

# 1<sup>st</sup> half-year 2023 results

August 23, 2023





# Presenters



**Thorsten Arsan**  
Chief Financial Officer

- >19 years of experience in the German residential real estate market; overseeing Equity and Debt Capital Markets transactions, credit ratings, and financing structures
- Former Head of Corporate Finance/ Deputy Head of Finance & Treasury at Vonovia SE and former Senior Vice President for Finance, Controlling, Investor Relations and M&A at Adler Group SA



**Stefan Feller**  
Head of Investor Relations

- >15 years of finance experience in corporate finance, treasury and capital market roles
- Former **Head of Financing** at Swiss utility Axpo Holding AG and **Head of Capital Markets** at fintech Loanbox
- CFA Chartholder

# Agenda

## 1. The environment in H1 2023

2. Business Performance H1 2023

3. Financial Performance H1 2023

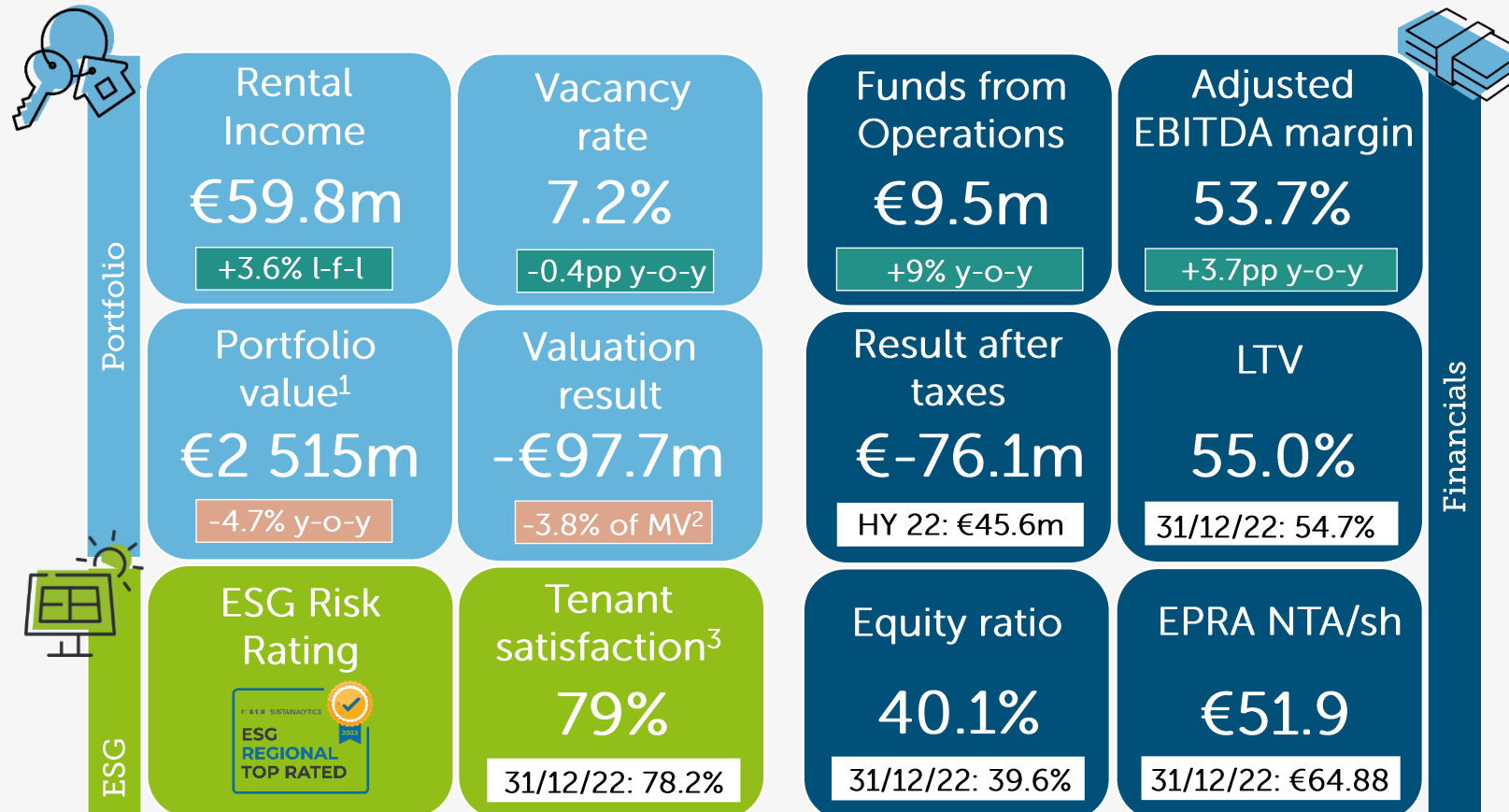
4. ESG-Update

5. Guidance FY 2023 & mid-term financial targets

6. Appendix

- *Portfolio details*
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# 1<sup>st</sup> half-year 2023 – improved profitability



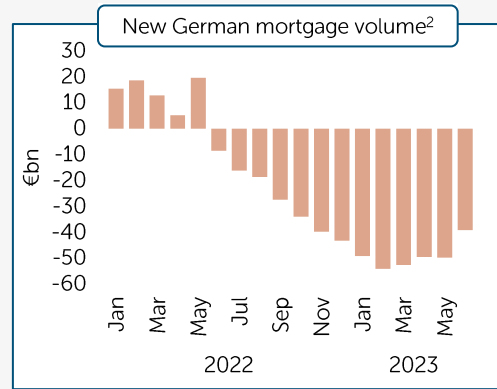


# The environment in H1 2023 – first signs of a stabilizing market?

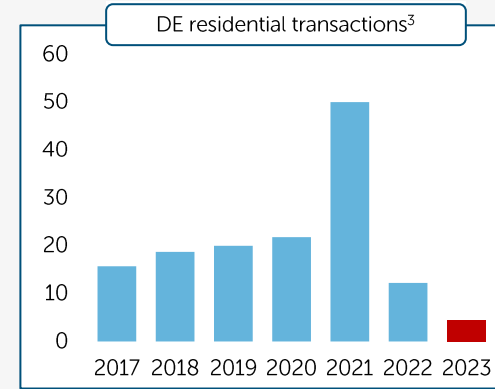
## Inflation is coming back...



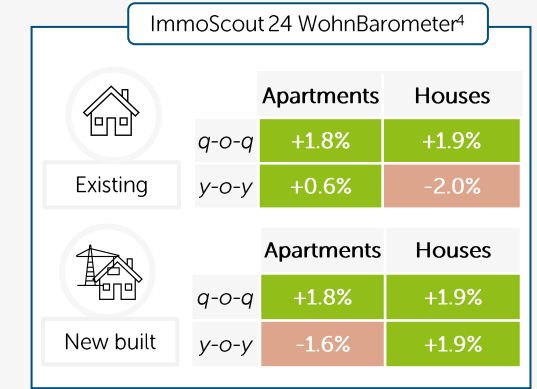
## Mortgage lending on 18y low...



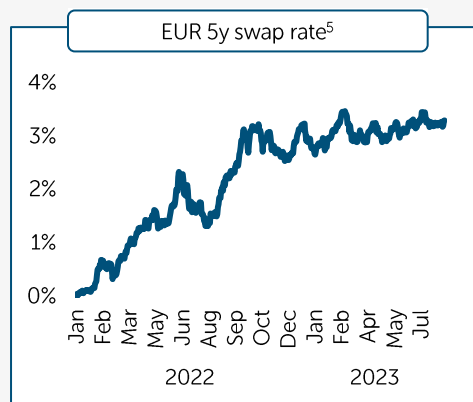
## Low transaction volumes...



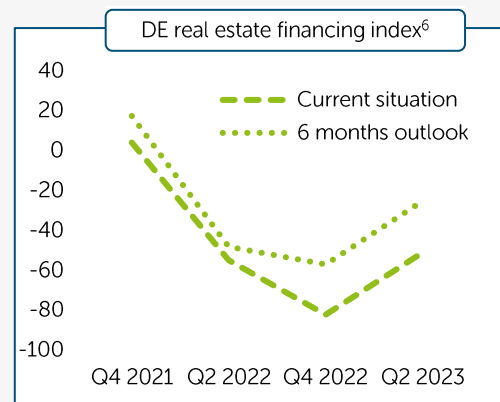
## RE prices seem to stabilize...



