuance costs	7	0	0	-477
Convertible bond – conversion option	8	0	0	0
Hybrid warranty bond – reinvestment	7	0	0	0
Hybrid warranty bond – buy-back	7	0	0	0
Hybrid warranty bond – distribution	7	0	0	0
Hybrid warranty bond – release of costs	7	0	0	0
Share-based compensation – increase of reserve	12	0	0	0
Share-based compensation – exercise of options	12	37	478	601
Share-based compensation – exercise of SBP 2020	12	30	0	1 318
Total transactions with owners in their capacity as owners		**-436 502**	**478**	**553 236**
June 30, 2023		**19 095**	**-36**	**606 656**

1 Equity holders of Peach Property Group AG.

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

Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders [1]	Non-controlling interests	Total equity
51 556	**15 861**	**62 707**	**428 787**	**1 067 414**	**40 408**	**1 107 822**
0	0	0	-72 613	-72 613	-3 512	-76 125
0	-1 208	-4 323	0	-5 531	-48	-5 579
0	**-1 208**	**-4 323**	**-72 613**	**-78 144**	**-3 560**	**-81 704**
0	0	0	0	0	0	0
0	0	0	0	0	50	50
0	0	0	-46 777	68 448	0	68 448
0	0	0	0	-477	0	-477
0	2 730	0	0	2 730	0	2 730
-11 317	0	0	-143	-11 460	0	-11 460
-733	0	0	4	-729	0	-729
0	0	0	-803	-803	0	-803
252	0	0	-252	0	0	0
0	317	0	0	317	0	317
0	0	0	-321	795	0	795
0	-1 348	0	0	0	0	0
-11 798	**1 699**	**0**	**-48 292**	**58 821**	**50**	**58 871**
39 758	**16 352**	**58 384**	**307 882**	**1 048 091**	**36 898**	**1 084 989**

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

in EUR thousands	Share capital	Treasury shares	Share premium
January 1, 2022 [2]	**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	441 087	0	-441 087
Transactions with non-controlling interest (Purchase price adjustment)	0	0	0
Hybrid warrant bond – distribution	0	0	0
Mandatory bond issuance costs	0	0	-41
Share-based compensation – increase of reserve	0	0	0
Share-based compensation – exercise of options	0	978	0
Share-based compensation – exercise of SBP 2019	0	3 122	-1 920
Dividend payment	0	0	-4 996
Purchase of treasury shares	0	-4 159	0
Total transactions with owners in their capacity as owners	**441 087**	**-59**	**-448 044**
June 30, 2022	**455 597**	**-514**	**51 500**

1 Equity holders of Peach Property Group AG.
2 See Note B.3. for details regarding the restatement following a change in accounting policy in 2022.

The disclosures provided in the Notes form an integral part of these semi-annual 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	42 481	42 481	3 121	45 602
0	13 966	21 360	0	35 326	201	35 527
0	**13 966**	**21 360**	**42 481**	**77 807**	**3 322**	**81 129**
0	0	0	0	0	0	0
0	0	0	0	0	-2 445	-2 445
0	0	0	-962	-962	0	-962
0	0	0	0	-41	0	-41
0	744	0	0	744	0	744
0	0	0	168	1 146	0	1 146
0	-1 202	0	0	0	0	0
0	0	0	0	-4 996	0	-4 996
0	0	0	0	-4 159	0	-4 159
0	**-458**	**0**	**-794**	**-8 268**	**-2 445**	**-10 713**
51 556	**9 789**	**52 303**	**488 515**	**1 108 746**	**42 943**	**1 151 689**

Notes to the consolidated semi-annual financial statements

A About us

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

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-yielding 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 232, are based in Cologne, our local Peach Points and our Service Center in Berlin.

B Preparation of semi-annual financial statements

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

The various sections of the report provide the following information:

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

B.1. Basis of preparation

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

- These unaudited consolidated semi-annual financial statements as of June 30, 2023, were prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the consolidated financial statements as of December 31, 2022.
- The Board of Directors approved the unaudited consolidated semi-annual financial statements at its meeting on August 21, 2023, and released them for publication on August 23, 2023.

- In the preparation of these semi-annual financial statements in accordance with IAS 34, the key assessments made by management with regard to the application of accounting policies and significant sources of risk and uncertainties were consistent with those used in the preparation of the consolidated financial statements for 2022, with the exception of the differences described in B.4.

B.2. Key events during the first half-year of 2023

- The first half-year of 2023 marks a continuation of the trends whereby interest rates continued to rise through the reporting period while high inflation rates in Germany translated into significant price increases in building materials. These factors lead to multiple uncertainties in the market segment which our external appraiser, Wüest Partner factored into the underlying discount rate components, when developing an appropriate overall discount rate. The discount rate is a significant input factor in valuing our assets and increases in discount rates meant a lower valuation at the end of the reporting period, and a valuation loss recorded accordingly.
- With fewer new housing projects completed in Germany following increased financing and construction costs, the demand for our product of affordable housing remained strong throughout the first half-year 2023 resulting in increased rental income.
- Higher construction costs have meant that, whilst we remain fully committed to our sustainability strategy, we were required to carefully plan and consider our modernization programs and the associated capital expenditures.
- Higher borrowing costs resulted in an increased focus on our capital structure mix and refinancing through equity in order to reduce debt. In this regard, a mandatory convertible bond was issued in January 2023 that was fully converted into shares of the Company in April 2023. Additionally, in May 2023 a convertible bond was issued.

B.3. Change in presentation currency

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 Group's underlying business, and for this reason, we changed our presentation currency from Swiss Francs to Euro in the 2022 financial year and reported in Euro for the first time for the year ended December 31, 2022. The change in presentation currency is a change in accounting policy which was accounted for retrospectively as if Euro had always been the presentation currency. The information included in Swiss Francs within the consolidated financial statements for the year ended December 31, 2021, and the consolidated semi-annual financial statement for the period ended June 30, 2022, were restated into Euro.

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

- Assets and liabilities were translated at the closing exchange rate, for each respective reporting period.
- Income and expenses were translated at the average exchange rate for each respective reporting period.
- Additions to equity classes were translated at the average exchange rate for each respective reporting 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.

Notes

B.4. Changes in accounting principles applied in financial year 2023

We adopted the following new or amended IFRS standards which took effect at the beginning of the 2023 financial year. These had no material impact on our result for the reporting period or the financial position of the Group.

- Amendments to IAS 1 – "Classification of liabilities as current or non-current"
- Amendments to IAS 1 – "Disclosure of accounting policies"
- Amendments to IAS 8 – "Definition of accounting estimates"
- Amendments to IAS 12 – "Deferred tax related to assets and liabilities arising from a single transaction"

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

Standards/interpretations	Impact	Entry into force	Planned application
Amendments to IAS 1 – "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
Amendments to IAS 7 and IFRS 7 – "Supplier finance arrangements"	No significant effects are expected.	Jan 1, 2024	2024 Financial year

B.5. Seasonal factors

The letting of investment properties is not subject to seasonal influences. The development and sale of completed properties do not generate steady income over the course of the year. Higher revenues may be generated in the first or second half of the year, depending on transfers of ownership.

