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)		**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2021**
Rental income	in EUR thousands	120 872	116 497	100 409
EPRA like-for-like rental income	in %	4.6	5.0	4.0
Funds from operation I (FFO I)	in EUR thousands	22 822	19 207	10 208
Result before taxes	in EUR thousands	-229 632	-19 967	239 997
Result after taxes	in EUR thousands	-193 913	-15 031	186 102
NAV IFRS	in EUR thousands	982 227	1 107 822	1 081 273
Equity ratio (IFRS)	in %	38.1	39.6	40.1
Real estate portfolio at market values (incl. right-of-use assets) [1]	in EUR thousands	2 459 357	2 663 089	2 618 742
Number of employees		228	233	194
Number of shares (nominal value of CHF 1.00 / 30.00 each)		20 740 918	16 882 373	16 882 373
Share capital	in EUR thousands	**19 095**	455 597	14 510
Diluted earnings for loss per share	in EUR	-9.14	-0.97	11.45
Diluted FFO I per share	in EUR	1.11	1.14	0.67
NAV IFRS per share [2]	in EUR	43.90	60.17	58.50
EPRA NTA per share	in EUR	47.37	64.88	66.40
Share price as of December 31	in CHF	11.48	16.40	63.40
Market capitalization as of December 31 [3]	in CHF thousands	238 097	276 688	1 069 852

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

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Editorial

Dear Shareholder,

As anticipated, 2023 was a challenging year for the real estate sector. Rising interest rates, high inflation directly impacting construction materials prices, persistently high energy prices, and a pronounced shortage of skilled workers created numerous challenges in the sector.

We also directly experienced the consequences of these macroeconomic factors at Peach Property Group. Despite the challenging conditions, we significantly improved our operating profitability in the 2023 financial year thanks to the increased efficiency of our business processes, our proven digital platform, and the optimization of our cost structure. We also see a silver lining on the macroeconomic horizon: according to numerous experts, the interest rate plateau appears to have been reached, and a gradual reduction in key interest rates by the European Central Bank before the end of the year seems entirely possible. This would also noticeably revive real estate transactional activities, which retracted sharply in 2023, and support market values. The strong demand for affordable housing in Germany's existing real estate market aligns well with our positioning and strategic focus. It is already foreseeable that the German federal government will not soon realize its target of annually creating 400 000 new apartments. Our business model of offering affordable housing with a high service orientation in German Tier II cities has proven itself even in turbulent times while the high demand for our product is set to continue.

Highest FFO I in Group history, improvement of cost structure and increase in efficiency, generation of economies of scale through digitalization, increase in operating margin

In the past financial year, we increased our FFO I by more than 18 percent year-on-year to EUR 22.8 million, thus reaching the upper end of the forecasted range. The FFO I achieved is the highest in Peach Property Group's history and we achieved it despite the various challenges in the real estate sector in 2023. This strong performance in operating profitability is attributable to consistent cost reductions and the unlocking of efficiencies in the management of our portfolio. In particular, the stringent digitalization of our corporate processes has enabled us to further leverage potential in the management of our business and generate economies of scale benefits. We have been a pioneer in the industry in terms of digitalization over the past years. Both the internal portfolio management processes and the administration of rental matters are integrated into our digital platform while simultaneously raising the ease and effectiveness of our communication with tenants to a new service level.

Our efforts are now paying off: operating expenses and personnel costs were reduced, and the usual high standards in terms of efficiency, quality, service, and speed have been maintained, or in some instances, even improved. We further increased our operating margin from 50.9 percent to 54.6 percent, thereby fulfilling part of the margin increase forecast for 2025.

Our efforts are now paying off: operating expenses and personnel costs were reduced, and the usual high standards in terms of efficiency, quality, service, and speed have been maintained, or in some instances, even improved.

Increase in rental income

We met our guidance for 2023 in terms of rental income: Rental income amounted to EUR 120.9 million for the year, compared to EUR 116.5 million in the 2022 financial year. On a like-for-like basis, the growth in target rents was 3.7 percent. Contrary the vacancy rate increased from 6.9 percent to 7.4 percent in 2023. The increase resulted from a revision of our renovation plan. To conserve liquidity, we postponed major refurbishment measures at certain residential properties. In the 2024 financial year, targeted investments in the portfolio and further efficiency improvements in the refurbishment and re-letting processes should reduce the vacancy rate again and gradually raise the rent level in large parts of the portfolio to the average market rent.

Klaus Schmitz
Executive Chairman of the Board of Directors

Thorsten Arsan
Chief Financial Officer

Valuation gains from previous years reversed

Property prices in Germany have been plummeting sharply for almost two years due to increased borrowing costs caused by high interest rates. In some cases, this led to significant devaluations in the sector. Office and commercial properties were the most affected, while the devaluation of residential properties was less severe. Regardless, we had to record a non-cash valuation loss of EUR 209 million in the 2023 financial year. The market value of our real estate portfolio was EUR 2.4 billion as of the end of 2023, compared to EUR 2.6 billion as of the 2022 financial year-end. Earnings before taxes were negative at EUR -230 million, compared to EUR -20 million in the previous year. Due to the recorded property devaluations of around 8 percent, the LTV rose from 55 percent to 58 percent.

Issue of a new convertible bond confirms high level of investor confidence

The 2023 financial year was characterized by reducing debt and optimizing our financial structure. We used capital markets to strengthen our liquidity and secure the refinancing of further financial instruments. In January 2023, we issued a mandatory convertible bond with a nominal value of CHF 112.4 million (EUR 115.2 million). We used the proceeds from this bond to early repay a Euro bond maturing in February 2023. In May 2023, we successfully placed a convertible bond of CHF 50 million (EUR 51.1 million) and an interest coupon of 3 percent per year. The conversion price is CHF 15 and the term is until May 16, 2026. With this issue, we both partially refinanced the hybrid warrant bond, and repaid debt capital. Together with the additional secured financing of EUR 33 million concluded in mid-August 2023, we were able to generate a total of over EUR 100 million in fresh liquidity during the 2023 financial year. Until 2025 no substantial liabilities are to be refinanced. Through the successful placement of the bonds on the capital market, investor confidence in our business model was confirmed even in challenging times - overall, well over two thirds of the investors were new subscribers.

Improvement of the ESG rating

In the 2023 financial year, we continued our ESG activities despite a tighter budget and focused on cost-effective measures that promise significant energy savings. We continued to move forward with the installation of the smart meter infrastructure and have now equipped over 50 percent of our properties accordingly. Smart meters allow tenants to see and manage their real-time water, electricity, or heating consumption and provide the opportunity to reduce energy consumption and save costs. Our clearly defined ESG growth strategy to achieve a climate-neutral real estate portfolio by 2050 remains unchanged.

Editorial

These initiatives were recognized in our most recent ESG rating. Morningstar Sustainalytics improved our ESG rating from 11.5 in the previous year to 10.3 in 2023. Accordingly, our operations are classified as low risk (10 to 20) with respect to ESG benchmarks. The rating places us in the top 9 percent of the more than 1 000 real estate companies worldwide evaluated by Sustainalytics and in the top 3 percent of all evaluated companies (out of a total of 15 600 companies) globally. In the investment property segment (real estate management), Sustainalytics ranks Peach Property Group 23rd out of 160 companies. Among other things, the regular surveys on tenant satisfaction, product governance, i.e. how we interact with our tenants, and the implementation of life cycle analyses for newly acquired properties were positively highlighted. In addition, MSCI ESG upgraded our sustainability rating to an "A" grade.

Changes in the Group management

In 2023, the Group underwent a partial repositioning in the C-suite and the Board of Directors. After more than 16 years at the helm of Peach Property Group, during which he strongly influenced the development of the Group, Thomas Wolfensberger resigned, at his own request, from his position as CEO as of the Annual General Meeting on May 24, 2023. Reto Garzetti, who served as Executive Chairman of the Board of Directors from the General Meeting onwards, and Kurt Hardt, a former member of the Board of Directors, also resigned from the Board of Directors of Peach Property Group AG at the end of October 2023. Klaus Schmitz, previously a member of the Board of Directors, was appointed Executive Chairman of the Board of Directors for the remaining term of office until the next General Meeting.

At the start of the new financial year, Marcus Schmitt, Chief Operating Officer Germany, was appointed as a new member of the Group Management Board by the Board of Directors on February 2, 2024. With this appointment, the foundation is laid for the continuation and intensification of operational excellence driven by operational Group Management.

Outlook for 2024: focus on vacancy reduction, ESG refurbishments, cost reduction and platform optimization

The main focus for the 2024 financial year will be on refinancing the debt maturing in 2025, including the EUR 300 million Euro bond due in November 2025. At the same time, the aim is to reduce the vacancy rate in the portfolio and further optimize operational efficiency and cost structures. We are also considering sales in parts of the portfolio to improve our capital structure and generate additional liquidity for the upcoming refinancings.

In line with our decarbonization roadmap, we want to maintain our sustainability efforts in a targeted manner and focus more on energy-efficient renovations of our residential properties.

After a challenging 2023 financial year, we are optimistic about the 2024 financial year. Demand for affordable housing in central locations with good infrastructure will remain high. We will benefit from our strong market position here. The trend will be strongly reinforced by the decline in new construction projects and the persistently high borrowing costs. Due to this mix, there is excess demand for affordable housing, particularly in large cities and in the catchment areas of conurbations. We are therefore positioned in an attractive market environment. Should the transaction market pick up again in 2024, we will also examine sales opportunities to increase our liquidity.

We would be pleased should you continue to accompany us as shareholder on our journey of further developing and maturing our business.

Sincerely

Klaus Schmitz
Executive Chairman of
the Board of Directors

Thorsten Arsan
Chief Financial Officer

Highlights

Portfolio

27 500
Residential units
-49 (−) -0.2 %

1 780 million m²
Floor space
-4 (−) -0.2 %

140.2 EUR million
Target rental income
+6.2 (+) +4.6 %

120.9 EUR million
Actual rental income
(after lost income due to collection losses)
+4.4 (+) +3.8 %

92.60 %
Occupancy rate
-0.50 (−) -0.5 %

4.80 %
Gross rental yield
+0.30 (+) +6.7 %

2 459 EUR million
Market value of real estate portfolio
-204 (−) -7.7 %

1 367 EUR
Market value of investment properties per m²
-107 (−) -7.3 %

Corporate

22.8 EUR million
FFO I
+3.5 (+) +18.1 %

38.1 %
Equity ration
-1.5 (−) -3.8 %

43.90 EUR
NAV IFRS per share
-18.7 (−) -29.8 %

47.37 EUR
EPRA NTA per share
-17.5 (−) -27 %

2.9 %
Average interest rate
+0.3 (+) +11.5 %

ESG

10.3
Sustainalytics rating
-1.2 (−) -10.4 %

18.8 hours
Average time to resolve tenant ticket
(no involvement of external providers)
+0.7 (+) +3.9 %

91.3 %
One-Touch quote
+1.2 (+) +1.3 %

76 %
Tenant satisfaction
-2.0 (−) -2.6 %

16.9 hours
Average response time tenant tickets
+2.7 (+) +19.0 %

50 %
Smart metering installations
(% of eligible apartments)
+12.7 (+) +34.1 %

Business Model

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

Our sustainable business model is based on the core elements of tenant-centricity, digitalization across all business areas, the consistent delivery of ESG related improvements, efficiency, and a strong partner network.

Affordable rents

Following our extensive acquisition activities in recent years, we own a real estate portfolio of 27 500, rental units in Germany rendering us a noteworthy portfolio holder in the residential real estate sector. Our product of affordable housing is in high demand across German metropolitan regions, and we are benefitting from the current undersupply situation. With an average rent of EUR 6.20 per square meter, our properties are let at rental rates well below the average market rent of our portfolio of EUR 7.31 per square meter. Despite the currently challenging real estate market conditions, demand for housing remains high, particularly in urban areas. In times of high inflation rates, increased energy prices and general economic uncertainty, it is more essential than ever for us to prioritize the well-being of our tenants and find consensual solutions in all life situations. Our approach fosters healthy long-term relationships with our tenants.

Direct tenant communication

Thanks to our efficient processes and our well-coordinated team, we are able to respond swiftly to tenant inquiries - be it damage reports, queries about ancillary charges or other problems on site. Our tenants can contact us via a variety of channels: Online, via WhatsApp, by phone or in person at our Peach Points. Peach Points are tenant shops usually within walking distance of our core portfolios or integrated into our residential complexes. We had a total of 15 such Peach Points in operation in the 2023 financial year, including in Oberhausen, Gelsenkirchen, Heidenheim and Kaiserslautern. Here, we not only offer our tenants the opportunity to report damages to their apartment, but also to have easy, direct, and informal exchanges with us or other Peach tenants. Tenants can also turn to Peach Point staff if personal emergencies arise that have financial implications, or they need advice on how to reduce energy consumption and save costs.

Digitalization makes us strong

We are also strongly positioned in terms of digitalization and have continuously optimized our processes in recent years. Digitalization is the cornerstone of our business model, and we benefit from this, especially in challenging times. Our digital processes allow for scalable operations and further operating efficiency - ultimately optimizing our operating costs. The digital platform also has many advantages for our tenants: For example, it is linked to numerous tradesmen with whom we have been enjoying a trustful working relationship built over the years of working together.

This beneficial link enables tenants to receive a timely repair service in the event of damage to their apartment. On average, it takes less than four days to fully repair damage in one of our apartments with the help of an external service provider. In addition, we have introduced a new tool that uses artificial intelligence to provide external repair service providers with more detailed information on the damage in question. This allows the arrangement of appointments between tenants and the tradesmen in a more targeted manner and ensures that the tradesmen arrive correctly equipped to repair the respective damage. Tenants can also rate our service via an implemented rating system. This feedback helps us to constantly optimize our service levels. This year, we achieved a satisfaction rate of 76 percent. The uniform, integrated platform also extends to our internal processes from property management to rental and financial accounting for the individual Group companies in a holistic manner. With the continuous expansion and constant improvements, we are not only leveraging synergies but also increasing the efficiency and quality of our property management. In addition, we introduced the digital rental agreement at the beginning of 2023, which enables faster and more efficient processing of new rental agreements. Since its introduction, we have concluded over 700 digital tenant agreements.

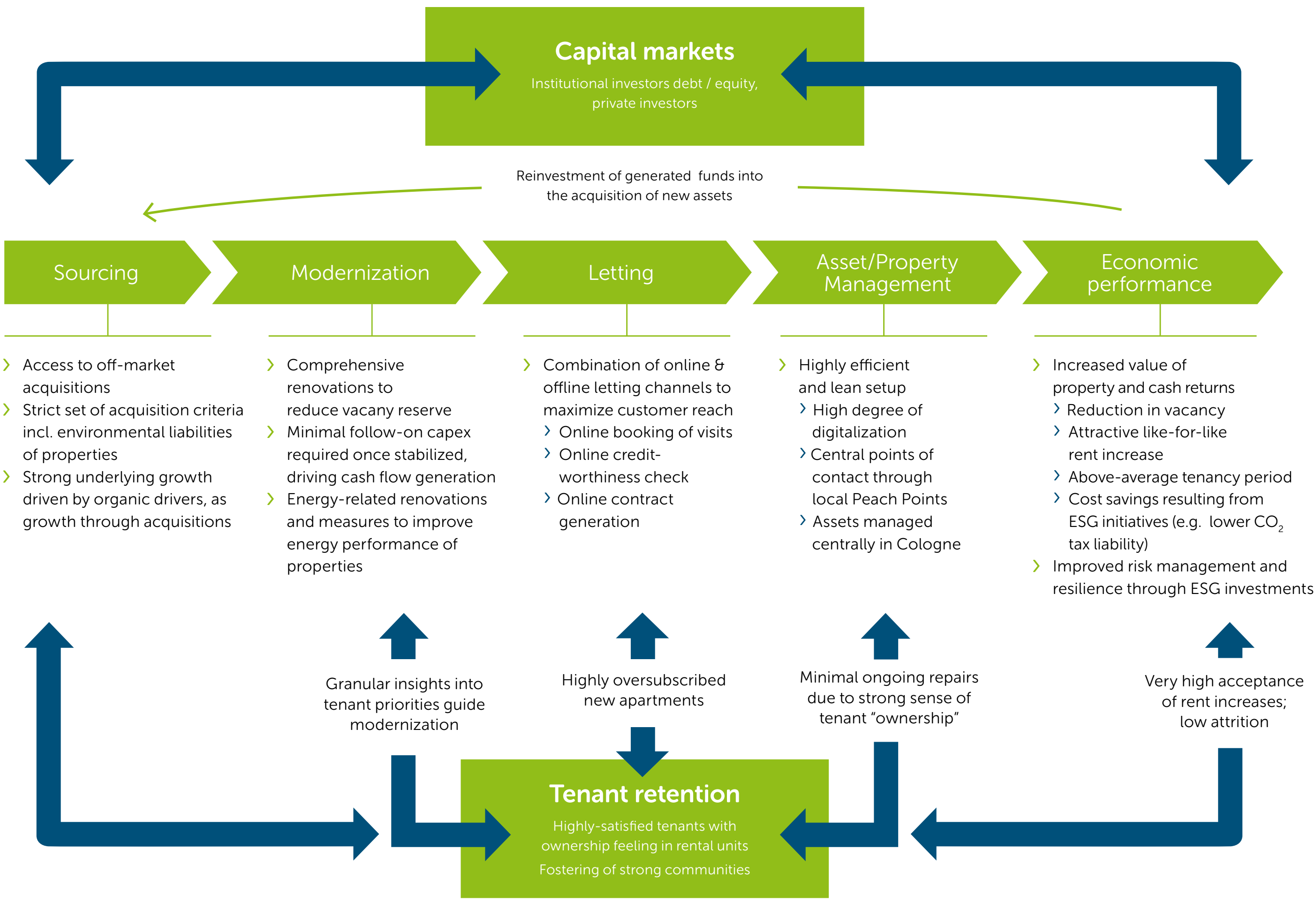
Sustainability - more than just a matter of the heart

In addition to a high level of service orientation, as a real estate group we also have a special responsibility towards society and the environment. We pursue a clearly defined sustainability agenda that considers the interests of our employees, tenants, investors, and society in general. We are committed to a positive working environment and ethical principles that also extend to our partners and suppliers. In addition, we strive to continuously minimize the CO_2 emissions of our operations. Our efforts have far-reaching positive impacts - environmental pollution is reduced and our tenants benefit in the medium to long term from lower energy consumption and related costs. In the 2023 financial year, we further expanded our smart meter infrastructure. With the so-called "intelligent meters", tenants can monitor and manage their real-time water, electricity, or heating consumption and they are provided the opportunity to reduce energy consumption and save costs.

In line with our decarbonization strategy, we are aiming for a climate-neutral real estate portfolio by 2050.

The demand for energy-efficient housing is currently high and tenant satisfaction can be noticeably increased by offering a modernized apartment with a positive indoor climate combined with lower heating and operating costs.

We therefore attach great importance to the maintenance of the apartments, a well-kept living environment and attractive outdoor facilities for our tenants. Well-maintained real estate facilities increase tenant satisfaction and contribute to higher-valued assets. As a landlord, we welcome families as tenants and continually add new playgrounds or modernize existing playgrounds ensuring that the facilities meet the latest technical standard. During the 2023 financial year we not only had several new playgrounds built, but we also had our employees trained in the technical upkeep of them through TÜV-certified playground inspector certification, for example.



Milestones

Peach Property Group increases efficiency and improves ESG rating

Acquisition of **Gretag-Areal** near Zurich

2013

2014

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

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

2015

2016

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

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

2017

2018

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

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





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

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

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

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

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

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

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

Peach Property Group achieves the **highest FFO 1 in the Group's history** at **EUR 22.8 million**, significantly improving its operating profitability.

Digital business model pays off in the reporting year and ensures greater efficiency and synergy effects as well as reduced operating and personnel costs.

Further **improvement in the Morningstar Sustainalytics ESG rating from 11.5 in the previous year to 10.3** in the 2023 financial year. This means that our risk rating is low (10 to 20), and we are among the top 9 percent of more than 1 000 companies assessed. Among other things, the service-oriented handling of our rents was particularly emphasized.

2019 — 2020 — 2021 — 2022 — 2023

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

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

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

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

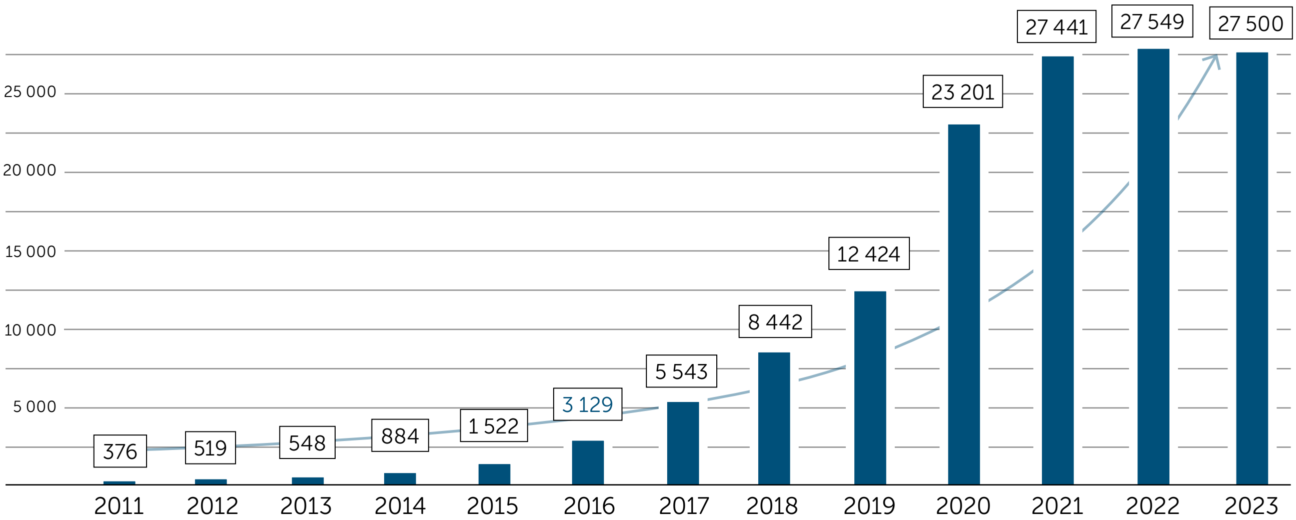
First-ever ESG risk rating by Morningstar Sustainalytics of 11.5 in the "low" risk category - placing Peach Property in the **top 4 % of all 15 000 plus companies** assessed.

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

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

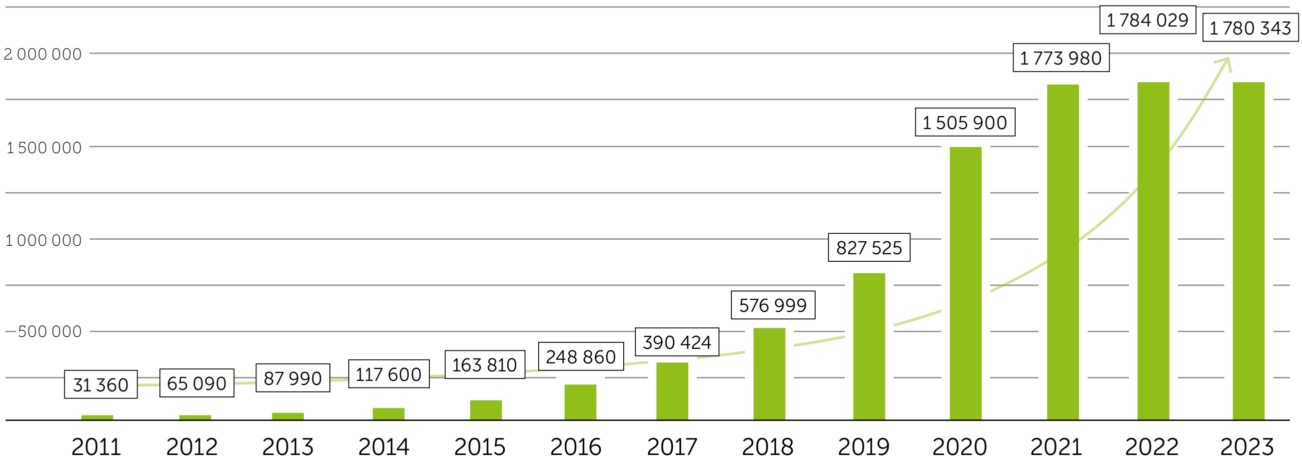


Number of residential units



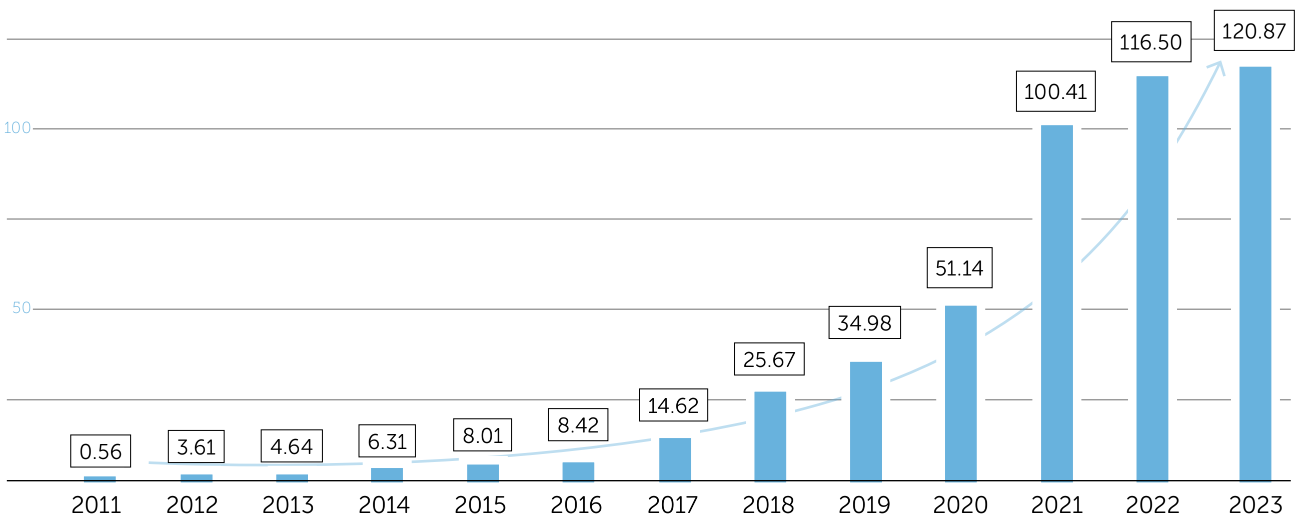
Total rental space

Total area in m²



Development of total rental income

Total rental income after lost income due to collection losses in EUR million



Portfolio

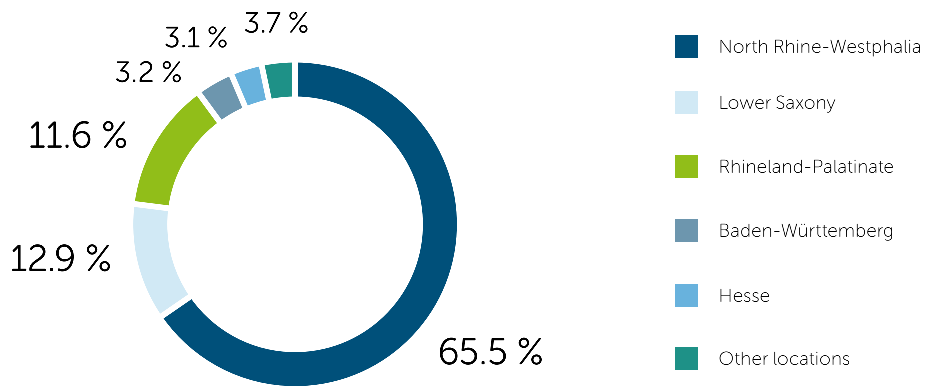
Peach Property Group is a real estate investor with an investment focus on residential real estate in Germany. Our portfolio is primarily located in located in Tier II locations within the commuter belt of metropolitan areas. As a residential real estate group with a strong tenant focus, we provide affordable housing in the growing metropolitan areas, where it is most urgently needed. Based on our business model, we prioritize high service levels, continuous dialogue and communication with tenants, and innovations in the field of digitalization. We are constantly improving the quality of living in our property portfolio through measures such as regular renovations, energy efficiency improvements and attractive surroundings. Our approach is designed to create long-term relationships with our tenants.

Investment properties portfolio

Our property portfolio in 2023 amounted to 27 500 residential units with a total lettable area of around 1.8 million square meters. The market value of the property portfolio was EUR 2.4 billion as of year-end 2023.

Our properties are located across eight German federal states. The focal point of our portfolio is in North Rhine-Westphalia with more than 18 000 rental units. This means that more than 65 percent of our properties are located in Germany's most populous federal state. Of these rental units, just under 15 000 are located in the Rhine-Ruhr region. We have large portfolios in the Ruhr metropolis of Dortmund, for example, which is both a university and science city and home to many innovative high-tech companies. Dortmund also has a lively cultural scene and a steadily growing population (you can find more information on the city of Dortmund in the report starting on p. 22). We hold around 2 000 properties in the former industrial and mining city and support our tenants locally through two Peach Points. In total we operate 15 Peach Points at our locations throughout Germany. The city of Marl, which has a population of around 88 000, is also located in the northern Ruhr region. Here we hold a portfolio of more than 2 100 residential units. The city has experienced significant, future-oriented economic growth in recent years and attracts many large corporations. These include the Metro retail chain, the Marl Chemical Park and the book retailer Thalia, which is building a production and logistics center there with an investment volume of EUR 100 million (more about this in the report on p. 28). Another core portfolio is located in Ludwigshafen in Rhineland-Palatinate, which continues to record significant population growth thanks to its concentrated industrial settlements in the chemical and pharmaceutical sectors (for further detail refer to p. 25).

Breakdown of residential units by federal state as of December 31, 2023

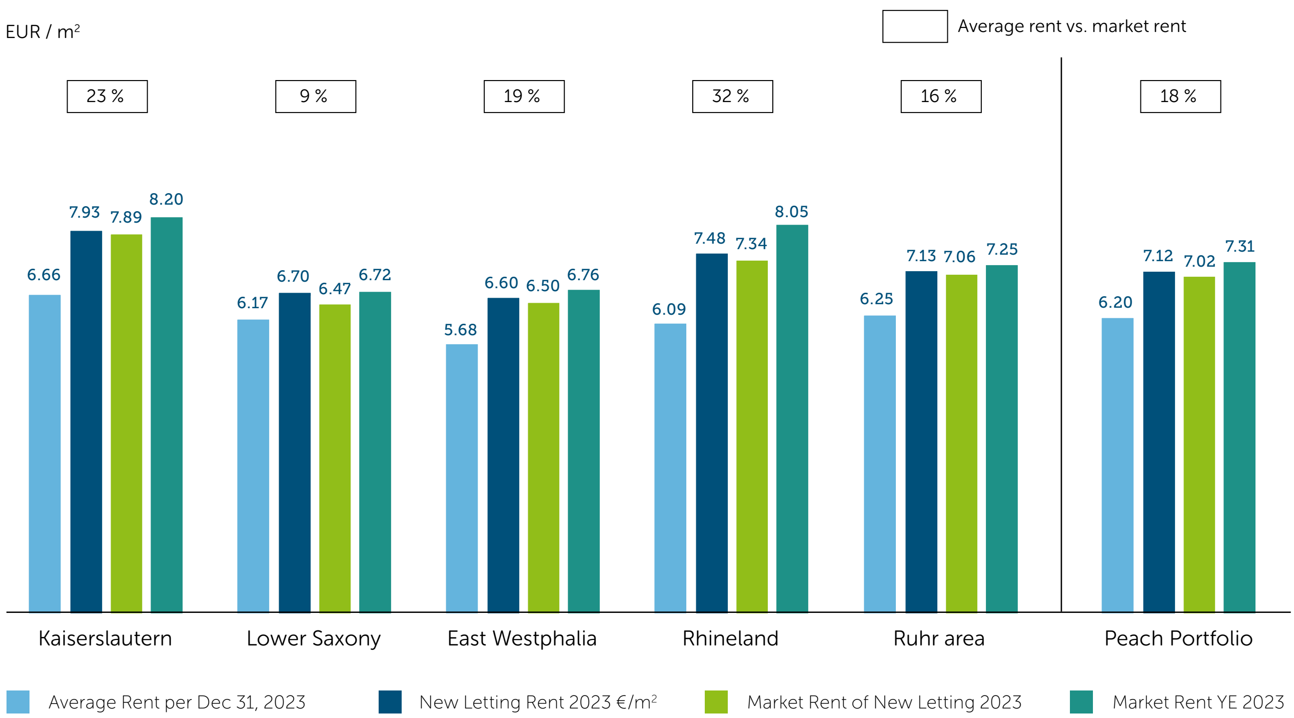


Portfolio

In the 2023 financial year, rental income increased by just under 4 percent to EUR 120.9 million compared to the previous year, while the gross rental yield increased from 4.5 percent in 2022, to 4.8 percent in 2023. Due to the challenging market environment, we had to record a non-cash valuation loss on our property portfolio of nearly 8 percent.

In 2023, we benefited above all from the continued high demand for affordable housing in attractive locations with good infrastructure. As the majority of our real estate portfolio is located in cities with high population growth and the uptake in the construction of new apartments remains slow, we are confident that demand will remain high in the future.

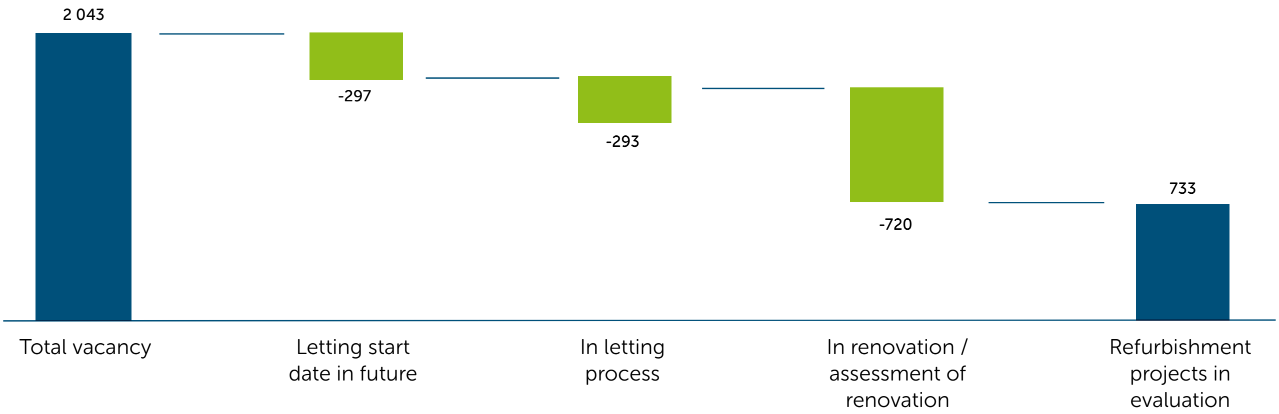
Rental income potential in core portfolios, December 31, 2023



The number of vacant apartments increased from 1988 to 2043 in 2023, representing a vacancy rate of 7.4 percent (financial year 2022: 6.9 percent).

As a result of the challenging environment in the real estate sector, we had to revise our renovation budget and reduce expenses on major renovation projects to focus on more energy-efficient renovations and to preserve liquidity. The revision of our renovation plan ultimately led to an increase in vacancies. In the 2024 financial year, targeted investments in the portfolio and further efficiency improvements in the refurbishment and re-letting processes should reduce the vacancy rate again and gradually raise the rent level in large parts of the portfolio to the average market rent.

Number of vacant units as of December 31, 2023



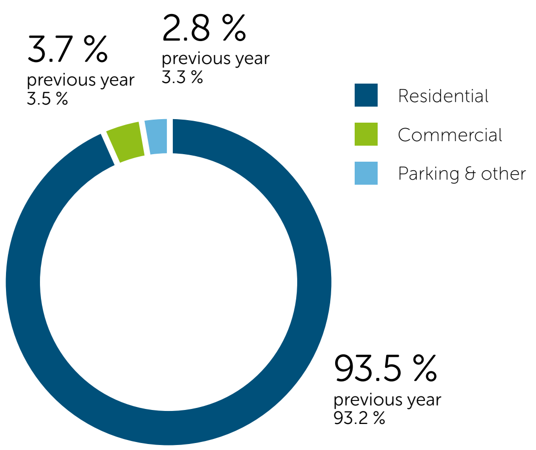
Despite a tightened budget, we continued to modernize the buildings in the 2023 financial year, focusing on cost-efficient measures that promise significant energy savings, as e.g. digital valves in the heating distribution system. This intelligent system learns and analyzes the building's operation, gradually driving savings to double-digit percentage levels. By 2023 year-end, we will have installed smart metering systems in around 10 200 residential units of 20 500 units eligible for installation, which corresponds to around 50 percent of our portfolio.

