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TAG highlights Q1 2020

TAG 2020

TAG highlights Q1 2020

Operational performance German portfolio

	Q1 2020	Q4 2019	FY 2019
▪ Vacancy (residential units)	4.9%	4.5%/ 4.6%*	4.5%/ 4.6%
▪ Vacancy (total portfolio)	5.3%	4.9%	4.9%
▪ L-f-I rental growth y-o-y	1.9%	1.9%	1.9%
▪ L-f-I rental growth y-o-y (incl. vacancy reduction)	2.3%	2.4%	2.4%
▪ FFO I (EURm)	42.0	39.2	160.6
▪ FFO I (EUR/share)	0.29	0.27	1.10

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

EPRA NAV and LTV

	31 Mar-2020	31 Dec-2019	31 Dec-2018
▪ “New” EPRA NTA (EUR/share), fully diluted	20.23	20.15	17.33
▪ “Old” EPRA NAV (EUR/share), fully diluted	20.37	20.17	17.33
▪ LTV	44.6%	44.8%	47.3%

Acquisitions

- **Germany** **865 units** acquired in Q1 2020 (FY 2019: 1,331 units). Total purchase price of EUR 29.2m (FY 2019: EUR 50.1m) and current net rent of EUR 2.3m p.a. (FY 2019: EUR 4.1m) leads to an acquisition multiple of 12.9x or gross yield of 7.8% (FY 2019: 12.1x multiple or 8.3% gross yield). Average vacancy rate of 12.0% (FY 2019: 11.0%). Closing in Q1/Q2 2020.
- **Poland** Land banks and projects for **1,149 units** secured or already acquired in Q1 2020, mainly in Poznan as TAG's second location in Poland after Wroclaw.

Disposals

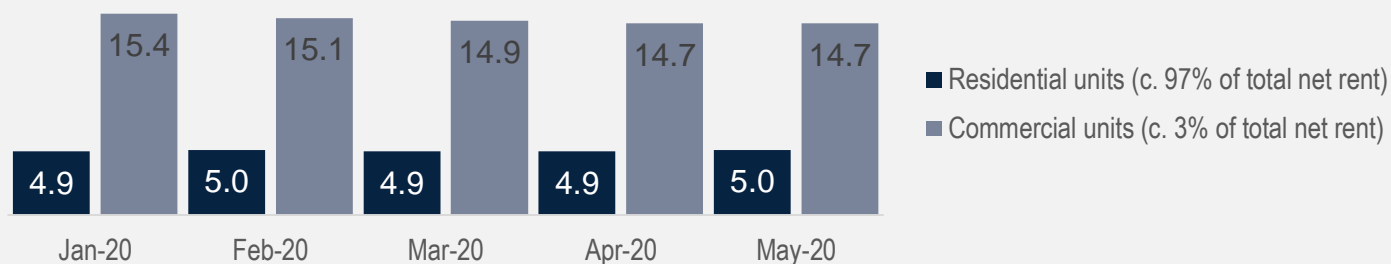
- **Germany** **48 units** disposed in Q1 2020 (FY 2019: 568 units). Total selling price of EUR 1.4m (FY 2019: EUR 18.2m). Book profit of EUR 0.1m (FY 2019: EUR 0.8m). Net cash proceeds of EUR 1.4m (FY 2019: EUR 17.9m). Closing in the course of 2020.
- **Poland** **205 units** sold in Q1 2020 (FY 2019: 941 units). 115 units handed over in Q1 2020 (FY 2019: 866 units). Total sales revenues of EUR 11.4m (FY 2019: EUR 84.7m).

TAG Covid-19 business update

Our social responsibility

- Since March 2020 **no rent increases** on the basis of adjustments to local comparative rents
- **No terminations** due to loss of income caused by the Corona crisis and **no evictions** of inhabited apartments
- Receivables management teams, as in the past, as **“debt advisors”**: offer options for paying rents in instalments, agree on deferral arrangements and help when applying for government assistance
- **Increased social engagement** for non-profit organisations

Vacancy rates stable



No material impact on rent payments

- Rent receivables as of 30 Apr-2020 essentially at the same level compared to 31 Mar-2020 and 29 Feb-2020
- Deferral of net rents as of 30 Apr-2020:
 - residential units: c.EUR c.0.1m per month (c.0.4% of total residential tenants)
 - commercial units: c.EUR c.0.07m per month (c.8.5% of total commercial tenants)

TAG Covid-19 business update

Good liquidity position and successful refinancings

- **Liquidity position** as of 31 Mar-2020:
 - EUR 196.8m cash
 - EUR 120.0m credit lines (fully undrawn)
- **Dividend payment** after virtual AGM on 22 May 2020 of EUR 119.9m (EUR 0.82/s)
- Expected **cash inflows** from signed **disposals** in 2020: c. EUR 60m
- **Bank loan refinancings** in March and April 2020:
 - EUR 143.5m (5 contracts with 4 German banks)
 - average interest rate: 1.17%
 - average maturity: 10 years
- **Upcoming maturities** after 31 Mar-2020:
 - 2020: EUR 25m bank loans/corporate bonds and EUR 40m commercial paper
 - 2021: EUR 46m bank loans/corporate bonds

Business in Poland not materially affected

- **Construction sites still running**, no delays so far
- **Reduced Q2 2020 sales** expected after strong sales numbers in Q1 2020, but considered to be **temporary** due to current lock-down restrictions
- **Acquisition processes** for new landbanks and projects **continue**

TAG financials Q1 2020

TAG
2020

TAG income statement

(in EURm)		Germany Q1 2020	Poland Q1 2020	Total Q1 2020	Germany Q4 2019	Poland Q4 2019	Total Q4 2019
Net rent*	1	79.7	0.0	79.6	79.1	0.0	79.1
Expenses from property management*		-13.7	0.0	-13.7	-12.4	0.0	-12.4
Net rental income	2	66.0	0.0	66.0	66.7	0.0	66.7
Net income from services	3	5.8	0.0	5.8	5.2	0.0	5.2
Net income from sales	4	-0.3	-0.7	-1.0	-0.4	0.0	-0.4
Other operating income	5	0.7	0.8	1.5	2.9	0.0	2.9
Valuation result	6	-0.9	0.0	-0.9	203.1	0.0	203.1
Personnel expenses	7	-12.7	-1.2	-13.9	-13.6	0.0	-13.6
Depreciation		-1.7	0.0	-1.7	-1.8	0.0	-1.8
Other operating expenses		-4.9	-0.2	-5.1	-5.2	0.0	-5.2
EBIT		52.0	-1.3	50.7	257.0	0.0	257.0
Net financial result	8	-11.7	0.0	-11.7	-33.4	0.0	-33.4
EBT		40.2	-1.3	38.9	223.6	0.0	223.6
Income tax	9	-7.1	0.3	-6.8	-35.1	0.0	-35.1
Net income		33.1	-1.0	32.1	188.5	0.0	188.5

1 Increase in net rent q-o-q by EUR 0.5m as a result of rental growth (EUR 0.2m) and portfolio acquisitions (EUR 0.3m).

2 Decrease in net rental income by EUR 0.7m q-o-q driven by higher maintenance cost (EUR 0.6m) and ancillary cost of vacant real estate (EUR 0.8m), partially compensated by higher net rent (EUR 0.5m).

3 Improved net income from services q-o-q by EUR 0.6m shows TAG's expanding service business, preliminary coming from internalisation of caretaker, multimedia and energy services.

4 Net income from sales of EUR -0.7m in Poland result of effects from purchase price allocation (EUR 1.6m additional costs of goods sold).

5 Decrease in other operating income of EUR 1.4m q-o-q mainly driven by one-off effect (release of provisions for RETT-risks in Q4 2019 of EUR 2.3m), which was largely offset by own work capitalised in Poland (EUR 0.8m) reported for the first time.

6 No portfolio valuation in Q1 2020, next full valuation at 30 Jun-2020.

7 Personnel expenses in Germany decreased q-o-q by EUR 0.9m, mainly due to bonuses for employees accounted for in Q4 2019. EUR 1.2m salaries in Poland due to first-time consolidation of Vantage Development S.A. in Q1 2020.

8 Net financial result increased q-o-q by EUR 21.7m due to the valuation of convertible bonds, which took place in Q4 2019. Net financial result (cash, after one-offs) improved EUR 0.5m q-o-q.

9 Income tax mainly contains deferred taxes of EUR 5.3m in Q1 2020 and cash taxes of EUR 1.8m (EUR 1.6m Germany and EUR 0.2m Poland).

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

TAG EBITDA, FFO and AFFO calculation

(in EURm)	Q1 2020	Q4 2019	FY 2019
Net income	32.1	188.5	456.4
- Net income Poland	1.0	0.0	0.0
Net income Germany	33.1	188.5	456.4
+ Income tax	7.1	35.1	91.0
+ Net financial result	11.7	33.4	77.6
EBIT (German business)	51.9	257.0	624.9
+ Adjustments			
Net income from sales	0.4	0.4	0.4
Valuation result	0.9	-203.1	-414.1
Depreciation	1.7	1.8	6.8
One-offs**	0.0	-1.3	-1.3
Reversal of effects from first time application of IFRS 16 "leases"	1 0.0	-0.6	-2.0
EBITDA (adjusted, German business)	2 54.9	54.2	214.7
<i>EBITDA (adjusted) margin</i>	68.9%	68.4%	68.2%
- Net financial result (cash, after one-offs)	-11.0	-11.5	-45.6
- Cash taxes	-1.6	-3.2	-7.2
- Cash dividend payments to minorities	-0.3	-0.3	-1.3
FFO I (German business)	3 42.0	39.2	160.6
- Capitalised maintenance	-1.2	-4.1	-15.3
AFFO before modernisation capex	40.8	35.1	145.3
- Modernisation capex	-19.5	-15.7	-51.4
AFFO (German business)	4 21.3	19.4	93.9
Net income from sales Germany	4 -0.4	-0.4	-0.4
Result operations Poland	5 0.7	0.0	0.0
FFO II (includes operations Poland)	42.3	38.8	160.2
(FFO I + net income from sales Germany and result operations Poland)			
<i>Weighted average number of shares outstanding (in '000)</i>	146,314	146,337	146,333
FFO I per share (EUR)	0.29	0.27	1.10
AFFO per share (EUR)	0.15	0.13	0.64
<i>Weighted average number of shares, fully diluted (in '000)*</i>	161,168	161,191	161,151
<i>FFO I per share (EUR), fully diluted</i>	0.26	0.25	1.01
<i>AFFO per share (EUR), fully diluted</i>	0.13	0.14	0.59

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

2 Improved EBITDA (purely generated from German business) of EUR 0.7m q-o-q mainly as a net effect of higher net income from services (+EUR 0.6m) and reduced personnel costs (+EUR 0.9m), partially compensated by less net rental income (-EUR 0.7m).

