INTERIM STATEMENT 2022

ON THE 1ST QUARTER

GROWING CASHFLOWS

TAG Immobilien AG

GROUP FINANCIALS

in EUR m

Income statement key figures	01/01 - 03/31/2022	01/01 - 03/31/2021
Rental income (net actual rent)	84.3	83.1
EBITDA (adjusted)	58.9	57.0
Consolidated net profit	32.3	34.5
FFO I per share in EUR	0.33	0.31
FFO I	47.8	45.6
AFFO per share in EUR	0.22	0.21
AFFO	32.5	31.3
FFO II per share in EUR	0.31	0.33
FFO II	45.8	48.6

Balance sheet key figures	03/31/2022	12/31/2021
Total assets	8,236.8	7,088.6
Equity	3,157.1	3,129.5
Equity ratio in %	38.3	44.1
LTV in %	47.3	43.2
EPRA Net Tangible Assets (NTA) per share in EUR	24.13	25.54

Portfolio data	03/31/2022	12/31/2021
Units Germany	87,539	87,576
Units Poland (secured pipeline)	37,294	12,557
GAV (real estate assets in total)	7,483.2	6,735.3
GAV Germany (real estate assets)	6,396.2	6,387.4
GAV Poland (real estate assets)	1,087.0	347.9
Vacancy in % (total Germany)	6.0	5.7
Vacancy in % (residential units Germany)	5.7	5.4
l-f-l rental growth in % Germany	1.4	1.5
l-f-l rental growth in % (incl. vacancy reduction) Germany	1.5	1.3

Employees	03/31/2022	03/31/2021
Number of employees	1,910	1,360

Capital market data	
Market cap at 3/31/2022 in EUR m	3,010.5
Share capital at 3/31/2022 in EUR	146,498,765
WKN/ISIN	830350/DE0008303504
Number of shares at 3/31/2022 (issued)	146,498,765
Number of shares at 3/31/2022 (outstanding, without treasury shares)	146,400,831
Free Float in % (without treasury shares)	99.93%
Index	MDAX/EPRA

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BUSINESS DEVELOPMENT

BUSINESS PERFORMANCE IN THE FIRST THREE MONTHS OF THE 2022 FINANCIAL YEAR

Fundamentals of the Group

TAG Immobilien AG (also referred to as 'TAG' or the 'Group' in the following) is a Hamburg-based property company focused 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, in Poland as well. Overall, at 31 March 2022, TAG managed around 87,500 residential units in Germany (31 December 2021: around 87,600). Rental activities in Poland commenced in mid-2021; here, TAG managed around 500 (31 December 2021: around 400) rental flats as at 31 March 2022. As of the reporting date, following the acquisition of Warsaw-based ROBYG S.A. ('ROBYG'), Poland's largest residential developer, which took effect on 31 March 2022, the portfolio in Poland comprises around 700 completed flats (of which approx. 500 are rental flats and approx. 200 flats earmarked for sale) and a contractually secured project pipeline for the construction of a further approximately 36,600 units (31 December 2021: approximately 12,100 units), of which approximately 18,500 (31 December 2021: approximately 8,800 units) are intended for long-term portfolio retention and approximately 18,100 (31 December 2021: approximately 3,300) units are intended for sale.

TAG Immobilien AG shares are listed on the MDAX of the Frankfurt Stock Exchange, with a market capitalisation of EUR 3.0bn as of 31 March 2022 (31 December 2021: EUR 3.6bn).

TAG's business model is the long-term letting of flats. All functions essential to property management are carried out by its own employees. The Company also provides caretaker services and craftsman services for its own portfolio. It rents out inexpensive housing that appeals to broad sections of the population. The Group's own multimedia company supports the provision of multimedia services to tenants and expands the range of services offered in connection with property management. Energy management is pooled in a subsidiary and comprises the supply of commercial heating to 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.

In Germany, TAG invests primarily in medium-sized towns and in the vicinity of large metropolitan areas, as this is where potential for growth and in particular better opportunities for returns are seen, compared with investments in the big cities. The newly acquired portfolios usually have higher vacancy rates, which are then reduced following their acquisition, through targeted investments and proven asset-management concepts. In Germany, investments are made almost exclusively in regions where TAG already manages assets, so as to make use of existing management structures. Also, knowledge of the local market is essential when acquiring new portfolios.

Besides long-term property management, the Group selectively exploits sales opportunities in order to reinvest the realised capital appreciation and liquidity into new portfolios with higher yields. This strategy of 'capital recycling' is TAG's response to the intense competition for German residential real estate, and puts a focus on returns per share. Growth in absolute orders of magnitude is not at the forefront of the corporate strategy in Germany. Instead, the aim is to practice sustained, active portfolio management so as to offer tenants affordable housing, and investors growing cash flows through attractive dividends.

At the beginning of the 2020 financial year, TAG regionally expanded its portfolio into Poland. Vantage Development S.A. ('Vantage'), a real estate developer based in Wrocław, formed the first platform for the further development of the Polish market, which focuses on building up a Group-owned portfolio of apartments in Poland and currently also includes the ongoing sale of units already planned and to be constructed. As of the reporting date, Vantage had a secured pipeline for the construction of approximately 12,500 flats. On 31 March 2022, Vantage acquired all shares in ROBYG S.A., significantly expanding its market presence in the Polish residential market; as of that date, the secured pipeline was expanded by a further 24,800 flats.

The growing Polish residential real estate market is the target of a regional expansion of TAG's business model which here, too, focuses on strong cash returns (i.e. FFO returns in relation to the equity invested). The Polish residential for-rent market is characterised by a supply shortage. It is considered one of the least saturated residential markets in Europe, with a shortage that already exceeds 3.5 million units (OECD database). Furthermore, the absolute size of the Polish market (approx. 38 million inhabitants, fifth-largest EU country by population), coupled with a growing service sector and favourable demographic trends ('Generation Rent'- a growing preference for rental housing) supports TAG's market entry in Poland. The Management Board expects that early market entry can give TAG a competitive advantage in terms of scope, market knowledge, market penetration, and market position.

The acquisition of ROBYG expands TAG's platform in the fast-growing Polish residential rental 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 medium-term growth target is to build up a portfolio of around 19,000 residential rental units in Poland within the next six to seven years, while continuing its existing sales activities in Poland. Capital spending will be focused on new construction in large cities with favourable population trends, proximity to universities, and a well-developed infrastructure.

BUSINESS REPORT

The overall economic situation in Germany

Since the end of February 2022, the economic impact of the war in Ukraine has increasingly influenced economic development, and forecasts are subject to greater uncertainty. According to the Ifo Business Climate Index, the mood in the German economy has stabilised at a low level, with the index rising to 91.8 points in April from 90.8 points in March. After the initial shock of the Russian attack on Ukraine, the German economy is proving resilient. Nonetheless, the Ifo Institute's economic forecast remains cautious: Two scenarios were considered for the forecast so as to take into account the imponderables with regard to the further course of the Russian-Ukrainian war: The base scenario assumes only a temporary increase in commodity prices, supply bottlenecks, and uncertainty. In the alternative scenario, the situation initially worsens before a gradual easing might set in from the middle of the year. Under these assumptions, GDP is likely to rise by only 3.1% (baseline scenario) and 2.2% (alternative scenario) this year, noticeably less than previously expected (3.7%). However, the dangers of a further escalation in the Ukraine war could increasingly burden economic development.

The interest rate for the main refinancing transactions as well as the interest rates for the marginal lending facility and the deposit facility were left unchanged by the European Central Bank (ECB) in April 2022 at 0.00%, 0.25% and -0.50% respectively. The development of the key ECB interest rates continues to be guided by the ECB Governing Council's forward guidance and its strategic commitment to stabilise inflation at 2% over the medium term. Nevertheless, the first months of 2022 saw a significant rise in interest rates on the capital markets, as investors are already pricing in interest rate hikes from the ECB. For the full year 2022, an average inflation rate of 5.7% is currently assumed in view of the increased energy and commodity costs. In the short term, inflation will continue to stabilise at a high level. Not until 2023 is a certain degree of normalisation assumed and an inflation rate of 2.2% estimated. It remains to be seen what the ECB's monetary policy course in the further course of the year will be in order to curb the high inflation.

According to analyses by CBRE Research, the German real estate investment market remains in the focus of investors given the further increase in exogenous risks, as these investments are classified as being sustainable and having secure long-term cash flows. However, decision-making processes could be prolonged in view of the higher exogenous risk parameters, especially with regard to the interest rate environment.

