



TAG

Immobilien AG

Conference call presentation

FY 2020

Content

I.	TAG highlights FY 2020	3
II.	TAG financials Q4 2020	6
III.	TAG German portfolio Q4 2020	12
IV.	TAG portfolio valuation FY 2020	17
V.	TAG acquisitions/disposals Germany FY 2020	19
VI.	TAG Poland business update	22
VII.	TAG sustainability rating	26
VIII.	TAG guidance FY 2021	28
IX.	Appendix	
	<ul style="list-style-type: none">▪ Income statement details Germany and Poland▪ German portfolio details by region▪ German portfolio vacancy reduction and rental growth▪ German portfolio valuation overview and details▪ EPRA NAV calculations (including metrics: NRV, NTA and NDV), EPRA earnings▪ Cost of debt, LTV, ICR, net financial debt/ EBITDA adjusted, net financial debt/ sqm▪ German portfolio maintenance and capex, return on capex▪ Share data	

TAG highlights FY 2020

TAG
2021

TAG highlights FY 2020

Operational performance Germany

	FY 2020	FY 2019	Q4 2020	Q3 2020
▪ Vacancy (residential units)	4.5%	4.5%/4.6%*	4.5%	4.8%
▪ Vacancy (total portfolio)	5.6%	4.9%	5.6%	5.3%
▪ L-f-I rental growth y-o-y	1.4%	1.9%	1.4%	1.4%
▪ L-f-I rental growth y-o-y (incl. vacancy reduction)	1.5%	2.4%	1.5%	1.5%
▪ FFO I (EURm)	172.6	160.6	41.5	44.6
▪ FFO I (EUR/share)	1.18	1.10	0.28	0.30

* including acquisitions in 2019, part of vacancy in residential units from Q1 2020 onwards

EPRA NTA and LTV

	31 Dec-2020	30 Sep-2020	31 Dec-19	31 Dec-2018
▪ EPRA NTA (EUR/share)	21.95	20.76	20.22	17.35
▪ LTV	45.1%	45.7%	44.8%	47.3%

FFO and dividend guidance 2021

	FY 2020	FY 2019	Y-O-Y increase	Guidance FY 2021	Y-O-Y increase
FFO in EURm	172.6	160.6	+7%	178-182	+4%
FFO/s in EUR	1.18	1.10	+7%	1.23	+4%
Dividend/s in EUR	0.88	0.82	+7%	0.92	+4%

Portfolio valuation by CBRE

- Total valuation gain for the German portfolio of EUR 327.0m in FY 2020 (**7.5% value growth, 6.2% annual valuation uplift**)
- Valuation remains at conservative levels with c. **EUR 1,100/sqm** (c. EUR 1,030/sqm in Dec-2019) and **5.7% gross yield** (6.1% in Dec-2019)

TAG highlights FY 2020

Acquisitions/ disposals Germany

- **4,578 units acquired** in FY 2020 (FY 2019: 1,331 units). Total purchase price of EUR 174.7m (FY 2019: EUR 50.1m) and current net rent of EUR 11.9m p.a. (FY 2019: EUR 4.1m) leads to acquisition multiple of 14.7x or gross yield of 6.8% (FY 2019: 12.1x multiple or 8.3% gross yield). Average vacancy rate of 21.1% (FY 2019: 11.0%). Closing in FY 2020/Q2 2021.
- **1,009 units disposed** in FY 2020 (FY 2019: 568 units). Total selling price of EUR 55.3m (FY 2019: EUR 18.2m). Book profit of EUR 4.0m (FY 2019: EUR 0.8m). Selling multiple on average at 17.3x (FY 2019: 12.1x) or gross yield of 5.8% (FY 2019: 8.3%). Net cash proceeds of EUR 54.3m (FY 2019: EUR 17.9m). Closing in the course of 2020/2021.

Operational performance Poland

in EURm	FY 2020	Guidance FY 2020
Revenues from sale of properties held as inventory	73.4	80-85
Results operations Poland/ FFO II impact	9.1	9-11
Valuation result (w/o fair value step up from purchase price allocation)	1.4	---
GAV (real estate assets)	150.1	---

Acquisitions/ disposals Poland

- **c. 4,900 units** (landbank and projects) acquired in FY 2020 in Wroclaw, Poznan and Lodz
- **509 units signed** in FY 2020, **719 units handed over** in FY 2020 (Guidance FY 2020: c. 850 units); **143 units** originally scheduled for Dec-2020 handed over in Jan- and Feb- 2021

Covid-19 business update

- German portfolio: rent deferrals of minor impact, vacancy rates stable and reduced in Q3/ Q4 2020
- Polish portfolio: construction sites running, no material delays



- TAG is among leading real estate companies in the field of sustainability based on available **ESG ratings**
- detailed reporting on **ESG targets** with Q1 2021 figures to be published on 10th May 2021
- TAG **sustainability report** to be published on 22nd April 2021

TAG financials Q4 2020

TAG
2021

TAG income statement*

(in EURm)		FY 2020	FY 2019	Q4 2020	Q3 2020
Net actual rent**	1	322.5	315.0	82.7	80.1
Expenses from property management*		-58.4	-55.4	-16.4	-15.4
Net rental income	2	264.1	259.6	66.4	64.8
Net income from services	3	26.1	21.0	7.1	6.3
Net income from sales	4	46.5	-0.4	45.2	2.6
Other operating income	5	6.2	5.6	2.0	1.3
Valuation result	6	328.4	414.1	155.8	0.2
Personnel expenses	7	-58.6	-50.3	-16.1	-14.4
Depreciation		-7.2	-6.8	-1.9	-1.8
Other operating expenses	8	-22.2	-17.9	-4.8	-8.1
EBIT		583.2	624.9	253.5	50.9
Net financial result	9	-107.0	-77.6	-15.5	-77.1
EBT		476.2	547.3	238.0	-26.2
Income tax	10	-73.6	-91.0	-24.5	2.5
Net income		402.6	456.4	213.5	-23.7

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

**w/o IFRS 15 effects; for further details see Annual Report 2020

1 Increase in net actual rent y-o-y by EUR 7.5m as a result of I-f-I- rental growth of 1.5% p.a. and portfolio acquisitions. Rental growth q-o-q of EUR 2.6m mainly driven by acquisitions.

2 Net rental income increased y-o-y by EUR 4.5m primarily as a result of higher net actual rent (EUR 7.5m) and higher maintenance cost (EUR -1.6m) and non-allocable cost (EUR -1.4m). Increase in net rental income q-o-q by EUR 1.5m results from higher net actual rent (EUR 2.6m), compensated by higher maintenance cost (EUR -0.5m) and higher ancillary cost of vacant real estate (EUR -0.4m).

3 Strong improvement in net income from services y-o-y by EUR 5.1m and q-o-q by EUR 0.8m shows TAG's expanding service business.

4 EUR 45.2m net income from sales in Q4 2020. Thereof EUR 41.2m due to sales in Germany (to the largest part from closing of first stage of commercial project/joint venture in Munich) and EUR 4.0m due to sales in Poland.

5 Growth in in other operating income y-o-y by EUR 0.6m and q-o-q EUR 0.7m mainly driven by own work capitalised (e.g. personnel cost) in Poland.

6 Valuation gain of EUR 328.4m in FY 2020 from full portfolio valuation by CBRE GmbH (EUR 327.0m German portfolio and EUR 1.4m portfolio Poland).

7 Personnel expenses increased y-o-y by EUR 8.3m. Thereof EUR 5.0m due to first-time consolidation of Vantage and EUR 3.3m higher expenses in Germany. The increase in Germany is partly driven by ongoing growth of TAG's internal caretaker and craftsman services platform. Additional EUR 1.0m "Corona bonus" for employees in Q4 2020.

8 Increased other operating expenses of EUR 4.3m y-o-y contain EUR 3.6m payment in Q3 2020 (one-off effect) to establish new TAG foundation ("TAG Miteinander Stiftung") for social projects in TAG's regions.

9 Net financial result increased y-o-y by EUR -29.4m mainly due to the fair value valuation of convertible bond 2017/2022.

10 Decreased income tax y-o-y by EUR 17.4m. Deferred taxes reduced by EUR 17.1m and cash taxes by EUR 0.3m. Higher income tax q-o-q (EUR 27.0m) mainly driven by higher cash tax (EUR 3.3m) and higher deferred tax (EUR 22.7m) in Germany. In Poland q-o-q cash tax decreased by EUR 0.8m and deferred tax increase by EUR 1.9m.

TAG EBITDA, FFO and AFFO calculation

(in EURm)	FY 2020	FY 2019	Q4 2020	Q3 2020
Net income	402.6	456.4	213.5	-23.7
- Net income Poland	-3.6	0.0	-5.3	-1.3
Net income Germany	399.1	456.4	208.2	-25.0
+ Income tax	72.5	91.0	23.2	-2.9
+ Net financial result	107.2	77.6	15.6	77.1
EBIT (German business)	578.8	624.9	246.9	49.3
+ Adjustments				
Net income from sales	-40.2	0.4	-41.2	0.0
Valuation result (German portfolio)	-327.0	-414.1	-152.7	-0.2
Depreciation	7.0	6.8	1.9	1.8
One-offs	3.6	-1.3	0.0	3.6
Reversal of effects from first time application of IFRS 16 "leases" 1	0.0	-2.0	0.0	0.0
EBITDA (adjusted, German business) 2	222.3	214.7	54.9	54.4
<i>EBITDA (adjusted) margin</i>	68.9%	68.2%	66.4%	67.9%
- Net financial result (cash, after one-offs)	-45.1	-45.6	-11.6	-11.4
- Cash taxes	-3.3	-7.2	-1.4	1.8
- Cash dividend payments to minorities	-1.3	-1.3	-0.3	-0.3
FFO I (German business) 3	172.6	160.6	41.5	44.6
- Capitalised maintenance	-17.2	-15.3	-7.1	-5.5
AFFO before modernisation capex	155.4	145.3	34.4	39.0
- Modernisation capex	-54.5	-51.4	-9.9	-11.2
AFFO (German business) 4	100.9	93.9	24.4	27.8
Net income from sales Germany	40.2	-0.4	41.2	0.0
Result operations Poland 5	9.1	0.0	6.6	3.3
FFO II (includes operations Poland)	221.9	160.2	89.3	47.9
(FFO I + net income from sales Germany and result operations Poland)				
Weighted average number of shares outstanding (in '000)	146,288	146,333	146,295	146,288
FFO I per share (EUR)	1.18	1.10	0.28	0.30
AFFO per share (EUR)	0.69	0.64	0.17	0.19
Weighted average number of shares, fully diluted (in '000)*	157,681	161,151	155,168	155,935
FFO I per share (EUR), fully diluted	1.09	1.01	0.28	0.29
AFFO per share (EUR), fully diluted	0.64	0.59	0.16	0.18

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 adjusted y-o-y by EUR 7.6m mainly as a net effect of higher net rental income (EUR 4.5m), higher net income from services (EUR 5.1m), compensated by higher personnel expenses (EUR 3.3m in Germany).

Increased EBITDA adjusted q-o-q by EUR 0.5m mainly as a result from higher net rental income (EUR 1.5m) and higher income from services (EUR 0.8m), compensated by higher personnel expenses (EUR 1.6m).

