



# Content

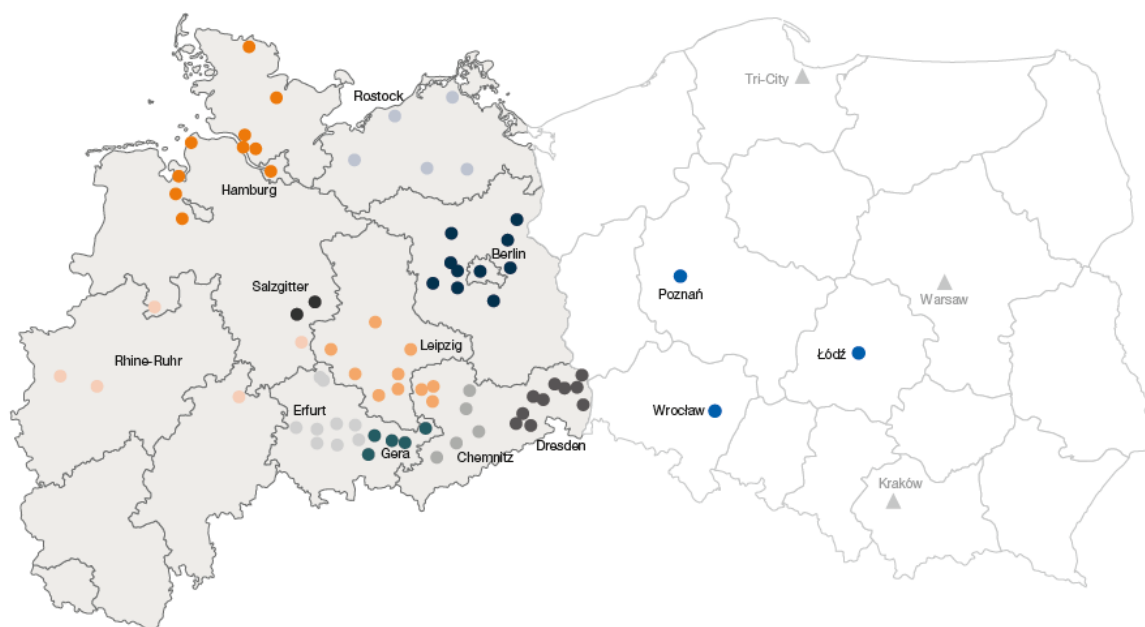
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## TAG overview

# TAG 2021

# TAG at a glance

Leading company in the affordable housing sector in Northern and Eastern Germany



## Strategy

- TAG is a **specialist for affordable housing** in Eastern and Northern Germany and **among the largest owners of residential properties in Eastern Germany**
- **Fully integrated platform via lean and decentralized organization**: Local presence as a key element of TAG's asset management approach to ensure deep local market knowledge and efficient operation of assets
- **Internal growth as one main driver: Active asset management approach** to lift and realize value potential via vacancy reduction and selective investment of capex
- **Disciplined** and conservative approach **regarding use of capital and new acquisitions**
- **Clear focus on per share growth** rather than absolute growth
- **Stable and long term financing structure** to support profitable growth strategy
- TAG is among **leading** real estate companies in the field of sustainability based on available **ESG ratings**

### Key financials (31 Mar-2020)

GAV (real estate assets Germany and Poland)*	EUR 6,017.1m
FFO I 2020	EUR 172.6m
Marketcap	EUR 3.6n
Share price	EUR 24.34
EPRA NTA per share	EUR 22.13
LTV	44.8%

\*thereof EUR 5,825.2m German portfolio and EUR 191.9m Polish portfolio

### Key portfolio metrics

	31 Mar-2021	31 Dec-2020
Units Germany	88,260	88,313
Units Poland (secured pipeline)	9,027	8,742
Annualised net actual rent EURm p.a. (total portfolio)	332,9	334.2
Net actual rent EUR/sqm/month (residential units)	5.48	5.48
Net actual rent EUR/sqm/month (total portfolio)	5.80	5.57
Vacancy rate (residential units)	5.9%	5.3%*/4.5%
Vacancy rate (total portfolio)	6.1%	5.6%
L-fI rental growth (y-o-y)	1.4%	1.4%
L-fI rental growth (incl. vacancy reduction, y-o-y)	1.2%	1.5%

\* including acquisitions in 2020

# TAG highlights Q1 2021

## Operational performance German portfolio

	Q1 2021	Q4 2020	FY 2020
▪ <b>Vacancy</b> (residential units)	5.9%	4.5%	5.3%*/4.5%
▪ <b>Vacancy</b> (total portfolio)	6.1%	5.6%	5.6%
▪ <b>L-f-I rental growth y-o-y</b>	1.4%	1.4%	1.4%
▪ <b>L-f-I rental growth y-o-y</b> (incl. vacancy reduction)	1.2%	1.5%	1.5%
▪ <b>FFO I</b> (EURm)	45.6	41.5	172.6
▪ <b>FFO I</b> (EUR/share)	0.31	0.28	1.18

\* including acquisitions in 2020, part of vacancy in residential units from Q1 2021 onwards

## EPRA NTA and LTV

	31 Mar-2021	31 Dec-2020	31 Dec-19
▪ <b>EPRA NTA</b> (EUR/share), fully diluted	22.13	21.95	20.22
▪ <b>LTV</b>	44.8%	45.1%	44.8%

## Acquisitions/ disposals Germany

- **No acquisitions** in Q1 2021 (Q1 2020: 865 units).
- **95 units disposed** in Q1 2021 (Q1 2020: 48 units). Total selling price of EUR 3.6m (Q1 2020: EUR 1.4m). Book profit of EUR -0.7m (Q1 2020: EUR 0.1m). Selling multiple on average at 15.1x (Q1 2020: 22,6.x) or gross yield of 6.6% (Q1 2020: 4.4%). Net cash proceeds of EUR 3.5m (Q1 2020: EUR 1.4m). Closing in the course of FY 2021.

# TAG highlights Q1 2021

## Operational performance Poland

in EURm	Q1 2021	Q1 2020
Revenues from sale of properties	19.2	11.4
Results operations Poland (FFO II impact)	1.9	0.7
Units handed over	198	115
Units sold	163	205
Build to hold projects (contractually secured pipeline)	c. 5,900	c. 2,300
Build to sell projects (contractually secured pipeline)	c. 3,100	c. 3,400
Total pipeline (contractually secured)	c. 9,000	c. 5,700

## Covid-19 business update

- German portfolio:
  - rent deferrals still of minor impact
  - slightly reduced I-f-I rental growth and slightly increased vacancy rate as a temporary impact, but without meaningful impact on FFO
  - investment market, also in TAG's regions, remains strong; valuation result in H1 2021 is expected to be higher than in H2 2020
- Polish portfolio:
  - rents and sales prices/volumes in TAG's markets (currently Wrocław, Poznań and Łódź) remained stable or have even seen a positive development
  - construction sites are running, no delays expected

TAG German portfolio

TAG  
2021

# TAG decentralized portfolio management structure

Decentralized approach ensures tailor-made asset management solution for each regional market

Centralized functions

Strategic Portfolio Management / Marketing

Acquisitions / Sales

FM Services

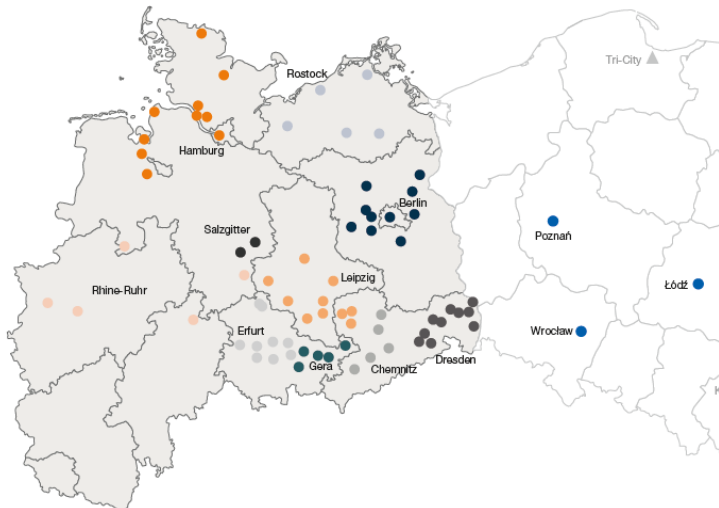
Central Procurement

Shared Service Center

- Fully integrated platform based on SAP system
- Regional LIMs are incentivized by performance of their respective region (“entrepreneur within the enterprise”)

## LIMs (Heads of Real Estate Management) in TAG regions

Decentralized functions



### 1 Customer service

- Property management
- Enhance high tenant satisfaction and tenant loyalty
- Social projects

### 3 Investments

- Modernisation for re-letting
- Ongoing maintenance measures

### 2 Renting activities

- Re-letting
- Vacancy reduction
- Monitor and optimise tenant structure

### 4 Receivables management

- Minimise outstanding receivables
- Payment reminder and legal action



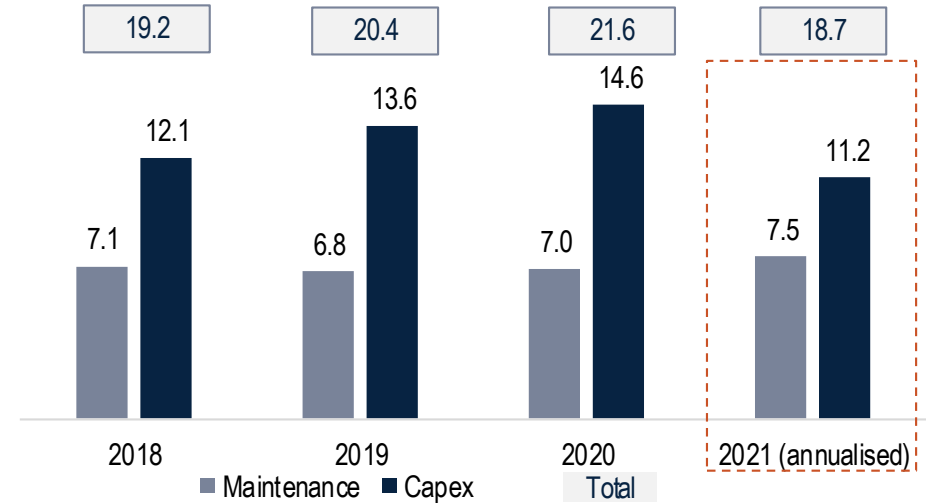
# TAG German portfolio rental growth and capex allocation

Rental growth achieved with moderate capex investments due to strong underlying fundamentals

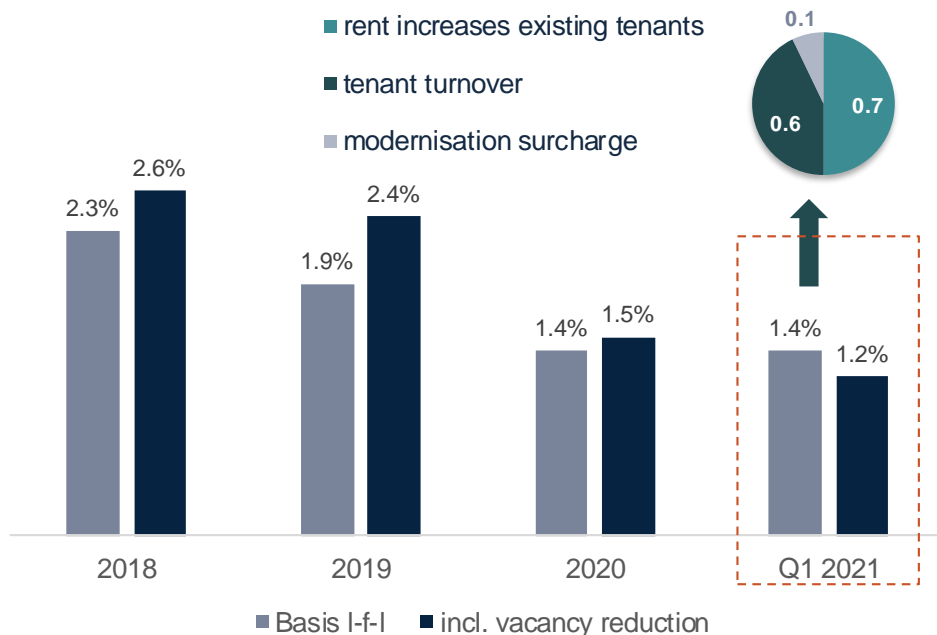
## Rental growth achieved with moderate investments

- TAG creates **attractive rental growth** from
  - regular rent increases and tenant turnover (“basis I-f-I rental growth”).
  - vacancy reduction (leading to “total I-f-I rental growth”).
- **Investment of capex at selective locations targeted to reduce vacancy**: investments in vacancy reduction result in highly attractive equity-returns: **c.10%-15% return on capex** in large modernisation measures and **c.42%-47% in the modernization of vacant flats**.

