

Company presentation

July 2024

 **peach**
PROPERTY GROUP



Disclaimer

This presentation ("Presentation") was prepared exclusively by Peach Property Group AG ("Peach") solely for informational purposes and has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of Peach. Nothing in this Presentation is, or should be relied upon as, a promise or representation as to the future. This Presentation is for discussion purposes only and is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Peach. Neither this Presentation nor any of its contents may be disclosed or used for any other purpose without the prior written consent of Peach. Certain statements in this Presentation are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors. This document contains certain financial measures (including forward-looking measures) that are not calculated in accordance with IFRS and are therefore considered "non-IFRS financial measures". Such non-IFRS financial measures used by Peach are presented to enhance an understanding of Peach's results of operations, financial position or cash flows calculated in accordance with IFRS, but not to replace such financial information. Accordingly, neither Peach nor any of its directors, officers, employees or advisors, nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the Presentation or of the views given or implied. This Presentation is intended to provide a general overview of Peach's business and does not purport to include all aspects and details regarding Peach. By receiving this Presentation, you agree to be bound by the foregoing limitations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This Presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice.

Today's Representatives



Gerald Klinck
Chief Executive Officer

- CEO of the Peach Property Group since April 2024
- In addition to his role as CEO at Peach Property Group, he also takes over the responsibilities of the CFO
- He has more than 25 years of experience in the real estate industry



Rita Sprenger
Head of Corporate Finance

- At Peach Property Group since July 2021
- She has more than 7 years of experience in the real estate industry



Dr. Holger Franz
Chief of Staff

- CoS of the Peach Property Group since May 2024
- He has more than 20 years of experience in the real estate industry


Agenda

- 1 Peach Property at a glance
- 2 Our Portfolio Strategy
- 3 Key components to drive EBITDA
- 4 Our Financing Strategy
- 5 What is next?
- 6 Appendix

Our Management

Highly skilled and experienced Executive Management and Board of Directors

Executive Management

 <p>Gerald Klinck Chief Executive Officer, CFO responsibilities</p> <p>25+</p> <p>CUREUS TLG IMMOBILIEN DEUTSCHE WOHNEN VONOVIA</p>	 <p>Marcus Schmitt Chief Operating Officer</p> <p>25+</p> <p>VONOVIA BASF We create chemistry</p>	 <p>Dr. Andreas Steinbauer Head of Letting & Sales</p> <p>15+</p> <p>ORCO PROPERTY GROUP</p>
---	--	--

Board of Directors

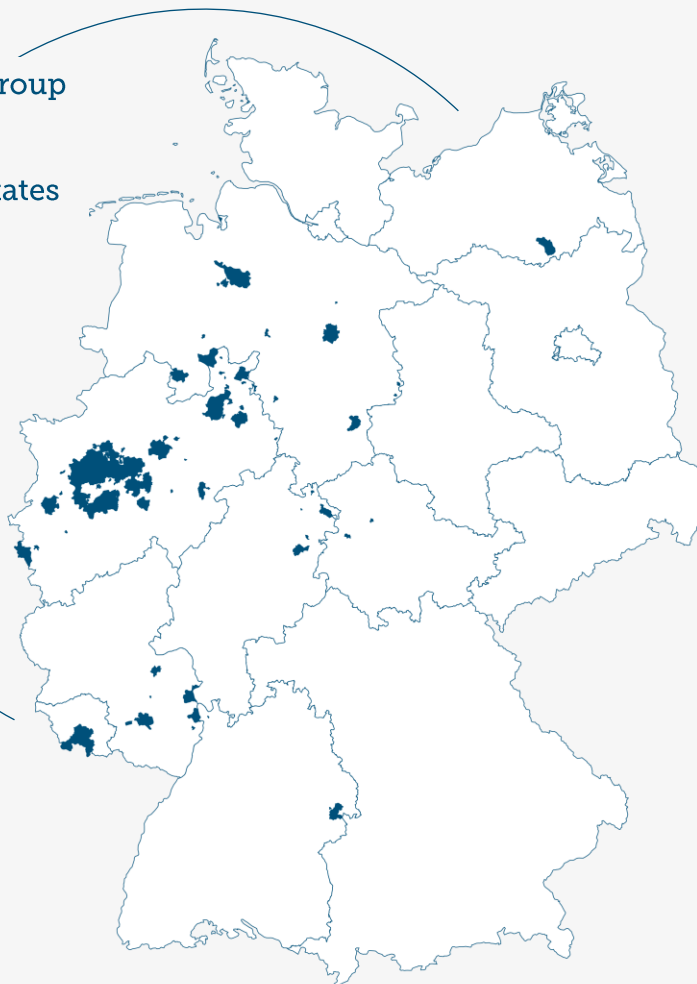
 <p>Michael Zahn Chairman of the Board</p> <p>25+</p> <p>Cofinimmo HYSTAKE DEUTSCHE WOHNEN weisenburger</p>	 <p>Annette Benner Member of the Board</p> <p>15+</p> <p>Freshfields RFR GT Restructuring Situs</p>	 <p>Beat Frischknecht Member of the Board</p> <p>25+</p> <p>AHEAD bfw liegenschaften PRETIUM IMMOBILIEN SCHAFFEN WERTE</p>	 <p>John Ruane Member of the Board</p> <p>20+</p> <p>ARES Morgan Stanley</p>	 <p>Cyrill Schneuwly Member of the Board</p> <p>25+</p> <p>aflaa mobilezone CORESTATE Capital intershop</p>
--	--	---	---	--

Peach Property at a glance

Affordable German residential properties in selected B-cities

Peach Property Group
owns ~27 000
residential units
across 8 federal states
in Germany

15 Peach Points
in core
locations



	Dec 31, 2023
Rental income	€ 120.9m
Actual Rent per m ²	€ 6.20
Market Rent per m ²	€ 7.31
Vacancy (based on units)	7.4%
Residential floor space	1 709k m ²



	Dec 31, 2023
Portfolio value ¹	€ 2 408m
Rent Multiple (actual/target)	17.9x / 17.2x
Secured Debt	€ 1 006m
Unsecured Debt	€ 420m
WACD	2.86%



