



**TAG**

Immobilien AG

**Conference call presentation**

**Q2 2020**

# Content

<b>I.</b>	<b>TAG highlights H1 2020</b>	<b>3</b>
<b>II.</b>	<b>TAG financials Q2 2020</b>	<b>6</b>
<b>III.</b>	<b>TAG German portfolio Q2 2020</b>	<b>12</b>
<b>IV.</b>	<b>TAG acquisitions Germany H1 2020</b>	<b>16</b>
<b>V.</b>	<b>TAG German portfolio valuation H1 2020</b>	<b>18</b>
<b>VI.</b>	<b>TAG Poland business update</b>	<b>20</b>
<b>VII.</b>	<b>TAG Sustainability rating</b>	<b>22</b>
<b>VIII.</b>	<b>TAG Guidance FY 2020</b>	<b>24</b>
<b>IX.</b>	<b>Appendix</b>	<b>26</b>
	<ul style="list-style-type: none"><li>▪ German portfolio details by region</li><li>▪ German portfolio vacancy reduction and rental growth</li><li>▪ German portfolio valuation details</li><li>▪ EPRA NAV calculations (including new metrics: NRV, NTA and NDV), EPRA earnings</li><li>▪ Cost of debt, LTV, ICR, net financial debt/ EBITDA adjusted, net financial debt/ sqm</li><li>▪ Share data</li></ul>	

# TAG highlights H1 2020

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2020

# TAG highlights H1 2020

## Operational performance German portfolio

	Q2 2020	Q1 2020	FY 2019	Q2 2019
▪ <b>Vacancy</b> (residential units)	5.1%	4.9%	4.5%/ 4.6%*	5.2%
▪ <b>Vacancy</b> (total portfolio)	5.6%	5.3%	4.9%	5.6%
▪ <b>I-f-I rental growth y-o-y</b>	1.4%	1.9%	1.9%	2.5%
▪ <b>I-f-I rental growth y-o-y</b> (incl. vacancy reduction)	1.5%	2.3%	2.4%	3.0%
▪ <b>FFO I</b> (EURm)	44.5	42.0	160.6	40.8
▪ <b>FFO I</b> (EUR/share)	0.30	0.29	1.10	0.28

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

## EPRA NTA and LTV

	30 Jun-2020	31 Mar-2020	31 Dec-2019	30 Jun-2019
▪ <b>EPRA NTA</b> (EUR/share), fully diluted	20.77	20.23	20.15	n.a.
▪ <b>LTV</b>	44.9%	44.6%	44.8%	46.2%

## Acquisitions and disposals Germany

- **4,218 units** acquired in Jan-Aug 2020 (FY 2019: 1,331 units). Total purchase price of EUR 162.7m (FY 2019: EUR 50.1m) and current net actual rent of EUR 11.1m p.a. (FY 2019: EUR 4.1m) leads to an 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 20.8% (FY 2019: 11.0%). Closing in Q2 and Q4 2020.
- **209 units** disposed in H1 2020 (FY 2019: 568 units). Total selling price of EUR 8.3m (FY 2019: EUR 18.2m). Selling prices around book value (FY 2019: book profit of EUR 0.8m). Net cash proceeds of EUR 8.3m (FY 2019: EUR 17.9m). Closing in the course of 2020.

## Portfolio valuation by CBRE

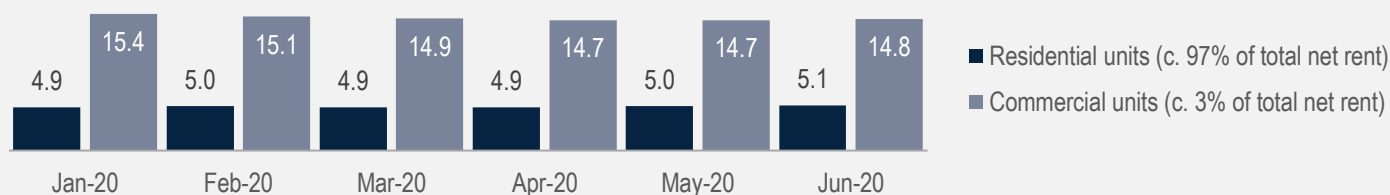
- Total valuation gain of EUR 174.0m (3.3% semi-annual uplift) in the German portfolio
  - EUR 143.6m gain from yield compression (83%)
  - EUR 30.4m gain from operational performance (17%)
- New valuation levels at c. EUR 1,070/sqm (31 Dec-2019: c. EUR 1,030) and 5.9% (31 Dec-2019: 6.1%) gross yield

# TAG Covid 19 business update

Voluntary waiver on rent increases until June 2020

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

Vacancy rates stable



Minor impact on rent payments

- Deferral of net actual rents (resulting from tenant requests against the backdrop of the Covid 19 pandemic) as of 30 Jun-2020:
  - Residential units: c. EUR c. 0.02m per month (c.0.1% of total residential tenants)
  - Commercial units: c. EUR c. 0.01m per month (c.1.4% of total commercial tenants)

Business in Poland not materially affected

- **Construction sites running**, no material delays
- **Land banks and projects for 5,800 units secured or already acquired** (incl. Vantage acquisition), new acquisitions in H1 2020 in Poznan and Lodz as TAG's second and third locations in Poland after Wroclaw
- **Reduced Q2 2020 sales** due to lock-down restrictions after strong sales numbers in Q1 2020, but **sales in July 2020 back on pre-crisis-level; sales prices remained stable or even increased in H1 2020**
  - Sales Q1 2020: 205 units (68 units per month on average)
  - Sales Q2 2020: 61 units (20 units per month on average)
  - Sales July 2020: 57 units

# TAG financials Q2 2020

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2020



# TAG income statement\*

(in EURm)		Q2 2020	Q1 2020	H1 2020	H1 2019	FY 2019
<b>Net actual rent**</b>	1	80.0	79.6	159.7	157.3	315.0
Expenses from property management*		-13.0	-13.7	-26.7	-29.3	-55.4
<b>Net rental income</b>	2	67.0	66.0	133.0	128.0	259.6
Net income from services	3	6.9	5.8	12.7	9.8	21.0
Net income from sales	4	-0.4	-1.0	-1.4	0.2	-0.4
Other operating income	5	1.3	1.5	2.9	1.8	5.6
Valuation result	6	173.3	-0.9	172.4	211.4	414.1
Personnel expenses	7	-14.2	-13.9	-28.1	-24.3	-50.3
Depreciation		-1.8	-1.7	-3.4	-3.1	-6.8
Other operating expenses		-4.1	-5.1	-9.3	-8.3	-17.9
<b>EBIT</b>		228.1	50.7	278.8	315.5	624.9
Net financial result	8	-2.6	-11.7	-14.3	-31.9	-77.6
<b>EBT</b>		225.5	38.9	264.5	283.6	547.3
Income tax	9	-44.8	-6.8	-51.6	-49.9	-91.0
<b>Net income</b>		180.7	32.1	212.8	233.7	456.4

1 Increase in net actual rent of EUR 2.4m in H1 2020 y-o-y driven by net effect from portfolio acquisitions and from ongoing rental growth.

2 Net rental income increased by EUR 5.0m in H1 2020 y-o-y driven by higher net actual rent (EUR 2.4m), lower ancillary cost of vacant real estate (EUR 2.4m) and lower other non-allocable cost (EUR 0.2m).

3 Strong increase in net income from services in H1 2020 y-o-y by EUR 2.9m shows TAG's expanding service business, preliminary coming from internalization of caretaker, multimedia and energy services.

4 Net income from sales decreased by EUR 1.6m in H1 2020 y-o-y mainly driven by EUR 3.3m expenses from purchase price allocation Vantage.

5 Growth in other operating income by EUR 1.1m in H1 2020 y-o-y driven by own work (e.g. personnel cost) capitalized in Poland (EUR 1.1m).

6 Valuation gain of EUR 172.4m in H1 2020 from full portfolio valuation carried out by CBRE GmbH.

7 Personnel expenses in Germany increased in H1 2020 y-o-y by EUR 1.3m due to ongoing growth of TAG's internal caretaker and craftsman services. Further EUR 2.5m result from salaries in Poland due to first-time consolidation of Vantage in 2020.

8 Net financial result increased in H1 2020 y-o-y by EUR 17.5m mainly driven by valuation of convertible bonds (EUR 17.2m). Net financial result (cash, after one-offs) improved by EUR 0.5m y-o-y.

9 Income tax in H1 2020 mainly contains deferred taxes of EUR 46.0. Cash taxes in H1 2020 at EUR 5.6m (EUR 3.7m in Germany and EUR 1.9m in Poland).

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

\*\*w/o IFRS 15 effects; for further details see interim report Q2 2020

# TAG EBITDA, FFO and AFFO calculation

(in EURm)	Q2 2020	Q1 2020	H1 2020	H1 2019	FY 2019
<b>Net income</b>	<b>180.7</b>	<b>32.1</b>	<b>212.8</b>	<b>233.7</b>	<b>456.4</b>
- Net income Poland	2.0	1.0	3.0	0.0	0.0
<b>Net income Germany</b>	<b>182.7</b>	<b>33.1</b>	<b>215.8</b>	<b>233.7</b>	<b>456.4</b>
+ Income tax	45.2	7.1	52.3	49.9	91.0
+ Net financial result	2.8	11.7	14.5	31.9	77.6
<b>EBIT (German business)</b>	<b>230.7</b>	<b>51.9</b>	<b>282.6</b>	<b>315.5</b>	<b>624.9</b>
+ Adjustments					
Net income from sales	0.6	0.4	1.0	-0.2	0.4
Valuation result (German portfolio)	-174.9	0.9	-174.0	-211.4	-414.1
Depreciation	1.7	1.7	3.4	3.1	6.8
One-offs	0.0	0.0	0.0	0.0	-1.3
Reversal of effects from first time application of IFRS 16 "leases"	1 0.0	0.0	0.0	-0.8	-2.0
<b>EBITDA (adjusted, German business)</b>	<b>2 58.1</b>	<b>54.9</b>	<b>113.0</b>	<b>106.2</b>	<b>214.7</b>
<i>EBITDA (adjusted) margin</i>	72.5%	68.9%	70.8%	67.5%	68.2%
- Net financial result (cash, after one-offs)	-11.1	-11.0	-22.1	-22.7	-45.6
- Cash taxes	-2.1	-1.6	-3.7	-2.6	-7.2
- Cash dividend payments to minorities	-0.3	-0.3	-0.6	-0.6	-1.3
<b>FFO I (German business)</b>	<b>3 44.5</b>	<b>42.0</b>	<b>86.5</b>	<b>80.3</b>	<b>160.6</b>
- Capitalised maintenance	-3.3	-1.2	-4.5	-5.1	-15.3
AFFO before modernisation capex	41.2	40.8	82.0	75.2	145.3
- Modernisation capex	-13.9	-19.5	-33.3	-24.9	-51.4
<b>AFFO (German business)</b>	<b>4 27.3</b>	<b>21.3</b>	<b>48.6</b>	<b>50.2</b>	<b>93.9</b>
Net income from sales Germany	-0.6	-0.4	-1.0	0.2	-0.4
Result operations Poland	-1.5	0.7	-0.8	0.0	0.0
<b>FFO II (includes operations Poland)</b>	<b>5 42.4</b>	<b>42.3</b>	<b>84.7</b>	<b>80.6</b>	<b>160.2</b>
(FFO I + net income from sales Germany and result operations Poland)					
Weighted average number of shares outstanding (in '000)	146,259	146,314	146,286	146,328	146,333
<b>FFO I per share (EUR)</b>	<b>0.30</b>	<b>0.29</b>	<b>0.59</b>	<b>0.55</b>	<b>1.10</b>
<b>AFFO per share (EUR)</b>	<b>0.19</b>	<b>0.15</b>	<b>0.33</b>	<b>0.34</b>	<b>0.64</b>
Weighted average number of shares, fully diluted (in '000)*	161,113	161,168	161,141	161,090*	161,151
FFO I per share (EUR), fully diluted	0.28	0.26	0.54	0.50	1.01
AFFO per share (EUR), fully diluted	0.17	0.13	0.30	0.32	0.59