B.6. Currency translation

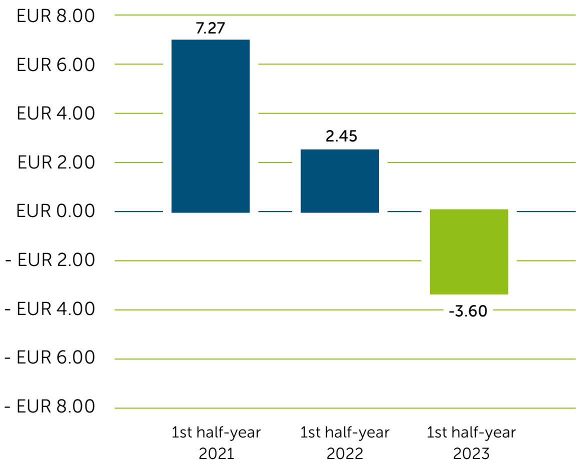
The following exchange rates were applied in currency translations:

CHF/EUR	Jun 30, 2023	Dec 31, 2022	Jun 30, 2022
Closing rate	1.0222	1.0155	0.9995
Average rate	1.0146	0.9954	0.9687

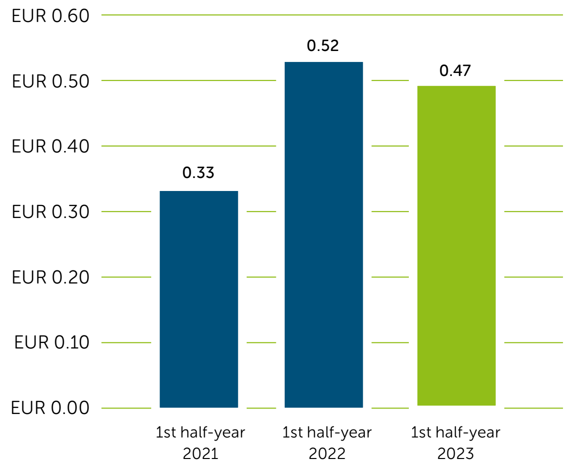
Performance

1 Performance per share

Diluted earnings per share



Diluted FFO I per share



1.1. Earnings per share

in EUR thousands	1st half-year 2023	1st half-year 2022
Result attributable to Peach Property Group AG equity holders	-72 613	42 481
Payment of hybrid warrant bond coupon	-803	-962
Adjusted net result for the period attributable to Peach Property Group AG equity holders	**-73 416**	**41 519**
Adjustments for diluted earnings		
Accumulated unrecognized hybrid capital coupon (convertible bond)	0	0
Adjusted net result for the period attributable to Peach Property Group AG equity holders, including expected conversions	**-73 416**	**41 519**
Average number of outstanding shares	**20 418 228**	**16 854 998**
Adjustment based on options issued [1]	0	79 237
Adjustment based on convertible bond issued [1]	0	0
Diluted average number of outstanding shares	**20 418 228**	**16 934 235**
Basic earnings per share for loss/profit in EUR	**-3.60**	**2.46**
Diluted earnings per share for loss/profit in EUR	**-3.60**	**2.45**

1 We excluded 37 391 shares related to options issued and 833 333 shares related to the conversions rights from the convertible bond issued as the impact of these shares is considered antidilutive for the period ended June 30 2023.

Performance

1.2. Funds from operations (FFO) per share

in EUR thousands	1st half-year 2023	1st half-year 2022
Operating result	-70 238	101 029
Depreciation and amortization	1 011	922
EBITDA	**-69 227**	**101 951**
Impairment charge on development properties	2 866	0
Valuation result of investment properties	97 678	-74 683
Disposal of investment properties	-9	146
Share-based compensation	317	672
Other non-cash accrued expenses positions	507	617
Adjusted EBITDA	**32 132**	**28 703**
Interest paid	-20 550	-18 304
Interest paid on hybrid capital [1]	-803	-625
Lease payments	-770	-759
Interest income received	0	42
Taxes paid and reimbursed	-468	-273
Operating result I (FFO I)	**9 541**	**8 784**
Result on disposals of investment properties	9	-146
Operating result II (FFO II)	**9 550**	**8 638**
Basic FFO I per share in EUR	**0.47**	**0.52**
Diluted FFO I per share in EUR	**0.47**	**0.52**
Basic FFO II per share in EUR	**0.47**	**0.51**
Diluted FFO II per share in EUR	**0.47**	**0.51**

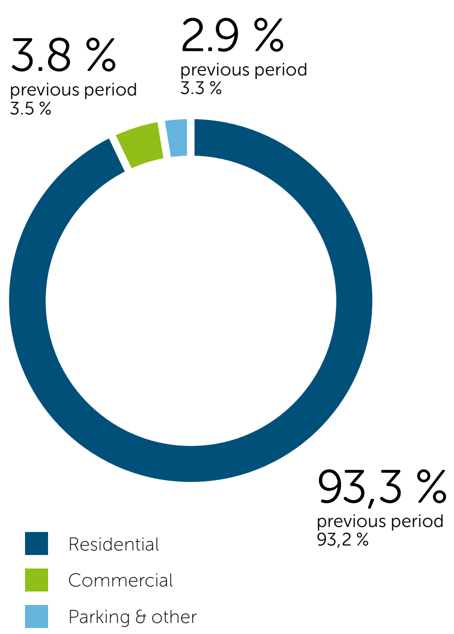
1 In the previous period excluding withholding tax not yet paid.

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

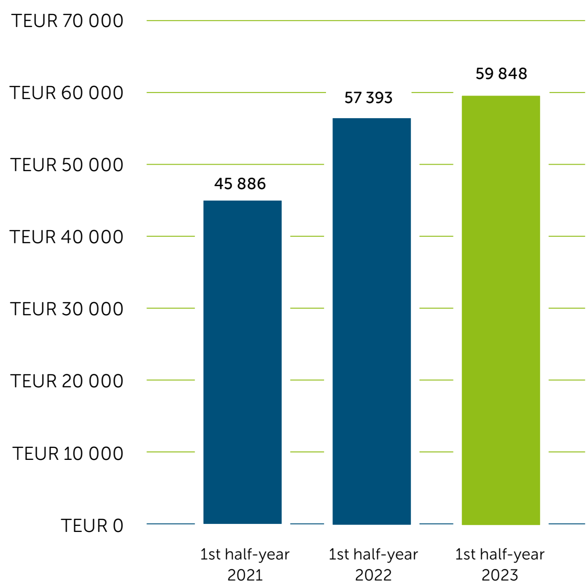
2 Result from letting of investment properties

in EUR thousands	1st half-year 2023	1st half-year 2022
Target rental income from letting of investment properties	68 187	65 357
Lost income due to vacancies	-6 682	-7 253
Lost income due to collection risks	-1 657	-711
Total rental income	**59 848**	**57 393**
Expense from letting of investment properties	-10 833	-11 757
– of which ongoing maintenance expenses	*-8 132*	*-8 113*
– of which direct administrative expenses	*-2 701*	*-3 644*
Expenses from unoccupied investment properties (vacancies)	-3 083	-3 047
Total expenses from letting of investment properties	**-13 916**	**-14 804**
Gross return	4.7 %	4.6 %
Net return	2.9 %	2.9 %
Average rental potential	9.8 %	11.1 %
Vacancy rate as of June 30	7.2 %	7.6 %

Rental income by use category



Rental income



Performance

- Target rental income from the letting of investment properties increased compared to the previous period mainly due to rental charge adjustments. The decrease in lost income due vacancies compared to the previous period is offset by an increase in lost income due to collection risks. On a like-for-like basis, rental income increased by 3.6 % (previous period 3.4 %, 2022 financial year 5.1 %).
- Lost income due to collection risks is 2.7 % during the reporting period (previous period: 1.2 %; 2022 financial year: 1.6 %). Bad debt expenses in the previous period were partially offset by the release of unclaimed fair value adjustments on receivables acquired through the acquisitions at the end of 2020.
- Direct management expenses in relation to net rental income before collection losses (target rental income less lost income due to vacancies) is 4.4 % during the reporting period (previous period: 6.3 %; 2022 financial year: 7.5 %) and mainly reflects the further insourcing of property management and janitor services.
- Maintenance expenses as a percentage of net rental income before collection losses is 13.2 % compared to 14.0 % in the previous period and 12.6 % in the 2022 financial year.
- Overall, total expenses from letting of investment properties as a percentage of net rental income before debt collection losses is 22.6 % compared to 25.5 % in the previous period and 25.4 % at the end of 2022.

