



# Content

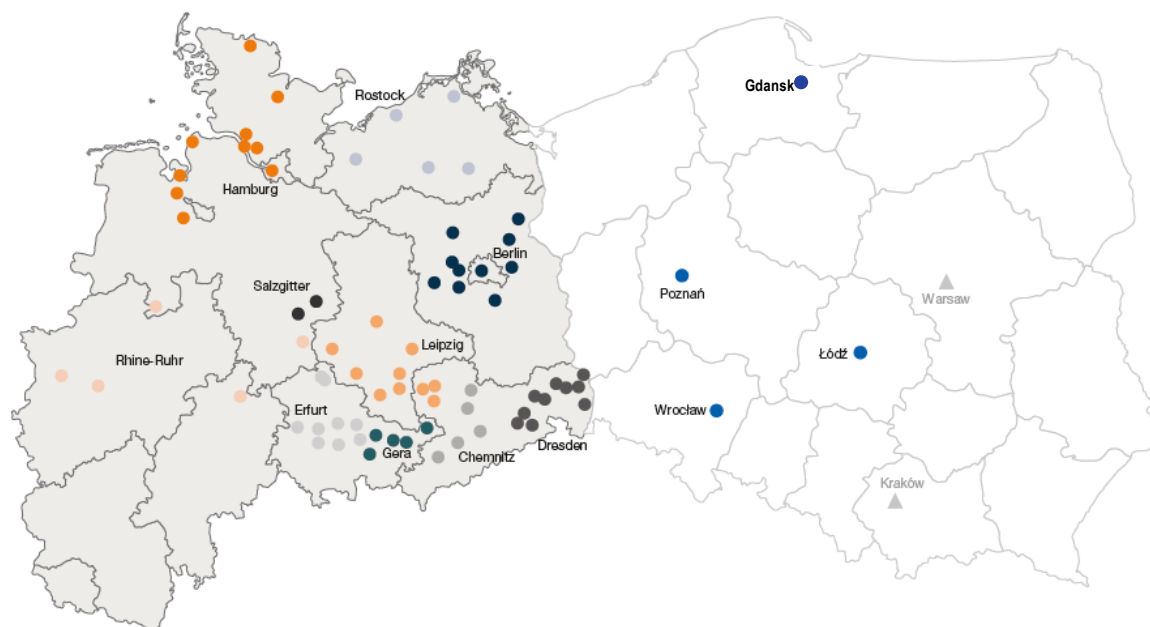
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## TAG overview

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 (30 Jun-2021)

GAV (real estate assets Germany and Poland)*	EUR 6,365.4m
FFO I 2021	EUR 91.5m
Market cap	EUR 3.9bn
Share price	EUR 26.76
EPRA NTA per share	EUR 23.69
LTV	44.1%

\*thereof EUR 6,149.0m German portfolio and EUR 216.4m Polish portfolio

## Key portfolio metrics

	30 Jun-2021	31 Dec-2020
Units Germany	88,319	88,313
Units Poland (secured pipeline)	11,922	8,742
Annualised net actual rent EURm p.a. (total portfolio)	334.2	334.2
Net actual rent EUR/sqm/month (residential units)	5.50	5.48
Net actual rent EUR/sqm/month (total portfolio)	5.60	5.57
Vacancy rate (residential units)	5.8%	5.3%*/4.5%
Vacancy rate (total portfolio)	6.1%	5.6%
L-f-I rental growth (y-o-y)	1.6%	1.4%
L-f-I rental growth (incl. vacancy reduction, y-o-y)	1.6%	1.5%

\* including acquisitions in 2020

# TAG highlights Q2 2021

## Operational performance German portfolio

	Q2 2021	Q1 2021	Q4 2020	FY 2020
▪ <b>Vacancy</b> (residential units)	5.8%	5.9%	5.3%*/4.5%	5.3%*/4.5%
▪ <b>Vacancy</b> (total portfolio)	6.1%	6.1%	5.6%	5.6%
▪ <b>L-f-I rental growth y-o-y</b>	1.6%	1.4%	1.4%	1.4%
▪ <b>L-f-I rental growth y-o-y</b> (incl. vacancy reduction)	1.6%	1.2%	1.5%	1.5%
▪ <b>FFO I</b> (EURm)	45.9	45.6	41.5	172.6
▪ <b>FFO I</b> (EUR/share)	0.31	0.31	0.28	1.18

\* including acquisitions in 2020, part of vacancy in residential units from Q1 2021 onwards

## EPRA NTA and LTV

	30 Jun-2021	31 Mar-2021	31 Dec-2020	31 Dec-19
▪ <b>EPRA NTA</b> (EUR/share), fully diluted	23.69	22.13	21.95	20.22
▪ <b>LTV</b>	44.1%	44.8%	45.1%	44.8%

## Acquisitions/ disposals Germany

- No acquisitions in H1 2021 (H1 2020: 865 units).
- 273 units disposed in H1 2021 (H1 2020: 209 units). Mainly non-core assets (average vacancy rate of c.33%). Total selling price of EUR 11.3m (H1 2020: EUR 8.3m). Book profit of EUR 1.1m (H1 2020: EUR 0.2m). Selling multiple on average at 17.7x (H1 2020: 14.4.x) or gross yield of 5.6% (H1 2020: 6.9%). Closing in the course of FY 2021.

## Portfolio valuation by CBRE

- Total valuation gain of EUR 305.6m in the German portfolio (5.2% semi-annual uplift w/o capex; total valuation gain including Polish portfolio at EUR 310.4m):
  - EUR 272.3m gain from yield compression (89%)
  - EUR 33.3m gain from operational performance (11%)
- New valuation levels at c.EUR 1,150/sqm (31 Dec-2020: c.EUR 1,100/sqm) and 5.5% (31 Dec-2020: 5.7%) gross yield

# TAG highlights Q2 2021

## Operational performance Poland

	H1 2021	Q1 2021	FY 2020
Revenues from sale of properties (in EURm)	40.8	19.2	73.4
Results operations Poland (FFO II impact, in EURm)	4.5	1.9	0.1
Units handed over	390	198	719
Units sold	267	163	509
Build-to-hold units (contractually secured pipeline)	c. 8,200	c. 5,900	c. 5,700
Build-to-sell units (contractually secured pipeline)	c. 3,700	c. 3,100	c. 3,000
Total units	c. 11,900	c. 9,000	c. 8,700
GAV Polish portfolio (in EURm)	216.4	191.9	150.1

## Covid-19 business update

- German portfolio:
  - rent deferrals still of minor impact
  - slightly increased vacancy rate as a temporary impact in Q1 2021: vacancy rate stabilised and reduced by 0.1%- points in Q2 2021
  - investment market, also in TAG's regions, remains strong; valuation result in H1 2021 significantly higher than in H2 2020
- Polish portfolio:
  - sales prices/volumes in TAG's markets (currently Wroclaw, Poznan, Lodz and Gdansk) have even seen strong growth in Q2 2021; rental markets have been stable during the pandemic in TAG's main markets (especially in Wroclaw)
  - construction sites in Poland are running, no delays expected; first build-to-hold projects completed in Q2 2021



- Sustainalytics ranks TAG's ESG performance among the **TOP 3% of all real estate companies** in Aug-2021

## TAG German portfolio

# TAG 2021

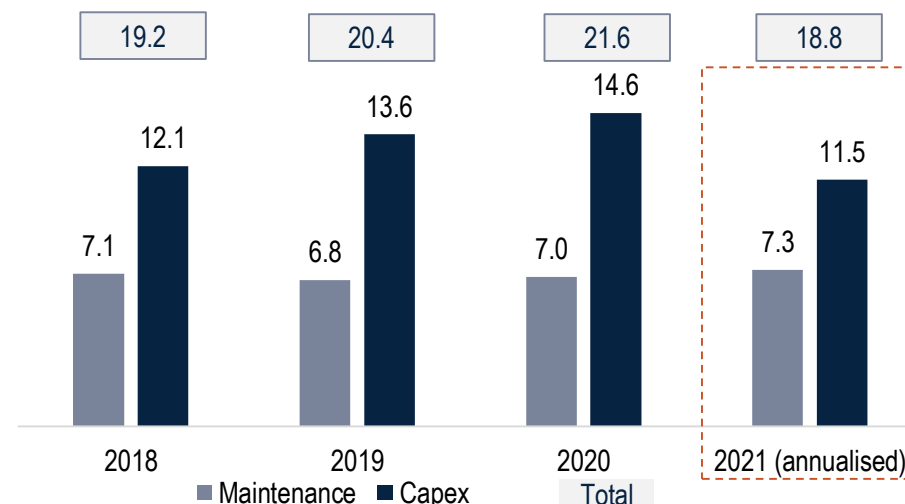
# TAG German portfolio rental growth and capex allocation

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

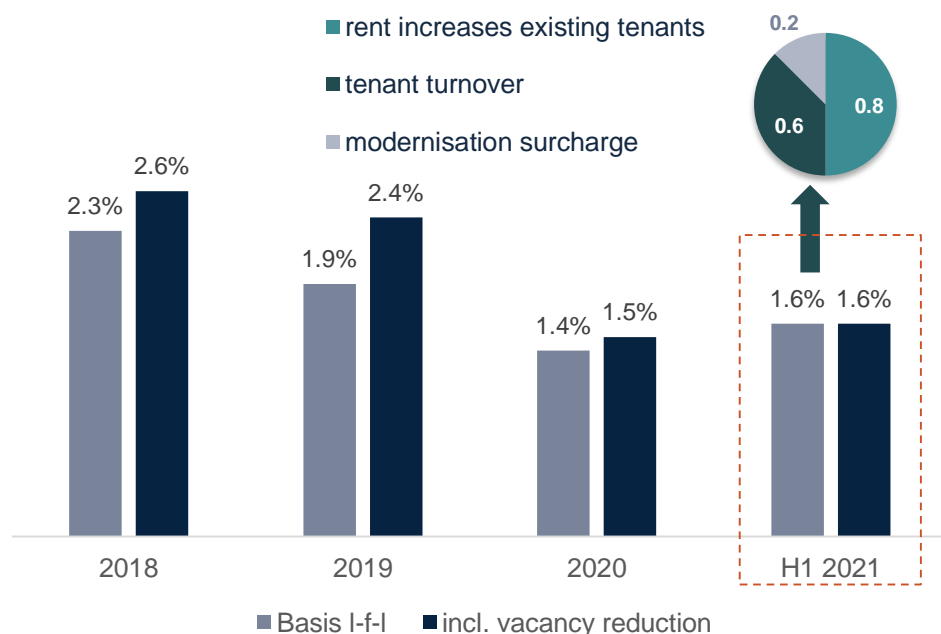
## Rental growth achieved with moderate investments

- 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.**

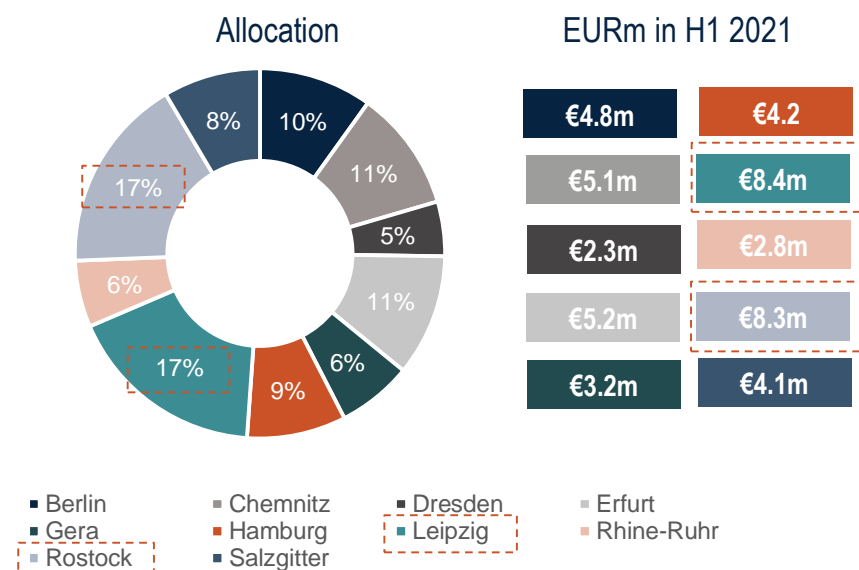
## Maintenance & capex development (in EUR/sqm/year)



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

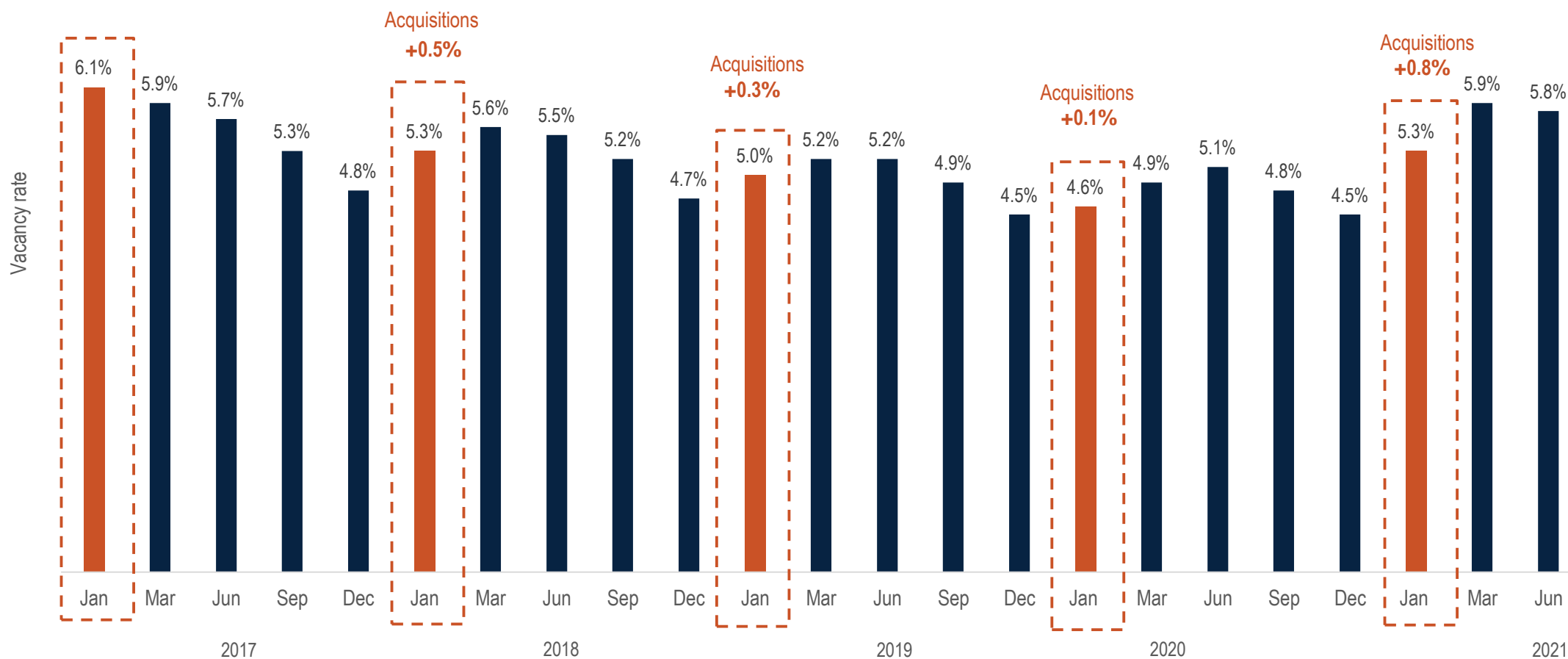


## Maintenance & capex split by region



# TAG German portfolio vacancy reduction residential units

*Strong track record of vacancy reduction; temporary increases in H1 2020 and Q1 2021 as a result of the Covid-19-pandemic*



