CREDIT OPINION
20 June 2024

Update

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RATINGS

TAG Immobilien AG

Domicile	Hamburg, Germany
Long Term Rating	Baa3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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TAG Immobilien AG

Update following rating upgrade. Outlook remains stable

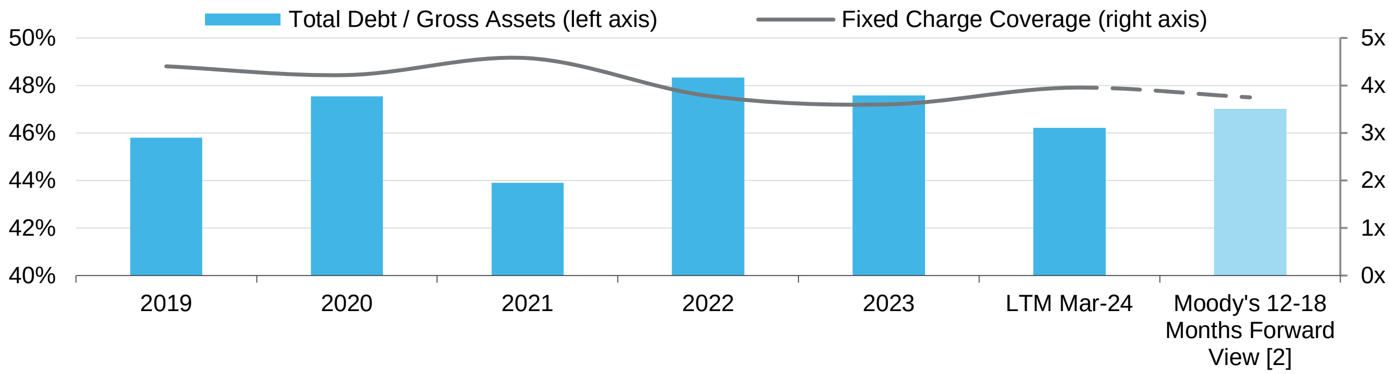
Summary

On 24 May 2024, we assigned a long-term issuer rating of Baa3 to TAG Immobilien AG (TAG) and upgraded its short-term issuer rating and its commercial paper programme rating, both to Prime-3 (P-3) from Not-Prime (NP). The outlook remains stable.

The rating upgrade reflects TAG's continued strong operating performance in the German rental business, and Polish development and rental businesses. TAG has a prudent financial policy, which is focused on cash preservation and leverage reduction in a difficult operating environment over the last two years, because of rising interest rates. The upgrade takes into account the company's strong commitment to operate its capital structure in line with the requirements for an investment-grade rating, and our expectation that the company will diversify its funding sources and will enhance its unencumbered asset base with high-quality income-generating rental properties. As of March 2024, TAG further reduced its reported Loan-to-Value (LTV) to 45.6% from 47.0% in December 2023, supported by ongoing disposal activity that has resulted in net cash proceeds of €333 million year to date since 2022, and the cancellation of dividend distributions on earnings generated in 2022 and 2023.

The ratings are primarily restricted by the company's high reliance on secured lending and its reduced unencumbered asset base in Germany; the sharp increase in the marginal cost of funding across the sector compared with the in-place cost of debt; and the company's exposure to development activities in Poland, and the inherent cyclicality of the homebuilding business, which could weigh on growth and earnings' stability of the company's Polish portfolio and its self-financing capabilities. The growing geographical presence in an unregulated residential market compared with Germany could introduce earnings and valuations volatility. However, this is balanced by the solid economic backdrop of Poland and strong demand for residential-for-rent units because of a structural undersupply.

Exhibit 1
We expect TAG's credit ratios to remain broadly stable
Moody's-adjusted debt/gross assets and fixed-charge coverage [1]



[1] All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations.
[2] This represents our forward view, not the view of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

» Dominant share of business in the stable and regulated rental housing activities in Germany, generating stable cash flow from a portfolio that is diversified across several German regions, with limited correlation to GDP

» Solid access to economically efficient German long-term bank debt

» Solid performance of its Polish business, benefiting from strong demand

» Moderate debt/gross assets and solid fixed-charge coverage

» Strong liquidity and refinancing risk management, with dividend suspension and use of disposal proceeds to reduce leverage

Credit challenges

» Pressure on the sector to prevail, particularly in a scenario of sustained subdued property transaction volumes

» The sharp increase in the marginal cost of funding across the sector

» Reduced unencumbered asset base in Germany ahead of growing refinancing needs

» The inherent cyclicality of the homebuilding activities, which could weigh on the earnings outlook of its Polish business and the capability of this business to become cash-generative

Rating outlook

The stable outlook reflects our expectation that over the next 12-24 months TAG will continue to deliver solid operational results, combined with prudent financial risk management, including further progress in reducing the company's defined loan-to-value ratio below 45%, in line with TAG's financial policy, while bringing down Moody's-adjusted net debt/EBITDA toward 10x. We expect the fixed-charge coverage ratio to remain well above 3x, despite higher longer-term interest rates for upcoming debt maturities.

The outlook further takes into account the company's firm commitment to a conservative financial policy focused on retaining cash to support the internal funding of its growing Polish rental platform and homebuilding business. This disciplined financial stance minimises liquidity risk and helps deleverage the capital structure on the back of conservatively funded, value-accretive investments in Poland.

