



ANNUAL FINANCIAL REPORT 2020
I.A.W. ARTICLE 124 OF THE
AUSTRIAN STOCK EXCHANGE ACT

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GROUP MANAGEMENT REPORT

GROUP STRUCTURE

CA Immo is a real estate company with its headquarters in Vienna and branch offices in Germany, Poland, Romania, Serbia, Czechia and Hungary. The parent company of the Group is **CA Immobilien Anlagen Aktiengesellschaft**, a listed company based in Vienna whose main activity is the strategic and operational management of subsidiary companies at home and abroad. The various branch offices act as largely decentralised profit centres. Other subsidiaries (without separate local teams) are present in the Netherlands, Slovakia and Cyprus. With the sale of the Zagrebtower office building in the 3rd quarter of 2020, the exit from Croatia took place. As at key date 31 December 2020, the Group comprised 184 companies (31.12.2019: 185) with 437 employees (414 on 31.12.2019).

The core business of the CA Immo Group is the letting, management and development of high quality commercial real estate with a clear focus on office properties. The company, which has a high degree of in-house construction expertise, covers the entire value chain in the field of commercial real estate. The objective is to build up a focused portfolio of high quality, high earning investment properties within the core markets of Germany, Austria, the Czechia, Poland, Hungary and Romania. Additional earnings will be generated through the preparation and utilisation of land reserves in the development area. CA Immo either transfers completed projects to its portfolio or sells them to investors. The Group currently controls property assets of around € 5.6 bn in Germany, Austria and Eastern Europe.

Austria

The company's domestic properties are overseen in subsidiary companies of CA Immobilien Anlagen AG. As at 31 December 2020, the parent company also directly held property assets of approximately € 322.9 m (€ 317.3 m on 31.12.2019). As at 31 December 2020, the total Austrian portfolio comprised solely investment properties with a market value of € 530.0 m (€ 572.9 m on 31.12.2019).

COMPANIES BY REGION

Number of companies ¹⁾	31.12.2020	31.12.2019
Austria	19	19
- <i>Of which joint ventures</i>	3	3
Germany ²⁾	98	98
- <i>Of which joint ventures</i>	23	27
Central and Eastern Europe ³⁾	67	68
- <i>Of which joint ventures</i>	2	2
Group-wide	184	185
- <i>Of which joint ventures</i>	28	32

¹⁾ Joint ventures involving consolidated companies.

²⁾ Includes one company in Switzerland.

³⁾ Includes holding companies in Cyprus and the Netherlands established in connection with Eastern European investments.

Germany

The operational platform for all Group activities in Germany is **CA Immo Deutschland GmbH**, which has branches in Berlin, Frankfurt and Munich. Aside from investment properties, the company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. Investment properties are largely held in direct holdings and let and managed by **DRG Deutsche Realitäten GmbH**, a joint venture set up with the Austrian estate agent and property management firm ÖRAG. A number of development projects (in Munich and Mainz, for example) are being realised through joint ventures. Construction management is carried out by CA Immo subsidiary **omniCon**, which also performs these services for third parties.

Eastern Europe (CEE)

In the CEE region, the strategic focus is also on commercial class A buildings in the respective capitals. The portfolio of investment properties in CEE and one development project are directly held via CA Immo participating interests. All Eastern European properties are managed by regional subsidiaries under the name **CA Immo Real Estate Management**.

ECONOMIC ENVIRONMENT

THE ECONOMIC TREND¹⁾

Following the outbreak of the Covid-19 pandemic and the severe recession in 2020, the International Monetary Fund (IMF) illustrated a positive picture of the global economy in its World Economic Outlook Update published in January 2021. Although recent vaccine approvals have raised hopes of a turnaround in the fight against the pandemic this year, renewed waves and new variants of the virus are a cause for concern. Amid this extraordinary uncertainty, the global economy is projected to grow by 5.5% in 2021 and 4.2% in 2022. The forecast for 2021 has been revised upwards by 0.3 percentage points from the previous forecast, reflecting expectations of a vaccine-triggered pick-up in economic activity later in the year and additional political support in some major economies. The projected growth rebound this year follows a severe collapse in 2020 that had an acute negative impact on the global economy. The decline in global growth for 2020 is estimated at -3.5%, 0.9 percentage points above the previous forecast, reflecting stronger-than-expected momentum in the second half of 2020.

According to an initial estimate of the annual growth rate for 2020, based on seasonally and calendar-adjusted quarterly data, GDP fell by 7.2% in the euro area and by 6.8% in the EU. As suggested by the current forecast, GDP in the EU will rise by about 4% in 2021, which is less than previously projected, and by about 3% in 2022. This means that the output of the European economy in 2022 would be roughly back at pre-crisis levels. The depth of the recession seen in 2020 and the speed of recovery in 2021 and 2022 are expected to vary widely across member states.

CORE MARKETS OF CA IMMO IN 2020²⁾

Compared with the previous quarter, seasonally adjusted GDP fell by 0.7% in the euro area and by 0.5% in the EU in the fourth quarter of 2020. This is according to a preliminary flash estimate published by Eurostat. These declines follow a strong recovery in the third quarter of 2020 (+12.4% in the euro area and +11.5% in the EU) and the sharpest falls since the start of the time series in 1995 in the second quarter (-11.7% in the euro area and -11.4% in the EU).

In December 2020, the seasonally adjusted unemployment rate in the euro area was 8.3%, unchanged from November 2020 and an increase of 90 basis points from December 2019. The unemployment rate in the EU came to 7.5% in December 2020, also unchanged compared with November 2020 and an increase of 100 basis points from December 2019.

At the end of the third quarter of 2020, with the impact of government action in response to the Covid-19 containment measures still reflected in increased financing needs, the public debt-to-GDP ratio stood at 97.3% in the euro area, compared with 95.0% at the end of the second quarter of 2020. In the EU, the ratio increased from 87.7% to 89.8%. Compared with the third quarter of 2019, the public debt-to-GDP ratio increased in both the euro area (from 85.8% to 97.3%) and the EU (from 79.2% to 89.8%). The increases are due to two factors – significant rises in public debt and falling GDP.

Annual inflation of -0.3% in the euro area in December 2020 was well below the ECB's target of below, but close to 2.0% (December 2019: 1.3%). This compares to 0.3% in the European Union (December 2019: 1.6%). The lowest annual rates were recorded in Greece (-2.4%), Slovenia (-1.2%) and Ireland (-1.0%). The highest annual rates were recorded in Poland (3.4%), Hungary (2.8%) and the Czechia (2.4%).

The economy in **Austria** contracted in 2020, with real GDP falling by 7.5%. The inflation rate stood at 0.3% in December 2020, with the unemployment rate at 7.5%. Gross public debt as % of GDP climbed to 79.1%.

The negative economic growth in **Germany** was reflected in a GDP decline of 5.5%. In pan-European comparison, Germany is thus below the corresponding averages of the EU or the euro area. The unemployment rate in Germany increased from 3.2% to 4.6% in the course of the year. The inflation rate for Germany was reported at -0.7% in December 2020.

The positive economic trend of previous years on CA Immo's core markets in **Central and Eastern Europe** did not remain intact throughout 2020. The effects of the Covid-19 pandemic led to negative growth rates, as in Germany and Austria.

¹⁾ Sources: International Monetary Fund, European Commission, Oxford Economics

²⁾ Sources: Eurostat, European Commission, Bloomberg, Financial Times

Within the Central and Eastern European core markets, **Poland** and **Romania** showed the smallest decline in 2020 at -3.0% and -5.3% respectively. GDP in **Hungary** dropped by 5.6% in 2020, in the **Czechia** by 6.8%. The unemployment rate in the Central and Eastern European countries remains significantly lower than in the EU-27 and the euro area average. It stands at 3.1% in the Czechia, 3.3% in Poland, 4.3% in Hungary and 4.9% in Romania.

The inflation rate was robust in 2020 and also above the euro area average in all core Central and Eastern European countries. Romania reported an inflation rate of 1.8% for December 2020, while the 2020 annual rate in the Czechia was 2.4%. The annual inflation rate in Hungary arrived at 2.8%, in Poland at 3.4%.

The strong employment growth of previous years slowed down in the Czechia and Hungary and declined slightly in Poland and Romania.

ECONOMIC DATA FOR CA IMMO CORE MARKETS

	Growth rate of real GDP ¹⁾		Annual inflation rates ²⁾	Unemployment rate ³⁾	Public budget balance	Gross public debt	Growth rate of employment
	2020	2019	in %	in %	as % of GDP 3Q 2020	as % of GDP 3Q 2020	as % of GDP 3Q 2020
EU – 27	-6.8	1.6	0.3	7.5	-5.6	89.6	0.1
Eurozone – 19	-7.2	1.3	-0.3	8.3	-5.8	97.3	0.1
Austria	-7.5	1.4	1.0	5.8	-6.8	79.1	0.5
Germany	-5.5	0.6	-0.7	4.6	-4.6	70.0	0.1
Poland	-3.0	4.6	3.4	3.3	-4.6	56.7	-0.1
Czechia	-6.8	2.3	2.4	3.1	-4.4	38.4	0.3
Hungary	-5.6	4.6	2.8	4.3	-3.8	74.3	0.0
Romania	-5.3	4.2	1.8	4.9	-10.0	43.1	-0.3

Source: Oxford Economics, Eurostat

¹⁾ Change on the previous year (%); ²⁾ Change on the previous year as at December 2020; ³⁾ As at December 2020, except Hungary: November 2020

THE MONEY MARKET AND INTEREST ENVIRONMENT¹⁾

At its most recent meeting on 21 January 2021, the Governing Council of the ECB decided to leave the interest rate for main refinancing operations and the interest rates for the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.50% respectively. "The Governing Council expects the key ECB interest rates to remain at their present or lower levels until it has seen the inflation outlook robustly converge to a level sufficiently close to, but below, 2% within its projection horizon, and such convergence has been consistently reflected in underlying inflation dynamics."

The European Central Bank's expansionary monetary market policy of previous years culminated in 2020 with the outbreak of the Covid-19 pandemic and the accompanying recession. In addition to the asset purchase programme (APP) of € 20 bn per month, the Governing Council has approved purchases under the Pandemic

Emergency Purchase Programme (PEPP) with a total envelope of € 1.85 bn. "The Governing Council will continue the purchases under the pandemic emergency purchase programme (PEPP) until at least the end of March 2022 and, in any case, until it judges that the coronavirus crisis phase is over." The purchases under the PEPP will be conducted to preserve favourable financing conditions over the pandemic period. If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase time horizon of the PEPP, the envelope need not be used in full. Equally, the envelope can be recalibrated if required to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation.

The ECB Governing Council will continue to reinvest the redemption amounts from maturing securities purchased under the PEPP until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio will be

¹⁾ Sources: European Central Bank, Eurostat, Bloomberg, Moody's Analytics

²⁾ Sources: European Commission, European Central Bank, Financial Times

managed to avoid interference with the appropriate monetary policy stance. In addition, the Governing Council will continue to provide ample liquidity through its refinancing operations. In particular, the third series of targeted longer-term refinancing operations (TLTRO III) remains an attractive source of funding for banks, supporting bank lendings to firms and households.

The 3-month Euribor rate remained in negative territory, fluctuating between -0.16% and -0.55% in the period under review. After hitting historic lows at the beginning of 2020, yields on 10-year government bonds issued by euro area members jumped in March, due to the global outbreak of the Covid-19 pandemic and the accompanying economic crisis, trading at around mid-2019 levels. In the following months, prices fell again due to the economic recovery and a more positive outlook, ending the year at around pre-crisis levels.

Both the supportive development of government bonds and the expansive monetary policy of central banks had a strong impact on the corporate bond market. As a result, a record amount of more than USD 2.9 tn of investment-grade corporate bonds were issued globally in 2020 (+20% year-on-year). Nevertheless, the percentage changes in the global offer differed significantly over the four quarters of 2020. Following annual increases of 14% in the first quarter and 69% in the second quarter (to an unrivalled US\$ 1.1 tn), the world's largest estimate of investment-grade corporate bond issuance saw annual declines of 6% in the third quarter and 3% in the fourth quarter. CA Immo also took advantage of the excellent conditions to issue two large-volume bonds in February and October 2020.

OUTLOOK ²⁾

The fundamental challenge of the current year will remain the fight against the Covid-19 pandemic. Despite initial progress in the global vaccination campaigns, the incidence of infection is likely to remain dynamic. Above all, the various mutations represent a factor of uncertainty that will make substantial easing of restrictive measures in Europe, for example, much more difficult in the first quarter. In spring, more favourable weather conditions could lead to a decline in new infections. In addition, vaccine availability should improve from the summer onwards, making infection protection accessible to the wider population. With a potential improvement in the pandemic situation from spring onwards, a recovery in economic growth could then be felt across the board.

The European Commission expects global containment measures to remain in place during 2021 before being increasingly relaxed later on. As a result, the global economy should grow strongly again in 2021.

Furthermore, in its most recent growth forecast from autumn 2020, the European Commission expects the European economy to grow by about 4% in 2021 and by about 3% in 2022, thus returning to pre-crisis levels in the course of 2022. However, the speed of recovery in 2021 and 2022 is believed to vary considerably across member states. This reflects not only differences in the severity of the pandemic and the stringency of containment measures, but also differences in economic structures and domestic policy responses.

Christine Lagarde, President of the ECB, recently warned governments and central banks against reacting to the first signs of economic recovery from the coronavirus crisis in the coming months by reducing incentives too quickly, even as inflation begins to rise. Tightening policy measures too hastily could lead to "very serious risks".

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA ¹⁾

The investment market

Owing to the Covid-19 pandemic and the consequent economic slump, the total amount invested in real estate in Austria plummeted by almost 50% to approximately € 3.3 bn in 2020; Vienna accounted for around 72% of this figure. Residential properties represented the largest proportion of the total investment volume (37%) followed by office investments (around 33%); industrial and logistical properties accounted for approximately 14%.

International investors, especially from Germany, were notably active in 2020 and responsible for more than two thirds of the investment volume. Five large-volume acquisitions (transactions with a value in excess of € 100 m) in the office and residential sectors were the main reason for this high proportion. Based on expected transactions, an investment volume of roughly € 4.0 bn is forecasted for 2021.

In 2020, the pandemic had a partly significant impact on the development of yields in Europe. Austria proved relatively stable, although even here considerable write-ups and write-downs were reported at times. As in the previous year, prime yields for office properties declined moderately and now stand at the historic low level of 3.35% for properties in Vienna's central business district (CBD).

The office property market

The total office stock in Vienna amounted to approximately 11.4 million sqm at year end. The completion volume for office premises totalled approximately 94,500 sqm in 2020, an increase of around 130% compared to the previous year. However, the completion volume for 2020 was some 30% below the average value for the last five years.

Compared to the previous year, lettings performance was stable in 2020 at approximately 203,300 sqm. Although the pandemic-induced economic crisis was already impacting the office market in 2020, the worst of the effects are expected to be seen during 2021. For this reason, CBRE Research is working on the assumption that lettings performance will decline, partly in view of the

persistently fraught situation as regards the levels of new construction in the next two years.

In the course of 2020, the vacancy rate fell by around 20 basis points to 4.6%. Given the low levels of new construction and the high level of pre-letting, CBRE Research expects the vacancy rate to fall further in 2021 in spite of suppressed demand.

Monthly peak rents in Vienna remained steady at € 25.00/sqm. Throughout the crisis, demand has remained high for prime quality offices in attractive locations, whereas lower-standard properties in less favourable locations will have to contend with lower demand in future.

OFFICE MARKET DEVELOPMENT VIENNA

	2020	2019	Change in %/bps
Take up in sqm	203,300	218,100	-6.80
Vacancy rate in %	4.60	4.75	-15 bps
Peak rent in €/sqm net exclusive	25.00	25.00	0.00
Prime yield in %	3.35	3.55	-10 bps

Sources: Data provided by CBRE Research

Note: floor space take-up includes owner-occupied transactions

THE REAL ESTATE MARKET IN GERMANY ²⁾

The investment market

Approximately € 79 bn was invested on the German real estate investment market in 2020. This represented a fall of 5.5% on the all-time high of the previous year – yet still constituted the second best result since records began. Thanks to a rally towards the end of the year, some € 23 bn was invested in the final quarter. The transaction volume for commercial real estate in Germany totalled approximately € 59 bn (12% below the previous year's value). Office properties remained the asset class in highest demand, accounting for a proportion of just under 47%.

In contrast to the overall market, the top seven markets reported sharp declines. Seven large-volume transactions of € 500 m or more were registered in 2019, with just two

¹⁾ Sources: CBRE; Data supplied by CBRE Research Austria Real Estate Market Outlook 2021

²⁾ Sources: CBRE; Data supplied by CBRE Research, Germany Real Estate Market Outlook 2021, Berlin, Munich, Frankfurt Office MarketView Q4 2020; Oxford Economics

transactions of that size reported in 2020. Moreover, far fewer hotels and shopping centres were traded. With the exception of Stuttgart and Munich, the transaction volume reported for 2020 exceeded the respective 10-year average, significantly in some instances. This underlined the attractiveness of these investment destinations for both national and international investors. The high degree of pressure to invest has meant prime yields on office properties have remained at an all-time low.

On Germany's commercial real estate investment market, CBRE Research expects a transaction volume well in excess of € 50 bn in 2021. This will be driven by success in the fight against the Covid-19 pandemic and, above all, product availability. From an investor's viewpoint, the focus is still on office properties. Given the exceptional circumstances that currently prevail, there is a growing trend towards core and core-plus properties in established locations within the big office markets. In the present climate, defensive investment products with reliable tenants are experiencing a surge in demand. Since it will not be possible to meet this demand on the supply side, however, CBRE Research is expecting yields on these products to compress further.

Although the investment market for commercial real estate in **Berlin** reported a 34% drop on the previous year's record value, the result of € 7.6 bn exactly matched the level for the last five years. Despite the decline in comparison with the prior year, Berlin remains one of the most attractive markets in the Federal Republic or indeed Europe. In view of the high demand, the prime yield for office properties has fallen marginally to 2.65%.

An investment volume of € 7.2 bn was reported on the commercial property market in **Frankfurt**, which achieved 3% growth on the previous year – its third highest result after 2007 and 2018. The final quarter of the year accounted for just under half of the volume. As in the previous year, office properties accounted for roughly 80% of the transaction volume. Even during the pandemic, the prime yield for centrally located office properties held stable at 2.90%.

The commercial investment market in **Munich**, meanwhile, was 54% down on the previous (record) year with

a volume of € 4.9 bn. Office properties contributed almost two thirds of the total volume (€ 3.1 bn, or 63%). Owing to continually high demand for real estate locations offering stable value, the prime yield declined marginally to 2.55%.

The office property market ¹⁾

In 2020, the outbreak of the Covid-19 pandemic led to a severe global recession. In common with many other countries, Germany introduced general lockdowns and travel restrictions in the spring and again in the winter. As a result, market activity was severely impaired across many sectors – as reflected in the total GDP decline of 5.3% (against +0.6% in 2019 and +1.3% in 2018). The challenging conditions presented by the pandemic and the economic consequences thereof served to suppress demand for office space in comparison with the previous year. Given the shortage of floor space in many inner city areas, though, this did not lead to lower rental rates (even if the pace of rental rate rises seen in recent years has slowed).

Floor space take-up in **Munich** totalled 558,500 sqm in 2020. This was equivalent to a 27% decrease on the prior year, and the lowest annual result since 2009. Following on from the historic low of 2019 (2.9%), the office vacancy rate had reached 3.8% by year end. This was partly due to the larger number of vacated premises, and partly due to a rise in unlet premises owing to completions. Office rents have been unaffected by the pandemic to date. The attainable peak monthly rent remained unchanged year-on-year at € 39.50/sqm. The weighted average rent was approximately € 21.41 per month, 7% above the previous year's figure. Given the persistent shortage of high quality, modern premises, tenants are still showing a willingness to pay appropriate rates for superior quality in good locations.

The completion volume of approximately 338,500 sqm in 2020 (new buildings and core refurbishments) was more than 30% above the value for the previous year. Twelve percent of floorspace was unlet when it came onto the market. The stock of office space was approximately 22.0 million sqm at year end.

¹⁾ Sources: CBRE: Data supplied by CBRE Research, Munich, Frankfurt, Berlin Office MarketView Q4 2020; Oxford Economics

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2020	2019	Change in %/bps
Berlin			
Take up in sqm	660,500	998,900	-33.90
Vacancy rate in %	2.60	1.20	140 bps
Peak rent in €/sqm net exclusive	38.50	37.50	2.70
Prime yield in %	2.65	2.70	-5 bps
Frankfurt am Main			
Take up in sqm	330,200	552,500	-40.20
Vacancy rate in %	7.00	6.90	10 bps
Peak rent in €/sqm net exclusive	44.00	44.00	0.00
Prime yield in %	2.90	2.90	0 bps
Munich			
Take up in sqm	558,500	763,500	-26.90
Vacancy rate in %	3.80	2.90	90 bps
Peak rent in €/sqm net exclusive	39.50	39.50	0.00
Prime yield in %	2.55	2.60	-5 bps

Sources: Data provided by CBRE Research

Note: floor space take-up includes owner-occupied transactions

Office space take-up in **Frankfurt** stood at 330,200 sqm in 2020, equivalent to a decline of 40% on the previous year. This was mainly due to poor performance in the first half, with users reluctant to commit to leases during the first lockdown. High quality office premises with first class fit-out were the focus of lettings activity, accounting for 65% of floor space take-up. The vacancy rate stood at 7.0%, only slightly above the previous years' level. The peak monthly rent was also unchanged at € 44.00/sqm per month. Compared to the previous year, the weighted average market rent increased by 7% to € 23.13 per sqm owing to the higher number of rental agreements concluded in the higher-priced segment. The completion volume exceeded the prior year's figure of 158,700 sqm at 185,800 sqm.

According to the information currently available, the completion pipeline contains an approximate total of 587,000 sqm to the end of 2023, of which 40% has already been absorbed by the market in the form of leasing and owner-occupancy. The pre-letting rate for 2021 alone stands at 68%. Completion of the high-rise office/hotel building ONE in Frankfurt, CA Immo's largest development project at present, is scheduled for 2022. The stock of office space was approximately 11.5 million sqm at the end of the year.

Berlin confirmed office space take-up of 660,500 sqm in 2020, down 34% on the previous year's figure. The vacancy rate rose to 2.6% in the course of the year (2019: 1.2%). On the lettings market, many leasing decisions were deferred in 2020. Although the result fell well short of the very strong performance of previous years, this was pandemic-related and does not point to a structural crisis. Despite the decline in floor space take-up and the rising vacancy rate caused by the Covid-19 pandemic, the peak monthly rent level rose by € 1.00 per sqm to stand at € 38.50 per sqm. The weighted average rent also maintained its strong upward trend, rising 8.1% to € 28.02/sqm per month. Approximately 296,700 sqm of new floor space was completed during 2020. According to CBRE Research, more than 50% of the one million sqm of floor space expected to come to the market in 2021 has already been pre-let. The stock of office space was approximately 18.4 million sqm at year end.

THE REAL ESTATE MARKET IN CENTRAL AND EASTERN EUROPE ¹⁾

The investment market

The impact of the Covid-19 pandemic and the economic implications for real estate markets are also being felt in Central and Eastern Europe. In 2020, a year defined by

¹⁾ Sources: Data supplied by CBRE Research

economic recession, it was not possible to maintain the rapid pace of recent years. This was also the case in CA Immo's core cities of Warsaw, Prague, Budapest and Bucharest. The volume of commercial real estate transactions registered in these cities (€ 5.7 bn) was a little more than 30% short of the previous year's value. Compared to 2019, the office investment volume in the aforementioned cities declined by just over 40% to € 2.9 bn. By city, Warsaw accounted for the largest volume (43%), followed by Budapest (21%), Prague (20%) and Bucharest (16%).

An investment volume of € 1.5 bn was reported in **Warsaw**, with the office sector accounting for over 85%. The prime yield was approximately 4.50% (4.25% in 2019).

Despite the decline in the investment volume in **Prague** (from € 3.1 bn in 2019 to € 2.7 bn), demand from national and international investors for high quality, sustainable real estate in good locations remained high. A shortage of suitable products was responsible for the downturn. As in the previous year, the prime yield stood at 4.25%.

In 2020, the investment volume in **Budapest** fell by 41% to € 1.0 bn (€ 1.7 bn in 2019). Yields on prime office properties experienced a widening to 5.75%.

Bucharest reported an approximate investment volume of € 550 m (down 15% on the previous year), with the office sector accounting for some 85%. The prime yield remains at 7.00%.

The office property markets²⁾

In all core cities of CA Immo (Warsaw, Prague, Budapest and Bucharest), it was not possible to sustain the positive development of lettings seen over recent years due to the impact of the Covid-19 pandemic. Vacancy rates were seen to increase on all core markets. While prime yields remained unchanged in Prague and Bucharest, they expanded by 25 and 50 basis points respectively in Warsaw and Budapest. By contrast, peak rents remained largely stable.

At the end of 2020, total office space in **Warsaw** was approximately 5.9 million sqm, with some 314,000 sqm

completed in the course of the year. With 576,800 sqm currently under construction, total floor space is expected to exceed six million sqm in the course of 2021. The office pipeline is heavily focused on the CBD of the Polish capital. Office space take-up amounted to 383,000 sqm in 2020, below the prior year's level. The vacancy rate increased by 210 basis points on the previous year's value to stand at 9.9% at year end. The peak monthly rent level in central locations was approximately € 25.00 per sqm.

The office property market in **Prague** experienced a subdued 2020. By the end of 2020, the stock of office space had increased by roughly 149,600 sqm to some 3.7 million sqm. Lettings performance only accounted for around 65% of the previous year's value at approximately 178,800 sqm. The vacancy rate had risen 150 basis points to 7.0% by the end of the year. For this reason, peak rents in central locations declined only marginally to € 22.50/sqm per month.

Floor space take-up for the year in **Budapest** was approximately 190,000 sqm in 2020, around 47% below the previous year's level. Total office space was around 3.9 million sqm by the end of the year. As expected, the completion volume for 2020 comfortably exceeded the prior year's figure with 231,900 sqm, just above the previous record figure attained in 2018 (approximately 230,000 sqm). The vacancy rate rose by 350 basis points to 9.1%, reversing the downward trend seen since 2012. Compared to the previous year's figure, the peak monthly rent fell slightly to € 25.00/sqm.

Around 141,200 sqm of office space was let in **Bucharest** by the end of 2020, down 52% on the previous year. The stock of office space totalled 3.0 million sqm by year end thanks to a completion volume of approximately 155,200 sqm. The vacancy rate increased by 130 percentage points to stand at 12.4% at year end. Despite this, the peak monthly rent in Bucharest rose marginally to € 18.75 per sqm.

²⁾ Sources: Data supplied by CBRE Research

OFFICE MARKET DEVELOPMENT IN THE CA IMMO CORE MARKETS IN CENTRAL AND EASTERN EUROPE

	2020	2019	Change in %/bps
Budapest			
Take up in sqm	190,000	362,000	-47.50
Vacancy rate in %	9.10	5.60	350 bps
Peak rent in €/sqm net exclusive	25.00	26.00	-3.80
Prime yield in %	5.75	5.25	50 bps
Bucharest			
Take up in sqm	141,200	291,300	-51.50
Vacancy rate in %	12.40	11.10	130 bps
Peak rent in €/sqm net exclusive	18.75	18.50	1.40
Prime yield in %	7.00	7.00	0 bps
Prague			
Take up in sqm	178,800	276,100	-35.20
Vacancy rate in %	7.00	5.50	150 bps
Peak rent in €/sqm net exclusive	22.50	23.00	-2.20
Prime yield in %	4.25	4.25	0 bps
Warsaw			
Take up in sqm	383,000	584,000	-34.4
Vacancy rate in %	9.90	7.80	210 bps
Peak rent in €/sqm net exclusive	25.00	25.00	0.00
Prime yield in %	4.50	4.25	25 bps

Sources: Data provided by CBRE Research.

Note: floor space take-up includes owner-occupied transactions

PROPERTY ASSETS

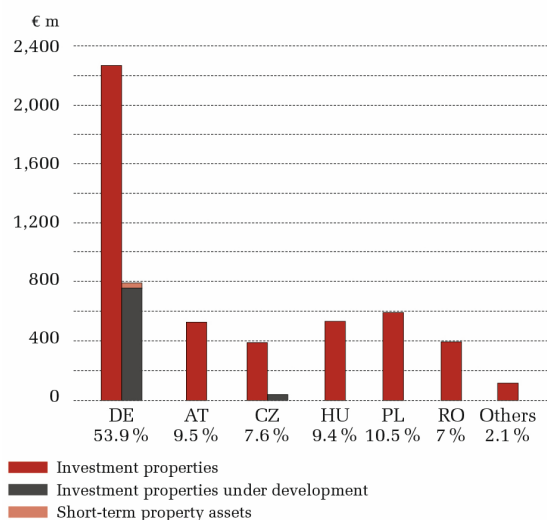
Business areas and core markets

The CA Immo Group divides its core activity into the business areas of investment properties and investment properties under development. In both of these business areas, CA Immo specialises in commercial real estate with a clear focus on office properties in capital cities in the centre of Europe. The objective is to expand the focused portfolio of high quality and profitable investment properties within the core markets of Germany, Austria, Czechia, Poland, Hungary and Romania. Additional earnings will be generated through the preparation, development and utilisation of land reserves in the development area.

€ 5.6 bn property assets

By the transfer of own project completions into the investment portfolio as well as a positive revaluation result, the value of property assets has increased in 2020 by 8% up to € 5.6 bn (2019: € 5.2 bn). Of this figure, investment properties account for € 4.7 bn (85% of the total portfolio), property assets under development represent € 0.8 bn (14%) and short-term properties¹⁾ € 69 m (1%). With a proportion of 54% of total property assets, Germany is the biggest regional segment.

DISTRIBUTION OF PROPERTY ASSETS BY COUNTRY AND TYPE (Incl. investment properties used for own purposes)



PROPERTY ASSETS OF THE CA IMMO GROUP AS AT 31.12.2020 (PORTFOLIO VALUES)

in € m	Investment properties ²⁾	Investment properties under development	Short-term property assets ³⁾	Property assets	Property assets in %
Austria	530.0	0.0	0.0	530.0	9.5
Germany	2,228.5	751.9	35.2	3,015.6	53.9
Czechia	387.9	39.2	0.0	427.1	7.6
Hungary	524.2	0.0	0.0	524.2	9.4
Poland	590.2	0.0	0.0	590.2	10.5
Romania	390.6	0.0	0.0	390.6	7.0
Other countries	84.5	0.0	33.9	118.4	2.1
Total	4,736.0	791.1	69.1	5,596.2	100.0
Share of total portfolio	85%	14%	1%		

²⁾ Includes properties used for own purposes; incl. the recently completed office building NEO (Munich) and the quarter garage (Zollhafen Mainz), which are still in the stabilisation phase

³⁾ Short-term property assets include properties intended for trading or sale

¹⁾ Incl. properties intended for trading or sale

CHANGES TO THE PORTFOLIO IN 2020

In the 2020 business year, CA Immo continued its strategic capital rotation programme and its portfolio focus on large-scale, modern office properties in core cities throughout the Group. The aim here is to profitably dispose of properties that are unprofitable or unviable according to the portfolio strategy or which are not part of the core core business. CA Immo invests the proceeds of the sale in in the value-enhancing continuation of its first-class German development development pipeline and in attractive portfolio acquisitions.

Project completions (for own stock)

In 2020, CA Immo transferred two internally developed buildings with an investment volume totalling approximately € 138.1 m to its own portfolio¹⁾. Assuming full occupancy, these will boost rental revenue by around € 8 m annually over the years ahead.

In the first quarter, CA Immo completed the six-storey **MY.B office building** in Berlin's Europacity, which has around 14,800 sqm of lettable space, and added it to its own portfolio. The building is fully let; all office tenants have already moved in.

In the third quarter, the **NEO office building** in Munich, developed by CA Immo, was put into operation and simultaneously added to the CA Immo investment portfolio; the first tenants have already moved in.



Completed in 2020 and part of the CA Immo investment portfolio: NEO office building, Munich

PROPERTY ASSETS BRIDGE 2019 TO 2020 AND KEY FIGURES 2020

		Austria	Germany	CEE	Total
Property assets 31.12.2019	€ m	572.9	2,588.8	2,024.6	5,186.4
Acquisition of new properties	€ m	0.0	127.5	92.3	219.8
Capital expenditure ²⁾	€ m	3.3	213.4	49.8	266.5
Change from valuation/impairment/depreciation	€ m	7.1	267.6	-76.0	198.8
Changes lease incentive	€ m	0.6	1.0	2.8	4.5
Disposals	€ m	-53.9	-186.8	-42.6	-283.2
Other changes	€ m	0.0	4.0	-0.6	3.5
Property assets 31.12.2020	€ m	530.0	3,015.6	2,050.6	5,596.2
Rental income (actual) ³⁾	€ m	29.7	78.3	127.6	235.6
Annualised rental income	€ m	28.3	78.3	136.0	242.6
Economic vacancy rate for investment properties	%	8.9	1.2	6.6	5.2
Gross yield (investment properties)	%	5.4	3.6	6.8	5.2

²⁾ Excluding maintenance

³⁾ Includes annual rental income from properties sold in 2020 (€ 5.0 m)

¹⁾ Excl. the quarter garage Zollhafen Mainz (€ 7.2 m)

Acquisitions

At the beginning of April, CA Immo acquired the fully let **office building "Am Karlsbad 11"** at the southern end of Berlin's Potsdamer Platz office submarket. The building, which has around 10,100 sqm of lettable space, is very well connected to the rest of the city, thanks in part to its location at the Gleisdreieck underground station. At the end of 2020, CA Immo acquired the fully let **office building "Pohlstraße 20"** in the vicinity of Potsdamer Platz in Berlin-Mitte and the property "Am Karlsbad 11". The property has a total lettable area of around 7,800 m².

At the end of October, CA Immo completed the acquisition of **Postepu 14**, a landmark office building in Warsaw's Mokotow district. The property has a lettable area of around 34,500 sqm and is almost fully let to tenants with strong credit ratings such as AstraZeneca and Samsung Electronics. The purchase price was around € 87 m with annual gross rental income of around € 6.5 m, which corresponds to a gross initial yield of 7.5%.



New in the CA Immo investment portfolio: Warsaw office building Postepu 14

Sales

At the end of June, the landmark building **cube berlin**, which was developed by CA Immo and completed in the first quarter of 2020, was handed over to the end investor fully let. CA Immo had already sold the building, which is located directly at Berlin's main railway station, in a forward sale at the end of 2016; the sale has now been completed.

With the sale of the **Zagrebtower office building** closing at the end of September, CA Immo withdrew from the small, non-strategic market of Croatia. The purchase price was 5% above the book value as at 30 June 2020. The 79 m high, fully let office tower offers a total of 25,900 sqm of rental space.

In October, CA Immo sold the **NEO LIVING residential building** in Munich's Baumkirchen Mitte quarter. The total floor space of the residential building, which was completed in September 2020, amounts to around 5,200 sqm. NEO LIVING is part of the NEO building ensemble developed by CA Immo, which also has a hotel and office tower in addition to the residential part sold. The property comprises 50 high-quality rental flats and three commercial units on the ground floor.

CA Immo was also able to sell several **non-core plots** at attractive conditions, including a plot in the Zollhafen Mainz quarter development, a hotel plot in Lübeck (the closing took place in February 2021), as well as one development plot each in Dortmund and Düsseldorf (the closing of the latter two transactions is expected in Q2 2021). With the sale of two retail plots in Graz, Austria, CA Immo withdrew from the last Austrian secondary city.

All sales were made at prices above the last book value – underlining the intrinsic value of the CA Immo portfolio in the current market environment. With this strategic capital rotation, CA Immo is expanding in its core markets, strengthening sustainable earnings and improving its portfolio quality and management efficiency.

Property assets sold in 2020¹⁾ generated total **trading revenue** of € 229.8 m (2019: € 67.1 m) and contributed € 55.3 m to the result (compared to € 19.4 m in 2019).

Investments

In 2020, CA Immo invested a total of € 271.4 m (2019: € 257.7 m) in its property portfolio (investments and maintenance). Of this figure, € 60.7 m was earmarked for modernisation and optimisation measures and € 210.8 m was devoted to the furtherance of development projects.

¹⁾Incl. sale of properties held at equity (proportionately owned by CA Immo)

INVESTMENT PROPERTIES ¹⁾

Contributing around 85% of total property assets, the investment property area is CA Immo's main source of income. The principle objective of the company is the continual optimisation of its portfolio and the retention and acquisition of tenants with a view to securing stable and recurring rental revenue. Details on sustainability issues regarding the investment portfolio can be found in the ESG report.

€ 4.7 bn investment portfolio

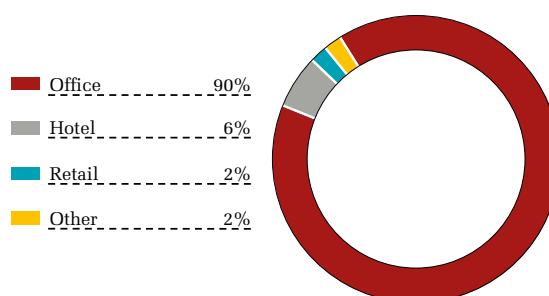
As at key date 31 December 2020, the Group's investment portfolio incorporated a total rentable effective area of 1.4 m sqm with an approximate book value of € 4.7 bn (2019: € 4.3 bn). With a share of 42% of book value, the Central and Eastern Europe (CEE) segment accounts for the largest proportion of the investment portfolio. In 2020, CA Immo generated total rental income of € 238.2 m (€ 217.8 m in 2019); the CEE segment accounted for roughly 56% of total rental revenue. On the basis of annualised rental revenue, the asset portfolio produced a yield of 5.2%²⁾ (5.5%³⁾ in 2019). In line with the strategic portfolio focus, the office share of the total portfolio has steadily increased over recent years and

stands almost unchanged at the previous year's level of 90%.

Stable high occupancy

The occupancy rate for the investment portfolio stands quite stable at 94.8%²⁾ on 31 December 2020 (31 December 2019: 96.1%³⁾). CA Immo records full occupancy of its existing portfolio in almost all core markets.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY MAIN USAGE (Basis: € 4.7 bn)



INVESTMENT PROPERTIES: KEY FIGURES BY COUNTRY

	Book value investment properties in € m	Rentable area in sqm	Occupancy rate in %	Annualised rental income in € m	Yield in %
Austria	524.7	215,699	91.1	28.3	5.4
Germany	2,129.3	407,032	98.8	77.1	3.6
Czechia	387.9	131,661	97.0	22.0	5.7
Hungary	524.2	218,621	89.2	34.3	6.5
Poland	555.1	171,782	94.0	36.8	6.6
Romania	390.1	164,557	94.9	31.8	8.1
Other countries	82.9	46,448	94.2	7.9	9.6
Subtotal	4,594.2	1,355,799	94.8	238.2	5.2
Other investment properties ⁴⁾	141.8	17,974			
Total investment properties	4,736.0	1,373,773			

⁴⁾ Incl. properties used for own purposes; incl. the office building NEO (Munich) and the quarter garage Zollhafen Mainz, which have been completed and taken over into the portfolio in 2020 and are still in the stabilisation phase

¹⁾ This chapter shows, among other things, performance indicators for our investment properties such as occupancy rate and yield. Properties used for own purposes, "Right-of-use" assets and project completions still in the stabilisation phase are not included in the calculation of these figures. For this reason, these types of property are also excluded from the portfolio book values and the rentable area in the table "Investment properties: key figures by country" and reported separately in the line "Other investment properties"

²⁾ Excl. properties used for own purposes; excl. the project completions NEO (Munich) and the quarter garage Zollhafen Mainz, which have been transferred to the investment portfolio in 2020 and are still in the stabilisation phase

³⁾ Excl. properties used for own purposes; excl. the project completions Orhideea Towers (Bucharest), ViE (Vienna) and MY.O (Munich), which have been still in the stabilisation phase as at 31 December 2019

LIKE-FOR-LIKE COMPARISON OF PROPERTIES IN THE STABILISED PORTFOLIO AS AT 31.12.2019

The like-for-like view of the portfolio provides an overview of the organic development of the most relevant portfolio indicators in a year-on-year comparison, adjusted for portfolio changes (asset additions and disposals). The increase in balance sheet value over the course of 2020 mainly resulted from a positive revaluation result in Germany. Declines in rental income in Hungary and non-strategic locations in Central and Eastern Europe

were offset by significant increases in Romania and Czechia. Gross yields decreased by 9 basis points mainly due to balance sheet value increases in Germany. The occupancy rate decreased by 36 basis points over the period under review. Declines in Hungary and Poland were partly compensated by increases in Romania and Czechia.

€ m	Book values		Rental income P&L		Gross yield in % ¹⁾		Occupancy rate in % ²⁾	
	2020	2019	2020	2019	2020	2019	2020	2019
Austria	471.6	483.4	25.4	26.1	5.6	5.6	92,2	94.7
Germany	1,708.6	1,575.4	63.3	63.2	3.7	3.9	98,6	98.9
Czechia	387.9	390.7	21.1	20.6	5.7	5.5	97,0	95.6
Hungary	524.2	525.1	33.8	34.0	6.5	6.6	89,2	93.2
Poland	467.3	491.8	29.6	29.3	6.5	6.3	94,3	95.7
Romania	311.1	319.2	23.3	21.6	7.9	7.6	95,6	96.2
Other ³⁾	116.8	129.7	10.2	10.7	9.5	8.7	92,8	93.8
Total	3,987.5	3,915.3	206.8	205.4	5.3	5.4	94,7	96.0

¹⁾ Annualised contractual rent / book value

²⁾ Economic occupancy (annualized contractual rent / contractual rent at full occupancy)

³⁾ Serbia, Slovakia

Lettings performance 2020

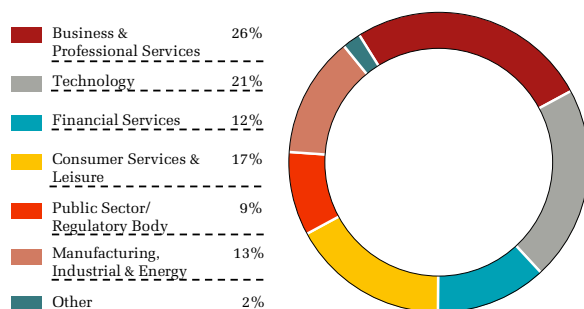
Across the Group, CA Immo let around 136,200 sqm of rentable area in 2020 (2019: around 268,000 sqm), of which pre-lettings of development projects accounted for 4% (around 5,100 sqm). Excluding these pre-lettings, this equates to lettings performance of 9% for the Group's total investment portfolio, which amounts to around 1.4 m sqm. New lettings and contract expansions by existing tenants accounted for 24%; contract extensions by existing tenants represent 76%. Office space accounted for around 88% of total lettings performance.

41% of lease contracts (in terms of letting volume) are concluded for terms of more than five years. As at 31 December 2020, the WALT (Weighted Average Lease Term) was 4.0 years (2019: 4.2 years). CA Immo has a sector-diversified tenant structure with a high proportion of companies from the service and technology sector. The 20 largest tenants account for around 33% of total rental income (on the basis of annualised rental revenue).

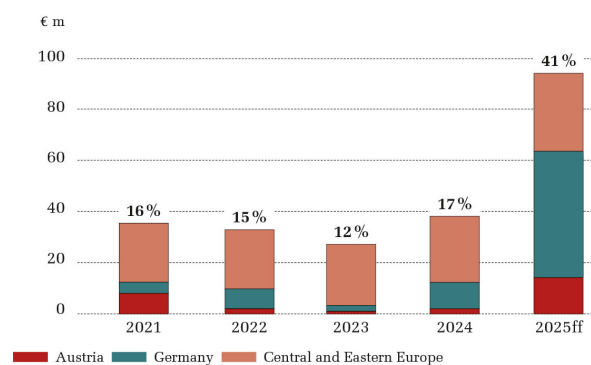
LETTINGS PERFORMANCE BY SEGMENT

in sqm	Pre-lease development projects	New lease investment properties	Lease extensions	Total
Germany	5,105	8,188	15,829	29,122
Austria	0	10,059	8,463	18,522
CEE	0	13,478	75,114	88,592
Total	5,105	31,725	99,407	136,237

TENANTS BY INDUSTRY ON THE BASIS OF ANNUALISED RENTAL REVENUE



EXPIRY PROFILE OF LEASE AGREEMENTS BASED ON ANNUALISED RENTAL INCOME ¹⁾



¹⁾ Lease term until the next possible end of the contract

LARGEST TENANTS (TOP 20)

Tenant	Sector	Region	Share in % of total rent ¹⁾
PWC	Professional Services	Germany	3.1%
InterCityHotel	Consumer Services & Leisure	Germany	2.5%
The European Border and Coast Guard Agency	Professional Services	CEE	2.5%
Google Germany	Technology	Germany	2.0%
BRITISH AMERICAN TOBACCO	Manufacturing Industrial & Energy	CEE	1.9%
Morgan Stanley	Financial Services	CEE	1.8%
KPMG	Professional Services	Germany	1.8%
Land Berlin	Public Sector / Regulatory Body	Germany	1.7%
TOTAL	Manufacturing Industrial & Energy	Germany	1.7%
Robert Bosch	Manufacturing Industrial & Energy	Austria	1.6%
Verkehrsbüro	Consumer Services & Leisure	Austria	1.6%
JetBrains	Technology	Germany	1.5%
Bundesanstalt für Immobilienaufgaben	Public Sector / Regulatory Body	Germany	1.5%
Hypoport	Technology	Germany	1.4%
salesforce.com Germany	Technology	Germany	1.1%
Accenture	Business Services	CEE	1.0%
VOBA Vermietungs- und Verpachtungs GmbH	Financial Services	Austria	1.0%
ORANGE	Consumer Services & Leisure	CEE	1.0%
FINASTRA	Technology	CEE	0.9%
S.C. THALES SYSTEMS ROMANIA	Technology	CEE	0.9%

¹⁾ Based on annualised rental revenue

EPRA Yields

The type and scope of yield disclosures often vary and the metrics used are not consistently defined. In order to provide comparable reporting in terms of yields across Europe, EPRA has defined two yield measures.

The EPRA net initial yield is calculated as annualized rental income based on rents at the balance sheet date, less non-refundable property operating costs, divided by the market value of the property. The EPRA "topped up" yield is calculated using an adjustment in respect of the granting of rent-free periods (or other unexpired lease incentives such as discounted lease periods and step-rents).

EPRA YIELDS

€ K	Austria	Germany	Czechia	Hungary	Poland	Romania	CEE others	Total
Investment properties ¹⁾	504,306	1,813,758	393,731	529,440	471,973	315,400	118,534	4,147,142
Annualised cash rental income (gross)	24,863	67,305	20,346	33,246	29,274	23,530	9,925	208,488
property operating expenses	-7,917	-8,159	-899	-3,763	-1,961	980	-1,068	-22,788
Annualised cash rental income (net)¹⁾	16,946	59,146	19,447	29,482	27,313	24,510	8,856	185,700
EPRA Net Initial Yield	3.4%	3.3%	4.9%	5.6%	5.8%	7.8%	7.5%	4.5%
Lease incentives	762	-1,138	718	549	340	-212	292	1,310
EPRA "topped-up" Net Initial Yield	3.5%	3.2%	5.1%	5.7%	5.9%	7.7%	7.7%	4.5%

1) Based on the like-for-like portfolio

EPRA vacancy rate

Vacancy rate reporting is not standardized across the real estate industry. In order to promote comparable and consistent reporting, the EPRA requirements specify a single, clearly defined vacancy rate disclosure. The EPRA vacancy rate is to be expressed as a percentage equal to the expected rental value of vacant space divided by the expected rental value of the entire portfolio. The EPRA vacancy rate is calculated only for completed properties (investment, trading and including share of joint ventures' vacancy), but excluding properties under development.

EPRA VACANCY

	Vacancy ERV	Full Reversion ERV	EPRA Vacancy Rate
Austria	2.8	29.3	9.4%
Germany	1.0	113.4	0.9%
Hungary	4.2	40.2	10.4%
Poland	2.3	38.2	6.1%
Czechia	0.7	22.9	3.0%
Romania	1.7	32.3	5.3%
other Countries	0.5	8.1	6.0%
CEE	9.4	141.7	6.6%
Total	13.1	284.3	4.6%

THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises a rentable effective area of 218.2 k sqm with a market value of around € 530.0 m (2019: € 572.9 m) according to current valuations. In 2020, this portfolio generated rental income of € 28.3 m (€ 29.6 m in 2019), equivalent to an average yield of 5.4%¹⁾ (5.7%²⁾ in 2019).

In 2020 CA Immo invested around € 5.6 m in its Austrian investment portfolio (investments and maintenance costs), compared to € 18.8 m in 2019.

Lettings performance

In Austria, around 19,000 sqm of office space was newly let or extended in 2020. The economic occupancy rate in the asset portfolio was 91.1%¹⁾ as at the key date (95.1%²⁾ in 2019). The decrease in occupancy is due to the takeover of the ViE office building (completed at the end of 2018) with an occupancy rate of around 80% (as of 31 December 2020) into the stabilised portfolio.

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES

in € m	31.12.2020 ³⁾	31.12.2019 ⁴⁾	Change
book value	524.7	517.2	1.4%
Annualised rental income ⁵⁾	28.3	29.6	-4.3%
Gross yield in %	5.4	5.7	-30 bp
Economic vacancy rate in %	8.9	4.9	400 bp

³⁾ Excl. properties used for own purposes; excl. the project completions NEO (Munich) and the quarter garage Zollhafen Mainz, which have been transferred to the investment portfolio in 2020 and are still in the stabilisation phase

⁴⁾ Excl. properties used for own purposes; excl. the project completion MY.O (Munich), which has been still in the stabilisation phase as at 31 December 2019

⁵⁾ Monthly contractual rent as at key date multiplied by 12

THE GERMANY SEGMENT

In 2020, the value of the German investment portfolio was significantly raised by the transfer of completed projects to the portfolio, two property acquisitions as well as a positive revaluation result. Compared to the previous year, completion of the CA Immo office projects MY.B

(Berlin) and NEO (Munich) in combination with the purchase of the Berlin office buildings "Am Karlsbad 11" and "Pohlstraße 20", has had a year-on-year effect on all key portfolio figures (for details on projects completed in 2020, refer to the 'Property assets' section).

As at the key date, CA Immo held investment properties in Germany with an approximate market value of € 2,228.5 m (€ 1,725.5 m in 2019) and a rentable effective area of 422 k sqm (2019: 369 k sqm). By portfolio value, 47% of the total investment portfolio is in Germany. The German investment portfolio mainly comprises modern office buildings developed by CA Immo in central locations of Berlin, Munich and Frankfurt.

Rental income of € 77.1 m was generated in 2020, compared to € 61.9 m²⁾ in 2019. The yield on the portfolio was 3.6%³⁾ as at 31 December 2020 (2019: 3.9%⁴⁾). CA Immo spent approximately € 24.7 m on maintaining its German investment properties (investments and maintenance costs) in 2020 (2019: € 23.2 m).

Occupancy rate stable at 99%

The occupancy rate for the asset portfolio in Germany remained almost unchanged at a very high level of 98.8%³⁾ on 31 December 2020 (98.9% on 31 December 2019)⁴⁾. In Germany, approximately 24,000 sqm of floor space was newly let or extended during 2020.

INVESTMENT PROPERTIES GERMANY: KEY FIGURES³⁾

in € m	31.12.2020 ⁴⁾	31.12.2019 ⁵⁾	Change
Book value	2,129.3	1,575.4	35.2
Annualised rental income ⁶⁾	77.1	61.9	24.5
Gross yield in %	3.6	3.9	-30 bp
Economic vacancy rate in %	1.2	1.1	10 bp

³⁾ Excludes properties used for own purposes

⁴⁾ Excl. the project completions NEO (Munich) and the quarter garage Zollhafen Mainz, which are still in the stabilisation phase

⁵⁾ Excl. the project completion MY.O (Munich), which was still in the stabilisation phase as at 31.12.2019

⁶⁾ Monthly contractual rent as at key date multiplied by 12

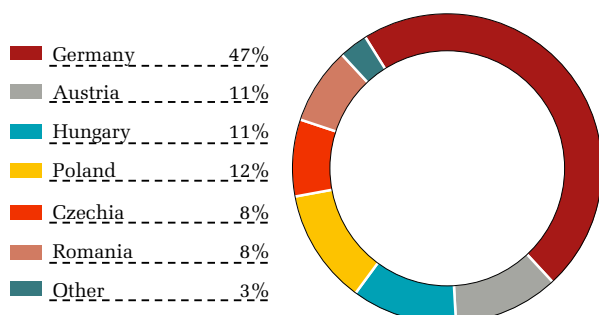
¹⁾ Excludes properties used for own purposes

²⁾ Excludes properties used for own purposes and the project completion ViE in Vienna, which was still in the stabilisation phase as at 31.12.2019

³⁾ Excludes properties used for own purposes, excl. the project completions NEO (Munich) and the quarter garage Zollhafen Mainz, which are still in the stabilisation phase

⁴⁾ Excludes properties used for own purposes, excl. the project completion MY.O (Munich), which was still in the stabilisation phase as at 31.12.2019

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY COUNTRY (Basis: € 4.7 bn)



THE CEE SEGMENT

CA Immo has been investing in CEE since 1999. As at the key date, the company holds investment properties in six countries of CEE and SEE.

As at key date 31 December 2020, the value of the CEE investment properties was € 1,977.4 m (€ 2,009.6 m on 31 December 2019), equivalent to a share (by portfolio value) of around 42% of the total investment portfolio. In

this region, CA Immo concentrates on high quality, centrally located office properties in capital cities, which make up 100% of the overall CEE portfolio. The portfolio is maintained and let by the company's local teams on site.

56% of rental revenue from CEE

The company's asset portfolio comprises 733 k sqm of rentable effective area (2019: 750 k sqm) which generated rental income of € 132.8 m in 2020 (compared to € 126.2 m in 2019)¹⁾. This represents 56% of CA Immo's total rental revenue. The portfolio produced a gross yield of 6.8% (2019: 6.6%)¹⁾. In 2020, CA Immo invested € 30.3 m (2019: € 23.9 m) in its CEE investment portfolio.

Occupancy rate at 93%³⁾

The economic occupancy rate (measured on the basis of annualised rental income) was 93.4% as at 31 December 2020 (2019: 95.0%)¹⁾. Total lettings performance for the CEE segment amounted to roughly 89,000 sqm of rentable office space in 2020; thereof 15% accounted for new lettings of investment properties (incl. lease expansions), 85% were lease extensions.

INVESTMENT PROPERTIES IN CEE: KEY FIGURES

	Book value investment properties in € m	Annualised rental income ³⁾ in € m	Occupancy rate in %	Yield in %
Poland	555.1	36.8	94.0	6.6
Hungary	524.2	34.3	89.2	6.5
Romania	390.1	31.8	94.9	8.1
Czechia	387.9	22.0	97.0	5.7
Other countries ⁴⁾	82.9	7.9	94.2	9.6
Total	1,940.2	132.8	93.4	6.8

³⁾ Monthly contractual rent as at key date multiplied by 12

⁴⁾ Includes two office properties in Belgrade (Serbia)

¹⁾ Excludes properties used for own purposes; excl. the project completion Orhideea Towers (Bucharest), which was still in the stabilisation phase as at 31.12.2019

INVESTMENT PROPERTIES UNDER DEVELOPMENT

Project development as a driver of organic growth

CA Immo enhances the quality and ensures the organic growth of its portfolio by developing properties and transferring to its investment portfolio upon completion. CA Immo benefits in this from its extensive stock of land reserves in Germany (mostly in central locations of Munich, Frankfurt and Berlin) as well as an internal development platform that enables the company to exploit the full depth of the real estate value chain. From site development and the procurement of planning permission to construction management, letting and the transfer of completed properties to its own portfolio or sales to investors, CA Immo performs the full range of project development services.

Details on sustainability aspects in the project development area can be found in the ESG report.

Four project completions in 2020

In 2020, CA Immo completed two properties for sale (cube berlin office building, NEO LIVING residential building in Munich) and one office building each in Berlin and Munich for its own portfolio (for details, please see the 'Property assets' section). In total, CA Immo completed properties with an investment volume totaling approximately € 286.5 m in 2020, of which € 145.3 m was

for its own portfolio and € 141.2 m was earmarked for sale.

Pre-letting on projects

In 2020, CA Immo signed lease agreements for 5,100 sqm of usable space in development projects under construction. This includes, among other things, a long-term lease agreement for around 3,500 sqm of rental space in the NEO office building in Munich, which was completed in the third quarter of 2020 and taken over into the portfolio.

95% of development activity in Germany

As at 31 December 2020, the development division¹⁾ represented around 15% (equivalent to approximately € 826.3 m) of CA Immo's total property assets (2019: € 878.5 m). Accounting for a share of 95% (by book value), the focus of project development activity is still firmly on Germany. Developments and land reserves in CEE account for the remainder of property assets under development (€ 39.2 m). Investment properties under development in Germany with a total book value of € 787.1 m are divided into projects under construction accounting for around € 432.5 m and development projects in preparation and land reserves (€ 354.6 m).

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY¹⁾

in Mio. €	Landbank		Projects under construction		Total investment properties under development	
	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %
Austria	0.0	0.0	0.0	0.0	0.0	0.0
Frankfurt	192.5	54.2	241.0	51.1	433.5	52.5
Berlin	99.5	28.0	173.5	36.8	273.0	33.0
Munich	62.7	17.7	17.9	3.8	80.6	9.8
Germany	354.6	100.0	432.5	91.7	787.1	95.3
Czechia	0.1	0.0	39.1	8.3	39.2	4.7
Hungary	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Romania	0.0	0.0	0.0	0.0	0.0	0.0
Other countries	0.0	0.0	0.0	0.0	0.0	0.0
CEE	0.1	0.0	39.1	8.3	39.2	4.7
Total	354.8	100.0	471.6	100.0	826.3	100.0

¹⁾ Incl. projects under construction and plots held for trading or sale (short-term property assets)

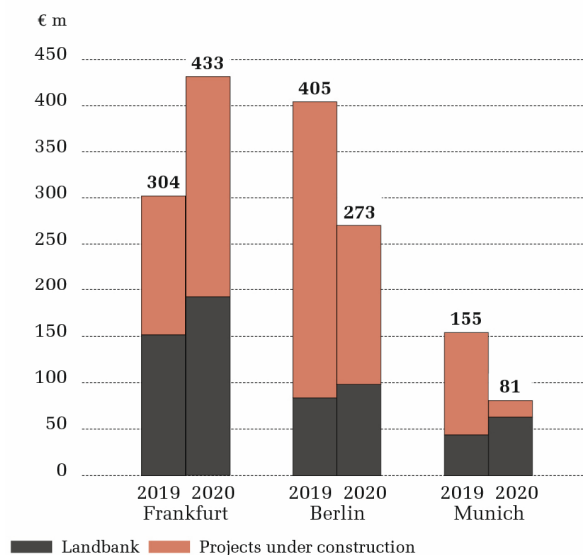
THE AUSTRIA SEGMENT

During business year 2020, CA Immo had no activities in the field of investment properties under development in Austria.

THE GERMANY SEGMENT

CA Immo's development activity in Germany focuses mainly on large scale, mixed-use urban projects in Berlin, Munich and Frankfurt. As at 31 December 2020, CA Immo held rentable effective area under construction amounting to 109 k sqm in Germany with a total investment volume (including plots) of around € 637.1 m (2019: € 858.9 m). In addition to the current project volume, CA Immo holds German land reserves with a value of € 354.6 m (incl. properties held for trading or sale). These existing reserves will form the basis of further value-creating development activity by CA Immo over the years ahead.

GERMANY: ASSETS UNDER DEVELOPMENT



Includes plots and development projects intended for trading or sale (short-term property assets)

PROJECTS UNDER CONSTRUCTION ¹⁾

in € m	Total Investment ²⁾	Outstanding construction costs	Planned rentable effective area in sqm	Gross yield on cost in %	City	Main usage	Utilisation in % ³⁾	Scheduled completion
Projects (own stock)								
ZigZag	16.8	3.0	4,695	5.1	Mainz	Office	35	Q3 2021
ONE	412.0	191.8	68,548	5.6	Frankfurt	Office	33	Q1 2022
Mississippi House	40.0	17.6	13,383	6.6	Prague	Office	40	Q3 2021
Missouri Park	24.5	10.8	7,376	6.3	Prague	Office	14	Q3 2021
Hochhaus am Europaplatz	141.3	81.8	22,948	6.3	Berlin	Office	100	Q4 2023
Grasblau	67.0	43.4	13,258	8.5	Berlin	Office	0	Q4 2022
Total	701.6	348.4	130,208	6.1				

¹⁾ Excl. Joint Ventures (residential construction). All projects included in the table are 100% owned by CA Immo

²⁾ Incl. plot

³⁾ Utilisation: pre-letting rate

DEVELOPMENT OF URBAN DISTRICT EUROPACITY IN BERLIN

INVESTMENT PROPERTIES

- | | | | |
|---|---|---|---|
| 1 | JOHN F. KENNEDY HAUS
office / 18,000 sqm / 2015 / rented | 5 | OFFICE BUILDING HEIDESTRASSE 58
office / 12,800 sqm / 2018 / rented |
| 2 | INTERCITY HOTEL BERLIN
hotel / 20,600 sqm / 2013 / rented | 6 | HAMBURGER BAHNHOF
museum |
| 3 | MONNET 4
office / 8,100 sqm / 2015 / rented | 7 | BÜROGEBÄUDE AM KUNSTCAMPUS
office / 7,900 sqm / 2019 / rented |
| 4 | TOUR TOTAL
office / 14,200 sqm / 2012 / rented | 8 | MY.B
office / 14,800 sqm / 2020 / rented |



PROJECTS UNDER CONSTRUCTION

9 HIGH-RISE BUILDING ON EUROPAPLATZ

office / 22,900 sqm / 2023 / under construction

PROJECTS IN PLANNING STAGE

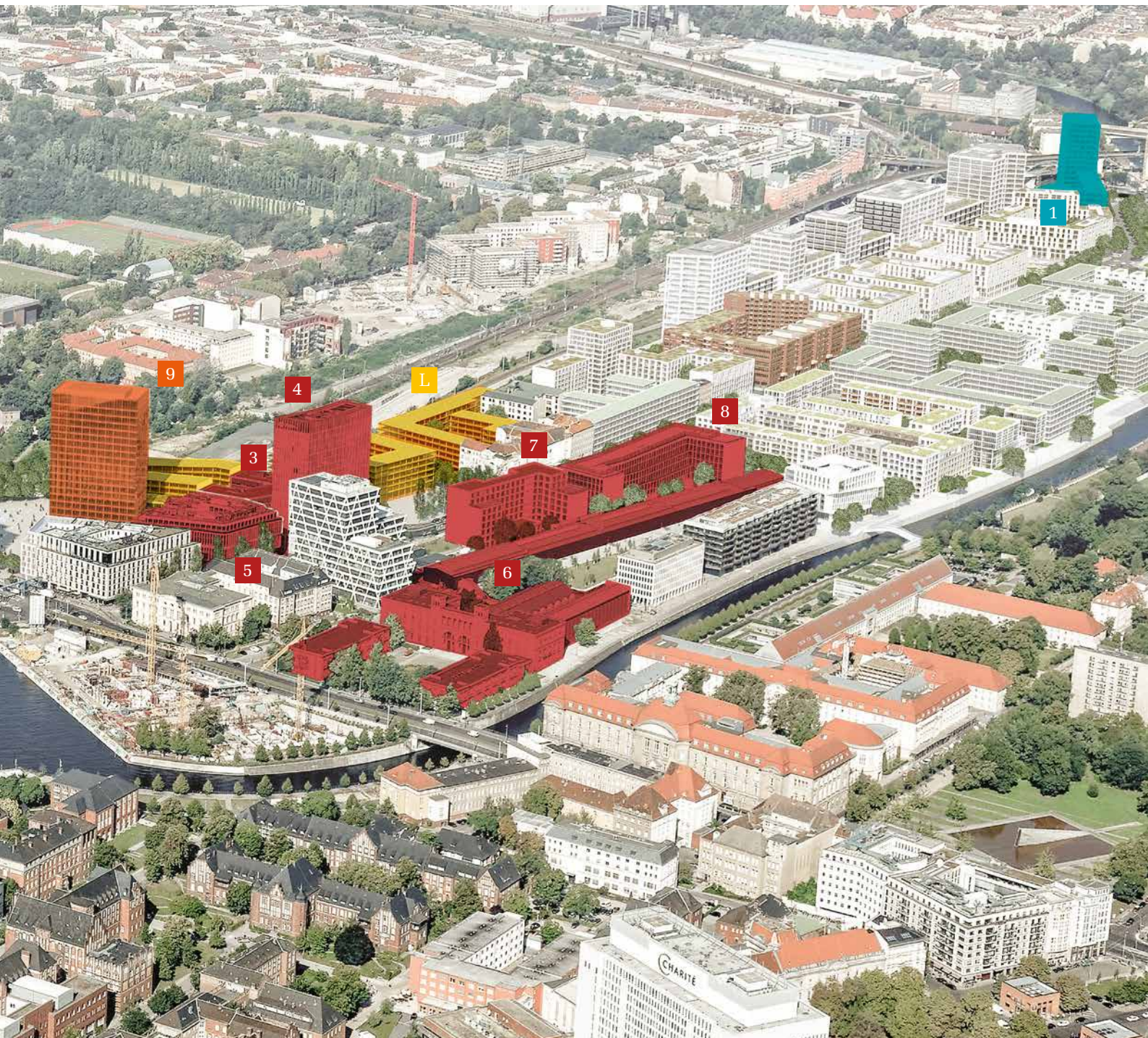
1 UPBEAT

office / 34,850 sqm / 2025 / in planning stage

LAND RESERVE

L

(usage / usable area in sqm / completion / status)



Main focus of current development activity in Germany

Berlin

The **Europacity district** is taking shape around Berlin's main railway station, drawing together office, residential, hotel and cultural uses across some 60 hectares. Reputable companies such as KPMG and IntercityHotel have already signed up as tenants. As at the key date, CA Immo had one office project under development in this urban district:

At the end of 2019, CA Immo started the construction of the 84-metre office high-rise **Hochhaus am Europaplatz** adjacent to Berlin's main station. The landmark structure – CA Immo's ninth property development in the Europacity district – was fully pre-let to KPMG before construction work had begun.

Outside Europacity, CA Immo started construction of the **Grasblau office building** in the immediate vicinity of Potsdamer Platz in the first half of the year. Among other things, the project boasts an attractive city centre location – with excellent transport links and local amenities – combined with a quiet and green microlocation, transparent architecture and generous open spaces.

Munich

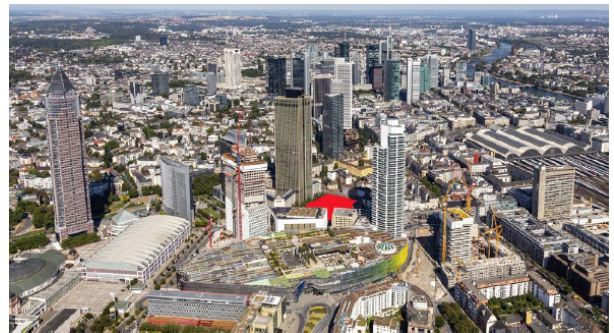
At the end of July, the urban development and landscape planning competition for the Munich **urban district development Eggarten-Siedlung** was concluded. The competition was organized by the two property owners CA Immo and Büschl Unternehmensgruppe with the aim of developing the area into a future-oriented and sustainable model quarter for cooperative housing construction, mobility, energy and climate protection (see also ESG report). The results of the competition are now the basis for the further development plan procedure.

Frankfurt

In the Frankfurt Europaviertel, centrally located between the banking district and the exhibition grounds, CA Immo is developing the 190-metre **office and hotel high-rise structure ONE**. After completion of the high-rise, which is scheduled for 2022, the international NH Hotel Group will open a new lifestyle hotel with 375 rooms in the ONE.

At the end of September, CA Immo, in cooperation with the City of Frankfurt, launched an **architectural competition for a CA Immo site ("Millennium Area") in Frank-**

furt's Europaviertel. The aim of the competition is to develop a mixed-use building complex with two high-rise buildings and a perimeter block development with a total gross floor area of approx. 185,000 sqm. The competition area of approx. 8,700 sqm is situated in a central location not far from Frankfurt's main train station on the western edge of Frankfurt's banking district. The urban development contract concluded between the City of Frankfurt and CA Immo for the development of the site provides for a high-quality urban mix of apartments, office space, a hotel and a day-care center, as well as additional restaurant, retail, service and leisure space.



The architectural competition for the CA Immo land reserve (marked red) in Frankfurt's Europaviertel was launched. To the left: ONE construction site

Mainz

In partnership with Stadtwerke Mainz, CA Immo has been developing Zollhafen Mainz, a new urban district on the banks of the Rhine spanning some 22 hectares, since 2015. In the 2nd quarter, the joint venture partners CA Immo and UBM began construction of the **Kaufmannshof residential and office building in Zollhafen Mainz**. A total of 50 high-quality flats and around 3,100 sqm of office space will be built.

THE CEE SEGMENT

The CEE segment accounts for property assets under development (including land reserves) with an approximate book value of € 39.2 m as at 31 December 2020.

In the sought-after Karlin district, CA Immo has two prime quality office buildings under construction in the River City Prague complex. **Mississippi House and Missouri Park** will complement CA Immo's attractive office complex, which currently comprises three class A structures (Amazon Court, Nile House and Danube House). The two buildings will offer rentable effective area totaling some 21,000 sqm.

PROPERTY VALUATION

Property valuation constitutes the fundamental basis on which a real estate company is appraised, and is thus the most important factor in determining net asset value. In addition to property-specific criteria, there are many economic and political factors that can affect the development of property values. In the office property sector, which represents the core business of the CA Immo Group, the general economic conditions – especially where economic growth and the employment rate are concerned – directly influence the real estate cycle. Other key variables having a major influence on the demand situation on real estate investment markets include interest levels and geopolitical events. Given their economic implications and varying impact on the capital and real estate markets of different sectors, unforeseeable and exceptional situations (such as the outbreak of the Covid-19 pandemic) can also have a direct impact on property valuations.

External valuation reports to international standards

The value of real estate is generally determined by independent expert appraisers outside the company using recognised valuation methods. External valuations are carried out in line with standards defined by the Royal Institution of Chartered Surveyors (RICS). RICS defines fair value as the estimated value at which an asset or liability can be sold to a willing buyer by a willing seller on the valuation date in the framework of a transaction in the usual course of business after a reasonable marketing period, whereby the buyer and seller each act knowledgeably, prudently and without compulsion.

The **valuation method** applied by the expert appraiser in a particular case is mainly determined by the stage of development and usage type of a property.

Rented commercial properties (which makes up the bulk of the CA Immo Group's portfolio) is generally valued according to the **investment method**; fair values are based on capitalised rental revenue or the discounted cash flows expected in future. In addition to current contractual rents and lease expiry profiles, the qualified assessment of the expert appraiser determines and takes account of other parameters such as, in particular, the attainable market rent and the equivalent yield for a property.

The **residual value** procedure is applied to **sites in the development and construction phase**. In this case, fair values are determined following completion, taking account of outstanding expenses and incorporating an appropriate developer profit in line with construction progress. Other possible risks are considered, amongst other things, related to future attainable rents, initial yields and financing rates. Interest rates are influenced in particular by general market behaviour as well as locations and usage types. The closer a project comes to the point of completion, the larger the proportion of parameters derived from actual and contractually stipulated figures. Sites are valued according to the investment method, shortly before and after completion.

In the case of **land reserves** where no active development is planned for the near future, the **comparable value method** (or the **residual value method**) is applied, depending on the property and the status of development.

For almost 100% of the total property assets, external valuations were carried out on the key date 31.12.2020 or values were based on binding purchase agreements. Other property assets were valued internally. In 2020, all valuations were performed exclusively by CB Richard Ellis for the first time.

Market environment in 2020

Owing to the outbreak of the Covid-19 pandemic and the consequent economic slump, the environment in the core markets of Germany, Austria and CEE was restrained (see also the 'Property markets' section). With investment activity remaining stable in the German real estate market, yields were also stable or marginally down. General lockdowns and travel restrictions served to impair market activity more and more as the year progressed. Most of the main indicators for the lettings market – including lettings performance and occupancy rates – were therefore in decline in Germany's office capitals. Given the consistently high level of demand for premium office properties and the stable peak rent levels in Germany, yields were further compressed in this category.

Despite this, the CA Immo Group was able to take advantage of a generally settled market environment thanks to strong market positions in the cities of Munich, Frankfurt and Berlin. On the office property market in Vienna, interest from investors was robust and the operational environment was stable. Given the shortage of supply, however, the transaction volume declined. The core Central

and Eastern European markets of Warsaw, Prague, Budapest and Bucharest were similarly characterised by restrained operational development in 2020.

For 2020 as a whole, the CA Immo Group posted a highly positive revaluation result of €183.5 m (against € 462.8 m in 2019).

AUSTRIA

The office market in Vienna was largely stable in 2020. Although the completion volume for office premises increased by around 130% in 2020 compared to the previous year's value, this was some 30% below the average value for the last five years. Lettings performance was unchanged on the prior year's level. Although the pandemic-induced economic crisis was already impacting the office market in 2020, more serious effects are expected to be seen during 2021. In the course of 2020, the vacancy rate fell by around 15 basis points to 4.6%.

The revaluation result in Austria totalled € -12.5 m on the key date (2019: € 3.3 m). Year on year, the average gross yield on investment properties fell from 5.7% to 5.4% (fully consolidated real estate).

GERMANY

As in previous years, robust development on the German office property market boosted values in the Group's Germany segment. Rising market values for office properties in Berlin and the successful implementation of development projects were the main reasons for this. As at 31.12.2020, the revaluation result for Germany was € 270.0 m (€ 385.2 m on 31.12.2019). The largest contributions to the revaluation gain in terms of amount came from valuation gains in the investment portfolio, especially in Berlin (including Tour Total, Hallesches Ufer, Spreebogen, MY.B, John F. Kennedy Haus, Königliche Direktion and Heidestrasse 58) and from properties at the planning and development stages in the German capital (Hochhaus am Europaplatz, Grasblau) and Munich (VIERTEL FOUR OANS); the Millennium Tower project in Frankfurt, for which building rights are being obtained, also contributed.

Year on year, the gross yield fell from 3.9% to 3.6% (fully consolidated real estate). The value of CA Immo's hotel properties in Germany fell by € 24.7 m in 2020. Including the hotel properties in Austria, the value of the hotel portfolio has declined by € 35.6 m.

VALUATION RESULT FOR AUSTRIA¹⁾

	Book value in € m 31.12.2020	Revaluation/ Impairment in € m	31.12.2019	Gross yield in % 31.12.2020
Investment properties ²⁾	524.7	-12.5	5.7	5.4
Investment properties under development	0	0		
Assets held for sale	0	0		
Total	524.7	-12.5		

¹⁾ Based on fully consolidated properties

²⁾ Excludes properties used for own purposes

VALUATION RESULT FOR GERMANY ¹⁾

	Book value in € m 31.12.2020	Revaluation/ Impairment in € m	31.12.2019	Gross yield in % 31.12.2020
Investment properties ²⁾	2,221.0	167.0	3.9	3.6
Investment properties under development	751.9	103.0		
Properties held for trading	35.2	0.0		
Total	3,008.0	270.0		

¹⁾ Based on fully consolidated properties

²⁾ Excludes properties used for own purposes

CENTRAL AND EASTERN EUROPE

The impact of the Covid-19 pandemic and the economic implications for real estate markets are also being felt in Central and Eastern Europe. In 2020, a year defined by economic recession, it was not possible to maintain the rapid pace of recent years. During 2020, the activity of investment and lettings slowed in all core cities of CA Immo (Warsaw, Prague, Budapest and Bucharest), causing floor space take-up to decline and vacancy rates

to climb. The Warsaw market, in which peak yields evidently fell, was particularly hard hit.

The revaluation result for the Central and Eastern Europe segment as at the key date amounted to € -74.0 m (2019: € 74.3 m). Year on year, the gross yield for the CA Immo portfolio rose from 6.6% to 6.8% (fully consolidated real estate).

VALUATION RESULT FOR CENTRAL AND EASTERN EUROPE ¹⁾

	Book value in € m 31.12.2020	Revaluation/ Impairment in € m	31.12.2019	Gross yield in % 31.12.2020
Investment properties	1,977.4	-69.7	6.6	6.8
Investment properties under development	39.2	3.2		
Properties held for trading	33.9	-7.5		
Total	2,050.6	-74.0		

¹⁾ Based on fully consolidated properties

FINANCING

As a real estate company, CA Immo operates in a capital-intensive sector where success is heavily dependent on access to loan capital. Ensuring the most effective possible structuring and optimisation of the capital structure is highly important; alongside successful management of the real estate portfolio, this is one of the key factors in the overall result of CA Immo.

Balance sheet profile remains strong

As at 31.12.2020, the total financial liabilities of the CA Immo Group stood at € 2.8 bn, above the previous year's value of € 2.1 bn. After deduction of the Group's cash and cash equivalents, net debt amounted to € 1.9 bn at year end (against € 1.7 bn in 2019). The company has thus maintained an extremely robust balance sheet with a healthy equity ratio of 45.9% (2019: 50.4%), which in conservative debt figures equates to gearing (net) of 60.4% (2019: 55.8%) or a loan-to-value (LTV, net) of 33.8% (2019: 31.9%). Financing costs, a key element in long-term earnings, stood at € – 42.3 m (2019: € – 43.1 m).

In addition to the financing facilities that have already been secured and are therefore reflected on the balance sheet, the CA Immo Group also has financing lines that have not yet been utilized, which serve to finance development projects under construction in Germany and will be successively valued by the banks as construction progresses. This financing facility amounted to € 320 m at the reporting date, taking into account joint ventures in the amount of the interest held. In addition, the company has an unused financing line (revolving credit facility) of € 45 m at holding company level.

Investment grade rating

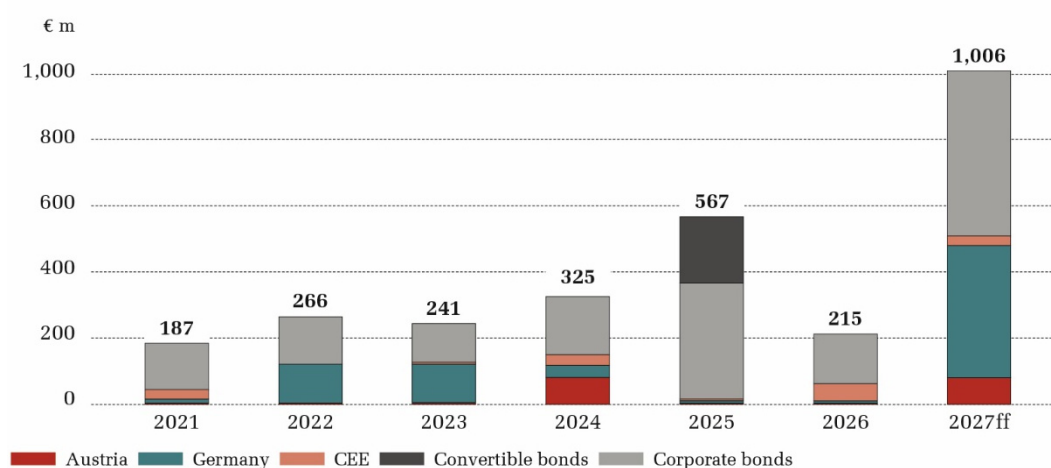
In December 2015, following a wide-ranging creditworthiness analysis, Moody's Investors Service, the international rating agency, classified CA Immobilien Anlagen AG with a Baa2 investment grade (long-term issuer) rating with stable outlook.

