



# INTERIM STATEMENT

ON THE 3RD QUARTER

# 2023

GROWING CASHFLOWS

**TAG**

Immobilien AG

# GROUP FINANCIALS

in EUR m

<b>Income statement key figures</b>	<b>01/01/- 09/30/2023</b>	<b>01/01/- 09/30/2022</b>
Rental income (net actual rent)	261.8	254.1
EBITDA (adjusted) rental business	182.0	158.4
EBITDA (adjusted) from sales Poland	37.2	19.4
Adjusted net income from sales Poland	28.0	11.4
Consolidated net profit	-274.8	334.9
FFO I per share in EUR	0.76	0.95
FFO I	132.6	145.3
thereof FFO I German business	132.3	145.3
thereof FFO I Polish business	0.3	0.0
FFO II per share in EUR	0.94	1.01
FFO II	164.8	155.6
<b>Balance sheet key figures</b>	<b>09/30/2023</b>	<b>12/31/2022</b>
Total assets	7,658.4	8,214.6
Equity	3,044.1	3,307.7
EPRA NTA per share in EUR	19.04	20.74
LTV in %	46.9	46.7
<b>Portfolio data</b>	<b>09/30/2023</b>	<b>12/31/2022</b>
Units Germany	85,420	86,914
Units Poland (completed rental apartments)	2,281	1,153
Sold units Poland	2,877	1,751
Handovers in Poland	1,502	3,510
GAV (real estate assets in total) in EUR m	6,996.5	7,481.4
GAV Germany (real estate assets) in EUR m	5,786.9	6,328.8
GAV Poland (real estate assets) in EUR m	1,209.6	1,152.6
Vacancy in % Germany (total)	4.8	4.8
Vacancy in % Germany (residential units)	4.6	4.4
Vacancy in % Poland (total)	3.7	35.8
I-f-I rental growth in % Germany	1.8	1.5
I-f-I rental growth in % Germany (incl. vacancy reduction)	2.2	2.7
I-f-I rental growth in % Poland	12.4	22.0
<b>Employees</b>	<b>09/30/2023</b>	<b>09/30/2022</b>
Number of employees	1,826	1,886
<b>Capital market data</b>		
Market cap at 09/30/2023 in EUR m		1,742.6
Share capital at 09/30/2023 in EUR		175,489,025
WKN/ISIN		830350/DE0008303504
Number of shares at 09/30/2023 (issued)		175,489,025
Number of shares at 09/30/2023 (outstanding, without treasury shares)		175,441,591
Free Float in % (without treasury shares)		99.97%
Index		MDAX/EPRA

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# MANAGEMENT REPORT

## BUSINESS DEVELOPMENT IN THE FIRST NINE MONTH OF THE 2023 FINANCIAL YEAR

### Fundamentals of the Group

TAG Immobilien AG (also referred to as 'TAG' or the 'Group' for short in the following) is a real estate company based in Hamburg that focuses on the residential real estate sector. The properties of TAG and its subsidiaries are spread across various regions in Northern and Eastern Germany and North Rhine-Westphalia and, since the 2020 financial year, additionally in Poland.

In total, TAG managed around 85,400 (31 December 2022: around 86,900) units in Germany as at 30 September 2023. In Poland, TAG has around 2,300 (31 December 2022: around 1,150) completed flats in the residential rental business segment as at the reporting date. A further around 1,100 (31 December 2022: around 2,200) rental flats are under construction. There is also a land reserve for the future construction of around 7,700 (31 December 2022: around 10,100) additional flats. In the sales business, which also includes joint ventures, around 5,700 flats are under construction as of the reporting date (including around 383 completed and not yet sold flats, 31 December 2022: around 6,400 flats under construction, around 360 completed and not yet sold flats). The land reserve in this business segment comprises a further around 14,500 (31 December 2022: around 12,600) future flats.

TAG's shares are listed on the MDAX of the Frankfurt Stock Exchange, with a market capitalisation of EUR 1.7 billion as at 30 September 2023 (31 December 2022: EUR 1.1 billion).

TAG's business model in Germany is the long-term rental of flats. All functions essential to property management are performed by the Group's own employees. In addition, caretaker services and craftsmen's activities are provided for the Group's own portfolio. Affordable housing that appeals to broad sections of the population is rented out. The Group's own multimedia company supports the provision of multimedia services to tenants and expands the range of services offered in the context of property management. Energy management is bundled in a subsidiary and includes commercial heat supply in the Group's own properties with the aim of optimising energy management. In the medium term, these services are to be further expanded and supplemented with new services for tenants.

TAG's investments are primarily made in medium-sized cities and in the vicinity of large metropolitan areas, as these areas are seen as offering not only growth potential but also, and in particular, better opportunities for returns compared to investments in large cities. As a rule, the newly acquired portfolios have higher vacancy rates, which are then reduced after acquisition through targeted investments and proven asset management concepts. Within Germany, investments are made almost exclusively in the regions already managed by TAG in order to utilise existing management structures in this way. In addition, local market knowledge is essential when acquiring new portfolios.

At the beginning of the 2020 financial year, TAG expanded its portfolio regionally into Poland. Vantage Development S.A. ('Vantage'), a real estate developer with its registered office and main focus of activity in Wrocław, formed the first platform for further development here, which is aimed at building up its own portfolio of flats in Poland and, in addition, still currently includes the further sale of units already planned and new units to be built.

The growing Polish residential real estate market is the target of a regional expansion of TAG's business model, which also focuses here on strong cash returns (in the sense of an FFO return in relation to the equity to be employed). The Polish rental housing market is characterised by a supply deficit. It is considered one of the least saturated housing markets in Europe, with a housing shortage already exceeding 2.1 million units. In addition, the absolute size of the Polish market (around 38 million inhabitants, fifth largest EU country by population), coupled with a growing service sector and favourable demographic trends ('Generation Rent' growing preference for rental housing) supports TAG's market entry in Poland. The Management Board expects that TAG's early market entry will give it a competitive advantage in terms of scale, market knowledge, market penetration and market position.

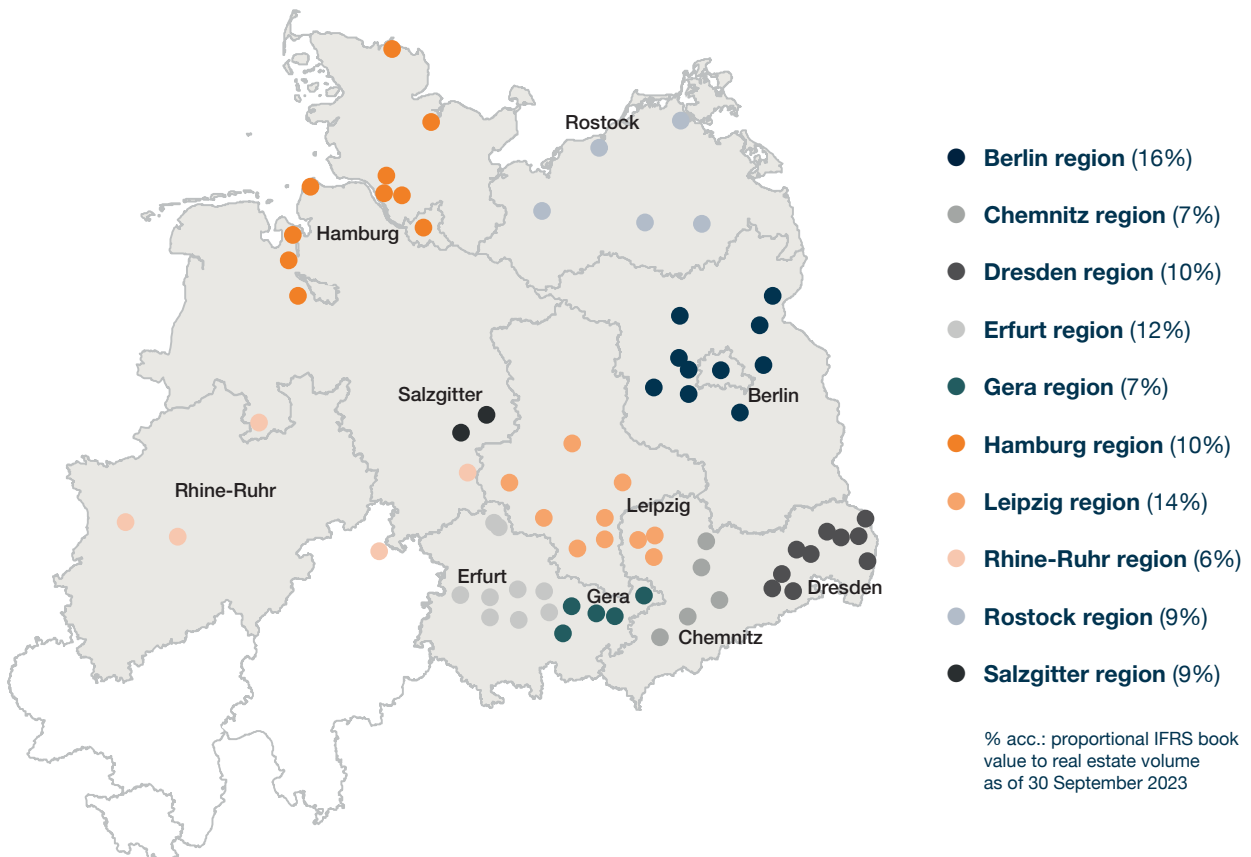
With the acquisition of Warsaw-based ROBYG S.A. ('ROBYG'), which became effective on 31 March 2022, TAG enlarged its platform in the fast-growing Polish rental housing market. In addition to strengthening the portfolio in the existing regions of Wrocław, Poznań and Tricity in particular, this acquisition also enables TAG to enter the Warsaw market comprehensively.

