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# TAG highlights FY 2019

# TAG 2020

# TAG highlights FY 2019

## Operational performance

	FY 2019	FY 2018	Q4 2019	Q3 2019
▪ <b>Vacancy</b> (residential units)	4.5%	4.7%/5.0%*	4.5%	4.9%
▪ <b>Vacancy</b> (total portfolio)	4.9%	5.3%	4.9%	5.2%
▪ <b>L-f-I rental growth y-o-y</b>	1.9%	2.3%	1.9%	2.0%
▪ <b>L-f-I rental growth y-o-y</b> (incl. vacancy reduction)	2.4%	2.6%	2.4%	2.7%
▪ <b>FFO I</b> (EURm)	160.6	146.5	39.2	41.2
▪ <b>FFO I</b> (EUR/share)	1.10	1.00	0.27	0.28

\* including acquisitions in 2018, part of vacancy in residential units from Q1 2019 onwards

## EPRA NAV and LTV

	31 Dec-2019	30 Sep-2019	31 Dec-2018	31 Dec-2017
▪ <b>EPRA NAV</b> (EUR/share)	20.45	18.82	17.32	13.80
▪ <b>LTV</b>	44.8%	45.5%	47.3%	52.3%

## Acquisitions

- **1,331 units acquired** in 2019 (FY 2018: 2,727 units). Total purchase price of EUR 50.1m (FY 2018: EUR 111.9m) and current net rent of EUR 4.1m p.a. (FY 2018: EUR 8.7m) leads to an acquisition multiple of 12.1x or gross yield of 8.3% (FY 2018: 12.8x multiple or 7.8% gross yield). Average vacancy rate of 11.0% (FY 2018: 12.7%). Closing in FY 2019/Q1 2020.

## Disposals

- **568 non core units disposed** in 2019 (FY 2018: 1,614 units). Total selling price of EUR 18.2m (FY 2018: EUR 66.2m). Book profit of EUR 0.8m (FY 2018: EUR 1.0m). Net cash proceeds of EUR 17.9m (FY 2018: EUR 53.5m). Closing in the course of 2019/2020.
- Disposal of one of two joint ventures in a **commercial project in Munich** signed in Dec-2019. Purchase price not disclosed. Estimated net cash proceeds, including repayment of TAG shareholder loans, of c. EUR 55-60m. Closing expected at the end of FY 2020.

# TAG highlights FY 2019

## Portfolio valuation by CBRE

- Total valuation gain of EUR 414.1m in FY 2019 (**8.6% annual uplift**)
  - EUR 303.9m gain from yield compression (73%)
  - EUR 110.2m gain from operational performance (27%)
- Valuation remains at conservative levels with c. **EUR 1,030/sqm** (c. EUR 940/sqm in Dec-2018) and **6.1% gross yield** (6.5% in Dec-2018) corresponds to a multiple of 16.4x (15.3x on Dec-2018)

## Financing structure

- ICR Increased to 4.7x in 2019 (from 3.8x in 2018)
- Net debt/ EBITDA Improved to 10.9x in 2019 (from 11.2x in 2018)
- LTV Reduced to 44.8% in Dec-2019 (from 47.3% in Dec-2018)
- **new LTV target c. 45%** (down from c.50%)

## FFO and dividend guidance 2019

	FY 2019 actual	Guidance FY 2019	△	Y-O-Y increase
FFO in EURm	160.6	154-156	+5.6	+10%
FFO/s in EUR	1.10	1.06	+0.04	+10%
Dividend/s in EUR	0.82	0.80	+0.02	+10%

## Poland

- Successful entry in the **residential-for-rent market** in an additional region neighbouring TAG's existing portfolio: **closing of acquisition of Vantage Development S.A.** on 13 January 2020 secures pipeline of **c. 5,400 residential units** which are currently under construction
- Regional expansion in Poland in progress: pipeline includes landbanks in **Poznan (c. 1,000 units)** secured in Q4 2019/Q1 2020

# TAG financials Q4 2019

TAG  
2020

# TAG income statement

(in EURm)		FY 2019	FY 2018	Q4 2019	Q3 2019
<b>Net rent*</b>	1	315.0	302.2	79.1	78.6
Expenses from property management*		-55.4	-56.1	-12.4	-13.7
<b>Net rental income</b>	2	<b>259.6</b>	<b>246.1</b>	<b>66.7</b>	<b>64.9</b>
Net income from services	3	21.0	17.7	5.2	6.0
Net income from sales		-0.4	-0.1	-0.4	-0.2
Other operating income	4	5.6	9.6	2.9	1.0
Valuation result	5	414.1	430.0	203.1	-0.4
Personnel expenses	6	-50.3	-43.7	-13.6	-12.5
Depreciation	7	-6.8	-4.3	-1.8	-1.9
Other operating expenses		-17.9	-17.1	-5.2	-4.4
<b>EBIT</b>		<b>624.9</b>	<b>638.2</b>	<b>257.0</b>	<b>52.4</b>
Net financial result	8	-77.6	-96.0	-33.4	-12.3
<b>EBT</b>		<b>547.3</b>	<b>542.2</b>	<b>223.6</b>	<b>40.1</b>
Income tax	9	-91.0	-54.0	-35.1	-6.0
<b>Net income</b>		<b>456.4</b>	<b>488.2</b>	<b>188.5</b>	<b>34.1</b>

1 Increase in net rent y-o-y by EUR 12.8m (4.2%) as result of 2.4% I-f-I rental growth (incl. vacancy reduction) and portfolio acquisitions in 2018 and (partially) 2019.

2 Improved net rental income by EUR 13.5m y-o-y mainly driven by higher net rent (EUR 12.8m) and lower maintenance cost (EUR 0.9m reduction y-o-y).

3 Increase in net income from services y-o-y by EUR 3.3m shows TAG's still expanding service business, mainly generated by internalization of caretakers, multimedia and energy services.

4 Decrease in other operating income of EUR 3.0m y-o-y mainly driven by reversal of provisions of EUR 3.9m for former real estate transfer tax risks in 2018.

5 Valuation gain of EUR 414.1m in 2019 reflects ongoing positive development of TAG's portfolio; annual valuation uplift of 8.6% in 2019 (10.1% in 2018).

6 Personnel expenses increased y-o-y by EUR 6.6m as a result of ongoing internalization of services and increased salaries.

7 Higher depreciation of EUR 2.5m y-o-y mainly result of new accounting standard IFRS 16 leading to capitalization and depreciation of leasing contracts, e.g. for leased premises.

8 Net financial result reduced by EUR 21.1m q-o-q mainly driven by fair value valuation of equity option of convertible bond (EUR 29.5m) in Q4 2019. Net financial result (cash, after one-offs) of EUR 11.5m in Q4 2019 stable q-o-q and improved strongly by EUR 9.0m y-o-y.

9 Income tax in FY 2019 mainly contains EUR 83.8m deferred taxes. Cash taxes amount to EUR 7.2m (EUR 3.2m increase y-o-y). Cash income tax rate (based on pre-tax FFO) at 4% in 2019 after 3% in 2018.

\*w/o IFRS 15 effects; for further details see annual report 2019



# TAG EBITDA, FFO and AFFO calculation

(in EURm)	FY 2019	FY 2018	Q4 2019	Q3 2019
<b>Net income</b>	<b>456.4</b>	<b>488.2</b>	<b>188.5</b>	<b>34.1</b>
+ Income tax	91.0	54.0	35.1	6.0
+ Net financial result	77.6	96.0	33.4	12.3
<b>EBIT</b>	<b>624.9</b>	<b>638.2</b>	<b>257.0</b>	<b>52.4</b>
+ Adjustments				
Net income from sales	0.4	0.1	0.4	0.2
Valuation result	-414.1	-430.0	-203.1	0.4
Depreciation	6.8	4.3	1.8	1.9
One-offs**	-1.3	-6.2	-1.3	0.0
Reversal of effects from first time application of IFRS 16 "leases"	1 -2.0	0.0	-0.6	-0.6
<b>EBITDA (adjusted)</b>	<b>214.7</b>	<b>206.4</b>	<b>54.2</b>	<b>54.4</b>
<i>EBITDA (adjusted) margin</i>	2 -68.2%	68.3%	68.4%	69.3%
- Net financial result (cash, after one-offs)	-45.6	-54.6	-11.5	-11.5
- Cash taxes	-7.2	-4.0	-3.2	-1.4
- Cash dividend payments to minorities	-1.3	-1.3	-0.3	-0.3
<b>FFO I</b>	<b>160.6</b>	<b>146.5</b>	<b>39.2</b>	<b>41.2</b>
- Capitalised maintenance	3 -15.3	-15.7	-4.1	-6.1
<b>AFFO before modernisation capex</b>	<b>145.3</b>	<b>130.9</b>	<b>35.1</b>	<b>35.0</b>
- Modernisation capex	-51.4	-42.5	-15.7	-10.7
<b>AFFO</b>	<b>93.9</b>	<b>88.4</b>	<b>19.4</b>	<b>24.3</b>
Net income from sales	4 -0.4	-0.1	-0.4	-0.2
<b>FFO II</b>	<b>160.2</b>	<b>146.4</b>	<b>38.8</b>	<b>41.0</b>
(FFO I + net income from sales)				
<i>Weighted average number of shares outstanding (in '000)</i>	146,333	146,341	146,337	146,337
<b>FFO I per share (EUR)</b>	<b>1.10</b>	<b>1.00</b>	<b>0.27</b>	<b>0.28</b>
<b>AFFO per share (EUR)</b>	<b>0.64</b>	<b>0.60</b>	<b>0.13</b>	<b>0.17</b>
<i>Weighted average number of shares, fully diluted (in '000)*</i>	161,151	161,016	161,191	161,174
<i>FFO I per share (EUR), fully diluted</i>	1.01	0.92	0.25	0.26
<i>AFFO per share (EUR), fully diluted</i>	0.59	0.56	0.14	0.15

1 For reasons of continuity and comparability to FY 2018 effects from first time application of IFRS 16 (shift from expenses from services and other operating expenses to depreciation) are eliminated in FFO calculation in FY 2019.