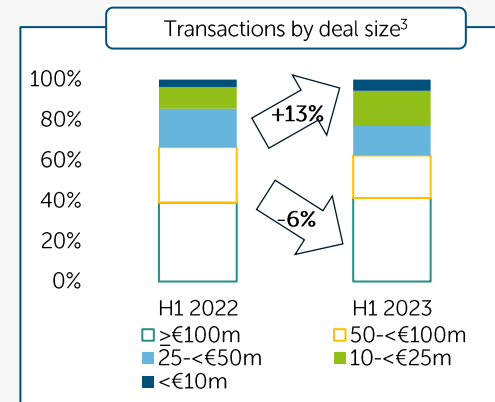
## ... interest rates stabilize



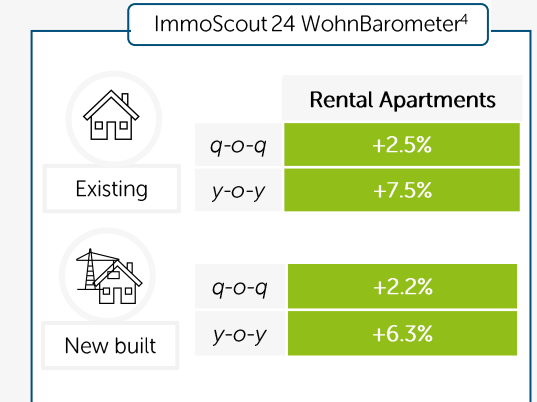
## ... but sentiment picks up



## ... with focus on smaller deals

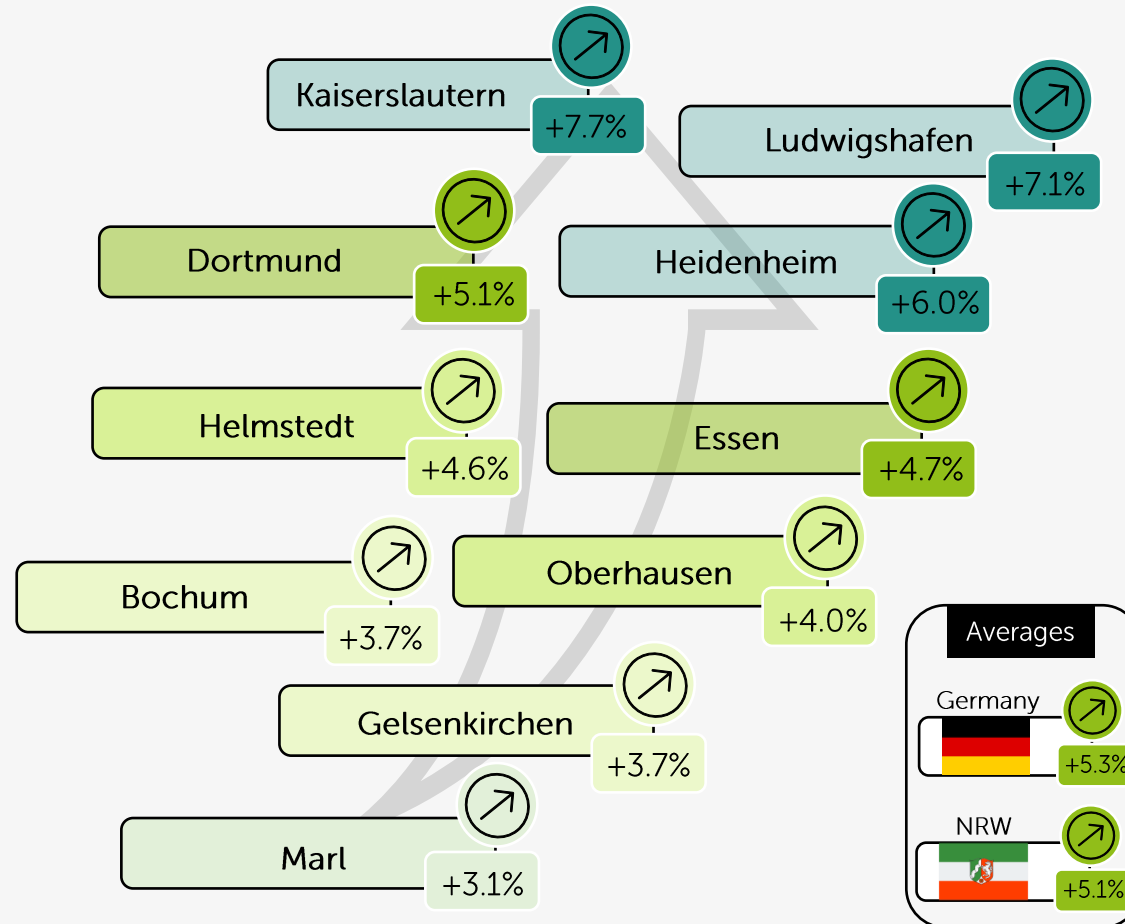


## ... while rents continue to grow

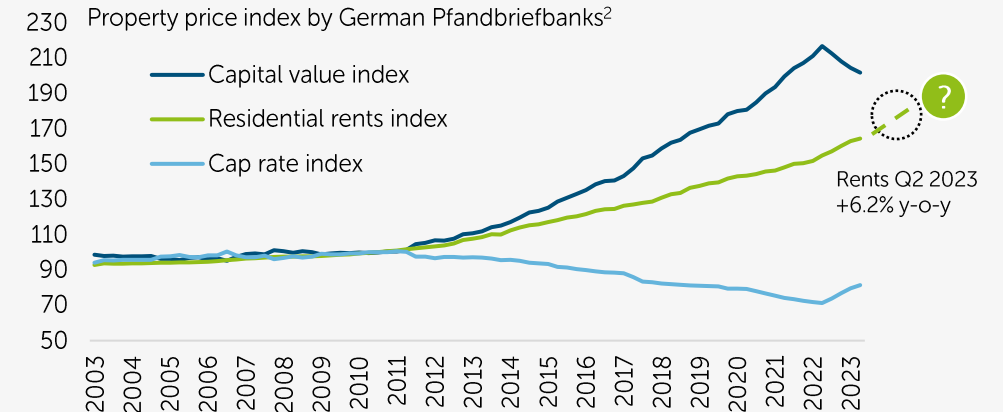


# Inflation and scarcity drive market rents

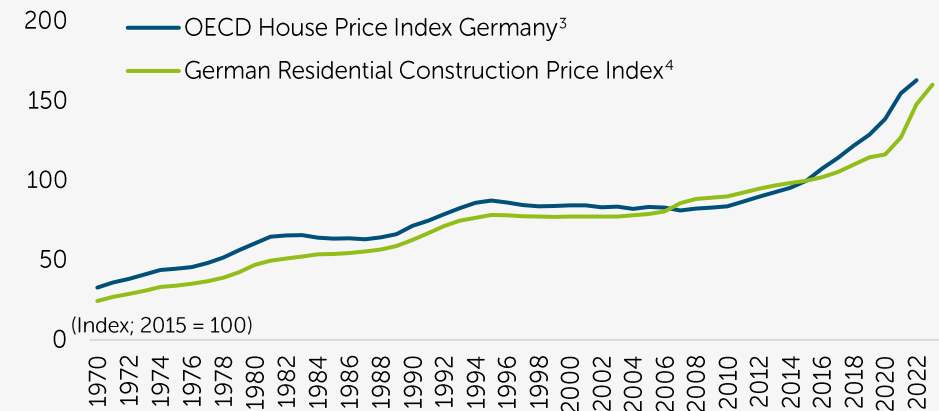
Peach Top 10 locations with continued strong market rental growth<sup>1</sup>



Rent growth counteracts value correction



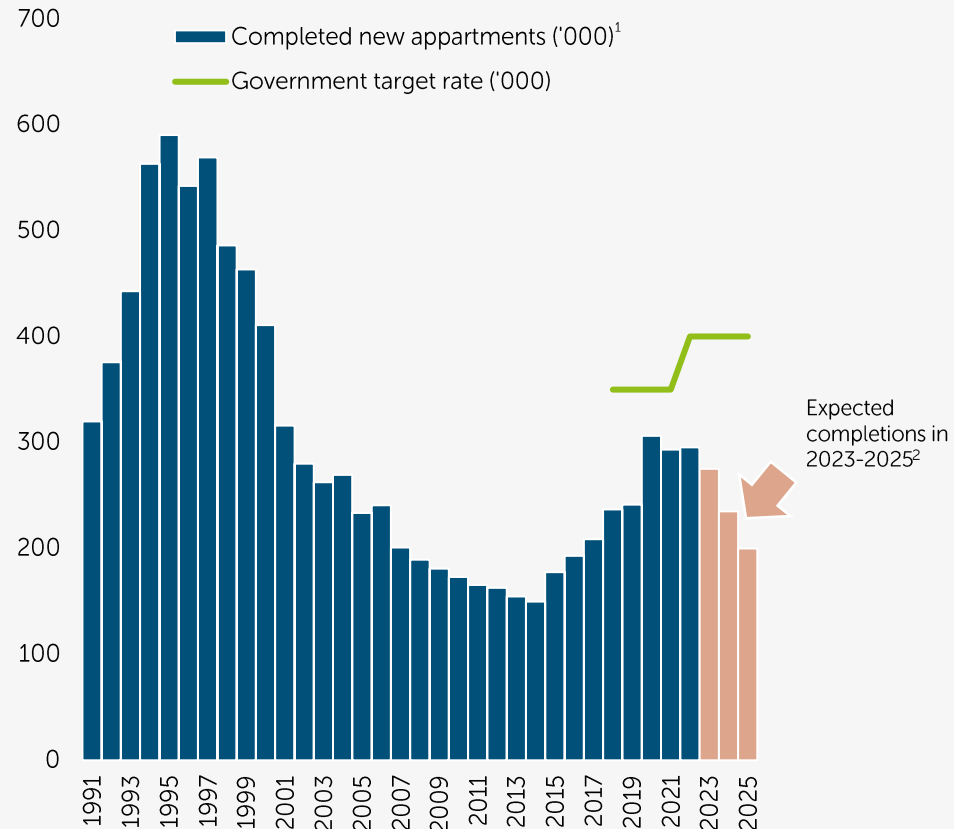
House prices and construction costs strongly correlated



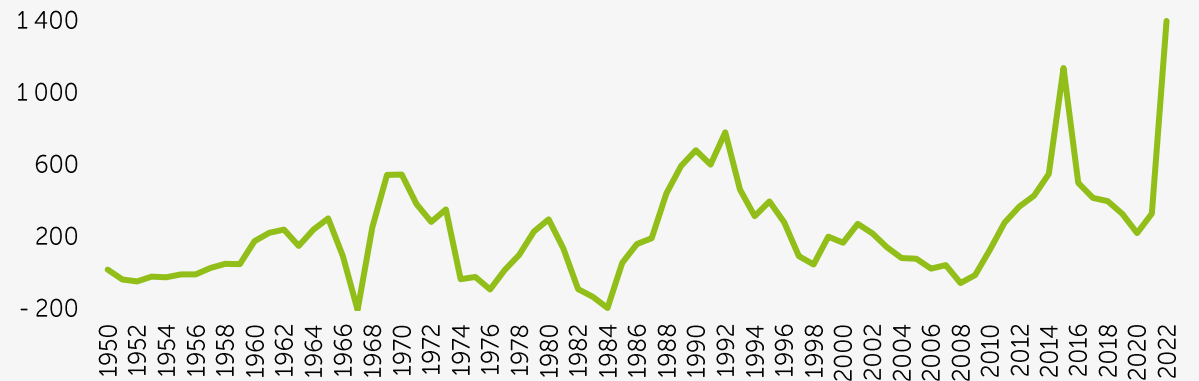


# No relief in sight for undersupply in the German housing market

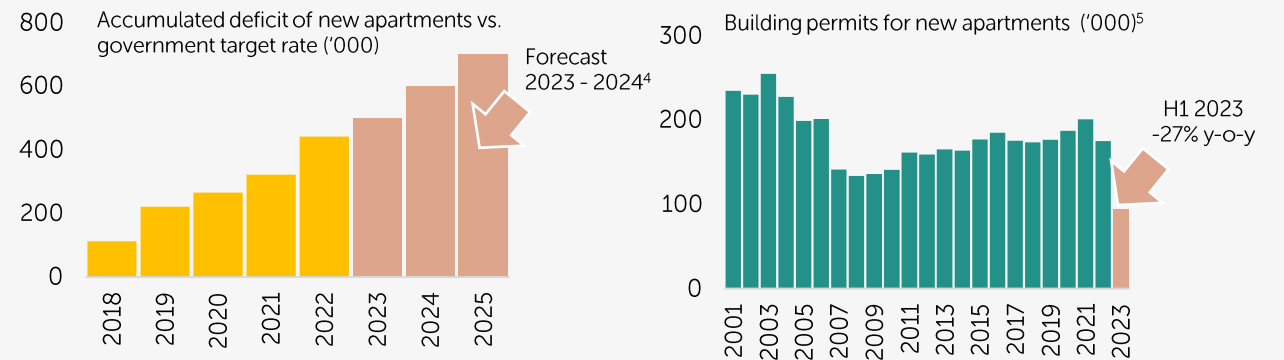
## Structural undersupply in German housing market



## German net immigration at the highest level since WW II<sup>3</sup>



## Housing deficit exceeds 500k apartments while building permits fall



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5. Guidance FY 2023 & mid-term financial targets

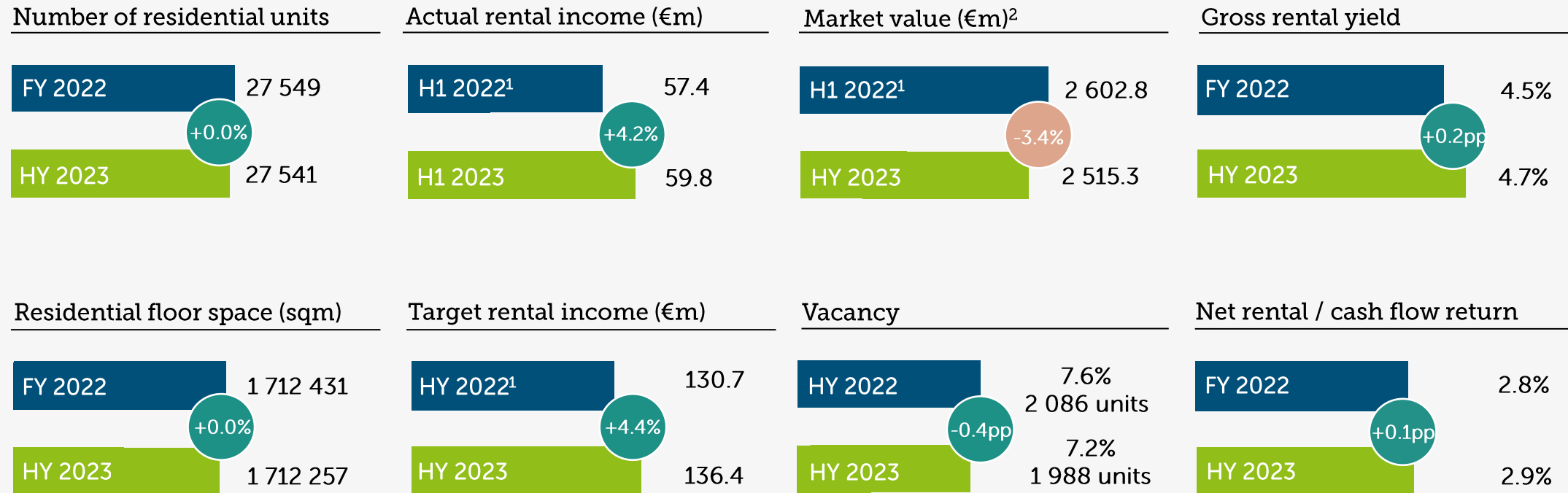
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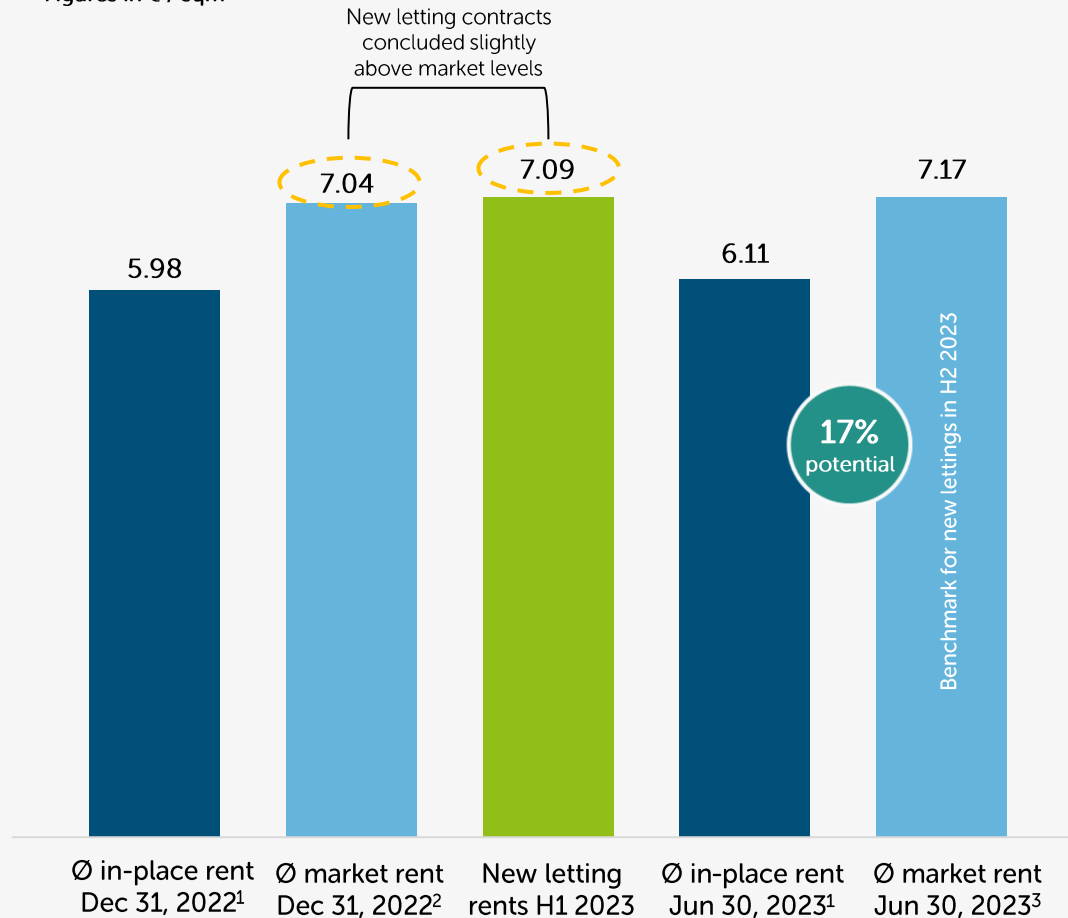
# Overview investment properties