In the current and coming financial year, we want to increase our focus on further energy-efficient refurbishments and thus further increase the attractiveness of our residential portfolio. Apartments that meet ESG standards not only increase in value, but also increase tenant satisfaction through lower energy costs – we are aiming for a climate-neutral portfolio by 2050.

Portfolio structure

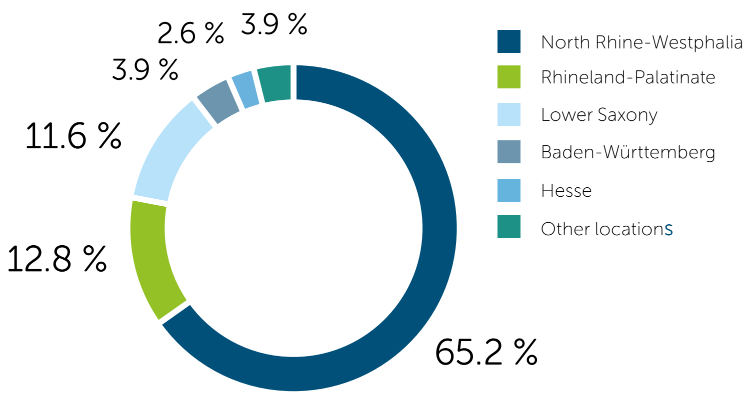
Rental income by use category as of December 31, 2023

in % of total rental income



Rental income breakdown by federal state as of December 31, 2023

in % of annualized target rental income



Portfolio

Portfolio key indicators

		Dec 31, 2023		Dec 31, 2022
Number of residential units		27 500		27 549
Total rental space in m^2		1 780 343		1 784 029
thereof residential space in m^2		1 709 130		1 712 431
thereof commercial space in m^2 (GF DIN 277)		71 213		71 598
Rental income in EUR thousands		120 872		116 497
Maintenance costs in EUR thousands		17 068		14 879
Administrative and operating costs in EUR thousands		6 108		8 891
Vacancy costs in EUR thousands		6 334		6 248
Target rental income in EUR thousands p.a.		140 166		134 015
Vacant residential units (number of residential units as a percentage of all rental units)	2 043	7.4 %	1 899	6.9 %
Average total rental potential as a percentage of target rental income		10.1 %		10.6 %
Market value in EUR thousands [1]		2 408 473		2 602 837
Gross rental yield [2]		4.8 %		4.5 %
Net rental income / cash-flow yield [3]		3.0 %		2.8 %

1 Based on the valuation by Wüest Partner as of December 31, 2023.
2 Annualized actual rental income January 1 to December 31, 2023 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.
3 Annualized actual rental income January 1 to December 31, 2023 (net cold, excl. incidental expenses) less administration and maintenance costs in relation to the average value of the portfolios.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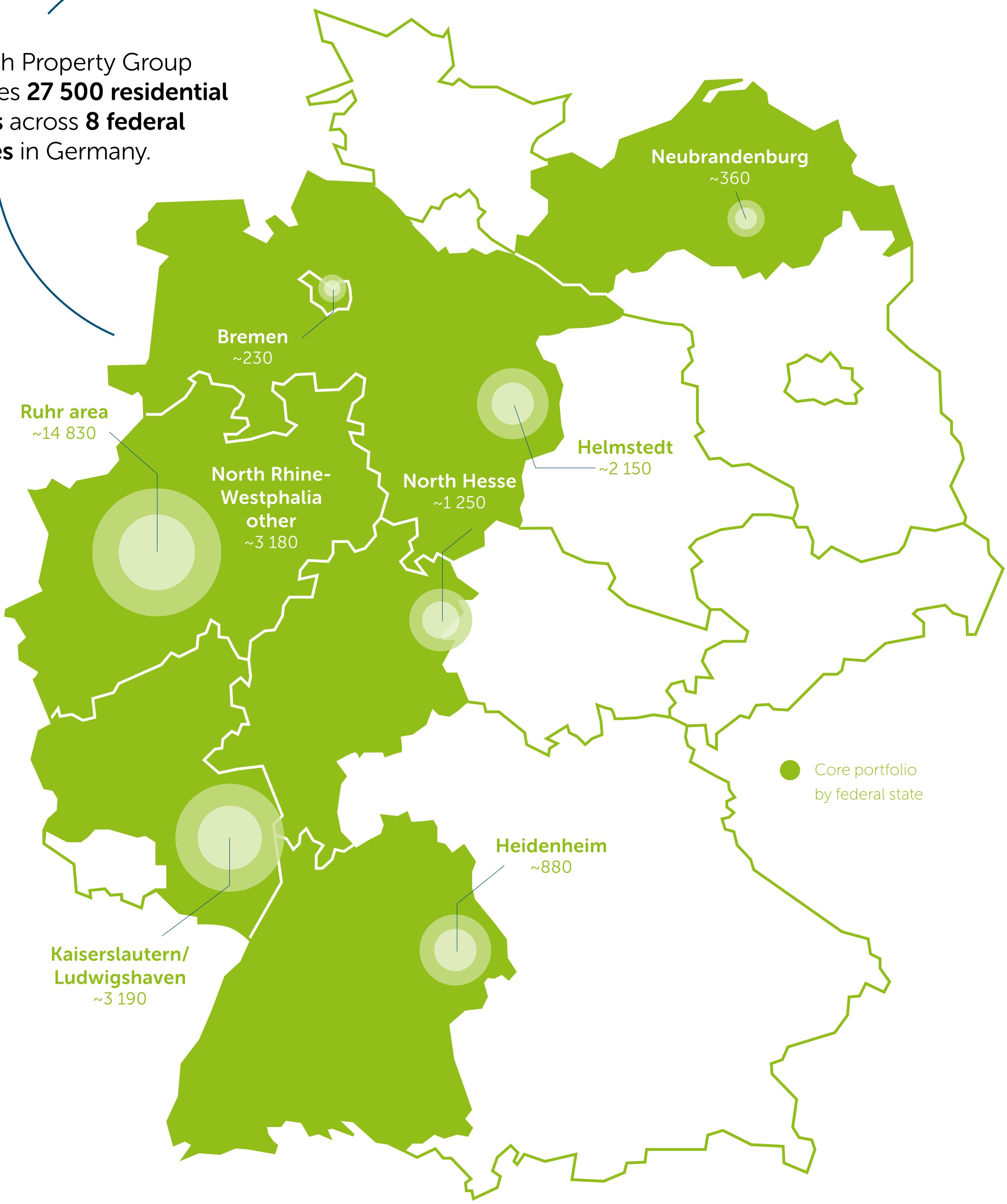
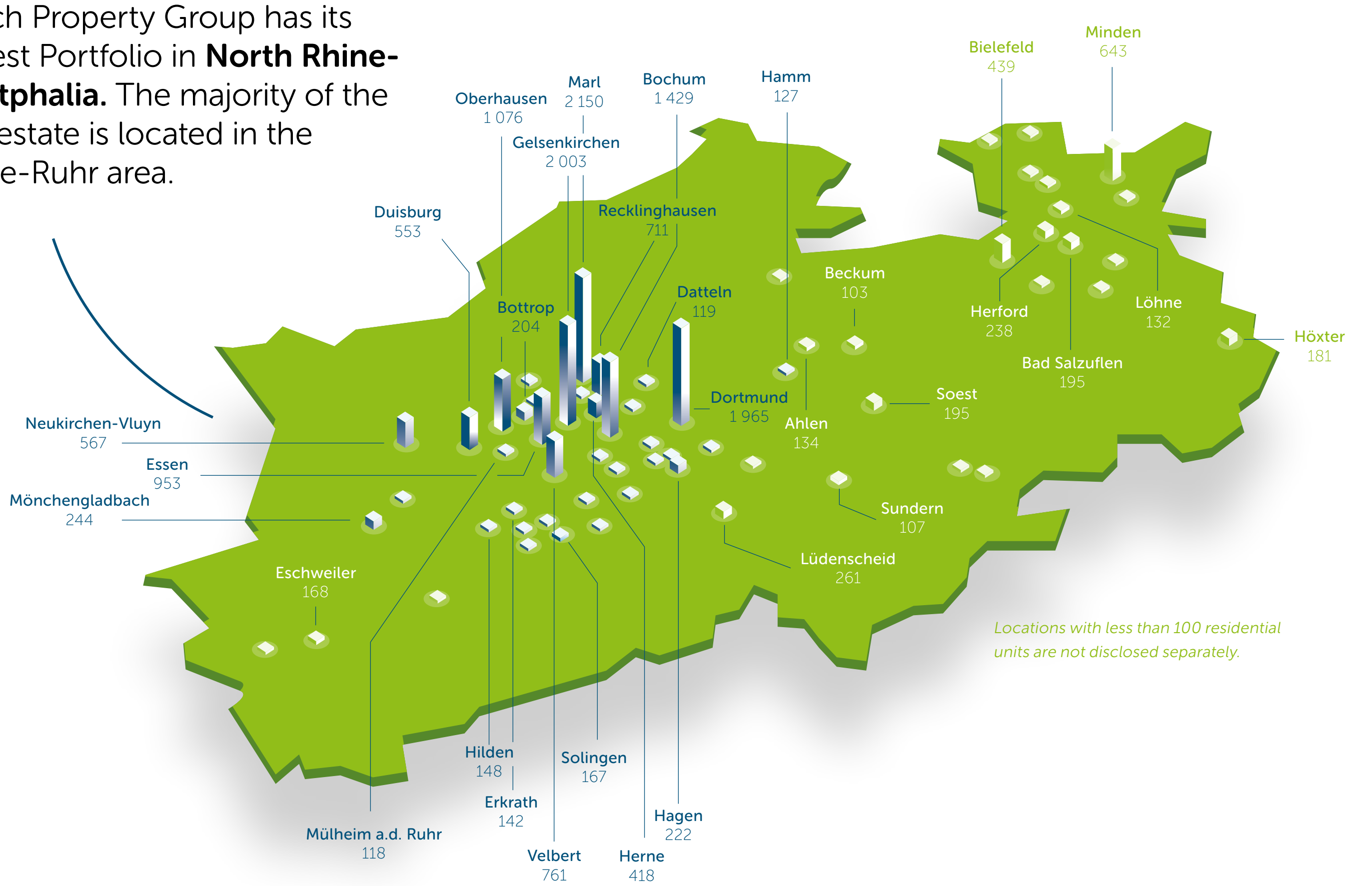
Portfolio

Core portfolios of Peach Property Group

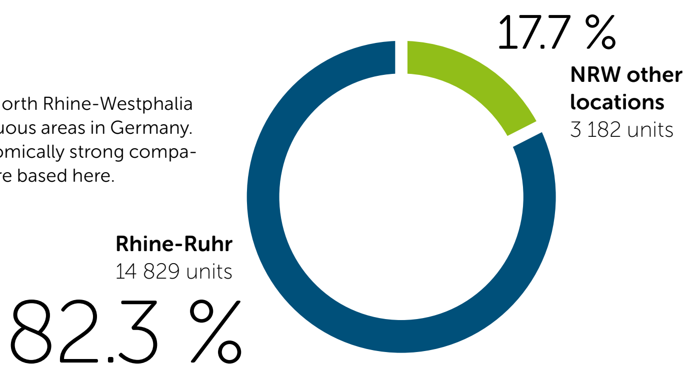
Peach Property Group ownes **27 500 residential units** across **8 federal states** in Germany.



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 compa-nies, listed on the DAX, are based here.



Portfolio
Details portfolio

in EUR thousands								Dec 31, 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)	10 721	657	0.0 %	6.0 %	5.4 %
Mews, Wädenswil	16	1 100	1874 (1991)	9 089	309	30.1 %	2.3 %	1.7 %
Gardens, Wädenswil	13	769	1874 (1991)	7 315	240	15.7 %	2.7 %	2.1 %
Munster	377	25 810	1959 - 1967	27 800	1 883	7.7 %	5.8 %	4.2 %
Fassberg	280	19 242	1958 - 1961	18 710	1 373	8.8 %	6.3 %	3.9 %
Rock Helmstedt/Schöningen/Esbeck	2 128	124 963	1952 - 1970	117 807	9 371	17.3 %	5.9 %	3.7 %
Erkrath	194	17 059	1970 / 1978	36 224	1 685	4.9 %	4.2 %	3.3 %
Dortmund Rheinische Strasse 167-171	0	2 502	1922 (1997)	2 030	193	13.9 %	7.4 %	6.9 %
Neukirchen-Vluyn L	513	34 821	1974 / 1981	41 569	2 960	23.3 %	4.9 %	2.7 %
Neukirchen-Vluyn S	54	3 114	1974 / 1981	3 498	226	1.2 %	6.3 %	4.7 %
Oberhausen	1 957	129 648	1869 - 2001	180 023	10 418	4.7 %	5.1 %	3.4 %
Bochum II	172	11 079	1958 - 1999	18 233	939	4.2 %	4.7 %	3.4 %
Bochum III	462	6 416	1972	16 250	1 050	7.6 %	0.1 %	0.0 %
Bochum-Herne	330	23 670	1920 - 1980	35 221	1 837	6.1 %	4.5 %	2.8 %
Gelsenkirchen I	972	67 625	1921 - 1968	79 774	4 778	5.1 %	5.5 %	3.5 %
Gelsenkirchen II	136	8 595	1920 - 1957	11 450	673	9.0 %	5.1 %	3.1 %
Gelsenkirchen III	67	4 776	1950 - 1971	5 156	337	12.6 %	5.5 %	2.6 %
Gelsenkirchen IV	81	5 566	1902 - 1956	5 926	399	11.8 %	5.5 %	1.8 %
Essen I	68	5 725	1962 - 1964	9 606	431	4.4 %	4.1 %	3.0 %
Essen II	107	6 680	1976	11 630	504	2.7 %	4.0 %	2.8 %
Essen III	14	2 387	1972	3 114	242	-7.4 %	6.8 %	4.4 %
Duisburg	207	12 838	1950 - 1972	16 374	996	7.4 %	5.3 %	3.1 %
Dortmund	1 404	91 328	1950 - 1970	154 432	7 225	5.4 %	3.9 %	2.5 %
Rhein Ruhr	352	23 661	1900 - 1983	27 624	1 821	10.4 %	5.5 %	3.1 %
Ruhr	528	36 215	1905 - 1990	52 289	2 902	10.1 %	4.5 %	2.9 %
Ruhr II	346	23 400	1900 - 2015	25 054	1 789	12.0 %	5.7 %	3.1 %
Ruhr III	969	60 114	1900 - 1990	79 583	4 661	8.6 %	4.8 %	2.9 %
Ruhr IV	262	15 107	1920 - 1978	18 403	1 080	5.2 %	5.1 %	3.2 %
Ruhr V	172	18 210	1899 - 1973	20 196	1 389	12.8 %	5.6 %	3.2 %
Ruhr VI	64	3 732	1905 - 1960	5 109	304	4.6 %	5.0 %	2.6 %
Velbert	761	53 358	1972 - 1978	71 519	3 559	8.6 %	4.2 %	2.1 %
Marl	221	16 120	1966 - 1990	21 234	1 341	20.0 %	4.7 %	2.4 %
Marl II	1 861	120 781	1939 - 1972	151 925	9 573	11.1 %	5.1 %	3.3 %

in EUR thousands								Dec 31, 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	20 510	914	7.8 %	3.8 %	2.3 %
Bielefeld II	144	10 447	1969/1970/1973	13 480	677	4.2 %	4.3 %	3.3 %
Dorsten	57	4 108	1970	4 243	260	11.5 %	5.3 %	3.4 %
Beckum	103	6 277	1960 - 1975	8 197	462	5.0 %	4.9 %	2.6 %
Lüdenscheid	146	9 054	1910 - 1969	8 783	655	17.2 %	5.6 %	2.1 %
Herne	165	12 896	1976	15 060	972	14.0 %	5.3 %	2.2 %
Ahlen	134	9 908	1956	9 698	656	3.0 %	5.9 %	3.9 %
Mönchengladbach	244	4 239	1975	10 950	586	55.8 %	2.1 %	-1.5 %
Hagen	36	5 033	1985	3 072	291	34.8 %	5.1 %	1.6 %
Bremen, Gelsenkirchen & Hilden	517	25 665	1954 - 1996	50 071	2 527	9.2 %	4.2 %	2.7 %
Portfolio Deutschland I	2 136	135 140	1926 - 1995	174 315	10 075	8.4 %	4.9 %	2.9 %
Ostwestfalen	1 737	114 839	1800 - 2002	129 866	8 092	9.9 %	5.1 %	3.3 %
Rheinland	377	27 727	1900 - 1963	55 315	2 692	11.3 %	3.8 %	2.6 %
Kaiserslautern I	22	3 318	1928 - 1938/1950	3 498	264	89.9 %	0.6 %	-2.3 %
Kaiserslautern II	1 299	83 265	1931 - 2000	131 146	6 924	7.4 %	4.5 %	3.2 %
Kaiserslautern III	201	11 124	1926 - 1961	20 523	1 064	7.8 %	4.5 %	3.0 %
KL Betzenberg IV	343	25 896	1972	39 600	1 992	15.9 %	3.9 %	2.2 %
KL Betzenberg V	242	13 591	1972-1973	24 060	1 168	8.6 %	4.0 %	2.3 %
Kaiserslautern VI	59	2 365	1972	3 886	415	84.3 %	1.6 %	-2.8 %
Kaiserslautern VII	175	10 776	1954 - 1961	19 324	859	6.9 %	3.9 %	2.3 %
Kaiserslautern & Agglomeration	369	20 323	1952 - 1973	33 192	1 695	17.5 %	3.9 %	2.0 %
Ludwigshafen	492	35 616	1920 -1987	69 592	3 647	7.1 %	4.5 %	3.2 %
North Hessen	336	22 830	1966 - 1976	23 669	1 590	7.3 %	5.9 %	3.6 %
North Hessen II	796	44 134	1929 - 1979	43 502	3 069	7.8 %	6.1 %	3.7 %
Eschwege	116	8 309	1994	10 370	645	4.4 %	5.6 %	4.2 %
Heidenheim I	853	59 185	1896 - 2006	99 366	5 261	7.4 %	4.5 %	3.0 %
Wertgrund	1 102	76 454	1973 - 1994	88 297	5 569	11.3 %	5.1 %	3.2 %
Total	**27 500**	**1 780 343**		**2 408 473**	**140 166**	**10.1 %**	**4.8 %**	**3.0 %**

1 Based on the valuation by Wüest Partner as of December 31, 2023.
2 Annualized actual rental income January 1 to December 31, 2023 (net cold, excl. incidental expenses) in relation to the average value of the portfolios.
3 Annualized actual rental income January 1 to December 31, 2023 (net cold, excl. incidental expenses) less administration and maintenance costs in relation to the average value of the portfolios.

Dortmund: economic engine of the Ruhr region

When you think of Dortmund, you potentially associate it with blasting furnaces, beer, and soccer. But Dortmund is a city with many faces that has undergone a remarkable transformation in recent years. With its high quality of life, the third largest city in North Rhine-Westphalia is constantly attracting new residents. This is just one of the many reasons why Peach Property Group has one of its largest real estate portfolios located here.

As a university city, the Ruhr metropolis of Dortmund is not only an important science location, but also home to many innovative high-tech companies, such as the semiconductor manufacturer Elmos Semiconductor. At the same time, the city, which was once famous for its coal mining and steel production, is the cultural center of the Ruhr region and has numerous museums, theaters, and a well-known opera house. Large, listed companies such as Wilo SE are based here, and new jobs are constantly created. The club BVB is furthermore a real "celebrity" on the international sporting stage and makes the city famous all over the world beyond just avid soccer fans.

Peach Property Group owns a real estate portfolio of almost 2000 apartments in this attractive city. Alongside Gelsenkirchen and Marl, Dortmund is one of Peach Property Group's largest locations. From 2020, Peach Property operated a Peach Point as a central point of contact for tenants and prospective tenants in Dortmund. As part of the portfolio expansion in 2021, a second Peach Point was added at the beginning of the 2022 financial year to ensure that close proximately to our tenants is maintained. The Dortmund residential property portfolio is particularly popular with families: in addition to the well-designed apartments, young families especially appreciate the portfolio's quiet and green surroundings. In addition, playgrounds directly in the portfolio surroundings ensure that the children get to play and burn energy, and parents can have outdoors fun with their children in whilst staying familiar surroundings.

Highly capitalized companies paired with a high quality of life

The city on the Ruhr attracts new inhabitants year after year: the population has grown by more than 4 percent since 2012 and stood at around 593 000 inhabitants at the end of 2022. In 2022, there were even around 9 000 more relocations to than away from Dortmund. One of the drivers of the population growth is the economic attractiveness of Germany's ninth-largest city. Wilo SE alone employs more than 8 000 people and demonstrated significant economic intent with the opening of Wilo-Park as its new company headquarters. TU Dortmund University, with its almost 7 000 employees, is also one of the city's most important employers. Dortmund's three largest companies in terms of turnover - Ampirion, Wilo and Bauking - generated a combined turnover of around EUR 16 billion in the 2022 financial year. In general, investments by Dortmund companies have also increased significantly recently: at EUR 813 million, the corporate investments recorded by the Dortmund Economic Development Agency in 2022 were more than twice as high as the average of previous years. In total, around 80 large companies in Dortmund created more than 650 new jobs.

In addition to its economic strength, families in particular value the city for its high quality of life and family friendliness - there are almost 330 daycare facilities for children. Another aspect that speaks for the city's attractiveness is the comparatively low prices for rent, food, and leisure in relation to income. This is also reflected in Peach Property Group's rents in Dortmund, which are noticeably below the average for major German cities.

The culturally diverse offering ensures that Dortmund residents feel at home in the former Hanseatic city. In 2020, Dortmund was the first major city in Germany to be awarded the DEKRA certificate "City with excellent quality of life". The countless local recreational areas, such as Phoenix Lake, also contribute to this. An attractive residential and leisure district has been created where steel industry workers once laboured. The "Lanstroper See" nature reserve on the outskirts of the city also offers a nature experience for Dortmund residents. Some of the old industrial plants and collieries have now been converted into museums. The "Dortmunder U", a highly visible landmark of the city and former high-rise building of the Dortmund Union Brewery, has been a creative center for artists since 2010.

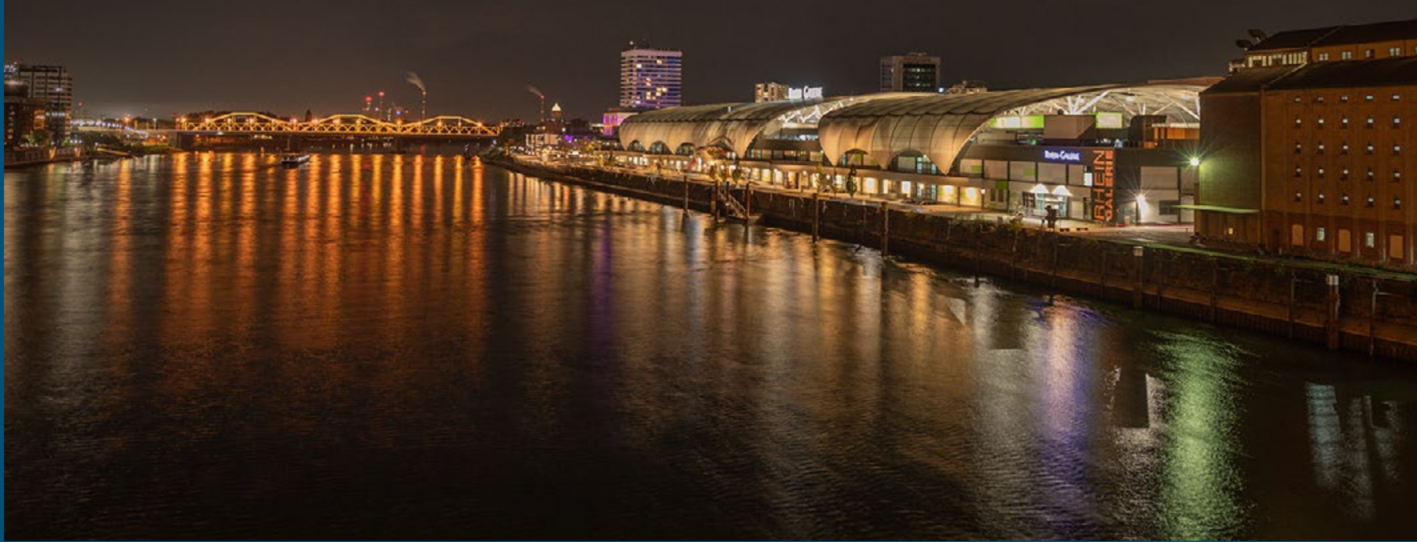
A city that is constantly reinventing itself

Like many cities in the Ruhr region, Dortmund has undergone major changes in recent decades. In the Middle Ages, Dortmund was both a free imperial and Hanseatic city before the metropolis became an important industrial city at the end of the 19th century during high industrialization. The main focus was on coal mining and the steel and brewing trades. After the crisis years of the Second World War and the reconstruction of the city, Dortmund benefited from the economic upturn in post-war Germany. At the end of the 1950s, however, the city underwent another structural change: mining began to become less and less attractive and led to mass redundancies across Germany. By the end of the 1980s, the mines in Dortmund were gradually closed, which significantly changed the cityscape. The steel crisis from the 1970s onwards also led to a decline in "old industry" in Dortmund. However, the city has risen to the challenges of continuous structural change and reinvented itself again. With its focus on the service and technology sector as well as science, the city has remained the economic engine of the Ruhr region.

Facts and figures Dortmund

Population:	593 000 (as of 2022)
Population growth:	+ 4 % since 2012
Number of Peach apartments:	1 965
Largest employers:	Wilo SE, TU Dortmund University, among others
Gross domestic product (GDP):	EUR 24.6 billion (as at 2021)
Leisure facilities:	Phoenix See, Dortmunder U, Dortmund Opera House, museums, theaters, shopping facilities, several cinemas

Ludwigshafen: **underestimated business and science location**



Helmut Kohl and BASF - two important names that are closely linked to the recent history of the city of Ludwigshafen. But Ludwigshafen is so much more: in recent years, the city on the Rhine has developed into a research and innovation hub with a steadily increasing population. The city is also renowned for its unique microclimate.

In fact, the Palatinate where Ludwigshafen is the largest city, is known as the "Tuscany of Germany" – on the one hand because of the relatively mild climate compared to the rest of Germany, and on the other because of its reputation as a renowned wine-growing region. Almost 2 million hectoliters of the fine Palatinate grape juice are harvested here every year - right on the doorstep of the Rhine metropolis. Only a few minutes' drive from Ludwigshafen lie picturesque vineyards and pristine wine country.

Ludwigshafen's positioning as a strong industrial location in an attractive environment is also reflected in the development of the population: the number has been rising continuously for ten years and has increased from 163 947 inhabitants in 2012 to 178 954 in 2022 – a growth of more than 9 percent. Ludwigshafen is also an attractive location for Peach Property Group. Here Peach acquired a significant portfolio in 2020 which, together with the real estate portfolio in nearby Kaiserslautern represents a portfolio of almost 3 200 rental units. This makes the Ludwigshafen/Kaiserslautern region one of Peach Property Group's most important locations together with the Ruhr area. In Ludwigshafen the Peach Points concept too has proven its worth and tenants embrace Peach Points as a central point of contact for all tenant matters. Most of the residential properties in Ludwigshafen are centrally located and boast good infrastructure. Bakeries, pharmacies, doctors, and convenience stores are all within walking distance - a big plus for young families as senior residents alike.

Home to DAX companies and SMEs as well as a research centers

Ludwigshafen has a lot to offer in terms of employment: after all, BASF is not only a billion-dollar DAX company based in the Rhine metropolis, but also one of the largest employers in the region. With around 39 000 employees, a third of BASF's global workforce is based in Ludwigshafen. In addition, seven of the BASF Group's 13 divisions have their headquarters in the Rhineland-Palatinate city. The highly visible DAX giant acts as a magnet for other companies from the pharmaceutical, chemical, and high-tech sectors. For example, the bio-pharmaceutical company AbbVie has its largest strategic research site outside of the USA in Ludwigshafen. The consumer goods manufacturer Reckitt Benckiser furthermore has a strong presence here. Next to large global corporations, it is primarily medium-sized companies that form the backbone of Ludwigshafen's economy. Thanks to the settlement of many chemical and pharmaceutical companies, Ludwigshafen has furthermore developed into a relevant research and science location: many companies from the sector have established their research departments here. This extends also to the municipal hospital which is an academic teaching hospital of the Johannes Gutenberg University, Mainz. The latest medical developments and innovations are pioneered in the Rhine metropolis.

Culture is not neglected

But what would the economy and science be without cultural offerings? Of these, Ludwigshafen has more than enough. The most important cultural institutions include the Wilhelm Hack Museum and the annual Festspiele Ludwigshafen in the Pfalzbau theater. The Ernst Bloch cultural center is dedicated to the world-famous philosopher and a diverse cultural program addresses cultural, philosophical, and educational issues and focuses on sustainable thinking and human action. Every year during the summer months, the Ludwigshafen Summer of Culture and the International Street Theater Festival attract thousands of visitors from far beyond the region to the Rhine metropolis. In addition, the German Film Festival on Parkinsel has become a permanent fixture in the city's calendar of events, attracting several tens of thousands of guests each year, including Germany's leading actors. Past festival participants have included Moritz Bleibtreu and Senta Berger. The city also awards two prestigious cultural prizes, the Ernst Bloch prize, and the William Dieterle Film prize. Ludwigshafen's city center and the Rhein-Galerie shopping center on the river Rhine offer plenty of shopping opportunities and a wide range of culinary delights.

Ludwigshafen is undoubtedly more than just an "ordinary" industrial city: the city has been proving for years that the old economy, culture, and research can co-exist. The nearby Palatinate region, enchanting Heidelberg, and the banks of the Rhine with its numerous events in summer provide numerous recreational opportunities.

Facts and figures Ludwigshafen

Population:	178 954 (as of 2022)
Population growth:	+ 9 % since 2012
Number of Peach apartments:	3 196 (incl. Kaiserslautern)
Largest employers:	BASF
Gross domestic product (GDP):	EUR 13.1 billion
Leisure facilities:	Palatinate wine and tourism region, banks of the Rhine, Wilhelm Hack Museum, Theater im Pfalzbau, Ludwigshafen Festival, numerous shopping opportunities

Marl: **the city with a clear strategy for the future**

Anyone traveling to the northernmost edge of the Ruhr area in the direction of Münster will typically come cross the second largest city in the district of Recklinghausen: Marl. Like many other cities in the Ruhr region, Marl can look back on a long and famous history in the mining sector, which brought about economic and cultural upswing during the industrialization phase.

Werner Arndt, Mayor of the City of Marl

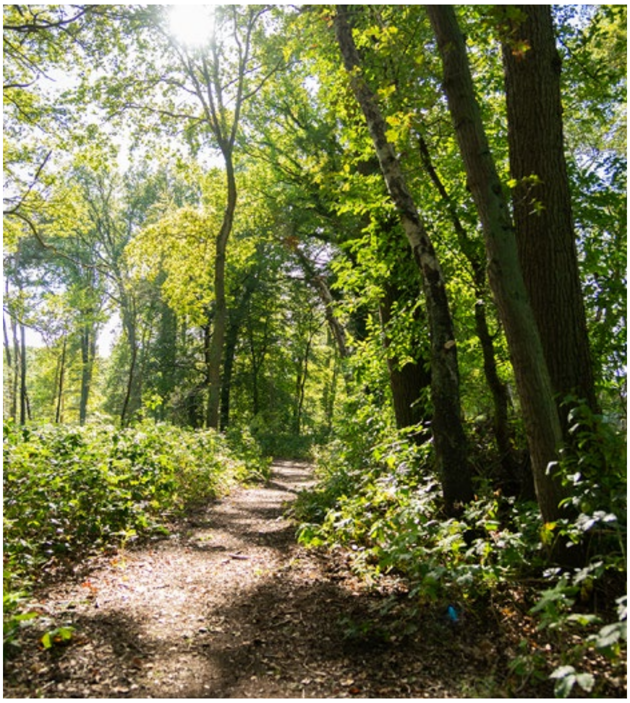
Interview with Werner Arndt, Mayor of the City of Marl

What makes the city of Marl stand out compared to other German cities?

In the 1960s, the city of Marl embarked on a mission to future-orientate urban development through the implementation of innovative ideas. As a result, a new city center was built on a greenfield site which today comprises the city hall, which is now a protected monument, the Marler Stern shopping mall and the Rathaus lake. This ambitious planning turned Marl into an attraction in the northern Ruhr region. To this day, this concept makes the city of Marl unique and, in our view, has fully paid off.

What makes Marl worth living in?

Marl offers many possibilities to cater for individualized living needs – from historic colliery houses to contemporary town and estate houses, to residential buildings with sophisticated architecture. The trend of living close to the city while staying in the countryside is also attainable in Marl. We have short travel distances with a good infrastructure. In addition, the Volkspark in Alt-Marl will be redesigned to a Climate Park which can be explored almost entirely barrier-free. The plans include various promenades as well as various footbridges on and over the water. There will also be a large area to linger, play and relax. And things are also happening in the Brassert leisure park: not only is a 500 square meter pump track being built here, but also a multicourt, roller sports field and two streetball fields.



What is the city doing to make life in Marl even more attractive?

The cultural offering is quite remarkable for a town of our size. The Marl Sculpture Museum exhibits several works of classical modern and contemporary art temporarily in the Martin Luther King school while the city hall is renovated. The Marl Theater offers a wide range of spoken and musical theater, cabaret, and concerts, especially for young audiences. Marl also scores highly in the field of education. The city has a total of 21 schools – including 13 elementary school, two special schools and six secondary schools. Marl is also home to the Bildungszentrum des Handels and the insel-Volkshochschule. The municipal music school and numerous clubs and initiatives also add to the cultural offerings in Marl with their own events.

What does the city have to offer in terms of its infrastructure and how does this influence Marl's economic strength?

An important basis for Marl's strong economic power is its outstanding regional and national connections via the highway, rail, and canal network. The transport infrastructure and the development of new industrial and commercial areas make Marl a sought-after business location. With two hospitals, the Marien-Hospital Marl as part of the KKRN Katholisches Klinikum Ruhrgebiet Nord GmbH and the Paracelsus-Klinik as part of the Klinikum Vest, the city of Marl also has a good healthcare network that covers the entire urban area.

The Economic Development Department of the city of Marl provides all tradesmen and companies with a wide range of services, such as provision of developed land in industrial and commercial areas. We also provide active support in the planning and implementation of construction measures and in dealing with the authorities when it comes to setting up new businesses. This also extends to advice on investment financing and grant opportunities. We see ourselves as a matchmaker in connecting businesses with each other, or in opening doors with credit institutions. This helps young entrepreneurs and start-ups in particular to gain a foothold in Marl. Our close cooperation with the region's universities naturally also promotes innovative developments and their industrial implementation.

To what extent is the city also popular with younger people and families who place particular value on active leisure activities?

Over 70 clubs with around 18 000 members offer a wide range of leisure activities in Marl through around 50 sport types. There should be something suitable for everyone – young or old. The local recreation area "Die Haard" offers a wide range of opportunities for Nordic walking, mountain biking, hiking, and horse riding. The Wesel-Datteln Canal attracts canoeists and rowers, and the Loemühle airfield is an established meeting place for parachutists from all over the region.

And what about childcare and leisure activities for children and young people in Marl?

Numerous daycare facilities in Marl offer a total capacity for over 3 200 children ranging from a few months old to school age. The Marl daycare navigator gives parents the opportunity to inform themselves quickly and easily about the daycare facilities on offer in the Marl city area, and to pre-register their children online. Around a quarter of Marl's daycare facilities carry the "North Rhine-Westphalia Family Center" seal of approval and offer family counseling and family education in addition to childcare and early childhood education. The services offered by the family centers are based on the needs of the local area and are correspondingly diverse and individual.

