



TAG

Immobilien AG

Accelerating the path of growth in Polish residential-for-rent

TAG to acquire leading Polish residential developer ROBYG – 23 December 2021

TAG executive summary

TAG further expands on its Poland strategy via acquisition of ROBYG, the largest Polish residential developer

Strategic rationale

- Acquisition of ROBYG, the largest Polish residential developer, to continue TAG's strategy to enter the Polish residential for rent market
- Transaction to follow two years after the successful Polish market entry of TAG through the acquisition of Vantage in 2019
- Combining Vantage and ROBYG, the mid-term target for TAG is to build a portfolio of more than 20,000 residential rental units in Poland, corresponding to up to c. 20% of TAG's current residential portfolio
- TAG remains confident about the market environment in Poland, which has demonstrated strong resilience in course of the COVID-19 pandemic and an intact long-term trend of increasing rental prices

ROBYG S.A.

- ROBYG is the largest real estate developer in Poland focused on four major cities with a track record of more than 26,000 units completed and delivered in the past 20 years
- The secured residential pipeline currently consists of residential projects in Warsaw, Tri-City, Wrocław and Poznań representing a total of c. 23,000 units (excluding presold units)
- Thereof, according to TAG's assumptions, up to c. 12,000 units could be held upon completion as yielding assets on the balance sheet to add to TAG's rental portfolio in Poland, whilst the remainder of the development pipeline is already in the process of being sold

Key transaction terms

- Purchase price of c. PLN 2,500m (c. EUR 550m) for 100% of the economic interest in ROBYG (based on transaction consideration of PLN 3,150m (c. EUR 694m) after certain cash distributions to the sellers of up to PLN 700m (c. EUR 154m) to be made prior to closing of the transaction
- Acquisition via TAG Beteiligungs- und Immobilienverwaltungs GmbH, a 100% owned subsidiary, from Bricks Acquisitions Limited, a company controlled by The Goldman Sachs Group, Inc. and Centerbridge Partners L.P.

Financing

- Purchase price, as well as potential refinancing of existing debt and working capital, will be funded by a Bridge Facility of up to EUR 750m provided by Bank of America, Credit Suisse, Deutsche Bank and Société Générale
- The envisaged take-out of the Bridge Facility is expected to take place in 2022 by capital market transactions
- TAG is fully committed to maintaining its Baa3 investment grade rating

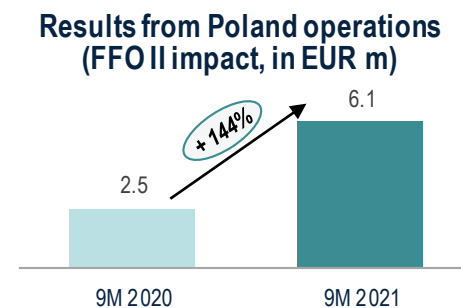
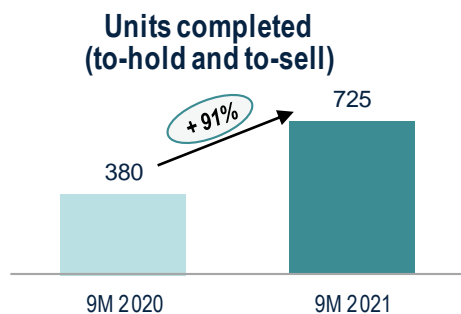
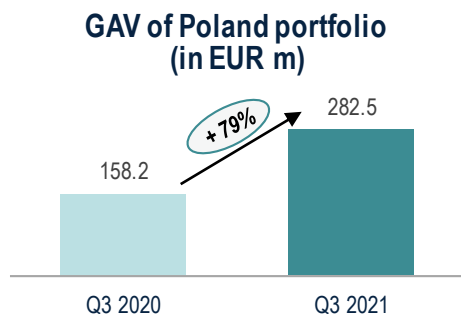
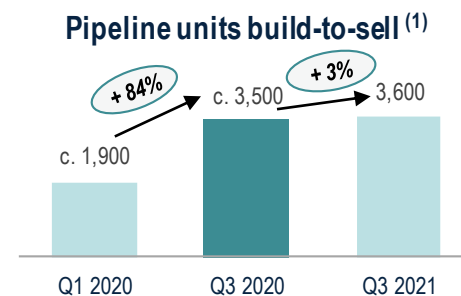
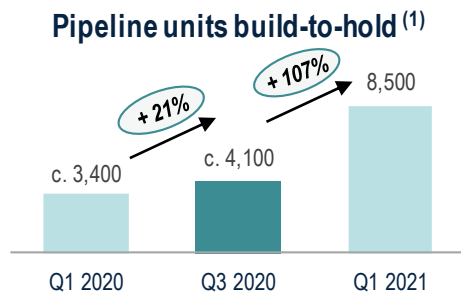
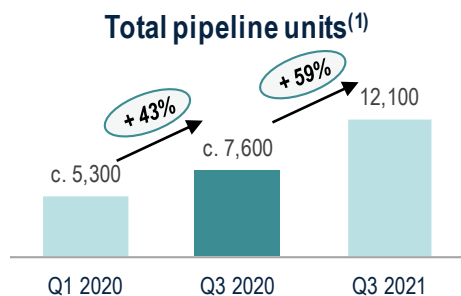
Timeline