	Dec 31, 2023
LTV ²	57.5%
EBITDA / Debt multiple	€ 66.1m / 21.5x
ICR	1.62x

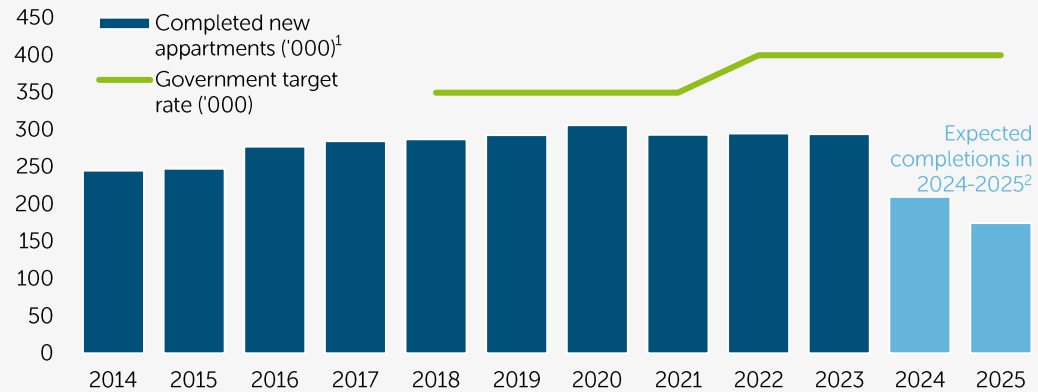


	2023
ESG Risk Rating	10.3
Tenant satisfaction	76%
EPRA sBPR	Gold

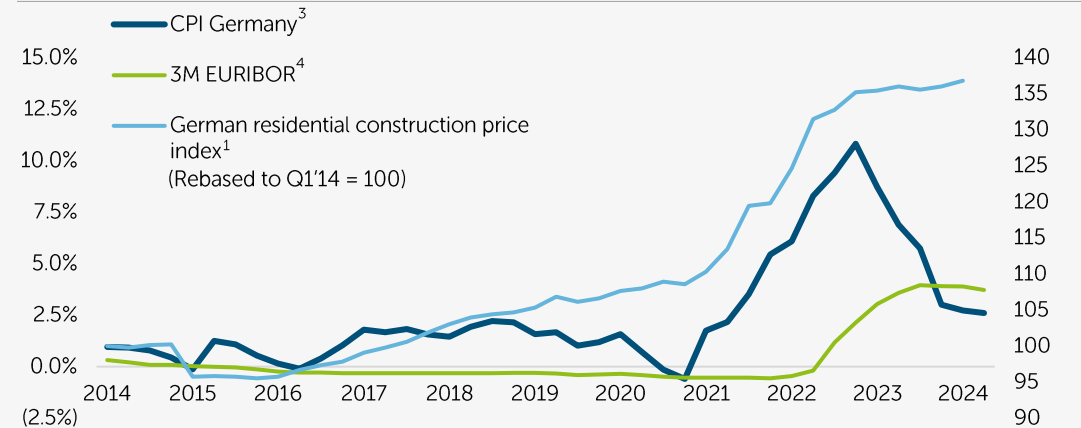
Market fundamentals

Dynamics support Peach Property's future performance

Undersupply in the German housing market is expected to persist

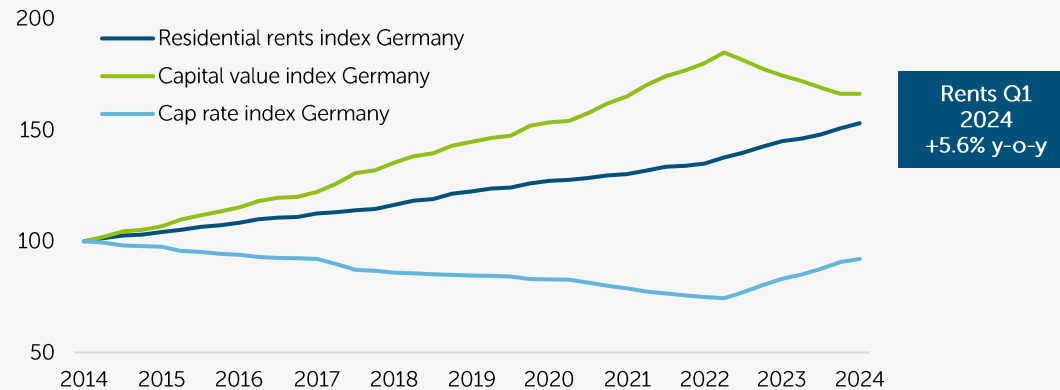


German inflation reduces while construction price growth slows down

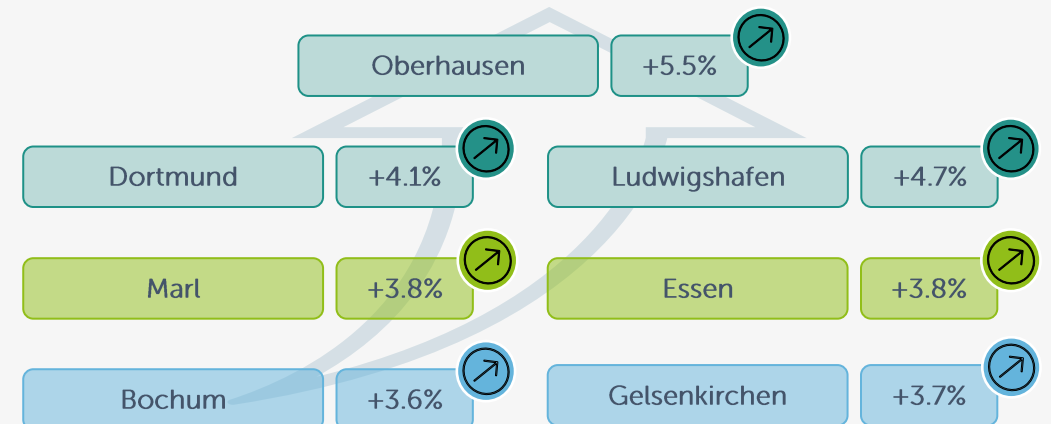


Rent growth counteracts value correction

Property price index by German Pfandbriefbanks⁵



Inflation and scarcity driving market rents⁶



Agenda

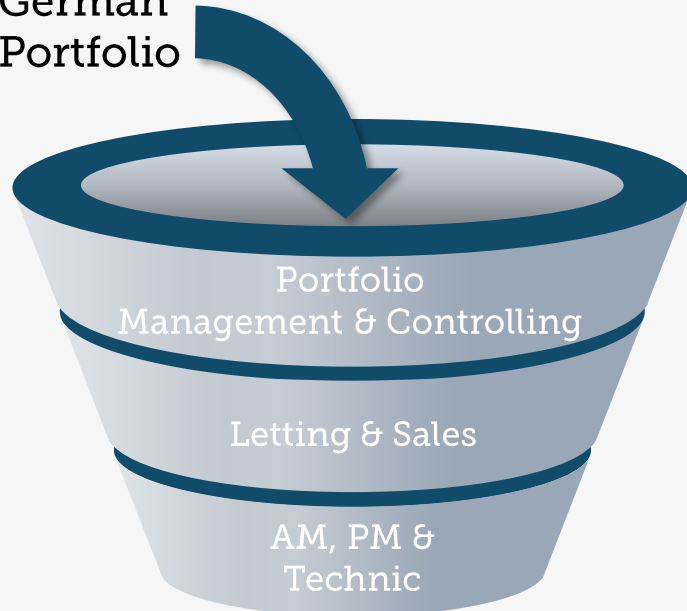
- 1 Peach Property at a glance
- 2 Our Portfolio Strategy
- 3 Key components to drive EBITDA
- 4 Our Financing Strategy
- 5 What is next?
- 6 Appendix

Our portfolio strategy

Focus on Strategic Assets to create EBITDA growth



German Portfolio



Strategic

Non-Strategic

Defining the Non-Strategic bucket...

Selection Criteria

- Small assets (<75 residential units)
- Distance to next Peach Point (>40 km)
- High vacancy
- Low rental upside
- Capex backlog
- Privatisation potential (declaration of division)



...to focus on EBITDA improvement of Strategic Portfolio through...

- Rent increases
- Vacancy reduction
- Increasing efficiency in property management
- ESG measurements to increase energy efficiency and rent levels
- Preparation for opportunistic sales and acquisitions in these areas

Strategic Focus and Portfolio Optimization

Continue operational improvement of Strategic Portfolio while monetizing Non-Strategic Portfolio

Strategic¹ (79%)

20 630 units

44 locations

6.28 €/m² in-place rent vs. 7.38 €/m² market rent³

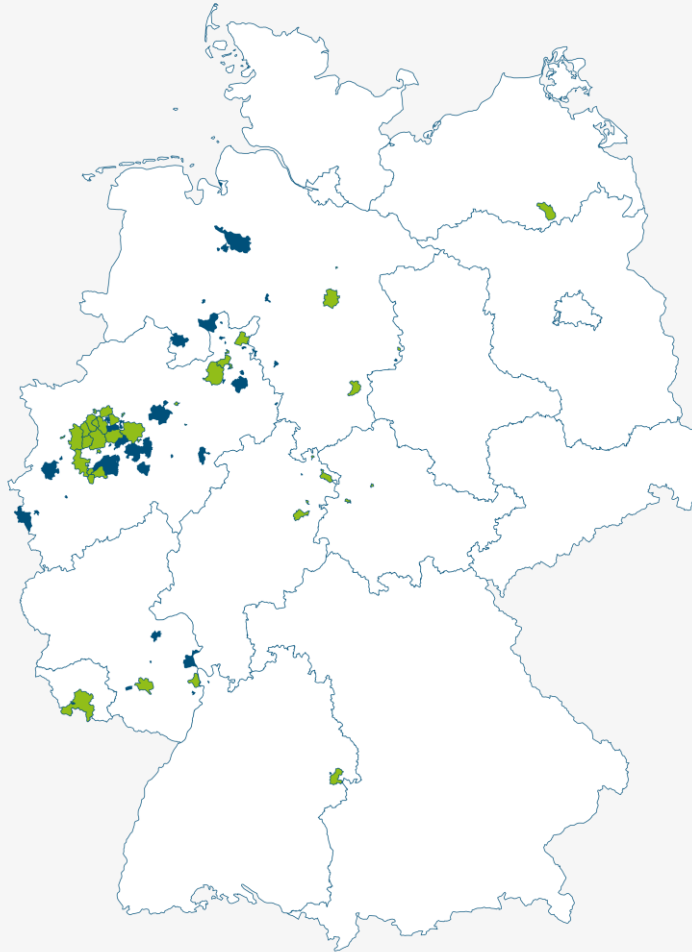
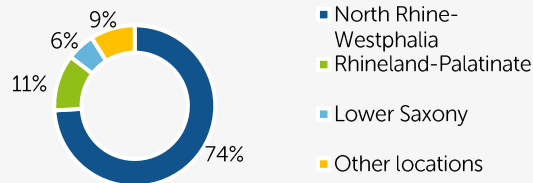
6.0 % vacancy (based on units)

€1 850m FMV / 44% Secured LTV

Operative objectives

- Management
- Investment
- Opportunistic Treatment

Composition¹



Non-Strategic (21%)

6 461 units²

72 locations

5.99 €/m² in-place rent vs. 7.03 €/m² market rent³

12.0 % vacancy (based on units)

€502m FMV / 29% Secured LTV

Operative objectives

- Realize Net Sales Proceeds to fund Capex on Strategic Portfolio

Composition

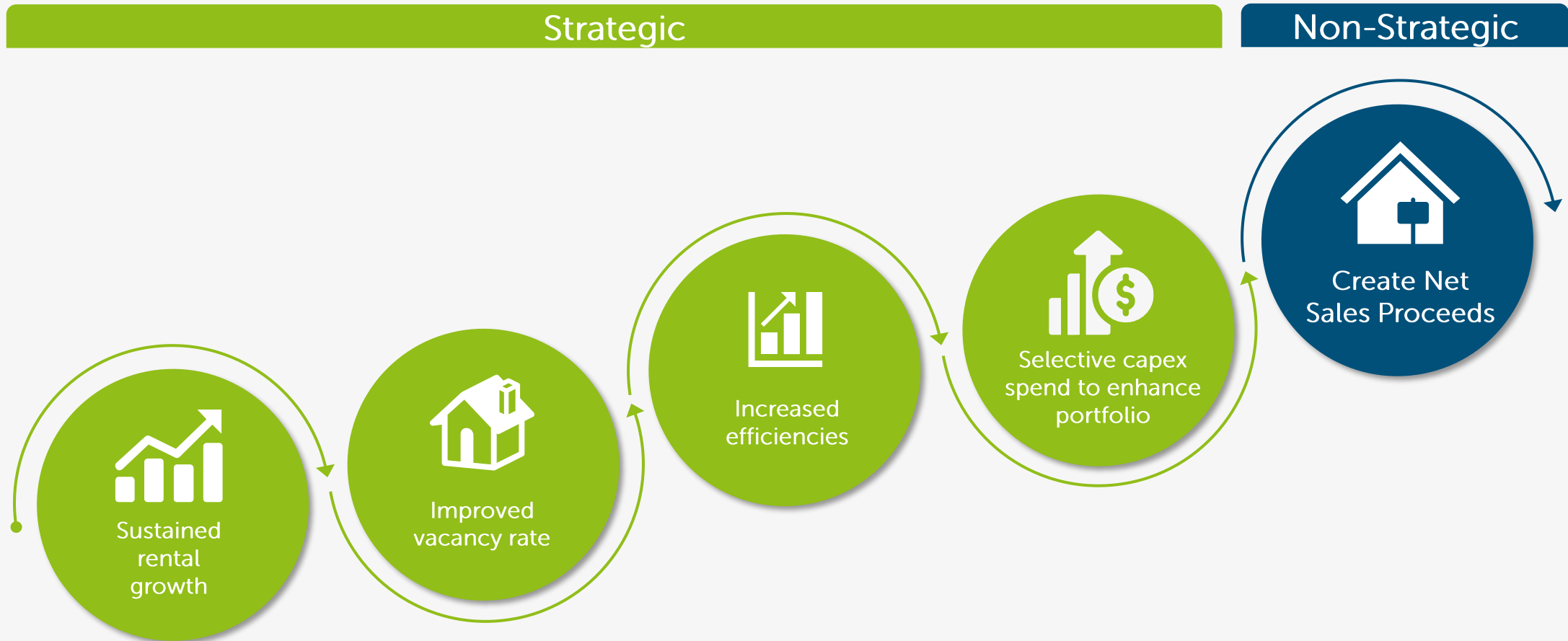
Individual low performer in NRW
Condominiums in Heidenheim, Kaiserslautern and Marl
Scattered locations across the portfolio

