

Press release

## Peach Property Group AG: Acquisition of 5,450 apartments – value of investment portfolio reaches around CHF 1.5 billion

- Purchase agreement for portfolio of 5,450 apartments in Germany signed; transaction expected to close at the end of 2020
- Strategic acquisition will yield substantial increase in NAV per share expected by end of 2020 and position the company for higher FFO generation and a sustainable future dividend
- Portfolio with residential vacancies of just 8.6 percent; current rental income of around CHF 22 million (EUR 20.7 million) p.a., target rent of the entire portfolio rises by close to CHF 24 million to more than CHF 86 million
- New portfolio optimally complements existing locations yielding strong additional synergies: Continued focus on NRW with 4,540 apartments plus 910 apartments in Kaiserslautern and other attractive locations
- Transaction will be funded through appropriate debt and equity mix adhering to target of <60% LTV
- Company plans to further expand the portfolio to a target size of minimum CHF 2 billion (around 25,000 apartments) in the short to medium term

Zurich, July 30 2020 – Peach Property Group AG, an investor specializing in portfolio management in Germany with a focus on residential real estate, is significantly expanding its residential portfolio by 42 percent to approximately 18,300 apartments with a rentable area of 1,190,000 square meters through the acquisition of a large value enhancing portfolio. To this end, a purchase agreement for the acquisition of a total of 5,450 residential units offering living space of 324,000 square meters was notarized. The transaction is expected to close at the end of 2020.

Around 80 percent of the new portfolio, i.e. about 4,540 units, are located in North Rhine-Westphalia, particularly in Recklinghausen, Bochum, Essen and Gelsenkirchen. Another 550 or so apartments are situated in and around Kaiserslautern and 360 apartments in Neubrandenburg. All apartments are in good structural condition and are located in attractive residential areas. The new portfolio exhibits a residential vacancy rate of just 8.6 percent and currently generates an annual net rent of around CHF 22m (EUR 20.7 million). This will bring the total target rental income of the group to more than CHF 86 million p.a., which corresponds to an increase in rental income of around 40 percent.

Peach Property Group is currently evaluating various financing options for the purchase using a combination of equity and debt, in line with our financial policy targeting below 60% LTV.

Dr. Thomas Wolfensberger, Peach Property Group's CEO, commented: "With this purchase we are implementing another significant growth step which unlocks significant synergies, both operationally as well as financially. The acquisition will significantly increase our residential portfolio and also strengthen our presence in NRW and Kaiserslautern in particular. By integrating the new holdings into our fully digital platform, we will be able to leverage further potential through efficient joint management with our existing apartments in the portfolio. The opening of three additional Peach Points will enable us to provide a high quality of service also to our new tenants. With around 18,300 apartments in the portfolio and a significant increase in current rental income, we will also be considering the inclusion of a sustainable dividend at the end of 2020 to reflect the enhanced stability and scale of our platform. Finally, as a result of the positive business growth and this major acquisition, we also expect a significant increase in the NAV per diluted share in 2020. In the short to medium term we plan to further increase the portfolio to a target size of around CHF 2 billion, corresponding to approximately 25,000 apartments."

#### Contacts:

##### Media, Investors and Analysts

Dr. Thomas Wolfensberger, Chief Executive Officer and Dr. Marcel Kucher, Chief Financial Officer  
+41 44 485 50 00 | [investors@peachproperty.com](mailto:investors@peachproperty.com)

##### Media Germany

edicto GmbH, Axel Mühlhaus  
+49 (0)69 90 55 05 52 | [amuehlhaus@edicto.de](mailto:amuehlhaus@edicto.de)

#### 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 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](http://www.peachproperty.com)