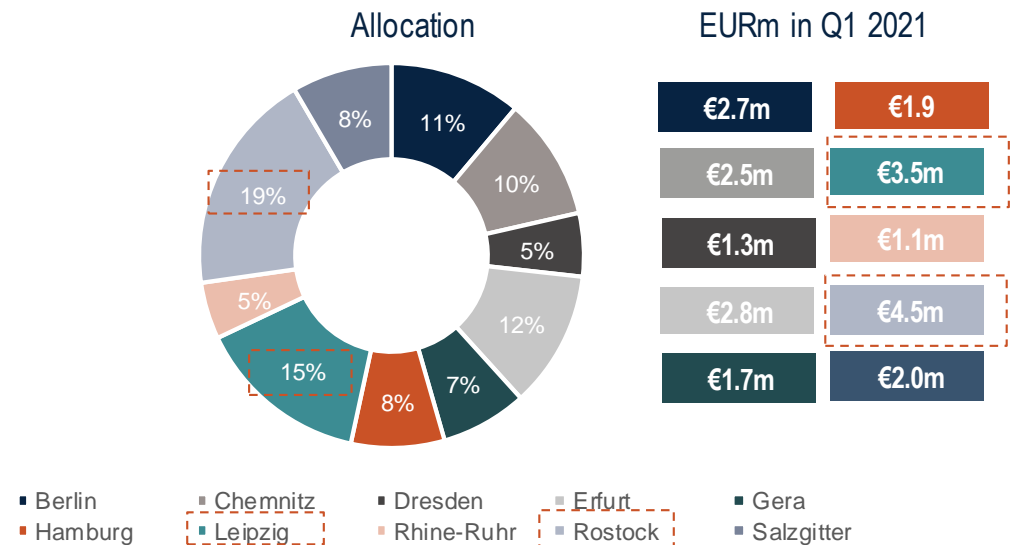
## Maintenance & capex development (in EUR/sqm/year)



## Like-for-like rental growth excluding and including vacancy reduction

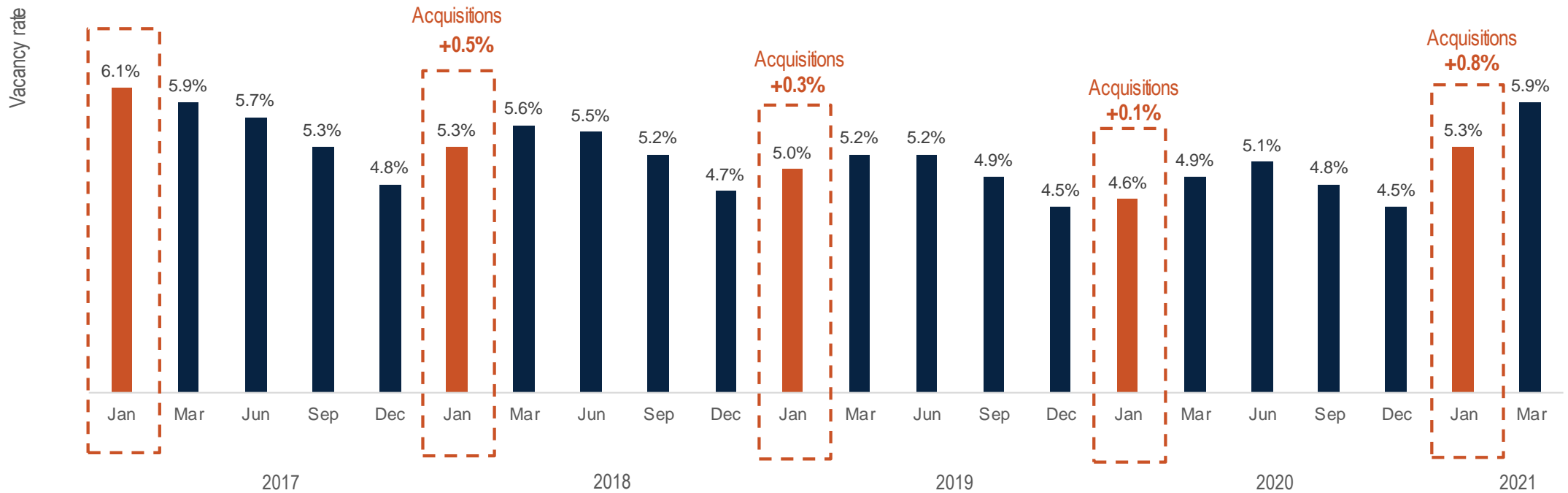


## Maintenance & capex split by region



# TAG German portfolio vacancy reduction residential units

Strong track record of vacancy reduction; temporary increases in H1 2020 and Q1 2021 as a result of the Covid-19-pandemic



# TAG German portfolio valuation overview

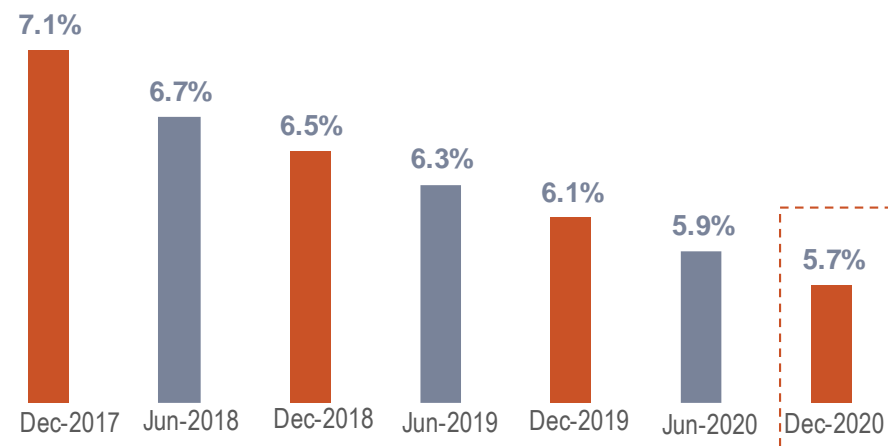
## Portfolio valuation result

FY 2020 vs. FY 2019	FY 2020	FY 2019
in EUR m	328.4*	414.1
annual valuation uplift (w/o capex)	6.2%	8.6%
– thereof from yield compression	85%	73%
– thereof from operational performance	15%	27%

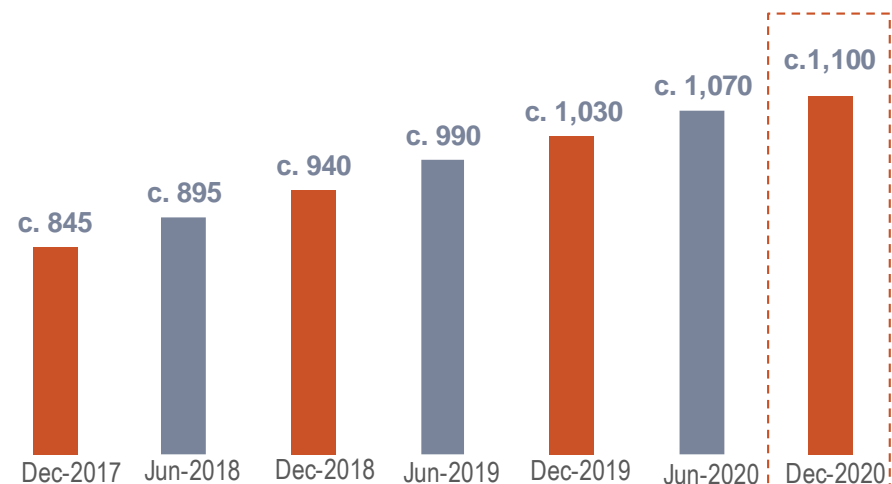
\* total valuation gain of EUR 328.4m in FY 2020: thereof EUR 327.0m relates to properties in Germany, EUR 1.4m to properties in Poland

H2 2020 vs. H1 2020	H2 2020	H1 2020
in EUR m	154.4	174.0
semi-annual valuation uplift (w/o capex)	2.9%	3.3%
– thereof from yield compression	85%	83%
– thereof from operational performance	15%	17%

## Development of gross yield



## Development of portfolio value (EUR/sqm)



# TAG services business – FFO contribution 2020

More than 6% (EUR 10.6m) of FFO generated from services business in 2020

		Quality improvement		FFO generation					
(in EURm)	FFO rental	Facility management	Craftsmen services	Energy services <sup>1)</sup>	Multimedia services <sup>1)</sup>	Condominium management	Others <sup>2)</sup>	FFO services business	Total
Revenues	322.5	13.9	4.0	24.8	8.8	2.2	0.6	54.3	376.8
Rental expenses and cost of materials	-58.3	-2.1	-1.6	-18.9	-4.7	0.0	-0.9	-28.2	-86.5
<b>Net income</b>	<b>264.2</b>	<b>11.8</b>	<b>2.4</b>	<b>5.8</b>	<b>4.2</b>	<b>2.2</b>	<b>-0.3</b>	<b>26.1</b>	<b>290.3</b>
Personnel expenses	-36.0	-12.6	-2.8	-0.6	-0.1	-1.5	0.0	-17.6	-53.6
Other income / expenses	-16.7	1.7	0.4	0.2	0.0	-0.1	0.0	2.2	-14.4
<b>EBITDA adjusted</b>	<b>211.6</b>	<b>1.0</b>	<b>0.0</b>	<b>5.5</b>	<b>4.0</b>	<b>0.5</b>	<b>-0.3</b>	<b>10.7</b>	<b>222.3</b>
Net financial result	-45.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	-45.1
Cash taxes <sup>3)</sup>	-3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.3
Cash dividend payments to minorities	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.3
<b>FFO I 2020</b>	<b>162.0</b>	<b>1.0</b>	<b>0.0</b>	<b>5.5</b>	<b>3.9</b>	<b>0.5</b>	<b>-0.3</b>	<b>10.6</b>	<b>172.6</b>
FFO I 2019	152.8	1.3	0.0	2.6	3.6	0.6	-0.3	7.9	160.6

Total FFO contribution of the service business increased from 4.9% in 2019 to 6.1% in 2020 (+ EUR 2.7m)

1) incl. provisions, in annual report FY 2020 included in expenses from property management

2) w/o IFRS 15 effects; for further details see annual report FY 2020

3) assumption that all cash taxes are attributable to the rental business

# TAG acquisitions and disposals

# TAG 2021

# TAG acquisitions Germany FY 2020

Signing	2020	2019
Units	4,578	1,331
Net actual rent in EUR/sqm/month	4.93	5.81
Vacancy	21.1%	11.0%
Purchase price in EURm	174.7	50.1
Net actual rent in EURm p.a.	11.9	4.1
Location	Merseburg, Plauen, Gotha, Magdeburg, Dessau et al.	Thuringia, Saxony-Anhalt, Mecklenburg Western Pomerania
Closing	2020 (4,410 units) Q2 2021 (168 units)	2019 (1,011 units) Q2 2020 (320 units)
Multiples (in-place rent)	14.7	12.1



Bernburg



Dessau



Plauen

c. 4,600 units in TAG core markets acquired in FY 2020 at an average acquisition multiple of 14.7x (6.8% gross yield)

# TAG disposals Germany FY 2020/ Q1 2021

Signing	2020	2020	2020 Total	Q1 2021
Units	213	796	1,009	95
Net actual rent in EUR/sqm/month	6.56	5.00	5.38	4.37
Vacancy	4%	22%	18%	22%
Selling price in EURm	25.5	29.8	55.3	3.6
Net actual rent in EURm p.a.	0.98	2.23	3.21	0.24
Net cash proceeds in EURm	25.0	29.3	54.3	3.5
Book profit in EURm	-0.1	4.1	4.0	-0.7
Location	Berlin, Kiel	various locations	---	various locations
Closing	2020/2021	2020/2021	2020/2021	2021
Multiples (in place rent)	26.1	13.4	17.3	15.1



Bad Frankenhausen



Kiel



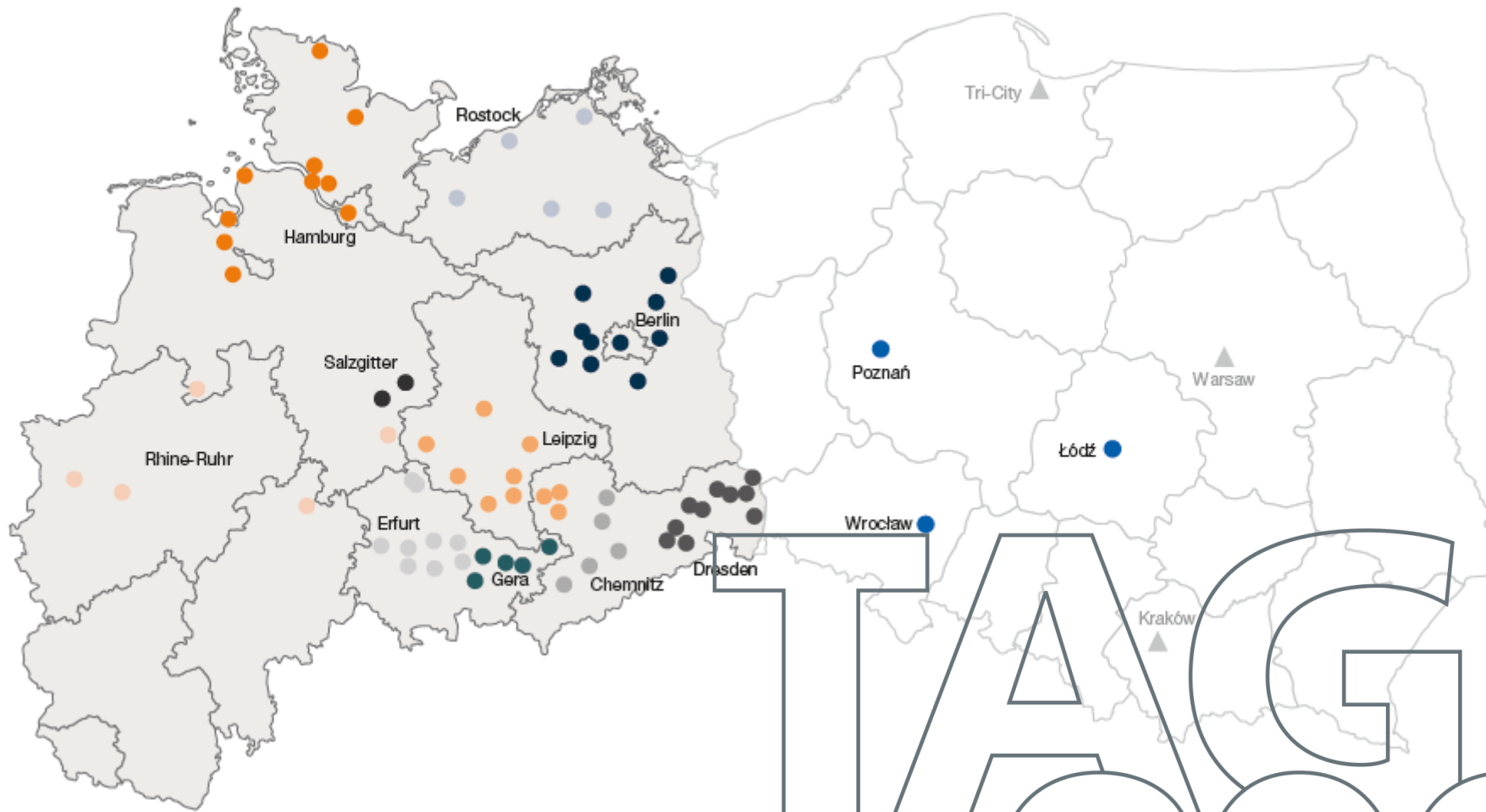
Suhl

2020

c.800 non-core units sold at an average disposal multiple of 13.4x (7.5% gross yield)

c.200 units in high-priced markets sold at an average disposal multiple of 26.1x (3.8% gross yield)





# TAG 2021

## TAG Poland business update



# Poland overview current and planned projects

Unlocking superior returns by addressing the growing demand of the Polish residential-for-rent market