CA Immo's investment grade rating makes it possible to increase the financing flexibility and thus further optimize the financing structure by improving access to the institutional debt capital markets. This broadens the range of financing options available to the Group.

The key indicators in retaining and upholding the investment grade rating, which is of strategic significance to the CA Immo Group, are a strong balance sheet with low gearing, long-term recurring earnings power, an associated solid interest coverage ratio and a sufficiently large quota of unsecured properties.

Moody's confirmed both the Baa2 rating and the stable outlook in a credit opinion on 18 January 2021. When the core shareholder Starwood Capital made an anticipatory mandatory offer to the shareholders and owners of convertible bonds of CA Immo, the rating agency placed the rating 'under review for downgrade' as well as the outlook to 'under review'. According to an announcement by Moody's, this change reflects uncertainty over whether Starwood will "acquire control of CA Immo and whether this will mean changes to the business, finance and liquidity profile of CA Immo".

EXPIRATION PROFILE FINANCIAL LIABILITIES¹⁾ as at 31.12.2020, basis: 2.1 € bn



¹⁾The database includes fully consolidated financing

Maturity profile

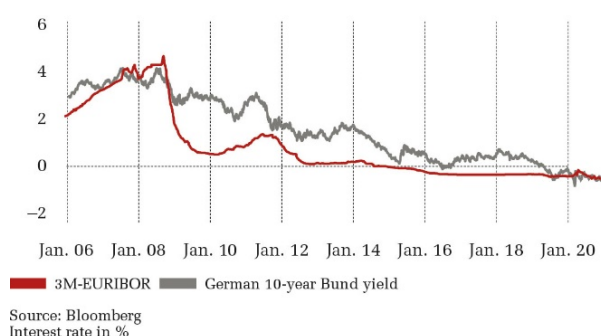
The chart above shows the maturity profile of the financial liabilities of the CA Immo Group as at 31.12.2020 (assuming options to extend are exercised). As at the key date, amounts shown as due in 2021, secured mortgages in Austria, Germany and Central and Eastern Europe and one unsecured corporate bond issued in 2016 with an annual coupon of 1.875% amounted to approximately € 187 m. Of this amount, around € 107 m relates to the corporate bond maturing in July 2021 and around € 77 m to investment loans (of which around € 46 m relates to the German portfolio).

In 2020, construction financing for completed office projects transferred to the asset portfolio (MY.O in Munich, MY.B in Berlin and ViE in Vienna) with a total volume of approximately € 145 m was rolled over into long-term financing. New bank financing has been agreed for the Hochhaus am Europaplatz project in Berlin (approximately € 105 m) and the Hafensinsel project in Mainz (approximately € 32 m).

Falling financing costs

Over recent years, continual optimisation of the financing structure and advantageous market conditions have facilitated significant reductions in financing costs. As the table shows, average financing costs for the CA Immo Group on the basis of fully consolidated financial liabilities stood at 1.50% as at key date 31.12.2020. The figure includes derivatives used for interest rate hedging in the form of interest rate swaps. If the latter are excluded, the average interest rate is somewhat lower at 1.36%.

INTEREST RATE DEVELOPMENT



FINANCING COSTS ¹⁾

in € m	Outstanding nominal value	Nominal value swaps	Average cost of debt excl. derivatives	Average cost of debt incl. derivatives	Average debt maturity	Average swap maturity
Investment properties						
Austria	184.1	106.6	1.8	2.4	7.9	8.5
Germany	670.1	350.7	1.0	1.4	5.5	7.4
Czechia	62.0	62.0	1.4	1.9	4.7	4.7
Hungary	0.0	0.0	0.0	0.0	0.0	0.0
Poland	86.4	71.0	1.4	1.7	4.7	4.9
Romania	0.0	0.0	0.0	0.0	0.0	0.0
Other countries	0.0	0.0	0.0	0.0	0.0	0.0
Total	1,002.7	590.3	1.2	1.6	5.9	7.0
Development projects	51.3	0.0	1.5	1.5	7.0	0.0
Short-term property assets	0.0	0.0	0.0	0.0	0.0	0.0
Financing on parent company level	1,741.5	0.0	1.4	1.4	4.2	0.0
Total	2,795.4	590.3	1.3	1.5	4.9	7.0

¹⁾The data includes only fully consolidated financing

BASIC PARAMETERS OF THE FINANCING STRATEGY

Financing Strategy

The financing strategy of the CA Immo Group is based on a balanced mix of secured and unsecured financing instruments with the aim of minimising financing costs and the risk of rate changes while maximising average terms and flexibility.

Maintaining and improving the investment grade rating in the medium term on the basis of a solid balance sheet structure with a strong equity base and sustainable profitability is a key strategic component, which is also reflected in the objective of a long-term defensive and robust financial profile.

As regards financial indicators, long-term objectives fluctuate between 45-50% for the Group's equity ratio and 35-40% for the loan-to-value ratio (net financial liabilities to property assets). The interest rate hedging ratio as at the key date was approximately 94%; this should be kept at a high level to cushion the risk of interest rate rises.

Financing structure

Following two issues in 2020, unsecured financing in the form of bonds placed on the capital market currently accounts for the majority of the total financing volume with a share of around 62% of the total financing volume). The remaining financing volume comprises mortgage loans secured by real estate, which are taken out in those (subsidiary) companies in which the respective real estate is held.

Unsecured financing

The share of unsecured financing at the level of the Group parent company has gradually increased since the company received its investment grade rating in 2015 and at the reporting date comprised seven corporate bonds placed on the capital market with a total volume of around € 1,540 m and one convertible bond with a volume of € 200 m. The book value of unmortgaged properties – a key criterion in the Group's investment grade rating – stood at around € 2.5 bn on 31.12.2020, above the comparable value for the previous period (€ 2.4 bn on 31.12.2019). This was equivalent to a ratio of roughly 46% of total property assets.

Bonds

As at key date 31.12.2020, CA Immo had the following outstanding bonds registered for official trading on the Vienna Stock Exchange (with the exception of the convertible bond, which trades on the Third Market):

ISIN	Type	Out-standing volume ¹	Tenor	Cou-pon
AT0000A1CB33	Corporate bond	142 m €	2015-2022	2.750%
AT0000A1JVU3	Corporate bond	117 m €	2016-2023	2.750%
AT0000A1LJH1	Corporate bond	107 m €	2016-2021	1.875%
AT0000A1TBC2	Corporate bond	175 m €	2017-2024	1.875%
AT0000A1YDF1	Convertible bond	200 m €	2017-2025	0.75%
AT0000A22H40	Corporate bond	150 m €	2018-2026	1.875%
XS2099128055	Corporate bond	500 m €	2020-2027	0.875%
XS2248827771	Green bond	350 m €	2020-2025	1.000%

The bonds are unsecured financings of the Group parent company, which rank pari passu with each other and with all other unsecured financings of CA Immobilien Anlagen AG. With the exception of the corporate bond 2015-2022 and the convertible bond, the terms and conditions of the bonds include a loan-to-value (LTV) covenant. The two bonds issued in 2020 also contain two further covenants relating to the secured financing volume and the interest rate coverage of the Group.

Benchmark bond issue in 2020

In January 2020, CA Immo tapped the Eurobond market for the first time and successfully issued a € 500 m fixed-rate unsubordinated unsecured benchmark bond with a seven-year maturity and an annual coupon of 0.875%. The international rating agency Moody's Investors Service Ltd. has rated the bond with an investment grade rating of Baa2 in line with the corporate rating. The issue proceeds were mainly used to finance and refinance real estate (including the company's future acquisitions and development projects) and to optimise the debt capital structure.

In this context, the company decided at the same time to invite holders to offer the outstanding bonds due in 2021 (€ 140 m, 1.875%), 2022 (€ 175 m, 2.750%) and

¹ The outstanding volume of corporate bonds due in 2021/2022/2023 includes the repurchase carried out in 1Q 2020.

2023 (€ 150 m, 2.750%) to the company for cash buy-back. A total nominal amount offered in the approximate amount of € 99 m has been accepted and thus repurchased.

This transaction represents an important milestone in the realisation of the company's growth strategy; it has accelerated optimisation of the capital structure and opened up access to the most liquid international loan capital market, thereby enhancing the market position of CA Immo. While the financing structure has been further diversified, average financing costs have fallen as average due terms on financial liabilities have been extended.

Green bond issue in 2020

In October 2020, CA Immo once again turned the exceptionally favourable market conditions to its advantage with the successful issue of an unsecured, fixed-rate € 350 m green bond. The issue has a term of five years and an annual coupon of 1.0%. The transaction generated strong demand from more than 150 investors and was more than five times oversubscribed.

Net proceeds will be used to (re)finance sustainable buildings in full or in part in accordance with the sustainability bond framework. The framework was provided by Sustainalytics, a leading global supplier of ESG and corporate governance research as well as ratings for investors². This covers the financing and refinancing of commercial real estate which either has sustainability certification (e.g. LEED or DGNB in gold) or which has a primary energy requirement at least 25% below nationally defined standards (such as the EnEV energy saving ordinance in Germany or the PENB building energy performance certificate in the Czechia). Two examples of the use of proceeds include the Grasblau sustainable development project currently under construction in Berlin and Mississippi House and Missouri Park in Prague.

As a leading company in the European office real estate sector, we unreservedly support the climate targets of the United Nations and the associated transition to a low-carbon and sustainable economy. In order to meet the associated requirements in the best possible way and to secure our competitiveness in the long term, we anchor corresponding measures, processes and objectives in our strategic positioning. With the Green Bond transaction, we have emphatically underpinned this commitment and at the same time taken advantage of the opportunity to further optimize our financing structure and reduce average financing costs.

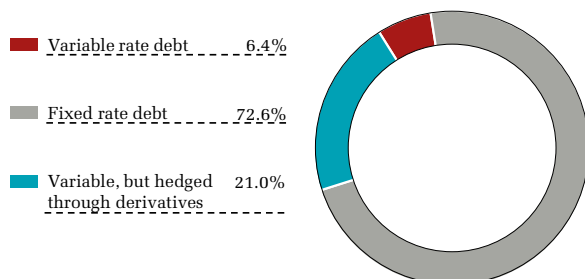
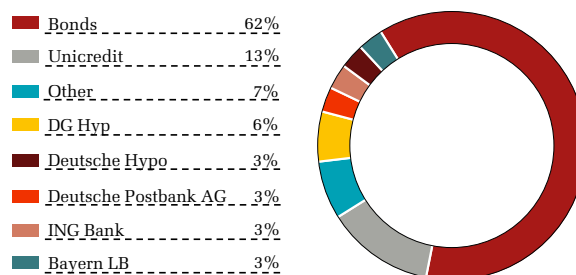
Convertible bond

The convertible bond issued in October 2017 with a volume of € 200 m and a term of 7.5 years has a coupon (payable semi-annually) of 0.75%. The initial conversion price was fixed with a conversion premium of 27.50% above the volume-weighted average price (VWAP) for the CA Immo shares on the day of issue. The initial conversion price of € 30.5684 now stands at €29.7675 after adjustment following the dividend payment in August 2020. The convertible bonds will be redeemed at 100% of the nominal amount at the end of the term in the absence of premature conversion or repayment. For conversion, the company may choose to effect repayment through the provision of shares in the company, payment or a combination of the two.

Secured financing

CA Immo has business relations with a large number of financing partners. With around 13% of total outstanding financial liabilities, the main financing bank in terms of the credit volume is the UniCredit Group. As the diagram shows, DG Hyp, Deutsche Hypo, Deutsche Postbank, ING and Bayern LB also accounted for significant shares as at the key date.

² For more information, please visit <https://www.caimmo.com/de/unternehmen/nachhaltigkeit-csr/>

FINANCIAL DEBT AS OF 31.12.2020
(Basis: € 2.8 bn)FINANCING SPLIT BY BANKS*
(Basis: € 2.8 bn)

Long-term interest rate hedging

Since interest expenses makes up the biggest expense item in the income statement for most real estate companies (alongside administrative overheads), interest rate rises can have a major impact on earnings – especially since rental revenue is usually based on long-term agreements, which means increases in financing costs cannot be directly counterbalanced by higher revenue. For this reason, the CA Immo Group's financing strategy involves hedging a substantial proportion of interest expenditure against fluctuation over the long term. Interest swaps are currently used as interest hedging tools. The ratio of fixed-interest bonds, which has been rising over recent quarters, also makes up a major part of the interest rate hedging ratio.

Of the derivatives deployed, interest swap agreements account for a nominal value of € 815.8 m (€ 531.8 m on 31.12.2019) and interest rate floors account for € 43.0 m (€ 43.9 m on 31.12.2019). The weighted average term remaining on derivatives used for interest rate hedging was around 7.0 years on the key date, compared to a weighted remaining term of 4.9 years on financial liabilities.

In terms of the balance sheet, a distinction is drawn between those contracts directly attributable to a loan (thus meeting the criteria for hedge accounting as cash flow hedges) and those for which these preconditions are not met (fair value derivatives). For cash flow hedges, the change in the fair value on the relevant key date is recognised directly in equity; for fair value derivatives, by contrast, the change is recognised as expenditure in the income statement under 'Income from derivative transactions'. As at key date 31.12.2020, contracts with a nominal value of € 633.7 m in total and a fair value of € -80.9 m were classified as fair value derivatives (31.12.2019: € 575.6 m and € -102.8 m respectively). As at

31.12.2020, the company held contracts classified as cash flow hedges with a nominal amount of € 225.0 m and an attributable fair value of € -2.6 m.

RESULTS

KEY FIGURES FROM THE INCOME STATEMENT

Sustained earnings

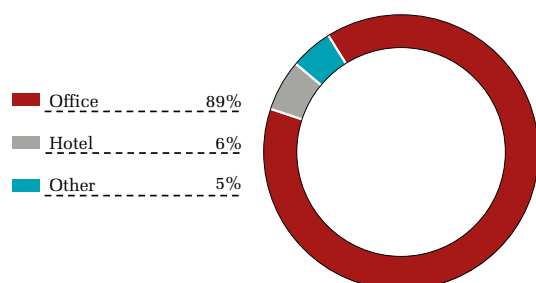
Rental income for CA Immo increased by 6.7% to € 235.6 m in 2020. By region, around 56% of total rental income was generated by the Central and Eastern European portfolio, followed by Germany with around 33% and Austria with around 13%.

In addition to the successful management of the investment portfolio with a high occupancy rate, this positive development is related to the organic portfolio growth of recent months. Three high-quality office properties MY.O (Munich), MY.B and the Kunstcampus office building (both in Berlin) were completed and added to the portfolio.

Furthermore, higher occupancy rates in the office buildings Orhideea Towers (Bucharest) and ViE (Vienna), which were also successfully developed, as well as in the acquired office buildings Warsaw Spire C (Warsaw), Campus 6.1 (Bucharest) and Visionary (Prague) made a positive contribution to year-on-year rental growth.

Incentive arrangements from various lease agreements (in particular rent-free periods) are amortised on a straight line basis for the total term of the lease contract. Rental income therefore shows the effective economic rent and not the actual cash-relevant rent during the period. Of the rental income for business year 2020, straight line amortisation of this kind accounted for € 4.2 m (2019: € 1.6 m).

RENTAL INCOME BY MAIN USAGE
(Basis: € 235.6 m)



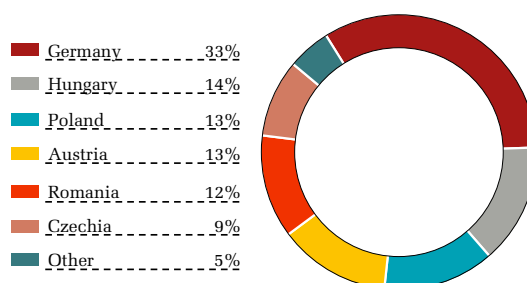
In year-on-year comparison, property expenses directly attributable to the asset portfolio, including own operating expenses, remained flat at € -26.0 m (2019: € -25.9 m). This expenditure item consists of vacancy costs and operating expenses that cannot be passed on (€ -5.2 m), agency fees (€ -1.2), maintenance (€ -4.9 m), allowances for bad debt (€ -6.1 m) and other directly attributable expenses (€ -9.2 m).

The net rental income generated by the rental activities after deduction of direct management costs increased by 7.7% from € 194.7 m to € 209.7 m. The Covid-19 pandemic had a negative impact of € -6.8 m on net rental income as of the reporting date. This mainly relates to reserves for bad debts and to a lower degree rent reductions, which are, however, counterbalanced by opposing effects from incentive agreements (rent-free periods). All agreed rent adjustments, such as the granting of rent-free periods, are to be distributed on a straight line basis over the respective term of the underlying lease agreement. On the other hand, a positive effect of € 3.7 m (release of provisions for property-related taxes) was recorded in the second quarter in connection with proceedings concerning the payment of building taxes decided in favour of the CA Immo Group.

The operating margin on letting activities (net rental income in relation to rental income), an indicator of the efficiency of the rental business, increased from 88.2% in the previous year to 89.0%.

Other expenditure directly attributable to project development stood at € -2.2 at year end (2019: € -3.2 m).

RENTAL INCOME BY COUNTRY
(Basis: € 235.6 m)



CHANGE IN RENTAL INCOME FROM 2019 TO 2020¹⁾

€ m	Austria	Germany	Central- and Eastern Europe	Total
2019	29.7	66.4	124.6	220.7
Change				
Resulting from change in vacancy rate, indexation or rental price	-0.6	-0.5	-0.1	-1.2
Resulting from new acquisitions	0.0	1.1	1.0	2.1
Resulting from whole-year rental for the first time	0.8	5.2	2.9	8.9
Resulting from completed projects	0.0	6.1	0.0	6.1
Resulting from sale of properties	-0.3	0.0	-0.8	-1.1
Total change in rental income	0.0	11.9	3.0	14.9
2020	29.7	78.3	127.6	235.6

¹⁾ Included are non-performance components of operating costs according to IFRS 16 amounting to € 10.7 m.

INDIRECT EXPENSES

€ m	2020	2019
Personnel expenses	-45.9	-41.7
Legal, auditing and consulting fees	-9.1	-8.2
Third party acquired development services	-1.9	-2.6
Office rent	-0.8	-0.7
Travel expenses and transportation costs	-0.4	-1.2
Other expenses internal management	-2.7	-3.0
Other indirect expenses ¹⁾	-29.0	-2.9
Subtotal	-89.7	-60.3
Own work capitalised in investment property	15.2	14.3
Change in properties held for trading	1.4	2.5
Indirect expenses	-73.2	-43.5

¹⁾ The figure includes potential court fees associated with the action for damages brought by CA Immobilien Anlagen AG in the second quarter of 2020 against the Republic of Austria and the state of Carinthia in connection with the privatisation of the federal housing companies (BUWOG) completed in 2004.

Property sales result

Trading revenue of € 43.3 m (previous year: € 12.3 m) was generated in 2020 in connection with the scheduled sale of properties held in current assets and construction services. This income was offset by book value deductions and other directly attributable expenditure of € -35.4 m. The trading portfolio thus contributed a total of € 7.9 m to the result (2019: € -1.3 m). The largest contribution to earnings in terms of value was generated by the sale of the NEO Living residential project developed by CA Immo in Munich.

Profit from the sale of investment properties of € 43.9 m was above the previous year's value of € 15,615.6 m. The largest gain in value terms was contributed by the sale of the Cube office building in Berlin and the sale of non-strategic real estate in Graz.

Income from services

Gross revenue from services dropped by -3.9% to € 8.2 m (2019: € 8.5 m). Alongside development revenue for third parties via the subsidiary omniCon as a major contribution, this item contains revenue from asset management and other services to joint venture partners.

Indirect expenditures

In 2020 indirect expenditures rose by 68.4% from € -43.5 m in the previous year to € -73.2 m. This item also contains expenditure counterbalancing the aforementioned gross revenue from services.

The figure includes potential court fees associated with the action for damages brought by CA Immobilien Anlagen AG in the second quarter of 2020 against the Republic of Austria and the state of Carinthia in connection with the privatisation of the federal housing companies (BUWOG) completed in 2004. Adjusted for this one-off effect of around € -25.5 m, indirect expenses were 9.7% higher than in the previous year at € -47.7 m.

While the Group's personnel expenses increased over the year as shown in the table above (€ -45.9 m compared with € -41.7 m in the previous year), material costs were reduced year-on-year. At € 15.2 m (2019: € 14.3 m), the item "Own work capitalized" remained essentially unchanged.

This item may be regarded as an offsetting position to the indirect expenditures which counterbalance the portion of internal project development expenditure, provided it is directly attributable to individual development projects and thus qualifies for capitalisation.

Other operating income

Other operating income amounted to a total of € 1.2 m compared to the 2019 reference value of € 0.7 m.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 195.6 m, up 13.9% on the previous year's figure of € 171.7 m. This increase is mainly due to the higher rental income and the significant increase in net income from disposals compared with 2019.

The contribution of the individual regional segments to the overall result was as follows: With an EBITDA of € 109.2 m, the Central and Eastern Europe segment generated the largest share of around 56%. The largest EBITDA contribution from the Central and Eastern European core markets is attributable to Hungary, with generated EBITDA of € 28.6 m (15%), followed by Romania with € 26.9 m (14%) and Poland with € 26.4 m (14%). The Germany segment accounted for € 92.4 m (47%), while the Austria segment made no positive contribution to Group EBITDA with € -6.1 m.

EBITDA adjusted for the BUWOG one-off effect amounted to € 221.1 m, a significant increase of 28.7% on the previous year's figure, reflecting the robust development of the company's operating business.

Revaluation result

The total revaluation gain of € 352.1 m in 2020 was counterbalanced by a revaluation loss of € -168.6 m. The cumulative revaluation result of € 183.5 m was therefore significantly positive, but substantially below the value of the previous year (2019: € 462.8 m). The property valuation effect of € 205.0 m booked in the fourth quarter of 2020 therefore more than compensated for the valuation loss of € -21.5 m booked for the first three quarters.

The result reflects the continued attractive market environment in Germany, and particularly in Berlin, CA Immo's largest portfolio segment, despite the Covid-19 pandemic. In addition, the company's profitable real estate development activities generated positive value adjustments, both in terms of the progress of current projects under construction and the development of land reserves. On the other hand, there were also negative effects, which were primarily concentrated on properties directly affected by the consequences of the pandemic with the main types of use being hotels and retail, as well as on investment properties in Central and Eastern Europe.

In regional terms, the revaluation result in Germany totaled € 270.0 m. The largest contributions in terms of value were made by the Berlin portfolio and in particular properties such as Hamburger Bahnhof, Tour Total and Hallesches Ufer. Other significant increases in value included the MY.O portfolio building in Munich and the 100% pre-let high-rise development project Hochhaus am Europaplatz in Berlin. In addition, there were positive value adjustments of land plots under development in Frankfurt and Munich.

On the other hand, Austria recorded a valuation loss of € -12.5 m. Central and Eastern Europe recorded negative value adjustments amounting to € -74.0 m. In Central and Eastern Europe, a reduction in market values was mainly observed due to market changes (increase in market yields), although upward adjustments in market values were also observed for individual properties due to property-specific factors. In Austria, market value reductions were recorded for hotel and retail properties.

Result from joint ventures

Current results of joint ventures consolidated at equity are reported under 'Result from joint ventures' in the consolidated income statement. In 2020 this contribution totalled € 1.9 m (2019: € 3.7 m). The low contribution to earnings reflects the reduced volume of joint ventures as part of strategic portfolio focusing.

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes (EBIT) totalled € 375.4 m and were -40.8% below the corresponding figure for the previous year (€ 633.7 m) due to the lower revaluation result.

In regional terms, the Germany segment accounted for the lion's share of Group EBIT at € 360.2 m. Austria generated EBIT of € -19.5 m in 2020, and Central and Eastern Europe € 34.8 m.

Financial result

The financial result for 2020 was € -27.2 m, compared to € -94.4 m last year. In detail, the elements of the financial result developed as follows:

The Group's financing costs, a key element in long-term earnings, went up mainly due to the higher financing volume to € -42.3 m (2019: € -43.1 m). This item includes a positive effect in connection with proceedings concerning the payment of building taxes amounting to € 5.2 m (release of provisions for interest on arrears) decided in favour of the CA Immo Group. In addition to interest paid as shown in the income statement, financing costs

of € 4.9 m (2019: € 5.9 m) with a weighted average interest rate of 1.30% (2019: 1.71%) were capitalised in business year 2020 in connection with the construction of real estate.

The result from derivatives came to € 21.4 m (2019: € -59.2 m). The result for 2020 includes a derivative valuation in the amount of € 32.2 m for the convertible bond issued in October 2017 (2019: € -38.4 m). This instrument consists of a debt component and, due to the cash repayment option of CA Immo, an embedded derivative that must be separated. The embedded derivative of the convertible bond is reported at fair value.

The interest rate development over 2020 also resulted in a negative valuation effect of the company's interest rate derivatives of € -10.8 m (2019: € -20.7 m).

At € -3.6 m, the result from financial investments was below the figure for the reference period (2019: € 11.5 m). The previous year's figure included the dividend from the investment in Immofinanz (€ 4.3 m), which was successfully sold in the fourth quarter of 2019.

Other items in the financial result (other financial result, income from associated companies and exchange rate differences) totalled € -2.7 m (2019: € -3.6 m). The figure for the first quarter of 2020 includes a one-off effect relating to the repurchase of outstanding corporate bonds in the amount of € -5.1 m.

Earnings before taxes (EBT)

Earnings before taxes (EBT) of € 348.3 m (2019: € 539.3 m) showed a significant year-on-year decline of -35.4% based on the earnings developments described above.

Taxes on income

Taxes on earnings amounted to € -94.3 m in 2020 (2019: -146.0 m).

Consolidated net income

At € 254.0 m, consolidated net income for the period was -35.4% below the previous year's figure of € 393.3 m. Earnings per share (basic) amounted to € 2.73 (2019: € 4.23 per share).

Cash flow

Cash flow from operating activities takes account of changes in current assets linked to the sale of properties intended for trading and totalled € 185.1 m (2019: € 117.6 m).

Cash flow from investment activities, which comprises the net balance between investments and real estate sales, stood at €–334.7 m in 2020 compared to the previous year's value of €–39.9 m. Cash flow from financing activities was € 650.1 m (2019: € –12.8 m).

CASH-FLOW-STATEMENT – SHORT VERSION

€ m	2020	2019	Change in %
Cash and cash equivalents - beginning of the business year	439.1	374.5	17
Cash flow from			
- business activities	185.1	117.6	57
- Investment activities	–334.7	–39.9	>100
- financing activities	650.1	–12.8	n.m.
Changes in cash and cash equivalents	500.5	65.0	>100
Other changes ¹⁾	–4.7	–0.3	>100
Changes in cash and cash equivalents - the end of the business year	934.9	439.1	>100

¹⁾ Includes exchange rate movements from foreign currency, reclassification to a disposal group and expected credit losses on cash and cash equivalents

Funds from Operations (FFO)

An FFO I of € 133.8 m was generated in 2020, 0.4% above the previous year's value of € 133.3 m. FFO I per share stood at € 1.44 at the key date, a similar increase of 0.4% in year-on-year comparison (2019: € 1.43 per share). The FY 2020 guidance of > € 126 m was therefore outperformed. FFO I, a key indicator of the Group's long-term earnings power, is reported before taxes and adjusted for the sales result and other non-recurring effects.

Adjusted non-recurring effects totalled € 22.9 m (2019: € 9.3 m). These primarily related to administrative expenses (€ 26.7 m, including expenses in connection with the action for damages brought by CA Immo in the second quarter in connection with the privatisation of the federal housing companies and associated legal costs of around € 26.1 m) and operating expenses of €–3.7 m. The latter essentially include a positive effect booked in the second quarter due to the release of provisions for property-related taxes. Adjusted non-recurring effects of the previous year primarily included expenses in connection with property developments (€ 3.1 m), financing expenses (€ 2.8 m) and administrative expenses (€–0.7 m).

FFO II, including trading, other non-recurring results and after taxes, is an indicator for the Group's overall profitability and totalled € 141.1 m, compared to € 122.3 m (up 15.4% from the previous year). FFO II per share amounted to € 1.52 (2019: € 1.31 per share).

FFO II adjusted for the BUWOG one-off effect amounted to € 167.7 m, a substantial increase on the previous year's figure of 38.3% (2019: € 1.80 per share).

FUNDS FROM OPERATIONS (FFO)

€ m	2020	2019
Net rental income (NRI)	209.7	194.7
Income from services	8.2	8.5
Other operating income/expenses excl. services	1.2	-2.4
Other operating income/expenses	9.4	6.1
Indirect expenses	-73.2	-43.5
Result from joint ventures	3.9	4.7
Finance costs	-42.3	-43.1
Result from financial investments ¹	3.5	10.4
Non-recurring adjustments ²⁾	22.9	4.0
FFO I (excl. trading and pre taxes)	133.8	133.3
Result from trading and construction works	7.9	-1.3
Result from the sale of investment properties	43.9	15.6
Result from disposal of joint ventures	0.1	-0.1
At-equity result property sales	3.4	5.1
Property sales result	55.3	19.4
Result from disposal of assets at fair value	-1.2	0.0
Other financial results	-5.1	0.0
Other adjustments ³⁾	-26.4	-9.3
Current income tax	-15.5	-21.1
FFO II (incl. trading and after taxes)	141.1	122.3

¹⁾ Excluding IFRS 9 value adjustment

²⁾ Adjustment for property sales and other non-recurring results

³⁾ Includes other non-recurring results adjusted in FFO I

BALANCE SHEET ANALYSIS

Assets

As at the balance sheet date, long-term assets amounted to € 5,660.4 m (83.0% of total assets). The growth of investment property assets on the balance sheet to € 4,723.1 m (31 December 2019: € 4,292.9 m) reflects the strong portfolio growth both organically from the company's own development project pipeline and externally by selective acquisitions of investment properties in the core markets Berlin and Warsaw.

The balance sheet item 'Property assets under development' slightly declined by -3.2% to € 791.1 m compared to 31 December 2019. Total property assets (investment properties, properties used for own purposes, property assets under development and property assets held as current assets) amounted to € 5,596.2 m on the key date, hence up on the level for the end of 2019 (€ 5,186.4 m).

The net assets of joint ventures are shown in the balance sheet item 'Investments in joint ventures', which

stood at € 57.6 m on the key date (31 December 2019: € 67.8 m).

Cash and cash equivalents stood at € 934.9 m on the balance sheet date, above the level for 31 December 2020 (31 December 2019: € 439.1 m). This significant increase reflects, among other things, part of the net proceeds of around € 400 m from CA Immo's Eurobond capital market transaction in the first quarter and the green bond issue in the fourth quarter with a volume of € 350 m.

**Liabilities
Equity**

In 2020, the Group's equity stood at € 3,128.3 m, 5.4% up from € 2,968.0 m. Apart from the net profit for the period of € 254.0 m, this figure also reflects the dividend payment (€ -93.0 m).

Since the start of the year, the Group's total assets increased by around 15.8% to € 6,820.3 m (31 December

2019: € 5,888.7 m). Despite the increase in assets, the equity ratio of 45.9% on the key date remained within the strategic target range (31 December 2019: 50.4%).

Interest-bearing liabilities

On the reporting date, interest-bearing liabilities amounted to € 2,827.5 m, 34.8% above the previous year's value of € 2,097.3 m. The increase is related to the bond issues mentioned above. Net debt (interest-bearing liabilities less cash and cash equivalents) increased from € 1,656.3 m in the previous year to € 1,890.6 m. Gearing (ratio of net debt to shareholders' equity) was 60.4% at year-end (31 December 2019: 55.8%). The loan-to-value ratio (financial liabilities less cash and cash equivalents to property assets) stood at 33.8% on the key date, compared to 31.9% in the previous year.

100% of interest-bearing financial liabilities are in euros. CA Immo has a comprehensive interest rate hedging strategy to hedge against interest rate risk; for more details, see the section on 'Financing'.

KEY BALANCE SHEET AND FINANCING FIGURES

€ m	31.12.2020	31.12.2019
Shareholders' equity	3,128.3	2,968.0
Long-term interest-bearing liabilities	2,622.2	1,850.9
Short-term interest-bearing liabilities	205.3	246.5
Cash and cash equivalents	-934.9	-439.1
Restricted cash	-2.1	-1.9
Net debt	1,890.5	1,656.3
Equity ratio	45.9	50.4
Gearing (net)	60.4	55.8
Gearing (gross)	90.4	70.7
Loan-to-value (net)	33.8	31.9
Loan-to-value (gross)	50.5	40.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: SHORT VERSION

	€ m	2020 in %	€ m	2019 in %	Change in %
Properties assets	5,527.1	81	5,125.0	87	8
Investments in joint ventures	57.6	1	67.8	1	-15
Intangible assets	3.0	0	5.2	0	-42
Financial and other assets	68.3	1	91.4	2	-25
Deferred tax assets	4.4	0	1.8	0	>100
Long-term assets	5,660.4	83	5,291.2	90	7
Assets held for sale and relating to disposal groups	37.1	1	0.0	0	n.m.
Properties held for trading	35.2	1	61.3	1	-43
Receivables and other assets	152.8	2	97.0	2	57
Securities	0.0	0	0.0	0	n.m.
Cash and cash equivalents	934.9	14	439.1	7	>100
Short-term assets	1,159.9	17	597.5	10	94
Total assets	6,820.3	100	5,888.7	100	16
Shareholders' equity	3,128.3	46	2,968.0	50	5
Shareholders' equity as a % of total assets	45.9		50.4		
Long-term interest-bearing liabilities	2,622.2	38	1,850.9	31	42
Short-term interest-bearing liabilities	205.3	3	246.5	4	-17
Other liabilities	328.2	5	350.4	6	-6
Deferred tax assets	536.3	8	473.0	8	13
Total liabilities and shareholders' equity	6,820.3	100	5,888.7	100	16

EPRA NET ASSET VALUE (NAV)

In order to ensure comparability with other listed property companies, CA Immo reports individual key figures in accordance with the standards of EPRA (European Public Real Estate Association), the leading interest group for listed property companies. These key figures may differ from the values determined in accordance with IFRS rules. CA Immo follows EPRA's 'Best Practice Recommendations' (www.epra.com).

EPRA NAV KEY FIGURES

		31.12.2020
EPRA NAV	€ m	3.818,6
EPRA NAV per share	€	41,05
EPRA NNNAV	€ m	3.363,1
EPRA NNNAV per share	€	36,15
EPRA NRV	€ m	4.346,7
EPRA NRV per share	€	43,58
EPRA NTA	€ m	3.999,3
EPRA NTA per share	€	40,09
EPRA NDV	€ m	3.423,4
EPRA NDV per share	€	34,32

Net Asset Value (NAV)

NAV (IFRS) stood at € 3,128.3 m on 31 December 2020 (€ 33.63 per share, undiluted) against € 2,968.0 m at the end of 2019 (€ 31.90 per share); this represents an increase per share of 5.4%. Aside from the annual result, the change reflects the other changes to equity. Adjusted to account for the dividend payment of € 93.0 m, or € 1.00 per share, the growth in NAV per share for business year 2020 was 8.6% (undiluted).

The table below shows the conversion of NAV to NNNAV in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA). The EPRA NAV (undiluted) was € 41.05 per share on the key date (2019: € 38.36 per share). The EPRA NNNAV (undiluted) per share after adjustments for financial instruments, liabilities and deferred taxes, stood at € 36.15 per share as at 31 December 2020 (2019: € 33.69 per share). The number of shares outstanding was 93.0 million on the key date (31 December 2019: 93.0 million).

A potential dilution effect of the Group's issued convertible bond (€ 200 m) was considered in the calculation of the net asset value. The conversion price of the convertible bond was € 29.77 on 31 December 2020, compared to the share price of € 31.35. A conversion at this conversion price would increase the number of outstanding shares by approximately 6.7 million.

NET ASSET VALUE (NAV AND NNNAV AS DEFINED BY EPRA)

€ m	31.12.2020 diluted	31.12.2020 undiluted	31.12.2019 undiluted
Equity (NAV)	3,128.2	3,128.2	2,967.9
Exercise of options	235.3	0.0	0.0
NAV after exercise of options	3,363.5	3,128.2	2,967.9
NAV/share in €	33.72	33.63	31.90
Value adjustment for ¹⁾			
- Own used properties	9.7	9.7	7.5
- Short-term property assets	151.0	151.0	127.3
- Financial instruments	0.4	0.4	0.0
Deferred taxes	529.2	529.2	466.1
EPRA NAV after adjustments	4,053.9	3,818.6	3,568.9
EPRA NAV per share in €	40.64	41.05	38.36
Value adj. for financial instruments	-0.4	-0.4	0.0
Value adjustment for liabilities	-32.2	-64.6	-99.6
Deferred taxes	-396.3	-390.5	-335.3
EPRA NNNAV	3,625.0	3,363.1	3,133.9
EPRA NNNAV per share in €	36.34	36.15	33.69
Share price (key date)	31.35	31.35	37.45
Number of shares excl. treasury shares	99,747,036	93,028,299	93,028,299

¹⁾ Includes proportionate values from joint ventures

With the publication of the EPRA Best Practices Recommendations Guidelines October 2019, the net asset value reporting was revised with the aim of better reflecting recent market and company developments. As a consequence, EPRA NAV and EPRA NNNAV were replaced by three new Net Asset Valuation metrics: EPRA Net Reinstatement Value, EPRA Net Tangible Assets and EPRA Net Disposal Value. CA Immo intends to report only these new key figures as of Q1 2021, which are defined by EPRA as follows¹:

EPRA Net Reinstatement Value:

The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing

structure, related costs such as real estate transfer taxes should be included.

EPRA Net Tangible Assets:

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

EPRA Net Disposal Value:

Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, the EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a "liquidation NAV" because, in many cases, fair values do not represent liquidation values.

¹ Source: EPRA – Best Practices Recommendations Guidelines (October 2019)

NET ASSET VALUE (NRV, NTA AND NDV AS DEFINED BY EPRA)

€ m	31.12.2020			31.12.2019		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	3,128.2	3,128.2	3,128.2	2,967.9	2,967.9	2,967.9
i) Hybrid instruments (Convertible)	235.3	235.3	235.3	264.1	264.1	264.1
Diluted NAV	3,363.5	3,363.5	3,363.5	3,231.9	3,231.9	3,231.9
ii.a) Revaluation of IP (if IAS 40 cost option is used)	9.7	9.7	8.2	7.5	7.5	6.1
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	0.0	0.0	0.0	0.0	0.0	0.0
ii.c) Revaluation of other non-current investments	0.0	0.0	0.0	0.0	0.0	0.0
iii) Revaluation of tenant leases held as finance leases	0.0	0.0	0.0	0.0	0.0	0.0
iv) Revaluation of trading properties	151.0	138.8	110.9	127.3	117.5	94.0
Diluted NAV at Fair Value	3,524.2	3,512.0	3,482.5	3,366.8	3,356.9	3,332.1
v) Deferred taxes in relation to fair value gains of IP	531.2	451.9		470.6	438.3	
vi) Fair value of financial instruments	40.5	37.4		29.6	29.6	
vii) Goodwill as a result of deferred tax	-2.0	-2.0	-2.0	-4.5	-4.5	-4.5
viii.a) Goodwill as per the IFRS balance sheet		0.0	0.0		0.0	0.0
viii.b) Intangibles as per the IFRS balance sheet		0.0			0.0	
ix) Fair value of fixed interest rate debt			-57.2			-47.4
x) Revaluation of intangibles to fair value	0.0			0.0		
xi) Purchasers' costs	252.8	0.0		211.4	0.0	
NAV	4,346.7	3,999.3	3,423.4	4,073.9	3,820.3	3,280.2
Fully diluted number of shares	99,747,036	99,747,036	99,747,036	99,657,313	99,657,313	99,657,313
NAV per share in €	43.58	40.09	34.32	40.88	38.33	32.91

FINANCIAL PERFORMANCE INDICATORS

The strategic focus of business activity at CA Immo is the long-term increase in the value of the company. This is supported by key financial performance indicators which are important tools to identify the factors that contribute to the sustained increase in enterprise value and quantifying those factors for the purposes of value management.

The primary financial performance indicator is the net income generated on the Company's average equity (**return on equity or RoE**). The aim is to generate a figure higher than the calculated cost of capital (assuming a medium-term rate of around 7.0%), thus generating shareholder value. At 8.3% in 2020 (2019: 14.0%), this figure was above the target value. The decline compared with the previous year is due to lower revaluation gains. With the successful strategy implementation of recent years and strong positioning of the CA Immo Group, the

ground was prepared for generating a return on equity over the long term, and one that exceeds the cost of equity (see the "Strategy" section).

The other quantitative factors used to measure and manage our shareholders' long-term return include the change in NAV per share, operating cash flow per share, and Funds from Operations (FFO I and FFO II) per share (please refer to the table above and "Balance Sheet" and "Key Figures per Share" in the flap of the annual report).

Since the key financial indicators ultimately demonstrate the operational success of the property business, they are preceded by a series of other non-financial performance indicators which are key to measuring and managing the operational business. The non-financial performance indicators relating to environmental, employee and social issues as well as human rights and the fight against corruption and bribery are presented and explained in detail in the ESG report and appendix.

OUTLOOK

ANTICIPATED DEVELOPMENTS AND THE MAIN OPPORTUNITIES AND THREATS

The fundamental challenge of the current year will remain the fight against the Covid-19 pandemic. Despite initial progress in the global vaccination campaigns, the incidence of infection is likely to remain dynamic. With a potential improvement in the pandemic situation from spring onwards, a recovery in economic growth could then be felt across the board.

It can be expected that global containment measures remain in place during 2021 before being increasingly relaxed later on. As a result, the global economy should grow strongly again in 2021. Current economic growth forecasts expect the European economy to grow by about 4% in 2021 and by about 3% in 2022, thus returning to pre-crisis levels in the course of 2022.

The long-term impact of the pandemic and its economic consequences cannot be conclusively assessed given the dynamic situation, and is subject to ongoing evaluation. Temporary restrictions on current operations (also caused by exit restrictions, curfews, border closings, school/business shutdowns and other constraints) may affect the CA Immo Group, tenants, customers and suppliers as well as authorities. The consequences in terms of finance, general business and real estate in particular cannot be fully gauged (e.g. payments by tenants which are not in accordance with contracts, delays in construction activities, effects on real estate markets, development of covenants for current financings, effects on planned real estate transactions). The CA Immo Group applies a wide range of possible measures to minimise the impact.

Strategy

Thanks to the successfully implemented strategy programs of recent years, CA Immo enjoys an excellent market position in its core markets. Despite the challenging economic conditions resulting from the Covid-19 pandemic, the core segment of investment properties (around 85% of total property assets) is expected to continue to perform robustly.

Furthermore, in addition to the continuation of organic growth through profitable project development activities, selective acquisitions of investment properties with value creation potential in the core markets are to be realised. The expected increase in annual rental income, combined with an optimized financing structure, should further enhance the sustainable profitability of CA Immo.

The company's portfolio strategy continues to be based on a high-quality portfolio in terms of both location and building quality and a clear focus on attractive metropolitan areas in Central and Eastern Europe. In this context, strategic capital rotation will be implemented on an ongoing basis. Following the exit from the non-strategic markets of Zagreb (September 2020), Graz (December 2020) and Bratislava (March 2021), a sale of the two office buildings in Belgrade is also planned. Sales within the office portfolios in the strategic core markets and reinvestment of the sales proceeds in acquisitions of strategic investment properties or in the company's development pipeline are aimed at optimizing the quality of the portfolio in terms of location, physical and sustainable building quality, and management efficiency.

Development

Four development projects were successfully completed in 2020, and further office building completions are planned for the following year in Mainz (ZigZag) and Prague (Mississippi House and Missouri Park). The development of extensive land reserves in central locations in the German cities of Munich, Frankfurt and Berlin represents significant long-term organic growth potential for CA Immo, which is to be realized successively once the necessary conditions and requirements have been met.

In March 2021, one of the largest leases in the company's history was concluded with Deutsche Kreditbank AG (DKB) for 34,850 sqm of rental space. The 100% pre-letting achieved marks the start of the development of the high-quality "Upbeat" office building in Berlin's Europacity with a planned investment volume of around € 300 m.

For more information and details, please refer to the chapters "Strategy," "Investment properties," "Investment properties under development," and "Development potential."

Financing

CA Immo has an extremely robust balance sheet and financing structure with a very solid liquidity position. The inaugural issuance of a benchmark bond and a green bond in 2020 represents a milestone in the implementation of the growth strategy, which has significantly accelerated the diversification of the financing structure and its optimization. For more information and details, please refer to the "Financing" section.

Moody's confirmed both the Baa2 rating and the stable outlook in a credit opinion on 18 January 2021. When the core shareholder Starwood Capital made an anticipatory

mandatory offer to the shareholders and owners of convertible bonds of CA Immo, the rating agency placed the rating ‘under review for downgrade’ as well as the outlook to under review. According to an announcement by Moody’s, this change reflects uncertainty over whether Starwood will “acquire control of CA Immo and whether this will mean changes to the business, finance and liquidity profile of CA Immo”.

Key business factors

Key factors that may influence the business development planned for 2021 include:

- Economic developments in the regions in which CA Immo is active and the effects of these on demand for rental premises and rental prices (core indicators include GDP growth, employment and inflation).
- The development of general interest rate levels.
- The financing environment as regards the availability and cost of long-term financing with outside capital (both secured financing from banks on property level and unsecured capital market financing on group level), and accordingly the development of the market for real estate investment, price trends and their impact on the valuation of the CA Immo portfolio.
- The speed at which planned development projects are realised will also depend on the market factors outlined above and the availability of necessary debt and equity.
- CA Immo is relying on companies returning to their physical offices as the pandemic recedes. In this context, it remains to be seen how the crisis-induced expansion of digital work processes and the establishment of work-from-home will affect demand for office property in the medium term.
- Political, fiscal, legal and economic risks, transparency and the development level on our real estate markets.

Dividend and annual earnings target 2021

For business year 2020, the Management Board plans to propose a dividend of € 1.00 per share with dividend entitlement.

The annual target for FFO I, a key indicator of the Group’s recurring earnings, will be announced in the context of the presentation of the first quarter in May 2021.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2021:

Anticipated mandatory takeover offer of Starwood Capital

On January 8, SOF-11 Klimt CAI S.à r.l. announced the intention to launch an anticipatory mandatory for all shareholders and bondholders of CA Immo and to further increase their existing shareholding of 29.999893% of the total outstanding voting rights in the Company. The Offer Document was published on 22 February 2021. As of this date, shareholders and holders of convertible bonds of CA Immo have the opportunity to accept the Offer and tender their shares and convertible bonds into the Offer. The acceptance period ends on 9 April 2021 at 5pm (CET). The price initially offered to CA Immo shareholders of € 34.44 per CA Immo share was increased to € 36.00 on 26 February 2021 ("Share Offer Price"). The price offered to convertible bondholders is approx. € 138,628.59 (initially € 132,621.35) for each convertible bond with nominal value of € 100,000 ("Convertible Bond Offer Price"). The Share Offer Price and the Convertible Bond Offer Price are on a cum dividend basis. The anticipated mandatory offer is directed at the acquisition of all outstanding CA Immo shares and convertible bonds that are not held by the Bidder or by CA Immo itself. However, no minimum acceptance threshold is provided for. The completion of the Offer is subject to the condition precedent of antitrust clearance in Austria, Germany and Poland. The statement of the Management and Supervisory Boards regarding this offer was published on 8 March 2021 and is available – along with the offer document – on the company's website in the Investor Relations section (caimmo.com).

Sales

CA Immo and Mainzer Stadtwerke AG, as joint venture partners of Zollhafen Mainz GmbH Co. KG, have notarised the sale of the construction sites "Hafeninsel I" and "Marina" to LBBW Immobilien Development GmbH on 22 December 2020. The sales price (50% share) is significantly higher than the last CA Immo book value (according to IAS 2) as of the third quarter of 2020. The closing of the transaction is scheduled for the first quarter of 2021.

In December 2020, CA Immo signed a contract for the sale of a **plot in Düsseldorf**. The contract is conditional on the sale of the adjacent plot of land owned by a third party. The CA Immo Group has valued the plot at its stand-alone fair value as at 31.12.2020. No revaluation to

the fair value resulting from the joint transaction was made, as the completion of the transaction is dependent on a third party and the decision does not lie entirely within the control of CA Immo. In 2020 CA Immo did not realise any effect on profit or loss from this sale transaction.

At the end of February 2021, CA Immo completed the sale of the **Bratislava Business Center 1 and 1 Plus** (BBC 1) office buildings. The office complex comprises a lettable area of around 25,500 sqm. The sale of BBC 1 marks the exit from the small non-core market of Slovakia.

Lease agreements

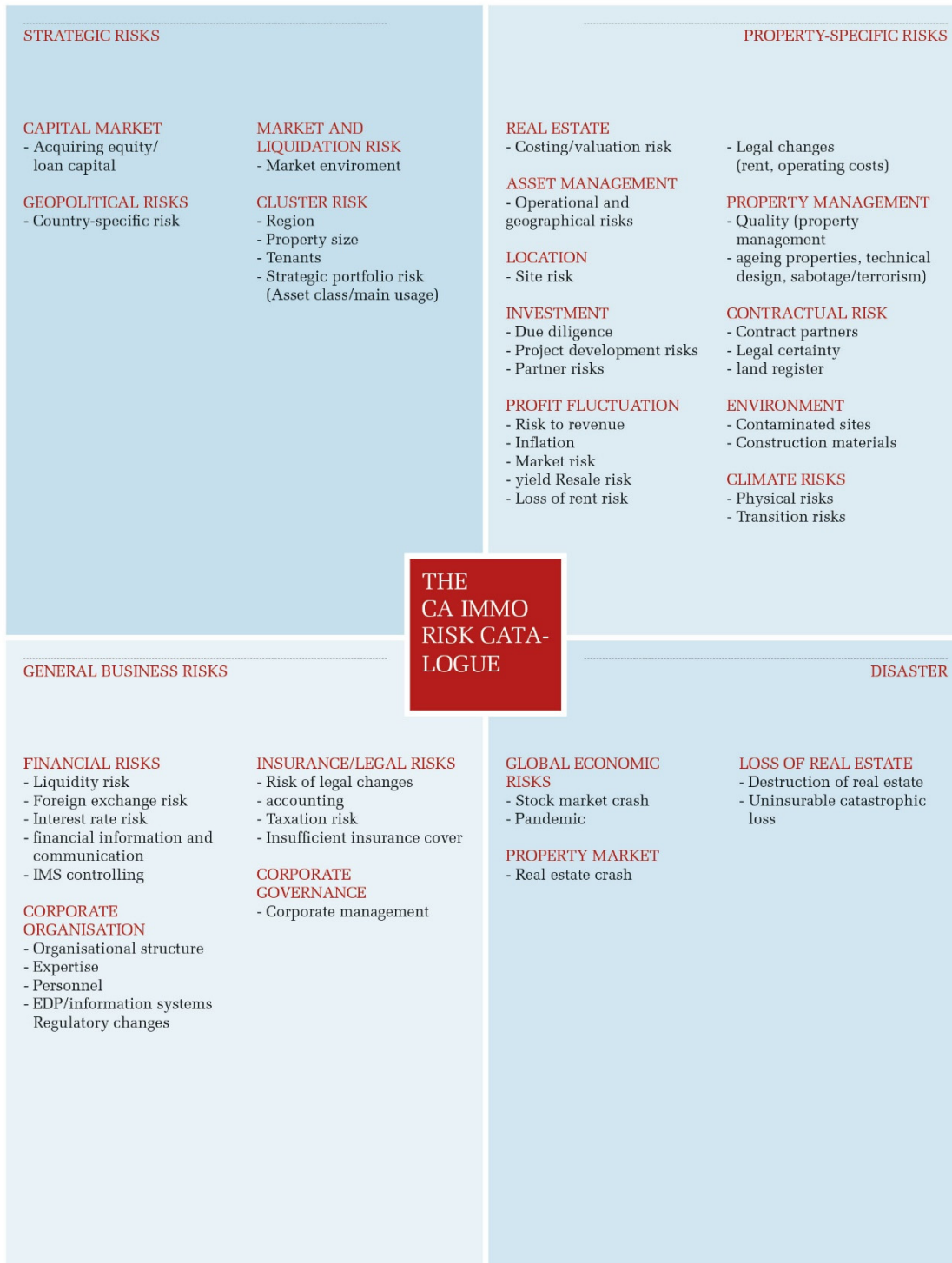
In March 2021 CA Immo signed a long-term lease agreement with Deutsche Kreditbank AG (DKB) for 34,850 sqm of rental space in the landmark office development Upbeat in Berlin's urban district Europacity. Upbeat is being developed as a high-quality and sustainable office building and targeted to have at least DGNB (Gold), WiredScore (Platin), and WELL (Gold) certifications. Upon signing, the development project is now 100% pre-leased. CA Immo's total investment (including the plot) amounts to around € 300 m. Construction is expected to start in the second half of 2021 and be complete in 2025.

RESEARCH AND DEVELOPMENT

Technological and social change continues to transform the office environment and the knowledge-based economy. To (re-)develop office properties today in such a way that they can be efficiently and profitably managed in future, CA Immo monitors changes to working processes and corporate requirements in terms of premises; at the same time, it trials new technical solutions along with space and building concepts on selected development projects. Currently, the focus is on new requirements with regard to energy efficiency, environmental protection and protective measures with regard to viral infections (pandemic protection).

In the course of theoretical and practical research activity, CA Immo maintains partnerships with other companies and research institutions. For example, CA Immo is a partner to the Office 21 joint research project of the Fraunhofer IAO Institute (www.office21.de) and the Innovation platform RE!N (Real Estate Innovation Network) with the objective of pilot testing own innovation approaches at an early stage. CA Immo also actively participates in relevant platforms for the real estate sector (for details on our memberships, please see the ESG report).

RISK REPORT



RISK MANAGEMENT AT CA IMMO

To ensure the success of CA Immo as a business in the long term and enable the company to meet its strategic objectives, effective management of new and existing risks is essential. A commensurate measure of risk must be accepted if we are to utilise market opportunities and exploit the potential for success they hold. For this reason, risk management and the internal monitoring system (IMS) deliver an important contribution to the Group's corporate governance (defined as the principle of responsible management).

CA Immo's risk management system is based on the following elements:

- Risk culture: CA Immo's reputation is central to our identity and business success. Therefore, compliance with established principles of corporate governance and value management is a matter of course. For CA Immo, risk culture implies the raising of risk awareness and the establishment of a conscious approach to risk in day-to-day business – for managers and individual employees alike.
- Risk strategy: The risk strategy describes how risks stemming from business strategy are managed and identifies the risks in terms of their impact on the company's economic situation and the relevant guidelines on managing risks.

Strategic alignment and tolerance of risk

With the approval of the Corporate Development committee established in 2019 and the Supervisory Board, the Management Board defines the strategic direction of the CA Immo Group as well as the nature and extent of risks the Group is prepared to accept in pursuit of its strategic objectives. The Risk Management department supports the Management Board in assessing the risk environment and developing potential strategies to raise long-term stakeholder value. An internal risk committee comprising representatives from all business areas and the CFO has also been set up; this convenes quarterly or, if necessary, in special sessions (in response to the Covid-19 situation, for example). The purpose of the committee is to provide additional assurance in regularly assessing the Group's risk situation across departmental boundaries and introducing measures as necessary. The aim of this is to ensure the company adopts the best possible direction from the alternatives available.

Identification of risks and assessment

CA Immo evaluates the opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company incorporates early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked throughout project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions. The company also evaluates specific risks at regular intervals every three years, focusing on content, effect and likelihood of occurrence. An annual update is also carried out with regard to the estimated impact on the result, assets or liquidity of CA Immo ('extent of damage') and the probability of occurrence within a period of one year. Measures and controls already implemented are taken into account to determine the net risk. The Management Board uses this data as the basis for determining the severity and type of risks that it regards as acceptable in pursuing its strategic objectives. Strategies adopted by the Management Board are incorporated into the Group's three-year planning; this assists the Group in communicating its willingness to take risks and its expectations, both internally and externally.

The risk policy of CA Immo is defined by a range of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is obligatory at all levels of the company. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all levels, decisions are subject to the dual verification principle. Internal Auditing, an independent division, reviews operational and business processes, appointing experts from outside as necessary; it acts independently in reporting and evaluating audit results.

Evaluating the functionality of risk management

The proper functioning of the risk management system is evaluated annually by the Group auditor in line with the requirements of C Rule no. 83 of the Austrian Corporate Governance Code. The results are reported to the Management Board and the audit committee.

KEY FEATURES OF THE INTERNAL MONITORING SYSTEM (IMS)

CA Immo's internal monitoring system covers all principles, procedures and measures designed to ensure the effectiveness, cost-effectiveness and accuracy of accounting as well as compliance with relevant legal regulations and company guidelines. The IMS is integrated into individual business processes, taking account of management processes. The objectives of the IMS are to preclude and expose errors in accounting and financial reporting, thus enabling amendments to be introduced in good time. Transparent documentation makes it possible to depict accounting, financial reporting and auditing processes. All operational areas are incorporated into the financial reporting process. Competent local management teams are responsible for implementing and monitoring the IMS; the managing directors of subsidiaries are required to perform their own checks in order to assess and document compliance with monitoring measures. The effectiveness of the IMS is regularly assessed by the Group Auditing department while the cost-effectiveness of business processes is continually evaluated. The results of these assessments are reported to the responsible executive boards, the full CA Immo Management Board and (at least once a year) the audit committee.

STRATEGIC RISKS

CA Immo defines strategic risk as the danger of unexpected deviations from company plans or the losses that can result from management policy decisions on the direction taken by the company. These risks generally arise from unexpected changes in the macroeconomic market environment. Many of the risks mentioned here are not actively manageable.

Amongst other things, the economic success of CA Immo depends on the **development of real estate markets of relevance to the Group**. Key factors influencing the economic trend include the general situation of the global economy, the trend in rental prices, the inflation rate, levels of national debt and interest rates. In the office properties segment, factors such as economic growth, industrial activity, the unemployment rate and consumer confidence play a major role alongside other factors critical to the economic trend. These circumstances – all of which are beyond the company's control – may have a negative impact on the broad economic picture in Europe and thus adversely affect economically

powerful countries like Germany and Austria; they may also impair the finance and real estate sector generally. Any downturn in the economic situation has the potential to reduce demand for real estate, which in turn can adversely affect occupancy rates, property values and even the liquidity of real estate.

Although the economic environment remains characterised by low interest rates and relatively high property portfolio valuations, the possibility of an **interest rate rise** negatively affecting the real estate market – and thus property valuations and the divestment plans of CA Immo – cannot be discounted. Acquiring equity and loan capital could become significantly more difficult, making expansion plans almost or completely impossible. The possible reintroduction of national **currency**s by individual eurozone members would also have grave consequences for the economies and financial markets of Europe. Finally, the departure of individual nations from European currency union could lead to a complete collapse of the monetary system.

Geopolitical risks such as political instability, lack of basic legislation and arbitrary government practices offset the economic opportunities offered by enterprises in other countries. Consequently, enterprises operating in unstable regions must allow for significant impacts on their business activities, such as tax increases, customs duties, export bans, expropriations and asset seizures. Where properties are concentrated too strongly in a single region, these factors can also have a considerable influence on the profitability of the CA Immo Group.

Impact of the Covid-19 pandemic

Across the board, business year 2020 was impacted by the global Covid-19 pandemic as many countries imposed general lockdowns and travel restrictions. As a result, market activity was severely affected in many sectors as of the second quarter of 2020.

The pandemic continues to have Europe firmly in its grip. As infection figures skyrocketed practically everywhere from the third quarter of 2020 onwards, countries once again responded with far-reaching restrictions. Renewed lockdowns are likely to cause the European economy to contract even more sharply than had been expected in mid-2020 (see also "Economic environment" chapter).

The real estate sector is also experiencing the consequences of the pandemic already, with some real estate

markets reporting significantly lower levels of transaction activity and liquidity. Hotels are closing due to low occupancy rates and retailers are increasingly requesting rent deferrals or rent reductions in the face of significant sales losses. Some construction sites cannot operate as planned. The short- and long-term economic impact of the Covid-19 pandemic on real estate markets remains highly uncertain. The longer the crisis lasts, the more complex and severe the effects become.

Due to the pandemic and the associated economic slump, the **real estate transaction market** has declined sharply, with the exception of Germany. The volume of commercial property transactions registered in CA Immo's core markets was between 30% (Eastern Europe) and 50% (Austria) down on the previous year. In Germany, the decline amounted to less than 6% in comparison with the record result of the previous year. Transactions were paused or even cancelled due to difficulties in pricing and financing.

With the exception of Vienna, where **letting performance** has remained steady so far and the effects are only expected in 2021, all of CA Immo's core cities have seen a decline in demand for office space and/or an increase in vacancy rates due to the challenging conditions caused by the pandemic and its economic impact. Now that both transaction and letting activities have declined significantly, extended marketing and vacancy periods for unlet units are also likely in the future. As demand for office space is primarily dependent on macroeconomic developments, it remains to be seen how the significant decline in office space take-up in 2020 will actually develop in fiscal year 2021. It also remains unclear how the expansion of digital working processes linked to the crisis and the rise of the home office will affect demand for office space in the medium term. The possibility of the office market being more strongly influenced in future by the trends towards flexible office space leases and co-working cannot be ruled out.

Across its tenant base (office, hotel, retail), the Group is confronted with requests for waivers, reductions or deferrals of rental payments. The legal framework varies from country to country. In the event of Covid-19-related official shut-downs or restrictions of operations, Austrian law provides for a special statutory right to reduce rent, whereas in other countries, in the absence of specific statutory provisions, there is generally an obligation to pay rent; a right to reduce rent can only be established by way

of exception and in individual cases via general legal provisions (such as the lapse of the contractual basis). However, deviating contractual provisions can also justify a tenant's right to reduce rents. The extent to which the measures taken to contain the Covid-19 pandemic will lead to **insolvencies of individual tenants** and thus to an increase in vacancy rates cannot yet be estimated and will largely depend on the duration of the crisis. In particular the hotel, restaurant and non-systematically relevant retail sectors are suffering disproportionately from the prevailing situation. Depending on the asset class, further rent waivers, rent reductions and rent deferrals are likely. CA Immo responds to this risk by analysing the property portfolio, tenant structure and cash flow, among other things, and performs various scenarios to assess the risks. Case-by-case assessment is generally necessary.

In view of the uncertain future impact of the Covid-19 pandemic and the related current and future measures on the property markets, plus the fact that it is difficult to distinguish between short-term effects and longer-term structural market changes, CA Immo regularly reviews its **property valuations**. Following a near-complete external valuation of the Group's portfolio in the fourth quarter of 2020, values for the property assets as at the reporting date of 31 December 2020 were updated or adjusted on the basis of binding purchase agreements or external valuations. Taking into account the current exceptional circumstances and low levels of transactions, property valuations must continue to be handled with greater caution than is normally necessary, especially in the core markets of Austria and Eastern Europe.

Given the current market conditions – with rising construction costs, supply and timing problems, fluctuating financing rates, uncertain marketing periods and a lack of comparative values – it is inevitable that a higher uncertainty factor will apply to **project developments**. Land values could therefore fluctuate much more than would be the case under normal circumstances.

For further information on changes in fair values, please refer to the chapter 'Property Valuation'.

The long-term effects of the outbreak of the Covid-19 pandemic remain to be seen, although volatility and uncertainty on stock markets, corporate profit warnings and negative economic forecasts underline the potential dangers to the European and global economies. The effects cannot be conclusively assessed given the fast-moving situation, and are subject to ongoing evaluation. Temporary

restrictions on current operations (also caused by exit restrictions, curfews, border closings, school/business shut-downs and other constraints) may affect the CA Immo Group, tenants, customers and suppliers as well as authorities. The consequences in terms of finance, general business and real estate in particular cannot be fully gauged (e.g. payments by tenants which are not in accordance with contracts, delays in construction activities, effects on real estate markets, development of covenants for current financings, effects on planned real estate transactions). The CA Immo Group applies a wide range of possible measures to minimise the impact.

Information on the wide-ranging protective measures implemented by CA Immo in the course of the Covid-19 pandemic to ensure a safe working environment for CA Immo employees, tenants and workers on CA Immo construction sites can be found in the ESG report.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment and composition of the portfolio

The real estate market is determined by macroeconomic development and demand for properties. Economic instability and restricted access to loan capital and equity-based financing can lead to business partners opting out. Where the liquidity of the real estate investment market is insufficient, there is a risk that sales of individual properties with a view to strategic adjustment of the real estate portfolio may prove impossible or only possible under unacceptable conditions. Many factors that can lead to unfavourable developments are outside of CA Immo's control. These include changes to available income, economic output, interest rates and tax policy. Economic growth, unemployment rates and consumer confidence also influence supply and demand levels for real estate at a local level. This can affect prices of properties, market rents and occupancy rates while adversely affecting the value of properties and associated income. For this reason, strongly negative effects on earning power and property valuations cannot be ruled out.

Property values depend not only on the development of rental rates, but also on real estate starting yields. Given the general market environment, there is still a risk that starting yields for commercial real estate will be adjusted upwards. The historically high price of property investment is combining with low real estate yields to create risks to the **value of properties** in the CA Immo portfolio.

Due to sustained pressure from investors, there is also the risk that properties are only available to purchase at inflated prices. The possibility of an increase in general interest rates that forces property yields up and subsequently property values down cannot be ruled out.

CA Immo counters **market risk** by spreading its portfolio across various countries. CA Immo counters **country-specific risk** by concentrating on strategic core regions through local subsidiaries with their own on-site staff, and through appropriate regional allocation within those core markets. The focus here is on markets that exhibit the long-term structural trends of increasing urbanisation, positive demographic change, and structural supply shortages as well as high investment liquidity. Market knowledge, continual evaluation of strategy, monitoring of the portfolio and purposeful portfolio management in the context of strategic decision-making (e.g. defining exit strategies, medium-term planning of sales) enable the company to respond quickly to economic and political events. CA Immo negates **transfer risk** by repatriating liquid assets from investment markets with a low credit standing. Active portfolio management aims to prevent **concentration risk** and maintain a balanced portfolio structure. CA Immo is currently active in Germany, Austria and selected CEE markets. Germany is currently the largest single market of CA Immo, accounting for a share of 55% of the total portfolio, although regional portfolio target distribution envisages a medium-term increase in the German share to 60-65%. CA Immo is part of the EPRA Developed Europe Index, which supports the capital market positioning and the overall rating. To this end, an aggregate EBITDA contribution of Germany, Austria and Poland of more than 50% is targeted. In order to maintain critical market relevance, real estate assets of approximately € 500 m are to be held in each core city. In terms of asset classes, CA Immo concentrates on modern, high-quality office properties, with a focus on prime inner-city locations. The development business segment also realises property developments and construction projects with other usage types (e.g. residential, hotel), which are generally sold after successful development or completion.

For **single investments**, CA Immo currently defines concentration risk as a limit value of 5% of the total portfolio. The only property in this category as at the balance sheet date was the Skygarden office building in Munich. The portfolio as a whole is highly diversified: the top ten Group assets represent less than 30% of the total portfolio. The concentration risk in respect of **single tenants** is

also manageable. As at 31 December 2020, the top ten tenants were generating some 21% of rental revenue. With an approximate share of 3% of total rental income, Price-waterhouseCoopers followed by Intercity Hotel GmbH are currently the biggest individual tenants in the portfolio. In general, single tenants should not account for more than 5% of total annual rental income over an extended period, although tenants with excellent credit ratings (AAA/AA) may be an exception. For **single-tenant buildings**, such scenarios should be avoided unless the tenant's credit rating is considered excellent (AAA/AA). A single-tenant scenario is defined as a case where more than 75% of the annual rental income (single property level) is attributable to a single tenant. Generally, rental income from single-tenant buildings should not exceed 20% of total annual rental income. In addition, the average lease term for single-tenant properties should exceed 10 years.

CA Immo creates sustainable value through a comprehensive value chain, from leasing and management to the construction, planning and development of investment properties with highly developed in-house expertise. This reduces functional (performance) risks while maximizing opportunities along the value chain (developer profit). Although, **land reserves** and **land development projects** present specific risks owing to the high capital commitment and absence of steady cash inflows, they also offer considerable potential for value increases through the securing or enhancement of building rights. Risks are regularly reduced via the sale of non-strategic land reserves. The acquisition of building rights on remaining land will be accelerated through the company's own capacity. Overall, CA Immo is aiming for a balanced portfolio; on the basis of balance sheet values, this means around 85% profitable properties and 15% development projects under construction, including land bank reserves.

Other concentration risks arising from factors such as the existence of several properties with a market value of more than € 100 m in the same city, the sector mix of tenants, the identity of contractual partners, suppliers or lenders, etc., which cannot be effectively measured or limited in quantitative terms, are subject to regular review.

Political and economic trends in the countries in which CA Immo is active also have a significant impact on **occupancy rates** and rent losses. The earning power and market value of a property is adversely affected where the Group is unable to extend a rental agreement due to expire under favourable conditions or find (and retain for

the long term) suitably solvent tenants. The creditworthiness of a tenant, especially during an economic downturn, may diminish over the short or medium term, which can affect rental revenue in turn. In critical situations, the Group can cut rents to maintain an acceptable occupancy rate. Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the Group's **rent default risk** has remained at the low level, despite the negative impact of the Covid-19 pandemic on individual tenants. Subject to the unpredictable economic impact of the pandemic, a decline in rental income cannot be excluded. All outstanding receivables are evaluated quarterly and adjusted according to the level of risk. The risk of lost rent is taken into account to a sufficient degree in the estimation of property values. Many of the Group's lease agreements contain stable value clauses, often taking account of consumer price indices for particular countries. The level of revenue from such rental contracts and new lettings depends heavily on the inflation trend (**sustainable value risk**).

Competition for reputable tenants is intense on the lettings market; rent levels are under pressure in many markets. To remain attractive to tenants, CA Immo could be forced to accept lower rental rates. Moreover, incorrect assessments of the attractiveness of **locations** or potential **usages** can make lettings more difficult or significantly impair desired lease conditions.

To a lesser extent, the Group's portfolio also includes **special asset classes** such as shopping malls and hotels whose operation involves certain risks. Poor running of a centre, inadequate corporate management of tenants, declining footfall and increasing competition can force rental rates down and lead to the loss of key tenants, which in turn leads to rent losses and problems with new lettings. Although CA Immo does not operate any hotels itself, the Group's earnings situation also depends on the quality of external hotel management and the development of hotel markets. As mentioned earlier, the negative effects of the Covid-19 pandemic-related lockdowns imposed by the authorities have had a particularly severe impact on hotel operators and the retail sector.

Risks associated with the project development area

Costs are generally sustained at the early stages of real estate development projects; revenue is not generated until the latter phases of a project. Many development projects may be associated with **cost overruns** and **delays** in completion that are frequently beyond the control of

CA Immo. This can adversely affect the economic viability of individual projects and lead to **contractual penalties** and **compensation claims**. If no suitable tenants are found, this can lead to vacancy after completion. CA Immo takes steps such as cost monitoring, variance analyses and long-term liquidity planning to manage such risks to a large extent. With few exceptions, projects are only started subject to appropriate pre-letting that can cover future debt service through rental income. Exceptions are only made in special project and/or market situations (e.g. extreme regional shortage of leasable space with foreseeable rising rents and low letting risk during the project phase) and require explicit reviews when obtaining project approval.

Saturation of the construction industry presents risk to CA Immo as regards the (on time) availability of construction services and the level of building costs. This is now noticeable not only in Germany – the core market for the company's development projects – but in all CA Immo's core regions. Despite making provision for rising costs within project reserves, the fact that further rises in **construction costs** could present a risk to budget compliance and the overall success of a project cannot be ruled out. Another risk is that current property yields might change, thereby reducing target developer profits, even though projects have been calculated defensively. For this reason, CA Immo is increasingly reliant on appropriate market and cost analyses in the development area as well. Projects currently in progress are generally on time and within approved budgets; they are continually monitored as regards cost risk.

Risks from sales transactions

Sales transactions can produce risks linked to contractual agreements and assurances. These might relate to **guaranteed** income from rental payments and can subsequently reduce purchase sums agreed or received. Sufficient financial provision has been made to counter recognised risks to revenue from transacted sales, and liquidity risk is considered in liquidity planning. Contractual obligations in the form of follow-on costs (e.g. residual construction work) form part of relevant project cost estimates.

Environmental and climate risks

Environmental and safety regulations include active and latent obligations to remediate contaminated sites. Complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by

CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover **contamination** with undiscovered harmful materials or noxious substances, munitions and other environmental risks such as soil pollution, etc. Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can render CA Immo **liable** to third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties. **Natural disasters** and extreme weather conditions can also cause considerable damage to real estate. In principle, insurable risks are insured to the usual extent (e.g. all-risk insurance for development projects). Unless sufficient **insurance** is in place to cover such damage, this can have an adverse impact. To minimise the risk, CA Immo incorporates these considerations into its due diligence audit prior to every purchase; appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification.



As a responsible player in the European real estate sector, CA Immo fully supports the **United Nations' climate goals** and the associated transition to a low-carbon, sustainable economy. In order to meet the associated requirements in the best possible way and to secure long-term competitiveness, CA Immo has anchored corresponding measures, processes and goals in its strategic approach (including sustainability certification, sustainability reporting, ESG reporting and green financing). Detailed information on this – in particular on climate risks and opportunities – can be found in the ESG Report.

GENERAL BUSINESS RISKS

Operational and organisational risks

Weaknesses in the CA Immo Group's **structural and process organisation** can lead to unexpected losses or additional expenditure. This risk can arise from shortcomings in **EDP** and other **information systems** as well as human error and inadequate internal inspection procedures. Flawed program sequences as well as automated EDP and information systems pose a significant operational risk where their type and scope fail to take account of business volumes or prove vulnerable to cybercrime. Human risk factors include an insufficient understanding of corporate strategy, inadequate internal risk monitoring (and

especially business process controls) and excessive decision-making authority at individual level, which can lead to unconsidered actions or a proliferation of decision-making bodies that hinder flexible responses to changes in the market. Some real estate management tasks and other administrative duties are outsourced to external third parties. In the process of transferring administrative tasks, it is possible that knowledge of managed properties and administrative processes can be lost, and that CA Immo could prove incapable of identifying and contractually committing suitable service providers within the necessary timeframe.

Nonetheless, the **expertise** possessed by a company and its workforce constitutes a significant competitive factor and a unique point of distinction over competitors. When key members of staff leave, therefore, the company is exposed to the risk of loss of expertise, which generally requires a significant commitment of corporate resources (money, time, recruitment of new employees) to redress the balance. CA Immo takes various measures to counter these risk factors. In the case of corporate mergers, structured processes of organisational integration are observed. Process organisation (i.e. system/process integration) is firmly established; activities to ensure the long-term implementation of operational processes are ongoing. The Group structure is regularly scrutinised and examined to ensure predefined structures take account of the size of the company. CA Immo counters risks linked to personal expertise (which can arise with the resignation of key knowledge holders) through regular transfers of knowledge (via training courses) and by documenting know-how (in manuals, etc.); far-sighted staff planning also plays a part.

Legal risks

In the course of normal business activity, the companies of the Group can become involved in **legal disputes**, both as plaintiffs and as defendants. Such cases are heard in various jurisdictions. In each case, different procedural law means that competent courts are not always equally efficient; moreover, in certain cases the complexity of issues in dispute can make for protracted proceedings or lead to other delays. CA Immo believes it has made sufficient financial provisions for legal disputes. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are imminent or pending. In the spring of 2020, CA Immo filed a claim for damages against the Republic of Austria and the state of Carinthia for unlawful and culpably biased influence on the best

bidder procedure in the context of privatisation of Federal Residential Property companies in 2004 ('BUWOG') and for the unlawful failure to win the best bidder procedure. The first-instance (though not yet final) criminal verdicts against the defendants (ex-Federal Minister of Finance Grasser et al.), announced in early December 2020, confirmed that actions taken in connection with the BUWOG privatisation proceedings were unlawful and biased. The criminal court referred CA Immo to the civil courts with the asserted private party claims against the defendants for damages of € 1.9 bn. A more detailed assessment of the specific effects of the criminal proceedings on the pending proceedings for damages will only be possible after written judgment has been issued and, subsequently, appeal proceedings have been concluded with a final criminal judgment. A criminal judgment has no procedural binding effect on civil claims for damages asserted against the Republic of Austria and the state of Carinthia. As a precautionary measure, a provision of approximately € 25 m has been formed for court fees in connection with the damages proceedings.

It is not possible to predict changes to **legal provisions**, case law and administrative practice, or the impact of these on business results; such changes may adversely affect real estate values or the cost structure of the CA Immo Group. CA Immo proactively manages such legal risks by taking numerous measures. These include the regular assessment of historical and existing legal risks, continual monitoring of legislative changes and changes in case law, the incorporation of lessons learned into business processes and continuous informative and training measures.

Organised crime, and particularly fraud and extortion, is a general risk to commercial activity. Many countries continue to perform very poorly in combating **corruption**. Such illegal activity can lead to considerable financial repercussions and negative publicity. The risk of corruption is addressed by the code of conduct ("zero tolerance") and the related gifts and donations policy. Employees are required to report any suspicions internally. Employees and external third parties can also report suspected misconduct anonymously via the electronic whistleblower system set up by CA Immo ([Whistleblower System \(caimmo.com\)](https://www.aimmo.com)). The Supervisory Board is informed at least once a year about measures taken to combat corruption. Corruption-related matters are audited on the basis of the audit plan approved by the audit committee or on the basis of special audit assignments issued by the Management Board, audit committee or full Supervisory

Board. All operating Group companies are reviewed for corruption risks on a regular basis.

Taxation risk

For all companies, current income and capital gains is subject to income tax in the respective country. Important discretionary decisions must be taken regarding the level of tax provisions that need to be formed. The extent to which active deferred taxes are recognised must also be determined.

Subject to compliance with certain requirements, revenue from the sale of participating interests is fully or partially exempted from income tax. Even where a company intends to meet the requirements, passive deferred taxes are fully applied to property assets according to IAS 12.

Key assumptions must also be made regarding the extent to which deductible temporary differences and loss carry forwards are set off against future taxable profits, and thus the extent to which active deferred taxes can be recognised. Uncertainty arises regarding the amount and timing of future income and the interpretation of complex tax regulations. Where there is uncertainty over the application of income tax to business transactions, an assessment will be required as to whether or not the responsible tax authority is likely to accept the interpretation of the tax treatment of such transactions. In case of doubt, the CA Immo Group enters the tax obligation as the most likely amount on the basis of that assessment. Such doubt and complexity can mean that future tax payments turn out to be significantly higher or lower than the obligations currently assessed as probable and recognised in the balance sheet. The CA Immo Group holds a large part of its real estate portfolio in Germany, where many complex tax regulations must be observed. In particular, these include (i) provisions on the transfer of hidden reserves to other assets, (ii) legal regulations on real estate transfer tax charges and the possible accrual of real estate transfer tax in connection with direct or indirect changes of control in German partnerships and corporations and (iii) the deduction of input taxes on construction costs in the case of development projects. The CA Immo Group makes every effort to ensure full compliance with all tax regulations. Nonetheless, there are circumstances (some of which are outside the CA Immo Group's control) such as changes to the shareholding structure, changes in legislation or changes in interpretation on the part of tax authorities and courts which could lead to the aforementioned taxation cases being treated differently, which in turn

would influence the assessment of tax in the consolidated financial statements.