TAG's long-term growth target is to build up a portfolio of around 20,000 rental housing units in Poland. In the medium term, i.e. within the next five years until the end of 2028, the rental housing stock is to grow to around 10,000 flats. In addition, the existing sales activities in Poland are to be continued. The investment focus is on new flats in large cities with a favourable population development, proximity to universities and a well-developed infrastructure. Vantage and ROBYG will continue to operate legally independently in the future, but the two companies were merged into one organisational unit at the beginning of the fourth quarter of 2022. Within Vantage, the rental flat portfolio is held and managed, and within ROBYG, sales projects are implemented and construction activities are carried out.

## Development of TAG's Real Estate Portfolio in Germany

### Overview

At the end of the third quarter of 2023, TAG's property portfolio in Germany comprised around 85,400 units. The focus is on the management of attractive and affordable housing, while at the same time taking social responsibility for the tenants. The regional focus is primarily on the north and east of the country and is distributed as follows:



<b>Portfolio data Germany</b>	<b>09/30/2023</b>	<b>12/31/2022</b>
Units	85,420	86,914
Floor space in sqm	5,115,029	5,203,677
Real estate volume in EUR m*	5,787.0	6,328.8
Annualised net actual rent in EUR m p.a. (total)	338.2	340.6
Net actual rent in EUR per sqm (total)	5.79	5.73
Net actual rent in EUR per sqm (residential units)**	5.71	5.64
Vacancy in % (total)	4.8	4.8
Vacancy rate in % (residential units)**	4.6	4.4
I-f-I rental growth in %	1.8	1.5
I-f-I rental growth in % (incl. vacancy reduction)	2.2	2.7

\* Total property volume: EUR 6,996.5 million or EUR 7,481.4 million in the previous year (of which EUR 1,209.6 million or EUR 1,152.6 million in the previous year was attributable to properties in Poland)

\*\* without acquisitions

### **Purchases and sales in Germany in the first nine months of the 2023 financial year**

No purchases were made in Germany in the first nine months of the financial year.

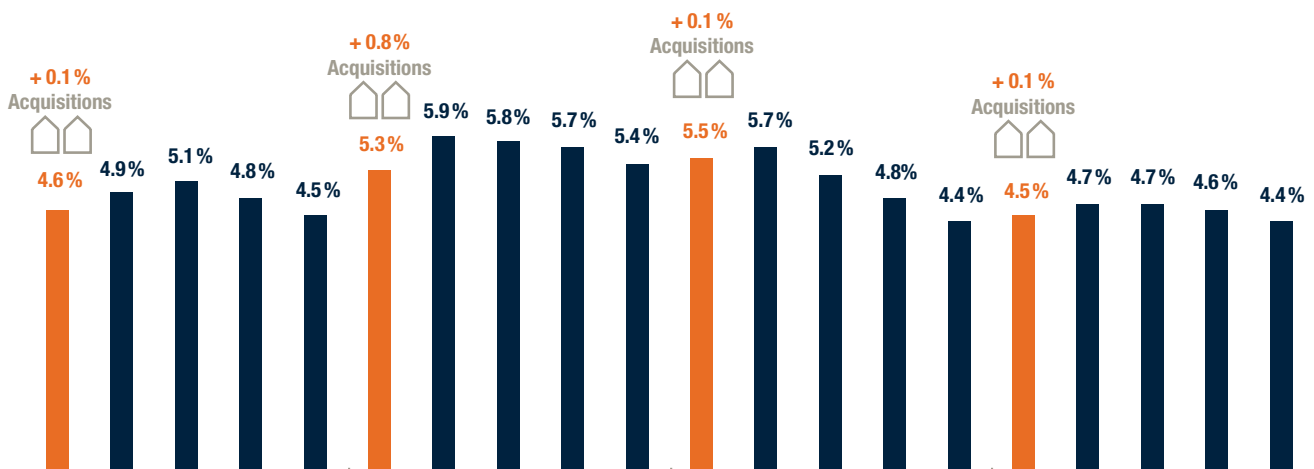
In the reporting period sales contracts were notarised for a total of 1,313 units (prior-year period: 725), including one large commercial property. The cumulative sales prices totalled EUR 205.4 million (prior-year period: EUR 37.2 million), which corresponds to 23.5 times (previous year: 15.2 times) the annual net actual rent. The expected net cash inflow (sales proceeds less bank liabilities on the properties sold) amounts to EUR 181.5 million (prior-year period: EUR 29.8 million). On balance, a gain of EUR 4.2 million was realised from sales in the first nine months of the financial year (prior-year period: loss of EUR 1.1 million).

The average vacancy rate for flats sold in the reporting period was around 3.0% (previous year: around 9.0%). Some of the sales, which accounted for a total sales price of EUR 107.3 million and an expected net cash inflow of around EUR 91.2 million, were closed after the reporting date.

### **Vacancy**

In the first half of the 2023 financial year, the vacancy rate in the Group's residential units rose slightly by 0.2 percentage points to 4.7% in March and June 2023. In the third quarter, the vacancy rate fell slightly to 4.6% and decreased further to 4.4% after the reporting date in October 2023. The forecast for the full 2023 financial year, which envisages a reduction in the vacancy rate of 0.3 to 0.5 percentage points, remains unchanged.

The following chart illustrates the development of vacancy in the Group's residential units in the financial years since 2020 and in the first nine months of the 2023 financial year:



In the German portfolio as a whole, which also includes some commercial units within the residential portfolio, the vacancy rate as at 30 September 2023 remains at 4.8%, also down from 4.8% at the end of the previous year.

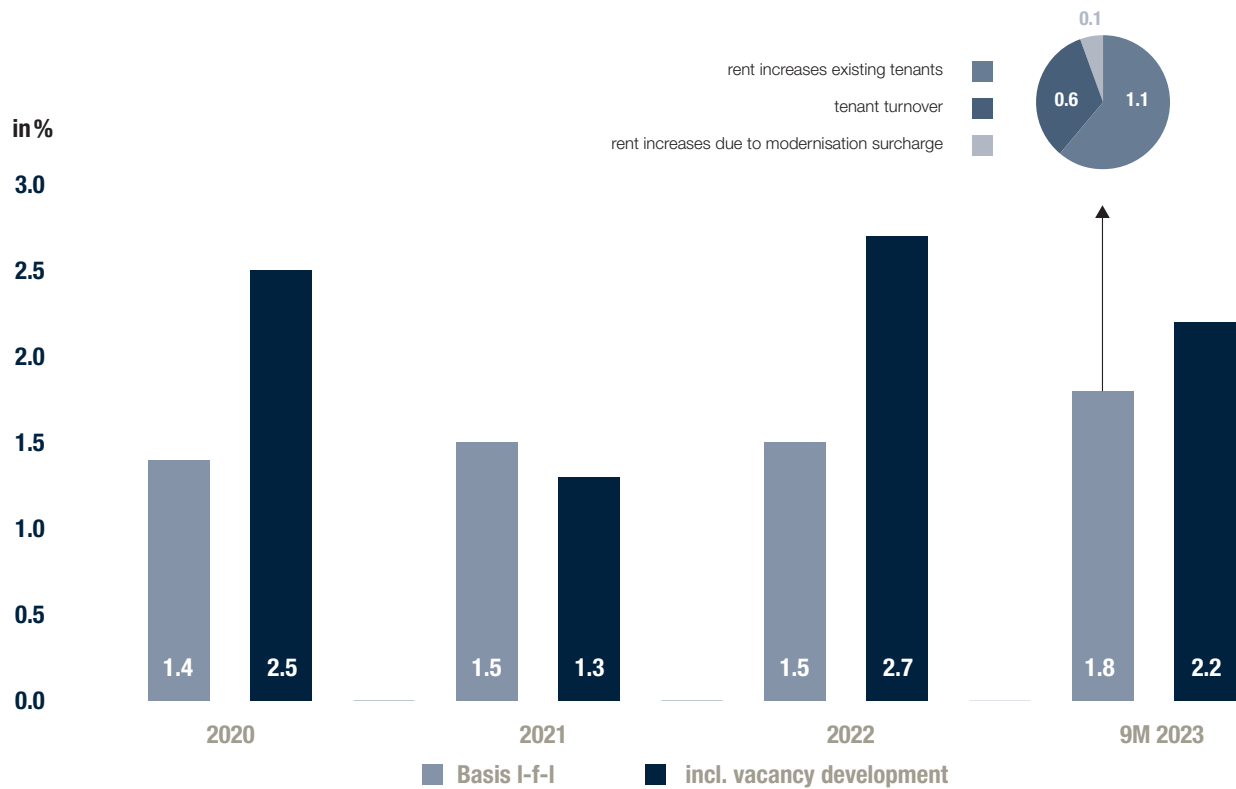
### Growth in rents

Rental growth in the Group's residential units amounted to 1.8% on a like-for-like basis (i.e. excluding the acquisitions and disposals of the last twelve months) after 1.5% at the end of 2022. This rental growth of 1.8% was made up of ongoing rent increases for existing tenants (1.1% after 0.8% at the end of the previous year) and rent increases as part of a change of tenant (0.6% after 0.6% at the end of the previous year). Rent increases due to modernisation levies were of minor importance in the reporting period (0.1% after 0.1% at the end of the previous year).