The overall economic situation in Poland

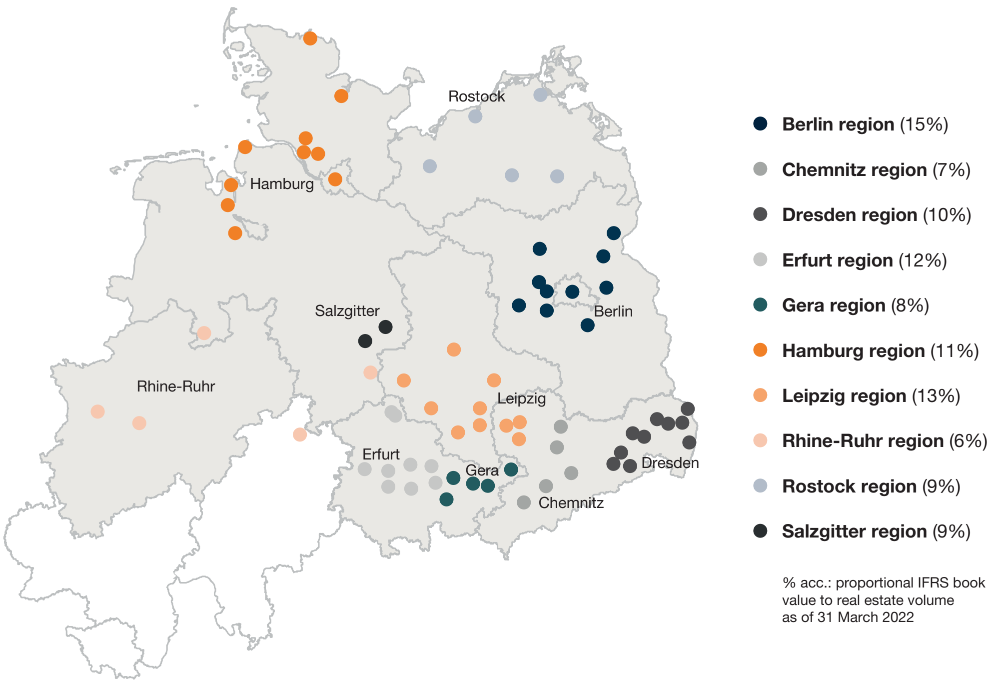
In Poland, the outlook for the economy remains fundamentally positive. In its autumn forecast, however, the European Commission corrected its outlook slightly downwards, forecasting real GDP growth of plus 5.2% for 2022, after having forecast plus 5.4% in summer 2021. Meanwhile, Poland's central bank made more significant corrections, lowering its outlook for GDP growth in 2022 from 5.4% to 4.9%.

In reports from the end of April 2022, the German-Polish Chamber of Industry and Commerce (AHK Poland) does not describe any indications that Poland is losing its appeal. It is true that the war in Ukraine initially led to uncertainty among investors, which had less to do with Poland and more to do with the general global situation and cost risks. However, after a reassessment of the situation by the companies, it is being observed that projects put on hold are being taken up again. Investors consider it very advantageous that Poland is firmly integrated into international organisations such as NATO and the EU.

Development of the TAG portfolio in Germany

Overview

At the end of the first quarter of 2022, TAG's real estate portfolio in Germany comprised around 87,500 flats. The focus is on the management of attractive yet affordable housing, keeping a close eye on our social responsibility towards our tenants. The regional focus is mainly on Northern and Eastern Germany, distributed as follows:



Portfolio data	03/31/2022	12/31/2021
Units	87,539	87,576
Floor space in sqm	5,256,617	5,263,883
Real estate volume in EUR m*	6,396.2	6,387.4
Annualised net actual rent in EUR m p.a. (total)	335.9	335.8
Net actual rent in EUR per sqm (total)	5.67	5.64
Net actual rent in EUR per sqm (residential units)**	5.56	5.55
Vacancy in % (total)	6.0	5.7
Vacancy rate in % (residential units)	5.7	5.4
I-f-I rental growth in %	1.4	1.5
I-f-I rental growth in % (incl. vacancy reduction)	1.5	1.3

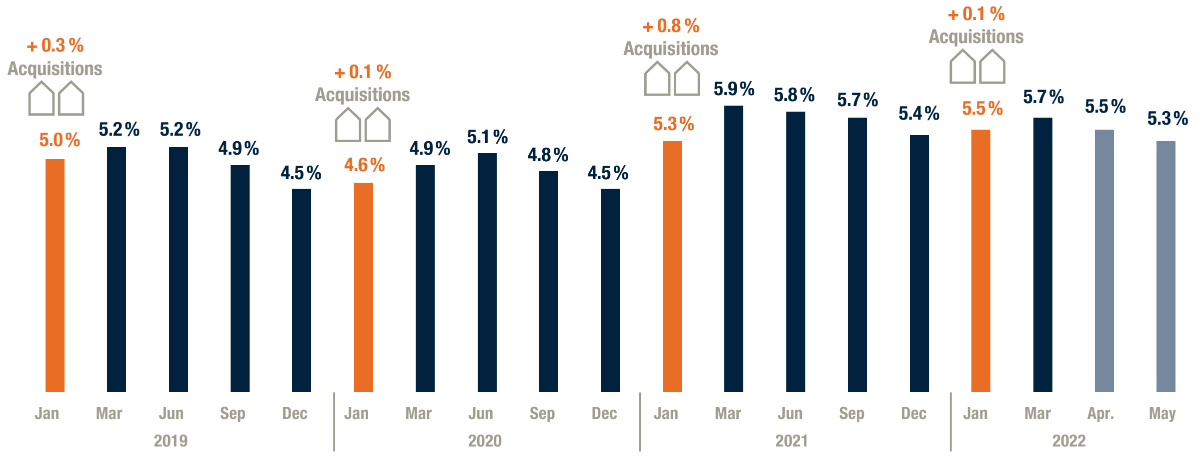
* EUR 7,483.2m total property volume (of which EUR 1,087.0m is accounted for by properties in Poland)
** without acquisitions

Purchases and sales in Germany in the first three months of the 2022 financial year
There were no purchases made for the German portfolio in the first three months of the 2022 financial year.

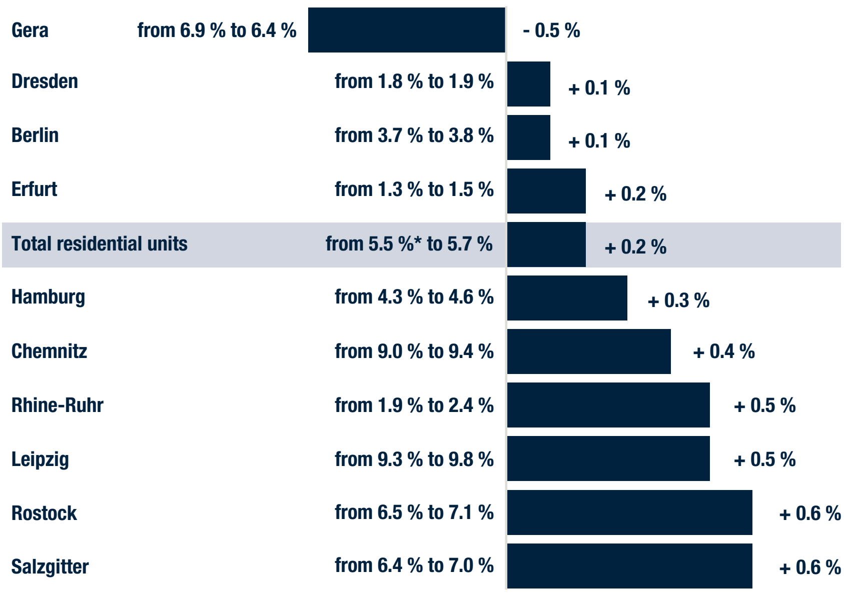
Sales contracts for 321 flats were notarised in the first quarter of 2022. The total sales price and net cash proceeds from this amounted to EUR 12.9m, or 12.8 times the annual net actual rent. A slight book loss of EUR 0.3m is expected from these disposals. The average vacancy of the sold flats is approx. 15%.

Vacancy
At the beginning of the 2022 financial year, there was a slight, 0.2-percentage point increase in vacancy in the Group's residential units, to 5.7% in March 2022. This increase is easily explained by seasonal factors, as a look back at the first quarters of previous years shows, since an above-average number of tenants regularly move out of their flats during this period, and the letting business tends to be slow down at the end of a financial year. However, by April 2022, vacancy rate had already been reduced and was back at 5.5% the value at the beginning of the year. At the beginning of May 2022, vacancy had been further reduced and was approx. 5.3%. So TAG is very well positioned with regard to the full-year forecast issued for FY 2022, which envisages a vacancy reduction of between 0.3 and 0.5 percentage points.

The following chart illustrates the development of vacancy in the Group's residential units in the financial years since 2019 and in the first four months of the 2022 financial year:



The German regions managed by TAG contributed to the development of vacancy in the first quarter of 2022 as follows (change in percentage points since the beginning of the financial year):



* as of 1 January 2022

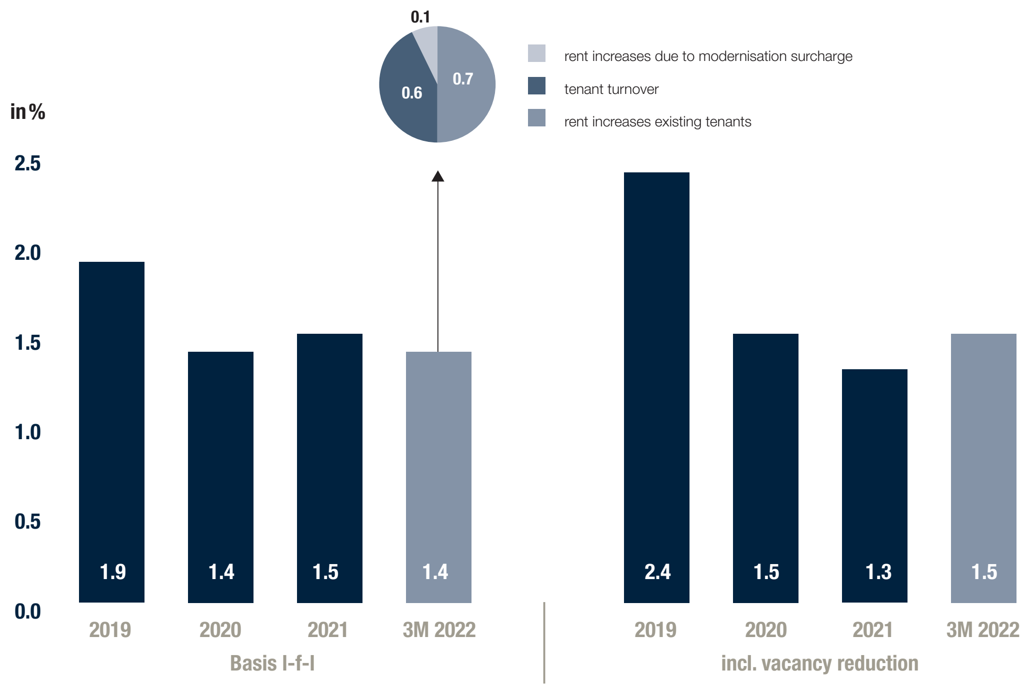
In the overall German portfolio, which also includes some commercial units within the residential portfolio, vacancy rate as of 31 March 2022 was 6.0 % compared to 5.7% at the end of the previous year.

