



ANNUAL REPORT 2025

GROWING CASHFLOWS

TAG
Immobilien AG

GROUP FINANCIALS

in EURm

Income statement key figures	2025	2024	2023
Net actual rent total	371.1	360.2	350.8
EBITDA (adjusted) rental business Germany and Poland	247.6	238.5	236.4
EBITDA (adjusted) from sales Poland	85.5	76.6	100.6
EBITDA (adjusted) total	333.1	315.1	337.0
Adjusted net income from sales Poland	68.0	66.2	82.8
Consolidated net profit	90.3	122.1	-410.9
FFO I per share in EUR	1.00	1.00	0.98
FFO I	181.0	175.1	171.7
FFO II per share in EUR	1.38	1.36	1.46
FFO II	248.2	239.4	255.6

Balance sheet key figures	12/31/2025	12/31/2024	12/31/2023
Total assets	8,951.2	7,750.3	7,299.8
Equity	3,322.0	3,099.9	2,964.5
EPRA NTA per share in EUR	20.98	19.15	18.31
LTV in %	41.0	46.9	47.0

Portfolio data	12/31/2025	12/31/2024	12/31/2023
Units Germany	83,504	83,618	84,682
Units Poland (completed rental apartments)	3,526	3,219	2,417
Sold units Poland	2,823	1,936	3,586
Handovers in Poland	2,077	2,666	3,812
GAV Germany (real estate assets) in EURm	5,425.2	5,286.1	5,442.9
GAV Poland (real estate assets) in EURm	1,546.3	1,219.8	1,131.5
GAV total (real estate assets) in EURm	6,971.5	6,505.9	6,574.4
Vacancy in % Germany (total portfolio)	3.5	3.9	4.3
Vacancy in % Germany (residential units)	3.2	3.6	4.0
Vacancy in % Poland (total portfolio)	4.8	4.9	7.2
Vacancy in % Poland (units on the market > 1 year)	1.3	1.5	2.2
I-f-I rental growth in % Germany	2.6	2.5	1.8
I-f-I rental growth in % Germany (incl. vacancy reduction)	3.0	3.0	2.3
I-f-I rental growth in % Poland	3.4	3.2	10.8

EPRA key figures	12/31/2025	12/31/2024	12/31/2023
EPRA Earnings per share in EUR	1.05	0.99	0.91
EPRA NTA per share in EUR	20.98	19.15	18.31
EPRA Net Initial Yields in %	5.1	5.0	4.5
EPRA Vacancy Rate in %	3.6	4.0	4.7
EPRA Cost Ratio (incl. vacancy costs) in %	32.4	33.7	32.6
EPRA Cost Ratio (excl. vacancy costs) in %	30.2	31.5	30.0
EPRA Loan to Value in %	43.2	47.6	48.6

Employees	2025	2024	2023
Number of employees	1,922	1,856	1,816

Capital market data	
Market cap at 12/31/2025 in EURbn	2.5
Share capital at 12/31/2025 in EUR	189,034,941.00
WKN/ISIN	830350/DE0008303504
Number of shares at 12/31/2025 (issued)	189,034,941
Number of shares at 12/31/2025 (outstanding, without treasury shares)	188,976,252
Free Float in % (without treasury shares)	100
Index	MDAX/EPRA



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FOREWORD

FOREWORD BY THE MANAGEMENT BOARD

Dear Shareholders, dear Sirs and Madams,

The 2025 financial year was a year of operational strength, targeted portfolio development and further strengthening of our balance sheet for TAG Immobilien. In an environment that continues to be characterised by high demand for apartments in both Germany and Poland, we consistently implemented our strategic priorities: stable cash flows, disciplined financing and value-creating growth in Germany and Poland.

Strong operating result – FFO I above guidance

With FFO I of EUR 181.0m, we exceeded our guidance of EUR 174–179m, which we raised in November 2025, and increased the previous year's level by 3%. EBITDA for the rental business increased by 4% to EUR 247.6m in the same period. This development demonstrates the earnings strength of our business model, which is based on a regionally focused German portfolio and a dynamically growing residential real estate business in Poland.

In Germany, we were again able to maintain like-for-like rental growth, including vacancy reduction, at 3.0% p.a. At the same time, the vacancy rate in the residential units fell from 3.6% to 3.2%. High demand in our core regions, particularly in eastern Germany, and the consistent management of our portfolio are key factors in this.

In Poland, we achieved very good results in both the rental and sales segments. The like-for-like rental growth in the Polish rental portfolio was 3.4%, compared with 3.2% in the previous year. The vacancy rate for units that have been on the market for more than a year is only 1.3% – impressive proof of the attractiveness of our products in Poland's largest metropolitan regions.

The sales business in Poland contributed significantly to FFO II of EUR 248.2m with a result of EUR 68.0m, which was also above the guidance of EUR 61–67m, representing an increase of 4% over the previous year.



Portfolio growth with attractive returns in Germany and Poland

A key element of our strategy is value-oriented growth with attractive returns. We achieved this in both core markets in 2025.

In Poland, we agreed to acquire a new-build rental portfolio comprising around 5,300 units from R4R Poland sp. z o.o. (R4R) in August 2025. The purchase price of around EUR 565m corresponds to an expected gross yield of c. 7.5%. Upon completion of the transaction, which is expected in the second quarter of 2026 following antitrust approval, we will expand our rental portfolio in Poland soon to almost 10,000 apartments.

We have also selectively expanded our portfolio in Germany. In the 2025 financial year, we acquired a total of around 1,200 units at a purchase price of EUR 34m, mainly in existing TAG locations in eastern Germany. The acquisitions were made at an average gross yield of 10.4% and an average vacancy rate of around 15%. This opens up attractive potential for value appreciation through active management and reduction of vacancies. This was offset by scheduled sales of 99 apartments, which were very limited in scope and sold at prices slightly above book value.

Value growth and balance sheet strengthening

The positive operating performance is also reflected in the portfolio valuations and our balance sheet figures. Despite a dividend payment of EUR 0.40 per share and a capital increase below the NTA level in August 2025, EPRA NTA per share rose by 10% to EUR 20.98 (previous year: EUR 19.15). In the German portfolio, we recorded an increase in value of around 3.1% in the course of 2025.

At the same time, we significantly improved our debt ratios. The loan-to-value ratio (LTV) fell to 41.0% at the end of 2025, down from 46.9% in the previous year. Even on a pro forma basis, i.e. after completion of the Polish R4R portfolio purchase, the LTV would be around 45.3%, which is in line with the target of c. 45%.

The EUR 430m convertible bonds and the unsecured EUR 300m corporate bonds successfully placed in the reporting year, combined with the capital increase of EUR 186m, further strengthened our liquidity position. At the end of the year, we had cash and cash equivalents of around EUR 1.35bn, which are earmarked, among other things, for the purchase price of the Polish R4R acquisition and the repayment of the EUR 470m convertible bonds maturing in 2026.

The consistent strengthening of our balance sheet and the quality of our business model are reflected in our investment-grade ratings confirmed by Moody's and S&P, which have been assigned a positive outlook.

ESG: Responsibility as an integral part of our business model

Sustainability is an integral part of our actions and our value chain. This is confirmed by independent ESG ratings: TAG continues to be one of the leading companies in the real estate sector. Our ratings by established agencies such as MSCI, Sustainalytics, CDP, EPRA and ISS ESG prove that we meet both environmental and social and governance requirements to a high degree.

Our focus is on an efficient and targeted modernisation and maintenance strategy that balances energy efficiency improvements in our portfolio, socially acceptable rents and attractive returns. In 2025, we once again invested considerable funds in the modernisation of our apartments and buildings in Germany, while at the same time providing additional impetus for energy-efficient refurbishment through the use of subsidy programmes.

Attractive dividend profile and rising payments

The Management Board and Supervisory Board plan to propose a dividend of EUR 0.40 per share for the 2025 financial year at the Annual General Meeting. This corresponds to a payout ratio of 40% of FFO I and is thus in line with the previous year's level. At the same time, we plan to increase the payout ratio for the 2026 financial year to 50% of FFO I. This increase reflects the growing and sustainably secured earnings strength of our business, particularly against the backdrop of the significant cash flow contribution from the future expansion of our Polish rental portfolio.



Outlook for 2026: Further growth in cash flows and dividends

Based on the strong performance in 2025, we confirm our guidance for the 2026 financial year. We expect FFO I to increase further to EUR 187–197m and FFO II to EUR 279–295m. Net income from the Polish sales business is expected to rise significantly by around 40% to EUR 92–98m.

With these prospects and the planned increase in the dividend payout ratio, we believe TAG is well positioned to further increase our financial strength and to allow our shareholders to participate appropriately in the company's success.



Acknowledgements

On behalf of the entire Management Board, we would like to express our sincere thanks to our employees in Germany and Poland. Their commitment, expertise and strong identification with TAG form the basis for our company's strong performance in the past financial year. We would also like to thank our tenants, business partners, financial institutions and, of course, you, our shareholders, for the trust you have placed in TAG.

In 2026, we will continue to do everything in our power to justify this trust through reliably growing cash flows, responsible corporate governance and an attractive dividend policy.

Hamburg, March 2026

Claudia Hoyer
COO and Co-CEO

Martin Thiel
CFO and Co-CEO



BOARD REPORT

REPORT OF THE SUPERVISORY BOARD FOR THE 2025 FINANCIAL YEAR

Dear Shareholders, Ladies and Gentlemen,

Our business model once again proved highly successful in the past financial year. The results achieved in 2025 exceeded the forecasts for FFO I, adjusted net income from sales Poland and FFO II. Our investments give us a presence in two of the most attractive European residential markets, Germany and Poland. While the German business primarily stands for stability and continuous growth, we are continuing our strong expansion in Poland, as demonstrated by the agreement signed in the reporting year to acquire a rental apartment portfolio for a purchase price of around EUR 565m. With this strategy, TAG has successfully positioned itself both economically and on the capital market.

Investor confidence was reflected, among other things, in the high demand for the placement of convertible bonds issued in March 2025 in the amount of EUR 332m, as well as in various capital market transactions (cash capital increase, further increase in the convertible bond and new corporate bond) with a total volume of EUR 584m, which we carried out in August 2025 to refinance the aforementioned acquisition of approximately 5,300 new-build apartments in Poland.

Although we had hoped for a better performance of the TAG share price in 2025 than the final figure of -8%, the TAG share significantly outperformed its peer group on a relative basis in a challenging capital market environment for German residential property shares.



Collaboration with the Management Board and monitoring of the Company's management

The Supervisory Board performed the duties incumbent upon it by law, the Articles of Association, the German Corporate Governance Code (DCGK) and its rules of procedure with great care in the 2025 financial year. It regularly advised the Management Board on the management of the Company and monitored its activities. It was directly involved at an early stage in all decisions of fundamental importance to the Company. The Management Board reported regularly, promptly and comprehensively on all relevant issues relating to corporate planning and strategic development. The Management Board's reporting covered the economic situation and profitability of TAG and its group companies, the course of business, the internal control system, the risk situation, risk management, compliance and sustainability issues. Reporting was carried out in writing and verbally. The Management Board was also in regular contact with the Chairman of the Supervisory Board to coordinate important business transactions and provide information on the general course of business.

Composition and organisation of the Supervisory Board

The members of the Supervisory Board have the knowledge, skills and experience necessary to perform their duties properly. The respective professional expertise of the individual Supervisory Board members complements each other, enabling the Supervisory Board as a whole and in its diversity to perform its duties comprehensively. The Supervisory Board's control and advisory functions are performed in accordance with the law, the Articles of Association, the German Corporate Governance Code (DCGK) and the rules of procedure.

The Supervisory Board has formed an Audit Committee and a Personnel Committee. The Audit Committee is responsible for the preliminary review of the documents relating to the annual financial statements and the consolidated financial statements, as well as for preparing the approval of these and the Management Board's proposal for the appropriation of profits. The committee discusses with the Management Board, among other things, the principles of compliance, the risk management system and the adequacy and functionality of the internal control systems. The tasks of the Audit Committee also include preparing the election of the auditor by the Annual General Meeting and reviewing the independence required for this purpose. The members of the Audit Committee have sufficient expertise in the areas of accounting and auditing. Their expertise in both areas covers reporting, including auditing on sustainability matters.

The Personnel Committee, which also performs the duties of a Nomination Committee, is responsible for all matters relating to the Management Board (including Management Board contracts). Furthermore, the Personnel Committee selects suitable candidates for election to the Supervisory Board at the Annual General Meeting.



All members of the Supervisory Board have fulfilled their continuing education and training obligations. These included training courses offered by the Company on compliance and data protection, as well as external training courses (including in the area of sustainability).

The composition of the Supervisory Board and its committees is as follows:

Supervisory Board members and composition of the committees	Supervisory Board	Audit Committee	Personnel Committee
Olaf Borkers	Chairman	Deputy Chairman	Chairman
Eckhard Schultz	Deputy Chairman	Chairman	Deputy Chairman
Gabriela Gryger	Member	-	Member
Prof. Dr. Kristin Wellner	Member	Member	-
Björn Eifler ¹⁾	Member	-	-
Beate Schulz ¹⁾	Member	-	-

1) Employee representatives

Meetings of the Supervisory Board

In the 2025 financial year, numerous Supervisory Board meetings were held in person and in other formats (see the overview below and the summary of the main meetings). Resolutions were passed outside of meetings in eight instances by means of electronic communication. These mainly concerned financing matters.

Attendance of Supervisory Board meetings in 2025	25 Feb (V)	4 Mar (V)	24 Mar (P)	15 May (P)	6 Jun (P)	6 Aug (V/T)	19 Aug (V/T)	5 Sep (P)	9 Oct (V)	7 Nov (V)	16 Dec (V)
Olaf Borkers	x	x	x	x	x	x	x	x	x	x	x
Eckhard Schultz	x	x	x	x	-	x	x	x	x	x	x
Prof. Dr. Kristin Wellner	x	x	x	x	x	x	x	x	x	x	-
Gabriela Gryger	x	x	x	x	x	-	x	x	x	x	x
Beate Schulz	x	x	x	x	x	x	x	x	x	x	x
Björn Eifler	x	x	x	x	x	x	x	x	x	x	x

Attendance at meetings Audit Committee 2025	4 Mar (T)	24 Mar (P)	15 May (P)	5 Sep (P)	7 Nov (V)
Eckhard Schultz	x	x	x	x	x
Olaf Borkers	x	x	x	x	x
Prof. Dr. Kristin Wellner	x	x	x	x	x

Attendance at meetings Personnel Committee 2025	6 May (V)	5 Sep (P)
Olaf Borkers	x	x
Eckhard Schultz	x	x
Gabriela Gryger	-	x

V = Video conference, T = Telephone conference, P = Present in person



The Supervisory Board primarily dealt with the following topics:

- Approval of the 2024 annual and consolidated financial statements, including the results of the auditor's review following its own review;
- Determination of the remuneration of the Management Board from the 2024 Short-Term Incentive Plan and the 2021–2024 Long-Term Incentive Plan, as well as the remuneration-relevant personal targets for 2025 for the members of the Management Board;
- Development of a new remuneration system for the Management Board and succession plans for the Management Board and the Supervisory Board;
- Acquisitions during the financial year, including their refinancing and their impact on dividend policy;
- Strategic orientation of the group (both in Germany and Poland, particularly with regard to further growth opportunities and their financing);
- Use of artificial intelligence;
- Compliance and data protection.

Work of the Audit Committee and the Personnel Committee

During the last financial year, the Audit Committee and its Chairman remained in close contact with the auditor and the Management Board even outside of committee meetings. Key topics included audit risk, audit strategy and audit planning, as well as the results of the audit. In addition, valuation scenarios for TAG shares from various perspectives were a focal point of the discussions.

The Personnel Committee dealt with the remuneration of the Management Board and succession plans for the Management Board and Supervisory Board.

Statutory auditor for 2025

The Supervisory Board has awarded the audit mandate for the annual and consolidated financial statements as at 31 December 2025 for TAG Immobilien AG to Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, which was elected by the Annual General Meeting on 16 May 2025.

Approval of the annual financial statements and the consolidated financial statements

Deloitte GmbH Wirtschaftsprüfungsgesellschaft audited the annual financial statements and management report of the Company prepared in accordance with commercial law principles, as well as the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), including the Group management report for the 2025 financial year, and issued an unqualified audit opinion in each case.

The financial statements and audit reports were forwarded to all members of the Supervisory Board in good time. Detailed discussions took place at the Supervisory Board meeting on 24 March 2025. Representatives of the auditor attended this meeting, explained the audit and were available to answer questions from the committee. The auditor also confirmed that the early risk detection system set up by the Management Board is suitable for identifying developments at an early stage that could jeopardise the continued existence of the Company.

Based on its own review of the annual and consolidated financial statements and the respective management reports, the Supervisory Board raised no objections and concurred with the auditor's findings. The annual and consolidated financial statements prepared by the Management Board were approved by the Supervisory Board and thus adopted.

Corporate governance

The Supervisory Board and the Audit Committee monitor management's compliance with the principles of good corporate governance. There were no conflicts of interest with members of the Supervisory Board during the financial year.

During the reporting year, the Chairman of the Supervisory Board once again conducted a corporate governance "roadshow" with proxy advisors and major investors in our Company. The purpose of this roadshow is to exchange views on our intentions and their opinions on, among other things, a new remuneration system for the Management Board.

No member of the Management Board or Supervisory Board has received or granted loans from TAG Immobilien AG or any of its subsidiaries.

The declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued in November 2025 without restrictions. The recommendations of the Corporate Governance Code of the Institute for Corporate Governance in the German Real Estate Industry of September 2023 ("CGK-i 2023") were and are also followed, with the exception of its recommendation D.12-i. The Supervisory Board does not consider an external assessment of the effectiveness of the Supervisory Board's work to be necessary (see the Declaration of Conformity from November 2025).



Vote of thanks to the staff

The Supervisory Board and the Management Board would like to express their appreciation and gratitude to all employees, both in Germany and Poland, whose hard work and dedication during the reporting year made the positive development and further growth of the Group possible.

Hamburg, March 2026

For the Supervisory Board

Olaf Borkers

Chairman of the Supervisory Board

EPRA

EPRA REPORTING

Since 2001, TAG Immobilien AG has been a member of EPRA (European Public Real Estate Association), a non-profit organisation representing the listed real estate sector in Europe, which regularly publishes "Best Practice Recommendations" on financial reporting and the calculation of certain performance indicators. Even though TAG's internal corporate management currently is not based on EPRA figures, for information purposes we are publishing below key figures and calculations prepared in accordance with EPRA's Best Practice Recommendations in their currently valid version (<http://www.epra.com/finance/financial-reporting/guidelines>). In this way, TAG actively supports EPRA's initiative to standardise and improve the comparability of key financial figures for real estate companies.

EPRA EARNINGS

EPRA Earnings show a performance indicator that measures the operating result from the rental business of real estate. EPRA Earnings per share are then calculated taking into account the weighted number of shares outstanding during the financial year.

in EURm	2025	2024
Net income	90.3	122.1
Changes in value of investment properties, development properties held for investment and other interests	-183.3	114.6
Profits or losses on disposal of investment properties, development properties held for investment and other interests	0.5	0.6
Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-73.9	-67.8
Other costs in respect of disposal of properties	19.6	12.9
Tax on profits or losses on disposals	14.1	13.5
Changes in fair value of financial instruments and associated close-out costs	6.5	1.4
Deferred taxes on EPRA adjustments	74.7	-21.8
Adjustments in respect of joint ventures	-13.9	-1.6
Non-controlling interests in respect of the above	-3.8	-0.9
Adjustments related to non-operating and exceptional items	259.0	0.0
EPRA Earnings	189.7	172.9
Other deferred taxes	-21.5	-8.2
Other non-cash financial results	1.4	-2.3
Non-recurring effects	-2.6	0.0
Depreciation/amortisation	14.0	12.7
Adjusted EPRA Earnings (FFO I)	181.0	175.1
Weighted average number of shares (outstanding, in '000)	180,509	175,471
EPRA Earnings per share in EUR	1.05	0.99
Adjusted EPRA Earnings (FFO I) per share in EUR	1.00	1.00
Interest expense convertible bond (interest paid)	0.0	0.0
EPRA Earnings, diluted¹⁾	189.7	172.9
Weighted average number of shares in TEUR (diluted in '000)	180,509	175,471
EPRA Earnings per share in EUR, diluted¹⁾	1.05	0.99

1) No diluting effects on the reporting dates.

The adjustments reported in the year under review in connection with non-operating and extraordinary items relate to one-off deferred tax adjustments due to a revaluation of deferred tax liabilities in connection with the valuation of investment properties. Since the 2025 financial year, TAG has applied a combined tax rate of 25.81% comprising corporation tax and trade tax for all companies. In the previous year, a tax rate of 15.825%, which only took corporation tax into account, was applied to those companies that made use of the so-called extended trade tax reduction. For those companies that did not take advantage of the extended trade tax reduction, a combined tax rate of 31.085% was applied, consisting of corporation tax and trade tax. The adjustment is based on an updated estimate of a possible trade tax burden at the reversal date of the temporary differences and the gradual reduction of the corporation tax rate to 10% in 2032. This results in an increase in deferred tax liabilities of EUR 259m.



No adjustments were made in connection with the financial structure in the financial year or in the previous year. Accordingly, the item is reported as zero in the periods shown.

Similar to funds from operations (FFO I), presented here as “adjusted EPRA earnings”, valuation and sales results are eliminated from the IFRS consolidated net income. In contrast to the calculation of FFO I, however, not all deferred taxes are adjusted in the EPRA earnings. This means, for example, that consumption and value adjustments on deferred taxes on unused tax losses, although not cash-effective, are deducted in full from EPRA net income, whereas they are eliminated in the calculation of FFO I. Non-recurring special effects and depreciation are also deducted from EPRA net income, whereas they are excluded from FFO I.

EPRA NAV METRICS

EPRA distinguishes between three different metrics within net asset values (NAV), which are used to map different scenarios for real estate companies. Based on equity as a measure of net assets, various adjustments are made depending on a company's different investment strategies.

The EPRA Net Reinstatement Value (EPRA NRV) assumes a hold strategy and is essentially a material reconstruction value of the real estate portfolio. Accordingly, transaction costs that are deducted in the context of property valuation in accordance with IFRS are added back, as are hidden reserves, after deferred tax effects and minority interests, in the properties of the tangible or inventory assets valued at acquisition or production cost. An adjustment is also made for deferred taxes on real estate assets and for derivative financial instruments, including deferred tax effects, which are not expected to be realised in the current business operations.

EPRA Net Tangible Assets (EPRA NTA) is based on the assumption that regular property purchase and sale transactions are carried out, as a result of which deferred taxes are also realised on a pro rata basis. Therefore, an adjustment is made exclusively for deferred taxes on the strategic core portfolio within the investment properties. As with EPRA NRV, hidden reserves in real estate assets are taken into account and derivative financial instruments are adjusted for deferred tax effects. In addition, intangible assets, including goodwill, are not taken into account in this strategy.



The EPRA Net Disposal Value (EPRA NDV) reflects the strategy of disposing of the real estate portfolio and therefore requires the inclusion of fair values of deferred taxes and derivative financial instruments, as well as other financial liabilities that would be realised under this strategy. Goodwill is excluded, but intangible assets continue to be recognised.

EURm	EPRA NRV	EPRA NTA	EPRA NDV
	12/31/2025	12/31/2025	12/31/2025
Equity (without non-controlling interest)	3,262.2	3,262.0	3,262.2
Deferred taxes on investment properties and derivative financial instruments	870.7	866.4	0.0
Fair value of derivative financial instruments	67.3	67.3	0.0
Difference between fair value and book value of properties valued at cost	62.8	62.8	62.8
Goodwill	0.0	-289.8	-289.8
Intangible assets	0.0	-3.6	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	21.8
Transaction costs (e.g. real estate transfer tax)	459.3	0.0	0.0
EPRA metrics (diluted)	4,722.3	3,965.1	3,057.0
Number of shares outstanding (diluted, in '000)	188,976	188,976	188,976
EPRA metrics per share (diluted)	24.99	20.98	16.18

EURm	EPRA NRV	EPRA NTA	EPRA NDV
	12/31/2024	12/31/2024	12/31/2024
Equity (without non-controlling interest)	3,019.6	3,019.6	3,019.6
Deferred taxes on investment properties and derivative financial instruments	566.4	557.1	0.0
Fair value of derivative financial instruments	11.7	11.7	0.0
Difference between fair value and book value of properties valued at cost	60.0	60.0	60.0
Goodwill	0.0	-286.1	-286.1
Intangible assets	0.0	-3.6	0.0
Difference between fair value and book value of financial liabilities	0.0	0.0	98.7
Transaction costs (e.g. real estate transfer tax)	458.4	0.0	0.0
EPRA metrics (diluted)	4,116.1	3,358.7	2,892.2
Number of shares outstanding (diluted, in '000)	175,405	175,405	175,405
EPRA metrics per share (diluted)	23.47	19.15	16.49

All NAVs are to be calculated on a fully diluted basis. As in the previous year, the outstanding convertible bond 2020/2026 is "out of the money", meaning that no dilution effects had to be taken into account.



Deferred taxes are taken into account as follows when calculating the NTA:

	2025			2024		
	Fair value in EURm	Share of total portfolio	Share of deferred tax corrections	Fair value in EURm	Share of total portfolio	Share of deferred tax corrections
Strategic core portfolio	6,004.5	85%	100%	5,828.4	89%	100%
Other portfolio including properties held for sale	1,028.2	15%	0%	741.2	11%	0%

EPRA NET INITIAL YIELD

The EPRA net initial yield is the ratio of the annualised annual net cold rent available at the reporting date, less non-recoverable charges, maintenance expenses and adjustments for rental incentives, to the fair value of the total real estate assets, including the transaction costs deducted in the valuation of the real estate assets (incidental acquisition costs). In the case of TAG as a residential rental business, the EPRA net initial yield also corresponds to the “topped-up EPRA net initial yield”, as rent-free periods are only of very minor significance in this business model.

in EURm	12/31/2025	12/31/2024
Market value of total real estate assets	5,849.9	5,552.2
Transaction costs deducted (incidental acquisition costs)	459.3	458.4
Market value of total real estate assets (gross)	6,309.2	6,010.6
Annualised net annual rental income on the reporting date	378.7	367.0
Maintenance expenses	-39.2	-44.7
Non-recoverable charges	-11.8	-12.7
Ancillary costs of vacant real estate	-8.3	-8.2
Rental income after non-rechargeable ancillary expenses and maintenance costs	319.4	301.5
Adjustments for rental incentives (rent-free periods)	0.0	0.0
Rent after non-allocable utility costs, maintenance costs and rental incentives	319.4	301.5
EPRA Net Initial Yield	5.1	5.0
EPRA 'topped up' Net Initial Yield	5.1	5.0



EPRA VACANCY RATE

The EPRA vacancy rate is calculated based on the net cold rent of the vacant units as of the reporting date in relation to the current net cold rent of the overall portfolio. If vacancies are the result of long-term project development measures, these are not taken into account when calculating the EPRA vacancy rate.

in EURm	12/31/2025	12/31/2024
Estimated rental income in December	32.9	32.6
Estimated rental income lost as a result of vacancies in December	1.2	1.3
EPRA vacancy rate in %	3.6	4.0

EPRA COST RATIO

EPRA cost ratios are calculated based on the ratio of total rental and administrative expenses (with or without vacancy costs and taking into account other operating income in the opposite direction and eliminating special effects) to total rental income for the financial year. The cost ratios serve as a benchmark for a meaningful assessment of the development of operating expenses.

in EURm	2025	2024
Rental expenses (non-rechargeable)	62.3	68.8
Impairment losses (rental business)	5.8	4.8
Net income from property services	-36.8	-38.4
Other operating income	-10.3	-5.8
Personnel expenses	75.0	68.2
Other operating expenses	24.2	23.9
EPRA costs incl. vacancy costs	120.3	121.5
Vacancy costs	8.3	8.2
EPRA costs excl. vacancy costs	112.0	113.3
Rental income (net actual rent)	371.1	360.2
EPRA costs ratio incl. vacancy costs in %	32.4	33.7
EPRA costs ratio excl. vacancy costs in %	30.2	31.5

Real estate is initially measured at acquisition or production cost, including incidental expenses. Borrowing costs incurred in connection with the acquisition or production of investment properties are capitalised if the relevant requirements are met. Subsequent costs for the extension, conversion or modernisation of the property are taken into account if they contribute to an increase in the fair value of the property. Production costs comprise costs directly attributable to the property; overheads are not capitalised. In the past financial year, directly attributable personnel expenses of EUR 3.0m (previous year: EUR 2.0m) were capitalised in connection with modernisation expenses carried out by the Company's own employees. There is no relevant information in connection with joint ventures, as TAG is not involved in any joint ventures in the rental business.



EPRA LOAN TO VALUE (LTV)

The EPRA loan-to-value (LTV) ratio is calculated as the ratio of net financial debt to total property volume and represents the Debt-to-Assets ratio.

in EURm	12/31/2025	12/31/2024
Liabilities to banks	2,312.6	2,358.3
Liabilities from corporate bonds and other loans	1,116.6	893.8
Liabilities from convertible bonds	854.5	466.3
Net payables ¹⁾	0.0	51.1
Cash and cash equivalents	-1,197.9 ²⁾	-603.5
Net financial debt	3,085.8	3,166.0
Investment properties	6,254.7	5,834.4
Property reported under tangible assets	1.6	2.3
Property held as inventory	713.8	611.3
Property reported under non-current assets held for sale	1.4	58.0
Real estate volume (book value)	6,971.5	6,505.9
Intangible assets	3.6	3.6
Net receivables	19.5	0.0
Difference between fair value and book value for properties valued at cost	92.0	84.4
Financial assets	60.5	63.4
Relevant real estate volume for LTV calculation	7,147.2	6,657.3
EPRA Loan to Value (LTV)	43.2%	47.6%

1) without prepayments received from sales

2) excluding EUR 150m short-term deposits due in April 2026 shown under other current assets in the balance sheet

Net liabilities or net receivables are the balance of trade receivables and payables, other receivables and other liabilities, other provisions, and income tax receivables and income tax liabilities.



EPRA CAPEX

EPRA CAPEX shows the property-related investments made during the financial year.

EURm	2025	2024
Acquisitions financial year	88.0	86.5
Project developments	69.5	44.3
- of which capitalised interest	5.0	3.4
like-for-like portfolio Germany ¹⁾	106.2	79.4
- of which investments in existing space	106.2	79.4
Other ²⁾	0.0	0.0
EPRA CAPEX	263.7	210.1

1) Investments in investment properties EUR 106.2m (previous year: EUR 79.4m), investments in properties held for sale EUR 0.0m (previous year: EUR 0.1m)

2) Rental incentives, e.g. rent-free periods for tenants as a result of modernisation measures carried out by the tenants themselves, are of minor significance with a total volume of approximately TEUR 20 per annum; information on modernisation expenses in connection with joint ventures is not provided as TAG's joint ventures do not report any investment properties.

Land purchases in Poland are reported under acquisitions in the financial year. The project developments relate to investments in new residential construction in Poland. Including the project developments reported under inventories, EUR 409.5m (previous year: EUR 359.5m) was invested. The modernisation expenses for the like-for-like portfolio relate only to investments in existing space; investments in additional space are of minor significance.



MANAGEMENT REPORT

COMBINED MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2025

FOUNDATIONS OF THE GROUP

Overview and corporate strategy

TAG Immobilien AG (hereinafter also referred to as “TAG” or the “Group”) is a real estate company focused on the residential property sector and based in Hamburg. The properties owned by TAG and its subsidiaries are spread across various regions in Northern and Eastern Germany and North Rhine-Westphalia, and since the 2020 financial year also in Poland, where the business model includes not only the development and management of a residential property portfolio but also sales activities. As at 31 December 2025, TAG managed a total of around 83,500 (31 December 2024: around 82,500) of its own residential units in Germany and around 3,500 (31 December 2024: around 3,200) in Poland, including a number of commercial units, which are, however, of minor significance.

TAG's business model in Germany consists of a long-term rental business for residential units. All material functions essential to property management are performed by the Company's own employees. In addition, caretaker and craftsman services are provided for the Company's own portfolio. The Company operates a rental business for affordable housing that appeals to broad sections of the population. Energy management is bundled in a subsidiary and includes commercial heat supply in 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's investments in Germany are primarily made in medium-sized cities and in the vicinity of large metropolitan areas, as we see not only growth potential there, but also better return opportunities compared to investments in large cities. Newly acquired portfolios regularly have higher vacancy rates, which are then reduced after acquisition through targeted investments and proven asset management concepts. Investments within Germany are made almost exclusively in regions already managed by TAG in order to utilise existing administrative structures. In addition, local market knowledge is material when acquiring new portfolios.



The expansion of business activities into Poland began in 2020 with the acquisition of Vantage Development S.A. ("Vantage"), a property developer based in and focusing on Wrocław. The acquisition of ROBYG S.A., based in Warsaw ("ROBYG"), expanded TAG's platform for developing residential units for its own portfolio in the existing regions of Wrocław, Poznań and, in particular, Tricity, and also enabled it to enter the Warsaw market on a large scale. At the same time, TAG expanded its business model to include the development of residential units for sale. TAG's investment focus in Poland is on new-built residential units in large cities with favourable population growth, proximity to universities and well-developed infrastructure. The financing of project developments for sale in Poland is also partly carried out through joint venture agreements with external partners. TAG receives separate remuneration for taking on the construction work, selling the residential units and providing other services.

In Poland, TAG has c. 3,500 completed residential units (31 December 2024: c. 3,200) in its rental business as of the reporting date. A further c. 1,300 (31 December 2024: c. 1,100) residential units are under construction as of the reporting date. In addition, there is a land reserve for the future construction of c. 5,400 (31 December 2024: c. 6,100) additional residential units.

Furthermore, in August 2025, TAG signed an agreement through its wholly-owned Polish subsidiary Vantage to acquire c. 5,300 rental apartments from R4R Poland sp. z o.o. for a purchase price of c. EUR 565m. The closing of the transaction is still subject to antitrust approval, which is now expected in the second quarter of 2026.

In the sales business, which also includes joint ventures, c. 6,000 (31 December 2024: c. 3,400) residential units were under construction as of the reporting date. The land reserve in this business segment comprises a further c. 18,800 (31 December 2024: c. 22,000) future residential units. In the past financial year, a total of 2,823 (previous year: 1,936) residential units were sold in Poland and 2,077 (previous year: 2,666) residential units were handed over to buyers.

Group structure and organisation

TAG Immobilien AG is at the helm of an integrated real estate group. It essentially performs the functions of a management holding company and, in this capacity, carries out Group-wide tasks for the entire group of companies, in particular for the German subsidiaries. Central departments such as finance, accounting, tax, controlling, human resources, IT, purchasing and legal are located directly at TAG Immobilien AG.

At Management Board level, responsibilities in the past financial year were as follows:

- COO (also Co-CEO): Property Management, Acquisition and Sales, Strategic Property Management & Marketing, Shared Service Centre, Customer and Quality Management, Facility Management Services, Craftsman Services, Central Purchasing and Technology, Change Management, Business Apartments, Energy Residential Service, Multimedia Properties, Business Development, Digitalisation and Human Resources
- CFO (also Co-CEO): Group Accounting, Financing and Treasury, Corporate Finance, Tax, Controlling, Investor & Public Relations, ERP/Data Management, Legal, Judicial Rent Collection, IT, Compliance, Environmental Social Governance (ESG), Internal Auditing and Property External Management



The Group is structurally divided into further subgroups, operating subsidiaries and property companies, each of which owns real estate portfolios and is consolidated in TAG's consolidated financial statements. As at 31 December 2025, the Group consists of 184 (previous year: 183) fully consolidated companies, including the parent company. A complete overview of all companies is provided in the notes to the consolidated financial statements.

The organisational structure of the operating business is characterised by a decentralised structure, flat hierarchies and short decision-making paths. At the heart of this organisation in Germany is the so-called "LIM structure" (LIM stands for Leiter*in Immobilienmanagement, or Head of Real Estate Management). Each LIM is assigned a regionally defined real estate portfolio, which is managed on a decentralised basis and largely independently within the approved budget. The regions correspond in total to the "Rental business in Germany" segment presented in the segment reporting. Material areas of responsibility in the decentralised structure include direct customer service, rental business and technical support for residential units in relation to maintenance measures.

The LIMs report directly to the Management Board (and in this case to the COO). The LIMs hold regular meetings to exchange ideas and ensure consistency in the implementation of the centrally controlled corporate strategy and Management Board decisions.

The central functions of the operational business primarily concern the comprehensive development of portfolio, site and management concepts and standards with the aim of efficiently and sustainably creating consistency in quality and improved service for tenants. In addition, functions such as purchasing/sales, facility management services, procurement and shared service centres as well as customer management, including receivables management, are organised centrally. Bundling these functions relieves the burden on operational management and ensures independence from third-party service providers. In addition, the central departments standardise processes, negotiate supra-regional framework agreements and review products and services across the Group.

The Polish subsidiaries form a separate subgroup within the Group. Within this organisational unit, Vantage holds and manages the rental apartment portfolio, while ROBYG implements sales projects and carries out construction activities. The organisational structure of the operating business in Poland – like the rest of the Group – features flat hierarchies and short decision-making paths. Central decisions are made in close consultation with the TAG Management Board and the departments operating in Germany.



Management system

TAG uses a continuously updated management system to monitor and control its business activities. The management system is based on operational metrics determined at regional level and financial metrics at Group level. The CFO is responsible for managing and continuously monitoring these metrics at Management Board level.

Operating metrics

The two material operating metrics, which are calculated monthly and reported to the Management Board, are shown below.

- **Development of rents**
To assess the development of rents, the rent development is determined in absolute terms and on a like-for-like basis (i.e. excluding acquisitions and disposals over the last twelve months), as well as the net actual rent and new let rent per square metre. In the case of like-for-like rent growth, a distinction continues to be made between like-for-like rent growth with and without the effects of vacancy reduction. The development of the indicators provides information on the status of the targets to be achieved in terms of rent growth. For corporate management, like-for-like rental growth including the effects of vacancy reduction is the key performance indicator for assessing rental development.
- **Development of vacancy rates**
Vacancy rates are calculated as the ratio of unlet square metres to total square metres of residential or commercial space. Internally, a distinction is made between the development of vacancy rates for the Group's residential units (i.e. excluding commercial space and the effects of acquisitions and disposals during the financial year) and the development of vacancy rates for the overall portfolio. The vacancy rate serves as an indicator of the effectiveness of modernisation and letting activities as well as the successful implementation of neighbourhood development concepts. The reduction in vacancy rates is another value driver in the development of rental growth. For corporate management, the development of vacancy rates for residential units is the key performance indicator for assessing vacancy rate development.

In addition, maintenance and modernisation expenses are determined, reported and reviewed on a monthly and quarterly basis as supporting metrics. The actions are divided into categories such as "major actions" (e.g. modernisation of entire apartment blocks), modernisation of previously vacant residential units and modernisation when tenants change. The actions are reviewed in order to ensure that return targets are met and to maintain the long-term value of the portfolio.

Furthermore, so-called "contribution margins", i.e. results directly attributable to an individual region or service business, are determined on a monthly basis for the rental business in Germany and the services provided in this context.

For business activities in Poland, current operating results include not only rents and vacancies, but also key metrics relevant to sales, which are also reported on a monthly basis. These include, in particular, the number of residential units sold and handed over, sales prices and sales margins, and the development of construction costs.



Financial metrics

Funds from operations (FFO) are material metrics for managing the Group. FFO is calculated from consolidated net income, adjusted for non-cash items such as valuation results, depreciation, amortisation and impairment losses (excluding adjustments for impairment losses on rental receivables), non-cash interest expenses and non-recurring special items, and after deduction of actual income taxes. Within FFO, a distinction is made between FFO I (excluding sales proceeds and including contributions from the rental business in Poland) and FFO II (including sales proceeds in Germany and including the results of the sales business in Poland). Both metrics are used as significant control parameters, calculated monthly and compared with the planned values, both in absolute terms and on the basis of outstanding shares.

In addition, and as a further supporting metric the loan-to-value (LTV) debt ratio, which results from the sum of total financial liabilities (bank loans, corporate bonds and convertible bonds, including promissory note loans and commercial paper) minus cash and cash equivalents in relation to total real estate assets (including hidden reserves in real estate assets and inventories valued at the cost of acquisition or production, as well as advance payments made on real estate and company acquisitions) is calculated on a monthly basis and reported to the Management Board. As a further supporting metric, the EPRA NTA is calculated monthly and reported to the Management Board.

The Group's current liquidity situation is monitored on a daily basis. Short- to medium-term liquidity planning covering a period of at least twelve months is carried out on a monthly basis. Long-term liquidity planning for a period of three years is carried out once a year. The so-called "available liquidity" (supporting metric) is managed in each case, i.e. unrestricted cash and bank balances plus unused credit lines at credit institutions. These actions ensure the financial stability of the Group.

The relevant parameters and metrics for Management Board remuneration are presented in the remuneration report in the section entitled "Report on the principles of the Company's remuneration system (remuneration report)".



Macroeconomic and sector-specific conditions and their influence on the residential real estate market in Germany

The German economy is undergoing major changes. The reasons for this are the switch to climate-friendly technologies, digitalisation, an ageing population and global political uncertainties. Compared to other countries, Germany is finding it difficult to adapt to these changes quickly and cost-effectively. This is mainly because industry is particularly important here and is strongly affected by change. In addition, there are many bureaucratic and infrastructural hurdles that slow down new companies and production processes. These assessments are based on the ifo economic forecast for winter 2025. As a result, the ifo Institute expects only very low economic growth of 0.1% in 2025.

According to initial calculations by the Federal Statistical Office (Destatis), the German economy grew slightly again after two years of recession, with price-adjusted GDP in 2025 0.2% higher than in the previous year. Adjusted for price and calendar effects, the increase was 0.3%. This growth is primarily attributable to increased consumer spending by private and public households. Exports, on the other hand, declined against the backdrop of higher US tariffs and stronger competition from China. Investment was also weak in the manufacturing sector and in construction. In the construction industry, the decline was -3.6%, which was on a par with the previous year (-3.7%) due to persistently high construction prices. Residential construction projects in particular were less likely to be realised, while more investment was made in non-residential construction such as roads, bridges, factories and office buildings.

According to a study by the Pestel Institute in Germany, a housing deficit of 1.4 million residential units had accumulated nationwide by the end of 2024 alone. As a result, the housing market in Germany continues to be characterised by a significant shortage of supply.

After the European Central Bank (ECB) reduced the deposit rate from 3.0% to 2.0% in the first half of 2025, there were no further interest rate cuts for the rest of the year. The reason behind this decision is that inflation in the eurozone is likely to stabilise at the target value of 2% in the medium term.

Against this backdrop, the German residential property market is unlikely to benefit from falling interest rates in the medium term. However, given the imbalance between supply and demand, the housing market will continue to develop positively. In addition, the residential segment offers stable and low-risk returns compared to other real estate asset classes, especially in the current difficult economic situation in Germany. This applies in particular to the affordable housing segment, in which TAG has successfully positioned itself in Germany for many years now.



Macroeconomic and sector-specific conditions and their influence on the residential real estate market in Poland

Poland is expected to see real GDP growth of 3.2% in 2025. The main driver is private consumption, supported by significantly rising real incomes; higher public investment is also contributing to growth. Employment is likely to remain largely stable, with a tight labour market and an unemployment rate of only around 3%. The inflation rate is expected to be 3.4% in 2025, which is below the Polish National Bank's (NBP) key interest rate of 4.00%. In 2025, the Polish National Bank's key interest rate was lowered several times in steps by a total of 1.75 percentage points: in May 2025, it was first reduced by 50 basis points, then by a further 25 basis points to 5.00% in July. In September, the key interest rate was lowered to 4.75% and again by 25 basis points in the following month of October, followed by a reduction to 4.25% in November and finally to 4.00% in December.

In contrast to the German economy, the Polish economy is experiencing strong growth. At the same time, interest rates are falling after Poland had previously recorded higher interest rates for several years. Both factors will have a positive impact on the Polish housing market. Rising incomes and growing purchasing power will generate further demand, particularly in the new-build sector, which is TAG's sole area of activity in Poland.

Research and Development

Due to the nature of its business activities, the Group does not engage in any research and development activities. The Group's business activities are independent of patents, licences or trademarks, although the word and image brands of TAG Immobilien AG and its material subsidiaries are protected.



BUSINESS REPORT

Development of the German real estate and residential real estate market

In the German residential investment market, the trend of the previous year continued in 2025 with slightly increased momentum. According to the latest housing market report from BNP Paribas Real Estate for the fourth quarter, a total of EUR 8.9bn was invested in large residential portfolios with at least 30 units in 2025 as a whole. This fell just short of the previous year's result by only 4%. Investors are once again increasingly looking for investment opportunities outside the A cities, thereby contributing to the nationwide market recovery. This is also advantageous in terms of TAG's strategy, as it realises investment opportunities outside the A cities.

The sustained demand for housing over many years coincided with a decline in new housing construction in 2025. This led to a significantly strained supply and demand ratio in the German residential property market. The housing shortage benefits TAG's business model as a portfolio holder, as it has direct positive impacts on reducing vacancy rates and increasing rents.

Anglo-Saxon investors in particular returned to the German residential investment market as buyers in 2025, signalling their interest in the local housing market. The transaction volume figures from other estate agents also show a stable or slightly positive development. According to Cushman & Wakefield, the German residential investment market continued its stabilisation trend, reaching a transaction volume of EUR 3.1bn in the fourth quarter of 2025. The total volume for 2025 amounted to EUR 9.1bn, representing a slight decline of 2% compared to 2024. The last quarter of 2025 is seen as a clear sign of consolidated market stability and, in Cushman & Wakefield's opinion, also reflects the continuing high level of interest in the residential investment market in Germany.

Portfolio transactions and individual deals were almost evenly balanced: around 49.4% (EUR 4.5bn) of the total investment volume was accounted for by portfolio transactions, while individual transactions slightly outweighed this at EUR 4.6bn. While domestic investors continued to represent the largest buyer group at 68%, international capital accounted for 32%. Overall, market developments point to continued stabilisation, although some ongoing transactions require longer implementation periods before the final contract is signed and will therefore often not have an impact on the market until 2026.

In 2025, a political agreement was reached on the rental price brake, which was initially limited to 31 December 2025. This was extended for a further four years until 31 December 2029. The corresponding law came into force on 23 July 2025. However, TAG only has a comparatively small proportion of its portfolio in so-called "tight housing markets" and is therefore only affected to a limited extent by the additional restrictions imposed by the rent control law on rent increases.



Development of the Polish real estate and residential real estate market

In the seven largest markets – Warsaw, Kraków, Wrocław, the Tricity, Poznań, Katowice and Łódź – around 42,900 residential units were sold in 2025. The number of units for sale in the seven largest regions reached a historic high of 69,900 at the end of 2025, confirming expectations of continued high demand in the market.

The growth in sales already recorded and expected to continue in the future resulted primarily from interest rate cuts (and thus improved creditworthiness of buyers) and the gradual release of deferred demand from customers who were waiting for subsidy programmes or more significant price declines. In addition, buyers now have a wider range of available properties to choose from.

As expected, the housing market saw a trend towards price stabilisation in 2025, following sharp rises in sales prices in previous years. Only in Poznań did average asking prices rise. In other cities, prices remained largely stable or declined, albeit only slightly. Warsaw maintained its position as the market with the highest sales prices per square metre, while Łódź remained the most affordable market.

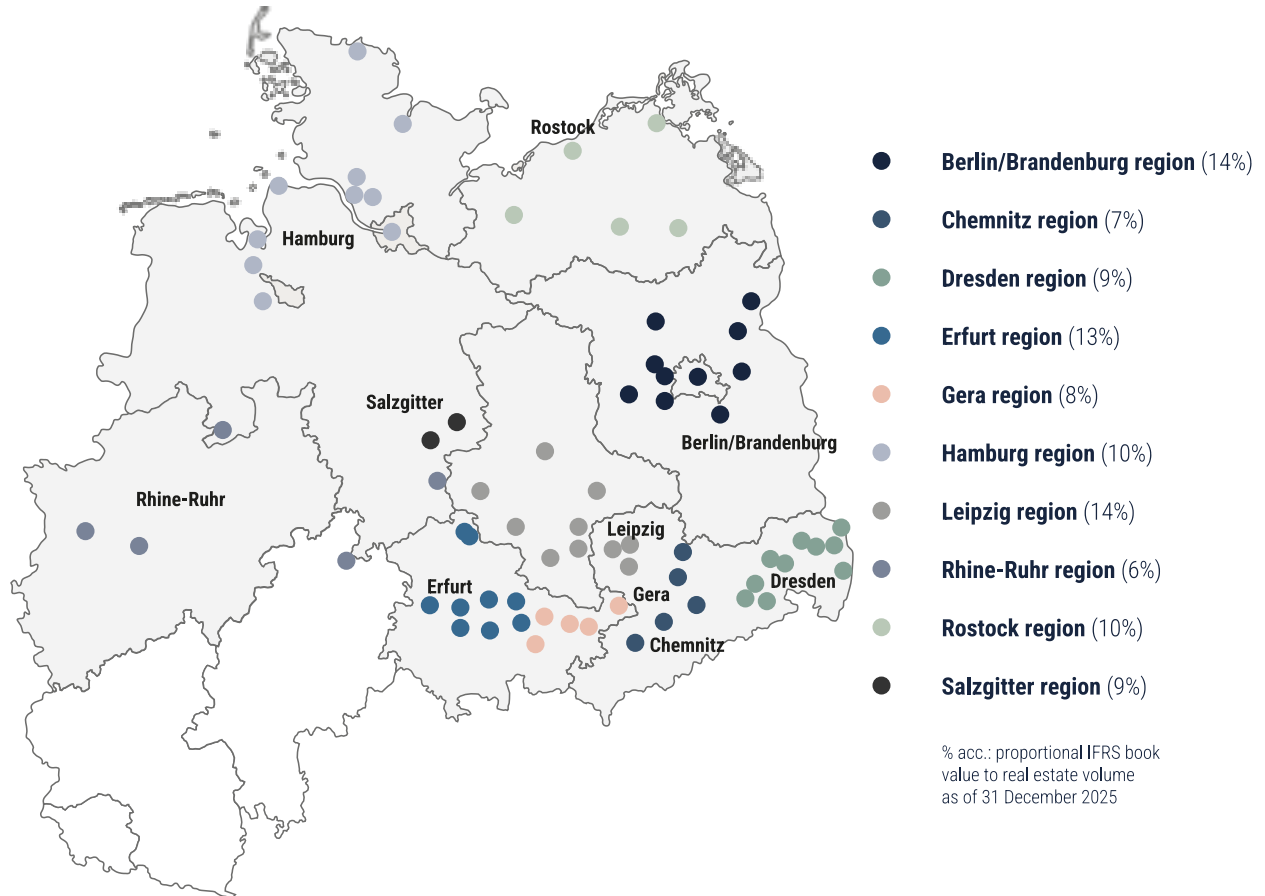
As already mentioned, a key factor shaping the housing market in 2025 was the cycle of monetary policy easing. Statistics show that although increased buyer activity was already visible in the fourth quarter of 2025, the full effects of these interest rate cuts are only likely to be felt in the coming twelve months.

The supply of new residential units on the Polish rental market will have increased in almost all six cities (excluding Katowice) by the end of 2025 compared to the end of 2024, although the supply in absolute terms is still considered low. In the rental markets that are important for TAG in 2025, this increase was 51% in Wrocław, with 160 more residential units than in December 2024, 51% in Poznań, with 172 more residential units, Gdansk at 43% with 247 new residential units compared to the previous year, and in Łódź at 26% with 52 more residential units on offer compared to the same period last year. Following sharp rises in rents in recent years, market rents have now stabilised in all market segments compared with the previous year. Rents offered fell slightly in Wrocław by 0.4% to EUR 16.11 per sqm/month, in Poznań by 0.8% to EUR 14.25 per sqm/month, in Gdańsk, rents remained unchanged at EUR 16.25 per sqm/month, and in Łódź, rents also remained at the previous year's level, falling by 0.8% to EUR 12.55 per sqm/month.



Overview of the portfolio and portfolio strategy in Germany

TAG's property portfolio in Germany comprises around 83,500 units at the end of the 2025 financial year. The focus in Germany is on managing attractive yet affordable housing while closely observing social responsibility towards tenants. The regional focus in Germany is primarily on the north and east of the country and is distributed as follows:



Portfolio Data	12/31/2025	12/31/2024
Units	83,504	83,618
Floor space in sqm	4,996,286	5,009,275
Real estate volume in EURm ¹⁾	5,425.2	5,286.1
Annualised net actual rent in EURm p.a. (total)	351.2	343.2
Net actual rent in EUR per sqm (total)	6.07	5.94
Net actual rent in EUR per sqm (residential units) ²⁾	5.98	5.84
Vacancy in % (total)	3.5	3.9
Vacancy rate in % (residential units) ²⁾	3.2	3.6
I-f-I rental growth in %	2.6	2.5
I-f-I rental growth in % (incl. vacancy reduction)	3.0	3.0

1) EUR 6,971.5m and EUR 6,505.9m in the previous year total real estate volume (of which EUR 1,546.3m and EUR 1,219.8m in the previous year relate to real estate in Poland)

2) Excluding acquisitions



TAG consistently focuses on the so-called “ABBA strategy” in Germany, i.e. investing in prime locations in secondary cities or in secondary locations in prime cities. In our opinion, this strategy is proving more successful than ever. Smaller and medium-sized cities are also benefiting from the disproportionate demand for housing in metropolitan areas, where affordable housing in particular is becoming scarce. Many people are moving to the outskirts of large cities or to the centres of medium-sized cities in order to find attractive yet affordable housing.

Even though rents in B locations or B cities do not reach the absolute levels of Germany's prime locations, we still consider them to be very attractive. The achievable return, i.e. the ratio of the expected rent or FFO I to the purchase price or equity capital employed, is, in our view, a material criterion when assessing the advantages of an investment. In our opinion, B locations and B cities offer a significantly better risk/return profile in this respect.

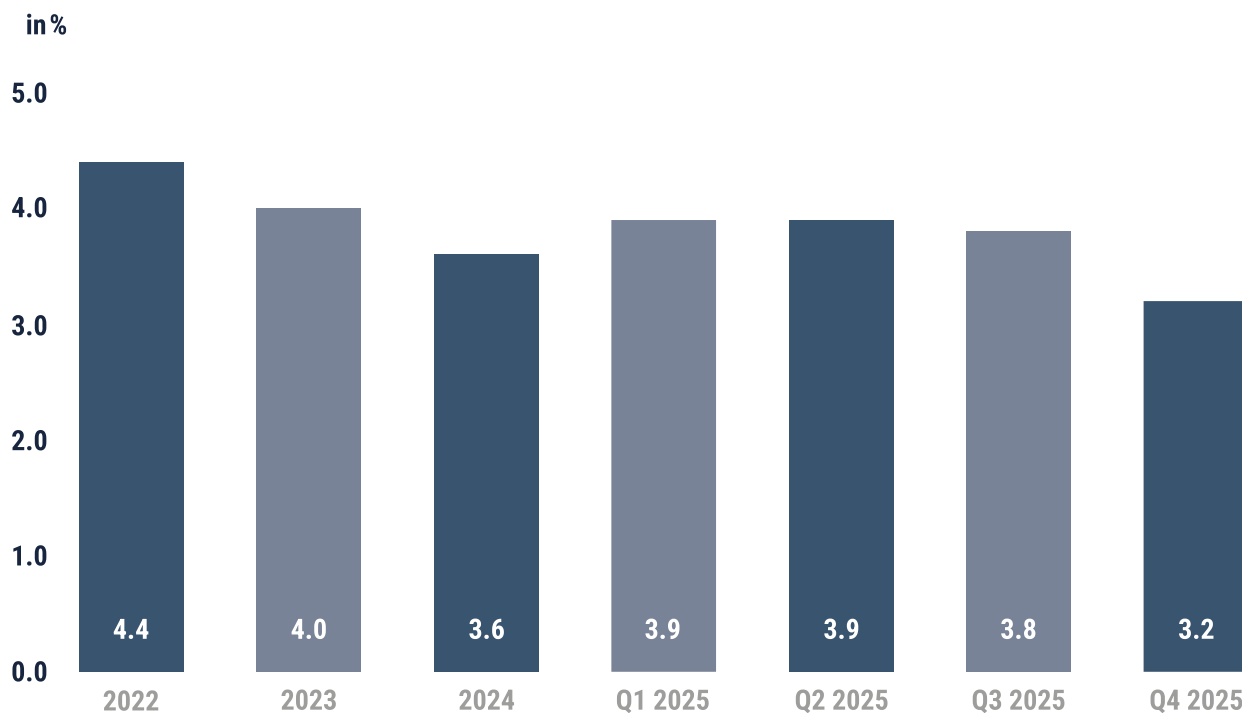
Investments in Germany are made exclusively in residential real estate, including smaller commercial properties that are usually found sporadically in larger residential portfolios. Higher vacancy rates at the time of purchase are not an obstacle to investment, provided they are not structural in nature. Conversely, continuous reduction of vacancy rates, as has been achieved in the past, can result in attractive rental growth with relatively low investment costs.



Operative Business Performance and Portfolio Developments

Vacancy

The following chart (unaudited quarterly figures) shows the development of vacancy rates in the Group's residential units in Germany in the financial years 2022 to 2025:



Following a slight increase in the vacancy rate for the Group's residential units in the first quarter, as in the previous year, this was reduced by 0.6 percentage points to 3.2% in December 2025 in the subsequent quarters and over the course of the year. TAG has thus exceeded its guidance for the 2025 financial year, which predicted a reduction in vacancy rates of 0.2% to 0.4 percentage points. This is mainly due to the continued increase in demand for housing in our regions, partly as a result of high net migration and the lack of attractive yet affordable housing.

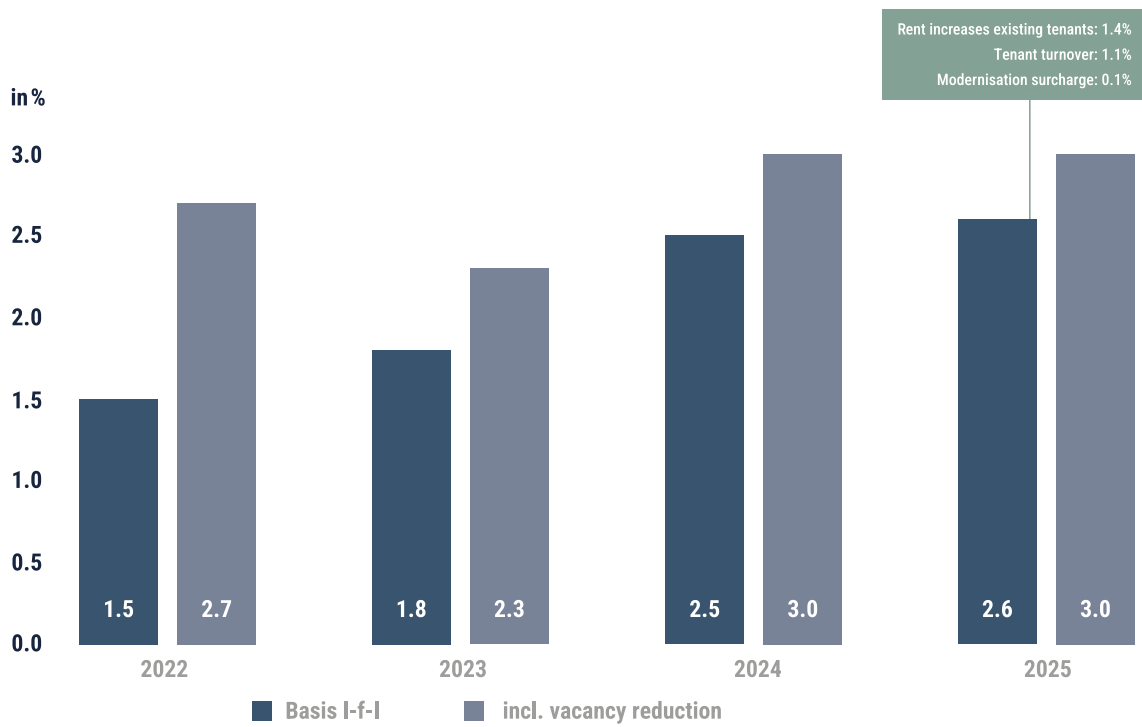
Material declines in vacancy rates were particularly evident in the Chemnitz region (vacancy rate reduction of 0.7 percentage points), Mecklenburg-Western Pomerania (decline of 1.9 percentage points) and Salzgitter (decline of 0.6 percentage points). In the overall portfolio, which also includes a number of commercial units within the residential portfolio, the vacancy rate as at 31 December 2025 was 3.5%, compared with 3.9% in the previous year.

Growth in rents

Basic rental growth in the Group's residential units in Germany amounted to 2.6% on a like-for-like basis (i.e. excluding acquisitions and disposals in the last twelve months), compared with 2.5% in the previous year. This rental growth of 2.6% was composed of rent increases for existing tenants (1.4% after 1.5% in the previous year), rent increases in connection with tenant turnover (1.1% after 0.8% in the previous year) and rent increases due to modernisation surcharge (0.1% after 0.2% in the previous year). Including the effects of vacancy changes, total like-for-like rental growth in 2025 was 3.0% (also 3.0% in the 2024 financial year). The guidance for total like-for-like rental growth of 2.5% to 3.0% for the full 2025 financial year was thus achieved at the upper end of the range.



The following chart shows the development of rental growth in the financial years 2022 to 2025:



The average rent for the residential units in the portfolio rose from EUR 5.84 per sqm to EUR 5.98 per sqm in 2025. New leases were signed at an average rent of EUR 6.44 per sqm in the 2025 financial year, which also represented an increase on the previous year (EUR 6.15 per sqm).

**The portfolio in detail**

The following table shows further details of the TAG property portfolio in Germany, by region:

Region	Units	Rentable area sqm	Vacancy Dec. 2025 %	Vacancy Dec. 2024 % ¹⁾	Current net rent EUR / sqm	Reletting rent EUR / sqm	I-f-I rental growth (y-o-y) %	Total I-f-I rental growth ¹⁾ (y-o-y) %	Maintenance EUR / sqm	Capex EUR / sqm
Berlin/ Brandenburg	9,355	536,612	1.6	2.0	6.53	7.71	3.0	3.5	9.02	22.39
Chemnitz	7,958	469,705	6.3	7.0	5.34	5.46	2.2	3.0	5.78	19.15
Dresden	5,565	357,510	1.0	1.2	6.38	6.72	1.7	1.8	5.79	10.75
Erfurt	10,119	571,991	0.6	0.6	5.81	6.09	2.7	2.8	6.97	16.73
Gera	9,156	531,397	1.7	1.8	5.56	5.87	2.4	2.4	5.05	13.36
Hamburg	6,400	392,498	3.0	3.0	6.65	7.56	3.4	3.5	10.31	34.85
Leipzig	12,900	749,779	6.5	7.0	5.87	6.19	2.4	2.9	7.47	32.36
Rhine-Ruhr	3,681	230,707	1.6	1.3	6.22	6.81	2.8	2.4	16.77	32.01
Mecklenburg-Western Pomerania	7,536	427,844	2.9	4.8	6.14	7.28	2.9	5.0	8.19	28.39
Salzgitter	9,180	563,109	4.0	4.6	5.78	5.95	2.2	2.9	9.49	12.88
Total residential units	81,850	4,831,152	3.2	3.6	5.98	6.44	2.6	3.0	8.00	21.99
Acquisitions	584	29,809	10.0	-	5.42	-	-	-	-	-
Commercial units within resi. portfolio	966	125,709	14.0	13.5	8.94	-	-	-	-	-
Other ²⁾	104	9,616	1.1	1.0	16.60	-	-	-	-	-
Grand total	83,504	4,996,286	3.5	3.9	6.07	-	-	-	-	-

1) incl. effects from changes in vacancy rates

2) Includes commercial properties and serviced flats.

**Revaluation of the portfolio in the financial year under review**

As in previous years, two valuations of the entire portfolio were carried out in the 2025 financial year. The valuation of the German portfolio as at 31 December 2025 was carried out for the first time by Jones Lang LaSalle (JLL) as an independent expert, after the valuation in previous years and most recently as at 30 June 2025 had been carried out by CBRE. As in previous years, the valuation of the Polish portfolio was carried out by Savills. The valuations were again carried out on 30 June and 31 December of the year.

Overall, the valuation gain for the portfolio in Germany for the 2025 financial year amounted to EUR 57.5m (previous year: valuation loss of EUR 138.5m).

The following table shows the valuation effects for the individual regions in Germany in detail:

Region (in EURm)	12/31/2025 Fair value (IFRS)	12/31/2025 Fair value (EUR/sqm)	12/31/2025 Implied multiple	FY 2025 Valuation result	12/31/2024 Fair value (IFRS)	12/31/2024 Fair value (EUR/sqm)	12/31/2024 Implied multiple
Berlin/ Brandenburg	758.0	1,355.2	17.6	17.0	767.9	1,327.8	17.7
Chemnitz	364.3	756.6	12.7	0.7	354.6	736.5	12.7
Dresden	491.1	1,339.6	17.5	10.9	476.4	1,266.2	16.8
Erfurt	673.2	1,131.7	16.1	3.2	660.7	1,110.6	16.2
Gera	413.1	744.7	11.4	9.0	397.5	714.5	11.3
Hamburg	528.0	1,322.4	16.8	4.5	515.1	1,279.9	16.8
Leipzig	732.7	964.9	14.5	-3.7	714.4	937.7	14.4
Rhine-Ruhr	308.5	1,283.9	17.2	1.2	299.8	1,248.0	17.1
Rostock	524.1	1,201.4	16.6	12.0	497.6	1,124.7	16.3
Salzgitter	511.3	905.7	13.4	1.0	503.1	891.0	13.6
Total residential units	5,304.4	1,070.1	15.3	55.7	5,187.2	1,037.7	15.2
Acquisitions	21.4	718.9	11.5	0.5	0.0	0.0	0.0
Other ¹⁾	99.4	1,885.0	9.6	1.3	98.9	1,969.0	9.4
Grand total	5,425.2	1,069.6	15.2	57.5	5,286.1	1039.6	15.2

1) mainly comprises serviced apartments and an office property

The valuation multiple of the portfolio (as the ratio of the IFRS book value to the net actual rent) stands at 15.2 times as at the end of 2024. This corresponds to a gross initial yield of 6.6% (previous year: also 6.6%). In terms of price per square metre, this results in a value of around EUR 1,070 for the entire German portfolio (previous year: around EUR 1,040).

The valuation of units in Poland that are let or intended for letting and recognised in the balance sheet as investment properties resulted, as at 31 December 2025, in a valuation gain of EUR 125.8m against a carrying amount of EUR 913.8m (31 December 2024: EUR 670.3m), a valuation gain of EUR 125.8m, compared with EUR 23.9m in the previous year.



Of the valuation gain in 2025, c. EUR 78.5m (31 December 2024: c. EUR 7.3m) is attributable to completed rental apartments and c. EUR 47.3m (31 December 2024: c. EUR 16.6m) to land and sales. The (annualised) gross initial yield for the corresponding rental apartments was c. 5.4% in 2025 (31 December 2024: 5.9%), and the associated market value per square metre in 2025 was c. EUR 3,250 (31 December 2024: c. EUR 2,770).