- Closing of the transaction is expected in Q1 2022 and remains subject to mandatory anti-trust clearance (only)

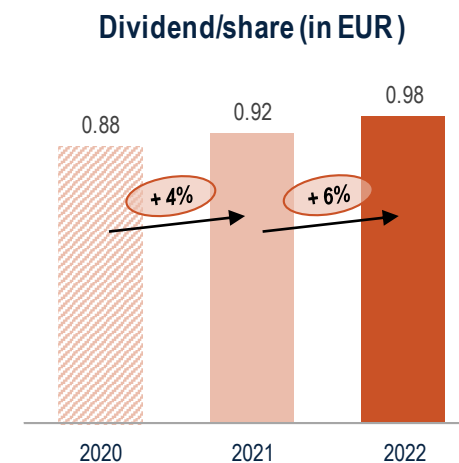
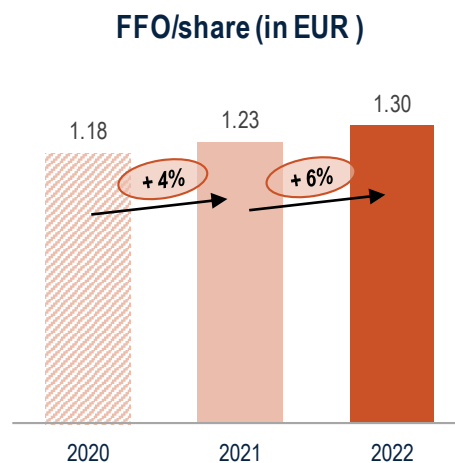
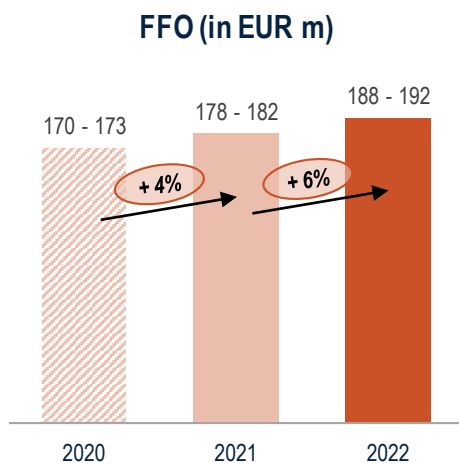
Overview of TAG's track record in Poland

Since the acquisition of Vantage in November 2019, TAG has developed a strong foothold in the Polish residential-to-rent segment, and proven a remarkable growth track record while sustaining a strong group outlook

Portfolio and operational performance Poland



TAG guidance (excluding ROBYG)



ROBYG acquisition delivers strong value to Polish portfolio

Addition of ROBYG enhances TAG's presence in Poland and adds the Warsaw market with an established local portfolio