# TAG portfolio valuation overview

## Portfolio valuation result

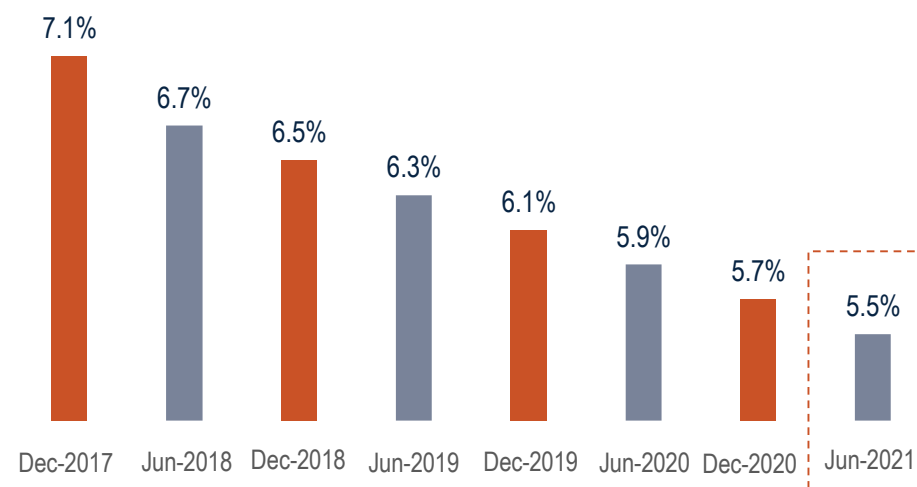
H1 2021 vs. H1 2020	H1 2021	H1 2020
in EUR m	305.6*	174.0
semi-annual valuation uplift (w/o capex)	5.2%	3.3%
— thereof from yield compression	89%	83%
— thereof from operational performance	11%	17%

\* total valuation gain of EUR 310.4m in H1 2021: thereof EUR 305.6m relates to properties in Germany, EUR 4.8m to properties in Poland

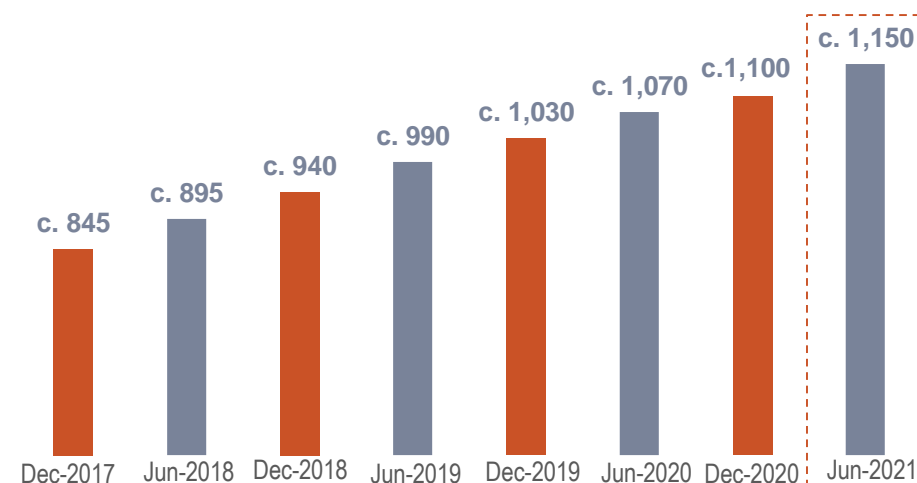
FY 2020 vs. FY 2019	FY 2020	FY 2019
in EUR m	328.4*	414.1
annual valuation uplift (w/o capex)	6.2%	8.6%
— thereof from yield compression	85%	73%
— thereof from operational performance	15%	27%

\* 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

## Development of gross yield



## Development of portfolio value (EUR/sqm)



# 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 <sup>1)</sup>	Multimedia services <sup>1)</sup>	Condominium management	Others <sup>2)</sup>	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
<b>Net income</b>	<b>264.2</b>	<b>11.8</b>	<b>2.4</b>	<b>5.8</b>	<b>4.2</b>	<b>2.2</b>	<b>-0.3</b>	<b>26.1</b>	<b>290.3</b>
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
<b>EBITDA adjusted</b>	<b>211.6</b>	<b>1.0</b>	<b>0.0</b>	<b>5.5</b>	<b>4.0</b>	<b>0.5</b>	<b>-0.3</b>	<b>10.7</b>	<b>222.3</b>
Net financial result	-45.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	-45.1
Cash taxes <sup>3)</sup>	-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
<b>FFO I 2020</b>	<b>162.0</b>	<b>1.0</b>	<b>0.0</b>	<b>5.5</b>	<b>3.9</b>	<b>0.5</b>	<b>-0.3</b>	<b>10.6</b>	<b>172.6</b>
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 acquisitions and disposals

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# 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

2020 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/ H1 2021

Signing	2020	2020	2020 Total	H1 2021
Units	213	796	<b>1,009</b>	273
Net actual rent in EUR/sqm/month	6.56	5.00	<b>5.38</b>	4.74
Vacancy	4%	22%	<b>18%</b>	33%
Selling price in EURm	25.5	29.8	<b>55.3</b>	11.3
Net actual rent in EURm p.a.	0.98	2.23	<b>3.21</b>	0.63
Net cash proceeds in EURm	25.0	29.3	<b>54.3</b>	11.1
Book profit in EURm	-0.1	4.1	<b>4.0</b>	1.1
Location	Berlin, Kiel	various locations	---	various locations
Closing	2020/2021	2020/2021	<b>2020/2021</b>	2021
Multiples (in place rent)	26.1	13.4	<b>17.3</b>	17.7



Bad Frankenhausen

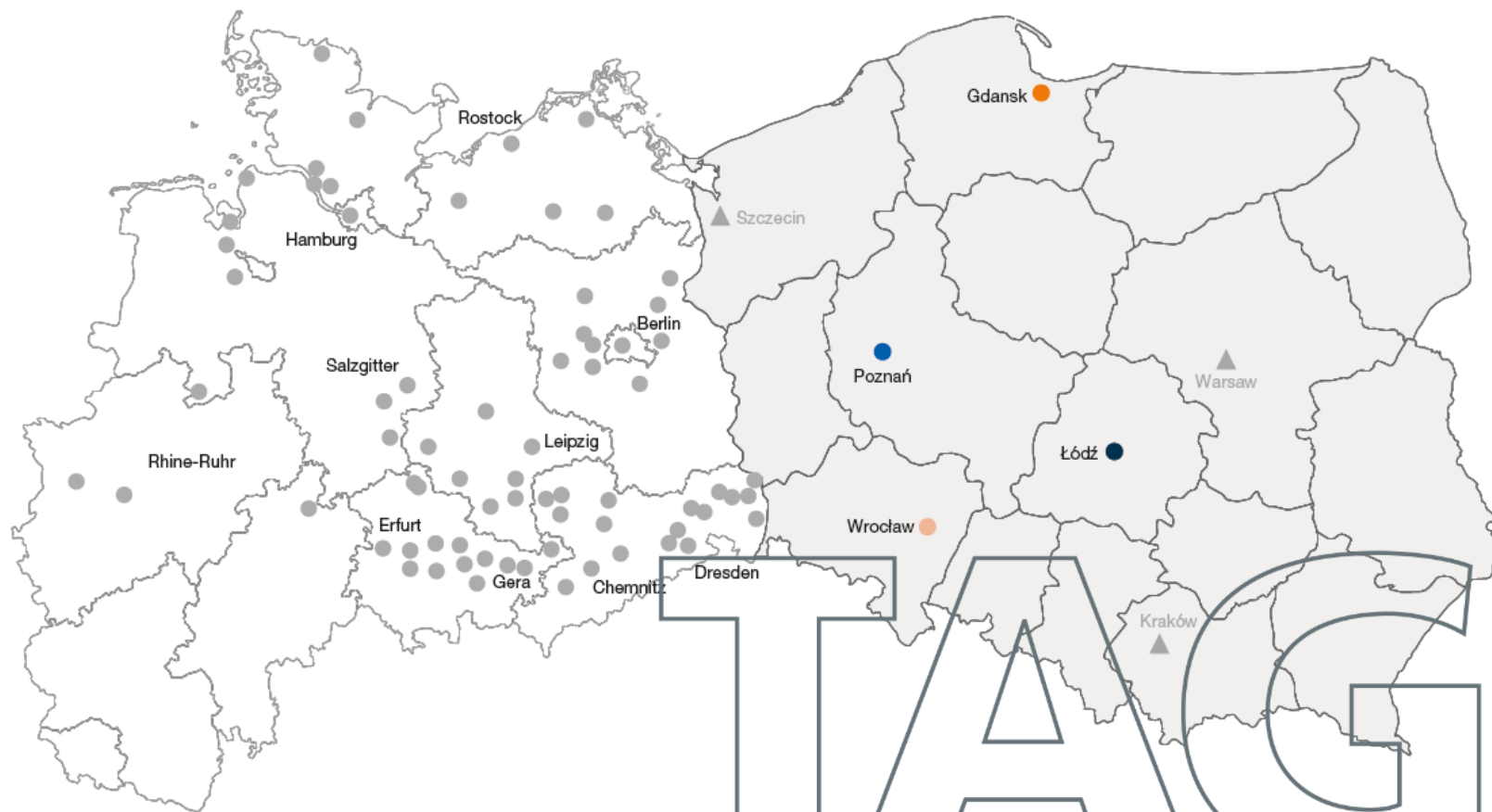


Kiel



Suhl

2021 c.240 non-core units sold at an average disposal multiple of 17.7x (5.6% gross yield)  
c.35 units in high-priced markets sold at an average disposal multiple of 20.3x (4.9% gross yield)



## TAG Poland business update

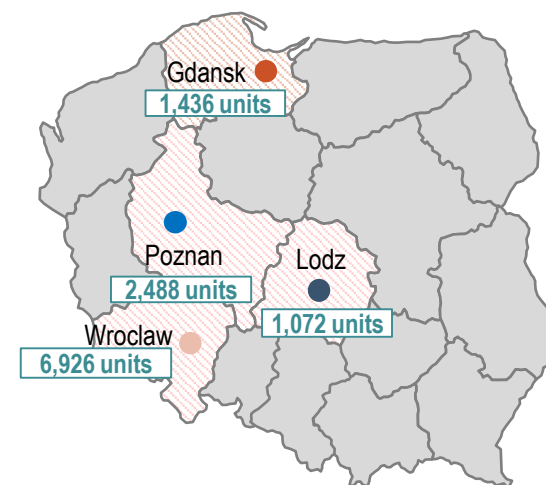
# Poland portfolio overview

*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** (until 2025) 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, Lodz and Gdansk**
- 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/ projects



## Poland Portfolio as of 30 Jun-2021

Build-to-hold projects/ units	
Completed	109
Under construction	3,172
Landbank and secured projects	4,949
<b>Total build-to-hold units</b>	<b>8,230</b>
Total sqm	372,105
Estimated total investment costs	c.EUR 707m
Average total investment costs per sqm	c.EUR 1,900
Average rent price per sqm	c.EUR 11.50
Average gross rental yield	c.7-8%
Estimated EBITDA margin on letting	>75%
<b>Estimated EBITDA contribution p.a.</b>	<b>&gt;EUR 40m</b>

Build-to-sell projects/ units	
Completed	60
Under construction	310
Landbank and secured projects	3,322
<b>Total build-to-sell units</b>	<b>3,692</b>
Total sqm	196,974
Estimated total investment costs	c.EUR 315m
Average total investment costs per sqm	c.1,600
Average sales price per sqm	c.2,100
Average gross sales margin	c.20-25%
Estimated EBITDA margin on sales	>15%
<b>Estimated EBITDA contribution</b>	<b>&gt;EUR 47m</b>

Total projects/ units	
Completed	169
Under construction	3,482
Landbank and secured projects	8,271
<b>Total number of units</b>	<b>11,922</b>
Total sqm	569,079
Estimated total investment costs	c.EUR 1,022m

Note: Euro amounts based on PLN/EUR exchange rate of 0.2212 as of 30 Jun-2021

# Poland build-to-hold pipeline

Polish build-to-hold projects currently concentrated in growth regions in Poland's largest regional hubs

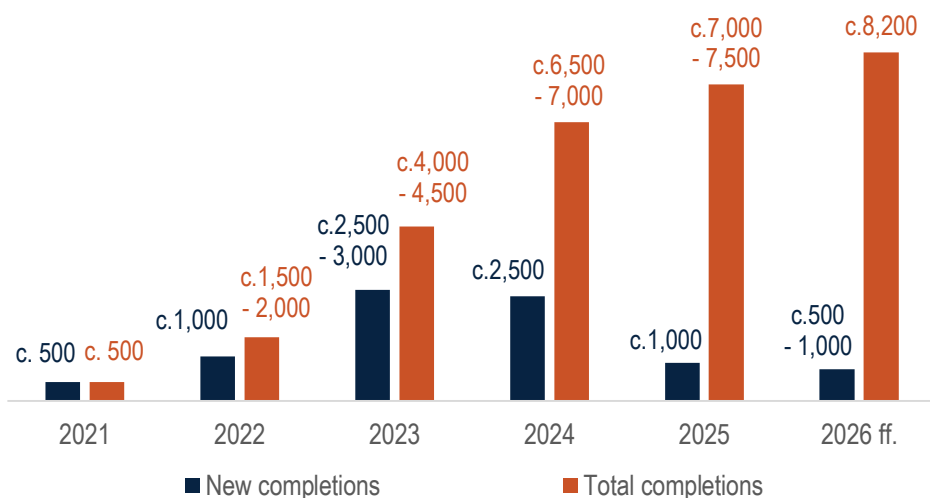
## Build-to-hold projects overview

Pipeline locations	Wroclaw	Poznan	Lodz	Gdansk	Total
Total number of projects	10	12	4	1	27
Total number of project stages	16	12	4	4	36
<b>Number of units</b>	<b>3,862</b>	<b>2,488</b>	<b>1,072</b>	<b>808</b>	<b>8,230</b>

Estimated total investment costs*	c. EUR 707m
Average total investment costs per sqm*	c. EUR 1,900
Average gross rental yield	c. 7-8%
Average rent per sqm*	c. EUR 11.50/month
Average apartment size	c. 40 sqm
Estimated EBITDA margin	>75%

\* based on PLN/EUR exchange rate of 0,2212 as of 30-Jun 2021

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



## Build-to-hold projects locations



## Accounting treatment of build-to-hold units

- Build-to-hold projects are treated as **investment properties** under IAS 40, i.e. construction and other eligible costs are capitalised and projects/properties are part of the **fair value valuation** on a semi-annual basis.
- Rental results from Build-to-hold projects **will be reflected in TAG's FFO I** in the future; as rental activities in Poland in 2021 are not yet material, FFO I currently solely comprises the German rental business.