During the vacations, the city of Marl offers a fun and varied program for children and young people in different age groups, in cooperation with various children's and youth facilities. Further alternatives include the HoT Hülsberg, the children's and youth center of the city of Marl, and the Spieliothek, a facility of the youth welfare office of the city of Marl. Here visitors have the opportunity to play all the latest games together. And the Türmchen family library offers a lot of reading material for little bookworms.

What advantages will Thalia's new production and fulfillment center have for Marl?

The total investment in the project is around EUR 100 million. The construction of the modern and sustainable production and logistics center for the book retailer Thalia will break new and innovative ground, thus promoting the diversification of the economic structure in this current structural change within the region. This will create jobs for up to 1 000 employees as well as new apprenticeships in various professions.

Facts and figures Marl

Population:	87 690 (as of 2022)
Number of Peach apartments:	2 150
Largest employers:	Marl Chemical Park, Metro, among others
Gross domestic product (GDP)**:**	EUR 17 billion (Recklinghausen district, as of 2021)
Leisure facilities:	Glaskasten sculpture museum, Marl Theater, municipal music school, Marler Stern shopping center, Rathaus lake

ESG Summary

At Peach Property Group, sustainability is central to our actions. As a real estate investor, we are fully aware of the impact of our operations on our environment. We strongly believe it is our responsibility to continuously reduce the carbon footprint of our operations, by implementing appropriate energy-saving measures and optimize waste and water management. Beyond the environment, tenant satisfaction is another integral part of our corporate DNA. Through affordable, sustainable housing and customer-focused management practices, we build strong relationships with our tenants and promote their well-being. Our employees represent our foundation. We foster an environment where our employees feel secure and valued, with open communication and opportunities for personal development. We operate our business with core ethical values that we extend to our suppliers and partners. Despite having to deal with several constraints caused by the current state of the real estate market, we are purposefully allocating time and resources to drive our sustainability efforts forward, and to create added value for our tenants, employees, society in general and our investors.

The Peach Sustainability Committee has identified and grouped the impact of our operations on the environment, economy, and people into material topics, spanning five dimensions. Each topic has defined actions to address the impacts, and we have set targets to be achieved through the implementation of appropriate measures. We are committed to mitigating negative operational impacts across these key areas, creating a more sustainable and responsible business model for the benefit of all stakeholders.

We will report in detail on these material topics in our 2023 Sustainability Report, which we will prepare in accordance with the GRI standards and publish as a separate report in spring 2024.

Environment - ongoing efforts to modernize heating systems and meet decarbonization targets

Transitioning to modern and efficient heating systems is a forward-looking investment that actively counteracts climate change, increases energy security and ensures a reliable and cost-effective energy supply in the face of rising fossil fuel costs. Higher construction and financing costs resulted in a tighter capital expenditure budget for the 2023 financial year. Nevertheless, we continued to modernize our properties with a focus on more cost effective measures that will still generate significant energy savings. Wherever possible and sensible, we invest in decentralized heating systems using district heating. Among other things, we are steadily expanding the smart meter infrastructure in our portfolio. Smart meters allow tenants to see and manage their real-time water, electricity, or heating consumption and provide the opportunity to reduce energy consumption and save costs. By the end of 2023, smart meters have been installed in approximately 10 200 of 20 500 residential units elligible for installation, accounting for around 50 percent of our portfolio. The installation of further around 3 000 smart meters is currently in progress. We are furthermore on course to achieve dynamic hydraulic balancing as well as precise control of volume flows and system temperatures in many of our buildings through the installation of digital valves in the heating distribution system. This intelligent system learns and analyzes the building's operation, gradually driving savings to double-digit percentage levels.

Furthermore, we are continuously working on and improving our ESG data analysis and decarbonization strategy and we have increased data completeness in both areas. With the support of our internal facility management, we conducted on-site inspections to create property profiles for almost the entire portfolio. We maintain close connections with local district heating providers to assess the availability of district heating options at various locations. Additionally, as of 2023, we are able to incorporate actual heat consumption data for the whole portfolio rather than just heat demand into our CO_2 performance tool. In 2022, we established decarbonization targets with the goal to reduce the CO_2 intensity to below 30 kg CO_2e/m^2a by 2030 and to below 10 kg CO_2e/m^2a by 2050. Switching to CO_2-neutral heating systems and improving building insulation will continue to be key measures in our pursuit of achieving the set goals. Our digital decarbonization tool supports us in meeting our targets by enabling simulation, planning of property-specific measures, and subsequent concrete implementation planning. Starting from our 2021 baseline of a GHG intensity (Scope 1 & 2) of approximately 32.3 kg CO_2e/m^2a [1], we achieved a 9 percent reduction in GHG intensity in 2022, resulting in a GHG intensity of 29.4 CO_2e/m^2a [2]. The reduction in GHG intensity can partly be attributed to the acquisition of the Eagle Portfolio, which is now embedded in our ESG data analysis of 2022. Additionally, the relatively mild winter in 2022 and the heightened public awareness to conserve energy resulting from the war in Ukraine have further contributed to this reduction.

Tenant satisfaction continues to be promoted and measured

Tenant satisfaction remains a leading priority. We promote a pleasant living environment with attractive outdoor facilities that invite tenants to linger and be active. As part of our continuous improvement process, we continually seek feedback from our tenants. Through our ticketing system, we have a constant overview of open tenant reports and our tenants have the opportunity to provide direct feedback on completed reports, which may concern the performance and quality of the work carried out or the timeliness thereof. Within 24 hours after a ticket is closed, the tenant receives a link to an evaluation and feedback form, which also directly informs the responsible employee should feedback be submitted. During the year, we have achieved a satisfaction rate of 76 percent. The ticketing system further provides us with the response times of Peach Points and our external tradesmen partners. Our property management teams were able to resolve a very high proportion of tickets with the first interaction. The "one touch" rate was measured at 91.3 percent, compared to 90.1 percent in the previous year. Queries that could be resolved directly by Peach Points were dealt with on average in 18.8 hours (previous year: 18.1 hours). Where our external partners were involved, it took less than 4 days to resolve.

1 Data collection based on consumption data and projections according to GRI standards for around 16 500 rental units.
2 Data collection based on consumption data and projections according to GRI standards for around 23 600 rental units.

ESG Summary

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

Our employees constitute our most valuable asset. Ensuring the satisfaction of our workforce is therefore a central concern for us, and we consciously strive to create a positive and pleasant working environment. To get an aggregated picture of the satisfaction and well-being of our employees, we conducted a comprehensive and insightful employee survey in 2023. Two-thirds of the workforce participated in the survey, indicating a high level of engagement, and reflecting a commitment to fostering open communication. The survey results show a high level of employee satisfaction with the onboarding process (75 percent) and the annual feedback (87 percent), and a perception of good teamwork and cooperation within the team (80 percent) as well as appreciation from superiors (70 percent). The survey findings further revealed that our employees perceived a need for improvement in terms of vacation entitlement. Consequently, starting from the financial year 2024, the number of vacation days for our German employees rises by two per year.

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

In line with our commitment to fostering a positive company culture that emphasizes teamwork and community building, our company organized a two-day team event in Berlin this year. This initiative aimed to unite and strengthen our diverse workforce by bringing together employees from different business locations. The event not only provided a platform to foster workplace connections, but also created valuable opportunities for personal and professional development.

Governance - further improving our processes

We are committed to continuously strengthening our governance structure to ensure responsible corporate governance throughout our value chain and the integration of sustainability matters into our business processes and investment decisions. In this context, we continually review our policies and guidelines. For example, we introduced a new "Policy on the Prevention of Money Laundering and Terrorist Financing" in accordance with the German Money Laundering Act. In the 2023 financial year, we held training sessions on the Group policies and guidelines, namely on the Code of Conduct. The training sessions included initial trainings for new employees as well as repeat trainings for existing employees and took place in January and August and were held both physically and via video conference. There was also training for all employees in the area of data protection by our external data protection officer. This training took place via video conference and was recorded.

Furthermore, various amendments to our Articles of Association were approved by the General Meeting of May 24, 2023, in order to align them with the revised new stock corporation law, in force since January 1, 2023, Additionally, we updated our Organizational Regulations.

Our external whistleblower system enables our employees and third parties to report violations of the law or our Code of Conduct. Such reports can be submitted anonymously and confidentially. The report reaches an externally contracted ombuds office handling information provided by whistleblowers. Further information can be found under the following link: https://www.peachproperty.com/en/compliance-en/. As in the previous year, no violations of our Code of Conduct were recorded.

In the 2023 financial year, ESG became a target under the new Performance Stock Unit Program (2023-2025 PSU Program, Plan 2023), a long-term share-based incentive program approved by the Board of Directors. Under the PSU program, the ESG rating was incorporated as one of three equally weighting sub-targets. The ESG target is defined as achieving a "low risk" assessment, as determined by external organizations evaluating the Group's exposure to industry-specific ESG risks and the effectiveness of the Group's risk management practices.

Finally, our Peach Sustainability Committee who is responsible for managing and developing our ESG strategy and monitoring the achievement of its objectives convened this year to discuss potential ideas and strategies for improvements in the three ESG areas. During the meeting, proposals were discussed and assessments made to make informed decisions on how to strengthen our initiatives in our material topics. As a result of these efforts, several initiatives have been launched or are currently underway. These include the carrying out of an employee survey in June 2023 and the further expansion of the smart meter project, which involves installing master meters in every building of our portfolio. A kick-off meeting for the latter took place in January 2024.

Recognition of our sustainability efforts

In the 2023 financial year, we reached another significant milestone in our commitment to sustainability by once again subjecting our efforts to external evaluation through the Morningstar Sustainalytics ESG risk rating process. We note an improvement in our current ESG risk rating, which stands at 10.3, which Sustainalytics classifies as low risk (10 to 20). This signifies progress from the previous year's rating of 11.5 and reflects our ongoing commitment to sustainable practices and our continual efforts. This places Peach Property Group in the top 9 percent of the more than 1 000 property companies rated globally by Sustainalytics, and in the top 3 percent of all rated companies (15 600 companies) globally. In the more narrowly defined segment of portfolio holders (property management), Sustainalytics ranks Peach Property Group 23rd out of 160 companies. The rating positively highlighted the Group's regular tenant satisfaction surveys, product governance, i.e., how the Group treats its tenants, and the implementation of life cycle analyses for newly acquired properties.

MSCI ESG upgraded our rating to a favorable grade 'A' after evaluating our sustainability initiatives

In addition, the European Public Real Estate Association (EPRA) evaluated our 2022 Sustainability Report and awarded us with the EPRA sBPR Gold Award.

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

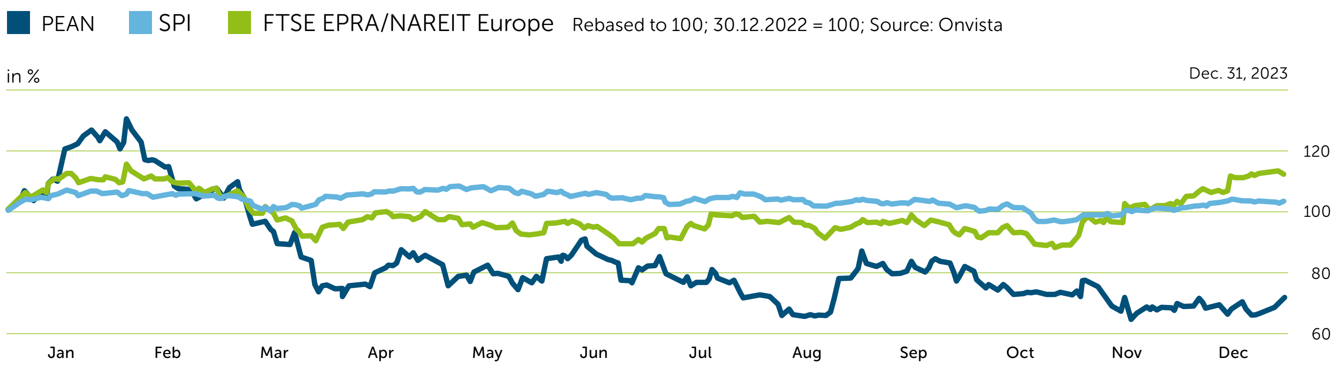
Investor Information

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.

The real estate sector faced numerous uncertainties in the 2023 financial year. Rising interest rate levels, high inflation directly impacting construction material prices, persistently high energy prices, and a pronounced shortage of skilled workers created numerous challenges in the sector impacting the returns of real estate investors. These impacts were particularly mirrored in the performance of the benchmark index FTSE EPRA/NAREIT Europe, which comprises publicly traded European real estate stocks, and in the development of the Peach Property Group share price in the first half-year of 2023. The FTSE EPRA/NAREIT Europe experienced a significant decline in its value at the beginning of the reporting year, followed by a recovery towards the end of the second half-year, closing with an increase in value of approx. 12 percent for the year. The Peach Property Group share, following the initial value decline at the beginning of the year, did not show a similar recovery in the second half-year, losing approx. 30 percent of its value over the year.

The liquidity of our shares increased in 2023. With an average of 27 273, the number of shares traded was 25 percent higher than in the 2022 financial year (21 761).

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



1 Information on the share

1.1. Number of shares

	Dec 31, 2023	Dec 31, 2022
Share capital in CHF	20 740 918	506 471 190
Share capital in EUR	19 094 783	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

	2023	2022
High in CHF	21.75	64.40
Low in CHF	10.00	15.42
Closing rate at the end of the year in CHF	11.48	16.40
Market capitalization (excluding treasury shares) at the end of the year in CHF	238 096 784	276 687 516

1.3. Key share data

	2023	2022
Basic earnings per share in EUR	-9.14	-0.97
Diluted earnings per share in EUR	-9.14	-0.97
Basic FFO I per share in EUR	1.11	1.14
Diluted FFO I per share in EUR	1.11	1.14
NAV/IFRS per share in EUR [1]	1.10	60.17
NAV market value per share in EUR [1]	1.10	64.88

1 Excluding hybrid capital and non-controlling interests.

1.4. Significant shareholders

The following shareholders held three percent or more of all issued shares of Peach Property Group AG as of December 31, 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 under the current Convertible Bonds, ISIN CH1263282522, with a maturity date of May 15, 2026.

Shareholders	Number of shares	Percentage of all shares
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg [1]	6 207 868	29.93
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg	1 701 550	8.20
Rainer-Marc Frey, Switzerland, through: H21 Macro Limited, Cayman Islands	1 300 876	6.27
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH [2], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [3], Germany	916 909	4.42
Beat Frischknecht, Switzerland, through: BFW Group AG, Switzerland	800 000	3.86
Other	*9 813 715*	*47.32*
Total shares outstanding	**20 740 918**	**100.00**

1 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.
2 The investment is held in the three special funds LBBW AM-WWH, LBBW AM-WSG, and LBBW-IAW. The management, and independent exercise of voting rights (if exercisable), are both conducted by the capital management company LBBW Asset Management Investmentgesellschaft mbH.
3 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both conducted by BayernInvest Kapitalverwaltungsgesellschaft mbH.

1 https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/.

The notional free float based on the shares issued on December 31, 2023, was 85.53 percent. The shares held by Peak Investment S.à.r.l for Ares Management Corporation were counted as part of the free float due to the exemption for investment companies in accordance with section 4.1.2 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	Dec 31, 2023	Dec 31, 2022
Registered shareholders	1 106	1 177
Registered shares	13 767 895	10 958 638
With voting rights	11 908 398	9 723 005
Shareholders with 1 to 1 000 shares	731	782
Shareholders with 1 001 to 10 000 shares	299	308
Shareholders with over 10 000 shares	76	87

2 Information about the bonds

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

Following an exchange offer during the year the outstanding amount of the hybrid warrant bond, issued on June 22, 2018, PEA231 (ISIN CH0417376040), was reduced to CHF 45.251 million as of December 31, 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 % since 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 a 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 December 31, 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.

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.

Subject to market conditions, we may initiate further repurchases of our issued bonds in the future.

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 % p.a.; from June 23, 2023, the 3 months SARON + 9.25 % (10.955 % as of December 31, 2023)
Term	Unlimited; callable on a quarterly basis by the issuer; next call date on March 22, 2024.
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	From June 25, 2018, up to and including June 25, 2021
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 June 15, and December 15 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 buy-back opportunity prior to November 15, 2022, at market value buy-back opportunity on, or after November 15, 2022, at 100 % plus accrued interest
Listing	The International Stock Exchange, 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.peach-property.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 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. The President of the Board of Directors, Reto Garzetti, took on operational management responsibilities and the chairmanship of the Executive Management as Executive Chairman.

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 Realignment of the Board of Directors

Reto Garzetti, Executive Chairman of the Board of Directors, and Kurt Hardt, Member of the Board of Directors, decided to step down from the Board of Directors of Peach Property Group AG as of October 31, 2023. Klaus Schmitz, previously a member of the Board of Directors, was appointed as Executive Chairman of the Board of Directors for the remaining term of office until the next General Meeting. Klaus Schmitz has been on the Company's Board of Directors since 2020 and acts as Shareholder Representative of Peak Investment S.à.r.l. which holds the shares for Ares European Real Estate Fund V (managed by Ares Management UK Ltd). The other two members of the Board of Directors, Peter Bodmer and Dr. Christian De Prati, remained in office.

5 Capital market communication

We provide important and comprehensive information on the Company, its development as well as on shares 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/newsletter-en/.

Investor information

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

In addition, the Board of Directors, Executive Management, and the investor relations department of our Company maintain contact with investors, analysts, and business journalists in Switzerland and abroad. In 2023, our management presented our Group's business model and medium- to long-term prospects at eight capital market conferences and a roadshow. In addition, various one-on-one meetings were held with equity and bond investors. In 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 2023.

As of December 31, 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 financial results in English, on March 21, 2024.

Corporate Governance and Remuneration Report 2023

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

The Corporate Governance and Remuneration Report is based on the structure in the Directive on Information relating to Corporate Governance (Directive Corporate Governance, DCG, in German: Richtlinie Corporate Governance, RLCG) of the SIX Exchange Regulation and complies with the requirements of Section Four in Articles 734 et seqq. of the Swiss Code of Obligations.

Section 1 - Corporate Governance

1 Corporate structure and shareholders

1.1. Corporate structure

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

As of December 31, 2023, the Board of Directors of the Company comprises of Klaus Schmitz (Executive Chairman), Dr. Christian De Prati (Vice-Chairman), and Peter Bodmer (Member). The former Chairman Reto Garzetti and Board Member Kurt Hardt decided to step down from the Board of Directors as of October 31, 2023. The Executive Management comprises of Thorsten Arsan (Chief Financial Officer, CFO), and Dr. Andreas Steinbauer (Head of Letting and Sales) after Dr. Thomas Wolfensberger stepped down from the role of Chief Executive Officer (CEO) as of the Annual General Meeting held in Zurich on May 24, 2023.

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

Company name and registered office	Peach Property Group AG, Zurich
Business ID (UID)	CHE-101.066.456
Listing	SIX Swiss Exchange
Trading currency	Swiss franc (CHF)
Market capitalization as of December 31, 2023	CHF 238 097 thousand (closing share price of CHF 11.48 per share)
Ticker symbol	PEAN
Security number	11 853 036
ISIN	CH0118530366

Our Group companies are not listed on the stock exchange. A list of our Group companies is disclosed in Note 20 to the consolidated financial statements. A diagrammatic overview of the Peach Group is available on our website at: https://www.peachproperty.com/en/about-peach/.

1.2. Significant shareholders

As of December 31, 2023, the following shareholders hold three percent, or more of the issued shares of the Company (without consideration of subscriptions under the current Convertible Bond, ISIN CH1263282522, with a maturity date May 5, 2026):

Shareholders		Number of shares	Percentage of all share
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg [1]		6 207 868	29.93
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg		1 701 550	8.20
Rainer-Marc Frey, Switzerland, through: H21 Macro Limited, Cayman Islands		1 300 876	6.27
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH [2], Germany BayernInvest Kapitalverwaltungsgesellschaft mbH [3], Germany	 *595 376* *321 533*	916 909	4.42
Beat Frischknecht, Switzerland, through: BFW Group AG, Switzerland		800 000	3.86
Other		*9 813 715*	*47.32*
Total shares outstanding		**20 740 918**	**100.00**

1 Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.
2 The investment is held in the three special funds LBBW AM-WWH, LBBW AM-WSG, and LBBW-IAW. The management, and independent exercise of voting rights (if exercisable), are both conducted by the capital management company LBBW Asset Management Investmentgesellschaft mbH.
3 The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both conducted by BayernInvest Kapitalverwaltungsgesellschaft mbH.

No lock-up arrangements are in place as of December 31, 2023.

Under the applicable capital market regulations, shareholdings in companies domiciled in Switzerland, where the company's shares are at least partially listed on the SIX Swiss Exchange, must be reported to that company, as well as to the Disclosure Office of the SIX Swiss Exchange, when limits of 3 %; 5 %; 10 %; 15 %; 20 %; 25 %; 33⅓ %; 50 %; or 66⅔ % of the voting rights are exceeded; fallen below, or reached.

The holdings to be reported, in accordance with Article 14(2) of the FINMA Financial Market Infrastructure Ordinance (FinfraV-FINMA), are calculated based on the total number of voting rights according to the entry in the Commercial Register (as of December 31, 2023: 20 672 495 registered shares at CHF 1.00 each). Upon receipt of such a notification, the Company publishes the change in shareholding base via the SIX Exchange Regulation publication platform.

In the 2023 financial year, we published a total of 19 notifications in accordance with Articles 120 ff. Financial Market Infrastructure Act (FinMIA, in German: Finanzmarktinfrastrukturgesetz, FinfraG). These and other notifications from previous financial years can be viewed on the SIX Exchange Regulation website at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/.

Section 1 - Corporate Governance

As of December 31, 2023, the following shareholders hold three percent or more of the Company's voting rights (voting rights equaling the total of all equity securities or equity-related securities, number of voting rights that can be exercised at one's own discretion and derivative holdings). The basis of the calculation is the total number of voting rights pursuant to the entry in the commercial register as of December 31, 2023. These shareholders are considered significant shareholders in accordance with applicable capital market regulations:

	Future shares from subscription of CB [1]	Current shareholding	Number of voting rights that are exercisable and non-exercisable	Voting rights as percentage of commercial register entry
Total according to Commercial Register			**20 672 495**	100.00
Thereof held by significant shareholders				
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg	333 333	6 207 868	**6 541 201**	31.64
Rainer-Marc Frey, Switzerland, through: H21 Macro Limited, Cayman Islands	1 333 333	1 300 876	**2 634 209**	12.74
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg	0	1 701 550	**1 701 550**	8.23
Beat Frischknecht, Switzerland, through: BFW Group AG, Switzerland	165 000	800 000	**965 000**	4.67
Kreissparkasse Biberach, Germany, through: LBBW Asset Management Investmentgesellschaft mbH, Germany, and BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany	0	916 909	**916 909**	4.44

1 Convertible Bond, ISIN CH1263282522, with a maturity date May 15, 2026. Source of data: Subscriptions and/or order book and/or shareholder's disclosure notification.

Adjustments to the share capital entered into the commercial register also change the calculation basis and therefore the proportional voting right of significant shareholders relevant for disclosure. This may result in a disclosure obligation for individual significant shareholders.

1.3. Cross-shareholdings

There are no cross-shareholdings.

2 Capital structure

2.1. Capital

Capital as of December 31, 2023	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital	20 740 918.00	20 740 918	1.00
Conditional capital	4 541 455.00	4 541 455	1.00
Capital band (upper limit)	8 400 000.00	8 400 000	1.00

2.2. Capital band and conditional capital

Capital band

At the Annual General Meeting of May 24, 2023, the shareholders approved the cancelation of the previously authorized capital and to introduce a capital band. According to the amended article 3b of the Articles of Association, the Board of Directors is authorized to perform one or more capital increases and/or capital reductions within a capital band as follows: the share capital may be increased by up to CHF 8 400 000.00 through capital increases and the issuing of a maximum of 8 400 000 registered shares, each with a fully paid up nominal value of CHF 1.00, or by increasing the nominal value of the issued shares. Capital reductions of less than CHF 1 033 624 may be performed within the capital band by canceling 1 033 624 shares with a nominal value of CHF 1.00 each, or by accordingly decreasing the nominal value of the issued shares.

The Board of Directors is authorized to limit or exclude the subscription right of individual shareholders and to assign it to other shareholders, to the Company or to third parties for purposes described in article 3b of the Articles of Association. The total number of registered shares which are issued after May 23, 2023 (i) from conditional share capital pursuant to article 3a of the Articles of Association under exclusion of priority subscription rights of the shareholders as well as (ii) under the capital band pursuant to article 3b of the Articles of Association under exclusion of subscription rights of the shareholders must however not exceed 2 067 249 registered shares.

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

Conditional capital

As of December 31, 2023, Peach Property Group AG has conditional capital of CHF 4 541 455 at its disposal. In accordance with Article 3a of the Articles of Association, as amended by the 2023 Annual General Meeting from May 24, 2023 and before further capital increases from conditional capital, the conditional capital may be used as a) up to an amount of CHF 200 000 for the exercise of conversion and/or option rights granted to employees of the Group; and b) up to an amount of CHF 4 409 878 for the exercise of conversion and/or option rights in connection with convertible bonds, warrant bonds, and similar instruments. The priority subscription right of the shareholders for the conversion and/or option rights can be excluded by resolution of the Board of Directors if such corporate bonds or financial market instruments are issued for the purposes described in article 3a of the Articles of Association. However, the total number of registered shares which are issued after May 23, 2023 (i) from conditional share capital pursuant to article 3a of the Articles of Association under exclusion of priority subscription rights of the shareholders as well as (ii) under the capital band pursuant to article 3b of the Articles of Association under exclusion of subscription rights of the shareholders must not exceed 2 067 249 registered shares.

In June 2023, a capital increase from conditional capital took place in the amount of CHF 68 423 under the exclusion of priority subscription rights of the shareholders by exercise of conversion rights granted to employees of the Group. Therefore, as of December 31, 2023, the total number of registered shares which may be issued under exclusion of priority subscription rights respectively under exclusion of subscription rights of the shareholders reduced to a maximum of 1 998 826 registered shares.

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

We annually enter the new shares issued from conditional capital in the commercial register and amend the Articles of Association accordingly (Article 653g SCO). In the 2023 financial year, conditional capital was entered in April, following the declaratory Board of Directors resolution of April 24, 2023, after the exercise of conversion rights under the former Mandatory Convertible Bonds, ISIN CH1234612187.

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2.3. Capital changes

Capital and changes in capital	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital as of December 31, 2019	6 601 474	6 601 474	1.00
Capital increases in 2020 financial year [1]	5 893 277	5 893 277	1.00
Share capital as of December 31, 2020	12 494 751	12 494 751	1.00
Capital increases in 2021 financial year [2]	4 387 622	4 387 622	1.00
Share capital as of December 31, 2021	16 882 373	16 882 373	1.00
Capital increase in 2022 financial year [3]	489 588 817	n.a.	30.00
Share capital as of December 31, 2022	506 471 190	16 882 373	30.00
Capital increase in 2023 financial year before AGM [4]	133 703 660	3 790 122	30.00
Capital decrease by the 2023 AGM [5]	- 599 502 355	n.a.	1.00
Capital increase in 2023 financial year after AGM [6]	68 423	68 423	1.00
Share capital as of December 31, 2023	20 740 918	20 740 918	1.00

1 Of which 2 494 775 exercises of conversion and option rights from bonds, 3 300 000 shares from the authorized capital, and 71 000 exercises from the 2017-2019 PSU program.
2 Of which 4 252 188 exercises of conversion and option rights from bonds, and 73 000 exercises from the 2018-2020 PSU program.
3 By ordinary capital increase from statutory capital contributions by increasing the nominal value of shares from CHF 1.00 to CHF 30.00, in accordance with the Articles of Association, as amended by the Annual General Meeting on May 20, 2022.
4 Capital increase following the exercise of conversion rights under the Mandatory Convertible Bonds, ISIN CH1234612187.
5 By capital reduction reducing the nominal value of all issued shares from CHF 30.00 to CHF 1.00 and allocating the reduction amount to legal capital reserves.
6 Of which 31 500 exercises from the 2020-2022 PSU program.

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

2.4. Shares and participation certificates

The share capital of Peach Property Group AG amounts to CHF 20 740 918 and consists of 20 740 918 fully paid-up registered shares with a nominal value of CHF 1.00 each. The shares carry equal rights. Each share carries an entitlement to one vote at the General Meeting.

As of December 31, 2023, we held 780 treasury shares (previous year: 11 183). Treasury shares are subject to voting and dividend rights restriction.

We have not issued any participation certificates.

2.5. Dividend rights certificates

We have not issued any dividend rights certificates.

2.6. Limitation on transferability and nominee registrations

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

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

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

2.7. Convertible bonds and options

Convertible bonds

As of April 12, 2023, the non-listed 5.0 % guaranteed senior unsecured mandatory convertible bond (ISIN CH1234612187) issued by our subsidiary, Peach Property Finance GmbH, became due and fully converted into 3 790 122 new shares from the conditional capital of our Company.

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 a year during a period of five business days starting on and including June 15, and December 15, of each year. The first conversion period starts on December 15, 2023. The conversion price is CHF 15.00 per Peach Property Group AG share (ISIN CH0118530366).

Further information in relation to the convertible bond is provided in Note 8 of the consolidated financial statements or on page 40 under "Investor information".

Options

As of December 31, 2023, we had a hybrid warrant bond (PEA231, ISIN CH0417376040), with an original listed amount of CHF 60 million. The outstanding amount was reduced to CHF 45.251 million following an exchange offer during the year. The former exercise period already closed on June 25, 2021, and options not exercised by this date automatically expired without compensation. Since June 22, 2023, we decided against exercising our call option of 100 %. 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.

Further information in relation to the hybrid warrant bond is provided in Note 7 of the consolidated financial statements, or on page 40 under "Investor information".

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

3 Board of Directors

3.1. Members of the Board of Directors

The Board of Directors of Peach Property Group AG, including the Chairman, consists of a minimum of three and a maximum of five members (Article 13 of the Articles of Association). At the 2023 Annual General Meeting held on May 24, 2023, the shareholders confirmed the existing members in office. Reto Garzetti, Executive Chairman of the Board of Directors, and Kurt Hardt, Member of the Board of Directors, decided to step down from the Board of Directors of Peach Property Group AG as of October 31, 2023. Board Member Klaus Schmitz was appointed as Executive Chairman of the Board of Directors for the remaining term of office through the 2024 Annual General Meeting.

As of December 31, 2023,The Board of Directors consists of the following three members:

First name, last name	Position	On the Board of Directors since	Elected until
Klaus Schmitz	Executive Chairman [1]	2020	2024 General Meeting
Peter Bodmer	Member	2009	2024 General Meeting
Dr. Christian De Prati	Member and Vice-Chairman [2]	2011	2024 General Meeting

1 Executive Chairman ad interim since November 1, 2023. 2 Vice-Chairman since May 25, 2023, after the AGM 2023.

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Klaus Schmitz
(Executive Chairman)

Born in 1982
German citizen

Peter Bodmer
(Member)

Born in 1964
Swiss citizen

Dr. Christian De Prati
(Vice-Chairman)

Born in 1970
Swiss citizen

Education

Klaus Schmitz: Economics and philosophy at the London School of Economics (LSE) and MBA from Harvard Business School

Peter Bodmer: Business Administration at the University of Zurich and MBA from IMD Lausanne, master's degree in business administration (lic. oec. publ.) and MBA

Dr. Christian De Prati: Economics at the University of Zurich, doctorate in economics (Dr. oec. publ.)

Professional history

Klaus Schmitz has a long career in investment banking and private equity with a focus on real estate.

Since 2016 at Ares Management as Managing Director responsible for real estate investments and management in Germany, Austria, and Switzerland (DACH region).

Previously with Starwood Capital Group and Rothschild, London.

Peter Bodmer has extensive national and international experience with various companies in the engineering, automotive supply, construction, and real estate industries.

Since 2011 Director of Beka-Küsnacht AG, which specializes in real estate services and business development.

Until end of 2012 Senior Advisor for Implenia.

Until end of 2011 Member of the Group Executive Management and Director of Implenia Industrial Construction.

Dr. Christian De Prati has had a lengthy career in investment banking.

Since 2017 member of the Advisory Committee of SSVL (Monaco) SAM.

2011 to 2017 Supervisory Board Member of the investment company Sterling Strategic Value Ltd.

2009 to 2011 country head Switzerland at Bank of America Merrill Lynch.

1998 to 2008 CEO Merrill Lynch Capital Markets AG.

Mandates outside Peach Property Group

Klaus Schmitz

Managing Director

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

Peter Bodmer

Chairman of the Board of Directors and Managing Director

- Beka-Küsnacht AG, Küsnacht, Switzerland

Chairman of the Board of Directors

- Helvetica Property Group AG, Zurich, Switzerland [1]

Vice-Chairman of the Board of Directors

- Helvetica Property Investors AG, Zurich, Switzerland [1]
- Novus Holding AG, Urdorf, Switzerland [2]

Member of the Board of Directors

- Arbonia AG, Arbon, Switzerland
- Brütsch/Rüegger Holding AG, Urdorf, Switzerland [2]
- Inovetica Holding AG, Baar, Switzerland
- Klinik Schloss Mammern AG, Mammern, Switzerland
- Kuratle Group AG, Leibstadt, Switzerland
- Nüssli (Schweiz) AG, Hüttwilen, Switzerland

President of the Board of Trustees

- Profond Anlagestiftung, Zurich, Switzerland [3]
- Profond Vorsorgeeinrichtung, Zurich, Switzerland [3]
- Stiftung Innovationspark Zurich, Zurich, Switzerland

Vice-Chairman of the Board of Trustees

- Wilhelm Schulthess-Stiftung, Zurich, Switzerland

Managing Director

- BB's Pure GmbH, Küsnacht, Switzerland

Chairman of the Steering Committee

- University Hospital Zurich, Zurich, Switzerland

Vice-Chairman of the Board of the University

- University of Zurich, Zurich, Switzerland

Dr. Christian De Prati

Member of the Board of Directors and of the Audit and Risk Committee

- Cornèr Banca SA, Lugano, Switzerland

Member of the Board of Directors

- Rothschild & Co. Bank AG, Zurich, Switzerland

Managing Director

- dP Capital GmbH, Freienbach, Switzerland

Member of the Advisory Committee

- SSVL (Monaco) SAM, Monaco

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

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None of the members of the Board of Directors is a member of the Executive Management of Peach Property Group AG or any Group company. From November 1, 2023, Klaus Schmitz assumed operational management responsibilities and the chairmanship of the Executive Management as appointed Executive Chairman (without becoming a member of the Executive Management in line with Section 3 of the Organizational Regulations).

Areas of expertise and competencies

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

Expertise	BoD members covering the expertise
Acquisitions	3/3
Capital markets	3/3
Financing	3/3
Further board experience	2/3
Human Resources and Compensation	2/3
Management of larger organizations	3/3
Real estate asset - and property management	2/3
Real estate Germany	2/3
Real estate Switzerland	2/3
Regulatory and Juridical	1/3
Sustainability and ESG	3/3
Technology and Digitization	3/3

Definition of independence in relation to the Board of Directors members

For us at Peach Property Group, independence requires that the respective member of the Board of Directors is a non-executive member who has either never been, or at least not within the last three years been a member of the Company’s Executive Management. The member has also not been an employee or partner in our external auditors’ audit engagement team during the last three years. Furthermore, an independent member has no or only minor (< CHF 250 000 p.a.) business relations with the Company or its Group companies. Neither the duration of the term of office nor the position as a significant shareholder are criteria for the independence of a Board of Directors member if the respective member does not directly or indirectly hold or represent more than 15 % of the share capital. See also Section 4 of the Organizational Regulations. The Board of Directors may define further criteria for the independence of its members.

As of December 31, 2023, the Board of Directors considers two of its three members as independent. The exception is Klaus Schmitz who acts as Chair of the Executive Management as well as a shareholder representative within the meaning of Article 13(3) of the Articles of Association.