2 Improved EBITDA of EUR 8.3m (y-o-y) mainly as a net effect of higher net rental income (EUR 13.5m), higher net income from services (EUR 3.3m), partially compensated by higher personnel expenses (EUR 6.6m).

3 FFO I increased by EUR 14.1m (10%) y-o-y as a result of EUR 8.3m higher EBITDA and EUR 9.0m improved net financial result (cash, after one-offs), slightly offset by EUR 3.2m higher cash taxes. FFO I in Q4 2019 in line q-o-q, except for EUR 1.8m higher cash taxes mainly arising from disposals.

4 AFFO reduction by EUR 4.9m q-o-q due to higher modernisation capex in Q4 2019. AFFO improved y-o-y by EUR 5.5m (6%) as a result of higher FFO (EUR 14.1m) and increased capex (EUR 8.6m)

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

\*\*reversal of provisions for real estate transfer tax risks in 2018 and Q4 2019 (EUR 2.3m); acquisition costs Vantage in Q4 2019 (EUR 1.0m)



# TAG balance sheet

(in EURm)	31 Dec-2019	31 Dec-2018
<b>Non-current assets</b>	<b>5,301.5</b>	<b>4,772.1</b>
Investment property	1 5,200.0	4,666.7
Deferred tax assets	49.7	70.0
Other non-current assets	2 51.7	35.5
<b>Current assets</b>	<b>311.0</b>	<b>174.2</b>
Real estate inventory	58.5	52.3
Cash and cash equivalents	91.3	91.7
Prepayments on business combinations	3 131.2	0.0
Other current assets	30.0	30.2
<b>Non-current assets held-for-sale</b>	<b>4 34.5</b>	<b>87.0</b>
<b>TOTAL ASSETS</b>	<b>5,647.0</b>	<b>5,033.3</b>
<b>Equity</b>	<b>5 2,394.2</b>	<b>2,048.3</b>
Equity (without minorities)	2,342.6	2,006.5
Minority interest	51.7	41.8
<b>Non-current liabilities</b>	<b>2,988.4</b>	<b>2,727.8</b>
Financial debt	6 2,397.0	2,236.0
Deferred tax liabilities	497.0	433.5
Other non-current liabilities	7 94.4	58.4
<b>Current liabilities</b>	<b>263.6</b>	<b>257.2</b>
Financial debt	166.1	162.8
Other current liabilities	97.5	94.4
Non current liabilities held for sale	0.8	0.0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,647.0</b>	<b>5,033.3</b>
<b>LTV*</b>	<b>44.8%</b>	<b>47.3%</b>

1 EUR 533.3m higher book value of investment properties mainly due to valuation result (EUR 414.1 m), capex (EUR 66.7 m) and book value of acquisitions closed in FY 2019 (EUR 36.8 m).

2 EUR 16.2m higher other non-current assets driven primarily by first-time capitalization of leasing contracts in accordance with IFRS 16.

3 Pre-paid transaction price of EUR 131.2m (book value at 31 Dec-2019) for acquisition of Vantage Development S.A. reported in separate line item at 31 Dec-2019.

4 Reduced book value primarily result of closing of disposals of non-core assets signed in 2018 and 2019.

5 Change in equity mainly corresponds to net income of EUR 456.4m less the dividend payment in 2019 of EUR 109.8m.

6 Increase in non-current financial debt by EUR 161.0m to the largest part result from issuance of new promissory note (EUR 102.0m) and bank loan refinancings (EUR 57.8m) in 2019.

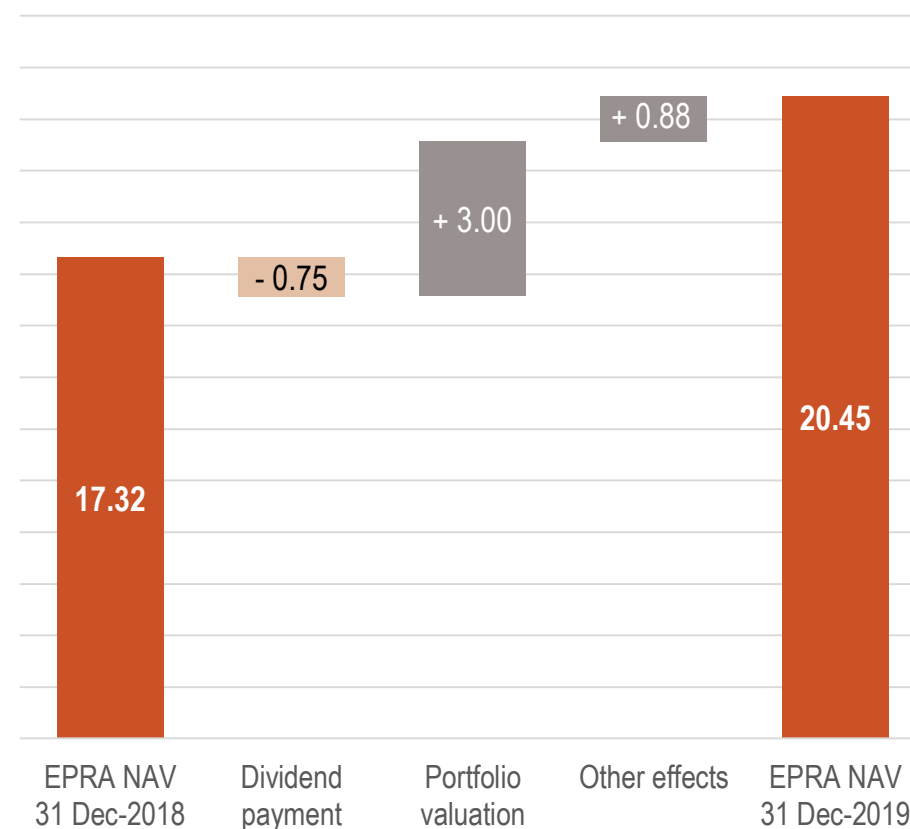
7 Higher other non-current liabilities of EUR 36.0m mainly due to valuation effects from derivative financial instruments (e.g. equity option of convertible bond) of EUR 29.5m and liabilities from leasing contracts of EUR 7.2m.

# TAG EPRA NAV calculation

NAV growth of 22% (excluding dividend payment) in FY 2019

(in EURm)	31 Dec-2019	31 Dec-2018
<b>Equity (without minorities)</b>	<b>2,342.6</b>	<b>2,006.5</b>
+ Deferred taxes on investment properties and financial derivatives	492.8	425.2
+ Fair value of financial derivatives	71.5	42.0
+ Difference between fair value and book value for properties valued at cost	85.2	60.0
<b>= EPRA NAV</b>	<b>2,992.0</b>	<b>2,533.6</b>
Number of shares outstanding (in '000)	146,337	146,322
<b>EPRA NAV per share (EUR)</b>	<b>20.45</b>	<b>17.32</b>
Number of shares, fully diluted (in '000)*	161,191	161,023
<b>EPRA NAV per share (EUR), fully diluted</b>	<b>20.17</b>	<b>17.33</b>

## EPRA NAV bridge in EUR/share



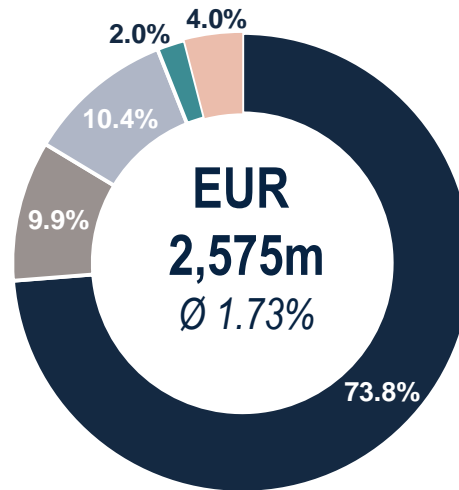
\*incl. potential shares from convertible bond 2017/2022 (trading in the money at reporting date) and management board compensation

# TAG financing structure

## Debt structure as of 31 Dec-2019

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

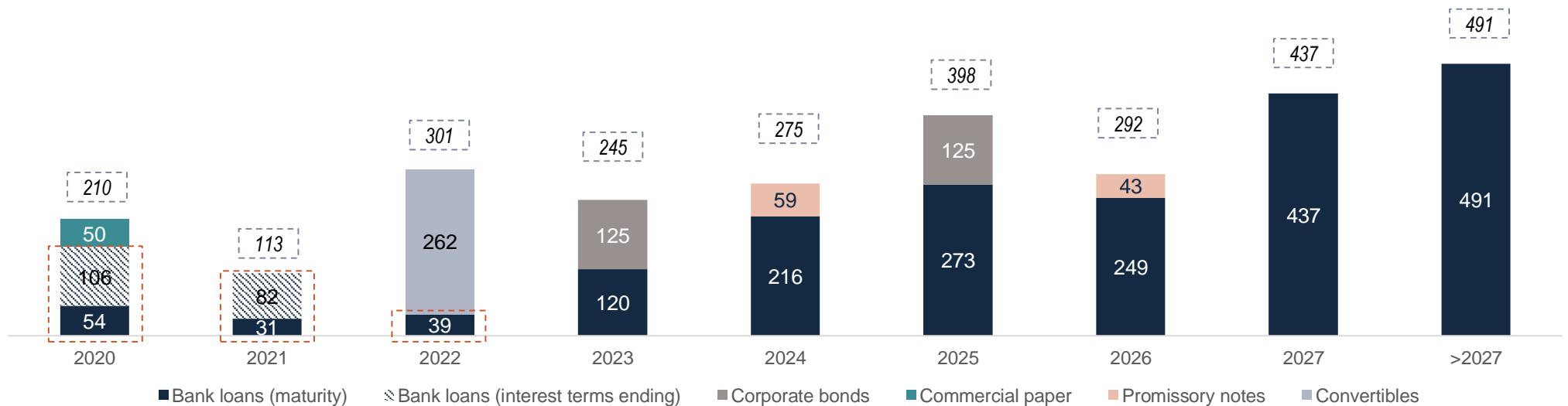
Debt volume	Ø interest rate	% fixed rates
EUR 1,911m	1.99%	98%
EUR 250m	1.50%	100%
EUR 262m	0.63%	100%
EUR 50m	-0.03%	100%
EUR 102m	1.18%	100%
<b>Σ EUR 2,575m</b>	<b>Ø 1.73%</b>	<b>Ø 98.5%</b>



