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CREDIT OPINION
17 January 2022

Update

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RATINGS

**TAG Immobilien AG**

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

*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

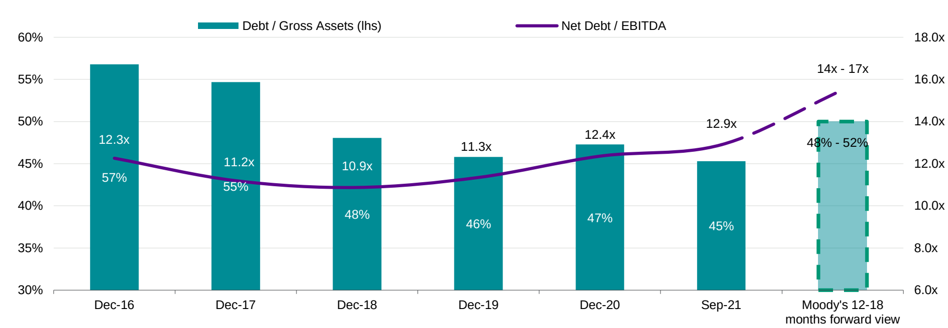
## Update following change of outlook

## Summary


TAG Immobilien AG's (TAG) Baa3 long-term issuer rating reflects the company's focus on regulated affordable housing in Germany (Aaa stable) that generate stable rental income. We continue to assess the sector as one of the most stable property businesses in Europe. TAG benefits from a broad income diversification in a portfolio of above 87,000 units, across a number of regions in Germany. TAG's debt/gross assets ratio and fixed-charge coverage ratio show moderate leverage albeit set to weaken to 48%-52% and 4.5x-5x respectively, while the historically stable net debt/EBITDA will increase towards the mid teens. TAG maintains its long-dated debt maturity profile with an average of 6.5 years as of Q3 2021, and we expect the company to increase its funding diversity by greater use of debt and equity capital markets.

These positives are countered by an elevated exposure to development activities after the acquisition of ROBYG. Over time this exposure will moderate, creating a meaningful rental business in Poland, an unregulated and more volatile residential market compared to Germany. TAG lacks a substantial unencumbered assets base given TAG's focus on secured debt. We are also mindful of a higher sensitivity of the German residential sector to social and political considerations, which may lead to tightening regulations or higher energy investment requirements.


Exhibit 1
**We expect TAG's leverage to weaken improve following ROBYG's acquisition**
**Moody's-adjusted leverage metrics**




*Source: Moody's Financial Metrics™ and Moody's Investors Service estimates*

## Credit strengths

- Dominant share of business in the stable and regulated rental housing activities in Germany, generating stable cash flow from a portfolio diversified across several German regions, with limited correlation to GDP
- Continued investment appetite for German residential properties
- Moderate debt/gross assets and good fixed-charge coverage
- Long-dated debt funding structure and access to inexpensive German long-term bank debt

## Credit challenges

- Elevated exposure to development risk for the next 2-3 years
- Weakening financial metrics post acquisition of ROBYG, expected to improve
- A large share of the company's assets in the weaker economic regions of Germany
- Moderating rental growth
- Lack of a substantial unencumbered assets base given TAG's focus on secured debt
- Sensitivity of the residential sector to social and political considerations, which can lead to tightening rental regulation or increased energy investment requirements

## Rating outlook

The negative outlook reflects that TAG's credit metrics will weaken immediately following the transaction, with debt to asset hovering around 50% and net debt/EBITDA towards the mid-teens range over the next 12 to 24 months due also to higher capital needs resulting from growing share of development activities. It also incorporates typical execution risks associated to a large development pipeline, partially exposed to selling risk.

The weaker rating positioning is balanced by management's commitment to TAG's IG rating, evidenced by a sustained improvement of credit metrics over the last few years backed by a tightened financial policy. Also, we expect that from 2024 onwards development exposure at TAG is gradually reduced to levels that do not exceed 10% of total assets.

## Factors that could lead to an upgrade

A rating upgrade is unlikely at this point, given the current negative outlook and substantial development risk after closing the ROBYG transaction, but could occur if:

- Gross debt/total assets decreases towards levels well below 45%, supported by the company's financial policy, and if net debt/EBITDA materially declines aided by a growing earnings contribution from a stabilized residential rental business
- A reduction in the company's development to hold and to sell volume towards levels below 10% of total assets
- Fixed-charge coverage is maintained above 3.0x
- Increased unencumbered asset ratio and coverage of unsecured debt from unsecured assets in Germany

## Factors that could lead to a downgrade

» Substantial slowdown in sales volumes or reduction of margins in the Polish development to sell business

» Failure to reduce gross debt/total assets towards levels well below 50% or net debt to EBITDA sustained above the mid-teens range by year-end 2023