Factors that could lead to an upgrade

A rating upgrade may occur if:

» TAG improves its financial flexibility by significantly increasing a pool of high-quality unencumbered investment properties, in both of its main jurisdictions, that offer sufficient coverage for unsecured creditors

» TAG improves its diversification of funding sources across secured and unsecured debt while maintaining a fixed-charge cover above 3.0x

» Moody's-adjusted debt/assets remains well below 45% and Moody's-adjusted net debt/EBITDA is sustained well below 10x, aided by a growing earnings contribution from a stabilised residential rental business in Poland

» TAG maintains an unchanged favourable earnings outlook for its Polish business activities combined with a stable operating environment in Germany

Factors that could lead to a downgrade

A rating downgrade may occur if:

» TAG is unsuccessful in diversifying its funding sources, thus failing to enhance its unencumbered asset base

» TAG engages in an aggressive growth strategy in Poland, including large exposure to development activities that are not prudently funded

» Moody's-adjusted debt/assets increases towards 50% or fixed-charge coverage falls to levels below 2.75x on a sustained basis

» overall liquidity of the group were to materially deteriorate

» property market fundamentals weaken sharply in both German and Polish jurisdictions

Key indicators

Exhibit 2

TAG Immobilien AG [1][2]

	2019	2020	2021	2022	2023	LTM Mar-24	Moody's 12-18 Months Forward View [3]
Gross Assets (in USD Billion)	6,339	7,925	8,058	8,473	7,740	7,581	8,000 - 8,500
Unencumbered Assets / Gross Assets	12.3%	15.4%	15.7%	28.2%	28.2%	28.1%	25.0% - 27.0%
Total Debt + Preferred Stock / Gross Assets	45.8%	47.5%	43.9%	48.3%	47.6%	46.2%	46.0% - 48.0%
Net Debt / EBITDA	11.3x	12.4x	12.7x	13.9x	10.6x	9.5x	9.0x - 10.0x
Secured Debt / Gross Assets	33.7%	30.5%	29.2%	28.1%	32.0%	31.7%	30.0% - 33.0%
Fixed Charge Coverage	4.4x	4.2x	4.6x	3.8x	3.6x	4.0x	3.5x - 4.0x

[1] All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] Periods are financial year-end unless indicated. TAG's financial year ends on 30 December. LTM = Last 12 months.
[3] This represents Moody's forward view, not the view of the issuer. The forward view is on a fully consolidated basis.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

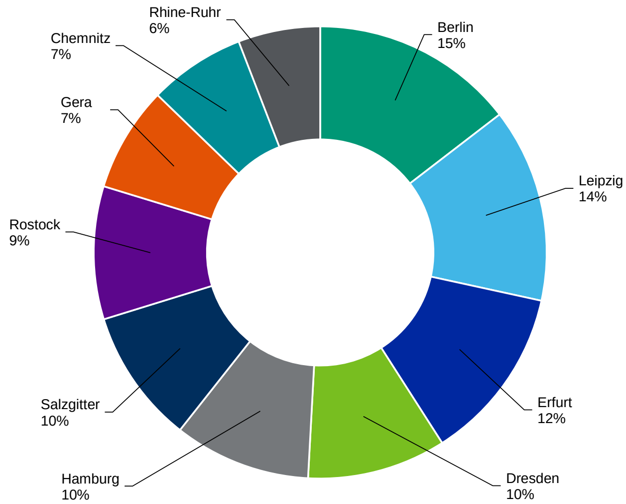
TAG Immobilien AG owns and manages a large and diversified multifamily German residential rental portfolio, of about 84,525 units as of 31 March 2024, mainly located in the east and north of Germany. The company entered the Polish market via the acquisitions of the developers Vantage Development SA in 2019 and ROBYG S.A. in 2022. As of 31 March 2024, TAG's total gross asset value amounted to around €6.6 billion, out of which €5.5 billion was in Germany.

Headquartered in Hamburg, TAG is listed in the MDAX at the Frankfurt Stock Exchange. TAG had a market capitalisation of around €2.6 billion as of 5 June 2024. It represents a -22% discount to its reported EPRA net tangible assets and is among the lowest within rated German residential peers.

Exhibit 3

TAG's German portfolio is mostly located in Eastern and Northern Germany

Property fair value, split by geography

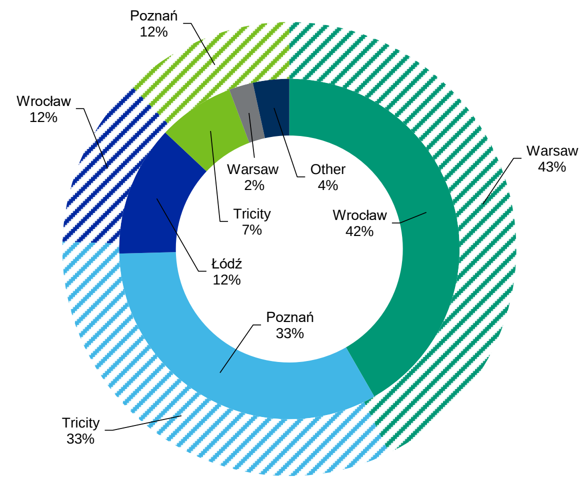


As of 31 March 2024.
Source: Company

Exhibit 4

TAG's Polish rental portfolio is mostly located in Wrocław and Poznań

Property fair value, split by geography



The outer ring represents units to sell and the inner ring represents units to hold. As of 31 March 2024.
Source: Company