## Key financial KPIs as of 31 Dec-2019

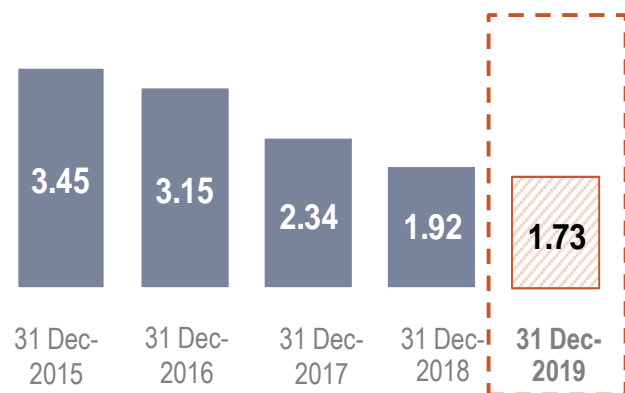
Ø Maturity total financial debt	7.4 years
Ø Maturity bank loans	8.7 years
Ø Interest rate total financial debt	1.73%
Ø Interest rate bank loans	1.99%
LTV	44.8%
Rating (Moody's)	Baa3 long term rating (outlook stable) P-3 short term rating
Further refinancing potential 2020-2022	<b>EUR 312m</b> of bank loans maturing or with interest terms ending in 2020-2022 with average coupons of 2.7%-3.0% p.a.

## Maturity profile as of 31 Dec-2019 (in EURm)



# 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 312m in 2020-2022 (average coupons of 2.7% - 3.0% p.a.).

## LTV\* in %

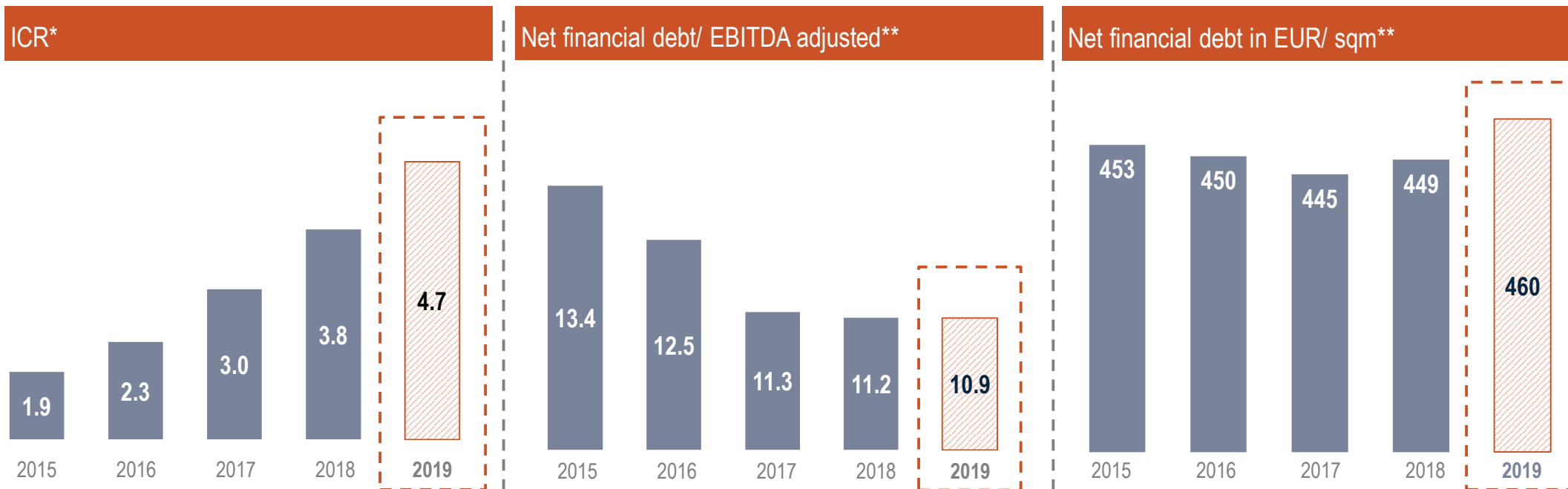


\*For further details on LTV calculation see Appendix

- Strong LTV reduction by nearly 18 percentage points within a four year period.
- New LTV target of c. 45% (reduced from c. 50%) ensures a conservative financial policy also in the future.

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

# TAG strong development of financing metrics



- 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 2017-2019.

- Ongoing EBITDA growth led to continuous decline in net debt/EBITDA.

- TAG's portfolio growth is solidly financed with stable net financial debt/sqm in the last years.

\*For further details on ICR calculation see Appendix

\*\*Net financial debt includes Vantage transaction price of EUR 131.9m (prepayed in Q4 2019, closing in Q1 2020 as cash position).

Continuous improvement of financing metrics since 2015 with further improvement expected

TAG portfolio Q4 2019

TAG  
2020

# TAG portfolio as of 31 Dec-2019

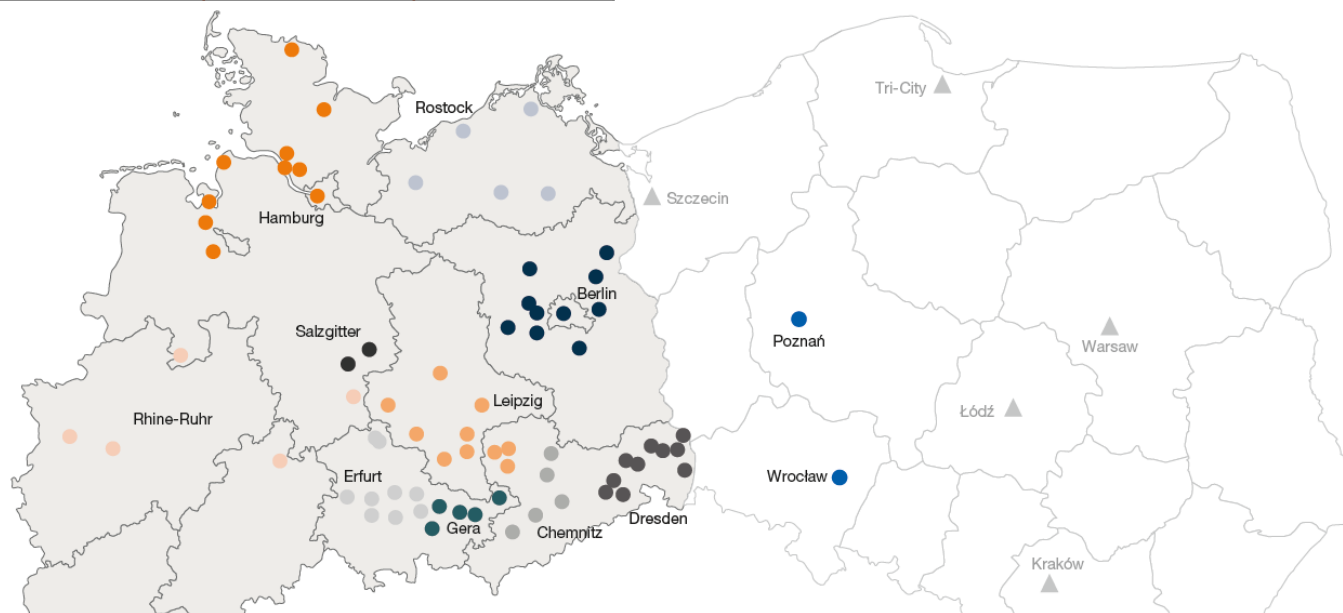
Regionally focused and efficiently managed residential portfolio in Northern and Eastern Germany

Portfolio as of	31-Dec 2019	31-Dec 2018
Number of units	84,510	84,426
Lettable area in sqm	5,094,435	5,132,860
GAV (EURm)	5,302.4	4,815.5
Annualised net rent (EURm)	319.9	314.1
Net rent residential units in EUR/sqm/month	5.39	5.29
Net rent total portfolio in EUR/sqm/month	5.51	5.39
Vacancy rate (residential units)	4.5%	4.7%*
Vacancy rate (total portfolio)	4.9%	5.3%
L-f-I rental growth (y-o-y)	1.9%	2.3%
L-f-I rental growth (including vacancy reduction, y-o-y)	2.4%	2.6%

- 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**.