Agenda

- 1 Peach Property at a glance
- 2 Our Portfolio Strategy
- 3 Key components to drive EBITDA
- 4 Our Financing Strategy
- 5 What is next?
- 6 Appendix

EBITDA Drivers

Improvement of EBITDA is key for sustainable debt structure

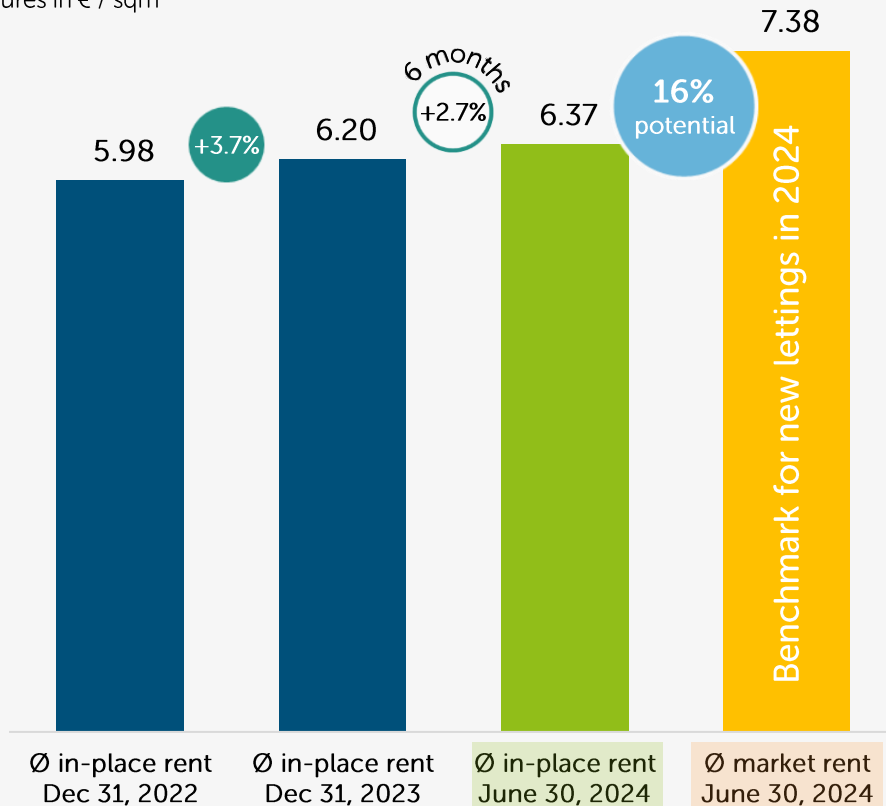


EBITDA Driver – Rental Growth

Material further upside potential on Peach's Strategic Portfolio

Net cold rent growth without modernization effects¹

Figures in € / sqm



Peach has a historical l-f-l rental growth of 3.5% - 4.0% p.a.

Sensitivity Analysis on Strategic Portfolio

Assumptions

- Starting Point: 31.12.2023
- In place rent of Strategic assets €96m
- 100% EBITDA effect of rent increase
- Actual rent Strategies of 6.28€/m²
- 50% of fluctuating apartments can be let with market rents of 7.38 €/m²

Rental Growth §558 BGB

	2.00%	2.25%	2.50%	2.75%	3.00%
2024	€1.92 m	€2.2 m	€2.41 m	€2.65 m	€2.89 m
2025	€3.89 m	€4.38 m	€4.87 m	€5.37 m	€5.86 m
2026	€5.89 m	€6.64 m	€7.40 m	€8.16 m	€8.92 m
2027	€7.93 m	€8.96 m	€9.99 m	€11.03 m	€12.08 m
2028	€10.01 m	€11.32 m	€12.64 m	€13.98 m	€15.33 m

Rental Growth of Fluctuation²

	9.00%	10.00%	11.00%	12.00%	13.00%
2024	€0.76 m	€0.84 m	€0.93 m	€1.01 m	€1.10 m
2025	€1.52 m	€1.69 m	€1.86 m	€2.02 m	€2.19 m
2026	€2.28 m	€2.53 m	€2.78 m	€3.04 m	€3.29 m
2027	€3.04 m	€3.37 m	€3.71 m	€4.05 m	€4.39 m
2028	€3.80 m	€4.22 m	€4.64 m	€5.06 m	€5.48 m

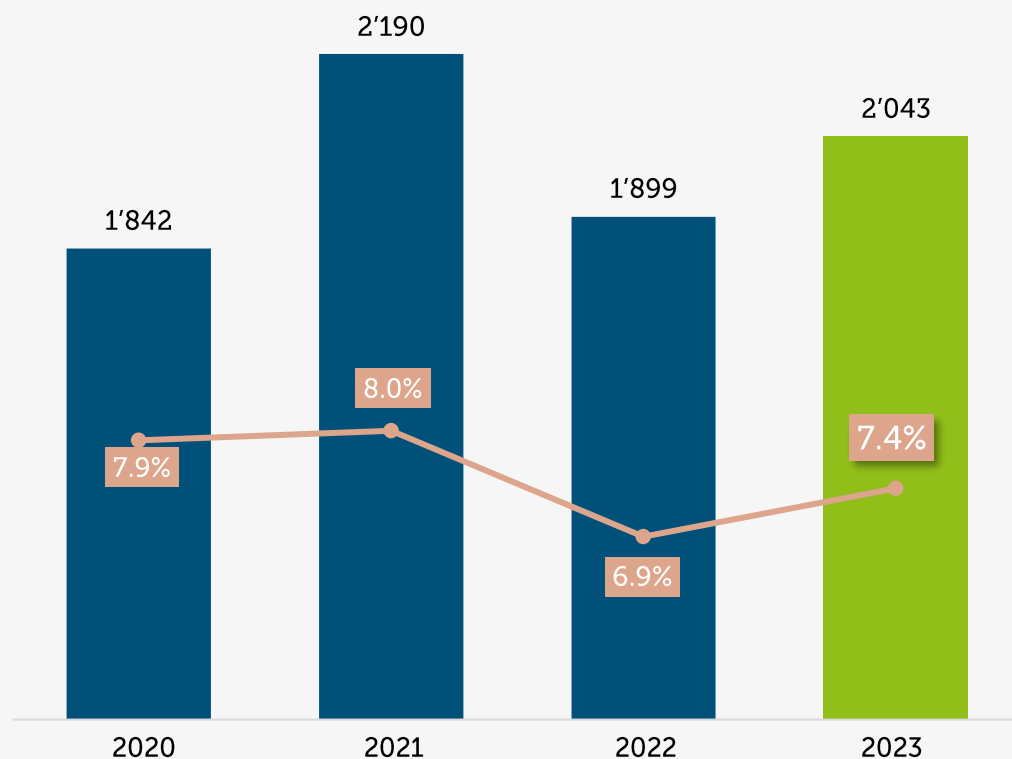
- Catch up to market rents (still potential of 16%)
- Sensitivity on rental growth is based on historical experiences
- Fluctuation varies but remains in this corridor

EBITDA Driver – Vacancy Reduction

Solid track record in vacancy reduction, aiming to achieve a normalized vacancy rate of <4%

Positive trend on vacancy despite more renovations in 2023

Vacancy based on units



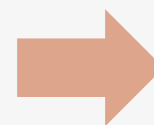
Sensitivity Analysis on Strategic Portfolio

Assumptions

- Starting point 31.12.2023
- In place rent of Strategic assets €96m
- 100% EBITDA effect of rent increase from vacancy reduction
- Catch up to market rent of 7.38 €/m²; no future increase assumed
- Ancillary costs of ~2.50€/m² for vacant apartments to be saved

Target Vacancy Rate in 2028

	2.50%	3.00%	3.50%	4.00%	4.50%
2024	€1.30 m	€1.19 m	€1.08 m	€0.98 m	€0.87 m
2025	€2.59 m	€2.38 m	€2.17 m	€1.96 m	€1.74 m
2026	€3.89 m	€3.57 m	€3.25 m	€2.93 m	€2.62 m
2027	€5.19 m	€4.76 m	€4.34 m	€3.91 m	€3.49 m
2028	€6.48 m	€5.95 m	€5.42 m	€4.89 m	€4.36 m



- Target vacancy rate is based on rent
- Current vacancy rate of Strategics based on rent at 86%
- Linear decrease of vacancy over the next 5 years
- Tenant Improvement Invest of 275 €/m² to reduce vacancy

EBITDA Driver – Investments

Investments in apartments (TI) to support Rental Growth

Sensitivity Analysis on spendings for TI investments regarding Strategic Portfolio for ...

