

Press release

Peach Property Group AG: New record-breaking profit in 2019 – well equipped for the current market environment with attractive apartments

- Earnings after taxes soar to CHF 91.0 million (previous year: CHF 45.3 million)
- Actual rental income up significantly to CHF 38.9 million (previous year: CHF 29.6 million); Vacancies fall by 26 percent to 9.3 percent (previous year: 12.5 percent)
- Net asset value (NAV) per share increases substantially to CHF 45.11 (previous year: CHF 36.36)
- Portfolio market value increases by over 50 percent to more than CHF 1.1 billion (previous year: CHF 0.7 billion)
- Housing stock currently stands at around 13,000 units (up 42 percent year on year)
- Living space at affordable rents and a high degree of digitalization are Peach Property Group's hallmarks
- Further positive portfolio growth and rising rental income expected in 2020
- Current Covid-19 crisis without negative effects on the Group to date

Zurich, March 31, 2020 - Peach Property Group, an investor specialising in the management of residential property in Germany, is reporting a very positive financial year 2019 with new record-breaking profits, a further increase in rental income and extensive additions to its portfolio. Peach Property Group enjoys a very solid financial base, a demand-driven portfolio in the affordable rent range and a highly digitalised business model, and thus considers itself well positioned for a wide variety of market scenarios.

The final figures for the 2019 financial year correspond to the preliminary figures already reported on February 11, 2020 or are slightly better in some cases. In 2019, profit before taxes in accordance with IFRS was CHF 109.7 million, around 93 percent above the previous year's figure of CHF 56.9 million. Peach Property Group recorded profit after tax of CHF 91.0 million (after CHF 45.3 million in the previous year). This is the highest profit in the Group's history.

Peach Property Group was able to further expand its residential real estate portfolio during the financial year 2019. At the end of the year the portfolio comprised 12,424 residential units compared with 8,442 a year earlier. This expansion was primarily driven by the acquisition of a portfolio of 3,672 apartments at locations in North Rhine-Westphalia, Kaiserslautern and Bielefeld, which generates annual actual rental income of some CHF 14.5 million. As ownership of these apartments was only transferred on

December 31, 2019, the rent from the new portfolio is not yet included in the rental income for 2019. Actual rental income in 2019 amounted to CHF 38.9 million, exceeding the previous year's figure of CHF 29.6 million by around 31 percent. Peach Property Group's number of residential units has increased further to a current total of around 13,000 units with total space of around 864,000 square meters thanks to the transfer of ownership of a further portfolio with 528 residential units in the first quarter 2020.

The market value of Peach Property Group's real estate portfolio was CHF 1.1 billion as of December 31, 2019, compared to CHF 0.7 billion a year earlier. Both the portfolio expansion and the value-enhancing refurbishment work in the portfolio contributed to the positive performance. In particular, rental income on a like-for-like basis rose by 4.5 percent over the course of the year, and the vacancy rate of apartments offered on the market was reduced to only 2.3 percent in 2019. Including the letting reserve, which is being continuously reduced by ongoing renovation work, the total vacancy rate in 2019 was 9.3 percent – a drop of 26 percent compared to the previous year.

Net asset value (NAV) at market values increased by around 28 percent to CHF 401.3 million at the end of 2019, compared to CHF 314.1 million a year earlier. Accordingly, NAV per share rose to CHF 45.11 from CHF 36.36. Despite the expansion of the portfolio and total assets, the Group's equity ratio was 32.9 percent based on market values and 32.3 percent according to IFRS. In the previous year the figures were 37.7 percent and 36.7 percent respectively.

For the current fiscal year 2020, Peach Property Group expects a further increase in rental income as well as further growth of the property portfolio and the Group plans to take advantage of market opportunities as they arise. The Group is currently not feeling any negative effects of the current Covid-19 crisis on its business. Rental income, occupancy rate and rent losses are currently on target.

Moreover, with its real estate portfolio, Peach Property Group believes that it is well equipped for a temporary slowdown in the German economy. Within the residential real estate sector, which is less susceptible to economic cycles, Peach Property Group offers an attractive product where tenants receive good quality living at affordable rents. At present, the monthly net rent without heating costs per square metre in the portfolio averages EUR 5.37, which represents the medium to lower rental segment and still below the average market level in the respective locations. In addition, Peach Property Group benefits from the high level of digitization in all business areas that has been implemented in recent years. The Group combines social media channels with its own tenant app and a web-based tenant portal. Using these tools, it is possible to arrange viewing appointments online as well as to communicate digitally with the property management, which is very convenient, especially in the current situation with the Covid-19 virus. Digital connections with local partner companies allows maintenance to be implemented quickly and efficiently without further interaction. On average, tenant enquiries are answered in less than 24 hours. The extensive digital offer is supplemented by the

possibility of direct personal contact, for example through the now seven Peach Points in central locations of the individual sites.

Dr. Thomas Wolfensberger, Peach Property Group's CEO, commented: "Financial year 2019 was a quantum leap for our Group. In addition to our business figures, which show a near doubling of pre-tax profit, this is particularly evident from the expansion of our portfolio and the strategic progress we have made in all business areas. We have further optimised our portfolio through active asset management and are financed in a balanced way. A large part of our portfolio is not encumbered with loans and the next capital market maturity of a liability is not for almost three years. Together with excellent internal financing from rental income, we have a very sound financial basis. Above all, however, we focus on the needs of our tenants, who are at the heart of our efforts, especially in these challenging times. Housing is currently taking on an even more central role and we want to do our part to ensure that the tenants in our portfolio have the best possible experience"

The detailed 2019 annual report is available on the Peach Property Group website, <https://peachproperty.com>, under the heading Investors/Publications or under the following link <https://www.peachproperty.com/en/investoren/publications/>

An analyst and media conference call will be held today at 10:00 a.m. in **English** with CEO Dr. Thomas Wolfensberger and CFO Dr. Marcel Kucher.

Dial-in data: +41 44 580 65 22 | PIN Code: 71879158#

Participants for the English conference call can access the presentation (without audio signal) under the following link:

<https://event.on24.com/wcc/r/2234165-1/F3E3DB58D299317DD7C1CBA6D8E6EBEF>

A further analyst and media conference call will be held today at 4:00 p.m. in **German**, also with CEO Dr. Thomas Wolfensberger and CFO Dr. Marcel Kucher.

Dial-in data: +41 44 580 65 22 | PIN-Code: 58393500#

Participants for the German conference call can access the presentation (without audio signal) under the following link:

<https://event.on24.com/wcc/r/2233467-1/0E5EDB1F66A12916B3E427E05A6647E6?partnerref=rss-events>

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About Peach Property Group AG

The Peach Property Group is a real estate investor and developer with an investment focus in Germany. The group stands for many years of experience, competence and quality. Innovative solutions for state-of-the-art living needs, strong partnerships and a broad value chain round off the profile. The portfolio consists of high-yield portfolio properties, typically in B-cities in the catchment area of conurbations. In addition, the Group develops real estate for its own portfolio or for condominium marketing. In the latter area, the Group concentrates on A locations and properties with attractive architecture and upscale furnishings for an international clientele. Its activities span the entire value chain from evaluating locations through to acquisitions and also active asset management and property sales or lettings.

Peach Property Group AG has its registered office in Zurich and the Group is headquartered in Cologne. Peach Property Group AG is listed on SIX Swiss Exchange (PEAN, ISIN CH0118530366). Its Board of Directors consists of Reto Garzetti (President), Peter Bodmer, Dr. Christian De Prati and Kurt Hardt.

You can find more information at www.peachproperty.com