# Poland rental units in offer

First Build-to-hold projects in Poland finished in Wroclaw in Q2 2021, first tenants moved in ([www.vantagerent.pl](http://www.vantagerent.pl))

Build-to-hold projects in Wroclaw in offer	Dorzecze Legnickiej IV	Buforowa 89 III	Legnicka 33	Total
<b>Total number of units in offer as of 31 Jul-2021</b>	<b>57</b>	<b>159</b>	<b>152</b>	<b>368</b>
- number of units completed until 30 Jun-2021	57	0	52	109
- number of units completed in Q3 2021	0	159	100	259
Average apartment size	c.50 sqm	c.50 sqm	c.30 sqm	<b>c. 40 sqm</b>
Area in sqm	2,871	7,995	4,548	<b>15,414</b>
Average rent per sqm	EUR 10.50	EUR 8.50	EUR 13.15	<b>c. EUR 11.00</b>

\* based on PLN/EUR exchange rate of 0.2212 as of 30 Jun-2021



# Poland build-to-sell pipeline

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

## Build-to-sell projects overview

Pipeline location	Wroclaw	Gdansk	Total
Total number of projects	10	1	11
Total number of project stages	20	4	24
<b>Number of units</b>	<b>3,064</b>	<b>628</b>	<b>3,692</b>

Estimated total investment costs\* c. EUR 315m

Average total investment costs per sqm\* c. EUR 1,600

Average gross sales margin c. 20-25%

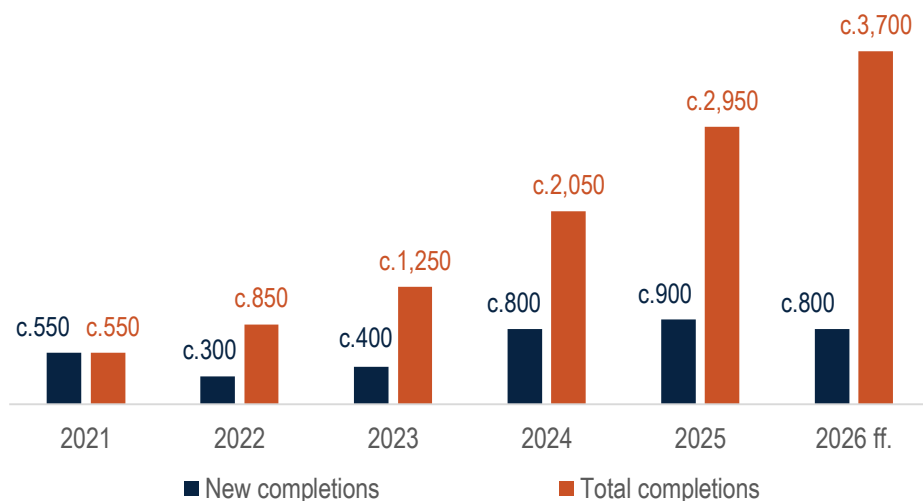
Average sales price per sqm (w/o fit out)\* c. EUR 2,100

Average apartment size c. 50 sqm

Estimated EBITDA margin on sales >15%

\* based on PLN/EUR exchange rate of 0.221 as of 30 Jun-2021

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



## Build-to-sell projects locations



## Accounting treatment of build-to-sell units

- Build-to-sell projects are treated as **inventories** under IAS 2; construction and other eligible costs are capitalised during the project cycle with **revenue recognition only at handover**
- Sales results are **reflected in TAG's FFO II**

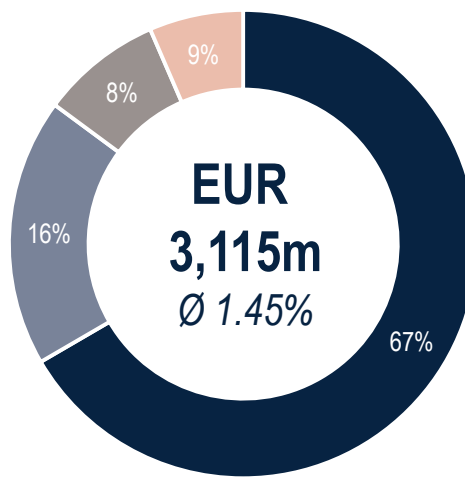
## TAG financing structure

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2021

# TAG financing structure

Debt structure as of 30 Jun-2021

Debt volume	Ø interest rate	% fixed rates
EUR 2,084m	1.69%	97%
EUR 488m	0.63%	100%
EUR 250m	1.5%	100%
EUR 294m	1.07%	100%
<b>Σ EUR 3,115m</b>	<b>Ø 1.45%</b>	<b>Ø 98.5%</b>

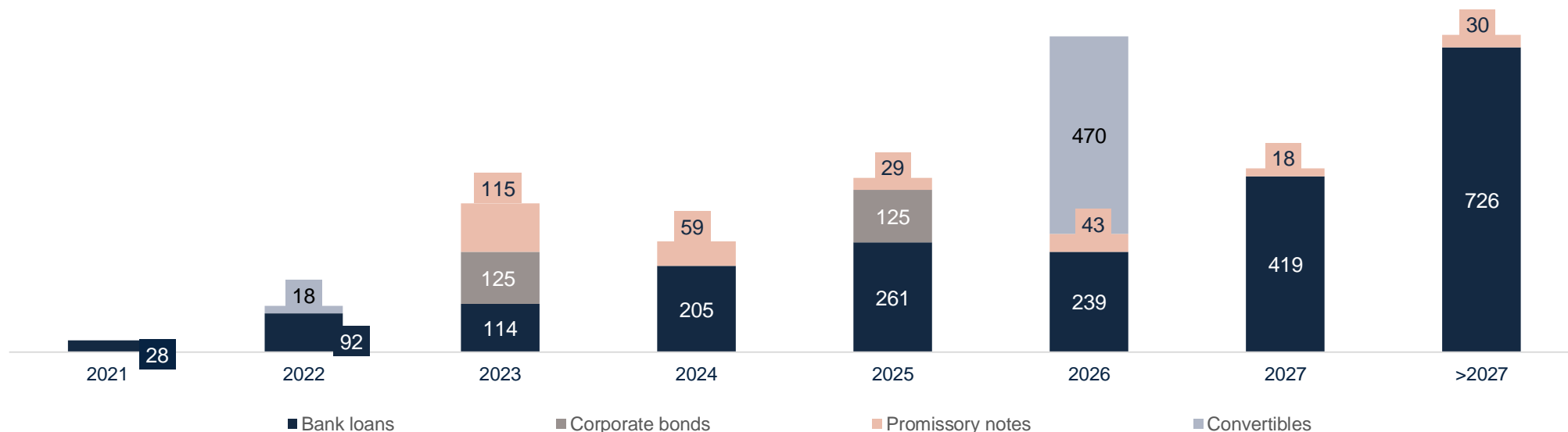


■ Bank loans ■ Corporate bonds ■ Promissory notes ■ Convertibles

Key financial KPIs as of 30 Jun-2021

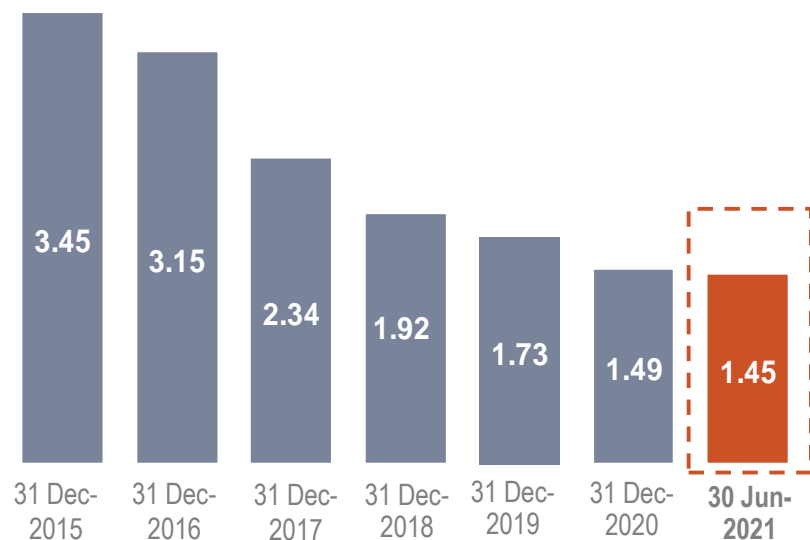
Ø Maturity total financial debt	6.6 years
Ø Maturity bank loans	7.7 years
Ø Interest rate total financial debt	1.45%
Ø Interest rate bank loans	1.69%
LTV	44.1%
LTV target	c. 45.0%
Investment Grade Rating (Moody's)	Baa3 long term rating (outlook positive) P-3 short term rating
Further refinancing potential 2021-2023	<b>EUR 365m</b> of bank loans maturing or with interest terms ending in <b>2021-2023</b> with average coupon of <b>2.4% p.a.</b>

Maturity profile as of 30 Jun-2021 (in EURm)



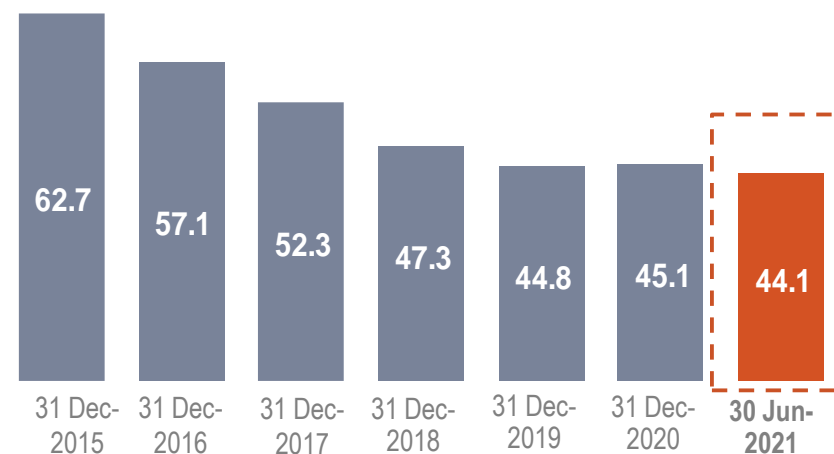
# TAG cost of debt and LTV

Cost of debt Ø in %



- Continuous reduction of average cost of debt in the last years.
- Further upside potential from maturing bank loans with interest rates still above average cost of debt and current financing cost strongly below current coupons.

LTV in %

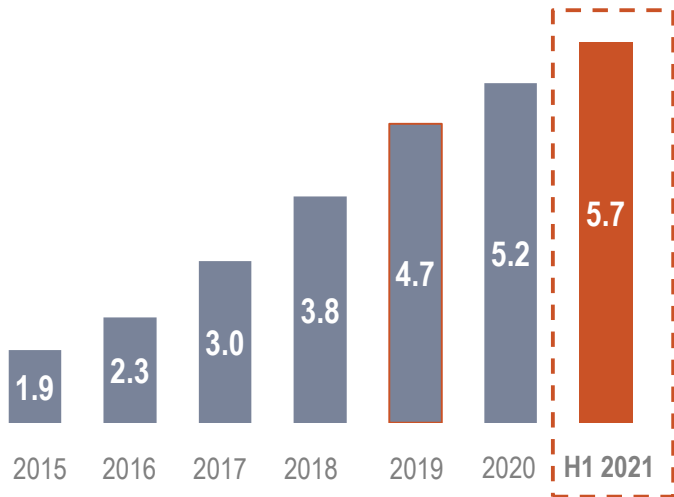


- Strong LTV reduction over the last years, investments in Poland did not and will not lead to material increases in LTV.
- LTV target of c. 45% ensures a conservative financial policy also in the future.

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

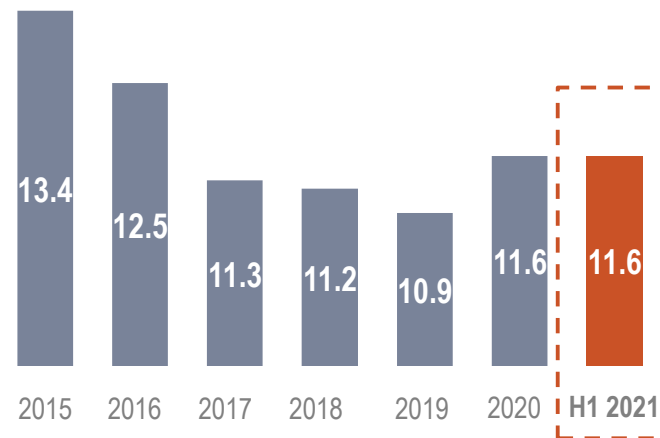
# TAG strong development of financing metrics

ICR



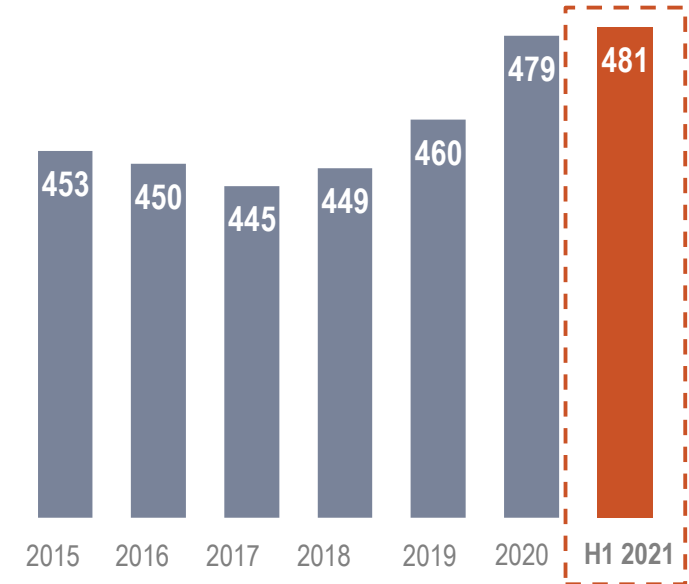
- Strong improvement of ICR (EBITDA adjusted/net financial result cash, after one-offs) driven by operational improvements as well as interest cost savings due to refinancing activities in the past years.

