INTERIM STATEMENT 2019

ON THE 3RD QUARTER

GROWING CASHFLOWS

TAG Immobilien AG

INHALT

GROUP FINANCIALS

in EUR m

Income statement key figures	01/01/2019-09/30/2019	01/01/2018-09/30/2018
Net rent	235.8	226.1
EBITDA (adjusted)	160.6	155.3
Consolidated net profit	267.9	248.6
FFO I per share in EUR	0.83	0.74
FFO I	121.5	108.7
AFFO per share in EUR	0.51	0.45
AFFO	74.6	66.3

Balance sheet key figures	09/30/2019	12/31/2018
Total assets	5,380.1	5,033.3
Equity	2,206.0	2,048.3
Equity ratio in %	41.0	40.7
EPRA NAV per share in EUR	18.82	17.32
LTV in %	45.5	47.3

Portfolio data	09/30/2019	12/31/2018
Units	83,921	84,426
Real estate volume	5,009.2	4,815.5
Vacancy in % (total)	5.2	5.3
Vacancy in % (residential units)	4.9	4.7
l-f-l rental growth in %	2.0	2.3
l-f-l rental growth in % (incl. vacancy reduction)	2.7	2.6

Employees	09/30/2019	12/31/2018
Number of employees	1,168	993

Capital market data	
Market cap at 09/30/2019 in EUR m	3,067.7
Share capital at 09/30/2019 in EUR	146,498,765
WKN / ISIN	830350/DE0008303504
Number of shares at 09/30/2019 (issued)	146,498,765
Number of shares at 09/30/2019 (outstanding, without treasury shares)	146,336,950
Free float in % (without treasury shares)	99.89
Index	MDAX/EPRA

TABLE OF CONTENTS

BUSINESS DEVELOPMENT

BUSINESS DEVELOPMENT IN THE FIRST NINE MONTHS OF THE 2019 FINANCIAL YEAR

Foundations of the Group

TAG Immobilien AG ('TAG' in the following) is a Hamburg-based property company focused on the German residential real estate sector. The Group's properties are located in various regions of Northern and Eastern Germany and North Rhine-Westphalia. Overall, at 30 September 2019 TAG managed around 83,900 (31 December 2018: approx. 84,400) residential units. TAG shares are listed in the MDAX of the Frankfurt Stock Exchange; TAG's market capitalisation at 30 September 2019 was EUR 3.1bn (31 December 2018: EUR 2.9bn).

TAG's business model is the long-term letting of flats. All functions essential to property management are carried out by the Group's own employees. In many inventories, the company also delivers caretaker services and repair handyman services. It specialises in inexpensive housing that appeals to broad sections of the population. The Group's in-house multimedia company facilitates the provision of multimedia to tenants and expands the range of property management services offered. Energy management is pooled in a subsidiary, which handles the supply of commercial heating to the Group's own portfolio 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.

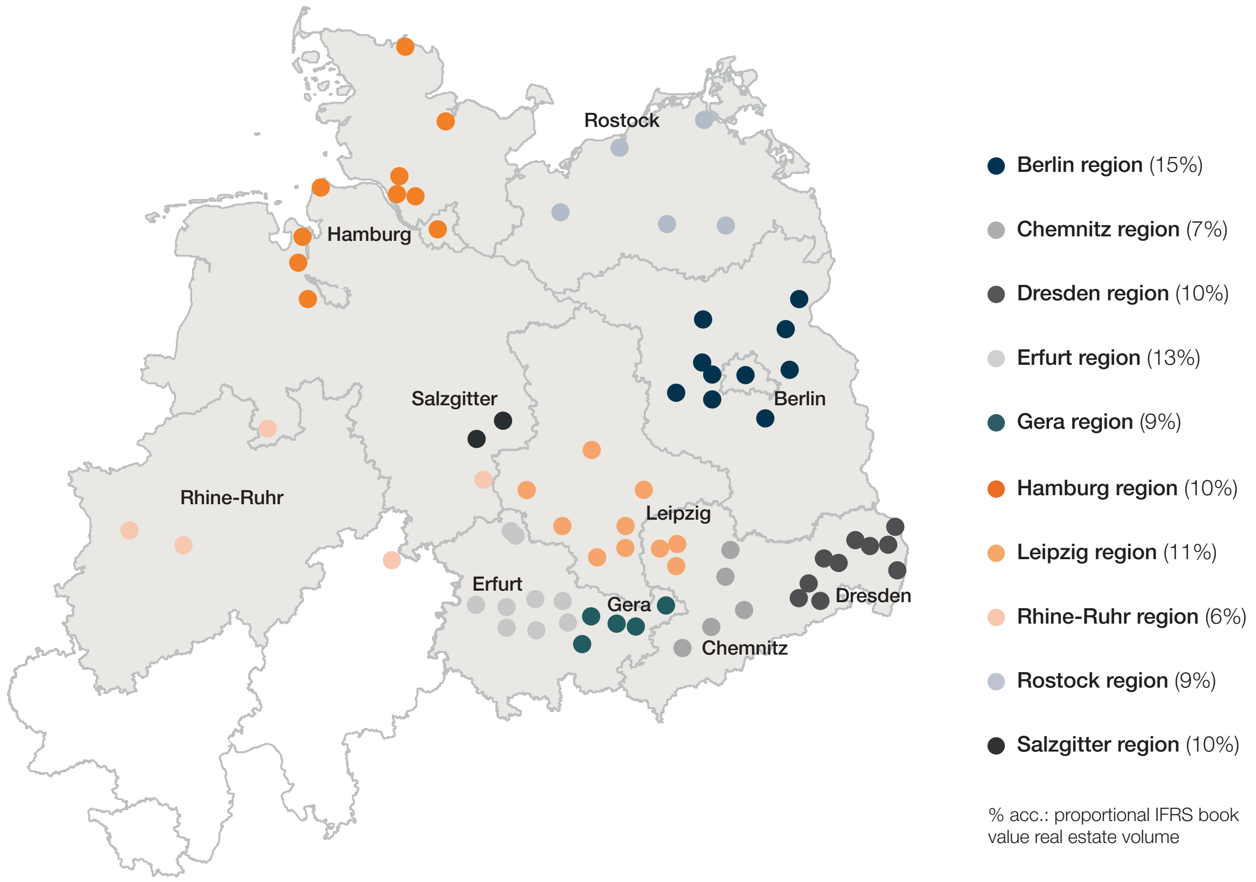
TAG not only invests in and near big cities, but deliberately in medium and smaller towns as well, to take advantage of growth potential and opportunities for profit there. Newly acquired portfolios regularly have higher vacancies, which are then reduced following the acquisition through targeted investments and proven asset-management concepts. Investments are made exclusively in regions where TAG already manages properties, so as to use existing administrative structures. In addition, local market knowledge is indispensable when buying up new portfolios.