3 FFO I increased by EUR 2.8m q-o-q as a result of EUR 0.7m higher EBITDA, EUR 0.5m improved net financial result (cash, after one-offs) and EUR 1.6m less cash taxes.

4 AFFO improved q-o-q by EUR 1.9m due to higher FFO (EUR 2.8m) and less capitalized maintenance (EUR 2.9m), compensated by higher modernization capex (-EUR 3.8m).

5 FFO II contribution Poland	(in EURm)
Net income from Poland	-1.0
Minority interests	0.1
Result of effects from purchase price allocation	1.6
Result operations Poland	0.7

*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 (EUR 2.3m) and acquisition costs Vantage (EUR 1.0m)

TAG balance sheet

(in EURm)	31 Mar-2020	31 Dec-2019
Non-current assets	5,386.1	5,301.5
Investment property	1 5,263.4	5,200.0
Deferred tax assets	50.8	49.7
Other non-current assets	2 71.9	51.7
Current assets	430.5	311.0
Real estate inventory	3 172.4	58.5
Cash and cash equivalents	196.8	91.3
Prepayments on business combinations	4 0.0	131.2
Other current assets	5 61.3	30.0
Non-current assets held-for-sale	34.3	34.5
TOTAL ASSETS	5,850.9	5,647.0
Equity	2,431.6	2,394.2
Equity (without minorities)	2,362.5	2,342.6
Minority interest	69.2	51.7
Non-current liabilities	3,135.6	2,988.4
Financial debt	7 2,523.8	2,397.0
Deferred tax liabilities	510.6	497.0
Other non-current liabilities	101.2	94.4
Current liabilities	282.9	263.6
Financial debt	155.7	166.1
Other current liabilities	127.2	97.5
Non current liabilities held for sale	0.8	0.8
TOTAL EQUITY AND LIABILITIES	5,850.9	5,647.0

1 EUR 63.4m higher investment properties mostly result of capex (EUR 20.7m) and book value of new acquisitions/first-time consolidation Vantage.

2 EUR 20.2m higher other non-current assets primarily driven by first-time consolidation of Vantage resulting in preliminary goodwill of EUR 18.4m.

3 Increase in real estate inventory largely due to the first-time consolidation of Vantage (EUR 110.4m).

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

5 Increase in current assets (EUR 31.2m) mainly results from prepaid expenses for insurances (EUR 8.0m) and from first-time consolidation of Vantage (EUR 12.2m)

6 Change in equity mainly corresponds to net income of EUR 32.1m for Q1 2020.

7 Increase in non-current financial debt (EUR 126.8m) largely due to bank loans financing in Q1 2020 (EUR 112.0m).

TAG EPRA NTA and NAV calculation

EPRA Net Tangible Assets in EUR/share (“new“ definition)

(in EURm)	31 Mar-2020	31 Dec-2019
Equity (without minorities)	2,362.5	2,342.6
+ Deferred taxes on investment properties and financial derivatives	503.6	492.8
+ Fair value of financial derivatives	71.5	71.5
+ Difference between fair value and book value for properties valued at cost	84.4	85.2
- Goodwill	-18.4	0.0
- Intangible assets	-3.2	-2.6
= EPRA NTA	3,000.4	2,989.4
Number of shares outstanding (in '000)	146,237	146,337
EPRA NTA per share (EUR)	20.52	20.43
<i>Number of shares, fully diluted (in '000)*</i>	<i>161,091</i>	<i>161,191</i>
EPRA NTA per share (EUR), fully diluted	20.23	20.15

EPRA Net Asset Value in EUR/share (“old“ definition)

(in EURm)	31 Mar-2020	31 Dec-2019
Equity (without minorities)	2,362.5	2,342.6
+ Deferred taxes on investment properties and financial derivatives	503.6	492.8
+ Fair value of financial derivatives	71.5	71.5
+ Difference between fair value and book value for properties valued at cost	84.4	85.2
= EPRA NAV	3,022.0	2,992.0
Number of shares outstanding (in '000)	146,237	146,337
EPRA NAV per share (EUR)	20.67	20.45
<i>Number of shares, fully diluted (in '000)*</i>	<i>161,091</i>	<i>161,191</i>
EPRA NAV per share (EUR), fully diluted	20.37	20.17

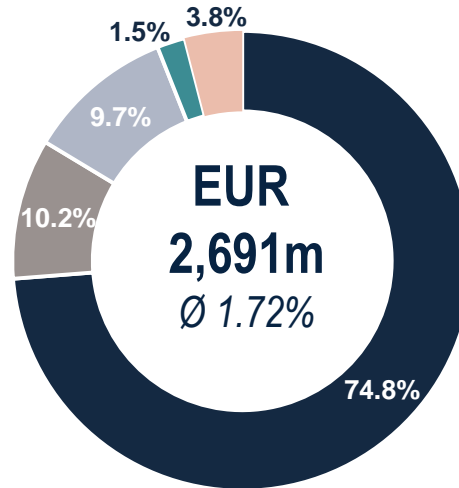
*incl. potential shares from convertible bond 2017/2022 (trading “in the money“ at reporting date) and management board compensation

TAG financing structure

Debt structure as of 31 Mar-2020

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

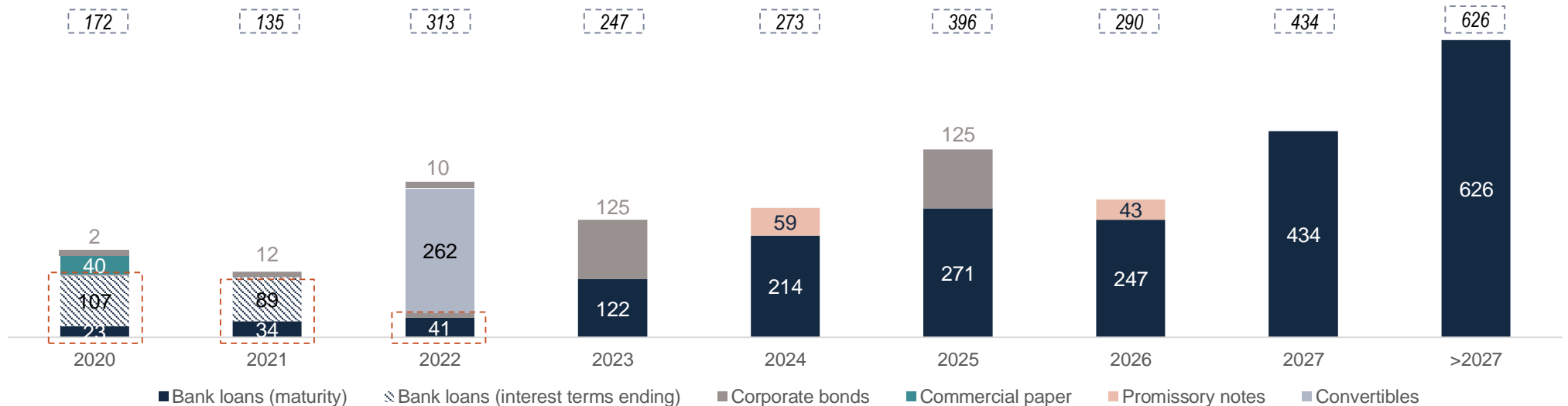
Debt volume	Ø interest rate	% fixed rates
EUR 2,013m	1.90%	98%
EUR 274m	1.90%	100%
EUR 262m	0.63%	100%
EUR 40m	-0.01%	100%
EUR 102m	1.18%	100%
Σ EUR 2,691m	Ø 1.72%	Ø 98.5%



Key financial KPIs as of 31 Mar-2020

Ø Maturity total financial debt	7.3 years
Ø Maturity bank loans	8.6 years
Ø Interest rate total financial debt	1.72%
Ø Interest rate bank loans	1.90%
LTV	44.6%
LTV target	c. 45.0%
Rating (Moody's)	Baa3 long term rating (outlook stable) P-3 short term rating
Further refinancing potential 2020-2022	EUR 294m of German bank loans maturing or with interest terms ending in 2020-2022 with average coupons of 2.1%-2.8% p.a.

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



TAG German portfolio Q1 2020

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2020

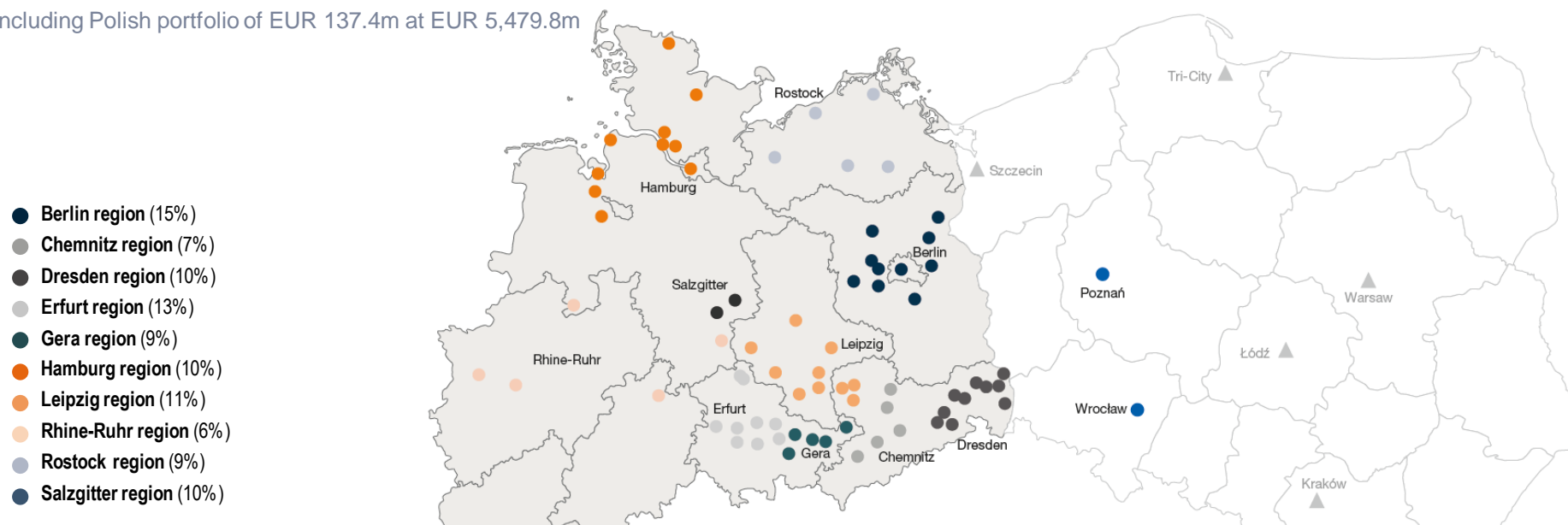
TAG German portfolio as of 31 Mar-2020

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

Portfolio as of	31 Mar-2020	31 Dec-2019
Number of units	84,890	84,510
Lettable area in sqm	5,116,034	5,094,435
GAV (EURm)	5,342.4*	5,302.4
Annualised net rent (EURm)	321.1	319.9
Net rent residential units in EUR/sqm/month	5.42	5.39
Net rent total portfolio in EUR/sqm/month	5.53	5.51
Vacancy rate (residential units)	4.9%	4.5%
Vacancy rate (total portfolio)	5.3%	4.9%
L-f-I rental growth (y-o-y)	1.9%	1.9%
L-f-I rental growth (including vacancy reduction, y-o-y)	2.3%	2.4%