3.2. Other activities and vested interests

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

Members of the Board of Directors are obliged to abstain from voting when business matters arise, which may affect their interest, or the interest of people close to them. The Board of Directors decides whether a conflict of interest is identified. The affected member of the Board of Directors, or Executive Management does not take part in the discussion, or in the decision concerning the relevant matter. The affected member however has the right to make a personal statement prior to the discussion held (see also Section 9.2 of the Organizational Regulations). The current organizational regulations were published on May 24, 2023, and can be found on our website at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance.

3.3. Number of permitted activities

Pursuant to Article 20 of the Articles of Association, each member of the Board of Directors may hold a total of no more than 15 mandates outside the Group in the supreme management or administrative bodies of profit orientated legal entities with an economic purpose, of which at most five mandates may be in legal entities that have equity securities listed on a stock exchange. The number of mandates in other legal entities is limited to fifteen. Mandates and appointments in affiliated entities or those that are exercised in the role of member of the supreme management or administrative body are counted as a single mandate.

3.4. Election and terms of office

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

If a member of the Board of Directors is replaced through election by an Extraordinary General Meeting before his or her term of office ends, his or her successor will be appointed for the remainder of this term. If the position of Chairman of the Board of Directors is vacant, the Board of Directors will appoint a new Chairman from among its members for the remaining term of office. In the reporting period, such happened when former Chairman, Reto Garzetti, stepped down as of October 31, 2023, and Klaus Schmitz was appointed as Chairman ad interim until the 2024 General Meeting.

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

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

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

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Selection criteria for new members of the Board of Directors

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

3.5. Internal organizational structure

Apart from the Chairman and members of the Nomination and Compensation Committee, the Board of Directors organizes itself. Pursuant to Section 6.1 of the Organizational Regulations, the shareholder representative is entitled to sit on all existing and future committees or, regarding to the Nomination and Compensation Committee, to be proposed for election at the General Meeting. Only if the shareholder representative acts as Executive Chairman, he may not be a member of the Audit and Risk Committee.

Reto Garzetti, Chairman until October 31, 2023, was first elected as Chairman by the 2015 Annual General Meeting, held on May 8, 2015, and last re-elected as Chairman by the 2023 Annual General Meeting, held on May 24, 2023. In this position, he was responsible, among other things, for convening and preparing the meetings of the Board of Directors and the General Meeting, as well as for chairing the meetings. The Board of Directors is convened as often as business requires, but at least three times a year. In addition, any member of the Board of Directors and the Chief Executive Officer of the Executive Management may request that a meeting be convened, stating the reasons. With Dr. Thomas Wolfensberger stepping down from his role as Chief Executive Officer as per the 2023 General Meeting, Chairman Reto Garzetti assumed operational management responsibilities and the chairmanship of the Executive Management as Executive Chairman. To reflect this new role in the internal regulations, the Organizational Regulations were amended as of May 24, 2023. With Executive Chairman Reto Garzetti stepping down from the Board of Directors as of October 31, 2023, Klaus Schmitz was appointed new Chairman and equally assumed the role as Executive Chairman starting November 1, 2023.

The Board of Directors has a quorum when at least two thirds of its members are present (Article 18 of the Articles of Association). To be adopted, resolutions require a majority of the participating members of the Board of Directors, subject to the prevailing Organizational Regulations. In case the votes are tied, the person chairing the meeting casts the deciding vote. Circular resolutions require the unanimity of the participating members. No quorum is required for resolutions regarding capital increase reports and resolutions that must be decided on as public deeds by mandatory law.

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

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

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

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

The Company has Organizational Regulations, which were last amended on May 24, 2023. The regulations can be viewed at https://www.peachproperty.com/en/investor-relations-en/#corporategovernance. The Organizational Regulations govern the duties and powers of the bodies entrusted with the management of the Company.

In accordance with the Organizational Regulations, Section 5, the Board of Directors generally arranges for an annual assessment of its performance and that of its individual members. The Chairman of the NCC initiates and leads the process, with external support as needed.

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The Board of Directors may entrust its members with the supervision and monitoring of certain specialist areas in a committee. These committees consist exclusively of members of the Board of Directors. Provided he or she is professionally qualified, the shareholder representative is entitled to attend all existing and future committees. The Board of Directors had three committees in the 2023 financial year:

- The **Audit and Risk Committee** (ARC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with supervision of the accounting and financial reporting processes, the internal control system (ICS), and the audit firm (external auditors) as well as with monitoring compliance with legal requirements, as described in detail in the description of duties in the Organizational Regulations. The Audit and Risk Committee meets at least three times a year, including once to discuss the annual financial statements with the auditors.
- The **Nomination and Compensation Committee** (NCC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with determining and implementing the remuneration policy and system as well as in human resources, as described in detail in Article 22 of the Articles of Association and in the description of duties in the Organizational Regulations. The NCC meets at least twice a year. The Chairman of the Board of Directors (if not a member of the NCC) and the Chief Executive Officer (if appointed) attend the meetings ex officio in an advisory capacity.
- The **Investment Committee** (IC) is composed of at least two members of the Board of Directors. It supports the Board of Directors with all investment matters and with assessing the associated risks, as described in detail in the description of duties and powers in the Organizational Regulations. The Investment Committee has decision-making authority primarily for investments and divestments of between CHF 1 million and CHF 5 million in equity capital. It meets as often as business requires. The Chairman of the Board of Directors (if not a member of the IC) and the Chief Executive Officer (if appointed) attend the meetings ex officio in an advisory capacity.

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

The committees had the following members in the 2023 financial year:

Period	Audit and Risk Committee, ARC	Nomination and Compensation Committee, NCC	Investment Committee, IC
January 1, to May 24, 2023 (incl.)	Peter Bodmer (Chairman) Reto Garzetti Klaus Schmitz	Dr. Christian De Prati (Chairman) Kurt Hardt Klaus Schmitz	Kurt Hardt (Chairman) Reto Garzetti Peter Bodmer Dr. Christian De Prati Klaus Schmitz
May 25, to October 31, 2023 (incl.)	Peter Bodmer (Chairman) Dr. Christian De Prati Klaus Schmitz	Dr. Christian De Prati (Chairman) Kurt Hardt Klaus Schmitz	Kurt Hardt (Chairman) Reto Garzetti Peter Bodmer Dr. Christian De Prati Klaus Schmitz
November 1, to December 31, 2023	Peter Bodmer (Chairman) Dr. Christian De Prati	Dr. Christian De Prati (Chairman) Klaus Schmitz	Peter Bodmer (Chairman) Dr. Christian De Prati Klaus Schmitz

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

Meeting title	Nature	BoD	ARC	NCC	IC	Duration in min.	Attendance
ARC 01	Meeting [1]		X			95	Full attendance
BoD 01	Meeting [1]	X				470	Full attendance
NCC 01	Meeting [1]			X		110	Full attendance
BoD 02 / ARC 02 / NCC 02	Meeting [1]	X	X	X		490	Full attendance
BoD 03	Circular resolution	X				n.a.	Full attendance
BoD 04	Circular resolution	X				n.a.	Full attendance
BoD 05	Circular resolution	X				n.a.	Full attendance
BoD 06	Meeting [1]	X				144	Full attendance
BoD 07 / NCC 03	Meeting [1]	X		X		215	Full attendance
BoD 08	Meeting [1]	X				120	Full attendance
BoD 09	Circular resolution	X				n.a.	Full attendance
BoD 10 / ARC 03	Meeting [1]	X	X			380	Full attendance
BoD 11	Circular resolution	X				n.a.	Full attendance
BoD 12	Meeting [1]	X				150	P. Bodmer excused
BoD 13	Circular resolution	X				n.a.	Full attendance
BoD 14	Circular resolution	X				n.a.	Full attendance
BoD 15	Circular resolution	X			X	n.a.	Full attendance
BoD 16	Circular resolution	X			X	n.a	Full attendance
BoD 17 / ARC 04	Meeting [1]	X	X			250	Full attendance
Total number of meetings and circular resolutions		**17**	**4**	**3**	**2**		
Total duration (excl. circular resolutions)					**2 424**	**2 424**	
Average duration (excl. circular resolutions)						**242**	

1 Session with telephone dial-in.

The meetings were attended, without voting rights, by Dr. Thomas Wolfensberger (Chief Executive Officer until the General Meeting of May 24, 2023), Thorsten Arsan (Chief Financial Officer), and, as Secretary to the Board of Directors, Peter Slongo (General Counsel). Dr. Andreas Steinbauer (Head of Letting and Sales), Nicole Grau (Head of Group Accounting), and representatives of the external auditors and the property appraiser also attended upon request. A representative of our anchor shareholder also attended several meetings as an observer, within the meaning of Section 2.6 of the Organizational Regulations.

3.6. Definition of areas of responsibility

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

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

The Board of Directors has delegated the operational management of the Company and the related management duties to the Executive Management within the limits of the law, the Articles of Association, and the Organizational Regulations, as described in detail in the description of duties and powers in the Organizational Regulations. Within this framework, the day-to-day business is managed by the Executive Management. The Executive Management also manages the Group companies. The Executive Management elected by the Board of Directors consists of at least a Chief Executive Officer (if appointed, otherwise an Executive Chairman chairs the Executive Management without being part of this body) and a Chief Financial Officer. However, other persons may also be elected to the Executive Management.

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

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

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

4 Executive Management

4.1. Members of the Executive Management

In the 2023 financial year, the Executive Management of Peach Property Group AG was as follows:

First name, last name	Position	With Peach since
Dr. Thomas Wolfensberger (until May 24, 2023)	Chief Executive Officer	2006
Thorsten Arsan	Chief Financial Officer	2021
Dr. Andreas Steinbauer	Head of Letting and Sales	2009

Dr. Thomas Wolfensberger stepped down from the role of Chief Executive Officer effective from the end of the General Meeting of May 24, 2023, and the re-elected Chairman of the Board of Directors, Reto Garzetti, assumed operational management responsibilities and the chairmanship of the Executive Management as Executive Chairman. With Reto Garzetti stepping down from the Board of Directors as of October 31, 2023, Board Member Klaus Schmitz was appointed new Chairman and took over the role as Executive Chairman. The Executive Chairman is chair but not member of the Executive Management as stated in Section 3 of the Organizational Regulations.

As of December 31, 2023, the Executive Management consists of Thorsten Arsan (Chief Financial Officer) and Dr. Andreas Steinbauer (Head of Letting and Sales).

Thorsten Arsan (Chief Financial Officer)	**Dr. Andreas Steinbauer** (Head of Letting and Sales)
Born in 1974 German citizen	Born in 1975 Swiss and German citizen
	
Education	
Degree in business administration with a focus on real estate and construction from the Biberach University of Applied Sciences / MBA program International Real Estate Management at the South Bank University in London	Degree in Business Administration from Georg-Simon-Ohm University in Nuremberg / master's degree in real estate and doctorate in International Real Estate Markets
Professional history	
From June 1, 2021, the CFO of the Peach Group. Previously he was Head of Corporate Finance/Deputy Head of Finance & Treasury at Vonovia SE (2013 – 2020) and the former Senior Vice President for Finance, Controlling, Investor Relations and M&A at Adler Group SA. (2020 – 2021).	With the Peach Group since 2009, as Head of Sales and Marketing since 2013, as Head of Letting and Sales from Q4/2018. Until 2009 he was responsible for the portfolio of luxury project developments of the Orco Property Group in Berlin.
Mandates outside Peach Property Group	
None	None

4.2. Other activities and vested interests

As of December 31, 2023, the members of the Executive Management did not perform any activities in management and supervisory bodies or permanent management and advisory roles for key interest groups.

4.3. Number of permitted activities

Pursuant to Article 24 of the Articles of Association, each member of the Executive Management may hold outside the Group a total of no more than three mandates in the supreme management or administrative bodies of profit orientated legal entities with an economic purpose, of which at most one mandate may be in a legal entity that has equity securities listed on a stock exchange. The number of mandates in other legal entities is limited to ten. Mandates and appointments in affiliated entities or those that are exercised in the role of member of the supreme management or administrative body are counted as a single mandate.

4.4. Management contracts

We have not concluded any management contracts with third parties.

5 Remuneration, shareholdings, and loans

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

6 Shareholders' participation rights

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

6.1. Voting rights restrictions and representation

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

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

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

6.2. Quorums required by the Articles of Association

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

6.3. Convocation of the General Meeting

The ordinary General Meeting of our Company is held annually within six months of the close of the financial year. Extraordinary General Meetings can be convened at any time as required. A General Meeting may be convened by the Board of Directors, auditors, or liquidators. The Board of Directors also convenes a General Meeting upon request of shareholders who together represent at least 5 % of all shares, stating the items on the agenda and the motions (Article 7 of the Articles of Association).

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

In the 2023 financial year, the Annual General Meeting of our Company was held in Zurich on May 24, 2023. Following an interruption of three years due to the coronavirus situation, shareholders and shareholder representatives could physically attend the General Meeting again.

6.4. Inclusion of items on the agenda

Shareholders who together represent at least 0.5 % of all shares may request that items be included on the agenda. The request for inclusion on the agenda must reach the Company at least 45 days before the General Meeting (Article 8(2) of the Articles of Association).

6.5. Entries in the share register

See Section 6.1. “Voting rights restrictions and representation”.

7 Change of control and defense measures

7.1. Duty to make an offer

According to the applicable financial market regulations, a person who directly, indirectly, and/or together with third parties acquires shares in a company listed in Switzerland and thereby exceeds the limit of 33⅓ % of the voting rights of the company must submit a takeover bid for the acquisition of all shares.

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

7.2. Clauses of change of control

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

8 Auditors

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

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

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

8.2. Auditing fee

For the current financial year, we expect a total fee to the auditors of CHF 484 thousand (previous year: CHF 792 thousand) of which CHF 396 thousand for the fulfillment of statutory duties as auditors. The remainder of the amount is related to other assurance services. These consist of the audit and the review of annual, group and semi-annual reports. The decrease compared to the previous year is mainly explained with the fact that there were no capital market transaction requiring the involvement of the auditors. All referenced amounts are excluding value-added taxes.

8.3. Additional fees

In the current financial year, additional fees were incurred towards PricewaterhouseCoopers AG for consulting services in the amount of CHF 104 thousand (previous year: CHF 521 thousand). In the 2023 financial year, the fees were predominantly related to ongoing tax advice (e.g., tax returns). The decrease compared to the previous year is mostly explained by the insourcing of certain tax functions in Germany.

Fees totaling CHF 706 thousand (previous year: CHF 681 thousand) related to the independent real estate appraiser Wüest Partner AG, Zurich, and W&P Immobilienberatung GmbH, Frankfurt.

All referenced amounts are excluding value-added taxes.

8.4. Information instruments pertaining to the external audit

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

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

9 Information policy

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

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

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

Section 1 - Corporate Governance

10 Quiet periods (Blocking periods for trading)

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

Contacts

Peach Property Group AG
Neptunstrasse 96 | 8032 Zurich | Switzerland

Klaus Schmitz, Executive Chairman and Thorsten Arsan, Chief Financial Officer
Telephone +41 44 485 50 00 | investors@peachproperty.com

Important dates
- General Meeting 2024: Tuesday, May 14, 2024, in Zurich.
- Publication of 2024 half-year results: August 22, 2024

Section 2 - Remuneration Report

1 Introduction

1.1. Overview

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

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

The Remuneration Report complies with the provisions in Articles 734 et seqq. of the Swiss Code of Obligations and the Directive on Information Relating to Corporate Governance (DCG) of the SIX Exchange Regulation AG (https://www.ser-ag.com/dam/downloads/regulation/listing/directives/dcg-en.pdf) and further is based in particular on the provisions of Articles 26 to 35 of the Articles of Association.

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

Section 2 - Remuneration Report

1.2. CVs and mandates of the members of the Board of Directors and the Executive Management

Listed below are activities of the members of the Board of Directors and the Executive Management in accordance with DCG, including mandates in accordance with Article 734e and Article 626 para. 2 point 1 of Swiss Code of Obligations. Further information regarding education and professional history of the members of the Board of Directors and the Executive Management can be found in Section 3.1 and Section 4.1 of Corporate Governance Report.

Board of Directors

Klaus Schmitz
(Executive Chairman)

Born in 1982,
German citizen

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

Peter Bodmer
(Member)

Born in 1964,
Swiss citizen

Chairman of the Board of Directors and Managing Director
- Beka-Küsnacht AG, Küsnacht, Switzerland

Chairman of the Board of Directors
- Helvetica Property Group AG, Zurich, Switzerland [1]

Vice-Chairman of the Board of Directors
- Helvetica Property Investors AG, Zurich, Switzerland [1]
- Novus Holding AG, Urdorf, Switzerland [2]

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

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

Vice-Chairman of the Board of Trustees
- Wilhelm Schulthess-Stiftung, Zurich, Switzerland

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

Chairman of the Steering Committee
- University Hospital Zurich, Zurich, Switzerland

Vice-Chairman of the Board of the University
- University of Zurich, Zurich, Switzerland

Dr. Christian De Prati
(Vice-Chairman)

Born in 1970,
Swiss citizen

Member of the Board of Directors and of the Audit and Risk Committee
- Cornèr Banca SA, Lugano, Switzerland

Member of the Board of Directors
- Rothschild & Co. Bank AG, Zurich, Switzerland

Managing Director
- dP Capital GmbH, Freienbach, Switzerland

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

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

Executive Management	
Thorsten Arsan (Chief Financial Officer)	**Dr. Andreas Steinbauer** (Head of Letting and Sales)
Born in 1974, German citizen	Born in 1964 Swiss citizen
None	None

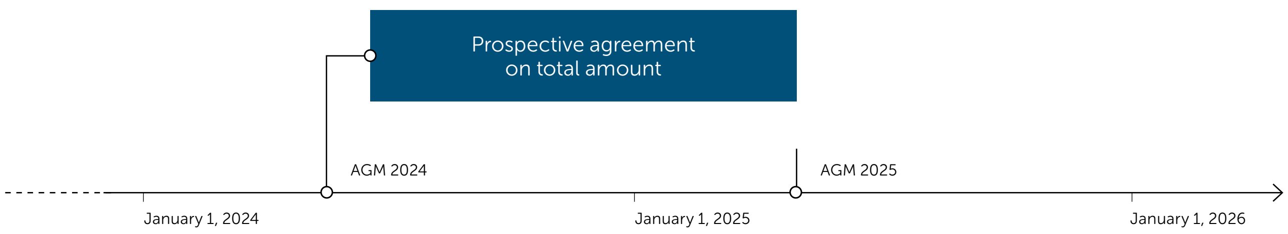
2 Responsibilities and determination procedures

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

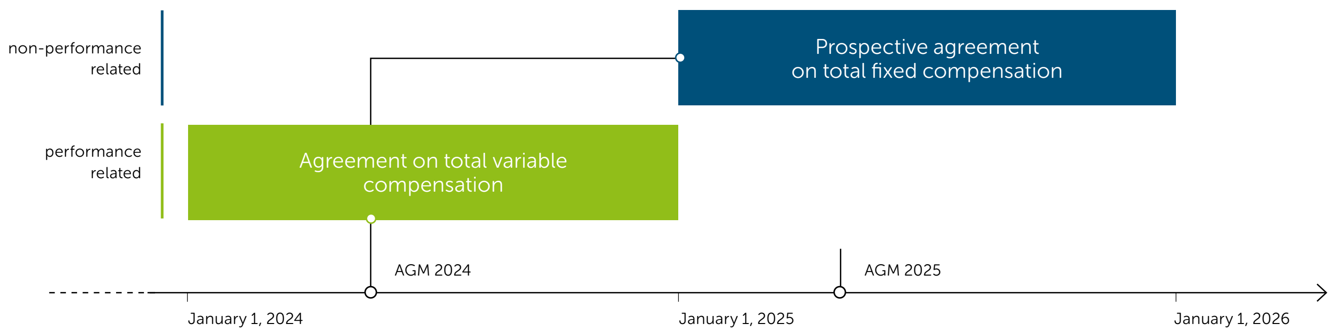
The General Meeting approves, in accordance with Article 26(1) of the Articles of Association, the maximum total amounts of:

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

Remuneration of the Board of Directors



Remuneration of the Executive Management



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

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

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

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

3 Remuneration system

3.1. General principles

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

3.2. Remuneration of the Board of Directors

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

a) modular remuneration based on position in the Board of Directors and membership of committees, and;
b) variable remuneration dependent on the achievement of Company targets

plus, the Company's social security contributions.

Until the General Meeting 2023 of May 24, 2023 (incl.), the basic remuneration for the Chaiman of the Board of Directors was CHF 160 000, and CHF 50 000 for a member of the Board of Directors. As in the previous year the remuneration for chairing a committee was CHF 30 000, and for committee membership, CHF 20 000. For the term after the General Meeting 2023 and following the Chairman of the Board assuming the role as Executive Chairman and operative management responsibilities, and the introduction of a Vice-Chairman, the renumeration model was adapted. As of May 25, 2023, the basic renumeration for a member of the Board of Directors was increased to CHF 100 000. Furthermore, the Chairman of the Board receives an additional amount of CHF 50 000 as compensation for chairing the Board of Directors, and another CHF 150 000 for chairmanship of the Executive Management as Executive Chairman (i.e. a total of CHF 300 000 for the Executive Chairman). The Vice-Chairman is compensated with an additional CHF 25 000, which amounts to CHF 125 000 in total. Chairing or membership of committees is no longer renumerated. All amounts are per year of office and exclude social security contributions.

Members of the Board of Directors receive a portion of their remuneration described in a) in shares of the Company, restricted for one year. For the 2023 financial year, the Board of Directors approved a share component of 50 % (previous year: 50 %). The number of shares is determined based on the average share price of the last ten trading days in the 2023 financial year and the first ten trading days in the new financial year ("allotment price"). For the calculation of the amount of the remuneration in this remuneration report, the number of shares determined for the allotment price is multiplied by the closing price of the allotment according to the allotment decision of the Board of Directors ("price at allotment"). The relevant amounts for the 2023 compensation are: allotment price CHF 10.82, and price at allotment CHF 10.10.

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

Klaus Schmitz, who acts as a shareholder representative within the meaning of Article 13(3) of the Articles of Association, does not receive any remuneration. This remained unchanged when he was appointed new Chairman and took over the role as Executive Chairman as of November 1, 2023.

3.3. Remuneration of the Executive Management

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

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

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

Group targets (corporate KPIs of the Group) are based on the respective budgets and are set annually by the Board of Directors for the entire Group. Group targets in the current financial year were set for the share price, net rental income and EBITDA (adjusted for non-cash impacts as the valuation result), all three with an equal weighting. For the 2023 financial year, two of these goals were not met and only the net rental income target was partially achieved.

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

The variable remuneration is limited to no more than 150 % of the fixed remuneration in total. For Dr. Andreas Steinbauer, Head of Letting and Sales, a special rule applies with fixed salary of CHF 300 000, a relatively low bonus of CHF 10 000, and commissions dependent on letting and sales success, which are capped at CHF 300 000. The commission model is based primarily on a share of one month's rent for newly rented apartments, where the percentage varies depending on whether the rental is a fluctuation rental (rental of a previously rented apartment after the tenants have left) or a rental reducing vacancy (rental of

Section 2 - Remuneration Report

an apartment not previously rented) and the sale of units (e.g., condominiums of the “Peninsula Wädenswil” development project in Switzerland). Furthermore, Dr. Andreas Steinbauer receives a bonus for the reduction of lost income due to collection risk. Added to this are sales commissions for apartments sold.

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

The Board of Directors decided to settle 50 % of the 2023 bonuses of Chief Financial Officer, Thorsten Arsan, and of the Head of Letting and Sales, Dr. Andreas Steinbauer, in shares. The share portion of the commissions paid to Dr. Andreas Steinbauer amounted to 35 %. A loyalty bonus of CHF 50 000 allocated to CFO, Thorsten Arsan, was fully paid in cash. As with the Board of Directors, the number of shares is determined using the allotment price, and the number of shares is multiplied by the price at the time of allotment to calculate the amount of the remuneration. The pro rata bonus of the former Chief Executive Officer, Dr. Thomas Wolfensberger (until the General Meeting of May 24, 2023), was fully paid in cash.

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

3.4. Option plans and other employee participation plans

Performance Stock Unit programs

In the 2023 financial year, the Board of Directors again approved a framework for share-based payment compensation, called “2023 – 2025 PSU program”.

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

The vesting period for the 2020 – 2022 PSU program ended as per the 2022 financial year end and was approved as part of the annual financial statements 2022 in the General Meeting 2023. According to the provisions of the respective programs, the approval of the 2021 – 2023 PSU program will take place at the General Meeting 2024, for the 2022 – 2024 PSU program at the General Meeting 2025, and for the 2023 – 2025 PSU program at the General Meeting 2026. The share allocation will be made no later than six months after the respective vesting date.

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

The targets to be achieved under the PSU programs are all Group targets. Through the 2020 – 2022 PSU program, two sub-targets were to be achieved, each with a weighting of 50 %, namely the capital market and the consolidated earnings sub-targets. From the 2021 – 2023 PSU program onwards, three sub-targets are to be achieved. In the 2021-2023 and 2022-2024 programs the average interest rate on external borrowings was added as a further sub-target, with all three sub-targets carrying an equal weighting of 33 1/3 %. For the 2023-2025 PSU program, the newly added sub-target of the average interest rate on external borrowings was replaced by the sub-target of ESG-Rating.

For the 2021-2023 PSU program, the capital market sub-target measures the share price three days after publication of the provisional annual results of the last financial year of the performance period (not counting the day of publication). As price target (capital market sub-target), an annual TSR (Total Shareholder Return, i.e. share price development plus any dividends or other benefits paid) of 11 % p.a. over the performance period was set. The consolidated earnings sub-target measures the cumulative consolidated result after tax compared to the budget and business plan over the entire performance period. The average interest rate on external borrowings for the Group in the last year of the performance period is relevant with respect to the third sub-target. Under the 2021-2023 PSU program, none of the three sub-targets were met and therefore, the PSUs will not vest into shares.

Under the 2023 – 2025 PSU program, 56 900 PSUs were allocated on April 1, 2023. Under this program 13 000 entitlements were forfeited as of December 31, 2023.

In the 2022 financial year, under the 2022 – 2024 PSU program, 24 700 PSUs were allotted as of April 1, 2022, of which 8 500 entitlements were forfeited as of December 31, 2023.

In the 2021 financial year, under the 2021 – 2023 PSU program, 43 000 PSUs were allotted as of June 2, 2020, of which 17 000 entitlements were forfeited as of December 31, 2023.

Under the 2020 – 2022 PSU program, 31 500 PSUs vested at the General Meeting on May 24, 2023. In June 2023, a total of 31 500 registered shares in Peach Property Group AG were allocated to the beneficiaries.

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

3.5. Fringe benefits

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

3.6. Pension benefits

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

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

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

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

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

Section 2 - Remuneration Report

4 Remuneration in the 2023 financial year

4.1. Remuneration paid to the Board of Directors

The remuneration paid to the members of the Board of Directors for the 2023 financial year, including social security contributions and a valuation of the share component at the price upon allotment (closing price on February 7, 2023, the third day of trading after publication of the provisional annual results) as well as a valuation of the allotted PSUs, totals CHF 571 thousand and is broken down as follows:

Name, position	2023 remuneration					2022 remuneration				
in CHF	Fee in cash	Fee in shares [5]	PSUs at fair value [6]	Social sec. [7]	**Total**	Fee in cash	Fee in shares [5]	PSUs at fair value [6]	Social sec. [7]	**Total**
Reto Garzetti Chairman / Executive Chairman [1]	105 205	98 202	0 [8]	14 690	**218 097**	100 000	123 374	97 000	23 110	**343 484**
Peter Bodmer Member	50 000	46 672	26 946	0 [9]	**123 618**	50 000	61 698	65 475	0 [9]	**177 173**
Dr. Christian De Prati Member / Vice-Chairman [2]	57 568	53 732	26 946	10 509	**148 755**	50 000	61 698	65 475	12 970	**190 143**
Kurt Hardt Member [3]	41 644	38 875	0 [10]	0 [11]	**80 519**	50 000	61 698	0 [10]	0 [11]	**111 698**
Klaus Schmitz Member / Executive Chairman [4]	0	0	0	0	**0**	0	0	0	0	**0**
					570 989					**822 498**

1 Chairman until the AGM of May 24, 2023, Executive Chairman from the AGM until October 31, 2023.
2 Vice-Chairman for the term after the AGM of May 24, 2023.
3 Member of the BoD until October 31, 2023.
4 Shareholder representative Klaus Schmitz does not receive a fee, neither as member of the BoD nor as Executive Chairman (as of November 1, 2023).
5 Valuation at closing price on February 7, 2024, of CHF 10.10 per share, share component 50 %.
6 Valuation at allotment on April 1, 2023, of CHF 9.98 per PSU.
7 Contributions by the Company.
8 Forfeited due to resignation from the BoD.
9 Settlement via a company / no social security contribution.
10 Kurt Hardt did not participate in the PSU-program.
11 No social security contributions are incurred in Switzerland.

The total remuneration of the Board of Directors decreased compared to the previous year mainly due to the resignations of Reto Garzetti and Kurt Hardt from the Board of Directors as of October 31, 2023, and a significantly lower fair value of PSUs allotted to the Board of Directors (CHF 9.98 per PSU in the 2023 financial year vs. CHF 48.50 per PSU in the previous year). The fair value of the PSUs is determined by a specialized external office, using the Monte Carlo method.

One member of the Board of Directors received compensation at arm's length in the amount of CHF 29 thousand for services rendered in connection with the placement of the convertible bond, PEA234.

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

4.2. Remuneration paid to members of the Executive Management

The remuneration paid to the members of the Executive Management for the 2023 financial year, including fringe benefits (company cars), commissions, social security contributions, and a valuation of the share component of the bonus at the price upon allotment (closing price on February 7, 2024, the third day of trading after publication of the provisional annual results) as well as a valuation of the allotted PSUs, totals CHF 1.900 thousand and is broken down as follows:

Name, position	2023 remuneration								
in CHF	Fixed remuneration in cash	Variable remuneration in cash	*of which commissions*	Variable remuneration in shares [2]	*of which commissions*	PSUs at fair value [3]	Fringe benefits [5]	Social sec. and occ. pension [6]	**Total**
Dr. Thomas Wolfensberger CEO [1]	177 534	175 000	*0*	0	*0*	0 [4]	8 651	50 094	**411 279**
Thorsten Arsan CFO	360 000	135 000	*0*	79 346	*0*	59 880	7 906	99 708	**741 840**
Dr. Andreas Steinbauer Head of Letting and Sales	300 000	198 167	*195 000*	100 970	*98 010*	29 940	9 577	108 697	**747 351**
									1 900 470

1 CEO and member of the Executive Management until the AGM of May 24, 2023 (incl.).
2 Valuation at closing price of February 7, 2024, of CHF 10.10 per share, share component 50 % of the bonuses and 35 % of the commissions with the exception of the bonus of former CEO, Dr. Thomas Wolfensberger who's share component is 0 % and a loyalty bonus of CFO Thorsten Arsan of CHF 50 000 which was paid out in cash.
3 Valuation at allotment on April 1, 2023, of CHF 9.98 per PSU.
4 Forfeited due to resignation from the Executive Management as CEO.
5 Company cars.
6 Contributions by the Company.

The highest individual remuneration in the current financial year, in the amount of CHF 747 thousand, was earned by Dr. Andreas Steinbauer, Head of Letting and Sales (previous year: Dr. Andreas Steinbauer, Head of Letting and Sales, CHF 1.155 thousand).

In the previous year, the remuneration paid to the members of the Executive Management totalled CHF 2.758 thousand and is broken down as follows:

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

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

The total remuneration of the Executive Management decreased significantly compared with the previous year, partly due to Dr. Thomas Wolfensberger having stepped down as Chief Executive Officer as of the General meeting of May 24, 2023, and partly due to the introduction of an upper limit of CHF 300 000 for commissions of the Head of Letting and Sales, Dr. Andreas Steinbauer. Furthermore, the fair value of PSUs allotted to the Executive Management was significantly lower than the year before (CHF 9.98 per PSU in the 2023 financial year vs. CHF 48.50 per PSU in the previous year). The fair value of the PSUs is determined by a specialized external office, using the Monte Carlo method.

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

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

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

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

in CHF	Remuneration paid in the 2023 financial year	Remuneration approved for the 2023 financial year [1]
Remuneration of the Board of Directors	**570 989**	**909 178**
Remuneration of the Executive Management		
Non-performance-related remuneration (fixed pay)	1 071 569	1 400 000
Performance-related remuneration (variable pay)	828 901	1 000 000
Total remuneration of the Executive Management	**1 900 470**	**2 400 000**

1 The comparison of the remuneration of the Board of Directors paid in the current financial year with the one approved by the General Meeting requires a pro rata calculation as the General Meeting approves the remuneration of the Board of Directors for a term of office until the next General Meeting.

All of the remuneration paid to the Board of Directors and the Executive Management in the 2023 financial year is below the approved maximum amounts (Board of Directors -37 %, fixed Executive Management remuneration -23 %, and variable Executive Management remuneration -17 %).

4.5. Remuneration paid to the Advisory Board

The Company does not have any advisory boards within the meaning of the Articles 734 et seqq. of the Swiss Code of Obligations.