\*excl. acquisitions 2018

- Berlin region (15%)
- Chemnitz region (7%)
- Dresden region (10%)
- Erfurt region (13%)
- Gera region (8%)
- Hamburg region (11%)
- Leipzig region (11%)
- Rhine-Ruhr region (6%)
- Rostock region (9%)
- Salzgitter region (10%)





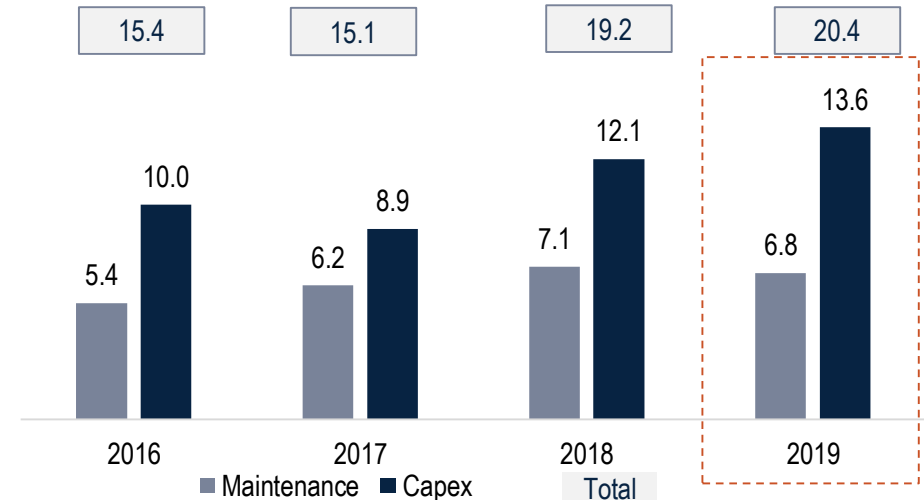
# TAG rental growth and capex allocation

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

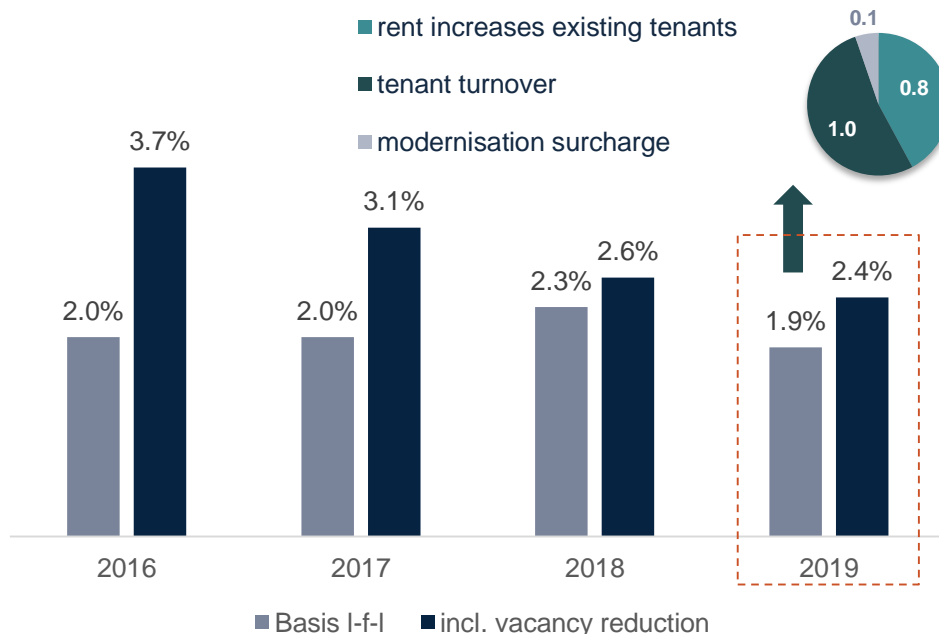
## Rental growth achieved with moderate investments

- TAG creates **attractive rental growth** from
  - regular rent increases and tenant turnover (“basis l-f-l rental growth”)
  - vacancy reduction (leading to “total l-f-l 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**.
- **Tailor made capex allocation strategy** for each local market, no cross-locational spread capex-program.
- **Basis l-f-l rental growth is achieved without extensive modernization programs** for existing tenants or in the re-letting process. This clearly shows strong underlying fundamentals in TAG's markets.

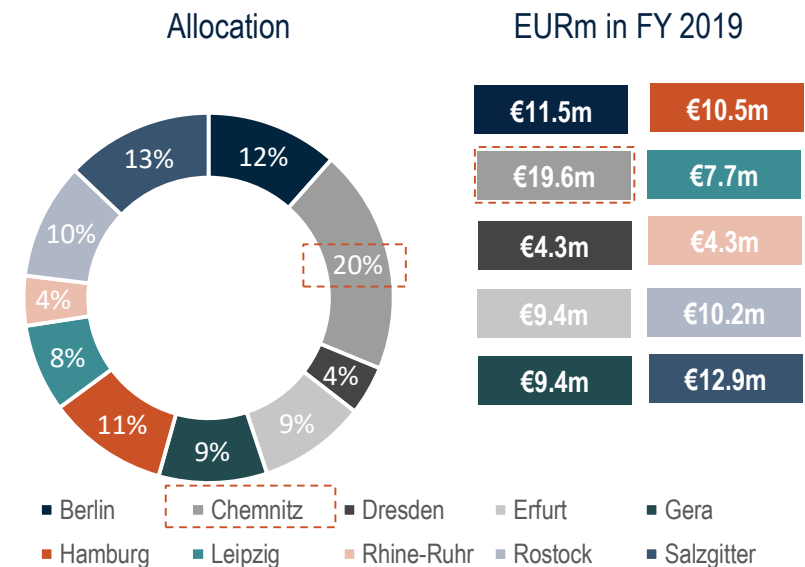
## Maintenance & capex development (in EUR/sqm/year)



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

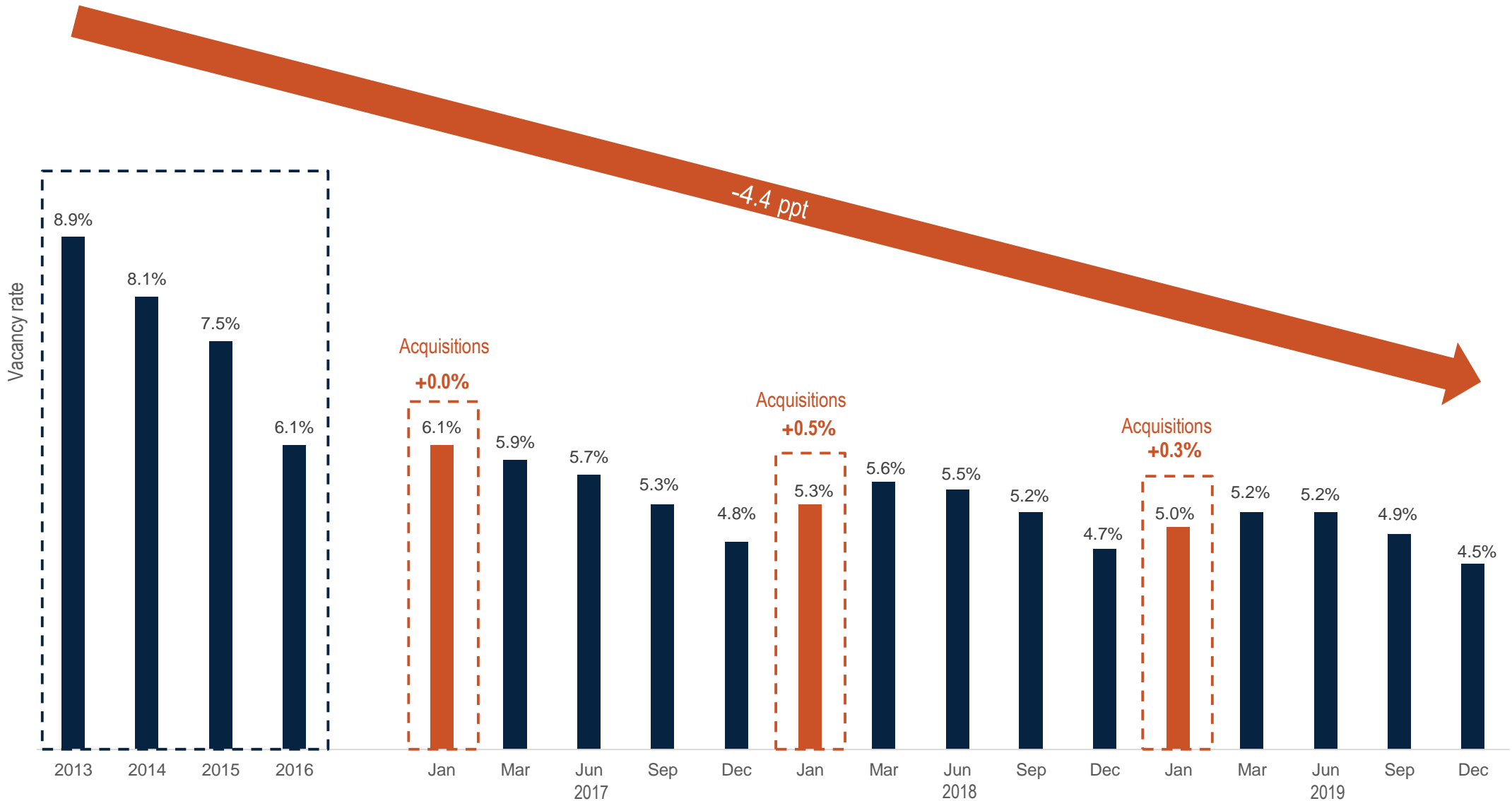


## Maintenance & capex split by region



# TAG vacancy reduction in residential units

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



# TAG portfolio valuation FY 2019

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2020

# TAG portfolio valuation overview

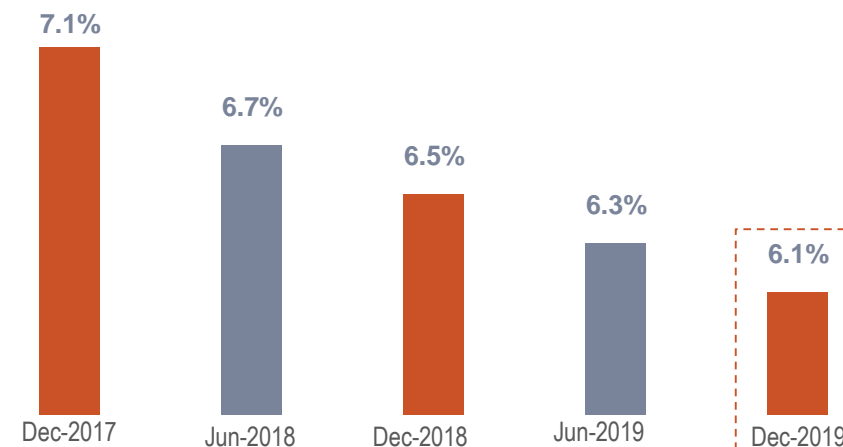
Valuation remains at conservative levels with c. EUR 1,030/sqm and 6.1% gross yield