3 Result from development properties

3.1. Sale of units under construction

- Notarization of a further 9 residential units in the first half-year of 2023 (19 residential units notarized at the end of 2022), representing 12.5 % (38.2 % at the end of 2022) of the expected sales volume. At the end of the reporting period, 50.7 % of the expected sales volume is notarized.
- Reservation agreements for a further 8.8 % of the expected sales volume, including 2 residential units and 3 commercial units.
- Stage of completion of 7.4 % (3.3 % at the end of 2022).

in EUR thousands	1st half-year 2023	1st half-year 2022
Income from development properties – completed units	0	-62
Income from development properties – sold units still under construction	11 405	0
Total income from development properties	**11 405**	**-62**
Expenses from development properties – completed units	-11	-5
Expenses from development properties – sold units still under construction	-11 405	0
Impairment charge on development properties	-2 866	0
Total expenses from development properties	**-14 282**	**-5**

in EUR thousands	Jun 30, 2023	Change	Dec 31, 2022
Accumulated income from development properties – sold units still under construction	31 982	11 405	20 577
Accumulated expenses from development properties – sold units still under construction	-31 982	-11 405	-20 577
Accumulated result from ongoing projects	**0**	**0**	**0**
Down payments received			
Net amount of contract asset / contract liability	18 700	8 594	10 106
of which			
Contract asset	18 700	8 594	10 106

Reconciliation of capitalized/capitalizable development costs:

in EUR thousands	1st half-year 2023	2022
Total project costs incurred (including impairment charge in 2023)	63 144	53 934
– of which share of units sold to date	31 982	20 577
Total expected capitalizable project costs outstanding	71 465	75 499
– of which share of units sold to date	36 197	28 805
Total expected overall project costs (including impairment charge in 2023)	134 609	129 433
– of which share of units sold to date	68 179	49 382

- In the reporting period expected overall capitalizable project cost increased by EUR 8.0 million (including EUR 2.5 million of foreign exchange rate impacts) due to additional expected cost for civil engineering and cultural heritage requirements as well as general price increases. Due to the aforementioned increases, we recorded an impairment of EUR 2.9 million.

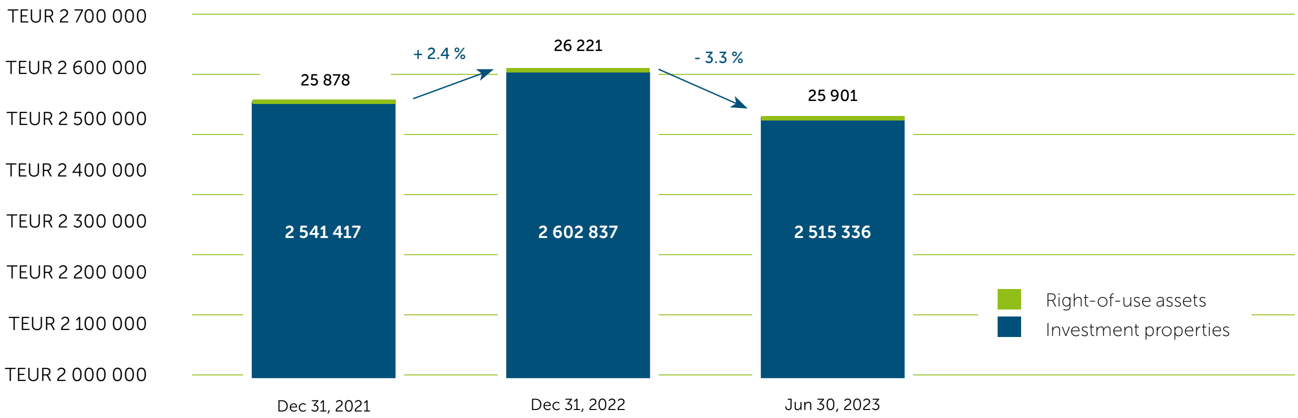
4 Segments

- We have only one operating segment, which comprises investment activities in real estate to optimize our portfolio, or for further on selling. Our operating segment was defined on the basis of internal reporting to the Board of Directors, which represents the chief decision-maker of our Group. 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 period, there were no individual customers that made a significant contribution to total rental income.
- Rental income in the amount of EUR 59 317 thousand was earned in Germany.
- Income from development properties in the amount of EUR 11 405 thousand as well as rental income of EUR 531 thousand (0.9 % of total rental income) were earned in Switzerland.

Real estate portfolio

5 Investment properties and revaluation result

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



in EUR thousands			2023			2022
	Investment properties	Right-of-use assets	Total	Investment properties	Right-of-use assets	Total
Market value as of January 1	**2 602 837**	**26 221**	**2 629 058**	**2 541 417**	**25 878**	**2 567 295**
Additions through acquisition of real estate companies	0	0	0	-169	0	-169
Additions through acquisitions	0	0	0	60	0	60
Additions from investments eligible for capitalization	9 913	0	9 913	27 401	0	27 401
Disposals	-226	0	-226	-4 201	0	-4 201
Valuation gains	1 493	206	1 699	75 290	959	76 249
Valuation losses	-98 851	-526	-99 377	-1 566	0	-1 566
Currency translation changes	170	0	170	905	0	905
Market value as of June 30	**2 515 336**	**25 901**	**2 541 237**	**2 639 137**	**26 837**	**2 665 974**
of which investment properties held for sale	5 083	0	5 083	5 031	0	5 031

5.2. Change in portfolio

Investments eligible for capitalization:

- Refurbishing and modernization investments amounted to EUR 9 913 thousand. Our major renovation project in Neukirchen-Vluyn neared completion in the first half-year of 2023.

Disposals:

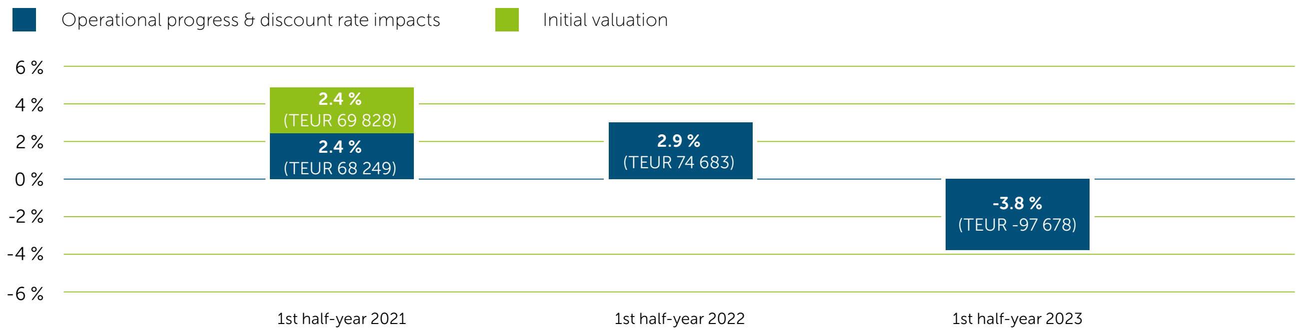
- Sale of 4 residential units in Marl, disclosed as available for sale in December 2022. Profit on disposal amounted EUR 9 thousand.

5.3. Investment properties held for sale

› As of June 30, 2023, several properties in Hameln, Heidenheim and Marl are classified as investment properties held for sale. We expect the sale of these properties to conclude within the next twelve months.

5.4. Revaluation

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



› All valuation losses in the reporting period resulted from higher discount rates across the full portfolio.

5.5. Sensitivity analysis

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

					Unobservable input factors Jun 30, 2023			Unobservable input factors Dec 31, 2022		
	Market value Jun 30, 2023 in EUR thousands	**Av. discount rate Jun 30, 2023**	Market value Dec 31, 2022 in EUR thousands	Av. discount rate Dec 31, 2022	**Discount rate in %**	**Rent EUR per m²/mth**	**Vacancy rate in %**	Discount rate in %	Rent EUR per m²/mth	Vacancy rate in %
North Rhine-Westphalia	1 682 014	3.86 %	1 743 824	3.65 %	2.6 - 5.3	5.5 - 10.5	2.0 - 10.0	2.4 - 5.0	5.5 - 10.3	2.0 - 10.1
Rhineland-Palatinate	364 271	3.70 %	375 229	3.52 %	3.3 - 4.4	6.8 - 9.3	1.5 - 6.5	3.2 - 4.1	6.3 - 9.3	1.5 - 6.6
Lower Saxony	231 734	4.45 %	238 364	4.17 %	3.3 - 5.1	5.5 - 7.8	1.5 - 10.6	3.3 - 4.7	5.5 - 6.8	1.5 - 10.6
Baden-Württemberg	113 552	3.68 %	118 801	3.43 %	2.9 - 5.6	7.3 - 8.8	3.4 - 6.0	2.7 - 4.5	7.3 - 8.8	3.4 - 6.0
Hesse	56 692	4.18 %	57 763	3.93 %	3.9 - 4.5	5.8 - 6.5	4.0 - 6.2	3.8 - 4.2	5.5 - 6.3	4.0 - 6.2
Other locations	92 974	3.86 %	95 077	3.67 %	2.4 - 4.4	6.0 - 25.9	2.2 - 7.1	2.4 - 4.1	5.8 - 25.7	2.2 - 7.1
	2 541 237	**3.89 %**	**2 629 058**	**3.68 %**						