5 Shareholdings of the Board of Directors and Executive Management

5.1. Rights to option plans and other participation plans

As of December 31, 2023, the members of the Board of Directors and Executive Management were entitled to the following participation plans:

Name, position	Number of PSUs
Klaus Schmitz, Executive Chairman of the Board of Directors	0
Peter Bodmer, Member of the Board of Directors	6 050
Dr. Christian De Prati, Vice-Chairman of the Board of Directors	6 050
Thorsten Arsan, Chief Financial Officer	13 000
Dr. Andreas Steinbauer, Head of Letting and Sales	7 500
Total	**32 600**

5.2. Share ownership

The members of the Board of Directors and the Executive Management directly and indirectly hold the following number of shares in the Company as of December 31, 2023:

Name, position	Number of shares	As a % of all shares
Klaus Schmitz, Executive Chairman of the Board of Directors	0	0
Peter Bodmer, Member of the Board of Directors	38 337 [1]	0.18
Dr. Christian De Prati, Vice-Chairman of the Board of Directors	96 186 [2]	0.46
Thorsten Arsan, Chief Financial Officer	4 546	0.02
Dr. Andreas Steinbauer, Head of Letting and Sales	36 493	0.18
Total	**175 562**	**0.84**

1 Shareholding of a closely linked person totalling 31 522 shares.
2 Shareholding of a closely linked person totalling 49 148 shares.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zürich

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Peach Property Group AG (the Company) for the year ended December 31, 2023. The audit was limited to the information pursuant to article 734a-734f CO in the sections «1.2 CVs and mandates of the members of the Board of Directors and the Executive Management», «3.2. Remuneration of the Board of Directors», «3.3. Remuneration of the Executive Management», «4. Remuneration in the 2023 financial year» and «5. Shareholdings of the Board of Directors and Executive Management» on pages 66 to 75 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report (pages 66 to 75) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Other information

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

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

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

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

Board of Directors' responsibilities for the remuneration report

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

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

Auditor’s responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

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

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

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

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

PricewaterhouseCoopers AG

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

Zurich, March 20, 2024


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Consolidated annual financial statements of Peach Property Group AG as of December 31, 2023

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Consolidated statement of income

in EUR thousands	Note	2023	2022
Rental income	2	120 872	116 497
Valuation gains from investment properties	5	191	22 101
Profit on disposal of investment properties	5	16	6
Income from development properties	3	11 844	20 516
Other operating income		362	298
Operating income		**133 285**	**159 418**
Expenses from letting of investment properties	2	-29 510	-30 018
Valuation losses from investment properties	5	-209 596	-34 338
Loss on disposal of investment properties	5	-119	-152
Expenses from development properties	3	-11 727	-20 733
Impairment charge on development properties	3	-13 197	0
Personnel expenses	12	-17 457	-17 480
Sales and marketing expenses		-366	-1 049
Other operating expenses	16	-8 969	-10 055
Depreciation and amortization		-2 054	-1 907
Operating expenses		**-292 995**	**-115 732**
Operating result		**-159 710**	**43 686**
Financial income	10	539	16 816
Financial expenses	10	-70 461	-80 469
Result before taxes		**-229 632**	**-19 967**
Income taxes	17	35 719	4 936
Result after taxes		**-193 913**	**-15 031**
– attributable to Peach Property Group AG equity holders		-185 527	-15 327
– attributable to non-controlling interests		-8 386	296
Basic earnings per share for loss in EUR	1	**-9.14**	**-0.97**
Diluted earnings per share for loss in EUR	1	**-9.14**	**-0.97**

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

Consolidated statement of comprehensive income

in EUR thousands	Note	2023	2022
Result after taxes		**-193 913**	**-15 031**
Other comprehensive income:			
Items that may subsequently be reclassified to profit or loss			
Result from cash flow hedges	8	-8 191	23 439
Tax effects thereon	17	1 400	-4 067
Currency transaction effects		-39 932	0
Tax effects thereon	17	7 918	0
Currency translation changes		49 736	31 764
Other comprehensive result that may subsequently be reclassified to profit or loss		**10 931**	**51 136**
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	13	-330	1 258
Tax effects	17	58	-140
Other comprehensive result that will not be reclassified to profit or loss		**-272**	**1 118**
Total comprehensive income		**-183 254**	**37 223**
– attributable to Peach Property Group AG equity holders		-174 754	36 599
– attributable to non-controlling interests		-8 500	624

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

Consolidated statement of financial position

in EUR thousands	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Current assets			
Cash and cash equivalents		21 555	31 223
Trade receivables	18	13 962	11 158
Other receivables	18	13 687	24 018
Current financial receivables		1 042	384
Contract assets	3	17 474	10 106
Development properties	6	25 243	34 031
Investment properties held for sale	5	13 224	1 192
Total current assets		**106 187**	**112 112**
Non-current assets			
Investment properties	5	2 420 890	2 627 866
Advance payments for investment properties		355	0
Equipment		5 287	3 451
Intangible assets		678	1 132
Financial assets	19	22 410	40 561
Investments in associates		1	1
Deferred tax assets	17	23 283	12 836
Total non-current assets		**2 472 904**	**2 685 847**
Total assets		**2 579 091**	**2 797 959**

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

Consolidated statement of financial position (continued)

in EUR thousands	Note	Dec 31, 2023	Dec 31, 2022
Liabilities and equity			
Current liabilities			
Trade payables		5 966	6 820
Other payables and advance payments	18	23 931	29 606
Current income tax liabilities		2 010	1 902
Current financial liabilities	8	76 127	133 300
Current provisions	21	826	1 112
Total current liabilities		**108 860**	**172 740**
Non-current liabilities			
Non-current financial liabilities	8	1 407 122	1 400 711
Non-current provisions	21	26	102
Employee benefit obligations	13	2 421	2 176
Deferred tax liabilities	17	78 435	114 408
Total non-current liabilities		**1 488 004**	**1 517 397**
Total liabilities		**1 596 864**	**1 690 137**
Equity			
Share capital	7	19 095	455 597
Treasury shares	7	-36	-514
Share premium		605 486	53 420
Hybrid capital	7	39 758	51 556
Other reserves		10 677	15 861
Currency translation changes		80 429	62 707
Retained earnings		194 897	428 787
Equity attributable to Peach Property Group AG equity holders		**950 306**	**1 067 414**
Equity attributable to non-controlling interests		31 921	40 408
Total equity		**982 227**	**1 107 822**
Total liabilities and equity		**2 579 091**	**2 797 959**

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

Consolidated statement of cash flows

in EUR thousands	Note	2023	2022
Result before taxes		**-229 632**	**-19 967**
– Depreciation and amortization		2 054	1 907
– Valuation result from investment properties	5	209 405	12 237
– Net result on disposal of investment properties	5	103	146
– Valuation result from lease liabilities	10	673	870
– Impairment of development properties	3	13 197	0
– Change in bad debt allowance	18	-662	587
– Financial income	10	-539	-16 816
– Financial expenses (excluding adjustments from lease liabilities)	10	69 788	78 688
– Share-based compensation	12	381	516
– Changes in provisions	21	-373	-362
– Other non-cash charges		-180	2 239
Changes in working capital:			
– Trade receivables	18	-1 950	-4 363
– Other receivables	18	9 756	-6 535
– Contract assets	3	-6 410	-9 906
– Development properties	6	-2 767	10 626
– Trade payables		-973	3 190
– Other payables and advance payments	18	-12 074	-7 242
Interest and other financial expenses paid		-44 551	-49 344
Taxes paid		-672	-482
Net cash flow from operating activities		**4 574**	**-4 011**

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

Consolidated statement of cash flows (continued)

in EUR thousands	Note	2023	2022
Payments for real estate companies	5	0	-1 941
Payments for equipment		-500	-1 199
Disposal of equipment		68	0
Payments for intangible assets		-34	-176
Investments in investment properties	5	-12 899	-76 349
Advance payments for investment properties		-355	0
Proceeds from disposal of investment properties	5	6 201	4 158
Interest income received		9	44
Cash used in investment activities		**-7 510**	**-75 463**
Proceeds from current financial liabilities	8	7 824	0
Repayment of current financial liabilities	8	-179 309	-384 949
Proceeds from non-current financial liabilities	8	100 480	469 662
Lease payments – amortization share	8	-700	-656
Proceeds from hybrid capital	7	65 615	-41
Purchase of treasury shares	7	0	-4 159
Distributions to hybrid equity investors	7	-874	-962
Dividends paid		0	-4 996
Cash flow from financing activities		**-6 964**	**73 899**
Change in cash and cash equivalents		**-9 900**	**-5 575**
Cash and cash equivalents as of January 1		31 223	35 896
Currency exchange impact on cash and cash equivalents		232	902
Cash and cash equivalents as of December 31		**21 555**	**31 223**

The disclosures provided in the Notes form an integral part of the consolidated 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	-1 647
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 – release of transaction costs	7	0	0	0
Hybrid warranty bond – distribution	7	0	0	0
Hybrid warranty bond – withholding tax adjustment	7	0	0	0
Share-based compensation – increase of reserve	14	0	0	0
Share-based compensation – exercise of options	7	37	478	601
Share-based compensation – exercise of SBP 2020	7	30	0	1 318
Total transactions with owners in their capacity as owners		**-436 502**	**478**	**552 066**
December 31, 2023		**19 095**	**-36**	**605 486**

1 Peach Property Group AG equity holders

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

Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders [1]	Non-controlling interests	Total equity
51 556	**15 861**	**62 707**	**428 787**	**1 067 414**	**40 408**	**1 107 822**
0	0	0	-185 527	-185 527	-8 386	-193 913
0	-6 949	17 722	0	10 773	-114	10 659
0	**-6 949**	**17 722**	**-185 527**	**-174 754**	**-8 500**	**-183 254**
0	0	0	0	0	0	0
0	0	0	0	0	13	13
0	0	0	-46 777	68 448	0	68 448
0	0	0	0	-1 647	0	-1 647
0	2 726	0	0	2 726	0	2 726
-11 317	0	0	-143	-11 460	0	-11 460
-733	0	0	4	-729	0	-729
252	0	0	-252	0	0	0
0	0	0	-803	-803	0	-803
0	0	0	-71	-71	0	-71
0	387	0	0	387	0	387
0	0	0	-321	795	0	795
0	-1 348	0	0	0	0	0
-11 798	**1 765**	**0**	**-48 363**	**57 646**	**13**	**57 659**
39 758	**10 677**	**80 429**	**194 897**	**950 306**	**31 921**	**982 227**

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

in EUR thousands	Note	Share capital	Treasury shares
January 1, 2022		**14 510**	**-455**
Total comprehensive income			
Result after taxes		0	0
Total comprehensive result		0	0
Total comprehensive income		**0**	**0**
Transactions with owners in their capacity as owners			
Increase nominal value	7	441 087	0
Transactions with non-controlling interests (Purchase price adjustments)	20	0	0
Hybrid warrant bond – distribution	7	0	0
Mandatory bond issuance costs		0	0
Share-based compensation – increase of reserve	14	0	0
Share-based compensation – exercise of options	14	0	978
Share-based compensation – exercise of SBP 2019	14	0	3 122
Dividend payment		0	0
Purchase of treasury shares	7	0	-4 159
Total transactions with owners in their capacity as owners		**441 087**	**-59**
December 31, 2022		**455 597**	**-514**

1 Peach Property Group AG equity holders

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

Share premium	Hybrid capital	Other reserves	Currency translation changes	Retained earnings	Total equity holders [1]	Non-controlling interests	Total equity
499 544	**51 556**	**-3 719**	**30 943**	**446 828**	**1 039 207**	**42 066**	**1 081 273**
0	0	0	0	-15 327	-15 327	296	-15 031
0	0	20 162	31 764	0	51 926	328	52 254
0	**0**	**20 162**	**31 764**	**-15 327**	**36 599**	**624**	**37 223**
-441 087	0	0	0	0	0	0	0
0	0	0	0	0	0	-2 282	-2 282
0	0	0	0	-962	-962	0	-962
-41	0	0	0	0	-41	0	-41
0	0	620	0	0	620	0	620
0	0	0	0	168	1 146	0	1 146
0	0	-1 202	0	-1 920	0	0	0
-4 996	0	0	0	0	-4 996	0	-4 996
0	0	0	0	0	-4 159	0	-4 159
-446 124	**0**	**-582**	**0**	**-2 714**	**-8 392**	**-2 282**	**-10 674**
53 420	**51 556**	**15 861**	**62 707**	**428 787**	**1 067 414**	**40 408**	**1 107 822**

Notes to the consolidated 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. As part of our final development project, "Peninsula Wädenswil" in Switzerland, we are developing properties to be sold as condominiums.

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. Most of our employees, totaling 228 at the end of the year, are based in Cologne, our local Peach Points, and our Service Center in Berlin.

B Preparation of financial statements

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

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

The various sections of the report provide the following information:

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

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

B.1. Basis of preparation

- We have prepared the consolidated financial statements of the Group and its subsidiaries in accordance with the International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) (collectively, the IFRS accounting standards) and statutory requirements. They comply with Swiss law.

- The Board of Directors approved the consolidated financial statements on March 20, 2024, with the release for publication following on March 21, 2024. The report is subject to approval by the Annual General Meeting which takes place on May 14, 2024.
- The consolidation is based on the separate individual financial statements of our Group companies prepared in accordance with uniformed accounting policies. The reporting date for all Group companies is December 31.
- The consolidated financial statements were prepared under the historical cost convention, and under the assumption that the companies' ability to continue as a going concern is not impaired. Departures from this principle include investment properties and derivative financial instruments, which are measured at market value.
- Key estimates and assumptions used in the valuation of assets and liabilities are disclosed in the following notes:

	Notes
Result from development properties	3
Investment properties and revaluation result	5
Development properties	6
Employee benefit obligations	13
Taxes	17
Provisions	21
Contingent liabilities	22

B.2. Changes in the accounting principles applied in 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 – "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 effects 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 21 – "Lack of Exchangeability"	No significant effects are expected.	Jan 1, 2025	2025 financial year
Amendments to IAS 1 – "Non-current liabilities with covenants"	No significant effects are expected.	Jan 1, 2024	2024 financial year
Amendments to IAS 1 – "Classification of liabilities as current or non-current"	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

Notes

B.3. Foreign currency translation

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

The following exchange rates were applied in currency translations:

CHF/EUR	**Dec 31, 2023**	Dec 31, 2022
Closing rate	1.0799	1.0155
Average rate	1.0290	0.9954

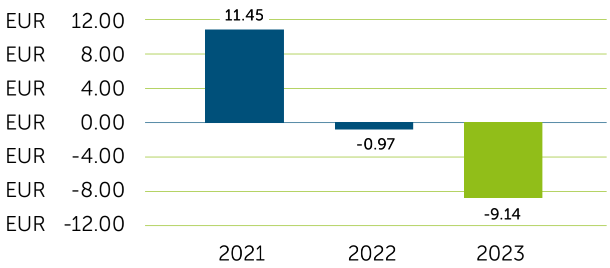
Performance

1 Performance per share

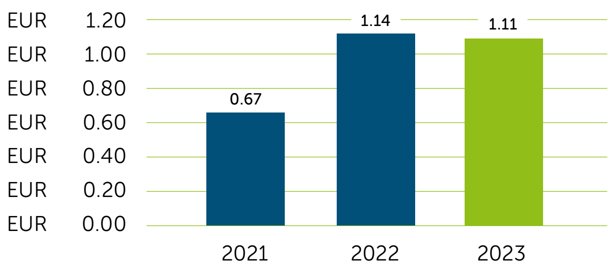
How we calculate the figures:

- The result for the year attributable to Peach Property Group AG equity holders was adjusted for the effects from the hybrid convertible bond and hybrid warrant bond.
- We took all outstanding warrants into account in calculating diluted earnings per share.
- We calculate operating results I and II (funds from operations – FFO I and II) based on operating cash flows and results including interest on hybrid capital.
- Other financial expenses paid are not considered in calculating FFO, as these are mostly one-off expenses incurred in connection with financing activities, and do not follow a consistent trend. Interest paid in connection with hybrid equity capital is however included. FFO II furthermore includes the realized results from the sale of investment properties.

Diluted earnings per share



Diluted FFO I per share



1.1. Earnings per share

in EUR thousands	2023	2022
Result attributable to Peach Property Group AG equity holders	-185 527	-15 327
Payment of hybrid warrant bond coupon	-803	-962
Hybrid warrant bond coupon not recognized in the statement of financial position	-1 674	0
Adjusted net result for the year attributable to Peach Property Group AG equity holders	**-188 004**	**-16 289**
Adjustments for diluted earnings		
Accumulated unrecognized hybrid capital coupon	0	0
Adjusted net result for the year attributable to Peach Property Group AG equity holders, including expected conversions	**-188 004**	**-16 289**
Average number of outstanding shares	**20 580 506**	**16 863 160**
Adjustment based on options issued [1]	0	0
Adjustment based on convertible bond issued [1]	0	0
Diluted average number of outstanding shares	**20 580 506**	**16 863 160**
Basic earnings for loss per share in EUR	**-9.14**	**-0.97**
Diluted earnings for loss per share in EUR	**-9.14**	**-0.97**

1 We excluded 21 740 shares related to options issued and 2 083 333 shares related to the conversion rights from the convertible bond issued from the diluted EPS calculation, as the impact of the shares are considered antidilutive for the year ended December 31, 2023. For the year ended December 31, 2022, we excluded 45 669 for options issued from the diluted EPS calculation.

Performance

1.2. Funds from operations (FFO) per share

in EUR thousands	2023	2022
Operating result	-159 710	43 686
Depreciation and amortization	2 054	1 907
EBITDA	**-157 656**	**45 593**
Reversal of impairment loss on development properties	13 197	0
Valuation result from investment properties	209 405	12 237
Net result on disposal of investment properties	103	146
Share-based compensation	381	516
Other non-cash accrued expenses positions	633	823
Adjusted EBITDA	**66 063**	**59 315**
Interest paid	-40 090	-37 141
Interest paid on hybrid capital	-803	-962
Lease payments	-1 685	-1 567
Interest income received	9	44
Taxes paid	-672	-482
Operating result I (FFO I)	**22 822**	**19 207**
Net result on disposal of investment properties	-103	-146
Operating result II (FFO II)	**22 719**	**19 061**
Basic FFO I per share in EUR	**1.11**	**1.14**
Diluted FFO I per share in EUR	**1.11**	**1.14**
Basic FFO II per share in EUR	**1.10**	**1.13**
Diluted FFO II per share in EUR	**1.10**	**1.13**

2 Result from letting of investment properties

How we calculate the figures:

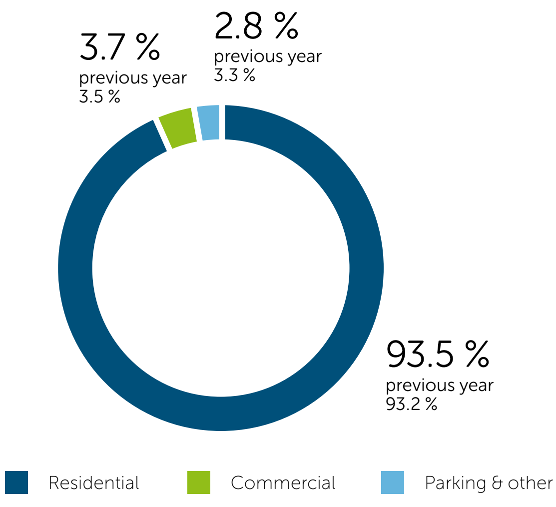
- The letting of our investment properties leads to a large number of rental agreements which all qualify as "operating leases". Income is recognized on a straight-line basis over the term of the lease in accordance with IFRS 16. Rent-free periods are distributed on a straight-line basis over the contractual term.
- We recognize collection losses from the letting of investment properties as a deduction from rental income. Rental payments are to be received in advance. Trade receivables exist generally due to rental payments not collected in advance and are predominantly considered to be non-recoverable at the time of recognition of a trade receivable position.

How we calculate the key figures:

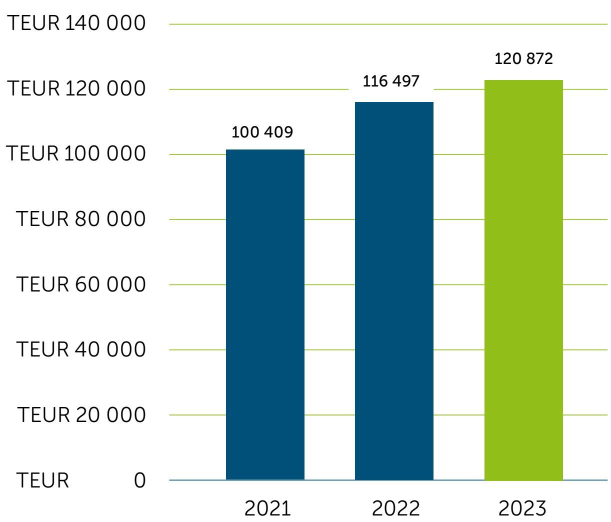
- The gross return corresponds to total rental income in relation to the average value of the portfolio.
- The net return corresponds to total rental income less administrative and maintenance costs in relation to the average value of the portfolio.
- The average rental potential represents lost income due to vacancies at market value in relation to the target rental income from the letting of investment properties.
- The vacancy rate represents the number of vacant residential units at the end of the reporting year in relation to the total residential units.

in EUR thousands	**2023**	2022
Target rental income from letting of investment properties	137 868	132 406
Lost income due to vacancies	-13 960	-14 003
Lost income due to collection risks	-3 036	-1 906
Total rental income	**120 872**	**116 497**
Expenses from letting of investment properties	-23 176	-23 770
– of which ongoing maintenance expenses	*-17 068*	*-14 879*
– of which direct administrative expenses	*-6 108*	*-8 891*
Expenses from unoccupied investment properties (vacancies)	-6 334	-6 248
Total expenses from letting of investment properties	**-29 510**	**-30 018**
Gross return	4.8 %	4.5 %
Net return	3.0 %	2.8 %
Average rental potential	10.1 %	10.6 %
Vacancy rate as of December 31	7.4 %	6.9 %

Rental income by use category



Rental income



Performance

- Target rental income from the letting of investment properties increased compared to the previous year mainly due to rental charge adjustments. Like-for-like rental income (excluding lost income due to collection risks) increased by 4.2 % (previous year: 5.1 %).
- Approximately 96.3 % of our rental units are residential units or parking spaces (previous year: 96.5 %) with no variable lease components in the rental agreements. Commercial rental agreements partially include index adjustments as the only variable lease component.
- Lost income due to collection risks is 2.5 % during the reporting year (previous year: 1.6 %). The previous year contains non-recurring favorable releases of valuation adjustments in connection with outstanding receivables acquired (net of valuation adjustment) that have subsequently been successfully collected.
- Direct administrative expenses in relation to net rental income before collection losses (target rental income less lost income due to vacancies) decreased from 7.5 % to 4.9 %. The decrease is mainly due to the further insourcing of property management and janitor services.
- Maintenance expenses increased from 12.6 % in the previous year to 13.8 % in the reporting year mostly due to inflation-related price increases.
- Overall, total direct expenses from letting of investment properties as a percentage of net rental income before debt collection losses is 23.8 % compared to 25.4 % in the previous year.

Target rental income from fixed-term rental agreements

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Up to 1 year	4 336	3 431
1-5 years	8 403	7 059
More than 5 years	1 597	2 155
Total	**14 336**	**12 645**

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

3 Result from development properties

How we calculate the figures:

- Income from the sale of units under construction is generally recognized on a pro rata basis over the construction period as the construction progresses.
- We measure construction progress according to input factors based on costs incurred.
- The investment costs are allocated proportionally to the units based on the co-ownership share. The costs incurred for the units sold, where the services are transferred, are charged to the profit and loss for the respective period.
- A contract asset arises for development properties sold while under construction when the construction progress exceeds the advance payment received. If the advance payment is higher than the progress of construction, a contract liability is recognized.
- If the conditions for recognition over time are not met, we recognize revenue in the same way as for completed units.
- Income from the sale of completed units is recognized at the time of ownership transfer.

Key assumptions and estimates:

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

3.1. Sale of units under construction

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

- Notarization of 33 units (previous year: 19), representing 57.9 % (previous year: 38.2 %) of the total expected sales volume.

in EUR thousands	2023	2022
Income from development properties – completed units	6	-61
Income from development properties – sold units still under construction	11 838	20 577
Total income from development properties	**11 844**	**20 516**
Expenses from development properties – completed units	111	-156
Expenses from development properties – sold units still under construction	-11 838	-20 577
Impairment charge on development properties	-13 197	0
Total expenses from development properties	**-24 924**	**-20 733**

in EUR thousands	Dec 31, 2023	Change	Dec 31, 2022
Accumulated income from development properties – sold units still under construction	32 415	11 838	20 577
Accumulated expenses from development properties – sold units still under construction	-32 415	-11 838	-20 577
Accumulated result from ongoing projects	**0**	**0**	**0**
Down payments received	17 274	6 387	10 887
Net amount of contract asset/contract liability	17 474	7 368	10 106
of which			
Contract asset	17 474	7 368	10 106

Reconciliation of capitalized/capitalizable development costs:

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Total project costs incurred	57 163	53 934
– of which share of units sold to date	32 415	20 577
Total expected capitalizable project costs outstanding	76 262	75 499
– of which share of units sold to date	44 865	28 805
Total expected overall project costs	133 425	129 433
– of which share of units sold to date	77 280	49 382

Performance

- In the 2023 financial year expected overall capitalizable project cost increased by EUR 17 186 thousand (including EUR 4 367 thousand foreign exchange rate impacts) due to increased construction costs for civil engineering, general price increases as well as additional requirements of the cultural heritage and historic monuments authorities.
- Due to the aforementioned increases, we recorded an impairment of EUR 13 197 thousand, thereof EUR 7 644 thousand impacting sold units still under construction.
- In the 2023 financial year capitalizable development costs amounted to EUR 15 328 thousand (previous year: EUR 12 422 thousand). An amount of EUR 8 878 thousand relates to sold units still under construction.
- EUR 11 838 thousand (previous year: EUR 20 577 thousand) of the capitalized development cost after impairment of EUR 57 163 thousand (previous year: EUR 53 934 thousand) was charged to the consolidated statement of income, representing the sales quote of 57.9 % (previous year: 38.2 %).
- The contract asset of EUR 17 474 thousand was offset by the advance payments received of EUR 17 274 thousand (previous year: EUR 10 887 thousand).

4 Segments

We have only one operating segment, which comprises investment in and selling of real estate. Our operating segment was defined based on the 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 year, there were no individual customers that made a significant contribution to total rental income.

4.1. Geographical breakdown of revenue

in EUR thousands				2023				2022
	Income from investment properties	Income from development properties	Other income	Total	Income from investment properties	Income from development properties	Other income	Total
Germany	119 815	0	174	119 989	115 618	-61	109	115 666
Switzerland	1 073	11 844	188	13 105	885	20 577	189	21 651
Total	**120 888**	**11 844**	**362**	**133 094**	**116 503**	**20 516**	**298**	**137 317**

4.2. Geographical breakdown of non-current assets

in EUR thousands				Dec 31, 2023				Dec 31, 2022
	Investment properties[1]	Equipment and intangible assets	Investments in associates	Total	Investment properties	Equipment and intangible assets	Investments in associates	Total
Germany	2 394 120	5 522	0	2 399 642	2 601 219	3 562	0	2 604 781
Switzerland	27 125	443	1	27 569	26 647	1 021	1	27 669
Total	**2 421 245**	**5 965**	**1**	**2 427 211**	**2 627 866**	**4 583**	**1**	**2 632 450**

1 Including prepayments for investment properties.

Real estate portfolio

5 Investment properties and revaluation result

How we calculate the figures:

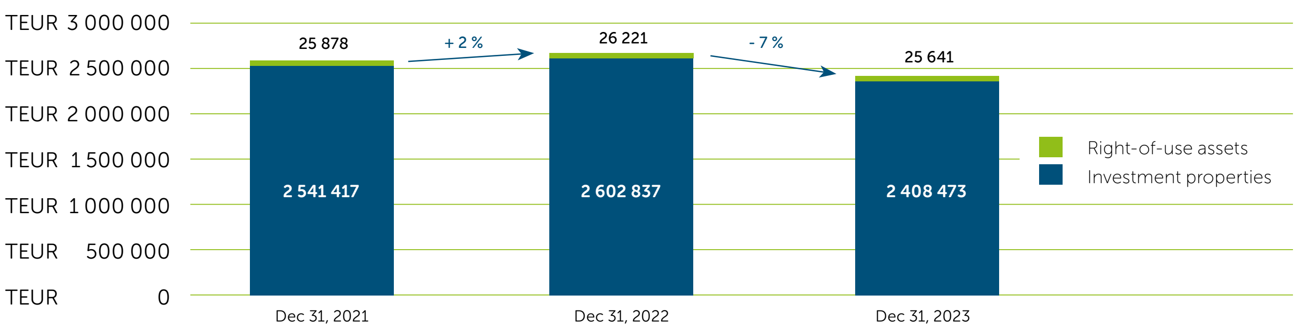
- Our investment properties are residential and commercial properties that we either construct ourselves, or acquire, and are held to earn long-term rental income and achieve capital appreciation. We do not occupy our investment properties. Investment properties also include properties that we develop or convert with the goal of future letting.
- Investment properties are initially measured at cost, including directly attributable transaction costs. The subsequent measurement is at market value; value adjustments are recognized in the consolidated statement of income.
- Investment properties under development are properties that are currently commissioned for conversion and do not yet generate any rental income.
- Valuation results from newly acquired properties are reported as initial valuation results in the year of acquisition. Valuation results from our existing portfolio are reported as the result of operational progress, and discount rate changes.
- We do not depreciate right-of-use assets from the leasehold agreements. Instead, we revalue the assets semi-annually together with our investment properties. In doing so, we apply the discount rate defined by Wüest Partner for the respective investment properties.

Key assumptions and estimates:

- The market value of our investment properties is determined semi-annually by the external property appraiser Wüest Partner using the "highest and best use" concept in a discounted cash flow model (DCF method). With this method, all expected future net income is discounted to its present value. Net income is discounted individually for each contiguous property cluster, factoring in market conditions and the respective local and structural opportunities, on a risk adjusted basis.
- The performance of our properties depends on various factors such as the local real estate market (rents, vacancies), changes in capital markets (discount rate), management (renewal of rental income, vacancies, operating and maintenance costs) and value-enhancing investments (higher rental income, reduction in vacancies).

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

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



Real estate portfolio

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	19 590	0	19 590
Additions from investments eligible for capitalization	19 133	0	19 133	57 583	0	57 583
Disposals	-6 304	0	-6 304	-4 304	0	-4 304
Valuation gains	0	191	191	21 623	478	22 101
Valuation losses	-208 825	-771	-209 596	-34 203	-135	-34 338
Currency translation changes	1 632	0	1 632	1 300	0	1 300
Market value as of December 31	**2 408 473**	**25 641**	**2 434 114**	**2 602 837**	**26 221**	**2 629 058**
of which investment properties held for sale	13 224	0	13 224	1 192	0	1 192

5.2. Change in portfolio in 2023

Investments eligible for capitalization:

- Capital expenditures for modernization and tenant improvements of EUR 19 133 thousand were substantially lower than in the previous year following a revision of our renovation plan necessitated by increases in construction material costs and related services and the cost of financing these projects. Major renovation and modernization investments in 2023 took place in Dortmund EUR 2 637 thousand, in Marl EUR 2 029 thousand, in Kaiserslautern EUR 1 752 thousand, and EUR 965 thousand in Helmstedt.

Disposals:

- Sale of 47 residential units in Heidenheim. Loss on disposal of EUR 119 thousand.
- Sale of 4 residential units in Marl, disclosed as available for sale in December 2022. The gain on disposal was EUR 16 thousand.

5.3 Changes in portfolio in 2022

Acquisitions:

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

Investments eligible for capitalization:

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

Disposals:

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

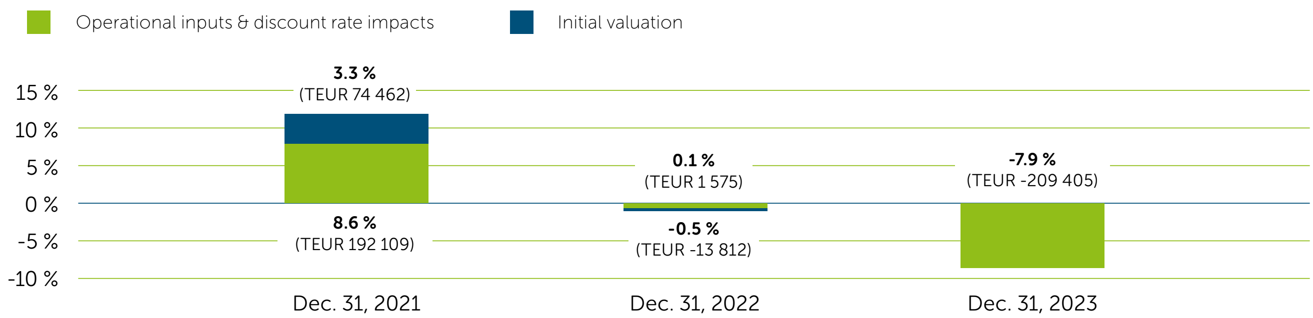
5.4 Non-current assets held for sale

As of December 31, 2023, following residential units are accounted for as held for sale investment properties, and we expect the sale to conclude within the next twelve months:

- 148 residential units in Helmstedt
- 10 residential units in Hameln
- 9 residential units in Heidenheim
- 9 residential units in Telgte

5.5 Revaluation

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



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

5.6. Sensitivity analysis

Key assumptions and estimates:

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

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

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

Real estate portfolio

Dec 31, 2023	Market value in EUR thousands	Lettable space in m²	Market Value in EUR per m²	Av. discount rate	Unobservable input factors 2023 Discount rate in %	Rent EUR per m²/mth	Vacancy in %
North Rhine-Westphalia	1 612 981	1 180 077	1 367	4.03 %	2.8 – 5.4	5.8 – 11.3	2.0 – 10.6
Rhineland-Palatinate	349 387	205 346	1 701	3.9 %	3.4 – 4.9	6.8 – 10	1.5 – 7.3
Lower Saxony	222 422	218 655	1 017	4.37 %	3.5 – 5.3	5.8 – 8	1.5 – 10.6
Baden-Württemberg	103 663	62 411	1 661	3.8 %	3.1 – 5.7	7.5 – 9.8	3.4 – 7
Hesse	55 705	53 744	1 036	4.34 %	4.0 – 4.7	5.8 – 6.8	4.0 – 7.1
Other locations	89 956	60 110	1 497	4.04 %	2.4 – 4.5	6.0 – 28	2.2 – 7.1
	2 434 114	**1 780 343**	**1 367**	**4.06 %**			

Dec 31, 2022	Market value in EUR thousands	Lettable space in m²	Market Value in EUR per m²	Av. discount rate	Unobservable input factors 2022 Discount rate in %	Rent EUR per m²/mth	Vacancy in %
North Rhine-Westphalia	1 743 824	1 180 508	1 477	3.65 %	2.4 – 5.0	5.5 – 10.3	2.0 – 10.1
Rhineland-Palatinate	375 229	205 251	1 828	3.52 %	3.2 – 4.1	6.3 – 9.3	1.5 – 6.6
Lower Saxony	238 364	218 638	1 090	4.17 %	3.3 – 4.7	5.5 – 6.8	1.5 – 10.6
Baden-Württemberg	118 801	65 823	1 805	3.43 %	2.7 – 4.5	7.3 – 8.8	3.4 – 6.0
Hesse	57 763	53 744	1 075	3.93 %	3.8 – 4.2	5.5 – 6.3	4.0 – 6.2
Other locations	95 077	60 065	1 583	3.67 %	2.4 – 4.1	5.8 – 25.7	2.2 – 7.1
	2 629 058	**1 784 029**	**1 474**	**3.68 %**			

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

in EUR thousands						**Rent**			**Dec 31, 2023**
			7.5 %	5.0 %	2.5 %	0.0 %	-2.5 %	-5.0 %	-7.5 %
Discount rate	-0.40 %	3.66 %	2 902 647	2 835 144	2 767 641	2 700 137	2 632 634	2 565 130	2 497 627
	-0.20 %	3.86 %	2 752 251	2 688 245	2 624 240	2 560 234	2 496 228	2 432 222	2 368 216
	0.00 %	4.06 %	2 616 672	2 555 820	2 494 967	2 434 114	2 373 261	2 312 408	2 251 555
	0.20 %	4.26 %	2 493 824	2 435 828	2 377 832	2 319 836	2 261 840	2 203 844	2 145 848
	0.40 %	4.46 %	2 381 993	2 326 598	2 271 203	2 215 808	2 160 412	2 105 017	2 049 622

in EUR thousands						**Rent**			**Dec 31, 2022**
			7.5 %	5.0 %	2.5 %	0.0 %	-2.5 %	-5.0 %	-7.5 %
Discount rate	-0.40 %	3.28 %	3 170 900	3 097 158	3 023 416	2 949 674	2 875 933	2 802 191	2 728 449
	-0.20 %	3.48 %	2 988 664	2 919 161	2 849 657	2 780 153	2 710 649	2 641 145	2 571 641
	0.00 %	3.68 %	2 826 237	2 760 510	2 694 784	2 629 058	2 563 331	2 497 605	2 431 878
	0.20 %	3.88 %	2 680 555	2 618 216	2 555 878	2 493 539	2 431 201	2 368 862	2 306 524
	0.40 %	4.08 %	2 549 155	2 489 872	2 430 590	2 371 307	2 312 024	2 252 742	2 193 459

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

6 Development properties

How we calculate the figures:

- Development properties include building conversions and the construction of new buildings where we develop property for residential and commercial use. The majority of the properties are sold as condominiums.
- Development properties are accounted for as inventory, at cost.
- Capitalized development costs include both third-party services and directly attributable internal service costs. Costs incurred in connection with projects for which we act as developers on a contractual basis, but there is not yet a definitive sales contract or general contractor's agreement, are capitalized if the realization is probable. The capitalized costs are tested for impairment every six months.
- We capitalize direct financing costs in relation to development properties in the planning stage. The same applies to indirect financing costs, which are also capitalized on a pro-rata basis according to their relationship with the respective development properties.

Key assumptions and estimates:

- The recoverable market values of the development properties are determined by the external property appraiser Wüest Partner. Wüest Partner appraises all projects as residual values using the discounted cash flow (DCF) method. The residual value is the value resulting from the difference between the discounted realizable sales proceeds (cash-in) less all outstanding production costs (cash-out) on the measurement date.
- The valuation takes into account factors such as macro location (location, prices per m²), micro location, strategy (sale or rental) and basic data verified by the appraiser such as utilization, deadlines and the development process. Construction costs are accounted for based on the planner, general contractor or technical contractor agreements concluded and other mandates awarded (if already available). Otherwise, the cost estimates are compared to a comparable value (in the appraiser's database). Own work budgeted and sale costs are included.
- The discount rate is based on a risk-adjusted real interest rate. The rate is determined starting from a risk-free interest rate, adjusted for property-related risk factors such as the property risk (capital immobility), location and quality of the property and any other allowances as appropriate.

in EUR thousands	**Dec 31, 2023**	Dec 31, 2022
Units under construction	25 243	34 031
Total development properties	**25 243**	**34 031**

- The only project under construction is the "Peninsula Wädenswil" development project.
- Construction started towards the end of the second quarter of 2022. By the end of 2023 civil engineering measures have been largely completed.
- The project is scheduled to be completed in stages in 2025.
- Purchase agreements for 33 units of the total 57 residential and 3 commercial units were notarized amounting to 58 % (end of 2022: 38 %) of the expected sales volume.
- During the reporting year, we recorded an impairment of EUR 13 197 thousand due to increased construction costs and additional requirements of the cultural heritage and historic monuments authorities, thereof EUR 5 828 thousand impacting development properties.