Including the effects of vacancy reduction and changes in vacancy, total rental growth on a like-for-like basis amounted to 2.2% p.a. (2.7% in the 2022 financial year). The forecast for total rental growth on a like-for-like basis of 2.0% to 2.5% for the full 2023 financial year was therefore met as at 30 September 2023 and remains valid.



The development of rental growth in the Group's residential units in Germany in the financial years since 2019 and at the end of the third quarter of 2023 is therefore as follows:



The average rent in the residential units in the portfolio increased slightly to EUR 5.71 per sqm as at 30 September 2023 after EUR 5.64 per sqm at the end of the 2022 financial year. New lettings were concluded at EUR 6.01 per sqm in the course of the 2023 financial year after EUR 5.86 per sqm at the end of the 2022 financial year.

### The portfolio in detail

The following table shows further details of TAG's property portfolio in Germany, by region, as of 30 September 2023:

Region	Units	Rentable area sqm	IFRS BV EUR m Sep-2023	In-place yield in %	Vacancy Sep-2023 in %	Vacancy Dec-2022** in %	Net actual rent EUR/sqm	Reletting rent EUR/sqm	I-f-I rental growth (y-o-y) in %	Total I-f-I rental growth** (y-o-y) in %	Maintenance EUR/sqm	Capex EUR/sqm
Berlin	10,139	589,428	887.7	4.8	3.1	2.9	6.23	7.09	2.0	2.3	7.00	15.94
Chemnitz	7,968	469,641	379.1	7.0	7.8	8.1	5.14	5.35	1.2	2.0	5.23	18.48
Dresden	5,874	378,393	546.6	5.1	1.5	1.2	6.24	6.47	2.2	1.8	3.11	7.21
Erfurt	10,191	575,006	711.9	5.3	1.4	0.9	5.54	5.82	2.1	2.1	4.89	11.79
Gera	9,169	531,723	415.9	7.9	2.6	3.9	5.27	5.51	1.8	4.0	4.44	9.09
Hamburg	6,663	405,472	591.3	5.0	4.0	4.0	6.29	6.99	3.0	3.2	4.29	9.09
Leipzig	13,351	774,158	769.1	6.1	8.5	7.7	5.50	5.75	1.9	2.5	4.17	14.12
Rhine-Ruhr	3,835	241,142	332.9	5.0	1.8	1.4	5.87	6.17	1.8	1.8	11.61	6.97
Rostock	7,897	442,506	524.1	5.5	5.8	6.2	5.78	6.28	1.5	1.1	5.12	19.13
Salzgitter	9,179	563,062	540.4	6.5	5.7	5.3	5.55	5.71	0.9	0.6	5.82	10.89
<b>Total residential units</b>	<b>84,266</b>	<b>4,970,531</b>	<b>5,699.0</b>	<b>5.7</b>	<b>4.6</b>	<b>4.4</b>	<b>5.71</b>	<b>6.01</b>	<b>1.8</b>	<b>2.2</b>	<b>5.28</b>	<b>12.74</b>
Acquisitions	-	-	-	-	-	45.1	-	-	-	-	-	-
Commercial units (within resi. portfolio)	1,045	132,900	-	-	13.4	13.9	8.26	-	-	-	-	-
<b>Total residential portfolio</b>	<b>85,311</b>	<b>5,103,431</b>	<b>5,699.0</b>	<b>5.9</b>	<b>4.8</b>	<b>4.8</b>	<b>5.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other*	109	11,598	88.0	7.7	0.9	0.2	14.17	-	-	-	-	-
<b>Grand total</b>	<b>85,420</b>	<b>5,115,029</b>	<b>5,787.0</b>	<b>5.9</b>	<b>4.8</b>	<b>4.8</b>	<b>5.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* includes commercial properties and serviced flats. The IFRS carrying amount includes project developments totalling EUR 62.7 million.

\*\* incl. effects from changes in vacancy rates

## Development of business activities in Poland

Based on an average exchange rate of the Polish zloty (PLN) to the euro for the first nine months of 2023 of 4.58:1 (prior-year period: 4.67:1), revenue from property sales in Poland totalled EUR 198.5 million after EUR 98.4 million in the same period of the previous year. With cost of sales of EUR 173.2 million (prior-year period: EUR 92.8 million), the result from sales totalled EUR 16.3 million (prior-year period: EUR 5.5 million). Adjusted for purchase price allocation effects of EUR 32.8 million (prior-year period: EUR 20.8 million), the result from sales would have totalled EUR 49.1 million (prior-year period: EUR 26.3 million).

In total, sales of 2,877 flats were notarised in the first nine months of the 2023 financial year (prior-year period: 1,306) and 1,502 flats were handed over to buyers (prior-year period: 1,000).

The result from disposals also includes a loss of EUR 2.5 million (adjusted for purchase price allocation effects: gain of EUR 13.8 million) from property transfers to joint ventures established with a financial investor at the end of the second quarter of 2023.

Rental income (net actual rents) of EUR 7.7 million was generated in Poland in the nine-month period ending 30 September 2023, compared to EUR 1.9 million in the same period of the previous year. With rental expenses of EUR 0.7 million (same period of the previous year: EUR 0.1 million), rental income totalled EUR 7.0 million (same period of the previous year: EUR 1.8 million). As at the reporting date, 2,230 units were let (same period of the previous year: 510). The vacancy rate in the rental portfolio in Poland was 3.7% as at 30 September 2023 (same period of the previous year: 6.3%). Like-for-like rental growth for flats that have been in the letting phase for at least one year was 12.4% p.a. after 11.5% p.a. in the same period of the previous year.

An overview of the portfolio in Poland as at 30 September 2023 is as follows:

Region	Total units	Units completed	Units under construction	Landbank (possible units)	Area in sqm	09/30/2023 Fair value in EUR m**
Wrocław	3,739	1,190	420	2,129	179,613	206.6
Poznań	3,247	834	364	2,049	154,071	151.1
Warsaw	1,331	–	–	1,331	66,481	9.5
Tricity	957	–	–	957	43,947	48.5
Łódź	1,432	257	278	897	64,293	55.5
Other	334	–	–	334	53,754	21.6
<b>Units build to hold</b>	<b>11,040</b>	<b>2,281</b>	<b>1,062</b>	<b>7,697</b>	<b>562,159</b>	<b>492.9</b>
Wrocław	3,488	–	1,038	2,450	200,811	85.1
Poznań	2,397	–	556	1,841	122,647	76.7
Warsaw	8,668	–	2,318	6,350	439,890	233.0
Tricity	5,665	–	1,762	3,903	298,116	322.0
<b>Units build to sell</b>	<b>20,218</b>	<b>–</b>	<b>5,674*</b>	<b>14,544</b>	<b>1,061,464</b>	<b>716.7</b>
<b>Total portfolio</b>	<b>31,258</b>	<b>2,281</b>	<b>6,736</b>	<b>22,241</b>	<b>1,623,623</b>	<b>1,209.6</b>

\* thereof 383 completed units not yet sold

\*\* fair value excluding projects in joint ventures

Details of the polish rental portfolio are as follows:

Region	Units	Rentable area sqm	IFRS Fair Value Sep-2023 in EUR m	In- place yield in %	Vacancy Sep-2023 in %	Vacancy Dec-2022 in %	Net actual rent EUR/sqm*	I-f-I rental growth (y-o-y) in %
<b>Residential units in operation &gt; 1 year</b>	<b>695</b>	<b>29,961</b>	<b>71.3</b>	<b>6.0</b>	<b>2.3</b>	<b>3.9</b>	<b>12.1</b>	<b>12.4</b>
Wrocław	546	22,371	55.3	6.1	2.8	3.9	12.9	13.3
Poznań	149	7,590	16.0	5.7	0.8	0.0	10.1	10.1
<b>Residential units in operation &lt; 1 year</b>	<b>1,535</b>	<b>66,253</b>	<b>164.1</b>	<b>-</b>	<b>1.2</b>	<b>50.2</b>	<b>12.2</b>	<b>-</b>
Wrocław	603	25,654	70.8	-	1.2	54.6	14.4	-
Poznań	677	29,868	69.8	-	1.3	29.5	10.7	-
Łódź	255	10,731	23.5	-	0.4	91.8	10.8	-
<b>Total residential units</b>	<b>2,230</b>	<b>96,214</b>	<b>235.4</b>	<b>-</b>	<b>1.5</b>	<b>35.4</b>	<b>12.2</b>	<b>-</b>
Commercial units	51	5,813	15.0	-	39.9	57.9	14.7	-
<b>Total portfolio</b>	<b>2,281</b>	<b>102,027</b>	<b>250.4</b>	<b>-</b>	<b>3.7</b>	<b>35.8</b>	<b>12.3</b>	<b>-</b>