Net financial debt/ EBITDA adjusted



- Increase in FY 2020 results from investments in Poland (EBITDA contribution will significantly increase once the build-to-hold projects are finished)
- Ongoing EBITDA growth led to an increase in net financial debt/EBITDA.

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 FY 2020 mainly results from investments in Poland.

Continuous improvement of financing metrics with further improvement expected

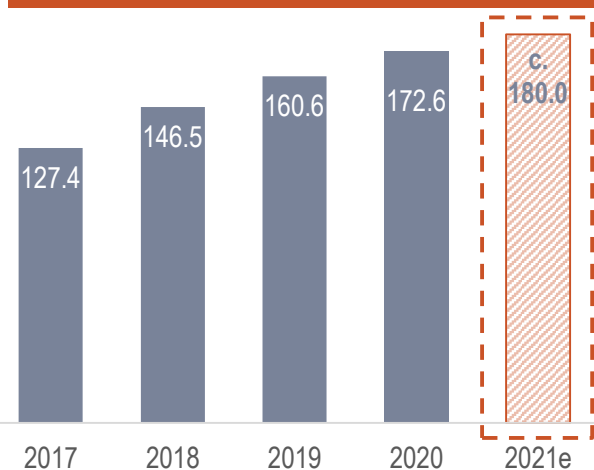
TAG guidance

TAG  
2021

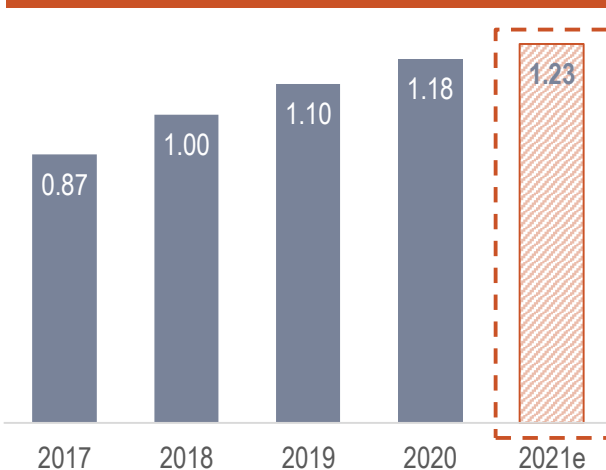
# TAG FFO and dividend guidance FY 2021 (unchanged)

Germany	FFO I (EUR)	178-182m	+4% vs. 2020	<ul style="list-style-type: none"> <li>For purpose of the guidance no further acquisitions/disposals in 2021 assumed</li> <li>FFO I guidance 2021 purely refers to German rental business as rental activities in Poland just started in Jun-2021 (FFO I from renting business in Poland in 2021 therefore not material)</li> </ul>
	FFO I/s (EUR)	1.23	+4% vs. 2020	<ul style="list-style-type: none"> <li>based on 146.4m outstanding shares</li> </ul>
	DPS (EUR)	0.92	+4% vs. 2020	<ul style="list-style-type: none"> <li>equals 75% of FFO I</li> </ul>

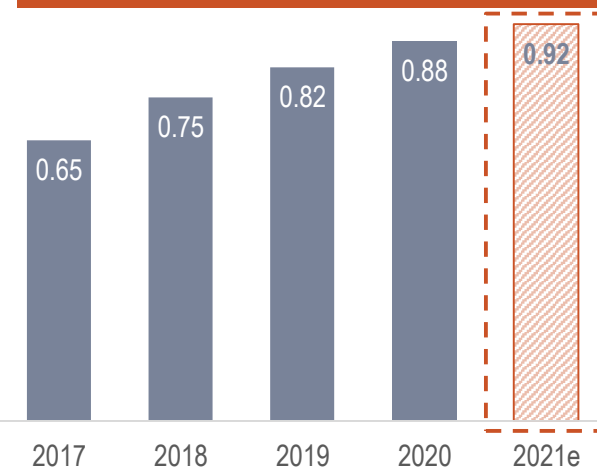
FFO I in EURm



FFO I per share in EUR



Dividend per share in EUR





TAG sustainability

TAG  
2021

# TAG ESG strategy and core axes

Sustainability is an essential part of TAG's corporate vision



## Environment



Improving energy efficiency and reducing emissions



Best possible cost-benefit ratio



Responsible treatment of resource management

## Social



Affordable and needs orientated housing



Neighbourhood management



Customer focus and service quality

## Governance



Excellent board expertise



Transparent compensation scheme in line with the interests of shareholders



Responsibility and trust for our employees

## Sustainability principles and guidelines at TAG

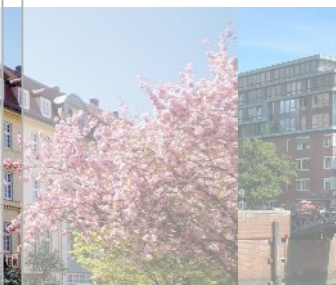
### Business principles

*Sustainable action as basis of company strategy*



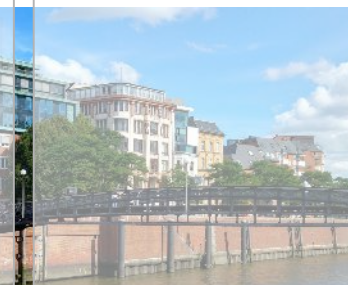
### Anti-discrimination

*Promoting diversity and preventing discrimination*



### Anti-corruption

*Avoidance and prevention of corruption*



### Environment protection

*Measures to protect our environment and climate*



### Socially responsible procurement

*Sustainable purchasing*



### Social engagement

*Further development of liveable communities*



# TAG ESG commitments

TAG continues to implement sustainable development goals



## TAG's sustainability goals

### Our economic goal

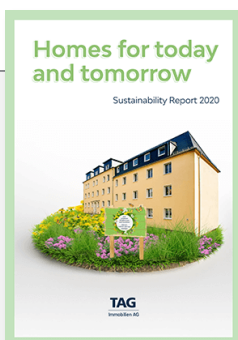
Secure future viability by maintaining and expanding the value of our properties

### Our social goal

Further increase the satisfaction of our tenants and employees by strengthening the loyalty of both groups

### Our ecological goal

Reduce consumption and optimise the use of resources, increase energy efficiency and reduce CO<sub>2</sub> emissions



*Detailed breakdown of goals and sub-goals including timeline and status of implementation in published as part of **Sustainability Report 2020***

## TAG's commitment to the implementation of UNSDG

*At TAG, we make it part of the corporate responsibility to make persistent contribution to the implementation of UNSDGs*



### TAG's key focus of action

<b>5 GENDER EQUALITY</b> 	<ul style="list-style-type: none"> <li>• Work-life balance</li> <li>• Family-friendliness</li> <li>• Diversity</li> </ul>	<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	<ul style="list-style-type: none"> <li>• Optimising energy efficiency and emissions</li> </ul>
<b>10 REDUCED INEQUALITIES</b> 	<ul style="list-style-type: none"> <li>• Liveable neighbourhoods</li> <li>• Customer focus</li> <li>• Service quality</li> </ul>	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 	<ul style="list-style-type: none"> <li>• Marketable portfolio development for broad sections of the population</li> <li>• Reasonable rent</li> </ul>
<b>13 CLIMATE ACTION</b> 	<ul style="list-style-type: none"> <li>• Optimising energy efficiency</li> <li>• Sustainable resource management</li> </ul>	<b>17 PARTNERSHIPS FOR THE GOALS</b> 	<ul style="list-style-type: none"> <li>• Liveable neighbourhoods</li> <li>• Dialogue with tenants, municipalities and other stakeholders</li> </ul>

# TAG Affordable and liveable housing

A social purpose as a base of TAG's business model



A business answering social needs

- Provide affordable housing
- Make affordable housing more liveable
- Improve community development and integration

- Core business of affordable housing
- Implementation of 100%-owned subsidiaries for:
  - Optimizing energy costs for tenants
  - Improving affordable housing quality through faster and better services

Better life,  
better  
neighbourhood

TAG's  
purpose  
in action

Sustainable  
business model

*TAG has found a business model that contributes not only to profit generation, but more importantly, to a more sustainable and liveable society*

TAG's business is tackling social issues for affordable, liveable housing

## Core business of affordable housing

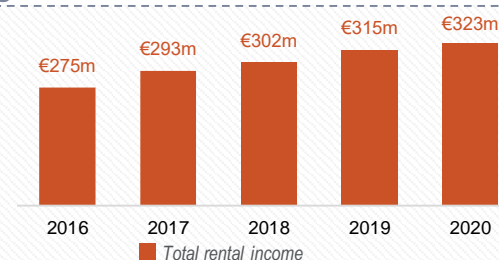
- As a specialist in affordable housing, TAG has established a portfolio with nearly 90,000 residential units in Germany
- TAG aims to expand housing supply with affordable net rents that does not exceed €6 per sqm

**EUR 5.48/sqm**

Net actual rent 2020

**EUR 5.39/sqm**

Net actual rent 2019

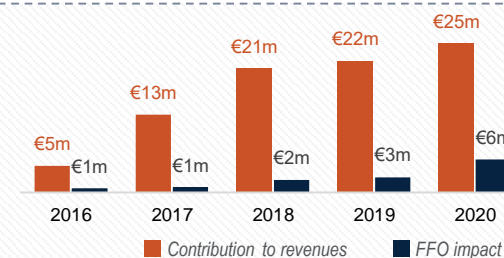


## Optimizing energy costs for tenants

### ENERGIE (100%-owned subsidiary)

Wohnen Service GmbH

Energie Wohnen Service GmbH is TAG's heating service branch to tenants. By the end of 2021, Energie Wohnen Service aims to equip c.250 heating centers with remote monitoring technology to optimize operational control



# TAG Corporate ESG management structure

Integration of ESG issues in corporate decision-making processes



## ESG corporate structure



**Martin Thiel**  
CFO



**Claudia Hoyer**  
COO



**Dr. Harboe Vaagt**  
CLO

### Strategic Real Estate Management

- Contact centre for all of TAG's operating divisions regarding sustainability topics
- Raise the awareness for corporate responsibility
- Bring sustainability criteria into individual tasks and departments

### Sustainability committee (consisting of TAG employees)

- Collect and develop sustainability ideas
- Initiate and coordinates pilot projects
- Group-wide initiative "Together for a colorful TAG" launched in 2020 to encourage employees and stakeholders' participation in sustainability issues

### Ongoing exchange with stakeholders



Our tenants



Our suppliers



Our employees



Shareholders, banks and other investors

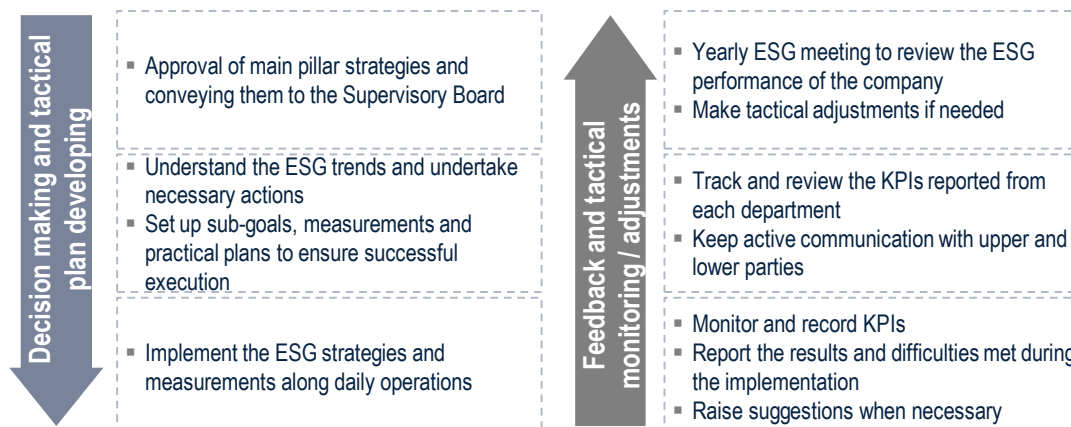


Local neighbourhood initiatives



Local politics and associations

## Smooth channels for implementation and communication



## Management remuneration aligned with sustainability (ESG) targets

- After approval in TAG's AGM on 11 June 2021, the composition of **management's variable remuneration** is expanded to **sustainability (ESG) targets**
- This should further cement management's alignment towards TAG's sustainable development and the **creation of sustainable enterprise value along the value chain**
- **ESG targets will be (re)defined annually by the Supervisory Board.** For 2021, STIP\* targets are defined on the basis of the risk assessment developed by "Sustainalytics", with max EUR 25,000 per board member depending upon the rating achieved
- **The Supervisory Board also has the option to supplement the LTIP\* remuneration** with longer-term non-financial and ESG targets, in the future (up to 20% of total LTIP remuneration)

\* STIP=Short Term Incentive Plan, LTIP=Long Term Incentive Plan

# TAG Developing our portfolio responsibly

TAG is committed to decarbonizing its existing portfolio; investments of more than EUR 1bn in highly energy efficient buildings in Poland



## Sustainable residential housing

1

### Maintenance and modernisation as needed

- Introduction of green tech for a future-proof portfolio
- Active portfolio investment strategy towards long-term competitiveness

2

### Supply chain and materials

- Support for local service and material suppliers
- Standardised and transparent selection process
- Use of sustainable materials

3

### Climate and environment

- Decarbonization and emission control
- Environmental compliance for all external contracts
- Contribution to resource conservation and biodiversity

## Decarbonization strategy

Emission intensity of total portfolio in 2019  
31.9 kg CO<sub>2</sub>e/sqm

We work with EWUS GmbH to develop a decarbonization strategy and outline CO<sub>2</sub> reduction path