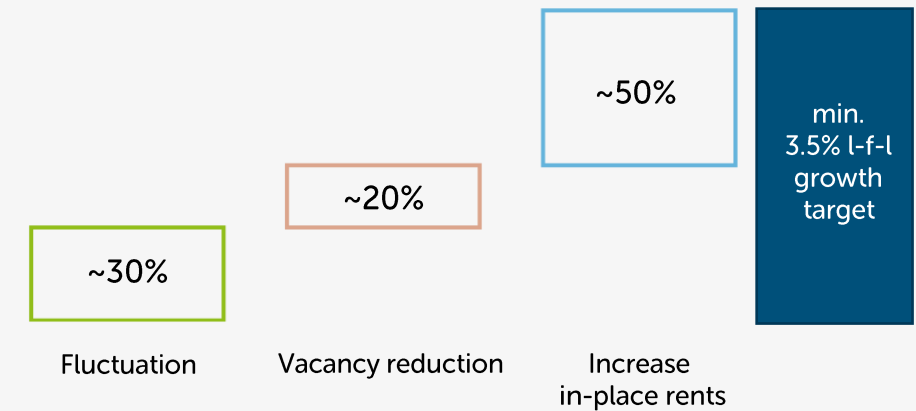


# Strong rental growth with further potential

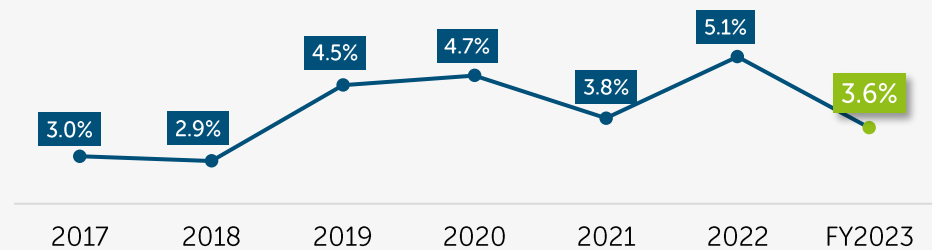
Figures in € / sqm



## Sources of rental growth target



## Our l-f-l rental growth track-record

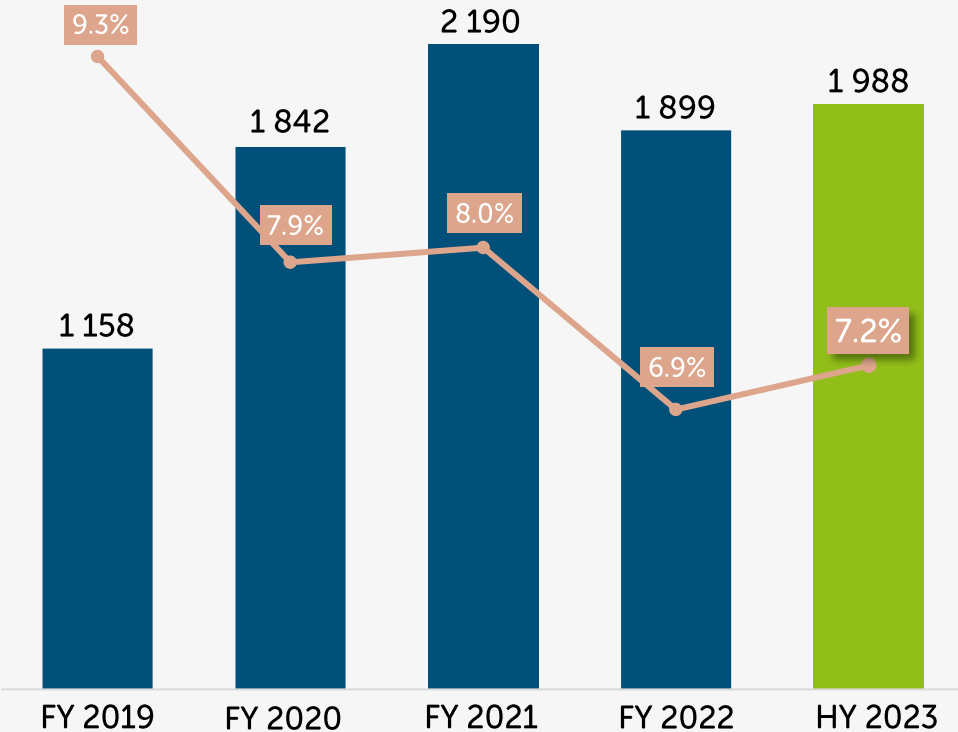






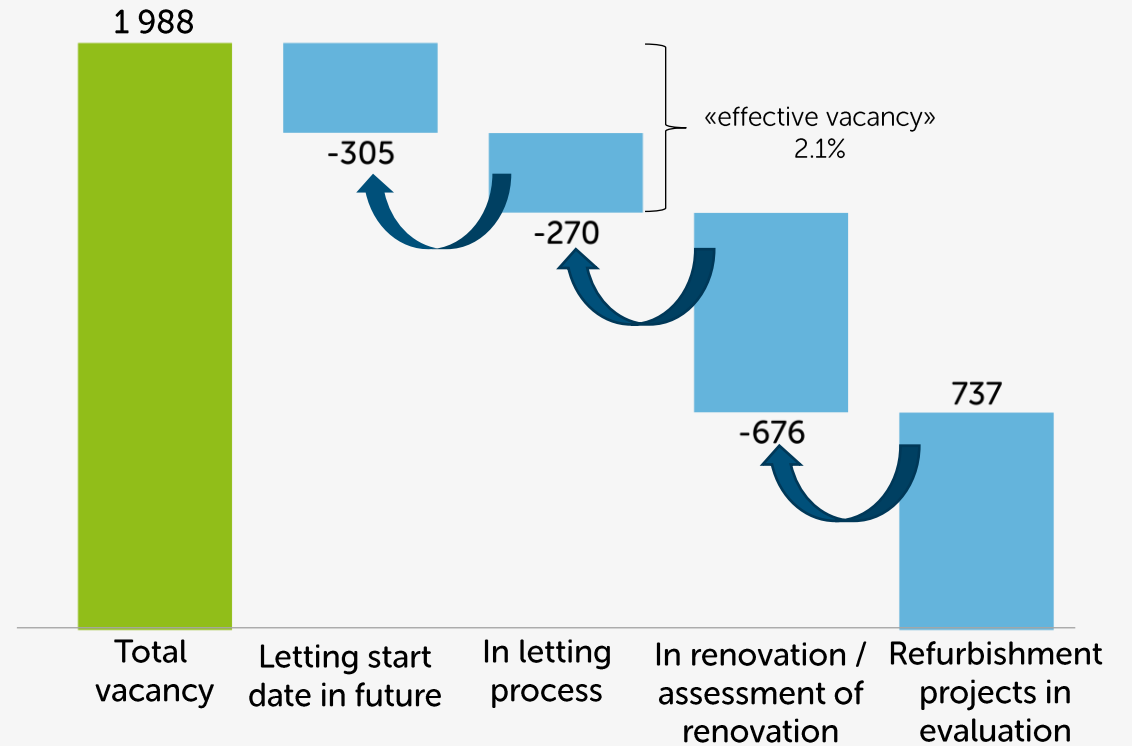
# Vacancy rate significantly reduced in recent years

Development of vacant residential units and vacancy ratio



- Approx. 1 500 new contracts concluded in first half-year 2023.

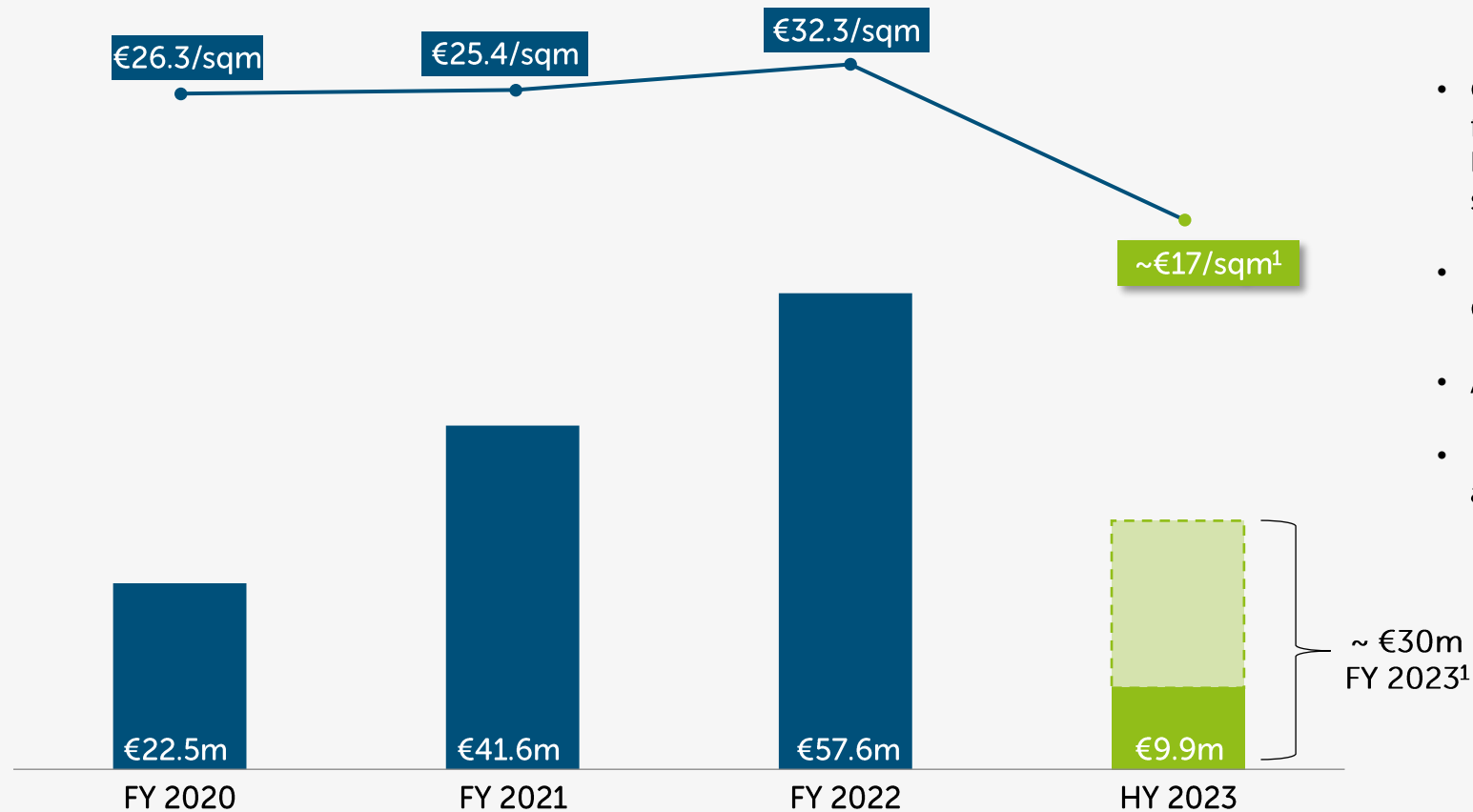
Vacant residential units by vacancy category



- ~800 units renovated in H1 2023.
- 1 500 – 2 000 units planned for 2023.
- Mid-term, we aim to achieve a «normalized» vacancy ratio of <4%.



# Capex significantly reduced



- On the back of higher construction and financing costs and to preserve our liquidity, investments have been sharply reduced in H1 2023.
- EUR 9.9m (o/w approx. 60% TI and 40% Capex) spent in H1 2023.
- Approx. 800 units renovated.
- For FY 2023 we expect a total capex of around EUR 30m.