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

*GAV including Polish portfolio of EUR 137.4m at EUR 5,479.8m



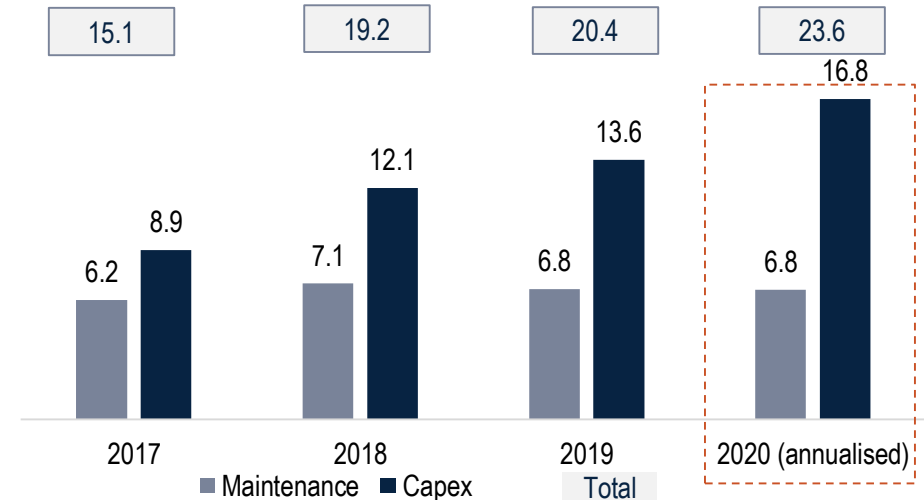
TAG German portfolio rental growth and capex allocation

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

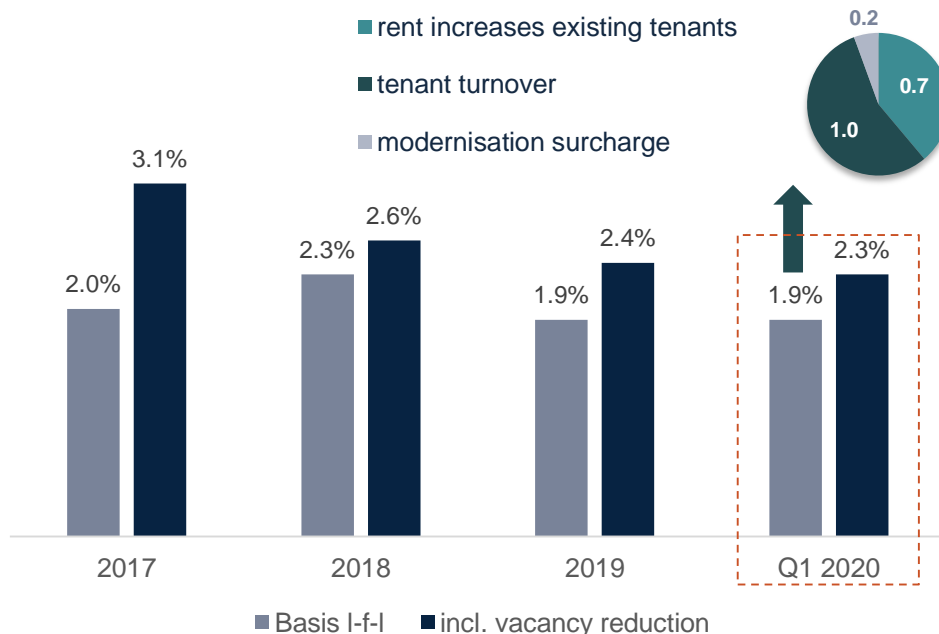
Rental growth achieved with moderate investments

- TAG creates **attractive rental growth** from
 - regular rent increases and tenant turnover (“basis I-f-I rental growth”).
 - vacancy reduction (leading to “total I-f-I rental growth”).
- Investment of capex at selective locations targeted to reduce vacancy:** investments in vacancy reduction result in highly attractive equity-returns: **c. 10%-15% return on capex** in large modernization measures and **c. 40%-45% in the modernization of vacant flats**.
- Tailor made capex allocation strategy** for each local market, no cross-locational spread capex-program.
- Basis I-f-I 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.

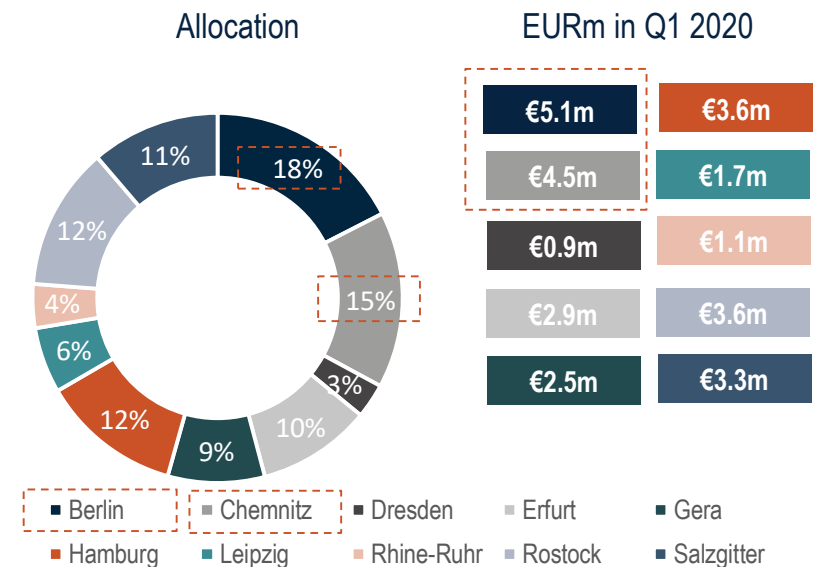
Maintenance & capex development (in EUR/sqm/year)



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

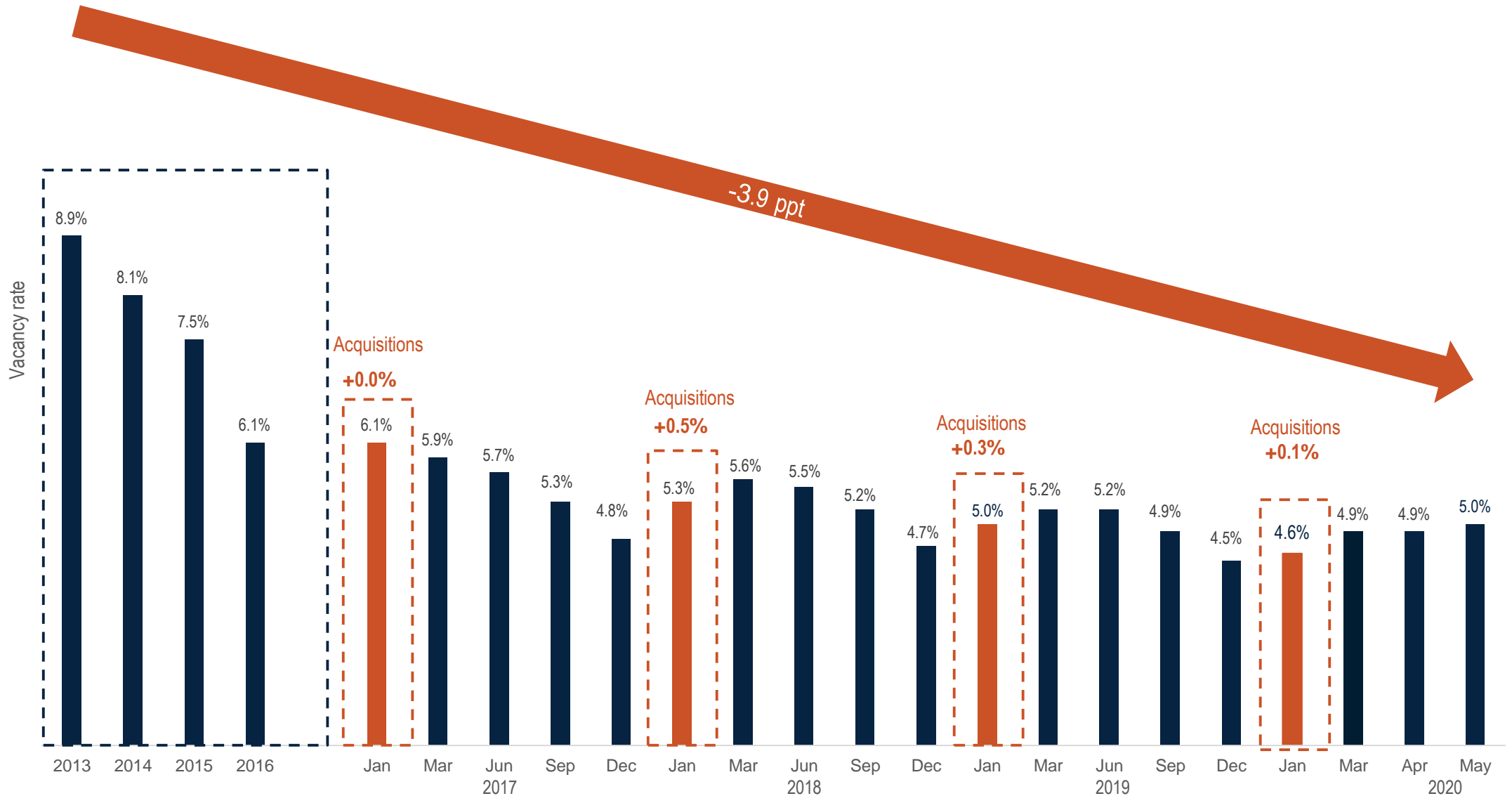


Maintenance & capex split by region



TAG German portfolio vacancy reduction residential units

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



TAG acquisitions Germany Q1 2020

TAG
2020

TAG acquisitions Germany Q1 2020

	Saxony-Anhalt	Saxony	Total
Signing	Jan-2020	Mar-2020	2020
Units	431	434	865
Net rent in EUR/sqm/month	4.61	4.29	4.47
Vacancy	5.2%	18.9%	12.0%
Purchase price in EURm	---	---	29.3
Net rent in EURm p.a.	1.26	0.99	2.3
Location	Bernburg, Dessau et.al.	Plauen et.al.	---
Closing	March 2020	April 2020	---
Multiples (in-place rent)	---	---	12.9