Partner risks

Since CA Immo undertakes a number of development projects as **joint ventures**, the company depends on the solvency and performance capability of partners to some extent; moreover, the Group is exposed to **credit risk** in respect of its counterparties. Depending on the agreement in question, CA Immo could also bear joint liability for costs, taxes and other third-party claims with its co-investors and, where a co-investor **opts out**, be forced to accept liability for their credit risk or their share of costs, taxes or other liabilities.

FINANCIAL RISKS

Liquidity, investment and refinancing risk

(Re)financing on the financial and capital markets is one of the most important considerations for a real estate company. In particular, CA Immo requires loan capital to refinance existing loans and to finance development projects and acquisitions. In effect, therefore, the company is dependent on the readiness of banks and capital markets to provide additional loan capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing. The attractiveness of financing alternatives depends on a range of factors, not all of which can be influenced by the Group (market interest rates, required securities and so on). This can significantly impair the ability of the Group to raise the completion level of its development portfolio, invest in suitable acquisition projects or meet its obligations in connection with financing agreements.

Although the CA Immo Group has a sufficient level of liquidity as things stand, we must take account of restrictions at individual subsidiary level; access to cash and cash equivalents is limited owing to obligations to current projects and a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area or corporate bonds and convertible bonds issued by CA Immo. Where these requirements are violated or default occurs, the relevant contractual partners are entitled to accelerate financing and demand immediate repayment. This could impel the Group to sell real estate or arrange refinancing under unfavourable terms.

CA Immo has fluctuating stocks of cash and cash equivalents which the company invests according to its particular operational and strategic needs and objectives. Sufficient equity capitalisation will be required for the company to retain its Baa2 investment grade (long-term issuer) **rating** as granted by Moody's in December 2015.

CA Immo counters risk of this kind by continually monitoring covenant agreements and effectively planning and securing liquidity. The financial consequences of strategic aims are also taken into account. To control liquidity peaks, the Group has secured a revolving overdraft facility at parent company level. This also ensures the Group can meet unexpected cash flow requirements. In line with the investment horizon for real estate, loans are invariably agreed on a long-term basis. In principle, appropriate financing (e.g. loan or bond) must be guaranteed before binding contracts are concluded in connection with real estate acquisitions. As an alternative and supplement to established means of (equity) capital procurement, the company has also entered into equity partnerships (joint ventures) at project level in the past.

Even with meticulous planning, it is not possible to eliminate liquidity risk, particularly where capital requests linked to joint venture partners are not viable. CA Immo Deutschland has a high capital commitment, which is typical of development projects. Financing has been secured for all projects under construction; additional financing is required for new project launches.

Interest rate risk

Market-led fluctuations in interest rates affect both the level of financing costs and the fair value of interest hedging transactions concluded. For financing purposes, CA Immo uses banks at home and abroad and issues corporate bonds, thereby opting for a mix of long-term fixed-rate and floating-rate loans. To hedge against impending **interest rate changes** and associated fluctuations in financing costs, greater use is made of derivative financial instruments (interest rate caps, swaps and floors) in the case of floating-rate loans. However, hedging transactions of this kind may prove to be inefficient or unsuitable for achieving targets; they may also result in losses that affect earnings. Moreover, the **valuation of derivatives** can impact negatively on profits and shareholders' equity. The extent to which the Group utilises derivative instruments is guided by assumptions and market expectations in respect of the future interest level, and especially the 3-

month Euribor rate. Should these assumptions prove incorrect, the result can be a significant rise in interest expenditure. Continual monitoring of the interest rate risk is therefore essential. No risks constituting a serious and permanent threat to the company exist at the present time. Moreover, CA Immo is increasingly obtaining finance from the capital market. Fixed-interest loans (in the form of corporate bonds, for example) and loans hedged through derivatives currently account for 94% of the total financing volume. Continual optimisation of the financing structure in recent years has served to improve the maturity profile and raise the quota of hedged financial liabilities while reducing average borrowing costs. The pool of unencumbered assets – a key factor in the company's investment grade rating – was also raised, and the rating of CA Immo was consolidated. The financing profile has thus become more robust.

Currency risk

Since CA Immo is active on a number of markets outside the eurozone, the company is subject to various currency risks. Where rents are payable in currencies other than the euro on these markets and cannot be fully adjusted to current exchange rates in time, **incoming payments may be reduced** by means of exchange rate changes. Where expenses and investments are not transacted in euros, exchange rate fluctuations can impair the **payment capacity** of Group companies and adversely affect the Group's profits and earnings situation.

CA Immo generally counters such risk in that foreign currency inflows are secured by pegging rents to the euro; no significant and direct currency risk exists at present.

The pegging of rents affects the **creditworthiness of tenants** and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is continually overseen by the responsible country managers. There is no currency risk on the liabilities side. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate.

FINANCIAL RISK MANAGEMENT

RISK	EFFECT	COUNTERMEASURE
UNFORESEEABLE LIQUIDITY REQUIREMENT - Lack of liquidity - Capital requests linked to joint venture partners not viable	- Non-utilisation of opportunities - Distress sales - Insolvency	- Continual analysis, planning and monitoring of liquidity - Optimisation of investment
FINANCING - Breach of covenants - Non-extension of expiring credit - Follow-up financing not secured after project phase	- Cost disadvantages during credit term - Additional requirement for equity or liquidity	- Continual monitoring of the viability of real estate and the fulfilment of covenants from loan agreements - Conclusion of project-related loan agreements, ideally for the long term - Establishment of a liquidity reserve
DEVELOPMENT OF EXCHANGE RATES - Development of foreign currency rates	- Fluctuation in earnings owing to exchange rate gains/losses	- Harmonising of loan and rental agreements - Rapid conversion of free liquidity into EUR - Forward cover, especially for construction contracts
INTEREST RATE CHANGES/ EVALUATION OF INTEREST RATE HEDGING - Evaluation of interest rate developments	- Significant fluctuation in earnings and change in equity ratio due to changing interest level (financing costs, evaluation of interest-rate hedges)	- Mix of long-term fixed-rate and floating-rate loans - On-schedule use of derivatives (Swaps/Floors/Caps) - Continuous monitoring of interest rate forecasts

INFORMATION ACC. SECTION 243A UGB (AUSTRIAN COMMERCIAL CODE)

SHAREHOLDER STRUCTURE

The company's capital stock amounted to € 718,336,602.72 on the balance sheet date. This was divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of the capital stock of € 7.27. The bearer shares trade on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352).

With a shareholding of around 28% as at 31 December 2020 (27,908,386 bearer shares and four registered shares), SOF-11 Klimt CAI S.à r.l., Luxembourg, a company managed by Starwood Capital Group, is the largest shareholder of CA Immo. Starwood is a global financial investor focusing on real estate investments. The remaining shares of CA Immo are in free float held by both institutional and private investors. S IMMO Group and BlackRock Inc. count to the larger shareholders of CA Immo with stakes of about 6% and 4% respectively. No other shareholders with a stake of more than 4% are identified. For more information on the organisation of the shares and the rights of shareholders, please refer to the Corporate Governance Report ([Corporate Governance \(caimmo.com\)](https://www.caimmo.com)).

CAPITAL DISCLOSURES

At the 31st Annual General Meeting of 9 May 2018, the Management Board was authorized, with the consent of the Supervisory Board, to increase the capital stock by up to € 359,168,301.36 (approx. 50% of the current capital stock) by issuance of up to 49,404,168 new ordinary bearer shares in return for contributions in cash or in kind (also in several tranches and by exclusion of shareholders' subscription rights if required). The authorisation is valid until 18 September 2023.

In the same annual general meeting, the 'contingent capital 2013' was reduced from € 100,006,120 to € 47,565,458.08 in order to serve the 0.75% convertible bonds 2017-2025. Further, the Management Board was authorized, with the consent of the Supervisory Board, until 8 May 2023 to issue convertible bonds up to a total nominal amount of € 750 m with conversion and/or subscription rights in respect of up to 19,761,667 ordinary bearer shares of the company representing a pro-rata amount of the share capital of the company of up to € 143,667,319.09 ('contingent capital 2018'), also in several tranches and to determine all other terms of the convertible bonds as well as in respect of the issuance and

the conversion procedure. Under this authorisation, convertible bonds may only be issued, if the total number of new shares for which conversion and/or subscription rights are granted by such convertible bonds shall not exceed 20% of the share capital at the time this authorisation is resolved upon. The shareholders' subscription rights were excluded (article 174 para 4 in connection with article 153 Austrian Stock Corporation Act (AktG)).

At the 32nd Annual General Meeting held on 9 May 2019, the Management Board was authorised in accordance with article 65 para 1 no 8 and para 1a and para 1b Austrian Stock Corporation Act (AktG) for a period of 30 months from the date of the adopted resolution (until 8 November 2021), with the consent of the Supervisory Board, to repurchase treasury shares in the company, whereas the company's stock of treasury shares must not exceed 10% of its share capital. The consideration shall not be lower than 30% and shall not exceed 10% of the average unweighted market price at the close of the market on the ten trading days preceding the repurchase. The Management Board is further authorised to determine the respective other terms and conditions of the repurchase, whereby the treasury shares may be acquired at the discretion of the Management Board via the stock exchange, by way of a public offer, or by any other lawful and appropriate way, in particular off market, and/or from individual shareholders and under exclusion of the shareholders' pro rata rights (reverse subscription right). The authorisation may be exercised in full or in part or in multiple partial amounts and in pursuit of one or more purposes by the company, subsidiaries (article 189a no 8 Commercial Code (UGB)) or by third parties for their account. The authorisation may be repeatedly exercised. In addition, the Management Board was authorised, with the consent of the Supervisory Board, to transfer the acquired treasury shares by all legally permissible means and to determine the terms and conditions of the transfer of shares or to cancel the treasury shares without an additional resolution by the General Meeting.

No use has been made of the share buyback programme in the year under review. As at 31 December 2020, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total; given the total number of voting shares issued (98,808,336), this is equivalent to around 6% of the voting shares.

INFORMATION ON THE MANAGEMENT AND SUPERVISORY BOARDS

According to the articles of association, the Management Board of CA Immo comprises one, two or three persons. The age limit for Management Board members is defined as 65 in the Articles of Association. The final term of office for Management Board members concludes at the end of the Annual General Meeting that follows the 65th birthday of a Board member. The Supervisory Board comprises no less than three and no more than twelve members. At any time, Supervisory Board members appointed through registered shares may be asked to step down by the person entitled to nominate and replaced by another. The provisions of the Articles of Association regarding terms of office and elections to appoint replacements do not apply to them. The other Supervisory Board members are elected by the Annual General Meeting. The age limit for Supervisory Board members is defined as 70 in the Articles of Association. Supervisory Board members must step down from the Board at the end of the Annual General Meeting that follows their 70th birthday. The Shareholder's Meeting resolves on the dismissal of members of the Supervisory Board on the basis of a majority of at least 75% of the capital stock represented (article 21 of the Articles of Association of CA Immo).

CHANGE-OF-CONTROL CLAUSES

All Management Board contracts contain a change of control clause assuring payments in the event of premature termination of Management Board duties following a change of control. A change of control occurs either where a shareholder or group of shareholders attains 25% of voting rights in the Annual General Meeting, or they are obliged to make a mandatory takeover bid where the investment threshold of 30% is exceeded. Corporate mergers always constitute a change of control. The contractual regulations provide for extraordinary termination rights as well as continued remuneration (including variable remuneration) for the remaining term of the employment contract. According to the calculation basis, compensation for fixed remuneration may not exceed two years' fixed salary. Moreover, the company has to grant the Management Board member a contractually agreed percentage part payment to compensate for the loss of variable remuneration not exceeding 80% of two years' fixed salary, depending on the specific sphere of activity and the position of the Management Board member in question. The exercising of a special right of termination in the event of a change of control in the sphere of Starwood Capital, the major shareholder, has been contractually excluded for all Management Board members.

ESG REPORT

CA Immo is an investor, developer and long-term holder of high-quality office buildings. Our strategic business model is geared towards sustainable value creation, taking into account ecological, economic, social and legal dimensions. This goes hand in hand with our claim to meet the diverse interests and needs of CA Immo stakeholders in a targeted and responsible manner, thereby securing competitiveness in the long term. With this in mind, we evaluate and manage the requirements of our stakeholders as well as the impact of our business activities on our ecological and social environment. This report shows our strategic positioning, goals and action plan on the topic of sustainability and provides an overview of corresponding activities in 2020.

Integrated Sustainability Reporting

CA Immo is not obliged to prepare a consolidated non-financial report in accordance with section 267a of the Austrian Commercial Code (Nachhaltigkeits- und Diversitätsverbesserungsgesetz, or NaDiVeG). As a public interest entity, we nevertheless voluntarily prepare a corresponding report.

In order to prepare our sustainability topics as clearly as possible and in an internationally comparable manner, we base our reporting on two common international standards: the **EPRA Sustainability Best Practice Recommendations 3rd Edition (sBPRs)** and the recommendations of the **Task Force on Climate Related Financial Disclosures (TCFD)**. An overview of all sustainability topics integrated into the annual report in accordance with these standards can be found in the appendix including the corresponding page references and definition of the report boundaries.

The **EPRA sBPR Guidelines** provide – based on the standards of the Global Reporting Initiative (GRI) – a consistent method for the comparable presentation of the sustainability performance of real estate companies and cover the categories environment, social and governance (ESG). The **TCFD recommendations** stand for consistent disclosure of climate-related financial risks.

Furthermore, in the 2020 financial year, we collected and explained for the first time the **Sustainable Development Goals (SDGs) of the United Nations**, which are taken into account in our sustainability strategy.

From the 2021 financial year, the **EU Taxonomy Regulation** will set an important standard for future sustainability reporting. The topics and approaches of this regulation have already been taken into account in the preparation of our ESG materiality analysis.

Reporting boundaries and coverage

A detailed definition of the reporting boundaries and -methodology can be found in the ESG Appendix.

Reporting: Status and Outlook

In the 2019 business year, CA Immo began to expand its sustainability reporting in line with the EPRA sBPR recommendations. In September 2020, we reached a first milestone in this initiative, when our sustainability report, which is integrated into the 2019 annual report, was awarded an EPRA sBPR Gold Award for the first time as well as an EPRA sBPR Most Improved Award. The goal for the coming reporting periods is to further expand our reporting in line with international standards, best practice examples and the requirements of our stakeholders.



In the 2020 business year, CA Immo actively reviewed and commented on diverse ESG ratings, including the ISS ESG Corporate Rating, Climate Disclosure Project (CDP) and MSCI ESG Rating.

Moreover, we were ranked in the VÖNIX sustainability index of the Vienna Stock Exchange for another consecutive year. The aim of these reporting and rating activities is to optimise the transparency and comparability of our sustainability performance. Opportunities that present themselves in the form of more favourable green bond issuing conditions are to be used more intensively in the future to optimise our financing structure. As part of the planned expansion of sustainability reporting, the canon of ESG rating reviews relevant to CA Immo is also to be

expanded and both the quantity and quality of the information submitted to the rating agencies further increased.

Third-party verification

The contents of this sustainability report have not been verified by independent third parties. The audit of the financial statements by the auditor only checked whether the necessary non-financial information has been disclosed. No statement was made about the quality of the disclosed data.

Stakeholder dialogue and engagement

The interests and concerns of our stakeholders shape our self-image and guide our strategic decisions. Intensive dialogue with our diverse stakeholder groups helps us to understand their needs and to tailor our actions accordingly. Details on our activities in this regard can be found in the Corporate Governance Report.

Corporate culture and awareness raising for sustainability

In 2019, CA Immo launched a Group-wide project to define and manage its strategic sustainability activities under the motto "Tomorrow Proof by CA Immo".



The goals, framework conditions, measures and milestones of the project were presented several times at management meetings. In parallel with the expansion of external reporting, the internal communication of sustainability topics and activities is also to be intensified in 2021, among other things through the formation of further working groups and virtual training sessions.

Organisational anchoring and management of sustainability issues

Information on the organisational anchoring, internal control and steering processes of sustainability issues as well as the responsibility of the Management Board in this context can be found in the Corporate Governance Report.

Relevance and priorities of CA Immo sustainability reporting

To ensure that sustainability reporting and strategy follows the right priorities, CA Immo carried out an analysis for the first time in the 2020 business year to determine the key sustainability issues. A corresponding list of topics was drawn up on the basis of the reporting of relevant competitors, regulations and sustainability standards as well as an internal analysis of the impact of CA Immo's business activities on the environment, society and the economy.

The materiality analysis of this range of topics was subsequently carried out taking into account three dimensions: business relevance ("outside-in")¹⁾, the significance of the impact of our business activities ("inside-out")²⁾ and a stakeholder assessment. Nearly the entire second management level of CA Immo was actively involved in this analysis process. In the course of the stakeholder survey, all CA Immo employees were invited to prioritise the individual topics from their own point of view; the participation rate was around 50%. A corresponding topic assessment from the perspective of the other CA Immo stakeholder groups (including tenants, investors, banks) was carried out by their internal CA Immo contacts.

The results of this three-dimensional materiality analysis are presented below in the form of a matrix. The six focus topics derived from this (strongest impact on the environment, society and economy, while at the same time having a high stakeholder relevance) define the framework within which CA Immo can make a relevant contribution to a sustainable economy – and the associated key risks and opportunities. They subsequently determine the focus of ongoing sustainability reporting, strategic objectives and operational measures. The reporting on the focus topics is marked by the corresponding symbols. The sustainability topics included in addition to the focus topics in the matrix below are also covered in our reporting, sometimes in less detail.

¹⁾ Impact of the environment, society and the economy on the business model, strategy and financial position of CA Immo

²⁾ Impact of CA Immo on the environment, society and the economy

Due to the current dynamic developments in relation to ESG issues, both the regulatory environment and stakeholder needs, the materiality matrix will in future be subject to a comprehensive reassessment at least every two years.

Social, environmental and economic impacts, risks and opportunities arising from CA Immo business activities

A key step in identifying and weighting the sustainability issues relevant to CA Immo was to evaluate the impact of our business activity on the environment, society and the economy across the entire value chain. This included the following direct (own activities) and indirect (supply chain) material impacts, risks and opportunities.

Environment:

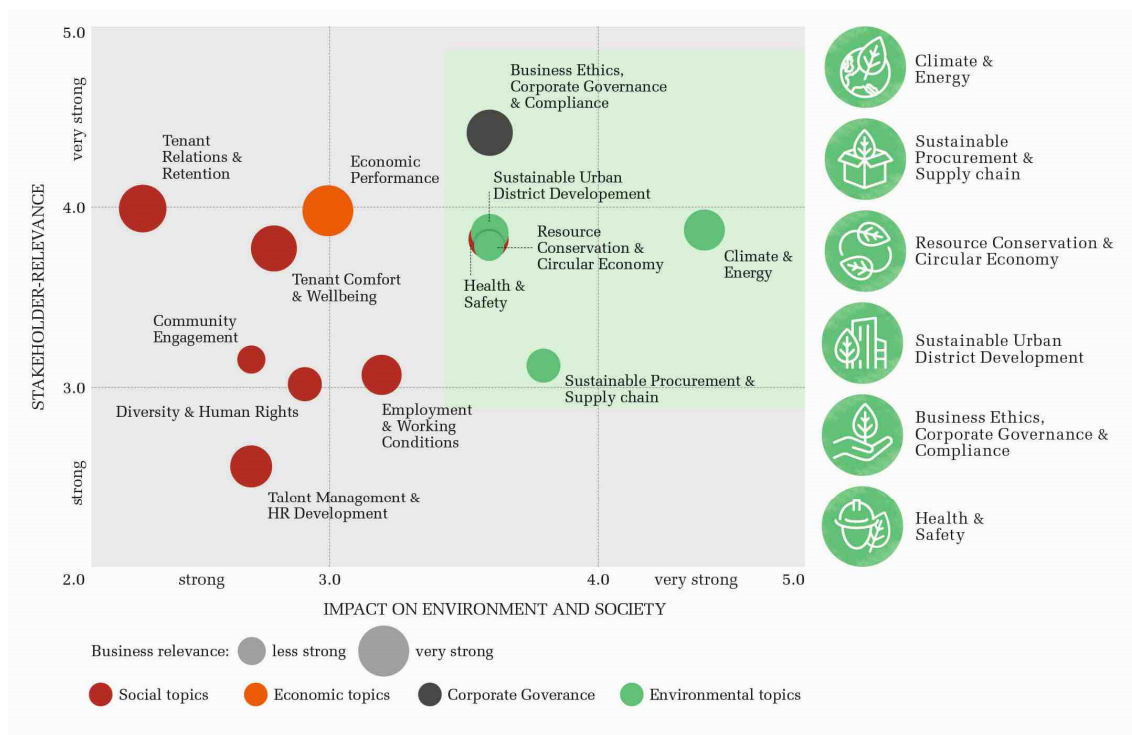
- Environmental standards in project development (energy efficiency and CO₂ emissions in the construction process as well as product definition, material selection, resource consumption and circular economy)

- Brownfield vs. greenfield development (biodiversity)
- Management of energy efficiency and CO₂ emissions, waste generation and water consumption in building operations.

Society and economy:

- Social standards in urban district and project development (product definition, e.g. social infrastructure, affordable housing), response to social change
- Health and safety for tenants, contractors and own employees in building operations and on construction sites, dealing with pandemic risks
- Working conditions and income effects of own and external employees (contractors), employee rights, staff development and retention
- Independent and responsible corporate governance, compliance with social and environmental requirements, observance of human rights, avoidance of corruption and bribery, reputational risk.

CA IMMO SUSTAINABILITY MATERIALITY MATRIX AND FOCUS AREAS



The diagram shows an overview of the relevant CA Immo sustainability topics according to their impact intensity on the environment, society and the economy (horizontal axis) and stakeholder relevance (vertical axis). The relevance to the company's success is reflected in the size of the circular areas. The coloured area indicates the CA Immo focus areas (equally high impact and stakeholder relevance).

UN Sustainable Development Goals (SDGs)

As a top player in the European real estate sector, CA Immo supports the Sustainable Development Goals (SDGs)¹⁾ of the United Nations (see diagram). Our positioning and activities are in line with the SDGs; the most important fields of action are listed in the following table and explained in overview form.

Memberships

CA Immo is actively involved in the relevant platforms of the real estate industry and contributes to further development and research in the real estate sector through its memberships and cooperations. As an active member, it has for many years supported organisations that

- promote sustainable urban and project development, e.g. the German Sustainable Building Council (DGNB) or the Urban Land Institute (ULI)

- publicly represent and standardise relevant topics and concerns of the real estate industry, e.g. the European Public Real Estate Association (EPRA), the Zentraler Immobilien Ausschuss (ZIA) or the Initiative Corporate Governance (ICG). In 2020, CA Immo joined the ESG Circle of Real Estate (ECORE)²⁾ and participated in the development of a European scoring standard which is intended to make sustainability in real estate portfolios transparent, measurable and comparable.

The aim of this commitment is to strengthen long-term competitiveness at both operational and corporate level through innovation, best practice and cross-company cooperation (see also the section on research and development). A complete list of all CA Immo memberships can be found on our Group website at www.caimmo.com/membership.

SUSTAINABLE DEVELOPMENT GOALS



¹⁾ <https://www.sdgwatch.at/en/about-sdgs/>

²⁾ www.ecore-scoring.com

FOCUS AREAS OF CA IMMO IN THE CONTEXT OF INTERNATIONAL SUSTAINABILITY INITIATIVES

Focus Area	Description	Main topics of the EU Taxonomy Regulation	UN Sustainable Development Goals (SDGs)
Climate & Energy	We want to contribute to keeping global warming below 2° Celsius. Therefore, we have set ourselves the goal of reducing the energy consumption and CO ₂ footprint in the construction and operation of our buildings and increasing the resilience of our portfolio to climate risks. By raising awareness among our tenants, employees and suppliers, we aim to promote climate and environmentally friendly behaviour within our sphere of influence.	– Climate Change Mitigation – Climate Change Adaptation	
Sustainable Procurement & Supply Chain	We develop office and hotel properties exclusively according to high sustainability standards. We ensure compliance with the associated requirements for sustainable procurement in the supply chain through a wide range of environmental and social requirements for contractors and suppliers.	– Pollution	
Resource Conservation & Circular Economy	We take initiatives that lead to reduced resource consumption, the reuse and recycling of materials and waste in the construction, operation and refurbishment of buildings.	– Circular Economy – Water	
Sustainable Urban District Development	We specialise in the environmentally friendly revitalisation of old inner-city sites (brownfield development). In doing so, we pay attention to the protection of biodiversity and create mixed-use urban neighbourhoods with sustainable infrastructure and a high quality of life that are attractive, inclusive and accessible.	– Ecosystems	 
Business Ethics, Corporate Governance & Compliance	Responsible corporate governance and compliance with socially, environmentally and economically relevant requirements form the basis of our business activities. We are committed to strengthening workers' rights, preventing human rights abuses and acting in accordance with the principles of non-discrimination, equal opportunities and zero tolerance of corruption and bribery throughout our sphere of influence.	– Human Rights – Workers' rights – Fight against corruption	 
Health & Safety	We create safe, healthy and attractive working environments for tenants, employees and service providers – both in building operations and in project development. We support our employees and pay attention to their needs, health and individuality.		

CA Immo Sustainability Agenda: Goals, principles and measures

Our sustainable business agenda summarises all current key corporate objectives, principles and actions in the context of our focus areas. With this programme, CA Immo wants to actively contribute to achieving the

climate and environmental goals defined by the European Union (climate neutrality by 2050) and the general transition to a sustainable economy.

Supplementary tables and information according to EPRA, TCFD and NaDiVeG standards can be found in the ESG Appendix.

CA IMMO AGENDA FOR SUSTAINABLE BUSINESS OPERATIONS

Focus areas	Targets & Principles	Measures
Climate & Energy	<ul style="list-style-type: none"> –Reduction of average CO₂ emissions in building operation (avoid avoidable emissions, compensate for unavoidable emissions) –Reduction of energy consumption of the investment portfolio (reduce avoidable emissions) –Increase the climate resilience of the portfolio 	<ul style="list-style-type: none"> – 100% electricity from renewable energy sources in the existing portfolio by 2023 (purchased from the landlord) – Compensation of CO₂ emissions in building operation through the purchase of certificates for electricity and gas purchased from the landlord – Development of a green lease strategy to increase the share of renewable electricity (purchased from the tenants) in the investment portfolio – Digital measurement of energy key figures for 100% of the multi-tenant office portfolio by 2025 – Active energy management and energy optimisation of the investment portfolio – Development of all new office and hotel buildings according to at least DGNB Gold or LEED Gold certification standard – Definition of a Group-wide standard for sustainable project development based on tenant needs and the EU Taxonomy Regulation
Sustainable Procurement & Supply Chain	<ul style="list-style-type: none"> –Social and environmental requirements in CA Immo Procurement Directive 	<ul style="list-style-type: none"> – Obligation of all construction service providers to comply with the sustainability standards according to DGNB Gold or LEED Gold (e.g. material declaration, worker protection)
Resource Conservation & Circular Economy	<ul style="list-style-type: none"> –Increase the share of recycled/recyclable waste –Reduction of water consumption 	<ul style="list-style-type: none"> – Implementation of an active waste management system and water consumption monitoring in building operations – Green lease contracts for optimisation of waste separation
Sustainable Urban District Development	<ul style="list-style-type: none"> –Clear focus on brownfield developments (revitalisation of old sites) 	<ul style="list-style-type: none"> – 100% of all buildings currently developed by CA Immo are brownfield developments – Continuation of the strategic focus on revitalisation of old sites – Development of all new office and hotel buildings according to at least DGNB Gold or LEED Gold certification standard
Health & Safety	<ul style="list-style-type: none"> – Avoiding accidents in buildings and on construction sites – Maintaining the long-term performance of own and external employees (tenants, contractors) 	<ul style="list-style-type: none"> – Consideration of a wide range of measures for the health and comfort of future users already in the course of building planning and development (DGNB, LEED, WELL certification standards) – Standardised safety concepts on construction sites and in building operation – Comprehensive protective measures in the wake of the Covid-19 pandemic – Occupational health care, flexible working time models

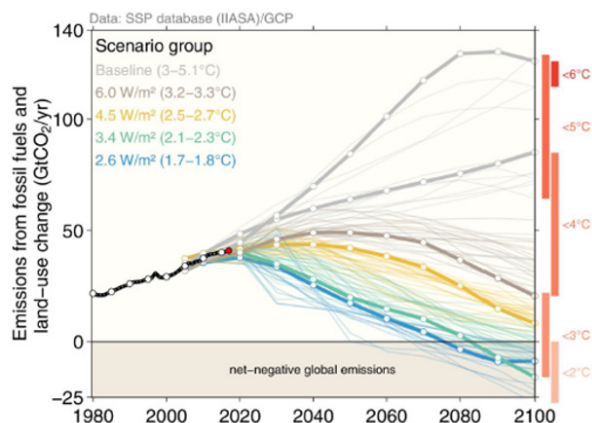
ENVIRONMENT

CA Immo wants to make a contribution to keeping global warming below 2° Celsius and protecting the environment. We have therefore set ourselves the goal of reducing the carbon footprint of our buildings, increasing the resilience of our portfolio to climate risks and evaluating and, if necessary, intensifying the measures we have taken to date to protect the environment.

1. CLIMATE RISKS AND OPPORTUNITIES

Climate change and its consequences for our environment are a global threat, the manifold effects of which are already being felt in many countries today. The future societal, climate policy and technological developments associated with climate change are subject to a high degree of uncertainty, as is the speed at which this process of change will take place. Much will depend on how sensitive the climate system is to changes in greenhouse gas emissions, and how much higher levels of warming will actually affect our environment and how quickly individual countries and societies adapt their environmental behaviour.

Although global CO₂ emissions in 2020 are estimated to have decreased by around 7% from the previous year due to the Covid-19 constraints¹⁾, a halving of emissions by 2030 is needed to limit global warming to 1.5° Celsius²⁾. The graph on the top right shows a scenario analysis for the development of global CO₂ emissions and the resulting global warming by 2100.



Scenario analysis for global climate warming

The role of the real estate sector in the fight against climate change

Overall, buildings in the EU are responsible for 40% of energy consumption and 36% of direct and indirect greenhouse gas emissions, mainly through construction, use, renovation and demolition. Around 75% of buildings in Europe are considered inefficient and only 0.4 to 1.2% of the building stock is renewed annually.³⁾ Stricter energy standards for buildings, higher energy refurbishment rates and technological change (e.g. more intensive use of renewable energy sources such as heat pump technologies) are key components to achieve the EU climate targets.

CA Immo climate risks and opportunities

The analysis of specific climate risks for our business is extremely complex and involves a number of unknown variables. In 2020, we reviewed our general risk catalogue for completeness in this regard and partially supplemented and evaluated the climate risks relevant to our business as well as general sustainability risks. In future, these risks will be re-evaluated and assessed annually and approved by the Management Board. If the assessments reveal the need for additional measures or changes in strategy, these are subsequently implemented accordingly by the responsible departments. CA Immo pursues a proactive approach to ensure that any risks are minimised through early countermeasures and that the company can react to any changes in good time.

¹⁾ Global Carbon Project, Global Carbon Budget 2020

²⁾ Global Carbon Project, Global Carbon Budget 2019, IPCC Special Report on “Global Warming of 1.5°C”

³⁾ https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

Human-induced climate change represents a risk that unfolds on two levels. In assessing the specific climate risks for CA Immo, we have used these levels for classification purposes:

– **Physical risks:** Direct, physical damage to property, plant and equipment due to the changing climate, triggered by extreme weather events (acute risks) or continuous climate change such as rising sea levels or higher temperatures (chronic risks).

– **Transition risks:** Economic risks triggered by the transition to a low-carbon economy. This risk group includes regulatory risks (as a result of new or stricter legal regulations) and risks due to changes in the market, demand and technologies (market and competition risks) or loss of reputation (reputation risk).

PHYSICAL RISKS

Type of risk	Group	Probability	Time horizon ¹⁾	Potential financial impacts	Action and strategic precaution
Natural disasters and extreme weather events	Acute	High	Short	<ul style="list-style-type: none"> – Physical damage and deterioration of buildings (possibly enhanced by high portfolio concentration within a city) – Delivery delays and material shortages (interrupted supply chains) – Interruption of production or operations 	<ul style="list-style-type: none"> – Ongoing control, maintenance and servicing of the buildings – Forward-looking project development and high building quality of the CA Immo portfolio increase the resilience of the existing portfolio
Gradual changes in temperature and precipitation, rising sea level	Chronic	High	Long	<ul style="list-style-type: none"> – Changes in raw material and input prices – Higher energy consumption and operating costs for buildings (e.g. due to increase in cooling demand) – Higher maintenance and construction costs to make buildings climate resilient – Increase of insurance premiums or no insurance coverage possible 	<ul style="list-style-type: none"> – CA Immo does not currently hold any buildings in coastal regions or flood areas – Risk prevention, e.g. through flood protection concepts in buildings in river locations and improved drainage systems – Implementation of efficient cooling and sun protection systems

¹⁾ Time horizon: Short: 0-1 year, Medium: 1-5 years, Long: more than 5 years

TRANSITION RISKS

Type of risk	Probability	Time horizon ¹⁾	Potential financial impacts	Action and strategic precaution
Regulatory risks				
Stricter targets and legislation on decarbonisation, energy efficiency and adaptation to climate change	High	Medium	<ul style="list-style-type: none"> - Higher construction costs due to increasing requirements for energy efficiency of buildings and CO₂-neutral construction process - Higher investments in energy retrofitting/refurbishment of the building stock - Compliance costs (penalties, levies) - Increased taxes and/or loss of subsidies 	<ul style="list-style-type: none"> - Investments in energy retrofitting/refurbishment of the building stock - Forward-looking project development and high building quality of the CA Immo portfolio increase the resilience of the existing portfolio - Targeted energy and sustainability management - Buildings developed by CA Immo exceed current energy efficiency and environmental protection requirements (stay ahead of regulation)
Market risks				
Pressure from the capital market to reduce CO ₂ emissions	High	Short	<ul style="list-style-type: none"> - Declining share price (loss of reputation) - Higher financing costs, reduced availability of debt capital 	<ul style="list-style-type: none"> - Transparent sustainability reporting - In 2020, CA Immo successfully issued its first Green Bond. This ecological financing strategy is to be further expanded in the future
Change in market demand toward energy-efficient buildings (changing tenant needs)	High	Medium	<ul style="list-style-type: none"> - Decreasing real estate values - Poorer marketability - Lower rent levels, lower rental income (stranding risk) 	<ul style="list-style-type: none"> - At present, there are hardly any explicit environmental requirements on the part of our tenants; an intensification of demand towards sustainable buildings is foreseeable - CA Immo has a high-quality portfolio with a high proportion of sustainability certifications - Buildings developed by CA Immo exceed current energy efficiency and environmental protection requirements
Reputational risks				
Attractiveness as an employer, stakeholder trust	High	Short	<ul style="list-style-type: none"> - Competitive disadvantages due to high employee turnover - Disadvantages in the fight for the best brains 	<ul style="list-style-type: none"> - Responsible business model with clear commitment to sustainability and climate protection brings clear advantages in recruiting - Transparent sustainability reporting creates trust and strengthens loyalty

¹⁾ Time horizon: Short: 0-1 year, Medium: 1-5 years, Long: more than 5 years

CLIMATE OPPORTUNITIES

Opportunities	Potential financial impacts	Action and strategic precaution
<p>Resource efficiency: More efficient buildings</p>	<ul style="list-style-type: none"> - Lower operating costs through efficiency gains, reduced water and energy consumption - Higher value of the portfolio 	<ul style="list-style-type: none"> - Sustainability certifications and high building quality of the CA Immo portfolio increase the resilience of the existing portfolio - Active energy management and energy optimisation of the existing portfolio - Implementation of all new office and hotel buildings to at least DGNB Gold or LEED Gold certification standard
<p>Energy source: Use of renewable or low-emission energies</p>	<ul style="list-style-type: none"> - Low dependency on future fossil fuel price increases through efficiency improvements, use of renewable energy and low-emission technologies for property operation - Possibility of using political incentives for a low-emission economy (public money, public funding, etc.) 	<ul style="list-style-type: none"> - 100% electricity from renewable energy sources in existing portfolio by 2025 (purchased by the landlord) - Definition of a standard for sustainable project development based on tenant needs and the EU Taxonomy Regulation
<p>Products and services: Green buildings</p>	<ul style="list-style-type: none"> - Reputation gain due to higher demand for products/services with low emissions ("green buildings") - Competitive advantage through rapid adaptations of the building stock (modern technologies and innovation to optimize energy efficiency and reduce emissions) - Competitive advantage through transparent and future-oriented environmental reporting 	<ul style="list-style-type: none"> - CA Immo has a high-quality portfolio with a high proportion of sustainability certifications - Buildings developed by CA Immo exceed current requirements for energy efficiency and environmental protection - Since 2011, CA Immo has developed all new office and hotel buildings to at least DGNB Gold or LEED Gold certification standard - Evaluation of the use of findings from project development for CHG emission reduction in the existing building stock - Transparent sustainability reporting
<p>Markets: New business areas, target groups and financing opportunities</p>	<ul style="list-style-type: none"> - Increased revenue, competitive advantage through access to new and emerging markets - Green bond issues: Lower financing costs, better availability of debt capital 	<ul style="list-style-type: none"> - Responsible business model with clear, early commitment to sustainability and climate protection brings extensive competitive advantages in customer and investor relations - CA Immo successfully issued its first Green Bond in 2020. This ecological financing strategy is to be expanded further in the future
<p>Resilience</p>	<ul style="list-style-type: none"> - Increased market valuation due to resilience planning (e.g. infrastructure, location, building condition) - Lower maintenance costs and costs for refurbishment due to high building resilience 	<ul style="list-style-type: none"> - Clear strategic commitment to high-quality core products in resilient, inner-city metropolitan locations

2. GROUP LEVEL

CA Immo's commitment to climate and environmental protection applies at both operational and Group level. We can make a contribution here by reducing our air travel and the CO₂ emissions of the company cars we provide to employees. With this in mind, we are increasingly offering employees the opportunity to use electric or hybrid vehicles as company cars and are step by step installing electric charging stations in our own buildings, which can be used by both tenants and employees. As at 31 December 2020, a total of 154 electric charging stations were available in CA Immo office buildings across the Group. Of these, 58 charging stations were newly installed internationally in 2020. The company cars locally available to all CA Immo employees at short notice (pool cars) are to be gradually converted to electric vehicles in the coming years.


Our travel policy also stipulates that employees use rail instead of air travel wherever possible and that international meetings are held virtually. Through further activities such as the promotion of the BahnCard or job tickets for local public transport, we want to encourage our employees to switch from car to public transport.

In 2020, as part of the switch to purchasing green electricity and gas for all CA Immo multi-tenant buildings, the supply of energy from renewable energy sources for CA Immo offices used by the company itself was also initiated. In the course of this, emissions from the operation of our owner-occupied office space will also be offset in future by the purchase of certificates. An overview of water and energy consumption and the resulting CO₂ emissions as well as the waste generated in owner-occupied CA Immo office space can be found in the ESG Appendix.

3. INVESTMENT PROPERTIES

CA Immo holds international investment properties of many different kinds at many stages of the property lifecycle. Around 90% of the building stock¹⁾ is office property, a large proportion of which contains several rental units each (multi-tenant buildings). In order to ensure the longest possible value retention, marketability and comprehensive sustainability of all properties, CA Immo relies on integrated quality and sustainability management.

Group-wide Energy Management

 CA Immo continuously collects and analyses the international consumption data and the CO₂ emissions generated by heat and electricity consumption of its office portfolio (see table below and EPRA table in the ESG Appendix). This data flows into the portfolio monitoring, on the basis of which decisions on maintenance measures are made. The facility management contracts of CA Immo properties include extensive standard services for energy management with the aim of further expanding data collection and continuously improving the energy management of the properties.

In 2019, the average **CO₂ emission intensity** (annual CO₂ emissions per sqm rentable area) of the CA Immo office portfolio based on energy consumption procured by the landlord (Scope 1+2, excluding tenant electricity) was reduced by around 12% compared to the previous year. This reduction is based on a year-on-year decrease in all energy consumption values of the overall portfolio in 2018 and 2019 (–10% electricity consumption like-for-like, procured by the landlord; –3% fuels consumption like-for-like; –3% energy consumption from district heating like-for-like). Total average energy intensity (electricity, gas and district heating purchased by CA Immo excluding tenant electricity per sqm rentable area) fell by 6% year-on-year.

¹⁾ By book value

As the consumption data for 2020 was not yet available in full at the time of reporting, the energy consumption and the CO₂ emission data based on it shown in the table below for 2020 are provisional estimates. According to this projection, the trend towards lower average energy

consumption across the entire CA Immo portfolio should continue as the portfolio continues to grow. Lower consumption due to the Covid-19-related reduction in office use in 2020 was taken into account here (see extrapolation methodology in the ESG Appendix).

ENERGY CONSUMPTION DATA AND CO₂-FOOTPRINT OF THE CA IMMO OFFICE PORTFOLIO ¹⁾


	EPRA Code	Boundaries	Unit of measure	2018	2019	% change	2020 (estimated) ²⁾	% change
Building energy intensity (excl. tenant electricity)	Energy-Int	Common areas + shared services	kWh/sqm/a	187	177	-5.5	144	-18.7
Building GHG emissions intensity (Scope 1+2)	GHG-Int	Common areas + shared services	kgCO ₂ e/sqm/a	52.4	46.3	-11.6	36.9	-20.3
Gross Leasable Space (GLA)		Whole building	sqm	940.605	1.067.523	13.5	1.072.216	0.4
Number of Properties		Whole building	number	48 of 48	54 of 54	12.5	55 of 55	3.7

¹⁾ Information on reporting boundaries and analysis methodology of the consumption values can be found in the ESG Appendix. The consumption data shown (and the resulting emissions) include the electricity purchased by CA Immo for common areas and energy for heating and cooling throughout the building. Electricity purchased directly by tenants or centrally by CA Immo for tenants' areas (recorded via submetering) is excluded, as consumption values for tenant electricity are not available for all buildings. A detailed table of energy consumption and emission values of the CA Immo office portfolio in accordance with EPRA Best Practice Recommendations can be found in the ESG Appendix.

²⁾ The energy consumption and emission data for 2020 are preliminary estimates, as the consumption data for 2020 was not yet fully available at the time of reporting. Information on the extrapolation mode can also be found in the ESG Appendix.

In order to enable even more detailed and timely energy monitoring in the future, including the analysis of weak points, the development of a Group-wide, digitally supported energy management system is planned. Through the continuous conversion to smart meters (digital meters) and the implementation of an energy data management software, an effective monitoring and controlling of the current consumption and emission data is to be established. Corresponding tenders and negotiations have started in 2020, and the nationwide introduction of digital meters is expected to take place in Germany and Austria in 2021.

Climate & Energy: Reduction of carbon emissions through conversion of building operations to green energy

 The national bundling and Group-wide conversion of energy procurement to CO₂-neutral, renewable energy sources was initiated in 2020. The country-specific contracts cover the period 2020-2025 and include the purchase of green electricity and climate-neutral gas for all common areas and landlord-provided shared services (e.g. cooling, heating) in our multi-tenant portfolio as well as the electricity supply in our own-used CA Immo offices. As all tenant electricity in the CEE countries of Hungary, Romania, Poland and the Czechia

is purchased centrally by CA Immo, the contracts in these countries also include all tenant electricity.

If the local availability of green electricity and gas is not 100%, remaining CO₂ emissions will be offset by the purchase of certificates. Through centralised purchasing, we expect cost savings of around € 2 m by the end of 2025, which we will pass on in full to our tenants. In the same period, the conversion of CA Immo building operations to green electricity and gas should bring about an estimated reduction in CO₂ emissions of around 280,000 t across the Group.

The award of the electricity and gas supply contracts for the German and Austrian portfolio was completed in July and November 2020, respectively, and the supply of the Austrian and Polish buildings has been switched to green electricity since 1 January 2021. The tenders for the remaining CEE countries are currently underway – the conclusion of the outstanding gas and electricity supply contracts is expected for the end of the first quarter of 2021. The conversion of real operations to green electricity and CO₂-neutral gas will take place after the current energy contracts expire and should be completed by the end of 2023.

At the end of the past business year, CA Immo also initiated the optimisation of district heating contracts for its building portfolio with the aim of also reducing the CO₂ emissions caused by this energy source and realising cost savings at the same time. Negotiations with suppliers will continue in 2021.

CA Immo has set itself the goal of working with its tenants to minimise the environmental impact of building operations. In the CEE countries Hungary, Romania, Poland and the Czechia, all tenant electricity is purchased centrally by CA Immo. In Austria and Germany, however, our tenants are responsible for concluding electricity contracts and deciding whether to purchase "green" or "grey" electricity. As part of Group-wide energy procurement, framework agreements were negotiated in 2020 that will enable tenants also in these regions to participate in CA Immo's green electricity purchases in future. In order to reduce the CO₂ emissions of the entire buildings, including tenant electricity, in our Austrian and German portfolio as well, CA Immo is focusing on raising awareness among its tenants and **green lease agreements**. Corresponding contractual components are being drawn up and will be rolled out to new and existing leases in the coming years.

Climate & Energy: Energetic and climate-friendly modernisation of investment properties



In order to sustainably optimise the energy efficiency of its portfolio, CA Immo is implementing the following measures, among others:

- Replacing old pumps with energy-saving high-efficiency pumps
- Replacing conventional lighting with LED technology with modern sensors
- Motion detectors in common and adjoining rooms for better lighting control
- Installation of heat recovery in ventilation systems
- Modernisation and system improvements, e.g. in heating and cooling control (modernisation of inefficient cooling media) and electrical systems
- Extensive energy management to identify optimisation potentials of each individual building
- Installation of effective shading and cooling systems as well as flood protection systems in riverfront buildings to increase climate resilience (if required).

Resource conservation and circular economy in building operations



Since 2018, CA Immo has been collecting and publishing data on water consumption and waste generation in its office buildings. As CA Immo organises water purchases centrally for all office buildings, water consumption data is available for all buildings included in the analysis (2019: 56 office buildings, see table below). In 2019, **water consumption intensity** (average annual water consumption per sqm) decreased by over 6% year-on-year (absolute water consumption like-for-like: –10.6%).

WATER CONSUMPTION AND WASTE RECYCLING QUANTITIES OF THE CA IMMO OFFICE PORTFOLIO ¹⁾

	EPRA Code	Unit of measure	2018	2019	% change
Building water consumption intensity	Water-Int	l/sqm/a	573.7	536.5	–6.5
Gross leasable area (GLA)		sqm	954,825	1,094,571	14.6
Number of properties		Number	49 of 49	56 of 56	14.3
Waste recycling	Waste-Int	Weight of waste by disposal route (%)	17	18	100bp
Gross leasable area (GLA)		sqm	894,226	1,021,144	14.2
Number of properties		Number	47 of 49	52 of 56	10.6

¹⁾ Information on reporting boundaries and analysis methodology of the consumption values can be found in the ESG Appendix. All key figures refer to the entire building (boundaries). At the time of reporting, there was insufficient data for a meaningful estimate of the 2020 consumption values. Due to less frequent office use in 2020 in light of the Covid-19 pandemic, we expect a significant year-on-year decrease.

²⁾ Proportion of total annual waste disposed of through reuse or recycling.

For 2019, the waste data for 52 of 56 office buildings could be collected. The recycling rate (incl. reuse) was 18%. In terms of efficient operating cost and sustainability management, our aim is to close the corresponding data gaps and optimise existing disposal and supply concepts. An evaluation process launched at the end of 2020 is intended to clarify the extent to which the implementation of an active waste management and water consumption monitoring system during ongoing building operation can improve data quality, increase the waste recycling rate and reduce water consumption over the coming years. In addition, green lease contracts should contribute to better waste separation

Sustainability certification as objective proof of portfolio quality

Sustainable in-house project development for its own stock to enhance the quality of the investment portfolio has been an important component of CA Immo's sustainability strategy for many years. In order to provide transparent, internationally comparable and objective proof of building quality across the entire portfolio, CA Immo also has strategic core investment properties certified.

In 2020, the certification process was completed for one office building in Belgrade as well as a hotel property in Frankfurt; one certified office building in Warsaw was acquired and added to the portfolio. On the other hand, a certified investment building (Zagrebtower) was sold. As at 31 December 2020, 43 office properties and 2 hotel properties have been certified according to DGNB, LEED or BREEAM standards (2019: 44 and 1, respectively). A further five investment buildings (four German project completions and one investment building in Warsaw) were in the certification process. By book value, around 69% of the total CA Immo portfolio (all asset classes; 2019: 73%) and 72% of the total office portfolio (2019: 81%) were certified. By rentable area, certified stock comprised some 67% of the total portfolio (2019: 63%) and 75% of the office portfolio (2019: 78%).

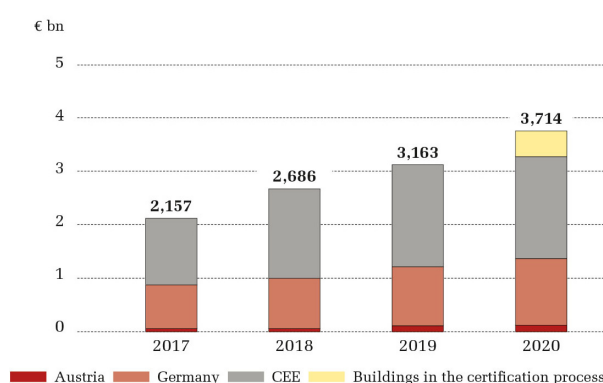
The book value of the certified property assets (all asset classes) was approximately € 3,265 m as at 31 December 2020 (31 December 2019: € 3,163 m); including the buildings in the certification process as at reporting date, the value was € 3,714 m.

CERTIFIED PROPERTY ASSETS BY REGION ¹⁾

in € m	Total portfolio	Certified portfolio	Share of certified portfolio
Germany	2,229	1,246	56%
Austria	530	119	23%
CEE	2,011	1,901	95%
Total	4,770	3,265	69%

¹⁾ By book value. Basis: Properties 100% owned by CA Immo (fully consolidated).

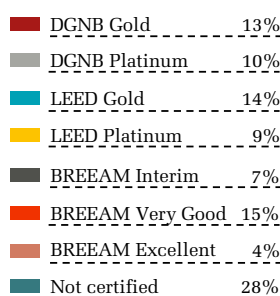
CERTIFIED PROPERTY ASSETS BY BOOK VALUE ¹⁾



¹⁾ Properties with main use type office + hotel 100% owned by CA Immo (fully consolidated).

¹⁾ Property assets 100% owned by CA Immo (fully consolidated)

CERTIFICATES OF THE CA IMMO OFFICE PORTFOLIO BY BOOK VALUE (BASIS: € 4.3 BN)



4. PROJECT AND URBAN DISTRICT DEVELOPMENT

Sustainable urban district development

CA Immo contributes to shaping the appearance of major cities such as Berlin, Frankfurt, Munich and Prague through property and district development. CA Immo specialists cover the entire value chain: From land preparation and participation in the master plan and the procurement of building rights (zoning), to the realisation of the surrounding infrastructure such as roads, squares, parks, playgrounds and ecological compensation areas to the construction and operation of new buildings. This results in mixed-use inner-city neighbourhoods with short distances and a high quality of life that provide access to safe green and public spaces and therefore are attractive, inclusive and accessible for city dwellers. Buildings developed by CA Immo are characterised by high technical and architectural quality, flexible use of space and low energy consumption.

Sustainability certification for new developments


Since 2011, CA Immo has been developing office and hotel properties in accordance with high sustainability standards (at least DGNB¹⁾ Gold or LEED²⁾ Gold certification), taking into account the many years of experience gained from ongoing building operations. At the beginning of every project development there is a site-specific and target group-oriented product definition, which, among other things, defines the standard and the level of the sustainability certification. The corresponding minimum standards for ecological, socio-cultural and functional, technical, location and process quality are derived from this.

OVERVIEW SUSTAINABILITY STANDARDS OF PROJECTS UNDER CONSTRUCTION


City	Project	System	Category
Berlin	Hochhaus am Europaplatz	DGNB	Gold
Berlin	Grasblau	DGNB	Gold
Prague	Mississippi House	LEED	Platinum
Prague	Missouri Park	LEED	Platinum
Frankfurt	ONE	DGNB	Platin

In the course of the certification process, an external auditor accredited according to the respective standard (DGNB, LEED) accompanies the entire planning and construction process and ensures the implementation of the agreed sustainability criteria. The sustainability goals of the project are recorded in a pre-certificate based on the building design. Their implementation is checked by the certifier after completion of the building and is confirmed with the issuance of the final certificate.

Sustainable Procurement & Supply Chain

 CA Immo's procurement process ensures that the high ecological requirements are met in accordance with the certification standard provided for the projected building in each case (see above). All contractors (suppliers) are obliged to comply with the defined sustainability standards throughout the entire supply chain in the course of the award process.

Resource Conservation & Circular Economy

 In the course of its development projects CA Immo takes into account a wide range of and measures to conserve resources (design for circularity). Criteria such as responsible resource extraction, ease of deconstruction or the use of recycled materials are applied in many CA Immo project developments, insofar as this can be mapped in the context of the overall project.

The greatest possible flexibility and reversibility of use for a wide range of user requirements in terms of future office landscapes, conversion and repurposing are key requirements for every new new building, which are taken into account right from the planning phase. For example, the shell of the building is designed to be as future-proof as possible by keeping floor heights, depths and ceiling loads as neutral as possible in terms of use, and by taking into account occupancy reserves in the supply shafts. The aim is to enable a variety of flexible uses in the life cycle of the building and to avoid extensive conversion work in the course of the building's life cycle, including premature demolition.

Disposal logistics and recycling management for optimised waste separation are installed at all CA Immo construction sites. This includes daily waste collection, separation and disposal by external disposal logisticians. CA Immo's construction subsidiary omniCon is responsible for waste disposal logistics on construction sites in

¹⁾ www.dgnb-system.de/de/gebaeude/neubau/kriterien/

²⁾ www.usgbc.org/leed/why-leed

Germany, while the Development department is responsible for this at all other locations.

Sustainable urban district development: Brownfield development



Since taking over the German district developer Vivico Real Estate GmbH in 2008, CA Immo has been developing large inner-city sites that were previously derelict or used for industrial purposes into modern urban districts (brownfield development). As part of the revitalisation of these old (brownfield) sites, some of which have been used for industrial and commercial purposes for over 100 years and by Deutsche Bahn, specialists from CA Immo's construction subsidiary omniCon are implementing a wide range of measures to prepare and develop the land. This special brownfield development expertise of CA Immo covers the following environmental aspects of site preparation, among others:

- Technical site assessment: inventory of buildings, underground "old buildings", deconstruction
- Explosive ordnance risks and explosive ordnance clearance measurement
- Evaluation of contaminated site risks (soil, water, soil air); soil and groundwater remediation
- Evaluation of waste and disposal services
- Measures for the protection of biodiversity: nature conservation surveys of flora and fauna
- Species protection: relocation measures for protected animal species such as lizards, green toads and bats
- Creation of biotopes, green compensation areas
- Infrastructural development: construction of future public roads, paths, squares, playgrounds and parks.

EXAMPLE OF SUSTAINABLE PROJECT DEVELOPMENT: MISSISSIPPI HOUSE AND MISSOURI PARK, PRAGUE



KEY FACTS

- New construction of two Class A office buildings with a total of approx. 20,700 sqm of rentable area in a central Prague location on the banks of the Vltava River.
- Certification according to LEED Platinum and WELL Platinum is being sought.

SUSTAINABILITY ASPECTS

- The energy consumption of the buildings will be 50% below the Czech energy standard for new buildings.
- Re-development including remediation of an old site (brownfield development).
- On-site geothermal heat pumps and photovoltaics used as renewable energy sources.
- A high proportion of recycled building materials is used through the preparation and evaluation of a Life Cycle Assessment Report.
- Attractive landscaping design with spacious green areas and garden pavilions for working outdoors.
- Showers, bicycle parking and service station.
- Increased well-being at the workplace, e.g. through intelligent lighting control adapted to the human bio-rhythm (adjustment of intensity and colour temperature of lighting), display and monitoring of temperature and indoor air quality, biophilic design approach harmoniously combines nature and the workplace.

SOCIAL ENGAGEMENT

CA Immo also takes measures in the social sphere to set positive impulses and responsible standards within its sphere of influence. Our strategy focuses in particular on health & safety, employment & working conditions and the social aspects of a sustainable supply chain and urban district development. Other topics from our materiality analysis are also explained.

1. TENANTS AND SERVICE PROVIDERS

Health & Safety



Safe and health-promoting working conditions for occupiers and external service providers, both in ongoing building operations and in the course of construction projects, are a basic prerequisite for our corporate success. CA Immo stands for strict compliance with all legal requirements in the area of health and safety. Our aim is to prevent accidents resulting in sick leave in or around our buildings, in our own offices and on construction sites. In addition, our activities focus on maintaining the long-term performance and well-being at work of all occupiers.

In all **project developments** carried out throughout the Group, health and safety considerations are integrated both in the planning and construction phase and with regard to subsequent tenants/occupiers of the buildings. The safety and health protection coordinator (SiGeKo), who is already involved in the planning phase, coordinates all those involved in the construction work. This coordinator carries out regular safety inspections and intervenes immediately when hazardous conditions are identified. In addition, each contractor is required to appoint its own safety officer. The risk of the individual activities is assessed by the SiGeKo and appropriate precautions are defined and compliance is monitored on site. All safety measures are incorporated as an overall safety and health protection plan in the respective construction site regulations of the project, compliance with which is mandatory for all project participants.

In addition, CA Immo strives not only to comply with, but also to exceed all legal requirements relating to potential negative impacts on stakeholders (such as construction noise or increased particulate pollution) in all its project developments.

Health and safety assessments are also carried out in all buildings throughout the Group during ongoing **building operations**. All legal requirements, e.g. concerning electrical installations, elevator systems and fire protection measures, are complied with. The safety and functionality of technical building systems are regularly checked by means of expert inspections, maintenance and functional tests in order to prevent malfunctions and equipment failures. The frequency of these inspections is based at least on the national legal requirements. If deficiencies are identified, their rectification is initiated immediately. External facility managers are responsible for functional safety and compliance with fire protection regulations in the course of their work.

Tenant Comfort & Wellbeing

Workplace quality has a significant impact on the health, motivation and productivity of office occupants. That is why CA Immo considers the safety and health impacts of buildings as early as the planning, design and development phase of construction projects. A wide range of measures to promote the health and comfort of future tenants are implemented in the course of our project developments, such as a pleasant indoor climate, ideal acoustic, thermal and visual conditions, and the creation of spaces for social interaction, often with greened outdoor areas. In this respect, CA Immo relies on additional certification standards for selected buildings. The **WELL building standard** specifies measures to promote health and well-being in buildings in the categories of air, water light movement, thermal comfort, nutrition, noise, materials, spirit and community (wellcertified.com). Currently, one CA Immo office building in Prague holds a gold WELL Core and Shell certification. Further projects, such as the Mississippi House and Missouri Park office buildings that CA Immo is currently developing in Prague, are earmarked for WELL certification.

Covid-19

In 2020, compliance with all additional safety precautions prescribed in the context of the Covid-19 pandemic was continuously monitored and ensured in our buildings and on the construction sites. No delays were recorded at CA Immo construction sites as a result of the pandemic, and all construction projects could be continued according to plan.

In order to ensure the safety of tenants and employees as best as possible and to be able to act quickly if necessary, CA Immo set up an international **Health & Safety Taskforce** at an early stage. Since the beginning of March 2020, this taskforce has been coordinating weekly on current developments and implementing appropriate recommendations for hygiene measures at regional level in the common areas of our buildings and in the own-used office spaces. A corresponding action plan was continuously revised in the course of 2020 and adapted to the current local infection situation and the guidelines of the national health authorities in the cities in which CA Immo is represented with investment buildings and own branch offices. Measures and internal rules of conduct for several scenarios and escalation levels were included to ensure a safe environment for all building users at all times. Based on this, the following protective measures, among others, were implemented in the **common areas of CA Immo buildings**:

- Increased cleaning frequency (several times a day) and disinfection
- Provision of disinfectant at the building reception desk, including instructions on hand disinfection
- Posting of distance rules for elevator use and recommendation for use of stairwells
- Mandatory use of mouth-nose protection in all common areas
- Change of filter type and/or regular replacement of air conditioning filters
- Increasing air circulation (e.g. by extending the operating hours of ventilation units) and deactivating recirculation mode, as well as intensifying air humidification in the buildings to reduce the viral load in the indoor air (as far as corresponding technical requirements are available)
- Permanent operation of exhaust air systems in toilets
- Partial closure of showers in the common areas.

All operating personnel received specific training on the new operating procedures and Covid-19 prevention measures. This also included employee behaviour in the event of a confirmed or possible presence of a person infected with Covid-19.

Tenant Relations & Retention

CA Immo has had local teams on the ground in its core cities for many years, taking care of active tenant support and retention as well as the efficient management and maintenance of our buildings. Our experts are well acquainted with the respective market conditions, the nature and possibilities of our regional portfolio buildings, and the individual needs of our tenants. Ongoing interaction with our tenants, combined with our strong regional and international portfolio presence, enables us to offer tailored solutions for a wide range of tenant needs. High building quality, good inner-city locations, a reliable track record in project development for our own portfolio (built to suit) and our continuity as a long-term portfolio holder offer our tenants stability and security.

Sustainable procurement & Supply Chain



CA Immo screens business partners – in particular construction companies – as part of the award process not only with regard to their professional qualifications and economic situation, but also with regard to social aspects. In the case of construction services, CA Immo obliges and checks its contractors and supply chain partners for compliance with statutory regulations on occupational health and safety, workplace and working time regulations and collective agreements. In addition to the economic evaluation of bids, compliance with social and environmental standards is requested from potential contractors and taken into account in award processes. Details on these standards and the associated control mechanisms can be found in the CA Immo Procurement policy at <https://www.caimmo.com/en/investor-relations/corporate-governance/our-values/>.

2. EMPLOYEES

Our employees are our most valuable resource; their expertise and commitment are crucial to our success. CA Immo values a corporate culture that is characterised by pride, trust and self-determined work. As an employer, we want to create the best possible conditions for our employees to develop their potential, strengths and competencies to the full. We offer safe and attractive working environments, a wide range of international development opportunities and careful, forward-looking personnel development with the aim of offering our employees what our office properties stand for: a "place where people love to work".

Employment & Working Conditions

The number of staff employed by CA Immo across the Group as of December 31, 2020 was 437¹⁾ (31.12.2019: 414²⁾. Germany is CA Immo's most employee-intensive core market, accounting for around 52% of the workforce, followed by CEE (24%) and Austria (18%). The remaining 6% is accounted for by employees of the 100% construction subsidiary omniCon branch in Basel. Of the total of 252 employees in Germany, 119 (2019: 106) were employed by omniCon as of the reporting date (of which 25 were employed by the omniCon branch in Basel). As an employer, CA Immo has been locally anchored in its

markets for many years and employs almost exclusively local staff in its international branches.

In principle, CA Immo employs staff on full-time, permanent contracts. CA Immo supports the **work-life-balance and compatibility of career and family** at different stages of employees' lives by offering flexible working hours and part-time models, work-from-home arrangements, individual parental leave models and paternity leave. Employees on leave are integrated into the internal information network and have the opportunity to participate in annual team meetings and company events. In addition, a large number of employee-related regulations were defined in cooperation with the Austrian Works Council within the framework of company agreements.

In 2020, CA Immo once again conducted a Group-wide analysis of **employee satisfaction** in cooperation with Great Place to Work (GPTW). Compared to the last GPTW survey conducted in 2016, the satisfaction rate stood nearly unchanged at 86% (2016: 85%). The survey is standardised and assesses satisfaction dimensions such as pride, fairness, respect, camaraderie and credibility. The employees who took part in the survey (76% of total employees) were particularly positive about factors such as teamwork, working environment, portfolio, reputation, focus on sustainability and stability.

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP ¹⁾

Headcount	Number of employees				Share of women 31.12.2020 in %	Joining / Leaving 2020	New hires ²⁾ 2020 in %	Turnover ³⁾ 2020 in %
	31.12.2019	31.12.2020	Change in %	2020 Ø				
Austria	80	80	0	80	63	12/11	15	14
Germany/Switzerland ⁴⁾	233	252	8	244	38	45/23	18	9
CEE	101	105	4	102	72	11/5	11	8
Total	414	437	6	426	51	68/39	16	9

¹⁾ Headcounts. Thereof around 11% part-time staff, incl. 26 employees on unpaid leave; excl. 22 employees of joint venture companies.

²⁾ New hires: Joiners 2020 / average number of employees in 2020 (Headcount)

³⁾ Turnover: Leavers 2020 / average number of employees in 2020 (Headcount);

⁴⁾ At the end of 2020, 25 local employees were employed at the Basel branch of CA Immo's wholly owned construction subsidiary omniCon, which was established in 2014.

¹⁾ Of which around 11% part-time employees (PTE); incl. 26 employees on unpaid leave

²⁾ Of which around 11% are PTE; including 23 employees on unpaid leave

Regular **internal communication** and a trusting and constructive exchange between the Supervisory Board, management and employees are important to us. Relevant information is passed on to all employees in a comprehensive and timely manner via various channels, including physical or virtual CEO info meetings, info mails, management meetings and team jour fixes. The **Works Council**, which is based at the Vienna headquarters, cooperates closely with the HR department. Corresponding coordination meetings are held every 14 days. The Management Board and the Works Council meet on a quarterly basis to discuss company developments and relevant employee issues. Four employee representatives from the Austrian Works Council sit on the Supervisory Board of CA Immo. Their activities **enable co-determination on the Supervisory Board**, including the right to have a say in far-reaching corporate decisions.

CA Immo offers employees a range of voluntary social benefits, independent of the working time model: Meal vouchers or food subsidy, Bahn-card 25 or 50, job tickets, further training support, kindergarten allowance, group health insurance, group accident insurance, job-related allowances and company pension scheme (pension fund). In addition to the fixed salary, all employees can participate in the company's success in the form of a variable profit-sharing bonus. This is linked to the achievement of budgeted annual targets and a positive Group result.

Talent Management & Human Resources Development

As part of its strategic training and development program (CA Immo Academy), CA Immo provides its employees with a wide range of regular internal and external training and development opportunities. It also supports the professional development of its employees with training days, flexible working hours and financial assistance for the completion of (dual) studies. Further information on the subject of training and further education can also be found at www.caimmo.com/en/careers/.

Every CA Immo employee holds an **appraisal interview** with his or her manager at least once a year to assess performance, define goals and develop his or her personal career. Individual training plans and goals can be defined in line with both the individual development potential of employees and the company's need for expertise and qualifications. In 2020, 99% of employees had an annual appraisal, with the remaining 1% being accounted for by employees who joined in the fourth quarter of 2020.

AVERAGE ABSENCES FROM WORK BY REGIONS

in days		Vacation	Illness	Qualification	
				in hours	in days
Austria ¹⁾	Women	15.2	6.7	31.1	3.9
	Men	32.2	3.0	22.4	2.8
Germany ²⁾	Women	27.8	6.1	8.0	1.0
	Men	28.3	5.0	8.3	1.0
CEE ³⁾	Women	18.0	0.4	6.3	0.8
	Men	19.8	1.9	7.4	0.9

¹⁾ Excludes one long-term sick leave case (LTSL). Including these LTSL, the average of sick leaves of women in Austria would be 7.6 days.

²⁾ Excludes six long-term sick leave cases (LTSL). Including these LTSL, the average of sick leaves of women in Germany would be 7.3 days and of men 8.4 days

³⁾ Excludes one long-term sick leave case (LTSL). Including these LTSL, the average of sick leaves of men in CEE would be 2.2 days.

PERSONNEL DISTRIBUTION BY AGE AND CATEGORIES (TOTAL: 437 EMPLOYEES) ¹⁾

in %			
Employees (371)²⁾	≤ 28 years	29-48 years	≥ 49 years
Female	6%	40%	9%
Male	4%	26%	15%
Total	10%	66%	24%
Managers (63)³⁾	≤ 28 years	29-48 years	≥ 49 years
Female	0%	25%	6%
Male	0%	40%	29%
Total	0%	65%	35%
Management Board (3)	≤ 28 years	29-48 years	≥ 49 years
Female	0%	0%	0%
Male	0%	33%	67%
Total	0%	33%	67%
Total employees (437)	38	286	113

¹⁾ Excl. 22 employees of joint venture companies. The percentages relate to the number of employees in the respective category

²⁾ Of which 1% with disabilities

³⁾ Managers were defined as follows: Group manager, Managing Director, Head of department, head of division, team leader.

Health and safety at work



Two occupational accidents were recorded in the 2020 reporting year. The resulting absences did not exceed one month in each case. No other significant work-related injuries, illnesses or days lost by CA Immo employees were reported in 2020. Safety and health plans are drawn up at all CA Immo construction sites; the company's own employees received regular safety briefings at the sites (see also the section Tenants & Service Providers, Health & Safety).

External safety specialists carry out regular rounds and checks in all own-used CA Immo offices. The frequency of these inspections is based on national legal requirements and ranges from four times to once a year. The main topics include workplace evaluation, fire protection, indoor climate factors and alone work/alone workplace. No identifiable technical safety deficiencies and resulting acute hazards or risks to employees were identified at any CA Immo site in 2020.

In order to protect the physical and mental health of employees in the long term, CA Immo offers the following measures and incentives as part of its **occupational health care programme**:

- Ongoing physical and virtual (digital) informations on health-promoting work (place) design.
- Regular voluntary first aid courses
- Lectures by medical professionals on health promotion and stress prevention/management
- Annual voluntary free tick and flu vaccinations

Covid-19

In addition to the security measures in the common areas of our buildings as listed in the "Tenants & Service Providers" section, the following Covid-19 protection measures are also implemented in the own-used CA Immo offices:

- Provision of mouth-nose protection at the reception
- Mandatory use of mouth-nose protection in all general building and office areas (except at own workplace)
- Reducing courier deliveries, including private packages, to a minimum.

A special catalogue of measures to create a safe working environment for CA Immo employees in all office premises used by the company itself has been continuously adapted and communicated internally. For example, due to the Covid-19 pandemic, an extended work-from-home

regulation has been in force for all CA Immo employees since March 13, 2020. In May, the CA Immo branches were gradually opened with voluntary office presence, a maximum of 50% office occupancy and mandatory masking in all shared office areas. Until further notice, business trips and presence meetings will only be held in exceptional cases.

CA Immo did not take advantage of any short-time work or other government subsidies related to the pandemic during 2020. Thanks to early investment in modern IT equipment (e.g. laptops for all employees) and conversion to digital processes, all employees were able to continue working largely undisturbed in their home offices or office workplaces while complying with Group-wide security precautions. Accompanying training for managers on adapting the management culture and tools to the changed conditions, as well as a virtual conference system available throughout the Group, enabled unrestricted productivity and collaboration even in times of 100% work-from-home.

Further information on health and safety for employees can be found in our CSR Policy at <https://www.caimmo.com/en/investor-relations/corporate-governance/our-values/>

For information on **diversity, equality, inclusion and employee rights**, please refer to the Corporate Governance Report. Additional employee-related data can be found in the ESG Appendix.

Outlook 2021

CA Immo continued to increase its headcount in 2020. In line with the company's expansionary development, staff growth is expected to continue in the coming years. The aim for the coming years is to further improve employee satisfaction, to develop human resources in line with the rapidly changing general conditions and to clearly position the CA Immo employer brand to support international recruiting.

3. SUSTAINABLE URBAN DISTRICT DEVELOPMENT



As an international investor, owner of inner-city office buildings and urban district developer, CA Immo also has an impact on the social environment in its core cities. Our goal is to create urban districts in which people will enjoy living tomorrow just as much as they do today: attractive, mixed-use districts with good public transport links that combine working, living, social and cultural facilities and thus enable people to live within a short distance of each other.

In the course of its urban district developments, CA Immo ensures efficient inner-city land use while maintaining a high quality of stay by creating (play and sports) squares, parks, schools, daycare centers, local amenities, public roads and (bicycle) paths. By specialising in the revitalisation of brownfield sites, CA Immo opens up places that were previously inaccessible or only accessible to a small number of people, mostly due to former industrial use, to all city dwellers as places to work

or live, green spaces, meeting places, recreation and local amenities. 19 CA Immo portfolio buildings or 24% of the total investment portfolio (by area) are located in urban districts that have been appropriately developed, upgraded and opened up to the public by CA Immo.

Procurement of building rights for residential development

In the course of its urban district development projects, CA Immo has procured building rights for more than one million sqm of gross floor space of residential construction in Frankfurt, Munich, Regensburg, Mainz, Berlin and Vienna over the past two decades. This corresponds to more than 12,000 residential units. Around 3,300 residential units were developed by CA Immo itself, in many cases with joint venture partners. Further extensive land reserves for urban residential quarters in Munich are currently in various stages of land preparation and zoning (see the chart below on the Munich urban district Eggarten-Siedlung).

EXAMPLE OF SUSTAINABLE URBAN DISTRICT DEVELOPMENT: EGGARTEN-SIEDLUNG, MUNICH



Urban planning and landscape architecture competition 2020: 1st price (copyright): Studio Wessendorf, Berlin, with Atelier Loidl Landscape Architects, Berlin

KEY FACTS

- Development of a sustainable model quarter for cooperative residential construction, climate protection, mobility and energy.
- Completion of the urban planning and landscape architecture competition in 2020.

SUSTAINABILITY ASPECTS

- The structural concept envisages the development of 1,750 to 2,000 apartments.
- Up to 50% of the apartments will be constructed by cooperative or non-profit housing companies – biggest cooperative residential district in Munich since the Second World War.
- School, daycare centres, local amenities, playgrounds, cycle paths, sports grounds and social facilities to promote neighbourliness.
- Green, diverse neighbourhood thanks to small, tree-covered squares.
- Climate-friendly energy supply with a high share of renewable energy, green architecture and optimal energy standards in buildings to minimise greenhouse gas emissions and create a healthy urban climate.
- Promoting the switch from car to public transport, walking and cycling through new mobility and sharing offers.
- Largely car-free neighbourhood and high quality of stay through three parking garages on the outskirts of the district.
- Development and revitalisation of the site.
- Early information and involvement of all stakeholder groups in the planning process (www.eggarten-siedlung.de).

4. COMMUNITY ENGAGEMENT

Cultural and social sponsoring

In the course of developing inner-city districts and converting former industrial sites, CA Immo has for many years made space and buildings available free of charge or at low cost for interim cultural use. One example of this is the Rieck Halls, which are used as exhibition space, and the Hamburger Bahnhof property at Berlin's main train station.

CA Immo also promotes selected charitable institutions, hospitals and schools in their core cities. In 2020, for example, we supported the construction of a Covid-19 hospital in Bucharest and the delivery of appropriate protective equipment to hospitals; in Budapest, CA Immo provided funds to equip socially disadvantaged children with laptops for home schooling. In total, CA Immo donated around € 91,100 to social and medical institutions in 2020.

Corporate volunteering

CA Immo promotes the commitment of its employees to the common good. In accordance with a new policy drawn up in 2020, all CA Immo employees have the opportunity to spend up to two working days a year actively working for the common good.

BUSINESS ETHICS, CORPORATE GOVERNANCE & COMPLIANCE



CA Immo wants to make an active contribution to a sustainable economy with integrity within its sphere of influence. This commitment requires the involvement of many, both our own employees and external partners. Through targeted information and clear standards and guidelines, we aim to raise awareness among our employees and contractors of the issues we consider relevant and to encourage or oblige them to support our principles and initiatives. All information on corporate governance, compliance, anti-corruption and human rights can be found in the Corporate Governance Report. Relevant policies are available on our Group website at caimmo.com/sustainability, including:

- Code of Ethics & Code of Conduct
- Gifts and Donations Policy
- CSR Policy
- Procurement Policy

ESG APPENDIX

MATERIAL NON-FINANCIAL PERFORMANCE INDICATORS UNDER SECTION 267 PARA. 2 UGB (NADIVEG).

	CA Immo Focus areas	EPRA-Indicators
Environmental issues	Climate & Energy, Resource Conservation & Circular Economy, Sustainable procurement & Supply chain, Sustainable urban district development	Elec-Abs, Elec-LFL, DH&C-Abs, DH&C-LFL, Fuels-Abs, Fuels-LFL, Energy-Int, GHG-Dir-Abs, GHG-Indir-Abs2, GHG-Indir-Abs3, GHG-Int, Water-Abs, Water-LFL, Water-Int, Waste-Abs, Waste-LFL, Cert-Tot
Employee issues	Health & Safety, Sustainable procurement & Supply chain	Diversity-Emp, Diversity-Pay, Emp-Dev, Emp-Turnover, H&S-Emp, Emp-Training, H&S-Asset, H&S-Comp, Comty-Eng
Social issues	Health and safety, Sustainable procurement / supply chain	Gov-Board, Gov-Select, Gov-CoI
Respect for human rights	Business Ethics, Corporate Governance & Compliance	
Combating corruption and bribery	Business Ethics, Corporate Governance & Compliance	

REPORTING ACCORDING TO THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

	Topics	Chapter
Governance	The Board's monitoring of climate-related risks and opportunities	Corporate Governance Report
	Management's role in assessing and managing climate-related risks and opportunities	Corporate Governance Report
	Short-, mid- and long-term climate-related risks and opportunities the organisation has identified	ESG report
Strategy	Impact from risks and opportunities on the organisation's operations, strategy and financial planning	ESG report
	Preparation of the organisation's strategy in consideration of various climate-related scenarios	ESG report
Risk Management	The organisation's process for identifying climate-related risks	ESG report
	The organisations' processes for managing climate-related risks	ESG report
	Integration of the above processes in the organisations general risk management	ESG report
Indicators and goals	The organisations indicators for evaluating climate-related risks and opportunities	ESG Appendix
	Carbon emissions of Scope 1, 2 and 3 under the Greenhouse Gas Protocol and associated risks	ESG Appendix, ESG report
	Goals for managing climate-related risks and opportunities	ESG report

EPRA SUSTAINABILITY PERFORMANCE MEASURES

We report on our environmental, social and governance engagement in accordance with the EPRA Sustainability Best Practice Recommendations 3rd Edition (sBPR). We address the EPRA sBPR across three sections:

- Overarching recommendations (see this and next page)
- Sustainability performance indicators
- Narrative on performance (see ESG and Corporate Governance Report)

5. OVERARCHING RECOMMENDATIONS ACC. TO EPRA

Organisational boundaries

For our data boundary, we take an operational control approach. All key figures stated in the course of ESG reporting refer to CA Immobilien Anlagen AG and all fully consolidated subsidiaries in the respective reporting period or reporting date (unless otherwise stated). Consequently, reporting includes exclusively portfolio properties that were in operation and fully-owned by CA Immo throughout the year under review. Properties that were acquired, sold or completed in the reporting period (financial year) and thus were not part of our investment portfolio for the entire period were not included (this concerns three buildings in 2019).