Capital structure and risk management

7 Equity

7.1. Share capital and treasury shares

How we calculate the figures:

- Share capital comprises all registered shares issued. Dividends payable are recognized when the right to receive payment is established. External transaction costs directly related to the issuance of new shares are deducted directly from share premium, net of income tax effects.
- Treasury shares are recognized at cost (purchase price including directly attributable transaction costs) and disposals at average value. Any gains or losses are recorded in share premium.

	Number of shares issued	Share capital in EUR thousands	Outstanding shares
January 1, 2022	**16 882 373**	**14 510**	**16 874 632**
Increase nominal value	0	441 087	0
Purchase of treasury shares	0	0	-85 434
Issue of treasury shares to settle Board of Directors' fees and bonus entitlements	0	0	81 992
December 31, 2022	**16 882 373**	**455 597**	**16 871 190**
Decrease nominal value	0	-551 794	0
Capital increase through conversion of mandatory convertible bond IV	3 790 122	115 225	3 790 122
Issue of shares to settle Board of Directors' fees and bonus entitlements	68 423	67	68 423
Issue of treasury shares to settle bonus entitlements	0	0	10 403
December 31, 2023	**20 740 918**	**19 095**	**20 740 138**

7.2. "Capital band", authorized and conditional capital

	2023		2022	
	Number of shares	Share capital in CHF thousands	Number of shares	Share capital in CHF thousands
Authorized capital as of January 1	**8 400 000**	**252 000**	**0**	**0**
Formation by the Annual General Meeting	0	0	8 400 000	252 000
Replacement of authorized capital	-8 400 000	-252 000	0	0
Authorized capital as of December 31	**0**	**0**	**8 400 000**	**252 000**

- The 2023 Annual General Meeting 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.

	2023		2022	
	Number of shares	Share capital in CHF thousands	Number of shares	Share capital in CHF thousands
Conditional capital as of January 1	**8 400 000**	**252 000**	**1 947 410**	**1 948**
Increase/(decrease) nominal value	0	-133 686	0	56 474
Increase by the Annual General Meeting	0	0	6 452 590	193 578
Conversions of mandatory convertible bond IV	-3 790 122	-113 704	0	0
Settlement of bonus entitlements and Board of Directors' fees	-68 423	-68	0	0
Conditional capital as of December 31	**4 541 455**	**4 542**	**8 400 000**	**252 000**

7.3. Hybrid capital

How we calculate the figures:

- Hybrid capital comprises financing instruments with no repayment obligation. The obligation to pay interest arises for hybrid bonds only if dividends are distributed to shareholders for the corresponding period. Interest payments are reported in equity as "distributions" to hybrid equity investors.
- Transaction costs are accounted for as a deduction for hybrid bonds. In the event of repayment or conversion, we reclassify the (pro rata) costs to retained earnings.
- Option rights are reported in "Other reserves." When the options are exercised, they are reclassified on a pro-rata basis to hybrid capital.
- The mandatory convertible bonds include financial instruments with a fixed defined conversion date and price in registered shares of the Company. The interest to be paid is charged to the consolidated statement of income.

in EUR thousands	Hybrid warrant bond	Mandatory convertible bond IV	Total hybrid capital
Hybrid capital as of January 1, 2022	**51 556**	**0**	**51 556**
Hybrid capital as of December 31, 2022	**51 556**	**0**	**51 556**
Cash-effective increase	0	68 448	68 448
Below-par issuance and interest expenses converted into shares	0	46 777	46 777
Conversions into convertible bond	-11 317	0	-11 317
Conversion into share capital	0	-115 225	-115 225
Bond buyback	-733	0	-733
Release of transaction costs	252	0	252
Hybrid capital as of December 31, 2023	**39 758**	**0**	**39 758**

Capital structure and risk management

7.3.1. 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.

7.3.2. Hybrid warrant bond

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

Volume:	CHF 50 million with the option of raising this to CHF 100 million
Interest rate:	1.75 % p.a.; from June 23, 2023, the 3 months SARON + 9.25 % (10.955 % as of December 31, 2023)
Maturity:	Unlimited; first callable by Peach on June 22, 2023
Option right:	Four (4) warrants per bond of CHF 1 000
	One registered share may be acquired per warrant, at a subscription price of CHF 25
Exercise period:	From June 25, 2018, up to and including June 25, 2021
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA231/CH0417376040

- 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 8.2). 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 December 31, 2023, is EUR 39 758 thousand (CHF 45 251 thousand).
- We made an interest payment of EUR 803 thousand in June 2023 (previous year: EUR 962 thousand).
- Accumulated and unrecognized coupon component amounted to EUR 2 645 thousand per December 31, 2023 (previous year: EUR 503 thousand).

7.4. Capital risk management

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

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Based on IFRS values		
Total equity	982 227	1 107 822
Total assets	2 579 091	2 797 959
Equity ratio IFRS	38.08 %	39.59 %
Target value according to Audit & Risk Committee investment guideline	> 40 %	> 40 %

8 Mortgage loans, financial liabilities, and derivative financial instruments

How we calculate the figures:

- We report financial liabilities, mortgage loans and building loans at amortized cost. Fees incurred in establishing lines of credit are, in the case of loans for investment properties, recognized as a deduction from the loan and amortized over the term of the loan using the effective interest rate method. We record effective interest components (paid interest) within interest expenses – third parties and financing costs within other financial expenses. Building loans for development projects are reported as current liabilities with matching maturities.
- We hedge most of our floating rate financial instruments using derivative financial instruments like interest rate swaps, collars, caps, or floors. Derivative financial instruments where we do not apply hedge accounting, usually caps, floors, and collars, are measured at fair value through the consolidated statement of income. For interest rate swaps we usually apply hedge accounting. Interest rate swaps are measured at fair value through the consolidated statement of comprehensive income.
- We recognize the spread from variable interest loans hedged with interest rate swaps in the consolidated statement of income under financial expenses.
- We calculate the lease liabilities of our leasehold agreements by discounting the accumulated leasehold payments using the long-term interest rate for corresponding mortgage-backed financing in Germany.
- We value other lease liabilities using the average corporate interest rate of the respective company.
- We discount non-interest-bearing financial liabilities (fixed dividend obligations) at the average corporate interest rate of the Group over the term.
- Non-controlling interests of our GmbH & Co. KGs do not qualify as equity due to the termination options of the minority shareholders and the associated potential severance pay entitlements. These non-interest-bearing financial liabilities are presented as non-current financial liabilities, as they do not qualify as equity.

in EUR thousands			Dec 31, 2023			Dec 31, 2022
	Current financial liabilities	**Non-current financial liabilities**	**Total**	Current financial liabilities	Non-current financial liabilities	Total
Revolving credit facility	0	10 565	10 565	0	41 047	41 047
Mortgage and building loans	69 708	934 837	1 004 545	32 429	951 777	984 206
Bonds	2 653	347 831	350 484	98 216	295 103	393 319
Promissory notes, syndicated loans, and other property financing	377	54 889	55 266	359	54 801	55 160
Derivative financial instruments	0	0	0	0	776	776
Total property financing liabilities	**72 738**	**1 348 122**	**1 420 860**	**131 004**	**1 343 504**	**1 474 508**
Lease liabilities	632	37 725	38 357	580	34 872	35 452
Other financial liabilities	2 757	21 275	24 032	1 716	22 335	24 051
Total other financial liabilities	**3 389**	**59 000**	**62 389**	**2 296**	**57 207**	**59 503**
Total financial liabilities	**76 127**	**1 407 122**	**1 483 249**	**133 300**	**1 400 711**	**1 534 011**

Capital structure and risk management

8.1 Changes in financial liabilities

in EUR thousands			2023			2022
	Current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Non-current financial liabilities	Total
Financial liabilities as of January 1	**133 300**	**1 400 711**	**1 534 011**	**87 386**	**1 360 592**	**1 447 978**
Net proceeds/(repayments)	-171 485	100 480	-71 005	-384 949	469 662	84 713
Amortization of lease liabilities	-700	0	-700	-656	0	-656
Adjustment of lease liabilities	673	0	673	7	863	870
Reclassification between non-current/current	111 966	-111 966	0	426 696	-426 696	0
Accrued interest and deferred financing costs	1 051	2 237	3 288	4 247	581	4 828
Fair value adjustment of derivatives	0	-776	-776	0	-6 115	-6 115
Currency translation changes	1 316	2 174	3 490	569	1 928	2 497
Other non-cash movements [1]	6	14 262	14 268	0	-104	-104
Financial liabilities as of December 31	**76 127**	**1 407 122**	**1 483 249**	**133 300**	**1 400 711**	**1 534 011**

1 The amount mainly includes convertible bonds settled through hybrid warrant bond conversion.

8.2. 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:	CH1263282522 (Bonds) CH0118530366 (Registered shares)

- The conversion option was recorded net of transaction costs directly in equity, within other reserves for EUR 2 726 thousand.
- EUR 12 778 thousand (CHF 12 594 thousand) of the bond amount was settled through hybrid warrant bond conversion.
- The total bond issuance costs amounted to EUR 704 thousand (CHF 685 thousand) of which EUR 671 thousand were capitalized within financial liabilities and are released in other financial expenses over the term of the bond.
- The unpaid coupon for the second half-year of EUR 965 thousand (CHF 938 thousand) was accrued within current financial liabilities.

8.3. EUR bond II

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

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

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

8.4. EUR bond I

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

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

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

8.5. Other refinancing measures of property financing liabilities

› September 2023: New mortgage loan of EUR 33 million, with maturity in June 2028.
› Increase of building loan of EUR 9.1 million to EUR 22.8 million. In accordance with our accounting policy, we record building loans in connection with development projects as current liabilities. Based on the construction progress as of the 2023 year-end and the estimated time until completion, we expect the repayment of the loan in the second half of 2025, coinciding with project completion.

Capital structure and risk management

8.6. Lease liabilities

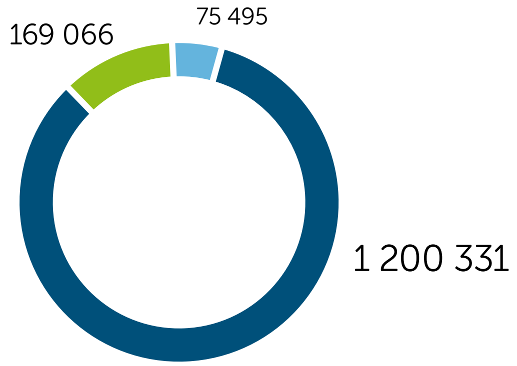
- Lease liabilities consist primarily of leasehold agreements.
- The average interest rate amounts to 2.55 % (previous year 2.55 %).
- Also included are rental contracts for our office premises, which amount to EUR 3 029 thousand as of December 31, 2023 (previous year: EUR 571 thousand). The increase from the previous year relates to a new office rental agreement for our German group company Peach Property Management GmbH & Co. KG in Cologne. The average interest rate amounts to 3.57 % (previous year: 3.0 %).

8.7. Other non-current financial liabilities

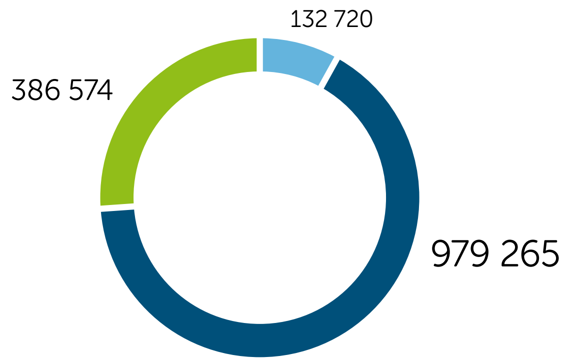
- Other non-current financial liabilities comprise mainly our minimum dividend obligations to non-controlling interest shareholders of portfolio companies acquired in previous years.

8.8. Maturity structure

Maturities of financial liabilities 2023
(excluding lease liabilities)
in EUR thousands



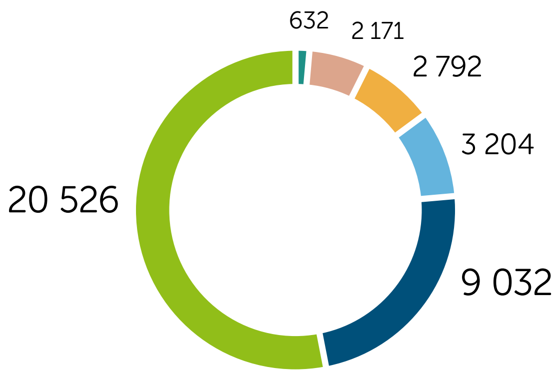
Maturities of financial liabilities 2022
(excluding lease liabilities)
in EUR thousands



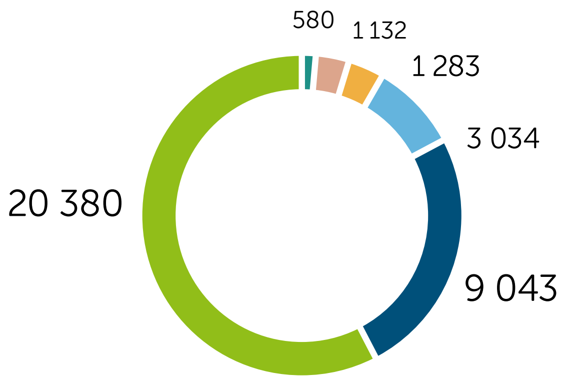
up to 1 year   1 - 5 years   more than 5 years

- 94.8 % of all financial liabilities are non-current in nature at the end of the reporting year (previous year: 91.1 %).
- The average residual term is 2.9 years at the end of the reporting year (previous year: 3.7 years).
- Mortgage loans have an average term of 3.4 years (previous year: 4.4 years).
- Mortgage loans bear an average interest rate of 2.2 % (previous year: 1.7 %), other property financing liabilities were charged with an average interest of 4.4 % (previous year: 3.8 %). The overall average interest rate was 2.9 % (previous year: 2.6 %).

Maturities of lease liabilities 2023
in EUR thousands



Maturities of lease liabilities 2022
in EUR thousands



› The average residual term is 111 years (previous year: 112 years) for leasehold agreements. Other lease agreements had an average residual term of 6.7 years (previous year: 1.2 years). The increase in the average residual term relates to a new office rental agreement for our German group company Peach Property Management GmbH & Co. KG in Cologne.

8.9. Derivative financial instruments

in EUR thousands			2023			2022
	Hedge accounted interest rate swap instruments	**Not hedge accounted interest rate cap and floor instruments**	**Total**	Hedge accounted interest rate swap instruments	Not hedge accounted interest rate cap and floor instruments	Total
Carrying amount – net assets/(liabilities)	10 731	12 094	22 825	18 844	20 795	39 639
Nominal value of hedges	203 094	367 385	570 479	262 572	287 872	550 444
Changes in fair value recognized in the consolidated statement of comprehensive income	-8 191	0	-8 191	23 439	0	23 439
Changes in fair value recognized in the consolidated statement of income	0	-7 502	-7 502	0	14 774	14 774
Maturity dates	2024 - 2028	2024 - 2028		2023 - 2028	2024 - 2028	
Hedge ratio	1 : 1	0.96 : 1		1 : 1	0.95 : 1	
Effectiveness (hedge accounting) - swaps	100 %	n.a.		100 %	n.a.	
Rate of return on underlying	3M-Euribor	3M-Euribor		3M-Euribor	3M-Euribor	
Spread on hedges	-4.15 % to -2.74 %	-3.00 % to 0.00 %		-1.37 % to +0.04 %	-0.78 % to 0.00 %	

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

9 Assets pledged as collateral for own commitments

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Cash and cash equivalents	1 867	1 668
Development properties	22 789	13 710
Investment properties	985 514	973 715

- The figures shown in this note indicate the degree to which assets are pledged as security for mortgage and building loans. The book value of the assets effectively pledged amounts to EUR 2 116 155 thousand (previous year: EUR 2 175 170 thousand).

10 Financial result

in EUR thousands	2023	2022
Financial expenses		
Interest expenses – third parties	-40 642	-38 087
Compounded interest effects related to the convertible bond	-567	0
Unwinding of discount effects in relation to minimum dividend obligations	-638	-645
Loss from changes in the fair value of derivative financial instruments	-7 502	0
Interest expenses related to lease liabilities	-985	-911
Valuation loss on lease liabilities	-673	-870
Foreign exchange losses	-13 018	-30 802
Other financial expenses	-6 436	-9 154
Total financial expenses	**-70 461**	**-80 469**
Financial income		
Interest income – third parties	9	44
Gain from changes in the fair value of derivative financial instruments	0	14 774
Foreign exchange gains	122	825
Other financial income	408	1 173
Total financial income	**539**	**16 816**

- Losses from changes in the fair value of financial instruments amounted to EUR 7 502 thousand compared to gains from changes in the fair value of financial instruments of EUR 14 774 thousand in the previous year. As of the 2023 financial year-end, our non-hedge accounted cap and floor instruments were valued lower than in the previous year primarily due to the instruments being one year closer to maturity while the interest rate outlook until maturity has improved over the same time.
- Negative currency effects amounted to EUR 12 896 thousand compared to EUR 29 977 thousand in the previous year due to a continued weakening of the Euro against the Swiss Franc.
- We designated Group loans in the amount of EUR 580 000 thousand (previous year: EUR 104 000 thousand) as net investments in a foreign business operation. The positive foreign currency effects recognized in the consolidated statement of comprehensive income amounted to EUR 39 932 thousand (previous year: positive currency effects of EUR 5 342 thousand).

11 Financial risk management

11.1. Financial risk factors

Our activities expose us to a variety of financial risks.

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

Identified risks	Risk	Risk management
Foreign exchange risk	Fluctuations in the CHF/EUR exchange rate lead to: › Transaction and valuation risks, mainly related to Group loans granted in Euro. › Translation risks of companies with Swiss Franc as their functional currency.	› Denomination of revenue in the same currency in which the costs are incurred and denomination of financing in the currency of the asset ("natural hedging"). › Designation of individual long-term Group loans as a net investment in a business operation in order to minimize fluctuations in the consolidated statement of income. › Foreign exchange risks are not hedged by derivative instruments.
Interest rate risk	› Rising interest rates make financing for investment and development properties more expensive.	› On the basis of our risk management strategy, we generally finance investment properties at mixed interest rates (fixed rates or variable rates with swaps or interest rate cap instruments) for 3 - 5 years. › Concluding long-term fixed-rate financing and monitoring of average maturities. › Hedging variable-rate mortgage and building loans by means of interest rate swaps, caps, or collars. › We refrain from speculative trading in derivative financial instruments. › Loans from and to associates and related parties have fixed interest rates.

Capital structure and risk management

Identified risks	Risk	Risk management
Credit risk	› Default risk on rent and trade receivables, financial receivables and cash and cash equivalents.	› Obtaining creditworthiness information (e.g. SCHUFA, debt collection register extracts and information on income) before concluding new rental agreements. › Timely management of outstanding amounts, generally passing these on to a lawyer or debt collection agency after the second payment reminder. › Payment guarantees from banks for the sale of condominiums; units are generally only transferred after full payment is rendered, or the purchase price has been deposited on a notary escrow account. › Bank balances invested with "good" to "top-rated" counterparties (banking institutions with ratings of BBB+ to AAA). › Financial receivables: Continuous monitoring of recoverability. Impairments are recorded in line with the expected losses. › Details on losses on receivables are given in the disclosures for the respective consolidated statement of financial position items.
Liquidity risk	› Insufficient cash and cash equivalents to service and repay liabilities. › Lines of credit insufficient for financing further growth.	› Short- and medium-term rolling planning of cash and cash equivalents at Group level. › Availability of sufficient liquid funds. › Ongoing monitoring of amortization, reporting and repayment obligations at Group level. › Early involvement of financing institutions in the new property acquisition process. › Securing lines of credit at Group level.

11.1.1. Foreign exchange risks

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Group-wide financial receivables with EUR/CHF risk	870 723	739 323
Group-wide financial liabilities with EUR/CHF risk	13 731	43 153
Net risk exposure	**856 992**	**696 170**
Impact of a 5 % strengthening of the CHF (negative) / 5 % weakening of the CHF (positive)		
Consolidated statement of income	13 850	29 608
Consolidated statement of comprehensive income	29 000	5 200
Effect on total equity	**42 850**	**34 808**

› In the 2023 financial year, we designated an additional EUR 476 000 thousand of Group loans as net investments in a foreign business operation. The total Group loans designated as net investments in a foreign business operation as of December 31, 2023, was EUR 580 000 thousand (2022 year-end: EUR 104 000 thousand).

11.1.2. Interest rate risk

We have concluded both fixed-rate and variable-rate financing. We generally use interest rate swaps, caps, or collars with fixed rates to hedge variable-rate financing for a period of 3 to 5 years:

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Fixed-rate financial liabilities	743 672	799 434
Unhedged variable-rate financial liabilities	91 178	111 837
Hedged variable-rate financial liabilities, without hedge accounting	383 412	301 069
Hedged variable-rate financial liabilities, with hedge accounting	202 597	261 392
Non-interest-bearing financial liabilities	24 033	24 051
Financial liabilities and mortgage loans	**1 444 892**	**1 497 783**

Interest rate sensitivities:

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

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Change in interest rate	+ 1.0 %	+ 1.0 %
Impact on interest expenses	**918**	**1 123**
Change in interest rate	- 1.0 %	- 1.0 %
Impact on interest expenses	**-860**	**-1 720**

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

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Non-interest-bearing financial liabilities	24 033	24 051
Financial liabilities up to and including 1.00 %	0	30 005
Financial liabilities up to and including 2.00 %	384 412	439 604
Financial liabilities up to and including 3.00 %	557 224	513 828
Financial liabilities up to and including 4.00 %	96 814	193 552
Financial liabilities up to and including 5.00 %	331 170	296 743
Financial liabilities up to and including 6.00 %	51 239	0
Total interest-bearing financial liabilities and mortgage loans	**1 444 892**	**1 497 783**

Capital structure and risk management

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	**2023**	2022
Operating result (EBIT)	-159 710	43 686
Depreciation and amortization	2 054	1 907
Valuation result of investment properties	209 405	12 237
Impairment loss on development properties	13 197	0
Share-based payment compensation	381	516
Other non-cash accrued expense positions	633	823
Adjusted operating result	**65 960**	**59 169**
Net interest	40 633	38 080
Interest coverage ratio	**1.62**	**1.55**

› The strong growth in adjusted operating result overcompensated increased net interest expenses and delivered an overall improved interest coverage ratio.

11.1.3. Liquidity risk

Contractual maturities:

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

in EUR thousands	0 - 3 months	4 - 6 months	7 - 12 months	1 - 5 years	> 5 years	Total
Dec 31, 2023						
Trade and other payables [1,2]	18 445	1 072	4 476	0	0	**23 993**
Financial liabilities	8 275	23 824	35 422	1 286 042	171 160	**1 524 723**
Dec 31, 2022						
Trade and other payables [1,2]	22 280	3 500	4 349	0	0	**30 129**
Financial liabilities	112 401	16 275	39 447	1 059 354	394 964	**1 622 441**

1 Excluding advance payments and prepaid rents.
2 Items not impacting liquidity in the amount of EUR 528 thousand are not included (previous year: EUR 716 thousand).

› The table above is based on the terms contractually agreed with the lending banks; implicit agreements regarding extensions are in place in some instances but are not considered.

› The category "1 - 5 years" includes the future settlement of borrowings of EUR 1 220 475 thousand (previous year: EUR 979 265 thousand) (see Note 8.8) and interest settlements that will fall due in the future of EUR 62 922 thousand (previous year EUR 80 089 thousand).

Loan-to-value ratio:

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

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Total market value of real estate portfolio (investments and development properties) incl. advance payments for investment properties	2 434 071	2 636 868
Total net financial liabilities without lease liabilities and market value of derivative financial instruments [1]	1 398 921	1 442 125
Loan-to-value ratio	**57.5 %**	**54.7 %**
Total market value of real estate portfolio (investments and development properties without right-of-use assets) incl. advance payments for investment properties	2 434 071	2 636 868
Total net financial liabilities secured by mortgage loans [1]	982 606	952 599
Secured loan-to-value ratio	**40.4 %**	**36.1 %**

1 Less cash and cash equivalents and current financial receivables.

Lending arrangement clauses:

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

11.2. Determination of fair value

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

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

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

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

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

Capital structure and risk management

11.2.1. Financial instruments at fair value

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

in EUR thousands	Dec 31, 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	12 094	20 795
Derivatives held as hedging instruments - changes in fair value recognized in the consolidated statement of comprehensive income	10 731	19 620
Liabilities		
Derivatives held as hedging instruments - changes in fair value recognized in the consolidated statement of comprehensive income	0	776

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

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

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

Unrecognized differences were identified for the following instruments:

in EUR thousands	Dec 31, 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	2 653	2 653	92 066	98 216
Non-current financial liabilities measured at amortized cost				
Non-current mortgage loans	891 085	934 837	947 437	951 777
Non-current financial liabilities excluding lease liabilities, Level 1	278 848	347 831	218 640	295 103
Non-current financial liabilities excluding lease liabilities, Level 2	64 685	65 454	95 184	95 848
Total	**1 237 271**	**1 350 775**	**1 353 327**	**1 440 944**

- 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 bonds are assigned to Level 1, all other financial instruments are in Level 2.
- There were no transfers between the individual levels in either the reporting year or the previous year.
- There were no netting agreements to be reported as of December 31, 2023, as in the previous year.

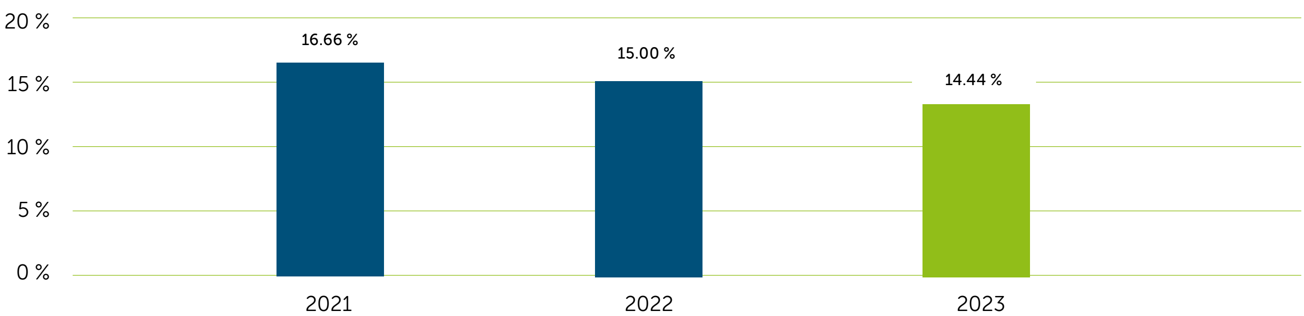
Platform costs

12 Personnel expenses

How we calculate the figures:

- Personnel expenses comprise all costs incurred, including social insurance and pension costs. Share-based compensation is recognized over the vesting period. We capitalize our own services for construction management services as own work based on contractually agreed rates.

Personnel expenses as a % of rental income



in EUR thousands	2023	2022
Salaries	-15 190	-15 220
Social insurance cost	-2 383	-2 175
Employee benefits – defined benefit plan	-119	-204
Employee benefits – defined contribution plan	-186	-195
Share-based compensation	-381	-516
Other personnel expenses	-549	-595
Capitalized own services	1 351	1 425
Total personnel expenses	**-17 457**	**-17 480**
Headcount as of December 31	228	233

- The decrease in personnel expenses in relation to rental income is mainly due to an increase in rental income of 3.8 % while personnel expenses remained flat compared to the previous year.
- The absolute decrease in expenses is due to a reduction in headcount despite our further insourcing of facility management services in the 2023 financial year. This reflects the scalability of our business model, the efficiency gains achieved, and the result from targeted cost-saving measures implemented during the reporting year. Additionally, expenses for share based payment plans decreased due to a higher forfeiture rate and a lower share price compared to the previous year.

13 Employee benefit obligations

How we calculate the figures:

- We account for defined benefit and defined contribution plans.
- All employees in Germany are subscribed to a state-run defined contribution plan. The German Group companies do not offer any occupational pension plans. Employer's contributions are paid into the statutory pension scheme. Employees have no direct claims against the employer.
- Employees in Switzerland are affiliated to a collective foundation for the mandatory portion of pension provision up to an insured salary of CHF 151 thousand (EUR 155 thousand). This plan is accounted for as a defined benefit plan in accordance with IAS 19. The non-mandatory portion of pension provision on insured salaries exceeding CHF 151 thousand (EUR 155 thousand) is insured by a collective foundation for non-mandatory occupational benefits. This plan is not accounted for as a defined benefit plan, since an actuarial valuation in accordance with IAS 19 would not lead to any significant adjustments due to the risk structure (investment risk fully borne by the employee, longevity risk mainly borne by the foundation, no contractual or factual additional funding obligations). The materiality of unrecognized effects is reviewed periodically.
- We assumed pension obligations as part of an acquisition. These are also accounted for as defined benefit plans in accordance with IAS 19.
- Due to the insignificance of the amounts recorded in the consolidated statement of financial position, the consolidated statement of income and other comprehensive income, we refrain from full IAS 19 disclosures.

Key assumptions and estimates:

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

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

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

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

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

in EUR thousands		**Dec 31, 2023**			Dec 31, 2022	
	Swiss employee benefit plan	**German Pensioners Plan**	**Total**	Swiss employee benefit plan	German Pensioners Plan	Total
Fair value of plan assets	3 512	876	4 388	3 339	786	4 125
Present value of employee benefit obligations	-4 063	-2 746	-6 809	-3 727	-2 574	-6 301
Funded status	**-551**	**-1 870**	**-2 421**	**-388**	**-1 788**	**-2 176**

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

in EUR thousands			**2023**			2022
	Swiss employee benefit plan	**German Pensioners Plan**	**Total**	Swiss employee benefit plan	German Pensioners Plan	Total
Present value of the obligation as of January 1	**-3 727**	**-2 574**	**-6 301**	**-4 278**	**-3 675**	**-7 953**
Current service cost	-89	0	-89	-149	0	-149
Interest expense	-83	-94	-177	-16	-39	-55
Currency translation changes	-246	0	-246	-228	0	-228
Total pension benefits	**-4 145**	**-2 668**	**-6 813**	**-4 671**	**-3 714**	**-8 385**
Actuarial gains/(losses) from changes in demographic assumptions	11	-99	-88	0	0	0
Actuarial gains/(losses) from changes in financial assumptions	-342	-151	-493	881	889	1 770
Experience-based adjustments	16	0	16	15	76	91
Currency translation changes	-14	0	-14	18	0	18
Total revaluations	**-4 474**	**-2 918**	**-7 392**	**-3 757**	**-2 749**	**-6 506**
Employee contributions	-109	0	-109	-96	0	-96
Benefits paid	501	172	673	125	175	300
Currency translation changes	19	0	19	1	0	1
Present value of the obligation as of December 31	**-4 063**	**-2 746**	**-6 809**	**-3 727**	**-2 574**	**-6 301**
Fair value of plan assets as of January 1	**3 339**	**786**	**4 125**	**3 494**	**899**	**4 393**
Interest income	74	29	103	13	11	24
Return on plan assets (less interest income)	172	57	229	-410	-89	-499
Employee contributions	109	0	109	96	0	96
Employer contributions	109	25	134	96	0	96
Benefits paid	-501	-21	-522	-125	-35	-160
Currency translation changes	210	0	210	175	0	175
Fair value of plan assets as of December 31	**3 512**	**876**	**4 388**	**3 339**	**786**	**4 125**

Platform costs

We have the following actuarial assumptions:

	Dec 31, 2023		Dec 31, 2022	
Actuarial assumptions	**Swiss employee benefit plan**	**German Pensioners Plan**	Swiss employee benefit plan	German Pensioners Plan
Discount rate	1.50 %	3.20 %	2.30 %	3.80 %
Inflation	1.00 %	n.a.	1.00 %	n.a.
Expected salary increases	2.0 %	2.35 %	2.00 %	2.35 %
Expected increase in pension benefits	0.25 %	1.60 %	0.25 %	1.60 %
Biometric assumptions	BVG2020(GT)	Reference guidelines 2018 G	BVG 2020 (GT)	Reference guidelines 2018 G

14 Option programs

How we calculate the figures:

We account for the following employee participation plans:

- Plans 2021, 2022 and 2023, which were designed to attract and retain selected members of the Board of Directors, Executive Management and Senior Management.
- Plan 2020 was exercised after the Annual General Meeting in 2023.
- Plan 2019 was exercised after the Annual General Meeting in 2022.

The plans constitute additional compensation in the form of shares granted at reduced prices. All plans are equity settled.

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

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

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

14.1. Plans 2023, 2022, 2021, 2020, and 2019

- In the reporting year, and the previous year, the Board of Directors approved new performance stock unit plans (PSU) for share-based compensation (Plan 2023 and Plan 2022, respectively). The granting of shares is resolved by the Board of Directors. The cumulated maximum rights to shares shall not exceed 3 % of the Company's total issued share capital, as measured based on the respective holdings, at any point in time.
- Under the PSU programs, entitlements are granted to program participants in the form of PSUs (performance stock units), which represent an entitlement of up to two shares per PSU, depending on the degree of target achievement over the performance period.
  Target achievement for the 2023 program is defined as a target share price after the publication of our preliminary results for the 2025 financial year, cumulated adjusted Group earnings before interest, taxes, amortization and depreciation (adjusted Group EBITDA) over 3 years, and a target ESG risk rating in the fourth quarter of 2025, all in equal parts.
  Target achievement for the 2022 and 2021 programs is defined as a target share price, cumulated Group earnings after taxes over 3 years, and the average interest expense during the last year of the performance period, all in equal parts.
  Target achievement for the 2020 and 2019 programs is defined as target share price and cumulated Group earnings after taxes over 3 years, all in equal parts.
  All programs require the beneficiary to still be in our employ by the time of vesting, at the end of the performance period (Annual General Meeting for last year of the performance period). We have no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.
- The shares are allocated no later than six months after vesting, without any further action on the part of the beneficiaries.
- With the approval of the 2021 financial statements by the Annual General Meeting in 2022, vesting took place and closed the period for Plan 2019. All PSUs were exercised with a factor of 2.
- With the approval of the 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	Plan 2019
Issue date	Apr 1, 2023	Apr 1, 2022	Apr 1, 2021	Jun 2, 2020	May 10, 2019
Measurement years for accumulated Group result	2023 - 2025	2022 - 2024	2021 - 2023	2020 - 2022	2019 - 2021
End of performance period	2026 AGM	2025 AGM	2024 AGM	2023 AGM	2022 AGM
Effective date share price	Feb 6, 2026	Feb 6, 2025	Feb 6, 2024	Feb 6, 2023	Feb 4, 2022
End of blocking period	2026 AGM	2025 AGM	2024 AGM	2023 AGM	2022 AGM
Adjusted Group EBITDA	approved long-term plan	n.a.	n.a.	n.a.	n.a.
Accumulated Group result after taxes	n.a.	approved long-term plan	approved long-term plan	approved long-term plan	approved long-term plan
Average interest expense	n.a.	approved long-term plan	approved long-term plan	n.a.	n.a.
Share price when issued in CHF	12.24	55.90	49.70	36.40	29.60
Risk-free interest rate	1.95 %	0.45 %	-0.55 %	-0.62 %	-0.57 %
Volatility	35.80 %	28.06 %	28.77 %	28.67 %	25.04 %
Market value of PSUs on date of issue in CHF	9.98	48.50	46.62	26.79	20.98
Market value of PSUs on date of issue in EUR	10.01	48.28	43.10	25.03	18.86

Platform costs

14.2. Outstanding and exercisable options of Plans 2019-2023

	Plan 2023	Plan 2022	Plan 2021	Plan 2020	Plan 2019
Outstanding options/PSUs as of January 1, 2022	**0**	**0**	**41 500**	**34 500**	**34 500**
Exercisable options/PSUs as of January 1, 2022	**0**	**0**	**0**	**0**	**0**
Options allocated	0	24 700	0	0	0
Options exercised	0	0	0	0	-31 500
Options forfeited	0	-500	-2 000	-3 000	-3 000
Outstanding options/PSUs as of December 31, 2022	**0**	**24 200**	**39 500**	**31 500**	**0**
Exercisable options/PSUs as of December 31, 2022	**0**	**0**	**0**	**0**	**0**
Options allocated	56 900	0	0	0	0
Options exercised	0	0	0	-31 500	0
Options forfeited	-13 000	-8 000	-13 500	0	0
Outstanding options/PSUs as of December 31, 2023	**43 900**	**16 200**	**26 000**	**0**	**0**
Exercisable options/PSUs as of December 31, 2023	**0**	**0**	**0**	**0**	**0**

› We charged EUR 381 thousand (excluding social insurance benefits) to the consolidated statement of income for Plans 2019-2023 during the reporting year (previous year: EUR 516 thousand for the Plans 2018 – 2022).

