



**TAG**  
Immobilien AG

# Company presentation

Q3 2020

# Content

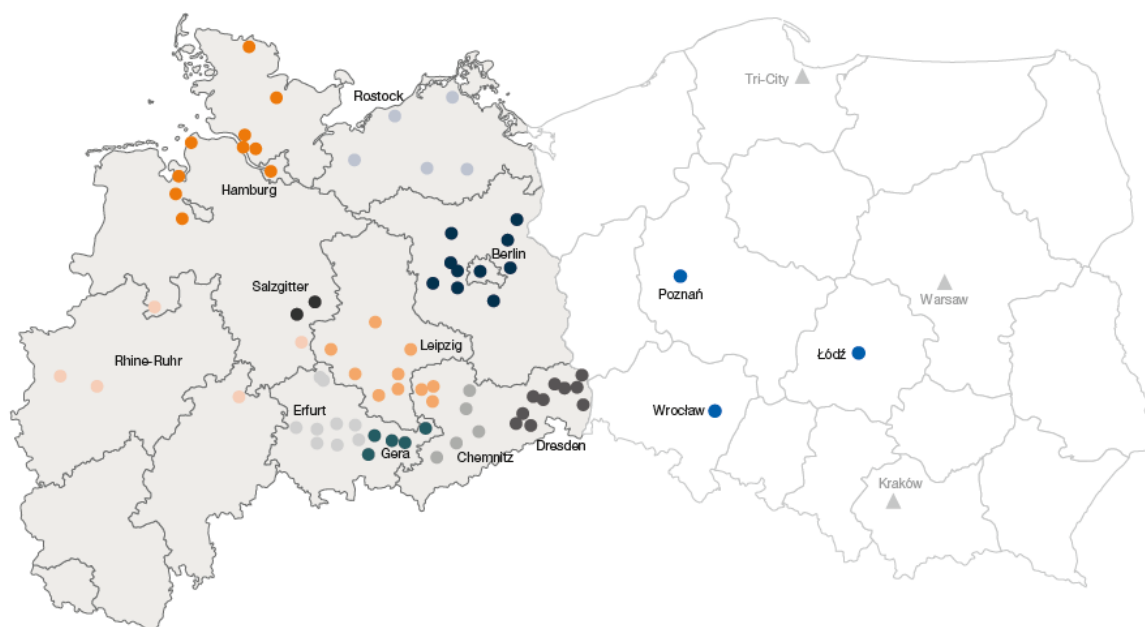
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## TAG overview

TAG  
2020

# 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

### Key financials (30 Sep-2020)

GAV (real estate assets Germany and Poland)	EUR 5,578.9m
FFO I Guidance 2020	EUR 170-173m
Marketcap (30 Sep-2020)	EUR 3.8bn
Share price (30 Sep-2020)	EUR 25.74
EPRA NTA per share	EUR 20.76
LTV	45.7%

### Key portfolio metrics (30 Sep-2020)

Units Germany	85,100
Units Poland (secured pipeline)	7,644
Annualised net actual rent EURm p.a. (total portfolio)	322.8
Net actual rent EUR/sqm/month (residential units)	5.45
Net actual rent EUR/sqm/month (total portfolio)	5.55
Vacancy rate (residential units)	4.8%
Vacancy rate (total portfolio)	5.3%
L-f-I rental growth (y-o-y)	1.4%
L-f-I rental growth (incl. vacancy reduction, y-o-y)	1.5%

# TAG German portfolio

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# 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

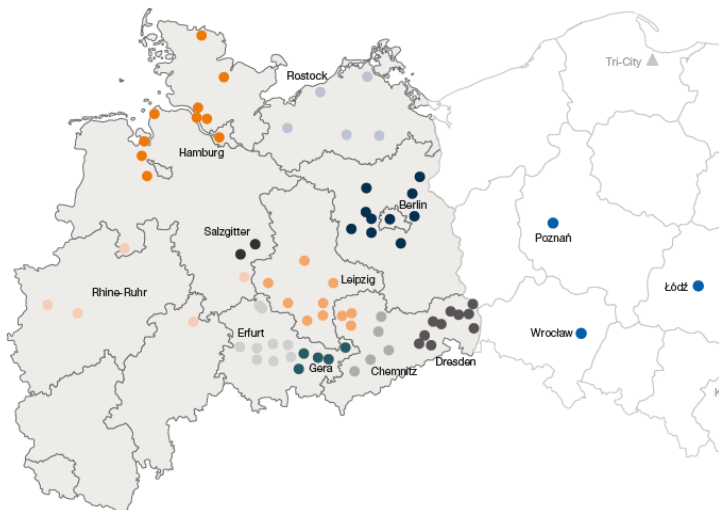
Central Procurement

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

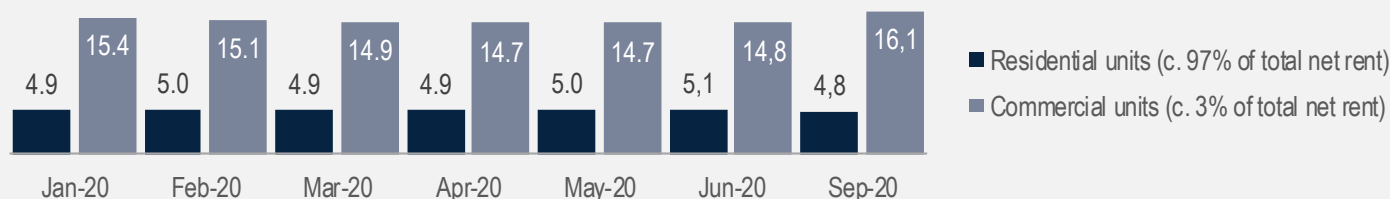
- Minimise outstanding receivables
- Payment reminder and legal action

# TAG Covid-19 business update

Voluntary waiver on rent increases until June 2020

- From March until June 2020 **no rent increases** on the basis of adjustments to local comparative rents
- **No terminations** due to loss of income caused by the Corona crisis and **no evictions** of inhabited apartments during this time
- **Rent increases** have been carried out again since **July 2020**.

Vacancy rates stable



Minor impact on rent payments

- Deferral of net actual rents (resulting from tenant requests against the backdrop of the Covid-19 pandemic) as of 30 Sep-2020:
  - Residential units: c. EUR 0.03m (c.0.1% of total residential tenants)
  - Commercial units: c. EUR 0.02m (c.2.8% of total commercial tenants)

Business in Poland not materially affected with further acquisitions

- **Construction sites running**, no material delays
- **Land banks and projects for 7,644 units secured or already acquired** (incl. Vantage acquisition), new acquisitions for 1,845 units (landbanks and projects) in Q3 2020 in Wroclaw, Poznan and Lodz
- **Reduced Q2 2020 sales** due to lock-down restrictions after strong sales numbers in Q1 2020, but **increased sales in line with internal budget in Q3 2020; sales prices remained stable or even increased in 9M 2020**
  - Sales Q1 2020: 205 units (68 units per month on average)
  - Sales Q2 2020: 61 units (20 units per month on average)
  - Sales Q3 2020: 124 units (41 units per month on average)

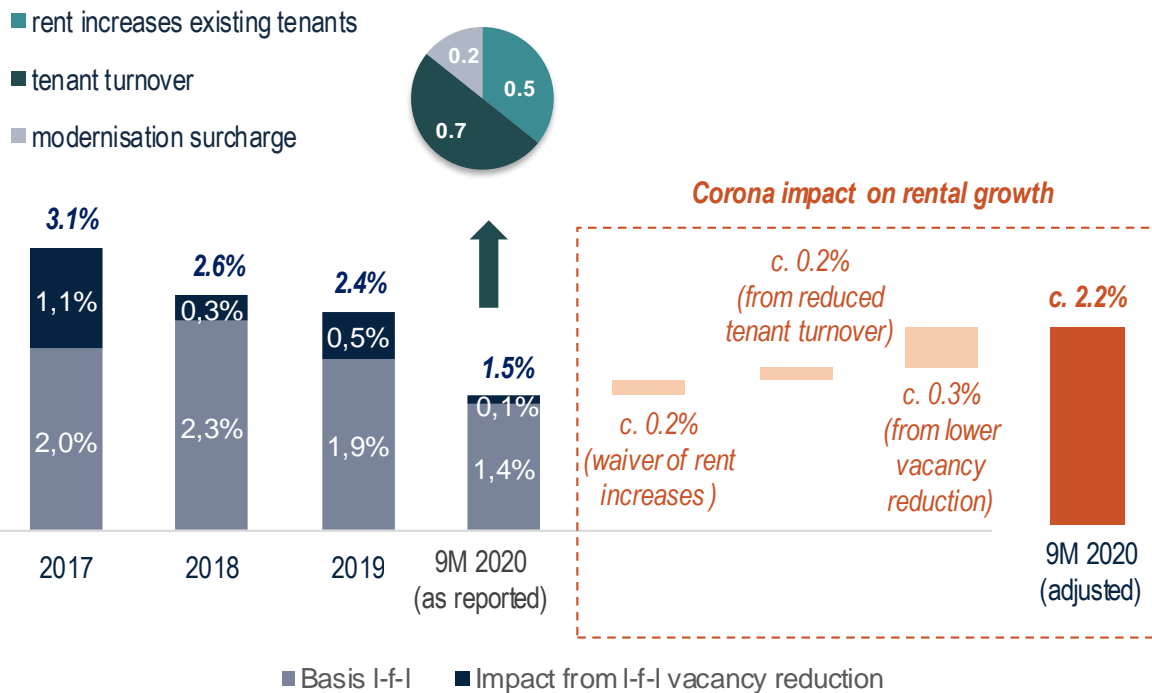
# TAG German portfolio rental growth and capex allocation

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

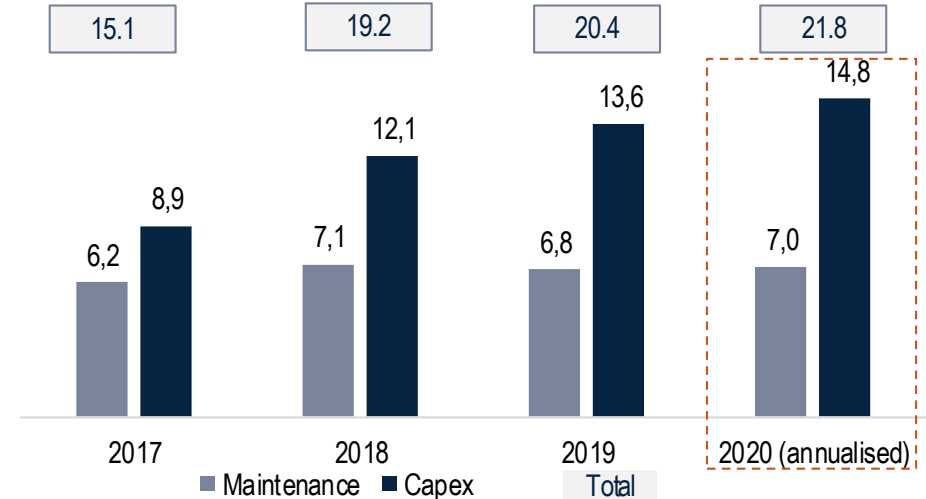
## Rental growth achieved with moderate investments

- 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 modernization measures and **c. 40%-45% in the modernization of vacant flats**.

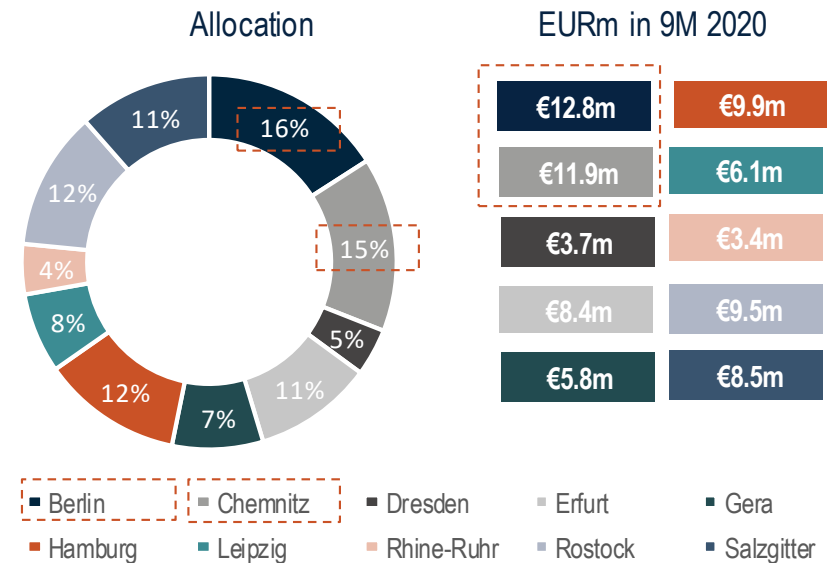
## Like-for-like rental growth excluding and including vacancy reduction