Purchases and sales in Germany in the 2025 financial year

On the acquisition side, the purchase of 1,186 residential units at a total purchase price of EUR 33.9m was signed in the financial year. This corresponds to 9.6 times the annual net actual rent or an annual gross initial interest rate of 10.4%. The average vacancy rate of the acquired portfolios was c. 15.3%. The material sites for the acquisitions were Görlitz and the region around Leipzig. The transfer of ownership, benefits and encumbrances for these acquisitions has already taken place in part as of the reporting date or is expected to take place in the first quarter of 2026. In contrast, in the previous year only four rented residential units in residential complexes already belonging to TAG's portfolio were signed at a purchase price of EUR 0.9m. The transfer of ownership, benefits and encumbrances in this regard took place at the beginning of the 2025 financial year.

A total of 99 units (previous year: 1,400 units) were sold in Germany during the financial year at a total purchase price of EUR 11.8m (previous year: EUR 143.1m). The average factor applied to the current annual net cold rent was 18.0 times (previous year: 20.0 times), which corresponds to an annual gross initial yield of 5.6% (previous year: 5.0%). The net cash proceed, i.e. the purchase price remaining after deduction of loans to be repaid, amounted to around EUR 9.3m in the 2025 financial year (previous year: around EUR 107.1m). The sales resulted in a book profit of EUR 0.1m (previous year: book profit of EUR 6.6m). The transfer of ownership, benefits and encumbrances for these sales had already largely taken place by the reporting date.



Development of the business activities in Poland

Sales portfolio

Revenue from property sales in Poland amounted to EUR 299.1m, based on an average exchange rate of the Polish zloty (PLN) to the euro of 4.2397:1 in the 2025 financial year, compared with EUR 387.3m in the previous year. With production costs of EUR 224.9m, compared with EUR 316.3m in the previous year (including effects from the purchase price allocation of EUR 7.7m, compared with EUR 9.8m in the previous year), the result from sales amounted to EUR 74.2m (previous year: EUR 71.1m).

In total, sales of 2,823 residential units (previous year: 1,936) were signed in the 2025 financial year and 2,077 residential units (previous year: 2,666) were handed over to buyers. As at 31 December 2025, the sales portfolio in Poland was as follows:

Region	Total units	Units under construction	Landbank (possible units)	Area in sqm (units total)	12/31/2025 book value in EURm ¹⁾
Warsaw	11,169	1,821	9,348	571,218	309
Tricity	7,180	2,551	4,629	341,829	264
Wrocław	3,191	722	2,469	174,168	89 ²⁾
Poznań	2,845	516	2,329	156,057	106
Łódź	379	379	0	15,668	8
Other	0	-	0	0	0
Sales units	24,764	5,989³⁾	18,775	1,258,940	777

1) Book values excluding joint venture projects

2) Book value includes EUR 1.6m in owner-occupied office properties

3) Of which 894 completed units, the vast majority of which have already been sold but not yet handed over

Rental portfolio

In the rental business, rental income (net actual rents) of EUR 25.6m was generated in Poland as at 31 December 2025, compared with EUR 19.2m in the same period of the previous year. Taking into account rental business expenses of EUR 0.8m (previous year: EUR 1.0m), the net rental income amounted to EUR 24.8m (previous year: EUR 18.2m).

As of the reporting date, 3,526 units (previous year: 3,219) were in the rental business. The vacancy rate in the rental portfolio in Poland was 5.1% as of 31 December 2025 (previous year: 4.9%). Like-for-like rental growth for residential units that have been let for at least one year was 3.4%, compared with 3.2% in the same period of the previous year.



As at 31 December 2025, the rental portfolio in Poland was as follows:

EURm	Units total	Units completed	Units under construction	Landbank (possible units)	Area in sqm units total	12/31/2025 Book value in EURm ¹⁾
Wrocław	3,293	1,764	603	926	150,640	338.4
Poznań	1,814	1,205	82	527	82,478	187.9
Warsaw	2,954	-	-	2,954	126,890	90.1
Tricity	905	23	394	488	35,743	59.0
Łódź	987	534	0	453	40,875	66.5
Other	334	0	248	86	44,049	28.0
Units build to hold	10,287	3,526	1,327	5,434	480,675	770.0

1) Book values excluding projects in joint ventures

Further details of the rental portfolio in Poland can be found in the following overview:

Region	Units	Rentable area in sqm	IFRS book value EURm Dec. 2025	In-place yield in %	Vacancy Dec. 2025 in %	Vacancy Dec. 2024 in %	Net actual rent EUR/sqm/month ¹⁾	I-f-I rental growth y-o-y in % ⁴⁾
Wrocław	1,718	72,322	254.5	5.2	7.5 ²⁾	9.8	16.55	2.3
Poznań	1,196	53,835	168.0	5.1	0.7	0.4	13.35	5.4
Łódź	527	22,020	58.0	5.5	1.1	0.2	12.20	1.3
Gdańsk ³⁾	23	1,211	5.3	0.0	100.0	0.0	0.00	0.0
Total residential units	3,464	149,388	485.8	5.1	4.8	4.5	14.68	3.4
Commercial units	62	6,901	23.2	4.9	3.8	14.1	15.96	-
Total portfolio	3,526	156,289	509.0	5.1	4.8	4.9	14.73	-

1) Based on a PLN/EUR exchange rate of 0.2369 as at 31 December 2025

2) Including a new project that is partly under construction and partly involved in rental business. Excluding this property, the vacancy rate in Wrocław is 2.0%

3) Project completed at the end of December 2025

4) Metric for properties with a rental business that has lasted for over a year

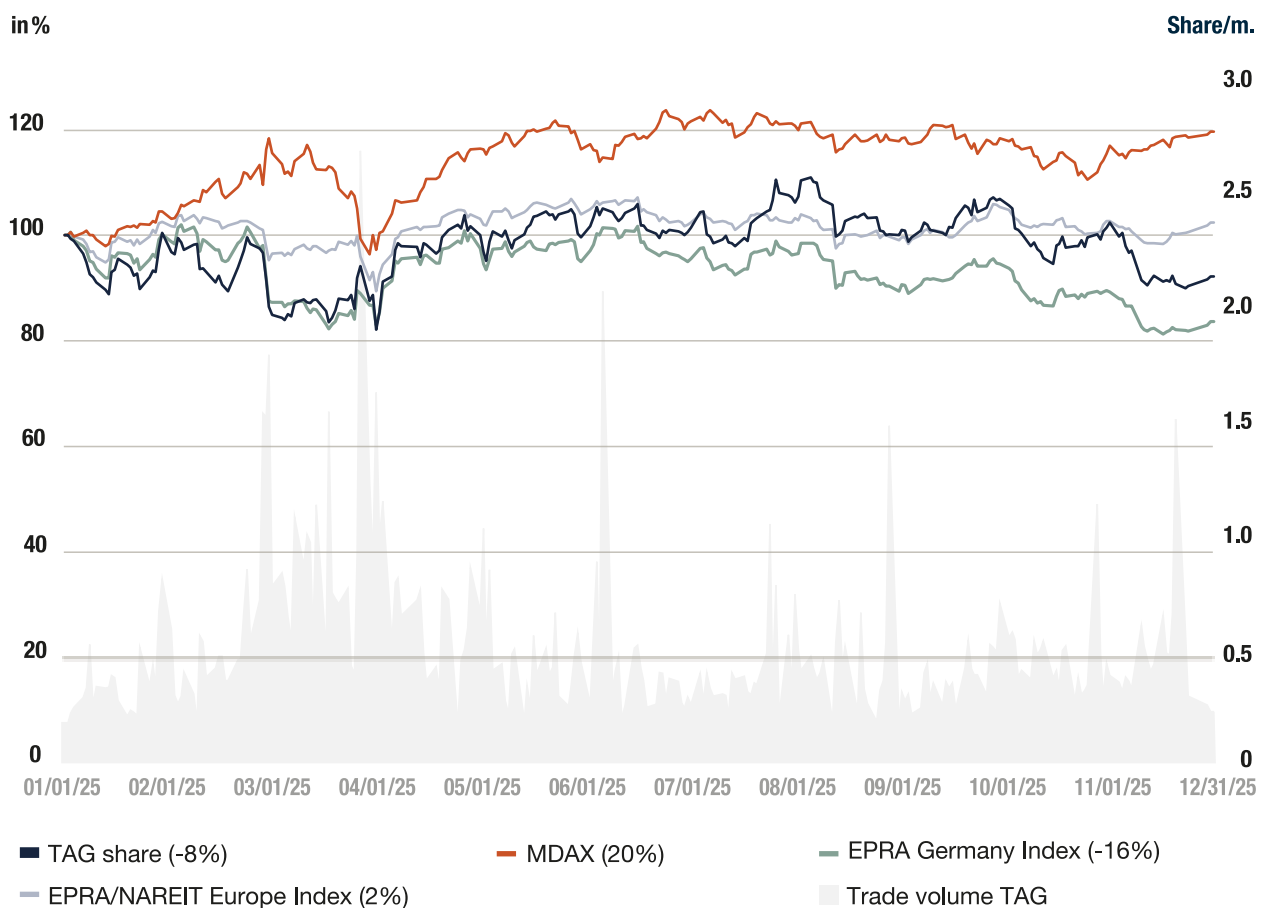


THE TAG SHARE AND THE CAPITAL MARKET

Share performance

Over the course of 2025, TAG Immobilien AG shares experienced considerable volatility. After closing at EUR 14.36 at the end of 2024, the share price initially fell to an annual low of EUR 11.79 on 9 April 2025. In the months that followed, a significant recovery set in, culminating in an annual high of EUR 15.92 on 25 August 2025. Over the year as a whole, the share price finally closed at EUR 13.23, representing an annual performance of -8%.

In a benchmark comparison, the TAG share thus underperformed the MDAX, which gained 20% over the full year 2025. The EPRA Europe Index achieved a slight increase of 2%, while the EPRA Germany Index reflected the declining share price performance of listed German real estate companies and ended the year down 16%.



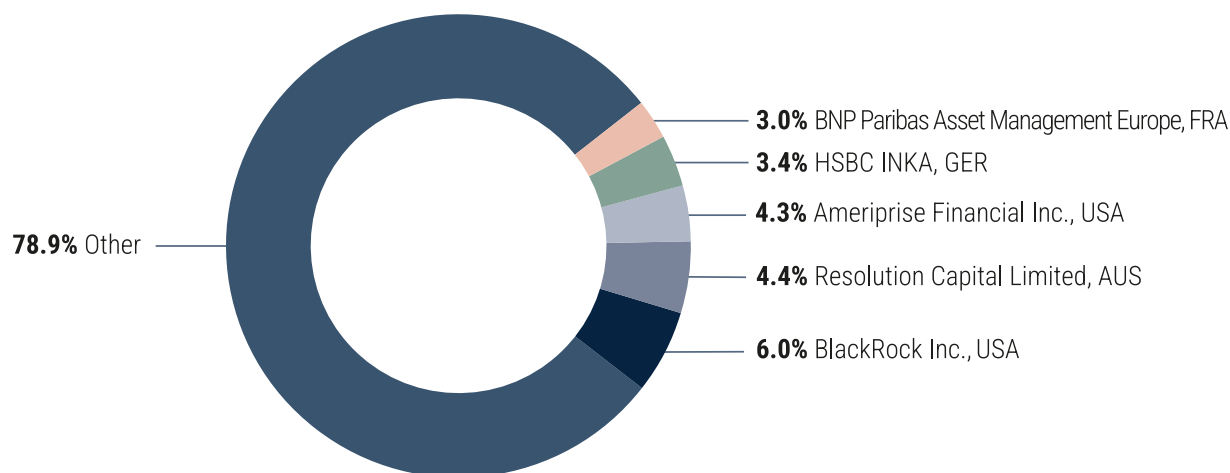


Share capital and capital structure

TAG's share capital increased during the 2025 financial year as a result of the share dividend (c. 1.1m new shares) chosen by some shareholders in June 2025 and a cash capital increase (c. 12.4m new shares) carried out in August 2025. As of the reporting date, the share capital and the number of shares amounted to EUR 189,034,941.00 and 189,034,941 shares, respectively (31 December 2024: EUR 175,489,025.00 and 175,489,025 shares, respectively).

The free float amounted to almost 100% of the share capital as of the reporting date. 58,689 shares (after 84,424 shares as of 31 December 2024) are held as treasury shares for the purposes of the Management Board and employee remuneration.

National and international investors with a predominantly long-term investment strategy remain TAG's main shareholders, as shown in the following overview (as at 31 December 2025). This is based on the number of voting rights last reported to TAG, which means that the share within the respective thresholds may have changed without triggering a reporting obligation.





Dividend

At its Annual General Meeting on 16 May 2025, TAG resolved to pay a dividend of EUR 0.40 per share for the 2024 financial year (corresponding to a payout ratio of 40% of FFO I). For the first time, shareholders had the choice between a cash distribution (cash dividend) and new TAG shares (share dividend). A total of 31.3% of shareholders entitled to dividends opted to receive their dividends in the form of new TAG shares. Based on this acceptance rate, 1,067,625 new shares were issued. The new shares were included in the listing of existing TAG shares on the regulated market of the Frankfurt Stock Exchange on 17 June 2025.

TAG Immobilien AG plans to increase the dividend payout ratio to 50% of FFO I for the 2026 financial year. For the reported 2025 financial year, the previous payout ratio of 40% of FFO I remains unchanged.

Rating

In August 2025, the rating agency S&P Global Ratings confirmed TAG's long-term credit rating (investment grade BBB-) and raised the outlook to "positive". In June 2025, Moody's had already confirmed TAG's long-term credit rating (investment grade Baa3) and also raised the outlook from "stable" to "positive".



RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSET POSITION

Results of operations

Rental revenues and net rental income

The Group's net actual rent ('basic rent') generated from its rental business in Germany amounted to EUR 345.5m, slightly above the previous year's level of EUR 341.0m. The German portfolio achieved like-for-like rental growth (including the effects of vacancy reduction) of 3.0% (previous year: 3.0%) p.a. and a further reduction in the vacancy rate of the overall portfolio to 3.5% at the end of the year, down from 3.9% at the end of the previous year. The vacancy rate for the Group's residential units in Germany was 3.2% as of the reporting date, compared to 3.6% as of 31 December 2024.

Including other income reported in rental revenues (mainly external operating and ancillary costs), total rental revenues in Germany amounted to EUR 463.5m, compared with EUR 453.9m in the previous year.

The rental business in Poland contributed EUR 25.6m (previous year: EUR 19.2m) to net rental income. The year-on-year increase in this respect is mainly due to the completion of additional units for rental. Like-for-like rental growth in Poland amounted to 3.4% (previous year: 3.2%) p.a. as of the reporting date, while the vacancy rate as of the reporting date, including projects that were only completed at the end of the reporting period, was 5.1% after 4.9% in the previous year.

Taking into account expenses from the rental business, net rental income in Germany, as the balance of rental revenues and expenses from the rental business, amounted to EUR 278.3m, compared with EUR 268.4m in the previous year. This was mainly due to the rental growth achieved and the reduction in vacancy rates in the managed properties. The rental business in Poland generated net rental income of EUR 24.8m, compared with EUR 18.2m in the previous year. Overall, net rental income of EUR 303.0m was generated, compared with EUR 286.6m in the previous year.

For the rental business in Germany, the segment result or FFO I, after deduction of management costs and directly attributable personnel and material costs, amounted to EUR 174.9m (previous year: FFO I of EUR 173.8m).

The segment result or FFO I in the rental business segment in Poland amounted to EUR 6.1m after deduction of management costs and directly attributable personnel and material costs (previous year: EUR 1.3m).

Results from sales of investment properties and properties held as inventories

Revenue from sales of properties held for sale and investment properties totalled EUR 349.1m, down from EUR 497.4m in the previous year. In the previous year, sales activities in Germany in particular had a material impact on revenue, which was deliberately reduced in the reporting year. Revenue from sales of inventory properties in Poland fell to EUR 272.2m, down from EUR 372.9m in the previous year. Overall, the decline in sales in Germany in 2025 resulted in sales revenue of EUR 73.5m, up from EUR 67.2m in the previous year.

The sales result also includes expenses for sales commissions and other incidental sales costs. These expenses total EUR 4.4m (previous year: EUR 7.7m).



For the sales segment in Poland, the adjusted net income from sales Poland or FFO II contribution reported in the segment reporting amounts to EUR 68.0m (previous year: EUR 66.2 m).

Revenue from services and service results

Service revenue totalling EUR 129.2m (previous year: EUR 112.5m) was generated mainly in Germany, accounting for EUR 85.2m (previous year: EUR 89.1m). They are mainly related to the business areas of energy management and caretaker services, as well as craftsman services and property management. After a significant increase in the previous year (mainly due to highly volatile energy prices), income from energy management fell again and is now back at its previous level. The associated expenses also fell compared with the previous year due to price developments. In Poland, rising revenues were generated by construction and project services provided to joint ventures (EUR 44.0m, previous year: EUR 23.5m).

After deducting directly attributable purchasing and material costs, the result from services amounted to EUR 43.2m (previous year: EUR 46.2m).

Other operating income

Other operating income amounted to EUR 25.2m in the financial year (previous year: EUR 17.3m) and, as in the previous year, is material due to the capitalisation of personnel expenses in connection with project developments in Poland, the interim letting of properties not yet developed and the reversal of provisions.

Valuation result

The revaluation (fair value change) of investment properties and the effects of the valuation of properties held as inventories resulted in a positive valuation result of EUR 183.3m in 2025, following an impairment loss of EUR -114.6m in the previous year, of which EUR 57.6m (previous year: impairment of EUR -138.5m) attributable to the German portfolio and EUR 125.7m (previous year: EUR 23.9m) attributable to the Polish portfolio (see also the section above entitled "Operating performance and portfolio development – Revaluation of the portfolio in the previous financial year").

Personnel expenses

Personnel expenses increased to EUR 101.5m in the reporting period (previous year: EUR 91.4m), primarily due to ongoing salary increases, but also due to a slightly higher number of employees as a result of growth in Poland. As at 31 December 2025, TAG employed 1,922 people, including employees in Poland, compared with 1,856 employees at the end of the 2024 financial year.

In this context, directly attributable personnel costs totalling EUR 101.5m (previous year: EUR 91.4m) are allocated to the individual segments. Of this amount, EUR 66.6m is attributable to the rental business segment in Germany and EUR 8.4m in Poland (previous year: EUR 62.3m in Germany, EUR 5.9m in Poland). Sales activities in Poland account for EUR 26.5m (previous year: EUR 23.2m).

**Amortisation of intangible assets and depreciation of property, plant and equipment**

Amortisation of intangible assets and depreciation of property, plant and equipment of EUR 14.0m (previous year: EUR 12.7m) relate exclusively to scheduled depreciation, primarily of IT software, operating and office equipment, and rights of use within the meaning of IFRS 16, and to a lesser extent on the Group's own-use office properties, which are to be accounted for at amortised cost in accordance with IFRS regulations.

Other operating expenses

At EUR 36.1m, other operating expenses are above the previous year's level of EUR 33.3m. The line items under other operating expenses continue to mainly comprise legal, consulting and auditing costs, IT costs, and communication and office space costs.

Expenses (and income) directly attributable to the individual segments totalled EUR 13.6m (previous year: EUR 16.6m). Of this amount, the rental business segment accounts for expenses of EUR 18.3m in Germany (previous year: expenses of EUR 17.9m) and income of EUR 1.1m in Poland (previous year: expenses of EUR 0.3m) and to the sales business in Poland income of EUR 3.5m (previous year: income of EUR 1.6m).

Net interest income and other financial income

Total financial income, as the balance of interest income and interest expenses as well as other financial income, improved to EUR -48.5m (previous year: EUR -50.3m), materially due to lower interest expenses, lower expenses from derivatives and higher income from short-term investments. If one-off effects and non-cash valuation results, e.g. from derivatives, are eliminated from this financial result, the cash-effective financial result for the 2025 financial year without special effects is EUR -54.5m, compared with EUR -52.9m in 2024, which is included in the calculation of FFO I and FFO II.

Other financial income is mainly composed of effects from the valuation of derivatives amounting to EUR 6.5m (previous year: EUR -1.4m) and effects from currency translation amounting to EUR -13.0m (previous year: EUR 4.1m).

Income taxes

Income taxes amounted to EUR -337.8m in 2025, compared with EUR +7.1m in 2024. The share of actual tax expenses amounted to EUR -26.3m in 2025 (previous year: EUR -36.3m), while the remaining expense of EUR -311.6m (previous year: income of EUR +43.4m) relates to non-cash deferred taxes. The material increase in tax expense compared to the previous year is mainly due to the fact that TAG has been applying a combined corporate income tax and trade tax rate of 25.81% to all companies since the 2025 financial year. In the previous year, a tax rate of 15.825% was applied to those companies that took advantage of the so-called extended trade tax reduction, which only took corporation tax into account. The adjustment is based on an updated estimate of a possible trade tax burden at the reversal date of the temporary differences and the gradual reduction of the corporation tax rate to 10% in 2032.



Consolidated net profit

TAG generated consolidated net profit of EUR 90.3m in the 2025 financial year (previous year: EUR 122.1m). The material reason for this decline in earnings was the increased expense from non-cash deferred taxes described in the previous section. In operational terms (see the following comments on adjusted EBITDA from the rental business and from sales), however, earnings increases were achieved.

Adjusted EBITDA

The following adjusted EBITDA has been calculated for the German rental business for the 2025 financial year:

in EURm	01/01/- 12/31/2025	01/01/- 12/31/2024
EBIT	277.7	73.2
Valuation result	-57.5	138.5
Depreciation	11.8	10.7
One-off's	-2.6	0.0
Sales result	0.7	3.9
EBITDA (adjusted)	230.1	226.3

Adjusted EBITDA for the rental business in Poland is as follows:

in EURm	01/01/- 12/31/2025	01/01/- 12/31/2024
EBIT Rental Poland	113.2	31.1
Valuation result	-96.1	-19.4
Depreciation	0.4	0.4
EBITDA (adjusted)	17.4	12.2

Adjusted EBITDA and adjusted sales profit for the sales business in Poland are calculated as follows:

in EURm	01/01/- 12/31/2025	01/01/- 12/31/2024
EBIT Poland – sales	85.6	60.4
Result of effects from purchase price allocation	7.7	9.8
Effects from realised revaluation results from previous years	4.6	5.4
Valuation result Poland	-29.6	-4.6
Depreciation	1.8	1.6
Results from joint ventures	15.5	4.0
EBITDA (adjusted) Poland – sales	85.5	76.6
Net financial result (cash)	0.3	4.6
Cash taxes	-14.7	-15.3
Minority interests	-3.2	0.2
Adjusted net income from sales Poland	68.0	66.2



Funds from Operations (FFO)

FFO I is calculated from consolidated earnings in Germany, adjusted for non-cash items such as valuation results, depreciation, amortisation, impairment losses (excluding adjustments for impairment losses on rental receivables), non-cash interest expenses and excluding non-recurring special items, that do not regularly recur and after deduction of actual income taxes. Furthermore, FFO I does not include income from property sales. AFFO (Adjusted Funds from Operations) is calculated from FFO I and deducts all capitalised investments in properties (known as Capex). FFO II is based on FFO I and also takes into account the results from property sales and the contribution to earnings from business activities in Poland. The number of outstanding shares was calculated as a weighted average.

The following overview shows the calculation of FFO I, adjusted EBITDA, AFFO and FFO II in the past financial year and in comparison with the same period of the previous year:

in EURm	01/01/ - 12/31/2025	01/01/ - 12/31/2024
EBIT Germany	277.7	73.2
EBIT Poland (rental)	113.2	31.1
EBIT Germany and rental Poland	390.9	104.4
Adjustments		
Valuation result	-153.7	119.2
Depreciation	12.2	11.1
One-off's	-2.6	0.0
Sales result	0.7	3.9
EBITDA (adjusted) rental business Germany and Poland	247.6	238.5
Net actual rent	371.1	360.2
EBITDA (adjusted)	66.7%	66.2%
Net finance income (cash, after one-offs)	-54.5	-52.9
Income taxes (cash)	-11.5	-9.4
Guarantee dividend minorities	-0.6	-1.1
FFO I	181.0	175.1
thereof FFO I German business	174.9	173.8
thereof FFO I Polish business	6.1	1.3
Capitalised maintenance	-20.2	-22.4
AFFO before modernisation capex	160.8	152.7
Modernisation capex	-86.1	-57.0
Modernisation subsidies	3.3	0.0
AFFO	78.0	95.7
Net income from sales Germany	-0.7	-3.9
Special effects on net income from sales Germany	0.0	2.0
Adjusted net income from sales Poland	68.0	66.2
FFO II (FFO I + net income from sales)	248.2	239.4
Weighted average number of shares outstanding (in 000)	180,509	175,471
FFO I per share (in EUR)	1.00	1.00
FFO II per share (in EUR)	1.38	1.36
Weighted average number of shares fully diluted (in 000)	180,509	175,471
FFO I per share (in EUR)	1.00	1.00
FFO II per share (in EUR)	1.38	1.36



FFO I rose by 3.4% compared to the previous year, from EUR 175.1m to EUR 181.0m. Based on the individual share, FFO I amounted to EUR 1.00 per share, as in the previous year.

The following non-recurring income effects are included in FFO as special effects as at 31 December 2025:

in EURm	01/01/ - 12/31/2025	01/01/ - 12/31/2024
Modernisation subsidies	-3.3	0.0
Financing expenses for a portfolio acquisition in Poland	0.6	0.0
One-off's	-2.6	0.0

The Group forecast FFO I of EUR 0.96–0.98 per share for the 2025 financial year, which corresponded to FFO I of EUR 174m to EUR 179m in absolute terms. With FFO I of EUR 181.0m and FFO I of EUR 1.00 per share for the 2025 financial year, the guidance was slightly exceeded.

The Group forecast FFO II in the range of EUR 235m to EUR 246m, or EUR 1.33 per share. With an FFO II of EUR 248.2m and an FFO II per share of EUR 1.38 per share, this guidance was also exceeded. The main reasons for this development are higher sales prices and, as a result, better-than-expected gross profit margins on the residential units handed over in Poland.

Assets position

Assets

Total assets amounted to EUR 9.0bn as at 31 December 2025, compared with EUR 7.8bn as at 31 December 2024. In addition to investment properties worth EUR 6,254.7m (previous year: EUR 5,834.4m), the Group's total real estate assets also include properties classified as tangible fixed assets worth EUR 1.6m (previous year: EUR 2.3m) and, in particular, real estate in Poland held for sale amounting to EUR 713.8m (previous year: EUR 611.3m). In addition, real estate amounting to EUR 1.4m (previous year: EUR 58.0m) is reported as non-current assets held for sale. Total real estate assets amounted to EUR 6,971.5m as at 31 December 2025, compared with EUR 6,505.9m at the end of the previous year, of which EUR 5,425.2m (previous year: EUR 5,286.1m) related to German real estate and EUR 1,546.3m (previous year: EUR 1,219.8m) attributable to real estate in Poland. Cash and cash equivalents amounted to EUR 1,347.9m as of 31 December 2025, compared to EUR 603.5m as of 31 December 2024.



Investments and Capex reporting

TAG spent a total of EUR 144.9m (previous year: EUR 123.6m) on ongoing maintenance and modernisation in Germany in its like-for-like portfolio, i.e. excluding acquisitions made during the financial year and project developments, in 2025. Of this amount, EUR 38.7m (previous year: EUR 44.2m) was spent on maintenance recognised in profit or loss and EUR 106.2m (previous year: EUR 79.4m) on capitalisable modernisation, which breaks down as follows for the German portfolio:

in EURm	2025	2024
Large-scale measures (e.g. modernisation of entire residential complexes)	68.3	38.3
Modernisation of apartments		
Previously vacant apartments	17.7	18.7
Change of tenants	20.2	22.4
Total modernisation costs like-for-like portfolio	106.2	79.4

Total investments in Germany (ongoing maintenance recognised in profit or loss and capitalised refurbishment and modernisation measures) amounted to EUR 30.00 per sqm in the like-for-like portfolio in 2025, compared with EUR 25.23 per sqm in the previous year, and to EUR 29.01 per sqm in the entire portfolio (previous year: EUR 24.63 per sqm).

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

in EURm	2025	2024
Acquisitions during the financial year	88.0	86.5
Project developments	69.5	44.3
- thereof capitalised interest	5.0	3.4
like-for-like Portfolio Germany ¹⁾	106.2	79.4
- thereof investments in existing areas	106.2	79.4
Other ²⁾	0.0	0.0
Total investments in investment properties	263.7	210.1

1) Investments in investment properties EUR 106.2m (previous year: EUR 79.3m), investments in properties held for sale EUR 0.0m (previous year: EUR 0.1m)

2) Rental incentives, e.g. rent-free periods for tenants as a result of modernisation measures carried out by the tenants themselves, continue to be of minor significance; information on modernisation expenses in connection with joint ventures is not included here.

Acquisitions in the financial year relate to land purchases totalling EUR 21.9m (previous year: EUR 0.1m) for the German portfolio and investments in project developments in the Polish portfolio totalling EUR 66.1m (previous year: EUR 86.4m).

The project developments relate entirely to investments in new residential construction in Poland, which is intended to establish the rental business. Including the project developments reported under inventories, EUR 2.9m (previous year: EUR 12.8m) was invested in project developments in Germany and EUR 409.5m (previous year: EUR 359.6m) in Poland. The modernisation expenses for the like-for-like portfolio relate only to investments in existing space; investments in additional space are of minor significance.



A detailed breakdown of ongoing maintenance expenses and refurbishment and modernisation measures per square metre for each region can also be found in the summary table for the portfolio in the section above entitled “Business performance – Portfolio in detail”.

Goodwill

The initial consolidation of Vantage in 2020 resulted in goodwill of EUR 19.8m, which increased to EUR 19.9m as at 31 December 2025 due to currency translation effects. This figure is based on the difference between the cash purchase price for the shares of EUR 131.9m and the fair values of the acquired assets and liabilities.

The initial consolidation of ROBYG in 2022 resulted in goodwill of EUR 232.6m, which increased to EUR 244.8m due to the costs of a currency hedge for the purchase price payment. The basis for this calculation is the difference between the cash purchase price for the shares of EUR 526.0m and the fair values of the acquired assets and liabilities. This figure is based on the difference between the cash purchase price for the shares of EUR 526.0m and the fair values of the acquired assets and liabilities. As at the reporting date, this goodwill increased to EUR 269.9m due to currency effects.

Financial position

Equity

In the 2025 financial year, the equity base was increased by EUR 90.3m (previous year: EUR 122.1m) as a result of the current consolidated net income.

As of the reporting date, consolidated equity totalled EUR 3,322.0m (31 December 2024: EUR 3,099.9m). The equity ratio at the end of the 2025 financial year was 37.1%, compared with 40.0% at the end of the previous year.

EPRA Net Tangible Assets (NTA)

The following overview shows how the NTA is calculated:

in EURm	12/31/2025	12/31/2024
Equity (before minorities)	3,262.2	3,019.6
Deferred taxes on investment properties and derivative financial instruments ¹⁾	866.1	557.1
Fair value of derivative financial instruments	67.3	11.7
Difference between fair value and book value of properties valued at cost ¹⁾	62.8	60.0
Goodwill	-289.8	-286.1
Intangible assets (book value)	-3.6	-3.6
EPRA NTA, fully diluted	3,965.0	3,358.6
Number of shares, fully diluted (in 000)	188,976	175,405
EPRA NTA per share (EUR), fully diluted	20.98	19.15

¹⁾ Deferred taxes on derivative financial instruments as well as deferred taxes and minority interests are taken into account when determining the hidden reserves on property, plant and equipment and inventories.



In calculating NTA, deferred taxes are taken into account as follows:

	2025			2024		
	Fair value in EURm	Share of total portfolio	Share of deferred tax corrections	Fair value in EURm	Share of total portfolio	Share of deferred tax corrections
Strategic core portfolio	6,004.5	85%	100%	5,828.4	89%	100%
Other portfolio including properties held for sale	1,028.2	15%	0%	741.2	11%	0%

Financing and liquidity

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

in EURm	12/31/2025	12/31/2024
Liabilities to banks	2,312.6	2,358.3
Liabilities from corporate bonds and other loans	1,116.6	893.8
Liabilities from convertible bonds	854.5	466.3
Cash and cash equivalents	-1,347.9 ¹	-603.5
Net financial debt	2,935.8	3,114.9
Investment properties	6,254.7	5,834.4
Property reported under tangible assets	1.6	2.3
Property held as inventory	713.8	611.3
Property reported under non-current assets held for sale	1.4	58.0
Real estate volume (book value)	6,971.5	6,505.9
Book value of property for which purchase prices have already been paid in advance	40.4	0.0
Share in Joint-Ventures including loans	51.8	54.4
Difference between fair value and book value for properties valued at cost	92.0	84.4
Relevant real estate volume for LTV calculation	7,155.7	6,644.7
LTV	41.0%	46.9%

1) Including fixed-term deposits of EUR 150.0m

TAG bases its external financing on various pillars. In addition to land register-secured bank loans in its subsidiaries, the Company also uses capital market-based financing, such as corporate bonds in Germany and Poland, convertible bonds and, albeit to a lesser extent, usually a maximum of EUR 50m, as a special form of corporate bond, short-term bearer bonds with maturities of usually one to twelve months (so-called "commercial papers") and promissory note loans and fixed-term deposits with a maturity of generally less than twelve months. TAG and its subsidiaries also have credit lines available from banks.



The conversion price for the 2020/2026 convertible bond issued in the 2020 financial year with a nominal volume of EUR 470.0m is EUR 31.95 as of the reporting date. In the case of the 2025/2031 convertible bond issued in the 2025 financial year (nominal volume of EUR 430.0m as of the reporting date), the current conversion price of EUR 18.93 as of the reporting date is also above the share price, meaning that no dilution effects had to be taken into account here either.

In August 2025, an unsecured fixed-rate bond with a volume of EUR 300.0m and a coupon of 3.625% was successfully placed with institutional investors. Another unsecured fixed-interest corporate bond with a volume of EUR 500.0m and a term of 5.5 years, which was already placed in the previous year, bears interest at a coupon rate of 4.25%. A bond for EUR 125m was repaid as scheduled in June 2025.

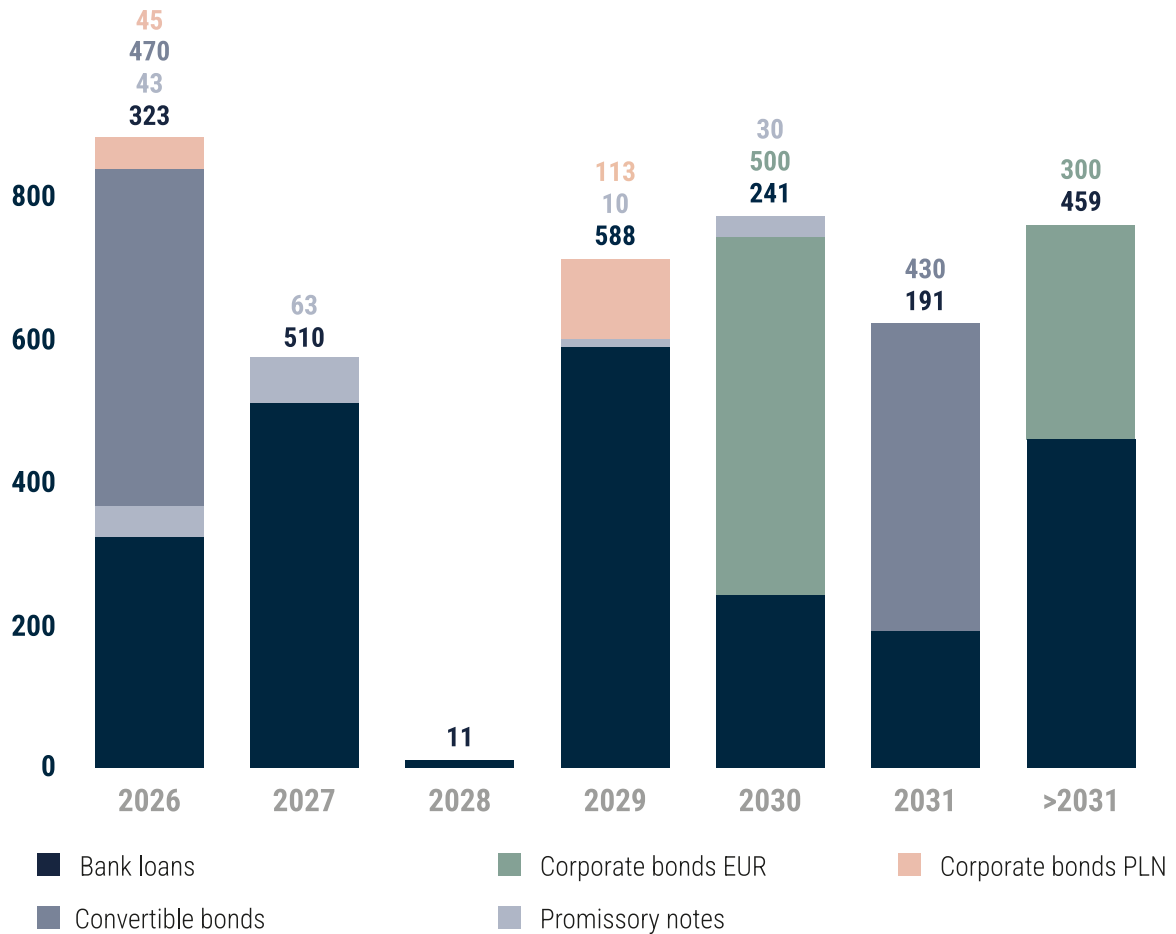
On the Polish capital market, variable-rate PLN corporate bonds totalling PLN 475.0m with a maturity date in 2029 and a coupon of WIBOR 6M + 2.6% were issued in the financial year. A further variable-rate bond for PLN 150.0m with a coupon of WIBOR 6M + 2.4% was repaid as scheduled in the financial year in the amount of PLN 61.8m; the remaining portion will mature in June 2026. A EUR-denominated bond for EUR 24.0m was repaid early in January 2026.

In Germany, TAG has also placed a number of promissory note loans. Of these, EUR 145.5m (previous year: EUR 204.5m) is outstanding as of the reporting date, with interest rates ranging from 1.3% to 4.2% (previous year: 1.3% to 6.2%).



The maturities of all financial liabilities as of 31 December 2025 are shown in the following overview:

in EUR m



The average volume-weighted remaining term of all financial liabilities as of the reporting date was 4.5 years (previous year: 4.4 years). The average interest rate on total financial liabilities was 2.6% as of the reporting date (previous year: 2.6%). 94.5% (previous year: 95.0%) of total financial liabilities have fixed interest rates.

The Management Board assumes that all loans to be negotiated in the 2026 financial year, which are almost entirely denominated in euros, will be refinanced or repaid from existing cash reserves.



Based on the presentation in the condensed consolidated cash flow statement, cash flow for the past financial year developed as follows:

in EURm	2025	2024
Cash flow from operating activities	231.1	142.0
Cash flow from investment activities	-359.3	-84.0
Cash flow from financing activities	722.9	414.1
Effects from currency changes	1.1	1.4
Cash and cash equivalents at the beginning of the period	600.9	127.4
Cash and cash equivalents at the end of the period	1,196.8	600.9

Material changes in operating cash flow result from sales activities in Poland and the associated advance payments. In the investment area, the intensified construction and modernisation activities of the past financial year are particularly evident. Cash flow from financing activities mainly reflects the results of bank loans and convertible and corporate bonds taken out and repaid.

As of the reporting date, the Group had the following freely available cash and cash equivalents, which are also reported in this amount in the consolidated cash flow statement:

in EURm	12/31/2025	12/31/2024
Cash and cash equivalents according to consolidated balance sheet	1,197.9	603.5
Cash and cash equivalents not available at balance sheet date	-1.1	-2.6
Cash and cash equivalents as per consolidated cash flow statement	1,196.8	600.9

As of the reporting date, various credit institutions in Germany also provided credit lines totalling EUR 194.4m (previous year: EUR 174.4m in Germany), which, as in the previous year, were not utilised. In Poland, the credit line portfolio with banks amounted to EUR 146.9m (previous year: EUR 98.9m), which are predominantly used for construction activities in ongoing business operations. As of 31 December 2025, these credit lines had been utilised in the amount of EUR 45.3m (previous year: EUR 98.5m).

Overall assessment of the economic situation

In the 2025 financial year, TAG achieved very good operating results in both Germany and Poland, in the opinion of the Management Board. Guidance was exceeded both in terms of FFO I, due to falling vacancy rates and rent increases, and in terms of FFO II. The lower consolidated net profit of EUR 90.3m, compared with EUR 122.1m in the previous year, is attributable to higher deferred, i.e. non-cash, income taxes of EUR -311.6m (previous year: EUR +43.4m). The valuation result was again clearly positive in the reporting year at EUR 183.3m, following a valuation loss of EUR 114.6m in the previous year.

Thanks to the capital market transactions carried out in the 2025 financial year, TAG has sufficient liquidity not only to carry out the refinancing due in the next two financial years, but also to implement its growth plans for the Polish rental portfolio. With the two existing investment-grade ratings, there are currently extensive opportunities for access to the capital market.



REPORT ON THE SEPARATE FINANCIAL STATEMENTS OF TAG IMMOBILIEN AG IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE (HGB)

Foundations of the company

TAG Immobilien AG (hereinafter also referred to as the "Company") is the parent company of the Group. It essentially acts as a management holding company and, together with its employees, performs all material central functions. The separate financial statements of TAG Immobilien AG are prepared in accordance with the provisions of the German Commercial Code (HGB) for large corporations.

Control system

For TAG Immobilien AG as a single entity, the net income for the year under commercial law, which is determined annually as part of the annual financial statements, is also used as an important key performance indicator. The adjusted net income for the year within the meaning of the key performance indicator is calculated excluding results from control and profit transfer agreements with subsidiaries, before income taxes and deferred taxes, and excluding non-recurring effects. Non-recurring effects are mainly extraordinary refinancing effects, results from sales and valuation effects. Net income is particularly relevant for the calculation of distributable balance sheet profits, as it must be ensured that the Company not only has sufficient liquidity, but also sufficient distributable results under commercial law for the dividend to be paid in the following year.

Business performance

TAG Immobilien AG acts as a holding company and generates revenue from business services for the entire Group. It also collects investment income from its subsidiaries and generates interest income by financing the operating activities of its subsidiaries. To this end, funds raised through external financing and capital increases are passed on to Group companies.

By contrast, the Company's operating real estate business is not of material importance. In addition to a boarding house, the real estate portfolio as at 31 December 2025 still comprises 71 residential units, as in the previous year. The majority of operating business is carried out within the Group by subsidiaries.

Results of operations, financial position and net assets in the annual financial statements of TAG Immobilien AG

Results of operations

TAG Immobilien AG's financial performance is largely influenced by its holding function and by the centralisation and management of resources used across the Group. The majority of German employees' employment contracts are bundled in the parent company and distributed to the subsidiaries via internal cost allocations. This results in both high personnel expenses and high sales revenues. No revenues are generated in this regard in relation to the Polish subsidiaries, which have their own staff.



The Company generated a net profit of EUR 26.2m in the 2025 financial year, compared with EUR 129.8m in the previous year. The decline is material mainly due to lower income from profit transfer agreements with German subsidiaries and write-downs on receivables from German subsidiaries.

The following table shows the reconciliation of net income for the year to the adjusted net income for the year in terms of the key performance indicator for TAG Immobilien AG as a single entity:

in EURm	2025	2024
Net income as reported in the income statement	26.2	129.8
Value adjustments and write-ups on receivables (net)	38.8	-3.2
Income taxes and deferred income taxes	10.2	5.1
Non-recurring effects financing	10.0	4.5
Net income from currency conversion	-4.0	0.0
Valuation effects of purchase price guarantee and derivatives	-4.6	1.1
Write-ups on financial assets	-11.9	0.0
Income from profit transfer agreements	-44.0	-118.2
Result after adjustments	20.7	19.1

On this basis, the Company generated a net profit after adjustment of EUR 20.7m, which was higher than the previous year's figure (EUR 19.1m). This exceeded the guidance provided in the previous year for the HGB annual financial statements, which assumed adjusted net income of between EUR 11.0m and EUR 17.0m. The main reason for this is the significantly higher interest income from the investment of cash and cash equivalents.

Revenue increased from EUR 50.1m in 2024 to EUR 52.3m in the financial year. Of this, EUR 51.6m (previous year: EUR 49.4m) is attributable to the internal cost allocation for personnel and material costs.

Other operating income increased from EUR 15.4m in the previous year to EUR 27.7m. This item mainly includes write-ups on financial assets amounting to EUR 11.9m, write-ups of value adjustments on receivables of EUR 0.8m (previous year: EUR 13.2m) and income from currency translation of EUR 7.5m (previous year: EUR 0.0m). In addition, a provision from a purchase price guarantee was reversed, resulting in income from the reversal of provisions rising to EUR 4.3m in the financial year (previous year: EUR 0.0m).

Personnel expenses rose from EUR 41.9m to EUR 45.3m in the financial year. The increase in these expenses is mainly due to ongoing salary increases and an increase in the number of employees.

At EUR 42.9m (previous year: EUR 13.0m), depreciation and amortisation are significantly higher than in the previous year. Scheduled depreciation and amortisation of EUR 3.3m (previous year: EUR 3.1m) mainly relate to ERP software. In addition, impairment losses on receivables from German subsidiaries totalling EUR 39.6m (previous year: EUR 10.0m) are reported.



Total other operating expenses rose to EUR 36.6m, compared with EUR 30.4m in the previous year, which is mainly due to the total issue costs of EUR 6.5m incurred in connection with the issuance of a corporate bond of EUR 300m and a convertible bond of EUR 430m (previous year: issue costs for a corporate bond of EUR 500m amounting to EUR 4.5m). In addition, EUR 2.9m was attributable to costs incurred in connection with the capital increase carried out in August 2025. Other important items in the financial year included currency translation costs of EUR 3.5m (previous year: EUR 0.0m), legal and consulting costs, including IT consulting costs, of EUR 4.8m (previous year: EUR 5.0m) and office space costs of EUR 4.6m (previous year: EUR 4.4m).

The remaining line items in other operating expenses mainly relate to communication costs of EUR 1.5m (previous year: EUR 1.6m), motor vehicle and travel expenses of EUR 2.5m (previous year: EUR 2.4m) and IT costs of EUR 3.2m (previous year: EUR 2.6m).

TAG Immobilien AG generated income of EUR 44.0m from control and profit transfer agreements in the 2025 financial year (previous year: EUR 118.2m). This decline is primarily attributable to higher sales of properties in TAG's subsidiaries in the previous year.

Net interest income remained at the previous year's level in the reporting year at EUR 37.7m (previous year: EUR 37.1m). Interest income from affiliated companies and investments decreased to EUR 86.1m (previous year: EUR 96.3m), mainly due to loan repayments. Total interest income increased from EUR 104.3m to EUR 110.8m and, in addition to interest income from affiliated companies, includes EUR 24.5m (previous year: EUR 7.9m) in interest income from short-term investments.

Interest expenses increased from EUR 67.2m in the 2024 financial year to EUR 73.1m in 2025, mainly due to the EUR 300m corporate bond and the EUR 430m convertible bond placed during the financial year. Promissory note loans, corporate bonds and convertible bonds accounted for current interest expenses of EUR 39.2m in the 2025 financial year (previous year: EUR 19.7m). This was offset by a decline in interest expenses to affiliated companies. Interest expenses decreased to EUR 33.1m (previous year: EUR 44.6m).



Financial position and net assets

Total assets increased by EUR 617.5m to EUR 4,125.2m as at 31 December 2025 (previous year: EUR 3,507.7m), mainly due to a higher portfolio of cash and cash equivalents as at the reporting date of the total assets, EUR 655.9m (previous year: EUR 628.3m) are attributable to financial assets. In addition, EUR 2,173.1m (previous year: EUR 2,325.2m) are attributable to intra-group receivables from loans and intra-group cash pooling. Cash and cash equivalents amounted to EUR 1,079.5m at the end of the financial year (previous year: EUR 521.7m).

Equity increased in the reporting year from EUR 1,195.9m in the previous year to EUR 1,353.7m as at 31 December 2025. The increase in equity is material mainly due to the capital increase carried out in August and the share dividend, which amounted to EUR 185.9m. In addition, net income for the year increased equity. The dividend distribution of EUR 70.2m had a counteracting effect. The equity ratio fell slightly to 32.8% (previous year: 34.1%).

Tax provisions of EUR 2.6m (previous year: EUR 5.2m) exclusively comprise provisions for income taxes. Other provisions mainly include provisions for litigation risks of EUR 2.3m (previous year: EUR 2.3m), for royalties of EUR 1.8m (previous year: EUR 1.1m), for outstanding invoices of EUR 1.3m (previous year: EUR 2.1m), additional personnel cost provisions of EUR 0.8m (previous year: EUR 0.6m) and for audit costs of EUR 0.5m (previous year: EUR 0.5m). In the previous year, provisions for purchase price guarantees from the sale of shares in a subsidiary of EUR 4.2m and provisions for negative market values of derivatives of EUR 0.3m were also reported.

Total liabilities increased to EUR 2,710.7m (previous year: EUR 2,249.5m) and include, among other things, corporate bonds issued by the Company, convertible bonds, intra-group liabilities and promissory note loans. The increase in liabilities is mainly due to the placement of a further convertible bond with a nominal value of EUR 430m and an unsecured corporate bond in the amount of EUR 300m. This was offset in particular by the repayment of promissory note loans and a bond totalling EUR 184.0m. In addition, liabilities to affiliated companies in particular fell further from EUR 933.8m to EUR 809.4m.

As of the reporting date, the Company had been granted credit lines of EUR 129.4m (previous year: EUR 109.4m) by various banks. As in the previous year, the credit lines had not been utilised as of 31 December 2025.



Overall statement by the Management Board on the business situation

The Company's financial performance continues to be considered good. As in previous years, TAG Immobilien AG's 2025 financial year was characterised by one-off effects and the results of its subsidiaries. Income from profit transfer agreements amounted to EUR 44.0m, compared with EUR 118.2m in the previous year, and net interest income remained at the previous year's level of EUR 37.7m, compared with EUR 37.1m. Overall, net profit for the year amounted to EUR 26.2m, compared with EUR 129.8m in the previous year.

At 32.8% (previous year: EUR 34.1%), the Company's equity ratio remains at a good level in the opinion of the Management Board. The Company has sufficient liquidity and, in the opinion of the Management Board, is very stable in terms of its financing.



COMBINED SUSTAINABILITY STATEMENT 2025

FOREWORD

The Corporate Sustainability Reporting Directive (CSRD) was not transposed into German law in the 2025 financial year. Originally, the CSRD should have been transposed into national law by 6 July 2024, but the German government failed to meet this deadline. As a result, the existing legal framework for sustainability reporting will remain in place for the 2025 financial year. Mandatory reporting under the CSRD, including extended audit requirements, will only come into force once it has been transposed into national law.

On 26 February 2025, the European Commission published a draft simplification package covering the content of the CSRD, the EU Taxonomy Regulation and the CSDDD (“Omnibus Regulation”). The planned changes are far-reaching and affect all companies that fall within the current scope of the CSRD. The draft proposes a significant reduction in the number of datapoints to be reported for large companies compared to the current version of the CSRD. The content and timetable for the revised version of the ESRS are currently still under development. On 11 July 2025, the European Commission also adopted a delegated act amending ESRS Set 1 Delegated Regulation (EU) 2023/2772; “Quick Fix”). The aim of this regulation is to relieve first-wave companies with further transitional relief in Sustainability Reporting for the reporting years 2025 and 2026. The Omnibus Directive (EU) 2026/470 was published in the EU Official Journal on 26 February 2026 and provides for transposition into national law by 19 March 2027 at the latest. For CSRD reporting, this primarily means more precise application and delimitation rules as well as selective relief in terms of the scope and depth of the sustainability information to be disclosed.

Against the backdrop of ongoing discussions and initiatives to simplify the CSRD requirements and the associated legal uncertainty, particularly with regard to the content and scope of the Sustainability Reporting standards that will apply in future, TAG's Management Board has decided to apply the simplifications granted under the Quick Fix in full for the 2025 financial year. The summarised sustainability statement for the 2025 financial year was also prepared in accordance with the first set of ESRS as a framework within the meaning of Section 289d of the German Commercial Code (HGB).



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1. GENERAL DISCLOSURES (ESRS 2)

1.1.BP-1 - General basis for preparation of sustainability statements

The combined sustainability statement pursuant to Sections 289b and 315b of the German Commercial Code (HGB) (hereinafter referred to as the “Sustainability Report”) for the 2025 financial year was prepared on a consolidated basis. The scope of consolidation corresponds to that of the consolidated financial statements.

The Sustainability Report also includes reporting in accordance with Section 289c HGB at the level of TAG Immobilien AG. TAG Immobilien AG acts as the holding company of the Group. As of the reporting date, TAG Immobilien AG holds less than 1% of the investment properties reported in the Group, so environmental issues are not reported separately. Unless otherwise indicated in the report, the information provided applies both to TAG as a group and to TAG Immobilien AG at the level of the individual company.

The Sustainability Report covers TAG's upstream and downstream value chains.

TAG has not made use of the option to omit certain information on intellectual property, know-how or innovation results. Similarly, no use was made of the exemption provided for in Article 29a(3) of Directive 2013/34/EU (Accounting Directive), according to which no information needs to be provided on future developments or matters that are the subject of negotiations.

Non-financial reporting is carried out in accordance with Sections 289c to 289e of the German Commercial Code (HGB), Section 315c of the German Commercial Code (HGB), including the full application of the first set of the ESRS for the non-financial consolidated statement and the EU Taxonomy Regulation, together with the delegated acts adopted in this regard. In the previous year, the ESRS was applied in part. No framework was applied for the non-financial statement of the parent company, TAG Immobilien AG.

For a description of the business model in accordance with Section 289c (1) HGB, please refer to the chapter “Overview and Group Strategy” in the combined management report. For a description of the most significant non-financial performance indicators in accordance with Section 289c (3) No. 5 HGB, please refer to the chapter “Management System” in the combined management report for the 2025 financial year. The description of the material non-financial risks in accordance with section 289c (3) and (4) of the German Commercial Code (HGB) can be found in the ‘Risk Management’ section of the consolidated management report.



1.2.BP-2 - Disclosures in relation to specific circumstances

Estimates for the value chain

Estimates for the value chain are used in the following areas of the Sustainability Report:

Metrics on consumption and GHG emissions

TAG's energy and carbon footprint, the results of which are published in Chapter 3.7 E1-5 – Energy consumption and mix and 3.8 E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions, incorporates estimates. For instance, projections of energy consumption and resource volumes (inflows and outflows) are used due to incomplete data.

Emission factors are used to calculate GHG emissions from the projected quantities and consumption. Identical emission factors were used for natural gas and heating oil to determine the site- and market-based Scope 2 emissions of the German portfolio. Where available, publicly available data, such as from the Federal Office of Economics and Export Control (BAFA), environmental agencies or DEFRA, is used for the underlying estimates.

For the CO₂ equivalents reported in Scope 3, categories 1 and 2 in connection with the new construction projects in Poland, corresponding emission factors are used, which have been derived from the life cycle assessment (LCA) study by Cushman & Wakefield for a new construction reference project. This applies in particular to the CO₂ emissions from the manufacturing phase (phases A1-A3) as determined by the life cycle analysis in accordance with EN 15978.

To determine emissions from tenant electricity consumption in Germany (category 3.13), an estimate of annual electricity consumption is made based on an evaluation of the number of residents per residential unit reported to TAG and data published by the Federal Statistical Office.

GHG emissions and quantities from maintenance measures in the residential portfolio in Germany are determined on the basis of internal calculations. These are based on reference projects from the 2025 financial year, from which the total GHG emissions or quantities (ESRS E5) of construction activities are extrapolated. The degree of accuracy resulting from the use of these indirectly determined parameters is estimated to be medium. In particular, in the area of TAG's construction activities, case-specific primary data is currently not available across the board on the market. TAG assumes that the data basis will improve in the future, which could increase the degree of accuracy of the data determined. For a detailed description of the parameters and sources used in compiling the data, please refer to the information provided in the relevant sections 3.7 E1-5 – Energy consumption and mix 3.8 E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions, as well as total GHG emissions, and 4.5 E5-4 – Resource inflows and 4.6 E5-5 – Resource outflows.



Sources of estimates and uncertainty in results

In the opinion of the Management Board, the estimates used in connection with TAG's greenhouse gas balance sheet are parameters that are subject to a high degree of measurement uncertainty. Specifically, these are parameters for estimating the electricity consumption of tenants in Germany (Scope 3.13) and parameters for emissions per square metre (Scope 3.1 and Scope 3.2) generated in the course of construction activities in Germany and Poland.

TAG has no knowledge of the electricity consumption of tenants in its German residential portfolio. There is also no data available on the energy mix of tenant electricity consumption. The available data in this area is limited to data collected by third parties and its derivation from average values and emission factors that apply to an entire sector (e.g. emission factor for the electricity mix in Germany).

The actual consumption data for the 2024 financial year used to calculate energy consumption and emissions in Scope 1 and 2 was extrapolated for the 2025 financial year, taking into account changes in inventory. The data is based in part on estimates (e.g. energy performance certificates). This approach leads to updates compared to the data for 2024 carried forward from the previous year's report.

The emission factors used in the topic-specific chapters E1 and E5 were determined on the basis of research conducted by TAG in conjunction with internal consultations with the relevant departments, such as Central Technology, Central Purchasing and Strategic Real Estate Management. In this context, the basis was, in particular, a weighing up of the informative value of the (limited) data available on the market, while at the same time ensuring transparent and comprehensible disclosure of the data in the Sustainability Report.

The quantities of building materials stated in relation to the information on E5-4 and E5-5 are estimates and projections based on internal TAG documentation. For this purpose, reference quantities were determined for each action (e.g. refurbishment of vacant flats, block and complex renovation, energy-efficient renovation) and applied to the respective area affected during the reporting period. Waste generation is also based on estimates using internal records, applicable regulations and relevant waste balances. Waste disposal is carried out by contracted waste disposal companies in accordance with the legally prescribed separation of waste types, and the requirements are laid down in construction and framework agreements. For the extrapolation, waste volumes from a reference project in Germany were applied to all projects started and completed in the 2025 financial year. The division into hazardous and non-hazardous waste and the recycling routes follow the waste codes and waste balances. In Poland, only waste from our own administration is currently recorded (no construction waste). TAG plans to expand data collection on waste volumes in the construction process in the future.



The forward-looking statements contained in this Sustainability Report are based on assessments and conclusions drawn from the information currently available. The statements are based on a number of assumptions relating to future events. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those presented in the forward-looking statements. Many of these risks and uncertainties are related to factors that TAG cannot control, influence or accurately assess. These include, for example, future market and economic conditions, the behaviour of other market participants, developments in the availability of data on GHG emissions, impacts of climate change and government legislative procedures on the disclosure of sustainability information. In particular, the specific impacts of the ongoing finalisation of a version of the CSRD transposed into German law and the associated impacts on the economy, individual markets and industries cannot be conclusively assessed at present. The forward-looking information presented in this report is therefore subject to a high degree of uncertainty.

Inclusion of information by reference

To improve readability and reduce redundancy, TAG has made use of the option to include information by reference. References to other parts of the report have been included in connection with the following ESRS disclosure requirements:

ESRS mandatory disclosure requirement	Title of disclosure requirement	Reference
GOV-5 sec. 36a-b	Risk management and internal controls over Sustainability Reporting	Section 'Risk management' in the combined management report
SBM-3 sec. 48a-b,d,g	Description of material opportunities and risks that could have an impact on TAG's financial position, financial performance and cash flows	Section 'Opportunity and risk report' in the combined management report
SBM-3 sec. 48f-g	Information on the resilience of TAG's strategy and business model in relation to climate change	Section 'Risk-bearing capacity' in the combined management report



Use of simplifications (“Quick Fix”)

In 2025, TAG made use of the temporary simplifications provided for ESRS S2 (employees in the value chain) and ESRS S4 (Consumers and end-users) under the “Quick Fix” regulations. These simplifications enabled TAG to focus its reporting on material topics while complying with the requirements of ESRS 1 Annex C. The information that must be disclosed when applying the temporary simplifications in accordance with ESRS 2 Section 17 is as follows:

INFORMATION IN ACCORDANCE WITH ESRS 2 SECTION 17 – ESRS S2

The sustainability topics covered by ESRS S2 were evaluated by TAG for materiality. For ESRS S2, the impacts on subcontractors and material manufacturers, particularly in the construction industry, were identified as material topics, covering the following (overarching) topics in accordance with ESRS 1 Annex A AR 16:

- Working conditions in the upstream value chain

TAG integrates the impact of material topics into its business model and strategy by enforcing a code of conduct for business partners that ensures compliance with labour laws and ethical standards. Specific health and safety guidelines apply to construction projects in Poland, including mandatory reporting of accidents and inspections. In Germany, existing actions to protect employees are being maintained. TAG has implemented actions to prevent, mitigate and manage significant negative impacts on the workforce in the value chain. For example, grievance systems have been set up to address employee concerns.

TAG has set itself the goal of continuing to ensure health and safety at work and the prevention of fatal accidents on construction sites in Poland, reflecting its commitment to the continuous improvement of health and safety conditions. Regular inspections and the immediate reporting of accidents form part of the actions taken to achieve this goal. The goal was achieved in the 2025 financial year.

INFORMATION IN ACCORDANCE WITH ESRS 2 SECTION 17 – ESRS S4

The sustainability topics covered by ESRS S4 were evaluated by the Company for their materiality. The most important material topics identified under ESRS S4 include affordable housing, community benefits and tenant satisfaction, which cover the following sub-topics under ESRS 1 Appendix A AR 16:

- Social inclusion of consumers and end-users
- Personal safety of consumers and end-users
- Information-related impacts on consumers and end-users



With regard to the material IROs relating to TAG's customers, the Business Principles, the policy statement on respect for and compliance with human rights, the social policy, the environmental policy, the procurement policy and the anti-discrimination policy are particularly noteworthy as material internal guidelines. They apply within the TAG Group as well as to its business partners, customers and other stakeholders. The implementation of these guidelines within TAG is the responsibility of the Management Board. The aforementioned guidelines contain regulations on the following areas, which we consider to be the most important issues with regard to our customers:

- Anti-discrimination/social interaction/equal treatment
- Privacy/data protection/confidentiality
- Health and safety
- Environmentally friendly and sustainable solutions

TAG has also introduced guidelines on tenant engagement, transparent communication and data protection. These guidelines aim to counteract potential negative social impacts such as gentrification while promoting an inclusive and safe living environment. With TAG's entry into the project development business in Poland, a new stakeholder group – buyers of the residential units – has come to the fore. Their satisfaction is a high priority for TAG. Customer service is available to buyers for all questions, from sales and support to after-sales service and property handover. To determine how satisfied customers are with the service, a customer satisfaction survey is conducted during and after each sale in Poland.

TAG has set measurable targets for the sustainable development of its portfolio, investment in the community and tenant satisfaction. Regular tenant surveys are conducted to perform valuation and improve service quality. The Company also attaches great importance to environmental responsibility and social engagement. The Company also addresses risks associated with regulatory changes and increased costs. The targets are as follows:

- Investments in the portfolio in Germany amounting to at least 1.5% of the value of the property volume at the beginning of the respective financial year. Investments are requested and approved as part of a formalised process and tracked through monthly availability reports.
- Promotion of social engagement in Germany and Poland through donations and sponsorship amounting to at least TEUR 200 per year.
- Achieving a customer satisfaction rate of at least 70% in Germany and Poland. In Germany, the valuation is based on the portfolio-wide tenant survey conducted every three years and, in the intervening periods, on monthly sample surveys of our tenants. In Poland, tenant satisfaction is analysed as part of the annual lease renewal process.
- Achieving a buyer satisfaction rate of at least 70% based on the annual Net Promoter Score survey.

The targets set were achieved in the 2025 financial year.



Changes in the preparation or presentation of sustainability information

In the current reporting period, TAG changed the method for determining and presenting resource inflows for construction activities in Poland from contract-based recording to a consistent, area-based calculation based on reference values per square metre in accordance with the results of an LCA study conducted in 2025. In the opinion of the Management Board, this methodology enables a more realistic, consistent and comparable presentation of material consumption between reporting periods, thereby increasing the usefulness of the information. The comparative figures for the previous year have been adjusted accordingly. For further details, please refer to the information in the relevant chapter.

1.3.GOV-1 - The role of the administrative, management and supervisory bodies

The Management Board and Supervisory Board of TAG constitute the administrative, management and supervisory bodies. In the financial year, the Management Board consisted of two members and the Supervisory Board of a total of six members, including two employee representatives. The management and supervisory bodies thus consisted of a total of eight members in the reporting year. In the opinion of the Supervisory Board, all shareholder representatives on the Supervisory Board are to be regarded as independent within the meaning of Recommendation C.7 of the German Corporate Governance Code. The percentage of independent members on the Supervisory Board was thus 66.7%.

Gender diversity, defined as the average ratio of female to male members, was 1:1 in both the Management Board and the Supervisory Board during the reporting period.

The members of TAG's Management Board and Supervisory Board have extensive knowledge in the field of sustainability. On the Supervisory Board, Prof. Dr. Wellner in particular stands out as an expert in the areas of real estate management and sustainability, which are part of TAG's operational business, thanks to her professional career and field of research. This knowledge is continuously expanded and updated, e.g. through participation in training courses and further education measures on current developments and best practices in the field of sustainability. Where necessary, TAG draws on external experts and consultants who can contribute specific expertise on relevant sustainability issues in relation to material impacts, risks and opportunities. These experts support the Company in making informed decisions that meet the high standards of sustainable action.

The TAG Supervisory Board is responsible for reviewing the Sustainability Report. Within the Supervisory Board, Sustainability Reporting and its review are assigned to the Audit Committee. At the Management Board level, Sustainability Reporting, including ESG ratings, is the responsibility of the CFO and Co-CEO, Mr Thiel. Ms Hoyer, COO and Co-CEO, is responsible for sustainability management and operational implementation, including policies and procedures for dealing with material impacts, risks and opportunities within the company. The Management Board reports regularly to the Supervisory Board on current developments in the area of TAG's sustainability goals. The Management Board and the Supervisory Board are involved in relevant decision-making processes, such as the setting of sustainability goals. Beyond that, there were no other specific procedures for impact, risk and opportunity management in the 2025 financial year.



TAG's sustainability strategy is closely linked to the Company's material impacts, risks and opportunities. The governing bodies ensure that existing skills and competencies are directly aligned with these areas. This includes, for example, the ability to identify risks associated with Climate change and develop actions to minimise risks, as well as recognising and exploiting development opportunities. The established governance structures ensure that the strategic sustainability targets are aligned with the operational capabilities and expertise of the institutions.

In the view of the Management Board, this ensures that TAG fulfils its responsibility as a housing Company while also meeting stakeholder expectations for sustainable action and business practices.

1.4. GOV-2- Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

The Management Board and Supervisory Board are regularly informed about sustainability issues. The Management Board is informed in particular by the ESG/Sustainability Management, Strategic Real Estate Management and the interdisciplinary Sustainability Committee about current developments in the area of ESG and the effectiveness of the strategies, actions, metrics and targets that have been adopted. In addition, the Management Board is closely involved in the rating processes and results of the ESG rating agencies. Where relevant, impacts, risks and opportunities are taken into account when monitoring TAG's strategy, making decisions on important transactions and designing the risk management process, and decisions on compromises are made where necessary, weighing up various factors, including economic aspects.

During the reporting period, the Management Board and Supervisory Board dealt in particular with the following material impacts, risks and opportunities:

- Results of the employee survey in Germany (employee satisfaction) (IROs for S1)
- Decarbonisation of the existing portfolio in Germany (IROs for E1)
- Continuation of TAG's social commitment in the context of promoting social projects (IROs for S2 and S4)

1.5. GOV-3 - Integration of sustainability-related performance in incentive schemes

The members of TAG's Management Board receive a fixed remuneration that is not performance-related and a variable remuneration that is paid partly in cash and partly in the form of TAG shares. The fixed remuneration and variable remuneration are paid exclusively by TAG Immobilien AG; no remuneration is paid by subsidiaries.