In addition to long-term portfolio management, the Group selectively takes advantage of sales opportunities so as to reinvest the realised capital appreciation and liquidity in new portfolios with higher yields. With this strategy of 'capital recycling', TAG is also responding to the by-now intense competition for German residential properties, focussing on per-share returns. Growth in absolute orders of magnitude is not at the forefront of the business strategy. Rather, the aim is to offer tenants affordable housing through sustained and active portfolio management, and investors growing cash flows through attractive dividends.

Development of the TAG property portfolio

Overview

At the end of the third quarter of 2019, the TAG property portfolio comprised approximately 83,900 units. The focus is on the management of attractive yet affordable housing, with great awareness of our social responsibility towards tenants. The regional focus remains mainly on Northern and Eastern Germany.



Portfolio	09/30/2019	12/31/2018
Number of units	83,921	84,426
Rentable area in sqm	5,064,741	5,132,860
Real estate volume in EUR m	5,009.2	4,815.5
Annualised net rent in EUR m p.a. (total)	315.7	314.1
Net rent in EUR/sqm (total)	5.48	5.39
Net rent in EUR/sqm (residential units)	5.37	5.29
Vacancy rate in % (total)	5.2	5.3
Vacancy in % (residential units)	4.9	4.7
l-f-l rental growth in %	2.0	2.3
l-f-l rental growth in % (incl. vacancy reduction)	2.7	2.6

Acquisitions and sales in the first nine months of the 2019 financial year

The following overview shows the acquisitions made in the 2019 financial year to date:

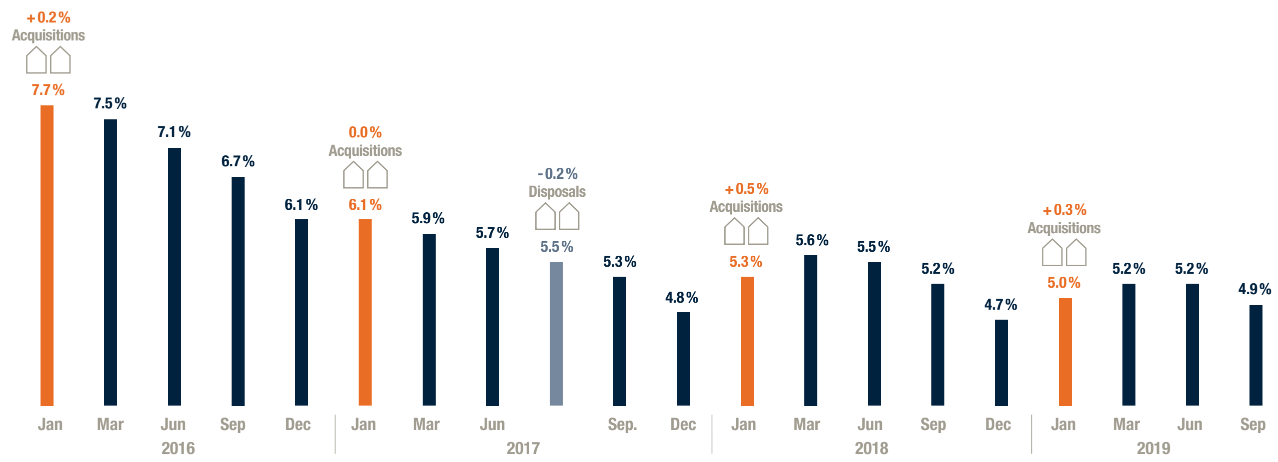
Acquisition	Thuringia	Saxony-Anhalt	Mecklenburg-Western Pomerania	Mecklenburg-Western Pomerania	Mecklenburg-Western Pomerania/ Thuringia	Total
Conclusion of the contract	March 19	June 19	June 19	August 19	August 19	
Units	35	320	275	342	359	1,331
Net rent in EUR/sqm/month	5.79	4.92	9.35	5.07	5.97	5.83
Vacancy in %	0	22.4	4.8	1.6	14.4	11.1
Purchase price in EUR m	-	-	-	-	-	50.1
Net rent in EUR m p.a.	0.14	0.83	1.27	0.83	1.06	4.13
Location	Jena	Halle	Greifswald	Stralsund/ Greifswald	Stralsund/ Greifswald Stadtilm	-
Closing	Juli 19	December 19 (expected)	September 19	December 19 (expected)	Oct/Dec 19 (expected)	-
Multipliers	-	-	-	-	-	12.1

In total, acquisitions of 1,331 units were notarised by the date of this interim statement. The average multiplier (as the ratio between the purchase price excluding transaction costs and the current annual net rent) of 12.1 achieved is very attractive given the intense competition in the residential property market and corresponds to an initial gross yield of 8.3%.

Meanwhile, sales of 279 units were notarised in the ongoing sales business of the year 2019 to date. The total sales price was EUR 10.0 m or 13.1 times the annual net actual rent. These sales are expected to generate a net inflow of liquidity of around EUR 9.1 m and a book profit of around EUR 0.6 m after repayment of the bank loans connected with the properties. Most of the 279 units are non-core assets. These properties are not part of TAG's core portfolio due to their geographical location, type of use, or structural condition.

Vacancy

The following table illustrates the development of the vacancy rate in the Group's residential units in the past three financial years and the YTD 2019:

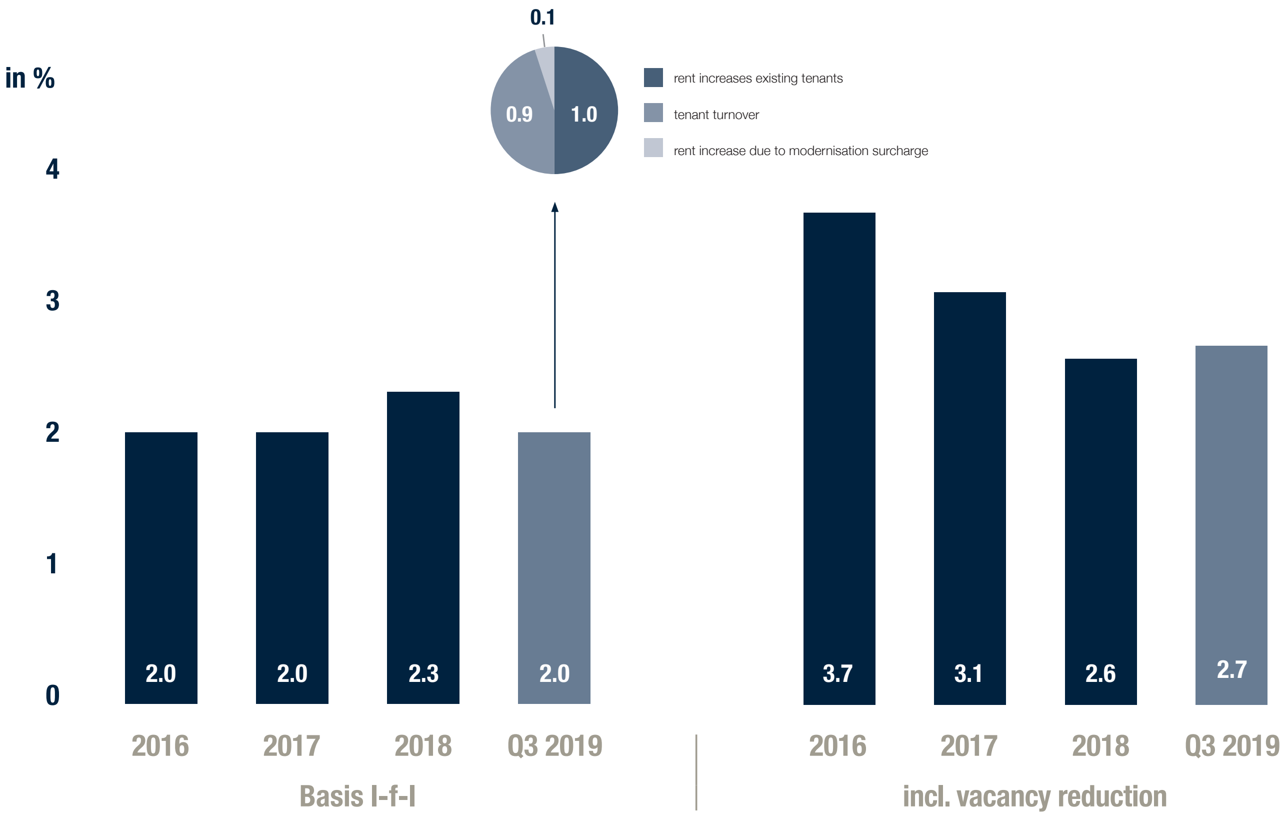


Following a temporary rise in vacancy as a result of the integration of the previous year's acquisitions and through ongoing modernisation programmes, vacancy in the residential units of the portfolio dropped from 5.0% at the beginning of the year to 4.9% at 30 September 2019. Across the entire portfolio, vacancy dropped to 5.2% after 5.3% at the beginning of the year.

Growth in rents

Growth in rents from the Group's residential units amounted to 2.0% per annum on a like-for-like basis (i.e. not including the acquisitions and sales of the previous twelve months) at 30 September 2019, after 2.3% in the 2018 financial year. This rental growth of 2.0% consisted of ongoing rent increases for existing tenants (1.0%), rent increases in the context of a change of tenant (0.9%) and rent increases through modernisation levies (0.1%). If one additionally includes the effects of the vacancy reduction in the growth in rents, total rental growth on a like-for-like basis amounted to 2.7% per annum, after 2.6% in the 2018 financial year.

The following diagram shows the rental growth in the Group's residential units in the financial years 2016 to 2018 and until 30 September 2019:



Total investments in the residential units in the first nine months of 2019 amounted to EUR 14.84 per sqm (maintenance costs recognised as expenses of EUR 5.23 per sqm and capitalised modernisations of EUR 9.61 per sqm). Extrapolated to a full financial year of twelve months, this would come to EUR 19.79 per sqm compared to EUR 19.24 per sqm in 2018, EUR 15.12 per sqm in 2017, and EUR 15.41 per sqm in 2016. So the Group continues to achieve attractive rental growth with only moderate investment requirements and without extensive modernisation programmes for residential units already let.

The portfolio in detail by region

The following overview shows further details of the TAG property portfolio, by region, as of 30 September 2019:

Region	Units	Rentable area sqm	IFRS BV 09/30/19 EUR m	In-place yield %	Vacancy Jun-2019 %	Vacancy Dec-2018** %	Net rent EUR/smq	Reletting rent EUR/smq	L-f-l rental growth y-o-y %	L-f-l rental growth y-o-y*** %	Maintenance EUR/sqm2	Capex EUR/sqm
Berlin	10,411	596,965	742,305	5.3	3.8	4.4	5.73	6.28	2.8	4.0	5.69	8.12
Chemnitz	7,539	440,356	337,253	7.0	8.4	9.6	4.90	5.02	1.3	3.3	4.81	30.24
Dresden	6,308	409,588	504,974	5.4	2.7	2.5	5.73	6.02	2.2	2.8	3.14	4.52
Erfurt	10,592	595,932	625,101	5.8	2.9	2.9	5.20	5.55	2.0	2.3	3.68	8.07
Gera	9,652	561,316	420,099	7.4	7.3	8.1	5.00	5.27	1.3	3.5	4.51	7.87
Hamburg	7,070	434,718	515,046	5.5	4.7	4.2	5.73	5.97	1.8	0.8	7.95	8.93
Leipzig	10,011	589,857	547,517	6.4	5.9	4.1	5.25	5.60	1.5	2.8	5.23	4.16
Rhine-Ruhr	4,187	266,405	306,041	5.6	2.2	1.9	5.47	5.66	2.3	2.6	7.67	5.39
Rostock	7,138	426,354	426,874	6.2	3.9	3.0	5.42	5.69	2.0	2.8	5.26	8.26
Salzgitter	9,180	563,122	515,339	6.6	5.4	4.5	5.35	5.49	2.5	1.9	5.63	11.38
Total residential units	**82,088**	**4,884,612**	**4,940,549**	**6.1**	**4.9**	**4.6**	**5.37**	**5.63**	**2.0**	**2.7**	**5.23**	**9.61**
Acquisitions	508	11,824	16,253	5.4	15.0	12.9	7.34	---	---	---	---	---
Commercial units (within res. portfolio)	1,156	149,131	---	0.0	15.2	16.8	8.05	---	---	---	---	---
Total residential portfolio	**83,752**	**5,045,567**	**4,956,801**	**6.3**	**5.2**	**5.3**	**5.44**	**---**	**---**	**---**	**---**	**---**
Other*	169	19,174	52,383	6.2	7.5	5.1	15.26	---	---	---	---	---
Grand total	**83,921**	**5,064,741**	**5,009,185**	**6.3**	**5.2**	**5.3**	**5.48**	**---**	**---**	**---**	**---**	**---**