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



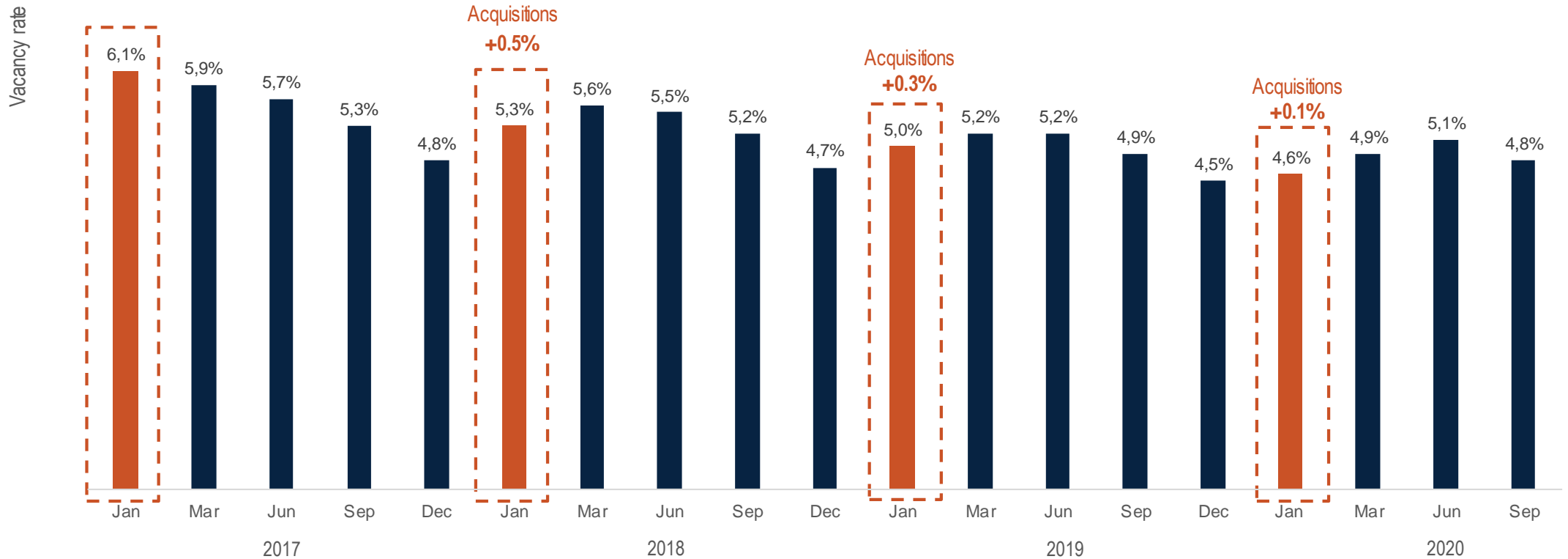
## Maintenance & capex split by region





# TAG German portfolio vacancy reduction residential units

Strong track record of vacancy reduction due to TAG's active asset management approach



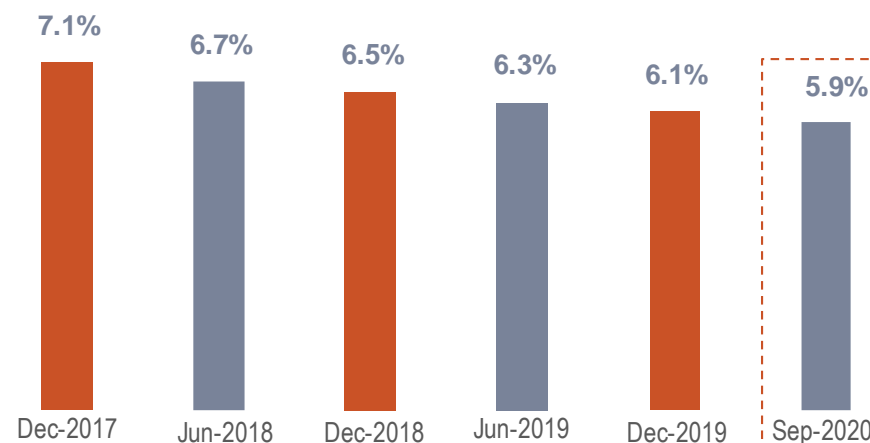
# TAG German portfolio valuation overview

## Portfolio valuation result

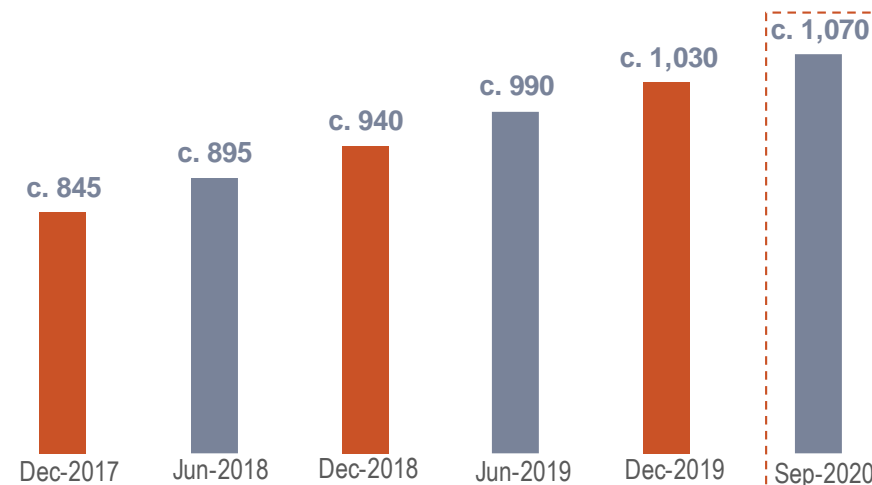
H1 2020 vs. H2 2019	H1 2020	H2 2019
in EUR m	174.0*	202.7
semi-annual valuation uplift (w/o capex)	3.3%	4.2%
– thereof from yield compression	83%	70%
– thereof from operational performance	17%	30%

\* total valuation gain of EUR 172.4m in H1 2020: thereof EUR 174m relates to properties in Germany, EUR -1.6m to properties in Poland

## Development of gross yield



## Development of portfolio value (EUR/sqm)



# TAG acquisitions and disposals

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# TAG acquisitions Germany YTD 2020

	Total*
Signing	2020
Units	4,338
Net actual rent in EUR/sqm/month	4.97
Vacancy	21.2%
Purchase price in EURm	168.7
Net actual rent in EURm p.a.	11.4
Location	<b>Saxony, Thuringia, Saxony-Anhalt:</b> Merseburg, Plauen, Gotha, Magdeburg, Dessau et.al.
Closing	Q2/ Q4 2020
Multiples (in-place rent)	14.8

\*individual transaction details are confidential



Bernburg



Dessau



Plauen

More than 4,300 units in TAG core markets acquired in Jan-Oct 2020 at an average acquisition multiple of 14.8x (6.8% gross yield)

# TAG disposals Germany FY 2019 and 9M 2020

	Brandenburg	Various locations	Total	Various locations
Signing	Dec-2019	2019	2019	9M 2020
Units	203	365	568	320
Net actual rent in EUR/sqm/month	3.75	4.26	4.05	5.43
Vacancy	12%	24%	19%	19%
Selling price in EURm	---	---	18.2	21.7
Net actual rent in EURm p.a.	0.57	0.94	1.51	1.22
Net cash proceeds in EURm	4.9	13.0	17.9	17.9
Book profit in EURm	0.0	0.8	0.8	1.4
Location	Jänschwalde	---	---	---
Closing	Q3 2020 (expected)	2019/2020	---	2020
Multiples (in place rent)	---	---	12.1	17.8



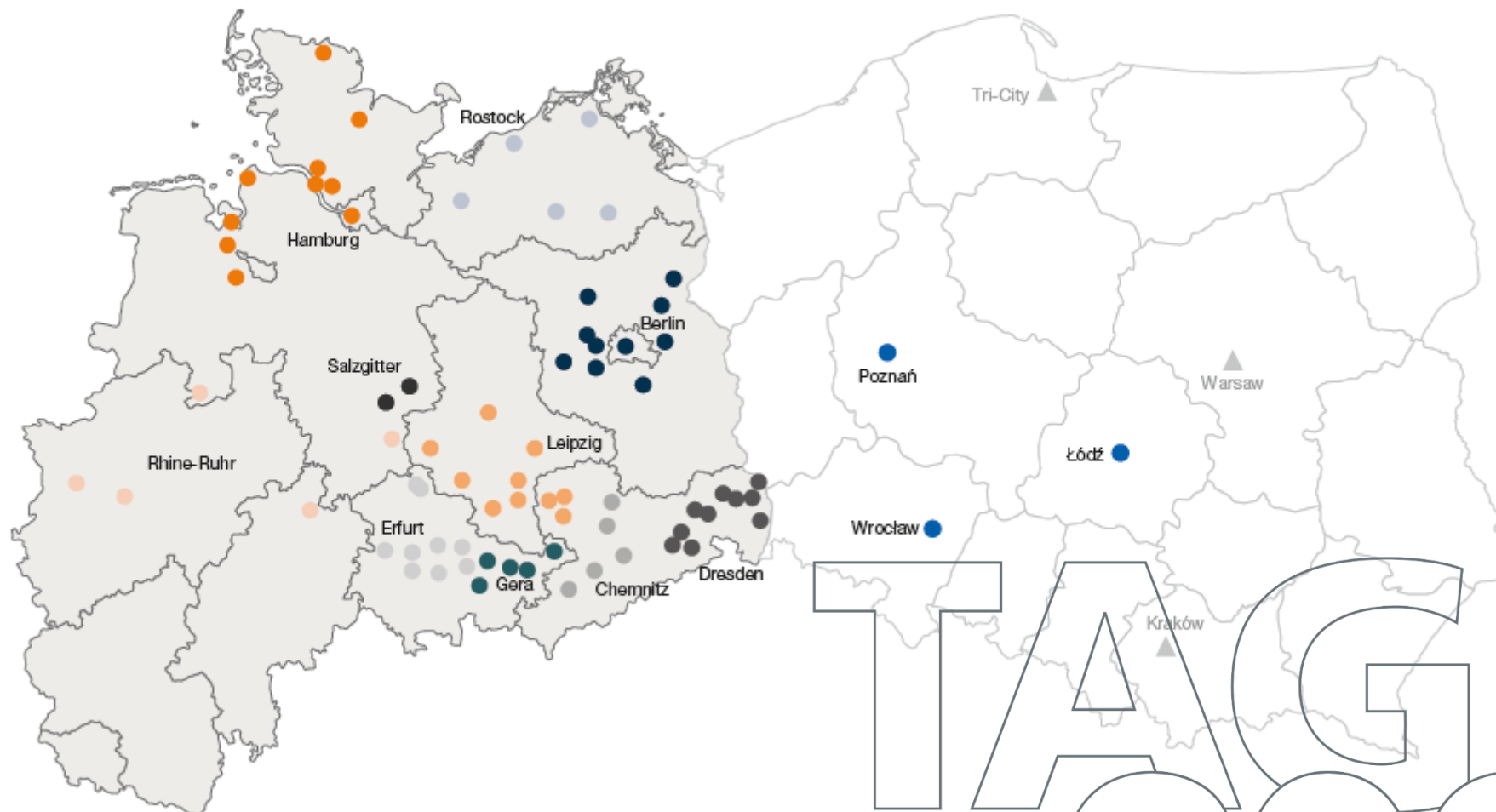
Helmstedt



Bad Grund

FY 2019: c. 600 non-core units sold at an average disposal multiple of 12.1x (8.3% gross yield)

9M 2020: c. 320 non-core units sold at an average disposal multiple of 17.8x (5.6% gross yield)



TAG Poland business update

TAG 2020

# Poland overview

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

## Strategic rationale

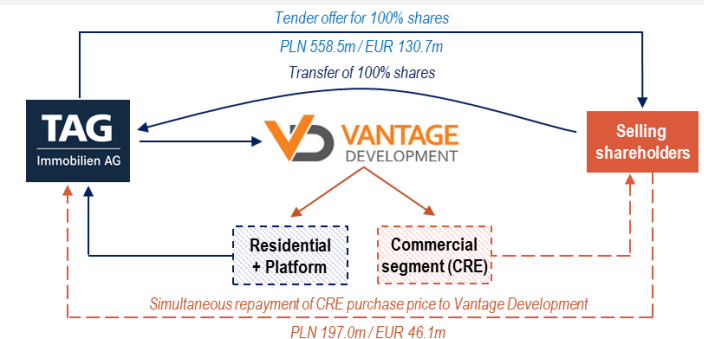


## Poland mid-term target (3-5 y.)

- **TAG's mid-term growth target** (next 3-5 years) 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)

## Vantage Acquisition (Closing Jan-2020)

- Tender offer for 100% shares in Vantage Development S.A
- Net consideration of EUR 85m
- Development platform with strong track record over 10 y.
- Experienced management team with c. 100 employees



# 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** (next 3-5 years) 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



## 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	4,100	5,800	9,900	Total number of units	3,500	1,500	5,000	Total number of units	7,600	7,300	14,900
Total sqm	214,000	290,000	504,000	Total sqm	205,000	78,000	283,000	Total sqm	419,000	368,000	787,000
Total investment costs incl. fit-outs (TIC)			EUR 800-850m	Total investment costs (TIC)			EUR 350-375m	Total investment costs incl. fit-outs (TIC)			EUR 1,150-1,225m
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 50-55m				
Estimated EBITDA contribution from letting p.a.			EUR 40-45m								