At TAG's Annual General Meeting on 16 May 2025, a new remuneration system was adopted as part of the regular vote on the remuneration system for the Management Board. The main changes provide for an increase in the proportion of performance-related remuneration in order to promote the sustainable and long-term development of TAG and to strengthen the principle of "pay for performance".



In future, the proportion of basic remuneration in total remuneration will be c. 35–45% (previously c. 50%). For the Short Term Incentive Plan (STIP), the company strategy and business activities in Poland are linked via the strategically relevant performance criteria FFO I per share (45% of the STIP), EBITDA adjusted for the rental business per share (30% of the STIP) and adjusted sales results for Poland per share (25% of the STIP). The achievement of these performance criteria in the STIP is multiplied by a factor of 0.8–1.2 (“modifier”) to determine the overall target achievement. The modifier may include both financial and non-financial targets in collective form or at the level of individual Management Board members. The content of the modifier targets is determined by the Supervisory Board. The STIP accounts for c. 20–30% of total remuneration. The modifier contains ESG targets for the 2025 financial year. Accordingly, up to around 20% of the STIP is subject to ESG requirements. In the Long Term Incentive Plan (LTIP), the proportion of ESG targets has been increased from 20% to 25%. In addition, 25% is measured against EPRA NTA per share and 50% against the relative total shareholder return within the FTSE EPRA/NAREIT Developed Europe Index peer group. The LTIP is expected to account for c. 30–40% of total remuneration.

The proportion of ESG-related remuneration in variable remuneration is therefore around 23%, based on STIP ESG shares of up to 20% and LTIP ESG shares of 25%. The remuneration paid in the 2025 financial year (basic remuneration and variable remuneration STIP based on the 2021 remuneration system) to the members of the Management Board and Supervisory Board has not yet been measured against GHG emission reduction targets. The share is therefore 0%. GHG emission reduction targets within the LTIP will be taken into account from the LTIP tranche beginning on 1 January 2025 on the basis of the 2025 remuneration system.

In the STIP, the maximum payout was increased from 133% to 150% of the target amount. The target amount of the STIP for the 2025 financial year is now TEUR 300 per Management Board member. The maximum payout amount in the LTIP remains unchanged at 200% of the target amount. The target amount of the LTIP for the 2025 financial year is TEUR 400 per Management Board member. The new remuneration system will apply from 1 January 2025.

The Supervisory Board sets measurable and quantifiable ESG targets at the beginning of each tranche. The ESG targets are derived from the corporate strategy and the sustainability targets that are of materiality to TAG. If several ESG targets are selected, the Supervisory Board also determines their relative weighting before the start of the performance period. The ESG targets are drawn from one or more of the following categories:

- Energy efficiency and emission
- Employee qualification and training
- Customer satisfaction
- Social engagement and neighbourhood management
- Employee satisfaction
- Compliance



The ESG targets for the 2025 financial year include, within the STIP modifier, the collective goal of establishing TAG as a socially responsible landlord in Germany that balances affordable housing with the generation of returns. The achievement of these targets will be assessed on the basis of awards received, ongoing and new social commitments, like-for-like rental growth and like-for-like vacancy rates.

Within the LTIP 2025, the Supervisory Board set a target of CO₂ emissions per square metre in the German property portfolio at the end of the performance period or at the last measurable value of 25.6 kg in this period, tenant satisfaction of "very satisfied" or "satisfied" of 70% on average during the performance period, and support for social projects by the TAG Miteinander Foundation on average per financial year during the performance period through donations of TEUR 150. The remuneration system for the Supervisory Board does not include any variable remuneration components.

Further information on the remuneration and incentive systems for the Management Board and Supervisory Board, including sustainability-related performance, can be found in the report on the principles of the Company's remuneration system (remuneration report pursuant to Section 162 of the German Stock Corporation Act (AktG) – section on variable remuneration) within the combined management report.¹⁾

1.6.GOV-4 - Statement on due diligence

The following table provides an overview of where the core elements of due diligence (implemented processes for identifying impacts, risks and opportunities, as well as actions to prevent negative impacts) can be found in the report.

Core element	Reference to Sustainability Report
Integration of due diligence into governance, strategy and business model	ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
Involvement of affected stakeholders in all key steps of due diligence	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS 2 MDR-P, ESRS S1-2
Identification and assessment of adverse impacts	ESRS 2 IRO-1, ESRS 2 SBM-3
Measures to address these adverse impacts	ESRS 2 MDR-A, ESRS E1-3, E5-2, S1-4
Tracking the effectiveness of these efforts and communication	ESRS 2 MDR-M, ESRS 2 MDR-T, ESRS E1-4, E5-3, S1-5

¹⁾ Unaudited



1.7.GOV-5 Risk management and internal controls over Sustainability Reporting

For a description of the Group-wide risk management system, including the approaches used for risk assessment, the description of the identified material risks and mitigation strategies, and reporting to the management and supervisory bodies, please refer to the section entitled “Risk Management” in the combined management report for the 2025 financial year.

Responsibility for the control system established with regard to Sustainability Reporting lies with TAG’s Management Board. The control system helps to ensure that the organisation and processes for Sustainability Reporting are properly established and supports the optimal functioning of the relevant corporate processes. With regard to the 2025 reporting year, TAG has not yet implemented a comprehensive ICS for Sustainability Reporting. In the course of the 2026 financial year, Sustainability Reporting is to be gradually integrated into the existing internal control system (ICS). The results of the risk assessment and the internal controls relating to the Sustainability Reporting process are an integral part of the relevant internal functions and processes, including the reporting processes.

Two operational risks have been identified as material risks in connection with Sustainability Reporting:

- Incorrect information in the Sustainability Report

The data contained in the Sustainability Report may deviate from the actual data, for example due to incorrect data transfer, and may therefore be inaccurate. To minimise this risk, TAG has implemented upstream and downstream internal controls in connection with data collection and the preparation of the Sustainability Report. The upstream controls are essentially dual control principles that ensure correct and complete data transmission. The downstream controls mainly comprise plausibility checks of the content created by the ESG department, which reports to the CFO and Co-CEO, and by the Management Board. If any anomalies are identified during the internal controls, these are analysed with the departments involved and the report content is adjusted if necessary. The Sustainability Report is prepared centrally using a dedicated tool that enables joint and cross-departmental processing of the individual reporting requirements and presents changes in a transparent manner.

- Missing information in the Sustainability Report

There is a risk that the Sustainability Report may not contain all topics that are material to stakeholders. To minimise this risk, TAG has implemented procedures and processes designed to ensure a complete and CSRD-compliant materiality assessment. These processes include, in particular, the overarching integration of the ESG area into the preparation of the materiality assessment, the involvement of the relevant departments, and the discussion and approval of the results of the materiality assessment by the Management Board.



1.8.SBM-1 - Strategy, business model and value chain

TAG's business model in Germany is focused on the long-term management and rental business for affordable housing. All functions of material importance to property management are carried out by the Company's own staff. In addition, caretaker and craftsman services are provided for the Company's own portfolio. The Company operates a rental business for affordable housing that appeals to a broad cross-section of the population. The Group's own multimedia Company, MMI, supports the provision of television and multimedia services to tenants and expands the range of services offered as part of property management. Energy management is centralised within the subsidiary Energie Wohnen Service (EWS) and encompasses the commercial supply of heat and heating provision within 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's investments in Germany are primarily made in medium-sized towns and in the vicinity of major cities, as these areas are seen to offer not only growth potential but, in particular, better return opportunities compared to investments in the major cities. Newly acquired portfolios regularly exhibit higher vacancy rates, which are then reduced following acquisition through targeted investments and proven asset management policies. Within Germany, investments are made almost exclusively in regions already managed by TAG, thereby utilising existing administrative structures. Furthermore, local market knowledge is of material importance when acquiring new portfolios. The expansion of business activities into Poland began in 2020 with the acquisition of Vantage Development S.A. ("Vantage"), a property developer based in and focusing its activities on Wrocław. The acquisition of ROBYG S.A., based in Warsaw ("ROBYG"), expanded TAG's platform for developing residential units for its own portfolio in the existing regions of Wrocław, Poznań and, in particular, the Tri-City, whilst also enabling a comprehensive market entry in Warsaw. At the same time, TAG thereby expanded its business model to include the development of residential units for sale. The investment focus is on new-build apartments in major cities with favourable demographic trends, proximity to universities and well-developed infrastructure.

As at the reporting date, TAG employed 1,330 staff in Germany and 467 staff in Poland, compared with 1,312 and 413 staff respectively in the previous year. In Poland, in addition to these employees, TAG also employed associates who, as natural persons, provide services to companies within the TAG Group (associates). For the purposes of financial reporting, they are included in the headcount.

The Group's parent Company, TAG Immobilien AG, employed 634 people as of the reporting date (previous year: 630).

TAG has divided its sustainability targets into economic, social and environmental targets.



The economic goal is to secure the Company's future viability and competitiveness on the basis of its long-term Business model – the successful management and rental of affordable housing in Germany and the construction of new housing for rental business and sale in Poland. TAG's core business is geared towards long-term economic success, solid growth and stability. To this end, we want to maintain and increase the value of our properties. This should ensure positive earnings development. Responsible business conduct (Corporate Governance) is the basis for this sustainable corporate success. TAG Immobilien AG shareholders should be assured attractive returns and lenders should be assured the lowest possible risk on their capital.

Our social targets are focused in particular on the satisfaction of our tenants and employees. Tenants from different social backgrounds should have access to affordable housing. They should be provided with a secure home and good service in the long term. In addition, the focus is on continuing our social and community engagement and improving the quality of life in TAG's residential neighbourhoods. TAG wants to be an attractive employer for its employees, offering optimal working conditions and development opportunities and promoting personal responsibility, co-determination and participation. It is also important to offer employees and future generations secure jobs and to increase their satisfaction with TAG as an employer. In terms of employees in the value chain, the Company also aims to prevent severe accidents at work on TAG's construction sites in Poland.

As part of its long-term decarbonisation strategy for its German portfolio, TAG has specified its environmental targets for a virtually climate-neutral building stock by 2045. It is continuously working to make its property portfolio more climate-friendly and improve its carbon footprint by consuming fewer resources, optimising the use of resources and further improving the energy efficiency of the portfolio. Environmentally friendly portfolio management contributes to reducing CO₂ emissions and achieving climate targets in the building stock. A particular challenge here is reconciling the financing and economic viability of the necessary actions with the targeted emission reductions. In addition, as part of sustainable resource management, one of the targets is to increase material efficiency by taking a holistic view of material flows in accordance with the principle of circular economy.

For a detailed description of the targets, please refer to the sections in Chapter 3.6 E1-4 – Targets related to climate change mitigation and adaptation, Chapter 4.4 E5-3 – Targets related to resource use and the circular economy, and Chapter 5.7 S1-5 – Targets relating to the management of material negative impacts, the promotion of positive impacts, and the handling of material risks and opportunities.

TAG's business model in Germany is focused on portfolio management and the rental business for affordable housing.



Central Procurement manages the supplier relationships required for the relevant procurement processes. Individual orders may also be placed at a local level. Central Procurement determines requirements and places orders on the market in accordance with environmental and economic criteria. Procurement takes place via framework agreements that incorporate compliance requirements and sustainability standards. In most cases, our construction service providers are also connected to an online portal as part of the refurbishment of vacant flats and routine maintenance. We regularly conduct the assessment of our suppliers' performance. The primary valuation based on economic criteria and sustainability matters is carried out by Central Procurement. Our service monitoring forms the second level of assessment. This allows our tenants to evaluate the performance of our subcontractors, whilst our staff also carry out an assessment. In addition, there is continuous monitoring of the framework agreements, during which test certificates, quality reports and control reports, amongst other things, are evaluated.

In Poland, TAG's business model consists of property development for the rental business and sale. The business model is represented by the two subsidiaries ROBYG and Vantage. Both companies strive to create synergies and pool management expertise and selected operational functions. By pooling expertise, the ROBYG Group is expanding its business activities to the institutional rental market, and the Vantage Group is receiving support in the construction and sale of residential units. Material input factors in Poland are the capital required for development and the corresponding human capital in the form of expert employees and a properly established organisational structure.

The relevant development processes begin with a market analysis and the acquisition of the appropriate building land, followed by the preparation of the necessary architectural work and the obtaining of building permits. After the construction phase, which is carried out with the involvement of general contractors and subcontractors, the completed residential units are handed over to the respective buyers or offered for rental business on the Polish market.

TAG's current and future focus is on providing attractive living space at reasonable prices for tenants. By observing ecological requirements and complying with technical guidelines, their health will continue to be protected in the best possible way in the future. This also includes the creation of liveable neighbourhoods. In our view, good living means more than just living within your own four walls. That is why TAG is contributing to the promotion of liveable neighbourhoods through various actions within the framework of neighbourhood development. Tenants should feel comfortable and safe in their residential neighbourhoods. TAG is also involved in the expansion of multimodal and environmentally friendly mobility services in the neighbourhoods. TAG is easily accessible to its tenants and prospective tenants, and information is readily and quickly available. Tenants should be offered fast service and high quality, which is why as many services as possible are provided in-house. These include caretaker and craftsman services, multimedia, mobility and smart home offerings, and energy management.

This business model also enables TAG to secure reliable income and attractive returns for its predominantly long-term national and international investors.

In Poland, our activities also result in the completion and handover of sold residential units, which leads to corresponding revenue recognition in the consolidated income statement.



TAG positions itself at the centre of the value chain by acting as the owner, manager and developer of residential real estate. The Company is responsible for the entire life cycle of the properties it owns, from planning and development to operation, modernisation and maintenance. Relationships with suppliers and service providers are long-term and of strategic importance, particularly with regard to ensuring quality and efficiency in construction and maintenance processes. TAG maintains close relationships with its distribution partners and end-users, focusing on customer satisfaction and service quality.

Upstream value chain:

Suppliers:

- **Construction companies:** TAG works closely with construction companies that are responsible for building new residential complexes (especially in Poland) or modernising and renovating existing properties. These include both large construction groups and specialised craft businesses.
- **Material suppliers:** These supply the necessary building materials, from raw materials such as concrete and steel to installation materials for plumbing, heating and electrical work. Suppliers often include large construction and building materials dealers.
- **Energy suppliers:** An important part of the upstream chain are the energy suppliers who provide the necessary resources for the operation and modernisation of heating and energy systems.

Service providers:

- **Planning and engineering offices:** These provide support in the planning and implementation of construction projects, particularly in the areas of energy efficiency and sustainable urban development.
- **Facility management:** Services for the ongoing maintenance and upkeep of properties are also of central importance for preserving the value and functionality of buildings.

Downstream value chain

Sales channels:

- **Direct sales:** Residential units are usually rented directly to end-users via the Company's own sales channels and platforms.
- **Estate agents and brokers:** In some cases, TAG also works with estate agents to support the rental business or sale of properties.



End-users:

- Tenants/buyers: TAG's main customers are the tenants who live in the managed residential complexes and, particularly in Poland, apartment buyers.
- Local authorities and government agencies: In selected projects, TAG works closely with public authorities, particularly in the development of socially acceptable housing, neighbourhood development or in public-private partnerships.

1.9.SBM-2 - Interests and views of stakeholders

TAG's most important stakeholders include tenants, buyers, employees, business partners and suppliers, shareholders, including banks, financing partners and analysts, cooperation partners such as associations, local politicians and organisations. Their perspectives are material to TAG's business success.

Tenants are involved in the strategy and business model in a variety of ways, as their satisfaction is material to TAG's business success. Personal contacts are available at the tenant offices at the sites. Tenants can contact TAG by letter, telephone, email, tenant app, online form on the residential brand's website, or via social media. Customer management is centrally organised to ensure that our tenants can easily reach us and that their concerns are dealt with quickly. In Germany, feedback on customer service can be provided via the tenant app. TAG also offers housing advice at its main locations. The focus is on senior citizen housing and assisted living. Our tenants can also take advantage of our social counselling services. New and existing tenants also have the opportunity to view show flats or showrooms. Every three years, a portfolio-wide tenant survey is conducted to measure satisfaction with TAG as a landlord and to identify wishes relating to housing. In addition, monthly random surveys are conducted to gauge the satisfaction of existing and new tenants with TAG's service.

With TAG's entry into the project development business in Poland, the buyers of the residential units are another important stakeholder. Our customer service team is available to assist buyers with all matters, from sales and support to after-sales service and property handover. To determine how satisfied customers are with the service, a customer satisfaction survey is conducted during and after each sale. TAG uses the results of the satisfaction surveys to continuously optimise its processes and services.



Continuous dialogue with employees is a material part of our corporate culture. Employees have a wide range of opportunities to get involved. TAG uses various communication channels to keep our employees informed and promote cross-team dialogue. Established information formats include the intranet, email distribution lists, brochures and flyers. Project groups provide opportunities for exchange across sites, disciplines and hierarchies. The individual teams also meet regularly for team meetings and fixed appointments. At our sites and within our teams, we encourage our employees to actively address their concerns. We use annual performance reviews and regular employee surveys to obtain feedback from our employees. The regional works councils and the general works council exchange information at regular intervals on current issues at the sites and within the Group. Information relevant to the Company is discussed with managers and the Management Board. In addition, employees are involved in project groups and thematic workshops. Team events, idea workshops and joint celebrations or sports competitions offer further opportunities for dialogue.

TAG is in regular contact with shareholders, investors, banks and analysts. Personal exchanges take place in particular at international conferences, roadshows and property tours, at the Annual General Meeting and at regular banking and capital market days.

TAG works closely with suppliers and service providers in the management, maintenance and modernisation of its portfolio. We generally maintain long-standing relationships with our trade, commercial and other partners. Direct contact with TAG representatives takes place in person on site, by telephone or by email. Connections with external partners are continuously improved through the optimisation of digital processes, both by the Central Purchasing department and as part of the Group-wide digitalisation project "Mission Future".

TAG is directly and personally involved in tenant support and neighbourhood management. Our neighbourhood management aims to create socially balanced and liveable neighbourhoods. That is why TAG supports local initiatives and interest groups as well as associations and social institutions at its sites. We organise campaigns and events in our neighbourhoods, for example in activity lounges ("Aktiv-Treffs") or community centres.

As one of the largest private housing companies in Germany, we are also the focus of local politics, associations and urban development. We are actively involved in real estate issues. At our main locations, we enable politicians to visit our neighbourhoods. We use these on-site appointments to exchange ideas on housing policy issues. We also actively participate in district conferences and round-table discussions on the topic of housing. When implementing our new construction projects in Poland, we work with the respective local authorities to expand and develop infrastructure, e.g. access roads, cycle lanes and parking spaces, charging stations for electric vehicles and green spaces.



Insofar as the interests and positions of our most important stakeholders have been analysed as part of the identification of material IROs, these are understandable from TAG's perspective. The results of these analyses are always taken into account in our business policy and, where relevant, in our strategy and business model. The Management Board and Supervisory Board are also informed about relevant stakeholder interests and viewpoints at regular Management Board and Supervisory Board meetings.

Information in accordance with ESRS 2 SBM-2 relating to the Company's own workforce (ESRS S1)

Continuous dialogue with employees is an integral part of TAG's corporate culture. One focus here is on ensuring their well-being. We therefore rely on the active participation of our employees at all levels of the Company and open communication on all material issues relating to the Company's development. The workforce is involved in issues of material importance to TAG's Strategy through Group-wide projects. Every employee can apply to participate in the projects, ensuring that the interests and requirements of different departments and regions – including the protection of employee-related human rights – are taken into account. Project managers are appointed to optimally coordinate the various Group-wide projects and ideas. The project managers regularly consult with the responsible member of the Management Board in their work. Company-wide surveys complement the involvement of employees.

In the opinion of the Management Board, the impacts on its own employees identified in the materiality assessment are of a fundamental nature and are not specifically related to TAG's business activities.

In addition, statutory co-determination is possible both through involvement in the works council and through representation on the Supervisory Board. The supervisory board includes two employee representatives. In addition, employees always have the opportunity to submit suggestions for improvement and, if necessary, to hold an individual meeting with their manager. The human resources department and the works council are also always available to answer questions and address concerns from employees.



1.10. SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The identified material impacts, risks and opportunities arise primarily in the upstream value chain, such as in the construction of new residential units in Poland or the maintenance of the existing portfolio in Germany, as well as in the context of TAG's own operations through active portfolio management and the employment of TAG staff. Short-, medium- and long-term time horizons were considered in this regard.

For a description of the material impacts, risks and opportunities identified in the materiality assessment, please refer to the relevant topic-specific chapters within this Sustainability Report.

The results of the materiality assessment are taken into account in the corporate strategy. If the Management Board considers adjustments to TAG's strategy to be necessary, these are analysed and implemented as part of the strategy process. In the reporting period, the Management Board did not consider any adjustments to be necessary. The future impact of the material impacts, risks and opportunities is also currently assessed as low; against this backdrop, no changes to the strategy or business model are currently foreseeable.

For a description of the risks and opportunities that could have a material impact on TAG's financial position, financial performance and cash flows, please refer to the "Opportunities and Risks" section in the combined management report for the 2025 financial year.

For a description of the analysis of TAG's resilience with regard to the identified material impacts and risks, please refer to the section "Risk Management – Individual Risks" in the combined management report for the 2025 financial year.

In the course of updating the materiality assessment in the 2025 financial year, the presentation of individual items was adjusted compared to the previous year: A number of issues that were reported as positive impacts in the previous year's materiality assessment will be reported as actions from the 2025 financial year onwards. These adjustments relate in particular to environmental standards ESRS E1 (Climate change) and ESRS E5 (Resource use and circular economy). Our actions are primarily aimed at reducing negative environmental impacts – for example, by reducing emissions, resource consumption and waste. Positive effects such as higher energy efficiency or increasing circularity usually result directly from these mitigation actions and are often difficult to distinguish from the reduction of negative effects. To improve readability, the option was also taken in the 2025 financial year to summarise similar IROs within the disclosures in accordance with SBM-3.

For a presentation of the identified material impacts, opportunities and risks, please refer to the disclosures on SBM-3 in the topic-specific chapters.



1.11. IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

TAG conducted its first dual materiality assessment in accordance with ESRS 1 in the 2024 financial year. The materiality assessment covered TAG's entire business activities and was conducted independently for the two main areas of activity: portfolio development in Germany and project development in Poland. For this purpose, groups of experts, each consisting of the ESG teams and the relevant specialist departments, carried out the analysis with the support of external consultants on the basis of the qualitative characteristics of information in Appendix B to ESRS 1 and the relevant accompanying information in the individual ESRS. In the first step, a stakeholder analysis was carried out and the list of stakeholders in the previous Sustainability Report was expanded in detail. Experts from TAG Germany and the Polish subsidiaries represented the relevant stakeholder groups. Thanks to their proximity to and close exchange with the relevant stakeholders, they have a good insight into their interests. For this reason, a suspension of the external stakeholder survey was decided on. The analysis results of TAG Germany and the Polish subsidiaries were then combined.

In a second step, impact materiality, i.e. the inside-out perspective, and financial materiality, i.e. the outside-in perspective, were analysed. Here, a distinction was made between whether it was an IRO at Company level, portfolio level or both.

As part of the impact materiality, the impacts of TAG's business activities on the respective business areas concerned were considered in terms of the environment, people and/or society. They were assessed with regard to

- Type of impact: actual or potential
- Cause of the impacts: directly caused by the Company or influenced by its business activities
- Location: within its own operations or in the upstream value chain or downstream value chain
- Time horizon of the impacts: short term as up to one year, medium term as over one year to five years and long term as more than five years.



The dimensions used for the valuation were extent, scope, irremediability and probability of occurrence. The valuation scales ranged from 0 to 5 for extent, scope and irremediability, and from 1 to 4 for probability of occurrence:

Extent	Scope	Irremediability	Likelihood
5 - Very high impact	5 - Global scope	5 - Not to be remedied	
4 - High impact	4 - Wider scope	4 - Very difficult/ long-term to remedy	4 - Very likely (Factor 1)
3 - Moderate impact	3 - Moderate scope	3 - Difficult/ medium-term to remedy	3 - Probable (Factor 0.85)
2 - Low impact	2 - Concentrated scope	2 - Can be remedied with time and cost	2 - Unlikely (Factor 0.7)
1 - Very low impact	1 - Limited scope	1 - Relatively easy/ short-term to fix	1 - Very unlikely (Factor 0.65)
0 - No impact	0 - No impacts	0 - Very easy to fix	

The quantitative classification of impacts is based on the product of the severity (sum of extent, scope and, in the case of negative impacts, irremediability) and, in the case of potential impacts, likelihood. This results in a value between 0 and 15. From a classification of 8 onwards, impacts are considered material in terms of double materiality for the Sustainability Report.

In the case of a possible negative impact on human rights, the severity was given priority over the probability of occurrence.

The quantitative assessment of the financial materiality of risks and opportunities is based on the assessment dimensions of financial magnitude and likelihood. The financial impacts were assessed on a scale from 0 (no financial impact) to 5 (very high financial impact). The product of the financial impact and the likelihood results in a quantitative valuation between 0 and 5. Risks and opportunities with a quantitative valuation of 3 or higher are considered material in terms of double materiality for the Sustainability Report. The nature and time horizon of the opportunities and risks were considered in the same way as the valuation of impact materiality.

As a general rule, there are often correlations between the identified risks, opportunities and impacts.

After completing the independently conducted materiality assessments for the two different areas of activity in Germany (portfolio management) and Poland (project development), the results were consolidated at Group level in accordance with the maximum principle and the completeness principle, taking materiality into account. IROs that were not identical in content were combined in accordance with the completeness principle. IROs with identical content were merged according to the maximum principle, i.e. the higher valuation of an impact, opportunity or risk was generally included in the Group analysis. The IROs were then reviewed from the TAG Group's perspective and, where necessary, additions or adjustments were made and the quantitative valuation of the impact or financial materiality was adjusted.



The Risk Management department was involved throughout the entire process. The results were then discussed with the Management Board in the 2024 financial year and presented to the Supervisory Board for discussion at a meeting.

Sustainability risks are given the same priority as all other risks within the Group.

The materiality assessment was reviewed for currency in the 2025 financial year. As a result, there were no changes to the topics identified as material. The next regular review of the materiality assessment will take place on 31 December 2026.



E1-IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The identification and valuation of material climate-related impacts, risks and opportunities was carried out taking into account both physical and transitional climate risks.

In addition, as part of TAG's climate risk and vulnerability assessment, the potentially damaging consequences of physical climate risks were analysed with a focus on its own business activities for the existing portfolio and project development, as well as possible adaptation solutions designed to minimise climate risks considered to be material. The upstream and downstream value chains were not explicitly included in the climate risk and vulnerability valuation. The valuation takes into account both external factors (in particular climate projections) and internal factors, i.e. factors that TAG can influence (e.g. construction or portfolio-changing actions). The external impact drivers are scenario-dependent and describe different climatic impacts. The internal impact drivers are scenario-independent and perform the valuation of the sensitivity and vulnerability of the real estate portfolio.

The climatic impacts of the external impact drivers were evaluated from scientific climate projections by the IPCC for four scenarios. The result of the external impact drivers is the location-specific exposure of each building to the seven defined climate risk drivers. For the results of the analysis, please refer to our comments in chapter 3.3 E.1.ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model in this section.

The internal impact drivers can be divided into building-specific and impact-specific factors. The building-specific factors assess the damage that could potentially be caused by the realisation of physical climate risks. To this end, the buildings in the portfolio are divided into damage classes based on their monthly target rent, the revenue to be generated or the construction costs incurred to date. Impact-specific factors categorise the potentially harmful climate impact for each risk driver for the real estate portfolio. The valuation of impact relevance is based on expert assessments from the specialist departments involved. Together with the damage class, this valuation determines the sensitivity of each building to the individual climate risk drivers. Sensitivity represents the gross damage potential. Implemented adaptation actions describe physical and non-physical actions that can minimise the gross damage potential (= sensitivity). Experts from the various specialist departments have assessed the existing adaptation actions for each climate risk driver. In particular, climate risks and their impacts on the building fabric, the residential environment and tenants were assessed. Combining these adaptation solutions with sensitivity yields vulnerability – the so-called net damage potential. Combining vulnerability with exposure yields the qualitative climate risk per building per risk driver per scenario.

In addition to the physical climate scenario analysis, in 2023 we conducted an in-depth analysis of climate-related transitional risks and opportunities and their impact on business activities, strategy and financial planning based on four representative climate change narratives²⁾. The various narratives reflect a range and series of possible developments and highlight potential risks and uncertainties.³⁾ Transitional risks arise from the transition to a low-carbon global economy and are temporary, but can be significant in terms of their scale and intensity.

2) Narrative 1: Business as usual, Narrative 2: Social/technical focus intensifies/becomes more uncertain, Narrative 3: Regulatory focus intensifies/becomes more uncertain, Narrative 4: Worst-case scenario: Too little, too late

3) The upstream and downstream value chains were not explicitly included in the analysis.



The four material transitional driver categories are society, technology, economy and regulation, for each of which three to four risk drivers have been considered. The model focuses on quantifying the impact of these transitional risks on relevant corporate metrics through 2030⁴⁾ using risk drivers. These are parameter-based factors that could significantly impact TAG's future business performance. They were identified by TAG experts and made measurable through defined parameters for the four different climate change narratives.

The following risk drivers were considered in the four transitional driver categories:

Society:

- Demographic change
- Socio-economic framework
- Urbanisation and housing demand
- Reputation and business partners

Technology:

- Renovation wave
- Innovative energy supply
- Digitalisation and networking

Economy:

- Energy and CO₂ prices
- Construction industry and price fluctuations
- Residential real estate market
- Financing and subsidies

Regulation:

- Rent control
- (Energy) requirements for new and existing buildings
- Disclosure requirements and ESG compliance

Standard market studies on the German and Polish residential property markets were used to check the plausibility of the valuation of possible consequences.

The quantitative valuation of the transitional scenario analysis has not yet been finalised. At this point in time, the Management Board assumes that there are no assets that are not compatible with the transition to a climate-neutral economy.

4) No long-term time horizons were considered in the analysis of transitional risks.



By precisely quantifying potential transitional risks, TAG will in future be able to estimate the effects of the individual drivers in the various climate change narratives on financial performance indicators. In the Management Board's opinion, this will enable data-based decisions to be made, strategic risk mitigation actions to be planned and the long-term financial performance of the portfolio to be ensured.

E5-IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities associated with resource use and the circular economy in relation to resource use and the circular economy

As part of the assessment of material impacts, opportunities and risks associated with resource use and the circular economy, the key material flows along TAG's value chain were identified with regard to its assets and business activities and subsequently evaluated. The valuation was based on the fundamental assumption that resource use within the Group is primarily concentrated on the management and refurbishment of the existing portfolio, as well as on new-build activity in Poland. Resource use arising from the business operations of central functions such as Marketing & Sales, Controlling and Group Accounting is considered to be comparatively low.

TAG has only limited influence over tenants' resource use within the downstream value chain. For instance, the use of water and electricity is influenced in particular by tenants' individual behaviour. Through targeted actions, such as information letters and the installation of water-saving devices, TAG can to a limited extent promote responsible usage behaviour.

The identification and valuation of material issues was carried out by the relevant specialist departments, such as Central Procurement, Central Technical Services, Strategic Property Management and the ESG teams. With regard to the topics of resource use and the circular economy, material stakeholder groups were also involved indirectly via representatives from TAG's specialist departments, who, due to their proximity to and close interaction with the relevant stakeholders in the course of day-to-day business, have a good insight into their interests. Furthermore, we engage in dialogue on specific topics as part of our activities. For example, we collaborate with external service providers when analysing relevant material flows. In accordance with legal provisions, we involve our tenants in the planning of construction and renovation measures in the respective neighbourhoods through tenants' meetings. In the case of new builds, for example, specialist experts are consulted for environmental assessments as part of investment planning and the due diligence review of the site, and contact with interested parties and customers is maintained even during the construction phase.

The significant impacts, risks and opportunities identified therefore relate primarily to the upstream value chain, i.e. in connection with the construction of new residential units in Poland and refurbishment and maintenance measures in the existing portfolio, as well as to TAG's own operations and core business of property management.



Construction and refurbishment projects in particular, but also maintenance measures, lead to significant consumption of raw materials and building materials, as well as the generation of large quantities of waste. They are therefore among the resource-intensive business activities. In this respect, building materials (in particular concrete and steel for new-build projects in Poland, as well as paints, floor coverings and insulation materials for maintenance and modernisation work on the German portfolio) are among the most important resources used within the TAG Group, followed by fuels (e.g. petrol, diesel; for information on fuels and energy sources, please refer to Chapter 3.7 E1-5 – Energy consumption and mix), as well as technical equipment and office supplies (e.g. office equipment, tools and machinery).

If we were to remain in or return to a “business as usual” Scenario (e.g. by using non-regional or non-certified materials), this could have negative environmental impacts (e.g. an increased carbon footprint and difficulties with supply chain traceability due to long transport routes). This could be accompanied, for example, by potential financial risks due to quality losses, longer delivery times and delays in execution.

By prioritising the use of environmentally friendly, recyclable and renewable materials and products, resource consumption can be reduced. By focusing on regionally available materials, products and suppliers, supply chains can be shortened and dependencies reduced, thereby lowering the risks of price increases and supply bottlenecks. Investments in resource-efficient technologies and digital solutions can also contribute to resource conservation, as they lead to reduced paper consumption, for example. The use of environmentally friendly, products with longevity and health-friendly materials also helps to protect the health of our tenants and maintain the value of our portfolio.

E2-IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to pollution, water

TAG has systematically reviewed its sites and business activities in order to identify actual and potential impacts, risks and opportunities related to pollution, both in its own operations and in the upstream and downstream value chains. In particular, internal assessment procedures and evaluations were used for this purpose. TAG did not conduct any consultations, particularly with affected communities, during the reporting period.

As a result, Standard E2 was assessed as not having any material impact on TAG's business activities overall.

E3-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources

TAG has systematically reviewed its assets and business activities to identify actual and potential impacts, risks and opportunities related to water and marine resources, both in its own operations and in the upstream and downstream value chains. In particular, internal assessment procedures and evaluations were used for this purpose. TAG did not conduct any consultations, particularly with affected communities, during the reporting period.

As a result, Standard E3 was assessed as not having any material impact on TAG's business activities overall.

**E4-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems**

TAG systematically analysed its own sites and the upstream and downstream value chains to identify and assess material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems. Actual and potential impacts on biodiversity and ecosystems as well as dependencies on ecosystem services were evaluated on the basis of internal assessments. On this basis, TAG also identified transition and physical risks and opportunities related to biodiversity and ecosystems and took systemic risks into account. Based on internal assessments, no sites in or near biodiversity sensitive areas were identified, nor were any resulting negative impacts identified, meaning that no need for remedial measures within the meaning of the aforementioned guidelines and standards was determined in accordance with ESRS E4 IRO-1 Tz. 19(b). TAG did not conduct any consultations with affected communities on sustainability assessments of shared biological resources and ecosystems during the reporting period.

As a result, Standard E4 was assessed as not material to TAG's business activities overall.



1.12. IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement

An overview of the disclosure requirements followed in the preparation of the Sustainability Report, based on TAG's materiality assessment, can be found in the table of contents for the consolidated non-financial statement within the consolidated management report for the 2025 financial year.

The Sustainability Report contains the following datapoints, which are derived from the EU legislation attached as Appendix B to ESRS 2. The individual disclosures can be found in the relevant topical chapters or sub-chapters of this Sustainability Report.

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27 57) , Annex II		1.3 / p. 70
ESRS 2 GOV-1 Percentage of Board members who are independent, paragraph 21 (e)			Comission Delegated Regulation (EU) 2020/1816, Annex II		1.3 / p. 70
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator number 10 Table #3 of Annex 1				1.6 / p. 73
ESRS 2 SBM-1 Involvement in activitiesrelated to fossil fuel activities, paragraph 40 (d) i	Indicators number 4 Table#1 of Annex 1	Article 449a Regulation (EU) No 575/2013;Commission Implementing Regulation (EU) 2022/2453 (28 58) Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Comission Delegated Regulation (EU) 2020/1816, Annex II		not relevant
ESRS 2 SBM-1 Involvement in activitiesrelated to chemical production, paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Comission Delegated Regulation (EU) 2020/1816, Annex II		not relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29 59), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not relevant



Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not relevant
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	3.3 / p. 118
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		not material
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		3.6 / p. 125
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				3.7 / p. 129
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 Table #1 of Annex 1				3.7 / p. 129
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				3.7 / p. 129



Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		3.8 / p. 131
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicators number 3 Table#1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		3.8 / p. 131
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – climate change physical risk: Exposures subject to physical risk.			phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – climate change transition risk: Loans collateralised by			phase-in



Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
		immovable property – energy efficiency of the collateral			
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Comission Delegated Regulation (EU) 2020/1818, Annex II		phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				not material
ESRS E3-1 Water and marine resources, paragraph 9	Indicator number 7 Table #2 of Annex 1				not material
ESRS E3-1 Dedicated policy, paragraph 13	Indicator number 8 Table 2 of Annex 1				not material
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator number 12 Table #2 of Annex 1				not material
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				not material
ESRS E3-4 Total water consumption in cubic metre per net revenue on own operations, paragraph 29	Indicator number 6.1 Table #2 of Annex 1				not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				not relevant



Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				not relevant
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				not material
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				not material
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				not material
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				4.6 / p. 142
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9 Table #1 of Annex 1				4.6 / p. 142
ESRS 2- SBM3 - S1 Risk of incidents of forced labour, paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				5.2 / p. 149
ESRS 2- SBM3 - S1 Risk of incidents of child labour, paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				5.2 / p. 149
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				5.3 / p. 150
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Comission Delegated Regulation (EU) 2020/1816, Annex II		5.3 / p. 150
ESRS S1-1 processes and measures for preventing	Indicator number 11 Table #3 of Annex I				5.3 / p. 150



Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
trafficking in human beings, paragraph 22					
ESRS S1-1 workplace accident prevention policy or management system, paragraph 23	Indicator number 1 Table #3 of Annex I				5.3 / p. 150
ESRS S1-3 grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				5.5 / p. 152
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Comission Delegated Regulation (EU) 2020/1816, Annex II		5.12 / p. 160
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				5.12 / p. 160
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Comission Delegated Regulation (EU) 2020/1816, Annex II		5.13 / p. 161
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				5.13 / p. 161
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				5.14 / p. 162
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Comission Delegated Regulation (EU) 2020/1816, Annex II Comission Delegated Regulation (EU) 2020/1818 Art 12 (1)		5.14 / p. 162
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I				not material



Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Quick-Fix application
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicator number 11 and number 4 Table #3 of Annex 1				Quick-Fix application
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Comission Delegated Regulation (EU) 2020/1816, Annex II Comission Delegated Regulation (EU) 2020/1818, Art 12 (1)		Quick-Fix application
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Comission Delegated Regulation (EU) 2020/1816, Annex II		Quick-Fix application
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14 Table #3 of Annex 1				Quick-Fix application
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Indicator number 10 Table #1 Annex 1		Comission Delegated Regulation (EU) 2020/1816, Annex II Comission Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14 Table #3 of Annex 1				not material



Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability Report reference (chapter/page)
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Quick-Fix application
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	Indicator number 10 Table #1 of Annex 1		Comission Delegated Regulation (EU) 2020/1816, Annex II Comission Delegated Regulation (EU) 2020/1818, Art 12 (1)		Quick-Fix application
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14 Table #3 of Annex 1				Quick-Fix application
ESRS G1-1 United Nations Convention against corruption, paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				7.2 / p. 166
ESRS G1-1 Protection of whistle- blowers, paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				7.2 / p. 166
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Comission Delegated Regulation (EU) 2020/1816, Annex II		7.5 / p. 170
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				7.5 / p. 170

For an explanation of the process for identifying the material information to be disclosed in relation to TAG's material IROs, including the use of materiality thresholds in the materiality valuation, please refer to the discussion in Section 1.11 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities. Consequently, the standards E2 – Pollution, E3 – Water and Marine Resources, E4 – Biodiversity and S3 – Affected Communities have been assessed as not relevant to TAG's business activities.



ENVIRONMENTAL INFORMATION

2. INFORMATION PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (EU TAXONOMY REGULATION)

The EU Taxonomy Regulation (EU) 2020/852 (hereinafter referred to as the EU Tax Regulation) is at the heart of the European Commission's Action Plan on Financing Sustainable Growth. It aims to support the achievement of the European Green Deal's Targets and make Europe the first climate-neutral continent by 2050. The EU Tax Regulation is intended to promote a common, holistic understanding of the environmental sustainability of economic activities and investments and to direct capital flows towards sustainable economic activities and sustainable companies. As a European classification system, the regulation provides consistency, binding and detailed rules on which economic activities are considered environmentally sustainable in the EU. The EU Tax Regulation obliges companies to report transparently on their environmentally sustainable activities using consistency in metrics.

According to the EU Tax Regulation, economic activities are considered "environmentally sustainable" or "taxonomy-aligned" if they

- make a material contribution to one or more of the six EU environmental objectives,
- do not significantly harm the other environmental objectives, and
- comply with minimum social standards.

The six environmental objectives set out in the EU Tax Regulation are:

1. Climate Change Mitigation (CCM)
2. Climate Change Adaptation (CCA)
3. Sustainable Use and Protection of Water and Marine Resources (WTR)
4. Transition to a Circular Economy (CE)
5. Pollution Prevention and Control (PPC)
6. Protection and Restoration of Biodiversity and Ecosystems (BIO)

The specific assessment of the requirements is based on sector-specific technical evaluation criteria, which were published in 2021 in the form of a delegated act, Delegated Regulation (EU) 2021/2139 supplementing the EU Tax Regulation. The technical assessment criteria for the first two environmental objectives, "Climate Change Mitigation" and "Climate Change Adaptation", were specified first. The technical assessment criteria for each economic activity are defined in Annexes I and II of the delegated act and include criteria for a "Substantial Contribution" (SC) to one of the two environmental objectives as well as the "Do No Significant Harm" (DNSH) criteria. In addition, it must be ensured for the individual economic activities that companies comply with the minimum social requirements ("Minimum Safeguard" (MS) criteria) in accordance with Article 18 of the EU Tax Regulation.

Due to its business activities, the criteria set out in Annex I and II No. 7 "Construction and real estate" are essentially material for TAG. These technical assessment criteria relate to new construction, the renovation of existing buildings, individual energy efficiency measures, and the acquisition and exercise of ownership of buildings.



Revenues, CapEx and OpEx that overlap with the activities “3.1 New construction” and “3.2 Renovation of existing buildings” of the environmental objective (4) “Transition to a Circular Economy” and “2.1 Hotels, holiday accommodation, campsites and similar accommodation” from the operation of TAG’s serviced apartments in environmental objective (6) “Protection and Restoration of Biodiversity and Ecosystems”, we assign in full to environmental objective (1) “Climate Change Mitigation” in order to avoid double counting.

Reporting obligations

The EU Tax Regulation came into force on 12 July 2020. The associated reporting requirements will initially apply from 1 January 2022 for the two environmental objectives “Climate Change Mitigation” and “Climate Change Adaptation”. From 1 January 2024, companies will also be required to report on their fulfilment of the other environmental objectives. The content and presentation of the information to be published by companies has been specified by the European Commission in a further delegated act, Delegated Regulation (EU) 2021/2178.

Companies that are required to publish a non-financial statement or a consolidated non-financial statement in accordance with Art. 19a or Art. 29a of Directive 2013/34/EU (EU Accounting Directive) report in accordance with Art. 8 in conjunction with Art. 27(2)(a) EU Tax Regulation, report on the environmentally sustainable share of their revenues, CapEx and OpEx in relation to environmental objectives since the 2022 financial year. The obligation to disclose the required information therefore also applies to TAG as a capital market-oriented real estate company.

In the 2025 reporting year, TAG took advantage of the option to apply the new Delegated Regulation on EU Taxonomy (2026/73) early and, in particular, used the updated, streamlined reporting forms. The introduced 10% de minimis threshold for turnover, CapEx and OpEx has no impacts on TAG, i.e. a full valuation of taxonomy eligibility and compliance will continue to be carried out. TAG also considers the OpEx KPI to be significant within the meaning of the EU Tax Regulation and will not make use of the option to omit reporting on OpEx in the 2025 financial year. At the same time, the specified DNSH criteria (including a focus on substances on the REACH candidate list and clarifying exceptions) were taken into account for the first time in the 2025 financial year. This did not have any material impact on the results of the EU taxonomy reporting.



Process for implementing the EU taxonomy in the Company

In order to implement the requirements of the EU Tax Regulation, TAG formed a project team in the 2021 financial year consisting of the Group Accounting, Controlling and Strategic Real Estate Management (Sustainability Management) departments. The project team analysed all TAG business activities with regard to their compliance with the activities described in the EU Tax Regulation. The analysis was based on the activity descriptions and NACE Codes listed in the sector-specific technical assessment criteria. In addition, the list and breakdown of TAG's business activities in accordance with accounting and reporting (accounting data, accounts) was used. Within the framework of the regulations, premises and specifications were made for the consideration of the data in the denominator and numerator of the metrics, and the data was evaluated and processed accordingly.

Disclosure of the required information

Taxonomy eligibility

As a residential real estate group, in addition to its rental business, the Group's material activities since the expansion of its business area to Poland in the 2020 financial year have also included the construction of new residential units for subsequent sale. The main activities of TAG analysed and identified as taxonomy-compliant in the reporting for the financial years 2021 to 2024 will generally remain unchanged in the 2025 financial year.

As in the previous year, revenue from other services not related to technical assessment criteria, such as rental and sales revenue from parking spaces, was identified as non-taxonomy-compliant. In the area of capital expenditure, non-taxonomy-compliant expenditure relates in particular to capitalised investments not related to technical assessment criteria, such as investments in fire brigade access roads or waste disposal sites. Non-taxonomy-compliant operating expenditure relates in particular to non-capitalised operating expenditure, e.g. in connection with cleaning and disposal costs, which are not related to the technical assessment criteria.

Taxonomy alignment

In order to identify taxonomy-aligned activities, TAG's taxonomy-aligned activities were reviewed on the basis of whether they met the criteria for a significant contribution to one of the two environmental objectives of "Climate Change Mitigation" or "Climate Change Adaptation" ("Significant Contribution" – SC) and the associated criteria for avoiding significant harm to other environmental objectives ("Do No Significant Harm" – DNSH). The review was based on the relevant asset for revenues, investments and operating expenses. In addition, an analysis and review was conducted to determine whether the minimum social requirements ("Minimum Safeguards" – MS) were met in the course of the activities.

**Criteria for materiality and avoidance of harm to other environmental objectives (SC and DNSH criteria)**

A large proportion of taxonomy-eligible activities are attributable to activity 7.7 "Acquisition and ownership of buildings" due to the rental business. Rental revenues as well as CapEx and OpEx for buildings that meet the technical requirements defined in Del. Regulation (EU) 2021/2139 were initially classified as fundamentally taxonomy-aligned in the analysis. For buildings in the rental business in Poland for which the building application was submitted after 31 December 2020, in accordance with the provisions of Del. Regulation 2021/2139 based on the technical criteria of activity 7.1 "New construction for subsequent sale". The DNSH criteria for activity 7.7 are limited, with regard to the environmental objective of "Climate Change Mitigation" for the 2025 financial year, to the implementation of a robust climate risk and vulnerability assessment in relation to the physical climate risks material to the activity, in accordance with the requirements set out in Annex A to Appendix I of del. Regulation (EU) 2021/2139.

TAG, together with a scientific partner, has carried out such a climate risk and vulnerability assessment for TAG's entire real estate portfolio in Germany and Poland based on the specified climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5 of the Intergovernmental Panel on Climate Change (IPCC)). The RCP 4.5 scenario is decisive for the risk assessment. According to the United Nations, this scenario represents the increase in global average temperature that is likely to be expected based on the national climate protection contributions currently being implemented and specified. (UNEP Emissions Gap Report 2023). In the RCP 4.5 scenario, there are no climate risks at the level of the entire Company with an extreme valuation in the time horizon up to 2030 or 2045.

The CapEx of activity 7.7 is classified as taxonomy-aligned, provided that the SC and DNSH criteria for activity 7.7 are met. The relevant SC criterion for activity 7.7 in relation to the environmental objective "Climate Change Mitigation" is, for buildings constructed by 31 December 2020, an energy performance certificate of class A or, alternatively, a classification in the top 15% of the national or regional building stock in terms of primary energy demand. For buildings constructed after 31 December 2020, the SC criteria for activity 7.1 New Construction shall be used.

With regard to the high requirements for new buildings, there is still uncertainty in Poland regarding the interpretation of the requirements of the EU Tax Regulation and the quality of evidence. In addition, the share of total Group revenues generated from the rental business in Poland in the 2025 financial year will be less than 2%. Against this background, TAG has decided to classify TAG's activities in Poland as non-taxonomy-aligned overall, as in the previous year. This preliminary assessment may change in the future as the regulation is further applied and the associated scope for interpretation is clarified.



In addition to activities 7.1 and 7.7, the capital expenditure (CapEx) and operating expenditure (OpEx) for the 2025 financial year were analysed to determine whether they relate to activities that can be classified under economic activities 7.2 to 7.6 of the del. Regulation (EU) 2021/2139. The technical assessment criteria for activities 7.2 to 7.6 were applied to these CapEx and OpEx to verify taxonomy compliance. Existing questions of interpretation and scope for interpretation were applied by TAG based on the current state of knowledge with regard to the regulatory purpose of the EU Tax Regulation. The technical assessment criteria published by the EU allow for room for interpretation, particularly with regard to the characteristic of "top 15% of the national or regional building stock". This results from the required disclosure in relation to the "national or regional building stock" without a specific reference to a database or benchmark. Furthermore, the term "regionality" is not explained in detail in the delegated acts. In addition, the thresholds for classification into the corresponding energy efficiency classes vary across Europe, which limits the comparability of the data. TAG has therefore based its determination of the top 15% of the building stock in Germany in terms of current taxonomy compliance on the updated version of the joint study by the vdp (Association of German Pfandbrief Banks) and Drees & Sommer from June 2025. According to this, residential buildings with a primary energy demand or consumption of up to and including 74 kWh/sqm are considered to be in the top 15%. As a result of this analysis, around a quarter of our residential units are classified in the top 15% of the German building stock.

Compliance with minimum social requirements (MS)

Another criterion for taxonomy compliance is ensuring adherence to minimum social standards. These include due diligence obligations within our own organisation and throughout the supply chain through the implementation of appropriate processes. Essentially, this involves respect for human rights, as well as addressing issues such as Corruption and bribery, fair competition and taxation. TAG ensures that the MS criteria are met through a Group-wide approach. As part of our compliance management system, we have implemented comprehensive procedures, Group-wide guidelines (e.g. Declaration on Respect for and Compliance with Human Rights, Business Partner Code and Anti-Corruption Policy) and grievance mechanisms designed to prevent or detect breaches. Further information on the implementation of human rights due diligence obligations can be found in section 7.2 G1-1 – Policies regarding corporate policy and Corporate culture.



2.1 Results of the taxonomy compliance analysis

The proportions of taxonomy-eligible and non-taxonomy-eligible revenues, CapEx and OpEx determined for the reporting year 2025 are shown below:

Reporting form: summary overview

Financial year 2025		Breakdown by environmental objectives of Taxonomy-aligned activities													
KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year 2024	Proportion of Taxonomy-aligned activities in previous financial year 2024
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	EURm	%	EURm	%	%	%	%	%	%	%	%	%	%	EURm	%
Turnover	967.5	95.3	152.3	15.7	15.7	-	-	-	-	-	-	-	-	92.1	8.5
CapEx	285.8	92.3	31.6	11.1	11.1	-	-	-	-	-	2.6	4.1	-	23.8	10.6
OpEx	49.6	44.4	9.8	19.7	19.7	-	-	-	-	-	-	-	-	7.5	15.2



Reporting form: Share of turnover from goods or services related to Taxonomy-aligned economic activities – disclosure for the year 2025

Turnover

Financial year 2025		Environmental objective of Taxonomy aligned activities												
Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible turnover)	Taxonomy-aligned KPI (monetary value of turnover)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned turnover)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned activities	
		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
(1)	(2)	%	EURm	%	%	%	%	%	%	%	(E)	(T)	%	
7.1 Construction of new buildings	CCM 7.1 / CE 3.1	30.9	0.0	0.0	0.0								0.0	
7.7 Acquisition and ownership of buildings	CCM 7.7	64.4	152.3	15.7	15.7								24.4	
Sum of alignment per objective					15.7									
Total Turnover		95.3	152.3	15.7	15.7						0.0	0.0	16.5	



Reporting form: CapEx share from goods or services related to taxonomy-aligned economic activities – Disclosure for the year 2025

CapEx

Financial year 2025					Environmental objective of Taxonomy aligned activities									
Economic Activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned CapEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned activities	
(1)	(2)	(3) %	(4) EURm	(5) %	(6) %	(7) %	(8) %	(9) %	(10) %	(11) %	(12) (E)	(13) (T)	(14) %	
7.2 Renovation of existing buildings	CCM 7.2 / CE 3.2	4.8	11.8	4.1	4.1			4.1				T	85.4	
7.3 Installation, maintenance and repair of energy-efficient equipment	CCM 7.3 / CE 3.3	2.9	7.5	2.6	2.6			2.6			E		89.7	
7.7 Acquisition and ownership of buildings	CCM 7.7	84.6	12.3	4.3	4.3			0.0					5.1	
Sum of alignment per objective					11.1			6.7						
Total CapEx		92.3	31.6	11.1	11.1			0.0			2.6	4.1	12.0	



Reporting form: OpExs share from goods or services related to taxonomy-aligned economic activities – disclosure for the year 2025

OpEx

Financial year 2025					Environmental objective of Taxonomy aligned activities										
Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible OpEx)	Taxonomy-aligned KPI (monetary value of OpEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned OpEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned activities		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
		%	EURm	%	%	%	%	%	%	%	(E)	(T)	%		
7.7 Acquisition and ownership of buildings	CCM 7.7	44.4	9.8	19.7	19.7								44.4		
Sum of alignment per objective					19.7										
Total OpEx		44.4	9.8	19.7	19.7						0.0	0.0	44.4		



2.2 Supplementary information in connection with the disclosures

Revenue

Total revenues of EUR 967.5m (previous year: EUR 1,082.9m) mainly comprise material revenues from the rental business of EUR 489.1m (previous year: EUR 473.0m) and material revenues from the sale of residential units of EUR 349.1m (previous year: EUR 497.4m). Please refer to the consolidated financial statements for the consolidated income statement. The share of revenue from services amounts to EUR 129.2m (previous year: EUR 112.5m). The numerator of the revenue KPI includes rental revenues from buildings that meet the requirements of the EU Tax Regulation for activity 7.7. Taxonomy-aligned revenue amounts to EUR 152.3m or 15.7% of total revenue (previous year: EUR 92.1m or 8.5% of total revenue). The change compared with the previous year is mainly due to higher revenues from rents compared to the previous year and an increased number of business units that meet the “top 15%” criteria with regard to the activity 7.7.

Capital expenditure (CapEx)

Taxonomy-aligned capital expenditure relates to capitalised investments in non-current assets and, at EUR 31.6m or 11.1% of total CapEx (previous year: EUR 23.8m or 10.6% of total CapEx), mainly relates to investments in investment properties. There were no investments in property, plant and equipment or additions to capitalised rights of use in accordance with IFRS 16 or acquired or self-created intangible assets capitalised in the context of business combinations that would be classified as taxonomy-aligned in the 2025 financial year. Capital expenditure is presented in the notes to the consolidated financial statements in the explanations on the development of investment properties, property, plant and equipment, and rights of use and intangible assets.

Operating expenses (OpEx)

Operating expenses are mainly composed of expenses related to the daily maintenance and repair of investment properties and property, plant and equipment. The taxonomy-aligned portion of EUR 9.8m or 19.7% of total OpEx (previous year: EUR 7.5m or 15.2% of total OpEx) relates to the maintenance and repair of buildings that are classified as taxonomy-aligned in accordance with the requirements of activity 7.7 as part of the review of the requirements of the EU Tax Regulation. The taxonomy-aligned portion mainly comprises non-capitalised expenses in connection with the maintenance and repair of heating and ventilation systems, as well as work on buildings and electrical systems, carpentry and painting work, and is roughly on a par with the previous year in absolute terms.



Outlook

Due to the very high requirements for taxonomy compliance and the corresponding quality of evidence, as well as the associated interpretation issues, we expect that only part of our business activities will initially continue to meet the technical assessment criteria. For example, the proportion of our portfolios in Germany with an energy performance certificate of energy efficiency class C or better is currently around 63%, of which around 3% have energy efficiency class A or better. In Poland in particular, we expect to increase taxonomy-compliant economic activities in the coming years.

The EU Tax Regulation and the delegated acts adopted in this regard contain wording and terms that are still subject to interpretation uncertainties and for which clarifications have not yet been published in every case. TAG's legal representatives have therefore set out their interpretation of the EU Tax Regulation and the delegated acts adopted in this regard in the "EU Taxonomy" section of the combined non-financial statement. They are responsible for the defensibility of this interpretation. However, due to the inherent risk that undefined legal terms can be interpreted differently, the legal conformity of this interpretation is subject to uncertainty.



3. CLIMATE CHANGE (ESRS E1)

3.1.E1.SBM-3 – Material impacts, risks and opportunities

The following section presents the impacts, risks and opportunities (IROs) identified as material for the Group in relation to ESRS E1. The presentation indicates whether the respective IRO is actual (A) or potential (P) and whether it affects the Group's own operations (OO), the upstream value chain (UVC) or the downstream value chain (DVC).

E1 – Climate change						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
Energy						
Energy sources						
		UVC/P	Delays in the construction/expansion of the relevant infrastructure hinder the transition to renewable energy in terms of scope and speed.	Better financing (including the use of subsidies) for properties with high energy efficiency (purchase/extensions), for energy reduction actions and for the use of renewable energies.	Reduced availability of or poorer conditions for financing energy-intensive or CO ₂ -intensive properties.	



E1 – Climate change						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
				With the increasing establishment of "green" debt instruments as part of targeted actions for low-emission energy supply and energy reduction, financing costs are being reduced and long-term investments in the transformation of the building stock are being enabled.		
		OO/A	The continued use of fossil fuels leads to increased CO ₂ emissions and thus contributes materially to climate change.		Increased energy and CO ₂ costs for fossil fuels (rental portfolio in Germany primarily gas; for the Polish subsidiaries due to a high dependence on hard coal and lignite).	– Purchase of renewable energy to increase its share and scope in TAG's energy mix, in new buildings and from pre-suppliers to reduce CO ₂ emissions.
		OO/A	There are (still) buildings with high specific energy consumption. As part of the real estate industry, TAG contributes to the high energy consumption of buildings.		Fundamental change in the heat price structure, as high investments will be required for the "green" transformation in the coming years and these will be passed on to tenants via the base price component. TAG tenants could therefore initially be burdened with higher costs. This investment-driven price structure change may lead to financial disadvantages due to	



E1 – Climate change						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
					acceptance, payment and demand risks.	
		UVC/A	The generation of renewable energies and the implementation of sustainable energy concepts increase the demand for limited raw materials (e.g. lithium) and can lead to additional energy/CO ₂ consumption.	Renewable energies are less volatile and therefore less exposed to negative price fluctuations, which reduces the risk of short-term energy purchases and improves budgetability, for example.	The transition of the entire market to renewable energy leads to bottlenecks in terms of material, technology and infrastructure availability as well as skilled labour capacities and price increases, and can make it more difficult to implement the decarbonisation path.	– Use of renewable energies (e.g. green district heating, heat pumps, PV installations) to reduce the consumption of fossil fuels and CO ₂ emissions.
Energy savings						
				The implementation of actions to reduce energy consumption and the use of renewable energies leads to a reduction in heating and electricity costs. With regard to the warm rent, this can result in opportunities to adjust the net cold rent and increase the attractiveness of the property.	A lack of cooperation from tenants (e.g. no consent for energy efficiency measures in buildings) can lead to delays in the implementation of the decarbonisation strategy and result in rising energy and CO ₂ costs.	– Actions to improve the energy efficiency class of buildings in order to reduce tenants' energy consumption
		DVC/A	Increased requirements for tenant cooperation (e.g. unwillingness or lack of acceptance of energy efficiency actions) prevent the actions implemented from achieving optimal results.			– Use of intelligent technology for energy distribution (smart technology) in conjunction with the promotion of energy-saving behaviour among tenants through actions and information



E1 – Climate change						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
						aimed at reducing energy consumption
Climate change mitigation						
CO ₂ -reduction						
				The implementation of actions to reduce CO ₂ leads to better financing conditions, a reduction in CO ₂ tax for the tenant and positioning as a more attractive landlord in the rental business.	Failure to implement actions to reduce CO ₂ emissions will lead to higher costs and lower revenues (e.g. increase in CO ₂ tax, no or more expensive follow-up financing, etc.) and possible damage to reputation (due to failure to achieve decarbonisation targets).	– Implementation of actions to reduce CO ₂ emissions, e.g. insulation, renewable energy, optimisation of existing heating systems, use of smart technology as a contribution to climate change mitigation
Use of alternative/low-emission energies and materials						
		OO/A	The use of energy-intensive materials (e.g. concrete and steel) in (new) construction projects results in a large CO ₂ footprint.		Actions to achieve CO ₂ -reduction (e.g. through CO ₂ -neutral energy sources, materials and construction processes) are very cost-intensive.	– Use of alternative construction methods and environmentally friendly building materials to enable energy- and CO ₂ neutral or reduced operation
				The use of green district heating leads to lower CO ₂ costs.		– Installation of renewable energies (e.g. PV, etc.) to reduce the carbon footprint and accelerate the implementation of the decarbonisation strategy
Climate change adaptation						
Building and neighbourhood solutions						



E1 – Climate change						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
OO/P	Actions to implement climate change adaptation (e.g. climate-resistant trees, unsealing of surfaces, greening, rainwater infiltration solutions, shading solutions) can make a positive contribution to the urban climate against the backdrop of increasing climate change.	OO/A	Buildings contribute to urban warming, for example through black roof surfaces. This exacerbates climate change and impairs the quality of life of residents.	Buildings with climate change adaptation concepts are more attractive, retain their value better and achieve better valuations.	Adaptation measures to buildings against the backdrop of climate change are cost-intensive.	
		OO/P	A lack of actions to implement climate change adaptation in neighbourhoods can have negative impacts on the urban climate.		The increase in physical climate risks leads to rising costs for building insurance.	
					The occurrence of physical climate risks, such as flooding, heavy rainfall or storms, can cause damage to buildings and construction projects and incur costs.	
					Uncertainties about the course of climate change and the occurrence of extreme weather events pose a risk of long-term loss of value for buildings.	
					Rising sea levels pose a risk to the portfolio of properties near the coast,	



E1 – Climate change						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
					which may necessitate costly adaptation measures.	



3.2.E1.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model in relation to climate change

Climate risks are continuously identified and monitored as part of Group-wide risk management. These risks are identified and valued by the respective risk managers in the course of quarterly risk reporting. On a quarterly basis and as required, we monitor the extent to which sites may be affected by physical climate risks such as heavy rain, storms, flooding or heat. We also determine the extent to which negative impacts from extreme weather events have occurred or could occur. Regular evaluation of insurance statistics and reports, as well as valuation of specific recorded damage and its frequency, help us to assess whether these are isolated incidents or whether extreme weather events are systematically increasing. Climate change can also have impacts on the cost of building insurance or require additional adaptation measures to protect against weather-related damage. In addition, climate-related transition risks, such as CO₂ pricing, are part of Group-wide risk management.

In addition, in 2022, in collaboration with a scientific partner, we conducted a systematic climate risk and vulnerability assessment for the physical risks associated with climate change in accordance with the recommendations of the International Sustainability Standards Board (ISSB), the successor to the Task Force on Climate-related Financial Disclosures (TCFD), for our entire portfolio in Germany and Poland. Furthermore, the methodology used complies with the recommendations of the German Federal Environment Agency.⁵⁾ The project was carried out in coordination with the Strategic Real Estate Management, Controlling/Risk Management, EWS, Central Technology and LIM regions departments.

The physical climate risks were analysed for the periods up to 2030 and 2045. These periods correspond to TAG's medium-term investment planning (3–5 years) and the long-term useful life of real estate (> 10 years). They are also aligned with the periods of TAG's medium- and long-term climate targets as part of its decarbonisation strategy and those of the national climate targets.

5) Guide to climate impact and vulnerability analyses.pdf

(https://www.umweltbundesamt.de/sites/default/files/medien/377/publikationen/uba_2017_leitfaden_klimawirkungs_und_vulnerabilitatsanalysen.pdf)
f | 23.02.2026) (unaudited)



The physical climate risk drivers considered in the analysis include:

- Heat and local temperature increase,
- Cold and local temperature decrease,
- Drought and aridity,
- Precipitation, heavy rain and hail,
- Snow load,
- Wind or storm,
- Flooding and high water.

Based on the climate scenarios (Representative Concentration Pathway, RCP) RCP 2.6, RCP 4.5, RCP 8.5 min and RCP 8.5 max of the Intergovernmental Panel on Climate Change (IPCC), potentially harmful consequences of physical climate risks on our existing portfolio and our project developments in Germany and Poland, as well as possible adaptation solutions to minimise the climate risks considered material at property and neighbourhood level, were identified, analysed and valued. Adaptation solutions describe physical and non-physical actions relating to building fabric, living environment and residents that have the potential to minimise gross damage potential (sensitivity). Details of the climate protection actions for TAG's portfolio can be found in ESRS E1-3.

Taking RCP 2.6 into account, a scenario was used that forecasts a temperature increase of 1.5 °C to 2 °C in line with the Paris Agreement to keep global warming well below 2 °C. Various climate scenarios were used as a basis in order to perform the valuation of the range of impacts and classify possible uncertainties. The probabilities, extent and duration of physical climate risks were determined using climate projections in accordance with the above-mentioned RCP scenarios. The climate projections are based on a grid of 12 km x 12 km or finer.

The RCP 4.5 Scenario⁶⁾, which represents an increase in the global average temperature that is most likely to occur as a result of the national climate protection contributions currently being implemented and defined, is decisive for the risk assessment.

In the reporting year, we updated the analysis of potential physical climate risks for our entire portfolio in Germany and Poland. In the RCP 4.5 Scenario, the results show that there will be no physical climate risks with an extreme valuation in the time horizon up to 2030 or 2045.

6) Roger Pielke Jr et al (2022), "Plausible 2005–2050 emissions scenarios project between 2 °C and 3 °C of warming by 2100" Environ. Res. Lett. 17 024027 (<https://iopscience.iop.org>) | 25.02.2026 (unaudited)



TAG has not yet conducted a formal resilience analysis in the sense of a verified report. For climate change adaptation, TAG's climate strategy focuses on the gradual decarbonisation of its existing portfolio in Germany. This involves short-, medium- and long-term adaptation actions, e.g. the energy-efficient modernisation and refurbishment of the building stock, the renewal of heating systems and the switch to renewable energy. In order to benefit from more favourable conditions for investments in the portfolio, sustainable financing and subsidies are also being used to implement the actions. The actions help to increase the adaptability of our portfolio to potential climate-related risks, promote the value retention of our properties and, at the same time, reduce energy consumption and CO₂ emissions. Further information on the actions relating to TAG's climate concepts can be found in ESRS E1-3.