Bernburg

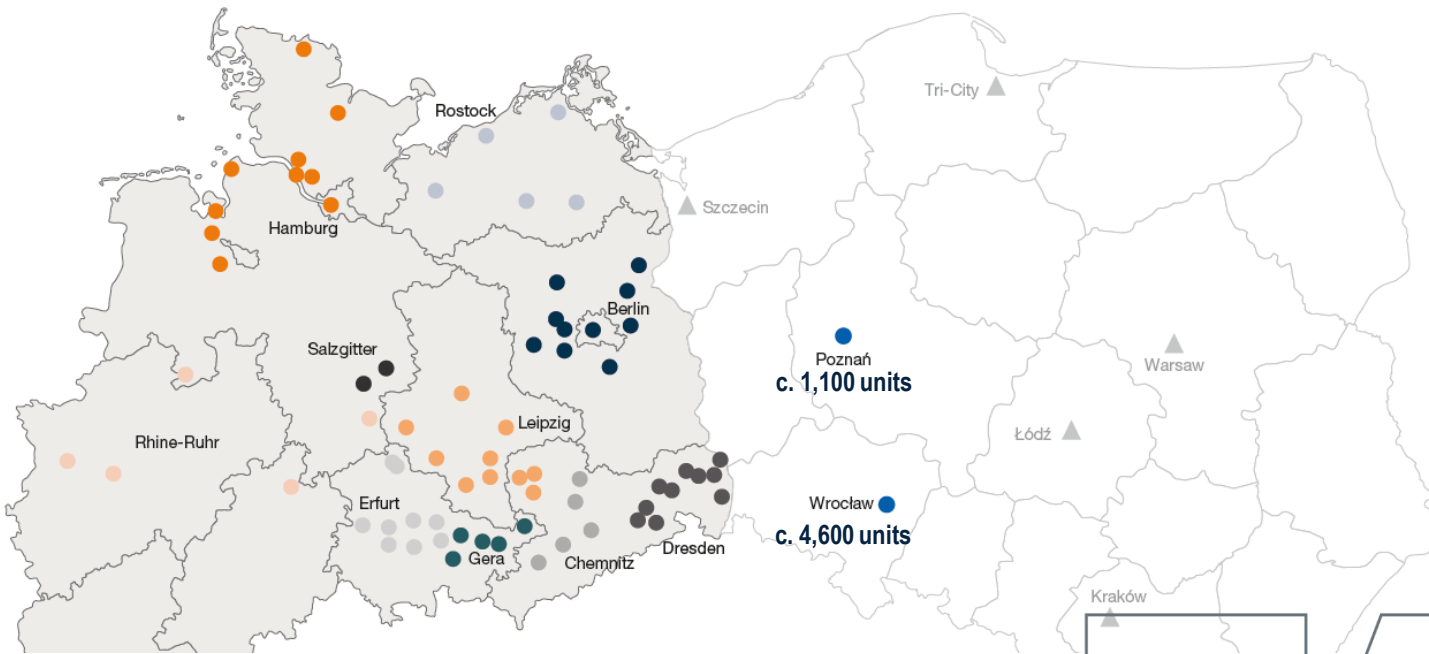


Dessau



Plauen

865 units in TAG core markets acquired in Q1 2020 at an average acquisition multiple of 12.9x (7.8% gross yield)



TAG Poland business update

**TAG
2020**

Poland strategic rationale

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

Strategic rationale

- Against the backdrop of its **strong macroeconomic and demographic growth**, Poland is experiencing a **structural gap between demand and supply in the residential-for-rent segment** for historic reasons
- TAG's mid-term growth target** (next 3-5 years) are **8,000-10,000 letting units** in Poland, corresponding to c. 10% of TAG's total current residential units. **Focus on project developments**, in light of fragmented and outdated rental stock
- Investment focus on major Polish cities** with large universities, favourable macroeconomics and strong demographics. Capitalizing on **superior sourcing capabilities of the Vantage platform**, pipeline locations expanded to include fundamentally strong markets of currently **Wroclaw and Poznan**
- While first build-to-hold completions should only start yielding from FY 2021 onwards, **realization of build-to-sell pipeline** (unit sales) should provide strong support to **free cash flow generation** (reflected on FFO II basis)

Current locations



Overview of the development projects

Build-to-hold projects				Build-to-sell projects				Total projects			
	Current projects	Planned projects	Total build-to-hold		Current projects	Planned projects	Total build-to-sell		Current projects	Planned projects	Total projects
Total number of units	2,300	6,300	8,600	Total number of units	3,400	1,200	4,600	Total number of units	5,700	7,500	13,200
Total sqm	127,000	307,000	434,000	Total sqm	200,000	61,000	261,000	Total sqm	327,000	368,000	695,000
Total investment costs (TIC)			EUR 550-600m	Total investment costs (TIC)			EUR 325-375m	Total investment costs (TIC)			EUR 875-975m
Estimated rental yield upon completion			c. 7-8%	Estimated EBITDA margin on sales			>15%				
Estimated EBITDA margin on letting			>70%	Estimated EBITDA contribution from sales			EUR 50-55m				
Estimated EBITDA contribution from letting p.a.			EUR 30-35m								

Note: Euro amounts based on PLN/EUR exchange rate of 0.220 as of 31 Mar-2020

Vantage history and platform

Best in-class development platform amplified by strong management team and in-house capabilities



Overview of the Vantage team and operational structure

Team structure

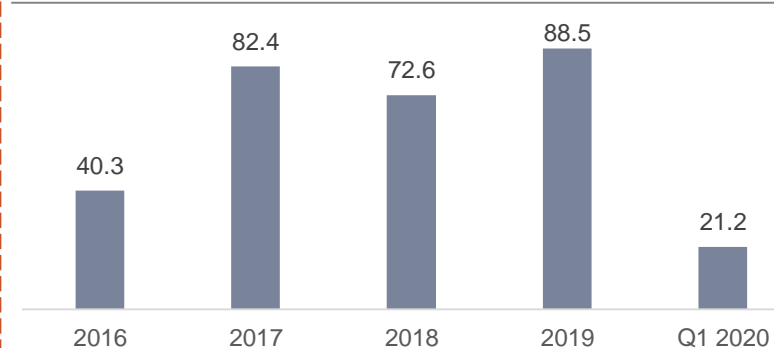


Operational structure – internalized vs. externalized operations



Vantage historical financials

Historical sales volumes (in EURm*)



Overview of Vantage FY 2019 results (in EURm**)

Revenues from sales***	84.1
EBITDA	13.6
EBITDA margin	16%
Net income	11.3
Net income margin	13%

*based on PLN/EUR exchange rate of 0.220 as of 31 Mar-2020

** based on average PLN/EUR exchange rate of 0.2325 for FY 2019

*** from apartments handed over in 2019

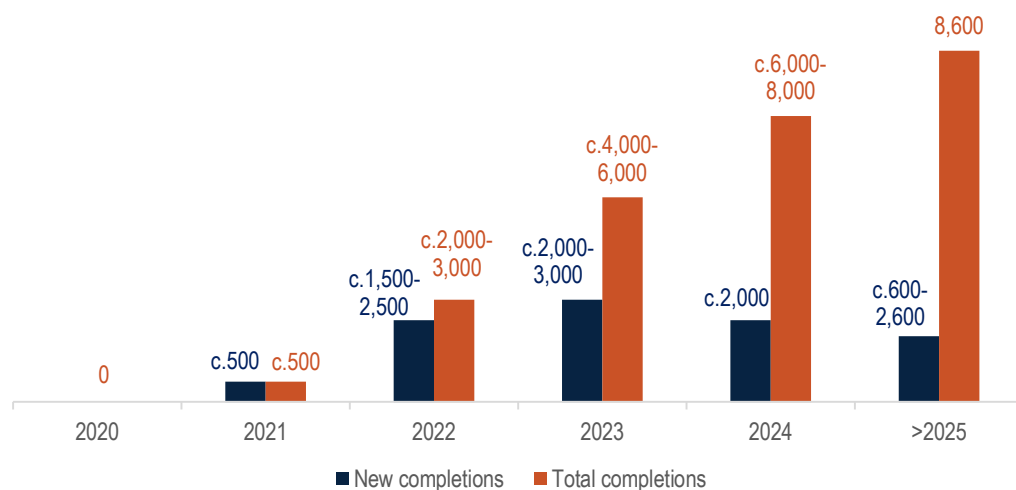
Poland build-to-hold pipeline

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

Build-to-hold projects overview

Pipeline locations	Wroclaw	Poznan	Other locations	Total
Total number of projects	8	8	8	24
Total number of project stages	13	9	9	31
Number of units	3,700	2,600	2,300	8,600
- of which current projects	1,200	1,100	0	2,300
- of which planned projects	2,500	1,500	2,300	6,300
Expected total investment costs (TIC)*	c. EUR 550-600m			
Average rental yield on cost	c. 7-8%			
Average rent per sqm (w/o service charges)*	c. EUR 10-11/sqm/month			
Average apartment size	c. 45-55 sqm			
Expected EBITDA margin	>70%			

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



Build-to-hold pipeline locations



General criteria for earmarking units as build-to-hold and build-to-sell

- Units in **buildings with already realised pre-sales** are earmarked for sale
- Larger apartments** with lettable area in **excess of 50 sqm**
- Apartments exhibiting **attractive privatization pricing** and valuation (gross sales margin of over 25%)