## Portfolio valuation result

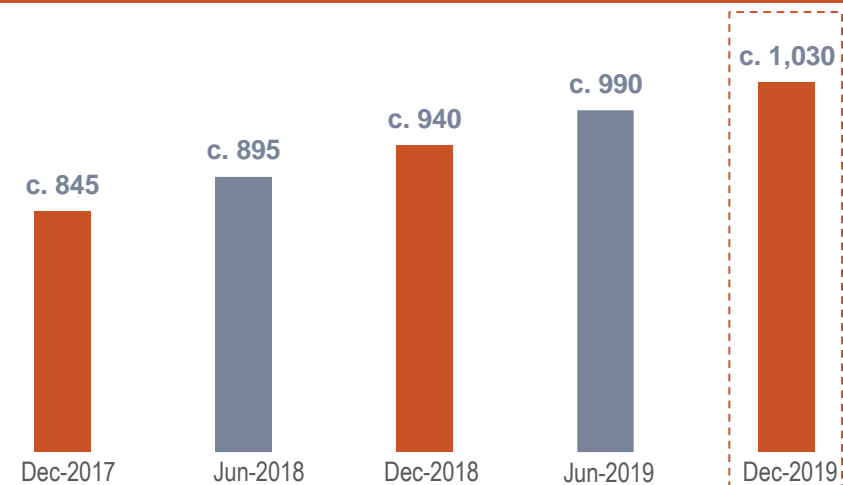
FY 2019 vs. FY 2018	FY 2019	FY 2018
in EUR m	414.1	430.0
annual uplift	8.6%	10.1%
– thereof from yield compression	73%	73%
– thereof from operational performance	27%	27%

H2 vs. H1 2019	H2 2019	H1 2019
in EUR m	202.7	211.4
semi-annual uplift	4.2%	4.4%
– thereof from yield compression	70%	77%
– thereof from operational performance	30%	23%

## Development of gross yield



## Development of portfolio value (EUR/sqm)



TAG acquisitions/disposals FY 2019

TAG  
2020

# TAG acquisitions FY 2019

	Thuringia / Mecklenburg- Western Pomerania	Saxony-Anhalt	Mecklenburg- Western Pomerania	Total	Saxony-Anhalt
Signing	Mar/Jun/Aug-2019	Jun-2019	Aug-2019	2019	Jan-2020
Units	669	320	342	1,331	431
Net rent in EUR/sqm/month	6.54	4.92	5.07	5.81	4.61
Vacancy	8.8%	22.4%	1.6%	11.0%	5.2%
Purchase price in EURm	---	---	---	50.1	---
Net rent in EURm p.a.	2.48	0.83	0.83	4.1	1.26
Location	Various	Halle	Stralsund/ Greifswald	---	Various
Closing	2019/ Q1 2020 (expected)	Q1 2020 (expected)	Dec-2019	---	Q1 2020 (expected)
Multiples (in-place rent)	---	---	---	12.1	---



Greifswald



Halle



Stralsund

c. 1,300 units in TAG core markets acquired in FY 2019 at an average acquisition multiple of 12.1x (8.3 % gross yield)

# TAG disposals FY 2019

	Brandenburg	Various locations	Total
Signing	Dec-2019	2019	2019
Units	203	365	568
Net rent in EUR/sqm/month	3.75	4.26	4.05
Vacancy	12%	24%	19%
Selling price in EURm	---	---	18.2
Net rent in EURm p.a.	0.57	0.94	1.51
Net cash proceeds in EURm	4.9	13.0	17.9
Book profit in EURm	0.0	0.8	0.8
Location	Jänschwalde	---	---
Closing	Q3 2020 (expected)	2019/2020	---
Multiples (in place rent)	---	---	12.1



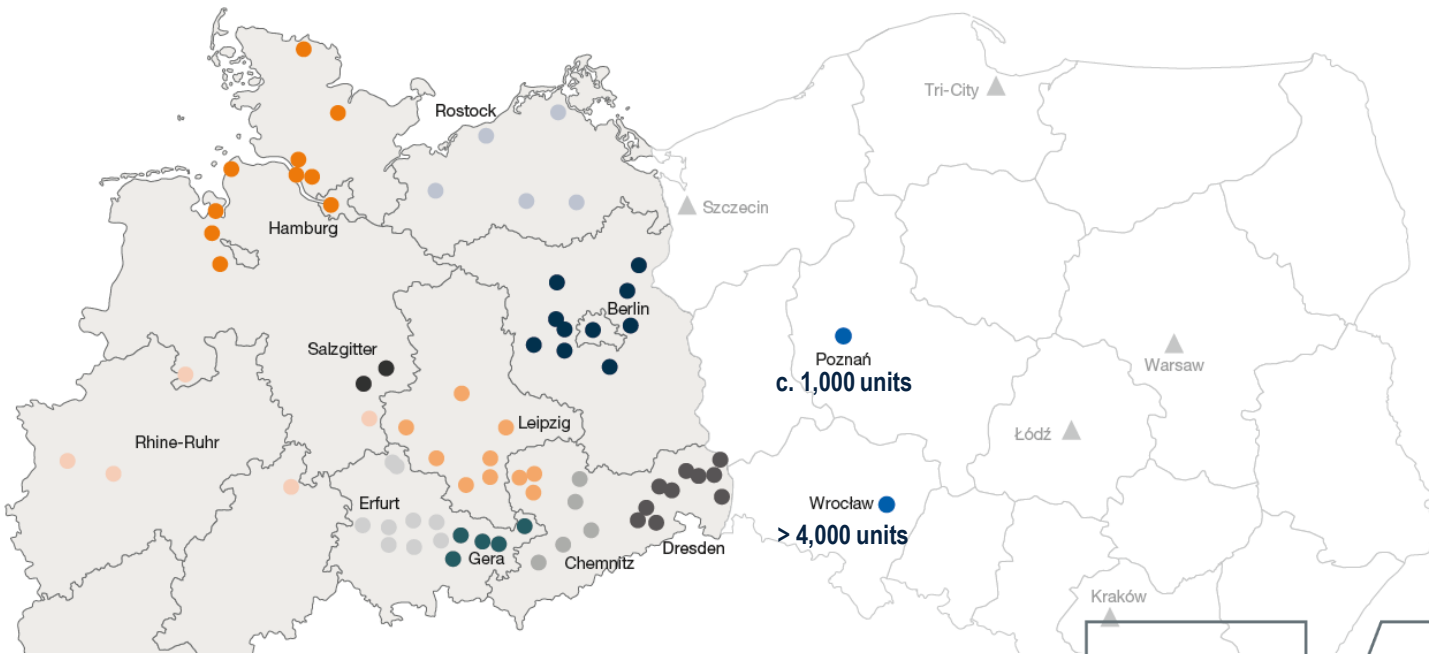
Helmstedt



Bad Grund

c. 600 non-core units sold in FY 2019 at an average disposal multiple of 12.1x (8.3% gross yield)





## TAG Poland business update

# TAG 2020

# TAG transaction overview

Vantage Development: a leading residential development platform with strong track record

## Key transaction terms

- All cash tender offer for 100% of the shares in Vantage Development S.A. for a total consideration of PLN 558.5m (EUR 131.9m), fully funded by existing cash on TAG's balance sheet, signed on 8 Nov-2019
- Transaction structure provided for a simultaneous carve-out of Vantage's commercial property segment ("CRE") back-to-back to selling shareholders against payment of PLN 197.0m (EUR 46.5m) to Vantage Development
- TAG's net consideration amounts to PLN 361.5m (EUR 85.4m)

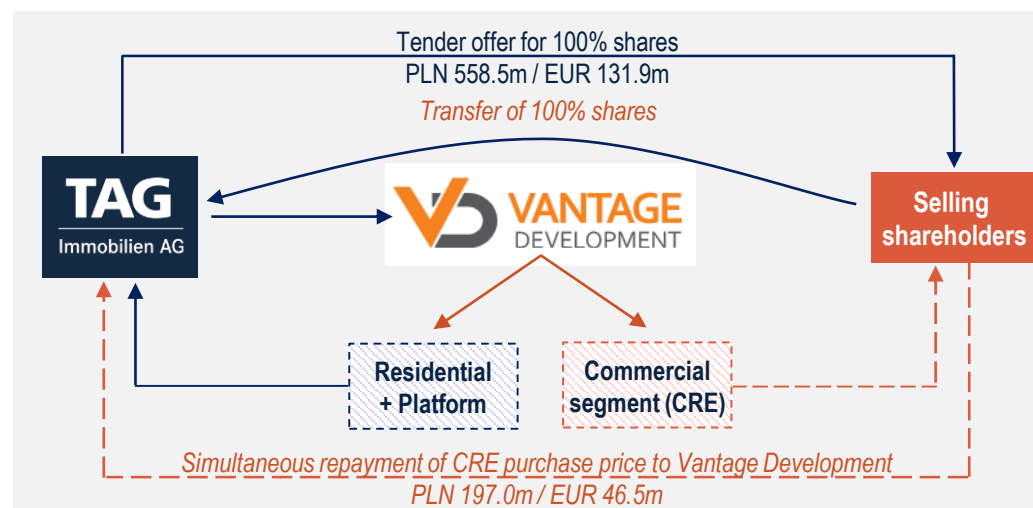
Note: Euro amounts based on PLN/EUR exchange rate at closing date of 0.236 / changes in comparison to signing date Nov-2019 due to foreign currency exchange effects