» Failure to issue substantial equity over time to fund ROBYG acquisition and ongoing capital spending

» Fixed charge cover falls below 2.5x

» Development exposure sustained above 10% after transitioning to the build to hold model in Poland

## Key indicators

Exhibit 2
**TAG Immobilien AG**

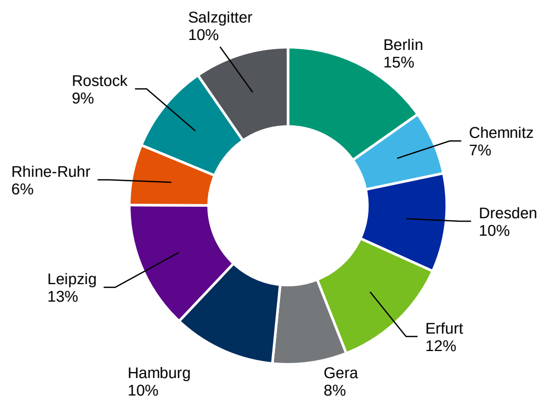
| USD Millions | FY Dec-16 | FY Dec-17 | FY Dec-18 | FY Dec-19 | FY Dec-20 | LTM Sep-21 | Moody's 12-18 month forward view |
|---|---|---|---|---|---|---|---|
| Real Estate Gross Assets | 4,028.4 | 4,645.5 | 5,045.4 | 5,647.0 | 6,478.0 | 6,827.6 | $8,000 - $9,000 |
| Amount of Unencumbered Assets | 6.3% | 15.7% | 14.0% | 12.3% | 15.4% | 15.2% | 15% - 25% |
| Debt / Real Estate Gross Assets | 56.8% | 54.7% | 48.1% | 45.8% | 47.3% | 45.3% | 48% - 52% |
| Net Debt / EBITDA | 12.3x | 11.2x | 10.9x | 11.3x | 12.4x | 12.9x | 14x - 17x |
| Secured Debt / Real Estate Gross Assets | 45.3% | 41.7% | 36.8% | 33.7% | 30.5% | 30.1% | 25% - 30% |
| EBITDA / Fixed Charges | 2.2x | 2.8x | 3.7x | 4.4x | 4.3x | 4.9x | 4.5x - 5.0x |

All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's 12-18-month forward view is Moody's opinion and does not represent the views of theissuer. Periods are financial year-end unless indicated. LTM = Last 12 months.
*Source: Moody's Financial Metrics™ and Moody's Investors Service estimate*

## Profile

TAG Immobilien AG (TAG) owns and manages a large and diversified multifamily residential rental portfolio of about 87,600 units, 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. expected to close in 2022. As of 30 September 2021, TAG's total assets amounted to around €6.8 billion. Headquartered in Hamburg, TAG is listed in the MDAX at the Frankfurt Stock Exchange, with a market capitalisation of €3.5 billion as of 13 January 2021, which is at around its reported EPRA net tangible assets.

Exhibit 3
**TAG's portfolio is mostly located in Eastern and Northern Germany**
**Property fair value split by geography**




As of September 2021.
*Source: Company*

## Detailed credit considerations

### Supportive operating environment through a focus on stable and regulated market

The German residential sector is one of the most stable asset classes in the European real estate industry, with high demand and limited supply supporting rents and values. While the potential for tighter regulations is a threat to property values and cash flow growth, it will also probably intensify the supply and demand imbalance.

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 to 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 increases. Since 1970, German house prices have increased broadly in line with inflation, but have never declined more than 3% in any given year.

Average rents remain affordable despite recent rent and value increases. 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 political and regulatory activity aiming to reduce rental growth.

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

TAG has a very diversified portfolio of around 87,600 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 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 to some extent from the urbanisation trend in Germany. The company is not located in city-center locations that will suffer from weakening demand given structural changes in the working-from-home environment.