Growth in rents

On a like-for-like basis (i.e. excluding the acquisitions and disposals of the last twelve months), growth in rents in the Group's residential units in Germany in Q1 2022 was 1.4% compared with 1.5% at the end of the year 2021. This growth in rents of 1.4% consisted of current rent increases for existing tenants (0.7% after 0.6% at the end of the previous year), rent increases in the context of a tenant change (0.6% after 0.8% at the end of the previous year) and rent increases due to modernisation allocations (0.1% after 0.1% at the end of the previous year).

Including the effects from the vacancy reduction, the total growth in rents on a like-for-like basis was 1.5% (1.3% in the 2021 financial year). The forecast for total growth in rents on a like-for-like basis of 1.5% to 2.0% for the full financial year 2022 remains unchanged.

The following chart summarises the development of growth in rents in the 2019 to 2022 financial years:



At EUR 5.56 per sqm, average rent in the residential units of the portfolio in Germany in the first three months of 2022 remained on par with average rent at the end of the 2021 financial year (EUR 5.55 per sqm). In the first quarter of the financial year, new leases were concluded at an average of EUR 5.81 per sqm, and thus also remained at about the level seen at the end of the previous year (EUR 5.82 per sqm).

The portfolio in detail

The following overview shows further details of TAG's real estate portfolio in Germany, by individual region:

Region	Units	Rentable area sqm	IFRS BV EUR m 3/31/2022	In-place yield	Vacancy March 2022	Vacancy Dec. 2021**	Net actual rent EUR / sqm	Reletting rent EUR / sqm	I-f-l rental growth (y-o-y)	Total I-f-l rental growth*** (y-o-y)	Maintenance EUR / sqm	Capex EUR / sqm
Berlin	10,459	605,327	962.3	4.4%	3.8%	3.7%	6.02	6.61	2.1%	2.6%	1.85	4.78
Chemnitz	8,042	472,060	409.4	6.3%	9.4%	8.7%	5.02	5.08	0.9%	0.2%	1.66	2.67
Dresden	6,085	393,836	629.3	4.5%	1.9%	1.8%	6.06	6.28	2.3%	2.6%	0.98	1.61
Erfurt	10,560	595,169	785.7	4.8%	1.5%	1.3%	5.39	5.73	0.9%	1.5%	1.46	1.86
Gera	9,450	548,475	471.6	6.7%	6.4%	6.8%	5.14	5.29	0.8%	1.3%	1.14	3.98
Hamburg	6,951	427,917	671.1	4.4%	4.6%	4.3%	6.03	6.37	2.1%	1.5%	2.85	1.88
Leipzig	13,133	765,743	814.9	5.5%	9.8%	9.3%	5.36	5.66	1.4%	2.1%	1.74	2.66
Rhine-Ruhr	4,132	262,428	387.4	4.5%	2.4%	1.9%	5.69	5.96	1.6%	1.5%	3.61	1.21
Rostock	8,314	466,086	572.1	5.2%	7.1%	6.5%	5.68	5.99	1.7%	0.9%	2.44	5.41
Salzgitter	9,179	563,065	594.4	5.8%	7.0%	6.4%	5.48	5.71	0.8%	0.4%	1.81	2.74
Total residential units	**86,305**	**5,100,106**	**6,298.2**	**5.1%**	**5.7%**	**5.4%**	**5.56**	**5.81**	**1.4%**	**1.5%**	**1.85**	**3.00**
Acquisitions	-	-	-	-	-	22.6%	-	-	-	-	-	-
Commercial units within resi. portfolio	1,089	137,273	-	-	14.3%	14.5%	8.53	-	-	-	-	-
Total residential portfolio	**87,394**	**5,237,379**	**6,298.2**	**5.3%**	**6.0%**	**5.7%**	**5.63**	**-**	**-**	**-**	**-**	**-**
Other*	145	19,238	98.0	4.7%	4.7%	3.7%	13.37	-	-	-	-	-
Grand total	**87,539**	**5,256,617**	**6,396.2**	**5.3%**	**6.0%**	**5.7%**	**5.67**	**-**	**-**	**-**	**-**	**-**

* includes commercial properties and serviced flats. The IFRS book value includes project developments of EUR 35.0m.
** without acquisitions 2021
*** incl. effects from vacancy changes

Development of the business activities in Poland

Acquisition of ROBYG S.A.

On 22 December 2021, TAG signed a purchase agreement through a wholly-owned German subsidiary to acquire all shares in ROBYG S.A. (ROBYG). The transaction became legally effective on 31 March 2022. Since this date, ROBYG has been fully consolidated in the TAG consolidated financial statements. Specifically, this means that while the consolidated income statement, the consolidated statement of comprehensive income, and the consolidated cash flow statement do not yet include any business transactions of ROBYG, the consolidated balance sheet already includes all assets and liabilities of this newly acquired subsidiary.

The initial consolidation resulted in goodwill of EUR 244.8m as at 31 March 2022. This calculation is based on an allocation of the cash purchase price for the shares of EUR 526.0m to the fair values of the assets and liabilities acquired. However, the purchase price allocation is to be considered provisional due to the proximity of the transaction to the reporting date; changes are possible in the course of the 2022 financial year.

The purchase price, possible repayments of existing financial liabilities on the part of ROBYG, and further working capital for ROBYG's investments will be financed with bridge financing of up to EUR 750m provided by four banks. The term of this bridge financing, which was utilised in the amount of EUR 540m as of the reporting date, ends in July 2023.

ROBYG is Poland's largest residential real estate developer, with a focus on the country's big cities. In the past 20 years, the company has completed and handed over more than 26,000 residential units. As of the reporting date, its secured pipeline consists of residential projects in Warsaw, Wrocław, Tricity, and Poznań comprising a total of approximately 24,800 units. Of these, according to TAG's current plans, up to approx. 9,900 units will be held long-term after completion to supplement TAG's rental portfolio in Poland, while the remainder of the development pipeline (approx. 14,900 units) is earmarked for sale. Combined with TAG's existing contractually secured pipeline in Poland of around 9,200 rental flats as at 31 March 2022, the plan is now to build a for-rent portfolio of around 19,000 flats in Poland over the next six to seven years. ROBYG and Vantage will together form TAG's platform in Poland. The Management Board is confident that Vantage's strong footprint in Wrocław, Poznań, and Łódź, combined with its existing experience in the rental business and ROBYG's strong position in the Warsaw and Tricity markets, give TAG an excellent opportunity to become the leading provider in both the rental and sales segments of the Polish residential real estate market.

Development of the business activities in Poland

Based on an average exchange rate of the Polish zloty (PLN) to the euro of 4.623:1 in the first quarter of 2022, revenue from property sales in Poland amounted to EUR 7.6m, after EUR 19.2m in the prior-year period. With production costs amounting to EUR 5.6m (including effects from the purchase price allocation of EUR 0.2m), the result from sales was EUR 2.0m (same period of the previous year: EUR 1.9m).

In total, sales of 68 (previous year: 163) flats were notarised in the first quarter of 2022, and 61 (previous year: 198) flats were handed over to their buyers. The lower number of sales and transfers goes hand in hand with the strategy, already communicated earlier, to focus the business activity on renting rather than selling flats going forward.

As at 31 March 2022, the portfolio in Poland is as follows:

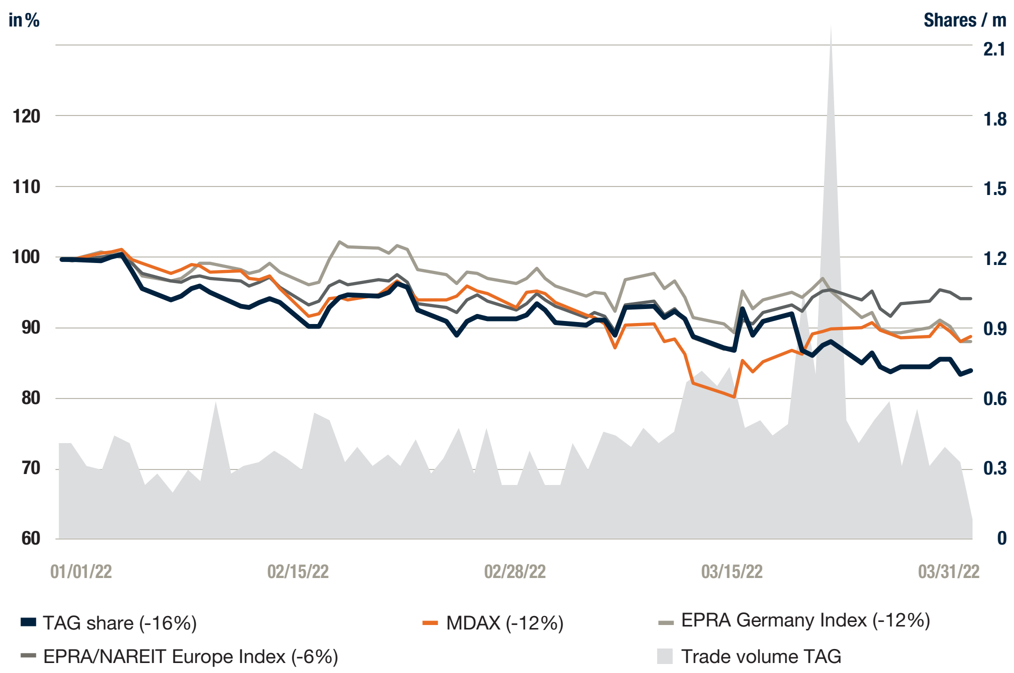
Region	Total units	thereof units completed	thereof units under construction
Wrocław	4,957	369	4,588
Warsaw	4,819	0	4,819
Poznań	4,247	147	4,100
Tricity	3,261	0	3,261
Łódź	1,436	0	1,436
Kraków	243	0	243
Katowice	101	0	101
Units build to hold	**19,064**	**516**	**18,548**
Warsaw	7,365	42	7,323
Tricity	5,059	71	4,988
Wrocław	4,159	54	4,105
Poznań	1,647	0	1,647
Units build to sell	**18,230**	**167**	**18,063**
Total portfolio	**37,294**	**683**	**36,611**