## Platform

- Platform of c. 100 employees with proven track record of more than 4,000 units completed and delivered

## Timeline

- Closing of transaction on 13 Jan-2020



# TAG residential development platform

Building up a residential-for-rent portfolio in Poland

## Secured pipeline

- Secured pipeline of **c.4,400 units in Wroclaw** (c. 5,300 at signing date, thereof handover of c. 900 apartments in Q4 2019)
- Additional pipeline of **c.1,000 units** in Poznan secured for renting business in Q4 2019/Q1 2020
- Main focus in the future: **residential-for-rent business**
- First rents to be collected from projects finished in Q3/Q4 2021

## Key figures long term renting business FY 2021 onwards

Mid term target (# units)	8,000-10,000
<i>Estimated gross yield on cost</i>	c. 7-8%
<i>Estimated EBITDA margin</i>	>70%
Estimated total rent (based on 8,000-10,000 units)	c. EUR 60-75m p.a.



Port Popowice



Dorzeczcie Legnickiej



Promenady Wroclawskie

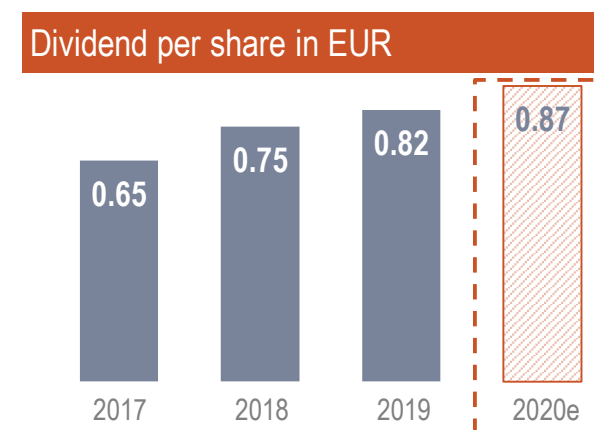
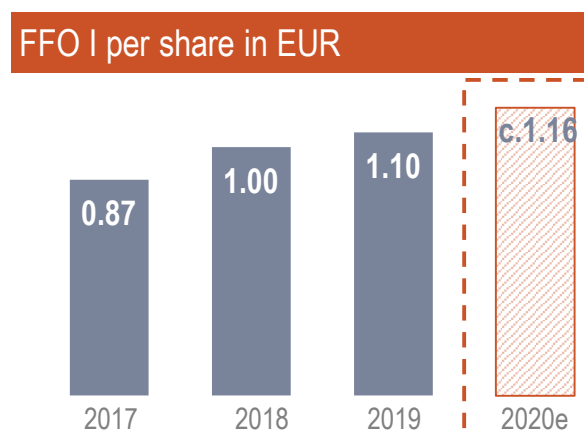
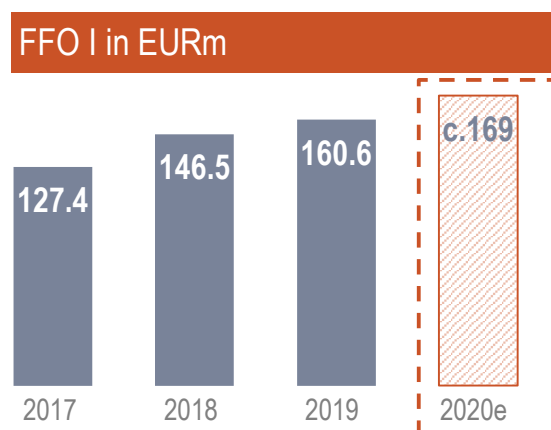
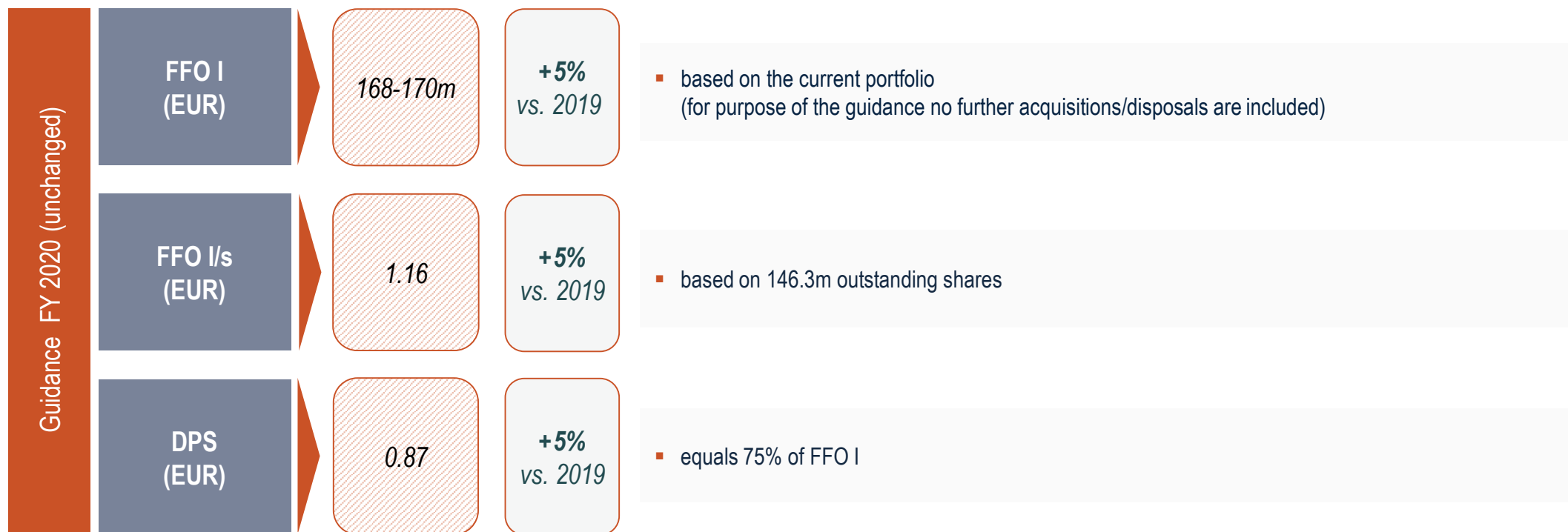


Kameralna Klecina

# TAG guidance FY 2020

# TAG 2020

# TAG FFO & dividend guidance FY 2020



# APPENDIX

# TAG 2020

# TAG portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Dec-2019	Gross yield	Vacancy Dec-2019	Vacancy Dec-2018*	Net rent EUR/ sqm	Re-letting rent EUR/ sqm	L-f-l rental growth y-o-y	L-f-l rental growth y-o-y incl. vacancy reduction	Maintenance EUR/sqm	Capex EUR/sqm
Berlin	10,410	596,927	779.6	5.1%	4.0%	4.4%	5.76	6.26	3.2%	4.1%	7.13	12.17
Chemnitz	7,531	439,457	347.9	6.9%	7.7%	9.6%	4.92	5.04	0.8%	3.0%	6.96	37.70
Dresden	6,300	409,046	532.7	5.2%	2.1%	2.5%	5.75	6.08	1.9%	2.2%	4.19	6.29
Erfurt	10,565	594,494	660.9	5.5%	2.5%	2.9%	5.24	5.57	2.3%	2.8%	5.00	10.74
Gera	9,652	561,316	431.2	7.3%	7.0%	8.1%	5.02	5.27	1.1%	2.6%	5.86	10.96
Hamburg	7,067	434,556	543.6	5.3%	4.2%	4.2%	5.76	6.00	1.6%	1.6%	9.96	14.27
Leipzig	10,014	589,857	568.1	6.2%	5.4%	4.1%	5.28	5.60	1.5%	1.9%	6.48	6.51
Rhine-Ruhr	4,187	266,405	317.9	5.4%	2.0%	1.9%	5.48	5.66	1.9%	1.8%	9.71	6.61
Rostock	7,118	425,362	446.4	6.0%	3.6%	3.0%	5.43	5.70	1.4%	1.6%	7.11	16.80
Salzgitter	9,180	563,122	525.1	6.6%	5.2%	4.5%	5.39	5.51	2.7%	1.9%	7.51	15.30
<b>Total residential units</b>	<b>82,024</b>	<b>4,880,542</b>	<b>5,153.4</b>	<b>5.9%</b>	<b>4.5%</b>	<b>4.7%</b>	<b>5.39</b>	<b>5.64</b>	<b>1.9%</b>	<b>2.4%</b>	<b>6.82</b>	<b>13.63</b>
Acquisitions	1,164	44,006	36.8	8.1%	7.8%	12.9%	6.08	---	---	---	---	---
Commercial units within resi. portfolio	1,155	149,003	---	---	16.3%	16.8%	7.98	---	---	---	---	---
<b>Total residential portfolio</b>	<b>84,343</b>	<b>5,073,552</b>	<b>5,190.2</b>	<b>6.1%</b>	<b>4.9%</b>	<b>5.3%</b>	<b>5.47</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
Other	167	20,883	112.2**	5.8%	8.1%	5.1%	14.53	---	---	---	---	---
<b>Grand total</b>	<b>84,510</b>	<b>5,094,435</b>	<b>5,302.4**</b>	<b>6.1%</b>	<b>4.9%</b>	<b>5.3%</b>	<b>5.51</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