Detailed credit considerations

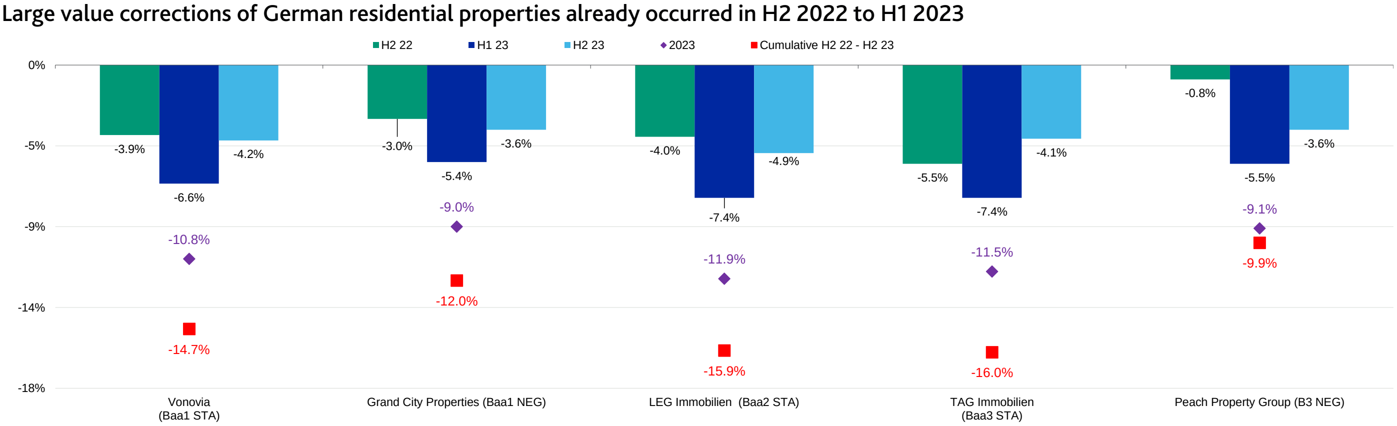
Rising interest rates reduce debt capacity, but outlook is moderately improving

In Germany, the valuation outlook for the multifamily residential sector is showing favourable progress relative to 2023, illustrated by more widespread expectations for valuations to stabilise by the second half of 2024. This expectation of stabilisation is buoyed by enduringly strong fundamentals, which in turn underpin high occupancy rates and solid rental growth, both supportive for a gradual resurgence of the investment transaction market. This resurgence will likely enable higher disposal activity, thereby enhancing the strategic options of our rated German residential companies, such as TAG, to manage debt repayments and refinancing needs while helping stabilise leverage ratios.

However, negative pressure on the sector could prevail, particularly in a scenario of sustained subdued property transaction volumes.

Exhibit 5

Large value corrections of German residential properties already occurred in H2 2022 to H1 2023



Source: Moody's Ratings based on companies' reports

Overall the credit quality of the sector remains buoyed by favourable long-term fundamentals, which support high occupancy rates and rental growth. The decrease in construction activity is likely to exacerbate the already limited supply of affordable housing. Simultaneously, demographic shifts and higher mortgage rates are likely to sustain high rental demand.

Diversified portfolio with broadly stable vacancy and moderating rental growth, partially located in economically weaker regions of Germany

TAG has a very diversified portfolio of around 84,525 units concentrated outside the largest cities in Germany. TAG focuses on affordable housing, which is mainly reflected in its relatively moderate rents in a portfolio that generates a higher yield on value than those of some of its residential peers.

Around two-thirds of TAG's residential units are located in around 30 cities with more than 20,000 inhabitants, although some are suburbs of larger urban areas. A small share of the portfolio is located in cities with smaller populations. Therefore, overall, the portfolio will benefit from the urbanisation trend and structural undersupply of housing units in Germany.