Note: Euro amounts based on PLN/EUR exchange rate of 0.22 as of 30 Sep-2020



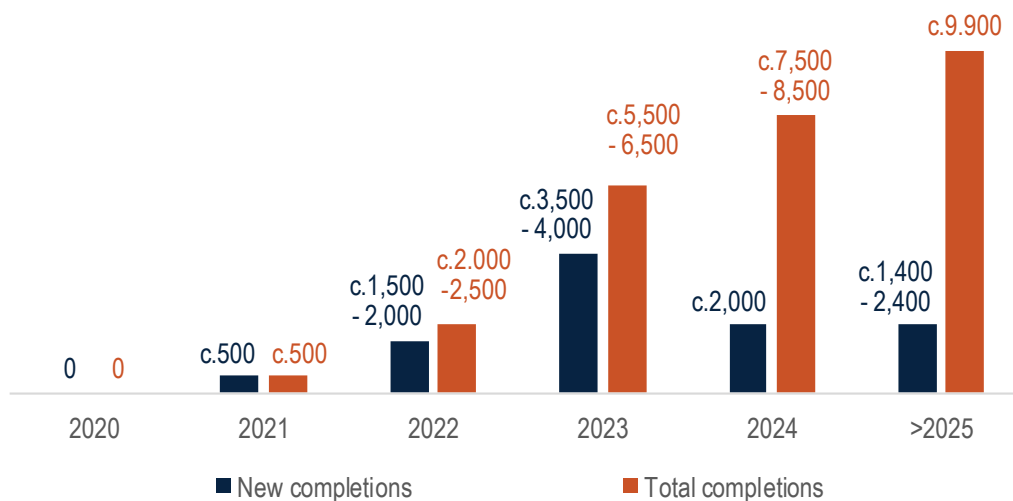
# Poland build-to-hold pipeline

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

## Build-to-hold projects overview

Pipeline locations	Wroclaw	Poznan	Other locations	Total
Total number of projects	8	13	7	28
Total number of project stages	15	17	7	39
<b>Number of units</b>	<b>4,500</b>	<b>3,700</b>	<b>1,700</b>	<b>9,900</b>
- of which current projects	1,500	2,000	600	4,100
- of which planned projects	3,000	1,700	1,100	5,800
Expected total investment costs (TIC)*	c. EUR 800-850m			
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 0.22 as of 30 Sep-2020

## 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**

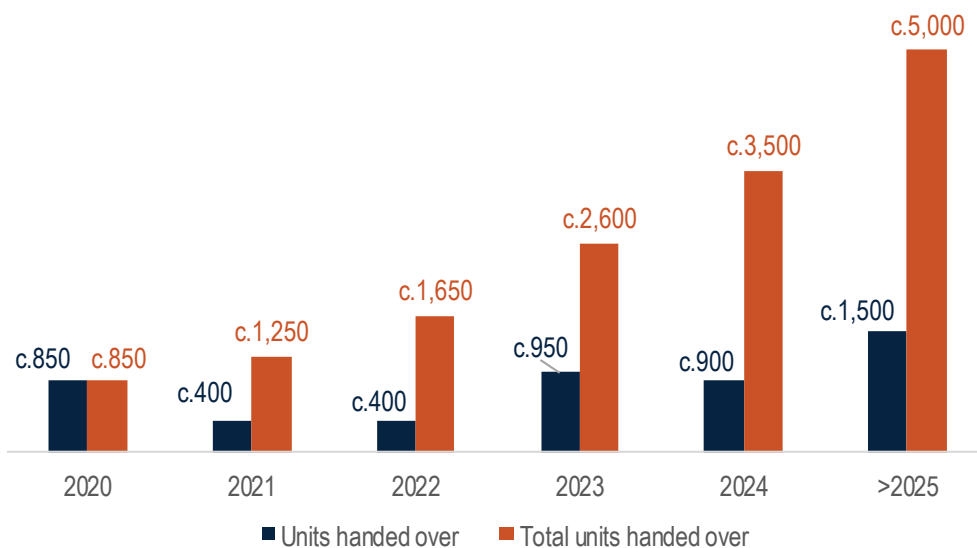
# Poland build-to-sell pipeline

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	11
Total number of project stages	28
<b>Number of units</b>	<b>5,000</b>
- of which current projects	3,500
- of which planned projects	1,500
-----	
Expected total investment costs (TIC)*	c. EUR 350-375m
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 the **construction and 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**



Please refer to the guidance slide for Vantage FY 2020 outlook

\* based on PLN/EUR exchange rate of 0.22 as of 30 Sep-2020

## TAG financing structure

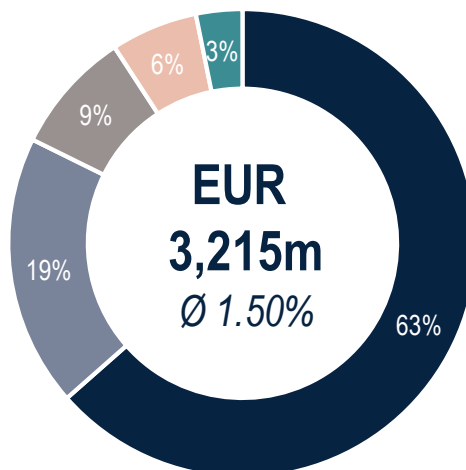
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2020

# TAG financing structure

## Debt structure as of 30 Sep-2020

- Bank loans (maturity)    ⌘ Bank loans (interest terms ending)    ■ Corporate bonds
- Commercial paper    ■ Promissory notes    ■ Convertibles

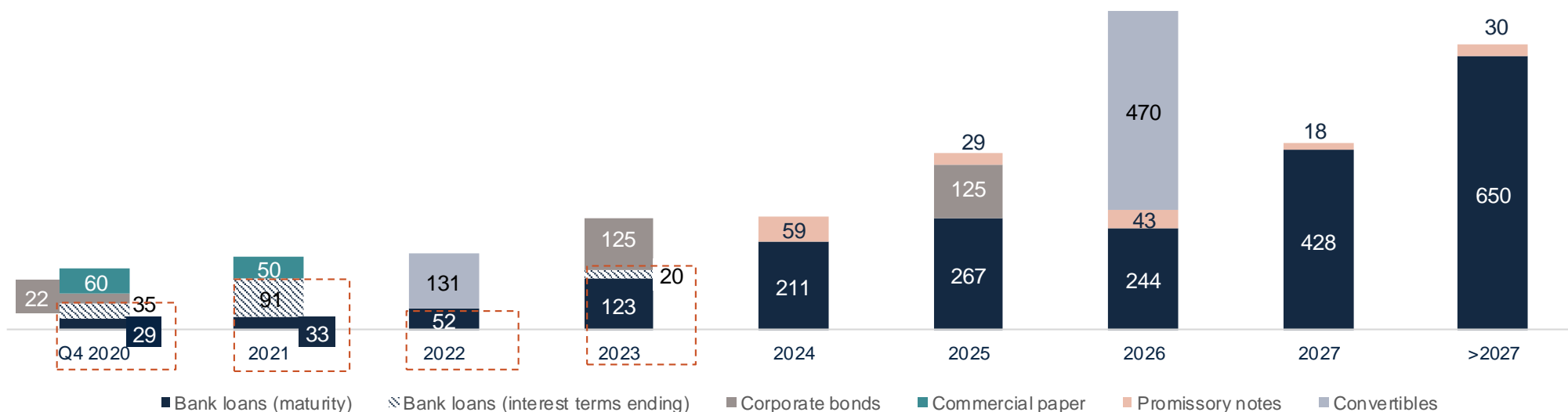
Debtvolume	Ø interest rate	% fixed rates
EUR 2,037m	1.77%	98%
EUR 601m	0.63%	100%
EUR 272m	1.81%	100%
EUR 194m	1.58%	100%
EUR 110m	0.23%	100%
<b>Σ EUR 3,215m</b>	<b>Ø 1.50%</b>	<b>Ø 98.5%</b>



## Key financial KPIs as of 30 Sep-2020

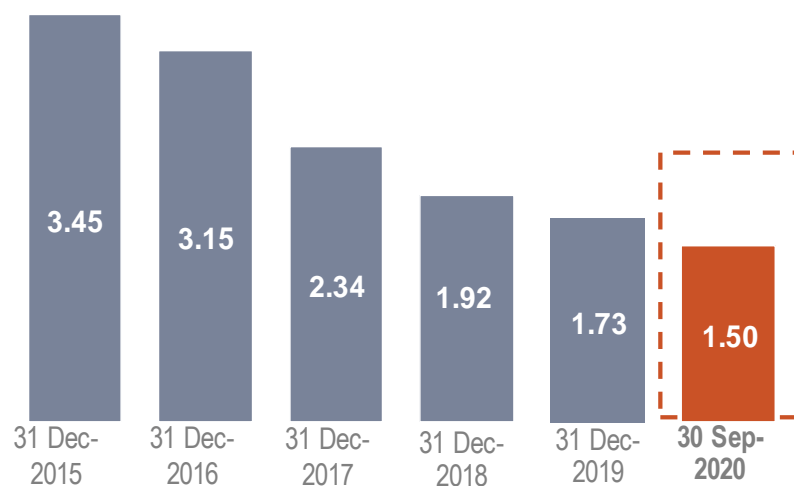
Ø Maturity total financial debt	6.7 years
Ø Maturity bank loans	8.0 years
Ø Interest rate total financial debt	1.50%
Ø Interest rate bank loans	1.77%
LTV	45.7%
LTV target	c. 45.0%
Rating (Moody's)	Baa3 long term rating (outlook stable) P-3 short term rating
Further refinancing potential 2020-2022	<b>EUR 383m</b> of bank loans maturing or with interest terms ending in 2020-2023 with average coupon of 2.1% p.a.

## Maturity profile as of 30 Sep-2020 (in EURm)



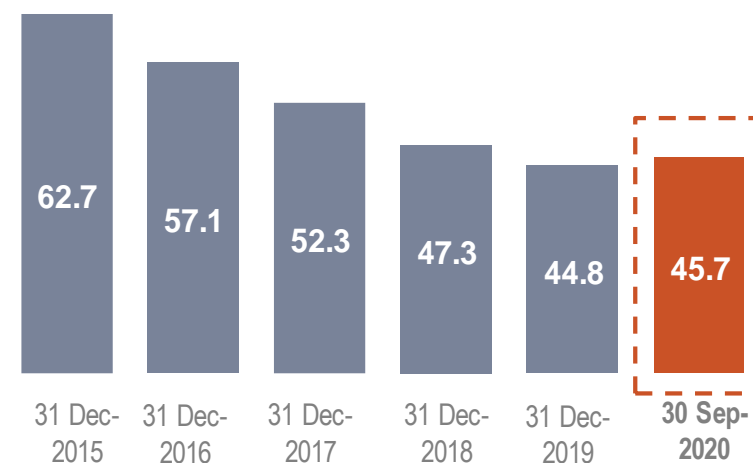
# TAG cost of debt and LTV

## Cost of debt Ø in %



- Continuous reduction of average cost of debt by more than 190 bps within a four year period.
- Further upside potential from maturing bank loans of EUR 383m in 2020-2023 (average coupons of 2.1% p.a.).

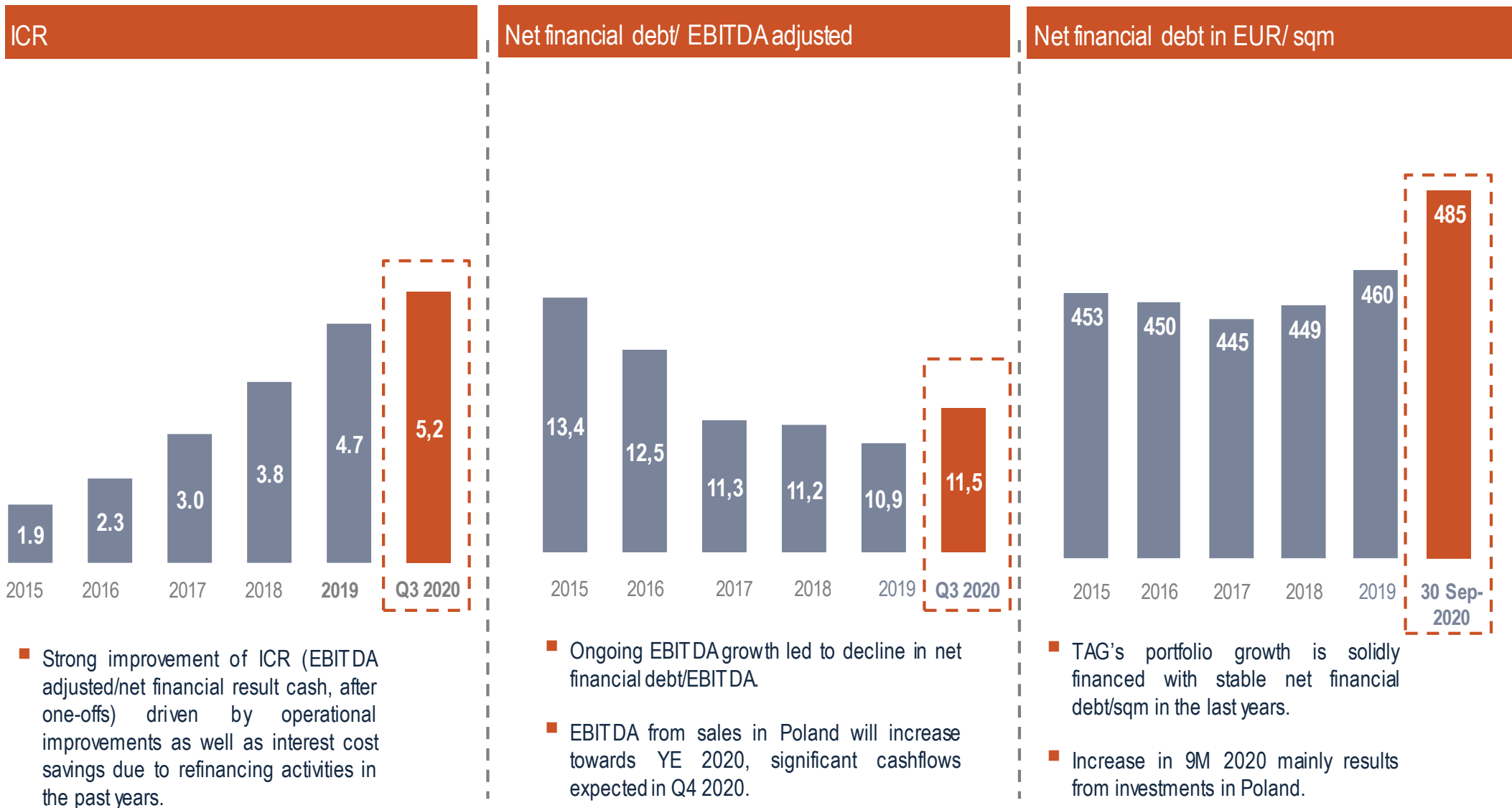
## LTV in %



- Strong LTV reduction by nearly 17 percentage points within a five year period.
- LTV target of c. 45% ensures a conservative financial policy also in the future.