Coverage

We seek to report on all properties within the organisational boundaries defined above, and for which we are responsible for utilities consumption. This includes properties which are:

- allocated to the office asset class (main type of use)
- multi-tenant buildings (as in single-tenant buildings the procurement of energy, water and waste disposal is usually organised directly by the tenant)
- single-tenant buildings for which an adequate database on energy consumption is available.

Office properties form the core segment of CA Immo; as at the reporting date, office properties accounted for 90% of the total portfolio, the rest was accounted for by hotels (6%) and other types of use (4%). Hotels are single-tenant buildings for which we do not have consumption data and are therefore outside the reporting boundary.

In order to be able to provide a comprehensive data collection for the total energy consumption of our buildings,

we seek to obtain tenant consumption data (tenant electricity purchased directly by the tenant) from both all single-tenant buildings and multi-tenant buildings. In some cases, such a presentation would require estimating consumption to a level that would not allow for a meaningful analysis at this time. Thus, for the 2019 financial year, we have excluded three office buildings that are fully let to a single tenant (single-tenant buildings) from the data collection; four single-tenant buildings were recorded and integrated into the consumption data analysis due to the sufficient availability of data.

The table "CO₂ footprint and consumption data of the office portfolio 2018/2019" includes the consumption data of 56 existing buildings (including utility consumption for seven CA Immo owner-occupied offices located in CA Immo buildings). In total, 76% of the entire CA Immo investment portfolio (by gross lettable area) was included in the consumption data analysis in the 2019 business year. The consumption figures for the three offices used by CA Immo itself that are not located in CA Immo buildings are shown separately.

Reporting period

The reporting on the consumption data of our investment portfolio refers to the calendar year that ended on 31 December 2019, as the consumption data of our buildings for 2020 was only available for about 50% of the buildings (in terms of rental space) by the editorial deadline of the report. The rest of the sustainability reporting refers to the reporting date 31 December 2020, unless otherwise stated.

Extrapolation methodology for 2020 consumption data

Consumption data for the calendar year 2020 was only available for about 50% of the properties (in terms of rental space) by the editorial deadline for this report. In order to nevertheless be able to give an indication of consumption in 2020 (as stated in the ESG Report, we extrapolated selective consumption data on the basis of the 2019 consumption values, taking into account change factors. For this purpose, the percentage change in the existing consumption data from 2019 to 2020 was determined for each type of energy (electricity, district heating, natural gas) and region (Germany, Austria & CEE) and multiplied by the total consumption values for 2019. Both the changes in consumption due to weather conditions and the reduced occupancy of office space due to the pandemic were taken into account. The EPRA tables in the ESG Appendix show the full 2018 and 2019 consumption data only.

Scope of reporting

In reporting on the consumption data of our existing portfolio, we follow the scope definition of the Greenhouse Gas Protocol. This only includes resources that we procure as a landlord to supply the common areas and provide shared services (heating, cooling), Scope 1 and 2:

- Scope 1: Direct emissions from the combustion of energy sources procured directly by CA Immo (natural gas)
- Scope 2: Indirect emissions from the provision of energy sources procured by CA Immo outside CA Immo properties (electricity and district heating)
- Scope 3: Indirect emissions generated within the CA Immo value chain. This includes energy volumes procured directly by tenants or procured by CA Immo for direct onward transmission to its tenants (submetering).

Portfolio GHG emissions have been calculated using 2018 and 2019 location-based conversion factors provided by the IEA (for electricity) and the DEFRA (district heating and fuels).

Estimation of landlord-obtained utility consumption

Total energy consumption is based on invoices and meter readings where applicable. Water consumption is also based on invoices. No estimates were made for water and energy data (electricity, gas, district heating & cooling), this is applicable to absolute and like-for-like measures. In some cases, we have converted waste data indicated in volumetric units. For this we have used density conversion factors developed by the UK Environment Agency.

Boundaries – Reporting on landlord and tenant consumption

Where possible, the total consumption quantities (energy and water) of the properties were recorded. The total energy quantities include energy purchased by the landlord to supply the technical building equipment and common areas, energy purchased by the tenant, and energy purchased by the landlord, which is passed on directly to the tenants and recorded and invoiced as part of submetering. All three components are reported separately. Water consumption is based on the entire building and therefore also includes tenant consumption. Waste data covers tenant and landlord waste as CA Immo is responsible for waste contracts.

Analysis – Normalisation

Intensities Energy-Int (building energy intensity), GHG-Int (greenhouse gas emission intensity) and Water-Int (water intensity) were calculated using the gross lettable floor area (sqm, excluding garage parking spaces, including basement and storage area) as the denominator for whole buildings. We are aware of the potential mismatch between the consumption numerator and the denominator in the presentation of the overall building energy intensity indicator, where consumption of electricity in some properties relates only to the common areas and shared services provided by the landlord, while for other buildings data on tenant electricity is also available. For our own offices we report intensity performance indicators using the floor area we occupy in these buildings.

Analysis – Segment analysis

Segment analysis has been conducted on a geographical basis. The office portfolio includes properties in Germany, Austria and CEE (Czechia, Hungary, Poland, Romania, Serbia, Croatia and Slovakia).

Analysis – Like-for-like analysis

Like-for-like analysis includes all properties that were in continuous operation and part of the CA Immo portfolio in the last two full reporting years (operational control). To ensure meaningful comparability, the individual performance indicators only include properties for which consumption data is available from both years.

Key employee figures

Employee figures are reported on the basis of headcounts (HC) of all fully consolidated companies (including employees on unpaid leave and part-time employees, excluding students and interns). If a key figure was calculated with a different basis, this is explained in more detail in a footnote.

ENERGY, WATER CONSUMPTION AND CO₂ FOOTPRINT OF THE OFFICE PORTFOLIO 2018/2019

Indicator	EPRA	Boundaries	Unit of measure	Total Portfolio		
				2018 ⁶⁾	2019	% change
Electricity consumption	Elec-Abs	Total energy consumption from electricity	kWh	139,391,171	160,787,083	15.3%
		Landlord obtained, common areas/shared services		79,880,822	81,224,305	1.7%
		Landlord obtained, tenant areas (submetered)		51,077,470	60,214,306	17.9%
		Tenant obtained, tenant area		8,432,879	19,348,472	129.4%
		% from renewable sources		0%	0%	
Electricity consumption LFL	Elec-LFL	Total energy consumption from electricity	kWh	139,391,171	131,192,066	-5.9%
		Landlord obtained, common areas/shared services		79,880,822	71,611,015	-10.4%
		Landlord obtained, tenant areas (submetered)		51,077,470	53,415,697	4.6%
		Tenant obtained, tenant area		8,432,879	6,165,353	-26.9%
		% from renewable sources		0%	0%	
Energy consumption from district heating and cooling	DH&C-Abs	Whole building, landlord obtained	kWh/sqm	38,035,104	44,624,557	17.3%
		Whole building, tenant obtained		N/A	1,425,438	N/A
		% from renewable sources		0%	0%	
Energy consumption from district heating and cooling LFL	DH&C-LFL	Whole building	kWh/sqm	38,035,104	37,011,172	-2.7%
	Fuels-Abs	Whole building		58,150,897	63,022,091	8.4%
Energy consumption from fossil fuels		% from renewable sources		0%	0%	
Energy consumption from fossil fuels LFL	Fuels-LFL	Whole building		58,150,897	56,251,777	-3.3%
Building energy intensity	Energy-Int	Whole building	kWh/sqm	226	247	9.3%
Building energy intensity, landlord-obtained		Whole building, excl. electricity submetered to tenant areas (tenant electricity)		187	177	-5.5%
Direct GHG emission (total) Scope 1 ¹⁾	GHG-Dir-Abs	Whole building	kgCO ₂ e (location based) ¹⁾	10,697,439	11,586,611	8.3%
Indirect GHG emission (total) Scope 2 ¹⁾	GHG-Indir-Abs ²⁾	Whole building		38,580,517	37,828,213	-1.9%
Indirect GHG emission (total) Scope 3 ¹⁾	GHG-Indir-Abs ³⁾	Whole building		23,487,898	29,989,984	27.7%
Building GHG emissions intensity (Scope 1+2)	GHG-Int	Whole building, excl. electricity submetered to tenant areas (tenant electricity)	kgCO ₂ e/sqm	52.39	46.29	-11.6%
Total water consumption	Water-Abs	Whole building ⁴⁾	m ³ / sqm	547,792	587,224	7.2%
Water consumption LFL	Water-LFL	Whole building ⁴⁾		547,792	489,637	-10.6%
Building water consumption intensity	Water-Int	Whole building		0.57	0.54	-6.5%
Type and number of assets certified	Cert-Tot ⁵⁾		% of portfolio certified	79	81	2.53

¹⁾ For information on CO₂ conversion factors and scope definition, see ESG Appendix,

²⁾ GHG-Indir-Abs excludes emissions from consumption that is exclusively attributable to rental space, This is considered scope 3,

³⁾ Reported emissions are assigned to Scope 3, but these values by no means represent full Scope 3 emissions,

⁴⁾ Municipal supply

⁵⁾ Base: office properties;

⁶⁾ Due to changes in data collection and improvements in overall data quality, 2018 consumption data differs slightly from the data reported in the 2019 Annual Report.

No estimates were made for water and energy data (electricity, gas, district heating & cooling), neither for absolute nor like-for-like data. LFL: like-for-like

Germany	Austria	CEE	Germany	Austria	CEE
2018 ⁶⁾			2019		
13,193,134	9,456,052	116,741,986	21,546,998	11,949,447	127,290,638
6,301,408	7,914,899	65,664,515	5,270,429	8,877,544	67,076,332
-	-	51,077,470	-	-	60,214,306
6,891,726	1,541,153	-	16,276,569	3,071,903	-
0%	0%	0%	0%	0%	0%
13,193,134	9,456,052	116,741,986	9,769,059	9,569,285	111,853,722
6,301,408	7,914,899	65,664,515	5,270,429	7,902,562	58,438,025
-	-	51,077,470	-	-	53,415,697
6,891,726	1,541,153	-	4,498,630	1,666,723	-
8,404,881	7,118,590	22,511,633	8,853,922	7,274,604	28,496,031
N/A	N/A	N/A	1,425,438	-	-
0%	0%	0%	0%	0%	0%
8,404,881	7,118,590	22,511,633	8,853,922	6,736,494	21,420,756
4,507,880	3,926,979	49,716,038	4,708,384	4,326,723	53,986,984
0%	0%	0%	0%	0%	0%
4,507,880	3,926,979	49,716,038	4,708,384	3,329,311	48,214,082
145.61	154.97	293.78	190.17	154.29	279.77
116.40	143.32	214.37	114.09	134.16	199.46
829,270	722,407	9,145,762	865,636	795,468	9,925,507
4,104,964	2,513,771	31,961,782	3,410,850	2,560,021	31,857,342
2,766,339	229,632	20,491,927	6,143,030	442,661	23,404,293
29.89	24.46	63.91	25.91	21.98	55.72
46,305	50,589	450,899	56,113	54,263	476,848
46,305	50,589	450,899	51,421	50,938	387,278
0.26	0.38	0.70	0.29	0.36	0.64
80	19	89	71	33	96

WASTE GENERATED IN THE OFFICE PORTFOLIO 2018/2019

Indicator	EPRA code	Boundaries	Unit of measure	Total Portfolio		
				2018 ¹⁾	2019	% change
Total waste		Whole building	Tonnes	9,673	13,653	41.1
Weight of waste by disposal route (absolute)	Waste-Abs	Landfill with or without energy recovery	Tonnes	4,068	8,395	106.4
		Incineration with or without energy recovery		3,681	2,640	-28.3
		Reuse		-	79	N/A
		Recycling		1,614	2,286	41.7
		Materials Recovery Facility		193	232	20.2
		Compost		117	7	-94.0
		Other		-	12	N/A
		Total diverted		5,605	5,257	-6.2
Weight of waste by disposal route (%)	Waste-Abs	Landfill with or without energy recovery	% disposal route	42%	61%	-
		Incineration with or without energy recovery		38%	19%	
		Reuse		0%	1%	
		Recycling		17%	17%	
		Materials Recovery Facility		2%	2%	
		Compost		1%	0%	
		Other		0%	0%	
		Total diverted		58%	39%	
Total weight of waste like-for-like		Total building	Tonnes	9,673	12,053	24.6
Like-for-like weight of waste by disposal route (absolute)	Waste-LFL	Landfill with or without energy recovery	Tonnes	4,068	7,254	78.3
		Incineration with or without energy recovery		3,681	2,498	-32.1
		Reuse		-	79	N/A
		Recycling		1,614	1,987	23.1
		Materials Recovery Facility		193	219	13.47
		Compost		117	4	-96.3
		Other		-	12	N/A
		Total diverted		5,605	4,800	-14.4
Like-for-like weight of waste by disposal route (%)	Waste-LFL	Landfill with or without energy recovery	% disposal route	42%	60%	-
		Incineration with or without energy recovery		38%	21%	
		Reuse		0%	1%	
		Recycling		17%	16%	
		Materials Recovery Facility		2%	2%	
		Compost		1%	0%	
		Other		0%	0%	
		Total diverted		58%	40%	

¹⁾ Due to changes in data collection and improvements in overall data quality, 2018 consumption data differs slightly from the data reported in the 2019 Annual Report.

No estimates were made for waste data, neither absolute nor like-for-like. In some cases, we converted waste data reported in volumetric units. Density conversion factors developed by the UK Environment Agency were used.

	Germany	Austria	CEE	Germany	Austria	CEE
	2018 ¹⁾			2019		
	2,046	2,197	5,430	866	2,291	10,496
	-	2,122	1,946	0	2,166	6,229
	987	-	2,694	442	25	2,173
	-	-	-	68	-	12
	820	75	719	286	97	1,903
	149	-	44	54	2	176
	90	-	27	4	-	3
	-	-	-	12	-	0
	2,046	75	3,484	866	125	4,267
	0%	97%	36%	0%	95%	59%
	48%	0%	50%	51%	1%	21%
	0%	0%	0%	8%	0%	0%
	40%	3%	13%	33%	4%	18%
	7%	0%	1%	6%	0%	2%
	4%	0%	1%	0%	0%	0%
	0%	0%	0%	1%	0%	0%
	100%	3%	64%	100%	5%	41%
	2,046	2,197	5,430	866	2,109	9,078
	-	2,122	1,946	-	2,026	5,228
	987	-	2,694	442	-	2,056
	-	-	-	68	-	12
	820	75	719	286	83	1,618
	149	-	44	54	-	165
	90	-	27	4	-	0
	-	-	-	12	-	0
	2,046	75	3,484	866	83	3,850
	0%	97%	36%	0%	96%	58%
	48%	0%	50%	51%	0%	23%
	0%	0%	0%	8%	0%	0%
	40%	3%	13%	33%	4%	18%
	7%	0%	1%	6%	0%	2%
	4%	0%	1%	0%	0%	0%
	0%	0%	0%	1%	0%	0%
	100%	3%	64%	100%	4%	42%

ENERGY, WATER CONSUMPTION AND CO₂ FOOTPRINT OF OWN-USED OFFICES 2018/2019

Indicator	EPRA code	Unit of measure	2018 ¹⁾	2019	% change
Total electricity consumption ²⁾	Elec-Abs	kWh	244,058	140,019	-42.6%
Electricity consumption LFL	Elec-LFL		144,626	140,019	-3.2%
Total energy consumption from district heating and cooling ²⁾	DH&C-Abs		367,065	231,730	-36.9%
Consumption from district heating and cooling LFL	DH&C-LFL		194,980	231,730	18.8%
Total energy consumption from fossil fuels ³⁾	Fuels-Abs		-	-	-
Building energy intensity	Energy-Int	kWh/sqm	100	97	-3.1%
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	tCO ₂ e (location based)	-	-	-
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs		142	90	-36.5%
GHG emissions intensity of areas	GHG-Int	kgCO ₂ e/sqm	23.28	23.56	1.2%
Total water consumption ⁴⁾	Water-Abs	m ³	996	850	-14.7%
Water consumption LFL ⁴⁾	Water-LFL		574	850	48.0%
Building water consumption intensity	Water-Int	l/ sqm	163.64	222.39	35.9%
Type and number of assets certified	Cert-Tot	Type and number	2 (DGNB Gold)	2 (DGNB Gold)	0

¹⁾ Due to changes in data collection and improvements in overall data quality, 2018 consumption data differs slightly from the data reported in the 2019 Annual Report

²⁾ For the indicators total electricity consumption and energy consumption from district heating and cooling, the percentage from renewable sources is 0%

³⁾ There is no fuel consumption in any own used office

⁴⁾ Data relates to municipal supply

No estimates were made for water, waste and energy data (electricity, gas, district heating & cooling), neither for absolute nor for like-for-like data. LFL: like-for-like. The table contains data on three (2018: four) own-used offices not located in CA Immo buildings (CA Immo branches in Munich and Frankfurt – omniCon and CA Immo).

WASTE GENERATION IN OWN-USED OFFICES 2018/2019

Indicator	EPRA code	Boundaries	Unit of measure	2018 ¹⁾	2019	% change	Like-for-like		% change
							2018	2019	
Weight of waste by disposal route (absolute)	Waste-Abs	Total Waste	Tonnes	112.73	31.38	-72	31.38	31.38	0
		Landfill with or without energy recovery		81.35	0.00	-100	-	-	-
		Incineration with or without energy recovery		6.41	6.41	0	6.41	6.41	0
		Reuse		-	-	-	-	-	-
		Recycling		24.74	24.74	0	24.74	24.74	0
		Materials Recovery Facility		-	-	-	-	-	-
		Compost		-	-	-	-	-	-
		Other		0.23	0.23	0	0.23	0.23	0
	Total diverted	31.38	31.38	0	31.38	31.38	0		
Weight of waste by disposal route (%)	Waste-Abs	Landfill with or without energy recovery	% disposal route	72%	0%		-	-	
		Incineration with or without energy recovery		6%	20%		20%	20%	
		Reuse		-	-		-	-	
		Recycling		22%	79%	-	79%	79%	-
		Materials Recovery Facility		-	-		-	-	
		Compost		-	-		-	-	
		Other		-	1%		1%	1%	
				Total diverted	28%	100%		100%	100%

¹⁾ Due to changes in data collection and improvements in overall data quality, the 2018 consumption data differs slightly from the data reported in the 2019 Annual Report.

Waste data by weight was not available for Klaus-Mann-Platz 1 (CA Immo branch office in Munich)

COVERAGE OF THE CA IMMO OFFICE PORTFOLIO 2018/2019 ¹⁾

Indicator	EPRA	2018			2019		
		Area ²⁾	Number ³⁾	Coverage ⁴⁾	Area ²⁾	Number ³⁾	Coverage ⁴⁾
Total electricity consumption							
Total energy consumption from electricity	Elec-Abs	954,825 sqm	49 out of 49	100.00%	1,094,571 sqm	56 out of 56	100.00%
Landlord obtained, common areas/shared services		940,605 sqm	48 out of 48	100.00%	1,067,523 sqm	54 out of 54	100.00%
Landlord obtained, tenant area (submetered)		532,317 sqm	27 out of 31	85.48%	749,817 sqm	35 out of 35	100.00%
Tenant obtained consumption, tenant area		43,520 sqm	2 out of 18	13.97%	344,755 sqm	15 out of 21	75.83%
Electricity consumption LFL							
Total energy consumption from electricity	Elec-LFL	954,825 sqm	49 out of 49	100.00%	954,825 sqm	49 out of 49	100.00%
Landlord obtained, common areas/shared services		940,605 sqm	48 out of 48	100.00%	940,605 sqm	48 out of 48	100.00%
Landlord obtained, tenant area (submetered)		532,317 sqm	27 out of 31	85.48%	532,317 sqm	27 out of 31	85.48%
Tenant obtained consumption, tenant area		43,520 sqm	2 out of 18	13.97%	43,520 sqm	2 out of 18	13.97%
Energy consumption from district heating and cooling							
Landlord obtained, whole building	DH&C-Abs	470,632 sqm	24 out of 25	97.07%	524,694 sqm	27 out of 27	100.00%
Tenant obtained, whole building		N/A	N/A	N/A	27,048 sqm	2 out of 2	100.00%
Consumption from district heating and cooling LFL	DH&C-LFL	470,632 sqm	24 out of 25	97.07%	470,632 sqm	24 out of 25	97.07%
Energy consumption from fossil fuels							
Whole building	Fuels-Abs	469,973 sqm	24 out of 24	100.00%	574,964 sqm	28 out of 28	100.00%
Energy consumption from fossil fuels LFL	Fuels-LFL	469,973 sqm	24 out of 24	100.00%	469,973 sqm	24 out of 24	100.00%
Building energy intensity							
Building energy intensity landlord-obtained ⁵⁾	Energy-Int	954,825 sqm	49 out of 49	100.00%	1,094,571 sqm	56 out of 56	100.00%
		940,605 sqm	48 out of 48	100.00%	1,067,523 sqm	54 out of 54	100.00%
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	469,973 sqm	24 out of 24	100.00%	600,735 sqm	29 out of 29	100.00%
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	954,825 sqm	49 out of 49	100.00%	1,067,523 sqm	54 out of 54	100.00%
Indirect GHG emission (total) Scope 3	GHG-Indir-Abs	593,337 sqm	29 out of 49	62.14%	1,011,646 sqm	50 out of 56	92.42%
Building GHG emissions intensity (Scope 1+2)	GHG-Int ⁵⁾	940,605 sqm	48 out of 48	100.00%	1,067,523 sqm	54 out of 54	100.00%
Water consumption							
Water consumption	Water-Abs	954,825 sqm	49 out of 49	100.00%	1,094,571 sqm	56 out of 56	100.00%
Water consumption LFL	Water-LFL	954,825 sqm	49 out of 49	100.00%	954,825 sqm	49 out of 49	100.00%
Building water consumption intensity	Water-Int	954,825 sqm	49 out of 49	100.00%	1,094,571 sqm	56 out of 56	100.00%
Total waste							
Total waste		894,226 sqm	47 out of 49	95.14%	1,021,144 sqm	52 out of 56	93.29%
Weight of waste by disposal route (absolute and %)	Waste-Abs	894,226 sqm	47 out of 49	95.14%	1,021,144 sqm	52 out of 56	93.29%
Weight of waste by disposal route (abs. and %) LFL	Waste-LFL	894,226 sqm	47 out of 47	100.00%	894,226 sqm	47 out of 47	100.00%
Type and number of assets certified	Cert-Tot	803,540 sqm	40 out of 49	84.16%	888,942 sqm	44 out of 56	81.21

¹⁾ This table shows the lettable area, number of buildings and percentage coverage of the total building stock (according to the definition of the scope of the report) on which the respective consumption data are based)

²⁾ Lettable area of applicable properties

³⁾ Number of applicable properties

⁴⁾ Coverage of lettable area in %

⁵⁾ Total building, excluding tenant electricity,

LFL: like-for-like

COVERAGE OF THE CA IMMO OWN-USED OFFICES 2018/2019

Indicator	EPRA	2018		2019	
		Office space	Coverage	Office space	Coverage
Total electricity consumption	Elec-Abs	6,087 sqm	4 out of 4	3,820 sqm	3 out of 3
Like-for-like electricity consumption	Elec-LFL	3,820 sqm	3 out of 3	3,820 sqm	3 out of 3
Total energy consumption from district heating and cooling	DH&C-Abs	6,087 sqm	4 out of 4	3,820 sqm	3 out of 3
LFL consumption from district heating and cooling	DH&C-LFL	3,820 sqm	3 out of 3	3,820 sqm	3 out of 3
Total energy consumption from fossil fuels	Fuels-Abs ¹⁾	–	–	–	–
Building energy intensity	Energy-Int	6,087 sqm	4 out of 4	3,820 sqm	3 out of 3
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	N/A	N/A	N/A	N/A
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	6,087 sqm	4 out of 4	3,820 sqm	3 out of 3
Building GHG emissions intensity	GHG-Int	6,087 sqm	4 out of 4	3,820 sqm	3 out of 3
Total water consumption	Water-Abs	6,087 sqm	4 out of 4	3,820 sqm	3 out of 3
Like-for-like water consumption	Water-LFL	3,820 sqm	3 out of 3	3,820 sqm	3 out of 3
Building water consumption intensity	Water-Int	6,087 sqm	4 out of 4	3,820 sqm	3 out of 3
Weight of waste by disposal route (absolute and %)	Waste-Abs	5,102 sqm	3 out of 4	2,883 sqm	2 out of 3
Like-for-like Weight of waste by disposal route (absolute and %)	Waste-LFL	2,883 sqm	2 out of 2	2,883 sqm	2 out of 2
Type and number of assets certified	Cert-Tot	2,883 sqm	2 out of 4	2,883 sqm	2 out of 3

¹⁾ There is no energy consumption from fossil fuels in any of the own-used offices

CERTIFICATION OF THE ASSET PORTFOLIO – EPRA CERT-TOT¹⁾

Building Certification	2018	2019	2020
BREEAM - Excellent			
Coverage in sqm	90,393	150,333	80,990
Number of buildings	4	5	2
BREEAM - Very good			
Coverage in sqm	152,002	171,317	265,128
Number of buildings	8	10	14
BREEAM - Interim			
Coverage in sqm	0	0	78,029
Number of buildings	0	0	3
Leed - Platinum			
Coverage in sqm	77,155	144,728	144,723
Number of buildings	5	5	5
Leed - Gold			
Coverage in sqm	330,975	255,733	160,884
Number of buildings	13	13	8
DGNB - Platinum			
Coverage in sqm	48,335	85,418	85,755
Number of buildings	3	5	5
DGNB - Gold			
Coverage in sqm	104,680	81,413	81,413
Number of buildings	7	6	6

¹⁾ Basis: office properties, Gross leasable area (GLA) in sqm

SOCIAL UND GOVERNANCE PERFORMANCE MEASURES ACCORDING TO EPRA

Social	EPRA code	Chapter	Unit of measure / Definition	Coverage	31.12.2020
Gender diversity	Diversity-Emp	Corporate Governance Report	% of employees	Supervisory Board ¹⁾	67% Male 33% Female
				Executive Board	100% Male 0% Female
				Managers ²⁾	68% Male 32% Female
				Employees	45% Male 55% Female
Gender pay	Diversity-Pay ³⁾		Ratio in %	Supervisory Board	0
				Executive Board ⁴⁾	0
				Managers ²⁾	-2.1
				Employees	8.2
					2020
Performance appraisals	Emp-Dev	ESG Report	% of total workforce	All employees	99
New hires	Emp-Turnover		Total number		68
Turnover			Rate in % ⁵⁾		16
			Total number (Exits)		39
Injury rate ⁷⁾	H&S-Emp		Rate in % ⁶⁾	9.2	
			Rate in %	0%	
Lost day rate ⁸⁾			Rate in %	0%	
Absentee rate ⁹⁾			Rate in %	1.8%	
Fatalities ¹⁰⁾			Number	0	
Training and development	Emp-Training		Average hours of training per employee		Men: 9.9 Women: 12.4
Health and safety assessments	H&S-Asset	ESG Report	Percentage of buildings (by rentable area) inspected for health and safety issues (e.g. fire safety, water quality) ¹¹⁾	% of total investment portfolio (by sqm)	83% (DE: 58%, AT: 89%, CEE: 99%)
Health and safety compliance	H&S-Comp		All legal requirements are complied with, and any deficiencies identified are rectified immediately in all properties (100%)	Description	
Community engagement	Comty-Eng	ESG Report	Share of properties (by rentable area) located in urban district developed by CA Immo (Brownfield Development)	% of total investment portfolio	24% (DE: 58%, AT: 38%, CEE: 0%)
Governance					
Composition of the highest governance body	Gov-Board	Corporate Governance Report	Total number of Management Board	Management Board	3
			Total number of Supervisory Board (independent)	Supervisory Board	5
			Average tenure (years) of Supervisory Board ¹²⁾	Supervisory Board	5
			Supervisory Board members ¹³⁾ with competencies relating to environmental and social topics	Supervisory Board	5
Nominating and selecting the highest governance body	Gov-Select		Description	Supervisory Board and Management Board	
Process for managing conflicts of interest	Gov-CoI		Description		

¹⁾ Total Supervisory Board, incl. 8 shareholder and 4 employee representatives

²⁾ Managers include Group managers, Managing Directors of the regional offices, heads of departments, divisional heads, team leaders

³⁾ Difference in average total compensation (base salary and bonus) per employee category (function, level, country) of women and men in %

⁴⁾ The Management Board is 100% male, ⁵⁾ New hire rate: new hires 2020 / average employees 2020 (headcount) ⁶⁾ Staff turnover: staff leaving in 2020 / average employees in 2020 (headcount), ⁷⁾ Injury rate: number of injuries & occupational accidents / total hours worked by all employees, ⁸⁾ Lost day rate: Number of absence days due to injuries due to accidents at work / total working time of all employees in hours, ⁹⁾ Absentee rate: total number of absence days (illness) / total working time of all employees in days, ¹⁰⁾ Fatalities: Number of deaths due to occupational disease or accident, ¹¹⁾ In 2020, all multi-tenant office buildings (excluding new acquisitions in 2020) have been inspected for H&S. In single-tenant buildings (incl. hotels), the tenant is responsible for H&S assessments and inspections.

¹²⁾ General average appointment period, ¹³⁾ Independent / non-executive Supervisory Board Members.

INFORMATION ON CA IMMO EMPLOYEES

TYPES OF EMPLOYMENT AND WORK MODELS ¹⁾

Performance measures	Gender	Unit of measure	31.12.2019	31.12.2020
Employment				
Total employment	Female	HC	214.0	223.0
	Male	HC	200.0	214.0
	Total	HC	414.0	437.0
New hires	Female	HC	36.0	27.0
	Male	HC	38.0	41.0
	Total	HC	74.0	68.0
Leavings	Female	HC	21.0	13.0
	Male	HC	21.0	26.0
	Total	HC	42.0	39.0
Fluctuation	Female	HC	10%	6%
	Male	HC	11%	12%
	Total	HC	10%	9%
Employment contracts²⁾				
Full-time		HC	N/A	364
Part-time		HC	N/A	47
Unpaid leave		HC	N/A	26
Total		HC	N/A	437
Temporary employees		HC	0	0
All-in		HC	N/A	400
Health				
Occupational diseases		Number/year	0	0
Occupational accidents		Number/year	2	2
Education & training				
Number of employees trained		HC	414	437
Training time in hours		Hours/year	10,651	4,892
Social dialogue				
Number of collective agreements		Number	0	0
Bargaining agreements		Number	8	8
Number of meetings of the works council with the management board		Number/year	4	4

¹⁾ Excl. joint ventures; HC: Headcount.²⁾ This data was collected for the first time for business year 2020. It was not collected for business year 2019 (N/A).

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A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2020

€ K	Note	2020	2019
Rental income	2.2.	235,609	220,730
Operating costs charged to tenants	2.3.	53,260	51,757
Operating expenses	2.3.	-57,738	-55,327
Other expenses directly related to properties rented	2.3.	-21,466	-22,410
Net rental income		209,665	194,750
Other expenses directly related to properties under development	2.4.	-2,154	-3,157
Income from the sale of properties and construction works		43,335	12,344
Book value of properties sold incl. ancillary and construction costs		-35,387	-13,617
Result from trading and construction works	2.5.	7,949	-1,273
Result from the sale of investment properties	2.6.	43,930	15,650
Income from services rendered	2.7.	8,166	8,500
Indirect expenses	2.8.	-73,176	-43,464
Other operating income	2.9.	1,204	721
EBITDA		195,584	171,728
Depreciation and impairment of long-term assets		-4,662	-4,626
Changes in value of properties held for trading		-871	95
Depreciation and impairment/reversal	2.10.	-5,533	-4,531
Revaluation gain		352,110	491,752
Revaluation loss		-168,611	-28,985
Result from revaluation		183,499	462,767
Result from joint ventures	2.11.	1,898	3,729
Result of operations (EBIT)		375,448	633,693
Finance costs	2.12.	-42,311	-43,148
Other financial results	2.15.	-5,067	0
Foreign currency gains/losses	2.17.	2,385	-618
Result from derivatives	2.13.	21,429	-59,165
Result from financial investments	2.14.	-3,589	11,535
Result from associated companies	2.16.	0	-2,967
Financial result	2.17.	-27,154	-94,363
Net result before taxes (EBT)		348,295	539,330
Current income tax		-15,242	-19,967
Deferred taxes		-79,099	-126,060
Income tax expense	7.1.	-94,341	-146,026
Consolidated net income		253,953	393,303
thereof attributable to non-controlling interests		5	21
thereof attributable to the owners of the parent		253,948	393,282
Earnings per share in € (basic)	2.19.	€2.73	€4.23
Earnings per share in € (diluted)	2.19.	€2.34	€4.23

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2020

€ K	Note	2020	2019
Consolidated net income		253,953	393,303
Other comprehensive income			
Cash flow hedges - changes in fair value		-620	0
Foreign currency gains/losses		-111	-14
Income tax related to other comprehensive income		198	0
Other comprehensive income for the period (realised through profit or loss)	2.18.	-533	-14
Revaluation securities		0	19,441
Revaluation IAS 19		-80	-1,549
Income tax related to other comprehensive income		28	-726
Other comprehensive income for the period (not realised through profit or loss)	2.18.	-52	17,166
Other comprehensive income for the period	2.18.	-585	17,152
Comprehensive income for the period		253,368	410,455
thereof attributable to non-controlling interests		5	21
thereof attributable to the owners of the parent		253,363	410,434

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2020

€ K	Note	31.12.2020	31.12.2019
ASSETS			
Investment properties	3.1.	4,723,068	4,292,893
Investment properties under development	3.1.	791,136	817,107
Own used properties	3.2.	12,896	15,030
Office furniture and equipment	3.3.	7,531	7,768
Intangible assets	3.3.	2,998	5,169
Investments in joint ventures	3.4.	57,629	67,755
Other assets	3.6.	60,728	83,667
Deferred tax assets	7.1.	4,382	1,810
Long-term assets		5,660,368	5,291,199
Long-term assets as a % of total assets		83.0%	89.9%
Assets held for sale and relating to disposal groups	4.1.	37,092	0
Properties held for trading	4.2.	35,200	61,340
Receivables and other assets	4.3.	136,375	73,814
Current income tax receivables	7.2.	16,391	23,198
Cash and cash equivalents	4.5.	934,863	439,139
Short-term assets		1,159,921	597,491
Total assets		6,820,289	5,888,690
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		718,337	718,337
Capital reserves		791,372	791,372
Other reserves		-3,981	-3,396
Retained earnings		1,622,491	1,461,571
Attributable to the owners of the parent		3,128,218	2,967,884
Non-controlling interests		89	84
Shareholders' equity	5.1.	3,128,308	2,967,968
Shareholders' equity as a % of total assets		45.9%	50.4%
Provisions	6.1.	34,249	34,571
Interest-bearing liabilities	5.2.	2,622,161	1,850,864
Other liabilities	5.3.	113,503	129,561
Deferred tax liabilities	7.1.	536,317	473,010
Long-term liabilities		3,306,228	2,488,006
Current income tax liabilities	7.3.	14,464	22,867
Provisions	6.1.	117,409	109,297
Interest-bearing liabilities	5.2.	205,301	246,478
Other liabilities	5.3.	46,932	54,073
Liabilities relating to disposal groups	4.1.	1,647	0
Short-term liabilities		385,753	432,716
Total liabilities and shareholders' equity		6,820,289	5,888,690

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2020

€ K	2020	2019 restated
Operating activities		
Net result before taxes	348,295	539,330
Revaluation result incl. change in accrual and deferral of rental income	-187,422	-464,359
Depreciation and impairment/reversal	5,533	4,531
Result from the sale of long-term properties and office furniture and other equipment	-43,893	-15,624
Finance costs, other financial results and result from financial investments	50,968	31,612
Foreign currency gains/losses	-2,385	618
Result from derivatives	-21,429	59,165
Result from joint ventures and associated companies	-1,898	-762
Other non-cash expenses	25,475	0
Taxes paid excl. taxes for the sale of long-term properties and investments	-9,016	-19,494
Interest paid (excluding interest for financing activities)	-11,521	-484
Interest received (excluding interest from investing activities)	7,200	686
Cash flow from operations	159,906	135,220
Properties held for trading	26,417	-16,359
Receivables and other assets	9,419	5,824
Provisions	-8,980	-3,350
Other liabilities	-1,698	-3,706
Cash flow from change in net working capital	25,158	-17,591
Cash flow from operating activities	185,064	117,629
Investing activities		
Acquisition of and investment in long-term properties incl. prepayments	-321,283	-215,133
Acquisition of companies, less cash and cash equivalents of € 1,706 K (2019: € 0 K)	-132,169	-2,366
Acquisition of office equipment and intangible assets	-2,085	-2,714
Disposal of securities	0	133,985
Disposal of investment properties and other assets	-1,831	21,554
Disposal of investment property companies, less cash and cash equivalents of € 4,817 K (2019: € 1,007 K)	129,179	17,283
Disposal of at equity consolidated entities (including loans granted to these entities)	580	6,456
Loans made to joint ventures	-2,545	-2,450
Loan repayments made by joint ventures	0	2,100
Repayment of financial assets	0	9
Taxes paid relating to the sale of long-term properties and investments	-5,347	-20,347
Dividend distribution/capital repayment from at equity consolidated entities and other investments	7,369	26,961
Interest paid for capital expenditure in investment properties	-4,792	-5,504
Negative interest paid	-1,802	-861
Interest received from financial investments	64	1,163
Cash flow from investing activities	-334,663	-39,864
Financing activities		
Cash inflow from loans received	111,056	135,183
Cash inflow from the issuance of bonds	836,747	0
Cash outflow from the repurchase of bonds	-103,380	0
Costs paid for issuance of bonds	0	-70
Dividend payments to shareholders	-93,028	-83,725
Dividends to shareholders of non-controlling interests	0	-128
Repayment of loans incl. interest rate derivatives	-65,626	-30,203
Other interest paid	-35,669	-33,854
Cash flow from financing activities	650,101	-12,798
Net change in cash and cash equivalents	500,502	64,967
Fund of cash and cash equivalents 1.1.	439,391	374,519
Changes in the value of foreign currency	-1,325	-95
Changes due to classification of disposal group	-3,086	0
Fund of cash and cash equivalents 31.12.	935,482	439,391
Expected credit losses cash and cash equivalents	-619	-253
Cash and cash equivalents 31.12. (balance sheet)	934,863	439,139

The interest paid in 2020 (excluding negative interest on deposits) totalled € -51,982 K (2019: € -39,842 K). The income taxes paid in 2020 added up to € -14,363 K (2019: € -39,841 K).

Starting 2020, CA Immo Group presents the items “Interest paid (excluding interest for financing activities)” and “Interest received (excluding interest from investing activities)” separately in the cash flow from operations because they result in interest to/ from tax authorities. This also leads to a restatement of the comparative figures for 2019. Due to this adjustment, “Interest paid“ in the amount of € -484 K is no longer disclosed in the cash flow from financing activities but in the cash flow from operating activities for 2019. Furthermore, due to this adjustment, “Interest received” in the amount of € 686 K is no longer disclosed in the cash flow from investing activities but in the cash flow from operating activities for 2019.

The total lease payments in 2020 amount to € -5,016 K (2019: € -4,217 K).

Additional information for the cashflow statement is provided in note 9.1.

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 2020

€ K	Note	Share capital	Capital reserves - Others	Capital reserves - Treasury share reserve
As at 1.1.2019		718,337	885,607	-95,775
Foreign currency gains/losses	2.18.	0	0	0
Revaluation securities	2.18.	0	0	0
Revaluation IAS 19	2.18.	0	0	0
Consolidated net income		0	0	0
Comprehensive income for 2019		0	0	0
Dividend payments to shareholders	5.1.	0	0	0
Reclassification (other comprehensive income, not realised through profit or loss)		0	0	0
Subsequent change of acquisition costs for shares in non-controlling interests		0	1,540	0
As at 31.12.2019	5.1.	718,337	887,147	-95,775
As at 1.1.2020		718,337	887,147	-95,775
Cash flow hedges - changes in fair value	2.18.	0	0	0
Foreign currency gains/losses	2.18.	0	0	0
Revaluation IAS 19	2.18.	0	0	0
Consolidated net income		0	0	0
Comprehensive income for 2020		0	0	0
Dividend payments to shareholders	5.1.	0	0	0
As at 31.12.2020	5.1.	718,337	887,147	-95,775

Retained earnings	Valuation result (hedging - reserve)	Other reserves	Attributable to shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
1,118,663	0	12,804	2,639,635	62	2,639,697
0	0	-14	-14	0	-14
0	0	18,226	18,226	0	18,226
0	0	-1,060	-1,060	0	-1,060
393,282	0	0	393,282	21	393,303
393,282	0	17,152	410,434	21	410,455
-83,725	0	0	-83,725	0	-83,725
33,351	0	-33,351	0	0	0
0	0	0	1,540	1	1,541
1,461,571	0	-3,396	2,967,884	84	2,967,968
1,461,571	0	-3,396	2,967,884	84	2,967,968
0	-422	0	-422	0	-422
0	0	-111	-111	0	-111
0	0	-52	-52	0	-52
253,948	0	0	253,948	5	253,953
253,948	-422	-163	253,363	5	253,368
-93,028	0	0	-93,028	0	-93,028
1,622,491	-422	-3,559	3,128,218	89	3,128,308

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2020

CHAPTER 1: INFORMATION ABOUT THE COMPANY AND GENERAL NOTES

a) Information concerning the Company

CA Immobilien Anlagen Aktiengesellschaft and its subsidiaries constitute an international real estate group (the "CA Immo Group"). The parent company is CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG"), which has its head office at 1030 Vienna, Mechelgasse 1. CA Immo Group owns, develops and manages office, commercial, logistics and residential properties in Austria and Germany as well as in Eastern Europe. CA Immo AG is listed on the prime market segment of the Vienna Stock Exchange and is included in the ATX (Austrian Traded Index of leading companies).

b) Accounting principles

The consolidated financial statements of CA Immo AG were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and thereby fulfil the additional requirements of § 245a par. 1 of the Austrian Commercial Code (UGB). The consolidated financial statements are based on the acquisition cost method, with the exception of investment properties (including standing investments and properties under development), properties held for sale, securities, other investments, derivative financial instruments and provisions for cash-settled share-based payment plans, which are measured at fair value. The net item from pension obligations is presented as a provision, comprising the present value of the obligations less the fair value of the plan asset.

The consolidated financial statements are presented in thousands of Euros ("€ K"), rounded according to the commercial rounding method. The use of automatic data processing equipment may lead to rounding differences in the addition of rounded amounts and percentage rates.

c) Presentation and structuring of the group notes

The preparation and presentation of the financial statements require management to make relevant decisions regarding the choice of the accounting methods as well as the sequence and the relevance of the disclosures, taking into account the requirements of the users of the financial statements. CA Immo Group presents all items of the consolidated income statement and the consolidated statement of financial position together with information about main decisions, assumptions and estimations as well as the accounting policies for these items. This structure offers the users of the financial statements a clear overview of the information about the group figures and relating explanations and disclosures.

The following symbols indicate the different contents of the chapters:



Main decisions, assumptions and estimations



Accounting policies

The financial statements contain financial information prepared by taking into account materiality considerations. The materiality of the CA Immo Group is determined by quantitative and qualitative aspects. The quantitative aspects are evaluated by means of ratios to balance sheet total, performance indicators and/or main items of cash flow. The disclosures in the notes of the CA Immo Group are assessed at each end of the financial period, weighing the efficient preparation of the financial statements and the transparent presentation of the relevant information.

d) Scope of consolidation

The consolidated financial statements comprise the ultimate parent company CA Immo AG and the companies listed in Note 9.9.

Changes in scope

	Full consolidation	Joint ventures at equity
As at 1.1.2020	153	32
Acquisition of shares in companies	2	0
New establishment of companies	3	0
Disposal of companies due to liquidation or restructuring	-3	-1
Transition consolidation	3	-3
Sales of entities	-2	0
As at 31.12.2020	156	28
thereof foreign companies	139	25

Investments in unconsolidated structured entities

As at 31.12.2020, as in the previous year, there are no investments in unconsolidated structured entities.



Effective date of initial or deconsolidation

The consolidation of a subsidiary begins on the day on which the group gains control over the subsidiary. It ends when the group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary are recognized in the financial statements as of the date on which the group gains control of the subsidiary until the date the control ceases. CA Immo Group determines the date of the initial consolidation or deconsolidation taking into account efficiency and materiality considerations.



Consolidation

The control concept of IFRS 10 leads to the existence of joint ventures within CA Immo Group, which, due to contractual arrangements, despite a shareholding percentage higher than 50% are included in the consolidated financial statements using the at-equity method in line with IFRS 11.

e) Acquisitions and establishments of companies/company stakes

CA Immo Group acquired the following entities in 2020.

Company name/domicile	Interest held in %	Purpose	Purchase price in € K	Initial consolidation date
CA Immo P14 Sp.z.o.o.	100%	Property company	21,788	29.10.2020
Brandenburg Properties 7 B.V.	100%	Property company	51,686	30.12.2020
Total investments - Initial consolidation			73,474	
Skygarden Arnulfpark Verwaltungs GmbH (previously 50%)	50%	Property company	13	1.1.2020
Boulevard Süd 4 Verwaltungs GmbH (previously 50%)	50%	Property company	0	28.10.2020
Boulevard Süd 4 GmbH & Co.KG (previously 50%)	50%	Project company	0	28.10.2020
Total investments - Transition consolidation			13	
Total			73,487	



CA Immo Group determines at the time of acquisition of companies (legal entities) whether the acquisition represents a business or a group of assets and liabilities. The following indicators are used for the assessment of business units:

- the acquired entity comprises a number of properties
- the acquired entity conducts substantive processes, apart from owning and letting properties
- the entity employs personnel carrying out substantive processes.

In order to determine whether a transaction represents an acquisition of assets and liabilities or a business combination according to IFRS 3, CA Immo Group does not make use of the practical expedient (concentration test).

Initial consolidation

In 2020 CA Immo Group acquired the shares in two property companies (fair values amounted to € 143,020 K at date of initial consolidation) amounting to € 73,474 K. These transactions are acquisitions of assets and liabilities and not business combinations in accordance with IFRS 3.

Net assets acquired are presented below:

€ K	Total
Investment properties	143,020
Other assets	1,061
Cash and cash equivalents	1,412
Deferred taxes	2,173
Financial liabilities	-73,074
Provisions	-86
Other liabilities	-1,031
Net assets acquired	73,474

The outstanding purchase prices for the acquisitions made in 2020 amount to € 4,343 K (out of which acquisition related costs amount to € 3,718 K). In addition to the outstanding liability, there is also an outstanding receivable in the amount of € 1,492 K.

Newly established companies

For the foundation of companies, equity amounting to € 61 K was paid.

Transition consolidation

Following the acquisition of remaining stakes from former joint venture partners, CA Immo Group increased its shareholding from 50% to 100%. The investments were accounted for as shares in joint ventures under the equity method until the transition date, due to lack of control. Since the acquisition, the three companies are fully consolidated. These transactions are an acquisition of assets and liabilities and not a business combination in accordance with IFRS 3.

The purchase prices for the acquisition of shares amounted to € 13 K and was fully paid.

Net assets acquired are presented below:

€ K	Total
Other assets	82
Cash and cash equivalents	294
Provisions	-151
Other liabilities	-282
Receivables from/payables to affiliated companies	92
Net assets acquired	35
thereof decrease investments in joint ventures	-22

f) Disposals of companies/company stakes

CA Immo Group disposed of the following interests in entities in the business year 2020:

Company name/domicile	Interest held in %	Consolidation method before change in participation	Sales price € K	Deconsolidation date
CA Immo Berlin Lehrter Stadtquartier 9 GmbH	100	Full consolidation	89,598	30.6.2020
Europolis Zagrebtower d.o.o.	100	Full consolidation	32,593	30.9.2020
Total affiliated entities			122,191	

The outstanding sales prices in relation to sales made in 2020 amounted to € 1,179 K as at 31.12.2020. In addition to the outstanding above mentioned receivable, there is also an outstanding liability amounting to € 784 K.

The fully consolidated entities comprised the following net assets as of the date of the sale:

€ K	Total
Investment properties	-194,958
Other assets	-852
Cash and cash equivalents	-4,817
Deferred taxes	15,971
Provisions	6,091
Other liabilities	2,195
Financial liabilities	70,200
Receivables from/payables to affiliated companies	12,707
Net change	-93,465
thereof proportional net assets sold	-93,465

g) Consolidation methods

§ All companies under the control of the parent company are fully consolidated in the consolidated financial statements. A company is initially consolidated as of the time control is gained by the parent. Companies are deconsolidated when control ceases. All intra-group transactions between companies included in the scope of full consolidation, the related revenues and expenses, receivables and payables, as well as unrealised intra-group profits, are fully eliminated. Profit and loss amounts resulting from “upstream” and “downstream” transactions with joint ventures or associated companies are eliminated in accordance with the share of CA Immo Group in these companies (except for real estate properties measured at fair value).

If the company (legal entity) acquired is not a business, the acquisition is not a business combination according to IFRS 3. Correspondingly, the acquisition is only an acquisition of assets and liabilities, which are recognised with their proportional acquisition cost. The acquisition costs are allocated to the acquired assets (especially investment properties) and liabilities as well as the non-controlling interests, based on their relative fair value at the date of acquisition of the subsidiary.

If a business is acquired, the acquisition is classified as a business combination according to IFRS 3. In order to qualify as a business there must be at least one input factor (such as workforce, intellectual property or rights) and one substantive process (transformation of the input factors) that contributes significantly to the ability to generate output.

The subsidiary is consolidated for the first time using the acquisition method, by recognising its identifiable assets and liabilities at fair value as well as a goodwill and non-controlling interests, if applicable. The goodwill represents any amount by which the fair value of the transferred amount (usually the purchase price for the acquired business) and (if applicable) for the non-controlling interest, exceeds the fair value of the identifiable assets and liabilities, including any deferred taxes.

Non-controlling interests are initially recognized proportionally at fair value of the identifiable net assets of the entity acquired and subsequently measured according to the changes in shareholders' equity attributable to the non-controlling interests. Total comprehensive income is attributed to the non-controlling interests even if this results in a negative balance of non-controlling interests. According to the classification of interest as shareholders' equity or liabilities, the non-controlling interests are recognized within shareholders' equity respectively as other liabilities.

Acquisitions or sales of shares in a subsidiary that do not result in an establishment or loss of control are accounted for as equity transactions. The book values of the controlling and non-controlling interests are adjusted to reflect the changes in the respective interests in the subsidiary. Any difference between the amount by which the non-controlling

interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the parent company.

In case of a partial sale of shares in a subsidiary, previously fully consolidated, all assets and liabilities of the former subsidiary are excluded from the consolidated balance sheet, at the moment control is lost. As a result, the remaining shares are recognised as joint ventures, associated entities or financial instrument according to IFRS 9, with applicable fair value at the transition consolidation date through profit or loss.

If an acquisition of shares in an entity, previously accounted for as joint venture, associate or financial instrument according to IFRS 9, leads to control over that entity, then its assets and liabilities are recognized in the consolidated statement of financial position following the transitional consolidation and previously held investment is derecognized at their fair value through profit or loss.

Joint ventures

CA Immo Group enters into joint ventures with one or more partner companies in the course of establishing investment property or project development partnerships, whereby joint management of these ventures is established by contract. Interests in jointly managed companies are accounted for according to the equity method in the consolidated financial statements of CA Immo Group (AEJV – at equity joint ventures).

Associated companies

An associated company is an entity under significant influence of the Group that is neither a subsidiary nor an interest in a joint venture. The results, assets and liabilities of associated companies are included in the financial statements using the equity method of accounting (AEA – at equity associates).

Equity method

According to the equity method, investments in joint ventures and associates are initially recognised at the date of acquisition in the consolidated statement of financial position at cost, including directly attributable ancillary costs. The subsequent measurement is affected by any increase/decrease of this value, based on the group's share in profit or loss and the other comprehensive income (adjusted by interim gains and losses resulting from transactions with the group), dividends, contributions and other changes in the equity of the associated company, as well as by impairment.

Once the book value of the interest in an associated company has decreased to zero and possible long-term loans to the associated companies are impaired to zero as well, additional losses are recognised as a liability only to the extent that CA Immo Group has a legal or effective obligation to make further payments to the associated company.

h) Foreign currency translation

Transactions in foreign currencies

§ The individual group companies record foreign currency transactions at the exchange rate prevailing at the date of the relevant transaction. Monetary assets and liabilities in foreign currency existing at the reporting date are translated into the particular functional currency at the exchange rate prevailing at that date. Any resulting foreign currency gains or losses are recognised in the income statement of the relevant business year.

The currency translation of assets and liabilities is based on the following exchange rates:

		Bid	Sale	Bid	Sale
		31.12.2020	31.12.2020	31.12.2019	31.12.2019
Switzerland	CHF	1.0767	1.0895	1.0769	1.0897
USA	USD	1.2251	1.2351	1.1154	1.1254

The monetary assets and liabilities in foreign currency are converted at the exchange rate of the reporting date. The resulting foreign currency gains and losses are recorded in the respective financial year.

Translation of companies' individual financial statements denominated in foreign currencies

The group reporting currency is the Euro (EUR). Since the Euro is generally also the functional currency of those companies included in the consolidated financial statements that are domiciled outside the European Monetary Union in Eastern Europe, the financial statements prepared in a foreign currency are translated in accordance with the temporal method. Under this method, investment properties (including properties under development) as well as monetary assets and liabilities are translated at closing rates, whereas own used properties as well as other non-monetary assets are translated at historical exchange rates. Items in the income statement are translated at the average exchange rates of the relevant reporting period. Gains or losses resulting from the currency translation are recognised in the income statement.

Within CA Immo Group there were four subsidiaries in Hungary whose financial statements were set up in Euro until 31.12.2019. Starting 1.1.2020 the reporting currency was changed to Forint according to local requirements. For the consolidated financial statements no material impact occurred as a result of this change.

The functional currency of management companies in Eastern Europe is the respective local currency in each case. The amounts in the statements of financial position are translated at the exchange rate at the reporting date. Only shareholders' equity is translated at historical rates. Items of the income statement are translated at the average exchange rates of the relevant reporting period. Gains and losses arising from the application of the closing rate method are recognised in other comprehensive income.

Individual financial statements were translated on the basis of the following rates of exchange:

		Closing rate 31.12.2020	Average exchange rate 2020	Closing rate 31.12.2019	Average exchange rate 2019
Croatia	HRK	7.5369	7.5350	7.4426	7.4174
Poland	PLN	4.6148	4.4742	4.2585	4.3018
Romania	RON	4.8694	4.8428	4.7793	4.7517
Russia	RUB	not applicable	not applicable	not applicable	66.3889
Serbia	RSD	117.5802	117.5730	117.5928	117.8478
Czechia	CZK	26.2450	26.4963	25.4100	25.6589
Hungary	HUF	365.1300	354.1642	330.5200	326.0275

Determination of the functional currency

In determining the functional currency CA Immo Group differentiates basically between property entities and management entities.

Functional currency: property entities

In the real estate transaction market in the countries where CA Immo Group owns investment properties, the properties and property entities are usually purchased and sold in Euro due to the active international investors in those markets. In addition, CA Immo Group almost entirely concludes lease contracts in Euro, or, in case these contracts are not concluded in Euro, they are almost entirely indexed to the Euro exchange rate.

Hence, the Euro has the most influence on the sales price of goods (real estate sales) and services (rental services) offered by CA Immo. This fact is also stated in external valuation reports, as values are stated in Euro.

Moreover, CA Immo finances its property in Euro. The price of the most essential cost factor of a real estate company is therefore also determined in Euro.

In consideration of the above mentioned factors, the Euro is determined as the functional currency of CA Immo Group's property companies, which are included in the consolidated financial statements and located outside the territory of the European Monetary Union.

Functional currency: management entities

The invoicing of services (management services provided to the property companies by management companies) in Eastern Europe is carried out in the respective local currency. The prices are set in the respective local currency, which therefore have the most significant influence on the sales prices of the provided services. Furthermore, these companies also employ staff which is paid in the respective local currency. The prices for the key cost factors are therefore determined based on the respective local currency. Cash flow is generated mostly independently from the parent company.

In consideration of the above mentioned factors, the respective local currency is the functional currency of CA Immo's management companies, which are included in the consolidated financial statements and located outside the territory of the European Monetary Union.

i) Covid-19 pandemic – impact on CA Immo Group

Business year 2020 was significantly impacted by the Covid-19 pandemic effects as many countries imposed general lockdowns and travel restrictions. As a result, market activity was severely affected in many sectors starting in the second quarter of 2020.

The real estate sector is reporting significantly lower levels of transaction activity and liquidity. Hotels are closing and retailers are increasingly requesting rent deferrals or rent reductions given the significant sales losses. Some construction sites cannot function as planned. The short- and long-term economic impact of the Covid-19 pandemic on real estate markets remains highly uncertain. The longer the crisis lasts, the more complex the issues become.

Due to the pandemic and the associated economic slump, the real estate transaction market has significantly declined, with the exception of Germany. The volume of commercial property transactions registered in CA Immo's core markets was between 30% (Eastern Europe) and 50% (Austria) lower than the previous year. In Germany, the decline amounted to less than 6% in comparison with the record result of the previous year. Transactions were postponed or even cancelled due to difficulties in pricing and financing.

Except Vienna, where letting performance has remained stable so far and the effects are only expected in 2021, all CA Immo's core cities have seen a decline in demand for office space and/or an increase in vacancy rates due to the challenging conditions imposed by the pandemic and its economic impact. Now that both transaction and letting activities have significantly declined, extended marketing activities and long vacancy periods for unlet units are also expected in the future.

Given the current extraordinary market conditions – with increasing construction costs, supply and timing problems, fluctuating financing rates, uncertain marketing periods and a lack of comparative values – it is inevitable that a higher uncertainty factor will apply to project developments. Land values could therefore fluctuate much more than would be the case under normal circumstances. There were no delays on CA Immo Group's construction sites caused by the pandemic and all projects could be continued as scheduled.

In order to ensure the safety of tenants and employees and to be able to react quickly if required, CA Immo AG has appointed a Health and Safety Taskforce, which starting March 2020, reacts on the developments and establishes hygienic measures to be taken at regional level in the respective office spaces. An action plan was set up and is updated whenever necessary, based on the actual infection numbers and the Directives of the National Health System existing in each of the cities where CA Immo Group owns investment properties and subsidiaries. These also include measures and internal rules of conduct for multiple scenarios and escalation levels to ensure a safe environment for all building users at all times.

Due to the Covid-19 pandemic a Home-Office rule is in place for all employees. Offices of CA Immo Group subsidiaries are open with voluntary office attendance, maximum 50% attendance and mandatory mask wearing in all office spaces. Business trips and meetings are only to be made in exceptional cases.

Going Concern

The Covid-19 pandemic had no significant impact on the financial position, financial performance and cash flows of CA Immo Group as at 31.12.2020.

However, due to further/ or lack of legal measures, it cannot be ruled out that the pandemic could have negative effects on individual countries/ real estate properties or tenant groups (in particular offices, hotels, retail). Thus the effects of the Covid-19 pandemic on the future financial position of the CA Immo Group cannot be conclusively assessed and are continuously evaluated.

Financial Covenants

Bank financings in CA Immo Group are subject to so-called financial covenants. In the case of investment properties, these are usually LTV (Loan to Value), ISCR (Interest Service Coverage Ratio) and DSCR (Debt Service Coverage Ratio) or, in the case of project financing, LTC (Loan to Cost) and ISCR (Interest Service Coverage Ratio).

Given the ongoing negative economic development, it cannot be ruled out that there will be a breach of contractual conditions (financial covenants, in particular DSCR) in the future due to tenant defaults.

As at 31.12.2020 no financial covenants of the CA Immo Group were breached. The effects of the Covid-19 pandemic on possible future breaches of financial covenants of the CA Immo Group are continuously evaluated. This particularly relates to properties for which the main type of use is as a hotel or as retail.

Revaluation result

In particular, there were value adjustments for the properties directly affected by the consequences of the pandemic, with the main asset type being hotel and retail.

Net rental income

Rent waivers and rent decreases, as well as increase in allowances for bad debts impacted net rental income by € -7,960 K. Positive counter-effects from straight line amortization of lease incentive agreements (rent frees) over the remaining lease term amount to € -1,166 K.

Financial instruments (IFRS 9)

The ongoing Covid-19 pandemic led to an increase in receivables from hotel and retail tenant groups. This resulted in an increase in expected credit losses. CA Immo Group calculates the expected credit losses based on the aging of receivables and expected insolvency rates for each country.

Government grants

CA Immo Group did not make use of any state aid (neither short-time work, grants nor deferrals).

CHAPTER 2: PROFIT AND LOSS

 2.1. Operating segments³⁾

€ K			Austria			Germany
2020	Income producing	Develop-ment	Total	Income producing	Develop-ment	Total
Rental income	29,658	9	29,666	64,414	15,509	79,923
Rental income with other operating segments	612	0	612	599	9	608
Operating costs charged to tenants	6,625	0	6,625	10,269	1,488	11,758
Operating expenses	-8,009	0	-8,009	-11,049	-2,637	-13,686
Other expenses directly related to properties rented	-7,186	0	-7,186	-6,109	-947	-7,056
Net rental income	21,700	9	21,709	58,124	13,422	71,546
Other expenses directly related to properties under development	0	-3	-3	0	-2,405	-2,405
Result from trading and construction works	0	11	11	0	18,324	18,324
Result from the sale of investment properties	17,051	0	17,051	0	26,083	26,083
Income from services rendered	0	0	0	1,746	8,848	10,594
Indirect expenses	-1,057	-85	-1,142	-7,594	-13,944	-21,538
Other operating income	25	3	28	447	150	596
EBITDA	37,720	-67	37,653	52,722	50,478	103,200
Depreciation and impairment/reversal	-534	0	-534	-253	-4,638	-4,890
Result from revaluation	-12,519	0	-12,519	132,039	137,976	270,015
Result from joint ventures	0	0	0	0	0	0
Result of operations (EBIT)	24,666	-67	24,600	184,509	183,815	368,324

Timing of revenue recognition

Properties held for trading	0	25	25	0	18,682	18,682
Sale of investment properties	57,265	0	57,265	0	90,181	90,181
Total income IFRS 15 - transferred at a point in time	57,265	25	57,290	0	108,863	108,863
Operating costs charged to tenants	6,625	0	6,625	10,269	1,488	11,758
Income from the sale of properties and construction works	0	0	0	0	43,524	43,524
Income from services rendered	0	0	0	1,746	8,848	10,594
Total income IFRS 15 - transferred over time	6,625	0	6,625	12,015	53,860	65,875
Total income IFRS 15	63,890	25	63,914	12,015	162,723	174,738

31.12.2020

Property assets ¹⁾	530,031	239	530,270	1,841,149	1,327,497	3,168,647
Other assets	67,876	523	68,398	149,257	437,021	586,278
Deferred tax assets	0	0	0	1,808	2,641	4,449
Segment assets	597,907	761	598,669	1,992,214	1,767,160	3,759,374
Interest-bearing liabilities	205,584	0	205,584	704,357	433,585	1,137,942
Other liabilities	29,353	106	29,459	37,819	182,930	220,748
Deferred tax liabilities incl. current income tax liabilities	40,585	2	40,587	336,969	146,754	483,723
Liabilities	275,523	107	275,630	1,079,145	763,269	1,842,413
Shareholders' equity	322,385	654	323,039	913,069	1,003,891	1,916,960
Capital expenditures ²⁾	3,301	0	3,301	128,639	227,970	356,610

¹⁾ Property assets include rental investment properties, investment properties under development, own used properties, properties held for trading and properties available for sale.

²⁾ Capital expenditures include all acquisitions of properties (long-term and short-term) including additions from initial consolidation, office furniture and other equipment and intangible assets; thereof € 4,627 K (31.12.2019: € 25,023 K) in properties held for trading.

³⁾ The segment reporting does not show a right of use asset and a corresponding lease liability resulting from an intercompany lease as per IFRS 16 between the entities of the CA Immo Group. These intercompany contracts are recognized as regular income/expense in the segment reporting as before and eliminated in column "Consolidation".

Income producing	Development	Eastern Europe core regions	Eastern Europe other regions	Total segments	Transition		Total
		Total	Income producing		Holding	Consolidation	
114,839	0	114,839	12,793	237,221	0	-1,612	235,609
0	0	0	0	1,220	0	-1,220	0
31,183	0	31,183	3,774	53,339	0	-78	53,260
-32,056	0	-32,056	-4,055	-57,807	0	69	-57,738
-6,167	0	-6,167	-1,043	-21,453	0	-14	-21,466
107,798	0	107,798	11,468	212,521	0	-2,855	209,665
0	-158	-158	0	-2,566	0	412	-2,154
0	0	0	0	18,335	0	-10,386	7,949
250	0	250	-383	43,001	0	928	43,930
279	0	279	0	10,873	9,072	-11,778	8,166
-13,288	-274	-13,561	-1,344	-37,586	-48,089	12,499	-73,176
175	0	175	478	1,277	64	-138	1,204
95,215	-431	94,783	10,220	245,855	-38,953	-11,318	195,584
-423	0	-423	-9	-5,857	-480	805	-5,533
-61,483	3,216	-58,267	-15,729	183,499	0	0	183,499
0	0	0	0	0	0	1,898	1,898
33,308	2,784	36,093	-5,519	423,498	-39,434	-8,616	375,448
0	0	0	0	18,707	0	-18,523	183
17	0	17	32,682	180,145	0	-89	180,056
17	0	17	32,682	198,852	0	-18,612	180,240
31,183	0	31,183	3,774	53,339	0	-78	53,260
0	0	0	0	43,524	0	-372	43,152
279	0	279	0	10,873	9,072	-11,778	8,166
31,461	0	31,461	3,774	107,735	9,072	-12,228	104,579
31,479	0	31,479	36,455	306,587	9,072	-30,840	284,819
1,892,911	39,250	1,932,161	118,398	5,749,476	0	-153,282	5,596,194
202,556	14,586	217,143	8,568	880,387	1,476,137	-1,136,811	1,219,713
1,344	0	1,344	0	5,794	33,627	-35,039	4,382
2,096,812	53,836	2,150,648	126,966	6,635,657	1,509,765	-1,325,133	6,820,289
739,576	16,500	756,076	71,092	2,170,695	1,797,369	-1,140,602	2,827,462
51,848	8,516	60,364	2,652	313,223	79,141	-78,626	313,739
60,308	390	60,698	3,178	588,186	1,431	-38,836	550,780
851,733	25,406	877,139	76,922	3,072,104	1,877,941	-1,258,064	3,691,981
1,245,080	28,430	1,273,510	50,044	3,563,553	-368,177	-67,069	3,128,308
107,845	20,959	128,805	2,590	491,305	454	-13,876	477,883

€ K			Austria			Germany	
2019	Income producing	Development	Total	Income producing	Development	Total	Income producing
Rental income	29,704	7	29,711	62,941	5,126	68,066	105,462
Rental income with other operating segments	543	0	543	450	9	459	0
Operating costs charged to tenants	6,545	0	6,545	9,025	209	9,233	30,325
Operating expenses	-7,868	0	-7,868	-10,017	-364	-10,381	-31,431
Other expenses directly related to properties rented	-3,422	0	-3,422	-4,920	-510	-5,430	-10,881
Net rental income	25,503	7	25,510	57,478	4,469	61,948	93,474
Other expenses directly related to properties under development	0	-32	-32	0	-3,127	-3,127	0
Result from trading and construction works	0	1,360	1,360	0	15,018	15,018	0
Result from the sale of investment properties	4,843	0	4,843	-32	10,670	10,638	412
Income from services rendered	0	0	0	1,377	8,988	10,366	351
Indirect expenses	-1,178	-170	-1,348	-6,210	-12,621	-18,830	-12,766
Other operating income	2	2	4	426	199	625	105
EBITDA	29,171	1,166	30,337	53,040	23,597	76,637	81,576
Depreciation and impairment/reversal	-621	0	-621	-106	-2,988	-3,093	-590
Result from revaluation	3,347	0	3,347	227,847	157,279	385,126	80,462
Result from joint ventures	0	0	0	0	0	0	0
Result of operations (EBIT)	31,897	1,166	33,063	280,781	177,888	458,669	161,448
Timing of revenue recognition							
Properties held for trading	0	2,241	2,241	0	27,777	27,777	0
Sale of investment properties	16,332	0	16,332	0	7,374	7,374	442
Total income IFRS 15 - transferred at a point in time	16,332	2,241	18,574	0	35,151	35,151	442
Operating costs charged to tenants	6,545	0	6,545	9,025	209	9,233	30,325
Income from the sale of properties and construction	0	0	0	0	18,092	18,092	0
Income from services rendered	0	0	0	1,377	8,988	10,366	351
Total income IFRS 15 - transferred over time	6,545	0	6,545	10,402	27,289	37,691	30,676
Total income IFRS 15	22,878	2,241	25,119	10,402	62,440	72,842	31,117
31.12.2019 restated							
Property assets ¹⁾	572,892	253	573,145	1,558,752	1,175,974	2,734,726	1,754,821
Other assets	17,874	3,274	21,148	151,206	406,947	558,153	201,524
Deferred tax assets	0	0	0	347	1,881	2,228	514
Segment assets	590,766	3,528	594,293	1,710,305	1,584,802	3,295,106	1,956,859
Interest-bearing liabilities	207,960	0	207,960	669,656	298,909	968,565	774,422
Other liabilities	16,960	603	17,563	29,453	194,677	224,130	50,010
Deferred tax liabilities incl. current income tax	49,489	1	49,491	298,636	129,483	428,119	55,596
Liabilities	274,409	605	275,014	997,744	623,070	1,620,814	880,029
Shareholders' equity	316,356	2,923	319,279	712,561	961,732	1,674,292	1,076,831
Capital expenditures ²⁾	16,776	0	16,776	5,200	213,146	218,345	17,204

Development	Eastern Europe core regions	Income producing	Development ⁴⁾	Eastern Europe other regions	Total segments ⁴⁾	Holding ⁴⁾	Transition	Total
	Total			Total ⁴⁾			Consolidation ⁴⁾	
5,049	110,511	14,103	0	14,103	222,391	0	-1,662	220,730
0	0	0	0	0	1,003	0	-1,003	0
1,282	31,607	4,384	0	4,384	51,770	0	-13	51,757
-1,500	-32,931	-4,665	0	-4,665	-55,845	0	518	-55,327
-1,217	-12,098	-1,463	0	-1,463	-22,413	0	3	-22,410
3,614	97,088	12,360	0	12,360	196,906	0	-2,156	194,750
-351	-351	0	-7	-7	-3,517	0	360	-3,157
0	0	0	0	0	16,378	0	-17,650	-1,273
-522	-110	-217	219	2	15,373	0	277	15,650
0	351	0	0	0	10,717	8,990	-11,206	8,500
-1,326	-14,092	-1,406	-33	-1,438	-35,709	-21,267	13,513	-43,464
0	105	77	15	91	826	206	-311	721
1,415	82,991	10,813	195	11,008	200,973	-12,072	-17,174	171,728
0	-590	-9	0	-9	-4,314	-403	187	-4,531
2,064	82,527	-8,232	0	-8,232	462,767	0	0	462,767
0	0	0	0	0	0	0	3,729	3,729
3,480	164,928	2,572	195	2,767	659,427	-12,475	-13,259	633,693

0	0	0	0	0	30,018	0	-29,733	286
1,238	1,680	13,150	3,467	16,617	42,003	0	541	42,545
1,238	1,680	13,150	3,467	16,617	72,022	0	-29,191	42,830
1,282	31,607	4,384	0	4,384	51,770	0	-13	51,757
0	0	0	0	0	18,092	0	-6,034	12,058
0	351	0	0	0	10,717	8,990	-11,206	8,500
1,282	31,958	4,384	0	4,384	80,578	8,990	-17,252	72,315
2,520	33,637	17,535	3,467	21,001	152,600	8,990	-46,444	115,146

94,819	1,849,641	175,009	0	175,009	5,332,520	0	-146,150	5,186,370
14,516	216,040	9,484	0	9,484	804,825	903,643	-1,007,958	700,509
0	514	314	0	314	3,055	42,120	-43,365	1,810
109,335	2,066,194	184,806	0	184,806	6,140,399	945,763	-1,197,473	5,888,690
67,941	842,363	88,356	0	88,356	2,107,245	1,002,711	-1,012,614	2,097,342
9,666	59,677	5,023	0	5,023	306,393	84,103	-62,993	327,502
1,476	57,072	4,726	0	4,726	539,408	2,576	-46,107	495,877
79,083	959,112	98,106	0	98,106	2,953,045	1,089,390	-1,121,713	2,920,722
30,252	1,107,083	86,700	0	86,700	3,187,354	-143,627	-75,760	2,967,968
5,069	22,273	2,788	0	2,788	260,183	1,051	-7,704	253,529

⁴⁾ In the segments Development Eastern Europe Other Regions , the balance sheet values (loans granted and loans) relating to the associated company ZAO Avielen were adjusted because the associated company was sold in 2019. These were now allocated to the Holding segment as of December 31, 2019, as there was no longer a foreign connection as of December 31, 2019. The adjustments result in shifts of € 10,503 K in the Development Eastern Europe Other Regions segment with corresponding offsetting effects in the reconciliation columns "Holding" and "Consolidation". The change has no impact on the consolidated financial statements 2019.

Segment information


The operating segments generate gross revenues and other income from rental activities, the sale of properties held for trading, the sale of properties as well as from development services. Gross revenues and other income are allocated to the country and segment the properties or services are located/provided in.


Business relationships within an operating segment are consolidated within the segment. Business relationships with other operating segments are disclosed separately and reconciliations to the consolidated income statement and consolidated statement of financial position are presented in the “Transition Consolidation” column.

The accounting principles of the reportable segments correspond to those described under “Summarized presentation of accounting methods”. In line with IFRS 16, segment reporting does not include any rights of use/lease liabilities from rental and lease agreements existing between companies of the CA Immo Group. As in the past, such intercompany contracts are recognized as income/expense in the segment reporting and eliminated in the column “Transition Consolidation”.

Transactions between operating segments are allocated as follows:

- Management fees for services performed by the holding segment (e.g. property management, financial negotiation, purchase and sale of properties, accounting, controlling) are charged on the basis of actual fees and allocated to the individual segments on the basis of the invoiced services. They are recognised in the column “Holding” as income from services rendered.
- Management companies are assigned to the segments according to their main activities. Management fees charged by these companies are allocated based on the invoiced services to the individual operating segment of the respective region and are recognised in the segment, which the management company has been assigned to, as income from services rendered.
- Eastern Europe core region segment consists of Hungary, Poland, Romania and Czechia.
- Eastern Europe other region segment consists of Serbia, Croatia, Russia (sold in 2019) and Slovakia.

 The segments were identified on the basis of the information regularly used by the company’s principal decision makers when deciding on the allocation of resources and assessing profitability. The principal decision-making body of CA Immo Group is the Management Board. It controls the individual properties (basic reporting segments) that are aggregated into reportable business segments by regions (based on the geographic region), and within the regions by income producing property and property under development based on the stage of development of the properties. The aggregation of the regions mainly takes place based on evaluation of the market dynamics and the risk profiles which mainly impact economic characteristics. According to the assessment of CA Immo Group, the properties in the portfolio need to be separated into investment properties and investment properties under development, based on the criteria “nature of products and services” and “nature of production processes” according to IFRS 8.

 The properties are allocated to the reporting segments according to location/region, their category and the main activities of the management/holding companies. Items that cannot be directly attributed to a property or segment management structure are disclosed in the column “holding”. The presentation corresponds to CA Immo Group’s internal reporting system. The following segments have been identified:

- Income producing properties: Investment properties rented including the related rights of use, own used properties including rights of use for own used properties and investment properties pursuant to IFRS 5
- Development: Properties under development and land banks, completed development properties (investment properties) until the second annual reporting date after completion (depending on the tenancy rate or beginning of the sales process), development services for third parties, properties under development pursuant to IFRS 5, and properties held for trading
- Holding: general management and financing activities of CA Immo Group.

Joint ventures are included with 100% of the assets and liabilities as well as revenues and expenses of the entities in the segment, irrespective of the method of consolidation into the financial statements. Adjustments in accordance with the consolidation method in CA Immo Group are shown in the column “Transition Consolidation”.

A significant percentage of total rental income of CA Immo Group is generated in the segment Eastern Europe core regions. A material proportion of the investment properties of CA Immo Group is located in these countries:

Segment Eastern Europe core regions before consolidation	€ K	2020	€ K	2019
		Share in %		Share in %
Rental income				
Poland	30,638	26.7%	29,314	26.5%
Romania	29,342	25.6%	26,634	24.1%
Czechia	21,064	18.3%	20,560	18.6%
Hungary	33,795	29.4%	34,003	30.8%
Total rental income	114,839	100.0%	110,511	100.0%
Book value of investment properties IAS 40				
Poland	590,185	30.5%	519,691	28.1%
Romania	390,598	20.2%	399,030	21.6%
Czechia	427,150	22.1%	405,775	21.9%
Hungary	524,229	27.1%	525,144	28.4%
Total book value investment property according to IAS 40	1,932,161	100.0%	1,849,641	100.0%

2.2 Rental income

€ K	2020	2019
Basic rental income	218,935	205,321
Conditional rental income	474	1,520
Income from non-service components of service charges	10,675	10,227
Change in accrued rental income related to lease incentive agreements	4,172	1,592
Settlement from cancellation of rent agreements	1,354	2,070
Rental income	235,609	220,730

CA Immo Group generates rental income from the following types of property:

2020	Austria		Germany		Eastern Europe core regions		Eastern Europe other regions		Total	
	€ K	Share in %	€ K	Share in %	€ K	Share in %	€ K	Share in %	€ K	Share in %
Office	17,519	59.1%	63,903	81.6%	114,835	100.0%	12,793	100.0%	209,050	88.7%
Hotel	5,589	18.8%	8,325	10.6%	0	0.0%	0	0.0%	13,914	5.9%
Retail	4,140	14.0%	36	0.0%	0	0.0%	0	0.0%	4,175	1.8%
Others	2,410	8.1%	6,056	7.7%	4	0.0%	0	0.0%	8,470	3.6%
Rental income	29,658	100%	78,320	100%	114,839	100%	12,793	100%	235,609	100%

2019	Austria		Germany		Eastern Europe core regions		Eastern Europe other regions		Total	
	€ K	Share in %	€ K	Share in %	€ K	Share in %	€ K	Share in %	€ K	Share in %
Office	16,716	56.3%	51,052	76.9%	110,494	100.0%	14,103	100.0%	192,366	87.2%
Hotel	5,861	19.7%	9,038	13.6%	0	0.0%	0	0.0%	14,899	6.7%
Retail	4,745	16.0%	25	0.0%	0	0.0%	0	0.0%	4,771	2.2%
Others	2,381	8.0%	6,313	9.5%	0	0.0%	0	0.0%	8,694	3.9%
Rental income	29,704	100%	66,428	100%	110,494	100%	14,103	100%	220,730	100%

CA Immo Group generates rental income from a multitude of tenants. No single tenant generates more than 10% of the total rental income of CA Immo Group.