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

2 Improved EBITDA (purely generated from German business) of EUR 6.8m in H1 2020 y-o-y mainly as a net effect of higher net rental income (EUR 5.0m) and higher net income from services (EUR 2.9m), partially compensated by higher personnel expenses (EUR 3.8m).

3 FFO I increased by EUR 6.2m in H1 2020 y-o-y as a result of EUR 6.8m higher EBITDA, EUR 0.6m improved net financial result (cash, after one-offs), compensated by EUR 1.1m higher cash taxes.

4 AFFO decreased in H1 2020 y-o-y by EUR 1.6m due to higher modernization capex (EUR -8.4m), compensated by higher FFO I (EUR 6.2m) and less capitalized maintenance (EUR 0.6m).

5 FFO II contribution Poland H1 2020	(in EURm)
Net income from Poland	-3.0
Minority interests	0.2
Result of effects from purchase price allocation (after income taxes and minorities)	2.4
Valuation result	1.6
Deferred taxes	-2.0
<b>Result operations Poland</b>	<b>-0.8</b>

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



# TAG balance sheet

(in EURm)	30 Jun-2020	31 Dec-2019
<b>Non-current assets</b>	<b>5,586.2</b>	<b>5,301.5</b>
Investment property	1 5,462.3	5,200.0
Deferred tax assets	49.7	49.7
Other non-current assets	2 74.2	51.7
<b>Current assets</b>	<b>420.1</b>	<b>311.0</b>
Real estate inventory	3 192.6	58.5
Cash and cash equivalents	176.4	91.3
Prepayments on business combinations	4 0.0	131.2
Other current assets	5 51.1	30.0
<b>Non-current assets held-for-sale</b>	<b>52.7</b>	<b>34.5</b>
<b>TOTAL ASSETS</b>	<b>6,059.0</b>	<b>5,647.0</b>
<b>Equity</b>	<b>2,495.2</b>	<b>2,394.2</b>
Equity (without minorities)	6 2,419.4	2,342.6
Minority interest	75.8	51.7
<b>Non-current liabilities</b>	<b>3,164.7</b>	<b>2,988.4</b>
Financial debt	7 2,523.0	2,397.0
Deferred tax liabilities	549.8	497.0
Other non-current liabilities	91.9	94.4
<b>Current liabilities</b>	<b>398.3</b>	<b>263.6</b>
Financial debt	253.0	166.1
Other current liabilities	145.2	97.5
Non current liabilities held for sale	0.8	0.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,059.0</b>	<b>5,647.0</b>

1 EUR 262.3m higher investment properties is driven by EUR 172.4m total valuation result, EUR 37.9m capex and first-time consolidation Vantage.

2 EUR 22.5m higher other non-current assets primarily driven by first-time consolidation of Vantage resulting in goodwill of EUR 18.8m.

3 Increase in real estate inventory (EUR 134.1) largely due to the consolidation of Vantage.

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

5 Increase in current assets (EUR 21.1m) mainly results from prepaid expenses for insurances (EUR 6.3m) and from consolidation of Vantage (EUR 12.2m)

6 Increase of equity (without minorities) of EUR 76.8m mainly as a result of net income of EUR 205.7m in H1 2020 and dividend payment of EUR 119.9m.

7 Increase in non-current financial debt (EUR 126.0m) largely due to bank loans financing in Q1 and Q2 2020.

# TAG EPRA NTA calculation

## EPRA Net Tangible Assets in EUR/share

(in EURm)	30 Jun-2020	31 Dec-2019
<b>Equity (without minorities)</b>	<b>2,419.4</b>	<b>2,342.6</b>
+ Effect from conversion of convertible bond	315.5	324.2
+ Deferred taxes on investment properties and financial derivatives	543.4	492.8
+ Fair value of financial derivatives	7.0	6.2
+ Difference between fair value and book value for properties valued at cost	84.0	85.2
- Goodwill	-18.8	0.0
- Intangible assets	-3.4	-2.6
<b>= EPRA NTA*, fully diluted</b>	<b>3,347.1</b>	<b>3,248.4</b>
Number of shares, fully diluted (in '000)**	161,123	161,191
<b>EPRA NTA per share (EUR), fully diluted</b>	<b>20.77</b>	<b>20.15</b>

\*potential transactions costs (e.g. RETT) fully deducted in EPRA NTA calculation as TAG considers RETT free share deals in the future as uncertain, given the current discussions around changes in German RETT law; adding back transactions costs in full would increase EPRA NTA on a fully diluted basis by EUR 457.1m or EUR 2.84/s.

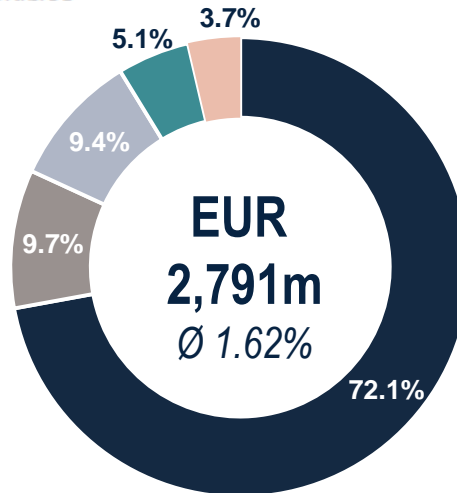
\*\*incl. 14,854 potential shares from convertible bond 2017/2022 (trading "in the money" at reporting date) and management board compensation

# TAG financing structure

## Debt structure as of 30 Jun-2020

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

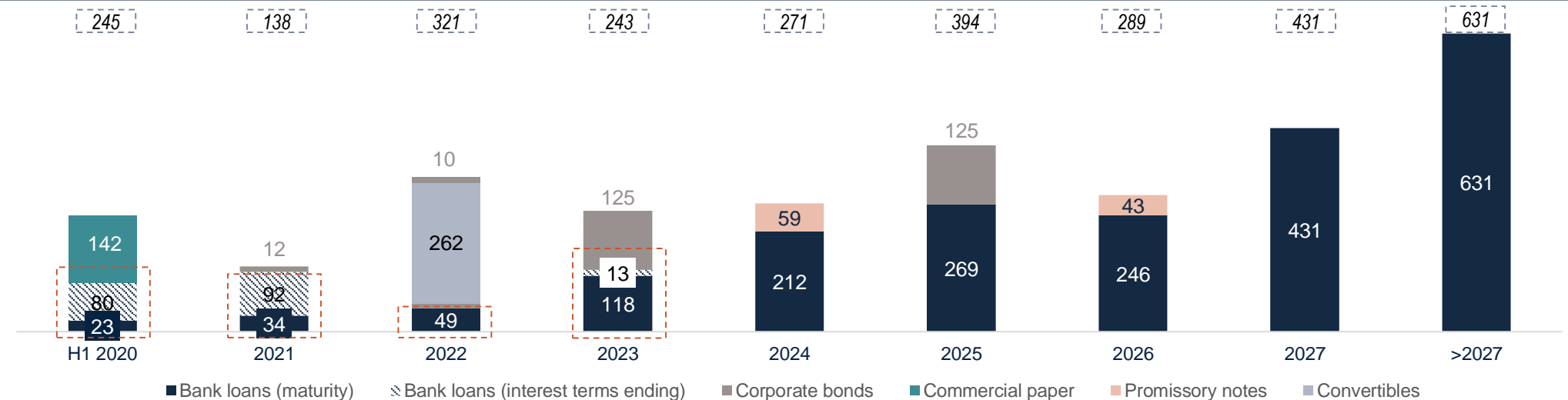
Debt volume	Ø interest rate	% fixed rates
EUR 2,013m	1.85%	98%
EUR 272m	1.77%	100%
EUR 262m	0.63%	100%
EUR 142m	0.15%	100%
EUR 102m	1.18%	100%
<b>Σ EUR 2,791m</b>	<b>Ø 1.62%</b>	<b>Ø 98.5%</b>



## Key financial KPIs as of 30 Jun-2020

Ø Maturity total financial debt	7.0 years
Ø Maturity bank loans	8.4 years
Ø Interest rate total financial debt	1.62%
Ø Interest rate bank loans	1.85%
LTV	44.9%
LTV target	c. 45.0%
Rating (Moody's)	Baa3 long term rating (outlook stable) P-3 short term rating
Further refinancing potential 2020-2022	<b>EUR 409m</b> of German bank loans maturing or with interest terms ending in 2020-2023 with average coupons of 2.5%-2.7% p.a.