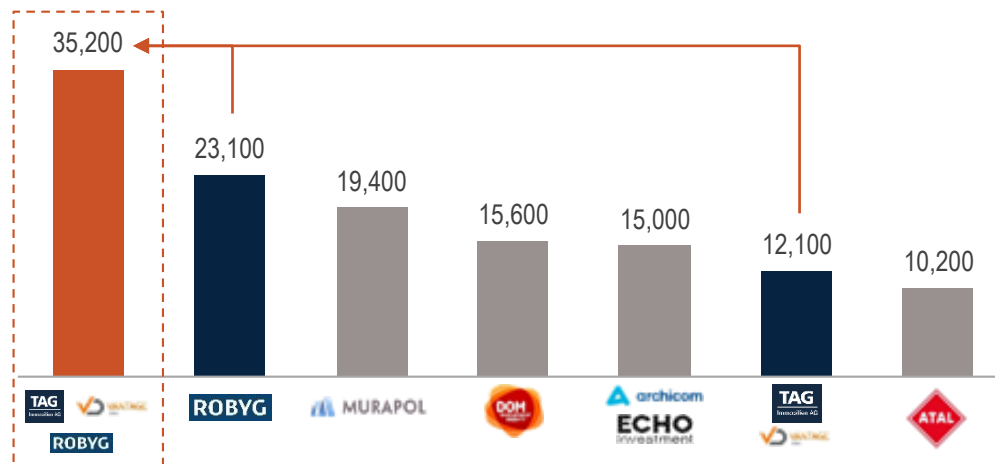


TAG Poland key KPIs pre and post ROBYG acquisition

	Vantage	ROBYG	Pro-forma TAG Combined
# Units	12,100	27,100 ⁽²⁾	39,200
<i>Thereof build-to-hold</i>	8,500	11,800 ⁽³⁾	20,300
<i>Thereof build-to-sell</i>	3,600	15,200 ⁽²⁾⁽³⁾	18,800
# Units completed	500	-	500
# Units under construction	3,500	6,500 ⁽²⁾	10,000
# Landbank and secured pipeline units	8,100	20,500	28,600

Overview of Polish developer market

Landbank in # residential units⁽⁴⁾⁽⁵⁾



- By acquiring ROBYG, TAG strengthens its presence in Poland and gains direct access to the local Warsaw market
- The significant ROBYG pipeline of c. 23,000 units (excluding c. 4,000 units pre-sold), of which c. 12,000 units are earmarked for build-to-hold, allows to expand TAG's rental business in Poland while delivering cash proceeds from the disposal of build-to-sell units
- The transaction makes TAG the leading player in the Polish residential market with a combined portfolio / landbank of c. 35,000 units⁽⁴⁾, having a presence in all major Polish cities

Source: Company information (units shown rounded to nearest 100); Note: (1) c. 200 units in Krakow were acquired by TAG in October 2021, post the latest balance sheet disclosure / published total unit count;

(2) Includes c. 4,000 presold units;

(3) As per TAG assumptions (Estimated total investment cost based on purchase price plus future capex);

(4) Includes pipeline (not completed) units;

(5) Overview depicts units as of June 2021, while for Vantage existing units are shown as of September 2021, and for ROBYG units in the current development pipeline, as per latest available information, are shown

ROBYG business overview

Build-to-hold and build-to-sell pipeline currently focused on Warsaw, Tri-City, Wrocław and Poznań

Business description

- Founded in 2000 and headquartered in Warsaw, ROBYG develops, manages, and sells residential properties in Poland
- The company employs c. 450 employees who internally cover the functions technical, sales & marketing as well as various back office and administrative areas
- With c. 23,000 units (excluding presold units) in the landbank the company is the largest pure residential developer in Poland
- ROBYG focuses on locations that can generate steady and sizeable cash flows and currently actively invests in four agglomerations: Warsaw, Tri-City, Wrocław and Poznań

Build-to-hold pipeline⁽¹⁾

Project Overview

Pipeline location	Warsaw	Tri-City	Wrocław	Poznań	Total
Total number of projects/ units	6,600	2,800	900	1,600	11,800
Average total investment cost (in EUR/sqm) ⁽³⁾					c. 2,300
Average gross rental yield					c. 7.0%
Average rent per sqm					c. EUR 12-14
Average apartment size					c. 50 sqm

Key financials

(in EUR m)	9M 2021	2020	2019
Revenues	141.0	238.1	240.2
Operating profit (Margin)	42.5 (30%)	58.0 (24%)	51.6 (21%)
Net profit (Margin)	28.7 (20%)	46.0 (19%)	43.5 (18%)
Total assets	787.5	554.4	517.6
Net debt / Equity	24%	23%	25%



Apartamenty Królewskie (Wilanów, Warsaw)

Build-to-sell pipeline⁽¹⁾

Project Overview

Pipeline location	Warsaw	Tri-City	Wrocław	Poznań	Total
Total number of projects/ units	6,300	5,600	1,400	1,900	15,200
Average total investment cost (in EUR/sqm) ⁽³⁾					c.1,900
Average gross rental yield					n.a.
Average rent per sqm					n.a.
Average apartment size					c. 50 sqm

Source: Company information (units shown rounded to nearest 100); Note: (1) Unit classifications, costs and yields as per TAG assumption;

(2) Including presold units;

(3) Based on purchase price plus future capex (as per TAG assumptions)

TAG strategic transaction rationale

Expanding the existing footprint in the Polish residential-for-rent market via an attractively priced acquisition of the ROBYG portfolio delivers significant value to shareholders