...fluctuation

Assumptions

- Starting point 31.12.2023
- 1 280k m² area of Strategic assets
- TI Invest of 275 €/m² of 50% of fluctuating apartments
- Interdependency with assumed fluctuation for rental growth
- Investments for fluctuation

	9.00%	10.00%	11.00%	12.00%	13.00%
2024	€15.84 m	€17.60 m	€19.35 m	€21.11 m	€22.87 m
2025	€31.67 m	€35.19 m	€38.71 m	€42.23 m	€45.75 m
2026	€47.51 m	€52.79 m	€58.06 m	€63.34 m	€68.62 m
2027	€63.34 m	€70.38 m	€77.42 m	€84.46 m	€91.50 m
2028	€79.18 m	€87.98 m	€96.77 m	€105.57 m	€114.37 m

...vacancy reduction

Assumptions

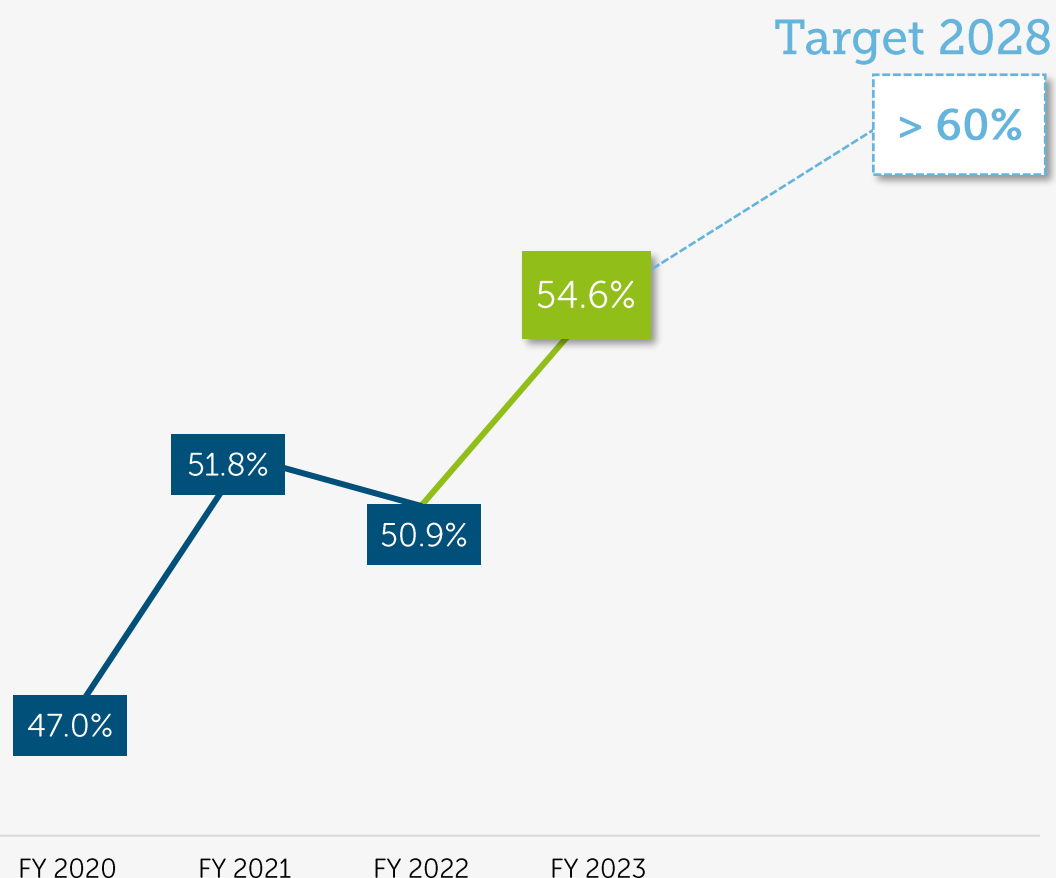
- Starting point 31.12.2023
- 80k m² vacant area of Strategic assets
- TI Invest of 275 €/m² to reduce vacancy
- Interdependency with assumed vacancy reduction per year
- Investments for vacancy reductions

	2.50%	3.00%	3.50%	4.00%	4.50%
2024	€3.01 m	€2.76 m	€2.51 m	€2.27 m	€2.02 m
2025	€6.02 m	€5.52 m	€5.03 m	€4.54 m	€4.04 m
2026	€9.02 m	€8.28 m	€7.54 m	€6.81 m	€6.07 m
2027	€12.03 m	€11.05 m	€10.06 m	€9.07 m	€8.09 m
2028	€15.04 m	€13.81 m	€12.57 m	€11.34 m	€10.11 m

EBITDA Driver – Efficiency

Improvements on OPEX and platform costs to increase profitability

Development of adjusted EBITDA margin



Sensitivity Analysis on Strategic Portfolio

Assumptions

- Starting point 31.12.2023
- Variable OPEX including property management costs of €27.3m
- Peach platform costs of €16.4m
- 100% EBITDA effect of efficiency savings

OPEX Savings¹

	1.00%	1.50%	2.00%	2.50%	3.00%
2024	€0.27 m	€0.41 m	€0.55 m	€0.68 m	€0.82 m
2025	€0.55 m	€0.82 m	€1.09 m	€1.37 m	€1.64 m
2026	€0.82 m	€1.23 m	€1.64 m	€2.05 m	€2.46 m
2027	€1.09 m	€1.64 m	€2.19 m	€2.74 m	€3.28 m
2028	€1.37 m	€2.05 m	€2.74 m	€3.42 m	€4.10 m

Platform Savings¹

	3.00%	4.00%	5.00%	6.00%	7.00%
2024	€0.49 m	€0.66 m	€0.82 m	€0.98 m	€1.15 m
2025	€0.98 m	€1.31 m	€1.64 m	€1.97 m	€2.30 m
2026	€1.48 m	€1.97 m	€2.46 m	€2.95 m	€3.45 m
2027	€1.97 m	€2.63 m	€3.28 m	€3.94 m	€4.59 m
2028	€2.46 m	€3.28 m	€4.10 m	€4.92 m	€5.74 m

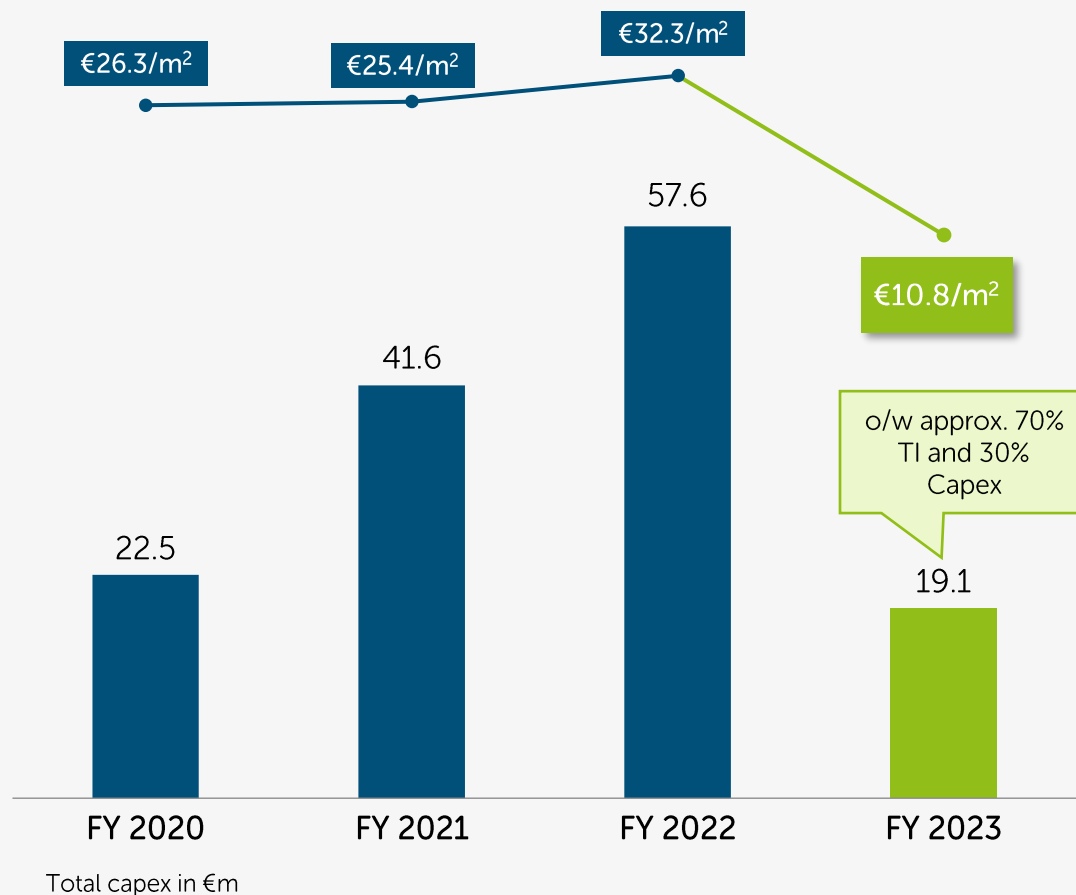


- Savings on maintenance by centralized purchasing
- Focus on reducing debt collection
- Reducing the platform after disposal of Non-Strategic assets