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



# TAG German portfolio Q2 2020

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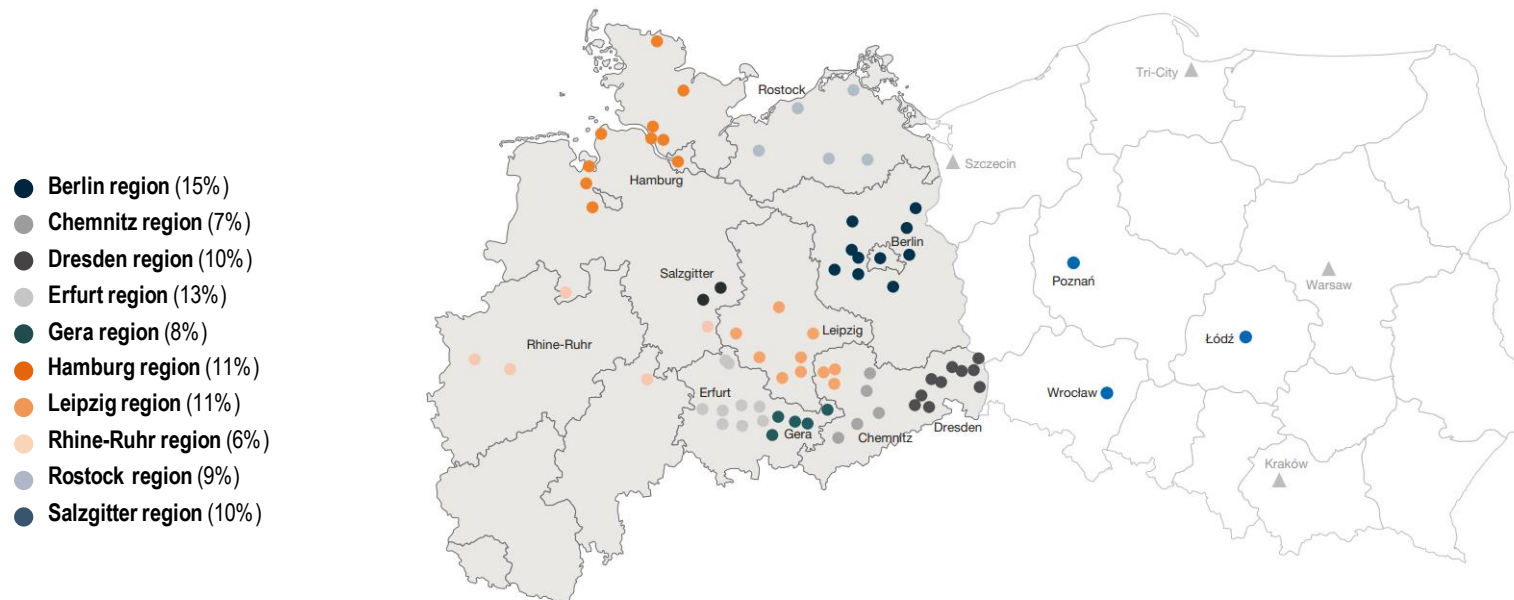
# TAG German portfolio as of 30 Jun-2020

Regionally focused and efficiently managed residential portfolio in Northern and Eastern Germany

Portfolio as of	30 Jun-2020	31 Dec-2019
Number of units	85,500	84,510
Lettable area in sqm	5,148,638	5,094,435
GAV (EURm)	5,564.7*	5,302.4
Annualised net actual rent (EURm)	322.9	319.9
Net actual rent total portfolio in EUR/sqm/month	5.54	5.51
Net actual rent residential units in EUR/sqm/month	5.43	5.39
Vacancy rate (total portfolio)	5.6%	4.9%
Vacancy rate (residential units)	5.1%	4.5%
I-f-I rental growth (y-o-y)	1.4%	1.9%
I-f-I rental growth (including vacancy reduction, y-o-y)	1.5%	2.4%

- TAG is a **leader in affordable housing** in Northern and Eastern Germany.
- The portfolio is **structured in ten defined regions** in and around large and mid-sized cities.
- The **management** of these regions is conducted in a **decentralized fashion**.
- TAG's **local presence ensures high operational efficiency** and **strengthens local sourcing and asset management capabilities**.

\*GAV including Polish portfolio of EUR 152.4m at EUR 5,717.1m





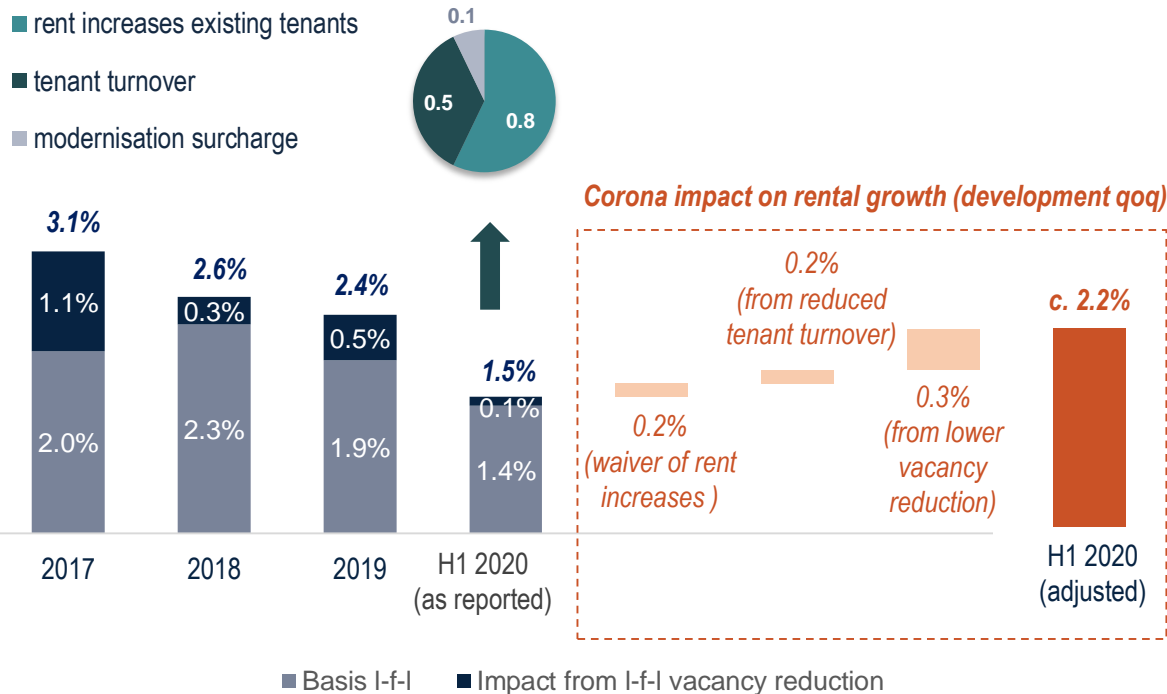
# TAG German portfolio rental growth and capex allocation

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

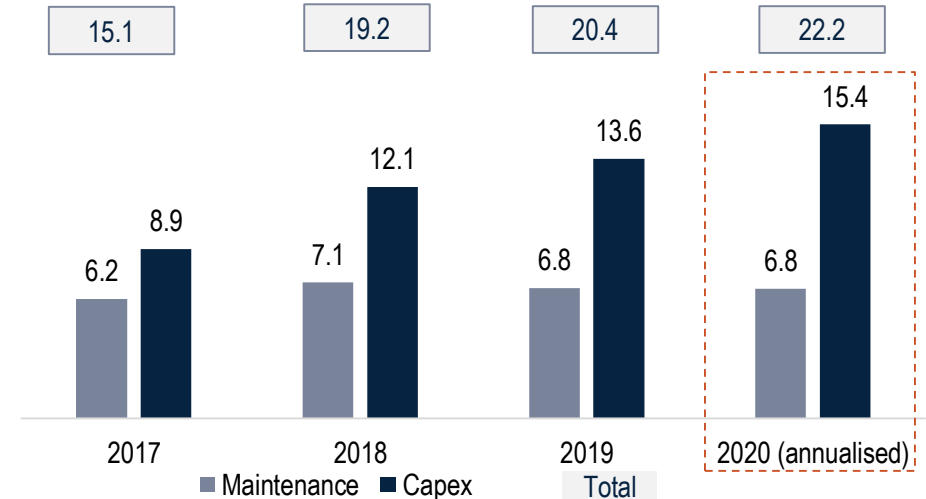
## Rental growth achieved with moderate investments

- TAG creates **attractive rental growth** from
  - regular rent increases and tenant turnover (“basis I-f-I rental growth”).
  - vacancy reduction (leading to “total I-f-I rental growth”).
- Investment of capex at selective locations targeted to reduce vacancy:** investments in vacancy reduction result in highly attractive equity-returns: **c. 10%-15% return on capex** in large modernization measures and **c. 40%-45% in the modernization of vacant flats**.

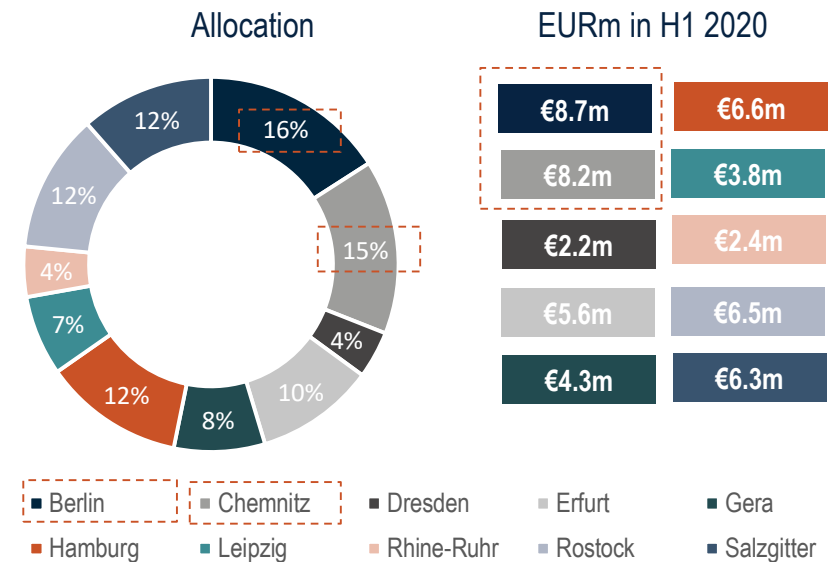
## Like-for-like rental growth excluding and including vacancy reduction