3 FFO I increased by EUR 12.0m y-o-y primarily as a result of EUR 7.6m higher EBITDA and EUR 3.9m less cash tax (positive tax effect from partial repurchase of convertible bond 2017/2022 in Q3 2020).

4 Improved AFFO y-o-y by EUR 7.0m due to increased FFO I (EUR 12.0m), compensated by higher capitalised maintenance (EUR 1.9m) and higher modernization capex (EUR 3.1m).

5	FFO II contribution Poland FY 2020	(in EURm)
	Net income from Poland	3.6
	Non-recurring set-up costs rental business	0.5
	Result of effects from purchase price allocation (after income taxes and minorities)	6.8
	Valuation result	-1.4
	Deferred taxes	0.3
	Minority interests	-0.7
	Result operations Poland	9.1

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

TAG balance sheet

(in EURm)		31 Dec-2020	31 Dec-2019
Non-current assets		5,949.2	5,301.5
Investment property	1	5,819.2	5,200.0
Deferred tax assets		50.6	49.7
Other non-current assets	2	79.4	51.7
Current assets		474.9	311.0
Real estate inventory	3	102.0	58.5
Cash and cash equivalents		324.3	91.3
Prepayments on business combinations	4	0.0	131.2
Other current assets	5	48.5	30.0
Non-current assets held-for-sale		53.9	34.5
TOTAL ASSETS		6,478.0	5,647.0
Equity		2,681.5	2,394.2
Equity (without minorities)	6	2,602.6	2,342.6
Minority interest		78.9	51.7
Non-current liabilities		3,521.7	2,988.4
Financial debt	7	2,895.6	2,397.0
Deferred tax liabilities		570.7	497.0
Other non-current liabilities		55.4	94.4
Current liabilities		274.0	263.6
Financial debt		143.6	166.1
Other current liabilities		130.4	97.5
Non current liabilities held for sale		0.8	0.8
TOTAL EQUITY AND LIABILITIES		6,478.0	5,647.0

1 EUR 647.7m higher investment properties driven by EUR 328.4m valuation result, EUR 71.8m capex, EUR 256.1m acquisitions and first-time consolidation Vantage. Furthermore, properties were reclassified to non-current assets held for sale (EUR 22.7m).

2 EUR 27.7m higher other non-current assets primarily as a result of first-time consolidation Vantage resulting in goodwill of EUR 18.4m.

3 Increase in real estate inventory (EUR 43.5) largely due to first-time consolidation of Vantage (EUR 96.8m). This is offset by sale of the commercial project in Munich (EUR 60.0m).

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

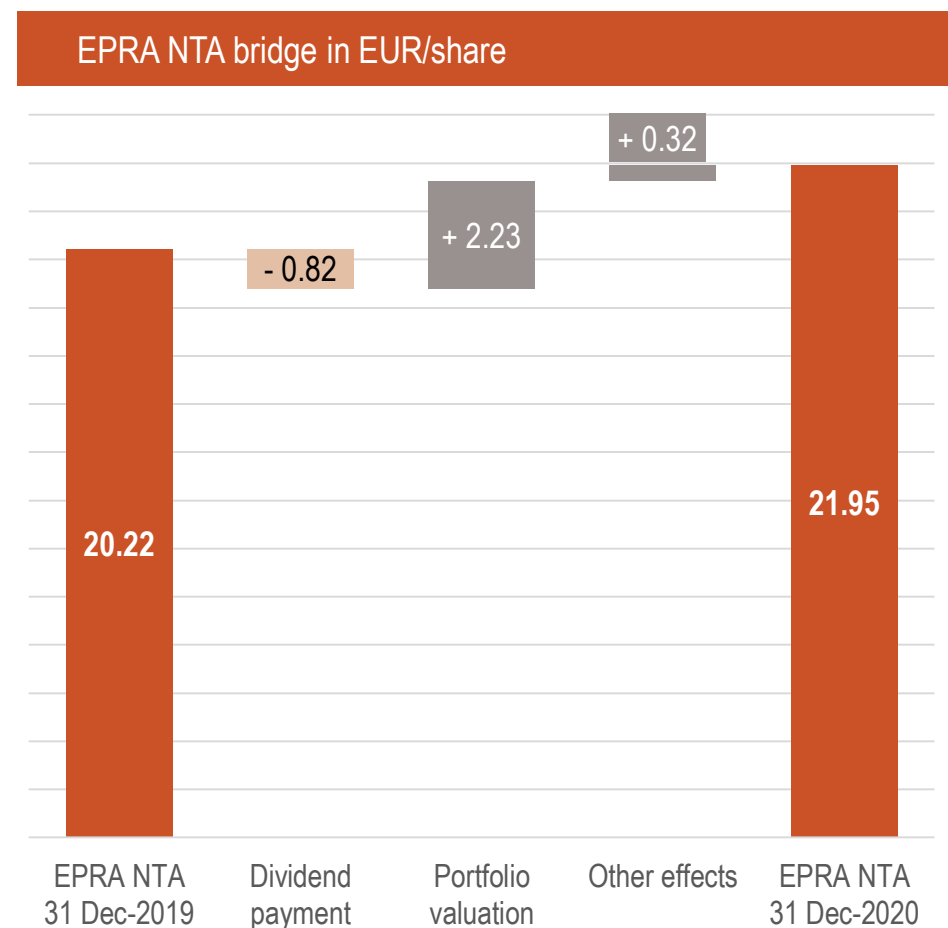
5 Increase in other current assets (EUR 18.5m) mainly results from first-time consolidation of Vantage.

6 Increase in equity w/o minorities of EUR 260.0m mainly a result of net income (EUR 402.6m) and dividend payment (EUR -119.9m)

7 Increase in non-current financial debt of EUR 498.6m mainly stemming from new/refinanced bank loans (EUR 193.6m), new promissory note in Jul-2020 (EUR 92.0m) and convertible bonds transactions in Aug-2020, i.e. newly issued convertible bond 2020/2026 of EUR 470.0m and simultaneous repurchase of 50% of the outstanding convertible bond 2017/2022 (nominal amount of EUR 131.0m). In addition, further cash-settlements of the convertible bond 2017/2022 took place in Q4 2020 (outstanding nominal amount at 31 Dec-2020 of EUR 82.8m and after repayment in Jan-2021 outstanding nominal amount at EUR 17.5m).

TAG EPRA NTA calculation

EPRA Net Tangible Assets		
(in EURm)	31 Dec-2020	31 Dec-2019
Equity (without minorities)	2,602.6	2,342.6
+ Effect from conversion of convertible bond 2017/2022	25.9	324.2
+ Deferred taxes on investment properties and financial derivatives	567.4	503.6
+ Fair value of financial derivatives	20.1	6.2
+ Difference between fair value and book value for properties valued at cost	40.9	85.2
- Goodwill	-18.4	0.0
- Other intangible assets	-4.3	-2.6
= EPRA NTA*, fully diluted	3,234.2	3,259.2
Number of shares, fully diluted (in '000)**	147,333	161,191
EPRA NTA per share (EUR), fully diluted	21.95	20.22



*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 482.6m or c. EUR 3.28/s to c. EUR 25.23/s.

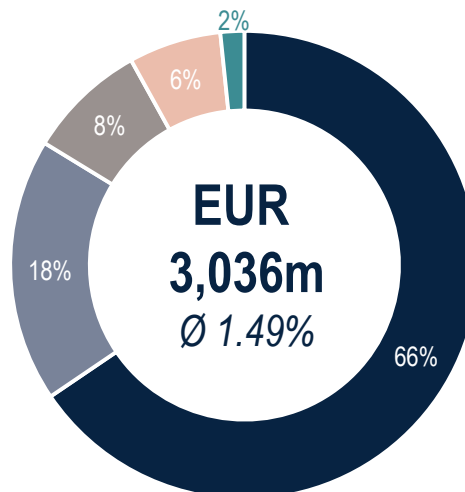
**incl. 1,038 potential shares from convertible bond 2017/2022 (trading "in the money" at reporting date) and management board compensation

TAG financing structure

Debt structure as of 31 Dec-2020

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

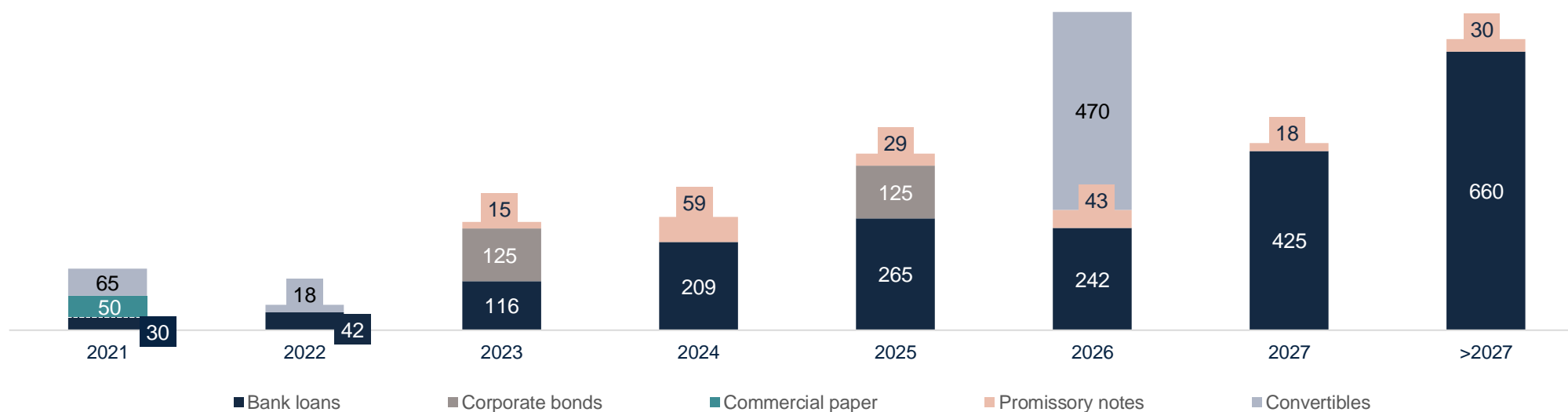
Debt volume	Ø interest rate	% fixed rates
EUR 1,989m	1.76%	97%
EUR 553m	0.63%	100%
EUR 250m	1.50%	100%
EUR 194m	1.58%	100%
EUR 50m	0.25%	100%
Σ EUR 3,036m	Ø 1.50%	Ø 98.5%



Key financial KPIs as of 31 Dec-2020

Ø Maturity total financial debt	6.8 years
Ø Maturity bank loans	7.9 years
Ø Interest rate total financial debt	1.49%
Ø Interest rate bank loans	1.76%
LTV	45.1%
LTV target	c. 45.0%
Rating (Moody's)	Baa3 long term rating (outlook stable) P-3 short term rating
Further refinancing potential 2021-2023	EUR 323m of bank loans maturing or with interest terms ending in 2021-2023 with average coupon of 2.7% p.a.