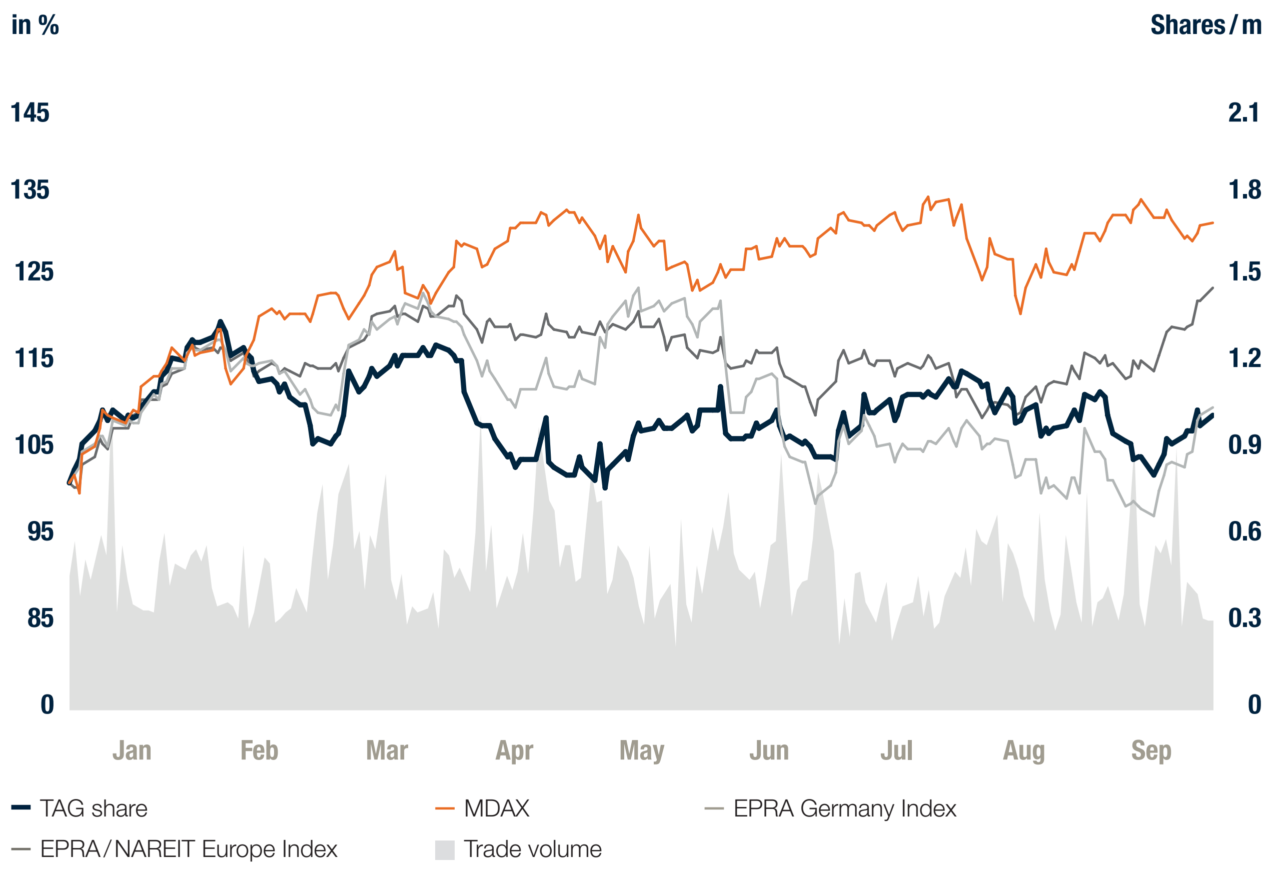
* including commercial properties and serviced apartments ** without acquisitionen 2018 *** including effects from vacancy reduction

The TAG share and the capital market

Share performance

In the first nine months of 2019, the price of the MDAX-listed TAG share continued its positive performance with share prices continuing to increase and closing at EUR 20.94 (+5%) on 28 June 2019, after a closing price of EUR 19.91 at the end of 2018. If the dividend of EUR 0.75 per share paid in May 2019 is additionally taken into account, the overall performance of the TAG share in the first nine months of 2019 is 9%.

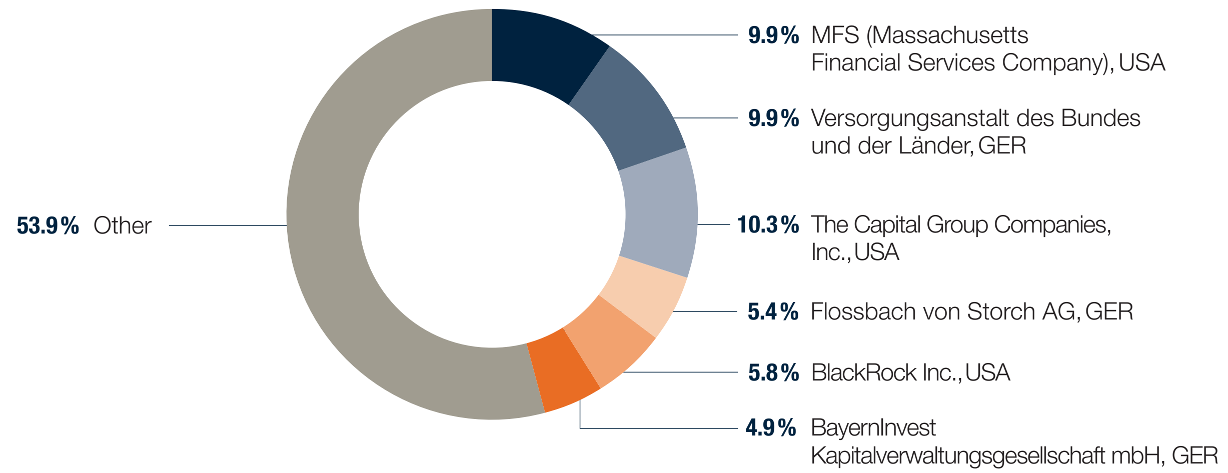
The MDAX rose by a total of 20% in the first nine months of 2019, while the EPRA Europe rose by 15%. EPRA Germany, the index comprising German real estate stocks, recorded a 6% rise during the same period.



Share capital and shareholder structure

The share capital and number of shares at the balance sheet date, at EUR 146,498,765, remained unchanged compared to the end of 2018. TAG's market capitalisation was EUR 3.1bn at 30 September 2019, after 2.9bn at 31 December 2018. At the reporting date, free float was 99.89% of the share capital, while 0.11% of the share capital (161,815 shares at 30 September 2019 after 177,115 shares at 31 December 2018) is held by TAG as treasury shares for Management Board and staff remuneration.

As before, the majority of TAG shareholders are German and international investors with a predominantly, long-term investment strategy, as the following overview (at 30 September 2019) shows:



Dividend

TAG's shareholders participate substantially in the Company's success by paying an attractive dividend. At this year's Annual General Meeting, which took place in Hamburg on 7 May 2019, the distribution of a dividend of EUR 0.75 per share, after EUR 0.65 per share in the previous year, for the 2018 financial year was approved and subsequently paid out.