EBITDA Driver – ESG Capex

Selective capex spend to improve portfolio quality and energy efficiency

Development of historical ongoing Capex



Sensitivity Analysis on Strategic Portfolio

Assumptions

- Starting point 31.12.2023
- 100% EBITDA effect of rent increase from vacancy reduction
- Capex is spent linearly across the 5 years
- 30 % on 11€/m² ongoing Capex not included (€22.5m)

Yield on ESG Capex Investments in 5 years

	4.50%	5.25%	6.00%	6.75%	7.50%
€60.00 m	€2.70 m	€3.15 m	€3.60 m	€4.05 m	€4.50 m
€75.00 m	€3.38 m	€3.94 m	€4.50 m	€5.06 m	€5.63 m
€90.00 m	€4.05 m	€4.73 m	€5.40 m	€6.08 m	€6.75 m
€105.00 m	€4.73 m	€5.51 m	€6.30 m	€7.09 m	€7.88 m
€120.00 m	€5.40 m	€6.30 m	€7.20 m	€8.10 m	€9.00 m

- Selected ESG investments to improve energy efficiency
- Mainly focus on improving the primary energy source in clusters with identical constructions
- Double effect of catch up to market rents as well as ancillary costs savings

EBITDA Driver – Disposals

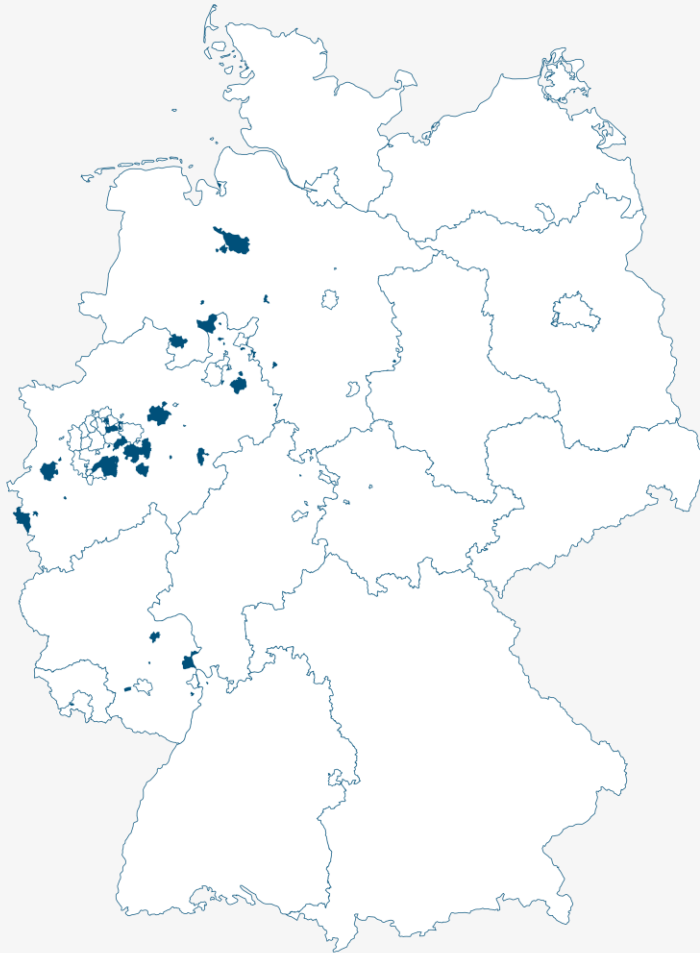
Disposals of Non-Strategic assets over the next years to fund investments

Sales buckets

1
Condominiums
/ detached &
semi-detached
houses

2
Small &
scattered
locations

3
Low
performer in
core regions



Sensitivity Analysis on Strategic Portfolio

Assumptions

- Starting Point 31.12.2023 with market values
- Different discounts for sales buckets
- Net proceeds before tax but after secured debt
- Secured LTV of ~30%

Disposal Discount	0.0%	5.0%	10.0%	15.0%	20.0%
Net Sales Proceeds before tax	€358.7 m	€333.5 m	€308.3 m	€283.1 m	€258.0 m



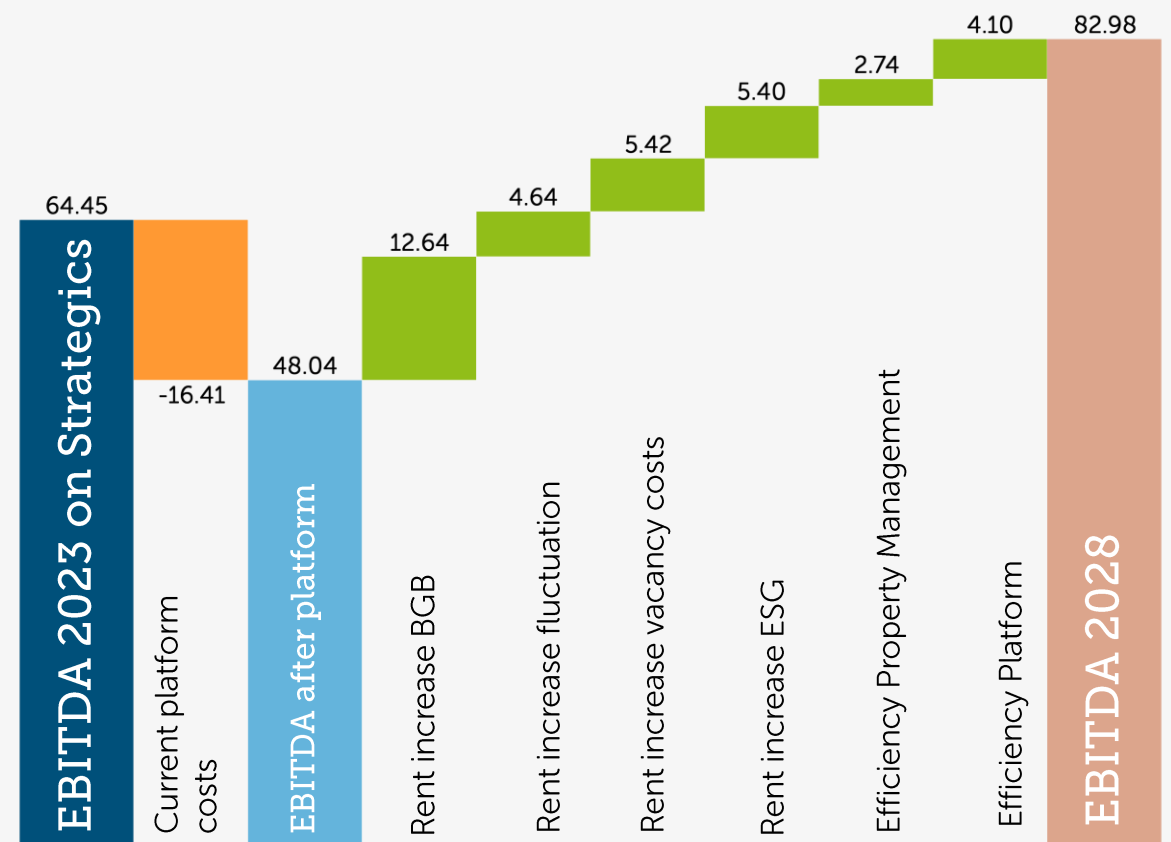
- Condo sale is an ongoing process with a constant deal flow with low discounts and sometimes gains
- Other sales buckets need a sales program within 3 years, with declining discounts over time

EBITDA Drivers

Key building blocks of our portfolio strategy to sustainably position Peach for the future

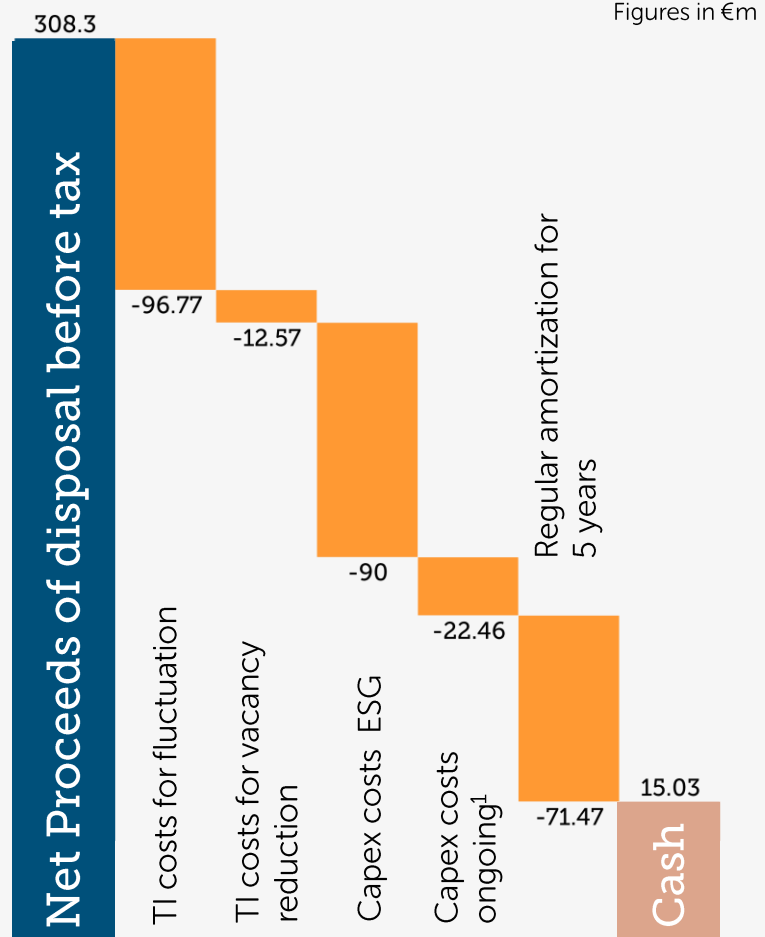
Scenario EBITDA Development of the Strategic Portfolio²