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

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

in EUR thousands			2023			2022
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Fixed remuneration, cash	262	862	1 124	249	901	1 150
Variable remuneration, cash	0	523	523	0	585	585
Fixed remuneration, stock	244	0	244	307	0	307
Variable remuneration, stock	0	186	186	0	467	467
Options	67	113	180	115	178	293
Social insurance and fringe benefits	24	287	311	-8	279	271
Total	**597**	**1 971**	**2 568**	**663**	**2 410**	**3 073**

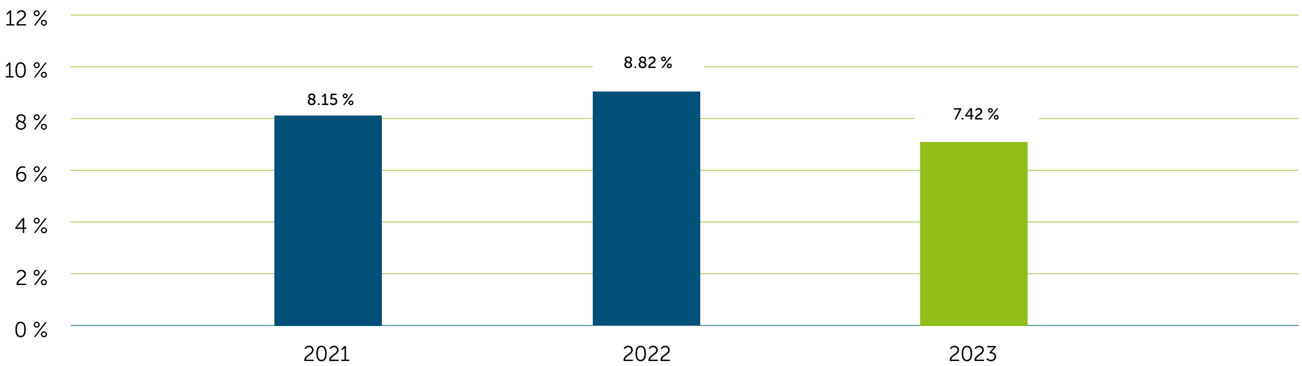
15.2. Shares and options held

	Dec 31, 2023			Dec 31, 2022		
	Board of Directors	Executive Management	Total	Board of Directors	Executive Management	Total
Number of shares	134 523	41 039	175 562	275 832	741 900	1 017 732
Number of options	12 100	20 500	32 600	18 700	34 500	53 200

- Senior office staff act as managing directors in some of our property holding companies. These individuals are, however, not members of the Group's executive management. Members of the Boards of Directors of subsidiaries do not receive any remuneration for their activities.
- There are no post-employment benefit obligations to (former) members of the Board of Directors or Executive Management, nor are there any obligations to them in the event of termination of employment.
- No loans were granted to members of the Board of Directors or Executive Management.
- We paid Dr. Christian De Prati an arrangement fee of EUR 29 thousand for outlays in connection with the convertible bond placements, which is customary on the market.

16 Other operating expenses

Other operating expenses as a % of rental income



in EUR thousands	2023	2022
Fees and legal expenses, third parties	-2 631	-3 548
Fees and legal expenses, related parties	-544	-516
IT expenses	-1 881	-1 681
Capital taxes, input tax deductions and other taxes	-840	-909
Vehicle maintenance	-356	-397
Accounting costs and scanning services	-319	-387
Bad debt losses	-191	0
Other operating expenses	-2 207	-2 617
Total other operating expenses	**-8 969**	**-10 055**

Platform costs

- The decrease in fees and legal expenses is mainly related to the insourcing of the tax function as well as lower external costs in connection with refinancing and restructuring measures.
- Fees and legal expenses, related parties include the fees to the Board of Directors.
- Bad debt losses include value adjustments on outstanding refunds from suppliers.
- The decrease of other operating expenses is largely due to lower sundry expenses as well as cost saving measures realized in the reporting year.

17 Taxes

How we calculate the figures:

- Income taxes include current and deferred income taxes. Income taxes are recorded in the consolidated statement of income, except for income tax on transactions directly recorded in other comprehensive income or directly in equity.
- The current income tax charge is calculated as the expected income tax due on the relevant taxable income. The calculation is based on the tax rates that apply or were announced as of the reporting date.
- Measurement of deferred income taxes considers the expected timing, nature and manner of realization or repayment of the corresponding assets and liabilities. The tax rates applied are those prevailing or announced as of the reporting date. Deferred income tax assets are only recognized to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized.

Key assumptions and estimates:

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

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

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

17.1. Income taxes

in EUR thousands	2023	2022
Current income taxes	-800	1 187
Deferred taxes	36 519	3 749
Total income taxes	**35 719**	**4 936**

in EUR thousands	2023	2022
Result before taxes	**-229 632**	**-19 967**
Income taxes at a rate of 19.5 % (2022: 18.5 %)	44 778	3 694
Interest barrier impacts	-9 685	-3 907
Adjustments for final assessments of previous years, from tax audits and change of estimates	1 314	5 751
Non-capitalized loss carryforwards / reversal of capitalized loss carryforwards	-1 714	-1 092
Use of non-capitalized loss carryforwards	733	1 239
Other effects	293	-749
Total income taxes	**35 719**	**4 936**

- We expect tax rates in a range of between 17 % and 20 % depending on the profit contribution of the different Group entities. The tax rate for most of our portfolio companies is at 15.83 % (trade tax exemption/extended reduction in trade tax). The tax rate of all other German subsidiaries is at 32.45 % and the Company's tax is at 20 %.
- We concluded profit and loss transfer agreements for a large number of group companies to have a joint assessment for German corporation tax. Under the interest barrier regulation (tax-deductible net interest only up to 30 % of EBITDA), there is only a one-time exemption limit for interest expenses of EUR 3 million for the whole tax group. In combination with the current financing structure, this gave rise to significant interest carryforwards and at the same time led to the use of capitalized loss carryforwards. As in previous years we did not capitalize this year's interest carryforwards amounting to EUR 61 million.
- In the 2023 financial year a tax audit of the German group for the years 2017 through 2020 was conducted, resulting in a tax impact of EUR 1 359 thousand, thereof EUR 1 058 thousand against capitalized tax carryforwards. Additionally, we received the tax assessments for numerous entities up to 2021 and amended estimates in line with the findings of the tax audit for the 2022 and 2023 financial years, having in total a positive impact of EUR 1 314 thousand.
- In the previous year, the line item included the impact of the final assessments for Peach Property Group AG for the years 2019 and 2020 as well as the tax audit outcome for the years 2014 through 2016 of the German group, having a positive impact of EUR 1.1 million. Additionally, we reassessed estimates regarding German trade tax reductions and released deferred tax liabilities in the amount of EUR 4.6 million.

Platform costs

17.2. Deferred taxes

in EUR thousands	Dec 31, 2023		Dec 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Development properties	0	0	0	1 427
Investment properties	15	90 678	10	121 496
Derivative financial instruments	0	3 662	1 259	7 183
Other assets	669	19	62	24
Lease liabilities	3 435	22	3 010	25
Other liabilities and provisions	123	480	92	1 519
Loss carryforwards	35 467	0	25 669	0
Total	**39 709**	**94 861**	**30 102**	**131 674**
Amounts netted	-16 426	-16 426	-17 266	-17 266
Deferred tax assets	**23 283**		**12 836**	
Deferred tax liabilities		**78 435**		**114 408**

in EUR thousands	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Deferred taxes as of January 1	12 836	114 408	16 896	117 872
Recognized in the consolidated statement of income for the year	1 996	-34 525	-4 204	-7 895
Recognized in other total comprehensive income	7 919	-1 457	12	4 219
Currency translation changes	532	9	132	212
Deferred taxes as of December 31	**23 283**	**78 435**	**12 836**	**114 408**

17.3. Loss and interest carryforwards

- Non-capitalized interest carryforwards amount to EUR 131 653 thousand (previous year: EUR 73 281 thousand).
- Loss carryforwards that are not capitalized relate mostly to Group companies without profit and loss transfer agreements, where the loss carryforwards exceed the credit temporary differences, as well as loss carryforwards that are locked due to the conclusion of profit and loss transfer agreements.

Loss carryforwards will expire as follows:

in EUR thousands	Dec 31, 2023		Dec 31, 2022	
	Total	of which non-capitalized	Total	of which non-capitalized
Expiration in 2 - 3 years	4 147	0	0	0
Expiration in 4 - 7 years	34 719	3 277	12 188	0
Expiration after more than 7 years/no expiration	303 230	147 573	213 410	83 328
Total	**342 096**	**150 850**	**225 598**	**83 328**

17.4. Unrecognized permanent differences

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

Other disclosures

18 Working capital

How we calculate the figures:

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

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

The expected loss over the entire term is calculated on outstanding rent receivables based on the actual rent per portfolio, or profit center. The impairment rates are between 0.0 % and 13 % in the reporting year (0.0 % and 20.0 % in previous year).

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

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

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

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

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

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

Other disclosures

18.1. Trade receivables

Amounts due from, and impairment of trade receivables:

in EUR thousands	Due per Dec 31, 2023					Due per Dec 31, 2022				
	Not due	1-4 months	5-12 months	More than 12 months	Total	Not due	1-4 months	5-12 months	More than 12 months	Total
Trade receivables from third parties	8 649	5 089	2 562	2 168	18 468	6 958	5 097	2 385	2 074	16 514
Bad debt allowance	-1	-838	-1 657	-2 010	-4 506	-6	-1 337	-2 012	-2 001	-5 356
Total trade receivables, net	**8 648**	**4 251**	**905**	**158**	**13 962**	**6 952**	**3 760**	**373**	**73**	**11 158**
Bad debt allowance as of January 1					-5 356					-4 769
Increase in bad debt allowance					-3 091					-3 410
Losses from trade receivables					3 882					2 697
Reversal of bad debt allowance					59					126
Bad debt allowanceas of December 31					**-4 506**					**-5 356**

- Trade receivables from third parties include tenant receivables, amounting to EUR 16 221 thousand (previous year: EUR 14 267 thousand) and receivables from the sale of condominiums amounting to EUR 2 247 thousand (previous year: EUR 2 247 thousand).
- The increase in tenant receivables of EUR 1 954 thousand results mainly from receivables arising from the 2022 ancillary cost billings being higher than receivables from the ancillary cost billing cycle in the previous year.
- Most of the outstanding receivables from condominiums are deposited in notary escrow accounts and are not due, since actions to remediate deficiencies are still ongoing.
- Tenant receivables from third parties not due include ancillary cost receivables of EUR 5 519 thousand (previous year: EUR 3 893 thousand) becoming due on January 1, 2024, and February 1, 2024, as well as the not due portions of instalment payment arrangements.
- Bad debt allowance is only related to tenant receivables. The decrease of EUR 850 thousand mainly relates to the settlement of loss-making contracts from the acquisitions in previous years.
- Lost income due to collection risks amounts to EUR 3 035 thousand (previous year: EUR 1 906 thousand) and represents 2.5 % (previous year: 1.6 %) of actual rental income. The previous year contains non-recurring favorable releases of valuation adjustments to lost income due to collection risks. The released valuation adjustments relate to outstanding receivables acquired (net of valuation adjustment) that have subsequently been successfully collected.

18.2. Other receivables

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Receivables from ancillary costs	7 241	14 923
Maintenance reserves	2 862	2 622
Other receivables from third parties	2 091	2 643
Amounts receivable / not yet settled credits from suppliers	1 578	3 371
Current tax receivables	103	459
Bad debt allowance	-188	0
Total other receivables	**13 687**	**24 018**

- With the 2021 ancillary cost billing cycle, the heating and operating costs deposits were increased in line with the inflationary cost increases resulting in lower net receivables from our tenants for the 2023 ancillary cost billing cycle.
- Credits due from suppliers were largely settled or offset in the 2022 ancillary cost billing cycle, during the 2023 financial year. Where settlement is still outstanding, and no creditor confirmation was received a value adjustment was recorded.

18.3. Other payables and advance payments

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Liabilities from ancillary costs	5 724	4 386
Prepaid rent	5 376	5 581
Accrued construction and renovation costs, third parties	4 701	10 935
Liabilities from overpaid and other rent	2 299	2 288
Accrued personnel expenses, third parties	1 679	1 652
Other payables, third parties	1 586	1 688
Other accruals, third parties	1 577	1 304
Accrued expenses, Board of Directors remuneration	929	1 188
Reservation fee	60	584
Total other payables	**23 931**	**29 606**

- As in the previous year liabilities from ancillary costs mostly include accruals for outstanding invoices in relation to the 2023 ancillary cost billing cycle.
- Accrued construction and renovation costs significantly decreased in line with a revision of our renovation plan.

Other disclosures

19 Financial assets

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Non-current financial receivables from third parties	243	146
Non-current financial receivables from associates	14 001	13 071
Non-current derivative financial instruments	22 167	40 415
Value adjustment	-14 001	-13 071
Total financial assets	**22 410**	**40 561**

› For both years, receivables from associates comprise both the vendor loan and further loan receivables from the associated company Beach House AG. We fully impaired these loans as in the previous year due to the negative results of equity valuation in 2023.

20 Scope of consolidation

How we calculate the figures:

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

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

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

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

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling assets
Switzerland			in CHF thousands	in %	in %	in %
Peach Property Group AG	1/3	Zurich	20 741			
Peach German Properties AG	3	Stansstad	100	100.0		

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling assets
Germany			in EUR thousands		in %	in %
Peach Property Management GmbH & Co. KG	1/3	Cologne	2		100.0	
PPM Verwaltung GmbH	4	Cologne	25		100.0	
Peach Property Group (Deutschland) GmbH	2/3	Cologne	5 000		100.0	
Munster Portfolio GmbH	2	Cologne	25		100.0	
Portfolio Fassberg I GmbH & Co. KG	2	Cologne	50		94.9	5.1
Portfolio Helmstedt GmbH	2	Cologne	1 176		89.9	10.1
Portfolio Erkrath Wohnen GmbH	2	Cologne	25		100.0	
Portfolio Neukirchen L GmbH	2	Cologne	25		94.9	5.1
Portfolio Neukirchen S GmbH	2	Cologne	25		94.9	5.1
Portfolio Oberhausen GmbH	2	Cologne	25		100.0	
Portfolio Bochum II GmbH	2	Cologne	25		94.9	5.1
Portfolio Ruhr Mitte GmbH	2	Cologne	25		94.9	5.1
Blendersia Limited *	2	Larnaca CY	0.1		94.0	6.0
WBG Duisburg GmbH	2	Cologne	25		94.9	5.1
WBG Lanstrop GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen I GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen II GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen III GmbH	2	Cologne	25		94.9	5.1
Portfolio Gelsenkirchen IV GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen I GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen II GmbH	2	Cologne	25		94.9	5.1
Portfolio Essen III GmbH	2	Cologne	25		94.9	5.1
Portfolio Rhein Ruhr GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr GmbH	2	Cologne	25		100.0	
Portfolio Ruhr II GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr III GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr IV GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr V GmbH	2	Cologne	25		89.9	10.1
Portfolio Ruhr VI GmbH	2	Cologne	25		89.9	10.1
Portfolio Velbert GmbH	2	Cologne	25		94.9	5.1
Portfolio Marl GmbH	2	Cologne	25		94.9	5.1
Portfolio Marl II GmbH	2	Cologne	1 280		94.9	5.1
Portfolio Bielefeld I GmbH	2	Cologne	25		94.9	5.1

* Rebranding and relocation to Germany in progress

Other disclosures

	Ref.	Registered office	Share capital	Held by parent company	Held by Group	Held by non-controlling assets
Germany			in EUR thousands		in %	in %
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	5.1
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1
Portfolio Ahlen GmbH	2	Cologne	25		89.9	10.1
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1
Portfolio Deutschland I GmbH	3	Cologne	25		89.9	10.1
Portfolio Deutschland II GmbH & Co. KG	2	Cologne	10		100.0	
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0	
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0	
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0	
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1
Peach Portfolio Verwaltungs GmbH	4	Cologne	25		100.0	
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0	
Portfolio Eschwege GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0	
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0	
Peach Wertgrund GmbH	2	Cologne	25		100.0	
Portfolio Bremen GmbH	2	Cologne	25		94.9	5.1
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0	
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0	
Zymma Living GmbH	1	Cologne	25		100.0	
Peach Hausverwaltungen GmbH	1	Cologne	25		100.0	
Domibus Facility Services GmbH	1	Cologne	25		100.0	
Domibus Baumanagement GmbH	1	Cologne	25		100.0	
Peach Property Finance GmbH	3	Bonn	25		100.0	
Associated companies			**in CHF thousands**	**in %**		
Beach House AG	4	Wädenswil	100	46.6		

1 Service company
2 Project company
3 Holding and financing company
4 Management company / general partner

20.1. Financial year 2023

Peach Property Group (Deutschland) GmbH

- Peach Property Group (Deutschland) AG was converted into a GmbH at the end of the reporting period.

Relocation of Dutch companies

- The relocation process of the Dutch companies AG Bochum B.V. and Richmond PropCo 1 B.V. was completed at the beginning of the 2023 financial year. AG Bochum B.V. was renamed to Portfolio Ruhr Mitte GmbH und Richmond PropCo1 B.V. now firms as Portfolio Bremen.

20.2. Financial year 2022

Finalization of purchase price calculation and settlements

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

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

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

Liquidation East West Wohnbau GmbH in liquidation

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

Relocation of Danish companies

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

Relocation of Dutch companies

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

Other disclosures

21 Provisions

Key assumptions and estimates

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

in EUR thousands			**2023**			2022
	Development warranties	**Other provisions**	**Total**	Development warranties	Other provisions	Total
Opening balance as of January 1	**846**	**368**	**1 214**	**1 053**	**500**	**1 553**
Provision increases	4	145	149	41	93	134
Provisions used	-108	-212	-320	-90	-185	-275
Reversal of provisions in profit or loss	-101	-101	-202	-166	-53	-219
Currency translation changes	3	8	11	8	13	21
Ending balance as of December 31	**644**	**208**	**852**	**846**	**368**	**1 214**
Current provisions	622	204	826	744	368	1 112
Non-current provisions	22	4	26	102	0	102

- The development warranty provision mainly relates to the “H36” and “A43” projects in Hamburg. The warranty provision for the “Wollerau Park” project was mostly released as the warranty period expired in the 2023 financial year.

22 Contingent liabilities

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

- In November 2022 one of our subsidiaries received an assessment concerning the separate determination of the tax base for Real Estate Transfer Tax (RETT) from the respective tax authorities. The assessment relates to a transaction by our subsidiary, which predates our acquisition of the company. Based on the tax authorities’ assessment the amount 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. In November 2023, the relevant authority rejected our appeal resulting in the suspension of execution granted in January 2023 to the end of December 2023. In December 2023 we filed a lawsuit against the objection decision of the authorities and again filed an application for suspension of payment that was granted end of December 2023 until the financial court proceeding have ended.
- As in the previous year we assess the likelihood of being successful with our appeal in fiscal court proceedings as more probable than not.
- As part of our acquisition protocol, we insured against tax liabilities which includes RETT risks. We have reported the tax authorities’ assessment to the insurer. As of the date of this report the corresponding approval is still pending.

23 Leasing

How we calculate the figures:

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

in EUR thousands		Dec 31, 2023			Dec 31, 2022	
	Leasehold	Other	Total	Leasehold	Other	Total
Right-of-use asset	25 641	2 928	**28 569**	26 221	529	**26 750**
Lease liabilities	35 328	3 029	**38 357**	34 881	571	**35 452**
Lease payments	-1 124	-561	**-1 685**	-1 102	-465	**-1 567**
Interest expenses	-898	-87	**-985**	-887	-24	**-911**
Value adjustment/depreciation of right-of-use asset	-580	-533	**-1 113**	343	-434	**-91**
Adjustment of lease liabilities	-673	0	**-673**	-870	0	**-870**
Short-term leases in other operating expenses	0	-53	**-53**	0	-77	**-77**
Low-value leases in other operating expenses	0	-55	**-55**	0	-65	**-65**

- There are no initial direct costs or reinstatement costs affecting the value of right-of-use assets.
- We do not hold any leases with variable lease payments, nor do we have any purchase options, residual value guarantees, or sale and leaseback transactions.
- There are no encumbering leases.
- The average term of the leases is approximately 111 years (previous year: 112 years) for leaseholds and 7 years (previous year: 1 year) for rental agreements.

Other disclosures

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

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Up to 1 year	36	29
1–5 years	48	10
Total short-term and low-value leases	**84**	**39**

24 Subsequent events

- On March 12, 2024, anchor shareholders subscribed for 1.93 million new shares. The subscription price per share is at the 30-day volume weighted average of CHF 8.78 per share, and the total issue volume amounts to CHF 16.9 million (EUR 17.7 million). The delivery of the new shares is expected to take place on April 16, 2024.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zürich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Peach Property Group AG and its subsidiaries (the Group), which comprise the consolidated statement of income and the consolidated statement of comprehensive income for the year ended December 31, 2023, the consolidated statement of financial position as at December 31, 2023, the consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 79 to 138) give a true and fair view of the consolidated financial position of the Group as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

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

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

Our audit approach

Overview

Overall Group materiality: EUR 9'500'000

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

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

Valuation of investment properties

Assets from tax loss carry-forwards

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Materiality

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

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

Overall Group materiality	EUR 9'500'000
Benchmark applied	Net assets (equity)
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is a common industry benchmark for materiality considerations in the real estate business.

Audit scope

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

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

Key audit matters

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

Valuation of investment properties

Key audit matter	How our audit addressed the key audit matter
Investment properties amounting to EUR 2,434 million (94 % of total assets) as of December 31, 2023 represent a significant balance sheet item for the Group. They are measured at fair value in accordance with IAS 40 and IFRS 13. Please refer to note 5 in the notes to the consolidated financial statements (from page 99). We consider the testing of the valuation of investment properties to be a key audit matter due to the size of the balance sheet item, the significance of the appropriateness of the valuation model and the underlying assumptions used in the valuation. Fair values are determined using the discounted cash flow model (DCF model). The most relevant assumptions are the discount rate, the achievable rents per square meters and the vacancy rate. The assumptions are determined on the basis of market comparisons and are disclosed in note 5. In the case of investment properties under development or renovation, significant assumptions are also made with regard to repair or maintenance costs. In addition, a period for letting or for reducing vacancies must also be taken into account. The Group had all its investment properties valued by an independent property appraiser as at December 31, 2023.	We assessed and tested the design and existence of the controls relating to the property valuation process. In particular, we performed the following audit procedures: • We assessed the professional competence, independence and appointment of the property appraiser. To this end, we inspected the corresponding engagement letter and assessed the appropriateness of the assignment, examined the curricula vitae of the persons in charge and interviewed the expert in charge. • We reconciled the valuation report of the property appraiser to the accounting details. • With the support of our subject matter experts, we tested samples of valuations in terms of valuation methodology, assumptions and results. The subject matter experts assessed the changes in valuations and the assumptions on the overall portfolio. The valuations were discussed with the property appraiser, management and audit risk committee. We consider the valuation method applied by management and the parameters used to be an appropriate and sufficient basis for the valuation of investment properties.

Assets from tax loss carry-forwards

Key audit matter	How our audit addressed the key audit matter
The Group has tax loss and interest carryforwards of EUR 342 million and has capitalised deferred tax assets of EUR 35 million in that respect. Deferred tax assets from loss carry-forwards represent a significant balance sheet item. As explained in note 17 to the notes to the consolidated financial statements (from page 126), the capitalization of loss carry-forwards is applied in accordance with IAS 12. The Group plans the ability to use the loss carry-forwards for each company and it must make assumptions about current income and future realizable profits from letting and sale of investment or development properties and about the time of the realization. There is a risk that loss carry-forwards will expire unused if planned profits cannot be realized in a timely manner.	We assessed and tested the design and existence of the relevant controls. In addition, we examined the following in particular for the significant deferred tax assets from tax loss carry-forwards: • We discussed with management the ability to capitalize the loss carry-forwards and their recoverability at the company level. • On the basis of current and future expected tax results, we assessed the ability to capitalize the loss carry-forwards and their recoverability. In particular, we compared the assumed future profits with those from the development and investment property portfolios. • The current assumptions were compared with the expectations of use in prior years. This enables us to identify any time lags and assumptions that are too optimistic. • In consultation with our subject matter experts in Germany and Switzerland, we assessed the existence of loss carry-forwards and the ability to use them from a tax perspective. Our audit results support management's assumptions regarding the ability to capitalize loss carry-forwards and their recoverability.

Other information

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

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

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

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

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

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

Zurich, March 20, 2024

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

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

Zurich/Hamburg, 5th of February 2024

Report by the independent Appraisal Expert

Referenz Nummer:
102079.0076 / 106128.2302

To the Senior Management of Peach Property Group AG

Assignment
On behalf of the executive board of Peach Property Group AG (hereinafter "Peach Property Group"), Wüest Partner AG, Zurich, or W&P Immobilienberatung GmbH, Hamburg, (hereinafter "Wüest Partner") have appraised the property clusters owned by Peach Property Group for accounting purposes as of 31 December 2023. All investment and development property clusters were valued.

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

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

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

An exit price is the selling price specified in a sale and purchase agreement as jointly agreed by the parties to the contract. Transaction costs, normally including estate agent fees, transaction taxes as well as land register fees and notarial charges, are ignored when measuring

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the fair value. This means that pursuant to paragraph 25, IFRS 13, the fair value is not adjusted for transaction costs on the buyer that arise if the asset is sold (gross fair value).

Implementation of Fair Value

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

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

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

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

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

Valuation Method

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

Bases of Valuation

Wüest Partner is familiar with all the property clusters due to conducted site visits and the records made available. They were analyzed with respect to their qualities and risks (attractiveness and lettability of the rental properties, type of construction and state of repair, micro- and macro-environment, et al.). Valuations of lettable properties that are currently vacant took the market consistent marketing period for each property into account, as well as vacancy derived additional costs.

The property clusters are visited by Wüest Partner at the time of their acquisition and subsequently in intervals of three years at the latest or after the completion of major alterations. During the period between 1 January 2023 and 31 December 2023, 313 investment property clusters in Germany were visited.

Results

As of 31 December 2023, Wüest Partner measured the following values for a total of EUR 2.473.628.800 investment property clusters as well as one development property in accordance with IAS 40:

— 579 investment property clusters in Germany 1: EUR 2.369.126.600
— 4 investment properties in Switzerland: CHF 25.117.900 (equals EUR 27.125.162[1])
— 1 development property in Switzerland: CHF 71.940.000 (equals EUR 77.688.984[1])
— total value: EUR 2‘473‘940‘746

Changes during the Reporting Period

During the period between 1 January 2023 and 31 December 2023, no further acquisition was added to the portfolio.

In Q1 of 2023 a slight restructuring of the property clustering was undertaken to mirror Peach Property Group's commercial clustering. 17 property clusters were either divided or merged, resulting in 12 new property clusters. The restructuring was conducted in accordance with Wüest Partners's valuation principles.

Regarding the existing portfolio due to sales of investment property clusters, the number of propertiy clusters to be valued in Germany has in total decreased by 6 (in Heidenheim, Herbrechtingen and Marl). Besides those 6 properties, individual condominiums, garages and parking spaces in Heidenheim, Hameln, Helmstedt and Marl have been sold and thus are no longer part of the respective valuations.

1 In the values above, the exchange rate as of 31.12.23 has been adopted: 1 CHF = 1,0799136 EUR

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

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

Zurich/Hamburg, 5th of February 2024
Wüest Partner AG / W&P Immobilienberatung GmbH

Rüdiger Hornung FRICS
Managing Director; Partner

Søren Dahlgaard LL.M.
Project Lead; Manager

Mario Huber
Director

EPRA Reporting

1 How EPRA is applied

Peach Property Group became a member of EPRA (European Public Real Estate Association) in November 2020. We disclose Performance Measures in line with the EPRA Reporting and Accounting Committee's Best Practices Recommendations (BPR) guidelines from February 2022.

EPRA is a not-for-profit association registered in Brussels and represents the interest of market-leading European real estate companies. To facilitate greater comparability among real estate companies, EPRA established certain uniformed performance reporting measures in addition to conventional IFRS reporting.

Peach Property Group's business is almost exclusively focused on residential properties while rental agreements are almost all open-ended. For this reason, no separate disclosure of rental contract terms is made.

Due to varying calculation methods, EPRA performance measures may differ from IFRS performance measures.

2 Overview of EPRA Performance Measures

EPRA-Performance Measure	Definition	Objective	2023	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.	-0.34	-1.22
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.	55.18	75.68
EPRA Net Tangible Assets (NTA) in EUR	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		47.37	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.		38.43	54.98
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.	3.7 %	3.2 %
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).		3.7 %	3.2 %
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 %).	8.4 %	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.	46.4 %	50.3 %
EPRA Cost Ratio (excl. cost of direct vacancy)	Administrative and operating costs (excluding costs of direct vacancy) divided by gross rental income.	Measurement of the changes in a company's operating costs.	41.2 %	44.9 %
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.	59.3 %	56.8 %

3 Overview of EPRA Performance Measures

3.1. EPRA Earnings per share

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

in EUR thousands	**2023**	2022
Earnings per IFRS consolidated statement of income	**-193 913**	**-15 031**
Adjustments to calculate EPRA earnings, exclude:		
Valuation changes from investment properties	209 405	12 237
Net profit/loss on disposal of investment properties	103	146
Impairment charge on development properties	13 197	0
Net profit/loss generated from development properties held for trading	-117	217
Tax on profits or losses on disposals	11	-63
Changes in fair value of financial instruments and associated close-out costs	7 502	-14 774
Deferred tax with respect to EPRA adjustments	-34 835	-2 274
Non-controlling interests with respect to the above	-8 500	-1 023
EPRA Earnings	**-7 147**	**-20 565**
Number of outstanding shares	20 740 918	16 882 373
Diluted number of outstanding shares at year end	20 740 918	16 882 373
EPRA EPS in EUR	**-0.34**	**-1.22**
Diluted EPRA EPS in EUR	**-0.34**	**-1.22**
Adjustment for development properties	117	-217
Adjustment for depreciation	2 054	1 907
Adjustment for share-based compensation and other non-cash personnel expenses	1 014	1 339
Adjustment for other deferred and non-cash taxes	-1 567	-3 081
Interest paid on hybrid capital	-803	-962
Other financial expenses, net	6 028	7 981
Non-cash interest and foreign exchange result	16 311	33 348
Lease payments and valuation result of lease liabilities	-1 685	-1 567
Non-controlling interests	8 500	1 023
Adjusted earnings (FFO I)	**22 822**	**19 206**
Average number of outstanding shares	20 580 506	16 863 160
Diluted average number of outstanding shares	20 580 506	16 863 160
Basic FFO I per share in EUR	**1.11**	**1.14**
Diluted FFO I per share in EUR	**1.11**	**1.14**

EPRA Reporting

- The increase in EPRA earnings per share results from our continued optimization of operational processes and the result from cost saving programs.
- Net currency losses amounted to EUR 12 896 thousand in the financial year, compared to EUR 29 977 thousand in the previous financial year. Excluding net currency losses in both years, EPRA earnings continue to trend upwards, demonstrating operational successes.
- As far as company-specific adjustments are concerned, earnings contributions from developments are included. Further adjustments include depreciation, non-cash expenses (personnel expenses, interest, and foreign currency impacts), and interest paid on hybrid equity. Other financial expenses are also adjusted, as these are mostly one-time expenses incurred in connection with financing activities, and do not follow a clear trend, as well as other deferred and non-cash taxes.
- The adjusted earnings correspond to the FFO I of Peach Property Group.

3.2. EPRA NAV

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

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

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

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

in EUR thousands			Dec 31, 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	950 306	950 306	950 306	1 067 414	1 067 414	1 067 414
Hybrid instruments	-39 758	-39 758	-39 758	-51 556	-51 556	-51 556
Diluted NAV, after the exercise of options, convertibles and other equity interests	**910 548**	**910 548**	**910 548**	**1 015 858**	**1 015 858**	**1 015 858**
Deduct:						
Deferred tax in relation to fair value gains on investment properties	-88 116	-77 722	0	-119 197	-117 482	0
Fair value of derivative financial instruments	22 825	22 825	0	39 639	39 639	0
Intangibles as per the IFRS statement of financial position	0	678	0	0	1 132	0

in EUR thousands			Dec 31, 2023			Dec 31, 2022
Include:						
Fair value of fixed interest rate financial liabilities	0	0	-113 504	0	0	-87 617
Acquisition costs (assumption 7 %)	168 593	17 692	0	182 199	2 795	0
EPRA NAV	**1 144 432**	**982 459**	**797 044**	**1 277 615**	**1 095 364**	**928 241**
Diluted number of shares	20 740 918	20 740 918	20 740 918	16 882 373	16 882 373	16 882 373
EPRA NAV per share in EUR	**55.18**	**47.37**	**38.43**	**75.68**	**64.88**	**54.98**

- Depending on the viewpoint taken, the EPRA Best Practice Recommendations result in a NAV per share of EUR 55 to EUR 38, compared to IFRS NAV of EUR 44.
- 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 47 per share is considered a meaningful indicator for shareholders.

3.3. EPRA Net Initial Yield

The EPRA NIY (Net Initial Yield) performance measure discloses the ratio of the annualized rental income minus non-allocable costs (i.e., the net rental income) in relation to the market values of the properties. The market values are increased by incidental acquisition costs in order to simulate an expected return for a potential buyer. As for the "topped-up" values, rental incentives granted are eliminated from the net rental income. Since we are almost exclusively focused on residential properties, with few rental incentives, the corresponding incentives have a negligible impact on initial returns.

in EUR thousands	2023	2022
Investment properties and advance payments for investment properties [1]	2 395 604	2 601 645
Investment properties held for sale and development properties	38 467	35 223
Development properties and advance payments for investment properties	-25 598	-34 031
Market value of investment properties	**2 408 473**	**2 602 837**
Allowance for purchasers' costs, estimated at 7.0 %	168 593	182 199
Gross-up market value of investment properties	**2 577 066**	**2 785 036**
Annualized rental income	123 908	119 226
Annualized expenses from letting of investment properties	-29 510	-30 018
Annualized net rental income from letting of investment properties	**94 398**	**89 208**
Rent-free periods and other lease incentives	420	220
Topped-up annualized net rent from letting of investment properties	**94 818**	**89 428**
EPRA NIY in %	**3.7 %**	**3.2 %**
EPRA "topped-up" NIY in %	**3.7 %**	**3.2 %**

1 Excluding right-of-use assets

- Net initial yields increased from a combination of increased rents year-over-year and a negative valuation adjustment of investment properties.

EPRA Reporting

3.4. EPRA Vacancy Rate

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

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

in EUR thousands	Dec 31, 2023	Dec 31, 2022
Annualized lost income due to vacancies from residential units	10 818	9 813
Annualized target rental income from residential units	128 836	123 991
EPRA Vacancy Rate	**8.4 %**	**7.9 %**

› Calculated over the full portfolio, the EPRA Vacancy Rate increased in comparison to the 2022 year-end vacancy rate. The increase in vacancy results from a revision of our planned renovation projects during the year following surges in the cost (both interest expenses and building material costs) to finance large renovation projects. With fewer units entering letting, or entering at a slower pace, our vacancy rate has increased.

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	2023	2022
Expenses from letting of investment properties	29 510	30 018
Personnel expenses	17 457	17 480
Sales and marketing expenses	366	1 049
Other operating expenses	8 778	10 055
EPRA costs (incl. direct vacancy costs)	**56 111**	**58 602**
Direct vacancy costs	-6 334	-6 248
EPRA costs (excl. direct vacancy costs)	**49 777**	**52 354**
Gross rental income, net of land rental expenses	120 872	116 497
Gross rental income	**120 872**	**116 497**
EPRA cost ratio (incl. direct vacancy costs)	**46.4 %**	**50.3 %**
EPRA cost ratio (excl. direct vacancy costs)	**41.2 %**	**44.9 %**

› The EPRA cost ratio improved year-over-year as a result of the implemented cost savings programs.