Maturity profile as of 31 Dec-2020 (in EURm)

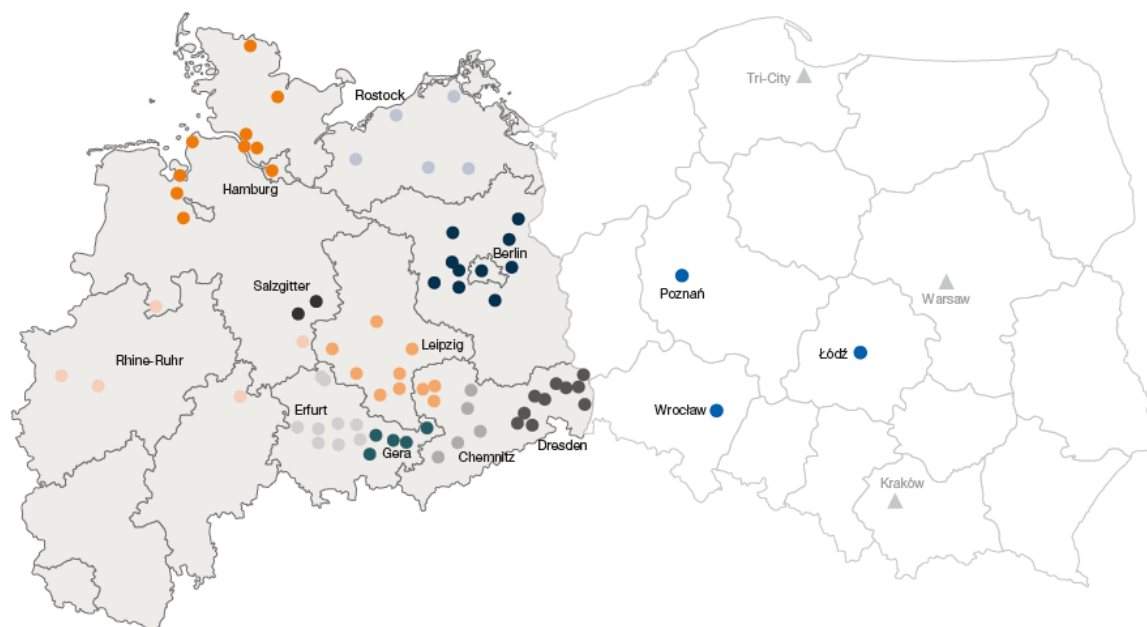


TAG German portfolio Q4 2020

TAG
2021

TAG at a glance

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



Strategy

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

Key financials (31 Dec-2020)

GAV (real estate assets Germany and Poland)*	EUR 5,984.4m
FFO I 2020	EUR 172.6m
Market cap	EUR 3.8bn
Share price	EUR 25.90
EPRA NTA per share	EUR 21.95
LTV	45.1%

*thereof EUR 5,834.3m German portfolio and EUR 150.1m Polish portfolio

Key portfolio metrics (31 Dec-2020)

Units Germany	88,313
Units Poland (secured pipeline)	8,742
Annualised net actual rent EURm p.a. (total portfolio)	334.2
Net actual rent EUR/sqm/month (residential units)	5.48
Net actual rent EUR/sqm/month (total portfolio)	5.57
Vacancy rate (residential units)	4.5%
Vacancy rate (total portfolio)	5.6%
L-f-I rental growth (y-o-y)	1.4%
L-f-I rental growth (incl. vacancy reduction, y-o-y)	1.5%

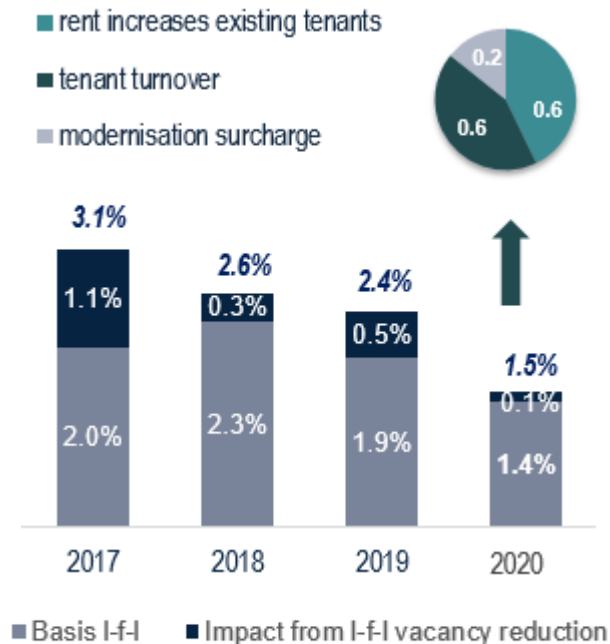
TAG German portfolio rental growth and capex allocation

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

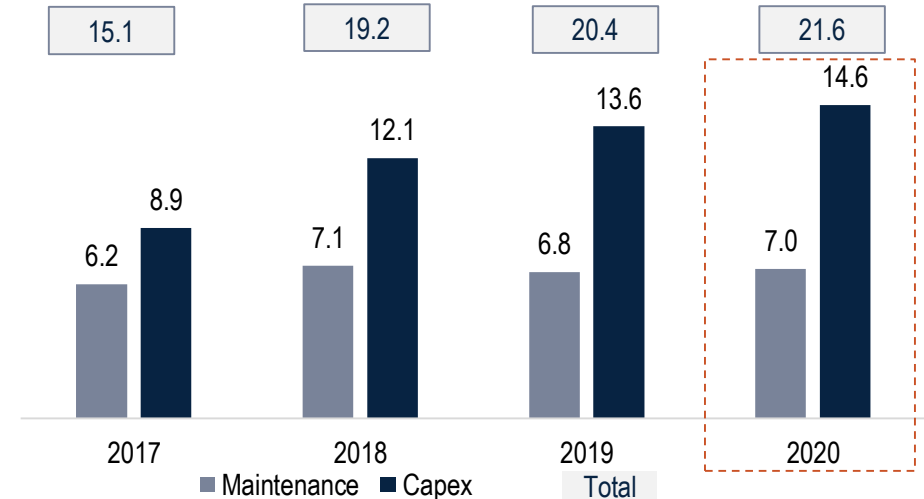
Rental growth achieved with moderate investments

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

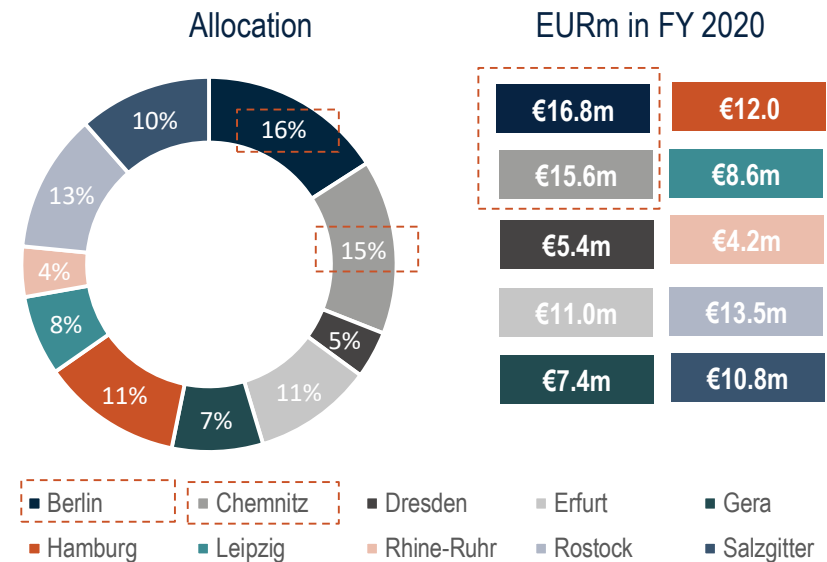
Like-for-like rental growth excluding and including vacancy reduction