The TAG share and the capital market

The TAG share price, which is listed on Germany's MDAX, was highly volatile in the first quarter of 2022. After closing at EUR 24.61 at year-end 2021, it was quoted at EUR 20.55 (-16%) in the closing auction on 31 March 2022. The high at the beginning of January was EUR 24.56 (03 January 2022), the low at the end of March was EUR 20.55 (31 March 2022).

By comparison, the EPRA index, which comprises various European real estate companies listed on international stock exchanges, declined by 6% in the first quarter of 2022.

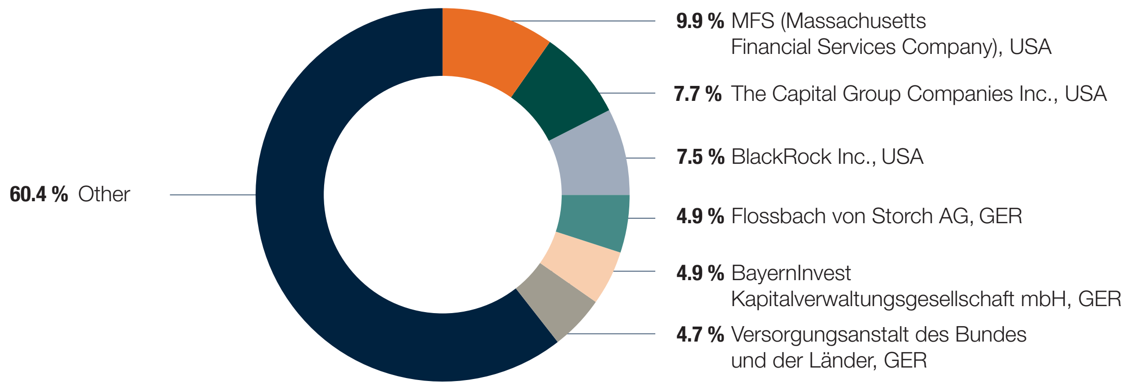
At national level, the MDAX index lost 12%, while the EPRA Germany, which is an index comprising the major German real estate stocks, also recorded a decline of 12%, as shown in the chart below:



TAG's market capitalisation was EUR 3.0bn on 31 March 2022, compared to EUR 3.6bn on 31 December 2021. The share capital and the number of shares were unchanged from the previous year, at EUR 146,498,765.00 and 146,498,765 respectively as at 31 March 2022.

Free float at the reporting date was 99.93% of the share capital; 0.07% of the share capital (97,934 shares at 31 March 2022 after 119,264 shares at 31 December 2021) is held by TAG as treasury shares for purposes of Management Board and employee compensation.

National and international investors with a predominantly long-term investment strategy continue to make up the majority of TAG's shareholders, as the following diagram (as of 31 March 2022) shows:



TAG lets its shareholders participate substantially in the Company's success by paying an attractive dividend reflecting a payout ratio of 75% of FFO I. At this year's Annual General Meeting, which took place in virtual form on 13 May 2022, a dividend of EUR 0.93 per share, up from EUR 0.88 per share in the previous year, was approved and subsequently paid out for the 2021 financial year. A dividend of EUR 0.98 per share is planned for the 2022 financial year, which again corresponds to a payout ratio of 75% of FFO I.

Analysis of the financial position, net asset position, and FFO

Preliminary remark
With the acquisition of ROBYG, which took effect on 31 March 2022, TAG is expanding its platform in the fast-growing Polish rental housing market. The initial consolidation resulted in goodwill of EUR 244.8m. This calculation is based on an allocation of the cash purchase price for the shares of EUR 526.0m to the fair values of the assets and liabilities acquired. For further details on the calculation of goodwill, please refer to the explanations in the notes.

Due to the first-time consolidation of ROBYG as of 31 March 2022, no business transactions of ROBYG were recognised in the consolidated income statement for the first quarter of 2022. Thus, the earnings contributions (contributions to TAG consolidated earnings and contribution to the TAG Group's FFO II) during this period still come solely from the business activity in Poland that was already in place in the two previous years, which is mainly conducted via the subsidiary Vantage.

Results of operations
Taking into account the effects of interim acquisitions and sales, the Group's net actual rent ('cold rent') increased by 1.5% in the reporting period compared to the same period of the previous year, from EUR 83.1m to EUR 84.3m. The total like-for-like growth in rents including vacancy reduction in the Group's residential units amounted to 1.5% in the reporting period (Q1 2021: 1.3%). The rental result, i.e. the balance of revenues and expenses from rentals and impairments on rent receivables, improved to EUR 68.8m in the reporting period compared to in the prior-year period. Overall, TAG generated consolidated net income of EUR 32.3m in the first three months, compared with EUR 34.6m in Q1 2021.

Overall, the rental result – the balance of revenues and expenses from rentals and impairments on rent receivables – improved to EUR 68.8m in the reporting period, compared to EUR 67.5m in the same period of the previous year.

Overall, TAG generated consolidated net income of EUR 32.3m in the first three months of the year, down from EUR 34.6m in the prior-year period.

The following overview shows the calculation of adjusted EBITDA, FFO I, AFFO (Adjusted Funds From Operations, after deduction of modernisation capex, except for project developments) and FFO II (FFO I plus sales result Germany and plus the profit contribution from operating activities in Poland) in the year to date, compared to the same period in the previous year:

in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Consolidated net profit	**32.3**	**34.5**
Elimination net income Poland	-1.2	-0.8
Net income Germany	**31.1**	**33.7**
Income taxes	7.4	8.5
Net financial result	11.0	13.2
EBIT (German business)	**49.5**	**55.6**
Net income from sales	0.7	0.7
Valuation result	2.4	1.9
Depreciation	5.6	0.0
Sales result	0.7	-1.1
EBITDA (adjusted, German business)	**58.9**	**57.0**
Rental income (net actual rent)	83.8	83.1
EBITDA (adjusted) margin	**70.3%**	**68.7%**
Net finance income (cash, without one-off item)	-10.0	-10.7
Income taxes (cash)	-0.8	-0.4
Guaranteed dividend non-controlling interest	-0.3	-0.3
FFO I	**47.8**	**45.6**
Capitalised maintenance	-0.6	-1.1
AFFO (before modernisation capex)	**47.2**	**44.6**
Modernisation capex	-14.7	-13.3
AFFO	**32.5**	**31.3**
Net income from sales Germany	-0.7	1.1
Result operations Poland	-1.3	1.9
FFO II (FFO I + net revenues from sales and result operations Poland)	**45.8**	**48.6**
Weighted average number of shares (outstanding, in 000)	146,381	146,296
FFO I per share (in EUR)	**0.33**	**0.31**
AFFO per share (in EUR)	**0.22**	**0.21**
FFO II per share (in EUR)	**0.31**	**0.33**
Weighted average number of shares fully (diluted, in 000)	146,381	147,334
FFO I per share (in EUR)	**0.33**	**0.31**
AFFO per share (in EUR)	**0.22**	**0.21**
FFO II per share (in EUR)	**0.31**	**0.33**

The non-recurring effects of EUR 5.6m reported in the first quarter of 2022 include transaction costs in connection with the acquisition of shares in ROBYG S.A.

At EUR 11.5m, the financial result of the first-quarter consolidated income statement, i.e. the balance of financial income and financial expenses, is slightly below the financial result of Q1 2021 of EUR 13.3m, mainly due to the effects of the change in exchange rates. The net financial result relevant for determining FFO, i.e. cash-effective and adjusted for annually non-recurring effects, improved to EUR -9.5m from EUR -10.7m in the prior-year period. The reconciliation is presented in the notes to the consolidated financial statements.

In sum, FFO I, which is currently still calculated exclusively from the rental business operated by TAG in Germany, increased by EUR 2.2m or 4.8% year-on-year in the reporting period. The increase was driven in particular by a EUR 1.9m rise in adjusted EBITDA and a EUR 0.7m decline in the cash-effective financial result. This was offset by a EUR 0.4m increase in income taxes affecting cash.

AFFO increased by EUR 1.1m or 3.5% in Q1 2022 compared to Q1 2021. This development was mainly due to the increase in FFO I, while the modernisation capex increased by EUR 1.4m compared to the prior-year period.