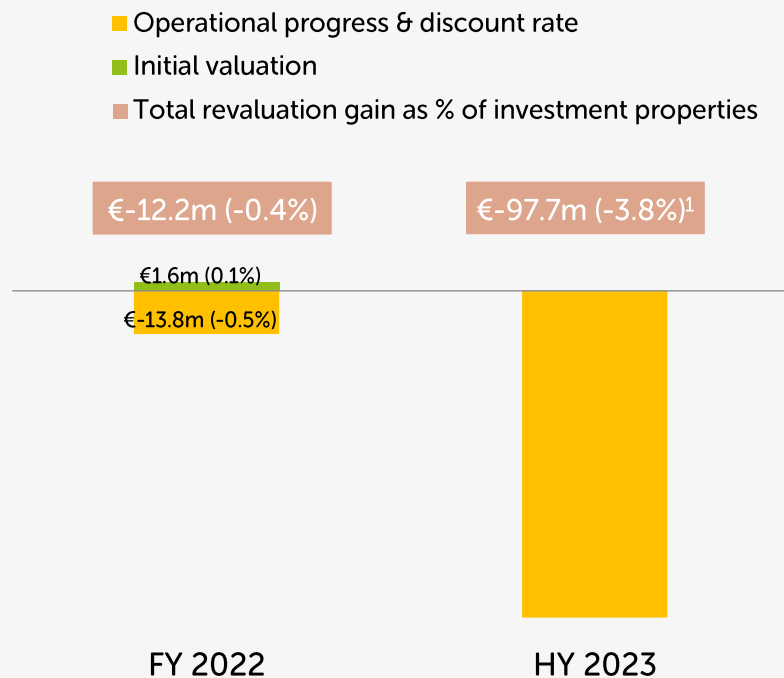




# Portfolio value impacted by adverse environment for German real estate

Gross yield<sup>2</sup>

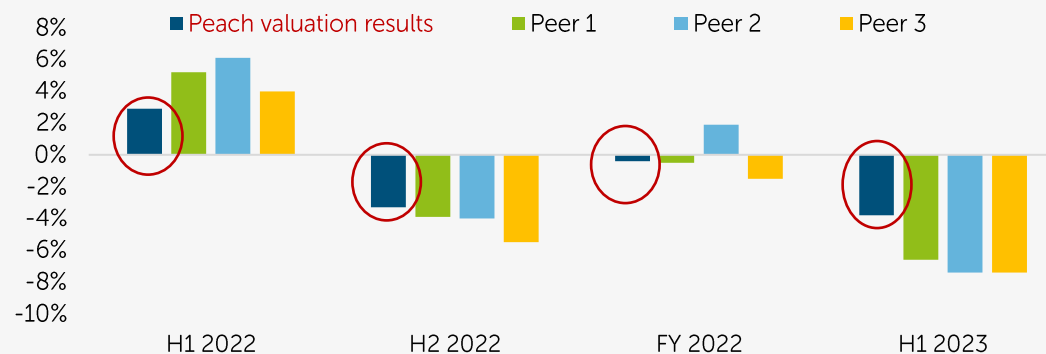
## Valuation result HY 2023



## Key valuation indicators

|                          | June 30, 2023 | December 31, 2022 |
|--------------------------|---------------|-------------------|
| Value per sqm            | € 1 402       | € 1 450           |
| Rent multiple            | 19.1x         | 20.2x             |
| Gross yield <sup>2</sup> | 5.2%          | 5.0%              |

## Focus on Tier II locations led to less volatile valuation results





# Development project in CH «Peninsula Wädenswil» - construction in full swing



57 condominiums in 5 buildings  
Total sales volume expected CHF 130-140m

## Sales status as of June 30, 2023



- **Notarized:** 28 residential units (Dec 31, 2022: 19).
- Notarized units represent **50.7% of sales volume**.
- **Reservation:** Another 2 residential and 3 commercial units; representing **8.8% of expected sales volume**.

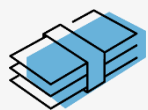
## Construction status as of June 30, 2023



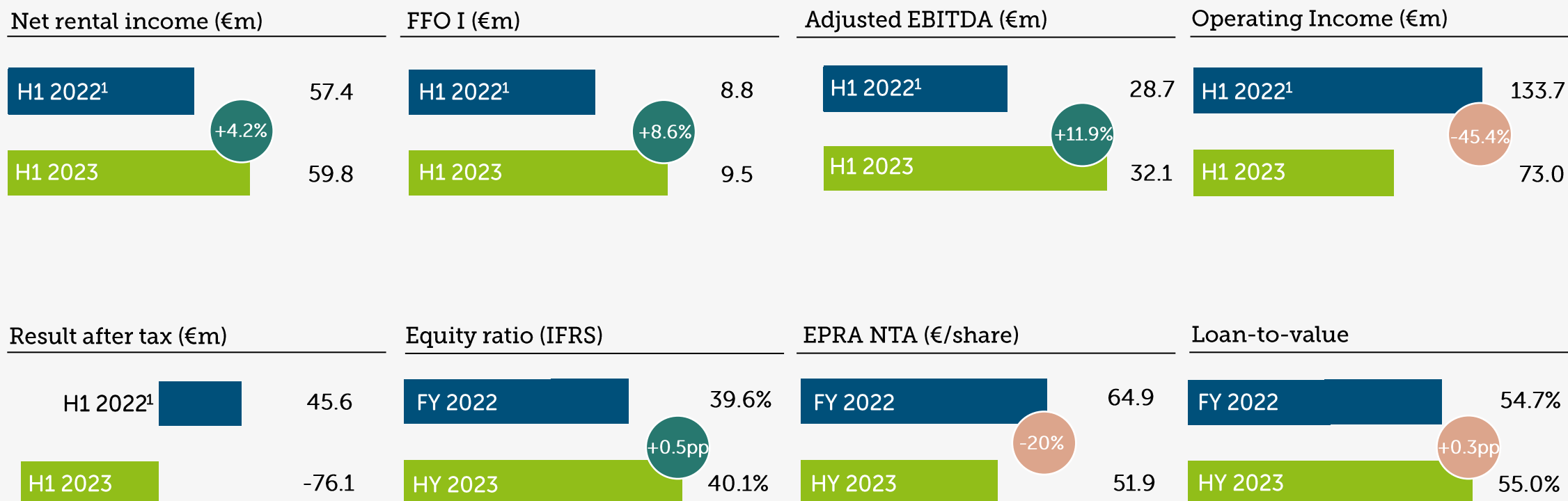
- **Stage of completion:** 7.4% (Dec 31, 2022: 3.3%).
- Construction funded by construction loan and prepayments from buyers of condominiums.
- Project completion expected for H1 2025.

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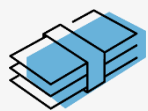
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# Financial performance in H1 2023

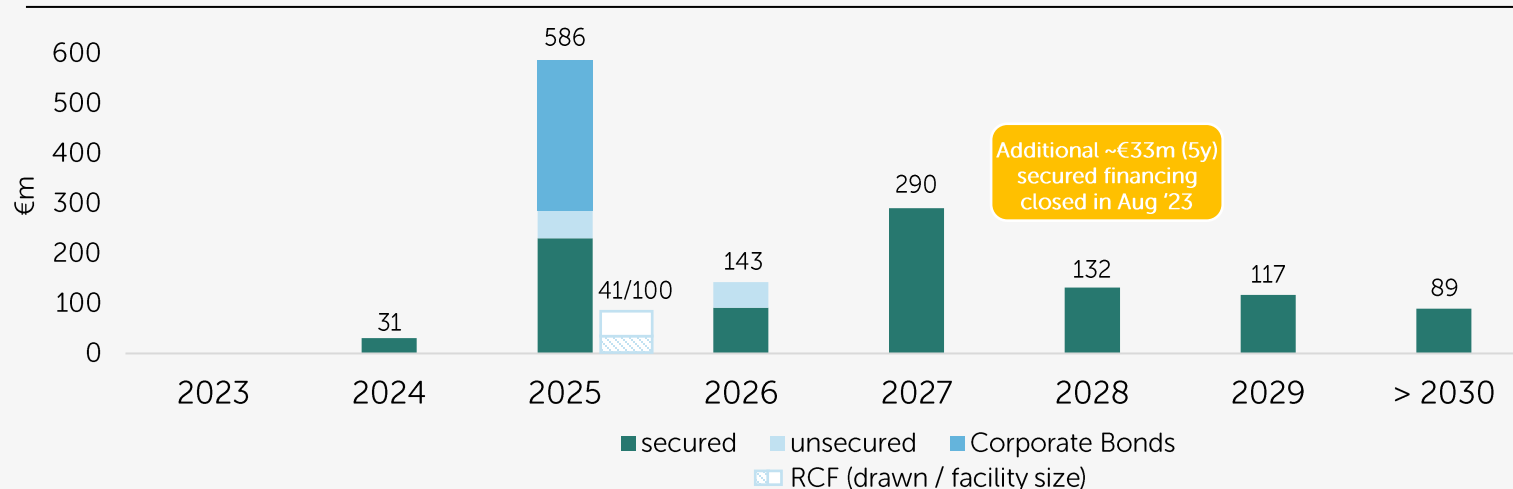






# Hardly any debt maturities until 2025

Maturity profile as of June 30, 2023<sup>(1)</sup>



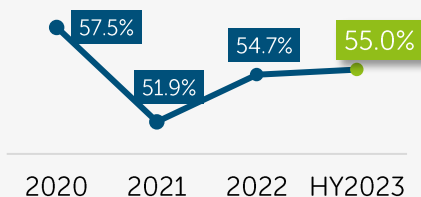
|           |     | Amount<br>€m | Ø interest<br>rate | Fixed<br>rate |
|-----------|-----|--------------|--------------------|---------------|
| Unsecured | 33% | 300          | 4.4%               | 100%          |
|           |     | 147          | 4.1%               | 48%           |
| Secured   | 66% | 981          | 2.2%               | 94%*          |
| Total     |     | 1 428        | 2.8%               | 91%           |

\*incl. hedges

Unencumbered assets: €474.7m

As of June 30, 2023

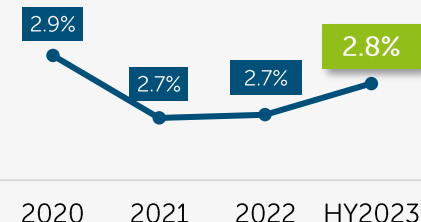
Loan-to-value (net)



ICR



WACD



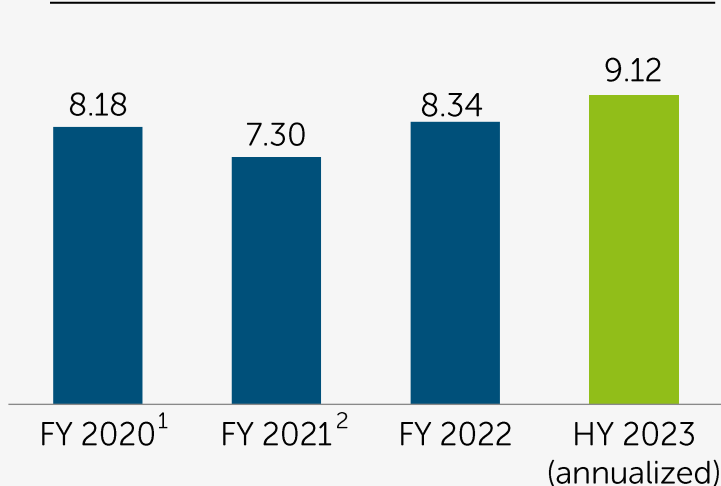
Weighted average maturity



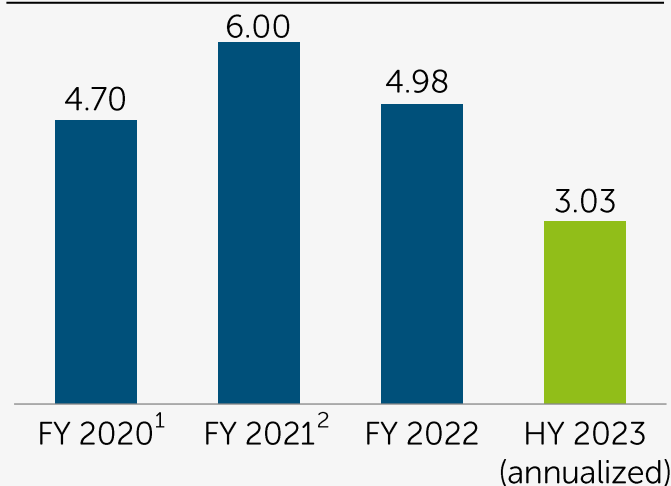


# Progress in operating profitability in first half-year 2023

Maintenance in € per sqm



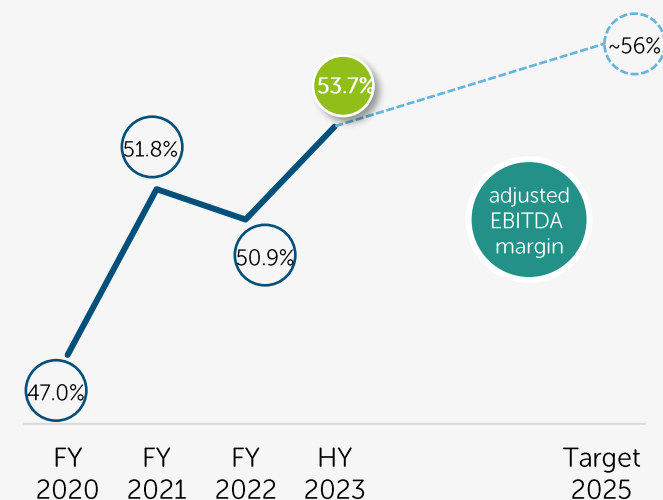
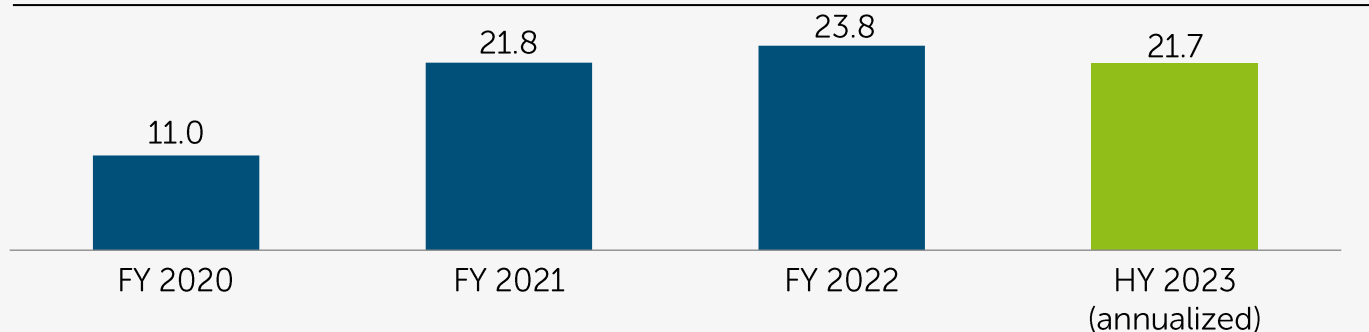
Administration in € per sqm



- Higher maintenance costs driven by cost increases from external service providers.
- Lower administration costs as a result of insourced property and facility management services.
- Adjusted EBITDA margin improved by approx. 370bps to 53.7% y-o-y.