Exhibit 4

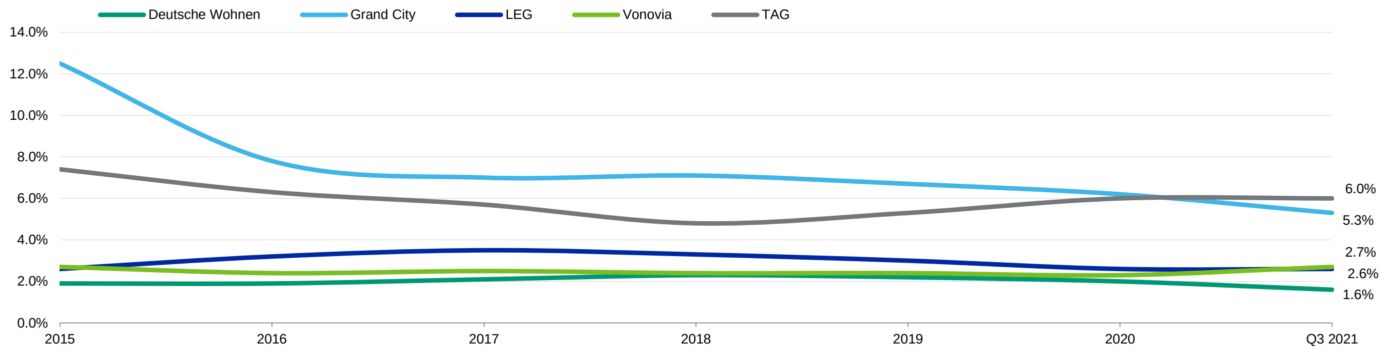
**TAG's portfolio as of 30 September 2021**

| Region | Fair Value in EURm | FV in % total | Units | Renatable area (sqm) | Fair value per sqm (EUR) | Gross yield | Vacancy Sep-2021 | Actual net cold rent (EUR/sqm) | Reletting rent (EUR sqm) | Maintenance (EUR sqm) | Capex (EUR sqm) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Berlin | 920.3 | 15.0% | 10,418.0 | 603,726 | 1,524.4 | 4.5% | 3.9% | 6.0 | 6.4 | 4.9 | 7.3 |
| Chemnitz | 393.5 | 6.4% | 7,873 | 461,165 | 853.3 | 6.5% | 8.6% | 5.0 | 5.1 | 5.7 | 10.0 |
| Dresden | 607.7 | 9.9% | 6,129 | 396,421 | 1,533.0 | 4.6% | 2.1% | 6.0 | 6.2 | 3.2 | 6.9 |
| Erfurt | 742 | 12.1% | 10,559 | 595,157 | 1,246.7 | 5.1% | 1.7% | 5.4 | 5.7 | 4.8 | 7.9 |
| Gera | 456.8 | 7.4% | 9,458 | 548,894 | 832.2 | 6.9% | 7.1% | 5.1 | 5.4 | 3.5 | 6.2 |
| Hamburg | 632.7 | 10.3% | 6,956 | 428,154 | 1,477.7 | 4.6% | 4.3% | 6.0 | 6.5 | 7.3 | 10.2 |
| Leipzig | 788.9 | 12.8% | 13,149 | 765,989 | 1,029.9 | 5.6% | 9.7% | 5.3 | 5.6 | 6.0 | 12.8 |
| Rhine-Ruhr | 373.5 | 6.1% | 4,182 | 265,981 | 1,404.2 | 4.7% | 2.2% | 5.6 | 5.9 | 9.6 | 5.1 |
| Rostock | 553.6 | 9.0% | 8,315 | 465,997 | 1,188.0 | 5.3% | 7.2% | 5.6 | 6.0 | 7.6 | 18.7 |
| Salzgitter | 580.8 | 9.5% | 9,179 | 563,065 | 1,031.5 | 5.9% | 6.6% | 5.5 | 5.7 | 5.2 | 7.0 |
| **Total residential** | **6,049.8** | **98.4%** | **86,218** | **5,094,549** | **1,187.5** | **5.3%** | **5.7%** | **5.5** | **5.8** | **5.6** | **9.4** |
| Acquisitions | 4.6 | 0.1% | 162 | 9,796 | 469.6 | 8.2% | 23.2% | 4.1 | | | |
| Others | 91.4 | 1.5% | 152 | 19,850 | 4,604.5 | 4.5% | 6.1% | 12.5 | | | |
| Commercial units | | | 1,115 | 143,193 | | | 15.8% | 8.4 | | | |
| **Total** | **6,145.7** | | **87,647** | **5,267,388** | **1,166.7** | **5.5%** | **6.0%** | **5.6** | | | |

*Source: Company*

About 70% of TAG's properties are located across six federal states in Eastern Germany (Berlin, Brandenburg, Mecklenburg-Vorpommern, Sachsen, Sachsen-Anhalt and Thüringen), which are economically weaker regions in terms of purchasing power. Nevertheless, there are a number of positive macroeconomic trends in TAG's target markets. The GDP growth in many larger and medium-sized Eastern German cities has been in line with or even above the national average, and unemployment rates have improved in recent years, increasing rent affordability. 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 has recently increased slightly to 6.0% but has been broadly stable since 2017 despite purchasing higher vacancy portfolios.