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

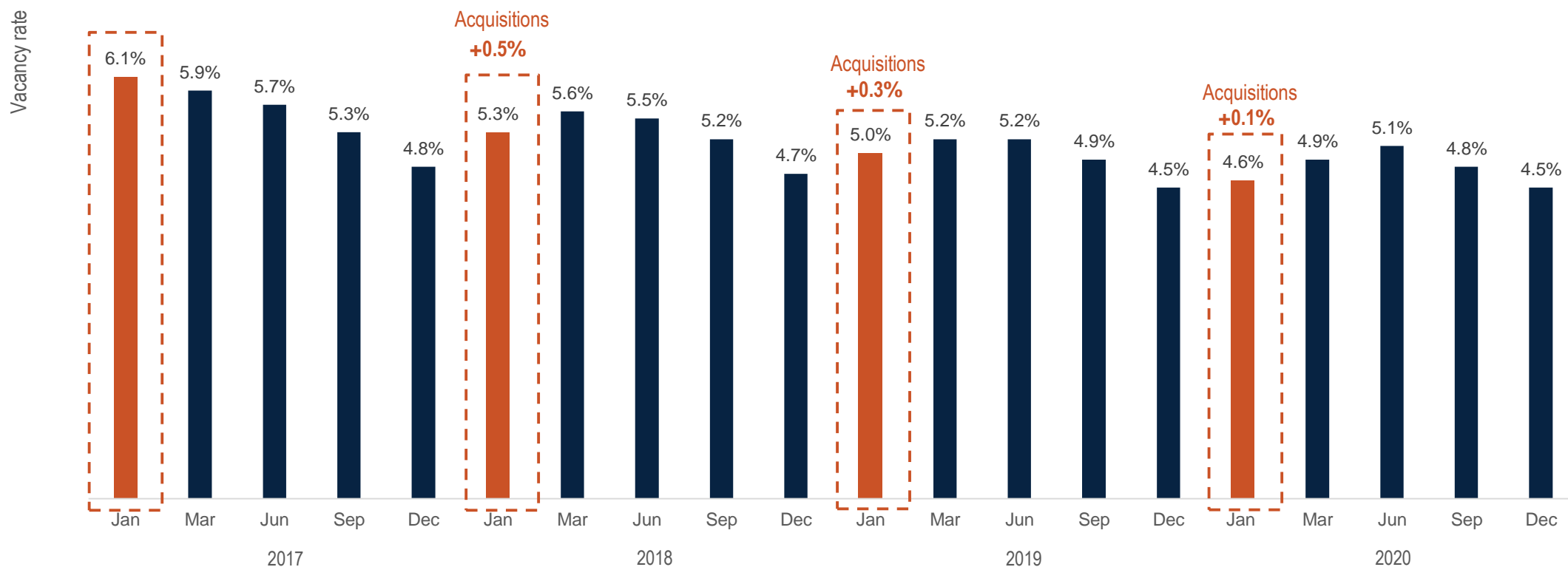


Maintenance & capex split by region



TAG German portfolio vacancy reduction residential units

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



TAG services business – FFO contribution 2020

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

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

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

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

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

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

TAG portfolio valuation FY 2020

TAG
2021

TAG German portfolio valuation overview

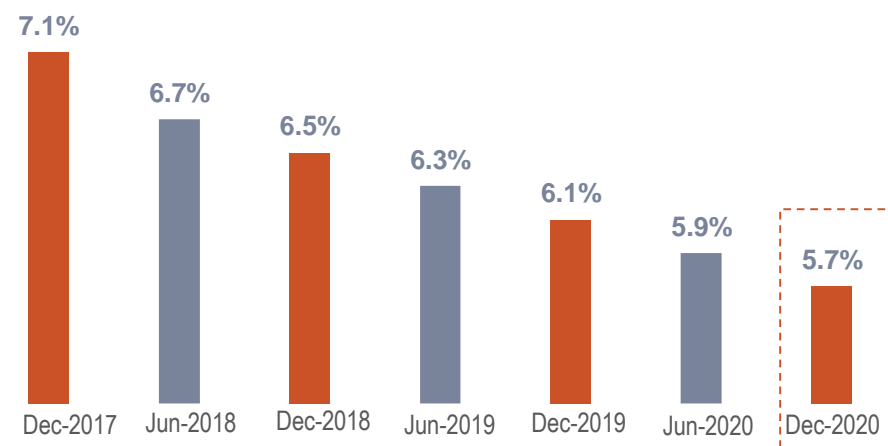
Portfolio valuation result

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

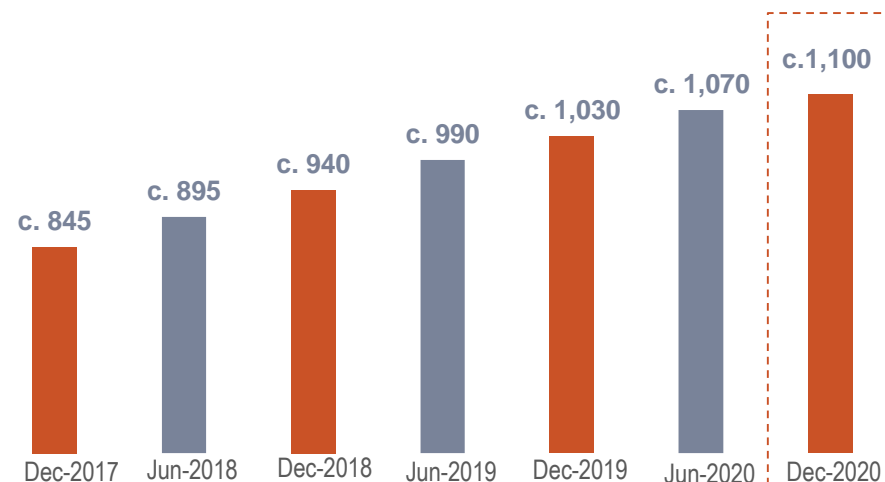
* total valuation gain of EUR 328.4m in FY 2020: thereof EUR 327.0m relates to properties in Germany, EUR 1.4m to properties in Poland

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

Development of gross yield



Development of portfolio value (EUR/sqm)



TAG acquisitions/ disposals FY 2020

TAG
2021

TAG acquisitions Germany FY 2020

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



Bernburg



Dessau



Plauen

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

TAG disposals Germany FY 2020

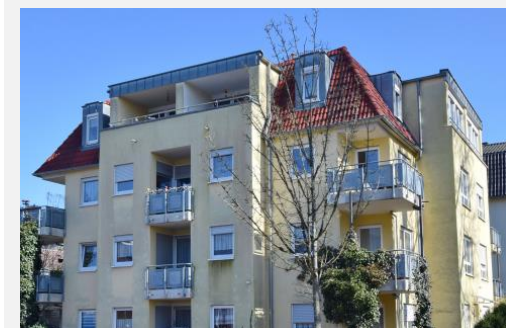
Signing	2020	2020	2020 Total	2019 Total
Units	213	796	1,009	568
Net actual rent in EUR/sqm/month	6.56	5.00	5.38	4.05
Vacancy	4%	22%	18%	19%
Selling price in EURm	25.5	29.8	55.3	18.2
Net actual rent in EURm p.a.	0.98	2.23	3.21	1.51
Net cash proceeds in EURm	25.0	29.3	54.3	17.9
Book profit in EURm	-0.1	4.1	4.0	0.8
Location	Berlin, Kiel	various locations	---	various locations
Closing	2020/2021	2020/2021	2020/2021	---
Multiples (in place rent)	26.1	13.4	17.3	12.1



Bad Frankenhausen

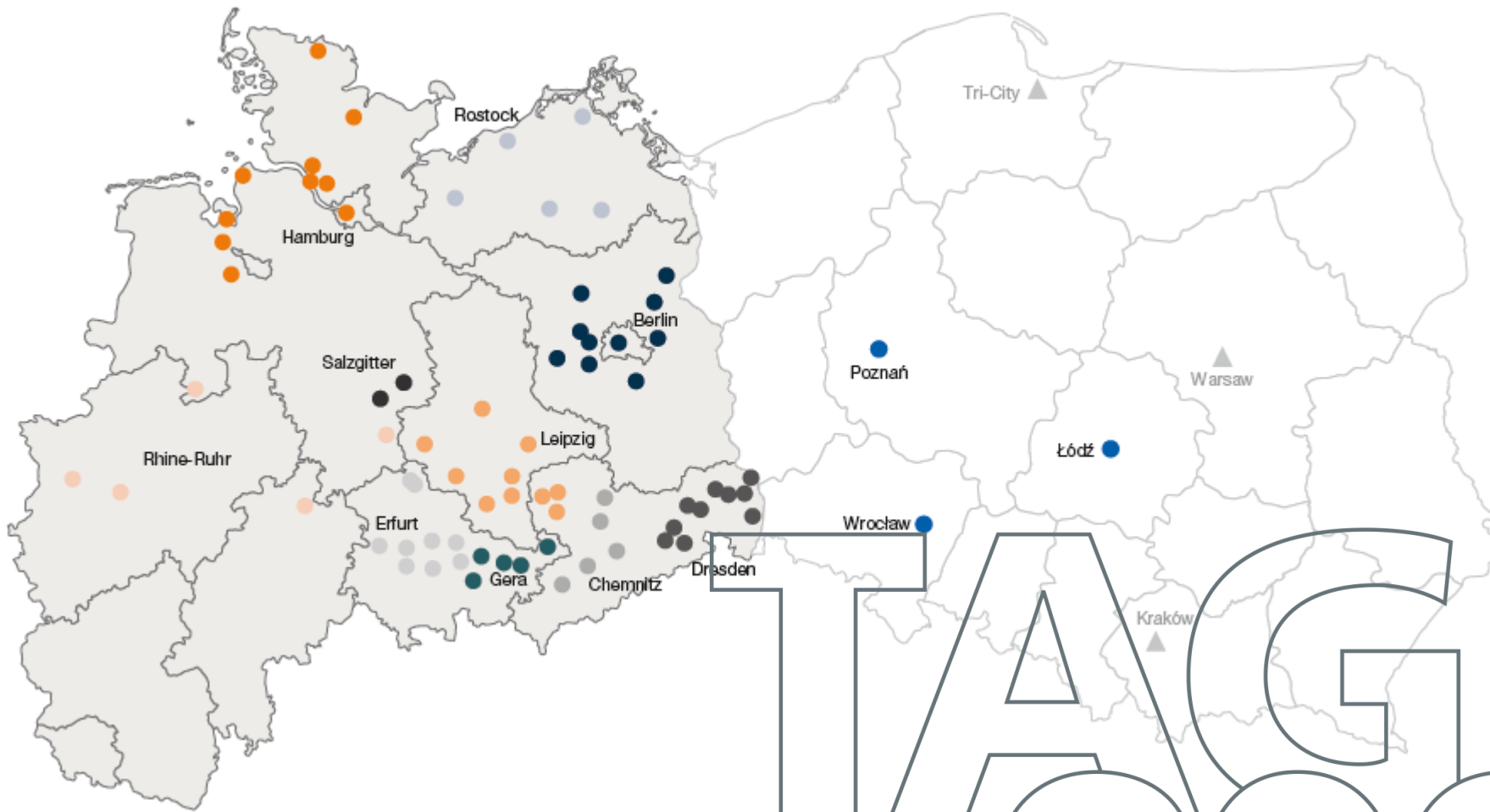


Kiel



Suhl

c.800 non-core units sold at an average disposal multiple of 13.4x (7.5% gross yield)
 c.200 units in high-priced markets sold at an average disposal multiple of 26.1x (3.8% gross yield)



TAG 2021

TAG Poland business update

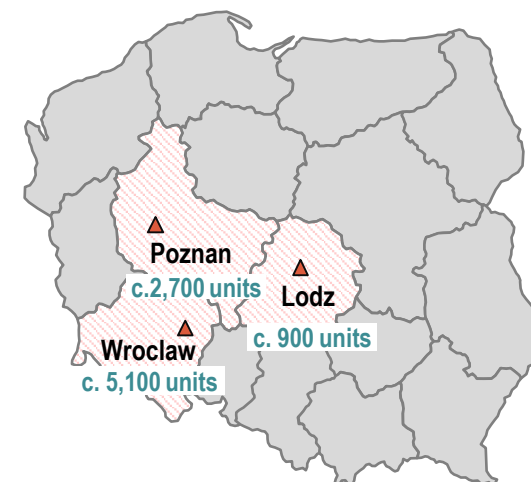
Poland overview current and planned projects

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

Strategic rationale

- Against the backdrop of its **strong macroeconomic and demographic growth**, Poland is experiencing a **structural gap between demand and supply in the residential-for-rent segment** for historic reasons
- TAG's mid-term growth target** (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** (unit sales) should provide strong support to **free cash flow generation** (reflected on FFO II basis)

Current locations and projects



Overview of the development projects

Build-to-hold projects				Build-to-sell projects				Total projects				
	Current projects	Planned projects	Total build-to-hold		Current projects	Planned projects	Total build-to-sell		Current projects	Planned projects	Total projects	
Total number of units	5,700	5,100	10,800	Total number of units	3,000	600	3,600	Total number of units	8,700	5,700	14,400	
Total sqm	307,000	233,000	540,000	Total sqm	182,000	30,000	212,000	Total sqm	489,000	263,000	752,000	
Total investment costs incl. fit-outs (TIC)			EUR 825-875m	Total investment costs (TIC)			EUR 250-300m	Total investment costs incl. fit-outs (TIC)				EUR 1,075-1,175m
Estimated rental yield upon completion			c. 7-8%	Estimated EBITDA margin on sales			>15%					
Estimated EBITDA margin on letting			>70%	Estimated EBITDA contribution from sales			EUR 40-45m					
Estimated EBITDA contribution from letting p.a.			EUR 45-50m	Estimated EBITDA contribution from sales			EUR 40-45m					