On track to reach 2025 profitability target

Total Opex in €m



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# First Sustainability Report in accordance with the GRI Universal Standards published

Published on  
May 22, 2023



## Sustainability Report 2022

Sustainability across the board

 **peach**  
PROPERTY GROUP



By managing our material topics and their impacts, we contribute towards ten of the seventeen Sustainable Development Goals of the United Nations.

### Environment

- › Reduction of emissions and energy consumption
- › Responsible handling of water, effluents and waste



### Tenant satisfaction

- › Well-being of our tenants
- › Affordable and sustainable living spaces



### Employees

- › Healthy and satisfied employees
- › Ethical corporate culture



### Governance

- › Responsible corporate governance
- › Conscientious relationship with business partners



### Business performance

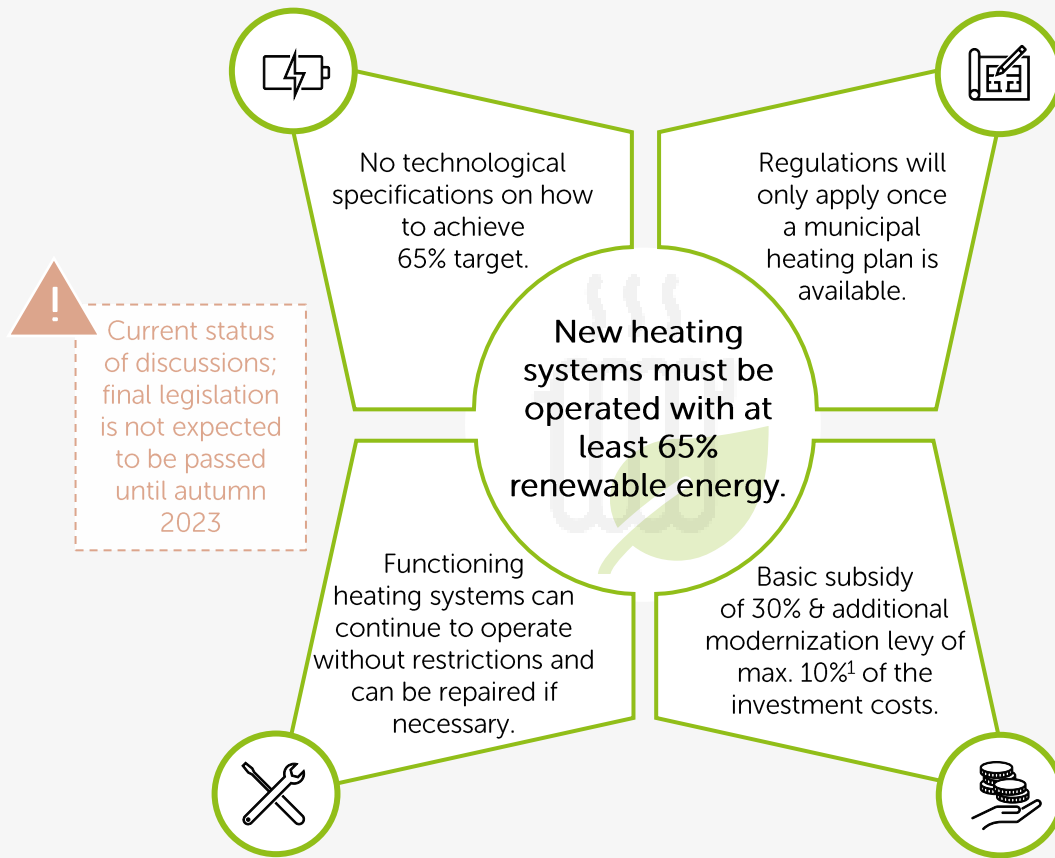
- › Economic performance
- › Risk management







# Amendment to German building energy act ("GEG") as important guide to ESG capex

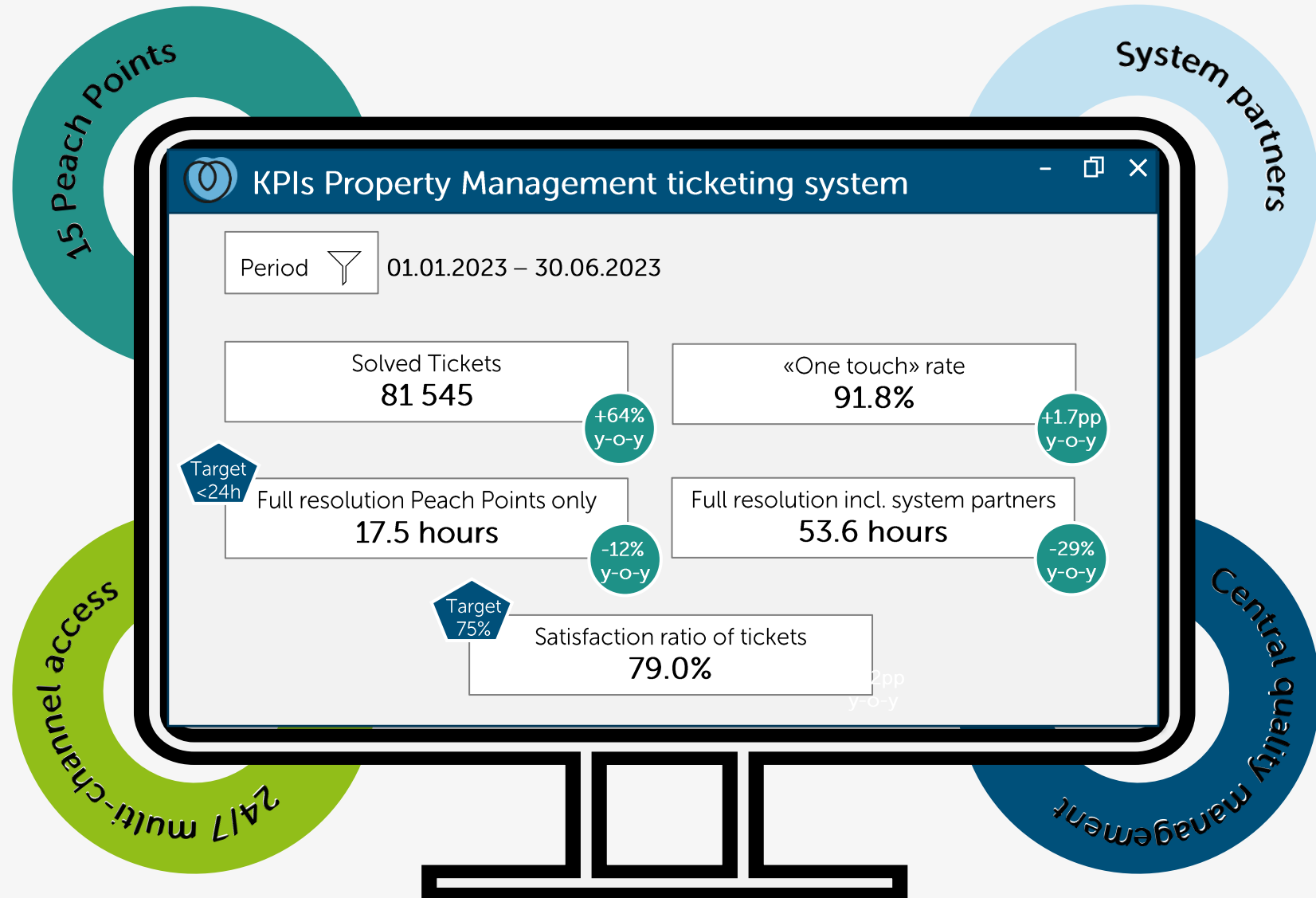


## How does Peach deal with the law?

- **Conversion to CO<sub>2</sub>-neutral heat supply** is one of the **key pillars** of Peach's decarbonization strategy.
- **Refurbishment program** with the objective to modernize up to 40 **heating systems** and partially modernize a further 20 to 30 heating systems annually.
- **Increasing** the proportion of **district heating** (currently ~18%) wherever technically possible and reasonable.
- Cost included in our total cost estimate for the decarbonization path of **€300-350m up to 2050** (corresponds to roughly **EUR 6-7 per sqm and year**). This estimate does not include any subsidy measures or modernization charges.



# Tenant satisfaction as a leading priority



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# On track to reach guidance FY 2023 & mid-term financial targets

## Guidance FY 2023

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

## Financial targets for the period until 2025

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

|                 |   |
|-----------------|---|
| Dividend Policy | 50% of FFO I subject to conditions of financing markets |
|-----------------|---|



# Peach's focus in 2<sup>nd</sup> half 2023



## Increase rents

- Growing population and number of households.
- Lack of supply; new construction is slowing down due to high construction and financing costs.
- Rising market rents reflect high demand for «affordable housing» product.



## Cost control

- New COO, Marcus Schmitt, started mid of July.
- All processes under review for efficiency gains.
- Rigorous cost control on all levels.



## 2025 refinancing

- Realize disposal of several smaller portfolios.
- Early rollover of secured debt maturing in 2024 and 2025.
- Evaluate all relevant strategic options for the corporate bond refinancing; incl. the right future capital structure.

«Aligning Peach to the future»

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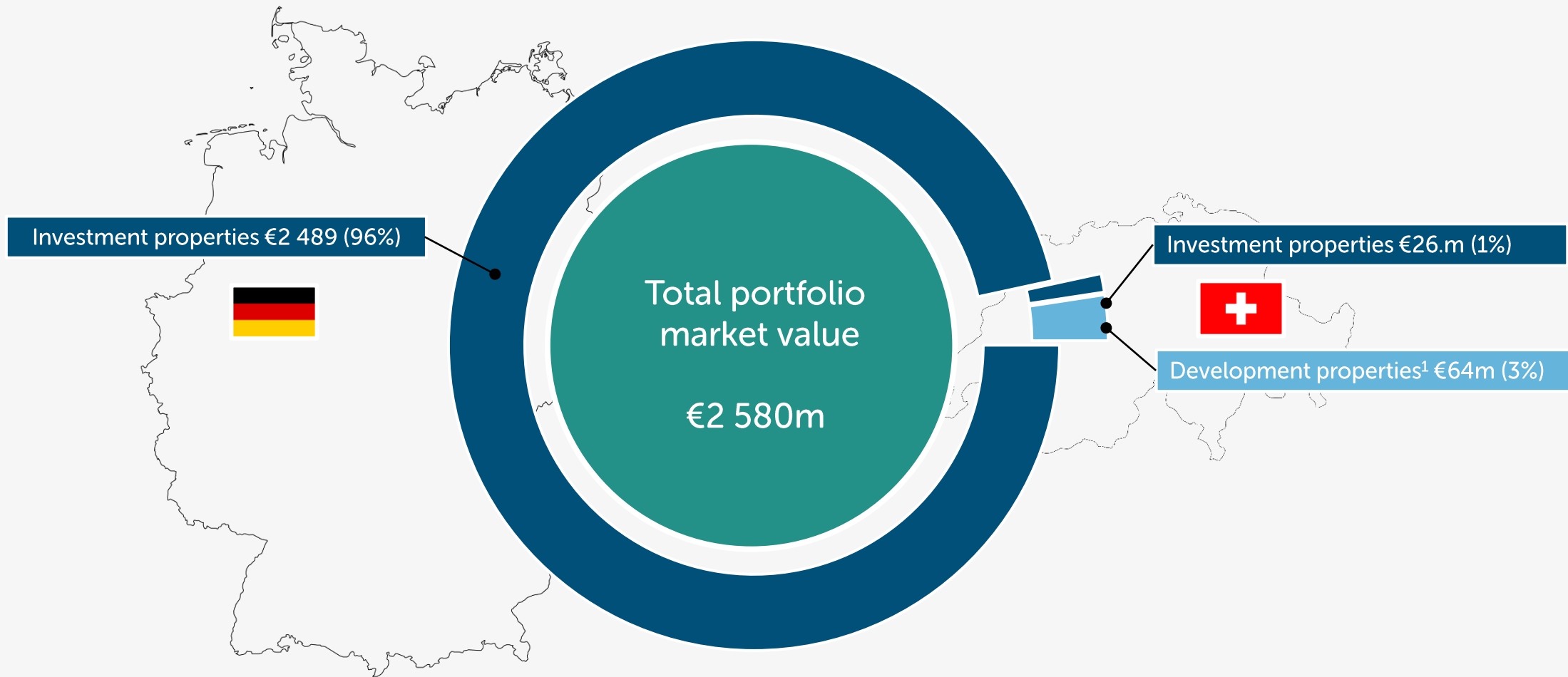
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# Appendix

