

EXPLANATORY REPORT OF THE MANAGEMENT BOARD ON THE DISCLOSURES IN ACCORDANCE WITH SECTION 289A AND SECTION 315A (1) OF THE GERMAN COMMERCIAL CODE (HGB)

TAG Immobilien AG is a capital market-oriented Company within the meaning of Section 264d of the German Commercial Code (HGB). For this reason, Section 289a HGB and Section 315a (1) HGB require disclosures on equity, the share structure and voting rights. The following disclosures are based on the portfolio as at 31 December 2023.

Composition of share capital

As at the reporting date, the Company's share capital totalled EUR 175,489,025.00 (previous year (after cash capital increase): EUR 175,489,025.00). The share capital is divided into 175,489,025 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 grant the same rights. Each share grants one vote and is decisive for the share in profits.

Limitations on voting rights and transfer of shares

Restrictions on the voting rights of the shares may result 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 AktG. In accordance with Section 71b AktG, TAG is not entitled to voting rights from the treasury shares currently totalling 6,484 (previous year: 47,434), which are intended for issue as employee shares and for the long-term variable remuneration of the Management Board. The Company's Articles of Association do not provide for any restrictions on voting rights. 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%

The Company is not aware of any holding of more than 10% of its voting rights at the reporting date, based on reports submitted to it pursuant to the German Securities Trading Act (WpHG).

Shares with special rights conferring powers of control

There are no shares with special rights conferring powers of control.

Voting right controls on shares held by employees

Employees who hold an interest in TAG's capital exercise their control rights like 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

Members of the Management Board are appointed and dismissed on the basis of Sections 84 and 85 AktG and the Company's Articles of Association. Members of the Management Board are appointed by the Supervisory Board for a maximum 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 for good cause.

Amendments to the Articles of Association are governed by Sections 179 and 133 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, the Supervisory Board of the Company is authorised in accordance with Section 11 of the Articles of Association to resolve amendments that only affect the wording. Resolutions of the Annual General Meeting – including resolutions to amend the Articles of Association – are passed with a simple majority of the votes cast in accordance with Section 20 of the Articles of Association, unless mandatory statutory provisions provide 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 repurchase shares

By resolution of the Annual General Meeting on 16 May 2023, 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 2026 by a maximum amount of EUR 35,000,000.00 by issuing up to 35,000,000 new no-par value bearer shares in the Company against cash and/or non-cash contributions ("Authorised Capital 2023"). 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 either at the time the authorisation becomes effective or at the time it is exercised. The Authorised Capital 2023 was neither partially nor fully utilised in the financial year.

The Company's share capital is conditionally increased by up to EUR 35,000,000.00 by issuing up to 35,000,000 new no-par value bearer shares (Conditional Capital 2023). 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 affiliated Company of the Company in accordance with the authorisations of the Annual General Meetings on 23 May 2018 or 16 May 2023. 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 is only to 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 for servicing. The new shares shall participate in profits from the beginning of the financial year in which they are created; in deviation from 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, at the time the new shares are created, the Annual General Meeting has not yet passed a resolution on the appropriation of the balance sheet profit of the financial year preceding the financial year in which they are created. The Management Board is authorised to determine the further details of the implementation of the conditional capital increase. No use was made of this authorisation in the 2023 financial year.

The Annual General Meeting on 16 May 2023 also renewed the authorisation to acquire treasury shares and resolved to do so up to a total of 10% of the share capital existing when the authorisation takes effect or – if lower – when the authorisation is exercised until 15 May 2025. This authorisation may not be used by the Company for the purpose of trading in treasury shares. In addition to the usual statutory uses, it also includes the authorisation to grant 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 authorisations, the Company acquired a total of 310,000 treasury shares in the 2016, 2018 and 2020 financial years to service the employee share ownership programme and long-term Management Board remuneration. In 2023, the Company transferred 40,950 of these shares to employees as part of the employee share ownership programme (previous year: 50,500 shares). No shares were transferred as part of the long-term Management Board remuneration programme (previous year: 21,330 shares). As of the reporting date, TAG had a portfolio of 6,484 treasury shares (previous year: 47,434), which corresponds to 0.00 % (previous year: 0.03 %) of the share capital. The Company's subscribed capital less treasury shares totalled TEUR 175,483 as of the reporting date (previous year: TEUR 175,442).

Material agreements of the Company that are subject to a change of control following a takeover bid

TAG has credit lines with banks totalling EUR 70.3 m (previous year: EUR 69.4 m), which require the bank's approval for a change in the group of shareholders or could result in the loans falling due in the event of a change of control at the level of TAG Immobilien AG. In addition, numerous provisions on a change of control are also contained in loan agreements and credit lines of the subsidiaries in Germany and Poland and in their general terms and conditions, which primarily only cover the level of the subsidiaries and their change of 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 of indirect shareholder.

The outstanding corporate bond totalling EUR 125.0m (previous year: EUR 250.0m), the promissory note loans issued totalling EUR 263.5m (previous year: EUR 378.5m) and the new bond issued in Poland totalling EUR 24m provide for special change of control provisions; according to these, the Company is obliged to repurchase the bonds or promissory note loans in accordance with the details specified in the terms and conditions. With regard to the convertible bond 2020/2026 issued for EUR 470.0m, 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 the context of the transfers of a total of 10.1% of the shares in a subsidiary to co-investors in 2016 and 2018 also provide for provisions in the event of a change of control within TAG's shareholder structure. In this case, the co-investors are entitled to disposal rights; they can use these rights to terminate their investment in the subsidiary prematurely; any losses in value would have to be compensated by TAG.

Furthermore, in the event that the current majority shareholding in TAG changes, the members of the Management Board have a special right of termination and, if this right is exercised, a compensation payment, the amount of which is based on the remaining term of the employment contract at the time of termination. Reference is made in this respect to the following remuneration report.

Company remuneration agreement with the members of the Management Board or employees in the event of a takeover bid

Beyond the special right of termination of the Management Board members already mentioned in the previous paragraph, there are no compensation agreements that have been concluded with the 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 (GERMAN COMMERCIAL CODE)

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“.

Hamburg, 11 March 2024

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