Real estate portfolio

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

in EUR thousands			Rent						Jun 30, 2023
			7.5 %	5.0 %	2.5 %	0.0 %	-2.5 %	-5.0 %	-7.5 %
Discount rate	-0.40 %	3.49 %	3 044 934	2 974 121	2 903 309	2 832 496	2 761 684	2 690 872	2 620 059
	-0.20 %	3.69 %	2 879 897	2 812 922	2 745 948	2 678 974	2 611 999	2 545 025	2 478 051
	0.00 %	3.89 %	2 731 830	2 668 299	2 604 768	2 541 237	2 477 706	2 414 175	2 350 644
	0.20 %	4.09 %	2 598 244	2 537 820	2 477 396	2 416 971	2 356 547	2 296 123	2 235 698
	0.40 %	4.29 %	2 477 114	2 419 507	2 361 899	2 304 292	2 246 685	2 189 077	2 131 470

in EUR thousands			Rent						Jun 30, 2022
			7.5 %	5.0 %	2.5 %	0.0 %	-2.5 %	-5.0 %	-7.5 %
Discount rate	-0.40 %	3.17 %	3 227 552	3 152 493	3 077 433	3 002 374	2 927 315	2 852 255	2 777 196
	-0.20 %	3.37 %	3 036 006	2 965 401	2 894 796	2 824 192	2 753 587	2 682 982	2 612 377
	0.00 %	3.57 %	2 865 922	2 799 272	2 732 623	2 665 974	2 599 324	2 532 675	2 466 026
	0.20 %	3.77 %	2 713 883	2 650 770	2 587 656	2 524 543	2 461 429	2 398 316	2 335 202
	0.40 %	3.97 %	2 577 164	2 517 230	2 457 296	2 397 362	2 337 428	2 277 494	2 217 560

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

6 Development properties

in EUR thousands	Jun 30, 2023	Dec 31, 2022
Units under construction	28 896	34 031
Total development properties	**28 896**	**34 031**

- Notarization of a further 9 units in the reporting period. Per June 30, 2023, 28 of the total 57 residential units are notarized, representing 50.7 % of the expected sales volume.
- Reservation agreements for 2 residential and 3 commercial units, representing 8.8 % of the expected sales volume.
- For further details see Note 3.

Capital structure and risk management

7 Equity

7.1. Share capital

- Following the approval of the par value decrease from CHF 30 to CHF 1 at the 2023 Annual General Meeting, share capital totals EUR 19 095 thousand (CHF 20 741 thousand) as of June 30, 2023, and consists of 20 740 918 shares.
- The 2023 Annual General Meeting further resolved to replace the current authorized capital by instead authorizing the Board of Directors to increase or decrease the share capital of the Company over a 5-year period and within a defined range of the issued share capital, which may be up to 140 % or 95 %, respectively.
- After the conversion of the Mandatory convertible bond IV (see Note 7.4), the vesting of the 2020 option plan, and the settlement of bonus- and Board of Directors remuneration entitlements, the conditional share capital amounts to 4 541 455 shares.

7.2. Treasury shares

- A total of 10 403 treasury shares were utilized to settle bonus entitlements.
- At the end of the reporting period, we held a total of 780 treasury shares.

7.3. Share premium

- Capital reserves increased by EUR 551.8 million (CHF 599.5 million) due to the decrease in the par value of the registered share from CHF 30 to CHF 1.
- Further increases of EUR 601 thousand and EUR 1 318 thousand resulted from the vesting of the 2020 option plan and the settlement of bonus- and Board of Directors remuneration entitlements, respectively. The increases are offset by issuance cost in relation to the Mandatory convertible bond IV of EUR 477 thousand.

7.4. Mandatory convertible bond IV

- On January 12, 2023, our subsidiary, Peach Property Finance GmbH issued a non-listed 5.0 % mandatory convertible bond with a nominal amount of CHF 112.4 million. The issue price amounted to 60 %. The bond matured on April 12, 2023, and the nominal amount as well as accrued interest were converted into 3 790 122 shares of the Company, reducing conditional capital in the same amount.

7.5. Hybrid warrant bond

- In May 2023, several subscribers to the hybrid warrant bond converted holdings of EUR 11 317 thousand (CHF 12 594 thousand) into the convertible bond (see Note 8.1). Issuance costs of EUR 252 thousand were proportionally released to retained earnings.
- Hybrid warrant bonds of EUR 733 thousand were bought back in the first half-year of 2023.
- The total hybrid warrant bond that remains outstanding as of June 30, 2023, is EUR 39 758 thousand (CHF 45 251 thousand).
- We paid interest of EUR 803 thousand in June 2023.
- We did not call our hybrid warrant bond on June 22, 2023. Starting June 23, 2023, the hybrid warrant bond can be called on a quarterly basis according to the bond terms and the interest rate increases to SARON plus 9.25 %.

Capital structure and risk management

8 Mortgage loans, financial liabilities and derivative financial instruments

in EUR thousands		Jun 30, 2023			Dec 31, 2022	
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Revolving credit facility	0	41 062	41 062	0	41 047	41 047
Mortgage and building loans	47 791	931 362	979 153	32 429	951 777	984 206
Bonds	1 832	343 786	345 618	98 216	295 103	393 319
Promissory notes, syndicated loans, and other property financing	157	54 845	55 002	359	54 801	55 160
Derivative financial instruments	0	770	770	0	776	776
Total property financing liabilities	**49 780**	**1 371 825**	**1 421 605**	**131 004**	**1 343 504**	**1 474 508**
Lease liabilities	702	37 926	38 628	580	34 872	35 452
Other non-current financial liabilities	2 261	21 838	24 099	1 716	22 335	24 051
Total other financial liabilities	**2 963**	**59 764**	**62 727**	**2 296**	**57 207**	**59 503**
Total financial liabilities	**52 743**	**1 431 589**	**1 484 332**	**133 300**	**1 400 711**	**1 534 011**

8.1. Convertible bond

On May 16, 2023, we issued a convertible bond with the following parameters:

Outstanding amount:	CHF 50 million (EUR 51.1 million)
Interest rate:	3.0 % p.a.
Interest payment:	annually
Maturity:	May 15, 2026
Conversion price:	CHF 15.00 (EUR 15.33)
Conversion dates:	Unless previously repurchased and canceled, the bonds may be converted twice per year for a period of 5 business days starting on and including June 15, and December 15, of each year, and for the first time on December 15, 2023.
Listing:	SIX Swiss Exchange Ltd
ISIN:	125414806 / CH1254148062 (Bonds) 11853036/ CH0118530366 (Registered shares)

- The conversion option of EUR 2 730 thousand was recorded directly in equity, within other reserves.
- EUR 12 778 thousand (CHF 12 594 thousand) of the bond amount was settled through hybrid warrant bond conversions (Note 7.5).

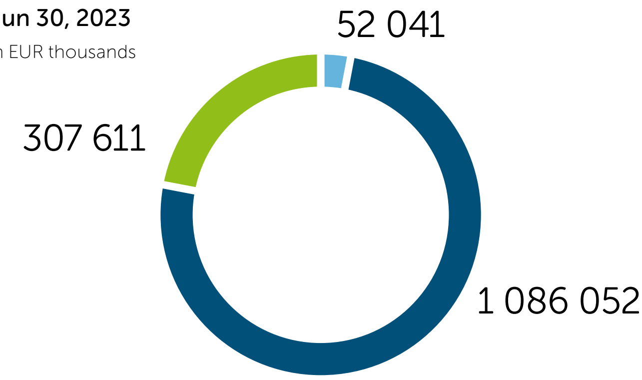
8.2. Other refinancing measures

- In the first half-year of 2023 we repaid the remaining outstanding amount of the EUR bond I in the amount of EUR 96.3 million plus accrued interest.