Continuous reduction of cost of debt and LTV in the past, LTV target at c.45%

# TAG strong development of financing metrics



Continuous improvement of financing metrics with further improvement expected

# TAG sustainability rating

# TAG 2020

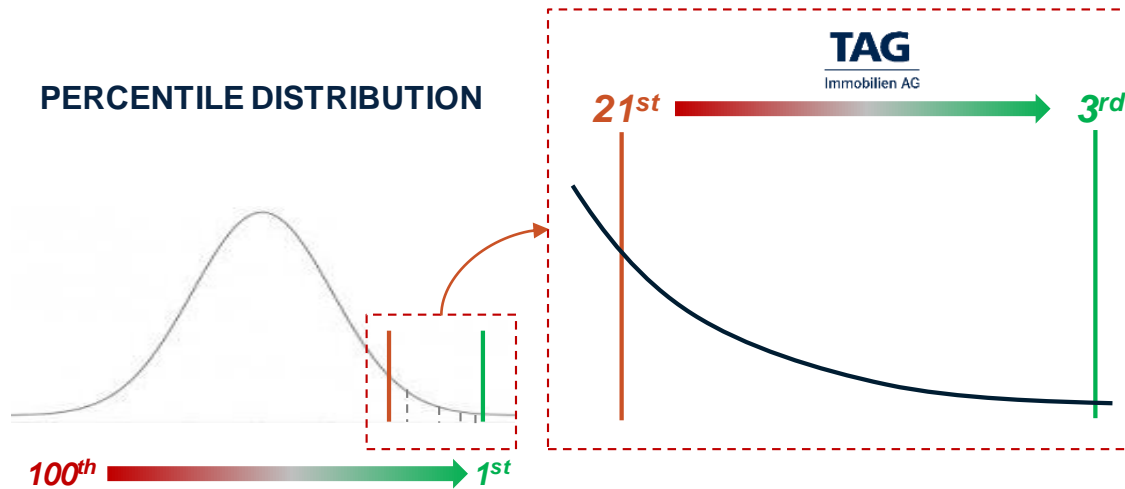
# TAG environmental, social and corporate governance



TAG ranks among the top 5% of Sustainalytics ESG risk ratings in the real estate sector

An impressive re-rating of ESG performance at Sustainalytics\*

From 2,405<sup>th</sup> to 306<sup>th</sup> out of 12,000 ratings



2<sup>nd</sup> ESG Management score

ESG Risk Rating

**12.6** Low Risk



Top ESG rating rank within TAG industry group



out of 905 rated entities

Further improvements 2020



DAX<sup>®</sup> 50 ESG

The New Standard in German ESG Investing



OUR PATH TO TOMORROW



DEVELOPING OUR PORTFOLIO RESPONSIBLY



OUR SOCIAL RESPONSIBILITY



EMPOWERING OUR EMPLOYEES

\*all data based on latest Sustainalytics ESG rating report dated 29 Jun-2020



# TAG guidance

# TAG 2020

# TAG increased guidance FY 2020

Germany	FFO I (EUR)	170-173m after 168-170m	+7% vs. 2019
	FFO I/s (EUR)	1.17 after 1.16	+7% vs. 2019
	DPS (EUR)	0.88 after 0.87	+7% vs. 2019
Poland	Sales revenues (EUR)	80-85m (unchanged)	
	Result from Operations (EUR)	9-11m (unchanged)	

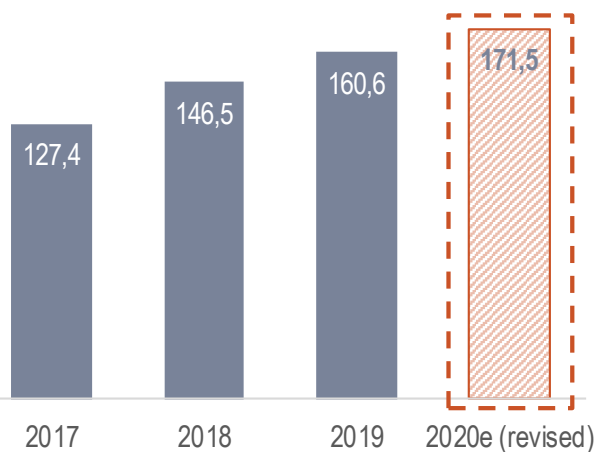
- increase in FFO I guidance as a result of good operational development in 2020 and, albeit to a smaller part, due to successful closing of majority of acquisitions signed in 2020 already by Oct-2020.

- based on 146.3m outstanding shares

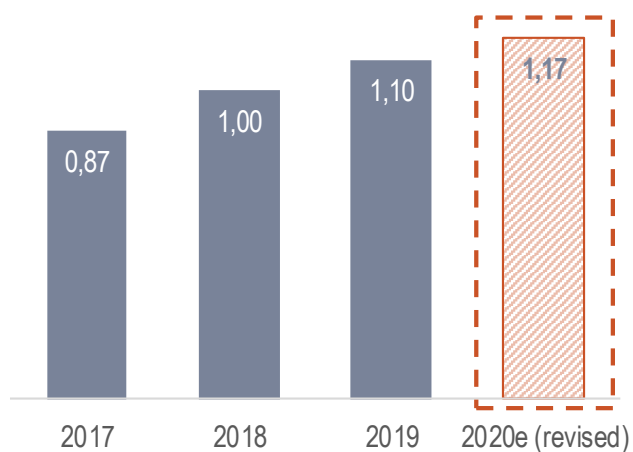
- equals 75% of FFO I

- defined as net income from Poland after minorities, excluding any non-cash items and one-offs and w/o effects from purchase price allocation
- part of FFO II, equals EUR 0.07/s

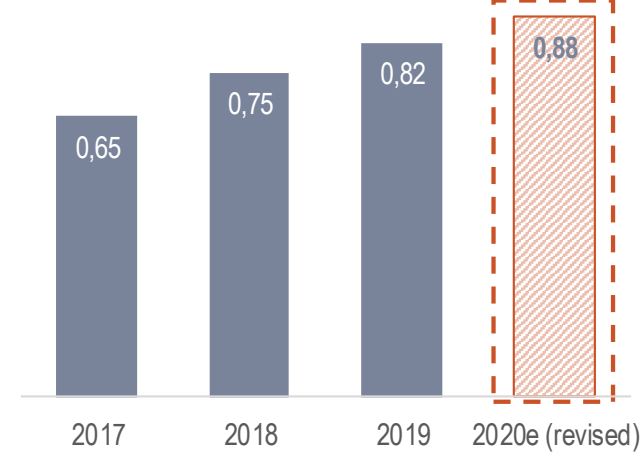
FFO I in EURm



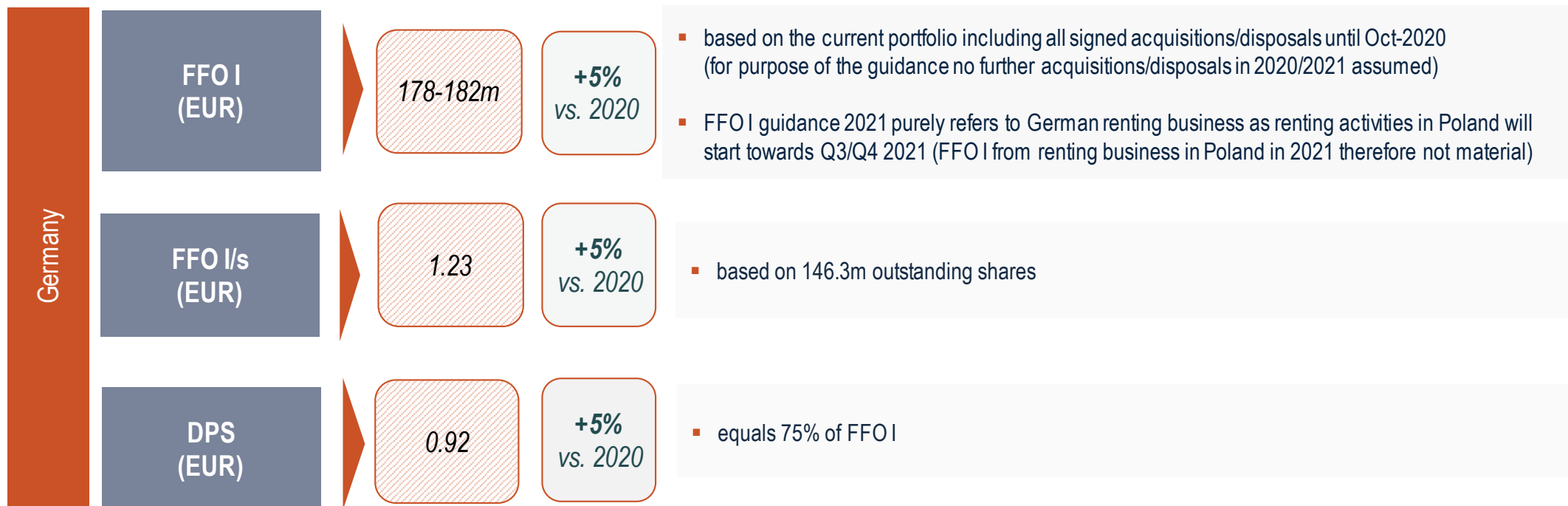
FFO I per share in EUR



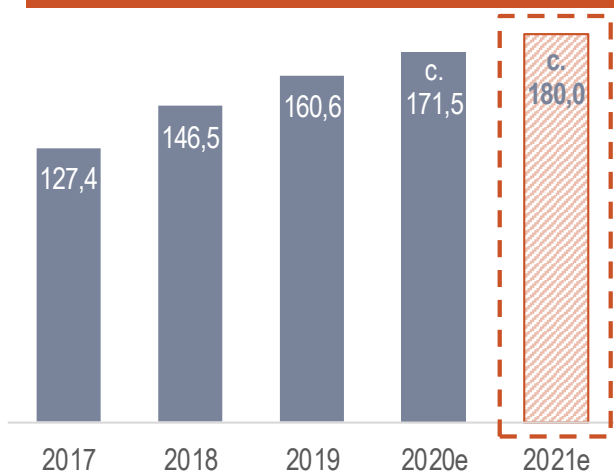
Dividend per share in EUR



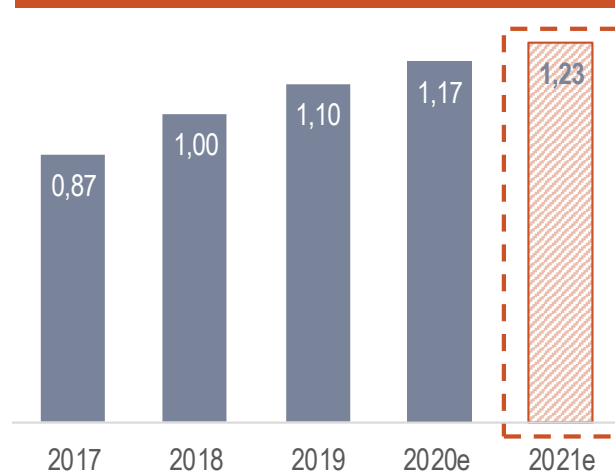
# TAG new guidance FY 2021



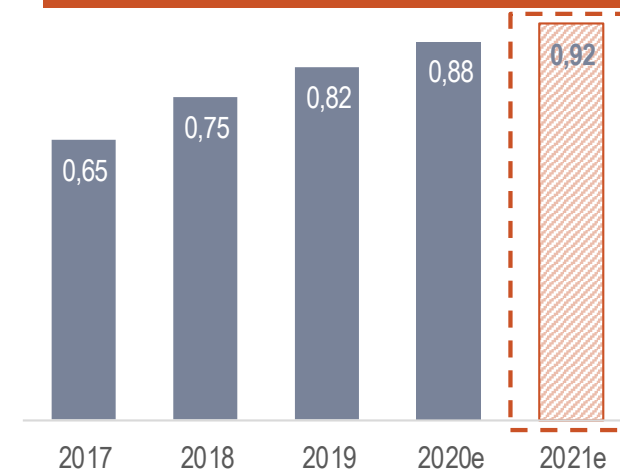
FFO I in EURm



FFO I per share in EUR



Dividend per share in EUR



# TAG FFO bridge 2020 – 2021



- Expected increase in net actual rent of c. EUR 14.5m (c. 4.5% y-o-y) driven by c. 2.0% total I-f-I- rental growth and c. 2.5% effects from acquisitions/disposals in 2020.
- Higher expenses from property management of c. EUR 4.5m as a result of higher maintenance and other property management costs due to increased portfolio size in 2021.
- Net income from services will continue to grow, increase by c. EUR 1.0m in 2021 expected.
- Cost base broadly stable, slightly higher personnel expenses expected in 2021.