Figures in €m



Scenario Cash Development for 5 years

Figures in €m



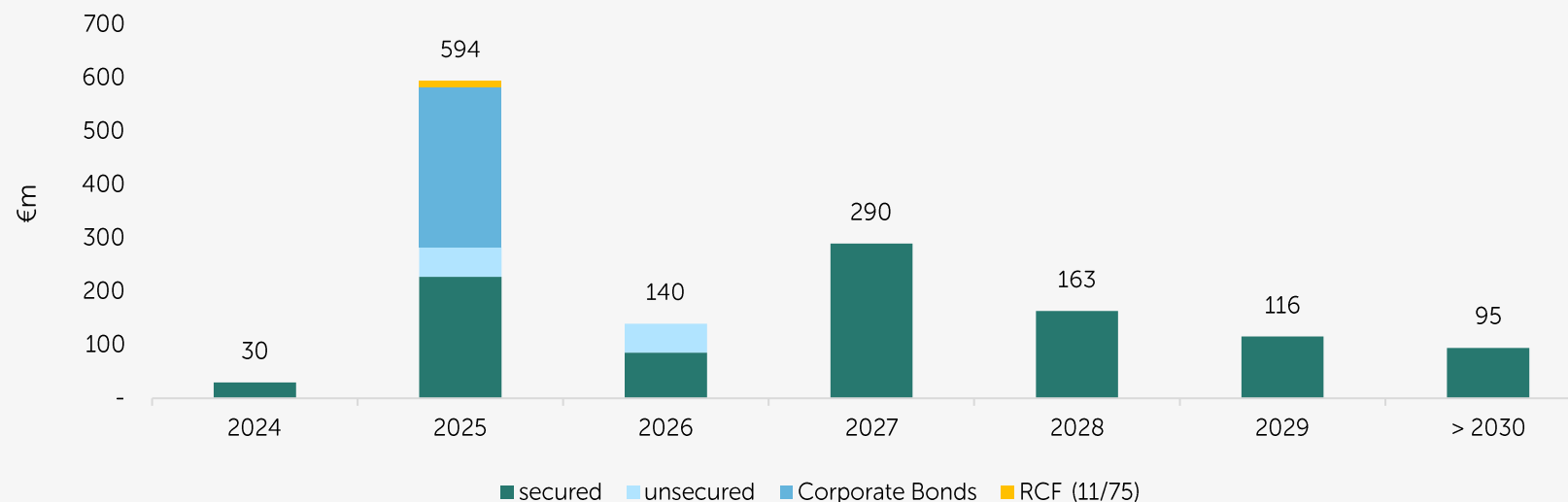
Agenda

- 1 Peach Property at a glance
- 2 Our Portfolio Strategy
- 3 Key components to drive EBITDA
- 4 Our Financing Strategy
- 5 What is next?
- 6 Appendix

Debt structure as of December 31, 2023

Expected interest increase impacts FFO significantly

Maturity profile¹



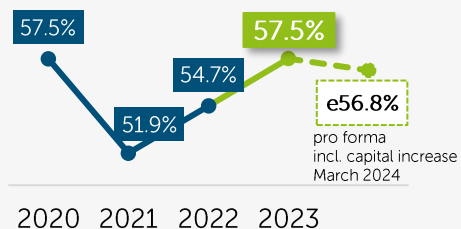
		Amount €m	Ø interest rate	Fixed rate
Unsecured	29%	300	4.38%	100%
		120	3.95%	61%
Secured	71%	1,006	2.28%	94%*
Total		1,426	2.86%	92%

*incl. hedges

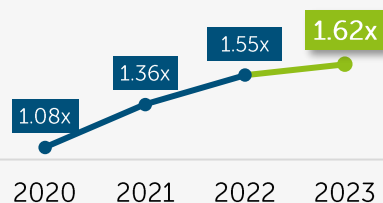
Unencumbered assets: €371m

As of December 31, 2023

Loan-to-value (net)



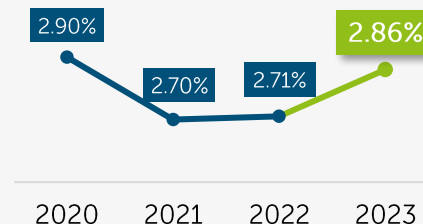
ICR



Debt / EBITDA Multiple

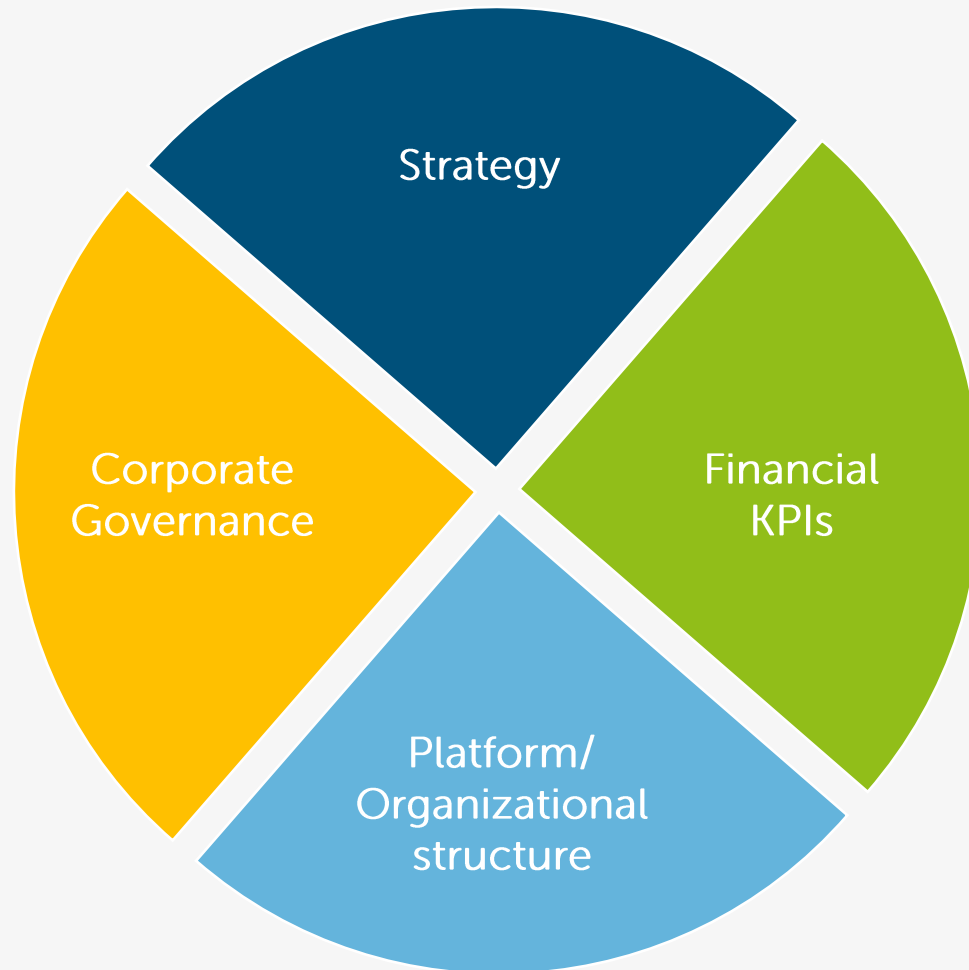


WACD



Access criteria for incremental secured (bank) debt

Focus on key requirements to reach target by 2028



Requirements for secured financing capability

Corporate Governance

- Supervisory Board
- Audit opinion
- Certified external valuation
- Rated sustainability report



Strategy

- Portfolio strategy
- Debt strategy
- Transparency/Communication/Visibility



Platform / Organizational setup

- IT
- Adequate organizational structure
- Efficient cost structure



Financial KPIs

- Debt/EBITDA multiple: 14-16x
- LTV: <50%
- ISCR: 1.80-2.00x



EBITDA Drivers

Key building blocks of our portfolio strategy to sustainably position Peach for the future

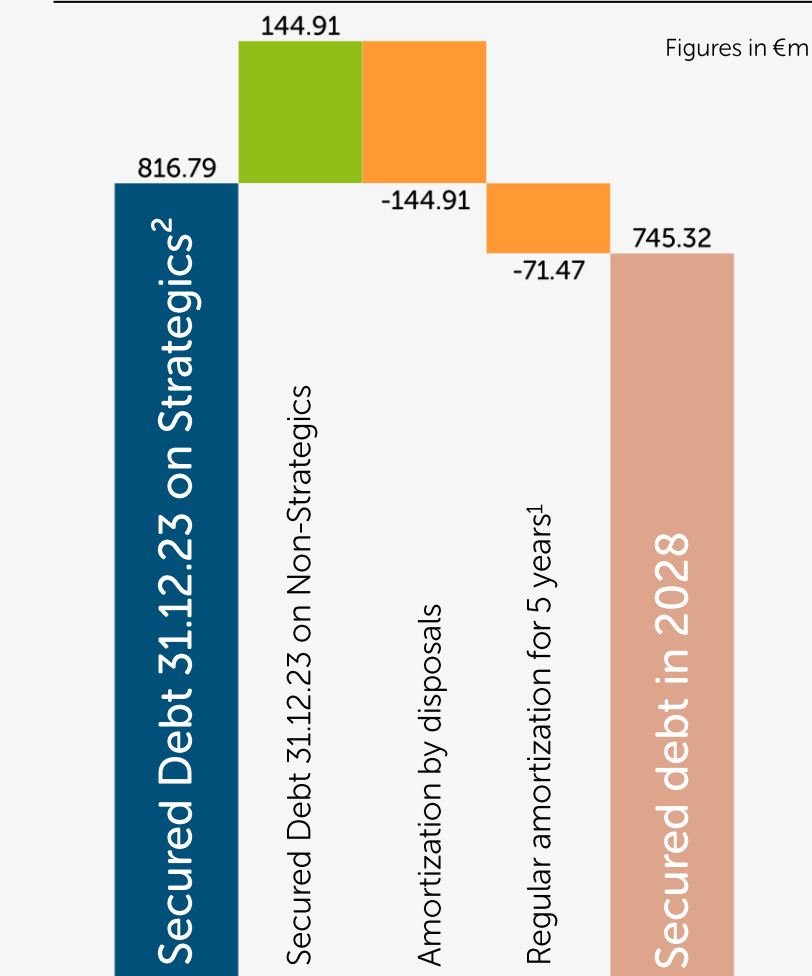
Sensitivity on Debt volume with ICR and Market Interest Rate³