3.3.E1-1 – Transition plan for climate change mitigation

The operation of buildings has a significant environmental footprint. In Germany, for example, the building sector accounts for around 35% of final energy consumption⁷⁾ and around 30% of CO₂ emissions.⁸⁾ TAG's residential portfolio forms the basis of its business activities and is a material lever for addressing these challenges.

GHG emissions in TAG's residential portfolio are primarily caused by heat and energy consumption during the utilisation phase of the buildings. In addition, so-called "grey emissions" result in the upstream value chain from the use of building materials in connection with the construction, renovation and modernisation of buildings. High CO₂ emissions can also exacerbate transition risks, as they are the focus of regulatory changes, technological advances and changing market preferences. This could have financial impacts due to the need to adapt to stricter climate protection requirements.

TAG's environmental objective is therefore to make its building stock virtually climate-neutral by 2045. To this end, the Management Board and Supervisory Board approved a long-term decarbonisation strategy for the existing portfolio in Germany in 2021, which includes outcome-oriented, measurable targets and interim targets as well as an investment programme totalling around EUR 690m, starting in the 2022 financial year. Actions and timetables are integrated into the strategy. The Management Board is responsible for implementing the decarbonisation strategy. The strategy and the resulting action plan and its operational implementation are continuously developed and managed by the "Climate Board" operational unit. A comparable strategy for the Polish portfolio is currently in the analysis phase.

7) <https://www.bmwk.de/Redaktion/DE/Dossier/energiewende-im-gebaeudebereich.html> | 25.02.2026 (unaudited)

8) Umweltbundesamt 2023: Energiesparende Gebäude (www.umweltbundesamt.de), <https://www.umweltbundesamt.de/themen/klima-energie/energiesparen/energiesparende-gebaeude#gebaeude-wichtig-fur-den-klimaschutz> | 25.02.2026 (unaudited)



By reducing CO₂ emissions, we want to contribute to meeting national climate targets in Germany and thus to achieving the 1.5-degree target. These stipulate in the Federal Climate Protection Act (KSG) that Germany must produce at least 65% less GHG in 2030 compared to 1990 and at least 88% less by 2040. We also want to keep the additional costs incurred by CO₂ pricing under the CO₂ Cost Allocation Act as low as possible for TAG and its tenants.

In the first step of developing the strategy, all material data was collected and analysed in order to perform the valuation of the entire portfolio in Germany in terms of energy aspects and CO₂ emissions generated. The average CO₂ emissions (CO₂ equivalents) determined for the entire portfolio in Germany for the base year 2019 were 31.9 kg per sqm p.a. based on the usable floor space.

The next step was to develop a policy and accompanying actions to be implemented by 2045. The focus is primarily on actions for the energy-efficient modernisation of heating systems and building envelopes to save energy, the switch to more efficient system control using innovative technologies, and the conversion to lower-emission energy sources, including the increasing use of non-fossil fuels. The planned actions focus on areas of the building envelope and building technology that TAG can influence, as well as the supply of heating energy, taking into account the best possible cost-benefit ratio. Through the planning process, we ensure a comprehensive assessment of the ecological actions as decarbonisation levers, not only in terms of their emission-reducing effect, but also with regard to the economic consequences for tenants, e.g. through modernisation surcharges.

As part of the decarbonisation strategy, we are working on practical solutions to ensure that rents remain affordable in the long term. Otherwise, there is a risk that social acceptance of energy modernisation and climate protection measures in existing buildings will decline. This, in turn, could significantly limit the willingness and ability of building owners to make the investments necessary to achieve climate targets.⁹⁾

Energy-saving actions, more efficient use of resources and the switch to renewable energy are supported by the Group's internal energy management system. The Group's own energy Company, EWS, is responsible for ensuring the efficient supply of our rental portfolio in Germany and making optimum use of synergy effects through holistic approaches to modernisation measures. EWS currently supplies around 54% of the portfolio in Germany with heating energy and hot water (around 45,000 units as at 31 December 2025) and is also responsible for the maintenance and modernisation of the heating systems. CO₂ savings in these areas are achieved primarily by switching from natural gas to district heating and to fuels with lower emission factors, such as renewable energy sources. Modernising the Installations can also increase energy efficiency. This reduces primary energy consumption and CO₂ emissions.

9) <https://www.bmwk.de/Redaktion/DE/Dossier/energiewende-im-gebaeudebereich.html> | 25.03.2026 (unaudited)



The Central Technology department, newly created in 2021, is primarily responsible for large-scale construction, renovation and maintenance measures as well as project developments within the framework of the decarbonisation strategy. It coordinates its activities with regional property management and EWS. In addition, Central Technology contributes its expertise to the work of the Climate Board, for example on topics such as photovoltaics, smart technology and serial renovation.

Serial building renovation is considered a key technology for overcoming current and future challenges such as a shortage of skilled tradespeople, construction time and economic efficiency on the path to a climate-neutral building stock. Serial renovation is an innovative technology, particularly in the context of converting residential buildings from energy efficiency classes F, G and H to D and better.

Digitalisation offers a further opportunity to save energy and is also part of our decarbonisation strategy. Smart home solutions in buildings can, for example, network building services and energy information from residential units. Further digitalisation projects are being implemented in areas such as smart technology and serial renovation. For several years now, we have been working with cooperation partners at various sites to implement remote meter reading. This enables real-time monitoring of plant efficiency and, if necessary, rapid countermeasures. It records consumption and efficiency indicators and automatically analyses technical optimisation options such as night-time temperature reduction or adjustment of the heating curve.

By 2025, the goal for the German portfolio was to reduce Scope 1 and Scope 2 emissions intensity by c. 10% to 12% to 28 kg CO₂e per sqm p.a. compared to the base year 2019. In the medium term, a reduction of c. 30% to 22 kg CO₂e per sqm p.a. is planned by 2030. Our long-term goal by 2045 is to reduce Scope 1 and Scope 2 emissions intensity in the German portfolio to below 7 kg CO₂e per sqm p.a. The target is a combined Scope 1 and Scope 2 intensity target. For the Scope 2 emissions included, the site-based and market-based methodologies were used, depending on the data availability of the respective heat supply companies.¹⁰⁾

The target values for the building sector in relation to specific CO₂ emissions in the German portfolio were derived from the national requirements of the Federal Climate Protection Act. In order to achieve the 1.5-degree target in 2045, current calculations and agreements with housing industry associations indicate that current CO₂ emissions must be reduced to less than 7.5 kg CO₂e per sqm p.a. of living space.¹¹⁾

10) In accordance with Commission Delegated Regulation (EU) 2020/1818 and Commission Implementing Regulation (EU) 2022/2453, TAG is excluded from the Paris-aligned EU reference values under the above criteria.

11) https://www.iw2050.de/epaper/praxisbericht-2024-2025/files/IW_Praxisbericht_2410RZ.pdf | 25.03.2026 (unaudited)



As part of our business activities in Poland, there is not yet a transition plan for climate change mitigation that is in line with the 1.5-degree target, as the rental portfolio we intend to hold in the long term is still under development. Nevertheless, there are CO₂ reduction targets for both the sales business and the rental business in Poland. For example, a 10% reduction in emissions in the Polish rental portfolio is planned for the 2028 financial year. The decarbonisation target is mainly material to the construction activity for the Polish rental portfolio, which we are carrying out as general contractor.

The adoption of a transition plan for climate change mitigation for our business activities in Poland depends, among other things, on the adoption of the updated integrated national energy and climate plan in accordance with Directive (EU) 2018/1999 on the governance system for the Energy Union and for climate change mitigation within the European Union. TAG is continuously monitoring national developments in Poland and plans to develop a transition plan for climate change mitigation for its Polish business activities within the next year, following the adoption of the integrated national energy and climate plan, and to approve it with the involvement and consent of the Management Board and Supervisory Board.

3.4.E1-2 – Policies related to climate change mitigation and climate change adaptation

The principles and guidelines for environmental protection have been set out in writing in the Environmental Policy and Environmental Protection Policy for our business activities in Germany and Poland and along the value chain. In accordance with the guidelines and long-term decarbonisation strategy adopted by the Management Board, we are committed to actively contributing to the protection of the environment and climate, as well as to climate change adaptation, e.g. by reducing CO₂ emissions, increasing the energy efficiency of our portfolios, using resources sensibly and consciously (e.g. through renewable energy), waste and wastewater prevention, and the protection of animals and plants, including their habitats (biodiversity).

The guidelines apply to all employees and are available on the intranet and website. Employees can also submit suggestions for improvement based on their daily practice.

TAG's Management Board bears fundamental responsibility for environmental issues within the Group. The individual actions are assigned to the respective specialist and regional divisions, which are responsible for their operational implementation. Implementation for the German portfolio is managed centrally, in coordination between the department heads and Strategic Real Estate Management, supported by the Sustainability Committee and the Climate Board. The Management Board reviews the achievement of environmental protection targets at least once a year. This also includes monitoring CO₂ emissions.



The continuous reduction of energy consumption in our residential units is a material part of our environmental protection measures. Renovation measures such as the replacement of heating systems make an active contribution to reducing energy consumption and thus CO₂ emissions. Heating systems are replaced on the basis of a documented economic efficiency calculation, taking into account the technology available at the time of investment that is considered optimal according to current technical standards and legal requirements. Planned renovation projects are discussed with the Management Board during the annual budget meetings and approved by the Management Board. In specific cases, the projects are discussed in detail in the so-called Building Committee. For each action, the use of energy-saving measures (thermal insulation, new heating systems, etc.) must be reviewed in accordance with internal regulations. The use of subsidies or low-interest financing options is also considered for this purpose. These energy-saving measures should be implemented if they are economically viable and financially affordable for our tenants. In the case of acquisitions, energy profiles, environmental impacts and potential investment costs for renovation measures are also taken into account as part of the life cycle assessment.

In the area of purchasing and procurement, internal regulations stipulate that products and services must be evaluated over their entire life cycle and that preference should be given to solutions that are as energy-efficient, environmentally friendly and therefore of high longevity as possible. Preference should be given to involving local partners.

With regard to new construction activity in Poland, it is planned that, within the framework of construction planning in accordance with the ROBYG Green Standard, solutions will be used that represent the greatest possible energy efficiency in accordance with current technical standards and legal requirements at the respective planning stage of the project. Further information can be found in the 'Environmental Policies' listed in Chapter 7.2 G1-1 – Policies relating to corporate policy and corporate culture and the corresponding actions in Chapter 3.5 E1-3 – Actions and resources in relation to climate change policies.

In addition to the internal regulations applicable to employees, the Business Partner Code applies to cooperation with business partners in both Germany and Poland. The Management Board is also responsible for drafting the Business Partner Code, which covers climate change mitigation, climate change adaptation, energy efficiency and the use of renewable energy through corresponding regulations on sustainable and resource-efficient business practices. The Business Partner Code is part of the contract documents and is also available on the websites of TAG and its Polish subsidiaries ROBYG and Vantage. For further details on the Business Partner Code, please refer to section 7.3 G1-2 – Management of relationships with suppliers.



3.5.E1-3 – Actions and resources in relation to climate change policies

In optimising our existing portfolio in Germany with the long-term target of achieving a virtually climate-neutral building stock, we are relying on a mix of measures that builds on existing activities. The focus is on renovating building envelopes and heating systems, renewing building technology, using bridging technologies and digital measurement and control solutions, and increasing the use of renewable energy. To this end, we are also considering the use of subsidies or low-interest financing options in order to take advantage of better conditions for comprehensive investments. The Group's own energy management system offers numerous advantages, including the ability to manage the supply of our portfolios more efficiently and to make optimal use of synergy effects through holistic approaches to modernisation measures.

We are reducing energy consumption and thus CO₂ emissions by implementing an annual renovation programme. This includes actions such as thermal insulation and the renewal of our heating systems.

In the reporting year, TAG invested a total of around EUR 144.9m (2024: EUR 123.6m) in its portfolio, taking into account maintenance expenses in Germany. Of this, around EUR 24.2m (2024: EUR 17.1m) was spent on CO₂ reduction projects in particular.

For every major modernisation measure, we examine whether the use of renewable energies is technically and economically feasible and sensible. The valuation is based on the specific energy balances for each property. In our planning, we also take into account the fact that, according to the law, 65% of new heating systems must use renewable energies from 2024 onwards. In the reporting year, the renovation of 90 heating systems for around 2,250 residential units in EWS was completed. The focus was on increasing the use of renewable energy, primarily by switching to district heating. In locations without a district heating network, heat pumps are mainly used, usually supplemented by a natural gas peak load boiler. When selecting heat pumps, we ensure that they are operated with a natural refrigerant such as R290. This has a low global warming potential (GWP) and is considered future-proof as it is not affected by the EU F-Gas Regulation, which prohibits the use of refrigerants with a higher GWP value in the medium term.

TAG reinvested more than a third of its rental income in its German portfolio in the reporting year. As part of these portfolio modernisations, we are also improving the energy efficiency of our buildings. Based on the energy performance certificates available as at 31 December 2025, the average energy efficiency is 100.4 kWh per sqm of usable floor space per annum (31 December 2024: 101.0 kWh/sqm p.a). The proportion of our residential units with an energy rating of energy efficiency class C (below 100 kWh/sqm p.a.) or better remained constant at around 63% compared to the previous year.

Investment requirements for buildings in the lowest efficiency classes also arise from the EU Buildings Directive (EPBD). According to this, the energy consumption of residential buildings is to be reduced by an average of 16% by 2030 and by 20% to 22% by 2035. The focus here is on existing buildings with poor energy efficiency.



In the 2025 financial year, TAG continued to drive forward the serial refurbishment of its German portfolio with a project in Salzgitter. With an investment volume of around EUR 7m, this project is a taxonomy-aligned CapEx project and falls under Activity 7.2 'Renovation of existing buildings' (see information pursuant to Article 8 of Regulation (EU) 2020/852). The modernisation of the buildings from the 1960s, comprising a total of 72 residential units, includes façade insulation, the installation of a PV installation and a heat pump, and the switch from gas to environmentally friendly district heating. After the energy-efficient renovation to a "KfW Energy Efficiency House 55", the energy efficiency of the buildings will improve from the third-worst class F to at least class B. The heat energy requirement will be reduced by 70% and CO₂ emissions by around 90%. Another serial renovation project is planned at the Delmenhorst site.

Traditionally, c. 95% of the work involved in energy-efficient building refurbishment is carried out directly on site. In contrast, with serial refurbishment, only c. 20% of the construction work is carried out directly on site. This is achieved, for example, by cladding the building with large-format façade elements. These are industrially pre-produced in factories and arrive at the construction site ready for installation with integrated windows, balcony doors and building services. There, the façade elements are simply applied to the exterior wall like a second skin. This reduces the construction time on site by up to 75% compared to conventional refurbishment.

For another taxonomy-aligned CapEx project with a total investment volume of around EUR 13m, TAG began modernisation work in the reporting year as part of the complex refurbishment of an existing building from 1975 with 100 residential units in Magdeburg. After the refurbishment, the energy efficiency of the building will improve from class F to class C. Heat energy requirements and CO₂ emissions will be reduced by around 40% (see information pursuant to Article 8 of Regulation (EU) 2020/852).

We have only very limited influence on the individual consumption of electricity and water by our tenants. We want to promote responsible usage behaviour through targeted actions and information. This includes the installation of energy-saving devices (e.g. motion detectors to control lighting, energy-saving light bulbs and water-saving sanitary products) as well as energy-saving tips on our website, information brochures and advice from our staff at the local tenant offices.

We are also establishing actions to save energy at our office locations. The latest energy audit required by law in accordance with DIN EN 16247-1 (completion in 2025) has shown us approaches and recommendations for further energy savings at our office locations in Germany, which we are taking into account in our planning.

In 2022, we developed a holistic mobility concept for the German portfolio in order to better coordinate individual measures and further advance decarbonisation in our business operations. Important components of the policy include the implementation of CO₂ limits for conventional company vehicles and specific implementation targets for the coming years, minimum standards for vehicle operation, a charging infrastructure concept and ongoing monitoring of the market for electric commercial vehicles.

The expansion of the vehicle fleet in Germany and Poland to include electric and hybrid vehicles continued in 2025. The share of the total fleet increased from around 9% to 15% compared to the previous year.



Reducing GHG emissions by minimising the use of non-renewable energy sources and maximising the use of renewable energy is also part of the climate concepts for our new construction activities in Poland. For example, the new neighbourhoods are being implemented according to the 15-minute city policy, in which all facilities for daily life should be accessible within a quarter of an hour on foot or by bicycle. The ROBYG Green Standard also contains material initiatives and actions to reduce emissions in new buildings. It offers architects a set of guidelines for building design and includes ecological design guidelines for the construction of buildings, water and wastewater solutions, low-emission and energy efficiency requirements, the use of materials, and the design of green spaces and outdoor facilities. For customers, compliance with the standards creates modern, environmentally friendly solutions, such as smart home systems, which are also designed to reduce living costs. In addition, the ROBYG Green Standard makes a positive contribution to the urban climate and residents through actions for climate change adaptation (e.g. climate-resistant trees, unsealing of surfaces, greening, rainwater infiltration solutions, shading solutions). These climate regulation actions are also being implemented in the German portfolio.

Our ability to implement our climate-related actions, particularly for energy-efficient renovations, the use of renewable energy and improving the energy efficiency of our portfolio, depends to a large extent on the availability and allocation of financial resources, whereby we must carefully weigh these investments against other operational requirements and social aspects such as affordable housing.

3.6.E1-4 – Targets related to climate change mitigation and adaptation

Significantly reducing CO₂ emissions in our portfolios is a key focus of our sustainability strategy and portfolio development. Until 2025 the target was to reduce CO₂ emissions intensity (Scope 1 and 2 combined)¹²⁾ in the German portfolio by c. 10% to 12% to c. 28 kg CO₂e per sqm p.a. compared to the base year 2019 (initial accounting). A further reduction in CO₂ emissions intensity (Scope 1 and 2 combined) of c. 30% to c. 22 kg CO₂e per sqm p.a. compared to the base year 2019 (initial accounting) is targeted by 2030. Our long-term target by 2045 is to reduce this to below 7 kg CO₂e per sqm p.a. in order to contribute to meeting the 1.5-degree target. The CO₂ emissions of the German portfolio taken into account in the target correspond to around 90% of the market- and location-based Scope 1 and Scope 2 emissions reported in Chapter E1-6 for the 2025 financial year.

Based on the national requirements of the Climate Protection Act to achieve the 1.5-degree target by 2045, a specific target value for CO₂ emissions of less than 7.5 kg CO₂e per sqm of living space per annum has been set for the building sector. For TAG's German portfolio, this means a reduction in CO₂ emissions of c. 78% within 26 years compared to the base year. TAG's CO₂ reduction path has been verified and validated by an external engineering firm.

¹²⁾ This is a combined Scope 1 and Scope 2 target. Both location-based and market-based methodologies were used to calculate Scope 2 emissions, depending on data availability.



The following assumptions were made when setting the GHG emission reduction targets:

- Continuous reduction of emission factors for district heating and electricity by 2045 based on the use of renewable energy sources by external suppliers (district heating by 85%; electricity by 90%)
- Reduction in CO₂ emissions is determined annually on an iterative basis using a mix of measures based on the value achieved in the previous year
- Technical progress in generation plants from 2030 onwards is taken into account
- Assumption of an annual price increase of 3%
- No consideration of a positive effect from changed tenant behaviour

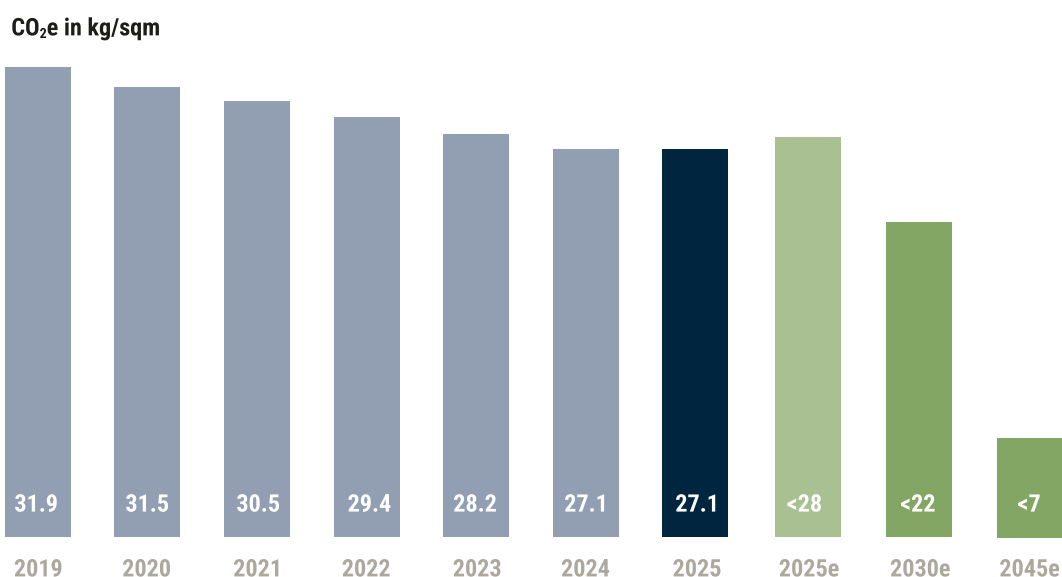
The total contributions of the central decarbonisation levers to the reduction of CO₂ emissions in Germany (Scope 1 and 2) are summarised in the table below. The energy-efficient renovation of buildings includes, for example, the renovation of facades, roofs or windows. Actions to reduce emissions from heat supply include, for example, the renovation of heating systems, switching to alternative energy sources or the installation of remote monitoring technologies (see Chapter 3.6 E1-3 Actions and resources in relation to climate change policies).

Measures	2019	2030	2045
GHG emissions in tonnes of CO ₂ e	161,198	111,856	32,429
- Energy-efficient refurbishment of the building envelope		-10,624	-8,109
- Emission-reduced heat supply		-38,718	-71,318

The decarbonisation strategy and associated climate protection targets for the German portfolio were developed with the active involvement of internal and external stakeholders. We formed a dedicated project team (Climate Board) for the decarbonisation strategy. This team includes employees from the LIM regions, Strategic Real Estate Management, EWS and Central Technology, who were involved in the process from the outset. This interdisciplinary collaboration enables a holistic view and utilisation of existing expertise. External consulting services from an engineering firm were engaged to assist with data collection, analysis and strategy development. This ensured an objective valuation and brought additional expertise to the process. When setting the milestones, attention was paid to the feasibility of scalable and economical solutions for our tenants and the Company. In 2021, the decarbonisation strategy was approved by the Management Board and Supervisory Board. The Climate Board will monitor the implementation of the actions and further develop the investment strategy in consultation with the Management Board.



As of 31 December 2025, 63.3% (2024: 63.0%) of the units in our rental portfolio in Germany were heated with district heating, 36.0% (2024: 36.4%) with natural gas and 0.7% (2024: 0.7%) with heating oil. In terms of usable floor space, energy consumption (energy intensity) in 2025 averaged 134.4 kWh per sqm of usable floor space (2024: 134.0 kWh per sqm of usable floor space). Specific CO₂ emissions (CO₂ equivalents) for Scope 1 and Scope 2 (market-based) remained constant within one year at 27.1 kg CO₂e per sqm of usable floor space (2024: 27.1 kg CO₂e per sqm of usable floor space). Compared to the average CO₂ emissions (CO₂ equivalents) for Scope 1 and 2 for the German portfolio determined for the base year 2019 of 31.9 kg per sqm of usable floor space, this corresponds to a reduction of around 15%. TAG has thus achieved its target for 2025 of reducing the emission intensity (Scope 1 and 2) for the German portfolio to below 28 kg CO₂e/sqm.





We regularly review our energy efficiency targets and progress in gradually reducing emissions by monitoring consumption trends and specific CO₂ emissions for our existing portfolio. The sub-targets set out in the decarbonisation strategy are reviewed at least once a year and reported to the Management Board.

In concrete terms, in addition to energy-efficient renovations and complex measures, we have primarily carried out individual modernisation measures such as insulating the building envelope, replacing windows and renewing heating systems.

In the long term, 90% of our portfolio in Germany is to be supplied by our internal energy Company. In this context, successive efficiency improvements are to be achieved by renewing heating systems, which in turn will lead to energy, emission and cost savings. As at 31 December 2025, the proportion of heating oil systems in the German portfolio will remain below 1%, as in the previous year. Due to isolated portfolio acquisitions, which often still have old heating systems, a complete reduction is not expected to be possible in the next few years.

We are continuing to equip our heating installations with remote monitoring technologies. Based on cautious assumptions, it is estimated that this system could deliver energy savings of c. 3% to 5% per annum. In future, this technology is expected to contribute even more to the efficient operation of the installations and, if necessary, enable faster optimisation measures. Over the next few years, we intend to connect the majority of our heating systems to remote monitoring. We are working with external providers to achieve this. To date, around 45% of EWS's heating systems have been equipped accordingly. For the objectives of our new construction activities, please refer to the information in section 3.3. **E1-1 – Transition plan for climate change mitigation.**



3.7.E1-5 – Energy consumption and mix

The TAG Group's total energy consumption is divided among the various energy sources as follows:

Energy consumption in MWh and mix	01/01– 12/31/2025	01/01– 12/31/2024 ¹⁾	Change
(1) Fuel consumption from coal and coal products	0	0	-
(2) Fuel consumption from crude oil and petroleum products	11,582	11,281	2.7%
(3) Fuel consumption from natural gas	262,705	267,617	-1.8%
(4) Fuel consumption from other fossil sources	0	0	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	296,588	294,727	0.6%
(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	570,875	573,625	-0.5%
Share of fossil sources in total energy consumption (%)	85.6%	85.5%	0.1%
(7) Consumption from nuclear sources	0	0	-
Share of consumption from nuclear sources in total energy consumption (%)	0.0%	0.0%	-
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0	0	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	96,200	97,237	-1.1%
(10) The consumption of self-generated non-fuel renewable energy	208	156	33.6%
(11) Total renewable energy consumption (calculated as the sum of lines 8 to 10)	96,408	97,393	-1.0%
Share of renewable sources in total energy consumption (%)	14.4%	14.5%	-0.5%
Total energy consumption (calculated as the sum of lines 6,7 and 11)	667,283	671,018	-0.6%

1) adjusted

TAG's energy consumption was evaluated on the basis of actual consumption data for 2024 and extrapolated for 2025, taking into account changes in inventory. ¹³⁾ This results in updates to the data for 2024 carried forward from the last report. The update did not result in any material changes compared with the previous year.

To improve the comparability of the data over time, the consumption data was climate-adjusted using the data tables of the Institute for Housing and the Environment (IWU) ¹⁴⁾ for 2024 to the base year 2019. The climate adjustment was made on the basis of the heating degree days for 2024. Here the heat and (general) electricity consumption of the portfolios and the Company's own business locations in Germany and Poland were taken into account. In addition, the energy consumption of the vehicle fleets was included, which was determined on the basis of the actual billing data for the years in question.

¹³⁾ A small proportion of the consumption data was estimated on the basis of energy performance certificates/building age classes. WEG properties and proportionate sale properties were taken into account.

¹⁴⁾ Institut Wohnen und Umwelt (IWU): Energy Balances for Buildings (<https://www.iwu.de/publikationen/fachinformationen/energiebilanzen/#c205> | 23.03.2026) (unaudited)



As administrative activities in Germany account for only around 0.5% of the total property area, no distinction is made between owner-occupied and spaces in the rental business when determining total energy consumption. The impact of administrative space on total energy consumption is therefore negligible, meaning that separate reporting is not necessary.

Total fossil fuel consumption includes stationary incineration of heating oil and natural gas, mobile incineration (vehicle fleet) of petrol and diesel (direct energy consumption) and indirect energy consumption from district heating and electricity (proportionate electricity for heat supply and general electricity) in Germany and Poland. Heat and electricity consumption in the rental portfolios refers to the total portfolio. The share of energy from nuclear sources is 0%.¹⁵⁾

The total consumption of renewable energy includes both certified green electricity for the administrative locations in Poland and the self-generated solar power of the Polish subsidiaries Vantage.¹⁶⁾ In addition, the share of renewable energies in the district heating mix reported by the energy suppliers was included for the rental portfolios.

TAG operates in the high climate impact sectors listed in Annex I to Regulation (EC) No 1893/2006 of 20 December 2006, in particular in the purchase and sale of its own land, buildings and residential units (Section L, Class 68.10) and the rental business and leasing of own or leased land, buildings and residential units (Section L, Class 68.20). To calculate energy intensity per net revenue, total net revenue according to the consolidated profit and loss account is compared with the corresponding total energy consumption from high climate impact sectors (according to Table E1-5 Energy consumption and mix). Total net revenues include rental revenues, including leasing-related services, sales proceeds and revenues from services. The energy intensity per net revenue can be found in the following table.

Energy intensity per net revenue	2025	2024¹⁾	Veränderung
Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive sectors (MWh/ EURm)	689.7	619.6	11.3%

1) adjusted

This metric, which expresses energy intensity in relation to a Company's economic performance, is not a focus for TAG, as it is only of limited relevance to TAG's business model. In practice, it has limitations as it is influenced by revenue-related effects (e.g. transactions, vacancies) and therefore does not exclusively reflect the actual energy efficiency of the portfolio. From TAG's perspective, portfolio-related energy intensity in kWh/sqm is therefore more meaningful for real estate companies for operational management and the assessment of efficiency measures, as it reflects the actual energy consumption of the space independently of revenue fluctuations. Accordingly, energy intensity per net revenue is primarily used to fulfil regulatory reporting requirements, while internal metrics based on kWh/sqm are the main focus for energy management and target tracking.

15) Share of nuclear energy in German and Polish energy mix 0%

16) The share of market-based Scope 2 emissions was of minor importance in the financial year 2025.



3.8.E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

GHG emissions for the 2025 financial year are as follows:

	01/01– 12/31/2025	01/01– 12/31/2024 ¹⁾	Change
Scope 1 GHG emissions			
Scope 1 GHG gross emissions (t CO ₂ e)	53,129.4	53,919.8	-1.5%
Percentage of Scope 1 GHG gross emissions from regulated emission trading schemes (in %)	0.0	0.0	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	120,856.4	121,097.1	-0.2%
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	95,363.3	94,950.9	0.4%
Significant Scope 3 GHG emissions			
Total gross indirect (Scope 3) GHG emissions (t CO ₂ e)	200,895.1	193,314.1	3.9%
1 Purchased goods and services	57,152.7	37,506.1	52.4%
2 Capital goods	24,003.7	35,551.7	-32.5%
3 Energy and fuel-related activities	32,930.7	32,965.9	-0.1%
13 Downstream leased assets	86,808.0	87,290.4	-0.6%
Total GHG emissions			
Total GHG gross emissions Scope 1 and 2 (location-based) (t CO ₂ e)	173,985.7	175,017.0	-0.6%
Total GHG gross emissions Scope 1 and 2 (market-based) (t CO ₂ e)	148,492.5	148,870.7	-0.3%
Total GHG gross emissions Scope 1, 2 and 3 (location-based) (t CO ₂ e)	374,880.8	368,331.0	1.8%
Total GHG gross emissions Scope 1, 2 and 3 (market-based) (t CO ₂ e)	349,387.8	342,184.8	2.1%

1) adjusted

The CO₂ equivalents for Scope 1, 2 and 3 emissions are reported in accordance with the GHG Protocol Standard. TAG applies the operational control approach. The basis for this is the energy consumption data shown in Table E1-5. The Scope 1 and 2 emissions of the rental portfolios in Germany and Poland were included, adjusted for vacant space for the 2024 reporting year.

Scope 1 emissions relate to direct energy consumption (oil, gas, petrol and diesel). CO₂ emission factors from utilities, the Federal Office of Economics and Export Control (BAFA) and environmental agencies were used for the calculation. As only around 0.5% of the total property space is used for our administrative activities in Germany, we do not distinguish between owner-occupied and spaces involved in rental business here.

Data from billing service providers, the BAFA and DEFRA was used to calculate emissions from the vehicle fleet. Scope 2 emissions refer to indirect energy consumption (district heating, general electricity, proportionate electricity for heat supply and charging current for electric vehicles). Both the site-based and market-based methods were used for the Scope 2 calculation. CO₂ emission factors from utilities, the BAFA and environmental agencies were used to calculate emissions.



As part of a Scope 3 screening, all 15 categories of the GHG Protocol were reviewed in terms of their priority according to the criteria a) relevance to the Business model, b) influenceable/controllable by TAG, and c) significance in terms of emission levels. TAG therefore defines the following categories as priorities: 3.1 “Purchased goods and services”, 3.2 “Capital goods”, 3.3 “Energy and fuel-related activities” and 3.13 “Downstream leased assets”.

The CO₂ equivalents reported in category 3.1 “Purchased goods and services” take into account emissions from new construction projects for sale in Poland. Emissions from new construction projects for the rental business in Poland, on the other hand, are reported in category 3.2 “Capital goods”. The CO₂ equivalents are calculated based on the usable floor space of the residential units completed in the financial year in sqm and take into account the emissions of LCA phases A1–A3 (manufacturing phase). To calculate the emissions, corresponding emission factors were used on the basis of the materials shown in Table E5-4, which were derived from the LCA study by Cushman & Wakefield for a new construction reference project. To ensure comparability, the emission values for the previous year were recalculated retrospectively using the same methodology.¹⁷⁾ Depending on the number and scope of new construction projects completed in the respective reporting year, the amount of emissions reported may vary between reporting years.

Category 3.2 also includes emissions from investments (CapEx actions) in the existing portfolio in Germany and from investments in the vehicle fleet. The emission factor used to calculate emissions from CapEx actions was calculated on the basis of internal calculations of reference projects for LCA phases A1–A5, C1–C4 and D. This emission factor serves as the basis for extrapolating emissions to all CapEx actions in the financial year.

Category 3.3 “Energy and fuel-related activities” includes emissions from the upstream energy chain that are not already accounted for in Scope 1 and 2, e.g. the extraction and transport of fuels and the production and transport of district heating and electricity. The CO₂ equivalents reported in category 3.13 “Downstream leased assets” include emissions from the electricity consumption of tenants in the German and Polish rental portfolios. Electricity consumption for the German portfolio was estimated based on data from the Federal Statistical Office. Emissions were calculated using the emission factor for the German electricity mix published by the Federal Environment Agency. Electricity consumption for the Polish rental business was calculated based on consumption data for the rented residential units. The conversion was carried out using supplier-specific emission factors.

CO₂ emission factors from environmental agencies and DEFRA were used to calculate Scope 3 emissions.

¹⁷⁾ This results in a difference of c. 9,420 t Co₂e for the category 3.1 and c. 6,950 t Co₂e for the category 3.2 compared to the data published in the previous year.



The following categories were defined as non-priority:

- 3.4 "Upstream transport and distribution": emission level not significant
- 3.5 "Waste": emission level not significant
- 3.6 "Business travel": emission level not significant
- 3.7 "Employee commuting": emission level not significant
- 3.8 "Rented or leased property, plant and equipment": not relevant to the business model
- 3.9. "Downstream transport and distribution": not relevant to the business model
- 3.10 "Processing of sold products": not relevant to the business model
- 3.11 "Use of sold products": cannot be influenced/controlled by TAG
- 3.12 "End-of-life treatment of sold products": emission levels not significant
- 3.14 "Franchises": not relevant to the business model
- 3.15 "Investments": not relevant to the business model

Greenhouse gas intensity based on net revenue

The total GHG emissions for Scope 1, 2 and 3 as at 31 December 2025 are shown in the table below. Net revenues correspond to total sales revenues as reported in the consolidated income statement:

Total GHG emissions per net revenue	2025	2024 ¹⁾	Change
Location-based GHG emissions Scope 1, 2 and 3 (t CO ₂ e/EUR m)	387.5	340.1	13.9%
Market-based GHG emissions Scope 1, 2 and 3 (t CO ₂ e/EUR m)	361.1	316.0	14.3%

1) adjusted

This metric, which expresses emission efficiency in relation to a company's economic performance, is not a focus for TAG, as it is only of limited relevance to TAG's business model. The specific characteristics of the property portfolio, such as the size, age or energy efficiency of the buildings, are not taken into account. In addition, different rent levels in different regions can distort the metric without this being attributable to actual differences in emission efficiency. From TAG's perspective, a metric that compares emissions per square metre is therefore more meaningful for real estate companies, as it more directly reflects the emission efficiency of the buildings. Accordingly, emission efficiency per net revenue is primarily used to fulfil regulatory reporting requirements, while internal metrics based on CO₂e/sqm are the main focus for managing decarbonisation and pursuing targets.

TAG therefore uses specific CO₂ emissions (in kg CO₂e/sqm p.a.) as the relevant metric for measuring the emission efficiency of its portfolio. In the reporting year, this figure was 27.1 kg CO₂e per sqm of usable floor space for Scope 1 and 2 emissions (market-based) (2024: 27.1 kg CO₂e per sqm of usable floor space) and also forms the basis for measuring the success of the implementation of our decarbonisation strategy in Germany (see section E1-4 Targets related to climate change mitigation and climate change adaptation).

3.9.E1-8 – Internal CO₂ pricing

As in the previous year, internal CO₂ pricing systems were not applied in the 2025 financial year.



4. RESOURCES AND CIRCULAR ECONOMY (ESRS E5)

4.1.E5.SBM-3 – Material impacts, risks and opportunities

The following section presents the impacts, risks and opportunities (IROs) identified as material for the Group in relation to ESRS E5. The presentation indicates whether the respective IRO is actual (A) or potential (P) and whether it affects the Group's own operations (OO), the upstream value chain (UVC) or the downstream value chain (DVC).

E5 – Circular economy						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
Use of resources						
Use of materials						
		OO/A	Construction projects generate significant amounts of waste and consume large quantities of resources.	Focusing on raw materials and building materials sourced from the geographical vicinity of the construction sites shortens supply chains, reduces dependence on geopolitical crises and can lead to cost advantages.	Geopolitical conflicts and raw material shortages harbour the risk of rising raw material prices and higher costs.	<ul style="list-style-type: none"> – Reduction in the consumption of non-renewable resources and partial substitution with renewable raw materials and reusable materials – Use of regionally produced



E5 – Circular economy						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
		OO/P	The use of non-regional and non-certified materials/processes can increase the carbon footprint due to long delivery routes, promote the use of environmentally unfriendly materials and make supply chain traceability more difficult.	The use of sufficiently available renewable raw materials can reduce construction costs.	Dependence on specialised suppliers (e.g. suppliers who meet certain environmental criteria) carries the risk of price increases and supply bottlenecks.	materials and commissioning of regional companies
				The use of certified materials reduces legal risks, supports the sustainable development of real estate and contributes to value enhancement.	The use of non-regional and non-certified materials and processes carries financial risks due to possible quality losses, warranty defects, longer delivery times and delays in execution.	
				Investing in resource-efficient technologies can reduce operating costs in the long term while increasing the value of the property.		– Investment in resource-efficient technologies
Regulatory requirements						
					Increasingly stringent environmental regulations require investments that may not be passed on to tenants.	– Compliance/risk management, quality assurance, efficient use of resources in accordance with circular economy principles and a focus on certified products/materials
Circular economy						



E5 – Circular economy						
Settlement (OO/UVC/ DVC)/ Status (A/P)	Positive impacts	Settlement (OO/UVC/ DVC)/ Status (A/P)	Negative impacts	Opportunities	Risks	Actions (examples)
Waste reduction and reuse						
						– Focus on the circular economy, optimisation of waste management, innovative waste solutions, recycling and reuse to reduce waste



4.2.E5-1 – Concepts related to resource use and circular economy

TAG has codified the conscious use of resources in its internal “Principles and Guidelines for Environmentally and Socially Responsible Procurement” (Green & Social Procurement Policy) and “Principles and Guidelines for Environmental Protection” (Environmental Policy) as part of separate ESG guidelines. With these guidelines, we pursue the goal of promoting the responsible use of resources and ecological and social standards along the value chain. These principles are also part of our central purchasing strategy and are available to employees via the intranet. A summary can be found on the TAG corporate website. Corresponding guidelines can also be found in our Business Partner Code for our suppliers and service providers, which is published on the TAG website and that of its Polish subsidiaries. The guidelines are binding for all employees of the Group. Like the Business Partner Code, they are based on the Business Principles that apply to all employees of the TAG Group. The Business Partner Code applies to all business partners and their employees and is a binding part of every business relationship between Group companies of the TAG Group based in Germany and their business partners. Corresponding guidelines also apply to the Polish subsidiaries, taking into account country-specific regulations. The contents are accessible throughout the Group and are reviewed regularly.

The responsibility for monitoring and adapting these policies lies with the Management Board. In the area of portfolio management in Germany, the ‘Central Purchasing’ department is responsible for the strategic orientation and control of purchasing processes.

The selection of materials and products, the selection of and collaboration with service providers, and the implementation of building actions on existing properties through to waste disposal are analysed in accordance with TAG’s internal policies, taking into account resource conservation, potential reuse and recycling, and adjusted where necessary. These policies provide for the efficient and responsible use of materials, reuse and waste reduction. Through the Business Partner Code, our business partners undertake, for example, to actively contribute to the protection of the environment and the climate – in particular by reducing CO₂ emissions, making sensible and conscious use of resources and avoiding waste – and to align their procurement activities with solutions that are as energy-efficient, environmentally friendly and therefore of long longevity as possible. (For information on dealing with breaches and further details, please refer to Chapter 4.2 E5-1 – Concepts relating to resource use and the circular economy) Awareness of the careful use of resources and the efficient use of materials is also raised during work meetings, workshops and training sessions.

Our central purchasing strategy stipulates that regional and recycled building materials should be used at all sites wherever possible, provided this is economically viable. The focus here is on a gradual transition to higher-quality materials in order to improve living comfort and ensure long-term functionality.



We ensure that our green spaces are managed in an environmentally friendly manner. For example, wherever possible, we collect rainwater for reuse in irrigating green spaces. In construction projects, we focus on environmentally friendly site organisation and waste management in accordance with our internal regulations on resource conservation. For example, construction work is limited to the immediate vicinity of the building as far as possible, and care is taken to ensure that as little dust and soil particles as possible are released into the air. Contractors are obliged, for example, to minimise the amount of waste they produce in connection with the work they are commissioned to do and to ensure that waste is disposed of properly.

In the new residential unit construction business segment in Poland, there are also specific policies in the form of environmental and procurement guidelines. Particularly noteworthy here is the ROBYG Green Standard, developed in-house for new construction project developments, with specifications for low-emission solutions, ecological design, the use of materials and the design of outdoor/green spaces, among other things. These specifications serve as a basis for promoting resource-efficient and circular decisions in the life cycle of buildings from the outset.

The guidelines correspond to those in Germany, taking into account country- and business-specific regulations. The regulations stipulate that the use of non-renewable resources should be minimised throughout the entire construction process (design, implementation, operation) and, in line with our business activities in Germany, that sustainable products should be purchased as a priority, taking into account economic efficiency. Wherever possible, regional materials that have good longevity and performance characteristics are used. Responsible waste management also plays an important role in building design and during the construction phase, for example through waste separation.

4.3.E5-2 – Actions and resources related to resource use and circular economy

Maintaining the functionality, substance and value of our buildings forms the basis of our business activities as a housing Company. Maintenance and modernisation actions are aimed at preserving our housing stock and ensuring its rentability. The efficient use of materials in accordance with circular economy principles such as functional durability, reliability, reusability, retrofitability, reparability and recyclability can contribute to extending the life cycle of buildings, reducing consumption, particularly of natural resources, and waste volumes, as well as to long-term cost savings. In new construction, these principles are already taken into account in the planning and design phase to ensure the sustainable use of the materials employed from the outset.

The actions for resource use and circular economy extend to various activities along our Company's value chain. When implementing measures, we comply with EU guidelines on circular economy and national regulations, such as the German Circular Economy Act (KrWG) for promoting circular economy and ensuring environmentally sound waste management. These contain requirements for waste prevention, waste reduction and reuse or recycling. TAG's resource flows are managed primarily on this basis.



In the operational area, the actions relate in particular to the selection, use and reuse of materials and products in the context of refurbishment, maintenance and inventory management. We have defined the quality and detailed properties for specific products and materials in our overall service specifications. We regularly collect this information by means of audit documents. Among other things, it is important that the products have longevity, are recyclable, environmentally friendly, biologically safe, compatible with health and easy to maintain.

We are in dialogue with our suppliers and service providers about the origin and processing of the resources used. In order to conserve resources, we reuse materials that comply with the currently permitted standard wherever possible. By specifying certain product and material properties, these can also be used relatively flexibly at a later date. In the electrical sector, for example, there is an obligation to install devices with consistency in standards that can be combined with each other.

To ensure efficient and environmentally friendly resource management, we review our procurement practices and make adjustments as necessary. We also continuously review our contracts with our business and framework agreement partners and gradually add further sustainability criteria.

We have little influence over the resource consumption of tenants and buyers. Nevertheless, as part of our professional waste management, we try to help reduce the amount of household waste in our portfolio and increase the proportion of recyclable materials. Actions include consistent waste separation, systematic re-sorting, i.e. manual waste separation where necessary, and optimised filling of waste containers on site by our caretakers or contracted service providers, as well as targeted advice and information campaigns for tenants and buyers.

TAG plans to further expand the actions described in the future. For example, we aim to develop further internal guidelines for our business activities in Poland with regard to the circular economy in administrative activities. For example, we are examining the possibility of selling damaged but still functional furniture instead of disposing of it, and we are planning training courses for employees on the topic of the circular economy.

The financial resources required to implement the actions described will be provided by the Management Board.



4.4.E5-3 – Targets relating to resource use and the circular economy

As part of its business activities in Germany, TAG has set itself the goal of further optimising its internal policies for the transition to a circular economy, particularly with regard to the expansion of professional waste management, and of further developing the associated data collection processes with a view to taxonomy-aligned investments. This target is part of our sustainability strategy and is regularly validated with the involvement of the ESG/Sustainability and Central Technology and Central Purchasing departments. The Management Board is responsible for achieving this target. Measurable, outcome-oriented targets may be adopted in the 2026 financial year, depending on the further development of internal policies and the availability of suitable providers for data collection processes on the market.

As part of our business activities in Poland, we have set ourselves the goal of constructing new building projects in accordance with our own “Green Standard”, which also includes ecological design guidelines for the use of materials. In addition, we aim to increase the proportion of non-hazardous construction waste, as defined by the EU Taxonomy Regulation, that is recycled or reused. We also plan to implement a waste management plan for our business partners involved in new construction activities in Poland. We are also pursuing the target of further digitising business processes, e.g. by converting administrative correspondence to electronic formats, identifying potential for avoiding or reducing resource consumption in the rental business, and training employees in resource-efficient practices. The achievement of these targets is evaluated annually on the basis of relative progress.

These targets were set with the involvement of internal departments in Poland as part of the review and update of our ESG strategy. The specific circumstances and requirements of our business activities in Poland were taken into account. TAG plans to report on the specification of the targets and the degree to which they have been achieved in the Sustainability Report for the 2026 financial year. The Management Board is responsible for monitoring the implementation of the targets.

Essential requirements for the circularity of products and materials, such as durability, reparability and recyclability, efficient use of materials and conservation of natural resources, including through reuse, are already taken into account in our policies and actions, and the various levels of the waste hierarchy are observed (see section 4.2 E5-1 – Policies related to resource use and circular economy).



4.5.E5-4 – Resource inflows

Resource inflows represent a material sustainability matter for TAG, particularly in connection with redevelopment projects and new construction activity in Poland. Significant impacts, opportunities and risks arise primarily from the procurement and use of relevant construction products and materials in connection with these activities. Construction projects are generally associated with considerable resource requirements. However, these can be made more resource-efficient through the use of renewable raw materials, reusable materials and products, and resource-efficient technologies, among other things. The use of regional materials and procurement from regional suppliers can shorten supply chains and lead to cost advantages. (Further explanations can be found in the comments on the material IROs at the beginning of Chapter E5.) Critical raw materials and rare earths are not of central materiality for TAG's business activities, but are contained in certain building technologies such as smart home systems and photovoltaic systems.

Based on TAG's own operations, including those in the upstream value chain (in particular construction and craft companies and building material suppliers), the purchased quantities and masses of the key products and material groups for 2025 were determined.

The total weight of inflows in the reporting period amounts to 305,903.2 tonnes (2024: 191,424.9 tonnes) and includes building materials (e.g. concrete, steel, insulation materials) as material and product groups of significant importance. The quantity of resource inflows for construction projects may vary between reporting years, depending on the type, scope and phase of the respective projects. Office and business equipment are classified as non-material for our resource inflows and are therefore not taken into account.

No information on certified organic materials is available at this time. Biofuels for non-energy purposes were not used during the reporting period, so their percentage share remains at 0%, as in the previous year. No information on the proportion of reused or recycled components is available for the reporting year due to a lack of sufficient data from the value chain.

Resource inflows	01/01/ – 12/31/2025	01/01/ – 12/31/2024
Total weight of products and materials (tonnes)	305,903.2	191,424.9
Proportion of biological materials and biofuels used for non-energy purposes (%)	0.0	0.0
Weight of reused or recycled components (tonnes)	0.0	0.0
Proportion of reused or recycled components (%)	0.0	0.0



The data on resource inflows in the building materials sector is based on estimates and projections derived from internal documentation, such as contracts with construction companies. Reference quantities were determined for the various construction project activities, such as vacant flat refurbishment/minor maintenance, pipe renovation, complex renovation and energy-efficient renovation in the German portfolio, as well as for construction activity in Poland, and extrapolated to the area affected during the reporting period. The methodology for determining and presenting resource inflows for construction activities in Poland was changed from contract-based recording in the previous year to a consistent, area-based calculation based on reference values per square metre in accordance with the results of an LCA carried out in 2025. The previous year's data for construction activity in Poland was recalculated retrospectively using the new methodology to ensure a comparable presentation. The adjusted previous year's figure amounts to approximately 179,501 tonnes, which is approximately 284,916 tonnes below the figure reported for the 2024 financial year. The values determined using the new methodology are considered more meaningful due to the reference to the area included in the reporting year, as the values agreed upon when the contract was concluded may fluctuate during the course of the project.

4.6.E5-5 – Resource outflows

The operation of our buildings, modernisation measures in existing buildings and, in particular, the construction of new properties involve considerable consumption of energy and raw materials. Buildings are generally designed in such a way that their individual elements can be repaired. Construction actions and regular maintenance ensure that their functionality and safety are maintained or restored by eliminating defects and repairing damage.

The average life cycle of buildings is around 50 years, but with regular maintenance, their life or useful life can be extended to 100 years or more. The service life of individual components and building installations varies depending on the type of construction and materials used. For example, the average service life of concrete walls is around 50 years, that of thermal insulation composite installations is 20 to 40 years, and that of insulating glazing is 30 to 40 years. Relevant data collections such as the ÖKOBAUDAT data sets¹⁸⁾ or the BBSR tables on the service life¹⁹⁾ of building components serve as a basis for calculating or estimating life cycle costs and life cycle assessments and support the valuation of the ecological criteria of buildings.

Against this background, TAG strives to take a holistic view of material flows within the framework of resource management, i.e. across the entire property life cycle and in accordance with the circular economy principles. In accordance with internal policies, attention should be paid to the economical and efficient use of resources, the longevity and functional stability of products and materials, reuse and recovery, and recyclability, from planning and procurement to waste disposal. TAG believes that this can contribute to both lower resource consumption and the promotion of innovative waste management solutions and recycling, especially in larger construction projects.

¹⁸⁾ <https://www.oekobaudat.de/> (unaudited)

¹⁹⁾ <https://www.nachhaltigesbauen.de/austausch/nutzungsdauern-von-bauteilen/> (unaudited)



Like resource inflows, resource outflows in the TAG Group relate in particular to products and materials that are used in inventory management, modernisation and maintenance measures, new construction and administrative activities, e.g. as fuels or building products, as well as waste generated in this context. TAG's waste generation in Germany is mainly composed of waste from construction activities, such as building rubble. The amounts of waste generated in the course of construction projects can vary between reporting years; they are subject to fluctuations depending on the type, scope and phase of the respective construction projects. TAG's waste generation does not include any radioactive waste.

Resource outflows (waste generation) in tonnes	01/01/ – 12/31/2025	01/01/ – 12/31/2024¹⁾
Total amount	17,202.7	41,426.3
thereof diverted for recovery	15,038.7	34,931.0
a. Non-hazardous waste	15,038.7	34,931.0
i. Preparation for reuse	0.0	0.0
ii. Recycling	15,038.7	34,931.0
iii. Other recovery operations	0.0	0.0
b. Hazardous waste	0.0	0.0
i. Preparation for reuse	0.0	0.0
ii. Recycling	0.0	0.0
iii. Other recovery operations	0.0	0.0
of which destined for disposal	2,164.0	6,495.2
a. Non-hazardous waste	2,088.8	4,411.8
i. Incineration	0.0	0.0
ii. Landfilling	2,088.8	4,411.8
iii. Other disposal operations	0.0	0.0
b. Hazardous waste	75.2	2,083.5
i. Incineration	0.0	0.0
ii. Landfilling	75.2	2,083.5
iii. Other disposal operations	0.0	0.0
Amount of non-recycled waste	2,164.0	6,495.2
Percentage of non-recycled waste	12.6	15.7

1) adjusted



In the context of construction activities (in particular construction and demolition work), the following waste codes from the construction and demolition waste class (according to the European Waste Catalogue – EWC) can be considered material for TAG's construction activities:

Waste code (AVV-No.1)	Designation
17 01	Concrete, bricks, tiles and ceramics
17 02	Wood, glass and plastic
17 03	Bituminous mixtures, coal tar and tarred products
17 04	Metals (incl. alloys)
17 05	Soil, stones and dredging spoil
17 06	Insulation material and asbestos-containing construction materials
17 08	Gypsum-based construction material
17 09	Other construction and demolition wastes

Resource outflows and waste volumes are calculated on the basis of estimates derived from internal records, taking into account current legal requirements, standards and relevant waste balances²⁰). The waste disposal companies commissioned by the affiliated construction companies to dispose of construction and demolition waste are legally obliged to ensure that waste is sorted by type. These requirements are passed on to the construction companies in construction and framework agreements. The estimates are based on waste quantities collected from a reference project in Germany, which were then extrapolated to all projects started and completed in the 2025 financial year. The breakdown of the total amount into hazardous and non-hazardous waste and recycling channels is based on the respective waste codes or the relevant waste balances mentioned. For business activities in Poland, data is available for resource outflows from the Company's own administration²¹) (central departments, sales locations and construction offices), i.e. only waste from the Company's own operations is taken into account, not construction waste. TAG plans to expand the data collection processes for waste volumes in the construction process in the future.

20) <https://www.umweltbundesamt.de/daten/ressourcen-abfall/verwertungsquoten-der-wichtigsten-abfallarten> (unaudited)

21) The waste volumes from our own administrative activities were calculated using simplified estimates from the previous year, applying waste-specific conversion factors from 2025 onwards. The previous year's figures were also adjusted retroactively, resulting in a slight reduction compared to the figures published in the previous year.



SOCIAL INFORMATION

5. OWN WORKFORCE (ESRS S1)

ESRS 2 General disclosures

The contents of the following chapter include the material disclosures identified in the materiality assessment in accordance with ESRS S1 Own workforce. This information should be read in conjunction with the details regarding TAG's strategy set out in sections 1.8 SBM-1 – Strategy, business model and value chain and 1.9 SBM-2 – Stakeholder Interests and Perspectives. The terms 'employees' and 'own workforce' are used interchangeably hereinafter to refer to the company's own workforce.



5.1.S1-SBM-3: MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The following section presents the impacts, risks and opportunities (IROs) identified as material for the Group in relation to ESRS S1. The presentation indicates whether the respective IRO is actual (A) or potential (P) and whether it affects the Company's own operations (OO), the upstream value chain (UVC) or the downstream value chain (DVC).

S1 - Own workforce						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive Impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative Impact	Opportunities	Risks	Actions (examples)
Working conditions						
OO/A	Social security is strengthened by offering additional and social benefits, such as Company pension schemes and corporate benefits.			Ensuring good working conditions can increase employer attractiveness, resulting in lower recruiting costs and increased productivity through qualified applicants.	Skills shortages, overload and increased absenteeism, e.g. due to illness, can mean that certain activities – such as operating cost accounting, customer service processes, craftsman services or work on construction sites – can no longer be carried out or can only be carried out with delays. This risks unfulfilled orders and financial losses.	– TAG promotes the health and well-being of its employees through flexible working hours, physical and mental health programmes and a wide range of training opportunities - thereby also strengthening satisfaction with TAG as an employer. The workplaces at TAG, both in administration and in the commercial sector, are equipped with modern facilities to make it easier for employees to work.
OO/A	Maintaining a good working atmosphere and stringent work processes have a positive effect on employee satisfaction.			By investing in further training for its workforce, TAG increases employee competence, promotes innovation and enables complex challenges to be tackled efficiently.	Poor working conditions in terms of workplace equipment, occupational safety and health protection can reduce employer attractiveness and lead to a poor working atmosphere, sick leave,	



S1 - Own workforce						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive Impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative Impact	Opportunities	Risks	Actions (examples)
					staff turnover and increased recruitment costs.	
OO/A	Parental leave and flexible working time models (e.g. hybrid working) improve the work-life balance of all employees.		Employee participation, e.g. through the works council or employee representatives, employee share schemes and projects within the framework of corporate development strengthens identification and personal responsibility, thereby supporting a sustainable increase in Company value.			
		OO/A	A lack of transparency in dealing with employees can have negative effects, for example on the working atmosphere or loyalty to the Company.	A positive corporate culture can lead to higher productivity, improved quality of work results, lower sick leave rates, or lower recruitment costs with less staff turnover.		
Equal treatment and equal opportunities						
OO/A	Fair working conditions in terms of equal opportunities and diversity improve the working atmosphere, increase satisfaction and facilitate equal participation (e.g. access to jobs).	OO/A	A lack of diversity and equal opportunities can make it difficult to participate equally in working life (e.g. access to certain jobs), worsen the working atmosphere and affect employee satisfaction.			
Other labour-related rights						
					Potential failure to comply with data protection/privacy	



S1 - Own workforce						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive Impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative Impact	Opportunities	Risks	Actions (examples)
					regulations can lead to legal action, fines and damage to reputation.	



5.2.S1-SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The identified actual and potential impacts on the Company's own workforce result from TAG's strategy and business model and affect all employees. The issues identified in the materiality assessment have always been understood and considered as integral parts of our strategy. The Management Board therefore concluded that no significant adjustments to our strategy or business model were necessary based on the updated double materiality analysis in accordance with ESRS.

The TAG Group's workforce is employed on both a part-time and full-time basis. The vast majority of contracts are permanent contracts. In Poland, TAG also employs non-salaried workers who, as natural persons, provide services to companies within the TAG Group. TAG does not employ any workers, self-employed persons or persons provided by third-party companies that are primarily active in the field of labour recruitment and temporary employment.

The significant positive impacts identified result in particular from ensuring positive working conditions and employee-related rights, as well as equal treatment and equal opportunities, and apply equally to the entire TAG workforce.

The significant risks and opportunities arising from impacts and dependencies related to TAG's workforce are presented in Chapter ESRS S1 – Significant Impacts, Opportunities and Risks.

There are currently no material impacts on TAG's workforce that could result from transition plans to reduce negative environmental impacts and achieve more environmentally friendly and climate-neutral activities.

The materiality assessment did not identify any areas where there is a material risk of incidents of forced labour or child labour.

The negative impacts identified in the materiality assessment generally relate to the entire workforce. If certain individuals (or groups of individuals) are at greater risk than the rest of the workforce, these have also been identified in the materiality assessment. In our society, women, people with physical and mental disabilities, and people with a migrant background are still at greater risk of discrimination in the workplace than men or people without disabilities.

The opportunities and risks identified in the materiality assessment also relate to all groups of people within the workforce.



5.3.S1-1 – Policies related to own workforce

With regard to our social responsibility towards our employees, TAG pursues an appreciative and diverse corporate culture that is characterised by transparency and co-determination and applies to the entire workforce. This is based on the Business Principles adopted by the Management Board, the anti-discrimination policy, the rules of procedure for handling reports in accordance with the Whistleblower Protection Act, and the policy statement on respect for and compliance with human rights.

TAG attaches great importance to a high degree of personal responsibility and a pleasant working environment. Trust, respect and appreciation are anchored in the guidelines of our corporate culture and contribute significantly to the success of the Company. Employees are given the best possible support in their respective roles, e.g. through modern workplace equipment and internal and external training opportunities tailored to their needs. In addition to a standard range of training courses on personal and professional topics, individual training courses can also be arranged.

In terms of its own workforce, TAG also focuses its actions on making a positive contribution to achieving the SDGs on good health and well-being (SDG 3), gender equality (SDG 5) and decent work and economic growth (SDG 8).

The dialogue offered to employees also includes the opportunity to address criticism and complaints. Employees can contact their line managers, the HR department, the works council or the Compliance department directly via various reporting channels.

TAG is committed to respecting and complying with human rights. The United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the core labour standards of the International Labour Organisation (ILO) are authoritative. These set universal minimum standards for decent work, in particular with regard to freedom of association, the prohibition of discrimination in employment and occupation, the abolition of child and forced labour, and occupational health and safety. TAG's internal strategies are in line with these standards. For further information on procedures for safeguarding human rights, as well as on the whistleblowing system and the implementation of remedial measures in the event of potential negative impacts on human rights, please refer to Chapter 7.2 G1-1 – Policies and corporate culture. These also apply to our own employees.

Management concepts and specific procedures for the prevention of occupational accidents have been implemented in Germany and Poland. Compliance with internal guidelines is monitored and ensured by local occupational safety officers. The procedures include, in particular, safety regulations, inspections, employee training and the involvement of external consultants and occupational physicians in the area of occupational safety. Occupational safety, occupational health and safety, fire protection and first aid in emergencies are of great importance to TAG, as the health of our employees is a prerequisite for their well-being and performance.



The promotion of a diverse and equal corporate culture is enshrined in the Business Principles, the anti-discrimination policy and the policy statement on respect for and compliance with human rights. These guidelines promote equal opportunities, diversity and inclusion and prohibit discrimination. They guarantee equal treatment regardless of race and ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, ideology and political opinion, national origin or social background, and other possible characteristics of discrimination. Implementation is carried out in particular by handing out the material guidelines as part of the onboarding process for new employees and through targeted training courses, e.g. on the subject of anti-discrimination and equal treatment. Compliance is monitored by the Compliance department. Compliance is monitored by the Compliance Department. For details of the monitoring procedures and corrective measures, please refer to section **7.2 G1-1 – Policies and Corporate culture**.

No groups within our own workforce have been identified as particularly at risk or vulnerable to discrimination. There are currently no specific policy commitments regarding inclusion or support measures for potentially vulnerable groups.

5.4.S1-2 – Processes for engaging with own workers and workers' representatives about impacts

TAG involves its workforce on an ongoing and direct basis and also works with representatives such as the works council, the General Works Council, the youth and trainee representatives and the workers' representatives on the Supervisory Board. The procedures for involving and participating employee representatives in decision-making processes comply with legal requirements. In addition, information meetings with local works councils are held at regular intervals in Germany. The workforce is involved in various phases, including workshops, participation in interdisciplinary projects, team meetings and regular feedback formats such as performance reviews and employee surveys. Important issues and needs are identified in discussions with employees. Employees are also supported and encouraged to actively shape the development of the Company. For example, the workforce is regularly involved in projects to optimise and further develop internal work processes, in particular to take advantage of opportunities for internal knowledge transfer.

Operational responsibility for employee involvement lies with management. The final responsibility lies with the member of the Management Board responsible for human resources (COO/Co-CEO). In this way, TAG ensures that the perspective of the workforce is taken into account at the highest level of the Group's organisation. In addition, TAG has issued a policy statement on respect for and compliance with human rights within the Group, which also includes mechanisms for recording employee perspectives. These include employee surveys, feedback mechanisms and communication channels for reporting possible complaints or violations, e.g. of human rights, such as the prohibition of discrimination. The perspectives of employees obtained through these procedures are taken into account in decision-making and the results are communicated transparently in mutual dialogue.

The perspectives of any vulnerable groups within TAG's workforce, such as employees with impairments or disabilities, are recorded and taken into account as part of the general procedures for employee involvement.



In addition, appropriate metrics are used at least once a year to check whether marginalised groups are being included on an equal footing. This is done, for example, by monitoring the proportion of women in the workforce, in management positions, on the Management Board and Supervisory Board, and the gender pay gap.

In accordance with legal requirements, workers' representatives receive financial and organisational support, e.g. through time off for employees and the provision of the necessary infrastructure.

5.5.S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

TAG offers its employees various ways to submit criticism and complaints to the Company, including possible legal or compliance violations and human rights violations. In doing so, it promotes dialogue with its employees. Depending on the issue, employees can contact their line managers, the Human Resources department, the works council or the Compliance department. A digital reporting system is also available at all times. Other reporting channels include a form provided on the intranet and contacting the Compliance department or an external lawyer acting as an independent reporting office by telephone or post. Anonymous reports are possible.

The process for handling reports, including complaints relating to employee issues, is governed by the rules of procedure for handling reports in accordance with the Whistleblower Protection Act and published on the TAG website in the Compliance section. All reports are documented, reviewed promptly and, depending on the nature of the incident, responded to with appropriate and reasonable actions. These may include, in particular, disciplinary or labour law consequences, claims for damages or compensation for the employees concerned.

The existing procedures and channels are actively communicated to employees, e.g. by their line managers and as part of compliance training. They are accessible on the intranet and on the website in the compliance section. Feedback on trust in the complaint channels can also be submitted via these channels. Thanks to the active feedback culture within the Company, TAG is also able to identify any lack of trust in the complaint channels or ignorance of the grievance mechanisms and take countermeasures if necessary. For information on the procedures and structures designed to protect individuals and Workers' representatives, please refer to the details in Chapter 7.2 G1-1 – Policies for corporate policy and Corporate culture.



5.6.S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

TAG continuously assesses the identified material negative and positive impacts, risks and opportunities, as well as its business practices in relation to its own workforce, as part of its quarterly personnel controlling and, in addition, on an ad hoc basis based on feedback from the workforce. The aim is to ensure that its own practices do not have any material negative impacts on its own workforce. If material negative impacts are identified, TAG assesses whether and what actions are necessary to limit the extent of these impacts. The necessary resources are made available for this purpose.

To promote the health and well-being of its employees and thus strengthen their satisfaction with TAG as an employer, TAG offers flexible working hours and physical and mental health programmes. As part of these programmes, we have established a company health management system that supports sporting activities and healthcare – for example, through training courses, health days or weeks, the “Work Life Portal” health app and the organisation of joint sporting events. From the reporting year onwards, employees will also have access to a Germany-wide fitness partnership offering a wide range of sporting activities.

TAG's workplaces, both in administration and in the commercial sector, are equipped with modern facilities to make work easier for employees.

As a responsible employer, TAG also offers its employees flexible and mobile working options, trust-based working hours and flexible working time models, including guaranteed parental leave, wherever possible. There are company agreements governing the details of working from home and mobile working. In addition, employee benefits initiatives are supported, e.g. company tickets for public transport or discounted leasing of a job bike in Germany, as well as the promotion of supplementary health and life insurance in Poland.

In order to promote the professional development of its employees and in view of the shortage of skilled workers, TAG is increasingly focusing on training and further education. To this end, employees are asked about their training and development needs, and appropriate training courses are regularly made available in line with these needs. In addition to technical training and personal development courses, this also includes training on occupational safety to minimise injuries and absences, as well as on company pension schemes. Furthermore, special training courses on IT security and data protection were held during the reporting year to raise awareness and improve employees' skills in the secure handling of data and digital systems. Training courses on our Business Principles and artificial intelligence (AI) were also held to sensitise the workforce to ethical, legal and technological challenges and prepare them for dealing with new technologies. In Poland, due to construction activity, there is a focus on occupational safety on construction sites. The necessary funds are provided for all of the above-mentioned training measures.