Accounting treatment of build-to-hold units

- Recognition of costs and revenues based on **completed-contract-method**
- Upon completion, any **revaluations under IAS 40** are recognised upon **transfer to Investment Properties**
- Construction and other eligible costs** are capitalised until fair value can be determined at completion (IAS 40)
- Rental results to be reflected in TAG's FFO I**

* based on PLN/EUR exchange rate of 0.220 as of 31 Mar-2020

Poland build-to-sell pipeline

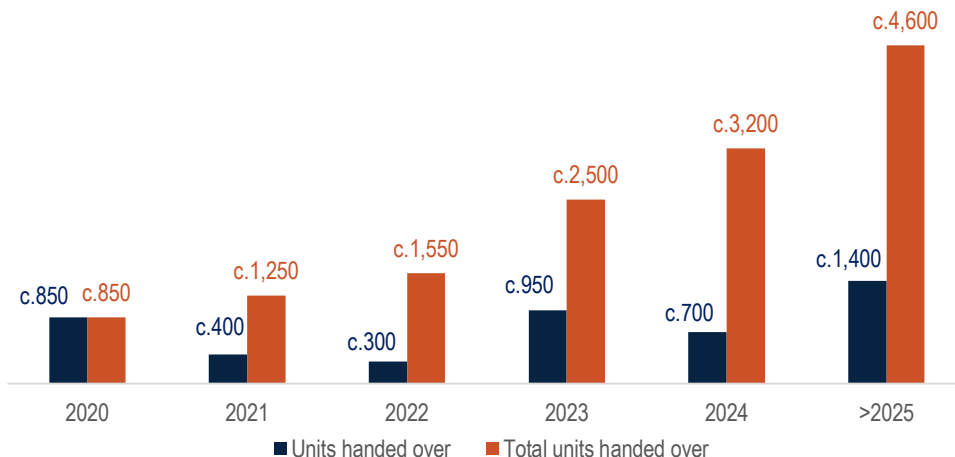
Attractive build-to-sell projects in Wroclaw offering strong cashflows and significant support to FFO II

Build-to-sell projects overview

Pipeline location	Wroclaw
Total number of projects	11
Total number of project stages	28
Number of units	4,600
- of which current projects	3,400
- of which planned projects	1,200

Expected total investment costs (TIC)*	c. EUR 325-375m
Expected EBITDA margin on sales	>15%
Net selling price per sqm (w/o fit outs)*	c. EUR 1,500-1,750
Average apartment size	c. 50-60 sqm

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



Build-to-sell pipeline locations



Accounting treatment of build-to-sell units

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



Please refer to the guidance slide for Vantage FY 2020 outlook

* based on PLN/EUR exchange rate of 0.220 as of 31 Mar-2020

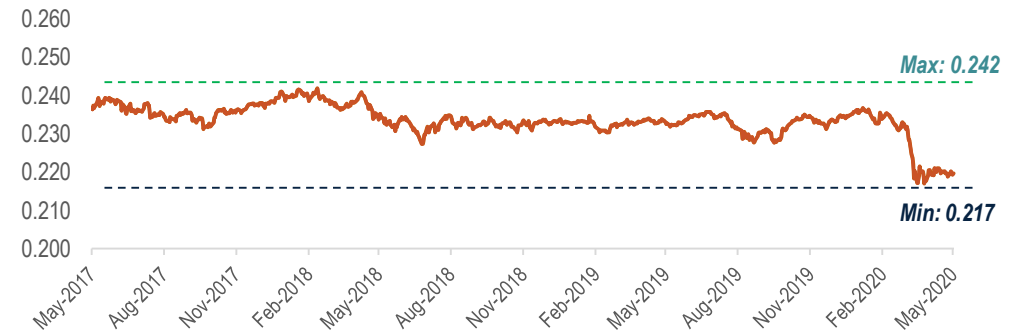
Poland financing strategy

Multi-faceted financing strategy in Poland

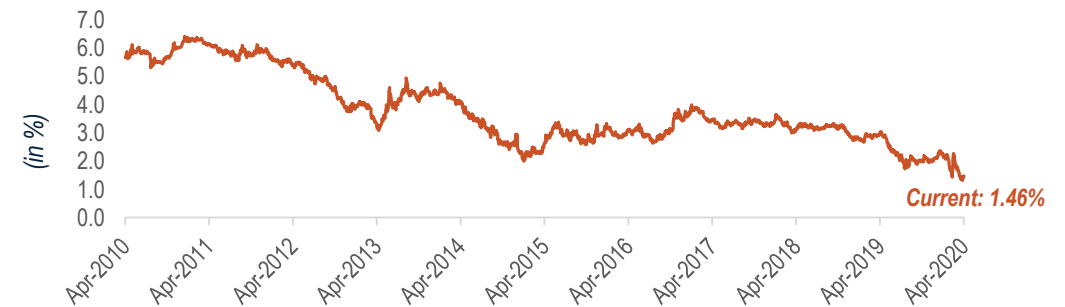
Financing strategy in Poland

- TAG targets **multi-faceted financing strategy in Poland**, involving employment of both secured and unsecured instruments at Vantage and TAG holding level
- **Short term financing** requirements (FY 2020)
 - Supported by **existing cash** at Vantage (EUR 46.1m as of 31 Mar-2020) and ongoing sales proceeds (realization of build-to-sell projects)
 - In addition, **TAG will downstream up to c. EUR 50m of its existing cash to Vantage**
- **Medium- to long-term financing** requirement of c. EUR 150-200m p.a. from 2021 onwards will be optimally financed as a mix of:
 - **Secured financing at Vantage level** (bank mortgages/credit), and
 - **Unsecured financing at TAG holding level** (e.g. corporate bonds/promissory notes)
- **FX risk and hedging considerations**
 - **PLN/EUR FX risk rather limited** with PLN/EUR rate oscillating largely between 0.22 and 0.24 on 3-year basis
 - Given that Vantage incurs costs and revenues on PLN basis, only cash flow to hedge is the **cash flow from and to the TAG holding entity in Germany**
 - TAG aims for an **appropriate and inexpensive hedging strategy** that would **prevent the group from suffering from unexpected peaks** in the exchange rate, and not the usual fluctuations
 - TAG is in contact with various banks in order to **implement such solution in the short- to mid-term**

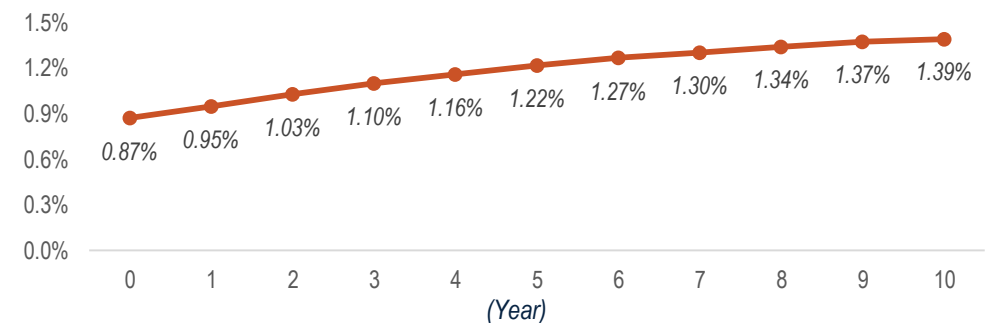
3-year PLN/EUR exchange rate trend



10-year historical development of Polish 10Y government bond yield



Polish 10-year forward swap curve indicating favorable borrowing terms



TAG guidance FY 2020

TAG 2020

TAG guidance FY 2020

Guidance FY 2020 (unchanged)	FFO I (EUR)	168-170m	+5% vs. 2019
	FFO I/s (EUR)	1.16	+5% vs. 2019
	DPS (EUR)	0.87	+5% vs. 2019

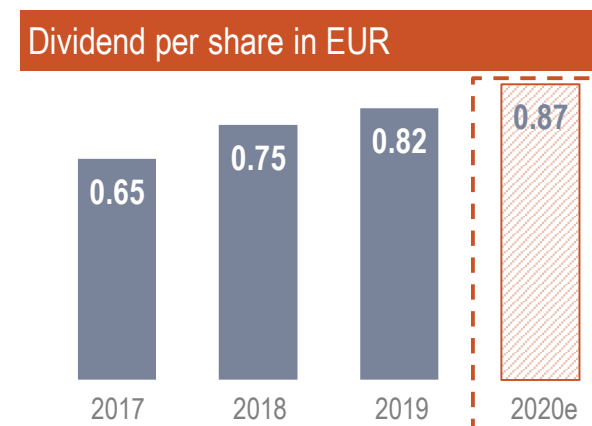
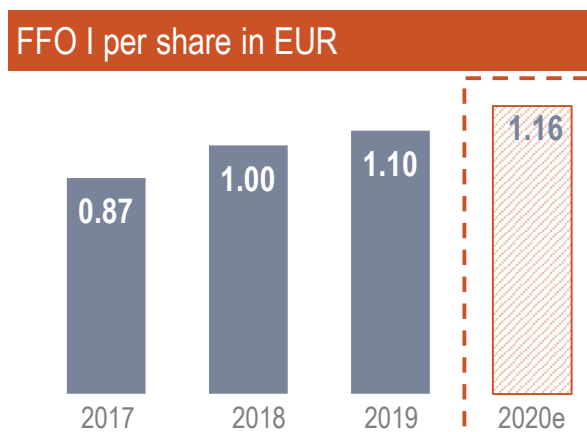
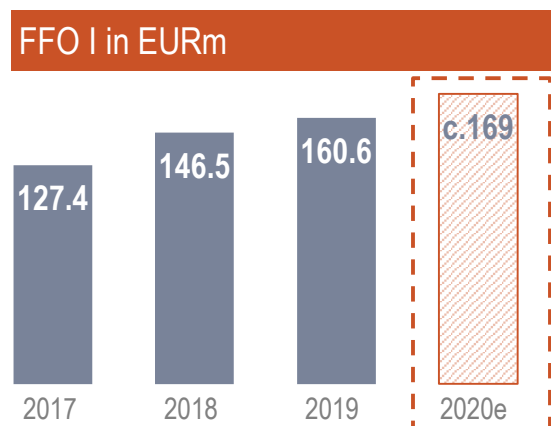
- based on the current portfolio (for purpose of the guidance no further acquisitions/disposals are included)

- based on 146.3m outstanding shares

- equals 75% of FFO I

Poland (new)	Sales revenues (EUR)	80-85m
	Result from Operations (EUR)	9-11m

- defined as net income from Poland after minorities (excluding any deferred taxes and potential one-offs) w/o effects from purchase price allocation
- part of FFO II, equals EUR 0.07/s
- Poland to only generate FFO I contribution from FY 2021 onwards