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

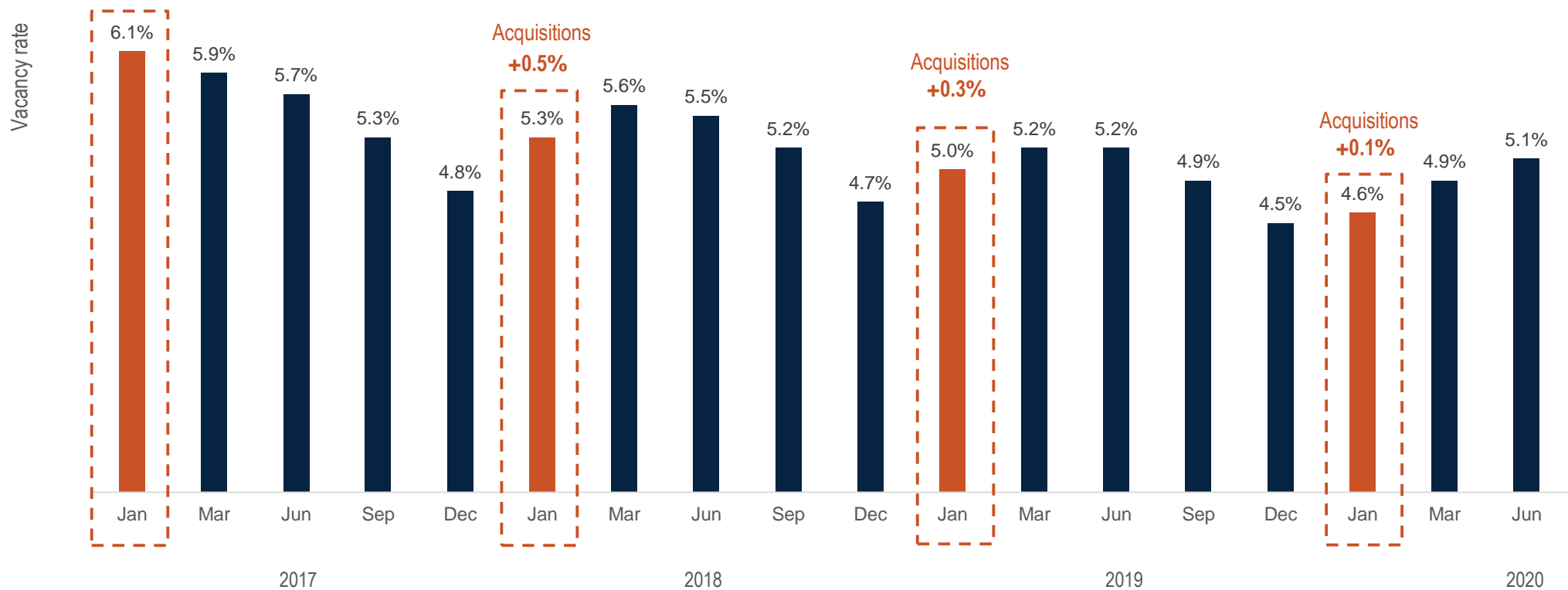


## Maintenance & capex split by region



# TAG German portfolio vacancy reduction residential units

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



# TAG acquisitions Germany H1 2020

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# TAG acquisitions Germany Jan–Aug 2020

	Total*
Signing	2020
Units	4,218
Net actual rent in EUR/sqm/month	4.97
Vacancy	20.8%
Purchase price in EURm	162.7
Net actual rent in EURm p.a.	11.1
Location	<b>Saxony, Thuringia, Saxony-Anhalt:</b> Merseburg, Plauen, Gotha, Magdeburg, Dessau et.al.
Closing	Q2/ Q4 2020
Multiples (in-place rent)	14.7

\*individual transaction details confidential



Bernburg



Dessau



Plauen

4,218 units in TAG core markets acquired in Jan-Aug 2020 up to date at an average acquisition multiple of 14.7x (6.8% gross yield)

# TAG German portfolio valuation H1 2020

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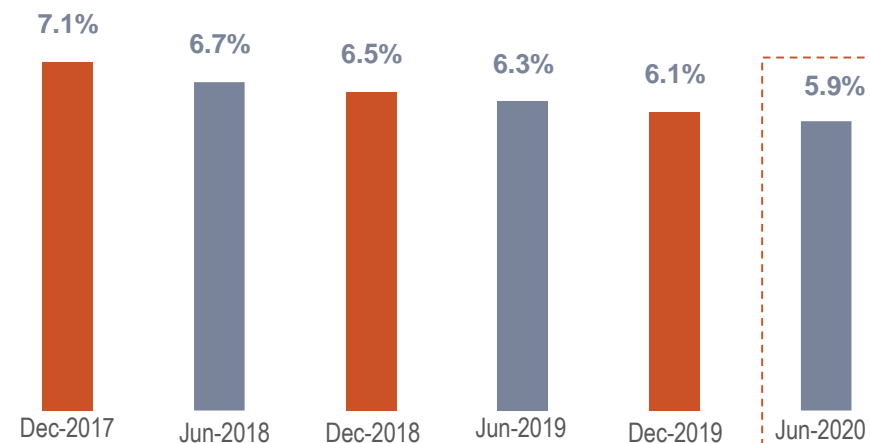
# TAG German portfolio valuation overview

## Portfolio valuation result

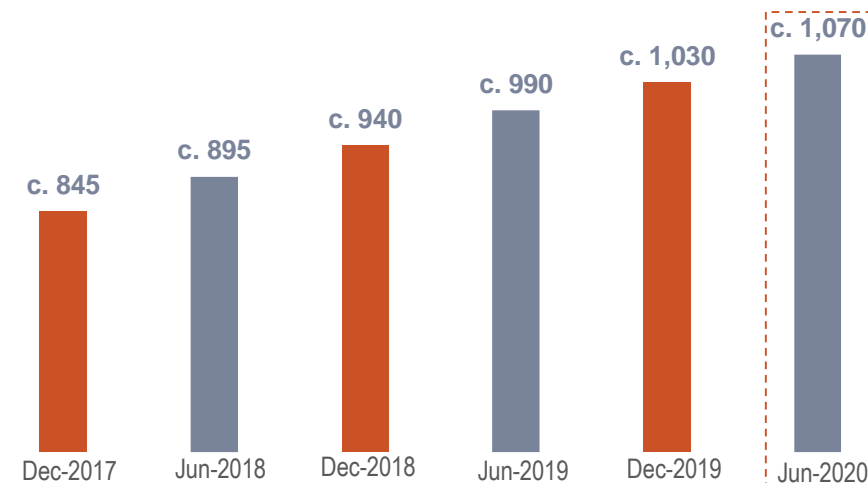
H1 2020 vs. H2 2019	H1 2020	H2 2019
in EUR m	174.0*	202.7
semi-annual valuation uplift (w/o capex)	3.3%	4.2%
– thereof from yield compression	83%	70%
– thereof from operational performance	17%	30%

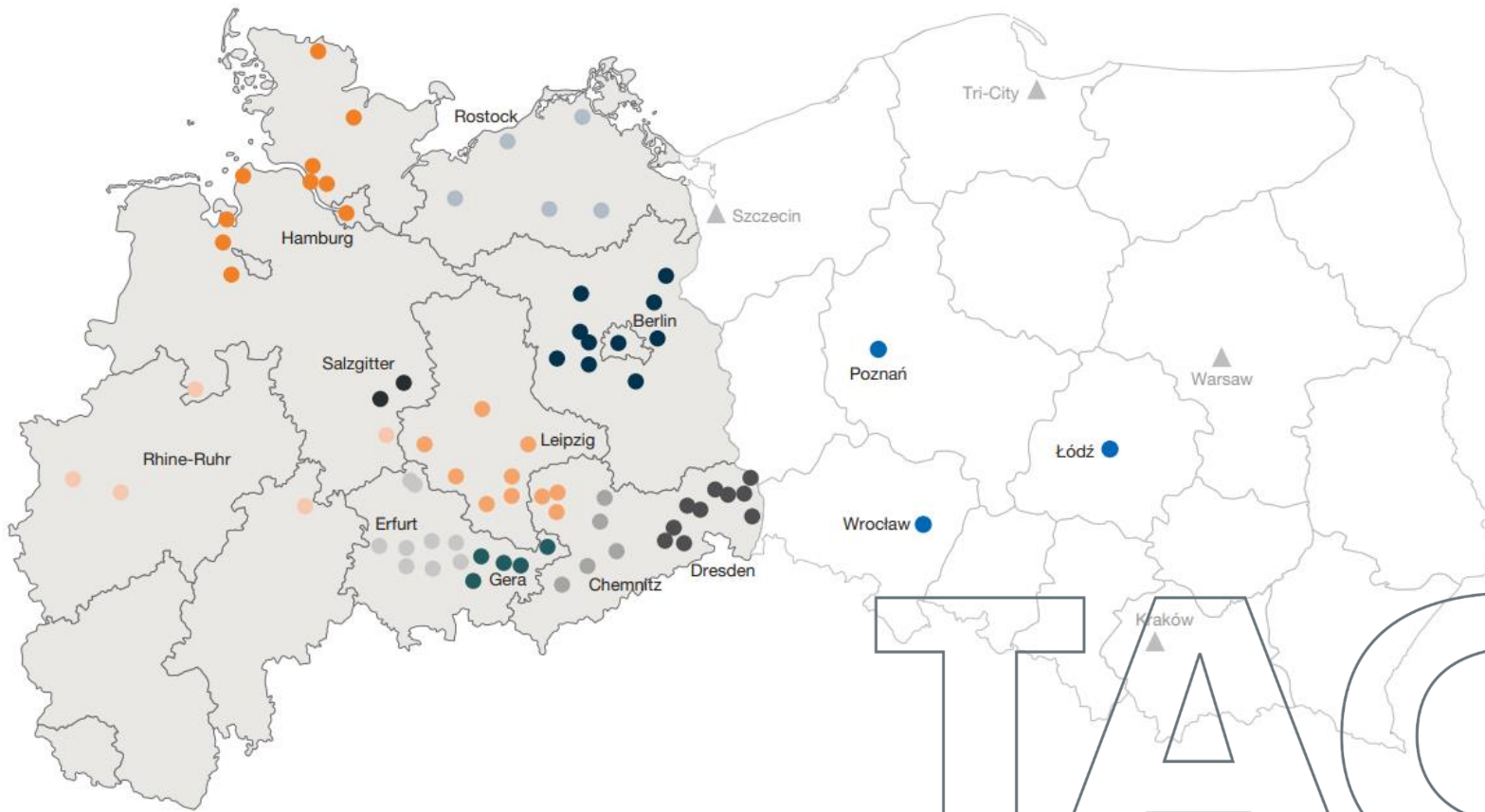
\* total valuation gain of EUR 172.4m in H1 2020: thereof EUR 174m relates to properties in Germany, EUR -1.6m to properties in Poland