Portfolio details



# Portfolio structure as of June 30, 2023



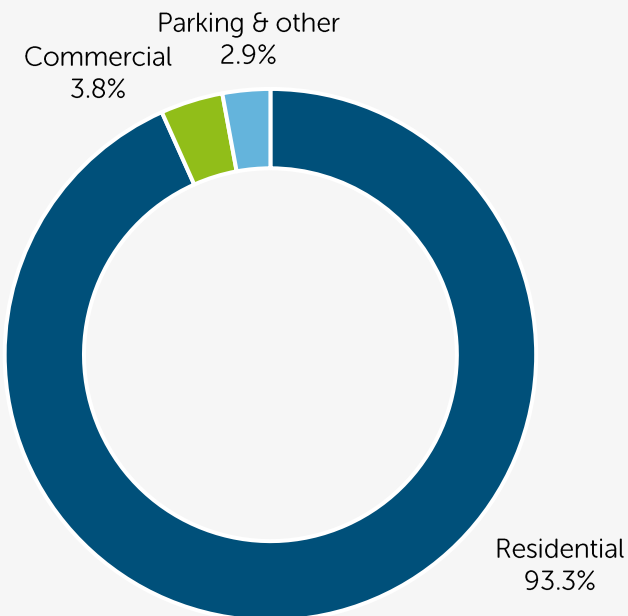




# Portfolio fully focused on residential space

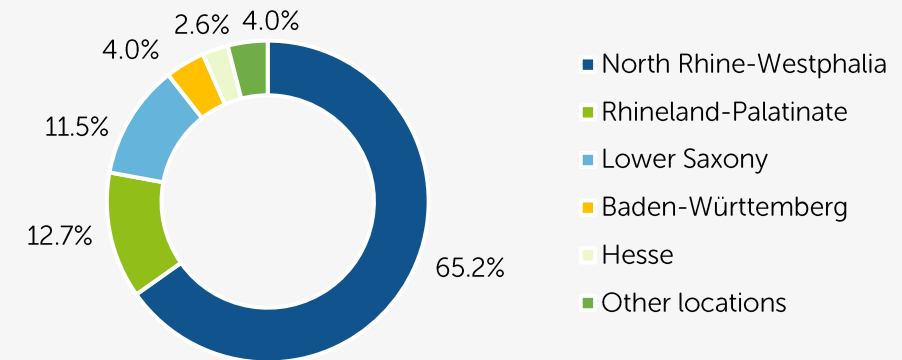
## Rental income by use category as of June 30, 2023

In % of total rental income

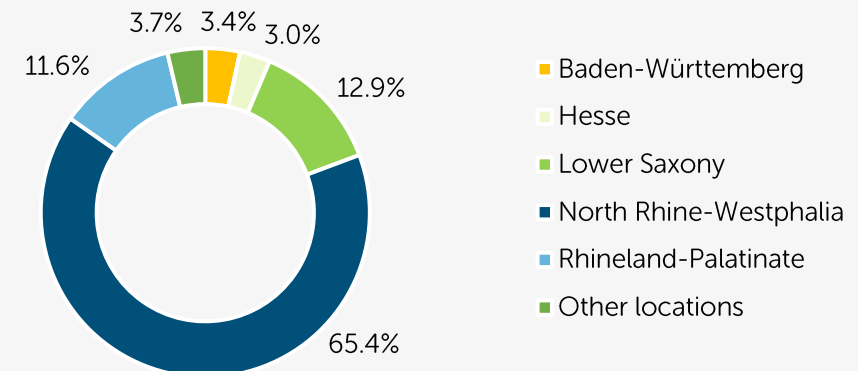


## Breakdown by federal state as of June 30, 2023

In % of target rental income



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





# Typical properties in Peach's portfolio



Affordable German residential properties in carefully selected B-cities





# Peach Points – our regional tenant shops



15 Peach Points at all major Peach locations

Cornerstone  
of direct  
dialogue with  
our tenants

Central  
point of  
contact for  
rental and  
administrative  
matters

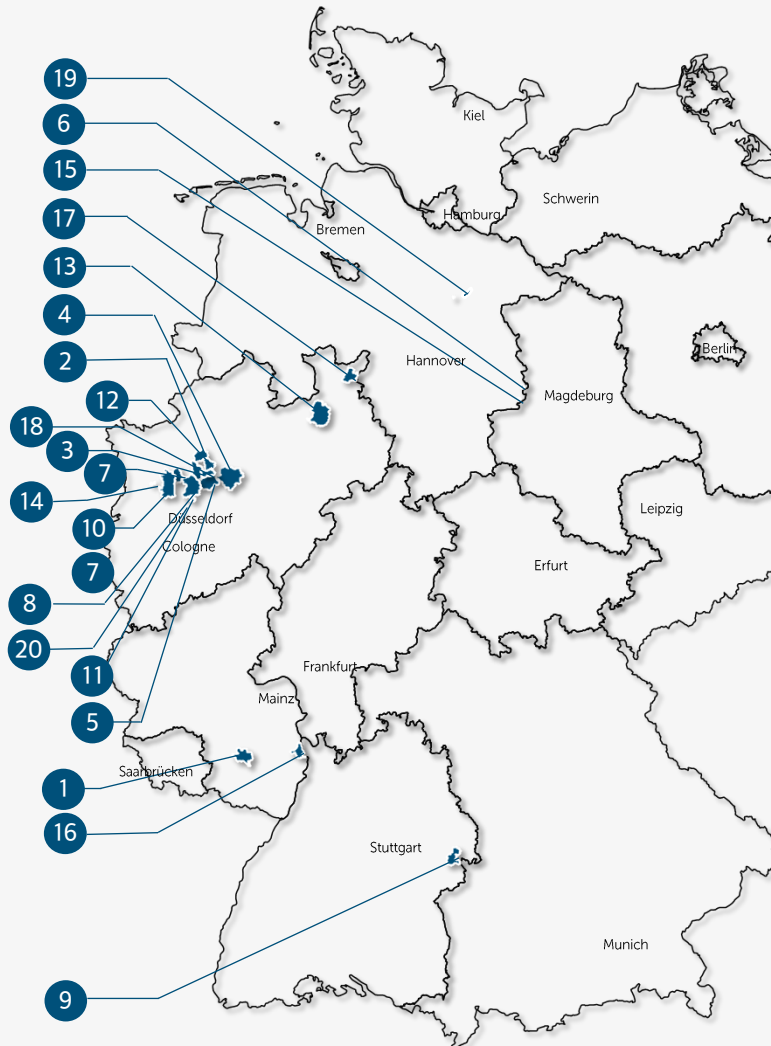


Within  
walking  
distance for  
80% of our  
tenants





# Top 20 locations of the Peach portfolio



|    | Location         | State                | # of units    | Space in ksqm <sup>1</sup> | Construction years | Valuation in €m <sup>2</sup> |
|----|------------------|----------------------|---------------|----------------------------|--------------------|------------------------------|
| 1  | Kaiserslautern   | Rhineland-Palatinate | 2 289         | 145.0                      | 1926-2000          | 239.2                        |
| 2  | Marl             | NRW                  | 2 150         | 142.4                      | 1939-1990          | 187.9                        |
| 3  | Gelsenkirchen    | NRW                  | 2 002         | 135.9                      | 1902-2001          | 152.5                        |
| 4  | Dortmund         | NRW                  | 1 963         | 126.7                      | 1900-1975          | 218.8                        |
| 5  | Bochum           | NRW                  | 1 430         | 66.4                       | 1920-1999          | 110.5                        |
| 6  | Helmstedt        | Lower Saxony         | 1 314         | 76.6                       | 1926-1981          | 82.8                         |
| 7  | Oberhausen       | NRW                  | 1 076         | 70.5                       | 1869-2001          | 112.7                        |
| 8  | Essen            | NRW                  | 953           | 63.3                       | 1904-1988          | 101.4                        |
| 9  | Heidenheim       | Baden Wurttemberg    | 905           | 63.5                       | 1896-2006          | 108.6                        |
| 10 | Duisburg         | NRW                  | 553           | 37.3                       | 1915-1978          | 45.3                         |
| 11 | Velbert          | NRW                  | 761           | 53.4                       | 1972-1978          | 71.2                         |
| 12 | Recklinghausen   | NRW                  | 711           | 45.2                       | 1904-1970          | 56.7                         |
| 13 | Minden           | NRW                  | 643           | 41.5                       | 1893-1973          | 48.6                         |
| 14 | Schöningen       | Lower Saxony         | 839           | 50.2                       | 1953-1970          | 44.7                         |
| 15 | Bielefeld        | NRW                  | 439           | 31.1                       | 1932-1987          | 44.2                         |
| 16 | Ludwigshafen     | Rhineland-Palatinate | 470           | 34.1                       | 1920-1987          | 79.1                         |
| 17 | Neukirchen-Vluyn | NRW                  | 567           | 37.9                       | 1974-1981          | 47.1                         |
| 18 | Herne            | NRW                  | 418           | 30.1                       | 1905-1976          | 34.8                         |
| 19 | Erkrath          | NRW                  | 142           | 13.0                       | 1978               | 29.6                         |
| 20 | Munster          | Lower Saxony         | 377           | 25.8                       | 1959-1967          | 29.6                         |
|    | Others incl. CH  | -                    | 7 539         | 493.4                      | 1800-2015          | 669.7                        |
|    | <b>Total</b>     |                      | <b>27 541</b> | <b>1784.0</b>              |                    | <b>2 515</b>                 |

# Appendix

Consolidated statement of income, financial position and cash flows

# Consolidated statement of income

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

## Comments

- 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 to vacancies compared to the previous period is offset by an increase in lost income due to collection risks. 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.
- 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.
- 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 costs 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.
- Personnel expenses increased by EUR 0.2m 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.
- 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.
- Net foreign exchange gains amounted to EUR 1.8m compared to a loss of EUR 20.3m in the previous period. This positive earnings contribution in the current period relates primarily to a stabilization of the Euro / Swiss Franc exchange.
- 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 %.

# Consolidated statement of financial position

| Figures in EUR thousands             | Jun 30, 2023     | Dec 31, 2022     |
|--------------------------------------|------------------|------------------|
| Cash & Cash equivalents              | 20 351           | 31 223           |
| Trade receivables                    | 7 626            | 11 158           |
| Other receivables                    | 29 680           | 24 018           |
| Current financial receivables        | 971              | 384              |
| Contract assets                      | 18 700           | 10 106           |
| Development properties               | 28 896           | 34 031           |
| Investment properties held for sale  | 5 083            | 1 192            |
| <b>Total current assets</b>          | <b>111 307</b>   | <b>112 112</b>   |
| Investment properties                | 2 536 154        | 2 627 866        |
| Equipment                            | 5 959            | 3 451            |
| Intangible assets                    | 891              | 1 132            |
| Financial assets                     | 38 407           | 40 561           |
| Deferred tax assets                  | 13 190           | 12 836           |
| <b>Total non-current assets</b>      | <b>2 594 602</b> | <b>2 685 847</b> |
| <b>Total assets</b>                  | <b>2 705 909</b> | <b>2 797 959</b> |
| Trade payables                       | 3 153            | 6 820            |
| Other payables and advance payments  | 30 369           | 29 606           |
| Current income tax liabilities       | 1 763            | 1 902            |
| Current financial liabilities        | 52 743           | 133 300          |
| Current provisions                   | 936              | 1 112            |
| <b>Total current liabilities</b>     | <b>88 964</b>    | <b>172 740</b>   |
| Non-current financial liabilities    | 1 431 589        | 1 400 711        |
| Non-current provisions               | 104              | 102              |
| Employee benefit obligations         | 2 186            | 2 176            |
| Deferred tax liabilities             | 98 077           | 114 408          |
| <b>Total non-current liabilities</b> | <b>1 531 956</b> | <b>1 517 397</b> |
| <b>Total liabilities</b>             | <b>1 620 920</b> | <b>1 690 137</b> |

## Comments

- 1 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.
- 2 The increase compared to December 2022 is explained by an increase in receivables from ancillary costs of EUR 5.6m. Ancillary costs from the first half-year of 2023 will be charged to tenants through the ancillary cost settlement for the 2023 settlement period.
- 3 Development project «Peninsula Wädenswil» - 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.
- 4 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 The increase compared to December 31, 2022, is mainly explained by an increase in payables from ancillary cost consumption of EUR 3.3m 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 2.2m and a decrease in payables from ancillary cost consumption during the 2022 settlement period after consumption was invoiced by suppliers of EUR 0.5m..
- 6 The decrease in deferred tax liabilities is mainly the result of valuation losses from investment properties.