In the first three months of the 2022 financial year, the business activities in Poland contributed as follows to TAG's consolidated earnings and to the TAG Group's FFO II:

in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Net income from Poland	1.2	0.8
Non-recurring set-up costs rental business	0.0	0.1
Result of effects from purchase price allocation	0.2	1.4
Deferred taxes	-2.2	-0.3
Minority interests Poland	-0.5	-0.1
Result operations Poland (contribution to FFO II)	**-1.3**	**1.9**

Net asset position and investments

The book value of the total property volume at the reporting date was EUR 7.483,2m (of which EUR 6,396.2m is attributable to German properties and EUR 1,087.0m to properties in Poland) after EUR 6.735,3m at 31 December 2021 (of which EUR 6,387.4m German properties and EUR 347.9m properties in Poland).

In the period under review, TAG incurred expenses totalling EUR 24.8m (previous year: EUR 24.0m) for ongoing maintenance and modernisation in its like-for-like portfolio in Germany, i.e. excluding the acquisitions of the financial year and project developments. EUR 9.5m was spent on maintenance and repairs recognised in profit or loss (previous year: EUR 9.6m), and EUR 15.3m (previous year: EUR 14.4m) for modernisation projects eligible for capitalisation, broken down as follows for the German portfolio:

in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Large-scale measures (e.g. modernisation of entire residential complexes)	7.6	6.9
Modernisation of apartments		
Previously vacant apartments	7.1	6.4
Change of tenants	0.6	1.1
Total modernisation costs like-for-like portfolio	**15.3**	**14.4**

Divided into acquisitions, project developments, and the residential portfolio including the acquisitions of the financial year, the total investments are as follows:

in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Acquisitions in the financial year	124.8	0.8
thereof modernisation expenses	0.0	0.0
Project developments	30.1	42.5
thereof capitalised interest	0.6	0.3
Like-for-like Portfolio Germany[1]	15.3	14.4
thereof investments in existing areas	15.3	14.4
Other[2]	0.0	0.0
Total investments in investment properties	**170.2**	**57.7**

[1] Investments in investment properties EUR 15.0m (previous year: EUR 14.3m), investments in properties held for sale EUR 0.3m (previous year: EUR 0.1m)

[2] 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.; information on modernisation expenses in connection with joint ventures is not provided as TAG does not hold any shares in joint ventures.

The project developments relate entirely to investments in new residential construction in Poland earmarked for building up the rental business. Including the project developments reported under inventories, EUR 1.4m (previous year: EUR 1.6m) was invested in Germany, and EUR 36.9m (previous year: EUR 62.3m) in Poland. The modernisation expenses for the like-for-like portfolio only concern investments in existing space; investments in additional space are of secondary importance. A detailed breakdown of ongoing maintenance expenses as well as refurbishment and modernisation measures per square metre by region can also be found in the portfolio overview in the above section 'TAG's real estate portfolio in Germany – The portfolio in detail'.

Financial position and equity

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

in EUR m	03/31/2022	12/31/2021
Cash and cash equivalents according to consolidated balance sheet	224.6	96.5
Cash and cash equivalents not available at the reporting date	-2.5	-2.4
Cash and cash equivalents as per consolidated cash flow statement	**222.1**	**94.1**

In the first three months of the 2022 financial year, equity increased by EUR 32,3m thanks to the positive quarterly result, so that total equity came to EUR 3,157.1m (31 December 2021: EUR 3,129.5m). The equity ratio as of the reporting date is 38.3% (31 December 2021: 44.1%).

NTA ('net tangible assets') calculated according to EPRA recommendations were EUR 24.13 per share at the reporting date (31 December 2021: EUR 25.54 per share). This reduction is mainly due to the acquisition of the shares in ROBYG, as the goodwill arising from the initial consolidation is eliminated in calculating the NTA. The derivation is presented in the notes to the consolidated financial statements.

No dilution effects were taken into account for the convertible bond 2020/2026 issued in August 2020 (outstanding nominal volume of EUR 470.0m as of the reporting date), as the current conversion price of EUR 33.93 per share is higher than the share price.

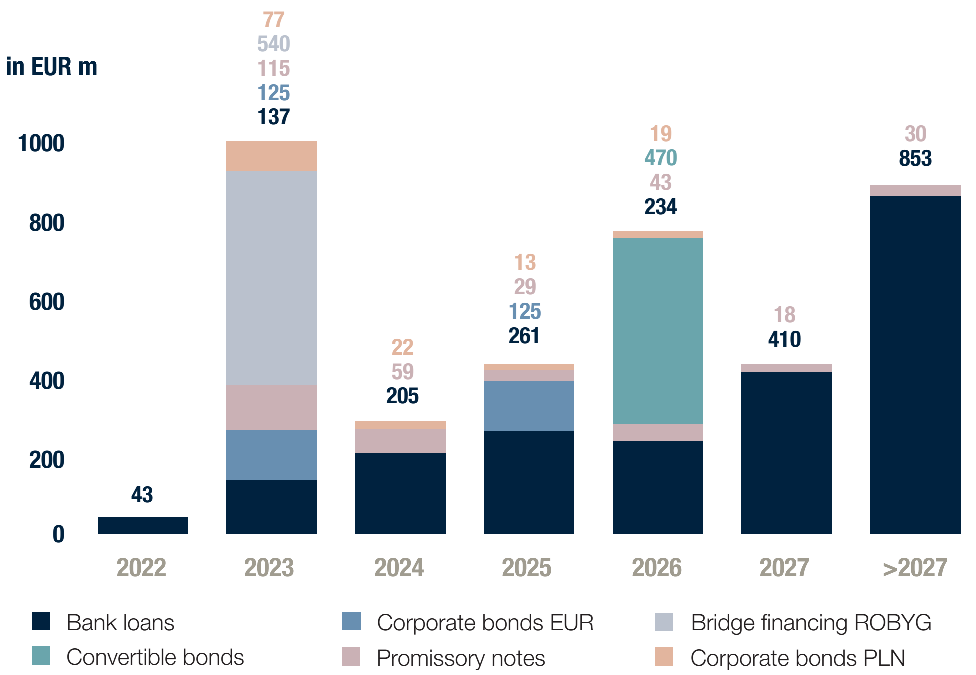
The calculation of the loan-to-value (LTV) ratio as of the reporting date is shown below:

in EUR m	03/31/2022	12/31/2021
Liabilities to banks	2,669.5	2,066.5
Liabilities from corporate bonds and other loans	678.4	546.3
Liabilities from convertible bonds	457.8	457.8
Cash and cash equivalents	-224.6	-96.5
Net financial debt	**3,581.1**	**2,974.1**
Investment properties	6,695.3	6,540.4
Property reported under tangible assets	11.3	9.1
Property held as inventory	701.4	113.8
Property reported under non-current assets held for sale	75.2	72.0
Real estate volume (book value)	**7,483.2**	**6,735.3**
Prepayments on sold/acquired properties and on business combinations	0.0	67.9
Difference between fair value and book value for properties valued at cost	81.7	81.7
Relevant real estate volume for LTV calculation	**7,564.9**	**6,884.9**
LTV	**47.3%**	**43.2%**

The increase in LTV as at 31 March 2022 compared to 31 December 2021 is mainly due to the acquisition of the shares in ROBYG.

The average interest rate on bank loans was 1.7% as of the reporting date, compared to 1.6% as of 31 December 2021. The total average cost of debt was 1.5% at 31 March 2022 (31 December 2021: 1.4%).

The remaining terms of the total financial liabilities at 31 March 2022 are shown in the following overview:



As at the reporting date, the average volume-weighted residual term of the bank loans was 7.3 years (31 December 2021: 7.6 years), and that of the total financial liabilities was 5.2 years (31 December 2021: 6.3 years).

The Management Board assumes that all loans to be negotiated in the 2022 financial year, which are almost all denominated in euros – with the exception of liabilities taken out by ROBYG in Polish zlotys – will be renewed as scheduled.

TAG currently has two investment grade ratings from rating agencies: from Moody's (Baa3 with negative outlook) and from S&P (BBB- with stable outlook).

FORECAST, OPPORTUNITIES AND RISK REPORT

TAG's business activities expose it to various operating and economic opportunities and risks. For further details on this, and on the forecast, please refer to the respective detailed descriptions in the 'Forecast, opportunities and risk report' section of the Condensed Group Management Report for the 2021 financial year, and especially to those effects from the ongoing Covid-19 pandemic described therein. Beyond that, no significant developments have occurred or become apparent that would lead to a different assessment of the opportunities and risks.

The forecasts for the 2022 financial year for FFO and the dividend, which were published in November 2021 remain unchanged and are as follows:

- FFO (as FFO I excluding disposals and dilutive effects) of EUR 188m to EUR 192m (2021: EUR 182.0m) or EUR 1.30 (2021: EUR 1.24) per share
- Dividend per share for the 2022 financial year of EUR 0.98 (for 2021: EUR 0.93) per share.

The forecast for FFO II for the 2022 financial year, which was first published in March 2022, remains unchanged at EUR 247m to EUR 253m (2021: EUR 188.8m) or EUR 1.71 (2021: EUR 1.29) per share. Besides the FFO I forecast, this FFO II forecast also includes the expected result from sales, in particular from business activities in Poland.

SUPPLEMENTARY REPORT

No reportable events occurred after the reporting date covered by this report.