## Strategic rationale

- Against the backdrop of its **strong macroeconomic and demographic growth**, Poland is experiencing a **structural gap between demand and supply in the residential-for-rent segment** for historic reasons
- TAG's mid-term growth target** (until 2025) are **8,000-10,000 letting units** in Poland, corresponding to c. 10% of TAG's total current residential units. **Focus on project developments**, in light of fragmented and outdated rental stock
- Investment focus on major Polish cities** with large universities, favourable macroeconomics and strong demographics. Capitalizing on **superior sourcing capabilities of the Vantage platform**, pipeline locations expanded to include fundamentally strong markets of currently **Wroclaw, Poznan and Lodz**
- While first build-to-hold completions should only start yielding from FY 2021 onwards, **realization of build-to-sell pipeline** (unitsales) should provide strong support to **free cash flow generation** (reflected on FFO II basis)

## Current locations and projects



APPENDIX

## Overview of the development projects

Build-to-hold projects				Build-to-sell projects				Total projects				
	Current projects	Planned projects	Total build-to-hold		Current projects	Planned projects	Total build-to-sell		Current projects	Planned projects	Total projects	
Total number of units	5,900	4,800	10,700	Total number of units	3,100	500	3,600	Total number of units	9,000	5,300	14,300	
Total sqm	312,000	223,000	535,000	Total sqm	187,000	25,000	212,000	Total sqm	499,000	248,000	747,000	
Total investment costs incl. fit-outs (TIC)			EUR 825-875m	Total investment costs (TIC)			EUR 250-300m	Total investment costs incl. fit-outs (TIC)				EUR 1,075-1,175m
Estimated rental yield upon completion			c. 7-8%	Estimated EBITDA margin on sales			>15%					
Estimated EBITDA margin on letting			>70%	Estimated EBITDA contribution from sales			EUR 39-44m					
Estimated EBITDA contribution from letting p.a.			EUR 45-50m	Estimated EBITDA contribution from sales			EUR 39-44m					

Note: Euro amounts based on PLN/EUR exchange rate of 0.215 as of 31 Mar-2021

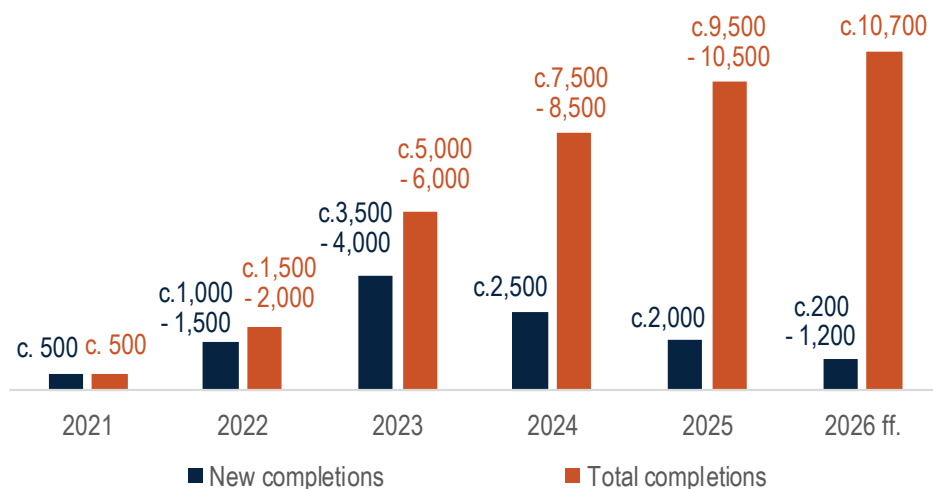
# Poland build-to-hold pipeline

Polish build-to-hold projects currently concentrated in growth regions of Wroclaw and Poznan

## Build-to-hold projects overview

Pipeline locations	Wroclaw	Poznan	Lodz	Total
Total number of projects	11	12	6	29
Total number of project stages	21	17	7	45
<b>Number of units</b>	<b>5,100</b>	<b>3,700</b>	<b>1,900</b>	<b>10,700</b>
- of which current projects	2,600	2,300	1,000	5,900
- of which planned projects	2,500	1,400	900	4,800
Expected total investment costs (TIC)*	c. EUR 825-875m			
Average rental yield on cost	c. 7-8%			
Average rent per sqm (w/o service charges)*	c. EUR 10-11/sqm/month			
Average apartment size	c. 45-55 sqm			
Expected EBITDA margin	>70%			

## Build-to-hold: Timeline of planned completions (by rent start)



\* based on PLN/EUR exchange rate of 0.215 as of 31 Mar-2021

## Build-to-hold pipeline locations



## General criteria for earmarking units as build-to-sell

- Units in **buildings with already realised pre-sales** are earmarked for sale
- Larger apartments** with lettable area in **excess of 50 sqm**
- Apartments exhibiting **attractive privatization pricing** and valuation (gross sales margin of over 25%)

## Accounting treatment of build-to-hold units

- Recognition of costs and revenues based on **completed-contract-method**
- Upon completion, any **revaluations under IAS 40** are recognised upon **transfer to Investment Properties**
- Construction and other eligible costs are capitalised** until fair value can be determined at completion (IAS 40)
- Rental results to be reflected in TAG's FFO I**

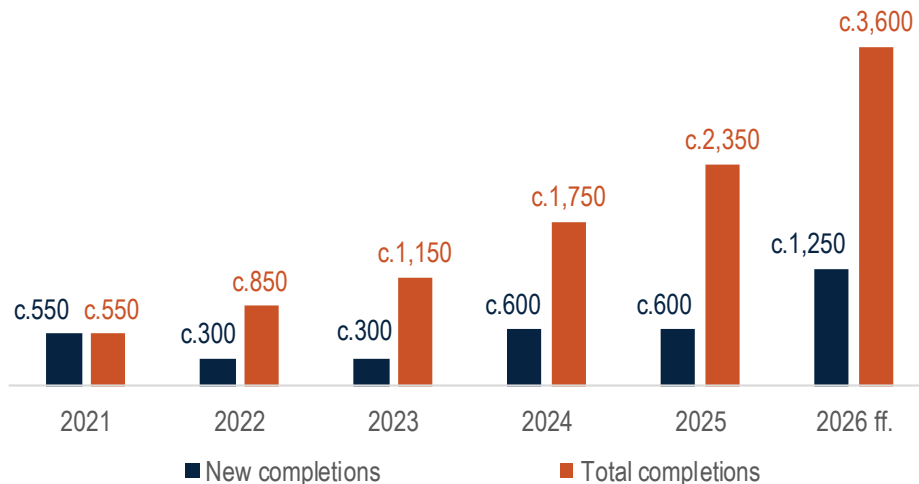
# Poland build-to-sell pipeline

Attractive build-to-sell projects in Wroclaw offering strong cashflows and significant support to FFO II

## Build-to-sell projects overview

Pipeline location	Wroclaw
Total number of projects	9
Total number of project stages	25
<b>Number of units</b>	<b>3,600</b>
- of which current projects	3,100
- of which planned projects	500
-----	
Expected total investment costs (TIC)*	c. EUR 250-300m
Expected EBITDA margin on sales	>15%
Net selling price per sqm (w/o fit outs)*	c. EUR 1,500-1,750
Average apartment size	c. 50-60 sqm

## Build-to-sell: Timeline of sales (by hand overs)



## Build-to-sell pipeline locations



## Accounting treatment of build-to-sell units

- Recognition of costs and revenues based on **completed-contract-method**, with revenue recognition only at handover
- Inventories** increase as **construction and other eligible costs are capitalised**
- Upon sale/handover**, inventories are reduced by COGS and revenues are recognised in the P&L, with subsequent booking of profits
- Sales results to be reflected in TAG's FFO II**

\* based on PLN/EUR exchange rate of 0.215 as of 31 Mar-2021

# TAG financing structure

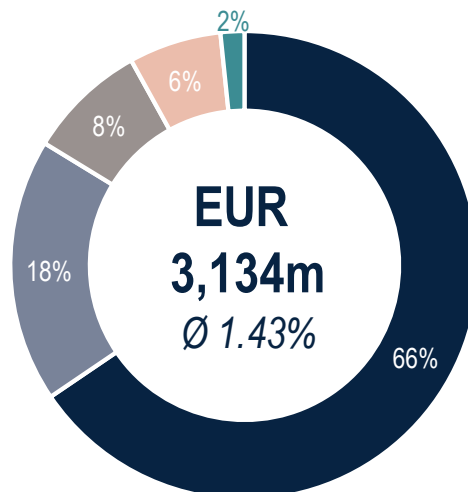
TAG  
2021

# TAG financing structure

## Debt structure as of 31 Mar-2021

■ Bank loans      ■ Corporate bonds  
■ Commercial paper    ■ Promissory notes    ■ Convertibles

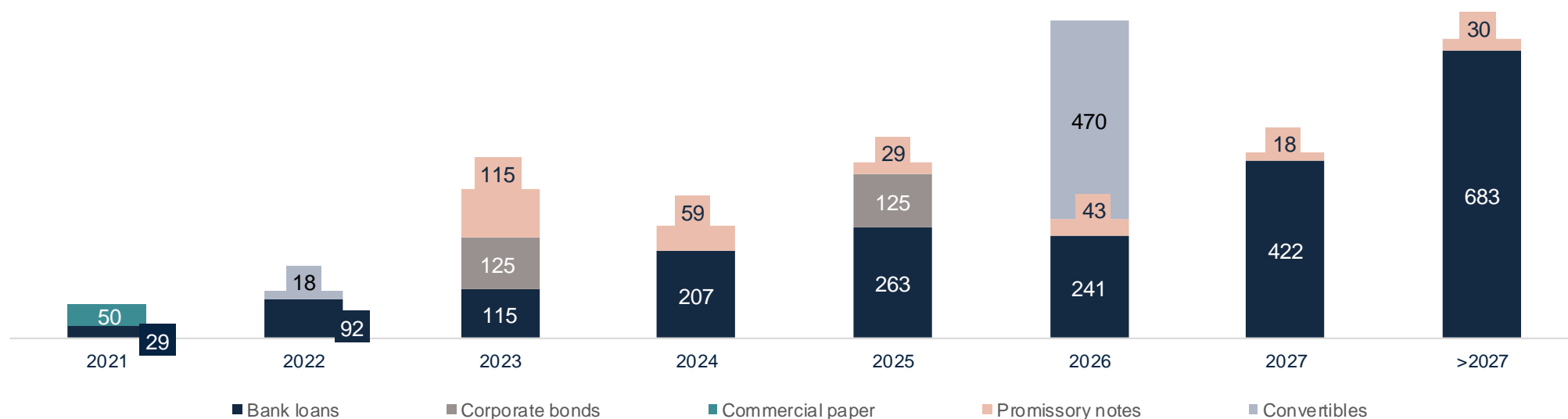
Debtvolume	Ø interest rate	% fixed rates
EUR 2,052m	1.70%	97%
EUR 488m	0.63%	100%
EUR 250m	1.75%	100%
EUR 294m	1.07%	100%
EUR 50m	0.00%	100%
<b>Σ EUR 3,134m</b>	<b>Ø 1.43%</b>	<b>Ø 98.5%</b>



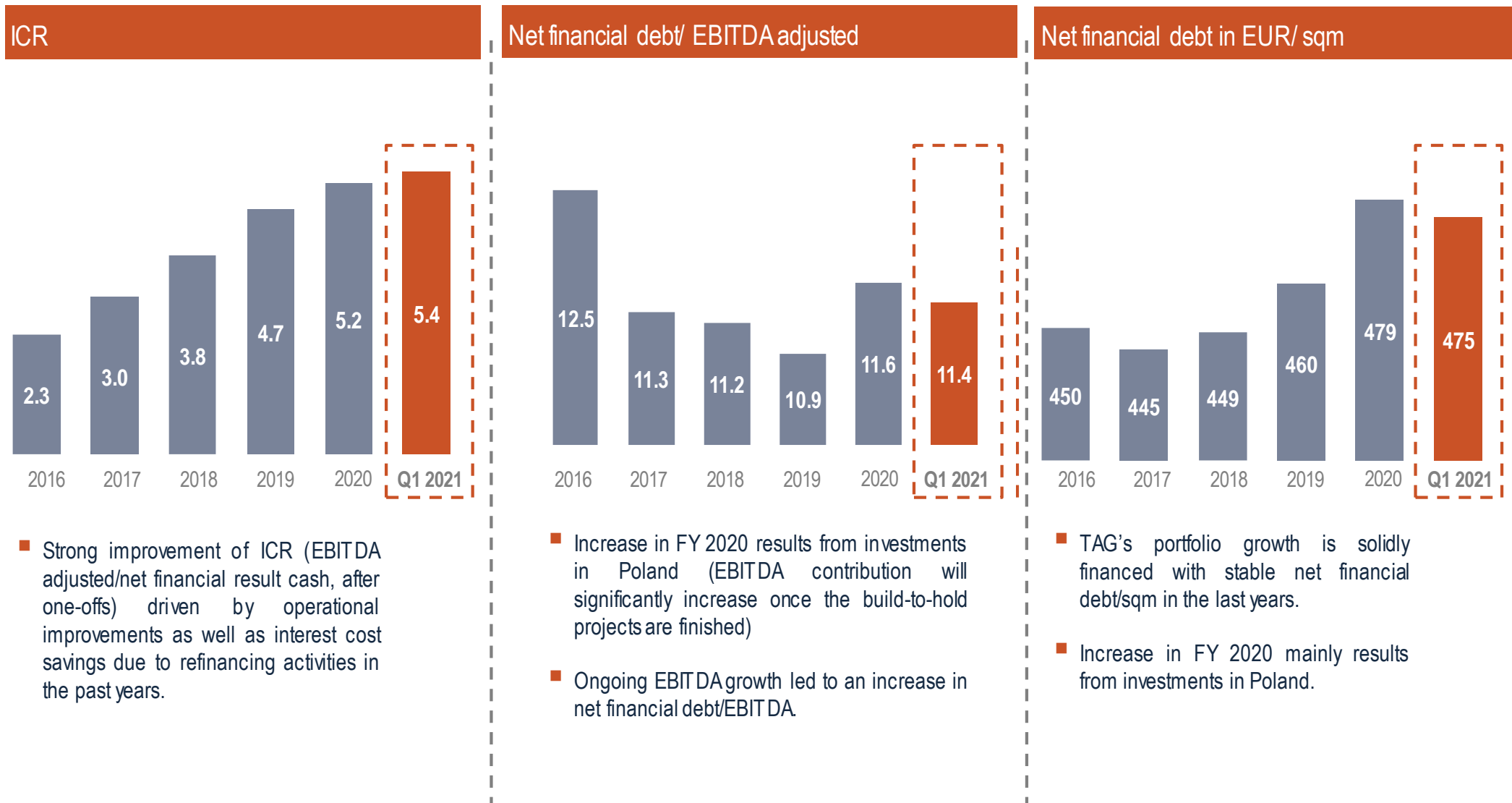
## Key financial KPIs as of 31 Mar-2021

Ø Maturity total financial debt	6.5 years
Ø Maturity bank loans	7.8 years
Ø Interest rate total financial debt	1.43%
Ø Interest rate bank loans	1.70%
LTV	44.8%
LTV target	c. 45.0%
Rating (Moody's) (lastest update Apr-2021)	Baa3 long term rating (outlook positive) P-3 short term rating
Further refinancing potential 2021-2023	<b>EUR 369m</b> of bank loans maturing or with interest terms ending in <b>2021-2023</b> with average coupon of <b>2.4% p.a.</b>