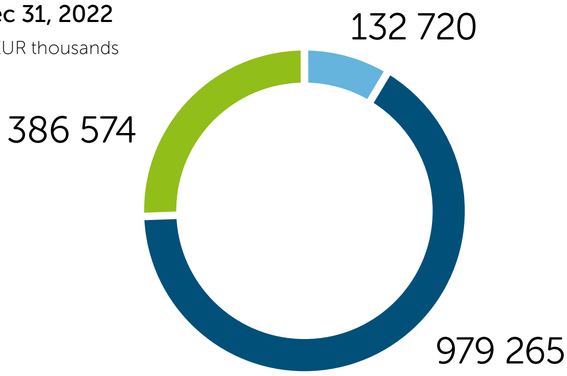
8.3. Maturity structure

Maturities of financial liabilities, excluding lease liabilities

Jun 30, 2023
in EUR thousands



Dec 31, 2022
in EUR thousands

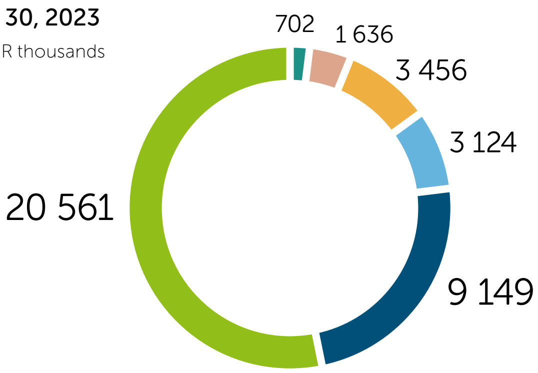


up to 1 year · 1 - 5 years · more than 5 years

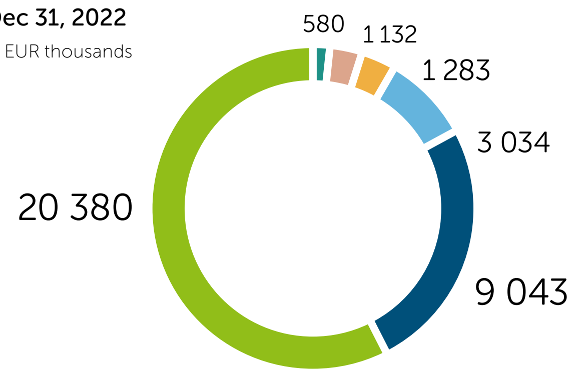
- Consistent with the associated investment horizon, 96.4 % of all financial liabilities are non-current in nature at the end of the reporting period (year-end 2022: 91.1 %).
- The average residual term is 3.4 years at period end (year-end 2022: 3.7 years).
- Mortgage loans have an average term of 3.8 years (year-end 2022: 4.4 years).
- Our mortgage loans bear an average interest rate of 2.1 % (year-end 2022: 1.7 %), other property financing liabilities were charged an average interest of 4.2 % (year-end 2022: 3.8 %). The overall average interest rate is 2.8 % for the first half-year of 2023 (year-end 2022: 2.6 %).

Maturities of lease liabilities

Jun 30, 2023
in EUR thousands



Dec 31, 2022
in EUR thousands



up to 1 year · 1 - 5 years · 6 - 10 years · 11 - 20 years · 21 - 50 years · more than 50 years

- The average residual term as of June 30, 2023, is 111 years (year-end 2022: 112 years) for leasehold agreements and 6 years (year-end 2022: 1.2 years) for other leases.

Capital structure and risk management

9 Financial result

in EUR thousands	1st half-year 2023	1st half-year 2022
Financial expenses		
Interest expenses – third parties	-19 966	-18 581
Compounded interest effects related to the convertible bond	-113	0
Unwinding of discount effects in relation to minimum dividend obligations	-324	-100
Loss from changes in the fair value of financial instruments	-189	-540
Interest expenses related to lease liabilities	-463	-441
Valuation adjustment from lease liabilities	-553	-870
Foreign exchange losses	-2 351	-20 851
Other financial expenses	-3 075	-5 644
Total financial expenses	**-27 034**	**-47 027**
Financial income		
Interest income – third parties	0	42
Gain from changes in the fair value of financial instruments	920	6 567
Foreign exchange gains	4 188	555
Other financial income	110	0
Total financial income	**5 218**	**7 164**

- The net gain from changes in the fair value of financial instruments amounts to EUR 731 thousand, compared to EUR 6 027 thousand in the comparative period. The decrease results primarily from interest rate cap instruments where no hedge accounting is applied. The instruments gained significantly in fair value in the first half-year of 2022 following unprecedented increases in interest reference rates. Interest reference rates remained high during the first half-year of 2023, however without further significant influences on the fair value interest rate cap instruments.
- Net foreign exchange gains amounted to EUR 1 837 thousand compared to a loss of EUR 20 296 thousand in the previous period. This positive earnings contribution in the current period relates primarily to a stabilization of the Euro / Swiss Franc exchange. An additional designation of intercompany loans as net investments in foreign entities during April 2023 released EUR 7 919 thousand from the consolidated statement of income into the currency translation changes reserve.

10 Financial risk management

10.1. Interest coverage ratio

To ensure that liabilities can always be serviced, even with rising interest rates, we strive to maintain an interest coverage ratio of at least 1.5. With the exclusion of proceeds and expenses that do not impact liquidity, the corresponding ratios are as follows:

in EUR thousands	1st half-year 2023	1st half-year 2022
Operating result (EBIT)	-70 238	101 029
Depreciation and amortization	1 011	922
Impairment charge on development properties	2 866	0
Valuation result from investment properties	97 678	-74 683
Share-based compensation	317	672
Other non-cash accrued expense positions	507	617
Adjusted operating result	**32 141**	**28 557**
Net interest expense [1]	19 966	18 539
Interest coverage ratio	**1.61**	**1.54**

1 Net interest expense excludes compounded interest effects related to the convertible bond in the amount of EUR 324 thousand as well as unwinding discount effects in relation to minimum dividend obligations.

› The interest coverage ratio increased steadily to 1.61 after 1.55 at year-end 2022. The positive effect of economies of scale and efficiency gains outweighed the negative impact from higher interest expenses.

10.2. Loan-to-Value

To ensure that the financial liabilities are always sufficiently secured, even with potentially falling values in our real estate portfolio, we strive for a maximum loan to value (LTV) ratio of 55%. For the reporting period and the previous year, the corresponding ratios were:

in EUR thousands	Jun 30, 2023	Dec 31, 2022
Total market value of real estate portfolio (investments and development properties without right-of-use assets) incl. advance payments for investment properties [1]	2 544 232	2 636 868
Total net financial liabilities without lease liabilities and market value of derivative financial instruments [2]	1 400 099	1 442 125
Loan-to-value ratio	**55.0 %**	**54.7 %**
Total market value of real estate portfolio (investments and development properties without right-of-use assets) incl. advance payments for investment properties [1]	2 544 232	2 636 868
Total net financial liabilities secured by mortgage loans [2]	958 417	952 599
Secured loan-to-value ratio	**37.7 %**	**36.1 %**

1 Market value of development properties amounts to EUR 28 896 thousand as per external valuation per Jun 30, 2023.
2 Less cash and cash equivalents and current financial receivables.

10.3. Lending arrangement clauses

› Lending arrangement clauses exist for certain financing arrangements, particularly for the EUR bond and the revolving credit facility. We complied with these clauses during the reporting period and the previous year.

10.4. Financial instruments at fair value

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

The only financial instruments held at fair value relate to derivative financial instruments used to hedge interest rate risks.

The market values are based on the current yield curves of the forward interest rates and correspond to the bank valuations available at the period end.