# APPENDIX

# TAG 2020

# TAG German portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Sep-2020	Gross yield	Vacancy Sep-2020	Vacancy Dec-2019*	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	10,370	596,681	820,308	4.8%	4.5%	4.1%	5.80	6.33	1.3%	0.6%	4.88	16.60
Chemnitz	7,491	438,923	360,483	6.7%	7.3%	7.7%	4.97	5.05	1.4%	2.5%	5.67	21.46
Dresden	6,099	394,811	557,511	4.9%	2.4%	2.1%	5.86	6.25	1.3%	1.1%	2.67	6.66
Erfurt	10,780	606,517	682,712	5.5%	2.7%	2.6%	5.27	5.59	1.5%	1.9%	4.50	9.42
Gera	9,512	552,639	438,338	7.1%	6.8%	7.0%	5.06	5.32	1.0%	1.4%	3.72	6.80
Hamburg	7,032	432,435	572,198	5.1%	4.2%	4.2%	5.82	6.08	1.6%	2.2%	7.09	15.70
Leipzig	10,011	589,909	593,884	6.0%	6.4%	5.4%	5.34	5.78	1.7%	1.2%	4.18	6.09
Rhine-Ruhr	4,188	266,405	332,354	5.2%	2.0%	2.1%	5.54	5.67	1.4%	1.6%	8.61	3.99
Rostock	7,987	452,571	493,337	5.8%	5.0%	3.6%	5.56	5.99	2.2%	1.5%	7.60	13.46
Salzgitter	9,180	563,122	547,529	6.3%	5.4%	5.2%	5.41	5.61	1.1%	1.1%	5.34	9.82
<b>Total residential units</b>	<b>82,650</b>	<b>4,894,012</b>	<b>5,398,656</b>	<b>5.6%</b>	<b>4.8%</b>	<b>4.5%</b>	<b>5.45</b>	<b>5.74</b>	<b>1.4%</b>	<b>1.5%</b>	<b>5.21</b>	<b>11.13</b>
Acquisitions	1,166	65,361	42,827	7.1%	17.7%	7.8%	4.68	---	---	---	---	---
Commercial units within resi. portfolio	1,127	144,734	---	---	16.1%	16.3%	8.30	---	---	---	---	---
<b>Total residential portfolio</b>	<b>84,943</b>	<b>5,104,107</b>	<b>5,441,483</b>	<b>5.9%</b>	<b>5.3%</b>	<b>4.9%</b>	<b>5.51</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
Other	157	20,301	137,402**	5.1%***	6.2%	8.1%	13.50	---	---	---	---	---
<b>Grand total</b>	<b>85,100</b>	<b>5,124,408</b>	<b>5,578,885</b>	<b>5.9%***</b>	<b>5.3%</b>	<b>4.9%</b>	<b>5.55</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

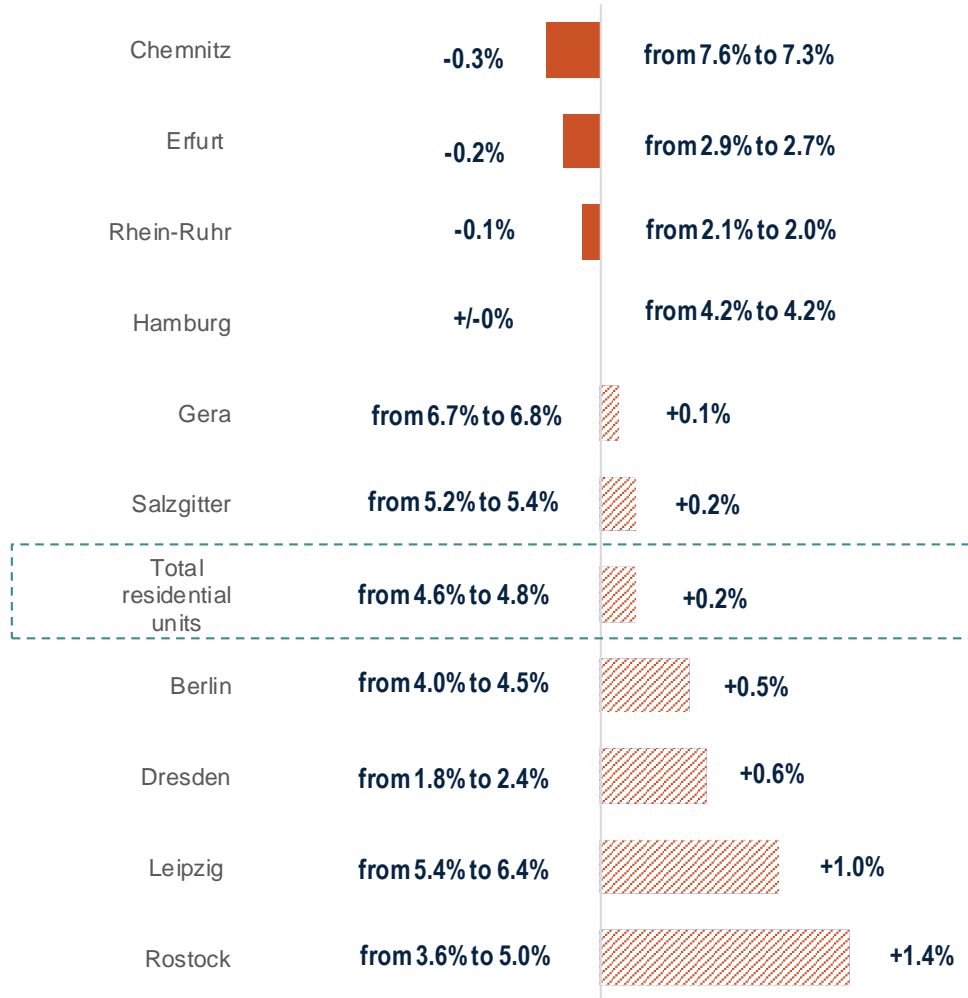
\* excl. acquisitions 2019

\*\* incl. EUR 77.4m book value of project developments

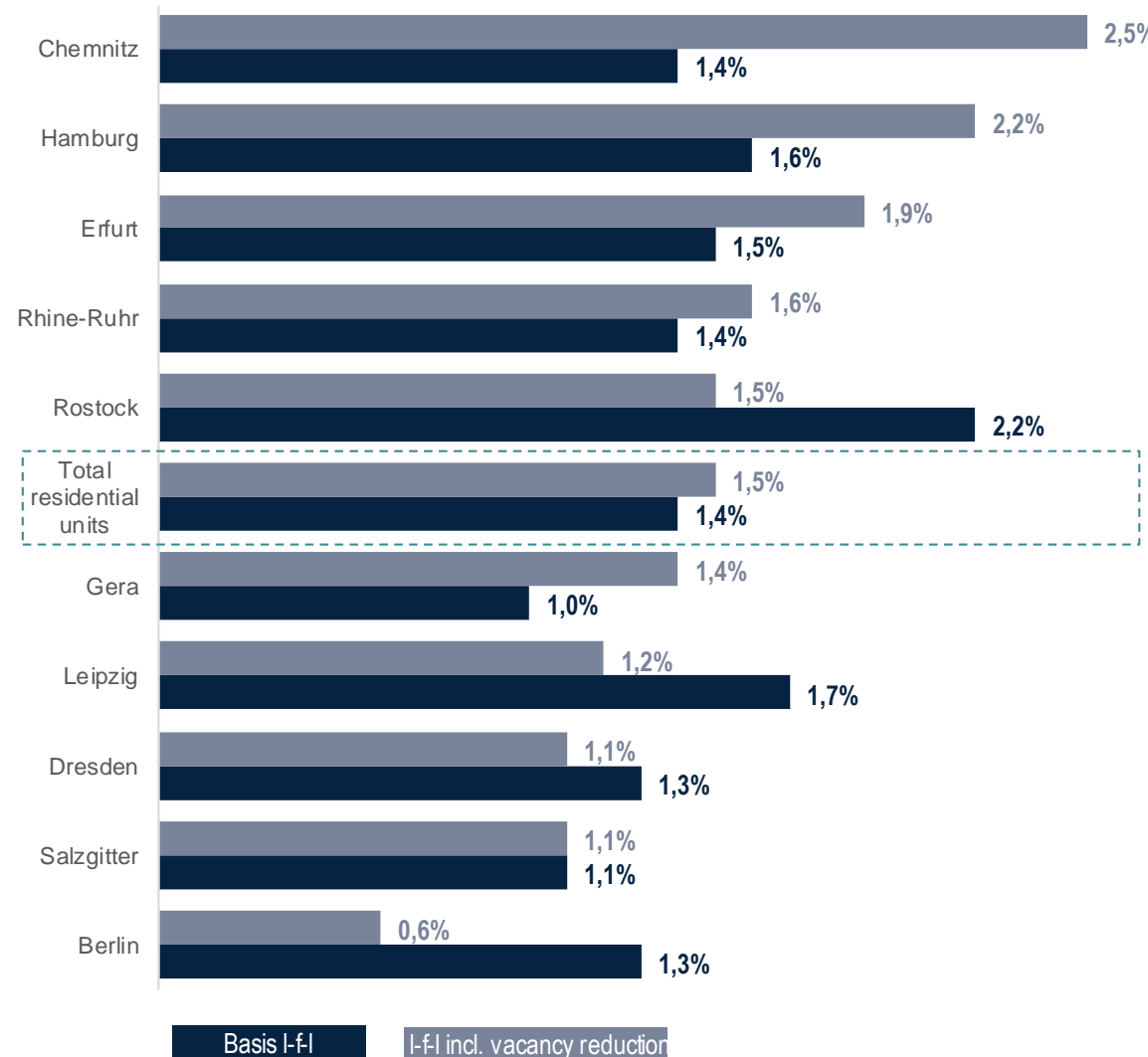
\*\*\* excl. project developments

# TAG German portfolio vacancy reduction and rental growth

## Vacancy development 9M 2020\*



## I-f-I rental growth (y-o-y) 9M 2020



APPENDIX

\* incl. acquisitions 2019

# TAG German portfolio valuation details

Region (in EURm)	Sep-2020 Fair value (IFRS)	Sep-2020 Fair value (EUR/sqm)	Sep-2020 Implied multiple	YTD-2020 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	820.3	1,306.3	19.6x	31.1	1.6	29.4	779.6	1,240.9	18.6x
Chemnitz	360.5	798.9	14.6x	4.9	1.7	3.2	347.9	764.9	14.2x
Dresden	557.5	1,373.1	19.9x	27.0	3.7	23.4	532.7	1,266.4	18.7x
Erfurt	682.7	1,084.0	17.2x	11.8	3.3	8.5	660.9	1,069.8	17.1x
Gera	438.3	758.1	13.4x	7.0	2.9	4.1	431.2	734.2	13.2x
Hamburg	572.2	1,294.5	18.9x	24.7	6.2	18.5	543.6	1,224.0	18.1x
Leipzig	593.9	990.0	16.3x	23.1	4.6	18.5	568.1	946.4	15.6x
Rhine-Ruhr	332.4	1,198.2	18.1x	13.3	1.4	12.0	318.0	1,146.3	17.5x
Rostock	493.3	1,068.8	16.7x	12.0	1.7	10.3	446.4	1,027.7	16.2x
Salzgitter	547.5	969.7	15.5x	16.9	3.5	13.4	525.1	930.1	14.9x
<b>Total residential units</b>	<b>5,398.7</b>	<b>1,071.4</b>	<b>17.0x</b>	<b>171.7</b>	<b>30.5</b>	<b>141.2</b>	<b>5,153.4</b>	<b>1,024.6</b>	<b>16.4x</b>
Acquisitions	42.8	655.2	14.0x	0.3	0.0	0.3	36.8	835.5	12.3x
<b>Total residential portfolio</b>	<b>5,441.5</b>	<b>1,066.1</b>	<b>17.0x</b>	<b>172.1</b>	<b>30.5</b>	<b>141.6</b>	<b>5,190.2</b>	<b>1,023.0</b>	<b>16.4x</b>
Other	137.4*	2,955.9**	19.5x**	2.2	-0.1	2.3	112.2*	2,780.5	17.4x
<b>Grand total</b>	<b>5,578.9</b>	<b>1,073.6</b>	<b>17.0x</b>	<b>174.2</b>	<b>30.4</b>	<b>143.8</b>	<b>5,302.4</b>	<b>1,030.2</b>	<b>16.4x</b>

\* incl. EUR 77.4m book value of project developments; real estate inventory and properties within PPE valued at cost