APPENDIX

TAG 2020

TAG German portfolio details by region

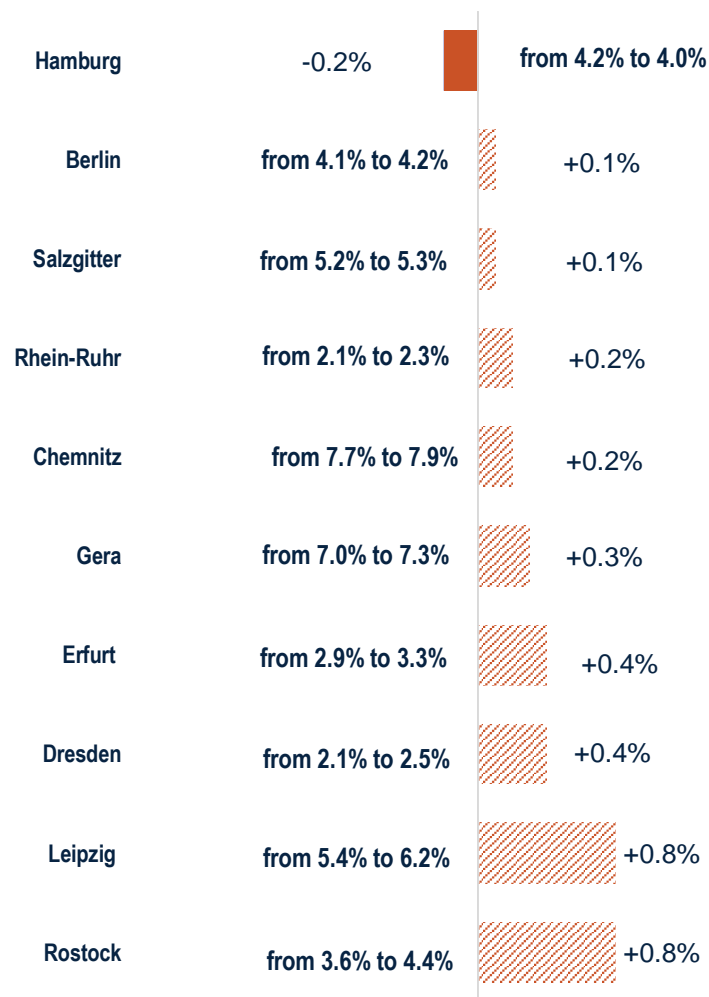
Region	Units #	Rentable area sqm	IFRS BV EURm Mar-2020	Gross yield	Vacancy Mar-2020	Vacancy Dec-2019*	Net rent EUR/ sqm	Re-letting rent EUR/ sqm	L-f-l rental growth y-o-y	L-f-l rental growth y-o-y incl. vacancy reduction	Maintenance EUR/sqm	Capex EUR/sqm
Berlin	10,409	596,927	784.0	5.1%	4.2%	4.1%	5.77	6.26	2.3%	2.6%	1.22	7.28
Chemnitz	7,523	439,837	351.6	6.8%	7.9%	7.7%	4.93	4.89	1.0%	3.0%	1.82	8.37
Dresden	6,298	409,025	533.2	5.2%	2.5%	2.1%	5.78	6.28	2.1%	2.5%	0.79	1.36
Erfurt	10,861	611,134	670.6	5.5%	3.3%	2.6%	5.25	5.58	2.4%	2.4%	1.67	3.06
Gera	9,652	561,321	432.9	7.3%	7.3%	7.0%	5.04	5.34	1.3%	2.6%	1.22	3.17
Hamburg	7,049	433,541	544.3	5.3%	4.0%	4.2%	5.79	6.12	1.7%	2.2%	2.62	5.60
Leipzig	10,014	589,918	568.4	6.2%	6.2%	5.4%	5.29	5.76	1.6%	1.8%	1.27	1.56
Rhine-Ruhr	4,187	266,405	318.4	5.4%	2.3%	2.1%	5.50	5.60	1.2%	1.2%	2.67	1.52
Rostock	7,980	452,371	477.4	6.0%	4.4%	3.6%	5.54	5.96	1.6%	2.2%	2.90	5.14
Salzgitter	9,180	563,122	527.5	6.5%	5.3%	5.2%	5.40	5.59	2.7%	1.9%	1.61	4.20
Total residential units	83,153	4,923,601	5,208.3	5.8%	4.9%	4.5%	5.42	5.70	1.9%	2.3%	1.70	4.20
Acquisitions	429	23,573	16.7	7.4%	7.4%	7.8%	4.73	---	---	---	---	---
Commercial units within resi. portfolio	1,147	148,440	---	---	16.4%	16.3%	8.06	---	---	---	---	---
Total residential portfolio	84,729	5,095,613	5,225.0	6.1%	5.3%	4.9%	5.48	---	---	---	---	---
Other	161	20,421	117.4**	5.9%	6.2%	8.1%	14.99	---	---	---	---	---
Grand total	84,890	5,116,034	5,342.4**	6.1%	5.3%	4.9%	5.53	---	---	---	---	---

* excl. acquisitions 2019

** incl. EUR 59.4m book value of project developments

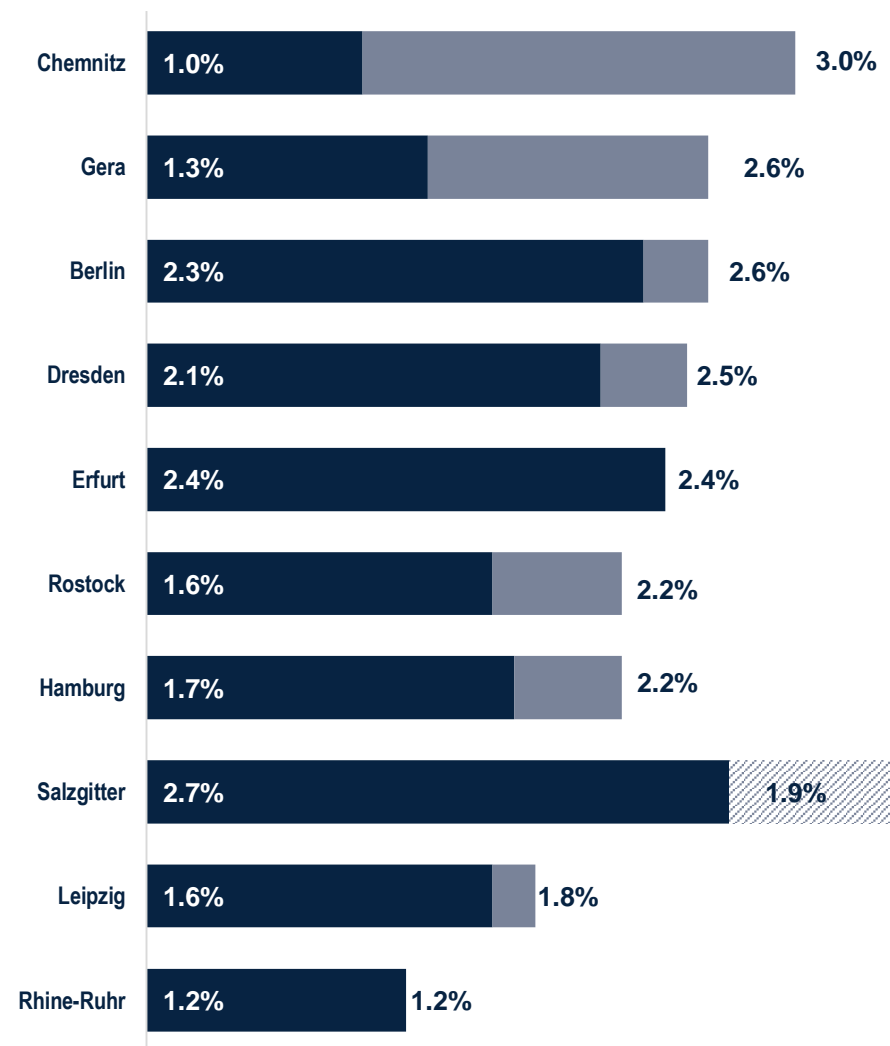
TAG German portfolio vacancy reduction and rental growth

Vacancy development Q1 2020*



* incl. acquisitions 2019

L-f-I rental growth (y-o-y) Q1 2020



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

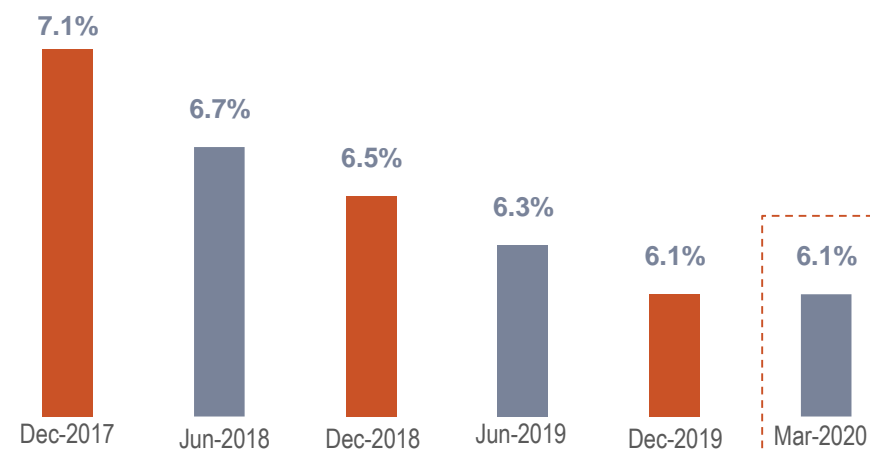
TAG German portfolio valuation overview

Portfolio valuation result

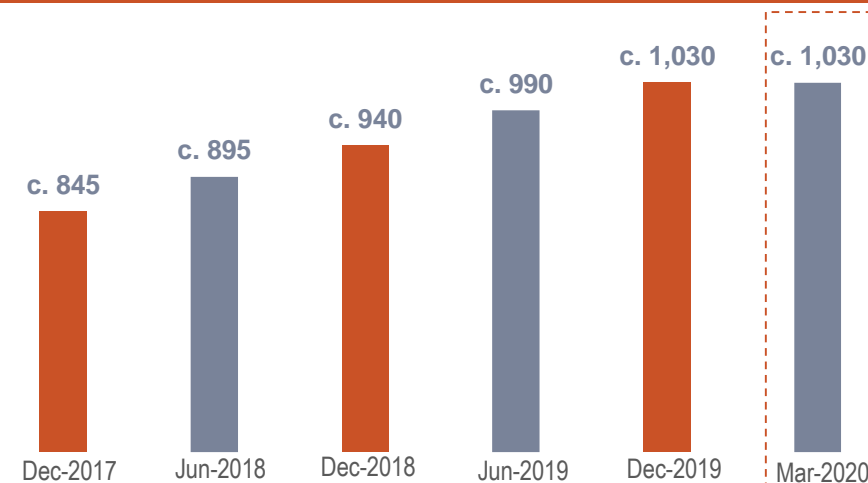
FY 2019 vs. FY 2018	FY 2019	FY 2018
in EUR m	414.1	430.0
annual uplift	8.6%	10.1%
– thereof from yield compression	73%	73%
– thereof from operational performance	27%	27%