## Development of gross yield



## Development of portfolio value (EUR/sqm)





# TAG Poland business update

# TAG 2020

# 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



## 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	2,600	6,200	8,800	Total number of units	3,200	1,600	4,800	Total number of units	5,800	7,800	13,600	
Total sqm	137,000	309,000	446,000	Total sqm	190,000	78,000	268,000	Total sqm	327,000	387,000	714,000	
Total investment costs incl. fit-outs (TIC)			EUR 700-750m	Total investment costs (TIC)			EUR 350-375m	Total investment costs incl. fit-outs (TIC)				EUR 1,050-1,125m
Estimated rental yield upon completion			c. 7-8%	Estimated EBITDA margin on sales			>15%					
Estimated EBITDA margin on letting			>70%	Estimated EBITDA contribution from sales			EUR 50-55m					
Estimated EBITDA contribution from letting p.a.			EUR 35-40m	Estimated EBITDA contribution from sales			EUR 50-55m					

Note: Euro amounts based on PLN/EUR exchange rate of 0.224 as of 30 Jun-2020

# TAG Sustainability rating

# TAG 2020

# TAG environmental, social and corporate governance



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

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

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



OUR PATH TO TOMORROW



DEVELOPING OUR PORTFOLIO RESPONSIBLY

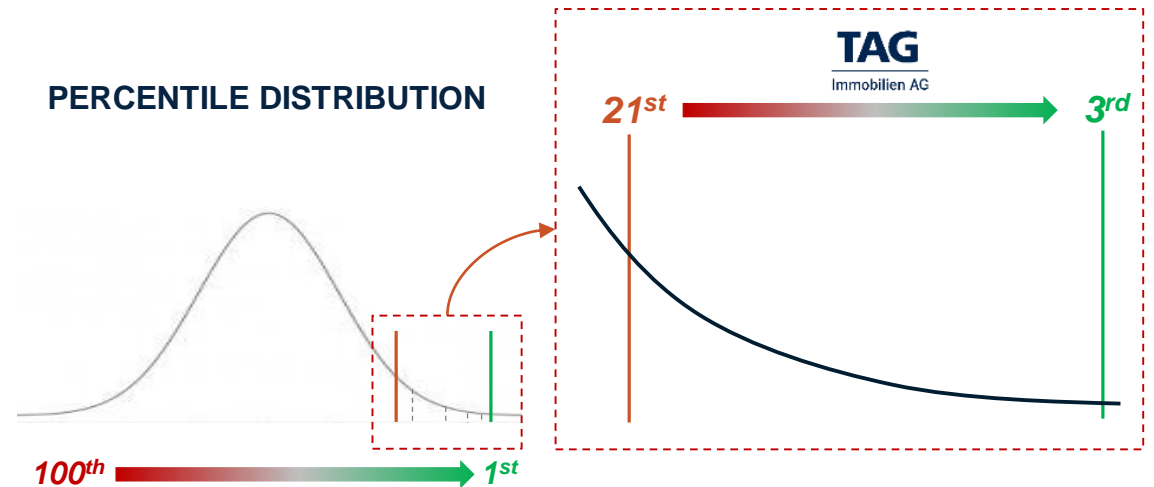


OUR SOCIAL RESPONSIBILITY



EMPOWERING OUR EMPLOYEES

## PERCENTILE DISTRIBUTION



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

ESG Risk Rating

12.6 Low Risk



Top ESG rating rank within TAG industry group



out of 905 rated entities

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

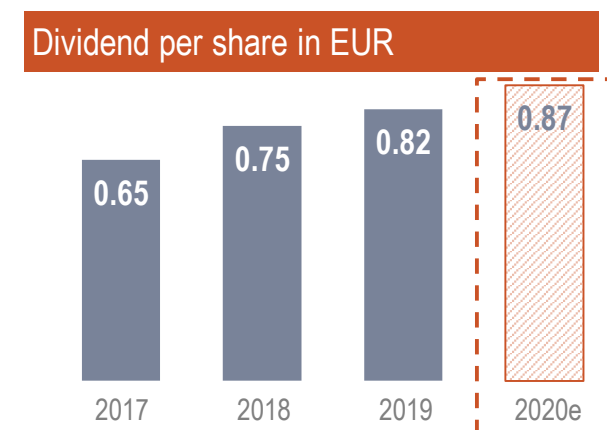
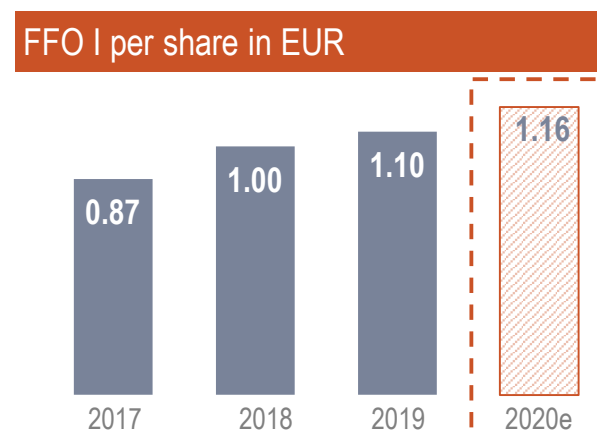
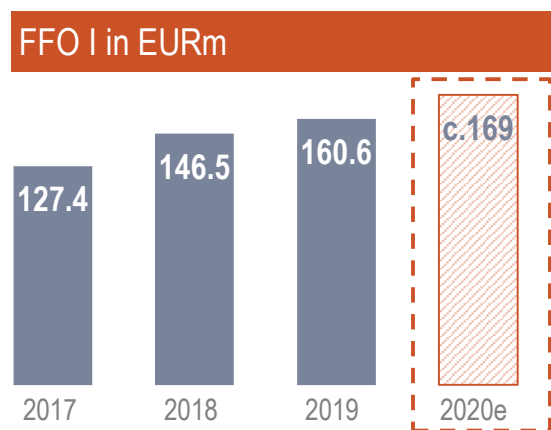


# TAG Guidance FY 2020

# TAG 2020

# TAG guidance FY 2020 (unchanged)

Germany	FFO I (EUR)	168-170m	+5% vs. 2019	<ul style="list-style-type: none"> <li>based on the current portfolio (for purpose of the guidance no further acquisitions/disposals are included)</li> </ul>
	FFO I/s (EUR)	1.16	+5% vs. 2019	<ul style="list-style-type: none"> <li>based on 146.3m outstanding shares</li> </ul>
	DPS (EUR)	0.87	+5% vs. 2019	<ul style="list-style-type: none"> <li>equals 75% of FFO I</li> </ul>
Poland	Sales revenues (EUR)	80-85m		<ul style="list-style-type: none"> <li>defined as net income from Poland after minorities (excluding any non-cash items and one-offs) w/o effects from purchase price allocation</li> <li>part of FFO II, equals EUR 0.07/s</li> <li>Poland to generate FFO I contribution from FY 2021 onwards</li> </ul>
	Result from Operations (EUR)	9-11m		



# APPENDIX

# TAG 2020

# TAG German portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Jun-2020	Gross yield	Vacancy Jun-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	10,410	597,030	817.2	4.8%	4.5%	4.1%	5.78	6.24	1.7%	1.1%	2.82	11.77
Chemnitz	7,475	437,293	358.0	6.7%	8.0%	7.7%	4.96	4.98	1.2%	2.3%	3.62	15.21
Dresden	6,298	409,025	561.2	4.9%	3.1%	2.1%	5.78	6.17	1.9%	1.5%	1.84	3.61
Erfurt	10,812	607,967	682.6	5.4%	3.1%	2.6%	5.26	5.58	1.2%	1.7%	2.93	6.32
Gera	9,631	560,160	440.7	7.2%	7.1%	7.0%	5.06	5.33	1.3%	2.1%	2.53	5.13
Hamburg	7,039	432,857	570.8	5.1%	4.0%	4.2%	5.80	6.02	1.2%	2.1%	4.65	10.64
Leipzig	10,013	589,863	592.3	5.9%	6.5%	5.4%	5.31	5.75	1.6%	1.2%	2.94	3.47
Rhine-Ruhr	4,188	266,405	332.1	5.2%	2.6%	2.1%	5.54	5.71	1.6%	1.6%	6.04	2.87
Rostock	7,987	452,551	491.7	5.8%	4.9%	3.6%	5.54	5.93	1.3%	1.6%	4.99	9.46
Salzgitter	9,180	563,122	546.3	6.3%	5.5%	5.2%	5.41	5.60	1.2%	0.6%	3.50	7.65
<b>Total residential units</b>	<b>83,033</b>	<b>4,916,272</b>	<b>5,392.8</b>	<b>5.6%</b>	<b>5.1%</b>	<b>4.5%</b>	<b>5.43</b>	<b>5.70</b>	<b>1.4%</b>	<b>1.5%</b>	<b>3.42</b>	<b>7.70</b>
Acquisitions	1,166	65,361	42.6	7.2%	16.7%	7.8%	4.68	---	---	---	---	---
Commercial units within resi. portfolio	1,143	146,704	---	---	16.4%	16.3%	8.56	---	---	---	---	---
<b>Total residential portfolio</b>	<b>85,342</b>	<b>5,128,337</b>	<b>5,435.4</b>	<b>5.9%</b>	<b>5.5%</b>	<b>4.9%</b>	<b>5.50</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
Other	158	20,301	129.2**	5.1%***	6.1%	8.1%	13.33	---	---	---	---	---
<b>Grand total</b>	<b>85,500</b>	<b>5,148,638</b>	<b>5,564.7</b>	<b>5.9%</b>	<b>5.6%</b>	<b>4.9%</b>	<b>5.54</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