\*\* excl. project developments



# TAG services business – FFO contribution 2019

Almost EUR 8m of FFO generated from services business in 2019

		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	315.0	12.7	3.8	21.9	8.7	2.1	0.4	49.5	364.5
Rental expenses and cost of materials	-55.4	-2.0	-1.5	-19.4	-4.9	0.0	-0.6	-28.5	-83.8
<b>Net income</b>	<b>259.6</b>	<b>10.7</b>	<b>2.3</b>	<b>2.5</b>	<b>3.8</b>	<b>2.1</b>	<b>-0.3</b>	<b>21.0</b>	<b>280.6</b>
Personnel expenses	-35.1	-10.8	-2.5	-0.4	-0.1	-1.4	0.0	-15.2	-50.3
Other income / expenses	-17.8	1.4	0.2	0.6	0.1	-0.1	0.0	2.2	-15.6
<b>EBITDA adjusted</b>	<b>206.8</b>	<b>1.3</b>	<b>0.0</b>	<b>2.6</b>	<b>3.7</b>	<b>0.6</b>	<b>-0.3</b>	<b>8.0</b>	<b>214.7</b>
Net financial result	-45.5	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	-45.6
Cash taxes <sup>3)</sup>	-7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7.2
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 2019</b>	<b>152.8</b>	<b>1.3</b>	<b>0.0</b>	<b>2.6</b>	<b>3.6</b>	<b>0.6</b>	<b>-0.3</b>	<b>7.9</b>	<b>160.6</b>
FFO I 2018	139.7	0.8	-0.2	2.1	3.8	0.4	-0.2	6.8	146.5

APPENDIX

Total FFO contribution of the service business increased from 4.6% in 2018 to 4.9% in 2019 (+ EUR 1.1m)

1) incl. provisions, in annual report FY 2019 included in expenses from property management

2) w/o IFRS 15 effects; for further details see annual report FY 2019

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

# 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*
Revenues (EURm)	6.5	9.2	8.8	12.7
No. of employees	222	309	319	430
FFO impact (EURm)	0.3	0.4	0.8	1.3

**TAG** Immobilien Service GmbH

c. 59,400 units covered in 2019  
c. 65,000-68,000 units as long-term goal  
(c. 80% 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*
Revenues (EURm)	1.6	2.6	3.2	3.8
No. of employees	29	56	62	72
FFO impact (EURm)	0.0	-0.2	-0.2	0.0

**TAG** Handwerker-service GmbH

5 locations in 2019: Brandenburg an der Havel, Chemnitz, Döbeln, Dresden and Leipzig, Nauen, 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

**ENERGIE**  
Wohnen Service GmbH

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

c. 35,000 units covered in 2019  
c. 70,000-75,000 units as long-term goal (c. 90% of total portfolio)



## ■ 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

**MULTIMEDIA**  
Immobilien GmbH

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

c. 59,000 units covered in 2019  
c. 70,000-75,000 units as long-term goal (c. 90% of total portfolio)



\*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

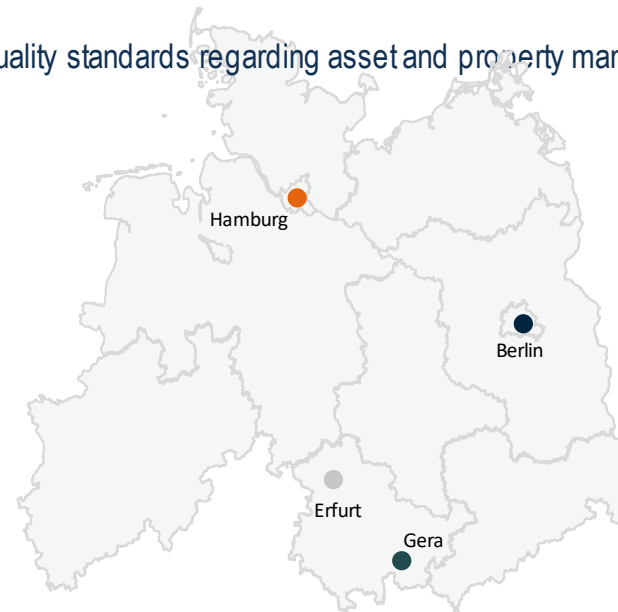
	2016	2017	2018*	2019*
Revenues (EURm)	1.6	1.8	2.0	2.1
No. of employees	26	29	26	26
FFO impact (EURm)	0.3	0.3	0.4	0.6

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

c. 9,100 units covered in 2019

**BAU-VEREIN  
ZU HAMBURG**  
Hausverwaltungsgesellschaft mbH

Ein Unternehmen der  
TAG Immobilien Gruppe



# TAG income statement\*

(in EURm)		Q3 2020	Q2 2020	9M 2020	9M 2019	FY 2019
<b>Net actual rent**</b>	<b>1</b>	<b>80.1</b>	<b>80.0</b>	<b>239.8</b>	<b>235.8</b>	<b>315.0</b>
Expenses from property management*		-15.4	-13.0	-42.0	-43.0	-55.4
<b>Net rental income</b>	<b>2</b>	<b>64.8</b>	<b>67.0</b>	<b>197.8</b>	<b>192.9</b>	<b>259.6</b>
Net income from services	<b>3</b>	6.3	6.9	19.0	15.8	21.0
Net income from sales	<b>4</b>	2.6	-0.4	1.3	0.0	-0.4
Other operating income	<b>5</b>	1.3	1.3	4.2	2.7	5.6
Valuation result	<b>6</b>	0.2	173.3	172.6	211.0	414.1
Personnel expenses	<b>7</b>	-14.4	-14.2	-42.5	-36.7	-50.3
Depreciation		-1.8	-1.8	-5.3	-5.0	-6.8
Other operating expenses	<b>8</b>	-8.1	-4.1	-17.4	-12.7	-17.9
<b>EBIT</b>		<b>50.9</b>	<b>228.1</b>	<b>329.7</b>	<b>367.9</b>	<b>624.9</b>
Net financial result	<b>9</b>	-77.1	-2.6	-91.5	-44.2	-77.6
<b>EBT</b>		<b>-26.2</b>	<b>225.5</b>	<b>238.2</b>	<b>323.8</b>	<b>547.3</b>
Income tax	<b>10</b>	2.5	-44.8	-49.1	-55.9	-91.0
<b>Net income</b>		<b>-23.7</b>	<b>180.7</b>	<b>189.1</b>	<b>267.9</b>	<b>456.4</b>

**1** Increase in net actual rent y-o-y by EUR 4.0m as a result of I-f-I- rental growth and portfolio acquisitions. Majority of acquisitions in 2020 closed in Oct-2020.

**2** Net rental income increased y-o-y by EUR 4.9 mainly driven by higher net actual rent (EUR 4.0m) and lower ancillary cost of vacant real estate (EUR 1.1m). Decrease in net rental income q-o-q by EUR 2.3m due to higher maintenance cost (EUR 0.3m) and higher non-allocable cost/ancillary cost of vacant real estate (EUR 2.0m; primarily driven by several smaller one off effects).

**3** Decrease of net income from services q-o-q by EUR 0.6m due to a significant increase in billing volume for energy services in Q2 2020. Strong improved net income from services y-o-y by EUR 3.2m shows TAG's expanding service business.

**4** EUR 2.6m net income from sales in Q3 2020 due to sales in Poland.

**5** Growth in in other operating income by EUR 1.5m y-o-y mainly driven by own work capitalized (e.g. personnel cost) in Poland (EUR 1.6m).

**6** No portfolio valuation in Q3 2020, next valuation by CBRE at 31 Dec-2020.

**7** Personnel expenses in Germany slightly increased q-o-q by EUR 0.2m. Y-o-y personnel expenses increased by EUR 5.8m due to first-time consolidation of Vantage (EUR 3.7m) and higher expenses in Germany (EUR 2.1m) driven by ongoing growth of TAG's internal caretaker and craftsman services.

**8** Increased other operating expenses (q-o-q by EUR 4.0m) contain EUR 3.6m payment (one-off effect) to establish new TAG foundation for social projects in TAG's regions.

**9** Net financial result mainly decreased q-o-q by EUR 74.5m mainly due to the fair value valuation of convertible bond 2017/2022.

**10** Improved income tax result q-o-q by EUR 47.3m. Deferred taxes reduced by EUR 42.9m and cash taxes by EUR 4.4m (EUR 3.9m in Germany and EUR 0.5m in Poland).

\*for further income statement details (breakdown by Germany and Poland) see Appendix

\*\*w/o IFRS 15 effects; for further details see interim report Q3 2020

# TAG income statement details Germany and Poland

(in EURm)	Germany Q3 2020	Poland Q3 2020	Total Q3 2020	Germany 9M 2020	Poland 9M 2020	Total 9M 2020	Germany FY 2019	Poland FY 2019	Total FY 2019
<b>Net actual rent*</b>	<b>80.1</b>	<b>0.0</b>	<b>80.1</b>	<b>239.8</b>	<b>0.0</b>	<b>239.8</b>	<b>315.0</b>	<b>0.0</b>	<b>315.0</b>
Expenses from property management*	-15.4	0.0	-15.4	-42.0	0.0	-42.0	-55.4	0.0	-55.4
<b>Net rental income</b>	<b>64.8</b>	<b>0.0</b>	<b>64.8</b>	<b>197.8</b>	<b>0.0</b>	<b>197.8</b>	<b>259.6</b>	<b>0.0</b>	<b>259.6</b>
Net income from services	6.3	0.0	6.3	19.0	0.0	19.0	21.0	0.0	21.0
Net income from sales	0.0	2.6	2.6	-1.0	2.3	1.3	-0.4	0.0	-0.4
Other operating income	0.7	0.6	1.3	2.2	2.0	4.2	5.6	0.0	5.6
Valuation result	0.2	0.0	0.2	174.2	-1.6	172.6	414.1	0.0	414.1
Personnel expenses	-13.2	-1.2	-14.4	-38.8	-3.7	-42.5	-50.3	0.0	-50.3
Depreciation	-1.7	0.1	-1.8	-5.1	-0.2	-5.3	-6.8	0.0	-6.8
Other operating expenses	-7.8	-0.3	-8.1	-16.5	-0.9	-17.4	-17.9	0.0	-17.9
<b>EBIT</b>	<b>49.3</b>	<b>1.6</b>	<b>50.9</b>	<b>331.9</b>	<b>-2.2</b>	<b>329.7</b>	<b>624.9</b>	<b>0.0</b>	<b>624.9</b>
Net financial result	-77.1	0.0	-77.1	-91.7	0.2	-91.5	-77.6	0.0	-77.6
<b>EBT</b>	<b>-27.8</b>	<b>1.6</b>	<b>-26.2</b>	<b>240.3</b>	<b>-2.0</b>	<b>238.2</b>	<b>547.3</b>	<b>0.0</b>	<b>547.3</b>
Income tax	2.9	-0.3	2.5	-49.4	0.3	-49.1	-91.0	0.0	-91.0
<b>Net income</b>	<b>-25.0</b>	<b>1.3</b>	<b>-23.7</b>	<b>190.9</b>	<b>-1.8</b>	<b>189.1</b>	<b>456.4</b>	<b>0.0</b>	<b>456.4</b>

\*w/o IFRS 15 effects; for further details see Interim Report Q3 2020

# TAG EBITDA, FFO and AFFO calculation

(in EURm)	Q3 2020	Q2 2020	9M 2020	9M 2019	FY 2019
<b>Net income</b>	-23.7	180.7	189.1	267.9	456.4
- Net income Poland	-1.3	2.0	1.7	0.0	0.0
<b>Net income Germany</b>	-25.0	182.7	190.9	267.9	456.4
+ Income tax	-2.9	45.2	49.4	55.9	91.0
+ Net financial result	77.1	2.8	91.6	44.2	77.6
<b>EBIT (German business)</b>	<b>49.3</b>	<b>230.7</b>	<b>331.9</b>	<b>367.9</b>	<b>624.9</b>
+ Adjustments					
Net income from sales	0.0	0.6	1.0	0.0	0.4
Valuation result (German portfolio)	-0.2	-174.9	-174.2	-211.0	-414.1
Depreciation	1.8	1.7	5.1	5.0	6.8
One-offs	3.6	0.0	3.6	0.0	-1.3
Reversal of effects from first time application of IFRS 16 "leases"	1 0.0	0.0	0.0	-1.4	-2.0
<b>EBITDA (adjusted, German business)</b>	<b>2 54.4</b>	<b>58.1</b>	<b>167.4</b>	<b>160.6</b>	<b>214.7</b>
<i>EBITDA (adjusted) margin</i>	67.9%	72.5%	69.8%	68.1%	68.2%
- Net financial result (cash, after one-offs)	-11.4	-11.1	-33.5	-34.2	-45.6
- Cash taxes	1.8	-2.1	-1.8	-4.0	-7.2
- Cash dividend payments to minorities	-0.3	-0.3	-1.0	-1.0	-1.3
<b>FFO I (German business)</b>	<b>3 44.6</b>	<b>44.5</b>	<b>131.1</b>	<b>121.5</b>	<b>160.6</b>
- Capitalised maintenance	-5.5	-3.3	-10.1	-11.3	-15.3
AFFO before modernisation capex	39.0	41.2	121.0	110.2	145.3
- Modernisation capex	-11.2	-13.9	-44.6	-35.6	-51.4
<b>AFFO (German business)</b>	<b>4 27.8</b>	<b>27.3</b>	<b>76.4</b>	<b>74.6</b>	<b>93.9</b>
Net income from sales Germany	0.0	-0.6	-1.0	0.2	-0.4
Result operations Poland	3.3	-1.5	2.5	0.0	0.0
<b>FFO II (includes operations Poland)</b>	<b>5 47.9</b>	<b>42.4</b>	<b>132.6</b>	<b>121.5</b>	<b>160.2</b>
(FFO I + net income from sales Germany and result operations Poland)					
Weighted average number of shares outstanding (in '000)	146,288	146,259	146,287	146,331	146,333
<b>FFO I per share (EUR)</b>	<b>0.30</b>	<b>0.30</b>	<b>0.90</b>	<b>0.83</b>	<b>1.10</b>
<b>AFFO per share (EUR)</b>	<b>0.19</b>	<b>0.19</b>	<b>0.52</b>	<b>0.51</b>	<b>0.64</b>
Weighted average number of shares, fully diluted (in '000)*	155,935	161,113	159,551	161,119	161,151
FFO I per share (EUR), fully diluted	0.29	0.28	0.82	0.76	1.01
AFFO per share (EUR), fully diluted	0.18	0.17	0.48	0.47	0.59

1 For reasons of comparability to FY 2018 effects from first time application of IFRS 16 were eliminated in FFO in FY 2019. In line with most peers, this adjustment no longer takes place from FY 2020 onwards.