Exhibit 6

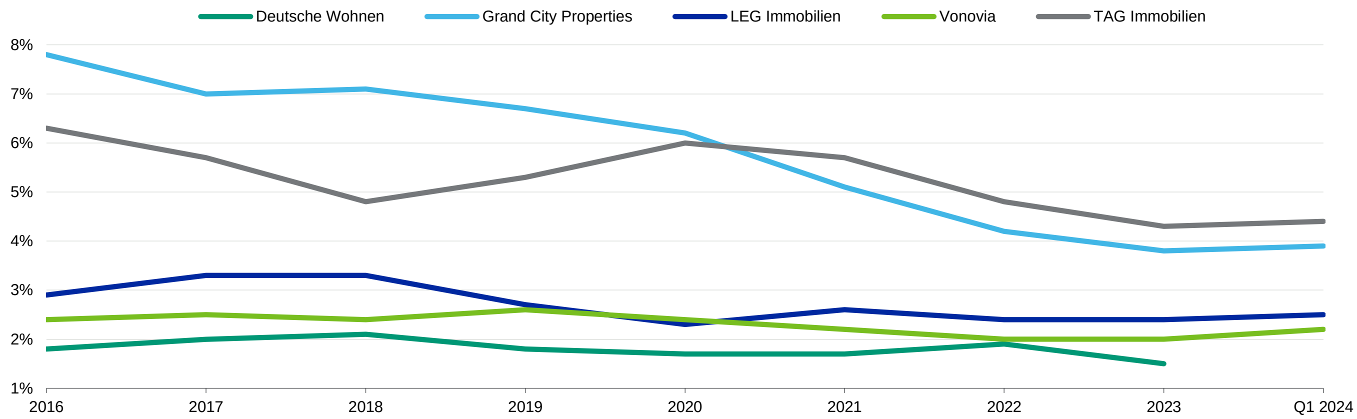
TAG's German portfolio characteristics

Region	Fair Value (€'m)	Fair Value (% Total)	Units	Rentable Area (sqm)	Fair Value (€/sqm)	In-place Yield	Vacancy (March-24)	Net Actual Rent (€/sqm)	Reletting Rent (€/sqm)	Maintenance (€/sqm)	Capex (€/sqm)
Berlin	780	14.3%	9,587	555,276	1,405	5.2%	2.9%	6.2	7.3	2.4	3.2
Chemnitz	369	6.8%	7,967	469,641	786	7.2%	8.3%	5.2	5.4	1.4	1.8
Dresden	531	9.7%	5,874	378,393	1,404	5.3%	1.2%	6.3	6.6	1.5	1.4
Erfurt	671	12.3%	10,167	574,549	1,169	5.7%	1.1%	5.6	5.9	2.1	2.7
Gera	403	7.4%	9,169	531,723	758	8.2%	2.1%	5.3	5.6	1.2	1.7
Hamburg	524	9.6%	6,505	397,907	1,316	5.5%	3.3%	6.3	6.8	2.4	4.1
Leipzig	744	13.6%	13,296	771,900	964	6.4%	7.7%	5.6	5.9	1.6	5.4
Rhine-Ruhr	314	5.8%	3,816	240,115	1,308	5.4%	1.7%	6.0	6.6	4.1	2.1
Rostock	510	9.4%	7,859	440,798	1,157	5.7%	5.5%	5.8	6.5	1.7	5.2
Salzgitter	515	9.4%	9,179	563,062	914	6.9%	5.3%	5.6	5.8	2.2	4.1
Total Residential	**5,361**	**98.3%**	**83,419**	**4,923,364**	**1,089**	**6.0%**		**5.7**	**6.2**	**1.9**	**3.4**
Others	90	1.7%	107	10,429	8,668	9.2%	1.0%	15.7			
Commercial Units			999	128,221			13.1%	8.3			
Total	**5,452**		**84,525**	**5,062,014**	**1,077**	**6.3%**	**4.4%**	**5.8**			

As of 31 March 2024.
Source: Company

About 75% of TAG's properties are located across three federal states in Eastern Germany (Berlin, Saxony and Thuringia), which are economically weaker regions in terms of purchasing power. GDP or unemployment trends in those regions, however, have not underperformed national averages. Combined with a relatively good rent affordability on a portfolio level, TAG's ability to pick the right assets and locations will be a key driver of further rental growth and vacancy rate reduction. TAG's vacancy rate was 4.4% as of 31 March 2024, down from 5.6% as of 31 December 2020.

Exhibit 7
TAG has one of the highest vacancy rates among German rated residential peers



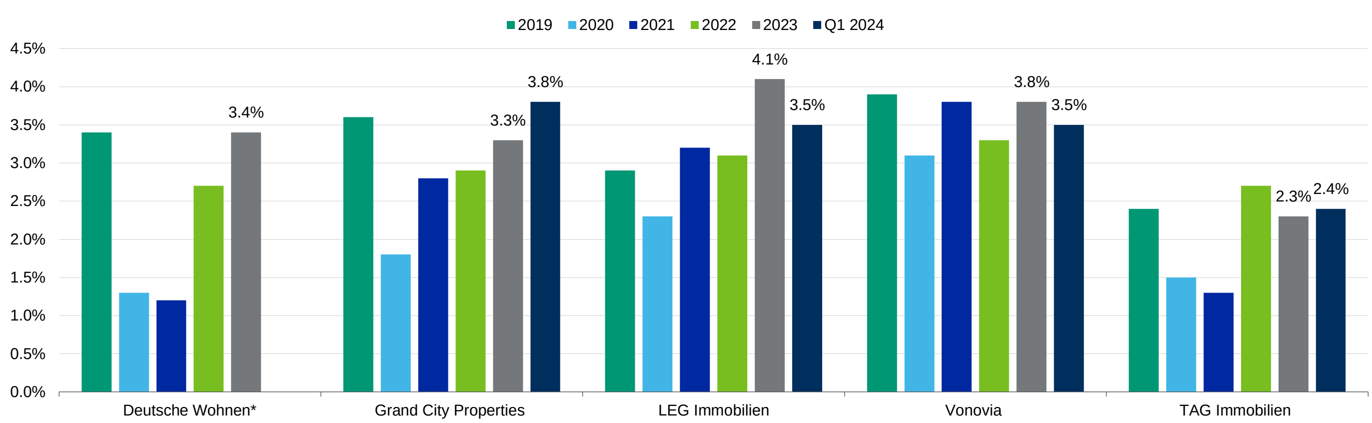
Source: Moody's Ratings based on companies' reports

The German rental market is highly regulated — reletting rents and rent increases for existing tenants are capped with reference to a local index (Mietspiegel) calculated by local authorities, reflecting the location and quality of the units. Rent increases are mostly capped at 15% over a period of three years (5% a year; allowance made for modernisation, the cap on which is 8% per year). From a longer-term perspective, prices and rents for residential properties have been more stable in Germany than in any other large developed economy even after taking into account recent value corrections.

TAG's rents are lower than those of its peers, and remain affordable compared with average household incomes. Nevertheless, affordability fluctuates in tandem with the absolute amount of household income, which exposes lower-income households in particular to higher rental cost-to-income ratios. Affordability has clearly declined in the past five years in Germany as a whole, with rental growth exceeding income growth, resulting in social pressure to increase regulation.