	1.60x	1.70x	1.80x	1.90x	2.00x
4.50%	€1'152.54 m	€1'084.74 m	€1'024.48 m	€970.56 m	€922.03 m
4.25%	€1'220.33 m	€1'148.55 m	€1'084.74 m	€1'027.65 m	€976.27 m
4.00%	€1'296.60 m	€1'220.33 m	€1'152.54 m	€1'091.88 m	€1'037.28 m
3.75%	€1'383.04 m	€1'301.69 m	€1'229.37 m	€1'164.67 m	€1'106.44 m
3.50%	€1'481.83 m	€1'394.67 m	€1'317.19 m	€1'247.86 m	€1'185.47 m



- With assumed EBITDA drivers key requirements for incremental secured bank debt are met in 2028
- Unsecured debt appears to be refinanceable with secured debt over time

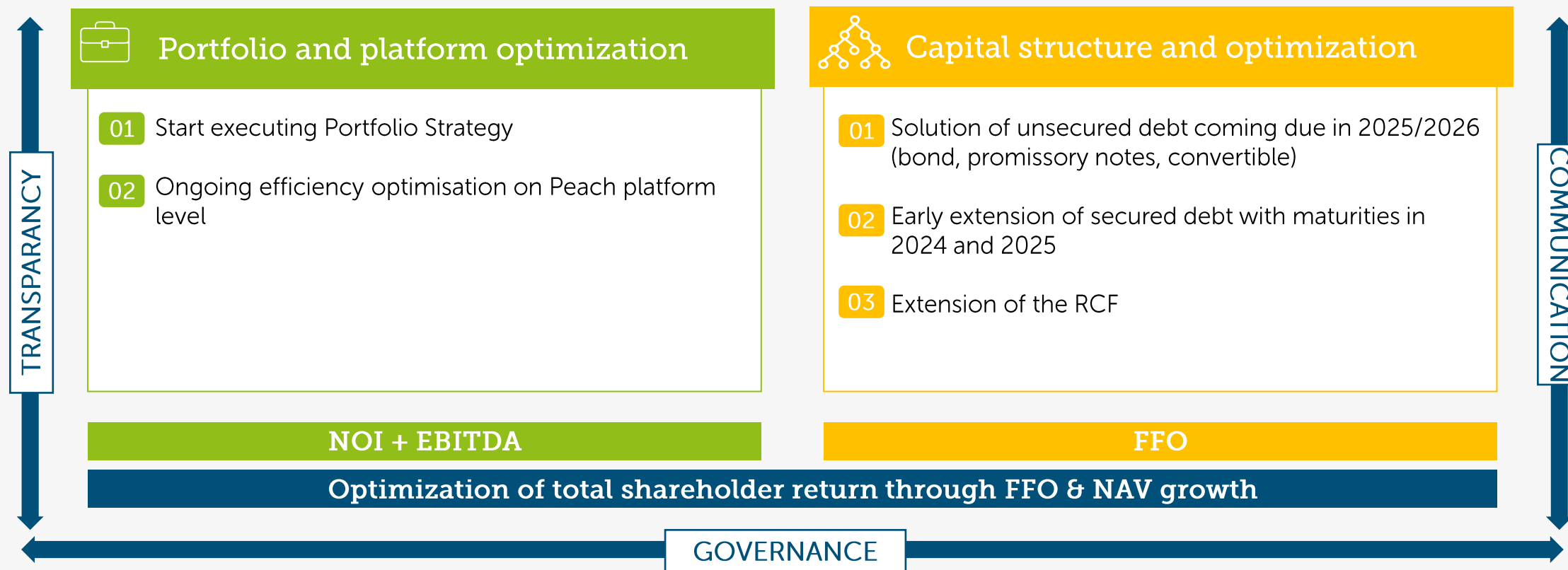
Secured Debt in 2028



Agenda

- 1 Peach Property at a glance
- 2 Our Portfolio Strategy
- 3 Our Financing Strategy
- 4 Key components to drive EBITDA
- 5 What is next?
- 6 Appendix

Peach's focus in 2024



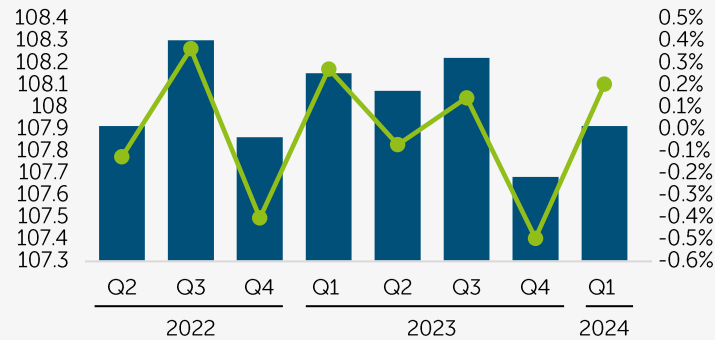
Agenda

- 1 Peach Property at a glance
- 2 Our Portfolio Strategy
- 3 Key components to drive EBITDA
- 4 Our Financing Strategy
- 5 What is next?
- 6 Appendix

The environment in H1 2024

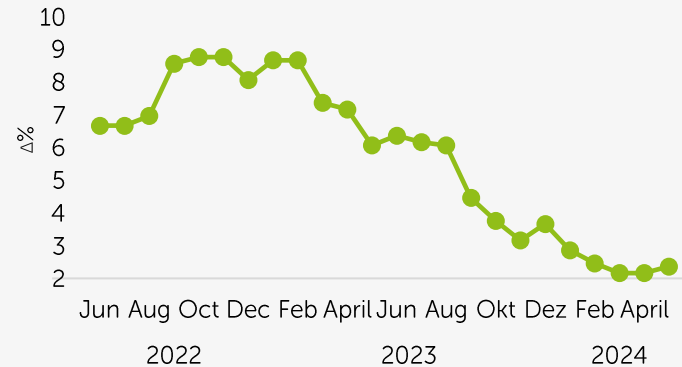
Economy under pressure...

GDP Germany¹



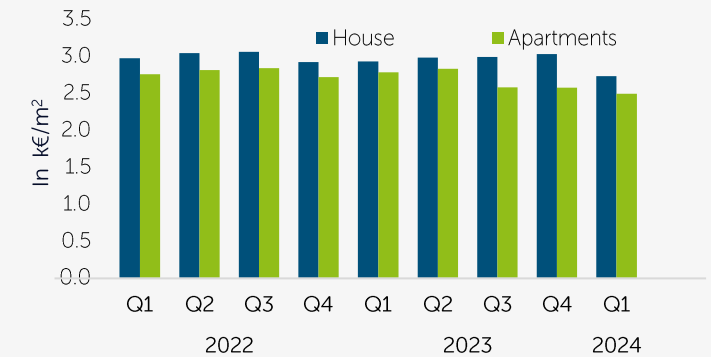
Inflation rates declining...

German Consumer Price Index²



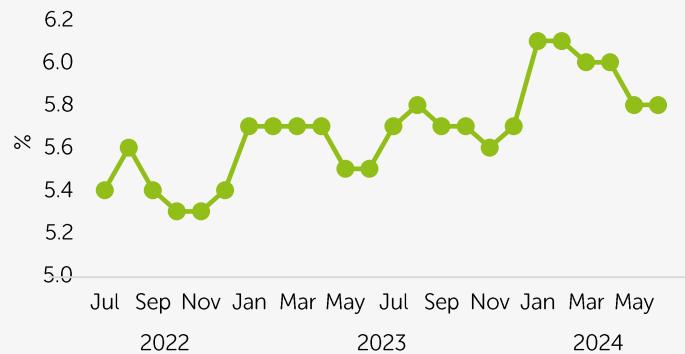
Real Estate prices seem to stabilize...