To establish the share as an attractive dividend stock in the future as well, we plan to distribute a further increased dividend of EUR 0.80 per share for the 2019 financial year, which continues to correspond to a pay-out ratio of 75% of the FFO I.

New accounting standards and changes in presentation in the consolidated income statement

IFRS 16: Leases

IFRS 16 introduces new rules for the recognition, valuation, and reporting of – as well as disclosure requirements for – leases, which within the meaning of the standard also include leases for business premises, e.g. Lessees (tenants) are now required to recognise all assets and liabilities arising from lease agreements in the balance sheet.

The first-time application of IFRS 16 as of 1 January, 2019 had the following effects on the financial and net asset position and results of operations in the reporting period:

- Capitalisation of rights of use in the amount of EUR 10.4m as of 1 January, 2019 and recognition of a lease obligation as a liability in the corresponding amount
- EUR 1.7m increase in depreciation expenditure
- EUR 0.1m increase in interest expenditure
- EUR 0.3m reduction in services-related expenditure
- EUR 1.1m reduction in other operating expenditure

There were no effects on the key performance indicator Funds from Operations (FFO). The shifts in services-related expenditure and other operating costs to amortisation and interest expenses have been adjusted in the calculation of this key performance indicator and are shown as a separate line. Without this adjustment, FFO would have increased by EUR 1.4m as a result of the first-time application of IFRS 16 in the reporting period.

Changes in presentation of the consolidated income statement

The changes in presentation in the consolidated income statement compared with the consolidated interim financial statements as of 30 September, 2018 are related to the first-time application of IFRS 9, the implementation of which required, among other things, the reclassification of financial assets as of 31 December, 2018 and the corresponding revaluation of impairments on financial assets, in an amount that is not material. The figures for the comparable periods of the previous year have therefore been adjusted accordingly in the present interim consolidated financial statements.

The changes in presentation described above did not have any effect on net income or consolidated equity.

Analysis of net assets, financial position, and results of operations

Results of operations

The breakdown of rental income is as follows:

Rental income in EUR m	01/01-09/30/2019	01/01-09/30/2018
Net rent	235.8	226.1
External ancillary costs	55.8	54.3
Rechargeable proportionate land taxes and building insurance	14.4	14.3
Total	**306.1**	**294.7**

In the reporting period, the Group increased its net actual rents (Net rent) by about 4.3% year-on-year, due mainly to the new inventories taken over in the 2018 financial year, and the good operational growth in rents.

The individual items of rental expenses are as follows:

Rental expense in EUR m	01/01-09/30/2019	01/01-09/30/2018 (adjusted)
Maintenance expenses	25.6	24.4
Non-recoverable ancillary costs	7.4	5.8
Ancillary costs of vacant real estate	6.9	7.4
Non-recharged expenses	**39.9**	**37.5**
Recharged costs, taxes and insurance	70.2	68.6
Total	**110.1**	**106.1**

Impairments of rent receivables decreased by EUR 0.5m compared with the prior-year period, to EUR 3.1m.

In all, rental profit – i.e. rental revenues offset against rental expenditures and impairments of rent receivables – improved to EUR 192.9m during the reporting period compared to EUR 184.9m in the prior-year period.

The proceeds from the sale of properties and the results of their sale are shown below:

Income from sales in EUR m	01/01-09/30/2019	01/01-09/30/2018
Revenues from the sale of investment properties	37.7	74.2
Expenses on the sale of investment properties	-37.7	-74.2
Net income from the sale of investment properties	**0.1**	**0.1**
Revenues from the sale of properties held as inventory	1.7	5.8
Expenses on the sale of properties held as inventory	-1.8	-5.6
Expenses on the sale of inventories	**-0.1**	**0.2**
Total	**0.0**	**0.3**

The result from services is broken down into the services provided by the TAG Group and the pro rata property tax and building insurance associated with them as follows:

Net income from property services in EUR m	01/01-09/30/2019	01/01-09/30/2018 (adjusted)
Internally generated operating and incidental expenses	30.2	25.0
Internally generated in-house craftsmen services	2.8	2.2
Recharged proportionate land tax and building insurance	1.5	1.3
Other service income	4.1	3.9
Income from property services	**38.6**	**32.4**
Expenses from property services	-22.7	-19.6
Total	**15.8**	**12.8**

The following overview shows the main items of other operating income:

Other operating income in EUR m	01/01-09/30/2019	01/01-09/30/2018 (adjusted)
Income from the reversal of provisions and from the derecognition of liabilities	1.0	0.9
Other income not relating to the accounting period	0.6	0.4
Government grants	0.5	0.5
Other	0.7	0.9
Total	**2.7**	**2.6**

Changes in the fair value of investment properties, and the valuation of investment properties, are mainly based on the valuation of TAG's entire real estate portfolio by an independent expert as at 30 June 2019 . This item mainly relates to investment properties held in the portfolio; there are also minor effects from the valuation of properties held as inventories or of properties held for sale. The next complete portfolio valuation will take place on 31 December 2019.

Personnel expenses increased to EUR 36.7m in the reporting period (prior-year period: EUR 32.5m), especially due to the continued expansion of in-house caretaker and maintenance services. At 30 September 2019, TAG had 1,168 employees, including all caretakers and craftsmen, compared with 993 employees at the end of the 2018 financial year.

Amortisation of intangible assets and depreciation of property, plant and equipment mainly comprise scheduled depreciation of owner-occupied properties as well as IT and other office equipment. At EUR 5.0m they are above the prior-year level of EUR 3.1m. The increase of EUR 1.9 m is mainly attributable to the leasing agreements capitalised as at 1 January 2019 in connection with the new IFRS 16 accounting regulations.

Other operating expenses are composed as follows:

Other operating expenses in EUR m	01/01-09/30/2019	01/01-09/30/2018
Legal, consulting and auditing costs (incl. IT consulting)	4.1	4.2
IT costs	1.2	1.2
Telephone costs, postage, office supplies	1.3	1.1
Occupancy costs	1.1	1.5
Travel expenses (incl. vehicles costs)	1.1	1.0
Ancillary staff costs	1.0	0.6
Other	3.0	2.9
Total	**12.7**	**12.5**

The valuation of derivatives (mostly of the derivative portion of the convertible bond) resulted in a valuation loss of EUR 7.7m during the reporting period (prior-year period: EUR 21.9m), resulting in an overall negative financial result – i.e. financial income offset against financial expenses – of EUR 44.2m after EUR 75.3m in the prior-year period. The net cash-effective financial result, adjusted for one-off effects, which is relevant for determining the FFO, improved from EUR -42.4 million in the prior-year period to EUR -34.2 million and is as follows:

Financial result in EUR m	01/01-09/30/2019	01/01-09/30/2018
Investment income	0.5	0.5
Interest income	0.3	0.9
Interest expense	-45.0	-76.6
Financial result	**-44.2**	**-75.3**
Non-cash interest on bonds and notes	1.1	1.3
Early prepayment penalties	0.2	9.8
Other non-cash items (e.g. derivatives)	8.8	21.8
Net financial result (cash effective, excluding one-off effects)	**-34.2**	**-42.4**

Income taxes are composed as follows:

Taxes on income in EUR m	01/01-09/30/2019	01/01-09/30/2018
Actual income taxes current financial year	4.3	3.6
Actual income taxes previous years	-0.3	-0.1
Deferred taxes	51.9	54.9
Total	**55.9**	**58.4**

Overall, TAG generated net income of EUR 267.9m during the reporting period, after EUR 248.6m in the prior-year period. This EUR 19.3 million improvement in earnings was due in particular to the EUR 31.1 million year-on-year improvement in the financial result. This was offset mainly by an EUR 18.8 million year-on-year decline in valuation gains and losses.