2 Improved EBITDA by EUR 6.8m (y-o-y) in 9M 2020 mainly as a net effect of higher net rental income (EUR 4.9m) and higher net income from services (EUR 3.2m). Decreased EBITDA q-o-q of EUR 3.7m results primarily from reduced net rental income (EUR -2.2m) and net income from services (EUR -0.6m).

3 FFO I increased by EUR 0.1m q-o-q as a result of EUR 3.7 less EBITDA, over-compensated by EUR 3.8m less cash taxes (positive tax effect from partial repurchase of convertible bond 2017/2022 in Aug-2020).

4 AFFO improved q-o-q by EUR 0.5 due to higher FFO I (EUR 0.1m) and less modernization capex (EUR 2.6m), compensated by higher capitalized maintenance (EUR -2.2m).

5 FFO II contribution Poland 9M 2020	(in EURm)
Net income from Poland	-1.7
Minority interests	-0.1
Result of effects from purchase price allocation (after income taxes and minorities)	4.9
Valuation result	1.6
Deferred taxes	-2.2
<b>Result operations Poland</b>	<b>2.5</b>

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

# TAG balance sheet

(in EURm)	30 Sep-2020	31 Dec-2019
<b>Non-current assets</b>	<b>5,625.1</b>	<b>5,301.5</b>
Investment property	1 5,497.8	5,200.0
Deferred tax assets	50.0	49.7
Other non-current assets	2 77.4	51.7
<b>Current assets</b>	<b>765.8</b>	<b>311.0</b>
Real estate inventory	3 187.8	58.5
Cash and cash equivalents	516.4	91.3
Prepayments on business combinations	4 0.0	131.2
Other current assets	5 61.6	30.0
<b>Non-current assets held-for-sale</b>	<b>42.1</b>	<b>34.5</b>
<b>TOTAL ASSETS</b>	<b>6,433.0</b>	<b>5,647.0</b>
<b>Equity</b>	<b>2,469.1</b>	<b>2,394.2</b>
Equity (without minorities)	6 2,391.9	2,342.6
Minority interest	77.2	51.7
<b>Non-current liabilities</b>	<b>3,565.1</b>	<b>2,988.4</b>
Financial debt	7 2,920.6	2,397.0
Deferred tax liabilities	547.9	497.0
Other non-current liabilities	96.6	94.4
<b>Current liabilities</b>	<b>398.1</b>	<b>263.6</b>
Financial debt	8 257.4	166.1
Other current liabilities	140.7	97.5
Non current liabilities held for sale	0.8	0.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,433.0</b>	<b>5,647.0</b>

1 EUR 297.8m higher investment properties is driven by EUR 174.2m valuation result, EUR 54.6m capex, EUR 42.6m acquisitions and first-time consolidation Vantage.

2 EUR 25.6m higher other non-current assets primarily driven by first-time consolidation Vantage resulting in goodwill of EUR 18.8m.

3 Increase in real estate inventory (EUR 129.3) largely due to first-time consolidation Vantage.

4 Prepaid transaction price of EUR 131.2m for Vantage acquisition reported in separate line item at 31 Dec-2019.

5 Increase in current assets (EUR 31.6m) mainly results from first-time consolidation Vantage (EUR 12.2m).

6 Increase in equity w/o minorities of EUR 49.3m mainly result of net income (EUR 189.1m) and dividend payment (EUR -119.9m)

7 Increase in non-current financial debt of EUR 523.6m, mainly stemming from new/refinanced bank loans (EUR 180m), new promissory note in Jul-2020 (EUR 92m) and convertible bonds transactions in Aug-2020. i.e. newly issued convertible bond 2020/2026 of EUR 470m and simultaneous repurchasing of 50% of the outstanding convertible bond 2017/2022 (nominal amount of EUR 131m).

8 Increase in current financial liabilities (EUR 91.3m) is mainly driven by temporarily higher financial debt from commercial papers (EUR 60m), repaid after the balance sheet date.



# TAG EPRA NTA calculation

EPRA Net Tangible Assets in EUR/share		
(in EURm)	30 Sep-2020	31 Dec-2019
<b>Equity (without minorities)</b>	<b>2,391.9</b>	<b>2,342.6</b>
+ Effect from conversion of convertible bond	188.5	324.2
+ Deferred taxes on investment properties and financial derivatives	542.9	492.8
+ Fair value of financial derivatives	7.0	6.2
+ Difference between fair value and book value for properties valued at cost	85.6	85.2
- Goodwill	-18.5	0.0
- Intangible assets	-3.7	-2.6
<b>= EPRA NTA *, fully diluted</b>	<b>3,193.7</b>	<b>3,248.4</b>
Number of shares, fully diluted (in '000)**	153,839	161,191
<b>EPRA NTA per share (EUR), fully diluted</b>	<b>20.76</b>	<b>20.15</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 in full would increase EPRA NTA on a fully diluted basis by c. EUR 457.1m or c. EUR 2.97/s.

\*\*incl. 7,544 potential shares from convertible bond 2017/2022 (trading "in the money" at reporting date) and management board compensation

# TAG EPRA NAV calculations

(in EURm)	New EPRA metrics			
	EPRA NAV	EPRA NRV	EPRA NTA	EPRA NDV
	Net asset value	Net reinstatement value	Net tangible assets	Net disposal value
	Q3 2020	Q3 2020	Q3 2020	Q3 2020
<b>Equity (before minorities)</b>	<b>2,391.9</b>	<b>2,391.9</b>	<b>2,391.9</b>	<b>2,391.9</b>
Effect from conversion of convertible bond	188.5	188.5	188.5	188.5
Difference between fair value and book value for properties valued at cost	85.6	85.6	85.6	85.6
Deferred taxes on investment properties and derivative financial instruments	542.9	542.9	542.9	0.0
Fair value of derivative financial instruments	7.0	7.0	7.0	0.0
Goodwill	0.0	0.0	-18.5	-18.5
Intangible assets (book value)	0.0	0.0	-3.7	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	0.0	-75.9
Deferred taxes hereon	0.0	0.0	0.0	0.0
Transaction costs (e.g. real estate transfer tax)	0.0	457.1	0.0	0.0
<b>EPRA NAV metrics, fully diluted</b>	<b>3,215.9</b>	<b>3,673.1</b>	<b>3,193.7</b>	<b>2,571.6</b>
<i>Number of shares, fully diluted (in '000)*</i>	153,839	153,839	153,839	153,839
<b>EPRA NAV metrics per share (EUR), fully diluted</b>	<b>20.90</b>	<b>23.88</b>	<b>20.76</b>	<b>16.72</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)	Q3 2020	Q2 2020	9M 2020	9M 2019	FY 2019
<b>Net income Germany</b>	<b>-25.0</b>	<b>182.7</b>	<b>190.9</b>	<b>267.9</b>	<b>456.4</b>
Valuation result	-0.2	-174.9	-174.2	-211.0	-414.1
Deferred income taxes on valuation result	0.6	38.5	43.3	48.6	76.7
Net income from sales	0.0	0.6	1.0	0.0	0.4
Cash taxes on net income from sales	0.0	0.0	0.0	0.0	2.0
Fair value valuation of derivative financial instruments	61.8	-8.6	53.2	7.7	29.5
Deferred income taxes on valuation of derivative financial instruments	0.0	3.0	3.0	-2.5	-9.2
Breakage fees bank loans and early repayment of bonds	0.0	0.1	0.7	0.2	0.2
Cash dividend payments to minorities	-0.3	-0.3	-1.0	-0.8	-1.3
<b>EPRA Earnings</b>	<b>36.9</b>	<b>41.1</b>	<b>116.9</b>	<b>110.1</b>	<b>140.6</b>
Deferred income taxes (other than on valuation result)	-1.5	1.4	1.3	5.7	16.3
Other non cash financial result	3.9	0.2	4.2	2.1	2.2
One offs*	3.6	0.0	3.6	0.0	-1.3
Depreciation	1.8	1.7	5.1	5.0	6.8
Cash taxes on net income from sales	0.0	0.0	0.0	0.0	-2.0
Reversal of effects from first time application of IFRS 16 "leases"	0.0	0.0	0.0	-1.4	-2.0
<b>Adjusted EPRA Earnings (FFO I)</b>	<b>44.6</b>	<b>44.4</b>	<b>131.1</b>	<b>121.5</b>	<b>160.6</b>
Weighted average number of shares outstanding (in '000)	146,288	146,259	146,286	146,331	146,333
<b>EPRA Earnings per share (in EUR)</b>	<b>0.25</b>	<b>0.28</b>	<b>0.80</b>	<b>0.75</b>	<b>0.96</b>
<b>Adjusted EPRA Earnings (FFO I) per share (in EUR)</b>	<b>0.30</b>	<b>0.30</b>	<b>0.90</b>	<b>0.83</b>	<b>1.10</b>
<i>Weighted average number of shares, fully diluted (in '000)**</i>	<i>155,935</i>	<i>161,113</i>	<i>159,551</i>	<i>161,119</i>	<i>161,151</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.24</i>	<i>0.26</i>	<i>0.73</i>	<i>0.68</i>	<i>0.88</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>0.29</i>	<i>0.28</i>	<i>0.82</i>	<i>0.76</i>	<i>1.01</i>

\* TAG foundation in 2020 (EUR 3.6m), reversal of provisions for real estate transfer tax (EUR -2.3m) and acquisition Vantage (EUR 1.0m) in 2019

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

# TAG LTV calculation

(in EURm)	30 Sep-2020	31 Dec-2019	31 Dec-2018
Non-current and current liabilities to banks	2,017.3	1,901.2	1,855.5
Non-current and current liabilities from corporate bonds and other loans	576.7	403.0	285.8
Non-current and current liabilities from convertible bonds	583.9	258.9	257.5
Cash and cash equivalents	-516.4	-91.3	-91.7
<b>Net financial debt</b>	<b>2,661.5</b>	<b>2,471.8</b>	<b>2,307.1</b>
Book value of investment properties	5,497.8	5,200.0	4,666.7
Book value of property reported under property, plant and equipment (valued at cost)	9.4	9.4	9.5
Book value of property held as inventory (valued at cost)	187.8	58.5	52.3
Book value of property reported under non-current assets held-for-sale	42.1	34.5	87.0
<b>GAV (real estate assets)*</b>	<b>5,737.1</b>	<b>5,302.4</b>	<b>4,815.5</b>
Prepayments on sold/acquired properties and on business combinations	-1.6	130.4	-0.2
Difference between fair value and book value for properties valued at cost	85.6	85.2	60.0
<b>Relevant GAV for LTV calculation</b>	<b>5,821.1</b>	<b>5,518.0</b>	<b>4,875.2</b>
<b>LTV</b>	<b>45.7%</b>	<b>44.8%</b>	<b>47.3%</b>

\*thereof EUR 5,578.9m German portfolio and EUR 158.2m Polish portfolio

# TAG interest coverage ratio (ICR) calculation

(in EURm)	Q3 2020	Q2 2020	9M 2020	9M 2019	FY 2019
+ Interest income	0.1	9.1	10.5	0.3	0.5
- Interest expenses	-75.1	-12.8	-100.7	-45.0	-79.4
+ Other financial result	-2.1	1.2	-1.4	0.5	1.4
<b>= Net financial result</b>	<b>-77.1</b>	<b>-2.6</b>	<b>-91.5</b>	<b>-44.2</b>	<b>-77.6</b>
+ Financial result from convertible/corporate bonds	1.4	-8.3	2.1	1.1	1.4
+ Breakage fees bank loans	0.0	0.0	0.6	0.2	0.2
+ Other non-cash financial result (e.g. from derivatives)	64.4	-0.1	55.4	8.8	30.4
<b>= Net financial result (cash, after one-offs)</b>	<b>-11.4</b>	<b>-10.9</b>	<b>-33.4</b>	<b>-34.2</b>	<b>-45.6</b>
<b>ICR (EBITDA adjusted/net financial result cash, after one-offs)</b>	<b>5.2x</b>	<b>5.3x</b>	<b>5.2x</b>	<b>4.7x</b>	<b>4.7x</b>