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 German portfolio valuation details

Region (in EURm)	Mar-2020 Fair value (IFRS)	Mar-2020 Fair value (EUR/sqm)	Mar-2020 Implied multiple	Mar-2020 Valuation result	Share of operational performance/ other market developments	Share of yield compression	Dec-2019 Fair value (IFRS)	Dec-2019 Fair value (EUR/sqm)	Dec-2019 Implied multiple
Berlin	784.0	1,247.8	18.7x	0.0	0.0	0.0	779.6	1,240.9	18.6x
Chemnitz	351.6	772.7	14.3x	0.0	0.0	0.0	347.9	764.9	14.2x
Dresden	533.2	1,267.7	13.8x	0.0	0.0	0.0	532.7	1,266.4	13.8x
Erfurt	670.6	1,057.1	17.0x	0.0	0.0	0.0	660.9	1,069.8	17.1x
Gera	432.9	737.0	13.3x	0.0	0.0	0.0	431.2	734.2	13.2x
Hamburg	544.2	1,228.2	18.1x	-0.4	-0.4	0.0	543.6	1,224.0	18.1x
Leipzig	568.4	947.4	15.7x	0.0	0.0	0.0	568.1	946.4	15.6x
Rhine-Ruhr	318.4	1,147.7	17.5x	0.0	0.0	0.0	318.0	1,146.3	17.5x
Rostock	477.4	1,035.0	16.1x	0.0	0.0	0.0	446.4	1,027.7	16.2x
Salzgitter	527.5	934.3	15.0x	0.0	0.0	0.0	525.1	930.1	14.9x
Total residential units	5,208.3	1,026.9	16.5x	-0.5	-0.5	0.0	5,153.4	1,024.6	16.4x
Acquisitions	16.8	711.3	13.5x	-0.4	-0.4	0.0	36.8	835.5	12.3x
Total residential portfolio	5,225.0	1,025.4	16.4x	-0.9	-0.9	0.0	5,190.2	1,023.0	16.4x
Other	117.4**	2,839.0	16.8x	0.0	0.0	0.0	112.2*	2,780.5	17.4x
Grand total**	5,342.4	1,032.6	16.5x	-0.9	-0.9	0.0	5,302.4	1,030.2	16.4x

APPENDIX

* incl. EUR 59.4m book value of project developments

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

TAG EPRA NAV calculations

(in EURm)	New EPRA metrics			
	EPRA NAV	EPRA NRV	EPRA NTA	EPRA NDV
	Net asset value	Net reinstatement value	Net tangible assets	Net disposal value
	Q1 2020	Q1 2020	Q1 2020	Q1 2020
Equity (before minorities)	2,362.5	2,362.5	2,362.5	2,362.5
Effect from conversion of convertible bond	324.1	324.1	324.1	324.1
Difference between fair value and book value for properties valued at cost	84.4	84.4	84.4	84.4
Deferred taxes on investment properties and derivative financial instruments	503.6	503.6	503.6	0.0
Fair value of derivative financial instruments	6.2	6.2	6.2	0.0
Goodwill	0.0	0.0	-18.4	-18.4
Intangible assets	0.0	0.0	-3.2	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
EPRA NAV, fully diluted	3,280.8	3,722.2	3,259.2	2,698.6
<i>Number of shares, fully diluted (in '000)*</i>	<i>161,091</i>	<i>161,091</i>	<i>161,091</i>	<i>161,091</i>
EPRA NAV per share (EUR), fully diluted	20.37	23.11	20.23	16.75

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

TAG EPRA Earnings

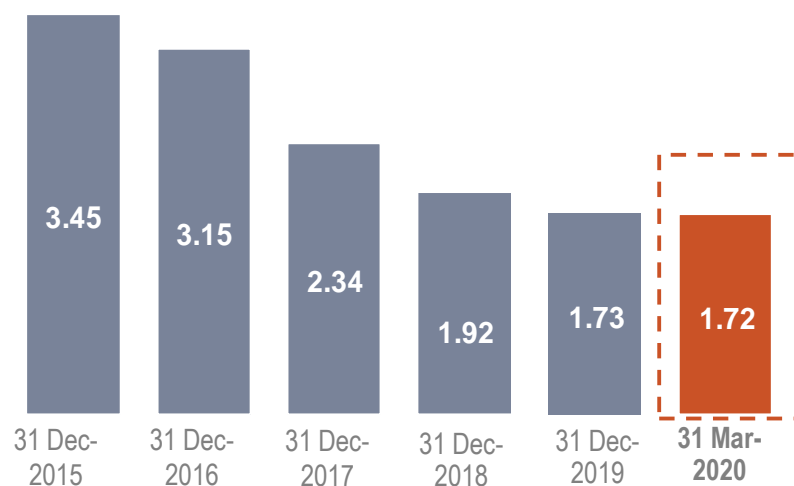
(in EURm)	Q1 2020	Q4 2019	FY 2019
Net income	32.1	188.5	456.4
Valuation result	0.9	-203.1	-414.1
Deferred income taxes on valuation result	4.1	28.1	76.7
Net income from sales	1.4	0.4	0.4
Cash taxes on net revenues from sales	0.2	2.0	2.0
Fair value valuation of derivative financial instruments	0.0	21.8	29.5
Deferred income taxes on valuation of derivative financial instruments	0.0	-6.7	-9.2
Breakage fees bank loans and early repayment of bonds	0.6	0.0	0.2
Cash dividend payments to minorities	-0.3	-0.5	-1.3
EPRA Earnings	39.0	30.5	140.6
Deferred income taxes (other than on valuation result)	1.4	10.6	16.3
Other non cash financial result	0.1	0.1	2.2
One offs*	0.0	-1.3	-1.3
Depreciation	1.7	1.8	6.8
Cash taxes on net revenues from sales	-0.2	-2.0	-2.0
Reversal of effects from first time application of IFRS 16 "leases"	0.0	-0.6	-2.0
Adjusted EPRA Earnings (FFO I)	42.0	39.2	160.6
Weighted average number of shares outstanding (in '000)	146,337	146,337	146,333
EPRA Earnings per share (in EUR)	0.27	0.21	0.96
Adjusted EPRA Earnings (FFO I) per share (in EUR)	0.29	0.27	1.10
<i>Weighted average number of shares, fully diluted (in '000)**</i>	<i>161,191</i>	<i>161,191</i>	<i>161,151</i>
<i>EPRA Earnings per share (in EUR), fully diluted</i>	<i>0.24</i>	<i>0.19</i>	<i>0.88</i>
<i>Adjusted EPRA Earnings (FFO I) per share (in EUR), fully diluted</i>	<i>0.26</i>	<i>0.25</i>	<i>1.01</i>

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

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

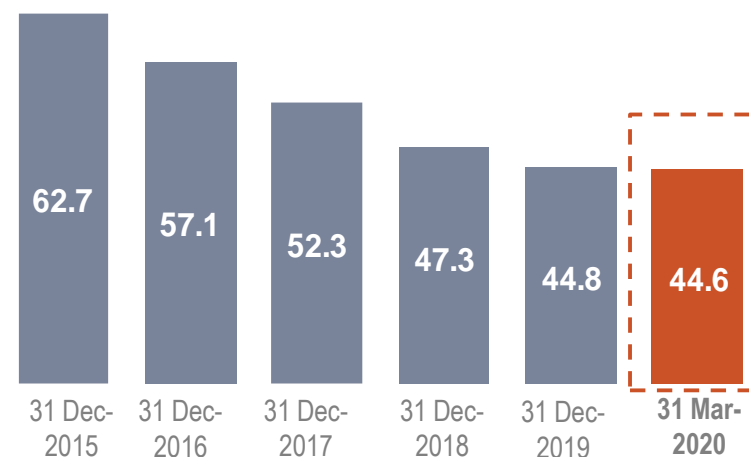
TAG cost of debt and LTV

Cost of debt Ø in %



- Continuous reduction of average cost of debt by more than 170 bps within a four year period.
- Further upside potential from maturing bank loans of EUR 294m in 2020-2022 (average coupons of 2.1% - 2.8% p.a.).