\* based on a PLN/EUR exchange rate of 0.2161 as at 30 September 2023

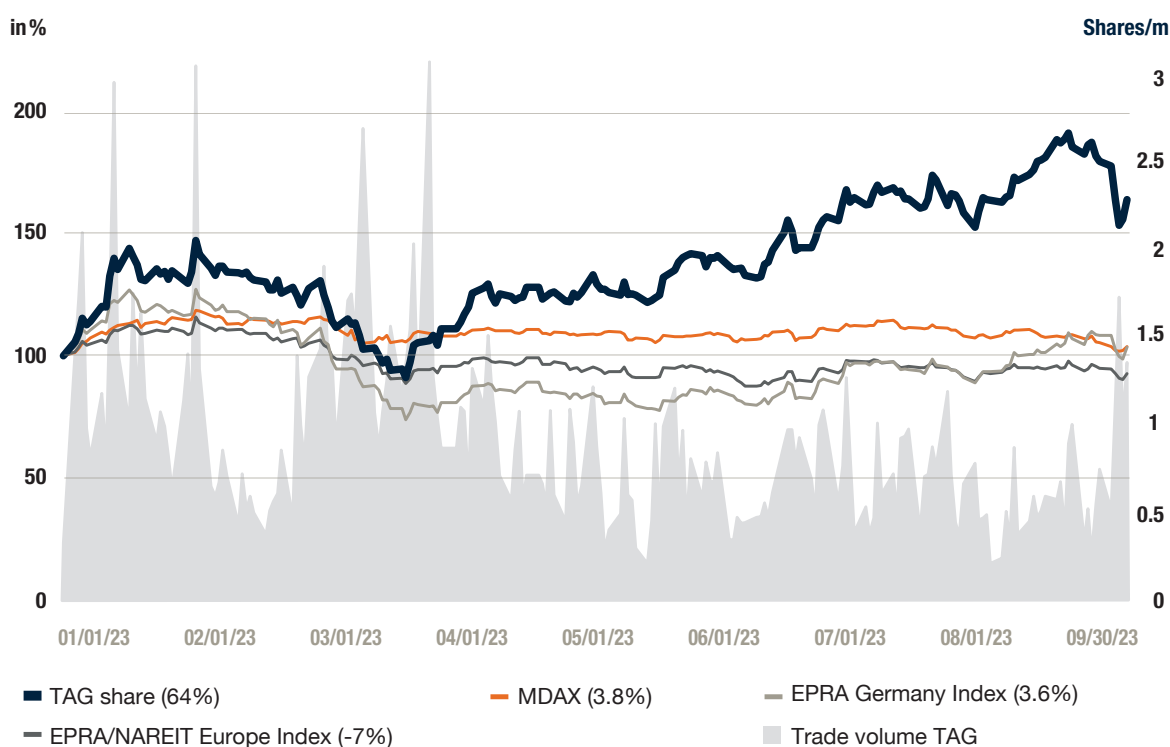
## THE TAG SHARE AND THE CAPITAL MARKET

### Share performance

The positive performance of the TAG share continued in the third quarter of 2023. Starting from a closing price of EUR 6.05 at the end of 2022, the MDAX-listed share traded at EUR 9.93 (+64%) in the closing auction on 30 September 2023. The high was EUR 11.57 in mid-September 2023 (14 September 2023) and the low was EUR 5.52 on 28 March 2023.

The EPRA index, which is made up of various European property companies listed on international stock exchanges, fell by around 7% in the first nine months of 2023.

At national level, the MDAX index increased by 3.8%, while the EPRA Germany index, which comprises the main German property stocks, increased by 3.6%, as shown in the chart below:

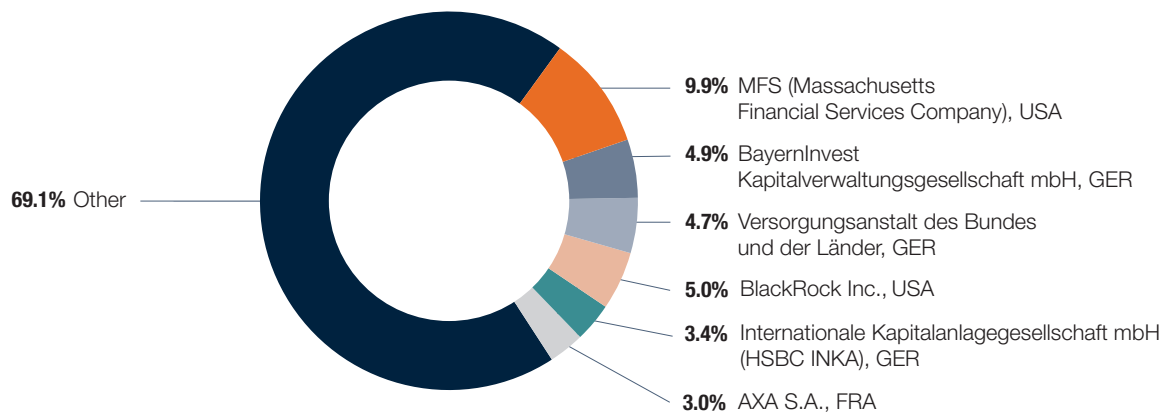


## Share capital and shareholder structure

TAG's market capitalisation at 30 September 2023 was EUR 1.7 bn, compared to EUR 1.1 bn at 31 December 2022. The share capital and the number of shares remained unchanged at EUR 175,489,025 and 175,489,025 respectively at 30 September 2023.

The free float was 99.97% of the share capital as of the reporting date. 0.03% of the share capital (47,434 shares as of 30 September 2023 after 47,434 shares as of 31 December 2022) is held by TAG as treasury shares for the purposes of Management Board and employee remuneration.

National and international investors with a predominantly long-term investment strategy continue to be TAG's main shareholders, as the following overview (as at 30 September 2023) shows. This is based on the last number of voting rights reported to TAG, meaning that the shareholding could have changed within the respective thresholds without triggering a reporting obligation.



## Dividend

In deviation from the dividend policy of previous years, the Management Board and Supervisory Board of TAG have proposed to the Annual General Meeting on 16 May 2023 that no dividend be distributed for the 2022 financial year. In line with this approach, TAG's Management Board and Supervisory Board plan to propose to the next Annual General Meeting that no dividend payment be made for the 2023 financial year either. The liquidity remaining in the company as a result will be used to further strengthen the capital base and to finance new projects in Poland with high returns. As soon as the capital and transaction markets have normalised again, TAG intends to resume dividend payments.

## Financial rating

As of the date of this report, TAG has credit ratings from the rating agencies Moody's (non-investment grade, Ba1, stable outlook) and S&P Global (investment grade, BBB-, negative outlook). Should TAG no longer be rated as investment grade by S&P Global in the future, with the exception of the 0.5 percentage point increase in the interest rate on promissory note loans with maturities of between three and seven years totalling EUR 74.5 m, this would have no effect on financial liabilities; in particular, there are no financing commitments or financial liabilities that are linked to the existence of at least one investment grade rating.

## **Change in the composition of the Supervisory Board**

At the end of the Annual General Meeting in May 2023, the previous Chairman of the Supervisory Board, Mr Rolf Elgeti, and his deputy on the Supervisory Board, Mr Lothar Lanz, stepped down from the Supervisory Board of TAG Immobilien AG. The Annual General Meeting re-elected Mr Olaf Borkers, Prof Dr Kristin Wellner and Dr Philipp Wagner as members of the Supervisory Board. The Supervisory Board members then elected Mr Borkers as Chairman of the Supervisory Board. At the beginning of October 2023, Mr Eckhard Schultz was appointed by the court as an additional member of TAG's Supervisory Board. The appointment is initially valid until the upcoming Annual General Meeting, which is scheduled for May 2024 and at which Mr Schultz will stand for election by the shareholders.

The employee representatives Ms Fatma Demirbaga-Zobel and Mr Harald Kintzel also stepped down from the Board in May 2023 after their term of office expired. In September 2023, the TAG workforce elected Ms Beate Schulz (Legal Department at the Berlin site) and Mr Björn Eifler (Team Leader Real Estate Management in Chemnitz) as new employee representatives on the Board.

## **Appointment of both Management Board members as Co-CEOs in addition to their existing functions as COO and CFO**

The two members of TAG's Management Board, Ms Claudia Hoyer and Mr Martin Thiel, have been working for the Group as Chief Operating Officer (COO) and Chief Financial Officer (CFO) since 2012 and 2014 respectively, and have been managing the Group as a two-member Management Board since the beginning of 2022. This continuity in the Management Board and joint responsibility is to be continued in the future. Against this backdrop, the Supervisory Board appointed the two Management Board members as Co-CEOs and extended Mr Martin Thiel's Management Board employment contract by a further five years until 31 March 2029. Ms Claudia Hoyer's Management Board employment contract also runs on a long-term basis until 30 June 2027.

## Analyses of operations, financial position and net asset position

### Results of operations

Rental revenue for the first nine months of 2023 breaks down as follows:

Rental income in EUR m	01/01- 09/30/2023	01/01- 09/30/2022
Net rent Germany	254.1	252.3
Pro rata remuneration of property tax and building insurance	14.0	13.0
Net rent Poland	7.7	1.9
<b>Rental income according to IFRS 16</b>	<b>275.8</b>	<b>267.2</b>
External operational and ancillary costs recharged to tenants	69.7	64.8
Pro rata remuneration of property tax and building insurance	3.8	3.3
<b>Costs recharged to tenants according to IFRS 15</b>	<b>73.6</b>	<b>68.1</b>
<b>Total</b>	<b>349.4</b>	<b>335.3</b>

The Group's net actual rent ('cold rent') increased by around 3.0% to EUR 261.8 million in the reporting period compared to the same period of the previous year, including rental growth and reductions from acquisitions in the previous year and from sales in Germany and rental growth from completed flats in Poland. Total rental growth in the Group's residential units in Germany amounted to 2.2% p.a. on a like-for-like basis after 2.5% p.a. in the first three quarters of 2022. The vacancy rate in the Group's residential units in Germany was 4.6% as at 30 September 2023 after 4.5% at the beginning of the year.