TAG operates in a challenging rental market characterised by an increasingly complex social environment for tenants. In this context, situations can arise that require a particular level of conflict resolution skills. In order to prepare and support our employees in the best possible way, we offer targeted actions in Germany, such as training courses on conflict management. An appreciative and open corporate culture also strengthens the sense of team spirit and helps to ensure that challenges can be solved constructively together.

TAG assesses the effectiveness of the actions taken by actively seeking feedback from employees, in particular through employee surveys and annual performance reviews. If actions are deemed ineffective, the causes are analysed in detail and the actions are adjusted or supplemented accordingly. This is intended in particular to ensure that TAG's own practices do not have any material negative impacts on the Company's employees.

Material risks and opportunities arise in particular from costs caused by higher employee turnover and from positive effects resulting from high employee retention and satisfaction. The Management Board regularly assesses cost developments in the area of human resources and employee turnover on the basis of monthly personnel controlling in order to identify negative trends at an early stage and take countermeasures if necessary.

In the opinion of the Management Board, no further actions to prevent material negative impacts were necessary in the reporting year. The existing procedures and guidelines for promoting equality and inclusion will be continued.

The actions described were already implemented in the reporting year and will be continued in the future.

5.7.S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In order for employees to feel connected to TAG as an employer, it is crucial that they are satisfied with their workplace and the working culture. Against this backdrop, based on the results of previous employee surveys, the Management Board has set the goal that at least 70% of employees continue to evaluate their current work situation as "satisfied" or "very satisfied". Other stakeholders were not included in the definition of this target.

Regular employee surveys are planned to review the target. Regular reviews and feedback are intended to ensure that not only is the target value of 70% continuously achieved, but also that a working environment exists in the long term that is perceived positively by employees.



In the reporting year, a three-yearly employee survey was once again conducted in Germany in cooperation with Great Place to Work to evaluate employee satisfaction with their work situation and corporate culture. The survey not only provides a sound basis for measuring satisfaction, but also enables comparison with other companies and industries. The results of the survey show an increase in the satisfaction rate from 69% to 77% compared to the last survey. TAG also received Great Place to Work certification for Germany. This award confirms that TAG meets the high requirements and criteria for an attractive and employee-oriented corporate culture. It underlines the Company's commitment to creating a working environment that is perceived positively by its employees.

In Poland, an internal employee survey was conducted for the first time in the 2025 financial year to measure employee satisfaction. At 63%, employee satisfaction was slightly below the target of 70%.

Based on the results of the survey, concrete actions will be derived in the next step to further promote employee satisfaction and commitment. The derivation and gradual implementation of the actions are planned for the coming year and subsequent years in order to specifically address the identified potential for improvement and to strengthen working conditions and Corporate culture in the long term.

Conducting the survey regularly in collaboration with Great Place to Work ensures that it is carried out in accordance with recognised standards and that the results are highly meaningful. At the same time, employees are given the opportunity to actively provide feedback and participate in shaping their working environment. This contributes significantly to positively shaping TAG's corporate culture in the long term and creating an attractive working environment.



5.8.S1-6 – Characteristics of the undertaking's employees

The number of employees in the Group as at 31 December 2025 is broken down by gender²¹⁾ and country as follows:

Gender	12/31/2025	12/31/2024
	Number of employees (head count)	Number of employees (head count)
Male	830	781
Female	967	944
Other	-	-
Not specified	-	-
Total number of employees	1,797	1,725

Country	12/31/2025	12/31/2024
	Number of employees (head count)	Number of employees (head count)
Poland	467	413
Germany	1,330	1,312
Total number of employees	1,797	1,725

21) The Polish legal system currently only recognises the binary gender categories of male and female.



The number of employees in the Group as at 31 December 2025 is broken down by gender and type of contract as follows:

12/31/2025

Female	Male	Other	Not specified	In total
Number of employees				
967	830	0	0	1,797
Number of employees with permanent employment contracts (head count)				
834	735	0	0	1,569
Number of employees with fixed-term contracts (head count)				
133	95	0	0	228
Number of call.-off staff (head count)				
0	0	0	0	0
Number of full-time employees (head count)				
747	755	0	0	1,502
Number of part-time employees (head count)				
220	75	0	0	295

12/31/2024

Female	Male	Other	Not specified	In total
Number of employees				
944	781	0	0	1,725
Number of employees with permanent employment contracts (head count)				
796	703	0	0	1,499
Number of employees with fixed-term contracts (head count)				
148	78	0	0	226
Number of call-off staff (head count)				
0	0	0	0	0
Number of full-time employees (head count)				
724	716	0	0	1,440
Number of part-time employees (head count)				
220	65	0	0	285



The number of employees in the Group broken down by type of contract and region is as follows:

12/31/2025

Germany	Poland	In total
Number of employees		
1,330	467	1,797
Number of employees with permanent employment contracts (head count)		
1,218	351	1,569
Number of employees with fixed-term contracts (head count)		
112	116	228
Number of call-off staff (head count)		
0	0	0
Number of full-time employees (head count)		
1,049	453	1,502
Number of part-time employees (head count)		
281	14	295

12/31/2024

Germany	Poland	In total
Number of employees		
1,312	413	1,725
Number of employees with permanent employment contracts (head count)		
1,194	305	1,499
Number of employees with fixed-term contracts (head count)		
118	108	226
Number of call-off staff (head count)		
0	0	0
Number of full-time employees (head count)		
1,039	401	1,440
Number of part-time employees (head count)		
273	12	285



The option of working part-time allows our employees to organise their working hours flexibly and achieve a good work-life balance.

In the reporting year, 285 employees (previous year: 303) left the Group. This resulted in an employee turnover rate of 15.9% (previous year: 17.6%).

The data is taken from the respective personnel systems in Germany and Poland. It refers to the number of people employed as of 31 December 2025 and 2024, respectively. All employees who had an existing employment or training relationship with TAG or one of its subsidiaries on the reporting date are included.

The employee figures stated in the notes to the consolidated financial statements in the section "Headcount" are average figures for the corresponding reporting period. In addition, the financial reporting includes non-salaried employees who provide services to the TAG Group as natural persons.

5.9.S1-8 – Collective bargaining coverage and social dialogue

As a company not bound by collective agreements or applying collective agreements, TAG does not employ any staff on the basis of collective agreement employment contracts (0%).

Coverage Rate	12/31/2025		12/31/2024	
	Collective bargaining coverage	Social dialogue	Collective bargaining coverage	Social dialogue
0–19%	Germany, Poland	Poland	Germany, Poland	Poland
20–39%				
40–59%				
60–79%				
80–100%		Germany		Germany

All trainees studying to become real estate or office administrators receive the same remuneration. This is graded according to the year of training. The remuneration is based on the collective agreement for the real estate industry, for example, and is slightly above it. For all other apprenticeships, TAG bases its remuneration on the upper range of the remuneration recommendations of the Chamber of Industry and Commerce or the Chamber of Crafts.

The workers' representatives on the Supervisory Board cover 72.6% of TAG's employees (previous year: 74.5%). There was no agreement on representation by a European Works Council (Societas Europaea (SE) or Societas Cooperativa Europaea (SCE)) during the reporting period.

In order to establish social dialogue in Poland, a committee was elected by the employees at the end of the financial year, which will commence its work in 2026.



5.10. S1-9 - Diversity metrics

As of the reporting date, 66 or 43.7% (previous year: 69 or 46.3%) of the Group's top management employees are female and 85 or 56.3% (previous year: 80 or 51.7%) are male. The top management level represents the first two management levels below the Management Board and includes heads of Real Estate Management, department heads and team leaders. In addition to the 1,797 employees employed as of the reporting date (previous year: 1,725), this metric also includes managers employed as associates at the subsidiaries ROBYG and Vantage in order to ensure complete coverage of the Group's top management level.

The number of employees in the Group as of the reporting date, broken down by age, is as follows:

Age	12/31/2025	12/31/2024
under 30 years	285	276
30 - 50 years	994	934
over 50 years	518	515
Total number of employees	1,797	1,725

5.11. S1-10 – Adequate wages

TAG Group employees receive adequate wages in line with the applicable reference values (minimum wage in Germany and Poland).

5.12. S1-14 – Health and safety metrics

The health of employees is essential for their well-being and performance. That is why occupational safety, health and safety, fire protection and first aid in emergencies are of great importance at TAG and apply to the entire workforce in Germany and Poland. Employees are trained as safety officers, fire safety assistants, first aiders and evacuation assistants.

All employees receive training from their supervisors on occupational health and safety issues at least once a year. In addition, regular safety training courses are held for industrial employees on the proper use of equipment and tools. We provide our field staff with task-specific protective clothing. All employees can also find information on health and safety topics on the intranet.

Evacuation drills are carried out every year. Regular checks on safety-related topics are carried out at the various sites.

For several years now, external specialists have been responsible for occupational health and safety and medicine at TAG. This ensures that all legal requirements are met. They regularly attend the Occupational Safety Committee (ASA meeting) meetings with the occupational safety officer and the local works councils and safety officers. In addition, the actions implemented during the year, occupational accidents and findings from workplace inspections are evaluated annually together with the external consultants.



In the new construction sector in Poland, occupational health and safety tasks and training are also carried out with the help of external occupational health and safety service providers. Particular attention is paid to occupational safety and health protection on construction sites. A system of safety regulations, regular training and weekly inspections is also in place here to ensure the health and safety of our own employees and subcontractors.

100% of employees are covered by occupational health and safety and health management actions.

In the reporting year, there were 35 accidents at work in the Group (previous year: 63), mainly commuting accidents and minor injuries without significant downtime during work by caretakers and craftsmen as well as work on construction sites. This corresponds to an accident rate of 11 (previous year: rate of 21). In the reporting year and in the previous year, there were no work-related fatalities among either our own employees or other workers employed at the Company's sites.

5.13. S1-16 – Compensation metrics (pay gap and total compensation)

The gender pay gap within the Group was 5.8% in the reporting period (previous year: 7.4%), meaning that the average gross hourly earnings of male employees were 5.8% higher than those of female employees. The ratio of the remuneration of the highest-paid individual to the median of the total remuneration of all other employees (known as the "total remuneration ratio") is 25.2 (previous year: 25.2).

The above figures refer to the total remuneration of employees in the reporting period, taking into account the target working hours and excluding the Management Board. The underlying volume structure corresponds to the number of employees as at 31 December 2025. The gender pay gap is calculated taking into account all employees, excluding the Management Board.



5.14. S1-17 – Incidents, complaints and severe human rights impacts

In the 2025 financial year, seven reports (previous year: four) of suspected discrimination (including harassment) were submitted to the Compliance department. One of these reports was submitted by the Company's own workforce and was dealt with in accordance with labour law. The other reports did not confirm the suspected cases.

Thirteen cases (previous year: twelve) were reported via channels through which the Company's own workforce can express concerns. As in the previous year, no severe human rights violations in connection with TAG employees were identified in the 2025 financial year.

No fines or damages were payable in this context and no sanctions were imposed.

6. INFORMATION PURSUANT TO SECTION 289C (2) NO. 3 OF THE GERMAN COMMERCIAL CODE (HGB)

TAG Immobilien AG assumes social responsibility and is actively committed to promoting social issues in the residential areas it manages. The aim is to create stable neighbourhoods, enable social participation and improve the quality of life of tenants in the long term.

Relationships with local communities

In cooperation with cities, municipalities and social institutions, TAG supports social infrastructure projects that promote community life among residents. There are meeting places in various neighbourhoods that serve as contact points for community activities and social support.

Actions to promote the common good

As part of its cooperation with the non-profit association Jumpers, TAG supports children's and family centres that provide educational and leisure activities. TAG is committed to bringing together environmental sustainability, social responsibility, quality of life and a focus on the future, thereby enabling people on low incomes to experience community and appreciation. Cooperation with partners such as Jumpers and Sempers in particular contributes to the development of liveable and affordable neighbourhoods.

Social projects and social engagement

TAG supports charitable initiatives, particularly in the areas of education, sport and cultural integration.

Impacts of business activities on society

By providing affordable housing, TAG actively contributes to social diversity and ensures that tenants from different social classes can live together in their neighbourhoods.



GOVERNANCE INFORMATION

7. BUSINESS CONDUCT (ESRS G1)



7.1.G1. SBM-3: Material impacts, risks and opportunities

The following section presents the impacts, risks and opportunities (IROs) identified as material for the Group in relation to ESRs G1. The presentation indicates whether the respective IRO is actual (A) or potential (P) and whether it affects the Company's own operations (OO), the upstream value chain (UVC) or the downstream value chain (DVC).

G1 – Business conduct						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive Impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative Impact	Opportunities	Risks	Actions (examples)
Compliance system						
OO/A	The governance systems in place promote a corporate culture of integrity and enhance stakeholders' confidence in TAG's business activities and in fair and transparent business relationships.	OO/P	As a major residential property company, TAG has a social responsibility. Unlawful and unethical conduct, e.g. through corrupt practices in the context of commissioning work or concluding contracts, can lead to competitive disadvantages and a loss of trust among the public and society.	Robust policies, controls, training and whistleblowing procedures enhance integrity and confidence in TAG's corporate value.	If cases of corruption occur within the company or in the value chain, this can lead to reputational damage, as well as criminal and civil sanctions.	Establishment of a comprehensive compliance system with appropriate guidelines, controls and preventive measures.
Compliance						
OO/A	A transparent, trust-based corporate culture and the achievement of sustainability goals promote regulatory compliance, engagement and a positive contribution for employees and stakeholders.	OO/A	Conflicting stakeholder interests give rise to conflicting objectives, and it is not possible to meet all stakeholder expectations and interests equally.		A lack of safety measures, inappropriate working conditions and human rights violations among business partners/suppliers can lead to claims for recourse and a damaged reputation.	Working towards a transparent corporate culture that safeguards stakeholder interests and minimises liability risks.
					Employee behaviour that runs counter to the established corporate culture carries the risk of fines and thus financial risks.	
Whistleblower system						



G1 – Business conduct						
Settlement (OO/UVC/DVC)/ Status (A/P)	Positive Impacts	Settlement (OO/UVC/DVC)/ Status (A/P)	Negative Impact	Opportunities	Risks	Actions (examples)
		OO/P	Non-functioning whistleblower systems can lead to violations not being publicised and not being contained.			Establishment of a whistleblowing system with appropriate safeguards for whistleblowers.
Management of relationships with suppliers						
OO/UVC/P	Maintaining long-term and stable relationships with local suppliers can have a positive impact on the local economy.			Respecting and adhering to the principles of the Business Partner Code supports long-term partnerships and good supplier relationships. This enables attractive tender prices, pragmatic problem-solving and financial stability to be achieved.	Dependence on upstream and downstream business partners/suppliers gives rise to financial risks (e.g. breach of contract, supplier failure, price increases, shortage of skilled labour/capacity).	Establishment of a binding Business Partner Code.

7.2.G1-1 – Policies relating to corporate policy and corporate culture

TAG has implemented a compliance programme that supports compliance with legal and internal requirements in its business activities and promotes a corporate culture of integrity.

Our actions in accordance with human rights are guided by our policy statement on respect for and compliance with human rights. This is based on the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organisation (ILO) core labour standards.

Our Business Principles form the basis of our internal guidelines and work instructions. These specify and supplement the Business Principles and must be observed. The Business Principles apply to all TAG employees, including the Management Board. They include regulations on business relationships, non-competition clauses, conflicts of interest and data protection. The Compliance department supports the implementation of and compliance with the Business Principles. Violations of TAG's Business Principles will be consistently punished and, if necessary, prosecuted under labour and civil law.

We also expect our business partners to behave in a manner that is legally compliant and ethically sound. To this end, we have a Business Partner Code, which also includes human rights due diligence obligations and is published on our website. Proven violations of this code will not be tolerated and will result in appropriate sanctions. Depending on the severity of the violation, this may include the temporary or permanent termination of the business relationship.

The Compliance Management System (CMS) is a central component of TAG's monitoring mechanisms (risk management, internal control system and internal audit system). The CMS supports compliance with relevant legal provisions, regulatory requirements and internal standards, reduces risks and strengthens stakeholder confidence. It is structured around the elements of prevention, detection and response.

Prevention is ensured in particular by the risk-based compliance framework and regular compliance and data protection training. The Compliance department and the internal data protection management team, in consultation with the external data protection officer, advise the specialist departments.

Risk analyses, ad hoc investigations and the whistleblower system enable the identification of compliance violations and risks. If a compliance violation is confirmed, the necessary and appropriate actions are taken immediately to remedy the situation. The structured process for identifying and reviewing violations serves to minimise legal and reputational risks and supports a responsible corporate culture.

The CMS is continuously developed on the basis of regular risk analyses, the evaluation of reports/violations and the results of internal audits. The findings are systematically incorporated into the design and updating of guidelines/work instructions, process flows and training courses.



A whistleblower system is available to external stakeholders and employees in the value chain, as well as to our own employees, for reporting actual or suspected legal and compliance violations. Human rights and environmental risks or violations under the Supply Chain Due Diligence Act (LkSG) can also be reported via this system.

Reports can be submitted through a digital whistleblower system via post, telephone, email or in person to the Compliance department or to an external compliance lawyer; anonymous reporting is possible. The rules of procedure published on our website in accordance with the Whistleblower Protection Act (HinSchG) and the LkSG describe the reporting channels, the procedure, the responsibilities and the protection of whistleblowers.

Incoming reports are promptly reviewed by the compliance officer appointed by the Management Board, who acts independently, is not bound by instructions and is impartial. Depending on the content of the report, specialist departments such as Human Resources, Data Protection and Purchasing are involved. The identity of the whistleblower is protected in accordance with data protection regulations; discrimination and reprisals are not tolerated.

Depending on the nature of the violation, appropriate remedial and follow-up actions are taken, such as disciplinary or labour law actions, civil law claims or, if necessary, criminal-law measures. We use the results of internal investigations to review and further develop our work and compliance processes.

Another key component of the CMS is employee training. The aim is to provide a sound understanding of relevant legal requirements and compliance-related issues. We conduct regular Group-wide training courses on compliance and data protection. Departments with increased risk, such as Central Technology, the rental business, and the Acquisition and Sales departments, receive in-depth information and specific advice.

In the reporting year, Group-wide training courses were held on the basics of compliance (Business Principles) and basic knowledge of data protection. In addition, employees in the relevant business areas completed in-depth training on money laundering prevention and combating money laundering in the reporting year. The training of the relevant business areas on human rights in the supply chain, which began in the previous year, was completed.

7.3.G1-2 – Management of relationships with suppliers

TAG is committed to fair business practices and compliance with social and environmental standards throughout the entire supply chain. Transparency and regular dialogue are important to us in our cooperation with our suppliers. In addition to professional cooperation, we engage in regular exchanges on relevant topics, such as updated reporting requirements from the EU taxonomy and the LkSG. Our supplier relationships and procurement management are controlled across the Group by the Central Purchasing department in accordance with the purchasing guidelines and based on environmental and economic considerations. Specific individual orders are placed in the LIM regions. Material requirements are set out in the purchasing guidelines and the Business Partner Code, as well as in our principles and guidelines for environmentally and socially responsible procurement. These include legal regulations and standards, including anti-corruption, anti-discrimination, compliance with human rights, and social and environmental standards.



Procurement is carried out via framework agreements that incorporate compliance requirements and sustainability standards. The majority of our construction service providers are also connected to the online portal “Handwerkerkopplung” (craftsman portal) for the refurbishment of vacant apartments and partial maintenance in Germany. This ensures speedy and paperless processing of orders and thus contributes in particular to preventing late payments due to time-consuming invoicing processes, especially for small and medium-sized enterprises. Once the service has been internally approved, the respective order is invoiced and paid using the credit note procedure. Eleven interior construction trades are currently connected to the craftsman portal. We regularly evaluate the services of our suppliers. The primary assessment based on economic criteria and sustainability matters is carried out by the Central Purchasing department.

Service monitoring forms the second level of valuation. On the one hand, tenants can evaluate the performance of subcontractors, and on the other hand, employees also carry out a valuation. In addition, framework agreements are continuously monitored, with test certificates, quality reports and controlling reports being evaluated, among other things.

Service providers are selected using standardised and transparent tendering processes. In addition to the offer price and professional suitability, important decision-making criteria include reliability, quality, regionality, and social and ecological criteria. TAG focuses its cooperation primarily on regional partners who operate in close proximity to the managed portfolio and our business processes. In the reporting year, around 98% (previous year: 98%) of the framework agreement partners in the construction services sector in Germany were regionally active companies. Due to the predominantly regional supply chains and the strictly controlled legislation applicable in Germany and Europe (e.g. compliance with human rights, prohibition of child and forced labour, prohibition of corruption, prohibition of discrimination, labour laws, environmental protection laws), the Management Board believes that there is no increased risk of child, forced labour or illegal labour among our suppliers.

Nevertheless, to ensure that TAG's suppliers consistently adhere to the guidelines, these are explicitly anchored in the supplier contracts via the TAG Business Partner Code and are communicated to suppliers in the context of tenders. The Business Partner Code is also integrated into the craftsman portal in Germany and published on the TAG website. TAG expressly points out that business partners must ensure that all goods to be delivered to TAG, e.g. materials and installed products, have been procured or manufactured in compliance with the applicable legal situation and human rights. TAG does not accept any deviations from the relevant labour and social standards to which we are expressly committed. These include, in particular, the ILO core labour standards, the prohibition of forced and child labour, freedom of association, the right to form trade unions, the right to equal wage for equal work for women and men, and the elimination of discrimination in working life.

Existing supplier or framework agreements are regularly reviewed for necessary additions to sustainability criteria and adjusted accordingly. For example, all external service providers undertake to comply with environmental protection regulations when disposing of waste. By requiring our suppliers to provide regular training for their employees, we aim to ensure that TAG's quality and quantity requirements are met. This includes, for example, dealing with the craftsman portal and the documentation. These skills form the basis for ensuring that services are provided on time and to the agreed extent. If contractual requirements are not met, the cooperation will be terminated.



Health and safety, sustainable and partially recyclable materials and natural raw materials, social aspects and standards, and fair business practices also play an important role in procurement. The relevant product and material properties are specified in service specifications. TAG attempts to exclude or minimise further risks by including specific requirements in the terms and conditions of tenders and contracts. This is also explicitly anchored in the principles and guidelines for environmentally and socially responsible procurement (Green & Social Procurement Policy).

Bidders who have violated the German Posted Workers Act (AEntG) and have been fined will not be considered. In order to minimise this risk, TAG therefore requires each supplier to provide self-disclosure information.

Further steps will be taken in the event of non-compliance with our requirements or violations of our Business Partner Code. Proven violations can lead to temporary or permanent exclusion from the awarding of contracts or to the termination of the existing business relationship and contractual relationship, as well as to claims for damages.

We have also formulated criteria for sustainability in our supply chain for new construction projects in Poland. These are being further harmonised for various areas of the supply chain, taking into account country-specific regulations.

7.4.G1-3 – Prevention and detection of corruption and bribery

Preventing and combating corruption is of central importance for the sustainable success of TAG and for our stakeholders. We do not tolerate corruption by employees or business partners. Employees and external stakeholders can report misconduct or suspected misconduct via the whistleblower system – anonymously if desired – so that we can respond at an early stage and avert damage.

Material instruments for preventing corruption include the Business Principles, the anti-corruption guidelines, the authorisation and signing guidelines (dual control principle), the purchasing guidelines and the donations guidelines. These regulate responsibilities, structures and processes. The Business Principles are part of the onboarding process, and the guidelines are published on the intranet. Employees are informed and trained about the content and any changes. In this way, we ensure knowledge and understanding of the relevant compliance requirements.

For our business partners, the anti-corruption guidelines and a leaflet on preventing and combating corruption are published on our website. They explain our “zero tolerance principle”, actions to prevent corruption and the expected behaviour in cases of suspicion.

Checks for corruption and bribery risks are carried out routinely. To this end, processes have been implemented that include, in particular, the dual control principle, business partner checks, reporting obligations (for invitations, gifts and potential conflicts of interest) and automated controls (e.g. multiple payments, multiple creditors, payments abroad). In addition, the Internal Audit department regularly checks specialist areas for corresponding risks.



During the financial year, mandatory training courses on the Business Principles and on preventing and combating money laundering were conducted as e-learning courses. Training on the basics of data protection was also provided. The training on the Business Principles teaches TAG's most important compliance rules and explains compliant behaviour, including corporate culture, occupational health and safety, conflicts of interest, company property, human rights, money laundering prevention, anti-corruption, competition law, information security and behaviour in emergencies. The training on money laundering prevention and combating money laundering provides an in-depth look at the legal basis. The mechanisms of money laundering are explained and case studies are used to sensitise participants to important principles and due diligence obligations in money laundering prevention. The data protection training course provides a practical explanation of the basic requirements of the European General Data Protection Regulation (EU GDPR) and, in Germany, the Federal Data Protection Act (BDSG).

The training courses were provided via a digital training system. Interactive learning content was supplemented by knowledge tests with a certificate of completion.

The aim is to enable TAG employees to recognise critical situations and act appropriately. Employees, members of the Management Board and members of the Supervisory Board alike took part in the basic compliance training on the Business Principles. In addition, employees and members of the Management Board took part in the data protection training. The training on money laundering prevention and combating money laundering was completed by employees in the relevant business areas (in particular Acquisition/Sales, Central Purchasing, Central Technology, Rental Business), members of the Management Board and members of the Supervisory Board. The participation rate for all training courses was 100% (Germany). In addition, 100% of employees and members of the Management Board in Poland also completed compliance training.

The compliance officer reports to the Management Board at least once a year and as required. The Annual Report covers the categories and content of the reports received (notifications and approval processes), material topics of the reporting year, training rates, results from the review of guidelines, processes and control measures, and the ongoing development of the CMS. The Supervisory Board is also informed regularly and on an ad hoc basis about current compliance issues.

7.5.G1-4 – Incidents relating to corruption or bribery

As in the previous year, there were no confirmed incidents of corruption or bribery involving employees or business partners during the financial year. Accordingly, as in the previous year, no sanctions, legal proceedings or contract terminations with business partners were initiated in connection with incidents of corruption.



7.6.G1-6 – Payment practices

Invoices are paid by TAG in Germany immediately after internal approval or within the statutory payment period of 30 days after receipt of the invoice. If different payment terms have been agreed with suppliers, e.g. payment within 10 days of receipt of the invoice, the invoices are due for payment within the agreed periods. The paperless credit note system used by the craftsman portal in Germany contributes to the prompt settlement of invoices.

In Poland, an internal procedure governs the processing of cost accounting payments and defines the requirements for the entire invoice workflow. This procedure includes, among other things, the entry of invoices into the Group's finance and accounting system, verification, approval, content review, accounting and final payment. A fixed completion period is defined for each phase of this process.

The terms of payment for construction work and the purchase of building materials are governed by agreements with subcontractors. For contracts for construction work and materials, the standard payment period is 30 days from the date of delivery of a duly issued invoice by the contractor, together with a progress report approved by both parties and the necessary declarations by the contractor.

The terms of payment for other services and materials are specified individually in the contract or order. Depending on the agreement, payment terms of 7, 14, 21 or 30 days are specified. The terms of payment may not exceed the statutory period of 30 days. The terms of payment for other services and materials are negotiated individually, taking into account the significance of the order.

Individually agreed payment terms applied to c. 12% (previous year: 15%) of invoices in Germany in the 2025 financial year; the remaining portion was processed in accordance with the statutory payment period. The average time taken to settle an invoice from the start of the contractual or statutory payment period was five days in Germany in the 2025 financial year (previous year: five days). In Poland, this period was 17 days (previous year: 22 days). The significantly longer period in Poland is due, among other things, to the fact that invoice verification in the project development business takes considerably longer than for other invoices due to the complex construction invoices.

At Group level, the average time taken to settle an invoice in the 2025 financial year was five days, compared with six days in the previous year.

The processing time was determined in Germany using a system-based query. In Poland, the processing time was determined on the basis of a sample of invoices. A weighted average was calculated for the Group.

As in the previous year, there were no legal proceedings pending for late payment as of the reporting date.



FORECAST, OPPORTUNITIES AND RISK REPORT

Forecast

Projected economic conditions

Factors such as fluctuating interest rates, a slow economic recovery, persistent inflationary trends and housing shortages continue to affect both the German and Polish economies. For Germany, the German Economic Institute (IW) expects a moderate recovery in 2026 compared to previous years. Guidance ranges from around 1.0 to 1.3% real GDP growth compared to the previous year. The European Central Bank projects a continued disinflation process for the eurozone, with inflation close to the target of 2.0% and an average of around 1.9% in 2026. In terms of the interest rate environment in the 2026 financial year, this could suggest that no further interest rate cuts are to be expected for the time being. In its latest interest rate decision on 5 February 2026, the ECB left the key interest rate for main refinancing operations unchanged at 2.0%.

With regard to investment in the construction sector, the IW expects construction investment in Germany to increase by a total of 1.5% in 2026 compared with 2025. The expected increase is mainly due to actions to promote new housing construction, such as the "Bauturbo" (construction turbo) and planned simplifications in planning and approval procedures.

According to the European Commission's assessment, Poland's gross domestic product is forecast to grow by 3.5% in 2026, with the unemployment rate expected to remain unchanged at 3.1% compared to 2025. Inflation is expected to decline slightly to 2.9%. The Polish housing market is likely to change little overall in 2026 compared to 2025. Demand for rental apartments, especially in large cities, is likely to continue to rise, while attractive mortgage rates are likely to have positive impacts on potential home buyers in the sales sector.

The realisation of the above forecast assumptions is itself subject to risks. The potential for further material disruptions triggered by the war in Ukraine and other geopolitical crises still exists. Therefore, important factors such as future inflation and interest rate developments are difficult to predict in this environment, particularly for the real estate industry.

Group forecast for the 2026 financial year

The following section should be read in conjunction with the other chapters in this Group management report. The forward-looking statements contained in this forecast report are based on estimates and conclusions drawn from the information currently available. The statements are based on a number of assumptions relating to future events. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those presented in the forward-looking statements. Many of these risks and uncertainties are related to factors that TAG cannot control, influence or accurately assess. These include, for example, future market and economic conditions, the behaviour of other market participants, the ability to successfully integrate acquired companies and realise expected synergy effects, and government tax legislation procedures.



The following guidance was already issued in November 2025 for the 2026 financial year and remains unchanged:

- **FFO I: EUR 187–197m** (c. +6%) or EUR 0.99–1.04 per share (c. +2%)
- **Adjusted net income from sales Poland:** EUR 92–98m (c. +40%)
- **FFO II: EUR 279–295m** (c. +16%) or EUR 1.48–1.56 per share (c. +10%)

The number of shares used for the FFO I and FFO II guidance per share is the current number of outstanding shares (excluding treasury shares) of 188,950,517. The FFO I guidance does not include any further purchases or sales in the German portfolio. For the purposes of the FFO II guidance, no book gains or losses from the sale of residential units in Germany were assumed. This guidance represents the sum of FFO I and the adjusted net income from sales Poland.

The FFO I guidance for 2026 covers TAG's rental business in Germany and Poland. The completion of the acquisition of c. 5,300 rental apartments from R4R Poland sp. z o.o., announced in August 2025, is now expected at the second quarter of 2026, as the Polish antitrust authority has extended the approval process in order to conduct its own market investigations. As such, this acquisition has not been included in the guidance for the full twelve months. The midpoint of the guidance range assumes a closing on 31 March 2026 and therefore includes the FFO I contribution from this portfolio for nine months.

The expected strong increase in sales revenue in Poland of around 40% is a result of the significant rise in sales prices in recent years. An attractive gross profit margin of more than 30% and rising income from joint ventures are further reasons for the growth. As a result, a significant increase is also expected for FFO II.

The guidance for the 2026 financial year is also based on the following **material assumptions**:

- EBITDA (adjusted) from the rental business in Germany: EUR 230–234m (c. +1%)
- EBITDA (adjusted) from the rental business in Poland: EUR 34–52m (c. +146%)
- EBITDA (adjusted) from the rental business in total: EUR 264–286m (c. +11%)
- EBITDA (adjusted) sales Poland: EUR 120–130m (c. +46%)
- Reduction in vacancy rate for residential units in Germany: c. 0.3–0.5 percentage points
- Like-for-like rental growth for residential units in Germany: c. 2.7–3.1%
- Like-for-like rental growth for residential units in Poland: c. 3.0–3.5%
- Apartments handed over for sale in Poland: c. 3,200 (c. +54%)
- Apartments sold in Poland: c. 2,900 (c. +3%)
- Sales volume for residential units in Poland: c. EUR 480–500m (c. +5%)



Dividend forecast

Unchanged from the previous year, the payout ratio for the dividend for the 2025 financial year is expected to be 40% of FFO I. An increase in the payout ratio to 50% of FFO I is then planned for the dividend for the 2026 financial year.

Forecast of TAG Immobilien AG as a single entity for the 2026 financial year

For TAG Immobilien AG's adjusted net income in the separate financial statements in accordance with the German Commercial Code (HGB) for the 2026 financial year, we expect, excluding results from control and profit transfer agreements with subsidiaries, before taxes and excluding non-recurring effects, a roughly balanced annual result between EUR -4.0m and EUR 2.0m.

Opportunities and risk report²³⁾

Risk management²⁴⁾

TAG has implemented a central risk management system (RMS) designed to identify, measure, control and monitor all risks that could jeopardise the Group's existence. This risk management system is intended to reduce potential risks through actions, secure the Group's portfolio and support the successful further development of the TAG Group. The risk management guidelines are binding for all organisational units of TAG. The updating and further development of the risk management system, as well as the compliance management system and the internal control system, is an ongoing management task that is pursued with high priority.

The Management Board of TAG is responsible for the consistent and appropriate organisation of the risk management process. In order to identify risks, TAG monitors both the overall economic situation and developments in the real estate and financial sectors. Due to constantly changing conditions and requirements, risk identification is an ongoing task that is integrated into the organisation and work processes. Each organisational unit must identify all risks that may arise from current and future actions. Regular meetings, departmental discussions, one-on-one meetings and surveys also serve to identify risks and raise awareness.

Central risk management supports the Management Board and the organisational units subject to reporting requirements by controlling and implementing the risk management process. The risk managers of the organisational units are responsible for implementing risk management within their areas. They report the risks from their respective areas to central risk management on a quarterly basis using a system. There, these risks are transferred to a "summarised risk report" as part of a joint risk report to the Management Board and Supervisory Board.

23) This section contains information that should be read in conjunction with the disclosures set out in ESRS 2 GOV-5, paragraphs 36a–b of the sustainability report

24) This section contains information that should be read in conjunction with the disclosures set out in ESRS 2 GOV-5, paragraphs 36a–b of the sustainability report



Risk identification and valuation

Risk identification involves the regular, systematic analysis of internal and external developments and events. The focus here is on the material risks for TAG. The risks are valued according to their probability of occurrence and the absolute amount of damage and recorded in the risk questionnaire.

Risk assessment is the quantification of an expected value, which is calculated as the product of the net loss (gross loss minus actions taken, plus associated costs) and the associated probability of a risk occurring. With regard to possible damage caused by a risk, the impact on liquidity (cash) is determined and considered at Group level. Furthermore, the risk can also be evaluated qualitatively if quantitative impacts cannot be estimated.



The following classifications were chosen to quantify the potential damage:

Quantitative extent	Value in EURm				
	> 15.0	medium	high	high	severe
> 5.0 - ≤ 15.0	low	medium	high	high	severe
1.0 - ≤ 5.0	low	low	medium	medium	high
	rare ≤ 5%	unlikely > 5% - ≤ 25%	possible > 25% - ≤ 50%	probable > 50% - ≤ 75%	almost certain > 75%
		Probability of occurrence			

All TAG risks are classified in a closed 15-field matrix (risk map) according to their net loss amount and net probability of occurrence, after qualitative aggregation has been carried out. As part of the reporting process, the reported expected values are aggregated in summary form, taking into account interdependencies. Qualitative aggregation involves the structured combination of individual risks, whereby subordinate risks are incorporated into the valuation of higher-level risks at Group level and are not consolidated separately.

Risk management

Risk management is carried out on the basis of actions taken for the identified risks through risk avoidance, risk reduction, risk transfer and risk acceptance. Risk avoidance through suspension of risky transactions is not a universally applicable strategy, as this also means suspension of profit opportunities. Risk management therefore encompasses all actions to reduce or transfer risk.

Monitoring of risk management actions is decentralised and falls within the remit of those responsible for risk. In the case of material risks, the effectiveness of actions is reviewed directly by the TAG Management Board, which is supported operationally by the risk manager.

Risk bearing capacity²⁴⁾

TAG's business model is cash flow-based. Risk-bearing capacity is understood to be the maximum amount of risk that the Company can bear without jeopardising its continued existence. The methods used to determine individual risk-bearing capacity are at the discretion of the Company. The Company's primary financial objective is to generate continuously growing and reliably predictable cash inflows from the rental business and sale of residential real estate. In this respect, risk-bearing capacity is determined on the basis of liquidity. TAG's maximum risk-bearing capacity (risk coverage amount) is determined on the basis of the lowest value of "available cash" on a rolling basis over the next twelve months, as determined by monthly liquidity planning. Refinancing measures are only taken into account if they are about to be implemented. A safety margin of 20% is applied to take into account further liquidity

24) This section contains information that should be read in conjunction with the information provided in accordance with ESRS 2 SBM-3 para. 48 f-g of the sustainability report.



risks that are not currently recognised. If material liquidity risks become apparent over a period of more than one year (e.g. expiring loans that cannot be refinanced even in the medium term), these are also deducted.

The net expected value calculated for each risk plus the costs of measures is aggregated to the Group's expected value and set in relation to the risk coverage amount. The result is the risk-bearing capacity expressed as a percentage.

Risk communication

Those responsible for risk must report to central risk management on a regular quarterly basis or in accordance with the risk-specific agreed reporting cycle. As with the entire risk management process, appropriate software is used for this purpose. Central risk management submits a consolidated risk report to the Management Board on a quarterly basis, providing an overview of the current utilisation of risk-bearing capacity, the classification of risks in the risk map and a comparison with the previous quarter. The report also contains explanations of the relevant facts.

In addition, the Management Board receives a detailed explanatory statement from risk management on developments in the previous quarter. A summary of the reported risks, including all relevant information from the individual risk reports and following qualitative aggregation and allocation in the risk map, is also submitted to the Management Board as part of the risk reporting process. This risk report is submitted to the Supervisory Board before each meeting and explained by the Management Board at the respective meetings.

If new risks or risks that have changed at short notice arise outside of the regular monitoring process with an expected value of more than EUR 5m, these must be reported immediately to the risk manager by the risk managers or their representatives (ad hoc risk reporting). The risk manager or representative receives the reports from those responsible for risk, checks and updates the information and reports it immediately to the Management Board. Appropriate risk control measures are decided upon by the Management Board.

Internal Audit

TAG has an internal audit department that additionally monitors risk management and compliance with the internal control system. As a process-independent body, it regularly reviews the Company's business processes, installed systems and implemented controls.

Compliance management

Compliance means adherence to rules, i.e. compliance with the laws, regulations and codes relevant to the Company, voluntary commitments, as well as the Company's internal guidelines and organisational actions. To ensure compliance, TAG has a compliance management system (CMS) in place for the design of corresponding internal company processes and specifications, which is geared towards limiting compliance risks and thus avoiding compliance violations. The CMS is based on the central pillars of identifying compliance risks, primarily legal and reputational risks, and preventive and reactive management based on this. Due to the particular relevance of compliance risks, the CMS is not integrated into the RMS; the systems complement each other. The common targets of the RMS and CMS are to identify and highlight risks and dangers and to minimise these risks and dangers.



The internal control system (ICS), which is also not part of the risk management system, comprises the principles, procedures and actions (regulations) introduced by the Management Board at TAG to ensure (i) the effectiveness and efficiency of business activities, (ii) the regularity of accounting, and (iii) compliance with the legal provisions applicable to TAG. The ICS consists of the components control environment, risk assessment, control activities, information and communication, and monitoring activities, which are essentially integrated into the corporate processes. The ICS thus contributes, through the corresponding regulations, to ensuring that the organisation and processes are set up properly and supports the optimal running of corporate processes. The Management Board reviewed the risk management system and the ICS in the past financial year and found no grounds for objection to the adequacy and effectiveness of these systems as a whole.²⁶⁾

Risk definition

The various individual risks that the Management Board considers to be of material significance for TAG are summarised as follows:

- Market risks
 - Environmental and sector risks
 - Regulatory and political risks
 - ESG risks
- Performance risks
 - Rental risks
 - Portfolio valuation risks
 - Project development risks
- Financial risks
 - Liquidity risks
 - Interest rate risks
 - Currency risks
- Other risks
 - Legal risks
 - Tax risks
 - IT risks
 - Data quality risk
 - Data protection risk
 - Personnel risk



Environmental and sector risks

The German property market is dependent on overall economic development and demand for property in Germany. Demand for property is influenced in particular by demographic trends, the labour market, private debt levels, mortgage interest rate trends and real income, as well as the activity of international investors in Germany, and is also dependent on the regional location. Another key factor is the tax environment, in which tax policy instruments such as special depreciation allowances, exemptions from income tax and land transfer tax, and gift and inheritance tax benefits influence demand for real estate. In 2025, compared to the previous year, property prices are expected to stabilise or rise slightly, mainly due to interest rates remaining low until the middle of the year and then stabilising, as well as continued high basic demand and low construction activity. This is also reflected in slightly higher property valuations in 2025.

TAG is exposed to intense competition. Particularly when it comes to the acquisition and sale of real estate portfolios, TAG competes with real estate companies, real estate funds and other institutional investors, some of which may have considerable financial resources or other strategic advantages at their disposal. There is therefore a risk that TAG will not be able to hold its own in the competitive environment or sufficiently differentiate itself from its competitors, and will thus be unable to implement planned acquisitions or sales.

With regard to future maintenance, construction and modernisation measures, there is a risk that the trades and construction industry will not have sufficient capacity and materials to complete the relevant orders in a timely manner. In view of the maintenance and modernisation measures planned by TAG, particularly in the area of energy-efficient refurbishment, this could lead to delays and, as a result of high demand, to additional unplanned price increases.

The concentration of TAG's business activities in individual regions within Germany may also lead to dependence on regional market developments and expansion risks. This applies in particular to the eastern German states, where the majority (more than 75%) of TAG's real estate holdings are located.

These risks are limited by TAG's strategic focus on medium-sized cities and the areas surrounding large metropolitan areas. Selected purchases and sales of residential properties also strengthen the focus on a high-yield portfolio. In preparation for acquisition and sale decisions, general and regional market developments are constantly monitored and the properties on offer are analysed in detail with regard to their condition, location and rents. Potential transactions undergo a thorough due diligence process to assess earnings potential, synergies and rental and cost risks. These factors are evaluated in the same way for TAG's entire property portfolio and are also taken into account in potential sales of holdings.

The individual environmental and sector risks in Germany described above continue to be considered moderate overall. The trend seen in the previous year, with property prices stabilising or rising slightly and transaction volumes slowly increasing again, despite continuing high construction and modernisation costs and a persistently weak economic environment, continued in 2025.



As in the previous year, the risk of delays and increased prices due to capacity bottlenecks in maintenance and modernisation measures is assessed as stable and medium. This is based on increasingly long-term commitments to major contractual partners and the ongoing expansion of the Group's own craftsman service. If these risks materialise, this would mean that the expected development described in the forecast report presented above, in particular for FFO I, would not be achieved.

In contrast to the German property market, we believe that competition in Poland remains less intense. In particular, the rental market for apartments targeted by TAG has so far been largely unoccupied by institutional investors. In addition to the opportunities this presents, there is also a risk that future market developments will be misjudged and that planned rental or project results will not be realised to the extent expected. Traditional property development projects, in which flats are built and then sold to private individuals (mainly owner-occupiers), are, however, being implemented by numerous project developers in Poland. This is also leading to rising land prices and bottlenecks in the availability of construction companies and skilled tradesmen. Overall, the relevant environmental and sector risks of the Polish market are assessed as unchanged at low to medium.

Regulatory and political risks

TAG is exposed to general risks arising from changes in the framework conditions due to legislation or other regulations. In addition to tax law, such regulations may relate in particular to general tenancy law, but also to construction law, labour law or environmental law.

In particular, future tenancy law continues to pose risks of significant adverse changes for landlords, following the tightening of regulations in previous years through the "rent brake" (Section 556d of the German Civil Code (BGB)) and the reduced modernisation surcharge (Section 559 BGB). Risks also remain from the Building Energy Act (GEG), which in its original version contained extensive regulations regarding the share of renewable energies in heating systems. Following legal adjustments and possible further mitigations by the new government, we now consider the risks resulting from the GEG to be low, down from medium in the previous year.

Risks also remain with regard to the "CO₂ price", which also affects the heat supply for residential properties. This will rise to a minimum of EUR 55 and a maximum of EUR 65 per tonne in 2026 (after EUR 55 in 2025). From 2027, EU-wide emissions trading for building heating and transport is planned, which would result in the CO₂ price being determined by the market, leading to significant cost increases. Further legal changes at German and European level cannot be conclusively assessed at present.



The risk of adverse changes in tenancy law is classified as medium for TAG as a whole. Although the probability of occurrence is considered to be high, the economic impact on TAG is not significant as far as can be seen at present, as the Group's investment priorities e.g. do not lie in rent increases through modernisation surcharges or in sharp rent increases in conurbations, which are particularly dependent on the rent brake controls and the development of rent indices. Against this background, we do not expect the discussion about stricter regulation (in particular restrictions on rent increases) to have a significant impact on our locations. Nevertheless, there is a risk that TAG will no longer be able to increase its rents, or will only be able to do so to a limited extent, in the event of stricter nationwide rent regulation. Although this would not jeopardise the Group's existence, it could have significant disadvantages for the future development of rents (like-for-like rent growth), FFO I and NTA as presented in the forecast.

Unlike Germany, Poland does not have its own rental law. Rental agreements are only subject to the provisions of general civil law, which means that there is largely freedom of contract between landlords and tenants. Even though regulations of the rental housing market are not currently under discussion and, in our opinion, are unlikely, it cannot be ruled out that regulatory initiatives will also be launched in Poland in later years if the trend of rising rents observed in recent years continues. In this case, it cannot be ruled out that such regulatory initiatives could have a negative impact on individual components of rental income, such as apportionable operating costs or permissible (net) rents. However, the impact of these risks on Polish activities is considered to be low.

All other individual regulatory and political risks are assessed as low to medium, so that this risk category continues to be rated as medium overall. Corresponding developments could have a negative impact on the expectations presented in the forecast report, particularly with regard to the development of rents and thus FFO I.

ESG risks

ESG (environmental, social and governance) issues are increasingly coming into focus, including in risk management. These issues include, for example, future legal requirements to reduce CO₂ emissions in the housing stock and disclosure requirements regarding the sustainability of economic activities under the EU Taxonomy Regulation and the EU Directive on Sustainability Reporting (Corporate Sustainability Reporting Directive, CSRD), which are still pending implementation into national law, the increased demand for needs-based conversions and senior citizen programmes due to demographic changes, as well as ground floor flats and barrier-free and senior-friendly flats. The need for social support services and advice on general issues in residential areas is increasing. Other aspects include, for example, the rise in consumption costs, particularly energy and water consumption, and increased damage caused by heavy rain and storms, resulting in higher insurance costs.

TAG is offering more advisory and social services. Rising energy costs are being countered by the continuous renewal of heating systems. Further energy efficiency measures are being implemented in the buildings on a gradual basis.



In addition, regulatory pressure on owners of unrenovated existing buildings to achieve climate targets could increase in the future. The investments required for the energy-efficient renovation of the portfolio are generally subject to the risk of a shortage of personnel and raw materials to carry out the renovation projects, which could make the renovation more expensive or delay it.

TAG published its decarbonisation strategy for its German residential portfolio at the beginning of the 2022 financial year. According to this strategy, in order to achieve the goal of a virtually climate-neutral portfolio by 2045, additional investments (compared to the previous investment level) totalling around EUR 690m are required, calculated from the beginning of 2022. This corresponds to around EUR 30m per annum. There is a risk that, due to cost increases, unavailable capacity or limited financing options, this target can only be achieved at significantly higher costs or with delays. Furthermore, the profitability of the planned measures may be lower or even significantly lower than expected due to further regulatory interventions, such as more restrictive rent increase options for modernisation projects in the future.

The updates to the double materiality assessments as part of the ongoing CSRD reporting also identified further risks in the area of governance/social issues (lack of safety precautions, inappropriate working conditions and human rights violations, unlawful behaviour by employees and corruption among suppliers in the upstream value chain; behaviour by employees contrary to the corporate culture). TAG is countering these potential additional risks with appropriate measures, so that they are not yet considered material at this point in time. All other short-term risks with a time horizon of up to 12 months are directly reflected in individual risk reports in the risk categories of the risk management system.

Overall, the risks continue to be classified as low, albeit increasingly so. If modernisation measures and measures in connection with new energy and metering requirements, which are necessary on a large scale to reduce CO² emissions in the entire German housing stock, cannot be passed on to tenants, or only to a lesser extent than expected, this would have a negative impact on income or expenses from letting and thus, in particular, on FFO I.

Rental risks

A significant vacancy rate and the loss or reduction of rental income can lead to a shortfall in revenue and cause additional costs that may not be passed on to tenants. An increase in vacancy rates may result from lower demand for housing in the future if, for example, the number of households in individual regions declines, whether due to demographic developments or as a result of large employers in the region relocating or cutting jobs.

In the residential property sector, a standardised credit check is carried out on potential tenants for new leases. Furthermore, reducing vacancy rates is a strategic goal for TAG, thereby reducing vacancy costs on the one hand and realising existing rental potential on the other. TAG secures long-term tenancies through active portfolio management and sustainable tenant care. In addition, receivables management ensures continuous payment receipts and can promptly counteract possible defaults.



The risk of rent defaults (bad debt risk from rentals) exists in individual cases, but we currently consider it to be low for the Group as a whole. Overall, at Group level, there were impairments on rental receivables in the 2025 financial year, including separately reported impairments in service income of EUR 6.9m (previous year: EUR 5.7m). Based on the net actual rent of EUR 371.1m (previous year: EUR 360.2m), this corresponds to a bad debt ratio of 1.8% (previous year: 1.6%). In the individual financial statements of TAG Immobilien AG itself, rent defaults are of only minor significance. In this respect, the sharp rise in heating and electricity prices since 2022 as a result of the war in Ukraine, which has led to increased operating and ancillary costs for tenants, has not yet had any significant economic consequences for TAG. The risk of increased operating and ancillary costs also arises in connection with rising energy prices resulting from the current conflict in the Middle East.

The future development of energy and heating prices in this area is difficult to predict, so the assessment of the individual risk remains unchanged at medium. The development of energy prices is primarily influenced by external effects that are beyond TAG's control. If tenants are unable to adjust their advance payments for operating and ancillary costs to reflect rising prices or to make additional payments resulting from the annual statement of account, the risk of bad debts from rentals could increase significantly and the potential for future rent increases could also be reduced.

Future rental risks also depend on both population trends and the volume of new construction activity in Germany. In this context, the risk of increased vacancy rates has been included in the risk inventory for the first time, which could arise from the increased return of foreign tenants to their home countries. Due in part to this development, the risks are now classified as medium overall in terms of their probability of occurrence after having been classified as low in the previous year, despite the continued expected high demand for housing. An increase in the vacancy rate would have a negative impact on rents and thus on FFO I in particular. In such a situation, the expectations outlined in the forecast could not be met.

In contrast to Germany, the rental housing market in Poland is much smaller. The owner-occupancy rate in Poland is currently around 85%, while in Germany it is only around 45–50%. Against this backdrop, there is a risk for TAG that the apartments offered for rent in Poland in the future will not meet sufficient demand if the owner rate increases, even in the large Polish cities targeted by TAG. In combination with higher new construction activity, this could lead to an oversupply.

However, this risk is still considered to be low. The market for residential rentals in Poland has seen a significant increase in demand in recent years, as can be seen from the steady rise in rents. On the contrary, in our view, the Polish rental housing market is characterised by a supply deficit. It is considered one of the least saturated housing markets in Europe. Furthermore, the absolute size of the Polish market, with around 38 million inhabitants, and the favourable demographic trend support the assumption that there will continue to be growing demand in the future, not only for owner-occupied flats but also for rental flats.



Portfolio valuation risks

Valuation reports are generally used to assess the fair values of the properties reported in the consolidated financial statements. These valuation reports are currently prepared twice a year by independent, recognised experts. Market values depend on various factors, some of which are objective, such as economic developments or interest rates, and others are discretionary exogenous factors, such as the development of rent levels and vacancy rates. In addition, legacy issues in the portfolios, such as lead pipes, can influence the valuation. Experts must also take discretionary, qualitative factors into account, such as the location and quality of the properties or the level of achievable rental income. These influencing factors can lead to balance sheet value adjustments and result in high volatility in the consolidated results. There is no direct impact on TAG's liquidity.

The assumptions used to value the properties are made by independent experts on the basis of professional experience and are subject to uncertainty. For information on the effects of possible fluctuations in the valuation parameters, without taking into account potential interdependencies between the individual parameters, please refer to the notes to the consolidated financial statements, section "Notes to the balance sheet – Investment properties (income-producing properties)".

Rising interest rates could lead to further losses in the portfolio valuation, as in this situation, at least in the medium term, investors' expected returns and thus the capitalisation rates used in the valuation model should also rise. Corresponding losses in the portfolio valuation may also occur if rents decline or vacancy rates rise.

In Poland, risks could also arise from an incorrect market assessment of the still relatively young and small residential rental market, as well as changes in demand for corresponding properties, leading to valuation risks. In addition, due to the comparatively short history of this market, comparative parameters for valuation may only be estimated within wider ranges. Overall, portfolio valuation risks are classified as medium due to the possibility of negative market developments.

We classify portfolio valuation risks in Germany as medium despite the continuing strong demand for apartments, combined with insufficient new construction activity and the resulting expectation of further rent increases. This is mainly due to the significant increase in interest rates since the beginning of 2022, which have now reached a normal and stable level in a long-term comparison. If balance sheet losses occur, these do not affect liquidity, but they do increase the loan-to-value ratio (LTV). This could make future financing more difficult or prevent it altogether, or even lead to a breach of financial covenants, although no further substantial impairments are expected from today's perspective.

**Project development risks**

Since the 2020 financial year, TAG has also been active as a project developer on the Polish property market to a significant extent. On the expenditure side, this can be associated with significant risks if construction projects incur unplanned costs, for example rising costs for building materials or labour, or if their implementation takes longer than planned. Although this has not been observed in projects in Poland in recent financial years, such cost risks are inherent in the project development business against the backdrop of rising inflation also in Poland. On the income side, there is a risk of incorrect sales price calculations and thus negative deviations from the sales plan, especially if more time than planned elapses between the planning and completion of the project.

This means that there are completion risks, procurement risks and construction risks within the project development business, which TAG only operates in Poland and not in Germany. We consider the project development risks to be high overall. As at the reporting date, this had no impact on the valuation of the project developments in Poland recognised in the balance sheet. Should these risks materialise, NTA and FFO II could be negatively affected and the expectations presented with regard to these key figures may not be achieved.

Liquidity risks

Through its business activities, TAG is exposed to various financial risks, primarily liquidity and interest rate risks. These risks are managed by the central finance department on the basis of guidelines adopted by the Company's executive bodies. Potential default risks in connection with the investment of Group liquidity and the conclusion of derivative financial instruments and other financial transactions are kept to a minimum by monitoring counterparty risk and selecting financial institutions with high credit ratings.

For liquidity planning and liquidity control, both in the short and medium term, the following instruments are used for reporting to the Management Board and current business transactions are compared with the planned data: daily liquidity report with a summary of all accounts, monthly liquidity planning for at least the next twelve months and annual medium-term liquidity planning for the next three years.

Furthermore, TAG is dependent on obtaining debt capital on reasonable terms to refinance expiring loans or for acquisitions. In the case of unsecured loans (e.g. corporate bonds), it is essential for TAG to maintain its investment grade rating in order to obtain favourable terms for this financing.

A crisis on the financial markets could make it considerably more difficult for TAG to obtain debt financing and lead to liquidity problems. If this results in problems servicing current loans, lenders could, as a last resort, initiate forced sales of real estate collateral. Such emergency sales would lead to considerable financial disadvantages for TAG. In connection with financing expiring in the next three years, the resulting risk is considered moderate.



The Group has financial liabilities (loan agreements, bonds, promissory note loans, credit lines, etc.) totalling EUR 2,973m (previous year: EUR 2,656m), for which the banks and lenders have set requirements with regard to debt service coverage ratios and equity or debt ratios (financial covenants). If these credit requirements are breached and the remedies are not utilised, this could result in an early repayment obligation. TAG Immobilien AG itself has EUR 945.5m (previous year: EUR 704.5m) in loan liabilities with covenants in its separate financial statements.

Similarly, loan conditions have been agreed for the corporate and convertible bonds and promissory note loans issued, and failure to comply with these conditions may lead to a liquidity risk. In the event of a breach of credit terms, for example in the event of a change of control, these corporate bonds, as well as the loans mentioned below in the section "Disclosures pursuant to Section 289a HGB and Section 315a HGB", may be terminated for early repayment.

TAG continues to assess liquidity risks as moderate overall. Although the Group has sufficient liquidity and a breach of financial covenants is considered highly unlikely, uncertainties remain on the capital markets as a result of the sharp rise in interest rates over the last two years. There is also a risk that lending banks or other debt capital investors may reduce their financing commitment in the real estate sector or offer less favourable terms for TAG due to negative economic developments or stricter regulatory requirements.

Interest rate risks

The Group's activities are exposed to financial risks arising from changes in interest rates. The vast majority of bank loans are only concluded with a fixed interest rate, either through a directly agreed fixed interest rate or through a variable interest rate, which is then converted into a fixed interest rate using a derivative financial instrument (usually interest rate swaps). As of the reporting date, fixed interest rates accounted for 95% of the Group's total financial liabilities (previous year: 95%).

Against this background, interest rate risk mainly exists with regard to the future refinancing of expiring loans and in relation to new loans. Rising financing costs, particularly in the long-term area relevant to TAG, would have a negative impact on the profitability of investments and TAG's future results and cash flows.

Against the backdrop of a possible increase in financing costs in future refinancing, the interest rate risk is assessed as high overall. Compared to the previous year, this increase is solely due to the technical regrouping of risks, but overall there is no change from the Group's perspective. The Group enters into long-term fixed-rate loans and, in some cases, interest rate derivatives (e.g. interest rate swaps) in order to minimise interest rate risk.

**Currency risks**

TAG is exposed to currency risks through its business activities in Poland. All of the Group's revenues (sales and rents) are generated in Poland in Polish zloty, the exchange rate of which is subject to fluctuations against the euro. Financing in Poland is subject to exchange rate risk compared to revenues if it is denominated in euros. Even though the business model in Poland is geared towards the long term, significant currency losses may occur if assets have to be realised or financial liabilities repaid at short notice. As at the reporting date, the difference from currency translation recognised in equity amounted to EUR 82.5m (previous year: EUR 72.5m).

Overall, this risk is still assessed as medium. If this risk materialises, it could lead to corresponding cash outflows.

Legal risks

TAG and its subsidiaries are parties to civil law proceedings that have not yet been concluded (including those relating to tenancies), which give rise to corresponding legal risks.

Some risks arising from the legal proceedings continue to be assessed as medium in terms of their probability of occurrence. As at the reporting date, provisions of EUR 5.7m (previous year: EUR 6.3m) were therefore recognised, which could lead to corresponding cash outflows if the respective risk materialises. Provisions for legal disputes amounting to EUR 3.0m (previous year: EUR 2.3m) were recognised in the individual financial statements of TAG Immobilien AG.

Tax risks

TAG's tax structures are complex in some respects. There are different tax entities (tax groups and taxation at the level of individual companies) and different legal forms within the Group. In particular, the restrictions on the so-called 'interest barrier', the regulations on the so-called 'extended trade tax reduction for real estate' and the use of loss carryforwards are regularly of significant relevance.

Due to legal uncertainties in connection with the determination of the equity ratio for interest barrier purposes, it cannot be ruled out, for example, that the tax authorities will refuse to allow at least a partial deduction of interest expenses as business expenses. The utilisation of the trade tax reduction for income from long-term property rentals, which is also relevant for many group companies, is subject to restrictive conditions, some of which are also subject to legal uncertainties and would lead to trade tax liability on the income in question in the event of different treatment by the tax authorities. Furthermore, companies were acquired in the past that in some cases had tax loss or interest carryforwards. The tax authorities may take a different view with regard to the extent to which such carryforwards are lost as a result of the change of shareholders. In addition, the tax-neutral allocation of capital gains to reserves (e.g. in accordance with Section 6b of the German Income Tax Act (EstG)) and the possibility of acquiring shares in real estate companies free of real estate transfer tax were significant for the Group's tax burden in previous financial years.



Tax law in Poland has been characterised by changes in the recent past. There is legal uncertainty surrounding many regulations, resulting from unclear wording and a lack of statements from the tax authorities on their application. Within the TAG Group, this means that tax risks arising from the determination of appropriate transfer prices, the determination of the amount of deductible input tax and wage tax risks are particularly conceivable.

Provisions totalling EUR 3.0m (previous year: EUR 5.0m) have been recognised for the above-mentioned individual risks, which are still classified as medium overall. These provisions will lead to corresponding cash outflows if the respective risk materialises and, if the provisions recognised prove to be insufficient, could jeopardise the achievement of the forecasts for FFO I and FFO II or even the NTA.

Other risks

Other risk areas mainly relate to IT risks, data quality risks, data protection risks and personnel risks.

IT risks describe the risk that the IT system will not be available or will be insufficiently available during peak times due to downtime and that cyber attacks will not be detected in time, with unforeseeable consequences for the elimination or damage to the system.

Data quality risks relate to the risk that the data entered into the various systems could be falsified, deleted or misinterpreted due to application errors or failure to comply with booking and/or work instructions. This could significantly disrupt operational processes or lead to unfavourable conclusions and decisions.

Data protection risks arise when data from databases falls into the wrong hands and can be misused to the detriment of TAG. The risk relates both to internal confidentiality and to access protection against external third parties.

Personnel risk refers to all risks that could lead to additional direct or indirect personnel expenses. Further risks may arise from the failure to fill positions or to fill them in a timely manner, as well as from staff shortages in departments and the associated disruptions to operational processes.

The above-mentioned other risks are assessed by the Management Board as low to medium.

Additional risks from the perspective of TAG Immobilien AG as the Group holding company

The shares in affiliated companies reported in the separate financial statements are largely dependent on the results of the respective subsidiary. The valuation risk in connection with the shares in affiliated companies therefore extends in particular to the real estate portfolios held by the subsidiaries. For information on the related valuation risks in the real estate portfolio, please refer to the section "Portfolio valuation risks". In addition, there are valuation risks with regard to receivables from affiliated companies. Furthermore, risks could arise from letters of comfort or other guarantees (sureties and loss compensation obligations from control and profit transfer agreements) granted in favour of affiliated companies.



Overall, the above-mentioned risks are considered to be low due to the continued positive operating performance of the subsidiaries, which results from the unchanged high demand for apartments coupled with insufficient new construction activity and the resulting expectations for further rent increases.

Opportunities for future development

TAG's portfolio in Germany is located in areas where growth potential still exists and can be realised. Due to the decentralised structure of the Group, with its headquarters in Hamburg and major branches in the ten LIM regions, the Management Board believes that market trends can be identified at an early stage and responded to more quickly than competitors. In our view, a good mix of apartment sizes and micro-locations within the regions, combined with modern and close tenant support, enables us to generate attractive returns and increasing cash flows from the existing portfolio on an ongoing basis. Furthermore, TAG's core competence is active property management, which in the past has contributed significantly to reducing vacancies and thus to increasing rental income and reducing vacancy costs. The basis for further organic value increases in the coming years will continue to be the reduction of vacancies and the realisation of potential rent increases within the portfolio.

In the opinion of the Management Board, TAG has a solid financial structure and sufficient liquidity to continue pursuing its growth targets, particularly in the Polish rental housing market. In our opinion, TAG's business model, in particular its active asset management, which is reflected in the continuous reduction of vacancies, is well established with banks and other lenders. All these facts form the basis for the successful implementation of the corporate strategy and, in the opinion of the Management Board, will continue to ensure the raising of capital in the future, both on the capital market and from banks.

There are specific opportunities for future development, particularly if the current high demand for residential property in small and medium-sized towns and in the vicinity of large cities continues in the coming years. Given the demographic developments in Germany and the further decline in new construction figures compared with the previous year, the prospects for this are good. In our view, this will also contribute to rising rents and falling vacancy rates in the future. The opportunities for continued good operating performance in this regard are rated as medium to high. With regard to the forecasts already presented, this also offers the opportunity to exceed the figures planned for the 2026 financial year for rental growth, the decline in vacancy rates and thus also FFO I.

The growing Polish residential property market is the focus of the regional expansion of TAG's business model, which is also geared towards high cash returns here. Strong economic growth in recent years, rising purchasing power and advancing urbanisation have made Poland an attractive market for investors. The current housing shortage in major Polish cities has led to a significant increase in both purchase prices and rents.

TAG completed its entry into the Polish residential property market at the end of 2019/beginning of 2020 with the acquisition of Vantage. At the beginning of 2022, the platform was significantly expanded through the acquisition of the leading Polish project developer ROBYG, which has considerably increased the Company's growth potential in this rapidly growing market.



This puts TAG in an excellent position to become a leading provider in the Polish residential property market in both the rental and sales segments. The opportunities to generate attractive returns from existing sales activities in Poland and, in the medium term, significant income from rental activities, thereby making a substantial contribution to FFO I and FFO II, are considered to be high.

Overall assessment by the Management Board

The capital market environment continued to develop positively in the course of the 2025 financial year. The successful capital increase against cash contributions and the issue of a corporate bond and a convertible bond in the past financial year demonstrate that TAG has attractive financing options available for both refinancing and further growth. The Management Board believes that TAG's business model, which is geared towards high cash flow returns in Germany and Poland, will continue to be sustainable and attractive even in the current environment of higher interest rates.

The Management Board is currently not aware of any risks that could jeopardise the Company's existence. The Company is confident that it will continue to seize opportunities and overcome challenges in the future without having to take disproportionately high risks.

Internal monitoring and risk management in connection with group accounting

The design of the accounting-related internal control system encompasses all processes that are geared towards the effectiveness and efficiency of business operations in order to ensure the regularity of accounting and taking into account the legal and other regulations and rules applicable to the Company.

All of the Group's key processes are defined and documented in a standardised process manual. These processes include preventive, monitoring and detection security and control measures. These would include, for example, measures such as IT-supported and manual approval processes, separation of functions, access restrictions and authorisation concepts in the IT landscape. Updates and further developments of the documented processes are carried out in a continuous process.

Another key component of TAG's internal control system is the largely centralised organisation of its accounting system. The Group accounting department specifies uniform rules for account assignment, the interpretation of accounting regulations and process steps. The preparation of quarterly and annual financial statements and the assessment of facts are also centrally controlled and quality assured.

All of the Group's financial statements are prepared by its own employees. Even if parts of the accounting are decentralised, for example rent accounting in the Group's own shared service centres, the final responsibility remains with the financial accounting department in Group accounting. With the exception of the accounting for the Polish companies, all financial statements are prepared in a uniform manner across the Group in an ERP system (SAP Promos), as in the previous year. The data reports from the foreign companies are transferred to the consolidated financial statements in a structured process.