LTV* in %



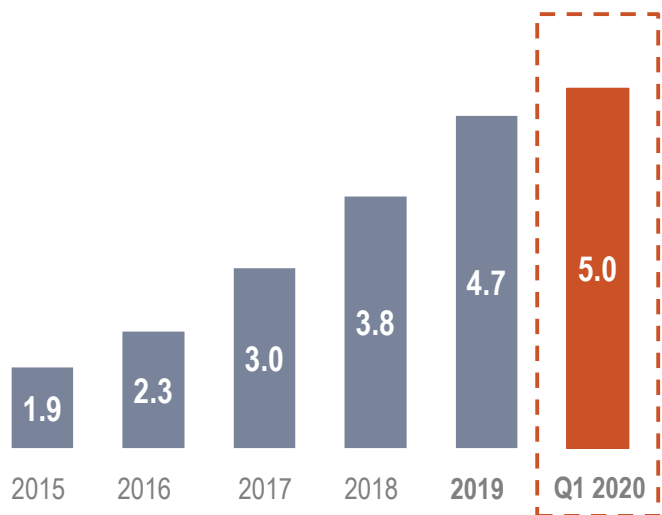
*For further details on LTV calculation see Appendix

- Strong LTV reduction by nearly 18 percentage points within a four year period.
- 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%

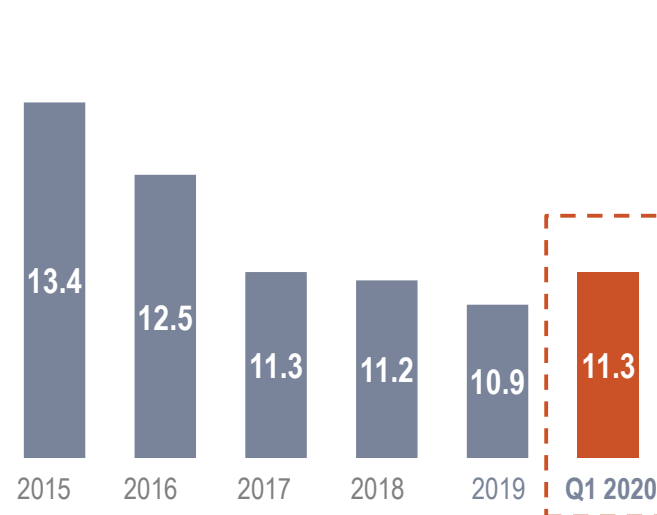
TAG strong development of financing metrics

ICR



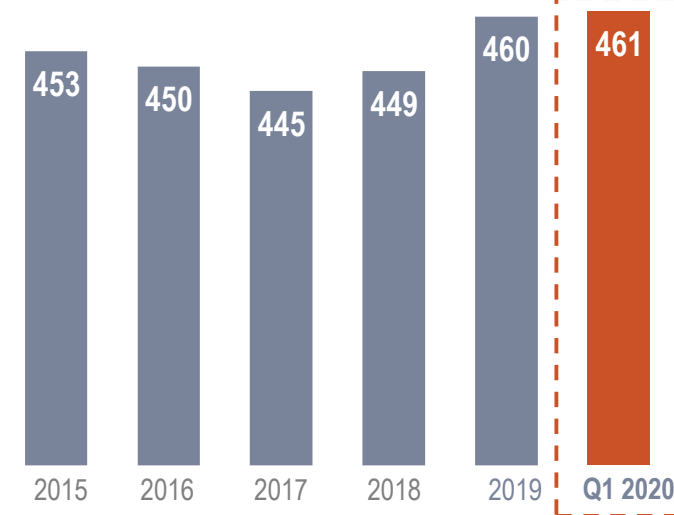
- Strong improvement of ICR (EBITDA adjusted/net financial result cash, after one-offs) driven by operational improvements as well as interest cost savings due to refinancing activities in 2017-2019.

Net financial debt/ EBITDA adjusted



- Ongoing EBITDA growth led to decline in net financial debt/EBITDA.
- Operations in Poland not included in EBITDA adjusted in Q1 2020, significant cashflow expected from H2 2020 onwards.

Net financial debt in EUR/ sqm



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

APPENDIX

Continuous improvement of financing metrics since 2015 with further improvement expected

TAG LTV calculation

(in EURm)	31 Mar-2020	31 Dec-2019	31 Dec-2018
Non-current and current liabilities to banks	2,001.8	1,901.2	1,855.5
Non-current and current liabilities from corporate bonds and other loans	418.9	403.0	285.8
Non-current and current liabilities from convertible bonds	258.8	258.9	257.5
Cash and cash equivalents	-196.9	-91.3	-91.7
Net financial debt	2,482.7	2,471.8	2,307.1
Book value of investment properties	5,263.4	5,200.0	4,666.7
Book value of property reported under property, plant and equipment (valued at cost)	9.7	9.4	9.5
Book value of property held as inventory (valued at cost)	172.4	58.5	52.3
Book value of property reported under non-current assets held-for-sale	34.3	34.5	87.0
GAV (real estate assets)*	5,479.8	5,302.4	4,815.5
Prepayments on sold/acquired properties and on business combinations	-3.3	130.4	-0.2
Difference between fair value and book value for properties valued at cost	84.4	85.2	60.0
Relevant GAV for LTV calculation	5,560.9	5,518.0	4,875.2
LTV	44.6%	44.8%	47.3%

*thereof EUR 5,342.4m German portfolio and EUR 137.4m Polish portfolio

TAG interest coverage ratio (ICR) calculation

(in EURm)	Q1 2020	Q4 2019	FY 2019
+ Interest income	0.8	0.1	0.5
- Interest expenses	-12.8	-34.4	-79.4
+ Net income from investments	0.2	0.9	1.4
= Net financial result	-11.8	-33.4	-77.6
+ Financial result from convertible/corporate bonds	0.4	0.4	1.4
+ Breakage fees bank loans	0.6	0.0	0.2
+ Other non-cash financial result (e.g. from derivatives)	-0.2	21.6	30.4
= Net financial result (cash, after one-offs)	-11.0	-11.5	-45.6
ICR (EBITDA adjusted/net financial result cash, after one-offs)	5.0x	4.7x	4.7x

TAG German portfolio maintenance and capex

in EUR millions		2019				2020
Total German portfolio	Q1	Q2	Q3	Q4	Total FY	Q1
Maintenance	8.4	8.3	8.8	7.8	33.3	8.4
Capex	15.2	14.9	16.8*	19.8*	66.7	20.7
Total	23.6	23.2	25.6	27.6	100.0	29.1

in EUR/sqm		2019				2020
German Residential units	Q1	Q2	Q3	Q4	Total FY	Q1
Maintenance	1.69	1.68	1.86	1.59	6.82	1.70
Capex	3.07	3.02	3.52	4.02	13.63	4.20
Total	4.76	4.70	5.38	5.61	20.45	5.90

*excl. capex for project developments of EUR 5.3m in Q1 2020 (FY 2019: EUR 7.9m)

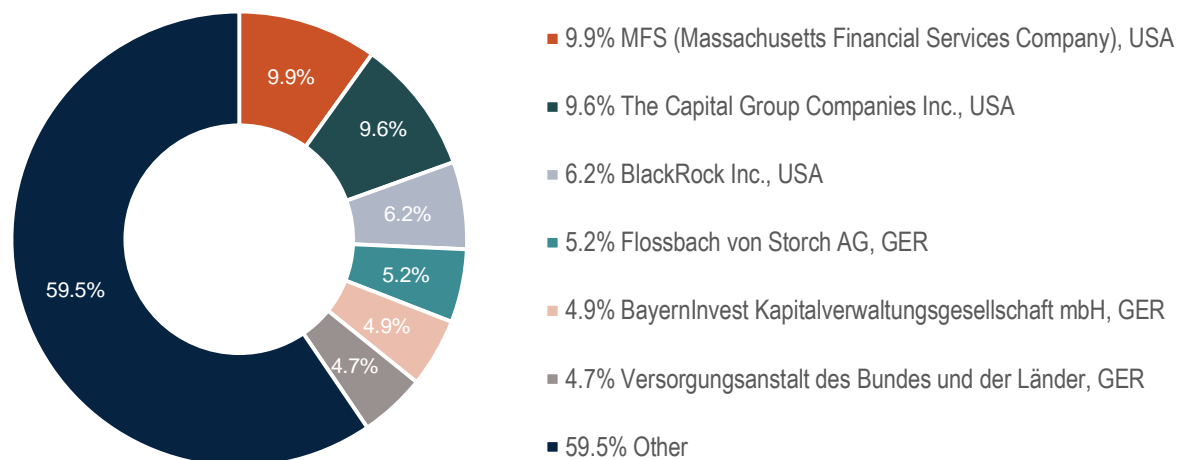


Chemnitz

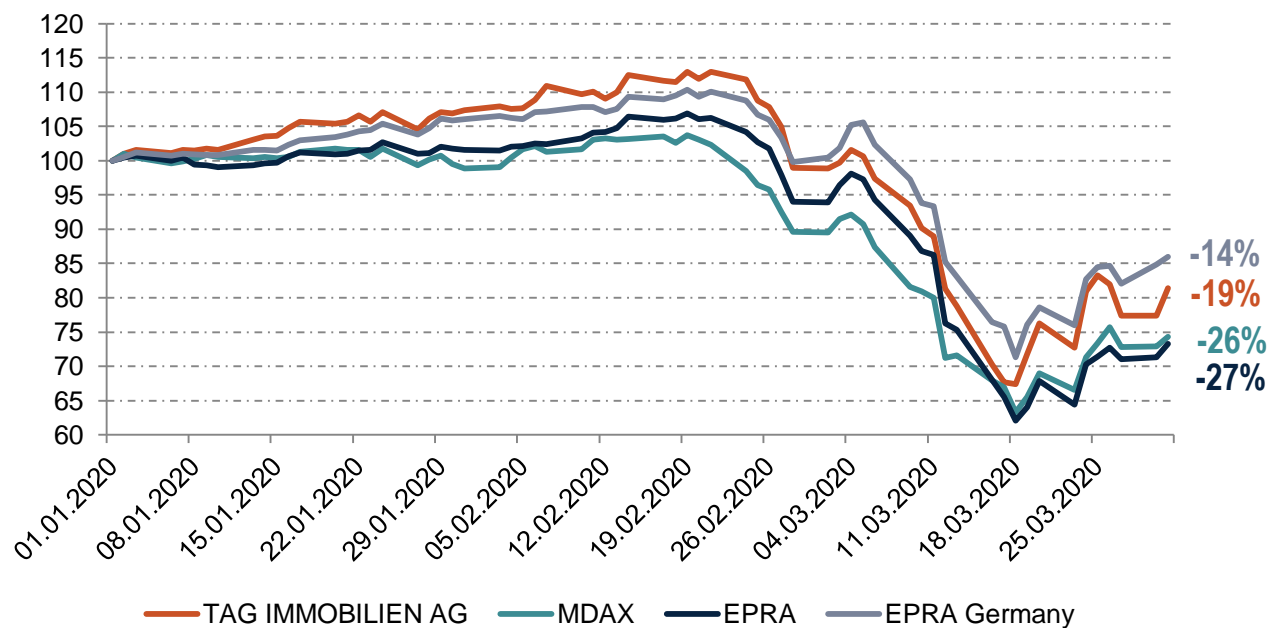


TAG share data

Shareholder structure as of 31 Mar-2020



Share price development vs. MDAX and EPRA Europe Index



Share information as of 31 Mar-2020

Market cap	EUR 2.6bn
NOSH issued	146.5m
NOSH outstanding	146.2m
Treasury shares	0.3m
Free float (Deutsche Börse definition)	99.8%
ISIN	DE0008303504
Ticker symbol	TEG
Index	MDAX/ EPRA
Main listing/ market segment	Frankfurt Stock Exchange/ Prime Standard

Q1 2020 share price performance:	-19%
Q1 2020 Ø volume XETRA/day (shares):	c. 600,836

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