Hamburg, 24 May 2022

Claudia Hoyer
(COO)

Martin Thiel
(CFO)

CONDENSED INTERIM FINANCIAL STATEMENT

CONDENSED CONSOLIDATED BALANCE SHEET

Assets in TEUR	03/31/2022	12/31/2021
Non-current assets		
Investment properties	6,695,279	6,540,418
Intangible assets	268,414	23,126
Property, plant and equipment	45,149	42,790
Right of use assets	11,350	8,715
Other financial assets	15,066	10,312
Derivative financial instruments	4,304	0
Deferred taxes	49,452	34,423
	7,089,014	**6,659,786**
Current assets		
Property held as inventory	701,387	113,758
Other inventories	1,397	77
Trade receivables	26,620	19,718
Income tax receivables	28,284	25,932
Derivative financial instruments	2,459	0
Other current assets	87,879	32,976
Prepayments on business combinations	0	67,925
Cash and cash equivalents	224,592	96,455
	1,072,619	**356,841**
Non-current assets held for sale	**75,193**	**72,004**
	8,236,825	**7,088,632**

Equity and liabilities in TEUR	03/31/2022	12/31/2021
Equity		
Subscribed capital	146,401	146,380
Share premium	519,309	519,901
Other reserves	-17,941	-13,967
Retained earnings	2,418,269	2,387,434
Attributable to the equity holders of the parent company	3,066,038	3,039,748
Attributable to non-controlling interests	91,101	89,797
	3,157,139	**3,129,544**
Non-current liabilities		
Liabilities to banks	1,968,539	1,927,868
Liabilities from corporate bonds and other loans	609,326	542,742
Liabilities from convertible bonds	457,480	456,771
Derivative financial instruments	16,648	16,648
Retirement benefit provisions	5,334	5,423
Other non-current liabilities	41,099	25,550
Deferred taxes	737,398	682,025
	3,835,824	**3,657,027**
Current liabilities		
Liabilities to banks	701,001	138,642
Liabilities from corporate bonds and other loans	69,107	3,536
Liabilities from convertible bonds	288	1,022
Income tax liabilities	14,782	9,584
Other provisions	55,673	47,905
Trade payables	82,709	40,761
Other current liabilities	319,232	59,537
	1,242,791	**300,986**
Liabilities associated with non-current assets held for sale	**1,071**	**1,075**
	8,236,825	**7,088,632**

CONDENSED CONSOLIDATED INCOME STATEMENT

in TEUR	01/01-03/31/2022	01/01-03/31/2021
Rental income	115,601	113,726
Impairment losses	-924	-934
Rental expense	-45,914	-45,280
Net rental income	**68,763**	**67,511**
Revenues from the sale of real estate	14,808	46,239
Expenses on the sale of real estate	-13,462	-43,207
Sales result	**1,345**	**3,032**
Revenue from services	19,350	15,239
Impairment losses	-122	-120
Expenses from services	-12,035	-8,336
Services result	**7,192**	**6,782**
Other operating income	2,222	1,576
Fair value changes in investment properties and valuation of properties held as inventory	-750	-747
Personnel expense	-14,860	-15,133
Depreciation / amortisation	-2,426	-1,964
Other operating expense	-10,002	-4,523
EBIT	**51,484**	**56,533**
Other financial result	-148	-1,250
Interest income	365	106
Interest expense	-11,678	-12,162
EBT	**40,024**	**43,227**
Income taxes	-7,728	-8,677
Consolidated net income	**32,296**	**34,550**
thereof attributable to non-controlling interests	1,460	1,272
thereof attributable to equity holders of the parent company	30,836	33,278
Earnings per share (in EUR)		
Basic earnings per share	0.21	0.23
Diluted earnings per share	0.20	0.21

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01 - 03/31/2022	01/01 - 03/31/2021
Net income as shown in the income statement	**32,296**	**34,550**
Other comprehensive income		
Items that will later be classified as expense:		
Currency differences of foreign subsidiaries	-4,674	-5,425
Deferred taxes on unrealised gains and losses	543	0
Other comprehensive income after taxes	-4,131	-5,425
Total comprehensive income	**28,176**	**29,125**
thereof attributable to equity holders of the parent company	26,862	27,485
thereof attributable to non-controlling interests	1,303	1,640

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01 - 03/31/2022	01/01 - 03/31/2021
Consolidated net income	32,296	34,550
Net interest income / expense through profit and loss	11,313	12,057
Current income taxes through profit and loss	3,261	1,319
Depreciation	2,426	1,964
Other financial Income	148	1,250
Fair value changes in investment properties and valuation of properties held as inventory	750	747
Gains / losses from the disposal of investment properties	7	-118
Gains from the disposal of tangible and intangible assets	-7	1
Impairments accounts receivables	1,046	1,055
Changes to deferred taxes	4,467	7,359
Changes in provisions	1,588	6,916
Interest received	94	58
Interest paid	-9,396	-10,537
Income tax payments and refunds	-2,132	-2,514
Changes in receivables and other assets	-9,688	-13,435
Changes in payables and other liabilities	-20,464	5,444
Cash flow from operating activities	**15,710**	**46,115**
Payments received from the disposal of investment properties (less selling costs)	12,879	16,058
Payments made for the purchase of subsidiaries	-401,430	0
Payments for foreign currency hedging transactions	-12,235	0
Payments made for investments in investment properties	-15,303	-47,585
Payments received from other financial assets	68	68
Payments received from the disposal of intangible assets and property, plant and equipment	243	0
Payments made for investments in intangible assets and property, plant and equipment	-32,587	-3,080
Cash flow from investing activities	**-448,365**	**-34,539**
Payments made for the repayment of corporate bonds and other loans	0	-50,000
Proceeds from the issuance of corporate bonds and other loans	0	150,000
Payments for the repayment of convertible bonds	0	-92,998
Proceeds from new bank loans	583,124	78,445
Repayment of bank loans	-21,021	-15,032
Repayment of lease liabilities	-975	-713
Cash flow from financing activities	**561,128**	**69,702**
Net change in cash and cash equivalents	128,473	81,278
Cash and cash equivalents at the beginning of the period	94,100	320,019
Foreign currency exchange effects	-483	-252
Cash and cash equivalents at the end of the period	**222,090**	**401,045**

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

in TEUR	Attributable to the parent's shareholders						Non-controlling interests	Total equity
			Other reserves					
	Subscribed capital	Share premium	Retained earnings	Effects from currency conversion	Retained earnings	Total		
Amount on 01/01/2022	**146,380**	**519,901**	**1,035**	**-15,002**	**2,387,433**	**3,039,747**	**89,797**	**3,129,544**
Consolidated net income	0	0	0	0	30,836	30,836	1,460	32,296
Other comprehensive income	0	0	0	-3,974	0	-3,974	-157	-4,131
Total comprehensive income	**0**	**0**	**0**	**-3,974**	**30,836**	**26,862**	**1,303**	**28,165**
Colonia settlement offer	0	-158	0	0	0	-158	0	-158
Share-based compensation	21	-434	0	0	0	-413	0	-413
Amount on 03/31/2022	**146,401**	**519,309**	**1,035**	**-18,976**	**2,418,269**	**3,066,038**	**91,101**	**3,157,138**
Amount on 01/01/2021	**146,295**	**519,899**	**1,035**	**-10,406**	**1,945,792**	**2,602,615**	**78,913**	**2,681,528**
Consolidated net income	0	0	0	0	33,278	33,278	1,272	34,550
Other comprehensive income	0	0	0	-5,793	0	-5,793	368	-5,425
Consolidated net income	**0**	**0**	**0**	**-5,793**	**33,278**	**27,485**	**1,640**	**29,125**
Settlement offer Colonia	0	-164	0	0	0	-164	0	-164
Share-based compensation	72	-1,536	0	0	0	-1,464	0	-1,464
Amount on 03/31/2021	**146,367**	**518,199**	**1,035**	**-16,199**	**1,979,070**	**2,628,471**	**80,553**	**2,709,024**

NOTES

SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2022

GENERAL PRINCIPLES

These present condensed interim consolidated financial statement of TAG Immobilien AG (hereinafter also referred to as the 'Company' or 'TAG') relates to the first three months of the 2022 financial year. The comparative figures are 31 December 2021 for the consolidated balance sheet and the first three months of the 2021 financial year for the rest. The consolidated income statement and the consolidated statement of comprehensive income additionally provide information on the first quarter of the 2022 financial year, with corresponding comparative figures for the previous year.

The interim consolidated financial statements were prepared on a consolidated basis in accordance with the International Financial Reporting Standards (IFRS) on interim financial reporting (IAS 34 Interim Financial Reporting), which were adopted by the EU and whose application was mandatory at the reporting date. The figures in the interim consolidated financial statements are given in millions of euros (EUR m) or thousands of euros (TEUR). This may result in rounding differences between the individual components of the financial statements.

SCOPE OF CONSOLIDATION

On 22 December 2021, TAG signed an agreement to acquire all shares in ROBYG S.A. ('ROBYG'). ROBYG is Poland's largest residential real estate developer with a focus on the country's major cities. As at 31 March 2022, the contracted pipeline included residential projects in Warsaw, Wrocław, Tricity and Poznań for the construction of a total of approximately 24,800 units. Of these, according to TAG's current plans, up to approx. 9,900 units will be held long-term after completion to supplement TAG's rental portfolio in Poland, while the remainder of the development pipeline (approx. 14,900 units) is earmarked for sale. The acquisition of the shares became legally effective upon assumption of control on 31 March 2022 (acquisition date).