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

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

The following table shows the financial liabilities measured at fair value at the end of the period:

in EUR thousands	**Jun 30, 2023**	**Dec 31, 2022**
	Level 2	Level 2
Assets		
Derivatives held for trading purposes - changes in fair value recognized in the consolidated statement of income	20 928	20 795
Derivatives held as hedging instruments - changes in fair value recognized in the consolidated statement of comprehensive income	17 829	19 620
Liabilities		
Derivatives held as hedging instruments - changes in fair value recognized in the consolidated statement of comprehensive income	770	776

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

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

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

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

in EUR thousands	Jun 30, 2023		Dec 31, 2022	
	Market value	Carrying amount	Market value	Carrying amount
Current financial liabilities measured at amortized cost				
Current financial liabilities excluding lease liabilities, Level 1 [1]	1 832	1 832	92 066	98 216
Non-current financial liabilities measured at amortized cost				
Non-current mortgage loans	893 301	931 362	947 437	951 777
Non-current financial liabilities excluding lease liabilities, Level 1	272 247	343 786	218 640	295 103
Non-current financial liabilities excluding lease liabilities, Level 2	95 284	95 907	95 184	95 848
Total	**1 262 664**	**1 372 887**	**1 353 327**	**1 440 944**

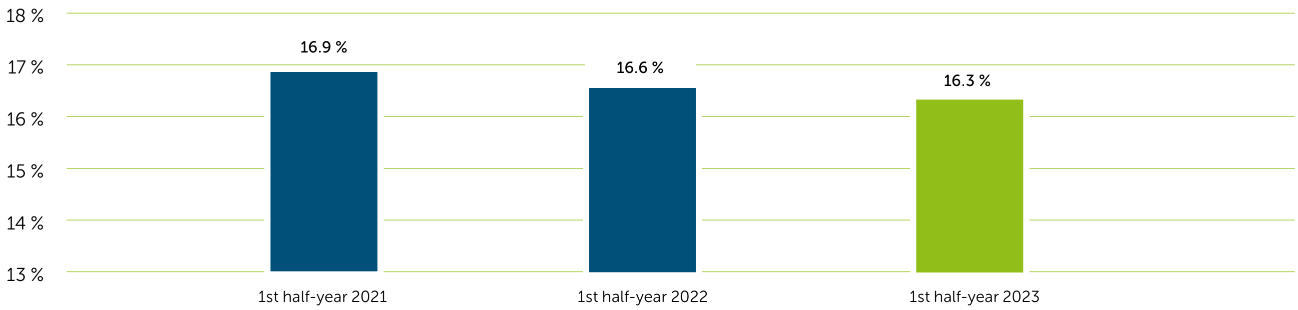
1 Current financial liabilities excluding lease liabilities, Level 1 as of June 30, 2023 includes only accrued interest.

- There are no material differences between the market value and the carrying amount of non-current financial receivables and other non-current financial liabilities.
- The EUR bond II and the Convertible bond were assigned to Level 1, and all other financial instruments are in Level 2.
- There were no transfers between the individual levels in either the reporting period or the previous period.
- There were no netting agreements to be reported as of June 30, 2023, or December 31, 2022.

Platform costs

11 Personnel expenses

Personnel expenses as a % of rental income



in EUR thousands	1st half-year 2023	1st half-year 2022
Salaries	-8 009	-8 060
Social insurance cost	-1 276	-1 036
Employee benefits – defined benefit plan	-56	-46
Employee benefits – defined contribution plan	-101	-94
Share-based compensation	-317	-672
Other personnel expenses	-235	-255
Capitalized own services	266	661
Total personnel expenses	**-9 728**	**-9 502**
Headcount as of June 30	232	219

- Personnel expenses increased by EUR 226 thousand mainly due to the further insourcing of janitor and property management services as well as the tax function. Compared to the 2022 year-end (233) the headcount remained stable.

12 Option programs

- The Board of Directors approved a new Performance Stock Unit Program (2023-2025 PSU program, Plan 2023) for share-based compensation in the second quarter of 2023.
- Under the PSU program, entitlements are granted to program participants in the form of PSUs (performance stock units), which represent an entitlement of up to two shares per PSU, depending on the level of target achievement over the performance period (share price, accumulated Group earnings after taxes for the years 2023-2025 and the ESG rating, in equal parts), provided the beneficiary is still employed by the Group at the end of the performance period. The Group has no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.
- With the approval of the 2022 financial statements by the 2023 Annual General Meeting, the performance period for Plan 2020 closed. 31 500 PSUs were exercised with a factor of 1.

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

	Plan 2023	Plan 2022	Plan 2021	Plan 2020
Issue date	April 1, 2023	April 1, 2022	April 1, 2021	June 2, 2020
Measurement years for accumulated group result	2023 - 2025	2022 - 2024	2021 - 2023	2020 - 2022
End of performance period	2026 AGM	2025 AGM	2024 AGM	2023 AGM
Effective date share price	Feb 6, 2026	Feb 6, 2025	Feb 6, 2024	Feb 6, 2023
End of blocking period	2026 AGM	2025 AGM	2024 AGM	2023 AGM
Accumulated Group result after taxes	approved long-term plan	approved long-term plan	approved long-term plan	approved long-term plan
Average financing costs	n.a.	approved long-term plan	approved long-term plan	n.a.
ESG rating	low risk	n.a.	n.a.	n.a.
Share price in CHF	30 - 40	n.a.	n.a.	n.a.
Share price when issued in CHF	12.24	55.90	49.70	36.40
Risk-free interest rate	1.95 %	0.45 %	-0.55 %	-0.62 %
Volatility	35.8 %	28.06 %	28.77 %	28.67 %
Market value of PSUs on date of issue in CHF	9.98	48.50	46.62	26.79
Market value of PSUs on date of issue in EUR	10.01	48.28	43.10	25.03

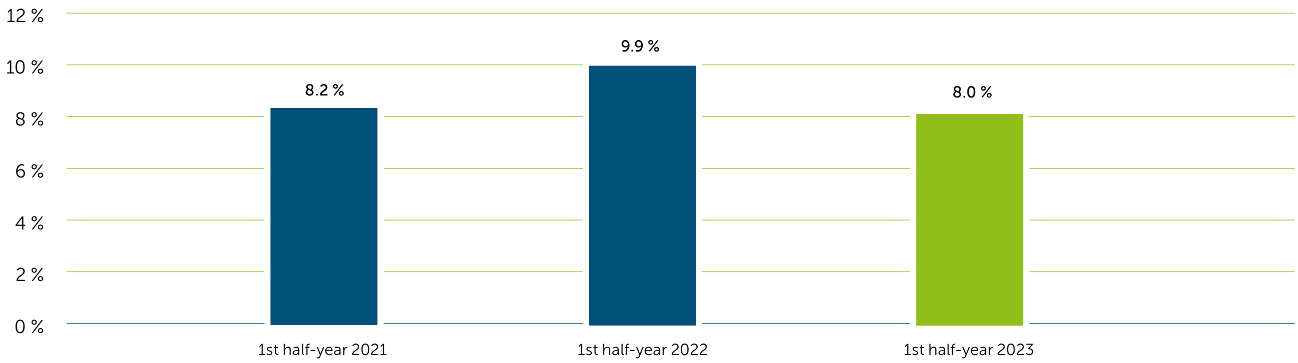
	Plan 2023	Plan 2022	Plan 2021	Plan 2020
Outstanding PSUs on January 1, 2022	**0**	**0**	**41 500**	**34 500**
Exercisable PSUs on January 1, 2022	**0**	**0**	**0**	**0**
Options allocated	0	24 700	0	0
Options exercised	0	0	0	0
Options forfeited	0	-500	-2 000	-3 000
Outstanding PSUs on December 31, 2022	**0**	**24 200**	**39 500**	**31 500**
Exercisable PSUs on December 31, 2022	**0**	**0**	**0**	**0**
Options allocated	56 900	0	0	0
Options exercised	0	0	0	-31 500
Options forfeited	-4 000	-5 500	-10 000	0
Outstanding PSUs on June 30, 2023	**52 900**	**18 700**	**29 500**	**0**
Exercisable PSUs on June 30, 2023	**0**	**0**	**0**	**0**

› In the reporting period, we charged EUR 317 thousand (previous period: EUR 672 thousand) to the consolidated statement of income for the PSU plans (both excluding social benefits).