TAG's rental growth has recovered to historical levels and was 2.4% in Q1 2024. TAG's capital spending was lower than peers, which contributed to lower rental growth. Still we expect rental growth to improve to levels of around 3%.

Exhibit 8
TAG has one of the lowest like-for-like rental growth rates among German rated residential peers



Source: Moody's Ratings based on companies' reports

Positive momentum fueling earnings contribution of TAG's Polish business

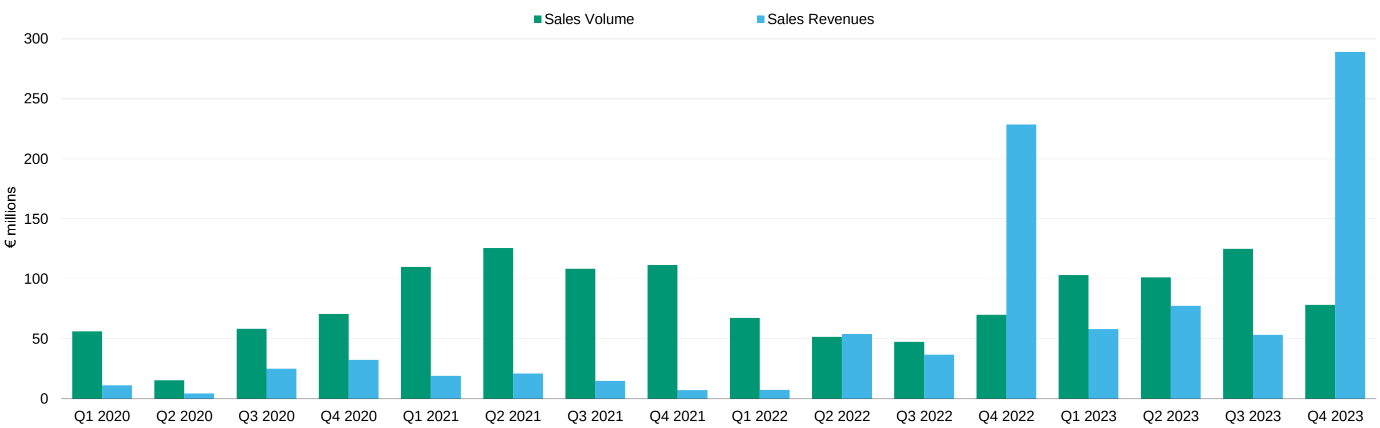
TAG entered the Polish residential property market with the acquisition of Vantage Development S.A., a formerly listed Polish residential real estate developer, in November 2019. At year-end 2021, TAG agreed to purchase ROBYG S.A, the largest Polish residential developer. Over time, TAG intends to reduce the developments earmarked to sell and increase developments for its own balance sheet. TAG's land bank allows for future projects that can produce more than 20,000 units.

Housing market dynamics continue to be strong on the back of favourable fundamentals and socio-demographic trends, supporting high demand, combined with a still-limited number of new constructed apartments coming to the market and lagging supply[1], fuelling sustained price increases. Sales prices in the Polish residential market grew strongly in 2023 by around 10%-15%. According to market research by JLL, in Q1 2024, sales prices already increased on average by low- to mid-single-digit percentages quarter on quarter. From the company's discussions with broader market participants, the expectation of sales prices to grow could be up to 10% in 2025. Over the next 12-18 months, demand will likely be further supported by another government's subsidised loan scheme.

TAG has already started benefiting from its strategic diversification into Poland, in both development and rental markets. In Q1 2024, TAG sold 636 residential units after having sold 3,586 units in 2023 (compared with 2,389 units in 2022). In the rental market business, Poland benefits from the influx of refugees and immigrants, growing number of households and real income growth, which contributes to strong demand for rental units. The growing geographic presence in an unregulated residential market compared with Germany could introduce earnings and valuations volatility. However, this is balanced by the solid economic backdrop of Poland and strong demand for residential-for-rent units because of a structural undersupply.

Exhibit 9

From Q4 2022, sales volumes and commitments have picked up in Poland [1][2]



[1] Constant exchange rate PLN/EUR of 0.22.
[2] TAG's gross sales from Q1 2020 to Q1 2022 only include Vantage; from Q2 2022 onward, gross sales include contributions of both Vantage and ROBYG.
Sources: Company data from TAG and ROBYG

High interest rate environment exerts negative pressure on fixed-charge coverage and leverage credit metrics

TAG demonstrated over the past months its ability to shore up its capital structure after the large acquisition volume in connection with its expansion into the Polish residential market. The company fully repaid the bridge loan used to finance the acquisition of ROBYG S.A. before its due date in January 2024 (€650 million was initially drawn down), repaid €25 million outstanding commercial papers and extended the maturity of its revolving credit facilities while also topping up its committed amounts.

The measures undertaken by the company included a rights issue last year (€202 million gross proceeds), an ongoing disposal programme that has resulted in net cash proceeds of €333 million year to date since 2022, and the cancellation of dividend distributions on earnings generated in 2022 and 2023. Still, the tighter funding conditions and their negative impact on investment activity and valuations in the German residential market put pressure on our rated issuers to reduce leverage and proactively address refinancing needs.

Between October 2022 and December 2023, TAG signed €458 million bank loans to support upcoming refinancing needs. Average interest cost on total debt remained stable at around 2.2%. We expect Moody's-adjusted fixed-charge coverage to remain solid in the range of 3.5x-4.0x in the next 12-18 months on the back of competitive margins for secured debt and strong earnings generation, especially with the handover of units sold in 2023 from 2025 onward. Moody's-adjusted net debt/EBITDA is projected to decrease to around 9.0x by year- end 2024.