ROBYG has the largest Polish residential development pipeline

- ROBYG's significant development pipeline comprises c. 23,000 units (excluding presold units) in Poland's major agglomerations Warsaw, Tri-City, Wrocław and Poznań
- With c. 12,000 units earmarked for build-to-hold, the ROBYG portfolio offers a strong residential-for-rent foothold in Poland to TAG
- Further, the established platform of ROBYG covers the functions technical, sales & marketing as well as various back office and administrative areas, allowing TAG to develop and grow a highly professionalized and integrated operation

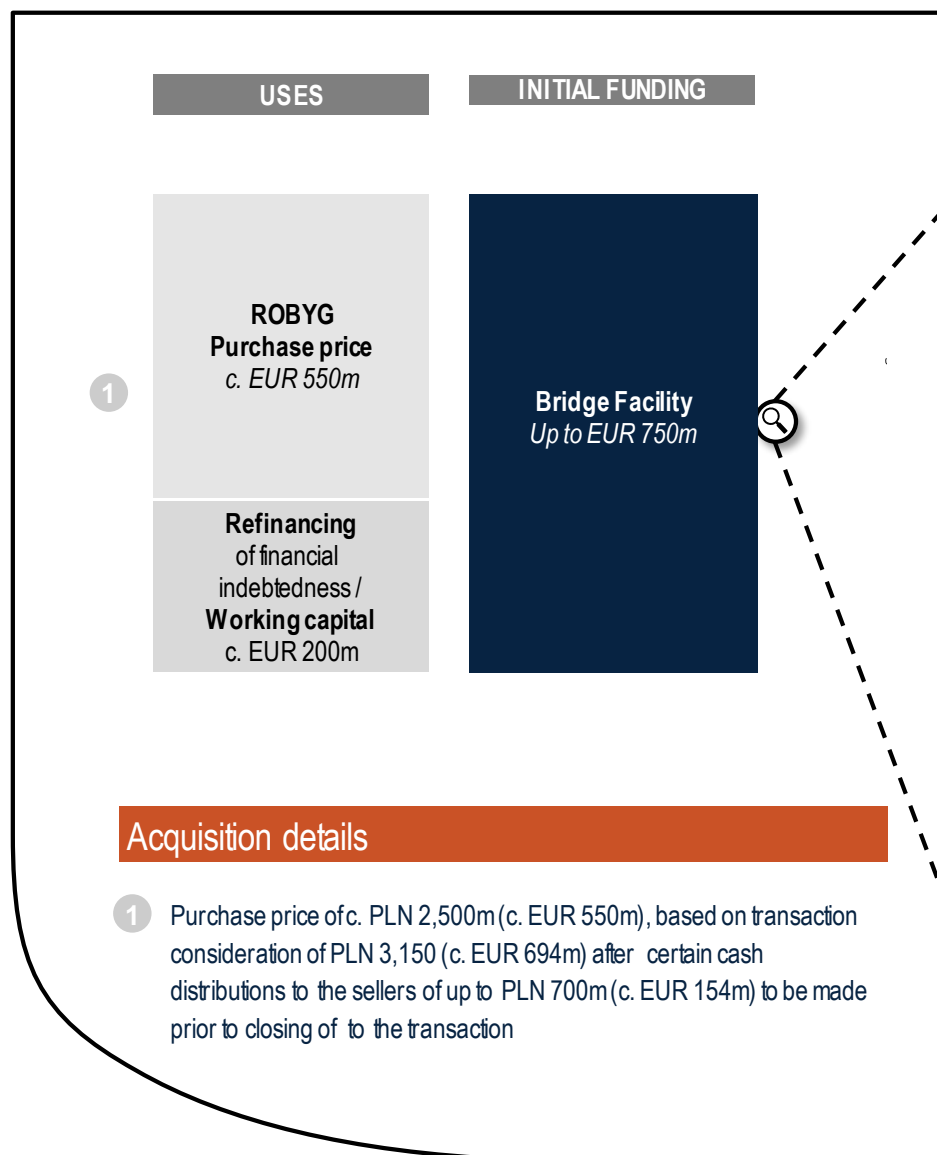
Combination of ROBYG and Vantage creates leading Polish residential-to-rent position

- Combining TAG's existing Poland operations (Vantage) with ROBYG, a pro-forma pipeline of over 35,000 units will be established (excluding presold units for ROBYG), allowing TAG to grow its Polish pipeline more than twofold
 - The build-to-hold units will stand at more than 20,000 units post transaction, hence adding c. 12,000 units to TAG's residential to rent strategy in Poland
 - The increased residential-to-rent foothold in Poland allows TAG to benefit from the dynamic Polish residential-to-rent market, with strong recent uplifts in rent levels and a significant supply demand gap
- Further, acquiring ROBYG unlocks the Warsaw residential market for TAG, yielding direct access to a strong development pipeline of c. 13,000 units in Warsaw, of which c. 6,600 units are earmarked for build-to-hold