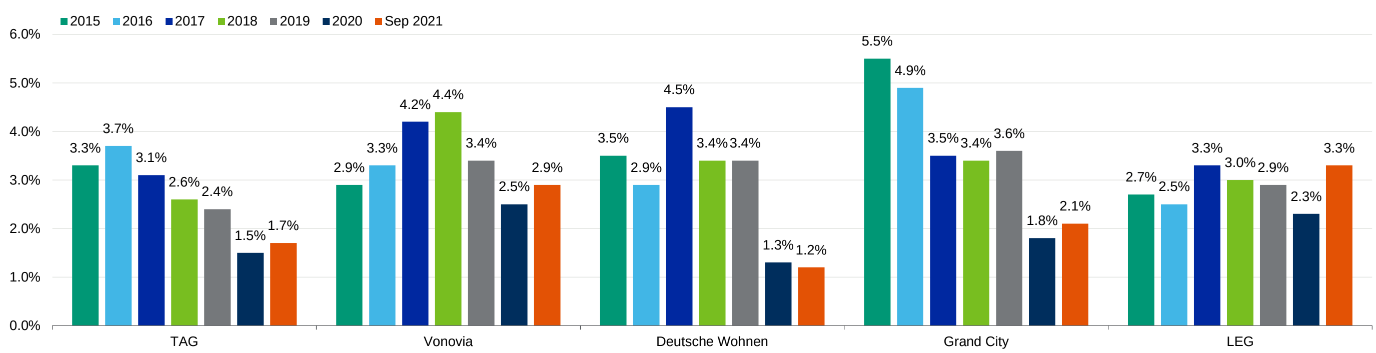
Exhibit 5
**Development vacancy rates**
**TAG compared with its peers**




*Source: Company reports*

TAG's rental growth has been steady in recent years without substantial capital spending. In the first nine months of 2021, rental growth slightly increased to 1.7% from 1.5% as of December 2020, the lowest amount for years. Reducing rental growth is a trend affecting the entire industry. TAG's rents are lower than those of its peers, but remain affordable compared with average household incomes. We expect sustained rental income growth in Germany of 1.5-2% during the next two years, driven by targeted investments, rent increases for standing tenants and moderate occupancy gains.

Exhibit 6
**Like-for-like rental growth**
**TAG and its peers**




*Source: Company reports*

### Poland will grow to a second relevant part of the portfolio over time brining initially elevated development exposure

TAG has entered the Polish residential property market via the acquisition of Vantage Development S.A., a formerly listed Polish residential real estate developer, in November 2019. End of 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, a process already well advanced with the development pipeline of Vantage. Nevertheless the development exposure will be elevated for the next 2-3 years.

A higher exposure to development activities elevates execution risks and lowers the stability of the company's earnings, being partially exposed to selling risk and until the stabilization of the rental income stream coming from its development to hold business in that country, expected from 2024 onwards.

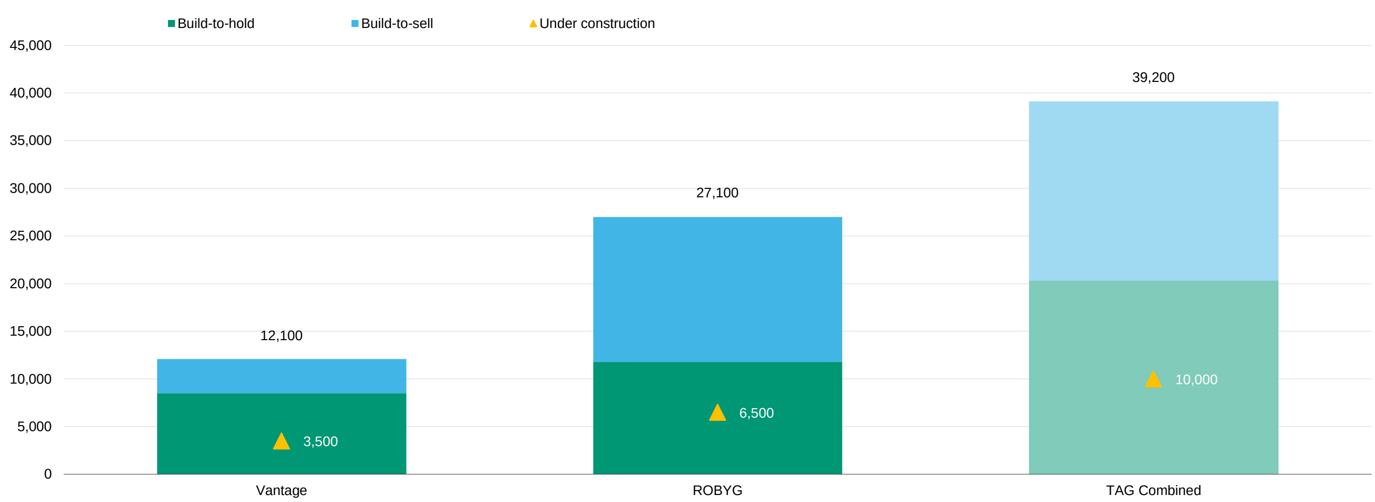
The combined (Vantage and ROBYG) development portfolio is around 39,000 units (including around 4,000 units presold) and is expected to be completed by the end of 2028. We understand the entire current pipeline under construction (either to sell or to hold) would be around 10,000 units from both TAG's existing developments within Vantage and ROBYG combined. Total cost for development of units under construction from start to finish including its land value will exceed 10% of gross assets for the next 2-3 years. While developments will move from more build to sell towards build to hold over time, the development pipeline will remain elevated. The current construction activity compares to around 87,600 units TAG manages in Germany as of Q3 2021.