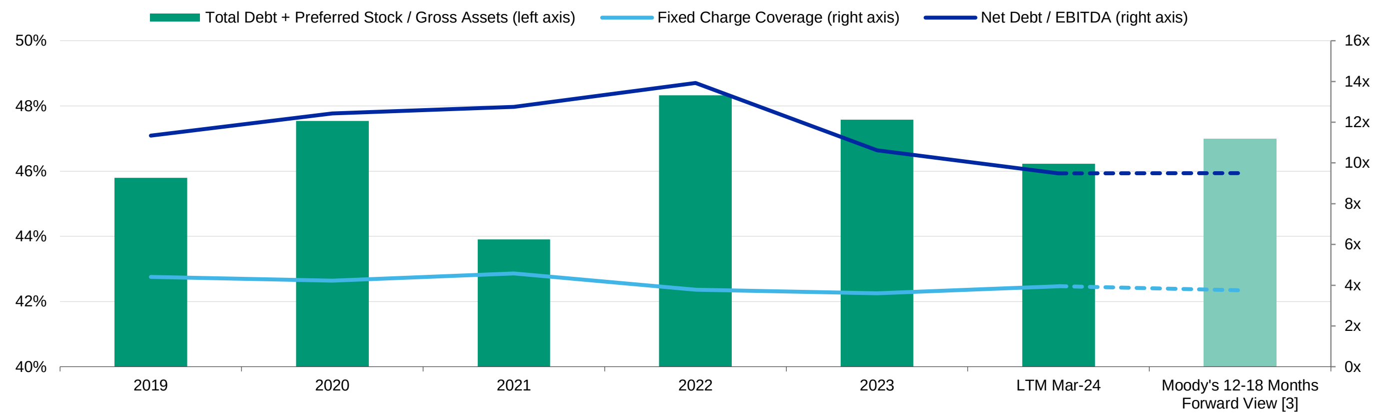
We expect TAG to proactively manage its largest bond maturity of €470 million convertible due in August 2026. Moody's-adjusted debt/gross assets is likely to be in the 46.0%-48.0% range in the next 12-18 months.

Given the negative pressure from higher interest rates on fixed-charge coverage and leverage levels, similar to its peers, we expect TAG to remain focused on proactively managing its refinancing activities and building a liquidity buffer, more so considering tightening unencumbered property in Germany. A solid long-standing relationship with a very granular pool of German banks, together with the expected positive earnings development of its Polish business, should support the company's refinancing activities.

Exhibit 10

We expect credit metrics to remain commensurate with Baa3 rating profile

Moody's-adjusted debt/gross assets, net debt/EBITDA and fixed-charge coverage [1][2]



[1] All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations
[2] Periods are financial year-end unless indicated. TAG's financial year ends on 30 December. LTM = Last 12 months
[3] This represents Moody's forward view, not the view of the issuer. The forward view is on a fully consolidated basis
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

High reliance on secured funding reduces financial flexibility and unencumbered assets pool

TAG maintains one of the lowest unencumbered assets ratio among German residential peers, with a ratio of 28.1% as of 31 March 2024, equivalent to an unencumbered assets pool of €1.9 billion mostly concentrated in Poland. While most of the unencumbered properties are concentrated in Poland, around 41% of Polish unencumbered properties are income-generating build-to-hold properties.

TAG maintains a largely secured funding mix with secured debt, representing 69% of gross debt as of 31 March 2024. Secured bank loans have no financial covenants and represent most of upcoming debt maturities in 2024-25. We expect TAG to roll over and potentially top up upcoming bank loan maturities, which will lead to Moody's-adjusted secured debt/gross assets in the range of 30.0%-33.0% in the next 12-18 months.

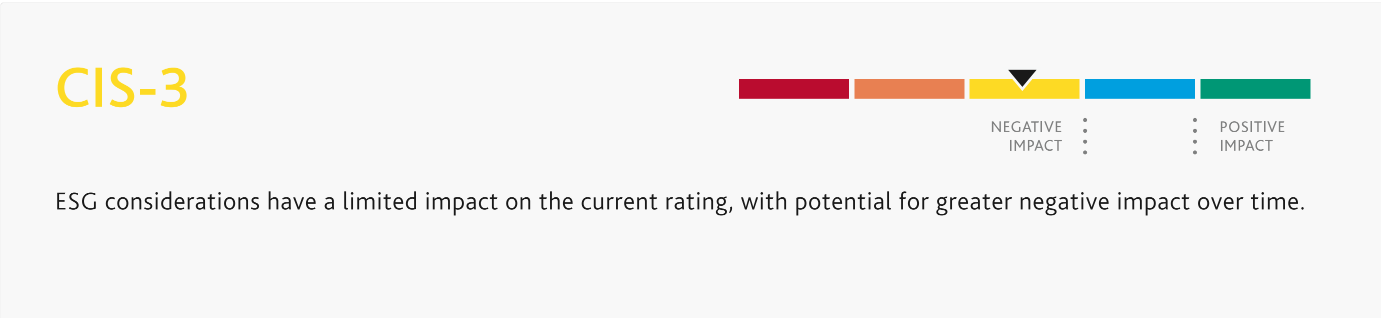
In this context, TAG aims for a gradual rebalancing of its funding sources across secured and unsecured, as conditions in the bond markets have improved.