APPENDIX

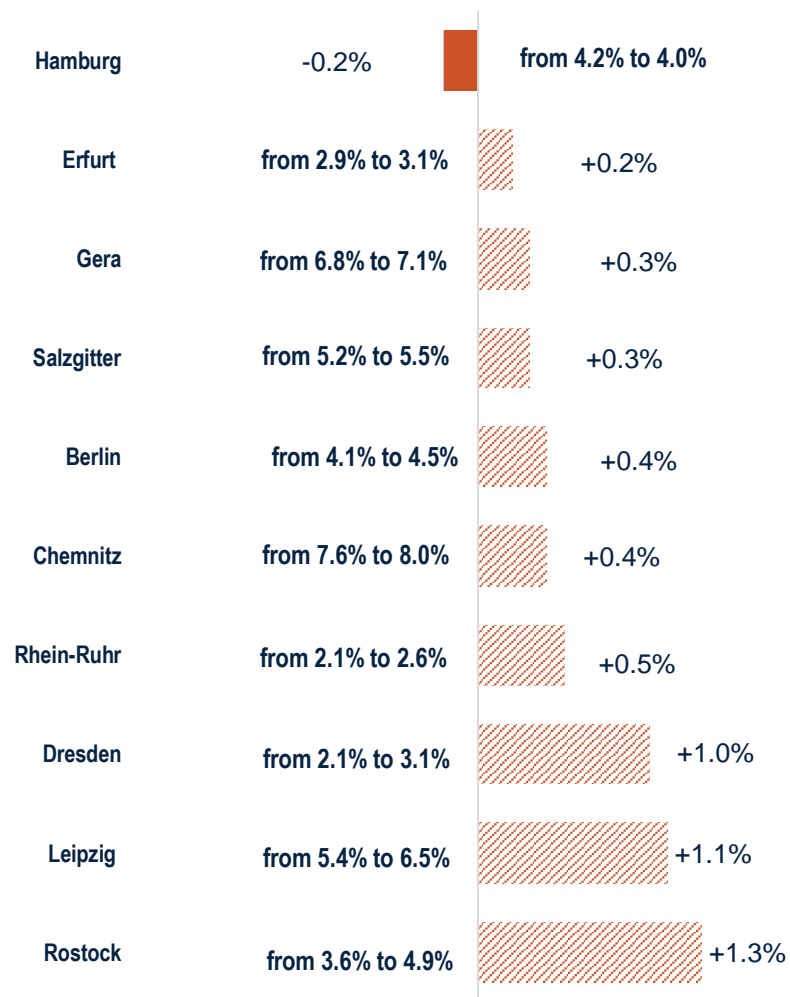
\* excl. acquisitions 2019

\*\* incl. EUR 69.2m book value of project developments

\*\*\* excl. project developments

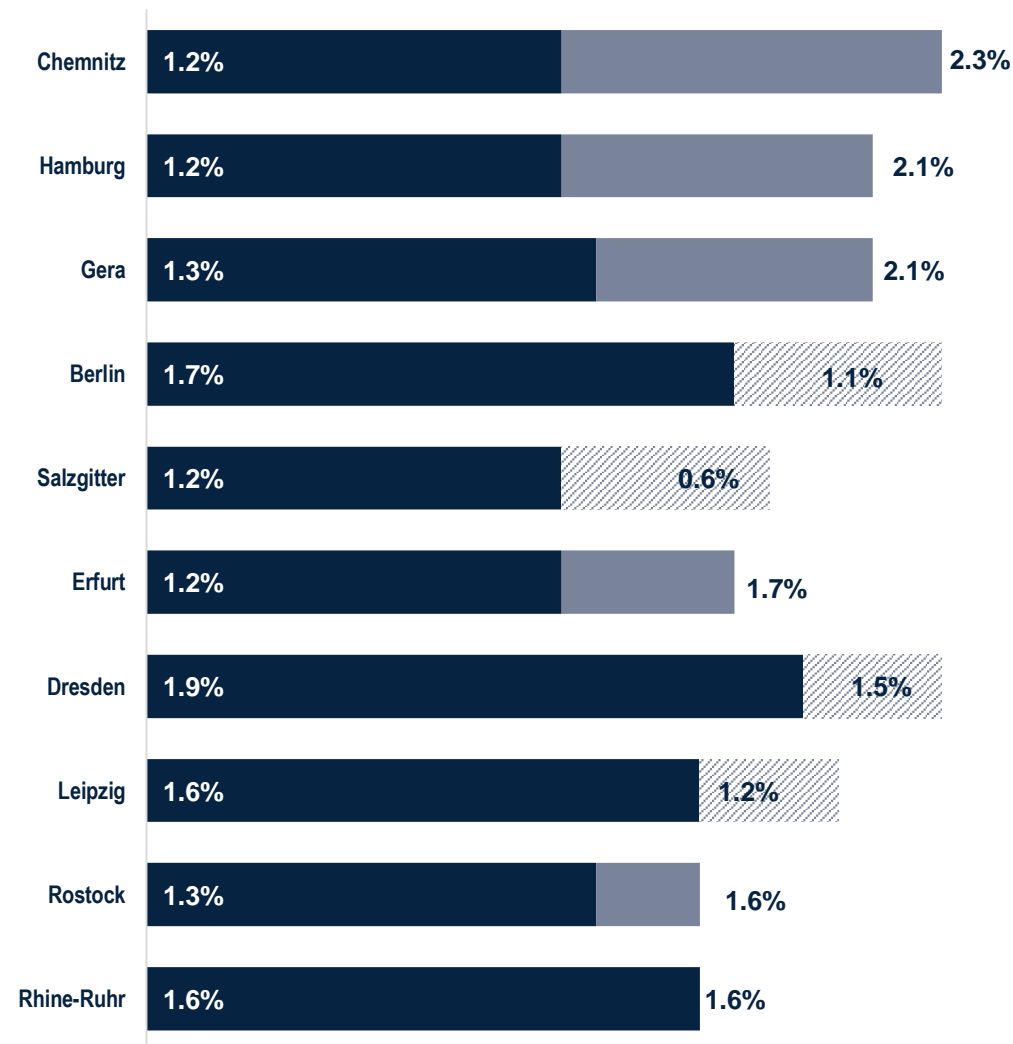
# TAG German portfolio vacancy reduction and rental growth

Vacancy development H1 2020\*



\* incl. acquisitions 2019

I-f-I rental growth (y-o-y) H1 2020



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



# TAG German portfolio valuation details

Region (in EURm)	Jun-2020 Fair value (IFRS)	Jun-2020 Fair value (EUR/sqm)	Jun-2020 Implied multiple	Jun-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	817.2	1,300.5	19.6x	30.5	1.6	28.9	779.6	1,240.9	18.6x
Chemnitz	358.0	794.7	14.6x	4.9	1.7	3.2	347.9	764.9	14.2x
Dresden	561.2	1,334.4	19.7x	27.0	3.7	23.4	532.7	1,266.4	18.7x
Erfurt	682.6	1,081.3	17.3x	11.8	3.3	8.5	660.9	1,069.8	17.1x
Gera	440.7	751.5	13.4x	6.9	2.8	4.1	431.2	734.2	13.2x
Hamburg	570.8	1,290.2	18.9x	24.9	6.3	18.7	543.6	1,224.0	18.1x
Leipzig	592.3	987.3	16.3x	23.1	4.6	18.4	568.1	946.4	15.6x
Rhine-Ruhr	332.1	1,197.1	18.2x	13.3	1.4	12.0	318.0	1,146.3	17.5x
Rostock	491.7	1,065.3	16.6x	12.2	1.7	10.5	446.4	1,027.7	16.2x
Salzgitter	546.3	967.6	15.5x	16.9	3.5	13.4	525.1	930.1	14.9x
<b>Total residential units</b>	<b>5,392.8</b>	<b>1,065.1</b>	<b>17.0x</b>	<b>171.5</b>	<b>30.5</b>	<b>141.0</b>	<b>5,153.4</b>	<b>1,024.6</b>	<b>16.4x</b>
Acquisitions	42.6	652.0	13.8x	0.3	0.0	0.3	36.8	835.5	12.3x
<b>Total residential portfolio</b>	<b>5,435.4</b>	<b>1,059.9</b>	<b>17.0x</b>	<b>171.8</b>	<b>30.5</b>	<b>141.3</b>	<b>5,190.2</b>	<b>1,023.0</b>	<b>16.4x</b>
Other	129.2*	2,958.0**	19.7x**	2.2	-0.1	2.3	112.2*	2,780.5	17.4x
<b>Grand total</b>	<b>5,564.7</b>	<b>1,067.4</b>	<b>17.0x</b>	<b>174.0</b>	<b>30.4</b>	<b>143.6</b>	<b>5,302.4</b>	<b>1,030.2</b>	<b>16.4x</b>

APPENDIX

\* incl. EUR 69.2m book value of project developments; real estate inventory and properties within PPE valued at cost

\*\* excl. project developments

# TAG income statement details Germany and Poland

(in EURm)	Germany Q2 2020	Poland Q2 2020	Total H1 2020	Germany Q1 2020	Poland Q1 2020	Total Q1 2020	Germany FY 2019	Poland Q4 2019	Total FY 2019
<b>Net actual rent*</b>	80.0	0.0	159.7	79.7	0.0	79.6	315.0	0.0	315.0
Expenses from property management*	-13.0	0.0	-26.7	-13.7	0.0	-13.7	-55.4	0.0	-55.4
<b>Net rental income</b>	<b>67.0</b>	<b>0.0</b>	<b>133.0</b>	<b>66.0</b>	<b>0.0</b>	<b>66.0</b>	<b>259.6</b>	<b>0.0</b>	<b>259.6</b>
Net income from services	6.9	0.0	12.7	5.8	0.0	5.8	21.0	0.0	21.0
Net income from sales	-0.7	0.3	-1.4	-0.3	-0.7	-1.0	-0.4	0.0	-0.4
Other operating income	0.8	0.6	2.9	0.7	0.8	1.5	5.6	0.0	5.6
Valuation result	174.9	-1.6	172.4	-0.9	0.0	-0.9	414.1	0.0	414.1
Personnel expenses	-12.9	-1.3	-28.1	-12.7	-1.2	-13.9	-50.3	0.0	-50.3
Depreciation	-1.6	-0.1	-3.4	-1.7	0.0	-1.7	-6.8	0.0	-6.8
Other operating expenses	-3.8	-0.4	-9.3	-4.9	-0.2	-5.1	-17.9	0.0	-17.9
<b>EBIT</b>	<b>230.7</b>	<b>-2.5</b>	<b>278.8</b>	<b>52.0</b>	<b>-1.3</b>	<b>50.7</b>	<b>624.9</b>	<b>0.0</b>	<b>624.9</b>
Net financial result	-2.8	0.2	-14.3	-11.7	0.0	-11.7	-77.6	0.0	-77.6
<b>EBT</b>	<b>227.9</b>	<b>-2.4</b>	<b>264.5</b>	<b>40.2</b>	<b>-1.3</b>	<b>38.9</b>	<b>547.3</b>	<b>0.0</b>	<b>547.3</b>
Income tax	-45.2	0.4	-51.6	-7.1	0.3	-6.8	-91.0	0.0	-91.0
<b>Net income</b>	<b>182.7</b>	<b>-2.0</b>	<b>212.8</b>	<b>33.1</b>	<b>-1.0</b>	<b>32.1</b>	<b>456.4</b>	<b>0.0</b>	<b>456.4</b>