The final purchase price amounted to PLN 2,448m (EUR 526m). A deposit of PLN 315 m (EUR 68m) was already paid in 2021, the remaining purchase price was paid on March 31, 2022. In addition, transaction costs and Polish transaction taxes, in particular legal and consulting fees, of EUR 5.6m were incurred in the first quarter of 2022, and EUR 5.8m in the 2021 financial year, which were recognised in profit or loss under Other operating expenses.

The allocation of the total purchase price to the acquired assets and liabilities is as follows, on a preliminary basis:

Purchase price allocation in EUR Mio.	03/31/2022
Real estate assets	710.4
Deferred tax assets	14.3
Other assets	75.2
Cash and cash equivalents	57.9
Total assets	**857.8**
Financial liabilities	172.0
Prepayments received	249.7
Deferred tax liabilities	50.6
Other liabilities	92.1
Total liabilities	**564.4**
Net assets at fair value	**293.4**
Purchase price	526.0
Goodwill from aquisition ROBYG	**232.6**
Effect of foreign currency hedging transaction	12.2
Goodwill in total	**244.8**

However, due to the proximity of the transaction to the reporting date the purchase price allocation is to be regarded as provisional for all items; changes are still possible in the course of the 2022 financial year.

A hedging transaction was concluded to secure the purchase price payment against currency risks. The resulting loss of EUR 12.2m was offset against the goodwill, so that the book value of the goodwill resulting from the acquisition as of March 31, 2022 totaled EUR 244.8m. There are synergies with the acquisition of ROBYG, one of Poland's leading housing developers, by expanding TAG's platform in the fast-growing Polish rental housing market. In addition to strengthening the portfolio in the existing regions of Wrocław, Poznań and especially Tricity, this acquisition also enables TAG to enter the Warsaw market comprehensively. In addition to the faster and more comprehensive entry into the rental apartment market, the existing sales activities in Poland are to be continued.

In the first quarter of the 2022 financial year, ROBYG generated sales revenue of EUR 27.5m and consolidated net income of EUR 2.8m. Due to its first-time consolidation as of 31 March 2022, these figures were not yet included in TAG's consolidated net income. Of the gross amount of EUR 5.7m in trade receivables acquired, EUR 1.0m were uncollectible at the time of acquisition.

The purchase price, possible repayments of existing financial liabilities on the part of ROBYG, and further working capital for ROBYG's investments will be financed with bridge financing of up to EUR 750m provided by four banks. The term of this bridge financing, which was utilised in the amount of EUR 540m as of the reporting date, ends in July 2023. The initial interest rate is 0.4%.

CURRENCY CONVERSION

The Polish subsidiaries included in the consolidated financial statements conduct their business independently with the Polish zloty as their functional currency; their annual financial statements are therefore translated into the reporting currency using the modified closing rate method. Any translation differences arising are reported as a separate item in Other comprehensive income in the Statement of comprehensive income, and are recognised in a separate reserve within equity, with no effect on profit or loss.

The exchange rate of the euro to the Polish zloty developed as follows:

Currency rate (basis: 1 EUR)	Closing rate		Average rate	
	03/31/2022	12/31/2021	01/01 - 03/31/2022	01/01 - 03/31/2021
Polish złoty	4.6531	4.5969	4.6230	4.5457

ACCOUNTING AND VALUATION PRINCIPLES

The interim consolidated financial statements were prepared using the same accounting policies as the consolidated financial statements as at 31 December 2021. For further information on the accounting and valuation methods applied, please refer to the IFRS consolidated financial statements as at 31 December 2021, which form the material basis for these interim consolidated financial statements in accordance with IAS 34.

CHANGES IN ACCOUNTING STANDARDS

The amendments to IFRS 3, IAS 16 and IAS 37, as well as the improvements to IFRS Standards 2018-2020, which have been applicable since 1 January 2022, did not have a material impact on the consolidated interim financial statements. Amendments to accounting standards that are only mandatory in future periods are not voluntarily applied early. The effects of future application on the consolidated financial statements are currently being examined by the Company.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The discretionary decisions and estimates made are unchanged from the circumstances described in the consolidated financial statements as at 31 December 2021.

The preparation of the condensed interim consolidated financial statements requires the Management Board to make assumptions and estimates. These judgements affect the reported amounts of revenues, expenses, assets, and liabilities and the disclosure of contingent liabilities. The actual amounts in future periods may differ from the estimates.

NOTES ON THE BALANCE SHEET

The following overview shows the change in the Group's investment properties during the reporting period:

Investment properties in EUR m	2022	2021
Amount on 1 January	**6,540.4**	**5,819.2**
Purchase through business combinations	124.8	0.0
Additions from real estate acquisitions	0.0	4.6
Portfolio investments	15.0	67.8
Investments in project developments	30.1	177.9
Transferred from inventory	0.0	3.3
Transferred to assets held for sale	-10.3	-68.9
Transferred from assets held for sale	0.0	0.9
Sales	-0.7	-1.9
Change in market value	-0.7	539.6
Currency conversion	-3.3	-2.0
Amount on 31 March / 31 December	**6,695.3**	**6,540.4**

Across the entire portfolio, EUR 15.3m (previous year: EUR 14.4m) was spent on modernisations eligible for capitalisation, of which EUR 0.6m (previous year: EUR 1.1m) was spent on capitalised maintenance measures.

TAG had its entire real estate portfolio valued as at 31 December 2021 by CBRE GmbH, an independent expert. For details on the valuation of the investment properties, please refer to the consolidated financial statements as at 31 December 2021.

The cash and cash equivalents reported in the balance sheet as of March 31, 2022 in the amount of EUR 224.6m (December 31, 2021: EUR 96.5m) include cash and cash equivalents of EUR 2.5m that were not available as of the reporting date (December 31, 2021: December 2021 EUR 2.4m). Cash and cash equivalents therefore amount to EUR 222.1m (December 31, 2021: EUR 94.1m).

Other current liabilities include advance payments received in the amount of EUR 268.5m (December 31, 2021: EUR 20.6m). Additions of EUR 249.7m result from the first-time consolidation of ROBYG.

The following overview shows the calculation of the NTA according to EPRA recommendations:

in EUR m	03/31/2022 NTA	12/31/2021 NTA
Equity (before non-controlling interest)	3,066.0	3,039.7
Effect from conversion of convertible bond	0.0	0.0
Deferred taxes on investment properties and derivative financial instruments	667.0	653.8
Fair value of derivative financial instruments	16.6	16.6
Difference between fair value and book value for properties valued at cost	51.2	51.2
Goodwill	-262.9	-18.3
Intangible assets	-5.5	-4.9
EPRA NTA (diluted)	**3,532.4**	**3,738.2**
Number of outstanding shares (diluted, in 000)	146,401	146,380
EPRA NTA per share in EUR (diluted)	**24.13**	**25.54**

The gross amount of hidden reserves including deferred taxes and non controlling interest amounts to EUR 81.7m (December 31, 2021: EUR 81.7m).

NOTES ON THE INCOME STATEMENT

Revenues from contracts with customers within the meaning of IFRS 15 include the operating and ancillary costs charged to third parties reported as revenues from rentals, and the operating and ancillary costs charged to own account reported in the result from services, in each case plus the proportionate property tax and building insurance charged on, as well as other service revenues. In addition, the proceeds from the sale of investment properties or inventory properties also constitute revenue within the meaning of IFRS 15.

Rental income includes rental income to be recognised in accordance with IFRS 16 and income for operating and ancillary costs brought in by third parties to be recognised in accordance with IFRS 15. They are composed as follows:

Rental income in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Net actual rent	84.3	83.1
Pro rata remuneration of property tax and building insurance	7.3	9.1
Rental income according to IFRS 16	**91.6**	**92.2**
External non-recoverable ancillary costs	22.1	19.4
Pro rata remuneration of property tax and building insurance	1.9	2.1
Costs re-charged to tenants according to IFRS 15	**24.0**	**21.5**
Total	**115.6**	**113.7**

The service result breaks down as follows between the services provided by the TAG Group and the property tax and buildings insurance attributable to them on a pro rata basis:

Income from property services in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Energy services	9.8	6.0
Facility management	4.1	3.8
Multimedia services	2.4	2.4
Craftsmen services	1.3	1.2
Other services	0.7	0.6
Rechargeable property taxes and building insurance	1.0	1.2
Total	**19.3**	**15.2**
Impairment losses	-0.1	-0.1
Expenditure of property services	-12.0	-8.3
Net income from property services	**7.2**	**6.8**

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

Income from sales in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Revenues from the sale of investment properties	7.3	25.1
Expenses on the sale of investment properties	-7.4	-25.0
Net income from the sale of investment properties	**0.0**	**0.1**
Revenues from the sale of properties held as inventory (Germany)	0.0	1.9
Expenses on the sale of inventories (Germany)	-0.7	-0.9
Net income from the sale of inventories (Germany)	**-0.7**	**1.0**
Revenues from the sale of properties held as inventory (Poland)	7.5	19.2
Expenses on the sale of inventories (Poland)	-5.4	-17.3
Net income from the sale of inventories (Poland)	**2.0**	**1.9**
Total	**1.3**	**3.0**

The business activities in Poland contributed EUR -1.3m to the TAG Group's FFO II (prior-year period: EUR 1.9m) and includes the entire consolidated result for Poland, adjusted for effects from the purchase price allocation, deferred taxes, minority interests, and non-recurring effects.