Lower leverage and an expanded unencumbered asset pool from either a growing portfolio of newly built income-generating properties in Poland or gradual replacement of secured debt on German properties through unsecured borrowings would increase the company's financial flexibility and bolster its investment-grade rating.

ESG considerations

TAG Immobilien AG's ESG credit impact score is CIS-3

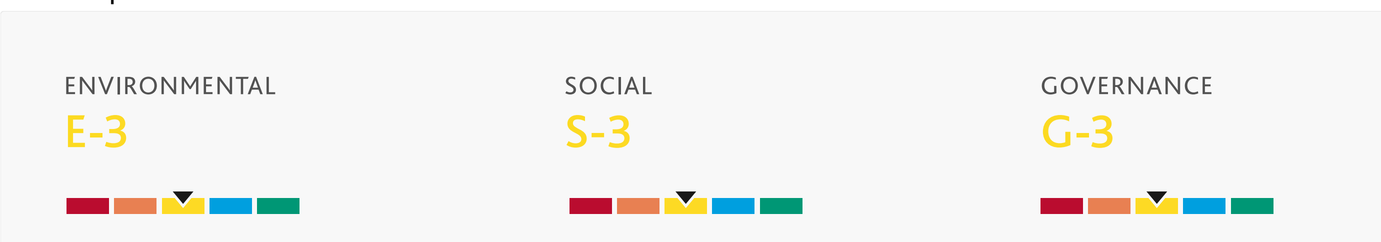
Exhibit 11
ESG credit impact score



Source: Moody's Ratings

The **CIS-3** reflects a reflects a moderate exposure to carbon transition risk through investment requirements as well as regulatory risks due to social considerations. Higher business and financial risks stemming from the company's development activities are balanced by TAG's demonstrated ability to shore up its capital structure and manage liquidity needs.

Exhibit 12
ESG issuer profile scores



Source: Moody's Ratings

Environmental

E-3: TAG, alongside the German residential sector, is moderately exposed to carbon transition risk through increasing investment requirements to improve the energy performance of its buildings from a regulatory, investors and tenant perspective. The company has identified a tangible path to net-zero carbon emissions but will need to increase spending to meet its targets.

Social

S-3: TAG is moderately exposed to social risk arising from affordable living requirements and rental regulation. It affects rental growth potential for companies in the sector and interferes with investment requirements due to environmental regulation. Companies in the sector are also exposed to moderate customer relationship risk through the handling of sensitive private individual data.

Governance

TAG's **G-3** reflects higher business and financial risks stemming from the company's development activities in Poland, which are balanced by TAG's demonstrated ability to refinance and manage liquidity risk, while shoring up its capital structure after the large acquisition volume in connection with its expansion into the Polish residential market.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Solid liquidity supported by TAG's prudent financial policy and capital allocation, and long-standing relationships with a granular pool of German financial institutions

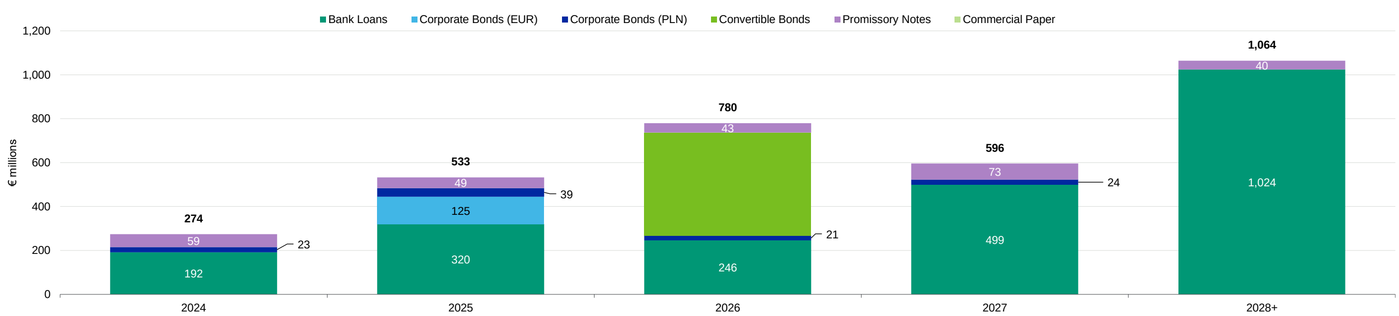
We expect TAG to maintain good liquidity in the next 12-24 months. As of March 2024, the company had access to €185 million available cash and cash equivalents, €245 million undrawn committed revolving credit facilities (RCF) and a pool of €1,973 million unencumbered assets (mostly located in Poland with around 41% income-generating rental properties).

Together with funds from operations of around €260 million, net proceeds from disposals in the German rental and Polish development businesses, and assuming the company can successfully rollover upcoming bank loan maturities as a result of its long-standing relationships with several German banks, TAG can comfortably cover its total capital spending (including some moderate Polish land bank purchases) of up to €400 million (out of which up to €344 million relate to the Polish development business and are financed with customer prepayments), upcoming bond maturities of around €150 million, and some other moderate discretionary cash outflows. In line with the company's announcement, we do not expect any dividend distributions in 2024.

Other than the large bank loan maturities (around €192 million in 2024 and €320 million in 2025), the company has a well-staggered debt maturity profile, with PLN100 million bond (equivalent to €23 million) due in December 2024, a €125 million bond due in June 2025 and a PLN110 million bond (equivalent to €26 million) due in December 2025.

Exhibit 13

Debt maturities as of 31 March 2024



Source: Company

Methodology and scorecard

The principal methodology used for TAG's rating is REITs and Other Commercial Real Estate Firms with data as of 31 March 2024.