The following table shows the adjusted EBITDA, the calculation of FFO I, the AFFO (adjusted funds from operations excl. capex for modernisation, but not including capex for project developments), and FFO II (FFO I incl. net revenue from sale) in the year to date, in comparison to the same period of the previous year:

Funds from operations in EUR m	01/01-09/30/2019	01/01-09/30/2018
Net income	**267.9**	**248.6**
Taxes	55.9	58.4
Financial result	44.2	75.3
EBIT	**367.9**	**382.3**
Valuation result	-211.0	-229.8
Depreciation	5.0	3.1
One-off's (real estate transfer tax)	-1.4	0.0
Result from sales	-0.0	-0.3
EBITDA (adjusted)	**160.6**	**155.3**
EBITDA-Margin (adjusted)	68.1%	68.7%
Net financial result (cash, after one-off's)	-34.2	-42.4
Cash Taxes	-4.0	-3.6
Dividend payments to minorities	-1.0	-0.6
FFO I	**121.5**	**108.7**
Capitalised maintenance	-11.3	-9.9
AFFO (before modernisation capex)	**110.2**	**98.8**
Modernisation capex	-35.6	-32.5
AFFO	**74.6**	**66.3**
Result from sales	0.0	0.3
FFO II (FFO I + Result from sales)	**121.5**	**109.0**
Weighted average number of shares (outstanding, in 000)	146,331	146,347
FFO I per share in EUR	**0.83**	**0.74**
AFFO per share in EUR	**0.51**	**0.45**
Weighted average number of shares (fully diluted, in 000)	161,119	160,989
FFO I per share in EUR, fully diluted	**0.76**	**0.68**
AFFO per share in EUR, fully diluted	**0.47**	**0.41**

Thus FFO I during the reporting period increased considerably year-on-year as planned, by EUR 12.8m (+12%). In addition to a EUR 5.3m improvement in adjusted EBITDA, the EUR 8.2m increase in net financial income (cash change, without one-off effects) particularly contributed to this positive development. The EBITDA margin (adjusted), determined as the relation of adjusted EBITDA to rental income, remained on the same level of the previous year.

Net assets and investments

Total assets rose to EUR 5,380.1m as of 30 September 2019 (31 December, 2018: EUR 5,033.3m). The book value of the total property volume amounts to EUR 5,060.2m (31 December 2018: EUR 4,815.5m), of which EUR 4,963.8m (31 December 2018: EUR 4,666.7m) is attributable to investment properties, which developed as follows during the reporting period:

Investment properties in EUR m	2019	2018
Amount on 01 January	4,666.7	4,166.0
Transfer from investment properties	19.5	9.4
Portfolio investments	48.8	42.9
Transfer from self-occupied properties	0.0	0.1
Trasfers from non-current assets held for sale	19.3	0.0
Transfers to non-current assets held for sale	-2.1	-91.5
Sales of investment properties	-0.3	-22.7
Change in market value	212.0	229.6
Amount on 30 September	4,963.8	4,333.8

In the period under review, TAG spent a total of EUR 72.5m (previous year: EUR 66.8m) for ongoing maintenance and modernisation in its portfolio. EUR 25.6m (prior-year period: EUR 24.4m) was spent on maintenance recognised in profit or loss and EUR 46.9m (prior-year period: EUR 42.4m) was spent on modernisations eligible for capitalisation, which are broken down as follows:

Modernisation expenses in EUR m	01/01-09/30/2019	01/01-09/30/2018
Major measures (e.g. modernisation of entire blocks of flats)	23.3	19.1
Modernisation of flats		
Previously vacant flats	12.3	13.4
Tenant turnover	11.3	9.9
Total modernisation expenses	46.9	42.4

In addition, modernisation expenses of EUR 4.8m were incurred for project developments (previous year: EUR 5.7m), for a former commercial property that is currently being converted into an apartment house. These modernisation costs are considered separately from the residential portfolio.

Deferred tax assets developments were as follows at the balance sheet date:

	09/30/2019		12/31/2018	
Deferred taxes in EUR m	(Deferred tax) assets	(Deferred tax) liabilities	(Deferred tax) assets	(Deferred tax) liabilities
Investment properties	0.5	-486.2	0.5	-437.7
Derivate financial instruments	14.4	0.0	11.9	0.0
Tax loss carryforwards	58.9	0.0	64.7	0.0
Other (including netting)	-24.2	21.2	-7.1	4.2
Total	49.6	-465.0	70.0	-433.5

Financial position and equity

The calculation of net asset value (NAV) according to EPRA recommendations as at the balance sheet date is as follows:

in EUR m	09/30/2019	12/31/2018
Equity (before interest of non-controlling shareholders)	2,157.2	2,006.5
Deferred taxes on investment properties and derivate financial instruments	471.3	425.2
Fair value derivate financial instruments	49.7	42.0
Hidden reserves on real estate held as property, plant and equipment and inventories	75.9	60.0
EPRA NAV	2,754.1	2,533.6
Number of shares (outstanding, in 000)	146,337	146,322
EPRA NAV per share in EUR	18.82	17.32
Number of shares (fully diluted, in 000)	161,174	161,023
EPRA NAV per share in EUR, fully diluted	18.69	17.33

The EPRA NAV thus increased by 9% despite the dividend pay-out of EUR 109.8m, mainly thanks to the good operating result and the property valuation. Total equity developed accordingly and amounted to EUR 2,206.0m as of the reporting date (31 December 2018: EUR 2,048.3m). The equity ratio was 41.0% (31 December 2018: 40.7%).