3.6. EPRA Loan-to-Value

The EPRA Loan-to-Value performance measure discloses net debt incurred in order to finance investment assets in relation to the fair value of the underlying investment assets.

in EUR thousands		Dec 31, 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	1 070 376	38 278	1 032 098	1 080 413	36 805	1 043 608
Hybrid instruments	39 758	0	39 758	51 556	0	51 556
Bond borrowings	350 484	0	350 484	393 319	0	393 319
Net payables	3 631	-11	3 642	2 622	-35	2 657
Deduct:						
Cash and cash equivalents	21 555	717	20 838	31 223	935	30 288
EPRA net debt	**1 442 694**	**37 550**	**1 405 144**	**1 496 687**	**35 835**	**1 460 852**
Investment properties measured at fair value	2 395 249	112 934	2 282 315	2 601 645	121 947	2 479 698
Investment properties held for sale	13 224	0	13 224	1 192	0	1 192
Development properties	25 243	0	25 243	34 031	0	34 031
EPRA property value	**2 433 716**	**112 934**	**2 320 782**	**2 636 868**	**121 947**	**2 514 921**
EPRA Loan-to-Value	**59.3 %**	**33.2 %**	**60.5 %**	**56.8 %**	**29.4 %**	**58.1 %**

› LTV calculated according to IFRS (see Note 11.1.3) is relevant in relation to compliance with our various credit agreement clauses. EPRA LTV is not relevant.

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	2023				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	18 001	1 130 162	76 271	5.62	72 689	5.36	4.9 %
Rhineland-Palatinate	3 040	183 494	13 400	6.09	12 795	5.81	4.7 %
Lower Saxony	3 540	217 486	13 189	5.05	12 909	4.95	2.2 %
Baden-Württemberg	832	56 422	4 382	6.47	4 137	6.11	5.9 %
Hesse	841	53 744	3 276	5.08	3 081	4.78	6.3 %
Other	1 027	53 125	4 020	6.31	3 886	6.10	3.4 %
Total	**27 281**	**1 694 433**	**114 538**	**5.63**	**109 497**	**5.39**	**4.6 %**

› We achieved a like-for-like rental income growth during 2023 of 4.6 % (previous year: 5.0 %).

4.2. Investments in real estate

Investments in portfolio properties in 2023 and 2022 were mainly tenant improvements, refurbishments, and the modernization of the existing portfolio.

in EUR thousands	2023	2022
Development properties - planning and development costs	15 328	12 422
Investment properties:		
Acquisitions	0	19 421
Tenant improvements and other CAPEX measures	19 133	57 583
Advance payments for investment properties	355	0
Total capital expenditures	**34 816**	**89 426**

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

in EUR thousands			2023			2022
	Area in m²	Capex	Capex in EUR per m²	Area in m²	Capex	Capex in EUR per m²
North Rhine-Westphalia	1 180 122	12 887	10.92	1 180 508	38 803	32.87
Rhineland-Palatinate	205 346	2 216	10.79	194 151	6 214	32.00
Lower Saxony	218 655	1 976	9.04	218 638	7 253	33.17
Baden-Württemberg	62 411	639	10.23	65 823	2 338	35.52
Hesse	53 744	475	8.84	53 744	1 988	36.99
Other	60 065	940	15.65	60 064	987	16.44
Total tenant improvements and capital expenditures	**1 780 343**	**19 133**	**10.75**	**1 772 928**	**57 583**	**32.48**

› The reduction in capital expenditure per square meter of lettable space from EUR 32.48 in 2022 to EUR 10.75 in 2023 reflects effects from our revised renovation plan. The revision included focusing funds on critically necessary renovations while procuring more cost-effective alternatives where possible.

4.3. EPRA Change in Market Value

The change in market values discloses the change in the valuation of the property portfolio, excluding right-of-use assets. IFRS values are adjusted for currency effects (disclosed at constant currency). 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					2023					2022
	Market value before valuation adjustment	Initial valuation	Revaluation	Initial valuation in %	Revaluation in %	Market value before valuation adjustment	Initial valuation	Revaluation	Initial valuation in %	Revaluation in %
North Rhine-Westphalia	1 737 744	0	-142 877	0.0 %	-8.2 %	1 732 275	0	-6 964	0.0 %	-0.4 %
Rhineland-Palatinate	370 267	0	-27 896	0.0 %	-7.5 %	369 978	1 575	-3 502	0.4 %	-0.9 %
Lower Saxony	239 811	0	-17 900	0.0 %	-7.5 %	239 828	0	-1 994	0.0 %	-0.8 %
Baden-Württemberg	113 589	0	-9 926	0.0 %	-8.7 %	117 742	0	1 059	0.0 %	0.9 %
Hesse	58 238	0	-2 533	0.0 %	-4.3 %	59 452	0	-1 689	0.0 %	-2.8 %
Other	97 714	0	-7 758	0.0 %	-7.9 %	96 141	0	-1 064	0.0 %	-1.1 %
Total	**2 617 363**	**0**	**-208 890**	**0.0 %**	**-8.0 %**	**2 615 416**	**1 575**	**-14 154**	**0.1 %**	**-0.5 %**

› The market value of our existing portfolio decreased by 8 % on the back of a challenging market environment and a corresponding external appraisal.

Independent practitioner's reasonable assurance report

on EPRA reporting containing the EPRA performance measures for the period ended 31 December 2023 to the Management of Peach Property Group AG

Zurich

We have been engaged by Management to perform assurance procedures to provide reasonable assurance on the EPRA reporting containing the EPRA performance measures (pages 148 to 155) of Peach Property Group AG for the period ended 31 December 2023.

The EPRA reporting containing the EPRA performance measures was prepared by the Management of Peach Property Group AG (the 'Company') together with to the explanations of the individual EPRA performance measures within the annual report 2023 based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in version published in February 2022 as explained in section "1. How EPRA is applied" in the EPRA reporting on page 148 (the «suitable Criteria»).

Inherent limitations

The accuracy and completeness of the EPRA reporting containing the EPRA performance measures are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data, e.g. the IFRS figures from the consolidated financial statements 2023. In addition, the quantification of the EPRA performance measures is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the EPRA reporting containing the EPRA performance measures and the required values needed for the combination. Our assurance report will therefore have to be read in connection with the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in Version published in February 2022 and the explanations of the individual EPRA performance measures of the Best Practices Recommendations of the European Public Real Estate Association (EPRA) in the annual report 2023.

Management's responsibility

The Management of Peach Property Group AG is responsible for preparing the EPRA reporting containing the EPRA performance measures in accordance in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the EPRA reporting containing the EPRA performance measures that is free from material misstatement, whether due to fraud or error. Furthermore, the Management is responsible for the selection and application of the EPRA Best Practices Recommendations containing the EPRA performance measures and making estimates and adaptations from the underlying IFRS-figures in the consolidated financial statements 2023 that are reasonable under the given circumstances and maintaining appropriate records.

Independence and quality management

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

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

Practitioner's responsibility

Our responsibility is to perform an assurance reasonable engagement and to express a conclusion on the EPRA reporting containing the EPRA performance measures. We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'. That standard requires that we plan and perform our procedures to obtain reasonable assurance, on whether EPRA reporting containing the EPRA performance measures was prepared, in all material aspects, in accordance with the suitable Criteria.

The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the EPRA reporting containing the EPRA performance measures. In making those risk assessments, we considered internal controls far as they are relevant for the preparation of the EPRA reporting containing the EPRA performance measures to specify audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of internal controls. Our reasonable assurance engagement also includes:

- assessing the suitability of the suitable Criteria in the given circumstances as the basis for preparing the EPRA reporting containing the EPRA performance measures, as mentioned in the chapter «EPRA Reporting» for the individual EPRA performance measures;
- evaluating the appropriateness of quantitative and qualitative methods and reporting policies used, and the reasonableness of estimates made by Peach Property Group AG;
- inquiries with persons responsible for the preparation of the EPRA performance measures; and
- assessing the EPRA performance measures regarding completeness and accuracy of derivations and calculations from the underlying IFRS-figures according to the audited consolidated financial statements of Peach Property Group AG as at 31 December 2023 or if applicable other internal source data.

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

Conclusion

In our opinion, the EPRA reporting containing the EPRA performance measures (pages 148 to 155) of Peach Property Group AG for the period ended 31 December 2023 is prepared, in all material respects, in accordance with the suitable Criteria.

Intended users and purpose of the report

This report is prepared for, and only for, the Management of Peach Property Group AG, and solely for the purpose of reporting to them on EPRA reporting containing the EPRA performance measures and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the EPRA reporting containing the EPRA performance measures, without assuming or accepting any responsibility or accountability to any other third parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of Peach Property Group AG for our work or this report.

PricewaterhouseCoopers AG

Patrick Balkanyi Philipp Gnädinger

Zurich, 20 March 2024

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Statement of financial position

in CHF thousands	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Current assets			
Cash and cash equivalents		1 938	9 538
Trade receivables			
Third parties		45	23
Group	2	1 170	1 781
Current financial receivables			
Group	3	134 265	81 693
Other current receivables			
Third parties		125	625
Development properties	4	55 551	46 842
Prepaid expenses			
Third parties	5	586	1 429
Total current assets		**193 680**	**141 931**
Non-current assets			
Non-current financial receivables			
Group	3	561 206	524 566
Associates	3	14 536	14 161
Value adjustments	3	-14 536	-14 161
Other non-current receivables			
Third parties		70	90
Investment properties	6	8 194	8 033
Investments	7	187	187
Value adjustments		-47	-47
Equipment		10	70
Intangible assets		388	811
Total non-current assets		**570 008**	**533 710**
Total assets		**763 688**	**675 641**

Statement of financial position (continued)

in CHF thousands	Note	Dec 31, 2023	Dec 31, 2022
Liabilities and equity			
Current liabilities			
Trade payables			
Third parties	8	1 628	2 607
Related parties and bodies		0	23
Prepaid rent		38	47
Advance payments	9	15 996	10 721
Current financial liabilities			
Third parties	10	24 771	14 201
Group	10	121	127
Other current liabilities			
Third parties	11	176	808
Current income tax liabilities		43	0
Accrued expenses	12		
Third parties		925	1 524
Related parties and bodies		1 091	1 360
Current provisions	13	309	1 079
Total current liabilities		**45 098**	**32 497**
Non-current liabilities			
Non-current financial liabilities			
Third parties	10	120 204	114 746
Non-current provisions	13	1 328	4 389
Total non-current liabilities		**121 532**	**119 135**
Total liabilities		**166 630**	**151 632**
Equity			
Share capital	14	20 741	506 471
Statutory capital contributions *	14	642 629	42 765
Statutory retained earnings	14	7 829	7 829
Treasury shares	14	-37	-531
Retained earnings/-loss carried forward			
Carried forward	14	-32 841	-11 770
Result	14	-41 263	-20 755
Total equity		**597 058**	**524 009**
Total liabilities and equity		**763 688**	**675 641**

* of which CHF 642 267 thousand is confirmed as of May 27, 2022

Statement of income

in CHF thousands	Note	2023	2022
Income from development properties		5	0
Expenses from development properties		112	-43
Net income from development properties		**117**	**-43**
Income from construction management services	15	0	3 027
Expenses from construction management services	15	0	-3 027
Net income from construction management services		**0**	**0**
Rental income	16	1 043	390
Expenses from letting of investment properties	16	-218	-64
Net income from letting of investment properties		**825**	**326**
Other operating income	17	5 193	8 878
Operating result		**6 135**	**9 161**
Personnel expenses		-4 209	-4 472
Sales and marketing expenses	18	-279	-882
Other operating expenses		-4 297	-4 393
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**-2 650**	**-586**
Value adjustments		-2 989	-313
Depreciation and amortization		-463	-517
Earnings before interest and taxes (EBIT)		**-6 102**	**-1 416**
Financial income	19	15 439	11 716
Financial expenses	19	-50 628	-31 229
Result before taxes		**-41 291**	**-20 929**
Income taxes		28	174
Result after taxes		**-41 263**	**-20 755**

Notes to the financial statements

These financial statements have been prepared in accordance with the requirements of Swiss law, in particular the accounting and financial reporting regulations of the Swiss Code of Obligations (Articles 957 to 962).

Peach Property Group AG, Zurich, (the Company) is the ultimate parent company of Peach Property Group. We are a stock corporation according to Swiss law, listed on the SIX Swiss Exchange, and prepare the Group financial statements in accordance with the International Financial Reporting Standards (IFRS). We waived the additional disclosures in the Notes in accordance with Art. 961d para 1 SCO as well as the cash flow statement and refer to our Group financial statements in this context.

1 Measurement principles applied

The main items in the financial statements are valued as follows:

1.1. Receivables and financial assets

Trade receivables, financial receivables and other receivables are recognized at nominal value. Receivables due in more than 12 months after the reporting date are shown as non-current receivables or financial assets. Where necessary, we carry out individual valuation adjustments.

Financial receivables and financial assets include interest-bearing receivables and loans granted.

1.2 Development properties

Development properties are valued at the lower of acquisition or production cost and net realizable value. The net realizable value is determined by the external property appraiser, Wüest Partner, on a bi-annual basis. The production costs include all directly attributable planning, development, material, and construction costs incurred to bring the objects into their current condition. The net realizable value corresponds to the estimated selling price less the estimated cost of completion and selling costs. If the cost of completion and selling costs exceed the estimated sales proceeds, value adjustments are recorded.

1.3 Investment properties

Investment properties are valued at the lower of acquisition costs and value-enhancing investments, and market value. The market value is determined by the external property appraiser, Wüest Partner, on a bi-annual basis. If acquisition costs and value-enhancing investments exceed the market value, a corresponding value adjustment is recorded.

1.4 Investments

We recognize investments at cost including transaction costs. If the value-in-use of an investment, calculated on a discounted earnings basis, permanently falls below the present book value, we record a value adjustment.

1.5 Equipment and intangible assets

We recognize equipment at cost including transaction costs, and depreciate the assets over the expected useful life of 3 - 5 years, depending on the asset class.

Investments in intangible assets mainly relate to new IT applications. We capitalize these including transaction costs and amortize over the expected useful life of 5 years.

1.6 Current and non-current liabilities

Liabilities are recognized at nominal value. Liabilities that are due for repayment within the next year are shown as current liabilities, while those due in more than 12 months after the reporting date are shown as non-current liabilities.

Financial liabilities include interest-bearing liabilities and loans received.

1.7 Provisions

We raise provisions when we have, or expect to have a present obligation due to past events, which will result in future cash outflows. The amount is determined at our best possible estimate, taking all material risks and uncertainties into consideration. We offset payments made against the provisions raised.

1.8 Revenue recognition

Revenue from development projects is recognized when the risk and reward is transferred. In the case of development projects, this is generally the case after construction is completed and ownership has been transferred in the land registry. Costs incurred and capitalized up to the transfer of ownership are charged to expenses from development properties. In the case of partial handovers (e.g. handover of individual apartments), the proportionate costs are calculated based on the relevant co-ownership share.

Reductions in revenue such as rebates and cash discounts are deducted from the sales proceeds.

Income from the letting of investment properties is recognized on a straight-line basis over the term of the rental agreement. Any rent-free period impacts are distributed linearly over the contractual term.

We determine income from construction activities and development based on the services rendered to customers as of the reporting date. We only recognize revenue when the amount of revenue can be reliably measured, and it is most probable that we will receive the associated economic benefits.

1.9 Foreign currency positions

Receivables and payables in foreign currency are valued at the exchange rate at the reporting date, taking into account the lower of cost or market principle. Transactions in foreign currencies during the year are valued using the prevailing daily rate. We applied the following foreign exchange rates as of the reporting date:

	Dec 31, 2023	Dec 31, 2022
EUR / CHF	0.9260	0.9847

1.10 Statement of positions vis-à-vis participants and bodies

We identify positions vis-à-vis participants, bodies and related parties as follows:

Governing bodies	“Bodies”
Directly and indirectly held Group companies	“Group”
Associates	“Associates”
Other related parties	“Related parties”

2 Trade receivables

No significant acquisition or sales transactions were concluded during the financial year resulting in lower charges to subsidiaries for transaction support services. Additionally, refinancing measures concluded during the financial year reduced the amount of financing guaranteed by the Company and thus resulted in lower charges to Group companies.

3 Financial receivables

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Peach German Properties AG	3 613	2 316
Peach Property Group (Deutschland) GmbH	99 189	77 332
Peach Property Management GmbH & Co. KG	12 092	0
Peach Property Finance GmbH	19 371	2 045
Total current financial receivables - Group	**134 265**	**81 693**
Peach German Properties AG	47 050	47 050
Peach Property Group (Deutschland) GmbH	370 400	414 559
Peach Property Management GmbH & Co. KG	51 156	62 957
Peach Property Finance GmbH	92 600	0
Total non-current financial receivables - Group	**561 206**	**524 566**
Beach House AG	14 536	14 161
Valuation adjustment	-14 536	-14 161
Total non-current financial receivables - Associates	**0**	**0**

Funds generated through the issuance of new share capital (see note 14) and the issuance of the CHF 50 million convertible bond (see note 10) were made available to our subsidiaries, resulting in the increase in current and non-current financial receivables.

As in the previous year, we have completely written down the loans to Beach House AG, as we do not expect any repayments from these loans.

4 Development properties

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Land	20 784	20 784
Development costs	37 378	26 058
Valuation adjustment	-2 611	0
Total development properties	**55 551**	**46 842**

Development properties only include the "Peninsula Wädenswil" development project.

Construction started towards the end of the second quarter of 2022. By the end of 2023 civil engineering measures have been largely completed. The project is scheduled to be completed in stages in 2025.

Since July 2022 purchase agreements for 33 units of the total 57 residential and 3 commercial units were notarized amounting to 58 % (end of 2022: 38 %) of the expected sales volume. The reservation rate is at 4 % (end of 2022: 18 %).

We recorded an impairment of CHF 2 611 thousand at the 2023 financial year-end due to increased construction costs with regards to civil engineering services, additional requirements imposed by the cultural heritage and historic monuments authorities, and general price increases.

5 Prepaid expenses

In the previous year prepaid expenses included CHF 809 thousand of financing cost for the revolving credit facility. CHF 360 thousand of this amount was released in the 2023 financial year to the statement of income; the remainder of the amount was reclassed to financial liabilities.

6 Investment properties

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Peninsula, Wädenswil	8 194	8 033
Total investment properties	**8 194**	**8 033**

The market value amounts to CHF 25 118 thousand based on the appraisal of Wüest Partner as of December 31, 2023.

7 Investments

Company	Ref.	Registered office	Capital stock	Direct invest-ments	Indirect invest-ments	Non-controlling interests	Closing date
Switzerland		**in CHF thous-ands**	**in %**	**in %**	**in %**		
Peach German Properties AG	4	Stansstad	100	100.0			31.12.
Germany		**in EUR thousands**					
Peach Property Management GmbH & Co. KG	1/4	Cologne	2		100.0		31.12.
PPM Verwaltung GmbH	5	Cologne	25		100.0		31.12.
Peach Property Group (Deutschland) GmbH	2/4	Cologne	5 000		100.0		31.12.
Munster Portfolio GmbH	2	Cologne	25		100.0		31.12.
Portfolio Fassberg I GmbH & Co. KG	2	Cologne	50		94.9	5.1	31.12.
Portfolio Helmstedt GmbH	2	Cologne	1 176		89.9	10.1	31.12.
Portfolio Erkrath Wohnen GmbH	2	Cologne	25		100.0		31.12.
Portfolio Neukirchen L GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Neukirchen S GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Oberhausen GmbH	2	Cologne	25		100.0		31.12.
Portfolio Bochum II GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Ruhr Mitte GmbH	2	Cologne	25		94.9	5.1	31.12.
Blendersia Limited *	2	Larnaca CY	0.1		94.0	6.0	31.12.
WBG Duisburg GmbH	2	Cologne	25		94.9	5.1	31.12.
WBG Lanstrop GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Gelsenkirchen I GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Gelsenkirchen II GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Gelsenkirchen III GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Gelsenkirchen IV GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Essen I GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Essen II GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Essen III GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Rhein Ruhr GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Ruhr GmbH	2	Cologne	25		100.0		31.12.
Portfolio Ruhr II GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Ruhr III GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Ruhr IV GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Ruhr V GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Ruhr VI GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Velbert GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Marl GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Marl II GmbH	2	Cologne	1 280		94.9	5.1	31.12.
Portfolio Bielefeld I GmbH	2	Cologne	25		94.9	5.1	31.12.

* Rebranding and relocation to Germany in progress

Company	Ref.	Registered office	Capital stock	Direct invest-ments	Indirect invest-ments	Non-controlling interests	Closing date
Portfolio Bielefeld II GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Dorsten GmbH & Co. KG	2	Cologne	0.1		89.9	10.1	31.12.
Portfolio Beckum GmbH & Co. KG	2	Cologne	1		89.9	10.1	31.12.
Portfolio Lüdenscheid GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Herne GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Ahlen GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Mönchengladbach GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Hagen GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Deutschland I GmbH	4	Cologne	25		89.9	10.1	31.12.
Portfolio Deutschland II GmbH & Co. KG	2	Cologne	10		100.0		31.12.
Portfolio Ostwestfalen GmbH	2	Cologne	25		100.0		31.12.
Portfolio Rheinland GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Kaiserslautern I GmbH & Co. KG	2	Cologne	1 000		100.0		31.12.
Portfolio Kaiserslautern II GmbH & Co. KG	2	Cologne	1		100.0		31.12.
Portfolio Kaiserslautern III GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio KL Betzenberg IV GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio KL Betzenberg V GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Kaiserslautern VI GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Kaiserslautern VII GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Rheinland Pfalz GmbH	2	Cologne	25		89.9	10.1	31.12.
Portfolio Ludwigshafen GmbH	2	Cologne	600		89.9	10.1	31.12.
Peach Portfolio Verwaltung GmbH	5	Cologne	25		100.0		31.12.
Portfolio Nordhessen GmbH & Co. KG	2	Cologne	1		94.9	5.1	31.12.
Portfolio Nordhessen II GmbH	2	Cologne	25		100.0		31.12.
Portfolio Eschwege GmbH	2	Cologne	25		100.0		31.12.
Portfolio Heidenheim I GmbH	2	Cologne	25		100.0		31.12.
Portfolio Heidenheim II GmbH	2	Cologne	25		100.0		31.12.
Peach Wertgrund GmbH	2	Cologne	25		100.0		31.12.
Portfolio Bremen GmbH	2	Cologne	25		94.9	5.1	31.12.
Portfolio Dortmund Verwaltungs GmbH	2	Cologne	25		100.0		31.12.
Portfolio Peach Property Projekt X GmbH	2	Cologne	25		100.0		31.12.
Zymma Living GmbH	1	Cologne	25		100.0		31.12.
Peach Hausverwaltungen GmbH	1	Cologne	25		100.0		31.12.
Domibus Facility Services GmbH	1	Cologne	25		100.0		31.12.
Domibus Baumanagement GmbH	1	Cologne	25		100.0		31.12.
Peach Property Finance GmbH	4	Bonn	25.0		100.0		31.12.

Associated companies			in CHF thousands				
Beach House AG	3	Wädenswil	100	46.6			31.12.

1 Service company
2 Project company, investment properties
3 Project company, development properties
4 Holding and financing company
5 Management company/general partner

8 Trade payables

Trade payables mostly include open invoices related to the “Peninsula Wädenswil” development project in the current and the previous financial year.

9 Advanced payments

The increase of advanced payments presents the further sales of units in the “Peninsula Wädenswil” development project. The amount reflects approximately 20 % of the notarized sales prices.

10 Financial liabilities

in CHF thousands	**Dec 31, 2023**	Dec 31, 2022
Construction loan "Peninsula Wädenswil"	21 103	13 500
Accrued interest of hybrid warrant and convertible bond	3 508	535
Mortgage loans investment properties	160	166
Total current financial liabilities - third parties	**24 771**	**14 201**
PPM Verwaltungs GmbH	76	80
Peach Portfolio Verwaltung GmbH	45	47
Total current financial liabilities - Group	**121**	**127**
Revolving facility agreement	9 783	40 419
Mortgage loans investment properties	15 720	15 880
Hybrid warrant bond	45 251	58 447
Convertible bond	49 450	0
Total non-current financial liabilities - third parties	**120 204**	**114 746**

Hybrid warrant bond

Volume:	CHF 45 251 thousand
Interest rate:	1.75% p.a., from issue date until June 22, 2023 (incl.) Capital market rate (at least 0%) + 9.25% p.a. from June 22, 2023
Maturity:	unlimited; first callable by the Company on June 22, 2023
Option right:	4 warrants per bond of CHF 1 000
Exercise period:	June 25, 2018, through June 25, 2021 (closed)
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA231/CH417376040

In May 2023, several subscribers to the hybrid warrant bond converted holdings of CHF 12 594 thousand into the convertible bond.

Additionally, bonds in the amount of CHF 723 thousand were bought back in the 2023 financial year.

We made interest payments of CHF 792 thousand in June 2023. The interest for the third and fourth quarter was not settled. An accrual of CHF 2 570 thousand is included in the current financial liabilities.

Convertible bond

Volume:	CHF 50 000 thousand
Interest rate:	3.00 % p.a. from May 16, 2023
Maturity:	May 15, 2026
Conversion price:	CHF 15.00
Convertible:	Every Year from June 15 - 20 and December 15 - 20
Listing:	SIX Swiss Exchange Ltd.
Ticker/ISIN:	PEA234/CH1263282522

CHF 12 594 thousand of the bond amount was settled through hybrid warrant bond conversions.

The total bond issuance costs amounted to CHF 685 thousand and are released in other financial expenses over the term of the bond.

Accrued interests amount to CHF 938 thousand, included in current financial liabilities.

11 Other current liabilities

Other current liabilities due to third parties include reservation fees for the "Peninsula Wädenswil" development project in the amount of CHF 56 thousand (previous year: CHF 450 thousand). The position further includes liabilities payable to social insurances and value added taxes.

12 Accrued expenses

Accrued expenses third parties include accruals for construction costs from the "Peninsula Wädenswil" development project in the amount of CHF 142 thousand (previous year: CHF 913 thousand) as well as accruals for bonus, vacation, and audit and consulting fees.

Accrued expenses related parties include, as in the previous financial year, the accrued bonus and sales provisions for the managing directors as well as Board of Directors fees.

13 Provisions

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Warranty provision for development project Wollerau	5	56
Provision for share-based payment compensation	184	899
Other provisions	120	124
Current provisions	**309**	**1 079**
Warranty provision for development project Wollerau	20	100
Provisions for environmental damages project Wädenswil	0	2 873
Provisions for major refurbishments project Wädenswil	1 185	1 185
Provision for share-based payment compensation	123	231
Non-current provisions	**1 328**	**4 389**
Total provisions	**1 637**	**5 468**

The guarantee period for the Wollerau development project has expired, therefore most of the unused provisions have been released.

The provision for environmental damages was used as part of the civil engineering work on the "Peninsula Wädenswil" development project.

14 Equity

14.1 Statement of changes in equity

in CHF thousands						**2023**
	Share capital	**Statutory capital contribution**	**Statutory retained earnings**	**Treasury shares**	**Retained earnings**	**Total equity**
Opening balance January, 1	**506 471**	**42 765**	**7 829**	**-531**	**-32 525**	**524 009**
Result after taxes 2023	0	0	0	0	-41 263	-41 263
Capital increase including transaction costs	113 704	-1 616	0	0	0	112 088
Exercise of share based payment plan	31	1 385	0	0	0	1 416
Bonus and Board of Directors fee paid in shares	37	593	0	0	0	630
Loss on treasury shares	0	0	0	0	-316	-316
Reduction of nominal value of Peach share	-599 502	599 502	0	0	0	0
Allocation of treasury shares for employee bonus entitlements	0	0	0	494	0	494
Total equity December, 31	**20 741**	**642 629**	**7 829**	**-37**	**-74 104**	**597 058**

14.2 Treasury shares

in CHF thousands	Dec 31, 2023		Dec 31, 2022	
	Number	Value	Number	Value
Opening balance	11 183	531	7 741	492
Purchases	0	0	85 434	4 296
Allocation of treasury shares for employee bonus entitlements	-10 403	-494	-81 992	-4 257
Total treasury shares	**780**	**37**	**11 183**	**531**

15 Result from construction management services

Until the merger on June 30, 2022, the Company acted as total contractor for the "Peninsula Wädenswil" development project. Third party costs incurred were charged in its totality to Gretag AG.

16 Result from letting of investment properties

Rental income as well as expenses from letting of investment properties represent the full year result. The previous year's figures only included the second half-year result following the merger with Gretag AG.

17 Other operating income

As in the previous year, other income includes mainly service charges to subsidiaries for acquisition, sales and financing services rendered.

No significant acquisition or sales transactions were concluded during the 2023 financial year resulting in lower charges to subsidiaries for transaction support services. Additionally, refinancing measures concluded during the 2023 financial year reduced the amount of financing guaranteed by the Company and thus resulted in lower charges to Group companies.

18 Sales and marketing expenses

The position includes non-capitalizable sales and marketing expenses and sales commissions in connection with the "Peninsula Wädenswil" development project. Less sales provisions were paid to third parties in the 2023 financial year compared to the previous year.

19 Financial income and expenses

Due to the further weakening of the EUR against the CHF in the current year, net currency losses of CHF 39 949 thousand (previous year: CHF 26 773 thousand) were charged to the statement of income and thus had a CHF 13 176 thousand higher negative impact on the currency result.

The issuance of the convertible bond, an increase in the construction loan, an increase in the interest rate of the hybrid warrant bond, and SARON-rate increases resulted in an increased interest expenses of CHF 4 956 thousand compared to the previous year, which were only partially compensated by increased interest income from Group companies of CHF 2 513 thousand.

20 Liabilities towards pension funds

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Total liabilities towards pension funds	**24**	**9**

21 Pledged and otherwise encumbered assets

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Peach German Properties AG	20 050	20 050
Peach Property Group (Deutschland) GmbH [1]	18 983	20 186
Receivables from Group	**39 033**	**40 236**
Beach House AG	13 666	13 666
Receivables from Associates	**13 666**	**13 666**
Development properties	55 551	46 842
Investment properties	8 194	8 033
Total subordinated assets	**116 444**	**108 777**

1 Subordinated receivables from Group denominated in Euro was: Peach Property Group (Deutschland) GmbH EUR 20 500 thousand (2022: EUR 20 500 thousand).

22 Number of full-time positions

The average number of full time employees was below 50 in the current and previous year.

23 Unrecognized leasing liabilities

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Rental obligations	0	119
Vehicles	81	40
Total unrecognized leasing liabilities	**81**	**159**

24 Sureties, contingent liabilities and guarantee obligations towards third parties

		Dec 31, 2023	Dec 31, 2022
	in EUR thousands	in CHF thousands	in CHF thousands
Refinancing Portfolio Rheinland GmbH	4 200	3 889	4 136
Corporate bond 2019 Peach Property Finance GmbH	0	0	94 814
Corporate bond 2020 Peach Property Finance GmbH	300 000	277 800	295 410
Syndicated loan Peach Property Finance GmbH	55 000	50 930	54 159
Guarantees for financing		**332 619**	**448 518**
Mortgage loan Portfolio Erkrath Wohnen GmbH	2 000	1 852	1 969
Mortgage loan Portfolio Oberhausen GmbH	8 040	7 445	7 917
Mortgage loan Portfolio Kaiserslautern I GmbH & Co. KG and Portfolio Kaiserslautern II GmbH & Co. KG	5 350	4 954	5 268
Mortgage loan Portfolio Kaiserslautern III GmbH	750	695	739
Mortgage loan Portfolio KL Betzenberg IV GmbH and Portfolio KL Betzenberg V GmbH	1 650	1 528	1 625
Mortgage loan Portfolio Bochum II GmbH	2 650	2 454	2 609
Mortgage loan Portfolio Nordhessen II GmbH	2 200	2 037	2 166
Mortgage loan Portfolio Heidenheim I GmbH and Portfolio Heidenheim II GmbH	12 000	11 112	11 816
Sureties for financing		**32 077**	**34 109**

	in EUR thousands	Dec 31, 2023 in CHF thousands	Dec 31, 2022 in CHF thousands
Other sureties			
Rent obligation of Peach Property Group (Deutschland) GmbH	0	0	52
Obligations in connection with the sale of the «Am Zirkus 1» project	500	463	492
Mortgage loan Portfolio Essen I GmbH, Portfolio Essen II GmbH, Portfolio Essen III GmbH, Portfolio Ruhr GmbH	73 000	67 598	71 883
Mortgage loan Portfolio Kaiserslautern VII GmbH und Portfolio Rheinland Pfalz GmbH	17 000	15 742	16 740
Overindebtedness Peach Property Management GmbH & Co. KG	220 000	203 720	142 782
Overindebtedness Peach Property Finance GmbH	2 150	1 991	2 117
Letters of comfort		**289 514**	**234 066**
Member of a Swiss VAT Group		p.m.	p.m.
Joint and several liabilities			
Total sureties, guarantees and letters of comfort		**654 210**	**716 693**

25 Holding values and options held by the Board of Directors, Executive Management and employees

in units	Dec 31, 2023			Dec 31, 2022		
	Shares	**Options**	**of which PSUs**	Shares	Options	of which PSUs
Board of Directors	134 523	12 100	12 100	275 832	18 700	18 700
Executive Management	41 039	20 500	20 500	741 900	34 500	34 500
Employees	29 573	16 500	16 500	25 133	14 000	14 000
Total	**205 135**	**49 100**	**49 100**	**1 042 865**	**67 200**	**67 200**

26 Subsequent events

Capital increase

On March 12, 2024, anchor shareholders subscribed for 1.93 million new shares. The subscription price per share is at the 30-day volume weighted average of CHF 8.78 per share, and the total issue volume amounts to CHF 16.9 million (EUR 17.7 million). The delivery of the new shares is expected to take place on April 16, 2024.

27 Proposed appropriation of retained earnings / loss

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Loss carried forward	-32 841	-11 770
Result after taxes	-41 263	-20 755
Total loss carried forward	**-74 104**	**-32 525**

The Board of Directors proposes the appropriation of the loss carried forward as follows:

in CHF thousands	Dec 31, 2023	Dec 31, 2022
Statutory capital contributions	0	0
Statutory retained earnings	0	0
Loss to be carried forward	**-74 104**	**-32 525**

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zürich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Peach Property Group AG (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 159 to 176) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Overview

Overall materiality: CHF 7'600'000

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

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries and group receivables

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

Materiality

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

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

Overall materiality	CHF 7'600'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the company mainly holds investments in subsidiaries and group receivables. Total assets is a common benchmark for materiality for holding companies.

Audit scope

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

Key audit matters

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

Recoverability of investments in subsidiaries and group receivables

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries and group receivables amounting to CHF 697 million are the biggest part of the assets. The investments in subsidiaries and group receivables are valued at acquisition costs respectively nominal value or lower market value. Please refer to the notes to the financial statements (from page 163). We consider the testing of the recoverability of the investments in subsidiaries and group receivables to be a significant matter, because of the high value and the judgement of the management involved.	• We tested the design and existence of the key controls regarding the valuation of investments in subsidiaries and group receivables. • We tested all material investments in subsidiaries and group receivables and evaluated the allowance for each position. • We tested the valuation of the investments in subsidiaries and group receivables considering the net asset value and the operating business (value in use). This includes the comparison of the book value to the net assets, market value of the investment properties, inquiries with management and review of business plans. • Especially for portfolio companies the external valuation of the investment and development properties were taken into account, to identify any potential difference between book and market value, and to consider it in the impairment assessment. • We tested the allocated allowance on investments in subsidiaries and group receivables whether the necessary allowances were booked against the investments in subsidiaries first and afterwards against the group receivables as well as if the allowances are sufficient. The results from our audit procedures support the recoverability assumptions from the management and board of directors.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

We further confirm that the proposed appropriation of available earnings / loss complies with Swiss law and the Company’s articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

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

Zurich, March 20, 2024


»Die Anlag
so schön aus,
Jahren nicht

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Events

Annual general meeting:
May 14, 2024 in Zurich
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