§ Rental revenues according to IFRS 16 are recognised on a straight-line basis over the lease term. Lease incentive agreements, such as rent-free periods, reduced rents for a certain period or one-off payments, which can be freely used in the course of their businesses, are included in rental income. Therefore, the lease incentives are allocated on a straight-line basis over the entire expected, respectively remaining contractual lease term accordingly. In the case of leases with constant rent adjustment over the term (graduated rents), such adjustments are likewise recognised on a straight-line basis over the lease term. Any adjustments attributable to inflation, in contrast, are not spread over the underlying lease term. The lease term over which rental income is allocated on a straight-line basis comprises the non-

terminable period as well as any further periods for which the tenant can exercise an option, with or without making additional payments, provided that the exercise of the option is estimated as being probable at the inception of the lease.

Rental revenues comprise also components of the service charges reconciliation for which CA Immo Group does not provide the tenant with a separate service however the tenant must reimburse them (for example property taxes, building insurance, usufruct expenses), these being presented under "Income from non-service components of service charges".

Conditional rental income, which is based on revenues generated in the business premises, are recognised in profit or loss in the period in which they are assessed.

Rental income is measured at the fair value of the consideration received or outstanding, less any directly related reductions.

Payments received from tenants for the early termination of a lease and payments for damages of rented premises are recognised as rental income in the period in which they are incurred.

2.3. Result from operating costs and other expenses directly related to properties rented

€ K	2020	2019
Operating costs charged to tenants	53,260	51,757
Operating expenses	-57,738	-55,327
Own operating costs	-4,478	-3,570
Maintenance costs	-4,925	-6,489
Agency fees	-1,212	-2,336
Bad debt losses and reserves for bad debts	-6,120	-454
Other directly related expenses	-9,210	-13,131
Other expenses directly related to properties rented	-21,466	-22,410
Total	-25,944	-25,980

According to IFRS 16, the item "Other directly related expenses" contains expenses from non-service components. These relate mainly to property taxes and building insurance expenses and amount to € 6,705 K in 2020 (2019: € 9,992 K).

In Eastern Europe, a lawsuit linked to the payment of building taxes was decided in favour of CA Immo Group. In 2020 this had a positive impact of € 3,698 K in "Other directly related expenses" given the reversal of the relevant tax provision.

Rent waivers and rent decreases, as well as an increase in allowances for bad debts impacted net rental income by € -7,960 K. This was offset by the amortization of lease incentive agreements (rent frees) over the remaining lease term in the amount of € -1,166 K. All agreed rent changes as well as granting of rent free periods are amortized over the duration of the respective lease agreement on a straight line basis.

§ Operating costs incurred by CA Immo Group for properties rented, which trigger a separate performance obligation (non-lease components) to tenants, are presented in the consolidated income statement in “operating costs charged to tenants”. Based on an analysis of primary performance responsibility, inventory risk as well as pricing competence, CA Immo Group has to be considered as principal for service charges as it has the primary responsibility for providing the service and is the direct counterpart in case of performance disruptions. The item “operating costs charged to tenants” contains only non-lease components that are within the scope of IFRS 15.

2.4. Other expenses directly related to properties under development

€ K	2020	2019
Operating expenses related to investment properties under development	-733	-1,057
Property advertising costs	-103	-249
Project development and project execution	-1,155	-1,668
Operating expenses related to investment properties under development long-term assets	-1,990	-2,974
Operating expenses related to investment properties under development	-108	-72
Property advertising costs	0	-10
Project development and project execution	-56	-101
Operating expenses related to investment properties under development short-term assets	-164	-183
Other expenses directly related to properties under development	-2,154	-3,157

2.5. Result from trading and construction works

€ K	2020	2019
Trading property - transferred at a point in time	183	286
Trading property and construction work - transferred over time	43,152	12,058
Income from the sale of properties and construction works	43,335	12,344
Book value of properties sold incl. ancillary costs	207	-823
Construction costs	-35,594	-12,793
Book value of properties sold incl. ancillary and construction costs	-35,387	-13,617
Result from trading and construction works	7,949	-1,273
Result from trading and construction works in % from revenues	18.3%	-10.3%

§ The item “income from trading and construction works” includes income from the sale of properties intended for trading, which is depending on contract stipulations realized at a point or over time, as well as income from construction works (construction of a building on the land of a customer, whereby CA Immo Group as a builder carries out a construction contract with or without a general contractor), which are transferred over time.

2.6. Result from sale of investment properties

€ K	Austria	Germany	Eastern Europe core regions	Eastern Europe other regions	2020	Austria	Germany	Eastern Europe core regions	Eastern Europe other regions	2019
Sales prices for interests in property companies	0	89,598	17	32,593	122,208	0	0	-37	17,637	17,600
Book value of net assets sold excl. goodwill	0	-63,150	0	-30,315	-93,465	0	0	0	-16,087	-16,087
Goodwill of sold properties	0	0	0	0	0	0	0	0	0	0
Revaluation result for the year	0	205	0	-1,980	-1,775	0	0	0	-630	-630
Subsequent costs and ancillary costs	0	-1,244	12	-326	-1,557	0	425	-24	60	461
Results from the sale of investment property (share deals)	0	25,409	29	-28	25,410	0	425	-61	980	1,343
Income from the sale of investment properties	57,265	583	0	0	57,848	16,332	7,374	1,238	0	24,945
Book value of properties sold	-53,860	0	2	0	-53,858	-11,569	0	-1,193	0	-12,762
Goodwill of sold properties	-2,090	0	0	0	-2,090	-16	0	-43	0	-59
Revaluation result for the year	20,020	0	0	0	20,020	354	0	-477	0	-123
Subsequent costs and ancillary costs	-3,712	91	220	0	-3,401	-96	2,459	-58	0	2,306
Results from the sale of investment property (asset deals)	17,624	674	222	0	18,519	5,006	9,833	-532	0	14,307
Result from the sale of investment properties	17,624	26,083	251	-28	43,930	5,006	10,258	-594	980	15,650

The book value of net assets sold (= equity) for share deals includes investment property in the amount of € 194,958 K (2019: € 17,414 K), for which selling prices totaling to € 216,515 K (2019: € 17,619 K) were agreed.

CA Immo Group signed in December 2020 a sales contract for a land plot in Düsseldorf. The contract is conditional upon the sale of the neighboring land plot of a third party. CA Immo Group has valued the plot at its stand-alone fair value as at 31.12.2020. No revaluation to the arising fair value from the joint transaction was made, given the fact that the execution of the transaction depends on a third party and the decision is not wholly within the control of CA Immo Group. In 2020 no profit or loss effect out of this sale transaction was recognized.

§ Revenues from the sale of investment properties

Income from the sale of properties is recognised when:

- CA Immo Group does not retain any rights of disposal or effective control in respect of the object sold (control),
- the amount of the revenues and the expenses incurred or to be incurred in connection with the sale can be reliably determined, and
- it is sufficiently probable that the economic benefit from the sale will flow to CA Immo Group.

Non-current earnings received in advance are measured at par value and subsequently with a reasonable market interest rate reflecting maturity and risk. The accrued interest is recognised in the consolidated income statement in the financial result.

§ Result from the sale of investment properties

In accordance with IAS 40, investment properties are measured at each reporting date and changes in fair values are recognised in profit or loss, as result from revaluation (revaluation gain/loss). When property assets are sold, the valuation result realised during the current business year is reclassified to the result from the sale of investment properties together with other expenses in relation to the disposal. The book value of goodwill that has been allocated to a property sold is recognised as part of the disposal within the result from the sale of investment properties.

2.7. Income from services rendered

€ K	2020	2019
Revenues from service contracts	7,927	7,831
Management revenues and other fees	239	669
Income from services rendered	8,166	8,500

§ Revenue recognition according to IFRS 15

Revenues are to be recognized in accordance with IFRS 15, when a performance obligation is fulfilled by transferring an agreed good or service to the customer. An asset is deemed to be transferred when the customer gains control of that asset. Control over a good or a service is transferred at a specific point in time if the obligation is not satisfied over a period of time. If one of the following criteria is met, the performance obligation is fulfilled over a period of time:

- a) the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;
- b) the entity's performance creates or enhances an asset that the customer controls as the asset is created; or
- c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable claim of payment for performance completed to date.

If a performance obligation is met over a period of time, according to IFRS 15, the contract related transaction price as well as contract performance and acquisition costs must be recognized as revenues or expenses, in accordance with the performance progress as at balance sheet date. The cost-to-cost method is used in the CA Immo Group for the ongoing monitoring of construction projects and is a reliable method for determining the progress of the service performance. Thereby, to determine the performance progress, the ratio of the contract respectively construction costs incurred up to balance sheet date to the estimated total contract costs, respectively construction costs (cost-to-cost method) is applied.

§ Revenues from services rendered

A rendered service is a service for a customer, which can be satisfied in time-based units (for example time based advice for building conversion, planning services or project assistance). Income from service contracts is recognized to the extent of the services rendered up to the reporting date (accounting by time unit).

§ Revenues from construction contracts

CA Immo Group also offers services in the form of construction supervision for customers, which are handled as construction contracts. The income from construction contracts (e.g. project management, construction supervision and acceptance of, for example building construction, interior works or development of land) is recorded in accordance with the provision of services, in accordance with IFRS 15.

2.8. Indirect expenses

€ K	2020	2019
Personnel expenses	-45,899	-41,737
Legal, auditing and consulting fees	-9,068	-8,217
Third party acquired development services	-1,866	-2,560
Office rent	-820	-676
Travel expenses and transportation costs	-358	-1,190
Other expenses internal management	-2,707	-3,004
Other indirect expenses	-29,004	-2,904
Subtotal	-89,722	-60,288
Own work capitalised in investment property	15,151	14,336
Change in properties held for trading	1,394	2,488
Indirect expenses	-73,176	-43,464

In 2020 CA Immo Group filed an action for damages against the Republic of Austria and the state of Carinthia in the amount of approx. € 1.9 bn in connection with the privatization of the state residential construction company (BUWOG) in 2004. In this respect, other indirect expenses include court fees of € 25,475 K.

Personnel expenses include contributions to staff welfare funds in the amount of € 119 K (2019: € 110 K) and to pension and relief funds in the amount of € 422 K (2019: € 423 K).

§ CA Immo Group capitalizes indirect expenses (mainly personnel expenses) to the extent that they can be attributed to the construction cost of properties under development and properties held for trading. The assignment is based on the activities of the departments for the developments. These internally-produced capitalised expenses and capitalised changes in work-in-progress respectively are reported as an adjustment of the indirect expenses. As long as these services are rendered to joint ventures of CA Immo Group, no decrease of the indirect expenses, but “income from services rendered” is recognised.

2.9. Other operating income

€ K	2020	2019
Discharge of lapsed liabilities	21	0
Other income	1,182	721
Other operating income	1,204	721

2.10. Depreciation and impairment losses/reversal

€ K	2020	2019
Regular depreciation	-2,043	-1,720
Depreciation right of use assets	-2,209	-2,259
Impairment loss on goodwill	-410	-646
Impairment loss on properties held for trading	-988	-118
Reversal of impairment loss previously recognised on properties held for trading	118	213
Depreciation and impairment/reversal	-5,533	-4,531

Explanations with regard to the measurement of depreciation and impairments/reversal of impairments can be found in chapters “3.2. Own used properties”, “3.3. Office furniture and equipment and intangible assets” and “4.2. Properties held for trading”.

2.11. Joint ventures result

€ K	2020	2019
At equity consolidation of investments in joint ventures	1,809	3,808
Result from sale of joint ventures	90	-80
Result from joint ventures	1,898	3,729

2.12. Finance expenses

€ K	2020	2019
Interest expense banks	-20,109	-18,115
Interest expense bonds	-22,317	-18,786
Interest expense convertible bond	-4,914	-4,826
Interest expenses lease liabilities	-1,267	-1,325
Other interest and finance costs	1,378	-6,381
Capitalised interest	4,918	6,286
Finance costs	-42,311	-43,148

In Eastern Europe, a lawsuit linked to the payment of building taxes was decided in favour of CA Immo Group. In 2020, this led to a positive effect in the amount of € 5,190 K in “other interest and finance costs” due to the reversal of provision for late interest payments.

§ Finance costs comprise interest payable for external financing, interest recognised by the effective interest-rate method (if not required to be capitalised according to IAS 23), interest for lease liabilities determined according to the effective interest-rate method (if not required to be capitalized according to IAS 23), interest for committed external funds not yet received, current interest on derivative transactions, the interest costs arising from the calculation of retirement benefits, the net result attributable to non-controlling interests in limited partnerships and expenses similar to interest.

Interest is deferred over time by the effective interest-rate method. The net result of non-controlling interests in limited partnerships contains the pro rata net income of non-controlling partners of limited partnerships in Germany,

whose capital contribution, updated with the profit share, is recognised as debt in the statement of financial position under "other liabilities".

2.13. Result from derivatives

€ K	2020	2019
Valuation interest rate derivative transactions	-10,780	-20,748
Valuation derivative convertible bond	32,208	-38,418
Result from derivatives	21,429	-59,165

The item "valuation interest rate derivative transactions" includes the following items:

€ K	2020	2019
Valuation of interest rate swaps without cash flow hedge relationship	-11,314	-21,068
Valuation interest rate floors	535	321
Valuation interest rate derivative transactions	-10,780	-20,748

2.14. Result from financial investments

€ K	2020	2019
Interest income from loans to joint ventures	1,546	1,492
Interest income on bank deposits	28	25
Revenues from dividends	1,142	5,778
Expected credit losses for cash and restricted cash	-355	-46
Negative interest on deposits	-1,934	-890
Revaluation of other investments	-5,595	1,120
Result from disposal of other investments	-1,171	0
Other interest income	2,750	4,057
Result from financial investments	-3,589	11,535

§ The negative valuation of other investments results from the decrease in fair value.

2.15. Other financial results

CA Immo Group repurchased outstanding corporate bonds in 2020 with a total nominal value of € 98.5 m. This led to a one-time negative effect of € -5,067 K.

2.16. Result from associated companies

€ K	2020	2019
ZAO „Avielen A.G.“, St. Petersburg	0	-2,967
	0	-2,967

§ The result from associated companies includes the changes in value resulting from disposal or from subsequent valuations of the loans granted to associated entities.

2.17. Financial result

€ K		Category ¹⁾	2020	2019
Interest expense	Interest	AC	-42,311	-43,148
Other financial results	Realisation		-5,067	0
Foreign currency gains/losses	Valuation		3,622	-745
	Realisation		-1,237	127
Interest rate swaps	Valuation	FVtPL	-11,314	-21,068
Interest rate floors	Valuation	FVtPL	535	321
Derivative convertible bond	Valuation	FVtPL	32,208	-38,418
Interest income	Interest	AC	4,325	5,574
Negative interest on deposits	Interest	AC	-1,934	-890
Financial investments	Dividends	FVtPL/ FVOCI	1,142	5,778
Financial investments	Valuation	FVtPL	-5,595	1,120
Result from disposal of other investments	Realisation	FVtPL	-1,171	0
Expected credit losses for cash and restricted cash	Valuation	AC	-355	-46
Net result of financial instruments			-27,154	-91,396
Result from associated companies	Valuation	AEA	0	-2,963
	Realisation	AEA	0	-4
Result from associated companies			0	-2,967
Financial result			-27,154	-94,363

¹⁾ AC – amortised cost, FVtPL – fair value through profit or loss, FVOCI – fair value through other comprehensive income, AEA – at equity

In 2019 the impairment for associated companies amounting to € -2,963 K corresponded to the segment Eastern Europe other regions development. In 2019, the loans granted to associated companies were sold together with the investment in associates.

§ Foreign currency gains and losses mainly relate to the result of exchange rate differences in connection with financing and investment transactions, as well as the changes in value and the result from the realisation of forward exchange transactions.

2.18. Other comprehensive income

2020					
€ K	Valuation result (Hedging)	Currency translation reserve	Reserve from valuation of securities	Reserve according to IAS 19	Total
Other comprehensive income before taxes	-620	-111	0	-80	-812
Income tax related to other comprehensive income	198	0	0	28	226
Other comprehensive income for the period	-422	-111	0	-52	-585
thereof: attributable to the owners of the parent	-422	-111	0	-52	-585

2019					
€ K	Valuation result (Hedging)	Currency translation reserve	Reserve from valuation of securities	Reserve according to IAS 19	Total
Other comprehensive income before taxes	0	-14	19,441	-1,549	17,877
Income tax related to other comprehensive income	0	0	-1,215	490	-726
Other comprehensive income for the period	0	-14	18,226	-1,060	17,152
thereof: attributable to the owners of the parent	0	-14	18,226	-1,060	17,152

§ Reserves according to IAS 19 include actuarial gains and losses from post-employment defined benefit plans as well as actuarial gains and losses from the plan assets.

2.19. Earnings per share

		2020	2019
Weighted average number of shares outstanding	pcs.	93,028,299	93,028,299
Consolidated net income	€ K	253,948	393,282
Basic earnings per share	€	2.73	4.23

		2020
Weighted average number of shares outstanding	pcs.	93,028,299
Dilution effect:		
Convertible bond	pcs.	6,659,902
Weighted average number of shares	pcs.	99,688,201
Consolidated net income attributable to the owners of the parent	€ K	253,948
Dilution effect:		
Convertible bond effective interest/valuation derivative convertible bond	€ K	-27,294
Less taxes	€ K	6,823
Consolidated net income attributable to the owners of the parent adjusted by dilution effect	€ K	233,478
Diluted earnings per share	€	2.34

CHAPTER 3: LONG-TERM ASSETS

3.1. Long-term property assets

Investment Property (IAS 40) – Movements and classification

€ K	Income producing investment properties	Investment properties under development	Total
Book values			
As at 1.1.2019	3,755,196	651,575	4,406,771
Initial Application IFRS 16	31,835	0	31,835
Current investment/construction	58,909	166,678	225,588
Disposals	-11,263	-4,523	-15,786
Reclassification of own used properties	-1,070	0	-1,070
Transfers	155,313	-155,313	0
Revaluation	303,325	158,688	462,014
Change in lease incentives	648	0	648
As at 31.12.2019	4,292,893	817,107	5,110,000
Purchase of real estate and real estate companies	219,825	0	219,825
Current investment/construction	45,926	203,289	249,215
Disposals	-249,064	0	-249,064
Reclassification to assets held for sale	-33,894	0	-33,894
Reclassification from IAS 40 to IAS 2	0	-1,030	-1,030
Reclassification from advance payments to IAS 40	4,020	0	4,020
Transfers	335,664	-335,664	0
Revaluation	94,166	107,577	201,744
Change in lease incentives	13,531	-143	13,388
As at 31.12.2020	4,723,068	791,136	5,514,204

The current capital expenditures (construction costs in 2020) for investment properties under development mainly relate to Frankfurt ONE (€ 105,263 K), CUBE (€ 7,907 K), Berlin Europaplatz 04 (€ 27,215 K), ZigZag Zollhafen Mainz (€ 7,511 K), Hallesches Ufer 74-76 (€ 8,583 K) Baumkirchen Mitte MK (€ 7,777 K) in Germany as well as several other projects in Germany and Czechia. The capital expenditures in income producing investment properties relate mainly to München Nymphenburg (€ 10,277 K) and Cube (€ 4,767 K) in Germany. The purchase of real estate and real estate companies relates to the office buildings Am Karlsbad 11 and Pohlstraße 20 in Germany and Postepu 14 in Poland. The reclassification of the advance payment relates fully to the acquired office building Am Karlsbad 11 in Germany. The reclassifications from investment properties under development to income producing investment properties relate to the CUBE, My.B, Baumkirchen NEO, Quartiersgarage Mainz and Millenium Tower in Germany. The reclassification of real estate assets from IAS 40 to IAS 2 concerns entirely Baumkirchen Mitte.

The disposals for the current year relate to the sale of the CUBE office building in Germany and the Zagrebtower office building in Croatia. Previous year disposals mainly relate to the sale of a hotel in Austria and the sale of an undeveloped plot of land in Slovakia.

The fair value of the properties assigned as collateral for external financings totals € 3,036,646 K (31.12.2019: € 2,790,911 K).

In 2020, borrowing costs relating to the construction of properties totaling € 4,918 K (2019: € 5,868 K) were capitalised at a weighted average interest rate of 1.30% (2019: 1.71%).

In 2020, government grants amounted to € 103 K (2019: € 0 K).

The following table provides an overview of the book values as at the respective reporting dates:

€ K	Income producing investment properties	Investment properties under development	Total
As at 1.1.2019			
Fair value of properties	3,739,762	651,432	4,391,194
Incentives agreements	15,434	143	15,577
Fair value/book value	3,755,196	651,575	4,406,771
As at 31.12.2019			
Fair value of properties	4,276,811	816,964	5,093,775
Lease incentive agreements	16,082	143	16,225
Fair value/book value	4,292,893	817,107	5,110,000
As at 31.12.2020			
Fair value of properties	4,693,569	791,136	5,484,705
Lease incentive agreements	29,498	0	29,498
Fair value/book value	4,723,068	791,136	5,514,204

Classification of real estate assets with mixed utilisation

Some properties are of mixed use – they are used both to generate rental income and appreciation in value as well as partially for administrative purposes. If these respective portions can be sold individually, CA Immo Group recognises them separately. If the portions cannot be separated, the entire property is only classified as an investment property if the own used part occupies less than 5.0% of the total useful area.

Classification of real estate assets with change in use

Changes in classification for real estate assets (standing investments, investments under development, own used, held for trading) are to be considered when a change in the use is made. Transfers in or out from investment property are made, for example when:

- beginning or ending of owner occupied property or beginning of the development of an own used property (transfer in or from own used properties),
- beginning of the actual development with the purpose of sale (transfer from investment property to properties held for trading).

Classification of investment properties

The item “investment properties” consists of investment properties and properties under development that are held neither for own use nor for sale in the ordinary course of business, but to generate rental income and to appreciate in value. Usufruct rights for developed land and the rental of parking spaces for subletting lead to the recognition of right of use assets, which are assigned to the item “investment properties”.

Properties under development are reclassified to investment properties upon completion of the main construction works.

§ Valuation of investment properties

Investment properties are measured according to the fair value model. Changes in the current book value before revaluation (fair value of previous year plus subsequent/additional acquisition or construction cost less subsequent acquisition cost reductions as well as the impact from the deferral of lease incentives) are recognised in the income statement under “result from revaluation”.

Investment grants are accounted for as deduction of construction costs.

Borrowing costs arising during property construction are allocated to the construction costs if they have been used for a qualifying asset (direct and generally borrowed funds). A qualifying asset is an asset that takes a substantial period of time (in principle more than 12 months) to be ready for its intended use or for sale. In cases in which debt is not directly attributable to an individual qualifying asset, the proportional amount of the total finance costs is allocated to the qualifying asset. The capitalisation rate for the generally borrowed funds is calculated as a weighted average of the borrowing cost for all loans, however with the exception of debt specifically raised for the qualifying asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

§ Valuation of right of use assets

The carrying amount of the right of use asset in form of usufruct rights for the developed land as well as for rented parking spaces intended for sublease corresponds to the lease liability. These rights of use fulfill the definition of investment property and are therefore to be measured at fair value subsequently. The scheduled depreciation for these rights of use assets is not applicable and is replaced by the revaluation recognized in the profit or loss instead. The valuation reports prepared by the appraisers reflect the fair value of the respective property as a whole, as it is expected to be attainable on the market.

The fair value prepared by the appraiser represents the expected realizable amount of the property. As the lease liability is separately accounted for, the presentation of the investment property without the right of use asset would lead to an incorrect result. For this reason the fair value according the appraisal has to be increased by the lease liability as at balance sheet date.

Investment Property (IAS 40) - Valuation

§ Assessment of fair value

Around 99.9% (31.12.2019: 99.9%) of the properties in Austria, about 98.1% (31.12.2019: 94.7%) of the properties in Germany, and 100% (31.12.2019: 100%) of the properties in Eastern Europe, according to segment reporting, were subject to an external valuation as of the reporting date 31.12.2020. The values of other properties were determined based on binding purchase agreements or internally based on the previous year’s valuations. CA Immo Group generally commissions external valuation reports every six months. CA Immo Group provides on property level all material and valuation related information and documents to the appraisers. Before finalization of the valuation reports internal controls (e.g. input testing) and plausibility checks are applied. Afterwards the experts finalize the valuation reports.

The external valuations are made in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS). The RICS defines the market value as the estimated amount for which an asset or liability could be exchanged on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The selection of the independent, external real estate experts for CA Immo Group is based, on the one hand on professional qualification, which is measured by national and international standards, such as HypZert, RICS or public appointments and swearing-ins and on the other hand by giving consideration to local market presence and penetration.

The valuation method applied by the expert for each property particularly depends on the property's stage of development and its type of use.

Rented commercial properties, which constitute the largest portion of CA Immo Group's portfolio, are mainly valued by the investment method. The fair value represents the present value of the future expected rental income. These are calculated based on two time units: firstly "term", with mainly contractual secured rents over the average expected remaining lease term and secondly "reversion", for which the experts include further parameters, in particular the market rent achievable for the object. Both periods are capitalized with an adequate interest rate (term yield/ reversionary yield).

For properties under development and construction, the residual method is applied. Under this method, the market value is based on the estimated market value upon completion, less expected outstanding expenses and after applying a reasonable developer profit in the range of 6% to 25% of the market value upon completion (31.12.2019: 8% to 20%). Developer profit for properties under development, which are nearly completed, ranges at the bottom of the margin according to their reduced risk. Risks of investment properties (after completion) considered are, the estimated future rents and initial yields in the range from 2.8% to 5.2% (31.12.2019: 3.6% to 5.2%) and financing interest rates in the range from 2.0% to 4.0% (31.12.2019: 2.0% to 3.0%). The rates vary in particular depending on the general market climate, location and type of use. The closer a project is to completion, the greater the portion of parameters that are based on actual or contractually fixed amounts. After completion or immediately before completion, the properties are valued by applying the investment method (see above), adjusted for outstanding work.

The following table shows the essential input factors for the valuation of investment property (the fair value of the classes Office Austria and Office Germany also includes the fair value of own used properties) and property under development (the properties are assigned to each class based on their main use). The tables show for the properties in each classification the minimum and maximum values for rent and yield, as well as the area-weighted average values for rent, vacancy and yield and the average remaining lease terms calculated in years.

Classification investment properties incl. own used properties Valuation technique investment method	Fair value 31.12.2020 € K	Fair value 31.12.2019 € K	Inputs	Range 2020	Range 2019
Office Austria	367,000	356,800	average weighted actual-rent €/m ² p.m.	11.32	10.77
			Actual-rent €/m ² p. m.	7.22 – 26.99	7.47 – 28.49
			Market-rent €/m ² p. m.	6.54 – 24.33	6.30 – 24.12
			average remaining lease term in years	4.19	5.99
			average vacancy %	11.96	8.23
			Yield Term min/max/weighted average %	3.35 / 6.25 / 4.48	3.35 / 7.50 / 4.79
			Yield Reversion min/max/weighted average %	3.20 / 6.75 / 4.72	3.20 / 7.50 / 4.97
Office Germany*	1,989,342	1,467,559	average weighted actual-rent €/m ² p.m.	18.11	17.41
			Actual-rent €/m ² p. m.	10.62 – 27.15	10.36 – 25.29
			Market-rent €/m ² p. m.	11.99 – 29.06	7.00 – 27.82
			average remaining lease term in years	8.96	7.91
			average vacancy %	2.92	1.15
			Yield Term min/max/weighted average %	0.00 / 4.10 / 3.14	2.95 / 5.00 / 3.48
			Yield Reversion min/max/weighted average %	3.45 / 4.60 / 3.82	3.45 / 5.50 / 4.05
Office Eastern Europe*	1,977,415	2,009,574	average weighted actual-rent €/m ² p.m.	14.62	14.26
			Actual-rent €/m ² p. m.	8.82 – 21.36	9.93 – 21.34
			Market-rent €/m ² p. m.	6.77 – 18.75	8.50 – 18.60
			average remaining lease term in years	3.12	3.54
			average vacancy %	6.49	5.85
			Yield Term min/max/weighted average %	4.60 / 10.00 / 6.87	3.90 / 8.75 / 6.52
			Yield Reversion min/max/weighted average %	4.70 / 12.00 / 6.83	4.85 / 9.25 / 6.71
Office total	4,333,758	3,833,933			
Retail Austria	90,100	94,000	average weighted actual-rent €/m ² p.m.	13.38	14.01
			Actual-rent €/m ² p. m.	13.38 – 13.38	14.01 – 14.01
			Market-rent €/m ² p. m.	12.92 – 12.92	12.90 – 12.90
			average remaining lease term in years	3.13	1.74
			average vacancy %	13.12	7.31
			Yield Term min/max/weighted average %	4.65 / 4.65 / 4.65	4.40 / 4.40 / 4.40
			Yield Reversion min/max/weighted average %	4.60 / 4.60 / 4.60	4.40 / 4.40 / 4.40
Retail total	90,100	94,000			

* The book values of "Office Germany" and "Office Eastern Europe" classes include right of use assets in amount of € 572 K (31.12.2019: € 1,309 K), respectively € 37,245 K (31.12.2019: € 29,914 K).

Classification investment properties incl. own used properties Valuation technique investment method	Fair value 31.12.2020 € K	Fair value 31.12.2019 € K	Inputs	Range 2020	Range 2019
Hotel Austria	60,900	74,600	average weighted actual-rent €/m ² p.m.	10.18	10.07
			Actual-rent €/m ² p. m.	10.04 – 11.05	9.91 – 11.05
			Market-rent €/m ² p. m.	10.00 – 12.00	11.05 – 12.00
			average remaining lease term in years	6.93	7.93
			average vacancy %	0.00	0.00
			Yield Term min/max/weighted average %	5.25 / 5.75 / 5.67	4.75 / 5.25 / 5.17
			Yield Reversion min/max/weighted average %	5.50 / 6.00 / 5.92	5.00 / 5.75 / 5.65
Hotel Germany	169,700	193,100	average weighted actual-rent €/m ² p.m.	15.71	16.09
			Actual-rent €/m ² p. m.	15.41 – 16.97	15.61 – 16.97
			Market-rent €/m ² p. m.	14.39 – 16.00	15.69 – 16.97
			average remaining lease term in years	14.49	15.41
			average vacancy %	1.05	1.11
			Yield Term min/max/weighted average %	3.80 / 4.75 / 4.06	3.60 / 4.20 / 3.74
			Yield Reversion min/max/weighted average %	4.30 / 5.15 / 4.48	4.10 / 4.60 / 4.19
Hotel total	230,600	267,700			
Other Austria	17,900	51,440	average weighted actual-rent €/m ² p.m.	1.35	1.34
			Actual-rent €/m ² p. m.	1.35 – 1.35	1.34 – 1.34
			Market-rent €/m ² p. m.	0.98 – 0.98	0.98 – 0.98
			average remaining lease term in years	1.02	0.98
			average vacancy %	0.00	0.00
			Yield Term min/max/weighted average %	6.25 / 6.25 / 6.25	6.25 / 6.25 / 6.25
			Yield Reversion min/max/weighted average %	6.15 / 6.15 / 6.15	6.15 / 6.15 / 6.15
Other Germany	67,110	60,520	average weighted actual-rent €/m ² p.m.	4.48	4.35
			Actual-rent €/m ² p. m.	3.51 – 7.11	3.51 – 7.11
			Market-rent €/m ² p. m.	3.44 – 7.11	3.44 – 7.11
			average remaining lease term in years	4.60	4.36
			average vacancy %	0.76	3.99
			Yield Term min/max/weighted average %	2.35 / 6.50 / 4.40	2.50 / 7.00 / 4.84
			Yield Reversion min/max/weighted average %	4.65 / 6.00 / 5.19	4.75 / 8.00 / 5.94
Other total	85,010	111,960			

Classification investment properties under development	Fair value 31.12.2020	Fair value 31.12.2019	Inputs	Range 2020	Range 2019
Valuation technique residual value	€ K	€ K			
Office Germany	509,900	515,580	Expected-rent €/m ² p. m.	18.50 – 33.50	14.00 – 33.00
			Construction cost €/m ²	1,801 – 3,673	2,092 – 2,919
			Related cost in % of Constr. cost	19.36 – 32.28	23.00 – 27.40
Office Eastern Europe	39,100	14,930	Expected-rent €/m ² p. m.	15.50 – 15.50	15.75 – 15.75
			Construction cost €/m ²	1,290 – 1,410	1,433 – 1,447
			Related cost in % of Constr. cost	10.00 – 10.00	9.10 – 10.00
Other Germany	0	1,100	Expected-rent €/m ² p. m.	-	14.00 – 33.00
			Construction cost €/m ²	-	2,092 – 2,919
			Related cost in % of Constr. cost	-	23.00 – 27.40
Development total	549,000	531,610			

Land banks which are not currently under development or which are not expected to be developed in the near future are valued through comparable transactions method.

Classification investment properties under development	Fair value 31.12.2020	Fair value 31.12.2019	Inputs	Range 2020	Range 2019
Comparative method	€ K	€ K			
Landbank Germany	241,986	285,352	min-max valuation approach / m ²	2.25 – 22,503.08	2.25 – 21,516.65
			plot area		
Landbank Eastern Europe	150	145	min-max valuation approach / m ²	29.87 – 29.87	28.88 – 28.88
			plot area		
Landbank total	242,136	285,497			

Interaction between the input factors

The essential input factors that determine the fair values for investment property are the actual rents and market rents as well as the interest rates (yields). Increasing rents (e.g. a short supply and increased demand) would cause increasing fair values. Vice versa, the fair value decreases when the rents are decreasing.

Increasing yields (e.g. the market expects increasing interest rates due to increasing risks – excessive supply, etc.) would cause decreasing fair values. Conversely, the fair value would increase if the yield decreases (e.g. higher demand for this type of investment property).

Both input factors act reinforcing – as well in a positive or negative way – when they appear jointly. This means that a strengthened demand for rental space as well as a simultaneously strengthened demand for such investment property would cause an even greater increase of the fair value. Vice versa, a decrease in the demand for rental space as well as a decreased market demand for investment property would cause an even heavier decrease of the fair value.

For properties under development, construction costs are another essential input factor. The market value of properties is mainly determined by the expected rental income and the yield. It is in this area of conflict that new development projects are planned and calculated. Given that the calculated construction costs, which are a major influencing factor in development, could change during the development phase because of both market related factors (e.g. shortage of resources on the markets or oversupply) and planning-related factors (e.g. necessary additional changes, unforeseeable problems, subsequent savings, etc.), they have a significant influence on profitability. These additional opportunities/risks are given appropriate consideration in a developer's profit (risk/profit).

The fair value for rented properties, properties under development as well as land banks corresponds to level 3 of the fair value hierarchy according to IFRS 13.

Hierarchy classification

The following tables show the development of separate classes that are assigned according to IFRS 13 to level 3 of the fair value hierarchy:

€ K	Office Austria*	Office Germany*	Office Eastern Europe	Retail Austria
As at 1.1.2019	335,800	1,091,100	1,883,670	96,900
Initial Application IFRS 16	0	1,814	29,961	0
Additions	16,583	18,891	20,952	69
Disposals	0	0	-65	0
Valuation	4,265	201,555	73,189	-2,946
Reclassification between classes	0	155,313	0	0
Change in lease incentives	151	-1,114	1,866	-23
As at 31.12.2019 = 1.1.2020	356,800	1,467,559	2,009,574	94,000
Additions	2,211	23,150	28,868	1,089
Disposals	0	-152,958	-42,562	0
Purchase of real estate and real estate companies	0	127,495	92,330	0
Valuation	7,268	190,186	-79,192	-5,044
Reclassification IFRS 5	0	0	-33,894	0
Reclassification between classes	0	333,214	0	0
Change in lease incentives	721	697	2,292	55
As at 31.12.2020	367,000	1,989,342	1,977,415	90,100

* The fair value of the classes Office Austria and Office Germany also includes the fair value of the own used properties.

The advance payment in 2019 for the purchase of the property Am Karlsbad 11 in Berlin was reclassified from long-term receivables and other assets to investment properties in 2020, as the transaction was completed.

€ K	Hotel Austria	Hotel Germany	Others Austria	Others Germany
As at 1.1.2019	85,500	170,200	50,650	53,920
Initial Application IFRS 16	60	0	0	0
Additions	123	765	0	2,041
Disposals	-11,510	0	0	0
Valuation	444	21,407	790	4,559
Change in lease incentives	-16	728	0	0
As at 31.12.2019 = 1.1.2020	74,600	193,100	51,440	60,520
Additions	0	90	0	285
Disposals	0	0	-53,860	0
Valuation	-13,544	-23,840	20,320	-274
Reclassification between classes	0	0	0	6,470
Change in lease incentives	-156	349	0	109
As at 31.12.2020	60,900	169,700	17,900	67,110

€ K	Development Germany	Development Eastern Europe	Land banks Germany	Land banks Eastern Europe
As at 1.1.2019	377,760	0	258,046	15,755
Initial Application IFRS 16	0	0	0	0
Additions	153,918	3,785	8,975	0
Disposals	0	0	-60	-4,463
Valuation	110,874	1,105	47,830	-1,107
Reclassification between classes	-125,873	10,040	-29,440	-10,040
Change in lease incentives	0	0	0	0
As at 31.12.2019 = 1.1.2020	516,680	14,930	285,352	145
Additions	171,077	20,959	11,267	0
Valuation	57,270	3,211	47,077	5
Reclassification IAS 2	0	0	-1,030	0
Reclassification between classes	-234,984	0	-100,680	0
Change in lease incentives	-143	0	0	0
As at 31.12.2020	509,900	39,100	241,986	150

Sensitivity of the property valuation

All valuations represent an estimate of the price that could be obtained in a transaction taking place at the valuation date. Valuations are based on assumptions, such as the existence of an active market in the region concerned. Unforeseen macroeconomic or political crises could have a significant influence on the market. Such events can trigger panic buying or selling, or a general reluctance to conclude business transactions. If a valuation date falls within a period immediately following an event of this kind, the data underlying the valuation may be questionable, incomplete or inconsistent, which inevitably affects the reliability of the estimate.

The outbreak of the Covid-19 pandemic has affected many aspects of daily life and the global economy. Many countries have imposed general lockdowns and travel restrictions. As a result, in 2020 market activity was severely affected in many sectors. The short- and long-term economic effects of the Covid-19 pandemic on the real estate markets are currently highly uncertain. Some real estate markets have significantly lower levels of transaction activity and liquidity.

Recent economic data show a relaunch of economic activity in the Euro area, although the level of activity is well below the level prevailing before the outbreak of the Covid-19 pandemic and the outlook remains highly uncertain. Although containment policies have been relaxed around the world, the global recovery remains uneven and uncertain.

Since the consequences of current and future measures cannot be foreseen at this point in time, the effects of Covid-19 on the real estate markets and the group's property values are regularly reviewed.

For properties that currently have a high vacancy rate or short-term leases the influence of the appraiser's assumptions on the property value is higher than for properties with cash flows that are secured by long-term contracts.

The property values established by external appraisers depend on several parameters, some of which influence each other in a complex way. For the purposes of a sensitivity analysis for sub-portfolios in respect of changes in value caused by the change in one parameter, individual input factors vary (while other factors stay unchanged) in order to present possible changes.

The below tables illustrate the sensitivity of the fair values to a change in expected rental income (for the purposes of this model, defined as market rent) and in the yields (term yield – capitalization interest rate for the average expected

remaining term of the current rental contracts and reversionary yield – capitalization interest rate for expected rental income after expiration of the current rental contracts) for all investment properties, other than properties held for sale.

2020					
Office Austria					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	0.83%	5.99%	11.14%	16.30%	21.46%
-5%	-4.41%	0.43%	5.28%	10.12%	14.97%
0%	-9.13%	-4.57%	0.00%	4.57%	9.13%
+5%	-13.41%	-9.09%	-4.78%	-0.46%	3.85%
+10%	-17.30%	-13.21%	-9.12%	-5.03%	-0.95%

2019					
Office Austria					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	1.59%	6.45%	11.31%	16.17%	21.03%
-5%	-3.74%	0.81%	5.36%	9.91%	14.46%
0%	-8.55%	-4.27%	0.00%	4.27%	8.55%
+5%	-12.90%	-8.87%	-4.85%	-0.83%	3.20%
+10%	-16.85%	-13.06%	-9.26%	-5.46%	-1.66%

2020					
Office Germany					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	2.46%	7.07%	11.67%	16.28%	20.88%
-5%	-3.07%	1.23%	5.53%	9.82%	14.12%
0%	-8.05%	-4.02%	0.00%	4.02%	8.05%
+5%	-12.54%	-8.77%	-4.99%	-1.22%	2.56%
+10%	-16.63%	-13.08%	-9.53%	-5.98%	-2.43%

2019					
Office Germany					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	2.45%	7.13%	11.81%	16.49%	21.17%
-5%	-3.14%	1.22%	5.59%	9.96%	14.33%
0%	-8.18%	-4.09%	0.00%	4.09%	8.18%
+5%	-12.73%	-8.89%	-5.06%	-1.22%	2.62%
+10%	-16.86%	-13.25%	-9.65%	-6.04%	-2.43%

2020					
Office Eastern Europe					
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	Change in market rent of 10%
-10%	1.87%	6.80%	11.72%	16.64%	21.57%
-5%	-3.69%	0.93%	5.55%	10.17%	14.79%
0%	-8.70%	-4.35%	0.00%	4.35%	8.70%
+5%	-13.23%	-9.13%	-5.02%	-0.92%	3.19%
+10%	-17.35%	-13.47%	-9.59%	-5.71%	-1.83%

2019					
Office Eastern Europe					
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	Change in market rent of 10%
-10%	2.05%	6.87%	11.69%	16.51%	21.33%
-5%	-3.50%	1.02%	5.54%	10.06%	14.58%
0%	-8.50%	-4.25%	0.00%	4.25%	8.50%
+5%	-13.03%	-9.02%	-5.01%	-1.00%	3.00%
+10%	-17.14%	-13.35%	-9.56%	-5.78%	-1.99%

2020					
Retail Austria					
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	Change in market rent of 10%
-10%	0.60%	5.97%	11.35%	16.72%	22.09%
-5%	-4.74%	0.32%	5.37%	10.43%	15.49%
0%	-9.55%	-4.77%	0.00%	4.77%	9.55%
+5%	-13.90%	-9.38%	-4.86%	-0.35%	4.17%
+10%	-17.85%	-13.57%	-9.28%	-5.00%	-0.72%

2019					
Retail Austria					
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	Change in market rent of 10%
-10%	0.02%	5.69%	11.35%	17.02%	22.68%
-5%	-5.32%	0.03%	5.38%	10.72%	16.07%
0%	-10.12%	-5.06%	0.00%	5.06%	10.12%
+5%	-14.47%	-9.67%	-4.87%	-0.06%	4.74%
+10%	-18.43%	-13.86%	-9.29%	-4.72%	-0.15%

2020					
Hotel Austria					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	3.21%	7.54%	11.86%	16.18%	20.51%
-5%	-2.41%	1.60%	5.62%	9.63%	13.65%
0%	-7.48%	-3.74%	0.00%	3.74%	7.48%
+5%	-12.06%	-8.57%	-5.08%	-1.59%	1.90%
+10%	-16.23%	-12.96%	-9.70%	-6.43%	-3.17%

2019					
Hotel Austria					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	3.23%	7.35%	11.48%	15.61%	19.74%
-5%	-2.22%	1.61%	5.44%	9.26%	13.09%
0%	-7.12%	-3.56%	0.00%	3.56%	7.12%
+5%	-11.55%	-8.23%	-4.91%	-1.60%	1.72%
+10%	-15.57%	-12.47%	-9.37%	-6.27%	-3.18%

2020					
Hotel Germany					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	4.74%	8.07%	11.39%	14.71%	18.04%
-5%	-0.71%	2.34%	5.40%	8.45%	11.50%
0%	-5.63%	-2.81%	0.00%	2.81%	5.63%
+5%	-10.08%	-7.48%	-4.88%	-2.28%	0.32%
+10%	-14.13%	-11.73%	-9.32%	-6.91%	-4.51%

2019					
Hotel Germany					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	4.55%	7.75%	10.96%	14.17%	17.37%
-5%	-0.70%	2.25%	5.19%	8.14%	11.08%
0%	-5.43%	-2.71%	0.00%	2.71%	5.43%
+5%	-9.70%	-7.20%	-4.69%	-2.19%	0.32%
+10%	-13.60%	-11.28%	-8.96%	-6.64%	-4.32%

2020					
Other Austria					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	0.45%	5.96%	11.47%	16.98%	22.49%
-5%	-4.97%	0.23%	5.43%	10.64%	15.84%
0%	-9.84%	-4.92%	0.00%	4.92%	9.84%
+5%	-14.25%	-9.59%	-4.92%	-0.25%	4.42%
+10%	-18.27%	-13.83%	-9.39%	-4.95%	-0.51%

2019					
Other Austria					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	0.47%	6.15%	11.83%	17.51%	23.20%
-5%	-5.12%	0.24%	5.60%	10.97%	16.33%
0%	-10.15%	-5.07%	0.00%	5.07%	10.15%
+5%	-14.70%	-9.88%	-5.07%	-0.26%	4.55%
+10%	-18.83%	-14.26%	-9.68%	-5.10%	-0.53%

2020					
Other Germany					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	1.16%	6.45%	11.74%	17.03%	22.32%
-5%	-4.38%	0.59%	5.56%	10.53%	15.50%
0%	-9.37%	-4.68%	0.00%	4.68%	9.37%
+5%	-13.88%	-9.45%	-5.03%	-0.60%	3.82%
+10%	-17.97%	-13.78%	-9.60%	-5.41%	-1.22%

2019					
Other Germany					Change in market rent of
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	
-10%	1.12%	6.00%	10.87%	15.74%	20.62%
-5%	-4.01%	0.57%	5.15%	9.73%	14.31%
0%	-8.63%	-4.31%	0.00%	4.31%	8.63%
+5%	-12.81%	-8.73%	-4.65%	-0.58%	3.50%
+10%	-16.61%	-12.75%	-8.88%	-5.02%	-1.16%

For the development projects, which are valued by residual value method, the table below illustrates the sensitivity of the fair value to an increase or decrease in the projected outstanding development and construction costs. Development projects actively being developed were used as the basis.

2020 in € m	Still outstanding capital expenditures				
	-10%	-5%	Initial value	+5%	+10%
Still outstanding capital expenditures	1,229.6	1,297.9	1,366.2	1,434.5	1,502.8
Fair value	685.6	617.3	549.0	480.7	412.4
Changes to initial value	24.9%	12.4%	0.0%	-12.4%	-24.9%

2019 in € m	Still outstanding capital expenditures				
	-10%	-5%	Initial value	+5%	+10%
Still outstanding capital expenditures	519.9	548.8	577.7	606.6	635.5
Fair value	589.4	560.5	531.6	502.7	473.8
Changes to initial value	10.9%	5.4%	0.0%	-5.4%	-10.9%

The sensitivity analysis of the projects under development are based on an average percentage of completion of approximately 29% (2019: 41%) as at the balance sheet date, related to total construction costs. The sensitivity only relates to the outstanding costs of the building constructions works. The outstanding capital expenditures will reduce with the increase of the percentage of completion. Based on the residual value method this leads to an increase in the fair value of the projects under development. An increase or decrease in the still outstanding capital expenditures leads to the reverse movement in the fair value of the projects under development, within the residual value method.

3.2. Own used properties

€ K	Own used properties	Right of use assets of own used properties	Total
Book values			
As at 1.1.2019	5,223	0	5,223
Initial Application IFRS 16	0	9,561	9,561
Current investment/construction	1,148	87	1,235
Depreciation and amortisation	-276	-1,783	-2,059
Reclassification of own used properties	1,070	0	1,070
As at 31.12.2019	7,165	7,865	15,030
Current investment/construction	0	40	40
Disposals	-47	-23	-70
Depreciation and amortisation	-410	-1,694	-2,103
As at 31.12.2020	6,709	6,188	12,896

The following table provides an overview of the book values as at the respective reporting dates:

€ K	Own used properties	Right of use assets of own used properties	Total
As at 1.1.2019			
Acquisition costs	10,683	0	10,683
Accumulated depreciation	-5,460	0	-5,460
Net book value	5,223	0	5,223
As at 31.12.2019			
Acquisition costs	10,489	9,648	20,137
Accumulated depreciation	-3,324	-1,783	-5,107
Net book value	7,165	7,865	15,030
As at 31.12.2020			
Acquisition costs	10,443	9,625	20,068
Accumulated depreciation	-3,734	-3,437	-7,171
Net book value	6,709	6,188	12,896

Impairment losses

If an indication exists that a long term non-financial asset (own used properties as well as right of use assets assigned to this category) might be impaired, CA Immo Group performs an impairment test. CA Immo calculates the recoverable amount for the asset or smallest identifiable group of assets that generate cash inflows from continued use that are largely independent from the cash inflows from other assets (cash-generating unit).

The recoverable amount is the higher of the fair value less the cost to sell (net realisable value) and the value in use of the corresponding asset (or group of assets). The value in use is the present value of the expected future cash flows that are likely to be generated by the continued use of an asset (or group of assets) and its retirement at the end of its useful life.

If this recoverable amount is lower than the carrying value of the asset (or group of assets), the asset is written off to the lower value. These write-offs are reported in the consolidated income statement under “depreciation and impairment/reversal”.

If at a later date the impairment ceases to exist, the impairment loss is reversed to profit or loss up to the carrying amount of the amortised original acquisition or production cost.

Classification of properties

Properties used for administration purposes are presented under the line “own used properties” if these properties can be sold separately or their own use amounts to more than 5.0% of the total usable area. The rights of use for the rent of space used for administration purposes are also included in this balance sheet item.

Measurement

Own used properties are measured in accordance with the cost method, i.e. acquisition or production cost or fair value at the date of reclassification less regular depreciation and impairment losses. The valuation of rights of use for properties rented for administration purposes is carried out according to the cost method, i.e. at the present value of the lease payments (lease liability) and reduced by the scheduled depreciation and impairments.

Investment grants are accounted for as deduction of production costs.

The estimated useful life of own used properties, applying the principle that each part of an item with a significant cost shall be depreciated separately, is 70 to 75 years for the structural work, 15 to 70 years for the facade, 20 years for the building equipment and appliances, 15 to 20 years for the roof, and 10 to 20 years for the tenant's finishing works. The scheduled depreciation for the right of use assets of own used properties is carried out on a straight-line basis over the expected rental period. This is determined individually based on the underlying contracts.

3.3. Office furniture and equipment and intangible assets

€ K	Office furniture and equipment	Right of use assets of office furniture and equipment	Total office furniture and equipment	Goodwill	Software	Total intangible assets
Book values						
As at 1.1.2019	5,938	0	5,938	5,187	502	5,689
Initial Application IFRS 16	0	957	957	0	0	0
Currency translation adjustments	-3	-1	-4	0	0	0
Current additions	2,174	342	2,516	0	516	516
Disposals	-18	-32	-50	-59	0	-59
Depreciation and amortisation	-1,113	-476	-1,589	0	-331	-331
Impairment	0	0	0	-646	0	-646
As at 31.12.2019	6,978	790	7,768	4,481	687	5,169
Currency translation adjustments	-31	-2	-33	0	0	0
Current additions	1,269	490	1,759	0	685	685
Disposals	-81	-77	-158	-2,090	-12	-2,102
Depreciation and amortisation	-1,290	-515	-1,806	0	-343	-343
Impairment	0	0	0	-410	0	-410
As at 31.12.2020	6,844	687	7,531	1,981	1,017	2,998

The following table shows the composition of the book values at each of the reporting dates:

€ K	Office furniture and equipment	Right of use assets of office furniture and equipment	Total office furniture and equipment	Goodwill	Software	Total intangible assets
As at 1.1.2019						
Acquisition costs	11,590	0	11,590	21,742	4,239	25,981
Accumulated impairment/amortisation	-5,651	0	-5,651	-16,555	-3,737	-20,292
Book values	5,938	0	5,938	5,187	502	5,689
As at 31.12.2019						
Acquisition costs	13,212	1,231	14,443	14,244	4,698	18,941
Accumulated impairment/amortisation	-6,234	-441	-6,675	-9,762	-4,010	-13,773
Book values	6,978	790	7,768	4,481	687	5,169
As at 31.12.2020						
Acquisition costs	14,264	1,317	15,581	5,124	5,366	10,490
Accumulated impairment/amortisation	-7,420	-630	-8,051	-3,143	-4,349	-7,492
Book values	6,844	687	7,531	1,981	1,017	2,998

Goodwill impairment

Goodwill is tested for impairment at each balance sheet date, with individual properties representing the cash generating units. Due to the specific nature of the recognised goodwill, the recoverable amount for the cash generating unit cannot be determined without taking into account the expected tax charge. Hence, the book value of the cash generating unit includes, in addition to the allocated goodwill, the directly attributable deferred taxes of the single properties. The recoverable amount is determined on the basis of value in use. This amount is derived from the fair value of a property which is mainly determined on the basis of external valuation reports. The present value of the income tax payments is determined considering after-tax yield (which represents the yield of the property after tax effects of the relevant country) on the expected income tax payments.

The impairment test assumes, based on experience, an average retention period for properties held by CA Immo Group as at 31.12.2020 of 2 years for investment properties. Due to the assumption of the retention period decreasing each year and thus of a reduced discounting period each year, further impairment losses of the goodwill corresponding to the reduction in the present value benefit are expected in future periods.

The following sensitivity analysis shows the impact in goodwill impairment of changes in significant parameters for the impairment test.

2020				
Goodwill impairment in € K				
Change in yield (in % of initial yield)	+5%	+5%	+10%	+10%
Change in market rent	-5%	-10%	-5%	-10%
Impact on the profit and loss statement	-58.9	-91.0	-91.2	-122.7
2019				
Goodwill impairment in € K				
Change in yield (in % of initial yield)	+5%	+5%	+10%	+10%
Change in market rent	-5%	-10%	-5%	-10%
Impact on the profit and loss statement	-170.7	-317.3	-306.3	-445.6

§ Intangible assets

The goodwill represents the amount by which the fair value of the amount transferred (usually the purchase price for the acquired business) and (if applicable) for the non-controlling interest, exceeds the fair value of the identifiable assets and liabilities, including any deferred taxes. It mainly represents the benefit resulting from the fact that the deferred tax liabilities acquired will become due only in a future period. Goodwill is not amortised, but is tested for impairment at each period end.

A possible impairment is directly connected to the reduction of the fair value of the property or to taxation changes in the country of the cash generating unit. Parameters determined by the appraisers within the scope of the external property valuation are largely used for the impairment test.

Other intangible assets mainly comprise software and are recognised at acquisition cost less straight-line amortisation and impairment losses. Software is amortised over a useful life of 2 to 5 years. CA Immo Group makes use of the option under IFRS 16 and does not recognise any rights of use for software.

§ Office furniture and equipment

Office furniture and equipment are measured in accordance with the cost method, i.e. acquisition or production cost less regular depreciation and impairment losses. The initial valuation of rights of use for office furniture and equipments carried out according to the cost method, i.e. at the present value of the lease payments (lease liability), and subsequently reduced by scheduled depreciation and impairments.

Office furniture and equipment are depreciated on a straight-line basis over their estimated useful life, which ranges from 2 to 15 years. The scheduled depreciation of the rights of use for office furniture, equipment and other assets is carried out on a straight-line basis over the expected rental period. This is determined individually based on the underlying contracts.

3.4. Investments in joint ventures

CA Immo Group is engaged in the following material joint ventures:

Name	Project Partner	Share of CA Immo Group (Prior Year)	Registered office	Region/Country Investment	Type of investment	Aggregation	Number entities (Prior Year)
Eggarten	Büschl Group represented by Park Immobilien Projekt Eggarten Holding GmbH & Co. KG	50% (50%)	Munich	Germany	Development	Sum of entities	2 (2)
Mainz	Mainzer Stadtwerke AG	50.1% (50.1%)	Mainz	Germany	Development	Sum of entities	3 (3)

The joint venture “Eggarten” plans the development and sale of properties in Munich. The joint venture Mainz plans the development and sale of land plots in the customs harbour in Mainz.

None of the joint ventures are listed and all have 31.12. as the key date. In all cases, except the Mainz joint ventures, the profit share is in accordance with the ownership share. The financial statements of the joint ventures are prepared in compliance with the accounting policy of CA Immo Group and included in the consolidated financial statements in accordance with the equity method.

Joint ventures are set up by CA Immo Group for strategic reasons and structured as independent investment companies. They consist of common agreements, groups of independent investment companies (sum), or separate investment companies (subsidiaries). The structure depends on the strategic background e.g. development of properties, financing or investment volume.

As at 31.12.2020, there are no unrecognized losses from joint ventures (31.12.2019: € 0 K). There are no unrecognized contractual obligations for the CA Immo Group concerning the acquisition or disposal of shares in joint ventures or for assets that are not accounted for.

The presented information of joint ventures does not include any consolidation within the CA Immo Group.

The following table shows material interests in joint ventures:

€ K	2020		2019	
	Eggarten	Mainz	Eggarten	Mainz
Rental income	48	1,689	57	1,666
Depreciation and impairment/reversal	-5	-152	-1	-151
Finance costs	-124	-1,218	-61	-1,056
Income tax expense	0	-389	-1	-1,883
Consolidated net income	-372	10,278	-332	13,705
Total comprehensive income	0	0	0	0
Comprehensive income for the period	-372	10,278	-332	13,705
Long-term assets	49	2,540	53	2,501
Other short-term assets	91,991	99,014	90,712	96,239
Cash and cash equivalents	115	851	56	847
Total assets	92,154	102,404	90,822	99,587
Other long-term liabilities	0	41,610	0	45,714
Interest-bearing liabilities	9,151	31	7,283	41
Long-term liabilities	9,151	41,640	7,283	45,755
Other short-term liabilities	181	23,986	346	18,875
Interest-bearing liabilities	5	13	5	38
Short-term liabilities	186	23,999	350	18,913
Shareholders' equity	82,817	36,766	83,168	34,919
Proportional equity as at 1.1.	41,581	17,477	41,750	15,521
Proportional profit of the period	-186	5,133	-169	6,855
Dividends received	0	-4,224	0	-4,899
Proportional equity as at 31.12.	41,395	18,386	41,580	17,477
Intercompany profit elimination and other consolidation effects	0	-4,520	0	-2,522
Book value investments into joint ventures 31.12	41,395	13,866	41,580	14,955

The following table summarizes non-material interests in joint ventures:

€ K	2020	2019 restated
Proportional equity as at 1.1.	8,578	140,565
Proportional profit of the period	-1,050	-159
Capital increases	208	0
Capital decrease	-5,064	-335
Dividends received	-3,299	-131,493
Proportional equity as at 31.12.	-628	8,578
Intercompany profit elimination and other consolidation effects	-60	344
Disposals	0	-7
Transition consolidation	-22	0
Allowance of loans and receivables	3,076	2,304
Book value investments into joint ventures 31.12	2,367	11,220

As at 31.12.2019 the investment in the joint venture „Tower 185” was considered as a material interest. As at 31.12.2020 the investment in “Tower 185” was considered as a non-material interest and the prior year information was restated.

3.5. Other assets

€ K	31.12.2020	31.12.2019
Other financial assets	45,470	45,578
Long-term receivables and other assets	15,258	38,089
	60,728	83,667

€ K	Acquisition costs incl. recognized interests as at 31.12.2020	Changes in value accumulated until 31.12.2020	Book values as at 31.12.2020	Changes in value recognized in profit or loss 2020
Loans to joint ventures	12,002	-3,076	8,926	-772
Loans and receivables	12,002	-3,076	8,926	-772
Other investments	31,326	3,535	34,861	-5,595
Other investments	31,326	3,535	34,861	-5,595
Interest rate floors	726	956	1,682	535
Derivative financial instruments	726	956	1,682	535
Total other financial assets	44,054	1,415	45,470	-5,832

Other investments mainly include non-controlling interests in Germany.

€ K	Acquisition costs incl. recognized interests as at 31.12.2019	Changes in value accumulated until 31.12.2019	Book values as at 31.12.2019	Changes in value recognized in profit or loss 2019
Loans to joint ventures	5,329	-2,304	3,025	-564
Loans to associated companies	0	0	0	-2,963
Other loans	22,870	-22,870	0	6
Loans and receivables	28,199	-25,174	3,025	-3,521
Other investments	32,276	9,130	41,406	1,120
Other investments	32,276	9,130	41,406	1,120
Interest rate floors	726	421	1,148	321
Derivative financial instruments	726	421	1,148	321
Total other financial assets	61,201	-15,623	45,578	-2,081

Long-term receivables and other assets

€ K	31.12.2020	31.12.2019
Cash and cash equivalents with drawing restrictions	11,708	15,154
Receivables from trading property and construction work (transferred over time)	0	15,545
Advance payment for investment property acquisition	0	4,020
Other receivables from joint ventures	1,137	1,282
Receivables from property and share sales	61	59
Other receivables and assets	2,353	2,029
Long-term receivables and other assets	15,258	38,089

€ K	Other investments
As at 1.1.2019	41,098
Valuation P/L	1,120
Distributions/capital reduction	-813
As at 31.12.2019 = 1.1.2020	41,406
Valuation P/L	-5,595
Distributions/capital reduction	-950
As at 31.12.2020	34,861

The fair value of other investments corresponds to level 3 of the fair value hierarchy according to IFRS 13.

§ Loans

Loans granted to joint ventures are assigned to the category “amortised cost” (AC). They are measured at fair value upon recognition, and subsequently at amortised cost, applying the effective interest-rate method and taking into account any impairment, according to IFRS 9. CA Immo Group generally evaluates loans granted to joint ventures together with the equity held in these entities because the loans are considered as part of the net investment. If the equity of the entities reported under the equity method becomes negative, the loans considered as part of the net investment are impaired to the level of the loss not yet recognized.

§ Other investments

Non-controlling interests are assigned to the category “fair value through profit or loss” (FVtPL). The valuation of the investment is made at fair value upon recognition. Subsequent changes in value are presented in profit or loss as “result from financial investments”. If a listed price on an active market is not available, the fair value of investments which own investment properties will be updated based on internal valuations, mostly based on external professional opinions for the properties.

§ Long-term receivables

Trade receivables, other receivables and other financial assets are primary financial instruments that are not listed on active markets and not intended for sale. They are assigned to the measurement category “amortised cost” (AC). They are initially measured at fair value, and thereafter at amortised cost, applying the effective interest-rate method and less expected credit losses.

Receivables from the sale of properties having a maturity of more than one year are recognised at their present values and presented as non-current receivables as of the respective reporting date.

§ Cash subject to drawing restrictions of more than 12 months

Restricted cash with a longer lock-up period (over 12 months) is presented as financial assets. The expected credit losses for cash and cash equivalents are determined based on the default probability of each financial institution.

CHAPTER 4: CURRENT ASSETS

4.1. Assets and liabilities held for sale

As at 31.12.2020 a disposal group with a property in Slovakia (segment Eastern Europe other regions - investment properties) with a fair value of € 33,894 K (31.12.2019: € 0 K) was classified as held for sale. For these assets and liabilities, the disposal was agreed by the appropriate level of management of CA Immo Group and a contract of sale was concluded or assigned by the time the consolidated financial statements were prepared.

The result from revaluation includes an amount of € 0 K (2019: € 0 K) related to investment properties after their reclassification as properties held for sale.

Assets and liabilities held for sale

€ K	31.12.2020	31.12.2019
Assets held for sale	33,894	0
Receivables and other assets	111	0
Cash and cash equivalents	3,086	0
Assets in disposal groups held for sale	37,092	0
Provisions	43	0
Interest-bearing liabilities	1,604	0
Liabilities relating to disposal groups	1,647	0
Net-assets/liabilities included in disposal groups	35,445	0

Investment properties held for sale in the amount of € 0 K (31.12.2019: € 0 K) are encumbered with mortgages.

€ K	IFRS 5 properties
As at 1.1.2019	14,144
Disposals	-14,144
As at 31.12.2019 = 1.1.2020	0
Reclassification IFRS 5	33,894
As at 31.12.2020	33,894

The fair value of assets held for sale corresponds to level 3 of the fair value hierarchy according to IFRS 13.

§ Classification as “held for sale”

Non-current assets and disposal groups are classified as “held for sale” if the relevant book value is expected to be realised from disposal and not from continued use. In this case, the relevant non-current assets and disposal groups are available for immediate sale in their current condition and a disposal is highly probable. Furthermore, the sale must be expected to be completed within one year of the classification as held for sale. Disposal groups consist of assets and liabilities that will be sold together in a single transaction.

Non-current assets and disposal groups that are classified as held for sale are generally recognised at the lower of book value and fair value less costs to sell. Investment properties, measured according to the fair value model, interest bearing liabilities measured at amortised cost, as well as deferred taxes valued according to IAS 12 and financial assets according to IFRS 9 are exempt from this rule.

4.2. Properties held for trading

€ K	Acquisition / production costs	Accumulated impairment	31.12.2020	Acquisition / production costs	Accumulated impairment	31.12.2019
			Book values			Book values
At acquisition/production costs	33,042	0	33,042	59,262	0	59,262
At net realisable value	7,288	-5,130	2,158	6,031	-3,953	2,078
Total properties held for trading	40,330	-5,130	35,200	65,293	-3,953	61,340

The fair value of the properties held for trading, which are recognised at acquisition/production costs, amounts to € 113,724 K (31.12.2019: € 134,132 K) and corresponds to level 3 of the fair value hierarchy.

Properties held for trading amounting to € 31,441 K (31.12.2019: € 31,105 K) with a fair value of € 104,856 K (31.12.2019: € 94,140 K) are expected to be realised within a period of more than 12 months. This applies to 13 properties (31.12.2019: 14 properties) in Germany which comprise mainly land banks in Munich.

In 2020, borrowing costs amounting to € 0 K (31.12.2019: € 417 K) were capitalised at a weighted average interest rate of 0.00% (2019: 1.75%) on properties held for trading. Interest bearing liabilities in connection with properties held for trading total € 0 K (31.12.2019: € 0 K).



Classification as “held for trading”

Properties are recognised as held for trading if the relevant property is intended for sale in the ordinary course of business or its specific development has started with the intention of a subsequent sale in the ordinary course of business (or a corresponding forward-sale agreement was concluded).



Measurement

Properties held for trading are measured at the lower of acquisition or production cost and net realisable value as of the relevant reporting date.

4.3. Receivables and other assets

€ K	Book values as at 31.12.2020	Book values as at 31.12.2019
Rental and trade debtors	19,220	18,638
Receivables from trading property and construction work (transferred over time)	18,618	1,797
Receivables from property and share sales/ acquisitions	60,164	3,849
Receivables from joint ventures	6,060	6,559
Cash and cash equivalents with drawing restrictions	10,306	10,793
Other accounts receivable	6,962	12,854
Receivables and other financial assets	121,330	54,490
Other receivables from fiscal authorities	11,786	17,014
Contract assets	0	0
Other non financial receivables	3,259	2,310
Other non financial assets	15,045	19,324
Receivables and other assets	136,375	73,814

The carrying amount of receivables and other assets are based on nominal value and allowance, as follows:

€ K	Nominal value	Expected credit	Book value	Nominal value	Expected credit	Book value
	31.12.2020	losses 31.12.2020	31.12.2020	31.12.2019	losses 31.12.2019	31.12.2019
Receivables and other financial assets	130,292	-8,962	121,330	59,341	-4,852	54,490
Other non financial assets	15,045	0	15,045	19,324	0	19,324
Receivables and other assets	145,337	-8,962	136,375	78,665	-4,852	73,814

Movements in allowances for receivables and other assets are presented below:

€ K	2020	2019
As at 1.1.	-4,852	-6,411
Additions (value adjustment expenses)	-6,177	-1,494
Usage	399	464
Reversal	1,556	837
Disposal / deconsolidation	0	8
Transfer	37	1,741
Currency translation adjustments	74	3
As at 31.12.	-8,962	-4,852

The following table shows the risk profile of receivables and other assets based on their maturity:

Maturities receivables and other financial assets	2020	2019
€ K		
Not due	108,965	40,280
Overdue <31 days	4,358	7,507
Overdue 31-90 days	1,924	2,493
Overdue >90 days	6,083	4,210
Overdue total	12,365	14,210
Total	121,330	54,490

Changes in contract assets and contract liabilities result from:

€ K	31.12.2020			31.12.2019		
	Receivables	Contract assets	Contract liabilities	Receivables	Contract assets	Contract liabilities
As at 1.1.	17,342	0	0	4,172	15,098	0
Increase as a result of changes in the measure of progress	0	42,860	0	0	11,884	0
Reclassification from contract assets to trade receivables	42,860	-42,860	0	17,268	-17,268	0
Prepayments received	-42,106	0	0	-4,099	-10,297	0
Net off contract assets and contract liabilities	0	0	0	0	0	0
Interest income present value receivables	523	0	0	0	584	0
As at 31.12.	18,618	0	0	17,342	0	0

As at 31.12.2020 expected future income from the sale of properties and construction works (realization over time due to transfer over time) amounts to € 0 K (31.12.2019: € 0 K).

§ Receivables and other financial assets

Trade receivables, other receivables and other financial assets are primary financial instruments that are not listed on active markets and not intended for sale. They are assigned to the measurement category “amortised cost” (AC). They are initially measured at fair value, and thereafter at amortised cost, applying the effective interest-rate method less expected credit losses.

An expected loss on receivables is calculated based on the maturity, the past due period and the individual payment performance of the relevant debtor, taking into account any security received. The simplified allowance model of IFRS 9 for leasing receivables is applied, so that the expected credit losses for the whole remaining duration of the instrument are presented. Uncollectible receivables are derecognised. Subsequent payments in respect of receivables for which impairment losses have been incurred, are recognised as income in the consolidated income statement.

CA Immo Group limits the credit risk mostly by means of deposits, bank guarantees and related securities. The following risk categories exist:

Risk category	Description	Expected credit loss
1 (low risk)	Low default risk; timely payments of the counterparty	12 month-expected credit loss
2 (increased risk or simplified approach)	Overdue receivables and all leasing receivables due to application of simplified approach.	Lifetime expected credit loss
3 (high risk due to delay of payment)	Diminished credit standing due to enduring non-payment, bankruptcy or insolvency proceedings	Lifetime expected credit loss
4 (derecognition)	No expected payments.	Full write-off. With the final default the receivable is derecognized.

CA Immo Group sets the expected credit losses based on aging and expected insolvency rates per country (for category 2 and category 3). For category 1 (low risk) the credit loss for the expected remaining maturity (maximum 12 months) is determined based on CDS (credit default swaps) default rates, for example.

§ Cash subject to drawing restrictions of up to 12 months

Cash in banks subject to drawing restrictions of more than 3 but less than 12 months is presented as “receivables and other assets”.

§ Other non-financial instruments

Other non-financial assets mainly consist of prepayments, accrued services in progress, receivables from fiscal authorities, prepaid expenses and contract assets (in accordance with IFRS 15). They are measured at cost less any impairment losses, respectively in case of contract assets less any expected credit losses.

When revenues for construction projects (for example for owner occupied apartments) are recognized by measuring progress, according to IFRS 15, contract assets, respectively contract liabilities, are presented. The recognized contract assets are netted with prepayments received and presented as “trade and other receivables” and in case of a contract liability as “other liabilities”.

4.4. Securities

After the sale of the whole stake in IMMOFINANZ in 2019, CA Immo Group holds no shares as at the reporting date.

In 2019 a dividend income amounting to € 4,658 K was recorded in the income statement and in other comprehensive income a change in value not affecting the profit and loss amounting to € 19,441 K was recorded. A reclassification in equity from “other reserves” to “retained earnings” was made due to the sale of the IMMOFINANZ shares in the amount of € 33,351 K. In 2019, the 5,480,556 shares were sold for € 134,002 K with a cumulative effect (difference between sales price and acquisition costs, without dividends) of € 3,687 K. In total, the dividends for the years 2016 - 2019 amounted to € 15,072 K.

§ The securities are primary financial instruments that are quoted on an active market (level 1 of the fair value hierarchy). They are classified as “fair value through other comprehensive income” (FVOCI). The initial recognition is at fair value including any transaction costs and the subsequent valuation is at fair value (stock market quotation). All changes in the values of securities are shown in other comprehensive income and in case of a sale, there is no recognition in profit or loss. Dividends from these securities are presented in profit or loss as “result from financial investments”.

The securities were assigned to the category “fair value through other comprehensive income” (FVOCI) given the fluctuations in the value of IMMOFINANZ AG shares, which otherwise should have been presented in the profit or loss statement, and the thereto related unpredictable volatility should not have influenced the result of the operational real estate business (core business of CA Immo Group).

CA Immo Group recognizes securities at the conclusion of the transaction agreement.

4.5. Cash and cash equivalents

€ K	31.12.2020	31.12.2019
Cash in banks	922,346	435,320
Restricted cash	13,116	4,051
Cash on hand	20	21
Fund of cash and cash equivalents	935,482	439,391
Expected credit losses in cash and cash equivalents	-619	-253
Cash and cash equivalents (balance sheet)	934,863	439,139

§ Cash and cash equivalents include cash, deposits in banks, as well as fixed-term deposits with an original term of up to three months. This item also includes cash in banks subject to drawing restrictions for a period of less than 3 months, which is used for securing outstanding loans (principal and interest) as well as current investments in development projects.

The expected credit losses for cash and cash equivalents are determined based on the default probability of each financial institution. For the computation of the expected credit losses, CA Immo Group takes into consideration the expected period it takes to transfer cash and cash equivalents to other financial institutions.

CHAPTER 5: EQUITY AND FINANCING

5.1. Shareholders' equity

The share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 718,336,602.72 (31.12.2019: € 718,336,602.72). It is divided into 98,808,332 (31.12.2019: 98,808,332) bearer shares and 4 registered shares of no par value. The registered shares are held by SOF-11 Klimt CAI S.à r.l., Luxemburg, an entity managed by Starwood Capital Group, each granting the right to nominate one member of the Supervisory Board. The Supervisory Board currently consists of six members elected by the Ordinary General Meeting and two members elected by the registered shares and four delegated by the works council.

As at 31.12.2020, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total (31.12.2019: 5,780,037 treasury shares). Given the total number of voting shares issued (98,808,336), this is equivalent to around 5.8% (31.12.2019: 5.8%) of the voting shares.

The appropriated capital reserve as reported in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals € 854,842 K (31.12.2019: € 854,842 K). Profits can only be distributed up to the amount of the net profit of the parent company disclosed in the individual financial statements in accordance with the Austrian Commercial Code (UGB), subject to the existence of any legal dividend payment constraints. In 2020, a dividend amount of € 1.00 (2019: € 0.90) for each share entitled to dividend, totalling € 93,028 K (2019: € 83,725 K), was distributed to the shareholders. The total net profit of CA Immobilien Anlagen Aktiengesellschaft as at 31.12.2020 amounting to € 897,605 K (31.12.2019: € 907,530 K), is not subject to dividend payment constraints (31.12.2019: no dividend payment constraints). The Management Board of CA Immo AG proposes to use part of the retained earnings as at 31.12.2020, amounting to € 897,605 K, in 2021 to distribute a dividend of € 1.00 per share, so that a total of € 93,028 K is to be distributed to shareholders. The remaining retained earnings of € 804,577 K are to be carried forward.

As at 31.12.2020, authority exists for the issue of additional capital in the amount of € 359,168,301.36 in the period until 18.9.2023 and for the issue of conditional capital in the amount of € 47,565,458.08 earmarked for the specified purpose of servicing 0.75% of the convertible bonds 2017 – 2025 (conditional capital 2013) as well as a conditional capital in the amount of € 143,667,319.09 earmarked for the specified purpose of servicing convertible bonds which are issued prospectively based on the authorization of the Ordinary General Meeting as of 9.5.2018 (conditional capital 2018).

CA Immo AG has an outstanding non-subordinated unsecured convertible bond in an amount of € 200 M and a term until April 2025. The coupon payable semi-annually amounts to 0.75% p.a. and the initial conversion price has been set at € 30.5684 per share. This equaled a conversion premium of 27.50% above the volume weighted average price (VWAP) of the CA Immo shares amounting to € 23.9752 on the launch date. Following the dividend payment amounting to € 1.00 per share on 27.8.2020, the conversion price has most recently changed to € 29.7675, in accordance with section 11 (d) (ii) in issuance terms. The convertible bond was issued at 100% of its nominal value of € 100,000 per bond and will be redeemed at 100% of the nominal value, if not previously repaid or converted. At the company's choice, the redemption may be effected by the provision of shares, cash or a combination of the two.

In February 2020, CA Immo AG issued a € 500 M fixed-interest benchmark bond with a term of seven years and an annual coupon of 0.875%.

In October 2020, CA Immo AG issued a € 350 M fixed-interest green bond with a term of five years and an annual coupon of 1.0%.

5.2. Interest bearing liabilities

€ K	31.12.2020			31.12.2019		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Convertible bond	362	193,846	194,207	362	190,445	190,807
Corporate bonds	123,983	1,418,027	1,542,011	13,904	784,913	798,817
Bonds	124,345	1,611,873	1,736,218	14,265	975,359	989,624
Loans	77,309	968,660	1,045,969	228,399	838,839	1,067,238
Lease liabilities	3,647	41,627	45,275	3,814	36,666	40,480
Other interest-bearing liabilities	80,956	1,010,288	1,091,244	232,213	875,506	1,107,718
	205,301	2,622,161	2,827,462	246,478	1,850,864	2,097,342

The Euro is the contract currency of 100% of the loans and bonds (31.12.2019: 100% in EUR).

Bonds

31.12.2020	Nominal value in € K	Book value excl. interest in € K	Deferred interest in € K	Nominal interest rate	Effective interest rate	Issue	Repayment
Convertible bond	200,000	193,846	362	0.75%	2.57%	4.10.2017	4.4.2025
Bond 2015-2022	142,411	142,290	3,381	2.75%	2.83%	17.2.2015	17.2.2022
Bond 2016-2023	116,621	116,399	2,780	2.75%	2.84%	17.2.2016	17.2.2023
Bond 2016-2021	107,450	107,360	941	1.88%	2.03%	12.7.2016	12.7.2021
Bond 2017-2024	175,000	174,244	2,791	1.88%	2.02%	22.2.2017	22.2.2024
Bond 2018-2026	150,000	147,365	2,152	1.88%	2.24%	26.9.2018	26.3.2026
Bond 2020-2027	500,000	493,166	3,957	0.88%	1.11%	5.2.2020	5.2.2027
Bond 2020-2025	350,000	344,562	623	1.00%	1.34%	27.10.2020	27.10.2025
Total	1,741,482	1,719,233	16,985				

31.12.2019	Nominal value in € K	Book value excl. interest in € K	Deferred interest in € K	Nominal interest rate	Effective interest rate	Issue	Repayment
Convertible bond	200,000	190,445	362	0.75%	2.57%	4.10.2017	4.4.2025
Bond 2015-2022	175,000	174,731	4,159	2.75%	2.83%	17.2.2015	17.2.2022
Bond 2016-2023	150,000	149,592	3,576	2.75%	2.84%	17.2.2016	17.2.2023
Bond 2016-2021	140,000	139,682	1,227	1.88%	2.03%	12.7.2016	12.7.2021
Bond 2017-2024	175,000	174,015	2,791	1.88%	2.02%	22.2.2017	22.2.2024
Bond 2018-2026	150,000	146,894	2,152	1.88%	2.24%	26.9.2018	26.3.2026
Total	990,000	975,359	14,265				

The corporate bonds and the convertible bonds are subject to financial covenants. These are mainly related to change of control (i.e. the acquisition of a direct or indirect controlling interest in the company in the sense of the Austrian Takeover Act, if this has a significant influence on CA Immo's ability to meet its obligations under the bonds), cross default (whereby the outstanding amounts may be due if the company or one of its major subsidiaries requires early repayment of another financial obligation for non-compliance with credit terms) or Loan-to-Value ratios (gearing of the company).