Note: Euro amounts based on PLN/EUR exchange rate of 0.225 as of 31 Dec-2020

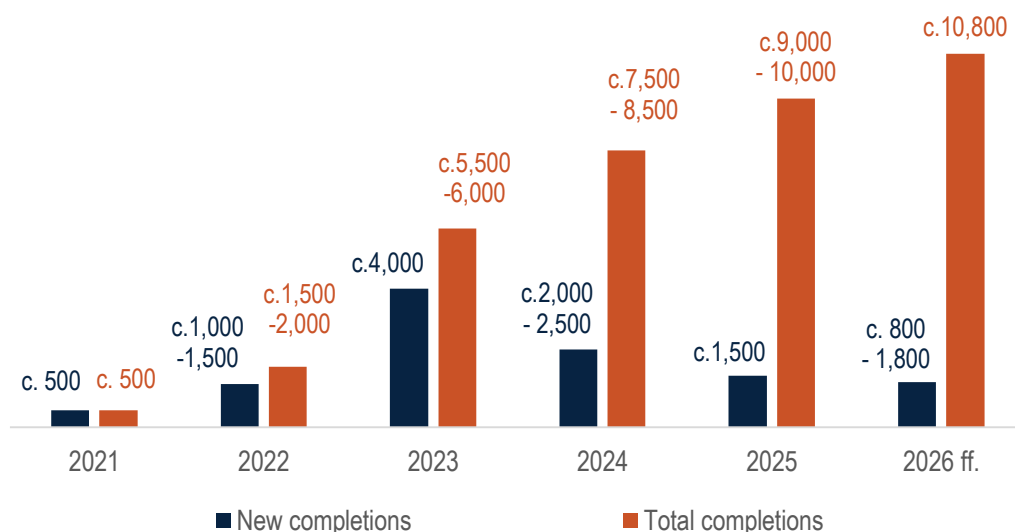
Poland build-to-hold pipeline

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

Build-to-hold projects overview

Pipeline locations	Wroclaw	Poznan	Lodz	Total
Total number of projects	11	12	8	31
Total number of project stages	21	17	8	46
Number of units	5,100	3,700	2,000	10,800
- of which current projects	2,100	2,700	900	5,700
- of which planned projects	3,000	1,000	1,100	5,100
Expected total investment costs (TIC)*	c. EUR 825-875m			
Average rental yield on cost	c. 7-8%			
Average rent per sqm (w/o service charges)*	c. EUR 10-11/sqm/month			
Average apartment size	c. 45-55 sqm			
Expected EBITDA margin	>70%			

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



* based on PLN/EUR exchange rate of 0.225 as of 31 Dec-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

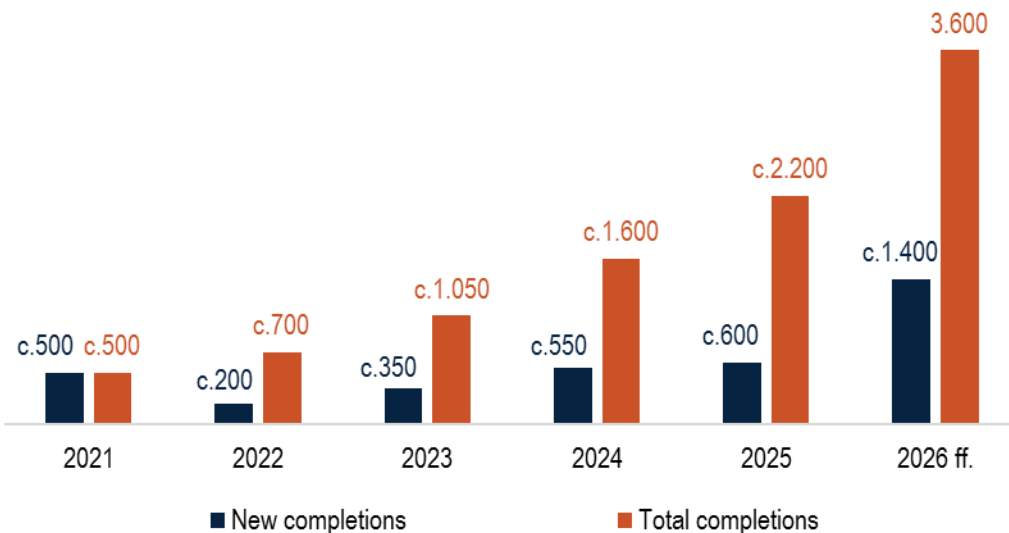
Attractive build-to-sell projects in Wroclaw offering strong cashflows and significant support to FFO II

Build-to-sell projects overview

Pipeline location	Wroclaw
Total number of projects	8
Total number of project stages	24
Number of units	3,600
- of which current projects	3,000
- of which planned projects	600

Expected total investment costs (TIC)*	c. EUR 250-300m
Expected EBITDA margin on sales	>15%
Net selling price per sqm (w/o fit outs)*	c. EUR 1,500-1,750
Average apartment size	c. 50-60 sqm

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



Build-to-sell pipeline locations



Accounting treatment of build-to-sell units

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

* based on PLN/EUR exchange rate of 0.225 as of 31 Dec-2020

TAG sustainability rating







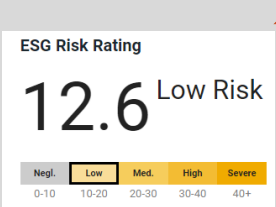
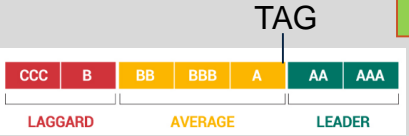




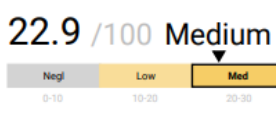
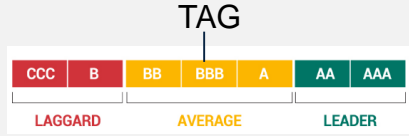




TAG
2021

TAG environmental, social and governance



TAG ranks among the top ratings in the real estate sector

ESG Rating and Award improvements

						
2020						
2019						
	Rank 81 out of 1,026 companies in the real estate sector (8 th percentile)*	Industry adjusted score 0-10 AA = from 7.1 onwards A = 7.0 BBB = 5.1	1 st participation of TAG in an active rating process 2020	Most improved Award & Silver Award	60-100 = Advanced 50-60 = Robust 30-50 = Limited 0-30 = Weak	A=excellent B=good C=premium D=poor

* Data as of 26 Jan-2021; **Not responsive level: rating only based on publicly available information, no participation of TAG in an active rating process