## Maturity profile as of 31 Mar-2021 (in EURm)



# TAG strong development of financing metrics



Continuous improvement of financing metrics with further improvement expected



# TAG 2021

TAG sustainability

# TAG ESG strategy and core axes

Sustainability is an essential part of TAG's corporate vision



**Environment**

- Improving energy efficiency and reducing emissions
- Best possible cost-benefit ratio
- Responsible treatment of resource management

**Social**

- Affordable and needs orientated housing
- Neighbourhood management
- Customer focus and service quality

**Governance**

- Excellent board expertise
- Transparent compensation scheme in line with the interests of shareholders
- Responsibility and trust for our employees

## Sustainability principles and guidelines at TAG

<p><b>Business principles</b> <i>Sustainable action as basis of company strategy</i></p> 	<p><b>Anti-discrimination</b> <i>Promoting diversity and preventing discrimination</i></p> 	<p><b>Anti-corruption</b> <i>Avoidance and prevention of corruption</i></p> 
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<p><b>Environment protection</b> <i>Measures to protect our environment and climate</i></p> 	<p><b>Socially responsible procurement</b> <i>Sustainable purchasing</i></p> 	<p><b>Social engagement</b> <i>Further development of liveable communities</i></p> 
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# TAG ESG commitments

TAG continues to implement Sustainable Development Goals

## TAG's Sustainability goals

### Our economic goal

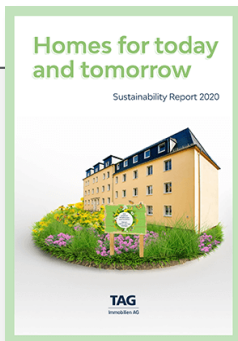
Secure future viability by maintaining and expanding the value of our properties

### Our social goal

Further increase the satisfaction of our tenants and employees by strengthening the loyalty of both groups

### Our ecological goal

Reduce consumption and optimise the use of resources, increase energy efficiency and reduce CO<sub>2</sub> emissions



Detailed breakdown of goals and sub-goals including timeline and status of implementation in published as part of **Sustainability Report 2020**

## TAG's commitment to the implementation of UNSDG

At TAG, we take it part of the corporate responsibility to make persistent contribution to the implementation of UNSDGs



### TAG's key focus of action

<b>5 GENDER EQUALITY</b> 	<ul style="list-style-type: none"> <li>• Work-life balance</li> <li>• Family-friendliness</li> <li>• Diversity</li> </ul>	<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	<ul style="list-style-type: none"> <li>• Optimising energy efficiency and emissions</li> </ul>
<b>10 REDUCED INEQUALITIES</b> 	<ul style="list-style-type: none"> <li>• Liveable neighbourhoods</li> <li>• Customer focus</li> <li>• Service quality</li> </ul>	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 	<ul style="list-style-type: none"> <li>• Marketable portfolio development for broad sections of the population</li> <li>• Reasonable rent</li> </ul>
<b>13 CLIMATE ACTION</b> 	<ul style="list-style-type: none"> <li>• Optimising energy efficiency</li> <li>• Sustainable resource management</li> </ul>	<b>17 PARTNERSHIPS FOR THE GOALS</b> 	<ul style="list-style-type: none"> <li>• Liveable neighbourhoods</li> <li>• Dialogue with tenants, municipalities and other stakeholders</li> </ul>

# TAG Affordable and liveable housing

A social purpose as a base of TAG's business model



## A business answering social needs

- Provide affordable housing
- Make affordable housing more liveable
- Improve community development and integration

- Core business of affordable housing
- Implementation of 100% -owned subsidiaries for:
  - Optimizing energy costs for tenants
  - Improving affordable housing quality through faster and better services



TAG has found a business model that contributes not only to profit generation, but more importantly, to a more sustainable and liveable society

## TAG's business is tackling social issues for affordable, liveable housing

### Core business of affordable housing

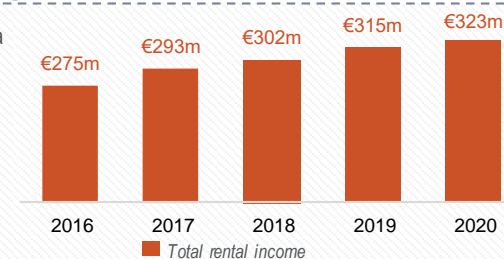
- As a specialist in affordable housing, TAG has established a portfolio with nearly 90,000 residential units in Germany
- TAG aims to expand housing supply with affordable net rents that does not exceed €6 per sqm

EUR 5.48/sqm

Net actual rent 2020

EUR 5.39/sqm

Net actual rent 2019

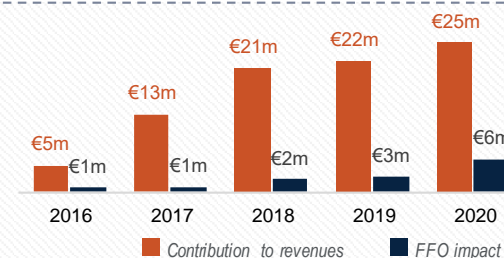


### Optimizing energy costs for tenants

#### ENERGIE (100%-owned subsidiary)

Wohnen Service GmbH

Energie Wohnen Service GmbH is TAG's heating service branch to tenants. By the end of 2021, Energie Wohnen Service aims to equip c.250 heating centers with remote monitoring technology to optimize operational control



# TAG Corporate ESG management structure

Integration of ESG issues in corporate decision-making processes



## ESG corporate structure



**Martin Thiel**  
CFO



**Claudia Hoyer**  
COO



**Dr. Harboe Vaagt**  
CLO

### Strategic Real Estate Management

- Contact centre for all of TAG's operating divisions regarding sustainability topic
- Raise the awareness for corporate responsibility
- Bring sustainability criteria into individual tasks and departments

### Sustainability committee (consisting of TAG employees)

- Collect and develop sustainability ideas
- Initiate and coordinates pilot projects
- Group-wide initiative "Together for a colorful TAG" launched in 2020 to encourage employees and stakeholder's participation on sustainability issues

### Ongoing exchange with stakeholders



Our tenants



Our suppliers



Local neighbourhood initiatives



Our employees

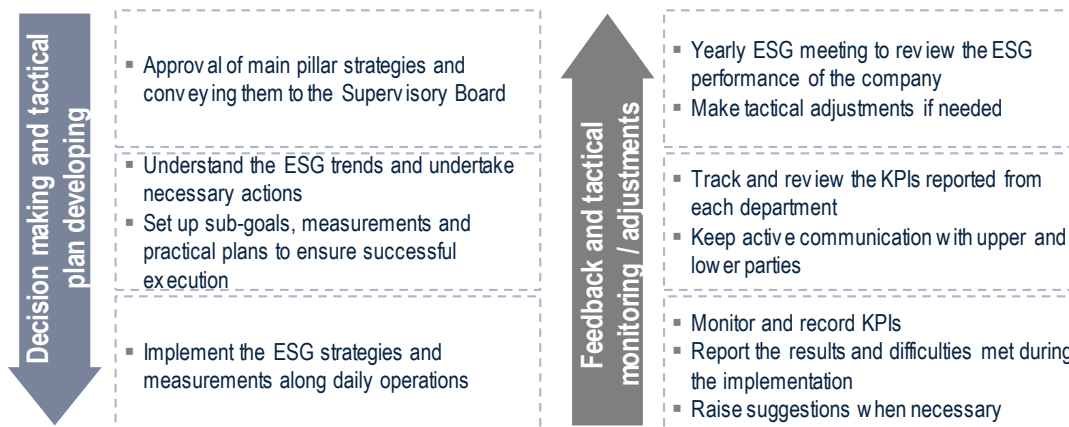


Shareholders, banks and other investors



Local politics and associations

## Smooth channels for implementation and communication



## Management remuneration aligned with sustainability (ESG) targets

- Subject to AGM approval on 11<sup>th</sup> June 2021, the composition of **management's variable remuneration** will be expanded to include **sustainability (ESG) targets**
- This should further cement management's alignment towards TAG's sustainable development and the **creation of sustainable enterprise value along the value chain**
- **ESG targets will be (re)defined annually by the Supervisory Board.** For 2021, STIP\* targets are defined on the basis of the risk assessment developed by "Sustainalytics", with max EUR 25,000 per board member depending upon the rating achieved
- **The Supervisory Board has also the option to supplement the LTIP\* remuneration** with longer-term non-financial and ESG targets, in the future (up to 20% of total LTIP remuneration)

\* STIP=Short Term Incentive Plan, LTIP=Long Term Incentive Plan



# TAG Developing our portfolio responsibly

TAG is committed to decarbonizing its existing portfolio; investments of more than 1 bn in highly energy efficient buildings in Poland

## Sustainable residential housing

**1 Maintenance and modernisation as needed**

- Introduction of green tech for a future-proof portfolio
- Active portfolio investment strategy towards long-term competitiveness

**2 Supply chain and materials**

- Support for local service and material suppliers
- Standardised and transparent selection process
- Use of sustainable materials

**3 Climate and environment**

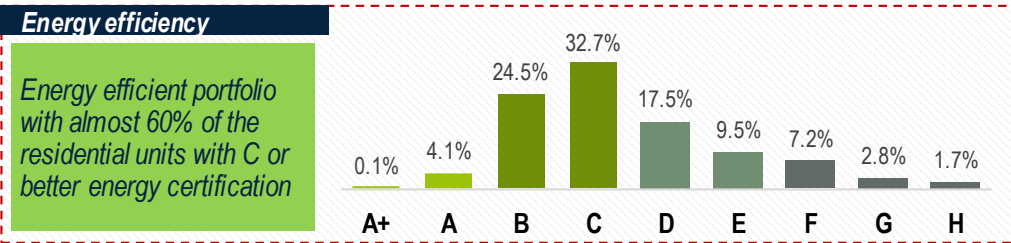
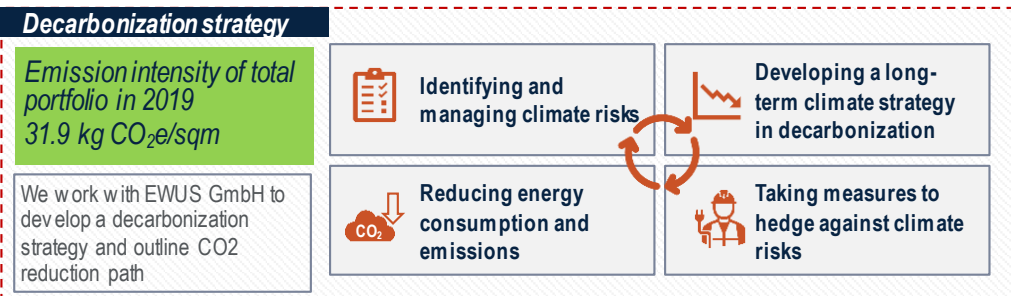
- Decarbonization and emission control
- Environmental compliance for all external contracts
- Contribution to resource conservation and biodiversity

## Case study: Buforowa 89 – development project in Wrocław



Project	Buforowa 89
Location	Wrocław, Poland
Usage	Residential
Size	400 flats

>> In designing the details of the buildings, we consider ecological criteria that contribute to environmental and climate protection <<



- Gear Buforowa 89 to the needs of different groups of residents – younger and older, family and singles
- Playgrounds and recreational areas as well as commercial spaces to serve needs of the residents
- Ecological design with either green roofs or roofs with photovoltaic panels to foster energy efficiency and lower CO<sub>2</sub> emissions
- Common areas equipped with motion-sensing LED lighting; Rental units with waste separation containers as well as water purification filters







# TAG Our responsibility to society

TAG contributes to a more sustainable society through affordable and liveable housing

## Key areas of tenant support

**1**

### Tenant satisfaction


- On-site services to satisfy tenant needs
- Focus on the core business of providing tenants with affordable housing
- Support to tenants in the event of rent arrears
- Open communication and information channels

**2**

### Liveable and progressive neighbourhoods

- Ensuring a friendly environment as a basis of sustaining diverse spirit of community
- Promotion of social projects that strengthen solidarity
- Holistic neighbourhood development through various events and activities

## Case study: digitalisation in the city of Gera



### BeHome platform

New project "BeHome" launched in Sept-2020 that connects assistance and emergency call systems with a variety of local services and also provides communication options to tenants




## Community initiatives



TAG offers Activity Lounges at 21 locations to let people come together



The Polish developer acquired by TAG has made social contributions by supporting local hospitals and donating money and medical equipment




Contribute to people living in good conditions and enjoying togetherness and living as neighbours



### EMMA – the electric shuttle bus

EMMA is a self-driving pilot project that we started in 2019 with local Fischer Academy. The EMMA project is funded by Thuringian Ministry for the Environment, Energy and Nature Conservation



# TAG Our employees shape our future

TAG is committed to offering a fair, supportive, empowering working environment to its employees



## Key areas of employee empowerment

1

### We live our values

- Flat hierarchies and short decision-making channels
- Enhancement of team spirit among all employees
- Improvement of social intranet and digitalization
- Involvement of employee representatives

2

### Ready for the future with a qualified team

- Employee training and development
- Efficient personnel sourcing
- Fair salaries and incentives

3

### Responsibility and trust for our employees

- Preservation of equality
- Guarantee of occupational health and safety
- Encouraging results-oriented managing and working

## TAG commitment to its employees

### Inaugural TAG Award in 2020

The inaugural TAG Award presented to honour the commitment of our employees

### TAG Everyday Heroes (TAG Alltagshelden)

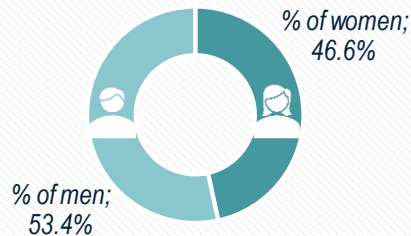
The Project was launched in 2020 to promote social and ecological volunteering by our employees