Platform costs

13 Other operating expenses

Other operating expenses as a % of rental income



- In absolute terms, other operating expenses decreased by EUR 876 thousand compared to the previous period despite an increase in headcount (see Note 11).
- Key drivers for the decrease include the insourcing for the tax function resulting in lower consultancy fees as well as lower IT and sundry expenses (only one new Peach Point opened in the reporting period).

14 Taxes

in EUR thousands	1st half-year 2023	1st half-year 2022
Income taxes		
Result before taxes	-92 054	61 166
Income taxes	15 929	-15 564
Tax rate	17.30 %	25.47 %

in EUR thousands	Jun 30, 2023	Dec 31, 2022
Deferred tax assets	13 190	12 836
Deferred tax liabilities	98 077	114 408

- The tax rate for companies owning investment properties in Germany is 15.83 % in most cases (trade tax exemption), while Swiss companies are subject to varying tax rates of 13 % to 21 %. Peach Property Management GmbH & Co. KG is subject to a tax at a rate of 32.45 %. Excluding non-recurring effects, we expect a tax rate of between 16 % and 18 %.
- The decrease of deferred tax liabilities is mainly the result of valuation losses from investment properties.

Other disclosures

15 Working capital

15.1. Trade receivables

- Trade receivables decreased by EUR 3 532 thousand compared to December 31, 2022, and increased by EUR 1 944 thousand compared to June 30, 2022.
- The decrease compared to December 2022 is explained by the collection of receivables arising from the 2021 ancillary cost settlements that were charged to tenants in the last quarter of 2022.
- The increase compared to the June 2022 is mainly due to rental charge increases, higher ancillary costs advance payments charged, and a larger number of completed ancillary cost settlements charged to tenants in the first half-year of 2023, than in the first half-year of 2022.
- Bad debt allowances remained mostly unchanged due to a further reduction in receivables older than 5 months.

15.2. Other receivables

- Other receivables increased by EUR 5 662 thousand compared to December 31, 2022, and EUR 2 333 thousand compared to June 30, 2022.
- The increase compared to December 2022 is explained by an increase in receivables from ancillary costs of EUR 5 558 thousand. Ancillary costs from the first half-year of 2023 will be charged to tenants through the ancillary cost settlement for the 2023 settlement period.
- The increase compared to June 2022 is explained by an increase in receivables from ancillary costs of EUR 1 920 thousand. The comparative increase reflects the increase in ancillary costs from the 2022 settlement period compared to the 2023 settlement period, mainly due to inflationary effects.

15.3. Other payables

- Other payables increased by EUR 763 thousand compared to December 31, 2022, and decreased by EUR 7 074 thousand compared to June 30, 2022.
- The increase compared to December 31, 2022, is mainly explained by an increase in payables from ancillary cost consumption of EUR 3 280 thousand in the first half-year of 2023, where the consumption was not yet invoiced by suppliers. Offsetting impacts mainly include a decrease in accruals for refurbishment expenditures not yet invoiced of EUR 2 197 thousand and a decrease in payables from ancillary cost consumption during the 2022 settlement period after consumption was invoiced by suppliers of EUR 477 thousand.
- The decrease compared to June 2022 is explained by a decrease in accruals for refurbishment expenditures not yet invoiced of EUR 3 460 thousand and overproportionate increases in ancillary costs in the first half-year of 2023 creating a larger receivable which resulted in more netting with ancillary cost prepayments, and ultimately a lower overall net payable position.

Other disclosures

16 Contingent liabilities

16.1. 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.

17 Subsequent events

There are no material subsequent events to report.

Report on the Review

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

Zurich

Introduction

We have reviewed the consolidated semi-annual financial statements (consolidated statement of income for the period, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and notes to the consolidated semi-annual financial statements) pages 21 to 54 of Peach Property Group AG for the period ended 30 June 2023. The Board of Directors is responsible for the preparation and presentation of these consolidated semi-annual financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated semi-annual financial statements based on our review.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers AG

Patrick Balkanyi　　　　Philipp Gnädinger

Zurich, 21 August 2023

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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.

2 Overview of EPRA Performance Measures

EPRA-Performance Measure	Definition	Objective	1st half-year 2023 / Jun 30, 2023	1st half-year 2022 / Dec 31, 2022
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.	0.14	-1.16
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.	60.40	75.68
EPRA Net Tangible Assets (NTA) in EUR	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		51.88	64.88
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.		54.00	65.36
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 %	3.4 %
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 %	3.4 %
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 %).	8.3 %	7.9 %
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.	47.8 %	52.4 %
EPRA Cost Ratio (excl. cost of direct vacancy)	Administrative and operating costs (excluding costs of direct vacancy) divided by gross rental income.	Measurement of the changes in a company's operating costs.	42.6 %	47.1 %
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.	56.4 %	56.8 %

3 EPRA Performance Measures

3.1. EPRA Earnings per share

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

	1st half-year 2023	1st half-year 2022
Earnings per IFRS consolidated statement of income	**-76 125**	**45 602**
Adjustments to calculate EPRA earnings, exclude:		
Valuation changes from investment properties	97 678	-74 683
Net profit/loss on disposal of investment properties	-9	146
Impairment charge on development properties	2 866	0
Net profit/loss generated from development properties held for trading	11	67
Tax on profits or losses on disposals	-1	-57
Changes in fair value of financial instruments and associated close-out costs	-731	-6 027
Deferred tax with respect to EPRA adjustments	-16 832	12 798
Non-controlling interests with respect to the above	-3 863	2 555
EPRA Earnings	**2 994**	**-19 599**
Number of outstanding shares	20 740 918	16 882 373
Diluted number of outstanding shares at period end [1]	20 740 918	16 882 373
EPRA EPS in EUR	**0.14**	**-1.16**
Diluted EPRA EPS in EUR	**0.14**	**-1.16**
Adjustment for development properties	-11	-67
Adjustment for depreciation	1 011	922
Adjustment for share-based compensation and other non-cash personnel expenses	824	1 289
Adjustment for other deferred and non-cash taxes	436	2 550
Interest paid on hybrid capital	-803	-625
Other financial expenses	2 965	5 644
Non-cash interest and foreign exchange result	-968	21 984
Lease payments and valuation result of lease liabilities	-770	-759
Non-controlling interests	3 863	-2 555
Adjusted earnings (FFO I)	**9 541**	**8 784**
Average number of outstanding shares	20 418 228	16 854 998
Diluted average number of outstanding shares at period end [1]	20 418 228	16 934 235
Basic FFO I per share in EUR	**0.47**	**0.52**
Diluted FFO I per share in EUR	**0.47**	**0.52**

1 We excluded 833 333 shares related to the conversion rights from the convertible bond issued, as the impact of these shares is considered antidilutive for the period ended June 30, 2023.

EPRA Reporting

- EPRA earnings per share increased in the first half-year of 2023 to EUR 0.14 per share. The recovery compared to the previous period relates to positive net currency translation impacts of EUR 1 837 thousand compared to negative net currency translation impacts of EUR 20 296 in the previous period.
- The adjusted earnings correspond to the FFO I of Peach Property Group.

3.2. EPRA NAV

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

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

The EPRA NTA (Net Tangible Asset) performance measure is based on the assumption that real estate is bought and sold, and that part of the associated deferred taxes related to real estate assets is realized through sales. At the end of the reporting period, we held only several small sub-portfolios which are considered 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.
calculation.

in EUR thousands		Jun 30, 2023			Dec 31, 2022	
	EPRA NRV	**EPRA NTA**	**EPRA NDV**	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to Peach Property Group AG equity holders	1 048 091	1 048 091	1 048 091	1 067 414	1 067 414	1 067 414
Hybrid instruments	-38 297	-38 297	-38 297	-51 556	-51 556	-51 556
Diluted NAV, after the exercise of options, convertibles and other equity interests	**1 009 794**	**1 009 794**	**1 009 794**	**1 015 858**	**1 015 858**	**1 015 858**
Include:						
Revaluation of development properties	0	0	0	0	0	0
Diluted NAV at fair value	**1 009 794**	**1 009 794**	**1 009 794**	**1 015 858**	**1 015 858**	**1 015 858**
Deduct:						
Deferred tax in relation to fair value gains of investment properties	-104 889	-98 582	0	-119 197	-117 472	0
Fair value of derivative financial instruments	37 987	37 987	0	39 639	39 639	0
Intangibles as per the IFRS statement of financial position	0	891	0	0	1 132	0
Include:						
Fair value of fixed interest rate financial liabilities	0	0	110 223	0	0	87 617
Acquisition costs (assumption 7 %)	176 074	6 462	0	182 199	2 795	0
EPRA NAV	**1 252 770**	**1 075 960**	**1 120 017**	**1 277 615**	**1 095 354**	**1 103 475**
Diluted number of shares [1]	20 740 918	20 740 918	20 740 918	16 882 373	16 882 373	16 882 373
EPRA NAV per share in EUR	**60.40**	**51.88**	**54.00**	**75.68**	**64.88**	**65.36**

1 We excluded 833 333 shares related to the conversions rights from the convertible bond issued, as the impact of these shares is considered antidilutive for the period ended June 30, 2023.