# Consolidated statement of financial position (continued)

| Figures in EUR thousands   | Jun 30, 2023     | Dec 31, 2022     |
|--|------------------|------------------|
| Share capital  | 19 095           | 455 597          |
| ./. Treasury shares  | - 36             | - 514            |
| Share premium  | 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          |
| <b>Equity attributable to Peach Property Group AG equity holders</b> | <b>1 048 091</b> | <b>1 067 414</b> |
| Equity attributable to non-controlling interests                     | 36 898           | 40 408           |
| <b>Total equity</b>  | <b>1 084 989</b> | <b>1 107 822</b> |
| <b>Total liabilities and equity</b>                                  | <b>2 705 909</b> | <b>2 797 959</b> |

## Comments

- 1 Following the approval of the par value decrease from CHF 30 to CHF 1 at the 2023 Annual General Meeting, share capital totals EUR 19.1m thousand (CHF 20.7m) as of June 30, 2023, and consists of 20 740 918 shares.
- 2 A total of 10 403 treasury shares were utilized to settle bonus entitlements.
- 3 Capital reserves increased by EUR 551.8m (CHF 599.5m) due to the decrease in the par value of the registered share from CHF 30 to CHF 1.
- 4 In May 2023, several subscribers to the hybrid warrant bond converted and reinvested holdings of EUR 11.3m(CHF 12.6m) into a new convertible bond. Hybrid warrant bonds of EUR 0.7m were bought back in the first half-year of 2023.

# Consolidated statement of cash flows

## Comments

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

- 1 The net gain from changes in the fair value of financial instruments amounts to EUR 0.7m compared to EUR 6m 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.
- 2 Net foreign exchange gains amounted to EUR 1.8m compared to EUR 20.3m in the previous period. This positive earnings contribution in the current period relates primarily to a stabilization of the Euro / Swiss Franc exchange.
- 3 The decrease in trade receivables 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.
- 4 The increase in other receivables compared to December 2022 is explained by an increase in receivables from ancillary costs of EUR 5.6m. Ancillary costs from the first half-year of 2023 will be charged to tenants through the ancillary cost settlement for the 2023 settlement period.
- 5 The increase in trade payables compared to December 31, 2022, is mainly explained by an increase in payables from ancillary cost consumption of EUR 3.3m 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 2.2m.
- 6 Development project «Peninsula Wädenswil» - 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. 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 costs 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.

# Consolidated statement of cash flows (continued)

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

## Comments

- 1 Refurbishing and modernization investments amounted to EUR 9.9m. Our major renovation project in Neukirchen-Vluyn neared completion in the first half-year of 2023.
- 2 Sale of 4 residential units in Marl, disclosed as available for sale in December 2022. Profit on disposal amounted to EUR 9 thousand.
- 3 In the first half-year of 2023, we repaid the remaining outstanding amount of the EUR bond I in the amount of EUR 96.3m plus accrued interest.

# Appendix

Funds from operations

# Funds from operations (FFO)

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

## Comments

- 1 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.

# Appendix

LTV and ICR

# Loan-to-value and interest coverage ratio

## LTV

| Figures in EUR thousands   | Jun 30, 2023 | Dec 31, 2022 |
|--|--------------|--------------|
| Market value of real estate investment portfolio                 | 2 515 336    | 2 602 837    |
| Market value of real estate development portfolio                | 28 896       | 34 031       |
| Revolving credit facility  | 41 062       | 41 047       |
| Mortgages and building loans                                     | 979 153      | 984 206      |
| Bonds  | 345 618      | 393 319      |
| Promissory notes, syndicate loans, and other property financings | 55 002       | 55 160       |
| ./. Cash and cash equivalents                                    | - 20 351     | - 31 223     |
| ./. Current financial receivables                                | - 971        | - 384        |
| <b>Loan-to-value ratio</b>                                       | <b>55.0%</b> | <b>54.7%</b> |
| Market value of real estate investment portfolio                 | 2 515 336    | 2 602 837    |
| Market value of real estate development portfolio                | 28 896       | 34 031       |
| Financial liabilities secured by mortgages                       | 979 153      | 984 206      |
| ./. Cash & cash equivalents and financial receivables            | - 21 322     | - 31 607     |
| <b>Secured loan-to-value ratio</b>                               | <b>37.7%</b> | <b>36.1%</b> |

## ICR

| Figures in EUR thousands                      | 1st half-year 2023 | 1st half-year 2022 |
|---|--------------------|--------------------|
| EBIT  | - 70 238           | 101 029            |
| Depreciation and amortization                 | 1 011              | 922                |
| Impairment charge on development properties   | 2 866              |                    |
| ./. Valuation result of investment properties | 97 678             | - 74 683           |
| Share-based compensation                      | 317                | 672                |
| Other non-cash accrued expense positions      | 507                | 617                |
| <b>Adjusted EBIT</b>                          | <b>32 141</b>      | <b>28 557</b>      |
| Net interest paid                             | 19 966             | 18 539             |
| <b>Interest coverage ratio</b>                | <b>1.61x</b>       | <b>1.54x</b>       |



# Appendix

EPRA NAV & NTA

# EPRA NRV & NTA

Figures in EUR thousands

|   | Jun 30, 2023     |                  | Dec 31, 2022     |                  |
|---|------------------|------------------|------------------|------------------|
|   | EPRA NRV         | EPRA NTA         | EPRA NRV         | EPRA NTA         |
| Equity attributable to Peach Property Group AG equity holders | 1 048 091        | 1 048 091        | 1 067 414        | 1 067 414        |
| ./. Hybrid instruments  | - 38 297         | - 38 297         | - 51 556         | - 51 556         |
| Revaluation of development properties                         |                  |                  |                  |                  |
| <b>Diluted NAV at fair value</b>                              | <b>1 009 794</b> | <b>1 009 794</b> | <b>1 015 858</b> | <b>1 015 858</b> |
| ./. Deferred tax in relation to fair value gains              | - 104 889        | - 98 582         | - 119 197        | - 117 472        |
| ./. Fair value of derivative financial instruments            | 37 987           | 37 987           | 39 639           | 39 639           |
| ./. Intangibles   |                  | 891              |                  | 1 132            |
| Acquisition costs (assumption 7 %)                            | 176 074          | 6 462            | 182 199          | 2 795            |
| <b>EPRA NAV</b>   | <b>1 252 770</b> | <b>1 075 960</b> | <b>1 277 615</b> | <b>1 095 354</b> |
| Diluted number of shares                                      | 20 740 918       | 20 740 918       | 16 882 373       | 16 882 373       |
| <b>EPRA NAV per share in EUR</b>                              | <b>60.40</b>     | <b>51.88</b>     | <b>75.68</b>     | <b>64.88</b>     |

## Comments

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.

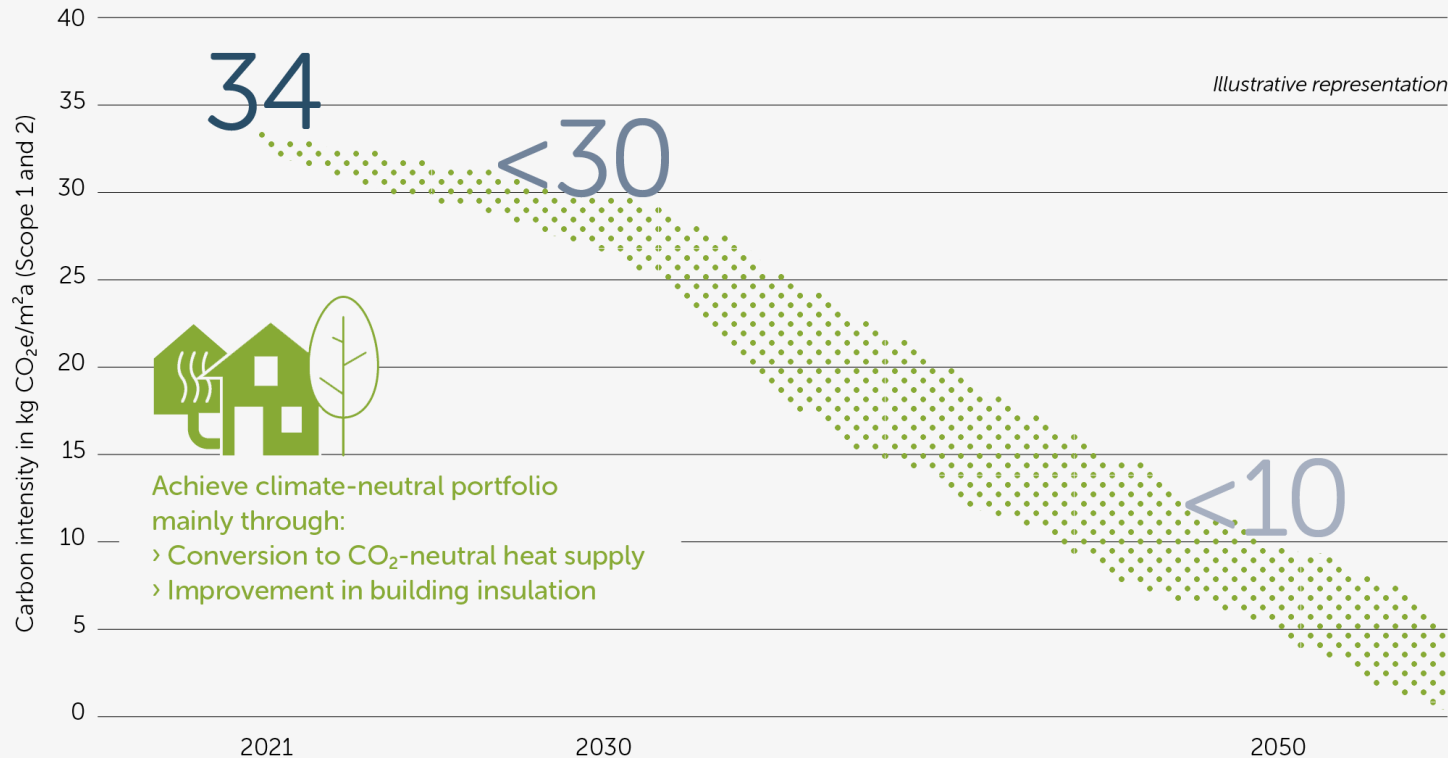
- 1 We excluded 833 333 shares related to the conversions rights from the convertible bond issued, as the impact of these shares is considered anti-dilutive for the period ending June 30, 2023.

# Appendix

ESG



# Work on decarbonization path continued



## Targets correspond to<sup>2</sup>

- Annual reduction of 8 600t of CO<sub>2</sub> emission until 2030 and 41 000t until 2050.
- Total reduction of ~60 000t of CO<sub>2</sub> emissions until 2030 and >800 000t until 2050.

2022

- Further improved the quality of our decarbonization database.
- Inclusion of consumption data for rental units acquired in 2021 for the first time.
- **Starting point of decarbonization path** with a CO<sub>2</sub> intensity of ~34 kg CO<sub>2</sub>e/m<sup>2</sup>a<sup>1</sup> established/verified.

2023

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

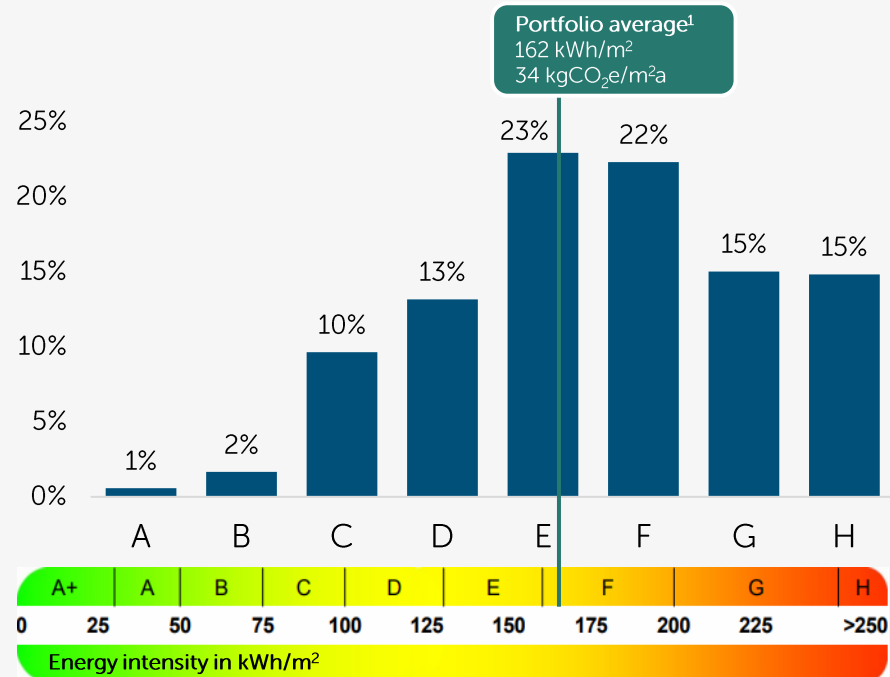


- In the period up to 2050, we expect total costs of **€300-350m** (corresponds roughly to EUR 6-7 EUR/sqm and year).
- This estimate is **before subsidy measures or modernization charges**; estimates with significant uncertainties due to the current environment.