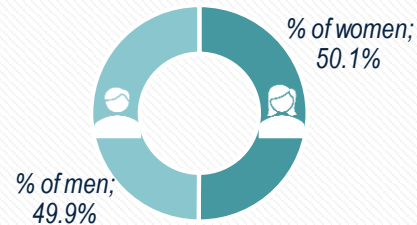
## Diversity of employees

Gender diversity and equal women representation at the heart of TAG's business principles and operations

### Diversity of management\*



### Diversity of employees



\* The Management Board and the 1<sup>st</sup> management level



>> We like the idea that we have an impact within the Company as well as those that create added value for society <<

### TAG Ambassadors (TAG Botschafter)

TAG employees are the interface of the company and are actively involved as company's ambassadors in recruiting and attracting new talent as well as engaging with tenants

# TAG ESG rating

TAG ranks among the top ratings in the real estate sector



## ESG Rating and Award improvements

2020	ESG Risk Rating <b>12.6</b> Low Risk 	 TAG is in the A category LAGGARD AVERAGE LEADER	<b>29.5/100</b>		<b>35**/100</b>	<b>D**</b>
2019	<b>22.9 /100</b> Medium 	 TAG is in the A category LAGGARD AVERAGE LEADER	<b>8.9**/100</b>	No Award	N/A	<b>D**</b>
	Rank 92 out of 1,026 companies in the real estate sector (9 <sup>th</sup> percentile)*	Industry adjusted score 0-10 AA = from 7.1 onwards A = 7.0 BBB = 5.1	1 <sup>st</sup> participation of TAG in an active rating process 2020	Most improved Award & Silver Award	60-100 = Advanced 50-60 = Robust 30-50 = Limited 0-30 = Weak	A=excellent B=good C=premium D=poor

\* Data as of 03 May-2021; \*\*Not responsive level: rating only based on publicly available information, no participation of TAG in an active rating process

## TAG's ESG disclosure improvement

- In 2020, we have placed particular **emphasis on improving our ESG performance and reporting** in order to better meet the expectations of Sustainalytics and MSCI
- Sustainalytics ranks now TAG's ESG performance **among the TOP 10% of all real estate companies**
- As a commitment to improving ESG disclosure, we want to **engage actively in further rating processes** with Vigeo Eiris (Moody's) and ISS in order to better reflect TAG's ESG performance on a broader scale

## ESG indices

**DAX<sup>®</sup> 50 ESG**

The New Standard in German ESG Investing



# TAG Response to Covid-19 pandemic

Active measures taken by TAG to strengthen communication with employees and support to



## Key initiatives by TAG

- In the reporting year, Vantage, TAG's Polish development branch, supported three hospitals in Wroclaw during the Covid-19 pandemic 2020 as part of its corporate social engagement



- Instalment payments and deferment agreements provided to tenants in difficulties
- Reopening of "Aktiv-Treff" (Activity Lounges) asap and current support online



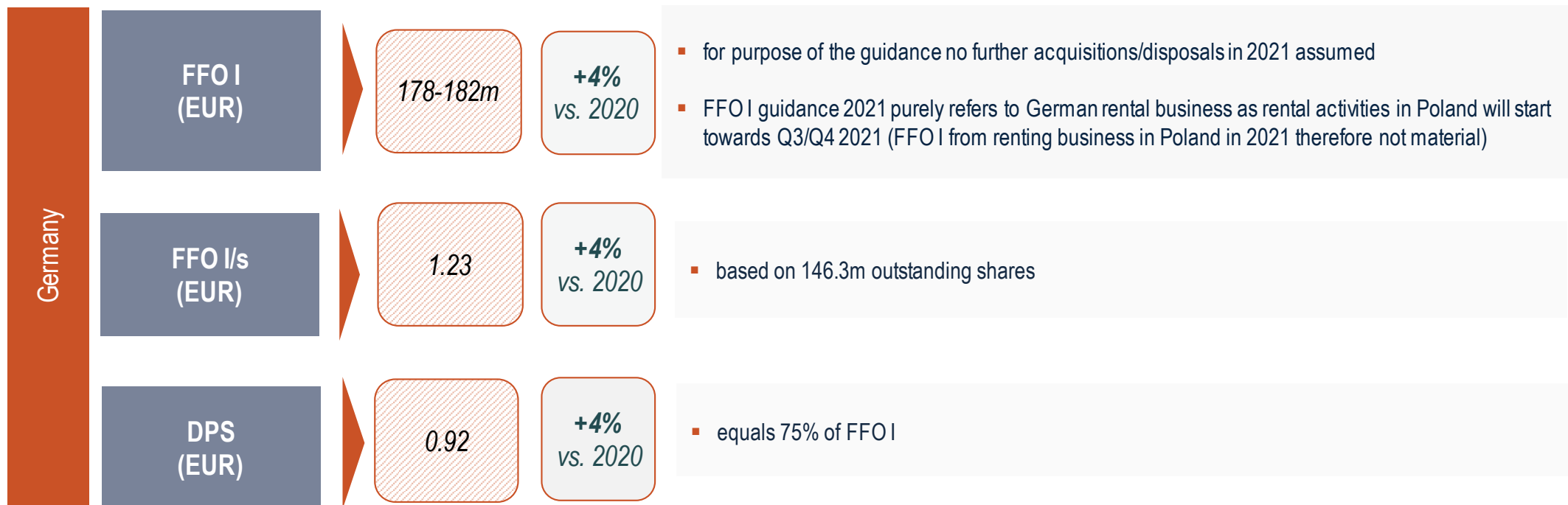
- A group-wide survey was launched to obtain feedback from all employees
- "TAG Covid-19 Emergency Plan" as guideline to corona-related affairs



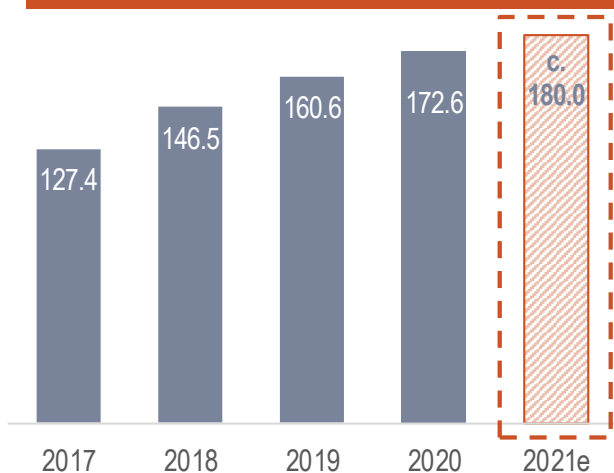
# TAG 2021

TAG guidance

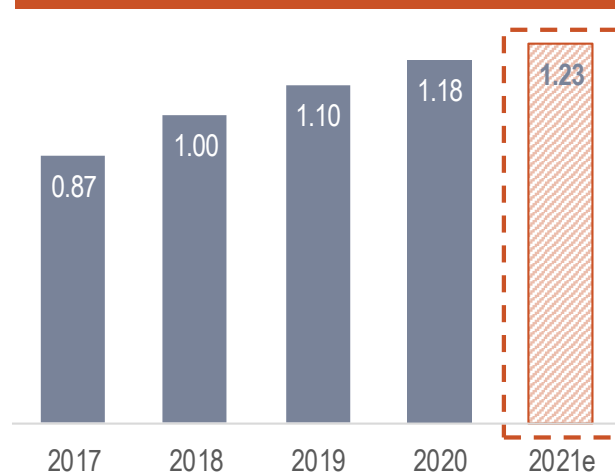
# TAG FFO and dividend guidance FY 2021 (unchanged)



FFO I in EURm



FFO I per share in EUR



Dividend per share in EUR



APPENDIX

TAG  
2021

# TAG German portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Mar-2020	Gross yield	Vacancy Mar-2021	Vacancy Dec-2020*	Net actual rent EUR/ sqm	Re-letting rent EUR/ sqm	I-f-I rental growth y-o-y	I-f-I rental growth y-o-y incl. vacancy reduction	Maintenance EUR/sqm	Capex EUR/sqm
Berlin	10,417	603,656	852.7	4.8%	3.9%	3.9%	5.90	6.43	1.9%	1.5%	1.34	3.09
Chemnitz	7,891	462,051	383.1	6.6%	8.5%	6.9%	4.99	5.19	1.6%	1.7%	1.95	3.41
Dresden	6,133	396,892	578.2	4.8%	2.3%	1.9%	5.91	6.38	1.3%	1.4%	0.86	2.37
Erfurt	11,063	621,829	722.2	5.4%	2.8%	2.5%	5.33	5.62	1.5%	2.1%	1.79	2.66
Gera	9,473	549,878	445.6	7.0%	7.0%	6.5%	5.10	5.42	0.2%	0.9%	1.30	1.87
Hamburg	6,991	430,086	585.6	5.0%	4.0%	3.7%	5.91	6.33	2.1%	2.2%	2.33	2.06
Leipzig	13,317	774,591	743.0	5.9%	10.6%	6.0%	5.28	5.49	1.5%	1.0%	1.79	2.73
Rhine-Ruhr	4,182	265,981	346.7	5.0%	2.4%	1.6%	5.60	5.76	1.9%	1.8%	2.84	1.47
Rostock	8,324	466,016	514.8	5.7%	6.4%	4.4%	5.58	5.93	1.1%	0.2%	3.65	6.06
Salzgitter	9,180	563,122	564.2	6.1%	6.7%	5.6%	5.44	5.64	0.7%	-0.7%	1.63	1.96
<b>Total residential units</b>	<b>86,971</b>	<b>5,134,102</b>	<b>5,736.0</b>	<b>5.5%</b>	<b>5.9%</b>	<b>4.5%</b>	<b>5.48</b>	<b>5.80</b>	<b>1.4%</b>	<b>1.2%</b>	<b>1.88</b>	<b>2.80</b>
Acquisitions**	---	---	0.5	---	---	---	---	---	---	---	---	---
Commercial units within resi. portfolio	1,137	144,726	---	0.0%	15.9%	16.1%	8.57	---	---	---	---	---
<b>Total residential portfolio</b>	<b>88,108</b>	<b>5,278,828</b>	<b>5,736.5</b>	<b>5.8%</b>	<b>6.1%</b>	<b>5.6%</b>	<b>5.56</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
Other	152	19,850	88.7***	3.9%****	5.0%	6.3%	10.84	---	---	---	---	---
<b>Grand total</b>	<b>88,260</b>	<b>5,298,678</b>	<b>5,825.2</b>	<b>5.7%</b>	<b>6.1%</b>	<b>5.6%</b>	<b>5.58</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

\* excl. acquisitions 2020

\*\*advance payments made on real estate acquisitions

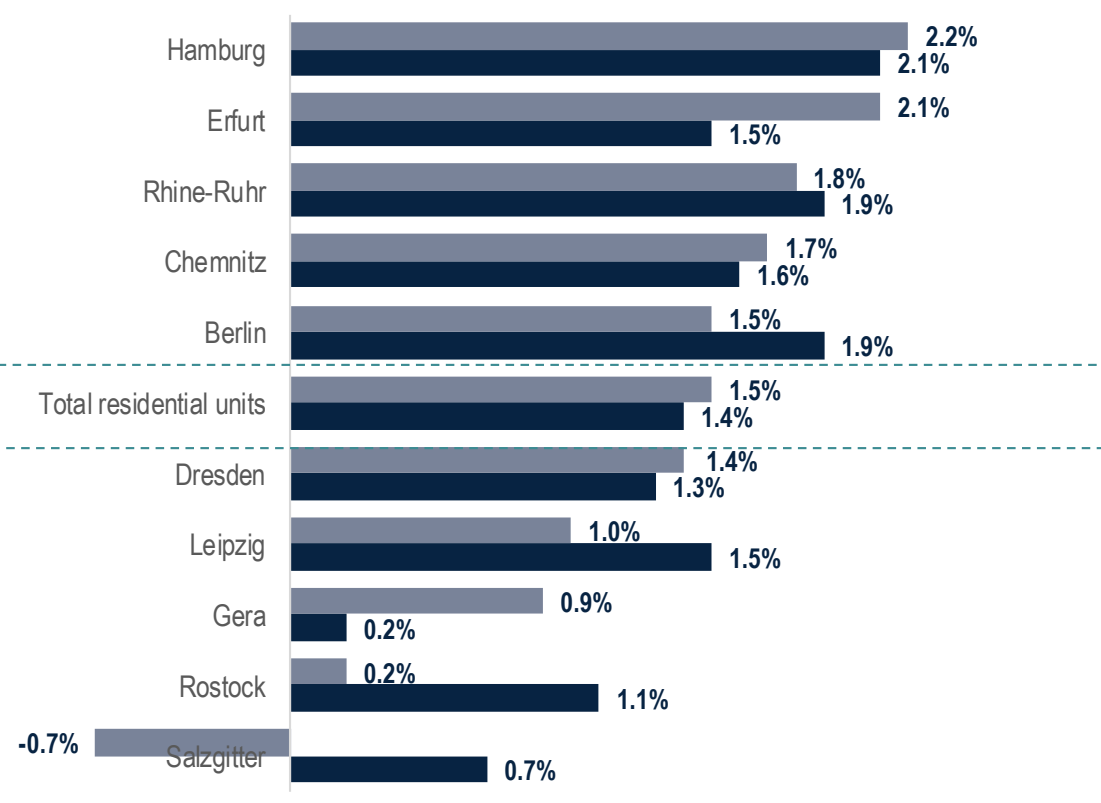
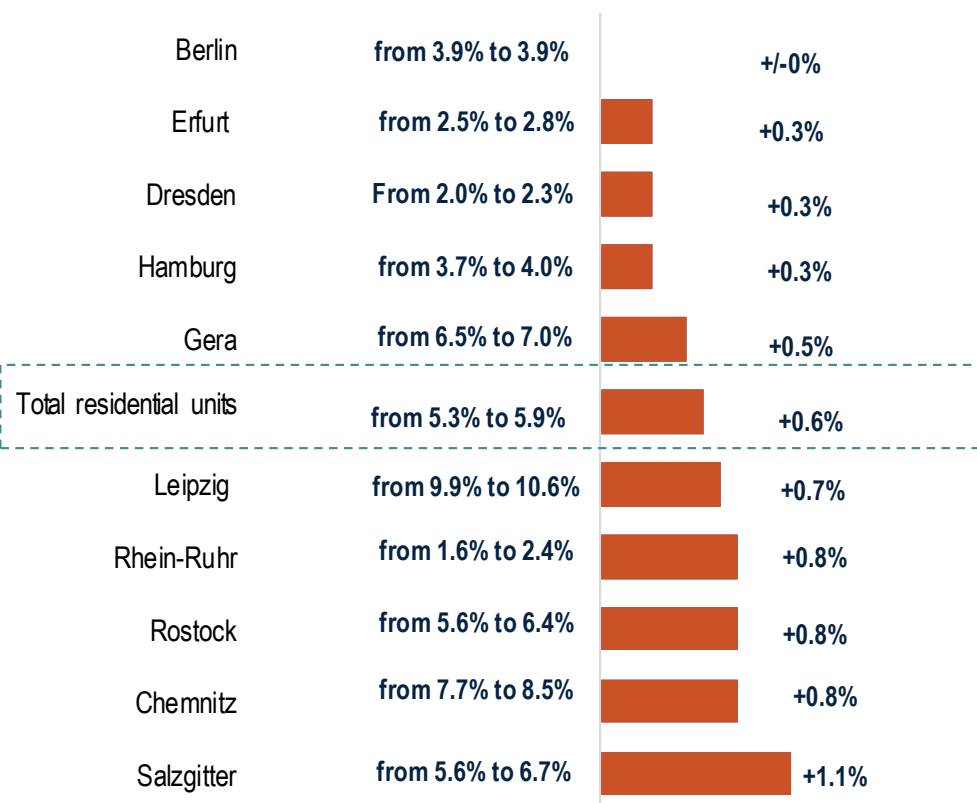
\*\*\* incl. EUR 26.4m book value of project developments