As a mid-term target, TAG will increase its exposure to the Polish residential rental market towards 20% of its gross asset value. TAG will serve a different client base and segment in Poland compared with its German operations, with younger renters in smaller flats at higher rents for newly constructed flats in larger cities.

The growing geographic presence in a less liquid real estate market and unregulated residential market compared to Germany will introduce earnings and valuations volatility. As such it may weaken the strong operating environment score (Aa) we currently assign to TAG. We nevertheless recognise the solid economic backdrop of Poland and good demand for residential for rent units due to a structural undersupply. Also, the demand for owner-occupied residential units remains strong due to an accommodative funding environment and low levels of household debt. Furthermore, a meaningful longer term Polish rental business will add geographical diversification to TAG's German operations, through higher quality new built residential units in a jurisdiction that benefits from favourable long-term fundamentals for residential real estate activities.

Exhibit 7

**TAG materially increases residential development pipeline in Poland to around 40,000 units, 10,000 of which already under construction**
**Number of units**




4,000 units under construction in build-to-sell pipeline of ROBYG are pre-sold
*Source: Company information*

### Key financial ratios improved over the last years but will weaken in the context of the ROBYG takeover

TAG's financial metrics will weaken pro-forma for the ROBYG transaction before recovering over the next 12 to 18 months. The initial funding for the transaction will stem from a bridge facility that will be available for a period of 18 months. The bridge facility will be taken out by planned debt and equity transactions over the course of 2022.

Even assuming a substantial share of equity to ultimately fund the transaction plus further contributions for future developments, TAG's credit metrics will be affected by the transaction. For one, TAG's debt/gross assets ratio will increased due to increased debt for funding the acquisition and part of the ongoing capital spending. This will be partially offset by increased asset values and the capitalisation of the amounts spent.

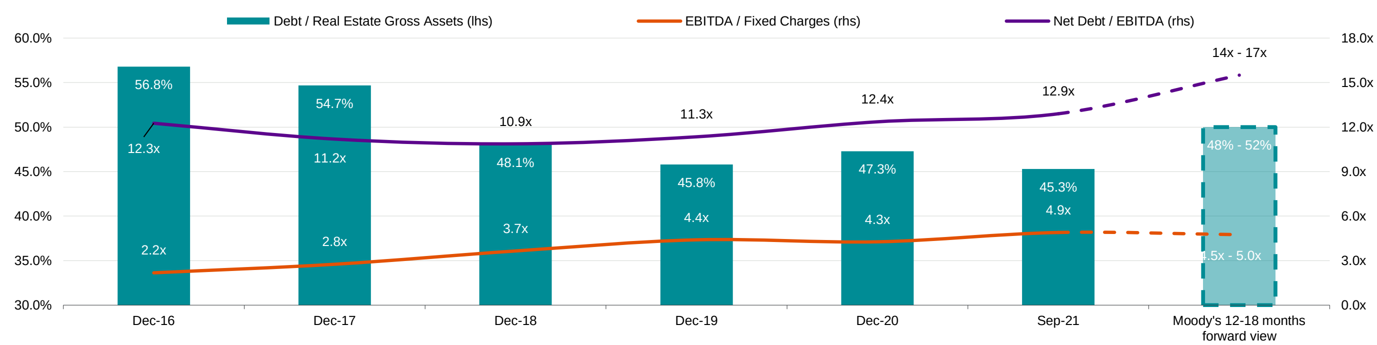
Moreover, earnings-based metrics will change. We expect net debt/EBITDA in the next 2 years to increase to the mid teens as a combination of increased debt and our stressed assumptions on privatisation EBITDA, which we consider weaker quality EBITDA. We note that rental contribution will be available after longer development period for the build to hold business, hence benefit will only arise over time. We also assume moderate continued EBITDA growth in the German segment.