The individual items of rental expenses are as follows:

Rental expenses incl. impairment losses in EUR m	01/01- 09/30/2023	01/01- 09/30/2022
Maintenance expenses	26.4	28.5
Non-recoverable charges	10.5	7.4
Ancillary costs of vacant real estate	6.9	7.1
<b>Non-recharged expenses</b>	<b>43.8</b>	<b>43.0</b>
Recharged costs, taxes and insurance	87.6	81.1
<b>Rental expenses</b>	<b>131.4</b>	<b>124.2</b>
Impairment losses on rent receivables	3.4	3.1
<b>Total</b>	<b>134.8</b>	<b>127.2</b>

Net rental income, as the balance of rental income and expenses and impairment losses on rent receivables, improved slightly faster than net actual rental income in the reporting period, rising by 3.2% to EUR 214.6 million compared to EUR 208.0 million in the same period of the previous year.



The proceeds from the sale of properties and the corresponding sales results in Germany and Poland are shown below:

<b>Income from sales in EUR m</b>	<b>01/01/- 09/30/2023</b>	<b>01/01/- 09/30/2022</b>
Revenues from the sale of investment properties	148.2	51.5
Expenses from the sale of investment properties	-147.9	-50.4
<b>Net income from the sale of investment properties</b>	<b>0.2</b>	<b>1.0</b>
Revenues from the sale of properties held as inventory (Germany)	0.0	0.3
Expenses from the sale of properties held as inventory (Germany)	-1.1	-1.4
<b>Net income from the sale of properties held as inventory (Germany)</b>	<b>-1.1</b>	<b>-1.0</b>
Revenues from the sale of properties held as inventory (Poland)	189.0	89.8
Expenses from the sale of properties held as inventory (Poland)	-167.5	-85.4
<b>Net income from the sale of properties held as inventory (Poland)</b>	<b>21.4</b>	<b>4.5</b>
<b>Total</b>	<b>20.5</b>	<b>4.5</b>

The result from the sale of investment properties in Poland was reduced by purchase price allocation effects of EUR 32.8 million (prior-year period: EUR 20.8 million).

The breakdown of service revenues by the TAG Group's services and the proportionate share of property tax and building insurance is as follows:

<b>Income from property services in EUR m</b>	<b>01/01/- 09/30/2023</b>	<b>01/01/- 09/30/2022</b>
Energy services	54.7	32.9
Facility management	14.1	12.7
Multimedia services	7.0	6.9
Craftsmen services	5.1	4.1
Other services Germany	2.4	3.2
Other services Poland	2.2	0.0
Rechargeable land taxes and building insurance	3.0	2.5
<b>Total</b>	<b>88.6</b>	<b>62.3</b>
Impairment losses	-0.7	-0.7
Expenditure of property services	-62.9	-38.9
<b>Net income from property services</b>	<b>25.0</b>	<b>22.8</b>

The following overview summarises the key components of other operating income:

<b>Other operating income in EUR m</b>	<b>01/01- 09/30/2023</b>	<b>01/01- 09/30/2022</b>
Capitalised personnel expenses	8.8	7.6
Revenues from interim usage of project developments	2.0	1.9
Reversal of other provisions	1.8	1.9
Income from sale of fixed assets	0.4	0.3
Derecognition of liabilities	0.3	0.3
Other	2.3	0.8
<b>Total</b>	<b>15.6</b>	<b>12.8</b>

The capitalised personnel expenses include the costs of own employees directly attributable to the construction projects from project development activities in Poland.

The changes in the fair value of investment properties and the valuation of inventory properties of EUR -461.8 million (prior-year period: EUR 274.2 million) are based on the valuation of TAG's entire real estate portfolio as at 30 June 2023 by independent experts. The item mainly relates to investment properties held in the portfolio, with a small amount of additional effects from the valuation of properties held as inventories or properties held for sale. The next full portfolio valuation will take place on 31 December 2023.

Personnel expenses increased to EUR 63.3 million in the reporting period after EUR 55.2 million in the same period of the previous year. This increase is mainly due to the first-time consolidation of ROBYG in the consolidated financial statements as at 31 March 2022 in the previous year. As of 30 September 2023, TAG employed a total of 1,826 people in Germany and Poland, compared to 1,739 at the end of the 2022 financial year.

Depreciation and amortisation of intangible assets and property, plant and equipment of EUR 8.7 million (prior-year period: EUR 8.0 million) mainly includes scheduled depreciation and amortisation, primarily on IT software, on the Group's own office properties, which are to be recognised at amortised cost in accordance with IFRS regulations, and on operating and office equipment and rights of use within the meaning of IFRS 16.

Other operating expenses break down as follows:

<b>Other operational expenditures in EUR m</b>	<b>01/01/- 09/30/2023</b>	<b>01/01/- 09/30/2022</b>
Legal, consulting and auditing costs (incl. IT consulting)	5.7	6.4
Telephone costs, postage, office material	2.0	1.7
Cost of premises	1.9	1.5
IT costs	1.8	1.4
Advertising	1.7	1.1
Travel expenses (incl. motor vehicles)	1.3	1.2
Other ancillary staff costs	1.2	1.1
Project start-up costs Poland	1.2	0.9
Insurance	0.9	0.9
Ancillary costs of monetary transactions	0.7	1.0
Contributions and donations	0.5	0.7
Investor relations	0.2	0.3
Transaction tax ROBYG	0.0	5.1
Other	2.6	1.4
<b>Total</b>	<b>21.8</b>	<b>24.7</b>

Other operating expenses decreased by EUR 2.9 million to EUR 21.8 million in the 2023 financial year, in particular due to the absence of costs in connection with the acquisition of ROBYG in the previous year.

The financial result in the consolidated income statement, as the balance of financial income and financial expenses, deteriorated from EUR -22.6 million to EUR -57.1 million compared to the same period of the previous year, in particular due to higher interest expenses. The remaining other financial result was also positively influenced in the previous year by income from derivatives concluded to hedge variable-interest liabilities. The cash-effective net financial result adjusted for one-off effects, which is relevant for the calculation of FFO, fell from EUR -29.7 million in the previous year to EUR -44.2 million and is calculated as follows::

<b>Financial result in EUR m</b>	<b>01/01/- 09/30/2023</b>	<b>01/01/- 09/30/2022</b>
Effect from currency changes through profit and loss	-0.7	-0.9
Other financial result	-4.7	16.0
Interest income	3.3	1.2
Interest expenses	-55.0	-38.9
<b>Finance income/expenses</b>	<b>-57.1</b>	<b>-22.6</b>
Non-cash finance income/expenses from bonds	2.4	2.5
Premature termination compensation	2.1	3.6
Other non-cash items (e.g. derivatives)	8.3	-13.2
<b>Net finance income/expense (cash, without non-annual recurring effects)</b>	<b>-44.2</b>	<b>-29.7</b>
thereof related to the rental business	-44.3	-29.9
thereof related to the sales business	0.1	0.2

The prepayment penalties and one-off fees in the reporting period include fees in connection with the bridge financing from the acquisition of ROBYG as a significant item. Other non-cash items include, in particular, valuation effects from the valuation of derivatives.

Income taxes are composed as follows:

<b>Income taxes in EUR m</b>	<b>01/01- 09/30/2023</b>	<b>01/01- 09/30/2022</b>
Current income tax expense	-17.0	-12.3
Deferred income taxes	79.0	-64.6
<b>Total</b>	<b>62.1</b>	<b>-76.9</b>

Overall, TAG generated consolidated net income of EUR -274.8 million in the first nine months, compared with EUR 334.9 million in the same period of the previous year. The decline is primarily due to the valuation loss recognised on the investment properties in Germany in the reporting period.

The following table shows the calculation of adjusted EBITDA, FFO I, AFFO (adjusted funds from operations excl. capex except capex for project developments) and FFO II (FFO I incl. net revenue from sales in Germany and adding in the earnings contribution from business activity in Poland) in the present year to date, compared with the same period of the previous year:

in EUR m	01/01/ - 09/30/2023	01/01/ - 09/30/2022
		(adjusted)
EBIT Germany	-304.2	420.0
EBIT Poland (rental)*	5.4	0.0
<b>EBIT Germany and Poland rental</b>	<b>-298.8</b>	<b>420.0</b>
Adjustments		
Valuation result	477.5	-257.7
Depreciation	7.4	7.1
One-offs	0.0	7.3
Net income from sales	-4.2	1.1
<b>EBITDA (adjusted) rental</b>	<b>182.0</b>	<b>177.8</b>
Rental income (net actual rent)	261.8	252.3
<b>EBITDA (adjusted)</b>	<b>69.5%</b>	<b>70.5%</b>
Net finance income (cash, after one-offs)	-44.3	-29.9
Income taxes (cash)	-4.2	-1.8
Minority interests	-0.8	-0.8
<b>FFO I</b>	<b>132.6</b>	<b>145.3</b>
thereof FFO I Germany business	132.3	145.3
thereof FFO I Polish business	0.3	0.0
Capitalised maintenance	-11.3	-9.2
<b>AFFO (before modernisation capex)</b>	<b>121.3</b>	<b>136.1</b>
Modernisation capex	-52.0	-50.6
<b>AFFO</b>	<b>69.3</b>	<b>85.5</b>
Net income from sales Germany	4.2	-1.1
Adjusted net income from sales Poland*	28.0	11.4
<b>FFO II (FFO I + net income from sales)</b>	<b>164.8</b>	<b>155.6</b>
Weighted average number of shares outstanding (in 000)	175,442	153,322
<b>FFO I per share (in EUR)</b>	<b>0.76</b>	<b>0.95</b>
<b>FFO II per share (in EUR)</b>	<b>0.94</b>	<b>1.01</b>
Weighted average number of shares (diluted, in 000)	175,442	153,322
<b>FFO I per share (in EUR)</b>	<b>0.76</b>	<b>0.95</b>
<b>FFO II per share (in EUR)</b>	<b>0.94</b>	<b>1.01</b>

\* In the 2023 financial year, the net rental income in Poland is presented separately; in 2022, this was allocated to all business activities in Poland for reasons of materiality.