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

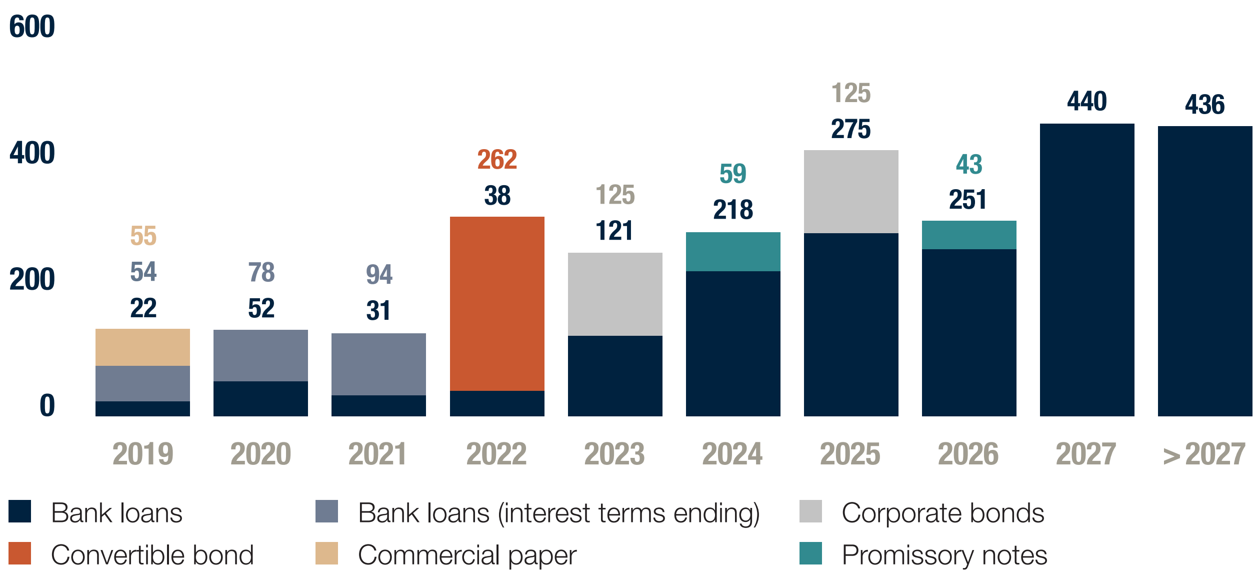
in EUR m	09/30/2019	12/31/2018
Non-current and current liabilities to banks	1,871.9	1,855.5
Non-current and current liabilities from corporate bonds and other loans	406.6	285.8
Non-current and current liabilities from convertible bonds	258.1	257.5
Cash and cash equivalents	-198.4	-91.7
Net financial debt	2,338.3	2,307.1
Book value of investment properties	4,963.8	4,666.7
Book value of property reported under tangible assets	9.4	9.5
Book value of property held as inventory	55.5	52.3
Book value of property reported under non-current assets held for sale	31.5	87.0
Real estate volume	5,060,2	4,815.5
Difference between fair value and book value for properties valued at cost	75.9	60.0
Book value of property for which purchase prices have already been paid in advance	-0.3	-0.2
Relevant real estate volume for LTV calculation	5,135.9	4,875.3
LTV	45.5%	47.3%

The reduction of the LTV to 45.5% as of 30 September 2019 (31 December 2018: 47.3%) is mainly attributable to the positive effects of the property valuation in addition to the improved operating results.

The average interest rate on bank loans was further reduced to 2.04% as of the reporting date (31 December 2018: 2.19%). Total average cost of debt, i.e. including interest rates for corporate and convertible bonds, promissory notes, and commercial papers amounted to 1.76% (31 December 2018: 1.92%).

The maturities of all financial liabilities as of 30 September 2019 are shown in the following diagram:

in EUR m



The average remaining term of bank loans was 8.8 years (31 December 2018: 9.3 years) at the balance sheet date, while the average remaining term of total financial liabilities was 7.3 years (31 December 2018: 8.1 years). Fixed-interest liabilities to banks totalling EUR 382m (Q4 2019: EUR 131m; 2020: EUR 130m; 2021: EUR 125m) will become due by the end of 2021, or can be refinanced on maturity without prepayment penalty because the contractual interest commitment ends. The average interest rates are 2.1%, 3.6%, and 2.7% respectively for the loans maturing in 2019, 2020, and 2021. Given the current significantly lower market interest rates, a further reduction in financing costs is to be expected in subsequent years.

TAG continues to receive an investment grade rating from Moody's (Baa3 with stable outlook). This rating underscores TAG's strong operating performance and stable financing structure. At the same time, it forms the basis for low-interest capital market financing and thus creates flexibility within the Group's financing structure.

Outlook, opportunities and risks

Its business activities expose TAG to various operational and economic opportunities and risks. For more information on this and other details regarding the outlook, please refer to the detailed remarks in the „Outlook, Opportunities and Risks" section of the Group Management Report for the 2018 financial year and the Interim Report at 30 June 2019.
Beyond this, no significant developments have occurred or become apparent that would lead to a different assessment of the opportunities and risks.

The forecasts for the 2019 financial year, which were published in the 2018 Annual Report, remain unchanged. With today's Interim Statement, we are also publishing for the first time a forecast for the FFO and the dividend for the 2020 financial year, which is as follows:

- FFO I (without disposals 2020: EUR 168m-170m (2019: EUR 154m-156m) or EUR 1.15 per share (2019: EUR 1.06), representing an increase of 9%,
- Dividend per share for 2020: EUR 0.87 (for 2019: EUR 0.80), also representing an increase of 9% and an unchanged pay-out ratio of 75% of FFO

The approximately EUR 14m increase in FFO expected for the 2020 financial year is mainly based on the following assumptions

- higher rental income (approx. EUR 13.3m)
- an improved result from services (approx. EUR 2.6m)
- higher personnel expenses (approx. EUR -4.6m)
- lower costs of financing (approx. EUR 2.3m)
- positiv effects from leasing accounting in accordance with IFRS 16 (approx. EUR 2.4m) that will no longer be eliminated from the FFO from the 2020 financial year,
- and other effects (approx. EUR -2.0m)

Significant purchases or sales are not included in the forecast at this time. As in previous years, the forecasts for further key indicators will be published in the Annual Report for the 2019 financial year.