ImmoScout 24 WohnBarometer⁴



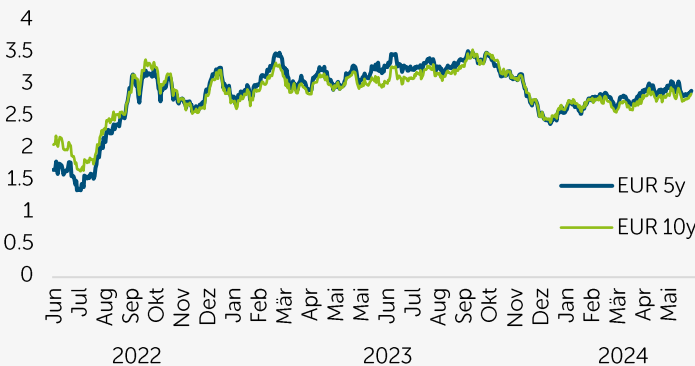
... and rising unemployment

Unemployment rate Germany²



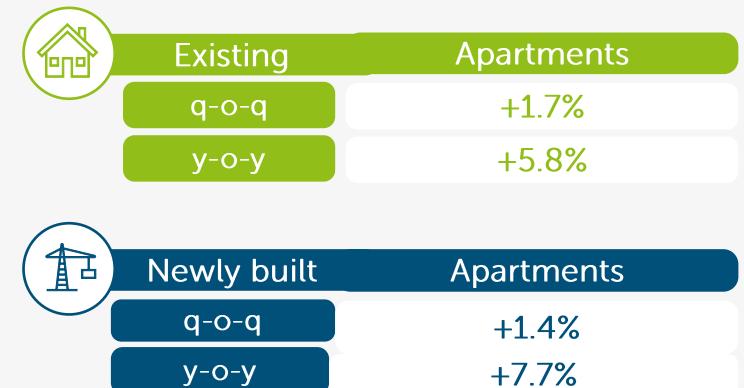
... and interest rates too

EUR Interest Rate Swap³



... while rents continue to grow

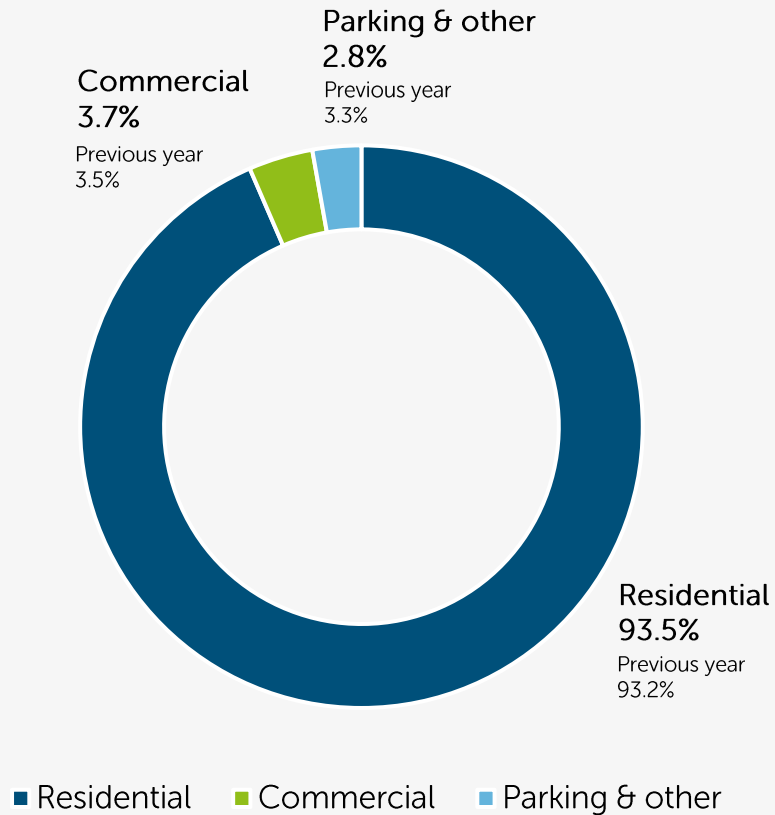
Rental price development⁵



Portfolio fully focused on residential space

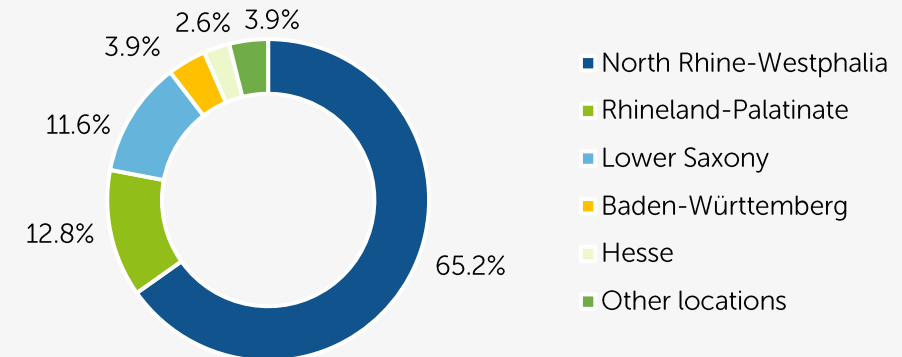
Rental income by use category as of December 31, 2023

In % of total rental income

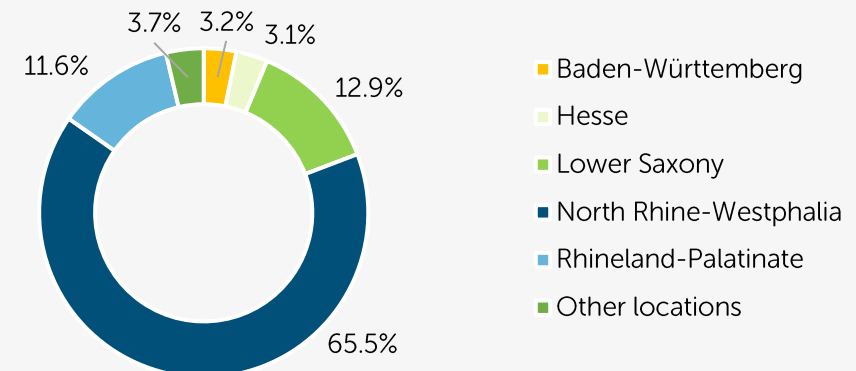


Rental income breakdown by federal state as of December 31, 2023

In % of target rental income



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



Typical properties in Peach's portfolio



Affordable German residential properties in carefully selected B-cities

Peach Points – our regional tenant shops



15 Peach Points at all major Peach locations

Cornerstone
of direct
dialogue with
our tenants

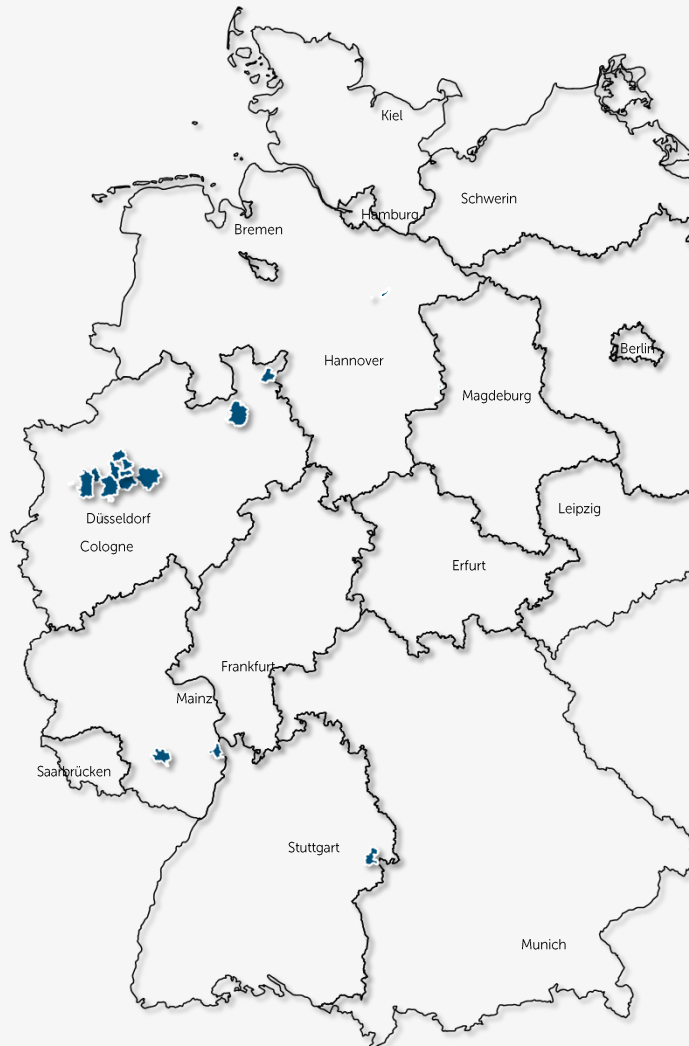
Central
point of
contact for
rental and
administrative
matters



Within
walking
distance for
80% of our
tenants



Top 20 locations of the Peach portfolio



	Location	State	# units ¹	Space in ksqm ²	Construction year	Valuation ² in €m
1	Kaiserslautern	Rhineland-Palatinate	2,294	145	1926-2000	229
2	Dortmund	NRW	1,964	127	1900-1975	211
3	Marl	NRW	2,150	142	1939-1990	179
4	Gelsenkirchen	NRW	2,003	136	1902-2001	156
5	Oberhausen	NRW	1,076	70	1869-2001	105
6	Bochum	NRW	1,429	66	1920-1999	106
7	Heidenheim	Baden Wurttemberg	868	61	1896-2006	99
8	Essen	NRW	953	63	1904-1988	98
9	Velbert	NRW	761	53	1972-1978	72
10	Helmstedt	Lower Saxony	1,314	77	1926-1981	68
11	Ludwigshafen	Rhineland-Palatinate	470	34	1920-1987	67
12	Recklinghausen	NRW	711	45	1904-1970	55
13	Minden	NRW	643	42	1893-1973	46
14	Neukirchen-Vluyn	NRW	567	38	1974-1981	45
15	Duisburg	NRW	553	37	1915-1978	44
16	Schöningen	Lower Saxony	839	50	1953-1970	43
17	Bielefeld	NRW	439	31	1932-1987	41
18	Herne	NRW	418	30	1905-1976	33
19	Erkrath	NRW	142	13	1978	30
20	Munster	Lower Saxony	377	26	1959-1967	28
	Others incl. CH	-	7,529	493	1800-2015	720
	Total		27,500	1,780		2,474