\*w/o IFRS 15 effects; for further details see Interim Report Q2 2020

# 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
	Q2 2020	Q2 2020	Q2 2020	Q2 2020
<b>Equity (before minorities)</b>	<b>2,419.4</b>	<b>2,419.4</b>	<b>2,419.4</b>	<b>2,419.4</b>
Effect from conversion of convertible bond	315.5	315.5	315.5	315.5
Difference between fair value and book value for properties valued at cost	84.0	84.0	84.0	84.0
Deferred taxes on investment properties and derivative financial instruments	543.4	543.4	543.4	0.0
Fair value of derivative financial instruments	7.0	7.0	7.0	0.0
Goodwill	0.0	0.0	-18.8	-18.8
Intangible assets (book value)	0.0	0.0	-3.4	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	0.0	-75.9
Deferred taxes hereon	0.0	0.0	0.0	0.0
Transaction costs (e.g. real estate transfer tax)	0.0	457.1	0.0	0.0
<b>EPRA NAV metrics, fully diluted</b>	<b>3,369.3</b>	<b>3,826.5</b>	<b>3,347.0</b>	<b>2,724.2</b>
<i>Number of shares, fully diluted (in '000)*</i>	<i>161,123</i>	<i>161,123</i>	<i>161,123</i>	<i>161,123</i>
<b>EPRA NAV metrics per share (EUR), fully diluted</b>	<b>20.91</b>	<b>23.74</b>	<b>20.77</b>	<b>16.91</b>

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

# TAG EPRA Earnings

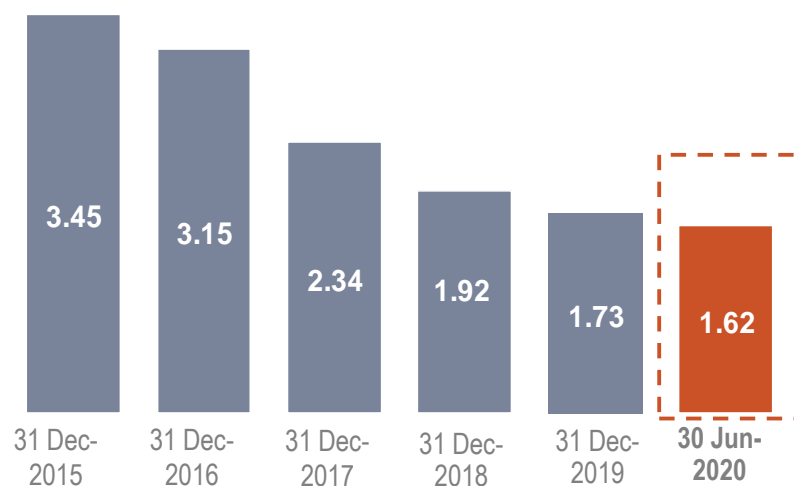
(in EURm)	Q2 2020	Q1 2020	H1 2020	H1 2019	FY 2019
<b>Net income</b>	<b>180.7</b>	<b>32.1</b>	<b>212.8</b>	<b>233.7</b>	<b>456.4</b>
Valuation result	-173.3	0.9	-172.4	-211.4	-414.1
Deferred income taxes on valuation result	43.1	4.1	47.2	46.0	76.7
Net income from sales	0.0	1.4	1.4	-0.2	0.4
Cash taxes on net revenues from sales	1.8	0.2	2.0	0.0	2.0
Fair value valuation of derivative financial instruments	-8.6	0.0	-8.6	7.7	29.5
Deferred income taxes on valuation of derivative financial instruments	3.0	0.0	3.0	-2.5	-9.2
Breakage fees bank loans and early repayment of bonds	0.1	0.6	0.7	0.1	0.2
Cash dividend payments to minorities	-0.3	-0.3	-0.6	-0.5	-1.3
<b>EPRA Earnings</b>	<b>46.5</b>	<b>39.0</b>	<b>85.5</b>	<b>72.9</b>	<b>140.6</b>
Deferred income taxes (other than on valuation result)	-2.1	1.4	-0.7	3.8	16.3
Other non cash financial result	0.2	0.1	0.3	1.4	2.2
One offs*	0.0	0.0	0.0	0.0	-1.3
Depreciation	1.7	1.7	3.4	3.1	6.8
Cash taxes on net revenues from sales	-1.8	-0.2	-2.0	0.0	-2.0
Reversal of effects from first time application of IFRS 16 "leases"	0.0	0.0	0.0	-0.8	-2.0
<b>Adjusted EPRA Earnings (FFO I)</b>	<b>44.5</b>	<b>42.0</b>	<b>86.5</b>	<b>80.3</b>	<b>160.6</b>
Weighted average number of shares outstanding (in '000)	146,259	146,314	146,286	146,328	146,333
<b>EPRA Earnings per share (in EUR)</b>	<b>0.31</b>	<b>0.27</b>	<b>0.58</b>	<b>0.51</b>	<b>0.96</b>
<b>Adjusted EPRA Earnings (FFO I) per share (in EUR)</b>	<b>0.30</b>	<b>0.29</b>	<b>0.59</b>	<b>0.55</b>	<b>1.10</b>
<i>Weighted average number of shares, fully diluted (in '000)**</i>	<i>161,113</i>	<i>161,168</i>	<i>161,141</i>	<i>161,090</i>	<i>161,151</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.29</i>	<i>0.24</i>	<i>0.53</i>	<i>0.45</i>	<i>0.88</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>0.28</i>	<i>0.26</i>	<i>0.54</i>	<i>0.50</i>	<i>1.01</i>

\* reversal of provisions for real estate transfer tax risks (EUR 2.3m) and acquisition costs Vantage (EUR 1.0m) in Q4 2019

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

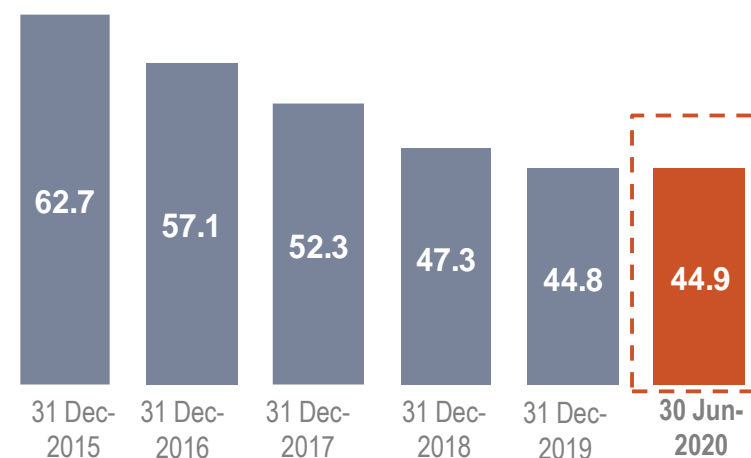
# TAG cost of debt and LTV

## Cost of debt Ø in %



- Continuous reduction of average cost of debt by more than 170 bps within a four year period.
- Further upside potential from maturing bank loans of EUR 409m in 2020-2023 (average coupons of 2.5% - 2.7% p.a.).

## LTV in %

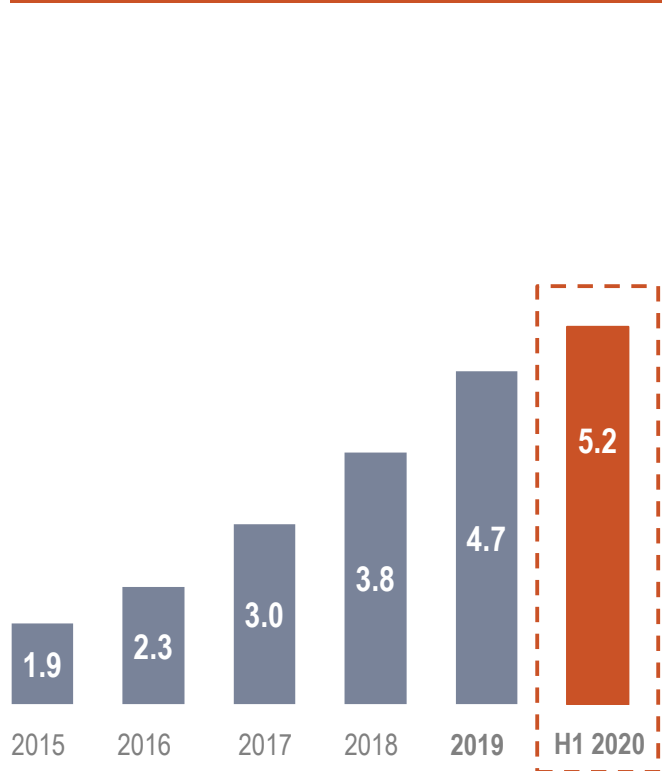


- Strong LTV reduction by nearly 18 percentage points within a four year period.
- LTV target of c. 45% ensures a conservative financial policy also in the future.