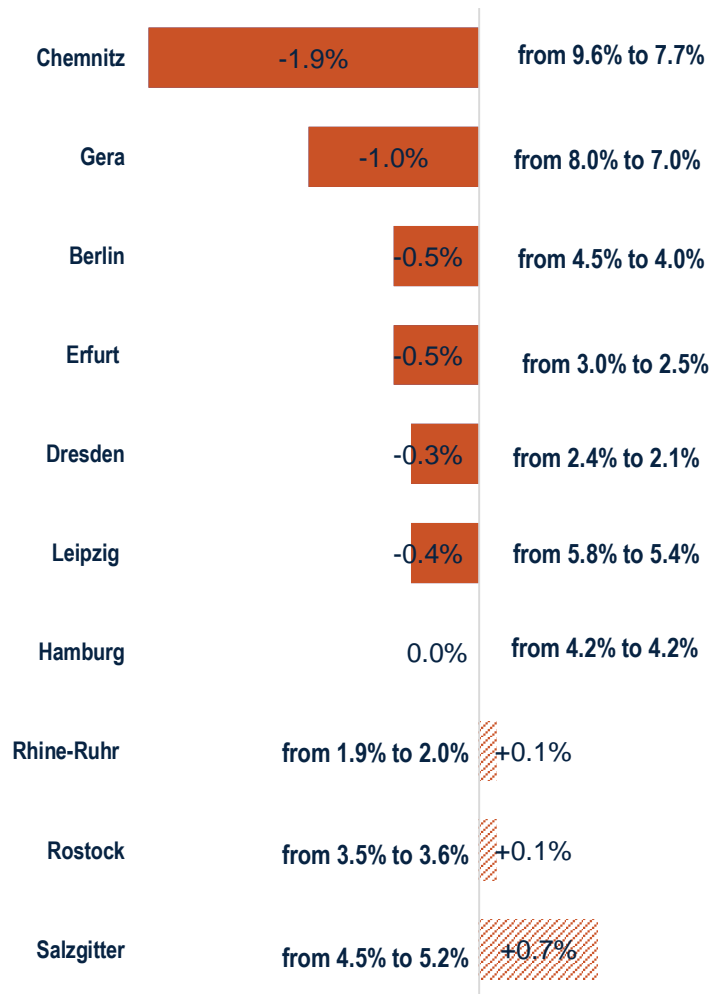
\* excl. acquisitions 2018

\*\* incl. EUR 54.1m book value of project developments

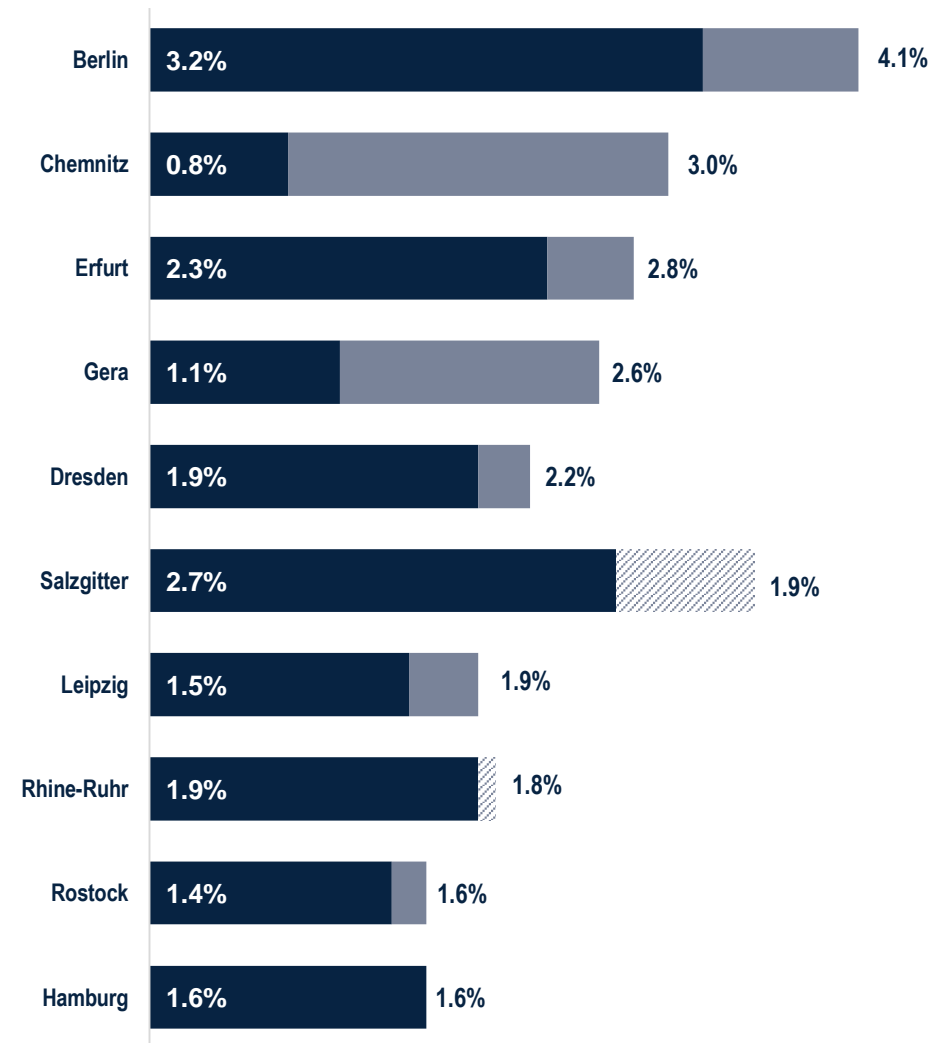


# TAG vacancy reduction and rental growth by region

Vacancy FY 2019\*



L-f-I rental growth (y-o-y) FY 2019



\* incl. acquisitions 2018

Basis I-f-I

I-f-I incl. vacancy reduction

# TAG portfolio valuation details

Region (in EURm)	Dec-2019 Fair value (IFRS)	Dec-2019 Fair value (EUR/sqm)	Dec-2019 Implied multiple	Dec-2019 Valuation result	Share of operational performance/ other market developments	Share of yield compression	Dec-2018 Fair value (IFRS)	Dec-2018 Fair value (EUR/sqm)	Dec-2018 Implied multiple
Berlin	779.6	1,240.9	18.6x	84.5	31.8	52.8	668.7	1,120.2	17.3x
Chemnitz	347.9	764.9	14.2x	13.7	5.4	8.4	318.9	696.2	13.2x
Dresden	532.7	1,266.4	13.8x	51.9	13.9	38.0	479.4	1,130.6	17.1x
Erfurt	660.9	1,069.8	17.1x	64.1	10.5	53.7	589.8	958.5	15.8x
Gera	431.2	734.2	13.2x	13.6	7.2	6.4	412.1	693.5	12.9x
Hamburg	543.6	1,224.0	18.1x	51.9	5.5	46.4	486.2	1,094.0	16.5x
Leipzig	568.1	946.4	15.6x	47.5	11.8	35.8	534.0	861.6	14.4x
Rhine-Ruhr	318.0	1,146.3	17.5x	25.9	6.3	19.6	290.3	1,046.5	16.3x
Rostock	446.4	1,027.7	16.2x	38.6	14.4	24.2	325.6	955.5	15.0x
Salzgitter	525.1	930.1	14.9x	18.5	4.8	13.7	498.0	882.0	14.4x
<b>Total residential units</b>	<b>5,153.4</b>	<b>1,024.6</b>	<b>16.4x</b>	<b>410.4</b>	<b>111.4</b>	<b>299.1</b>	<b>4,603.1</b>	<b>932.6</b>	<b>15.3x</b>
Acquisitions	36.8	835.5	12.3x	0.3	0.0	0.3	115.4	704.0	13.3x
<b>Total residential portfolio</b>	<b>5,190.2</b>	<b>1,023.0</b>	<b>16.4x</b>	<b>410.7</b>	<b>111.4</b>	<b>299.3</b>	<b>4,718.5</b>	<b>925.3</b>	<b>15.2x</b>
Other	112.2*	2,780.5	17.4x	3.4	-1.2	4.6	97.0	2,915.6	21.0x
<b>Grand total**</b>	<b>5,302.4</b>	<b>1,030.2</b>	<b>16.4x</b>	<b>414.1</b>	<b>110.2</b>	<b>303.9</b>	<b>4,815.5</b>	<b>938.2</b>	<b>15.3x</b>

\* incl. EUR 54.1m book value of project developments

\*\* Real estate inventory and real estate within property, plant and equipment valued at historical/amortized cost under IFRS.