Compared to the previous year, FFO I fell by EUR -12.7 million from EUR 145.3 million to EUR 132.6 million, which corresponds to a decrease of -8.7%. Despite a slight year-on-year increase in adjusted EBITDA from EUR 177.8 million to EUR 182.0 million, this development was due in particular to the significantly lower net financial result.

AFFO decreased by EUR -16.2 million compared to the same period of the previous year, from EUR 85.5 million to EUR 69.3 million.

In contrast, FFO II increased by EUR 9.2 million or 5.9% compared to the previous year as a result of the significantly higher adjusted sales result. The adjusted sales result for Poland is calculated as follows:

in EUR m	01/01/ - 09/30/2023	01/01/ - 09/30/2022
<b>EBIT sales Poland*</b>	<b>19.0</b>	<b>14.3</b>
Effects from purchase price allocation	32.8	20.8
Valuation result	-15.8	-16.5
Depreciation	1.2	0.9
<b>EBITDA (adjusted) sales Poland</b>	<b>37.2</b>	<b>19.4</b>
Net financial result (cash, after one-offs)	0.1	0.2
Cash taxes	-8.7	-6.5
Minority interests	-0.7	-1.8
<b>Adjusted net income from sales Poland*</b>	<b>28.0</b>	<b>11.4</b>

\* For the first time with separate presentation of rental income in Poland. Until 2022 the rental business in Poland was included in the total result from business activities in Poland for reasons of materiality.

### Net assets and investments

Total assets fell to EUR 7,658.4 million as at 30 September 2023 after EUR 8,214.6 million as at 31 December 2022. As at 30 September 2023, the carrying amount of the total property volume was EUR 6,996.5 million (31 December 2022: EUR 7,481.4 million), of which EUR 5,787.0 million (31 December 2022: EUR 6,328.8 million) is attributable to German properties and EUR 1,209.6 million (31 December 2022: EUR 1,152.6 million) to properties in Poland.

The carrying amounts of the investment properties amounted to EUR 6,082.6 million (31 December 2022: EUR 6,569.9 million). The carrying amounts of properties held as inventories totalled EUR 733.7 million compared to EUR 714.2 million at the end of the previous year.

The carrying amount of property, plant and equipment decreased from EUR 45.2 million to EUR 36.5 million, mainly due to the sale of an office property used by TAG itself.

Other financial assets increased significantly year-on-year to EUR 55.3 million (previous year: EUR 14.7 million) due to shares in joint ventures in Poland totalling EUR 24.5 million and loans granted to these joint ventures in the amount of EUR 20.9 million.

The majority of property assets continue to consist of investment properties held on a long-term basis, which developed as follows in the reporting period:

<b>Investment properties in EUR m</b>	<b>2023</b>	<b>2022</b>
<b>Amount on 1 January</b>	<b>6,569,9</b>	<b>6,540,4</b>
Purchase through business combinations	0.0	124.8
Additions from real estate acquisitions	0.2	12.8
Portfolio investments	63.0	86.0
Investments in project developments	47.0	137.2
Transferred from intangible assets	0.0	0.3
Transferred from inventory	1.4	0.3
Transferred into inventory	-11.6	-58.7
Transferred to assets held for sale	-132.3	-219.2
Transferred from assets held for sale	69.4	12.1
Sales	-68.5	-9.1
Change in market value	-461.4	-51.6
Currency conversion	5.4	-5.5
<b>Amount on 30 September/ 31 December</b>	<b>6,082.6</b>	<b>6,569.9</b>

In the period under review, TAG spent a total of EUR 89.5m on ongoing maintenance and modernisation in its like-for-like portfolio in Germany, i.e. excluding the acquisitions of the financial year and excluding project developments (prior-year period: EUR 88.0m). EUR 26.2 million (prior-year period: EUR 28.2 million) was spent on maintenance work recognised in profit or loss and EUR 63.3 million (prior-year period: EUR 59.8 million) on modernisation work eligible for capitalisation, which breaks down as follows for the German portfolio:

<b>in EUR m</b>	<b>01/01/ - 09/3</b>	<b>01/01/ - 09/30/2022</b>
Large-scale measures (e.g. modernisation of entire residential complexes)	33.7	32.3
Modernisation of apartments		
Previously vacant apartments	18.3	18.3
Change of tenants	11.3	9.2
<b>Total modernisation costs like-for-like portfolio</b>	<b>63.3</b>	<b>59.8</b>

Broken down by acquisitions, project developments and the residential portfolio including the acquisitions of the financial year, investments in investment properties are as follows:

in EUR m	01/01/ - 09/30/2023	01/01/ - 09/30/2022
Acquisitions in the financial year	0.2	137.4
Project developments	47.0	101.6
thereof capitalised interest	1.2	2.3
like-for-like Portfolio Germany*	63.3	59.8
thereof investments in existing areas	63.3	59.8
Other**	0	0
<b>Total investments in investment properties</b>	<b>110.5</b>	<b>298.8</b>

\* Investments in investment properties EUR 63.0m (previous year: EUR 59.3m), investments in properties held for sale EUR 0.3m (previous year: EUR 0.5m)

\*\* Rent incentives, e.g. rent-free periods for tenants in return for modernisations undertaken by tenants themselves, are of minor importance with a total volume of around TEUR 20 p.a.

Acquisitions include incidental acquisition costs in the German portfolio totalling EUR 0.2 million. In the previous year, additions related to the acquisition of ROBYG totalling EUR 124.8 million and the other acquisitions in the German portfolio totalling EUR 12.6 million. The project developments relate in full to investments in new residential construction in Poland, which is intended to build up the rental business. Including the project developments recognised in inventories, EUR 8.8 million (previous year: EUR 13.5 million) was invested in Germany and EUR 242.7 million (previous year: EUR 261.0 million) in Poland. The modernisation expenses for the like-for-like portfolio only relate to investments in existing space; investments in additional space are of minor importance.

A detailed breakdown of ongoing maintenance expenses and refurbishment and modernisation measures per sqm by region can also be found in the portfolio overview table in the section 'Development of TAG's real estate portfolio in Germany - portfolio in detail' above.

### Financial position and equity

The cash and cash equivalents available as at the reporting date and the cash and cash equivalents presented in the cash flow statement are as follows:

in EUR m	09/30/2023	12/31/2022
Cash and cash equivalents according to consolidated balance sheet	112.4	240.5
Cash and cash equivalents not available at balance sheet date	-1.2	-1.8
<b>Cash and cash equivalents as per consolidated cash flow statement</b>	<b>111.2</b>	<b>238.7</b>

In the first nine months of the 2023 financial year, equity decreased by EUR -274.8 million, mainly due to the negative consolidated result, meaning that total equity amounted to EUR 3,044.1 million as at the reporting date (31 December 2022: EUR 3,307.7 million). The equity ratio as at the reporting date was 39.7% after 40.3% as at 31 December 2022.