We acknowledge that TAG was strongly positioned in the Baa3 rating ahead of the announced transaction and reflected in the previously positive outlook. We also take additional comfort from TAG's commitment to its investment-grade rating and thus expect a reduction in financial leverage over the next 12 to 24 months. Apart from further capital increases, the balance sheet can benefit from the company's execution of the sale of residential units in Poland as well as other potential capital recycling measures including non-core disposals. We expect TAG's debt/gross assets ratio around 48%-52%, fixed charge coverage at 4.5x-5x respectively, while the historically stable net debt/EBITDA will increase towards the mid teens.

TAG maintains its long-dated debt maturity profile with an average of 6.5 years as of Q3 2021, and we expect the company to increase its funding diversity by greater use of debt and equity capital markets.

Exhibit 8

**Leverage and coverage to weaken following ROBYG acquisition**




*Source: Moody's Financial Metrics™ and Moody's Investors Service estimate*

The company pays a relatively high dividend of 75% of funds from operations (FFO) compared with that of its peers. However, the company can cover parts of its capital spending programme with free cash flow because of its higher portfolio yield.

### High reliance on secured funding, resulting in a low ratio of unencumbered assets and a high secured debt ratio

TAG's unencumbered asset ratio of 15.2% is the lowest in the European real estate peer group, stemming from its bank debt-funded financing model. The bank debt provides a very long average debt maturity and low cost of funding, but reduces flexibility and subordinates unsecured creditors, and also increases the secured debt ratio. We see some potential for an increased unencumbered asset ratio, depending on the funding structure of the Polish developments.

TAG's access to equity capital is supported by its granular shareholder base with cornerstone investors. As of 30 September 2021, the company's largest shareholders were MFS Investment Management with a 9.9% share, Blackrock with 8.1% and the Capital Group with a 7.7% share.

## ESG considerations

We take into account the impact of environmental, social and governance (ESG) factors when assessing companies' credit quality. The risk factors impacting TAG most are **rental regulation** that considers the social needs of the tenants, and the conflict with potential increases of **environmental regulation** and investment requirements driven by the goal to decarbonise the economy.

There is continued social pressure for German policymakers to address housing supply and affordability. The new government has not yet published updated rules, but indications are that national regulation will tighten, curbing rental growth to a moderate extent. Historically, regulations have helped to keep rental growth as well as supply low, and hence provided stability to the residential market as an asset class. Overboarding regulation can impair landlords' ability to at least moderately grow income and makes the asset class a less-attractive investment, with a respective effect on property values. TAG is particularly active in the affordable housing sector. On a relative basis, with more moderate growth as part of its business strategy and valuation assumptions, TAG would be less exposed to tightening of rental regulation than some of its peers.

We expect environmental regulation to also focus on the energy usage of the housing stock both on a national and on the EU level. One example that has been widely expected are CO2 taxes to be shared between landlords and tenants, but other obligations based on energy performance may follow given recent EU directives. We expect this to result in increasing investment requirements that may not yield highly in terms of rental growth. Some of TAG's peers have already started larger investment programmes that partially aim to address the energy efficiency of the portfolio.

**Governance**: TAG will pierce its 45% LTV target with the announced acquisition of ROBYG, but TAG has a history to abide to its leverage rules. Hence we expect the company to be in line with its policy over the next 12 to 24 months.

## Liquidity analysis

### Long-dated debt maturities result in low refinancing requirements, while development activities require increased funding

TAG will maintain a solid liquidity. We expect the company to have around €450 million in available liquidity over the next 12 to 18 months, including €145 million available under committed credit lines. Available liquidity together with Moody's funds from operations of between €135 million and €150 million will adequately cover all operating and financing cash needs of TAG over the next 12 to 18 months.

The company's solid liquidity rounded up by a long-dated debt funding structure (6.5 years average debt maturity) and access to inexpensive German long-term bank debt. Our liquidity assessment also considers the company's well-established relationships with banking partners as well as an overtime growing unencumbered asset base.