External service providers assist in the preparation of the quarterly and annual financial statements. Thus independent valuation experts determine the fair values of the properties. The fair values of derivative financial instruments are also calculated with the help of external service providers, and experts also assist in calculating pension provisions. The results of the expert opinions are analysed internally and quality assured before being included in the financial statements.

Key real estate performance indicators, developments in the areas of financing and liquidity, and the figures from the financial statements of the individual companies and the Group as a whole are reviewed by the controlling department and compared with budget targets and previous periods. The most important findings from these figures are presented to the Management Board in a monthly report and also forwarded to the Supervisory Board.

The internal audit department, which reports directly to the Management Board, carries out ongoing process-independent audits based on an audit plan. The internal audit department uses a systematic and targeted approach to assess the effectiveness of the risk management system and the control and monitoring system, including the controls. In particular, its tasks include examining, evaluating and monitoring the adequacy and effectiveness of the internal control system, including the accounting system. The internal audit function for TAG's business activities in Poland is currently being established.

DISCLOSURES IN ACCORDANCE WITH SECTION 289A AND SECTION 315A OF THE GERMAN COMMERCIAL CODE (HGB)

TAG Immobilien AG is a capital market-oriented Company within the meaning of Section 264d HGB. For this reason, disclosures on equity, the share structure and voting rights are required pursuant to Section 289a HGB and Section 315a (1) HGB. The following disclosures are based on the circumstances that existed as at 31 December 2025.

Composition of share capital

The Company's share capital amounted to EUR 189,034,941.00 as at the reporting date (previous year: EUR 175,489,025.00). The share capital is divided into 189,034,941 no-par value shares (previous year: 175,489,025 no-par value shares). The pro rata amount of share capital attributable to each share is calculated at EUR 1.00. All shares confer the same rights. Each share grants one vote and determines the share of profits.

Limitation on voting rights and transfer of shares

Restrictions on the voting rights attached to shares may arise from the provisions of the German Stock Corporation Act (AktG). Under certain circumstances, shareholders are subject to a voting ban in accordance with Section 136 of the German Stock Corporation Act (AktG). TAG is not entitled to vote on its own shares, currently numbering 58,689 (previous year: 84,424), which are intended for issue as employee shares and for long-term variable Management Board remuneration, in accordance with Section 71b of the German Stock Corporation Act (AktG). The Company's Articles of Association do not provide for any voting restrictions. The Company's shareholders are not restricted by law or by the Company's Articles of Association with regard to the acquisition or sale of shares. The Management Board is not aware of any contractual restrictions on voting rights or the transfer of shares.

Direct or indirect voting shares exceeding 10%

Based on the notifications it has received in accordance with the provisions of the Securities Trading Act, the Company is not aware of any shareholdings exceeding 10% of the voting rights in the Company as of the reporting date.

**Shares with special rights conferring control powers**

There are no shares in the Company with special rights conferring control powers.

Type of voting rights control in the case of employee shareholdings

Employees who hold shares in TAG exercise their control rights in the same way as other shareholders in accordance with the statutory provisions and the Articles of Association. There is no indirect control of voting rights.

Appointment and dismissal of members of the Management Board, amendments to the Articles of Association

The appointment and dismissal of members of the Management Board is based on Sections 84 and 85 of the German Stock Corporation Act (AktG) and the Company's Articles of Association. Members of the Management Board are appointed by the Supervisory Board for a maximum term of five years. Reappointment or extension of the term of office, in each case for a maximum of five years, is permitted.

The Management Board consists of one or more persons. In accordance with the Articles of Association, the Supervisory Board may appoint a Chairman of the Management Board and one or more Deputy Chairmen of the Management Board. The Supervisory Board may revoke the appointment of a member of the Management Board and the appointment of the Chairman of the Management Board if there is good cause.

Amendments to the Articles of Association are governed by Sections 179 and 133 of the German Stock Corporation Act (AktG) and the provisions of the Articles of Association. Any amendment to the Articles of Association requires a resolution by the Annual General Meeting. However, pursuant to Section 10 of the Articles of Association, the Supervisory Board of the Company is authorised to resolve on amendments that only affect the wording. Resolutions of the Annual General Meeting – including amendments to the Articles of Association – are passed by a simple majority of the votes cast in accordance with Section 18 of the Articles of Association, unless mandatory statutory provisions dictate otherwise. If a capital majority is required, a simple capital majority is sufficient.

Authorisation of the Management Board to issue new shares (authorised and contingent capital) and to repurchase shares

By resolution of the Annual General Meeting on 16 May 2025, the Management Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions until 15 May 2028, by a total maximum amount of EUR 35,000,000.00 by issuing up to 35,000,000 new no-par value bearer shares of the Company ('Authorised Capital 2025'). Shareholders' subscription rights may be excluded with the approval of the Supervisory Board. The proportionate amount of the share capital attributable to the new shares for which subscription rights are excluded may not exceed a total of 10% of the share capital, both at the time the authorisation takes effect and at the time it is exercised. Partial use was made of this authorisation in the 2025 financial year. In August 2025, an increase in the Company's share capital was resolved, making partial use of the authorised capital 2025 and excluding shareholders' subscription rights in accordance with Section 4 (5) sub-paragraph 2 (d) of the Articles of Association. In total, the Company's share capital was increased by EUR 12,478,291.00 through cash contributions by issuing 12,478,291 new bearer shares.



The Company's share capital is conditionally increased by up to EUR 35,000,000.00 through the issue of up to 35,000,000 new no-par value bearer shares (Conditional Capital 2025). The conditional capital increase serves to grant shares to the holders of convertible bonds and/or bonds with warrants issued by the Company or by a direct or indirect affiliate of the Company in accordance with the authorisations granted by the Annual General Meetings on 23 May 2018, 16 May 2023 or 16 May 2025. The new shares will be issued at the conversion or option price to be determined in accordance with the aforementioned authorisation resolutions. The conditional capital increase shall only be carried out to the extent that conversion or option rights are exercised or corresponding obligations are to be fulfilled and to the extent that no other forms of fulfilment are used to service them. The new shares shall participate in profits from the beginning of the financial year in which they are created; notwithstanding this, the new shares shall participate in profits from the beginning of the financial year preceding the financial year in which they are created if the Annual General Meeting has not yet passed a resolution on the appropriation of retained earnings from the financial year preceding the financial year in which the new shares are created. The Management Board is authorised to determine the further details of the implementation of the conditional capital increase. No use has been made of this authorisation to date.

The Annual General Meeting on 16 May 2025 also renewed the authorisation to acquire own shares and resolved to do so up to a total of 10% of the share capital existing at the time the authorisation takes effect or, if this is lower, at the time the authorisation is exercised, until 15 May 2027. This authorisation may not be used by the Company for the purpose of trading in its own shares. In addition to the usual uses specified by law, it also includes the authorisation to promise and transfer the shares to the Company's Management Board members as part of the determination of variable remuneration. The Company has not yet made use of this authorisation.

On the basis of the previous authorisation, the Company acquired a total of 100,000 treasury shares in the 2024 financial year to service the employee participation programme and long-term Management Board remuneration. In 2025, the Company also transferred 25,735 (previous year: 22,060) shares to employees as part of the employee participation programme. No shares (previous year: no shares) were transferred as part of the long-term management board remuneration. As of the reporting date, TAG held 58,689 (previous year: 84,424) treasury shares, corresponding to 0.03% (previous year: 0.05%) of the share capital. The Company's subscribed capital, reduced by its own shares, amounted to TEUR 188,976 (previous year: TEUR 175,405) as of the reporting date.

Significant agreements of the Company that are subject to a change of control as a result of a takeover bid

TAG has credit lines with banks totalling EUR 116.4m (previous year: EUR 95.2m), which require the bank's approval for a change in the shareholder structure or could result in the loans becoming due in the event of a change of control at the level of TAG Immobilien AG. In addition, numerous provisions relating to a change of control are also included in loan agreements and credit lines of subsidiaries in Germany and Poland and in their general terms and conditions, which primarily only cover the level of the subsidiaries and changes in their shareholders. However, it cannot be ruled out that lenders could also assert rights arising from a change of control in the event of a change in indirect shareholders.



The outstanding corporate bonds of EUR 800.0m (previous year: EUR 625.0m), the promissory note loans issued totalling EUR 145.5m (previous year: EUR 204.5m) and a corporate bond issued in Poland in the amount of EUR 24.0m (previous year: EUR 24.0m) provide for special provisions in the event of a change of control; according to these provisions, the Company is obliged to repay or repurchase the bonds in accordance with the details specified in the terms and conditions of the bond or promissory note loan. With regard to the EUR 470.0m convertible bond 2020/2026 and the EUR 430.0m convertible bond 2025/2031, there are special conversion options or adjustments to the conversion price for the holders of the convertible bond in the event of a change of control.

The agreements made in connection with the transfer of a total of 5.1% of the shares in a subsidiary to co-investors in 2018 also provide for arrangements in the event of a change of control in TAG's shareholder structure. In this case, the co-investors are entitled to disposal rights, which they can use to terminate their participation in the subsidiary prematurely, with any losses in value to be compensated by TAG.

Furthermore, in the event of a change in the current majority ownership structure at TAG, the members of the Management Board are entitled to a special right of termination and, if they exercise this right, to a compensation payment based on the remaining term of their employment contract at the time of termination. In this regard, reference is made to the remuneration report to follow.

Compensation agreements within the Company that have been concluded with members of the Management Board or employees in the event of a takeover bid

Beyond the special right of termination for members of the Management Board mentioned in the previous paragraph, there are no compensation agreements that have been concluded with members of the Management Board or employees in the event of a takeover bid.

CORPORATE GOVERNANCE STATEMENT IN ACCORDANCE WITH SECTION 289F AND SECTION 315D HGB OF THE GERMAN COMMERCIAL CODE (HGB)²⁶⁾

The Corporate Governance Statement in accordance with the provisions of Sections 289f and 315d HGB, which is not part of this Summary Management Report, is posted on the TAG website at www.tag-ag.com under "Investor Relations/Corporate Governance/Declaration of Corporate Management".

REPORT ON THE COMPANY'S REMUNERATION SYSTEM (REMUNERATION REPORT UNDER STOCK CORPORATION LAW IN ACCORDANCE WITH SECTION 162 OF THE GERMAN STOCK CORPORATION ACT (AKTG))²⁷⁾

The remuneration report prepared by the Management Board and Supervisory Board of TAG Immobilien AG (hereinafter also referred to as "TAG") in accordance with Section 162 of the German Stock Corporation Act (AktG), outlines the basic principles of the remuneration systems for the members of the Management Board and Supervisory Board and provides information on the remuneration granted and owed to current or former members of the Management Board and Supervisory Board in the 2025 financial year. The term "remuneration granted and owed" refers to the extent to which the members of the Management Board and Supervisory Board receive payments and represents the

26) Unaudited information

27) Unaudited information



remuneration for which the underlying activity was completed in full by the end of the 2025 financial year (earnings principle).

The remuneration report was audited by the auditor. The audit focused on whether the disclosures pursuant to Section 162 (1) and (2) were made in all material respects. The audit did not extend to the content of the remuneration report.

The remuneration report for the 2024 financial year was approved by TAG's Annual General Meeting held on 16 May 2025 with a majority of 94.3% of the votes cast.

Remuneration scheme for the Supervisory Board

Remuneration system

In accordance with the recommendations of the German Corporate Governance Code, the remuneration of Supervisory Board members consists exclusively of fixed remuneration components plus any attendance fees, reimbursement of expenses and insurance cover, but no variable remuneration elements. The remuneration system for the Supervisory Board reflects this and is structured as follows:

The members of the Supervisory Board receive a fixed remuneration of TEUR 40 per annum for each full financial year of their membership. The Deputy Chairman receives 1.5 times this basic remuneration (TEUR 60 per annum), while the Chairman of the Supervisory Board receives a fixed remuneration of TEUR 175 per annum.

In addition, separate fixed remuneration is provided for individual committee activities: In the Audit Committee, this amounts to TEUR 75 per annum for the Chairman and TEUR 10 per annum for each of the other members. The members of the Nomination/Personnel Committee do not receive a fixed remuneration, but rather a remuneration of EUR 500.00 per meeting, unless, as has been the case in the past, they waive this remuneration. For activities in other committees that do not currently exist, the chairperson would receive TEUR 7.5 and the other members TEUR 5. The chairperson of the Supervisory Board does not receive any additional fixed remuneration for his activities in committees, but does receive a meeting allowance of EUR 500.00 for his activities in the Nomination/Personnel Committee.

The Company also takes out directors' and officers' liability insurance (D&O insurance) for the members of the Supervisory Board and pays the premium. Expenses incurred in connection with Supervisory Board activities, in particular travel expenses and VAT attributable to the respective remuneration, are reimbursed by the Company.

The existing system strengthens the independence of the members of the Supervisory Board and thus makes an indirect contribution to the long-term development of the Company. At the same time, the remuneration system incentivises members of the Supervisory Board to proactively promote the business strategy.



Remuneration of the Supervisory Board in the reporting year

The remuneration of the Supervisory Board in the past financial year is broken down as follows:

Supervisory Board Member	2025 in TEUR	2024 in TEUR
Remuneration for Supervisory Board activities		
Olaf Borkers	175	175
Eckhard Schultz	60	48
Gabriela Gryger (since 28 May 2024)	40	24
Beate Schulz	40	32
Björn Eifler	40	32
Prof. Dr. Kristin Wellner	40	32
Dr. Philipp K. Wagner (until 28 May 2024)	0	8
Total remuneration for Supervisory Board activities	395	351
Remuneration for committee work		
Eckhard Schultz	75	75
Prof. Dr. Kristin Wellner	10	8
Gabriela Gryger	1	0
Total remuneration for committee work	86	83
Total remuneration	481	434



Remuneration scheme for the Management Board

Regular review of the remuneration system

On 16 May 2025, TAG's Annual General Meeting approved the remuneration system for the Management Board, which was up for regular review, by a large majority (80.0% of the votes). The changes are based, among other things, on aspects discussed during an extensive corporate governance roadshow by the Management Board and Supervisory Board, in which key national and international proxy advisors and TAG's 25 largest shareholders, who at that time represented approximately 65% of the voting rights, were addressed. The Supervisory Board was supported in this process by a highly experienced consulting firm specialising in remuneration systems. The system is described below and complies with the requirements of Section 87 (1) of the German Stock Corporation Act (AktG) and the German Corporate Governance Code in the version applicable in the reporting year and currently in force as of 27 June 2022.

The following overview shows the key changes to the remuneration system approved in 2025 compared with the previous remuneration system approved in 2021:



Comparison of remuneration systems and material changes

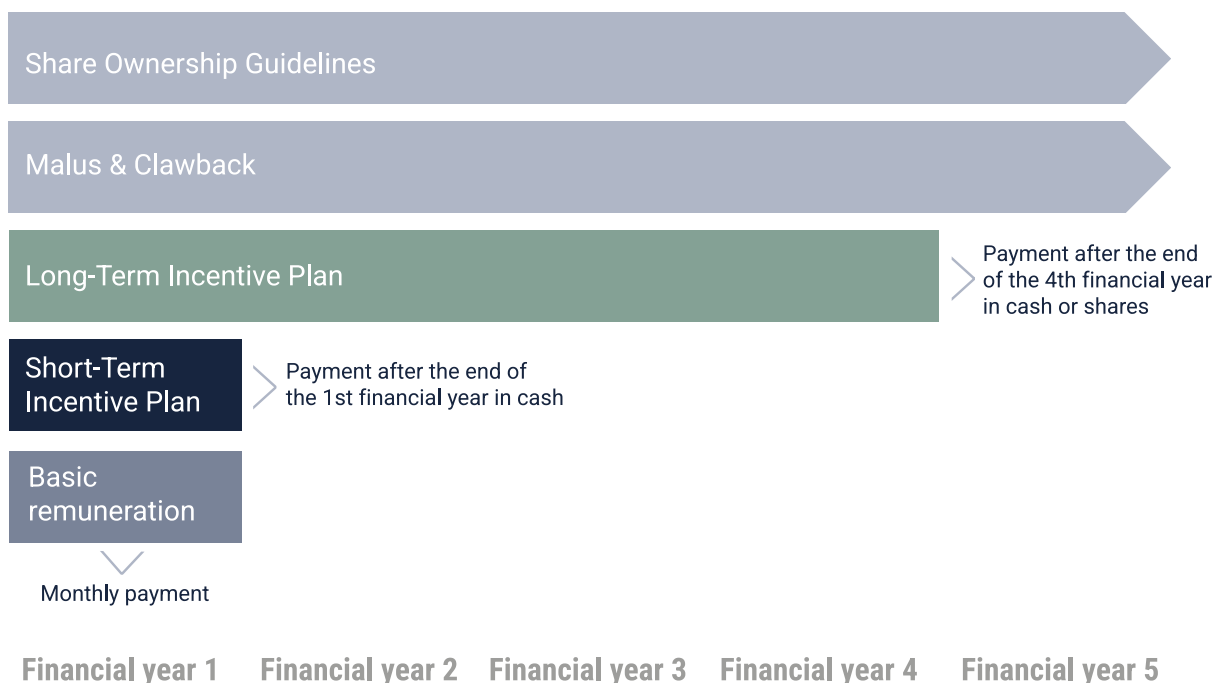
Remuneration component	Previous organisation	Structure in the remuneration system 2025	Background	
Remuneration structure	<ul style="list-style-type: none"> Basic remuneration: c.50% STIP: c. 20% LTIP: c. 30% 	<ul style="list-style-type: none"> Basic remuneration: 35–45% STIP: 20–30% LTIP: 30–40% 	<ul style="list-style-type: none"> Promotion the sustainable and long-term development of TAG and pay-for-performance by increasing the proportion of performance-related remuneration 	
Basic remuneration	<ul style="list-style-type: none"> Fixed annual remuneration, which is paid out monthly in cash 			
Fringe benefits	<ul style="list-style-type: none"> Provision of a company car, railcard, insurance benefits, private use of means of communication 			
Pension commitments	<ul style="list-style-type: none"> Not planned 			
Short-Term Incentive Plan (STIP)	Plan type	<ul style="list-style-type: none"> Target bonus 		
	Runtime	<ul style="list-style-type: none"> 1 year performance period 		
	Performance criteria	<ul style="list-style-type: none"> FFO I per share NTA per share ESG targets 	<ul style="list-style-type: none"> 45% FFO I per share 30% EBITDA Rental business Total per share 25% Earnings per share in Poland 	<ul style="list-style-type: none"> Linking the corporate strategy and business activities in Poland with strategically relevant performance criteria Ex-ante determination of the weighting of the individual performance criteria for greater transparency
	Modifier	<ul style="list-style-type: none"> Individual targets Range of modifier from 0.9 – 1.1 	<ul style="list-style-type: none"> Individual and collective performance of the Management Board members and extraordinary developments Range of modifier from 0.8 – 1.2 	<ul style="list-style-type: none"> Transparent disclosure of the defined targets and explanations of measurement and target achievement in the remuneration report Adjustment of the range of modifier to +/- 20% in line with market practice If the target achievement of the three financial performance criteria is 0%, the modifier does not result in any increase in the payout.
	Cap	<ul style="list-style-type: none"> No limit on the achievement of targets for the individual performance criteria Maximum payout: 133% of the target amount 	<ul style="list-style-type: none"> Maximum target achievement of 150% per performance criterion Maximum payout: 150% of the target amount 	<ul style="list-style-type: none"> Maximum target achievement per performance criterion to ensure a balanced incentive effect Increase in the maximum possible payout in line with market practice
Long-Term Incentive Plan (LTIP)	Plan type	<ul style="list-style-type: none"> Performance cash plan with subsequent payment in shares 	<ul style="list-style-type: none"> Performance share plan with subsequent servicing in shares until to 200% of gross basic remuneration is held in shares 	<ul style="list-style-type: none"> Increased share orientation via the performance of virtual shares already during the performance period
	Runtime	<ul style="list-style-type: none"> 4-year performance period 4-year holding period for the shares paid out 	<ul style="list-style-type: none"> 4-years performance period 	<ul style="list-style-type: none"> Long-term nature over a 4-year performance period and Share Ownership Guidelines sufficient from the perspective of the Supervisory Board
	Performance criteria	<ul style="list-style-type: none"> At least 80% absolute TSR development Max. 20% ESG targets Relative TSR as a modifier with a range of 0.75–1.25 (peer group: Vonovia, Deutsche Wohnen, LEG Immobilien, Grand City Properties, Adler Group) 	<ul style="list-style-type: none"> 25% NTA per share 25% ESG targets 50% Relative TSR (peer group: FTSE EPRA/NAREIT Developed Europe Index) 	<ul style="list-style-type: none"> Promotion of the successful implementation of the corporate and sustainability strategy by implementation of a financial performance criterion and an increased weighting of ESG targets Larger peer group enables more stable performance measurement with relevant competitors
	Cap	<ul style="list-style-type: none"> No limit on the achievement of targets for the performance criteria Maximum payout: 200% of the target amount 	<ul style="list-style-type: none"> Maximum target achievement of 200% per performance criterion Maximum payout: 200% of the target amount 	<ul style="list-style-type: none"> Maximum target achievement per performance criterion to ensure a balanced incentive effect
Maximum remuneration	<ul style="list-style-type: none"> € 1,200,000 per member of the Management Board 	<ul style="list-style-type: none"> € 2,000,000 per member of the Management Board 	<ul style="list-style-type: none"> Increase in theoretical maximum remuneration in line with market practice in Germany 	
Malus & Clawback	<ul style="list-style-type: none"> Reduction or repayment of variable remuneration in the event of severe compliance violations or incorrect consolidated financial statements 			
Share Ownership Guidelines (SOG)	<ul style="list-style-type: none"> Management Board obligation to purchase shares totalling at least 100% of gross basic remuneration 	<ul style="list-style-type: none"> Management Board obligation to purchase shares totalling at least 200% of the gross basic remuneration 	<ul style="list-style-type: none"> Expansion of the Management Board members' long-term involvement in the company and linking the interests of the Management Board with those of the shareholders 	



Overview of the remuneration system

The remuneration system presented to and approved by the Annual General Meeting on 16 May 2025 has been in effect since the 2025 financial year. It consists of non-performance-related and performance-related remuneration components. The non-performance-related remuneration components comprise the basic remuneration and fringe benefits. The performance-related remuneration components consist of the Short-Term Incentive Plan (STIP) and the Long-Term Incentive Plan (LTIP). The payout amounts of the STIP and LTIP are subject to clearly defined malus and clawback rules. The payment of the sum of the individual remuneration components is limited by the maximum remuneration pursuant to Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG). In addition, the members of the Management Board are obliged to hold a significant number of TAG shares during their term of office.

Timing profile of Management Board remuneration for one financial year





The **basic remuneration (fixed remuneration)** amounted to TEUR 480 p.a. as of the reporting date, compared to TEUR 480 p.a. at the end of the previous year.

The **target remuneration for the STIP** amounted to TEUR 300 p.a. in the past financial year (previous year: TEUR 150 p.a.) and was capped at a maximum of TEUR 450 p.a. (previous year: TEUR 200 p.a.).

The **target remuneration for the LTIP** amounted to TEUR 400 p.a. in the past financial year (previous year: TEUR 250 p.a.) and was capped at a maximum of TEUR 800 p.a. (previous year: TEUR 500 p.a.).

The **total target remuneration** for a member of the Management Board thus amounted to TEUR 1,180 p.a. in the past financial year (previous year: TEUR 880 p.a.), with the **maximum remuneration** amounting to TEUR 1,730 p.a. (previous year: TEUR 1,180 p.a.).

The **maximum remuneration within the meaning of Section 87a (1) sentence 2 no. 1 AktG** was defined as TEUR 2,000 p.a. (previous year: TEUR 1,200 p.a.) in the past financial year.

Fixed remuneration

Remuneration that is not performance-related takes the form of a fixed annual salary, which is paid in twelve equal monthly instalments. The amounts paid to the members of the Management Board in the reporting year are listed below:

in TEUR

Name	2025	2024	Change (%)
Claudia Hoyer	480	480	0.0
Martin Thiel	480	480	0.0

In addition, members of the Management Board receive fringe benefits, such as private use of a company car. The expense for fringe benefits is subject to annual fluctuations and generally does not exceed TEUR 20 p.a.



Variable remuneration

Contribution of remuneration to promoting corporate strategy and long-term development

The remuneration system for the Management Board serves as a key management tool for aligning the remuneration of Management Board members with the implementation of corporate strategy and the interests of shareholders and other stakeholders. Against this backdrop, the majority of Management Board remuneration is performance- and success-based.

Performance-related remuneration reflects the financial key performance indicators from corporate management, which are measured over both a one-year and a multi-year period. In addition, TAG ESG (environmental, social, governance) targets are taken into account in the long-term incentive plan in the interests of sustainable development. The majority of performance-related remuneration is share-based, which aligns the interests of the Management Board and shareholders and promotes a strong share culture. TAG's success on the capital market is assessed both in absolute terms and relative to the competition. In addition, the remuneration and employment conditions of employees are taken into account by the Supervisory Board and Management Board working closely together to ensure that comparable incentives in performance-related remuneration are also set for management levels below the Management Board.

The performance criteria for the STIP and LTIP are largely linked to TAG's corporate strategy. Different financial and non-financial performance criteria are applied for the STIP and LTIP, which are designed to consistently promote the corporate strategy in line with TAG's long-term and sustainable development.

**Overview of the performance criteria for performance-based remuneration**

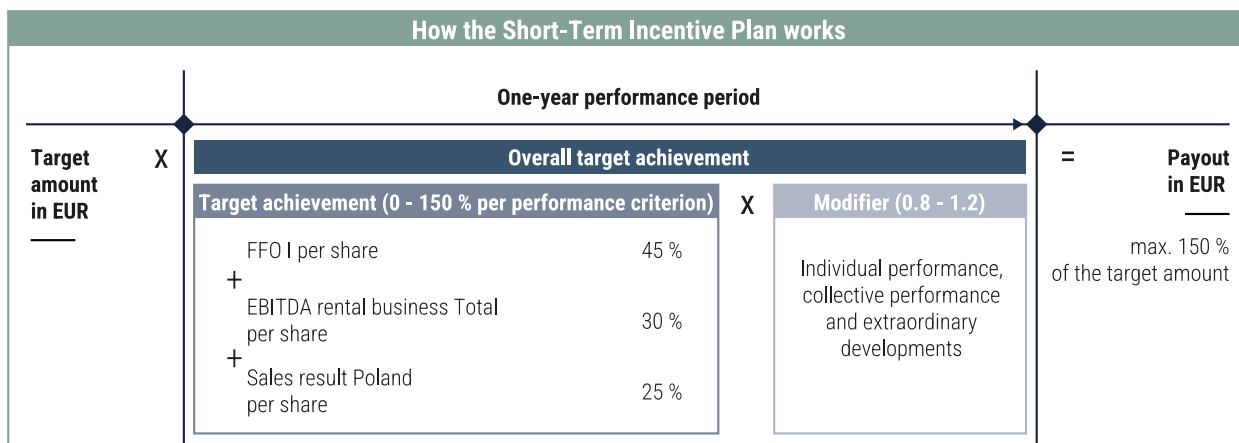
	Performance criterion	Definition of	Strategy reference
STIP	FFO I per share	Calculated from the consolidated net income, adjusted for non-cash components such as valuation results, depreciation and amortisation, impairments (without an adjustment for impairments on rent receivables), non-cash interest expenses and without non-recurring special effects and after deduction of actual income taxes. FFO I calculated according to these criteria is divided by the weighted number of shares during the financial year.	FFO I is a material performance indicator in the property industry and for TAG, and incentivises a strengthening of cash flow in the operation business.
	EBITDA rental business Total per share	Determines the earnings in the rental business before interest, taxes, depreciation and amortisation of property, plant and equipment and intangible assets. The total EBITDA rental business calculated according to these criteria is divided by the weighted number of shares during the financial year.	EBITDA serves TAG as a material operation earnings indicator and incentivises profitability in the rental business.
	Earnings per share in Poland	Reflects the profitability of the sales business in Poland. The sales result for Poland is divided by the weighted number of shares during the financial year.	Sales result Poland promotes the expansion and focus on the profitability of the sales business in Poland.
LTIP	Absolute Total Shareholder Return (via virtual shares)	Reflects the development of TAG's share price during the performance period, supplemented by the gross dividends per share distributed and notionally reinvested during this period.	Aligning the interests of the Management Board and shareholders and incentivising an increase in company value.
	Relative TSR	Measured as the difference in percentage points between the total shareholder return of TAG and the FTSE EPRA/NAREIT Developed Europe Index during the performance period.	Incentivises long-term outperformance of relevant competitors on the capital market.
	NTA per share	Reflects the value of the tangible property assets. The calculation of the NTA per share is based on the derivation of the NTA in accordance with EPRA's Best Practice Recommendations. The NTA calculated in accordance with these guidelines is divided by the number of shares on the reporting date.	Promotes long-term growth in property assets as a material metric for Group management.
	ESG Targets	Corresponds to an environmental, social or governance targets derived from the materiality assessment.	Focuses on harmonising economic, ecological and social interests and promoting the implementation of sustainable corporate development.

Short-Term Incentive Plan (STIP)

In line with the remuneration system presented and approved at the Annual General Meeting on 16 May 2025, the STIP is designed as a target bonus system and incentivises the implementation of operational targets whose achievement is essential for the long-term development of TAG. The achievement of STIP targets is measured on the basis of three financial performance criteria:

- FFO I per share (45% weighting)
- Adjusted EBITDA from rentals per share (30% weighting)
- Adjusted sales result in Poland per share (25% weighting).

The STIP payout amount is calculated by multiplying an individually agreed target amount by the weighted total target achievement of the performance criteria and a modifier in a range of 0.8 to 1.2. The STIP is paid out in cash at the end of each financial year and can range from 0% to 150% of the individual target amount.



Financial performance criteria in the STIP for the 2025 financial year

The following overview shows the minimum value to be achieved for remuneration (threshold/minimum value), the target value and the maximum value above which remuneration does not increase further for the respective metrics:

Metric	Weight (%)	Min	Target	Max
FFO I per share	45	0.89 €	0.99 €	1.04 €
EBITDA rental business total per share	30	1.24 €	1.38 €	1.45 €
Adjusted net income from sales Poland per share	25	0.28 €	0.36 €	0.38 €

The target values are derived from the capital market forecast published for the 2025 financial year. The minimum values are 10% below this forecast, while the maximum values are 5% above it. If the target is achieved between these values, linear interpolation is used.

Individual targets

In order to further promote the successful implementation of the corporate strategy and to differentiate the performance of individual members of the Management Board, the Supervisory Board may set individual targets for each member of the Management Board or collective targets for the entire Management Board at the beginning of each financial year. These targets may be of a financial or non-financial nature. The Supervisory Board ensures that the targets are clearly measurable, ambitious and derived from the corporate strategy. In addition, exceptional developments may be taken into account as part of the modifier. Generally unfavourable market developments do not constitute exceptional developments in this sense.



At the end of the financial year, the Supervisory Board evaluates the achievement of targets for each member of the Management Board and sets a factor in the range of 0.8 to 1.2. Taking these targets into account via a multiplicative factor ensures that the payout amount from the STIP is primarily based on the achievement of the three financial performance criteria. If the weighted overall target achievement of the three financial performance criteria is 0%, the payout is also zero euro. The modifier can only reduce or increase the payout by a maximum of 20%. If no targets are set for a financial year, the modifier is 1.0.

The following collective target was set for the entire Management Board for the 2025 financial year:

- “Further establish TAG as a socially responsible landlord in Germany that combines affordable housing with the generation of returns

In assessing the achievement of objectives, the Supervisory Board considered, among other things, the awards received in the past financial year for TAG's social and community commitment, took into account ongoing and newly launched social and community activities, and assessed the public perception of TAG. It also considered the financial targets achieved in the German rental business (e.g. like-for-like rental growth, vacancy rates in the residential portfolio and adjusted EBITDA from rentals). As a result, the Supervisory Board considered the collective target to have been exceeded, as TAG not only established numerous new social and community commitments and received awards in the 2025 financial year, but also exceeded the financial targets in the German rental business almost across the board. The modifier was subsequently set at a uniform 1.2 for Claudia Hoyer and Martin Thiel.

Target achievement for the 2025 financial year in the STIP

On this basis, the following target achievements and payout amounts for the STIP resulted for the past financial year:

Metric	Actual	Target achievement	Remuneration (in TEUR)
FFO I per share	EUR 1.00	101%	149
EBITDA rental business total per share	EUR 1.37	99%	83
Adjusted sales result Poland per share	EUR 0.38	105%	113
Modifier	1.2		69
Total			413

Long-Term Incentive Plan (LTIP)

In the 2025 financial year, allocations were made for the first time in accordance with the remuneration system presented and approved at the Annual General Meeting on 16 May 2025. In addition, the performance period for the 2022–2025 LTIP tranche, which is still based on the remuneration system presented and approved at the Annual General Meeting on 11 May 2021, ended in the 2025 financial year.



LTIP tranches from 1 January 2025

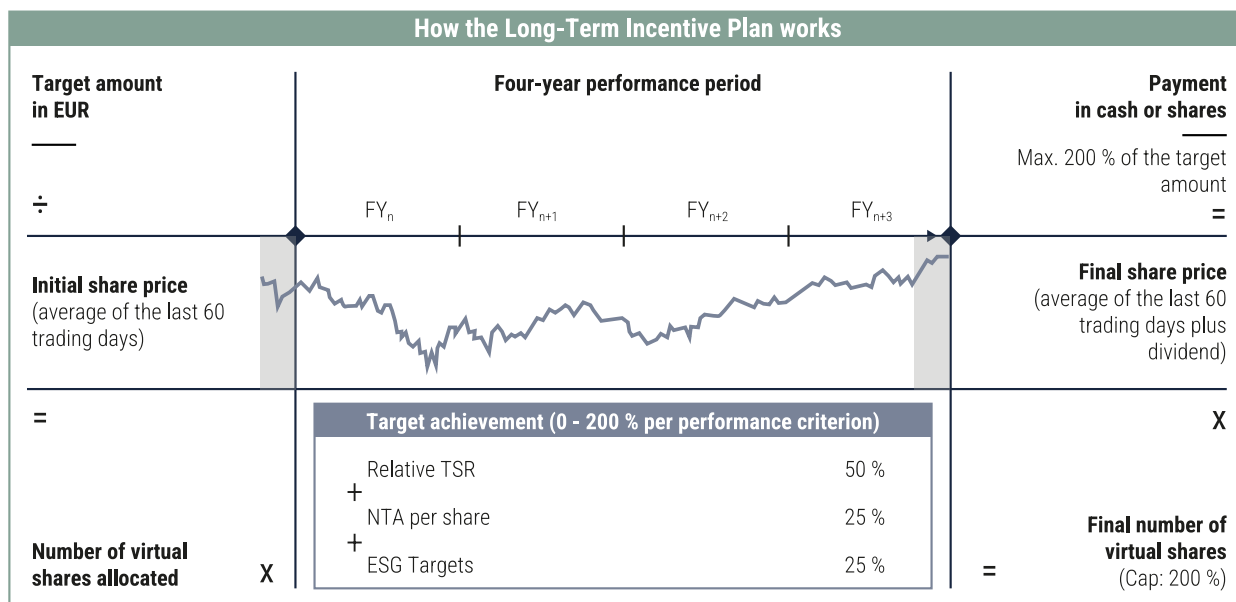
Since the 2025 financial year, the LTIP has been structured as a virtual performance share plan with a four-year performance period. The LTIP is allocated in annual tranches. To determine the provisionally allocated number of virtual shares, an individually agreed target amount is divided by the initial share price. The initial share price is calculated based on the average closing price of TAG shares on the last 60 trading days prior to the start of the performance period.

At the end of the four-year performance period, the achievement of the performance criteria

- relative total shareholder return (50% weighting),
- EPRA net tangible assets per share (25% weighting) and
- ESG targets (25% weighting)

will be determined. The target achievement for each performance criterion can range from 0% to 200%. The final number of virtual shares is calculated by multiplying the provisionally allocated number of virtual shares by the weighted total target achievement.

Payment is made at the end of the four-year performance period by multiplying the final number of virtual shares by the closing share price. The final share price is the average closing price of the TAG share on the last 60 trading days before the end of the performance period. This is increased by the dividends paid during the performance period in order to reflect the functioning of real shares and to make the members of the Management Board dividend-neutral. There is no guaranteed or early payment of dividends.





Based on a target remuneration for the LTIP of EUR 400,000 p.a. and an initial price of the TAG share of EUR 15.35 (average closing price of TAG shares on the last 60 trading days prior to 1 January 2025), a preliminary allocation of 26,058 virtual TAG shares per Management Boardmember was determined for the 2025 financial year.

Payment from the LTIP will be made entirely in shares until the Management Board members hold at least 200% of their gross basic remuneration in TAG shares (see Share Ownership Guidelines). Thereafter, the LTIP will be paid out in cash. As with the previous remuneration system, each member of the Management Board may request payment of the LTIP remuneration in cash up to the amount of the personal tax burden resulting from the share allocation. In this case, TAG has the right to offset the Management Board member's payment obligation arising from the payment of taxes directly against this cash payment claim.

Relative total shareholder return (TSR)

The relative TSR is measured based on the difference in percentage points between TAG's TSR and the TSR of the FTSE EPRA/NAREIT Developed Europe Index. The FTSE EPRA/NAREIT Developed Europe Index includes the largest European real estate companies and thus TAG's most relevant competitors, making it a suitable peer group.

- If TAG's TSR corresponds exactly to that of the peer group (equal performance), the target achievement is 100%.
- If TAG's TSR is 20 percentage points or more below the TSR of the peer group, the target achievement is 0%.
- If TAG's TSR is 20 percentage points or more above the TSR of the peer group, this results in a target achievement of 200% (cap).

Target achievements between these points are determined by linear interpolation.

EPRA Net Tangible Assets (EPRA NTA) per share

The range of possible target achievement for EPRA NTA per share is between 0% and 200%. To this end, the Supervisory Board sets a target value and minimum and maximum values (together the target achievement curve) for each four-year performance period based on the capital market forecast and medium- to long-term planning. If the EPRA NTA per share exactly reaches the specified target value, this corresponds to a target achievement of 100%. If the actual value achieved is at or below the minimum value, the target achievement is 0%. If the maximum value is reached or exceeded, this corresponds to a target achievement of 200% (cap). Between the above values, the target achievement is interpolated linearly.

For the LTIP tranche 2025–2028, which runs from 1 January 2025, these values for EPRA NTA per share have been set as follows:

- Minimum value: 0% p.a. average growth
- Target value: 2.5% p.a. average growth
- Maximum value: 5% p.a. average growth



ESG targets

Sustainability is a key aspect of our business decisions and is therefore an integral part of TAG's corporate strategy. The focus is on balancing economic, environmental and social interests and promoting sustainable corporate development.

The Supervisory Board sets measurable and quantifiable ESG targets at the beginning of each tranche. The ESG targets are derived from the corporate strategy and the sustainability targets that are essential for TAG. If several ESG targets are selected, the Supervisory Board also determines their relative weighting before the start of the performance period. The ESG targets come from one or more of the following categories:



The range of possible ESG target achievement is between 0% and 200%. At the beginning of each performance period, the Supervisory Board defines a target value as well as minimum and maximum values for each ESG target. If the ESG target is achieved exactly, this corresponds to 100% target achievement. If the actual value achieved is at or below the minimum value, the target achievement is 0%. If the maximum value is reached or exceeded, this corresponds to a target achievement of 200% (cap). Between the values, the target achievement is interpolated linearly.



For the LTIP tranche 2025–2028, which runs from 1 January 2025, the following non-financial targets (ESG targets) have been set, which were also included in previous LTIP tranches of the remuneration system valid until 1 January 2025:

Metric	Weight (%)	Min	Target	Max
CO ₂ emissions per square metre in the German property portfolio at the end of the performance period	40	28.2 kg p.a.	25.6 kg p.a.	23.0 kg p.a.
Tenant satisfaction rated as 'very satisfied' or 'satisfied' on average during the performance period	40	63%	70%	77%
Funding for social projects provided by the TAG Miteinander Foundation, on average per annum during the performance period	20	TEUR 135	TEUR 150	TEUR 165

The target values were determined by the Supervisory Board on the basis of TAG's corporate strategy and sustainability goals. The minimum values are 10% below these values, while the maximum values are 10% above them. If the target is achieved between these values, linear interpolation is applied.

These ESG targets were selected by the Supervisory Board because they play an important role in connection with TAG's strategic sustainability targets. The decarbonisation of the German portfolio, which comprises the majority of TAG's real estate assets, is one of the most important challenges in the environmental ("E") area. High tenant satisfaction and continuous community engagement through social projects in the regions managed by TAG are key components in the social ("S") area.

LTIP tranches that commenced before 1 January 2025

LTIP tranches that commenced before the new remuneration system came into effect, i.e. before 1 January 2025, will continue to be governed by the provisions of the previous remuneration system, which was approved at the Annual General Meeting on 11 May 2021. This applies to the four-year performance periods ending on 31 December 2025, 2026 and 2027.

For the **LTIP tranche 2022–2025** ending on 31 December 2025, only the total shareholder return (TSR, sum of share price increase and dividends paid during the four-year performance period) was relevant. This TSR performance (100% weighting) was measured according to:

- the absolute TSR performance of the TAG share and
- the relative TSR performance (performance of the TAG share in relation to the performance of a selected group of competitors (peer group) during this period)

The basis for measuring share price performance is the volume-weighted average price (VWAP) of TAG shares or the shares of the peer group over a period of two months prior to the reporting date of the financial year at the beginning and end of the performance period. The target TSR was set at 40% for the four-year performance period (i.e. approx. 10% target TSR on an annual basis) and results in the following remuneration:



- If the actual TSR corresponds to the target TSR, the LTIP remuneration is equal to the target remuneration for the LTIP.
- If the actual TSR is above or below the target TSR, the amount is interpolated.
- If the actual TSR is negative, no LTIP remuneration is paid.

The actual TSR is compared with the peer group's result and, if the actual TSR is at least 2% better or worse, this is taken into account by means of bonuses or deductions:

- If the actual TSR is better than the peer group's performance, a bonus of 25% is applied.
- If performance is worse than the peer group's, a deduction of 25% is applied.

The peer group consists of listed real estate companies that hold a significant share of residential properties in Germany. The peer group currently includes the following companies: Vonovia SE, Deutsche Wohnen SE, LEG Immobilien SE, Grand City Properties S.A. and Adler Group S.A. The companies listed are weighted equally.

Target achievement for the LTIP tranche 2022–2025 ending on 31 December 2025

For the LTIP tranche 2022–2025, the absolute TSR of the TAG share was calculated at -40%. Against this background, it was not necessary to measure the relative TSR, as no remuneration is paid if the absolute TSR is negative, regardless of the TSR performance of the peer group.



Remuneration of the Management Board in the reporting year

The remuneration granted and owed in the past financial year is shown in the table below. The total remuneration for both members of the Management Board amounts to TEUR 1,824 (previous year: TEUR 1,136) and is composed as follows:

in TEUR	Claudia Hoyer COO, Co-CEO		Martin Thiel CFO, Co-CEO	
	2024 (Act.)	2025 (Act.)	2024 (Act.)	2025 (Act.)
Fixed remuneration components				
Fixed remuneration	480	480	480	480
Ancillary benefits	15	15	7	7
Total	495	495	487	487
One-year variable remuneration (STIP)	77	413	77	413
One-year variable remuneration (STIP) - previous year	0	8	0	8
Multi-year variable remuneration (LTIP) - previous remuneration scheme	0	0	0	0
Multi-year variable remuneration (LTIP) - new remuneration scheme	0	0	0	0
Total	77	421	77	421
Utility expenses	0	0	0	0
Total remuneration	572	916	564	908
Share of fixed remuneration	87%	54%	86%	54%
Share of variable remuneration	13%	46%	14%	46%
Number of shares	0	0	0	0

The STIP remuneration of TEUR 8 per Management Board member, which was granted in the 2025 financial year for the previous year, results from the achievement of individual targets for Management Board members for the 2024 financial year, which was only determined at the Supervisory Board meeting to approve the balance sheet, which took place after the remuneration report for the 2024 financial year had been prepared. This led to a 10% modification of the STIP remuneration from the original TEUR 77, i.e. by TEUR 8. The individual targets for the 2024 financial year related to the implementation of a personnel development system for TAG employees and the refinancing of completed rental portfolios in Poland. These targets were considered to have been exceeded.

In the consolidated income statement, an amount of TEUR 5 (previous year: TEUR 0) per Management Board member was recognised in the past financial year for the fair value of a possible remuneration from the LTIP from the previous remuneration system, which is determined at the beginning of each financial year and is then no longer adjusted to the actual value at the end of the year. For the LTIP in the new remuneration system, a provision of TEUR 254 (previous year: TEUR 0) per member of the Management Board was recognised based on the valuation by an external expert on the reporting date.

As in the previous year, the maximum remuneration pursuant to Section 87a of the German Stock Corporation Act (AktG) was complied with in the past financial year.



Other remuneration and additional provisions

Fringe benefits

Some members of the Management Board use a company car, which is taxed as a benefit in kind. In addition, the members of the Management Board receive other benefits, some of which are classified as benefits in kind and taxed accordingly. These include, in particular, subsidies for private health and pension insurance, accident and liability insurance, the private use of communication devices and expense allowances for business trips.

Pensions

The contracts with the members of the Management Board do not provide for any pension entitlements. One member of the Management Board still has pension entitlements from before joining TAG. Although these are vested, they do not give rise to any new entitlements since then.

Entitlements upon termination of employment

In accordance with recommendation G.13 of the German Corporate Governance Code, in the event of premature termination of the service contract, any payments may not exceed the value of two years' remuneration (basic remuneration, STIP and LTIP) and may not exceed the value for the remaining term of the service contract (severance payment cap).

Outstanding payments from the STIP and LTIP should be made in accordance with recommendation G.12 DCGK according to the originally agreed dates and performance conditions. There should be no early settlement or payment. An exception to this should apply in accordance with the reasoning behind recommendation G.12 DCGK in cases of permanent incapacity to work or the death of the Management Board member.

In the event of a change of control (i.e. acquisition of at least 30% of the voting rights in the company by a third party, merger/transfer of the Company's significant assets to third parties or conclusion of a control and/or profit transfer agreement by the Company as a dependent company with a third party), the members of the Management Board shall have the right to terminate their service contract with up to three months' notice (special right of termination).

If this special right of termination is exercised, the Company shall pay a gross severance payment due at the time of departure in the amount of a gross basic remuneration (fixed remuneration), provided that the service contract still has a term of at least 24 months at the time of departure. If the term is shorter at the time of termination of the Management Board contract, the Management Board contracts contain provisions that either provide for a gross severance payment in the amount that would be due as gross basic remuneration for the remaining term or a gross severance payment that is reduced pro rata temporis in relation to full gross basic remuneration over the last 24 months.

Post-contractual non-competition clause

There is currently no post-contractual non-competition clause in the service contracts. However, it may be agreed in individual cases. In the event of a post-contractual non-competition clause, the severance payment shall be offset against the compensation for non-competition in accordance with Recommendation G.13.

**Mandate remuneration**

Members of the Management Board do not receive any additional remuneration for simultaneously holding a Management Board or Supervisory Board mandate in management or supervisory board positions in other Group companies. Secondary activities outside the Group are generally subject to approval. In this case, the Supervisory Board decides whether and to what extent remuneration is to be offset.

Shareholding obligation and possible dilution of shareholders

Each member of the Management Board is generally obliged to hold TAG shares with a market value of at least two gross annual salaries of the fixed remuneration during the term of their appointment to the Management Board.

If the market value of TAG shares during the term of appointment to the Management Board is less than two gross annual salaries of the fixed remuneration, the Management Board member is not obliged to acquire further TAG shares outside the variable Management Board remuneration as long as the market value of the TAG shares held by the Management Board member reaches at least one gross annual salary of the fixed remuneration. In this case, the LTIP will be paid out in full in TAG shares until the members of the Management Board hold shares with a market value of at least two gross annual salaries of the fixed remuneration.

The TAG shares earned under the LTIP are fulfilled by the delivery of own TAG shares previously acquired on the market. In this respect, there is no risk of dilution for shareholders from the remuneration of the Management Board.

Receivables and liabilities to members of the Management Board and Supervisory Board

As in the previous year, there were no receivables and liabilities to members of the Management Board and Supervisory Board or to companies closely associated with them as at the balance sheet date. No loans were granted to or taken out by these bodies during the year either.

Reclaiming variable remuneration in the event of negative performance (“clawback” and “malus”)

In the event of objectively ascertainable, serious, grossly negligent or intentional violations of laws or internal compliance regulations in a financial year for which individual members of the Management Board or the entire Management Board are responsible, they must repay or transfer back the variable remuneration (cash remuneration or shares allocated under the LTIP) for the year in which the violations were committed in full or in part.

If errors are subsequently discovered in the IFRS consolidated financial statements of TAG approved by the Supervisory Board which formed the basis for the calculation of the variable remuneration or which affected the underlying key figures, the obligation to repay or retransfer the variable remuneration in full or in part shall also apply to the year or years in which the consolidated financial statements were prepared incorrectly. In such cases, the fault of the Management Board members shall not be relevant.

The obligation to repay also applies if the office or employment relationship with the Management Board has already ended at the time the repayment claim is asserted. Claims after termination of employment expire 14 months after leaving the Management Board.



Comparative presentation in accordance with Section 162 (1) sentence 2 no. 2 AktG

For the comparative presentation, all operational and central areas of TAG Immobilien AG were included in the calculation of average employee remuneration. All active employees (excluding apprentices) were taken into account as the basis for the average FTEs (full-time equivalents). Craftsmen and caretakers are employed exclusively in the service companies and are therefore not included in the comparative presentation of TAG Immobilien AG's earnings development.

The remuneration granted and owed in the respective financial year was used to calculate the remuneration of the Management Board members.

	2025	2024	2023	2022	2021
Earnings performance					
Net income TAG AG in TEUR	26,229	129,818	80,461	-525	104,597
<i>relative change in %</i>	-79.80%	61.34%	>100%	>100%	199.62%
<i>FFO I per share: relative change in %</i>	0.20%	2.04%	-17.95%	-3.87%	5.08%
<i>NTA per share: relative change in %</i>	9.57%	4.59%	-11.73%	-19.57%	17.49%
Average employee remuneration					
<i>relative change in %</i>	6.35%	3.24%	6.67%	6.41%	2.38%
Management Board remuneration					
Claudia Hoyer <i>relative change in %</i>	75.14%	8.96%	-51.66%	-40.25%	119.26%
Martin Thiel <i>relative change in %</i>	76.31%	9.11%	-52.08%	-40.45%	120.53%
Advisory Board remuneration					
Olaf Borkers, Chairman (since May 2023) <i>relative change in %</i>	0.00%	59.09%	-	-	-
Eckhard Schultz, Deputy Chairman (since Oct 2023) <i>relative change in %</i>	9.76%	668.75%	-	-	-
Gabriela Gryger (since May 2024) <i>relative change in %</i>	70.83%	-	-	-	-
Beate Schulz (since September 2023) <i>relative change in %</i>	25.00%	540.00%	-	-	-
Björn Eifler (since September 2023) <i>relative change in %</i>	25.00%	540.00%	-	-	-
Prof. Dr. Kristin Wellner (since May 2018) <i>relative change in %</i>	25.00%	53.85%	4.00%	0.00%	-



CONSOLIDATED BALANCE SHEET

Assets TEUR	Notes	12/31/2025	12/31/2024
Non-current assets			
Investment properties	(1)	6,254,702	5,834,364
Intangible assets	(2)	293,394	289,696
Property, plant and equipment	(3)	48,355	40,619
Rights of use assets	(4)	15,832	16,896
Other financial assets	(5)	36,498	42,897
Companies accounted for at equity	(5)	23,982	20,544
Derivative financial instruments	(13)	158	0
Deferred taxes	(6)	28,421	24,840
		6,701,340	6,269,855
Current assets			
Property held as inventory	(7)	713,835	611,315
Other inventories	(7)	759	112
Trade receivables	(8)	31,722	35,389
Income tax receivables	(6)	36,240	28,130
Derivative financial instruments	(13)	0	539
Other current assets	(9)	268,058	143,502
Cash and cash equivalents	(10)	1,197,900	603,459
		2,248,514	1,422,447
Non-current assets held for sale	(11)	1,388	57,952
		8,951,243	7,750,254



Equity and liabilities TEUR	Notes	12/31/2025	12/31/2024
Equity	(12)		
Subscribed capital		188,976	175,405
Share premium		877,832	682,091
Other reserves		83,551	73,503
Retained earnings		2,111,794	2,088,577
Attributable to the equity holders of the parent company		3,262,153	3,019,577
Attributable to non-controlling interests		59,892	80,277
		3,322,045	3,099,853
Non-current liabilities			
Liabilities to banks	(13)	1,935,884	1,973,814
Liabilities from corporate bonds and other loans	(13)	1,003,032	692,273
Derivative financial instruments	(13)	6,771	10,181
Retirement benefit provisions	(14)	3,458	4,112
Other non-current liabilities	(13)	80,132	49,741
Deferred taxes	(6)	878,378	564,414
		3,907,655	3,294,535
Current liabilities			
Liabilities to banks	(13)	376,696	384,489
Liabilities from corporate bonds and other loans	(13)	113,592	201,531
Liabilities from convertible bonds	(13)	854,537	466,298
Derivative financial instruments	(13)	60,690	2,023
Income tax liabilities	(6)	17,648	17,298
Other provisions	(15)	53,703	45,670
Trade payables	(16)	73,915	59,636
Other current liabilities	(17)	170,762	178,920
		1,721,543	1,355,866
		8,951,243	7,750,254

CONSOLIDATED INCOME STATEMENT

in TEUR	Notes	2025	2024
Rental income		489,134	473,015
Impairment losses		-5,762	-4,824
Rental expense		-180,347	-181,607
Net rental income	(18)	303,025	286,585
Revenues from the sale of real estate		349,103	497,430
Expenses on the sale of real estate		-275,631	-430,249
Sales result	(19)	73,472	67,180
Revenue from services		129,231	112,539
Impairment losses		-1,088	-865
Expenses from services		-84,947	-65,458
Services result	(20)	43,197	46,216
Other operating income	(21)	25,164	17,339
Fair value changes in investment properties and valuation of properties held as inventory	(22)	183,297	-114,585
Personnel expense	(23)	-101,531	-91,369
Depreciation/amortisation	(2,3)	-13,982	-12,737
Other operating expense	(24)	-36,075	-33,318
EBIT		476,567	165,311
Other financial result	(25)	8,503	3,327
Income from companies accounted for at equity	(25)	13,915	1,642
Interest income	(25)	32,233	17,284
Interest expense	(25)	-103,109	-72,561
EBT		428,110	115,002
Income taxes	(6)	-337,843	7,081
Consolidated net income		90,267	122,083
attributable to non-controlling interests	(12)	-3,112	960
attributable to equity holders of the parent company		93,379	121,123
Earnings per share (in EUR)	(26)		
Basic earnings per share		0.52	0.69
Diluted earnings per share		0.51	0.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	Notes	2025	2024
Net income as shown in the income statement		90,267	122,083
Other comprehensive income:			
Items that will later be classified as expense:			
Currency conversion differences of foreign subsidiaries	(13)	11,087	14,684
Change in hedge reserve		0	-249
Deferred taxes	(6)	-1,017	4
Other comprehensive income		10,070	14,439
Total comprehensive income		100,337	136,523
attributable to equity holders of the parent company		103,426	135,570
attributable to non-controlling interests		-3,089	952

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	Notes	2025	2024
Consolidated net income		90,267	122,083
Net interest income / expense through profit and loss	(25)	70,876	55,277
Current income taxes through profit and loss	(6)	26,268	36,286
Depreciation	(2, 3, 4)	13,982	12,737
Other financial Income	(25)	-8,503	-3,327
Cashflow from companies accounted for at equity	(25)	-13,915	-1,642
Fair value changes in investment properties and valuation of properties held as inventory	(22)	-183,297	114,585
Gains / losses from the disposal of investment properties	(1, 19)	469	578
Gains from the disposal of tangible and intangible assets		-723	10
Impairments accounts receivables	(18, 20)	6,850	5,689
Changes to deferred taxes	(6)	311,575	-43,367
Changes in provisions	(14, 15)	7,379	-21,287
Interest received		31,272	16,669
Interest paid		-70,259	-60,087
Income tax payments and refunds		-34,230	-50,307
Changes in receivables and other assets		-16,945	44,049
Changes in payables and other liabilities		32	-85,922
Cash flow from operating activities		231,097	142,026
Payments received from the disposal of investment properties (less selling costs)	(1, 19)	62,432	133,215
Payments made for the purchase of subsidiaries		-192	0
Payments made for investments in investment properties	(1)	-257,728	-206,924
Payments received from other financial assets	(5)	2,178	666
Payments received from the disposal of intangible assets and property, plant and equipment	(2, 3)	1,696	589
Payments made for investments in intangible assets and property, plant and equipment	(2, 3)	-17,668	-11,540
Payments for investments in short-term deposits	(9)	-150,000	0
Cash flow from investing activities		-359,282	-83,994
Purchase of treasury shares	(13)	0	-1,514
Proceeds from the issuance of treasury shares	(12)	183,889	352
Payments made for the repayment of corporate bonds and other loans	(13)	-201,035	-185,512
Proceeds from the issuance of corporate bonds and other loans	(13)	429,593	542,769
Proceeds from the issuance of convertible bonds	(13)	430,075	0
Dividends paid	(12)	-54,797	0
Payments made for the purchase of minority interests	(14)	-9,281	0
Distribution to minority investors	(13)	-1,038	-1,090
Proceeds from new bank loans	(13)	550,099	383,465
Repayment of bank loans	(13)	-598,313	-316,474
Repayment of lease liabilities	(13)	-6,259	-7,913
Cash flow from financing activities		722,933	414,083
Net change in cash and cash equivalents		594,748	472,115
Cash and cash equivalents at the beginning of the period		600,883	127,398
Foreign currency exchange effects		1,120	1,370
Cash and cash equivalents at the end of the period		1,196,751	600,883

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

in TEUR	Attributable to owners of the parent							Non-control- ling interest	Total equity
	Other reserves						Total		
	Sub- scribed Capital	Share premium	Retained earnings	Foreign currency trans- lation	Hedge reserve	Retained earnings			
Amount on 01/01/2025	175,405	682,091	1,035	72,468	0	2,088,577	3,019,576	80,277	3,099,853
Consolidated net income	0	0	0	0	0	93,379	93,379	-3,112	90,267
Change during the period	0	0	0	23,961	0	0	23,961	23	23,984
Reclassification in profit and loss	0	0	0	-13,914	0	0	-13,914	0	-13,914
Other comprehensive income	0	0	0	10,047	0	0	10,047	23	10,070
Comprehensive income	0	0	0	10,047	0	93,379	103,426	-3,089	100,337
Issue of new shares	13,546	185,328	0	0	0	0	198,874	0	198,874
Issue of treasury shares	26	354	0	0	0	0	380	0	380
Dividends paid	0	0	0	0	0	-70.162	-70,162	-398	-70,560
Equity-based remuneration	0	9	0	0	0	0	9	0	9
Change in non-controlling interest	0	10,050	0	0	0	0	10,050	-16,898	-6,848
Amount on 12/31/2025	188,976	877,832	1,035	82,515	0	2,111,793	3,262,152	59,892	3,322,045
Amount on 01/01/2024	175,483	683,175	1,035	57,821	200	1,967,456	2,885,168	79,325	2,964,493
Consolidated net income	0	0	0	0	0	121,123	121,123	960	122,083
Change during the period	0	0	0	19,418	753	0	20,171	-8	20,163
Reclassification in profit and loss	0	0	0	-4,771	-952	0	-5,723	0	-5,723
Other comprehensive income	0	0	0	14,647	-200	0	14,447	-8	14,439
Comprehensive income	0	0	0	14,647	-200	121,123	135,570	952	136,523
Issue of treasury shares	21	331	0	0	0	0	352	0	352
Change during the period	-100	-1,414	0	0	0	0	-1,514	0	-1,514
Amount on 12/31/2024	175,405	682,091	1,035	72,468	0	2,088,577	3,019,576	80,277	3,099,853



NOTES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of TAG, Hamburg, as at 31 December 2025 were prepared in accordance with the provisions of the IFRS® Accounting Standards, hereinafter referred to as IFRS, as they are mandatory in the EU. In addition, the commercial law provisions of Section 315e (1) of the German Commercial Code (HGB) were observed. These financial statements are based on the going concern assumption.

TAG Immobilien AG is a property company focused on the residential property sector. It essentially acts as the holding company of the integrated Group and, together with its employees, performs all material central functions. The properties of TAG Immobilien AG and its subsidiaries (hereinafter also referred to as "TAG" or "Group") are spread across various regions in Northern and Eastern Germany and North Rhine-Westphalia and, since the 2020 financial year, also in Poland. As at 31 December 2025, TAG manages a total of around 83,500 (previous year: around 83,600) residential units in Germany. In Poland, TAG has 3,526 (31 December 2024: around 3,200) completed residential units in its rental business as at the reporting date. A further 1,327 (31 December 2024: c. 1,100) rental residential units are under construction. In addition, there is a land reserve for the future construction of c. 5,400 (31 December 2024: c. 6,100) additional residential units. In the sales business, which also includes joint ventures, around 6,000 residential units are under construction as of the reporting date (31 December 2024: around 3,400 residential units). The land reserve in this business segment comprises a further c. 18,800 (31 December 2024: c. 22,000) future residential units.



The company is registered at the Hamburg District Court under HRB 106718 and has its registered office at Steckelhörn 5, 20457 Hamburg, Germany.

The financial years of the parent company and the consolidated subsidiaries correspond to the calendar year. The annual financial statements of the consolidated subsidiaries are based on consistency in accounting and valuation methods in accordance with the applicable IFRS. The consolidated financial statements are prepared in EUR, the functional currency of the parent company. Unless otherwise stated, amounts are expressed in thousands of EUR (TEUR). The use of TEUR may result in rounding differences.

The consolidated income statement is prepared using the total cost method. EBIT is defined as earnings before income taxes, interest and other financial results. EBT is defined as earnings before income taxes.

The consolidated financial statements and the combined management report of TAG were prepared by the Management Board on 17 March 2026 and, subject to approval by the Supervisory Board, released for publication.

SCOPE AND PRINCIPLES OF CONSOLIDATION

As at 31 December 2025, a total of 183 (previous year: 182) companies will be included in the consolidated financial statements by way of full consolidation. During the reporting period, TAG signed a new joint venture agreement with a financial investor to realise new residential construction projects in Warsaw.

The composition of the fully consolidated companies has also changed compared with the previous year due to an increase in shares in a joint venture. The increase does not constitute a business combination in accordance with IFRS 3. Only the assets and liabilities were transferred as part of the initial consolidation.

The list of shareholdings is presented as in the appendix and forms an integral part of the notes to the consolidated financial statements. Companies that make use of the exemption provisions pursuant to Section 264 (3) of the German Commercial Code (HGB) or are exempt pursuant to Section 246b HGB are marked accordingly in the list of shareholdings.

The consolidated financial statements include the financial statements of the parent company and its controlled subsidiaries. Control exists in particular in the case of

- power of disposal over the subsidiaries,
- participation in fluctuating returns, and
- ability to influence returns due to power of disposal.

In addition to a majority of voting rights, control can also be achieved through the practical possibility of exerting significant influence on a company. The companies are included in the consolidated financial statements from the date on which TAG obtains control. They are deconsolidated on the date on which control ceases.



Business combinations within the meaning of IFRS 3 are accounted for using the acquisition method. Under this method, the acquisition costs of the business combination are allocated to the acquired, individually identifiable assets and liabilities as well as contingent liabilities in accordance with their fair values at the acquisition date. Any remaining positive difference between the acquisition cost plus non-controlling interests and the net assets is recognised as goodwill, while any negative difference is recognised in profit or loss. Incidental acquisition costs are recognised as expenses.

If shares in companies that were previously fully consolidated are acquired or sold (acquisition or sale of shares without a change in status), the differences between the purchase price and the book value of the net assets acquired or sold are recognised directly in the capital reserve in equity.

The acquisition of real estate companies that do not constitute business operations within the meaning of IFRS 3 is recognised as a direct purchase of real estate (asset deal). In this case, the acquisition costs of the real estate company are allocated to the individually identifiable assets and liabilities on the basis of their fair values. Accordingly, the acquisition of real estate companies does not result in goodwill.

Income and expenses as well as receivables and liabilities between fully consolidated companies are eliminated. Intercompany results from intra-Group deliveries and services that are not realised through the provision of services or sales to third parties are also eliminated.

Shares in consolidated equity and consolidated net income that are not attributable to TAG are reported in the consolidated balance sheet and consolidated income statement under the item "Non-controlling interests". Consolidation entries affecting profit or loss are also taken into account when calculating the consolidated net income attributable to non-controlling interests.

If a guaranteed dividend is agreed for a non-terminable minimum contract term, the present value of future payments is recognised as a liability and the non-controlling interests are reduced accordingly.

If minority shareholders are granted a right of tender in the context of a settlement offer, the claims are classified as a financial liability and the non-controlling interests are derecognised. If these options are not exercised during the exercise period, the liability is reclassified back to non-controlling interests in equity.

Associated companies and joint ventures are accounted for using the equity method. An associate is an entity over which the owner has significant influence. Joint ventures are joint arrangements in which the parties that exercise joint control over the arrangement have rights to the net assets of the arrangement. Joint control exists when decisions about the significant activities require the unanimous consent of the parties involved in joint control.



CURRENCY TRANSLATION

TAG applies the policy of functional currency translation in its consolidated financial statements. The functional currency of the parent company and the reporting currency in the consolidated financial statements is the euro.

The Polish subsidiaries included in the consolidated financial statements conduct their business independently using 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 resulting translation differences are recognised 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.

Foreign currency transactions of Group companies are translated into the functional currency using the current exchange rate on the date of the transaction in accordance with the time reference method. Monetary balance sheet items in foreign currencies are translated at the closing rate on the reporting date. Translation differences are recognised in profit or loss. Non-monetary items valued at historical cost are valued at the reporting date using the exchange rate at the time of initial recognition. Non-monetary items valued at fair value are translated at the reporting date using the exchange rate that was valid on the date the fair value was determined. Translation differences on non-monetary items are recognised in profit or loss if a gain or loss on the corresponding item is also recognised in profit or loss. Otherwise, they are recognised in other comprehensive income.

The exchange rates used by the Polish subsidiaries included in the consolidated financial statements for the 2025 financial year are as follows:

Currency rate (basis: 1 EUR)	Closing rate		Average rate	
	12/31/2025	12/31/2024	01/01 - 12/31/2025	01/01 - 12/31/2024
Polish zloty	4.2210	4.2750	4.2397	4.3058



NEW STANDARDS AND INTERPRETATIONS

First-time application of new standards in the financial year 2025

The following new accounting standards and interpretations were applied for the first time in the IFRS consolidated financial statements for the past financial year:

Standard	Content
Amendments to IAS 21	Lack of exchangeability

The amendments to IAS 21 clarify the assessment of whether a currency is not freely exchangeable at the transaction or measurement date. If there is no observable exchange rate, an economically sound, "observable" estimated exchange rate must be used. Exchangeability must be reviewed on an ongoing basis. In addition, the disclosure requirements have been expanded: companies must explain the currencies and restrictions affected, the methodology used and significant inputs to the estimate, the reasons for the lack of an observable rate and the material impact on the financial statements.

The amendments have no material impact on TAG's consolidated financial statements.