Identifying and managing climate risks



Developing a long-term climate strategy in decarbonization



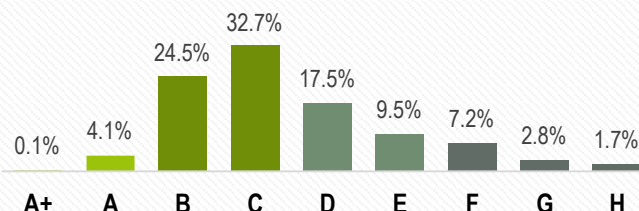
Reducing energy consumption and emissions



Taking measures to hedge against climate risks

## Energy efficiency

Energy efficient portfolio with almost 60% of the residential units with C or better energy certification



## Case study: Buforowa 89 – development project in Wrocław



Project	Buforowa 89
Location	Wrocław, Poland
Usage	Residential
Size	400 flats

>> In designing the details of the buildings, we consider ecological criteria that contribute to environmental and climate protection <<



Gear Buforowa 89 to the needs of different groups of residents – younger and older, family and singles



Playgrounds and recreational areas as well as commercial spaces to serve needs of the residents



Ecological design with either green roofs or roofs with photovoltaic panels to foster energy efficiency and lower CO<sub>2</sub> emissions



Common areas equipped with motion-sensing LED lighting; Rental units with waste separation containers as well as water purification filters



# TAG Our responsibility to society

TAG contributes to a more sustainable society through affordable and liveable housing



## Key areas of tenant support

1

### Tenant satisfaction

- On-site services to satisfy tenant needs
- Focus on the core business of providing tenants with affordable housing
- Support to tenants in the event of rent arrears
- Open communication and information channels

2

### Liveable and progressive neighbourhoods

- Ensuring a friendly environment as a basis of sustaining diverse spirit of community
- Promotion of social projects that strengthen solidarity
- Holistic neighbourhood development through various events and activities

## Case study: digitalisation in the city of Gera

BeHome

### BeHome platform

New project "BeHome" launched in Sept-2020 that connects assistance and emergency call systems with a variety of local services and also provides communication options to tenants



## Community initiatives

aktiv-Treff

TAG offers Activity Lounges at 21 locations to let people come together



The Polish developer acquired by TAG has made social contributions by supporting local hospitals and donating money and medical equipment



Contribute to people living in good conditions and enjoying togetherness and living as neighbours



Kids and youngsters



Families in need



Senior caring



Neighbours



### EMMA – the electric shuttle bus

EMMA is a self-driving pilot project that we started in 2019 with local Fischer Academy. The EMMA project is funded by Thuringian Ministry for the Environment, Energy and Nature Conservation



# TAG Our employees shape our future

TAG is committed to offering a fair, supportive, empowering working environment to its employees



## Key areas of employee empowerment

1

### We live our values

- Flat hierarchies and short decision-making channels
- Enhancement of team spirit among all employees
- Improvement of social intranet and digitalization
- Involvement of employee representatives

2

### Ready for the future with a qualified team

- Employee training and development
- Efficient personnel sourcing
- Fair salaries and incentives

3

### Responsibility and trust for our employees

- Preservation of equality
- Guarantee of occupational health and safety
- Encouraging results-oriented managing and working

## TAG commitment to its employees

### Inaugural TAG Award in 2020

The inaugural TAG Award presented to honour the commitment of our employees

### TAG Everyday Heroes (TAG Alltagshelden)

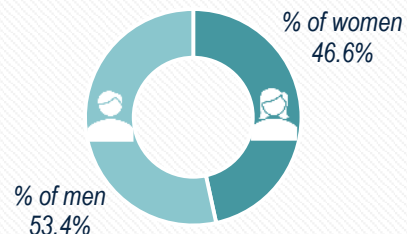
The Project was launched in 2020 to promote social and ecological volunteering by our employees



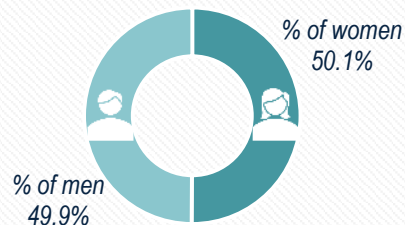
## Diversity of employees

Gender diversity and equal women representation at the heart of TAG's business principles and operations

### Diversity of management\*



### Diversity of employees



\* The Management Board and the 1<sup>st</sup> management level



>> We like the idea that we have an impact within the Company as well as those that create added value for society <<

### TAG Ambassadors (TAG Botschafter)

TAG employees are the interface of the company and are actively involved as company's ambassadors in recruiting and attracting new talent as well as engaging with tenants

# TAG ESG ratings

TAG ranks among the top ratings in the real estate sector



## ESG Rating and Award improvements

	SUSTAINALYTICS	MSCI	SAM Now a Part of S&P Global	EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	Moody's INVESTORS SERVICE vigeo eiris	ISS ESG
2019	22.9 /100 Medium 	TAG  LAGGARD AVERAGE LEADER	8.9 /100	No Award	N/A	D**
2020	ESG Risk Rating 12.6 Low Risk 	TAG  LAGGARD AVERAGE LEADER	29.5/100	 EPRA SBPR SILVER	35**/100	D**
2021	ESG Risk Rating 9.9 Negligible Risk 	 MSCI ESG RATINGS A LAST UPDATE: March 22, 2021	not yet published	not yet published	in active rating process	in active rating process
	Rank 27 out of 1,000 companies in the real estate sector (3 <sup>th</sup> percentile*)	Industry adjusted score 0-10 AA= from 7.1 onwards A = 7.0 BBB = 5.1	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 retrieved on 06/08/2021; \*\*Not responsive level: rating only based on publicly available information, no participation of TAG in an active rating process

## ESG indices

### DAX® 50 ESG

The New Standard in German ESG Investing

## TAG's ESG disclosure improvement

- In 2020, we have placed particular **emphasis on improving our ESG performance and reporting** in order to better meet the expectations of Sustainalytics and MSCI
- Now Sustainalytics ranks TAG's ESG performance **among the TOP 3% of all real estate companies in Aug-2021**
- As a commitment to improving ESG disclosure, we **engaged actively in further rating processes** in 2021 with Vigeo Eiris, ISS and for the first time with CDP in order to better reflect TAG's ESG performance on a broader scale

# TAG Response to Covid-19 pandemic

Active measures taken by TAG to strengthen communication with employees and support to



## Key initiatives by TAG

- In the reporting year, Vantage, TAG's Polish development branch, supported three hospitals in Wroclaw during the Covid-19 pandemic 2020 as part of its corporate social engagement



- Instalment payments and deferment agreements provided to tenants in difficulties

- Reopening of "Aktiv-Treff" (Activity Lounges) asap and current support online



- A group-wide survey was launched to obtain feedback from all employees

- "TAG Covid-19 Emergency Plan" as guideline to corona-related affairs

# APPENDIX

# TAG 2021

# TAG German portfolio details by region

Region	Units #	Rentable area sqm	IFRS BV EURm Jun-2021	Gross yield	Vacancy Jun-2021	Vacancy Dec-2020*	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	10,417	603,656	917.9	4.5%	3.8%	3.9%	5.95	6.41	3.0%	3.8%	2.86	5.08
Chemnitz	7,889	462,051	392.4	6.5%	7.9%	6.9%	5.00	5.08	1.4%	2.2%	4.49	6.57
Dresden	6,129	396,421	606.5	4.5%	2.1%	1.9%	5.92	6.25	1.4%	2.0%	1.65	4.18
Erfurt	11,045	620,800	755.9	5.1%	2.4%	2.5%	5.34	5.64	1.6%	2.2%	3.22	5.07
Gera	9,462	549,155	455.3	6.9%	7.3%	6.5%	5.12	5.44	1.0%	0.6%	2.34	3.44
Hamburg	6,969	428,871	631.6	4.6%	4.3%	3.7%	5.93	6.31	2.4%	2.2%	4.22	5.55
Leipzig	13,276	773,084	790.6	5.6%	10.3%	6.0%	5.29	5.53	1.2%	1.6%	3.61	7.29
Rhine-Ruhr	4,182	265,981	374.2	4.7%	2.1%	1.6%	5.61	5.88	1.3%	1.8%	6.57	4.01
Rostock	8,324	466,014	550.3	5.3%	7.4%	4.4%	5.60	5.91	1.3%	-0.1%	6.15	11.62
Salzgitter	9,179	563,065	579.1	5.9%	6.5%	5.6%	5.45	5.61	0.8%	-0.3%	3.27	4.04
<b>Total residential units</b>	<b>86,872</b>	<b>5,129,097</b>	<b>6,053.8</b>	<b>5.3%</b>	<b>5.8%</b>	<b>4.5%</b>	<b>5.50</b>	<b>5.76</b>	<b>1.6%</b>	<b>1.6%</b>	<b>3.67</b>	<b>5.76</b>
Acquisitions**	164	9,689	4.5	8.2%	24.4%	21.6%	4.18	---	---	---	---	---
Commercial units within resi. portfolio	1,131	144,310	---	---	16.0%	16.1%	8.44	---	---	---	---	---
<b>Total residential portfolio</b>	<b>88,167</b>	<b>5,283,096</b>	<b>6,058.2</b>	<b>5.5%</b>	<b>6.1%</b>	<b>5.6%</b>	<b>5.57</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
Other	152	19,850	90.8***	4.2%****	6.1%	6.3%	11.67	---	---	---	---	---
<b>Grand total</b>	<b>88,319</b>	<b>5,302,946</b>	<b>6,149.0</b>	<b>5.5%</b>	<b>6.1%</b>	<b>5.6%</b>	<b>5.60</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

\* excl. acquisitions in 2020

\*\* acquisitions closed during the period

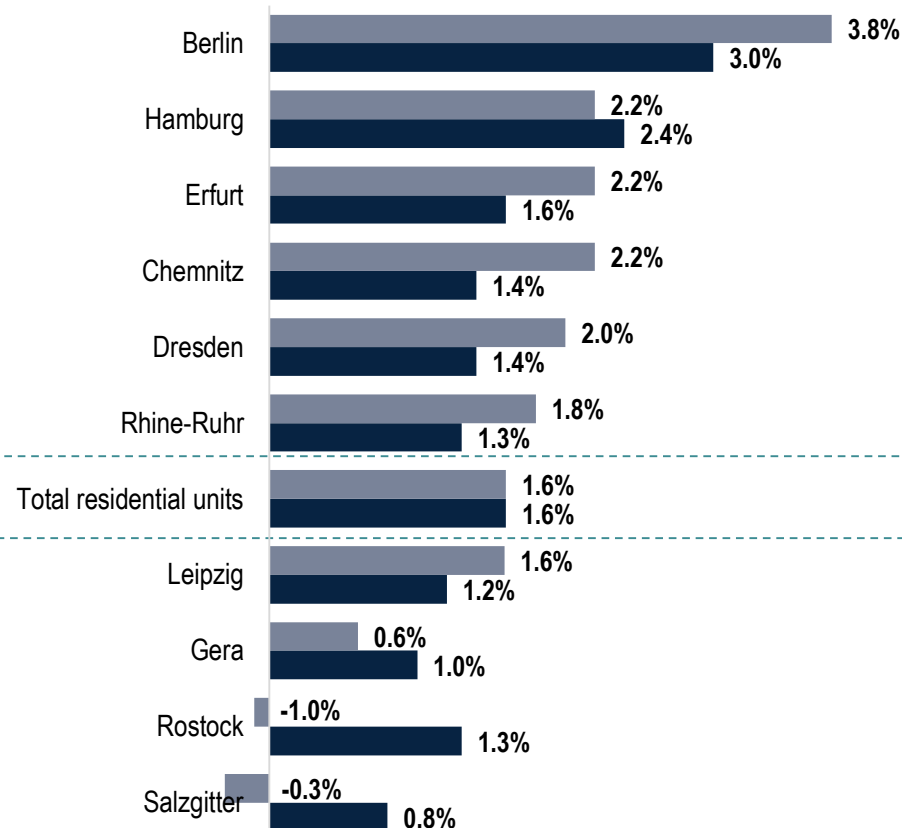
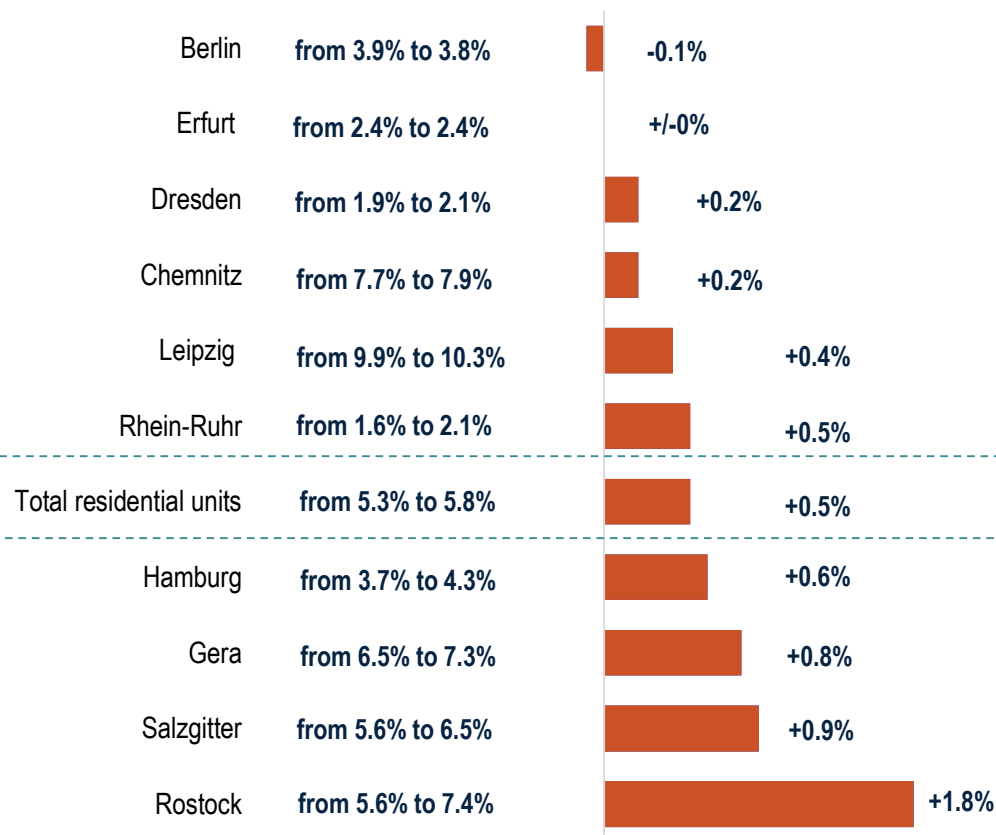
\*\*\* incl. EUR 28.6m book value of project developments