Hamburg, 30 October 2019

Claudia Hoyer
COO

Martin Thiel
CFO

Dr. Harboe Vaagt
CLO

CONSOLIDATED BALANCE SHEET

Assets in TEUR	09/30/2019	12/31/2018
Non-current assets		
Intangible assets	4,963,790	4,666,673
Property, plant and equipment	1,337	980
Investment properties	29,410	26,366
Capitalisation of rights of use	9,316	0
Other financial assets	8,512	8,162
Deferred taxes	49,568	69,952
	5,061,933	**4,772,133**
Current assets		
Property held as inventory	55,510	52,296
Other inventories	876	253
Trade receivables	18,211	14,177
Income tax receivables	1,439	4,706
Other current assets	12,235	11,065
Cash and cash equivalents	198,416	91,718
	286,687	**174,215**
Non-current assets held for sale	**31,522**	**86,995**
	5,380,142	5,033,343

Equity and liabilities in TEUR	09/30/2019	12/31/2018
Equity		
Subscribed capital	146,337	146,322
Share premium	773,290	773,417
Other reserves	1,035	1,035
Retained earnings	1,236,558	1,085,705
Attributable to the equity holders of the parent company	2,157,220	2,006,479
Attributable to non-controlling interests	48,827	41,847
	2,206,047	**2,048,326**
Non-current liabilities		
Liabilities to banks	1,792,667	1,730,272
Liabilities from corporate bonds and other loans	350,264	248,771
Liabilities from convertible bonds	257,985	256,981
Derivative financial instruments	49,685	42,005
Retirement benefit provisions	5,247	5,505
Other non-current liabilities	20,161	10,850
Deferred taxes	464,974	433,456
	2,940,983	**2,727,840**
Current liabilities		
Liabilities to banks	79,267	125,271
Liabilities from corporate bonds and other loans	56,380	36,992
Liabilities from convertible bonds	136	546
Income tax liabilities	8,910	6,800
Other provisions	28,512	31,913
Trade payables	19,862	14,093
Other current liabilities	39,268	41,563
	232,335	**257,178**
Liabilities associated with non-current assets held for sale	**777**	**0**
	5,380,142	5,033,343

CONSOLIDATED INCOME STATEMENT

in TEUR	01/01/- 09/30/2019	01/01/- 09/30/2018 (adjusted*)	07/01/- 09/30/2019	07/01/- 09/30/2018 (adjusted*)
Rental income	306,056	294,706	100,985	98,756
Impairment losses	-3,129	-3,579	-911	-1,203
Rental expense	-110,065	-106,211	-35,184	-35,343
Net rental income	192,861	184,916	64,890	62,209
Revenues from the sale of real estate	39,435	80,020	33,660	20,688
Expenses on the sale of real estate	-39,437	-79,743	-33,863	-20,555
Sales result	-2	277	-203	133
Revenues from services	38,560	32,438	13,802	10,649
Impairment losses	-394	-324	-131	-109
Expenses from property services	-22,343	-19,322	-7,688	-5,986
Services result	15,823	12,792	5,983	4,554
Other operating income	2,711	2,590	956	632
Fair value changes in investment properties and valuation of properties held as inventory	210,996	229,842	-432	-192
Personnel expense	-36,740	-32,521	-12,450	-10,963
Depreciation/amortisation	-5,018	-3,110	-1,895	-1,104
Other operating expense	-12,698	-12,527	-4,422	-4,159
EBIT	**367,935**	**382,259**	**52,427**	**51,111**
Net income from investments	497	451	122	56
Interest income	346	869	114	240
Interest expense	-45,026	-76,592	-12,535	-13,876
EBT	**323,751**	**306,987**	**40,128**	**37,531**
Income taxes	-55,867	-58,417	-5,981	-7,319
Consolidated net income	**267,885**	**248,570**	**34,147**	**30,212**
attributable to non-controlling interests	7,279	4,638	890	569
attributable to equity holders of the parent company	260,606	243,932	33,257	29,643
Earnings per share (in EUR)				
Basic earnings per share	1.78	1.67	0.23	0.20
Diluted earnings per share	1.65	1.61	0.21	0.19

*More details on the changes can be found in the section „Presentation changes in the consolidated income statement" in the section „Business development in the first nine months of the 2019 financial year ".

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01-09/30/2019	01/01-09/30/2018
Consolidated net income	267,885	248,570
Net interest income/expense through profit and loss	44,681	75,723
Current income taxes through profit and loss	3,964	3,505
Depreciation/amortisation	5,018	3,110
Net income from investments	- 497	- 451
Fair value changes in investment properties and valuation of properties held as inventory	- 210,996	- 229,842
Result from the disposal of investment properties	- 52	- 59
Result from the disposal of other non-current assets	5	20
Impairments accounts receivables	3,523	4,101
Changes to deferred taxes	51,902	54,913
Changes in provisions	- 3,659	- 8,514
Interest received	0	392
Interest paid	- 40,551	- 54,069
Income tax payments	1,413	1,125
Changes in receivables and other assets	- 12,403	6,474
Changes in payables and other liabilities	3,295	5,143
Cash flow from operating activities	**113,528**	**110,141**
Proceeds from the disposal of investment properties (less selling costs)	37,752	74,232
Payments made for investments in investment properties	- 68,290	- 52,323
Proceeds from other financial assets	475	432
Proceeds from disposal of other non-current assets	6	10
Payments from disposal of other non-current assets	- 7,430	- 3,323
Cash flow from investing activities	**- 37,487**	**19,028**
Purchase of treasury shares	0	- 2,377
Proceeds from the issuance of treasury shares (net, after costs)	316	510
Dividends paid	- 109,753	- 95,109
Distribution to minority investors	- 299	- 959
Payments made for the purchase of minority interest	- 45	- 8
Proceeds from the issuance of corporate bonds and other loans	191,334	248,643
Payments made for the repayment of corporate bonds and other loans	- 70,000	- 325,398
Proceeds from new bank loans	70,032	28,412
Repayment of bank loans	- 49,463	- 87,808
Repayment of lease liabilities	- 1,379	0
Cash flow from financing activities	**30,743**	**- 234,094**
Net change in cash and cash equivalents	106,784	- 104,925
Cash and cash equivalents at the beginning of the period*	89,016	249,247
Cash and cash equivalents at the end of the period*	**195,800**	**144,322**

* Differences to cash and cash equivalents as reported in the balance sheet result from restricted cash accounts.

TAG FINANCIAL CALENDAR 2020

Publications/Events

27 February 2020	Annual Report 2019
29 April 2020	Interim Statement Q1 2020
18 May 2020	Annual General Meeting, Hamburg
6 August 2020	Interim Report Q2 2020
29 Oktober 2020	Interim Statement Q3 2020

TAG Headquarter Hamburg

CONTACT

TAG Immobilien AG
Steckelhörn 5
20457 Hamburg
Telefon + 49 40 380 32 - 0
Telefax + 49 40 380 32 - 390
info@tag-ag.com
www.tag-ag.com

Dominique Mann
Head of Investor & Public Relations
Telefon + 49 40 380 32 - 300
Telefax + 49 40 380 32 - 388
ir@tag-ag.com

The English version of the Interim Statement Q3 2019 is a translation of the German version.
The German version is legally binding.

Concept: fischer's brand loft Werbeagentur GmbH
Layout and typesetting: TAG Immobilien AG

TAG Immobilien AG

Steckelhörn 5
20457 Hamburg
Telefon +49 40 380 32 - 0
Telefax +49 40 380 32 - 390
info@tag-ag.com
www.tag-ag.com