As at 31.12.2020 no bonds were in breach of covenants (31.12.2019: no breaches).

Other interest-bearing liabilities

As at 31.12.2020 and 31.12.2019, the terms of other interest-bearing liabilities are as follows:

31.12.2020						
Type of financing and currency	Effective interest rate as at 31.12.2020 in %	Interest variable/fixed/hedged	Maturity	Nominal value in € K	Book value in € K	Fair value of liability in € K
Loans	0.70%-1.85%	variable	3/2021 - 3/2032	182,718	180,196	180,196
Loans	0.90%-2.64%	hedged	12/2021 - 12/2032	580,363	575,487	575,487
Loans	0.70%-3.95%	fixed	12/2022 - 6/2030	290,840	290,286	299,288
Loans (total)				1,053,921	1,045,969	1,054,971
Lease liabilities (IAS 40)	0.81%-6.94%	fixed	3/2021-8/2104	96,510	37,911	
Lease liabilities (other)	0.41%-3.87%	fixed	1/2021-12/2025	7,665	7,364	
				1,158,096	1,091,244	1,054,971

31.12.2019						
Type of financing and currency	Effective interest rate as at 31.12.2019 in %	Interest variable/fixed/hedged	Maturity	Nominal value in € K	Book value in € K	Fair value of liability in € K
Loans	0.70%-1.85%	variable	3/2020 - 3/2032	299,503	298,142	298,142
Loans	0.90%-2.75%	hedged	3/2020 - 12/2032	518,275	513,397	513,397
Loans	0.70%-3.95%	fixed	12/2022 - 12/2028	256,186	255,698	261,539
Loans (total)				1,073,964	1,067,238	1,073,079
Lease liabilities (IAS 40)	0.81%-6.94%	fixed	1/2020-8/2104	87,091	31,226	
Lease liabilities (other)	0.45%-5.38%	fixed	2/2020-12/2025	9,695	9,254	
				1,170,750	1,107,718	1,073,079

For loans with a variable interest rate, interest rate derivatives with a nominal value of € 9,978 K (31.12.2019: € 13,497 K) have been set up in order to reduce the effect of changes in the interest rate.

The bank financing of CA Immo Group is subject to financial covenants. These are generally for investment properties LTV (loan to value, i.e. ratio between loan amount and the fair value of the property), ISCR (interest service coverage ratio, i.e. the ratio between rental revenues and interest expenses) and DSCR (debt service coverage ratio, i.e. the ratio between rental revenues and debt service of one period) and ratios for investment properties under development LTC (loan to cost, i.e. ratio between debt amount and total project costs) and ISCR (interest service coverage ratio, i.e. the ratio between future rental revenues planned and interest expenses).

Other interest-bearing liabilities, for which the relevant financial covenants were not met as at 31.12.2020, are presented in short-term interest-bearing liabilities regardless of their maturity, because breaches of the financial covenants generally entitle the lender to early termination of the loan agreement. This applies irrespective of the state of negotiations with the banks regarding a continuation or amendment of the loan agreements. As at 31.12.2020 no loans were in breach of covenants (31.12.2019: no breaches).

§ Interest-bearing liabilities are assigned to the category "amortised cost" (AC) and recognised upon disbursement at the amount actually received less transaction costs and for the lease liabilities at the present value of the future lease payments. Any difference between the amount received and the repayment amount, respectively between the present value and the nominal value of the lease liabilities is allocated over the term of the financing, according to the effective interest-rate method, and is recognised as financing costs or, if the conditions set forth in IAS 23 are met, capitalized as borrowing costs of construction works.

A convertible bond requires in principle a split of the financial instrument between an equity component and a debt component. The equity component is replaced due to the cash settlement option of CA Immo AG, with an embedded derivative subject to separation. Embedded derivatives are generally separately recognized, if their economic characteristics and risks are not closely related to those of the host contract, if they independently fulfill the definition of derivatives and if the entire instrument is not measured at fair value through profit or loss. Initial recognition of the debt component is at fair value of a similar liability that does not include an option to convert into equity instruments. Directly attributable transaction costs are allocated to the debt component. Liabilities from convertible bonds are assigned to the category "amortised cost" (AC) and are measured using the effective interest-rate method.

When a change or amendment in the contractual terms of a liability is recognized as a redemption (i.e. the obligations specified in the contract are cancelled or the 10% threshold of the present value test is not met), then all incurred expenses and fees are deemed to be part of the gain or loss from the redemption. Changes or amendments in terms of loan agreements that do not result in a redemption, lead to an adjustment of the carrying value of the liability. The change in the fair value, as a result of changed or amended terms, is presented in the profit or loss statement and amortized as effective interest over the remaining duration.

5.3. Other liabilities

€ K			31.12.2020			31.12.2019
	Short-term	Long-term	Total	Short-term	Long-term	Total
Fair value derivative transactions	235	84,975	85,210	0	103,960	103,960
Trade payables	17,722	6,501	24,224	24,770	5,114	29,885
Liabilities to joint ventures	1,445	0	1,445	1,448	0	1,448
Rent deposits	4,812	11,863	16,675	3,751	14,505	18,256
Open purchase prices	941	347	1,288	952	0	952
Settlement of operating costs	2,294	0	2,294	2,148	0	2,148
Other	8,027	9,108	17,134	3,761	5,222	8,983
Financial liabilities	35,241	27,819	63,060	36,831	24,840	61,671
Operating taxes	4,089	0	4,089	4,906	0	4,906
Prepayments received	3,540	283	3,823	8,683	283	8,966
Prepaid rent and other non financial liabilities	3,827	425	4,252	3,653	477	4,131
Non-financial liabilities	11,456	708	12,164	17,242	761	18,003
Total other liabilities	46,932	113,503	160,434	54,073	129,561	183,634

§ Financial liabilities

Financial liabilities, such as trade payables, are assigned to the category “amortised cost” (AC) and measured upon recognition at fair value and subsequently at amortised cost.

For other short-term financial liabilities, the fair value generally corresponds to the estimated sum of all future payments.

Other long-term financial liabilities are measured at fair value at initial recognition and are discounted with a timely and risk adequate market rate.

§ Non-financial liabilities

Non-financial liabilities refer to liabilities to fiscal authorities and social insurance institutions, rent prepayments received, advance payments, advance dividends received, as well as contract liabilities (according to IFRS 15). They are recognized at the date of inception at the amount corresponding to the expected outflow of resources and the cost of inception (cash-in amount). Subsequent changes in value (including interest) are recognised in profit or loss.

Where revenues transferred over time occur in a construction project (for example for owner occupied apartments) by means of measure of progress, according to IFRS 15, contract assets, respectively contract liabilities, should be recognized. This item is reported as a net amount offset against the corresponding prepayments received under “trade and other receivables” in case of a contract asset or under “other non-financial liabilities” in case of a contract liability.

5.4. Liabilities in disposal groups

We refer to the presentation and explanations in Chapter 4.1. „Assets held for sale and relating to disposal groups“.

CHAPTER 6: PROVISIONS

6.1. Provisions

€ K	Staff	Construction services	Subsequent costs of sold properties	Others	Total
As at 1.1.2020	15,644	43,772	42,921	41,531	143,868
Usage	-8,515	-37,803	-4,378	-32,087	-82,783
Reversal	-1,693	-1,837	-1,459	-1,792	-6,781
Addition	12,257	44,971	6,326	40,098	103,653
Addition from initial consolidation	0	0	0	86	86
Addition from transition consolidation	0	23	0	127	150
Disposal from deconsolidation	0	-5,919	0	-172	-6,091
Transfer	0	-501	501	0	0
Transfer to IFRS 5	0	0	0	-43	-43
Accumulated interest	35	0	0	0	35
Currency translation adjustments	-34	-87	0	-315	-436
As at 31.12.2020	17,694	42,619	43,911	47,435	151,658
thereof short-term	11,265	42,326	16,385	47,434	117,409
thereof long-term	6,429	293	27,526	0	34,249

Other provisions mainly consist of provisions for services (audit services, tax and legal advice), property taxes, real estate transfer taxes, service expenses for properties, warranty risks and interest connected to tax audits.

§ Provisions are recognised if CA Immo Group has a legal or constructive obligation towards a third party as a result of a past event and the obligation is likely to lead to an outflow of funds. Especially for provisions for construction works and expenses related to sold investment properties it is necessary that estimations (eg. of a construction project, qualitative appraisals of service providers, price related risks or for the concrete fulfillment or scope of an obligation) are taken into consideration. Such provisions are recognised in the amount representing the best possible estimate at the time the consolidated financial statements are prepared. If the present value of the provision determined on the basis of prevailing market interest rates differs substantially from the nominal value, the present value of the obligation is recognised.

Provision for employees

The provision for employees primarily comprises the present value of the long-term severance obligation of € 505 K (31.12.2019: € 336 K), bonuses of € 11,819 K (31.12.2019: € 10,304 K), and unused holiday entitlements of € 1,446 K (31.12.2019: € 1,408 K).

The provision for bonuses comprises a long-term provision for the LTI-(long-term incentive) program amounting to € 600 K (31.12.2019: € 433 K) as well as a short-term provision of € 195 K (31.12.2019: € 463 K).

The following table presents the changes in the present value of the severance payment obligation:

€ K	2020	2019
Present value of severance obligations as at 1.1	336	182
Usage	0	0
Current service costs	178	138
Interest cost	-1	0
Revaluation	-8	16
Present value of severance obligations as at 31.12	505	336

The empirical adjustments of the present value of the obligation in respect of changes in projected employee turnover, early retirement or mortality rates are negligible.

Net plan assets from pension obligations

CA Immo Group has a reinsurance for defined benefit obligations in Germany, which fulfills the criteria for disclosure as plan assets. As the capital value of these defined benefit obligations exceeds the plan assets at the closing date, the net position is presented under the provisions.

€ K	31.12.2020	31.12.2019
Present value of obligation	-10,166	-10,124
Fair value of plan asset	7,001	7,083
Net position recorded in consolidated statement of financial position	-3,166	-3,041
Financial adjustments of present value of the obligation	-120	-1,540
Experience adjustments of present value of the obligation	-36	-62

The development of the defined benefit obligation and of the plan asset is shown in the following table:

€ K	2020	2019
Present value of obligation as at 1.1.	-10,124	-8,533
Current Payment	196	163
Interest cost	-82	-152
Revaluation	-156	-1,602
Present value of obligation 31.12	-10,166	-10,124
Plan asset as at 1.1.	7,083	7,061
Expected income from plan asset	57	126
Revaluation	67	68
Current Payment	-207	-172
Plan asset as at 31.12	7,001	7,083

The following income/expense was recognized in the income statement:

€ K	2020	2019
Interest cost	-82	-152
Expected income from plan asset	57	126
Pensions costs	-25	-27

The following result before taxes was recognized in the other comprehensive income:

€ K	2020	2019
Revaluation of pension obligation	-156	-1,602
Revaluation of plan assets	67	68
IAS 19 reserve	-89	-1,533

Sensitivity analysis regarding the financial mathematical assumptions is shown in the following table:

2020		
€ K	-0.25%	+0.25%
change interest rate of 0.25 percentage points	-422	417
change pension trend of 0.25 percentage points	362	-380

2019		
€ K	-0.25%	+0.25%
change interest rate of 0.25 percentage points	-455	428
change pension trend of 0.25 percentage points	365	-384

§ Payment obligations to employees

Variable remuneration

Long term incentive (LTI) program

In order to promote a high level of identification with the company's objectives, all employees are entitled to variable remuneration in addition to their fixed salary, thus enabling them to participate in the company's success. In line with the compensation system of the Management Board, the prerequisite for this is the attainment of the budgeted quantitative and qualitative annual targets as well as a positive consolidated result. Furthermore, selected executives have the opportunity to participate in a share price-based compensation program. In contrast to the model for the Management Board (phantom shares), participation in the LTI programs started before the 2020 financial year was voluntary. The revolving program had a term (retention period) of three years per tranche and required a personal investment (maximum of 35% of the fixed annual salary). The personal investment was valued at the average share price of the first quarter of the year the tranche started. The number of underlying shares is determined on the basis of this valuation. At the end of the respective three-year performance period, target achievement was defined by means of a target/actual comparison. Performance was measured by the following key figures: NAV growth, TSR (total shareholder return) and FFO (funds from operations) growth. The weighting for NAV and FFO growth was 30% each, and for TSR 40%. Payments were made in cash.

The LTI program was subject to a comprehensive revision (adjustment to market standards) in 2019; the new program provides for changes with regard to the group of participants, the conditions of participation, and the performance indicators and was applied for the first time in fiscal year 2020. The new LTI program is revolving and does not provide for any personal investment. The plan grants performance-related remuneration in the form of virtual shares in CA Immo. The final number of virtual shares is determined on the basis of performance criteria linked to the medium-term strategy and share performance. The target amount of the LTI is divided by the volume-weighted average CA Immo share price (= closing price on the Vienna Stock Exchange) over the 3-month period prior to 31.12. of the respective bonus year. This method is used to calculate the preliminary number of virtual shares. Based on the performance criteria measured at the end of the four-year performance period, the final number of virtual shares is determined. The LTI is generally determined as of 31.12. of the last year of the four-year performance period. Equal-weighted performance criteria for the LTI are Funds From Operations ("FFO") I and Relative Total Shareholder Return ("TSR") against the EPRA Nareit Developed Europe ex UK Index. Each tranche starts with a target value based on the executive's respective function, which would be received at the end of the term of the respective tranche if 100% of the targets were achieved. The amount allocated to a performance criterion is determined by comparing agreed targets with values actually achieved and expressed as a percentage. Allocation between the performance thresholds is linear. The final number of virtual shares is capped at 200% of the preliminary number of virtual shares. For the payout, the final number of virtual shares is multiplied by the volume-weighted average price of the last three months of the performance period. The resulting amount is paid out in cash, subject to a cap of 250% of the LTI target amount.

The bonus payment for the Management Board is linked to long-term operational and quality-based targets and also takes account of non-financial performance criteria. It is limited to 200% of the annual salary. Of the variable remuneration, half is linked to the attainment of short-term targets defined annually by the remuneration committee (annual bonus). The other half is based on outperformance of the following indicators defined annually by the remuneration committee: return on equity (ROE), funds from operations (FFO) and NAV growth. The level of the bonus actually paid depends on the degree of target attainment: the values agreed and actually achieved at the end of each business year are determined by the Remuneration Committee. Half of performance-related remuneration takes the form of immediate payments (short term incentive); the remaining 50% is converted into phantom shares on the basis of the average rate for the last quarter of the business year relevant to target attainment. The payment of phantom shares is made in cash in three equal parts after 12 months, 24 months (mid term incentive) and 36 months (long term incentive) at the average rate for the last quarter of the year preceding the payment year.

For this kind of share-based remuneration, which is settled in cash, the liability incurred is recognised over the vesting period as a provision in the amount of the attributable fair value. Until the debt is settled, the attributable fair value is determined afresh on every closing date and settlement date. All changes are recognised in the income statement in the relevant business year.

Defined benefit plans upon termination of employment

Obligations arising from defined benefit pension plans exist for four individuals in the CA Immo Germany Group. The commitments relate to one pension benefit for an already retired managing director, as well as three ongoing pension benefits. In accordance with IAS 19.63, reinsurance contracts in respect of defined benefit pension obligations are presented as a net debt (asset).

Each year, external actuarial calculations are obtained for the defined benefit pension obligations. The defined benefit obligation or liability is calculated according to IAS 19 using the projected unit credit method and based on the following parameters:

	31.12.2020	31.12.2019
Interest rate	0.49%	0.82%
Salary increases expected in the future	2.00%	2.00%
Accumulation period	25 years	25 years
Expected income from plan asset	0.49%	0.82%

The actual return on plan assets for 2020 is 0.81% (2019: 1.78%).

Service cost and interest expense related to the obligation as well as the interest income related to the plan assets are recognised in the year in which they arise. Actuarial gains and losses less deferred taxes related to the obligation and the plan assets are recognised in other comprehensive income.

CA Immo Group has a legal obligation to make a one-time severance payment to staff employed in Austria before 1.1.2003 in the event of dismissal or retirement. The amount of this payment depends on the number of years of service and the relevant salary at the time the settlement is payable. It varies between two and twelve monthly salary payments. In CA Immo Group, contract stipulated severance exists for several employees. According to IAS 19, a provision is recognised for this defined benefit obligation. The interest rate used for the computation of this provision amounts to -0.34 % (2019: -0.25%).

§ Defined contribution plans

CA Immo Group has the legal obligation to pay 1.53% of the monthly salary of all staff joining companies in Austria after 31.12.2002 into a staff pension fund. No further obligations exist. The payments are considered as staff expenses and included in indirect expenses.

Based on agreements with a pension fund in Austria and a benevolent fund for small and medium-sized enterprises in Germany, a defined contribution pension commitment exists for employees in Austria and Germany after a certain number of years of service (Austria: 1 year irrespective of age; Germany: immediately upon reaching the age of 27). The contribution is calculated as a percentage of the relevant monthly gross salary, namely 2.5% in Austria and 2.0% in Germany. The contributions paid vest after a certain period (Austria: 3 years; Germany: 3 years) and are paid out as monthly pension upon retirement.

CHAPTER 7: TAXES

7.1. Income taxes

€ K	2020	2019
Current income tax (current year)	-12,258	-19,792
Current income tax (previous years)	-2,984	-175
Current income tax	-15,242	-19,967
Change in deferred taxes	-79,099	-127,636
Tax on valuation of securities in equity	0	1,576
Income tax expense	-94,341	-146,026
Effective tax rate (total)	27.1%	27.1%

The current income tax (current year) amounting to € -8,582 K (2019: € -13,012 K) results from the segment Germany.

The change of current income tax (previous years) mainly results from Germany and refers to tax audit findings.

The reasons for the difference between expected income tax expense and effective income tax expense are outlined in the following table:

€ K	2020	2019
Net result before taxes	348,295	539,330
Expected tax expenses (tax rate Austria 25.0%/prior year 25.0%)	-87,074	-134,832
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	293	558
Non-usable tax losses carried forward	-3,792	-740
Non tax-deductible expense and permanent differences	-3,022	-3,224
Differing tax rates abroad	-17,610	-3,727
Capitalisation of prior years non-capitalised tax losses	3,901	695
Tax-exempt income	874	228
Adjustment of prior periods	-1,599	-12
Utilization of prior years non-capitalised tax losses	316	225
Tax-exempt sales	6,478	213
Trade tax effects	309	-151
Amortisation/Reversal of amortisation of deferred tax assets	435	-4,275
At equity consolidation of investments in joint ventures	550	-772
Exchange rate differences not affecting tax	-6,059	-22
Change in tax rate	11,586	0
Others	73	-190
Effective tax expense	-94,341	-146,026

The impact of change in tax rate in 2020 results from transfer of registered office of real estate companies in Germany.

Changes in deferred taxes are as follows:

€ K	2020	2019
Deferred taxes as at 1.1. (net)	-471,200	-344,842
Changes from sale of companies	15,971	427
Changes from first consolidation	2,173	0
Changes due to exchange rate fluctuations	-5	0
Changes recognised in equity	226	851
Changes recognised in profit or loss	-79,099	-127,636
Deferred taxes as at 31.12. (net)	-531,935	-471,200

As at 31.12. deferred tax assets and liabilities are split as follows:

€ K			31.12.2019				31.12.2020		
Type	Deferred tax asset	Deferred tax liabilities	Net amount	Consolidated Income Statement	Other income	Addition/ Disposal/IFRS5/ exchange rate fluctuations	Net amount	Deferred tax asset	Deferred tax liabilities
Book value differences IFRS/tax of investment properties	818	-541,357	-540,539	-80,945	0	17,795	-603,690	1,248	-604,938
Difference in depreciation of own used properties and related right-of-use assets	580	-2,505	-1,925	557	0	0	-1,368	603	-1,972
Difference in acquisition costs for assets held for trading	171	-1,135	-963	992	0	0	29	462	-433
Difference in useful life for equipment and related right-of-use assets	180	-203	-24	69	0	0	45	245	-200
Investments in joint ventures	940	-1	940	101	0	0	1,041	1,042	-1
Loans, other investments, securities	0	-6,557	-6,557	1,799	0	0	-4,757	0	-4,757
Revaluation of receivables and other assets	1,137	-199	938	-85	0	0	853	871	-18
Contract assets (IFRS 15)	0	0	0	0	0	0	0	0	0
Revaluation of derivatives assets	0	-366	-366	-141	0	0	-508	0	-508
Revaluation of cash and cash equivalents	84	-2	82	-210	0	0	-128	0	-128
Revaluation of derivatives liabilities	24,109	0	24,109	-5,475	198	0	18,831	18,831	0
Liabilities (incl. lease liabilities)	10,438	-1,198	9,240	3,455	0	-7	12,688	14,515	-1,827
Convertible bond	0	-2,030	-2,030	773	0	0	-1,257	0	-1,257
Provisions	5,527	0	5,527	-394	28	-4	5,157	5,163	-6
Tax losses	40,370	0	40,370	406	0	354	41,129	41,129	0
Deferred tax assets/liabilities before offset	84,353	-555,553	-471,200	-79,099	226	18,138	-531,935	84,109	-616,044
Computation of taxes	-82,543	82,543	0				0	-79,727	79,727
Deferred tax assets/liabilities net	1,810	-473,010	-471,200				-531,935	4,382	-536,317

The recorded tax losses include deferred tax assets related to impairment losses on investments in subsidiaries in Austria amounting to € 0 K (31.12.2019: € 0 K), which have to be deferred over the next years for income tax purposes.

Not recognized deferred taxes

Not recognized deferred taxes mainly relate to tax loss carryforwards in CA Immo Group, interest losses in CEE and business tax losses in CA Immo Group Germany. Tax loss carryforwards and impairment losses on investments in subsidiaries for which deferred taxes were not recognised expire as follows:

€ K	2020	2019
In the following year	1,305	1,408
Between 1 - 5 years	14,705	8,436
More than 5 years	1,202	4,395
Without limitation in time	178,149	199,587
Total unrecorded tax losses carried forward	195,361	213,827
thereupon non-capitalised deferred tax assets	43,069	47,371

The total taxable temporary differences related to investments in Austrian affiliated companies and joint ventures for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 261,033 K (31.12.2019: € 273,009 K). Tax loss carryforwards and impairment losses on investments in subsidiaries of the Austrian companies that were not recognised amount to € 136,433 K (31.12.2019: € 149,162 K). Thereof the unrecognized deferred tax asset related to impairment losses on investments which have to be deferred over the next years for income tax purposes amounts to € 1,343 K (31.12.2019: € 3,332 K).

The total taxable temporary differences related to investments in foreign affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 110,466 K (31.12.2019: € 94,080 K). Tax loss carry forwards not recognised of foreign entities amount to € 58,927 K (31.12.2019: € 64,664 K). Subject to specific requirements, gains from the disposal of investments in foreign entities are partially or completely exempt from income tax.



All companies are subject to local income tax on current results and capital gains in their respective country. Significant estimates are required in respect of the amount of income tax provisions to be recognised. Moreover, it needs to be determined to which extent deferred tax assets should be recognised in the Group consolidated financial statements.

Income from the disposal of investments in real estate companies is wholly or partially exempt from income tax in certain countries, when certain conditions are met. Even if the group intends to meet these conditions, the full amount of deferred taxes according to IAS 12 is recognized for investment properties.

Material assumptions also need to be assessed if temporary differences and losses carried forward can be offset against taxable profits in the future and if therefore deferred tax assets can be capitalised. Uncertainties exist concerning the amount and effective date of future taxable income and the interpretation of complex tax regulations. Where there is uncertainty over income tax treatments of transactions, an assessment is required in order to evaluate whether it is probable or not that the tax authority will accept the tax treatment. Based on this judgement CA Immo Group recognizes the tax obligations with their most likely classified amount. These uncertainties and complexities can result in the fact that future tax payments are much higher or lower than those currently estimated and recognised in the consolidated financial statements.

CA Immo Group holds a significant part of its real estate portfolio in Germany, being subject to numerous complex tax regulations. In particular, CA Immo Group has to constantly deal with (i) roll-over schemes in order to transfer undisclosed, hidden reserves to other investments, (ii) legal provisions relevant to the real estate transfer tax liability/possible incurrence of real estate transfer tax in the event of direct or indirect shareholder changes in German partnerships and corporations, as well as (iii) the deduction of input VAT on construction costs, as an ongoing issue in the development

phase of projects. CA Immo Group takes all necessary steps in order to comply with the relevant tax rules. However, because of circumstances that are out of CA Immo Groups control, such as changes in ownership structure, tax laws as well as alterations of interpretation by the tax administration and courts, the aforementioned tax issues might be treated differently and, therefore, could have an impact on the tax position in the consolidated financial statements.

Uncertainties also relate to the retrospective application of subsequent tax changes concerning completed restructurings in Eastern Europe, partly agreed with the tax authorities. CA Immo Group estimates the possibility of incurring actual expenses due to the subsequent change of tax law and their implications for past restructurings, as low.

Uncertainties exist in connection with the tax deductibility of service invoicings within the Group. CA Immo Group always aims to charge a price at arm's length for internal services and to prepare adequate documentation. In addition, external service providers are appointed for the preparation of transfer pricing documentation to comply with all legal requirements, but the tax authorities can have a different view and subsequently reach different conclusions. This can lead to tax consequences for the deductibility of internal service invoicings, which could trigger subsequent tax payments for previous periods.

Currently existing uncertainties are continually evaluated and may lead to adjustments of estimates.

§ The income tax expense reported for the business year contains the income tax on the taxable income (current and for other periods) of the individual subsidiaries calculated at the tax rate applicable in the relevant country ("current tax"), and the change in deferred taxes recognised in profit or loss ("deferred tax"), as well as the tax effect arising from amounts recognised in equity not giving rise to temporary differences and recognised in equity (e.g. the tax related to ancillary expenses for capital increases as well as the valuation of derivative transactions). Changes in deferred taxes resulting from foreign currency translation are included in deferred income tax expense.

In line with IAS 12, the calculation of deferred taxes is based on all temporary differences between the tax base of assets or liabilities and their book values in the consolidated statement of financial position. Deferred tax assets on tax losses carried forward are recognised taking into account the fact whether they can be carried forward indefinitely or only up to a certain time as well as the extent of their expected use in the future. The amount of the deferred tax asset recognised is determined based on projections for the next 3 to 5 years which show the expected use of the tax losses carried forward in the near future and on the existence of sufficient taxable temporary differences, mainly resulting from investment property.

A group and tax compensation agreement was concluded in Austria for the formation of a tax group as defined by Section 9 of the Austrian Personal Income Tax and Corporate Income Tax Act (KStG) for almost all companies of CA Immo Group. The head of the group is CA Immobilien Anlagen Aktiengesellschaft, Vienna.

For certain entities within the CA Immo Germany Group a tax group has been established in accordance with German income tax legislation. The head of the tax group is CA Immo Deutschland GmbH, Frankfurt. Based on profit and loss transfer agreements the members of the tax group are required to transfer their entire profit to the head of the group (being the annual surplus before the profit transfer, less any loss carried forward from the previous year and after recognition or release of reserves). The head of the group has an obligation to balance any annual deficit arising in a group entity during the term of the agreement to the extent that such deficits exceed the amounts which can be released from other reserves that have been allocated out of profits earned during the term of the agreement.

7.2. Current income tax receivables

This item amounting to € 13,497 K (31.12.2019: € 15,941 K) relates to the CA Immo Germany Group and comprises corporate income tax and trade tax from the fiscal years 2013, 2017, 2018, 2019 and 2020 not yet assessed by the tax authorities as well as results of finalized tax audits.

7.3. Income tax liabilities

This includes an amount of € 13,177 K (31.12.2019: € 19,402 K) relating to CA Immo Germany Group and comprises corporate income tax and trade tax for the years 2016, 2019 and 2020 which have not been finally assessed by tax authorities as well as results of finalized tax audits.

CHAPTER 8: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

8.1. Financial instruments

Financial assets by categories

Category	Classification IFRS 9 ¹⁾		No financial instruments	Book value 31.12.2020	Fair value 31.12.2020
	FVTPL	AC			
€ K					
Cash and cash equivalents with drawing restrictions	0	11,708	0	11,708	11,762
Derivative financial instruments	1,682	0	0	1,682	1,682
Primary financial instruments	0	12,477	0	12,477	
Other investments	34,861	0	0	34,861	34,861
Financial assets	36,544	24,184	0	60,728	
Cash and cash equivalents with drawing restrictions	0	10,306	0	10,306	10,351
Other receivables and assets	0	111,024	15,045	126,069	
Receivables and other assets	0	121,330	15,045	136,375	
Cash and cash equivalents	0	934,863	0	934,863	
	36,544	1,080,378	15,045	1,131,967	

¹⁾ FVTPL – fair value through profit or loss, AC – amortised cost

Category	Classification IFRS 9 ¹⁾		No financial instruments	Book value 31.12.2019	Fair value 31.12.2019
	FVTPL	AC			
€ K					
Cash and cash equivalents with drawing restrictions	0	15,154	0	15,154	15,226
Derivative financial instruments	1,148	0	0	1,148	1,148
Primary financial instruments	0	21,939	4,020	25,960	
Other investments	41,406	0	0	41,406	41,406
Financial assets	42,553	37,094	4,020	83,667	
Cash and cash equivalents with drawing restrictions	0	10,793	0	10,793	10,833
Other receivables and assets	0	43,697	19,324	63,021	
Receivables and other assets	0	54,490	19,324	73,814	
Cash and cash equivalents	0	439,139	0	439,139	
	42,553	530,722	23,345	596,620	

The fair value of the receivables and other assets in the category of “Amortised Cost” (AC) essentially equals the book value due to daily and/or short-term maturities. The primary financial instruments mainly consist of loans granted to joint ventures, which are considered and valued as part of the net investment in the entities, as well as long term receivables from trading and construction works (this corresponds to level 3 of the fair value hierarchy). Valuation of investments of FVTPL category corresponds to level 3 of the fair value hierarchy.

Financial assets are partially pledged as securities for financial liabilities.

Financial liabilities by categories

Category	Classification IFRS 9 ¹⁾			No financial instruments	Book value	Fair value
	€ K	FVTPL	FVOCI		AC	31.12.2020
Convertible bond	0	0	194,207	0	194,207	191,695
Bonds	0	0	1,542,011	0	1,542,011	1,590,203
Loans	0	0	1,045,969	0	1,045,969	1,054,971
Lease liabilities (IFRS 16)	0	0	45,275	0	45,275	
Interest-bearing liabilities	0	0	2,827,462	0	2,827,462	
Derivative financial instruments	82,596	2,614	0	0	85,210	85,210
Other primary liabilities	0	0	63,060	12,164	75,224	
Other liabilities	82,596	2,614	63,060	12,164	160,434	
	82,596	2,614	2,890,522	12,164	2,987,896	

¹⁾ FVTPL – fair value through profit or loss, FVOCI – fair value through other comprehensive income, AC – amortised cost

The stock exchange price of the convertible bond amounts to € 232,744 K (31.12.2019: € 263,432 K). The fair value of the embedded derivative of the convertible bond amounts to € 41,049 K (31.12.2019: € 73,257 K). The debt component of the convertible bond and the embedded derivative of the convertible bond are separately reported.

Category	Classification IFRS 9 ¹⁾			No financial instruments	Book value	Fair value
	€ K	FVTPL	FVOCI		AC	31.12.2019
Convertible bond	0	0	190,807	0	190,807	190,175
Bonds	0	0	798,817	0	798,817	840,413
Loans	0	0	1,067,238	0	1,067,238	1,073,079
Lease liabilities (IFRS 16)	0	0	40,480	0	40,480	
Interest-bearing liabilities	0	0	2,097,342	0	2,097,342	
Derivative financial instruments	103,960	0	0	0	103,960	103,960
Other primary liabilities	0	0	61,671	18,003	79,675	
Other liabilities	103,960	0	61,671	18,003	183,634	
	103,960	0	2,159,014	18,003	2,280,977	

The fair value recognized of the other primary liabilities basically equals the book value, based on the daily and short term due date.

8.2. Derivative financial instruments and hedging transactions

€ K	Nominal value	Fair value	31.12.2020 Book value	Nominal value	Fair value	31.12.2019 Book value
Interest rate swaps - liabilities	815,759	-44,161	-44,161	531,771	-30,703	-30,703
Total interest rate swaps	815,759	-44,161	-44,161	531,771	-30,703	-30,703
Interest rate floors	42,975	1,682	1,682	43,875	1,148	1,148
Derivative convertible bond	0	-41,049	-41,049	0	-73,257	-73,257
Total derivatives	858,734	-83,528	-83,528	575,646	-102,812	-102,812
- thereof hedging (cash flow hedges)	225,000	-2,614	-2,614	0	0	0
- thereof stand alone (fair value derivatives) - assets	42,975	1,682	1,682	43,875	1,148	1,148
- thereof stand alone (fair value derivatives) - liabilities	590,759	-82,596	-82,596	531,771	-103,960	-103,960

The derivative of the convertible bond results from the cash settlement option of the convertible bond of CA Immo AG and is reported at fair value.

As at the balance sheet date 55.1% (31.12.2019: 48.3%) of the nominal value of all loans have been turned into fixed interest rates (or into ranges of interest rates with a cap) by means of interest rate swaps.

Interest rate derivatives	Nominal value in € K	Start	End	Fixed interest rate as at 31.12.2020	Reference interest rate	Fair value in € K 31.12.2020
EUR - CFH	225,000	3/2022	1/2029	-0.16%	3M-Euribor	-2,614
EUR - stand alone - liabilities	590,759	12/2016-5/2020	12/2021-12/2032	-0.14%-1.19%	3M-Euribor	-41,547
Total interest swaps = variable in fixed	815,759					-44,161
Interest rate floors	42,975	5/2018	5/2028	0.00%	3M-Euribor	1,682
Total interest rate derivatives	858,734					-42,479

Interest rate derivatives	Nominal value in € K	Start	End	Fixed interest rate as at 31.12.2019	Reference interest rate	Fair value in € K 31.12.2019
EUR - stand alone - liabilities	531,771	12/2016-4/2019	12/2021-12/2032	0.25%-1.19%	3M-Euribor	-30,703
Total interest swaps = variable in fixed	531,771					-30,703
Interest rate floors	43,875	5/2018	5/2028	0.00%	3M-Euribor	1,148
Total interest rate derivatives	575,646					-29,555

Gains and losses in other comprehensive income

€ K	2020	2019
As at 1.1.	0	0
Change in valuation of cash flow hedges	-620	0
Change of ineffectiveness cash flow hedges	0	0
Reclassification of cash flow hedges	0	0
Income tax cash flow hedges	198	0
As at 31.12.	-422	0
thereof: attributable to the owners of the parent	-422	0

Valuation of interest rate derivatives

The interest rate derivatives are recognised at fair value. The fair values are calculated by discounting the future cash flows from variable payments on the basis of generally recognized financial-mathematical models. The interest rates for discounting the future cash flows are estimated by reference to an observable market yield curve. The calculation is based on inter-bank middle rates. The fair value of the derivatives corresponds therefore to level 2 of the measurement hierarchy according to IFRS 13.

A correction of the measurement of the interest rate derivatives due to CVA (Credit Value Adjustment) and DVA (Debt Value Adjustment) is only conducted when the adjustment reaches a significant extent.

CA Immo Group also enters into bank financing for investments properties whereby a minimal interest limit is contractually agreed. In this case it needs to be investigated whether an embedded derivative subject to separation is present. An embedded minimal limit on interest rates of a debt instrument is closely linked to the host contract if, at the date of entering the contract, the minimal interest limit is equal or below the prevailing market rate. CA Immo Group examines the existence of an embedded derivative for the necessity of separation from the host contract by comparing the agreed interest plus the valuation of the minimal interest rate limit with the market interest rate (reference interest plus margin). If the market interest rate (reference interest plus margin) exceeds the contractually agreed interest in each future period, there is no obligation to separate the embedded derivative. To date, CA Immo Group has not identified in any loan agreement an embedded derivatives subject to separation.

Valuation of the derivative convertible bond

Due to the cash settlement option of CA Immo AG, the convertible bond has an embedded derivative subject to separation. The fair value of the separate embedded derivative is determined based on a generally accepted financial mathematics model (Black-Scholes) and parameters observable on the market. Thus the fair value of the derivative of the convertible bond corresponds to level 2 of the measurement hierarchy according to IFRS 13.

Derivative financial instruments

CA Immo Group uses derivative financial instruments, such as interest rate swaps, floors and forward exchange transactions, in order to hedge against interest and currency risks. These derivative financial instruments are recognised at fair value at the time the contract is concluded and remeasured at fair value in the following periods. Derivative financial instruments are recognised as financial assets if their value is positive and as financial liabilities if their fair value is negative.

Derivative financial instruments are presented as non-current financial assets or liabilities if their remaining term exceeds twelve months and realisation within twelve months is not expected. All other derivative financial instruments, whose remaining term is below twelve months, are presented as current assets or liabilities.

In July 2020 CA Immo Group concluded forward interest rate swaps (nominal value € 225,000 K, term March 2022 – January 2029).

According to IFRS 9, a financial instrument is measured at fair value at initial recognition. However, if the fair value deviates from the transaction price when initially recognized and it is also not observable in an active market, the difference is accrued in line with IFRS 9 and may only be recognized as gain or loss to the extent that it results from a change in a factor (including the time factor) that market participants would consider when pricing the asset or liability. For this reason, CA Immo has created a deferred item for the difference between the transaction price of the interest rate swaps and their fair value at the initial recognition, which will be released to profit or loss over the term using the effective interest method.

The method applied by CA Immo Group when recognizing gains and losses from the subsequent measurement of derivative financial instruments depends on whether the criteria for cash flow hedge accounting (hedging of future cash flows) are met or not.

The interest rate swaps were designated as hedging instruments in a cash flow hedge relationship in accordance with IFRS 9. The hedged risk results from the difference between the expected future variable interest payments based on the 3M-Euribor and the future fixed interest rates for construction financing.

In the case of derivative financial instruments for which the criteria for cash flow hedge accounting are met and the cash flows are hedged, the part of the profit or loss from the hedging instrument that is determined as an effective hedge is recognized in other comprehensive income. Any remaining profit or loss from the hedging instrument represents an ineffectiveness of the hedge and is recognized in profit or loss.

The ineffectiveness of this hedging transaction is measured using the dollar offset method. Expenses and income which are not recognized in the other comprehensive income, are recognized in the profit or loss as ineffectiveness under the item “result from derivatives”. The hedging relationship between the hedging instrument and the underlying transaction as well as its ineffectiveness is evaluated and documented when the hedging transaction is concluded and then on an ongoing basis.

Pursuant to IFRS 9, derivatives not qualifying for hedge accounting are assigned to the category “fair value through profit or loss” (FVtPL). Changes in the fair value are therefore recognized entirely in profit or loss in the item “result from derivatives”.

The fair values of interest rate swaps and floors are calculated by discounting the future cash flows from variable payments on the basis of generally accepted financial models. The interest rates for the discount of the future cash flows are estimated on basis of an interest rate curve, which is observable on the market. Inter-bank middle rates are used for the calculation.

A convertible bond requires in principle a split out of the financial instrument between an equity component and a debt component. The convertible bond consists due to the cash settlement option of CA Immo AG of an embedded derivative subject to separation. Embedded derivatives are basically to be accounted separately from the host contract if their economic characteristics and risks are not closely related to these of the host contract, if they independently fulfill the definition of a derivative and the entire instrument is not valued at fair value through profit or loss. The embedded derivative is classified as “fair value through profit or loss” (FVtPL) and is measured at fair value through profit or loss at each balance sheet date. The changes in fair value are fully presented in profit or loss as “result from derivatives”.

8.3. Risks from financial instruments

Interest rate risk

Risks arising from changes in interest rates basically result from long-term loans and interest rate derivatives and relate to the amount of future interest payments (for variable interest instruments) and to the fair value of the financial instrument (for fixed rate instruments). A mix of long-term fixed-rate and floating-rate loans is used to reduce the interest rate risk. In case of floating-rate loans, derivative financial instruments (interest rate floors and interest rate swaps) are also used to hedge the cash flow risk of interest rate changes arising from hedged items. In addition to the general interest rate risk (interest level) there are also risks arising from a possible change in the credit rating, which would lead to an increase or a decrease of the interest margin in the course of a follow-up financing.

The following sensitivity analysis outlines the impact of variable interest rates on interest expense. It shows the effect on the result of the financial year 2020 of a change in interest rate by 50 and 100 basis points on the interest expenses. The analysis assumes that all other variables, particularly foreign exchange rates, remain constant. Due to the very low interest rate levels the analysis only shows the effect of increasing interest rates.

€ K	recognised in Profit/Loss Statement	
	at 50 bps Increase	at 100 bps Increase
31.12.2020		
Interest on variable rate instruments	-864	-1,727
Valuation result from fixed rate instruments (Swaps)	27,095	53,075
Valuation result from derivative financial instruments	-948	-1,399
	25,283	49,949
31.12.2019		
Interest on variable rate instruments	-1,446	-2,892
Valuation result from fixed rate instruments (Swaps)	18,818	36,821
Valuation result from derivative financial instruments	-739	-985
	16,633	32,944

Variable rate instruments contain variable rate financial liabilities not taking into account derivatives. In the case of derivative financial instruments, an interest rate change gives rise to a component recognized in profit or loss (interest and valuation of fair value derivatives).

Risks of the embedded derivative of the convertible bond

In respect of the derivative of the convertible bond, the risks result from change in the share price of CA Immo AG as well as change in the credit spread between the CA Immo corporate bonds and the benchmark reference rates for Eurozone government bonds with matching maturities. The following sensitivity analysis shows the change in the fair value of the derivative of the convertible bond at an increase and a decrease, respectively in the share price of CA Immo AG as well as an increase and a decrease, respectively in the credit spread. The analysis assumes that all other variables remain unchanged.

€ K	recognised in Profit/Loss Statement		recognised in Profit/Loss Statement	
	at 10% Share Price	at 10% Share Price	at 50 bps Credit Spread	at 50 bps Credit Spread
	Increase	Decrease	Increase	Decrease
31.12.2020				
Derivative convertible bond	-14,296	12,367	-1,957	1,923
31.12.2019				
Derivative convertible bond	-19,397	17,742	-2,930	2,910

Currency risk

Currency risks result from rental revenues and receivables denominated in CZK, HRK, HUF, PLN, RON, CHF and RSD. This foreign currency rental income is secured by linking the rental payments to EUR, so that no major risk remains.

Credit risk

The book values disclosed for all financial assets, guarantees and other commitments assumed, represent the maximum default risk as no major set-off agreements exist.

Tenants provided deposits amounting to € 16,675 K (31.12.2019: € 18,256 K) as well as bank guarantees of € 62,563 K (31.12.2019: € 55,453 K) and group guarantees in the amount of € 44,017 K (31.12.2019: € 44,555 K).

The credit risk for liquid funds with banks is monitored according to internal guidelines.

Liquidity risk

Liquidity risk is the risk that CA Immo Group will not be able to meet its financial obligations as they fall due. CA Immo Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet liabilities when due, whilst avoiding unnecessary potential losses and risks. Loans are usually agreed on a long-term basis in accordance with the long-term nature of real estate.

The CA Immo Group manages liquidity risk in several different ways: firstly, by means of distinct liquidity planning and securing to avoid possible liquidity shortages. Secondly, CA Immo Group takes safeguarding measures to control liquidity peaks via a revolving credit line at the level of CA Immo AG. External capital is raised by CA Immo Group from a wide variety of domestic and foreign banks. The contractually agreed (undiscounted) interest payments and repayments for primary financial liabilities and derivative financial instruments are presented in the table below.

31.12.2020 € K	Book value 2020	Contractually agreed cash flows	Cash flow 2021	Cash flow 2022- 2025	Cash flow 2026 ff
Convertible bond	194,207	-206,479	-1,521	-204,958	0
Bonds	1,542,011	-1,639,075	-130,557	-846,956	-661,563
Loans	1,045,969	-1,108,649	-91,165	-447,680	-569,804
Lease liabilities	45,275	-104,175	-3,652	-11,719	-88,803
Trade payables	24,224	-24,224	-17,722	-6,498	-4
Non-controlling interests held by limited partners	4,597	-4,597	0	0	-4,597
Liabilities to joint ventures	1,445	-1,445	-1,445	0	0
Other liabilities	32,794	-32,794	-16,073	-14,824	-1,897
Primary financial liabilities	2,890,522	-3,121,439	-262,136	-1,532,635	-1,326,667
Interest rate derivatives in connection with cash flow hedges	2,614	-2,575	0	-2,455	-120
Interest rate derivatives not connected with hedges	41,547	-40,945	-7,230	-24,943	-8,772
Derivative convertible bond	41,049	0	0	0	0
Derivative financial liabilities	85,210	-43,520	-7,230	-27,398	-8,892
	2,975,732	-3,164,959	-269,366	-1,560,034	-1,335,559

The convertible bond requires a separation of the financial instrument into a debt component and a separate embedded derivative. The derivative of the convertible bond has no cash flows.

31.12.2019 € K	Book value 2019	Contractually agreed cash flows	Cash flow 2020	Cash flow 2021- 2024	Cash flow 2025 ff
Convertible bond	190,807	-208,004	-1,525	-6,087	-200,392
Bonds	798,817	-862,281	-17,656	-689,000	-155,625
Loans	1,067,238	-1,150,427	-241,212	-470,876	-438,339
Lease liabilities	40,480	-96,786	-4,054	-11,811	-80,921
Trade payables	29,885	-29,885	-24,770	-5,112	-2
Non-controlling interests held by limited partners	3,990	-3,990	0	0	-3,990
Liabilities to joint ventures	1,448	-1,448	-1,448	0	0
Other liabilities	26,348	-26,348	-10,612	-14,042	-1,694
Primary financial liabilities	2,159,013	-2,379,170	-301,278	-1,196,929	-880,962
Interest rate derivatives not connected with hedges	30,703	-30,600	-6,112	-18,105	-6,383
Derivative convertible bond	73,257	0	0	0	0
Derivative financial liabilities	103,960	-30,600	-6,112	-18,105	-6,383
	2,262,973	-2,409,770	-307,390	-1,215,034	-887,346

For variable interest bearing liabilities and derivatives the cashflows are determined based on assumed values for the underlying forward rates as at the respective balance sheet date.

Capital management

The objective of CA Immo Group's capital management is to ensure that the Group achieves its goals and strategies, while optimising the costs of capital effectively and in the interests of shareholders, employees and other stakeholders. In particular, it focuses on achieving a minimum return on invested capital required by the capital market and increasing the return on equity. Furthermore, the external investment grade rating should be supported by adequate capitalisation and by raising equity for the growth targets in the upcoming fiscal years.

The key parameters in determining the capital structure of the CA Immo Group are:

1. the general ratio of equity to debt and
2. within outside capital, the optimal ratio between the debt secured with real estate, which is recorded at the level of individual property companies, and the unsecured debt at the level of the parent company.

Regarding the first parameter, the CA Immo Group aims to maintain an equity ratio of 45% - 50%. As at 31.12.2020 the ratio was 45.9% (31.12.2019: 50.4%). The proportion between the secured and the unsecured debt should generally be balanced. After the issuing activities in 2020 (issuance of a benchmark bond and a green bond) the higher share of 61% (31.12.2019: 47%) is attributable to unsecured corporate bonds and the convertible bond. The remaining share of 39% (31.12.2019: 53%) is attributable to secured property loans, which are usually taken directly by the company in which the property is held. The ratio of unsecured properties associated with the unsecured financing at group level is one of the important criteria for the investment grade rating of CA Immo Group.

Net debt and the gearing ratio are other key figures relevant to the presentation of the capital structure of CA Immo Group:

€ K	31.12.2020	31.12.2019
Interest-bearing liabilities		
Long-term interest-bearing liabilities	2,622,161	1,850,864
Short-term interest-bearing liabilities	205,301	246,478
Interest-bearing assets		
Cash and cash equivalents	-934,863	-439,139
Cash at banks with drawing restrictions	-2,073	-1,914
Net debt	1,890,526	1,656,290
Shareholders' equity	3,128,308	2,967,968
Gearing ratio (Net debt/equity)	60.4%	55.8%

In calculating the gearing, for simplicity the book value of the cash and cash equivalents has been taken into account. The cash at banks with drawing restrictions is included in the calculation of net debt, if it is used to secure the repayments of interest bearing liabilities.

CHAPTER 9: OTHER DISCLOSURES

9.1. Information for cash flow statement

€ K	Note	Liabilities			
		Other interest-bearing liabilities	Leasing liabilities	Convertible bond	Bonds
As at 1.1.2020		1,067,239	40,480	190,807	798,817
Changes in cash flow from financing activities					
Cash inflow from loans received	5.2.	111,056	0	0	0
Cash inflow from the issuance of bonds	5.2.	0	0	0	836,747
Repayment of bonds	5.2.	0	0	0	-103,380
Dividend payments to shareholders	5.1.	0	0	0	0
Payment/Repayment related to the acquisition of shares from non-controlling interests and dividends to non-controlling interests	5.1.	0	0	0	0
Repayment of loans incl. interest rate derivatives	5.2.	-61,596	-3,403	0	0
Other interest paid	5.2.	-13,602	-1,267	-1,514	-13,051
Total change in cash flow from financing activities		35,859	-4,670	-1,514	720,316
Total change from the purchase of subsidiaries or other business operations	1.e	0	9,809	0	0
Total change from the sale of subsidiaries or other business operations	1.f	-70,200	0	0	0
Effects of changes in exchange rates	5.2.	105	-2,114	0	0
Change in fair value	8.1.	0	0	0	0
Total Other changes related to liabilities		12,967	1,770	4,914	22,878
Total Other changes related to equity		0	0	0	0
As at 31.12.2020		1,045,969	45,275	194,207	1,542,011

Other changes related to liabilities mainly result from interest expenses, in accordance with Group profit and loss.

Liabilities		Derivatives	Shareholders'	Total
Other effects in cash flow from financing activities	Derivatives assets	Derivatives liabilities	equity	
0	-1,148	103,960	2,967,968	5,168,122
0	0	0	0	111,056
0	0	0	0	836,747
0	0	0	0	-103,380
0	0	0	-93,028	-93,028
0	0	0	0	0
-159	0	-468	0	-65,626
0	0	-6,235	0	-35,668
-159	0	-6,703	-93,028	650,101
0	0	0	0	9,809
0	0	0	0	-70,200
0	0	-261	0	-2,269
0	-535	-20,274	0	-20,809
159	0	8,488	0	51,175
0	0	0	253,368	253,368
0	-1,682	85,210	3,128,308	6,039,298

€ K	Note	Liabilities Other interest- bearing liabilities	Leasing liabilities	Convertible bond	Bonds
As at 1.1.2019		959,620	0	187,505	796,269
Changes in cash flow from financing activities					
Cash inflow from loans received	5.2.	135,183	0	0	0
Repayment of bonds	5.2.	0		0	-70
Dividend payments to shareholders	5.1.	0	0	0	0
Payment/Repayment related to the acquisition of shares from non-controlling interests and dividends to non-controlling interests	5.1.	0	0	0	0
Repayment of loans incl. interest rate derivatives	5.2.	-26,836	-2,725	0	0
Other interest paid	5.2.	-13,807	-1,325	-1,523	-12,055
Total change in cash flow from financing activities		94,540	-4,050	-1,523	-12,125
Effects of changes in exchange rates	5.2.	0	261	0	0
Change in fair value	8.1.	0	0	0	0
Total Other changes related to liabilities		13,079	44,270	4,826	14,673
Total Other changes related to equity		0	0	0	0
As at 31.12.2019 restated		1,067,239	40,480	190,807	798,817

Starting 2020, CA Immo Group presents the items “Interest paid (excluding interest for financing activities)” and “Interest received (excluding interest from investing activities)” separately in the cash flow from operations because they result in interest to/from tax authorities. This also leads to a restatement of the comparative figures for 2019. Due to this adjustment, “Interest paid” in the amount of € -484 K is no longer disclosed in the cash flow from financing activities but in the cash flow from operating activities for 2019. Furthermore, due to this adjustment, “Interest received” in the amount of € 686 K is no longer disclosed in the cash flow from investing activities but in the cash flow from operating activities for 2019.

Liabilities		Derivatives	Shareholders'	Total
Other effects in cash flow from financing activities	Derivatives assets	Derivatives liabilities	equity	
0	-827	44,429	2,639,697	4,626,693
0	0	0	0	135,183
0	0	0	0	-70
0	0	0	-83,725	-83,725
-129	0	0	1	-128
-620	0	-23	0	-30,203
0	0	-5,143	0	-33,854
-749	0	-5,165	-83,724	-12,798
0	0	44	0	305
0	-321	59,486	0	59,165
749	0	5,165	0	82,761
0	0	0	411,996	411,996
0	-1,148	103,960	2,967,968	5,168,122

9.2. Other obligations and contingent liabilities

Guarantees and other commitments

As at 31.12.2020, CA Immo Germany Group is subject to guarantees and other commitments resulting from purchase agreements for decontamination costs and war damage costs amounting to € 106 K (31.12.2019: € 106 K). Furthermore, comfort letters and securities have been issued for one (31.12.2019: one) joint venture in Germany amounting to € 2,000 K (31.12.2019: € 2,000 K). As a security for the liabilities of two (31.12.2019: one) joint venture loans guarantees, letters of comfort and declarations were issued totalling € 6,500 K (31.12.2019: € 2,500 K) in Germany. Furthermore, as security for warranty risks in Germany a guarantee was issued in an amount of € 17,605 K (31.12.2019: € 15,066 K).

In connection with disposals, marketable guarantees exist between CA Immo Group and the buyer for coverage of possible warranty- and liability claims, which have been recognized in the statement of financial position accordingly. The actual claims may exceed the expected level. Furthermore, comfort letters and securities have been issued for two (31.12.2019: two) joint ventures in Austria amounting to € 11,443 K (31.12.2019: € 11,443 K) and for one (31.12.2019: one) joint venture in Eastern Europe amounting to € 15,699 K (31.12.2019: € 15,699 K).

In connection with a development project in Eastern Europe a main contractor has filed an arbitration action at the Vienna International Arbitral Center on 15.2.2019. The claim contains alleged claims for the payment of additional costs and compensation for work performed in the amount of € 25.0 m CA Immo Group considers the chances of this action succeeding as minimal. The expected cash outflows in this respect have been recognized in the statement of financial position accordingly.

Mortgages, pledges of rental receivables, bank accounts and share pledges as well as similar guarantees are used as market collateral for bank liabilities.

For the purpose of recognising tax provisions, estimates have to be made. Uncertainties exist concerning the interpretation of complex tax regulations as well as calculation methods to determine the amount and timing of taxable income. Due to these uncertainties and the complexity estimates may vary from the real tax expense also in a material amount. This may include amended interpretations of tax authorities for previous periods. CA Immo Group recognises appropriate provisions for known and probable charges arising from ongoing tax audits.


Uncertainty in the tax treatment of transactions require an assessment of whether the relevant tax authority is likely to accept the interpretation of the tax treatment of the transaction or not. Based on this assessment, the CA Immo Group recognizes tax liabilities at the amount considered most probable in the event of uncertainty. These uncertainties may result in future tax payments being significantly higher or lower than the obligations currently assessed as probable and recognized in the balance sheet.

There are uncertainties regarding the possible retrospective application of subsequent tax changes with regard to completed restructuring measures in Eastern Europe that have been agreed with the tax authorities. CA Immo Group estimates the probability of the actual burden due to the subsequent change in the tax consequences of restructuring measures carried out in the past as low.

Other financial obligations

In addition, there are other financial obligations of order commitments related to building site liabilities for work carried out in the course of developing real estate in Austria in the amount of € 132 K (31.12.2019: € 296 K), in Germany in the amount of € 159,140 K (31.12.2019: € 208,195 K) and in Eastern Europe in the amount of € 24,008 K (31.12.2019: € 12,251 K). In addition as at 31.12.2020 CA Immo Group is subject to other financial commitments resulting from construction costs from urban development contracts which can be capitalised in the future in an amount of € 13,124 K (31.12.2019: € 11,724 K).

The total obligations of the payments of equity in Joint Ventures for which no adequate provisions have been recognised amount in Germany to € 0 K (31.12.2019: € 0 K) as per 31.12.2020. Besides the disclosed obligations of equity-payments, no further obligations to joint ventures exist.

 If the amount of an obligation cannot be estimated reliably, the outflow of funds from the obligation is not likely, or the occurrence of the obligation depends on future events, it represents a contingent liability. In such cases, a provision is not recognised and an explanation of material facts is disclosed in the notes.

9.3. Leases

CA Immo Group as lessor

All lease contracts concluded by CA Immo Group, under which CA Immo Group is the lessor, are recorded as operating leases in accordance with IFRS. These generally have the following essential contractual terms:


- linkage to EUR
- guaranteed value by linkage to international indices
- medium- to long-term maturities and/or termination waivers.

Future minimum rental income from existing term lease contracts or contracts with termination waivers as at the reporting date are as follows:

€ K	2020	2019
In the following year	216,435	211,781
in the second year	182,747	175,966
in the third year	153,327	144,717
in the fourth year	119,837	119,974
in the fifth year	86,252	90,641
after more than five years	224,330	203,769
Total	982,928	946,847

All remaining rental agreements may be terminated at short notice and are not included in the table above.

The minimum rental income includes net rent amounts to be collected until the contractually agreed expiration of the contract or the earliest possible termination option by the lessee (tenant).

 According to IFRS 16, the allocation of a leased asset to the lessor or lessee is based on the criterion of accountability of all significant risks and rewards associated with ownership of the leased asset. The characteristics of the CA Immo Group as lessor of investment properties corresponds to an operating lease because the economic ownership remains with CA Immo Group for the rented properties and thus the significant risks and rewards are not transferred.

CA Immo Group classifies leases as operating lease when the underlying contract does not represent a finance lease. A finance lease exists when:

- at the end of the lease term the ownership of the asset will be transferred to the lessee;
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable so that at the inception of the lease it is reasonably certain that the option will be exercised;
- the lease term is for the major part of the economic life of the asset, even if title is not transferred;
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; and


- the leased assets are of a specialized nature such that only the lessee can use them without major modifications being made.


CA Immo Group as lessee

The lease contracts concluded by CA Immo Group acting as lessee primarily relate to rented properties in Munich (until 2022) and in Frankfurt (until 2025), rented parking space, leases of cars, the rental of furniture and office equipment as well as usufruct of land. No purchase options have been agreed.

The CA Immo Group presents the rights of use in the same balance sheet item in which the underlying assets would be shown if they were owned by the CA Immo Group. The lease liabilities are also included in the balance sheet item “Interest-bearing liabilities”. The users of the financial statements can find the detailed disclosures according to IFRS 16 in the relevant chapter of the notes to which the individual disclosure belongs: the rights of use which are measured according to IAS 40 are comprised in chapter “3.1. Long-term property assets”. The rights of use which are recognized according to the cost model can be found in the chapter “3.2. Own used properties” or “3.3. Office furniture and equipment and intangible assets” (e.g. cars). Lease liabilities are explained in greater detail in chapters “5.2. Interest bearing liabilities”, respectively “8.1. Financial instruments” and “8.3. Risks from financial instruments”. The effects of leases on the profit or loss are contained in the following chapters: the depreciation of rights of use in chapter “2.10. Depreciation and impairment losses/reversal” and interest expenses related to lease liabilities in “2.12. Finance expenses”.

The expense for short-term leases amounts to € 40 K (2019: € 35 K) and the expense for leases related to assets of low value amounts to € 45 K (2019: € 17 K). The total cash outflows for leases amount to € 5,016 K (2019: € 4,217 K).

 Extensions and termination options are taken into account when measuring lease liabilities, if using an option is highly probable. However, this measurement is discretionary, therefore the estimates can be changed in the future. In a first step the term of the underlying contract is used and only in case indicators are available (e.g. information from valuation reports, particularly favourable contract terms, changed operating requirements) a termination or an extension option will be considered in the cash outflows when measuring the lease liability.

 CA Immo Group determines whether an arrangement contains a lease based on the economic substance of the arrangement and evaluates whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveyed a right to use the asset. This is the case only when the contract entitles CA Immo Group to control the use of a clearly identified asset in exchange for consideration for a certain period of time. In doing so, it is relevant that throughout the period of use, CA Immo Group can obtain substantially all the economic benefits from the identified asset and it has the right to direct the use of such an asset. However, an asset is only considered identified when the supplier does not have a substantive substitution right. If, based on the agreement, the supplier is actually able to exchange the asset for another during the period of use and if the exchange results in economic benefits, there is no identified asset and no recognition of a right of use takes place.

When accounting for leases, assets in the form of right of use are capitalized and lease liabilities are recognized. CA Immo Group applies practical expedients and does not recognize any rights of use/lease liabilities for short-term leases (less than 1 year) as well as leases with underlying assets of low value (< € 5,000) and software.

Retrospective adjustment of lease payments, for example based on index adjustments are considered as variable leasing payments and recognized as profit or loss in the current period. An adjustment of a right of use asset/lease liability is only made on the base of future cash outflows.

9.4. Transactions with related parties

The following companies and parties are deemed related parties to the CA Immo Group:

- joint ventures, in which CA Immo Group holds an interest
- associated companies, in which CA Immo Group holds an interest (until 12.8.2019)
- the corporate bodies of CA Immobilien Anlagen Aktiengesellschaft
- Starwood Capital Group ("Starwood") (from 27.9.2018)

Transactions with joint ventures

€ K	31.12.2020	31.12.2019
Investments in joint ventures	57,629	67,755
Loans	8,926	3,025
Receivables	7,197	7,841
Liabilities	3,747	8,616
Provisions	7,128	8,345
	2020	2019
Joint ventures result	1,809	3,808
Result from sale of joint ventures	90	-80
Result from joint ventures	1,898	3,729
Other income	268	690
Other expenses	-1,228	-1,092
Interest income	1,020	902

Outstanding loans to joint ventures and the majority of the receivables from joint ventures as at the reporting date serve to finance the properties. The cumulative impairment loss on loans to joint ventures amounts to € 3,076 K (31.12.2019: € 2,304 K). Receivables from joint ventures comprise short-term loans in the amount of € 0 K (31.12.2019: € 3,630 K). Liabilities against joint ventures include long-term loans amounting to € 0 K (31.12.2019: € 0 K). All receivables have interest rates in line with those prevailing on the market. The remaining receivables are predominantly the result of services performed in Germany. No guarantees or other forms of security exist in connection with these receivables and liabilities.

No additional impairments or other adjustments to the book values were recognised in profit or loss.

Transactions with associated companies

In the third quarter of 2019 the closing of the sale of shares in an associated company in Russia took place as well as loans granted to such company.

Corporate bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna
Management Board

Andreas Quint (from 1.1.2018)

Dr. Andreas Schillhofer (from 1.6.2019)

Keegan Viscius (from 1.11.2018)

Total salary payments (excluding salary-based deductions) to Management Board members active in business year 2020 amounted to € 2,763 K (€ 1,512 K in 2019). The salary-based deductions totaled € 172 K (2019: € 97 K). Fixed salary components totaling € 1,465 K (€ 1,290 K in 2019) were made up of the basic salary of € 1,410 K (2019: € 1,254 K) and other benefits (in particular remuneration in kind for cars, expense allowances and travel expenses) of € 55 K (2019: € 36 K). Variable compensation components amounted to € 1,175 K (2019: € 0 K). There were no special payments (2019: € 106 K).

In business year 2020, a total of € 123 K (2019: € 117 K) was paid out for Management Board members in the form of contributions to pension funds. As at the balance sheet date 31 December 2020, severance payment provisions for Management Board members totaled € 412 K (31.12.2019: € 238 K). There were no payment obligations to former members of the Management Board. No loans or advances were granted to members of the Management Board.

Provisions of € 3,460 K (31.12.2019: € 2,773 K) had been formed for the Management Board under the variable remuneration system as of 31.12.2020. Of this, immediate payments amounting to € 1,269 K are due for payment by 31.5.2021 at the latest. An amount of € 2,191 K is attributable to the LTIP (multi-year bonus). As of December 31, 2020, the conversion rate for the relevant annual bonus portion of phantom shares was € 27.54.

Supervisory Board

Elected by the General Meeting:

Torsten Hollstein, Chairman
 Jeffrey G. Dishner, Deputy Chairman (from 9.5.2019)
 Dr. Florian Koschat, Deputy Chairman
 Univ.-Prof. MMag. Dr. Klaus Hirschler
 Michael Stanton
 Dr. Monika Wildner (from 9.5.2019)
 John Nacos (until 9.5.2019)
 Richard Gregson (until 25.8.2020)

Delegated by registered share:

Sarah Broughton (from 28.9.2018)
 Laura Rubin (from 28.9.2018)
 Jeffrey G. Dishner (from 28.9.2018 to 9.5.2019)

Delegated by works council:

Georg Edinger, BA, REAM (IREBS)
 Nicole Kubista
 Sebastian Obermair
 Walter Sonnleitner (from 10.2.2020)
 Franz Reitermayer (until 10.2.2020)

As at the balance sheet date, the Supervisory Board comprised six capital representatives elected by the Annual General Meeting, two capital representatives appointed by means of registered shares and four employee representatives.

In business year 2020 (for 2019), total remuneration of € 309 K (2019: € 380 K) was paid out (including attendance fees of € 84 K; € 106 K in 2019). Moreover, expenditure of € 78 K was reported in connection with the Supervisory Board in business year 2020 (2019: € 205 K). Of this, cash outlays for travel expenses accounted for approximately € 9 K (2019: € 62 K) and other expenditure (including training costs and license costs) accounted for € 52 K (2019: € 39 K). Legal and other consultancy services accounted for € 17 K (2019: € 103 K). No other fees (particularly for consultancy or brokerage activities) and no loans or advances were paid to Supervisory Board members.

Total Supervisory Board remuneration of € 328 K for business year 2020 will be proposed to the Annual General Meeting on the basis of the same criteria (fixed annual payment of € 30 K per Supervisory Board member plus attendance fee of € 1,000 per meeting), taking account of the waiver of remuneration for Supervisory Board members appointed on the basis of registered shares or related to the Starwood Group respectively. The remuneration was taken into account in the consolidated financial statements as at 31.12.2020.

All business transactions conducted between the company and members of the Supervisory Board which oblige such members to perform services for the CA Immo Group outside of their Supervisory Board activities in return for remuneration of a not inconsiderable value must conform to industry standards and be approved by the Supervisory Board. The same applies to contracts with companies in which a Supervisory Board member has a significant business interest. Dr. Monika Wildner is also member of the Supervisory Board of Volksbank Wien AG. At the end of 2019, Volksbank Wien became a long-term tenant of around 14,000 sqm of office space in the CA Immo portfolio building at Erdberger Lände 26. The lease contract was concluded prior to the acceptance of the Supervisory Board mandate at CA Immo and corresponds to standard market conditions. No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were granted.

Starwood Capital Group (Starwood)

Since 27.9.2018, SOF-11 Klimt CAI S.à r.l. (former SOF-11 Starlight 10 EUR S.à r.l.) is the largest single shareholder of the company.

In business year 2020, Starwood Capital Group (via its vehicle SOF-11 Klimt CAI S.à r.l.) increased its stake in CA Immo from around 26% of the share capital to around 28%, which is equivalent to just under 30% of the voting rights in the company. SOF-11 Klimt CAI S.à r.l. holds 27,908,386 bearer shares as well as four registered shares of CA Immo AG. SOF-11 Klimt CAI S.à r.l. is a controlled affiliate of Starwood Capital Group and an indirect wholly 100% owned subsidiary of SOF-11 International, SCSp. SOF-11 International, SCSp is part of a group of companies known as Starwood Global Opportunity Fund XI (“SOF-XI”), a discretionary fund. SOF-XI is controlled by related parties of Starwood Capital Group. Starwood Capital Group is a privately owned global alternative investment company and is an investor focusing on global real estate investments.

9.5. Employees

In 2020, CA Immo Group had an average of 386 white-collar workers (2019: 363) of whom on average 70 (2019: 69) were employed in Austria, 230 (2019: 211) in Germany and 86 (2019: 83) in subsidiaries in Eastern Europe.

9.6. Costs for the auditors

The expenses presented in the table below refer to fees from Ernst & Young Wirtschaftsprüfungsgesellschaft.m.b.H..

€ K	2020	2019
Auditing costs	387	396
Other assurance services	311	486
Other consultancy services	0	14
Total	698	896

In the consolidated income statement, the audit expenses, including review amount to € 1,359 K (2019: € 1,394 K). Out of this, the amount for Ernst & Young entities amounts to € 1,235 K (2019: € 1,293 K).

9.7. Events after balance sheet date

On 8.1.2021, SOF-11 Klimt CAI S.à r.l. announced its intention to launch an anticipated mandatory takeover offer to the shareholders and convertible bondholders of CA Immo and to further increase its shareholding in the company from currently 29.999893% of the total outstanding voting rights. The offer document has been published on 22.2.2021. Starting from the same day, shareholders and convertible bondholders of CA Immo will be able to accept the offer and tender their shares and convertible bonds into the offer. The acceptance period will end at 5pm (CET) on 9.4.2021.

The price initially offered to CA Immo shareholders of € 34.44 per CA Immo share was increased to € 36.00 on 26.2.2021 ("Share Offer Price"). The price offered to convertible bondholders is are being offered a price of approx. € 138,628.59 (initially € 132,621.35) for each convertible bond with nominal value of € 100,000 ("Convertible Bond Offer Price"). The Share Offer Price and the Convertible Bond Offer Price are on a cum dividend basis.

The anticipated mandatory takeover offer is aimed at acquiring all outstanding CA Immo shares and convertible bonds that are not held by the Bidder or CA Immo, though there will be no minimum acceptance threshold. The completion of the offer will be subject to merger control clearance in Austria, Germany and Poland.

The statement of the Management and Supervisory Boards regarding this offer was published on 8.3.2021.

In February 2021, CA Immo closed the sale of Bratislava BA Business Center. As at 31.12.2020 the assets and liabilities relating to disposal groups were classified as held for sale according to IFRS 5.

In March 2021, CA Immo Group has signed a long-term lease agreement for 34,850 sqm of rental space in the landmark office development Upbeat in Berlin's urban district Europacity. The office development is fully leased to one tenant and thus 100% pre-leased before start of construction.

9.8. New and amended standards and interpretations

a) Changes in presentation, which have a material effect on the consolidated financial statements

The presentation and accounting policies remain unchanged compared to previous year.

Presentation methods

Starting 2020, CA Immo Group presents the items "Interest paid (excluding interest for financing activities)" and "Interest received (excluding interest from investing activities)" separately in the cash flow from operations because they result in interest to/ from tax authorities. This also leads to a restatement of the comparatives figures for 2019. Due to this adjustment, "Interest paid" in the amount of € -484 K is no longer disclosed in the cash flow from financing activities but in the cash flow from operating activities for 2019. Furthermore, due to this adjustment, "Interest received" in the amount of € 686 K is no longer disclosed in the cash flow from investing activities but in the cash flow from operating activities for 2019.

b) First-time application of new and revised standards and interpretations not materially influencing the consolidated financial statements

The following standards and interpretations, already adopted by the EU, were applicable for the first time in the business year 2020:

Standard / Interpretation	Content	Entry into force ¹⁾
Amendments to references to the conceptual framework in IFRS standards	Revised conceptual framework of IFRS standards	1.1.2020
Amendments to IAS 1 and IAS 8	Definition of Materiality	1.1.2020
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	1.1.2020
Amendments to IFRS 3	Amendments to IFRS 3 Business Combinations	1.1.2020

¹⁾ The standards and interpretations are to be applied to business years commencing on or after the effective date.

c) New or revised standards and interpretations not yet in force

Standard / Interpretation	Content	Entry into force¹⁾
Amendments to IFRS 16	Covid-19-Related Rent Concessions	1.6.2020 ²⁾
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2	1.1.2021 ²⁾
Amendments to IFRS 3	Reference to the Conceptual Framework	1.1.2022 ²⁾
Amendments to IAS 37	Cost of Fulfilling a Contract	1.1.2022 ²⁾
Amendments to IAS 16	Proceeds before Intended Use	1.1.2022 ²⁾
Annual Improvements (2018-2020)	Miscellaneous	1.1.2022 ²⁾
Amendments to IAS 1	Classification of liabilities as current or non-current	1.1.2023 ²⁾
IFRS 17	Insurance Contracts	1.1.2023 ²⁾
Amendments to IAS 1	Disclosure of Accounting Policies	1.1.2023 ²⁾
Amendments to IAS 8	Definition of Accounting Estimates	1.1.2023 ²⁾

¹⁾ The standards and interpretations are to be applied to business years commencing on or after the effective date.

²⁾ Not yet adopted by the EU as of the reporting date. The effective date envisaged by an EU Regulation may differ from the date indicated by the IASB.

The above listed revisions and interpretations are not being early adopted by CA Immo Group.

The effects of the first time application of IFRS 17 (Insurance contracts) have not been conclusively analysed. The first time adoption of the remaining new regulations is not expected to have a material impact.