The EPRA NTA as of the reporting date was calculated as follows:

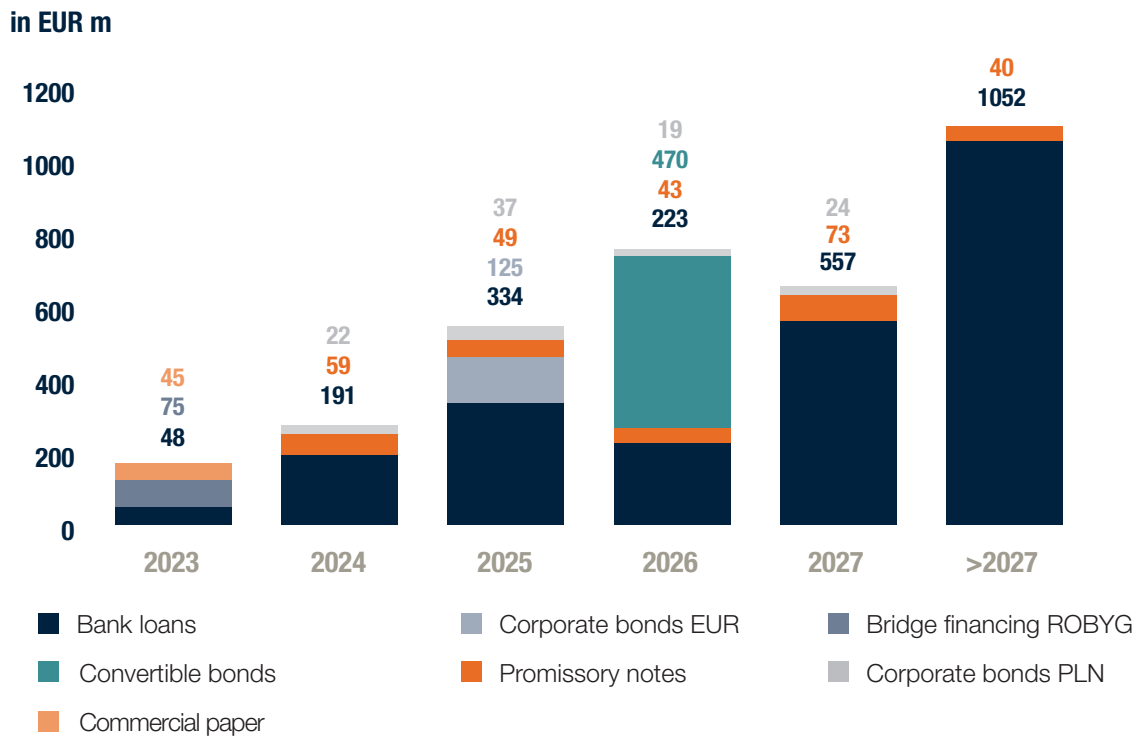
<b>in EUR m</b>	<b>NTA</b> <b>09/30/2023</b>	<b>NTA</b> <b>12/31/2022</b>
Equity (before minorities)	2,955.3	3,198.5
Deferred taxes on investment properties and derivative financial instruments	563.0	638.6
Fair value of derivative financial instruments	-1.5	-6.1
Difference between fair value and book value for properties valued at cost	91.8	74.1
Goodwill	-264.2	-261.3
Intangible assets	-4.1	-4.9
<b>EPRA NTA (fully diluted)</b>	<b>3,340.3</b>	<b>3,638.9</b>
Number of shares (fully diluted, in 000)	175,442	175,442
<b>EPRA NTA per share in EUR (fully diluted)</b>	<b>19.04</b>	<b>20.74</b>

The current conversion price of the convertible bond 2020/2026 issued in August 2020 (outstanding nominal volume of EUR 470.0m as of the reporting date) is higher than the share price, so no dilution effects needed to be taken into account.

The loan-to-value (LTV) ratio is calculated as follows as at the reporting date:

<b>in EUR m</b>	<b>09/30/2023</b>	<b>12/31/2022</b>
Liabilities to banks	2,475.2	2,522.0
Liabilities from corporate bonds and other loans	539.1	798.6
Liabilities from convertible bonds	462.0	460.6
Cash and cash equivalents	-112.4	-240.5
<b>Net financial debt</b>	<b>3,364.0</b>	<b>3,540.8</b>
Investment properties	6,082.6	6,569.9
Property reported under tangible assets	1.9	9.9
Property held as inventory	733.7	714.2
Property reported under non-current assets held for sale	178.2	187.4
<b>Real estate volume (book value)</b>	<b>6,996.5</b>	<b>7,481.4</b>
Book value of property for which purchase prices have already been paid in advance	-5.0	0.0
Difference between fair value and book value for properties valued at cost	132.7	108.4
Shares in joint ventures incl. loans	45.4	0.0
<b>Relevant real estate volume for LTV calculation</b>	<b>7,169.5</b>	<b>7,589.8</b>
<b>LTV</b>	<b>46.9%</b>	<b>46.7%</b>

The maturities of the total financial liabilities as at 30 September 2023 are shown in the following overview:



In the course of the 2023 financial year, significant repayments have so far been made, initially in the form of repayments of a promissory note loan of EUR 100.0 million and a corporate bond of EUR 125.0 million in Germany. The bridge loan taken out to finance the acquisition of ROBYG, which had been drawn down in the amount of EUR 650.0 million in the previous year, amounted to EUR 75.0 million as at the reporting date and was repaid in full after 30 September 2023.

In Poland, a corporate bond of EUR 65.5 million was repaid in the reporting period. In return, a new bond for EUR 24.0 million was placed on the capital market.

The average volume-weighted remaining term of the bank loans was 5.9 years as at the reporting date (31 December 2022: 6.8 years) and that of the total financial liabilities was 4.8 years (31 December 2022: 5.0 years).

The average interest rate for bank loans as at 30 September 2023 was 2.3% (31 December 2022: 2.1%), while the average interest rate for total financial liabilities was 2.3% (31 December 2022: 2.1%). 92% (31 December 2022: 90%) of the total financial liabilities have fixed interest rates.

## FORECAST, OPPORTUNITIES AND RISKS

### Unchanged forecasts for the 2023 financial year

TAG's business activities expose it to various operational and economic opportunities and risks. For more information on this and other details regarding the forecast, please refer to the detailed descriptions in the respective 'Forecast, opportunities and risk report' section of the summarised Group management report for the 2022 financial year. Beyond this, no significant developments have occurred or become apparent that would lead to a different assessment of the opportunities and risks.

Forward-looking statements continue to be subject to risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Many of these risks and uncertainties are related to factors that TAG cannot control, influence or estimate precisely. These include, for example, future market and economic conditions, the behaviour of other market participants, the ability to successfully integrate acquired companies and realise expected synergy effects, and government tax legislation.

The forecasts for the 2023 financial year, which were published for FFO I and the dividend in November 2022 and for FFO II in March 2022, remain unchanged and are as follows:

- **FFO I: EUR 170–174 million** (2022: EUR 189.4 million, around -9% compared to the previous year) or EUR 0.98 per share (2022: EUR 1.19, around -18% compared to the previous year)
- **FFO II: EUR 240–246 million** (2022: EUR 247.3 million, around -3% compared to the previous year) or EUR 1.38 per share (2022: EUR 1.56, around -11% compared to the previous year)

The number of shares used for the forecast of FFO I and FFO II per share amounts to the current number of shares outstanding (excluding treasury shares) of 175,441,591. The FFO I forecast was also made on the basis of the existing property portfolio in Germany as at 31 December 2022, i.e. it does not take into account any further acquisitions or sales.

For overall rental growth, i.e. including the effects of vacancy reduction, a value of around 2.0% to 2.5% p.a. (2022: 2.7% p.a.) is assumed for the German portfolio on a like-for-like basis. The vacancy rate in the Group's residential units is expected to decrease by around 0.3% to 0.5% points (2022: decrease of 1.1% points).

In terms of sales activity, FFO II in Poland is expected to see the transfer of at least 3,500 flats in 2023. At least 2,700 flats are expected to be sold in Poland in 2023. Book profits or book losses from the sale of flats in Germany were not assumed for the purposes of the FFO II forecast.

### New forecasts for the 2024 financial year

The following forecasts are made for the first time for the 2024 financial year

- **FFO I: EUR 170–174 million** (2023 forecast: EUR 170-174 million, around +/-0% compared to the previous year) or EUR 0.98 per share (forecast 2023: EUR 0.98, around +/-0% compared to the previous year)
- **FFO II** (FFO I plus sales results): **EUR 217–223 million** (forecast 2023: EUR 240-246 million, around -9% compared to the previous year) or EUR 1.25 per share (forecast 2023: EUR 1.38, around -9% compared to the previous year).

The number of shares used for the forecast of FFO I and FFO II per share amounts to the current number of shares outstanding (excluding treasury shares) of 175,441,591.

The following figures are forecast for the Group's operating results:

- **EBITDA (adjusted) Rental Germany: EUR 218–222 million**  
(forecast 2023: EUR 223–227 million, around -2% compared to the previous year)
- **EBITDA (adjusted) Rental Poland: EUR 11–13 million**  
(forecast 2023: EUR 6–8 million, around 57% compared to the previous year)
- **EBITDA (adjusted) Rental Total: EUR 230–234 million**  
(forecast 2023: EUR 230–234 million, around +/-0% compared to the previous year)
- **EBITDA (adjusted) Sales Poland: EUR 64–70 million**  
(forecast 2023: EUR 100–106 million, around -35% compared to the previous year)
- **Adjusted sales result Poland: EUR 46–52 million**  
(forecast 2023: EUR 72–78 million, around -35% compared to the previous year)

Book profits or book losses from the sale of flats in Germany were not assumed for the purposes of the FFO II forecast.

FFO I is expected to remain constant in 2024 compared to 2023. A slight reduction in operating income from the German letting business, which is mainly due to the sale of flats in the financial year and the previous year, can be offset by rising operating income from the growing letting portfolio in Poland. While a reduction in interest expenses is expected as a result of the repayment of the bridge financing from the acquisition of ROBYG, this will be offset by slightly higher expected income taxes (mainly due to further utilisation of tax loss carryforwards in Germany), which will reduce earnings.

The expected decline in FFO II results from a forecast lower sales result in Poland. Results from the sale of flats are recognised in the balance sheet when they are handed over. As the majority of sales take place before construction begins or during the construction phase, which lasts a good 18 months, this result essentially reflects the weaker sales figures for 2022. The forecast number of flat handovers in Poland in 2024 is therefore reduced to at least 3,000 flats (forecast 2023: at least 3,500). With regard to sales, at least 3,000 flats are expected to be sold in Poland in 2024 (forecast 2023: at least 2,700). In the years from 2025 onwards, more flat handovers and thus higher sales results can be expected again due to the rising sales figures. The adjusted result from sales in Poland is calculated from EBITDA (adjusted) from sales in Poland after interest and taxes and is recognised directly in FFO II.