Indices

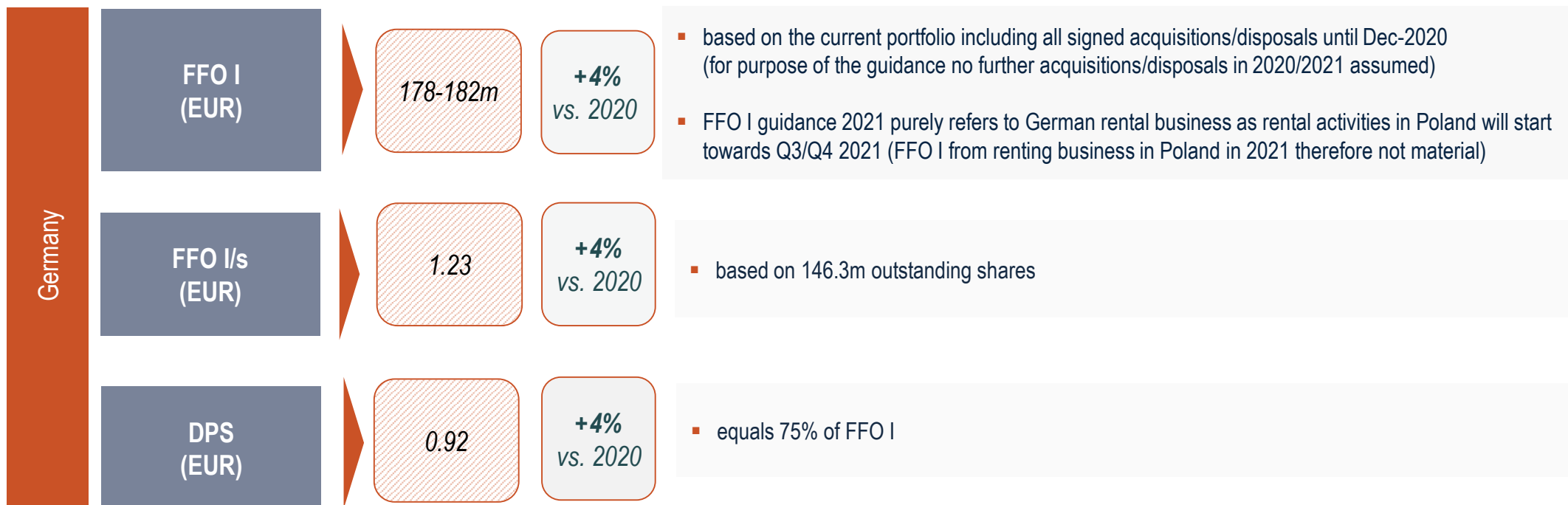
DAX[®] 50 ESG

The New Standard in German ESG Investing

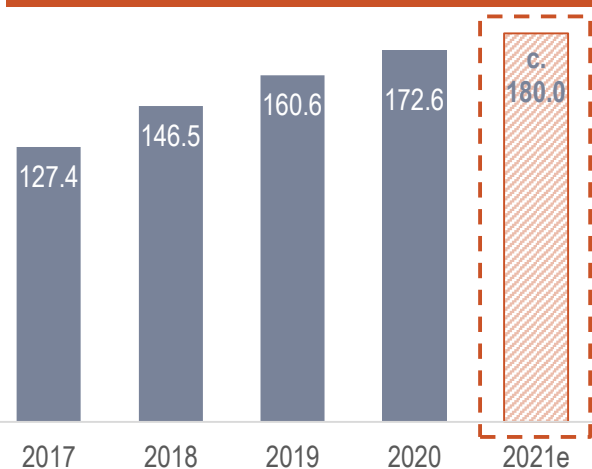
TAG 2021

TAG guidance FY 2021

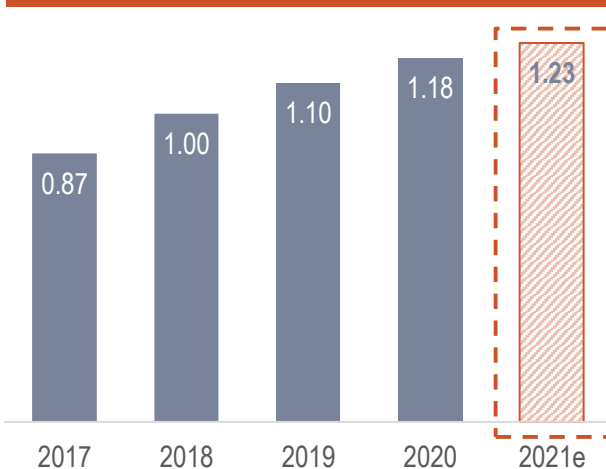
TAG FFO and dividend guidance FY 2021



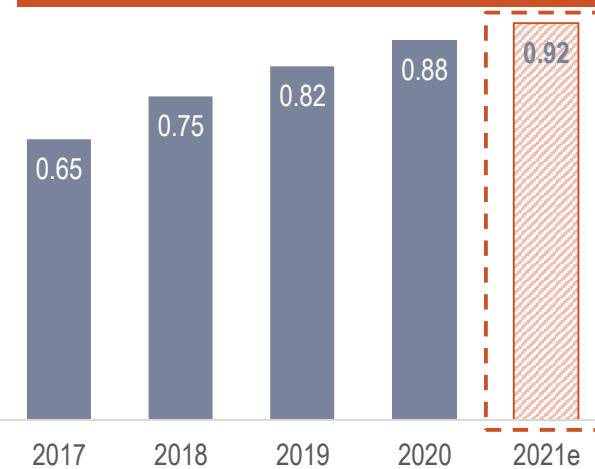
FFO I in EURm



FFO I per share in EUR



Dividend per share in EUR



APPENDIX

TAG
2021

TAG income statement details Germany and Poland

(in EURm)	Germany Q4 2020	Poland Q4 2020	Total Q4 2020	Germany FY 2020	Poland FY 2020	Total FY 2020	Germany FY 2019	Poland FY 2019	Total FY 2019
Net actual rent*	82.7	0.0	82.7	322.5	0.0	322.5	315.0	0.0	315.0
Expenses from property management*	-16.3	0.0	-16.4	-58.4	0.0	-58.4	-55.4	0.0	-55.4
Net rental income	66.4	0.0	66.3	264.2	0.0	264.1	259.6	0.0	259.6
Net income from services	7.1	0.0	7.1	26.1	0.0	26.1	21.0	0.0	21.0
Net income from sales	41.2	4.0	45.2	40.2	6.3	46.5	-0.4	0.0	-0.4
Other operating income	0.8	1.2	2.0	3.0	3.1	6.2	5.6	0.0	5.6
Valuation result	152.7	3.1	155.8	327.0	1.4	328.4	414.1	0.0	414.1
Personnel expenses	-14.9	-1.3	-16.1	-53.6	-5.0	-58.6	-50.3	0.0	-50.3
Depreciation	-1.9	0.0	-1.9	-7.0	-0.2	-7.2	-6.8	0.0	-6.8
Other operating expenses	-4.6	-0.3	-4.8	-21.0	-1.2	-22.2	-17.9	0.0	-17.9
EBIT	246.9	6.6	253.5	578.8	4.4	583.2	624.9	0.0	624.9
Net financial result	-15.6	0.0	-15.5	-107.2	0.2	-107.0	-77.6	0.0	-77.6
EBT	231.4	6.6	238.0	471.6	4.6	476.2	547.3	0.0	547.3
Income tax	-23.2	-1.3	-24.5	-72.5	-1.0	-73.6	-91.0	0.0	-91.0
Net income	208.2	5.3	213.5	399.1	3.6	402.6	456.4	0.0	456.4

*w/o IFRS 15 effects; for further details see Annual Report 2020

TAG German portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Dec-2020	Gross yield	Vacancy Dec-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	851.3	4.7%	3.9%	4.0%	5.84	6.39	1.4%	1.6%	6.74	21.48
Chemnitz	7,486	438,590	367.2	6.7%	6.9%	7.7%	5.00	5.08	1.5%	2.3%	7.18	28.48
Dresden	6,098	394,811	575.2	4.8%	1.9%	2.1%	5.90	6.20	1.4%	1.4%	4.08	9.63
Erfurt	10,780	606,473	706.4	5.3%	2.5%	2.5%	5.32	5.61	1.6%	2.0%	6.14	12.00
Gera	9,475	550,021	444.7	7.1%	6.5%	7.0%	5.09	5.33	1.1%	1.2%	4.79	8.74
Hamburg	7,033	432,484	588.5	5.0%	3.7%	4.2%	5.88	6.17	2.1%	2.7%	9.13	18.53
Leipzig	10,009	589,909	611.0	5.8%	6.0%	5.4%	5.37	5.76	1.6%	1.0%	6.78	7.76
Rhine-Ruhr	4,187	266,374	346.5	5.1%	1.6%	2.0%	5.57	5.73	1.7%	2.2%	10.21	5.60
Rostock	7,927	448,855	504.9	5.7%	4.4%	3.6%	5.58	6.01	1.3%	0.5%	9.26	20.73
Salzgitter	9,180	563,122	563.1	6.2%	5.6%	5.2%	5.43	5.61	0.8%	0.4%	7.21	11.97
Total residential units	82,545	4,887,320	5,558.8	5.5%	4.5%	4.4%	5.48	5.77	1.4%	1.5%	6.96	14.59
Acquisitions	4,456	250,359	188.2	6.2%	21.6%	7.8%	4.92	---	---	---	---	---
Commercial units within resi. portfolio	1,156	144,632	0.0	0.0%	16.1%	16.3%	8.53	---	---	---	---	---
Total residential portfolio	88,157	5,282,311	5,747.0	5.7%	5.6%	4.9%	5.54	---	---	---	---	---
Other**	156	20,185	87.3**	4.8%***	6.3%	8.1%	13.08	---	---	---	---	---
Grand total	88,313	5,302,496	5,834.3	5.7%	5.6%	4.9%	5.57	---	---	---	---	---

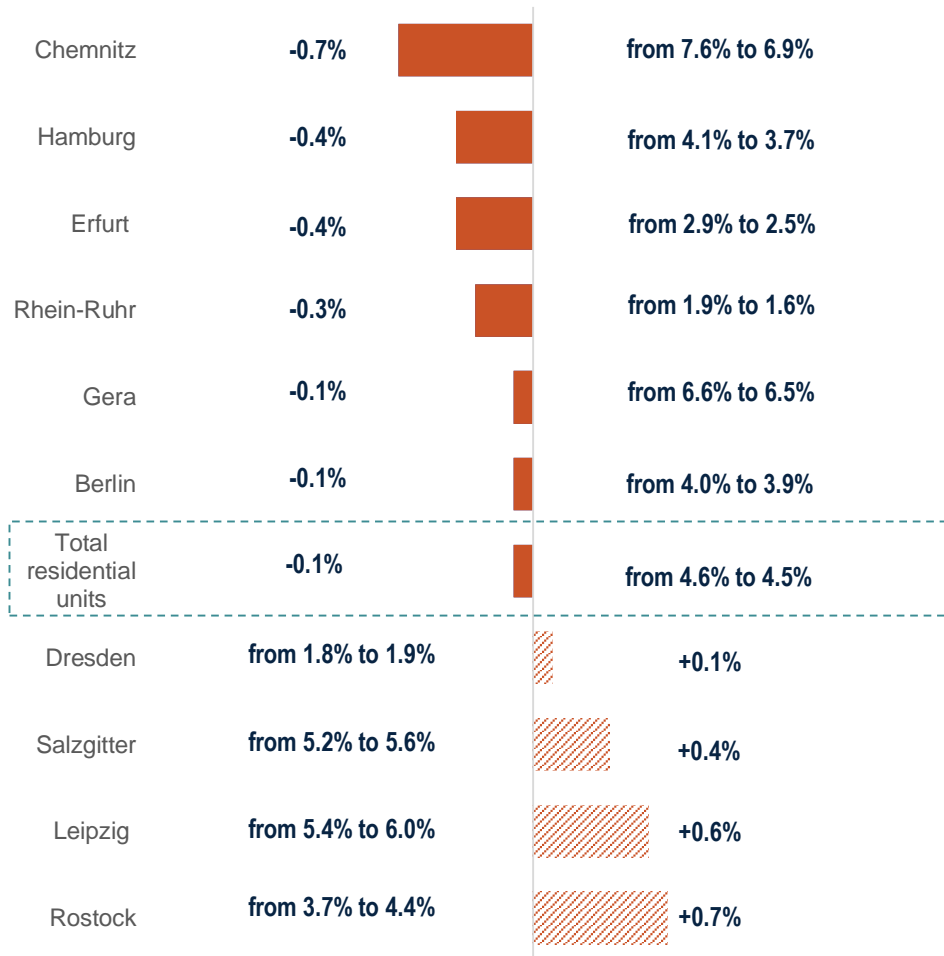
* excl. acquisitions 2019

** incl. EUR 24.8m book value of project developments

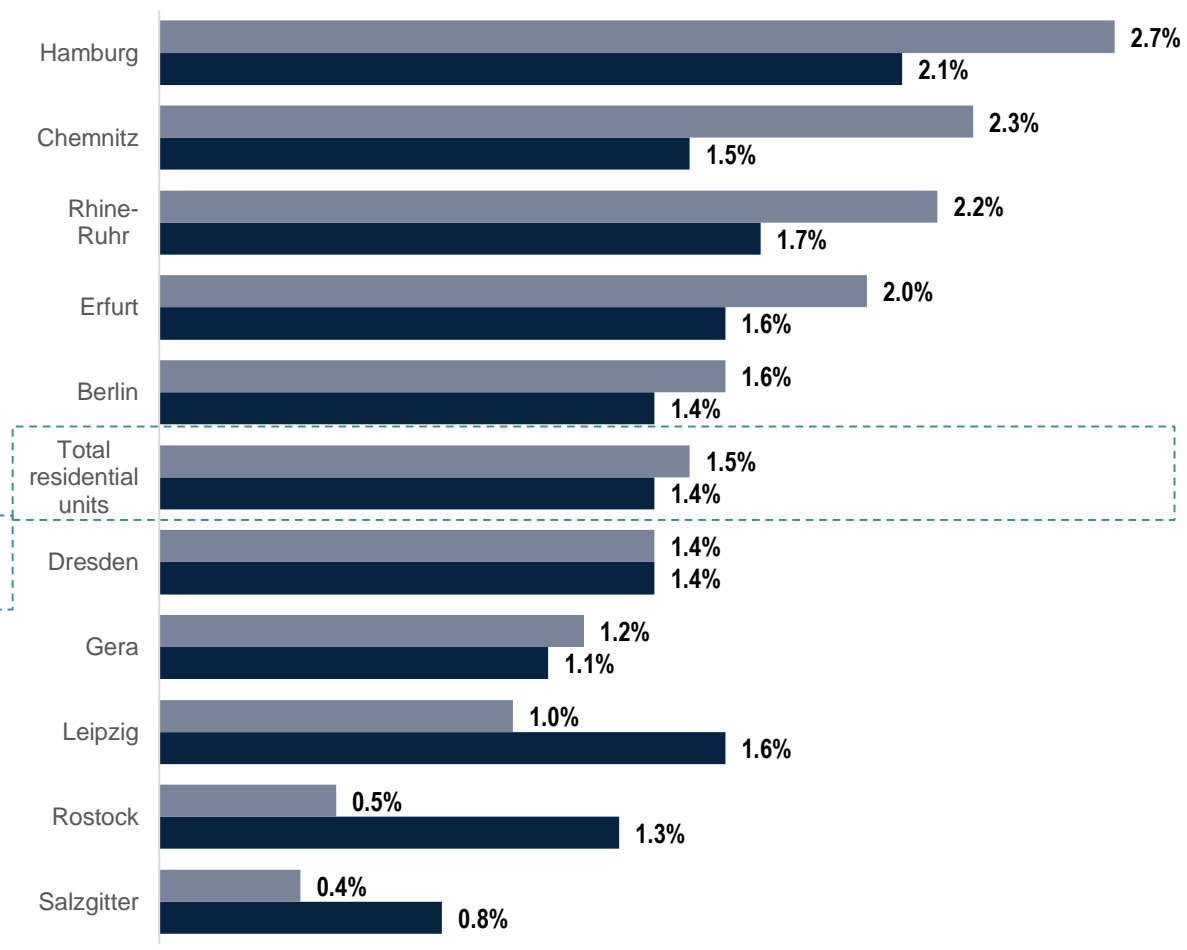
*** excl. project developments

TAG German portfolio vacancy reduction and rental growth

Vacancy development 12M 2020*



I-f-I rental growth (y-o-y) 12M 2020



APPENDIX

* incl. acquisitions 2019

Basis I-f-I

I-f-I incl. vacancy reduction

TAG German portfolio valuation details

Region (in EURm)	Dec-2020 Fair value (IFRS)	Dec-2020 Fair value (EUR/sqm)	Dec-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	851.3	1,355.6	20.1x	59.1	1.3	57.8	779.6	1,240.9	18.6x
Chemnitz	367.2	814.6	14.6x	7.6	3.2	4.4	347.9	764.9	14.2x
Dresden	575.2	1,416.7	20.3x	43.6	6.6	36.9	532.7	1,266.4	18.7x
Erfurt	706.4	1,121.7	17.6x	33.9	14.6	19.4	660.9	1,069.8	17.1x
Gera	444.7	772.5	13.6x	14.9	4.2	10.7	431.2	734.2	13.2x
Hamburg	588.5	1,331.3	19.2x	39.5	3.0	36.5	543.6	1,224.0	18.1x
Leipzig	611.0	1,018.5	16.6x	39.2	9.3	29.9	568.1	946.4	15.6x
Rhine-Ruhr	346.5	1,249.3	18.7x	27.1	7.4	19.7	318.0	1,146.3	17.5x
Rostock	504.9	1,102.8	17.1x	24.4	-0.3	24.7	446.4	1,027.7	16.2x
Salzgitter	563.1	997.3	16.0x	31.2	3.3	27.9	525.1	930.1	14.9x
Total residential units	5,558.8	1,104.7	17.4x	320.5	52.6	267.9	5,153.4	1,024.6	16.4x
Acquisitions	188.2	751.7	15.9x	1.7	0.0	1.7	36.8	835.5	12.3x
Total residential portfolio	5,747.0	1,088.0	17.4x	322.2	52.6	269.6	5,190.2	1,023.0	16.4x
Other	87.3*	3,094.6**	21.0x**	4.7	-2.2	7.0	112.2*	2,780.5**	17.4x**
Grand total	5,834.3	1,095.6	17.4x	327.0	50.4	276.6	5,302.4	1,030.2	16.4x