9.9. List of group companies

The following companies are included in the consolidated financial statements in addition to CA Immobilien Anlagen Aktiengesellschaft:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2020 ²⁾
CA Immo Holding B.V.	Amsterdam	51,200,000	EUR	100	FC	
Europolis BV	Amsterdam	2	EUR	100	FC	
CA Immo d.o.o.	Belgrade	32,822,662	RSD	100	FC	
CA Immo Sava City d.o.o.	Belgrade	4,273,618,689	RSD	100	FC	
TM Immo d.o.o.	Belgrade	1,307,737,295	RSD	100	FC	
CA Immo Sechzehn Beteiligungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Sechzehn GmbH & Co. KG	Berlin	25,000	EUR	100	FC	
CA Immo Spreebogen Betriebs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Zehn GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Zwölf Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
BA Business Center s.r.o.	Bratislava	7,503,200	EUR	100	FC	
CA Holding Szolgáltató Kft.	Budapest	13,000,000	HUF	100	FC	
CAImmo Real Estate Management HungaryKft.	Budapest	54,510,000	HUF	100	FC	
Canada Square Kft.	Budapest	12,510,000	HUF	100	FC	
COM PARK Ingatlanberuházási Kft.	Budapest	3,040,000	HUF	100	FC	
Duna Business Hotel Ingatlanfejlesztő Kft.	Budapest	452,844,530	HUF	100	FC	
Duna Irodaház Kft.	Budapest	277,003,015	HUF	100	FC	
Duna Termál Hotel Ingatlanfejlesztő Kft.	Budapest	390,906,655	HUF	100	FC	
EUROPOLIS CityGate IngatlanberuházásiKft.	Budapest	13,010,000	HUF	100	FC	
EUROPOLIS IPW Ingatlanberuházási Kft.	Budapest	54,380,000	HUF	100	FC	
Europolis Park Airport Kft.	Budapest	19,900,000	HUF	100	FC	
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC	
Kilb Kft.	Budapest	30,000,000	HUF	100	FC	
Millennium Irodaház Kft.	Budapest	997,244,944	HUF	100	FC	
R70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	FC	
Vaci 76 Kft.	Budapest	3,100,000	HUF	100	FC	
CA Immo Campus 6.1. S.R.L.	Bucharest	114,000	RON	100	FC	
CAI REAL ESTATE M. ROMANIA SRL	Bucharest	989,570	RON	100	FC	
EUROPOLIS ORHIDEEA B.C. SRL	Bucharest	91,394,530	RON	100	FC	
EUROPOLIS SEMA PARK SRL	Bucharest	139,180,000	RON	100	FC	
INTERMED CONSULTING & MANAGEMENT SRL	Bucharest	31,500,330	RON	100	FC	
Opera Center One SRL	Bucharest	27,326,150	RON	100	FC	
Opera Center Two SRL	Bucharest	7,310,400	RON	100	FC	
S.C. BBP Leasing SRL	Bucharest	14,637,711	RON	100	FC	
VICTORIA INTERNATIONAL PROPERTY SRL	Bucharest	216	RON	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures

²⁾ F foundation, A acquisition

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2020 ²⁾
Blitz F07 -neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC	
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Deutschland GmbH	Frankfurt	5,000,000	EUR	99.7	FC	
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo GB Eins Verwaltungs GmbH	Frankfurt	25,000	EUR	94.9	FC	
CA Immo Invest GmbH	Frankfurt	50,000	EUR	100	FC	
CAI GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CM Komplementär F07-888 GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49 ³⁾	AEJV	
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC	
ALBERIQUE LIMITED	Limassol	1,325	EUR	100	FC	
BEDELLAN PROPERTIES LIMITED i.L.	Limassol	12,705	EUR	100	FC	
EPC KAPPA LIMITED i.L.	Limassol	12,439	EUR	100	FC	
EPC LAMBDA LIMITED i.L.	Limassol	458,451	EUR	100	FC	
EPC LEDUM LIMITED i.L.	Limassol	14,053	EUR	100	FC	
EPC OMIKRON LIMITED i.L.	Limassol	57,114	EUR	100	FC	
EPC PI LIMITED i.L.	Limassol	2,310	EUR	100	FC	
EPC PLATINUM LIMITED i.L.	Limassol	2,864	EUR	100	FC	
EPC RHO LIMITED i.L.	Limassol	2,390	EUR	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidaton joint ventures

²⁾ F foundation, A acquisition

³⁾ Common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2020 ²⁾
EPC THREE LIMITED i.L.	Limassol	2,491,634	EUR	100	FC	
EPC TWO LIMITED i.L.	Limassol	970,092	EUR	100	FC	
ERAM LIMITED	Limassol	2,500	EUR	100	FC	
OPRAH ENTERPRISES LIMITED i.L.	Limassol	3,411	EUR	100	FC	
HARILDO LIMITED i. L.	Nicosia	1,500	EUR	50	AEJV	
VESESTO LIMITED i. L.	Nicosia	1,700	EUR	50	AEJV	
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	100	FC	
CAI Real Estate Management Czech Rep. s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Alfa, s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Beta, s.r.o.	Prague	73,804,000	CZK	100	FC	
RCP Delta, s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Gama, s.r.o.	Prague	96,931,000	CZK	100	FC	
RCP ISC, s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Zeta, s.r.o.	Prague	200,000	CZK	100	FC	
Visionary Prague, s.r.o.	Prague	200,000	CZK	100	FC	
CA Immo Bitwy Warszawskiej Sp.z o.o.	Warsaw	47,956,320	PLN	100	FC	
CA IMMO New City Sp.z.o.o.	Warsaw	116,000	PLN	100	FC	F
CA IMMO P14 Sp.z.o.o.	Warsaw	10,000	PLN	100	FC	A
CAI REAL ESTATE MANAGEMENT POLAND Sp.z.o.o.	Warsaw	565,000	PLN	100	FC	
CA Immo Saski Crescent Sp.z o.o.	Warsaw	140,921,250	PLN	100	FC	
CA Immo Saski Point Sp.z o.o.	Warsaw	55,093,000	PLN	100	FC	
CA Immo Warsaw Spire B Sp. z o.o.	Warsaw	5,050,000	PLN	100	FC	
CA Immo Warsaw Spire C SP. z o.o.	Warsaw	2,050,000	PLN	100	FC	
CA Immo Warsaw Towers Sp.z o.o.	Warsaw	155,490,900	PLN	100	FC	
CA Immo Wspólna Sp. z o.o.	Warsaw	46,497,000	PLN	100	FC	
CA Immo Sienna Center Sp.z o.o.	Warsaw	116,912,640	PLN	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures

²⁾ F foundation, A acquisition

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2020 ²⁾
BIL-S Superädifikatsverwaltungs GmbH	Vienna	70,000	EUR	100	FC	
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	100	FC	
CA Immo Galleria Liegenschaftsverw. GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Konzernfinanzierungs GmbH	Vienna	35,000	EUR	100	FC	F
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC	
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC	
CA Immobilien Anlagen Bet Fin KG	Vienna	7,000	EUR	100	FC	
CA Immo-RI-Residential Prop Holding GmbH	Vienna	35,000	EUR	100	FC	
EBL Nord 2 Immobilien Eins GmbH & Co KG	Vienna	10,000	EUR	50	AEJV	
EBL Nord 2 Immobilien GmbH	Vienna	35,000	EUR	50	AEJV	
EBL Nord 2 Immobilien Zwei GmbH & Co KG	Vienna	10,000	EUR	50	AEJV	
Erdberger Lände 26 Projekt GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	100	FC	
EUROPOLIS CE Rho Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS GmbH	Vienna	5,000,000	EUR	100	FC	
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	FC	
PHI Finanzbeteiligungs und Investment GmbH	Vienna	35,000	EUR	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures

²⁾ F foundation, A acquisition

As at 31.12.2020, CA Immo Group held 99.7% of shares in CA Immo Deutschland GmbH, Frankfurt am Main (or simply Frankfurt). The following subsidiaries, shares in joint ventures and associated companies of CA Immo Deutschland GmbH, Frankfurt, are therefor also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2020 ²⁾
Brandenburg Properties 7 B.V.	Amsterdam	18,000	EUR	100	FC	A
CA Immo Berlin Am Karlsbad 11 Betriebs GmbH	Berlin	25,000	EUR	100	FC	F
CA Immo Berlin Am Karlsbad 11 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Am Karlsbad 11 Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Europaplatz Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Europaplatz 01 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 01 Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Europaplatz 03 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 04 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Hallesches Ufer GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 8 Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Mitte 01 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Mitte 01 Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Mitte 02 GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Mitte 02 Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Pohlstraße GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer Beteiligungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer GmbH & Co. KG	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
CA Immo Berlin Upbeat GmbH & Co. KG	Berlin	5,000	EUR	100	FC	
CA Immo Berlin Upbeat Verwaltungs GmbH	Berlin	25,000	EUR	100	FC	
Stadthafenquartier Europacity Berlin GmbH & Co. KG	Berlin	5,000	EUR	50	AEJV	
Stadthafenquartier Europacity Berlin Verwaltungs GmbH	Berlin	25,000	EUR	50	AEJV	
CA Immo Düsseldorf BelsenPark MK 2.1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark MK 3 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Alpha GmbH	Frankfurt	25,100	EUR	100	FC	
CA Immo Frankfurt Karlsruher Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Karlsruher Straße Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures

²⁾ F foundation, A acquisition

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2020 ²⁾
CA Immo Frankfurt ONE Betriebs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt ONE GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	EUR	100	FC	
Zollhafen Mainz Quartiergarage GmbH	Frankfurt	25,000	EUR	100	FC	
Baumkirchen MI GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
Baumkirchen MI Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
Baumkirchen MK GmbH & Co. KG	Grünwald	10,000	EUR	100	FC	
Baumkirchen MK Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
Baumkirchen WA 1 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 1 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 2 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 2 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 3 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 3 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
CA Immo Bayern Betriebs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Nymphenburg Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Projektentwicklung Bayern GmbH & Co. KG	Grünwald	255,646	EUR	100	FC	
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,565	EUR	100	FC	
CAMG Zollhafen HI IV V GmbH & Co. KG	Grünwald	105,000	EUR	50 ³⁾	AEJV	
CAMG Zollhafen HI IV V Verwaltungs GmbH	Grünwald	25,000	EUR	50 ³⁾	AEJV	
CPW Immobilien GmbH & Co. KG i.L.	Grünwald	5,000	EUR	33.32 ³⁾	AEJV	
CPW Immobilien Verwaltungs GmbH	Grünwald	25,000	EUR	33.34 ³⁾	AEJV	
Eggarten Projektentwicklung GmbH&Co.KG	Grünwald	16,000	EUR	50	AEJV	
Eggarten Projektentwicklung Verwaltung GmbH	Grünwald	25,000	EUR	50	AEJV	
Kontorhaus Arnulfpark Betriebs GmbH	Grünwald	25,000	EUR	100	FC	
Kontorhaus Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	99.93	FC	
Kontorhaus Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	100	FC	
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	A

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures

²⁾ F foundation, A acquisition

³⁾ Common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2020 ²⁾
Congress Centrum Skyline Plaza Beteiligung GmbH	Hamburg	25,000	EUR	50	AEJV	
Congress Centrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	AEJV	
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	AEJV	
CA Immo Mainz Hafenspitze GmbH	Mainz	25,000	EUR	100	FC	
CA Immo Mainz Rheinallee III GmbH&Co. KG	Mainz	5,000	EUR	100	FC	
CA Immo Mainz Rheinwiesen II GmbH & Co. KG	Mainz	5,000	EUR	100	FC	
CA Immo Mainz Rheinwiesen III Verwaltung GmbH	Mainz	25,000	EUR	100	FC	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	AEJV	
Marina Zollhafen GmbH	Mainz	25,000	EUR	37,5 ³⁾	AEJV	
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50,1 ³⁾	AEJV	
SEG Kontorhaus Arnulfpark Beteiligungsgesellschaft mbH	München	25,000	EUR	99	FC	
Skyline Plaza Generalübernehmer GmbH & Co. KG	Oststeinbek	25,000	EUR	50	AEJV	
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	AEJV	
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	100	FC	A
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	100	FC	A

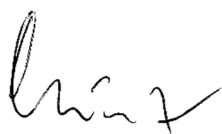
¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures

²⁾ F foundation, A acquisition

³⁾ Common control

Vienna, March 24, 2021

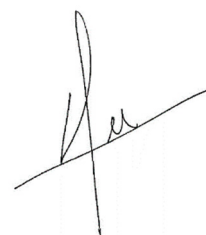
The Management Board



Andreas Quint
(Chairman)



Dr. Andreas Schillhofer
(Member of the Management Board)



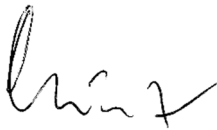
Keegan Viscius
(Member of the Management Board)

DECLARATION OF THE MANAGEMENT BOARD PURSUANT TO SECTION 124 (1) OF THE AUSTRIAN STOCK EXCHANGE ACT

The management board confirms to the best of their knowledge that the consolidated financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of the consolidated financial position of CA Immo Group and its consolidated financial performance and of its consolidated cash flows and that the group management report gives a true and fair view of the business development, the financial performance, and financial position of the Group, together with a description of the principal risks and uncertainties the CA Immo Group faces.

Vienna, March 24, 2021

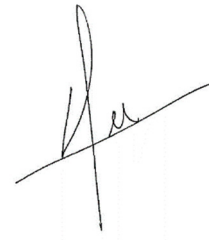
The Management Board



Andreas Quint
(Chief Executive Officer)



Dr. Andreas Schillhofer
(Member of the Management Board)



Keegan Viscius
(Member of the Management Board)

AUDITOR'S REPORT ^{*)}

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

CA Immobilien Anlagen Aktiengesellschaft, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2020 and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters that we identified:

<i>Titel</i>	Valuation of Investment Property
<i>Risk</i>	CA Immobilien Anlagen Aktiengesellschaft reports investment properties in the amount of TEUR 4,723,068 and investment properties under development in the amount of

TEUR 791,136 in its consolidated financial statements as of December 31, 2020. The consolidated financial statements as of December 31, 2020 also include a result from revaluation amounting to TEUR 183,499.

Investment properties are measured at fair value based on valuation reports from external, independent valuation experts.

The valuation of investment properties is subject to material assumptions and estimates. The material risk for every individual property exists when determining assumptions and estimates such as the discount-/capitalization rate and rental income and for investment properties under development the construction and development costs to completion and the developer's profit. A minor change in these assumptions and estimates can have a material impact on the valuation of investment properties.

The respective disclosures relating to significant judgements, assumptions and estimates are shown in Section "3.1 Long-term property assets" in the consolidated financial statements.

Consideration in the audit

To address this risk, we have critically assessed the assumptions and estimates made by management and the external valuation experts and performed, among others, the following audit procedures with involvement of our internal property valuation experts:

- Assessment of concept and design of the underlying property valuation process
- Assessment of the competence, capability and objectivity of the external valuation experts engaged by management
- Assessment of the applied methods and the mathematical accuracy of selected valuation reports as well as assessment of the plausibility of the underlying assumptions (eg. Rental income, discount-/capitalization rate, usable space, vacancy rate) by means of comparison with market data if available
- Check of certain input-data as included in the valuation reports with data in the accounting system or underlying agreements
- Inquiry of project-management for selected properties under development regarding reasons for deviations between plan and actual costs and current estimation of cost to completion; check of actual costs for those projects through review of project-documentation and vouching on a sample basis as well as evaluation of the derived percentage of completion

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

We received the consolidated Corporate Governance Report until the date of this audit opinion; the rest of the annual report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. 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 financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's 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 our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at August 25, 2020. We were appointed by the Supervisory Board on October 15, 2020. We are auditors since the financial year 2017.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Alexander Wlasto, Certified Public Accountant.

Vienna, March 24, 2021

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Isabelle Vollmer mp

Mag. Alexander Wlasto mp

Wirtschaftsprüferin / Certified Public Accountant

Wirtschaftsprüfer / Certified Public Accountant

- *) This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

FINANCIAL STATEMENTS AND
MANAGEMENT REPORT

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FINANCIAL STATEMENTS AND MANAGEMENT REPORT

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Liabilities and shareholders' equity

	31.12.2020	31.12.2019
	€	€ 1,000
A. Shareholders' equity		
I. Share capital		
Share capital drawn	718,336,602.72	718,337
Treasury shares	– 42,020,868.99	– 42,021
	676,315,733.73	676,316
II. Tied capital reserves	854,841,594.68	854,841
III. Tied reserves for treasury shares	42,020,868.99	42,021
IV. Net profit	897,604,901.81	907,530
of which profit carried forward: € 814,501,632.53; 31.12.2019: € 860,827 K		
	2,470,783,099.21	2,480,708
B. Grants from public funds	389,554.00	297
C. Provisions		
1. Provision for severance payment	504,984.00	336
2. Tax provisions	114,000.00	1,240
3. Provision for deferred taxes	161,502.73	352
4. Other provisions	42,658,967.29	17,932
	43,439,454.02	19,860
D. Liabilities		
1. Bonds	1,741,481,500.00	990,000
of which convertible: € 200,000,000.00; 31.12.2019: € 200,000 K		
thereof with a residual term of up to one year: € 107,450,000.00; 31.12.2019: € 0 K		
thereof with a residual term of more than one year: € 1,634,031,500.00; 31.12.2019: € 990,000 K		
2. Liabilities to banks	111,133,536.70	111,908
thereof with a residual term of up to one year: € 1,847,500.00; 31.12.2019: € 29,571 K		
thereof with a residual term of more than one year: € 109,286,036.70; 31.12.2019: € 82,337 K		
3. Trade payables	946,555.43	636
thereof with a residual term of up to one year: € 607,967.42 ; 31.12.2019: € 472 K		
thereof with a residual term of more than one year: € 338,588.01; 31.12.2019: € 164 K		
4. Payables to affiliated companies	67,135,728.87	5,047
thereof with a residual term of up to one year: € 67,135,728.87; 31.12.2019: € 5,047 K		
5. Other liabilities	18,969,038.56	15,288
of which from taxes: € 451,862.43; 31.12.2019: € 381 K		
of which social security related: € 150,969.47; 31.12.2019: € 115 K		
thereof with a residual term of up to one year: € 18,969,038.56; 31.12.2019: € 15,288 K		
	1,939,666,359.56	1,122,879
thereof with a residual term of up to one year: € 196,010,234.85; 31.12.2019: € 50,378 K		
thereof with a residual term of more than one year: € 1,743,656,124.71; 31.12.2019: € 1,072,501 K		
E. Deferred income	5,972,967.52	6,163
	4,460,251,434.31	3,629,907

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2020

	€	2020 €	€ 1,000	2019 € 1,000
1. Gross revenues		30,228,013.76		28,883
2. Other operating income				
a) Income from the reversal of impairment losses of fixed assets except of financial assets	5,137,241.57		6,235	
b) Income from the reversal of provisions	304,431.37		1,562	
c) Other income	439,716.79	5,881,389.73	676	8,473
3. Staff expense				
a) Salaries	- 12,901,612.89		- 11,643	
b) Social expenses	- 2,486,336.31	- 15,387,949.20	- 2,327	- 13,970
thereof expenses in connection with pensions: € 274,523.26; 2019: € 264 K				
thereof expenses for severance payments and payments into staff welfare funds: € 324,398.18; 2019: € 264 K				
thereof payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions: € 1,743,166.33; 2019: € 1,658 K				
4. Depreciation on intangible fixed assets and tangible fixed assets		- 11,531,892.12		- 17,367
of which unscheduled depreciation in accordance with § 204 para. 2 Commercial Code: € 3,688,353.00; 2019: € 9,571 K				
5. Other operating expenses				
a) Taxes	- 26,296,987.43		- 549	
b) Other expenses	- 21,622,113.94	- 47,919,101.37	- 15,917	- 16,466
6. Subtotal from lines 1 to 5 (operating result)		- 38,729,539.20		- 10,447
7. Income from investments		123,377,727.50		192,269
of which from affiliated companies: € 122,303,430.31; 2019: € 182,882 K				
8. Income from loans from financial assets		19,796,015.83		21,803
of which from affiliated companies: € 19,796,015.83; 2019: € 21,528 K				
9. Other interest and similar income		431,168.91		12
of which from affiliated companies: € 409,444.94; 2019: € 11 K				
10. Income from the disposal and revaluation of financial assets		3,618,541.75		6,487
11. Expenses for financial assets and interest receivables in current assets, thereof		- 3,501,531.28		- 138,603
a) Impairment: € 3,239,000.00; 2019: € 137,045 K				
b) Bad debt allowance of interest receivables € 0.00; 2019: € 380 K				
c) Expenses from affiliated companies: € 3,239,000.00; 2019: € 137,462 K				
12. Interest and similar expenses		- 34,633,718.56		- 29,188
of which relating to affiliated companies: € 766,426.25; 2019: € 1,962 K				
13. Subtotal from lines 7 to 12 (financial result)		109,088,204.15		52,780
14. Result before taxes		70,358,664.95		42,333
15. Taxes on income		12,744,604.33		4,370
thereof deferred taxes: income € 190,749.79; expenses 2019: € 1,493 K				
16. Net profit for the year		83,103,269.28		46,703
17. Profit carried forward from the previous year		814,501,632.53		860,827
18. Net profit		897,604,901.81		907,530

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2020

ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG") is classified as public interest entity according to section 189a Austrian Commercial Code (UGB) and as a large company according to section 221 Austrian Commercial Code (UGB).

The annual financial statements were prepared in accordance with Austrian Generally Accepted Accounting Principles in the current version and with the principles of proper accounting and general standards, to present a true and fair view of assets, financial situation and profit and loss. Furthermore, going concern principle, prudence and completeness as well as individual valuation of assets and liabilities were taken into account in the preparation of the financial statements.

For profit and loss, classification by nature was used.

Covid-19 pandemic - impact on CA Immo AG:

Business year 2020 was significantly impacted by the Covid-19 pandemic effects as many countries imposed general lockdowns and travel restrictions. As a result, market activity was severely affected in many sectors starting in the second quarter of 2020.

Hotels and retailers are increasingly requesting rent deferrals or rent reductions given the significant sales losses. The short- and long-term economic impact of the Covid-19 pandemic on real estate markets remains highly uncertain. The longer the crisis lasts, the more complex the issues become. The real estate markets have significantly declined transaction activity and liquidity. CA Immo AG did not make use of any state aid (neither short-time work, grants nor deferrals).

In order to ensure the safety of tenants and employees and to be able to react quickly if required, CA Immo AG has appointed a Health and Safety Taskforce, which starting March 2020, reacts on the developments and establishes hygienic measures to be taken at regional level in the respective office spaces. An action plan was set up and is updated whenever necessary, based on the actual infection numbers. These also include measures and internal rules of conduct for multiple scenarios and escalation levels to ensure a safe environment for all building users at all times.

Due to the Covid-19 pandemic a Home-Office rule is in place for all employees. Offices of CA Immo AG are open with voluntary office attendance, maximum 50% attendance and mandatory mask wearing in all office spaces. Business trips and meetings are only to be made in exceptional cases.

Going Concern

The Covid-19 pandemic had no significant impact on the financial position, financial performance and cash flows of CA Immo AG as at 31.12.2020.

However, due to further/ or lack of legal measures, it cannot be ruled out that the pandemic could have negative effects on real estate properties or tenant groups (in particular offices, hotels, retail). Thus the effects of the Covid-19 pandemic on the future financial position of CA Immo AG cannot be conclusively assessed and are continuously evaluated.

Financial Covenants

Bank financings in CA Immo AG and its subsidiaries are subject to so-called financial covenants. In case of investment properties, these are usually LTV (Loan to Value), ISCR (Interest Service Coverage Ratio) and DSCR (Debt Service Coverage Ratio) or, in the case of project financing, LTC (Loan to Cost) and ISCR (Interest Service Coverage Ratio).

Given the ongoing negative economic development, it cannot be ruled out that there will be a breach of contractual conditions (financial covenants, in particular DSCR) in the future due to tenant defaults. As at 31.12.2020 no financial covenants of the CA Immo AG and its subsidiaries were breached. The effects of the Covid-19 pandemic on possible future breaches of financial covenants of the CA Immo AG are continuously evaluated.

The Covid-19 pandemic has no impact on the accounting policies applied.

1. Fixed assets

Intangible and tangible fixed assets

Intangible and tangible assets are stated at acquisition or production cost reduced by scheduled depreciation, if depreciable, and unscheduled depreciation, where required.

	from	Years to
Software	3	4
Fit-outs	5	10
Buildings	33	50
Other assets, office furniture and equipment	2	20

Scheduled depreciation is performed on a linear basis, with the depreciation period corresponding to useful life expectancy. Additions in the first half of the business year are subject to full annual depreciation, while additions in the second half are subject to half of the annual depreciation.

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments will occur. Reversal of impairments recognised in prior periods are recorded if the fair value is higher than the book value at the balance sheet date, but below amortised costs.

Financial assets

Shares in affiliated companies and investments are stated at acquisition costs less unscheduled depreciation.

Loans to affiliated companies are stated at acquisition costs less repayments made and unscheduled depreciation.

Unscheduled depreciation is only recorded if permanent impairment losses are expected to occur. A reversal of impairment losses recognised in prior periods is recorded if the fair value is considerably higher than the book value at the balance sheet date. The valuation is done by a simplified subsidiary valuation model based on the fair value of the respective property for IFRS purposes adjusted for other assets or liabilities of the subsidiary.

2. Current assets

Receivables are stated at nominal value. Identifiable default risks are considered by carrying out individual value adjustments. Income from investments is recognised on the basis of shareholders' resolutions.

Reversal of short-term assets impairments or the release of allowances are made when the underlying reasons for such decreases are no longer valid. The basis for determining the fair values of interest receivables is the market value of the properties of the respective subsidiaries (based on market value appraisals used for the IFRS consolidated financial statements purposes).

3. Deferred charges and deferred income

Prepayments are recorded under deferred charges. Additionally the disagio of the bond is capitalised under this item and released over the redemption period, according to the effective interest rate method.

Rent prepayments and investment allowances from tenants are shown under deferred income and will be released over the minimum lease term.

4. Grants from public funds

These grants will be released over the remaining useful life of the building.

5. Deferred taxes

Provisions for deferred taxes are made using the 25% rate of corporate income tax, according to Art 198 par 9 and 10 in Austrian Commercial Code, using the liability method, i.e. on the temporary differences arising between tax basis of assets and liabilities and their accounting values and without discounting. Deferred taxes with a tax rate of 3% were also applied to deferred taxes of tax members, which themselves account for only 22% of group tax (instead of 25% corporate income tax). CA Immo AG records tax losses amounting to the maximum of netted deferred tax assets and deferred tax liabilities, taking into account the 75% threshold. As the tax planning does not provide sufficient evidence of future taxable profits, as at 31.12.2020 it was not possible to exercise the option to capitalize carried forward losses.

6. Provisions

Provisions for severance payments amount to 700 % (31.12.2019: 490%) of the imputed statutory notional severance payment obligations at the balance sheet date. The calculation is performed using the PUC method, which is recognised in international accounting, based on an interest rate of -0.34% (31.12.2019: -0.25%) and future salary increases (including inflation rate) of 3% (31.12.2019: 4%). For the computation of severance payments provisions, AVÖ 2018-P was used as actuarial basis. The period for build-up is until retirement, i.e. for a maximum of 25 years. Interest as well as effects from the change in interest rate were recorded in "personnel expenses".

Tax and other provisions are made on a prudent basis, in accordance with anticipated requirements. They take into account all identifiable risks and not yet finally assessed liabilities.

7. Liabilities

Liabilities are stated at the amount to be paid.

8. Tax group

In business year 2005 a group and tax compensation agreement was concluded for the formation of a tax group within the meaning of section 9 of the Austrian Corporation Tax Act (KStG) effective from business year 2005. In the subsequent years this was expanded to include additional group members. The group is headed by CA Immo AG. In business year 2020 the tax group comprised 15 Austrian group companies (2019: 14), in addition to the group head entity.

The allocation method used by the CA Immo tax group is the distribution method where tax profits of a group member are offset against pre-group tax losses carried forward and the remaining profit of the group member taxed at a rate of 22%, respectively up to a tax rate of 25% if the tax group has a profit. Losses carried forward of a group member are retained. In case of termination of the tax group or the withdrawal of a tax group member, CA Immo AG, as group head entity, is obliged to pay a final compensation payment for unused tax losses that have been allocated to the head of the group. These compensation payments are based on the fair value of all (notional) prospective tax reductions, which the

group member would have potentially realized, if it had not joined the tax group. Upon withdrawal of a tax group member or termination of the tax group, the final compensation payment will be determined through the professional opinion of a mutually appointed chartered accountant. As at 31.12.2020 the possible obligations against group companies resulting from a possible termination of the group, were estimated at € 23,028 K (31.12.2019: € 28,698 K). As at 31.12.2020 no group companies left tax group, so no provision for termination settlement was made.

Tax expenses in the profit and loss are reduced by the tax compensation of tax group members.

9. Note on currency translation

Foreign exchange receivables are valued at the purchase price or the lower exchange rate as at the balance sheet date. Foreign exchange liabilities are valued at the purchase price or the higher exchange rate as at the balance sheet date.

EXPLANATORY NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

10. Explanatory notes on the balance sheet

a) Fixed assets

The breakdown and development of fixed assets can be seen in the assets analysis in Appendix 1.

Tangible assets

Additions to property and buildings mainly relate to investments in Erdberger Lände. As at the balance sheet date, the tangible assets comprise 8 properties (31.12.2019: 8 properties).

In 2020 unscheduled depreciation on tangible assets amounted to € 3,688 K (2019: € 9,571 K) and reversals of impairment losses amounting to € 5,137 K (2019: € 6,235 K) were recorded.

Financial assets

The notes on affiliated companies can be found in Appendix 2.

Impairment losses on financial assets in the amount of € 3,239 K (2019: € 137,045 K) and reversals of impairment losses in the amount of € 3,397 K (2019: € 5,767 K) were recognized in 2020.

Book value of investments in affiliated companies amounts to € 2,938,724 K (31.12.2019: € 2,600,187 K). Current additions are mainly the result of various shareholders' contributions and of an acquisition of the company CA Immo P14 Sp.z.o.o., Warsaw.

Loans to affiliated companies are made up as follows:

€ 1,000	31.12.2020	31.12.2019
CA Immo Holding B.V., Amsterdam	130,758	240,787
EUROPOLIS ORHIDEEA B.C. S.R.L., Bucharest	54,424	59,703
4P - Immo. Praha s.r.o., Prague	39,589	41,389
RCP Amazon, s.r.o., Prague	33,488	33,888
Europolis Holding B.V., Amsterdam	31,690	31,690
Vaci 76 Kft, Budapest	28,976	30,876
INTERMED CONSULTING & MANAGEMENT S.R.L., Bucharest	28,200	37,200
BA Business Center s.r.o., Bratislava	25,000	28,000
EUROPOLIS City Gate Ingatlanberuházási Kft, Budapest	22,700	23,400
CA Immo Invest GmbH, Frankfurt	22,000	25,500
Duna Irodaház Kft., Budapest	20,239	20,239
Other up to € 20 m	101,176	107,858
	538,240	680,530

Loans to affiliated companies to the value of € 25,000 K (31.12.2019: € 18,010 K) have a remaining term of up to one year.

Impaired other loans were disposed in 2020 due to uncollectibility.

b) Current assets

All receivables – as in the previous year – have a due date of less than one year. There is no exchangeable securitization issued in connection with receivables.

Trade receivables amounting to € 461 K (31.12.2019: € 1,594 K) include outstanding rent and invoiced operating costs.

Receivables from affiliated companies are made up as follows:

€ 1,000	31.12.2020	31.12.2019
Trade receivable (current invoicings to affiliated companies)	987	944
Receivables from tax compensation	12,716	7,203
Receivables from interest	11,636	20,976
Receivables from loans	2,500	0
	27,839	29,123

Other receivables amounting to € 1,735 K (31.12.2019: € 1,281 K) mainly include receivables from the seller of CA Immo P14 Sp.z.o.o., Warsaw, due to a subsequent purchase price adjustment.

c) Deferred charges

€ 1,000	31.12.2020	31.12.2019
Disagio bonds	9,339	3,680
Other	591	157
	9,930	3,837

d) Shareholders' equity

Share capital is equivalent to the fully paid in nominal capital of € 718,336,602.72 (31.12.2019: € 718,336.602.72). It is divided into 98,808,332 (31.12.2019: 98,808,332) bearer shares and four registered shares of no par value. Out of nominal capital 5,780,037 treasury shares (31.12.2019: 5,780,037), each amounting to € 7.27, thus totaling € 42,020,868.99 (31.12.2019: € 42,020,868.99), were deducted from shareholders' equity. The registered shares are held by SOF-11 Klimt CAI S.à r.l., Luxemburg, an entity managed by Starwood Capital Group, each granting the right to nominate one member of the Supervisory Board. The Supervisory Board currently consists of six members elected by the Annual General Meeting as well as two members elected by the registered shares and four delegated by the works council.

As at 31.12.2020, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total (31.12.2019: 5,780,037 treasury shares). Given the total number of voting shares issued (98,808,336), this is equivalent to around 5.8% (31.12.2019: 5.8%) of the voting shares.

In 2020 a dividend of € 1.00 (2019: € 0.90) for each entitled share, in total € 93,028 K (2019: € 83,725 K) was distributed to the shareholders.

The total net profit as at 31.12.2020 amounting to € 897,605 K (31.12.2019: € 907,530 K) is not subject to dividend payment constraints.

As at 31.12.2020 there is unused authorised capital amounting to € 359,168,301.36 that may be drawn on or before 18.9.2023, as well as conditional capital in the total amount of € 47,565,458.08 earmarked for the specified purpose of servicing 0.75% convertible bonds 2017-2025 (conditional capital 2013) as well as conditional capital in the amount of € 143,667,319.09 earmarked for the specified purpose of servicing convertible bonds which are issued prospectively based on the authorization from the Ordinary General Meeting as of 9.5.2018 (conditional capital 2018).

CA Immo AG has an outstanding non-subordinated unsecured convertible bond in an amount of € 200 m and a term until April 2025. The coupon payable semi-annually amounts to 0.75% p.a. and the initial conversion price has been set at € 30.5684 per share. This equaled a conversion premium of 27.50% above the volume weighted average price (VWAP) of the CA Immo shares amounting to € 23.9752 on the launch date. Following the dividend payment amounting to € 1.00 per share on 27.08.2020, the conversion price has most recently changed to € 29.7675 in accordance with section 11 (d) (ii) in issuance terms. The convertible bond was issued at 100% of its nominal value of € 100 K per bond and will be redeemed at 100% of the nominal value, if not previously repaid or converted. At the company's choice, the redemption may be effected by the provision of shares, cash or a combination of the two.

The declared revenues reserves are tied and the book value corresponds to the nominal value of the treasury shares deducted from the share capital.

€ 1,000	31.12.2020	31.12.2019
Other additional expenses for treasury shares	- 53,663	- 53,663
Nominal treasury shares in share capital	42,021	42,021
Reserves for other acquisition costs for treasury shares	53,663	53,663
Tied revenue reserves for treasury shares	42,021	42,021

The requirement of the legal reserve up to 10% of the share capital is fulfilled. The revenue reserves have not changed compared to the previous year.

e) Grants from public funds

Grants from public funds include an environmental grant (new building in energy efficient construction) from BMK awarded in 2020 for the construction of the office building VIE in the amount of € 103 K. The grants are expensed over the remaining useful life of the respective asset.

f) Provisions for deferred taxes

Deferred taxes comprise the offsetting of deferred tax liabilities and deferred tax assets and are based on the differences between tax and corporate value approaches for the following (+ deferred tax liabilities / - deferred tax assets):

€ 1,000	31.12.2020	31.12.2019
Land and buildings	12,426	10,987
Partnership	4,352	3,423
Other assets, office furniture and equipment	0	- 2
Ancillary bond expenses	- 7,882	- 3,565
Bank loans ancillary expenses	- 471	- 630
Provisions for severance payments	- 49	- 57
Deferred income	- 5,391	- 4,587
Base for tax rate 25 %	2,985	5,569
Differences in tax group members (basis for 3 % tax rate)	0	559
Out of which resulted provision for deferred taxes	746	1,409
less: offsetting with tax losses carried forward	- 585	- 1,057
As at 31.12.	161	352

Movements in deferred tax liabilities are presented below:

€ 1,000	2020	2019
As at 1.1. provision for deferred taxes / deferred tax asset	352	- 1,141
Changes affecting profit and loss for deferred tax asset	0	1,141
Changes affecting profit and loss provisions for deferred taxes	- 191	352
As at 31.12. provision for deferred taxes	161	352

g) Provisions

Provisions for severance payment amount to € 505 K (31.12.2019: € 336 K) and include severance payment entitlements of company employees and Management Board members.

Tax provisions in the amount of € 114 K (31.12.2019: € 1,240 K) mainly relate to provisions for corporate tax for the current year.

Other provisions are made up as follows:

€ 1,000	31.12.2020	31.12.2019
Court fees	25,475	0
Premiums	6,730	5,469
Derivative transactions	6,657	5,289
Construction services	1,001	3,440
Staff (vacation and overtime)	926	827
Legal, auditing and consultancy fees	460	1,173
Provision for land register	420	420
Other	990	1,314
	42,659	17,932

The provision for court fees includes the provision for a claim for damages filed in the 2020 financial year against the Republic of Austria and the state of Carinthia in the amount of approximately € 1.9 billion in connection with the privatisation of the Bundeswohnbaugesellschaften in 2004.

Long Term Incentive (LTI) Programm:

In order to promote a high level of identification with the company's objectives, all employees are entitled to variable remuneration in addition to their fixed salary, thus enabling them to participate in the company's success. In line with the compensation system of the Management Board, the prerequisite for this is the attainment of the budgeted quantitative and qualitative annual targets as well as a positive consolidated result. Furthermore, selected executives have the opportunity to participate in a share price-based compensation program. In contrast to the model for the Management Board (phantom shares), participation in the LTI programs started before the 2020 financial year was voluntary. The revolving programme had a term (retention period) of three years per tranche and required a personal investment (maximum of 35% of the fixed annual salary). The personal investment was valued at the average share price of the first quarter of the year the tranche started. The number of underlying shares is determined on the basis of this valuation. At the end of the respective three-year performance period, target achievement was defined by means of a target/actual comparison. Performance was measured by the following key figures: NAV growth, TSR (total shareholder return) and FFO (funds from operations) growth. The weighting for NAV and FFO growth was 30% each, and for TSR 40%. Payments were made in cash.

The LTI program was subject to a comprehensive revision (adjustment to market standards) in 2019; the new program provides for changes with regard to the group of participants, the conditions of participation, and the performance indicators and was applied for the first time in fiscal year 2020. The new LTI program is revolving and does not provide for any personal investment. The plan grants performance-related remuneration in the form of virtual shares in CA Immo. The final number of virtual shares is determined on the basis of performance criteria linked to the medium-term strategy and share performance. The target amount of the LTI is divided by the volume-weighted average CA Immo share price (= closing price on the Vienna Stock Exchange) over the 3-month period prior to 31.12. of the respective bonus year. This method is used to calculate the preliminary number of virtual shares. Based on the performance criteria measured at the end of the four-year performance period, the final number of virtual shares is determined. The LTI is

generally determined as of 31.12. of the last year of the four-year performance period. Equal-weighted performance criteria for the LTI are Funds From Operations ("FFO") I and Relative Total Shareholder Return ("TSR") against the EPRA Nareit Developed Europe ex UK Index. Each tranche starts with a target value based on the executive's respective function, which would be received at the end of the term of the respective tranche if 100% of the targets were achieved. The amount allocated to a performance criterion is determined by comparing agreed targets with values actually achieved and expressed as a percentage. Allocation between the performance thresholds is linear. The final number of virtual shares is capped at 200% of the preliminary number of virtual shares. For the payout, the final number of virtual shares is multiplied by the volume-weighted average price of the last three months of the performance period. The resulting amount is paid out in cash, subject to a cap of 250% of the LTI target amount.

The bonus payment for the Management Board is linked to long-term operational and quality-based targets and also takes account of non-financial performance criteria. It is limited to 200% of the annual salary. Of the variable remuneration, half is linked to the attainment of short-term targets defined annually by the remuneration committee (annual bonus). The other half is based on outperformance of the following indicators defined annually by the remuneration committee: return on equity (ROE), funds from operations (FFO) and NAV growth. The level of the bonus actually paid depends on the degree of target attainment: the values agreed and actually achieved at the end of each business year are determined by the Remuneration Committee. Half of performance-related remuneration takes the form of immediate payments (short term incentive); the remaining 50% is converted into phantom shares on the basis of the average rate for the last quarter of the business year relevant to target attainment. The payment of phantom shares is made in cash in three equal parts after 12 months, 24 months (mid term incentive) and 36 months (long term incentive) at the average rate for the last quarter of the year preceding the payment year.

For this kind of share-based remuneration, which is settled in cash, the liability incurred is recognised over the vesting period as a provision in the amount of the attributable fair value. Until the debt is settled, the attributable fair value is determined afresh on every closing date and settlement date. All changes are recognised in the income statement in the relevant business year.

h) Liabilities

31.12.2020 € 1,000	Maturity up to 1 year	Maturity 1 - 5 years	Maturity more than 5 years	Total
Bonds	107,450	984,032	650,000	1,741,482
Liabilities to banks	1,848	51,116	58,170	111,134
Trade payables	608	339	0	947
Payables to affiliated companies	67,136	0	0	67,136
Other liabilities	18,969	0	0	18,969
Total	196,011	1,035,487	708,170	1,939,668

31.12.2019 € 1,000	Maturity up to 1 year	Maturity 1 - 5 years	Maturity more than 5 years	Total
Bonds	0	640,000	350,000	990,000
Liabilities to banks	29,571	48,433	33,904	111,908
Trade payables	472	164	0	636
Payables to affiliated companies	5,047	0	0	5,047
Other liabilities	15,288	0	0	15,288
Total	50,378	688,597	383,904	1,122,879

In bonds, the convertible bond with its related maturity is also included. The bonds item for 31.12.2020 comprises the following liabilities:

	Nominal value € 1,000	Nominal interest rate	Issue	Repayment
Convertible bond 2017-2025	200,000	0.75%	04.10.2017	04.04.2025
Bond 2016-2021	107,450	1.88%	12.07.2016	12.07.2021
Bond 2015-2022	142,411	2.75%	17.02.2015	17.02.2022
Bond 2016-2023	116,621	2.75%	17.02.2016	17.02.2023
Bonds 2017-2024	175,000	1.88%	22.02.2017	22.02.2024
Bonds 2020-2025	350,000	1.00%	27.10.2020	27.10.2025
Bonds 2018-2026	150,000	1.88%	26.09.2018	26.03.2026
Bonds 2020-2027	500,000	0.88%	05.02.2020	05.02.2027
	1,741,482			

In 2020, three corporate bonds with a total nominal value of € 98,519 K were partly repurchased and redeemed. This results in a loss of € 4,862 K, which is reported under interest and similar expenses.

Liabilities to banks comprise investment loans amounting to € 111,134 K (31.12.2019: € 111,908 K), which are mainly secured by filed claims to entry in the land register and by pledge of bank credits as well as rental receivables as well claims from derivative transactions.

Trade payables item essentially comprises liabilities for construction services and liability guarantees as well as general administrative costs.

The liabilities shown under payables to affiliated companies relate to intra-group loans amounting to € 42,400 K (31.12.2019: € 4,870 K), grants to an affiliated company not paid but already granted amounting € 24,535 K and trade payables amounting to € 201 K (31.12.2019: € 177 K).

Other liabilities are essentially made up of accrued interest for bonds amounting to € 16,985 K (31.12.2019: € 14,265 K), unpaid liabilities to the property management company, liabilities to the tenants and liabilities arising from payroll-accounting and tax charges.

i) Deferred income

€ 1,000	31.12.2020	31.12.2019
Investment grants from tenants	5,391	5,686
Rent prepayments received	582	477
	5,973	6,163

j) Contingent liabilities

	Maximum amount as at 31.12.2020 1,000		Outstanding on reporting date 31.12.2020 € 1,000	Outstanding on reporting date 31.12.2019 € 1,000
Guarantees and letters of comfort in connection with sales made by affiliated companies	78,076	€	60,746	38,503
Guarantees for loans granted to affiliated companies	15,531	€	15,531	673
Guarantees in connection with sales made by other group companies	26,442	€	26,442	26,442
Guarantees for loans granted to other group companies	700	€	700	700
Letter of comfort in connection with acquisitions made by affiliated companies	0	€	0	286
Other guarantees in connection with affiliated companies	0	€	0	3,100
	120,749		103,419	69,704

The shares of CA Immo AG on Visionary Prague s.r.o., Prague, are secured by a pledge in favour of the bank financing the subsidiary.

In connection with the disposals, marketable guarantees for coverage of possible warranty and liability claims exist and - where necessary - financial provisions were made.

k) Liabilities from the utilisation of tangible assets

The lease-related liability from the utilisation of tangible assets not reported in the balance sheet is € 803 K (31.12.2019: € 819 K) for the subsequent business year and € 3,817 K (31.12.2019: € 3,798 K) for the subsequent five business years.

Out of this, € 722 K (31.12.2019: € 707 K) is attributable to affiliated companies for the subsequent business year and € 3,609 K (31.12.2019: € 3,536 K) for the subsequent five business years. The above mentioned amounts refers to the Rennweg office/ Mechelgasse 1. The rental agreement was concluded for an unlimited period, whereas a waiver of termination right until 31.12.2026 was agreed.

l) Details of derivative financial instruments - swaps

€ 1,000		Nominal value	Fixed interest rate	Interest reference	Fair value	thereof considered
Start	End	31.12.2020	as at 31.12.2020	rate	31.12.2020	as provisions 31.12.2020
12/2016	12/2024	9,135	0.44%	3M-EURIBOR	- 308	- 308
06/2017	06/2027	10,908	0.79%	3M-EURIBOR	- 832	- 832
06/2017	06/2027	27,776	0.76%	3M-EURIBOR	- 1,992	- 1,992
08/2017	12/2029	28,796	1.12%	3M-EURIBOR	- 3,524	- 3,524
		76,615			- 6,657	- 6,657

€ 1,000		Nominal value	Fixed interest rate	Interest reference	Fair value	thereof considered	
	Start	End	as at	rate	31.12.2019	as provisions	
			31.12.2019			31.12.2019	
	12/2016	12/2024	9,788	0.44%	3M-EURIBOR	- 270	- 270
	06/2017	06/2027	11,148	0.79%	3M-EURIBOR	- 643	- 643
	06/2017	06/2027	28,731	0.76%	3M-EURIBOR	- 1,549	- 1,549
	08/2017	12/2029	30,200	1.12%	3M-EURIBOR	- 2,828	- 2,828
			79,867			- 5,289	- 5,289

The fair value corresponds to the value CA Immo AG would receive upon termination of the contract at the balance sheet date. The value would be received from the financial institution, with which the contract was signed. The quoted value is a cash value. Future cash flows from variable payments as well as discount rates will be calculated based on generally accepted financial models. For the valuation, inter-bank middle rates are used. Specific bid/ ask rates as well as other termination expenses are not included in the valuation.

11. Explanatory notes on the income statement

Gross revenues

By type

€ 1,000	2020	2019
Rental income from real estate	15,430	14,039
Operating costs passed on to tenants	4,912	4,631
Income from management services	9,139	9,012
Other revenues	747	1,201
	30,228	28,883

In 2020 reductions in rental income in Austria due to Covid-19 amounted to € 232 K.

By region

€ 1,000	2020	2019
Austria	23,266	21,335
Germany	961	201
Eastern Europe	6,001	7,347
	30,228	28,883

Other operating income

The revenues from the release of provisions mainly refers to provisions for additional expenses of issuing a bond and expenses of remuneration supervisory board.

Other operating income of € 440 K (2019: € 676 K) results from expenses reinvocings, insurance revenues and the release of the deferrals for government grants.

Staff expense

This item, totalling € 15,388 K (2019: € 13,970 K), includes expenses for the 70 staff members (2019: 69) employed by the company on average.

The expenses for retirement benefits are as follows:

	2020	2019
Pension fund contributions for Management Board members and senior executives	183	191
Pension fund contributions for other employees	92	73
	275	264

Expenses for severance payments dependent on remuneration and compulsory contributions are made up as follows:

€ 1,000	2020	2019
Change in provision for severance payments to Management Board members and senior executives	174	159
Change in provision for severance payments to other employees	- 6	- 5
Pension fund contributions for Management Board members and senior executives	92	78
Pension fund contributions for other employees	64	32
	324	264

Depreciation

€ 1,000	2020	2019
Depreciation of intangible fixed assets	200	149
Scheduled depreciation of buildings	7,303	7,315
Unscheduled depreciation of real estate	3,688	9,571
Depreciation of other assets, office furniture and equipment	313	276
Low-value assets	28	56
	11,532	17,367

Other operating expenses

Where they do not fall under taxes on income, the taxes in the amount of € 26,297 K (2019: € 549 K) mainly comprise court fees provisions amounting to € 25,475 K for a claim for damages filed against the Republic of Austria and the state of Carinthia in the amount of approximately € 1.9 billion in connection with the privatisation of the Bundeswohnbaugesellschaften in 2004. In addition this position comprise real estate charges passed on to tenants in the amount of € 208 K (2019: € 207 K) and the non-deductible input VAT € 615 K (2019: € 341 K).

Other expenses are made up as follows:

€ 1,000	2020	2019
Expenses directly related to properties		
Operating costs passed on to tenants	4,707	4,431
Maintenance costs	2,377	1,513
Own operating costs (vacancy costs)	1,170	1,043
Administration and agency fees	156	265
Other	263	304
Subtotal	8,673	7,556
General administrative costs		
Bond issue related expenses	5,668	747
Legal, auditing and consultancy fees	3,533	2,992
Office rent including operating costs	735	652
Administrative and management costs	449	388
Advertising and representation expenses	382	890
Supervisory Board remuneration	357	435
Other fees and bank charges	248	252
Costs charged to group companies	215	238
Travel expenses	123	512
Other	1,239	1,255
Subtotal	12,949	8,361
Total other operating expenses	21,622	15,917

Income from investments

This item comprises dividends paid from companies in Austria in the amount of € 123,201 K (2019: € 191,517 K) as well as companies in Germany and Eastern Europe in the amount of € 177 K (2019: € 752 K).

Income from loans from financial assets

This item comprises interest income from loans.

Other interest and similar income

The interest income mainly refers to interest amounts from a intercompany loan granted to a subsidiary.

Income from the disposal and revaluation of financial assets and short-term securities

€ 1,000	2020	2019
Release of impairment due to increase in value	3,397	5,767
Repayment of loans above book value	204	0
Sale of financial assets	17	720
	3,618	6,487

Expenses for financial assets and interest receivables in current assets

€ 1,000	2020	2019
Depreciation of financial assets	3,239	137,045
Bad debt allowance for interest receivables	0	380
Loss from disposal	263	1,178
	3,502	138,603
of which due to dividends payments	1,026	136,736

Interest and similar expenses

€ 1,000	2020	2019
Interest costs for bonds	23,095	19,964
Expenses repurchase of bonds	4,862	0
Interest for bank liabilities for the financing of real estate assets	2,427	2,499
Expenses for derivative transactions	2,588	4,408
Interest costs in respect of affiliated companies	766	1,962
Other	896	355
	34,634	29,188

Taxes on income

€ 1,000	2020	2019
Tax compensation tax group members	12,741	7,251
Corporate income tax	- 187	- 1,388
Deferred taxes	191	- 1,493
Tax revenues	12,745	4,370

OTHER INFORMATION**12. Affiliated companies**

CA Immobilien Anlagen AG, Vienna, is the main parent company of CA Immo Group. The consolidated financial statements are drawn up pursuant to International Financial Reporting Standards (IFRS) and the supplementary provisions of section 245a of the Austrian Commercial Code (UGB) and filed at the Vienna Commercial Court.

13. Corporate bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna**Management Board**

Andreas Quint (from 1.1.2018)

Dr. Andreas Schillhofer (from 1.6.2019)

Keegan Viscius (from 1.11.2018)

Total salary payments (excluding salary-based deductions) to Management Board members active in business year 2020 amounted to € 2,763 K (€ 1,512 K in 2019). The salary-based deductions totaled € 172 K (2019: € 97 K). Fixed salary components totaling € 1,465 K (€ 1,290 K in 2019) were made up of the basic salary of € 1,410 K (2019: € 1,254 K) and other benefits (in particular remuneration in kind for cars, expense allowances and travel expenses) of € 55 K (2019: € 36 K). Variable compensation components amounted to € 1,175 K (2019: € 0 K). There were no special payments (2019: € 106 K).

In business year 2020, a total of € 123 K (2019: € 117 K) was paid out for Management Board members in the form of contributions to pension funds. As at the balance sheet date 31 December 2020, severance payment provisions for Management Board members totaled € 412 K (31.12.2019: € 238 K). There were no payment obligations to former members of the Management Board. No loans or advances were granted to members of the Management Board.

Provisions of € 3,460 K (31.12.2019: € 2,773 K) had been formed for the Management Board under the variable remuneration system as of 31.12.2020. Of this, immediate payments amounting to € 1,269 K are due for payment by 31.5.2021 at the latest. An amount of € 2,191 K is attributable to the LTIP (multi-year bonus). As of December 31, 2020, the conversion rate for the relevant annual bonus portion of phantom shares was € 27.54.

Supervisory BoardElected by the General Meeting:

Torsten Hollstein, Chairman

Jeffrey G. Dishner, Deputy Chairman (from 9.5.2019)

Dr. Florian Koschat, Deputy Chairman

Univ.-Prof. MMag. Dr. Klaus Hirschler

Michael Stanton

Dr. Monika Wildner (from 9.5.2019)

John Nacos (until 9.5.2019)

Richard Gregson (until 9.5.2020)

Delegated by registered share:

Sarah Broughton (from 28.9.2018)

Laura Rubin (from 28.9.2018)

Jeffrey G. Dishner (from 28.9.2018 to 9.5.2019)

Delegated by works council:

Georg Edinger, BA, REAM (IREBS)

Nicole Kubista

Sebastian Obermair
Walter Sonnleitner (from 10.2.2020)
Franz Reitermayer (until 10.2.2020)

As at the balance sheet date, the Supervisory Board comprised six capital representatives elected by the Annual General Meeting, two capital representatives appointed by means of registered shares and four employee representatives.

In business year 2020 (for 2019), total remuneration of € 309 K (2019: € 380 K) was paid out (including attendance fees of € 84 K (€ 106 K in 2019)). Moreover, expenditure of € 78 K was reported in connection with the Supervisory Board in business year 2020 (2019: € 205 K). Of this, cash outlays for travel expenses accounted for approximately € 9 K (2019: € 62 K) and other expenditure (including training costs and license costs) accounted for € 52 K (2019: € 39 K). Legal and other consultancy services accounted for € 17 K (2019: € 103 K). No other fees (particularly for consultancy or brokerage activities) and no loans or advances were paid to Supervisory Board members.

Total Supervisory Board remuneration of € 328 K for business year 2020 will be proposed to the Annual General Meeting on the basis of the same criteria (fixed annual payment of € 30 K per Supervisory Board member plus attendance fee of € 1,000 per meeting), taking account of the waiver of remuneration for Supervisory Board members appointed on the basis of registered shares or related to the Starwood Group respectively. The remuneration was taken into account in the financial statements as at 31.12.2020.

All business transactions conducted between the company and members of the Supervisory Board which oblige such members to perform services for the CA Immo AG outside of their Supervisory Board activities in return for remuneration of a not inconsiderable value must conform to industry standards and be approved by the Supervisory Board. The same applies to contracts with companies in which a Supervisory Board member has a significant business interest. Dr. Monika Wildner is also member of the Supervisory Board of Volksbank Wien AG. At the end of 2019, Volksbank Wien became a long-term tenant of around 14,000 sqm of office space in the CA Immo portfolio building at Erdberger Lände 26. The lease contract was concluded prior to the acceptance of the Supervisory Board mandate at CA Immo and corresponds to standard market conditions. No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were granted.

Starwood Capital Group (Starwood)

Since 27.9.2018, SOF-11 Klimt CAI S.à r.l. (former SOF-11 Starlight 10 EUR S.à r.l.) is the largest single shareholder of the company.

In business year 2020, Starwood Capital Group (via its vehicle SOF-11 Klimt CAI S.à r.l.) increased its stake in CA Immo AG from around 26% of the share capital to around 28%, which is equivalent to just under 30% of the voting rights in the company. As of 31.12.2020, SOF-11 Klimt CAI S.à r.l. holds 27,908,386 bearer shares and four registered shares of CA Immo AG. SOF-11 Klimt CAI S.à r.l. is a controlled affiliate of Starwood Capital Group and an indirect 100% owned subsidiary of SOF-11 International, SCSp. Starwood Capital Group is a privately owned global alternative investment company and is an investor focusing on global real estate investments.

14. Employees

The average number of staff employed by the company during the business year was 70 (2019: 69).

15. Auditor's remuneration

There is no indication of the auditor's remuneration for the business year pursuant to section 237 para 14 of the Austrian Commercial Code (UGB), as this information is contained in the consolidated financial statements of CA Immo AG.

16. Events after the balance sheet date

On 8.1.2021, SOF-11 Klimt CAI S.à r.l. announced its intention to launch an anticipated mandatory takeover offer to the shareholders and convertible bondholders of CA Immo and to further increase its shareholding in the company from currently 29.999893% of the total outstanding voting rights. The offer document has been published on 22.2.2021. Starting from the same day, shareholders and convertible bondholders of CA Immo will be able to accept the offer and tender their shares and convertible bonds into the offer. The acceptance period will end at 5pm (CET) on 9.4.2021.

The price initially offered to CA Immo shareholders of € 34.44 per CA Immo share was increased to € 36.00 on 26.2.2021 ("Share Offer Price"). The price offered to convertible bondholders is are being offered a price of approx. € 138,628.59 (initially € 132,621.35) for each convertible bond with nominal value of € 100,000 ("Convertible Bond Offer Price"). The Share Offer Price and the Convertible Bond Offer Price are on a cum dividend basis.

The anticipated mandatory takeover offer is aimed at acquiring all outstanding CA Immo AG shares and convertible bonds that are not held by the Bidder or CA Immo AG, though there will be no minimum acceptance threshold. The completion of the offer will be subject to merger control clearance in Austria, Germany and Poland.

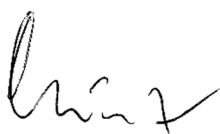
The statement of the Management and Supervisory Boards regarding this offer was published on 8.3.2021 and is available – along with the offer document – on the company's website at [Take over offer Starwood 2021 \(caimmo.com\)](https://www.caimmo.com).

17. Proposal for the appropriation of net earnings

It is proposed to use part of the net retained earnings of € 897,604,901.81 to pay a dividend of € 1.00 per share, i.e. a total of € 93,028,299.00, to the shareholders. The remainder of the net retained earnings in the amount of € 804,576,602.81 is intended to be carried forward.

Vienna, March 24, 2021

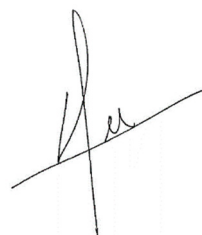
The Management Board



Andreas Quint
(Chief Executive Officer)



Dr. Andreas Schillhofer
(Member of the Management Board)



Keegan Viscius
(Member of the Management Board)

ASSET ANALYSIS FOR THE BUSINESS YEAR 2020

	Acquisition and production costs as at 1.1.2020 €	Addition €	Disposal €	Acquisition and production costs as at 31.12.2020 €
I. Intangible fixed assets				
Software	2,858,192.74	327,497.64	12,218.75	3,173,471.63
	2,858,192.74	327,497.64	12,218.75	3,173,471.63
II. Tangible fixed assets				
1. Land and buildings				
a) Land value	50,658,941.08	0.00	0.00	50,658,941.08
b) Building value	308,735,274.87	1,741,248.42	0.00	310,476,523.29
	359,394,215.95	1,741,248.42	0.00	361,135,464.37
2. Other assets, office furniture and equipment	3,874,482.14	160,561.02	28,431.61	4,006,611.55
	363,268,698.09	1,901,809.44	28,431.61	365,142,075.92
III. Financial assets				
1. Investments in affiliated companies	2,783,542,427.93	338,378,977.30	17,500.00	3,121,903,905.23
2. Loans to related companies	686,679,046.53	321,260.09	148,760,500.10	538,239,806.52
3. Investments in associated companies	274,251.50	0.00	0.00	274,251.50
4. Other loans	22,870,000.00	0.00	22,870,000.00	0.00
	3,493,365,725.96	338,700,237.39	171,648,000.10	3,660,417,963.25
	3,859,492,616.79	340,929,544.47	171,688,650.46	4,028,733,510.80

Accumulated depreciation as at 1.1.2020	Depreciation and amortisation in 2020	Reversal of impairment losses in 2020	Accumulated depreciation disposal	Accumulated depreciation as at 31.12.2020	Book value as of 31.12.2020	Book value as at 31.12.2019
€	€	€	€	€	€	€
2,430,869.17	200,121.30	0.00	0.00	2,630,990.47	542,481.16	427,323.57
2,430,869.17	200,121.30	0.00	0.00	2,630,990.47	542,481.16	427,323.57
3,407,941.27	3,688,353.00	0.00	0.00	7,096,294.27	43,562,646.81	47,250,999.81
105,091,166.22	7,302,347.04	5,137,241.57	0.00	107,256,271.69	203,220,251.60	203,644,108.65
108,499,107.49	10,990,700.04	5,137,241.57	0.00	114,352,565.96	246,782,898.41	250,895,108.46
2,400,029.45	341,070.78	0.00	28,431.61	2,712,668.62	1,293,942.93	1,474,452.69
110,899,136.94	11,331,770.82	5,137,241.57	28,431.61	117,065,234.58	248,076,841.34	252,369,561.15
183,356,060.34	3,239,000.00	3,397,331.03	17,499.00	183,180,230.31	2,938,723,674.92	2,600,186,367.59
6,148,992.00	0.00	0.00	6,148,992.00	0.00	538,239,806.52	680,530,054.53
899.00	0.00	0.00	0.00	899.00	273,352.50	273,352.50
22,869,999.00	0.00	0.00	22,869,999.00	0.00	0.00	1.00
212,375,950.34	3,239,000.00	3,397,331.03	29,036,490.00	183,181,129.31	3,477,236,833.94	3,280,989,775.62
325,705,956.45	14,770,892.12	8,534,572.60	29,064,921.61	302,877,354.36	3,725,856,156.44	3,533,786,660.34

INFORMATION ABOUT GROUP COMPANIES

Direct investments

Company	Registered office	Share capital		Interest in %	Profit/loss 31.12.2020		Shareholders' equity as at 31.12.2020		Profit/loss 31.12.2019		Shareholders' equity as at 31.12.2019	
					in 1,000		in 1,000	in 1,000	in 1,000	in 1,000		
CA Immo Holding B.V.	Amsterdam	51,200,000	EUR	100	- 11,627	EUR	292,591	EUR	15,537	EUR	204,218	EUR
CA Immo d.o.o.	Belgrad	32,822,662	RSD	100	2,660	RSD	3,561	RSD	1,733	RSD	601	RSD
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	74,314	HUF	795,006	HUF	28,577	HUF	720,692	HUF
Canada Square Kft.	Budapest	12,510,000	HUF	100	- 172,636	HUF	885,228	HUF	- 31,856	HUF	1,057,864	HUF
Duna Irodaház Kft., Budapest	Budapest	277,003,015	HUF	100	- 682,339	HUF	13,099,924	HUF	- 83	EUR	32,274	EUR
Duna Termál Hotel Ingatlanfejlesztő Kft.	Budapest	390,906,655	HUF	100	- 388,493	HUF	14,505,387	HUF	331	EUR	38,676	EUR
Duna Business Hotel Ingatlanfejlesztő Kft.	Budapest	452,844,530	HUF	100	- 196,421	HUF	16,994,538	HUF	783	EUR	42,131	EUR
Kapas Center Kft.	Budapest	772,560,000	HUF	50	38,017	HUF	1,832,221	HUF	175,038	HUF	1,794,203	HUF
Kilb Kft.	Budapest	30,000,000	HUF	100	381,707	HUF	3,523,106	HUF	360,628	HUF	3,141,399	HUF
Millennium Irodaház Kft.	Budapest	997,244,944	HUF	100	- 290,336	HUF	9,736,453	HUF	48	EUR	26,509	EUR
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	- 311,388	HUF	1,463,107	HUF	- 139,426	HUF	1,774,495	HUF
Váci 76 Kft.	Budapest	3,100,000	HUF	100	- 259,925	HUF	5,385,683	HUF	225,432	HUF	5,645,607	HUF
CA Immo Invest GmbH	Frankfurt	50,000	EUR	51	- 23	EUR	17,522	EUR	869	EUR	17,545	EUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	455	EUR	955	EUR	303	EUR	856	EUR
CAINE B.V.	Hoofddorp	18,151	EUR	100	- 465	EUR	48,769	EUR	- 3,926	EUR	49,234	EUR
Visionary Prague, s.r.o.	Prague	200,000	CZK	100	- 46,624	CZK	267,286	CZK	- 47,213	CZK	313,909	CZK
CA Immo New City Sp.z.o.o	Warsaw	116,000	PLN	100	- 34	PLN	82	PLN	established 2020		established 2020	
CA Immo P14 Sp.z.o.o	Warsaw	10,000	PLN	100	3,677	PLN	153,690	PLN	Acquisition 2020		Acquisition 2020	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs KG	Vienna	7,000	EUR	100	234	EUR	8,051	EUR	1,262	EUR	9,079	EUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	39	1,042	EUR	10,985	EUR	6,168	EUR	9,943	EUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	30,504	EUR	1,971,285	EUR	51,848	EUR	2,061,781	EUR
CA Immo Konzernfinanzierungs GmbH	Vienna	35,000	EUR	100	271	EUR	203,406	EUR	established 2020		established 2020	
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	- 409	EUR	455	EUR	2,110	EUR	863	EUR
EBL Nord 2 Immobilien GmbH	Vienna	35,000	EUR	50	7	EUR	49	EUR	7	EUR	42	EUR
EBL Nord 2 Immobilien Eins GmbH & Co KG	Vienna	10,000	EUR	50	- 47	EUR	519	EUR	732	EUR	2,467	EUR
EBL Nord 2 Immobilien Zwei GmbH & Co KG	Vienna	10,000	EUR	50	- 12	EUR	7	EUR	2	EUR	53	EUR
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	0	EUR	100	EUR	9	EUR	140	EUR

Information on participations for 2020 is based on preliminary figures in financial statements prepared according to local accounting standards.

MANAGEMENT REPORT

GROUP STRUCTURE

CA Immo is a real estate company with its headquarters in Vienna and branch offices in Germany, Poland, Romania, Serbia, Czech Republic and Hungary. The parent company of the Group is **CA Immobilien Anlagen Aktiengesellschaft**, a listed company based in Vienna whose main activity is the strategic and operational management of subsidiary companies at home and abroad. The various branch offices act as largely decentralised profit centres. Other subsidiaries (without separate local teams) are present in the Netherlands, Slovakia and Cyprus. With the sale of the Zagrebtower office building in the 3rd quarter of 2020, the exit from Croatia took place. As at key date 31 December 2020, the Group comprised 184 companies (31.12.2019: 185) with 437 employees (414 on 31.12.2019).

The core business of the CA Immo Group is the letting, management and development of high quality commercial real estate with a clear focus on office properties. The company, which has a high degree of in-house construction expertise, covers the entire value chain in the field of commercial real estate. The objective is to build up a focused portfolio of high quality, high earning investment properties within the core markets of Germany, Austria, the Czech Republic, Poland, Hungary and Romania. Additional earnings will be generated through the preparation and utilisation of land reserves in the development area. CA Immo either transfers completed projects to its portfolio or sells them to investors. The Group currently controls property assets of around € 5.6 bn in Germany, Austria and Eastern Europe.

Austria

The company's domestic properties are overseen in subsidiary companies of CA Immobilien Anlagen AG. As at 31 December 2020, the parent company also directly held property assets of approximately € 322.9 m (€ 317.3 m on 31.12.2019). As at 31 December 2020, the total Austrian portfolio comprised solely investment properties with a market value of € 530.0 m (€ 572.9 m on 31.12.2019).

COMPANIES BY REGION

Number of companies ¹⁾	31.12.2020	31.12.2019
Austria	19	19
- <i>Of which joint ventures</i>	3	3
Germany ²⁾	98	98
- <i>Of which joint ventures</i>	23	27
Central and Eastern Europe ³⁾	67	68
- <i>Of which joint ventures</i>	2	2
Group-wide	184	185
- <i>Of which joint ventures</i>	28	32

¹⁾ Joint ventures involving consolidated companies.

²⁾ Includes one company in Switzerland.

³⁾ Includes holding companies in Cyprus and the Netherlands established in connection with Eastern European investments.

Germany

The operational platform for all Group activities in Germany is **CA Immo Deutschland GmbH**, which has branches in Berlin, Frankfurt and Munich. Aside from investment properties, the company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. Investment properties are largely held in direct holdings and let and managed by **DRG Deutsche Realitäten GmbH**, a joint venture set up with the Austrian estate agent and property management firm ÖRAG. A number of development projects (in Munich and Mainz, for example) are being realised through joint ventures. Construction management is carried out by CA Immo subsidiary **omniCon**, which also performs these services for third parties.

Eastern Europe (CEE)

In the CEE region, the strategic focus is also on commercial class A buildings in the respective capitals. The portfolio of investment properties in CEE and one development project are directly held via CA Immo participating interests. All Eastern European properties are managed by regional subsidiaries under the name **CA Immo Real Estate Management**.

ECONOMIC ENVIRONMENT

THE ECONOMIC TREND¹⁾

Following the outbreak of the Covid-19 pandemic and the severe recession in 2020, the International Monetary Fund (IMF) illustrated a positive picture of the global economy in its World Economic Outlook Update published in January 2021. Although recent vaccine approvals have raised hopes of a turnaround in the fight against the pandemic this year, renewed waves and new variants of the virus are a cause for concern. Amid this extraordinary uncertainty, the global economy is projected to grow by 5.5% in 2021 and 4.2% in 2022. The forecast for 2021 has been revised upwards by 0.3 percentage points from the previous forecast, reflecting expectations of a vaccine-triggered pick-up in economic activity later in the year and additional political support in some major economies. The projected growth rebound this year follows a severe collapse in 2020 that had an acute negative impact on the global economy. The decline in global growth for 2020 is estimated at -3.5%, 0.9 percentage points above the previous forecast, reflecting stronger-than-expected momentum in the second half of 2020.

According to an initial estimate of the annual growth rate for 2020, based on seasonally and calendar-adjusted quarterly data, GDP fell by 7.2% in the euro area and by 6.8% in the EU. As suggested by the current forecast, GDP in the EU will rise by about 4% in 2021, which is less than previously projected, and by about 3% in 2022. This means that the output of the European economy in 2022 would be roughly back at pre-crisis levels. The depth of the recession seen in 2020 and the speed of recovery in 2021 and 2022 are expected to vary widely across member states.

CORE MARKETS OF CA IMMO IN 2020²⁾

Compared with the previous quarter, seasonally adjusted GDP fell by 0.7% in the euro area and by 0.5% in the EU in the fourth quarter of 2020. This is according to a preliminary flash estimate published by Eurostat. These declines follow a strong recovery in the third quarter of 2020 (+12.4% in the euro area and +11.5% in the EU) and the sharpest falls since the start of the time series in 1995 in the second quarter (-11.7% in the euro area and -11.4% in the EU).

In December 2020, the seasonally adjusted unemployment rate in the euro area was 8.3%, unchanged from November 2020 and an increase of 90 basis points from December 2019. The unemployment rate in the EU came to 7.5% in December 2020, also unchanged compared with November 2020 and an increase of 100 basis points from December 2019.

At the end of the third quarter of 2020, with the impact of government action in response to the Covid-19 containment measures still reflected in increased financing needs, the public debt-to-GDP ratio stood at 97.3% in the euro area, compared with 95.0% at the end of the second quarter of 2020. In the EU, the ratio increased from 87.7% to 89.8%. Compared with the third quarter of 2019, the public debt-to-GDP ratio increased in both the euro area (from 85.8% to 97.3%) and the EU (from 79.2% to 89.8%). The increases are due to two factors – significant rises in public debt and falling GDP.

Annual inflation of -0.3% in the euro area in December 2020 was well below the ECB's target of below, but close to 2.0% (December 2019: 1.3%). This compares to 0.3% in the European Union (December 2019: 1.6%). The lowest annual rates were recorded in Greece (-2.4%), Slovenia (-1.2%) and Ireland (-1.0%). The highest annual rates were recorded in Poland (3.4%), Hungary (2.8%) and the Czech Republic (2.4%).

The economy in **Austria** contracted in 2020, with real GDP falling by 7.5%. The inflation rate stood at 0.3% in December 2020, with the unemployment rate at 7.5%. Gross public debt as % of GDP climbed to 79.1%.

The negative economic growth in **Germany** was reflected in a GDP decline of 5.5%. In pan-European comparison, Germany is thus below the corresponding averages of the EU or the euro area. The unemployment rate in Germany increased from 3.2% to 4.6% in the course of the year. The inflation rate for Germany was reported at -0.7% in December 2020.

The positive economic trend of previous years on CA Immo's core markets in **Central and Eastern Europe** did not remain intact throughout 2020. The effects of the Covid-19 pandemic led to negative growth rates, as in Germany and Austria.

¹⁾ Sources: International Monetary Fund, European Commission, Oxford Economics

²⁾ Sources: Eurostat, European Commission, Bloomberg, Financial Times

Within the Central and Eastern European core markets, **Poland** and **Romania** showed the smallest decline in 2020 at -3.0% and -5.3% respectively. GDP in **Hungary** dropped by 5.6% in 2020, in the **Czech Republic** by 6.8%. The unemployment rate in the Central and Eastern European countries remains significantly lower than in the EU-27 and the euro area average. It stands at 3.1% in the Czech Republic, 3.3% in Poland, 4.3% in Hungary and 4.9% in Romania.

The inflation rate was robust in 2020 and also above the euro area average in all core Central and Eastern European countries. Romania reported an inflation rate of 1.8% for December 2020, while the 2020 annual rate in the Czech Republic was 2.4%. The annual inflation rate in Hungary arrived at 2.8%, in Poland at 3.4%.

The strong employment growth of previous years slowed down in the Czech Republic and Hungary and declined slightly in Poland and Romania.

ECONOMIC DATA FOR CA IMMO CORE MARKETS

	Growth rate of real GDP ¹⁾		Annual inflation rates ²⁾	Unemployment rate ³⁾	Public budget balance as % of GDP 3Q 2020	Gross public debt as % of GDP 3Q 2020	Growth rate of employment as % of GDP 3Q 2020
	2020	2019	in %				
EU – 27	-6.8	1.6	0.3	7.5	-5.6	89.6	0.1
Eurozone – 19	-7.2	1.3	-0.3	8.3	-5.8	97.3	0.1
Austria	-7.5	1.4	1.0	5.8	-6.8	79.1	0.5
Germany	-5.5	0.6	-0.7	4.6	-4.6	70.0	0.1
Poland	-3.0	4.6	3.4	3.3	-4.6	56.7	-0.1
Czech Republic	-6.8	2.3	2.4	3.1	-4.4	38.4	0.3
Hungary	-5.6	4.6	2.8	4.3	-3.8	74.3	0.0
Romania	-5.3	4.2	1.8	4.9	-10.0	43.1	-0.3

Source: Oxford Economics, Eurostat

¹⁾ Change on the previous year (%); ²⁾ Change on the previous year as at December 2020; ³⁾ As at December 2020, except Hungary: November 2020

THE MONEY MARKET AND INTEREST ENVIRONMENT¹⁾

At its most recent meeting on 21 January 2021, the Governing Council of the ECB decided to leave the interest rate for main refinancing operations and the interest rates for the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.50% respectively. "The Governing Council expects the key ECB interest rates to remain at their present or lower levels until it has seen the inflation outlook robustly converge to a level sufficiently close to, but below, 2% within its projection horizon, and such convergence has been consistently reflected in underlying inflation dynamics."

The European Central Bank's expansionary monetary market policy of previous years culminated in 2020 with the outbreak of the Covid-19 pandemic and the accompanying recession. In addition to the asset purchase programme (APP) of € 20 bn per month, the Governing Council has approved purchases under the Pandemic

Emergency Purchase Programme (PEPP) with a total envelope of € 1.85 bn. "The Governing Council will continue the purchases under the pandemic emergency purchase programme (PEPP) until at least the end of March 2022 and, in any case, until it judges that the coronavirus crisis phase is over." The purchases under the PEPP will be conducted to preserve favourable financing conditions over the pandemic period. If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase time horizon of the PEPP, the envelope need not be used in full. Equally, the envelope can be recalibrated if required to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation.

The ECB Governing Council will continue to reinvest the redemption amounts from maturing securities purchased under the PEPP until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio will be

¹⁾ Sources: European Central Bank, Eurostat, Bloomberg, Moody's Analytics

²⁾ Sources: European Commission, European Central Bank, Financial Times

managed to avoid interference with the appropriate monetary policy stance. In addition, the Governing Council will continue to provide ample liquidity through its refinancing operations. In particular, the third series of targeted longer-term refinancing operations (TLTRO III) remains an attractive source of funding for banks, supporting bank lendings to firms and households.

The 3-month Euribor rate remained in negative territory, fluctuating between -0.16% and -0.55% in the period under review. After hitting historic lows at the beginning of 2020, yields on 10-year government bonds issued by euro area members jumped in March, due to the global outbreak of the Covid-19 pandemic and the accompanying economic crisis, trading at around mid-2019 levels. In the following months, prices fell again due to the economic recovery and a more positive outlook, ending the year at around pre-crisis levels.

Both the supportive development of government bonds and the expansive monetary policy of central banks had a strong impact on the corporate bond market. As a result, a record amount of more than USD 2.9 tn of investment-grade corporate bonds were issued globally in 2020 (+20% year-on-year). Nevertheless, the percentage changes in the global offer differed significantly over the four quarters of 2020. Following annual increases of 14% in the first quarter and 69% in the second quarter (to an unrivalled US\$ 1.1 tn), the world's largest estimate of investment-grade corporate bond issuance saw annual declines of 6% in the third quarter and 3% in the fourth quarter. CA Immo also took advantage of the excellent conditions to issue two large-volume bonds in February and October 2020.

OUTLOOK ²⁾

The fundamental challenge of the current year will remain the fight against the Covid-19 pandemic. Despite initial progress in the global vaccination campaigns, the incidence of infection is likely to remain dynamic. Above all, the various mutations represent a factor of uncertainty that will make substantial easing of restrictive measures in Europe, for example, much more difficult in the first quarter. In spring, more favourable weather conditions could lead to a decline in new infections. In addition, vaccine availability should improve from the summer onwards, making infection protection accessible to the wider population. With a potential improvement in the pandemic situation from spring onwards, a recovery in economic growth could then be felt across the board.

The European Commission expects global containment measures to remain in place during 2021 before being increasingly relaxed later on. As a result, the global economy should grow strongly again in 2021.

Furthermore, in its most recent growth forecast from autumn 2020, the European Commission expects the European economy to grow by about 4% in 2021 and by about 3% in 2022, thus returning to pre-crisis levels in the course of 2022. However, the speed of recovery in 2021 and 2022 is believed to vary considerably across member states. This reflects not only differences in the severity of the pandemic and the stringency of containment measures, but also differences in economic structures and domestic policy responses.

Christine Lagarde, President of the ECB, recently warned governments and central banks against reacting to the first signs of economic recovery from the coronavirus crisis in the coming months by reducing incentives too quickly, even as inflation begins to rise. Tightening policy measures too hastily could lead to "very serious risks".

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA ¹⁾

The investment market

Owing to the Covid-19 pandemic and the consequent economic slump, the total amount invested in real estate in Austria plummeted by almost 50% to approximately € 3.3 bn in 2020; Vienna accounted for around 72% of this figure. Residential properties represented the largest proportion of the total investment volume (37%) followed by office investments (around 33%); industrial and logistical properties accounted for approximately 14%.

International investors, especially from Germany, were notably active in 2020 and responsible for more than two thirds of the investment volume. Five large-volume acquisitions (transactions with a value in excess of € 100 m) in the office and residential sectors were the main reason for this high proportion. Based on expected transactions, an investment volume of roughly € 4.0 bn is forecasted for 2021.

In 2020, the pandemic had a partly significant impact on the development of yields in Europe. Austria proved relatively stable, although even here considerable write-ups and write-downs were reported at times. As in the previous year, prime yields for office properties declined moderately and now stand at the historic low level of 3.35% for properties in Vienna's central business district (CBD).

The office property market

The total office stock in Vienna amounted to approximately 11.4 million sqm at year end. The completion volume for office premises totalled approximately 94,500 sqm in 2020, an increase of around 130% compared to the previous year. However, the completion volume for 2020 was some 30% below the average value for the last five years.

Compared to the previous year, lettings performance was stable in 2020 at approximately 203,300 sqm. Although the pandemic-induced economic crisis was already impacting the office market in 2020, the worst of the effects are expected to be seen during 2021. For this reason, CBRE Research is working on the assumption that lettings performance will decline, partly in view of the persistently fraught situation as regards the levels of new construction in the next two years.

In the course of 2020, the vacancy rate fell by around 20 basis points to 4.6%. Given the low levels of new construction and the high level of pre-letting, CBRE Research expects the vacancy rate to fall further in 2021 in spite of suppressed demand.

Monthly peak rents in Vienna remained steady at € 25.00/sqm. Throughout the crisis, demand has remained high for prime quality offices in attractive locations, whereas lower-standard properties in less favourable locations will have to contend with lower demand in future.

OFFICE MARKET DEVELOPMENT VIENNA

	2020	2019	Change in %/bps
Take up in sqm	203,300	218,100	-6.80
Vacancy rate in %	4.60	4.75	-15 bps
Peak rent in €/sqm net exclusive	25.00	25.00	0.00
Prime yield in %	3.35	3.55	-10 bps

Sources: Data provided by CBRE Research

Note: floor space take-up includes owner-occupied transactions

THE REAL ESTATE MARKET IN GERMANY ²⁾

The investment market

Approximately € 79 bn was invested on the German real estate investment market in 2020. This represented a fall of 5.5% on the all-time high of the previous year – yet still constituted the second best result since records began. Thanks to a rally towards the end of the year, some € 23 bn was invested in the final quarter. The transaction volume for commercial real estate in Germany totalled approximately € 59 bn (12% below the previous year's value). Office properties remained the asset class in highest demand, accounting for a proportion of just under 47%.

In contrast to the overall market, the top seven markets reported sharp declines. Seven large-volume transactions of € 500 m or more were registered in 2019, with just two transactions of that size reported in 2020. Moreover, far fewer hotels and shopping centres were traded. With the exception of Stuttgart and Munich, the transaction volume reported for 2020 exceeded the respective 10-year

¹⁾ Sources: CBRE; Data supplied by CBRE Research Austria Real Estate Market Outlook 2021

²⁾ Sources: CBRE; Data supplied by CBRE Research, Germany Real Estate Market Outlook 2021, Berlin, Munich, Frankfurt Office MarketView Q4 2020; Oxford Economics

average, significantly in some instances. This underlined the attractiveness of these investment destinations for both national and international investors. The high degree of pressure to invest has meant prime yields on office properties have remained at an all-time low.

On Germany's commercial real estate investment market, CBRE Research expects a transaction volume well in excess of € 50 bn in 2021. This will be driven by success in the fight against the Covid-19 pandemic and, above all, product availability. From an investor's viewpoint, the focus is still on office properties. Given the exceptional circumstances that currently prevail, there is a growing trend towards core and core-plus properties in established locations within the big office markets. In the present climate, defensive investment products with reliable tenants are experiencing a surge in demand. Since it will not be possible to meet this demand on the supply side, however, CBRE Research is expecting yields on these products to compress further.

Although the investment market for commercial real estate in **Berlin** reported a 34% drop on the previous year's record value, the result of € 7.6 bn exactly matched the level for the last five years. Despite the decline in comparison with the prior year, Berlin remains one of the most attractive markets in the Federal Republic or indeed Europe. In view of the high demand, the prime yield for office properties has fallen marginally to 2.65%.

An investment volume of € 7.2 bn was reported on the commercial property market in **Frankfurt**, which achieved 3% growth on the previous year – its third highest result after 2007 and 2018. The final quarter of the year accounted for just under half of the volume. As in the previous year, office properties accounted for roughly 80% of the transaction volume. Even during the pandemic, the prime yield for centrally located office properties held stable at 2.90%.

The commercial investment market in **Munich**, meanwhile, was 54% down on the previous (record) year with a

volume of € 4.9 bn. Office properties contributed almost two thirds of the total volume (€ 3.1 bn, or 63%). Owing to continually high demand for real estate locations offering stable value, the prime yield declined marginally to 2.55%.

The office property market ¹⁾

In 2020, the outbreak of the Covid-19 pandemic led to a severe global recession. In common with many other countries, Germany introduced general lockdowns and travel restrictions in the spring and again in the winter. As a result, market activity was severely impaired across many sectors – as reflected in the total GDP decline of 5.3% (against +0.6% in 2019 and +1.3% in 2018). The challenging conditions presented by the pandemic and the economic consequences thereof served to suppress demand for office space in comparison with the previous year. Given the shortage of floor space in many inner city areas, though, this did not lead to lower rental rates (even if the pace of rental rate rises seen in recent years has slowed).