New standards not yet applied and amendments of existing standards

The following new or amended accounting standards issued by the IASB up to the date of these financial statements are to be applied only after the reporting date, subject to endorsement by the European Union, and have not been voluntarily applied early by the Company:

Standard	Content	Effective date
Endorsed by the EU		
Annual Improvements Volume 11 – IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Clarifications, simplifications, corrections and amendments that affect the consistency of the accounting standards	01/01/2026
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments / contracts referencing nature-dependent electricity	01/01/2026
EU endorsement pending		
IFRS 18	Presentation and disclosure in financial statements	01/01/2027
IFRS 19 and Amendments to IFRS 19	Subsidiaries without public accountability: disclosures	01/01/2027
Amendments to IAS 21	The effects of changes in foreign exchanges rates: translation to a hyperinflationary presentation currency	01/01/2027
Amendments to IFRS 10 and IAS 28	Amendments regarding transactions between an investor and its associate or joint venture	open



The Company does not plan to apply these new accounting standards early. The effects of standard amendments applicable at a later date (in particular IFRS 18) are currently being reviewed by the Company.

TAG expects that the initial application of IFRS 18 will have a material impact on the presentation of the consolidated income statement. In connection with the initial application of IFRS 18, it is also expected that the notes to the consolidated financial statements will be expanded to include disclosures on management-defined performance measures (MPMs). In addition to defining each MPM used (e.g. "adjusted EBITDA"), reconciliation statements from the MPMs to the interim profit totals of the consolidated income statement prescribed by IFRS 18 will be necessary in future.

RECOGNITION AND VALUATION PRINCIPLES

Principles

These financial statements are based on the going concern assumption. Most items are valued at amortised cost. Exceptions to this are investment properties, equity investments and non-current assets held for sale, as well as derivatives, which are valued at fair value.

Investment properties

TAG classifies properties on initial recognition according to their intended use as either investment properties (property held as a financial investment), inventory properties or owner-occupied properties under property, plant and equipment. Properties from operating leases with the Group as the lessee are classified and accounted for as investment properties.

Investment properties include those properties of the Group that are held to earn rental income and/or for capital appreciation and are not used for operational purposes or sold in the ordinary course of business. In addition to existing properties, this also includes undeveloped land and project developments. Properties sold in the ordinary course of business are reported under inventories, while owner-occupied properties are reported as property, plant and equipment.

With regard to investment properties that are classified as held for sale in subsequent years after initial recognition, reference is made to the explanations in the section "Non-current assets held for sale and related liabilities".

Investment properties are initially valued at acquisition or production cost, including incidental expenses. Borrowing costs incurred in connection with the acquisition or production of investment properties are capitalised if the relevant requirements are met. In subsequent valuations, investment properties are valued at their fair values, which reflect market conditions on the reporting date. Any gain or loss arising from the change in fair value is recognised in the profit and loss account. Subsequent costs for the extension, conversion or modernisation of the property are taken into account if they contribute to an increase in the fair value of the property.



Operating leases of land and buildings in the form of hereditary building rights, in which the Group acts as the lessee, are classified as financial investments and accounted for in the same way as finance leases. They are reported under investment properties with the addition of the leased liabilities recognised as liabilities.

Valuation reports for investment properties are prepared by external appraisers on 30 June and 31 December of each year.

Intangible assets and goodwill

Intangible assets acquired individually are valued at cost upon initial recognition. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date. After initial recognition, intangible assets are valued at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives, which are generally between three and eight years, and are tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least at the end of each financial year, and any resulting changes are treated as a change in estimate. There are no intangible assets with indefinite useful lives.

Impairment losses on intangible assets are recognised in profit or loss within depreciation and amortisation of intangible assets and property, plant and equipment.

Goodwill arises as the excess of the acquisition cost of the shares in an acquired company over the acquired net assets. Net assets represent the balance of the acquired identifiable assets valued at fair value in accordance with IFRS 3 and the assumed liabilities and contingent liabilities.

Goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination. The CGU is the lowest level at which goodwill is monitored for management purposes.

Goodwill is not amortised on a scheduled basis. An impairment test is performed at least once a year and additionally on an ad hoc basis if there are indications that the value of the goodwill may have decreased. No write-backs of amortisation made in previous periods are performed.



Goodwill is tested for impairment at the level of the CGU or group of cash-generating units to which the goodwill is allocated. For this purpose, the recoverable amount is compared with the book value of the CGU or group of CGUs. The recoverable amount is the higher of the value in use and the fair value less costs to sell. When calculating the value in use, the estimated future cash flows are discounted to their present value. Pre-tax discount rates are used that take into account the current market situation and the specific Risks of the respective business area.

At TAG, the lowest level within the Company at which goodwill is monitored for internal management purposes is the business activities in Poland for the rental business (Poland Rental CGUs) and for sales (Poland Sales CGUs). Impairment tests were carried out accordingly at the levels of Poland Rental CGUs and Poland Sales CGUs. If the book value of the assets attributable to the respective CGU exceeds the recoverable amount, goodwill is first written down by the amount of the difference. Any additional impairment loss is generally allocated to the other assets allocated to the CGU in proportion to their carrying amounts, whereby the respective fair value less costs to sell may not be undercut.

Property, plant and equipment

Property, plant and equipment is recognised at acquisition or production cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method based on estimated useful lives of generally three to 13 years (office furniture and equipment) and 30 to 50 years (real estate used by the Group). The depreciation methods and useful lives are reviewed at the end of each financial year and adjusted if necessary.

The book values of tangible assets are reviewed for impairment as soon as there are indications that the book value exceeds the realisable amount. In the case of real estate, impairment is determined on the basis of valuation reports from external experts, which are prepared using the discounted cash flow method. Impairments on tangible assets are recognised in the income statement under amortisation and depreciation of intangible and tangible assets.

Leases

Contractual arrangements transferring control over an identifiable asset (the leased item) for a certain period of time in return for a consideration are classified as leases.

TAG acts as a lessor in its rental business. The Group has classified these leases as operating leases. Significant risks and rewards incident to ownership of the real estate are not transferred, and the Group continues to recognise the real estate. This also applies to subleases classified as operating leases in the context of the rental business for real estate held under hereditary building rights. Rental income is recognised on a straight-line basis over the term of a lease.



As a lessee, TAG primarily has leases for business premises, vehicles, and operating and office equipment in which economic ownership remains with the lessor. For these leases, the rights to use the underlying assets are recognised in the balance sheet. At the same time, a corresponding lease liability is recognised in the amount of the present value of all relevant lease payments. The right of use is subsequently depreciated over the period of use, and impairments are taken into account if necessary. The liability is adjusted using the effective interest method.

For short-term leases with a term of less than twelve months, use is made of the practical expedients and the payments are recognised directly as an expense in the income statement. For room rental contracts and vehicle leasing contracts that include both leasing and non-leasing components, the option of suspension of these components is utilised. When determining the contract durations, extension or termination options are taken into account if their exercise or non-exercise is sufficiently certain.

Further information on leases can be found in the following sections:

- Section 1. Investment property
- Section 3. Property, plant and equipment
- Section 4. Rights of use
- Section 13. Financial liabilities
- Section 17. Other current liabilities
- Section 19. Sales revenue
- Section 24. Other operating expenses

Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed, jointly exercised control of an arrangement.

The results, assets and liabilities of joint ventures are included in these financial statements using the equity method. Under the equity method, interests in joint ventures are recognised in the consolidated balance sheet at cost, adjusted for changes in TAG's share of profit or loss and other comprehensive income of the joint venture.



Financial assets

a. Classification

Financial assets within the scope of IFRS 9 are classified by the business model in which the respective asset is held and the characteristics of their cash flows as

- measured at amortised cost (AmC),
- measured at fair value with changes in value in profit or loss (FVTPL: fair value through profit and loss)
- measured at fair value with changes in value in other comprehensive income (FVTOCI: fair value through other comprehensive income)

The Group determines the classification of its financial assets upon initial recognition. Reclassification is only permitted if there is a change in the business model.

Debt instruments held by TAG are valued at amortised cost if the Company intends to hold the instruments and realise the specified cash flows, which may only include interest and principal payments. At TAG, this applies to trade receivables, other current assets and cash and cash equivalents.

On initial recognition, the Group can irrevocably decide to designate financial assets that otherwise meet the conditions for measurement at amortised cost at FVTPL if this leads to the elimination or significant reduction of accounting mismatches that would otherwise occur. TAG has not exercised this option.

Equity instruments that are not held for trading are generally classified as FVTPL. Alternatively, at the time of initial recognition, there is a case-by-case, irrevocable option to designate these instruments as FVTOCI. In this case, cumulative changes in fair value remain permanently in equity and are not reclassified to the income statement. TAG has not exercised this option either. At TAG, this relates to minority interests in unlisted property companies and funds recognised as other financial assets for which there is no specific intention to sell. Changes in value, including dividends from these instruments, are also recognised in income from investments.

Derivative financial instruments are measured at FVTPL. The fair values are determined on the basis of established valuation models, taking into account observable market data. Changes in the fair value of these derivatives are recognised in the income statement.

**b. Initial recognition**

Trade receivables are recognised from the time they arise. All other financial assets and liabilities are initially recognised on the trade date when the Company becomes a party to the contractual provisions of the instrument.

The initial recognition of a financial asset is generally at fair value. If it is categorised as AmC or FVTOCI, transaction costs are also taken into account. By contrast, trade receivables without a significant financing component are initially recognised at their transaction price.

c. Derecognition

A financial asset is written off when the contractual rights to the cash flows from the financial asset no longer exist or when these rights, together with all material opportunities and risks, have been transferred.

d. Impairments

The Group recognises impairments for expected credit losses on financial assets measured at amortised cost.

The group generally measures these impairments at an amount equal to lifetime expected credit losses. However, impairments are measured at an amount equal to 12-month expected credit losses if credit risk has not increased significantly since initial recognition. Impairments of trade receivables always equal the expected credit loss over their respective term.

Lifetime expected credit losses are expected credit losses resulting from all possible default events during the expected life of the financial instrument. 12-month expected credit losses are the portion of expected credit losses resulting from default events possible within twelve months (or the shorter life of the instrument) after the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group takes into account reasonable and supportable information that is relevant and available without undue time or cost commitment. This includes both quantitative and qualitative information and analyses based on the Group's past experience and well-founded estimates, including forward-looking information.



Properties held as inventories and other inventories

Properties held in inventories include properties that are intended for sale in the ordinary course of business or in the context of a construction or development process for such a sale at the time of acquisition. If the intention to sell is abandoned and the conditions for investment properties are met, the properties are reclassified as investment properties.

Properties held in inventories and other inventories are valued at the lower of cost or net realisable value. The production costs include the costs directly attributable to the property development process. Borrowing costs incurred in connection with the acquisition or construction of land are capitalised if the conditions for this are met. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Income tax refund claims and liabilities as well as deferred income taxes

Tax refund claims and tax liabilities are valued at the amount expected to be refunded by or paid to the tax authorities.

Deferred taxes are recognised using the balance sheet liability method for all temporary differences between the carrying amount of an asset or liability in the balance sheet and the respective tax base as of the reporting date. An exception to this is goodwill arising from a business acquisition.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that these can be offset against future taxable income. Deferred tax assets and liabilities are netted against each other if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and these relate to income taxes levied by the same tax authority on the same taxable entity.

The valuation of actual and deferred tax assets or liabilities is carried out by applying the tax rates and tax laws that, according to the information available on the reporting date, will probably be valid in the period in which a claim is realised or a debt is repaid.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits with an original maturity of less than three months at the time of acquisition.



Non-current assets held for sale and related liabilities

Investment properties are classified as held for sale if TAG decides to sell the real estate concerned, if it can be sold immediately and if it is likely that the sale can be completed within a year from this point in time. As before, valuation is based on the fair value.

Other non-current assets or groups of assets to be sold are classified as held for sale if the associated book value is to be realised primarily by a sales transaction rather than by continued use, the asset is available for immediate sale and the sale is assumed to be highly probable. Valuation is at the lower of the previous book value and the fair value less selling costs.

If the assessment of the saleability of these assets changes at a later date, they are reclassified as non-current assets.

The non-current assets held for sale and the associated liabilities are shown separately in the balance sheet.

Differentiation of equity capital

Debt and equity instruments are classified as financial liabilities or equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the amount of issue proceeds collected, net of direct issue costs.

Issuing costs are costs that would not have been incurred if the equity instrument had not been issued. Such costs of an equity transaction (e.g. costs incurred in the context of capital increases) are recognised as a deduction from equity, net of any related income tax benefits, and are offset against the capital reserve in the balance sheet with no effect on profit or loss.

The convertible bonds issued by TAG do not include any equity component on the balance sheet due to a cash settlement option on the part of TAG. Instead, the conversion right existing alongside the underlying instrument is reported separately as an embedded derivative as a financial liability valued at fair value through profit or loss.



Hedging instruments (cash flow hedge accounting)

All derivative financial instruments are initially recognised on their trading day and valued at fair value. The portion of the change in the fair value of derivatives that is suitable for cash flow hedges of variable-interest loans and has been designated as such is recorded in equity in a hedge accounting reserve, taking into account the effects of deferred income taxes. The subject of the hedge is the variable interest on loans taken out. The gain or loss attributable to the ineffective portion is recognised in the income statement. Effectiveness is measured using the hypothetical derivative method.

The accounting treatment of a (forecast) hedge relationship ends when the Group dissolves the hedge relationship, the hedging instrument expires, is sold, terminated or exercised, or is no longer suitable for hedging purposes. The total profit or loss recorded in equity at this point remains in equity and is only recognised in profit or loss when the hedged (expected) transaction is also reflected in the income statement. If the expected transaction is no longer expected to occur, the total profit or loss recorded in equity is immediately transferred to the income statement.

Financial liabilities

Financial liabilities within the meaning of IFRS 9 are measured at amortised cost (AmC) or at fair value through profit or loss (FVTPL). Classification as FVTPL applies to financial liabilities held for trading purposes, derivatives and in the event of opting as FVTPL. At TAG, only derivative financial instruments are assigned to this category. All other financial liabilities are classified as AmC and, after initial recognition, are valued at amortised cost using the effective interest method.

A financial liability is initially recognised at fair value on the trade date. If classified as AmC, transaction costs are also taken into account. Financial liabilities are derecognised when the obligations underlying this liability have been fulfilled, cancelled or have expired. They are also derecognised and replaced by a new liability if the contractually defined cash flows change significantly as a result of a modification of the liability.

In the case of compound financial instruments, an embedded derivative is to be separated from its host contract if its economic characteristics and risks are not closely related to those of the host contract, if a comparable stand-alone instrument would meet the definition of a derivative, and if the compound instrument is not carried at fair value with changes in fair value recognised in profit or loss. If an embedded derivative is separated, the components are accounted for and valued separately in accordance with the relevant regulations.



Retirement benefit provisions

In the past, the Group had more extensive defined benefit plans for former members of the Management Board and employees and their family members at individual subsidiaries. These currently exist only for a few employees. The defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method.

The amount to be recognised as a liability is the sum of the present values of the defined benefit obligations. A non-offsetable claim for reimbursement is shown under other assets. Additions and reversals are netted in the consolidated income statement to the extent that the reimbursement claim changes accordingly. Any further effects are shown in net interest income.

Other provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation, despite uncertainties regarding the amount or timing. The valuation of other provisions is based on the amount that would reasonably have to be paid to settle the obligation on the balance sheet date or, in the event of transfer of the obligation to a third party, at the time of transfer. Provisions with a remaining term of more than one year are discounted if the interest effect is significant.

Contingent liabilities

Contingent liabilities include possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, or where an outflow of resources is not probable or the amount cannot be estimated with sufficient reliability. Contingent liabilities are not recognised in the balance sheet.

Revenue recognition

In the context of a lease, the Group recognises rental income, which is recorded on a straight-line basis over the term of a lease in accordance with IFRS 16, and income for apportionable operating and ancillary costs, which are recorded in accordance with the principal method under IFRS 15 and realised over the period of performance, which essentially corresponds to the time at which the expenses are recorded. Property taxes and building insurance are not separately identifiable performance obligations that provide tenants with a definable benefit; the agreed consideration is allocated to the other identified contract components.

The allocation of the total remuneration to the individual performance components is generally based on their relative individual selling prices, which essentially correspond to the nominal values of the rent and operating and ancillary costs.



Irrespective of the actual performance period, TAG receives advance payments from its tenants for operating costs. A statement of operating costs is prepared in the following year for the apportionable operating costs and the advance payments received for a billing period, which is usually the same as the calendar year.

In the case of project-related construction services, revenues are recognised over time based on the percentage of completion of the construction project. The estimate of the progress of services is based on the cost-to-cost method according to the ratio of the contract costs incurred to the expected total costs.

Other service revenues are recognised in the period in which the service is rendered.

Revenue from the sale of real estate is recognised when the risks and rewards associated with ownership of the real estate have been transferred to the buyer (transfer of ownership, benefits and obligations of the real estate). When individual residential units are sold in Poland, this transfer of ownership occurs when the completed residential units are handed over to the customers.

Interest income is recognised on a time-proportionate basis that takes into account the remaining claim and the effective interest rate over the remaining term. Dividend income is recognised on the date on which the right to receive the payment arises.

Share-based compensation

(i) Management Board

The remuneration system for the members of TAG's Management Board, which is valid until 31 December 2024, was approved at the Annual General Meeting on 11 May 2021. Pursuant to Section 120a (1) of the German Stock Corporation Act (AktG), the Annual General Meeting must vote on the remuneration system for the Management Board whenever there is a material change, but at least every four years. Against this background, TAG's Supervisory Board comprehensively reviewed the remuneration system for the Management Board in the 2025 financial year, taking into account current market practice in Germany and in the real estate industry, TAG's current strategy and feedback received from shareholders in the past on the previous remuneration system.

As a result of the review, a new remuneration system for the Management Board was approved at the Annual General Meeting on 16 May 2025, which is to be applied with effect from 1 January 2025. The changes essentially involve a change in the composition of the remuneration structure with a view to promoting the sustainable and long-term development of TAG and pay-for-performance by increasing the proportion of performance-related remuneration. In addition, remuneration under the Short-Term Incentive Plan (STIP) will in future be based exclusively on the performance of financial metrics; non-financial metrics will only be relevant in the Long-Term Incentive Plan (LTIP), where they will be given greater weight. In the LTIP, remuneration will in future be measured against the relative Total Shareholder Return (TSR, sum of share price increase and dividends paid) compared to the FTSE EPRA/NAREIT Developed Europe Index, whereas previously the absolute TSR of the TAG share was material for remuneration. Furthermore, the development of the EPRA NTA per share has been newly included as a metric for remuneration from the LTIP. The LTIP will continue to be measured over a four-year performance period and will generally be remunerated in TAG shares (own shares previously acquired on the market).



The STIP has a target remuneration of TEUR 300 (previous year: TEUR 150) and a maximum remuneration of TEUR 450 (previous year: TEUR 200) for the 2025 financial year. For the LTIP, a target remuneration of TEUR 400 (previous year: TEUR 250) is planned for the 2025 financial year, with a maximum remuneration of TEUR 800 (previous year: TEUR 500).

The LTIP is designed as a virtual performance share plan with a four-year performance period. The LTIP is allocated in annual tranches. To determine the provisionally allocated number of virtual shares, an individually agreed target amount is divided by the initial share price. The initial share price is calculated based on the average closing price of the TAG share on the last 60 trading days prior to the start of the performance period.

At the end of the four-year performance period, the achievement of the performance criteria relative total shareholder return (50% weighting), EPRA net tangible assets per share (25% weighting) and ESG targets (25% weighting) will be determined. The target achievement for each performance criterion can range from 0% to 200%. The final number of virtual shares is calculated by multiplying the provisionally allocated number of virtual shares by the weighted total target achievement.

Payment is made at the end of the four-year performance period by multiplying the final number of virtual shares by the final share price. The final share price is the average closing price of TAG shares on the last 60 trading days before the end of the performance period. This is increased by the dividends paid during the performance period in order to reflect the functioning of real shares and to make the members of the Management Board dividend-neutral. As soon as the members of the Management Board have already received at least 200% of their basic remuneration in shares, the LTIP is paid out in cash and the amount earned is recognised as a provision in the balance sheet.

There is no guaranteed or early payment of dividends. The LTIP is paid out entirely in shares until the members of the Management Board hold at least 200% of their gross basic remuneration in TAG shares (see Share Ownership Guidelines). Thereafter, the LTIP is paid out in cash. The Management Board is obliged to acquire TAG Immobilien AG shares amounting to at least 200% of its gross basic remuneration and to hold them permanently during its membership of the Management Board.

The Supervisory Board is entitled to reduce, in whole or in part, any performance-related remuneration components that have not yet been paid out (compliance malus) or to reclaim any performance-related remuneration components that have already been paid out in the event of objectively ascertainable, severe, grossly negligent or intentional severe violations of laws or internal compliance requirements (compliance clawback). This also applies if errors are found in TAG's IFRS consolidated financial statements that formed the basis for determining performance-related remuneration or that had impacts on the underlying metrics (performance clawback). In such cases, the fault of the Management Board members is irrelevant.

The malus and clawback provisions apply to both the STIP and the LTIP.



The LTIP component of variable remuneration is measured at its fair value. This assumes that the LTIP will be paid out in cash. Until the debt is settled, the fair value is redetermined on each reporting date and on the settlement date. All changes in fair value are recognised in profit or loss under personnel expenses. As part of the update of the 2025 remuneration system, the LTIP component for 2025 was evaluated for the first time on the date of the resolution on the remuneration system at the Annual General Meeting on 16 May 2025. The value was determined by an independent expert on the basis of a Monte Carlo simulation.

The agreement on the 2025 remuneration system has no impacts on the Management Board's entitlements from the LTIP tranches of the 2021 remuneration system. There was no early replacement of the current old regulations.

The current personnel expenses recognised in the income statement for the LTIP entitlements acquired in the 2025 financial year amounted to TEUR 518 (previous year: TEUR 0) for both members of the Management Board combined.

Further details on Management Board remuneration are provided in the section "Remuneration system for the Management Board" in the combined management report.

(ii) Employee participation programme

For several years now, all employees of the TAG Group have been given the opportunity to purchase TAG shares at a discount once a year, which the Company has previously acquired on the market as treasury shares. As in the previous year, the discount granted to employees amounted to 20% in the past financial year. The basis for calculation in the past financial year was the volume-weighted average price (VWAP) of TAG shares in Xetra trading over a period of two months prior to the start of the programme. There are certain maximum limits for employees at which shares can be purchased at a discount. After purchase, the shares cannot be sold or encumbered for a period of three years, unless the employment relationship of the employee concerned ends earlier.

The benefit granted to employees from the discounted share purchase is also recognised at fair value. The corresponding personnel expenses of TEUR 76 (previous year: TEUR 70) are recognised in full as an increase in capital reserves. A total of 25,735 (previous year: 22,060) TAG shares were transferred to employees in the past financial year.



MATERIAL JUDGEMENTS AND ESTIMATES

Discretionary decisions

In applying the accounting policies, the Management Board has made the following judgements with a material effect on the amounts recognised in the consolidated financial statements:

- With respect to the real estate held by the Group, the Management Board must decide at each reporting date whether it is to be held for rental business over the long term or for capital appreciation as an investment property or for own use or for sale in the ordinary course of business. TAG uses the fair value model in accordance with IAS 40 to value its investment properties; alternatively, the cost model could have been selected. Real estate held as property, plant and equipment is valued at its (amortised) acquisition or production cost, while real estate held as inventories is valued at the lower of acquisition or production cost and net realisable value. The effects of the current macroeconomic conditions, such as the development of interest rates and the inflation rate, as well as ESG criteria, were taken into account in the input parameters for the valuation.
- When determining revenues from rental business, the services billed as operating and ancillary costs must be examined to determine whether the services are being provided as the principal or whether a third-party service is being brokered as an agent. The indicators for this assessment, which are considered in their entirety and do not have to be met cumulatively, are primary responsibility for the performance of the service, potential inventory risk of not being able to charge costs, and pricing power for a service. If the service provision is classified as a principal, there will be an increased revenue recognition and an increased rental business expense in the same amount.
- For the determination of revenue recognition over time in accordance with IFRS 15, it is assumed that the costs incurred appropriately reflect the measurement of progress towards complete satisfaction of the performance obligation.
- When real estate companies are acquired, it is necessary to determine whether this acquisition should be categorised as a business combination as defined by IFRS 3 or whether it should be presented as an acquisition of individual assets and liabilities. Business combinations as defined by IFRS 3 are recognised using the acquisition method. Accordingly, the cost of the business combination is allocated to the individually identifiable assets, liabilities and contingent liabilities acquired based on their fair values at the acquisition date. Any remaining difference in assets between the acquisition costs plus non-controlling interests and the net assets is recognised as goodwill; a liability difference is recognised in profit or loss. Incidental acquisition costs are recognised as expenses. By contrast, the acquisition and disposal of property companies that do not constitute a business operation within the meaning of IFRS 3 are recognised as a direct purchase or sale of real estate (asset deal). In this case, the acquisition costs of the property company are assigned to the individually identifiable assets and liabilities on the basis of their fair values. Accordingly, the acquisition of property companies does not result in a difference.



- The accounting treatment of goodwill requires discretionary decisions to be made when defining groups of cash-generating units and when allocating goodwill to these groups of cash-generating units. In addition, assumptions must be made regarding the future cash flows of the cash-generating unit and the capitalisation rates to be applied for the impairment test of the goodwill.

Estimates

The Group makes estimates and assumptions concerning the future. The estimates derived from these may, by their very nature, deviate from actual subsequent events. The estimates and assumptions that carry a significant risk in the form of a material adjustment of the book values of assets and liabilities as well as income within the next financial year are discussed below. All significant estimates are regularly reviewed by the Management Board and adjusted prospectively as necessary.

- The market values of the investment properties are based on the findings of the independent experts engaged for this purpose. The valuation is based on the discounted cash flow method by discounting expected future cash surpluses. The resulting gross capital value is converted into a net capital value by deducting transaction costs. The factors material to valuation, such as future rental income, discount rates, future maintenance requirements and transaction costs, are estimated by TAG in conjunction with the expert. The fair value of the investment properties stands at EUR 6,254.7m (previous year: EUR 5,834.4m).
- Estimates of the net realisable value for real estate held in inventories are subject to estimation uncertainty, particularly with regard to the achievable selling prices. As of the reporting date, the book value of this real estate amounted to EUR 713.8m (previous year: EUR 611.3m).
- Impairment testing of goodwill requires an estimate of the recoverable amount of the group of cash-generating units. This is determined using the discounted cash flow method and requires assumptions and estimates regarding the expected future cash surpluses and the discount rates to be applied. Possible deviations from these assumptions may lead to an impairment loss. The book value of the goodwill as of the reporting date was EUR 289.8m (previous year: EUR 286.1m).
- The respective corporate tax planning is of central importance for the assessment of the recoverability of deferred tax assets. These plans are prepared based on various estimates, e.g. with regard to the future development of income and expenses. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that these can be offset against future taxable income. As of the reporting date, the book value of the deferred tax assets amounted to EUR 28.4m (previous year: EUR 24.8m).

- Deferred taxes are valued based on the tax rates that apply under current legislation for the periods in which the temporary differences are expected to reverse. Since the 2025 financial year, TAG has applied a combined corporate income tax and trade tax rate of 25.81% to all companies. In the previous year, a tax rate of 15.825% was applied to those companies that took advantage of the so-called extended trade tax reduction, which only took corporation tax into account. For those companies that did not take advantage of the extended trade tax reduction, a combined tax rate of corporation tax and trade tax of 31.085% was applied. The adjustment is based on an updated estimate of a possible trade tax burden at the reversal date of the temporary differences. This results in an increase in deferred tax liabilities of EUR 422m. It is not currently possible to quantify the possible impacts on subsequent periods.
- Various assumptions must be made with regard to other provisions, e.g. in relation to the probability of occurrence and amount of utilisation in the case of provisions for defect rectification, compensation and litigation risks, and tax risks. All information available at the time of preparing the balance sheet was taken into account. The amount of other provisions as of the reporting date is EUR 53.7m (previous year: EUR 45.7m).
- To determine period-related revenues, the stage of completion is determined on the basis of the costs incurred. To determine the total costs and expected revenue, assumptions and estimates are required which may influence the amount and distribution of revenue. Period-related revenues of EUR 41.3m (previous year: EUR 15.9m) are reported within revenues from services.



NOTES ON THE BALANCE SHEET

1. INVESTMENT PROPERTIES

The table below sets out the movements in the portfolio of investment properties:

Investment properties in TEUR	2025	2024
Amount on 1 January	5,834,364	5,935,259
Additions from the purchase of properties	88,007	86,619
Investments in existing properties	106,224	79,194
Investments in project developments	69,479	44,250
Transfers from inventory	1,725	9,145
Transfers to inventory	-18,537	-39,943
Transfers to assets held for sale	-1,646	-57,819
Transfers from assets held for sale	16,293	7
Disposals	-33,677	-117,150
Change in market value	182,902	-114,499
Currency conversion	9,568	9,301
Amount on 31 December	6,254,702	5,834,364

The book value includes the fair value of the properties. Of this amount, approximately EUR 166.4m (previous year: EUR 155.3m) relates to heritable building rights, which are classified as financial investments and accounted for as finance leases. In addition, the value of the lease liabilities recognised as liabilities of EUR 15.9m (previous year: EUR 10.2m) is added to the heritable building rights.

Additions from the purchase of real estate amounting to EUR 88.0m (previous year: EUR 86.6m) mainly relate to land in Poland that is earmarked for project development.

Total investments in the real estate portfolio, taking into account acquisition costs for newly acquired properties as well as construction and modernisation costs, are composed as follows:

Investments in TEUR	2025	2024
Investment in investment properties	263,710	210,063
Investment in property held as inventory	276,847	241,429
Investment in assets held for sale	1	54
Total modernisation costs	540,558	451,546

Directly attributable borrowing costs of EUR 5.0m (previous year: EUR 3.4m) were capitalised within the project developments allocated to investment properties.



Investment properties amounting to EUR 5.6bn (previous year: EUR 5.3bn) serve as collateral for bank liabilities, primarily through real estate liens and the assignment of rental receivables.

The income statement includes the following material amounts for investment properties:

Investment properties in TEUR	2025	2024
Rental income (actual net rent) ¹⁾	369,193	353,581
Rental expenses	-67,446	-73,454
Total	301,747	280,127

1) of which EUR 11.2m (2024: EUR 10.8m) in the 2025 financial year investment properties held as heritable building rights

In the rental business, rental agreements generally have a statutory notice period of three months. There are no further claims to minimum lease payments. Long-term rental agreements with commercial tenants are of minor importance.

TAG has its property portfolio valued by independent experts on 30 June and 31 December of each financial year. The experts have the appropriate professional qualifications and experience to carry out the valuation. The expert opinions are based on:

- Information provided by the Company, e.g. current rents, maintenance and administration costs or the current vacancy rate, and
- assumptions made by the appraiser based on market data and assessed on the basis of his professional qualifications, e.g. future market rents, standardised maintenance and administration costs, structural vacancy rates or discount and capitalisation rates.

The information provided to the valuer, the assumptions made and the results of the property valuation are analysed by the Central Property Controlling department and the Chief Financial Officer.

The fair value of investment properties is determined in accordance with International Valuation Standards using the discounted cash flow (DCF) method. This involves discounting the expected future income surpluses of a property to the valuation date using a market-driven, property-specific discount rate. While the cash inflows generally represent the net rents, the cash outflows consist in particular of the operating costs to be borne by the owners.

The underlying detailed planning period is generally ten years. A potential discounted terminal value of the valuation property is forecast for the end of this period. This reflects the most probable price that can be achieved at the end of the detailed planning period. In this process the discounted cash inflows for the tenth year are capitalised as a perpetual annuity using the capitalisation rate (exit rate).

The sum of the discounted cash surpluses and the discounted potential disposal value results in the gross capital value of the valuation object. This value is converted into a net capital value by taking into account the transaction costs incurred in the course of an orderly business transaction.



In the case of purchases of existing properties that took place within a period of three months prior to the respective reporting date and for which the transfer of ownership had already taken place by the reporting date, the acquisition costs are used as the best possible estimate of fair value.

The valuation of investment properties is generally classified as a level 3 fair value.

The following overview shows the fair value of investment properties in Germany by region and the material assumptions used in the valuation technique described:

Segment	Berlin/ Brandenburg		Chemnitz		Dresden		Rhine-Ruhr		Erfurt	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Market value (in EURm)	758.0	731.7	367.4	354.6	499.9	476.4	308.5	299.8	675.2	660.7
Net rent p.a. (in EURm)	42.9	41.6	29.1	28.0	29.1	27.6	17.9	17.4	41.4	40.5
Vacancy (in %)	2.5	2.6	7.7	8.4	1.7	1.3	2.3	2.6	1.5	1.6
Valuation parameters (average)										
Net rent to market rent (in %)	87	87	91	95	92	94	87	92	93	94
Increase in market rent p. a. (in %)	1.9	1.3	1.5	0.7	1.9	1.3	1.8	1.3	1.8	1.3
Maintenance costs (in EUR / sqm)	12.7	11.5	11.9	11.5	12.8	11.7	12.5	11.5	12.2	12.1
Administration costs (in EUR per unit)	352	304	354	309	356	313	338	331	356	302
Structural vacancy (in %)	2.0	3.4	3.2	4.6	1.6	2.7	2.0	1.9	1.1	1.7
Discount rate (in %)	5.1	5.0	5.2	5.2	4.9	4.9	5.0	5.1	4.9	5.0
Capitalisation rate (in %)	3.8	3.8	4.7	4.4	3.8	3.7	3.8	3.7	3.9	3.7

Segment	Gera		Hamburg		Leipzig		Rostock		Salzgitter	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Market value (in EURm)	412.6	397.0	527.0	514.1	738.6	713.3	524.1	499.0	511.3	503.1
Net rent p.a. (in EURm)	35.8	35.0	31.2	30.3	50.7	48.8	31.1	29.8	37.8	37.0
Vacancy (in %)	3.0	3.3	3.2	3.3	7.3	7.5	4.6	6.0	4.3	4.6
Valuation parameters (average)										
Net rent to market rent (in %)	90	95	90	92	89	92	88	90	95	98
Increase in market rent p. a. (in %)	1.4	0.8	2.0	1.3	1.7	0.9	1.8	0.9	1.6	0.8
Maintenance costs (in EUR / sqm)	12.8	11.5	12.6	11.5	12.2	11.5	12.1	11.4	12.5	11.5
Administrative costs (in EUR per unit)	351	306	349	336	356	306	351	311	344	319
Structural vacancy (in %)	1.8	4.4	2.5	1.9	2.6	4.3	2.4	3.1	3.0	2.2
Discount rate (in %)	5.4	5.8	5.2	5.2	5.2	5.0	5.2	4.7	5.1	5.2
Capitalisation rate (in %)	5.0	5.0	3.9	3.9	4.4	4.1	4.0	3.8	4.3	4.4



In addition, the German TAG portfolio includes activities not directly attributable to the regions in the form of serviced apartments and commercial properties with a market value of EUR 18.1m (previous year: EUR 16.9m).

The valuation parameters shown refer to the respective valuation reports as at 31 December of each year. The valuation as at 31 December is based on tenant lists and vacancy rates as at 30 September. Value fluctuations up to the respective reporting date are taken into account if there were indications of material deviations.

The assumptions used for the valuation of the properties are made by the independent valuer on the basis of his professional experience and are subject to uncertainty. The impacts of possible fluctuations in the valuation parameters on the portfolio in Germany are presented in the form of a sensitivity analysis in the following table.

Sensitivity analysis in EURm	2025	2024
Market value investment properties	5,341	5,166
Change in market value due to change in parameters		
Market rent (+2.0 / -2.0%)	176 / -176	94 / -106
Increase in market rent (+0.2 / -0.2%)	390 / -347	330 / -297
Maintenance costs (-10 / +10%)	347 / -331	143 / -144
Administration costs (-10 / +10%)	80 / -80	63 / -63
Structural vacancy (-1,0 / +1,0%)	96 / -102	105 / -100
Discount and capitalisation rate (-1.0 / +1.0 / +2.0%)	1.757 / -1.031 / -1.714	1.884 / -1.079 / -1.782

Possible interdependencies between the individual parameters are of minor importance or cannot be determined due to their complexity.

The portfolio in Poland allocated to investment properties has a total value of EUR 913.8m (previous year: EUR 667.9m). In addition to the completed and leased-out existing properties with a value of EUR 548.5m (previous year: EUR 403.5m), the portfolio includes project developments currently under construction with a value of EUR 77.4m (previous year: EUR 31.8m) and other land worth EUR 287.9m (previous year: EUR 232.6m).

The existing properties, including the project developments currently under construction, are valued using the DCF method, as is the German portfolio. In accordance with the principle of highest and best use, a single sale scenario is assumed for the current year, insofar as this is legally feasible. In the previous year, by contrast, a permanent rental business was assumed in line with the actual intended use. Project developments currently under construction are valued using the residual value method. In a first step, the fair value of the completed property is determined using the DCF method. In a second step, the costs still required for completion and a standardised project developer profit are deducted from this value. The material valuation parameters and their sensitivities are shown in the following tables:



Valuation parameters and sensitivities Poland retail scenario	2025	2024
Market value rental properties and projects under construction (in EURm)	598	0
Change in market value due to change in parameters		
Sale price (+2.0 / -2.0 %)	13 / -13	0 / 0
Discount and capitalisation rate (-2.0 / +2.0 %)	19 / -17	0 / 0
Sale pace (no. of residential units to be sold in month) (+2.0/-2.0)	7 / -14	0 / 0

Sensitivity analysis Poland	2025	2024
Market value rental properties and projects under construction (in EURm)	28	435
Net operational income p.a. (in EURm)	4	29
Structural vacancy	1.5%-2%	1.9%-3%
Capitalisation rate	6.0%-6.5%	5.8%-6.2%
Change in market value due to change in parameters		
Net operational income (+2.0 / -2.0 %)	1 / -1	8 / -8
Structural vacancy (-1,0 / +1,0 %)	1 / -1	4 / -4
Discount and capitalisation rate (-1.0 / +1.0 / +2.0 %)	13 / -9 / -16	81 / -61 / -108

Land for future project developments or with an undefined future use is measured at fair value at cost for a maximum period of twelve months after acquisition; this applies to investment properties worth EUR 7.9m (previous year: EUR 80.9m). Thereafter, the valuations are performed using the residual value method at EUR 58.6m (previous year: EUR 61.7m) and using the comparative value method at EUR 221,1m (previous year: EUR 89.9m). In addition, EUR 0.2m (previous year: EUR 0.0m) in the portfolio is valued at acquisition cost.



2. INTANGIBLE ASSETS

The development of intangible assets is shown below:

Intangible assets in TEUR

Acquisition and production costs	Other intangible assets	Goodwill	Total
Amount on 01/01/2024	12,936	281,814	294,750
Additions	1,847	0	1,847
Disposals	-1,131	0	-1,131
Effects from currency conversion	17	4,281	4,298
Amount on 12/31/2024	13,669	286,095	299,764
Additions	2,496	0	2,496
Disposals	-1,366	0	-1,366
Effects from currency conversion	17	3,669	3,686
Amount on 12/31/2025	14,816	289,764	304,580

Accumulated depreciation			
Amount on 01/01/2024	8,818	0	8,818
Additions	2,311	0	2,311
Disposals	-1,074	0	-1,074
Effects from currency conversion	13	0	13
Amount on 12/31/2024	10,068	0	10,068
Additions	2,472	0	2,472
Disposals	-1,366	0	-1,366
Effects from currency conversion	12	0	12
Amount on 12/31/2025	11,186	0	11,186

Book value on 12/31/2024	3,601	286,095	289,696
Book value on 12/31/2025	3,630	289,764	293,394

Goodwill amounted to EUR 289.8m as at 31 December 2025 (previous year: EUR 286.1m). The change compared with the previous year is solely due to exchange rate effects of the Polish zloty.

For the impairment test in accordance with IAS 36.19 to assess whether goodwill has suffered a potential impairment, the future cash flows from the operations of the respective cash-generating units (CGE Poland Rental Business and CGE Poland Sales) using a DCF valuation method, and of –the recoverable amount thus determined– were compared with the book value of the respective cash-generating unit, including goodwill. The basis for determining the future cash flows for the CGU Poland Sales was the detailed planning approved by the Management Board with a planning horizon of three years. As in the previous year, the period of the detailed planning phase for the CGU Poland Rental was extended to 2030. The reason for extending the period beyond the usual detailed planning period is that the completion of projects to expand the portfolio of the CGU Poland Rental and thus to achieve a steady state is still planned during this period. Based on the input factors of the valuation technique used, the CGU was classified as a level 3 fair value.



The following parameters were used to discount the future cash flows of the two CGUs:

DCF parameters as of 12/31/2025	2025	2024
Risk-free interest rate Poland in %	5.3	5.8
Market risk premium Poland in %	5.7	5.9
Unlevered Beta	0.5	0.6
Cost of capital	8.2	9.4
Sustainable planned growth rate in %	2.0	2.0

The impairment analyses carried out in the fourth quarter did not result in any impairment of goodwill.

Goodwill and fair values compared to the book values of the respective CGUs are as follows:

EURm	CGU Poland Rental	CGU Poland Sales
Goodwill on 31 December 2025	19.9	269.9
Recoverable amount	759.1	1,351.0
Book value	731.8	1,026.7
Sensitivity of growth rate from impairment	0.2%	1.8%
Goodwill on 31 December 2024	19.6	266.5
Recoverable amount	672.3	1,216.1
Book value	620.6	837.6
Sensitivity of growth rate from impairment	0.4%	3.2%

The material assumptions for mapping future cash flows are the project developments existing at the time of the analysis and those planned for the future, as well as the investments and achievable sales revenues attributable to them. These values are determined on the basis of the Management Board's estimates of the future costs of project developments and the achievable sales revenues or rental income.

The assumptions for planning future cash flows for the Polish rental business CGU are based primarily on the residential portfolio directly attributable to the CGU and intended for the rental business. As of the reporting date, around 3,500 rental apartments have already been completed, with a further 1,300 rental apartments under construction and due for completion in the course of 2026. In addition, the completion of a further c. 5,100 residential units within the detailed planning period, i.e. within the following five years, was assumed, so that the total rental apartment portfolio at the end of the detailed planning phase comprises around 10,000 residential units. In addition, this CGU includes sales of c. 1,900 residential units, including sales of joint ventures, in the detailed planning period.

The assumptions for planning future cash flows for the CGU Poland Sale, including sales from joint ventures, are based on the handover of around 3,000 residential units in the 2026 financial year and c. 2,700 to 3,800 residential units in the following years.



The Management Board's expectations regarding the achievable proceeds from the sales business reflect the sales prices achieved and costs incurred in the course of business development to date. Rental income planning is based on internal calculations and findings from the rental business from rental agreements concluded in Poland, which, in the Management Board's opinion, take into account future achievable rents based on material impact drivers such as the site and size of the rental properties, cost increases and vacancy trends. Against the backdrop of available external information on the development of the still young Polish rental market to date, continuous rental growth is assumed for rental income planning.

3. PROPERTY, PLANT AND EQUIPMENT

The development of property, plant and equipment is shown below:

Property, plant and equipment in TEUR

Acquisition and production costs	Real Estate	Operating and office equipment	Total
Amount on 01/01/2024	2,815	58,003	60,818
Additions	587	9,107	9,694
Disposals	-145	-1,774	-1,919
Reclassifications	106	0	106
Effects from currency conversion	33	61	94
Amount on 12/31/2024	3,396	65,397	68,793
Additions	298	15,307	15,605
Disposals	-893	-2,198	-3,091
Reclassifications	26	0	26
Effects from currency conversion	28	-23	5
Amount on 12/31/2025	2,855	78,483	81,338

Cumulative depreciation	Real Estate	Operating and office equipment	Total
Amount on 01/01/2024	843	23,150	23,993
Additions	335	5,435	5,770
Disposals	-62	-1,590	-1,652
Effects from currency conversion	9	54	63
Amount on 12/31/2024	1,125	27,049	28,174
Additions	297	6,788	7,085
Disposals	-196	-2,060	-2,256
Effects from currency conversion	10	-29	-19
Amount on 12/31/2025	1,236	31,748	32,984
Book value on 12/31/2024	2,270	38,348	40,619
Book value on 12/31/2025	1,619	46,736	48,355

The properties reported under property, plant and equipment mainly relate to office properties used by the Group itself.



The properties also serve as collateral for bank liabilities, primarily through liens and the assignment of rental receivables, and contain hidden reserves amounting to EUR 1.8m (previous year: EUR 1.2m) as the difference between the book value and the fair value.

4. RIGHT-OF-USE ASSETS

The development of the right-of-use assets is shown below:

Right-of-use assets in TEUR

Costs of acquisition	Real estate	Transportation	IT equipment	Total
Amount on 01/01/2024	28,699	6,721	543	35,963
Additions	1,077	1,267	306	2,650
Disposals	-311	-1,438	-60	-1,809
Effects from currency translation	103	13	0	116
Amount on 12/31/2024	29,568	6,563	789	36,920
Additions	1,374	2,563	33	3,970
Disposals	-134	-2,331	0	-2,465
Effects from currency translation	92	15	0	107
Amount on 12/31/2025	30,900	6,810	822	38,532
Cumulative depreciation	Real estate	Transportation	IT equipment	Total
Amount on 01/01/2024	12,680	4,275	189	17,144
Additions	2,883	1,558	207	4,648
Disposals	-311	-1,427	-60	-1,798
Effects from currency translation	24	7	0	31
Amount on 12/31/2024	15,276	4,413	336	20,025
Additions	3,088	1,485	256	4,829
Depreciation	-77	-2,114	0	-2,191
Effects from currency conversion	32	5	1	38
Amount on 12/31/2025	18,319	3,789	593	22,701
Book value as of 12/31/2024	14,292	2,150	453	16,896
Book value as of 12/31/2025	12,581	3,021	229	15,832

The Group primarily leases office and warehouse space in the real estate sector. Some leases include extension options that have not yet been taken into account in the relevant contract term. If these options were exercised, additional cash outflows of up to EUR 16.7m (previous year: EUR 16.5m) would have to be taken into account in the valuation of the right-of-use assets and corresponding lease liabilities. Leases that can be terminated at short notice were not recognised as rights of use. Operating and ancillary costs were not taken into account as variable lease payments.

Vehicles are generally leased for a period of three to five years, as is individual IT equipment, for which an advantageous purchase option is also regularly agreed at the end of the term.

Total cash outflows from lease agreements amounted to EUR 6.1m (previous year: EUR 5.7m).



5. OTHER FINANCIAL ASSETS AND SHARES IN JOINT VENTURES RECOGNISED AT EQUITY

The other financial assets include, in particular, loans to the Polish joint ventures. In addition, the German minority interests in unlisted real estate companies and closed-end real estate funds are recognised here at fair value. The deposits relate to security deposits for rented office space.

The item is made up as follows:

Other financial assets in TEUR	2025	2024
Loans to associates	27,746	33,865
Investments in associates – at equity	7,932	8,264
Security deposits	616	571
Other	203	197
Total	36,498	42,897

In the 2025 financial year, TAG increased its stake in ZASPA Project Sp. z o.o. to 51% of the shares, and the company has been consolidated as a subsidiary since 1 July. A total of eight (previous year: eight) joint ventures are accounted for using the equity method as of the reporting date. The shares in Affane Sp. z o.o. increased as a result of the conversion of a receivable of EUR 1.2m into equity. The negative equity previously offset against the receivable no longer exists.

The book values of the shares in the joint ventures and the development as at 31 December 2025 are as follows:

Bookvalue of investments accounted for at equity	2025	2024
Amount on 1 January 2025	20,544	22,745
Additions	485	5,076
Disposals	-11,247	-9,411
Group's share of net profit or loss	13,915	1,807
Currency conversion	284	327
Amount on 31 December 2025	23,981	20,544

Dividends received from joint ventures amounted to EUR 4.9m in the financial year (previous year: EUR 2.2m). In addition, distributions of EUR 5.2m (previous year: EUR 8.2m) were made as a result of capital reductions.



The condensed balance sheets of the material joint ventures are as follows:

12/31/2025 in TEUR	Inwestycja 2016 Sp. z o.o.	Affane Sp. z o.o.	Moj Ursus Sp. z o.o.	Joint Ventures Popowice
Total current assets	66,824	35,178	17,682	42,370
thereof cash and cash equivalents	6,041	942	99	4,949
Total non-current assets	1,688	1,203	0	5,871
Total assets	68,512	36,382	17,682	48,241
Total current liability	21,736	7,248	364	16,576
thereof current financial liabilities	0	0	0	0
Total non-current liabilities	40,971	28,416	633	12,493
thereof non-current financial liabilities	39,564	27,664	0	7,131
Total liabilities	62,707	35,664	997	29,069
Net assets	5,805	718	16,685	19,171
share of investment	50%	50%	50%	65%
TAG-share net asset	2,902	359	8,343	12,378

12/31/2024 in TEUR	Inwestycja 2016 Sp. z o.o.	Affane Sp. z o.o.	ZASPA Project Sp. z o.o.	Robyg Mój Ursus Sp. z o.o.	Popowice Joint Ventures
Total current assets	36,051	27,667	26,140	35,314	61,423
thereof cash and cash equivalents	3,501	1,859	853	12,767	12,222
Total non-current assets	814	363	96	0	4,974
Total assets	36,865	28,030	26,236	35,314	66,397
total current liability	13,432	4,193	601	18,830	40,753
Thereof current financial liabilities	0	0	0	0	0
Total non-current liabilities	20,778	25,276	22,648	2,849	8,691
thereof non-current financial liabilities	20,778	25,276	22,648	0	8,614
Total liabilities	34,210	29,469	23,249	21,679	49,444
Net assets	2,655	-1,439	2,987	13,635	16,953
share of investment	50%	50%	50%	50%	c. 65%
TAG-share net asset	1,328	-719	1,494	6,817	10,905



The summarised income statement of the main joint ventures is as follows:

2025 in TEUR	Inwestycja 2016 Sp. z o.o.	Affane Sp. z o.o.	ZASPA Project Sp. z o.o. *	Mój Ursus	Popowice Joint Ventures
Revenues from the sale of properties	12,818	0	0	22,321	54,595
Expenses from the sale of properties	-8,963	0	0	-19,449	-31,336
Other operating expenses	-1,122	-726	17	-94	-1,283
Interest income	121	57	10	1,193	335
Interest expense	-20	-1	0	-5	-1
Income tax expense or income	-541	59	-5	-1,054	-4,431
Other positions	0	356	0	0	-290
	2,293	-255	22	2,912	17,589

2024 in TEUR	Inwestycja 2016 Sp. z o.o.	Affane Sp. z o.o.	ZASPA Project Sp. z o.o.	Mój Ursus	Popowice Joint Ventures
Revenues from the sale of properties	0	0	0	64,886	6,018
Expenses from the sale of properties	0	0	0	-55,923	-6,152
Other operating expenses	-924	-572	-217	-44	-1,360
Interest income	83	60	25	277	266
Interest expense	-645	-205	-207	-4	0
Income tax expense or income	272	78	75	-2,771	11
Other positions	0	300	300	12	15
	-1,214	-339	-24	6,433	-1,202

The reconciliation of the summarised financial information presented to the carrying amount of the investments in the joint ventures is as follows:

Development of joint ventures in TEUR	2025	2024
Equity of the joint ventures	42,379	34,791
TAG share of equity	23,982	19,824
Share of losses offset against loans	0	719
Book value of the investments	23,982	20,543



6. CURRENT AND DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred tax assets (+) and liabilities (-) break down as follows:

Deferred income taxes in TEUR	2025		2024		Change
	Active	Passive	Active	Passive	
Unused tax losses (incl. interest carried forward)	69,356	0	54,660	0	14,696
Investment properties without properties held as inventory	7,832	-902,304	6,253	-576,810	-323,915
Property, plant and equipment	1,011	-3,456	1,563	-3,576	-432
Other financial assets	0	-1,565	0	-1,384	-181
Properties held as inventories	0	-38,815	0	-29,666	-9,149
Liabilities	21,731	-3,108	16,717	-4,596	6,502
Provisions	5,370	-1,645	7,144	-680	-2,739
Liabilities from convertible bonds	18,846	-23,162	0	-9,739	5,423
Derivative financial instruments	0	-49	642	-102	-589
Total	124,146	-974,104	86,979	-626,553	-310,384
Offset	-95,725	95,725	-62,139	62,139	-
Deferred income taxes in the balance sheet	28,421	-878,378	24,840	-564,414	-
				Change 2025	-310,384
				Thereof within equity:	1,191
				Thereof within income:	-311,575

Deferred taxes not affecting net income are mainly composed of exchange rate differences related to valuation differences in the Polish part of the Group.

Deferred taxes are valued based on the tax rates applicable under current legislation for the periods in which the temporary differences are expected to reverse. Since the 2025 financial year, TAG has applied a combined corporate income tax and trade tax rate of 25.81% to all companies. In the previous year, a tax rate of 15.825% was applied to those companies that took advantage of the so-called extended trade tax reduction, which only took corporation tax into account. For those companies that did not take advantage of the extended trade tax reduction, a combined tax rate of 31.085% was applied, consisting of corporation tax and trade tax. The adjustment is based on an updated assessment by the Management Board of a possible trade tax burden at the reversal date of the temporary differences and the gradual reduction of the corporation tax rate to 10% in 2032. This results in an increase in deferred tax liabilities of EUR 259m. This amount comprises income from the reduction in the corporation tax rate of EUR 162,7m and an expense from a possible trade tax burden of EUR 422,0m at the reversal date. It is not currently possible to quantify the potential impacts on subsequent periods.



Income taxes recorded in the income statement break down as follows:

Income taxes in TEUR	Germany		Poand		Total	
	2025	2024	2025	2024	2025	2024
Current income tax expense						
Current year and previous years	-10,157	-9,193	-16,111	-27,093	-26,268	-36,286
Paid current taxes						
for current year	-13,872	-21,177	-16,165	-25,701	-30,037	-46,878
for previous years	-4,872	-1,894	1,222	-3,473	-3,650	-5,367
Total	-18,744	-23,071	-14,943	-29,174	-33,687	-52,245
Deferred income taxes	-289,278	33,584	-22,297	9,783	-311,575	43,367

The income tax refund claims reported in the consolidated balance sheet in the amount of TEUR 36,240 (previous year: TEUR 28,130) mainly comprise refund claims from creditable capital gains tax for the years 2022, 2024 and 2025. Income tax liabilities include income taxes for the past financial year amounting to TEUR 5,087 (previous year: TEUR 3,537). The remaining income tax liabilities relate to income taxes for previous years.

The reconciliation between the expected and the actual tax result is shown below:

Actual net income tax expense in TEUR	2025	2024
Earnings before income taxes (EBT after other taxes)	428,110	115,002
Expected net tax expense (31.085%)	-133,078	-37,117
Reconciled with tax effects from:		
Income and expenses from earlier years	-2,571	1,173
Impairment of deferred income taxes and utilisation of previously unrecognised unused tax losses/interest carried forward	13,919	33,547
Tax-free returns and non-deductible expenses	-6,496	-7,401
Effects of trade tax exemption	16,364	8,363
Changes from different tax rates	-228,011	8,880
Others	2,031	-364
Actual net income tax expense	-337,843	7,081

The effect of the trade tax exemption results in particular from the so-called "extended reduction" of trade income. Companies that generate their income exclusively from the management of their own real estate assets have the option of reducing their trade income by this amount, so that in these cases only the corporation tax rate plus solidarity surcharge applies.

The differences due to other tax rates in the amount of EUR -228m mainly relate to the above-mentioned increase in the deferred tax rate due to the inclusion of trade tax even for those companies that currently benefit from the so-called extended trade tax reduction (EUR -422m), the gradual reduction of the corporation tax rate to 10% in 2032 (EUR 163m) and TAG's business activities in Poland with a theoretical tax rate of 19.0% (EUR 26m).



The theoretical tax rate (for Germany) is calculated as follows:

Theoretical tax rate in %	2025	2024
Corporate tax	15.000	15.000
Solidarity surcharge	0.825	0.825
Trade tax	15.260	16.450
Total	31.085	32.275

The calculated consolidated tax rate is 78.91% (previous year: -6.16%). The high tax rate in the reporting year is mainly due to the above-mentioned increase in the tax rate for deferred tax purposes.

Unused tax losses of EUR 123m (previous year: EUR 126m) for corporation tax and EUR 85m (previous year: EUR 197m) for trade tax as well as interest carry-forwards of EUR 10m (previous year: EUR 0m) were not included in the calculation of deferred tax assets, as their utilisation does not appear likely at present.

The total amount of unrecognised temporary differences relating to shares in subsidiaries and joint ventures is EUR 646m (previous year: EUR 461m). The Group does not expect this to have any negative impact, as there are currently no plans to sell these shares.

The BEPS Pillar 2 regulations (MinBestRL-UmsG) came into force upon publication in the Federal Law Gazette on 27 December 2023 (MinStG). According to Section 101 MinStG, the provisions of the Minimum Tax Act apply for the first time to financial years beginning after 30 December 2023 and are therefore generally applicable to the reporting year. The Group is subject to the scope of application of the MinStG in the 2025 financial year, as the turnover threshold of EUR 750m relevant for the application of these regulations was reached in at least two of the four financial years immediately preceding the financial year (Section 1 (1) MinStG).

At the end of 2023, the Group launched a project to examine the impacts of a Pillar 2 supplementary tax. Based on current estimates, the application of the MinStG is not expected to result in an additional tax burden for 2025, as the Group operates in countries where the income tax burden is above 15% and therefore no tax burden is expected to arise.

Based on an indicative analysis, all countries in which the Group operates will achieve an effective tax rate of at least 15%, either under the transitional CbCR safe harbour rules or under a simplified full calculation, so that no tax increase should arise for the reporting year.

The Group is closely monitoring the progress of the legislative process in each country in which it operates and will adapt its existing reporting and compliance processes with a view to future local and centralised determination of the supplementary tax burden and with a view to the future submission of the minimum tax report and the corresponding tax returns at home and abroad.



The Group applies the exemption permitted under IAS 12, according to which no deferred tax assets or liabilities are to be recognised in connection with the application of the minimum tax law or a foreign minimum tax law.

7. INVENTORY PROPERTIES AND OTHER INVENTORIES

The changes in the past financial year are presented below:

Properties held as inventories in TEUR	2025	2024
Amount on 1 January	611,315	629,635
Additions	276,847	241,429
Transferred to investment properties	-1,725	-9,145
Transferred from investment properties	18,537	39,943
Disposals	-198,355	-298,811
Effects from currency translation	7,216	8,264
Amount on 31 December	713,835	611,315

As at the reporting date, the item "Real estate in inventory" mainly comprises project developments. Investments ("additions") amounted to EUR 273.9m (previous year: EUR 228.7m) relate to project developments in Poland (of which EUR 26.2m from the first-time full consolidation of a joint venture) and EUR 2.9m (previous year: EUR 12.8m) to a commercial project development in Germany.

The item includes, among other things, project developments that are not expected to be completed and sold for more than twelve months.

The properties in the inventory include hidden reserves amounting to EUR 90.2 m (previous year: EUR 83.2 m) as the difference between the book value and the fair value.

Directly attributable borrowing costs of TEUR 17,964 (previous year: TEUR 12,710) were capitalised within project developments.

Other inventories mainly comprise heating fuel.



8. TRADE RECEIVABLES

Trade receivables break down as follows:

Trade receivables in TEUR	2025	2024
Rent receivables	26,279	24,463
Receivables from the sale of properties	1,430	4,119
Receivables from re-charge of ancillary costs from apartments sold	797	961
Others	3,216	5,846
Total	31,722	35,389

Receivables from the rental business include a line item of EUR 13.5m (previous year: EUR 13.1m) from the offsetting of gross receivables of EUR 189.1m (previous year: EUR 194.5m) for apportionable operating and ancillary costs that have not yet been settled against the corresponding advance payments made by tenants. Receivables amounting to TEUR 3,178 thousand (previous year: TEUR 3,158) relate to settled operating and ancillary costs.

The allowance for expected credit losses on trade receivables developed as follows:

Individual impairments in TEUR	2025	2024
Amount on 1 January	18,014	15,585
Utilised	-2,742	-2,731
Reversed	-2,348	-1,899
Additions	8,230	7,034
Currency conversion	22	25
Amount on 31 December	21,176	18,014

During the financial year, impairments (value adjustments and derecognitions) on trade receivables due to the poor creditworthiness of tenants were recognised in profit or loss in the amount of TEUR 6,850 (previous year: TEUR 5,689).



9. OTHER CURRENT ASSETS

Other current assets break down as follows:

Other current assets in TEUR	2025	2024
Funds received from project development business in Poland	39,785	52,157
Prepayments made in project development business in Poland	40,425	39,224
Tax receivables	11,732	30,239
Receivables from joint ventures	6,984	4,338
Loans to shareholders with non-controlling interests	4,449	4,449
Excess payments to suppliers	4,113	4,912
Rechargeable retirement benefit obligations	2,701	3,143
Security payments to general contractors	0	3,267
Fixed-term deposits	150,000	0
Others	7,869	1,772
Total	268,058	143,502

Funds received from project development business are earmarked payments to customer trust accounts for residential units under construction in Poland. As in the previous year, prepayments made in project development business in Poland include payments for land purchases. Fixed-term deposits are investments with a fixed interest rate and an original term of six months.

Loans to minority shareholders are fully secured by pledged shares in real estate companies.

The tax receivables are primarily input tax receivables from the purchase of properties in Poland.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances due within three months of the reporting date and, to a limited extent, cash in hand. For more information on the reconciliation of cash and cash equivalents, please refer to the section "Notes on the cash flow statement".



11. NON-CURRENT ASSETS HELD FOR SALE AND RELATED LIABILITIES

The non-current assets held for sale consist exclusively of real estate previously recognised as investment properties that are not part of the strategic core portfolio and are to be sold.

The following overview shows the development of the item:

Non-current assets held for sale in TEUR	2025	2024
Amount on 1 January	57,952	7,524
Reclassification from investment properties	1,646	57,819
Reclassification to investment properties	-16,293	-7
Investments	1	54
Changes in market value	394	-86
Sales	-42,468	-7,487
Effects from currency conversion	156	135
Amount on 31 December	1,388	57,952

As in the previous year, purchase agreements had already been concluded for all the properties reported here as of the reporting date, with the transfer of ownership, benefits and associated risks expected in the following financial year. For some properties, sales contracts concluded in the previous year were reversed in the reporting year, with the result that these properties were transferred back to investment properties.

The valuation at fair value of the other properties intended for sale, based on level 3, is based on the valuation by an independent expert. The valuation procedure is described in more detail in the notes on investment properties, as are the main valuation parameters.

12. EQUITY

Share capital, authorisation of the management board to issue of new shares (authorised and contingent capital) as well as share buybacks

The Company's fully paid-up share capital as at 31 December 2025 amounts to EUR 189,034,941.00 (previous year: EUR 175,489,025.00). The share capital is divided into 189,034,941 (previous year: 175,489,025) no-par value shares with equal voting rights. The shares are bearer shares.

By resolution of the Annual General Meeting on 16 May 2025, the Management Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions until 15 May 2028 in exchange for cash and/or non-cash contributions, by a maximum total amount of EUR 35,000,000.00 by issuing up to 35,000,000 new no-par value bearer shares of the Company ("Authorised Capital 2025"). Shareholders' subscription rights may be excluded with the approval of the Supervisory Board. The proportionate amount of the share capital attributable to the new shares for which subscription rights are excluded may not exceed a total of 10% of the share capital, both at the time the authorisation takes effect and at the time it is exercised. Partial use was made of this authorisation in the 2025 financial year. In August 2025, an increase in the Company's share capital was resolved, making partial use of the authorised capital 2025 and excluding shareholders' subscription rights in accordance with Section 4 (5) sub-paragraph 2 (d) of the Articles of Association. In total, the Company's share capital was increased by EUR 12,478,291.00 through cash contributions by issuing 12,478,291 new bearer shares.



The Company's share capital is conditionally increased by up to EUR 35,000,000.00 through the issue of up to 35,000,000 new no-par value bearer shares (Conditional Capital 2025). The conditional capital increase serves to grant shares to the holders of convertible bonds and/or bonds with warrants issued by the Company or by a direct or indirect affiliate of the Company in accordance with the authorisations granted by the Annual General Meetings on 23 May 2018, 16 May 2023 or 16 May 2025. The new shares will be issued at the conversion or option price to be determined in accordance with the aforementioned authorisation resolutions. The conditional capital increase shall only be carried out to the extent that conversion or option rights are exercised or corresponding obligations are to be fulfilled and to the extent that no other forms of fulfilment are used to service them. The new shares shall participate in profits from the beginning of the financial year in which they are created; notwithstanding this, the new shares shall participate in profits from the beginning of the financial year preceding the financial year in which they are created if the Annual General Meeting has not yet passed a resolution on the appropriation of the balance sheet profit from the financial year preceding the financial year in which the new shares are created. The Management Board is authorised to determine the further details of the implementation of the conditional capital increase. No use has been made of this authorisation to date.

The Annual General Meeting on 16 May 2025 also renewed the authorisation to acquire own shares and resolved to do so up to a total of 10% of the share capital existing at the time the authorisation takes effect or, if this is lower, at the time the authorisation is exercised, until 15 May 2027. This authorisation may not be used by the Company for the purpose of trading in its own shares. In addition to the usual uses specified by law, it also includes the authorisation to promise and transfer the shares to the Company's Management Board members as part of the determination of variable remuneration. The Company has not yet made use of this authorisation.

On the basis of the previous authorisation, the Company acquired a total of 100,000 treasury shares in the 2024 financial year to service the employee participation programme and long-term Management Board remuneration. In 2025, the Company also transferred 25,735 (previous year: 22,060) shares to employees as part of the employee participation programme. No shares (previous year: no shares) were transferred as part of the long-term remuneration of the Management Board. As of the reporting date, TAG had a treasury share portfolio of 58,689 (previous year: 84,424) shares, corresponding to 0.03% (previous year: 0.05%) of the share capital. The Company's subscribed capital, reduced by treasury shares, amounted to TEUR 188,976 (previous year: TEUR 175,405) as of the reporting date.



Reserves

The capital reserve is material primarily due to the premium on capital increases carried out (reserve in accordance with Section 272 (2) No. 1 HGB) and due to a capital increase from Company funds with a subsequent capital reduction (reserve in accordance with Section 272 (2) No. 4 HGB) from previous years.

The retained earnings relate to the statutory reserve in accordance with the provisions of Section 150 of the German Stock Corporation Act (AktG) and the cumulative effects of the first-time application of IFRS 9.

The currency translation reserve includes effects from business operations in Poland.

The reserve for hedge accounting includes gains and losses from interest rate hedging instruments (cash flow hedges) after deduction of deferred income tax effects in the previous year. The hedging relationships already expired in the previous year.

Hedge accounting reserve in TEUR	2025	2024
Amount on 1 January	0	200
Unrealised gains and losses	0	-1,178
Reclassified to profit and loss as hedged item affected profit and loss	0	929
Reclassified to profit and loss with cessation of hedge relation	0	0
Deferred income tax effect	0	47
Effects from currency conversion	0	2
Amount on 31 December	0	0

Dividend

The Management Board and Supervisory Board plan to propose a dividend payment of EUR 0.40 per share for the 2025 financial year at the next Annual General Meeting in May 2026. This is based on a payout ratio of 40% of FFO I.

Non-controlling interests

This item relates to interests of non-Group shareholders in the equity and net profit/loss for the year of the subsidiaries included. If these shareholders are entitled to compensation payments in the form of annual guaranteed dividends over a non-cancellable minimum period, these were recognised as other long-term liabilities.

The consolidated net profit attributable to the shareholders of the parent company is calculated as the difference between the consolidated net profit before non-controlling interests and the non-controlling interests as shown in the income statement.