\*\*\*\* excl. project developments

# TAG German portfolio vacancy reduction and rental growth

## Vacancy development 3M 2021\*

## I-f-I rental growth (y-o-y) 3M 2021



\* incl. acquisitions 2020

Basis I-f-I      I-f-I incl. vacancy reduction

# TAG German portfolio valuation details

Region (in EURm)	Mar-2021 Fair value (IFRS)	Mar-2021 Fair value (EUR/sqm)	Mar-2021 Implied multiple	YTD-2021 Valuation result	Share of operational performance/ other market developments	Share of yield compression	Dec-2019 Fair value (IFRS)	Dec-2019 Fair value (EUR/sqm)	Dec-2019 Implied multiple
Berlin	852.7	1,348.5	19.8x	0.0	0.0	0.0	851.3	1,355.6	20.1x
Chemnitz	383.1	808.2	14.7x	0.0	0.0	0.0	367.2	814.6	14.6x
Dresden	578.1	1,411.3	20.3x	0.0	0.0	0.0	575.2	1,416.7	20.3x
Erfurt	722.2	1,119.5	17.6x	-0.1	-0.1	-0.1	706.4	1,121.7	17.6x
Gera	445.6	774.3	13.6x	0.0	0.0	0.0	444.7	772.5	13.6x
Hamburg	585.6	1,331.9	19.2x	-0.5	-0.5	0.0	588.5	1,331.3	19.2x
Leipzig	743.0	945.6	16.5x	-0.1	-0.1	0.0	611.0	1,018.5	16.6x
Rhine-Ruhr	346.7	1,252.1	18.7x	0.0	0.0	0.0	346.5	1,249.3	18.7x
Rostock	514.8	1,083.2	17.0x	0.0	0.0	0.0	504.9	1,102.8	17.1x
Salzgitter	564.2	999.2	16.1x	0.0	0.0	0.0	563.1	997.3	16.0x
<b>Total residential units</b>	<b>5,736.0</b>	<b>1,086.6</b>	<b>17.4x</b>	<b>-0.7</b>	<b>-0.7</b>	<b>0.0</b>	<b>5,558.8</b>	<b>1,104.7</b>	<b>17.4x</b>
Acquisitions*	0.5*	0.0	0.0x	0.0	0.0	0.0	188.2	751.7	15.9x
<b>Total residential portfolio</b>	<b>5,736.5</b>	<b>1,086.7</b>	<b>17.4x</b>	<b>-0.7</b>	<b>-0.7</b>	<b>0.0</b>	<b>5,747.0</b>	<b>1,088.0</b>	<b>17.4x</b>
Other	88.7**	3,138.7***	25.4x***	0.0	0.0	0.0	87.3**	3,094.6***	21.0x***
<b>Grand total</b>	<b>5,825.2</b>	<b>1,094.4</b>	<b>17.4x</b>	<b>-0.7</b>	<b>-0.7</b>	<b>0.0</b>	<b>5,834.3</b>	<b>1,095.6</b>	<b>17.4x</b>

\*advance payments made on real estate acquisitions

\*\* incl. EUR 26.4m book value of project developments; real estate inventory and properties within PPE valued at cost

\*\*\* excl. project developments

# TAG services business

Improvement of quality of facility management and availability of craftsmen as main targets

## ■ Facility management (100% owned subsidiary)

- Caretaker services, cleaning services and gardening
- In place since 2012
- Main target: improve quality in comparison to external services

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	6.5	9.2	8.8	12.7	13.9
No. of employees	222	309	319	430	483
FFO impact (EURm)	0.3	0.4	0.8	1.3	1.0

**TAG** Immobilien Service GmbH

c. 70,200 units covered in 2020  
c. 75,000 units as long-term goal  
(c. 90% of total portfolio)



## ■ Craftsmen services (100% owned subsidiary)

- Modernisation of apartments (vacant flats and during re-letting process)
- In place since 2015
- Main target: quick availability of craftsmen in regions with frequent bottlenecks regarding external modernisation work

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	1.6	2.6	3.2	3.8	4.0
No. of employees	29	56	62	72	74
FFO impact (EURm)	0.0	-0.2	-0.2	0.0	0.0

**TAG** Handwerker-service GmbH

5 locations in 2020: Brandenburg an der Havel/ Nauen, Chemnitz, Döbeln, Dresden, Leipzig/ Magdeburg



\*change in revenue definition from 2018 onwards, but no FFO-effect

# TAG services business

FFO generation from energy and multimedia services as main targets

## ■ Energy services (100% owned subsidiary)

- Heating services for tenants (TAG as owner and operator of heating facilities)
- In place since 2016
- Main target: create additional income for TAG and reduce energy costs/ service charges for tenants

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	4.5	13.0	20.7	21.9	24.8
No. of employees	3	6	7	7	7
FFO impact (EURm)	0.7	0.9	2.1	2.6	5.5

c. 35,700 units covered in 2020  
c. 70,000-75,000 units as long-term goal  
(c. 90% of total portfolio)

**ENERGIE**  
Wohnen Service GmbH



## ■ Multimedia services (100% owned subsidiary)

- Cable television and other multimedia services for tenants (TAG as owner of “network level 4”, long-term contracts with signal-suppliers)
- In place since 2016
- Main target: create additional income for TAG and reduce cable television costs/ service charges for tenants

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	0.1	7.4	8.3	8.7	8.8
No. of employees	1	2	2	1	1
FFO impact (EURm)	0.0	2.7	3.8	3.6	3.9

c. 59,000 units covered in 2020  
c. 70,000-75,000 units as long-term goal  
(c. 90% of total portfolio)

**MULTIMEDIA**  
Immobilien GmbH



\*change in revenue definition from 2018 onwards, but no FFO-effect



# TAG services business

Additional services line to improve quality

## ■ Condominium management (100% owned subsidiary)

- Condominium management (“WEG-Verwaltung”) for homeowners’ associations
- Includes management for third parties as well as management of units owned by TAG
- 4 main locations (**Berlin, Erfurt, Gera and Hamburg**) within the TAG regions
- In place since 2001
- Main target: create additional income for TAG and ensure high quality standards regarding asset and property management

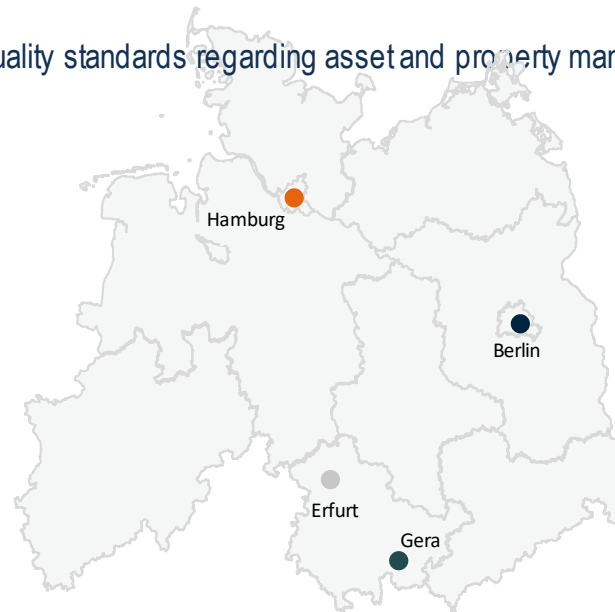
	2016	2017	2018*	2019*	2020*
Revenues (EURm)	1.6	1.8	2.0	2.1	2.2
No. of employees	26	29	26	26	27
FFO impact (EURm)	0.3	0.3	0.4	0.6	0.5

\*change in revenue definition from 2018 onwards, but no FFO-effect

c. 9,500 units covered in 2020

**BAU-VEREIN  
ZU HAMBURG**  
Hausverwaltungsgesellschaft mbH

Ein Unternehmen der  
TAG Immobilien Gruppe



# TAG income statement

(in EURm)		Germany Q1 2021	Poland Q1 2021	Total Q1 2021	Germany Q4 2020	Poland Q4 2020	Total Q4 2020
<b>Net actual rent*</b>	1	83.1	0.0	83.1	82.7	0.0	82.7
Expenses from property management*		-15.6	0.0	-15.6	-16.3	0.0	-16.4
<b>Net rental income</b>	2	67.5	0.0	67.5	66.4	0.0	66.3
Net income from services		6.8	0.0	6.8	7.1	0.0	7.1
Net income from sales	3	1.1	1.9	3.0	41.2	4.0	45.2
Other operating income		0.8	0.8	1.6	0.8	1.2	2.0
Valuation result	4	-0.7	0.0	-0.7	152.7	3.1	155.8
Personnel expenses	5	-13.7	-1.4	-15.1	-14.9	-1.3	-16.1
Depreciation		-1.9	-0.1	-2.0	-1.9	0.0	-1.9
Other operating expenses		-4.3	-0.2	-4.5	-4.6	-0.3	-4.8
<b>EBIT</b>		55.5	1.0	56.5	246.9	6.6	253.5
Net financial result	6	-13.2	-0.1	-13.3	-15.6	0.0	-15.5
<b>EBT</b>		42.3	0.9	43.2	231.4	6.6	238.0
Income tax	7	-8.6	-0.1	-8.7	-23.2	-1.3	-24.5
<b>Net income</b>		33.7	0.8	34.5	208.2	5.3	213.5

\*w/o IFRS 15 and IFRS 16 effects; for further details see interim statement Q1 2021

1 Slight increase in net actual rent q-o-q by EUR 0.4m mainly as a result of ongoing rental growth.

2 Net rental income improved by EUR 1.1m q-o-q driven by higher net actual rent (EUR 0.4m) and lower expenses from property management (-EUR 0.7m; several cost improvements).

3 High net income from sales in Q4 2020 contained disposal gain from development project in Munich (first project stage out of two stages).

4 No portfolio valuation in Q1 2021, next full valuation at 30 Jun-2021.

5 Personnel expenses improved q-o-q by EUR by EUR 1.2m (despite "Corona bonus" payment of EUR 1.0m in Q4 2020 to TAG's employees).

6 Net financial result increased q-o-q by EUR 2.2m, net financial result (cash, after one-offs) improved by EUR 1.0m q-o-q.

7 Income tax mainly contains deferred taxes of EUR 7.4m and cash taxes of EUR 1.3m (EUR 0.4m in Germany and EUR 0.9m in Poland).

APPENDIX

# TAG income statement details Germany and Poland

(in EURm)	Germany Q1 2021	Poland Q1 2021	Total Q1 2021	Germany Q4 2020	Poland Q4 2020	Total Q4 2020	Germany FY 2020	Poland FY 2020	Total FY 2020
<b>Net actual rent*</b>	<b>83.1</b>	<b>0.0</b>	<b>83.1</b>	<b>82.7</b>	<b>0.0</b>	<b>82.7</b>	<b>322.5</b>	<b>0.0</b>	<b>322.5</b>
Expenses from property management*	-15.6	0.0	-15.6	-16.3	0.0	-16.4	-58.4	0.0	-58.4
<b>Net rental income</b>	<b>67.5</b>	<b>0.0</b>	<b>67.5</b>	<b>66.4</b>	<b>0.0</b>	<b>66.3</b>	<b>264.2</b>	<b>0.0</b>	<b>264.1</b>
Net income from services	6.8	0.0	6.8	7.1	0.0	7.1	26.1	0.0	26.1
Net income from sales	1.1	1.9	3.0	41.2	4.0	45.2	40.2	6.3	46.5
Other operating income	0.8	0.8	1.6	0.8	1.2	2.0	3.0	3.1	6.2
Valuation result	-0.7	0.0	-0.7	152.7	3.1	155.8	327.0	1.4	328.4
Personnel expenses	-13.7	-1.4	-15.1	-14.9	-1.3	-16.1	-53.6	-5.0	-58.6
Depreciation	-1.9	-0.1	-2.0	-1.9	0.0	-1.9	-7.0	-0.2	-7.2
Other operating expenses	-4.3	-0.2	-4.5	-4.6	-0.3	-4.8	-21.0	-1.2	-22.2
<b>EBIT</b>	<b>55.5</b>	<b>1.0</b>	<b>56.5</b>	<b>246.9</b>	<b>6.6</b>	<b>253.5</b>	<b>578.8</b>	<b>4.4</b>	<b>583.2</b>
Net financial result	-13.2	-0.1	-13.3	-15.6	0.0	-15.5	-107.2	0.2	-107.0
<b>EBT</b>	<b>42.3</b>	<b>0.9</b>	<b>43.2</b>	<b>231.4</b>	<b>6.6</b>	<b>238.0</b>	<b>471.6</b>	<b>4.6</b>	<b>476.2</b>
Income tax	-8.6	-0.1	-8.7	-23.2	-1.3	-24.5	-72.5	-1.0	-73.6
<b>Net income</b>	<b>33.7</b>	<b>0.8</b>	<b>34.5</b>	<b>208.2</b>	<b>5.3</b>	<b>213.5</b>	<b>399.1</b>	<b>3.6</b>	<b>402.6</b>

\*w/o IFRS 15 and IFRS 16 effects; for further details see interim statement Q1 2021