Floor space take-up in **Munich** totalled 558,500 sqm in 2020. This was equivalent to a 27% decrease on the prior year, and the lowest annual result since 2009. Following on from the historic low of 2019 (2.9%), the office vacancy rate had reached 3.8% by year end. This was partly due to the larger number of vacated premises, and partly due to a rise in unlet premises owing to completions. Office rents have been unaffected by the pandemic to date. The attainable peak monthly rent remained unchanged year-on-year at € 39.50/sqm. The weighted average rent was approximately € 21.41 per month, 7% above the previous year's figure. Given the persistent shortage of high quality, modern premises, tenants are still showing a willingness to pay appropriate rates for superior quality in good locations.

The completion volume of approximately 338,500 sqm in 2020 (new buildings and core refurbishments) was more than 30% above the value for the previous year. Twelve percent of floorspace was unlet when it came onto the market. The stock of office space was approximately 22.0 million sqm at year end.

¹⁾ Sources: CBRE: Data supplied by CBRE Research, Munich, Frankfurt, Berlin Office MarketView Q4 2020; Oxford Economics

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2020	2019	Change in %/bps
Berlin			
Take up in sqm	660,500	998,900	-33.90
Vacancy rate in %	2.60	1.20	140 bps
Peak rent in €/sqm net exclusive	38.50	37.50	2.70
Prime yield in %	2.65	2.70	-5 bps
Frankfurt am Main			
Take up in sqm	330,200	552,500	-40.20
Vacancy rate in %	7.00	6.90	10 bps
Peak rent in €/sqm net exclusive	44.00	44.00	0.00
Prime yield in %	2.90	2.90	0 bps
Munich			
Take up in sqm	558,500	763,500	-26.90
Vacancy rate in %	3.80	2.90	90 bps
Peak rent in €/sqm net exclusive	39.50	39.50	0.00
Prime yield in %	2.55	2.60	-5 bps

Sources: Data provided by CBRE Research

Note: floor space take-up includes owner-occupied transactions

Office space take-up in **Frankfurt** stood at 330,200 sqm in 2020, equivalent to a decline of 40% on the previous year. This was mainly due to poor performance in the first half, with users reluctant to commit to leases during the first lockdown. High quality office premises with first class fit-out were the focus of lettings activity, accounting for 65% of floor space take-up. The vacancy rate stood at 7.0%, only slightly above the previous years' level. The peak monthly rent was also unchanged at € 44.00/sqm per month. Compared to the previous year, the weighted average market rent increased by 7% to € 23.13 per sqm owing to the higher number of rental agreements concluded in the higher-priced segment. The completion volume exceeded the prior year's figure of 158,700 sqm at 185,800 sqm.

According to the information currently available, the completion pipeline contains an approximate total of 587,000 sqm to the end of 2023, of which 40% has already been absorbed by the market in the form of leasing and owner-occupancy. The pre-letting rate for 2021 alone stands at 68%. Completion of the high-rise office/hotel

building ONE in Frankfurt, CA Immo's largest development project at present, is scheduled for 2022. The stock of office space was approximately 11.5 million sqm at the end of the year.

Berlin confirmed office space take-up of 660,500 sqm in 2020, down 34% on the previous year's figure. The vacancy rate rose to 2.6% in the course of the year (2019: 1.2%). On the lettings market, many leasing decisions were deferred in 2020. Although the result fell well short of the very strong performance of previous years, this was pandemic-related and does not point to a structural crisis. Despite the decline in floor space take-up and the rising vacancy rate caused by the Covid-19 pandemic, the peak monthly rent level rose by € 1.00 per sqm to stand at € 38.50 per sqm. The weighted average rent also maintained its strong upward trend, rising 8.1% to € 28.02/sqm per month. Approximately 296,700 sqm of new floor space was completed during 2020. According to CBRE Research, more than 50% of the one million sqm of floor space expected to come to the market in 2021 has already been pre-let. The stock of office space was approximately 18.4 million sqm at year end.

THE REAL ESTATE MARKET IN CENTRAL AND EASTERN EUROPE ¹⁾

The investment market

The impact of the Covid-19 pandemic and the economic implications for real estate markets are also being felt in Central and Eastern Europe. In 2020, a year defined by economic recession, it was not possible to maintain the rapid pace of recent years. This was also the case in CA Immo's core cities of Warsaw, Prague, Budapest and Bucharest. The volume of commercial real estate transactions registered in these cities (€ 5.7 bn) was a little more than 30% short of the previous year's value. Compared to 2019, the office investment volume in the aforementioned cities declined by just over 40% to € 2.9bn. By city, Warsaw accounted for the largest volume (43%), followed by Budapest (21%), Prague (20%) and Bucharest (16%).

An investment volume of € 1.5 bn was reported in **Warsaw**, with the office sector accounting for over 85%. The prime yield was approximately 4.50% (4.25% in 2019).

Despite the decline in the investment volume in **Prague** (from € 3.1 bn in 2019 to € 2.7 bn), demand from national and international investors for high quality, sustainable real estate in good locations remained high. A shortage of suitable products was responsible for the downturn. As in the previous year, the prime yield stood at 4.25%.

In 2020, the investment volume in **Budapest** fell by 41% to € 1.0 bn (€ 1.7 bn in 2019). Yields on prime office properties experienced a widening to 5.75%.

Bucharest reported an approximate investment volume of € 550 m (down 15% on the previous year), with the office sector accounting for some 85%. The prime yield remains at 7.00%.

The office property markets²⁾

In all core cities of CA Immo (Warsaw, Prague, Budapest and Bucharest), it was not possible to sustain the positive development of lettings seen over recent years due to the impact of the Covid-19 pandemic. Vacancy rates were seen to increase on all core markets. While prime yields remained unchanged in Prague and Bucharest, they expanded by 25 and 50 basis points respectively in Warsaw

and Budapest. By contrast, peak rents remained largely stable.

At the end of 2020, total office space in **Warsaw** was approximately 5.9 million sqm, with some 314,000 sqm completed in the course of the year. With 576,800 sqm currently under construction, total floor space is expected to exceed six million sqm in the course of 2021. The office pipeline is heavily focused on the CBD of the Polish capital. Office space take-up amounted to 383,000 sqm in 2020, below the prior year's level. The vacancy rate increased by 210 basis points on the previous year's value to stand at 9.9% at year end. The peak monthly rent level in central locations was approximately € 25.00 per sqm.

The office property market in **Prague** experienced a subdued 2020. By the end of 2020, the stock of office space had increased by roughly 149,600 sqm to some 3.7 million sqm. Lettings performance only accounted for around 65% of the previous year's value at approximately 178,800 sqm. The vacancy rate had risen 150 basis points to 7.0% by the end of the year. For this reason, peak rents in central locations declined only marginally to € 22.50/sqm per month.

Floor space take-up for the year in **Budapest** was approximately 190,000 sqm in 2020, around 47% below the previous year's level. Total office space was around 3.9 million sqm by the end of the year. As expected, the completion volume for 2020 comfortably exceeded the prior year's figure with 231,900 sqm, just above the previous record figure attained in 2018 (approximately 230,000 sqm). The vacancy rate rose by 350 basis points to 9.1%, reversing the downward trend seen since 2012. Compared to the previous year's figure, the peak monthly rent fell slightly to € 25.00/sqm.

Around 141,200 sqm of office space was let in **Bucharest** by the end of 2020, down 52% on the previous year. The stock of office space totalled 3.0 million sqm by year end thanks to a completion volume of approximately 155,200 sqm. The vacancy rate increased by 130 percentage points to stand at 12.4% at year end. Despite this, the peak monthly rent in Bucharest rose marginally to € 18.75 per sqm.

¹⁾ Sources: Data supplied by CBRE Research

²⁾ Sources: Data supplied by CBRE Research

OFFICE MARKET DEVELOPMENT IN THE CA IMMO CORE MARKETS IN CENTRAL AND EASTERN EUROPE

	2020	2019	Change in %/bps
Budapest			
Take up in sqm	190,000	362,000	-47.50
Vacancy rate in %	9.10	5.60	350 bps
Peak rent in €/sqm net exclusive	25.00	26.00	-3.80
Prime yield in %	5.75	5.25	50 bps
Bucharest			
Take up in sqm	141,200	291,300	-51.50
Vacancy rate in %	12.40	11.10	130 bps
Peak rent in €/sqm net exclusive	18.75	18.50	1.40
Prime yield in %	7.00	7.00	0 bps
Prague			
Take up in sqm	178,800	276,100	-35.20
Vacancy rate in %	7.00	5.50	150 bps
Peak rent in €/sqm net exclusive	22.50	23.00	-2.20
Prime yield in %	4.25	4.25	0 bps
Warsaw			
Take up in sqm	383,000	584,000	-34.4
Vacancy rate in %	9.90	7.80	210 bps
Peak rent in €/sqm net exclusive	25.00	25.00	0.00
Prime yield in %	4.50	4.25	25 bps

Sources: Data provided by CBRE Research.

Note: floor space take-up includes owner-occupied transactions

PROPERTY ASSETS

The CA Immo Group divides its core activity into the business areas of letting investment properties and developing real estate. In both of these business areas, CA Immo specialises in commercial real estate with a clear focus on office properties in capital cities in the centre of Europe. The objective is to expand the focused portfolio of high quality and profitable investment properties within the core markets of Germany, Austria, the Czech Republic, Poland, Hungary and Romania. Additional earnings will be generated through the development, construction and utilisation of land reserves in the development area.

CA IMMO GROUP'S PROPERTY ASSETS

As a result of the transfer of own project completions into the investment portfolio as well as a positive valuation result, CA Immo has increased the value of its property assets in 2020 by 8% up to € 5.6 bn (2019: € 5.2 bn). Of this figure, investment properties account for € 4.7 bn (85% of the total portfolio), property assets under development represent € 0.8 bn (14%) and short-term properties⁹⁾ € 69 m (1%). With a proportion of 54% of total property assets, Germany is the biggest regional segment.

PORTFOLIO OF CA IMMOBILIEN ANLAGEN AG

Property assets directly held by CA Immobilien Anlagen AG represent a rentable effective area of 142,751 sqm (2019: 142,567 sqm). As at the balance sheet date, these assets comprised eight investment properties in Austria with a market value (including prepayments made and construction in progress) of € 246,783 K (eight investment properties; € 250,895 K on 31.12.2019). This portfolio generated rental income of € 15,430 K in 2020 (€ 14,039 K in 2019).

Lettings

An approximate of 21,800 sqm of floor space was newly let or extended in 2020 (33,600 sqm in 2019). ÖGK - Österreichische Gesundheitskassa moved into around 5,300 m² in Erdberger Lände. A further lease agreement for around 1,740 m² was concluded in the ViE office building. The economic occupancy rate in the investment portfolio remained unchanged at around 88% (2019: 88%).

Investments

In 2020, the company invested € 1,741 K in its asset portfolio (€ 19,198 K in 2019). Investments were made in particular in tenant fit-outs in the ViE office building.

Disposals

No property disposals occurred in business year 2020.

⁹⁾ Incl. properties intended for trading or sale

RESULTS

KEY FIGURES FROM THE INCOME STATEMENT

CA Immo recorded a 10% increase in **rental income** to € 15,430 K in 2020 (2019: € 14,039 K). **Operating expenses** passed on to tenants increased by 6% from € 4,631 K in 2019 to € 4,912 K in 2020. **Management revenue** for services provided to subsidiaries increased by 1% year-on-year to € 9,139 K (2019: € 9,012 K). As a result, this led to a 5% increase in **gross revenues** to € 30,228 K (€ 28,883 K in 2019), distributed as follows: Austria 77%, Germany 3% and 20% in Eastern Europe.

Other operating income decreased by 31% to € 5,881 K (€ 8,473 K in 2019). Write-ups to tangible assets amounted to € 5,137 K (€ 6,235 K in 2019). In 2020, provisions were released in the amount of € 304 K (€ 1,562 K in 2019).

Personnel expenses increased by 10% from € 13,970 K in 2019 to € 15,388 K in 2020. In 2020, the company employed 70 staff members on average (69 in 2019).

Depreciation charged to tangible assets totalled € -11,532 K (€ -17,367 K in 2019). Of this amount, € -3,688 K relates to impairment losses on real estate.

Other operating expenditures totalled € -47,919 K (€ -16,466 K in 2019). Of this, an amount of € -26,297 K was attributable to tax expense (previous year: € -549 K), which includes in particular court fees of € 25,475 K for the damages proceedings of € 1.9 bn initiated in 2020 in connection with the privatisation of Federal Residential Property companies in 2004 ('**BUWOG**') and for the unlawful failure to win the best bidder procedure. Other expenses directly related to properties stood at € -8,673 K (€ 7,556 K in 2019). An amount of € -12,949 K (€ -8,361 K in 2019) was spent on general administrative costs such as project-related legal, auditing and consulting fees, advertising and marketing or administrative management costs; the increase in this item is mainly related to costs in connection with the issue of two corporate bonds.

The above developments led to a negative **operating result** of € -38,730 K compared with € -10,447 K in the previous year.

The company received **income from investments** totalling € 123,378 K (€ 192,269 K in 2019) via subsidiary dividend distributions. This item was offset by expenses linked to financial assets and interest receivables on current assets of € -3,502 K compared to € -138,603 K in 2019.

Income of € 19,796 K (€ 21,803 K in 2019) was generated from loans granted mainly to subsidiaries. The item **other interest and similar income** stood at € 431 K (compared to € 12 K in 2019).

Income from financial investments amounted to € 3,619 K (€ 6,487 K in 2019) and include write-ups on investments in affiliated companies amounting to € 3,397 K (€ 5,767 K in 2019). This item was offset by write-downs on equity holdings of € -3,239 K (€ -137,045 K in 2019), of which € -1,026 K due to dividend distributions (€ -136,736 K in 2019).

Interest expense rose in total by 19% to € -34,634 K (€ -29,188 K in 2019). Interest for bank loans or **real estate financing** decreased by 3% to € -2,427 K (€ -2,499 K in 2019). Expenses for derivative transactions fell to € -2,588 K (€ -4,408 K in 2019). Interest costs in respect of affiliated companies declined from € -1,962 K in 2019 to € 766 K in 2020. The largest amount, totalling € -27,957 K, concern **interest costs for bonds**; last year, this figure stood at € -19,964 K. As at the balance sheet date, seven CA Immo corporate bonds were trading on the unlisted securities market of the Vienna Stock Exchange and partly on the regulated market of the Luxembourg Stock Exchange (Bourse de Luxembourg). The convertible bonds issued in the fourth quarter of 2017 were included in trading on the unregulated third market (multilateral trade system) of the Vienna Stock Exchange. The bonds provide unsecured financing at Group parent company level; they are on equal footing to one another and to all other unsecured financing of CA Immobilien Anlagen AG. Except for the 2015-2022 corporate bond and the convertible, bond conditions contain a loan-to-value (LTV) covenant.

Early in 2020, CA Immo entered the Eurobond market for the first time, issuing a € 500 m fixed-rate, non-subordinate and unsecured **benchmark bond** with a term of seven years and an annual coupon of 0.875%. The international rating agency Moody's Investors Service Ltd. gave the bond, which is registered for official trading on the Vienna Stock Exchange, an investment grade rating of Baa2. Net proceeds will mainly be used to (re)finance properties, future acquisitions and future development projects, and to optimize the loan capital structure (e.g. financing of the following cash buyback offers on outstanding bonds); it will also serve other, more general corporate goals.

At the same time, the company decided to invite holders of the bonds shown in the table below to submit offers for cash buyback.

Issue title	Repurchase rate in %	Total nominal value offered in €
1,875% CA Immo Bonds 2016-2021 ISIN: AT0000A1LJH1	102.55	32,550,000
2,75% CA Immo Bonds 2015-2022 ISIN: AT0000A1CB33	105.10	32,589,500
2,75% CA Immo Bonds 2016-2023 ISIN: AT0000A1JVU3	107.10	33,379,000

The invitation to submit buyback offers was originally subject to a maximum volume of € 60 m. However, CA Immo decided not to proceed on a pro rata basis and to accept the total nominal amounts offered in full. The repurchase of the outstanding corporate bonds with a total nominal value of € 98,518 K resulted in a negative one-off effect on financial results amounting to € -4.862 K, which is recognized in the item other financial result.

In October 2020, CA Immo took advantage of the good market conditions once again and issued a € 350 m fixed-rate non-subordinated unsecured **Green Bond** with a maturity of five years and an annual coupon of 1.00%. The issue was more than 5 times oversubscribed, with strong demand from more than 150 investors. The international rating agency Moody's Investors Service Ltd. assigned an investment grade rating of Baa2 to the bond, which was admitted to official trading on the Vienna Stock Exchange. The net proceeds are earmarked for the full or partial financing and refinancing of sustainable buildings in accordance with the Sustainability Bond Framework. This includes the financing and refinancing of commercial real estate that either has sustainability certificates (including LEED or DGNB Gold Standard) or whose primary energy requirements are at least 25% below nationally defined standards such as the Energy Saving Ordinance (EnEV) in Germany or the PENB in the Czech Republic.

Due to the factors outlined above, the **financial result** rose by 107% to € 109,088 K (€ 52,780 K in 2019). **Earnings before taxes** stood at € 70,359 K (against € 42,333 K in 2019). After taking account of **tax revenue** of € 12,745 K (€ 4,370 K in 2019), the annual **net profit** as at

31 December 2020 stands at € 83,103 K, compared to € 46,703 K on 31 December 2019. After taking into account a profit carried forward from the previous year in the amount of € 814,502 K (€ 860,827 K in the previous year), the annual financial statements of CA Immobilien Anlagen AG show **net retained earnings** of € 897,605 K (€ 907,530 K in 2019).

Proposed dividend for 2020

For business year 2020, the Management Board again proposes a dividend of € 1.00 per share with dividend entitlement. In relation to the closing rate as at 31 December 2020 (€ 31.35), the dividend yield was approximately 3%. The dividend payment date is 12 May 2021 (ex-dividend date and record date for the dividend are 10 or 11 May 2021, respectively).

Cash-flow

In the year under review, cash-flow from operating activities (operating cash-flow plus changes in net working capital) stood at € 139,521 K (€ 197,163 K in 2019). Cash-flow from investment activities was € -195,735 K (€ 39,611 K in 2019) and cash-flow from financing activities was € 690,347 K (€ -271,555 K in 2019).

BALANCE SHEET ANALYSES

Assets

CA Immobilien Anlagen AG's total assets increased year-on-year from € 3,629,907 K as at 31 December 2019 to € 4,460,251 K as at 31 December 2020.

Fixed assets increased from € 3,533,787 K as at 31 December 2019 to € 3,725,856 K on 31 December 2020. Fixed assets accounted for 84% of total assets on 31 December 2020 (97% on 31.12.2019). Intangible assets, which solely comprise EDP software, increased to € 542 K (€ 427 K on 31.12.2019). As at the balance sheet date, the company's **property assets** comprised eight properties in Austria with a market value of € 246,783 K (€ 250,895 K on 31.12.2019). **Tangible fixed assets** totalled € 248,077 K (€ 252,370 K on 31.12.2019). In 2020, impairment losses of € 3,688 K (€ 9,571 K in 2019) and impairment reversals of € 5,137 K (€ 6,235 K) were recognized on property, plant and equipment.

Financial assets rose by 6% to € 3,477,237 K (€ 3,280,990 K on 31.12.2019). As of the balance sheet date, the book value of investments in affiliated companies stood at € 2,938,724 K (€ 2,600,187 K on 31.12.2019). The change mainly results from shareholder contributions and

the purchase of CA Immo P14 Sp. z o.o., which holds the office building Postepu 14 in Warsaw. In addition, a subsidiary in Austria was liquidated in 2020.

Current assets recorded an increase from € 92,283 K as at 31 December 2019 to € 724,466 K on 31 December 2020. The increase is a result of the issuance of the bonds mentioned above. **Receivables** recorded a decrease of –6% to € 30,048 K (€ 31,998 K on 31.12.2019). On 31 December 2020, the company has **cash and cash equivalents** of € 694,418 K (€ 60,285 K on 31.12.2019).

Liabilities

Shareholders' equity decreased slightly to € 2,470,783 K as at the balance sheet date (€ 2,480,708 K on 31.12.2019). The equity ratio on the key date was approximately 55% (68% on 31.12.2019). Equity covered 66% of fixed assets (70% on 31.12.2019).

Provisions amounted to € 43,439 K (€ 19,860 K on 31.12.2019). With an amount of € 25,475 K (€ 0 K on 31.12.2019), the provision for court fees for the damages proceedings initiated in 2020 in connection with the privatisation of Federal Residential Property companies in 2004 ('BUWOG') represents the largest item. The court fees were recognised in other tax expense. An amount of € 6,730 thousand was recognized for bonuses (€ 5,469 K on 31.12.2019). Provisions for derivative transactions amount to € 6,657 K (€ 5,289 K on 31.12.2019).

Liabilities increased from € 1,122,879 K at the end of 2019 to € 1,939,666 K as at 31 December 2020, including in particular liabilities from bonds amounting to € 1,741,482 K (€ 990,000 K on 31.12.2019). Liabilities to banks comprise only investment loans amounting to € 111,134 K (€ 111,908 K on 31.12.2019).

DEVELOPMENT OF SHAREHOLDERS' EQUITY

€ 1,000	31.12.2019	Change treasury share reserve	Dividend payments	Annual result	Addition to reserves	31.12.2020
Share capital	676,316	0	0	0	0	676,316
Tied capital reserves	854,841	0	0	0	0	854,841
Retained Earnings	42,021	0	0	0	0	42,021
Net profit	907,530	0	–93,028	83,103	0	897,605
Total equity	2,480,708	0	–93,028	83,103	0	2,470,783

FINANCIAL PERFORMANCE INDICATORS

The strategic focus of business activity at CA Immo is the long-term increase in the value of the company. This is supported by key financial performance indicators which are important tools to identify the factors that contribute to the sustained increase in enterprise value and quantifying those factors for the purposes of value management.

Performance indicators of the CA Immo Group

The primary financial performance indicator is the net income generated on the Company's average equity (**return on equity** or RoE). The aim is to produce a figure higher than the calculated cost of capital (assuming a medium-term rate of around 7.0%), thus generating shareholder value.

The other quantitative factors used to measure and manage our shareholders' long-term return include the change in NAV per share, operating cash flow per share, and Funds from Operations (FFO I and FFO II) per share.

FFO I, a key indicator of the Group's long-term earning power, is reported before taxes and adjusted for the sales result and other non-permanent effects. **FFO II**, which includes the sales result and applicable taxes, is an indicator of the overall profitability of the Group.

NON-FINANCIAL PERFORMANCE INDICATORS

Since the key financial indicators ultimately demonstrate the operational success of the property business, they are preceded by a series of other non-financial performance indicators which are key to measuring and managing the operational business.

The key non-financial performance indicators of operational property business are among others as follows:

- The **occupancy rate** indicates the quality of the portfolio and the success in managing it. The economic occupancy rate of CA Immobilien Anlagen AG in its investment property portfolio remained unchanged year-on-year at around 88%.
- The **vacancy rate** shows the ratio of unlet space to the total space in the real estate portfolio and therefore plays an important role in terms of the return to be generated. The higher the vacancy rate, the lower the rental income. The real estate portfolio of CA Immobilien Anlagen AG has a vacancy rate of around 12% as of 31 December 2020 (around 13% on 31 December 2019).
- WALT – Weighted Average (Unexpired) Lease Term** is a key indicator in the commercial real estate sector. It provides information on the average remaining lease term of the real estate portfolio and amounts to 3.9 years at CA Immobilien Anlagen AG as of 31 December 2020 (3.9 years on 31 December 2019).
- The **quality of a location** and its **infrastructure** are critical to the marketability of properties. The majority of CA Immo office properties are situated in CBD- or central business locations of Central- and Eastern European cities.
- Sustainability Certificate**: Sustainable in-house project development for its own stock to enhance the quality of the investment portfolio has been an important component of CA Immo's sustainability strategy for many years. In order to provide transparent, internationally comparable and objective proof of building quality across the entire portfolio, CA Immo also has strategic core investment properties certified.
- Local presence** and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention.

ENVIRONMENT AND SOCIAL ASPECTS

CA Immo is an investor, developer and long-term holder of high-quality office buildings. Our strategic business model is geared towards sustainable value creation, taking into account ecological, economic, social and legal dimensions. This goes hand in hand with our claim to meet the diverse interests and needs of CA Immo stakeholders in a targeted and responsible manner, thereby securing competitiveness in the long term. With this in mind, we evaluate and manage the requirements of our stakeholders as well as the impact of our business activities on our ecological and social environment.

CA Immo wants to make a contribution to keeping global warming below 2° Celsius and protecting the environment. We have therefore set ourselves the goal of reducing the carbon footprint of our buildings, increasing the resilience of our portfolio to climate risks and evaluating and, if necessary, intensifying the measures we have taken to date to protect the environment.

Social, environmental and economic impacts, risks and opportunities arising from CA Immo business activities

A key step in identifying and weighting the sustainability issues relevant to CA Immo was to evaluate the impact of our business activity on the environment, society and the economy across the entire value chain. This included the following direct (own activities) and indirect (supply chain) material impacts, risks and opportunities.

Environment:

- Environmental standards in project development (energy efficiency and CO₂ emissions in the construction process as well as product definition, material selection, resource consumption and circular economy)
- Brownfield vs. greenfield development (biodiversity)
- Management of energy efficiency and CO₂ emissions, waste generation and water consumption in building operations

Society and economy:

- Social standards in urban district and project development (product definition, e.g. social infrastructure, affordable housing), response to social change
- Health and safety for tenants, contractors and own employees in building operations and on construction sites, dealing with pandemic risks

- Working conditions and income effects of own and external employees (contractors), employee rights, staff development and retention
- Independent and responsible corporate governance, compliance with social and environmental requirements, observance of human rights, avoidance of corruption and bribery, reputational risk

CA Immo climate risks and opportunities

The analysis of specific climate risks for our business is extremely complex and involves a number of unknown variables. In 2020, we reviewed our general risk catalog for completeness in this regard and partially supplemented and evaluated the climate risks relevant to our business as well as general sustainability risks. In future, these risks will be re-evaluated and assessed annually and approved by the Management Board. If the assessments reveal the need for additional measures or changes in strategy, these are subsequently implemented accordingly by the responsible departments. CA Immo pursues a proactive approach to ensure that any risks are minimised through early countermeasures and that the company can react to any changes in good time.

Social engagement

CA Immo also takes measures in the social sphere to set positive impulses and responsible standards within its sphere of influence. Our strategy focuses in particular on health & safety, employment & working conditions and the social aspects of a sustainable supply chain and urban district development.

Further information on the topic of "Environment and Social Responsibility" can be found in the Group Management Report ('ESG Report' chapter).

Employees

Our employees are our most valuable resource; their expertise and commitment are crucial to our success. CA Immo values a corporate culture that is characterized by pride, trust and self-determined work. As an employer, we want to create the best possible conditions for our employees to develop their potential, strengths and competencies to the full. We offer safe and attractive working environments, a wide range of international development opportunities and careful, forward-looking personnel development with the aim of offering our employees what our office properties stand for: a "place where people love to work".

As an employer, CA Immo has been locally anchored in its markets for many years and employs almost exclusively local staff in its international branches. In principle, CA Immo employs staff on full-time, permanent contracts. CA Immo supports the work-life-balance and compatibility of career and family at different stages of employees' lives by offering flexible working hours and part-time models, home office arrangements, individual parental leave models and paternity leave. Employees on leave are integrated into the internal information network

and have the opportunity to participate in annual team meetings and company events. In addition, a large number of employee-related regulations were defined in cooperation with the Austrian Works Council within the framework of company agreements.

For information on diversity, equality, inclusion and employee rights, please refer to the Corporate Governance Report.

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP ¹⁾

Headcount	Number of employees				Share of women 31.12.2020 in %	Joining / Leaving 2020	New hires ²⁾ 2020 in %	Turnover ³⁾ 2020 in %
	31.12.2019	31.12.2020	Change in %	2020 Ø				
Austria	80	80	0	80	63	12/11	15	14
Germany/Switzerland ⁴⁾	233	252	8	244	38	45/23	18	9
CEE	101	105	4	102	72	11/5	11	8
Total	414	437	6	426	51	68/39	16	9

¹⁾ Headcounts. Thereof around 11% part-time staff, incl. 26 employees on unpaid leave; excl. 22 employees of joint venture companies.

²⁾ New hires: Joiners 2020 / average number of employees in 2020 (Headcount)

³⁾ Turnover: Leavers 2020 / average number of employees in 2020 (Headcount);

⁴⁾ At the end of 2020, 25 local employees were employed at the Basel branch of CA Immo's wholly owned construction subsidiary omniCon, which was established in 2014.

INFORMATION ACC. SECTION 243A UGB (AUSTRIAN COMMERCIAL CODE)

SHAREHOLDER STRUCTURE

The company's capital stock amounted to € 718,336,602.72 on the balance sheet date. This was divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of the capital stock of € 7.27. The bearer shares trade on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352).

With a shareholding of around 28% as at 31 December 2020 (27,908,386 bearer shares and four registered shares), SOF-11 Klimt CAI S.à r.l., Luxembourg, a company managed by Starwood Capital Group, is the largest shareholder of CA Immo. Starwood is a global financial investor focusing on real estate investments. The remaining shares of CA Immo are in free float held by both institutional and private investors. S IMMO Group and BlackRock Inc. count to the larger shareholders of CA Immo with stakes of about 6% and 4% respectively. No other shareholders with a stake of more than 4% are identified. For more information on the organisation of the shares and the rights of shareholders, please refer to the Corporate Governance Report ([Corporate Governance \(caimmo.com\)](http://caimmo.com)).

CAPITAL DISCLOSURES

At the 31st Annual General Meeting of 9 May 2018, the Management Board was authorized, with the consent of the Supervisory Board, to increase the capital stock by up to € 359,168,301.36 (approx. 50% of the current capital stock) by issuance of up to 49,404,168 new ordinary bearer shares in return for contributions in cash or in kind (also in several tranches and by exclusion of shareholders' subscription rights if required). The authorisation is valid until 18 September 2023.

In the same annual general meeting, the 'contingent capital 2013' was reduced from € 100,006,120 to € 47,565,458.08 in order to serve the 0.75% convertible bonds 2017-2025. Further, the Management Board was authorized, with the consent of the Supervisory Board, until 8 May 2023 to issue convertible bonds up to a total nominal amount of € 750 m with conversion and/or subscription rights in respect of up to 19,761,667 ordinary bearer shares of the company representing a pro-rata amount of the share capital of the company of up to

€ 143,667,319.09 ('contingent capital 2018'), also in several tranches and to determine all other terms of the convertible bonds as well as in respect of the issuance and the conversion procedure. Under this authorisation, convertible bonds may only be issued, if the total number of new shares for which conversion and/or subscription rights are granted by such convertible bonds shall not exceed 20% of the share capital at the time this authorisation is resolved upon. The shareholders' subscription rights were excluded (article 174 para 4 in connection with article 153 Austrian Stock Corporation Act (AktG)).

At the 32nd Annual General Meeting held on 9 May 2019, the Management Board was authorised in accordance with article 65 para 1 no 8 and para 1a and para 1b Austrian Stock Corporation Act (AktG) for a period of 30 months from the date of the adopted resolution (until 8 November 2021), with the consent of the Supervisory Board, to repurchase treasury shares in the company, whereas the company's stock of treasury shares must not exceed 10% of its share capital. The consideration shall not be lower than 30% and shall not exceed 10% of the average unweighted market price at the close of the market on the ten trading days preceding the repurchase. The Management Board is further authorised to determine the respective other terms and conditions of the repurchase, whereby the treasury shares may be acquired at the discretion of the Management Board via the stock exchange, by way of a public offer, or by any other lawful and appropriate way, in particular off market, and/or from individual shareholders and under exclusion of the shareholders' pro rata rights (reverse subscription right). The authorisation may be exercised in full or in part or in multiple partial amounts and in pursuit of one or more purposes by the company, subsidiaries (article 189a no 8 Commercial Code (UGB)) or by third parties for their account. The authorisation may be repeatedly exercised. In addition, the Management Board was authorised, with the consent of the Supervisory Board, to transfer the acquired treasury shares by all legally permissible means and to determine the terms and conditions of the transfer of shares or to cancel the treasury shares without an additional resolution by the General Meeting.

No use has been made of the share buyback programme in the year under review. As at 31 December 2020, CA Immobilien Anlagen AG held 5,780,037 treasury shares in total; given the total number of voting shares issued (98,808,336), this is equivalent to around 6% of the voting shares.

INFORMATION ON THE MANAGEMENT AND SUPERVISORY BOARDS

According to the articles of association, the Management Board of CA Immo comprises one, two or three persons. The age limit for Management Board members is defined as 65 in the Articles of Association. The final term of office for Management Board members concludes at the end of the Annual General Meeting that follows the 65th birthday of a Board member. The Supervisory Board comprises no less than three and no more than twelve members. At any time, Supervisory Board members appointed through registered shares may be asked to step down by the person entitled to nominate and replaced by another. The provisions of the Articles of Association regarding terms of office and elections to appoint replacements do not apply to them. The other Supervisory Board members are elected by the Annual General Meeting. The age limit for Supervisory Board members is defined as 70 in the Articles of Association. Supervisory Board members must step down from the Board at the end of the Annual General Meeting that follows their 70th birthday. The Shareholder's Meeting resolves on the dismissal of members of the Supervisory Board on the basis of a majority of at least 75% of the capital stock represented (article 21 of the Articles of Association of CA Immo).

CHANGE-OF-CONTROL CLAUSES

All Management Board contracts contain a change of control clause assuring payments in the event of premature termination of Management Board duties following a change of control. A change of control occurs either where a shareholder or group of shareholders attains 25% of voting rights in the Annual General Meeting, or they are obliged to make a mandatory takeover bid where the investment threshold of 30% is exceeded. Corporate mergers always constitute a change of control. The contractual regulations provide for

extraordinary termination rights as well as continued remuneration (including variable remuneration) for the remaining term of the employment contract. According to the calculation basis, compensation for fixed remuneration may not exceed two years' fixed salary. Moreover, the company has to grant the Management Board member a contractually agreed percentage part payment to compensate for the loss of variable remuneration not exceeding 80% of two years' fixed salary, depending on the specific sphere of activity and the position of the Management Board member in question. The exercising of a special right of termination in the event of a change of control in the sphere of Starwood Capital, the major shareholder, has been contractually excluded for all Management Board members.

COMMITTED TO OBSERVING THE AUSTRIAN CORPORATE GOVERNANCE CODE

Compliance with legal provisions applicable in the CA Immo Group's target markets is a high priority for the company. The Management Board and Supervisory Board are committed to observing the Austrian Corporate Governance Code¹⁰⁾ and thus to transparency and principles of good corporate management. The rules and recommendations of the version of the Corporate Governance Code applicable in business year 2020 (January 2020 amendment) are implemented almost in full. Discrepancies are noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board) and no. 45 (executive positions with competitor companies). The evaluation carried out by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. concerning compliance with rules 1 to 76 of the Austrian Corporate Governance Code for business year 2020 found that declarations of conformity submitted by CA Immo with regard to compliance with the C and R Rules of the Code were correct. The corporate governance report is also available on the company's web site at [Corporate Governance \(caimmo.com\)](https://www.caimmo.com/corporate-governance).

¹⁰⁾ The Austrian Corporate Governance Code may be viewed on the web site of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

OUTLOOK

ANTICIPATED DEVELOPMENTS AND MAIN OPPORTUNITIES AND THREATS

The fundamental challenge of the current year will remain the fight against the Covid-19 pandemic. Despite initial progress in the global vaccination campaigns, the incidence of infection is likely to remain dynamic. With a potential improvement in the pandemic situation from spring onwards, a recovery in economic growth could then be felt across the board.

It can be expected that global containment measures remain in place during 2021 before being increasingly relaxed later on. As a result, the global economy should grow strongly again in 2021. Current economic growth forecasts expect the European economy to grow by about 4% in 2021 and by about 3% in 2022, thus returning to pre-crisis levels in the course of 2022.

The long-term impact of the pandemic and its economic consequences cannot be conclusively assessed given the dynamic situation, and is subject to ongoing evaluation. Temporary restrictions on current operations (also caused by exit restrictions, curfews, border closings, school/business shutdowns and other constraints) may affect the CA Immo Group, tenants, customers and suppliers as well as authorities. The consequences in terms of finance, general business and real estate in particular cannot be fully gauged (e.g. payments by tenants which are not in accordance with contracts, delays in construction activities, effects on real estate markets, development of covenants for current financings, effects on planned real estate transactions). The CA Immo Group applies a wide range of possible measures to minimise the impact.

Strategy

Thanks to the successfully implemented strategy programs of recent years, CA Immo enjoys an excellent market position in its core markets. Despite the challenging economic conditions resulting from the Covid-19 pandemic, the core segment of investment properties is expected to continue to perform robustly.

Furthermore, in addition to the continuation of organic growth through profitable project development activities, selective acquisitions of investment properties with value creation potential in the core markets are to be realised. The expected increase in annual rental income, combined with an optimized financing structure, should further enhance the sustainable profitability of CA Immo.

The company's portfolio strategy continues to be based on a high-quality portfolio in terms of both location and building quality and a clear focus on attractive metropolitan areas in Central and Eastern Europe. In this context, strategic capital rotation will be implemented on an ongoing basis. Following the exit from the non-strategic markets of Zagreb (September 2020), Graz (December 2020) and Bratislava (March 2021), a sale of the two office buildings in Belgrade is also planned. Sales within the office portfolios in the strategic core markets and reinvestment of the sales proceeds in acquisitions of strategic investment properties or in the company's development pipeline are aimed at optimizing the quality of the portfolio in terms of location, physical and sustainable building quality, and management efficiency.

Financing

CA Immo has an extremely robust balance sheet and financing structure with a very solid liquidity position. The inaugural issuance of a benchmark bond and a green bond in 2020 represents a milestone in the implementation of the growth strategy, which has significantly accelerated the diversification of the financing structure and its optimization.

Moody's confirmed both the Baa2 rating and the stable outlook in a credit opinion on 18 January 2021. When the core shareholder Starwood Capital made an anticipatory mandatory offer to the shareholders and owners of convertible bonds of CA Immo, the rating agency placed the rating 'under review for downgrade' as well as the outlook to under review. According to an announcement by Moody's, this change reflects uncertainty over whether Starwood will "acquire control of CA Immo and whether this will mean changes to the business, finance and liquidity profile of CA Immo".

Key factors that may influence our business plans for 2021 include:

- Economic developments in the regions in which CA Immo is active and the effects of these on demand for rental premises and rental prices (core indicators include GDP growth, employment and inflation).
- The development of general interest rate levels.
- The financing environment as regards the availability and cost of long-term financing with outside capital (both secured financing from banks on property level and unsecured capital market financing on group level), and accordingly the development of the market for real

estate investment, price trends and their impact on the valuation of the CA Immo portfolio.

- The speed at which planned development projects are realised will also depend on the market factors outlined above and the availability of necessary debt and equity.
- Political, fiscal, legal and economic risks, transparency and the development level on our real estate markets.

Dividend and annual earnings target 2021

For business year 2020, the Management Board plans to propose a dividend of € 1.00 per share with dividend entitlement.

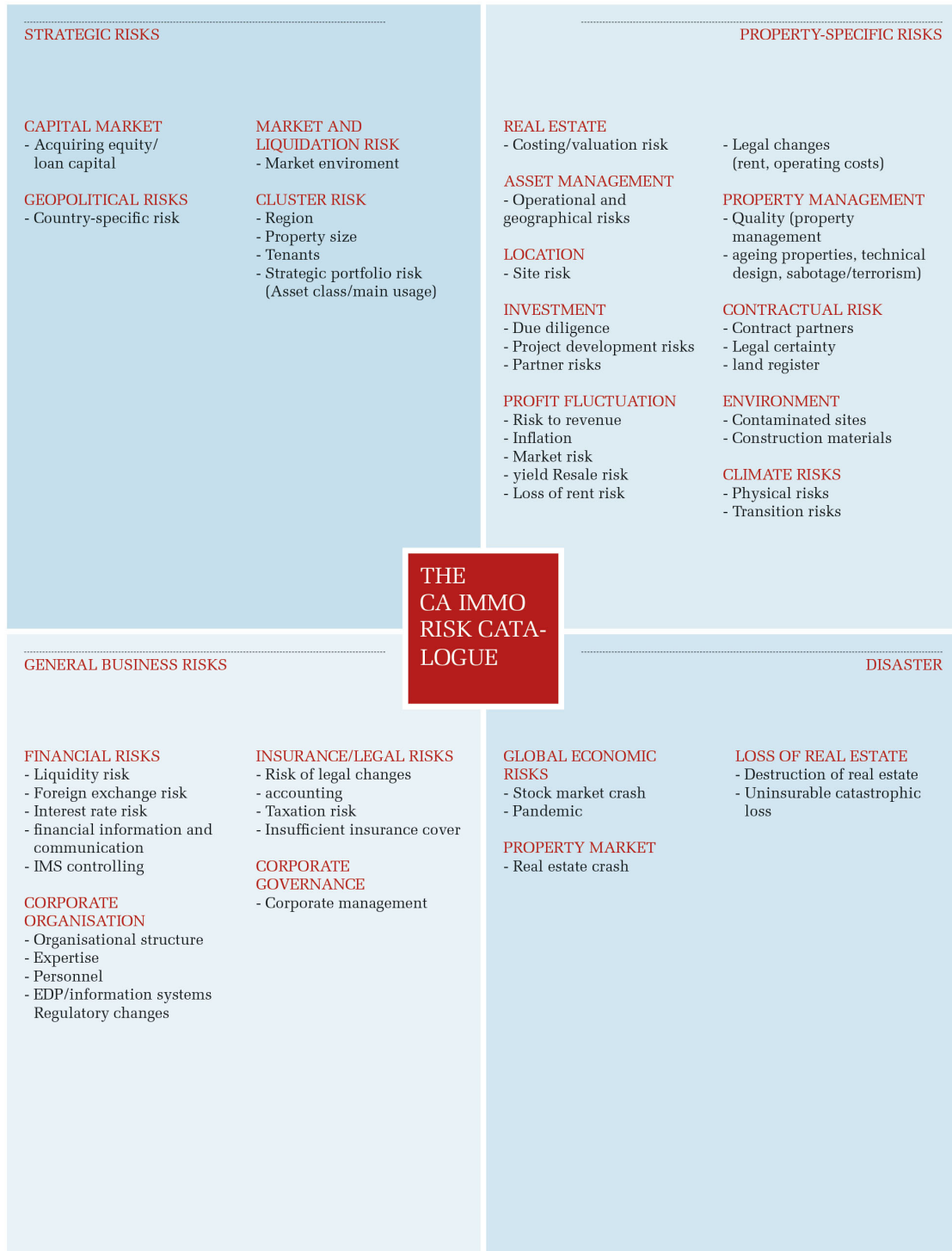
The annual target for FFO I, a key indicator of the Group's recurring earnings power, will be announced in the context of the presentation of the first quarter in May 2021.

RESEARCH AND DEVELOPMENT

Technological and social change continues to transform the office environment and the knowledge-based economy. In order to develop and revitalize office properties today in such a way that they can be efficiently and profitably managed in future, CA Immo monitors changes to working processes and corporate requirements in terms of premises; at the same time, it trials new technical solutions along with space and building concepts on selected development projects. The current focus is on new requirements relating to energy efficiency, environmental protection and protective measures in relation to viral infections (pandemic protection).

In the course of theoretical and practical research activity, CA Immo maintains partnerships with institutions involved in real estate related research. For example, CA Immo is a **partner to the Office 21 joint research project of the Fraunhofer IAO Institute (www.office21.de)** and the **Innovation platform RE!N (Real Estate Innovation Network)**, with the objective of pilot testing external and own innovation approaches at an early stage. CA Immo is also an active member of relevant platforms in the real estate industry.

RISK REPORT



RISK MANAGEMENT AT CA IMMO

To ensure the success of CA Immo as a business in the long term and enable the company to meet its strategic objectives, effective management of new and existing risks is essential. A commensurate measure of risk must

CA Immo's risk management system is based on the following elements:

- Risk culture: CA Immo's reputation is central to our identity and business success. Therefore, compliance with established principles of corporate governance and value management is a matter of course. For CA Immo, risk culture implies the raising of risk awareness and the establishment of a conscious approach to risk in day-to-day business –for managers and individual employees alike.
- Risk strategy: The risk strategy describes how risks stemming from business strategy are managed and identifies the risks in terms of their impact on the company's economic situation and the relevant guidelines on managing risks.

Strategic alignment and tolerance of risk

With the approval of the Corporate Development committee established in 2019 and the Supervisory Board, the Management Board defines the strategic direction of the CA Immo Group as well as the nature and extent of risks the Group is prepared to accept in pursuit of its strategic objectives. The Risk Management department supports the Management Board in assessing the risk environment and developing potential strategies to raise long-term stakeholder value. An internal risk committee comprising representatives from all business areas and the CFO has also been set up; this convenes quarterly or, if necessary, in special sessions (in response to the Covid-19 situation, for example). The purpose of the committee is to provide additional assurance in regularly assessing the Group's risk situation across departmental boundaries and introducing measures as necessary. The aim of this is to ensure the company adopts the best possible direction from the alternatives available.

Identification of risks and assessment

CA Immo evaluates the opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company incorporates early warning indicators such as rent forecasts, vacancy analyses, continual monitoring

be accepted if we are to utilise market opportunities and exploit the potential for success they hold. For this reason, risk management and the internal monitoring system (IMS) deliver an important contribution to the Group's corporate governance (defined as the principle of responsible management).

of lease agreement periods and the possibility of terminations; construction costs are also tracked throughout project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions. The company also evaluates specific risks at regular intervals every three years, focusing on content, effect and likelihood of occurrence. An annual update is also carried out with regard to the estimated impact on the result, assets or liquidity of CA Immo ('extent of damage') and the probability of occurrence within a period of one year. Measures and controls already implemented are taken into account to determine the net risk. The Management Board uses this data as the basis for determining the severity and type of risks that it regards as acceptable in pursuing its strategic objectives. Strategies adopted by the Management Board are incorporated into the Group's three-year planning; this assists the Group in communicating its willingness to take risks and its expectations, both internally and externally.

The risk policy of CA Immo is defined by a range of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is obligatory at all levels of the company. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all levels, decisions are subject to the dual verification principle. Internal Auditing, an independent division, reviews operational and business processes, appointing experts from outside as necessary; it acts independently in reporting and evaluating audit results.

Evaluating the functionality of risk management

The proper functioning of the risk management system is evaluated annually by the Group auditor in line with the requirements of C Rule no. 83 of the Austrian Corporate Governance Code. The results are reported to the Management Board and the audit committee.

KEY FEATURES OF THE INTERNAL MONITORING SYSTEM (IMS)

CA Immo's internal monitoring system covers all principles, procedures and measures designed to ensure the effectiveness, cost-effectiveness and accuracy of accounting as well as compliance with relevant legal regulations and company guidelines. The IMS is integrated into individual business processes, taking account of management processes. The objectives of the IMS are to preclude and expose errors in accounting and financial reporting, thus enabling amendments to be introduced in good time. Transparent documentation makes it possible to depict accounting, financial reporting and auditing processes. All operational areas are incorporated into the financial reporting process. Competent local management teams are responsible for implementing and monitoring the IMS; the managing directors of subsidiaries are required to perform their own checks in order to assess and document compliance with monitoring measures. The effectiveness of the IMS is regularly assessed by the Group Auditing department while the cost-effectiveness of business processes is continually evaluated. The results of these assessments are reported to the responsible executive boards, the full CA Immo Management Board and (at least once a year) the audit committee.

STRATEGIC RISKS

CA Immo defines strategic risk as the danger of unexpected deviations from company plans or the losses that can result from management policy decisions on the direction taken by the company. These risks generally arise from unexpected changes in the macroeconomic market environment. Many of the risks mentioned here are not actively manageable.

Amongst other things, the economic success of CA Immo depends on the **development of real estate markets of relevance to the Group**. Key factors influencing the economic trend include the general situation of the global economy, the trend in rental prices, the inflation rate, levels of national debt and interest rates. In the office properties segment, factors such as economic growth, industrial activity, the unemployment rate and consumer confidence play a major role alongside other factors critical to the economic trend. These circumstances – all of which are beyond the company's control – may have a negative impact on the broad economic picture in Europe and thus adversely affect economically powerful countries like Germany and Austria; they may

also impair the finance and real estate sector generally. Any downturn in the economic situation has the potential to reduce demand for real estate, which in turn can adversely affect occupancy rates, property values and even the liquidity of real estate.

Although the economic environment remains characterised by low interest rates and relatively high property portfolio valuations, the possibility of an **interest rate rise** negatively affecting the real estate market – and thus property valuations and the divestment plans of CA Immo – cannot be discounted. Acquiring equity and loan capital could become significantly more difficult, making expansion plans almost or completely impossible. The possible reintroduction of national **currencies** by individual eurozone members would also have grave consequences for the economies and financial markets of Europe. Finally, the departure of individual nations from European currency union could lead to a complete collapse of the monetary system.

Geopolitical risks such as political instability, lack of basic legislation and arbitrary government practices offset the economic opportunities offered by enterprises in other countries. Consequently, enterprises operating in unstable regions must allow for significant impacts on their business activities, such as tax increases, customs duties, export bans, expropriations and asset seizures. Where properties are concentrated too strongly in a single region, these factors can also have a considerable influence on the profitability of the CA Immo Group.

Impact of the Covid-19 pandemic

Across the board, business year 2020 was impacted by the global Covid-19 pandemic as many countries imposed general lockdowns and travel restrictions. As a result, market activity was severely affected in many sectors as of the second quarter of 2020.

The pandemic continues to have Europe firmly in its grip. As infection figures skyrocketed practically everywhere from the third quarter of 2020 onwards, countries once again responded with far-reaching restrictions. Renewed lockdowns are likely to cause the European economy to contract even more sharply than had been expected in mid-2020 (see also "Economic environment" chapter).

The real estate sector is also experiencing the consequences of the pandemic already, with some real estate markets reporting significantly lower levels of transaction

activity and liquidity. Hotels are closing due to low occupancy rates and retailers are increasingly requesting rent deferrals or rent reductions in the face of significant sales losses. Some construction sites cannot operate as planned. The short- and long-term economic impact of the Covid-19 pandemic on real estate markets remains highly uncertain. The longer the crisis lasts, the more complex and severe the effects become.

Due to the pandemic and the associated economic slump, the **real estate transaction market** has declined sharply, with the exception of Germany. The volume of commercial property transactions registered in CA Immo's core markets was between 30% (Eastern Europe) and 50% (Austria) down on the previous year. In Germany, the decline amounted to less than 6% in comparison with the record result of the previous year. Transactions were paused or even cancelled due to difficulties in pricing and financing.

With the exception of Vienna, where **letting performance** has remained steady so far and the effects are only expected in 2021, all of CA Immo's core cities have seen a decline in demand for office space and/or an increase in vacancy rates due to the challenging conditions caused by the pandemic and its economic impact. Now that both transaction and letting activities have declined significantly, extended marketing and vacancy periods for unlet units are also likely in the future. As demand for office space is primarily dependent on macroeconomic developments, it remains to be seen how the significant decline in office space take-up in 2020 will actually develop in fiscal year 2021. It also remains unclear how the expansion of digital working processes linked to the crisis and the rise of the home office will affect demand for office space in the medium term. The possibility of the office market being more strongly influenced in future by the trends towards flexible office space leases and co-working cannot be ruled out.

Across its tenant base (office, hotel, retail), the Group is confronted with requests for waivers, reductions or deferrals of rental payments. The legal framework varies from country to country. In the event of Covid-19-related official shut-downs or restrictions of operations, Austrian law provides for a special statutory right to reduce rent, whereas in other countries, in the absence of specific statutory provisions, there is generally an obligation to pay rent; a right to reduce rent can only be established by way of exception and in individual cases via general legal pro-

visions (such as the lapse of the contractual basis). However, deviating contractual provisions can also justify a tenant's right to reduce rents. The extent to which the measures taken to contain the Covid-19 pandemic will lead to **insolvencies of individual tenants** and thus to an increase in vacancy rates cannot yet be estimated and will largely depend on the duration of the crisis. In particular the hotel, restaurant and non-systematically relevant retail sectors are suffering disproportionately from the prevailing situation. Depending on the asset class, further rent waivers, rent reductions and rent deferrals are likely. CA Immo responds to this risk by analysing the property portfolio, tenant structure and cash flow, among other things, and performs various scenarios to assess the risks. Case-by-case assessment is generally necessary.

In view of the uncertain future impact of the Covid-19 pandemic and the related current and future measures on the property markets, plus the fact that it is difficult to distinguish between short-term effects and longer-term structural market changes, CA Immo regularly reviews its **property valuations**. Following a near-complete external valuation of the Group's portfolio in the fourth quarter of 2020, values for the property assets as at the reporting date of 31 December 2020 were updated or adjusted on the basis of binding purchase agreements or external valuations. Taking into account the current exceptional circumstances and low levels of transactions, property valuations must continue to be handled with greater caution than is normally necessary, especially in the core markets of Austria and Eastern Europe.

Given the current market conditions – with rising construction costs, supply and timing problems, fluctuating financing rates, uncertain marketing periods and a lack of comparative values – it is inevitable that a higher uncertainty factor will apply to **project developments**. Land values could therefore fluctuate much more than would be the case under normal circumstances.

The long-term effects of the outbreak of the Covid-19 pandemic remain to be seen, although volatility and uncertainty on stock markets, corporate profit warnings and negative economic forecasts underline the potential dangers to the European and global economies. The effects cannot be conclusively assessed given the fast-moving situation, and are subject to ongoing evaluation. Temporary restrictions on current operations (also caused by exit restrictions, curfews, border closings, school/business shut-downs and other constraints) may affect the CA Immo

Group, tenants, customers and suppliers as well as authorities. The consequences in terms of finance, general business and real estate in particular cannot be fully gauged (e.g. payments by tenants which are not in accordance with contracts, delays in construction activities, effects on real estate markets, development of covenants for current financings, effects on planned real estate transactions). The CA Immo Group applies a wide range of possible measures to minimise the impact.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment and composition of the portfolio

The real estate market is determined by macroeconomic development and demand for properties. Economic instability and restricted access to loan capital and equity-based financing can lead to business partners opting out. Where the liquidity of the real estate investment market is insufficient, there is a risk that sales of individual properties with a view to strategic adjustment of the real estate portfolio may prove impossible or only possible under unacceptable conditions. Many factors that can lead to unfavourable developments are outside of CA Immo's control. These include changes to available income, economic output, interest rates and tax policy. Economic growth, unemployment rates and consumer confidence also influence supply and demand levels for real estate at a local level. This can affect prices of properties, market rents and occupancy rates while adversely affecting the value of properties and associated income. For this reason, strongly negative effects on earning power and property valuations cannot be ruled out.

Property values depend not only on the development of rental rates, but also on real estate starting yields. Given the general market environment, there is still a risk that starting yields for commercial real estate will be adjusted upwards. The historically high price of property investment is combining with low real estate yields to create risks to the **value of properties** in the CA Immo portfolio. Due to sustained pressure from investors, there is also the risk that properties are only available to purchase at inflated prices. The possibility of an increase in general interest rates that forces property yields up and subsequently property values down cannot be ruled out.

CA Immo counters **market risk** by spreading its portfolio across various countries. CA Immo counters **country-specific risk** by concentrating on strategic core regions through local subsidiaries with their own on-site staff,

and through appropriate regional allocation within those core markets. The focus here is on markets that exhibit the long-term structural trends of increasing urbanisation, positive demographic change, and structural supply shortages as well as high investment liquidity. Market knowledge, continual evaluation of strategy, monitoring of the portfolio and purposeful portfolio management in the context of strategic decision-making (e.g. defining exit strategies, medium-term planning of sales) enable the company to respond quickly to economic and political events. CA Immo negates **transfer risk** by repatriating liquid assets from investment markets with a low credit standing. Active portfolio management aims to prevent **concentration risk** and maintain a balanced portfolio structure. CA Immo is currently active in Germany, Austria and selected CEE markets. Germany is currently the largest single market of CA Immo, accounting for a share of 55% of the total portfolio, although regional portfolio target distribution envisages a medium-term increase in the German share to 60-65%. CA Immo is part of the EPRA Developed Europe Index, which supports the capital market positioning and the overall rating. To this end, an aggregate EBITDA contribution of Germany, Austria and Poland of more than 50% is targeted. In order to maintain critical market relevance, real estate assets of approximately € 500 m are to be held in each core city. In terms of asset classes, CA Immo concentrates on modern, high-quality office properties, with a focus on prime inner-city locations. The development business segment also realises property developments and construction projects with other usage types (e.g. residential, hotel), which are generally sold after successful development or completion.

For **single investments**, CA Immo currently defines concentration risk as a limit value of 5% of the total portfolio. The only property in this category as at the balance sheet date was the Skygarden office building in Munich. The portfolio as a whole is highly diversified: the top ten Group assets represent less than 30% of the total portfolio. The concentration risk in respect of **single tenants** is also manageable. As at 31 December 2020, the top ten tenants were generating some 21% of rental revenue. With an approximate share of 3% of total rental income, Price-waterhouseCoopers followed by Intercity Hotel GmbH are currently the biggest individual tenants in the portfolio. In general, single tenants should not account for more than 5% of total annual rental income over an extended period, although tenants with excellent credit ratings (AAA/AA) may be an exception. For **single-tenant build-ings**, such scenarios should be avoided unless the tenant's

credit rating is considered excellent (AAA/AA). A single-tenant scenario is defined as a case where more than 75% of the annual rental income (single property level) is attributable to a single tenant. Generally, rental income from single-tenant buildings should not exceed 20% of total annual rental income. In addition, the average lease term for single-tenant properties should exceed 10 years.

CA Immo creates sustainable value through a comprehensive value chain, from leasing and management to the construction, planning and development of investment properties with highly developed in-house expertise. This reduces functional (performance) risks while maximizing opportunities along the value chain (developer profit). Although, **land reserves** and **land development projects** present specific risks owing to the high capital commitment and absence of steady cash inflows, they also offer considerable potential for value increases through the securing or enhancement of building rights. Risks are regularly reduced via the sale of non-strategic land reserves. The acquisition of building rights on remaining land will be accelerated through the company's own capacity. Overall, CA Immo is aiming for a balanced portfolio; on the basis of balance sheet values, this means around 85% profitable properties and 15% development projects under construction, including land bank reserves.

Other concentration risks arising from factors such as the existence of several properties with a market value of more than € 100 m in the same city, the sector mix of tenants, the identity of contractual partners, suppliers or lenders, etc., which cannot be effectively measured or limited in quantitative terms, are subject to regular review.

Political and economic trends in the countries in which CA Immo is active also have a significant impact on **occupancy rates** and rent losses. The earning power and market value of a property is adversely affected where the Group is unable to extend a rental agreement due to expire under favourable conditions or find (and retain for the long term) suitably solvent tenants. The creditworthiness of a tenant, especially during an economic downturn, may diminish over the short or medium term, which can affect rental revenue in turn. In critical situations, the Group can cut rents to maintain an acceptable occupancy rate. Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the Group's **rent default risk** has remained at the low level, despite the negative impact of the Covid-19 pandemic on individual

tenants. Subject to the unpredictable economic impact of the pandemic, a decline in rental income cannot be excluded. All outstanding receivables are evaluated quarterly and adjusted according to the level of risk. The risk of lost rent is taken into account to a sufficient degree in the estimation of property values. Many of the Group's lease agreements contain stable value clauses, often taking account of consumer price indices for particular countries. The level of revenue from such rental contracts and new lettings depends heavily on the inflation trend (**sustainable value risk**).

Competition for reputable tenants is intense on the lettings market; rent levels are under pressure in many markets. To remain attractive to tenants, CA Immo could be forced to accept lower rental rates. Moreover, incorrect assessments of the attractiveness of **locations** or potential **usages** can make lettings more difficult or significantly impair desired lease conditions.

To a lesser extent, the Group's portfolio also includes **special asset classes** such as shopping malls and hotels whose operation involves certain risks. Poor running of a centre, inadequate corporate management of tenants, declining footfall and increasing competition can force rental rates down and lead to the loss of key tenants, which in turn leads to rent losses and problems with new lettings. Although CA Immo does not operate any hotels itself, the Group's earnings situation also depends on the quality of external hotel management and the development of hotel markets. As mentioned earlier, the negative effects of the Covid-19 pandemic-related lockdowns imposed by the authorities have had a particularly severe impact on hotel operators and the retail sector.

Risks associated with the project development area

Costs are generally sustained at the early stages of real estate development projects; revenue is not generated until the latter phases of a project. Many development projects may be associated with **cost overruns** and **delays** in completion that are frequently beyond the control of CA Immo. This can adversely affect the economic viability of individual projects and lead to **contractual penalties** and **compensation claims**. If no suitable tenants are found, this can lead to vacancy after completion. CA Immo takes steps such as cost monitoring, variance analyses and long-term liquidity planning to manage such risks to a large extent. With few exceptions, projects are only started subject to appropriate pre-letting that can cover future debt service through rental income. Excep-

tions are only made in special project and/or market situations (e.g. extreme regional shortage of leasable space with foreseeable rising rents and low letting risk during the project phase) and require explicit reviews when obtaining project approval.

Saturation of the construction industry presents risk to CA Immo as regards the (on time) availability of construction services and the level of building costs. This is now noticeable not only in Germany – the core market for the company's development projects – but in all CA Immo's core regions. Despite making provision for rising costs within project reserves, the fact that further rises in **construction costs** could present a risk to budget compliance and the overall success of a project cannot be ruled out. Another risk is that current property yields might change, thereby reducing target developer profits, even though projects have been calculated defensively. For this reason, CA Immo is increasingly reliant on appropriate market and cost analyses in the development area as well. Projects currently in progress are generally on time and within approved budgets; they are continually monitored as regards cost risk.

Risks from sales transactions

Sales transactions can produce risks linked to contractual agreements and assurances. These might relate to **guaranteed** income from rental payments and can subsequently reduce purchase sums agreed or received. Sufficient financial provision has been made to counter recognised risks to revenue from transacted sales, and liquidity risk is considered in liquidity planning. Contractual obligations in the form of follow-on costs (e.g. residual construction work) form part of relevant project cost estimates.

Environmental and climate risks

Environmental and safety regulations include active and latent obligations to remediate contaminated sites. Complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover **contamination** with undiscovered harmful materials or noxious substances, munitions and other environmental risks such as soil pollution, etc. Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can render CA Immo **liable** to third parties, significantly impact the sale and letting of affected prop-

erties and adversely affect the generation of rental revenue from such properties. **Natural disasters** and extreme weather conditions can also cause considerable damage to real estate. In principle, insurable risks are insured to the usual extent (e.g. all-risk insurance for development projects). Unless sufficient **insurance** is in place to cover such damage, this can have an adverse impact. To minimise the risk, CA Immo incorporates these considerations into its due diligence audit prior to every purchase; appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification.



As a responsible player in the European real estate sector, CA Immo fully supports the **United Nations' climate goals** and the associated transition to a low-carbon, sustainable economy. In order to meet the associated requirements in the best possible way and to secure long-term competitiveness, CA Immo has anchored corresponding measures, processes and goals in its strategic approach (including sustainability certification, sustainability reporting, ESG reporting and green financing).

GENERAL BUSINESS RISKS

Operational and organisational risks

Weaknesses in the CA Immo Group's **structural and process organisation** can lead to unexpected losses or additional expenditure. This risk can arise from shortcomings in **EDP** and other **information systems** as well as human error and inadequate internal inspection procedures. Flawed program sequences as well as automated EDP and information systems pose a significant operational risk where their type and scope fail to take account of business volumes or prove vulnerable to cybercrime. Human risk factors include an insufficient understanding of corporate strategy, inadequate internal risk monitoring (and especially business process controls) and excessive decision-making authority at individual level, which can lead to unconsidered actions or a proliferation of decision-making bodies that hinder flexible responses to changes in the market. Some real estate management tasks and other administrative duties are outsourced to external third parties. In the process of transferring administrative tasks, it is possible that knowledge of managed properties and administrative processes can be lost, and that

CA Immo could prove incapable of identifying and contractually committing suitable service providers within the necessary timeframe.

Nonetheless, the **expertise** possessed by a company and its workforce constitutes a significant competitive factor and a unique point of distinction over competitors. When key members of staff leave, therefore, the company is exposed to the risk of loss of expertise, which generally requires a significant commitment of corporate resources (money, time, recruitment of new employees) to redress the balance. CA Immo takes various measures to counter these risk factors. In the case of corporate mergers, structured processes of organisational integration are observed. Process organisation (i.e. system/process integration) is firmly established; activities to ensure the long-term implementation of operational processes are ongoing. The Group structure is regularly scrutinised and examined to ensure predefined structures take account of the size of the company. CA Immo counters risks linked to personal expertise (which can arise with the resignation of key knowledge holders) through regular transfers of knowledge (via training courses) and by documenting know-how (in manuals, etc.); far-sighted staff planning also plays a part.

Legal risks

In the course of normal business activity, the companies of the Group can become involved in **legal disputes**, both as plaintiffs and as defendants. Such cases are heard in various jurisdictions. In each case, different procedural law means that competent courts are not always equally efficient; moreover, in certain cases the complexity of issues in dispute can make for protracted proceedings or lead to other delays. CA Immo believes it has made sufficient financial provisions for legal disputes. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are imminent or pending. In the spring of 2020, CA Immo filed a claim for damages against the Republic of Austria and the state of Carinthia for unlawful and culpably biased influence on the best bidder procedure in the context of privatisation of Federal Residential Property companies in 2004 ('BUWOG') and for the unlawful failure to win the best bidder procedure. The first-instance (though not yet final) criminal verdicts against the defendants (ex-Federal Minister of Finance Grasser et al.), announced in early December 2020, confirmed that actions taken in connection with the BUWOG privatisation proceedings were unlawful and biased. The criminal court referred CA Immo to the civil courts with the asserted private party claims against the

defendants for damages of € 1.9 bn. A more detailed assessment of the specific effects of the criminal proceedings on the pending proceedings for damages will only be possible after written judgment has been issued and, subsequently, appeal proceedings have been concluded with a final criminal judgment. A criminal judgment has no procedural binding effect on civil claims for damages asserted against the Republic of Austria and the state of Carinthia. As a precautionary measure, a provision of approximately € 25 m has been formed for court fees in connection with the damages proceedings.

It is not possible to predict changes to **legal provisions**, case law and administrative practice, or the impact of these on business results; such changes may adversely affect real estate values or the cost structure of the CA Immo Group. CA Immo proactively manages such legal risks by taking numerous measures. These include the regular assessment of historical and existing legal risks, continual monitoring of legislative changes and changes in case law, the incorporation of lessons learned into business processes and continuous informative and training measures.

Organised crime, and particularly fraud and extortion, is a general risk to commercial activity. Many countries continue to perform very poorly in combating **corruption**. Such illegal activity can lead to considerable financial repercussions and negative publicity. The risk of corruption is addressed by the code of conduct ('zero tolerance') and the related gifts and donations policy. Employees are required to report any suspicions internally. Employees and external third parties can also report suspected misconduct anonymously via the electronic whistleblower system set up by CA Immo ([Whistleblower System \(caimmo.com\)](http://caimmo.com)). The Supervisory Board is informed at least once a year about measures taken to combat corruption. Corruption-related matters are audited on the basis of the audit plan approved by the audit committee or on the basis of special audit assignments issued by the Management Board, audit committee or full Supervisory Board. All operating Group companies are reviewed for corruption risks on a regular basis.

Taxation risk

For all companies, current income and capital gains is subject to income tax in the respective country. Important discretionary decisions must be taken regarding the level of tax provisions that need to be formed. The extent to which active deferred taxes are recognised must also be determined.

Subject to compliance with certain requirements, revenue from the sale of participating interests is fully or partially exempted from income tax. Even where a company intends to meet the requirements, passive deferred taxes are fully applied to property assets according to IAS 12.

Key assumptions must also be made regarding the extent to which deductible temporary differences and loss carry forwards are set off against future taxable profits, and thus the extent to which active deferred taxes can be recognised. Uncertainty arises regarding the amount and timing of future income and the interpretation of complex tax regulations. Where there is uncertainty over the application of income tax to business transactions, an assessment will be required as to whether or not the responsible tax authority is likely to accept the interpretation of the tax treatment of such transactions. In case of doubt, the CA Immo Group enters the tax obligation as the most likely amount on the basis of that assessment. Such doubt and complexity can mean that future tax payments turn out to be significantly higher or lower than the obligations currently assessed as probable and recognised in the balance sheet. The CA Immo Group holds a large part of its real estate portfolio in Germany, where many complex tax regulations must be observed. In particular, these include (i) provisions on the transfer of hidden reserves to other assets, (ii) legal regulations on real estate transfer tax charges and the possible accrual of real estate transfer tax in connection with direct or indirect changes of control in German partnerships and corporations and (iii) the deduction of input taxes on construction costs in the case of development projects. The CA Immo Group makes every effort to ensure full compliance with all tax regulations. Nonetheless, there are circumstances (some of which are outside the CA Immo Group's control) such as changes to the shareholding structure, changes in legislation or changes in interpretation on the part of tax authorities and courts which could lead to the aforementioned taxation cases being treated differently, which in turn would influence the assessment of tax in the consolidated financial statements.

Partner risks

Since CA Immo undertakes a number of development projects as **joint ventures**, the company depends on the solvency and performance capability of partners to some extent; moreover, the Group is exposed to **credit risk** in respect of its counterparties. Depending on the agreement in question, CA Immo could also bear joint liability for costs, taxes and other third-party claims with its co-investors and, where a co-investor **opts out**, be forced to accept

liability for their credit risk or their share of costs, taxes or other liabilities.

FINANCIAL RISKS

Liquidity, investment and refinancing risk

(Re)financing on the financial and capital markets is one of the most important considerations for a real estate company. In particular, CA Immo requires loan capital to refinance existing loans and to finance development projects and acquisitions. In effect, therefore, the company is dependent on the readiness of banks and capital markets to provide additional loan capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing. The attractiveness of financing alternatives depends on a range of factors, not all of which can be influenced by the Group (market interest rates, required securities and so on). This can significantly impair the ability of the Group to raise the completion level of its development portfolio, invest in suitable acquisition projects or meet its obligations in connection with financing agreements.

Although the CA Immo Group has a sufficient level of liquidity as things stand, we must take account of restrictions at individual subsidiary level; access to cash and cash equivalents is limited owing to obligations to current projects and a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area or corporate bonds and convertible bonds issued by CA Immo. Where these requirements are violated or default occurs, the relevant contractual partners are entitled to accelerate financing and demand immediate repayment. This could impel the Group to sell real estate or arrange refinancing under unfavourable terms.

CA Immo has fluctuating stocks of cash and cash equivalents which the company invests according to its particular operational and strategic needs and objectives. Sufficient equity capitalisation will be required for the company to retain its Baa2 investment grade (long-term issuer) **rating** as granted by Moody's in December 2015.

CA Immo counters risk of this kind by continually monitoring covenant agreements and effectively planning and

securing liquidity. The financial consequences of strategic aims are also taken into account. To control liquidity peaks, the Group has secured a revolving overdraft facility at parent company level. This also ensures the Group can meet unexpected cash flow requirements. In line with the investment horizon for real estate, loans are invariably agreed on a long-term basis. In principle, appropriate financing (e.g. loan or bond) must be guaranteed before binding contracts are concluded in connection with real estate acquisitions. As an alternative and supplement to established means of (equity) capital procurement, the company has also entered into equity partnerships (joint ventures) at project level in the past.

Even with meticulous planning, it is not possible to eliminate liquidity risk, particularly where capital requests linked to joint venture partners are not viable. CA Immo Deutschland has a high capital commitment, which is typical of development projects. Financing has been secured for all projects under construction; additional financing is required for new project launches.

Interest rate risk

Market-led fluctuations in interest rates affect both the level of financing costs and the fair value of interest hedging transactions concluded. For financing purposes, CA Immo uses banks at home and abroad and issues corporate bonds, thereby opting for a mix of long-term fixed-rate and floating-rate loans. To hedge against impending **interest rate changes** and associated fluctuations in financing costs, greater use is made of derivative financial instruments (interest rate caps, swaps and floors) in the case of floating-rate loans. However, hedging transactions of this kind may prove to be inefficient or unsuitable for achieving targets; they may also result in losses that affect earnings. Moreover, the **valuation of derivatives** can impact negatively on profits and shareholders' equity. The extent to which the Group utilises derivative instruments is guided by assumptions and market expectations in respect of the future interest level, and especially the 3-month Euribor rate. Should these assumptions prove incorrect, the result can be a significant rise in interest expenditure. Continual monitoring of the interest rate risk is

therefore essential. No risks constituting a serious and permanent threat to the company exist at the present time. Moreover, CA Immo is increasingly obtaining finance from the capital market. Fixed-interest loans (in the form of corporate bonds, for example) and loans hedged through derivatives currently account for 94% of the total financing volume. Continual optimisation of the financing structure in recent years has served to improve the maturity profile and raise the quota of hedged financial liabilities while reducing average borrowing costs. The pool of unencumbered assets – a key factor in the company's investment grade rating – was also raised, and the rating of CA Immo was consolidated. The financing profile has thus become more robust.

Currency risk

Since CA Immo is active on a number of markets outside the eurozone, the company is subject to various currency risks. Where rents are payable in currencies other than the euro on these markets and cannot be fully adjusted to current exchange rates in time, **incoming payments may be reduced** by means of exchange rate changes. Where expenses and investments are not transacted in euros, exchange rate fluctuations can impair the **payment capacity** of Group companies and adversely affect the Group's profits and earnings situation.

CA Immo generally counters such risk in that foreign currency inflows are secured by pegging rents to the euro; no significant and direct currency risk exists at present.

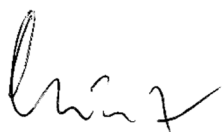
The pegging of rents affects the **creditworthiness of tenants** and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is continually overseen by the responsible country managers. There is no currency risk on the liabilities side. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate.

FINANCIAL RISK MANAGEMENT

RISK	EFFECT	COUNTERMEASURE
UNFORESEEABLE LIQUIDITY REQUIREMENT - Lack of liquidity - Capital requests linked to joint venture partners not viable	- Non-utilisation of opportunities - Distress sales - Insolvency	- Continual analysis, planning and monitoring of liquidity - Optimisation of investment
FINANCING - Breach of covenants - Non-extension of expiring credit - Follow-up financing not secured after project phase	- Cost disadvantages during credit term - Additional requirement for equity or liquidity	- Continual monitoring of the viability of real estate and the fulfilment of covenants from loan agreements - Conclusion of project-related loan agreements, ideally for the long term - Establishment of a liquidity reserve
DEVELOPMENT OF EXCHANGE RATES - Development of foreign currency rates	- Fluctuation in earnings owing to exchange rate gains/losses	- Harmonising of loan and rental agreements - Rapid conversion of free liquidity into EUR - Forward cover, especially for construction contracts
INTEREST RATE CHANGES/ EVALUATION OF INTEREST RATE HEDGING - Evaluation of interest rate developments	- Significant fluctuation in earnings and change in equity ratio due to changing interest level (financing costs, evaluation of interest-rate hedges)	- Mix of long-term fixed-rate and floating-rate loans - On-schedule use of derivatives (Swaps/Floors/Caps) - Continuous monitoring of interest rate forecasts

Vienna, March 24, 2021

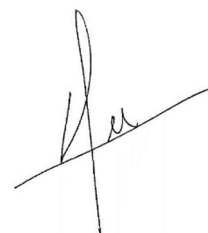
The Management Board



Andreas Quint
(Chief Executive Officer)



Dr. Andreas Schillhofer
(Member of the Management Board)



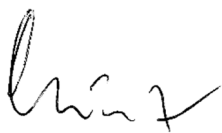
Keegan Viscius
(Member of the Management Board)

DECLARATION OF THE MANAGEMENT BOARD DUE TO SECTION 124 OF THE AUSTRIAN STOCK EXCHANGE ACT (BÖRSEGESETZ)

The Management Board confirms to the best of their knowledge that the financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immobilien Anlagen Aktiengesellschaft and that the management report gives a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties the CA Immobilien Anlagen Aktiengesellschaft faces.

Vienna, March 24, 2021

The Management Board



Andreas Quint
(Chief Executive Officer)



Dr. Andreas Schillhofer
(Member of the Management Board)



Keegan Viscius
(Member of the Management Board)

AUDITOR'S REPORT ^{*)}
Report on the Financial Statements**Audit Opinion**

We have audited the financial statements of

CA Immobilien Anlagen Aktiengesellschaft, Vienna,

These financial statements comprise the balance sheet as of December 31, 2020, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2020 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters that we identified:

<i>Titel</i>	Valuation of investments in and loans to affiliated companies
<i>Risk</i>	The financial statements of CA Immobilien Anlagen Aktiengesellschaft as of December 31, 2020 show material investments in affiliated companies (TEUR 2,938,724) as well as material loans to affiliated companies (TEUR 538,240). Furthermore, the financial statements show impairments of investments in and loans to affiliated companies of TEUR 3,239 and income from revaluation of such of TEUR 3,397.

All investments in and loans to affiliated companies are tested for impairment. These impairment assessments require significant assumptions and estimates.

Due to the fact that most of the affiliated companies are real estate companies the impairment test is based on a simplified entity value which is mainly influenced by the property

valuation reports by external, independent valuation experts or contractually agreed purchase prices. The material risk within the valuation reports exists when determining assumptions and estimates such as the discount-/capitalization rate and rental income and for properties under development the construction and development costs to completion and the developer's profit. A minor change in these assumptions and estimates can have a material impact on the valuation of investments in and loans to affiliated companies.

The respective disclosures relating to investments in and loans to affiliated companies are shown in Section "1 – Financial assets", in Section "10 a) – Financial assets" and in appendix 2 – Information about group companies in the financial statements as of December 31, 2020.

Consideration in the audit

To address this risk, we have critically assessed the assumptions and estimates made by management and the external valuation experts and performed, among others, the following audit procedures with involvement of our internal property valuation experts:

- Assessment of concept and design of the underlying business process
- Assessment of the applied methods and the mathematical accuracy of the calculations and supporting documentation
- Assessment of the competence, capability and objectivity of the external valuation experts engaged by management
- Assessment of the applied methods and the mathematical accuracy of selected property-valuation reports as well as assessment of the plausibility of the underlying assumptions (eg. Rental income, discount-/capitalization rate, usable space, vacancy rate) by means of comparison with market data if available
- Check of certain input-data as included in the valuation reports with data in the accounting system or underlying agreements
- Inquiry of project-management for selected properties under development regarding reasons for deviations between plan and actual costs and current estimation of cost to completion; review of actual costs for those projects through review of project-documentation and vouching on a sample basis as well as evaluation of the derived percentage of completion

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report, but does not include the financial statements, the management report and the auditor's report thereon.

We received the consolidated Corporate Governance Report until the date of this audit opinion; the rest of the annual report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. 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 financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee 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 also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Opinion

In our opinion, the management report for the Company was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Additional information in accordance with Article 10 EU regulation

We were elected as auditor by the ordinary general meeting at August 25, 2020. We were appointed by the Supervisory Board on October 15, 2020. We are auditors since the financial year 2017.

We confirm that the audit opinion in the Section "Report on the financial statements" is consistent with the additional report to the audit committee referred to in Article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Alexander Wlasto, Certified Public Accountant.

Vienna, March 24, 2021

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Isabelle Vollmer mp

Mag. Alexander Wlasto mp

Wirtschaftsprüferin / Certified Public Accountant

Wirtschaftsprüfer / Certified Public Accountant

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- *) This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

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We ask for your understanding that gender-conscious notation in the texts of this report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

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