# TAG convertible bonds transactions Aug-2020

## Rationale for the transactions in Aug-2020

- To finance acquisitions in Germany of more than c. 4,200 units with a total purchase price of c. EUR 163m
- To reduce dilution effects for shareholders from the outstanding convertible bonds
- For general corporate purposes, including further acquisitions in Germany and Poland or the early repayment of debt

## Newly issued EUR 470m convertible bonds 2020/2026

- Nominal amount: EUR 470m
- Maturity: 6 years until 27 Aug-2026
- Coupon: 0.625% p.a.
- Initial conversion price: EUR 34.01 (35% conversion premium, dividend protection only for dividends > EUR 0.82/s)

## Partial buyback (50%) outstanding EUR 262m convertible bonds 2017/2022

- Repurchased nominal amount: EUR 131m (50%)
- Initial nominal amount: EUR 262m
- Maturity: 5 years until 01 Sep-2022
- Coupon: 0.625% p.a.
- Current conversion price: EUR 17.46
- Buyback price: 144.4% (incl. 0.25% premium) of nominal amount



Magdeburg

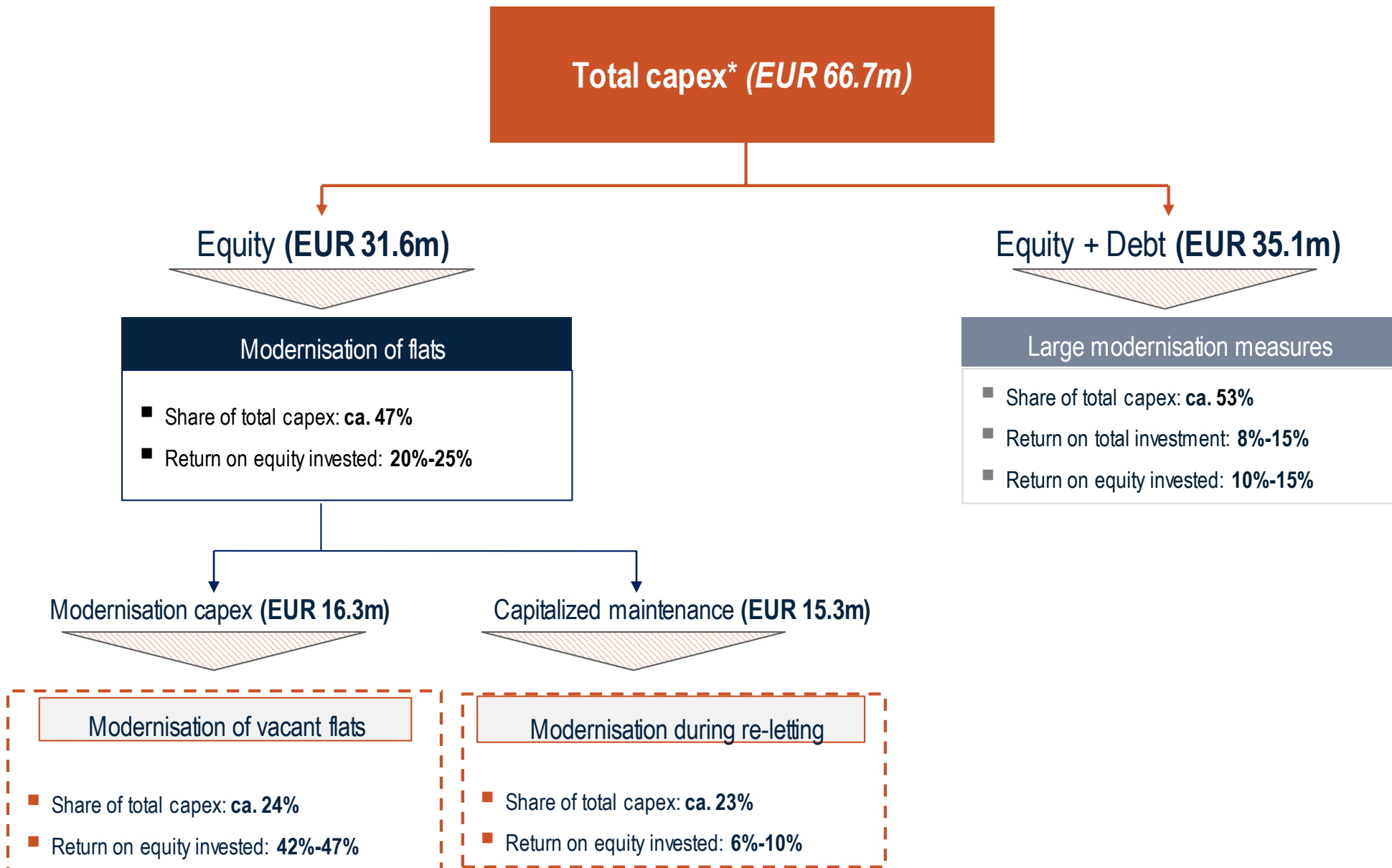


Merseburg



Halle

# TAG return on capex calculation 2019



\*excl. capex for project developments of EUR 7.9m

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

Case Study – Brandenburg an der Havel (Berlin region)

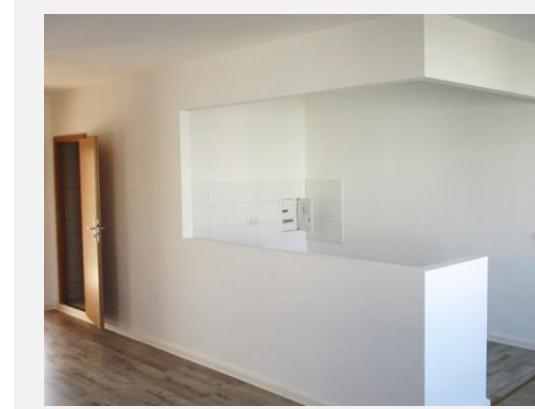
## Pre modernisation



## Measures

- Units: **19 out of 63**
- **Interior refurbishment**
  - ✓ New flooring
  - ✓ New kitchen floor plan
  - ✓ Bathroom modernisation

## Post modernisation



APPENDIX

## Description

- Acquired in Feb-2017 as part of a portfolio of 1,440 units in Brandenburg an der Havel
- Completed in 2018
- Expenditure on time per unit: 4 weeks
- Modernisation cost per unit: EUR 12,500
- Vacancy at acquisition date within the 63 units: 38.6%
- Vacancy today within the 96 units: 5.8%
- Equity-financed

## Calculation

(in TEUR)

### Incremental revenues

Incremental revenues from new lettings	68.7
Saved maintenance costs	0.0
Saved ancillary costs from vacancy reduction	18.3
<b>Total incremental revenues</b>	<b>87.0</b>

### Total investment

237.3

### Return on total investment

36.8%

### Return on equity invested

36.8%



# TAG return on capex – large modernisation measures

Case Study – Hermsdorf (Gera region)

## Pre modernisation



## Measures

- Units: **72**
- Vacancy before modernisation: **87.0%**
- Vacancy after modernisation: **10.2%**

## Post modernisation



## Description

- Acquired in Feb-2014 as part of a portfolio in Thuringia (4,000 units)
- Completed in 2018
- Facade-, roof-, heating and electric overhaul
- Energy-saving measures
- New windows and bathrooms
- Floor plan changes
- Financing:
  - Total investment EUR 3,191,800 (after government grant of EUR 750,000)
  - KfW bank loan of EUR 1,129,000 (0.75% p.a.)

## Calculation

(in TEUR)

### Incremental revenues

Incremental revenues from new lettings	329.8
Saved maintenance costs	107.9
Saved ancillary costs from vacancy reduction	51.8
Interest expenses	-8.5

**Total incremental revenues** 481.0

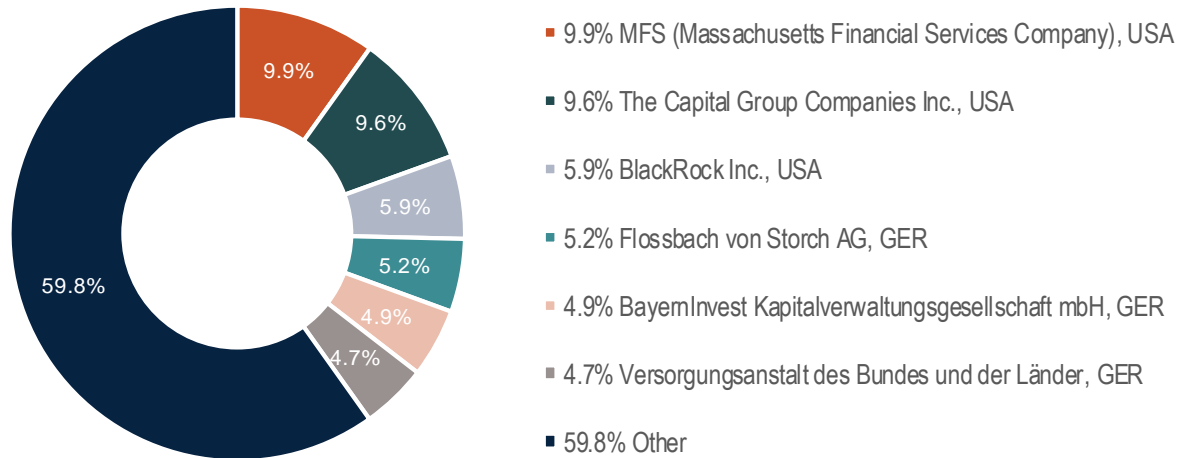
**Total Investment** 3,191.8

**Return on total investment** 15.1%

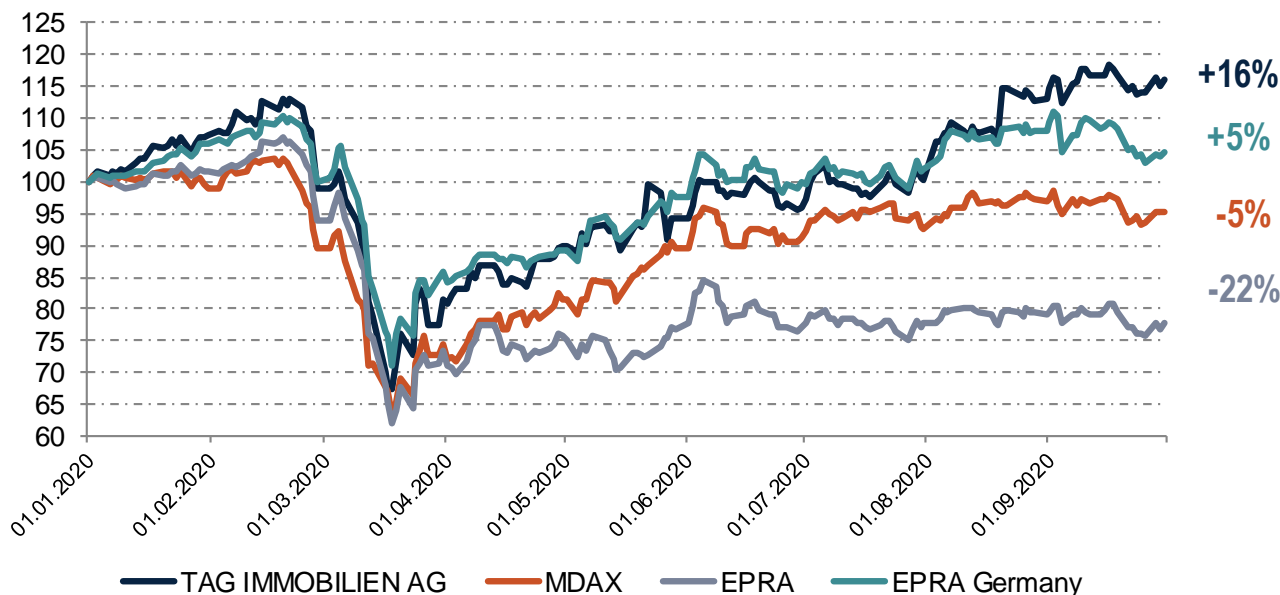
**Return on equity invested** 23.3%

# TAG share data

## Shareholder structure as of 30 Sep-2020



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



## Share information as of 30 Sep-2020

Marketcap	EUR 3.8bn
NOSH issued	146.5m
NOSH outstanding	146.2m
Treasury shares	0.2m
Free float (Deutsche Börse definition)	99.9%
ISIN	DE0008303504
Ticker symbol	TEG
Index	MDAX/EPRA
Main listing/ market segment	Frankfurt Stock Exchange/ Prime Standard

9M 2020 share price performance:	+16%
9M 2020 Ø volume XETRA/day (shares):	c. 575,000

# TAG management board



**Claudia Hoyer**  
**COO**

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center
- 
- Age 48
  - 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 48
  - 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 63
  - 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)
  - EPRA NAV/s (adjusted for dividend payments)
  - FFO/s
  - EBT/s (excluding valuation result for properties and derivative financial instruments)
- Target bonus / cap: **EUR 125,000** 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 three year period
- Target bonus: TSR of 30% within three year period leads to bonus of **EUR 150,000** p.a.
  - actual TSR >/< Target TSR of 30%: linear calculation (e.g. TSR of 20%:  $20/30 \times \text{EUR } 150,000 = \text{EUR } 100,000$  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%
- Cap: **EUR 300,000** p.a.

APPENDIX

# TAG contacts

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