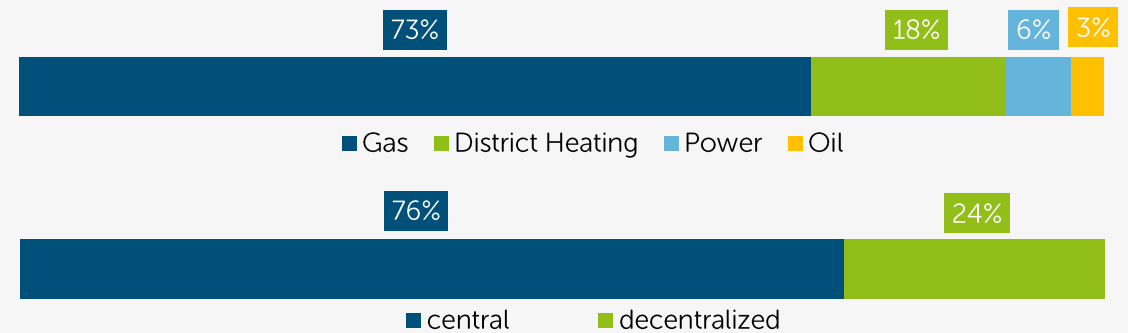


# Energy KPIs of Peach Portfolio

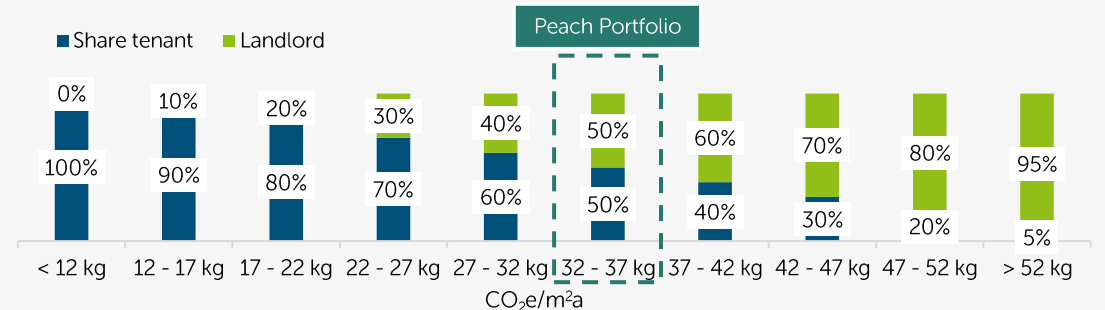
## Distribution of energy efficiency classes



## Source of heat energy & supply



## German CO<sub>2</sub> levy



Expected CO<sub>2</sub> pricing in DE<sup>2</sup>

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

➡ The cost to Peach is expected to be <€1m per year at current CO<sub>2</sub> price levels.



# Our ESG Awards

## ESG Risk Rating

MOODINGSTAR | SUSTAINALYTICS

11.5  
«low risk»



2022

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

## ESG Rating



2022

- Upgrade to «A» from «BBB».

## Award for ESG reporting



2022

- First award for Peach Sustainability Reporting.

## ESG Equity Index



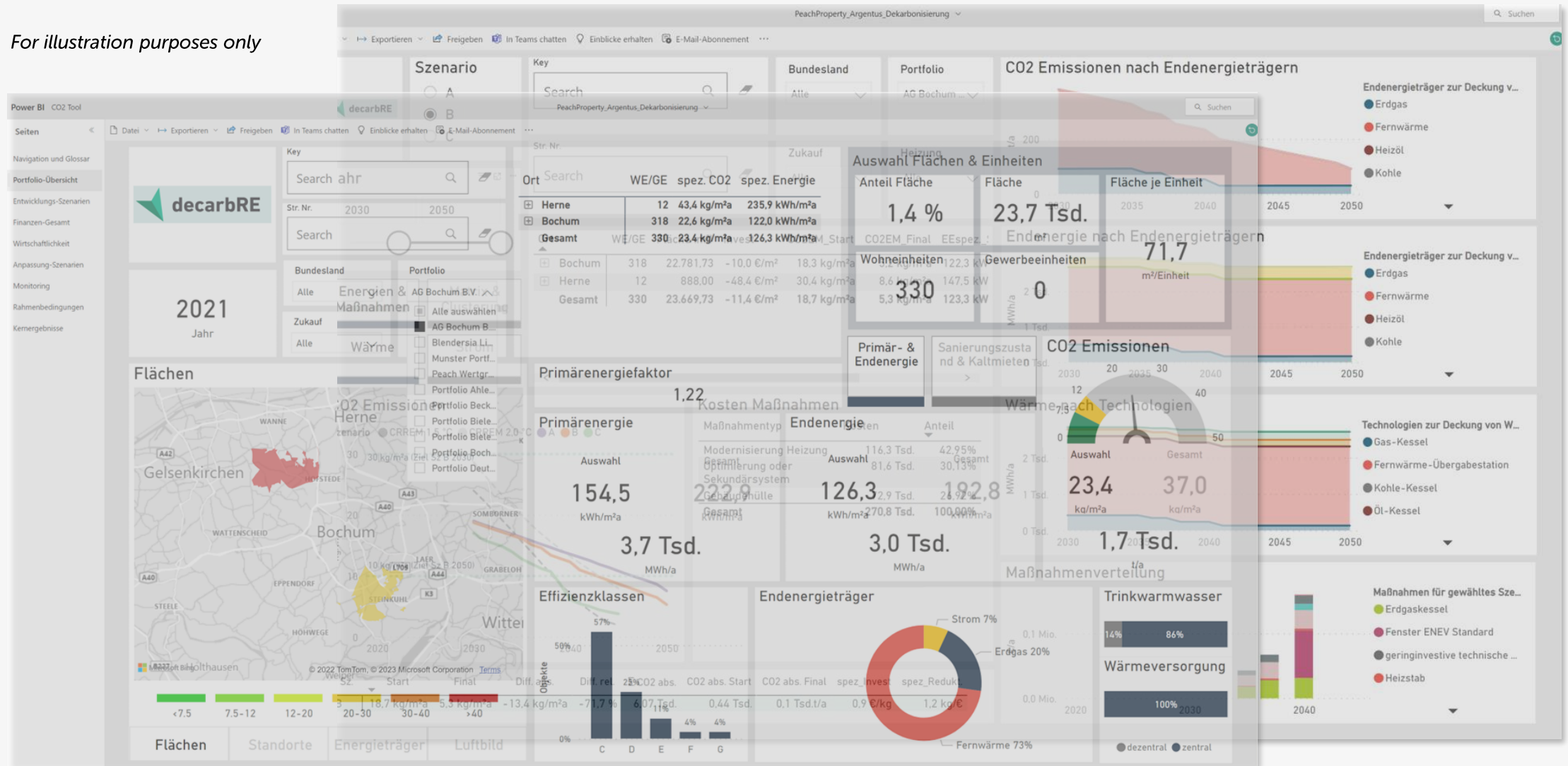
2022

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



# Peach's decarbonization tool

For illustration purposes only



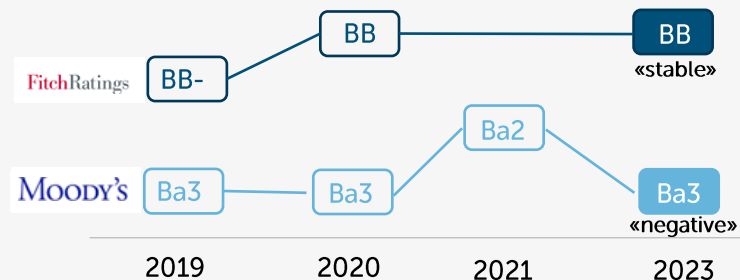


# Appendix


Share data

# Capital market development

## Credit ratings (Corporate Rating)



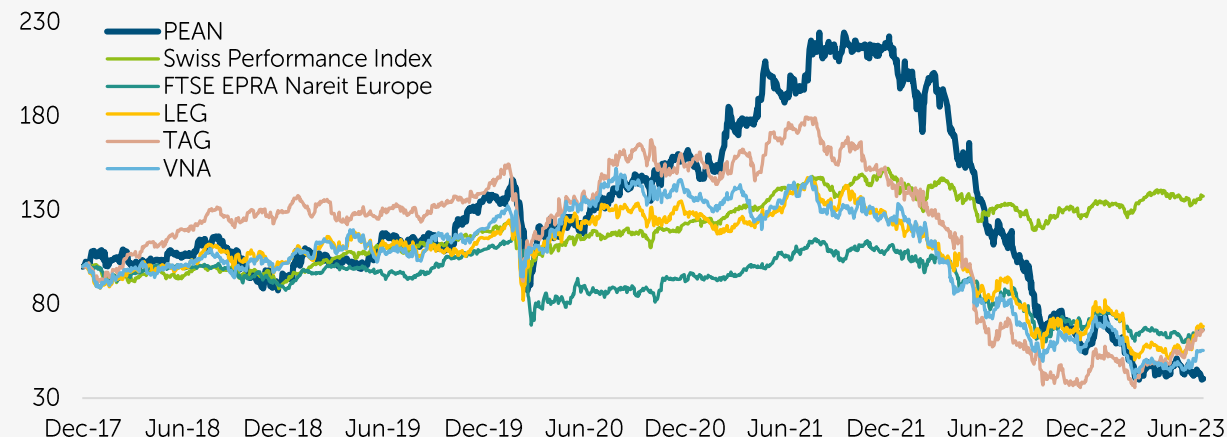
## Equity analyst coverage

|   |                     |  |                         |
|---|---------------------|--|-------------------------|
|    | Buy<br>PT CHF 38.50 |   | Hold<br>PT CHF 16.00    |
|    | Buy<br>PT CHF 36.00 |   | Reduce<br>PT CHF 14.00  |
|   | Buy<br>PT CHF 36.00 |  | Neutral<br>PT CHF 12.00 |
|  | Buy<br>PT CHF 27.00 |  |                         |

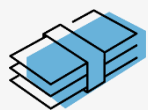
## Recent capital market transactions

|             |   |
|-------------|---|
| Apr 2023    | Convertible bond 3% CHF 50 million; conversion price CHF 15.00              |
| Jan 2023    | Mandatory convertible bond 5% CHF 112.3 million; conversion price CHF 30.00 |
| 2022 / 2023 | Buybacks & par call to repay EUR 250 million EuroBond 2023                  |
| Apr 2022    | EUR 100 million revolving credit facility; maturity 3 years                 |
| Mar 2022    | ~2% EUR 55 million promissory note (German SSD); maturity 3 years           |
| June 2021   | Mandatory convertible bond 2.5% CHF 180 million; conversion price CHF 55.00 |

## 5-year share price performance (rebased to 100)

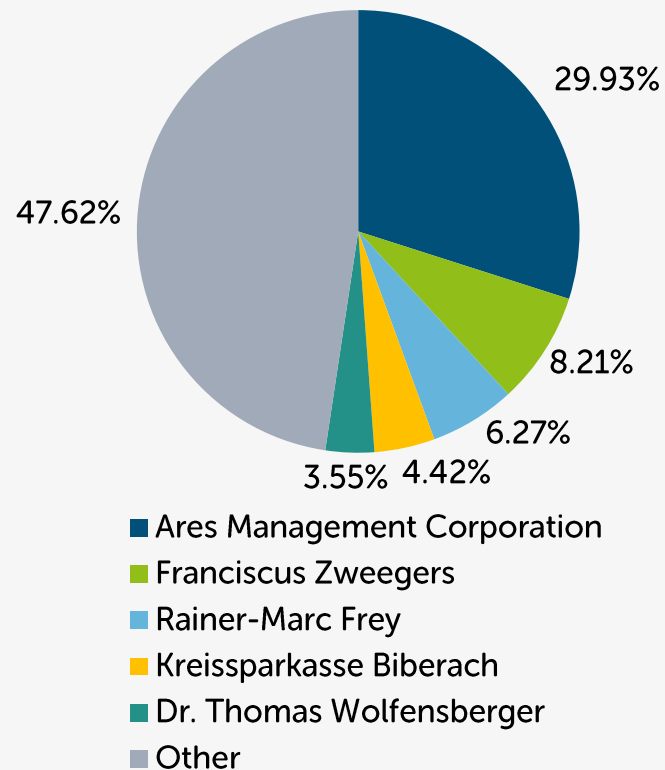


As of 31.07.2023; indexed; 29.12.2017 = 100; Source: Bloomberg and onvista.de



# Share data

## Significant shareholders<sup>1</sup> as of June 30, 2023



Note: The notional free float based on the shares issued on June 30, 2023, is 85.52%. The shares held by Peak Investment S.à.r.l for Ares Management Corporation are counted as part of the free float due to the exemption for investment companies in accordance with section 5.1.2 of the Rules Governing the SPI Index Family.

## Information on the share

|                                | Jun 30, 2023 | Dec 31, 2022 |
|--------------------------------|--------------|--------------|
| Share capital in CHF           | 20 740 918   | 506 471 190  |
| 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   |

## Key stock exchange data

Security no.: 11 853 036

ISIN: CH0118530366

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

|   | HY 2023     | FY 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)       | 275 429 033 | 276 687 516 |
| Average shares traded per day at SIX Swiss Exchange     | 25 524      | 21 761      |

# Appendix

Financial calendar



# Financial calendar

## Scheduled publications & events

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**21 March 2024**      FY results 2023



**14 May 2024**      AGM 2024

## Upcoming road shows & participation in conferences<sup>1</sup>

---



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



**18 September 2023**      Baader Investment Conference (Munich)



**16 November 2023**      Kepler Cheuvreux Pan-European RE Conference (London)

# Disclaimer



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

# Investors, Analysts and Media

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