The scorecard-indicated outcome for the 12 months that ended 31 March 2024 and our 12-18-month forward view are one notch below the assigned rating. TAG's strong operating performance, prudent financial policy and commitment to further reduce leverage and increase unencumbered asset base are weighing positively on the assigned rating.

Exhibit 14

Rating factors

TAG Immobilien AG

REITs and Other Commercial Real Estate Firms Industry Scorecard [1][2]	Current LTM Mar-24		Moody's 12-18 Month Forward View as of May 2024 [3]	
Factor 1 : Scale (5%)	**Measure**	**Score**	**Measure**	**Score**
a) Gross Assets ($ billions)	$7.6	Baa	$8.0 - $8.5	Baa
Factor 2 : Business Profile (25%)				
a) Market Positioning and Asset Quality	Baa	Baa	Baa	Baa
b) Operating Environment	A	A	A	A
Factor 3 : Liquidity and Access To Capital (25%)				
a) Liquidity and Access to Capital	Baa	Baa	Baa	Baa
b) Unencumbered Assets / Gross Assets	28.1%	B	25.0% - 27.0%	B
Factor 4 : Leverage and Coverage (45%)				
a) Total Debt + Preferred Stock / Gross Assets	46.2%	Baa	46.0% - 48.0%	Baa
b) Net Debt / EBITDA	9.5x	B	9.0x - 10.0x	B
c) Secured Debt / Gross Assets	31.7%	B	30.0% - 33.0%	B
d) Fixed Charge Coverage	4.0x	Baa	3.5x - 4.0x	Baa
Rating:				
a) Scorecard-Indicated Outcome		Ba1		Ba1
b) Actual Rating Assigned				Baa3

[1] All figures and ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations.
[2] As of 31 March 2024.
[3] This represents Moody's forward view, not the view of the issuer and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 15

Category	Moody's Rating
TAG IMMOBILIEN AG	
Outlook	Stable
Issuer Rating -Dom Curr	Baa3
Commercial Paper -Dom Curr	P-3
ST Issuer Rating -Dom Curr	P-3

Source: Moody's Ratings

Appendix

Exhibit 16

Peer comparison [1][2]

TAG Immobilien AG

	TAG Immobilien AG			LEG Immobilien SE			Kojamo plc			Grand City Properties S.A.		
	Baa3 Stable			Baa2 Stable			Baa2 Negative			Baa1 Negative		
	FY Dec-22	FY Dec-23	LTM Mar-24	FY Dec-22	FY Dec-23	LTM Mar-24	FY Dec-22	FY Dec-23	LTM Mar-24	FY Dec-22	FY Dec-23	LTM Mar-24
Gross Assets (in USD Billion)	8,473	7,740	7,581	22,797	21,324	20,987	9,048	9,007	8,937	11,880	12,061	11,912
Unencumbered Assets / Gross Assets	28.2%	28.2%	28.1%	39.6%	43.9%	43.6%	80.4%	67.3%	66.3%	89.2%	79.9%	79.9%
Total Debt + Preferred Stock / Gross Assets	48.3%	47.6%	46.2%	44.8%	49.1%	48.8%	43.4%	44.2%	44.4%	41.4%	47.2%	45.7%
Net Debt / EBITDA	13.9x	10.6x	9.5x	16.6x	15.9x	16.1x	14.5x	12.8x	12.7x	14.0x	12.7x	12.4x
Secured Debt / Gross Assets	28.1%	32.0%	31.7%	16.1%	18.9%	18.8%	14.6%	18.3%	17.2%	2.9%	8.0%	8.0%
Fixed Charge Coverage	3.8x	3.6x	5.0x	3.9x	3.5x	2.9x	3.6x	2.8x	2.1x	5.2x	4.3x	3.7x

[1] All figures and ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations.
[2] Periods are financial year-end unless indicated. TAG's financial year ends on 30 December. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Exhibit 17

Moody's-adjusted debt reconciliation [1][2]

TAG Immobilien AG

(in € millions)	2019	2020	2021	2022	2023	LTM Mar-24
As Reported Debt	**2,577**	**3,057**	**3,094**	**3,823**	**3,323**	**3,234**
Pensions	6	6	5	4	4	4
Hybrid Securities	0	16	12	9	7	7
Non-Standard Adjustments	3	0	0	0	0	0
Moody's-Adjusted Debt	**2,586**	**3,079**	**3,111**	**3,837**	**3,334**	**3,245**
Cash & Cash Equivalents	(89)	(320)	(94)	(239)	(127)	(185)
Moody's-Adjusted Net Debt	**2,497**	**2,759**	**3,017**	**3,598**	**3,206**	**3,060**

[1] All figures and ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations.
[2] Periods are financial year-end unless indicated. TAG's financial year ends on 30 December. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Exhibit 18

Moody's-adjusted EBITDA reconciliation [1][2]

TAG Immobilien AG

(in € millions)	2019	2020	2021	2022	2023	LTM Mar-24
As reported EBITDA	**634**	**591**	**777**	**209**	**(419)**	**(397)**
Unusual Items - Income Statement	(413)	(369)	(540)	50	721	719
Moody's-adjusted EBITDA	**220**	**222**	**237**	**258**	**302**	**322**

[1] All figures and ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations.
[2] Periods are financial year-end unless indicated. TAG's financial year ends on 30 December. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Endnotes

1 According to market estimates, Poland still needs around 1.5 million homes, which should support continuous growth in demand and prices in the long term.

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