APPENDIX

* incl. EUR 24.8m book value of project developments; real estate inventory and properties within PPE valued at cost

** excl. project developments

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
	Q4 2020	Q4 2020	Q4 2020	Q4 2020
Equity (before minorities)	2,602.6	2,602.6	2,602.6	2,602.6
Effect from conversion of convertible bond 2017/2022	25.9	25.9	25.9	25.9
Difference between fair value and book value for properties valued at cost	40.9	40.9	40.9	40.9
Deferred taxes on investment properties and derivative financial instruments	577.8	577.8	567.4	0.0
Fair value of derivative financial instruments	20.1	20.1	20.1	0.0
Goodwill	0.0	0.0	-18.4	-18.4
Intangible assets (book value)	0.0	0.0	-4.3	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	0.0	-75.9
Transaction costs (e.g. real estate transfer tax)	0.0	482.6	0.0	0.0
EPRA NAV metrics, fully diluted	3,267.3	3,750.0	3,234.2	2,575.1
<i>Number of shares, fully diluted (in '000)*</i>	147,333	147,333	147,333	147,333
EPRA NAV metrics per share (EUR), fully diluted	22.18	25.45	21.95	17.48

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

TAG EPRA Earnings

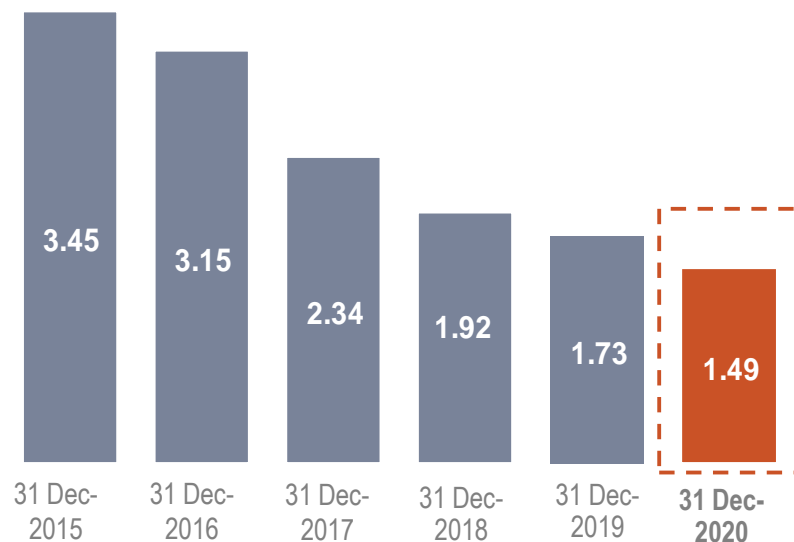
(in EURm)	FY 2020	FY 2019	Q4 2020	Q3 2020
Net income Germany	399.1	456.4	208.2	-25.0
Valuation result	-327.0	-414.1	-152.8	-0.2
Deferred income taxes on valuation result	64.3	76.7	21.0	0.6
Net income from sales	-40.2	0.4	-41.2	0.0
Cash taxes on net income from sales	0.3	2.0	0.0	0.0
Fair value valuation of derivative financial instruments	54.7	29.5	1.5	61.8
Deferred income taxes on valuation of derivative financial instruments	-0.4	-9.2	-16.9	0.0
Breakage fees bank loans and early repayment of bonds	1.8	0.2	0.7	0.0
Cash dividend payments to minorities	-1.3	-1.3	-1.0	-0.3
EPRA Earnings	151.3	140.6	19.5	36.9
Deferred income taxes (other than on valuation result)	5.3	16.3	17.5	-1.5
Other non cash financial result	5.7	2.2	2.5	3.9
One offs*	3.6	-1.3	3.6	3.6
Depreciation	7.0	6.8	1.9	1.8
Cash taxes on net income from sales	-0.3	-2.0	0.0	0.0
Reversal of effects from first time application of IFRS 16 "leases"	0.0	-2.0	0.0	0.0
Adjusted EPRA Earnings (FFO I)	172.6	160.6	41.5	44.6
Weighted average number of shares outstanding (in '000)	146,288	146,333	146,295	146,288
EPRA Earnings per share (in EUR)	1.03	0.96	0.13	0.25
Adjusted EPRA Earnings (FFO I) per share (in EUR)	1.18	1.10	0.28	0.30
<i>Weighted average number of shares, fully diluted (in '000)**</i>	<i>157,681</i>	<i>161,151</i>	<i>155,168</i>	<i>155,935</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.96</i>	<i>0.88</i>	<i>0.13</i>	<i>0.24</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>1.09</i>	<i>1.01</i>	<i>0.28</i>	<i>0.29</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

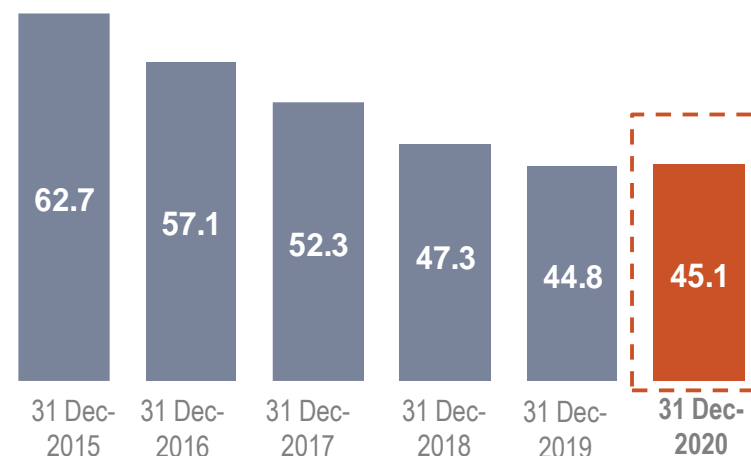
TAG cost of debt and LTV

Cost of debt Ø in %



- Continuous reduction of average cost of debt by nearly 200 bps within a five year period.
- Further upside potential from maturing bank loans of EUR 323m in 2021-2023 (average coupon of 2.7% p.a.).

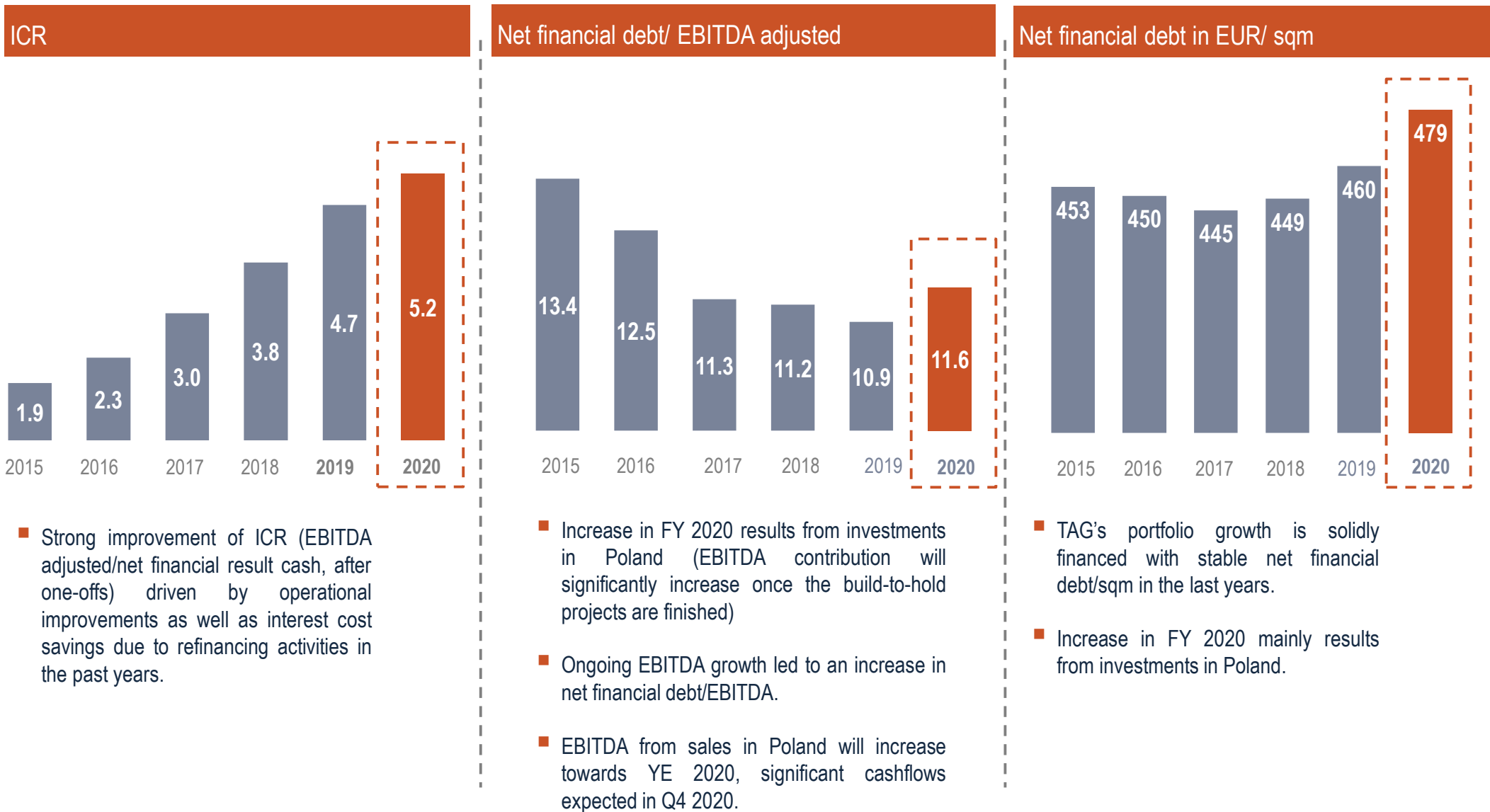
LTV in %



- Strong LTV reduction by nearly 18 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



