

Strategy and Investment Policy

1 Objective

The main objective of Peach Property Group AG (the "Company"; when referred to together with its subsidiaries the "Group") is to invest directly, through its subsidiaries, or via participation in residential real estate in Germany to provide long-term capital growth and stable risk adjusted revenues to its shareholders. Investments may be existing properties which are intended to provide capital appreciation and / or rental income. In addition, the Group is developing selected properties in Switzerland for sale as condominiums, the latest of which being a development project in Wädenswil, Zurich. The Group may also purchase participations in other companies with real estate related activities and provide real estate financing, real estate management, sale and lease-back of real estate or enter into real estate related financial transactions.

The Group pursues the goal of a diversified portfolio regarding property type, type of use, location, size and building structure.

2 Investments

2.1 Real Estate Investments

Investment targets are residential, and mixed-use properties, located in Germany which provide a reasonable risk / return ratio.

The main criteria to be considered are as follows:

- a) Quality of location
- b) Economic outlook
- c) Infrastructure
- d) Environmental impact (ESG)
- e) Occupancy
- f) Quality of tenants
- g) Profitability
- h) Potential for value appreciation
- i) Scalability impacts

Development projects might be modernizations or refurbishment of existing buildings in Germany (the current development project in Wädenswil is the last of its kind in Switzerland for the Group).

In choosing investments, the Group focuses typically in German Tier II cities in the commuter belt of metropolitan areas of Germany that demonstrate stable growth mixed with good development potential.

The Group is a real estate investor with an investment focus on residential real estate. The long-term average share of commercial real estate is less than 5 per cent of the Group's overall portfolio. This distribution helps to largely avoid cluster risks.

The following principles are observed when selecting new investments in real estate in order to maintain an adequate distribution of risk:

- the proportion of commercial real estate in the overall portfolio must not exceed 5 per cent
- no individual rent may exceed 5 per cent of the target rent of the overall portfolio.
- no investments in real estate outside the DACH region (Germany, Austria, Switzerland)

Exceptions to the above principles require a prior in-depth risk analysis by the Board of Directors and its approval based on the results of the risk analysis.

2.2 Financial Investments

Investment in options, futures and similar instruments (derivatives) from other companies are permissible only for the purpose of hedging currency and interest-rate risks.

2.3 Participations in Companies

The Group can also invest in majority or minority participations in other companies with real estate related activities, including real estate management.

3 Valuation

Experienced independent experts are tasked with assessing the value of properties for purchase or sale. The total fair value of the portfolio is also assessed on an annual basis using a risk- and market-adjusted approach, and the corresponding results are published in the Annual Report. Value is assessed on the basis of the discounted cash flow (DCF) method. The annual revaluation involves assessing the income and cost situation of the property and incorporating any significant changes in the valuation. Discount rates are adjusted in line with market conditions on the basis of changes in ownership and capital market developments. Qualitative changes to the building or the location are reflected in the revaluation and documented. In addition to annual valuation, a simplified review of valuations is carried out every six months by valuation experts, followed by an impairment test by the statutory auditors.

4 Investment process

4.1 Approval by Board of Directors

All purchases or sales of properties and all investments in other assets in excess of the EUR equivalent of CHF 5 million have to be approved by the board of directors of the Company (between the EUR equivalent of CHF 1 und CHF 5 million by the Investment Committee of the Company's board of directors).

4.2 Analysis

Prior to the approval, a thorough analysis of potential investments, including financing, which involves respective market experts will be performed.

5 Changes to the Investment Guidelines

The Strategy and Investment Policy is determined by the Company's board of directors, is reviewed annually and can only be modified by the board of directors of the Company.

6 Entry into effect

This Strategy and Investment Policy was approved by the board of directors of the Company by circular resolution of 13 November 2024 and enters into effect on 15 November 2024. It applies to Peach Property Group AG and to its subsidiaries.

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