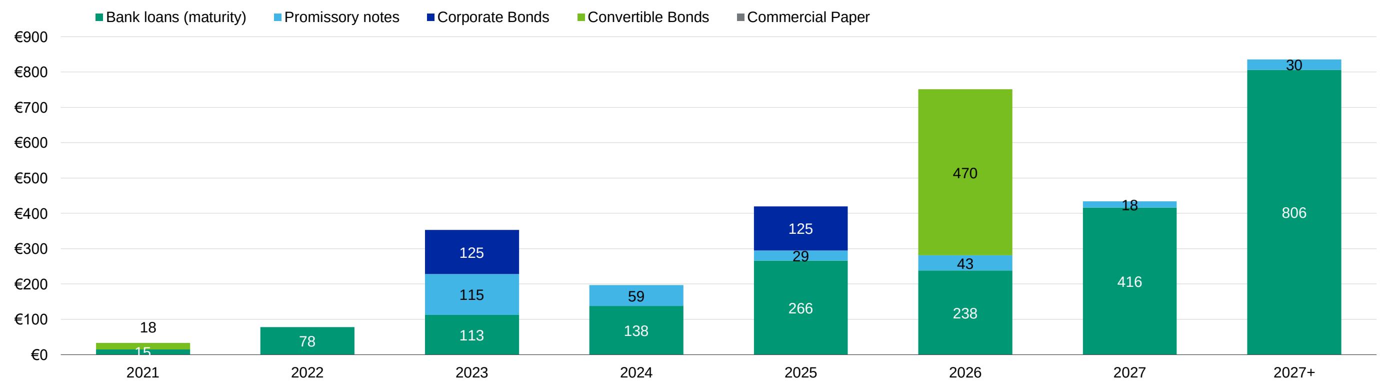
We expect capital spending to substantially increase over the next 2 years. For 2022 we expect a high contribution from asset sales in Poland, but an increasing development pipeline “to hold” will increase net financing requirements. We therefore expect capital market transaction in 2022 (to refinance the bridge) and 2023.

For supporting the signed ROBYG acquisition TAG has put in place a €750 million bridge facility that exceeds the cash purchase price and offers additionally liquidity buffer for potential debt repayments or working capital needs on the ROBYG side. We understand the bridge has a term that allows the company to extent up to 18 months following the transaction.

TAG has also a €500 million commercial paper programme, to which we have assigned a P-3 rating. Notes issued under this programme rank pari passu with all other unsecured and unsubordinated obligations of the company.

Exhibit 9

**Debt maturities as of 30 September 2021**




Excluding ROBYG debt and bridge facility that we understand will mature in 18 months
*Source: Company*

The company's weighted-average interest rate is 1.4%. This is broadly in line with the range of 1.3%-1.8% for other residential peers we rate.

## Structural considerations

Most group assets and debt are held by subsidiaries of the holding company, TAG, which is a holding company, and the issuer of two unsecured bonds of €125 million each, the convertible bonds and the promissory notes. In most cases, each mortgage loan is only guaranteed by the property held by the relevant subsidiary.

## Rating methodology and scorecard factors

The principal methodology used in these ratings was REITs and Other Commercial Real Estate Firms published in July 2021. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

TAG's assigned rating of Baa3 is above the scorecard-indicated outcome under both our current view and forward view. This reflects our stable view of the German residential sector from a demand and supply perspective. It also reflects the German banking markets' provision of very long-term debt funding to residential companies, which lowers the scorecard-indicated outcome because of weak unencumbered assets and secured debt ratios.

Exhibit 10

**Rating factors**

TAG Immobilien AG

| REITs and Other Commercial Real Estate Firms Industry Scorecard [1][2] | Current LTM 9/30/2021 | | Moody's 12-18 Month Forward View As of 1/13/2022 [3] | |
|---|---|---|---|---|
| **Factor 1 : Scale (5%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Gross Assets (USD Billion) | $7.9 | Baa | $10 - $11 | A |
| **Factor 2 : Business Profile (25%)** | | | | |
| a) Market Positioning and Asset Quality | Ba | Ba | Ba | Ba |
| b) Operating Environment | Aa | Aa | Aa | Aa |
| **Factor 3 : Liquidity and Access To Capital (25%)** | | | | |
| a) Liquidity and Access to Capital | Ba | Ba | Baa | Baa |
| b) Unencumbered Assets / Gross Assets | 15.2% | Caa | 15% - 25% | B |
| **Factor 4 : Leverage and Coverage (45%)** | | | | |
| a) Total Debt + Preferred Stock / Gross Assets | 45.3% | Baa | 48% - 52% | Baa |
| b) Net Debt / EBITDA | 12.9x | Caa | 14x - 17x | Ca |
| c) Secured Debt / Gross Assets | 30.1% | B | 25% - 30% | Ba |
| d) Fixed Charge Coverage | 4.9x | A | 4.5x - 5x | A |
| **Rating:** | | | | |
| a) Scorecard-Indicated Outcome | | Ba2 | | Ba1 |
| b) Actual Rating Assigned | | | | Baa3 |

[1] All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 30 September 2021 (L).
[3] This represents a Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
*Source: Moody's Financial Metrics™*