APPENDIX

Continuous improvement of financing metrics with further improvement expected

TAG LTV calculation

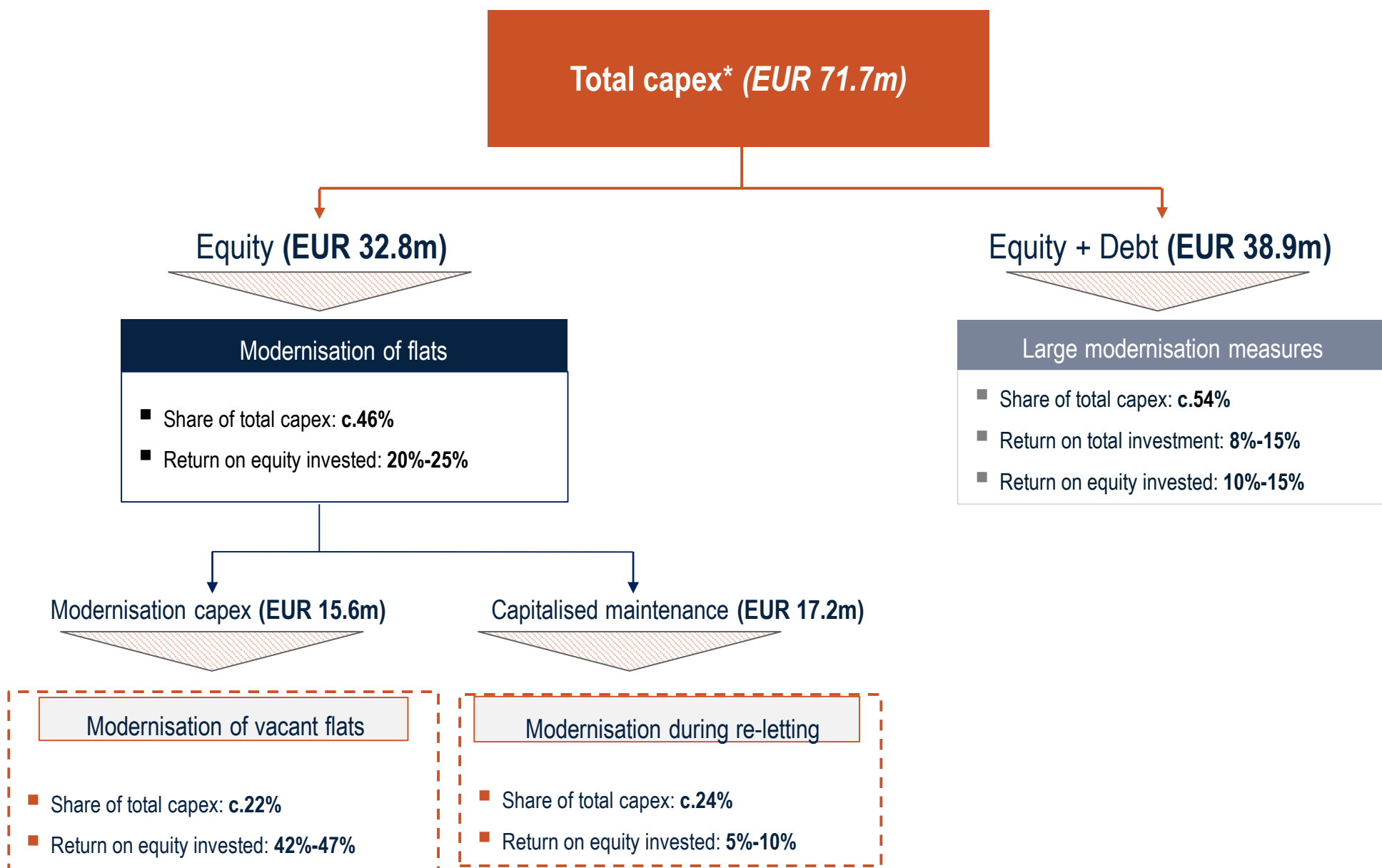
(in EURm)	31 Dec-2020	31 Dec-2019	31 Dec-2018
Non-current and current liabilities to banks	1,977.9	1,901.2	1,855.5
Non-current and current liabilities from corporate bonds and other loans	495.9	403.0	285.8
Non-current and current liabilities from convertible bonds	565.4	258.9	257.5
Cash and cash equivalents	-324.3	-91.3	-91.7
Net financial debt	2,714.9	2,471.8	2,307.1
Book value of investment properties	5,819.2	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)	102.0	58.5	52.3
Book value of property reported under non-current assets held-for-sale	53.9	34.5	87.0
GAV (real estate assets)*	5,984.4	5,302.4	4,815.5
Prepayments on sold/acquired properties and on business combinations	-8.0	130.4	-0.2
Difference between fair value and book value for properties valued at cost	40.9	85.2	60.0
Relevant GAV for LTV calculation	6,017.4	5,518.0	4,875.2
LTV	45.1%	44.8%	47.3%

*thereof EUR 5,834.3m German portfolio and EUR 150.1m Polish portfolio

TAG interest coverage ratio (ICR) calculation

(in EURm)	FY 2020	FY 2019	Q4 2020	Q3 2020
+ Interest income	10.2	0.5	0.3	0.1
- Interest expenses	-116.6	-79.4	-15.9	-75.1
+ Other financial result	-0.7	1.4	0.1	-2.1
= Net financial result	-107.0	-77.6	-15.5	-77.1
+ Financial result from convertible/corporate bonds	3.6	1.4	1.5	1.4
+ Breakage fees bank loans	0.6	0.2	0.0	0.0
+ Other non-cash financial result (e.g. from derivatives)	57.8	30.4	2.5	64.4
= Net financial result (cash, after one-offs)	-44.9	-45.6	-11.6	-11.4
ICR (EBITDA adjusted/net financial result cash, after one-offs)	5.2x	4.7x	5.2x	5.2x

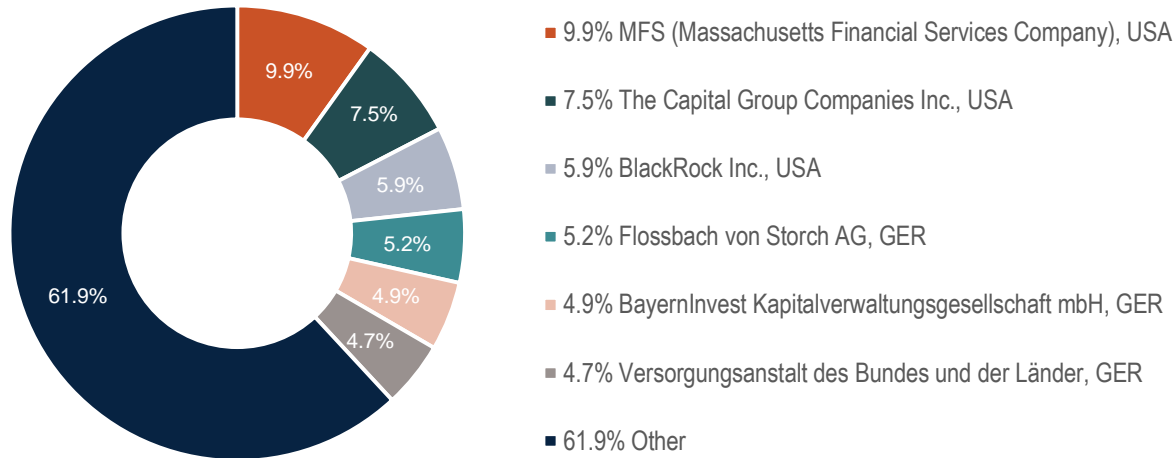
TAG return on capex calculation 2020



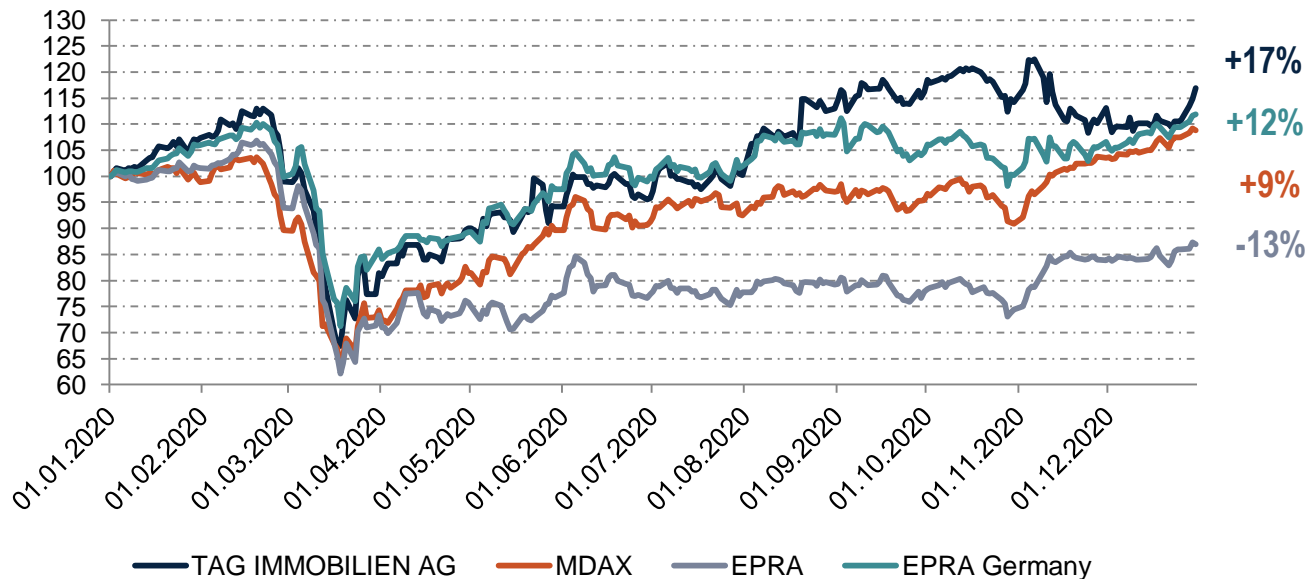
*excl. capex for project developments of EUR 30.8m

TAG share data

Shareholder structure as of 31 Dec-2020



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



Share information as of 31 Dec-2020

Market cap	EUR 3.8bn
NOSH issued	146.5m
NOSH outstanding	146.3m
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

12M 2020 share price performance:	+17%
12M 2020 Ø volume XETRA/day (shares):	c. 543,000

TAG contacts

Martin Thiel
CFO

Phone: +49 40 380 32-305

Fax: +49 40 380 32-388

ir@tag-ag.com

Dominique Mann
Head of Investor & Public Relations

Phone: +49 40 380 32-305

Fax: +49 40 380 32-388

ir@tag-ag.com

TAG Immobilien AG

Steckelhörn 5
20457 Hamburg

Phone: +49 40 380 32-0

Fax: +49 40 380 32-388

www.tag-ag.com

TAG
2021

TAG

Immobilien AG