\*\*\*\* excl. project developments

# TAG German portfolio vacancy reduction and rental growth

## Vacancy development 6M 2021\*

## I-f-I rental growth (y-o-y) 6M 2021



Basis I-f-I

I-f-I incl. vacancy reduction

\* incl. acquisitions 2020

# TAG German portfolio valuation details

Region (in EURm)	Jun-2021 Fair value (IFRS)	Jun-2021 Fair value (EUR/sqm)	Jun-2021 Implied multiple	YTD-2021 Valuation result	Share of operational performance/ other market developments	Share of yield compression	Dec-2020 Fair value (IFRS)	Dec-2020 Fair value (EUR/sqm)	Dec-2020 Implied multiple
Berlin	917.9	1,451.6	21.1x	64.0	19.8	44.2	851.3	1,355.6	20.1x
Chemnitz	392.4	827.7	15.0x	7.8	1.0	6.8	367.2	814.6	14.6x
Dresden	606.5	1,482.6	21.2x	27.8	4.6	23.2	575.2	1,416.7	20.3x
Erfurt	755.9	1,173.9	18.3x	32.4	3.9	28.5	706.4	1,121.7	17.6x
Gera	455.3	792.1	14.0x	9.4	0.5	8.9	444.7	772.5	13.6x
Hamburg	631.6	1,440.6	20.7x	45.9	5.7	40.1	588.5	1,331.3	19.2x
Leipzig	790.6	1,008.3	17.5x	45.3	0.7	44.7	611.0	1,018.5	16.6x
Rhine-Ruhr	374.2	1,351.4	20.1x	26.8	1.2	25.6	346.5	1,249.3	18.7x
Rostock	550.3	1,158.0	18.4x	33.0	1.2	31.8	504.9	1,102.8	17.1x
Salzgitter	579.1	1,025.6	16.5x	13.7	-4.5	18.2	563.1	997.3	16.0x
<b>Total residential units</b>	<b>6,053.7</b>	<b>1,148.0</b>	<b>18.3x</b>	<b>306.1</b>	<b>34.1</b>	<b>272.1</b>	<b>5,558.8</b>	<b>1,104.7</b>	<b>17.4x</b>
Acquisitions*	4.5*	464.4	11.9x	-0.3	0.0	-0.3	188.2	751.7	15.9x
<b>Total residential portfolio</b>	<b>6,058.2</b>	<b>1,146.7</b>	<b>18.3x</b>	<b>305.8</b>	<b>34.1</b>	<b>271.8</b>	<b>5,747.0</b>	<b>1,088.0</b>	<b>17.4x</b>
Other	90.8**	3,130.3***	23.8x***	-0.3	-0.8	0.5	87.3**	3,094.6***	21.0x***
<b>Grand total</b>	<b>6,149.0</b>	<b>1,154.1</b>	<b>18.3x</b>	<b>305.6</b>	<b>33.3</b>	<b>272.3</b>	<b>5,834.3</b>	<b>1,095.6</b>	<b>17.4x</b>

\*acquisitions closed during the period

\*\* incl. EUR 28.6m book value of project developments; real estate inventory and properties within PPE valued at cost

\*\*\* excl. project developments

# TAG services business

*Improvement of quality of facility management and availability of craftsmen as main targets*

## ■ Facility management (100% owned subsidiary)

- Caretaker services, cleaning services and gardening
- In place since 2012
- Main target: improve quality in comparison to external services

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	6.5	9.2	8.8	12.7	13.9
No. of employees	222	309	319	430	483
FFO impact (EURm)	0.3	0.4	0.8	1.3	1.0

**TAG** Immobilien  
Service GmbH

c. 70,200 units covered in 2020  
c. 75,000 units as long-term goal  
(c. 90% of total portfolio)



## ■ Craftsmen services (100% owned subsidiary)

- Modernisation of apartments (vacant flats and during re-letting process)
- In place since 2015
- Main target: quick availability of craftsmen in regions with frequent bottlenecks regarding external modernisation work

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	1.6	2.6	3.2	3.8	4.0
No. of employees	29	56	62	72	74
FFO impact (EURm)	0.0	-0.2	-0.2	0.0	0.0

**TAG** Handwerker-  
service GmbH

5 locations in 2020: Brandenburg an der Havel/ Nauen, Chemnitz, Döbeln, Dresden, Leipzig/ Magdeburg



\*change in revenue definition from 2018 onwards, but no FFO-effect

# TAG services business

FFO generation from energy and multimedia services as main targets

## ■ Energy services (100% owned subsidiary)

- Heating services for tenants (TAG as owner and operator of heating facilities)
- In place since 2016
- Main target: create additional income for TAG and reduce energy costs/ service charges for tenants

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	4.5	13.0	20.7	21.9	24.8
No. of employees	3	6	7	7	7
FFO impact (EURm)	0.7	0.9	2.1	2.6	5.5

**ENERGIE**  
Wohnen Service GmbH

c. 35,700 units covered in 2020  
c. 70,000-75,000 units as long-term goal  
(c. 90% of total portfolio)



## ■ Multimedia services (100% owned subsidiary)

- Cable television and other multimedia services for tenants (TAG as owner of “network level 4”, long-term contracts with signal-suppliers)
- In place since 2016
- Main target: create additional income for TAG and reduce cable television costs/ service charges for tenants

	2016	2017	2018*	2019*	2020*
Revenues (EURm)	0.1	7.4	8.3	8.7	8.8
No. of employees	1	2	2	1	1
FFO impact (EURm)	0.0	2.7	3.8	3.6	3.9

**MULTIMEDIA**  
Immobilien GmbH

c. 59,000 units covered in 2020  
c. 70,000-75,000 units as long-term goal  
(c. 90% of total portfolio)



\*change in revenue definition from 2018 onwards, but no FFO-effect

# TAG services business

*Additional services line to improve quality*

## ■ Condominium management (100% owned subsidiary)

- Condominium management (“WEG-Verwaltung”) for homeowners’ associations
- Includes management for third parties as well as management of units owned by TAG
- 4 main locations (**Berlin, Erfurt, Gera and Hamburg**) within the TAG regions
- In place since 2001
- Main target: create additional income for TAG and ensure high quality standards regarding asset and property management

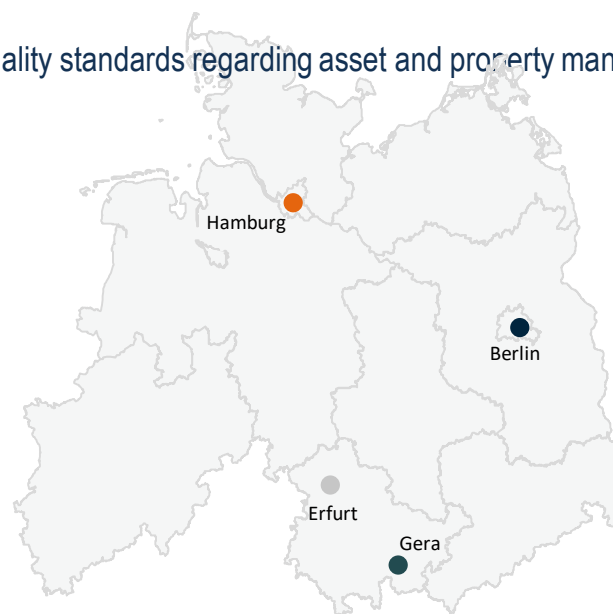
	2016	2017	2018*	2019*	2020*
Revenues (EURm)	1.6	1.8	2.0	2.1	2.2
No. of employees	26	29	26	26	27
FFO impact (EURm)	0.3	0.3	0.4	0.6	0.5

\*change in revenue definition from 2018 onwards, but no FFO-effect

c. 9,500 units covered in 2020

**BAU-VEREIN  
ZU HAMBURG**  
Hausverwaltungsgesellschaft mbH

Ein Unternehmen der  
TAG Immobilien Gruppe



# TAG income statement\*

(in EURm)		Q2 2021	Q1 2021	H1 2021	H1 2020	FY 2020
<b>Net actual rent**</b>	<b>1</b>	<b>82.9</b>	<b>83.1</b>	<b>166.0</b>	<b>159.7</b>	<b>322.5</b>
Expenses from property management*		-14.4	-15.6	-30.0	-26.7	-58.4
<b>Net rental income</b>	<b>2</b>	<b>68.5</b>	<b>67.5</b>	<b>136.0</b>	<b>133.0</b>	<b>264.1</b>
Net income from services	<b>3</b>	6.4	6.8	13.2	12.7	26.1
Net income from sales	<b>4</b>	4.5	3.0	7.5	-1.4	46.5
Other operating income		2.0	1.6	3.6	2.9	6.2
Valuation result	<b>5</b>	311.1	-0.7	310.4	172.4	328.4
Personnel expenses	<b>6</b>	-15.9	-15.1	-31.1	-28.1	-58.6
Depreciation		-2.1	-2.0	-4.1	-3.4	-7.2
Other operating expenses		-4.7	-4.5	-9.2	-9.3	-22.2
<b>EBIT</b>		<b>369.8</b>	<b>56.5</b>	<b>426.3</b>	<b>278.8</b>	<b>583.2</b>
Net financial result	<b>7</b>	-15.8	-13.3	-29.1	-14.3	-107.0
<b>EBT</b>		<b>354.0</b>	<b>43.2</b>	<b>397.2</b>	<b>264.5</b>	<b>476.2</b>
Income tax	<b>8</b>	-64.4	-8.7	-73.1	-51.6	-73.6
<b>Consolidated net profit</b>		<b>289.6</b>	<b>34.5</b>	<b>324.1</b>	<b>212.8</b>	<b>402.6</b>

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

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

**1** Slightly reduced net actual rent q-o-q as a result of ongoing sales (signed in 2020 with closing in 2021); increase in net actual rent in H1 2021 in comparison to H1 2020 by EUR 6.3m (3.9%), thereof 1.6% from total I-f-I rental growth, remaining part from acquisitions in 2020.

**2** Reduced property management expenses (e.g. temporarily lower maintenance) led to improved net rental income q-o-q.

**3** Net income from services reduced q-o-q due to certain seasonality of revenues (e.g. for energy); increase by EUR 0.5m in H1 2021 in comparison to H1 2020.

**4** Positive development in net income from sales mainly coming from business in Poland; in H1 2021 net income from sales in Poland at EUR 6.7m (in total EUR 7.5m) even after effects from purchase price allocation of EUR -1.8m.

**5** Valuation result in Q2 2021 and H1 2021 contains full portfolio valuation carried out by CBRE; valuation uplift (w/o capex) of 5.2% at 30 Jun-2021.

**6** Personnel expenses increased by EUR 0.8m q-o-q and by EUR 3.0m in H1 2021 in comparison to H1 2020; EUR 1.3m effect from settlement of LTIP 2018-2020 (delivery of TAG shares to management board members in Apr-2021) and new management board compensation after approval in AGM in May-2021.

**7** Net financial result reduced in H1 2021 in comparison to H1 2020 by EUR 14.8m, mainly driven by valuation of equity option of convertible bonds; net financial result (cash, after one-offs) improved by EUR 0.8m during this time.

**8** Income tax mainly contains deferred taxes (H1 2021: EUR 69.3m, H1 2020: EUR 46.0m); cash taxes in H1 2021 at EUR 3.8m (H1 2020: EUR 5.6m).

# TAG income statement details Germany and Poland

(in EURm)	Germany Q2 2021	Poland Q2 2021	Total Q2 2021	Germany Q1 2021	Poland Q1 2021	Total Q1 2021	Germany FY 2020	Poland FY 2020	Total FY 2020
<b>Net actual rent*</b>	82.9	0.0	82.9	83.1	0.0	83.1	322.5	0.0	322.5
Expenses from property management*	-14.4	0.0	-14.4	-15.6	0.0	-15.6	-58.4	0.0	-58.4
<b>Net rental income</b>	<b>68.5</b>	<b>0.0</b>	<b>68.5</b>	<b>67.5</b>	<b>0.0</b>	<b>67.5</b>	<b>264.2</b>	<b>0.0</b>	<b>264.1</b>
Net income from services	6.3	0.1	6.4	6.8	0.0	6.8	26.1	0.0	26.1
Net income from sales	-0.3	4.8	4.5	1.1	1.9	3.0	40.2	6.3	46.5
Other operating income	0.9	1.1	2.0	0.8	0.8	1.6	3.0	3.1	6.2
Valuation result	306.3	4.8	311.1	-0.7	0.0	-0.7	327.0	1.4	328.4
Personnel expenses	-14.5	-1.4	-15.9	-13.7	-1.4	-15.1	-53.6	-5.0	-58.6
Depreciation	-2.1	0.0	-2.1	-1.9	-0.1	-2.0	-7.0	-0.2	-7.2
Other operating expenses	-4.1	-0.6	-4.7	-4.3	-0.2	-4.5	-21.0	-1.2	-22.2
<b>EBIT</b>	<b>361.2</b>	<b>8.6</b>	<b>369.8</b>	<b>55.5</b>	<b>1.0</b>	<b>56.5</b>	<b>578.8</b>	<b>4.4</b>	<b>583.2</b>
Net financial result	-15.7	-0.1	-15.8	-13.2	-0.1	-13.3	-107.2	0.2	-107.0
<b>EBT</b>	<b>345.5</b>	<b>8.5</b>	<b>354.0</b>	<b>42.3</b>	<b>0.9</b>	<b>43.2</b>	<b>471.6</b>	<b>4.6</b>	<b>476.2</b>
Income tax	-62.8	-1.6	-64.4	-8.6	-0.1	-8.7	-72.5	-1.0	-73.6
<b>Net income</b>	<b>282.7</b>	<b>6.9</b>	<b>289.6</b>	<b>33.7</b>	<b>0.8</b>	<b>34.5</b>	<b>399.1</b>	<b>3.6</b>	<b>402.6</b>