For overall rental growth, i.e. including the effects of vacancy reduction, a value of around 2.2% to 2.7% (forecast 2023: 2.0% to 2.5%) p.a. is assumed on a like-for-like basis for the German portfolio in 2024. The vacancy rate in the Group's residential units in Germany is expected to fall by around 0.2% to 0.4% points in 2024 (2023 forecast: fall of around 0.3% to 0.5% points).

#### **Dividend forecast**

As in the previous year, the Management Board and Supervisory Board plan to propose to the next Annual General Meeting in May 2024 that the dividend payment for the 2023 financial year be suspended. The liquidity remaining in the company as a result is to be used to further strengthen the capital base and to finance new projects in Poland with high returns. Dividend payments are to be resumed as soon as the capital and transaction markets have normalised again. A decision on a proposal for the dividend payment for 2024 will not be made until the end of next year at the earliest and will depend on the market conditions prevailing at that time.

#### **SUBSEQUENT EVENTS**

The bridge loan taken out by TAG Immobilien AG to acquire all shares in ROBYG S.A., which was still utilised in the amount of EUR 75 million as of 30 September 2023, was repaid early in October 2023. The original term of the agreement ended in January 2024 at the latest.

Hamburg, 13 November 2023

**Claudia Hoyer**  
**(COO, Co-CEO)**

**Martin Thiel**  
**(CFO, Co-CEO)**

## CONSOLIDATED BALANCE SHEET

Assets in TEUR	09/30/2023	12/31/2022
<b>Non-current assets</b>		
Investment properties	6,082,596	6,569,912
Intangible assets	268,259	266,174
Property, plant and equipment	36,542	45,231
Rights of use assets	18,393	12,702
Other financial assets	55,340	14,737
Derivative financial instruments	4,309	5,172
Deferred taxes	23,540	22,208
	<b>6,488,979</b>	<b>6,936,136</b>
<b>Current assets</b>		
Property held as inventory	733,728	714,188
Other inventories	2,004	95
Trade receivables	35,842	26,082
Income tax receivables	10,396	11,785
Derivative financial instruments	2,025	5,215
Other current assets	94,802	93,193
Cash and cash equivalents	112,404	240,493
	<b>991,201</b>	<b>1,091,051</b>
<b>Non-current assets held for sale</b>	<b>178,243</b>	<b>187,417</b>
	<b>7,658,422</b>	<b>8,214,604</b>

<b>Equity and liabilities in TEUR</b>	<b>09/30/2023</b>	<b>12/31/2022</b>
<b>Equity</b>		
Subscribed capital	175,442	175,442
Share premium	682,797	682,797
Other reserves	2,156	-24,133
Retained earnings	2,094,862	2,364,372
Attributable to the equity holders of the parent company	2,955,255	3,198,476
Attributable to non-controlling interests	88,889	109,263
	<b>3,044,144</b>	<b>3,307,739</b>
<b>Non-current liabilities</b>		
Liabilities to banks	2,182,791	2,109,347
Liabilities from corporate bonds and other loans	428,885	463,226
Liabilities from convertible bonds	461,732	459,606
Derivative financial instruments	4,843	4,335
Retirement benefit provisions	4,005	4,281
Other non-current liabilities	58,390	43,372
Deferred taxes	643,708	716,185
	<b>3,784,355</b>	<b>3,800,353</b>
<b>Current liabilities</b>		
Liabilities to banks	292,453	412,691
Liabilities from corporate bonds and other loans	110,221	335,391
Liabilities from convertible bonds	288	1,022
Income tax liabilities	9,844	8,516
Other provisions	49,727	46,763
Trade payables	64,920	79,348
Other current liabilities	302,471	222,782
	<b>829,924</b>	<b>1,106,512</b>
<b>Liabilities associated with non-current assets held for sale</b>	<b>0</b>	<b>0</b>
	<b>7,658,422</b>	<b>8,214,604</b>

## CONSOLIDATED INCOME STATEMENT

in TEUR	01/01/ - 09/30/2023	01/01/ - 09/30/2022
Rental income	349,366	335,252
Impairment losses	-3,355	-3,054
Rental expense	-131,413	-124,157
<b>Net rental income</b>	<b>214,599</b>	<b>208,042</b>
Revenues from the sale of real estate	337,126	141,635
Expenses on the sale of real estate	-316,606	-137,172
<b>Sales result</b>	<b>20,520</b>	<b>4,463</b>
Revenue from services	88,551	62,328
Impairment losses	-678	-676
Expenses from services	-62,923	-38,892
<b>Services result</b>	<b>24,950</b>	<b>22,761</b>
Other operating income	15,635	12,838
Fair value changes in investment properties and valuation of properties held as inventory	-461,766	274,209
Personnel expenses	-63,258	-55,247
Depreciation/amortisation	-8,667	-7,983
Other operating expenses	-21,839	-24,740
<b>EBIT</b>	<b>-279,826</b>	<b>434,342</b>
Other financial results	-5,399	403
Interest income	3,349	15,940
Interest expenses	-55,005	-38,934
<b>EBT</b>	<b>-336,881</b>	<b>411,751</b>
Income taxes	62,073	-76,902
<b>Consolidated net income</b>	<b>-274,808</b>	<b>334,849</b>
attributable to non-controlling interests	-5,298	11,795
attributable to equity holders of the parent company	-269,510	323,054
<b>Earnings per share (in EUR)</b>		
Basic earnings per share	-1.57	2.18
Diluted earnings per share	-1.57	1.97



## CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ - 09/30/2023	01/01/ - 09/30/2022
Consolidated net income	-274,808	334,850
Net interest income / expenses through profit and loss	51,655	22,994
Current income taxes through profit and loss	16,968	12,261
Depreciation	8,667	7,983
Other financial income	5,399	-403
Fair value changes in investment properties and valuation of properties held as inventory	461,766	-274,209
Result from the disposal of investment properties	-211	-1,033
Result from the disposal of tangible and intangible assets	-205	0
Impairments accounts receivables	4,032	3,730
Changes to deferred taxes	-79,041	64,641
Changes in provisions	2,688	-17,543
Interest received	3,236	1,188
Interest paid	-41,361	-39,435
Income tax payments and refunds	-14,481	6,929
Changes in receivables and other assets	-69,052	-88,057
Changes in payables and other liabilities	15,647	30,503
<b>Cash flow from operating activities</b>	<b>90,900</b>	<b>64,397</b>
Payments received from the disposal of investment properties (less selling costs)	179,816	51,683
Payments made for the purchase of subsidiaries	0	-401,430
Payments made for foreign currency hedging transactions	0	-12,235
Payments made for investments in investment properties	-111,917	-174,173
Payments received from other financial assets	548	669
Payments received from the disposal of intangible assets and property, plant and equipment	16,695	463
Payments made for investments in intangible assets and property, plant and equipment	-4,890	-5,969
Payments received from the disposals of subsidiaries (net)	21,562	0
<b>Cash flow from investing activities</b>	<b>101,814</b>	<b>-540,992</b>
Proceeds from the issuance of new shares	0	201,824
Transaction costs related to the issuance of new shares	0	-10,979
Payments made for the purchase of minority interests	0	-2
Payments made for the repayment of corporate bonds and other loans	-518,094	0
Proceeds from the issuance of corporate bonds and other loans	256,990	89,473
Dividends paid	0	-136,153
Distribution to minority investors	-4,915	-4,027
Proceeds from new bank loans	398,448	893,526
Repayment of bank loans	-448,399	-567,777
Repayment of lease liabilities	-6,010	-1,779
<b>Cash flow from financing activities</b>	<b>-321,980</b>	<b>464,106</b>
Net change in cash and cash equivalents	-129,266	-12,489
Cash and cash equivalents at the beginning of the period	238,690	94,100
Foreign currency exchange effects	1,797	-3,843
<b>Cash and cash equivalents at the end of the period</b>	<b>111,221</b>	<b>77,767</b>

## TAG FINANCIAL CALENDAR 2023/2024

### PUBLICATIONS / EVENTS

12 March 2024	Publication of Annual Report 2023
25 April 2024	Publication of Sustainability Report 2023
14 May 2024	Publication of Interim Statement Q1 2024
28 May 2024	Annual General Meeting
13 August 2024	Publication of Half Year Report 2024
13 November 2024	Publication of Interim Statement Q3 2024

### CONFERENCES

09–10 January 2023	ODDO BHF Forum (virtual)
12 January 2023	Barclays European Real Estate Conference, London
17 January 2023	Kepler Cheuvreux 22nd German Corporate Conference (GCC), Frankfurt
09–10 March 2023	16th European Property Seminar – Van Lanschot Kempen, New York
23 March 2023	Bank of America EMEA Real Estate CEO Conference, London
25 May 2023	Kempen's 21st European Property Seminar, Amsterdam
06 September 2023	EPRA Conference, London
18 September 2023	Berenberg Goldman Sachs 12th. GCC, Munich
19 September 2023	Baader Investment Conference, Munich
16 November 2023	Kepler Cheuvreux European Real Estate Conference, London
22 November 2023	20th London Conference – Van Lanschot Kempen, London
28 November 2023	UBS Global Real Estate CEO/CFO Conference, London



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