13. FINANCIAL LIABILITIES

The development of financial liabilities is as follows:

Financial liabilities in TEUR	01/01/ 2025	Cashflow from financing activities	Fair value changes	Non- cash changes	Other		12/31/ 2025
					Interest expense	Interest paid	
Liabilities to banks	2,358,304	-48,214	0	0	63,300	-60,897	2,312,581
Liabilities from corporate bonds and other loans	893,804	206,569	0	0	42,909	-27,582	1,116,624
Liabilities from convertible bonds	466,298	376,684	0	0	15,837	-4,281	854,537
Derivative financial instruments	12,204	49,162	6,094	0	0	0	67,460
Lease liabilities	46,324	-6,259	0	8,061	1,010	0	49,323
Other financial liabilities	3,192	22,448	0	0	2,251	-528	37,440
Total	3,780,126	600,390	6,094	8,061	125,307	-93,288	4,437,965

Financial liabilities in TEUR	01/01/ 2024	Cashflow from financing activities	Fair value changes	Non- cash changes	Other		12/31/ 2024
					Interest expense	Interest paid	
Liabilities to banks	2,290,273	66,991	0	482	57,901	-57,343	2,358,304
Liabilities from corporate bonds and other loans	523,864	355,419	0	5,541	25,960	-16,980	893,804
Liabilities from convertible bonds	463,463	0	0	0	5,773	-2,938	466,298
Derivative financial instruments	11,739	0	465	0	0	0	12,204
Lease liabilities	45,332	-7,913	0	7,976	929	0	46,324
Other financial liabilities	4,147	-1,090	0	0	135	0	3,192
Total	3,338,818	413,407	465	13,999	90,698	-77,261	3,780,125

Liabilities to banks

Liabilities to banks are almost entirely secured. In Germany, the collateral provided consists mainly of real estate liens and the assignment of rental income, while in Poland, bank deposits are predominantly pledged and intra-Group guarantees are provided. These collateral items may only be recovered by the banks in the event of a material breach of the financing agreement (e.g. violation of financial covenants).

In Poland, a EUR 100.0m loan with a term until November 2029 and a variable interest rate was taken out. In addition, there are various variable-rate PLN loans with a book value of EUR 44.9m (previous year: EUR 95.1m) that will mature within the next three years.



Liabilities under corporate bonds and other loans

In August 2025, a fixed-rate bond with a volume of 300.0m and a coupon of 3.625% was placed with a term until March 2033. Another corporate bond worth EUR 500.0m with a maturity date in March 2030, which was placed in the previous year, has a coupon of 4.25%. A bond worth EUR 125m was repaid as scheduled in June 2025.

On the Polish capital market, variable-rate PLN corporate bonds totalling 475.0m with a maturity date in 2029 and an interest rate of WIBOR 6M + 2.6% were issued during the financial year. Another variable-rate bond for PLN 150.0m with an interest rate of WIBOR 6M + 2.4% was repaid as scheduled in the financial year in the amount of PLN 61.8m; the remaining portion will mature in June 2026. A EUR-denominated bond for EUR 24.0m was repaid early in January 2026.

In Germany, TAG has also placed a number of promissory note loans with maturities until 2030. Of these, EUR 145.5m (previous year: EUR 204.5m) is outstanding as of the reporting date, with interest rates ranging from 1.3% to 4.2% (previous year: 1.3% to 6.2%).

All liabilities from corporate bonds and other loans are unsecured.

Convertible bonds

The unsecured convertible bond 2020/2026 with a nominal value of EUR 470.0m matures in August 2026 and has a coupon of 0.625% p.a. The conversion price is EUR 31.95 as of the reporting date.

In the reporting year, the unsecured convertible bond 2025/2031 with an outstanding nominal volume of EUR 430.0m was placed in two tranches. It has a term of six years and a coupon of 0.625% p.a. The conversion price as of the reporting date is EUR 18.93.

Lease liabilities and other financial liabilities

Other non-current liabilities are mainly composed of obligations from lease liabilities of TEUR 31,375 (previous year: TEUR 26,961), liabilities from security deposits of TEUR 18,262 (previous year: TEUR 16,527) and guaranteed dividends to non-controlling shareholders amounting to TEUR 811 (previous year: TEUR 1,596). Other current liabilities also include lease liabilities and guaranteed dividends due within one year.

Non-cash changes in lease liabilities mainly relate to additions or disposals of lease agreements recognised in the income statement.

Undiscounted payment obligations from leases amounted to TEUR 132,706 as of the reporting date (previous year: TEUR 60,778).



Derivative financial instruments

The financial instruments reported under derivative financial instruments on the liabilities side include interest rate swaps, conversion rights and purchase price guarantees.

The market values of interest rate swaps with a positive market value of TEUR 158 (previous year: TEUR 539) and a negative market value of TEUR 557 (previous year: TEUR 1,220) are entirely attributable to stand-alone derivatives, whose gains and losses are reported in the financial result.

The fair value of the conversion rights from the convertible bonds amounts to TEUR 60,689 (previous year: 1,812). The purchase price guarantees for minority interests in subsidiaries have a fair value of TEUR 6,307 (previous year: TEUR 9,172).

14. RETIREMENT BENEFIT PROVISIONS

The provisions for pensions correspond to the net debt from defined benefit plans. The development of this item is as follows:

Provisions for pensions in TEUR	Liabilities ¹⁾	Reimbursement claim
Recognised on the face of the balance sheet as of 01/01/2024	4,066	3,089
Expenses from additions	163	0
Additions/reversals against reimbursement claim	224	281
Pension payments	-341	-227
Amount on 12/31/2024	4,112	3,143
Expenses from additions	135	0
Additions/reversals against reimbursement claim	-458	-216
Pension payments	-331	-226
Amount on 12/31/2025	3,458	2,701

1) The present value of the defined benefit obligation corresponds to the obligation recognised in the balance sheet.

The reimbursement claim reported under other current assets relates to claims against a subsidiary acquired in previous years, for which there is a right to pass on costs to the previous shareholder.

Of the pension provisions, an amount of TEUR 312 (previous year: TEUR 418) is due for payment within one year. For reasons of simplification, these amounts are reported with consistency, along with the other pension obligations, under non-current liabilities.

The change in the financial year mainly comprises the interest effect and actuarial gains or losses. As the corresponding reimbursement claim develops in line with part of the obligation, the effects are mainly recognised in the income statement on a net basis. Any additional effects are recognised in interest expenses or interest income.



The following overview shows the parameters used to calculate the pension provisions:

Retirement benefit provisions	2025	2024
Interest rate in %	3.92	3.21
Pension adjustment in %	1.90	2.50
Retirement age	In accordance with the German Social Code - Book VI	

The 2018 G mortality tables by Klaus Heubeck were used as the biometric basis for calculations. In the reporting year, employer pension insurance contributions to the statutory pension insurance scheme amounting to TEUR 511.4 (previous year: TEUR 664.2) were recognised as benefits in defined contribution pension plans.

15. OTHER PROVISIONS

Other provisions break down as follows:

Other provisions in TEUR	Amount 01/01/2025	Used	Reversed	Added	Effects from currency conversion	Amount 12/31/2025
Outstanding invoices	28,922	28,086	90	31,853	130	32,729
Damages and litigation risk	6,322	946	925	1,242	37	5,730
Bonus	5,088	4,323	39	6,617	45	7,388
Legal, consulting and auditing costs	908	810	0	824	4	926
Other	4,430	2,240	1,077	5,793	24	6,930
Total	45,670	36,405	2,131	46,329	240	53,703

Provisions for outstanding invoices mainly relate to invoices not yet received as of the reporting date for ongoing maintenance and modernisation measures as well as new construction projects in Poland and provisions for energy suppliers, which are expected to be utilised predominantly in the short term.

16. TRADE PAYABLES

Trade payables include net obligations of EUR 12.9m (previous year: EUR 14.6m) from the offsetting of advance payments by tenants of EUR 202.6m (previous year: EUR 197.0m) with the corresponding receivables for operating and ancillary costs that have not yet been invoiced. In addition, security deposits from subcontractors and liabilities from the project development business in Poland are included.



17. OTHER CURRENT LIABILITIES

This item breaks down as follows:

Other current liabilities in TEUR	2025	2024
Advance payments received from sales	119,313	131,799
Lease liabilities	17,948	19,363
Tenant credit from advance payments	12,540	11,644
Liabilities to joint ventures	8,450	0
Tax liabilities	7,974	6,227
Guaranteed dividend	956	1,596
Deferrals and accruals	658	677
Liabilities from land purchases in Poland	0	1,824
Liabilities from the EWPBG	0	3,570
Other	2,923	2,221
Total	170,762	178,920

The advance payments received on sales are primarily advance payments from buyers of properties in Poland, which are paid depending on the respective construction progress. The advance payments received will be realised by handing over the completed residential units, primarily within the next twelve months.

The liabilities under the Energy Price Brake Act (EWPBG) result from excessive reimbursements under the Energy Price Brake Act. The tenants were passed on their reimbursements as part of the utility cost statements and the excess amount received is repaid to the Federal Republic of Germany.



NOTES ON THE INCOME STATEMENT

18. RENTAL INCOME

The revenues to be allocated from the segments of rental in Germany and Poland are attributable to the rental income to be recognised in accordance with IFRS 16 and the income for operating and ancillary costs to be recognised in accordance with IFRS 15.

Rental revenues are comprised as follows:

Rental income in TEUR	2025	2024
Net actual rent	371,126	360,160
Pro rata remuneration of property tax and building insurance	18,594	19,378
Rental income according to IFRS 16	389,720	379,538
External operational and ancillary costs re-charged to tenants	94,670	88,705
Pro rata remuneration of property tax and building insurance	4,743	4,773
Costs re-charged to tenants according to IFRS 15	99,413	93,477
Total	489,134	473,015

Together with the revenues recognised in the income statement under the sales result or service result, the revenues from contracts with customers recognised in accordance with IFRS 15 amount to TEUR 577,748 (previous year: TEUR 703,447).

Rental expenses break down as follows:

Rental expenses incl. impairment losses in TEUR	2025	2024
Maintenance expenses	39,232	44,662
Non-recoverable charges	14,825	15,930
Ancillary costs of vacant real estate	8,282	8,160
Non-rechargeable expenses	62,339	68,751
Rechargeable costs, taxes and insurance	118,008	112,855
Rental expenses	180,347	181,607
Impairment losses on rent receivables	5,762	4,824
Total	186,109	186,431



19. NET INCOME FROM SALES

The proceeds from the sale of properties and the associated gains in Germany and Poland are shown below:

Income from sales in TEUR	2025	2024
Germany		
Revenues from the sale of investment properties	49,958	110,103
Expenses on the sale of investment properties	-50,427	-111,053
Net income from the sale of investment properties	-469	-950
Revenues from the sale of properties held as inventory (Germany)	0	0
Expenses from the sale of inventories (Germany)	-271	-2,944
Net income from the sale of inventories	-271	-2,944
Net income from the sale of real estate Germany	-739	-3,894
Poland		
Revenues from the sale of investment properties	26,982	14,453
Expenses on the sale of investment properties	-26,982	-14,081
Net income from the sale of investment properties	0	372
Revenues from the sale of properties held as inventory	272,164	372,874
Expenses from the sale of inventories	-197,952	-302,171
Net income from the sale of inventories	74,212	70,703
Net income from the sale of real estate Poland	74,212	71,075
Total	73,472	67,180

The selling expenses from properties held as inventory in Germany mainly relate to costs still incurred in connection with a property sold in the past and the ongoing expenses for the portfolio of properties held as inventories.

Sales revenue in Poland remained at a similar level to the previous year or increased slightly. This development is mainly due to higher sales prices and only a moderate increase in costs.



20. NET INCOME FROM SERVICES

The income and expenses attributable to service business are spread across the various services provided by the Group as follows:

Income from property services in TEUR	2025	2024
Energy services	46,768	49,627
Facility management	22,632	20,445
Craftsman services	6,092	5,883
Rechargeable land taxes and building insurance	3,547	3,722
Multimedia services	2,705	6,073
Construction and project services of Polish activities	44,044	23,478
Other	3,442	3,310
Total	129,231	112,538
Impairment losses	-1,088	-865
Expenditure of property services	-84,947	-65,458
Net income from property services	43,197	46,215

Property taxes and building insurance do not constitute services provided by TAG in accordance with IFRS 15 and are only reported separately to improve insight into the financial performance. For these contract components, the agreed remuneration is allocated proportionally to the other identified contract components.

Construction and project services in Poland were mainly provided to joint ventures. The item includes EUR 41.3m (previous year: EUR 15.9m) in revenue from construction services realised over time. The remaining revenue relates to services realised at a specific point in time.

Other expenses incurred in the area of services are reported under the respective items in the profit and loss statement (e.g. under personnel expenses).

21. OTHER OPERATING INCOME

The table below analyses the main items of other operating income:

Other operating income in TEUR	2025	2024
Capitalised personnel expenses	14,085	11,685
Rental income from interim letting of properties not yet developed	6,437	2,418
Government grants	1,183	724
Derecognition of liabilities	1,084	1,236
Other prior-period income	997	130
Income from asset disposals	854	111
Derecognition of liabilities	524	1,034
Total	25,164	17,339



The capitalised personnel expenses include directly attributable costs from the project development activity in Poland. An amount of TEUR 11,107 (previous year: TEUR 9,730) is attributable to properties held as inventory, with the remainder being attributable to the capitalised own services of the investment properties.

22. CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES AND PROPERTY HELD AS INVENTORIES

This item includes profits and losses from the ongoing valuation of the investment properties in the portfolio, effects from the valuation of real estate held as inventories and the valuation result of properties held for sale. The breakdown is as follows:

Changes in the fair value in TEUR	2025	2024
Investment properties	182,902	-114,499
Non-current assets held for sale	394	-86
Total	183,297	-114,585

23. PERSONNEL EXPENSES

Personnel expenses break down as follows:

Personnel expenses in TEUR	2025	2024
Employees in operations	48,752	45,724
Administration and central functions	30,905	24,892
Caretakers	18,271	16,714
Craftsmen	3,603	4,039
Total	101,531	91,369



24. OTHER OPERATING EXPENSES

The table below analyses the main items of other operating expenses:

Other operational expenditures in TEUR	2025	2024
Legal, consulting and auditing costs (incl. IT consulting)	7,833	7,856
IT costs	5,703	3,762
Advertising costs	3,762	2,418
Costs of premises	3,074	3,205
Telephone costs, postage, office supplies	2,298	2,394
Travelling expenses (incl. vehicle costs)	2,154	1,992
Ancillary personnel costs	2,130	2,210
Insurance	1,345	1,308
Project start-up costs in Poland	1,288	1,721
Incidental costs of monetary transactions	1,014	838
Guaranteed dividends	987	987
Contributions and donations	709	719
Investor relations	82	132
Other	3,697	3,777
Total	36,075	33,318

In the past financial year, TEUR 80 (previous year: TEUR 74) was recognised for unrecognised short-term leases. The expense for variable lease payments not included in the valuation of lease liabilities amounted to TEUR 603 (previous year: TEUR 652).

25. FINANCIAL RESULT

The financial result has the following structure:

Financial result in TEUR	2025	2024
Effect from currency changes through profit and loss	13,030	4,088
Investment income	-4,527	-762
Income from companies accounted for at equity	13,915	1,642
Interest income	32,233	17,284
Interest expense	-103,109	-72,561
Financial result	-48,457	-50,309
Non-cash interest from bonds	12,712	3,502
Premature termination compensation fees and one-offs	0	2
Other non-cash items (e.g. derivatives)	-4,533	-1,517
Net financial result (cash, after one-offs)	-40,278	-48,322

Other financial income primarily includes losses from changes in the value of free derivatives amounting to TEUR 6,480 (previous year: TEUR 1,309), distributions and dividends received amounting to TEUR 2,178 (previous year: TEUR 666) and income from changes in the value of investments designated as FVTPL amounting to TEUR 332 (previous year: TEUR 22). In the previous year, expenses from ineffective parts of derivatives from hedging relationships amounting to TEUR 290 and income from the reversal of hedging relationships amounting to TEUR 249 were also reported here.



Currency differences recognised in profit or loss result from the translation of foreign currencies as at the reporting date. Interest income and interest expense relate to interest income calculated using the effective interest method from financial assets and liabilities measured at amortised cost.

Other non-cash items in the reconciliation to net financial income mainly include the above-mentioned valuation of derivatives and currency differences.

Interest expense breaks down as follows:

Interest expense in TEUR	2025	2024
Interest expense under the effective interest method Financial liabilities recognised at amortised cost	-101,821	-71,299
Other financial expenses	-1,288	-1,262
Total	-103,109	-72,561

The interest income results entirely from financial instruments valued at amortised cost.

26. EARNINGS PER SHARE

Earnings per share break down as follows:

Earnings per share	2025	2024
Consolidated net profit (in TEUR)		
Consolidated net profit excluding non-controlling interest	93,379	121,123
Interest expense on convertible bonds	14,398	3,074
Consolidated net profit excluding non-controlling interest (diluted)	107,777	124,197
Number of shares (in 000)		
Weighted number of shares outstanding	180,509	175,471
Effect of conversion on convertible bonds	30,713	14,711
Weighted number of shares (diluted)	211,222	190,182
Earnings per share (in EUR)		
Basic	0.52	0.69
Diluted	0.51	0.65

Diluted earnings per share are calculated by adjusting the net profit or loss and the number of shares outstanding for the effects of options and other convertible instruments. The dilutive effect at TAG is mainly due to the “potential shares” from convertible bonds.



NOTES ON THE CASH FLOW STATEMENT

The cash flow statement shows the cash flows of the financial year, broken down into operating, investing and financing activities. Cash flows from investing and financing activities are presented directly, whereas the operating portion is determined using the indirect method.

The financial resources on which the cash flow statement is based only include freely available means of payment and are as follows in comparison to the liquid funds recognised in the balance sheet:

Cash and cash equivalents in TEUR	2025	2024
Cash and cash equivalents as reported on the balance sheet	1,197,900	603,459
Cash at banks subject to drawing restrictions	-1,149	-2,577
Cash and cash equivalents	1,196,751	600,883

The restricted bank balances relate to temporarily unavailable incoming payments from sales as well as pledged bank balances.

Further information on cash flows and non-cash changes in liabilities from financing activities, including lease liabilities, can be found in the section "13. Financial liabilities".



NOTES ON SEGMENT REPORTING

TAG pursues a regional management strategy for its German residential property portfolio and divides its property holdings in the “Rental Germany” segment into the regions of Berlin/Brandenburg, Chemnitz, Dresden, Erfurt, Gera, Hamburg, Leipzig, Rhine-Ruhr, Rostock, Salzgitter and Others. In addition, various commercial properties and serviced apartments operated by TAG are involved in the rental business. As part of its rental business, TAG provides services in the areas of energy management, craftsman services and caretaker services. The business activities in these areas are based on the letting of existing properties to TAG customers.

In addition to the rental business, the “Rental Poland” segment also comprises the development of residential real estate intended for future rental use and rental revenues from services provided in connection with the rental business. Due to the growing importance of this business activity, it is managed separately from the sales business in Poland. The “Sales Poland” segment comprises the disposal of residential properties and the development of properties (new construction) for subsequent sale in Poland. The “Other” segment mainly comprises sales activities in Germany that are carried out as part of opportunities.

Segment reporting follows internal reporting, which generally complies with IFRS accounting (with the exceptions included in the reconciliation from segment result to EBT described below). The results of the Rental Germany and Rental Poland segments represent the respective contribution of the segment to FFO I and together constitute the Group's FFO I. The result in the Sales Poland segment represents the FFO II contribution of the Polish sales business, while the contribution to FFO II generated in Germany through sales activities is included in “Other”. The “Other” segment also includes revenue from apportionable operating costs generated in the rental business. The reconciliation from segment profit to EBT is presented following the segment reporting.



The Group does not manage assets and liabilities at segment level, so no presentation by segment is provided in the segment reporting.

Segment report		Rental Germany	Rental Poland	Sales Poland	Other	Total
Segment revenues	2025	430,707	25,672	343,190	167,966	967,535
	2024	430,058	19,320	410,649	222,960	1,082,987
Rental income	2025	345,520	25,606	0	118,008	489,134
	2024	340,997	19,163	0	112,856	473,016
Service income	2025	85,187	66	44,045	0	129,298
	2024	89,061	157	23,322	0	112,539
Sales income	2025	0	0	299,145	49,958	349,103
	2024	0	0	387,327	110,103	497,430
Segment expenses	2025	-200,578	-8,204	-257,693	-168,705	-635,180
	2024	-203,715	-7,121	-334,042	-224,854	-769,733
Rental expenses	2025	-67,269	-833	0	-118,008	-186,109
	2024	-72,616	-959	0	-112,856	-186,432
Service costs	2025	-48,408	-71	-37,556	0	-86,035
	2024	-50,863	0	-15,460	0	-66,323
Sales costs	2025	0	0	-224,934	-50,697	-275,631
	2024	0	0	-316,252	-113,998	-430,249
Personnel expenses	2025	-66,619	-8,425	-26,487	0	-101,531
	2024	-62,325	-5,879	-23,165	0	-91,369
Other income / other costs	2025	-18,283	1,125	3,533	0	-13,625
	2024	-17,911	-283	1,630	0	-16,564
Results from joint ventures	2025	0	0	13,915	0	13,915
	2024	0	0	1,642	0	1,642
Adjustments Sales Result Poland (mostly PPA-Effects) and Germany	2025	0	0	13,836	0	13,836
	2024	0	0	17,563	2,000	19,563
Adjusted EBITDA	2025	230,129	17,468	85,498	-739	332,355
	2024	226,343	12,199	76,606	-1,893	313,254
Financial result (cash)	2025	-44,425	-10,046	277	0	-54,194
	2024	-42,271	-10,676	4,625	0	-48,322
Taxes paid	2025	-10,157	-1,339	-14,656	0	-26,152
	2024	-9,193	-209	-15,277	0	-24,679
Guaranteed dividend	2025	-640	0	-3,165	0	-3,805
	2024	-1,090	0	220	0	-870
Segment result	2025	174,907	6,084	67,954	-739	248,205
	2024	173,789	1,313	66,174	-1,893	239,383

Revenues of TEUR 135,595 were generated between the Rental Poland and Sales Poland segments, which have already been eliminated in this view of segment reporting. Revenues between segments are settled at market prices. In the previous year, intersegment revenues amounted to TEUR 27,892.



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

Segment earnings in TEUR	2025	2024
Segment earnings	248,205	239,382
Fair value changes in investment properties and valuation of properties held as inventory	183,297	-114,585
Depreciation	-13,982	-12,737
Financial result, non-cash items	-8,179	-3,043
Other adjustments (income taxes paid, guaranteed dividend for minority interests)	18,768	5,986
EBT	428,110	115,002



DISCLOSURES ON FINANCIAL INSTRUMENTS

RISKS FROM FINANCIAL INSTRUMENTS

The Group's business activities expose it to a variety of financial risks. These risks primarily include market, liquidity and credit risks. Based on the guidelines approved by the corporate bodies, risk management is carried out by the central finance department. The counterparty default risk for derivative financial instruments and financial transactions is kept low by selecting financial institutions with high credit ratings.

CAPITAL RISK MANAGEMENT

The Group manages its capital with the aim of maximising returns for its shareholders by optimising the ratio of equity to debt capital. In doing so, it ensures that all Group companies can operate under the going concern assumption.

As a public limited company, the Company is subject to the minimum capital requirements of German stock corporation law. In addition, the Group is subject to standard and industry-specific minimum capital requirements of the banking industry, particularly when financing specific real estate properties. These minimum capital requirements are monitored on an ongoing basis and were met in the financial year as in the previous year.

Risk management reviews the Group's capital structure on a quarterly basis. The cost of capital and the risk associated with each class of capital are taken into account. In order to meet the credit industry's external capital requirements, accounting ratios are currently determined and forecast. This also includes property-specific debt service ratios, loan-to-value ratios and contractually agreed balance sheet and income ratios.

The equity ratio, including non-controlling interests, was as follows at the end of the year:

Equity ratio in TEUR	2025	2024
Equity	3,322,045	3,099,853
Total assets	8,951,243	7,750,254
Equity ratio in %	37.1	40.0



FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of assets and liabilities should be determined using input factors that are as market-oriented as possible. The measurement hierarchy distinguishes between three levels, depending on the availability of the input factors:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than 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 not based on observable market data for the valuation of the asset or liability

If input factors from different levels are used, the fair value is categorised in the lowest hierarchy level. During the reporting period, there were no transfers between the respective hierarchy levels.

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

Fair values of financial instruments in TEUR		2025	2024
Assets			
Other financial assets	Level 2	4,050	4,500
Other financial assets	Level 3	3,882	3,764
Derivatives with no hedging relationship	Level 2	158	539
Liabilities			
Derivatives with no hedging relationship	Level 2	-67,460	-12,204

As in the previous year, the change in the carrying amount of the other financial assets measured at a fair value of level 3 results entirely from changes in the fair value recognised in profit or loss.

The other financial assets mainly include unlisted minority interests in real estate companies and closed-ended real estate funds. The valuation of the investments is based partly on observable market prices (level 2) and partly on company-specific models, such as customary 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 changes in the value of real estate and, as far as possible, are based on market data. A change in the fair value of the real estate held by the investees would have a proportionate impact on the fair value of the investment. There are currently no specific plans to sell these investments.

Derivative financial instruments are valued on the basis of established valuation models, the main inputs of which are derived from active markets. The purchase price guarantees recognised as derivative financial instruments without a hedging relationship are measured on the basis of a Monte Carlo simulation (mark-to-model valuation) using two correlated stochastic processes. The conversion options from convertible bonds, which are recognised separately as derivatives, are valued on the basis of binomial models.



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

Financial instruments in TEUR	Valuation	2025		2024	
		Book value	Fair value	Book value	Fair value
Liabilities to banks	Level 2	2,312,581	2,242,765	2,358,303	2,270,066
Liabilities from corporate bonds and other loans	Level 2	981,996	983,817	834,331	953,732
Liabilities from corporate bonds and other loans	Level 1	134,628	133,749	59,472	59,440
Liabilities from convertible bonds	Level 2	854,537	891,716	466,298	442,975

The fair value of the non-current liabilities is determined by discounting the future cash flows. The discounting is based on a market interest rate for a similar risk with a similar term.

The trade receivables which are also classified as amortised costs, other current assets and cash and cash equivalents have short remaining maturities. Their book values as of the reporting date therefore correspond approximately to their fair values. The same applies to the short-term liabilities to banks, trade payables and other short-term liabilities.

OBJECTIVES OF FINANCIAL RISK MANAGEMENT

Material risks monitored and managed by the Group's financial risk management include market risks relating to interest rates and share prices, default risk, financing risk and liquidity risk.

MARKET RISKS

The Group's activities are exposed to financial risks arising from changes in interest rates. For the most part, long-term bank loans are only taken out at fixed interest rates, with a small number of variable-rate loans. Corporate bonds, convertible bonds and promissory note loans generally have fixed interest rates. Financing in Poland is largely variable-rate. Variable-rate loans and corporate bonds total EUR 238.7m (previous year: EUR 184.9m).



The Group enters into derivative financial instruments to the extent necessary to manage the aforementioned interest rate risks. Interest rate swaps are used for this purpose, which minimise the interest rate risk and interest rate sensitivities in the event of rising interest rates. The Group does not contract or trade in financial instruments, including derivative financial instruments, for speculative purposes. Payer swaps are synthetic fixed-interest agreements in connection with a variable underlying transaction, whereby variable interest rates are exchanged for fixed interest rates on the basis of agreed nominal amounts. This ensures that the Group is independent of money market developments in the long term and provides planning security for debt servicing for the hedged tranches. Interest rate derivatives with a nominal volume of EUR 171.2 m and a book value of EUR -0.5m (previous year: nominal amount of EUR 239.2 m and book value of EUR -1.2m) and with a nominal volume of EUR 100m and a book value of EUR 0.2m (previous year: nominal value of EUR 23.4m and book value of EUR 0.5m).

Excluding interest rate hedges, an interest rate increase of 2.0% would have a negative impact of EUR 10.2 m on net interest income (previous year: EUR 20.1m), while a 2.0% decrease in interest rates would reduce net interest income by EUR 11.0m (previous year: EUR 23.9m). These effects would have a direct impact on consolidated net income and consolidated equity, taking into account additional income taxes.

The derivative financial instruments also include the conversion right from the two convertible bonds with a fair value of EUR 60.6m (previous year: EUR 1.8m). In addition, there are recognised purchase price guarantees to minority shareholders of a subsidiary amounting to EUR 6.3m (previous year: EUR 9.1m) with a remaining term of one to five years. These derivatives are subject to interest rate risk as well as share price risk. If interest rates were to increase or decrease by 2.0%, the obligation arising from these financial instruments would increase by a total of EUR 5.5m (previous year: decrease of EUR 1.1m) or decrease by EUR 5.3m (previous year: increase of EUR 1.5m). A 5% increase or decrease in the TAG share price would result in a decrease of EUR 6.7m (previous year: EUR 0.1m) or an increase of EUR 6.7m (previous year: EUR 0.0m) in the liability. Taking into account deferred tax effects of the same amount, the change would have impacts on consolidated net profit and consolidated equity.

Due to the investments in the Polish companies, there is a currency risk between the Polish zloty and the euro. A 5% increase in the exchange rate of the zloty would lead to a non-recognition increase in the currency reserve reported in equity of EUR 3.6m (previous year: EUR 3.8m), while a 5% decrease would lead to a non-recognition decrease of EUR 3.6m (previous year: EUR 3.8m).



CREDIT RISK MANAGEMENT

Overview

Default risk refers to the risk of a loss for the Group if a contracting party fails to meet its contractual obligations. The financial assets recognised in the consolidated financial statements, less any impairment, represent the Group's maximum default risk, without taking into account any collateral.

The Group only enters into business relationships with creditworthy contractual parties and, if appropriate, by obtaining collateral in order to reduce the risk of a loss resulting from the non-fulfilment of obligations. Available financial information and the Group's own trading records were used to evaluate business partners. The Group's risk exposure is monitored on an ongoing basis.

Trade receivables are due from a large number of customers spread across different geographical areas. Ongoing monitoring of incoming payments is carried out with regard to the financial status of the receivables. Significant additional financial assets are due primarily from customers with good credit ratings.

Estimation of expected credit losses

At each balance sheet date, TAG assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when an event or a series of events with an adverse effect on the estimated future cash flows of the financial asset has occurred.

The gross carrying amount of a financial asset is written down if the Group does not, after appropriate assessment, expect that all or part of the financial asset will be realisable. Impairments on trade receivables are always measured at the amount of the credit loss expected over the term. The Group uses an impairment matrix to measure the expected losses on trade receivables from rental, which comprise a very large number of small balances.

TAG assesses the receivables according to their maturity profile. Security deposits are also taken into account. The loss rates are calculated on the basis of historical data from the last three years, taking into account changes in external influencing factors, and are regularly reviewed. An average loss rate is also calculated for terminated rental contracts.



The following table contains information on the estimated default risk for rent receivables.

Credit risk 31 December 2025 in EURm	Loss rate	Gross book value	Impairment
Existing rental contracts			
Rent receivables not yet due	0.7%	19.9	0.1
≤ 90 Days	45%	3.8	0.9
≤ 180 Days	74%	3.6	2.7
≤ 270 Days	91%	0.3	0.4
> 270 Days	100%	0.1	0.1
Terminated rental contracts	81%	18.9	15.4
Total		46.6	19.6
Credit risk 31 December 2024 in EURm	Loss rate	Gross book value	Impairment
Existing rental contracts			
Rent receivables not yet due	1.0%	19.7	0.2
≤ 90 Days	49%	2.7	1.1
≤ 180 Days	75%	2.5	1.9
≤ 270 Days	89%	0.6	0.5
> 270 Days	100%	0.2	0.1
Terminated rental contracts	78%	15.7	12.4
Total		41.5	16.2

In Poland, trade receivables amounting to EUR 4.7m (previous year: EUR 10.1m) are reported. The value adjustments of EUR 1.6m (previous year: EUR 1.8m) included therein are determined on the basis of an age structure. The material portion of this amount, EUR 1.5m (previous year: EUR 1.4m), relates to receivables that are more than 180 days past due. Taking into account security deposits, the average value adjustment ratio for these receivables is 76% (previous year: 59%).

The Group derecognises a financial asset when it is finally valued as irrecoverable. In conducting this valuation, the Group takes into account, for example, asset information or information from court proceedings for the collection of rent.

Impairments of trade receivables

The development of the value adjustments on trade receivables is as follows:

Impairments in EURm	
Balance on 1 January 2024	15.6
Amounts adjusted	-4.6
Net changes over expected term	7.0
Balance on 31 December 2024	18.0
Amounts adjusted	-5.0
Net changes over expected term	8.2
Balance on 31 December 2025	21.2



The gross carrying amount of receivables decreased by EUR 0.5m in the financial year (previous year: EUR 3.4m). Material changes in the gross carrying amount of trade receivables regularly occur as a result of changes in the normal course of business. The decline in the financial year is mainly attributable to lower receivables in Poland as of the reporting date.

Trade receivables with a nominal value of EUR 17.6m as at 31 December 2025 (previous year: EUR 13.7m) are subject to enforcement measures.

Other current assets/cash and cash equivalents

The assessment of expected credit losses for other current assets and cash and cash equivalents is based on valuation ratios and the ratings of external rating agencies. The expected credit losses are still considered to be low.

As of the reporting date, the Group had cash and cash equivalents of EUR 1,197.9m (previous year: EUR 603.5m) and short-term time deposits with a term of six months at the time of investment amounting to EUR 150.0m (previous year: EUR 0.0m). The funds are deposited with banks and financial institutions that have an investment grade rating. Possible value adjustments on cash and cash equivalents are calculated on the basis of expected losses within twelve months and thus reflect the short maturities. The Group assumes that its cash and term deposits currently present a very low risk based on the external ratings of the banks and financial institutions. The Group has therefore not recognised any impairment for reasons of materiality.

As at 31 December 2025, the Group held short-term loans of EUR 4.4m (previous year: EUR 4.4m), which are secured by pledging shares in real estate companies. Potential value adjustments to the loans are generally calculated on the basis of expected losses within twelve months. TAG assumes that the default risk of these assets increases significantly if the underlying LTV in the real estate companies serving as collateral exceeds 85% or if payment defaults occur.

LIQUIDITY RISK

Responsibility for liquidity risk management lies with the Management Board, which has established an appropriate policy for managing short-, medium- and long-term financing and liquidity requirements. The Group manages liquidity risks by maintaining adequate reserves and credit lines with banks, as well as by continuously monitoring projected and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

Other financial assets mainly relate to investments with an indefinite term. All other financial assets are due within one year.



The following table shows the contractual undiscounted interest and principal payments of the financial liabilities.

Maturities of financial assets and liabilities in TEUR	Book value	Contractual payments		
		less than 1 year	1–5 years	more than 5 years
31 December 2025				
Primary financial instruments				
Liabilities to banks	2,312,581	388,177	1,429,456	540,686
Liabilities from corporate bonds and other loans	1,116,624	132,034	859,328	312,778
Liabilities from convertible bonds	854,537	4,281	489,563	458,348
Lease liabilities	49,324	8,528	23,684	100,314
Other financial liabilities	170,142	9,554	33,105	0
Derivative financial liabilities	67,460	82	6,771	66,608
Total	4,570,668	542,656	2,841,907	1,478,734
31 December 2024				
Primary financial instruments				
Liabilities to banks	2,358,303	396,143	1,393,357	613,016
Liabilities from corporate bonds and other loans	893,804	220,808	266,541	534,046
Liabilities from convertible bonds	466,298	2,938	478,813	0
Lease liabilities	46,324	6,228	15,477	39,073
Other financial liabilities	5,157	3,560	1,596	0
Derivative financial liabilities	12,204	0	10,984	0
Total	3,782,089	629,677	2,166,768	1,186,135

The option rights from the 2020/2026 and 2025/2031 convertible bonds can, in principle, be exercised at any time until the end of their respective terms in August 2026 and March 2031, respectively, with TAG having a cash settlement option in the event of conversion requests.

The Group can draw on overdraft facilities. The total amount not yet utilised as of the reporting date is EUR 296.0m (previous year: EUR 174.8m). The Group expects to be able to meet its liabilities from operating cash flows, the inflow of maturing financial assets and existing credit lines at any time.

FINANCING RISK

TAG is dependent on obtaining debt capital on reasonable terms to refinance its ongoing business activities or for acquisitions. A crisis on the financial markets could make it considerably more difficult for TAG to obtain debt financing and lead to liquidity problems. If this results in problems servicing current loans, lenders could initiate forced recoveries of real estate collateral, and such distress sales would lead to significant financial disadvantages for TAG. TAG continues to take advantage of the current market environment to hedge against this risk by restructuring material loans on a long-term basis.



The Group has bank liabilities, promissory note loans and corporate bonds totalling EUR 2,973m (previous year: EUR 2,656m), for which lenders have imposed credit covenants with regard to debt service coverage ratios and equity or debt ratios. Any breach of these credit requirements could result in an early repayment obligation. Similarly, further credit conditions have been agreed for the corporate bonds in Germany and Poland and the convertible bonds, failure to comply with which could lead to a liquidity risk. In the event of a breach of these credit agreements, these bonds and loans may be terminated (see also the comments in the section 'Disclosures pursuant to Section 289a HGB and Section 315a (1) HGB' of the combined management report).

Specifically, in Germany, for bank liabilities amounting to EUR 993m (previous year: EUR 1,146m), either a DSCR of between 1.05 and 2.25, an ICR of 1.8, an LTV of at least 60% to 80% or an equity ratio of at least 25%–30% must be maintained. In addition, for liabilities amounting to EUR 643m (previous year: EUR 1,533m) on the reporting date, occupancy rates of between 85% and 92% must be maintained, agreed vacancy rates must not be exceeded, or minimum rents must be agreed in absolute terms or in relation to debt service and LTV.

In Poland, for bank liabilities amounting to EUR 189m, the LTV must be at least 60% or 65%, the DSCR must be 1.2, the occupancy rate must be 70%, and various other debt and hedging ratios must not be undercut. For additional liabilities of EUR 45m, a debt ratio of 1.1 for the financed group and an ICR of 2.5–3.0 must be maintained.

Promissory note loans and corporate bonds with a book value of EUR 946m (previous year: EUR 204.5m) as of the reporting date must essentially have an ICR of 1.8 in Germany and 1.2 in Poland, as well as an LTV of 60% at the end of each year. For additional corporate bonds amounting to EUR 133m (previous year: EUR 35m), the LTV of the financed subgroup in Poland may not exceed 1.1.

The Group expects that the covenants to be complied with on a quarterly to annual basis will be met in the twelve months following the reporting date.

As in the previous year, all material covenants under loan agreements were complied with as of the reporting date.

COLLATERAL

The Group holds collateral in the form of financial assets (demand deposits and savings deposits) from tenants amounting to EUR 60.6m (previous year: EUR 55.2 m). The contractual provisions stipulate that rental deposits of up to three times the monthly rent must be provided.



OTHER INFORMATION

OTHER FINANCIAL OBLIGATIONS

Obligations from operating leases are recognised in accordance with the requirements of IFRS 16. In addition, there are financial obligations, particularly from service or licence agreements, amounting to TEUR 4,808 (previous year: TEUR 4,576), of which TEUR 933 (previous year: TEUR 11) will fall due in one to five years. The remaining amount will fall due within one year.

Furthermore, in August 2025, TAG signed an agreement through its wholly-owned Polish subsidiary Vantage to acquire c. 5,300 rental apartments from R4R Poland sp. z o.o. for a purchase price of c. EUR 565m, payable at that time. Completion is still subject to antitrust approval, which is now expected in the second quarter of 2026.

TAG has concluded purchase agreements for residential real estate, with transfer of ownership not due to take place until the 2026 financial year. The outstanding obligation from these agreements amounts to EUR 12.5m (previous year: EUR 0.0m).

AUDITOR'S FEE

Deloitte GmbH Wirtschaftsprüfungsgesellschaft has audited the annual and consolidated financial statements of TAG Immobilien AG and the annual financial statements of various German subsidiaries as at 31 December 2025, insofar as these are statutory audits. In addition, a review of the condensed interim consolidated financial statements and the condensed interim Group management report as at 30 June 2025 was carried out. Other assurance services in the past financial year included the preparation of a comfort letter in connection with capital market transactions and expenses for the audit of the Sustainability Report. Other services in the previous year relate to various audit-related consulting services.

The fee charged to the Group as a whole for the financial year for the Group auditor totalling TEUR 1,407 (previous year: TEUR 1,249) includes fees (plus statutory value added tax in each case) for

- audit services of TEUR 842 (previous year: TEUR 807),
- other assurance services of TEUR 565 (previous year: TEUR 399) and
- other services of TEUR 0 (previous year: TEUR 43).

Of the audit services, TEUR 31 (previous year: TEUR 21) and of the other assurance services, TEUR 76 (previous year: TEUR 0) relate to recalculations for the previous year. No other services were provided by the auditor's network. The other assurance services are mainly related to the limited assurance audit of the sustainability statement and the issuance of a comfort letter.



HEADCOUNT

The average number of employees in the Group for the last two financial years is as follows:

Employees	2025	2024
Operational employees	928	900
Caretakers	532	512
Administration and central area	375	354
Craftsmen	76	83
Total	1,911	1,849

RELATED PARTIES

In addition to the remuneration paid to the Company's executive bodies as described in the following sections, TAG had business relationships with non-consolidated joint ventures in the form of joint venture investments during the financial year. Revenues of EUR 42.0m (previous year: EUR 20.9m) were generated from delivery and service relationships with these companies, and receivables of EUR 7.0m (previous year: EUR 5.0m) and other liabilities of EUR 8.5m (previous year: EUR 0m) were reported in relation to these companies. In addition, loans to the joint ventures amounting to EUR 27.7m (previous year: EUR 33.9m) are reported. These loans have a term until May or December 2028 and bear interest at a variable rate. The variable interest rate as at 31 December 2025 consisted of the Polish 6-month WIBOR of 3.87% and a margin of 4.1%. In the financial year, TAG generated interest income of EUR 2.5m (previous year: EUR 3.3m) from these loans. All transactions were conducted at arm's length.

Apart from the above, there were no other business relationships with related parties in the financial year.

SUPERVISORY BOARD

The members of the Supervisory Board and their Supervisory Board mandates and memberships in comparable domestic and foreign supervisory bodies in the past financial year are listed below:

- Mr Olaf Borkers, management consultant, Hamburg (Chairman)
- Mr Eckhard Schultz, business graduate, Starnberg (Deputy Chairman)
- Prof. Dr Kristin Wellner, university professor, Leipzig
- Ms Gabriela Gryger, management consultant, Warsaw, Poland
 - Global Parks Poland Sp. z o.o., Warsaw, Poland
- Ms Beate Schulz, legal department employee, Berlin, workers' representatives
- Mr Björn Eifler, team leader property management, Chemnitz, workers' representatives

The remuneration of the Supervisory Board in the financial year amounted to TEUR 481 (previous year: TEUR 434) plus expenses and includes only short-term benefits.



MANAGEMENT BOARD

The members of the Management Board and their supervisory board mandates and memberships in comparable domestic and foreign controlling bodies in the 2025 financial year are as follows:

- Ms Claudia Hoyer, Chief Real Estate Officer (COO, Co-CEO), Potsdam
 - Vantage Development S.A., Wrocław, Poland (Group mandate)
 - ROBYG S.A., Warsaw, Poland (Group mandate)
- Mr Martin Thiel, Chief Financial Officer (CFO, Co-CEO), Hamburg
 - Vantage Development S.A., Wrocław, Poland (Group mandate)
 - ROBYG S.A., Warsaw, Poland (Group mandate)

The remuneration of the Management Board that was paid out in the past financial year is as follows:

Remuneration of the Management Board TEUR	2025	2024
Short-term employee benefits	1,152	1,038
Total	1,152	1,038

The total remuneration paid to the Management Board and Supervisory Board amounted to TEUR 1,633, compared with TEUR 1,472 in the previous year. The total remuneration paid to the Management Board during the past financial year amounted to TEUR 1,152 (previous year: TEUR 1,038). The total remuneration granted to the Management Board for its activities in the 2025 financial year amounts to TEUR 1,808. In addition, provisions for future remuneration under the LTIP amounting to TEUR 508 (previous year: TEUR 0) were recognised.

DECLARATION ON THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

The declaration of the Management Board and the Supervisory Board regarding the recommendations of the Government Commission on the German Corporate Governance Code required pursuant to Section 161 (1) of the German Stock Corporation Act (AktG) has been submitted and made available to shareholders on the TAG website.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No reportable events occurred after the reporting date.

Hamburg, 17 March 2026

Claudia Hoyer
(COO, Co-CEO)

Martin Thiel
(CFO, Co-CEO)



LIST OF SHAREHOLDINGS IN ACCORDANCE WITH SECTION 313 (2) OF THE GERMAN COMMERCIAL CODE

Name of company	Registered office	Share in capital %
Parent company		
TAG Immobilien AG	Hamburg	100.0
Fully consolidated companies		
Portfolio Germany		
Bau-Verein zu Hamburg Eigenheim-Immobilien GmbH	Hamburg	100.0
Bau-Verein zu Hamburg Hausverwaltungsgesellschaft mbH	Hamburg	100.0
Bau-Verein zu Hamburg Immobilien GmbH	Hamburg	100.0
Bau-Verein zu Hamburg Wohnungsgesellschaft mbH	Hamburg	100.0
BV Hamburger Wohnimmobilien GmbH	Hamburg	100.0
BVV Bau-Verein zu Hamburg Fonds Verwaltungsgesellschaft mbH	Hamburg	100.0
Energie Wohnen Service GmbH ¹⁾	Hamburg	100.0
Multimedia Immobilien GmbH	Hamburg	100.0
TAG Greifswald-Immobilien GmbH	Hamburg	100.0
TAG 1. NRW-Immobilien GmbH	Hamburg	100.0
TAG Beteiligungs- und Immobilienverwaltungs GmbH	Hamburg	100.0
TAG Beteiligungsverwaltungs GmbH	Hamburg	100.0
TAG Brandenburg-Immobilien GmbH	Hamburg	100.0
TAG Chemnitz-Immobilien GmbH	Hamburg	100.0
TAG Finance Holding GmbH	Hamburg	100.0
TAG Gotha Wohnimmobilien GmbH & Co. KG	Hamburg	100.0
TAG Grebensteiner-Immobilien GmbH	Hamburg	100.0
TAG Handwerkerservice GmbH	Hamburg	100.0
TAG Immobilien Service GmbH ¹⁾	Hamburg	100.0
TAG Immobilien Verwaltung GmbH	Hamburg	100.0
TAG Klosterplatz-Immobilien GmbH	Hamburg	100.0
TAG Magdeburg-Immobilien GmbH	Hamburg	100.0
TAG Marzahn-Immobilien GmbH	Hamburg	100.0
TAG Nordimmobilien GmbH	Hamburg	100.0
TAG NRW-Wohnimmobilien & Beteiligungs GmbH	Hamburg	100.0
TAG Portfolio Mecklenburg-Vorpommern GmbH&Co.KG	Hamburg	100.0
TAG Portfolio Sachsen GmbH & Co. KG, Hamburg	Hamburg	100.0
TAG Potsdam-Immobilien GmbH	Hamburg	100.0
TAG Sachsenimmobilien GmbH	Hamburg	100.0
TAG Schwerin-Immobilien GmbH	Hamburg	100.0
TAG SH-Immobilien GmbH	Hamburg	100.0
TAG Spreewaldviertel-Immobilien GmbH	Hamburg	100.0



Name of company	Registered office	Share in capital %
TAG Stadthaus am Anger GmbH	Hamburg	100.0
TAG Steckelhörn Immobilien GmbH	Hamburg	100.0
TAG TSA Wohnimmobilien GmbH ¹⁾	Hamburg	100.0
TAG Vogtland-Immobilien GmbH	Hamburg	100.0
TAG Wohnen & Service GmbH	Hamburg	100.0
TAG Wohnen GmbH ¹⁾	Hamburg	100.0
TAG Wohnungsgesellschaft Mecklenburg-Vorpommern mbH	Hamburg	100.0
TAG Wohnungsgesellschaft Sachsen mbH	Hamburg	100.0
TAG Wolfsburg-Immobilien GmbH	Hamburg	100.0
TAG Zuhause Wohnen GmbH	Hamburg	100.0
URANIA Grundstücksgesellschaft mbH	Hamburg	100.0
VFHG Verwaltungs GmbH	Hamburg	100.0
Zweite Immobilienbeteiligungsgesellschaft BVV Bau-Verein zu Hamburg Fonds GmbH & Co. KG	Hamburg	98.1
TAG Grimma-Immobilien GmbH	Hamburg	94.9
TAG Halle-Immobilien GmbH	Hamburg	94.9
TAG Sachsen-Anhalt Immobilien GmbH	Hamburg	94.9
TAG Cottbus-Immobilien GmbH	Hamburg	94.8
TAG Wohnungsgesellschaft Berlin-Brandenburg mbH	Hamburg	94.8
TAG Bartol Immobilien GmbH	Hamburg	94.8
TAG Certram Immobilien GmbH	Hamburg	94.8
TAG Sivaka Immobilien GmbH	Hamburg	94.8
TAG Zidal Immobilien GmbH	Hamburg	94.8
TAG Chemnitz Straubehof Immobilien GmbH	Hamburg	94.8
TAG Chemnitz Muldental Immobilien GmbH	Hamburg	94.8
TAG Chemnitz Zeisigwald Immobilien GmbH	Hamburg	94.8
TAG Havel-Wohnimmobilien GmbH	Hamburg	94.8
TAG Gotha-Immobilien GmbH	Hamburg	94.8
TAG Müritz-Immobilien GmbH	Hamburg	94.8
TAG Merseburg-Immobilien GmbH	Hamburg	94.0
TAG Portfolio Thüringen GmbH & Co. KG ²⁾	Hamburg	94.0
TAG Wohnungsgesellschaft Gera mbH	Hamburg	94.0
TAG Wohnungsgesellschaft Gera-Debschwitz mbH	Hamburg	94.0
TAG Wohnungsgesellschaft Thüringen mbH	Hamburg	94.0
Domus Grundstücksverwaltungsgesellschaft mbH	Hamburg	89.5
Emersion Grundstücksverwaltungsgesellschaft mbH ¹⁾	Hamburg	89.5
TAG Grasmus Immobilien GmbH	Hamburg	89.5
TAG Colonia-Immobilien AG	Hamburg	89.2
Colonia Immobilien Verwaltung GmbH	Hamburg	89.2
Colonia Portfolio Berlin GmbH	Hamburg	89.2
Colonia Portfolio Bremen GmbH & Co. KG	Hamburg	89.2
Colonia Portfolio Hamburg GmbH & Co. KG	Hamburg	89.2
Colonia Portfolio Nauen GmbH & Co. KG	Hamburg	89.2
Colonia Wohnen GmbH	Hamburg	89.2
Colonia Wohnen Siebte GmbH	Hamburg	89.2
Colonio Portfolio Ost GmbH	Hamburg	89.2



Name of company	Registered office	Share in capital %
TAG Wohnimmobilien Halle GmbH & Co. KG	Hamburg	89.2
FC REF I GmbH	Grünwald	80.0
Portfolio Poland		
10/165 ROBYG Praga Investment I Spółka z ograniczona odpowiedzialnoscia Sp. k.	Warsaw	100.0
15/167 ROBYG Praga Investment I Spółka z ograniczona odpowiedzialnoscia Sp. k.	Warsaw	100.0
9/151 ROBYG Praga Investment I Spółka z ograniczona odpowiedzialnoscia Sp. k.	Warsaw	100.0
Apartamenty przy metrze Sp. z o.o.	Warsaw	100.0
GK ROBYG Sp. z o.o.	Warsaw	100.0
GYBOR Sp. z o.o.	Warsaw	100.0
IGD Silesia Sp. z o.o. in liquidation	Warsaw	100.0
Jagodno Estates Sp. z o.o.	Warsaw	100.0
KAJAR Investment Sp. z o.o.	Warsaw	100.0
Królewski Park Sp. z o.o.	Warsaw	100.0
Kuropatwy Park Sp. z o.o.	Warsaw	100.0
MKO Investment Holding Sp. z o.o.	Warsaw	100.0
NCHAR Sp. z o.o.	Warsaw	100.0
OVERKAM 7 QUBE Sp. z o.o.	Warsaw	100.0
OVERKAM 7 QUBE SPV 12 Sp. z o.o.	Warsaw	100.0
P-Administracja Sp. z o.o.	Warsaw	100.0
Przybrzezna Sp. z o.o.	Warsaw	100.0
PZT "Transbud Service" Sp. z o.o. in liquidation	Warsaw	100.0
PZT "Transbud Trading - 3" Sp. z o.o. in liquidation	Sławno	100.0
PZT "Transbud" S.A.	Warswa	100.0
ROBYG 18 Sp. z o.o.	Warsaw	100.0
ROBYG 19 Sp. z o.o.	Warsaw	100.0
ROBYG 21 Sp. z o.o.	Warsaw	100.0
ROBYG 22 Sp. z o.o.	Warsaw	100.0
ROBYG 23 Sp. z o.o.	Warsaw	100.0
ROBYG 24 Sp. z o.o.	Warsaw	100.0
ROBYG 24 Spółka z ograniczona odpowiedzialnoscia Sp. k.	Warsaw	100.0
ROBYG 25 Sp. z o.o.	Warsaw	100.0
ROBYG 26 Sp. z o.o.	Warsaw	100.0
ROBYG 27 Sp. z o.o.	Warsaw	100.0
ROBYG 29 Sp. z o.o.	Warsaw	100.0
ROBYG 30 Sp. z o.o.	Warsaw	100.0
ROBYG Apartamenty Villa Nobile Sp. z o.o.	Warsaw	100.0
ROBYG Business Park Sp. z o.o.	Warsaw	100.0
ROBYG City Apartments Sp. z o.o.	Warsaw	100.0
ROBYG Construction Sp. z o.o.	Warsaw	100.0
ROBYG Development 1 Sp. z o.o.	Warsaw	100.0
ROBYG Development 1 spółka z ograniczona odpowiedzialnoscia Sp. k.	Warsaw	100.0
ROBYG Development 2 Sp. z o.o.	Warsaw	100.0
ROBYG Finance Sp. z o.o.	Warsaw	100.0
ROBYG Finance spółka z ograniczona odpowiedzialnoscia S.K.A.	Warsaw	100.0
ROBYG Grobla Park Sp. z o.o.	Warsaw	100.0



Name of company	Registered office	Share in capital %
ROBYG Jabloniowa 2 Sp. z o.o.	Warsaw	100.0
ROBYG Jabloniowa Sp. z o.o.	Warsaw	100.0
ROBYG Kameralna Sp. z o.o.	Warsaw	100.0
ROBYG Ksiegowosc Sp. z o.o.	Warsaw	100.0
ROBYG Marina Tower Sp. z o.o.	Warsaw	100.0
ROBYG Marketing i Sprzedaz Sp. z o.o.	Warsaw	100.0
ROBYG Mokotów Investment Sp. z o.o.	Warsaw	100.0
ROBYG Morenova Sp. z o.o.	Warsaw	100.0
ROBYG New Era Sp. z o.o.	Warsaw	100.0
ROBYG Nowy Wrocław 1 Sp. z o.o.	Warsaw	100.0
ROBYG Panorama Sp. z o.o. (former: ROBYG Nowy Wrocław 2 Sp. z o.o.)	Warsaw	100.0
ROBYG Ogród Jelonki Sp. z o.o.	Warsaw	100.0
ROBYG Osiedle Kameralne Sp. z o.o.	Warsaw	100.0
ROBYG Osiedle Królewskie Sp. z o.o.	Warsaw	100.0
ROBYG Osiedle Zdrowa 1 Sp. z o.o.	Warsaw	100.0
ROBYG Osiedle Zdrowa Sp. z o.o.	Warsaw	100.0
ROBYG Osiedle Zyczliwe Sp. z o.o.	Warsaw	100.0
ROBYG Park Sp. z o.o.	Warsaw	100.0
ROBYG Piatkowo Sp. z o.o.	Warsaw	100.0
ROBYG Praga Arte Sp. z o.o.	Warsaw	100.0
ROBYG Praga Investment I Sp. z o.o.	Warsaw	100.0
ROBYG Prestigious Residence Sp. z o.o.	Warsaw	100.0
ROBYG Project Management Sp. z o.o.	Warsaw	100.0
ROBYG Property Sp. z o.o.	Warsaw	100.0
ROBYG Residence Sp. z o.o.	Warsaw	100.0
ROBYG S.A.	Warsaw	100.0
ROBYG Słoneczna Morena Sp. z o.o.	Warsaw	100.0
ROBYG Słoneczna Morena spółka z ograniczona odpowiedzialnoscia Sp. k.	Warsaw	100.0
ROBYG Stacja Nowy Ursus Sp. z o.o.	Warsaw	100.0
ROBYG Ursynów Sp. z o.o.	Warsaw	100.0
ROBYG WEGA Development Sp. z o.o.	Warsaw	100.0
ROBYG Wola Investment 2 Sp. z o.o.	Warsaw	100.0
ROBYG Wola Investment 3 Sp. z o.o.	Warsaw	100.0
ROBYG Wola Investment Sp. z o.o.	Warsaw	100.0
ROBYG Working Balance Sp. z o.o.	Warsaw	100.0
ROBYG Young City 1 Sp. z o.o.	Warsaw	100.0
ROBYG Young City 2 Sp. z o.o.	Warsaw	100.0
ROBYG Young City 3 Sp. z o.o.	Warsaw	100.0
ROBYG Zajezdnia Wrzeszcz 2 Sp. z o.o.	Warsaw	100.0
ROBYG Zajezdnia Wrzeszcz Sp. z o.o.	Warsaw	100.0
ROBYG Zoliborz Investment Sp. z o.o.	Warsaw	100.0
Star Property Sp. z o.o. in liquidation	Warsaw	100.0
TAG Residential Real Estate Sp. z o.o.	Wrocław	100.0
TM Investment Holding Sp. z o.o.	Warsaw	100.0
Vantage Development S.A.	Wrocław	100.0



Name of company	Registered office	Share in capital %
VD Rent 11 Sp. z o.o.	Wrocław	100.0
VD Rent 12 Sp. z o.o.	Wrocław	100.0
VD Rent 13 Sp. z o.o.	Wrocław	100.0
VD Rent 14 Sp. z o.o.	Wrocław	100.0
VD Rent 15 Sp. z o.o.	Wrocław	100.0
VD Rent 16 Sp. z o.o.	Wrocław	100.0
VD Rent Łódź 1 Sp. z o.o.	Wrocław	100.0
VD Rent Poznań 1 Sp. z o.o.	Wrocław	100.0
VD Rent Wrocław 1 Sp. z o.o.	Wrocław	100.0
VD Rent Wrocław 2 Sp. z o.o.	Wrocław	100.0
VD Serwis Sp. z o.o.	Wrocław	100.0
VD Sp. z o.o.	Wrocław	100.0
Wilanów Office Center Sp. z o.o.	Warsaw	100.0
ROBYG WPB Sp. z o.o.	Warsaw	99.76
Krakowska Project Sp. z o.o.	Warsaw	51.0
ROBYG 28 Sp. z o.o.	Warsaw	51.0
Zaspa Project Sp. z o.o.	Warsaw	51.0

Name of company	Registered office	Share in capital %
Joint ventures consolidated at equity		
Biznes Port Sp. z o.o.	Wrocław, Poland	65.0
Popowice Sp. z o.o.	Wrocław, Poland	65.0
Port Popowice Spółka z ograniczoną odpowiedzialnością Sp. k.	Wrocław, Poland	65.0
Affane Sp. z o.o.	Warsaw, Poland	50.0
IPD Invest Sp. z o.o.	Wrocław, Poland	50.0
Inwestycja 2016 Sp. z o.o.	Warsaw, Poland	50.0
ROBYG Mój Ursus Sp. z o.o.	Warsaw, Poland	50.0
JV Staagen Sp. z o.o.	Gdansk, Poland	50.0

Name of company	Registered office	Share in capital %	Equity TEUR	Consolidated net profit TEUR
Investments, non-consolidated				
Altstadt Assekuranzvermittlung und Schadensmanagement GmbH ³⁾		49.0	941	910
Texas Gewerbeimmobilien S.à.r.l. i.L. ⁴⁾		20.0	-3,454	-105

1) Utilisation of the exemption provisions pursuant to Section 264 (3) HGB

2) Exempt according to Section 264b HGB

3) Figures based on the Company's separate financial statements in accordance with the German Commercial Code (HGB) as at 31 December 2024

4) Figures based on the Company's separate financial statements in accordance with Lux GAAP as at 31 December 2024



INDEPENDENT AUDITORS REPORT

To TAG Immobilien AG, Hamburg/Germany

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of TAG Immobilien AG, Hamburg/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2025, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the combined management report for the parent and the group of TAG Immobilien AG, Hamburg/Germany, for the financial year from 1 January to 31 December 2025. In accordance with German legal requirements, we have not audited the content of the combined corporate governance statement referenced in the section “Corporate Governance Statement in accordance with Section 289f HGB and Section 315d HGB” of the combined management report, of the “Combined Sustainability Statement 2025” in accordance with Section 289b to Section 289e, Section 315b and Section 315c German Commercial Code (HGB) of the combined management report, of the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG) included in the section “Report on the Main Features of the Company’s Compensation System (Remuneration Report under the German Stock Corporation Act pursuant to Section 162 AktG)” of the combined management report, of the executive directors’ statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system marked as unaudited and included in the section “Risk Management” of the combined management report, and of further individual disclosures in the combined management report marked as unaudited.



In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the contents of the statements referred to above and of the disclosures extraneous to management reports.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.



Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the valuation of investment properties, which we have identified in the course of our audit to be a key audit matter.

Our presentation of this key audit matter has been structured as follows:

- a. description (including reference to corresponding information in the consolidated financial statements)
- b. auditor's response

Valuation of investment properties

- a. Investment properties of mEUR 6,254.7 are disclosed in the consolidated financial statements of TAG Immobilien AG as at 31 December 2025. The investment properties comprise portfolio real estate assets, project development properties for the own portfolio and undeveloped land. This item accounts for a total of 69.9% of the balance sheet total and has thus a material impact on the Group's assets and liabilities. The executive directors of TAG Immobilien AG measure the investment properties at fair value. In the financial year 2025, a gain from the measurement at fair value of the investment properties totalling mEUR 183.3 was recognised in the consolidated income statement. The measurement date was 31 December 2025. The fair values were determined by the external experts Jones Lang LaSalle SE, Berlin/Germany, and Savills sp. z o.o., Warsaw/Poland. In doing so, the fair values of the portfolio real estate assets are determined using the discounted cash flow method, the fair values of project developments are determined using the residual value method and the fair values of undeveloped land are determined on the basis of comparative values or using the residual value method. Apart from the actual data provided by the Company, which include, for example, the lettable area, vacancy, scheduled investments in maintenance or modernisation and the actual rent, further measurement-related assumptions are taken into account in determining the fair values of the properties. These assumptions are subject to significant estimation uncertainties and judgement.

Even minor changes in the assumptions relevant for the measurement can lead to material changes in the fair values resulting from the calculation. The main valuation assumptions for the valuation of the investment properties are current and future market rents as well as capitalisation and discount rates. Against this backdrop, and due to the complexity of the valuation models, this matter was of particular importance within the context of our audit.



The disclosures of the executive directors on the measurement of investment properties are included in the chapters "Recognition and valuation principles" as well as "1. Investment properties" and the disclosures on the related estimation uncertainty in the chapter "Material judgements and estimates" of the notes to the consolidated financial statements.

- b. As part of our audit, we gained an understanding of the process for the valuation of real estate assets with regard to the investment properties located in Germany, examined the internal control system that was in place to assess the fair values determined by the German external expert and performed a test of the design and implementation, and operating effectiveness of the implemented control relevant to the audit. We critically assessed the competence, capabilities and objectivity of the external expert. To this end, together with our internal real estate valuation specialists, we assessed the conformity of the valuation method applied in accordance with IAS 40 in conjunction with IFRS 13, gained an understanding of the calculation and method of the valuation model and squared the parameters used for determining the fair values with the underlying contractual data for properties which were selected randomly and in a risk-oriented manner or – to the extent that they were based on assumptions and estimates – assessed their appropriateness with regard to the methods, assumptions and data used by TAG Immobilien AG's executive directors, also based on available market data. In addition, we made on-site visits and carried out inquiries of the external experts for a sample of properties.

As regards the audit of the valuation of the investment properties located in Poland, we instructed the component auditors by means of audit instructions. We examined their work by assessing the reliability of the component auditors, being closely involved in the work and monitoring the work. In a next step, we used the work assessing the completeness and appropriateness of the audit evidence obtained by the respective component auditor.

In addition, we audited the completeness and accuracy of the disclosures made in the notes to the consolidated financial statements required by IAS 40 and IFRS 13.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the EPRA reporting,
- the combined consolidated corporate governance statement,
- the combined sustainability statement 2025,
- the remuneration report,
- the executive directors' statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included in the section "Risk Management" of the combined management report,
- the executive directors' confirmations pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report, and
- all other parts of the annual report or disclosures in the combined management report marked as unaudited,



- but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement in accordance with Section 161 AktG concerning the German Corporate Governance Code, which is part of the combined corporate governance statement, and for the remuneration report pursuant to Section 162 AktG. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.



Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value af13d845b2fb37846e5626607fc1748b3b64448da30ddfa77f83e7e4416036cc, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this assurance work only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.



Basis for the Audit Opinion

We conducted our assurance work on the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibilities in this context are further described in the “Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm has applied the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.



- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on 16 May 2025. We were engaged by the supervisory board on 3 July 2025. We have been the group auditor of TAG Immobilien AG, Hamburg/Germany, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the assured ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Annika Deutsch.

Hamburg/Germany, 17 March 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed: Signed:

Annika Deutsch Maximilian Freiherr v. Perger

Wirtschaftsprüferin
(German Public Auditor)

Wirtschaftsprüfer
(German Public Auditor)

TRANSLATION

– German version prevails –



DECLARATION BY THE LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that, in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and financial performance of the Group and that the combined management report presents the course of business, including the business results and the situation of the Group, in such a way that it conveys a true and fair view and describes the material opportunities and risks of the Group's expected development.

Hamburg, 17 March 2026

Claudia Hoyer
(COO, Co-CEO)

Martin Thiel
(CFO, Co-CEO)



TAG FINANCIAL CALENDAR 2026

PUBLICATIONS / EVENTS

18 March 2026	Publication of Annual Report 2025
12 May 2026	Publication of Interim Statement Q1 2026
20 May 2026	Annual General Meeting
11 August 2026	Publication of Half Year Report 2026
10 November 2026	Publication of Interim Statement Q3 2026

CONFERENCES

08 January 2026	Barclays European Real Estate Equity & Credit Conference, London
20 January 2026	25th German Corporate Conference Kepler Cheuvreux/UniCredit, Frankfurt
19 March 2026	BofA Securities EMEA Real Estate CEO Conference 2026, London
31 March 2026	Van Lanschot Kempen European Real Estate Seminar, New York
29 April 2026	J.P. Morgan Fixed Income IG Real Estate Conference, London
21 May 2026	Van Lanschot Kempen 24th European Real Estate Seminar, Amsterdam
27 May 2026	CEElection Conference, Warsaw
21 September 2026	Berenberg and Goldman Sachs Fifteenth German Corporate Conference, Munich
22 September 2026	Baader Investment Conference, Munich
12 November 2026	Kepler Cheuvreux Pan-European Real Estate Conference, London



TAG Headquarter Hamburg (Germany)

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The English version of the 2025 Annual Report is a translation of the German version. The German version is legally binding.

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