\*w/o IFRS 15 and IFRS 16 effects; for further details see interim report

# TAG EBITDA, FFO and AFFO calculation

(in EURm)	Q2 2021	Q1 2021	H1 2021	H1 2020	FY 2020
<b>Consolidated net profit</b>	<b>289.6</b>	<b>34.5</b>	<b>324.1</b>	<b>212.8</b>	<b>402.6</b>
- Net income Poland	-6.9	-0.8	-7.7	3.0	-3.6
<b>Net income Germany</b>	<b>282.7</b>	<b>33.7</b>	<b>316.4</b>	<b>215.8</b>	<b>399.1</b>
+ Income tax	62.8	8.5	71.3	52.3	72.5
+ Net financial result	15.7	13.2	28.8	14.5	107.2
<b>EBIT (German business)</b>	<b>361.2</b>	<b>55.5</b>	<b>416.6</b>	<b>282.6</b>	<b>578.8</b>
+ Adjustments					
Net income from sales	0.3	-1.1	-0.8	1.0	-40.2
Valuation result (German portfolio)	-306.3	0.7	-305.6	-174.0	-327.0
Depreciation	2.1	1.9	4.0	3.4	7.0
One-offs	0.0	0.0	0.0	0.0	3.6
<b>EBITDA (adjusted, German business)</b>	<b>57.2</b>	<b>57.0</b>	<b>114.2</b>	<b>113.0</b>	<b>222.3</b>
<i>EBITDA (adjusted) margin</i>	69.0%	68.7%	68.8%	70.8%	68.9%
- Net financial result (cash, after one-offs)	-10.7	-10.7	-21.4	-22.1	-45.1
- Cash taxes	-0.3	-0.4	-0.7	-3.7	-3.3
- Cash dividend payments to minorities	-0.3	-0.3	-0.6	-0.6	-1.3
<b>FFO I (German business)</b>	<b>45.9</b>	<b>45.6</b>	<b>91.5</b>	<b>86.5</b>	<b>172.6</b>
- Capitalised maintenance	-2.7	-1.1	-3.8	-4.5	-17.2
AFFO before modernisation capex	43.1	44.6	87.7	82.0	155.4
- Modernisation capex	-12.5	-13.3	-25.8	-33.3	-54.5
<b>AFFO (German business)</b>	<b>30.6</b>	<b>31.3</b>	<b>61.9</b>	<b>48.6</b>	<b>100.9</b>
Net income from sales Germany	-0.3	1.1	0.8	-1.0	40.2
Result operations Poland	2.6	1.9	4.5	-0.8	9.1
<b>FFO II (includes operations Poland)</b> (FFO I + net income from sales Germany and result operations Poland)	<b>48.2</b>	<b>48.6</b>	<b>96.8</b>	<b>84.7</b>	<b>221.9</b>
Weighted average number of shares outstanding (in '000)	147,993	146,296	147,149	146,286	146,288
<b>FFO I per share (EUR)</b>	<b>0.31</b>	<b>0.31</b>	<b>0.62</b>	<b>0.59</b>	<b>1.18</b>
<b>AFFO per share (EUR)</b>	<b>0.21</b>	<b>0.21</b>	<b>0.42</b>	<b>0.33</b>	<b>0.69</b>
Weighted average number of shares, fully diluted (in '000)*	149,003	147,334	148,173	161,141	157,681
FFO I per share (EUR), fully diluted	0.31	0.31	0.62	0.54	1.09
AFFO per share (EUR), fully diluted	0.21	0.21	0.42	0.30	0.64

**1** EBITDA q-o-q nearly unchanged; increase by EUR 1.2m in H1 2021 in comparison to H1 2020 mainly as a result of higher net rental income and better net income from services.

**2** FFO I slightly increased by EUR 0.3m q-o-q; increase by EUR 5.0m (5.8%) from H1 2020 to H1 2021 stemming due to higher EBITDA (EUR 1.2m) lower net financial result (EUR 0.8) and lower cash taxes (EUR 3.0)

**3** As a result of higher capex in Q1 2021, AFFO was reduced by EUR 0.7m q-o-q; in comparison with H1 2020, AFFO improved by EUR 13.3m due to higher FFO I (EUR 5.0m) and temporary lower capex (EUR 8.3m).

4 FFO II contribution Poland H1 2021	(in EURm)
Net income from Poland	7.7
Non-recurring set-up costs rental business	0.1
Valuation result	-4.8
Deferred taxes	-0.5
Result of effects from purchase price allocation	1.8
Minority interests	0.2
<b>Result operations Poland</b>	<b>4.5</b>

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

# TAG balance sheet

(in EURm)		30 Jun-2021	31 Dec-2020
<b>Non-current assets</b>		<b>6,334.7</b>	<b>5,949.2</b>
Investment property	1	6,206.4	5,819.2
Deferred tax assets		47.9	50.6
Other non-current assets		80.4	79.4
<b>Current assets</b>		<b>414.1</b>	<b>474.9</b>
Real estate inventory		97.9	102.0
Cash and cash equivalents	2	268.9	324.3
Other current assets		47.2	48.5
<b>Non-current assets held-for-sale</b>		<b>51.9</b>	<b>53.9</b>
<b>TOTAL ASSETS</b>		<b>6,800.7</b>	<b>6,478.0</b>
<b>Equity</b>	3	<b>2,879.2</b>	<b>2,681.5</b>
Equity (without minorities)		2,787.9	2,602.6
Minority interest		91.3	78.9
<b>Non-current liabilities</b>		<b>3,618.7</b>	<b>3,428.7</b>
Financial debt		2,908.1	2,802.6
Deferred tax liabilities		637.3	570.7
Other non-current liabilities		73.2	55.4
<b>Current liabilities</b>		<b>301.6</b>	<b>367.0</b>
Financial debt		183.1	236.6
Other current liabilities		118.5	130.4
<b>Non current liabilities held for sale</b>		<b>1.1</b>	<b>0.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,800.7</b>	<b>6,478.0</b>

1 Increase in book value of investment properties by EUR 387.2m mainly result of portfolio valuation gain (EUR 310.4m) and capex in H1 2021 (EUR 29.6m).

2 Strong cash position at 30 Jun-2021 even after dividend payment after AGM in May-2021 (EUR 128.8m)

3 Equity increased by EUR 197.7m in H1 2021 mainly driven by consolidated net profit of EUR 324.1m less dividend payment of EUR 128.8m.

# TAG EPRA NTA calculation

EPRA Net Tangible Assets		
(in EURm)	30 Jun-2021	31 Dec-2020
<b>Equity (without minorities)</b>	<b>2,787.9</b>	<b>2,602.6</b>
+ Effect from conversion of convertible bonds 2017/2022	27.2	25.9
+ Deferred taxes on investment properties and financial derivatives	633.3	567.4
+ Fair value of financial derivatives	24.6	20.1
+ Difference between fair value and book value for properties valued at cost	41.1	40.9
- Goodwill	-18.6	-18.4
- Other intangible assets	-4.2	-4.3
<b>EPRA NTA*, fully diluted</b>	<b>3,491.3</b>	<b>3,234.2</b>
Number of shares, fully diluted (in '000)**	147,383	147,333
<b>EPRA NTA per share (EUR), fully diluted</b>	<b>23.69</b>	<b>21.95</b>

\*potential transaction costs (e.g. RETT) fully deducted in EPRA NTA calculation as TAG considers RETT free share deals in the future as uncertain, given the new regulations in German RETT law; adding back transaction costs would increase EPRA NTA on a fully diluted basis by c. EUR 507.0m or c. EUR 3.44/s to c. EUR 27.13/s

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

# TAG EPRA NAV calculations

	EPRA NRV	EPRA NTA	EPRA NDV
	Net reinstatement value	Net tangible assets	Net disposal value
(in EURm)	30 Jun-2021	30 Jun-2021	30 Jun-2021
<b>Equity (before minorities)</b>	<b>2,787.9</b>	<b>2,787.9</b>	<b>2,787.9</b>
Effect from conversion of convertible bonds 2017/2022	27.2	27.2	27.2
Difference between fair value and book value for properties valued at cost	41.1	41.1	41.1
Deferred taxes on investment properties and derivative financial instruments	633.0	633.3	0.0
Fair value of derivative financial instruments	24.6	24.6	24.6
Goodwill	0.0	-18.6	-18.6
Intangible assets (book value)	0.0	-4.2	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	-75.9
Transaction costs (e.g. real estate transfer tax)	507.0	0.0	0.0
<b>EPRA NAV metrics, fully diluted</b>	<b>4,020.8</b>	<b>3,491.3</b>	<b>2,761.7</b>
<i>Number of shares, fully diluted (in '000)*</i>	147,383	147,383	147,383
<b>EPRA NAV metrics per share (EUR), fully diluted</b>	<b>27.28</b>	<b>23.69</b>	<b>18.74</b>

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

# TAG EPRA Earnings

(in EURm)	Q2 2021	Q1 2021	H1 2021	H1 2020	FY 2020
<b>Net income Germany</b>	<b>282.7</b>	<b>33.7</b>	<b>316.4</b>	<b>212.8</b>	<b>399.1</b>
Valuation result	-306.3	0.7	-305.6	-172.4	-327.0
Deferred income taxes on valuation result	58.9	3.2	62.1	47.2	64.3
Net income from sales	0.3	-1.1	-0.8	1.4	-40.2
Cash taxes on net income from sales	0.0	0.0	0.0	2.0	0.3
Fair value valuation of derivative financial instruments	5.7	0.0	5.7	-8.6	54.7
Deferred income taxes on valuation of derivative financial instruments	-1.9	0.0	-1.9	3.0	-0.4
Breakage fees bank loans and early repayment of bonds	0.0	0.0	0.0	0.7	1.8
Cash dividend payments to minorities	-0.3	-0.3	-0.6	-0.6	-1.3
<b>EPRA Earnings</b>	<b>39.1</b>	<b>36.3</b>	<b>75.3</b>	<b>85.5</b>	<b>151.3</b>
Deferred income taxes (other than on valuation result)	5.5	4.9	10.4	-0.7	5.3
Other non cash financial result	-0.7	2.5	1.8	0.3	5.7
One offs*	0.0	0.0	0.0	0.0	3.6
Depreciation	2.1	1.9	4.0	3.4	7.0
Cash taxes on net income from sales	0.0	0.0	0.0	-2.0	-0.3
<b>Adjusted EPRA Earnings (FFO I)</b>	<b>45.9</b>	<b>45.6</b>	<b>91.5</b>	<b>86.5</b>	<b>172.6</b>
Weighted average number of shares outstanding (in '000)	147,296	146,296	147,149	146,286	146,288
<b>EPRA Earnings per share (in EUR)</b>	<b>0.26</b>	<b>0.25</b>	<b>0.51</b>	<b>0.58</b>	<b>1.03</b>
<b>Adjusted EPRA Earnings (FFO I) per share (in EUR)</b>	<b>0.31</b>	<b>0.31</b>	<b>0.62</b>	<b>0.59</b>	<b>1.18</b>
<i>Weighted average number of shares, fully diluted (in '000)**</i>	<i>149,003</i>	<i>147,334</i>	<i>148,173</i>	<i>161,141</i>	<i>157,681</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.26</i>	<i>0.25</i>	<i>0.51</i>	<i>0.53</i>	<i>0.96</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>0.31</i>	<i>0.31</i>	<i>0.61</i>	<i>0.54</i>	<i>1.09</i>

\* Establishment of non-profit foundation "TAG Miteinander Stiftung" in 2020 (EUR 3.6m)

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

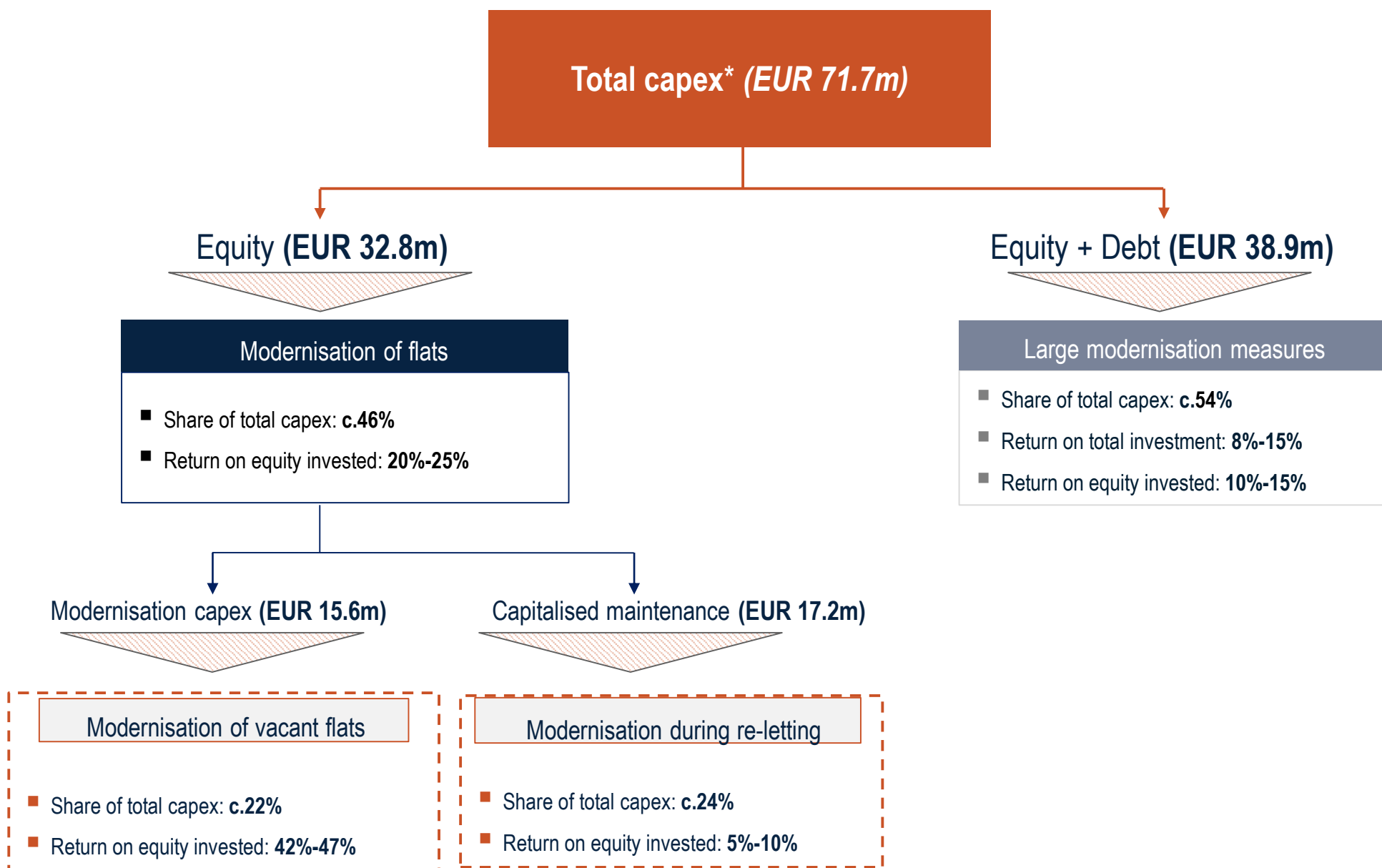
# TAG LTV calculation

(in EURm)	30 Jun-2021	31 Mar-2021	31 Dec-2020	31 Dec-2019
Non-current and current liabilities to banks	2.072,9	2,041.0	1,977.9	1,901.2
Non-current and current liabilities from corporate bonds and other loans	544.6	597.7	495.9	403.0
Non-current and current liabilities from convertible bonds	473.8	472.3	565.4	258.9
Cash and cash equivalents	-268.9	-403.5	-324.3	-91.3
<b>Net financial debt</b>	<b>2,822.4</b>	<b>2,707.5</b>	<b>2,714.9</b>	<b>2,471.8</b>
Book value of investment properties	6,206.4	5,873.5	5,819.2	5,200.0
Book value of property reported under property, plant and equipment (valued at cost)	9.2	9.3	9.4	9.4
Book value of property held as inventory (valued at cost)	97.9	105.0	102.0	58.5
Book value of property reported under non-current assets held-for-sale	51.9	29.3	53.9	34.5
<b>GAV (real estate assets)</b>	<b>6,365.4</b>	<b>6,017.1</b>	<b>5,984.4</b>	<b>5,302.4</b>
Prepayments on sold/acquired properties and on business combinations	-0.7	-10.4	-8.0	130.4
Difference between fair value and book value for properties valued at cost	41.1	39.3	40.9	85.2
<b>Relevant GAV for LTV calculation</b>	<b>6,405.8</b>	<b>6,046.0</b>	<b>6,017.4</b>	<b>5,518.0</b>
<b>LTV</b>	<b>44.1%</b>	<b>44.8%</b>	<b>45.1%</b>	<b>44.8%</b>