## Ratings

Exhibit 11

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

*Source: Moody's Investors Service*

# Appendix

Exhibit 12

## Moody's-Adjusted Debt Reconciliation for TAG Immobilien AG[1][2]

| in EUR thousands | FYE Dec-2016 | FYE Dec-2017 | FYE Dec-2018 | FYE Dec-2019 | FYE Dec-2020 | LTM Sep-2021 |
|---|---|---|---|---|---|---|
| **As Reported Debt** | **2,270,167.0** | **2,513,832.0** | **2,398,833.0** | **2,577,088.0** | **3,057,451.0** | **3,086,281.0** |
| Non-Standard Public Adjustments | 0.0 | 9,179.0 | 8,955.0 | 3,125.0 | 0.0 | 0.0 |
| Pensions | 6,132.0 | 5,942.0 | 5,505.0 | 5,799.0 | 5,783.0 | 5,783.0 |
| Leases | 11,600.0 | 10,992.0 | 12,060.0 | 0.0 | 0.0 | 0.0 |
| **Moody's-Adjusted Debt** | **2,287,899.0** | **2,539,945.0** | **2,425,353.0** | **2,586,012.0** | **3,063,234.0** | **3,092,064.0** |

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
*Source: Moody's Financial Metrics TM*

Exhibit 13

## Moody's-Adjusted EBITDA Reconciliation for TAG Immobilien AG[1][2]

| in EUR thousands | FYE Dec-2016 | FYE Dec-2017 | FYE Dec-2018 | FYE Dec-2019 | FYE Dec-2020 | LTM Sep-2021 |
|---|---|---|---|---|---|---|
| **As Reported EBITDA** | **342,328.0** | **488,450.0** | **645,477.0** | **633,574.0** | **590,583.0** | **739,471.0** |
| Non-Standard Public Adjustments | 11.0 | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unusual Items - Income Stmt | -164,087.0 | -286,547.0 | -433,606.0 | -413,486.0 | -368,605.0 | -516,124.0 |
| Leases | 2,900.0 | 2,748.0 | 3,015.0 | 0.0 | 0.0 | 0.0 |
| **Moody's-Adjusted EBITDA** | **181,152.0** | **204,658.0** | **214,886.0** | **220,088.0** | **221,978.0** | **223,347.0** |

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
*Source: Moody's Financial Metrics TM*

Exhibit 14

## Peer comparison

### TAG Immobilien AG

| | TAG Immobilien AG Baa3 Negative | | | Vonovia SE A3 Stable | | | Deutsche Wohnen SE A3 Stable | | | Grand City Properties S.A. Baa1 Stable | | | Kojamo plc Baa2 Stable | | | Peach Property Group AG Ba2 Stable | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in USD million) | FYE Dec-19 | FYE Dec-20 | LTM Sep-21 | FYE Dec-19 | FYE Dec-20 | LTM Sep-21 | FYE Dec-19 | FYE Dec-20 | LTM Sep-21 | FYE Dec-19 | FYE Dec-20 | LTM Sep-21 | FYE Dec-19 | FYE Dec-20 | LTM Sep-21 | FYE Dec-19 | FYE Dec-20 | LTM Jun-21 |
| Real Estate Gross Assets | 6,339 | 7,926 | 7,913 | 61,831 | 74,541 | 118,117 | 31,257 | 37,672 | 38,460 | 11,058 | 13,295 | 13,081 | 7,396 | 8,880 | 9,349 | 1,246 | 2,516 | 3,044 |
| Amount of Unencumbered Assets | 12.3% | 15.4% | 15.2% | 51.3% | 54.2% | N/A | 29.8% | 31.1% | 32.2% | 82.7% | 86.2% | 90.6% | 59.8% | 70.8% | 75.0% | 37.8% | 47.7% | 40.6% |
| Debt / Real Estate Gross Assets | 45.8% | 47.3% | 45.3% | 45.3% | 42.1% | 56.2% | 37.2% | 38.2% | 35.7% | 44.0% | 45.3% | 45.7% | 40.6% | 42.1% | 41.5% | 68.2% | 64.2% | 65.3% |
| Net Debt / EBITDA | 11.3x | 12.4x | 12.9x | 14.8x | 13.9x | 30.7x | 13.8x | 16.7x | 17.6x | 11.6x | 11.6x | 13.7x | 11.5x | 12.4x | 13.0x | 46.9x | 59.2x | 51.8x |
| Secured Debt / Real Estate Gross Assets | 33.7% | 30.5% | 30.1% | 14.7% | 12.0% | 13.9% | 22.7% | 21.2% | 18.8% | 5.4% | 4.0% | 3.2% | 19.3% | 17.2% | 14.8% | 31.2% | 21.0% | 30.7% |
| EBITDA / Fixed Charges (YTD) | 4.4x | 4.3x | 4.5x | 3.8x | 3.7x | 3.4x | 5.1x | 4.5x | 3.7x | 4.8x | 4.4x | 5.1x | 4.1x | 3.9x | 3.7x | 1.3x | 0.9x | 1.2x |

*Source: Moody's Financial Metrics™*

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