The net financial result relevant for determining FFO, i.e. cash-effective and adjusted for annually non-recurring effects, is calculated as follows:

Financial result in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Effect from currency changes through profit and loss	-0.2	-1.3
Investment income	0.1	0.1
Interest income	0.4	0.1
Interest expense	-11.7	-12.2
Financial result	**-11.5**	**-13.3**
Elimination financial result Poland	0.5	0.1
Financial result Germany	**-11.0**	**-13.2**
Non-cash interest from bonds	0.8	0.9
Premature termination compensation	0.0	0.0
Other non-cash items (e.g. derivatives)	0.2	1.6
Net finance income/expense (cash, without one-off item)	**-10.0**	**-10.7**

The payment of guaranteed dividends to minority shareholders within the framework of profit and loss transfer agreements is not recognised in profit or loss. The resulting economic burden of EUR 0.3m per quarter is recognised as a reduction in FFO.

NOTES TO THE SEGMENT REPORTING

TAG pursues a regional management of its residential real estate portfolio and divides its real estate portfolio in the 'Rental' segment into the regions of Berlin, Chemnitz, Dresden, Erfurt, Gera, Hamburg, Leipzig, Rhine-Ruhr, Rostock, Salzgitter and others. The Group also rents out various commercial properties and serviced apartments operated by TAG. The business activities of these segments are based on the rental of portfolio properties to TAG customers. The business activities are therefore reported at an aggregated level within the Rental segment.

The 'Services' segment comprises the business activities attributable to the Group's own service companies. In addition to letting, TAG has been expanding its business activities in the real estate-related service sector for several years. For this reason, aggregated information has been disclosed for the Rental and Services segments since the end of 2019.

TAG's business activities in Poland currently comprises, in particular, the development of properties intended for future letting, as well as the development and sale of flats from the portfolio of properties held for sale. As significant revenues were recorded from these sales – together with the transactions achieved in Germany – since the 2020 financial year, the 'Business activities in Poland and sales' segment is also presented.

Segment reporting follows the internal reporting, which basically corresponds to IFRS accounting (with the exceptions contained in the reconciliation from segment result II to EBT presented below). Segment result I is calculated from the revenue generated from letting (net actual rents or 'cold rents') as well as the services rendered and related expenses. Segment result II, for the rental and services segments, is determined as follows, taking into account the attributable personnel costs and other income and expenses:

Segment report in TEUR		Rental	Services	Business activities in Poland	Total
Segment revenues	**Q1 2022**	**83,756**	**18,283**	**15,383**	**117,422**
	Q1 2021	83,062	14,012	46,239	143,313
Segment expenses	**Q1 2022**	**-16,349**	**-11,116**	**-13,521**	**-40,986**
	Q1 2021	-15,329	-7,230	-43,207	-65,766
Rental expenses	**Q1 2022**	**-2,954**	**0**	**0**	**-2,954**
	Q1 2021	-2,899	0	0	-2,899
Investment costs	**Q1 2022**	**-12,690**	**0**	**0**	**-12,690**
	Q1 2021	-11,823	0	0	-11,823
Impairment losses on receivables	**Q1 2022**	**-924**	**-122**	**0**	**-1,046**
	Q1 2021	-934	-120	0	-1,054
Service expenses	**Q1 2022**	**0**	**-10,994**	**0**	**-10,994**
	Q1 2021	0	-7,110	0	-7,110
Other revenues	**Q1 2022**	**219**	**0**	**0**	**219**
	Q1 2021	328	0	0	328
Segment result I	**Q1 2022**	**67,407**	**7,167**	**1,862**	**76,436**
	Q1 2021	67,733	6,782	3,032	77,547
Personnel expenses	**Q1 2022**	**-2,603**	**-4,980**	**0**	**-7,583**
	Q1 2021	-4,533	-4,752	0	-9,285
Other income / other expenses	**Q1 2022**	**-660**	**486**	**0**	**-174**
	Q1 2021	-826	863	0	37
Segment result II	**Q1 2022**	**64,144**	**2,673**	**1,862**	**68,679**
	Q1 2021	62,374	2,893	3,032	68,299
Segment assets	**03/31/ 2022**	**6,396,231**	**0**	**1,086,934**	**7,483,165**
	12/31/ 2021	6,387,405	0	347,893	6,735,298

Revenues resulting from business activities between the segments are essentially based on internally rendered services. TAG's service companies regularly provide services for the portfolio companies in the Rental segment.

As in the internal reporting, the segment revenue of the Rental segment only includes the net actual rent ('cold rent') for the German portfolio. The reconciliation of rental revenue to segment revenue is shown in the section on revenue from contracts with customers. Of the net actual rents reported there, EUR 0.5m (prior-year period: EUR 0.0m) are attributable to the business activity in Poland.

As in the internal reporting, the segment revenue of the Services segment includes the revenue generated by the internal service companies after adjustment for property tax and building insurance in accordance with IFRS 15. For the reconciliation of segment revenue to service revenue, we refer to the section 'Revenue from contracts with customers.'

The reconciliation of segment result II to EBT according to the income statement is as follows:

Segment earnings in EUR m	01/01 - 03/31/2022	01/01 - 03/31/2021
Segment earnings II	**68,679**	**68,299**
Capitalised investment costs not deducted from segment earnings	3,222	2,165
Non-allocated ancillary costs of vacant real estate	-2,603	-2,612
Fair value changes in investment properties and valuation of properties held as inventory	-750	-747
Non-allocated personnel expenses	-7,277	-5,848
Depreciation	-2,426	-1,964
Other non-allocated income and expenses	-7,361	-2,757
Net finance expense	-11,461	-13,307
EBT	**40,023**	**43,229**

Disclosures on fair values and financial instruments

The fair value of assets and liabilities is to be determined using input factors that are as close to the market as possible. The measurement hierarchy distinguishes between three levels for subdividing the input factors, depending on their availability:

Level 1: Prices quoted (unadjusted) on active markets for identical assets or liabilities
Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices)
Level 3: Factors for valuing the asset or liability that are not based on observable market data

If input factors of different levels are used, the fair value is assigned to the lower hierarchy level. In the reporting period, there were no transfers between the respective hierarchy levels

The financial instruments recognised at fair value in the consolidated balance sheet are as follows:

Fair values of financial instruments in EUR m		03/31/2022	12/31/2021
Assets			
Other financial assets	Level 2	5,020	5,020
Other financial assets	Level 3	3,953	3,953
Derivatives with a hedging relationship	Level 2	6,763	0
Equity and liabilities			
Derivatives with no hedging relationship	Level 2	-16,648	-16,648

The other financial assets mainly include non-listed minority interests in real estate companies and funds. The valuation of these investments is based in part on observable market prices (level 2) and in part on company-specific models such as standard net asset value models taking into account data that is not observable on the market (level 3). The input parameters used in these methods include, among other things, assumptions about future cash flows and the development of property values, and are collected as close to the market as possible. A change in the fair value of the properties held by the investees would have a proportionate effect on the fair value of the investment. At this time, there are no specific intentions to sell these holdings.

Derivative financial instruments are valued on the basis of established valuation models whose main input parameters are derived from active markets. The purchase price guarantees recognised as a derivative financial instrument without a hedging relationship are valued based on a Monte Carlo simulation (mark-to-model valuation) using two correlated stochastic processes. The conversion right from the convertible bond, which is accounted for separately as a derivative, is valued based on a binominal model.

In addition, the following financial instruments are recognised in the consolidated balance sheet at amortised cost and their carrying amounts do not represent reasonable approximations of fair value:

Financial instruments in EUR m	IFRS 13 Valuation	03/31/2022 Book value	03/31/2022 Fair value	12/31/2021 Book value	12/31/2021 Fair value
Liabilities to banks	Level 2	2,670	2,708	2,067	2,079
Liabilities from corporate bonds and other loans	Level 2	678	677	546	549
Liabilities from convertible bonds	Level 2	458	442	458	475

The fair value of non-current liabilities is determined as the present value of future cash flows. Discounting is carried out on the basis of market interest rates with matching maturities and risks.

Trade receivables, other current assets and cash and cash equivalents, which are also classified at amortised cost, have short remaining terms. Their carrying amounts as at the balance sheet date therefore approximate their fair values. The same applies to trade payables and other current liabilities.

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

There were no reportable events after the end of the interim reporting period.

Hamburg, 24 May 2022

Claudia Hoyer
(COO)

Martin Thiel
(CFO)

TAG FINANCIAL CALENDAR 2022

PUBLICATIONS / EVENTS

15 March 2022	Publication of the Annual Report 2021
21 April 2022	Publication of the Sustainability Report 2021
13 May 2022	Annual General Meeting, Hamburg (virtual)
24 May 2022	Publication of the Interim Statement Q1 2022
23 August 2022	Publication of the Interim Report 2022
22 November 2022	Publication of the Interim Statement Q3 2022

CONFERENCES

06-11 January 2022	ODDO BHF Forum (virtual)
10-11 January 2022	Berenberg German Corporate Conference USA, New York (virtual)
11 January 2022	Barclays Virtual Real Estate Conference (virtual)
18 January 2022	Kepler Cheuvreux German Corporate Conference, Frankfurt (virtual)
24 March 2022	Bank of America EMEA Real Estate CEO Conference, London
18-19 May 2022	Kempen 20th European Property Seminar, Amsterdam
28-29 June 2022	Kepler Cheuvreux Property Day, Paris
06-08 September 2022	Commerzbank and ODDO BHF Corporate Conference, Frankfurt
06-08 September 2022	EPRA Conference, Paris
13-14 September 2022	Bank of America Global Real Estate Conference, New York
19-23 September 2022	Baader Investment Conference, Munich
19-21 September 2022	Berenberg Goldman Sachs 11th GCC, Munich
20 October 2022	Société Générale Pan-European Real Estate Conference, Paris

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The English version of the Interim Statement Q1 2022 is a translation of the German version.
The German version is legally binding.

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