# TAG EBITDA, FFO and AFFO calculation

(in EURm)	Q1 2021	Q4 2020	FY 2020
<b>Net income</b>	<b>34.5</b>	<b>213.5</b>	<b>402.6</b>
- Net income Poland	-0.8	-5.3	-3.6
<b>Net income Germany</b>	<b>33.7</b>	<b>208.2</b>	<b>399.1</b>
+ Income tax	8.5	23.2	72.5
+ Net financial result	13.2	15.6	107.2
<b>EBIT (German business)</b>	<b>55.5</b>	<b>246.9</b>	<b>578.8</b>
+ Adjustments			
Net income from sales	-1.1	-41.2	-40.2
Valuation result	0.7	-152.7	-327.0
Depreciation	1.9	1.9	7.0
One-offs	0.0	0.0	3.6
<b>EBITDA (adjusted, German business)</b>	<b>57.0</b>	<b>54.9</b>	<b>222.3</b>
<i>EBITDA (adjusted) margin</i>	68.7%	66.4%	68.9%
- Net financial result (cash, after one-offs)	-10.7	-11.6	-45.1
- Cash taxes	-0.4	-1.4	-3.3
- Cash dividend payments to minorities	-0.3	-0.3	-1.3
<b>FFO I (German business)</b>	<b>45.6</b>	<b>41.5</b>	<b>172.6</b>
- Capitalised maintenance	-1.1	-7.1	-17.2
AFFO before modernisation capex	44.6	34.4	155.4
- Modernisation capex	-13.3	-9.9	-54.5
<b>AFFO (German business)</b>	<b>31.3</b>	<b>24.4</b>	<b>100.9</b>
Net income from sales Germany	1.1	41.2	40.2
Result operations Poland	1.9	6.6	9.1
<b>FFO II (includes operations Poland)</b> (FFOI + net income from sales Germany and result operations Poland)	<b>48.6</b>	<b>89.3</b>	<b>221.9</b>
<i>Weighted average number of shares outstanding (in '000)</i>	146,296	146,295	146,288
<b>FFO I per share (EUR)</b>	<b>0.31</b>	<b>0.28</b>	<b>1.18</b>
<b>AFFO per share (EUR)</b>	<b>0.21</b>	<b>0.17</b>	<b>0.69</b>
<i>Weighted average number of shares, fully diluted (in '000)*</i>	147,334	155,168	157,681
<i>FFO I per share (EUR), fully diluted</i>	0.31	0.28	1.09
<i>AFFO per share (EUR), fully diluted</i>	0.21	0.16	0.64

**1** Improved EBITDA (purely generated from German business) by EUR 2.1m q-o-q mainly stemming from higher net rental income (+EUR 1.1m) and reduced personal costs by EUR 1.2m.

**2** FFO I increased by EUR 4.1m q-o-q as a result of EUR 2.1m higher EBITDA, EUR 1.0m improved net financial result (cash, after one-offs) and EUR 1.0m less cash taxes.

**3** AFFO improved q-o-q by EUR 6.9m due to higher FFO I (EUR 4.1m) and less capitalized maintenance (EUR 6.1m), partially compensated by higher modernization capex (-EUR 3.5m).

FFO II contribution Poland	(in EURm)
Net income from Poland	0.8
Non-recurring set-up costs rental business	0.1
Deferred taxes	-0.3
Result of effects from purchase price allocation	1.4
Minority interests	-0.1
<b>Result operations Poland</b>	<b>1.9</b>

\*incl. potential shares from convertible bonds 2017/2022 (trading "in the money" at reporting date)

# TAG balance sheet

(in EURm)	31 Mar-2021	31 Dec-2020
<b>Non-current assets</b>	<b>6,003.3</b>	<b>5,949.2</b>
Investment property	5,873.5	5,819.2
Deferred tax assets	49.9	50.6
Other non-current assets	80.0	79.4
<b>Current assets</b>	<b>566.6</b>	<b>474.9</b>
Real estate inventory	1	105.0
Cash and cash equivalents	2	403.5
Other current assets	58.1	48.5
<b>Non-current assets held-for-sale</b>	<b>29.3</b>	<b>53.9</b>
<b>TOTAL ASSETS</b>	<b>6,599.2</b>	<b>6,478.0</b>
<b>Equity</b>	<b>2,709.0</b>	<b>2,681.5</b>
Equity (without minorities)	2,628.5	2,602.6
Minority interest	80.6	78.9
<b>Non-current liabilities</b>	<b>3,562.9</b>	<b>3,428.7</b>
Financial debt	3	2,916.2
Deferred tax liabilities	577.3	570.7
Other non-current liabilities	69.3	55.4
<b>Current liabilities</b>	<b>326.3</b>	<b>367.0</b>
Financial debt	194.8	236.6
Other current liabilities	131.5	130.4
Non current liabilities held for sale	1.1	0.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,599.2</b>	<b>6,478.0</b>

1 Real estate inventory refers to the largest part to build-to-sell projects in Poland (EUR 77.3m) and to a smaller extent to apartments and projects for sale in Germany (EUR 27.7m).

2 Strong cash position in Q1 2021 (before dividend payment in May-2021 of EUR 128.7m); new promissory note of EUR 100.0m issued in Mar-2021 with 2 year maturity and 0.1% coupon p.a.

3 Increase in non-current financial debt mainly as a result of new promissory note of EUR 100.0m; further cash-settlements of convertible bonds 2017/2022 in Q1 2021 (outstanding nominal volume at 31 Mar-2021 down to EUR 17.5m).

# TAG EPRA NTA calculation

EPRA Net Tangible Assets		
(in EURm)	31 Mar-2021	31 Dec-2020
<b>Equity (without minorities)</b>	<b>2,628.5</b>	<b>2,602.6</b>
+ Effect from conversion of convertible bonds 2017/2022	25.9	25.9
+ Deferred taxes on investment properties and financial derivatives	570.5	567.4
+ Fair value of financial derivatives	20.1	20.1
+ Difference between fair value and book value for properties valued at cost	39.3	40.9
- Goodwill	-18.0	-18.4
- Other intangible assets	-4.3	-4.3
<b>EPRA NTA*, fully diluted</b>	<b>3,262.0</b>	<b>3,234.2</b>
Number of shares, fully diluted (in '000)**	147,369	147,333
<b>EPRA NTA per share (EUR), fully diluted</b>	<b>22.13</b>	<b>21.95</b>

\*potential transactions costs (e.g. RETT) fully deducted in EPRA NTA calculation as TAG considers RETT free share deals in the future as uncertain, given the current discussions around changes in German RETT law; adding back transactions costs would increase EPRA NTA on a fully diluted basis by c. EUR 482.6m or c. EUR 3.28/s to c. EUR 25.41/s

\*\*incl. potential shares from convertible bond 2017/2022 (trading "in the money" at reporting date)

# TAG EPRA NAV calculations

	EPRA NRV	EPRA NTA	EPRA NDV
	Net reinstatement value	Net tangible assets	Net disposal value
(in EURm)	Q1 2021	Q1 2021	Q1 2021
<b>Equity (before minorities)</b>	<b>2,628.5</b>	<b>2,628.5</b>	<b>2,628.5</b>
Effect from conversion of convertible bond 2017/2022	25.9	25.9	25.9
Difference between fair value and book value for properties valued at cost	39.3	39.3	39.3
Deferred taxes on investment properties and derivative financial instruments	580.6	570.5	0.0
Fair value of derivative financial instruments	20.1	20.1	0.0
Goodwill	0.0	-18.0	-18.0
Intangible assets (book value)	0.0	-4.3	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	-75.9
Transaction costs (e.g. real estate transfer tax)	482.6	0.0	0.0
<b>EPRA NAV metrics, fully diluted</b>	<b>3,777.0</b>	<b>3,262.0</b>	<b>2,599.7</b>
<i>Number of shares, fully diluted (in '000)*</i>	147,369	147,369	147,369
<b>EPRA NAV metrics per share (EUR), fully diluted</b>	<b>25.63</b>	<b>22.13</b>	<b>17.64</b>

\*incl. potential shares from convertible bond 2017/2022 (trading "in the money" at reporting date) and management board compensation



# TAG EPRA Earnings

(in EURm)	Q1 2021	FY 2020	FY 2019	Q4 2020
<b>Net income Germany</b>	<b>33.8</b>	<b>399.1</b>	<b>456.4</b>	<b>208.2</b>
Valuation result	0.7	-327.0	-414.1	-152.8
Deferred income taxes on valuation result	3.2	64.3	76.7	21.0
Net income from sales	-1.1	-40.2	0.4	-41.2
Cash taxes on net income from sales	0.0	0.3	2.0	0.0
Fair value valuation of derivative financial instruments	0.0	54.7	29.5	1.5
Deferred income taxes on valuation of derivative financial instruments	0.0	-0.4	-9.2	-16.9
Breakage fees bank loans and early repayment of bonds	0.0	1.8	0.2	0.7
Cash dividend payments to minorities	-0.3	-1.3	-1.3	-1.0
<b>EPRA Earnings</b>	<b>36.3</b>	<b>151.3</b>	<b>140.6</b>	<b>19.5</b>
Deferred income taxes (other than on valuation result)	4.9	5.3	16.3	17.5
Other non cash financial result	2.5	5.7	2.2	2.5
One offs*	0.0	3.6	-1.3	3.6
Depreciation	1.9	7.0	6.8	1.9
Cash taxes on net income from sales	0.0	-0.3	-2.0	0.0
Reversal of effects from first time application of IFRS 16 "leases"	0.0	0.0	-2.0	0.0
<b>Adjusted EPRA Earnings (FFO I)</b>	<b>45.6</b>	<b>172.6</b>	<b>160.6</b>	<b>41.5</b>
Weighted average number of shares outstanding (in '000)	146,296	146,288	146,333	146,295
<b>EPRA Earnings per share (in EUR)</b>	<b>0.25</b>	<b>1.03</b>	<b>0.96</b>	<b>0.13</b>
<b>Adjusted EPRA Earnings (FFO I) per share (in EUR)</b>	<b>0.31</b>	<b>1.18</b>	<b>1.10</b>	<b>0.28</b>
<i>Weighted average number of shares, fully diluted (in '000)**</i>	<i>147,334</i>	<i>157,681</i>	<i>161,151</i>	<i>155,168</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.25</i>	<i>0.96</i>	<i>0.88</i>	<i>0.13</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>0.31</i>	<i>1.09</i>	<i>1.01</i>	<i>0.28</i>

- TAG foundation in 2020 (EUR 3.6m), reversal of provisions for real estate transfer tax (EUR -2.3m)
- \*\* incl. potential shares from convertible bond 2017/2022 (trading "in the money" at reporting date) and management compensation



# TAG LTV calculation

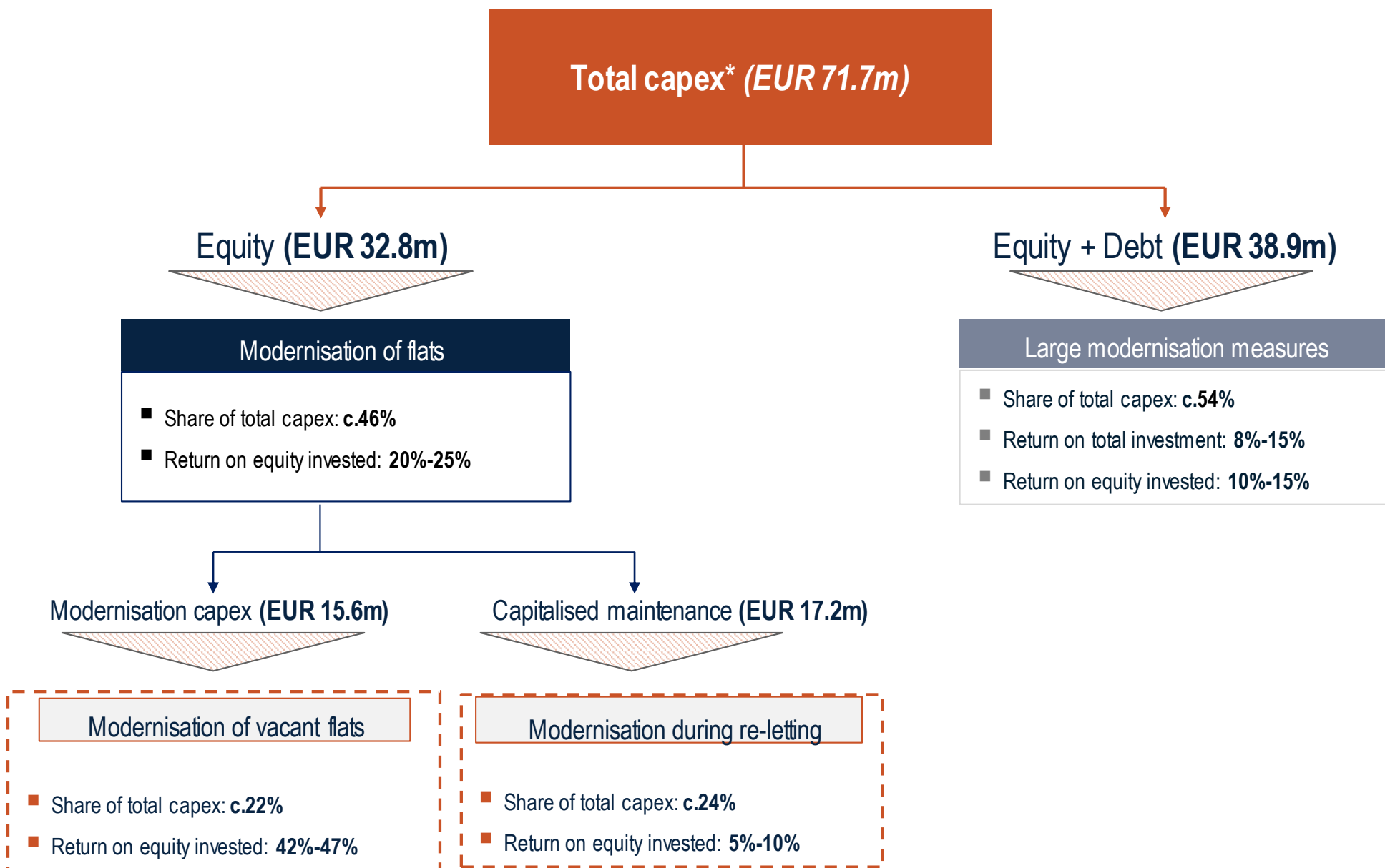
(in EURm)	31 Mar-2021	31 Dec-2020	31 Dec-2019
Non-current and current liabilities to banks	2,041.0	1,977.9	1,901.2
Non-current and current liabilities from corporate bonds and other loans	597.7	495.9	403.0
Non-current and current liabilities from convertible bonds	472.3	565.4	258.9
Cash and cash equivalents	-403.5	-324.3	-91.3
<b>Net financial debt</b>	<b>2,707.5</b>	<b>2,714.9</b>	<b>2,471.8</b>
Book value of investment properties	5,873.5	5,819.2	5,200.0
Book value of property reported under property, plant and equipment (valued at cost)	9.3	9.4	9.4
Book value of property held as inventory (valued at cost)	105.0	102.0	58.5
Book value of property reported under non-current assets held-for-sale	29.3	53.9	34.5
<b>GAV (real estate assets)*</b>	<b>6,017.1</b>	<b>5,984.4</b>	<b>5,302.4</b>
Prepayments on sold/acquired properties and on business combinations	-10.4	-8.0	130.4
Difference between fair value and book value for properties valued at cost	39.3	40.9	85.2
<b>Relevant GAV for LTV calculation</b>	<b>6,046.0</b>	<b>6,017.4</b>	<b>5,518.0</b>
<b>LTV</b>	<b>44.8%</b>	<b>45.1%</b>	<b>44.8%</b>