# TAG interest coverage ratio (ICR) calculation

(in EURm)	Q2 2021	Q1 2021	H1 2021	H1 2020	FY 2020
+ Interest income	0.5	0.1	0.6	9.9	10.2
- Interest expenses	-18.3	-12.2	-30.4	-25.6	-116.6
+ Other financial result	2.0	-1.2	0.7	1.4	-0.7
<b>= Net financial result</b>	<b>-15.8</b>	<b>-13.3</b>	<b>-29.1</b>	<b>-14.3</b>	<b>-107.0</b>
+ Financial result from convertible/corporate bonds	0.8	0.9	1.7	7.9	3.6
+ Breakage fees bank loans	0.0	0.0	0.0	0.6	0.6
+ Other non-cash financial result (e.g. from derivatives)	4.1	1.8	5.9	-0.3	57.8
<b>= Net financial result (cash, after one-offs)</b>	<b>-10.9</b>	<b>-10.6</b>	<b>-21.5</b>	<b>-21.9</b>	<b>-44.9</b>
<b>ICR (EBITDA adjusted/net financial result cash, after one-offs)</b>	<b>5.7x</b>	<b>5.6x</b>	<b>5.7x</b>	<b>5.2x</b>	<b>5.2x</b>

# TAG return on capex calculation 2020



\*excl. capex for project developments of EUR 30.8m

# TAG return on capex – vacant flats (long-term vacancy)

Case Study – Brandenburg an der Havel (Berlin region)

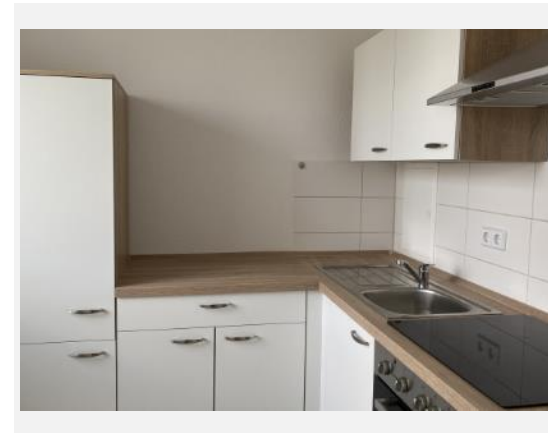
## Pre modernisation



## Measures

- Units: **23 out of 114**
- Interior refurbishment:
  - ✓ New flooring
  - ✓ Painting
  - ✓ Bathroom and kitchen modernisation
  - ✓ Consolidation of floor plan

## Post modernisation



## Description

- Acquired in Feb-2017 as part of a portfolio of 1,440 units in Brandenburg an der Havel
- Completed in Q1/Q2 2019
- Expenditure on time per unit: 4 weeks
- Modernisation cost per unit: EUR 8,054
- Vacancy at acquisition date within the 114 units: 39.0%
- Vacancy today within the 114 units: 5.3%
- Equity-financed

## Calculation

(in TEUR)

### Incremental revenues

Incremental revenues from new lettings	70.3
Saved maintenance costs	0.0
Saved ancillary costs from vacancy reduction	14.1
<b>Total incremental revenues</b>	<b>84.4</b>

### Total investment

**185.2**

### Return on total investment

**45.6%**

### Return on equity invested

**45.6%**

# TAG return on capex – large modernisation measures

Case Study – Gera (Gera region)

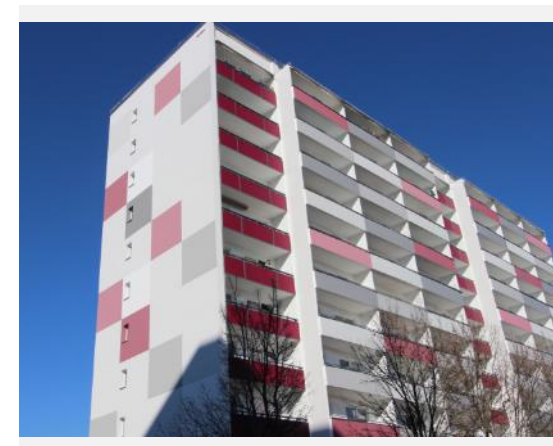
## Pre modernisation



## Measures

- Units: 86
- Vacancy before modernisation: **100%**
- Vacancy after modernisation: **2.8%**

## Post modernisation



## Description

- Acquired in Feb-2012 as part of the DKBI portfolio (25,000 units)
- Completed in 2019
- Facade-, roof-, heating and electric overhaul
- Elevator installation
- Energy-saving measures
- New windows, apartment doors (entrance, internal)
- Floor plan changes
- Financing:
  - Bank loan of Mio. EUR 2.7 (0.75% p.a.)
  - Equity financing part EUR Mio. 1.6

## Calculation

(in TEUR)

### Incremental revenues

Incremental revenues from new lettings	364.7
Saved maintenance costs	107.3
Saved ancillary costs from vacancy reduction	77.2
Interest expenses	-41.3

<b>Total incremental revenues</b>	<b>507.9</b>
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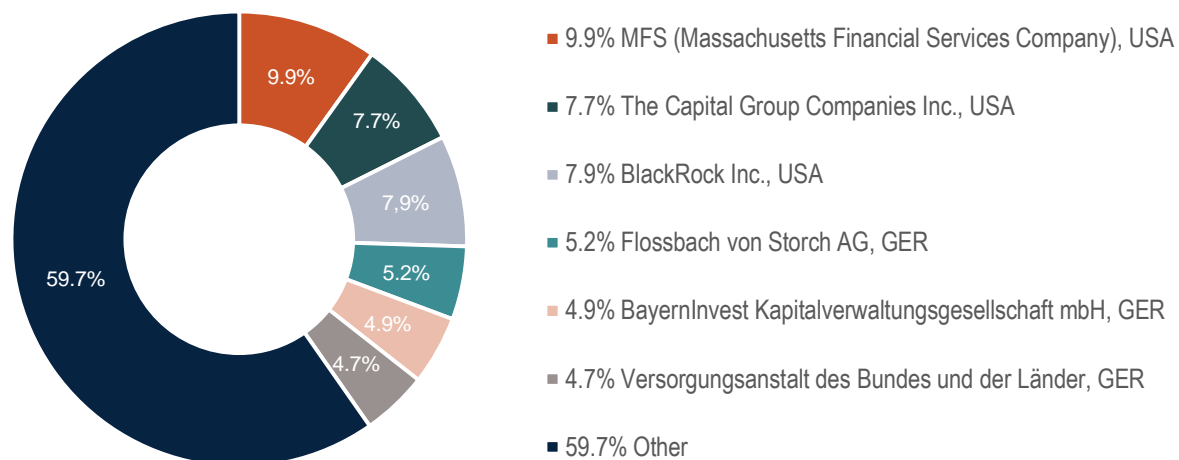
<b>Total Investment</b>	<b>4,299.8</b>
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<b>Return on total investment</b>	<b>11.8%</b>
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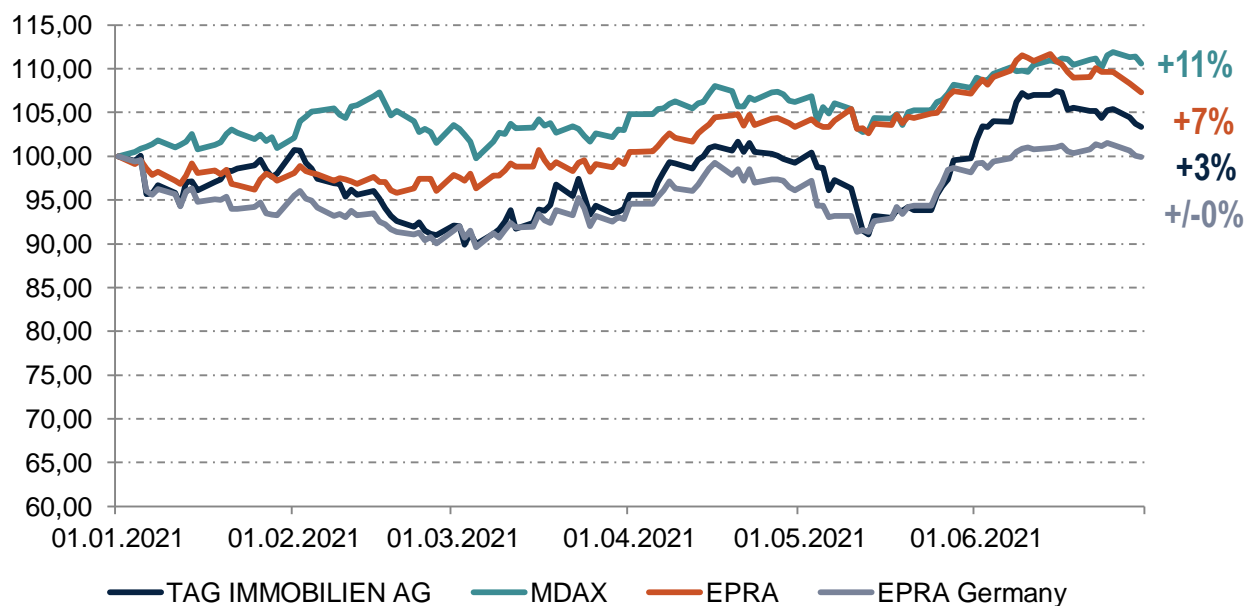
<b>Return on equity invested</b>	<b>31.7%</b>
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# TAG share data

## Shareholder structure as of 30 Jun-2021



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



## Share information as of 30 Jun-2021

Market cap	EUR 3.9bn
NOSH issued	146.5m
NOSH outstanding	146.4m
Treasury shares	0.1m
Free float (Deutsche Börse definition)	99.9%
ISIN	DE0008303504
Ticker symbol	TEG
Index	MDAX/ EPRA
Main listing/ market segment	Frankfurt Stock Exchange/ Prime Standard

6M 2021 share price performance:	+7%
6M 2021 Ø volume XETRA/day (shares):	c. 408,000

# TAG management board



**Claudia Hoyer**  
**COO**

- Key responsibilities: Property and Asset Management, Acquisitions and Disposals, Shared Service Center

- 
- Age 49
  - Joined TAG as COO in August 2012
  - Business degree, member of the board of DKB Immobilien AG from 2010 to 2012, more than 15 years of experience in residential real estate and property management



**Martin Thiel**  
**CFO**

- Key responsibilities: Controlling, Accounting, Financing, Taxes, Corporate Finance and Investor Relations

- 
- Age 49
  - Joined TAG as CFO in May 2014
  - Business degree, CPA over 15 years of experience as Auditor and Tax consultant with real estate clients



**Dr. Harboe Vaagt**  
**CLO**

- Key responsibilities: Legal, Human Resources and Transactions

- 
- Age 65
  - With TAG for more than 15 years, member of the management board since May 2011
  - Law degree, over 25 years of experience in real estate legal affairs

# TAG management board compensation

**F I X E D**

**EUR 420,000 p.a.**

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## **STIP** (Short Term Incentive Plan)

- Compensation in **Cash**
- Based on changes in **financial performance** (improvement in comparison to previous year)
  - FFO/s
  - EPRA NAV/s improvements (adjusted for dividend payments)
- ESG performance based on classification in external ESG rating (max. EUR 25,000 per board member)
- Individual bonus/ deduction (up to 10% of total STIP) for each management board member based on targets defined annually by the supervisory board
- Target bonus: **EUR 150,000 p.a.**  
Cap: **EUR 200,000 p.a.**

## **LTIP** (Long Term Incentive Plan)

- Compensation in **TAG shares** (treasury shares)
- Based on **total shareholder return** (TSR), i.e. share price development plus dividend payments, over a four year period
- Target bonus: TSR of 40% within four year period leads to bonus of **EUR 250,000 p.a.**
  - actual TSR > / < Target TSR of 40%: linear calculation (e.g. TSR of 20%:  $20/40 \times \text{EUR } 250,000 = \text{EUR } 125,000 \text{ p.a.}$ )
  - actual TSR negative: no bonus
- Consideration of relative TSR performance in comparison to peer group (listed German residential companies):
  - actual TSR > 2% TSR peer group: +25%
  - actual TSR < 2% TSR peer group: -25%
- The Supervisory Board has also the option to supplement the LTIP with non-financial ESG targets in the future (up to 20% of total LTIP)
- Cap: **EUR 400,000 p.a.** (previous: EUR 500,000 p.a.)
- Vesting period of four years from date of award of shares

- **Claw back clause:** in the event of grossly negligent and serious violations of laws or internal compliance requirements, as well as errors in the consolidated financial statements that have subsequently become known and which affect STIP key figures
- **Obligation** for each management board member **to own TAG shares** with a total value of at least one annual base salary during her/ his tenure

APPENDIX

# TAG contacts

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**CFO**

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TAG  
2021

**TAG**

Immobilien AG