# TAG new 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
	FY 2019	FY 2019	FY 2019	FY 2019
<b>Equity (before minorities)</b>	<b>2,342.6</b>	<b>2,342.6</b>	<b>2,342.6</b>	<b>2,342.6</b>
Effect from conversion of convertible bond	324.2	324.2	324.2	324.2
Difference between fair value and book value for properties valued at cost	85.2	85.2	85.2	85.2
Deferred taxes on investment properties and derivative financial instruments	492.8	492.8	492.8	0.0
Fair value of derivative financial instruments	6.2	6.2	6.2	0.0
Intangible assets	0.0	0.0	-2.6	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	0.0	-79.7
Deferred taxes hereon	0.0	0.0	0.0	25.7
Transaction costs (e.g. real estate transfer tax)	0.0	441.4	0.0	0.0
<b>EPRA NAV, fully diluted</b>	<b>3,250.9</b>	<b>3,692.4</b>	<b>3,248.4</b>	<b>2,697.0</b>
<i>Number of shares, fully diluted (in '000)*</i>	<i>161,191</i>	<i>161,191</i>	<i>161,191</i>	<i>161,191</i>
<b>EPRA NAV per share (EUR), fully diluted</b>	<b>20.17</b>	<b>22.91</b>	<b>20.15</b>	<b>16.74</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)	FY 2019	FY 2018	Q4 2019	Q3 2019
<b>Net income</b>	<b>456.4</b>	<b>488.2</b>	<b>188.5</b>	<b>34.2</b>
Valuation result	-414.1	-430.0	-203.1	0.4
Deferred income taxes on valuation result	76.7	72.7	28.1	2.7
Net income from sales	0.4	0.1	0.4	0.2
Cash taxes on net revenues from sales	2.0	0.0	2.0	0.0
Fair value valuation of derivative financial instruments	29.5	31.0	21.8	0.0
Deferred income taxes on valuation of derivative financial instruments	-9.2	-9.8	-6.7	0.0
Breakage fees bank loans and early repayment of bonds	0.2	9.8	0.0	0.1
Cash dividend payments to minorities	-1.3	-1.3	-0.5	-0.3
<b>EPRA Earnings</b>	<b>140.6</b>	<b>160.8</b>	<b>30.5</b>	<b>37.3</b>
Deferred income taxes (other than on valuation result)	16.3	-12.9	10.6	2.0
Other non cash financial result	2.2	0.6	0.1	0.7
One offs*	-1.3	-6.2	-1.3	0.0
Depreciation	6.8	4.3	1.8	1.8
Cash taxes on net revenues from sales	-2.0	0.0	-2.0	0.0
Reversal of effects from first time application of IFRS 16 "leases"	-2.0	0.0	-0.6	-0.6
<b>Adjusted EPRA Earnings (FFO I)</b>	<b>160.6</b>	<b>146.5</b>	<b>39.2</b>	<b>41.2</b>
Weighted average number of shares outstanding (in '000)	146,333	146,341	146,337	146,337
<b>EPRA Earnings per share (in EUR)</b>	<b>0.96</b>	<b>1.10</b>	<b>0.21</b>	<b>0.25</b>
<b>Adjusted EPRA Earnings (FFO I) per share (in EUR)</b>	<b>1.10</b>	<b>1.00</b>	<b>0.27</b>	<b>0.28</b>
<i>Weighted average number of shares, fully diluted (in '000)**</i>	<i>161,151</i>	<i>161,016</i>	<i>161,191</i>	<i>161,174</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.88</i>	<i>1.00</i>	<i>0.19</i>	<i>0.52</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>1.01</i>	<i>0.92</i>	<i>0.25</i>	<i>0.26</i>

\* reversal of provisions for real estate transfer tax risks in 2018 and Q4 2019 (EUR 2.3m); acquisition costs Vantage in Q4 2019 (EUR 1.0m)

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

# TAG Interest coverage ratio (ICR) calculation

(in EURm)	FY 2019	FY 2018	Q4 2019	Q3 2019
+ Interest income	0.5	1.2	0.1	0.1
- Interest expenses	-79.4	-99.0	-34.4	-12.5
+ Net income from investments	1.4	1.8	0.9	0.1
<b>= Net financial result</b>	<b>-77.6</b>	<b>-96.0</b>	<b>-33.4</b>	<b>-12.3</b>
+ Financial result from convertible/corporate bonds	1.4	1.7	0.4	0.4
+ Breakage fees bank loans and early repayment of bonds	0.2	9.8	0.0	0.1
+ Other non-cash financial result (e.g. from derivatives)	30.4	30.0	21.6	0.4
<b>= Net financial result (cash, after one-offs)</b>	<b>-45.6</b>	<b>-54.6</b>	<b>-11.5</b>	<b>-11.5</b>
<b>ICR (EBITDA adjusted/net financial result cash, after one-offs)</b>	<b>4.7x</b>	<b>3.8x</b>	<b>4.7x</b>	<b>4.7x</b>

# TAG LTV calculation

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

# TAG maintenance and capex

in EUR millions		2018					2019				
Total portfolio	Q1	Q2	Q3	Q4	Total FY	Q1	Q2	Q3	Q4	Total FY	
Maintenance	8.6	7.4	8.3	10.0	34.3	8.4	8.3	8.8	7.8	33.3	
Capex	13.0	14.6	14.8	15.7	58.1*	15.2	14.9	16.8*	19.8*	66.7	
Total	21.6	22.0	23.1	25.7	92.4	23.6	23.2	25.6	27.6	100.0	

in EUR/sqm		2018					2019				
Residential units	Q1	Q2	Q3	Q4	Total FY	Q1	Q2	Q3	Q4	Total FY	
Maintenance	1.77	1.52	1.74	2.08	7.11	1.69	1.68	1.86	1.59	6.82	
Capex	2.67	3.05	3.12	3.29	12.13	3.07	3.02	3.52	4.02	13.63	
Total	4.44	4.57	4.86	5.37	19.24	4.76	4.70	5.38	5.61	20.45	

\*excl. capex for project developments of EUR 7.9m in FY 2019 (FY 2018: EUR 11.4m)



Chemnitz

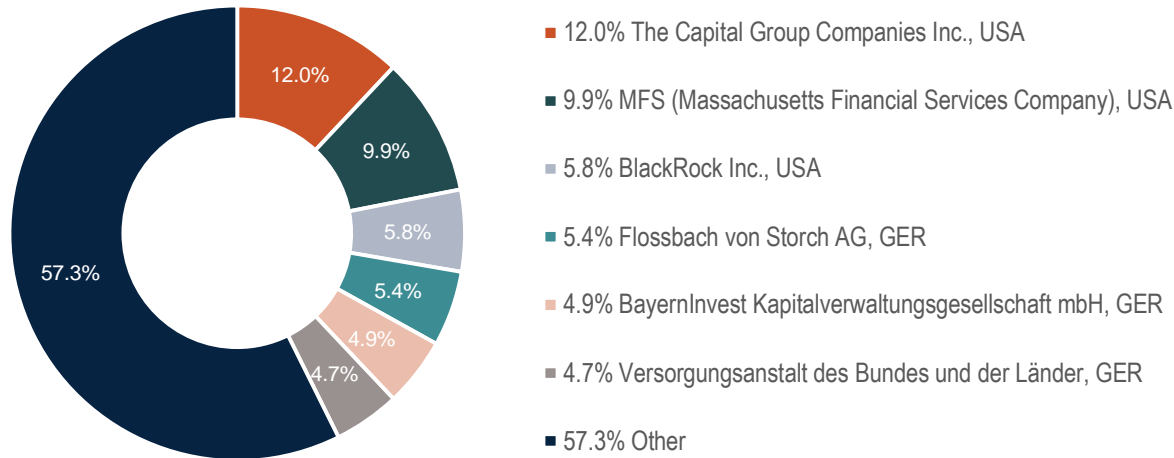




# TAG share data

Highly liquid share with institutional shareholder structure and significant outperformance vs. major stock indices

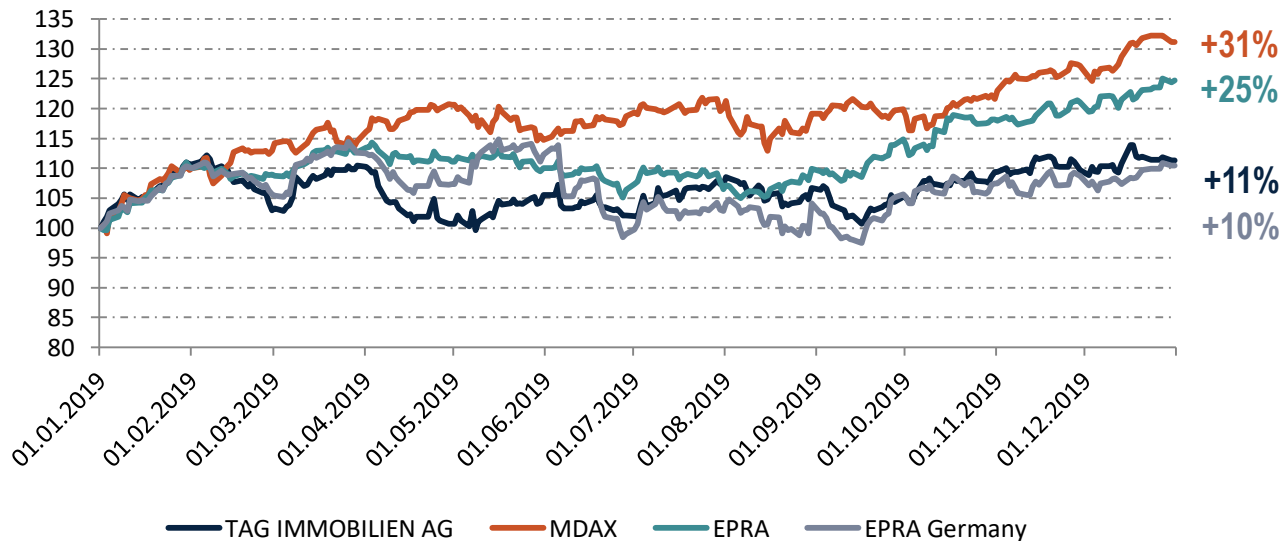
## Shareholder structure as of 31 Dec-2019



## Share information as of 31 Dec-2019

Market cap	EUR 3.2bn
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

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



FY 2019 total shareholder return (incl. dividend):	+15%
FY 2019 Ø volume XETRA/day (shares):	c. 453,600

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**TAG**

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