Polish residential market offers dynamic outlook

- Poland has become a sought-after market for investors, following a strong economic growth with increased purchasing power and ongoing urbanization over the last years
- The current housing shortage in major Polish cities has driven up prices of residential units as well as rent levels
- Especially rent levels in major Polish agglomerations have grown significantly since 2015, clearly outperforming the respective growth rates in other major European economies

Transaction funding overview



Financing information

- Bridge Facility of up to EUR 750m is committed by four capital market banks - Bank of America, Crédit Suisse, Deutsche Bank and Société Générale
- TAG management intends the Bridge Facility to be taken out in 2022 by capital market transactions

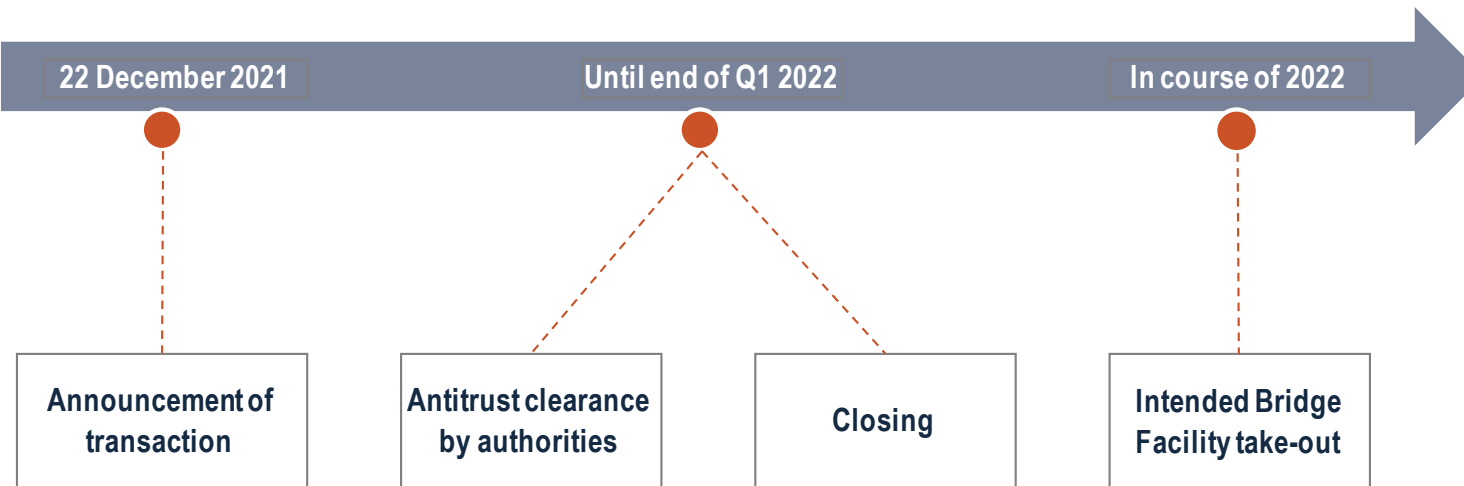
TAG is committed to maintaining Baa3 investment grade rating

- TAG has identified four levers to maintain a solid creditworthiness and the company is committed to deploy these levers in order to maintain its current rating
 - TAG to strengthen its equity basis in 2022 in context of the Bridge Facility take-out
 - Continuous cash generation from sale proceeds of development properties categorized as build-to-sell
 - Potential targeted disposals of yielding sub-portfolios as well as other real estate assets for equity recycling purposes
 - Possibility to reduce the development pace if needed
- Post closing of the ROBYG acquisition, the objective is to finance the investment costs related to the development properties in line with TAG's unchanged LTV target of c. 45%

Transaction timeline post-announcement

Envisioned finalization of antitrust and closing process over Q1 2022

Post-announcement transaction timeline



- Following the announcement of the transaction on 22 December 2021, key milestones comprise:
 - Antitrust approval of transaction by relevant authorities
 - Closing
 - Intended take-out of Bridge Facility
- Currently it is envisioned that the above items will be completed over the course of 2022, with antitrust approval and closing to take place in Q1 2022



Royal Residence (Wilanów, Warsaw)

TAG Contacts

Martin Thiel
CFO

Phone: +49 40 380 32-222
Mail: martin.thiel@tag-ag.com

Dominique Mann
Head of Investor & Public Relations

Phone: +49 40 380 32-305
Mail: d.mann@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

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