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

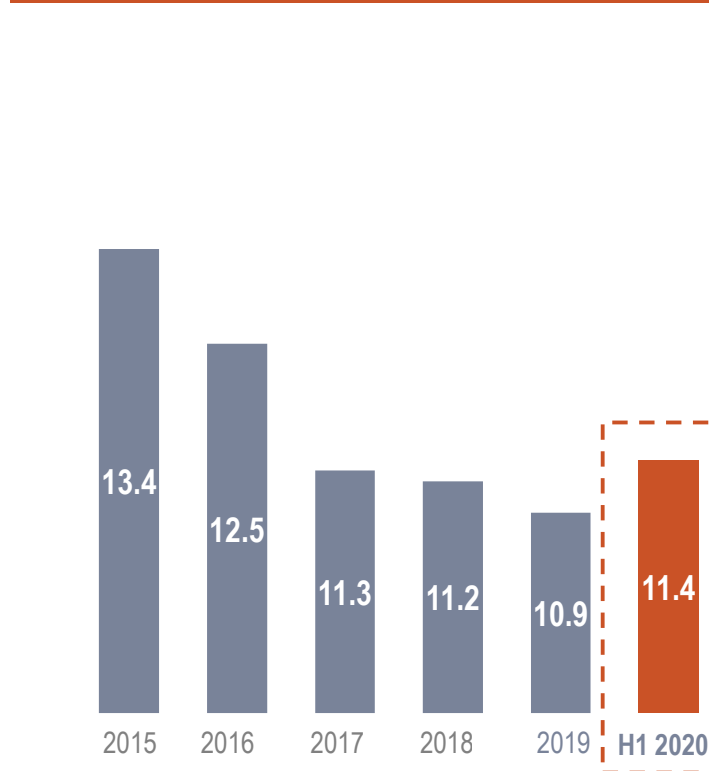
# TAG strong development of financing metrics

ICR



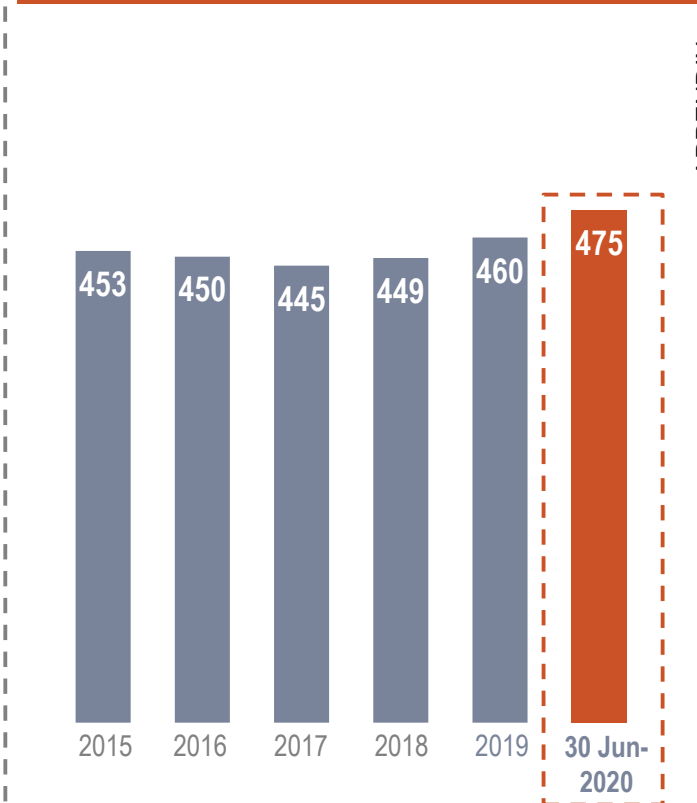
- Strong improvement of ICR (EBITDA adjusted/net financial result cash, after one-offs) driven by operational improvements as well as interest cost savings due to refinancing activities in the past years.

Net financial debt/ EBITDA adjusted



- Ongoing EBITDA growth led to decline in net financial debt/EBITDA.
- EBITDA from sales in Poland will increase towards YE 2020, significant cashflows expected from Q3/Q4 2020 onwards.

Net financial debt in EUR/ sqm



- TAG's portfolio growth is solidly financed with stable net financial debt/sqm in the last years.
- Increase in H1 2020 mainly results from dividend payment.

APPENDIX

Continuous improvement of financing metrics with further improvement expected

# TAG LTV calculation

(in EURm)	30 Jun-2020	31 Dec-2019	31 Dec-2018
Non-current and current liabilities to banks	2,001.4	1,901.2	1,855.5
Non-current and current liabilities from corporate bonds and other loans	515.1	403.0	285.8
Non-current and current liabilities from convertible bonds	259.6	258.9	257.5
Cash and cash equivalents	-176.5	-91.3	-91.7
<b>Net financial debt</b>	<b>2,599.6</b>	<b>2,471.8</b>	<b>2,307.1</b>
Book value of investment properties	5,462.3	5,200.0	4,666.7
Book value of property reported under property, plant and equipment (valued at cost)	9.5	9.4	9.5
Book value of property held as inventory (valued at cost)	192.6	58.5	52.3
Book value of property reported under non-current assets held-for-sale	52.7	34.5	87.0
<b>GAV (real estate assets)*</b>	<b>5,717.1</b>	<b>5,302.4</b>	<b>4,815.5</b>
Prepayments on sold/acquired properties and on business combinations	-7.6	130.4	-0.2
Difference between fair value and book value for properties valued at cost	84.0	85.2	60.0
<b>Relevant GAV for LTV calculation</b>	<b>5,793.6</b>	<b>5,518.0</b>	<b>4,875.2</b>
<b>LTV</b>	<b>44.9%</b>	<b>44.8%</b>	<b>47.3%</b>

\*thereof EUR 5,564.7m German portfolio and EUR 152.4m Polish portfolio

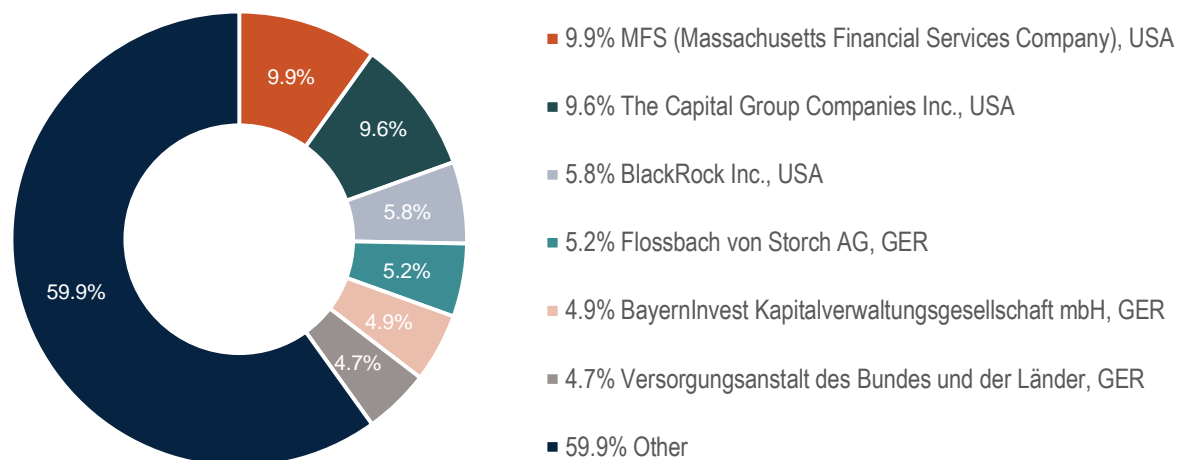


# TAG interest coverage ratio (ICR) calculation

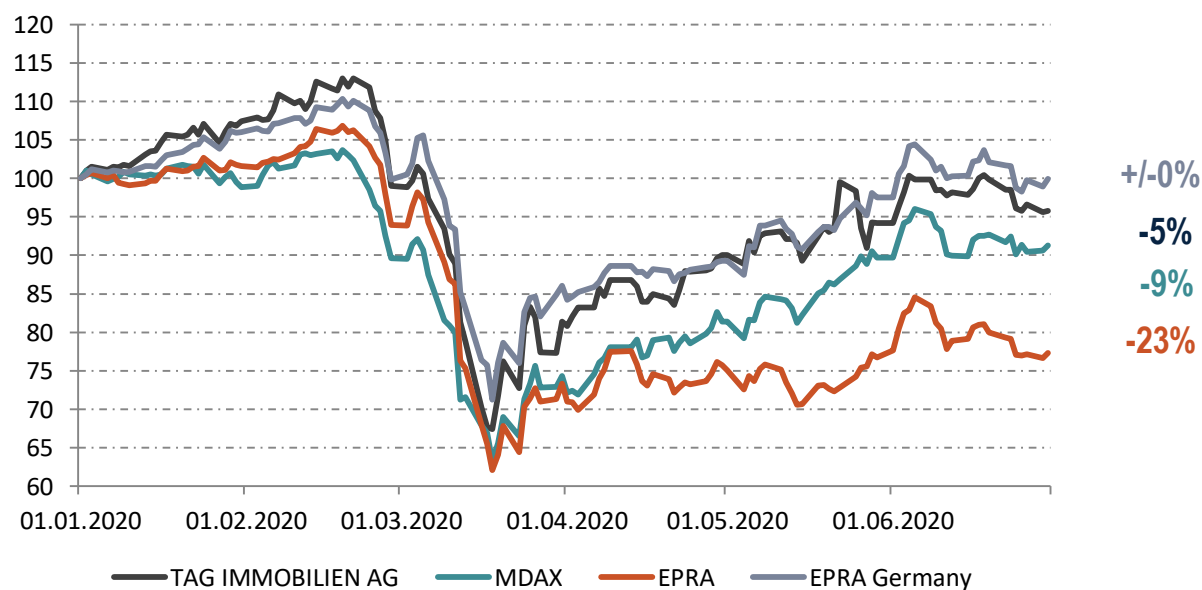
(in EURm)	Q2 2020	Q1 2020	H1 2020	H1 2019	FY 2019
+ Interest income	9.1	0.8	9.9	0.2	0.5
- Interest expenses	-12.8	-12.8	-25.6	-32.5	-79.4
+ Other financial result	1.2	0.2	1.4	0.4	1.4
<b>= Net financial result</b>	<b>-2.5</b>	<b>-11.8</b>	<b>-14.3</b>	<b>-31.9</b>	<b>-77.6</b>
+ Financial result from convertible/corporate bonds	-8.3	0.4	7.9	0.6	1.4
+ Breakage fees bank loans	0.0	0.6	0.6	0.1	0.2
+ Other non-cash financial result (e.g. from derivatives)	-0.1	-0.2	-0.3	8.5	30.4
<b>= Net financial result (cash, after one-offs)</b>	<b>-10.9</b>	<b>-11.0</b>	<b>-21.9</b>	<b>-22.7</b>	<b>-45.6</b>
<b>ICR (EBITDA adjusted/net financial result cash, after one-offs)</b>	<b>5.3x</b>	<b>5.0x</b>	<b>5.2x</b>	<b>4.7x</b>	<b>4.7x</b>

# TAG share data

## Shareholder structure as of 30 Jun-2020



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



## Share information as of 30 Jun-2020

Market cap	EUR 3.1bn
NOSH issued	146.5m
NOSH outstanding	146.2m
Treasury shares	0.3m
Free float (Deutsche Börse definition)	99.8%
ISIN	DE0008303504
Ticker symbol	TEG
Index	MDAX/ EPRA
Main listing/ market segment	Frankfurt Stock Exchange/ Prime Standard

H1 2020 share price performance:	-5%
H1 2020 Ø volume XETRA/day (shares):	c. 576,000

# TAG contacts

**Martin Thiel**  
**CFO**

Phone: +49 40 380 32-305

Fax: +49 40 380 32-388

[ir@tag-ag.com](mailto: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](mailto: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](http://www.tag-ag.com)

**TAG**

Immobilien AG