- Depending on the viewpoint taken, the EPRA Best Practice Recommendations result in a NAV per share of EUR 52 to 60 compared to IFRS NAV of EUR 49.
- 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 52 per share is considered a meaningful indicator for shareholders.
- The previous year's value of EPRA NDV has been amended from EUR 54.98 to EUR 65.36.

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	Jun 30, 2023	Dec 31, 2022
Investment properties and advance payments for investment properties [1]	2 510 253	2 601 645
Investment properties held for sale and development properties	33 979	35 223
Development properties and advance payments for investment properties	-28 896	-34 031
Market value of investment properties	**2 515 336**	**2 602 837**
Allowance for purchasers' costs, estimated at 7.0 %	176 074	182 199
Gross-up market value of investment properties	**2 691 410**	**2 785 036**
Annualized rental income	119 696	117 322
Annualized expenses from letting of investment properties	-27 832	-23 770
Annualized net rental income from letting of investment properties	**91 864**	**93 552**
Rent-free periods and other lease incentives	306	220
Topped-up annualized net rent from letting of investment properties	**92 170**	**93 772**
EPRA NIY in %	**3.4 %**	**3.4 %**
EPRA "topped-up" NIY in %	**3.4 %**	**3.4 %**

1 Excluding right-of-use assets.

- The net initial yield remained flat from December 2022 through June 2023.

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.

EPRA Reporting

in EUR thousands	Jun 30, 2023	Dec 31, 2022
Annualized lost income due to vacancies from residential units	10 502	9 813
Annualized target rental income from residential units	126 428	123 991
EPRA Vacancy Rate	**8.3 %**	**7.9 %**

› Calculated over the full portfolio, the EPRA Vacancy Rate increased in comparison to the 2022 year-end vacancy rate but remained comparable to the vacancy rate as of Jun 30, 2022, of 8.5 %.

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	1st half-year 2023	1st half-year 2022
Expenses from letting of investment properties	13 916	14 804
Personnel expenses	9 728	9 502
Sales and marketing expenses	166	94
Other operating expenses	4 789	5 664
EPRA costs (incl. direct vacancy costs)	**28 599**	**30 064**
Direct vacancy costs	-3 083	-3 047
EPRA costs (excl. direct vacancy costs)	**25 516**	**27 017**
Gross rental income, net of land rental expenses	59 848	57 393
Gross rental income	**59 848**	**57 393**
EPRA cost ratio (incl. direct vacancy costs)	**47.8 %**	**52.4 %**
EPRA cost ratio (excl. direct vacancy costs)	**42.6 %**	**47.1 %**

› The EPRA cost ratio continued to decrease as a result of our continuous efforts to manage the operations efficiently.

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			Jun 30, 2023			Dec 31, 2022
	Group EPRA LTV	Non-controlling interests share	Net EPRA LTV	Group EPRA LTV	Non-controlling interests share	Net EPRA LTV
Borrowings from financial institutions	1 075 217	36 398	1 038 819	1 080 413	36 805	1 043 608
Hybrid instruments	38 297	0	38 297	51 556	0	51 556
Bond borrowings	345 618	0	345 618	393 319	0	393 319
Net current payables	0	0	0	2 622	-35	2 657
Deduct:						
Cash and cash equivalents	20 351	562	19 789	31 223	935	30 288
Net current receivables	2 641	266	2 375	0	0	0
EPRA net debt	**1 436 140**	**35 570**	**1 400 570**	**1 496 687**	**35 835**	**1 460 852**
Investment properties measured at fair value	2 510 253	118 083	2 392 170	2 601 645	121 947	2 479 698
Investment properties held for sale	5 083	12	5 071	1 192	0	1 192
Development properties	28 896	0	28 896	34 031	0	34 031
EPRA property value	**2 544 232**	**118 095**	**2 426 137**	**2 636 868**	**121 947**	**2 514 921**
EPRA Loan-to-Value	**56.45 %**	**30.12 %**	**57.73 %**	**56.76 %**	**29.39 %**	**58.09 %**

EPRA Reporting

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	1st half-year 2023				1st half-year 2022		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	18 009	1 130 893	37 862	5.58	35 607	5.26	6.3 %
Rhineland-Palatinate	3 036	183 144	6 681	6.08	6 340	5.76	5.4 %
Lower Saxony	3 540	217 486	6 594	5.05	6 347	4.82	3.9 %
Baden-Württemberg	932	63 735	2 463	6.44	2 263	5.92	8.8 %
Hesse	841	53 744	1 625	5.04	1 494	4.63	8.8 %
Other	1 027	53 125	2 004	6.29	1 995	5.88	0.4 %
Total	**27 385**	**1 702 127**	**57 229**	**5.60**	**54 046**	**5.29**	**5.9 %**

› We achieved a like-for-like rental income growth during the first half-year of 2023 of 5.9 % (previous period of 3.6 %)

4.2. Investments in real estate

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

in EUR thousands	1st half-year 2023	1st half-year 2022
Development properties - planning and development costs	3 769	3 064
Investment properties:		
Acquisitions	0	60
Tenant improvements and other CAPEX measures - existing portfolios	9 908	27 401
Tenant improvements and other CAPEX measures - acquired portfolio	5	0
Total Capital Expenditures	**13 682**	**30 525**

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

in EUR thousands	1st half-year 2023			1st half-year 2022		
	Area in m²	Capex in EUR thousands	Capex in EUR per m²	Area in m²	Capex in EUR thousands	Capex in EUR per m²
North Rhine-Westphalia	1 180 281	6 794	5.76	1 180 683	19 277	16.33
Rhineland-Palatinate	193 896	1 287	6.64	194 502	2 622	13.48
Lower Saxony	218 655	1 042	4.77	218 625	3 713	16.98
Baden-Württemberg	65 823	298	4.53	65 801	848	12.89
Hesse	53 744	128	2.37	53 744	686	12.76
Other	60 064	359	5.97	58 095	255	4.39
Total tenant improvements and capital expenditures	**1 772 463**	**9 908**	**5.59**	**1 771 450**	**27 401**	**15.47**

› With an average of EUR 5.59 per square meter of lettable space, we invested less in our portfolio in the first half-year of 2023 than in the comparative period. This decrease results from our revised capital expenditure strategy in response to soaring inflation and raw material prices.

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. The 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	1st half-year 2023			1st half-year 2022		
	Market value before valuation adjustment	Revaluation	Revaluation in %	Market value before valuation adjustment	Revaluation	Revaluation in %
North Rhine-Westphalia	1 731 880	-68 198	-3.9 %	1 712 972	47 516	2.8 %
Rhineland-Palatinate	369 342	-12 121	-3.3 %	346 607	10 952	3.2 %
Lower Saxony	238 877	-7 663	-3.2 %	236 411	7 479	3.2 %
Baden-Württemberg	119 099	-5 547	-4.7 %	116 251	3 894	3.3 %
Hesse	57 891	-1 199	-2.1 %	58 150	1 388	2.4 %
Other	95 606	-2 630	-2.8 %	95 022	2 495	2.6 %
Total	**2 612 695**	**-97 358**	**-3.7 %**	**2 565 413**	**73 724**	**2.9 %**

› The market value of our existing “like-for-like” portfolio decreased by 3.7 % (comparative period: increase of 2.9 %).

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