\*thereof EUR 5,825.2m German portfolio and EUR 191.9m Polish portfolio

# TAG interest coverage ratio (ICR) calculation

(in EURm)	Q1 2021	FY 2020	FY 2019	Q4 2020
+ Interest income	0.1	10.2	0.5	0.3
- Interest expenses	-12.2	-116.6	-79.4	-15.9
+ Other financial result	-1.2	-0.7	1.4	0.1
<b>= Net financial result</b>	<b>-13.3</b>	<b>-107.0</b>	<b>-77.6</b>	<b>-15.5</b>
+ Financial result from convertible/corporate bonds	0.9	3.6	1.4	1.5
+ Breakage fees bank loans	0.0	0.6	0.2	0.0
+ Other non-cash financial result (e.g. from derivatives)	1.8	57.8	30.4	2.5
<b>= Net financial result (cash, after one-offs)</b>	<b>-10.6</b>	<b>-44.9</b>	<b>-45.6</b>	<b>-11.6</b>
<b>ICR (EBITDA adjusted/net financial result cash, after one-offs)</b>	<b>5.6x</b>	<b>5.2x</b>	<b>4.7x</b>	<b>5.2x</b>

# TAG return on capex calculation 2020

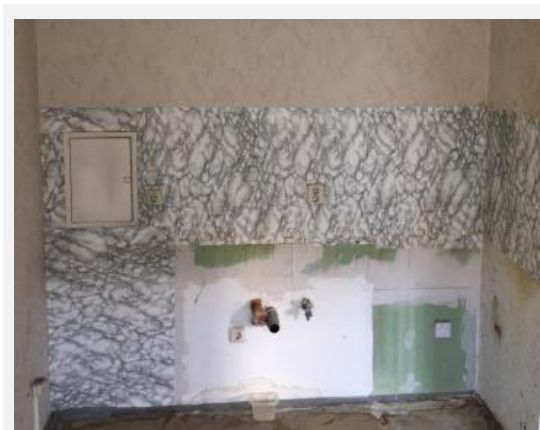


\*excl. capex for project developments of EUR 30.8m

# TAG return on capex – vacant flats (long-term vacancy)

Case Study – Brandenburg an der Havel (Berlin region)

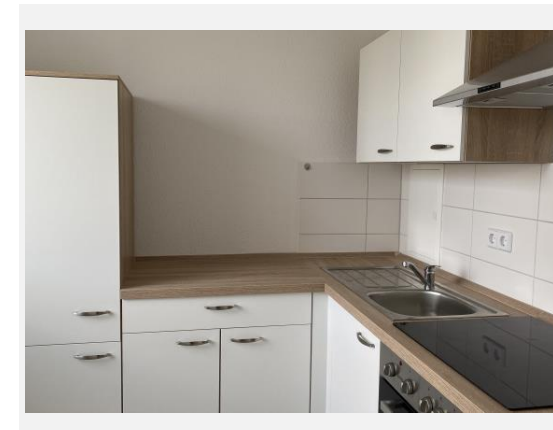
## Pre modernisation



## Measures

- Units: **23 out of 114**
- **Interior refurbishment:**
  - ✓ New flooring
  - ✓ Painting
  - ✓ Bathroom and kitchen modernisation
  - ✓ Consolidation of floor plan

## Post modernisation



## Description

- Acquired in Feb-2017 as part of a portfolio of 1,440 units in Brandenburg an der Havel
- Completed in Q1/Q2 2019
- Expenditure on time per unit: 4 weeks
- Modernisation cost per unit: EUR 8,054
- Vacancy at acquisition date within the 114 units: 39.0%
- Vacancy today within the 114 units: 5.3%
- Equity-financed

## Calculation

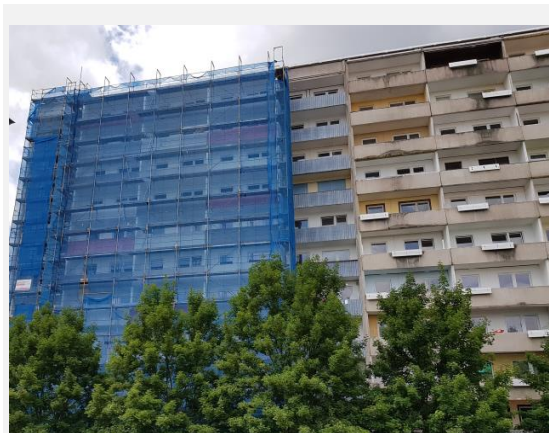
(in TEUR)

<b>Incremental revenues</b>	
Incremental revenues from new lettings	70.3
Saved maintenance costs	0.0
Saved ancillary costs from vacancy reduction	14.1
<b>Total incremental revenues</b>	<b>84.4</b>
<b>Total investment</b>	<b>185.2</b>
<b>Return on total investment</b>	<b>45.6%</b>
<b>Return on equity invested</b>	<b>45.6%</b>

# TAG return on capex – large modernisation measures

Case Study – Gera (Gera region)

## Pre modernisation



## Measures

- Units: 86
- Vacancy before modernisation: **100%**
- Vacancy after modernisation: **2.8%**

## Post modernisation



## Description

- Acquired in Feb-2012 as part of the DKBI portfolio (25,000 units)
- Completed in 2019
- Facade-, roof-, heating and electric overhaul
- Elevator installation
- Energy-saving measures
- New windows, apartment doors (entrance, internal)
- Floor plan changes
- Financing:
  - Bank loan of Mio. EUR 2.7 (0.75% p.a.)
  - Equity financing part EUR Mio. 1.6

## Calculation

(in TEUR)

### Incremental revenues

Incremental revenues from new lettings	364.7
Saved maintenance costs	107.3
Saved ancillary costs from vacancy reduction	77.2
Interest expenses	-41.3

<b>Total incremental revenues</b>	<b>507.9</b>
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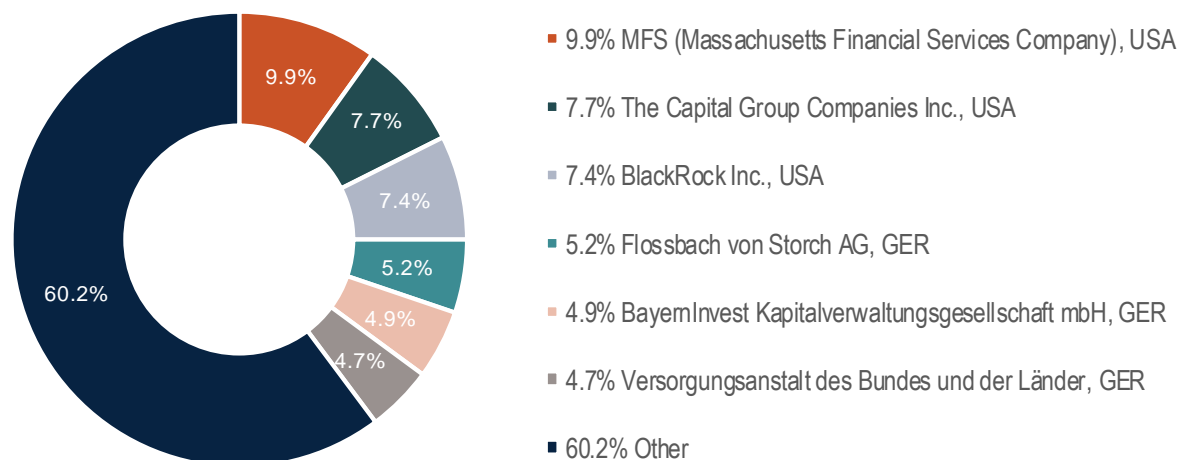
<b>Total Investment</b>	<b>4,299.8</b>
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<b>Return on total investment</b>	<b>11.8%</b>
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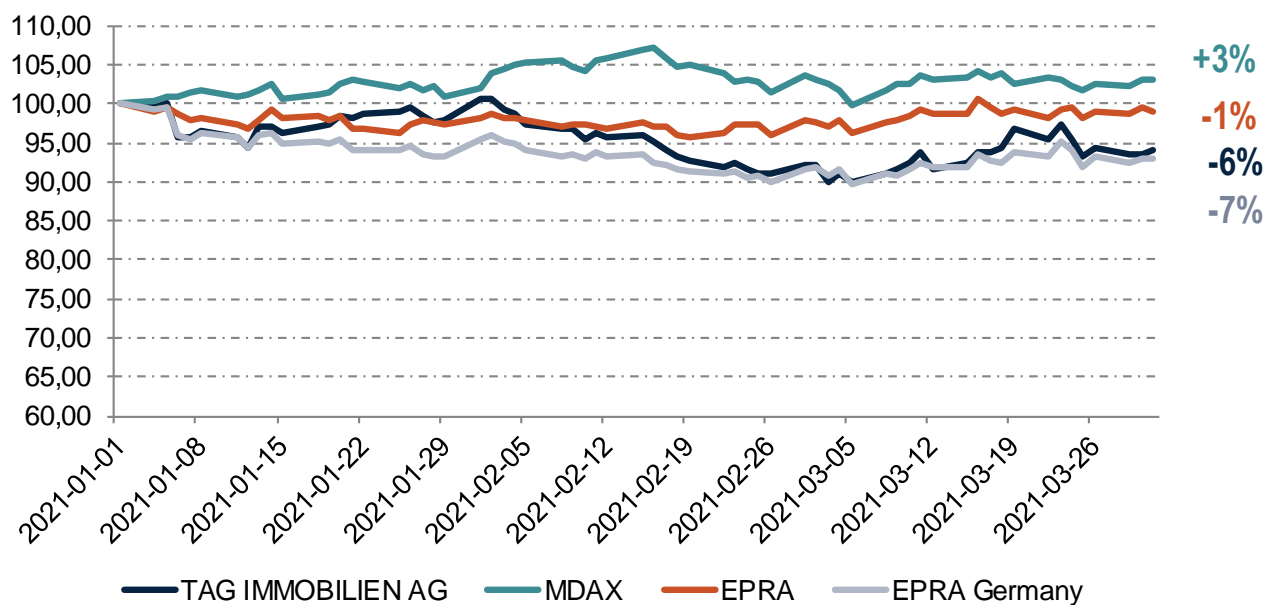
<b>Return on equity invested</b>	<b>31.7%</b>
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# TAG share data

## Shareholder structure as of 31 Mar-2021



## Share price development vs. MDAX, EPRA Europe and EPRA Germany Index



## Share information as of 31 Mar-2021

Marketcap	EUR 3.6bn
NOSH issued	146.5m
NOSH outstanding	146.4m
Treasury shares	0.1m
Free float (Deutsche Börse definition)	99.9%
ISIN	DE0008303504
Ticker symbol	TEG
Index	MDAX/EPRA
Main listing/ market segment	Frankfurt Stock Exchange/ Prime Standard

3M 2021 share price performance:	-6%
3M 2021 Ø volume XETRA/day (shares):	c. 416,200

# TAG management board



**Claudia Hoyer**  
**COO**

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
- 
- Age 49
  - Joined TAG as COO in August 2012
  - Business degree, member of the board of DKB Immobilien AG from 2010 to 2012, more than 15 years of experience in residential real estate and property management



**Martin Thiel**  
**CFO**

- Key responsibilities: Controlling, Accounting, Financing, Taxes, Corporate Finance and Investor Relations
- 
- Age 49
  - Joined TAG as CFO in May 2014
  - Business degree, CPA over 15 years of experience as Auditor and Tax consultant with real estate clients



**Dr. Harboe Vaagt**  
**CLO**

- Key responsibilities: Legal, Human Resources and Transactions
- 
- Age 65
  - With TAG for more than 15 years, member of the management board since May 2011
  - Law degree, over 25 years of experience in real estate legal affairs



# TAG management board compensation

F I X E D

EUR 420,000 p.a.

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## STIP (Short Term Incentive Plan)

- Compensation in **Cash**
- Based on changes in **financial performance on a per share basis** (improvement in comparison to previous year)
  - FFO/s
  - EPRA NAV/s improvements (adjusted for dividend payments)
- ESG performance based on classification in external ESG rating (max. EUR 25,000 per board member)
- Individual bonus/ deduction (up to 10% of total STIP) for each management board member based on targets defined annually by the supervisory board
- Target bonus: **EUR 150,000** p.a.  
Bonus cap: **EUR 200,000** p.a.

## LTIP (Long Term Incentive Plan)

- Compensation in **TAG shares** (treasury shares)
- Based on **total shareholder return (TSR)**, i.e. share price development plus dividend payments, over a four year period
- Target bonus: TSR of 40% within four year period leads to bonus of **EUR 250,000** p.a.
  - actual TSR >/< Target TSR of 40%: linear calculation (e.g. TSR of 20%:  $20/40 \times \text{EUR } 250,000 = \text{EUR } 125,000$  p.a.)
  - actual TSR negative: no bonus
- Consideration of relative TSR performance in comparison to peer group (listed German residential companies):
  - actual TSR > 2% TSR peer group: +25%
  - actual TSR < 2% TSR peer group: -25%
- The Supervisory Board has also the option to supplement the LTIP with non-financial ESG targets in the future (up to 20% of total LTIP)
- Cap: **EUR 500,000** p.a. (2021: EUR 400,000 p.a.)

APPENDIX

- **Claw back clause:** in the event of grossly negligent and serious violations of laws or internal compliance requirements, as well as errors in the consolidated financial statements that have subsequently become known and which affect STIP key figures
- **Obligation** for each management board member to **own TAG shares** with a total value of at least one annual base salary during her/ his tenure



# TAG contacts

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TAG  
2021

**TAG**

Immobilien AG